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SENATE—*Wednesday, June 13, 1979*

(Legislative day of Monday, May 21, 1979)

The Senate met at 9:30 a.m., on the expiration of the recess, and was called to order by Hon. JOHN C. STENNIS, a Senator from the State of Mississippi.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

God of the ages, eternal Father, in Thy sight nations wax and wane, rise and fall, pass through perilous times. Now, when our land is deeply troubled, be near to guide us and save us. Make us ever aware of Thy judgment. May our leaders be led by Thy truth and see clearly Thy will. If we have wavered in our devotion to justice or our vision of the higher kingdom has grown dim, forgive us and restore us to the higher way of Thy light and Thy grace. Grant to all who labor in the Government clear minds, pure hearts, and resolute wills to do justly, to love mercy, and to walk humbly with our God, after the example of Him who gave His life for many and in whose name we pray. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. MAGNUSON).

The assistant legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., June 13, 1979.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable JOHN C. STENNIS, a Senator from the State of Mississippi, to perform the duties of the Chair.

WARREN G. MAGNUSON,
President pro tempore.

Mr. STENNIS thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF THE MAJORITY LEADER

The ACTING PRESIDENT pro tempore. Under the previous order of the Senate, the majority leader now is recognized for not to exceed 2 minutes.

THE JOURNAL

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Journal of the proceedings be approved to date.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

JOHN C. STENNIS, SENATOR

Mr. ROBERT C. BYRD. Mr. President, the presiding officer is a man who looks like a Senator, acts like a Senator, talks like a Senator, carries himself like a Senator, and is a Senator. He is one of my favorites of all time, may I say.

Mr. President, I reserve the remainder of my time.

The ACTING PRESIDENT pro tempore. Under the previous order of the Senate, the minority leader is now recognized for 2 minutes.

Mr. STEVENS. Mr. President, I, too, am happy to see the present occupant of the chair, the only man I know who knows how to count the votes in the Senate, one by one, and come out accurately each time. I will never forget the time he counted them for me.

The ACTING PRESIDENT pro tempore. It is not listed under the agenda, but the Chair thanks the leaders for their overly generous remarks. The Chair knows by experience that you are not well prepared unless you have these gentlemen with you on these matters.

THE SOVIET UNION'S "ALASKA"

Mr. STEVENS. Mr. President, in the next few months, the Senate will be considering one of the most difficult natural resource issues it has ever faced: The Alaska lands issue. Over the past 3 years, I have tried to bring to the attention of the Senate various articles which are related to the Alaska lands issue and its importance to our Nation. Most of these articles have dealt with the need for Congress to enact sound and reasonable legislation regarding this important issue. However, today I would like to call to the attention of the Senate one of the series of articles which the Washington Post has recently featured concerning what some have called the Soviet Union's "Alaska." I am referring, of course, to Siberia.

These articles which the Post has included in its paper periodically described the various efforts which the Government of the Soviet Union is engaging in to develop the vast economic potential of the Siberian region. These articles are particularly interesting when contrasted against the current congressional debate regarding land-use planning and management in Alaska. I would like to call the attention of my colleagues to the actions of the Soviet Union as they are faced with a similar decision in Siberia to that which we face in Alaska. The response of the Soviet Union has been to move forward with a strong program of resource use and management to evaluate and permit the utilization of necessary resources for the Russian economic and national security.

Mr. President, this year the Senate will be considering the SALT II agreement. At stake in that agreement is the future of our military security, and one of the compelling arguments to be discussed is whether the SALT Treaty adequately protects our national security. It is apparent that the Soviet Union will continue to develop its resources to insure that its economic and national security will be protected. I urge the Congress to consider the ongoing programs described by the Washington Post article which the Russians are instituting in Siberia. It is important that the Congress consider the effects of its resource decisions on Alaska to insure that our future economic and national security is protected as well.

Mr. President, I ask unanimous consent that the article, "Battling Permafrost for Siberian Coal," be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

BATTLING PERMAFROST FOR SIBERIAN COAL

(By Kevin Klose)

NERYUNGRI, U.S.S.R.—When the Soviets first turned on the electricity to a mammoth new American-designed coal strip-mine excavator here two years ago, the lights went out all over town—a grimy boom settlement in eastern Siberia.

Last year, the 6,000-volt excavator itself broke down and has sat silent for months while American and Japanese technicians from the companies that designed and built it sought to overcome the difficulties. The

Russians had ordered 10 such machines for about $4 million apiece.

Elsewhere, 29 huge American-made trucks for hauling coal and rock from the pits stand idle, with nothing heavier than drifted snow in their enormous dump-bodies. The Russians say defective wheels make it impossible to use the vehicles at full capacity and alterations are necessary. They had ordered 85, at $1.3 million apiece.

Lacking adequate equipment of their own to fill in while these troubles are ironed out, the Soviets have been stymied in starting the massive work of removing millions of tons of frozen rock to get down to the rich coal seam locked beneath in the permafrost. The interruption could eventually prove costly, for mining the seam is crucial to a pioneering multimillion-dollar international venture aimed at speeding exploitation of Siberia's long-neglected mineral riches and providing coking coal for Japan's ravenous steel furnaces.

Despite those woes, there is little doubt that the Soviets eventually will overcome them and succeed in extracting the coal, concentrating it in massive mills, and shipping it south and east over the new Baikal-Amur Magistral (BAM) railroad being cut through wilderness taiga to the Pacific coast for sea shipment to Japan. They have little choice: under terms of an agreement with Japanese, the coal must repay loans of $450 million which financed machinery and technology used to develop the Neryungri deposits, among the richest concentrated coal reserves on earth, but isolated within a harsh continental land mass of summer time swamps thick with mosquitoes and deep winter frosts.

Soviet geologists estimate there are 30 to 40 billion tons of high-quality coal available for strip mining in South Yakutia. About 300 million tons of coking coal and 100 million tons of lower grade coal for heating and electric power plants are in the Neryungri deposit alone. The Russians have contracted to begin shipping 3.5 million tons of coking coal from here to the Japanese beginning in 1983, with deliveries to end in 1998.

Soviet performance on the contract is being closely followed in the West as a possible bellwether of the nation's ability to marshal its notoriously clumsy planned economy for efficient exploitation of the vast natural gas, oil and mineral deposits elsewhere in the one million square mile expanse of Yakutia, where roads, rails, and people are in short supply.

Moscow's own keen interest in the Neryungri effort and other major projects in Siberia arises from its desire to infuse new production sources into an economy whose growth rates this decade have stagnated. Perennially shoddy Soviet manufactured goods have found limited markets in the West, and short of economic reform that could require loosened Communist Party control, the Soviets must rely on sales of natural resources to earn the hard currency needed for future development.

While the Russians have achieved much since work began in earnest here five years ago, the troubles with the 180-ton trucks and excavators are only the latest in a string of cost overruns, bad planning and bureaucratic bungling that has plagued Neryungri almost from inception. The saga of the mighty "240–M Superfront" excavator designed by the Marion Division of Desser Industries of Dallas, Texas, and built under license by Sumitomo of Japan, seems consistent with the short history of this settlement, in the Stanovoy Mountains about 200 miles north of the Soviet-Chinese border.

Signs of high-level Moscow concern abound. In a January newspaper interview, V. Belye, Soviet first deputy coal minister, sharply criticized the project. An original estimate of $1.4 billion to assemble the towns, roads, machinery, machine shops, rail spurs, depots, supply dumps, and open the earth for mining has ballooned to $4.5 billion, he asserted.

The principal planning institute, called Siberian Hydro-Project for Mines, he said, had given the inadequate excuse that South Yakutia is an undeveloped region with severe weather conditions. Harsh conditions here, with attendant higher construction costs, are well-known, Belye said. The 13,000 people at the site are too few to both work the mines and build housing needed to expand the workforce. The planners erroneously calculated that 80 percent of the workforce would be single, when in fact 80 percent are married, causing acute housing problems.

Large rubble heaps from the mines were piled in front of planned rail extensions, and plans for a single central heating boiler to cost five million rubles and employ 70 were ignored, and now 22 temporary boilers costing a total of 66 million rubles and needing 800 workers have been installed, Belye declared.

Asked about these criticisms, Neryungri First Deputy Mayor Eduard A. Krasnov conceded reluctantly there had been massive overruns.

"But these will decline and we will try to keep the cost down," he said, after noting that "the estimate of so big a construction can't be set, there might be change. The increase is caused by the fact that this was one of the first such construction sites with this difficulty."

He said the latest estimate of $4.5 billion will cover all construction costs for an eventual work force of 50,000 by 1983. Of the charge of misplaced rubble heaps, Krasnov replied: "I don't know such facts."

Housing conditions in the Neryungri complex vary from reasonably attractive log dormitories and apartment blocs to ramshackle shanties jumbled amid the clutter of unfinished concrete slab apartments. Indoor plumbing is a rarity throughout Siberia and Neryungri is no exception.

Although pay rates here average about 500 rubles a month ($750), double the European Russian average, and there are many Komsomols (young Communists) who come for what they asserted in private interviews is the "romance" of being part of a brave new project, manpower turnover throughout eastern Siberia remains a perennial problem. Daunted by the isolation, privation, and dullness of life, many young families take their savings and depart for more hospitable parts when their three-year contracts are up.

With all these problems, it seems hardly fair that the Soviets should have trouble with the American excavating machine, designed to scoop 20 cubic meters of rock or coal at a time, four times as much as present Russian machines. But they've had trouble by the scoopful.

Five machines have been delivered, laboriously brought inland in parts. Three have been assembled, used briefly, then put out of commission by various problems. The chief woe involves the scoop bucket, which broke down while biting at the rock covering the coal seam.

The Soviets had planned to remove 75 million cubic meters of rock this year, toward a total of 240 million that must be clawed away by 1983, to get at the coal. But Soviet mine officials said the delays mean only 20 million cubic meters can now be removed this year, and are worried that the trouble may result in shortfalls in the coal production schedule.

Yuri A. Zakarov, chief of construction at the Neryungri pit, in a long complaint voiced while he stood near the stricken machine in the −30 degrees Fahrenheit cold of the quiet pit, said the scoop had been misdesigned by Marion, the division of Dresser's. Dresser has been hired by the Soviets to build a $144 million oil drill bit plant to aid oil exploitation in western Siberia. The sale was approved by the White House last year after initially delaying it to study the strategic implications of the sale.

Zakarov said the machine had been badly designed and equipped to withstand intense cold of the site, where it can be below −50 degrees Fahrenheit for days at a time.

But John H. Bailey, a hydraulics specialist working on the machines at Neryungri, said the hydraulics had given no trouble for more than a year of test and use. New teeth for the buckets are scheduled to be installed soon and the machines can get back to work, he said. But he conceded, "the cold has a hell of a lot to do with it."

RECOGNITION OF SENATOR ZORINSKY

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from Nebraska (Mr. ZORINSKY) is recognized for not to exceed 15 minutes.

U.S. POLICY TOWARD NICARAGUA

Mr. ZORINSKY. Mr. President, It is time to stop kidding ourselves about the situation in Nicaragua. It is too late in the game. The cards are face up: Somoza has been running a political bluff—but the chips are gone and the game is all but over.

Six months ago, it could have been a different game with a variety of options open to the principal players. Six months from now there probably will not be any game at all worth playing.

So where do we go from here? There is only one answer that makes any sense from the standpoint of U.S. national interests: Somoza will have to go, and we must do our part in helping to get rid of him, diplomatically if possible, or militarily if necessary.

Other nations in this hemisphere have reached the same conclusion—Costa Rica, Mexico, Panama, Venezuela, and, more recently, Bolivia, Colombia, Ecuador, and Peru. This is an impressive array of countries—and all of them are saying basically the same thing: Somoza and the Somoza regime have reached the end of the trail.

Mexico's decision to cut its ties with the Somoza government is a particularly significant development. Mexico is one of the most highly respected nations in the hemisphere. Its adherence to the principle of noninterference and nonintervention in the internal affairs of other nations is a matter of record—an unblemished record. But Mexico has acted. And it has acted decisively.

We as a nation could find no better company on the issue of Nicaragua. We can align ourselves with Mexico and with the other nations of this hemisphere in calling for an end to the Somoza tyranny, or we can continue to straddle the fence in Nicaragua. That may have been the proper stance at one point, but that day has long since passed. In Somozaland, the day of the "honest broker" is over.

It is over because politically Tacho Somoza has reached the end of the line—just as Perez Jiminez did in Venezuela; just as Trujillo did in the Dominican Republic, and just as Batista did in Cuba. The longer it takes us to recognize the reality of the Nicaraguan situation, the greater the risks for us and for the hemisphere, and the less credibility we will have with our democratic friends in the region and with whatever comes after Somoza.

We have no way of knowing what will come next in Nicaragua. We do not control events in that unhappy land and will not control them tomorrow any more than we control them today. But we can influence the events in Nicaragua in the days and weeks ahead. And with our hemispheric friends and allies, the prospects are reasonably good that the people of Nicaragua will chart a responsible political course. Lord knows, they are paying dearly for the opportunity to do just that. But the longer Somoza remains, the greater the risk that an extremist solution will follow; that political polarization in Nicaragua will go beyond the limits acceptable to us and to others; and that we will face the very real prospect of having a second revolutionary, Marxist regime come to power in this hemisphere.

The longer Somoza stays on, the more real this prospect becomes; the more likely it is that one extremist political group will simply replace the other—a dictatorship of the extreme left rather than one of the right; and the greater the chances are that we will witness the realization of a self-fulfilling prophesy. Somoza is not the answer to Marxism. Rather, he is the unwitting tool of it—just as surely as Fulgencio Batista paved the way for Fidel Castro to march victoriously through the streets of Havana in January 1959.

If we have learned nothing else from that experience we should have learned that dictators do not last forever—even the Somozas—and that there are limits as to what the people will endure. For Somoza, the people of Nicaragua will endure no more; they are willing to oppose him openly and they are willing to fight and to die in an effort to depose him. They know Somoza. They have lived with him for years. They have been subjected to his greed, his lust and his brutality. They know that among the Idi Amins of this world, Tacho Somoza stands tall. But like Idi Amin, Somoza's days are numbered—and the people of Nicaragua know that, too.

It is just this kind of situation that is ready-made for Marxist revolutionary types—and if we choose to leave the field open to them, they will exploit it to the hilt. They will clothe themselves in the garb of the protectors of humanity and the defenders of democracy and their credibility will be enhanced so long as we choose to sit idly by.

We must not give the Cubans and their cohorts such an opportunity—in Nicaragua or anywhere else, for that matter. We must not allow Castro and Cuba to be seen as the champion of the downtrodden, the oppressed; as a political messiah dedicated to the cause of "truth, justice, and the American way." Castro cannot be permitted to steal our thunder on these gut foreign policy issues.

If there is going to be anyone to champion the rights of the Nicaraguan people in their efforts to throw off the chains of oppression and dictatorship—if there is going to be a Cuba in this hemisphere—it ought to be us, the United States of America. We can beat Cuba and Castro at that kind of game. Nicaragua is a good place to start.

Let us get on with it. The National interest requires it; the people of Nicaragua deserve it, and the public awareness that we have done the right thing will give us a sense of renewed pride and increased self-esteem. In the final analysis, we owe it to ourselves.

Thank you, Mr. President.

I yield back the remainder of my time.

RECOGNITION OF SENATOR SASSER

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from Tennessee (Mr. SASSER) is now recognized for not to exceed 15 minutes.

FEDERAL DEBT COLLECTION EFFORTS

Mr. SASSER. Mr. President, the remarks which I make this morning follow up on an earlier statement made on May 4, and this statement concerns the need for improved procedures to collect delinquent debts owed to the U.S. Government.

Since then, the distinguished Senator from Alasaka (Mr. STEVENS) and I have written our colleagues in the Senate to make them aware of this problem. We have urged our colleagues to join us as cosponsors in a sense of the Senate resolution urging the tightening up of Federal debt collection procedures.

So far, Senators BAYH, HEINZ, PROXMIRE, COHEN, HARRY F. BYRD, JR., BUMPERS, DECONCINI, DURKIN, HUDDLESTON, LUGAR, and LEAHY have joined us as cosponsors in this effort.

For the benefit of my colleagues whose attention may not have been drawn to this matter as yet, I shall make a few brief remarks.

At hearings conducted by the Legislative Branch Subcommittee the Comptroller General, Mr. Elmer Staats, revealed that $140 billion is owed to the Federal Government by various individuals and concerns.

While most of this debt will be paid routinely, billions of dollars are being written off in bad debts and will never be collected.

Billions of dollars more are delinquent and stand to be written off unless the executive branch tightens up its collection procedures.

The Federal Government is losing $200 million a year in interest because many Federal agencies do not bother to collect interest on overdue accounts. We, the taxpayers, must pay instead.

The oil and gas industry was delinquent in the payment of $359 million in 1977. That means all of us who pay taxes were subsidizing this industry with a $359 million interest free loan.

Wealthy individuals, who could well afford to pay their just debts, just do not bother to do so. Because agencies do not follow up, we the taxpayers, must pick up the tab.

Testimony we developed before the Legislative Appropriations Subcommittee indicates that as much as a billion dollars in income tax refunds go out to individuals and firms that owe the Federal Government a like amount of money. Yet, the Internal Revenue Service does not bother to check the computer tapes of the refunds against the individuals who owe money. Even though some of these individuals have $170,000 home mortgages, $10,000 car loans, and own vacation homes, they are still not obliged to pay their debts to the Federal Government.

Mr. President, the American people send us here to pay attention to these matters, to pay attention to the details of Government.

And these are matters, I think, that are of concern to every taxpayer, particularly in these days of fiscal constraint, and every taxpayer will pay more next April than he or she should if we continue to be lax in collecting funds and accounts owed the Federal Government.

Mr. President, I think it is high time that the American taxpayer stop subsidizing those individuals who welch on their debts and the slow-pay artists in the industrial sector of the economy.

In a letter of our colleagues on May 25, Senator STEVENS and I proposed that we send that message—loud and clear—to the constituent agencies of the executive branch who are doing, I submit, such a sloppy job of debt collection.

Mr. President, if my colleagues wish to support this legislation as a cosponsor, or if they have any questions, I ask them to please contact my office or the subcommittee clerk, Mr. Terry Sauvain, at 4–7251.

Mr. President, I yield back the remainder of my time.

Mr. COHEN. Mr. President, will the Senator yield the remainder of his time to me?

The PRESIDING OFFICER (Mr. ZORINSKY). Will the Senator from Tennessee yield the remainder of his time?

Mr. SASSER. I am delighted to yield the remainder of my time to the distinguished Senator from Maine.

The PRESIDING OFFICER. The Senator from Maine is recognized.

Mr. COHEN. I thank the Senator.

SEEKING AN ALTERNATIVE

Mr. COHEN. Mr. President, recent news reports indicate that the Congressional Budget Office (CBO) has revised its economic forecast to predict a recession by the end of the year with unemployment reaching 7.8 percent next year and inflation continuing at double-digit rates.

In an article published by the Washington Post last week, Congressman Jack Kemp suggests an innovative solution to our economic difficulties that would forestall the dire predictions of CBO.

Congressman Kemp, an articulate leader in suggesting alternatives to the Keynesian approach to fiscal policy, argues persuasively that it is impossible to avoid recession and reduce inflation at the same time. He advocates a reduction of marginal income tax rates as the means for encouraging savings, investment, employment, and production.

Mr. President, Jack Kemp's name has become synonymous with tax cuts in this country. He is to be commended for his energetic and tireless leadership, his bold initiative, and his perceptive analysis of the tax-cut issue.

I urge my Senate colleagues to read his excellent article, and I ask unanimous consent that it be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

The People Are Not Fooled

(By Jack Kemp)

Nothing more clearly demonstrates the utter exhaustion of economic thought among our national opinion- and policy-makers than the fact that most of them now agree. What they agree upon is that to control inflation, we need a recession.

They may quibble about whether they mean a "growth recession" or the good-old-fashioned variety. But The New York Times says we need one, Business Week says so, the National Association of Manufacturers says so, last week The Washington Post said so. And, of course, the unnamed administration economist says so, although Alfred Kahn maintains that we will only need to "lower our standard of living" for several years.

Yet few outside this circle seriously subscribe any more to a mystical trade-off between inflation and unemployment Keynesian theory is in disarray. "Economists no longer believe that some blissful state can be achieved by demand management," says Otto Eckstein of Harvard, himself a Keynesian. "Unfortunately, that hasn't penetrated to the Brookings Institution or the White House—they're both 10 years behind academic thought in fiscal policy." What could the serious academic community do but dismiss the theory after the spectacular failures of textbook demand management in 1969–1970 and 1974–1975? Keynesians are leaving the academy, but seem to wind up in Washington.

Here they can feel at home. Treasury Secretary Michael Blumenthal has explained that "inflation is caused by a number of factors that act together and interact in strange and mysterious ways."

We have inflation, apparently, because too many workers are working too much, business is doing entirely too much business, producers are producing too much and consumers are consuming too much. Certain commodity prices seem to be rising all by themselves.

Given the premise, the administration's answer to inflation is perfectly logical: Everybody should do less of whatever it is they're doing. Slow down the economy, and with luck, inflation will eventually go away.

Now, the notion that we can fight inflation by employing fewer workers to produce fewer goods and lowering their real wages tends to puzzle the factory workers in my Buffalo area district, who by this definition have been fighting inflation since 1969. They may not have studied Samuelson, but it seems to them that as goods get scarcer prices go up, not down. They find austerity is the problem, not the solution.

And what about minority unemployment? Why is no one in Washington any longer appalled that 12 percent of black adults and more than 40 percent of black teen-agers don't have jobs? Aside from being a criminal waster of human life, chronic unemployment is one of the biggest contributors to the demand for "inflationary" federal spending. Each 1-percent rise in unemployment costs the budget $20 billion in lost revenues and higher spending.

Yet black audiences are being admonished for not voting—presumably for not voting to support an anti-inflation scheme that explicitly proposes to put upwards of 1 million more workers out of jobs by next year.

Margaret Busch Wilson of the NAACP told us two years ago that "inflation is not caused by too many workers working," and Margaret Bush Wilson was right. Inflation is not caused by workers working, business doing business, producers producing or consumers consuming. Inflation is a decline in the value of currency. Period. Goods aren't getting spontaneously more expensive any more than they would suddenly grow if the government decreed that there are 15 inches in a foot. The average price level rises exactly to the degree that federal monetary policy devalues the dollar.

The administration's frustration with wage and price controls arises because people aren't fooled, as called for under both Keynesian and monetarist theory, in to accepting each devalued dollar at full value.

Yes, hold the applause for monetarism. If, as the monetarists tell us, we are to blame inflation entirely on the Federal Reserve Board, how do we explain why inflation spurted from about 8 percent in the last quarter of 1978 to more than 13 percent in the first quarter of 1979, when Federal Reserve policy was actually tightening?

The answer is that inflation means not only too much money created, but too few goods produced. Deliberate efforts to slow the economy's output almost to zero (the administration's successful discouragement of housing starts, for example) have increased inflation to its highest level since the last recession.

Federal fiscal and monetary policies have been backwards for more than a decade. Monetary policy is supposed to prevent inflation, and fiscal policy is supposed to promote the economic growth that pays for federal spending.

Instead, unnecessary overregulation and excessively high tax rates are deliberately slowing down the economy and increasing the demand for federal spending. What is the Federal Reserve supposed to do? If money is loose, inflation increases and simply pushes everyone into still higher tax brackets, further decreasing productivity. If money tightens, it hastens the recession, yet with lower output, inflation remains unaffected.

No wonder they warn us that this policy may take a while.

Is this the best we can do? Is it true, as a Washington Post editorial asserted last week, that we have to go along with this routine yet again because "nobody really has any other strategy to offer"?

As a matter of fact, there is an alternative. It's called production. The Joint Economic Report of 1979 finds "an emerging consensus in the [Joint Economic] Committee and in the country" that in the fight against inflation, "the major challenges today and for the foreseeable future are on the supply side of the economy."

"The greater the burden placed on production, the less production there will be," the report explains. "Reducing these tax and regulatory burdens may encourage the supply of labor, capital and output. This may weaken inflation and lessen the prospect that steps taken to manage demand will produce a slowdown."

The administration and the Congress are doing some of the right things to restrain demand generated by federal policies, but all of the wrong things on the supply side. The biggest mistake is trying to balance the budget through massive tax increases, as inflation pushes everyone into higher tax brackets without relief for two more years.

It doesn't work. Exactly such attempts to balance the budget by raising tax rates were directly responsible for the last two recessions and their increasingly unbalanced budgets. All we learned was that putting millions of workers out of jobs is no way to stop inflation and no way to balance the budget.

To avoid recession and reduce inflation at the same time, measures must be enacted immediately to encourage saving, investment, employment and production, while holding down federal spending and tightening money creation. I happen to believe that the most direct way to get individuals to work, save and invest more is to increase the after-tax reward on the next dollar they earn, save or invest—that is to lower their marginal income tax rates.

But there are many other steps we can also take to encourage supply. Index income and capital-gains rates, adjust inventory appreciation and capital depreciation for inflation, remove controls on wages and prices, stop taxing American energy production to subsidize imports of foreign energy, and reduce the disincentives for hiring minority and unemployed workers.

The excuse just won't wash any more that we don't dare change anything because the economic theory that resulted in two recessions says we can't. If when history repeats itself, the first time it's tragedy and the second time it's farce—what does that make of another recession in 1979–1980?

DEPARTMENT OF DEFENSE AUTHORIZATION ACT, 1980

The PRESIDING OFFICER. Under the previous order, the Senate will now resume consideration of S. 428 which the clerk will state by title.

The assistant legislative clerk read as follows:

A bill (S. 428) to authorize appropriations for fiscal year 1980, for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, torpedoes, and other weapons, and research, development, test, and evaluation for the Armed Forces, and to prescribe the authorized personnel strength for each active duty component and of the Selected Reserve of each Reserve component of the Armed Forces and of civilian personnel of the Department of Defense, and to authorize the military training student loads, and for other purposes.

The Senate resumed consideration of the bill.

Mr. COHEN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. What is the pending business?

The PRESIDING OFFICER. The pending business is S. 428.

Mr. ROBERT C. BYRD. Under the order what was to occur when the Senate resumed consideration of the bill?

The PRESIDING OFFICER. Under the previous order, the Senator from Arkansas (Mr. BUMPERS) would be recognized to call up his amendment on which there would be 1 hour's debate.

Mr. ROBERT C. BYRD. Yes.

Does the hour start running now or does it start running after he called up his amendment?

The PRESIDING OFFICER. At that time at which he calls up his amendment.

Mr. ROBERT C. BYRD. All right.

ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there be a period for the transaction of routine morning business and Senators may be permitted to speak therein up to 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECESS UNTIL 9 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent when the Senate completes its business today it stand in recess until 9 o'clock tomorrow morning.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECESS TOMORROW UNTIL 10 A.M. MONDAY, JUNE 18, 1979

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business tomorrow it stand in recess until the hour of 10 o'clock on Monday morning next.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR THE HOURS OF CONVENING OF SENATE NEXT WEEK

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business on Monday, Tuesday, Wednesday, and Thursday of next week it stand in recess until the hour of 9 a.m. respectively on Tuesday, June 19, Wednesday, June 20, Thursday, June 21, and Monday, June 25.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. This hour can be changed, of course. I hope the work will be done in such an expeditious manner that it will not be necessary to come in at that hour.

CONCLUSION OF MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I believe Mr. BUMPERS is on the way, so I ask that morning business be closed.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS UNTIL 10 A.M.

Mr. ROBERT C. BYRD. Mr. President, the managers of the bill were informed last night that the Senate would get to the bill at 10 o'clock.

I ask unanimous consent that the Senate stand in recess until 10 o'clock a.m.

There being no objection, the Senate, at 9:56 a.m., recessed until 10 a.m., whereupon the Senate reassembled when called to order by the Presiding Officer (Mr. ZORINSKY).

DEPARTMENT OF DEFENSE AUTHORIZATION ACT, 1980

The Senate continued with the consideration of S. 428.

UP AMENDMENT NO. 247

(Purpose: To remove authorization of funds for $1,760 million for a modified Kennedy-class large-deck conventionally powered aircraft carrier)

The PRESIDING OFFICER. Under the previous order, the Senator from Arkansas (Mr. BUMPERS) is recognized to call up his amendment, on which there shall be 1 hour of debate. The Senator from Arkansas.

Mr. BUMPERS. Mr. President, I send an amendment to the desk and ask for its immediate consideration under the order agreed to.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Arkansas (Mr. BUMPERS) proposes an unprinted amendment numbered 247:

On page 11, line 6, strike out "5,791,600,000" and insert in lieu thereof "4,031,600,000".

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the time on the amendment not start running until 10:15 a.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BUMPERS. I thank the majority leader very much. I need that additional time and, in regard to that, Mr. President, I suggest the absence of a quorum, with the time to be charged against me.

Mr. ROBERT C. BYRD. Mr. President, reserving the right to object, would the Senator permit the quorum call to be charged against the additional 15 minutes?

Mr. BUMPERS. That will be even better. I was just trying to be magnanimous. That will be fine.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. BUMPERS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BUMPERS. Mr. President, I ask unanimous consent that the names of Senator PROXMIRE and Senator LEAHY be added as cosponsors of this amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BUMPERS. Mr. President, this amendment, as was read a moment ago, simply reduces a figure in the procurement bill from $5.791 to $4.031 billion. The effect of that change, for the benefit of my colleagues, is to reduce this procurement bill by $1.76 billion, which is precisely the cost of the *Kennedy* class aircraft carrier in this bill.

Mr. President, for precisely the same reasons that the President of the United States vetoed the Department of Defense Authorization Act last year, I urge my colleagues to consider what we are committing ourselves to if we approve $1,760 million for a conventionally-powered *Kennedy*-class aircraft carrier, which the Armed Services Committee has in this bill for fiscal year 1980.

Last August 17, the President called about 10 of us over to the White House to tell us that he was going to veto a *Nimitz*-class nuclear-powered aircraft carrier. He asked us to delete it during our consideration of last year's Department of Defense authorization bill. We ignored his request, and on August 17, 1978 he said he was going to veto it because he thought it was too expensive, because he said it would not improve the immediate fighting capabilities of the Army, the Navy, or the Air Force, because we needed more money for research and development, and because we needed more weapons and equipment to fortify our conventional forces. He told us he was firmly opposed to the congressional action of adding that aircraft carrier from the viewpoint of timeliness. He said it would take many years for the nuclear aircraft carrier to be ready, and the needs of our ground forces, our air forces, and our naval forces were immediate and could not be put off.

Finally, in his veto message, the President said the authorization bill passed by Congress last year ignored our most serious and immediate defense needs, because it was taking $2 billion out of our budget that we could more effectively spend.

I agreed with the President at that time. I agreed with his decision and his reasoning, and I certainly applauded the boldness of the decision. It was an almost unprecedented act.

I then worked with the majority of my colleagues in this body to produce a good bill, one without that *Nimitz*-class nuclear carrier, and that bill was signed into law. But today, less than a year later, here we are, addressing the same kind of problems in the authorization request for 1980.

I have already mentioned the figure $1.76 billion for this *Kennedy*-class conventionally-powered carrier, which is called a CV. The administration, incidentally, did not request this. They requested a $1.62 billion CVV, which is a smaller—though still a large deck—conventionally powered carrier.

We all know that the Armed Services Committee of the House of Representatives favors a *Nimitz*-class nuclear-powered carrier, precisely the same $2 billion ship the President vetoed last year.

I have mentioned the figure $1,620,000,000 which the President asked for the CVV, the figure $1,760,000,000 which the Senate Armed Services Committee asks for the CVV, and the figure $2 billion for the CVN favored by the House panel. Those figures, however, are just antes; those are just openers. They are just the earnest money, the down payment. They are just the tips of icebergs.

For openers, if we add the estimated $650 million in fuel oil, fuel storage, and tanker operations required to operate either the CV or the CVV ship just during its first 13 years, that gets the ante—and just the ante—up to $2.2 billion. That figure virtually equals, if it does not exceed, the projected capital and fuel costs of the nuclear-powered CVN carrier the President rejected as too costly last year.

So, No. 1: It is going to cost just as much to fund this conventionally powered carrier as it would have the very one the President vetoed.

Another problem, one from the viewpoint of timeliness, which was a key criterion in his 1978 veto, is that in contrast to the *Nimitz*-class nuclear carrier it has been a long time since we built a *Kennedy*-class oil burner.

So it should not surprise any of us if it takes a lot longer time, if not years, to build this conventionally powered carrier than it would take to build a *Nimitz*-class nuclear-powered carrier.

Mr. President, I am opposed to all of these giant carrier platforms. I believe strongly in the small platform that will carry vertical and short-takeoff-and-landing (V/STOL) aircraft. But, if you would ask me to make a choice between this carrier recommended by the Senate Armed Services Committee and the *Nimitz*-class nuclear-powered carrier vetoed by the President last August, I would be tempted to take the latter.

So, point No. 2: It is probably going to take us longer to build the committee's kind of carrier than the one the President of the United States considered too far down the path last August.

I think a good, legitimate question this morning to ask for the chairman of the Armed Services Committee to answer is, where are we going to get the diesel for his committee's oil burner? This aircraft carrier has an anticipated 30-year life expectancy. Where will that oil come from 20 or 30 years from now?

Point No. 3: For $1.760 billion we are going to get a carrier that carries 80 or so aircraft. That is less than the normal complement of a *Nimitz*-class carrier, but about 20 or so more than the CVV which the President requested this February. So the $1.760 billion carrier requested by the Armed Services Committee would be less combat efficient in terms of sortie rates in comparison with the *Nimitz*-class carrier.

Mr. TOWER. Will the Senator yield? Did he say the *Kennedy*-class carrier would carry fewer aircraft than the *Nimitz*-class?

Mr. BUMPERS. That is correct.

Mr. TOWER. I am afraid the Senator is incorrect.

Mr. BUMPERS. My information is that the CV carrier would carry about 80 or so aircraft.

Mr. TOWER. It will carry 95.

Mr. BUMPERS. My information is that the CVN *Nimitz*-class would normally carry about 10 more aircraft than the CV *Kennedy*-class.

Mr. TOWER. I am sorry to disagree with the Senator but that is not correct. The CVV will accommodate 95 aircraft. I will provide the documentation for the RECORD.

Mr. BUMPERS. I stand corrected. The CV carrier recommended by our Armed Services Committee, as I understand it, would carry about 85 and the CVN *Nimitz*-class would carry about 95.

Mr. TOWER. That is not correct. They carry the same number of aircraft. The difference is in time on station and the economy of fuel in the CVN as opposed to CV and the additional storage capacity for avgas and ordnance which enhances the capability of the CV. I certainly agree with the Senator from Arkansas that the CVN is a more effective piece of machinery.

Mr. BUMPERS. Why did not the Armed Services come out and recommend the CVN?

Mr. TOWER. For the practical reason that the President would veto the bill if we put in a CVN. That is why.

(Mr. MELCHER assumed the chair.)

Mr. BUMPERS. I would like the President of the United States to explain to this body how the reasons he gave for vetoing a CVN last year do not apply with equal force toward vetoing the CV we are debating this morning.

I am informed, however, that the *Nimitz*-class carrier would normally carry approximately 10 more aircraft than the CV would. That is a point that can be made in rebuttal to the argument I am making.

In any event, the first and more fundamental point I want to emphasize is that the deployment of the *Kennedy*-class carrier, its aircraft and its related task force ships means that we are, over its 30-year period, committing $42 billion. The life expectancy of the carrier is 30 years, but we also have to talk about 30 years of airplanes and of the ships in task force needed to defend and support the carrier, about the fuel it takes to support it, and about everything else that goes toward paying for a task force battle group.

Second, I want to emphasize that in any kind of a war with the Soviet Union this ship, like the other large-deck carriers we have now, will be the first targeted and the first sunk.

The Soviets do not know where our submarines are, but they can be expected to determine where every aircraft carrier we have is located.

Third, I want to stress this morning that the U.S. Navy, if it really wants to control the sealanes in time of combat, needs smaller, more effective ships, not another monument to the way it helped to win World War II.

Everybody wants to deal in numbers. How many times have we heard about how many ships the Soviets have and how they are outstripping us? Well, if we want to put a pencil to it, figure out how many ships we could have if we had not had to support 12 big, large-deck carriers, but, instead, had a force composed of smaller carriers, such as the *Kiev* class carriers the Soviets have. How many ships would we have, if we put all of those billions of dollars into surface effect ships, instead of large-deck carriers, which the Soviets have had the good sense to do?

We have seen a report that the Trident ballistic missile submarine, which we have based our future strategic naval retaliatory concept upon, may be too big, too expensive, not cost effective. Nonetheless, as in the case of the large-deck carrier, we appear to be committed to the disease of "gigantism." Like our large carrier force, we are apparently right now committed to 12 of the largest Trident ballistic missile submarines.

I have already pointed out that the price of the *Kennedy* class CV, $1.760 billion, is just the loss leader. That is just to get you off the sidewalk and into the store to look around. That does not count any of the aircraft, it does not count the fuel, it does not count the battle group that is going to support it for 30 years.

Finally, the $1.760 billion does not reflect the painful lessons we learned in the construction of recent aircraft carriers in which delays, cost overruns, and other problems have produced a whole history of slippage and cost growth.

With regard to the second basic argument I want to make—and that argument concerns vulnerability—just take a look at the sophisticated aircraft that will be at the bottom of the sea just as soon as strategic warfare breaks out and the first CV sinks:

Twenty-four of the world's finest fighters, the F–14A's, $24 million a copy, plus spares. That is $672 million. Twenty-four light attack bombers, A–7E's, $8.3 million, plus spare parts, for a total of $200 million. Ten of the world's best heavy attack carrier-based bombers, the A–6E's, $16.4 million a copy for a total of $162 million. Ten jet-powered antisubmarine aircraft, the S–3A's at $17 million a copy for a total of $170 million. Six antisubmarine warfare helicopters, the SH–3, $2.7 million each, for a total of $16 million. Four electronic jammer aircraft, the EA–6B, at a bargain basement price of only $28.8 million, for a total of $115 million. At least three, some say four, propeller-driven early warning aircraft, E–2C, at only $35 million each, a total of $104 million. And there are three reconnaissance versions of the F–14, the RF–14, at $32 million a copy for a total of $97 million. And finally, four tankers, the KA–6, at $15.4 million each, for a total of $62 million, which like all of the above includes spare parts and flyaway costs of the aircraft.

That is what will be at the bottom of the ocean when a Soviet submarine fires just a few cruise missiles, for which we have little defense, and sinks this large-deck aircraft carrier. If we have a confrontation with the Soviet Union, I suspect that is what they will order their naval force to do.

Mr. President, the 30-year life-cycle cost of the world's most expensive ship, the world's most expensive aircraft, and the carrier task force ships comes to a grand total of $42 billion. Did you know that if every cent of Arkansas' share of the Federal tax burden were devoted to this one ship and its aircraft and its task force, it would take 10 years for my State to pay for this one battle group?

I want you to know that Arkansans are perfectly willing to share their part of the burden of keeping this Nation the strongest Nation on Earth. They believe in a strong defense, as I do. But they do not believe in foolishness. They want to buy the kinds of weapons systems that will at least be useful in case East-West deterrence fails.

I know life-cycle costs like the $42 billion figure which the Congressional Budget Office has provided me are hard for most of us to get excited about. That is 30 years down the road. But we must understand that for $1.76 billion—the loss leader—we are committing $42 billion for the next 30 years.

I am aware of the fact that talking about life-cycle cost is about as exciting as watching grass grow. But what we are doing is forcing our children and our grandchildren to meet fiscal burdens, not only in this but in a lot of other ways, that we inflict on them mindlessly.

Let us just take a look at what we can get if we use $1.76 billion for other defense program. Every figure I give you you can maintain for well under the life-cycle cost of this *Kennedy*-class aircraft carrier.

For $1.76 billion, we could buy for the U.S. Army two armored divisions with all new equipment. That would certainly go a long way toward redressing the problems we would have in fortifying our NATO forces in an emergency. Or, we could buy 3,000 new infantry fighting vehicles. For $1.76 billion we could buy 1,000 of the world's best tank, the XM–1, the cost of which, incidentally, is going up every day, too. We could buy 600 Black Hawk helicopters, or 360 advanced attack helicopters.

For the Navy, we could buy a Trident submarine and a couple of its missiles. Unlike another aircraft carrier, another Trident would at least contribute to strategic deterrence. Think of all the surface and other ships we could buy. We could buy eight guided-missile frigates. We could buy four attack submarines. We could buy two amphibious dual-purpose ships, called LHA's, and those are really effective ships. You can deploy 20 V/STOL aircraft on those.

Finally, for the U.S. Air Force, we could buy a whole wing of F–15 fighters, easily the most sophisticated interceptor in the world. We could buy two wings of F–16's, 233 aircraft. For $1.76 billion we could buy three wings of A–10's.

Mr. President, the list just goes on. I am not going to bore this body any more with that. I am just saying that we could arm ourselves better with the $42 billion we are actually committing here today for another carrier.

Mr. President, I want to raise the proposition that you do not fight Russians from an aircraft carrier. We all know that in a nuclear exchange, it is going to be promptly sunk. This comes from Admiral Kidd who last year was the Commander-in-Chief of our Atlantic forces—many of you know him. A lot of our legislative aides went down to meet with him, and one legislative aide asked: "Admiral, if you had a choice of one of these big, large-deck aircraft carriers or a warehouse full of spare parts, which would you take?" Admiral Kidd's response: "Well I have never had it put to me that way before, but without hesitation, I will tell you what I would take—I would take the warehouse full of spare parts."

In a connventional nonnuclear NATO-Warsaw Pact confrontation, the large carrier is dead-in-the-water or sunk by an attack of six or more antiship cruise missiles of the kinds the Soviets and many others have had, in operation, for over a dozen years. We all know what happened to the comparatively tiny Israeli destroyer *Eilath* when, during the 1967 Arab-Israeli war 12 years ago, it was sunk by a Soviet-supplied SS–N–2A STYX cruise missile.

The capabilities of this missile, and the generation that has followed it, was recently praised by the top Soviet naval officer, Admiral-of-the-Fleet S. G. Gorshkov. According to John Collins' 1978 book "American and Soviet Military Trends Since the Cuban Missile Crisis," Soviet Admiral Gorshkov wrote to the effect that not even well-screened, nuclear-powered aircraft carriers could withstand assaults delivered by a group of ships armed with cruise missiles. John Collins goes on to quote Gorshkov as writing that "a single submarine is capable of destroying a major surface ship with a salvo of cruise missiles." Collins concludes in his book that a "successful defense" against this cruise missile threat is not yet available.

These carriers are good against small, underdeveloped nations that either cannot or will not shoot back. I want anybody in this body to tell me how effective the aircraft carrier was against Vietnam. We had them in Vietnam, off the coast of Vietnam. If the Soviets had decided to supply the North Vietnamese with just a few of those STYX missiles like the ones they gave the Egyptians, we would have one or two less aircraft carriers right now. The only reason they did not go down was that the Vietnamese chose not to shoot back was that the Russians knew that would be an escalation of the war if they furnished the North Vietnamese with the kind of missiles they furnish those aircraft carriers with.

Senator **Barry Goldwater** said last year on July 1 before the full Senate:

> I think the day of the aircraft carrier has passed. I do not think we will find ourselves in a scenario, as we did in World War II, where the carrier is an absolute necessity.

Even if the Senator from Arizona proves to be wrong in the short run, the life extension program of the Navy will give us 12 deployable carriers into the 21st century. We still will have, after the year 2000, the *Forrestal*, the *Saratoga*, the *Ranger*, the *Independence*, the *Kitty Hawk*, the *Constellation*, our first nuclear-powered *Enterprise*, the *America*, the *Kennedy*, and the nuclear-powered *Nimitz*, *Eisenhower*, and *Vinson*.

What are we talking about here this morning? Just one more? If we could just get one more. It is always the same story.

Last year, I think most people in this body remember when Senator **Culver** presented a resolution and the Senate adopted it, I believe, without a single dissenting vote. It was a well worked-out compromise. Senator Culver did not want the carrier; a lot of us did not want it. But everybody said, "Well, let us let this one go and we will pass this resolution saying 'We are not going to build any more unless the President gives us all kinds of proof that we have to have it.' "

Here is what the Senate adopted. I know the House changed it and watered it down. They always do on matters like this. But here is what the Senate resolution said:

> Section 801. (a) It is the policy of the United States of America to modernize the strike forces of the United States Navy by the construction of advanced, versatile, survivable, and cost-effective combatant ships in sufficient numbers to defend the United States and to carry out such other missions as may be assigned to the Navy by the Commander-in-Chief. In pursuit of this policy, the United States should develop plans and programs for the deployment of more survivable, more numerous, and less costly weapon systems, including naval aviation platforms.
>
> (b) In accordance with this policy, after fiscal year 1979

And that is what we will soon be in, after fiscal year 1979—

> all requests for authorizations or appropriations from Congress for additional aircraft carriers for the United States Navy shall be for the construction of ships substantially smaller and less costly than the CVN Nimitz-class (nuclear powered) or the CVV class (conventionally-powered) unless and until the President has fully advised the Congress that construction of such ships is not in the national interest. Such report of the President to the Congress shall include for consideration by Congress an alternate program of smaller ships with appropriate design, cost, and schedule information.

Mr. President, whether my amendment passes or not, and I know where the numbers are in this body, I want the American people to know one reason the Soviet Union has so many more ships than we do is because we keep building these big white elephants at prodigious costs.

Take what we spend on 12 aircraft carriers, convert that into two smaller aircraft carriers, put the rest in surface-effect ships, and I promise we will have more ships at sea than the Soviet Union has.

No wonder everybody is upset about the figure $42 billion. It goes, in effect, to support just one ship.

Mr. President, in conclusion, the history of shipbuilding shows clearly that building more expensive and sophisticated ships ultimately leads to a reduced number of ships.

That is what was said at the White House last year when the President very cogently and persuasively told us why he was vetoing that bill.

No matter how good a ship is, it can only be in one place at one time. To have that much money invested in one ship that can be in one place at one time is not my idea of the best and most effective way to control the sealanes.

In light of all these considerations, with both present and future naval force requirements in mind, I do not think this is a good investment.

Mr. President, I reserve the remainder of my time.

The PRESIDING OFFICER (Mr. HARRY F. BYRD, JR.). The Senator from Mississippi (Mr. STENNIS) is recognized.

Mr. STENNIS. Mr. President, we are all indebted to the Senator from Arkansas for a very vivid and complete presentation of this problem.

Let me point out a few fundamentals, and then I am going to yield to the Senator from Texas.

Mr. President, we can call a carrier a white elephant, but when trouble began brewing in the Middle East recently and as the situation grew worse and worse, what did we do in a tangible way? We sent a carrier to the Indian Ocean. Things quieted down some and it has been temporarily withdrawn.

There is one investment in a floating fighting force, movable from one side of the world to the other, going into all the places where ships can go. A carrier has its own battle array ready, ready for action as soon as it gets there.

Mr. President, these money figures do not please me, either. Within the confines of this bill now there is the beginning—almost as close to a billion dollars, including the supplemental—toward the MX, the mobile, long-range intercontinental ballistics missile. The total cost for this weaponry is going to be close to $40 billion for a replacement for the existing ICBM that we have. Yet no one on this floor has suggested that we take that item out. I predict there will be no one that will move to take it out.

To the contrary, the President is being told on every turn to hurry up, we are making a slow start. On every turn, virtually every television program on the subject matter is generally saying to hurry up. So it is hurry up here with that missile. That is just one of many examples. This carrier does cost a lot of money. It has a great record.

There is a saying that you are not going to carry any weapon within the range of the adversary's artillery, because you will get shot down, you will get sunk, you will get the hot end of it.

We did not go racing within battle range of those land-based guns in World War II in the North Sea. We would have been sunk if we had. Those that were caught in there were destroyed, of course. That is always true. The carrier carries a tremendous force for its own protection.

So this is a very serious matter now for the Members of the Senate.

More than 10 years ago, we had a joint committee for joint hearings with the House and this matter of a carrier was earnestly and exhaustively considered. Testimony was taken from all sources. There was a difference of opinion about carrier or no carrier, and about which carrier.

Here we are, 11 years later, still making the same arguments.

Now, a great majority of the committee this time said that we needed an additional carrier. Unless I am badly mistaken, that is the trend for handling the trouble spots for the future. But it was agreed by virtually every Member that we need at least one carrier. We settled on one that we thought would be most probably approved by all the groups of our form of government that have to approve these matters—the Congress and the President. It takes both. We cannot act without them.

Let us get together. This is the last thing that we ought to be in disagreement about. I say respectfully, it is a matter of having a carrier, and we know now that we are going to have to give a little.

My first choice would be another nuclear-powered carrier. But I am only one, and I am willing to give some. We have to. We must.

Let us remember that one-third of either body of the Congress can throw out any weapon if there is a veto. It does not take a majority to sustain a veto. Even if everyone is present and voting, one-third plus one can sustain a veto.

I had the opinion last year that the President would probably approve the one we put in, but he did not. He stood on his constitutional rights, and I have not one word of criticism for what he did.

This year he has not expressly recommended the one we have in the bill. But he did recommend one very near to it, very near the same in cost. Our committee painstakingly decided to recommend this.

I believe we would be able to get an agreement with the House. But, by all means, let us not stumble over the situation of our disagreement as to the type and defeat the whole one.

If all here are opposed to a carrier, under any circumstances, join up with those that want the nuclear type. Perhaps we might defeat all of them and take this out of the bill. It would be a tragic mistake, in my humble opinion.

We had better not turn our back to the facts that the carrier is the best and most effective set of armor and weaponry in a day-to-day, year-to-year deterrent role.

Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator from Mississippi has 22 minutes remaining.

Mr. STENNIS. I yield 10 minutes—and more, if he wants it—to the Senator from Texas.

The PRESIDING OFFICER. The Senator from Texas (Mr. TOWER) is recognized.

Mr. TOWER. I thank the chairman.

Mr. President, on the surface, the Senator from Arkansas appears to have made a convincing case for deleting the carrier. It is an argument that sounds good and has a lot of appealing figures in it, a lot of cost figures. But it really does not do anything more than scratch the surface of the issue.

He talks about the war-fighting capability of the carrier and its vulnerability in a shooting war situation, and I do not agree with his estimate of the vulnerability at all. I might address myself to that later. In fact, you have to think of the value of a weapons system during peacetime; and certainly there is no substitute for the carrier, from the standpoint of showing the flag or asserting the American military presence in any part of the world, in fairly quick reaction. It has been described as a precision instrument of diplomacy. Secretaries of State have said that it is the most useful system we have from the standpoint of maintaining a presence of American military force, without actually committing that force.

In fact, the carrier gives us the ability to project naval power inland. The Senator from Arkansas would deny us the power to project that power inland or take airpower to sea.

Now addressing myself to the cost figures mentioned by the Senator from Arkansas, Admiral Hayward says in his testimony:

> There is no cheap or easy way out of the situation the Soviets have put us in. There is no free lunch in this maritime superiority business. We must control the sea to survive.

We must control the sea to survive.

The Senator from Arkansas has suggested that we could buy eight frigates for the cost of the carrier. As a matter of fact, I suggest to the Senator from Arkansas that we could have an all-frigate fleet. We could wipe out the destroyers and the carriers and a lot of support ships and build a lot of frigates.

What kind of naval capability would that give us, if we had a Navy made up entirely of frigates? The frigates serve a useful purpose, but you would have to have a mix.

Although the Senator talks about the life cycle cost of the carrier—he says you could buy so many frigates and so many wings of airplanes—he does not talk about the life cycle of them and figure that in.

As a matter of fact, perhaps the Senator from Arkansas would like to see us delete the XM-1 tank. The XM-1 tank is our latest tank. It is enormously capable. But it costs $1.4 million a copy. The life cycle cost is about another $1.5 million. So we are talking about $2.9 million for the XM-1 tank.

Maybe the Senator from Arkansas

would prefer that we substitute horses. A good cavalry horse probably can be purchased for $500; and if you turn him out to pasture and buy the feed for him, that would cost about an additional $400 a year. So the life cycle of a good cavalry horse, which is about that of a good tank, is about $6,500.

If we pursue the mentality of the Senator from Arkansas, that is how we would be developing a defense capability.

Incidentally, during peacetime, the cavalry horse would be much more useful for ceremonial purposes than the tank.

Mr. President, the Senator from Arkansas wants us to go back and embrace the old Soviet naval doctrine and ignore the new Soviet naval doctrine. He says we need numbers; let us have numbers of ships.

Let us go back to Admiral Hayward's testimony. He says:

> I find it especially significant that at the very time the U.S. Navy is frequently criticized for not building smaller, less expensive ships, the Soviet Union has been constructing larger, more sophisticated ships, capable of operating for longer periods and at further distances from support bases, more closely emulating the United States Navy with each passing year.

They are emulating us. The Senator from Arkansas asks us to go back and embrace old Soviet naval doctrine. He says "surface effect ship." The Soviets have abandoned the surface effect ships. They have admitted it is the biggest mistake they have made. The Soviets no longer concentrate on a coastal navy made up of large numbers of smaller ships. They have blue water capability, and we had better have it, too, or we will suffer the consequences.

In fact, the Soviets have embraced the notion of taking airpower to sea. So what we are talking about, really, is airpower at sea. In fact, the Soviets think it is a good idea. They are emulating us in that respect. The only difference is what kind of airpower we take to sea.

The Soviets do have two *Kiev* class carriers, the *Kiev* and the *Minsk*, both of which carry the Yak-36 V/STOL airplane, which is not as good as the AV-8B but an airplane which, operating in a nonhostile air environment, has a great utility.

As the Senator from Mississippi has pointed out, when the Soviets sent the *Minsk* and the *Rokov* to Socotra, off the Saudi peninsula, what did they do—send frigates in there? Hell, no. The Soviets do move in airpower by sea. The only way we could assert an American presence that would enable us to operate in a permissive air environment was to send the carrier in there, and that is exactly what we did, and that was the right decision.

I think the reason why the President asked for another carrier this year is that he realizes that if we are going to meet our maritime requirements, we will have to have more carriers, not less.

Secretary Brown says we should have a task force in the Indian Ocean. Well, when we deployed one there, what did we have to do? We had to draw it out of our Western Pacific capability. We only had one carrier left in the Western Pacific when we deployed the *Midway* into the Indian Ocean. How unsettling is that for the Japanese and our other friends in Asia? It means a reduction in our capability to defend our western perimeter.

We need more carriers, not less. We need capital ships. The Soviets have stopped building small ships; they are building big ships; and they will be building more capital ships over the next 5 years than will the United States.

Indeed, the CDV recommended by the President is a capital ship. We give him a little better capital ship here.

The committee took into consideration the fact that for only $143 million, from the cost effectiveness standpoint, you could add 50 percent more capability than you could have with a CDV.

Second, the design is already at hand for the CV. For the CDV you would have to be designing an entirely new ship.

Therefore, Mr. President, I think we would be making a very foolish mistake if we accepted the amendment of the Senator from Arkansas.

"Jane's Fighting Ships," which is regarded as the greatest authority on naval capability, has said that the added dimension the United States has over the Sovet Union lies in its aircraft carriers, its ability to carry airpower to sea, its ability to project naval power inland. Without that capability, let us give up any thought of effective defense of the vital sea lanes, which are vital to the life of the United States.

The vital sea lane that courses from the Persian Gulf through the Indian Ocean, through the Mozambique channel and around the cape of Africa, is where 70 percent of all the Western energy from the Middle East comes, down that line of communication. If we have not the ability to match Soviet naval deployments in that area, that LOC is in grave jeopardy. So what we need is not fewer carriers, we need more.

I wish the President would opt for a CVN, but the President seems to be more concerned about front-end cost than he is lifetime effectiveness. Given present budget constraints maybe that is a factor. I do not think it should be.

Mr. President, at a time when the need for a carrier is more apparent than ever before, it would be so foolish and shortsighted of us to reject the carrier at this point.

Mr. MELCHER. Mr. President, will the Senator from Texas yield?

Mr. TOWER. I yield.

Mr. MELCHER. I thank my friend for yielding.

I am going to accept his expertise on the figures that he presented regarding ships, but I challenge his expertise on the price of calvary horses. The Senator has said he estimated the cost of a cavalry horse would be $500. When the cavalry was buying horses in the 1930's and early 1940's the remount officers when they accepted an Army horse even in those days paid $100 or $125, and with inflation I think the price should be at least $1,000 now.

I think the Senator has correctly estimated the cost of feeding a horse at about $400, but he has not included in that the cost of waste disposal of that horse that would be stabled all year round and with the added burden we have now with EPA on that waste disposal I think the Senator should properly readjust his estimate another $600 or $700 just to handle the waste disposal of that stabled horse for an entire year.

Mr. TOWER. In response may I say the Senator from Texas feels especially humbled, as a matter of fact feels humiliated that a Senator from Montana should correct him on the cost of a horse. I was, of course, figuring a very low cost horse. Now if it were a good quarter horse I would say probably $1,000 would be a better figure. As a matter of fact, one might not be able to find one for that and, therefore, that would change my life-cycle figure somewhat. The EPA requirements certainly would have to be taken into consideration. Maybe some of that cost could be recovered, however, by converting the waste into methane which can be used for energy purposes, but that is another discussion which I will not get into at this point.

But I do thank the Senator from Montana for educating the Senator from Texas on this matter. I can remember when actually the saddle cost more than the horse.

Mr. MELCHER. Mr. President, will the Senator yield again?

Mr. TOWER. I yield again.

Mr. MELCHER. I thank the Senator and my friend.

I only remind him that it would be a brand new cavalry that would look at quarter horses in preference to thoroughbreds and that the distinguished Senator from Texas may have a lot of quarter horses he would like to sell for $1,000, but the cavalry, I am sure, if they were buying remount horses, would still insist on the larger, the more energetic, the longer winded, the faster thoroughbreds to buy for the cavalry.

Mr. TOWER. I will disagree they are longer winded and more durable. The quarter horse is a durable animal and has more stamina than a thoroughbred. We will not get in that argument now. We better stick to the carrier.

Mr. President, I reserve the remainder of the time for our side.

Mr. HART. Mr. President, will the Senator from Mississippi yield me 8 minutes?

Mr. STENNIS. Yes, I am delighted to yield to the Senator from Colorado.

Mr. President, how much time do I have remaining, please?

The PRESIDING OFFICER. The Senator from Mississippi has 7 minutes and 40 seconds remaining.

Mr. STENNIS. Mr. President, I had 22 minutes and I yielded 10 to the Senator from Texas. That does not come out by the arithmetic. I yielded 10 minutes—the RECORD will show—to the Senator from Texas.

The PRESIDING OFFICER. The Chair stands corrected. The Senator has 12 minutes remaining.

Mr. STENNIS. Twelve minutes.

I yield 5 minutes to the Senator from Colorado.

Mr. HART. I thank the Senator from Mississippi.

The PRESIDING OFFICER. The Senator from Colorado (Mr. Hart) is recognized.

Mr. HART. Mr. President, even though I oppose the amendment of the Senator from Arkansas I think he should be complimented for raising the issue in the Chamber. It is an extremely important issue with regard to the future of the Navy shipbuilding program. The Senator's amendment would, of course, strike from the bill the *Kennedy* class aircraft carrier.

Mr. President, this bill does not contain merely a large carrier. It contains a carrier "package." The *Kennedy* class carrier is one element of that package. If it were the only action on aircraft carriers our committee had taken, I would join with the Senator from Arkansas in opposing it. Alone, one more large carrier, or even several more, will not change the net naval balance. The large carrier with its escort costs so much that we can never hope to afford much more than the current twelve. With so few ships, the Soviets will continue to find it relatively easy to concentrate overwhelming numbers of submarines and aircraft equipped with antiship missiles against each of those carriers.

If naval aviation is to remain viable, it must be dispersed onto a much larger number of ships—not a few more, but a great many more. In a time when each individual surface ship has grown more vulnerable and will probably grow more vulnerable still, no naval capability can survive unless it can be dispersed.

If we are to disperse naval aviation onto more ships, we need to move to small carriers—carriers of 20,000–25,000 tons, not the 65,000 ton CVV proposed by the administration. We also need V/STOL aircraft on these carriers. The carrier package in this bill moves us in that direction. Coupled with the *Kennedy* class large carrier are four actions intended to speed the move to the type of carriers and aircraft which I have mentioned.

First of all is the conversion of an LPH class amphibious ship into the first light carrier. This will permit us to put the first small V/STOL carrier to sea within 1 or 2 years.

Included in that is long-lead money for the first in a new class of LSD class amphibious ships. The Marine Corps badly needs these ships to replace an earlier class of LSD's which are wearing out. The new class will help make up for the loss in peacetime amphibious lift caused by conversion of an LPH to a light carrier. It should be noted that the converted LPH could still be used as an amphibious ship in an emergency.

In addition, we have added $25 million for continued design work on a new construction light carrier.

Finally, we have $5 million for continued development of the AV–8B+, which is a naval version of the Marine Corps' AV–8B advanced Harrier.

This package is worthy of the Senate's support. It is the only compromise our committee could arrive at which accommodated the interests of those who believe in the large carriers and those who want to see the Navy more rapidly toward a light carrier fleet. It includes the last of the old-type carriers and the first of the new.

I note that the *Kennedy* class carrier in the bill is, in my view, the last big carrier of any class. I cannot completely rule out the possibility of future large carriers; if the Navy were to abandon some of the practices which raise the cost of these ships, such as surrounding them with largely ineffective surface escorts, then the large carrier might be viable, but in its present configuration and with those enormous escort costs accompanying it, it is not viable for the future.

I also note that my support for elements of the traditional Navy, such as the large carrier in this bill, is based on the belief that we should build some traditional ships while we move forward with new naval concepts and technologies. If this combination is to work we need the cooperation of the Navy. But last year the Navy took $25 million which the Senate had provided in its authorization bill for continued design work on light carriers and used it for work on other types of ships. Not one dime of that $25 million went to the light carrier design work, and that work came to a dead halt. Legally, a loophole in the appropriations conference report permitted the Navy to do this; but whether it was legal or not, it was a direct slap in the face to those of us who have attempted to work with the Navy on a compromise basis and who have supported the transition from the traditional Navy to the future Navy.

I hope the Navy leadership understands that such actions do not make it any easier for those of us who want a larger and more effective Navy to assist in creating one.

Despite the obstacles, I believe we can and will move forward to a revitalized Navy. This bill helps us do so, especially on the issue of aircraft carriers. It combines a traditional large carrier with a package which will move us toward smaller carriers which we can afford in larger numbers. I urge the Senate to support the action of the committee.

I thank the floor manager of this bill.

Mr. STENNIS. Mr. President, what time is remaining now?

The PRESIDING OFFICER. The Senator has 6 minutes and 48 seconds remaining.

Mr. STENNIS. I yield 2 minutes now to the Senator from Texas.

Mr. TOWER. Mr. President, I did not have time in my alloted 10 minutes to comment on the survivability of the carrier in a war-fighting situation, which is far greater than that indicated by the Senator from Arkansas.

Actually all of our systems are vulnerable in wartime. The carrier, however, is able to defend itself. Too, it requires the dedication of Soviet resources to destroy that carrier. They have to deploy forces. It is another means of keeping them busy, and that added dimension requires them to counter that, and is a drawdown on their resources.

In response to the arguments raised by the Senator from Arkansas, I ask unanimous consent that there be placed in the Record an article in the Wall Street Journal of Wednesday, May 3, 1978, entitled "The Big Carrier: A Survivable, Practical Weapon," written by John Lehman.

There being no objection the article was ordered to be printed in the Record as follows:

THE BIG CARRIER: A SURVIVABLE, PRACTICAL WEAPON

(By John Lehman)

To the surprise of many, Congress is about to authorize another large aircraft carrier. How has it come to be that after enlightened administration and media defense commenators had relegated the "supercarrier" to the same fate as the horse cavalry and the battleship, a broad coalition of conservatives, moderates and liberals has emerged in support of building yet another large carrier, and of maintaining a 13-carrier force into the next century?

The reason is that the Carter adminstration itself has presented a compelling case to Congress in support of large carriers. In February and March of this year the administration submitted two of the most thorough and exhaustive analytical studies ever completed on naval force planning. The first submitted was the Sea-Based Air Platform study analyzing the cost-effectiveness and "survivability" of small, medium and large aircraft-carrying ships. The second was the Sea Plan 2000 study analyzing mission requirements and force levels for the U.S. Navy for the period 1978–2000.

The fact that the Carter administration successfully completed these difficult studies in less than a year and submitted them to Congress without censoring or deletions is much to its credit. That the President and his senior advisers ignored the studies completely as they submitted a drastically reduced fiscal 1979 Navy budget without a carrier, and with the shipbuilding program cut in half, is another example of the failure of the administration's decision-making process.

The overwhelming nature of the data surprised many in Congress. In the words of a former McGovernite, Sen. Gary Hart of Colorado, "It (the first study) demonstrates that the Nimitz-class carrier is individually the most effective and most survivable ship."

It also demonstrates that there is no battle advantage in going to more numerous dispersed smaller carriers. A battle group with three dispersed 30,000-ton carriers will not fare better against an attack of 60 Soviet cruise missiles than a battle group with one 90,000-ton carrier. Because of the larger carrier's massive armoring of propulsion and magazine, its greater relative compartmentalization and the structural strength necessary to handle the stress loads of catapulting and arresting 35-ton aircraft, big carriers can absorb a surprising number of hits and keep fighting. Small ships cannot.

These findings are consistent with actual experience. In World War II, U.S. aircraft carriers were struck 42 times. Five carriers, all constructed before the war began, were sunk but only one was sunk directly by enemy forces.

In 1969, nine large bombs exploded on the deck of the Enterprise, the first nuclear carrier. This was the equivalent of its being hit with at least six SSN3 Soviet cruise missiles, yet she was judged to have been able to have resumed flight operations within several hours.

Land bases in all three recent wars proved to be far more vulnerable to complete loss than carriers and at least as vulnerable to mission-interference damage. Several hundred U.S. operating air bases were completely lost in World War II. In Korea all air bases were captured by the North Koreans in the first five days. In Southeast Asia, of the dozens of major air bases constructed by the United States since 1960, not one remains in U.S. hands. By 1973 the United States had lost more than 400 aircraft destroyed and 4,000 damaged on the ground in South Vietnam.

As our foreign air bases dwindle (now fewer than 30) with little evident support for new base commitments, and with the cost of foreign bases currently running about $100 million each for rental alone, carriers may be called upon to cover a larger area of the world in the future.

An interesting finding of the Sea Plan 2000 study is that U.S. surface combatants in general and carrier battle groups in particular will become less vulnerable over the next decade and beyond. That is because the expected progress of the Soviet cruise missile, attack bomber and submarine threat will be more than matched by three U.S. developments. The first is the now deployed F-14/Phoenix fleet air defense system, to be supplemented in the '80s by the A-18. The second is the introduction to the fleet of the Aegis air defense system for close-in defense against missiles that penetrate the fighter barrier. Third, there have been a number of important advances in antisubmarine warfare.

Perhaps the greatest contribution of the two studies was in demonstrating the capability of a 13-carrier, 600-ship navy to fight and win in areas of highest Soviet capability. These findings make it difficult to defend the Carter policy of relegating the Navy to a tertiary role in defending NATO. The ability of the carrier battle groups to prosecute a forward strategy on the NATO flanks, the northwest Pacific and the Persian Gulf and Mideast will do far more to deter Soviet adventures than a 3% increase in firepower or stocks in Germany.

The debate in Congress is now not whether there should be another big carrier, but which of the two competing alternatives, the 90,000-ton nuclear Nimitz class or the 65,000-ton oil-powered class, should be authorized this year. The case for nuclear propulsion is rather compelling from a military standpoint.

The Secretary of the Navy, W. Graham Clayter, argues that three smaller carriers can be got for the price of two large. That argument would probably carry the day if the administration wanted to buy three, but it does not. Admiral Holloway, the Chief of Naval Operations, has testified that if procurement is to be only one ship, it should be the big carrier. Secretary Clayter has said if Congress wants a big carrier he will build it "with enthusiasm." It now seems likely he will have the opportunity to do just that.

The PRESIDING OFFICER. Who yields time?

Mr. STENNIS. Mr. President, I am virtually out of time. I am sorry, unless the Senator from Illinois wants to speak——

Mr. BUMPERS. Mr. President, first, I want to thank my distinguished colleague and friend from Colorado (Mr. HART) for his comments which are very cogent and right on target. I am especially delighted and gratified by his comments because I do not believe there is a more articulate or knowledgeable Member of the Senate on naval ships.

I also applaud him for his aggressive efforts to get the $49 million into this budget for the conversion of an amphibious assault ship converted to a small aircraft carrier, and another $25 million in research into a more survivable air-capable platform. That is precisely the direction the U.S. Navy needs to be moving in.

The Senator from Texas started off his argument a moment ago by saying that we need these aircraft carriers to show the flag. There is obviously at some time some merit in that argument, but for what we are going to spend for one flag in this appropriation—$1.76 billion—we could be getting at least three flags. We could be insuring the survivability of naval air platforms by dispersing this prodigious amount of money into the very kind of ships the Senator from Colorado has strongly recommended, and the kind, incidentally, that the Soviet Union has already built and is continuing to build.

When it comes to showing the flag I sometimes wonder how effective that is. How effective was it in Vietnam? We had aircraft carriers off the coast of Vietnam, as well as B–52 bombers from Guam, pounding Vietnam, and aircraft from air bases in South Vietnam. But what effect did the carrier have on a country like Vietnam, 17 million people, for us to show the flag off that coast?

What effect did it have for us to show the flag when we sent the *Constellation* over to the Indian Ocean during the North Yemen-South Yemen conflict just recently?

What effect did it have in Ethiopia, Afghanistan, Angola? We showed the flag in all those places.

I am concerned about the kind of navy we are going to have and I think a sea lane patrol navy is the kind of navy we need. I think if you are going to control the sea lanes, you have got to have a greater antisubmarine warfare capability, you have got to have maneuverable ships, and you cannot put your chips all on one system.

Mr. TOWER. What are you going to do about the Backfire bomber?

Mr. BUMPERS. Now, Senator, if you want to enter into a unanimous-consent request for me to extend this debate for an hour and discuss the Backfire in the context of SALT, I would like to get into that with you.

You mentioned the Backfire bomber. But what are the Soviets going to do about the 300-plus F–111's and the FB–111's we have? What about the 550 nuclear-capable U.S. aircraft in Western Europe, none of which——

Mr. TOWER. I am talking about the maritime capability of the Backfire bomber deployed against our naval forces.

Mr. BUMPERS. I will tell you one thing. I would rather have four good missile-firing, antiaircraft, missile-firing, frigates which we could get for about one-half the cost of this *Kennedy*-class CV. These four guided-missile frigates could be deployed against the Backfire bomber, because the Backfire bomber is going to be able to launch cruise missiles, and once they sink the aircraft even if its 95 planes have taken off they are not going to have any place to land except in the ocean.

But to go ahead with the argument that——

Mr. TOWER. Mr. President, will the Senator yield?

Mr. BUMPERS (continuing). Senator HART just made—just a moment—to proceed with the argument Senator HART has made about the smaller aircraft platforms, which I strongly support, I was pleased that the Committee on Armed Services came back in with the money for the AV–8B. I think that plane has great potential, and I think we ought to accelerate our research and development of that airplane. But I think we ought to have the smaller air capable platforms deployed when we do.

Mr. President, I want to yield to the Senator from Texas before I close out my argument if he still has a question.

Mr. TOWER. My question is does the Senator contend that the frigate has a capability to defend against the Backfire bomber armed with cruise missiles?

Mr. BUMPERS. I am sorry, Senator.

Mr. TOWER. Is the Senator saying that a frigate has the capability to defeat a Backfire bomber armed with a cruise missile? Is that what he is saying?

Mr. BUMPERS. No, I am not saying that. I am saying I would rather have four ships out there deployed attempting to shoot down Backfire bombers than to have one aircraft carrier out there, because cruise missiles are certainly going to destroy that aircraft carrier. You are suggesting, of course, once the Backfire bomber gets in the air we are going to take all these attack planes off the deck of that carrier and they are going to intercept the Backfire bomber. I very seriously doubt that is the scenario that will develop. Of course, we could argue that point from now on.

● Mr. LEAHY. Mr. President, I rise to support the amendment of the Senator from Arkansas. In my judgment, the amendment is both necessary and based on solid reasoning. Many of my colleagues in the Senate know that I have strongly opposed the construction of additional aircraft carriers since I came to Washington. In August 1976, I introduced an amendment to the fiscal year 1977 appropriations bill to delete funding for an aircraft carrier. That amendment, as you may recall, was defeated. In October of that same year, I called the Senate's attention to the National Security Council study that raised serious questions about the military and economic viability of aircraft carriers.

The U.S. Navy is charged with a number of mission responsibilites that the aircraft carrier is not designed to meet. The proposed vessel in this bill would not come into service for several years, but would preclude the allocation of naval appropriations for many more pressing, immediate needs. The authorization of $1.76 billion for an additional aircraft carrier would force the deletion of a considerable amount of operations and maintenance money that is necessary to keep the Navy in a state of preparedness. Research and development funds that may very well prove vital in a few years would also have to make way for the new carrier. And finally, many hard procurement items would be sacrificed.

There has been a great deal of discussion in recent years about the state of the Navy, and its relative strength when compared with the Soviet Navy. I am willing to admit that there are areas within our Navy that cause me concern—we must improve, we must increase and streamline our shipbuilding efforts. I am firmly convinced, however, that the huge expenditure demanded by the construction of another aircraft carrier cannot address those problems that must be resolved in the very near future—and, therefore, it cannot be justified.

I believe that there is one point concerning this issue that we must all consider—the central question is one of U.S. naval policy. The role of the aircraft carrier is still a matter of debate within this Government. There are few who question the need for the United States to maintain a strong, flexible Navy. The construction of additional aircraft carriers all but destroys our ability to remain flexible. Further commitment to this type of vessel will lock the U.S. Navy into a policy, and indeed a role, that many military experts believe will not meet the needs of this country.

I will not rehash the arguments regarding the vulnerability of aircraft carriers. I will only say that advances in weapons technology raise several very serious questions in my mind. It is doubtful as to whether even a well-escorted and well-screened aircraft carrier could survive an attack by ships armed with the latest available missiles. In addition, I feel strongly that the dual role of the U.S. Navy to project power around the world and to keep the sea lanes open (should that become necessary) can be far better accomplished by increasing the number of smaller, modern ships employing the most advanced technology. We must look to the development of an advanced, flexible, economical Navy for the years to come, and not lock future Americans into a naval policy that is yet unresolved and highly subject to question.

We must remember that the aircraft carrier has its place, but can no longer be allowed to take precedence at the expense of the rest of the Navy. The carrier force that the Navy currently possesses will enable this country to maintain a reasonable carrier fleet into the 21st century. Today, we must allocate our resources to those other, far more pressing naval demands if we wish to retain a truly effective force. We cannot afford to build monuments to past wars—but we must take those necessary, however difficult, steps to move forward to adequately and appropriately meet our naval security needs of the futrue as well as of today.●

Mr. BUMPERS. Now, Mr. President, having made all the arguments I have made, mostly directed toward what I believe is the cost ineffectiveness of this large platform, I know where the numbers are here, and I ask unanimous consent that I may be permitted to withdraw the amendment.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the amendment is withdrawn.

Mr. STENNIS. Mr. President, will the Senator repeat that? I was distracted. Does the Senator propose to withdraw his amendment?

The PRESIDING OFFICER. The amendment has been withdrawn.

Mr. STEVENSON. Mr. President, I seek this opportunity in order to make some comments about the implications of this bill, including its authorization of funds for the development of an MX missile, for the SALT process in SALT II.

Mr. STENNIS. Mr. President, will the Senator yield to me just on the matter of time?

Mr. STEVENSON. Of course.

Mr. STENNIS. Mr. President, may we have attention, please? Just to make sure we keep the record straight, Mr. President, of course I do not have any objection at all to Senators speaking, but we are under an agreement here about these two matters, first, the carrier amendment, and then the Nunn amendment. So I think the Chair ought to see that Senator NUNN is notified and has a chance to come to the floor.

As I say, I am not interceding here trying to stop the Senator from having the floor. I thank the Senator for yielding to me.

Mr. STEVENSON. I thank the Senator. I am not seeking to offer an amendment. I am only seeking to make some observations about the implications of this bill for the SALT process.

The PRESIDING OFFICER. If the Senator will delay, the Chair will say for the information of the Senate that under the previous order no further amendments are in order unless the Senator from Georgia (Mr. NUNN) wishes to call up an amendment.

The Chair recognizes the Senator from Illinois.

Mr. STEVENSON. I thank the Chair.

Mr. President, it is possible for Members characterized as supporters and opponents of the SALT process to oppose the proposed SALT II agreement.

Yesterday, one of our colleagues, the distinguished Senator from Washington (Mr. JACKSON), criticized SALT II. Today I suggest that the President's decision to develop a land-based MX requires supporters of SALT to reexamine SALT II.

Opinion is supposed to divide on the complex subject of arms control between those for and against it. But there is only one opinion—a universal human opinion which supports the control of weapons capable of exterminating the human species. Opinion divides over methods. SALT itself is schizophrenic. It reflects a desire for arms conrtol and a compulsion for arms. Thus, the President professes a commitment to the control of strategic arms, yet assures us in his state of the Union address that the SALT II agreement will permit us to develop the "MX missile; Trident submarines and missiles; air, ground and sea launched cruise missiles; carrier aircraft; and a new penetrating bomber."

We must judge a second SALT agreement against 12 years of negotiations which leave doubt as to whether the SALT process escalates or de-escalates the strategic arms race, stabilizes or destabilizes the strategic relationship between the United States and the U.S.S.R.

During all the years of the SALT process, each side has raced to achieve superiority in the name of parity and always ended the poorer for it—more insecure and closer to the flash point. Each SALT agreement tends to give each side the weapons it wants and those the other wants, too.

The ceilings on arms then become floors; each side deploys to the full extent permitted in the name of a negotiated parity. Weapons that start out as bargaining chips, such as MIRV's, end up in the arsenal; never are they discarded in the bargaining process.

SALT II gives the Soviet Union a theoretical right to deploy over 13,000 warheads on 1,320 launchers. In its race for parity, it has developed the large SS–18 and SS–19 missiles with which to offset technological deficiencies in missile accuracy and the weight of warheads. Its quantitative advantages and qualitative improvements sanctioned by SALT II may make the ICBM's of the United States vulnerable attack in the near future.

President Carter's response to the threat to U.S. ICBM's, sanctioned by SALT II, is another round in the arms race, likewise sanctioned by SALT II. And his decision to develop the MX missile may be the first of several decisions to upgrade the Triad, the next being to deploy a sea-based Trident II missile.

The proposed 92-inch version MX missile would carry 10 reentry vehicles, each with a warhead of about .35 megatons (over 200 times the force of the weapon which destroyed Hiroshima) and a projected accuracy of about 100 meters. In other words, each warhead could destroy a foreign missile in its silo with near certainty.

To protect this weapon, the administration has tentatively decided to base one new MX missile in each of 200 20-mile trenches. The total cost of this system is estimated at $35 billion of which $670 million is proposed for fiscal 1980 in the military procurement bill. This cost will be followed by the cost of additional systems to upgrade other elements of the Triad and, as history demonstrates, underestimated costs and cost overruns are only the beginning as each side responds to the other with still more expensive and destructive weapons systems.

The development of missiles as accurate as the MX and Trident II signals a shift in U.S. policy away from an assured second-strike capability to counterforce and the first strike. Certainly, it will be perceived as such in the Soviet Union, and it is the perceptions which count. As the dominant superpower, the United States could exercise some statesmanship, as it once did by ceasing the testing of nuclear weapons in the atmosphere, and try to move both powers back from first-strike capabilities. Instead, it poses a new round and threatens the life of the SALT process itself.

Strategic policy for the United States has been based upon three sound principles:

First, preservation of a credible deterrent to nuclear attack;

Second, preservation of crisis stability—a force structure that encourages both sides not to fire the first shot; and

Third, the compatibility of continued efforts to rein in the arms race.

President Carter's decision to procure the large version of the MX missile, especially as this missile is likely to be deployed as a land-mobile system, runs counter to all three principles. If this is the price of SALT II, the country may be better off with no SALT II.

The MX missile signifies that the United States is sacrificing the surest component of deterrence, the option to retaliate to a Soviet first-strike by wasting Soviet cities and the Soviet economy, laying the Soviet Union bare to massive human and material destruction, to discord from the restless internal minorities which now comprise the majority of the Soviet people, and to dissension and aggression on its long and troubled borders.

Two of the three key performance characteristics of the MX systems—pinpoint accuracy and greater throwweight—are designed for hardened targets. The resulting counterforce balance will require each side faced with incoming missiles (launched by inadvertence, third parties or otherwise) to insure that those missiles do not find their targets.

It creates a launch-on-warning posture which may increase the deterrent against the calculated first-strike, but at the price of increasing the risk of accidentally unleashing the destruction of the Nation. The posture is ultimately preemptive. Deterrence will no longer be based on an ability to absorb the opponent's first-strike and then retaliate in devastating measure.

A land-based MX system will not solve the deterrence problem caused by Minuteman vulnerability. Being threatened by our MX, the Soviets will very likely feel compelled to protect their own deterrent forces. They certainly will maximize their number of deployed nuclear warheads. SALT II allows the Soviets to retain their SS-18 with 10 deployed warheads and deploy a new ICBM with an equal number of warheads. These two systems alone can give the Soviets 8,200 ICBM warheads.

It will not be cheap for the Soviets to replace all their SS-17 and SS-19 missiles, as well as earlier ones, in order to maximize reentry vehicle (RV) deployment; but MX will give them little choice. And with over 8,000 warheads, the Soviets would still have a good chance of knocking out our ICBM force of 200 MX missiles and 1,000 other systems, and they would still have up to 5,320 SLBM warheads and 1,020 un-MIRVed missiles or heavy bombers in reserve for later strikes.

With a closed society and vast territorial expanses, the U.S.S.R. could deploy a mobile land-based system of its own with more potential for deception than the United States. These basing systems are no more subject to verification than a nation chooses to make them. A Soviet response in kind could be less susceptible to verification than our own, though the Soviets will feel more threatened than we because a greater proportion of their deterrent is based on ICBM's.

We already have doubts about the verifiability of the SALT II agreement with respect to existing Soviet systems. We would never accept the risks of verifying a Soviet system similar to that which we now propose for ourselves. The possibilities of undetected breakouts are enhanced by such systems, and we introduce deliberate concealment and deception into the strategic balance and undermine the very basis for SALT. That basis is ultimately confidence in the ability of national intelligence to verify the adversary's testing and deployment of strategic weapons.

There is little in Russian history to support the openness inherent in cooperative measures for verification. The temptation to hedge by deploying extra missiles will, for the Soviets, be strong. And the future of arms control, with each side accepting land-mobile systems, deliberate deception, first-strike accuracy, enormous payloads, and pressures toward launch-on-warning, will be dim at best.

The instabilities flowing from the President's decision will be especially great in the mid-1980's. At that time, the Soviets will have increased the number of warheads on their missiles, but they will see the United States as having achieved a real first-strike capability against their missiles.

With the expenditures for MX we will have purchased greater mutual insecurity—and a chance of hair-trigger nuclear war. The risk of preemptive attack as well as of accidental war will then be real.

For all this, the invulnerability of a mobile land-based MX may be more illusory than real. A widespread opinion exists within the scientific community and among arms controllers and strategic planners that the proposed basing mode for the MX risks its vulnerability by the time it is deployed. Soviet technology will not stand still.

It will be capable of avoiding nuclear fratricide, penetrating this relatively soft linear target and, if nothing else, disabling its vulnerable command and control systems with lethal pressures. The present Minuteman silos with more hardening, could be made less vulnerable to the actual Russian threat in the mid-1980's and at far less cost than the MX land-based in trenches.

Mr. President, I expect to vote against this bill because of its funding for development of a mobile land-based MX. If this system is as implausible as I suggest, some explanation must exist outside the framework of strategic necessity.

The Triad is rooted in tradition, inertia and entrenched power. It is argued that the land-based missile is needed should technological advances threaten other elements of the Triad. But that argument ignores the present situation—the very fact that technology has already overtaken the land-based missiles.

With the ICBM's a source of vulnerability, the Nation would rationally dispense with them and rely on systems which are more assuredly invulnerable—and less expensive. It is argued that the MX is needed as a bargaining chip. We are told by the President that it is necessary to SALT to have a mobile MX, as well as Trident II, long-range air-launched cruise missiles, and a new advance penetrating bomber because it is now possible to use these weapons and because they are necessary bargaining chips.

This logic does not reflect arms control at all. After the investments are made and new systems acquire momentum, they always end up in the arsenal. The other side, knowing this, does not respond by giving something up; it responds by developing another system of its own.

MIRV's on one side were followed by MIRV's on the other. It is also argued that the threat of a Soviet first-strike gives it a power to intimidate. But the threat of using unusable weapons is not plausible; it does not impress a world already doubting the judgment of superpowers hellbent upon bankrupting themselves at some risk to all nations.

This decision can best be explained by the mystique of the triad and politics. The Air Force wants an ICBM. Some Senators want it. And the President is pressured to win votes for ratification of SALT II. It is his cost-effective means of obtaining votes in the Senate. Modes of basing for the MX at sea and in the air are more effective—but more expensive.

Such expediency may underestimate the purpose of the Senate. Throughout the history of SALT negotiations the Senate has acted on the assumption that the purpose of SALT was to limit and reduce the number of nuclear weapons and their capabilities, thereby reducing the prospects that these weapons would be used.

The SALT process has never succeeded in controlling strategic arms as fast as science has created them and political pressures deployed them. If the SALT process squeezes the arms race in one place, it bulges in another. If quantitative limits are imposed, more dangerous qualitative improvements follow. The tactical and conventional arms race is escalated by the illusory restraints of strategic arms limitations.

And now the morbid business is pushing sophisticated weapons into outer space upon which both sides have become dependent for communications, weapons control and monitoring systems. The threat to SALT now comes from within SALT. A SALT agreement which sanctions far more missiles and launchers than the security of either superpower requires is destructive of the SALT process.

There are alternatives to the SALT process. There are alternatives to MX. And there are measures the United States should be taking to insure its security.

The United States should seek to negotiate lower ceilings and preserve the credibility of the ICBM's by negotiating a reduction in the threat to them, if that is possible.

At least the Senate should receive assurances from both sides about the future before ratifying SALT II. What is proposed next for the SALT process and SALT III? Are the omissions of SALT II to be addressed by SALT III? As it stands now, the expiration of the SALT

II protocol will be followed by the deployment of mobile land-based systems. If I am wrong what assurances are there of that from either power? I have heard little about the future and the present portents are ominous.

Negotiations with respect to the potentially most expensive and dangerous race of all—in outer space—are bogged down. The distinction between tactical and strategic weapons is conveniently blurred in SALT II. It builds up pressures for gray area systems, such as Backfires, cruise missiles and SS–20's. Are these pressures to be deflated in the future?

If such assurances about SALT III are not received, then the Senate might consider ratifying SALT II with an amendment that requires the parties to negotiate an agreement which requires reductions in strategic arms instead of escalating the arms race.

The United States should continue research on alternate basing modes and means of hardening Minuteman silos. We should continue to study mobile systems; missiles launched from small, quiet, conventionally powered submarines off our coasts; land mobile systems employing an improved Minuteman III instead of a blockbusting MX. Of all the basing modes, the most advantageous has always seemed to me to be the sea.

The sea offers an environment within which we can base missiles in safety, away from our population centers on land and our military installations. The systems at sea with relatively secure command and control systems and wide flexibility with which to respond to threats from anywhere in the world are not now threatened by offensive systems, nor will they be in the foreseeable future. And beyond the time we can foresee, developments on the offensive side can be countered by defensive improvements at sea.

To a degree SALT I recognized the wisdom of moving missiles from land to sea. SALT II threatens to reverse the movement back to land.

Some of the alternatives might cost a little more than the MX. Some require further research and development. Many would cost far less. All are practical and all are preferable to the garden path down which we are being led by the MX.

A more realistic arms control policy would recognize the inherent limitations of the SALT process, accepted as it is by habit and inheritance from one administration to the next, and subject it to a critical examination. It would include alternative means of bringing this madness to an end.

Let me cite an example: National means of verification produce evidence of possible violations in murky circumstances which permit conflicting inferences. Verification could be a more effective means of deterring aggression in outer space and on Earth, within and without the SALT process, and by all nations, if in addition to being national the means of verification were international.

Effective U.S. means of verification have been retarded by budgetary considerations which hinder both the development and deployment of instruments for photo reconnaissance and signals intelligence. And the national systems deployed expose the offending nation to detection by the other.

The cost of deploying and developing an international system might be shared by many nations. The international operation and maintenance of a system for global monitoring could disclose to all nations the aggressive intentions and activities of all.

The threat then of detection would be the threat of detection by the world community. Such an international system of verification would not supersede national means because the international system, being open, might be evaded, though the very fact of evasion would itself be subject to detection.

Besides, the leaks which haunt U.S. intelligence now disclose more of what there is to know about our monitoring systems to the Soviet Union than is known by the American people.

An international monitoring system would require a high level of diplomacy and statesmanship and offers some advantages for the United States. It implies a lesser concession for open societies, including the United States, than closed societies such as the U.S.S.R. It could integrate civil and intelligence space applications and produce information for mapping, minerals and fuels exploration, communications, weather prediction and other such peaceful and beneficial uses of space.

As it is, we invite the suspicion of the world by using space for the most clandestine purposes. With some imagination we would discover a broad receptivity in the third world and European nations to the cooperative use of space for arms control and civil purposes.

SALT is not the only route to arms control and international security. SALT II may lead to more international insecurity. It is threatened by a proliferation of strategic arms in the world; it never has controlled Soviet and United States strategic weapons as fast as they were created. The amendment or rejection of SALT II could portend more realistic arms control methods and a relaxation of the tension the SALT process now threatens between the United States and the U.S.S.R. I suggest that the decision of President Carter on MX requires the supporters of the SALT process to reexamine SALT II.

The PRESIDING OFFICER. The Senator from California.

Mr. CRANSTON. Mr. President, the Senator from Illinois, as is his custom has made a penetrating analysis and a very thoughtful discussion has been presented by him regarding the MX and issues relating to it. I share the Senator's concerns about the implications of the MX. It may prove to be very destabilizing.

It may lead to a situation where it is difficult, if not impossible, for the Soviets to verify what we are doing and, in the long run, if the Soviets emulate us, as they probably would in going to a movable land-based missile, it would lead to equal, if not greater—quite possibly even greater—difficulties for us to verify what they are doing in the field of strategic weaponry.

The implications of all this to SALT are direct and immense. I question whether it would be wise to defeat SALT because of decisions on the MX and related escalation of the arms race, because I suspect that we would not, any time soon, find a new and better approach to arms control (if SALT goes down to defeat). I fear that the consequence of the defeat of SALT for reasons like that, and for other reasons, would more likely be a dangerous escalation of the arms race—new hostilities, new suspicions, and new difficulties in verifying what the other side, in our case, and our side, in their case, is doing in weaponry. We would each, if totally in the dark, or more or less in the dark, assume the worst case. As a consequence, a tremendous buildup would start that would be exceedingly dangerous.

However, the administration's decision on the MX missile system does raise some serious concerns under SALT II and the defense authorization bill for fiscal year 1980 (S. 248), now pending.

UNCERTAIN STATE OF MX PROGRAM

Congress has been at a considerable disadvantage this year in considering the administration's funding requests for the MX missile program because these requests have not been accompanied by any firm proposal for a specific system. I voted against the fiscal year 1979 defense supplemental bill, which contained $265 million for the MX, because its only purpose was to provide for an uncertain acceleration of the development of an as yet undefined system.

Now the President has decided to proceed with full-scale engineering development of a 92-inch-diameter missile, which effectively precludes a submarine or air launch basing mode. Later this summer, the President will decide on the basing mode for the MX missile, presumably some type of horizontal shelter system.

I do not criticize the President for the ample attention he has given to this difficult issue. In fact, the President should be complimented for his insistence that the verifiability and arms control implications of the various proposed basing modes for the MX be fully considered. Nonetheless, the present uncertain state of this matter leaves the Congress in a difficult position as it considers the MX funding request.

ARMED SERVICES COMMITTEE RECOMMENDATION

The Senate Armed Services Committee, in S. 428, has recommended that the full $670 million requested by the administration be authorized, subject to the following restrictions: The Secretary of Defense must report on the specific details of his final proposed MX missile and deployment mode no later than October 1, 1979; no funds may be spent for the proposed system until 60 days after the Secretary reports; and during this 60-day period either House can block the proposal by a resolution of disapproval.

With the President's decision on the 92-inch missile, it is clear that the MX missile system he proposes will be land based. But this provision of S. 428 concerns me because it assumes that an MX missile is necessary and does not distinguish between the very different issues of whether a larger, new missile is needed and the issue of whether the United States can design a basing mode which will insure that our ICBM force is relatively invulnerable and can survive a first strike. Thus, for example, it does not provide for the alternative of a mobile basing mode for Minuteman III, as suggested by Senator HATFIELD and others.

In addition, it presumes that by October 1, 1979, the solution to the problem of increasing vulnerability of land-based missiles—a solution which has evaded the Defense Department and Congress for years—will materialize. If we proceed with the MX missile system, I hope this presumption is correct, but I suspect there will be many serious and important questions raised when the Secretary of Defense attempts to comply with this provision.

EVALUATING THE MX SYSTEM

The criteria by which the United States has judged its strategic weapons decisions for years have been twofold:

To maintain a credible deterrent to nuclear war by deploying capable and survivable strategic forces which could deliver a massive retaliatory strike after absorbing a first strike, and

To thus maintain stability in a crisis by insuring that neither side would have the advantage by striking first.

In addition to these two criteria, the United States must consider the effect of any MX system on the entire SALT process and arms control in general.

The main argument advanced in support of the MX system is that our ICBM force must be invulnerable; it must be able to survive the first strike capability which the Soviets will have by 1982 or 1983. There are, of course, substantial questions concerning the plausibility of this first strike scenario, but the proponents of the MX system argue that whatever the plausibility of such a first strike or the actual capability for such a first strike by the Soviets, the perception of this capacity upsets essential equivalence and the deterrent effect of U.S. strategic forces vis-a-vis the Russian strategic forces.

I will have more to say about this "perception" argument during the debate on the SALT II Treaty. For today, however, the important question is whether the MX system really solves this problem of presumed ICBM vulnerability.

Each of the basing systems under consideration is dependent on deception to elude the Soviet targeteers' efforts to know its exact location. Such a system is so fundamentally inconsistent with our open society compared with the Soviet Union's that I believe we are at a great disadvantage. With Soviet access of U.S. territory and to areas very close to the deployment sites—as point security rather than area security is planned—it is difficult to have confidence in our ability to maintain the secrecy necessary for such a system to work.

In addition, the increased sophistication of national technical means of monitoring creates serious problems of concealment of missile-launch location within the system. This problem, ironically, is complicated by the necessity of periodic disclosure of launcher location for verification. There also appears to be a substantial issue of the basic vulnerability of a soft, linear target such as the trench system under consideration. And some critics have raised serious questions of whether effective command and control can be achieved of 200 missiles over miles and miles of track and through thousands of station launching sites.

Therefore, I believe it is very prudent that we require the detailed report from the Secretary of Defense on the MX system. Unless we are each convinced that our ICBM's are vulnerable in fact—and not just in theory or perception—and that the proposed MX system provides the best solution to that problem of actual vulnerability, then we may be required to exercise our negative veto power contained in S. 428.

THE MX SYSTEM AS A BARGAINING CHIP

Assuming these problems with the MX system may be resolved, a major argument in favor of the MX is that it will improve our bargaining for future arms control—the "we must build up before we can build down" argument. Thus, it is argued that if we develop a missile which threatens the survivability of Soviet ICBM's, they will be more likely to consider strict arms control agreements in the future to solve the problem of vulnerability.

This argument ignores the fact that decreasing survivability of missiles deployed in fixed silos is already a problem shared by the United States and the Soviet Union. The United States now has a significant capability to put Soviet ICBM's at risk. Indeed, the Soviet's position is somewhat worse than ours because they have failed to hedge their strategic forces in the prudent manner we have. Whereas, at most, only 30 percent of our strategic power is based in potentially vulnerable ICBM silos, fully 70 percent of their force is.

If the MX system is developed with 200 missiles with 10 warheads each, that is 2,000 more first strike warheads. In addition, we will have 300 Minuteman III missiles with 3 Mark 12A warheads each, for another 900 warheads. This would mean 2,900 warheads with hard target kill capability, or better than 2 warheads for each of the Soviet 1,400 missile sites, leaving unexpended our 250 Minuteman III, with 3 warheads each, 450 Minuteman II and 54 Titans, as well as the entirety of the other 2 legs of the Triad.

Faced with this threat to 70 percent of their force, is there any question that the Soviets would be forced to try to make their ICBM's invulnerable and to counter the U.S. threat? How does this serve the cause of arms stability? That is the basic question asked by the Senator from Illinois, and I ask it, too. Rather than inducing the Soviet Union to be more accommodating at the SALT III negotiating table, U.S. deployment of strategic forces specifically designed to threaten Soviet systems might produce the opposite effect. Soviet leaders may perceive the MX primarily as a threat which can be countered only through deployment of more ICBM's with more warheads each after expiration of SALT II.

MX AND VERIFICATION

Not only could the MX cause instability rather than stability, but forcing the Russians to make their ICBM force mobile or possibly invulnerable could be a devastating blow to meaningful arms control.

The administration has placed great emphasis—and rightly so—on designing a system which would be verifiable by national technical means. But what assurance do we have that if the Soviet ICBM force were to be made mobile the Soviets would choose to deploy a system which is readily verifiable by national technical means? Indeed, with 70 percent of their strategic force at stake, one must assume that invulnerability, not verification, will be the prime Soviet concern.

It is not difficult for the United States to consider verification of any deceptive basing mode system necessary for effective arms control—it is consistent with our society to do so. The Soviets would have not only national technical means for verification, but the basic openness of our society as a check against cheating. In contrast, we can have no confidence in such a back-up system within the closed Soviet society. Given the advantage the Soviets have in the area of secrecy, we must be very wary of any mobile or other systems dependent on deception for their effectiveness—not encourage them.

CONCLUSION

Mr. President, the present status of the MX missile system appears to raise more concerns and problems for the survivability of our ICBM force and for strategic force stability than it appears to solve.

But we do not, at this time, know enough about the missile itself, and the essential decision on basing mode has yet to be made.

SALT II is not yet signed, and the final text is not yet before us.

S. 428, as submitted by the Senate Armed Services Committee, does provide that we receive the necessary report from the Secretary of Defense on the MX before any of the authorized $670 million can be obligated or expended. On this basis, I can now support S. 428.

I hope that the Secretary of Defense is able to answer these major concerns about the MX system and SALT II. I hope that the administration can demonstrate that the MX missile system will provide stability and deterrence compatible with SALT II and the essential requirements of genuine strategic arms control.

But I suggest that on the record to date the administration has a heavy burden to meet. And if that burden is not met, I believe that each of us should not hesitate to exercise the legislative veto so wisely and unanimously included in

S. 428 by our colleagues on the Armed Services Committee.

Mr. President, I ask unanimous consent two articles from the New York Times relevant to this be printed in the RECORD at this point.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the New York Times, June 12, 1979]

WHO NEEDS THE MX?

(By Tom Wicker)

After telling the National Security Council the other day that he would approve full-scale development of the MX mobile intercontinental ballistic missile, President Carter is reported to have said, "I feel confident with this decision."

Not everyone will. As Mr. Carter had just been told in a letter from several nuclear arms authorities: "$30 billion seems an exorbitant price to pay for a system that adds so little to American security and promises to end by decreasing it."

And for the same money over the same years, Mr. Carter could underwrite a Manhattan Project to cope with an energy crisis far more threatening to American security than the likelihood of a Soviet nuclear attack.

The case for the MX is weak enough, in fact, to arouse suspicion that Mr. Carter is approving its development only to win the ratification votes of senators who now fear that the SALT II treaty would weaken American security, and to keep the Joint Chiefs of Staff from denouncing the treaty.

But if Mr. Carter's decision is taken at face value—as at the moment it must be—supporting the MX still requires several dubious leaps of faith. First among them is a conviction that the Soviet Union does indeed pose and intend a threat to the United States' nuclear deterrent.

It appears to be true that by the mid-1980's, Soviet missilery will have been so improved in accuracy and equipped with multiple, independently targeted warheads (MIRV's) that its use in a surprise attack might wipe out the present American land-based missile force. Is such an attack conceivable?

To consider it so, you have to believe the Soviets would make the attack knowing that even if it also took out the two-thirds of the American bomber force not kept on alert, the United States still would have 800 nuclear warheads aloft in one-third of its bombers and 3,000 nuclear warheads afloat in two-thirds of its submarines (the number normally kept at sea).

These figures do not include the more than 2,000 nuclear warheads to be installed in the 10 new Trident submarines already approved (one already launched). A Soviet attack in the teeth of such an assured second-strike force seems suicidal—particularly for nothing more than the destruction of an ICBM force that contains only about 25 percent of American nuclear warheads.

The Soviets seem far more vulnerable to us. All their 1,400 land-based missiles, all their 150 bombers and 85 percent of their submarines (the number normally in port) would be at least theoretically vulnerable to an American attack, leaving them only about 200 submarine-based warheads with which to retaliate. If 200 Soviet warheads are a sufficient second-strike capacity to deter the United States from a first strike, why aren't 3,800 American second-strike warheads sufficient to deter the Soviets?

But if you nevertheless accept the Soviet threat as real, you still have to convince yourself that the MX mobile missile is the right response. The Carter Administration, for example, apparently narrowed the options to two—a landbased MX and further submarine missile development. Then Mr. Carter chose the MX, which on the face of it seems more expensive and less secure from attack. It will entail more development risks and costs than the submarine weaponry already in being or in the works, and it's bound to encounter severe environmental and political resistance.

What state is going to want a huge number of MX missiles, each in a 20-mile trench studded with protective shelters and lined with railroad track, over which a single missile with the destructive power of 200 Hiroshima-type bombs will be shunted back and forth in an effort to keep the Soviets from knowing where it is? How can this clumsy, costly, environmentally destructive apparatus, eating up the landscape over several states, be preferable to swift and silent submarines?

But even if you accept the threat and the MX as the best response, you must further convince yourself that the mobile missile will not be destabilizing to the balance of nuclear deterrents. The history of the strategic arms race is that if one side leaps momentarily ahead, the other follows. The American decision to deploy MIRV's, for example, prevented the possibility of agreeing with the Soviets to ban such weapons; now the inevitable development of Soviet MIRV's has largely produced that very threat to American ICBM's cited as the necessity for building the MX.

Won't MX development cause the Soviet to see their land-based missile force (on which they rely far more heavily than we do on ours) as inferior? Won't that cause them to develop their own MX, hence making their land-based force less vulnerable to attack from us? And won't that lead both sides to target more warheads on more different sites where the other might possibly have hidden a missile?

If strategic weapons history has any relevance, that is exactly what will happen, thus raising costs and lowering security on both sides. And what about verification, a vital component of deterrence? More on this and other questions in another article.

[From the New York Times, June 13, 1979]

BIG MISSILE, LITTLE SECURITY

President Carter's decision to build the MX missile starts another round in the nuclear weapons race even before the current round is ended. The 95-ton MX is the biggest mobile land missile allowable under the pending arms treaty with the Soviet Union. The President's decision clearly pleases the Joint Chiefs of Staff and will help win votes for the SALT II treaty. The more important question, however, is whether this $30-billion weapon will make America more secure. That is far from certain.

At least in theory, the nation's 1,000 fixed Minuteman missiles in underground silos will become increasingly vulnerable in the mid-1980's, as the Soviet Union continues adding big intercontinental missiles with accurate multiple warheads. The fear is that a third of these Soviet weapons, if fired first, could wipe out most of the minuteman, leaving the United States with a numerically inferior second-strike force of bombers and missile submarines. However unlikely such a "limited" first strike, a spreading sense of vulnerability makes some remedy seem politically prudent.

But the MX would do more than answer the perceived threat. It would create new imbalances, stimulating the arms race and complicating arms control.

There is another answer. The vulnerability of stationary missiles could also be overcome by deploying the 39-ton Minuteman III, rather than the much larger MX, in a mobile mode. That could be done much sooner, the Air Force has said, and much less expensively. Like the MX, each mobile Minuteman could be moved at random among 40 or more horizontal concrete shelters to avoid being targeted.

But the appeal of the MX has been not only its mobility but also its size. And therein lies great risk. Each MX would carry 10 large, extremely accurate hydrogen bomb warheads—compared with three aboard Minuteman. Although smaller, it would match the Russians' big missiles in effectiveness and also threaten them in their underground silos. Moscow keeps three-fourths of its strategic throw-weight in fixed land missiles—compared with one-fourth for the United States. Hence the Russians would have even more reason to feel potentially vulnerable than we do now. They would surely feel compelled to follow the American example toward mobile land missiles. In the end, after great expenditures by both sides, a balance might be restored. But in the interim, there might be years of dangerous instability.

It is also argued at the White House and Pentagon that the MX would be a valuable bargaining chip in SALT III negotiations. The number of missiles—now planned at 200—scattered among 8,000 horizontal concrete shelters could be increased or reduced, it is said, depending on the number of big Russian missiles. But the history of arms control suggests that such bargaining chips, once deployed, are rarely bargained away. The same argument was once heard for MIRV multiple warheads, the weapon that has created the current vulnerability problem.

Perhaps the most dismaying aspect of the President's MX decision is that it reverses long-standing American strategic doctrine. The aim of American nuclear forces has been deterrence—by retaining the capacity to retaliate in devastating fashion against Soviet cities and industry after surviving a first strike. Mr. Carter would set out for the first time to build an American first-strike force aimed at Soviet missiles. Such a force has value only if one envisions a large nuclear exchange limited to military targets. It is one thing to defend against the possibility of a Soviet interest in limited war. It is another to contemplate it for ourselves.

Two years ago, Defense Secretary Harold Brown told Congress, "I will not say it is impossible, but I do not think it at all likely that a limited strategic nuclear exchange will remain limited." Yet once such a capability exists, the very instability it creates would only increase the danger that it will be used. If there must be a mobile American land missile, there are good reasons why it should not be the MX.

MX MISSILE PROGRAM

Mr. KENNEDY. Mr. President, this military authorization bill for fiscal year 1980 authorizes $670 million for full-scale development of the MX missile and its basing mode. But this is only a small installment toward the $30 billion the Defense Department tells us it will cost to deploy this missile system over 10 years, at current prices and at currently projected force levels.

This past week the administration confirmed that it would proceed with full-scale development of the MX missile—using the funds appropriated for fiscal year 1979 and 1980, including the fiscal year 1979 supplemental, to accelerate this phase to the maximum possible extent.

This decision to accelerate MX development is ill-advised, in my view, on strategic, diplomatic, and economic grounds.

Strategically, the MX will not buy the United States more security. This missile will only accelerate the nuclear arms race and introduce more uncertainties and instabilities into the nuclear balance.

I recognize that our ICBM force will become theoretically vulnerable to a Soviet first strike in the 1980's, and I support reasonable and responsible efforts to solve this problem.

One solution to this problem is to make our ICBM's mobile. But we must be assured that mobile basing does indeed provide a cost effective and verifiable solution for ICBM vulnerability. We must be assured that mobile basing will not create further impediments to future arms control negotiations.

The SALT I and SALT II agreements have both served to enhance strategic stability. A decision to deploy a mobile basing structure reinforces the need for SALT II and future SALT agreements. Without the limits on the number of Soviet warheads that SALT II provides, we would be forced into a costly race between U.S. shelters and Soviet warheads.

But the administration does not stop at making our present missiles more mobile and therefore more survivable. It seeks to develop and deploy 200 of the largest missiles permitted under SALT II—each with 10 highly accurate Mark 12-A warheads backed by 7,900 pounds of throw weight. In power, accuracy and numbers, this MX deployment will pose an extremely serious threat to Soviet ICBM's. Because the Soviet Union deploys the majority of its forces on land, while the United States had deployed the majority of its forces in the sea and air, the MX poses a major threat to the Soviet strategic force. Such a situation could drastically increase both instability and uncertainty in the strategic balance.

I am concerned, Mr. President, that MX will provide an incentive to Soviet leaders to deploy more of their counterforce ICBM's. Furthermore, MX deployment may also lead the Soviets to rely on a "launch on warning" doctrine and even to consider more seriously a "defensive" first strike in a crisis situation. If this proves to be the result, this strategic decision will have reduced both American and Soviet security, and increased the danger of nuclear war for all nations.

Diplomatically, I am concerned about the implications of this decision for our strategic negotiations with the Soviets. It should not preempt the possibility of further reductions of our land-based missiles, particularly the MIRV'ed ICBM's. I note positively that last Friday, a senior Defense Department official said that our MX deployments "can be adjusted down if substantial reductions as I hope are negotiable in SALT III." I would go further: we should be prepared not to deploy MX if the Soviets are prepared to reduced significantly their counterforce threat which led to its development.

Prior to the careful examination of such diplomatic alternatives, the Congress should refuse to accelerate the MX program.

The Congress should refuse to fund a new, far more destabilizing and dangerous round of the nuclear arms race unless the alternatives of mutual restraint are tested and found wanting. Unless the administration pursues this arms control route with the care and persistence it deserves, the cost of failure could be paid for decades to come. Diplomacy should be given the chance it deserves to enhance our national security, and the Congress should fully support this effort.

Economically, MX is destined to become one of the most expensive weapon systems ever built. Even before the first MX missile is produced, the program cost is estimated at $30 billion over 10 years—$30 billion before inflation and cost overruns begin to plague this system.

The $670 million for MX in the current authorization bill, and the $265 million authorized in the fiscal year 1979 defense supplemental, are premature and wasteful expenditures. Until the basing options, are fully evaluated and all diplomatic opportunities fully explored, we should not rush to spend this $1 billion installment in a $30 billion defense program. We should not divert scarce funds from urgent military and nonmilitary projects alike.

We must also consider the environmental costs of deploying a mobile system. According to a senior Defense official, if the so-called trench basing structure is deployed, 200 shelters, each up to 20 miles long, could be expected to occupy 100 square miles of public land in the States of Arizona, New Mexico, Nevada, and Utah. We must evaluate if the questionable security costs of this system are worth the tragic environmental costs which could occur, particularly in a region of this country which has already paid a high health and environmental price in the U.S. nuclear testing program in the atmosphere which the limited nuclear test ban treaty ended in 1963.

Mr. President, it would be grossly unfair to the American people, and the people of the world, not to examine the diplomatic and military alternatives to the MX missile program. There is no excuse for making MX a political price for SALT II instead of a realistic negotiating counter for SALT III. There is no excuse for failing to consider more available, cost-effective and stabilizing alternatives to the MX, such as mobile Minuteman III's or a new, combined Navy/Air Force missile.

At a minimum, it is premature to accelerate the development of MX. Let us await the results of the Vienna summit; let us monitor the degree to which the Soviets are prepared to reduce their counterforce threat—and let us continue to consult our close allies on the final MX decisions. Only in this proper diplomatic and strategic context can we hope to arrive at rational strategic force decisions which will truly enhance stability and reduce the dangers of nuclear war in the decades ahead.

Mr. President, a balanced and lucid analysis of these arguments for and against the MX missile program was written by Morton Kondracke in the current issue of the New Republic. On June 12, Tom Wicker wrote a thoughtful and persuasive oped article in the New York Times against MX development. I request that the full text of these two important articles, and of a New York Times editorial raising fundamental concerns about MX be printed in the RECORD.

The material follows:

[From the New Republic, June 16, 1979]

TRENCH WARFARE

(By Morton Kondracke)

The best one can hope about President Carter's apparent decision to go ahead with the MX missile (the decision is pending as this is being written) is that it is part of a crafty political and diplomatic maneuver: that Carter secretly hopes the missile will never be built, but has endorsed it to win Senate ratification of SALT II and to induce the Soviet Union to quickly begin SALT III discussions about dismantling many of their heavy missiles. If this is all a trick, and it works, then Carter will win the SALT fight, get reelected and use MX as a bargaining chip to secure deep cuts in the Soviet missile arsenal. But Carter's move is fraught with danger. By political necessity, bureaucratic momentum or Soviet obstinacy, the MX might actually be built. What's even worse, the United States might stop basing its strategy on deterring a nuclear war and begin trying to find ways to fight and win one. Even in this supposedly dovish administration, there has been a doctrinal drift from deterrence to counterforce. What John Connally or Ronald Reagan might do with MX (or scare the Russians into doing), one can only shudder to think.

Proponents of the new missile system, including President Carter, defend it as a way of neutralizing a Soviet threat to the U.S. land-based missile force. That force is theoretically vulnerable, but MX deployment does more than make it invulnerable. Besides being mobile and possibly hard to target, the 200 or 250 MX missiles being planned by the United States will carry 10 warheads each—enough to give the U.S. a first-strike capability against Soviet land-based missiles in the late 1980s or early 1990s. If the U.S. is worried that its ICBMs are subject to attack—and they represent just 30 percent of all U.S. strategic forces—the Soviets are likely to feel even less secure, since the U.S. would be able to destroy 70 percent of the total Soviet arsenal. It is a nasty situation on both sides—for us now, for them later—which reasonable people should be able to negotiate their way out of. But there are many pressures on both sides to be unreasonable.

On the U.S. side, Vietnam and a relative decline in U.S. power have produced an intellectual and political insecurity that favors getting good again through weapons-building. This attitude puts the fruits and even the concept of arms control in jeopardy. We are turning hawkish because we're scared. All during the nuclear age, two schools of planners have contended bitterly over U.S. strategy—those who believe nuclear wars can be fought and won, and those who think wars have to be avoided, lest they get out of hand and destroy civilization. War fighters tend to favor highly accurate weapons that can destroy Soviet weapons. The deterrence school usually favors weapons that can ride out a Soviet attack and deliver a devastating counterblow against Soviet cities.

In the history of U.S. nuclear planning, former defense secretary Robert McNamara is a pivotal figure. At the outset of his tenure, he hugely increased the U.S. nuclear arsenal and in a famous speech at Ann Arbor, Michigan, in June 1962, announced that the United States was reserving the option of fighting a "controlled" nuclear war primarily against Soviet military targets. The strategy was represented as more humane than city-busting, but the Soviet Union, vastly inferior to the U.S., considered it as a U.S. threat to wage preemptive war. Some analysts think Khrushchev's attempt to base offensive missiles in Cuba was a response to that threat.

After the Cuban missile crisis, McNamara stood down from counterforce strategy and became, in fact, a leading exponent of "mutual assured destruction"—the theory that both the U.S. and Soviet Union should be deterred from attacking the other by knowing that their cities and industry would be demolished in return. Deterrence theory remained dominant in U.S. strategic planning through the Johnson and Nixon administrations. During that time, the U.S. did not increase the number of land-based missiles in its arsenal, concentrating instead on new submarine-based missiles designed primarily as second-strike weapons to bolster assured destruction. The U.S. did deploy multiple warheads (MIRVs) on both land-based and sea-based weapons, and constantly improved accuracy, but the numbers of U.S. weapons never were sufficient to threaten a debilitating first strike against Soviet missiles. The U.S. felt secure enough to negotiate arms control agreements with the Soviet Union. In 1972, it's astounding to recall, SALT I passed the Senate by a vote of 88–2.

All during this era, hawks of the war-fighting persuasion were warning that the Soviet Union was destined to catch up and surpass the United States unless we built new weapons to maintain our superiority. They pointed to the fact that the Soviet Union had consistently deployed huge, heavy missiles, far larger than those of the United States, and charged that the Soviets intended one day to fill them with enough accurate warheads to destroy the U.S. land-based force in a first strike. Assured destructionists countered that the Soviets were merely trying to catch up with the U.S. after their humiliation of 1962 and would be satisfied when they reached parity, "overkill" being essentially an unusable expense. They said heavy missiles were the product of Soviet inability to match U.S. technology in miniaturization and accuracy. And, the assured destructionists argued, even if improvements in MIRVing and accuracy accidentally gave the Soviets a theoretical first-strike capability, it didn't matter, because U.S. submarines and airplanes were still available to guarantee a stable second-strike capability and, therefore, deterrence.

The domination of assured destructionists over U.S. policy began to crack when James Schlesinger became secretary of defense in 1973. Schlesinger favored increased "flexibility" in the nature and use of nuclear weapons, adoption of a "limited nuclear war" strategy designed to direct attacks away from cities and toward military targets, and increased spending on civil defense. Schlesinger's successor as President Ford's defense secretary, Donald Rumsfeld, came out fully for a U.S. counterforce capability against Soviet land-based missiles. He said the Soviets were bent on the same capacity against us. "Soviet programs," Rumsfeld said, "do not reflect an interest in deterrence by massive retaliation; their strategic nuclear posture is developing a war-fighting capability."

Politically, detente and deterrence theory seemed to go hand in hand. Henry Kissinger, when he was secretary of state, was a prime proponent of the former and, against attacks from Republican superhawks, asserted that nuclear superiority was useless to either superpower. In the Ford administration, Kissinger fought with Schlesinger and Rumsfeld over weapons and strategy. At the Republican convention in 1972, backers of Ronald Reagan all but won a vote discrediting Kissinger's policies. In the Democratic party, meanwhile, those who oppose SALT and detente, led by Senator Henry Jackson, also tend to favor weapons giving the United States a counterforce capability against the Soviet Union.

The Carter administration came to office with assured destructionists in top jobs at State, Defense and the White House. Though Schlesinger became secretary of energy, heading the department which oversees the manufacture of nuclear weapons, Democratic hawks felt frozen out of the administration. They charged, in fact, that the second echelon of the administration was populated by doves so soft they would give way on virtually every point to the Soviets.

But hawkish arguments have had strong effects on the administration. The best example is a gradual shift in the views of Defense Secretary Harold Brown. In September 1977, Brown declared that the Soviets had a large, effective and costly strategic buildup under way, though "exactly why the Soviets are pushing so hard to improve their strategic nuclear capabilities is uncertain." This May 30, Brown declared in Annapolis: "The Soviets have targeted our ICBM force for some time, although to only a limited degree of effectiveness. . . . As early as 1962–63, the Soviets had a policy of building forces for preemptive attack on U.S. ICBMs."

In September 1977, Brown claimed that "strategic deterrence is in effect" between the U.S. and the Soviets. "Some might even call it a stalemate," he said. He also said, "I should add that the United States has no desire for or plan to develop a first-strike, disarming capability against the Soviet Union. Accordingly, we shall not seek such a capability provided that the Soviets show similar restraint toward the United States." Brown seems to have decided there has been inadequate restraint on the part of the Soviet Union, for he has become one of the administration's leading proponents of MX, a weapon that will give the U.S. a first-strike disarming capability.

What seems to affect Brown most is the worry that, regardless of the reality of the United States-Soviet nuclear power balance, there may be a confusion of perceptions about it, leading to miscalculation. Now he seems to think deterrence ought to be in effect, but may not be. He is just a step or two short of the conviction held by anti-SALT hawks that, in a crisis, the United States might be self-deterred by a president's perception of superior Soviet power. The hawks also argue that U.S. allies and adversaries share this perception of American weakness, and they think President Carter's often uncertain conduct of foreign policy deepens the trouble.

Among hawks, there is no question that the MX ought to be built, both for reasons of perception and because they favor development of a counterforce capability against the Soviets. In a crisis, they want to have the ability to threaten a first strike against the Soviet Union, so the U.S. can get its way, as in 1962. They also tend to favor an immediate start on a so-called "multiple aim point" basing system for the existing Minuteman missile force—a shell game in which missiles can be shifted from one silo to another, so the Soviets cannot know where to aim. The hawks want to put MXs in the silos when they are ready.

Such a move by the Carter administration would have represented a double-whammy against arms control. The U.S. not only would be building a first-strike weapon, but would be basing it in such a way that the Soviets could not verify how many missiles the U.S. had deployed. Their satellites can tell how many missile silos we have, but if we have thousands of extra silos, they could not be sure how many we had filled with missiles. Worse, if and when they resorted to the same scheme, we would not know how many they had.

The administration sought ways to undo the vulnerability of land-based missiles, but decided for both political and military reasons that it could not eliminate land-based missiles entirely and rely on sea-based missiles, bombers and cruise missiles. Politically, it seems weak to key senators for the U.S. to be forced by the Soviets to give up any strategic system, even if it is superfluous. Militarily, defense planners are worried about problems in communicating with submarines at sea and about the remote possibility of a Soviet breakthrough in anti-submarine warfare.

So Carter has decided (apparently) to put MXs in horizontal trenches—where the Soviets can see them by satellite. They could move from one firing point to another, so the Soviets would not be able to aim at them. If the Soviets were to launch a strike, the missiles could be moved from one point to another before the Soviet warheads arrived.

The trench system seems a worthy, if expensive, effort to salvage arms control, but there are problems that have to be resolved. The total cost of the system will be $70 billion over 10 years, which will be money the U.S. might otherwise spend on conventional arms, a category in which the U.S. and its allies are demonstrably inferior to the Soviet Union and its allies. It is not entirely certain, either, that a Soviet missile landing somewhere along the 20-mile trench might not render many missiles inoperable even if they aren't completely destroyed. It's not clear that residents of the southwest U.S. will welcome miles of trenches and missiles in their neighborhoods, even on government land.

The most worrisome question, though, concerns what the Soviets will do about the MX. Some planners hope that they will be forced to follow the U.S. into adopting a mobile missile system, at even greater cost than U.S. trenches. However, there is no guarantee that the Soviets will opt for a trench or another system that the U.S. can verify by satellite. If they do not, it could spell difficulties for arms control. At the best, the president may hope that the Soviets will enter negotiation to make their mobile system verifiable, or both our mobile systems unnecessary. If they would cut back their missile arsenal severely, so that our land-based missiles are not threatened, we could forego MX. But the Soviet military may resist dismantling its huge, prestigious missile force, and the leadership succeeding Brezhnev may be too weak, or unwilling, to order it.

Probably the worst that could happen would be for negotiations to fail, for the U.S. to adopt a counterforce strategy against Soviet missiles, and for the Soviets to fear they had to exploit their missile advantage before the U.S. gained superiority. Carter may be trying to create a bargaining chip—and it's the right thing to do—but he could also be stumbling into another missile crisis in the future.

[From the New York Times, June 12, 1979]

WHO NEEDS THE MX?

(By Tom Wicker)

After telling the National Security Council the other day that he would approve full-scale development of the MX mobile intercontinental ballistic missile, President Carter is reported to have said, "I feel confident with this decision."

Not everyone will. As Mr. Carter had just been told in a letter from several nuclear arms authorities: "$30 billion seems an exorbitant price to pay for a system that adds so little to American security and promises to end by decreasing it."

And for the same money over the same years, Mr. Carter could underwrite a Manhattan Project to cope with an energy crisis far more threatening to American security than the likelihood of a Soviet nuclear attack.

The case for the MX is weak enough, in fact, to arouse suspicion that Mr. Carter is approving its development only to win the ratification votes of senators who now fear that the SALT II treaty would weaken American security, and to keep the Joint Chiefs of Staff from denouncing the treaty.

But if Mr. Carter's decision is taken at face value—as at the moment it must be—supporting the MX still requires several dubious leaps of faith. First among them in a conviction that the Soviet Union does indeed pose and intend a threat to the United States' nuclear deterrent.

It appears to be true that by the mid-1980's, Soviet missilery will have been so improved in accuracy and equipped with multiple, independently targeted warheads (MIRV's) that its use in a surprise attack might wipe out the present American land-based missile force. Is such an attack conceivable?

To consider it so, you have to believe the Soviets would make the attack knowing that even if it also took out the two-thirds of the American bomber force not kept on alert, the United States still would have 800 nuclear warheads aloft in one-third of its bombers and 3,000 nuclear warheads afloat in two-thirds of its submarines (the number normally kept at sea).

These figures do not include the more than 2,000 nuclear warheads to be installed in the 10 new Trident submarines already approved (one already launched). A Soviet attack in the teeth of such an assured second-strike force seems suicidal—particularly for nothing more than the destruction of an ICBM force that contains only about 25 percent of American nuclear warheads.

The Soviets seem far more vulnerable to us. All their 1,400 land-based missiles, all their 150 bombers and 85 percent of their submarines (the number normally in port) would be at least theoretically vulnerable to an American attack, leaving them only about 200 submarine-based warheads with which to retaliate. If 200 Soviet warheads are a sufficient second-strike capacity to deter the United States from a first strike, why aren't 3,800 American second-strike warheads sufficient to deter the Soviets?

But if you nevertheless accept the Soviet threat as real, you still have to convince yourself that the MX mobile missile is the right response. The Carter Administration, for example, apparently narrowed the options to two—a landbased MX and further submarine missile development. Then Mr. Carter chose the MX, which on the face of it seems more expensive and less secure from attack. It will entail more development risks and costs than the submarine weaponry already in being or in the works, and it's bound to encounter severe environmental and political resistance.

What state is going to want a huge number of MX missiles, each in a 20-mile trench studded with protective shelters and lined with railroad track, over which a single missile with the destructive power of 200 Hiroshima-type bombs will be shunted back and forth in an effort to keep the Soviets from knowing where it is? How can this clumsy, costly, environmentally destructive apparatus, eating up the landscape over several states, be preferable to swift and silent submarines?

But even if you accept the threat and the MX as the best response, you must further convince yourself that the mobile missile will not be destabilizing to the balance of nuclear deterrents. The history of the strategic arms race is that if one side leaps momentarily ahead, the other follows. The American decision to deploy MIRV's, for example, prevented the possibility of agreeing with the Soviets to ban such weapons; now the inevitable development of Soviet MIRV's has largely produced that very threat to American ICBM's cited as the necessity for building the MX.

Won't MX development cause the Soviets to see their land-based missile force (on which they rely far more heavily than we do on ours) as inferior? Won't that cause them to develop their own MX, hence making their land-based force less vulnerable to attack from us? And won't that lead both sides to target more warheads on more different sites where the other might possibly have hidden a missile?

If strategic weapons history has any relevance, that is exactly what will happen, thus raising costs and lowering security on both sides. And what about verification, a vital component of deterrence? More on this and other questions in another article.

[From the New York Times, June 13, 1979]

Big Missile, Little Security

President Carter's decision to build the MX missile starts another round in the nuclear weapons race even before the current round is ended. The 95-ton MX is the biggest mobile land missile allowable under the pending arms treaty with the Soviet Union. The President's decision clearly pleases the Joint Chiefs of Staff and will help win votes for the SALT II treaty. The more important question, however, is whether this $30-billion weapon will make America more secure. That is far from certain.

At least in theory, the nation's 1,000 fixed Minuteman missiles in underground silos will become increasingly vulnerable in the mid-1980's, as the Soviet Union continues adding big intercontinental missiles with accurate multiple warheads. The fear is that a third of these Soviet weapons, if fired first, could wipe out most of the Minutemen, leaving the United States with a numerically inferior second-strike force of bombers and missile submarines. However unlikely such a "limited" first strike, a spreading sense of vulnerability makes some remedy seem politically prudent.

But the MX would do more than answer the perceived threat. It would create new imbalances, stimulating the arms race and complicating arms control.

There is another answer. The vulnerability of stationary missiles could also be overcome by deploying the 39-ton Minuteman III, rather than the much larger MX, in a mobile mode. That could be done much sooner, the Air Force has said, and much less expensively. Like the MX, each mobile Minuteman could be moved at random among 40 or more horizontal concrete shelters to avoid being targeted.

But the appeal of the MX has been not only its mobility but also its size. And therein lies great risk. Each MX would carry 10 large, extremely accurate hydrogen bomb warheads—compared with three aboard Minuteman. Although smaller, it would match the Russians' big missiles in effectiveness and also threaten them in their underground silos. Moscow keeps three-fourths of its strategic throw-weight in fixed land missiles—compared with one-fourth for the United States. Hence the Russians would have even more reason to feel potentially vulnerable than we do now. They would surely feel compelled to follow the American example toward mobile land missiles. In the end, after great expenditures by both sides, a balance might be restored. But in the interim, there might be years of dangerous instability.

It is also argued at the White House and Pentagon that the MX would be a valuable bargaining chip in SALT III negotiations. The number of missiles—now planned at 200—scattered among 8,800 horizontal concrete shelters could be increased or reduced, it is said, depending on the number of big Russian missiles. But the history of arms control suggests that such bargaining chips, once deployed, are rarely bargained away. The same argument was once heard for MIRV multiple warheads, the weapon that has created the current vulnerability problem.

Perhaps the most dismaying aspect of the President's MX decision is that it reverses long-standing American strategic doctrine. The aim of American nuclear forces has been deterrence—by retaining the capacity to retaliate in devastating fashion against Soviet cities and industry after surviving a first strike. Mr. Carter would set out for the first time to build an American first-strike force aimed at Soviet missiles. Such a force has value only if one envisions a large nuclear exchange limited to military targets. It is one thing to defend against the possibility of a Soviet interest in limited war. It is another to contemplate it for ourselves.

Two years ago, Defense Secretary Harold Brown told Congress, "I will not say it is impossible, but I do not think it at all likely that a limited strategic nuclear exchange will remain limited." Yet once such a capability exists, the very instability it creates would only increase the danger that it will be used. If there must be a mobile American land missile, there are good reasons why it should not be the MX.●

Several Senators addressed the Chair.

Mr. STEVENSON. Will the Senator yield?

Mr. CRANSTON. I will yield to the Senator from Illinois.

Mr. STEVENSON. Mr. President, the Senator from California is a serious and conscientious observer of the SALT process. I commend him for that and also for his comments.

We differ, if at all, in the conclusion. The Senator concludes that the Nation would be worse off without a SALT II than with a SALT II. I think that conclusion is open to some question at present.

But he referred to the detailed report required of the Secretary of Defense with respect to the MX before funds are actually expended in fiscal year 1980 on research and development. My question to the distinguished Senator is whether he would not feel that such a report should not cover alternatives to the MX and also to the land-based mobile base mode for the MX.

As I read the bill, and I do not have the provision in question before me, it requires a report to the Armed Services Committee by the Department of Defense which would simply reveal to that committee the decision made and the details incorporated in the decision. It should provide the Congress, and, hopefully, also the country, with a report on alternative systems and the implications of all the systems, this MX missile, the Minuteman III missiles, and alternative basing systems, for the strategic equation, and for the SALT process itself.

Would the Senator not think such a report would be of more value to the Senate than the report required by this bill?

Mr. CRANSTON. I do.

I wish that was what was mandated in the bill. We are ready to amend the measure now to achieve that purpose. But if there is any other way to see we get that kind of report, I will join with the Senator from Illinois in an effort to see to it that we do.

Mr. STEVENSON. I would speak to the distinguished chairman of the committee on the matter.

First, I hope the administration would respect the desires of some Senators and in this report go beyond the minimum that is required, and give attention to alternatives. But whether or not it does, I would hope the distinguished chairman of the committee might give us some assurances that the committee, in considering the MX provision—the Senate must make the final decision perhaps on a resolution of approval or disapproval—would consider alternative missile systems, alternatives including hardening of the existing silos, rebasing the Minuteman III, and alternative basing modes, as well as the implications of all of these possible systems for the strategic equation between the United States and the U.S.S.R., the SALT process itself, and, among other things, our ability to deter threats, not just from the Soviet Union but from all parts of the world.

Mr. CRANSTON. I would like to join in that question to the distinguished chairman of the committee.

Mr. STENNIS. Let me respond as far as I can. Really, it is not the Senator's fault, but I had my mind on other matters that are coming up right now in a few minutes on another phase of this bill.

I think I understand clearly, though, the concern.

Our committee spent a great deal of time on this matter. We were not casual about it. I mean, we ironed it out the best we could.

There are some references to it in the supplemental bill, as well as fiscal year 1980. So it will have to be dealt with in conference with the House in each case.

I cannot go beyond, though, just saying we will consider these matters and do the best we can, and consider the fact that the President has made an announcement about it since we finally got that language in.

But I would make a mistake to go too far because these matters were put in by votes and by very careful examination and reexamination already. That will continue on, it will have to, in the conference.

Mr. TOWER. Will the Senator yield? Senator COHEN, who is one of the authors of the language, is on his feet. I suggest that perhaps he could give some response.

Mr. STENNIS. Well, I do not know how far we are going in this debate. We have not agreed on a matter here on the bill itself, about the Senator from Georgia matter. Parties have been asked to come here so that it could be taken up.

We could have a colloquy. I do not object to the Senator from Maine, of course. We can have a colloquy afterward. I think we really ought to proceed. I have called Senators and asked them to come here, including the Senator from Oregon.

Mr. ROBERT C. BYRD. Will the Senator yield?

Mr. CRANSTON. May I ask that we have a colloquy before third reading of the bill?

Mr. STENNIS. I have promised, for my part, about all I can, frankly. But we would have to get it all in my mind again first. I just cannot always speak on a matter like this.

Mr. CRANSTON. I want to accommodate myself to the schedule of the Senate. Senator NUNN is scheduled to speak. But, I think we are talking about a very important matter, and perhaps we could have time before the final vote on the bill. We do not have any amendment to offer—we just wish to discuss it further.

Mr. STENNIS. There are other requests about things before final passage of the bill. Under all these circumstances, let us take things as we agreed upon last night, first, and see where we get.

Mr. TOWER. Mr. President, will the Senator yield?

Mr. STENNIS. I yield.

Mr. TOWER. Senator HATFIELD is prepared to engage in a colloquy with the Senator from Georgia. I suggest that we dispose of that and then return to this discussion on the MX.

Mr. STENNIS. Yes.

Mr. STEVENSON. Mr. President, who has the floor?

The PRESIDING OFFICER. The Senator from California has the floor.

Mr. CRANSTON. I have the floor. I am not going to hold the floor, because I know there is a commitment to many Senators to do something else. We are seeking the opportunity for a discussion of this matter before the final vote.

Mr. President, I associate myself with Senator HATFIELD and Senator COHEN and Senator MCGOVERN with regard to the registration issue and the many questions we have to consider before we get into that issue. But I will reserve time for the future, also, on that subject.

Mr. McGOVERN. Mr. President, will the Senator yield

Mr. CRANSTON. I yield.

Mr. McGOVERN. Mr. President, Senator HATFIELD has to return to the Ethics Committee and I have to return to the Foreign Relations Committee. I simply want an opportunity to associate myself with what Senator STEVENSON and Senator CRANSTON have said here today about the MX.

I think it is becoming increasingly doubtful whether these tradeoffs on new weapons systems have not in fact almost canceled out any benefits we get from the SALT II agreement. I am going to keep an open mind as to how I will vote on SALT II, but I am increasingly concerned that the ratification process may result in a price that is too high to pay.

I think all of us would agree that there are not many substantial reductions in limitations in SALT II. The hope was that it might buy some time, so that in SALT III we could begin reducing the arms race. But the announcement we have had from the President is that he now endorses the MX missile system. I have to say that the new system may be more destabilizing and more dangerous, in terms of triggering a nuclear exchange, than any gains we are going to get from SALT II.

So, while the President has written Senator HATFIELD and Senator PROXMIRE and me to the effect that he would make that MX decision outside the context of the SALT ratification debate, I must say that the evidence does not look that way to me at this point. It appears that the MX missile decision was rushed by the President in order to buy support for the SALT agreement. If that is the case, it is going to be increasingly hard for some of us who believe in genuine arms control to vote for this treaty.

In any event, I want to express those sentiments, not to commit Senator STEVENSON and Senator CRANSTON to that point of view, but simply to join them in the concern they have expressed about the decision of the MX.

Mr. CRANSTON. Mr. President, I yield to the Senator from Illinois.

Mr. STEVENSON. I thank the Senator.

Mr. President, I discussed this matter with the Senator from Mississippi last night, and I thought there was agreement last night.

The bill requires a report by the Department of Defense. I assume the Armed Services Committee will have some hearings before the Senate must make the final decision on the MX.

My request to the chairman was only that his committee consider alternative missiles and alternative systems. I hope we can dispose of this whole colloquy by receiving such an assurance.

Mr. STENNIS. Mr. President, we have been having hearings on this matter since January, over and over again, and finally worked out this language. We cannot just write it off in a colloquy. We had this understanding last night, and the Members relied upon it.

I asked the Senator from Oregon to come here from another important, official matter, and he did so, and I called Senator NUNN.

Let us proceed now to what we promised, so that Senators who are managing bills can tell others that if they come here, we are down to their matter, the way we agreed last night. We will discuss this further in a colloquy, if we want to do so.

Mr. CRANSTON. Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from West Virginia.

Mr. ROBERT C. BYRD. Mr. President, last evening it was understood that, with the exception of an amendment by Mr. BUMPERS, the only other amendment that would be in order would be one by Mr. NUNN and cosponsors of the bill, which deals with registration. He is entitled to offer that amendment.

I think it was rather obvious last evening that if the amendment were called up, it would be subjected to considerable debate. So the effort was made to reach an understanding or an agreement which would allow the Senator, if he did not pursue the offering of the amendment to this bill, the military procurement bill, to call it up at a later date and have debate on it then, thus not holding the military procurement bill hostage.

The military procurement bill could be passed rather rapidly as soon as Senators completed statements they want to make with regard thereto, and we have a definite assurance and understanding that, at a later date, the Senate would take up the subject matter of the amendment which is about to be offered by the Senator from Georgia (Mr. NUNN), the subject dealing with registration—not the draft but registration. So it was left hanging overnight.

I understand that Mr. NUNN and Mr. HATFIELD probably have had some discussions today. It was Mr. HATFIELD's position last night that if the amendment were offered to this bill, there would be quite a lengthy debate on the amendment. So I had hoped that it might be possible overnight to work out some modus operandi whereby the amendment might not be called up to this bill, the bill could be passed, and the Senate could be under an order that would assure Mr. NUNN of a debate on his amendment at a later date.

So I have the floor now, and I would like to yield for the moment, to see what Mr. NUNN and Mr. HATFIELD have to say, and then we will proceed from there.

I yield to Mr. NUNN first. Is that agreeable? Whichever Senator seeks to have me yield, I will yield to him.

Mr. NUNN. I will say a word and defer to the chairman or to Senator HATFIELD. The order of speaking does not matter to me. I think we have arrived at something on which we all can agree.

Mr. ROBERT C. BYRD. I yield the floor.

Mr. STENNIS. As the manager of the bill, I yield to the Senator from Georgia, and then I hope the Senator from Oregon will be recognized.

Mr. President, may we have order? I think the Presiding Officer is capable of getting order and maintaining it.

MANPOWER AND PERSONNEL, ON REGISTRATION UNDER THE MILITARY SELECTIVE SERVICE ACT

Mr. NUNN. Mr. President, the Committee on Armed Services has had two bills before it on registration, S. 109 by Senator HARRY BYRD, which I cosponsored, and S. 226 by Senator MORGAN. The committee has aproved S. 109, as amended, which includes some provisions of both bills.

It is necessary that the Senate consider this bill. The House Armed Services Committee has included a registration amendment as part of the authorization bill. Unless the Senate considers registration, we are faced with the prospect of conference on the authorization bill with no guidance from the Senate on registration. The Senate would then be faced with an up or down vote on the conference report without an opportunity to vote separately on or amend any registration procedures that might be included in the conference report.

There are four major provisions in the committee-recommended bill:

First, the bill provides that the President shall commence registration of men under the Military Selective Service Act by January 2, 1980.

Second, classification under current law is suspended until January 1, 1981, unless the President determines it is in the national interest to begin clasification before that date. So this bill provides for a simple registration process. Young men would register, but would not be classified under current provisions of law.

Third, the President will report to the Congress by July 1, 1980, on recommended reforms in the Military Selective Service Act. In this way, Congress will have an opportunity to consider reforms of the exemption and deferment process and other procedures under the Military Selective Service Act before classification begins.

Fourth, the bill would assign responsibilities for the supervision of manpower mobilization planning in the Department of Defense to the Under Secretary of Defense for Policy and require an annual assessment of manpower mobilization capabilities be reported annually as part of the manpower requirements report.

MOBILIZATION PROBLEMS

I have circulated a "Dear Colleague" letter which includes a draft of the committee report which indicates the points the committee has considered and summarizes the testimony on the need for an effective Selective Service System.

Testing presented to the subcommittee indicates that manpower problems in the event of mobilization are so severe that the military services are not now capable of meeting our national emergency requirements in terms of manpower.

The current Department of Defense stated requirements for the delivery of personnel are for the first inductees to be delivered by 30 days following the decision to mobilize (M day), on 100,000 inductees by M+60, and 650,000 inductees by M+180. The current Selective Service System capability would deliver the first inductee 3 to 4 months after M day and less than 60 percent of the stated requirement would be met by 6 months after M day. The implications of the current inadequate capabilities of the Selective Service System are both serious. General Allen has said:

> The United States needs to have in being a system which will provide a continuous inventory of potential inductees for mobilization. That capability does not now exist, the national security risk asosciated with a weak Selective Service System is significant.

The other members of the Joint Chiefs have made similar statements. In fact, there is unanimous agreement that the current capabilities of the Selective Service System are inadequate.

Although there is unanimous agreement that the current capabilities of the Selective Service System are inadequate, there is not such an agreement on the appropriate remedy. Three alternatives to the current system have been discussed: Improved planning by the Selective Service System; the use of social security and tax return information to register people; or a peacetime registration, which is recommended by the subcommittee.

IMPROVED PLANNING BY THE SELECTIVE SERVICE SYSTEM

According to this ambitious plan, once a decision to mobilize had been made, the President would announce over television that all 19-, 20-, and 21-year-old males (6 million men) would be required to register at thousands of election sites around the country in 10 days.

The 50 States, the District of Columbia, and other U.S. territories would be expected to plan for and be able to execute such a program. If any State could not meet the requirements, the entire process could be delayed since induction should be based on the pool of all who were required to register. Assuming registration does take place on the 10th day following mobilization, then the election boards would forward data for the primary age group (those who turn 20 in the year) to 10 regional sites where selective service personnel would place 40,000 records a day into computers at the station, thereby completing the processing of the primary age group in 5 days (that is, by M+150). These computers and the necessary software and trained personnel are not in place. The Selective Service System is studying its equipment needs. Procurement and development would follow. Even if the feasibility studies are positive and the equipment is in place, failure at one site could again delay the entire process. According to the plan, this processing of information would be followed by a lottery to assign random number sequences by birth date on the next day and 3 days later 200,000 mailgrams would be sent ordering registrants to report to the Armed Forces Entrance and Examining Station within 10 days. Assuming next-day delivery, the mailgrams would be delivered at M day+20 and inductions could begin at M+30.

This tight schedule and many assumptions about so many different operations at so many different locations leads to great skepticism about its feasibility. Personnel would not have previous experience in any part of the process. Challenges and confusion about the entire process—registration, classification, examination, and induction—would probably be great. The media blitz necessary to start the process itself could be considered as a dangerous act in time of international tension and thus be delayed.

It seems clear that such a plan would not work. General Myers testified that in a period of mobilization when the Joint Chiefs are concerned about calling up the Selected Reserve, about evacuating noncombatants from Europe and with all the other confusion going on as the Nation tries to mobilize, trying to impose this plan would not work.

REGISTRATION IN PEACETIME OR IN AN EMERGENCY USING SOCIAL SECURITY OR INTERNAL REVENUE SERVICE RECORDS

Another alternative to face-to-face registration is the use of social security and Internal Revenue Service computerized records. According to this proposal, social security and IRS would merge their data files and furnish a list of registrants and other information to the Selective Service System. This process would require amendments to current privacy laws which prohibit release of this information. Some witnesses before the subcommittee who would oppose such a revision of privacy laws in peacetime do support such a revision at time of emergency.

The subcommittee is very concerned about such privacy act revisions. Further, since everyone does not have a social security number or file a tax return, registration would not be universal. The Congressional Budget Office estimates that at least 15 percent of the relevant age group would not be included. Such records would not necessarily contain current addresses on those who were included. In addition, such a procedure would change the current obligation for individuals to register to a government function to register people.

ADMINISTRATION POSITION

Testimony on the need for registration is summarized in the draft committee report. With regard to the administration position, the White House Legislative Affairs Office has said that there is no White House position and that Secretary Alexander does not speak for the White House. Secretary Alexander has supported some form of registration. The Acting Assistant Secretary of Defense for Manpower has said that Defense is opposed to these provisions.

Of course, it should be recognized that the President has the authority to register people for the Selective Service under current law. It would be difficult, then, for the administration to support a bill that would require the President to do something he already has authority to do. Presumably, if he feels it is necessary he will order registration rather than support separate legislation.

So the White House has no position, OSD is opposed, the Joint Chiefs are unanimously in favor of it, the Secretary of the Army is in favor of some form of registration. My view is that the Congress has the constitutional responsibility to raise armies and navies. After hearing all the problems with regard to mobilization and the need for registration, if I sat here another year and did nothing, I would feel I had not fulfilled my constitutional duty.

The Subcommittee on Manpower and Personnel has been involved in this matter for so long. We really face a critical situation that is too late to fix once an emergency occurs.

SUMMARY

The bill provides for a simple registration process. Young men would be required to register with the Selective Service System beginning on January 2, 1980. No induction authority is included. Classification under the current system would be suspended. The President is required to make recommendations on the reform of the current Selective Service System by July 1, 1980. Currently, without any registration procedures in effect, the Selective Service System is not capable of delivering the first inductee for training until 110 days after mobilization. This means the first trained person will not arrive in units until 7 months after mobilization. This capability presents an unacceptable risk. Recent mobilization exercises and studies have underscored the point that manpower problems in the event of mobilization are so severe that the military services are not now capable of meeting our national emergency requirements in terms of manpower.

This simple registration bill will not solve all problems, but it will add significantly to our mobilization capability and shorten the delivery of inductees, should that be necessary, by 3 months.

I urge the Senate to support this bill. It is not a return to the draft. It is not a return to the old classification system of deferments and exemptions. It is a realistic and necessary step to improve military mobilization capabilities.

Mr. President, before we vote on final passage on this bill, I will address the overall substance of this matter. I do not want to delay this matter.

Since the Senator from Oregon made his views known last night, in a very abbreviated form, I say to Senators that the reason for this bill, on a substantive basis, is simply this: If we had a war tomorrow morning and if tomorrow at noon, Congress had emergency sessions, and if the House and the Senate passed a bill to go back to the draft, which everyone in the Department of Defense, everyone in the administration, and everyone in the previous administration agrees we would have to do if we had a serious confrontation; there is no one knowledgeable in the defense field who believes we could fight any kind of significant war without going back to the draft. That is not in dispute.

If we had that kind of situation and if Congress passed a draft by tomorrow afternoon and the President signed it into law tomorrow night, the current situation with respect to the Selective Service System would mean that it would take 110 days before the first inductee or draftee reported for the first day's basic training.

That is the problem. That is a serious problem. Every member of the Joint Chiefs of Staff has expressed not just concern but, in my view, alarm about the situation.

We had mobilization exercises last year which indicated not just problems but mammoth problems if we had to mobilize.

So this bill does not cure all those problems, and no one is here pretending it does. It is a first step toward being better prepared than we are today. It is not a draft. It specifically provides that there will be no classification for 1 year. It simply allows and mandates the executive branch to begin to collect an inventory of the names of males between 18 and 26 and their addresses in this country so that we could cut that 110-day time frame down to 12 days. Cutting from 110 to 12 days would be a major accomplishment in terms of our ability to mobilize if we have a war.

No one wants a war. In my view the best way to prevent a war is to be prepared and to let your adversary know that you are prepared. Today we are not prepared. Today our national security would be jeopardized if we got into any kind of confrontation. Today the United States of America cannot mobilize. Even those in the Department of Defense who disagree with this particular measure would agree that today our problems are very grave and frankly no one seems to be doing very much about them. That is the substance of what we are talking about. From a procedural point of view I felt very strongly that the Senate should be able to debate this matter fully, should be able to amend, change, make any kind of changes it would like to make in the bill which has become known as Byrd-Morgan bill, which is S. 109.

So this presentation in the last 2 days basically has been directed toward the dilemma the Senate is in. Having not put the registration bill on the Senate authorization bill, we are faced with the House Armed Services Committee having taken that matter up as a part of the authorization bill. Given that situation, if the House of Representatives passes the registration part of the bill as their committee has recommended, we would then be in the position where the Senate Armed Services Committee would be going to conference on a measure that is important to the country and is also a sensitive matter on which very dedicated and sincere people disagree. The Senate would never have expressed an opinion on that, placing the Senate conferees in a very awkward situation and also placing the Senate in a very awkward situation should the provision be included in the bill brought back from conference, because the Senate would not have a chance to debate it, not have a chance to amend it, but rather would have to either accept or reject the conference report.

That briefly is where we stand now.

I have talked to my good friend from Oregon. We have talked about some way out of this dilemma now. He has very strongly held views on this for which I have the greatest respect. I know he approaches this subject with the degree of diligence and sincerity that he approaches all subjects. We do not agree on it. There is not any chance we are going to agree even when we get through debating. But I have the greatest respect and admiration for him as a person and in his role here in the Senate.

What we have tried to work out is a way that we will not present this amendment on the authorization bill, not tie up the Senate at this point, but give everyone a chance to be heard on it, give everyone a chance to study the committee report and the minority views, and yet at the same time address the major concern which I have had and which I think the other members of the committee have shared, and that is giving the Senate the opportunity to fully debate this before we go to conference if the House of Representatives pursues the course they are now pursuing.

So what we basically agree to, and I will let the majority leader put it in the form of an agreement in technical terms, and I will certainly want my colleague from Oregon to comment, is that we basically agree that after the House of Representatives votes on the registration issue, which we anticipate will be on the authorization bill and which we anticipate will come perhaps this month, perhaps in early July, after that vote is taken, whether the vote is affirmative or negative on the registration provision, it will be in order to call up the registration bill then as the Byrd-Morgan bill, S. 109, for debate. There is not an agreement for a time limitation, but there is an agreement that the opponents of this measure, if this unanimous consent is agreed to, will allow the bill to be called up, to be placed on the table and to become the pending business with debate being in order. That is my understanding basically of the general agreement that we have. The intent is to allow the Senate to debate that measure immediately after the House of Representatives votes on it, consistent with other Senate business so that the conferees will have guidance from the Senate before we go to conference and so that the full Senate will be able to work its will on the measure before we go to conference on the authorization bill.

Mr. WARNER. Mr. President, on Monday evening, the Senate Armed Services Committee voted to report favorably to the full Senate a bill requiring the registration of 18 to 26-year-old male persons under the Military Selective Service Act.

This action has been long in coming. The Senate Armed Services Committee, and particularly the Manpower and Personnel Subcommittee, has for several years been concerned that our Nation's mobilization capability, in the event of a national emergency, was in a bad state of disrepair. I commend Senator NUNN for the courage and leadership he has shown.

Since the requirement for draft registration was temporarily eliminated by President Ford in 1975, the military mobilization potential of the United States has gotten progressively worse.

The sorry state of our mobilization potential was highlighted recently by the results of a Department of Defense exercise called Nifty Nugget. The results of this exercise demonstrated categorically that our military services are not now capable of meeting our national emergency requirements in terms of manpower.

In the event of a war or emergency, U.S. military forces would be critically short of combat manpower, doctors, nurses, and other specialists, and it would take a minimum of 5 to 7 months before any substantial number of personnel would become available.

This is a tragic and unacceptable situation and the Congress has a constitutional responsibility to do something about it. The Constitution clearly states that the Congress must "maintain a Navy" and "raise an Army"; we are falling short of those responsibilities in terms of manpower requirements, in the judgment of the Chiefs of Staff of the four services. I took an oath of office to support our Constitution; I must, therefore, support the strongest option to correct our slipping military readiness—no matter how unpopular this position may be.

There is little dispute over the fact that a serious problem exists. However, there is a great deal of dispute over what should be done about it.

Basically, three alternatives have been put forward, the most substantial of which is reactivating registration, the option supported by a majority of the Senate Armed Services Committee. The two lesser alternatives are improved mobilization planning on the part of the Selective Service and a program of remote registration utilizing social security and Internal Revenue Service records.

Rather than address myself to a detailed justification of the committee's decision to approve the reactivation of registration, a justification which can be found in the committee's report, I prefer to use this time to address in some detail an issue of great concern: whether women should be excluded from such a registration program.

I recommended to the Senate Armed Services Committee that women should be excluded from a registration program. The existing law contains this exception. I believe there are valid and constitutionally sound reasons for continuing this policy, and by its action on Monday, the committee confirms this policy.

All members of the committee, and particularly this Senator, a former service secretary, are acutely aware of the outstanding contribution that women have made to our Armed Forces, both past and present. In the future, I expect women will continue to play an ever-increasing important part in fulfilling the mission of our Armed Forces.

In supporting this exclusion, however, I am particularly mindful of the special responsibility of the Congress under the Constitution, in article I, section 8, clause 14:

> . . . to make rules for the government and regulation of the land and naval forces.

The courts have supported the exclusion of women from combat and combat-related duty, consistent with deeprooted public policy, and have repeatedly pointed to Congress inherent power to determine by rule and regulation who shall serve and in what capacity.

Currently, the Supreme Court appears to be moving in the direction of a clear equal protection standard for dealing with sex discrimination issues; nevertheless, should the Court examine the present law, I am of the view it will accept the judgment of Congress to exclude women from registration. Registration is the first step in a process which has the ultimate end of providing this Nation with a well-prepared military force that could provide for the "common defense" under conditions of combat. Further, the Government has substantial interests at stake; namely, national security—military readiness and preparedness, and military efficiency, which includes cost savings. In making such findings, which support the exclusion of women, Congress is acting within its authority under article I, section 8, clause 14 of the Constitution.

My vote in favor of reactivating registration was contingent on the exclusion of women. I do not believe that women should be involved in combat and I do not believe women should be drafted. I believe, therefore, that excluding women from the registration is appropriate and I believe that such an exclusion will be upheld by the courts.

Mr. President, I support the substance of the amendment that was proposed by Senator NUNN, but now, as I understand, will be considered by the Senate as a separate bill. I was a member of the Subcommittee on Manpower of the Committee on Armed Services throughout the hearings on this question of reactivating the legislation.

I commend the distinguished Senator from Georgia, my senior colleague from Virginia, and Senator MORGAN of North Carolina, and join with them in their strong feeling that this matter of reactivating registration should be brought before the Senate so that the Senate may exercise its will on this critical issue facing the Nation.

During the final deliberations of the Senate Committee on Armed Services on this matter and just prior to the vote by which a majority of that committee reported favorably on the substance of bringing back the registration law, reactivating it, I advised the committee that I had studied very carefully the law on the subject of whether or not women should be included. The present law which is to be reactivated by the Senate Armed Services Committee proposal explicitly limits registration to men.

My analysis of the court cases indicates that while the Supreme Court—quite properly, in my judgment—is moving to strike down the remaining barriers or bases for sex discrimination, there is a body of law which recognizes the special constitutional authority reposed in Congress with respect to the armed services. It is my judgment that, based on that constitutional authority, the Supreme Court will not—I repeat, will not—in reviewing this statute should it be brought before the Court, broaden it or strike it down such that women will be subject to registration.

If the ERA amendment is passed, then it is quite likely that women will become subject to registration. However, for the time being, the present body of law is such that, in my judgment, the Supreme Court will not, in all likelihood, declare the existing registration law invalid on the basis that it provides arbitrary sex discrimination. It is for that reason that

I gave my vote in support of reactivating registration.

The PRESIDING OFFICER. The Senator from Oregon.

Mr. HATFIELD. Mr. President, first of all I want to say that I hold no Senator higher and with a closer sense of kinship and deep friendship than I hold the Senator from Mississippi (Mr. STENNIS) and the Senator from Georgia (Mr. NUNN). That is based not on our political camaraderie, for we may agree or disagree on political matters, but on other bases that draw us together in a very close, warm relationship.

Therefore, that escalated my desire, following our brief colloquy last night, to reach some kind of an accommodation that would permit the Senate to debate this issue and at the same time recognize the timeframe within which the Senator from Mississippi and the Senator from Georgia are working on this military procurement bill, as well as the situation that they have ahead of them in meeting with the House of Representatives in conference.

I agree with the Senator from Georgia that I feel very strongly we do not want to be locked into deliberation on this very important issue through the vehicle of a conference report which is unamendable and locks us into a straitjacket situation.

So with that in mind, last night, and this morning as well, I conferred with a staff of colleagues who are interested in this matter, including Senator McGOVERN, Senator COHEN, Senator GRAVEL, and Senator CRANSTON, and others. It seemed to me that it was a fair proposition to make, recognizing the need to get to some kind of a Senate debate on this prior to conference, and recognizing that we cannot assume that the House of Representatives will act for passage. That is an assumption that none of us can make at this time because the House of Representatives has not acted except in the committee form. But if we put this on the Senate Calendar and put it before the Senate as a pending order of business whenever the majority leader so desired to call it up following an action or vote by the House of Representatives on the House Resolution 4040, the Senate bill 109 would become the pending order, with no time limitation or time agreements reached at this point because not knowing what the House of Representatives will do that will have a great effect upon what the Senate would do as a result. So, consequently, the Senator from Georgia has accurately stated the proposition that we discussed this morning that I suggested, and I am very happy to reach that agreement and willing to have the majority leader state a unanimous-consent agreement. I cannot speak for all Senators because I have not had the opportunity to confer with all Senators, but those who have indicated an interest in this proposition from an opposition point of view have agreed with this general proposal.

Mr. HARRY F. BYRD, JR. Mr. President, will the Senator from Mississippi yield me time?

Mr. STENNIS. I am glad to yield to the Senator.

Mr. HARRY F. BYRD, JR. Mr. President, this measure was introduced several months ago by the Senator from Georgia and myself. A somewhat different proposal was introduced by the Senator from North Carolina (Mr. MORGAN). The proposed legislation is amalgamation of the two.

When the legislation was introduced it was certainly the intent of the Senator from Georgia and the Senator from Virginia that it be handled as a separate bill. The reason it was brought before the Senate last night as a possible amendment is because those of us involved in it felt it important to be totally fair with the Senate and be certain that the Senate has an opportunity to fully debate and, if it so desires, to amend the proposal brought from the Armed Services Committee.

The problem that those of us involved with the proposal faced was that the House Armed Services Committee has added this provision to the House bill and, if the House of Representatives then acts affirmatively and it becomes a part of the Defense authorization bill and the Senate conferees accept it in the conference committee, it would then come back to the Senate only as a part of the conference report, and the Members of the Senate would not have an opportunity to work its will on that particular provision.

The Senator from Oregon made a powerful speech last evening in regard to this matter, pointing out many of the ramifications. There are many ramifications to this proposal. I personally feel it should be fully debated for 2 days, 3 days, a week. It is a vitally important measure. Many of us feel it is essential to the defense of our Nation that it be approved, but whether it is approved or disapproved, it is vitally important that there be a full Senate debate on the matter.

It is vitally important that all Senators on either side of the question have adequate time to present their views. I think the proposal that has been worked out by the distinguished Senator from Georgia and the distinguished Senator from Oregon is a fair and appropriate one and one that will assure that all Members of the Senate will have an opportunity to discuss and consider and, if the Senate so desires, to amend the proposal approved by the Armed Services Committee.

So I am happy to join with the Senator from Georgia and the Senator from Oregon in the proposal which has just been made.

Mr. McGOVERN. Mr. President, will the Senator yield briefly to me?

Mr. HARRY F. BYRD, JR. Yes.

Mr. McGOVERN. Mr. President, I have no objection to the agreement that apparently is being worked out to bring this matter to the floor. I just have to say again though I am puzzled about the urgency that we are bringing to the scheduling of this matter. I realize that the House Armed Services Committee has voted in favor of a compulsory registration system. But it is also quite clear that there could be a vastly different result on the House floor.

I think Senators ought to understand that when this issue does come to the Senate floor and a full-scale debate opens it is going to be one of the most explosive issues we have examined here in a long time. It may seem like a rather harmless step to talk about a move to compulsory registration, but I think everybody understands that that is only the first step toward proposals that will be made very shortly, if it carries, to return to a peacetime draft.

The President has not asked for this. The Secretary of Defense has not asked for it. Even the Director of Selective Service has not asked for it. My understanding is that the Director of Selective Service has said this really does not expedite appreciably our capacity to mobilize forces in an emergency period. It might cut off as many as 13 days in the time when you deliver inductees to the training facilities, but the real bottleneck would come there at the training facilities.

Mr. NUNN. Mr. President, if the Senator will yield, it will cut some 110 days down to 12 days, and, if my subtraction is correct, that is 98 days.

Mr. McGOVERN. That is not the testimony as I read it from the Director of Selective Service.

But I am just wondering if we are going to have an opportunity for these administration people to be heard in public on this issue before we have to debate it on the floor.

Mr. NUNN. They already have been heard. We have asked for their statements, we have asked for their testimony. I have asked Secretary Brown in public hearing his views on this. We had a full hearing with every member of the Joint Chiefs of Staff. We have got——

Mr. McGOVERN. Can the Senator from Georgia tell me whether people who represent the Defense Department's point of view on the administration side have asked for compulsory registration?

Mr. NUNN. I think the President would look a little bit—well, let us put it this way, the President would be unlikely to ask for a mandate to do something he already has the authority in law today.

Mr. McGOVERN. What is the need for this then?

Mr. NUNN. Because for two successive administrations, both in the Ford administration and the Carter administration, a critical national security problem has not been addressed by the executive branch, and the Congress has the constitutional duty to raise armies. This is our constitutional duty. It is something we cannot shirk, and because it has been neglected in the executive branch does not mean that we can ignore it in this branch of our Government.

Mr. McGOVERN. I would only have to say to the Senator—and this is not the place to start a full-scale debate on it—that I have not seen the evidence that there is any emergency that necessitates a return to the peacetime draft. Nobody is threatening us. There is no military conflict anywhere in the world in which we are involved or are about to be involved.

Mr. NUNN. Mr. President, if the Senator will yield, this is not a draft; this is a registration.

Mr. McGOVERN. Well, it is the first step to a draft. The Senator knows that. If there is an overwhelming vote in favor of compulsory registration of all the young men in this country, the next step is back to the peacetime draft.

I have to further say I do not understand the logic in attaching something like this to a military procurement bill. We are supposed to be talking about weapons, not the compulsory draft of young people.

Mr. NUNN. I do not know whether the Senator has been here during this dialog, but the agreement is we will not attach it to the military procurement bill. It is not attached now. Our Committee on Armed Services has tried to treat this as a separate matter, but I can imagine what the Senator from South Dakota would say if we go to conference, if the House passes it, and we come back with this as a conference bill. I believe that this is exactly what we are trying to avoid. We are trying to serve notice on the U.S. Senate that this issue has got to be addressed, but we are not going to bring it up on this bill.

Mr. McGOVERN. Is there anything in this proposed agreement that places in advance a limitation on our time for debating this issue?

Mr. NUNN. There is no proposal to limit time.

Mr. McGOVERN. Does the debate have to be completed before we act on the military procurement bill?

Mr. NUNN. There is no limitation on time. I would say this: Those who may oppose this measure, if the House passes it, will place themselves in a position of prolonging debate and thereby avoiding any position in the Senate before we go to conference and would be doing so, in my opinion, at the risk of not giving the Senate an opportunity to debate it. But there is nothing in this proposed agreement that would limit the time after the measure is taken up.

Mr. McGOVERN. As I said at the outset, I have no objection to what I understand to be the nature of this agreement. I just want to be assured that we are not going to be in a mood around here that we have to rush a decision on this matter. It is too profound. Anyone who has any kind of liaison at all with the young people of this country knows that this is an issue that is going to arouse very deep feelings across this country.

We are not a country customarily that has gone to a peacetime draft or even peacetime compulsory registration. It has always been our tradition that we reserve those compulsory methods for wartime, and we rely on voluntary recruitment methods and the patriotism of our young people to recruit the manpower and womanpower that we need to meet our needs in peacetime.

But, as long as we are assured—and I am sure the Senator from Oregon would not enter into an agreement that did not give us this assurance—that we are going to have adequate time to debate this full matter and we are not going to be put in a pressure situation where it is attached to the military procurement bill, I would have no objection to the agreement.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield?

Mr. HARRY F. BYRD, JR. I yield to the majority leader.

UNANIMOUS-CONSENT AGREEMENT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that with respect to the amendment which has been discussed here, which is in the form of a bill, S. 109, which has been ordered reported from the Armed Services Committee, that the majority leader of the Senate be authorized to call up that measure without debate on the calling up of the measure—of course, no restrictions being laid down with respect to the debate on the measure itself—the majority leader be authorized to call up that measure as soon after the House acts one way or the other on H.R. 4040, which is the House bill, companion measure, to the Senate bill, S. 428, which is now pending, consistent with the other necessities, needs, and business of the Senate. That is the request.

The PRESIDING OFFICER. Is there objection?

Mr. STEVENS. Mr. President, reserving the right to object, I have not been involved in the total conversation here, but I would just like to ask my good friend whether there is any restriction at all concerning amendments or substitutes to the proposal of the Senator from Georgia.

Mr. ROBERT C. BYRD. No. Mr. President, will the Senator permit me to answer that?

Mr. STEVENS. Yes.

Mr. ROBERT C. BYRD. Here is what the request would allow: It would allow the bill that is now before the Senate, S. 428, to pass the Senate without further amendment. That is already an order. Mr. NUNN has the right to call up his amendment to this bill, S. 428, that is before the Senate; but this agreement would mean there would be no further amendments to S. 428; the Senate would proceed to third reading, and if Senators no longer wished to debate the bill, it would be voted on.

The House of Representatives, in due time, will be taking up the companion measure, H.R. 4040, which is the military procurement authorization bill, and there will be some action pro or con, or no action at all, on the language in the bill over there. It could be withdrawn or something, but the language may be in that bill over there.

Regardless of what the House does, once it acts on H.R. 4040, then the majority leader would be authorized—not prior to that time but only then—to call up and make the pending business before the Senate S. 109, which has at this point been ordered reported by the Armed Services Committee and which will be on the calendar of the Senate shortly; and it would allow me a little flexibility in calling it up, so that the minute that the House message came over on H.R. 4040, we would not have to drop whatever we were doing and immediately go to that bill. The majority leader has to have a little flexibility here, because I have not only S. 109 to be concerned about, but all the other measures on this calendar and all the other measures that are going to be on it. I have to keep in mind the Gregorian calendar, and attend to all the other wishes, needs and problems of 99 other Senators. So, as I say, consistent with the business of the Senate and the circumstances that prevail at that time, the majority leader would call it up as soon as he could.

Mr. NUNN. Mr. President, may I say I have confidence in the majority leader's scheduling, and would have no objection in that regard.

Mr. ROBERT C. BYRD. But in further response to the Senator from Alaska, as I say, there would be no holds barred, no restrictions on the Senate once it is called up, no limitation to debating it; the only thing is, there would be no debate on the motion to take it up.

Mr. STEVENS. If I may inquire further, there will be a period here before the Fourth of July recess, I think it is the week of July 25.

Mr. ROBERT C. BYRD. You mean June 25?

Mr. STEVENS. June 25; the week of June 25, just prior to the Fourth of July recess. This Senator already has a personal obligation requiring him to be out of town then; but I do want to be present with regard to the consideration of this measure. Could I explore with the majority leader the question of whether we could have an understanding that it would not come up that Monday, Tuesday, or Wednesday before we recess? I do not like to tie the majority leader's hands here, but I——

Mr. ROBERT C. BYRD. I would not want to call this measure up before the July 4 recess, for other reasons.

Mr. STEVENS. I am delighted, whatever the reasons are.

Mr. ROBERT C. BYRD. For reasons with regard to the rest of the schedule. I only said I would not want to.

May I ask the distinguished Senator from Georgia and the distinguished Senator from Mississippi if this would comport with their feeling about the matter? We only have the rest of this week and then next week, and then the week of the 25th begins.

Mr. NUNN. Mr. President, speaking up for myself, I do not have a good feel for when the House will take up that bill and when it is likely to pass, so it would be impossible for me to gage the time.

The spirit of the agreement is that we would be able to debate this measure before we are compelled to make decisions in conference on this very touchy subject. That is the spirit of the agreement, and the timeframe has to remain somewhat flexible, I think.

Mr. ROBERT C. BYRD. Mr. President, I cannot do anything for the record, but I want to reserve my feeling on that, or to minimize it, put it that way. I might call the measure up before the July 4 break, and might not. I would not want to be bound by what I have just said a moment ago. I have to retain as much flexibility as the Senate will allow me to retain, in order to appropriately schedule not only this measure but others.

So may I say to the Senator from Alaska that it could come up; it could very well come up in that period. The request is simply that I be allowed to call it up once the House has acted, at such time as I feel that, consistent with the circumstances and the business of the Senate, it should be called up. That could very well come before the Fourth of July, if the House acts before then.

Mr. STENNIS. Mr. President, may I say a word? Will the Senator yield to me just a moment?

Mr. ROBERT C. BYRD. Yes, surely.

Mr. STENNIS. I believe that we all understand this thing, Mr. President. If the majority leader, though, would just restate the high points of the unanimous-consent request, some Senators have come in and have not heard it all, and that would get it before us and it could perhaps be agreed to.

Mr. ROBERT C. BYRD. All right.

Mr. DOLE. Mr. President, will the majority leader yield for a reservation?

Mr. ROBERT C. BYRD. Yes.

Mr. DOLE. I have no quarrel with the agreement. I think it is a good agreement. I would just hope that in the interim there might be some effort to determine from the administration just what their position is. Perhaps the Senator from Georgia, in the interests of his proposal, could ascertain the administration's views and those of Secretary Brown.

I ask unanimous consent to have printed in the RECORD a letter to our colleagues issued by myself and the Senator from Maine (Mr. COHEN), and a copy of the amendment in the nature of a substitute for the Nunn amendment we would have proposed.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

U.S. SENATE,
Washington, D.C., June 13, 1979.

DEAR COLLEAGUE: Because of our concern over conflicting Administration statements on the need for reinstitution of Selective Service registration, and because we feel there are too many unanswered questions to allow us to make an informed decision on this important issue, we intend to propose a substitute to the Nunn registration amendment today.

We have not reached any final decision on registration. But we could not in good conscience support the Nunn proposal based on the limited information and conflicting testimony that has been presented to date. The Secretary of Defense and the Director of the Selective Service System both say they neither need nor want registration at this point. The President has not requested registration. Yet, the Joint Chiefs, Senator Nunn and others say it is needed. Before we can make a reasoned decision, we need to find out just what the facts are.

Our substitute amendment would direct the President to report to the Armed Services Committee of the House and Senate, within 90 days of enactment of this measure, on the nation's manpower needs and mobilization capability. The report would include:

An assessment of the ability of the Selective Service System to meet the military manpower requirements of the United States in the event of national emergency.

An evaluation of the current capability of the armed forces of the U.S. to meet the equipment, clothing, living quarters and training personnel that would be needed in the event of a total or partial mobilization of the armed forces; and

Such recommendations for legislation as the President considers necessary to provide an effective and equitable military manpower mobilization capability.

The report required in the Dole-Cohen substitute would provide the kinds of answers that are essential if we are to make an informed decision based on a full understanding of our mobilization needs and the ability of Selective Service and DoD's training base to meet those needs in time of emergency. In addition, the interim period will give us the opportunity to get more detailed Administration testimony on our needs and existing capability and to provide Selective Service the resources it says it needs to meet DoD's mobilization requirement.

If you have any questions, you may contact us directly or call Jim Dykstra at 42523 or Ernie Garcia at 48955.

Sincerely yours,
BOB DOLE,
U.S. Senate.
WILLIAM S. COHEN,
U.S. Senate.

Strike out all the matter after "viz:" and insert in lieu thereof the following:

At the appropriate place in the bill insert the following new section:

REPORT ON MILITARY MANPOWER NEEDS OF THE ARMED FORCES

SEC. (a) The President shall conduct a comprehensive study of the military manpower needs of the armed forces of the United States. Such study shall specifically include (1) an assessment of the current ability of the Selective Service System to provide the military personnel needed for mobilization of the armed forces in the event of a war or other national emergency, and (2) an evaluation of the current manpower base of the armed forces of the United States.

(b) The President shall submit the results of such study, together with such recommendations for legislation as he deems necessary or appropriate to provide the United States with an adequate and effective mobilization capability, to the Committees on Armed Services of the Senate and the House of Representatives not later than ninety days after the date of enactment of this Act.

Mr. TOWER. Mr. President, if the majority leader will yield, this arrangement is certainly acceptable to the minority on the Armed Services Committee. I think we are ready to engage in consideration any time the majority leader feels it feasible to call up the registration measure. Therefore, we would have no objection to the unanimous-consent request proposed by the majority leader.

Mr. MELCHER. Mr. President——

The PRESIDING OFFICER (Mr. BOREN). The Senator from Montana.

Mr. MELCHER. Reserving the right to object, the calling up of this bill will mean a very, very lengthy debate, consuming days and perhaps weeks. I wonder if it is the majority leader's intent, which I hope it is not, to start in on an extended debate on something that affects millions of American families and will require a very thorough review by all 100 Senators, when at the same time we might be faced with some very important energy measures that will be held up for consideration while this debate on compulsory registration proceeds.

I wonder if it is the intent of the majority leader, first of all, to retain the understanding that he will have the opportunity to set the bill aside to pass emergency energy bills, and the understanding and cooperation of the managers of the bill on both sides of the aisle to have that authority and that understanding, prior to this agreement.

May I ask the majority leader if that is his intention?

Mr. ROBERT C. BYRD. Mr. President, I would like very much to have that authority, but I am not sure that the Senate would give me that authority.

Mr. NUNN. I think the people on both sides of this issue realize that the energy situation is very important. To agree in advance that at any time this measure could be set aside would be tantamount to saying that we do not ever want to anticipate a vote on it. I do not think we can agree to that. We have given the majority leader flexibility, in this agreement as it has been proposed, to bring it up when he thinks it is consistent with the calendar and also consistent with the spirit of the agreement, which would give us a chance to debate it prior to the conference. But to agree in advance that it can be set aside at any point in time I think would be rather foolish on the part of most of us who think it is important to our national security.

Mr. STENNIS. Mr. President, if the Senator will yield to me on one point, is it not true that all the rules of the Senate procedures and everything else would still be in effect and the Senate would still have absolute control of this bill, as it would any other bill, when called up? Is that correct?

Mr. ROBERT C. BYRD. There is no question about it. The Senate can set this bill aside if it wants to. The Senate can order a cloture on it if there is a sufficient number who want to have a cloture on it. It would still be subject to the same rules. I think we would still have the same general courtesies which prevail here. If it becomes necessary in the views of the leadership, and that includes the ranking member and manager of any bill when the necessity arises, if it becomes apparent that some other bill ought to be taken up for a little while, when we reach that situation we can always deal with it.

I say to the Senator from Montana, I would like to have that flexibility because I am immodest enough to think I have enough commonsense and good judgment to not fly in the face of the Senate, but at the same time to exercise whatever authorities are given to me very carefully so I do not abuse them. I think I can deal with any situation which came along if I had that authority.

But I think the Senator from Georgia is right. I do not think that is an authority which should be given to me in advance. I am willing to wait until the circumstances arise and rely on the good judgment of the Senate to allow me to proceed in an orderly way.

Can we just get the agreement as it stands?

May I say to the Senator from Montana, I am very interested, too, in the energy legislation, as he is. I think that is a high-priority matter and must be dealt with by the Senate. I believe we will find a way to deal with that issue at the right time, if the Senator will just agree to the order I have requested.

Mr. MELCHER. Will the Senator yield?

Mr. ROBERT C. BYRD. Yes.

Mr. MELCHER. I thank the majority leader for his comments. I do rely on his good judgment. I rely on the good judgment of my colleagues in the Senate on both sides of the aisle. I would only encourage the feeling that the highest priority in the Senate must be retained in our thinking and judgment this summer. It is not this bill but energy legislation. I am sure that during the extensive debate which develops on this bill, and I am sure it will if the bill is called up, we should retain our judgment to recognize that energy legislation of an emergency nature must be addressed promptly and must not be delayed by the consideration of this legislation.

I thank the majority leader and I thank the distinguished chairman of the committee.

The PRESIDING OFFICER. Is there objection to the request of the Senator from West Virginia? The Chair hears no objection. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I thank all Senators, and especially Senator Tower.

Mr. STENNIS. Mr. President, may I comment?

Mr. HARRY F. BYRD, JR. Mr. President, if the Senator will yield, I want to make one brief comment for the Record. As one who is a patron of the measure under discussion, I recognize, and I think all connected with it recognize, that it is a very sensitive matter. Senator McGovern termed it an explosive matter. I think that is a correct expression. I think it is a very difficult matter. It certainly is not a popular measure to advocate or to introduce. It will cause a great deal of discussion in the Senate. All of us involved in it recognize that. But also those of us who are involved in it believe very strongly that it should be brought before the Senate, that the Senate should have an opportunity to debate it, an opportunity to vote one way or the other on the issue.

If the view of the Senate is that it should not be passed, then certainly from my point of view I would feel that I have done all that I could and would let the matter drop and have no further concern in that regard. But I think it is a measure which should be brought before the Senate. The arrangement which the distinguished majority leader has just worked out with the Senate will do just that. I believe that is all any of us on either side of the question can ask.

Mr. ROBERT C. BYRD. I thank the Senator.

Mr. President, members of the Armed Services Committee are going to be engaged in a conference with the House at 1:30 today, I believe.

Mr. STENNIS. That is correct.

Mr. ROBERT C. BYRD. I wonder if it would be possible, now that the amendment is not going to be called up and no other amendments are in order, to ask that the bill be advanced to third reading and that a final vote occur no later than 1:30 p.m. today.

There are some who wish to engage in a colloquy, I believe Senator Cranston, Senator Stevenson, and others, but if we can put a time limit such as I suggested on it then the members of the Armed Services Committee could attend the conference.

Mr. STENNIS. What time would the Senator suggest?

Mr. ROBERT C. BYRD. I was going to suggest no later than 1:15.

Mr. STENNIS. We are due at the conference at 1:30. That will be fine.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the final action on the bill, with paragraph 3 of rule XII being waived, occur no later than 1:15 p.m. today.

The PRESIDING OFFICER. Is there objection? Without objection it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask for the yeas and nays on final passage.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. ROBERT C. BYRD. Mr. President, if our cloakroom will alert Mr. Cranston and others who want to have a colloquy to come to the floor immediately, they can proceed.

The PRESIDING OFFICER. The Senator from Texas.

Mr. TOWER. Mr. President, I ask unanimous consent that the rule of germaneness notwithstanding the Senator from Idaho (Mr. McClure) be permitted to proceed out of order for 3 minutes on another subject.

The PRESIDING OFFICER. Is there objection?

Mr. ROBERT C. BYRD. Mr. President, before the Senator proceeds, there should be a division of time so that both sides may be heard in whatever colloquy there will be. Mr. President, I ask that the time during the remaining period be divided equally between Mr. Stennis and Mr. Cranston.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. STENNIS. May I inquire, Mr. President? That is the colloquy to follow, the remarks to be made by the Senators from California and Illinois?

Mr. ROBERT C. BYRD. That is correct.

Mr. McCLURE. Am I correct, Mr. President, that the Senator from Idaho has been granted permission to proceed for 3 minutes?

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the time other than that for the colloquy be equally divided between the chairman and the ranking member or their designees.

The PRESIDING OFFICER. Without objection, it is so ordered.

Who yields time?

Mr. WARNER. Mr. President, I yield time to the distinguished Senator from Maine. He may take what he pleases.

Mr. MUSKIE. I thank my good friend from Virginia.

Mr. President, I want to speak today in support of the defense authorization bill and offer my views on how it relates to the national defense targets the Congress adopted in the first budget resolution for fiscal year 1980.

First, I extend my appreciation to the distinguished Senator from Mississippi, Mr. Stennis, for the contribution he has made in shaping this important legislation. This bill is yet another demonstration of his ability to work in a diligent manner toward providing adequately for our Nation's defense and economic wellbeing. He has proved his interest in insuring the success of the congressional budget process. I sincerely thank him again for his support of our efforts to seek fiscal restraint by the Congress.

Mr. President, S. 428 authorizes military procurement, research and development, and civil defense funding of approximately $40 billion in budget authority. Fiscal year 1980 outlay estimates associated with these items are roughly $10.5 billion.

In addition to this authorization, the bill provides active duty and reserve military personnel and Department of Defense civilian personnel strength levels and general provisions for other miscellaneous defense purposes. The impact of fully funding these personnel levels and general provisions would result in budget authority of $50 billion and fiscal year 1980 outlays of approximately $48.7 billion.

The combination of the program authorizations and the proposed personnel levels and provisions results in budget authority of $90.1 billion or approximately $200 million under the administration's budget request. Fiscal year 1980 outlays amount to approximately $59.2 billion or $100 million less than the administration's request.

Mr. President, the major concern of the Senate Budget Committee conferees during the recent conference on the first budget resolution was to provide for a level of defense funding that would allow the United States to meet its NATO pledge to aim for real growth in defense spending in the range of 3 percent for research and development and procurement activities over the next several years.

The first budget resolution provides for $136.6 billion in budget authority and $124.2 billion in outlays for national defense. The funds available within these budget targets have been estimated by the Budget Committee staff to allow for 3.5 percent real growth over projected fiscal year 1979 totals for the major investment categories of research and development and procurement. These are the activities provided by this bill and the bill's totals fit with the desires of the Budget Committee conferees that investment spending grow in real terms in accordance with our NATO commitment and with the need to insure an adequate fighting capability for our forces throughout the remainder of this century.

Mr. President, S. 428 as reported fits

within the national defense targets set by Congress in the first budget resolution, assuming that congressional action anticipated during development of the budget resolution does take place. These assumptions include 25 percent absorption of the upcoming October Federal pay raise, efficiencies in defense operating activities, and small reductions in authorizations and other appropriated areas of the function. I, therefore, support the bill.

Before proceeding, I would like to provide my colleagues with some preliminary estimates on the relationship of this bill to the national defense functional targets and the types of reductions that must occur elsewhere in the national defense area in order that we keep within the targets. I ask unanimous consent that a table displaying the figures be printed at this point in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

RELATIONSHIP OF S. 428, THE DEFENSE AUTHORIZATION BILL FOR FISCAL YEAR 1980, AND OTHER ITEMS TO THE NATIONAL DEFENSE FUNCTIONAL TARGETS IN THE 1ST BUDGET RESOLUTION FOR FISCAL YEAR 1980

	Budget authority	Outlays
President's request for function 050 as re-estimated by CBO	$138.3	$125.4
S. 428, defense authorization bill, as reported	−.2	−.1
S. 673, energy-military applications authorization bill, as reported	−.1	
S. 1319, military construction authorization bill, as reported		
25 percent absorption of October pay raise assumed in budget resolution	−.6	−.6
Efficiencies assumed in budget resolution including annual adjustment for military retired pay	−.5	−.5
Total	137.0	124.2
Functional targets established in 1st Budget Resolution	136.6	124.2
Other reductions required in later authorizations and appropriated items to stay within functional targets	−.4	

Note: Figures may not add due to rounding.

Mr. MUSKIE. Mr. President, the Senate Armed Services Committee's bill fits within the budget resolution. However, I am troubled by the defense authorization bill reported by the House. This is a much more costly piece of legislation than the Senate-reported bill. It is $2.4 billion in budget authority over the Senate bill we are now considering. The outlay difference in the two bills is approximately $300 million.

Mr. President, $2.4 billion in budget authority is a significant amount, and Senator STENNIS and the other Senate conferees for this authorization bill face a most difficult task in arriving at a conference agreement that does not exert undue pressure on the national defense targets in the first budget resolution. For this reason, it is essential that the conference agreement on this bill be near the Senate totals. A second reason is that the probable outyear ramifications of the Senate's bill appear to be in agreement with the fiscal year 1981 and 1982 totals included in the budget resolution. These totals provide for balanced budgets in each of the 2 years. If the defense authorization bill is returned to the Senate close to the House totals, the fiscal year 1981 and 1982 balanced budget totals could be threatened.

Mr. President, in concluding my remarks, I should like to reiterate my sincere appreciation to the distinguished chairman, Mr. STENNIS. I support this defense authorization bill, of course reserving the right to support floor amendments which I deem necessary and desirable. I shall watch with great interest the forthcoming conference on the House and Senate defense authorization bills. Senator STENNIS has my best wishes and encouragement to come back from conference with an agreement that is consistent with the congressional budget resolution targets for national defense.

It is a pleasure to endorse the bill before us.

The PRESIDING OFFICER. Who yields time?

Mr. LEVIN. Mr. President, will the Senator yield me 2 minutes?

Mr. STENNIS. Yes, I yield the Senator that time.

Mr. LEVIN. I thank the Senator very much.

Mr. President, there has been some discussion about the MX missile program this morning. I should like to make five points, then ask the chairman if he might be willing to comment on the accuracy of these points. I think it will clarify the debate somewhat; in any event, it will clarify my position.

The money in this bill for the MX missile and basing systems can only be spent on research and development of these systems, and not on their deployment.

The money in this bill for the MX program is for full scale engineering development of the missile and its basing systems, and not for any production and deployment of fully operational MX missiles.

The "full scale engineering development" phase in the life of any weapons system is still a "research and development" stage and not a "production" or "deployment" stage.

By approving this authorization bill, which contains the money for full scale engineering development of the MX missile and basing systems, the Senate is not committing itself to production and deployment of this system.

Any decision to produce and deploy operational MX missiles is a decision the Senate will be asked to make in the future when it considers future Defense Department authorization bills.

I believe, after talking to the staff of the Armed Services Committee, that those points are all accurate and true. I would welcome a comment, if possible, at this time by Senator STENNIS.

Mr. STENNIS. Mr. President, these questions are relevant. I have read them over before. The answer to all of them is, "Yes."

Mr. LEVIN. I thank the Senator.

Mr. STENNIS. They are very relevant, as the Senator from Michigan always is.

Mr. LEVIN. I thank my colleague from Mississippi.

Mr. ROBERT C. BYRD. Mr. President, I just wish to suggest that it is my understanding Mr. CRANSTON does not desire to use the time.

Mr. STENNIS. That is correct.

Mr. ROBERT C. BYRD. That being the case, if all Senators are agreeable, the Senate could proceed to vote on final passage on this bill.

Mr. STENNIS. That is my information. The Senator from California and the Senator from Illinois have both sent word they will accept a writing from the subcommittee chairman in lieu of a colloquy.

Mr. President, I want to express my special appreciation for the cooperation and assistance which was extended to me by all concerned on the authorization bill, from the beginning of the Senate hearings until final passage. I especially want to thank the ranking minority member, Senator TOWER, for his fine work.

As we all know, Senator CULVER, chairman of the Research and Development Subcommittee and Senator WARNER, the ranking minority member, Senator NUNN, chairman of the Manpower and Personnel Subcommittee, and Senator JEPSEN, ranking minority member, and Senator HARRY F. BYRD, JR., chairman of the General Procurement Subcommittee, and Senator GOLDWATER, ranking minority member, have also carried heavy responsibilities on this bill in its preparation and presentation. Also, Senator CANNON and Senator GOLDWATER devoted a great amount of time to tactical air matters, while Senators HART and LEVIN looked into the shipbuilding portion and civil defense portion of the bill, respectively. These Members did a fine job in presenting the results to the committee.

I should like to extend the personal appreciation of myself, as well as the members of the committee, for the consistent hard and fine work performed by our able committee staff. Floor action is only a small portion of the time consumed in the preparation of this legislation. Again this year, the committee received from witnesses testimony totaling thousands of pages, and the staff in their usual capable and professional manner analyzed all the facts in order to assist our Members in making the decisions. The entire staff was involved in this to some degree, and I should like to specifically mention their names.

Mr. Francis J. Sullivan, our staff director, and our other professional staff members, Charles J. Conneely, Christine E. Cowart, Rhett B. Dawson, Robert Steve Dotson, George H. Foster, Louise R. Hoppe, Alton G. Keel, Edward B. Kenney, Ronald F. Lehman, James R. Locher, Don L. Lynch, E. George Riedel, John Roberts, Phyllis B. Serafin, James C. Smith, John T. Ticer, and George Travers.

I also want to pay special tribute to the clerical staff since each of them participated in getting this bill passed. They are Doris Connor, Lynn Cowart, Marie F. Dickinson, Francis B. Frazier, Barbara E. Hotchkiss, Helen Kalbaugh, Roberta J. Killgore, Betty C. Mayo, Ann E. Sauer, and Mary A. Shields.

Finally, Mr. President, I want to acknowledge the printing work performed in connection with this bill. As the Senate well knows, the annual military authorization bill is a very complex piece of legislation involving thousands of pages of testimony. On behalf of the entire committee and staff, I would like to specifically thank Messrs. G. D. Strickler, Nathan Segal, and Richard Caswell, as well as the Government Printing Office, for their hard work and expert handling of this massive amount of material.

Mr. President, I say thanks again for the wonderful, great amount of help from our committee, those on the floor here, and many others. It was an amazing thing that we could cover this bill with this many problems in the time it had. A spirit of cooperation, as a whole, has certainly prevailed. We are all most grateful, Mr. President.

Mr. TOWER. I associate myself with the remarks of the distinguished chairman, Mr. President.

Mr. President, I am prepared to yield back the remainder of my time.

Mr. STENNIS. I yield back the remainder of my time.

Mr. ROBERT C. BYRD. Mr. President, under the order, is it not true that upon the disposition of the pending measure, the Senate will proceed immediately to the consideration of the Endangered Species Act?

The PRESIDING OFFICER. The Senator is correct.

Mr. ROBERT C. BYRD. I thank the Chair.

The PRESIDING OFFICER. All time having been yielded back, the question is on agreeing to the committee amendment, as amended.

The committee amendment, as amended, was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment of the amendment and the third reading of the bill.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass? On this question the yeas and nays have been ordered, and the clerk will call the roll.

The second assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Hawaii (Mr. INOUYE) is necessarily absent.

I further announce that the Senator from Nevada (Mr. CANNON) is absent on official business.

I further announce that, if present and voting, the Senator from Nevada (Mr. CANNON) would vote "yea."

Mr. STEVENS. I announce that the Senator from Minnesota (Mr. DURENBERGER) and the Senator from Wyoming (Mr. SIMPSON) are necessarily absent.

I further announce that, if present and voting, the Senator from Wyoming (Mr. SIMPSON) would vote "yea."

The PRESIDING OFFICER. Are there any other Senators present who desire to vote?

The result was announced—yeas 89, nays 7, as follows:

[Rollcall Vote No. 127 Leg.]

YEAS—89

Armstrong
Baker
Baucus
Bayh
Bellmon
Bentsen
Biden
Boren
Boschwitz
Bradley
Bumpers
Burdick
Byrd, Harry F., Jr.
Byrd, Robert C.
Chafee
Chiles
Church
Cochran
Cohen
Cranston
Culver
Danforth
DeConcini
Dole
Domenici
Durkin
Eagleton
Exon
Ford
Garn
Glenn
Goldwater
Gravel
Hart
Hatch
Hayakawa
Heflin
Heinz
Helms
Hollings
Huddleston
Humphrey
Jackson
Javits
Jepsen
Johnston
Kassebaum
Kennedy
Laxalt
Leahy
Levin
Long
Lugar
Magnuson
Mathias
Matsunaga
McClure
Melcher
Metzenbaum
Morgan
Moynihan
Muskie
Nunn
Packwood
Pell
Percy
Pressler
Pryor
Randolph
Ribicoff
Roth
Sarbanes
Sasser
Schmitt
Schweiker
Stafford
Stennis
Stevens
Stewart
Stone
Talmadge
Thurmond
Tower
Wallop
Warner
Weicker
Williams
Young
Zorinsky

NAYS—7

Hatfield
McGovern
Nelson
Proxmire
Riegle
Stevenson
Tsongas

NOT VOTING—4

Cannon
Durenberger
Inouye
Simpson

So the bill (S. 428), as amended, was passed, as follows:

S. 428

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Department of Defense Authorization Act, 1980".

TITLE I—PROCUREMENT

AUTHORIZATION OF FUNDS

SEC. 101. Funds are hereby authorized to be appropriated for fiscal year 1980 for the use of the Armed Forces of the United States for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, torpedoes, and other weapons, as authorized by law, in amounts as follows:

Aircraft

For aircraft: for the Army, $946,400,000; for the Navy and the Marine Corps, $4,392,000,000; for the Air Force, $8,099,300,000, of which $243,100,000 is authorized to be appropriated for the United States contribution of its fiscal year 1980 share of the cost of the acquisition by the North Atlantic Treaty Organization of an Airborne Early Warning and Control System (AWACS).

Missiles

For missiles: for the Army, $1,205,300,000; for the Navy, $1,535,200,000; for the Marine Corps, $20,500,000; for the Air Force, $2,225,900,000.

Naval Vessels

For naval vessels: for the Navy, $5,791,600,000.

Tracked Combat Vehicles

For tracked combat vehicles: for the Army, $1,525,000,000; for the Marine Corps, $13,000,000.

Torpedoes

For torpedoes and related support equipment: for the Navy, $336,800,000.

Other Weapons

For other weapons: for the Army, $170,500,000; for the Navy, $153,000,000; for the Marine Corps, $25,200,000.

AUTHORITY OF SECRETARY OF DEFENSE IN CONNECTION WITH THE ACQUISITION OF THE AIRBORNE WARNING AND CONTROL SYSTEM (AWACS) BY NATO

SEC. 102. During fiscal year 1980, the Secretary of Defense is authorized, in carrying out the Multilateral Memorandum of Understanding Between the Ministers of Defense of the North Atlantic Treaty Organization on the NATO E-3A Cooperative Programme, signed on December 6, 1978—

(1) to waive reimbursement for the cost of the following functions performed by personnel other than personnel employed in the United States Air Force Airborne Warning and Control System (AWACS) program office:

(A) auditing;

(B) quality assurance;

(C) codification;

(D) inspection;

(E) contract administration;

(F) acceptance testing;

(G) certification services; and

(H) planning, programing, and management services;

(2) to waive any surcharge for administrative services otherwise chargeable; and

(3) to assume in connection with the NATO E-3A Cooperative Programme for fiscal year 1980 contingent liability for—

(A) program losses resulting from the gross negligence of its contracting officers;

(B) identifiable taxes, customs duties, or other charges levied within the United States on the program; and

(C) the United States share of the unfunded termination liability.

REQUIREMENT RELATING TO THE STRUCTURAL SOUNDNESS OF THE KC-10A AIRCRAFT

SEC. 103. None of the funds authorized to be appropriated by this Act may be obligated or expended for the procurement of the KC-10A Advanced Tanker Cargo Aircraft (ATCA) until (1) the Federal Aviation Administration has reinstated the type certificate required for the commercial operation of the DC-10 aircraft, and (2) the Secretary of Defense has notified the Congress in writing that the KC-10A aircraft is structurally sound.

TITLE II—RESEARCH, DEVELOPMENT, TEST, AND EVALUATION

AUTHORIZATION OF FUNDS

SEC. 201. Funds are hereby authorized to be appropriated for fiscal year 1980 for the use of the Armed Forces of the United States for research, development, test, and evaluation, as authorized by law, in amounts as follows:

For the Army, $2,933,900,000.

For the Navy (including the Marine Corps), $4,524,396,000.

For the Air Force, $4,324,100,000.

For the Defense Agencies, $1,110,000,000, of which $33,400,000 is authorized for the activities of the Director of Test and Evaluation, Defense.

M-X MISSILE PROGRAM

SEC. 202. (a) In addition to the funds authorized by section 201, there is authorized to be appropriated for the use of the Air Force for fiscal year 1980 the sum of $670,000,000 which may be used only for research, development, test, and evaluation on the M-X missile program. None of the additional funds authorized by this section may be obligated or expended on such program for a period of 60 calendar days following the day on which the Secretary of Defense submits a written report to the Committees on Armed Services of the Senate and the House of Representatives describing the final decisions approving the specific characteristics of the M-X missile program, including, but not limited to, the missile size and design, basing and movement mode, natural resource considerations, cost, and schedule for deployment. Such report shall be submitted on or before October 1, 1979.

(b) In the event that the final decisions on the M–X missile program referred to in subsection (a) include approval of any basing system for the M–X missile other than a land based system, the President or other officer designated by the President for such purpose shall certify to the Congress in writing that, in his judgment, a land based system is not in the best interest of the national security of the United States and that the approved basing system (other than a land based system) is either militarily more effective than any land based system or less costly and equally or more effective militarily than any land based system. Such certification shall accompany the report required by subsection (a) of this section.

(c) Notwithstanding the provisions of subsection (a), funds for the M–X missile program authorized by such subsection may be obligated or expended before the expiration of the 60-day period referred to in such subsection if each House of Congress agrees to a resolution of its own House approving the report referred to in such subsection (hereinafter in this section referred to as a "resolution of approval").

(d) Funds for the M–X missile program authorized by subsection (a) may not be obligated or expended if, before the expiration of the 60-day period referred to in such subsection, either House of Congress agrees to a resolution disapproving the report referred to in such subsection (hereinafter in this section referred to as a "resolution of disapproval").

(e) (1) Consideration by the Senate and the House of Representatives of resolutions of approval and resolutions of disapproval shall be governed by the procedures set forth in this subsection. This subsection is enacted by Congress—

(A) as an exercise of the rulemaking power of the Senate and the House of Representatives, respectively, and as such they are deemed a part of the rules of each House, respectively, but applicable only with respect to the procedure to be followed in each House in the case of resolutions described by this section; and they supersede other rules only to the extent that they are inconsistent therewith; and

(B) with full recognition of the constitutional right of either House to change the rules (so far as relating to the procedure of that House) at any time, in the same manner, and to the same extent as in the case of any other rule of that House.

(2) Any resolution of approval and any resolution of disapproval introduced with respect to a report referred to in subsection (a) shall be referred to the Committee on Armed Services of the Senate or the House of Representatives, as appropriate.

(3) If the committee to which a resolution of approval or a resolution of disapproval has been referred has not reported it at the end of 10 calendar days after its introduction, it is in order to move either to discharge the committee from further consideration of such resolution or to discharge the committee from further consideration of any other resolution of approval or resolution of disapproval which has been referred to the committee.

(4) A motion to discharge may be made only by an individual favoring the resolution of approval or resolution of disapproval, as the case may be, may be made only if supported by one-fifth of the Members of the House involved (a quorum being present), and is highly privileged in the House and privileged in the Senate (except that it may not be made after the committee has reported a resolution of approval or resolution of disapproval); and debate thereon shall be limited to not more than 1 hour, the time to be divided in the House equally between those favoring and those opposing the resolution, and to be divided in the Senate equally between, and controlled by, the majority leader and the minority leader or their designees. An amendment to the motion is not in order, and it is not in order to move to reconsider the vote by which the motion is agreed to or disagreed to.

(5) (A) The provisions of subparagraphs (B) through (F) of this paragraph shall be applicable in the case of a resolution of approval or resolution of disapproval in the House of Representatives.

(B) When the Committee on Armed Services of the House of Representatives has reported, or has been discharged from further consideration of, a resolution of approval or a resolution of disapproval, it shall at any time thereafter be in order (even though a previous motion to the same effect has been disagreed to) to move to proceed to the consideration of the resolution. The motion shall be highly privileged and not debatable. An amendment to the motion shall not be in order, nor shall it be in order to move to reconsider the vote by which the motion is agreed to or disagreed to.

(C) Debate on any such resolution in the House of Representatives shall be limited to not more than 2 hours, which shall be divided equally between those favoring and those opposing the resolution. A motion further to limit debate shall not be debatable. Only an amendment to change a resolution of approval to a resolution of disapproval or to change a resolution of disapproval to a resolution of approval shall be in order. Debate on any such amendment shall be limited to 1 hour. No other amendment to, or motion to recommit, a resolution shall be in order. It shall not be in order to move to reconsider the vote by which an amendment to a resolution is agreed to or disagreed to or by which a resolution is agreed to or disagreed to.

(D) Motions to postpone, made with respect to the consideration of a resolution of approval or resolution of disapproval, and motions to proceed to the consideration of other business, shall be decided without debate.

(E) All appeals from the decisions of the Chair relating to the application of the Rules of the House of Representatives to the procedure relating to any resolution of approval or resolution of disapproval shall be decided without debate.

(F) Except to the extent specifically provided in the preceding provisions of this subsection, consideration of any resolution of approval or resolution of disapproval and amendment thereto shall be governed by the Rules of the House of Representatives applicable to other resolutions and amendments in similar circumstances.

(6) (A) The provisions of subparagraphs (B), (C), and (D) of this paragraph shall be applicable in the case of a resolution of approval or resolution of disapproval in the Senate.

(B) Debate on any resolution of approval or resolution of disapproval, and any amendment thereto and debatable motions and appeals in connection therewith, shall be limited to not more than 10 hours. The time shall be equally divided between, and controlled by, the majority leader and the minority leader or their designees.

(C) Only an amendment to change a resolution of approval to a resolution of disapproval or to change a resolution of disapproval to a resolution of approval shall be in order. Debate on any such amendment shall be limited to 1 hour, to be divided between, and equally controlled by, the mover and manager of the resolution, except that in the event the manager of the resolution is in favor of such amendment, the time in opposition thereto shall be controlled by the minority leader or his designee. Debate on any debatable motion or appeal in connection with such a resolution shall be limited to 1 hour, to be equally divided between, and controlled by, the mover and the manager of the resolution, except that in the event the manager of the resolution is in favor of any such motion or appeal, the time in opposition thereto, shall be controlled by the minority leader or his designee. The majority leader and the minority leader, or either of them, may, from the time under their control on the passage of a resolution, allot additional time to any Senator during the consideration of an amendment, debatable motion, or appeal.

(D) A motion to further limit debate is not debatable and no motion to recommit is in order.

RESTRICTION ON THE USE OF FUNDS FOR DEVELOPMENT OF THE EXTREMELY LOW FREQUENCY COMMUNICATION SYSTEM

SEC. 203. None of the funds authorized to be appropriated by this Act for the development of the Extremely Low Frequency (ELF) communication system may be obligated or expended for the development of such system unless the President certifies to the Congress in writing that the use of funds for such purpose is in the national interest, that a site has been selected for the deployment of such system, and that the President has approved such site for the deployment of such system, and in no event may any of the funds authorized to be appropriated by this Act be used for full scale development or construction of another test bed facility for an Extremely Low Frequency (ELF) communication system.

TITLE III—ACTIVE FORCES

AUTHORIZATION OF END STRENGTHS

SEC. 301. For the fiscal year 1980, each component of the Armed Forces is authorized an end strength for active duty personnel as follows:

(1) The Army, 776,700.
(2) The Navy, 524,000.
(3) The Marine Corps, 189,000.
(4) The Air Force, 557,300.

DISCONTINUANCE OF OVERSEAS TRAVEL AND TRANSPORTATION ALLOWANCES FOR DEPENDENTS OF LOWER ENLISTED GRADES

SEC. 302. (a) Subsection (a) of section 406 of title 37, United States Code, is amended by striking out "A" at the beginning of such subsection and inserting in lieu thereof "Except as provided in subsection (i) of this section, a".

(b) Subsection (h) of section 406 of such title is amended by striking out "In" at the beginning of such subsection and inserting in lieu thereof "Except as provided in subsection (i) of this section, in".

(c) Section 406 of such title is further amended by adding at the end thereof the following new subsection:

"(i) A member of a uniformed service in the pay grade of E–1, E–2, E–3, or E–4 (2 years or less service) is not entitled—

"(1) to travel and transportation in kind for his dependents, to reimbursement therefor, or to a monetary allowance in place of that transportation in kind for any travel and transportation of such dependents to or from any place outside the United States; or

"(3) to the transportation of a motor vehicle of such member to or from any place outside the United States.".

(d) The provisions of section 406(i) of title 37, United States Code, as added by subsection (a) of this section, shall not apply in the case of travel or transportation described in such section 406(i) if the travel or transportation was authorized by orders issued before the date of enactment of this section; nor shall the provisions of such section apply in the case of any such travel or transportation if the travel or transportation is authorized in connection with the termination of the duty assignment of a member of a uniformed service assigned to a station outside the United States and the duty assignment of such member to such station was made by orders issued before the date of enactment of this section.

AMENDMENTS TO TITLE 10, UNITED STATES CODE, RELATING TO AUTHORIZED STRENGTHS OF RESERVE GENERAL AND FLAG OFFICERS

SEC. 303. (a) Section 3218 of title 10, United States Code, is amended by striking out "and those serving in the National Guard Bureau" and inserting in lieu thereof "those serving in the National Guard Bureau, and those chargeable under section 3202 of this title".

(b) Section 5457(a) of such title is amended by inserting after "rear admiral" a common and "exclusive of those changeable under section 5442 of this title,".

(c) Section 5458(a) of such title is amended by inserting after "combined" a comma and "exclusive of those chargeable under section 5443 of this title,".

(d) Section 8218 of such title is amended by striking out "and those serving in the National Guard Bureau" and inserting in lieu thereof "those serving in the National Guard Bureau, and those chargeable under section 8202 of this title".

AMENDMENTS TO TITLE 10, UNITED STATES CODE, RELATING TO REPORTS TO CONGRESS ON ACTIVE DUTY PERSONNEL REQUIREMENTS OF THE MILITARY DEPARTMENTS

SEC. 304. (a)(1) Section 686 of title 10, United States Code, is repealed.

(2) The table of sections at the beginning of chapter 39 of such chapter is amended by striking out the item relating to section 686.

(b) Paragraph (3) of section 138(c) of title 10, United States Code, is amended—

(1) by inserting "(A)" after "(3)" at the beginning of such paragraph;

(2) by redesignating clauses (A), (B), and (C) of the second sentence of such paragraph as clauses (i), (ii), and (iii), respectively;

(3) by striking out "It shall also include" at the beginning of the third sentence of such paragraph and inserting in lieu thereof the following:

"(B) The Secretary of Defense shall also include in the report required under subparagraph (A) of this paragraph"; and

(4) by adding at the end of such paragraph the following new subparagraph:

"(C) The Secretary of Defense shall also include in the report required under subparagraph (A) of this paragraph the following information with respect to each military department:

"(i) the estimated requirements in members on active duty during the next fiscal year;

"(ii) the estimated number of commissioned officers in each grade on active duty and to be promoted during the next fiscal year; and

"(iii) an analysis of the distribution by grade of commissioned officers on active duty at the time of report is prepared.".

TITLE IV—RESERVE FORCES

AUTHORIZATION OF RESERVE COMPONENT STRENGTHS

SEC. 401. (a) For the fiscal year 1980, the Selected Reserve of each Reserve component of the Armed Forces shall be programed to attain an average strength of not less than the following:

(1) The Army National Guard of the United States, 355,700.

(2) The Army Reserve, 197,400.

(3) The Naval Reserve, 87,000.

(4) The Marine Corps Reserve, 33,600.

(5) The Air National Guard of the United States, 92,500.

(6) The Air Force Reserve, 57,300.

(7) The Coast Guard Reserve, 11,700.

(b) Within the average strengths authorized in subsection (a) for fiscal year 1980, each component of the Armed Forces is authorized an end strength of no more than the following numbers of Reserve component members serving on full-time active duty for the purpose of organizing, administering, recruiting, instructing, or training the Reserve forces:

(1) The Army National Guard of the United States, 6,244.

(2) The Army Reserve, 4,288.

(3) The Naval Reserve, 1,707.

(4) The Marine Corps Reserve, 67.

(5) The Air National Guard of the United States, 1,560.

(6) The Air Force Reserve, 681.

(c) The average strength prescribed by subsection (a) of this section for the Selected Reserve of any Reserve component shall be proportionately reduced by (1) the total authorized strength of units organized to serve as units of the Selected Reserve of such component which are on active duty (other than for training) at any time during the fiscal year; and (2) the total number of individual members not in units organized to serve as units of the Selected Reserve of such component who are on active duty (other than for training or for unsatisfactory participation in training) without their consent at any time during the fiscal year. Whenever such units or such individual members are released from active duty during any fiscal year, the average strength prescribed for such fiscal year for the Selected Reserve of such Reserve component shall be proportionately increased by the total authorized strength of such units and by the total number of such individual members.

REPEAL OF SECTION 309 OF TITLE 37, UNITED STATES CODE, RELATING TO ADDITIONAL PAY FOR PERFORMANCE OF ADMINISTRATIVE DUTY BY OFFICERS OF THE NATIONAL GUARD AND RESERVE COMPONENTS

SEC. 402. (a) Section 309 of title 37, United States Code, is repealed.

(b) The table of sections at the beginning of chapter 5 of such title is amended by striking out the item relating to section 309.

(c) The amendments made by this section shall become effective on the first day of the first month following the month in which this section is enacted.

TITLE V—CIVILIAN PERSONNEL

AUTHORIZATION OF END STRENGTHS

SEC. 501. (a) For the fiscal year 1980, the Department of Defense is authorized an end strength for civilian personnel as follows:

(1) The Department of the Army, 357,500.

(2) The Department of the Navy, including the Marine Corps, 305,200.

(3) The Department of the Air Force, 240,700.

(4) Activities and agencies of the Department of Defense (other than the military departments), 77,500.

(b) In computing the authorized end strength for civilian personnel there shall be included all direct-hire and indirect-hire civilian personnel employed to perform military functions administered by the Department of Defense (other than those performed by the National Security Agency) whether employed on a full-time, part-time, or intermittent basis, but excluding special employment categories for students and disadvantaged youth such as the stay-in-school campaign, the temporary summer aid program, and the Federal junior fellowship program and personnel participating in the worker-trainee opportunity program. Whenever a function, power, duty, or activity is transferred or assigned to a department or agency of the Department of Defense from a department or agency outside of the Department of Defense, or from another department or agency within the Department of Defense, the civilian personnel end strength authorized for such departments or agencies of the Department of Defense affected shall be adjusted to reflect any increases or decreases in civilian personnel required as a result of such transfer or assignment.

(c) When the Secretary of Defense determines that such action is necessary in the national interest, he may authorize the employment of civilian personnel in excess of the number authorized by subsection (a) of this section but such additional number may not exceed 1¼ per centum of the total number of civilian personnel authorized for the Department of Defense by subsection (a) of this section. The Secretary of Defense shall promptly notify the Congress of any authorization to increase civilian personnel strength under the authority of this subsection.

(d) In activities engaged in maintenance, construction, engineering acquisition, and repair, the Secretary of Defense shall manage manpower resources in a manner that will insure that these activities are provided sufficient civilian manpower to fulfill work requirements for which funds have been appropriated, on a schedule consistent with the requirements of national security and military readiness.

TITLE VI—MILITARY TRAINING STUDENT LOADS

AUTHORIZATION OF TRAINING STUDENT LOADS

SEC. 601. (a) For the fiscal year 1980, each component of the Armed Forces is authorized an average military training student load as follows:

(1) The Army, 54,865.

(2) The Navy, 61,913.

(3) The Marine Corps, 22,618.

(4) The Air Force, 43,249.

(5) The Army National Guard of the United States, 7,985.

(6) The Army Reserve, 4,772.

(7) The Naval Reserve, 906.

(8) The Marine Corps Reserve, 3,156.

(9) The Air National Guard of the United States, 1,958.

(10) The Air Force Reserve, 1,276.

(b) In addition to the number authorized in subsection (a), each component of the Armed Forces is authorized a military training student load to be utilized fully for one station unit training of not less than the following:

(1) The Army, 19,603.

(2) The Army National Guard of the United States, 6,631.

(3) The Army Reserve, 1,556.

(c) The average military training student loads for the Army, the Navy, the Marine Corps, and the Air Force and the Reserve components authorized in subsection (a) for fiscal year 1980 shall be adjusted consistent with the manpower strengths authorized in titles III, IV, and V of this Act. Such adjustment shall be apportioned among the Army, the Navy, the Marine Corps, and the Air Force and the Reserve components in such manner as the Secretary of Defense shall prescribe.

TITLE VII—CIVIL DEFENSE

AUTHORIZATION FOR APPROPRIATIONS

SEC. 701. There is authorized to be appropriated for fiscal year 1980 for the purpose of carrying out the provisions of the Federal Civil Defense Act of 1950 (50 U.S.C. App. 2251–2297) the sum of $106,800,000.

INCREASE IN AMOUNTS THAT MAY BE APPROPRIATED FOR CONTRIBUTIONS TO STATES FOR PERSONNEL AND ADMINISTRATIVE EXPENSES

SEC. 702. The last proviso of section 408 of the Civil Defense Act of 1950 (50 U.S.C. App. 2260) is amended by striking out everything after the last semicolon and inserting in lieu thereof "appropriations for contributions to the States for personnel and administrative expenses under section 205 shall not exceed $40,000,000 per annum.".

MATCHING REQUIREMENT FOR CONSTRUCTION OF EMERGENCY OPERATIONS CENTERS

SEC. 703. Title II of the Federal Civil Defense Act of 1950 (50 U.S.C. App. 2281–2286) is amended by adding at the end thereof the following new section:

"SEC. 206. Notwithstanding any other provision of this Act, funds appropriated to carry out this Act may not be used for the purpose of constructing emergency operations centers (or similar facilities) in any State unless such State matches in an equal amount the amount made available to such State under this Act for such purpose.".

TITLE VIII—GENERAL PROVISIONS

AMENDMENTS TO THE UNIFORM CODE OF MILITARY JUSTICE

SEC. 801. (a) Section 802 of title 10, United States Code (article 2 of the Uniform Code of Military Justice), is amended—

(1) by inserting "(a)" before "The" at the beginning of such section; and

(2) by adding at the end thereof the following new subsections:

"(b) The voluntary enlistment of any person who has the capacity to understand the significance of enlisting in the armed forces shall be valid for purposes of jurisdiction under subsection (a) of this section, and a change of status from civilian to member of the armed forces shall be effective upon the taking of the oath of enlistment.

"(c) Notwithstanding any other provision of law, a person serving with an armed force who—

"(1) submitted voluntarily to military authority;

"(2) met the mental competency and minimum age qualifications of sections 504 and 505 of this title at the time of voluntary submission to military authority;

"(3) received military pay or allowances; and

"(4) performed military duties;

is subject to this chapter until such person's active service has been terminated in accordance with law or regulations promulgated by the Secretary concerned.".

(b) Section 836(a) of such title (article 36(a) of the Uniform Code of Military Justice) is amended by striking out "The procedure, including modes of proof, in cases before courts-martial, courts of inquiry, military commissions, and other military tribunals," and inserting in lieu thereof "Pretrial, trial, and post-trial procedures, including modes of proof, for cases arising under this chapter triable in courts-martial, military commissions and other military tribunals, and procedures for courts of inquiry,".

AMENDMENT TO THE STRATEGIC AND CRITICAL MATERIALS STOCK PILING ACT

SEC. 802. The Strategic and Critical Materials Stock Piling Act (60 Stat. 596; 50 U.S.C. 98—98h–1) is amended by adding at the end thereof the following new section:

"SEC. 11. Notwithstanding any other provision of law, on and after the date of enactment of this section or on and after June 30, 1979, whichever is later, the President shall not prohibit the importation from Zimbabwe-Rhodesia into the United States of any material determined to be strategic and critical pursuant to the provisions of this Act, nor shall he prohibit trade in lawful goods between Zimbabwe-Rhodesia and the United States.".

POLARIS SUBMARINE STUDY

SEC. 803. (a) The Congress finds that the Soviet Union's intercontinental ballistic missile capability is steadily increasing and that the United States Minuteman Intercontinental Ballistic Missile is becoming more vulnerable. The Congress further finds that it is essential to the national security of the United States that the Navy's fleet of Polaris submarines should not be deactivated until the Navy has thoroughly studied all aspects of extending the life of the Polaris fleet.

(b) None of the funds authorized to be appropriated by this or any other Act may be used for the purpose of deactivating any of the Navy's Polaris submarines earlier than 1 year after the date of enactment of this Act.

(c) The Secretary of the Navy shall prepare and submit to the Congress, at the earliest practicable date, a study including plans, schedules, cost estimates, and an evaluation of maintaining Polaris submarines in full operational status or for transferring the Polaris submarines to a standby operational status and maintaining them in such status during fiscal year 1980 and the 5 succeeding fiscal years through 1985. Such study shall be submitted to the Committees on Armed Services of the House of Representatives and the Senate not later than January 1, 1980.

SELECTED ACQUISITION REPORTS ON CERTAIN DEFENSE SYSTEMS

SEC. 804. Subsection (a) of section 811 of the Department of Defense Appropriation Authorization Act, 1976 (Public Law 94–106, 89 Stat. 531) is amended to read as follows:

"(a) Beginning with the quarter ending December 31, 1979, the Secretary of Defense shall submit quarterly to the Congress written selected acquisition reports for those major defense systems which are estimated to require a total cumulative financing for research, development, test, and evaluation in excess of $75,000,000 or a cumulative production investment in excess of $300,000,000. The report for the quarter ending December 31 of any year shall be submitted within 20 days after the President transmits the Budget to Congress for the ensuing fiscal year; the quarterly reports for the other three quarters of any year shall be submitted within 30 days after the end of each fiscal year quarter. If one or more preliminary reports are submitted for any quarter of any year, the final report for such quarter shall be submitted to Congress within 15 days after the submission of the last preliminary report for such quarter.".

ASSISTANCE TO THE 1980 WINTER OLYMPIC GAMES

SEC. 805. (a) Notwithstanding any other provision of law, the Secretary of Defense is authorized—

(1) to provide logistic support and personnel services to the XIII Olympic Winter Games;

(2) to lend and provide equipment to the Lake Placid Olympic Organizing Committee; and

(3) to provide such other services as the Lake Placid Olympic Organizing Committee may consider necessary and the Secretary may consider advisable.

(b) There is authorized to be appropriated to the Secretary of Defense for fiscal year 1980 an amount not to exceed $10,000,000 for the purpose of carrying out subsection (a). No funds may be obligated or expended for such purpose unless specifically appropriated for such purpose.

REPORTING REQUIREMENTS REGARDING SALARIES OF OFFICERS OF FEDERAL CONTRACT RESEARCH CENTERS

SEC. 806. Subsection (a) of section 407 of Public Law 91–121 (83 Stat. 208) is amended to read as follows:

"SEC. 407. (a). After September 30, 1979, the Secretary of Defense shall notify the President of the Senate and the Speaker of the House of Representatives annually of any officer or employee of a Federal Contract Research Center whose annual compensation paid out of any Federal funds exceeds level II of the Executive Schedule in subchapter II of chapter 53 of title 5, United States Code. Such notification shall include a detailed statement of the reasons therefor.".

MONTHLY STIPEND PAID TO PERSONS PARTICIPATING IN THE ARMED FORCES HEALTH PROFESSIONS SCHOLARSHIP PROGRAM

SEC. 807. (a) Subsection (d) of section 2121 of title 10, United States Code, relating to the monthly stipend paid to persons participating in the Armed Forces Health Professions Scholarship Program, is amended—

(1) by inserting "(1)" after "(d)"; and

(2) by adding at the end of such subsection the following new paragraph:

"(2) The amount of the monthly stipend, specified in paragraph (1) and as previously adjusted (if at all) in accordance with this paragraph, shall be increased by the Secretary of Defense for each school year beginning after September 30, 1979, by an amount (rounded to the next highest multiple of $1) equal to the amount of such stipend multiplied by the overall percentage (as set forth in the report transmitted to the Congress under section 5305 of title 5, United States Code) of the adjustment (if such adjustment is an increase) in the rates of pay under the General Schedule made effective in the fiscal year in which such school year ends.".

(b) No person shall be entitled to any benefits by virtue of the amendments made by subsection (a) for any period before the date of the enactment of this section.

RESTRICTIONS ON CONTRACTING WITH PRIVATE CONTRACTORS FOR THE PERFORMANCE OF CERTAIN FUNCTIONS

SEC. 808. (a) It is declared to be the policy of the United States that those provisions of Office of Management and Budget Circular A–76 (issued on August 30, 1967, and reissued on October 18, 1976, June 13, 1977, and March 29, 1979) which prohibit the use of private contractors for the purpose of avoiding personnel or salary limitations and which prohibit personnel actions in violation of civil service personnel regulations should be binding on the Department of Defense.

(b) A commercial or industrial type function of the Department of Defense that is being performed by Department of Defense personnel at Davis-Monthan Air Force Base on January 1, 1979, may be contracted out to a private contractor after the date of enactment of this Act only if the performance of such function by a private contractor—

(1) will not adversely affect technical, scientific or other skills necessary to critical military capabilities;

(2) will not adversely affect the emergency combat readiness or potential mobilization capability of any armed force; and

(3) will not adversely affect the continuity, control, or accountability on the part of the Department of Defense.

(c) The Secretary of Defense shall submit a written report to the Congress on February 1 of each year describing the extent to which commercial or industrial type functions were performed by Department of Defense personnel and the extent to which such functions were performed by private contractors during the fiscal year preceding the fiscal year in which the report is submitted. The Secretary shall also include in such report an estimate of the percentage of commercial and industrial type functions of the Department of Defense that will be performed by Department of Defense personnel and the percentage of such functions that will be performed by private contractors during the fiscal year in which such report is submitted.

PAY OF ADMINISTRATORS AND INSTRUCTORS IN THE JUNIOR RESERVE OFFICERS' TRAINING CORPS

SEC. 809. Section 2031(d)(1) of title 10, United States Code, is amended by striking out "one-half" and inserting in lieu thereof "sixty percent". This amendment shall take effect on October 1, 1979.

The title was amended so as to read:

A bill to authorize appropriations for fiscal year 1980 for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, torpedoes, and other weapons and for research, development, test and evaluation for the Armed Forces, to prescribe the authorized personnel strength for each active duty component and the Selected Reserve of each Reserve component of the Armed Forces and for civilian personnel of the Department of Defense, to authorize the military training student loads, to authorize appropriations for civil defense, and for other purposes.".

Mr. STENNIS. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. TOWER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. STENNIS. Mr. President, I have two requests.

I ask unanimous consent that the Secretary of the Senate be authorized to make technical and clerical corrections in the engrossment of S. 428.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STENNIS. Mr. President, I ask unanimous consent that the bill as passed be printed in full with amendments.

The PRESIDING OFFICER. Without objection, it is so ordered.

ENDANGERED SPECIES ACT AUTHORIZATIONS

The PRESIDING OFFICER. Under the previous order, the Senate will now proceed to the consideration of S. 1143, which the clerk will state by title.

The assistant legislative clerk read as follows:

A bill (S. 1143) to extend the authorization for appropriations for the Endangered Species Act of 1973, and for other purposes.

The Senate proceeded to the consideration of the bill.

The PRESIDING OFFICER. Debate on this bill is limited to 1 hour, to be equally divided and controlled by the Senator from Iowa (Mr. CULVER) and the Senator from Tennessee (Mr. BAKER), with 30 minutes on any amendment in the first degree, with 20 amendments on any amendment in the second degree, and with 15 minutes on any debatable motion, appeal, or point of order.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that no call for the regular order bring this bill down.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to proceed for 2 minutes on other matters.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE CALENDAR

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of the following Calendar Orders Nos. 186, 213, 215, 216, 217, and 218.

Mr. BAKER. Mr. President, reserving the right to object, and I shall not object, I reserve only for the purpose of advising the majority leader that these items are cleared for consideration and passage on this calendar. I have a notation that the distinguished Senator from Rhode Island has a statement to make with respect to Calendar Order No. 186 and that the Senator from Maryland (Mr. MATHIAS) has a statement to make in respect to Calendar Order No. 213. I see they are both in the Chamber, and we are ready to proceed.

The PRESIDING OFFICER. Without objection, it is so ordered.

ANADROMOUS FISH CONSERVATION ACT AUTHORIZATIONS

The PRESIDING OFFICER. The bill will be stated by title.

The assistant legislative clerk read as follows:

A bill (S. 838) to amend the Anadromous Fish Conservation Act in order to extend the authorization for appropriations to carry out the purposes of the Act, and to initiate an emergency investigation on the striped bass in Atlantic coastal waters.

The Senate proceeded to consider the bill, which had been reported from the Committee on Environment and Public Works and the Committee on Commerce, Science, and Transportation with amendments as follows:

On page 2, line 3, strike "(79 Stat. 1125)";

On page 2, line 4, after "757" insert "a";

On page 2, line 10, after "2" strike "(a)";

On page 2, line 11, strike "757(b)" and insert "757b)";

On page 2, line 15, after "757" strike "(b)" and insert "d(a)";

On page 2, line 16, after the quotation mark, insert "(a)";

On page 3, line 4, after "757" insert "a";

On page 3, line 4, strike "7" and insert "8";

On page 3, line 6, strike "7" and insert "8";

On page 4, line 21, after "(d)(1)" insert "Any funds dispersed to the States and other non-Federal interests to this paragraph shall not exceed 66⅔ per centum of the cost of conducting the study.";

On page 5, line 1, strike "October 1" and insert "September 30";

On page 5, line 2, strike "October 1" and insert "September 30";

On page 5, line 5, strike "October 1" and insert "September 30";

On page 5, line 7, strike "Any funds dispersed to the States and other non-Federal interests to this paragraph shall not exceed 66⅔ per centum of the cost of conducting this study.";

On page 5, line 12, strike "October 1" and insert "September 30";

On page 5, line 14, strike "October 1" and insert "September 30";

On page 5, line 15, strike "October 1" and insert "September 30";

On page 5, line 16, strike "October 1" and insert "September 30";

So as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 1(c) of the Act of October 30, 1965 as amended (16 U.S.C. 757a et seq.), is further amended by striking in its entirety the sentence, "Structures, devices, or other facilities, including fish hatcheries, constructed by such States under a cooperative agreement described in this subsection, shall be operated and maintained without cost to the Federal Government.".

Sec. 2. Section 2 of the aforementioned Act, as amended (16 U.S.C. 757b), is amended by striking out "United States" in the last sentence and inserting in lieu thereof "cooperating States or other non-Federal interests".

Sec. 3. Section 4(a) of the aforementioned Act, as amended (16 U.S.C. 757d(a)), is amended to read as follows: "(a) There is authorized to be appropriated for the purposes of carrying out this Act, not to exceed $10,000,000 for the fiscal year ending October 1, 1980, not to exceed $11,000,000 for the fiscal year ending October 1, 1981, not to exceed $12,000,000 in the fiscal year ending October 1, 1982, and not to exceed $13,000,000 in the fiscal year ending October 1, 1983.".

Sec. 4. Section 4(b) of the aforementioned Act, as amended (16 U.S.C. 757d(b)), is amended to read "Not more than $1,000,000 or 20 per centum, whichever is greater, of the funds appropriated under this section in any one fiscal year shall be obligated in any one State.".

Sec. 5. At the end of the aforementioned Act as amended (16 U.S.C. 757a et seq.) add a new section 8 to read as follows:

"Sec. 8. (a) The Secretary of Commerce acting through the Director of the National Marine Fisheries Service and the Secretary of Interior acting through the Director of the Fish and Wildlife Service in accordance with the authorities in the Act, are directed to cooperate with States and other non-Federal interests in conducting studies of—

"(1) the status of the striped bass (Saxatalis Morone) population in Atlantic coastal waters, and

"(2) the factors responsible for the decline in the numbers of such fish which are available to the public for recreation and commercial use including, but not limited to—

"(A) a determination of the extent and success of annual spawning,

"(B) an analysis of the extent and causes of mortality at successive stages in the life cycle of the striped bass,

"(C) a determination of the effects of pollutants on viability and condition of eggs and larval fish, and

"(D) a survey of economic significance of the striped bass to both recreational and commercial fishing.

"(b) The Secretary of Commerce acting through the Director of the National Marine Fisheries Service and the Secretary of Interior acting through the Director of the Fish and Wildlife Service is directed to make reports to the Congress concerning the progress of the studies conducted pursuant to subsection (a) of this section. Such reports shall be submitted annually and shall, where appropriate, contain recommendations as to how the Congress could improve the status of the striped bass.

"(c) The Secretary of Commerce acting through the Director of the National Marine Fisheries Service and the Secretary of Interior acting through the Director of the Fish and Wildlife Service are authorized to employ such personnel as may be necessary to carry out the purposes of this section, and to cooperate with State and other agencies and institutions upon such terms and conditions as they deem appropriate.

"(d)(1) Any funds dispersed to the States and other non-Federal interests to this paragraph shall not exceed 66⅔ per centum of the cost of conducting the study. There is authorized to be appropriated for the purposes of carrying out the study in subsection (a)(1) of this section not to exceed $500,000 in the fiscal year ending September 30, 1980; not to exceed $750,000 in the fiscal year ending September 30, 1981; not to exceed $1,000,000 in the fiscal year ending September 30, 1982; and not to exceed $1,000,000 in the fiscal year ending Septemebr 30, 1983.

"(2) There is authorized to be appropriated for the purposes of carrying out the study in subsection (a)(2) of this section; not to exceed $500,000 in the fiscal year ending September 30, 1980; not to exceed $1,000,-

000 in the fiscal year ending September 30, 1981; not to exceed $1,000,000 for the fiscal year ending September 30, 1982; and not to exceed $1,000,000 in the fiscal year ending September 30, 1983.".

The PRESIDING OFFICER. The Senator from Rhode Island is recognized.

Mr. CHAFEE. Mr. President, the authorization for appropriations for the Anadromous Fish Conservation Act expires this year. Without extension of the authorization, the Secretaries of the Interior and Commerce will be unable to carry out their responsibilities under the act.

The Anadromous Fish Conservation Act of 1965, authorizes the Secretaries of the Interior and Commerce to enter into cost-sharing agreements with the States and other non-Federal interests for the conservation, development, and enhancement of the severely depleted anadromous fishery resources of the Nation. At the Federal level, the program is jointly administered by the Director of the Fish and Wildlife Service and the Director of the National Marine Fisheries Service.

Federal funds up to 50 percent may be used to finance project costs. State fishery agencies, colleges, universities, private companies, and other non-Federal interests in 31 States bordering the oceans, the Great Lakes, and Lake Champlain may participate under the act. All projects must be coordinated with the State Fishery Agency concerned.

The law also provides that the Federal share of the project cost money be increased to a maximum 66⅔ percent when two or more States, having a common interest in a program, jointly enter into a cooperative agreement with the Secretaries.

The legislation which the Senate is asked to approve today would: First, extend the authorization for appropriations for an additional 4 years; second, provide more flexibility in the maximum annual amount of funds that a State may receive; third, remove wording which places the burden for costs of operation and maintenance of facilities constructed under multi-State projects entirely upon the States; fourth, remove wording requiring all title of lands acquired under the act to rest in the Federal Government rather than with the State, and fifth, initiate an emergency research and monitoring program to investigate the sharp decline in the Atlantic coast's striped bass population. A detailed analysis of the bill is attached at the end of this statement and should be helpful in explaining the reasons for the suggested changes which are recommended in the bill.

Mr. President, as I am sure you are aware, this legislation was jointly referred to my own Committee on Environment and Public Works and the Committee on Commerce and Transportation. Before going any further in explaining this legislation, I would like to thank members of both committees for their hard work on and support of this important legislation.

I am particularly grateful to Senator JOHN CULVER, chairman of the Environment Committee's Resource Protection Subcommittee for his consideration of this legislation and to Senators MAGNUSON and PACKWOOD for guiding and supporting this legislation in the Commerce Committee's indepth hearings on the bill, and that committee's later consideration of S. 838. Their interest and cooperation on this matter has made possible both a thorough and expeditious analysis of the legislation.

At the time the Senate Committee on Environment and Public Works held its hearings on this reauthorization bill I quite by accident was reading a most informative and interesting book by John N. Cole called Striper. The historical information in this book concerning the striped bass, one of the most important anadromous fish on the east coast, is quite astounding, but a look at the fish's present status and the prediction of its future chance of survival is disheartening to say the least.

The striped bass is one of the most succulent of all our Nation's seafare—I know the fishermen in my home State must think so or they probably would not expend the time, the effort, and money that they do in pursuit of the "striper." I am sad to say, however, that Mr. Cole is forced to describe the present status of the striper in the following manner:

> This fish, once so abundant it clogged river deltas, this resource of such economic importance that its sale helped found the first public school in America, this creature whose poetry has nourished the souls of men ever since the Indians, this natural preserve of a natural god is being destroyed.
>
> I am, along with many others, quite certain now that the striped bass is being destroyed by the effects of toxic chemicals which have penetrated every creek and tributary of the Chesapeake and every mile of the Hudson River accessible to the fish.

Using Cole's book as a basis for questioning in the hearing I was quite surprised to learn that there was only a minimal amount of coordinated or comprehensive effort being exerted at either the Federal or State level to determine the causes and extent of the problems facing the striped bass. Because of this finding, I along with other members of the committee decided to include a provision in this bill calling for a study of this situation, section 5 of this bill.

The central themes of the emergency striped bass investigation are to upgrade the quality of monitoring and research on the striped bass, to improve coordination of State-Federal efforts in carrying out these tasks. In addition, we sought to insure that an adequate amount of funding was directed toward these efforts.

Specifically, this provision directs two agencies, the National Marine Fisheries Service and the Fish and Wildlife Service to cooperate with the States and other independent groups to cooperate in an investigation with two parts:

First. Monitoring the status of the bass population in Atlantic coastal waters. Assistance from the States will be much needed in completing this part of the study and Federal money will be available to assist them in this effort.

Second. Find the factors responsible for the decline of the striped bass, including specific investigations examining the extent of annual spawning; extent and causes of striper deaths at various stages of their life cycle; what effects do pollutants have on striper eggs and larval fish; survey of economic significance of striper to both recreation and commercial fishing.

In carrying out this part of the study, the cooperating agencies can utilize their own personnel and capabilities and, in addition, may contract out these investigations.

Mr. President, the Environment and Public Works Committee has held two hearings on this proposed legislation. A number of witnesses from Federal and State fisheries management agencies and from national and local organizations with an interest in this important coastal fisheries testified at these hearings. Without exception, these groups representing a broad spectrum of interests, requested that the Federal anadromous fish program be reauthorized.

These witnesses also supported the amendments to existing law contained in the bill and agreed with the committee that they will strengthen and streamline the present programs carried out under this act.

In an Environment and Public Works hearing in Warwick, R.I., on April 9, 1979, section 5 of this legislation, which calls for an investigation of the problems of striped bass on our Atlantic coast, was given careful consideration. Witnesses at this hearing enlightened the committee on the recreational and economic importance of this fish species and gave further details on the present plight of the fish and some rather dire predictions for its future if some management actions were not soon taken.

While it was generally agreed that some action should be taken concerning the bass, there seemed to be no concensus as to what the correct steps in helping the bass should be. This being the case all the witnesses endorsed the study and monitoring mandated in section 5 of this bill as a prerequisite to beginning work on a management plan for the striped bass of the Atlantic coast.

In conclusion, Mr. President, I ask that my colleagues give their support to this legislation both at this time and later when appropriations to carry out these important tasks are being considered.

I am pleased to say that several of my colleagues have already agreed to cosponsor S. 838. The cosponsors to be added to the legislation are as follows:

> Senators Baker, Biden, Culver, Gravel, Kennedy, Leahy, Magnuson, Mathias, Morgan, Moynihan, Muskie, Packwood, Pell, Randolph, Ribicoff, Stafford, Stevens, Warner, Weicker and Williams.

Mr. President, I am proud that we have some 20 cosponsors of this act which is so important, especially to the striped bass on the Atlantic coast.

Mr. President, I ask unanimous consent that a section-by-section analysis of Anadromous Fish Conservation Act Amendments of 1979 be printed in the RECORD.

There being no objection, the analysis was ordered to be printed in the RECORD, as follows:

SECTION-BY-SECTION ANALYSIS OF THE ANADROMOUS FISH CONSERVATION ACT AMENDMENTS OF 1979

Section 1 Section 1(c) of the act is amended to remove the restrictions on use of Anadromous Fish Act funds for operation and maintenance costs of facilities constructed under multi-state projects. This restriction on Federal cost-sharing of operational expenses of facilities constructed under multi-state projects is an obvious inconsistency. An amendment in 1970 increased the Federal share of multi-state projects from 50 percent to 66 and ⅔ percent to encourage the establishment of these cooperative projects. Operational costs can be and are shared by the Federal government under single-state projects conducted under terms of the Act. Thus, the present restriction placed on multi-state projects serves to discourage such projects, defeating the purposes of the 1970 Amendments.

Section 2 Section 2(a) of the Act is amended to provide for vesting title of lands acquired under the Act to the cooperating States or other non-Federal interests rather than to the Federal government. The current wording does not encourage acquisition of necessary lands for purposes of the Act, nor is it in keeping with closely related legislation.

The amendment to vest title of lands acquired under the Act to the cooperating States or other non-Federal interests is needed to encourage purchase of necessary lands under the Act and to conform to other closely related Federal fish and wildlife grant-in-aid programs, namely the Federal Aid in Wildlife Restoration Act (16 U.S.C. 669–669i), the Federal Aid in Fish Restoration Act (16 U.S.C. 777–777k), and the Commercial Fisheries Research and Development Act (16 U.S.C. 779–779f). A number of restrictions governing the use and resale of lands acquired with Federal funds are contained in the Office of Management and Budget Circulars A–102 and A–110. These restrictions would be part of any cooperative agreement between the Secretary and any State or other non-Federal interests.

Section 3. Section 4(a) of the Act is amended to provide an extension of authorization for 4 years. Specifically, the bill provides the following annual authorizations for appropriations: for FY 1980, the sum of $10 million, for FY 1981, the sum of $11 million, for FY 1982, $12 million, and for FY 1983, $13 million. The Committee hearings evidenced that the above sums would be adequate to allow this program to respond to projected state matching grant requests over the four year period of the reauthorization.

Section 4. The restriction on Federal cost-sharing of operational expenses of facilities constructed. This section would amend Section 4(b) of the Act to modify the $1,000,000 limitation that a State may receive in any one year to $1,000,000 or 20 percent, whichever is greater, of the funds appropriated in any one fiscal year. This will allow the Federal government to increase the funds available to a state above the $1,000,000 limitation. In hearings before the Environment and Public Works Committee the administering agencies testified that the present limitation has in a few instances prevented Federal participation in worthy state projects. The agencies felt that this amendment would be of assistance in expanding this program to reach some of these state projects.

Section 5. This amendment would add to the legislation a new section initiating the state-federal striped bass investigation outlined earlier in this statement.

The PRESIDING OFFICER. The question is on agreeing to the committee amendments en bloc.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, was read the third time, and passed.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. BAKER. I have to lay that motion on the table.

The motion to lay on the table was agreed to.

ROCKVILLE, MD.

The PRESIDING OFFICER. The clerk will state the concurrent resolution by title.

The assistant legislative clerk read as follows:

> A concurrent resolution (S. Con. Res. 20) commending the city of Rockville, Md.

The Senate proceeded to consider the resolution.

Mr. MATHIAS. Mr. President, I am delighted that the resolution I introduced on April 9, Senate Concurrent Resolution 20, honoring the city of Rockville in Montgomery County, Md., for being named an All American City for 1978–79 by the National Municipal League is being considered today and I urge my colleagues to vote in support of it.

Rockville has been recognized for outstanding achievement in community development through citizen action. Rockville has the unique distinction of being the only city in the Nation to be a four-time winner in the 30-year history of this coveted award. It also received the award in 1954, 1961, and 1976–77. I am grateful when the outstanding accomplishments of the citizens of Maryland are given public recognition, but I am never very surprised. It is always well deserved.

Robert H. Rawson, president of the National Municipal League in announcing the award said:

The award is conferred for the imaginative and vigorous action its citizens have taken to improve their community, thus demonstrating an example of effective citizenship to the Nation. We believe their effort is even more important today, for it illustrates the potential that responsible action of citizens in their home communities has for rebuilding confidence in our total system.

Rockville was cited by the National Municipal League for its community goal-setting process, development of a comprehensive program to insure action lives for senior citizens and the creation of a wide-ranging community arts program.

Citizens of Rockville completed a community goals process to set the direction for Rockville into the year 2000 and beyond. The goals and objectives were drafted by a group of 200 citizens. The results were mailed to all households for review and comment, and after public hearings, the document was adopted by the mayor and council.

The program for senior citizens includes an active sports and exercise program, including large group activities, such as swimming, bowling, hiking, gymnastic classes at senior citizen club meeting and individualized programs for daily exercises. Another innovative proposal is to build grandparent cottages—modular cottages on the lots of existing residential units to house elderly parents or grandparents.

This concept is under study by a citizen task force. Preservation Unlimited employs retired senior craftsmen to teach young and disadvantaged persons such skills as repointing of bricks and hand tooling needed for preservation of historic homes and buildings.

Rockville's community arts efforts have included a sculpture competition involving citizen participation. Another aspect of this program was the creation of an outdoor art gallery on a fence surrounding a large construction site in the city central business district.

This project, sponsored by local businesses involved more than 200 area artists. The city also has adopted an art and architecture ordinance requiring that 1 percent of the capital budget for public buildings be devoted to art.

The second largest city in Maryland, Rockville is located 12 miles northwest of Washington, D.C., in west central Maryland. It is the county seat of Montgomery County. Rockville is a successful mix of yesterday and today. Its historic and architectural value is nationally recognized, with several designations on the National Register of historic places.

Mr. President, the city of Rockville, Md., is one of the truly remarkable places in the United States.

I have watched Rockville grow and develop throughout my entire life, from the time it was a small rural county seat custered around the courthouse with a bar of about two dozen lawyers, to the present time when it is one of the most vital, creative, cultural, and political centers in the entire United States.

Mr. ROBERT C. BYRD. And how many lawyers?

Mr. MATHIAS. And it has not gotten there by the mere pressure of population from the District, by the mere growth of the country. It has gotten there because the people of Rockville have been inspired. They have their own flag. They have been awarded the All-American City award, and they have really made this the kind of unique community that it is today. And they have done it because they have sought the participation of citizens.

So, Mr. President, I urge the passage of this resolution.

Mr. SARBANES. Mr. President, I am pleased to join in sponsoring Senate Concurrent Resolution 20 recognizing the city of Rockville, Md., on being named an "All-American" city for the fourth time. This is an unprecedented achievement which is deserving of our commendation and acclaim. As one of 11 "All-American" cities selected earlier this year by the National Municipal League Rockville has once again reaffirmed its position as a city of outstanding accomplishment.

It is particularly noteworthy, I think, that the city of Rockville has been cited for its efforts on behalf of senior citizens and the development of the arts. Rockville has undertaken a far ranging and ambitious campaign to provide constructive activities for the elderly. The focus of this effort has been to emphasize the capabilities and rewards available to the community which utilizes the experience of senior citizens. By involving these citizens in the work of the community, a useful and productive role is fulfilled by members of society too often forgotten; and the community itself is strengthened.

The promotion of arts in the local community is an important responsibility which the citizens and officials of Rockville have undertaken enthusiastically and successfully. What merits our attention is not only that Rockville has sponsored art exhibitions for appreciation and display but very importantly that the city has promoted the artistic talents of its citizens. The arts program has culminated in a flourishing of creative activity among citizens of Rockville which should serve as a model for other communities.

Since its incorporation in 1860 Rockville has been a city of progress and achievement. While maintaining ties with its historic past the city has continued to be a vigorous and innovative community. The three previous awards from the National Municipal League testify to the continued success of the city of Rockville. This unprecedented fourth award is an honor in which Mayor William E. Hanna, Councilwoman Phyllis B. Fordham, Councilman John R. Freeland, Councilman Kenneth F. Sullivan, Councilman John G. Tyner, and all citizens of Rockville may justifiably take pride. In passing Senate Concurrent Resolution 20 we add our acknowledgment of this outstanding accomplishment.

Mr. BAYH. Mr. President, will the Senator from Maryland yield?

Mr. SARBANES. I yield.

Mr. BAYH. Mr. President, will my colleagues from Maryland be incensed if their colleague from Indiana joined in that resolution?

Mr. MATHIAS. We would be honored.

Mr. SARBANES. We would be honored.

Mr. BAYH. I think the RECORD should also show that Rockville, Md., is fortunate in being ably represented in the Senate as well.

Mr. SARBANES. Mr. President, I ask unanimous consent that the Senator from Indiana be added as a cosponsor of the resolution.

Mr. CULVER. Mr. President, reserving the right to object, and I shall not object, I withdraw that.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MATHIAS. Mr. President, I ask unanimous consent that the distinguished Senator from New York (Mr. JAVITS) be included as a cosponsor and the distinguished minority leader, the Senator from Tennessee (Mr. BAKER) be included as a cosponsor, and I assume their cosponsorship will include their votes which will insure the unanimous passage of this resolution.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, how many lawyers are there now?

Mr. MATHIAS. Well, there are more than there were.

Mr. ROBERT C. BYRD. More than two dozen?

Mr. MATHIAS. More than two dozen.

Mr. ROBERT C. BYRD. I ask to be joined as a cosponsor.

Mr. SARBANES. We thank the majority leader.

The PRESIDING OFFICER. Without objection, it is so ordered.

The question is on agreeing to the resolution.

The resolution was agreed to.

The preamble was agreed to.

The concurrent resolution, with its preamble, reads as follows:

Whereas the city of Rockville, Maryland, has been named an All American City for 1978–1979; and

Whereas Rockville is the only city in the Nation to be a four-time winner in the thirty-year history of this award; and

Whereas the All American City award indicates special achievement in community development through citizen action; and

Whereas the city of Rockville was cited specifically for its completion of a community goals-setting process, development of a comprehensive program to ensure active lives for senior citizens and creation of a wide-ranging community arts program: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That the city of Rockville and its residents be recognized for their outstanding efforts in making their city an "All American" city.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. BAKER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

STRATEGIC AND CRITICAL MATERIALS STOCK PILING REVISION ACT OF 1979

The Senate proceeded to consider the bill (H.R. 2154) to revise the Strategic and Critical Materials Stock Piling Act, to require that appropriations for acquisition of strategic and critical materials be authorized by law, to establish a national defense stockpile transaction fund, and for other purposes, which had been reported from the Committee on Armed Services with an amendment. On page 12, line 10, after the period, insert the following:

Such moneys shall remain in the fund until appropriated or until the end of the third fiscal year following the fiscal year in which they are received. Any such moneys remaining in the fund after the end of such third fiscal year that have not been appropriated shall be transferred to miscellaneous receipts of the Treasury. Any of such moneys that are appropriated shall be disbursed from the fund in the order in which they were covered into the fund.

The amendment was agreed to.

• Mr. HART. Mr. President, the issue of strategic stockpiles has lain dormant for many years. The lessons that the United States learned from World War II have faded, and the importance of stocking raw materials, on which we are import dependent, has dimmed. Many people are not even aware that the United States now has stockpiles of over 50 different materials that are earmarked for defense purposes. These stockpiles, Mr. President, are badly out of balance. No new acquisitions have been made since 1959 and no new authority to dispose of excess, unneeded materials has been enacted since 1973. Our strategic and critical materials stockpiles are in bad need of overhaul. H.R. 2154, the bill before the Senate, sets in motion that overhaul. The bill is the culmination of 2 years of work in the House and in the Senate, and, in my view, is the necessary first step in modernizing our stockpiles. I want to emphasize that this bill deals only with policy and management guidelines—it does not involve the buying and selling of any materials—no copper, no silver, no tin, and so forth. It does, however, provide the foundation on which future buying and selling of materials will be used.

Last year near the end of the 95th Congress, the Senate Armed Services Committee reported out a stockpile policy bill that was quite similar to this bill. Unfortunately due to the press of other priority legislation, that bill did not get acted on. Early this session, Senator THURMOND and I reintroduced the bill as S. 290 in the Senate. At the same time, Representative CHARLES BENNETT, of Florida, introduced the identical bill in the House. Mr. BENNETT moved his bill rapidly and it was passed by the full House and referred to the Armed Services Committee in the Senate. The Armed Services Committee ordered the bill reported favorably on June 6, 1979.

Details of the bill are provided in the committee report, but let me highlight several key points:

The bill specifies, for the first time, that stockpiles will be sized to accommodate a 3-year contingency. Previously this determination has been left to the President and the guidance on sizing had changed frequently—from 5 to 3 years to 1 year and back to 3 years. The stockpiles in order to serve their purpose must provide a visible staying power of 3 years.

Currently there are three different stockpiles—the national stockpile, the supplemental stockpile, and the Defense Production Act inventory. The bill combines these three stockpiles into one, the national defense stockpile, for simplicity of management.

Current congressional controls requiring authorization to dispose of excess materials in retained. In addition, the bill requires new authorization for the acquisition of needed stockpile materials which is a strengthening of congressional oversight.

One of the bill's key features is to emphasize that the stockpiles are for national defense purposes only and are not to be used for economic or budgetary reasons. The establishment of a national defense stockpile transaction fund is intended to insulate the stockpile activity from potential budgetary abuses. All proceeds from the sale of excess stockpile materials will go into the fund and these moneys will be available only for the acquisition of needed materials. In the only amendment to the House bill, the Armed Services Committee recommends that moneys remaining in the fund more than 3 years will revert to the Treasury as miscellaneous receipts.

Mr. President, this is a highly important bill. The strategic stockpiles are a parallel to, and complement, strategic weapons systems. The fact that we have adequate stocks of key raw materials will deter any potential enemy who might question the staying power of the United States in a protracted, conventional war scenario. I urge the Senate to support this bill.●

● Mr. MUSKIE. Mr. President, I support the bill brought before the Senate by the distinguished Senator from Colorado, Mr. Hart. I applaud his efforts to revise the stockpile act as part of a thorough congressional evaluation of our national defense needs and priorities confronting us over the remaining years of this century.

However, Mr. President, section 9 of the proposed bill contains a provision which concerns me from the standpoint of sound budgetary practice. I would like to address my concerns to my good friend at this time.

Section 9 of the bill provides that a separate fund be established within the Treasury for receipts and expenditures relating to stockpile transactions which would insure that for a specific period of time stockpile receipts would be made available only for appropriations to acquire needed stockpile materials. I do not believe it is in the Congress' interest or the administration's interest to establish special accounts or funds within the Treasury, particularly in cases such as this where the amount of receipts that may be received bear no particular relationship to the dollar requirements that may need to be funded. As a general rule, I believe it is much better simply to deposit such receipts in the Treasury along with all other receipts, to be appropriated for such purposes as the Congress may direct.

I realize that H.R. 2154, as reported in the Senate, limits the placement of stockpile receipts in the fund for 3 fiscal years after the fiscal year in which the moneys are placed in the fund. I also realize that none of these receipts can be used for stockpile acquisitions unless appropriated through normal processes.

I wonder if my good friend could comment on why he believes establishment of such a fund is necessary.

Mr. HART. Mr. President, I will be most happy to respond to the Senator from Maine, Mr. Muskie. First, I want him to know I appreciate his support of my efforts in this endeavor, and I am equally concerned that sound fiscal policies be maintained in the management of the Federal budget.

I feel that there are several reasons why a separate fund tracking stockpile transactions may be necessary at this time.

Both the Ford and Carter administrations have evaluated the needs of the strategic stockpile. The results of those evaluations indicate that of the 93 materials in the stockpile, 40 exceed requirements and 53 fall short of requirements. The administration is currently developing plans to alleviate this situation.

I anticipate a great deal of activity in the stockpile over the next decade, both disposals and acquisitions. By establishing a separate fund within the Treasury for these transactions, we will have a continuing accountability of the stockpile and complete auditability of all actions. Visibility of the stockpile is a major goal of the legislation.

I would also stress that the legislation before us provides that stockpile acquisitions must be authorized. That is currently not required. And, as my good friend has noted, funds for all acquisitions would have to be appropriated.

Regarding the 3-year provision for holding moneys in the fund before they are placed in the general Treasury, it is something I have pushed for and something the administration fully supports. The House-passed bill would hold the moneys in the fund for an indefinite period of time which the administration opposes. I orginally proposed the 3-year provision because I believe it is a reasonable compromise between two alternative positions. One that would not provide for a special fund which I believe is necessary, and, a second, which is the House proposal of retaining the receipts in the fund indefinitely.

Mr. MUSKIE. Mr. President, I say to the Senator that I understand the situation. I would like the record to show that as chairman of the Budget Committee, I am concerned about any attempts to create special funds in the budget. It is not a good practice. But I will address each such proposal on its merits.

In this case, I recognize the urgency and priority of managing this strategic stockpile clearly and carefully and in a manner that meets our national needs. I also recognize that by requiring authorization of all stockpile acquisitions and disposals, and by requiring appropriations for stockpile acquisitions, the Congress maintains a grip on the fund to be established by this legislation.

I think it is absolutely necessary that the Senate provision that any unused moneys be passed to the general Treasury at the end of the third fiscal year after they are received be retained in conference. I wonder if the Senator might address this point.

Mr. HART. Mr. President, I concur with everything the Senator has stated. I assure him that the administration supports the Senate position on this issue and opposes the House position. The Senate position will be our firm position in conference.

Mr. MUSKIE. Mr. President, I thank my good friend for this assurance.

Mr. HART. Mr. President, I thank the able Senator from Maine for expressing his position on this matter. I believe it strengthens the Senate's hand in our forthcoming conference.●

● Mr. THURMOND. Mr. President, I rise in support of H.R. 2154, the National Defense Stockpile Act, which has been reported favorably to the Senate by the Senate Armed Services Committee.

The purpose of this legislation is to revise and amend the Strategic and Critical Materials Stockpiling Act which provides for a stockpile of materials for use in periods of national emergencies.

The main thrust of this bill is to modernize our stockpile procedures and to preclude dependence on foreign sources during a period of national crisis.

FIRST REPORTED LAST YEAR

Last year the committee considered and favorably reported H.R. 4895 which is essentially the same bill now before the Senate. Action was not taken in 1978, but early in the 96th Congress similar stockpile bills were introduced, these bills drawing from last year's Senate bill. The House acted quickly, and referred to the Senate H.R. 2154 which is now offered with amendment.

The main amendment adopted by the committee was the so-called sunset provision which requires that moneys remaining in the fund after 3 years would revert to the Treasury as miscellaneous receipts.

Mr. President, this bill incorporates into one piece of legislation the laws which govern the three current stockpiles and thereby facilitates the management of the materials in these stockpiles which have a value of about $9 billion. Further, this bill makes clear that support of our "national defense" is the primary purpose of the stockpiles and that they will be sized for a 3-year war, not a 1-year war as was once proposed by the Nixon administration.

AUTHORITIES FIXED

Under this bill the President will designate a manager of the stockpiles. Authority for its operation will be broken into three parts: First, acquisition of stockpile materials will require lump sum dollar authorization; second, disposals will require specific authority by commodity; and, third, standing authority is provided for routine operations.

Further, the bill provides specific guidance on procurement practices and requires maximum use of competitive bidding procedures. Barter authority, as a substitute for buying and selling, is also provided. Both of these provisions may be waived by the President only through notification of the Armed Services Committee.

SPECIAL ACCOUNT SET UP

Finally, an important feature of the bill is a special account to facilitate stockpile transactions. Funds are not to be tied up indefinitely in this account, but it will give a means to handle sales receipts and expenditures more efficiently. It should also give transactions an audit visibility which will be useful to Congress in carrying out its oversight responsibilities.

Mr. President, this is badly needed legislation. It modernizes our important stockpile procedures, with greater emphasis on defense aspects. I commend the able junior Senator from Colorado, Mr. Hart, for his work on this bill. As the ranking minority member on the Military Construction and Stockpiles Subcommittee, I was pleased to work with Senator Hart in bringing this important legislation to the Senate.

Also, I would like to mention Mr. Jim Smith, the professional staff member, who assisted members of the committee on this legislation in his usual competent manner.

I conclusion, I urge the Senate give this bill prompt and favorable action.●

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time, and passed.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. BAKER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

PRINTING OF A REPORT—"SPECIAL BRIDGE REPLACEMENT PROGRAM, EIGHTH ANNUAL REPORT TO CONGRESS"

The resolution (S. Res. 161) authorizing the printing of the report entitled "Special Bridge Replacement Program, Eighth Annual Report to Congress" as a Senate document, was considered and agreed to, as follows:

Resolved, That the annual report of the Secretary of Transportation to the Congress of the United States (in compliance with section 144, title 23, United States Code), entitled "Special Bridge Replacement Program, Eighth Annual Report to Congress" be printed with illustrations as a Senate document.

SEC. 2. There shall be printed five hundred additional copies of such document for the use of the Committee on Environment and Public Works.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. BAKER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 96-202), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

Senate Resolution 161 would provide (1) that the annual report of the Secretary of Transportation to the Congress of the United States (in compliance with section 144, title 23, United States Code), entitled "Special Bridge Replacement Program, Eighth Annual Report to Congress," be printed with illustrations as a Senate document; and (2) that there be printed 500 additional copies of such document for the use of the Committee on Environment and Public Works.

The printing cost estimate, supplied by the Public Printer, is as follows:

Printing cost estimate

To print as a document (1,500 copies)	$2,028.00
500 additional copies, at $479.90 per thousand	239.95
Total estimated cost, Senate Resolution 161	2,267.95

WITNESS FEES

The resolution (S. Res. 178) relating to fees of witnessess appearing before the Senate or its committees, was considered and agreed to, as follows:

Resolved, That witnesses summoned to appear before the Senate or any of its committees shall be entitled to a witness fee rated at not to exceed $50 for each full day spent in traveling to and from the place of examination and for each full day in attendance. A witness shall also be entitled to reimbursement of the actual and necessary transportation expenses incurred by him in traveling to and from the place of examination, in no case to exceed 35 cents a mile for the distance actually traveled by him for the purpose of appearing as a witness if such distance is not more than six hundred miles or 20 cents a mile if such distance is more than six hundred miles.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. BAKER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 96-203), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

Senate Resolution 178 would increase the limitation on daily witness fees payable to witnesses summoned to appear before the Senate or any of its committees from $35 to $50.

The proposed increase in daily witness fees is predicated upon and consistent with the maximum increased limitation on per diem in lieu of subsistence rates for Government employees traveling on official business. Such rates have been the criteria for determining the rate for witness fees paid by the Senate.

BRUCE L. COLEMAN

The resolution (S. Res. 179) to pay a gratuity to Bruce L. Coleman, was considered and agreed to, as follows:

Resolved, That the Secretary of the Senate hereby is authorized and directed to pay, from the contingent fund of the Senate, to Bruce L. Coleman, widower of Dorothy M. Coleman, an employee of the Senate at the time of her death, a sum equal to two months' compensation at the rate she was receiving by law at the time of her death, said sum to be considered inclusive of funeral expenses and all other allowances.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. BAKER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

ENDANGERED SPECIES ACT AUTHORIZATIONS

The Senate continued with the consideration of the bill.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the time consumed thus far not be charged to either side on the bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I yield the floor.

The PRESIDING OFFICER. The Chair recognizes the Senator from Iowa.

Mr. CULVER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. CULVER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CULVER. Mr. President, I ask unanimous consent that the following staff members of the Committee on Environment and Public Works be accorded the privilege of the floor during the consideration of and any votes on S. 1143, the reauthorization of the Endangered Species Act:

William Donovan, Martha Pope, James Range, Philip Cummings, John Yago, Bailey Guard, Pete Rosenberg, and Mimi Feller.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CULVER. Mr. President, the pending legislation before the Senate is one, I am afraid, which is threatening to become an annual event, the reauthorization of the Endangered Species Act.

Although the Senate provided a 3-year authorization last year, the conference committee accepted the House proposal for a 1½-year extension. Because funds expire halfway through fiscal year 1980, reauthorization legislation must, therefore, be considered again this year.

This bill, S. 1143, would provide for a 3-year extension at levels of $23 million in fiscal year 1980, $25 million in fiscal year 1981, and $27 million in fiscal year 1982 for the Department of the Interior.

The Commerce Department authorization totals $2.5 million for fiscal year 1980, $3 million in fiscal year 1981, and $3.5 million in fiscal year 1982.

In addition, the legislation continues through fiscal year 1982 the current annual authorization of $600,000 for the Endangered Species Committee. Hopefully, the ink will be dry on this bill before we once again debate this issue.

The Endangered Species Act is one of the most significant and profound laws, in my judgment, ever to be adopted by our Nation. Its passage was a recognition, and a woefully late one, that our development activities were responsible for destroying forms of life which were present as a result of a process which began with the first appearance of life on Earth 3½ billion years ago.

All species present today have been shaped by those forces, and they have evolved and developed over a period of time in which mankind's existence has only been a recent development.

Species and life forms appear, flourish for a time, and then disappear forever. This is a natural process and one we must recognize as we consider this legislation today. Events shaped by our industrialization over the past few hundred years have, however, led to a sharp acceleration in the rate of extinction to the point where the natural processes may be increased by a factor of hundreds or even thousands.

The chilling tragedy of this massive loss of species from our ecosystems and biosphere will never be fully understood, because among the species irreversibly lost are some whose existence we never realized, and whose contributions to science and mankind will never be known.

The Endangered Species Act is a first, a belated, and a noble attempt to reduce these losses by requiring that our citizens and our Government be aware of threatened or endangered species, and that they plan future activities to prevent these losses. The act has without question already had a positive effect in this regard. In the past 5 years, it has probably been responsible for saving several species from extinction.

The Endangered Species Act was reauthorized last year after considerable debate, both in the Committee on Environment and Public Works and on the Senate floor. The act was substantially amended, resolving the act's shortcomings while leaving it strong and viable.

As my colleagues may recall, one of the principal amendments adopted provides a rational and responsible mechanism for resolving intractible conflicts under section 7 of the act. This section requires consultation between the construction agency and the U.S. Fish and Wildlife Service (FWS), which implements the Endangered Species Act. This consultation mechanism has led to the resolution of most potential conflicts which have arisen under the act since 1973.

However, a limited number of conflicts has not been resolved through consultation, and it appears likely that this will continue to be the case. In anticipation of the intensifying pressure on Congress to weaken or repeal the act as a result of these problems, Senator BAKER and I cosponsored last year an amendment to equitably resolve intractible conflicts while at the same time assuring maximum protection for all endangered species.

Briefly, the Culver-Baker amendment established a seven-member Endangered Species Committee composed of the heads of six Federal agencies and a representative of the affected State or States. The committee arbitrates those conflicts which cannot be resolved through consultation.

It does not interfere with the consultation process set up in the 1973 act. Only those conflicts which cannot be resolved by consultation are brought before the Endangered Species Committee.

The Endangered Species Committee can exempt a project from compliance only if certain criteria have been met. These criteria require the committee to evaluate social, cultural, economic, and other benefits of the project as well as the ecological, educational, scientific, and other benefits of alternatives which would conserve the species. The provision is careful not to undermine existing mechanisms to resolve conflicts and in fact stimulates the resolution of impasses by requiring good faith consultation between the action agency and the U.S. Fish and Wildlife Service.

I am pleased to announce that this process is working well. The Endangered Species Committee has met to consider exemptions for two projects, the Grayrocks Dam in Wyoming and the Tellico Dam in Tennessee. After careful consideration the committee voted unanimously to exempt the Grayrocks project, provided certain measures are taken to protect the affected species, the whooping crane. The committee also voted unanimously not to exempt the Tellico Dam, finding that the benefits of completing the project did not clearly outweigh the benefits of alternatives which were consistent with protecting the endangered snail darter.

The Endangered Species Committee is providing just what it was intended to—a rational mechanism for resolving conflicts between protection of endangered and threatened species and other legitimate national goals and priorities. And, it provides a general solution to these problems, thereby avoiding ad hoc exemptions and the emasculation of the act as a result of the short-term pressures which overlook the importance of this law and the species it protects.

Mr. President, it is not possible to overstate the importance of keeping the Endangered Species Act strong. Enlightened self-interest requires that we do our best to preserve these species, which have evolved over billions of years.

I wish before concluding, Mr. President, to express my appreciation to all members of the subcommittee who have worked on this reauthorization effort, but particularly to single out the distinguished Senator from Rhode Island (Mr. CHAFEE), who has been indispensable in the way he has conscientiously involved himself in this subject matter over the last 2 years, and particularly valuable in the contribution he has made in fashioning the legislation before us today.

Mr. President, I reserve the remainder of my time.

The PRESIDING OFFICER. The Chair recognizes the Senator from Rhode Island.

Mr. CHAFEE. Mr. President, first I would like to pay tribute to the chairman of our subcommittee, the senior Senator from Iowa (Mr. CULVER). He has really been a rock in his steadfastness, his consistency, and his intense interest in this Endangered Species Act. I think all of us in the Senate, and indeed in the country, owe him a debt of gratitude for his tremendous interest in this field, which, as he mentioned, is so important not just to us but to future generations.

Mr. President, only 8 months have passed since Congress last reauthorized the Endangered Species Act. I must say that for me and to others, I am sure, the 1978 amendments were somewhat of a painful process. As Senators will recall, the chief action we took last year was to provide a mechanism under section 7 of the act for the resolution of these seemingly irresolvable conflicts between, on the one hand, the endangered species, whether it is a flora, a fauna, or whatever it might be, a magnificent conch or a tiny snail darter, and Federal actions, particularly construction projects, such as a reclamation project, dam, or whatever it might be. A seven-member Endangered Species Committee, composed of Federal agency heads—Departments of the Interior, Agriculture, Defense, Commerce, EPA, Council of Economic Advisers—and a representative of the States involved, was established to review each conflict and determine whether the project should be exempted, modified, or terminated. Before a project can be considered by the committee, a review board must determine that the construction agency has consulted with the Fish and Wildlife Service or the National Marine Fisheries Service, and that all alternatives have been examined.

During consideration of last year's bill, I offered amendments to the Endangered Species Exemption Committee proposal, to tighten up the process. Some suggestions were voted down, but others were accepted in our Environment and Public Works Committee. I felt strongly at that time, and still do, that a strong Endangered Species Act is absolutely necessary, whether we are talking about spindly-legged spiders or the majestic, easily-admired bald eagle.

The Congress having gone through this detailed reauthorization process late last session, I firmly believe that we need to give the 1978 changes a chance to work. Indeed, this is the spirit of the committee bill pending before us, as ably summarized by subcommittee Chairman CULVER in his opening statement.

The Endangered Species Act Amendments of 1978 extended through March 31, 1980 budget authorization for the Secretary of the Interior and the Secretary of Commerce to carry out their responsibilities to protect endangered species. The bill now before us extends authorization for the act through fiscal year 1982. It would provide $23.5 million for fiscal year 1980, $25 million for fiscal year 1981, and $27 million for fiscal year 1982 for Interior's Fish and Wildlife Service to administer its responsibilities under the act.

The Commerce Department authorization under this bill comes up to $2.5 million in fiscal 1980, $3 million in fiscal 1981, and $3.5 million in 1982. Is it not refreshing, Mr. President, that when we say $3.5, we are not talking $3.5 billion but we are talking about $3.5 million?

Finally, the current annual authorization of $600,000—imagine this, what small potatoes we come in for—for the Endangered Species Committee is continued through fiscal year 1982.

The Environment and Public Works Committee believes that all of these authorization levels are necessary to carry out both the act's original mandates and the new requirements under the 1978 amendments.

One of the new responsibilities under the 1978 amendments is the implementation of the species recovery plans. I think this is of some interest, Mr. President, particularly for those from the West. During the reauthorization hearings we learned that additional support is needed to carry out a proposed recovery plan for one of America's great species, the California condor. I was astonished to discover that not more than 40 of these magnificent birds still remain. I think they have a wingspread of something like 12 feet.

It is my firm belief that an intensive program of habitat protection and captive breeding is necessary to save North

America's largest bird. Senator CULVER and I have both received letters from interested ornithologist groups all over the world regarding the plight of the condor. We had testimony before the committee from the National Audubon Society. I am pleased to state that section 2 of the bill before us specifically authorizes the necessary funds for a recovery plan directed toward this species, namely, the California condor.

Since enactment of the 1978 amendments, the Endangered Species Committee has taken two actions, both of which the chairman touched on briefly. On February 7, 1979, they voted unanimously to exempt the Grayrocks Dam and Reservoir project on the Laramie River in Wyoming, and at the same time they voted unanimously not to exempt the TVA Tellico Dam from the Endangered Species Act.

I must say that exemptions, in general, from the Endangered Species Act cause me concern. But I do believe that the Endangered Species Committee process is a preferable one to individual congressional exemptions. I do not think every exemption should come here to the floor of the Senate, project by project. Consultation requirements and other criteria are better maintained under the committee process.

So along with our distinguished chairman, Senator RANDOLPH, and our subcommittee chairman, the distinguished Senator from Iowa, Senator CULVER, I urge my colleagues to favorably consider this reauthorization legislation for a most important program.

I reserve the remainder of my time, Mr. President.

Mr. CULVER. Mr. President, how much time remains on the bill?

The PRESIDING OFFICER. The Senator from Iowa has 16 minutes remaining.

UP AMENDMENT NO. 248

Mr. CULVER. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Iowa (Mr. CULVER) proposes an unprinted amendment numbered 248.

Mr. CULVER. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 2, line 14, strike "$3,500,000" and insert in lieu thereof $3,000,000" and on line 15, strike "$4,000,000" and insert in lieu thereof "$3,500,000."

On page 2, line 19, insert after "appropriated" a comma and the phrase "beginning October 1, 1979," and on line 21, after the word "condor" and before the period, insert ", which sum shall be available until expended".

On page 4, line 8, strike "4(b)" and insert in lieu thereof "4(b)(4)".

Mr. CULVER. Mr. President, this is a committee amendment, perfecting and technically correcting certain aspects of the bill in three places. The first part of the amendment corrects two errors in the authorizations for the Commerce Department. In the bill, the Commerce Department authorization is $3.5 million for fiscal year 1981 and $4 million for fiscal year 1982. The correct amounts, which appear in the committee report on this bill, are both $500,000 lower, $3 million for 1981 and $3.5 million for 1982.

The second part of this committee amendment is a technical change making it clear that the California condor authorization is for fiscal year 1980 and subsequent years until the money is expended. As the language appears in the bill, it could have been interpreted to mean that the authorization was for fiscal year 1979 only.

Finally, Mr. President, the third part of the amendment corrects a reference in the bill. As printed, the bill would allow the Secretary to make an emergency listing of a species without notifying States or allowing them to comment. This was not the intent of the committee. The committee intended only that the Secretary be exempt under these circumstances from paragraph 4(b)(4), which requires that an economic analysis be done before determining critical habitat.

Mr. President, I know of no objections to the amendment.

The PRESIDING OFFICER. Is there objection?

Mr. CHAFEE. I have no objection.

Mr. CULVER. I yield back the remainder of my time on the amendment and move the amendment.

The PRESIDING OFFICER. Does the Senator from Rhode Island yield back the remainder of his time?

Mr. CHAFEE. I do, Mr. President.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. CULVER. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. HELMS. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The Senator from Tennessee.

UP AMENDMENT NO. 249

Mr. BAKER. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Tennessee (Mr. BAKER), for himself and Mr. SASSER, proposes an unprinted amendment numbered 249.

On page 4, after line 24, insert the following new section:

SEC. 8. Section 7 of the Endangered Species Act (16 USC 1536) is amended, by adding at the end thereof a new subsection (r) to read as follows:

"TELLICO DAM AND RESERVOIR PROJECT

"(r) The provisions of this Act shall not apply with respect to the construction and operation of the Tellico Dam and Reservoir Project in Tennessee. The harassment, harm, killing, or wounding, if any, of any endangered species or threatened species attributable to the construction or operation of such project shall not be deemed to be a taking of any endangered species within the meaning of section 9(a)(1) of this Act or the taking of any threatened species if a prohibition against the taking thereof is imposed by regulations pursuant to section 4(d) of this Act.".

The PRESIDING OFFICER. The Senator from Tennessee.

Mr. BAKER. Mr. President, this is a stay order amendment. I will not take a long time. This is the language of the exemption provision for the Tellico Dam in Tennessee that was adopted last year in the House of Representative during their consideration of the Endangered Species Act.

We did not take this approach on the Senate side but instead decided to set up a review committee to consider the relative merits of the endangered species versus the continuation of a particular Federal project. I now believe I made a mistake in taking that approach and I am standing here to say so.

In the final analysis, what that committee did when it made its decision on Tellico, in my judgment, was plain foolish. They did not make a balancing judgment between the alleged endangered species and the project. They chose to ignore the status of the darter and base their decision on the economic desirability of the project.

The same authority of the Congress that set up the review board, of course, could abolish the review board. Frankly, that was my first intention because I think they did act in a way contrary to the intention of the Congress. But I was persuaded, based on their performance in one other case, that there was some usefulness in continuing that review procedure. However, in the case of Tellico I have no alternative except to return to the original source of authority, which is the Congress itself, and address the question exactly as our friends in the House of Representatives did last year. That is to exempt the dam.

Mr. President, some may say, "Why should the Tellico Dam have special treatment?"

I suppose that is the fundamental question. I certainly would ask that question if I were not familiar with the project. Let me outline a few circumstances.

To begin with, the Tellico Dam was authorized before the Endangered Species Act was even a gleam in anybody's eye.

Much of the appropriation for this project was made before the Endangered Species Act was ever thought of, as far as I know. The dam was put to contract and under construction and, I believe, some 80 percent completed when the act was originally passed. The dam was 80 percent complete at the time the Endangered Species Act was passed! What we should have done, I suppose, was put a grandfather clause in the act so it did not cover things like dams or projects that were already over 80 percent completed, playing under the old rules. But we did not do that. That was a mistake, too.

Oddly enough, nobody ever heard of the snail darter, either, at the time this dam was started. When the snail darter was discovered somebody—I rather suspect intentionally—set out to find a species to stop this dam using this act.

Thus, the snail darter was discovered after this dam was 95 percent complete—more specifically the species was listed and its critical habitat was designated at the time this dam was 95 percent complete.

So I have the anomaly before me of a dam that was authorized, the money appropriated, construction undertaken, 80 percent complete before the act was passed, and 95 percent complete before they got around to discovering the snail darter. What I am trying to do, in effect, is grandfather the project. What I am doing is what that review committee should have done. One of the most distinguished daily newspapers in this city said that Senator BAKER was mad about the result of the review committee that he established. Mr. President, they do not have any idea how upset I got about that decision, because I was the one responsible for it. I do not like admitting I made a mistake, but I flat made a mistake. I should have done what the House of Representatives did overwhelmingly; that is, simply exempt the dam.

However, I am here to say, Mr. President, that I support the Endangered Species Act. I am going to vote for final passage. I helped write the thing. I have served since the day I came to the Senate on the Committee on Environment and Public Works. I do not think I have to apologize to anybody for my environmental record, and I have the scars and bruises to prove it.

At times such as this I am reminded of what one of my staff said to me, after we passed the strip mining bill, "Senator BAKER, you have some of the maddest old friends and some of the strangest new ones I ever saw."

Mr. President, I have no apology to make for my commitment to environmental legislation, or for my actions with regard to this act. But I simply cannot stand idly by and see a stultification of commonsense, to see this act stop a dam that was finished, virtually, before the act was passed and before the fish was discovered. I am not going to belabor the issue. I think that is the whole point. I think the dam ought to be exempted. I think we ought to keep the review committee for reviewing future conflicts, I think we ought to keep the act. But the review committee ought to understand that when a dam was started before this act was passed, we ought to have a consideration of practicality and commonsense.

Goodness knows, there is little enough commonsense in this Government of ours without flaunting our failures to act where we give them the statutory opportunity.

I see my colleague from Tennessee (Mr. SASSER) on the floor. Before I use up my time, if I have not already, I should like to yield to him if he cares to speak.

Mr. SASSER. I thank my distinguished colleague for yielding to me, Mr. President. I wish to associate myself with the remarks he has made here this afternoon.

Mr. President, I speak in support of Senator BAKER's amendment to this bill to reauthorize the Endangered Species Act. I share my colleague's support and recognition of the benefits of this act. I fully appreciate the need for the continuation of this act to protect certain species of plants and animals which might otherwise become extinct. However, I continue to feel that the history surrounding the Tellico Project in our State does not warrant the application of the Endangered Species Act.

Today's consideration of the Tellico project and the impact the Endangered Species Act should have over its future marks a major decision for this body. Several years ago, an earlier Congress passed the Endangered Species Act. This legislation was broadly written and has been broadly interpreted to halt the construction of public works projects which were already underway at the time that act was signed into law. I further point out that the same Congress and each succeeding Congress have passed appropriations bills which provide funds to continue and complete these projects.

While I was not a Member of that original Congress which approved the Endangered Species Act, I do not believe that most of the Members who voted for that bill ever intended it to be used to halt water resources development. I do not believe that those Members had any idea that the act would be used to halt congressionally mandated projects.

Last year, I supported the committee's amendment to the Endangered Species Act to create a committee to deal with conflict situations such as the Tellico project. In lending my support to this concept, I emphasized my view that the committee should give special consideration to the degree of completion of the project involved. I continue to feel that, as the state of completion of the project advances, it is not reasonable or prudent to consider certain alternatives as options in completion of the project. In the case of Tellico, I do not feel that the option to abandon the use of this dam for power and flood control should be considered an option.

I remind my colleagues that, during the last Congress, the reauthorization of the Endangered Species Act which was passed by the House of Representatives contained a specific exemption for the Tellico project. The basis for the House exemption was the advanced state of the project's construction at the time the act's requirements were applied to this project.

I want all of my colleagues here to be aware of the history of the Tellico project. The dam was begun in 1967, 6 years before the Endangered Species Act became law. The snail darter species which has become such a familiar symbol in these debates, was not discovered in the Little Tennessee River until 1975, 8 years after the project had begun.

I agree with my colleague's observation that perhaps there was, indeed, an effort to discover something in order to stop, slow, or delay this project.

Today, the Tellico project stands 95 percent completed—with more than $100 million of the public's money spent on the preparation of this dam and reservoir. The TVA has successfully transplanted the endangered snail darter to a similar habitat in the Hiawassee River. I might say parenthetically, Mr. President, that I have heard from a number of friends and farmers in the eastern part of Tennessee that there are snail darters of a similar variety in creeks all around.

And the project continues to have the support of the local area residents who originally gave up their land to the TVA for the benefit of the project.

Mr. President, I have supported the continuation of this project since coming to the Senate more than 2 years ago. I have also supported continuation of the beneficial aspects of the Endangered Species Act. I ask my colleagues to consider the factors I have outlined today in voting for Senator BAKER's amendment. It is crucial that we get beyond this confrontation by providing an exemption for the Tellico project to stop this retroactive application of the Endangered Species Act.

Mr. BAKER. Mr. President, will the Senator yield to me long enough to ask for the yeas and nays?

Mr. SASSER. I yield to my distinguished senior colleague.

Mr. BAKER. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. SASSER. Mr. President, as a matter of fact, polls taken in the local area indicate that some 90 percent of the local residents support the Tellico Dam project.

I want to reaffirm what my colleague said with regard to the actions of the Endangered Species Committee. I was shocked, quite frankly, to read in the newspaper that this Commission took upon itself the responsibility of denying completion of this project, not based on the Endangered Species Act or not based on a species being endangered by the completion of the project, but, rather, it denied continuation and completion of this project based on the theory that the cost-benefit ratio, as I understand it, was not satisfactory; that the project was not economically sound. Mr. President, I thought that those were decisions that we made here in Congress.

I strongly support my senior colleague's efforts to seek an exemption to the Endangered Species Act for the Tellico project.

I might say Mr. President, that I fully support the Endangered Species Act, and I intend to support it today. But I think we must also be governed by a rule of reason. This project was already started and underway well before the passage of the Endangered Species Act. As to the fact that the project is 95 percent completed, I think reason compels that we go forward with the ultimate completion.

Mr. HELMS. Will the Senator yield to me for just a minute?

Mr. SASSER. I yield to the Senator from North Carolina.

Mr. HELMS. Mr. President, I compliment both Senators from Tennessee. They have a clearly identifiable interest, in the geographical sense, in this matter, but those of us from North Carolina recognize the absolute essentiality of the completion of the Tellico Dam project.

Mr. President, completion of the Tellico Dam project is important for two major reasons.

First, there are significant benefits to derived from its completion. Proposed industrial development could add 7,900 jobs over a period of years to an area in desperate need of employment opportunities to halt its long history of outmigration. The shoreline would provide new desirable homesites and demand for housing, encouraging growth in that industry. In fact, TVA plans project 7,400 new housing units for the area. Other TVA plans call for 10,600 acres of forested lands to be managed on a sustained yield basis and for 2,000 acres of land for agricultural uses.

It is said that these benefits are all present in the TVA alternative river proposal. However, TVA studies have shown that the reservoir alternative includes more residential, industrial and forestry land use than the river alternative. These benefits are important, Mr. President, but crucial is the energy benefit—a benefit not available under the alternative. The average yearly production would be 200 million kilowatt hours of electricity, more electricity than is produced by about one-half of the dams on the TVA system.

This power would be generated by increased waterflow through the existing Fort Loudin turbines—turbines installed years ago with extra capacity in anticipation of the development of the Tellico Dam project. Therefore, this would be clean power utilizing already existing equipment to its fullest. How can we, in this energy resource crisis, refuse to allow TVA to develop such an ideal source?

Mr. President, the second reason the dam completion is important involves the role of the Endangered Species Committee in its decision not to exempt the dam from the Endangered Species Act.

The committee was created to rule on the relative merits of construction projects and endangered species in cases where there is an "irresolvable conflict" between the two. In the case of the Tellico Dam, the endangered species was the snail darter. In reviewing the conflict between the two, the committee apparently did not consider the fact that the snail darter is thriving—according to TVA and the U.S. Fish and Wildlife Service—in at least two other habitats in the State of Tennessee. That should have exempted the Tellico from the act because there is no longer any irresolvable conflict between the project and an endangered species. The committee, however, went on to decide that the dam project, 95 percent complete, should not be completed for economic reasons—even though the "river alternative" will cost more to complete than the dam project and will provide fewer overall benefits and no energy benefit.

Mr. President the committee was not established to rule on economic benefits of public works. When the environmental question was answered, the committee function should have ended.

We cannot allow committee power to expand to the point that it is used to challenge all Federal projects. We should, therefore, remove the Tellico Dam project from Endangered Species Committee jurisdiction in order to establish certain limits on the committee's power, limits intended at the time of its authorization.

Mr. President, I urge that we authorize the completion of this very important project.

Mr. BAKER. Mr. President, if I have any time remaining, I reserve the remainder of it.

The PRESIDING OFFICER. The Senator from Iowa has 15 minutes.

Mr. CULVER. Mr. President, I rise in opposition to the amendment. At the same time, I wish to express my respect for the distinguished Senator from Tennessee (Mr. BAKER) for his very dedicated work on our Committee on Environment and Public Works, and also with regard to this issue. I share his expression that he in no way should feel obliged to apologize for what is a very outstanding record in environmental matters.

Nevertheless, Mr. President, I find myself in opposition to this amendment, because I do believe that its enactment would constitute a repudiation of the considered judgment of the Congress when we reauthorized this legislation last year.

The Culver-Baker amendment established a committee to consider those conflicts which were deemed to be irreconcilable after good faith efforts at consultation.

It was necessary to introduce this mechanism to give the act some flexibility.

Mr. President, we also provided in the final stages of the congressional session last October an agreement under which consideration of two projects, the Tellico Dam in Tennessee and the Grayrocks Dam project in Wyoming would be given expedited consideration by this newly established Endangered Species Committee.

Mr. President, this process was set up and constituted, and the reviews took place. In the one instance, with regard to Tellico, it was the unanimous finding by the Endangered Species Committee, 7 to 0, that the project must be stopped. In the Grayrocks decision the committee voted unanimously that the project could continue.

In the case of Grayrocks, it was found that mitigating measures could be taken which would protect the habitat of the endangered whooping crane. The project could go forward once those arrangements were complied with and agreements reached to carry them out.

In the case of Tellico Dam, the vote was unanimous to stop that project and to make other arrangements.

Mr. President, by approving the amendment offered by the distinguished Senator from Tennessee, we would be turning our backs on an equitable solution adopted just last year that is working, as the Senator from Rhode Island (Mr. CHAFEE) has stated. If we do this, we would immediately find ourselves in the situation where Congress will be petitioned by a proliferation of project applications and problems and be asked to resolve these conflicts through specific legislative action or fiat.

In view of the fact that these conflicts involve enormously complicated issues of fact and science, we set up the committee to provide a general and rational approach to their resolution.

The proper channel for redress on the issues raised by the distinguished Senator from Tennessee are the courts. It is my understanding, in fact, that there is a legal case already presented in a petition filed with the sixth circuit to review the Tellico decision and the issues raised by the Senator from Tennessee.

Mr. President, I have considerably more information on this issue which addresses the allegations about calculating the project cost-benefit ratios.

I think it is important to know that the Endangered Species Committee did take into account Tellico's advanced stage of completion. In fact, in calculating the project's cost-benefit ratio, it used only remaining costs, about 5 percent of total project costs, against the full range of benefits.

I think, Mr. President, that it is interesting to note here the statement by Mr. Charles Schultze, who, as chairman of the Council of Economic Advisers, was a member of the committee. He remarked:

> The interesting phenomenon is that here is a project that is 95 percent complete and if one takes just the cost of finishing it against the benefits and does it properly, it doesn't pay, which says something about the original design.

Mr. President, I ask unanimous consent that the remainder of my statement be printed in the RECORD at this point.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

> The staff report to the Endangered Species Committee, dated January, 1979, set annualized benefits of the Tellico Dam at 6.52, as compared to annualized costs of 7.22, for a cost/benefit ratio of —.72. The annual benefits assigned to the river development alternative were 5.10, as compared with annual costs of 6.29, for a cost/benefit ratio of —1.2. These estimates were concurred in by the staffs of each agency represented on the Endangered Species Committee, including the Corps of Engineers, the Council of Economic Advisors, the Environmental Protection Agency, the National Oceanic and Atmospheric Administration, the Department of Agriculture, and the Department of the Interior.
>
> In its decision concerning the exemption, the Endangered Species Committee said, "Although both the TVA and staff calculations show somewhat greater net economic benefits for the Tellico project, its total benefits do not clearly outweigh those of the River Development alternative, particularly when unmeasured benefits are also considered." Unmeasured benefits include preservation of archaeological, cultural and historic sites: preservation of customary fish and wildlife values; and ecological, aesthetic and scenic values associated with preservation of the snail darter.

Mr. CULVER. Mr. President, I reserve the remainder of my time.

Mr. CHAFEE addressed the Chair.

The PRESIDING OFFICER. The Senator from Rhode Island.

Mr. CHAFEE. Mr. President, in many ways, this amendment is a tribute to the popularity, the influence, the esteem and affection in which the senior Senator from Tennessee is held because, really, it is not a very good amendment. But we are giving it a lot of consideration because of the distinction of the proposer of it.

He argues so eloquently for it that it causes us to ponder a minute just what he has in mind here. But after we look it over, it is a poor amendment, Mr. President, even though great eloquence has been mustered behind it, not only by the senior Senator, but by the junior Senator from Tennessee, as well.

Just taking the amendment on its merits it was mentioned by Senator SASSER that $116 million has been put into this dam and it seems such a shame to cancel that $116 million of concrete.

The money is not all in concrete. Mr. President, there are 38,000 acres of land there that they have taken for the project and that will still be there. Actually, only $22 million has been spent on the dam construction. This is not to slough off and say only $22 million, but the way we round off in billions of dollars in the Senate, I suppose $22.5 million is not that significant an amount, not when we think of what damage will be done if we go ahead with this project.

As was pointed out, some of the damage that will be done is the loss of the last major free-flowing stretch of river in eastern Tennessee; the loss of a renowned trout fishery; the loss of over 200—think of it, Mr. President—200 historic and prehistoric sites, including the sacred capital of the Cherokee Nation; and the flooding of this prime agricultural land.

Mr. President, they took 38,000 acres for the dam and reservoir. Sixteen thousand of it is going to be flooded. That is really a shame in this day and age when we are trying to preserve the land that we have.

I would like to refer once again to the statement Senator CULVER made about the finding of the Endangered Species Committee. All seven members voted not to exempt it, even the Representative from Tennessee. He did not even vote to exempt it. All seven were unanimous not to exempt it.

One of the members, Charles Schultze, Chairman of the Council of Economic Advisers, said:

> The interesting phenomenon here is that here is a project that is 95 percent complete. And if one takes just the cost of finishing it against the benefits and does it properly it doesn't pay.

In other words, the cost-ratio, just with the 5 percent left of the dam's construction does not even justify finishing this dam.

As Mr. Schultze concluded, this says a good deal about the original design of the whole project.

So, Mr. President, despite the affection and esteem and admiration we all have for the sponsor of the amendment, despite the fact of his eloquence, it seems to me the amendment should be defeated, not only on its merits, but also because it sets a very bad precedent.

Any time anybody loses before the Endangered Species Committee on a project, are they going to then come before the Congress and ask us to reverse it?

I do not think that is the way we want to do these things. This is a good Endangered Species Committee. The Senate and the House both voted for it. It has passed. It has rather broad representation. It has a representative from the State or States most directly affected. It has a representative from the Department of the Interior, Department of Agriculture, Department of Army, Department of Commerce, EPA, and the Council of Economic Advisers. No one can say they are all tilted toward the environment. I do not think the credentials of the Chairman of the Council of Economic Advisers has much to do with the environment, but he is there to look at one of the key points, which is this: Do the benefits of the project clearly outweigh the benefits of alternative courses of action?

So, Mr. President, for those reasons, I strongly urge that the amendment not be accepted.

The PRESIDING OFFICER. Who yields time?

Mr. CULVER. Mr. President, I understand that the distinguished Senator from Tennessee wishes to yield at this point to the Senator from New Mexico.

Mr. SCHMITT. Mr. President, this matter has not been determined finally, or we would not be here today.

I never was particularly happy with the committee arrangement to make a decision Congress should have been able to make a year ago. Nevertheless, today we are faced with the issue again, and I must say that it is a small piece of a larger issue, the issue of survival, survival of this country, in the face of impending threats from abroad to our energy supplies and impending threats to our economic development.

No one dam, Tellico or otherwise, is necessarily going to be the straw that breaks our back; but the accumulation of nondecisions that this country is now making with respect to energy development, with respect to the development of our natural resources, are the kinds of decisions that will break our back.

Unfortunately, that may happen, unless we are willing to act with dispatch and decision on matters such as this.

The danger we face is the danger of the hand-wringers, the danger of the nay-sayers, the people who do not believe this country can protect its environment simultaneously with moving into the future aggressively and with the knowledge, with the very clear knowledge, that if we do not survive, the ideals this country represents will not survive.

That is a fairly broad basis upon which to argue for one dam and, in a sense, to argue against a certain endangered species. But I feel very strongly that this country must realize that the challenge is not to preserve any one environmental situation, but the challenge is to find a way to maximize environmental protection for preservation at the same time that we are maximizing our ability to survive in this world. It is going to be represented by individual decisions such as this, and I hope the Senate will support the distinguished Senators from Tennessee, a State for which I have great affection and in which I have very deep roots.

The PRESIDING OFFICER. Who yields time?

Mr. CULVER. Mr. President, how much time remains?

The PRESIDING OFFICER. The Senator from Iowa has 9 minutes on the amendment.

Mr. CULVER. Is there any time remaining on the other side?

The PRESIDING OFFICER. One minute on the other side.

Mr. CULVER. Are they prepared to yield back the time on the other side?

Mr. President, on my time, I point out to the Members of the Senate that this amendment was defeated in the Committee on Environment and Public Works by a vote of 10 to 3 against the amendment.

I yield to the distinguished Senator from Rhode Island.

Mr. CHAFEE. Mr. President, there is no question that the distinguished sponsor of this amendment has one of the finest records in the Senate for concern and support for the environment. I refer particularly to his efforts in connection with the Clean Water Act as well as the whole history of environmental protection matters. He pointed out in his statement—and I should like to corroborate that statement and support it—that few people in the Senate have a finer environmental record than the distinguished senior Senator from Tennessee.

The PRESIDING OFFICER. Who yields time?

Mr. CULVER. Mr. President, I suggest the absence of a quorum, and I ask unanimous consent that the time be equally divided.

The PRESIDING OFFICER. Even by combining the time remaining on the amendment, there is not sufficient time.

Mr. CULVER. Mr. President, a point of order. I understood there was 1 minute on the other side and that I had 9 minutes when I started, so it is down to 7 minutes or so on our side. I asked for a quorum call, with the time to be equally divided. Is there not time?

The PRESIDING OFFICER. Under the precedents, 8 minutes is not enough time. There is remaining time on the bill.

Mr. CULVER. I will take it on the bill.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. CULVER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CULVER. Mr. President, I yield

back the remainder of my time on the amendment.

Mr. SCHMITT. Mr. President, on behalf of the distinguished Senator from Tennessee, I yield back the 1 minute remaining on the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Tennessee. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Hawaii (Mr. Inouye), the Senator from South Dakota (Mr. McGovern), and the Senator from Montana (Mr. Baucus) are necessarily absent.

I further announce that the Senator from Nevada (Mr. Cannon) is absent on official business.

Mr. STEVENS. I announce that the Senator from Wyoming (Mr. Simpson) is necessarily absent.

I further announce that, if present and voting, the Senator from Wyoming (Mr. Simpson) would vote "yea."

The PRESIDING OFFICER (Mr. Stewart). Are there any Senators in the Chamber wishing to vote?

The result was announced—yeas 43, nays 52, as follows:

[Rollcall Vote No. 128 Leg.]

YEAS—43

Armstrong
Baker
Bellmon
Boren
Bumpers
Burdick
Byrd, Harry F., Jr.
Byrd, Robert C.
Cochran
Ford
Garn
Glenn
Goldwater
Hatch
Hayakawa
Heflin
Helms
Hollings
Huddleston
Humphrey
Jackson
Javits
Jepsen
Johnston
Kassebaum
Laxalt
Long
Lugar
McClure
Morgan
Nunn
Pryor
Sasser
Schmitt
Schweiker
Stennis
Stevens
Stewart
Talmadge
Thurmond
Tower
Warner
Young

NAYS—52

Bayh
Bentsen
Biden
Boschwitz
Bradley
Chafee
Chiles
Church
Cohen
Cranston
Culver
Danforth
DeConcini
Dole
Domenici
Durenberger
Durkin
Eagleton
Exon
Gravel
Hart
Hatfield
Heinz
Kennedy
Leahy
Levin
Magnuson
Mathias
Matsunaga
Melcher
Metzenbaum
Moynihan
Muskie
Nelson
Packwood
Pell
Percy
Pressler
Proxmire
Randolph
Ribicoff
Riegle
Roth
Sarbanes
Stafford
Stevenson
Stone
Tsongas
Wallop
Weicker
Williams
Zorinsky

NOT VOTING—5

Baucus
Cannon
Inouye
McGovern
Simpson

So Mr. Baker's amendment (UP No. 249) was rejected.

Mr. CULVER. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. CHAFEE. I move to lay that motion on the table.

Mr. METZENBAUM. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. CULVER. Mr. President, may we have order in the Senate?

The PRESIDING OFFICER. The Senate will be in order.

Mr. CULVER. Mr. President, the distinguished chairman of the full committee, the senior Senator from West Virginia, would like to speak on the bill.

The PRESIDING OFFICER. The senior Senator from West Virginia is recognized.

Mr. RANDOLPH. Mr. President, a little more than 2 years ago the reorganization resolution which restructured the committees in the Senate assigned several new subjects to the Committee on Environment and Public Works. One was fish and wildlife, another was nuclear regulation, and a third was endangered species.

Mr. President, the reauthorization of the Endangered Species Act has had very careful and continued study by the members of the Committee on Environment and Public Works.

There are 14 members of our committee. We have not had any surfacing of a political consideration of whatever the matter before our committee, from the standpoint of the Democratic or Republican parties within the committee. I express a very special appreciation to Senator Baker who is intensely interested in this bill, and who has presented an amendment in the committee and now again in the Senate.

But the tribute to Senator Baker, the minority leader of the Senate, expressed by Senator Chafee is one that is not just a pleasantry. It is one which, upon the facts of the Senator from Tennessee's record, is factual in every sense of the word.

Even though I could not support the amendment in committee or in the Senate, I join in my esteem, personal and official, for the integrity and the understanding of the able Senator from Tennessee, the floor leader of those who sit on the other side of the aisle.

Now, on the specific legislation which is before us, the Senator from Iowa (Mr. Culver) is effective and knowledgeable. He is always forceful in his presentation and in complex command of the subject matter. I consider him cooperative in the committee's work generally, but I have admired the tenacity with which he has pursued the issues in which he believes.

One of his leadership traits is to follow through, and he has done that in the presentation of this bill and in the hearings that were conducted by him and other members of the subcommittee. Senator Culver has guided the development of this legislation that, I think, provides a balanced and a workable approach in this important field.

Senator Chafee is the minority floor manager on this bill, and we know him within the committee and the subcommittee on which he serves as a member who is very careful and does his homework long before he comes into the Chamber or into the committee or subcommittee when we are considering matters of importance.

This is true of the membership of the committee as a whole, all 14 members. I do not stand here in the Senate today just to speak well of my colleagues with whom I am privileged to work on that committee, but I do say that it is a committee with a massive amount of legislative concern. Legislation is before us dealing with a wide range of subject matter, and it is a committee in which the members work very diligently. The results, I think, when measures are brought to the Chamber, cause respect, although not always, and understandably so, unanimous support of the Members of the Senate.

Mr. President, turning to the bill itself, we are considering the reauthorization of the Endangered Species Act, S. 1143. In the last 2 years this act has been given serious and careful consideration by the members of the Senate Committee on Environment and Public Works, and by the Senate as a whole. It has been the subject of long hearings, extensive debate, and considerable amendment. As a result, the act's shortcomings have been eliminated at the same time the act has been left strong and viable for the protection of endangered species.

The Endangered Species Act recognizes that it is in man's own interest to protect endangered species and their genetic materials intact for generations to come. However, the act is also flexible enough to permit balancing the benefits of protecting species against other legitimate national goals such as energy, agricultural, and water development.

Flexibility was one of the positive additions to the Endangered Species Act provided by the last Congress. A seven-member Endangered Species Committee, composed of the Secretaries of Interior, Agriculture, and the Army, the Chairman of the Council of Economic Advisers, the Administrators of the Environmental Protection Agency, and the National Oceanic and Atmospheric Administration and the affected State or States, was created to provide a national mechanism for resolving endangered species conflicts. The committee can exempt a project from compliance with the Endangered Species Act if certain criteria have been met. These criteria require the committee to balance the benefits of development activities against the benefits of alternatives to the project which would also protect the species.

The Endangered Species Committee is working as it was intended. It has met to consider exemptions for two projects and has voted unanimously to exempt one, the Grayrocks Dam project in Wyoming, from the provisions of the Endangered Species Act. It also voted unanimously not to exempt the Tellico Dam from the act, stating that the benefits of completing the project do not clearly outweigh the benefits of alternatives which are also consistent with preserving the endangered snail darter.

By avoiding a case-by-case congressional exemption procedure the Endangered Species Committee is providing a balanced approach to resolving endangered species conflicts.

The Endangered Species Act is landmark wildlife legislation. It protects plants and animal species for the enjoyment and benefit of our children and grandchilren in future generations. The bill before the Senate extends this program essentially as it was modified last year. This extension, for a total of 4 years, will provide us with extensive experience upon which any future modifications would be based.

UP AMENDMENT NO. 250

(Purpose: To require endangered and threatened species to have an economic or aesthetic value)

Mr. BELLMON. Mr. President, I call up an amendment which I have at the desk, and I ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The second assistant legislative clerk read as follows:

The Senator from Oklahoma (Mr. BELLMON) proposes an unprinted amendment numbered 250.

Mr. BELLMON. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of the bill, add the following new section:

SEC. 8. (a) Section 3(6) of the Endangered Species Act of 1973, as amended (16 U.S.C. 1532(6)), is amended by inserting immediately after "means any species which" the following: "the Secretary has determined has an economic or aesthetic value to man and which".

Mr. BELLMON. Mr. President, this is a rather simple amendment, and I would hope that the manager of the bill and the assistant manager could see the merit of the amendment and accept it, though I am not too optimistic at the moment.

I think we are all well aware of the benefit of seeking to preserve the Bengal tiger, the sperm whale, and the whooping crane is a commendable goal of many worried about the extinction of various species on this planet. The preservation of all species may appear to be a virtuous act on its face, but preservation is not always in the best interest of nature or of mankind.

Mr. President, I ask for the yeas and nays on the amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. BELLMON. In retrospect, it is the supreme arrogance for man to conclude that the process of creation can be stopped in its tracks. Over the millennia, the Earth has lost many species because of natural selection due to a species' lack of adaptability in a changing environment. The various types of dinosaurs are the best known of these extinct lifeforms. Today, we cannot consider the loss of the dinosaur an extreme tragedy. The decline of these animals cleared the way for the Age of Mammals and eventually to the development of the homo sapiens species. This process continues and man, for all his egotism, cannot halt the orderly development of the universe or even our own planet.

Mr. President, scientists have identified and classified almost 1 million animal species and are discovering new ones each year. In addition, there are known to be more than 350,000 plant species and this number also grows day by day. Of these 24 plant species are either endangered or threatened while 215 animal species are either endangered or threatened. Plainly, if the process continues to run its present course, the list will grow to paralyzing levels.

The popular trend today is to criticize man's technical progress and blame changes in the environment on man's callousness or thoughtlessness. I support endeavors to clean up our Nation's waterways and the air we breathe. In Oklahoma, we have seen progress that has improved living conditions both for man and for the creatures of the wild. Flood control and water supply dams have created thousands of lakes which have greatly enriched our once harsh environment. Not only man but migratory waterfowl, deer, wild turkey, bob-white quail, many kinds of fish and thousands of other species have benefited through these efforts to improve their environment.

Currently our laws direct protection for all endangered species except insect pests without serious consideration of its present or future value. The fact is that there are species we can do without. I seriously doubt that the world needs rats or cockleburs.

Mr. President, the amendment I am offering today would curb our overexuberance. It would suspend the act unless an economic or esthetic value can be shown to accrue from the species under consideration.

At the present time there is no provision for the use of any judgment as to whether or not a species has present or potential value. If it can be shown that the species is endangered, unless it is an insect pest, then those administering the act have no option except to call into play the full force and effect of the act and to conduct the operation of the act accordingly.

So, Mr. President, I feel that this is an essential complement to the act. It will not in any way lessen the ability of the administrators of the act to look after the species which most of us are concerned about, and yet it will make it possible for some of us to use some judgment and to apply the act in the most flexible manner.

Mr. CULVER. Mr. President, I rise in opposition to this amendment by the distinguished Senator from Oklahoma.

Senator BELLMON is introducing an amendment to require, in effect, that economic assessments be made by the Secretary before an endangered species can be listed, and to delegate the power to the Secretary of the Interior to make a subjective judgment as to what particular threatened species or endangered species may or may not possess esthetic value.

We all know that beauty is in the eyes of the beholder; and certainly it conveys an incredibly broad discretionary authority, in this instance, to that one official to make these decisions.

Mr. President, the important fundamental thing to acknowledge about the whole issue of endangered species and the reason for protecting them is that we believe there is a mystery to the design of the universe and to the role in the ecosystem or the biosphere of these various species and their value.

Mr. President, may we have order?

The PRESIDING OFFICER. The Senate will be in order.

Mr. CULVER. Does that come out of my time?

The PRESIDING OFFICER. No, it does not. The Senator may proceed.

Mr. CULVER. I thank the Chair.

The important thing is that we do not know the value of these species. We do not know the value in terms of their potential scientific importance, their importance to medical research, to fighting diseases, to finding the solution to many of man's problems. How do you do an economic analysis on the esthetic, the cultural, or the scientific benefits of a species? How do you place a price tag on the medical contributions of the foxglove plant, for example, which is now so important in treating heart disease?

What if we had a Secretary of the Interior who said, "This thing is called a foxglove plant. Big deal. It looks like a weed to me." What if we went ahead and let it be destroyed? What about the victims of heart disease in this country who would not have the benefits of scientific and medical advances which have been made possible because we had the wisdom and foresight to protect this plant's continued existence? Who is going to put a price tag on the value of that plant? Someone might say, "It looks like a stinking weed. Let's bulldoze it over."

That would be thought of as progress.

What about fruit flies? They are a pest. Fruit flies are one of the most important keys today in understanding genetic engineering. We might have a Secretary of the Interior, a political appointee, go out and say, "Fruit flies are pests. Get rid of them all."

If we get rid of them, we will pay a price. How can we do an economic analysis when that Secretary or, indeed any Member of the Senate, has no appreciation or no understanding at all of the potential scientific or medical value of that species?

Mr. President, what about the armadillo, which is used in leprosy research?

We just heard that it did not matter if one animal or another is not around. We get carried away with the bear or the eagle. In terms of the quality of life of the people on this planet, it may be the most insignificant and the most obnoxious species or life form that holds within it the secrets of medical breakthroughs that can extend life or that can improve the quality of life of our people.

What about sponges? Are sponges in the way? Are they unnecessary? Certain sponges are critically important today for viral research. What if we get a Secretary of the Interior who says, "Give me an economic cost-benefit analysis on whether I ought to list these sponges as endangered species? What is the esthetic value of this sponge? I cannot even find it under the water. I do not think it has any esthetic value," says the Secretary of the Interior who alone will make that objective determination. "And moreover, I do not think it has any real economic value so we ought to get rid of it." Or, he might say, "It has economic value because we have a sponge industry so we will keep it."

Mr. President, the value of plants and of animals is among the mysteries of the universe. Their value to mankind is absolutely incalculable.

Further, and this is important, under last year's amendment offered by the distinguished Senator from Idaho (Mr. McClure), we adopted section 4(b)(4) of this act. That does provide that economic impacts must be considered. When? When we designate critical habitat. That is the key thing. That is when we can start making a judgment as to how much to set aside or not. But if we just do it on the basis of an ad hoc guestimate on an individual species, plant or animal, there is no way we can do it.

Under the act today, economic impacts must be considered when critical habitat is designated. Since critical habitat must be designated "to the maximum extent prudent," when species are listed, the Bellmon amendment is clearly unnecessary.

In summary, it seems to me, Mr. President, that the Senator's concerns are really already covered by the act. With all due respect for the Senator, and I know the Senator from Oklahoma too well to believe that he could not conceivably appreciate fully the implications of this amendment—and there are few Members of the Senate whom I hold in higher regard than the distinguished Senator from Oklahoma—quite honestly the potential consequences and implications of this amendment, if adopted, are indeed incalculable.

We preserve and set aside habitats for these endangered species because we do not know their value, and it is impossible to set an economic price tag on a species and decide what lives and what dies.

As long as we can provide for their continued existence, then science has the opportunity to plumb further the mysteries of this universe.

We have also set up a mechanism for the reconciliation in those few instances—and they are very few—where we have not, through consultation, been able to work out to mutual satisfaction the continued existence of the species and the project. We have had a lot of talk about Tellico. We had some talk last year about the Grayrocks Dam. The fact of the matter is we have had some 4,500 cases, all of which have been resolved through consultation. The projects have been developed, accommodations and alternatives have been considered, and we preserved the species.

The only two conflicts that were not satisfied through consultation were Tellico and Grayrocks. We set up the Endangered Species Committee to take into account economics and a number of other factors. The committee unanimously said Tellico could not go completed. In the case of Grayrocks, the committee said unanimously it could be completed.

Last year's amendments introduced flexibility to the act. We are taking economic impact into account as a result of the amendment we adopted last year. It is being considered in the designation of critical habitat and not by attempting the impossible task of putting an economic or esthetic value on an individual endangered species. I yield to the Senator from Rhode Island.

Mr. BELLMON. Will the Senator yield?

Mr. CHAFEE. I yield.

Mr. BELLMON. I would like to respond briefly to the argument made by the distinguished Senator from Iowa.

The Senator from Iowa is concerned that the Secretary of the Interior should not be authorized by law to make a subjective judgment as to whether or not a plant or an animal species has economic or esthetic value. I would like to call the attention of the Senator to the definition of endangered species as it is in the law now. The law says that any species which is in danger of extinction throughout all or a significant portion of its range other than a species of the class Insecta, determined by the Secretary to constitute a pest.

We already have the Secretary making subjective judgments as far as insects are concerned. The scientific value of research on insects is equally as great, or at least has the same potential, as the research on the plants that the Senator has referred to.

All I am doing in this amendment is extending the right of the Secretary to make the same subjective judgment he is required under law to make on insects, to extend that to plant and animal species. There is nothing different about this except that we are going the second and third step beyond where the act already goes.

I agree with the Senator that there are many plants known to have scientific value, and certainly they should be protected. I doubt that there is any danger that the Secretary would make a judgment on a plant or an animal until the scientific analysis and evaluations were carefully made.

To me, we have a law on the books now that says, for instance, if we found a way to exterminate the rats, we could not do that.

Mr. CHAFEE. Mr. President, in answer to the final point made by the very distinguished Senator from Oklahoma, I point out, as to that class of insect which is covered in this very section of the act which he referred to, that this act does give the Secretary permission to determine that a certain class of insect constitutes a class whose protection under the provisions of this act would present an overwhelming and overriding risk to man. As I understand it, that very provision was put in there so that, in case the boll weevil were in danger of being exterminated, somebody could not come forward and say, "Well, the boll weevil is an endangered species and we have to protect it."

As we know, there are limitations there. The Secretary cannot just go out and decide some insect should be eliminated; it is an insect whose protection would provide an overwhelming and overriding risk to man.

Those same provisions do not cover the point it seems to me the Senator is making in his amendment. Let me point out something specific, if I might.

Under this very act we are considering here today, we are providing funds for the captive breeding of the California condor, of which there are only 40 left in the country. In line with that, let us consider this definition, as proposed by the Senator from Oklahoma, as to what constitutes an endangered species. To be an endangered species, under this amendment, the Secretary would have to determine that the species has an economic or an esthetic value to man. No one would suggest, I think, that the California condor has an economic value to man. It does not. So we cannot list it under that category.

We go then to the question, does it have an esthetic value to man? I just talked to one of our very distinguished colleagues about the condor, not in connection with this amendment, but in general. I said, "Have you ever seen one?" He said, "Yes, I have and it is the ugliest bird you have ever seen. It looks like some kind of buzzard."

Therefore, does the condor qualify as having esthetic value to man? I know this is taking rather an extreme example, but there are many who argue that the condor has neither economic—and I think that is easy, we cannot argue with that—nor does it have an esthetic value to man.

I just think that this amendment proposed by the Senator goes, really, to the very heart of this whole act. I think it goes much farther, I suspect, than the Senator proposed originally, or was thinking about. It seems to me it presents great, great difficulties to the whole Endangered Species Act and the whole theory of preserving some of these very minor, if you want to call them that, animals that do not really affect man very much. I think that if, perhaps in the future, he were worried about the rat, for example, perhaps some kind of special provision could be put in there like the insect provision. But this goes way beyond that.

Mr. President, I strongly urge that the amendment not be accepted.

Mr. CULVER. Mr. President, this amendment would really gut the Endangered Species Act. It does not merely extend the judgment being made for insects. The insects are the only exception given among all species. It is one of the considerations entered into at the time the act was originally passed in 1973, specifically aimed at boll weevils and other insects.

If there were no exceptions for insects, then the Secretary would have no way to stop sudden plagues of insects such as locusts, which may not be plentiful one year, but, due to a sudden surge of breeding, may overrun croplands the next year. That was the one narrow exception.

The distinguished Senator from Rhode Island has offered additional arguments as to why this particular standard and criterion would be so unworkable and would have such dangerous implications and consequences for the viability of this legislation and its value to mankind.

Mr. BELLMON. Mr. President, I yield back the remainder of my time.

Mr. CULVER. I yield back the remainder of my time.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. RANDOLPH). On whose time?

Mr. CULVER. On the bill, or equally divided.

The PRESIDING OFFICER. Without objection, the time will come out of the amendment equally divided.

The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. CULVER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CULVER. Mr. President, I yield back the remainder of my time.

Mr. BELLMON. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. All time is yielded back. The question is on agreeing to the amendment. The yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. CRANSTON. I announce that the Senator from Hawaii (Mr. INOUYE), the Senator from North Carolina (Mr. MORGAN), and the Senator from Mississippi (Mr. STENNIS) are necessarily absent.

I further announce that the Senator from Nevada (Mr. CANNON) is absent on official business.

I further announce that, if present and voting, the Senator from North Carolina (Mr. MORGAN) would vote "nay."

Mr. STEVENS. I announce that the Senator from Arizona (Mr. GOLDWATER) and the Senator from Wyoming (Mr. SIMPSON) are necessarily absent.

The PRESIDING OFFICER. Are there Senators who have not voted who wish to vote on this rollcall?

The result was announced—yeas 14, nays 80, as follows:

[Rollcall Vote No. 129 Leg.]

YEAS—14

Baker
Bellmon
Boren
Garn
Hatch
Heflin
Helms
Johnston
Laxalt
McClure
Stevens
Talmadge
Tower
Young

NAYS—80

Armstrong
Baucus
Bayh
Bentsen
Biden
Boschwitz
Bradley
Bumpers
Burdick
Byrd, Harry F., Jr.
Byrd, Robert C.
Chafee
Chiles
Church
Cochran
Cohen
Cranston
Culver
Danforth
DeConcini
Dole
Domenici
Durenberger
Durkin
Eagleton
Exon
Ford
Glenn
Gravel
Hart
Hatfield
Hayakawa
Heinz
Hollings
Huddleston
Humphrey
Jackson
Javits
Jepsen
Kassebaum
Kennedy
Leahy
Levin
Long
Lugar
Magnuson
Mathias
Matsunaga
McGovern
Melcher
Metzenbaum
Moynihan
Muskie
Nelson
Nunn
Packwood
Pell
Percy
Pressler
Proxmire
Pryor
Randolph
Ribicoff
Riegle
Roth
Sarbanes
Sasser
Schmitt
Schweiker
Stafford
Stevenson
Stewart
Stone
Thurmond
Tsongas
Wallop
Warner
Weicker
Williams
Zorinsky

NOT VOTING—6

Cannon
Goldwater
Inouye
Morgan
Simpson
Stennis

So Mr. BELLMON's amendment (UP No. 250) was rejected.

Mr. CULVER. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. CHAFEE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

● Mr. DOLE. Mr. President, the Senator from Kansas supports this measure which will continue to protect and conserve the habitats and lives of the many endangered and threatened species of fish, wildlife, and plants in the United States.

Since its passage in 1973, the Endangered Species Act has provided the Nation with a comprehensive program for conservation of the endangered or threatened species of fish and wildlife living in the United States. It is estimated that there are between 3 and 10 million species of plants and animals in the world and today, about 1,000 birds and mammals face a serious threat of extinction. Adding to this threat, over 200 species of wildlife in the United States alone are now listed as endangered. Among this list lies the symbol of America—the American bald eagle.

ENDANGERED SPECIES IN KANSAS

The loss to the environment of any species of animal cannot easily be calculated. The disappearance of a species can upset the entire ecosystem of the area, causing deterioration of the water quality and land compositions. Included in this Nation's endangered is the American crocodile, the whooping crane, the ivory billed woodpecker, the California condor, and the black-footed ferret, which has established habitat in western Kansas.

The Senator from Kansas believes that the continuation of this measure will serve as the vanguard in prevention against other species entering onto the endangered or threatened lists of the future. In the State of Kansas lies one of the largest habitats for the prairie chicken. Because of these vast plains, located near the Flint Hills, Kansas is now one of few States in the United States to allow the hunting of this animal. In addition, the cave areas near Galena, Kans., provide the habitat for an endangered salamander population and the Neosho River of Kansas provides the breeding grounds and habitat for the mineral catfish species known as the Mad Tom fish.

Another endangered fish species in Kansas, named after the city in which he exists, is the Topeka shiner. Of particular significance today is the future of the black-footed ferret, who is known to have a large habitat in western Kansas. This animal has been called the American weasel and to date, the residents of western Kansas have been unable to sight the mammal for several years. What is feared in Kansas, and nationwide, is the complete disappearance of this creature and the loss to the environment and mankind that will result.

NEED FOR ENVIRONMENTAL BALANCE

Mr. President, this Nation needs an environmental balance as much as an economic balance. The Endangered Species Act will provide the mechanisms to work for this balance and prevent the addition of species to the lists of endangered and hopefully halt the rate at which extinction has grown.●

Mr. McCLURE. Mr. President, I ask for the yeas and nays on final passage.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. CULVER. Third reading, Mr. President.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading and was read the third time.

The PRESIDING OFFICER. Do the Senators managing the bill yield back their time?

Mr. CULVER. I yield back the remainder of my time.

Mr. CHAFEE. I yield back the remainder of my time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, shall it pass? On this question the yeas and nays have been ordered and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Hawaii (Mr. INOUYE) and the Senator from North Carolina (Mr. MORGAN), are necessarily absent.

I further announce that the Senator from Nevada (Mr. CANNON), is absent on official business.

I further announce that, if present and voting, the Senator from North Carolina (Mr. MORGAN) and the Senator from Nevada (Mr. CANNON) would each vote "yea."

Mr. STEVENS. I announce that the Senator from Wyoming (Mr. SIMPSON) is necessarily absent.

I further announce that, if present and voting, the Senator from Wyoming (Mr. SIMPSON) would vote "yea."

The PRESIDING OFFICER (Mr. BRADLEY). Are there any Senators in the Chamber desiring to vote who have not done so?

The result was announced—yeas 91, nays 5, as follows:

[Rollcall Vote No. 130 Leg.]

YEAS—91

Armstrong
Baker
Baucus
Bayh
Bellmon
Bentsen
Biden
Boren
Boschwitz
Bradley
Bumpers
Burdick
Byrd, Harry F., Jr.
Byrd, Robert C.
Chafee
Chiles
Church
Cochran
Cohen
Cranston
Culver
Danforth
DeConcini
Dole
Domenici
Durenberger
Durkin
Eagleton
Exon
Ford
Glenn
Goldwater
Gravel
Hart
Hatfield
Hayakawa
Heflin
Heinz
Helms
Hollings
Huddleston
Jackson
Javits
Jepsen
Johnston
Kassebaum
Kennedy
Leahy
Levin
Long

Lugar
Magnuson
Mathias
Matsunaga
McClure
McGovern
Melcher
Metzenbaum
Moynihan
Muskie
Nelson
Nunn
Packwood
Pell
Percy
Pressler
Proxmire
Pryor
Randolph
Ribicoff
Riegle
Roth
Sarbanes
Sasser
Schmitt
Schweiker
Stafford
Stevens
Stevenson
Stewart
Stone
Talmadge
Thurmond
Tower
Tsongas
Wallop
Warner
Weicker
Williams
Young
Zorinsky

NAYS—5

Garn
Hatch
Humphrey
Laxalt
Stennis

NOT VOTING—4

Cannon
Inouye
Morgan
Simpson

So the bill (S. 1143), as amended, was passed, as follows:

S. 1143

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 7(q) of the Endangered Species Act of 1973 is amended by striking, "not to exceed $600,000 for fiscal year 1979, and not to exceed $300,000 for the period beginning October 1, 1979, and ending March 31, 1980." and inserting in lieu thereof, "not to exceed $600,000 for each of the fiscal years 1979, 1980, 1981, and 1982.".

Sec. 2. Section 15 of such Act is amended to read as follows:

"Sec. 15. (a) Except as authorized in sections 6 and 7 of this Act, there are authorized to be appropriated—

"(1) not to exceed $23,000,000 for the fiscal years 1979 and 1980; not to exceed $25,000,000 for fiscal year 1981; and not to exceed $27,000,000 for fiscal year 1982 to enable the Department of the Interior to carry out such functions and responsibilities as it may have been given under this Act;

"(2) not to exceed $2,500,000 for the fiscal years 1979 and 1980; not to exceed $3,000,000 for fiscal year 1981; and not to exceed $3,500,000 for fiscal year 1982 to enable the Department of Commerce to carry out such functions and responsibilities as it may have been given under this Act.

(b) There are authorized to be appropriated, beginning October 1, 1979, not to exceed $500,000 for the Department of the Interior to implement the recovery program for the California condor, which sum shall be available until expended.".

Sec. 3. (a) Section 3(11) is amended by striking "would (A) jeopardize" and inserting in lieu thereof "is likely to (A) jeopardize".

(b) Section 7(g)(1) is amended by striking "may jeopardize" and inserting in lieu thereof "is likely to jeopardize".

Sec. 4. (a) Section 4(f)(2)(C)(ii) is amended by striking "120-day period" each time it appears and inserting in lieu thereof "one-year period".

(b) Such section is further amended by adding at the end thereof the following new sentence: "If at any time after issuing an emergency regulation the Secretary determines on the basis of the best scientific and commercial data that substantial evidence does not exist to warrant such regulation, he shall withdraw it.".

Sec. 5. (a) Section 7(c) is amended by adding at the end thereof the following new sentence: "If an exemption applicant desires to seek a permanent exemption pursuant to subsection (h)(2) of this section, he may conduct a biological assessment pursuant to this subsection.".

(b) The first sentence of section 7(h)(2)(B) is amended to read as follows:

"(B) An exemption shall not be permanent under subparagraph (A) if the Secretary finds, based on the best scientific and commercial data available, that such exemption would result in the extinction of a species that was not the subject of consultation or identified in a biological assessment prior to or in conjunction with the Committee's consideration of such exemption".

Sec. 6. (a) Section 7(a), 7(b), 7(c), and 7(d) are amended by striking "any endangered or threatened species" wherever it occurs and inserting in lieu thereof "any listed or proposed endangered or threatened species".

(b) Section 4(f) is amended by adding a new paragraph (6) to read as follows:

"(6) Notwithstanding the requirements of subsection 4(b)(4) and of paragraphs (1) through (5) of this subsection, if the Secretary determines pursuant to section 7 that an agency action is likely to jeopardize the existence of an endangered species or threatened species proposed pursuant to this section, or adversely modify the proposed critical habitat of such species, the Secretary shall within 90 days of such determination either publish in the Federal Register a final regulation adding such species or critical habitat to the list published pursuant to subsection (c) of this section, or withdraw the regulation proposing such listing."

Sec. 7. Section 7(g)(2)(A) is amended by striking "not later than 90 days after the completion of the consultation process." and inserting in lieu thereof, "not later than 90 days after the completion of the consultation process, or, in the case of a permit or license applicant, not later than 90 days after final agency action has been taken on the permit or license application.".

Mr. CULVER. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. CHAFEE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. CULVER. Mr. President, I ask unanimous consent that the Secretary of the Senate be authorized to make technical and clerical corrections in the engrossment of S. 1143.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate stand in recess until 4:30 p.m. today.

Mr. CHAFEE. Mr. President——

Mr. ROBERT C. BYRD. I withhold the request, and yield to the distinguished Senator from Rhode Island.

FOREIGN AID AND NATIONAL SECURITY

Mr. CHAFEE. Mr. President, the issue of foreign aid always stirs many emotions in the Congress. Our aid programs are attacked as giveaways, wasteful, and even corrupt. Rarely do we hear good arguments for why foreign aid is in the best interests of the United States.

Mr. President, I ask unanimous consent to have printed in the Record at the conclusion of my remarks an article by L. Michael Hager of the Agency for International Development entitled "Foreign Aid Is Domestic Aid, Too." This article makes some excellent, frequently overlooked arguments for how foreign aid makes a positive contribution to our national security.

The PRESIDING OFFICER. Without objection, it is so ordered. (See exhibit 1.)

Mr. CHAFEE. The Senate soon will consider S. 588, the International Development Assistance Act of 1979. This bill will authorize appropriations for fiscal year 1980 bilateral assistance and international disaster assistance programs. I urge my colleagues to consider the arguments in the attached article when deciding how to vote on this important bill.

[From the Los Angeles Times, May 30, 1979]

Foreign Aid Is Domestic Aid, Too—'Giveaway' Image Persists, but Program Helps Achieve Goals Vital to America

(By L. Michael Hager)

Foreign-aid programs have traditionally encountered tough sledding in Congress. Indeed, there is probably no program in the federal government that is more suspect, more maligned and more misunderstood than is foreign economic assistance. Just why is this so?

For many senators and representatives, foreign aid has no compelling justification. American interests served by the program appear vague and distant. Press reports of overseas corruption and anti-Americanism give foreign aid a bad name among the folks back home. The "giveaway" image persists. Without a political constituency behind it, the Agency for International Development has had to rely on congressional statesmanship for support.

Successive administrations of both political parties have kept the program alive—largely on humanitarian and national-security grounds. But they have failed to generate the level of commitment that characterized the Marshall Plan a generation ago.

Questioning U.S. foreign policy goals on the one hand and public spending on the other, many American voters ask: "Why foreign aid?"

That question is heard these days as Congress reviews President Carter's foreign-aid budget.

Foreign economic assistance is a practical expression of American generosity—the sharing of our abundance with those who are less fortunate. It is also a means of keeping the peace. More than half of America's bilateral aid is targeted for regions and countries of special political importance to the United States—the Middle East and southern Africa in particular.

But the case for foreign aid lies not simply in humanitarian concerns or national security, though both remain valid objectives. In today's interdependent world, economic assistance may be a matter of economic and political necessity.

Foreign assistance helps the U.S. economy. A significant phenomenon that has received too little attention is the rapidly expanding growth of American exports to the non-oil-producing countries of the Third World. Increasing by 15 percent a year, U.S. exports to less-developed countries now constitute a full quarter of our total exports—more than to all of Europe and three times our exports to Japan.

A comparison of exports with aid levels is revealing. In 1977, U.S. exports to the non-OPEC developing countries came to 20 times what we spent on assistance to them. Even U.S. exports to the 30 poorest countries outweighed our aid efforts there by a factor of three to one.

An expanding export trade not only strengthens our balance of payments, it also means jobs for Americans. Already the jobs of some 2 million workers and farmers depend on exports to developing countries. The expansion of these export markets depends in large measure on continued economic growth in the Third World. Economists have projected that a 3-percent increase in growth rates of the less-developed countries—through trade, investment and development assistance—will increase growth rates of developed countries by 1 percent.

Foreign assistance helps assure U.S. access to natural resources. Economic interdependence is implicit in a growing U.S. dependence on foreign oil and other raw materials. For example, we import from the developing countries 79 percent of our cobalt, 90 percent of our bauxite and 100 percent of our tin. Foreign assistance helps maintain American access to these and other resources by assisting some of the supplier countries and by promoting more favorable attitudes toward the United States among the nations and organizations of the Third World.

Foreign assistance helps eliminate the causes of illegal immigration. As populations edge upward in the poor countries, the number of economic refugees to more prosperous countries increases. Stemming this flow is likely to depend more on local job creation and family-planning efforts—which our aid programs assist—than on border security or enforcement measures in the United States.

Foreign assistance fosters North-South cooperation. Critical issues to Americans—human rights, international terrorism, nuclear proliferation and the law of the sea, to name but a few—require the cooperation of Third World countries. While foreign aid rarely "buys" support in international forums, it does create a better climate for the discussion and resolution of issues. Development assistance manifests America's concern for Third World poverty.

Foreign assistance is economical. About 75 cents of every foreign-aid dollar is spent in the United States for American goods and services, such as farm implements and agricultural expertise, used in development programs abroad. Last year, for example, bilateral aid-financed exports of U.S. industrial and farm commodities amounted to more than $2 billion.

About one-third of U.S. foreign assistance is provided in the form of low-interest loans. Since 1972, dollar reflows from old loans made by the Agency for International Development have exceeded the annual amount of new development-assistance loans.

Far from being a wasteful drain of U.S. funds, our foreign economic-development assistance (which comprises only 1.2 percent of the federal budget) may be one of the most cost-effective programs in the federal government today. In helping to achieve economic, political and social goals vital to this and later generations of Americans, economic development assistance is probably our most important tool.

INTERNATIONAL YEAR OF THE CHILD

Mr. CHAFEE. Mr. President, this year has been designated by the United Nations as the International Year of the Child. To promote the national observance of the Year of the Child, and to pay tribute to the children of this country, the U.S. National Commission for the International Year of the Child has been created.

Nothing could be more fitting, as we struggle with the complex problems of the economy, energy resources, national security, and world affairs, than to also remember our children. A renewed commitment to our children is a renewed commitment to the creation of a better world. We can make no greater contribution to their well-being than to strive for a world where peace, stability, and opportunity is a reality.

Just as the activities surrounding the Bicentennial gave Americans the opportunity to express their pride in the progress of this great country, and to evaluate its successes and failures, so can this national observance inspire us to celebrate children—our most precious resource—and remind us of the special role they play in society and their special needs.

Some have voiced concerns that the activities of the U.S. Commission will encourage Government interference in the private lives of families. I believe this is an unfortunate misunderstanding of the purpose of the Commission. Their task is to focus the interest and attention of individuals, communities, and public and private organizations all around the country on children. A major goal is to encourage participation at the grassroots level in a national dialog about children.

The Commission has repeatedly emphasized the home and family as the ideal setting in which children can develop physically, mentally, and spiritually. Heightened public awareness of the importance of the family unit to the well-being of children has been a major theme. The Commission has also encouraged an examination of the policies and practices which support or inhibit the strengthened role of families in our society.

The urgent needs of the disadvantaged children in this country—those who are without homes and families or who are economically deprived or mentally and physically handicapped, cannot be ignored. The Commission has encouraged a reassessment of the needs of disadvantaged children and urged interested parties at all levels to identify areas where government and community services should be improved. The juvenile justice system, foster care and adoption, economic support, programs for handicapped children, health care services, child abuse prevention, are all identified as issues which need examination.

The Commission has not limited its attention to institutional services directed at children. It has also focused on the broader environment in which children live and grow. The effects of television on children, the availability of cultural and recreational resources, a safe and healthy environment, are all subjects which should be part of any national dialog.

The Commission has emphasized the involvement and participation of the general public, from neighborhoods to State governments, small community organizations and large national organizations, parents, teachers, church and business leaders and labor organizations. The Commission has also encouraged the active participation of young people themselves, including the formation of a Children's Advisory Panel which will represent the concerns, hopes, and ideas of young people. It is a pleasure to note that a young Rhode Islander, Charles R. Zeoli, Jr., of Cranston, R.I., has been selected to serve on this panel.

Mr. President, I believe the U.S. National Commission on the International Year of the Child deserves the support and recognition of the Congress. In its efforts to focus America's attention on children, it will also inspire a renewed commitment to improving the world they will inherit.

CULTURAL RESOURCES DEVELOPMENT THROUGH REGIONAL COMMISSIONS

Mr. CHAFEE. Mr. President, though I have serious concerns regarding the Appalachian Regional Commission and Title V Regional Commissions, there was one part of S. 835 that I liked. I am very pleased to report that for the first time cultural resources development has been legislatively recognized as a very important and creative tool in economic development. S. 835, the reauthorization of the Appalachian Regional Commission and the Title V Regional Commissions of the Public Works and Economic Development Act of 1965 which was reported by our Environment and Public Works Committee, recognizes cultural resources as an important facet of the overall economic development issue.

Cultural resource development is a valuable tool in encouraging the greater regional outlook that these regional commissions need. I believe that its utilization can no longer be ignored. Along the same line, late last February, I requested information concerning the overall use of cultural resources as economic development vehicles. The EDA program can already provide for the renovation, expansion, retention, and location of private investment and job creation in distressed rural and urban areas. I ask my colleagues to join with me in insuring that along with this, full advantage is taken of cultural resources development.

The phrase "quality of life" is fraught with ambiguity. There is general agreement, however, that cultural resources are a large component of the positive aspects of "quality of life." Because cultural resources can be quantified, they provide a valuable method for integrating quality of life into economic development.

In the past, our Federal Government has assumed that people follow jobs. This has been a prime assumption in economic development. More and more we are learning that, indeed, jobs follow people. According to the Joint Economic Committee of Congress Study of 1979, "Central City Business: Plans and Problems," quality of life issues are a pervasive element in a city's economic fate—often outweighing tax rates, labor supply and other traditional measures. Studies like this one and by the Department of Commerce show the power of cultural resources as economic tools:

First. A one million dollar investment in expanding the Shakespearean festival facilities at Ashland, Oreg., from seasonal to year-round operation drew an additional 64,000 people who spent approximately $700,000 the first year in new tourist dollars alone.

Second. New York City theatergoers and audiences for other cultural events spend an average of two dollars on goods and services other than tickets for every dollar they spend on admission.

Third. A 1975 evaluation of the impact of the 4-week New York City theater strike estimated revenue losses to cabdrivers of $468,000, to parking lot operators of $50,000, and to restaurants of nearly a quarter million dollars.

Fourth. 2.5 times as many persons attended arts performances and exhibitions, in Washington in 1974, as attended all Redskins, Caps, Bullets, and Diplomats home games combined.

Fifth. Tax revenues from growth and development of the area immediately surrounding Lincoln Center for the Performing Arts in New York City have increased 400 percent—from $10 to $40 million—in the 11 years after Lincoln Center was constructed. Similar increases have taken place in Philadelphia and Atlanta.

Sixth. Quincy Market, a deserted area of Boston less than 5 years ago sold $1.4 million worth of chocolate chip cookies alone this past year.

In my own State of Rhode Island, the rehabilitation of the Ocean State Theater is becoming an important force for revitalizing downtown Providence. In effect, it is bringing Boston and New York closer to Providence by attracting topnotch talent. Attracting people to downtown Providence will: First, stimulate ancillary business such as restaurants, public and private transportation, hotels, tourism, as well as neighborhood rehabilitation; second, revitalize tax bases; third, increase the hours of street animation; and fourth, attract major industry settlement. This is the sort of thing that has happened with the Lincoln Center in New York and Quincy Market in Boston. Along with this, the New Industrial Resources Council has just recently been set up in Providence. This is the sort of initiative that we must encourage.

In the past, successes in implementing economic development projects through cultural resources by means of EDA funds have occurred almost in spite of, rather than because of, Federal policies.

The time has come to recognize the extremely valuable economic tools that cultural resources represent. You enrich your community when you help develop cultural resources, and let us face it, you have a good time doing it.

I ask my colleagues to join with me in supporting the use of cultural resources in the overall economic development scheme.

Mr. President, I thank the majority leader.

Mr. ROBERT C. BYRD. Mr. President, I yield briefly to the Senator from Minnesota (Mr. DURENBERGER).

MILITARY PROCUREMENT AUTHORIZATIONS

Mr. DURENBERGER. Mr. President, earlier today I inadvertently missed the vote on final passage of S. 428, the military procurement authorization bill. I want to take this opportunity to state in the RECORD that I intended to vote for this bill but was detained from this Chamber by unforeseen circumstances.

I compliment the Armed Services Committee and its distinguished chairman for bringing to this body a procurement program which goes a long way to improving our national defense and strengthening our overall national security. The committee has wisely made cuts where necessary in the President's proposals in the interest of efficiency and fiscal restraint, while authorizing important procurement, research, development, testing and evaluation programs.

Mr. President, I fully supported S. 428 and wish to go on record as having favored its passage.

RECESS UNTIL 4:30 P.M.

Mr. ROBERT C. BYRD. Mr. President, there may be other rollcall votes today. I am not sure. I do not know what other business we will be able to proceed to as yet.

So for the time being, I ask unanimous consent that the Senate stand in recess until 4:30 p.m. today.

There being no objection, at 3:57 p.m. the Senate took a recess until 4:30 p.m. the same day, whereupon the Senate reassembled when called to order by the Presiding Officer (Mr. BAUCUS).

RETIREMENT OF LT. GEN. EDWARD L. ROWNY

Mr. MATHIAS. Mr. President, the Secretary of Defense, Mr. Harold Brown, today announced the retirement, effective at the end of this month, of a very distinguished son of Maryland, Lt. Gen. Edward L. Rowny.

General Rowny is retiring after more than 38 years of distinguished military service, service which included action in World War II, in Korea, and in Vietnam. Since 1973, he has been the representative of the Joint Chiefs of Staff at the strategic arms limitation talks.

In my capacity as a Senate adviser to the SALT delegation, I have come to know General Rowny well and to consider him a friend. It has been a great help to me to have the benefit of his views on the strategic issues that face our country. He always has been frank in giving me the benefit of his insights. He always has been generous in sharing with me his time, although pressures on him have always been severe.

He always has been motivated in everything he has said to me, by his concern for his country and by that old-fashioned word "duty." All of us have duties. All of us, I think, try to do our duty. But I have known very few people who have exhibited more obvious concern and a higher standard of excellence in the performance of duty than General Rowny.

He is a fine example of the general officers in our Army. He is an intellectual man. He is widely read in history. He speaks several languages. He is a modern lieutenant general.

It may be that, in the days ahead, some people will try to read into General Rowny's retirement some political message—the fact that he is retiring from duty with the SALT delegation immediately prior to the conclusion of the SALT Treaty. I do not know what General Rowny's final conclusions are about the SALT Treaty. All I am sure of is that whatever position General Rowny takes with respect to the SALT Treaty, he will express his views with dignity, with honesty, and with a sense of patriotic concern for the United States of America.

General Rowny has had a long and distinguished career in the service of his country. The people of Maryland, and particularly the people of Baltimore, should take great pride in the contributions he has made in the years since he was appointed as a cadet at West Point by our late colleague Representative Palmisano.

General Rowny has announced that he will join the Woodrow Wilson Institute, and I am sure he can make a great contribution there.

I take this opportunity to express my personal thanks to General Rowny for his long and distinguished military career and to wish him and Mrs. Rowny many happy and fulfilling and satisfying years ahead.

WHITE HOUSE TASK FORCE CALLS FOR BRIBERY

Mr. PROXMIRE. Mr. President, if I were to inform the Chair that a White House group had advocated that we get into the bribery business, I think the Chair would feel that I was exaggerating or overstating the case. But that is the case.

Yesterday, the New York Times disclosed that a White House task force on U.S. exports had drafted recommendations for President Carter that call for immediate weakening and eventual abandonment of the key provisions in the law that prohibits payment of bribes overseas by American corporations.

Mr. President, this is the same law which in one form passed the Senate on September 15, 1976, by 86 to 0. That bill did not become law, but was incorporated later into a different bill and enacted into law.

The bill was based on extensive hearings before our Banking Committee and a powerful recommendation by the Securities and Exchange Commission which had revealed corrupt foreign payments by over 300 U.S. companies, involving hundreds of millions of dollars. The revelations of these bribes had tremendous repercussions on governments friendly to the United States in Japan, Italy, and the Netherlands. The image of American democracy abroad was tarnished. Confidence in the financial integrity of our corporations had been impaired. The efficient functioning of our capital markets had been hampered.

The New York Times indicated that the White House task force recommended gutting that bribery law because of the alleged loss of a billion dollars in exports that they say we would have gotten if our firms had been freed of paid bribes to those in other countries who would buy what we have to sell.

There has been no documentation revealed, no evidence, certainly no proof, that any export sales have been lost. And I certainly challenge that allegation. But even if as much as a billion dollars of exports were lost, that would constitute much less than 1 percent of our exports. There are two reasons why such a loss is a fiction.

First the SEC study showed that in many cases, bribes by American corporations—such as Lockheed's bribe to the Japanese—simply won exporting business for Lockheed away from other

American corporations. This is logical, since firms in this country constitute virtually the only game in town for the particular planes Lockheed sold to the Japanese. So any loss of a billion dollars by American corporations was very likely picked up in large part by other American corporations.

Second, there is a very clear, positive, practical advantage in having this antibribery law on the books. Any foreign buyer is in a far better position with the business or Government that employs him in dealing with a U.S. business that must operate under an effective law, with teeth, prohibiting bribery.

It is said that other countries do not have this kind of tough law. That is an advantage for us; because, after all, bribery is always to the serious disadvantage of the country buying foreign goods. It does mean that the local official was enriched. But it also means that his country was hurt. Why? This is why: That bribed procurement was either more expensive or of lower quality than it would have been without the bribe. Otherwise, the firm selling the goods would not have paid a bribe. So there is a clear, practical distinction to the advantage of American corporations. Procurement officials of other countries can now buy American and know that they will be safe from charges of ripping off their own business firm or government. Anyone who does not think this is a potent force should consider the reaction of the Japanese to the Lockheed scandal. Repercussions for a single bribe can cause even a popular government to fall.

Mr. President, yesterday I wrote the President urging him not to accept the recommendations of his task force on bribery, and call for the facts on this alleged billion dollars in reduced exports.

Mr. President, I ask unanimous consent that the text of that letter and the New York Times article by Philip Taubman reporting on the recommendations of the White House bribery task force be printed in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

U.S. Senate,
Washington, D.C., June 12, 1979.

The President,
The White House,
Washington, D.C.

Dear Mr. President: I was extremely disappointed to read in the New York Times this morning that a White House Task Force formed at the urgings of Messrs. Brzezinski and Owen is recommending that you gut the Foreign Corrupt Practices Act.

Congress passed this law which outlaws the bribery of foreign government officials by American companies with your support. By letter dated June 20, 1977, you strongly supported passage of the legislation and you pointed to the commitment of the Western European industrialized nations and the United States reached at the London Summit in 1977 to work toward an international treaty to outlaw the bribery of foreign officials by civilized nations.

Your position supporting efforts to place international trade on a free market basis has been gratifying. It is with this background that I find the statements attributed to your staff demoralizing. The staff recommendations set out in the *New York Times* would have this nation, the leader of the free world, stoop to the level of the lowest common denominator in international trade.

Since this Committee has jurisdiction over the FCPA, I would appreciate a copy of these recommendations so that the Committee may be fully informed. I would also appreciate knowing why the Securities and Exchange Commission, which along with the Justice Department has exclusive jurisdiction over the FCPA, was not included on the Task Force. I would appreciate all data supporting the conclusions that the FCPA is costing the United States $1 billion a year in lost trade.

Finally, Mr. President, I think it unconscionable that high officials of the White House would propose to prepare the ground for changes in the law that would permit a resumption of bribery as the New York Times states. Testimony before this Committee by Secretary Blumenthal and the Securities and Exchange Commission was that bribery is not necessary to sell products overseas. The adverse effects of bribery are not only visited upon domestic competition for foreign sales but is demoralizing to foreign governments which do not want their officials bribed. Think back to the reaction in Japan, Italy and the Netherlands for the adverse reaction against the United States when bribery was uncovered in those countries. I hope the sales practices of those cases will not form the cornerstone of the foreign policy recommended by your principal White House advisors.

Sincerely,

William Proxmire,
Chairman.

Carter Unit Recommends Weakening of Bribe Law

(By Philip Taubman)

Washington, June 11.—A White House task force on United States exports has drafted recommendations for President Carter that call for immediate weakening and eventual abandonment of key provisions in the law that prohibits payment of bribes overseas by American corporations.

Concluding that the law is costing the United States $1 billion a year in lost trade, the task force has prepared recommendations calling for the removal of the Securities and Exchange Commission from enforcement responsibilities and proposing that the Carter Administration "prepare the ground" for a change that would permit a resumption of bribery.

The recommendations, a draft of which were obtained by The New York Times, are expected to be forwarded to Mr. Carter later this week by Henry Owen, a top White House adviser on international economics. If adopted, they would pre-empt a review of the antibribery law currently being conducted by the criminal division of the Justice Department.

INTENSE LOBBYING CITED

Proponents of the law say the task force proposals would effectively emasculate the law, and are a result of intense lobbying of the Carter Administration by the business community.

The Foreign Corrupt Practices Act, passed in 1977, makes it a crime for American corporations to bribe officials of foreign governments to obtain business. It also prohibits falsification of accounting records to cover up overseas payoffs.

Since passage of the act, the business community has complained that it puts American multinational corporations at a competitive disadvantage abroad because it is ambiguous and because foreign corporations do not operate under similar restraints. The law is the only one of its kind among major industrial nations.

TASK FORCE FORMED LAST FALL

The White House task force, officially called the Export Disincentive Task Force, was formed last fall at the urging of Mr. Owen and Zbigniew Brzezinski, assistant to the President for national security affairs.

The group, composed of representatives from nine Government agencies, faults the bribery law for producing both economic and political losses to the United States. From an informal study of American exports in a dozen countries, the task force concludes that the law costs the United States $1 billion annually.

The political costs, according to the draft recommendations, are generated because the law gives the United States a holier-than-thou image abroad, the report states. "The U.S. Government is criticized for moralizing, for prying into transactions outside U.S. jurisdiction, and for needlessly creating political problems," it says.

THREE STEPS PROPOSED

To eliminate the costs, the task force proposes that the following three steps be taken:

¶The Justice Department, by next September, should issue written guidance to the business community about the law, including establishment of enforcement priorities, discussion of hypothetical situations and creation of a business review procedure by which corporations could get advance Government reaction to specific overseas payoff plans.

¶The Administration should consider the feasibility of amending the law "to take enforcement responsibilities away from the S.E.C." The Justice Department and the S.E.C. currently share enforcement responsibility. The enforcement division of the S.E.C. has taken a hard line on overseas payments.

¶The Administration should periodically inform Congress and the public about the export losses caused by the law. This could pave the way for seeking modifications in the law that would "permit U.S. companies to be guided by the laws of the foreign countries where they do business."

The last recommendation, say opponents, would be tantamount to permitting a full-scale resumption of bribery.

The task force is scheduled to meet Thursday to make its recommendations final. Sources said no changes were expected to be made from the draft.

THE GENOCIDE CONVENTION: A TRIBUTE TO ANNE FRANK

Mr. PROXMIRE. Mr. President, just 35 years ago, Anne Frank, her sister, her parents, and four other Jews lived in hiding in the attic of a small Amsterdam building. The group lived secretly for over 2 years until the Gestapo came and took them all away. Anne died of typhus at the age of 15 in the Bergen-Belsen concentration camp. Had Anne Frank lived, Mr. President, she would have celebrated her 50th birthday yesterday. Instead, it is up to us to observe her birthday, honor her achievements, and mourn her loss.

Yesterday, Anne's 90-year-old father, Otto Frank, visited the attic where he and his daughter spent so much time together. After his visit, Mr. Frank spoke about his daughter and his words are well worth recording. He said:

> It's Anne's day. A time to remember the things that Anne stood for. * * * If you read Anne's diary, there is no hate in it. We may be sorry about things, but no hate, no recrimination.

To me, Mr. President, Anne Frank stands for many things. She stands for man's ability to love, to forgive, and to endure in the face of terror. She stands as a great testimony to the quality and the strength of the human spirit. And, of course, she stands as a victim of genocide.

Mr. President, today, in honor of Anne Frank, I call on the U.S. Senate to ratify the Genocide Convention. For 30 years, this body has thought about the treaty, which makes genocide a crime under international law. Thirty years, Mr. President, is too long a time to think without making a decision. Now it is time to act.

Genocide is an issue that transcends all partisan politics and all national boundaries. It is a subject we must all think about. It is a crime we must all try to prevent.

Mr. President, the building where Anne Frank spent so many months hiding out from the Nazis is now a little museum. Each month, 25,000 visitors go there to honor and remember her.

I point out what a normal little girl she was. She had, for example, at that time photographs on the wall that are still there of her childhood idols—Rudy Vallee, Greta Garbo, Ray Milland, and Ginger Rogers.

Now it is the Senate's turn to honor Anne Frank on her 50th birthday. And what more moving tribute can there be than the ratification of the Genocide Convention?

Mr. President, I ask unanimous consent that a New York Times article on Anne Frank be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

MEMORIES OF ANNE FRANK ON 50TH BIRTHDAY

(By William Borders)

AMSTERDAM, JUNE 12.—If she had lived, Anne Frank would have been 50 years old today.

To observe her birthday, some of her admirers, including her 90-year-old father and Queen Juliana, made a special pilgrimage to the narrow red-brick building where Anne, along with her father, mother, sister and four other Jews spent two years hiding in an attic and where she wrote her celebrated diary.

"It's Anne's day, a time to remember the things that Anne stood for," Otto Frank, her father, said after taking the Queen on a tour of the former hideout, which is now a small museum depicting the rise of the Nazis and their occupation of the Netherlands.

"To illustrate," explained the keen and voluable Mr. Frank, the only member of his family to survive the war, "the Queen turned to me in front of one of the exhibits and said, 'Because of all of this do you hate?' And I told her that if you read Anne's diary, there is no hate in it. We may be sorry about things, but no hate, no recrimination."

FLED NAZI PERSECUTION

Mr. Frank, who was a prosperous businessman in Frankfurt, brought his family here in the early 1930's, after the ascent of Hitler convinced him that Jews had no future in Germany. Although now a Dutch citizen, he lives in Switzerland because, he says, he finds the emotional strain of all the memories in the Netherlands too much.

"Of course I love to come back to the house, but it's painful," he explained.

According to the Anne Frank Foundation, which runs the museum, its purpose is "to function as an unending appeal never to let it happen again." So there are exhibits on what are seen as manifestations of neo-Nazism in other countries, such as Britain's National Front.

Moreover, like "The Diary of Anne Frank," of which millions of copies in dozens of languages have been sold over the years, the museum is also full of reminders that Anne was just a normal adolescent girl despite the horrors that shaped her family's life.

MOVIE STARS' PICTURES ON WALL

For example, the faded brown walls of the attic room she slept in during those 25 months of hiding are still decorated with magazine photographs of her idols—Rudy Vallee, Greta Garbo, Ray Milland and Ginger Rogers.

Twenty-five thousand visitors a month climb the steep and creaky stairs of the house to see that room and the three others in which Anne, her sister, their parents and four other hunted Jews lived, behind heavy dark curtains much of the time, until the Gestapo finally found them in August 1944 and took them away.

Until recently, most of the visitors had been from the United States. But in the last year, the Americans have suddenly been overtaken by West Germans, who now make up 40 percent of the total visitors.

Most of them are young, and many of them, like Heinz Kummell, a high school student from Hamburg, are clearly stunned by the experience. He sat in the bright sunshine on the steps of the Anne Frank house this afternoon shaking his head and freely conceding that he "simply had had no idea."

When Anne Frank was 15—one year younger than Heinz Kummel is now—she died of typhus in Bergen-Belsen concentration camp near Hanover. Around the corner from the museum there is a three-foot bronze statue of her that bears this simple inscription: "Anne Frank, 1929–1945."

The little statue, set back from the sidewalk on a busy street in downtown Amsterdam, does not usually attract much attention. But today, because it was her 50th birthday, someone stopped and left a dozen red roses.

Although the "Diary of Anne Frank" has passages of deep gloom and something close to despair, some who have studied it regard it basically as a document of hope.

ROBERT POWELL HOLDING, JR.: A FRIEND REMEMBERED

Mr. HELMS. Mr. President, it was in 1957, if memory serves correctly, that a remarkable North Carolinian passed away. His name was R. P. Holding, and if ever there was a genius in the banking business, it was he. But he was a great man in countless other ways, as well.

I have thought often of Mr. Holding these past few weeks, because the oldest of his three sons, his namesake, was victim of a heart attack. So, R. P. Holding, Jr., is gone, too; a tragic loss of a splendid young man who possessed the keen intellect and the fine character of his father.

The other two sons survive—Lewis R. Holding, whom everyone calls "Snow," and Frank B. Holding. Snow and Frank, like their father and their brother Bob, are recognized leaders in North Carolina—not merely in banking but in a variety of other ways.

I mention all of this, Mr. President, because the Holding family is a great family, and I include the widow of the senior Mr. Holding, a gracious and charming lady. I recall sitting with Mr. R. P. Holding, Sr., at a dinner many years ago. We discussed the way that he had founded the First-Citizens Bank & Trust Co., at the depth of the Depression—his motivation having been the need to supply credit and banking services to the struggling farmers of eastern North Carolina.

Today, First-Citizens is an enormous banking system, with branches throughout North Carolina. But it still maintains genuine personal interest in farm families, and with the so-called little people of our State.

At that dinner many years ago, the senior Mr. Holding told me of his three sons, all of whom were very young. "I don't know how many more years I have," Mr. Holding said, "but you just watch Bob and Snow and Frank—they're going to be great citizens." That was far more than justifiable fatherly pride; it was an objective assessment, a forecast that has been proved correct.

It was a personal tragedy to me when Bob Holding, Jr., died several weeks ago. He was in the prime of life, and he had achieved incredible success as chairman of the board of First-Citizens. He had measured up to, and perhaps exceeded, everything his father had predicted. The same is true of his two brothers. They were a remarkable team.

The Holding boys, as they are known, all had varied interests, and total involvement in the affairs of their communities and their State. An example of that involvement is Ravenscroft School in Raleigh. This is an institution that emphasizes excellence. It has attracted nationwide attention. A few years ago, then Vice President Jerry Ford flew to Raleigh to deliver a commencement address, and I recall the Vice President's amazement as he toured the facilities of Ravenscroft, for which the "Holding boys" were in large measure responsible.

Mr. President, the Holding family has been a real blessing to North Carolina. As I mentioned earlier, only two of the sons remain, but they are carrying on the legacy left by their father and brother. As their friend, I am very proud of them.

Recently, a publication of Ravenscroft School published an article about Bob Holding, Jr. I ask unanimous consent that this article be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

ROBERT POWELL HOLDING, JR.: A FRIEND REMEMBERED

Robert Powell Holding, Jr. had a unique understanding of trusteeship. He touched the reins with a light, firm hand, never pulling in too tight, never letting go. He knew when to lead, but more importantly, he knew when to step back and watch. When he died in January, Ravenscroft lost a faithful friend. The man who had served as chairman of the Board of Directors for over a decade, the man who had nurtured a dream to reality, was gone.

Until 1966, Ravenscroft was conducted by Raleigh's Christ Episcopal Church, which had founded the school more than a century earlier. Over the next few years with the help of Robert Holding and others the school underwent a radical transformation. It became a non-sectarian, independent school, although it retained its Christian orientation. A new Board of Directors was created and in 1968 its enrollment of less than two hundred students attended classes in trailers.

It was a dynamic change, one which utilized the moral and financial support of some of Raleigh's most trusted and conscientious citizens. It was a time of wheeling and dealing, of getting things started, of holding one's breath and having faith.

Being a banker and from a family steeped in the understanding of private business, Mr. Holding helped the school to have faith in itself and to be established on sound business principles. Rather than wait years for the figures to match up, Ravenscroft pushed forward with building the finest facilities and developing the most progressive programs, certain that only an educational system with the highest standards would survive.

Ravenscroft became a reality because there were men and women who had the good sense and the faith to pursue excellence with integrity and zeal. The demand for a private day school existed, but the qualifications of that demand were stringent.

In the years that followed this new birth, Mr. Holding's role was unparalleled in guiding the school into maturity. In less than ten years, enrollment mushroomed to over one thousand students, a high school college preparatory program was added, a campus worth millions of dollars was constructed, and Ravenscroft gained recognition as one of the leading independent schools in the Southeast.

Mr. Holding's sound judgment as a businessman became essential to the school's leadership. He did not seek noticeable accomplishments or popular victories; rather, he was a thinker, a man who moved with ease in the abstract. He did not interfere with the daily routines of the school; he understood his purpose clearly. He poured his energies into a crucible which held the school to be ever mindful of its purpose, to conscientiously pursue its ideals.

Robert Holding was more than a helpful banker, more than a man aware of elitist privileges. Compassionate and basic, he cared deeply for the school as people, not as categories. It mattered to him that every child be helped in a special way, that no child be overlooked or overwhelmed. He took seriously the challenge for the school to uphold its resolutions, to follow its chosen course.

He was one unseen strength behind the classes, the athletic events, and the artistic competitions, drawing different realms together, binding them with singularity of purpose.

He was terribly human and kind and real.

Pushing for a comprehensive liberal arts education, he steered Ravenscroft away from being too oriented towards one discipline. His emphasis was always on the child and he somehow kept the school from becoming too autocratic or moralistic. He was very sensitive to the intangible needs of Ravenscroft.

Robert Holding delivered the commencement address in 1973 to the first graduates of Ravenscroft's Upper School. It was a memorable event: for the first time since its establishment in 1862, the school was ushering young men and women off to college. These youths had been deeply affected by the turbulent sixties—the age of innocence had passed, and with it, many assumptions of traditional values. Robert Holding challenged these young people to stand against this tide of revolution and to make up their own minds as to the purpose and value of life, as to what their own roles would be in the years to come.

"It would be a simple process if there were directions, answers and solutions in a neat little bag which we could place around each of your necks, before you turn the corner into your adult life," he said. "If that were possible, I know there would be a rush to the platform by your teachers to put in that last ounce of resource to gift you with knowledge, curiosity, concern, reverence for life, hope and a do-it-yourself packet of human wisdom. But that would be relying upon magic. It's a very real world you are now entering, where you will travel without benefit of the protections associated with childhood and youth."

His address was a call to excellence, to the pursuit of lifelong learning within the framework of personal responsibility and accountability.

"What you have been offered here at Ravenscroft is something over and beyond scholastic or physical prowess. I hope and believe you have acquired an appetite for developing still further a human and thoughtful competence which will produce a resounding impact on other persons, the home community you choose to enjoy, and ultimately the world you inhabit."

He called them to see beyond their immediate concerns for a career. "You and all the rest of us will not have opportunity for career pursuits, self-direction or the freedoms and responsibilities that Americans have known for almost two centuries unless. we—that is, you and I—exert ourselves to exercise them," he said.

Touching on a political satire produced a few days earlier in the Upper School, he pushed students further, from observation to involvement. "It is incumbent upon you to do more than bemoan the distressing symptoms distorting and undermining governmental and societal directions . . . society will be either organized or destroyed. One thing is certain: it will not go unled. If society and the life of the country are not organized and led by good and honorable persons, with high ideals which are applied with good will, then it will be organized and controlled by their opposites."

Mr. Holding was not interested in keeping his audience entertained or comfortable; no, he earnestly provoked them to realize the challenge before them.

"There must emerge and continue to be available persons of strong moral fiber, with the tenacity and will to seek creditable and moral approaches and solutions," he said.

They were those persons.

"You will have to work, and work hard, in addition to your own career and personal interests, to find ways and means for our society and the span of governing levels to be properly responsive."

He encouraged these young people to understand that they had been given an extensive and valuable education, and to realize their accountability for it. His philosophy took root in the words of Christ: from everyone who has been given much shall much be required. With persuasion he charged the class: "It is my summation that this graduating class is richly and abundantly endowed. . . . Make of your stewardship what you will, but most of all, in the quality and dimension of which you are capable."

Those were Robert Holding's last words to Ravenscroft's first graduates of the Upper School, 1973; they echo principles basic and intrinsic to the American tradition. Because this man took them seriously, and stood unashamedly for them, Ravenscroft has been left a little richer, a little surer of its purpose.

Mr. Holding saw his stewardship as a husband, father, businessman, and community leader as an uncompromising responsibility. Though he suffered a heart attack in 1972, he continued to give great amounts of his time and resources to Ravenscroft. His death, in fact, came while he was in the midst of chairing Ravenscroft's Commitment to Excellence Campaign.

His life was a commitment to excellence and the greatest testimony to that at Ravenscroft is the scholarship which has been established in his name. The Robert P. Holding Scholarship, now the largest in the history of the school, was created by gifts from hundreds of men and women who chose to memorialize his name in the passing on of an academic heritage: Ravenscroft.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Chirdon, one of his secretaries.

EXECUTIVE MESSAGE REFERRED

As in executive session, the Presiding Officer laid before the Senate a message from the President of the United States submitting the nomination of Lt. Gen. Edward Leon Rowny, Army of the United States, to be placed on the retired list under the provisions of title 10, United States Code, section 3962; which was referred to the Committee on Armed Services.

PRESIDENTIAL APPROVALS

A message from the President of the United States stated that on June 13, 1979, he had approved and signed the following acts:

S. 348. An act to authorize the President of the United States to present on behalf of the Congress a specially struck gold medal to Ben Abruzzo, Maxie Anderson, and Larry Newman; and

S. 613. An act authorizing the President of the United States to present a gold medal to the widow of Hubert H. Humphrey.

MESSAGES FROM THE HOUSE

ENROLLED BILL SIGNED

At 1:13 p.m., a message from the House of Representatives delivered by Mr. Gregory, one of its reading clerks, announced that the Speaker has signed the following enrolled bill:

H.R. 3915. An act to amend title IV of the Employee Retirement Income Security Act of 1974 to postpone for 10 months the date on which the corporation must pay benefits under terminated multiemployer plans.

The enrolled bill was subsequently signed by the Acting President pro tempore (Mr. STENNIS).

The message also announced that the House agrees to the amendment of the Senate to H.R. 3879, an act to authorize additional appropriations for the Temporary Commission on Financial Oversight of the District of Columbia, and for other purposes.

The message further announced that the Speaker has appointed Mr. MITCHELL of New York as a manager on the part of the House in the conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 429) to authorize appropriations for fiscal year 1979, in addition to amounts previously authorized for procurement of aircraft, missiles, naval vessels, and other weapons, and for research, development, test, and evaluation for the

Armed Forces, and for other purposes, vice Mr. Bob Wilson, excused.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. RIBICOFF, from the Committee on Governmental Affairs, without amendment:

S. Res. 140. A resolution disapproving Reorganization Plan No. 2 (together with minority views) (Rept. No. 96–210).

By Mr. PROXMIRE, from the Committee on Banking, Housing, and Urban Affairs:

Special report pursuant to section 302(b) of the Congressional Budget Act of 1974 (Rept. No. 96–211).

By Mr. BIDEN, from the Committee on the Judiciary, with an amendment:

S. 961. A bill to amend the Speedy Trial Act of 1974 (Rept. No. 96–212).

By Mr. PELL, from the Committee on Rules and Administration, without amendment, with a preamble:

S. Res. 96. A resolution authorizing payment out of the contingent fund of the Senate of expenses incurred by Senator Morgan supporting a motion to quash certain subpenas served in the case of Zenith Corp. against Matsushita Electric Industrial Co., Limited, et al. (Rept. No. 96–213).

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. HATFIELD (for himself, Mr. Packwood, and Mr. Durkin):

S. 1328. A bill to amend the Federal Water Pollution Control Act to provide an additional allotment of funds to certain States, and for other purposes; to the Committee on Environment and Public Works.

By Mr. MORGAN:

S. 1329. A bill for the relief of Mrs. Elsie Belle Blackburn; to the Committee on the Judiciary.

By Mr. McCLURE:

S. 1330. A bill entitled the "Omnibus Geothermal Energy Development Act of 1979"; to the Committee on Energy and Natural Resources.

By Mr. BIDEN:

S. 1331. A bill to establish an emergency fuel assistance program; to the Committee on Labor and Human Resources.

By Mr. GRAVEL (for himself, Mr. Cohen, and Mr. Burdick):

S. 1332. A bill to authorize federally chartered credit unions to utilize share draft accounts; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. ROTH:

S. 1333. A bill to provide for the inclusion of certain Federal entities in the budget effective with fiscal year 1983; to the Committee on Governmental Affairs and the Committee on the Budget, jointly, pursuant to order on August 4, 1977.

By Mr. PROXMIRE (by request):

S. 1334. A bill to amend the National Bank Act, to refund to the Comptroller of the Currency funds held as successor to closed national bank receiverships, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. METZENBAUM (for himself, Mr. Hatfield, Mr. Kennedy, Mr. Weicker, Mr. Leahy, Mr. Bradley, and Mr. Tsongas):

S. 1335. A bill to require efficiency improvements in residential heating units; to the Committee on Energy and Natural Resources.

S. 1336. A bill to require residential energy audits; to the Committee on Energy and Natural Resources.

By Mr. METZENBAUM (for himself, Mr. Randolph, Mr. Hatfield, Mr. Weicker, Mr. Tsongas, Mr. Leahy, Mr. Kennedy, and Mr. Bradley):

S. 1337. A bill to amend title 23 of the United States Code to provide greater compliance with the national maximum speed limit; to the Committee on Environment and Public Works and the Committee on Energy and Natural Resources; jointly, by unanimous consent.

By Mr. METZENBAUM (for himself, Mr. Jackson, Mr. Hatfield, Mr. Weicker, Mr. Kennedy, Mr. Leahy, Mr. Bradley, and Mr. Tsongas):

S. 1338. A bill to establish energy efficiency standards for industrial equipment; to the Committee on Energy and Natural Resources.

By Mr. STONE:

S. 1339. A bill to amend the Federal Election Campaign Act of 1971 to encourage a reduction in the amount of contributions collected in Senate general elections by providing for limited public funding for certain candidates when total contributions to an opponent exceed certain thresholds; to the Committee on Rules and Administration.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. HATFIELD (for himself, Mr. Packwood, and Mr. Durkin):

S. 1328. A bill to amend the Federal Water Pollution Control Act to provide an additional allotment of funds to certain States, and for other purposes; to the Committee on Environment and Public Works.

● Mr. HATFIELD. Mr. President, I am introducing today a clean water incentives bill which I consider crucial to the success of the grants program for construction of municipal wastewater treatment facilities, a vital element in our overall water pollution control program.

For a variety of reasons which are not necessarily a reflection on the competence or commitment of any State, the rate at which Federal funds are being obligated for clean water projects is extremely uneven. Some States are having difficulty in using the funds they have, while others are in a position to obligate funds for projects promptly at a level far exceeding their allotments.

On a nationwide basis, a considerable backlog of unobligated funds has accumulated. The Appropriations Committees on both sides of Capitol Hill, rightly concerned over the backlog and the need for fiscal restraint, face this dilemma: If they appropriate the full $5 billion authorized for the program in fiscal year 1980, hundred of millions of dollars would go out to States unable to use them. If they cut appropriations sharply across the board, as has been proposed, they will cripple the program in those very States which have performed precisely as the Congress mandated in the Clean Water Act of 1972.

Several other States now in the process of gearing up their capability to move projects more rapidly would be discouraged—indeed prevented—from doing so. The program would limp along around the $3 billion level, costs would rise with inflation's erosion of the construction dollar, confidence in the Government and in the program would be betrayed, and the goals of the act would not be met.

The bill which I introduce today would make it possible to get this program turned around and on track, now and for years into the future. It is a workable, practical alternative, making it possible to avoid the absurdity of excessive appropriations while reaffirming the commitment of the Congress to the clean-up of our rivers and streams.

Its concept—and I shall explain the mechanics presently—is simple. Assuming that the need for restraint will not evaporate, it would provide for the appropriation of the full authorized amounts for the program at least for those States which have proven themselves capable of obligating funds on a reasonably current basis.

It would authorize the separate appropriation of an add-on, or second tier, over and above the basic appropriation shared by all the States; thus no State benefitting from it would be penalizing or taking anything away from any other State. In fact, by definition a State not qualifying for the second-tier appropriation in any given year would be in that posture by virtue of its slower obligation rate, meaning that it still had allotments adequate to its current ability to commit funds. No State would lose, and no State's program would suffer.

In essence, it would provide a mechanism to gear the demand for appropriations—always within the authorized levels—to the ability of States to obligate their allotments to clean-up projects. It would restore continuity, predictability and stability to the funding mechanism, providing an incentive for States, localities and the Environmental Protection Agency to push the program, break the bottlenecks, get rid of the backlog of funds, and get on with the job of cleaning up the Nation's waters.

Here is how the two-tier approach would work: In any given year, a State which had obligated by March 31 at least 90 percent of its previous fiscal year's allotment, would be entitled to receive, in the next fiscal year, an additional appropriation sufficient to bring its total allotment up to what it would have been if the full authorized amount had been appropriated.

For example, in its first year of operation, eight States which have already obligated, as of March 31, 1979, at least 90 percent of their fiscal year 1978 allotments, would qualify for the second-tier. In other words, as a measure of their rate of obligation, they have committed 90 percent of their funds 18 months, or 75 percent of the way into the 2-year period of availability of those funds for obligation.

Mr. President, I think it significant that we can institute this two-tier program in fiscal year 1980 at a total cost of $256 million, possibly adding roughly another $10 million if we decide to apply the one-half of 1 percent minimum to any State. That is a total appropriation of $3,656,000,000 or $3,666,000 if we assume a basic, first-tier appropriation of $3.4 billion, well below the $3.8 billion requested by the administration and contained in the budget resolution.

This bill can move rapidly. It has already been introduced on the other side and will be discussed at a hearing this Thursday, June 14. Legislation to extend the moratorium on imposition of the enormously disruptive industrial cost recovery provision of Public Law 92–500 is pending in both Houses, with a target date of June 30 for enactment. There is no reason why this bill cannot be moved along at the same time.

Also in the bill are two other provisions. One would base the set-aside of 2 percent of a State's construction grant funds which may be used to staff up State agencies to exercise authority and responsibility delegated by the Environmental Protection Agency for management of the program on the authorized, rather than the appropriated level. The other would extend for 1 year the deadline for reallotment of fiscal year 1978 funds which have not been obligated by the end of fiscal year 1979. This last is intended to remove pressure for States to commit funds at the last minute on low-priority projects which can be initiated rapidly in hopes of avoiding the lapse of Federal funds.

I have been informed that as of late last Friday, a poll of State water pollution control administrators by the Association of State and Interstate Water Pollution Control Administrations had elicited 33 responses. Of those, 29 supported the package, one was opposed, one neutral, and two others had not yet taken a firm position.

I further understand that, in a handful of cases, such support is contingent on acceptance of a 1-year extension of the reallotment deadline for fiscal year 1979 funds as well.

It is significant that these early returns include States which would qualify for second-tier funding in fiscal year 1980, others which would be likely to be eligible in fiscal year 1981, and still others which may not be in a position to clear their backlog for some years.

State administrators supporting the package include those from Alabama, Arizona, Arkansas, California, Colorado, Connecticut, Delaware, Florida, Georgia, Idaho, Illinois, Indiana, Iowa, Kansas, Maine, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, Montana, Nebraska, Nevada, New Hampshire, New Mexico, New York, North Carolina, Ohio, Oklahoma, Oregon, Rhode Island, North Dakota, South Dakota, South Carolina, Tennessee, Texas, Utah, Vermont, Virginia, Washington, West Virginia, Wisconsin and Wyoming.

States which would qualify initially for second-tier funding in fiscal year 1980 are: New Hampshire, Vermont, Illinois, Oregon, Washington, Michigan, Wisconsin, and Nevada. I am reliably informed that California, Texas, and possibly Maine can be expected to qualify for second-tier funding in fiscal year 1980.

A number of industry groups associated with the program, including the Associated General Contractors and the American Consulting Engineers Council, also recognize the merits of the bill and are supporting it.

In closing, Mr. President, I wish to offer one comment. In the past, part of the problem with the construction grants program has been EPA and its inability to move the program. Despite that, some States have performed in a manner proving that the program can be made to work; and other States are coming aboard. If we in the Congress, through the authorizing and appropriations process, cripple the ability of capable States to move, then we will have supplanted EPA as the source of the problem.

Mr. President, I ask unanimous consent that the text of the bill be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 1328

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That title II of the Federal Water Pollution Control Act is amended by adding at the end thereof the following new section:

"ADDITIONAL ALLOTMENT

"Sec. 218. (a) If on March 31 of any fiscal year a State has obligated 90 per centum or more of the funds allotted to such State for the preceding fiscal year under section 205 of this title, the Administrator shall allot to such State, for obligation after the first day of the fiscal year which begins after such March 31, an amount equal to the difference between—

"(1) the amount allotted to such State for such fiscal year under section 205, and

"(2) the amount appropriated under section 207 of this title for such fiscal year and attributable to such State under the allotment formula contained in section 205.

"(b) Any allotment to any State under this section shall be available for the same purposes as allotments for such State under section 205 of this title.

"(c) Sums allotted to the States under this section for a fiscal year shall remain available for obligation for the fiscal year for which authorized and for the period of the next succeeding twelve months. The amount of any allotment not obligated by the end of such twenty-four month period shall be immediately reallotted by the Administrator equally among the States eligible to be allotted sums under this section in the fiscal year in which such reallotment is to be made, except that none of the funds reallotted by the Administrator shall be allotted to any State which failed to obligate any of the funds being reallotted. Any sum made available to a State by reallotment under this subsection shall be in addition to any funds otherwise allotted to such State for grants under this title during any fiscal year.

"(d) If for any fiscal year the amount appropriated under authority of this section is less than the amount necessary to carry out this section, the amount each State receives under subsection (a) of this section for such year shall bear the same ratio to the amount such State would have received under such subsection in such year if the amount necessary to carry out this section had been appropriated, as the amount appropriated for such year bears to the amount necessary to carry out such subsection for such year.

"(e) There are authorized to be appropriated such sums as may be necessary to carry out this section.".

Sec. 2. The first sentence of section 205 (g)(1) of the Federal Water Pollution Control Act is amended by striking out "not to exceed 2 per centum of the allotment made to each State under this section" and inserting in lieu thereof "not to exceed 2 per centum of the amount authorized under section 207 of this title and attributable to each State under the allotment formula contained in this section".

Sec. 3. Notwithstanding section 205(d) of the Federal Water Pollution Control Act, sums allotted to the States for the fiscal year 1978 and 1979 shall remain available for obligation for the fiscal year for which authorized and for the period of the next succeeding twenty-four months. The amount of any allotment not obligated by the end of such thirty-six month period shall be immediately reallotted by the Administrator of the Environmental Protection Agency on the basis of the same ratio as applicable to sums allotted for the then current fiscal year, except that none of the funds reallotted by the Administrator for fiscal year 1978 or 1979 shall be allotted to any State which failed to obligate any of the funds being reallotted. Any sum made available to a State by reallotment under this section shall be in addition to any funds otherwise allotted to such State for grants under title II of the Federal Water Pollution Control Act during any fiscal year.●

By Mr. MORGAN:

S. 1329. A bill for the relief of Mrs. Elsie Belle Blackburn; to the Committee on the Judiciary.

● Mr. MORGAN. Mr. President, today I am introducing a bill for the relief of Mrs. Elsie Belle Blackburn, a woman who has suffered much through the loss of her son, David, on March 5, 1979.

Mrs. Blackburn's son was struck down by an Army vehicle operated beyond the scope of the driver's employment and outside his line of duty. The Army truck was driven by a soldier who had gone off base and had been drinking.

Since the soldier involved was operating beyond the scope of his duties, an action could not be maintained under the Federal Tort Claims Act (28 U.S.C. 1346(b) and 2674 (1970)). The case was dismissed under a motion for summary judgment before the Middle District Court of North Carolina, since the facts did not bring the plaintiff, Mrs. Blackburn, within the scope of the act.

Mr. President, this is a tragic situation. An innocent civilian has been killed and his family has no available remedy against a capable respondent. Sovereign immunity, waived in most cases under the Tort Claims Act, has been maintained in the case because the soldier involved was deviating from his duties for a few moments.

I believe that this case is an appropriate one for special consideration by the Senate. A family has been denied a son and the money which the Senate would provide could be but a small measure of compensation for that loss.●

By Mr. McCLURE:

S. 1330. A bill entitled the "Omnibus Geothermal Energy Development Act of 1979"; to the Committee on Energy and Natural Resources.

OMNIBUS GEOTHERMAL ENERGY DEVELOPMENT ACT OF 1979

Mr. McCLURE. Mr. President, I am pleased to introduce today much needed legislation to accelerate significantly the development of geothermal energy in the United States. Geothermal energy has been a stepchild of the Federal energy program over the past 5 years, despite the strong support for geothermal coming from myself and other Members of Congress, the many States with geothermal energy, and industrial and utility corporations interested in its development.

Geothermal has not developed in accord with its vast potential in many areas of the Nation for several reasons. Many of the most valuable geothermal resources occur on Federal lands and to date have been subject to a highly restrictive Federal leasing law and policy, which virtually has choked off development. The undemonstrated technology and unproven economics of some geothermal applications has served as a disincentive in a capital intensive resource, and existing Federal programs have not moved aggressively to support State, local and industry development of the resource in the face of such disincentives. Finally, a series of institutional and regulatory barriers have existed in the geothermal area and served to further discourage development.

Mr. President, when one considers the vast potential of this geothermal resource, particularly in some of the Western States, where projections of geothermal potential approach as much as 50 percent of needs in the next 20 years, it is appalling that this Nation has not mobilized for development of the resource. The administration's own interagency geothermal coordinating committee has projected potential growth in the year 2000 as high as 40,000 megawatts electric capacity and combined contributions of over 10 quads/year of supply from other geothermal applications, and perhaps as much as 15 quads. That growth would equate to the equivalent of well over 5 million barrels per year in imported oil not needed in the United States. And, the coordinating committee has reported that actual activity in the field, where not stymied by Federal leasing policy, regulation, and business-as-usual incentive programs, is extremely encouraging.

When I refer to geothermal development stymied by Federal programs, I mean literally just that. Only 400,000 acres of the 3 million acres of federally designated prime geothermal lands have been leased, and only 2 million of the 55 million good lands have been leased. Only 18 percent of lease applications have been processed, with an average of nearly 2 years for those leases. Many lease applications have been pending for 5 years. There are great variances in the leasing system going from State to State in a given leasing agency, and among the leasing agencies overall.

In light of the Nation's desperate need for domestic resources, these facts are mind-boggling. We must act now to make available these critical resources for domestic development in place of imported oil. The President in the April 1977 national energy plan made the commitment that—

> The Departments of Interior and Agriculture will streamline leasings and environmental review procedures to remove unnecessary barriers to the development of geothermal resources.

We are still waiting, over 2 years later, for action by the administration to act decisively. A geothermal streamlining task force, made up of headquarters and field personnel from leasing agencies reported in January of this year, with a series of over 19 specific recommendations for action to streamline geothermal leasing, but we are still awaiting administration action on them. The institutional paralysis which has gripped this administration since January 1977 now is threatening to cut off the life blood of this Nation's economic and national security, its domestic energy resources.

My bill will act now to effect a major overhaul of all Federal leasing of geothermal resources. All of the recommendations of the streamlining task force, and a host more developed in the Advisory Committee on Geothermal Energy and by our staff, are incorporated in the bill as congressional mandates. Under title II of the bill, the Federal Government will lease with certainty geothermal resources in a timely and predictable way. Within a period of approximately 6 months, the overhaul will be complete as a matter of law and with exceedingly strong imperatives placed on the agencies. This bill would once again free our domestic energy resources on Federal lands from the captive state in which they have been held for the past 10 years.

The bill also would invigorate Federal programs for assistance and incentives in the development and utilization of geothermal technology. The geothermal loan guarantee program, for instance, was established by law in 1974. To date only three guarantees have been granted and some applications have been pending for many months. The program has been caught in the middle of duplicative environmental requirements. All of this has added up to a business-as-usual lethargy, effectively undercutting the clear mandate for aggressive action in the 1974 act. Title III of my bill would attack these problems at their root cause and mandate procedures to insure quick and predictable action on loan guarantee applications.

The Federal program under the 1974 act also has lacked a series of specific initiatives to move forward on all elements of geothermal development. Title III puts those initiatives in place, including reservoir insurance, direct loans for development of nonelectric geothermal districts, as already underway in my capital city of Boise, a program for geothermal use in Federal buildings, facilities, and installations, and a host of other incentives. If we are serious about development of domestic energy supplies, as so many now finally jumping on the bandwagon claim, we have to take immediate action. Continued stagnation is unacceptable.

One of the principal problems in this area of institutional and regulatory paralysis has been the tremendous chilling effect on major energy projects, particularly capital intensive projects such as geothermal electric plants. We must cut through the Gordian knot of interminable environmental, regulatory, and judicial delays which have become standard fare for any energy project today. Because of the inevitably high finance costs resulting from such delays, the projects are simply priced out of existence, even with Federal assistance. Also, the lack of predictability in scheduling drives industry to less acceptable alternatives for domestic energy supply.

Title IV of my bill would remedy that problem for geothermal projects specifically. Deadlines will be set. Federal actions will be taken in a timely manner or the authorities will be lost. Environmental and judicial reviews will be limited to those of absolute necessity. Finally, Congress will reassert itself to establish a national priority and a national goal on getting additional domestic energy supplies on line in a cost effective, timely, and predictable manner.

Finally, Mr. President, title V of my bill would amend various provisions of the National Energy Act from last year to remove disincentives to geothermal development. In both the tax and the regulatory areas of the NEA, there were specific provisions which unnecessarily, and I believe unintentionally, could serve as impediments to geothermal development. The bill would make the necessary amendments to remove the impediments.

In summary, then, Mr. President, the five titles of this bill will serve to mount a major national mobilization to develop our domestic geothermal resources. No longer will these significant resources be sitting by idly, while the Nation becomes increasingly and more critically dependent on foreign cartel oil. Our very freedoms may depend in the years ahead on the actions we take now to move aggressively to develop our own energy resources. Hopefully, this bill will initiate just such an effort in geothermal energy.

I ask unanimous consent that the bill be printed in the RECORD at this point.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1330

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Omnibus Geothermal Energy Development Act of 1979".

TITLE I—FINDINGS AND PURPOSES

SEC. 101. The Congress funds and declares that—

(a) the United States continues to be increasingly dependent on imported oil;

(b) the degree of this dependence has reached a critical level in terms of the economic strength and national security of the United States;

(c) all sources of domestic energy supply must be developed at the maximum possible rate to support an immediate and increasing reduction in the growth of dependence on foreign oil;

(d) geothermal energy, which is a significant energy resource in the United States, heretofore has not been developed at needed rates;

(e) the development of geothermal energy in the United States has been impeded by unacceptable restrictions on leasing of Federal lands and the failure of the Federal Government to provide institutional leadership and aggressive incentive programs for the rapid development of geothermal energy;

(f) the United States must act with determination and mobilize for development now to obtain the maximum possible energy supply contribution from geothermal energy in the next decade.

Sec. 102. It is the purpose of this Act to—

(a) affect a major overhaul of Federal geothermal leasing procedures to support a significant acceleration in the development of geothermal resources on Federal Lands;

(b) revitalize the Federal Government's program for research, development and demonstration leading to rapid commercialization of geothermal resources in the United States;

(c) establish an expedited procedure for the permitting of all priority geothermal energy projects; and

(d) to modify selected statutory programs to increase the emphasis on accelerated development of geothermal energy.

TITLE II—AMENDMENTS TO THE GEOTHERMAL STEAM ACT OF 1970

Sec. 201. This title Act may be cited as "The Geothermal Steam Act Amendments of 1979."

Sec. 202. The Geothermal Steam Act of 1970 (30 U.S.C. 1001, et seq.) is amended as stated in the following sections of this Title. For the purposes of this Title, the term "the Act" shall be defined as the Geothermal Steam Act of 1970 (30 U.S.C. 1001, et seq.)

Sec. 203. Section 1006 of the Act is amended as follows.

(a) Strike, "twenty thousand four hundred and eighty acres", and insert in lieu thereof, "51,200 acres, except that any acreage actively under development or developed by such person shall not be chargeable against such limit, to a maximum of total undeveloped, underdevelopment, and developed acreage of 248,000 acres", and

(b) Strike the second paragraph of the section beginning, "At any time after fifteen years from December 24, 1970,".

Sec. 204. Section 1003 of the Act is amended as follows.

(a) The first paragraph of the section, beginning, "If lands to be leased under this chapter are within any known geothermal resources area," is designated subsection "(a)" and the existing subsections "(a)" through "(f)" are redesignated as paragraphs "(1)" through "(6)", respectively.

(b) Subsection (a) of section 1003, pursuant to the designation in subsection (a) above, is amended by inserting in the second sentence, after "known geothermal resources area", the phrase, "at the time of the filing of the first application for a lease."

(c) Insert a new subsection (b), which reads as follows, "(b)(1) Notwithstanding the provisions of subsection (a), any lands within any known geothermal resources area on the date of enactment of the Geothermal Steam Act Amendments of 1979 shall be subject to the procedures of this subsection.

(2) If any such known geothermal resources area, or portion thereof, has been the subject, before the date of enactment of the Geothermal Steam Act Amendments of 1979, of one or more competitive bidding procedures in which no qualified bids were received, the Secretary shall immediately withdraw the designation of such lands as a known geothermal resources area, and shall immediately make the lands in the area, or portion thereof, available for lease to the first qualified person making application, and such person shall be entitled to a lease without competitive bidding.

(3) If any such lands in a known geothermal resources area have not been the subject of a competitive bidding procedure before the date of enactment of the Geothermal Steam Act Amendments of 1979, the Secretary shall conduct a competitive bidding procedure for all such lands within such area within four months after the date of enactment of the Geothermal Steam Act Amendments of 1979. If, upon completion of such competitive bidding procedure, qualified bids were not received, the Secretary shall immediately withdraw the designation of such lands, for which bids were not received, as a known geothermal resources area, and shall immediately make available such lands, for which bids were not received, for lease to the first qualified person making application, and such person shall be entitled to a lease without competitive bidding.

(4) After the date of enactment of the Geothermal Steam Act Amendments of 1979, any lands within any known geothermal resources area, which has been so designated by the Secretary after such date of enactment, shall be subject to the requirement for leasing to the highest responsible qualified bidder by competitive bidding only if the Secretary determines, on the basis of substantial evidence, that the intended development of any geothermal resource on any such lands is for the primary purpose of the generation of electricity, with total installed capacity in excess of 60,000 kilowatts, for sale. A certified statement of a qualified applicant for a lease for any such lands stating, in effect, that such applicant will not develop any geothermal resource on such lands for the generation of electricity for sale with installed capacity in excess of 60,000 kilowatts (but may do so for installed capacity of 60,000 kilowatts or less), shall be conclusive evidence of such intention and the first such person shall be entitled to a lease without competitive bidding.

(5) Any lands which, pursuant to paragraph (4) above, are subject to a requirement for competitive leasing procedures shall be made available for leases without competitive bidding, in the event of (i) a competitive bidding procedure has been conducted in which there was no bid for such lands, or portion thereof, or (ii) the expiration of 12 months from the date of the designation of the known geothermal resource area, whichever is earlier."

Sec. 205. Subsection 1001(e) of the Act is amended to read as follows,

"(e) "known geothermal resource area" means an area of lands for which there is substantial physical evidence on such lands, including the geology of such lands or a discovery on such lands which would, in the opinion of the Secretary engender a belief in men who are experienced in the subject matter that the prospects for extraction of geothermal resources for the primary purpose of generating electricity in substantial quantity, with in excess of 60,000 kilowatts of installed capacity, are good enough to warrant substantial expenditures for that purpose."

Sec. 206. The Act is further amended by addition of new section 1026., as follows.

"Sec. 1026. (a) There is hereby established, upon enactment of the Geothermal Steam Act Amendments of 1979, the Interagency Geothermal Leasing Committee, hereinafter referred to as "the Committee"., The Committee shall be chaired by an Assistant Secretary of Energy and shall include an Assistant Secretary of Interior, an Assistant Secretary of Agriculture, representatives of the Bureau of Land Management, the Geological Survey, and the Forest Service, and representatives of any other Department or agency which the Secretary of Energy, from time to time, may designate.

(b) It shall be the function of the Committee to review not less than quarterly the activities of the several Departments and agencies pursuant to this Act, as amended by the Geothermal Steam Act Amendments of 1979, and to take such action as may be necessary to ensure the full implementation of this Act, as amended.

(c) The Committee shall make a report to the Secretaries of Agriculture, Energy and Interior and the appropriate Committees of Congress within six months after enactment of the Geothermal Steam Act Amendments of 1979, and quarterly thereafter, on the status of the leasing activities under this Act, as amended. Such reports shall include the specific status of all lands, and all applications for leases of such lands subject to this Act, as amended.

(d) Pursuant to the authorities of this section, the Committee shall annually commission, and review the results of a report by, a leasing streamlining task force, consisting of both headquarters and field personnel of agencies with leasing authorities under this Act.

(e) The Committee shall report to the Interagency Geothermal Coordinating Council established pursuant to Public Law 93–410, as amended, and shall be responsive to any request from the Council for information analysis, and recommendations in the area of geothermal leasing.

(f) The Committee shall commission and publish, with the cooperation and assistance of the respective Departments and within four months of the date of enactment of the Geothermal Steam Act Amendments of 1979, a comprehensive handbook of regulations for geothermal leases and operations on the Federal lands, including all relevant information for filing applications, identifying public lands available for lease, and lease and operating procedures.

(g) The Committee shall commission, with the cooperation and assistance of the respective Departments and within four months of the date of enactment of the Geothermal Steam Act Amendments of 1979, a training and education program on geothermal leasing and operations for Federal surface management field managers in the respective Departments and agencies.

(h) The Committee, with the cooperation and assistance of the respective Departments and agencies, shall immediately initiate activities to establish intra-agency and interagency coordinators for the purpose of expediting geothermal leasing and permitting actions in the respective field and headquarters offices of the respective agencies and Departments, and to clarify or modify any interagency agreements to ensure the immediate and full implementation of improvements in the coordination and time effectiveness of all geothermal leasing and operating activities.

(i) The Committee shall make specific recommendations to each of the respective Secretaries and to the Office of Management and Budget, as part of the annual process for preparation of the next fiscal year budget and at such time to be consistent with the respective Departmental schedules for such preparation, on the number of personnel necessary in headquarters and field assignments, and such other resources as may be required, to carry out the provisions of this Act in a timely and effective manner. Such recommendations shall be forwarded to the appropriate Committees of the Congress, including the Committee on Energy and Natural Resources of the Senate and the Committee on Interior and Insular Affairs of the House of Representatives, as part of each fiscal year budget submission for each such Department or agency.

Sec. 207. Sec. 1023 is amended by inserting the following, at the end thereof. "The Secretary shall prescribe such amendments to existing rules and regulations or such new rules and regulations as may be necessary to carry out the Geothermal Steam Act of 1979 within sixty days of enactment of such Act. Such amended or new rules and regulations shall not be construed in any Administrative or judicial proceeding to be a "major federal action" for the purposes of subsection 102(2)(c) of the National Environmental

Policy Act and shall not be the subject of an environmental impact statement pursuant to such Act.

SEC. 208. The Act is further amended by addition of new section 1027., as follows.

"SEC. 1027. The Secretary of Agriculture, and the Secretary of Interior, in consultation with the Secretary of Energy, shall, immediately upon the enactment of the Geothermal Steam Act Amendments of 1979, seek to develop cooperative agreements with the Governor of each State, in which are located lands subject to this Act, and appropriate agencies and political subdivision thereof, for voluntary cooperation, to the maximum extent possible, between all such State agencies and political subdivisions and each Federal agency with responsibility for geothermal leasing and operations pursuant to this Act. Such cooperation should include, but not be limited to, coordination of requirements for and preparation of any required environmental analyses or impact statements, coordination of related decisions on State and local permits and approvals with Federal lease and operations approvals and permits, and coordination of related decisions on Federal, State and local land use planning. The Secretaries shall submit a report to Congress six months after the enactment of the Geothermal Steam Act Amendments of 1979, and semi-annually thereafter, on the status of such agreements with each such State, and the effectiveness of such agreements. The report also shall contain any recommendations for further action to obtain the necessary coordination and cooperation between State agencies, local governments and Federal agencies to ensure the timely completion of all geothermal leasing and operating requirements."

SEC. 209. The Act is further amended by addition of new section 1028, as follows.

"SEC. 1028. The Secretary shall immediately implement the following new leasing and operating procedures, which shall be effective upon enactment of the Geothermal Steam Act Amendments of 1979.

(a) Lease application information shall indicate clearly and concisely all requirements for information and action by the applicant necessary for timely processing of the application, the responsible officials with their respective responsibilities and contact information, the specific steps in the process, the time limits for such steps, and any options or appeals available to the applicant, among any other relevant information. To the maximum extent feasible, all requirements for information and action by the applicant, such as the geothermal resources exploration bond form and such bonding, shall be uniform among the several Departments.

(b) A lease application shall be reviewed and an initial report prepared within thirty days of filing, indicating the results of the initial review, what disposition is proposed, and the projected time to complete action on the applictaion.

(c) All action on a lease application shall be complete within one year of the filing of the application.

(d) A permit application, pursuant to a lease, shall be reviewed and an initial report prepared within thirty days of filing, indicating the results of the initial review, what disposition is proposed, and the projected time to complete action on the application.

(e) All action on a permit application, pursuant to a lease, shall be complete within ninety days of filing of the application. Any delay beyond ninety days in final action on the permit application shall result automatically in—

(i) an extension in the term of the lease equivalent to the total time elapsed from the date of filing of the permit application until final action is complete, and

(ii) removal of the obligation of the lessee to pay that percentage of the annual rental for that year or years equivalent to the percentage of that year or years which is represented by the total days from the date of filing of the permit application to the date when final action is complete.

(f) Any lease applications or permits applications already filed and pending on the date of enactment of the Geothermal Steam Act Amendments of 1979 shall be subject to subsections (b), (c), (d), and (e) above, and the time limits in such subsections shall apply to such applications, as if the filing date of such applications occurred on the date of enactment of such Act: *Provided, however, that* this subsection shall not be used to delay any earlier processing of such applications, and all such pending applications shall receive the highest priority in the implementation of this section.

(g) The Committee established by Section 1026 of this Act shall include in its reports, complete statistics and comments on the performance of each agency and Department in satisfying the requirements of this section.

(h) The Secretary in consultation with the Secretary of Agriculture and the Secretary of Energy, shall ensure to the maximum extent feasible that all Federal geothermal leasing and operating procedures, regulations, and rules are consistent with the requirements of this section. To that end, the Secretaries, acting through the Committee established in section 1026, shall conduct a thorough review of all such procedures, regulations and rules within six months after the enactment of the Geothermal Steam Act Amendments of 1979.

(i) The Secretary shall, in the preparation of any environmental assessment or environmental impact statement required by the National Environmental Policy Act for any action under this Act, to the maximum extent feasible, utilize any relevant information contained in an applicable and available land management plan developed pursuant to the Federal Land Management and Policy Act or in an applicable and available Forest Management Plan pursuant to the National Forest Management Act. The Secretary, under the Federal Land Management and Policy Act, and the Secretary of Agriculture, under the National Forest Management Act shall, to the maximum extent feasible, include geothermal resources in all land management plans and all forest management plans, respectively, for Federal lands subject to this Act and in any future amendments to such plans. This subsection shall not be construed as a requirement to delay any environmental assessment, or consideration of such an assessment, otherwise complete in the opinion of the Secretary, to include or consider additional information contained in any such land management plan or such forest management plan, or under development for such a plan.

(j) The Secretary of Energy, in consultation with the Secretaries of Agriculture and Interior, pursuant to the authority of this section and consistent with the responsibilities of the Secretary pursuant to the Department of Energy Organization Act, shall establish annual goals for the five future fiscal years for geothermal leasing pursuant to this Act consist with the national need to explore, develop and utilize, to the maximum extent feasible, national geothermal resources. The goals shall be revised annually to cover the ensuing five years. Establishment and revision of these goals shall not be subject to the requirements of section 102(2)(c) of the National Environmental Policy Act. The Secretaries of Agriculture and Interior will use the full authorities and resources available to the respective Departments to achieve the annual goals established pursuant to this subsection. Each set of goals for a five year period shall be published in the Federal Register.

(k) The Secretary, in consultation with the Secretaries of Energy and Agriculture, shall develop, within six months of the enactment of the Geothermal Steam Act Amendments of 1979, a procedure for use in the expedited consideration and approval of any permits for exploration and testing to investigate the location, type, and quantity of the geothermal resource available, including drilling of small-diameter, deep test-holes, completion of up to three full-size protoype test wells, and operation of small well head generating units for up to one hundred and eighty days for testing purposes, and such other related operations as may be included in the procedure. The procedure shall include national, state, or regional standards, as determined by the Secretary, and shall be on a uniform standard and criteria for the aforementioned exploration and test activity, with approval based on a minimum thirty-day prior notification by the lessee, and subject to inspection by the Secretary for conformance with the prescribed standard and criteria in force for such lands. The Secretary, pursuant to this section and other provisoins of this Act, would have full authority to suspend, terminate or otherwise take appropriate action in the event of nonconformance with the prescribed standard and criteria, or as authorized otherwise by this Act. Any requirements of section 102(2)(c) of the National Environmental Policy Act applicable to any such exploration and testing activities shall be deemed to be satisfied by any action by the Secretary pursuant to such section 102(2)(c) during the establishment of the procedures required by this subsection.

SEC. 210. Section 1004 of the Act is amended by including a new subsection as follows:

"(e) The annual rental required by this section shall not be readjusted at intervals of less than ten years from the anniversary date, and any such readjustment shall be based only on the value of such lands in an undeveloped condition, and not on such value in a developing or developed condition."

SEC. 211. The Act is further amended by addition of new section 1029 as follows:

"SEC. 1029. (a) Any applicant for a lease pursuant to this Act, on or after the date of enactment of the Geothermal Steam Act Amendments of 1979, shall be entitled to but not obligated to use, a conditioned development lease with a phased environmental assessment and leasing procedure, as part of the processing of any lease application pursuant to this section. On the basis of the voluntary election of the applicant to utilize the phased environmental assessment and leasing procedure, the lease application will be processed in accordance with subsection (b).

(b) If an applicant makes the voluntary election, pursuant to subsection (a), the Secretary shall only consider, in satisfaction of any applicable requirements of the National Environmental Policy Act, if any, the environmental impacts directly and immediately resulting from exploration and testing to investigate the location, type and quantity of geothermal resources, including drilling of small-diameter, deep test-holes, completion of up to three full-size protoype test wells, and operation of small well-head generating units for up to 180 days for testing purposes, and such other activity as the Secretary may authorize for purposes of such exploration and investigation. Upon completion of any such consideration, and satisfaction of any other requirements for the qualification and eligibility of the applicant pursuant to this Act, the Secretary shall issue a conditioned development lease with a stipulation that the lessee is authorized only to conduct the aforementioned activities for exploration and testing to investigate the location, type and quantity of geothermal resources on the lease, unless the requirements of subsection (c) are satisfied.

(c) If the lessee under a conditioned development lease proposes to conduct any further operations of a developmental nature on the leasehold, the lessee must prepare an approvable detailed plan of development and utilization, in accordance with requirements for such plan specified by the Secretary. The Secretary shall review and consider such plan pursuant to the requirements of the National Envionmental Policy Act and any other requirements of this Act. The lessee may conduct further operations of a developmental nature and subsequent utilization only upon approval of the detailed plan, or an amended plan. All review and final action of such plan must be complete within one year from the date of submission. Any delay beyond the one year limit shall result automatically in—

(i) an extension in the term of the lease equivalent to the total time elapsed from the date of submission of the detailed plan to the date final action is complete, and

(ii) removal of the obligation of the lessee to pay that percentage of the annual rental for that year or years equivalent to the percentage of that year or years which is represented by the total days from the date of submission of the detailed plan to the date when final action is complete.

(d) The Secretary of Agriculture and the Secretary of Interior, pursuant to the requirements of section 1027, shall also attempt to obtain state and local govenment agreement, on a voluntary basis, to coordinated adoption of a procedure similar to that in this section for state and local approvals associated with a Federal lease and operations under this section.

(e) Notwithstanding any other provision of law, the procedures specified in this section shall be available for exploratory and testing activities described in subsection (b) on lands subject to this Act included in wilderness study areas pursuant to the Wilderness Act of 1974 and the Federal Land Management and Policy Act. Such exploration and testing activities, however, on such lands shall not be conducted in a manner which would permanently impair wilderness values in such wilderness study areas.

Sec. 212. The Act is further amended by addition of new section 1030, as follows:

"Sec. 1020. (a) Notwithstanding any other provision of this Act, the Secretary is authorized, and directed, pursuant to such regulations as he shall promulgate, to grant at no cost a permit for use of a geothermal resource to the surface owner or occupant of lands subject to this Act, if the use of the geothermal resource is direct by such person in a residence, farm, or small business property, does not involve any generation of electricity, does not involve sale of the resource in commerce, does not involve significant commercial development, and involves only relatively small quantities of such resource. The use of the geothermal resource pursuant to such a permit shall not be inconsistent with any lease issued pursuant to this Act prior to the grant of the permit. Any lease issued subsequent to the grant of such permit shall, to the maximum extent practicable, not be inconsistent with such permit. The granting of a permit pursuant to this section shall not be subject to the requirements of section 102(2)(c) of the National Environmental Policy Act.

(b) The Secretary is authorized and directed to grant permits, pursuant to subsection (a), also to any surface owner of lands under the Stock-Raising Homestead Act, where mineral rights were reserved by the United States, who prior to the denial by the Supreme Court of certiorari in *U.S. vs. Union Oil* had established a use of the geothermal resource on such lands: Provided that such a permit shall limit the future use of such geothermal resources to the use authorized in subsection (a) and any well for such established use shall not be extended to a depth beyond that permitted under subsection (a).

Sec. 213. The Act is further amended by addition of new section 1031, as follows.

"Sec. 1031. Notwithstanding any other provision of law, any Federal agency with an installation or facility on, contiguous to, or in the immediate vicinity of lands subject to this Act are authorized to apply for and receive a lease pursuant to this Act for use of any geothermal resource in such installation or facility, if the Secretary of Energy and the Secretary of Interior concur, after prior public notice in the Federal Register and by general publication in the vicinity of such installation or facility, that such lease will not discourage or preclude commercial development of geothermal resources on such lands, or in the immediate vicinity of such lands (except commercial development solely or primarily based on sale of the geothermal resource to such Federal agency for use at such installation or facility). Such Federal agency shall be authorized to sell or transfer at a reasonable rate incidental quantities of the geothermal resource to the surrounding community. If no further development by commercial interests occurs after a reasonable period of time, such Federal agency may sell or transfer at reasonable rates to the surrounding community such quantities of the geothermal resource as may be available from the production and are excess to the requirements of the installation or facility.

Sec. 214. The Act is further amended by addition of new section 1032, as follows:

Sec. 1032. The Secretary and the Secretary of Defense, and any other appropriate official designated by the Secretary are directed to complete a comprehensive review of geothermal leasing procedures for withdrawn and acquired lands and to submit a report to the appropriate Committees of Congress, within 60 days after enactment of the Geothermal Steam Act Amendments of 1979.

Sec. 215. (a) Subsection 1001(c) of the Act is amended by striking "geothermal steam and asociated geothermal resources", and inserting in lieu thereof, "geothermal resources."

(b) The term "geothermal resources" shall be inserted in any other provision of the Act as a substitute for "geothermal steam" or "steam" or "geothermal steam and associated geothermal resources", wherever appearing.

Sec. 216. (a) The Act is further amended by adding new section 1033, as follows.

"Sec. 1033. The Secretary within sixty days after enactment of the Geothermal Steam Act Amendments of 1979 shall establish and implement orderly and expeditious procedures for the processing of all lease and permit applications pursuant to this Act. The procedures shall require that all such applications shall be approved or disapproved within time limits specified in other sections of this Act. Such procedures shall include, at a minimum, explicit direction on the handling of such applications, express deadlines for the solicitation and collection of views of the consulted officials in the Department of Interior and in any other appropriate Department or agency (with identified officials responsible for meeting such deadlines), a Department of Interior coordinating authority to monitor the processing of such applications, predetermined procedures for expeditious handling on intra-Department and inter-agency disagreements and appeals to higher authorities, and similar administrative mechanisms. To the maximum extent practical, an applicant should be advised of all information required of the applicant for the entire process for every Departmental element and agency's needs at the beginning of the process. Potentially controversial applications should be identified as quickly as possible so that any required policy decisions or consultations can be initiated in a timely manner. An immediate effort should be undertaken to establish quickly any necessary standards and criteria, including the nature of any required assurances, certifications or evidentiary showings, for the decisions required by this section. The processing of any application proposed and filed as of the date of enactment of the Geothermal Steam Act Amendments of 1979 shall not be delayed pending the implementation of these procedures. Any such application, however, shall be subject to final approval or disapproval in not more than the maximum time allowable, pursuant to other sections of this Act, after such enactment.

TITLE III

AMENDMENTS TO THE GEOTHERMAL ENERGY RESEARCH, DEVELOPMENT, AND DEMONSTRATION ACT OF 1974

Sec. 301. This title of this Act may be cited as "Geothermal Research, Development and Demonstration Amendments of 1979."

Sec. 302. The Geothermal Energy Research, Development, and Demonstration Act of 1974 (30 U.S.C. 1101, et seq.) as amended further by Public Law 95-238, Title V, is amended further, as stated in the following sections of this Title. For the purposes of this Title, the term "the Act" shall be defined as the aforementioned act.

Sec. 303. Strike 1121, and insert in lieu thereof,

"Sec. 1121 Interagency Geothermal Coordinating Council,

(a) There is hereby established the Interagency Geothermal Coordinating Council.

(b) The Secretary of Energy, or an Assistant Secretary of Energy designated by the Secretary shall serve as Chairman of the Council.

(c) The members of the Council shall include:

(A) One appointed by the President;

(B) an Assistant Director of the National Science Foundation;

(C) an Assistant Secretary of Interior;

(D) an Assistant Secretary of Commerce;

(E) an Assistant Secretary of Defense;

(F) an Assistant Secretary of Housing and Urban Development;

(G) an Assistant Secretary of Agriculture.

(H) an Assistant Administrator of the Farmers Home Administration.

(d) Each of the Departments and agencies represented on the Council, and any agency thereof, is authorized and directed to assist the Council in its functions under this Act and, to the maximum extent feasible, include the development of geothermal energy as a relevant objective and consideration in any program authorized for such agency or Department.

(e) The Council shall be assisted by an Advisory Committee on Geothermal Energy, subject to the provisions of the Department of Energy Organization Act.

(f) The responsibilities assigned to the Chairmen by other sections of this Act shall be discharged by the Secretary of Energy, consistent with the Department of Energy Organization Act, with appropriate coordination and consultation with other Departments and agencies represented on the Council.

Sec. 304. Section 1143 of the Act is amended by striking "1974" and insert in lieu thereof "1979".

Sec. 305. Subsection 1141(c) of the Act is amended by inserting at the end thereof,

"Publicly owned utilities including, but not limited to, municipal utilities, geothermal utility districts, and rural cooperatives, as shall be prescribed by the Secretary of Energy and small businesses, as shall be defined by the Secretary of Energy, may receive such guaranty of up to 90% of such aggregate cost of the project.

SEC. 306. The Act is further amended by adding new section 1146, as follows,

"SEC. 1146. The Administrator of the Small Business Administration, the Administrator of the Rural Electric Administration, the Administrator of the Farmers Home Administration, and the Secretary of Housing and Urban Development may, with the express approval of the Secretary of Energy, utilize funds in the Geothermal Resources Development Fund established by section 1144 of this Act, and the procedures of subsection 1144(c), for the purpose of providing loan or loan guarantee assistance, consistent with the objectives of this Act, for geothermal energy development and directly related activity, by means of loan and loan guarantee programs otherwise authorized by law in such agencies and departments. Such assistance shall be in full conformance with any requirements or limitations in such laws authorizing such assistance. The total amount of all such assistance using the Geothermal Resources Development Fund shall not exceed $50 million of the total amount of funds available in the Fund in any fiscal year.

SEC. 306. The Act is amended further by striking "Administrator" wherever it appears and inserting in lieu thereof, "the Secretary of Energy".

SEC. 307. The Act is amended by adding new section 1127, as follows,

"SEC. 1127. (a) The Secretary of Energy is authorized and directed to establish a program of assistance for the accelerated development of geothermal resources for nonelectric applications by geothermal utility districts, geothermal industrial development districts and projects, and other persons.

"(b) The Secretary is authorized to make a loan to any qualified applicant, pursuant to subsection (a), to defray the costs of up to 90 per centum for i) studies to determine the feasibility of such geothermal development pursuant to subsection (a) and ii) preparing any application for any necessary license or other Federal, State and local approvals respecting such development. The Secretary may cancel the unpaid balance and any accrued interest on any loan granted pursuant to this subsection if he determines on the basis of the study, that such development is not technically or economically feasible.

"(c) The Secretary is authorized to make a loan to any qualified applicant, pursuant to subsection (a), to defray the costs of up to 75 percentum of the costs directly related to the construction of systems for nonelectric geothermal development pursuant to subsection (a), where the Secretary finds—

"i) all necessary licenses and other required Federal, State and local approvals for construction of systems have or will be issued,

"ii) the project will have no significant adverse impact on the environment, and

"iii) the applicant requires such assistance for the project.

"(d) Each loan made pursuant to this section shall bear interest at the discount or interest rate used at the time the loan is made for water resources planning projects under section 80 of the Water Resources Development Act of 1974 (42 U.S.C. 1962–17 (a)). Each loan shall be for such term, as the Secretary deems appropriate, but not in excess of 10 years for loans under subsection (b) and 30 years for loans under subsection (c).

"(e) Amounts repaid on loans made pursuant to this section shall be deposited in the Geothermal Resources Development Fund. Loans pursuant to this section shall be funded by the Geothermal Resources Development Fund. There are hereby authorized to be appropriated to the Geothermal Resources Development Fund, for the purposes of this section, $50 million in Fiscal Year 1980, which shall remain available until expended.

"(f) The Secretary of Interior, in consultation with the Secretary of Energy, shall prescribe procedures, notwithstanding any provision of the Geothermal Steam Act of 1970 (30 U.S.C. 1001, et. seq.), for the Secretary of Interior, in his discretion to grant preference to a lease application associated with a project approved for or already receiving assistance pursuant to this section."

SEC. 308. The Act is further amended by adding new section 1147, as follows,

"SEC. 1147. The Secretary shall ensure, to the maximum extent possible, that any action associated with a loan guarantee under this chapter, which is pursuant to section 102(c) of the National Environmental Policy Act, takes the maximum cognizance allowable under law of any other action associated with the project, which is the subject of the loan guaranty. No such action associated with the loan guaranty shall duplicate any such action associated with such project."

SEC. 309(a) The Act is further amended by adding new section 1148, as follows,

"SEC. 1148. The Secretary of Energy within sixty days after enactment of the Geothermal Research, Development and Demonstration Amendments of 1979 shall establish and implement orderly and expeditious procedures for the processing of loan guarantee applications pursuant to subchapter II of this Act. The procedures shall require that all such applications shall be approved or disapproved within four months of the date of filing. Such procedures shall include, at a minimum, explicit direction on the handling of such applications, express deadlines for the solicitation and collection of views of the consulted officials in the Department of Energy and in any other appropriate Department or agency (with identified officials responsible for meeting such deadlines), a Department of Energy coordinating authority to monitor the processing of such applications, predetermined procedures for expeditious handling on intra-Department and interagency disagreements and appeals to higher authorities, and similar administrative mechanisms. To the maximum extent practical, an applicant should be advised of all information required of the applicant for the entire process for every Departmental element and agency's needs at the beginning of the process. Potentially controversial applications should be identified as quickly as possible so that any required policy decisions or consultations can be initiated in a timely manner. An immediate effort should be undertaken to establish quickly any necessary standards and criteria, including the nature of any required assurances, certifications or evidentiary showings, for the decisions required by this seciton. The processing of any application proposed and filed as of the date of enactment of the Geothermal Research, Development and Demonstration Amendments of 1979 shall not be delayed pending the implementation of these procedures. Any such application, however, shall be subject to final approval or disapproval in not more than four months after such enactment.

(b) The Secretary of Energy shall include in the procedures required by subsection (a) expedited consideration of loan guarantees for non-electric applications of geothermal energy, generally, and specifically for nonelectric applications by municipal utilities, geothermal utility districts, geothermal industrial development districts, rural cooperates and other such public entities seeking to develop geothermal energy for community, rural and local industrial applications.

SEC. 310. The Act is further amended by adding a new section 1128, as follows,

"SEC. 1128. (a). The Secretary of Energy shall initiate immediately a full and complete review of all relevant considerations associated with the significantly accelerated development of geopressured methane in the United States and on the outer continental shelf, with primary emphasis on legal, institutional, and regulatory barriers to such development. The review also shall address the current status of technology development to support such accelerated development, and shall consider the earliest opportunities for demonstration efforts. The review shall be coordinated with the Interagency Geothermal Coordinating Committee pursuant to Section 1121. The Secretary shall submit a report to the Congress, within six months of the enactment of the Geothermal Research, Development and Demonstration Amendments of 1979, with appropriate recommendations for any administrative or legislative actions necessary to support such accelerated development of geopressured methane.

(b) The Secretary of Energy and the Secretary of Interior shall initiate immediately a full and complete review of all relevant considerations associated with the significantly accelerated development of the potential of hot dry rock systems in the United States, with primary emphasis on the status of technology development to support such accelerated development. The review also shall address the earliest opportunities for demonstration projects, specifically including such projects at facilities and installations of the Federal government. The review additionally shall consider any legal, institutional or regulatory barriers to such development. The review shall be coordinated with the Interagency Goethermal Coordinating Committee pursuant to section 1121. The Secretary shall submit a report to the Congress, within six months of the enactment of the Geothermal Research, Developvelopment and Demonstration Amendments 1979, with appropriate recommendations for any administrative or legislative action necessary to support such accelerated development of hot dry rock systems.

(c) The Secretary of Energy, in coordination with the Interagency Geothermal Coordinating Committee pursuant to section 1121, and with the Administrator of the Environmental Protection Agency, shall immediately conduct a full and complete review of the need for environmental control technology, generic or specialized for a particular form of geothermal energy, to support, pursuant to all applicable Federal environmental laws, the significantly accelerated development of all forms of geothermal energy. The review shall also include the adequacy of the Department of Energy's environmental control technology development program for geothermal energy. The Secretary shall submit a report or the review to the Congress, within six months of the enactment of the Geothermal Research, Development and Demonstration Amendments of 1979, with appropriate recommendations for any administrative or legislative actions necessary to support such accelerated development of all forms of geothermal energy in the United States.

SEC. 311. The Act is further amended by adding a new section 1149, as follows,

"SEC. 1149(a). The Secretary of Energy is authorized and directed to establish and implement within six months of the enactment of Research, Development and Demonstration Amendments of 1979 a program, in cooperation with the insurance and reinsurance industry, to provide reservoir insurance to any qualified, eligible applicant.

(b) For the purposes of this section, the term—

(1) "investment" means the expenditure of, and any irrevocable legal obligation to expand, funds (together with the reasonable interest costs thereof) for the purchase or construction of machinery, equipment and facilities manufactured, or for services contracted to be furnished, for the development and utilization of a geothermal re-

source in the United States to provide energy in the form of heat for direct use or for generation of electricity;

(2) "geothermal resource" means a resource in the United States including: (1) all products of geothermal processes embracing indigenous steam, hot water and hot brines; (ii) steam and other gases, hot water and hot brines resulting from water, gas or other fluids artificially introduced into geothermal formations; (iii) heat or other associated energy founding geothermal formations; and (iv) any byproduct derived from them, where "byproduct" means any mineral or minerals (exclusive of oil, hydrocarbon gas and helium) which are found in solution or in association with other geothermal resources and which have a value of less than 75 per centum of the value of the geothermal steam or are not, because of quantity, quality, or technical difficulties in extraction and production, of sufficient value to warrant extraction and production by themselves;

(3) "risk" means the hazard that a reservoir of geothermal resources will cease to provide sufficient quantities of geothermal resource at minimum conditions required to maintain an economically or technically viable operation for utilization of the geothermal resource;

(4) "reasonable premiums" means premium amounts determined by the Secretary to be reasonable in light of the amount of investment subject to the risk and premiums charged in similar or analogous situations by private insurers where private insurance is concerned and by insurers or guarantors, both public and private, where public insurance is concerned;

(5) "other insurance" means any combination of private or public insurance other than investment insurance provided by the Secretary under this section;

(6) "reservoir" means the physical subsurface geologic structure which forms the natural repository for the undisturbed geothermal resource;

(7) "person" means any public or private agency, institution, association, partnership, corporation, political subdivision, or other legal entity, where any such entity is a U.S. citizen, as determined by application of the test for U.S. citizenship contained in section 802 of Title 46, United States Code.

(c) Any person with a total direct investment of not less than $1 million in the development and use, not including exploration and testing, of a geothermal resource associated with a reservoir, and unable to obtain other insurance at reasonable premiums for the amount of his investment subject to risk, as determined by the Secretary under this section, shall be eligible for investment insurance.

(d) Any eligible person seeking investment insurance under this section shall file an application with the Secretary setting forth: (i) the total amount of the contemplated investment in a geothermal resource and associated reservoir; (ii) the views of the applicant concerning the nature and extent of the risk, including a complete geologic, engineering and financial assesment based on site specific results of exploration and testing of the geothermal resource and the reservoir; (iii) the status of all required Federal, State and local approvals, permits, and leases for the proposed development and utilization operations at the site; (iv) the extent to which the applicant has been able to obtain other insurance against the risk; and such other information as the Secretary may require.

(e) The Secretary, within ninety days of receipt of a satisfactory application, shall determine in writing and submit to the applicant: (i) the risk which may cause loss of investment for the applicant; (ii) the total investment subject to the risk; (iii) the amount of other insurance which is available at reasonable premiums for the purpose of indemnifying the applicant against the risk; (iv) the amount of investment insurance available pursuant to this section, which shall be the difference between the total investment subject to risk and the total other insurance determined to be available at reasonable premiums, but not in excess of 90% of, or $50 million of, whichever is the lesser, the loss of investment subject to risk; and (v) any reasonable terms and conditions necessary for the prudent administration of the program, including reasonable premiums for the insurance pursuant to this section.

(f) The Secretary, within ninety days of the determinations under subsection (e), and upon agreement of the applicant to the determinations, shall issue a certificate of insurance, which shall not be transferrable without the express approval of the Secretary for good cause shown, with any specified terms and conditions and shall execute a contract with the applicant setting forth the terms and conditions of the investment insurance, and such other provisions as may be necessary to protect the interests of the United States, including ownership, use and disposition of any currency, credits, assets or investments on account of which payment under such insurance is to be made, and any right, title, claim or course of action existing in relation thereof.

(g) Any holder of a certificate of insurance pursuant to subsection (f) who claims a loss of value of his investment by reason of the risk shall receive compensation to the extent the Secretary determines that: (i) such holder is eligible to receive compensation pursuant to the certificate and the contract; (ii) the amount and loss incurred by the holder which is subject to insurance and for which the holder has not received and will not receive compensation from other insurance.

(h) Any compensation received by the holder shall be withdrawn from the Geothermal Resources Development Fund. The full faith and credit of the United States is hereby pledged to the payment of any compensation under this section.

(i) A person shall not be denied insurance pursuant to this section, solely because such person is the recipient of any other Federal assistance under this Act, or any other Act.

(j) There are hereby authorized to be appropriated to the Geothermal Resources Development Fund such sums as may be necessary for the specific purposes of this section.

(k) The Secretary may also enter into agreements to reinsure any private insurer for any risk associated with insurance for development and utilization of a geothermal resource and associated reservoir, using the procedures of subsections (c) through (i), as he deems appropriate to provide an incentive for the participation of the private insurance industry in geothermal development. The Secretary also is authorized and directed to use any other available authority to obtain such greater participation of the private insurance industry. The Secretary shall submit a report to Congress within one year of the enactment of the Geothermal Research, Development and Demonstration Amendments of 1979 on the need for any additional authorities to obtain such participation.

SEC. 312. The Act is further amended by adding a new section 1129, as follows,

"SEC. 1129. The Secretary of Energy is authorized and directed to initiate a new program for utilization of geothermal energy in Federal buildings, Federal facilities and Federal installations in the United States. The program shall, to the maximum extent feasible, be developed in full coordination with the existing programs for solar utilization and energy conservation in Federal buildings and installations. The Secretary is authorized to cost share with any other Federal agency or Department the incremental increase in retrofit or new construction costs resulting from initial capitalization of any such geothermal system in a Federal building, Facility or installation, to the extent the Secretary deems appropriate to provide a further incentive for geothermal development in a given geographical area or on a nationwide basis. The Secretary also shall direct each power marketing administration in the Department of Energy to consider affirmatively the development and use of geothermal energy in its system. The option of use of geothermal energy shall be considered fully in any new Federal building, facility, or installation in known geothermal resource areas.

TITLE IV—PRIORITY GEOTHERMAL ENERGY PROJECT ACT

SEC. 401. This title may be cited as the "Priority Geothermal Energy Project Act of 1979".

PURPOSES

SEC. 402. The purposes of this title are—

(a) to provide for a coordinated, prompt, and simplified process for Federal approval of geothermal energy facilities that are determined to be in the national interest;

(b) to expedite the Federal approval process without expanding or diminishing existing substantive Federal authority over proposed geothermal energy facilities and without unduly interfering with the present statutory authorities and responsibilities of individual Federal agencies; and

(c) to foster integration of local, State, and Federal procedures for permitting, licensing, and approving geothermal energy facilities which are determined to be in the national interest.

DEFINITIONS

SEC. 403. As used in this title the term—

(a) "approval" means any permit, license, lease, right-of-way, or other grant issued by an agency of Federal, State, or local government;

(c) "geothermal energy facility" means any physical structure, including any equipment, building, well, rig, pipeline, transmission line, processing facility, transportation device, manufacturing facility, or installation which will facilitate geothermal energy exploration, development, demonstration, production, or commercialization in any form, including, but not limited, to any facility owned or operated in whole or in part by Federal, State, or local government or any combination thereof;

(d) "Federal agency" means an executive agency as defined in section 105 of title 5 of the United States Code;

(e) "person" means any individual, cooperative, partnership, corporation, association, consortium, unincorporated organization, trust estate, or any entity organized for a common business purpose, and any instrumentality of Federal, State, or local government;

(f) "priority geothermal energy project" means a project which has been determined by the Secretary of Energy to be in the national interest pursuant to his authority—under section 204 of this title;

(g) "project" means any plan, proposal, scheme, or undertaking to build, install, or in any other way produce an energy facility;

(h) "Secretary" means the Secretary of Energy; and

(i) "State" means any of the fifty States, the District of Columbia, Puerto Rico, the Virgin Islands, Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands.

AUTHORITY TO DESIGNATE PRIORITY ENERGY PROJECTS

SEC. 404. The Secretary of Energy is hereby authorized to designate a proposed geothermal energy facility as a priority geothermal energy project pursuant to the procedures and criteria provided in this title.

AUTHORITY TO APPLY FOR PRIORITY STATUS

SEC. 405. (a) Any person planning or proposing a geothermal energy facility may apply to the Secretary of Energy for an order designating such facility as a priority geothermal energy project.

(b) The Secretary shall publish notice of the filing of the designation request, together with a description thereof in the Federal Register; and interested persons shall be afforded thirty days thereafter within which to submit written comments for the Secretary's consideration.

PROCEDURE AND CRITERIA FOR DESIGNATING PRIORITY ENERGY PROJECTS

SEC. 406. (a) Not later than forty-five days after receipt of an application authorized under the previous section, the Secretary shall determine whether the proposed geothermal energy facility is of sufficient national interest to be designated a priority geothermal energy project and shall publish his decision in the Federal Register. In making such a determination the Secretary shall consider—

(1) the increase in availability of a non-Fossil, domestic energy resource;

(2) the extent to which the facility would reduce the Nation's dependence upon imported oil or natural gas;

(3) the magnitude of any adverse environmental impacts associated with the facility and the existence of alternatives that would have fewer adverse impacts;

(4) the extent to which the proposed facility would contribute to the development of new geoethermal production or utilization technologies and techniques;

(5) the time that would normally be required to obtain all necessary Federal approvals and the adverse impacts that would result from delay in completion of the proposed facility; and

(6) the degree of specificity in describing the proposed facility in the application.

(b) Notwithstanding subsection (a) all geothermal electric powerplants of at least of 10 MWe capacity and any non-electric geothermal utility district or similar public-owned entity shall be designated a priority geothermal energy project pursuant to this section.

EXTENSION OF DEADLINES

SEC. 407. The Secretary may extend the deadline for receiving public comments under section 405(b) and the time for ruling on an application for priority energy project status under section 406 if such application is incomplete or if more time is necessary to afford interested parties a reasonable time to comment.

RELATION TO NATIONAL ENVIRONMENTAL POLICY ACT

SEC. 408. A determination by the Secretary under section 406 of this title is not a major Federal action within the meaning of section 102(2) of the National Environmental Policy Act of 1969.

EARLY ACTION REQUIREMENT

SEC. 409. The Secretary shall encourage prospective applicants under section 205 to contact the Office established under section 223 and to file applications for any necessary Government actions or approvals with the appropriate agencies as soon as possible in order that any eventual action or decision may be expedited. The Secretary shall consider any failure to contact the Office for Priority Energy Projects in a timely fashion in making his determination on an application under section 206.

FEDERAL AGENCIES REQUIRED TO SUBMIT INFORMATION

SEC. 410. Not later than thirty days after notice appears in the Federal Register of an order designating a proposed energy facility as a priority energy project, any Federal agency with authority to grant or deny any approval or to perform any action necessary to the completion of such project or any part thereof, shall transmit to the Secretary of Energy—

(a) a compilation of all significant actions required by such agency before a final decision on any necessary approval(s) can be rendered;

(b) a compilation of all significant actions required of the applicant before a final decision by such agency can be made;

(c) a tentative schedule for completing actions listed in subsections (a) and (b) of this section; and

(d) all necessary application forms which must be completed by the priority energy project before such approval can be granted.

PROJECT DECISION SCHEDULE ESTABLISHED BY THE SECRETARY

SEC. 411. (a) Not later than sixty days after designating a proposed energy facility as a priority energy project the Secretary, in consultation with the appropriate Federal, State and local agencies, shall publish in the Federal Register a Project Decision Schedule containing deadlines for all Federal actions relating to such project. The Project Decision Schedule shall clearly identify the order in which licenses, permits and other Government actions must be obtained by the priority energy project before such project can be completed. The Project Decision Schedule may also suggest concurrent review of applications and joint hearings by agencies of Federal, State, and local governments.

(b) The deadlines in the Project Decision Schedule shall be consistent with the deadlines submitted to the Secretary under section 410 unless the Secretary determines that different deadlines are essential in order to expedite and coordinate Government review.

(c) Except as provided by section 413, all deadlines in the Project Decision Schedule shall be consistent with the statutory obligations of Federal agencies governed by such Schedule.

(d) Notwithstanding any other provision of Federal law, the deadlines imposed by the Project Decision Schedule shall constitute the lawful decisionmaking deadlines for reviewing applications filed by the priority energy project.

(e) Upon the petition of any agency with authority to approve or disapprove any application, or of any priority energy project, the Secretary may revise any procedure, extend any deadline, or modify in any other way, the Project Decision Schedule at any time prior to completion of such project: *Provided*, That no extension shall be granted unless the Secretary determines that such agency or priority energy project has exercised all due diligence in attempting to comply with the Schedule and that it would be impracticable for the agency to reach a decision or complete the required action within the specified time.

DELEGATION OF DECISION AUTHORITY TO THE PRESIDENT

SEC. 412. If a deadline on the Project Decision Schedule for a final decision or action by a Federal agency has elapsed and such agency has not made the decision or performed the required action, the President may make the decision or perform the action in lieu of the Federal agency. The President shall not make a decision pursuant to this section unless there has been notice and an opportunity for public comment on such decision. The decision of the President pursuant to this section shall be final.

EXCEPTIONS TO PROCEDURES REQUIRED BY OTHER LEGISLATION

SEC. 413. In circumstances of exceptional national need, the Secretary may establish a deadline for Federal agency action in a Project Decision Schedule that is shorter than the minimum period required under existing legislation: *Provided*, That such deadline shall not require a final agency action or decision less than one year after the initial Project Decision Schedule has been published in the Federal Register.

CERTIFICATION OF COMPLETED FEDERAL AGENCY REVIEW

SEC. 414. (a) If the Secretary determines that all Federal agency actions and approvals necessary to the completion of a priority energy project have been granted, the Secretary shall certify the same to the project. Such certification shall indicate the expiration date of any Federal approvals that have been granted to the project.

(b) A certificate issued by the Secretary under subsection (a) of this section shall constitute conclusive evidence in any judicial or executive proceeding that all necessary Federal permits have been granted for the duration specified on the certificate.

REQUEST FOR STATE COOPERATION AND INFORMATION

SEC. 415. (a) The Secretary shall notify the Governor of any State within which any portion of a priority energy project would be located and shall request the Governor to supply—

(1) a compilation of significant actions required by the State and local governments before the priority energy project can be completed;

(2) a compilation of significant actions required of the applicant before a final decision can be made;

(3) a tentative schedule for completing the actions listed in subsection (a) of this section; and

(4) all necessary application forms which must be completed by the applicant before such approval can be granted.

(b) The Secretary may provide any assistance authorized by law to assist State and local authorities in complying with requests for cooperation from the Secretary.

DECISION SCHEDULES FOR STATE AND LOCAL AUTHORITIES

SEC. 416. (a) The Secretary shall transmit to the priority energy project all information received from State and local governments pursuant to requests from the Secretary under section 215.

(b) The Secretary, after consultation with State and local authorities, shall propose a voluntary decision schedule to assist State and local authorities in coordinating their activities with actions by the Federal Government.

(c) The Secretary shall keep apprised of the processing of applications for priority energy projects by State and local governments. If the Secretary determines that a priority energy project is being delayed or threatened with delay by the inability or unwillingness of any State or local government to implement a schedule for timely review and decision, the Secretary shall notify the Governor of such State and transmit to the Congress a statement describing the delay, the causes thereof, and recommending actions to alleviate or prevent the delay.

(d) The Secretary may participate or intervene in the proceeding of any State or local agency which permits such participation or intervention in order to request such agency to adopt procedures recommended by the Secretary.

PRECEDENCE OVER OTHER LAWS

SEC. 417. Notwithstanding any other provision of law, the actions of Federal officers or agencies pursuant to this title shall not be subject to judicial review except as provided in this title.

DECISION REGARDING PRIORITY ENERGY PROJECT STATUS

SEC. 418. A decision of the Secretary granting or denying an order designating a proposed energy facility as a priority energy project or granting or denying an extension under section 207 shall not be subject to judicial review under any law except as required by the Constitution of the United States.

OTHER ACTION PURSUANT TO THIS ACT

SEC. 419. (a) Except as provided in section 418, claims alleging that an action taken pursuant to this title will deny rights under the Constitution of the United States, or that an action is in excess of statutory jurisdiction, authority, or limitations, or short of statutory right may be brought not later than the sixtieth day following the date of such action, except as required by the Constitution of the United States.

(b) For the purposes of this title, any action by any Federal agency or officer relating to a priority energy project shall constitute an action pursuant to this Act.

TIME BAR; JURISDICTION OF THE COURT OF APPEALS

SEC. 420. (a) Any claim arising out of action pursuant to this title shall be barred unless a complaint is filed prior to the expiration of the time limits prescribed by this title.

(b) Any such complaint shall be filed in the United States court of appeals for the circuit in which the priority energy project or the most significant portion thereof would be located. Such court shall act as a special court and shall have exclusive original jurisdiction to determine such proceeding in accordance with procedures hereinafter provided, and no other court of the United States of any State, territory, or possession of the United States, or of the District of Columbia, shall have original jurisdiction of any such claim in any proceeding instituted prior to or on or after the date of enactment of this Act.

(c) Any such proceeding shall be assigned for hearing and completed at the earliest possible date, shall, to the greatest extent practicable, take precedence over all other matters pending on the docket of the court at that time, and shall be expedited in every way by such court and such court shall render its decision relative to any claim within ninety days from the date such claim is brought unless such court determines that a longer period of time is required to satisfy requirements of the United States Constitution.

SUPREME COURT REVIEW

SEC. 421. (a) The Supreme Court shall have exclusive authority to review any interlocutory judgment or order of the court of appeals pursuant to this title and the appellant must file a petition for certiorari or a certification as provided in section 1254 of title 28, United States Code within fifteen days after the decision of the court of appeals or his appeal shall be barred.

(b) Any review by the Supreme Court shall be assigned for hearing and completed at the earliest possible date, shall, to the greatest extent practicable take precedence over all other matters pending on the docket of the court at that time, and shall be expedited in every way by such court and the court shall render its decision relative to any claim within forty-five days from the date such claim is brought unless the court determines that a longer period of time is required to satisfy requirements of the United States Constitution.

INJUNCTIVE RELIEF

SEC. 422. No court shall have jurisdiction to grant any injunctive relief against the issuance of any right-of-way, permit, lease, or other authorization pursuant to this title except in conjunction with a final judgment entered in a case involving a claim filed pursuant to this title.

OFFICE FOR PRIORITY ENERGY PROJECTS WITHIN THE DEPARTMENT OF ENERGY

SEC. 423. The Secretary shall establish an Office for Priority Energy Projects within the Department of Energy which shall assist the Secretary in the performance of his duties under this title.

EFFECTIVE DATE

SEC. 424. The provisions of this title shall become effective thirty days following the signing of this title into law by the President of the United States.

TITLE V—GEOTHERMAL AMENDMENTS OF 1979 TO THE NATIONAL ENERGY ACT OF 1978

SEC. 501. This title of this Act may be cited as the "Geothermal Amendments of 1979."

SEC. 502. The Energy Tax Act of 1978, Public Law 95-618, is amended, as follows:

(a)(1) The exclusion for public utility property in Section 301(b), in subsection (1)(3)(B) of amended section 48 of the Internal Revenue Code, shall not apply to geothermal equipment; and

(2) the time limit of December 31, 1982, in section 301(b), in subsection (1)(1) of amended section 48 of the Internal Revenue Code, shall be extended to December 31, 1989, for geothermal equipment.

(b) Section 402 is amended by striking subsection (b) and redesignating succeeding subsections accordingly.

(c) Section 402 is amended by inserting, ", including geothermal reinjection wells," after "in the case of wells" in subparagraph (1) of the amendments to subsection 263 (c) of the Internal Revenue Code.

SEC. 503. The Public Utility Regulatory Policies Act of 1978, Public Law 95-617, is amended, as follows:

(a) Section 201 is amended by inserting "geothermal resources" after "renewable resources" in the definition of "small power production facility" in subsection (17)(A) (i) of section 3 of the Federal Power Act.

(b) Section 202 is amended by inserting "geothermal power producers, including non-utility producers" after "any" in the phrase, "Upon application of any" at the beginning of subsection (a)(1) of section 210 of the Federal Power Act.

(c) Section 203 is amended by inserting "geothermal power producers, including non-utility producers," after "Any" at the beginning of subsection (a) of section 211 of the Federal Power Act.

(d) Section 210 is amended by—

1) Inserting "geothermal power producers of not more than 60 MWe capacity," after "encourage" in the phrase "necessary to encourage" at the beginning of subsection 210 (a), and

2) Inserting "geothermal power producers of not more than 60 MWe capacity," after "which" in the phrase "prescribe rules under which" in subsection 210(e)(i).

By Mr. BIDEN:

S. 1331. A bill to establish an emergency fuel assistance program; to the Committee on Labor and Human Resources.

EMERGENCY FUEL ASSISTANCE ACT OF 1979

• Mr. BIDEN. Mr. President, today I am introducing legislation to make changes in the federally funded fuel assistance programs for the elderly.

For the past 3 years, Congress has appropriated funds to help senior citizens and other low-income families pay for unusually high income home heating bills. The purpose of this program is to insure that senior citizens and families would not have their electricity or home heating fuel shut off because they could not raise the money to pay for basic utilities. In many areas of the country, severe winters and rapidly rising utility and fuel prices have driven fuel bills up so high that it is impossible for senior citizens to pay these bills. With the recent increases in OPEC oil prices this trend seems likely to continue.

Unfortunately, the existing programs set up to aid these households have not achieved their goals. In each of the 3 years that the Community Services Administration has administered the program, the program has been operated differently. The result has been confusion among State and local agencies and inequitable treatment of recipients.

Mr. President, I call to the attention of my colleagues a study which the General Accounting Office released on April 26, 1979, on the operation of Federal fuel assistance programs.

GAO found serious deficiencies in the operation of the fuel assistance program in many States.

State plans for identifying priorities and methods of payment to recipients could not be effectively reviewed and approved by the Community Services Administration. Although it was the intent of Congress that funds allocated under the fuel assistance program be targeted to the elderly and families of greatest need, many States did not develop effective plans for targeting assistance to these groups.

Eight States had no priority plans for distributing assistance to recipients. Some States distributed assistance to elderly only; other States distributed assistance on a first-come, first-serve basis, regardless of age; and still other States placed specific exclusions of limitations on payments to recipients. Some States only paid households who had outstanding, unpaid fuel bills while denying aid to persons who at great personal sacrifice and expense paid their bills.

Of the $200 million appropriated by Congress for the special crisis intervention program during fiscal year 1977 over $36 million had to be returned to the Federal Government because it could not be used. However, on September 27, 1978, a U.S. district court ruled that CSA's administrative procedures had excluded certain eligible program participants and ordered CSA to reallocate any remaining funds to the States for distribution. Now as we enter the third year of operation of this program, there are still major problems remaining in the administration of this program.

In their report, the GAO made the following recommendations:

First. That the type of energy emergencies treated under this program be better identified;

Second. Development of criteria for State and local programs to use in directing funds to individuals in the greatest need;

Third. A requirement that local projects prioritize individual applications by the criteria identified above;

Fourth. Established specific procedures for regions to follow in assuring the program integrity within each State.

Fifth. Provide guidance for uniform review and approval of all State plans and programs.

President Carter proposed moving the fuel assistance programs from CSA to the Department of Health, Education, and Welfare's program of emergency assistance to needy families. However, because of defects in the HEW program, GAO recommended that Congress not transfer this program until these problems are resolved.

Mr. President, I believe the legislation which I am introducing today makes progress toward solving the problems identified by GAO in existing fuel assistance programs.

My legislation would:

Transfer administrative responsibility for this program from CSA to the Federal Emergency Management Agency.

Target fuel assistance to elderly households who are eligible for food stamp assistance and who directly purchase their home heating fuel.

Require that the program be operated by State food stamp agencies. Assistance to household would be administered in the form of energy stamps which could be used to pay outstanding, unpaid fuel bills or could be used as a credit against future fuel bills if the person has already paid their fuel bills.

Improves program integrity by requiring recipients to submit documentation to the administering agency at the time of food stamp recertification. Program checks and individual audits would be conducted in the same manner as the food stamp program is presently operated.

Provide criminal penalties for persons who abuse the program.

By reorganizing this program I believe that it will be possible to correct many of the administrative problems which have plagued the program in the past. The legislation that I am offering today will tighten eligibility criteria, improve program integrity and deliver assistance to eligible households in a fair and efficient manner.

The President has proposed a substantial expansion of the Federal fuel assistance program as part of his proposed gasoline decontrol plan. I support aiding our senior citizens in meeting legitimate fuel assistance needs. But we must also assure that the program works in a fair and efficient manner. I hope that my colleagues will give serious consideration to this legislation and I look forward to working with them on it.●

By Mr. GRAVEL (for himself, Mr. COHEN, and Mr. BURDICK):

S. 1332. A bill to authorize federally chartered credit unions to utilize share draft accounts; to the Committee on Banking, Housing, and Urban Affairs.

● Mr. GRAVEL. Mr. President, today I am introducing legislation that would allow federally chartered credit unions to offer interest-bearing share draft accounts to their members.

Over 40 million Americans currently belong to credit unions and about 2½ million utilize share draft accounts as a convenient means of accessing funds in their share/savings accounts to transact personal business. This method parallels that of a checking account, but with dividends paid on the low account balance.

However, recently the U.S. Court of Appeals in the District of Columbia ruled that the National Credit Union Administration exceeded its regulatory authority when it allowed federally chartered credit unions to offer share draft accounts.

The court recognized that credit unions have spent millions of dollars to inaugurate this service for their members and that the members would be severely impacted if the accounts were discontinued immediately. Thus, the court delayed the effectiveness of its decision until January 1, 1980, to give Congress an appropriate period of time to deal with this question.

The bill I am introducing today would overturn the court's decision by creating the necessary regulatory authority within the National Credit Union Administration to allow the uninterrupted offering of share draft accounts.

This legislation is of particular importance to the residents of Alaska. Over 212,000 Alaskans participate in credit union activities and about 40,000 currently utilize the share draft concept. Many Alaskans have contacted me about the need to continue these accounts and protect their freedom of choice with respect to financial institutions.

Mr. President, the House of Representatives is currently considering legislation that would accomplish a similar purpose. However, that legislation contains additional provisions relating to NOW accounts which will be controversial and might hinder the passage of the legislation. For that reason, I believe it is important that the Congress consider a bill relating only to credit unions and take action before the adjournment of the 1st session of the 96th Congress to allow these programs to continue uninterrupted.

I ask unanimous consent that the text of the bill be printed in the RECORD, together with a letter from the Alaska Credit Union League.

There being no objection, the bill and letter were ordered to be printed in the RECORD, as follows:

S. 1332

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 107(6) of the Federal Credit Union Act (12 U.S.C. 1757(6)) is amended by inserting after "prescribed by the Board" the following: ", and to permit negotiable or nonnegotiable drafts to be utilized to withdraw shares from a share draft account subject to such terms, rates, and conditions as may be prescribed by the Board".

SEC. 2. The amendment made by this Act shall take effect on January 1, 1980.

ALASKA CREDIT UNION LEAGUE,
Anchorage, Alaska, May 22, 1979.

Hon. MIKE GRAVEL,
Dirksen Senate Office Building,
Washington, D.C.

DEAR SENATOR GRAVEL: This will confirm my telegram to you last week concerning the urgency of resolving problems with the Credit Union Share Draft Program.

As you know, the U.S. Appeals Court in Washington, D.C. recently ruled against several innovative consumer financial services, including our share draft program. The court delayed the effective date of its ruling until January 1, 1980, in the "firm expectation" that Congress will take speedy action on positive legislation to formalize these beneficial consumer services. While we continue to disagree with the Court's decision on this matter, we recognize the need for the speedy legislative action envisioned by the court to resolve the problem.

Credit union share drafts are utilized by more than 40,000 Alaskans as a convenient means of accessing funds in their share/savings accounts to transact personal business without the necessity of obtaining funds through the mail or by a trip to the credit union office. Thousands of other credit union members desire to obtain this service, but have been "put on hold" by the recent court decision.

Share drafts operate similarly to checking or NOW (negotiable order of withdrawal) accounts at other financial institutions, but are technically superior due to an innovative process known as "truncation". Through the use of NRC paper, a copy is made each time a share draft is written, and the member receives a monthly statement with which to reconcile his or her account. The original copy of the draft is captured during the clearing process, microfilmed and destroyed instead of being returned to the member to be eternally stored in a dusty file somewhere. A certified copy can be retrieved from microfilm in the rare occasions when it might be needed for legal purposes. This and other transaction account improvements enable credit unions to pay members a substantial rate of return on their unused funds without the need for the high service charges imposed by other institutions.

Credit unions proceeded to devote tremendous resources to develop and implement this consumer service based on regulations issued by the National Credit Union Administration and the agency's interpretation of existing law. We still believe they were right, but now look to the Congress to solve this dilemma.

On behalf of Alaska's 212,000 credit union members, we respectfully urge your strong support for early hearings in the Senate and positive action to resolve the matter during this session of Congress. Many thanks for your consideration.

Sincerely,

DAVID L. CHATFIELD,
President.●

By Mr. ROTH:

S. 1333. A bill to provide for the inclusion of certain Federal entities in the budget effective with fiscal year 1983; to the Committee on Governmental Affairs and the Committee on the Budget, jointly, pursuant to order of August 4, 1977.

HONEST BUDGETING ACT OF 1979

● Mr. ROTH. Mr. President, today I am introducing the Honest Budgeting Act of 1979 which was introduced in the House by Congresswoman HOLT and 52 cosponsors.

This bill would put the following off-budget entities onto the budget in 1983: The Federal Financing Bank, the rural electrification and telephone revolving fund, the Rural Telephone Bank, the Pension Benefit Guaranty Corporation, the Postal Service fund, and the U.S. Railway Association.

These entities are federally owned and controlled and primarily carry out loan programs, but their transactions have been excluded from the budget totals under provisions of law. It is important to note that these are not privately owned, Government-sponsored entities, such as the Federal National Mortgage Association. Therefore, their fiscal activities are not reflected in either budget outlays or the budget surplus or deficit. The appropriation requests for their activities are not included in the totals of budget authority, and their outlays are not subject to the ceilings set by the congressional budget resolutions. But, of course, their debts are part of the gross Federal debt.

Their outlays for 1980 are projected to be $12 billion. This means that the administration's 1980 budget outlay level is really $544 billion instead of $532 billion and the deficit is $41 billion instead of $29 billion. And that means most Americans are unaware of the true level of Federal spending.

I agree with the report of the President's Commission on Budget Concepts, which became the basis for the adoption of the unified budget in fiscal year 1969, when it recommended that all Federal activities should be included in the budget, excepting privately owned activities.

Now more than ever before the taxpayers are interested in the level of Federal spending and are demanding more oversight. This bill will allow the public to readily see the true level of Federal spending. More effective congressional control over the budgetary process will be insured through the enactment of this bill. Putting these entities on the budget allows Congress to better allocate the public's resources by enhancing the base of information available to Congress in considering overall fiscal policy and program priorities.

I ask unanimous consent that the text of the bill be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 1333

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Honest Budgeting Act of 1979".

Sec. 2. (a) The Congress finds that—

(1) an important principle of public finance is that budgets include the broadest possible coverage of governmental operations;

(2) beginning with fiscal year 1972, the fiscal operations of certain federally owned and controlled entities have not been reflected in budget outlays or in the budget deficit, and appropriations and other spending authority for these entities have not been included in the totals of budget authority; and

(3) exclusion of these Federal programs from the budget totals undermines the purpose and effectiveness of the unified budget and the congressional budget process.

(b) The Congress declares that the existence of certain Government entities outside the Federal budget misleads the public, impedes efforts to subject all Federal programs to the scrutiny and discipline of the congressional budget process, and provides these excluded programs with a privileged position relative to other Government programs.

(c) It is the intent of the Congress, therefore, to include the Rural Electrification and Telephone Revolving Fund, the Rural Telephone Bank, the United States Railway Association, the Pension Benefit Guaranty Corporation, the Federal Financing Bank, and the Postal Service Fund in the Budget totals, effective with the 1983 budget.

Sec. 3. The Rural Electrification Act of 1936 is amended—

(a) by striking out the colon and the proviso in the last sentence of section 304(a) (7 U.S.C. 934(a));

(b) by striking out the third sentence of section 304(b) (7 U.S.C. 934(b));

(c) by striking out the second colon and the second proviso in section 305(a) (7 U.S.C. 935(a));

(d) by striking out the colon and the proviso in the fifth sentence of section 306 (7 U.S.C. 936);

(e) by striking out subsection (c) of section 407 (7 U.S.C. 947 (c)); and

(f) by striking out the last sentence of section 408(a) (7 U.S.C. 948 (a)).

Sec. 4. The Employee Retirement Income Security Act of 1974 is amended by striking out the first sentence of paragraph (2) of section 4002(g) (29 U.S.C. 1302(f)(2)).

Sec. 5. Section 202 of the Regional Rail Reorganization Act of 1973 (45 U.S.C. 712) is amended by striking out subsection(f).

Sec. 6. The Federal Financing Bank Act of 1973 is amended by striking out the second sentence of subsection (c) of section 11 (12 U.S.C. 2290) and inserting in lieu thereof the following: "The receipts and disbursements of the Bank in the discharge of its functions shall be included in the totals of the budget of the United States Government and shall not be exempt from any general limitation imposed by statute on expenditures and net lending (budget outlays) of the United States.".

Sec. 7. All transactions of the Postal Service Fund shall be included in the totals of the budget required by section 201 of the Budget and Accounting Act, 1921 (31 U.S.C. 11).

Sec. 8. The amendments made by sections 3, 4, 5, and 6 and the provisions of section 7 shall be effective for fiscal year 1983 and each succeeding fiscal year, and shall be fully reflected in the budget submitted by the President under section 201 of the Budget and Accounting Act, 1921 (31 U.S.C. 11), for fiscal year 1983 and each succeeding fiscal year.●

By Mr. PROXMIRE (by request):

S. 1334. A bill to amend the National Bank Act, to refund to the Comptroller of the Currency funds held as successor to closed national bank receiverships, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

AMENDMENTS TO THE NATIONAL BANKING LAWS

Mr. PROXMIRE. Mr. President, at the request of the Comptroller of the Currency, I am today introducing a number of amendments to the national banking laws which the Comptroller has termed "housekeeping" amendments.

The Comptroller's transmittal letter to the Banking Committee points out that these amendments received favorable consideration by the House Banking Committee in the last Congress but were not included in the final omnibus reform banking bill passed by the Congress on the last day of the session because of time constraints.

One of the provisions of the Comptroller's amendments should allow national banks to augment their capital by removing an outdated limitation on dividends on preferred stock. Another provision would give the Comptroller discretionary authority to extend the time national banks may hold real estate where disposal would be detrimental to the bank. Still another provision would give the Comptroller rulemaking authority to implement the national banking laws.

Mr. President, the Comptroller states his amendments are not controversial. Introducing them in the Senate now will give everyone the opportunity to reflect on these amendments and put the Senate in a position to act on these amendments at the appropriate time.

Mr. President, I ask unanimous consent that Comptroller Heimann's letter dated May 31, 1979, explaining these amendments be printed in the Record, together with the text of the legislation.

There being no objection, the bill and letter were ordered to be printed in the Record, as follows:

S. 1340

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

TITLE I—AMENDMENTS TO THE NATIONAL BANKING LAWS

Sec. 101. Section 5137 of the Revised Statutes (12 U.S.C. 29) is amended—

(1) by inserting before the period at the end of the last paragraph thereof the following: "except as otherwise provided in this section"; and

(2) by adding at the end thereof the following new paragraph:

"Upon application by a national banking association the Comptroller of the Currency may approve the posssesion of any such real estate by such association for a period longer than five years, but not to exceed an additional five years, if (1) the association has made a good faith attempt to dispose of the real estate within the five-year period, or (2) disposal within the five-year period would be detrimental to the association. Subject to such conditions and limitations as the Comptroller of the Currency may prescribe, such association may expend such funds for the development and improvement of such real estate as are reasonably calculated to enable such association to recover its total investment.".

Sec. 102. The first sentence of subsection (a) of section 302 of the Act entitled "An Act to provide relief in the existing national emergency in banking, and for other purposes", approved March 9, 1933 (12 U.S.C. 51b), is amended by striking out "at a rate not exceeding 6 per centum per annum.".

Sec. 103. The third sentence of section 345 of the Banking Act of 1935 (12 U.S.C. 51b–1) is amended by striking out "at a rate not exceeding six per centum per annum".

Sec. 104. Section 1 of the Act of September 28, 1962 (76 Stat. 668; 12 U.S.C. 92a), is amended by adding at the end thereof the following new subsection:

"(k) In addition to the authority conferred by other law, if, in the opinion of the Comptroller of the Currency, a national banking association is unlawfully or unsoundly exercising, or has unlawfully or unsoundly exercised, or has failed for a period of 5 consecutive years to exercise, the powers granted by this section or otherwise fails or has failed to comply with the requirements of this section, the Comptroller may issue and serve upon the association a notice of intent to revoke the authority of the association to exercise the powers granted by this section. The notice shall contain a statement of the facts constituting the alleged unlawful or unsound exercise of powers, or failure to exercise powers, or failure to comply, and shall fix a time and place at which a hearing will be held to determine whether an order revoking authority to exercise such powers should issue against the association. Such hearing shall be conducted in accordance with the provisions of subsection (h) of section 8 of the Federal Deposit Insurance Act (12 U.S.C. 1818), and subject to judicial review as therein provided, and shall be fixed for a date not earlier than 30 days nor later than 60 days after service of such notice unless an earlier or later date is set by the Comptroller at the request of any association so served. Unless the association so served shall appear at the hearing by a duly authorized representative, it shall be deemed to have consented to the issuance of the revocation order. In the event of such consent, or if upon the record made at any such hearing, the Comptroller shall find that any allegation specified in the notice of charges has been established, the Comptroller may issue and serve upon the association an order prohibiting it from accepting any new or additional trust accounts and revoking authority to exercise any and all powers granted by this section, except that such order shall permit the association to continue to service all previously accepted trust accounts pending their expeditious divestiture or termination. A revocation order shall become effective not earlier than the expiration of 30 days after service of such order upon the association so served (except in the case of a revocation order issued upon consent, which shall become effective at the time specified therein), and shall remain effective and enforceable, except to such extent as it is stayed, modified, terminated, or set aside by action of the Comptroller or a reviewing court.".

SEC. 105. Section 4 of the Act of March 9, 1933 (48 Stat. 2; 12 U.S.C. 95), is amended—

(1) by inserting "(a)" after "Sec. 4."; and

(2) by adding at the end thereof the following:

"(b) In the event of natural calamity, riot, insurrection, war, or other emergency conditions occurring in any State whether caused by acts of nature or man, the Comptroller of the Currency may designate by proclamation any day a legal holiday for the national banking associations located in that State. In the event that the emergency conditions affect only part of a State, the Comptroller of the Currency may designate the part so affected and may proclaim a legal holiday for the national banking associations located in that affected part. In the event that a State or a State official authorized by law designates any day as a legal holiday for either emergency or ceremonial reasons for all banks chartered by that State to do business within that State, that same day shall be a legal holiday for all national banking associations chartered to do business within that State unless the Comptroller of the Currency shall by written order permit all national banking associations located in that State to remain open. For the purposes of this subsection the term 'State' includes any State, the District of Columbia, the Commonwealth of Puerto Rico, or any territory, dependency, or insular possession of the United States.".

SEC. 106. The second sentence of subsection (b) of section 2 of the Act of August 17, 1950 (64 Stat. 456; 12 U.S.C. 214a), is amended by striking out the word "unanimous" and inserting in lieu thereof the word "majority".

SEC. 107. Chapter 9 of title VII of the Revised Statutes (12 U.S.C. 1 et seq.) is amended by inserting immediately following section 327 a new section 327A to read as follows:

"SEC. 327A. The Comptroller of the Currency may delegate any powers vested in the office of law.".

SEC. 108. Chapter 4 of title LXII of the Revised Statutes (12 U.S.C. 21 et seq.) is amended by inserting immediately following section 5239 a new section 5239A to read as follows:

"SEC. 5239A. Except to the extent that authority to issue such rules and regulations has been expressly and exclusively granted to another regulatory agency, the Comptroller of the Currency is authorized to prescribe rules and regulations to carry out the responsibilities of the office.".

SEC. 109. (a) Section 5240 of the Revised Statutes (12 U.S.C. 481) is amended by striking out the first two sentences and inserting in lieu thereof the following: "The Comptroller of the Currency, with the approval of the Secretary of the Treasury, shall appoint examiners who shall examine every national bank as often as the Comptroller shall deem necessary.".

(b) Section 5240 of the Revised Statutes (12 U.S.C. 481) is amended by adding at the end thereof the following new sentence: "The Comptroller of the Currency, upon the request of the Board of Governors of the Federal Reserve System, is authorized to assign examiners appointed under this section to examine foreign operations of State member banks.".

SEC. 110. Section 5146 of the Revised Statutes (12 U.S.C. 72) is amended by striking out the second sentence and inserting in lieu thereof the following: "Every director must own in his or her own right either (1) shares of the capital stock of the association of which he or she is a director the aggregate par value of which is not less than $1,000, or (2) an equivalent interest, as determined by the Comptroller of the Currency, in any company which has control over such association within the meaning of section 2 of the Bank Holding Company Act of 1956 (12 U.S.C. 1841). If the capital of the bank does not exceed $25,000, every director must own in his or her own right either (1) shares of such capital stock the aggregate par value of which is not less than $500, or (2) an equivalent interest, as determined by the Comptroller of the Currency, in any company which has control over such association within the meaning of section 2 of the Bank Holding Company Act of 1956 (12 U.S.C. 1841).".

SEC. 111. Paragraph seventh of section 5136 of the Revised Statutes (12 U.S.C. 24) is amended by adding at the end thereof the following new sentence: "Notwithstanding any other provision of this paragraph, the association may, to the extent permitted for State chartered banks by the laws of the State where it is located, purchase for its own account shares of stock of a State chartered bank, insured by the Federal Deposit Insurance Corporation, which is owned exclusively by other banks and which provides banking services exclusively for other banks and their officers, directors, or employees, except that (1) the association shall not purchase the stock of such bank in an amount greater than 5 per centum of the capital stock of the association actually paid in and unimpaired plus 5 per centum of its unimpaired surplus fund, and (2) the association shall not acquire more than 5 per centum of any class of voting securities of such bank.".

TITLE II—TERMINATION OF NATIONAL BANK CLOSED RECEIVERSHIP FUND

PURPOSE

SEC. 201. The purpose of this title is to terminate the closed receivership fund by—

(1) providing final notice of availability of liquidating dividends to creditors of national banks closed on or before January 22, 1934;

(2) barring rights of creditors to collect liquidating dividends from the Comptroller after a reasonable period of time following such final notice; and

(3) refunding to the Comptroller the principal amount of such fund and any income earned thereon.

DEFINITIONS

SEC. 202. As used in this title—

(1) the term "closed receivership fund" means the aggregation of undisbursed liquidating dividends from national banks closed on or before January 22, 1934, held by the Comptroller in his capacity as successor to receivers of those banks;

(2) the term "Comptroller" means the Comptroller of the Currency;

(3) the term "claimant" means a depositor or other creditor who asserts a claim against a closed national bank for a liquidating dividend; and

(4) the term "liquidating dividend" means an amount of money in the closed receivership fund determined by a receiver of a closed national bank or by the Comptroller to be owned by that bank to a depositor or other creditor.

TERMINATION OF CLOSED RECEIVERSHIP FUND

SEC. 203. (a) The Comptroller shall publish notice once a week for four weeks in the Federal Register that all rights of depositors and other creditors of closed national banks to collect liquidating dividends from the closed receivership fund shall be barred after twelve months following the last date of publication of such notice.

(b) The Comptroller shall pay the principal amount of a liquidating dividend, exclusive of any income earned thereon, to a claimant presenting a valid claim, if the claimant applies to collect within twelve months following the last date notice is published.

(c) If a creditor shall fail to apply to collect a liquidating dividend within twelve months after the last date notice is published all rights of the claimant against the closed receivership fund with respect to the liquidating dividend shall be barred.

(d) The principal amount of any liquidating dividends (1) for which claims have not been asserted within twelve months following the last date notice is published or (2) for which the Comptroller has determined a valid claim has not been submitted shall, together with any income earned on liquidating dividends and other moneys, if any, remaining in the closed receivership fund, be covered into the general funds of the Comptroller of the Currency.

COMPTROLLER OF THE CURRENCY,
ADMINISTRATOR OF NATIONAL BANKS,
Washington, D.C., May 31, 1979.

Hon. WILLIAM PROXMIRE,
Chairman, Committee on Banking, Housing and Urban Affairs, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: In response to the suggestion you made during the recent Committee hearings of May 23, 1979, regarding the Condition of the Financial System, I am forwarding a copy of our Housekeeping Bill for your consideration. A similar bill was introduced during the first session of the Ninety-fifth Congress to amend the National Bank Act and other federal laws principally affecting the Office of the Comptroller. These noncontroversial provisions, which were incorporated the following year into Titles XIV and XV of the Financial Institutions Regulatory Act of 1978, H.R. 13471, are intended to streamline the functions of this agency. Unfortunately, time limitations prevented their consideration and inclusion in the finally-enacted Financial Institutions Regulatory and Interest Rate Control Act of 1978, P.L. No. 95-630 (November 10, 1978). Chairman St Germain has again introduced this bill in the House as H.R. 2229.

The particular point which you raised in the recent hearings regarding the existing federal statutory restrictions affecting preferred stock of national banks is addressed in Section 102 and 103 of the proposed legislation. This aspect of the bill and its other significant features are more fully explained in the following discussion.

We believe, more strongly than ever, that the early passage of this legislation is of the utmost importance to the proper execution of our responsibilities in regulating the national banking system. For this reason, I am enclosing a clean draft bill for reintroduction in the 96th Congress. The remainder of this letter explains the proposed provision in greater detail.

This proposed legislation is identical to Titles XIV and XV of H.R. 13471, which was reported out of the House Banking Committee on July 20, 1978, with perfecting technical amendments.

TITLE I—AMENDMENTS TO THE NATIONAL BANKING LAWS

Section 101.—Real Estate Holding Authority:

Under current law (12 U.S.C. 29) national banks may acquire and hold real estate only for certain stated purposes. For real estate acquired in satisfaction of a debt previously contracted a national bank may retain ownership no longer than 5 years.

The central purpose of 12 U.S.C. 29, when introduced in 1864, was to prevent national banks from becoming monopolistic holders of real estate. However, with the development of modern banking the statute often results in unnecessary hardship. It does not take into account depressed economic conditions which might prevent disposal of real estate at prices reflecting the bank's investment, and it also adversely conditions the market, since prospective purchasers are aware that the sale is compulsory. National banks thus are prevented from mitigating or avoiding their losses, particularly on large construction projects which often require a long period of time to complete and sell. In a similar regard, bankruptcy proceedings or other collection processes may delay completion of real estate development beyond the 5 years allotted.

Section 101 would permit the Comptroller to extend the holding period from 5 years to 10 years in those cases which warrant. In this way, a national bank will continue to be prodded by the statute to dispose of the property within 5 years. However, if a good faith attempt is made and it appears to the Comptroller that the disposal is made and it appears to the Comptroller that the disposal would be detrimental to the bank, an extension of the holding period up to 5 additional years could be granted for specific parcels of real estate. In effect, the traditional restriction is not changed by this amendment, since the 5-year holding period remains intact as a statutory requirement. The amendment does provide new flexibility however, to enable the Office to handle exceptional situations.

Sections 102 and 103.—Preferred Stock Dividends:

Current law (12 U.S.C. 51b) provides that holders of preferred stock of a national bank shall only be entitled to receive cumulative dividends at a rate not exceeding six percent per annum. This restriction creates an unrealistic barrier to this form of capital, and is removed by section 102.

National banks should be able to offer competitive dividend rates in order to compete on an equal basis with other banks and corporations in issuing preferred stock. Notably, corporations holding preferred stock are in some instances permitted an 85 percent tax-free pass-through of dividends received on preferred stock.

The limitation in the statute was inserted in 1933 for the purpose of protecting national banks and the national banking system in their then weakened condition. In recent years national banks have been able to work around this limitation using their limited ability to issue capital notes to satisfy their capital needs. However, when the banks' ratio of debt capital to equity nears saturation level, the six percent limitation on cumulative dividends can be expected to pose a serious obstacle to growth.

Under the Banking Act of 1935 (12 U.S.C. 51b–1) the same six-percent limitation was placed on dividends paid on preferred stock in the event of retirement or liquidation. Section 103 conforms this statute to the amendment in section 102.

Section 104.—National Bank Trust Powers.

Under current law (12 U.S.C. 92a) the Comptroller may permit a national bank to exercise trust powers. Section 104 would provide the converse authority to revoke that permission upon a finding of unlawful or unsound exercise of trust powers or a failure by a bank to exercise its trust powers over a period of 5 consecutive years.

The Comptroller is authorized to issue regulations to enforce the proper exercise of fiduciary powers. He may enforce his request for compliance with these regulations through administrative actions, such as seeking forfeiture of a bank's charter or initiating a proceeding for removal of officers or directors for unsafe and unsound banking practices relating to trust operations. Cease-and-desist orders also have been used to correct wayward trust practices.

The amendment provides the power of revocation as an additional enforcement tool. To assure the orderly disposal of all trust business, and to protect the interests of trust service customers, the amendment permits the bank to continue to service its existing trust accounts during the period that trust activities are being terminated in accordance with the revocation order.

Section 105.—National Bank Holidays.

At present there is no federal law governing holidays for national banks. Increasingly, in recent years the Comptroller's Office has received inquiries concerning this issue. In those states where emergency legal banking holidays are declared, national banks are left in a quandary with respect to their right to cease operations temporarily. Many problems arise concerning notes which fall due on those dates and other business which is scheduled to be transacted.

As the primary supervisor of national banks, the Comptroller of the Currency should have the authority to declare legal banking holidays when emergency conditions prevail in any area of the country. It is important that the Comptroller's authority be tied in some fashion to the state governmental authority which declares a legal banking holiday in the event of an emergency within a particular state, and, to that end, section 105 provides for automatic closing of national banks when state-chartered banks are permitted to close. However, to guard against the eventuality that a state official seeks to declare a legal banking holiday for illegitimate purposes, provision is made for the Comptroller to issue an order countermanding for national banks the state proclamation. Conversely, the Comptroller may find it necessary to declare a legal banking holiday for national banks in a certain locality where state authorities fail to act in a timely fashion. Therefore, this section authorizes the Comptroller, as well, to initiate a proclamation temporarily closing banks under his aegis.

Section 106.—*Appraisal Rights of Dissenting Shareholders.*

Under current law (12 U.S.C. 214a) shareholders of a national bank who dissent to the state-wise conversion, merger, or consolidation of the bank are entitled to receive the cash value of their shares. That value is to be determined by three appraisers, one of whom is selected by unanimous vote of the dissenting shareholders, one by the directors of the resulting state bank, and the third by the two so chosen.

Section 106 would require a majority vote of the dissenting shareholders, rather than a unanimous vote, in selecting the first of the three appraisers. This change would make the procedure for conversions, mergers, and consolidations in which the resulting bank is a state bank consistent with the procedure for the same types of transactions in which the resulting bank is a national bank.

Legislative history of the statutes here involved reveals a Congressional desire for uniform procedures. Most likely, the present arrangement arose through an oversight by the Congress.

The role of the Comptroller as the final appraiser of the value of the stock of dissenting shareholders traditionally has posed a problem. The Office has been involved recently in law suits concerning such appraisals. Because unanimity often is not possible to obtain among dissenting shareholders, the appraisal system is more likely to break down, and reappraisals by the Comptroller are more frequently necessary. Elimination of the unanimity requirement will ease the present burden on the Comptroller considerably.

Section 107.—Comptroller's Delegation Powers.

Under the Reorganization Act of 1966 an officer of any federal agency covered by a reorganization plan is authorized "to delegate any of his functions" in the interest of increased efficiency and effectiveness. However, the Comptroller of the Currency expressly was excluded from Reorganization Plan No. 26 of 1950 which reorganized the Treasury Department, and thus seems to have been denied the clear statutory authority to delegate certain of his functions.

Section 107 authorizes the Comptroller to delegate any powers he deems appropriate. In conferring a broad delegation authority the amendment borrows the approach of the FDIC statute (12 U.S.C. 1819 (seventh)) which leaves the determination of delegability to the discretion of the agency's governing body.

Section 108.—Comptroller's Regulation Writing Authority.

Section 108 would clarify the Comptroller's general rule-making authority for all laws which the Office administers, except where a statute expressly confers exclusive regulation writing authority on another agency. The authority of the FDIC was similarly clarified under section 309 of the Financial Institutions Regulatory and Interest Rate Control Act of 1978 (P.L. 95–630).

Section 109.—Examination Authority.

Current law (12 U.S.C. 481) requires that the Comptroller examine every national bank at least twice a year, except that he may waive one of those examinations every two years. Section 109(a) would grant the Comptroller full discretion in establishing a timetable for national bank examinations.

The Comptroller was given full discretionary examination authority under the original National Currency Act of 1863. In 1913 the Federal Reserve Act removed this flexibility and required examinations at least twice each year. In response to a request from the Comptroller's Office in 1954, the law was amended to permit the Comptroller to waive one examination every two years.

In the 23 years since section 481 was amended, the national banking system has expanded markedly in both size and services. The nature of banking itself has been forced to change with the times to meet the ever-increasing financial needs of our nation and the world. By the same token, this Office has altered the bank examination process radically to insure that the modern banking system operates with optimal safety and soundness. Computers now are assisting the corps of national bank examiners, and reports of all facets of national bank activities are received with greater frequency to enable this Office to conduct a continuing analysis of individual bank conditions.

In the majority of cases, the Comptroller continues to examine national banks on-site twice each calendar year. However, examinations, particularly at the larger banks, are more complex than ever before and require more time and manpower. More importantly, individual bank problem areas normally are pinpointed by computer and staff anlaysis prior to commencement of examination in the bank. Therefore, the Office is better equipped today to determine which banks require closer supervision and more frequent on-site examinations.

It is important that the Comptroller have maximum flexibility in scheduling national bank examinations. Notably, the Federal Reserve and FDIC always have had this authority with respect to banks which they supervise. Moreover, this position has the full support of the General Accounting Office. Recommendation (4–8) of their 1977 Report is unequivocal in this regard.

Section 109(b) responds to the GAO recommendation to authorize the assignment of national bank examiners temporarily to assist the Federal Reserve in carrying out its international supervisory responsibilities over Offices of state-nonmember banks in the event of an unusually demanding workload.

Section 110.—Directors' Qualifying Shares.

In a national banking system extensively interrelated with bank holding companies, it is often anachronistic to require a national bank director to hold stock in his bank rather than in the company which exercises actual control. Section 110 would allow such directors to own bank holding company stock instead of bank stock, if the bank is controlled by the holding company or an alternative equivalent interest, as determined by the Comptroller, in cases in which the bank holding company is a partnership or other non-stock entity.

Section 111.—Investment in Bankers' Banks.

Banks increasingly are availing themselves of the professional support offered by institutions which, in turn, are owned and established by the banks they serve. Under current law (12 U.S.C. 24(7)) national banks may not participate in the ownership of these bankers' banks, as may some of their state-chartered counterparts. Section 111 would allow national banks to invest in the stock of institutions of this type subject to strict limitations keyed to bank capital and percentage of ownership in those states where state-chartered banks are so authorized.

TITLE II.—TERMINATION OF NATIONAL BANK CLOSED RECEIVERSHIP FUND

Prior to 1934, the Comptroller held sole directorial authority over national bank receiverships under 12 U.S.C. 192 *et seq.*

Following the winding up of a bank's business and upon termination of a receivership, all monies left undistributed were turned over to the Comptroller by the receiver to be held by him in a closed receivership fund against which claims of depositors might be filed and proved.

That last receivership, closed December 30, 1957.

The closed receivership fund consists of undelivered dividends, a "float" dividend fund (cancelled dividends), and a reserve for contingent liabilities (amounts held in trust for insufficiently identified owners, safe-deposit box contents, dividend reserve). All money in the fund has been invested by the Comptroller in Federal Government securities.

Section 201 sets forth the purposes of the Title: to provide notice of the availability of liquidating dividends of national banks closed on or before January 22, 1934; to bar creditors from collecting the liquidating dividends after notification; and to refund to the Comptroller the principal and earned income on the closed receivership fund.

Section 202 provides appropriate definitions. The "closed receivership fund" is defined so as to include the various categories of claims and contingencies held in the fund. January 22, 1934, is the date of closing of the last national bank which could have a receiver other than the FDIC. The term "claimant" is defined to include depositors and all other persons, both natural and corporate, who attempt to prove the validity of their claims.

Section 203 is the operative section, terminating the closed receivership fund. It parallels, to some degree, the approach of 12 U.S.C. 1822(e) which authorizes the FDIC to refund to itself all unclaimed deposits held by it as receiver. However, in the interests of lower costs and increased manageability, publication of general notice is substituted for individual mailed notice. Also, only a one-year waiting period before refund is required, since creditors have had over 40 years to claim their money.

While efforts to locate claimants continue, distribution is slow and difficult. Indicative of the extremely slow process of locating claimants is the experience of the Office since the close of the last receivership. From 1958 through mid-1975, only 683 claims were paid totaling $31,694.64, or an average of $46.41 per claim. This fact is even more troublesome when one realizes that the longer the claims remain uncollected the less likely it is that the creditors will be located.

With more than half a million claimants and dividends for each averaging approximately $4.00 it is likely that the principal amount of the closed receivership fund will remain substantially undiminished for years to come, and income will continue to be generated in growing proportions. Since the major portion of the nearly three million dollars in the closed receivership fund has been unusable for almost half a century, this legislation now is appropriate to free the money for more beneficial purposes.

Sincerely,

John G. Heimann,
Comptroller of the Currency.

By Mr. METZENBAUM (for himself, Mr. Hatfield, Mr. Kennedy, Mr. Weicker, Mr. Leahy, Mr. Bradley, and Mr. Tsongas):

S. 1335. A bill to require efficiency improvements in residential heating units; to the Committee on Energy and Natural Resources.

S. 1336. A bill to require residential energy audits; to the Committee on Energy and Natural Resources.

By Mr. METZENBAUM (for himself, Mr. Randolph, Mr. Hatfield, Mr. Kennedy, Mr. Weicker, Mr. Tsongas, Mr. Leahy, and Mr. Bradley):

S. 1337. A bill to amend title 23 of the United States Code to provide greater compliance with the national maximum speed limit; to the Committee on Environment and Public Works and the Committee on Energy and Natural Resources; jointly, by unanimous consent.

By Mr. METZENBAUM (for himself, Mr. Jackson, Mr. Hatfield, Mr. Weicker, Mr. Kennedy, Mr. Leahy, Mr. Bradley, and Mr. Tsongas):

S. 1338. A bill to establish energy efficiency standards for industrial equipment; to the Committee on Energy and Natural Resources.

THE NATION NEEDS A MANDATORY CONSERVATION PROGRAM NOW

Mr. METZENBAUM. Mr. President. It is now more than 2 years since President Carter went before the American people to ask their support for his national energy plan.

Two years ago, the President told the American people that our energy situation is "the moral equivalent of war."

I have never challenged that assertion by the President.

I have never for one moment questioned the unquestionable fact that this Nation faces an energy crisis of enormous proportions.

In 1973, the year of the Arab oil embargo. The United States relied on foreign nations for 36 percent of its oil. But in 1978, in spite of 5 years of alarm, 5 years of escalating prices, and 5 years of voluntary conservation programs, our dependence on foreign oil grew to 44 percent of our consumption.

Recent events in Iran showed in a shocking way that this Nation and its allies cannot afford to depend massively and indefinitely upon oil supplies that are located in one of the world's most unstable regions.

The current gasoline shortage—whatever its origins—shows how vulnerable we are to oil supply interruptions.

And the beating that the dollar has taken in world markets over the past 5 years makes it evident to all who want to see that our economy cannot continuously sustain the enormous financial drain created by our appetite for foreign oil.

Once again, the numbers are truly shocking. In 1972, before the embargo and the OPEC price increases, the world price for oil was less than $2 per barrel. Now most analysts believe that it will reach $18 to $20 by the end of this year.

In 1972, this country's total oil import bill was less than $5 billion. Last year, it came to $42 billion. And according to an analysis done by Salomon Bros., the prestigious New York underwriters, we will in 1979 pay out $56 billion to the oil exporting nations.

Fifty-six billion dollars is a lot of money.

It is close to half of what we will spend this year on national defense.

It is $27 billion more than the anticipated Federal deficit in 1979.

It is 11 times greater than the amount we spend on farm price supports.

It is a drain that this country cannot afford.

And it represents an addiction that this country must break.

The administration and the oil companies have forcefully made the case that higher prices and higher profits are the answer to our energy dilemma.

On the surface, that argument has some appeal.

High energy prices, we are told, are necessary in order to force the American people to drive less, to insulate their homes, to turn down their thermostats.

And high profits, we are told, are needed to encourage the oil companies to produce more here at home.

Nobody is opposed to conserving energy.

And nobody is opposed to greater domestic production. In fact, everyone, myself included, wants more production.

But the fact is that both of these premises—that high prices are the best way to encourage conservation and that sky-high profits will bring new supplies—are false.

And because they are false, any policy based upon those assumptions is doomed to failure from the start.

The oil companies do not need more incentives to produce in this country. Already, they have the most generous incentives in the world.

Yet in spite of those incentives, production in the lower 48 States continues to fall.

Decontrol will have a minimal effect on production. It will produce perhaps 200,000 new barrels of oil per day—a drop in the bucket when compared with the 20 million barrels a day that we now consume. In fact, by tying domestic prices to the OPEC level, decontrol may actually depress production by encouraging producers to sit on reserves in the sure and certain knowledge that OPEC will drive prices still higher in the future.

And let us look at the question of whether or not high prices alone will bring down our oil consumption.

A study by the Rand Corp. demonstrated more than 2 years ago that higher prices have very little impact on the use of gasoline. According to Rand, it would take a price increase of 100 percent to achieve a 10-percent drop in gasoline sales.

And if anything, the Rand study overestimated the impact of high price on consumption.

Since 1973, prices at the gas pump have gone from 40 cents to 75 cents. In some places, unleaded premium has already come close to a dollar a gallon.

But our consumption of gasoline continues to increase.

Right now, we are using 16 percent more gasoline than we did in 1973, when the price was less than half of today's level.

And in spite of skyrocketing prices, we are today using 17 percent more heating oil than we did 6 years ago.

That is an ocean of oil.

And there is no reason—no reason at all—to believe that higher prices alone will cause that ocean to dry up.

I believe that the time has come for this Nation to move toward mandatory energy conservation. With mandatory measures in place, we will be able to reduce our energy use quickly, predictably and equitably. Instead of relying solely upon price to discourage consumption—an approach that allows the rich to continue to waste energy—mandatory conservation will affect all segments of our society.

I have prepared a modest package of mandatory conservation measures that are designed to eliminate waste in the transportation, housing, and industrial sectors of our economy.

These proposals will not require radical change in our life style. Rather, they require only that we take obvious actions to use energy more efficiently. Taken together, these four measures can generate savings of 700,000 barrels of oil per day, or nearly 10 of our current import levels.

The first of these proposals would greatly increase the energy efficiency of existing home heating systems.

A variety of tested and approved devices are on the market which substantially improve the energy efficiency of home furnaces. This bill establishes a program within the Department of Energy to require retrofitting home heating units with approved devices. Under a "time of transfer provision," home and apartment buildings must be certified for home heating unit retrofit before they can be eligible for financing through federally insured lending institutions.

Second, under the National Energy Conservation Policy Act, most utilities are required to offer to their customers the service of assessing the energy efficiency of their homes. This bill would require that any homeowner served by a utility that offers the audit program to take advantage of the service before selling his or her home and make the results of the audit available to prospective buyers.

The third measure that I propose is strict enforcement of the 55 m.p.h. national speed limit. Under the surface Transportation Assistance Act of 1978, the States are penalized 5 percent of the Federal-aid highway funds available to them for not enforcing the 55 m.p.h. national speed limit. However, the compliance by the driving public required to avoid that penalty is incurred if no less than 30 percent of the driving public is traveling at the speed limit. Monitoring of driving speeds is done by the States themselves. This bill would amend the Surface Transportation Assistance Act to require that the States enforce the speed limit more rigorously. The Department of Transportation estimates that 100 percent compliance would save 317,000 barrels of gasoline per day. And strict enforcement would also save hundreds of lives every year.

Finally, I propose that we move to establish minimum energy efficiency standards for industrial equipment. The National Energy Conservation Policy Act requires the Secretary of the Department of Energy to report to Congress before May 1980, on the effects and practicability of requiring selected categories of electric motors and pumps to meet minimum standards of energy efficiency. This bill requires that the Secretary set efficiency standards for those classes of motors and pumps for which it is feasible to do so. In addition, in an appropriate manner, we will soon address ourselves legislatively to gas-guzzling autos.

Mr. President, I believe that the time has come to replace studies and rhetoric with effective, equitable mandatory conservation measures.

I believe that the people of this country are prepared to accept and to support such measures.

And I believe that the Congress must act with a sense of urgency that matches the energy crisis this Nation faces.

Mr. President, I send the bills to the desk and I ask unanimous consent that on bill (S. 1337) be jointly referred to the Committee on Environment and Public Works and the Committee on Energy and Natural Resources. This matter has been cleared with the leader of the Senate and the minority leader of the Senate, with the chairmen of both the respective committees, and the ranking minority members of the committees.

The **PRESIDING OFFICER**. Is there objection? The Chair hears none, and it is so ordered.

Mr. **METZENBAUM**. Mr. President, I ask unanimous consent that the text of the bills be printed in the RECORD.

There being no objection, the bills were ordered to be printed in the RECORD, as follows:

S. 1335

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Residential Furnace Improvement and Cost Savings Act of 1979".

SEC. 2. Title II of the National Energy Conservation Policy Act is amended by adding the following after part 4:

"DEFINITIONS

"SEC. 261. As used in this part the term—

"(1) 'energy conservation retrofit device' means a device which when combined with a residential heating or cooling unit will reduce the energy consumption of a residential building; and

"(2) 'home heating device' means the apparatus principally used for heating or cooling of a residential building which uses oil or natural gas as a fuel.

"HOME HEATING UNIT STANDARDS

"SEC. 262. (a) The Secretary shall publish in the Federal Register a list of all energy conservation retrofit devices which the Secretary determines can improve energy efficiency of home heating and cooling devices and which qualify under section 44C of the Internal Revenue Code of 1954.

"(b) Manufacturers of home heating devices shall prepare, publish and disseminate modification procedures for the utilization of energy conservation retrofit devices listed under this section which, if followed, will not result in the invalidation of product warranties of such residential heating devices or products as may be manufactured by such manufacturers. Notwithstanding any other law, failure to issue modification procedures under this section shall render void any invalidation of a home heating unit warranty by the manufacturer for reasons relating to modifications.

"STATE PLANS

"SEC. 263. (a) The Secretary shall invite the Governor of each State to submit to the Secretary within one year of the date of enactment of this Act a plan for the certification of contractors determined by the Governor to be qualified to install devices published under section 262(a).

"(b) Certification of contractors shall be based on:

"(1) the possession of an existing license;

"(2) the number of years in business;

"(3) the possession of a diploma or other certificate of completion of training at a trade school or a vocational program offering relevant instruction in heating unit maintenance or retrofit skills; and

"(4) such other criteria as the Secretary determines to constitute a minimum level of expertise and experience for such installations.

"(c) Not later than 18 months after the date of enactment of this Act, each State shall publish a list of all contractors certified under this section.

"(d) Nothing in this section shall be construed to constitute an acceptance of liability of the Federal or State Government as an insurer, guarantor, surety, or warrantor of any work done by any such contractor listed in the list prepared as required by subsection (c).

"RETROFIT REQUIREMENTS

"SEC. 264. (a) Notwithstanding any local or State laws or regulations, on or after January 1, 1981, no residential building to be sold or offered for sale may be financed by any financial institution, the deposits of which are insured by any agency of the Federal Government without—

(1) State or Federal certification that the home heating device contained in such residential building has—

"(A) been modified through the installation of energy conservation retrofit devices as listed by the Secretary pursuant to section 262 (a), or

"(B) meets minimum efficiency standards, which the Department of Enery shall develop within one year of enactment, without requiring modification.

"(2) without evidence of a bona fide contract to retrofit a home heating device in a residential building to be purchased.

"(b) Failure of the new owner of a residential building to retrofit the heating device contained therein (as provided in this section) within one year after the purchase shall be punishable by a fine of not less than $2,500.

"ASSISTANCE TO STATES

"SEC. 265. (a) The Secretary shall make grants to each State which has an approved plan under section 263 to assist in meeting the cost of administration of such plan and to assist in meeting the cost of certification under section 264.

"(b) The amount of a grant under this section shall not exceed 50 percent of the reasonable costs incurred by the State.

"FEDERAL PROGRAM

"SEC. 266. The Secretary shall establish a program of Federal compliance with the provisions of this Act which shall take effect in states which do not have a plan approved under section 263.

"SPECIAL ASSISTANT

"SEC. 267. (a) The Secretary, in coordination with other relevant Federal agencies, shall establish by regulation a program of assistance for individuals who have earnings at or below the poverty level (as determined by the Bureau of Census) and who own residential buildings.

"(b) The program established under subsection (a) shall only apply to retrofit programs established under this part.

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 268. There are authorized to be appropriated such sums as may be necessary to carry out the purposes of this part.".

S. 1336

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Residential Energy Audit Act of 1979," and that part 1 of title II of the National Energy Conservation Policy Act is amended by adding at the end thereof the following new section:

"SEC. 226. RESIDENTIAL UNIT ENERGY AUDITS.

"(a) GENERAL REQUIREMENTS.—Each owner of a residential building which is—

"(1) served by a utility offering a program pursuant to section 215,

"(2) financed by any financial institution the deposits of which are insured by an agency of the Federal government, and

"(3) being offered for sale, shall make available to the purchaser a copy of the report prepared pursuant to section 215.

"(b) LIMITATION ON FINANCING.—No financial institution, the deposits of which are insured by an agency of the Federal government may provide financing for the purchase of a residential building being served by a utility offering a program pursuant to section 215 unless such financial institution has received a current energy report under such section.".

S. 1337

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) subsection (f) of section 154 of title 23, United States Code, is amended—

(1) in paragraph (2), by striking out "63 per centum" and inserting in lieu thereof "25 per centum" and by striking out "5 centum" and inserting in lieu thereof "20 per centum";

(2) in paragraph (3), by striking out "50 per centum" and inserting in lieu thereof "20 per centum" and by striking out "5 per centum" and inserting in lieu thereof "25 per centum";

(3) in paragraph (4), by striking out "40 per centum" and inserting in lieu thereof "15 per centum" and by striking out "10 per centum" and inserting in lieu thereof "30 per centum"; and

(4) in paragraph (5), by striking out "30 per centum" and inserting in lieu thereof "10 per centum" and by striking out "10 per centum" and inserting in lieu thereof "35 per centum".

(b) Subsection (i) of section 154 of title 23, United States Code, is amended—

(1) in paragraph (2), by striking out "50 per centum" and inserting in lieu thereof "20 per centum";

(2) in paragraph (3), by striking out "40 per centum" and inserting in lieu thereof "15 per centum";

(3) in paragraph (4), by striking out "30 per centum" and inserting in lieu thereof "10 per centum"; and

(4) in paragraph (5), by striking out "20 per centum" and inserting in lieu thereof "5 per centum".

S. 1338

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Industrial Equipment Efficiency Act of 1979".

DEFINITIONS

SEC. 2. Section 340(2)(B) of the Energy Policy and Conservation Act is amended by adding at the end thereof the following:

"(8) The term 'energy efficiency standard' means a performance standard—

"(A) which prescribes a minimum level of energy efficiency for a class of industrial equipment, and

"(B) which includes any other requirements which the Administrator may prescribe.

"(9) The term 'new industrial equipment' means industrial equipment the title of which has not passed to a purchaser who buys such equipment for purposes other than (A) reselling such equipment, or (B) leasing such equipment in a period in excess of 1 year.".

STUDY OF ELECTRIC MOTORS AND PUMPS AND OTHER INDUSTRIAL EQUIPMENT

SEC. 3. Section 342 of the Energy Policy and Conservation Act is amended to read as follows:

"STUDY OF ELECTRIC MOTORS AND PUMPS AND OTHER INDUSTRIAL EQUIPMENT

"SEC. 342. (a) (1) Not later than 18 months after the date of enactment of the Energy Conservation Act of 1979, the Secretary shall evaluate each type of industrial equipment to determine standard classifications with respect to size, function, type of energy consumed, method of manufacture, or other factors, which may be appropriate for the purpose of establishing test procedures, labeling rules or guidelines, or energy efficiency standards.

"(2) With respect to the identification of each standard classification in accordance with paragraph (1), unless the Administrator determines that to do so in whole or in part would not be likely to assist in achieving significant savings of energy or is not practicable, the Administrator shall—

"(A) define the equipment contained therein;

"(B) characterize the equipment and its general use;

"(C) identify significant factors that determine energy efficiency, including hours of operation per year, and average loading with respect to loading at full capacity;

"(D) estimate current and future equipment population profiles;

"(E) estimate the potential for improvements in energy efficiency that in the judgment of the Administrator are both technologically feasible and economically justified;

"(F) estimate likely increases or decreases in energy efficiency and total energy savings likely to result from implementation of—

"(i) labeling guidelines,

"(ii) mandatory labeling rules, and

"(iii) mandatory energy efficiency standards; and

"(G) examine such other factors as the Administrator determines appropriate.

"(3) After consideration of the information developed in accordance with this subsection, the Administrator shall—

"(A) select those classes of electric motors and pumps for which standards will be prescribed pursuant to subsection (a)(1);

"(B) select those classes of industrial equipment for which labeling rules or guidelines will be prescribed in accordance with subsection (b); and

"(C) select those classes of industrial equipment other than electric motors and pumps, for which standards may be prescribed pursuant to subsection (a)(2).

"(d) The Administrator shall not promulgate labeling guidelines, labeling rules, for standards for any class of industrial equipment unless he has determined that—

"(1) improvements in energy efficiency are technologically feasible and economically justified with respect to such class; and

"(2) significant energy savings will likely result from such labeling or standard.

"(e)(1) Energy efficiency standards for electric motors and pumps prescribed pursuant to this section shall be designed to achieve the maximum improvement in energy efficiency which the Administrator determines is technologically feasible and economically justified. Such standards may be phased in over a period of years as determined by the Administrator.

"(2) In determining whether a standard is economically justified under paragraph (1), the Administrator shall determine that the benefits of the standard exceed its burden based upon a weighing of the following factors:

"(A) the economic impact of the standard on the manufacturers and on the purchases of the equipment subject to such standard;

"(B) the savings in operating costs throughout the estimated average life of equipment in the type (or class) subject to such standard which is likely to result from the imposition of such standard;

"(C) the total projected energy savings likely to result directly from the imposition of the standard;

"(D) the increase in the initial charge for, and the expenses of maintenance, repair, or use of, such equipment which is likely to result from the imposition of the standard;

"(E) any lessening of the utility or the performance of the equipment likely to result from the imposition of the standard;

"(F) the impact on competition determined in writing by the Attorney General to be likely to result from the imposition of the standard;

"(G) the need of the Nation to conserve energy; and

"(H) any other factors the Administrator considers relevant.

For purposes of subparagraph (F), the Attorney General shall, not later than 60 days after the publication of a proposed rule prescribing an energy efficiency standard, make a determination of the impact, if any, on competition which would be likely to result from such standard and transmit such determination in writing to the Administrator, together with an analysis of the nature and extent of such impact. Any such determination and analysis shall be published in the Federal Register.

"(f) For the purpose of carrying out the provisions of this section, the Administrator may require, by rule or order, each manufacturer of industrial equipment to submit such information or reports with respect to (1) energy use or efficiency standards or labeling rules, and (2) such other categories of information as the Administrator determines necessary to assist in establishing test procedures, labeling rules, or energy efficiency standards, and to insure compliance with the requirements of this section.".

TEST PROCEDURES

SEC. 4. Section 343(a) of the Energy Policy and Conservation Act is amended to read as follows:

"(a)(1) Prior to the promulgation of any rule requiring energy efficiency labeling or establishing energy efficiency standards pursuant to this section, the Administrator shall prescribe test procedures for such class in accordance with the following provisions of this section.

"(2) Except as otherwise provided in paragraph (3), the Administrator shall, not later than 3 years after the date of enactment of the Energy Conservation Act of 1979, prescribe, by rule, mandatory labeling rules for those types and classes of industrial equipment which have been selected in accordance with the provisions of section 342(c).

"(3) If the Administrator determines with respect to a type or class of industrial equipment that the prescription of mandatory labelling rules is not likely to be necessary in order to encourage the availability to purchasers of information concerning the energy efficiency of such type or class of industrial equipment, the Administrator may promulgate guidelines for the use of manufacturers in developing and utilizing energy efficiency labels for such type or class of industrial equipment. Such guidelines shall be promulgated, not later than 3 years after the date of enactment of the Energy Conservation Act of 1979.".

STANDARDS FOR INDUSTRIAL EQUIPMENT

SEC. 5. Section 345 of the Energy Policy and Conservation Act is amended to read as follows:

"ENERGY EFFICIENCY STANDARDS FOR INDUSTRIAL EQUIPMENT

"SEC. 345. (a)(1) The Administrator shall, not later than 2 years after the promulgation of test procedures and labeling rules for those types and classes of electric motors and pumps which have been selected in accordance with the provisions of section 342(c), prescribe, by rule, energy efficiency standards for such types and classes.

"(2) The Administrator may, not earlier than 2 years after the promulgation of test procedures and labeling rules or those types and classes of industrial equipment other than electric motors and pumps which have been selected in accordance with the provisions of section 342(c), prescribe, by rule, energy efficiency standards for such types and classes of industrial equipment.

"(b) An energy efficiency standard prescribed pursuant to this section may include any requirement which the Administrator determines is necessary to assure that each product to which such standard applies meets the required minimum level of energy efficiency specified in such standard.

"(c) Any energy efficiency standard shall be prescribed in accordance with the following procedure:

"(A) The Administrator shall (i) publish in the Federal Register an advance notice of proposed rulemaking which specifies the type or class of industrial equipment to which the rule will apply, and (ii) invite interested persons to submit, within 90 days after the date of publication of such advance notice—

"(i) written or oral presentations of data, views, and argument as to the proposed level of energy efficiency, and

"(ii) proposed energy efficiency standards applicable to such class of industrial equipment.

"(B) A proposed rule which prescribes an energy efficiency standard for a type or class of industrial equipment may not be prescribed earlier than 120 days after the date of publication of advance notice of proposed rulemaking for such class.

"(C) A rule prescribing an energy efficiency standard for a class of industrial equipment may not be published earlier than 60 days after the date of publication of the proposed rule under this section for such class. Such rule shall take effect not earlier than 180 days after the date of its publication in the Federal Register. Such rule (or any amendment thereto) shall not apply to any industrial equipment the manufacturer of which was completed prior to the effective date of the rule or amendment as the case may be.

"(d) A labeling rule under section 342 shall be prescribed in accordance with section 553 of title 5, United States Code, except that interested persons shall be afforded an opportunity to present written and oral data, views, and arguments with respect to any proposed rule, the period for such presentations shall not be less than 45 days, and a transcript shall be kept of any oral presentations.

"(e) The Administrator may direct the National Bureau of Standards to provide such assistance as the Administrator deems necessary to carry out the provisions of this section, including the development of test procedures and standards.

"(f) A rule pursuant to subsection (a) may exempt from its requirements small business manufacturers of industrial equipment, and with respect to whom the Administrator determines imposition of the requirement may cause a serious economic hardship, except that this exemption shall not exclude from coverage of the rule more than 10 percent of the production of industrial equipment to which the rule applies.

"(g) The Administrator shall submit to the Congress within 2 years after the date of enactment of the Energy Conservation Act of 1979 a report on improvements in energy efficiency of industrial equipment. The report shall include information developed pursuant to subsection (c), information on the energy conservation potential and achievement with respect to industrial equipment, and any recommendations for additional legislation, including the advisability of establishing energy efficiency standards with respect to other types of equipment used in the industry.".

ADMINISTRATION AND ENFORCEMENT

SEC. 6. Section 346 of the Energy Policy and Conservation Act is amended to read as follows:

"ADMINISTRATION AND ENFORCEMENT

"SEC. 346. (a) It shall be unlawful for any manufacturer to (1) distribute in commerce any new industrial equipment which is not in conformity with a rule promulgated under this Act or (2) fails to comply with a rule promulgated pursuant to this Act.

"(b) Any person who violates subsection (a) shall be subject to a civil penalty of not more than $25,000 for each violation. Such penalties shall be assessed by the Administrator. Civil penalties assessed under this subpart may be compromised by the agency or officer authorized to assess the penalty, taking into account the nature and degree of the violation and the impact of the penalty upon a particular respondent.

"(c) the United States district courts shall have jurisdiction to restrain (1) any violation of subsection (a) and (2) any person from distributing in commerce any industrial equipment which does not comply with an applicable rule under this Act. Any such action may be brought by the Administrator in any United States district court for a district wherein any act, omission, or transaction constituting the violation occurred, or in such court for the district wherein the defendant is found or transacts business. In any action under this section, process may be served on a defendant in any other district in which the defendant resides or may be found.

"(d) The requirements of this subpart with respect to standards of labeling shall not apply to an article of industrial equipment if (1) such article is manufactured, sold, or held for sale for export from the United States (or such article was imported for export), unless such article is in fact distributed in commerce for use in the United States, and (2) such article when distributed in commerce, or any container in which it is enclosed when so distributed, bears a stamp or label stating that such article is intended for export.

"(e) Any article of industrial equipment offered for importation in violation of subsection (a) shall be refused admission into the customs territory of the United States under rules issued by the Secretary of the Treasury, except that the Secretary of the Treasury may, by such rules, authorize the importation of such equipment upon such terms and conditions (including the furnishing of a bond) as may be appropriate to insure that such equipment will not be distributed in commerce in violation of subsection (a) or will be exported from or abandoned to the United States. The Secretary of the Treasury shall prescribe rules to implement this section.

"(f)(1) Any person who will be adversely affected by a rule prescribed under this Act when it is effective may, at any time prior to the 60th day of the date such rule is prescribed, file a petition with the United States court of appeals for the circuit wherein such person resides or has his principal place of business, for judicial review thereof. A copy of the petition shall be forthwith transmitted by the clerk of the court to the agency which prescribed the rule. Such agency thereupon shall file in the court the written submissions to, and transcript of, the proceedings on which the rule was based as provided in section 2112 of title 28, United States Code.

"(2) Upon the filing of the petition referred to in paragraph (1), the court shall have jurisdiction to review the rule in accordance with chapter 7 of title 5, United States Code, and to grant appropriate relief as provided in such chapter.

"(3) The judgment of the court affirming or setting aside, in whole or in part, any such rule shall be final, subject to review by the Supreme Court of the United States upon certiorari or certification as provided in section 1254 of title 28, United States Code.

"(4) The remedies provided for in this subsection shall be in addition to, and not in substitution for, any other remedies provided by law.

"(g) The Administrator may issue such rules as he deems necessary to carry out the provisions of this subpart.".

AUTHORIZATION OF APPROPRIATIONS

SEC. 7. Part C of title III of the Energy Policy and Conservation Act is amended by adding at the end thereof the following:

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 379. There are hereby authorized to be appropriated to carry out the purposes of this subpart—

"(1) with respect to electric motors and pumps, $3,000,000 for each of fiscal years ending September 30, 1980, September 30, 1981, and September 30, 1982; and

"(2) with respect to all other types of industrial equipment, $4,000,000 for each of fiscal years ending September 30, 1980, September 30, 1981, and September 30, 1982.".

By Mr. STONE:

S. 1339. A bill to amend the Federal Election Campaign Act of 1971 to encourage a reduction in the amount of contributions collected in Senate general elections by providing for limited public funding for certain candidates when total contributions to an opponent exceed certain thresholds; to the Committee on Rules and Administration.

SENATE CAMPAIGN CONTRIBUTION REDUCTION ACT OF 1979

● Mr. STONE. Mr. President, in 1976, the U.S. Supreme Court in Buckley against Valeo, invalidated provisions of the Federal Election Campaign Act of 1971, as amended, which had placed a ceiling on overall campaign expenditures for various Federal offices. The Court could not find a governmental interest sufficient to justify the mandatory restrictions which the expenditure ceiling placed on the quantity of a candidate's political expression. The Court did indicate that a voluntary decision on the part of a candidate to limit expenditures in return for receiving public funds would not encounter the same constitutional difficulties. Since the decision, various public financing bills have been introduced in the Congress. Following the Supreme Court's suggestion, they seek to achieve adherence to a spending limit by voluntary compliance, the inducement for which is the receipt of public funds.

Thus far these public financing bills have had difficulty in the Congress. Recently, the House Committee on Administration voted not to report a public financing bill to the full House. I have supported public financing in the past and I will continue to support it, but today I am offering a somewhat different solution to the problems associated with campaign financing. My proposal focuses more on discouraging excessively expensive campaigns than on financing candidates, although it is the financing potential that is the cornerstone of the bill.

In brief, my bill would set a contribution threshold, which for purposes of discussion is the same formula used in S. 623 for its expenditure limitation—$250,000 plus 10 cents times the voting age population of the State. This threshold is not a limitation by which candidates must agree to abide in order to receive public funds. It is a triggering device which would provide financing to eligible candidates when one candidate exceeds the threshold by at least $10,000. I have considered two possible versions of the legislation. One would give qualifying candidates funds (in periodic installments) equal to the amount by which the leading contribution collector exceeded the threshold, until the eligible candidate(s) reached the threshold.

The other version would give eligible candidates enough funds to bring them up to the threshold, as soon as the leading contribution collector exceeded it by $10,000. The second version is obviously a bigger deterrent than the first to a candidate who is near the threshold and has collected a significantly higher amount of contributions than his nearest opponent. Whether it is too heavy a deterrent is a question which needs discussion. Once the threshold has been surpassed, funds equal to 10 percent of the threshold would be available to all eligible candidates who have also passed the threshold, each time the leading contribution collector receives contributions in excess of an amount equal to 10 percent of the threshold. Both versions of the bill would place an overall limit on the amount of funds any one candidate could receive of no more than 50 percent of the applicable threshold.

The goal of the bill is not to finance campaigns. Ideally not 1 cent would be paid to any candidate under my bill. For example, under either version of this bill, no candidate would have received any Federal funds in the 1976 Senate general election in Florida, Michigan, Mississippi, New Jersey, North Dakota, Washington, West Virginia, Wisconsin, or Vermont because the contributions thresholds were not exceeded. The bill is designed to encourage candidates to collect a reasonable amount of contributions. If they stay within that boundary, no candidate receives Federal funds in that race. Candidates would raise campaign contributions just as they do now, with the present limitations on the amount an individual or group may give to a candidate being applicable. There would be no prohibition against exceeding the threshold, but every candidate would know that the receipt of contributions in excess of the threshold would trigger public funds to eligible opponents. This knowledge would do several things: It would discourage a candidate who has far exceeded any opponents in amount of contributions received from continuing to solicit and receive contributions in excess of the threshold; it would also, in the event a candidate does exceed the threshold, help to equalize the financial positions of the candidates.

A number of people who agree with the goals of public financing, simply do not like the idea of diverting taxpayer's dollars to political candidates. My bill, which seeks to avoid this situation, may be a more acceptable alternative.

Mr. President, I ask unanimous consent that the text of the bill, a section-by-section analysis, and a chart be printed in the Record.

There being no objection, the bill and material were ordered to be printed in the Record, as follows:

S. 1339

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Senate Campaign Contribution Reduction Act of 1979".

Sec. 2. The Federal Election Campaign Act of 1971 is amended by adding at the end thereof the following new title:

"TITLE V—PUBLIC FUNDING OF SENATE GENERAL ELECTION CAMPAIGNS

"DEFINITIONS

"Sec. 501. For purposes of this title—

"(1) the definitions set forth in section 301 of this Act apply to this title;

"(2) 'general election' means any regularly scheduled or special election for the purpose of electing a candidate to the Senate of the United States;

"(3) 'eligible candidate' means a candidate who is eligible, under section 502, for payments under this title;

"(4) 'major party' means, with respect to any State—

"(A) a political party whose candidate for election to the United States Senate in either of the two preceding general elections for that office in such State received, as the candidate of that party, 25 percent or more of the total number of votes cast in that election for all candidates for that office, or

"(B) if only one political party qualifies as a major party under the provisions of subparagraph (A), the political party whose candidate for election to that office in either such election in such State received, as the candidate of that party, the second greatest number of votes cast in that election for all candidates for that office (if such number is equal to 15 percent or more of the total number of votes cast in that election for all candidates for that office);

"(5) 'account' means the Senate Campaign Account maintained by the Secretary of the Treasury in the Presidential Election Campaign Fund established by section 9006(a) of the Internal Revenue Code of 1954; and

"(6) 'authorized committee' means, with respect to any candidate in a general election, any political committee which is authorized in writing by such candidate to accept contributions or make expenditures on behalf of such candidate to further the election of such candidate.

"ELIGIBLE CANDIDATE

"Sec. 502. (a) In order to be an eligible candidate for purposes of this title, a candidate must certify to the Commission that—

"(1) he is the nominee of a major party for election to the United States Senate;

"(2) he received, in either of the two most recent general elections for the United States Senate in the same State in which he is a candidate, at least 25 percent of the total votes cast in that election for such office; or

"(3) he is seeking election to the United States Senate and he and his authorized committees have accepted contributions for that campaign in a total amount of not less than 10 [25] percent of the contribution threshold with respect to that campaign (as determined under section 503).

"(b) In order to be an eligible candidate for purposes of this title, a candidate must agree—

"(1) to obtain and to furnish to the Commission any evidence it may request about his campaign expenditures and contributions;

"(2) to keep and to furnish to the Commission any records, books, and other information it may request; and

"(3) to an audit and examination by the Commission under section 508 and to pay any amounts required under section 508.

"CONTRIBUTION THRESHOLD

"Sec. 503. The contribution threshold with respect to any general election shall be an amount equal to—

"(1) $250,000, plus

"(2) 10 cents multiplied by the voting age population (as certified under section 320(e) of this Act) of the State in which the election is held.

"AMOUNT OF PAYMENT

"Sec. 504. (a) No payment shall be made under this section to any candidate in a general election until such time as the Commission determines that at least one candidate in such election has accepted contributions in excess of the contribution threshold with respect to that election.

"(b) If the Commission determines that one candidate in a general election has accepted contributions in excess of the contribution threshold with respect to that election, all other eligible candidates in such election shall be entitled to an amount equal to the amount by which such candidate (who exceeded such threshold) exceeds such threshold.

"(c) If the Commission determines that two or more candidates in a general election have accepted contributions in excess of the threshold on contributions with respect to that election—

"(1) all eligible candidates who have not accepted contributions in excess of such threshold shall be entitled to an amount equal to the amount by which the candidate who has accepted the greatest amount of contributions exceeds such threshold; and

"(2) all eligible candidates who have accepted contributions in excess of such threshold, but whose contributions are exceeded by those of the candidate who has accepted the greatest amount of contributions by an amount in excess of 10 percent of such threshold, shall be entitled to an amount equal to 10 percent of such threshold.

Alternative to subsections (b) and (c):

"(b) If the Commission determines that one candidate in a general election has accepted contributions in excess of the contribution threshold with respect to that election, each other eligible candidate in such election shall be entitled to an amount equal to the amount which, when added to the amount of contributions he has accepted at the time that the one candidate exceeds the threshold, equals the amount of such threshold.

"(c) After any candidate has become entitled to payments under subsection (b), each eligible candidate whose contributions are exceeded by those of the candidate who has accepted the greatest amount of contributions in such election by an amount in excess of 10 percent of the contribution threshold shall be entitled to an amount equal to 10 percent of such threshold.

"(d) For purposes of this title contributions accepted on behalf of any candidate (as determined under section 320 (a) (7) and (8) of this Act) in a general election shall be considered to be contributions accepted by such candidate.

"(e) Notwithstanding the preceding provisions of this section, no eligible candidate may be paid any amount under this section which, in the aggregate, exceeds 50 percent of the contribution threshold with respect to the election in which he is a candidate.

"REPORTING REQUIREMENTS

"SEC. 505. (a) Each candidate in a general election shall submit to the Commission at the time required by the Commission, any reports which the Commission may require, under regulations, in order to carry out the provisions of this title.

"(b) (1) Each candidate in a general election shall notify the Commission and each other candidate in the same election within 48 hours after he or his committee becomes aware that he has received contributions in excess of the contribution threshold.

"(2) The Commission is authorized to determine, upon its own initiative or upon the request of any candidate in a general election, whether any candidate has accepted contributions in excess of the contribution threshold, and the amount of such excess.

"(c) (1) Not later than the date on which the candidate qualifies under the law of the appropriate State for a general election or ninety days before the date of any general election, whichever is earlier, each candidate in any general election shall file with the Commission a declaration of whether he intends to accept contributions in excess of the contribution threshold.

"(2) Not later than sixty days before the date of such general election, each candidate who has reason to believe that he may accept contributions in excess of such threshold shall notify the Commission to that effect, unless such candidate filed with the Commission a timely declaration that he intended to exceed such threshold, as provided in paragraph (1).

"CERTIFICATIONS BY COMMISSION

"SEC. 506. (a) (1) On the basis of the evidence, books, records, and information furnished by each candidate, and prior to examination and audit under section 508, the Commission shall certify from time to time to the Secretary of the Treasury for payment to each candidate the amount to which that candidate is entitled, in increments of not less than $10,000 as such candidate becomes entitled thereto, and a final increment of any remaining amount to which he is entitled.

"(2) Notwithstanding the provisions of paragraph (1), the Commission may make any certification described in such paragraph on the basis of a verification by the candidate and a certified public accountant, in such form as the Commission shall require, stating that the evidence, books, records, and information furnished, to the best of their knowledge, is accurate and fully satisfies all requirements in sections 502 and 504 with respect to entitlement to payments.

"(b) Initial certifications by the Commission under subsection (a), and all determinations made by it under this title, shall be final and conclusive, except to the extent that they are subject to examination and audit by the Commission under section 508 and judicial review under section 511.

"(c) Any candidate who knowingly and willfully submits false information to the Commission under this subsection shall be punished as provided in section 512.

"PAYMENTS TO ELIGIBLE CANDIDATES

"SEC. 507. (a) The Secretary of the Treasury shall maintain in the Presidential Election Campaign Fund established by section 9006 (a) of the Internal Revenue Code of 1954, in addition to any other accounts he maintains under such section, a separate account to be known as the Senate Campaign Account. The Secretary shall deposit into the account, for use by candidates eligible for payments under this title, the amount available after the Secretary determines that amounts in the fund necessary for payments under subtitle H of the Internal Revenue Code of 1954 are adequate. The moneys in the account shall remain available without fiscal year limitation.

"(b) Upon receipt of a certification from the Commission under section 506, the Secretary of the Treasury shall pay the amount certified by the Commission to the candidate to whom the certification relates.

"(c) (1) If the Secretary of the Treasury determines that the moneys in the account are not, or may not be, sufficient to pay the full amount of entitlement to all candidates eligible to receive payments, he shall reduce the amount to which each candidate is entitled under section 504 by a percentage equal to the percentage obtained by dividing (A) the amount of money remaining in the account at the time of such determination by (B) the total amount which all candidates eligible to receive payments are entitled to receive under section 504. If additional candidates become entitled under section 504 after the Secretary determines there are insufficient moneys in the account, he shall make any further reductions in the amounts payable to all eligible candidates necessary to carry out the purposes of this subsection. The Secretary shall notify the Commission and each eligible candidate by registered mail of the reduction in the amount to which that candidate is entitled under section 504.

"(2) If, as a result of a reduction under this subsection in the amount to which an eligible candidate is entitled under section 504, payments have been made under this section in excess of the amount to which such candidate is entitled, that candidate is liable for repayment to the account of the excess under procedures the Commission shall prescribe by regulation.

"EXAMINATION AND AUDITS; REPAYMENTS

"SEC. 508. (a) After each Federal election, the Commission shall conduct a thorough examination and audit of the campaign contributions and expenditures of all candidates who received payments under this title.

"(b) (1) If the Commission determines that any portion of the payments made to an eligible candidate under section 507 was in excess of the aggregate amount of the payments to which the candidate was entitled, it shall so notify that candidate, and he shall pay to the Secretary of the Treasury an amount equal to the excess amount. If the Commission determines that any portion of the payments made to a candidate under section 507 for use in his general election campaign was not used to make expenditures in connection with that campaign, the Commission shall so notify the candidate and he shall pay an amount equal to the amount of the unexpended portion to the Secretary. In making its determination under the preceding sentence, the Commission shall consider all amounts received as contributions to have been expended before any amounts received under this title are expended.

"(2) If the Commission determines that any amount of any payment made to a candidate under section 507 was used for any purpose other than—

"(A) to defray campaign expenditures; or

"(B) to repay loans the proceeds of which were used, or otherwise to restore funds (other than contributions to defray campaign expenditures which were received and expended) which were used, to defray campaign expenditures;

it shall notify the candidate of the amount so used, and the candidate shall pay to the Secretary of the Treasury an amount equal to such amount.

"(3) No payment shall be required from a candidate under this subsection in excess of the total amount of all payments received by the candidate under section 507 in connection with the campaign with respect to which the event occurred which caused the candidate to have to make a payment under this subsection.

"(c) No notification shall be made by the Commission under subsection (b) with respect to a campaign more than eighteen months after the day of the election to which the campaign related.

"(d) All payments received by the Secretary under subsection (b) shall be deposited by him in the account.

"REPORTS TO CONGRESS

"SEC. 509. (a) The Commission shall, as soon as practicable after the close of each calendar year, submit a full report to the Senate and House of Representatives setting forth—

"(1) the contributions received and the expenditures incurred by each candidate who received any payment under section 507 in connection with an election;

"(2) the amounts certified by it under section 506 for payment to that candidate; and

"(3) the amount of payments, if any, required from that candidate under section 508, and the reasons for each payment required.

Each report submitted pursuant to this section shall be printed as a Senate document.

"(b) The Commission is authorized to conduct examinations and audits (in addition to the examinations and audits under sections 506 and 508), to conduct investigations, and to require the keeping and submission of any books, records, or other information necessary to carry out the functions and duties imposed on it by this title.

"(c) The Commission shall submit, not later than March 1 of each year immediately following a year in which any Federal election is held, a special report to the Senate and the House of Representatives setting forth—

"(1) the amounts certified by it under section 506 of this title and sections 9005, 9008, and 9036 of the Internal Revenue Code of 1954 for payments from the Presidential Election Campaign Fund;

"(2) the amount of money remaining in the fund at the end of the calendar year in which any Federal election is held;

"(3) an estimate of the amount of money which will be transferred to such fund during each of the four calendar years immediately following the year in which any Federal election is held; and

"(4) an estimate, to the extent practicable, of the amount of money necessary to make all payments to which eligible candidates and the national committees of each political party will be entitled with respect to the next two Federal elections to be held.

"PARTICIPATION BY COMMISSION IN JUDICIAL PROCEEDINGS

"SEC. 510. (a) The Commission is authorized to appear in, and defend against, any action filed under section 511, either by attorneys employed in its office or by counsel whom it may appoint without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and whose compensation it may fix without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title.

"(b) The Commission is authorized to appear, through attorneys and counsel described in subsection (a), in the district courts of the United States to seek recovery of any amounts determined to be payable to the Secretary of the Treasury as a result of examination and audit made pursuant to section 508.

"(c) The Commission is authorized to petition, through attorneys and counsel described in subsection (a), the courts of the United States for declaratory or injunctive relief concerning any civil matter arising under this title. Upon application of the Commission, an action brought pursuant to this subsection shall be heard and determined by a court of three judges in accordance with the provisions of section 2284 of title 28, United States Code, and any appeal from the determination of such court shall lie to the Supreme Court of the United States. Judges designated to hear the case shall assign the case for hearing at the earliest practicable date, participate in the hearing and determination thereof, and cause the case to be in every way expedited.

"(d) The Commission is authorized on behalf of the United States to appeal from, and to petition the Supreme Court of the United States for certiorari to review, judgments or decrees entered with respect to actions in which it appears pursuant to the authority provided in this section.

"JUDICIAL REVIEW

"SEC. 511. (a) Any certification, determination, or other action by the Commission made or taken pursuant to the provisions of this title shall be subject to review by the United States Court of Appeals for the District of Columbia Circuit upon petition filed in such court by any interested person. Any petition filed pursuant to this section shall be filed within thirty days after such certification, determination, or other action by the Commission.

"(b)(1) The Commission, the national committee of any political party, and any individual eligible to vote for the Congress of the United States are authorized to institute an action under this section, including an action for declaratory judgment or injunctive relief, as may be appropriate to implement or construe any provision of this title.

"(2) The district courts of the United States shall have jurisdiction of proceedings instituted pursuant to this subsection and shall exercise such jurisdiction without regard to whether a person asserting rights under the provisions of this subsection shall have exhausted administrative or other remedies provided at law. Such proceedings shall be heard and determined by a court of three judges in accordance with the provisions of section 2284 of title 28, United States Code, and any appeal shall lie to the Supreme Court of the United States. Judges designated to hear the case shall assign the case for hearing at the earliest practicable date, participate in the hearing and determination thereof, and cause the case to be in every way expedited.

"PENALTY FOR VIOLATIONS

"SEC. 512. Violation of any provision of this title is punishable by a fine of not more than $10,000 or imprisonment for not more than five years, or both.

"RELATIONSHIP TO OTHER FEDERAL ELECTION LAWS

"SEC. 513. The Commission shall consult from time to time with the Secretary of the Senate, the Clerk of the House of Representatives, the Federal Communications Commission, and other Federal officers charged with the administration of laws relating to Federal elections, in order to develop as much consistency and coordination with the administration of those other laws as the provisions of this title permit. The Commission shall use the same or comparable data as that used in the administration of such other election laws whenever possible.".

SEC. 3. The amendments made by this Act apply to any general election campaign for which the election is held after December 31, 1979.

SEC. 4. There is authorized to be appropriated to the Federal Election Commission the sum of $900,000 for purposes of carrying out the provisions of this Act during the fiscal year ending September 30, 1980.

SECTION-BY-SECTION ANALYSIS

SEC. I. Title: Senate Campaign Contribution Reduction Act.

Sec. II.

§ 501: Definitions of "general election," "eligible candidate," and "major party," "account," and "authorized committee."

§ 502: Candidate eligible to receive payments must certify that he is:

1. nominee of major party for election to the Senate; or

2. he received at least 25% of the total votes cast in either of the 2 most recent general elections for the U.S. Senate in that state; or

3. he has accepted campaign contributions totaling not less than 10% of the contribution threshold for that campaign (25% in 2nd version which gives larger initial amounts of money).

§ 503: The contribution threshold for a general election shall equal $250,000 plus 10¢ × the voting age population of the state in which the election is held.

§ 504: Payments are triggered by a candidate accepting contributions in excess of the contribution threshold.

VERSION I

1. once threshold has been crossed by a candidate all other eligible candidates would receive amount equal to amount by which leading contribution collector exceeded the threshold;

2. if more than one candidate exceeds the threshold, leading contribution collector determines amount received by other eligible candidates who have not exceeded threshold;

3. once a candidate has surpassed the threshold, every time the leading contribution collector receives additional contributions equal to 10% of the threshold, eligible candidates who have also crossed the threshold would be entitled to funds equal to 10% of the threshold.

VERSION II

1. if one candidate exceeds the threshold all eligible candidates would receive enough funds to bring their contributions up to the threshold;

2. once a candidate has surpassed the threshold, every time the leading contribution collector received additional contributions equal to 10% of the threshold, eligible candidates would be entitled to funds equal to 10% of the threshold.

Both versions limit total amount any one candidate can receive to 50% of the applicable threshold.

§ 505: Require candidates to submit reports. Candidates must notify the FEC and other candidates within 48 hours after he becomes aware that he has received contributions in excess of the threshold. FEC can check records of contributions of any candidate to see if he has exceeded threshold.

Candidates must declare if they intend to accept contributions in excess of the threshold by date of qualifying for general election, or 90 days before such election, whichever is earlier.

If candidate did not declare he would exceed the threshold (pursuant to previous paragraph) but has reason to believe prior to 60 days to the election that he may, candidate must notify the Commission to that effect.

§ 506. FEC shall certify to Secretary of Treasury from time to time that a candidate is entitled to an amount of money. Payments will be made in increments of not less than $10,000 with a final increment of any remaining amount to which a candidate is entitled.

§ 507: Establishes Senate Campaign Account funded through same tax return checkoff system as in Presidential fund.

Authorizes the Secretary of Treasury to pay candidates.

If money in account is not sufficient, general treasury funds cannot be used; all candidates will get reduced amount.

§ 508: Requires FEC to examine and audit candidates' books. Requires candidates to repay to the Treasury Department 1) any funds they received in excess of what they were entitled; 2) funds used for non-campaign related items.

§ 509: FEC shall make periodic reports to Congress.

§ 510: FEC authorized to participate in judicial proceedings brought under this act.

§ 511: Commission actions reviewable by U.S. Court of Appeals. D.C. District courts have jurisdiction over the proceedings under the act.

§ 512: Violations punishable by fine of not more than $10,000, or imprisonment of not more than 5 years, or both.

§ 513: FEC shall work with congressional officials and federal agencies to coordinate this act with other federal election laws.

Act shall apply to any general election campaign for which election is held after 12/31/79.

Authorizes $900,000 to be appropriated to FEC for fiscal year 1980 to carry out this Act.

State	Voting age population [1]	Contribution threshold [2]
Alabama	2,543,000	$504,300
Alaska	258,000	275,800
Arizona	1,562,000	406,200
Arkansas	1,494,000	399,400
California	15,627,000	1,812,700
Colorado	1,828,000	432,800

Footnote at end of table.

State	Voting age population [1]	Contribution threshold [2]
Connecticut	2, 238, 000	$473, 800
Delaware	407, 000	290, 700
Florida	6, 219, 000	871, 900
Georgia	3, 450, 000	595, 000
Hawaii	615, 000	311, 500
Idaho	574, 000	307, 400
Illinois	7, 873, 000	1, 037, 300
Indiana	3, 690, 000	619, 000
Iowa	2, 025, 000	452, 500
Kansas	1, 664, 000	416, 400
Kentucky	2, 402, 000	490, 200
Louisiana	2, 609, 000	510, 900
Maine	756, 000	325, 600
Maryland	2, 921, 000	542, 100
Massachusetts	4, 166, 000	666, 600
Michigan	6, 284, 000	878, 400
Minnesota	2, 765, 000	526, 500
Mississippi	1, 575, 000	407, 500
Missouri	3, 417, 000	591, 700
Montana	523, 000	302, 300
Nebraska	1, 095, 000	359, 500
Nevada	439, 000	293, 900
New Hampshire	594, 000	309, 400
New Jersey	5, 224, 000	772, 400
New Mexico	783, 000	328, 300
New York	12, 897, 000	1, 537, 900
North Carolina	3, 864, 000	636, 400
North Dakota	450, 000	295, 000
Ohio	7, 484, 000	998, 400
Oklahoma	1, 994, 000	449, 400
Oregon	1, 695, 000	419, 500
Pennsylvania	8, 508, 000	1, 100, 800
Rhode Island	673, 000	317, 300
South Carolina	1, 953, 000	445, 300
South Dakota	475, 000	297, 500
Tennessee	3, 028, 000	552, 800
Texas	8, 773, 000	1, 127, 300
Utah	797, 000	329, 700
Vermont	336, 000	283, 600
Virginia	3, 631, 000	613, 100
Washington	2, 589, 000	508, 900
West Virginia	1, 313, 000	381, 300
Wisconsin	3, 244, 000	574, 400
Wyoming	278, 000	277, 800

[1] Bureau of the Census; estimates for July 1, 1977. Total voting age population in the United States is 152,089,000.

[2] The contribution threshold for each State is equal to $250,000, plus 10 cents times voting age population.

ADDITIONAL COSPONSORS

S. 92

At the request of Mr. Thurmond, the Senator from New Mexico (Mr. Schmitt) was added as a consponsor of S. 92, a bill to amend title 5, United States Code, to permit present and former civilian employees of the Government to receive civil service annuity credit for retirement purposes for periods of military service to the United States as was covered by social security, regardless of eligibility for social security benefits.

S. 555

At the request of Mr. Morgan, the Senator from Minnesota (Mr. Boschwitz) was added as a cosponsor of S. 555, a bill to encourage the preservation of independent local newspapers.

S. 955

At the request of Mr. Helms, the Senator from New Mexico (Mr. Schmitt) was added as a cosponsor of S. 955, the taxpayers Bill of Rights Act.

S. 1112

At the request of Mr. Leahy, the Senator from Arizona (Mr. DeConcini) was added as a cosponsor of S. 1112, a bill to eliminate the exemption for Congress or the United States from the application of certain provisions of Federal law relating to employment, privacy, and social security, and for other purposes.

S. 1176

At the request of Mr. Gravel, the Senator from Oklahoma (Mr. Boren), the Senator from Louisiana (Mr. Long), and the Senator from Wyoming (Mr. Wallop) were added as cosponsors of S. 1176, a bill to amend the Antiquities Act and the Federal Land Policy and Management Act of 1976.

S. 1249

At the request of Mr. Morgan, the Senator from Michigan (Mr. Riegle) was added as a cosponsor to S. 1249, a bill to provide coverage under the social security system to Members of Congress and employees of the legislative branch.

AMENDMENTS SUBMITTED FOR PRINTING

RESIDENTIAL FURNACE IMPROVEMENT AND COST SAVINGS ACT OF 1979—S. 1335

AMENDMENT NO. 230

(Ordered to be printed and referred to the Committee on Energy and Natural Resources.)

Mr. METZENBAUM (for himself, Mr. Jackson, Mr. Hatfield, Mr. Weicker, Mr. Kennedy, Mr. Leahy, Mr. Bradley, and Mr. Tsongas) submitted an amendment intended to be proposed by them, jointly, to S. 1335, a bill to require efficiency improvements in residential heating units.

NOTICES OF HEARINGS

SUBCOMMITTEE ON ADMINISTRATIVE PRACTICE AND PROCEDURE

● Mr. LEAHY. Mr. President, I wish to announce that the Subcommittee on Administrative Practice and Procedure has scheduled a hearing on S. 330, the Veterans' Administration Adjudication Procedure and Judicial Review Act. The hearing will be held on Wednesday, June 20, 1979, in room 2228, Dirksen Senate Office Building, beginning at 1 p.m.●

SUBCOMMITTEE ON ADMINISTRATIVE PRACTICE AND PROCEDURE

● Mr. CULVER. Mr. President, as chairman of the Subcommittee on Administrative Practice and Procedure, I announce that our subcommittee has scheduled additional hearings on the reform of the regulatory process. The hearings will be held on Thursday, June 21, 1979 in room 424, Russell Senate Office Building and on June 28, 1979 in room 1114, Dirksen Senate Office Building. The hearings will begin at 9:30 a.m.●

AUTHORITY FOR COMMITTEES TO MEET

SUBCOMMITTEE ON COMMUNICATIONS

Mr. CULVER. Mr. President, I ask unanimous consent that the Communications Subcommittee of the Committee on Commerce, Science and Transportation be authorized to meet during the session of the Senate today to hold a hearing on S. 611 and S. 622, the Communication Act amendments.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON VETERANS' AFFAIRS

Mr. ROBERT C. BYRD. Mr. President, these two requests have been cleared with the minority.

I ask unanimous consent that the Committee on Veterans' Affairs be authorized to meet during the session of the Senate tomorrow, June 14, 1979, to consider S. 689, the Veterans Disability Compensation and Survivor Benefits Act of 1979, and S. 754, the Veterans Insurance Amendments Act of 1979.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON ADMINISTRATIVE PRACTICE AND PROCEDURE

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Subcommittee on Administrative Practice and Procedure of the Committee on the Judiciary be authorized to meet during the session of the Senate on Wednesday, June 20, 1979, to consider S. 330, the Veterans Administration Adjudication Procedure and Judicial Review Act.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

BALANCED BUDGET AMENDMENT

● Mr. HART. Mr. President, a number of proposals have been introduced to provide for a balanced budget amendment to the U.S. Constitution. I believe in a balanced budget. And I believe the need to balance the budget is both real and urgent. However, amending the Constitution to require a balanced budget is both unnecessary and unwise.

A constitutional amendment requiring a balanced budget does not tell us how to balance the budget. Nor do its proponents confront the issues in these terms. If the balanced budget bandwagon were to reach its goal, Congress must still adjust taxes and spending to achieve that goal. Would not it be more efficient and productive if we simply dispensed with this symbolic effort and got on with the tough decisions on how to balance the budget?

On June 5, 1979, the Rocky Mountain News explained in an editorial why the constitutional amendment approach is the wrong way to balance the budget. I ask that this thoughtful editorial be printed in the Record.

The editorial follows:

Amendment Wrong Way To Balance the Budget

No doubt about it: The people who want a Constitutional amendment requiring the budget to be balanced every year except in emergencies are well-intentioned, sincere, decent Americans. They just happen to be wrong.

Yes, there are times when intelligent fiscal policy necessitates budget balancing—even budget surpluses—and one of those times is now. Along with letter writers on the page opposite this one, we would like to see Congress decrease expenditures to meet current tax receipts. That would do more than volumes of voluntary guidelines to curb inflation.

But down the road—in no more, maybe, than a few years—deficit spending might be required to fight unemployment, and we stick by our previously stated position that a Constitutional amendment would be a mistake. Congress and the president should simply not be placed in a fiscal strait jacket that will prohibit flexible response to the issues confronting them.

To hear the amendment advocates talk about it, you would think Congress is so recklessly irresponsible that it just can't be trusted ever to do the right thing about budgets. We, too, get more than a little angry at congressional tomfoolery sometimes, but basically, the institution has served the nation well over the past 200 years. Right now, it is even showing signs of fiscal maturity.

For the first time in 20 years, the House of Representatives has adopted a budget target that reduces outlays for welfare, education and other programs below presidential requests. And the Senate's three-year spending plan tightens the lid on domestic expenditures and would balance the budget by 1981. Congressmen, in short, are responding to public pressure to reduce spending—and public pressure, we would suggest, is the proper and best way to achieve balanced budgets.

But poo-poohing this congressional activity and ignoring the fact that Americans remain even today the most privileged people human history has ever known, the amendment advocates foresee gloom and doom unless we seriously inhibit representative government. They argue, for example, that the public debt is growing to such proportions as to endanger future generations—a myth that should have died long ago.

As Paul Samuelson, professor of economics at the Massachusetts Institute of Technology, has said: ". . . we must carefully avoid the unscientific practice of making up our minds in advance that whatever is true of some small merchant's debt is also necessarily true of the government's debt . . . The interest on an internal debt is paid by Americans to Americans; there is no direct loss of goods and services. When interest on the debt is paid out of taxation, there is no direct loss of disposable income: Paul receives what Peter loses, and sometimes—but only sometimes—Paul and Peter are one and the same persons . . ."

The point is, the public debt is something we owe ourselves. It is, at the same time, a liability and an asset. You might keep in mind, too, that as high as the debt is in absolute terms, its per capita size is not much larger than at the end of World War II, and that interest charges as a percentage of the gross national product have increased only slightly over the last four decades. The private debt, in the meantime, has grown much more quickly, as economists point out. It is about three times the size of the public debt.

The amendment advocates seem to believe there is some magic in an annually balanced budget—that, once you accomplish that, all problems are solved. It's just not so. Listen to Campbell R. McConnell, professor of economics at University of Nebraska Lincoln:

"Until the Great Depression of the 1930s, the annually balanced budget was generally accepted without question as a desirable goal of public finance. An incorrect identification of private and public finance and wide-spread belief in the classical theory of employment both fostered this acceptance.

"Upon examination, however, it becomes evident that an annually balanced budget largely rules out government fiscal activity as a countercyclical, stabilizing force. Worse yet, an annually balanced budget actually intensifies the business cycle.

"To illustrate, suppose that the economy encounters a siege of unemployment and falling incomes. As we have already noted, in such circumstances tax receipts will automatically decline. In seeking to balance its budget, government must either (1) increase tax rates, (2) reduce government expenditures, or (3) employ a combination of these two. It is obvious that all these policies are deflationary; each one further dampens, rather than stimulates, the level of aggregate demand.

"Similarly, an annually balanced budget will intensify inflation. As money incomes rise during the course of inflation, tax collections will automatically increase. To avoid the impending surplus, government must either (1) cut taxes, (2) increase government expenditures, or (3) adopt a combination of both. It is clear that all three of these policies will add to inflationary pressures."

Some of the advocates of an amendment say that, well, Congress would be given some leeway—that a provision could be drawn up permitting deficit spending after a two-thirds vote by the House and Senate. But, of course, there is no guarantee that a convention would adopt such an amendment, and if it did—if the requisite flexibility were allowed—things would not actually have been changed much. And if you're not going to effect a significant change, why go to the trouble of a Constitutional amendment? ●

THE SPACE RACE FOR THE 1980's

● Mr. SCHMITT. Mr. President, the lead article in the June 4 edition of Business Week, entitled, "The New Military Race in Space," is a timely commentary on the importance of future space activities to national security and world peace.

The Business Week article raises two serious issues that have been of great concern to many. The first deals with the establishment and implementation of a new and future orientated U.S. space policy, one that recognizes the critical need of this Nation to maintain its leadership in space activities. The development and implementation of such a policy takes on even greater significance when we realize the tremendous range of future manned space activities, both civilian and military, and the great benefits to all mankind that will result from our increased understanding and knowledge of how to utilize the space environment to solve many of the Earth's most pressing social problems. Other nations have not failed to take note of the future economic, military and political benefits associated with space activities.

The second concern raised by the article deals with the increased Soviet military activity in space and the need to insure that U.S. space leadership is maintained, and in some instances, regained. We can simply not afford to lose our historical position as world leader in space sciences and space activities, both in the civilian and military sectors. The cost of failing to be No. 1 are unacceptably high in terms of our economy and national security. We must, however, be particularly diligent to protect and foster civilian space programs at a time when great emphasis is likely to be and must be placed on the development and support of our military space capabilities.

These critical national issues demand the highest level consideration within the executive branch and the Congress. A more open and candid dialog must emerge between these two sectors in the development of national policies for space. Both Senator STEVENSON, chairman of the Science, Technology, and Space Subcommittee, and I, as the ranking member of the subcommittee, have raised these concerns through the introduction of space policy legislation (S. 244 and S. 212). I am confident that the subcommittee will continue to work toward the formulation of a new U.S. space policy. I hope that the President will withdraw this opposition to our efforts.

Mr. President, I ask that the June 4 Business Week article entitled, "The New Military Race in Space" be printed in the RECORD.

The article is as follows:

THE NEW MILITARY RACE IN SPACE

Most of the world, distracted by the attention surrounding efforts to reach an accord in round two of the Strategic Arms Limitation Treaty, remains unaware that what is potentially the deadliest and costliest arms race in history is rapidly building momentum. Quietly and relentlessly, the U.S. and the Soviet Union are rushing to develop sophisticated new weapons that will revolutionize the concept of modern warfare and turn outer space into another armed camp.

The stakes could not be higher in this race, yet it has been untouched by public debate and is completely outside the purview of SALT negotiations. Whoever gains control of space—the "high ground" of future wars—could shift the balance of power so decisively as to equate with world domination. And so far, the U.S. trails the Soviet Union.

The trend of recent events is so sensitive and so ominous that many space experts in government and industry flatly refuse to discuss the subject of war in space, even off the record. But from months of intensive research by a team of Washington-based reporters, Business Week has pieced together a story that could be the stuff of a science-fiction thriller—were it not so patently real.

Indeed, several top-level sources in Washington and the aerospace industry worry that the SALT II agreement may prove to be a mockery unless the U.S. can negotiate—quickly—a separate treaty with the Soviets to ban offensive weapons from space. The opening round of such discussions took place a year ago at a little-publicized meeting in Helsinki. The leader of the U.S. delegation was Paul C. Warnke, then head of the Arms Control & Disarmament Agency and now a special consultant to President Carter.

"There is no question in my mind," Warnke tells Business Week, "that we could have war in space within a decade unless we devise a treaty that will stop it." His concern is echoed by Malcolm R. Currie, a former Defense Dept. official who is now a vice-president of Hughes Aircraft Co. in charge of its Missile Systems Group. "Without agreement [to prohibit space war], I see a stepwise progression and escalation of the arms race into space," he warns. And in space, he adds, an arms race will be "much more expensive" than past earth-bound programs.

BILLIONS IN SPENDING

Over the last two decades, the U.S. has spent more than $50 billion on military space projects. To date this money has gone for rather fragile hardware designed only to support missions on the ground, not to engage in actual combat. To develop satellites that can wage war and withstand its rigors, billions more—perhaps as much again as all the money spent to date—will be needed. The obvious beneficiaries will be the major aerospace outfits, including Lockheed, Boeing, Rockwell International, and Hughes, as well as their vendors and other companies involved in building satellites and rockets.

The ultimate tab for a full-fledged space-war capability could be so high, in fact, that some Administration officials are anxious to avoid drawing public attention to the matter. They worry that a tax-weary public and a budget-conscious Congress would not allow spending of the enormous sums necessary without clear signs of an impending threat. Defense officials are keenly aware that past space-weapons projects, notably an "orbiting bomber" and a manned military space station, have been scuttled for economic reasons. And they realize that in the current economic climate, there is bound to be serious resistance to further large allocations to defense that widen the budget deficit and thus exacerbate inflation—or, alternatively, cut into the budget for social programs. At the same time, there is grave worry about a "technological Pearl Harbor" if the U.S. space effort does not get a steady infusion of additional funds.

The U.S. space budget in fiscal 1980 is about $8.2 billion, split evenly between Defense and the National Aeronautics & Space Administration. This is the highest figure in more than a decade and up from a low of $4.6 billion in 1972. Still, the U.S. lags far behind the Soviets in current activity. So far this year the U.S. has made only five launchings to put six satellites in orbit. That compares with 33 launchings and 44 payloads for the Soviet Union, which continues to extend its lead in space (chart, page 145). Most Western analysts give U.S. satellites higher marks for sophistication, and some therefore argue that gross numbers mean little. But Charles S. Sheldon II, a space expert at the Library of Congress with an encyclopedic knowledge of Soviet programs, is nervous. "Even with due credit for the higher productivity of some U.S. flights," he has stated, "the overall comparison is not a comfortable one."

President Carter faces an extremely touchy decision. An inadequate response to the Soviet challenge in space that effectively concedes an upper hand to the Kremlin is militarily unthinkable. On the other hand, an all-out, crash program would be so costly that it stands virtually no chance of winning congressional support now.

Carter is thus determined to press for a ban on offensive space weapons when he meets with Soviet Premier Brezhnev on June 15 in Vienna to sign the SALT II treaty. If such a ban could be worked out, notes an Administration official, it would enable the U.S. to restrict its space-war investment to defensive measures. However, because of the Soviet's military edge in space, Carter does not hold a very strong hand from which to bargain. And even with a space-weapons ban, funding increases would still be necessary to make space vehicles less vulnerable to attack. Treaties often have loopholes, explains a top national security official, and the agreements would be very difficult to police in space.

So whatever happens, the U.S. will have to spend hundreds of millions of dollars on measures to defend future satellites. The sensor systems in early-warning satellites, for example, need to be improved with optical filters to guard against blinding by lasers. Communications relay stations need to be equipped with antijamming gear and better encryption systems to resist electronic intrusion. And all types of satellites should get electronic circuits that are more resistant to radiation, along with stronger outer shells to increase their chance of survival under attack.

"The only real deterrent," asserts a top-level policy strategist, "is to make sure [that a potential adversary] knows our systems are capable of surviving a first strike." To provide such assurance of survival, adds this strategist, "we are in the developing stages of a far-ranging set of space-defense disciplines" that will culminate in the total redesign of future satellites from their semiconducter chips up—plus the creation of completely new defensive weapons, some of which seem to be right out of the old Buck Rogers comic strip.

The emergence of space's new strategic and tactical importance, according to analysts in the defense establishment, derives from rapid convergence of certain technological, economic, and political forces. The three most important:

The two space superpowers have grown increasingly dependent on space for a host of passive military functions. This trend is more pronounced for the U.S. than for Russia.

Three years ago the Soviets injected a potentially destabilizing element by resuming the testing of antisatellite weapons, known as ASATs. The U.S. has no similar weapons.

Russia's pursuit of exotic space weapons—high-energy lasers and particle beams that could zap targets with the speed of light—has been far more vigorous than this country's efforts.

The dependence on space platforms hardly needs elaborating. Today, photographic and electronic reconnaissance, or spy, satellites routinely gather constant streams of intelligence data. They are a primary means of policing SALT agreements and of watching the movement of miltiary forces anywhere in the world. The latest navigation satellites enable the captain of a Navy ship, an aircraft pilot, or even a foot soldier to fix his position with incredible accuracy. Perhaps most important, so-called switchboards-in-the-sky have become the heart of strategic communications systems, keeping commanders in touch with their scattered forces.

In most cases, the advantages of performing these missions in space are more critical for the U.S. than for the Soviet Union. American forces are scattered around the globe, while Soviet military units are concentrated in one area (though admittedly a vast land that stretches across 11 time zones). More than 70% of U.S. overseas military communications are now routed via space relays, for example. Moreover, for economic reasons the U.S. tends to abandon cables and line-of-sight microwave radio links once these are made redundant by satellites. The Soviets, however, do not.

Pentagon planners thus worry that the Soviets would be sorely tempted to try to deny the U.S. the use of space systems by knocking out U.S. orbiting platforms. "The more you rely on space as a force multiplier, the more probability of action there is against space vehicles," points out one defense planner. When the threat becomes a real danger, he adds, "you have to put money into countermeasures."

The danger became a reality three years ago, when Russia resumed testing of antisatellite weapons after a four-year hiatus. The resumption of tests in February, 1976—just months after a U.S. early-warning satellite was "blinded" over Siberia—caught the Pentagon flatfooted. "We thought they had stopped their ASAT program," admits a high-ranking Pentagon official. "Instead, they just went home and cleaned up the system, because we've seen improved kill capability."

President Ford responded by ordering a sweeping reexamination of policies, strategies, and weapons-development programs. The study showed that the treaty signed in 1967 that bans mass-destruction weapons from space had a loophole: It covers nuclear weapons but not conventional explosives or other means of destroying individual satellites. Furthermore, while the SALT and anti-ballistic-missile treaties prohibit interfering with "technical means of verification"—meaning reconnaissance satellites—neither the U.S. nor Russia has forced the issue of whether that protection also extends to early-warning satellites, the vehicles designed to detect launchings of intercontinental ballistic missiles (ICBMS). Clearly it does not apply to communications satellites or space-based radar systems.

THE U.S. LAG

Amazingly, the U.S. did not then have, nor does it now have, a set policy for responding to an aggressive act in space. This policy void became all to evident in late 1975, when the early-warning satellite over the Soviet Union was temporarily blinded. At first the Pentagon thought that the Russians had tested a new laser designed to hide the launching of ICBMS by overloading the sensory circuits in U.S. satellites. But after studying the incident further, the Pentagon concluded that the satellite's infrared sensors were blinded by an intense flare from a fire on a natural-gas pipeline. Some military analysts dispute this conclusion.

But there is no doubt that the Soviets have the capability to knock down a satellite whenever they choose to do so. On at least 16 separate occasions, Russia has launched hunter-killer space vehicles that have zeroed in on a dummy target after only one or two earth orbits.

While antisatellite weapons are the focus of Administration anxiety, there also is widespread unease over the gains that the Soviet Union has made in its man-in-space program. When the American astronauts last left the earth to visit Skylab in November, 1973, the Soviets had accumulated only 4,500 man-hours in space. Now they have pushed the total to 30,500, surpassing the U.S. record by 35 percent. During this period, the U.S. flew only one brief mission, the joint linkup of an Apollo and a Soyuz capsule in mid-1975 (the Apollo comander was Thomas P. Stafford, now a three-star general in charge of space-weapons R&D for the Air Force.

The ambitious Soviet manned-space program, meanwhile, has repeatedly launched cosmonauts—and remote-controlled Progress supply vehicles—to rendezvous with orbiting Salyut space stations. Most U.S. observers are convinced that future Salyut-type vehicles will serve as command posts in space. The Russians themselves have talked about space stations in the 1980s that would be permanently manned by 10 to 25 cosmonauts—and about even large Salyuts in the 1990s with crews of up to 120 men and women.

Even more alarming is Russia's concerted work on futuristic weapons, such as lasers and particle beams based in space or on the ground. The Pentagon concedes an early edge to the Kremlin in this technology, and catching up will gobble billions of dollars because, at least in the case of particle beams, there are some fundamental questions about the feasibility of such a weapon. Simply for elementary experiments to resolve the controversy surrounding particle beams, Defense has already spent $80 million, and it figures that an additional $215 million will be needed over the next five years. Engineering and building a prototype weapon would then take $750 million more and at least six years.

When it comes to lasers, the U.S. is on firmer ground. Defense has so far spent $1.3 billion on development—and has already scored impressive kills in tests of a laser's ability to bring down missiles in flight (page 138). Defense expects to plow another $1 billion into "lethality demonstrations" through 1985 before beginning to build operational laser weapons. However, General Stafford thinks that that time-table could be speeded up to produce an operational laser defense system "as early as 1985." The lasers would be based on mountaintops and carried aloft in special jet planes.

If lasers and particle beams can live up to the predictions of their most vocal champions, the first operational system will tilt the balance of power even more drastically than did the first ICBM. Some Defense technicians see "directed-energy" weapons providing an impregnable shield against warheads and bombers, with "ice-pick" beams of concentrated energy melting incoming missiles to mush. Fielding such an antiballistic missile (ABM) system would thus eliminate the nuclear-holocaust threat that now dominates military strategy.

The Pentagon is apprehensive about the

prospect of the Soviets' deploying a "leakproof" ABM system before a U.S. space-defense screen begins to shape up in the late 1980s. "There's a real, honest dread of the Soviets' getting this kind of weapon first," admits a Pentagon planner. Earlier this year, William J. Perry, Under Secretary of Defense for research and engineering, voiced similar concern at a congressional hearing. In lasers and beam weapons, he said, "our efforts are directed to determining technical feasibility and preventing technical surprise." The fear of surprise, explains a Perry deputy, stems from the fact that the Russians "have cloaked their program in one of the best veils of secrecy."

THE RUSSIANS' SATELLITE KILLER

That veil contrasts dramatically with the Soviets' blatant testing of a hunter-killer antisatellite weapon. What puzzles American defense experts is why the Kremlin bothered to develop such a weapon. Obviously, the Soviets could attack U.S. early-warning satellites in advance of an all-out barrage of ICBMs, but a Pentagon analyst notes that "if they put out our 'eyes,' they have only succeeded in warning us." A national security specialist adds: "I have read every classified intelligence document on Soviet doctrine, strategy, and so on, and nothing gives me an inkling as to why on God's green earth they have put this emphasis on a hunter-killer."

One analyst suggests that the Russians want it on hand for eliminating spy satellites and disrupting command communications in case of a breakout of nonnuclear hostilities between the Warsaw Pact nations and the North Atlantic Treaty Organization. Inevitably some Kremlin-watchers conclude that the Soviet ASAT is merely a bargaining chip in the cat-and-mouse game that is emerging in space. The Russians might agree to sacrifice such weapons to win some concession from the U.S.

Thus far, when it comes to ASAT weapons, the Soviets clearly have been playing cat to the U.S. mouse. In 1967 the U.S. agreed to ban nuclear weapons in space, but it nevertheless maintained two antisatellite bases—in the Pacific on Kwajalein Atoll and Johnston Island—that relied on missiles with nuclear warheads. In the early 1970s, though, the Pentagon decided to abandon the bases, because a nuclear explosion in space would release so much radiation that American satellites might also be damaged. "We scuttled the bases," a Pentagon planner says, "because we couldnt' use them." The shutdown was completed in 1975. Only months later, the Soviets resumed testing their nonnuclear ASAT, forcing the Ford Administration's restudy of the situation. Two days before he left office in 1977, Gerald Ford ordered the rapid deployment of a new American satellite-killer that would be a bit more sophisticated than the Russian weapon.

Soon after Jimmy Carter took office, however, U.S. strategy made another flip-flop. Dedicated to smaller defense budgets and idealistically committed to "maximum pacification" of space, President Carter ordered another study of the latter and in the meantime put a cap on ASAT spending, limiting work to development of technology only.

But when the National Security Council's year-long study was wrapped up last spring, it changed Carter's outlook. He lifted his ban on antisatellite testing—conditionally. Actual tests will be permitted only if efforts to get a ban on such weapons become bogged down. Insiders say Carter was persuaded by the NSC study that it would be ludicrous to ask the Soviets to abandon their working ASAT weapon in return for nothing more than a promise not to test such weapons.

Secretary of State Cyrus R. Vance had first proposed the idea of banning offensive weapons in space during his visit to Moscow in March, 1977. He received a favorable response, but then it took the Administration more than a year to hammer out a negotiating strategy and sit down with the Soviets in Helsinki. Progress at that meeting and two subsequent sessions was slight, in part because of Carter's insistence that the proposed treaty contain no "asymmetry" (unlike the SALT agreements, which allow the U.S. more bombers and the Soviets more missiles). Despite the obvious inequalities that already exist, Carter really wants the symmetry to be set at zero for both sides. "His idea is," says an insider, "Let's not even have peashooters in space."

However, in the absence of a nonaggression pact in space, the U.S. is arming for the alternative of potential conflict. "As long as we have some kind of arsenal," says a military strategist, "We believe they will be deterred from trying to wipe the skies clean of U.S. satellites. It's a massive balancing act."

Of the various moves that Defense is weighing, the one that is closest to deployment is a killer rocket being developed by LTV Corp.'s Vought Corp. It is called MHV (miniature homing vehicle) and consists of a cylinder, roughly 2½ ft. long and 1½ ft. across, that is ringed with small rockets. It would be carried aloft by an F–15 plane, which can climb above 100,000 ft. in less than four minutes, and from there seek out its target with infrared (heat-seeking) sensors and an onboard computer. Then the MHV would simply smash into the target.

Later versions of such an ASAT may be boosted into space atop Minuteman missiles. Hughes, Boeing, and Thiokol are among the defense contractors working on such a system, although none will discuss details of the project. Other companies are designing related weapons, such as a mine that would be planted in space near a target and explode on command. "You can always pack enough dynamite and a keg of nails to do the job," quips one Defense official.

Still other think tanks and drafting rooms are humming with the effort to come up with additional weapons and defensive measures. Some way of "hardening" vulnerable solar-power panels against laser attacks is being sought; meanwhile, work progresses on small nuclear-power plants that would eliminate the need for solar cells. Cork and other "overcoats" on the body of space vehicles are being explored as a means of diffusing a laser's energy long enough for a satellite to maneuver out of the beam or counter, say, by firing its own laser back at the enemy weapon.

QUESTIONS STRATEGISTS ARE ASKING

The use of "dark satellites," or "silent spares," is being evaluated. Such backup satellites would hide far out in space, dormant and thus difficult to detect, until switched on by a command from the ground. Camouflaging a satellite's true purpose, a ruse practiced sparingly until now, is becoming a lively area of research. Lockheed, TRW, Aerojet-General, and Hughes are believed to be especially active in space-defense techniques.

In the strategic arena, conceptual planners are chasing new ideas as eagerly as in the early 1960s. The questions being asked include: Should satellites be given more maneuverability so they could dodge a pursuer? Should the space vehicles themselves carry early-warning systems to signal an impending attack if an invader enters a "keep-out zone"? Should each satellite be armed to defend itself, or should critical satellites be grouped—"enclaved," as space engineers call it—with a defender satellite guarding the vicinity? "We're looking at all these things," says a cautious Defense research official.

One optimistic note is that the reusable space shuttle, which soon will be the prime U.S. launching vehicle for all satellites, has so much cargo capacity that the extra weight and bulk of survival and defense systems will not present a payload problem. On the other hand, the shuttle is as big as a DC–9 commercial jet, making it a superb target. And present plans call for only four shuttles to be built.

The Kremlin, in fact, has denounced the shuttle as a military "weapon"—and not just because the National Aeronautics & Space Administration has reserved roughly half of its payload capacity for military space platforms. What apparently bothers the Soviet leaders even more is that the shuttle would have the capability to maneuver close to Russian satellites and inspect them in orbit, or even retrieve a Soviet platform for dissection back on the ground.

In space warfare, though, it is not only satellites that need to be protected. The Pentagon is also worried about ground stations. "They are extremely vulnerable," notes a Pentagon planner, and taking them out could be just as effective as destroying the satellites they control. So duplicate and sometimes triplicate ground stations are being built, and mobile receiving terminals will be used as backups for fixed antennas for such vital functions as early-warning missions.

"Our overall game plan is not to permit the other side to attain unilateral superiority in space," says a top national security official. "There are two ways to do it. One is to build up our capability until it is at least equivalent. The other is to get him to get rid of some of his capability, with unambiguous verifiability. Either one is acceptable to this Administration." For now, both courses of action are being pursued—and from all indications will continue for years to come.●

ECONOMIC CONTRIBUTION OF TOBACCO

● Mr. MORGAN. Mr. President, on June 5 the Wharton Applied Research Center of the University of Pennsylvania released a study demonstrating the impact of tobacco on the American economy. This study, by a distinguished institution employing the latest economic research techniques available, demonstrates the contribution of tobacco to the gross national product through employment, incomes, and spending. Mr. President, I believe that the findings of this study warrant the attention of every Member of this body. Therefore, Mr. President, I ask unanimous consent that a fact sheet and summary of the key findings by the Wharton Applied Research Center be printed in the Record.

There being no objection, the material referred to was ordered to be printed in the Record, as follows:

Fact Sheet: The Tobacco Industry's Economic Contribution to the Nation, Its Fifty States, and the District of Columbia

Summarized below are highlights of a study conducted by the Wharton Applied Research Center and the Wharton Econometric Forecasting Associates, Inc., both affiliates of the University of Pennsylvania. Its aim was to determine the contributions made by the U.S. tobacco industry to national and state economies in 1977.

KEY FINDINGS

$48.6 billion was contributed by the tobacco industry to the gross national product in 1977. This figure was more than 2.5 times the $18.6 billion in net expenditures on tobacco products in 1977.

$17.1 billion in personal consumption expenditures and $200 million in capital expenditures were contributed directly by the tobacco industry.

$23.1 billion in personal consumption spending and $13.7 billion in capital investments were contributed indirectly by the tobacco industry.

2,067,000 jobs and $25.2 billion in wages, salaries and other compensation were contributed directly and indirectly by the tobacco industry.

$1.7 billion was contributed directly by the tobacco industry to the nation's exports and $400 million to its imports, resulting in a positive effect on the country's balance of payments.

Direct aggregate retail expenditures on all tobacco products approximated $17.1 billion.

Excise and sales taxes on tobacco products accounted for 9.3% and 3% of all indirect business taxes collected by the federal government and state and local governments respectively.

The core sectors of the industry (farming, auction warehousing, manufacturing, wholesaling and vending) contributed more than 1 cent to every federal dollar and 1.8 cents to every state tax dollar collected in 1977.

Gross city and county taxes on cigarettes totaled $124.3 million in 1977.

The farming and manufacturing sectors contributed an additional $33 million to local treasuries in the form of real estate and personal property taxes.

In 1977, approximately 490,000 farms were engaged in the production of burley and flue-cured tobaccos.

In 1977, the nation's 152 flue-cured and burley auction markets accounted for roughly $2.1 billion in sales.

Manufacturers' stocks were stored in over 550 owned, leased, or public warehouses in eight different states.

The wholesaling sector of the industry consists of 1720 companies that deal primarily in cigarettes. Cigarettes alone accounted for 60% of their sales revenues in 1977. These 1720 companies accounted for 93% of all cigarette sales at the wholesale level.

In 1977, the core sectors employed over 257,000 full-time workers and paid them in excess of $2.7 billion in wages, salaries, and other compensation.

It is estimated that during the 1977 harvest period, as many as 559,000 people were employed in tobacco farming.

As many as 14,000 part-time employees worked in auction warehouses in 1977.

Companies producing goods and services for use in cigarette manufacturers employed approximately 32,000 people for this purpose in 1977.

DEFINITIONS

"Contributions" are defined as the economic effects that are generated from expenditures on goods and services attributable to the farming, manufacturing, distribution and sales of tobacco-related products. These effects include employment, wages generated by that employment, personal consumption expenditures, and imports and exports.

"Direct" and "indirect" contributions were assessed. A direct contribution is any effect that can be directly traced to the farming, production, distribution, or marketing activities of the tobacco industry. Indirect contributions are attributable to the ripple effects of direct contributions throughout the rest of the economy.

Intensive economic examinations were performed to measure the direct contributions of the "core sectors" of the cigarette industry. These core sectors included farming, auction warehousing, manufacturing, wholesaling and vending. Non-cigarette contributions (e.g., cigars) were not included in the core analysis.

DIRECT CONTRIBUTION OF CORE SECTORS TO NATIONAL EMPLOYMENT

Core sector	Number of employees[1] (thousands)	Percentage of total	Total compensation[2] (millions)	Percentage of total
Farming	124	48	$522	19
Auctions	3	1	39	1
Manufacturing	55	22	942	35
Wholesaling	42	16	598	22
Vending	33	13	621	23
Total	257	100	2,722	100

[1] Full-time equivalents.

[2] Includes all company-paid benefits exclusive of taxes.

DIRECT CONTRIBUTION OF CORE SECTORS AND SUPPORT INDUSTRIES TO EMPLOYMENT, WAGES, AND TAXES BY STATE

[Dollar amounts in millions]

State	Number of employees[1] (thousands)	Wages[1]	State and local taxes[2]
Alabama	1.4	$19.0	$61.3
Alaska	.2	1.7	5.0
Arizona	.6	8.3	42.6
Arkansas	.7	9.6	46.7
California	6.3	86.7	392.5
Colorado	.2	2.4	34.7
Connecticut	1.4	19.5	78.7
Delaware	.2	3.1	12.9
District of Columbia	.4	5.9	15.6
Florida	2.2	32.7	226.8
Georgia	10.0	62.2	92.7
Hawaii	.3	4.4	11.2
Idaho	.2	3.8	11.8
Illinois	5.2	71.0	214.3
Indiana	2.2	31.3	75.7
Iowa	1.4	20.7	57.6
Kansas	.9	13.6	39.5
Kentucky	56.8	319.5	66.8
Louisiana	2.3	19.5	70.9
Maine	.4	6.0	25.3
Maryland	1.7	23.9	69.8
Massachusetts	2.6	36.3	151.6
Michigan	3.8	52.3	167.2
Minnesota	1.5	21.3	86.9
Mississippi	.7	10.6	40.9
Missouri	1.9	28.6	70.5
Montana	.3	4.3	11.8
Nebraska	.7	9.3	28.0
Nevada	.9	2.6	13.9
New Hampshire	.3	4.0	27.9
New Jersey	4.3	58.8	174.6
New Mexico	.4	5.4	17.0
New York	7.1	97.5	394.7
North Carolina	68.5	478.3	139.1
North Dakota	.2	3.8	10.3
Ohio	4.7	64.9	209.7
Oklahoma	1.2	15.2	51.3
Oregon	.9	11.9	33.9
Pennsylvania	5.5	75.3	263.3
Rhode Island	.3	6.3	25.4
South Carolina	8.7	46.0	39.1
South Dakota	.2	3.9	9.5
Tennessee	15.6	109.0	81.9
Texas	4.3	60.0	284.0
Utah	.4	5.3	10.2
Vermont	.2	2.6	9.9
Virginia	25.4	237.5	74.6
Washington	1.4	19.8	68.3
West Virginia	1.1	13.4	35.9
Wisconsin	1.8	24.5	100.4
Wyoming	.2	1.9	5.0
Rounding discrepancies	−1.4	2.5	−.6
Total	258.7	2,277.9	4,288.6

[1] Includes the 5 core sectors and the support industries for the manufacturing sectors.

[2] Includes State excise and sales taxes on cigarettes, property and real estate taxes paid by manufacturers and farmers, and State corporate taxes paid by the core sectors' companies, and the personal income taxes paid by their employees. ●

NEW REALITIES IN THE NORTH-SOUTH DEBATE

● Mr. JAVITS. Mr. President, I call the attention of my colleagues to two recent editorials, one in the Journal of Commerce and the other in the Washington Post, on the recently completed U.N. Conference on Trade and Development (UNCTAD) in Manila. The Journal's editorial, entitled "The Third World Shifts," describes perhaps the most historically meaningful development to emerge from UNCTAD V, which may very well herald a turning point in the North-South dialog. The editorial cites the view of Mahub Ul Haq of the World Bank—an eminent spokesman for the developing countries—that the Manila meeting was the beginning of a rift between OPEC and the Third World. As the Journal describes his belief, there is "little hope any longer that the 'new rich'—the Organization of Petroleum Exporting Countries—will take the lead in bringing opportunity to the less-developed countries." The Washington Post editorial echoes this sentiment in reporting that "the poor countries are making a slow and painful recovery from what you might call an overdose of OPEC euphoria."

The emergence of the developing countries in the early 1970's and their call for a new international economic order would probably not have achieved such prominence if their potential strength had not been viscerally demonstrated to the industrialized countries by the growing world power of OPEC. With the establishment of OPEC as a wealthy world power, the developing countries are now realizing that they are really on their own and can no longer assume a community of interest with OPEC when it comes to negotiating with the industrialized countries on trade, monetary, and aid issues. The developing countries are finally diplomatically acknowledging what has been apparent to many of us for years—that the OPEC price hikes have been most devastating to the developing countries.

Both editorials point out the importance of UNCTAD as a forum—despite the heavy dosage of rhetoric the conferences entail—as a means for continuing this dialog. We must not forget, as the Post editorial points out so well, that without strong markets for our own exports in the developing countries, the recession of 1974–75 would have been much more severe. Now that we may be on the brink of another recession, it is a critically important development that the developing countries are focusing on the central issues. And on our part, "the right response to UNCTAD is to keep expanding the international banks with American dollars that are matched by other wealthy nations. The right response is especially to keep this country open to foreign imports—including textiles, shoes, and transistor radios. Open markets, incidentally, benefit American consumers at least as much as foreign producers." The Senate has already assumed its share of responsibility in this area by overwhelmingly passing the recent authorizations for the U.S. contributions to the multilateral development banks and will be called upon very soon to approve the multilateral trade negotiations (MTN) package and bilateral economic assistance.

Mr. President, I urge my colleagues to consider these editorials which articulate these developments in the relationship between the developed and developing world: The developing-country solidarity and the resultant shared realism between the nonoil LDCs and the industrialized countries which will focus the future North-South debate on arriving at mutually advantageous results in the areas of trade and multilateral aid.

Mr. President, I ask that these two editorials be printed in the Record.

The editorials follow:

[From the Journal of Commerce, June 5, 1979]

The Third World Shifts

Mahub Ul Haq has changed his mind. Just back from the fifth United Nations Conference on Trade and Development at Manila, this Pakistani who has been described as the most articulate and persuasive spokesman of the third world, sees little hope any longer that the "new rich"—the Organization of Petroleum Exporting Countries—will take the lead in bringing opportunity to the less developed.

Mr. Haq, who is not related to the current Pakistan prime minister of the same name, is a graduate of Cambridge and Yale who served 13 years formulating and implementing five-year economic plans in his home country before joining the World Bank in 1970 as director of policy planning and program review. Three years ago, in his book "The Poverty Curtain," he set forth an agenda for the New Economic Order, the widely accepted third world hope for altering the balance between rich nations and the poor.

The poor nations were to join together, like a trade union, to drive a new bargain with the rich. No massive redistribution of past income and wealth was to be sought, only greater equality of opportunity or the right to future growth. The demand for a new Economic Order would be a continuing thing, extending over decades, not a once and for all negotiation. And it would balance the interests of both rich and poor. The industralized countries would have to recognize that failure to accommodate the demands of the poor might bring costly disruption of their own economic activity. The developing lands would have to understand that they could not prosper if the rich were driven down into poverty.

Mr. Haq cited reasons why he felt the new rich might defy history and refuse to join the industrialized countries, the old rich: 1. the fact that the OPEC countries received most of their higher incomes from the industrialized countries, making it diffcult for them to join forces with the old rich without losing income and economic power; 2. their small part of the world population, 7 percent, plus their often underdeveloped economies and poor defense arrangements, causing them to recognize the continued political support of the third world as their best protection; 3. their closer racial, religious, linguistic and cultural ties to the third world than to the industrialized countries; and 4. the fact that the OPEC countries could play the role of leaders in the third world while, in the councils of the industrialized nations, they were still regarded as second-class powers.

Now, however, Mr. Haq sees such action by the OPEC countries as a vain hope. At UNCTAD V, he told a group of journalists in Washington last week, it was apparent that those hurt most by the recent increases in OPEC oil prices were the poorest of the developing countries. But every time the matter of energy was brought up for discussion, Venezuela, the founding member of OPEC, succeeded in getting the matter postponed. The Manila meeting, he said, was the beginning of a rift between OPEC and the third world.

Another hope of the third world, now dashed, Mr. Haq said, is the thought that the developed countries—quite apart from OPEC—speak as one voice. But if the last two or three years demonstrate anything, he said, it is the growing differences between the poorest countries and the middle income developing lands. The poorest, those with less than $300 a year income per capita, account for 56 percent of the population of the developing world but produce only 16 percent of its gross domestic product and 10 percent of its exports.

Other assumptions, common as recently as three years ago when UNCTAD IV met at Nairobi, Kenya, have collapsed too, Mr. Haq said. One was the notion that all that was needed was more concessions from the rich, such things as higher commodity prices and more aid. Now, however, there was increasing recognition that such devices, like the old colonial system, might produce greater dependency, not less.

Similarly, he said, there is increased acknowledgement that development, like charity, begins at home and that no outside help will be of much use if a government refuses to make the necessary structural changes domestically. Finally, he said, there was increased admission that the world monetary system was in deep trouble and that the third world would have to join with both the industrialized countries and the socialist nations to develop a new structure.

The intriguing thing about all this is to hear a leading spokesman for the third world speaking no longer as an advocate alone but as an inhabitant of this planet deeply concerned about its economic survival. In this, paradoxically, his words echo those of conservative voices in the industrialized lands who have been warning for two decades that present policies—of money and credit expansion at the expense of saving, investment and growth of productivity—can bring the world economy to the brink of disaster and perhaps tip it over.

At UNCTAD V, Mr. Haq said, the talk no longer was of commodity stabilization and debt forgiveness. It was of halting the worldwide descent into protectionism and of the need for monetary reform. No longer, it was said, should the United States be permitted to export inflation by foisting added dollars upon the world to maintain or increase its standard of living by paying for the import of real goods with its I.O.U.'s.

At last, we feel, the third world is focusing on the right issues. How well it will bring its leverage to bear, if indeed it has any, remains to be seen.

[From the Washington Post]

Where North and South Meet

The long quarrel between the rich nations and the poor—the North and the South—doesn't seem to have made much progress in Manila. The representatives of 159 governments met there for a month and, when it ended last week, they had very little to show for their labors. It was UNCTAD, the fifth United Nations Conference on Trade and Development, a forum that—like the U.N. General Assembly—has become an invitation to the least wealthy and powerful to vent their grievances. The character of this latest session raises a question whether UNCTAD itself is not a bad idea—whether, as an institution, it does not generate an atmosphere of ideological rigidity and confrontation.

But the answer is that, on balance, it's better to have UNCTAD than not. The grievances are real, and the world does not escape them by refusing to listen. While this latest meeting accomplished little, there were signs here and there of a new sense of realism.

The rich countries are worried about the coming recession and the instability of their currencies. They are not eager to talk about large new aid plans. At a time of high domestic unemployment, they are not anxious to increase imports from the developing countries. But they all know that, without strong markets for their own exports in these same developing countries, the recession of 1974–75 would have been much more severe. Precisely because another recession is now on the horizon, the North has good reason to think carefully about the prosperity of their customers to the south. Where altruism fails, self-interest is often a very adequate substitute.

On the other side of the equation, the poor countries are making a slow and painful recovery from what you might call an overdose of OPEC euphoria. When OPEC suddenly changed the world's economic balance of power five years ago, a great many countries with low incomes saw it as a universal model. There was talk of little OPECs in everything from bauxite to bananas. But, of course, they haven't worked. In some governments, that has only raised the sense of frustration and dependence. In others, more profitably, it has revived interest in conventional trade strategy.

The developing countries need, above all, two things. They need better access to the markets of the industrial countries, in a time of rising protectionism. They also need more development capital, for which the World Bank and the other international institutions are now the main conduits. For Americans, the right response to UNCTAD is not to try to win the endless debates over theories of imperialism and accusations of exploitation. The right response is, instead, to keep expanding the international banks with American dollars that are matched by other wealthy nations. The right response is especially to keep this country open to foreign imports—including textiles, shoes, and transistor radios. Open markets, incidentally, benefit American consumers at least as much as foreign producers.●

S. 1176—ANTIQUITIES ACT AND "BLM ORGANIC ACT" AMENDMENTS

● Mr. GRAVEL. Mr. President, I ask that Mr. Boren, Mr. Long, and Mr. Wallop be added as cosponsors of S. 1176, a bill to amend the Antiquities Act and the Federal Land Policy and Management Act of 1976. I also ask that a resolution endorsing this legislation by the Western States Legislative Forestry Task Force be printed in the Record.

The resolution follows:

A Resolution Relative to Limiting Presidential Powers Under Antiquities Act

Whereas, the "property clause" of the U.S. Constitution reserves unto Congress the authority to appropriate federal lands; and

Whereas, the 95th Congress considered legislation directed to appropriation of large quantities of federal lands in Alaska and refused to pass such legislation; and

Whereas, the 96th Congress is again considering such federal land appropriation proposals; and

Whereas, in December of 1978, notwithstanding the appropriate provisions of the U.S. Constitution, acted to declare 17 National Monuments in Alaska totaling some 56 million acres, relying upon provisions of the Antiquities Act of 1906; and

Whereas, the Antiquities Act is intended to grant to the President the authority to protect "objects of historic or scientific interest" in the "smallest area compatible with the proper care and management of the objects"; and

Whereas, the President in declaring such 17 National Monuments clearly exceeded the authority granted pursuant to the Antiquities Act of 1906 and usurped authority reserved to Congress; and

Whereas, the Secretary of Interior withdrew an additional 40 million acres of federal lands in Alaska as wildlife refuges in reliance upon authority granted the Secretary of Interior by the BLM Organic Act with respect to emergency situations; and

Whereas, the action of the Secretary of Interior was precipitous and not for the purpose of dealing with a true emergency; and

Whereas, the actions of the President and his Secretary of Interior resulting in the incredibly large federal land withdrawals have caused substantial harm to many Alaskans as well as clouding the ability of our nation to realize important energy and mineral potential contained in such lands; and

Whereas, the Congress may remedy the harm caused by the precipitous acts of the President and the Secretary of Interior

Now, therefore, be it resolved that the Western States Legislative Forestry Task Force does hereby support legislation that would:

1. Require any proposal to create National Monuments aggregating more than 5000 acres of federal land located in any one state be submitted to Congress for approval by joint resolution under expedited procedures similar to those under the Alaska Natural Gas Transportation Act; and

2. Provide that land uses validly occurring at the time a National Monument is established will not be prohibted unless they directly impact historic or archaeological sites or remains; and

3. Define "objects of historic or scientific interest" as used in the Antiquities Act of 1906 to include only historic, archaeological remains associated with human behavior; and

4. Provide more direct, positive congressional review of administrative land withdrawals.

Be it further resolved that the Executive Director be and he is hereby authorized and directed to forward copies of this Resolution to the President of the United States, the Secretary of Interior, the Congressional Delegations and Governors of the Task Force member states.

Upon motion by Representative Oral Freeman of Alaska, seconded by Senator Lowell Peterson of Washington, the foregoing Resolution was unanimously passed and adopted by the Western States Legislative Forestry Task Force at a regular meeting thereof on March 26, 1979, held in the Rayburn House Office Building in Washington, D.C.●

ARREST OF CHARTER 77 MEMBERS IN CZECHOSLOVAKIA ON MAY 29

● Mr. DOLE. Mr. President, the attention of the entire world will be focusing in the next few days on the historic meeting scheduled to take place in Vienna, Austria, between the leaders of the two most powerful nations on earth.

On the eve of sealing an agreement between the United States and the Soviet Union designed to help promote the cause of world peace, it is unfortunate that a member nation of the Communist bloc, Czechoslovakia, should choose to violate the provisions of an earlier agreement between East and West, the Helsinki Final Act on Human Rights.

I am referring to a recent incident involving members of the Charter 77 movement. As you will recall, Charter 77 is the Helsinki monitoring group in Czechoslovakia. On May 29, 10 members of the movement were arrested in Prague. Among them were Valac Havel, playwright, a former charter spokesman, the philosopher Jiri Nemec, physicist Valav Benda, and seven other persons. The arrests were made following the publication of a new Charter 77 document comparing economic conditions in Czechoslovakia with conditions in Western Europe.

Conflicting reports make unclear how many of those arrested are still being held. The figure ranges from 7 to 9 and possibly all 10. All, however, are facing the charge of "undermining the state," which carries a penalty of 3 to 10 years of imprisonment, or of "undermining the republic," which carries a penaty of 1 to 10 years of imprisonment.

In addition, one of the three official charter spokesmen of the movement still at liberty, Zdena Tominova who telephoned the news to Palach Press in London, was attacked by men wearing masks as she was entering her house. She had to be hospitalized in Prague, suffering brain concussions.

Accustomed as we are to freely expressing opinions, voicing criticism when it is deemed constructive, and offering praise when it is thought appropriate, we are brutally reminded, once again, in the words of the German historian Hannah Arendt writing in "The Origins of Totalitarianism," that people living under such a system, as exists in Czechoslovakia, are "deprived not of the right to think whatever they please, but of the right to opinion."

The dehumanized world dreamed up more than 50 years ago by an illustrious son of Czechoslovakia, Franz Kafka, in which citizens are taunted by faceless bureaucrats on obscure charges for crimes they did not commit, has become a nightmarish reality of everyday living for the freedom-loving Czech people.

In lodging my strong protest against this blatant violation of human rights, I should like to acclaim the indomitable courage of the members of Charter 77 as they symbolize the fight against tyranny of the Czech people, who has never abandoned its struggle for freedom, in spite of harassment and terror-spreading tactics of a regime bent on destroying the spirit of independence.●

SCHOOL LUNCH ADMINISTRATION

● Mr. MORGAN. Mr. President, on May 23, this body considered and passed S. 292, a bill reducing the fiscal year 1980 authorization for appropriation for the special supplemental food program.

The bill as passed included several amendments which were introduced and agreed to on the floor. One of these was unprinted amendment No. 190, introduced by Senator Eagleton and titled "State Responsibilities." This amendment authorizes the Secretary of Agriculture to withhold State administrative expenses (SAE) funding from States which show "a serious deficiency" in the administration of one or more of the child nutrition programs. Supporters of the amendment, including the administration, have argued that this threat of sanctions is necessary as part of a plan to improve program management and increase accountability.

Mr. President, I am fully committed to the goal of increasing management efficiency and accountability wherever necessary to improve programs which are supported by Federal tax dollars. Responsible, carefully drafted legislation which will improve management of the child nutrition programs will receive my full support.

However, the amendment of State responsibilities as drafted provides sanction powers so broad as to be unacceptable in this or any other situation. It fails to define standards under which sanctions will be imposed. It fails to provide the opportunity for appeal of administrative decisions. For these reasons, I was compelled to oppose it.

The State responsibilities amendment authorizes the Secretary of Agriculture to withhold entitlement administrative funding from a State when he determines that the State is not administering a program in accordance with the National School Lunch Act or the Child Nutrition Act. On what basis is the Secretary to make such a determination? The language simply states:

> As evidenced by a serious deficiency in the administration of the program.

This is circular language. The amendment provides no standards for the withholding of SAE funds. It provides no definition of "serious deficiencies."

One can only conclude that, under this amendment, "serious deficiencies" are to be determined by USDA officials on an ad hoc basis. It is very difficult to see how States can establish rational programs to improve their management systems under such circumstances. The amendment is likely to make the situation worse, not better.

The State responsibilities amendment also fails to make any provision for appeal of USDA decisions. Under its language, the Secretary has the power of summary judgment. In my view, this is an unwise policy for Congress to follow. In an honest disagreement over facts or their interpretation, a State should have the opportunity to prove that it is right.

All in all, it is clear that the amendment on State responsibilities was not carefully considered and was hastily drafted. Its glaring weaknesses are likely to exacerbate the situation it was designed to improve. For these reasons, I was unable to support it.●

S. 1287—SOCIAL SECURITY BENEFITS

● Mr. PRESSLER. Mr. President, I am pleased to cosponsor legislation with Senators Goldwater and Stone to repeal the earnings limitation on social security benefits at age 65. This legislation was introduced last week.

Little can be said that Senator GOLDWATER has not said in support of such legislation over the years.

I have always felt that applying an earning limitation to a retirement program was unfair. In this case, we are not dealing with the Government's money. Instead, we are dealing with dollars that individuals have set aside for their own retirement. It is unfair for us, or for anyone, to put an arbitrary limitation on how much such individuals can earn on the side.

This law is detrimental to the senior citizens in our country. It discourages their productivity by taking their own retirement dollars away from them. It is astonishing that such a law is still on the books.

As Senator GOLDWATER has pointed out in the past, the only major argument against this legislation is the cost factor, and that factor is debatable. Revenue offsets which will come into the Treasury as a result of more elderly people working can more than make up for the loss that opponents of this legislation constantly refer to. This can no longer be used as a substantial argument by the opposing side.

I have talked with elderly people from across my State regarding this legislation. All they ask is for a chance to work past the age of 65 without losing their retirement dollars. I do not think that it is an unfair demand. A millionaire can earn $1 million in dividends on investments and collect full social security benefits. But a retired wage earner loses social security by working.

Mr. President, I ask that my colleagues give this legislation their favorable consideration in the months ahead.●

REGULATORY REFORM

● Mr. CULVER. Mr. President, we are all aware of the growing need for a regulatory process which is more efficient, more effective and is more open to those who have interests in its actions. Almost every day I receive some kind of communications from a constituent who perceives he or she has been victimized by a delay, an instance of inefficiency, or a needless expense which stems directly or indirectly from the action or inaction of a Government agency.

At the same time, everyone is more aware now than ever before of the role Government regulation must play in protecting the safety of our food, water, workplaces, and the competitiveness of our marketplace. In every State, people are realizing that, no matter where they are and what they do, regulation touches them personally. They realize that they may need, at some point, to become involved in the regulatory process. Many fear and dread such involvement.

The Administrative Practice and Regulatory Control Act of 1979 addresses both the substance and process of Federal regulation. The bill would require that agencies consider whether the regulations they are promulgating are the best way to achieve the statutory goal and would provide for an uncompromising reassessment of the rules and effectiveness of more than 30 key Government agencies, that review to run throughout a 10-year period following enactment of the bill. Agencies would also be directed to consider the competitive impact of the decisions.

The bill would further open the administrative process to public participation by providing special intervenor funds to those whose participation in rulemaking is important but would not be possible without those funds.

The bill would require clearer notices of proposed rulemaking and provide that interested parties receive all of the information they need in order to understand arguments made during the process and respond to those arguments. Also, the bill would require that all communications to an agency official by persons outside the agency after Federal Register publication of a proposed rule be summarized and logged. Finally, the bill would open some exempted agency functions to public scrutiny.

I am confident that all of the provisions I have described can be effective in improving the quality of the administrative process, making that process more efficient and more accessible to the public. I have some reservations, however, about two of the bill's other provisions.

First of all, the bill gives an agency the option, in the case of a significant rule, of holding an informal public hearing, creating an ad hoc advisory committee, and/or such other devices as it might deem appropriate. I am concerned that this layer-type or "hybrid" rulemaking procedure, while attempting to add flexibility to the process, may not in fact improve the overall rulemaking scheme but may simply result in complication and delay. I will be alert for opportunities to modify and improve the hybrid rulemaking idea as our consideration of the bill progresses.

Secondly, the bill directs agencies to consider the competitive impact of proposed regulations and select the least anticompetitive alternative. I am concerned about the effect of this provision on long-range competition in the agricultural sector. Short-term anticompetitive effects in programs such as the farm set-aside program may have long-term competitive benefits. I will be examining this provision very closely to assure that our long range goal of making agricultural goods available at a fair price is protected.

Despite my reservations, I am pleased with the direction this bill has taken and I am optimistic that its implementation, in the improved form which will doubtless emerge after our careful deliberations, can substantially improve the way our agencies work and our people help them work. A more open and efficient Federal regulatory process would surely be an achievement of which all Members of this body could be proud.

I must stress, however, what regulatory reform will not mean. Regulatory reform does not mean that clean air and water standards will be lower. Regulatory reform does not mean that workplaces will be allowed to be less safe. Regulatory reform does not mean that our protection of the competitiveness of our marketplace will be ending.

The Administrative Practice and Regulatory Control Act of 1979 means simply that our agencies would be brought into closer touch with their statutory mandates and would be finding the most effective and efficient means of achieving those mandates. It means that individuals, groups, small businesses and large companies might expect to find many of the barriers to their involvement in agency processes lowered or removed. It means that all of the events which take place within the context of official rulemaking will be known to each of the 1979 would streamline the administrative Practice and Regulatory Control Act of 1979 would streamline the administrative processes which are and will remain so important to all of us.

I commend Senator KENNEDY for the leadership and support he has given to the issue of regulatory reform, both in the past as chairman of the Subcommittee on Administrative Practice and Procedure, and more recently as chairman of the Judiciary Committee. The diligent and thoughtful work of he and his staff has resulted in this important new initiative.

The Judiciary Committee has a crucial role to play in reforming the regulatory process. The Subcommittee on Administrative Practice and Procedure understands the importance of its mandate to seriously consider the several proposals for regulatory reform.

Senator RIBICOFF's bill, S. 262, and the administration bill, S. 755, have provided the major focus for the debate on improving the regulatory process. The Regulatory Flexibility Act, S. 299, which I have introduced, attempts to alleviate the documented discrimination against small business and Government, resulting from uniform application of Federal regulation.

These bills, together with the Administrative Practice and Regulatory Control Act, and several other proposals will be the subject of intensive study and hearings before the subcommittee beginning in mid-June. I look forward to reporting back to the full Judiciary Committee on this important issue.●

THE U.S. PATENT OFFICE AND AMERICA'S FUTURE

● Mr. SCHMITT. Mr. President, as I am sure my colleagues are well aware, the United States is currently suffering from a declining rate of industrial innovation and economic growth, a growing international trade deficit and ever increasing threats to our world technological leadership. The causes of this downward trend in our traditional technological preeminence are varied and complex—overburdensome and costly regulations, lack of an overall trade policy, counterproductive tax policies, and inadequate funding of basic research, to name just a few. To overcome some of these problems, I introduced S. 1215, the Science and Technology Research and Development Utilization Policy Act.

But today, Mr. President, I would like to bring to the attention of my colleagues a related matter which has equally serious implications for the economic development of our country—the operation of the U.S. Patent and Trademark Office. For the past two centuries, the U.S. patent system has served this country well in fulfilling its constitutional mandate to "* * * promote the progress of science and useful arts, by securing for limited times to authors and inventors the exclusive rights to their respective writings and discoveries." It has provided this Nation with a voluntary incentive system for the investment of research and development funds so essential to the identification and diffusion of new products and processes to the marketplace.

The Patent and Trademark Office plays a critical role in the operation of the patent system through the granting of patents for inventions and the registration of trademarks. By the issuance of patents the risks attendant to commercializing inventions can be reduced and the disclosure of inventions encouraged.

Despite the obvious significance of the Patent and Trademark Office to the innovation process and national productivity, real dollar funding for the Office has been steadily declining over the past 3 years. The President's fiscal year 1980 budget request of $97.6 million represents a $1.1 million program reduction from the previous fiscal year.

The effect of these budget cuts has been a reduction in the size, efficiency, and capability of the Office. The pendency time for the issuance of patents—a variable critical to the rapid development of an invention—has been steadily increasing. Equally distressing is evidence that the patents, once issued, are frequently found to be invalid when challenged in court. The result is additional cost to all parties involved and further delay in the commercialization of the subject invention.

Mr. President, I am now convinced that many of the problems confronting the Patent and Trademarks Office are directly traceable to the lack of adequate funding. The Department of Commerce has initiated its own budgetary and management investigation of the operations of the Office. I am hopeful these efforts will provide sufficient insight as to the deficiencies of the Office to permit the Congress to take appropriate action necessary to insure the integrity of the U.S. patent system and the efficient administration of the Patent and Trademark Office.

Mr. President, the response from the Department of Commerce to my recent inquiries provides some valuable insight as to the nature and scope of the problems facing the Patent and Trademark Office and I would ask that the text of the response be printed in full in the RECORD. I would also ask that a letter from the Patent Office Society containing the views of its members regarding the fiscal year 1980 budget of the Patent and Trademark Office be printed at this point in the RECORD.

The material is as follows:

[Response from the Department of Commerce]

DEPARTMENT OF COMMERCE: PATENT AND TRADEMARK OFFICE

How important is the Patent and Trademark Office to the entire process of industrial innovation and the utilization of technology?

The Patent and Trademark Office is extremely important to the entire process of industrial innovation and the utilization of technology. The existence of a patent, which can be relied upon to a high degree as valid, reduces the risks involved in decisions to commercialize inventions and thereby encourages innovation. The patent system is particularly useful to further high risk innovation requiring long term payoff, one of the areas of innovation especially identified as deficient in this country in recent years. The publication and dissemination of patented technology, provides a building block for others to build further upon.

The patent system's positive influence on and usefulness to the industrial innovation process is widely recognized. The Presidents Commission on the Patent System recognized the systems effect in its Report issued in 1966. Dr. Edwin H. Land, Chairman and Chief Executive Officer of Polaroid Corporation and an inventor in over 500 U.S. patents, has said, "I must emphasize that the kind of company I believe in cannot continue its existence except with the full support of the patent system," and on another occasion before Polaroid Stockholders stated: "The only thing that keeps us alive is our brilliance. The only way to protect our brilliance is our patents."

Irving Shapiro, Chairman of the Board of Dupont, recently noted in reference to the development of nylon:

"Now 40 years later, nylon is made all over the world. . . . More than three million people have jobs in the production of nylon textile and plastic products, and all of this traces back to a handful of key patents behind the invention and development of this one product."

In addition to DuPont's nylon and Edwin Land's Polaroid Corporation, American history is replete with examples of the independent inventor or small business as well as big business successfully penetrating an existing market or creating a new one with patented new technology. Clarence Birdseye—frozen food, Samuel Rueben—batteries, Chester Carlson—xerography, Leo Baekeland—bakelite, Plank and Rosinski of Mobil Oil—zeolite catalyst for astoundingly more efficient catalytic cracking of hydrocarbons, and so on.

In addition, most recently the essential role of the patent system in industrial innovation was indicated in the reports on Patent and Information Policy of the Advisory Committee on Industrial Innovation established as part of President Carter's Domestic Policy Review.

How important is it that patents issue as promptly as possible?

It is especially important that patents issue as promptly as possible so that patented technology becomes available to the public as soon as possible. Studies indicate that some 84% of patents contain technology not disclosed by other publications. Some of the more specific reasons for prompt handling of patents and disclosure of patented technology include the following:

1. An inventor of small means is generally anxious to have his application acted on as soon as possible so that the inventor can obtain financing or licencees.

2. Long pendency makes it possible for competitors to infringe for lucratively long periods before the patent issues.

3. Delay in granting of a patent can effectively extend the term of the patent long after it should have expired and entered the public domain.

4. Research and development is slowed if patent protection is not obtained early enough to protect investment of time and money.

5. Early dissemination of new technology through issuance of patents permits development of improvements on the patented invention or development of different ways of achieving the same result, thereby benefiting the public by expansion of technology and industrial capability.

6. Early issuance of patents prevents needless duplication of research and development efforts.

7. Early issuance apprises entrepreneurs of the area within which operations might be held to infringe the rights of patentees and therefore permits earlier investment and development by a competitor to the patentee.

8. Early issuance in the United States prevents the issuance of patents in other countries to foreigners which would block the U.S. patentee from going into such other countries.

9. Early issuance of a United States patent prevents foreigners from using the disclosure of corresponding foreign patents as a basis for importing the subject matter of the patent to the U.S. with impunity.

10. Prompt issuance of patents is also related to the strict processing time requirements under the Patent Cooperation Treaty. If pendency increases significantly, the PTO will be giving applicants using the Patent Cooperation Treaty preferred treatment, because of the time requirements of the Treaty, over other applicants, a highly undesirable result which especially prejudices the small inventor.

If efficiency of operation is a potential benefit to stimulate innovation in the private sector, why is the Office production being slowed down?

Production, in the sense of total output, is being de-emphasized in order to concentrate on improving quality of patents and on balancing total operations of the Office.

Wouldn't it be good public policy to speed production up?

It would be good policy to speed up production but not at the expense of quality.

What is the Patent and Trademark Office doing to increase the quality and dependability of the patents that it issues?

The amount of examiner training time has been increased and search file maintenance improved some in the FY 1980 budget.

I note in the budget request that the Office recognizes that the quality of patents must be improved upon. I also understand, however, that the number of patent examiners is being constantly reduced and that this current year the reduction will be continued. How does this meaningful reduction in the number of patent examiners fit in with the Office's desire to increase the quality of patents?

Reductions in the number of patent examiners do not fit in to the need to increase the quality of patents. The FY 1980 Patent Examiners budget is the same as in FY 1979 and average examining staff will be essentially the same as in FY 1979.

What other functions of the Patent and Trademark Office can be made either more efficient or more effective in a way that will stimulate industrial innovations?

In addition to the prompt issuance of valid patents, the dissemination of technical information and prompt registration of trademarks will stimulate industrial innovation. The dissemination of technical information and the trademark functions are both areas that also ought to be enhanced along with the patent examining function.

What new levels of funding are required to make the Patent and Trademark Office of the United States as efficient and as effective as possible?

One estimate we have made of the additional funding required to meet such goals totals over $14 million. This estimate reflects a first year start-up of a long range program designed to meet stated objectives over a period of years, particularly in the case of achieving average patent application pendency of about 18 months. Funding in addition to the first year start-up costs identified above would be required in subsequent years. It is assumed that patent application receipts would rise slightly each year and that trademark application receipts would continue to increase at a conservative 7 percent rate.

PATENT OFFICE SOCIETY,
Arlington, Va.

Senator HARRISON SCHMITT,
U.S. Senate, Washington, D.C.

DEAR SENATOR SCHMITT: Attached hereto is a copy of the views of the Patent Office Society regarding the FY 1980 budget of the Patent and Trademark Office. The Society is sending you these comments since you expressed an interest in the Patent and Trademark Office budget during the recent Senate Hearings and directed written questions to the Department of Commerce concerning the need for more funding of the Patent and Trademark Office.

If the Society can be of any further assistance, please feel free to contact us.

Sincerely,

C. FRED ROSENBAUM,
Co-Chairman, Legislative Committee.

VIEWS OF PATENT OFFICE SOCIETY

The Patent Office Society (POS) was founded in 1917 and is devoted to the improvement of the patent system.

The Society membership includes the professional employees of The Patent and Trademark Office (PTO), as well as, Patent and Trademark attorneys and agents.

The Society is gravely concerned with the present level of funding of the PTO and the effects of such lack of adequate funding on the U.S. patent system. For the past several years and to a greater degree, beginning in 1977, the PTO budget has had a "program decrease" in funding level in relation to what was proposed. Each of these "program decreases" has amounted to approximately 1.6 million dollars and in the proposed 1980 budget the proposed "program decrease" is 1.633 million dollars. This consistent year-after-year slashing of the budget has resulted in the PTO being held to older policies and procedures—unable to change to meet current demands.

Industry, the Patent Bar and the PTO itself, have two criteria by which the performance and product of the PTO are judged. Above all else, the patent or mark must be reliable and, as stated in the trade, carry a presumption of validity. In his prepared testimony to your Committee, upon presentation of the 1980 PTO budget, Dr. Baruch, Assistant Secretary of Commerce for Science and Technology stated that, "in fostering innovation, the reliability of patents is a primary concern." In a memorandum prepared for Dr. Baruch dated October 13, 1978, it was stated, "Unless the inventor can have reasonable certainty that, once granted, his patent is (1) valid and (2) enforceable, then the rights conveyed by a patent are illusory, the government has defaulted on its responsibilities and, ultimately, the patent system becomes a cruel hoax."

The other of the two criteria is the amount of time (or pendency) it takes to issue a patent or mark before the public. In the case of an application for a patent, this pendency period includes the time for the date the application is received in the PTO until the application is published as a patent which is approximately 20 months, now, but is increasing. The importance of this criteria is shown by the Appendix, Budget of the United States Government, Fiscal Year 1980, under the Department of Commerce, Patent and Trademark Office, page 253, it stated that, "Although one goal of the Office is to maintain the average pendency for patent applications at approximately 18 months, the pendency period will increase slightly in 1979 and 1980 due to greater emphasis on improving the quality of patent review." At page 254 of this document total pendency is shown to be 18.9 months in 1977, 19.9 months in 1978, projected to be 21.7 months in 1979 and 22.8 months in 1980.

Unfortunately, it appears that the product and performance of the PTO, when measured by each of these criteria, is not what it should be. As stated by Mr. Eric P. Schellin, Esq., Vice Chairman of the Board of Trustees of the National Small Business Association (NSB), in prepared testimony on March 27, 1979, before your Committee regarding the proposed 1980 PTO budget, "Should a patent get into litigation, the party opposing the patent holder will usually authorize a very extensive search to redo what the Examiner has done in an attempt to obtain better prior art. It is sad to note that most of the time better art will be discovered. At the district court level, fully 50% of the patents will be declared invalid based on prior art not previously found by the Examiner." Under such circumstances, the reliability and the presumption of validity of patents is severely damaged.

There are many causes of this deteriorated condition of the PTO, not the least of which is that the PTO long ago started a crash program to bring the pendency time of applications down to 18 months. The wisdom of the decision to reduce the pendency and the particular significance of 18 months pendency is immaterial now. For the decade of the 70's the PTO has been engaged in this drive.

During this period the PTO changed the examining procedures and established quota production for its professionals and clerical personnel as a means to insure that the number of patents and trademarks issued would exceed the number of applications projected to be filed, thereby reducing the backlog and pendency time of applications. For example, procedures were developed which made it easier for the patent examiner to restrict the subject matter of a patent application. This resulted in a narrower search in the examiners' assigned art which could be accomplished in a shorter time. A myriad of forms were introduced to shorten the examiner's time in communicating with the applicant and shorten typing time for such actions. Also, the period in which an inventor must reply to a PTO action was shortened.

A quota production system was initially introduced as a work standard but was quickly institutionalized as a productivity requirement. In its current form, the quota demands that a specific number of applications must be acted upon by a particular exminer in a specific number of hours. This quota is expressed as the average number of hours of time an examiner may spend on an application before it is disposed of, i.e., matures as a patent or proceedings are otherwise terminated before the PTO. The quota for the PTO, as a whole, is about 15 hours of examining time per disposal of a patent application. It is significant that this figure of 15 hours per disposal has not materially changed in several years, even though the number of examiners has been reduced, the number of new applications filed has increased, and the volume of art to be searched has increased.

As another result of this production drive, training, educational programs, field trips and time for reading trade journals and other publications has been drastically curtailed.

For several years, the PTO has been supplying, as enclosures, copies of the patents and other materials, cited by the examiner, along with the examiner's action in the envelope which is mailed to the applicant. At one time, these patent copies were supplied from stocks of printed patents maintained for this purpose by the PTO. For one reason or another, this procedure has been stopped and replaced with a system which requires the examiner to use his search file patents cited in an action to make xerographic copies. During the period of time it takes for all clerical chores to be completed and xerographic copies to be made, the patents, attached to the application, are not available in the search files of the PTO. It has been estimated that, at any given time, up to 30% of the patents in an active art may not be in the examiner's search files. But this does not tell the whole story of the lack of integrity of the examiner's search files. Because of the lack of clerical personnel, a patent may be out of the search file for a week to 10 days each time it is cited in an application. This situation is compounded by the fact that in most arts there are "key" patents which are used much more often than other patents. These "key" patents are out of the search file much more often than others. Each time a xerographic copy of a patent is made it must be disassembled and reassembled, providing the possibility of lost or torn pages.

All of these changes mentioned were done in a conscientious and dedicated effort to accomplish what had been determined as an overriding requirement. These administrative methods appeared to be successful through 1977 when pendency reached 18.9 months.

However, the results of this effort have not been exactly what was intended when the crash program was started. One direct result of this increased PTO production—which was meeting or exceeding the number of new applications filed during the years of the late 60's and the 70's—was a vast increase in the number of new patents swelling the search files. Approximately 70% of the applications examined matured into new patents. Concurrently, there was a huge increase in the amount of published data. The PTO, itself, could not swallow all these patents, other published data and new technologies represented therein. New technology made the older classification system inadequate. Lack of a good current classification system made the new art very difficult to locate within the PTO. In the face of all these dramatic changes the number of examiners was reduced and the quota of 15 hours per disposal stayed relatively the same.

As early as 1975 the effect of this production program upon quality was being reported. Former Commissioner Dann requested in 1975 a study of the production goals system used in the PTO, "particularly with respect to the incentives and disincentives in that system for quality examination." The draft report of this study was forwarded to the Commissioner December 31, 1975. At this time the 1977 budget request was being prepared.

The findings of the study recommended that the goals system not be eliminated but "does recommend increased emphasis and pressure for quality examination." Other recommendations included adding "at least one hour" to the base quota; allowing extra time for "review of technological literature, professional field trips and examination of extraordinary cases," and treating the quota as a "norm" or work standard rather than "expectancy."

Unfortunately, most of the recommendations developed in this 1975 study ended up costing more money and when the fiscal 1977 budget was submitted it was reduced 1.497 million dollars. The PTO budget has suffered similar reductions every year since then.

From this cursory review of the crash program for reducing pendency which has lasted from the 1960's through the 70's, it can be seen that the patent system has been greatly expanded through the dedicated efforts of the PTO while the PTO has remained virtually the same size and the corps of examiners has been significantly reduced. Now the measuring sticks show the quality of the patents issued by the PTO to be suspect and the length of time it takes to get a patent increasing. The only method of halting these undesirable trends in our current patent system is to match the PTO to this expanded state. Such action, will require, not a decrease in funding, but an allocation of more funding to the PTO.

Specifically, the PTO needs to increase the number of examiners and commensurate clerical support. This would have a beneficial effect on the quality of the patents issued by allowing all examiners to have more hours to examine each application. More hours could be allotted for educational needs, training, field trips, etc. An increased number of examiners would also operate to halt the increasing pendency period.

The PTO needs to increase the level of non-professional or clerical support to the examiners so that the integrity of the search files would be disrupted as little as possible. With regard to quality of issued patents, this would be probably the most important improvement.

The PTO needs to increase its level of effort in the documentation area to provide the examiner and the public with better search tools. Along with this, a better method of providing copies included in PTO actions must be found so that the integrity of the search file is not destroyed as a function of normal operating procedure.

Each of these proposals requires allocation of funds over and above those available in the proposed FY 1980 PTO budget. But in this setting of critical need for more funds, the Department of Commerce presents a PTO budget to Congress which provides less funds to the PTO than it has requested.

It is blatantly clear that the Department of Commerce is aware of the problems of the PTO as shown by the answer to a written question posed by Senator Bayh to Dr. Baruch during hearings on the FY 1980 budget, as follows:

Q. Provide any other information that you think would be helpful in my better understanding PTO related problems that are negatively impacted by inadequate funding and headcount resources. In providing such information, specify in detail the resources needed to meet a stated objective to be reached by way of a specified plan of action.

A. The Patent and Trademark Office budget needs relate to four goals (and problem) areas.

(1) The issuance of quality patents that will instill confidence in their validity by the patentee, the investor, the courts, etc., so that the subject of the patent will be developed and commercialized where warranted (confidence in the validity of patents is declining).

(2) The prompt issuance of patents (within an average of 18 months of filing) to speed the development of the technology and enable others to build upon it, pendency is 20 months and rising at the rate of 2 months/year) and;

(3) Adequate dissemination of new technology to users (dissemination is presently limited and of limited effectiveness).

(4) The prompt issuance of trademark registrations (within an average of 13 months of filing) to stimulate industrial innovation and facilitate the marketing of products and services (pendency is over 17 months and is projected to double by the end of FY 1980; applications filed increased 50% over the 3 year period 1975 to 1978 and are continuing to increase at the rate of 9% per year).

We are studying a variety of plans and programs to achieve the above objectives in an optimum manner with due consideration for timeliness and priorities. While we do not now have a totally integrated overall plan, we would expect to include in our FY 1981 budget request the first increment of a multiyear program to achieve these objectives. One estimate of the additional first year costs totals over $14 million.

In the answer, Dr. Baruch states that the pendency time for Trademarks is expected to double by the end of FY 1980, the pendency of patent applications is increasing at a rate of 2 months per year, and that confidence in the validity of patents is declining. There is an estimated cost of correcting these problems, along with others, of an additional 14 million dollars but maybe—just maybe—a budget increase will be included in FY 1981. In the meantime, the Department of Commerce is requesting a PTO program decrease for FY 1980 of 1.633 million dollars.

Dr. Baruch also states, in answer to another question by Senator Bayh, that in order to reduce pendency to 18 months by FY 1987 additional funding would be required which would include an estimated 5.5 million dollars in FY 1980. The text of the question and answer are as follows:

Q. Your statement says the goal of the Patent and Trademark Office is to allow patent applications to pend only 18 months. You are not meeting that goal. How many examiners are needed to meet the 18 month goal? How much additional funding would be required? How much would it cost in this regard to stabilize pendency time at 20 months?

A. In order to reduce pendency to 18 months by FY 1987, we estimate we would need to:

1. hire about 360 additional examiners in the FY 1980–81 time period,

2. provide a full overtime program in FY 80–81,

3. hire slightly more examiners than we lose through attrition each year.

The additional costs—including additional clerical support and patent print costs—of such a program are estimated to be about $5.5 million in FY 1980, another $3.1 million in FY 1981 and an additional $1.7 in 1982 and beyond. Holding this level of funding through 1985 would.result in 20 month pendency in that year, with a reduced level of funding in subsequent years to hold 20 month pendency; without reducing funding, pendency of 18 months in 1987 will result.

Regardless of the inconsistency present between the Department of Commerce's budget request for the PTO and the testimony of the Department with regard to that budget, it appears that the Department of Commerce now says that the PTO requires an estimated additional 5.5 million dollars in FY 1980 and an additional 14 million dollars in FY 1981.

The Patent Office Society endorses the position taken by the Department of Commerce in its written answers to Senator Bayh's questions.

The Patent Office Society greatly appreciates the opportunity given to it by Senator Hollings to express its views regarding the Patent and Trademark Office budget.●

MX MISSILE AND BASING MODES

● Mr. DURENBERGER. Mr. President, the United States is facing a serious problem of increased Minuteman ICBM vulnerability. Action must be taken to develop a more survivable alternative to these fixed, land-based missiles. This does not mean, however, that a large MX missile or a land-based deployment mode are necessarily wise responses to the problem. Congress should look closely at all the proposed solutions before committing many billions of dollars to any one missile or deployment proposal.

The Military Procurement Authorization bill gives Congress 60 days after October 1 in which to approve or disapprove the President's proposal. I applaud the thrust of this provision and I believe that the Senate should vigorously assert its prerogative.

In particular, the Senate should obtain the fullest possible information regarding the advantages as well as the costs of all basing modes and missile specifications which have been proposed as solutions to the ICBM vulnerability problem. Such detailed information is essential so that the Senate can fully analyze the problem before we commit ourselves to any particular missile or basing mode.

The need for an alternative to fixed-base Minuteman ICBM's is unfortunate but clear. It is true that ICBM's are only part of our deterrent force. Even if these were lost in a Soviet first strike, our submarine-launched missiles and our bombers—armed, in future years, with cruise missiles—could inflict terrible blows on Soviet cities and industry.

But deterrence is based upon perceptions, not upon cold statistics. If we allow a major element in our deterrent force to remain vulnerable, both the Soviets and Western European countries may well see this as a sign of American weakness. Such doubt of our resolve to defend ourselves and our closest allies would have a severe impact upon NATO solidarity and the future of Western Europe.

Moreover, it will not suffice for the United States to declare a hair-trigger strategy of launching our ICBM's upon warning of an attack. Such a posture would only further frighten our allies, for it would dangerously increase the risk of an accidental war which would quickly engulf Europe as well. Some change in our force structure is thus required.

As we decide how to meet the challenge of Minuteman vulnerability, we should be guided by some basic principles:

First. Any new strategic system should be designed to preserve our ability to deter a nuclear attack upon ourselves or our allies;

Second. It should not leave either side in a hair-trigger situation of needing to strike first in order to preserve its own deterrent forces; and

Third. It should be consistent with continued efforts to restrain the arms race.

The system that President Carter appears to support—a large MX missile deployed in trenches—fares poorly by each of these standards. It would be vulnerable to attack by a force which SALT II permits the Soviets to deploy and which they could build by the time

MX would become operational in the mid-1980's. It would give the United States a first-strike capability against 75 percent of the Soviets' deterrent force thus tempting them to strike first. And it would result in serious verification problems which would make future arms control agreements extremely difficult to achieve. I therefore urge both the President and Congress to consider alternative solutions to the Minuteman vulnerability problem.

The potential vulnerability of a land-based MX stems from the fact that SALT II would allow each side's MIRVed ICBM's to carry up to 10 warheads. This would give the Soviets 8,200 warheads—on their giant SS–18 missile and a new ICBM—with which to attack 200 MX missiles and approximately 1,000 other ICBM's. Both the vulnerability of trenches to attack and the possibility that our command and control system could be disrupted would give the Soviets a reasonable chance of destroying our land-based systems. And the Soviets could still have up to 5,320 SLBM warheads and 1,020 unMIRVed missiles or heavy bombers in reserve.

It would not be cheap for the Soviets to replace all their MIRVed light ICBM's with a new system. In the absence of an increased American threat, the Soviets might well decide only to upgrade their existing SS–17's and SS–19's. But the MX missile, with its 350 kiloton warheads and an accuracy of 0.05 nautical miles (100 meters), will have a hard-target kill capability that threatens all the Soviet ICBM's.

This hard-target kill capability will be a first-strike capability. It will tempt the Soviets to adopt an accident-prone "launch on warning" or "launch under attack" strategy. It could also lead them to plan on launching the first strike. And if the Soviets also respond by deploying 8,200 MIRVed ICBM warheads, then the United States, too, will be pushed toward adoption of these dangerous strategies.

Deployment of any land-based mobile ICBM system, but particularly of one with a first-strike capability, would create strong pressures for the Soviets to build a similar system. And any such system poses severe verification problems. The essence of multiple protective shelters, be they in trenches or holes, is that there be from 20 to 40 launch points for every missile. Decoys and/or concealment would be used to prevent the other side from knowing precisely where the missiles are located. But how will we know that the Soviets have not deployed hundreds more actual missiles than they claim?

The Department of Defense is struggling to develop cooperative verification measures which would allow the Soviets to be sure that we are not deploying forbidden missiles, without letting them determine precisely where the real missiles are located. I question whether we can count on the Soviets to be equally forthcoming if they decide to build an equivalent of our MX system. And the Soviets will have hundreds of fourth-generation ICBM's which they could use for a covert deployment in excess of the agreed limits.

In this situation, with each side having an ICBM system which was difficult to monitor and which had a first-strike capability, further agreements to control strategic arms would be most difficult to achieve.

There are several real alternatives to a land-based MX missile. Minuteman missiles or a smaller version of the MX could be launched from aircraft. A smaller missile than the 92-inch diameter version of MX could be launched from small, very quiet conventionally-powered submarines operating in coastal waters. Such submarines would benefit from easier command and control and more protection provided by our submarine detection systems than they would have on the high seas. Or a land-based system could be designed for use with existing or improved Minuteman missiles rather than the large verison of MX.

The Senate should examine fully all of these alternative solutions to the Minuteman vulnerability problem. And the President must come to grips with the drawbacks of an MX system as currently envisioned. If he does not, then Congress may well question the consistency and wisdom of his entire strategic arms policy.●

THE FLIGHT OF THE GOSSAMER ALBATROSS

● Mr. CRANSTON. Mr. President, two Californians made history in a unique flight across the English Channel yesterday that was an amazing test of human endurance and a technological triumph in man's long and successful history of flight.

I refer, of course, to the flight of the *Gossamer Albatross*—a marvelous aircraft powered by human energy, a bicycle sprocket and the wind.

The daring young man on the bicycle was Bryan Allen, and the designer of the *Gossamer Albatross* is Paul MacCready, both of California.

My congratulations to these two men for a truly outstanding achievement that linked both daring and engineering skills.

The *Gossamer Albatross* is a truly astonishing machine with a 90-foot wing span but weighing only 55 pounds. The total weight, including safety and communications gear added up to about 70 pounds.

The *Albatross'* flight was made possible by an ingenious design of delicate aluminum spars. The huge wing is covered by a Dupont Mylar polyster film which is only five ten-thousandths of an inch thick.

But it was Bryan Allen, a highly-trained bicyclist and sailplane pilot, whose furious pedaling and steady maneuvering of the skittish craft made victory over the English Channel possible.

For 2 hours and 49 minutes Bryan kept a firm hand on the controls and both legs moving very, very fast on his light-weight bicycle frame whose sprocket was attached to some gears and—at the end—an airplane propellor.

Mr. President, in these days of grim news about energy, inflation and threats to the peace of the world it is nice to know that there are still people around like Bryan Allen and Paul MacCready, doing things that men and women have done since the beginning of time—challenging the elements, challenging themselves and proving that humankind has some very special qualities of imagination and ingenuity.

I am proud that these two men are Californians.

I am more proud that they are Americans.

And I am sure that all over the world people are happy because two men proved once again that in this mad, mad world there is a time for thinking about and doing things that no one has ever done before.

Such was the flight of the *Gossamer Albatross.*

To Bryan Allen and Paul MacCready: Viva! Vive! and Hooray! ●

TRIBUTE TO PRESIDENT ROBERT E. LEE STRIDER

● Mr. MUSKIE. Mr. President, Colby College in Waterville, Maine, is one of the outstanding liberal arts colleges in the country. Colby has maintained a standard of academic excellence and preserved a commitment to a traditional liberal arts education in the face of pressure for relaxed standards and vocation-oriented specialization.

Much of Colby's success can be attributed to the outstanding leadership of Dr. Robert E. Lee Strider, who has served as Colby's president since July 1960.

Dr. Strider is leaving Colby in July to pursue new challenges outside of academia. His 19-year tenure has covered a period of great challenge to all our academic institutions. His leadership and his insistence on excellence have served Colby well.

Fortunately, for my home city and my State, Dr. Strider has not restricted his attention to the affairs of Colby College. He has recognized and pursued a broader responsibility to his community and the State of Maine in educational affairs, civic affairs, and the application of his well-recognized insistence on excellence to the areas of professional responsibility.

In the last regard, I was very recently the beneficiary of Dr. Strider's leadership of a merit advisory panel which I established to review and screen candidates for a vacancy on the Federal District Court in Maine. Dr. Strider's leadership as chairman of the panel contributed to the deliberate, thorough and fair review of all potential candidates.

I appreciate very much his contribution to my search for a Federal judge in Maine, his outstanding leadership as president of one of Maine's finest academic institutions, and his personal generosity in sharing his talents and time with so many Maine institutions and Maine people.

Mr. President, I ask that the article on President Strider's career, from the May 27 Maine Sunday Telegram be printed in the RECORD.

The article follows:

Robert E. Lee Strider

(By Lloyd Ferriss)

To graduates long accustomed to newsletters filled with football scores and pictures of smiling coeds, some comments in Volume 65 of the Colby Alumnus might seem inappropriate.

There, in a lead article titled "Erosion of Standards," Colby President Robert E. Lee Strider was once again on the attack.

The enemy?

Academics who don't insist on excellence.

Lambasting professors who give high grades for average work, critical of the teacher who allows friendship with a student to interfere with scholarship, the 17th president of the 160-year old college located at Waterville wound up scolding an entire nation for taking easy routes.

"Our civilization," he wrote, "may come to be remembered as the one that bragged about its ability to get away with things."

Colby graduates offended by Dr. Strider—whose 19-year presidency of Colby ends with retirement July 1—could at least take solace in one thing: his consistency.

Strider, a thoughtful man with greying hair and blue eyes, has a reputation for placing honesty and conviction above protocol.

In April of 1966, for instance, he shocked faculty and trustees by contracting for architecturally modern dormitories and classrooms because he thought the Georgian-style brick buildings that predominate on the 1,000-acre campus looked "monotonous."

It has been Strider who for almost two decades has turned down all grants that would replace Colby liberal arts program with vocational education.

And it was Strider who, midway through the 1970 commencement, enraged seniors by announcing that some didn't deserve a Colby degree that year because they'd spent more time on the politics of protest than on studies.

The remarkable thing is that this outspokenness has yielded pay dirt.

Trustees initially dismayed by the decision to bring modern architecture to Mayflower Hill were later delighted when the new buildings won awards from the American Institute of Architects and the Maine Commission on the Arts and Humanities.

Some students initially upset by Strider's 1970 speech confided later, that he'd been right.

Finally, Dr. Strider's almost abrasive insistence on academic excellence has brought Colby so many grants and gifts that the 1,626-student institution now has an endowment of $25,887,672 and a faculty salary scale second to no other Maine college and matched by few in New England.

Just who is Robert E. Lee Strider?

Well, he's an eclectic, which is to say a scholar who can write and lecture about 17th century English literature one day and sing a Bach cantata with the Bangor Symphony the next.

He has played lead roles in local musical productions as varied as the Mikado and South Pacific and his choice of books is as diverse as his hobbies.

He has just finished Michener's "Hawaii" and is working his way slowly through seven or eight volumes of papers left by his liberal political hero, Adlai Stevenson.

With his childhood rooted comfortably in the American south, Strider grew up as the son of an Episcopal bishop in West Virginia. He was a Navy lieutenant in World War II. Afterwards he went to Harvard, where he earned three degrees. He next accepted a professorship at Connecticut College.

His association with Colby began in 1957 when he was appointed dean of students.

As dean, one of his early innovations was to assign summer reading to freshmen who had never been on campus. The idea was to give students just out of high school some challenging material (The *Book of Job* was one selection) and ask them to come to Colby prepared for some ungraded literary analysis during freshman week.

Writing about the program later, Strider said he wanted to "let the prospective students know as early as possible that the institution to which they were about to come was concerned with ideas, and that it would never be too soon to start exploring that world."

Succeeding Dr. Seelye Bixler as college president in July of 1960, Strider launched a period that has seen Colby's academic standing strengthen, its endowment triple and its fund-raising efforts (directed through four campaigns) net $20 million.

Significantly, these improvements have taken place at Colby as falling birth rates and disenchantment with nonvocational education were bringing more than a few liberal arts colleges to their knees.

Is Strider responsible for Colby's prosperity?

The prexy will say, predictably perhaps, that the quality of his faculty has as much to do with it all as anything; he'll also point to a Ford Foundation "centers for excellence" grant, among other bequests. But it is also true that Strider's 19 years at the helm—phenomenal in an age when the average college president leaves after five years—parallels Colby's remarkable development.

Some insight is gained through a quick look at Colby and Strider during those 19 years: years easily divided into three distinct periods.

1960–1968: Swift-growth and campus serenity marked the early period. New dormitories were built, new courses launched in Afro-American history and East Asian studies. Grantsmanship flourished.

With a 1962 Ford Foundation grant of $1.8 million as seed, the college ultimately raised $4.6 million. A similar effort in 1969 enriched the endowment by $6.7 million.

As the Striders' two children were growing to adulthood, the prexy found time for his own academic interests, which included teaching a seminar in 17th century English literature and intellectual history.

He taught the course until 1968.

"By then," he says, "my administrative duties were taking more time. I was embarrassed because I hadn't been in the library. I hadn't learned any new ideas."

1969–1971: Campus serenity disappeared in the politics of protest, a difficult time for any college president, particularly a bishop's son accustomed to the mostly respectful ways of Ivy League students.

In 1970 the Colby chapel was occupied by black students demanding admission of more blacks and an expanded black studies program. Sympathetic though he was, Strider put down the mini-insurrection with a court injunction that ordered the chapel vacated.

More harrowing was a 1969 confrontation that began when Strider showed up at Lorimer Chapel for a meeting with a small group of students who had said they wanted to talk to him "man to man" about the need to make Colby less conservative.

Strider found many more students than he'd been led to believe would be present. Student dialogue was replete with four-letter words. The meeting ended with the mass resignation of the student government.

Two months later Strider told graduating seniors gathered for commencement that political concerns had so diminished time spent on studies that not all deserved a degree.

"I fully expected half the seniors to walk out," he says. "But they didn't."

1971–1979: Denims and army fatigues—unofficial campus uniforms of the earlier period—are mostly gone now. Political conservatism is in vogue.

Students gather on the green lawns of Mayflower Hill to glide Frisbies rather than to engage in demonstration and confrontation.

Are we back to the more mellow atmosphere of the 1950's?

Dr. Strider doesn't think so.

"The mere fact that students do not manifest their concerns by picking up signs and marching around the president's office does not show any lack of concern," he says. "They are very concerned about the quality of the education they are getting and very few seem to want an easier life.

"For instance, students who sit on the Educational Policy Committee are so concerned about the integrity of the Colby degree that they are usually tougher than faculty representatives when they sense that a student, through petition for waiver of a requirement, is trying to get away with something.

"When they graduate from Colby, they want it said that they've earned a tough degree in a tough college."

When Strider leaves Colby in July for some still-unnamed post (he's considering jobs in private fund raising), he will be replaced by a 42-year-old Harvard Law School graduate, William R. Cotter.

Cotter has most recently served as president of the African-American Institute in New York City. Earlier he clerked for a federal judge and served as the assistant attorney general of Northern Nigeria.

Strider carefully guards his successor's right to chart Colby's direction in the 1980's, saying only that the mission of the institution is to "maintain its standards and continue to be the best possible liberal arts college it can."

But he has his own thoughts about Colby and the state of the liberal arts as this decade draws to a close.

On cooperation of Maine's Big Three: "Cooperation is not only desirable but necessary," he says.

"We set the tradition for that cooperation in 1961 with the establishment of WCBB and in the early 1970s we were recipients of a foundation grant that set up a full-scale consortium. Examples of future cooperation might be organization of a reserve library containing books and documents from the three institutions that no one uses very often. They might be recalled subject to a 24-hour notice.

"I would also hope that we might take advantage of one another's specialties.

"If Colby continues to specialize in Chinese and Japanese, for example, one of the others might teach Arabic or Swahali or Hindu. So a student at Colby or Bates or Bowdoin with an interest in that field could go to the other.

"As far as closer cooperation is concerned (such as extensive sharing of classes), I think that distance and time are limiting factors. We are 50 miles from Bates and Bowdoin and transportation in winter is a problem.

"The obstacles are not insurmountable. But I have yet to be convinced that (extensive) cooperative ventures between institutions like Colby and Bates and Bowdoin are economic measures."

On a more personal level: Strider says, "There has to be a certain distance between faculty and students . . . a faculty member cannot be the buddy of a student if he or she is to be regarded as the intellectual leader of the class. If easy informality gets in the way of objective evaluation of how students are doing, I would say the informality had led to a drop of standards."

On the value of a liberal arts education: "I think the Carnegie Report and Time Magazine and others are probably correct when they say that a certain percentage of liberal arts colleges won't make it into the 1980s and 1990s.

"I don't think this prediction affects the first-rate liberal arts colleges for which the mission will always be clear. I refer to Harvard, to Colby, Bates and Bowdoin, to Smith, Mount Holyoke, Middlebury . . .

"A liberal arts education does not prepare a student for a particular job for life 10 years down the road. It helps to give a capacity for judgment so that a person can tell what is good and what is bad and what is genuine from what's imitation.

"This goal—illusive as it is—may come from understanding the difference between a good poem and a bad poem. It may come through understanding a theory in history or a chemical experiment.

"Students unquestionably forget most of the facts they have learned. The residue that is left is a mind toughened to deal with abstractions; a mind with an ability to adapt to a changing world. The role of the liberal arts college is to prepare for the indefinable era ahead, and it is as important a role as ever.

"There are enduring qualities enhanced by a liberal arts education—qualities of judgment and value—that will be just as important in 1990 as in 1980."

If today's college students are indeed more conservative, it may at least be said that Colby seniors broke one tradition year: With a wide choice of commencement speakers, they picked Robert E. Lee Strider.

And the campus newspaper, "Echo," which virtually vilified the president nine years ago, took time to editorialize about the man whose long name it affectionately abbreviated to "R.E.L.S."

Noting that much may change as President-elect Cotter and succeeding generations of students leave their marks on Colby, the Echo predicted prosperity.

"These inheritors of the Colby family and its future," it editorialized, "have much to work with and much to guide them as they fulfill the potential that exists at Colby today. Without the tireless efforts of Robert E. Lee Strider, it is doubtful they would be so fortunate."●

IMPORTANT LESSONS OF THREE MILE ISLAND

● **Mr. HART.** Mr. President, the nuclear accident at Three Mile Island has triggered a major reappraisal of the nuclear power option. The Environment and Public Works Subcommittee on Nuclear Regulation, which I chair, is now engaged in a 1-year investigation and study of the accident. We intend to determine the basic facts behind the accident at Three Mile Island and to provide the Senate with a series of studies that will help clarify the long-term implications for the regulation and control of nuclear powerplants.

Even at this preliminary stage of our inquiry, there are two important lessons of the Three Mile Island accident that deserve the attention of the Senate and of the public at large.

First, the accident illustrates several major shortcomings in the nuclear power program that were not given the consideration they deserved when the first nuclear powerplants were designed and built. Specifically, Federal nuclear licensing policy permitted the construction of nuclear powerplants close to heavily populated areas without due regard for the possibility of catastrophic accidents. Further, there have been no requirements for planning for large-scale evacuation in the event of such accidents. These shortcomings resulted from the assumption by nuclear regulators in the Atomic Energy Commission and its successor agency, the Nuclear Regulatory Commission, that catastrophic accidents were so improbable as to be virtually impossible. Yet, the accident at Three Mile Island posed difficulties that nuclear experts had not anticipated and that the reactor was not designed to prevent. A catastrophic meltdown of the nuclear core was considered a real possibility for several days. It was just this kind of accident—a so-called class 9 accident—that nuclear regulators had not contemplated in making their decisions on the siting of nuclear powerplants and on developing policies for evacuation of surrounding communities.

The second important lesson of Three Mile Island is that, despite these shortcomings in the planning and the building of nuclear powerplants, we have little choice but to live with the 70 licensed plants that we now have and the 92 more that are now under construction.

Further, the NRC is now considering requests for permission to build 28 more reactors. The net result of all this nuclear-power activity is that, by 1985, about one-fifth of the Nation's electricity will be derived from the atom. Unless we are prepared to accept a drastic change in our lifestyle, we cannot do without this substantial portion of our electricity. We have developed a seductive and subtle addiction to nuclear power. Yet, siting and evacuation policies are insufficient to prevent a catastrophe in the event of a serious nuclear accident involving major releases of radiation.

Mr. President, these two principal lessons of Three Mile Island are well documented in recent articles that appeared in the New York Times and the Washington Post. I shall ask that these articles—"Siting Nuclear Reactors Once Seemed Simple and Safe" by David Burnham, from the New York Times of May 6, 1979 and "Despite Three Mile Island Crisis, U.S. Future Linked to the Atom" by Thomas O'Toole, from the Washington Post of May 20, 1979—be printed in the RECORD at the conclusion of my remarks.

The data contained in the New York Times article is sobering indeed. According to information provided by the NRC, more than 20 million Americans now live within 30 miles of a nuclear powerplant, and 10 million live within 20 miles of such a plant. The Three Mile Island plant is located within 20 miles of the homes of more than 600,000 persons and within 50 miles of the residences of 1.3 million. Yet, evacuation planning for Three Mile Island is a minor problem compared with such planning for New York's Indian Point nuclear powerplant. Some 4.3 million people live within 30 miles of the Indian Point plant, and 17.2 million lives within 50 miles.

The New York Times article cites a study presently underway at the Massachusetts Institute of Technology which concludes that a catastrophic release of radiation from a nuclear powerplant could extend as far as 18 to 29 miles downwind from a reactor. "Assuming an inability to evacuate that area for 24 hours, the possible radiation levels could mean immediate death for half the exposed population," according to Dr. Jel Yellin, one of the two MIT professors conducting the study.

Yet, a high NRC official is reported as acknowledging in an interview that the Government has no formal, specific policy on sites for reactors and that the most serious kinds of accident had never been directly considered in the case-by-case process by which utilities are granted reactor contruction permits. This official, Rober B. Minogue, NRC's Director of Standards Development, noted that informal guidelines have been adopted by the NRC staff in recent years that have resulted in new reactors being located farther and farther from major population centers.

Mr. President, informal siting guidelines clearly are not enough. I believe there should be a firm, formal policy that no new plants should be sited in urban areas. The higher cost of transmitting nuclear electricity over longer distances will have to be factored into the cost of nuclear power. The NRC is now reevaluating its siting policy, a review that I intend to monitor closely.

The New York Times article also makes reference to a letter written in 1976 by John F. O'Leary, now Deputy Secretary of Energy, concerning the inadequacy of nuclear siting policies and the possibility of a catastrophic nuclear accident. In this letter, Mr. O'Leary, former Director of Licensing of the AEC, stated:

> Sooner or later a major disaster will occur at a nuclear generating facility. Successive commissions simply refused to accept the possibility of a serious accident as a planning parameter. As a result, nuclear plants were permitted in locations adjacent to large metropolitan centers.

I ask that the text of the O'Leary letter be printed in the RECORD after the two articles, at the conclusion of my remarks.

The Commission is also reviewing its "voluntary guidelines" for emergency-response planning by States in which nuclear powerplants are located. At present, such plans, when they are developed at all, provide for evacuation out to a distance of 3 miles from nuclear plants. These guidelines are being upgraded to provide for evacuation planning out to a distance of 10 miles. Yet, according to the MIT study, even this degree of planning is inadequate.

Mr. President, the Committee on Environment and Public Works is seeking to provide a swift remedy to the absence of meaningful emergency-response planning for nuclear accidents. The recently reported fiscal year 1980 authorization bill for the NRC contains a provision that would require NRC-approved State emergency plans as a condition to the issuance of new operating licenses for nuclear powerplants and for the continued operation of existing plants. The requirement for new operating licenses would take effect immediately after enactment; the requirement for operating licenses on existing plants would take effect 6 months after enactment. The NRC would apply the present "voluntary guidelines" in reviewing State plans during the initial 6-month period. After 6 months, the Commission would be required to apply new, stricter regulations for reviewing and approving State emergency plans. The committee-reported bill is intended to remedy a long-neglected problem, hopefully without shutting down any existing plants or causing undue delays in the startup of new plants.

The challenge before Congress is to develop nuclear regulatory reforms that will result in minimum disruption of nuclear electrical-power generation. The Washington Post article makes clear the extent to which we are committed to nuclear power. The article notes that more new nuclear generating capacity will be added during the next 10 years than all other sources combined, including oil, coal, natural gas, and geothermal.

According to Thomas G. Ayers, chairman of the Commonwealth Edison Co. in Chicago:

> We must consider not only what needs to be done to improve the safety of nuclear power, but also the need to consider the enormous economic and social consequences of having to do without nuclear power.

Mr. President, until the results of the Senate inquiry and other inquiries into the facts and the long-term implications of Three Mile Island are in, we will have to reserve judgment on the extent to which we should proceed with construction of new nuclear powerplants. We have little choice, however, but to figure out how to live with those plants we already have and those now under construction. As chairman of the Senate Nuclear Regulation Subcommittee, I am committed to try to guarantee the health and safety of the American people, consistent with their energy needs. This means a top-to-bottom review of the nuclear regulatory process and the implementation of reforms as quickly as possible. Better evacuation planning for existing plants, and wiser siting policy for new plants, are matters of the highest priority.

Finally, Mr. President, I wish to note one other major shortcoming of the nuclear power program. If the word "scandal" can be attached to nuclear power, it is that this industry has been permitted to expand for two and one-half decades without an acceptable solution for waste disposal. I intend to introduce legislation shortly that would establish a deadline of no later than 1985 for the Government and the nuclear industry to present to Congress an acceptable nuclear waste disposal plan. This plan should address all pertinent technical, economic and political issues related to waste disposal. If such a plan cannot be developed in the next 5 years, at the very least, nuclear reactors should be substantially downrated in power output, or at the most, a complete moratorium on nuclear energy production should be imposed.

The material follows:

[From the Washington Post, May 20, 1979]

Despite Three Mile Island Crisis, U.S. Future Linked to the Atom

(By Thomas O'Toole)

Whatever doubts and second thoughts the accident at Three Mile Island may have created in the public mind, the decisions that mortgage America's future to nuclear power already have been made.

So much new nuclear generating capacity is being readied that the nation must go ahead with it or live without enough electricity.

Utilities in as many as 20 states are in the process of building 92 nuclear plants capable of generating 101 million kilowatts of electricity. And the Nuclear Regulatory Commission has before it requests for permission to build 28 more reactors to generate 32 million more kilowatts.

These construction plans mean that, by 1985, more than 20 percent of the nation's electricity will come from the atom, and in some areas the figure will be far higher.

More new nuclear generating capacity will be added during the next 10 years than all other sources combined—oil, coal, natural gas, even geothermal energy from the earth's crust.

"The unfortunate events at Three Mile Island should not distract us from the fact that nuclear power must play a significant role in the nation's search for energy," says Thomas G. Ayers, chairman of Chicago's Commonwealth Edison Co. "We must consider not only what needs to be done to improve the safety of nuclear power but also the need to consider the enormous economic and social consequences of having to do without nuclear power."

If the United States had to do without nuclear power this year, it might manage to scrape by: nuclear now accounts for 12 percent of the nation's electricity. But next year, nuclear's share could go as high as 15 percent, and by 1985 it should be more than 20 percent.

What if the investigations now under way into Three Mile Island called for slowdowns or even shutdowns of nuclear power in the United States? Critics of the commitment to nuclear power say that even a slowdown could lead to electrical shortages unprecedented in U.S. history.

Congress is already mulling laws that would prohibit new nuclear construction permits and even new nuclear operating licenses. Sen. Gary W. Hart (D-Colo.), chairman of the Senate subcommittee on nuclear regulation, has said that if the nuclear industry doesn't have an acceptable plan to dispose of its radioactive wastes by 1985 the Senate should declare a moratorium on nuclear power.

Incredibly, the nation seems farther away from an agreed-on plan for radioactive waste disposal than it did 10 years ago. Rep. Morris K. Udall (D.-Ariz.), chairman of the House subcommittee on energy and the environment, calls the waste question the Achilles heel of the whole plan to develop nuclear energy in the United States.

"I spoke to the governors in March and asked if any of them who would take the nation's nuclear waste would please raise his hand," Udall said the other day. "Not one governor raised his hand."

Despite all this uncertainty, the electric power industry is moving ahead with nuclear construction faster than most people realize. No fewer than 37 applications for nuclear operating licenses have been filed with the NRC in the past few months. Should they get their licenses, eight of these plants will be ready to generate commercial electricity before the year is out. Three can begin selling power before the end of June.

The eight pending applications for operating permits include plants built in New Jersey, Illinois and California, states where electrical shortages are forecast. The eight license applications also include some of the largest nuclear plants ever built, forerunners of even larger plants the electric industry is counting on in the years ahead.

Despite the experience of Three Mile Island, a large segment of the electric power industry remains firm in its belief that nuclear is cheaper, cleaner and even safer than any other form of electric power generation.

Take the two companies most committed to nuclear power, Chicago's Commonwealth Edison Co. and North Carolina's Duke Power Co. Commonwealth Edison has seven nuclear power plants, six under construction and two more in the blueprint stage. Duke Power operates three nuclear plants, is building seven more and has three more awaiting construction permits.

In 1978, Commonwealth Edison's 2.8 million customers got 45 percent of their electricity from uranium. Duke Power's 1.2 million customers got 30 percent of their electricity from nuclear plants.

Both utilities say their nuclear plants operate more reliably than their coal- or oil-fired plants. Both utilities claim the monthly bills they send their customers are among the lowest in the nation. Commonwealth Edison says Chicago residents pay $25 a month less for electricity than people pay in New York, Philadelphia, Los Angeles, Detroit and Boston. Duke Power says its rates are 10 percent below the national average.

"As we continue to apply what is learned from Three Mile Island, there will result even greater assurances of low risk, which will hopefully be perceived by the public we serve," Duke Power President Bill Lee said last week. "We feel nuclear power is an essential part of our nation's energy future and will provide electricity at lower cost and with greater safety than any currently available alternative."

A different story is being written in the offices of the Department of Energy and the NCR, where unabashed promotion of nuclear power has been replaced by a strong doubt that nuclear energy can ever be a dominant force in American life.

The Energy Department now estimates that by 1985 nuclear energy will account for 118 million kilowatts of electricity generated in the United States. Two years ago, its forecast said that nuclear would account for 140 million kilowatts. The year before that, its forecast was as high as 245 million kilowatts, and in 1970 its predecessor agency, the Atomic Energy Commission, was forecasting that nuclear's share would be 300 million kilowatts in 1985.

The NRC confronts a different question. It is now in the process of estimating what impact Three Mile Island will have on its licensing procedure. Some insiders say that the impact may be so severe that the NRC will not license a single new plant this year. Others say it won't be that bad. The nation will hear what the NRC thinks this week when its staff goes before the five NRC commissioners to give them their first preliminary estimate.

[From the New York Times, May 6, 1979]

Siting Nuclear Reactors Once Seemed Simple and Safe

(By David Burnham)

Washington.—The Nuclear Regulatory Commission, as part of its legal responsibility to ensure the safe operation of nuclear reactors, has final authority over where reactors may be located. Yet in the last 20 years, utility companies have so often been permitted to build nuclear plants in heavily populated areas that more than 20 million Americans now live within 30 miles of a reactor, and 10 million live within 20 miles.

The attractions and pressures to place reactors near cities were many. The utilities avoided the extra cost of building long transmission lines to carry the electricity to where it was used. There was even some hope that if reactors were close enough, their "waste" heat—approximately 50 percent of the heat they generate—could be piped to apartment houses and factories rather than being lost to the environment through expensive cooling towers. And in the early days of the nuclear age, the average reactor was considerably smaller than today.

But in permitting the construction of reactors such as the ones at Indian Point, just north of New York City, and Zion, halfway between Chicago and Milwaukee, the regulators did not take into account the worst possible nuclear accident that might occur.

According to several officials in the Nuclear Regulatory Commission, the decision not to deal explicitly with "Class 9" accidents—those involving a meltdown of the uranium fuel rods and the subsequent release of large amounts of radiation—was initially based on concern over the "image" of nuclear power. In more recent years, the Class 9 accident has been disregarded largely because of a belief that one was highly unlikely.

The accident at the Three Mile Island reactor in Pennsylvania, which for several days was thought to be on the edge of total meltdown, has challenged that assumption. It has also raised tough questions about the location of any future reactors and about the necessity of remedial steps for reactors situated closest to large populations.

Furthermore, the acknowledgement that a Class 9 accident is possible points up increasing evidence that state and local governments are in the main unprepared to deal with such a catastrophe. Congress' General Accounting Office, for example, concluded in a report last month that only a few areas had developed effective plans to evacuate people in the path of the wedge-shaped radioactive cloud that could be expected downwind from a serious accident.

Robert B. Minogue, director of Standards Development at the Nuclear Regulatory Commission, acknowledged in an interveiw that the Government has no formal, specific policy on sites for reactors, and that the most serious kinds of accidents had never been directly considered in the case-by-case process by which utilities are granted reactor construction permits. But, he said, informal guidelines adopted by the Commission staff in recent years meant that new reactors had been located farther and farther from major population centers.

While the technicians managed to prevent a meltdown at Three Mile Island, the accident emphasized the logistical and political difficulties of evacuation. Over 600,000 persons live within 20 miles of the Susquehanna River island that the reactor sits on; a million live within 30 miles, and 1.3 million within 50 miles.

Decisions about moving that many people presented problems that were almost paralyzing. Consider, then, New York's Indian Point reactor: 4.3 million people live within 30 miles of it, and 17.2 million within 50 miles.

The failure of the Nuclear Regulatory Commission (and its predecessor, the Atomic Energy Commission) to develop a consistent overall policy on nuclear reactor sites has long been held up as one of the more important shortcomings of nuclear regulation.

Two and a half years ago, for example, John F. O'Leary, former top official in the old Atomic Energy Commission who is now the Deputy Secretary of Energy, wrote a letter on the subject to the Carter campaign policy committee. "The frequency of serious and potentially catastrophic nuclear incidents," he wrote, "support the conclusion that sooner or later a major disaster will occur at a nuclear generating facility. The N.R.C., as was the case with its predecessor the A.E.C., has been unwilling to face up to the policy consequences of assigning high probability to a serious nuclear accident."

The "siting problem was created by the insistence of the old Commission that nuclear power could compete side by side with power generated from other sources," Mr. O'Leary said. "Successive commissions simply refused to accept the possibility of a serious accident as a planning parameter." As a result, he added, "nuclear plants were permitted in locations adjacent to large metropolitan centers."

Mr. O'Leary said the Nuclear Regulatory Commission should "immediately initiate a proceeding aimed at the development of a siting policy that is consistent with the realistic probability of a serious accident and should assure that future plants are located at a sufficient distance from current or projected population centers to avoid catastrophic consequences to public health and safety as a result of a serious nuclear accident."

He also recommended development of rules to reduce the chance of an accident at plants now located near population centers. "This would take the form of derating [slowing down] facilities within metropolitan areas, of additional conservation built into the technical specifications applicable to such plants and to the development of evacuation procedures for the affected populations."

Mr. O'Leary has been a nuclear power advocate in his Department of Energy position. In response to an inquiry last week about his 1976 letter, he said that if "I left the impression the system is bare, I was incorrect." He said he understood that though the Nuclear Regulatory Commission had not formally adopted more stringent licensing rules, its staff had informally done so for its latest decisions on plant sites.

Mr. Minogue, the Commission official, said an extensive re-evaluation of "siting" policy was scheduled to be completed by June 15. He said the evaluation, ordered by the Commission before the Three Mile Island accident, involved extraordinarily complex problems.

"It's not just a question of where the reactor is located," he said. "Consideration also has to be given to the design of the plant, the extra safety equipment that has been installed and the location of roads that would permit nearby residents to evacuate an area."

Mr. Minogue said he believed the Commission would also be considering what steps were required to reduce the hazards. Such steps, he said, might include shutting down some reactors, requiring others to operate at a slower speed and ordering extra safety equipment.

It's not only the Government that is re-evaluating policy on the location of nuclear plants. With the support of the Ford Foundation and the Sloan Foundation, Dr. Joel Yellin and Dr. Paul L. Joskow, both professors at the Massachusetts Institute of Technology, have for the last two years been considering the questions involved.

Dr. Yellin said that based on tests conducted by the Government at its Hanford Engineering and Development Laboratory, he and his colleague had concluded that a catastrophic release of radiation could extend as far as 18 to 29 miles downwind from a reactor.

"Assuming an inability to evacuate that area for 24 hours, the possible radiation levels could mean immediate death for half the exposed population," Dr. Yellin said.

The theoretical physicist, an associate professor in the M.I.T. School of Humanities, said that in some cities the lethal range might be considerably extended. At Indian Point above New York City, for example, the prevailing winds and the Hudson River valley would serve as a natural channel for radiation.

Another question about the continued operation of existing reactors, of course, is whether they are safe. In 1976, the Nuclear Regulatory Commission began developing techniques to evaluate reactor performance. The idea was to identify those licensees whose performance was not as good as the others, determine the reasons why, and find methods for improving the performance of those with the poorest records. The Commission has now tried several different methods of rating performance, and on the basis of these experimental evaluations it has initiated a second round of safety evaluation which is scheduled to be completed in March 1981.

WHERE THEY ARE

At the 48 sites described below are the 70 licensed nuclear reactors used commercially to generate electricity. Where there is more than one reactor at a given site, at Indian Point for example, the number is shown in parentheses next to the name of the plant. The name of the town given underneath the site is the nearest settlement, regardless of population.

All data in the listings, except for exposure rates, come from the Nuclear Regulatory Commission. The N.R.C. used the 1970 census for demographic and urban siting information.

Nearest city is that city of 25,000 or more population closest to the reactor site.

Large cities are all cities, by name, of 100,000 or more population that are within 50 miles of the reactor site. The specific mileage is measured from the city's center, not from nearest outskirts.

Within 30 miles. This is the number of all cities and large cities in a 30-mile radius. The population shown is that for the entire area, including all cities, towns, villages and unsettled places.

Within 50 miles. This is the same information for a larger radius.

System describes the type of nuclear steam system, B.W.R. (Boiling Water Reactor) or P.W.R. (Pressurized Water Reactor) and the company that built it.

Licensee shows the utility licensed by the N.R.C. to operate the plant.

Exposure shows the percentage and number of workers at the plant who were exposed to 0.5 or more Rem (Roentgen equivalent in man) in 1977. These data were collected by the Health Research Group, a medical organization associated with Ralph Nader.

Safety ratings were collected in 1977 by the N.R.C. in a preliminary effort to develop a systematic, statistical ranking of reactors.

Comments were a second experimental attempt by the N.R.C. to assess safety. Because this method was employed at different times, using different criteria, the findings may differ somewhat from the statistical ratings.

Reactors currently not operating are all those with Babcock & Wilcox steam systems: Arkansas One (Unit 1), Crystal River, Davis-Besse, Indian Point (Unit 1), Oconee (one of three units), Rancho Seco and Three Mile island (Units 1 and 2). In addition the N.R.C. has closed four sites out of consideration for seismic faults: James A. FitzPatrick, Beaver Valley, Maine Yankee and Surry (Units 1 and 2); and, for other reasons, some others including Oyster Creek and Palisades. All reactors are periodically shut down for maintenance, inspection and repairs.

ALABAMA

1. Brown's Ferry (3) Decatur:
Nearest city, Decatur City, Ala. (11 miles).
Largest cities, Huntsville, Ala. (30).
Within 30 miles, 2 cities; 270,000 people.
Within 50 miles, 3 cities; 630,000 people.
System, B.W.R. by General Electric.
Licensee, Tennessee Valley Authority.
Exposure, 12% (529 workers).

Safety rating, [Not rated by statistical method].

Comments: "Attention to Q.A. [quality assurance] details has decreased slightly. Greater experience of plant personnel has contributed to improved safety and operations. More N.R.C. inspections and plant management changes have also helped. Response to alarms has improved as a result of an announcement [meeting]. Greater safety awareness. Fire protection improved."

2. Joseph M. Farley, Dothan.

Nearest city, Dothan, Ala. (17 miles).

Large cities, None.

Within 30 miles, 1 city; 120,000 people.

Within 50 miles, 1 city; 320,000 people.

System, P.W.R. by Westinghouse.

Licensee, Alabama Power.

Exposure, [Opened too recently].

Safety rating, [Opened too recently].

Comments, [Opened too recently].

ARKANSAS

3. Arkansas One (2), Russellville:

Nearest city, Hot Springs, Ark. (56 miles).

Large cities, None.

Within 30 miles, No cities; 76,000 people.

Within 50 miles, No cities; 150,000 people.

System, P.W.R. by Babcock & Wilcox.

Licensee, Arkansas Power & Light.

Exposure, Unit 1: 18% (156 workers).

Unit 2: [Opened too recently].

Safety rating, Unit 1: Below average.

Unit 2: [Opened too recently].

Comments: "Management control of plant may be diluted when Unit 2 becomes operational. Safety slightly improved by upgrading of cable penetration barriers, fire protection and procedural controls. Tech Specs [technical specifications] should be upgraded to standard levels."

CALIFORNIA

4. Humboldt Bay, Eureka.

Nearest city, Eureka, Calif. (7 miles).

Large cities, None.

Within 30 miles, 1 city; 90,000 people.

Within 50 milles, 1 city; 100,000 people.

System, B.W.R. by General Electric.

Licensee, Pacific Gas & Electric.

Exposure, [NA].

Safety rating, Below average.

Comments: "Safety is substantially improved due to seismic modifications. Other safety-relevant matters are being pursued by N.R.R. [nuclear reactor regulation]. The plant would be hard pressed to meet current safety criteria."

5. Rancho Seco, Clay Station.

Nearest city, Lodi, Calif. (17 miles).

Large cities, Sacramento (25).

Stockton, Calif. (28).

Within 30 miles, 5 cities; 908,000 people.

Within 50 miles, 9 cities; 1,362,000 people.

System, P.W.R. by Babcock & Wilcox.

Licensee, Sacramento Municipal Utility.

Exposure, 30% (242 workers).

Safety rating, Average.

Comments: "Safety is slightly improved due to increasing operating experience and quality of plant management."

6. San Onofre, San Clemente:

Nearest city, Oceanside, Calif. (15 miles).

Large cities, Santa Ana, Calif. (33), Cardon Grove, Calif., (35), Huntington Beach, Calif. (38), Anaheim, Calif. (39), Riverside, Calif. (42), Long Beach, Calif. (47).

Within 30 miles, 4 cities; 410,000 people.

Within 50 miles, 29 cities; 3,600,000 people.

System, P.W.R. by Westinghouse.

License, Southern California Edison and San Diego Gas & Electric.

Exposure, 26 percent (486 workers).

Safety rating, below average.

Comments: "Safety is slightly improved because of Q.A. program improvements. Safety is substantially improved because of upgrading of the emergency power system. Utility management has been successful in instilling good safety attitudes and habits uniformly throughout the organization. Extensive E.C.C.S. [emergency core coolant system] and seismic modes have been completed."

COLORADO

7. Fort St. Drain, Platteville:

Nearest city, Longmont, Colo. (13 miles).

Large cities, Denver (35).

Within 30 miles, 4 cities; 430,000 people.

Within 50 miles,, 11 cities; 1,400,000 people.

System, High Temperature Gas Reactor by General Atomic.

Licensee, Public Service of Colorado.

Exposure, [Opened too recently].

Safety rating, [Not rated by statistical method].

Comments: "Safety substantially improved due to upgrading of cable separation, fire prevention, training program and operating experience. [There] have been instrumentation improvements. This H.T.G.R. could be categorized as a demonstration plant. Plant safety characteristics are unique. Existing Tech Specs need revision."

CONNECTICUT

8. Haddam Neck, Haddam Neck:

Nearest city, Manchester, Conn. (9 miles).

Large cities, Hartford (13), Waterbury, Conn. (29), Springfield, Mass. (32), New Haven, Conn. (32), Bridgeport, Conn. (48).

Within 30 miles, 14 cities; 1,600,000 people

Within 50 miles, 28 cities; 3,200,000 people.

System, P.W.R. by Westinghouse.

Licensees, Connecticut Yankee Atomic Power.

Exposure, 35 percent (393 workers).

Safety rating, below average.

Comments: "Overall safety should be improved at the completion of ongoing design requirement and license condition upgrading."

9. Millstone (2), Waterford:

Nearest city, New London, Conn. (5 miles).

Large cities, New Haven, Conn. (39), Hartford (41), Waterbury, Conn. (48).

Within 30 miles, 4 cities; 430,000 people.

Within 50 miles, 23 cities; 2,500,000 people.

System, Unit 1: E.W.R. by General Electric, Unit 2: P.W.R. by Combustion Engineering.

License, Northeast Nuclear Energy.

Exposure, Unit 1: 13 percent (183 workers), Unit 2: 13 percent (113 workers).

Safety rating, Unit 1: Below average, Unit 2: Above average.

Comments: "Unit 1, an old B.W.R., is rated lower than Unit 2. Awareness of safety has increased. The different units operate relatively independently and each has a different vendor. Improved security arrangements. Plant lacks full separation and fire protection systems. Rad (radioactive) waste system undersized. New Q.A. organization seems slightly better."

FLORIDA

10. Crystal River, Red Level:

Nearest city, Gainesville, Fla. (50 miles).

Large cities, None.

Within 30 miles, No cities; 32,000 people.

Within 50 miles, No cities; 170,000 people.

System, P.W.R. by Babcock & Wilcox.

License, Florida Power.

Exposure, [Opened too recently].

Safety rating, [Not rated by statistical method].

Comments: "Safety slightly improved because of more safety awareness. Operations and administrative controls improved."

11. St. Lucie, Fort Pierce:

Nearest city, Fort Pierce, Fla. (8 miles).

Large cities, None.

Within 30 miles, 1 city; 120,000 people.

Within 50 miles, 2 cities; 320,000 people.

System, P.W.R. by Combustion Engineering.

License, Florida Power & Light.

Exposure, 6% (82 workers).

Safety rating, [Not rated by statistical method].

Comments: "Safety has improved due to increased experience of plant personnel. Plant's greater than average number of L.E.R.'s [Licensee Event Report] is probably due to conscientiousness in reporting."

12. Turkey Point (2), Florida City:

Nearest city, Kendall, Fla. (17 miles).

Large cities, Miami (25). Hialeah, Fla. (27), Hollywood, Fla. (41), Fort Lauderdale, Fla. (49).

Within 30 miles, 5 cities; 910,000 people.

Within 50 miles, 13 cities; 1,700,000 people.

System, P.W.R. by Westinghouse.

License, Florida Power & Light.

Exposure, 22% (523 workers).

Safety rating, Above average.

Comments: "Safety may be slightly worse due to steam generator degradation."

GEORGIA

13. Edwin I. Hatch (2), Baxley:

Nearest city, Warner Robins, Ga. (87 miles).

Large cities, None.

Within 30 miles, No cities; 80,000 people.

Within 50 miles, No cities; 250,000 people.

System, B.W.R. by General Electric.

Licensee, Unit 1: Georgia Power.

Exposure Unit 1: 17% (281 workers). Unit 2: [Opened too recently].

Safety rating, Unit 1: Above average. Unit 2: [Opened too recently].

Comments: "Upgrading of administrative and Q.A. controls is continuing."

ILLINOIS

14. Dresden (3), Morris:

Nearest city, Joliet, Ill. (14 miles).

Large cities, Hammond, Ind. (39), Chicago (47), Gary, Ind. (50).

Within 30 miles, 5 cities; 630,000 people.

Within 50 miles, 37 cities; 6,300,000 people.

System, B.W.R. by General Electric.

Licensee, Commonwealth Edison.

Exposure, 29½% (863 workers).

Safety rating, Units 1, 2 and 3: Above average.

Comments: "Training and Q.A. programs have improved. Unit 1, a smaller plant, does not receive the priority attention of Units 2 and 3. Manpower availability is a concern. Safety has improved due to better housekeeping and attention to detail. Safety is substantially worse due to poor operations and instrumentation problems."

15. Quad Cities (2), Cordova:

Nearest city, Clinton, Iowa (11 miles).

Large cities, Davenport, Iowa (19).

Within 30 miles, 4 cities; 430,000 people.

Within 50 miles, 4 cities; 670,000 people.

System, B.W.R. by General Electric.

Licensee, Commonwealth Edison and Iowa-Illinois Gas & Electric.

Exposure, 23% (443 workers).

Safety rating, Units 1 and 2: Average.

Comments: "Licensee has been 'overinspected by N.R.C. and the state for several years. Plant not permitted by state to operate at design load; this affects operator attitudes. Safety slightly improved because of improvements in the training program, the Q.A. program, and the radiological program."

16. Zion (2), Zion:

Nearest city, Waukegon, Ill. (7 miles).

Large cities, Racine Wis. (19), Milwaukee (40), Chicago (41).

Within 30 miles, 16 cities; 1,300,000 people.

Within 50 miles, 39 cities; 7,000,000 people.

System, P.W.R. by Westinghouse.

Licensee, Commonwealth Edison.

Exposure, 32% (460 workers).

Safety rating, Unit 1: Below average; Unit 2: Above average.

Comments: "Safety is substantially worse because of poor attitude and marginal management. Inadequate management controls. Management lacks ability to discipline employees for operator errors and carelessness. Personnel selection and discipline may be adversely affected by union relations. Poor management attitude and followups. Size of Commonwealth Edison creates special management problems. Stability of staff a problem. Safety is substantially worse because of failures to conform to Tech Specs and administrative, operating, emergency, and test procedures. Attitude regarding safety is poor. Some improvements in procedures and training."

IOWA

17. Duane Arnold, Palo.

Nearest city, Cedar Rapids, Iowa (11 miles).

Large cities, Cedar Rapids.

Within 30 miles, 1 city; 240,000 people.

Within 50 miles, 4 cities; 560,000 people.

System, B.W.R. by General Electric.

Licensee, Iowa Electric Light and Power.

Exposure, 18% (207 workers).

Safety rating, Above average.

Comments: "Safety slightly improved due to improvements in Q.A. and administrative controls, new plant superintendent, enforcement action and increased inspection effort. Staff is more aware of significance of personnel error. Steady improvements in management controls, competence of staff and attention from corporate office."

MAINE

18. Maine Yankee, Wiscasset:

Nearest city, Lewiston, Me. (28 miles).

Large cities, None.

Within 30 miles, 2 cities; 130,000 people.

Within 50 miles, 4 cities; 360,000 people.

System, P.W.R. by Combustion Engineering.

Licensee, Maine Yankee Atomic Power.

Exposure, 16% (170 workers).

Safety rating, Average.

Comments: "The cleanliness of this plant reflects a pride of ownership and indicates happy people working at a good plant. Q.A. was recently upgraded."

MARYLAND

19. Calvert Cliffs (2), Lusby:

Nearest city, Annapolis, Md. (38 miles).

Large cities, Alexandria, Va. (43), Washington (45½), Arlington, Va. (48).

Within 30 miles, No cities; 150,000 people.

Within 50 miles, 9 cities; 2,400,000 people.

System, P.W.R. by Combustion Engineering.

Licensee, Baltimore Gas and Electric.

Exposure, Unit 1: 11% (310 workers). Unit 2: [Opened too recently].

Safety rating, Unit 1: Average. Unit 2: [Opened too recently].

Comments: "Management more attentive as a result of enforcement conference. An important staff member is anti-N.R.C. and anti-Q.A. Security is improved. This site doesn't do more for safety than meet minimum requirements. Emphasis is upon commercial operation; attitude toward safety is that meeting N.R.C. requirements literally is sufficient."

MASSACHUSETTS

20. Pilgrim, Plymouth:

Nearest city, Brockton, Mass. (25 miles).

Large cities, New Bedford, Mass. (28), Boston (38), Cambridge, Mass. (40), Providence, R.I. (44).

Within 30 miles, 7 cities; 790,000 people.

Within 50 miles, 48 cities; 4,300,000 people.

System, B.W.R. by General Electric.

License, Boston Edison.

Exposure, 52% (1,111 workers).

Safety rating, Average.

Comments: "The generation of its design may be an overriding factor for this early B.W.R. Corporate management improved. Radiation management improved. Frequent station manager changes. Significant reductions in effluents and worker exposures expected. Plant management has not been stable. This is the cleanest B.W.R. in the country."

21. Yankee, Rowe:

Nearest city, Pittsfield, Mass. (26 miles).

Largest cities, Albany, N.Y. (42), Springfield, Mass. (46).

Within 30 miles, 1 city; 300,000 people.

Within 50 miles, 8 cities; 1,500,000 people.

System, P.W.R. by Westinghouse.

Licensee, Yankee Atomic Electric.

Exposure, 12% (216 workers).

Safety rating, Average.

Comments: "Plant is very small and very isolated. It presents virtually no health hazard to the public. Has old Tech Specs. Upgrade Q.A. program in 1977.

MICHIGAN

22. Big Rock Point, Big Rock Point:

Nearest city, None.

Large cities, None.

Within 30 miles, No cities; 47,000 people.

Within 50 miles, No cities; 130,000 people.

System B.W.R. by General Electric.

Licensee, Consumers Power.

Exposure, 33% (161 workers).

Safety rating, Average.

Comments: "Design and operation of this early B.W.R. are relatively uncomplicated. Plant safety improving due to continuing implementation of Q.A. program and improving technical capability of staff.

23. Donald C. Cook (2), Bridgman:

Nearest city, Michigan City, Ind. (25 miles).

Large cities, South Bend, Ind. (26), Gary, Ind. (48).

Within 30 miles, 3 cities; 500,000 people.

Within 50 miles, 5 cities; 1,100,000 people.

System, P.W.R. by Westinghouse.

Licensee, Indiana & Michigan Electric.

Exposure, Unit 1:10% (204 workers), Unit 2: [Opened too recently]

Safety rating Unit 1: Below average, Unit 2: [Opened too recently.]

Comments: Plant has standardized Technical Specifications Resident inspector stationed [at] site for some time. Plant has had increased personnel and procedural errors in 1977 Safety at Unit 1 is slightly worse because plant personnel and management have diverted attention to Unit 2 startup, fire protection and security. Events are occurring that would not have a year ago.

24. Palisades, South Haven:

Nearest city, Holland, Mich. (33 miles).

Large cities, South Bend, Ind. (45).

Within 30 miles, No cities; 210,000 people.

Within 50 miles, 7 cities; 1,000,000 people.

System, P.W.R. by Combustion Engineering.

Licensee, Consumers Power.

Exposure, 10% (69 workers).

Safety rating, Below average.

Comments: "Safety is improved as a result of continuing Q.A. program implementation. Management has been more attentive to the timely correction of problems. Resident inspector was assigned to site."

MINNESOTA

25. Monticello, Monticello:

Nearest city, St. Cloud, Minn. (22 miles).

Large cities, Minneapolis, Minn. (38), St. Paul, Minn. (45).

Within 30 miles, 4 cities; 290,000 people.

Within 50 miles, 20 cities; 2,000,000 people.

System, B.W.R. by General Electric.

Licensee, Northern States Power.

Exposure, 33% (494 workers).

Safety rating, Below average.

Comments: No narrative comments.

26. Prairie Island (2), Red Wing:

Nearest city, South St. Paul, Minn. (27 miles).

Large cities, St. Paul (32), Minneapolis (40).

Within 30 miles, 1 city; 260,000 people.

Within 50 miles, 20 cities; 2,100,000 people.

System, P.W.R. by Westinghouse.

License, Northern States Power.

Exposure, 19% (183 workers).

Safety rating, Unit 1: Below average. Unit 2: Average.

Comments: "The technical staff is closely integrated with operations and maintenance; this helps prevent safety problems and provides good information."

NEBRASKA

27. Cooper, Brownville:

Nearest city, St. Joseph, Mo. (59 miles).

Large cities, None.

Within 30 miles, No cities; 59,000 people.

Within 50 miles, No cities; 170,000 people.

System, B.W.R. by General Electric.

Licensee, Nebraska Public Power and Iowa Power & Light.

Exposure, 11% (124 workers).

Safety rating, Average.

Comments: No narrative comments.

28. Fort Calhoun, Fort Calhoun:

Nearest city, Omaha, Neb. (19 miles).

Large cities, Omaha.

Within 30 miles, 2 cities; 590,000 people.

Within 50 miles, 2 cities; 710,000 people.

System, P.W.R. by Combustion Engineering.

Licensee, Omaha Public Power.

Exposure, 31% (185 workers).

Safety rating, Average.

Comments: "Safety at this plant is improving as management matures. Management recognizes its safety responsibilities. Employee morale could be affected by top utility attitudes about nuclear power."

NEW JERSEY

29. Oyster Creek, Toms River:

Nearest city, Atlantic City, N.J. (34½ miles).

Large cities, Trenton, N.J. (41 miles) and Camden, N.J. (49).

Within 30 miles, No cities, 460,000 people.

Within 50 miles, 9 cities; 3,300,000 people.

System, B.W.R. by General Electric.

Licensee, Jersey Central Power & Light.

Exposure, 50% (929 workers).

Safety rating, Below average.

Comments: "Security should be upgraded (guard force and surveillance). New operating procedures and maintenance systems have improved safety. Q.A. program has been more fully implemented. As an early B.W.R. plan has inherently different safety characteristics. Facility management has not endorsed in principle a comprehensive management control system. They tend to just meet the minimum requirements. Design review of this plant was deficient. Plant was built at minimum cost. Rad waste, fire protection and system separation are inadequate. Corporate management has firsthand knowledge of plant.

30. Salem, Salem:

Nearest city, Wilmington, Del. (20 miles).

Large cities, Philadelphia (39) Camden, N.J. (40).

Within 30 miles, 3 cities; 890,000 people.

Within 50 miles, 6 cities; 4,800,000 people.

System, P.W.R. by Westinghouse.

Licensee, Public Service Electric and Gas.

Exposure, (NA).

Safety rating, (Not rated by statistical method).

Comments: "The plant controlroom is very poorly designed. This is a relatively new plant with growing pains. It needs close inspection attention to assure that appropriate improvements are made. Have had a number of problems in startup phase, which were corrected by management. Problem with operator controls."

NEW YORK

31. James A. FitzPatrick, Scriba:

Nearest city, Syracuse, N.Y. (17 miles).

Large cities, Syracuse.

Within 30 miles, 1 city; 200,000 people.

Within 50 miles, 3 cities; 840,000 people.

System, B.W.R. by General Electric.

Licensee, Power Authority of the State of New York.

Exposure, 32% (647 workers).

Safety rating, Average.

Comments: "Plant has a new operator (P.A.S.N.Y.) that appears to have made improvements. [The reason] is increased management attention to operations. New security procedures are in effect. New management has improved technical competence and management and administrative controls. Design has been modified to add safety systems. Excellent fire protection and security system. Management improvements noted.

32. R.E. Ginna, Ontario:

Nearest city, Rochester, N.Y. (17 miles).

Large cities, Rochester.

Within 30 miles, 1 city; 840,000 people.

Within 50 miles, 2 cities; 1,200,000 people.

System, P.W.R. by Westinghouse.

Licensee, Rochester Gas & Electric.

Exposure, 40% (269 workers).

Safety rating, Above average.

Comments: "The plant is old, small and run safely."

33. Indian Point (3), Buchanan:

Nearest city, New City, N.Y. (9 miles).

Large cities, Yonkers, N.Y. (23), Stamford, Conn. (25), Paterson, N.J. (27), New York City (36), Jersey City, N.J. (38), Newark, N.J. (39), Bridgeport, Conn. (39), Elizabeth, N.J. (44), Waterbury Conn. (50).

Within 30 miles, 23 cities; 4,300,000 people.

Within 50 miles, 80 cities; 17,200,000 people.

System Unit 1: P.W.R. by Babcock & Wilcox Units 2 and 3: P.W.R. by Westinghouse.

Licensee, Units 1 and 2: Consolidated Edison; Unit 3; Power Authority of the State of New York.

Exposure, Unit 1: (Not operating), Units 2 and 3: 28% (568 workers).

Safety rating, Unit 1: (Not operating), Unit 2: Average, Unit 3: [Opened too recently].

Comments: Indian Point Unit 3 is superior in all respects to Unit 2, primarily because of its management control and personnel. Considerable recent attention to HP [health physics], safeguards and other areas of Unit 2 operations has resulted in considerable upgrading. Radiation health controls have improved. Recent problem instrumentation. Does not have a O.A. plan meeting current requirements. Unit 3 rated higher than Unit 2 because P.A.S.N.Y. management better than that of Con Ed. Significant recent improvements in management control. Corporate management attitude continues to limit effectiveness of site management. Need to continue more frequent inspections by our best inspectors.

34. Nine Mile Point, Scriba:

Nearest city, Syracuse, N.Y. (17 miles).

Large cities, Syracuse.

Within 30 miles, 1 city; 200,000 people.

Within 50 miles, 3 cities; $340,000 people.

System: B.W.R. by General Electric.

Licensee, Niagara Mohawk Power.

Exposure 35% (709 workers).

Safety rating, Average.

Comments: "Plant was operated by former fossil plant people; they have not yet become nuclear people. This is an old plant, but its engineering, layout and construction are good. Do not have enough on-site plant support except in operations. Security program excellent. Plant deficient in system separation and high pressure inspection systems. Conservative approach to operations. Plant staff has been stable. Plant has experienced B.W.R. operators."

NORTH CAROLINA

35. Brunswick (2), Southport:

Nearest city, Wilmington, N.C. (20 miles).

Large cities, None.

Within 30 miles, 1 city; 110,000 people.

Within 50 miles, 1 city: 170,000 people.

System: B.W.R. by General Electric.

Licensee, Carolina Power and Light.

Exposure Unit 1: [Opened too recently]. Unit 2: 16% (562 workers).

Safety rating, Unit 1: [Opened too recently]. Unit 2: Average.

Comments: "Site has reorganized and has new people in key positions. Some improvement in administrative controls. Management seems to become more aware of events at plant. None of the top site management have had SRO [senior reactor operator] training in B.W.R.'s High personnel turnover rate. Plant management seems to believe that they are 'over-regulated.' "

OHIO

36. Davis-Besse, Oak Harbor:

Nearest city, Sandusky, Ohio (22 miles).

Large cities, Toledo, Ohio (24).

Within 30 miles, 2 cities, 690,000 people.

Within 50 miles, 12 cities; 1,800,000 people.

System, P.W.R. by Babcock & Wilcox.

Licensee, Toledo Edison and Cleveland Electric Illuminating.

Exposure. [Opened too recently.]

Safety rating. [Opened too recently.]

Comments. [Opened too recently.]

OREGON

37. Trojan, Prescott:

Nearest city, Longview, Wash. (7 miles).

Large cities, Portland, Ore. (37).

Within 30 miles, 2 cities; 180,000 people.

Within 50 miles, 3 cities; 1,100,000 people.

System, P.W.R. by Westinghouse.

Licensee, Portland General Electric.

Exposure, 11% (107 workers).

Safety rating, Below average.

Comments: "Safety slightly improved by equipment upgrading and accumulations of operating experience. Active state regulation could affect safety through conflicting requirements. On site Q.A. program implementation has improved. Fire protection program is being implemented. Attitude toward Q.A. and prevention of recurring problems has improved.

PENNSYLVANIA

38. Beaver Valley, Shippingport:

Nearest city, Weirton, W. Va. (15 miles).

Larges cities, Pittsburgh (20), Youngstown, Pa. (35), Canton, Ohio (50).

Within 30 miles, 3 cities; 1,700,000 people.

Within 50 miles, 7 cities; 3,600,000 people.

System, P.W.R. by Westinghouse.

Licensee, Duquesne Light and Ohio Edison.

Exposure, 3% (26 workers).

Safety rating: [Not rated by statistical method.]

Comments: "Staff is experienced. Q.A. controls improved. Staff is improving. Bugs are being worked out of equipment and administrative controls. Plant management has improved. Security has improved with increased requirements. Staff still learning."

39. Peach Bottom (2), Peach Bottom:

Nearest city, Lancaster, Pa. (19 miles):

Large cities, Baltimore, Md. (37 miles).

Within 30 miles, 5 cities; 830,000 people.

Within 50 miles, 19 cities; 4,000,000 people.

System, B.W.R. by General Electric.

Licensee, Philadelphia Electric.

Exposure, 30% (1,168 workers).

Safety rating, Unit 2: Average.

Unit 3: Above average.

Comments: "This is the least safe site in Region 1 and has the poorest management. Q.A. and security are not upgraded to current standards. Many repeat items of noncompliance. Plant staff has appeared incapable of correcting increased plant radiation levels. Management is slow responding to problems. A greater inspection frequency is partially attributable to proximity to [the N.R.C.] regional office. Expect improvements as a result of management meeting with company president. Operating staff presently error-prone due to back-to-back overhaul periods for Units 2 and 3. General attitude of plant appears to be compliance only as required. Carless operations and poor maintenance."

40. Three Mile Island (2), Middletown:

Nearest city, Harrisburg, Pa. (11 miles).

Large cities: None.

Within 30 miles, 4 cities; 1,000,000 people.

Within 50 miles, 5 cities; 1,800,000 people.

System, P.W.R. by Babcock & Wilcox.

Licensee, Metropolitan Edison and Jersey Central Power & Light.

Exposure, 18% (221 workers).

Safety rating, Unit 1: Average. Unit 2: [Opened too recently].

Comments: [Unit 2 was the site of accident]. "Station and unit superintendents are new. Security has improved. This is the first B&W [Babcock & Wilcox] plant of current generation. Management control during construction was deficient. Management control in operations is strong. Overall site safety may decrease because staff has become diluted with the licensing of Unit 2."

SOUTH CAROLINA

41. Oconee (3), Seneca:

Nearest city, Anderson, S.C. (24 miles).

Large cities, None.

Within 30 miles, 2 cities; 360,000 people.

Within 50 miles, 2 cities; 730,000 people.

System, P.W.R. by Babcock and Wilcox.

Licensee, Duke Power.

Exposure, 40% (755 workers).

Safety rating, Units 1, 2 and 3, Average.

Comments: "A change in the operating superintendent is expected to result in improvements."

42. H. B. Robinson, Hartsville:

Nearest city, Florence, S.C. (26 miles).

Lare cities, None.

Within 30 miles, 1 city; 190,000 people.

Within 50 miles, 2 cities; 530,000 people.

System, P.W.R. by Westinghouse.

Licensee, Carolina Power and Light.

Exposure, 17½% (233 workers).

Safety rating, Average.

Comments: "Licensee has made increased commitment to Q.A. and Q.C. [quality control]. Licensee reports only those items that are conspicuously reportable. Licensee impedes inspector access and freedom of movement at site. No information freely given. Does only what is required."

VERMONT

43. Vermont Yankee, Vermont:

Nearest city, Amherst, Mass. (28 miles).

Large cities, Springfield, Mass. (47).

Within 30 miles, 1 city; 230,000 people.

Within 50 miles, 8 cities; 1,200,000 people.

System, B.W.R. by General Electric.

Licensee, Vermont Yankee Nuclear Power.

Exposure, 16% (183 workers).

Safety rating, Below average.

Comments: "Q.A. plan has been upgraded. Management controls somewhat degraded by frequent changes in plant superintendent. Very clean plant. Management experience and depth is increasing."

VIRGINIA

44. North Anna, Mineral:

Nearest city, Charlottesville, Va. (39 miles).

Large cities, Richmond, Va. (41).

Within 30 miles, No cities; 130,000 people.

Within 50 miles, 2 cities; 860,000 people.

System, P.W.R. by Westinghouse.

Licensee, Virginia Electric & Power.

Exposure, [Opened too recently].

Safety rating, [Opened too recently].

Comments, [Opened too recently].

45. Surry (2), Gravel Neck:

Nearest city, Newport News, Va. (20).

Large cities, Newport News, Va., Hampton, Va. (22), Norfolk, Va. (31), Portsmouth, Va. (32), Virginia Beach, Va. (46), Richmond, Va. (48).

Within 30 miles, 2 cities; 560,000 people.

Within 50 miles, 9 cities; 1,600,000 people.

System, P.W.R. by Westinghouse.

Licensee, Virginia Electric & Power.

Exposure, 50% (972 workers).

Safety rating, Unit 1: Below average. Unit 2: Average.

Comments: "Safety slightly worse due to degradation of steam generator.

WISCONSIN

46. Kewaunee, Carlton:

Nearest city, Manitowoc, Wis. (18 miles).

Large cities, None.

Within 30 miles, 2 cities; 230,000 people

Within 50 miles, 4 cities; 560,000 people.

System, P.W.R. by Westinghouse.

Licensee, Wisconsin Public Service.

Exposure, 24% (93 workers).

Safety rating, Average.

Comments: "Resident inspector was assigned at this site. Plant management very stable and [competent]. Good [attitude] toward safety. Overall the site has good operating performance."

47. LaCrosse (Genoa), LaCrosse:
Nearest city, LaCrosse, Wis. (17 miles).
Large cities, None.
Within 30 miles, 1 city; 140,000 people.
Within 50 miles, 2 cities; 320,000 people.
System, B.W.R. by Allis-Chalmers.
Licensee, Dairyland Power.
Exposure, 38% (77 workers).
Safety rating, Above average.

Comments: "Safety slightly worse because of fuel degradation. Safety slightly better because of improved O.A. program. This plant is an A.E.C. [Atomic Energy Commission] Developmental Reactor with a limited technical staff and minimal corporate backup. This small utility has difficulty absorbing the costs of N.R.C. regulation."

48. Point Beach (2), Two Creeks:
Nearest city, Manitowoc, Wis. (15 miles).
Large cities, None.
Within 30 miles, 2 cities; 190,000 people.
Within 50 miles, 4 cities; 560,000 people.
System, P.W.R. by Westinghouse.
Licensee, Wisconsin Michigan Power.
Exposure, 29% (243 workers).
Safety rating, Units 1 and 2: Above average.

Comments: "Plant is an older design. [Attitude] of plant management is extremely good. Staff is disciplined, well motivated, and proud of work. Staff offers constructive criticism of N.R.C. Plant management is strong in all areas, and has a total team effort from staff. Attitude on safety matters is excellent.

Energy Resources Board,
Santa Fe, November 1, 1976.

Mr. David Freeman,
Carter/Mondale Policy Planning,
Atlanta, Ga.

Dear Dave: I am going to avail myself of the invitation contained in your letter of October 20 to avoid permitting the outline provided with the letter from becoming a straightjacket. In fact, I think I will ignore it altogether. A number of points in the outline are beyond my current knowledge of the Nuclear Regulatory Commission and otherwise simply don't fit the problem as I perceive it.

The first thing we have to note is that the conduct of NRC over the next ten years or so will probably be among the most critical of any energy-related agency of government. Whether we wish it or not, sixty reactors are now operating and another one hundred or so will go on line in the next ten years. There will, of course, be additional orders when the current uncertainty with regard to our total energy economy begins to disperse and, therefore, I think we can project a substantial workload for the agency for the next ten years. In addition, the Commission should play a central role in obtaining resolution to the open issues associated with the back end of the nuclear fuel cycle. This area has been severely neglected throughout the history of the civil nuclear effort and now casts a shadow over the entire future of the industry.

In all likelihood, most of the current efforts aimed at obtaining moratoria on the spread of nuclear energy will fail. Therefore, in the future as in the past, the rate of expansion of the nuclear industry will be a product of decisions taken primarily in the private sector. From the standpoint of the overall national interest, it seems to me that unless the United States government has become so disenchanted with nuclear energy as to bring it to the point of declaring a moratorium, we owe it to the system to be sure, to the extent that government can make such assurances, that the government licensing process is developed along directions that make the process as efficient and effectitve as possible and that the industry deployed under NRC licenses has the basic technology and the management capability to assure that the civil nuclear industry presents minimum threat to public health and safety and to the environment at large.

There are five substantive areas of particular concern to the future of the Commission.

SITING

The first of these is in the siting area. The Commission has come a long way in the past five years in developing the capability of dealing with the massive safety issues associated with the commercialization of nuclear power. Despite this progress, the frequency of serious and potentially catastrophic nuclear incidents support the conclusion that sooner or later a major disaster will occur at a nuclear generataing facility. The NRC, as was the case with its predecessor the Atomic Energy Commission, has been unwilling to face up to the policy consequences of assigning high probability to a serious nuclear accident.

The siting problem was created by the insistence of the old Commission that nuclear energy could compete side by side with power generated from other energy sources. Successive commissions simply refused to accept the possibility of a serious accident as a planning parameter. In consequence, nuclear plants were permitted in locations adjacent to large metropolitan centers. These include the reactors in the Chicago area as well as in the area of New York City. In the past few years, informal criteria established at the staff level rather than the Commission level have reduced the attempts by the utility industry to site nuclear plants imprudently. These staff criteria, however, have never been formally blessed by the Commission nor have they received broad scrutiny to ascertain whether they provide the desirable margin of safety.

New policies respecting the siting issue are necessary along several lines. The Commission should immediately initiate a proceeding aimed at development of a siting policy that is consistent with the realistic probability of a serious accident and should assure that future plants are located at a sufficient distance from current or projected population centers to avoid catastrophic consequences to public health and safety as a result of a serious nuclear accident. As a part of this policy, the Commission should develop procedures applicable to existing nuclear plants located in proximity to population centers which will reduce the probability of a serious incident or reduce the probability of serious consequences should a major accident occur. This would take the form of derating of existing facilities within metropolitan areas, of additional conservatisms built into the technical specifications applicable to such plants, and to the development of evacuation procedures for the affected populations.

STANDARD PLANTS

Despite a substantial Commission effort, we are still some distance away from developing a procedure whereby licensing of nuclear plants will be on a generic basis rather than the case by case process utilized at the moment. There are a number of safety advantages, in addition to the strictly economic advantages, associated with standard plants that argue in favor of development by the NRC of a policy that would prohibit initiation of construction of non-standardized plants at a specific time in the future (probably not more than three years after the date of the policy). The Commission has been historically ambiguous on this issue, recognizing the favorable impact on safety that could flow from a thoroughly reviewed standard design but has been unwilling to rule out the traditional ad hoc reviews. Many of the current safety problems associated with nuclear reactors arise from the fact that there is insufficient attention to the design in the preplanning stage before construction begins. Typically, plants are only 20–30% designed when construction is initiated. The development by vendors of a limited number of standard designs and the associated safety reviews could be concluded within the next 24–36 months. The Commission should aggressively pursue standardization and should rule out custom plants at the earliest possible date.

SAFETY RESEARCH

The NRC–ERDA split resulted in a regime of safety research under which direction, in theory, was vested in the NRC while implementation remained in the national lab system controlled by ERDA. The record of the national labs in reactor safety research has been poor. The Loss of Flow Test facility, for example, is six years late in achieving its mission and grossly over budget. The leadership in the national labs has historically placed the greatest emphasis on and given the major rewards to research in the more glamorous fields relegating safety research to a severely secondary role. The safety research program has been characterized by underfunding, mediocre leadership and a scarcity of results. The current hybrid system does not solve the fundamental problem of priority within the national lab system. A change is needed in order to assure that the NRC's safety responsibilities are met. That change could take the place of providing a dedicated lab solely responsible for safety research within the national lab system or carving out one of the existing facilities and transferring it to the NRC.

FUEL CYCLE

The Commission has failed to fully grasp the significance of introduction of plutonium into commercial channels that is implicit in the light water reactor economy. The problem here has been compounded by an understandable concern on the part of the public with regard to both the toxicity of plutonium and the widely acknowledged potential for conversion of plutonium even by relatively unsophisticated groups into an effective nuclear weapon. Whether this latter possibility is in fact credible is beside the point. The fact is that nuclear technology is advancing at a rate that will almost certainly result in the capability in subnational groups to construct a nuclear weapon should the raw material become available.

By and large federal policy has moved steadily in the direction of placing the entire nuclear fuel cycle in the private sector. The stated policy of both the Nixon and Ford Administrations favored private sector involvement in enrichment. This policy was incorporated in the Nuclear Assurance Act that narrowly failed to become law this fall. The role of the private sector in reprocessing of nuclear fuels was never seriously questioned by the present Administration until the last few months.

It is absolutely essential, if we are to enter into so-called "mixed-oxide economy," supplementing uranium with plutonium derived from the reprocessing of spent fuel and ultimately from breeders, that reprocessing become a public sector activity. Because of a series of historical accidents, implementation of a policy aimed at denying private sector particiaption in reprocessing is financially and politically feasible. There have been three reprocessing initiatives from the private sector. The first of these, the plant in West Valley, New York is now closed and not expected to re-open. The second, General Electric's plant in Morristown, Illinois, never succeeded in becoming operational. G.E. has or will abandon the facility. Allied Gulf Nuclear Services plant in Barnwell, South Carolina is the only remaining private sector initiative in this area of the fuel cycle and it should be acquired by the federal government and operated under the same level of security controls applicable to the government's weapon facilities. Increments in reprocessing capacity should be added as necessary by additional government plants.

In the related area of nuclear exports, the attitude of the United States government has been abbivalent. Until recently, the official policy line has been to permit nuclear-related exports without regard to the proliferation issue on the grounds that the United States was powerless to prevent other nuclear powers from supplying the needed technology. The firm stand against proliferation, it was argued, could only result in a loss of business to France or Germany or Canada.

In recent months this laissez-faire attitude is changing, but we have still failed to lift nonproliferation to the level of priority that is required. It is increasingly evident that the United States does in fact possess the capability of minimizing proliferation as a concommitant to the international deployment of light water reactors. We can achieve this objective through political means in influencing both buyers and sellers of nuclear technology in international markets. We can, if we would assure potential customers for reactors of reprocessing services at cost, probably provide a further major element of international control aimed at reducing the spread of nuclear weapons. In time, internationally sponsored reprocessing plants may become a political possibility. At the moment, provision by the United States government of at-cost reprocessing for all comers backed with a firm policy of preventing the spread of reprocessing technology to non-nuclear nations could make a major contribution to this country's nonproliferation objectives.

RELATIONSHIP WITH THE WHITE HOUSE

Given the sensitivity and complexity of the nuclear issue, both nationally and internationally, there has been surprisingly little input from the NRC to the development of national energy policies. This field has been largely pre-empted by ERDA. The principal actors on the nuclear side of ERDA have been overwhelmingly oriented towards promotion of the nuclear option and have been grossly insensitive to the public policy issues in the safety and safeguards areas that have arisen in the past five years. The NRC, because of its more direct exposure to changing public sentiment with regard to the nuclear question and because of its preoccupation with safety and safeguards, should have a more dominant role in the development of national and international policies in this field.

ORGANIZATION MATTERS

In addition to the substantive issues outlined above, I think it appropriate to deal briefly with matters of organization and personnel. For the same compelling reasons that led me to support and actively work for the NRC-RDA split, I think that the safety functions of NRC should remain in an independent agency. The adjudicatory nature of the agency probably dictates retention of the Commission form of organization.

There is some lattitude with regard to splitting off the anti-trust function and placing it either in a new energy agency or in the Anti-Ttrust Division of Justice. Most of the progress possible under the NRC's anti-trust responsibilities has already been made. There has been significant progress in the fields of joint planning and access and from here on out it would probably be most appropriate to permit the Anti-Trust Division to discharge the nuclear function along with its other anti-trust responsibilities.

The critical decision ahead lies with the composition of the Commission and its key staff. The Commission over the last several years has had very uneven leadership ranging from superb to mediocre, with the lower end of the scale dominating. Extreme care should be given to assure that the new chairman of the Commission understands NRC's role with regard to both domestic and international nuclear policies and that other members be sensible and informed and capable of making the hard decisions that will be necessary in the next two to three years. With regard to the staff, it has come to be overly dominated by ex-military officers who, unconsciously or otherwise, have followed an implicit policy of minimizing general discussion with the public over major nuclear issues and reducing to the lowest possible level public inputs into the regulatory process. Some of these people are highly competent, but there should be a clear mandate in the new leadership of the Commission to begin a process of selective replacement of the ex-military officers with individuals with a broader grasp of public policy.

Sincerely,

JOHN F. O'LEARY.●

HAS THE ELECTORAL VOTE SYSTEM EVER MISFIRED?

Mr. HATCH. Mr. President, proponents of Senate Joint Resolution 28, abolishing the present electoral vote system, frequently point to three Presidential elections to illustrate their contention that the electoral system has often "misfired" in the past by electing runner-up Presidents.

The earliest is the election of 1824 in which John Quincy Adams defeated Andrew Jackson despite receiving fewer popular votes. This occurred, however, largely because some of Adams' strongest States, including New York, cast no popular vote at all for President. At the time, the legislatures of six States remained responsible for the determination of electoral votes.

The next election is that of 1876 in which Rutherford Hayes received fewer popular votes than Samuel Tilden, yet became President. In what has generally been referred to as the most corrupt Presidential election in our country's history, Tilden suffered a one-vote electoral loss at the hands of a partisan electoral fraud commission. In describing this election, Prof. Judith Best of the State University of New York has stated:

> In our Centennial Year, the electoral process was so debased and dishonored by fraud and intimidation that only an eccentric majoritarian would single out the technical runner-up presidency of Hayes as a matter for criticism and concern.

Another historian has suggested that, with respect to the 1876 election, "We will never know who received more popular votes."

Probably the election best illustrating a "runner-up" Presidency was the election of 1888 in which Grover Cleveland was defeated by Benjamin Harrison despite receiving seven-tenths of 1 percent more popular vote. Cleveland, however, lost for exactly the reason that the Founding Fathers would have intended for him to lose under the electoral system; he waged a largely sectional campaign in contrast with his opponent who carried on a genuinely, national campaign. One of the primary objectives of the present system is to insure the election of Presidents who cannot easily be identified as sectionalist or regional candidates.

Beyond this observation, however, a new study done by the Library of Congress suggests that the minuscule popular majority received by Cleveland may have resulted largely from intimidation and fraud, both in the Tammany Hall precincts of New York City, and among black and Republican voters in parts of the South. The study, done by Joseph Gorman, an analyst in American Government, concludes that—

> The evidence seems overwhelming that not only was the electoral college "misfire" of 1888 created by intimidation and fraud against black/Republican voters in the South, but that the majority of the Nation recognized that this was the case. Thus, to contemporary America, the election of 1888 demonstrated the need to retain the electoral college rather than illustrating how it could be used to thwart the will of the people.

Mr. President, I ask unanimous consent to have printed in the Record at this point the full text of this comprehensive analysis.

There being no objection, the analysis was ordered to be printed in the Record, as follows:

THE ELECTION OF 1888: ELECTORAL COLLEGE "MISFIRE" OR REFLECTION OF THE POPULAR WILL?: AN ANALYSIS OF GROVER CLEVELAND'S POPULAR VOTE PLURALITIES IN SELECTED SOUTHERN STATES

The Election of 1888: General Background:

The Presidential election of 1888 has continued to attract special attention for almost a century because it seems to provide the most genuine and easily understood instance of a popular vote winner losing because of the peculiarities of the electoral college.[1]

In 1888, incumbent Democratic President Grover Cleveland was defeated for re-election by Republican Benjamin Harrison by an electoral vote of 233 to 168. A shift of 7,189 votes in New York from Harrison to Cleveland would have given that State's electoral votes and thus the election to Cleveland. Although the President lost in the electoral college, he received 95,096 more popular votes than his Republican opponent. Thus occurred the electoral college "misfire" which allegedly demonstrated through experience an otherwise theoretical threat to the popular will posed by the electoral college system of electing the President and Vice President.

The following table provides a breakdown by State of the popular and electoral votes cast in the election of 1888:

POPULAR AND ELECTORAL VOTES: PRESIDENTIAL ELECTION OF 1888 [2]

States	H	Cl	Harrison	Cleveland
Alabama		10	56, 197	117, 320
Arkansas		7	60, 245	86, 717
California	8		124, 816	117, 729
Colorado	3		50, 774	37, 567
Connecticut		6	74, 586	74, 922
Delaware		3	12, 973	16, 414
Florida		4	26, 654	39, 656
Georgia		12	40, 496	100, 499
Illinois	22		370, 475	348, 371
Indiana	15		263, 361	261, 013
Iowa	13		211, 598	179, 877
Kansas	9		182, 904	102, 745
Kentucky		13	155, 134	183, 800
Louisiana		8	30, 701	85, 032
Maine	6		73, 734	50, 481
Maryland		8	99, 986	106, 168
Massachusetts	14		183, 892	151, 905
Michigan	13		236, 387	213, 469
Minnesota	7		142, 492	104, 385
Mississippi		9	31, 120	85, 467
Missouri		16	236, 257	261, 974
Nebraska	5		108, 425	80, 542
Nevada	3		7, 229	5, 362
New Hampshire	4		45, 728	43, 456
New Jersey		9	144, 360	151, 508
New York	36		650, 338	635, 965
North Carolina		11	134, 784	148, 336
Ohio	23		416, 054	396, 455

Footnotes at end of article.

POPULAR AND ELECTORAL VOTES: PRESIDENTIAL ELECTION OF 1888 [2]—Continued

States	H	Cl	Harrison	Cleveland
Oregon	3		33,291	26,522
Pennsylvania	30		526,269	447,004
Rhode Island	4		21,969	17,530
South Carolina		9	13,740	65,825
Tennessee		12	139,511	158,779
Texas		13	88,422	234,883
Vermont	4		45,192	16,788
Virginia		12	150,449	151,979
West Virginia		6	78,171	78,677
Wisconsin	11		176,555	155,243
Total	233	168	5,445,269	5,540,365

[2] Petersen, Svend, A Statistical History of the American Presidential Elections, New York, Frederick Ungar, 1968, p. 55. 3d party candidates received 404,205 votes. Popular vote totals, nationally, by State, and by county, differ from compiler to compiler. W. Dean Burnham, whose county-level results are used throughout this report, states Cleveland's 1888 popular plurality as 90,728 and credits 3d parties with 388,291 votes. See: Presidential Ballots: 1836-92, New York, Arno Press, 1976: p. 247. Another recent survey of the 1888 election reports Cleveland's plurality as 100,476. See: Wesser, Robert F. "Election of 1888," in History of U.S. Presidential Elections, 1789-1968. New York, Chelsea House, 1971: v. 2, p. 1700.

The 1888 Election in the South:

The election of 1888 was conducted in the aftermath of Reconstruction. The national Republican Party had effectively abandoned most of its black allies in the South after 1876 and had conceded the region to the Democrats. There were exceptions, of course. Cleveland carried Virginia by only 1,530 votes out of a total of almost 160,000. But black political strength in most of the South had begun to ebb after reaching its peak in the early 1870's and, through legal and extralegal means, blacks were being systematically excluded from Southern political life. Although there were scattered pockets of white Republican strength, especially in the border States, the decline in black political participation dealt a fatal blow to the Republican Party in most of the South.[3]

In the election of 1888, Benjamin Harrison led President Cleveland in the popular vote outside the South by 407,078. It was Cleveland's 502,174 vote plurality in the South which more than overcame Harrison's plurality elsewhere and accounted for his nationwide popular vote plurality.

MAJOR PARTY POPULAR VOTE TOTALS IN THE SOUTH, 1888 [4]

	Harrison (Republican)		Cleveland (Democrat)	
Alabama	56,197	(57,177)	117,320	(117,314)
Arkansas	60,245	(59,754)	86,717	(86,062)
Florida	26,654	(26,529)	39,656	(39,557)
Georgia	40,496	(40,499)	100,499	(100,493)
Louisiana	30,701		85,032	(85,012)
Mississippi	31,120	(29,096)	85,467	(85,451)
North Carolina	134,784	(134,586)	148,336	(147,897)
South Carolina	13,740	(13,736)	65,825	
Tennessee	139,511	(138,978)	158,779	(158,699)
Texas	88,422	(93,991)	234,883	(236,290)
Virginia	150,449	(150,399)	151,979	(152,004)
Total	772,319		1,274,493	

[4] Petersen, Svend, A Statistical History of the American Presiential Elections, p. 55. Figures noted in parentheses are taken from Burnham, Walter D., Presidential Ballots.

The Southern Political Context in 1888:

Three realities dominated Southern politics after 1876. First, except in atypical areas such as the mountainous regions of eastern Tennessee and western Virginia and North Carolina, the overwhelming majority of whites supported the Democratic Party. Second, conversely, the overwhelming majority of blacks supported the Republican Party, reacting to the role of the party in ending slavery and granting and championing civil rights for Southern blacks. Third, black political power and participation, after peaking in the early 1870's, began a decline which culminated in the effective elimination of blacks as a significant political force by the turn of the century.[5]

Hypothesis Examined by This Report:

The Presidential election of 1888, far from constituting a defeat for the popular will by the electoral college, was, rather, a victory for the popular will because of the electoral college. Without the electoral college to compartmentalize the fraud and intimidation against Republican voters in the South, most of whom were black, Grover Cleveland's popular vote pluralities in the Southern States would have re-elected him in spite of evidence that Harrison was the popular choice nationwide, the reported popular vote totals notwithstanding.

Focus of the Analysis:

In 1888, Cleveland led Harrison in the popular vote by a margin of 95,096, as a result of the plurality of 502,174 votes Cleveland amassed in the eleven States of the South. The focus of the following analysis will be on the extent to which the historical evidence supports the hypothesis that more than 95,096 Republican voters in the South were denied free participation in the Presidential election of that year, thus creating Cleveland's nationwide plurality.

The high correlation between race and party, especially in black majority areas, provides one of the basic assumptions on which estimates regarding whether and to what extent black Republican voters were denied the free exercise of the ballot. A general reference point for evaluating black participation is the Presidential election of 1872, which, for the South generally, represented the highwater mark of black political participation in Presidential politics in the nineteenth century.

Alabama:

Alabama contained nineteen counties which maintained black majorities in the three consecutive censuses of 1870, 1880, and 1890.[6] In the election of 1872, Grant carried the State of Alabama, 90,272 to 79,444 for Democrat-Liberal Republican Horace Greeley. Grant's margin in the State was achieved in the black-majority counties, where he led Greeley, 63,619 to 28,265, carrying fourteen of the nineteen counties.[7] In the other forty-six counties of the State, Greeley led Grant by 14,526 votes.

Although the 1872 results were the largest popular vote recorded for a Republican Presidential candidate in Alabama until 1928 (and not exceeded again until 1952), it should not be concluded that even in 1872 was the Republican vote freely cast and honestly counted. For example, Marengo County, with a black population in the 1870 census of 20,058 (76.7%) and only 6,090 whites (23.3%), nevertheless was recorded as having cast a slight majority for Greeley (1674 to 1620). Republicans charged fraud in the county, but the Greeley lead was not overturned.

The nineteen black-majority counties contained 44.1% (439,061 of 996,894) of the total population of Alabama in 1870, 64.5% (306,671 of 475,510) of the total black population, and 25.4% (132,390 of 521,384) of the total white population.

These nineteen counties cast 81,884 of the 169,716 votes in the State, or 48.2%, slightly higher than their percentage of the State's population in 1870.

The Presidential election of 1872 in Alabama, while more fair from a Republican perspective than any later nineteenth century Presidential election in the State, was not without its Democratic critics, who found fault with the obvious encouragement Federal officials gave to black participation, as well as alleged fraud in certain Republican-controlled areas. However, Democratic criticisms centered more on the alleged ignorance and manipulation of black voters than on illegal voting by blacks.[8] Nevertheless, that election serves as a useful reference point because of the high level of participation by both races.

J. Morgan Kousser, whose analysis of Southern politics during the last quarter of the nineteenth century is the most comprehensive yet written, notes that "Some historians have claimed that blacks generally voted Democratic in the South during this period. . . . Contemporaries disagreed." He quotes, among others, Alabama Representative William C. Oates' remark that "nine-tenths of the Negroes are Republicans, and that when they vote at all it will be, with few exceptions, the Republican ticket." [9] Returns for elections after the early 1870's, of course, are no guide to anything other than minimum Republican strength, again according to Kousser, "[g]iven absolute Democratic control of the ballot boxes and their avowed willingness to fabricate returns in many black belt areas." [10] Thus, after the early 1870's, reported Republican strength may be taken as only a fraction of the potential or actual Republican vote.

The following table suggests the extent to which black Republican strength was eliminated from the political process in the black-majority counties of Alabama in the post-Reconstruction Presidential elections:

RACIAL AND PARTISAN DIVISIONS IN BLACK-MAJORITY COUNTIES OF ALABAMA, 1870-90

Census or Presidential election	Black population	Republican vote	White population	Democratic vote
1870	306,671		132,390	
1872		53,619		28,265
1876		38,066		35,176
1880	377,047	26,783	143,222	29,994
1884		24,342		33,090
1888		19,801		44,217
1890	392,546		145,295	

Had the Republican vote in the black-majority counties in 1888 equalled the percentage of the black population achieved in 1872 (17.5%), the Republican vote in these counties in 1888 would have totaled 68,617. Of all the possible explanations (white flight from the Republican Party, lower interest in political participation among blacks, violence and intimidation, etc.) for the lower Republican vote, legal disfranchisement was not the reason. Major restrictive statutes in Alabama were passed in 1893 and 1901, subsequent to the election of 1888.[11]

In contrast, the Republican vote in 1888 in the white-majority counties [12] actually exceeded slightly the 1872 Republican vote, although it declined as a percentage of the black population (from 21.7% to 13.1%). But, the Democratic vote as a percentage of the white population also declined in the white-majority counties (from 13.2% to 10.6%).[13] The Democratic vote as a percentage of the white population in black-majority counties rose, however, from 21.3% (1872) to 30.4% (1888).

RACIAL AND PARTISAN DIVISIONS IN WHITE-MAJORITY COUNTIES OF ALABAMA, 1870-90

Census or Presidential election	Black population	Republican vote	White population	Democratic vote
1870	168,839		388,994	
1872		36,653		51,159
1876		30,642		67,813
1880	233,056	29,567	518,963	61,136
1884		34,857		59,883
1888		37,376		73,097
1890	285,943		688,423	

Although there was obviously general pressure against black political participation in the black belt, the certified returns from several counties experiencing the greatest declines in Republican strength are partic-

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Footnotes at end of article.

ularly illustrative of the effectiveness of discrimination and intimidation.

Bullock County, where blacks comprised 70.5 percent of the population in the census of 1870 and which cast 71.7 percent of its vote for Republican Grant in 1872, cast only 39.4 percent of its 1888 vote for Harrison, in spite of the fact that the white population had declined by 16.2 percent and the black population had increased by 21.8 percent. Between 1872 and 1888, the Republican vote declined from 3,101 to 465.

Dallas County, whose black population of 32,152 (79.0 percent) outnumbered the white population of 8,552 (21.0 percent) in 1870 and which Grant carried by a margin of 7,081 to 1,934, experienced a decline in the white population of over 500 between 1870 and 1890; meanwhile, the black population rose to 41,329. Nevertheless, Cleveland carried Dallas County in 1888, 5,302 to 2,090.

Greene County, where blacks outnumbered whites 14,541 (79.0 percent) to 3,858 (21.0 percent) in 1870 and which Grant carried, 2,516 to 1,195, lost 16.1 percent of its white population by 1890 (down to 3,235). The black population, however, increased to 18,771 (85.3 percent of the 1890 population). However, the Republican vote in Greene County declined from 2,516 (1872) to 778 (1888).

In Wilcox County, with a black population of 21,610 (76.2 percent) in 1890 and a Republican vote of 3,958 in 1872, the white population rose insignificantly (6,767 to 6,794), the black population by over 10 percent, but the Republican vote declined from 3,958 (1872) to 607 (1888).

Pickens County's 13,185 blacks (1890) presumably cast the 17 Republican votes recorded there in 1888.

The decline in Republican strength is more easily documented—and explained—in heavily black counties. No doubt many of the same pressures operating there also affected the black vote in the rest of the State.

Although even general estimates of the unregistered, uncounted, or miscounted Republican vote in Alabama in 1888 are hazardous, the figures suggest that somewhere between 30,000 and 60,000 Republican voters were kept out or counted out. If so, the State of Alabama alone may have contributed a significant percentage of Cleveland's nationwide plurality.

Arkansas:

Arkansas had seven/eight counties with black majorities from 1870–1890.[14] Except for Lee County in 1884, all these counties were carried by Republican Presidential candidates between 1872 and 1888, a dramatic contrast to the experience of black-majority counties in Alabama.

RACIAL AND PARTISAN DIVISIONS IN BLACK-MAJORITY COUNTIES OF ARKANSAS, 1870–90

Census or Presidential Election	Black population	Republican vote	White population	Democratic vote
1870	40,928		24,797	
1872		13,339		4,492
1876		10,575		3,873
1880	73,318	11,305	27,308	4,169
1884		10,417		5,128
1888		14,622		5,587
1890	107,592		36,179	

It is obvious, however, that although these counties remained solidly Republican, their contribution to statewide Republican strength was far below what the black percentages would have predicted, based on the 1872 turnout. By 1888, the Republican vote had declined to 13.6 percent of the black population, from its peak of 32.6 percent in 1872. The Democratic voters in 1872 and 1888, as percentages of the white population, were more closely parallel—18.1 percent (1872) and 15.4 percent (1888).

Arkansas differed from Deep South States in having a significant white Republican minority, most notably in the Ozark region. In 1888, in addition to counties having heavy black populations, Harrison carried two counties (Newton and Searcy) whose combined white populations in 1890 totaled 19,573 and with a combined black population of 34.

A comparison of racial and partisan divisions in the white- and black-majority counties of Arkansas between 1870–1890 demonstrates that the growth of the Republican vote was clearly greater outside black-majority counties.

RACIAL AND PARTISAN DIVISIONS IN WHITE-MAJORITY COUNTIES OF ARKANSAS, 1870–90

Census or Presidential election	Black population	Republican vote	White population	Democratic vote
1879	81,241		337,318	
1872		27,811		33,355
1876		28,074		54,213
1880	137,348	31,131	564,223	56,606
1884		40,781		67,696
1888		45,132		80,475
1890	201,525		782,573	

Even in the white-majority counties, the evidence suggests that black participation was declining between 1872 and 1888. For example, the Republican vote in 1872 as a percentage of the black population (34.2%) declined significantly by 1888 to 22.4%. The Democratic vote as a percentage of the white vote stayed relatively constant, declining only slightly in 1888 to 9.9% from the 1872 figure of 10.3%.[15]

Based on the evidence, an estimate of a Republican shortfall of 20,000 in Arkansas in 1888 would appear conservative. In any event, the decline in black participation and Republican strength was achieved within the existing electoral laws. No restrictive statutes were passed in Arkansas between 1872 and 1888; it was not until 1891 and 1892 that Arkansas acted legislatively to minimize black registration and turnout, especially with the poll tax passed in the latter year.[16]

Florida:

During the period 1870–1890, eight counties in Florida maintained black majorities.[17] All had gone overwhelmingly for Grant in 1872, providing a plurality of 5,859 and making possible his statewide plurality of 2,336. By 1888, the success of Democratic efforts at reducing the Republican vote allowed Cleveland to win all but one.

Democratic victories in 1888 were directly related to an 1887 registration law, which was represented to blacks as requiring voters to present their registration certificates at the polls in order to vote. Kousser, in writing of the 1888 election, noted that:

". . . Before the 1888 election Democratic registrars, in what seems to have been a fairly concerted effort, refused to hold office hours on the designated days, unlawfully required blacks to produce white witnesses to prove their places of residence, refused outright to register Negroes, and registered Democrats fraudulently. On election day, ballots were rejected on the grounds, for instance, that an asterisk or a dash was printed on the ticket, that names were written in red ink, and that the ballot had 'specks' on it. The chief federal election supervisor in Florida, Philip Walter, reported to the U.S. attorney-general that at least ten persons were denied registration in each of over 700 precincts and that 'over 10,000 Republican votes were cast.' "[18]

A survey of party strength in the black-majority counties over the period illustrates the Republican decline:

RACIAL AND PARTISAN DIVISIONS IN BLACK-MAJORITY COUNTIES OF FLORIDA, 1870–90

Census or Presidential Election	Black population	Republican vote	White population	Democratic vote
1870	67,617		31,521	
1872		12,431		6,572
1876		15,721		8,712
1880	84,653	13,818	41,346	9,650
1884		13,813		9,727
1888		8,858		11,917
1890	93,791		53,966	

Although 73.7% of Florida's black population lived in black-majority counties in 1870, by 1890 this figure had fallen to 56.4%. Thus, since discrimination against black political participation was highest in areas with heavy black populations, the Republican shortfall in the black-majority counties was no doubt a large percentage of the total shortfall in the State.

Republican strength in white-majority counties kept pace with the growth in the black population.

RACIAL AND PARTISAN DIVISIONS IN WHITE-MAJORITY COUNTIES OF FLORIDA, 1870–90

Census or Presidential election	Black population	Republican vote	White population	Democratic vote
1870	24,072		64,536	
1872		5,332		8,852
1876		8,493		15,290
1880	42,037	9,868	101,259	18,276
1884		14,218		22,042
1888		17,671		27,640
1890	72,389		170,983	

The 1872 Republican vote in white-majority counties was 22.2% of the 1870 black population; by 1888, it had actually increased slightly, to 24.4% of the 1890 black population. This was in contrast to the Republican percentage of the black population in black-majority counties, which dropped from 18.4% of the 1870 census figure to 9.4% of the 1890 census figure.

Insight into Democratic efforts to minimize the Republican vote in Florida, especially in the areas with high black populations, is provided by examining the one Florida election in 1888 for United States Representatives which was contested, with the challenging Republican upheld by the Republican-controlled Committee on Elections of the United States House of Representatives. The contest concerned the seat from the Second District, which was composed of twenty counties in northeast Florida and along the Atlantic coast, including four of the eight black-majority counties.

The Committee on Elections summarized the tactics used against black/Republican voters in the Second District and, no doubt, against black/Republican voters in other parts of Florida:

"Much of the evidence in this case is directed to the misconduct of supervisors of registration and of district registering officers. Other portions of the evidence are directed to the misinterpretation of the law by managers of election. The misconduct of registering officers consisted in unlawfully striking from the books large numbers of duly registered voters, in refusing or neglecting to restore the names ordered to be restored by county commissioners, in keeping their offices closed on days of registration, in unreasonably delaying applicants, in un-

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Footnotes at end of article.

lawfully required colored applicants to prove their places of residence by white witnesses known to the registering officers, in unlawfully refusing or neglecting to make transfers on due application, in furnishing unequal facilities for registration, as between their party friends and their party opponents, and in fraudulently registering persons not qualified.

"Complaint is made, in some instances, against county commissioners for failing to meet to revise the work of the supervisors, and to order restored those names that had been unlawfully stricken from the books.

"Managers of election unlawfully refused to receive the ballots of colored Republican voters who were duly registered, and whose names were on the registry books in the hands of the managers, because they did not present their registration certificates. They also refused to accept such certificates as proof of the right to vote of voters whose names had been unlawfully stricken from the rolls.

"They also refused to accept the tendered votes of Republicans who were marked as having moved within the precinct in which they were registered. In many instances this removal had not, in fact, taken place, and when it had it did not disqualify the voter, under the law, from voting. While the law provides for issuing a new registration certificate to a voter who has changed his residence, either within the precinct or to another one, it does not require such a new certificate as a condition precedent to voting when the change of residence is within the precinct or voting district. On the contrary, it expressly provides that a new certificate shall be necessary if the change of residence is from one voting district to another, thus implying that it shall not be necessary if the change is not from one voting district to another. *Inclusio unius, exclusio alterius.*

"The evidence in the case is voluminous, covering all the irregularities which are noted. . . ." [19]

The Democratic minority of the Committee noted that whites outnumbered blacks in the district, 70,947 to 65,040, according to the 1880 census. They also argued that:

"From want of sufficient intelligence to understand the registration laws a large majority of the persons whose votes were rejected for failure to register properly had not complied with the requirements of the law in obtaining transfers, in having themselves reregistered after a change of residence, and in giving attention to other matters absolutely necessary to render them qualified electors in the State of Florida." [20]

The evidence suggests that approximately 8,000 Republican votes were uncast or uncounted. The number miscounted is beyond estimate, although it is illustrative of the Democratic overcount that, in the black-majority counties, the Democratic vote was 22.1% of the 1890 white population, while it was only 16.2% in the white majority counties.

Georgia:

Georgia was the only Southern State to have passed restrictive legislation prior to the 1872 election and was one of only two (South Carolina being the second) which had such legislation in effect during the 1888 election. [21]

The legal device used by Georgia to minimize black political participation was the poll tax of $1 required of each male adult as a prerequisite for voting. Instituted in 1871, it was made cumulative in 1877, requiring payment for past years for which the voter would have otherwise been responsible.[22]

Georgia had fifty counties which maintained black majorities between 1870 and 1890.[23] Such was the effect of the poll tax that Greeley carried twenty-nine of the black-majority counties in 1872, in spite of a level of Federal protection for black participation not reached again for almost a century. In the black-majority counties, Greeley led Grant, 36,412 to 35,456. In the white-majority counties, Greeley swamped Grant, 39,944 to 27,094.

Thus, the high level of black political participation found in other States of the South in 1872 was not present in Georgia, thereby denying the historian the reference point available for the rest of the former Confederacy. Nevertheless, even from the relatively low level of 1872, the decline in black participation is easily documented.

RACIAL AND PARTISAN DIVISION IN THE BLACK-MAJORITY COUNTIES OF GEORGIA, 1870–90

Census or Presidential election	Black population	Republican vote	White population	Democratic vote
1870	354, 069		214, 837	
1872		35, 456		36, 412
1876		25, 310		51, 285
1880	443, 527	29, 519	245, 115	37, 609
1884		21, 572		36, 315
1888		17, 162		38, 356
1890	500, 991		279, 264	

By 1888, the Republican vote in black majority counties had declined 48.4%, in spite of a rise in the black population of 41.5%. Harrison in 1888 carried only four of the fifty black-majority counties [24]; in five counties, not a single Republican vote was recorded.[25]

The decline of the Republican vote in white-majority counties was less pronounced, although obvious.

RACIAL AND PARTISAN DIVISIONS IN WHITE-MAJORITY COUNTIES OF GEORGIA, 1870–90

Census or Presidential election	Black population	Republican vote	White population	Democratic vote
1870	191, 073		424, 089	
1872		27, 094		39, 944
1876		25, 296		78, 808
1880	281, 606	24, 510	571, 791	65, 322
1884		26, 204		58, 044
1888		23, 337		62, 137
1890	357, 824		699, 093	

If the Republican vote in 1888 had equalled the percentage of the black population achieved in 1872 in the State as a whole (11.4%), Harrison would have received approximately 98,000 votes. That the cumulative poll tax operated to at least some extent against poor whites is indicated by the fact that the Democratic percentage of the white population achieved in 1872 (11.9%) fell by 1888 to 10.2%. The shortfall in Democratic votes in 1888 was only 15,931, far less than a similarly computed shortfall of 57,406 Republican votes. Thus, the figures suggest that if blacks in 1888 had voted even at the low turnout rate of 1872, Harrison could have offset as much as 40,000 of Cleveland's nationwide plurality in the State of Georgia alone.

Louisiana:

Louisiana had twenty-eight/thirty-one parishes which maintained black majorities between 1870–1890.[26]

Louisiana was unique in providing a Democratic and Republican count in 1872. The Republican count, which was accepted as official, had Grant defeating Greeley, 71,663 to 57,029. The Democratic count favored Greeley, 66,467 to 59,975.[27] The two counts are useful in providing at least the minimum strength conceded by each side to the other as of 1872. Whichever totals are used, the decline of the Republican vote between 1872 and 1888 was significant.

RACIAL AND PARTISAN DIVISION IN THE BLACK-MAJORITY PARISHES OF LOUISIANA, 1870–90

Census or Presidential election	Black population	Republican vote	White population	Democratic vote
1870	219, 610		103, 202	
1872 (Republican count)		40, 684		16, 549
1872 (Democratic count)		33, 101		22, 012
1876		42, 592		22, 013
1880	304, 390	19, 316	124, 134	30, 045
1884		25, 020		28, 631
1888		15, 713		43, 500
1890	351, 193		155, 786	

The decline of the Republican vote in several parishes was dramatic. In Claiborne, for example, the Republican vote declined from 942 (1872) to 16 (1888). In DeSoto, the Republican vote practically vanished, falling from 1,022 (1872) to 2 (1888). The drop in East Feliciana was similar, from 1,669 (1872) to 7 (1888). In Morehouse, 1,084 Republican votes in 1872 had shrunk to 4 by 1888. Four Republican votes were recorded in each of Ouachita and St. Martin's parishes in 1888, from a high of 1,425 and 707, respectively, in 1872.

In all, Harrison in 1888 carried only six of the black-majority parishes; in 1872, Grant had carried all but four. In two parishes (West Carroll and Richland), with combined black populations in 1890 of 10,523, Harrison was recorded as having received no votes at all in 1888.

Since Louisiana as a whole maintained a black majority throughout the period 1870–1890, there were significant black populations in most parishes. Thus, as expected, the Republican vote in the white-majority parishes also reflected the pressure against black political participation.

RACIAL AND PARTISAN DIVISION IN THE WHITE-MAJORITY PARISHES OF LOUISIANA, 1870–90

Census or Presidential election	Black population	Republican vote	White population	Democratic vote
1870	144, 600		258, 863	
1872 (Republican count)		30, 979		40, 480
1872 (Democratic count)		26, 874		44, 455
1876		32, 723		48, 495
1880	179, 265	19, 075	330, 820	35, 021
1884		21, 327		33, 970
1888		14, 988		41, 512
1890	208, 000		402, 609	

Even more illustrative of the miscounting of the black/Republican vote is that the total vote reported for the black-majority parishes in 1888 (59,213) exceeded the total vote in the white-majority parishes (56.000), in spite of the fact that the population of the latter parishes was 103.630 greater. Further, a majority of the Democratic vote, cast presumably overwhelmingly by whites, was greater in the black-majority parishes, even though the white population of the white-majority parishes was over two and one-half times as large.

Using the 1872 and 1876 results as reference points (both elections were conducted under Federal supervision), a conservative estimate of the Republican shortfall in 1888 would be in the range of 50,000 to 80,000 votes.

Mississippi:

Between 1870 and 1890, Mississippi had thirty/thirty-five counties which maintained black majorities.[28] Between the elections of 1872 and 1888, the Republican vote in these counties dropped 71.1%, in spite of a rise in

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the black population of 65.1% between 1870 and 1890.

RACIAL AND PARTISAN DIVISIONS IN THE BLACK-MAJORITY COUNTIES OF MISSISSIPPI, 1870-90

Census or Presidential election	Black population	Republican vote	White population	Democratic vote
1870	334, 809		169, 078	
1872		63, 914		24, 498
1876		36, 168		62, 877
1880	485, 290	22, 944	199, 589	40, 253
1884		28, 014		40, 743
1888		18, 479		43, 874
1890	552, 637		209, 489	

Mississippi had a large black majority throughout the period 1870–1890. The Republican vote declined significantly in the white-majority counties, although not nearly so much as in the black-majority counties.

RACIAL AND PARTISAN DIVISIONS IN WHITE-MAJORITY COUNTIES OF MISSISSIPPI, 1870-90

Census or Presidential election	Black population	Republican vote	White population	Democratic vote
1870	109, 392		213, 818	
1872		18, 262		22, 790
1876		16, 435		49, 296
1880	165, 001	11, 504	279, 809	35, 474
1884		15, 521		36, 940
1888		10, 617		41, 577
1890	189, 922		335, 362	

The congressional elections in Mississippi in 1888 resulted in three contests; the Democratic contestee was upheld in each case by the Republican-controlled Committee on Elections; however, the reports issued by the Committee are informative regarding election practices in Mississippi in 1888.

In the Second District, the Committee found, "it is not proven by the record that the contestant was elected, nor that the contestee was not; but it is proven that the election in question was characterized by frauds disgraceful to our civilization, and such as to call for severe animadversion on the part of every honest man." [29]

In regard to seven counties of the district, the Committee reported that:

"It may safely be affirmed that in not one of these counties, taken as a whole, was the election an honest one. Fraud in various forms, including intimidation of voters, corrupt manipulation of registration, stuffing and stealing of ballot-boxes, and illegal voting, finds ample illustration in all of them.

"If we may judge from the evidence, this state of things is to be accounted for by the existence, in that district, of a different standard of morals from that which is generally accepted as the correct one by communities recognized as moral." [30]

A minority report was even stronger, urging that the Republican challenger be seated, on the grounds that "the proof of a conspiracy to suppress the negro vote in this district is clearly shown by the declarations of the contestee and his supporters in his presence or when he was near at hand." [31]

Similar conditions were found in the Seventh Congressional District, "such," the Committee reported, "as can neither be excused nor palliated." [32] The Committee also noted that "In the light of recent events it will hardly be claimed anywhere that any considerable number of negroes in the Seventh district of Mississippi, or, indeed, anywhere in that State, willingly vote the Democratic ticket." [33]

In the Third District, the Committee found that "On a fair election, with both parties equally well organized and with equally acceptable candidates, there is no question but that the district would go Republican by a very large majority," since the black population outnumbered the white by almost four to one.[34]

Further, the Committee was convinced of "the truth of the charge that the public sentiment of the dominant race in this district is hostile to the exercise by the colored voter of the rights granted him by the Constitution, and look with leniency upon crimes against the purity of the ballot box." [35] Nevertheless, the Committee could not prove enough fraud to overturn the results, and the incumbent Democrat retained his seat.

The elimination of the black/Republican vote in several counties was so effective as to eliminate for all practical purposes blacks as a political force. In Claiborne County, the Republican vote fell from 2,240 (1872) to 14 (1888). In Copiah County, the decline was from 1,818 (1972) to 401 (1888). In Leflore County, a three-to-one Republican victory of 916 votes had been reduced to one Republican vote in 1888, even though the black population outnumbered whites by 14,267 to 2,597, according to the 1890 census. In Lowndes County, 3,217 Republican votes in 1872 had fallen to 17 by 1888. Even more dramatic, Noxubee County, which in 1872 had cast 3,058 Republican votes, recorded not a single Republican vote in 1888, in spite of a black population of 22,629. Yazoo County saw its 2,433 Republican votes of 1872 fall to 7 Republican votes in 1888, even though the black population doubled between 1870 and 1890, from 12,395 to 27,701.

In summary, Greeley in 1872 carried only one of the black majority counties. In 1888, Cleveland carried all but seven.

The Democratic vote in Mississippi as a percentage of the white population rose between 1872 and 1888, from 12.3% to 15.6%. At the same time, the Republican vote as a percentage of the black population dropped from 18.5% (1872) to 3.9% (1888). Further, such was the miscounting of Republican votes that the 209,489 whites noted by the 1890 census in black-majority counties actually reported more Democratic votes in 1888 (43,874) than the 335,362 whites of the white-majority counties.

An examination of Mississippi census figures and election results suggest that a minimum of 75,000 Republican votes would have been cast and counted in a free and fair election in 1888. This, of course, is a conservative figure; it is possible that all—and more—of Grover Cleveland's 1888 nationwide plurality would have been offset by otherwise uncast and miscounted Republican votes in Mississippi had blacks/Republicans been afforded an opportunity to participate freely in that election.

It is perhaps of interest to note that the Republican vote in Mississippi in 1888, even to the extent that it was uncast and miscounted, was not exceeded again until the election of 1952; in twelve of the intervening elections, the Republican vote did not exceed 10,000. Major restrictive measures were not passed in Mississippi until 1890; thus, the Republican shortfall in 1888 was created by extra-legal means, most notably violence, intimidation, and fraud.[36]

North Carolina:

Between 1870 and 1890, North Carolina contained fourteen/fifteen counties which maintained black majorities.[37] All were carried by Grant in 1872. Reflecting the moderate opposition to black political participation in North Carolina, Harrison carried eleven and lost the other four by fewer than two hundred votes each. In 1888, North Carolina elected a black Republican to the United States House of Representatives, one of three black Members of Congress during the Fifty-first Congress (1889–91). His eleven-county district contained eight black-majority counties.

None of the elections for United States Representative from North Carolina were contested in the Fifty-first Congress. In the debate on the Enforcement Act (see below), Senators and Representatives from North Carolina stressed that the pressures against black participation cited in other areas of the South were not typical of North Carolina.

Kousser agrees with the contemporary judgment of North Carolina's spokesmen in Congress, noting that:

"The North Carolina political system was perhaps the most democratic in the late nineteenth-century South. . . . Turnout at gubernatorial elections in the last two decades of the century never fell below three-quarters of the adult males. From 1880 through 1896, the Democrats never won more than 54 percent of the vote in the races for governor. Since there were relatively few restrictions on the suffrage before 1900, black men voted in large numbers. Ballot box stuffing seems to have occurred on a less extensive scale than in most other Southern states." [38]

An analysis of racial and partisan divisions in the black-majority counties of North Carolina would, therefore, be expected to contrast significantly with the Deep South.

RACIAL AND PARTISAN DIVISIONS IN BLACK-MAJORITY COUNTIES OF NORTH CAROLINA, 1870-90

Census or Presidential election	Black population	Republican vote	White population	Democratic vote
1870	133, 772		92, 211	
1872		28, 726		14, 178
1876		28, 983		19, 137
1880	168, 577	29, 021	103, 472	19, 944
1884		31, 149		23, 117
1888		27, 286		22, 132
1890	171, 778		119, 120	

The above table indicates that while there was not a dramatic decline in the Republican vote, it, neverthless, did not grow with the black population. Although the black population rose by 28.4%, the Republican vote declined by 5.1% between 1872 and 1888. However, a rise in the white population of 29.2% was accompanied by an increase in the Democratic vote of 56.1% between 1872 and 1888.

The vast majority of the black population of North Carolina between 1870 and 1890 lives outside of black-majority counties. A comparison of the Republican vote outside those counties, with a focus on the extent of pressure against black political participation, is complicated by the fact that western North Carolina contained very significant Republican strength in overwhelmingly white areas. For example, in 1888, Madison County, with a white population of 96.1% (1890), cast 62.2% of its vote for Harrison. Similarly, Watauga County, 96% white, went to Harrison, 976 to 908.

In any event, the Republican vote in the white-majority counties grew at a faster rate than the black population. The Republican vote of 1888 showed an increase of 62.4% over 1872; the black population rose 50.9%. Obviously, many whites voted Republican throughout the period.

RACIAL AND PARTISAN DIVISION IN THE WHITE-MAJORITY COUNTIES OF NORTH CAROLINA, 1870-90

Census or Presidential election	Black population	Republican vote	White population	Democratic vote
1870	257, 878		586, 259	
1872		66, 041		55, 846
1876		79, 591		106, 290
1880	362, 700	86, 858	763, 770	104, 802
1884		93, 917		119, 922
1888		107, 300		125, 765
1890	389, 240		936, 262	

Footnotes at end of article.

Between 1872 and 1888, three elections for United States Representative led to contests. None involved charges of systematic fraud, violence, or intimidation.[39] Thus, the available evidence suggests that the popular vote totals reported for North Carolina in 1888 did not significantly, if at all, exaggerate Cleveland's support in the State or minimize Harrison's strength. And, given the almost universal judgment that blacks in North Carolina between 1872 and 1888 were able—if not always encouraged—to participate politically, there is little basis for arguing that there was any significant Republican shortfall in North Carolina in 1888.

South Carolina:

South Carolina maintained heavy black majorities throughout the period 1870–1890. Of the thirty-five counties in 1890, twenty-five had black majorities,[40] and in the State as a whole, blacks outnumbered whites, 688,934 to 462,008. In 1872, under Federal protection, blacks had given the State to Grant, overwhelmingly, 72,290 to 22,699, with the Republican President carrying all but two counties.

The 1876 election in South Carolina was the subject of great controversy, with the dispute finally being decided by the Electoral Commission established by Congress, which, by a partisan vote, awarded the electoral vote of South Carolina to Hayes.

With the removal of Federal troops after 1877, black political participation declined quickly. By 1888, the Republican Party was no longer an effective political force in the State.

RACIAL AND PARTISAN DIVISIONS IN THE BLACK-MAJORITY COUNTIES OF SOUTH CAROLINA, 1870–90

Census or Presidential election	Black population	Republican vote	White population	Democratic vote
1870	357,036		187,071	
1872		62,273		16,602
1876		79,659		63,748
1880	506,465	46,576	245,333	83,183
1884		17,851		50,129
1888		10,771		45,889
1890	578,821		283,043	

South Carolina's systematic elimination of black political influence was effected by the passage in 1882 of a registration law and an "eight-box" law, requiring voters to be able to read signs indicating into what ballot box their votes for respective offices should be deposited.[41]

In commenting on South Carolina politics before the legislation of 1882, Kousser noted that "all Democrats, no doubt, agreed upon the desirability of shackling the Republicans—since by this time nearly all South Carolina GOP voters were black, discrimination against race and party coincided."[42]

Blacks/Republicans in the white-majority counties fared little better politically.

RACIAL AND PARTISAN DIVISIONS IN THE WHITE-MAJORITY COUNTIES OF SOUTH CAROLINA, 1870–90

Census or Presidential election	Black population	Republican vote	White population	Democratic vote
1870	58,778		102,596	
1872		10,017		6,097
1876		12,127		27,158
1880	97,867	11,495	145,772	29,129
1884		3,879		19,761
1888		2,965		19,936
1890	110,113		178,965	

The 1876 Republican vote in South Carolina was not exceeded again until 1952.

The election of a Democrat as Representative in the Seventh Congressional District was successfully challenged before the Committee on Elections, which found:

"(1) that the registration and election laws of South Carolina are unconstitutional, and their execution partisan and illegal; (2) that the shifting of the ballot boxes being for the purpose of deception and being unlawful, the votes lost by it should be restored; and (3) that where the ballot boxes were stuffed the returns should be rejected and the vote counted as proved to have been cast."[43]

The Seventh District was composed of all or part of nine black-majority counties,[44] with a black population of 156,016 to 31,520 whites (1880 census). The district contained 32,893 black males twenty-one years of age or older, to 7,695 white adult males.[45]

The Committee on Election noted that "It is undoubtedly a misfortune, but it is none the less true, that political parties in this district are divided on racial lines. The colored men as a rule are Republicans, and the white men are Democrats. That this is true is no-where seriously questioned in the record in this case."[46]

In regard to the registration law, the Committee pointed out that "It would seem that the law placed enough obstructions in the way of registration to satisfy the most earnest believer in the disfranchisement of the colored men of South Carolina, but, as shown by the record in this case, the supervisors appointed to execute it have succeeded, in almost every instance, in erecting other and most effective barriers not provided for in the statute."[47]

The Committee's report on the election in the Seventh District surveyed the effect of the "eight-box" law and "ballot-box stuffing," leading to the Committee's conclusion that "The frauds, false returns, and ballot-box stuffing which we have detailed are so conclusively proven, and the true vote so well established in the various precincts noticed, that there is left no room to doubt that Thomas E. Miller [the Republican nominee] was legally elected, and was, through the crimes of election managers in the Seventh District of South Carolina, deprived of a certificate of election."[48]

The question in South Carolina, therefore, becomes, not whether blacks/Republicans were kept out of the political process but, rather, to what extent they were.

In 1872, the Republican vote for Grant was 17.38% of the black population; by 1888, it had dropped to 1.9%. If the 1872 percentage had been achieved in 1888, Harrison would have received almost 120,000 votes, rather than 13,736. Thus, it seems likely, even taking into account the Federal encouragement in 1872, that the Republican shortfall in 1888 in South Carolina was in excess of 75,000 votes.

Tennessee:

Tennessee had only two counties, Fayette and Haywood, which maintained black majorities between 1870 and 1890. Both had gone overwhelmingly for Grant in 1872; both were carried by Cleveland in 1888. Republicans had regularly carried the counties through 1884.

RACIAL AND PARTISAN DIVISIONS IN BLACK-MAJORITY COUNTIES OF TENNESSEE, 1870–90

Census or Presidential election	Black population	Republican vote	White population	Democratic vote
1870	30,819		20,419	
1872		6,334		2,770
1876		5,734		4,473
1880	39,794	6,639	18,130	4,013
1884		5,405		3,571
1888		2,704		5,775
1890	36,061		16,375	

Perhaps the most exhaustive discussion of race relations and political divisions in 1888 in counties of Tennessee with heavy black populations is provided by the printed record in connection with the election contest in the Tenth District, which was composed of four counties: Fayette, Hardeman, Shelby, and Tipton. The reported result was 20,149 votes for the Democrat, 11,730 for the Republican, who challenged the result.

The Committee on Elections was unable to reach any decision on this contest and made no recommendation to the House of Representatives. However, the Committee did amass a printed record of 2,228 pages, in which the Republican charges and Democratic rebuttals furnish a unique chronicle of politics in western Tennessee in 1888.[49]

The Republican contestant, in a letter to the Democratic victor, charged that:

"The Democratic partisan managers, whose candidate you were, being in absolute control of the election machinery in every county in the district, determined and conspired to return you as elected to Congress on November 6th, 1888, at all hazards, by whatever fraud, bribery, and intimidations necessary, and that by such fraud, bribery, and intimidations the pretended majority securing such return was obtained.

"I charge that in your behalf these Democratic managers in absolute control of the election machinery, and of all the officers of the peace, national, State, and municipal, in every county in the district, determined and conspired by every possible obstruction, intimidation, and fraud, by defiant and reckless disregard of the law and the rights of the electors, to harass, suppress, and virtually disfranchise the colored voters, who were well nigh unanimously Republicans and supporters of my candidacy for Congress, and that they did so harass and largely suppress and virtually disfranchise the colored Republican voters.

"I charge that these Democratic managers, in your behalf, conspired to nullify, and did nullify and deny the right of colored Republicans to testify in behalf of each one's own and each other's right to vote at said election, throughout the district, by the openly declared policy that 'No damned nigger should vote unless vouched for by a white man.'"[50]

In the four counties making up the Tenth District, blacks outnumbered whites, 102,662 to 84,229 (1890 census).

Statewide estimates of a Republican shortfall in 1888 are complicated by the fact that politics were divided along racial lines in West Tennessee, less so in Middle Tennessee, and very little in East Tennessee, with the general rule that blacks were Republicans in all three regions. The mountain region of East Tennessee was—and remains to this day—one of the most Republican areas of the Nation—and one of the most racially homogeneous. For example, Johnson County, which was 96% white in 1890, cast 88.2% of its 1888 vote for Harrison. Similarly, Unicoi County, 95.3% white, cast 88.4% of its vote for the Republican ticket. Scott County, 96.3% white, was Republican in 1888 with 89.6% for Harrison.

The election of 1884 in Tennessee had scared the Democrats, who carried the State by only 133,770 to 124,110. In 1888, the reported Democratic margin was 158,699 to 138,978. It is reasonable accept the argument that the miscounted and uncast Republican votes in West Tennessee cost Harrison the State. In Madison County, not a black-majority county but with a large black population, the Republican vote declined from 1,901 (1884) to 1,479 (1888), while the Democratic vote rose from 2,393 (1884) to 3,206 (1888). The dramatic decline in Republican strength in Fayette and Haywood has been noted. Less striking changes can be found elsewhere in the western part of the State.

Although there was not a general problem of discrimination against and intimidation of black/Republican voters in Tennessee in

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Footnotes at end of article.

1888, the evidence suggests that the Republican shortfall in Tennessee was a minimum of 10,000 votes and possibly significantly more.

Texas:

Between 1870 and 1890, Texas had thirteen counties with black-majority populations.[51] Although a former Confederate State, Texas was increasingly a western State, and its black population was concentrated in East Texas.

Although blacks had constituted almost 31% of the population of Texas in 1870, by 1890 the percentage had dropped to 21.8, in spite of an almost doubling of the black population. In 1870, 22.4% of the black population lived in black-majority counties; by 1890, this figure had declined only slightly to 21.2%.

Assuming the blacks of the black-majority counties to be the most politically threatened by a general effort to minimize black political participation, it appears that there was little intimidation of blacks in Texas. Although black political involvement did not grow as fast as the black population, it, nevertheless, did increase slightly.

RACIAL AND PARTISAN DIVISIONS IN THE BLACK-MAJORITY COUNTIES OF TEXAS, 1970–90[52]

Census or Presidential election	Black population	Republican vote	White population	Democratic vote
1870	56 718		34 895	
1872		12 538		7,004
1876		11,721		7,095
1880	92,600	13,473	55,784	8,939
1884		15,732		9,995
1888		14,191		11,280
1890	103,722		61,771	

[52] Unlike most of the Southern States, 3d parties frequently did quite well in Texas. For example, in 1880 3d parties (principally the Greenback Party) won 27,471 votes in a year in which the Republican ticket received only 57,225 votes. Similarly, in 1888 3d parties received 33,384 votes, trailing the 2d place Republicans, who received 93,991. In the black-majority counties, the 3d party vote seems to have been drawn from both major parties.

The Republican vote in white-majority counties also increased between 1872 and 1888, more than doubling, in fact, and providing no obvious evidence of systematic efforts to minimize black political participation. Also, of some interest is the fact that not a single election to the United States House of Representatives from Texas was contested between 1872 and 1888.[53]

RACIAL AND PARTISAN DIVISIONS IN WHITE-MAJORITY COUNTIES OF TEXAS, 1870–90

Census or Presidential election	Black population	Republican vote	White population	Democratic vote
1870	196,757		529,805	
1872		35,372		60,671
1876		33,292		99,287
1880	300,784	43,752	1,141,453	147,024
1884		77,613		216,380
1888		79,800		225,010
1890	384,449		1,684,164	

Thus, the evidence does not suggest any significant Republican shortfall in 1888 in Texas.

Virginia:

Thirty-three counties of Virginia maintained black majorities between 1870 and 1890.[54] All were carried by Grant in 1872, providing the votes by which the Republican carried the State by the close margin of 93,463 to 91,647 for Greeley. In 1888, Harrison carried twenty-nine and lost four, illustrating the continuing strength of the Republican Party in the State. Indeed, in 1888, Harrison barely lost the State, trailing Cleveland by about 1,600 votes of over 300,000 cast.

Footnotes at end of article.

A survey of racial and partisan divisions in the black-majority counties indicates that black political participation remained high throughout the period.

RACIAL AND PARTISAN DIVISIONS IN BLACK-MAJORITY COUNTIES OF VIRGINIA, 1870–90

Census or Presidential election	Black population	Republican vote	White population	Democratic vote
1870	210,773		133,745	
1872		31,640		18,351
1876		33,002		27,824
1880	250,321	30,641	154,396	[55] 16,414
1884		40,283		29,445
1888		40,206		31,338
1890	235,091		157,712	

[55] The dropoff in the Democratic vote in 1880 is accounted for by the showing of the "Readjuster Democratic" ticket, which polled 32,053 votes (15 percent) in Virginia, most drawn, apparently, from normally regular Democratic voters.

Like North Carolina and Tennessee, Virginia had an overwhelmingly white, traditionally Republican, mountainous region in the western part of the State. For example, Scott, Floyd, Rockingham, and Wise Counties, with white populations of 95.6%, 92%, 91% and 93.8%, respectively, all were carried by Harrison. Given the significant white Republican vote across the State, and the rather widespread distribution of blacks, generalizations about race and party in Virginia differ dramatically from those noted about the Deep South. As the following table indicates, the Republican Party was a significant force outside the black-majority counties.

RACIAL AND PARTISAN DIVISIONS IN WHITE-MAJORITY COUNTIES OF VIRGINIA, 1870–90

Census or Presidential election	Black population	Republican vote	White population	Democratic vote
1870	302,068		578,344	
1872		61,823		73,296
1876		62,762		113,401
1880	381,295	52,993	726,462	[56] 80,180
1884		99,073		116,052
1888		110,193		120,666
1890	400,347		862,410	

[56] See note 55.

Nine elections to the United States House of Representatives from Virginia were contested following elections from 1872 to 1888. Three contests followed the 1888 election.[57]

In the Ninth District, a unanimous Committee on Elections rejected the contestant's claim of bribery, violence, and intimidation in a western district having a low proportion of blacks.[58]

In the Third District, the Republican contestant was seated after 722 voters waiting in line had their votes refused; most had been in line all day, some of them most of the previous night. All those in line were black voters, presumably Republican. As a result of this tactic, the Democratic was elected, 15,608 to 15,347.[59]

As the Committee noted in its report:

"Many of the colored voters fell in line the night before the election, prepared to vote. These three precincts were inhabited by a large colored population, and a large majority of the voters were Republicans and favorable to the contestant. A report had gone out that contestee's friends had made an arrangement to delay the vote in these precincts for the purpose of reducing the anticipated majority for the contestant. That such procedure was anticipated and feared is evident from the fact that the day before the election George Duncan, Federal supervisor, wrote to M. F. Pleasants, the chief supervisor, calling his attention to this method of obstructing the election."[60]

The Third District contained three black-majority counties and was the scene of irregularities designed to prevent blacks from voting, but the district had a white majority. The closeness of the election is yet another indication of the strength of the Republican Party among whites.[61]

The election in the Fourth District was also contested, with the Republican unseating a Democrat after an investigation by the Committee on Elections. The 1880 census showed a black majority in the district of 102,071 blacks and 56,194 whites.[62]

The Committee found that "the fact that on the very eve of the election it was found convenient or necessary by the Democratic electoral commissioners to remove Republican precinct judges of election known to be friendly to contestant, and filling the vacancies with his bitter opponents, without any reason or excuse for the change, is a badge of fraud which can not be overlooked."[63]

Various fraudulent practices against black voters were introduced in evidence, such as arbitrary delays, stuffing of ballot boxes, and falsifying of returns.[64]

Of all the Southern States, Virginia seems the one most likely to have voted for Harrison had all those who turned out been allowed to vote and have their votes recorded honestly. More than enough fraud against the Republican ticket was found in the two congressional districts noted above to overturn Cleveland's narrow plurality in the State, even with the conservative estimate of a 5,000–15,000 Republican shortfall in the State.

Enforcement Act Debate of 1890–1891:

Contemporary observers of the Presidential election of 1888 would no doubt have been amused that a century later it would seem necessary to demonstrate statistically that black/Republican political power in the South had, since the early 1870's, been steadily eroded by both legal and extra-legal means. It was a development so well noted at the time that even the most partisan white Southern Democrats frequently admitted it.

Especially instructive of the state of race and politics in the South in the late 1880's was the debate in 1890 and 1891 over the Enforcement Act, essentially a voting rights act that provided that, on petition of one hundred citizens in a congressional district, or in a city of 20,000, or on petition of fifty citizens in a county, the registration of voters, and casting or counting of votes be Federally supervised.

While the legislation provided for national coverage, it was directed primarily at the South. As Representative Henry Cabot Lodge, Republican of Massachusetts, pointed out in remarks on the House floor on June 26, 1890:

"In regard to Southern elections, Mr. Speaker, one of two things must be true—the elections are either fair, free, and honest, or they are not. There can be, unfortunately, no question of the widespread belief among a large body of the American people that many of these elections are the very reverse of fair, free, and honest. Whichever state of facts is the correct one, it is the paramount duty of the National Government to restore to the people confidence in these as in all other elections. If, as I have heard it stated on this floor, Southern elections are perfectly fair, and the black man goes carrolling to the voting place by the side of his employer, seeking only to cast his vote for those whose interests are identical with his own, then, sir, it is the duty of the United States Government to uncover this pleasing picture and display it to the country so that confidence may be restored, and no man may suspect longer that Southern elections are open to criticism.

"If all is right and well in elections in the South this law can hurt no one, but will be, on the contrary, of unprecedented value to those communities now accused of wrongdoing. No people will be so much benefited by it as the people of the South, for it will demonstrate at once that the generally accepted Northern view is groundless and unjust. If, on the other hand, the belief of large masses of the people, that in certain regions of the South such a thing as a fair election is unknown, is well founded, then it is high time that the United States should put a stop to that evil, if they have to exercise to the very last point every power that the Constitution has put into their hands.

"If, Mr. Speaker, as I have said all is well with Southern elections, as we hear declared on this floor by Representatives from that region with all the solemnity of Roman augurs, there can be no possible objection to this legislation. On the contrary, they of all people ought to desire it. But if, when the Roman augurs retire from the public gaze they hold a different language in the recesses of the temple, if they fight with the utmost fury against every attempt to regulate or improve elections, then we are forced to believe that these accusations are not groundless, and it is easy to show why we should deal with the existing facts as here proposed."[65]

The Democratic response to the Enforcement Act took two forms. First, many Democrats argued that whatever the situation in the South, the Enforcement Act was an unconstitutional means of dealing with it. Or, second, other Democrats argued that the situation in the South was indeed as had been described and civilization there depended on the continued suppression of black political power.

Illustrative of the first type of objection were remarks by Democratic Representative William Springer of Illinois, who assailed the proposal as "an assault on popular government" which "impeaches the intelligence, integrity, and the patriotism of the American people, and implies that the voters of this country are not capable of holding an honest election, and consequently Congress will send Federal satraps and officials to supervise, scrutinize, and control their elections, and pay all the expenses out of the Federal Treasury."[66]

The more frank approach, both admitting and defending the systematic attack on black political power, was taken by Senator James L. Pugh of Alabama:

"Mr. President, do Republican Senators believe that the people who will be subjected to such insulting and degrading interference with the management of the election of their own Representatives in Congress have no human nature and no sensibility and no honor or manhood in common with their own race in the Republican party in the Northern States? Senators who are so headstrong and reckless in their calculations as to the white people of the South, whom they in part represent theoretically, but in fact grossly and cruelly misrepresent, in imposing upon them the alternative of accepting such hostile and dangerous intermeddling in matters of local self-government or of being denounced as lawbreakers and arraigned before the world as criminals, must remember my assurance that such abuse and crimination have no terrors for the people of the South; but these proud and brave people do deplore the persistent efforts of their race and countrymen to set aside a verdict they assisted in rendering admitted by them to be irreversible, that they are the governing race in this and all free countries and cannot be forced into copartnership with the negro on terms of equality in the Federal or State governments of this country.

"The white people of the South see and fully understand the great disadvantage under which they labor on account of the lamentable mistake, not to call it crime, committed by the Republican party against representative government, general and local, against both races, and against American civilization, and embodied in the fifteenth amendment of the Constitution. That indefensible political crime is the fountain from which all our bitter waters flow. Here we find the fatal mixture of white and black suffrage. Here we find compounded natural elments that no chemist has ever yet discovered could be mingled together in the same laboratory so as to prevent fermentation and explosion.

"The chemists who attempted to establish affinity in the combination embodied in the fifteenth amendment have employed their skill and ability in experimenting to secure cohesion, coexistence, and harmony between these elements in the exercise of coequal functions in the government of the same country, and are able to report no progress, and their work is an acknowledged failure. The fundamental mistake of the fifteenth amendment was in depriving the States of the power of making any difference on any account between the two races in granting the right of suffrage, thereby eliminating the eternal natural law of differences in races.

If the States had been left where they were under the Constitution they would have conferred the right of suffrage upon the negro citizen with proper restrictions and limitations when he recovered from his illiteracy and the effect of slavery and acquired knowledge enough of the duties and obligations of his new citizenship to be able to vote with some understanding of his political relations with the white race and of the uses of suffrage. Every Northern State could have granted negro suffrage with safety to themselves on account of the small numbers of negroes and their superior intelligence, and there would have been no possibility of negro supremacy over the white race anywhere in the old free States. In the former slave States the race problem would have been met and dealt with free from the interference of ill-advised lawmakers and political and partisan adventures and speculators.

"It must, therefore, be conceded that all the troubles, and dangers, and complications confronting this country on account of race conflicts and irreconcilable antagonisms grow out of the stupendous blunder of the fifteenth amendment, which deprived the States of the power left with them by the framers of the Constitution of deciding without limitation who should have the right to vote and take part in the government of this country. If this mistake could be corrected by repealing the fifteenth amendment and restoring the power of the States over suffrage as it originally existed, the problem that now baffles all our statesmanship in finding a remedy for the evil of that amendment could be easily solved. But, as the repeal of the fifteenth amendment is out of the reach of present possibility we must accept the situation and meet the trying ordeal by joining all the friends of white supremacy in the earnest and patriotic effort to make it as harmless as possible."[67]

The debate over the Enforcement Act is so utterly supportive of the basic hypothesis examined by this report that even the most cursory examination of that debate dispels all doubt about the state of race and partisan politics in the South in 1888.[68]

Public Opinion and the Results of the 1888 Election:

Considering that history has judged the election of 1888 to be the most uncomplicated example of an electoral college "misfire" which has yet occurred, it is of interest to examine how contemporary America viewed this result.

That electors pledged to Harrison would comprise a majority of the electoral college was known almost immediately after the election, but at least two weeks passed before it was generally known that he had trailed Cleveland in the popular vote. Even when it was recognized, editorial comment minimized its significance to the extent that it was noted at all. A survey of comments excerpted by Public Opinion in November and December 1888 provided only a few mentions of the electoral college "misfire."[69]

The Brooklyn Citizen, identified as a Democratic paper, noted on November 30 that "Grover Cleveland's majority over Harrison in the popular vote is nearly 80,000, or about 50,000 more than he had over Blaine four years ago. The first boodle President [President-elect Harrison] has not even the consolation of knowing that Quay, Dudley, and the rest of the gang [Harrison's campaign managers] bought enough floaters in blocks of five to escape being a minority President also."[70]

The Wheeling Register, also identified as a Democratic paper, complained on December 4 that Cleveland's tariff reform policy "would have triumphed in the late election had it not been for the enormous and unheard of corruption of voters by the wealthy special-tariff beneficiaries in the doubtful States. As it is—despite wholesale corruption—there is nearly 80,000 of a popular majority on the side of tariff reform, more than Mr. Cleveland's majority in 1884." The excerpt did not characterize the election of Harrison by the electoral college as a thwarting of the popular will, however.[71]

The New York Star, another Democratic paper, argued that:

"The fact that, notwithstanding the election of Harrison, a majority of the popular vote at the late election was cast for Cleveland has evidently made a deep impression on the public mind. That impression is strengthened by the fact that Cleveland's plurality in his defeat in 1888 was more than three times as large as that which he obtained in the victory of 1884. From this lack of correspondence between the popular and the electoral vote it is justly concluded that the Democratic party still holds the confidence of the American people."

Nevertheless, the Star cautioned against direct election proposals, terming the question:

"broad, important, and many-sided, and it should be discussed with much temperance and deliberation and with careful regard to the possible effect of a change in the anatomy of States. The most serious objection to a direct popular vote would be that the supervision of National elections would be under direct control of the party in power; a very dangerous power to entrust to any party in a government like ours."[72]

Rejecting the argument that Cleveland was indeed the popular choice was the St. Louis Globe-Democrat. The Republican paper on November 29 emphasized that:

"The figures of the vote sent out from South Carolina, Georgia, Alabama, Mississippi, and Louisiana are in no sense an indication of the drift or strength of public sentiment in that locality, and no honest Democrat—certainly no honest Democrat residing in any of the States named—will pretend that they are. There can be no reasonable doubt that if elections were as fairly carried on all over the South as they are in the North, General Harrison's plurality of the electoral vote would reach 100 at least,

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Footnotes at end of article.

while his margin in excess of Cleveland on the popular vote would not be below 500,000."[73]

Similarly, the Iowa State Register on December 13 rejected popular vote figures that included results from the South:

"What is the use of Democratic papers trying to make the public believe that the people of this country indorse the Democratic party? All their talk about Cleveland's popular majority over General Harrison is based on false premises, and they know it. All their attempts to deny that the people condemned at the polls the Democratic tariff policy are idle, and they themselves know how untrue is the denial. The thing to be understood is this: There was a fair vote, and therefore a test vote in the North. There was not a fair vote, and therefore not a test vote in the South. The issues of the campaign were freely discussed by both parties in the North and submitted for popular verdict at the polls. The issues of the campaign were not freely discussed in the South, and therefore were not passed upon by the people of the South at the polls. Therefore the only way to determine what the people thought of the Democratic administration and the Democratic policy is to look at the verdict of the polls, where a verdict was freely and fairly expressed. The following figures show what that verdict was:

"Republican vote, North	4,083,169
"Democratic vote, North	3,613,488
Republican plurality	469,681

"So if it is asked whether the President's free-trade message and the Democratic party's free-trade policy were indorsed at the polls the answer is no, not by 469,681 votes. Nobody would pretend that the tariff question was discussed generally through the South, or that any political issue was fairly contested in the South, or that the South had an honest and fair election, such as is always granted in the North. So what difference does it make that the Southern States gave Cleveland a plurality of 500,000 or 800,000 or a million. The figures have no significance, because they do not represent an honest, fair vote. The real and only test of strength in the late election was in the States where there were fair elections—that is, in the North. The vote in the Southern States has no more bearing upon the question of the strength of the Democratic policy than has the vote in Canada or Scotland. The test of the vote in the North shows that there were 469,681 more votes against the Democratic policy than there were for it."[74]

Proposals in Congress Following the Election of 1888 to Alter the Method of Electing the President and Vice President:

Within a month after election day, Congress convened on December 3, 1888, in the Second Session of the Fiftieth Congress. In this session, two proposals to alter or replace the electoral college were introduced.

H. Res. 234 was introduced December 4, 1888, by Representative William J. Stone, a Kentucky Democrat. He did not speak on the floor regarding his proposal; therefore, whether his resolution was in direct reaction to the 1888 election is unknown. The wording of this resolution is confusing, making reference to "the vote of the State for President and Vice-President" but specifying later that "The person receiving the highest number of votes shall be declared elected President, and the person receiving the next highest number of votes shall be Vice-President for the next ensuing term."

H. Res. 244 was introduced by Representative William Springer of Illinois, also a Democrat, whose proposal provided for one six-year term, a proportional division of electoral votes based on the popular vote cast in each State, and the convening of the newly elected Congress in January, anticipating a section of the Twentieth Amendment adopted over forty years later.[75]

Springer also introduced his proposal as H. Res. 53 in the Fifty-first Congress, on January 6, 1890. A more uncomplicated proportional system was also introduced in the Fifty-first Congress, as H. Res. 25, by Representative Levi Maish, Democrat of Pennsylvania, on December 18, 1889.

It would not appear that the different results rendered by the popular vote and the electoral college in 1888 inspired any noticeable shift in Congress to support of direct election. In fact, in the first session of the Fiftieth Congress, which first met on December 5, 1887, and adjourned October 20, 1888, before the election, four proposed constitutional amendments which would have altered the method of electing the President and Vice President were introduced, more than the number of similar proposals introduced in the second session, which convened almost immediately after Cleveland's popular vote plurality became generally known.[76]

Conclusion:

The evidence seems overwhelming that not only was the electoral college "misfire" of 1888 created by intimidation and fraud against black/Republican voters in the South but that the majority of the Nation recognized that this was the case. Thus, to contemporary America, the election of 1888 demonstrated the need to retain the electoral college rather than illustrating how it could be used to thwart the will of the people.

A summary of the estimate of the shortfalls in the Republican vote in the eleven Southern States suggests a minimum of over 300,000, three times the number necessary to offset Cleveland's reported plurality.

Minimum estimated shortfalls in the Republican vote in the presidential election of 1888 in eleven Southern States

Alabama	30,000–60,000
Arkansas	20,000
Florida	8,000
Georgia	40,000
Louisiana	50,000–80,000
Mississippi	75.000
North Carolina	insignificant
South Carolina	75,000
Tennessee	10,000
Texas	insignificant
Virginia	5,000–10,000
Total	313,000–383,000

These figures more than sustain the judgment offered on the floor of the House on June 27, 1890, by Representative Robert P. Kennedy of Ohio:

"It is idle for us to pretend that our Government for the last quarter of a century has been ruled impartially by the will of the majority. It stands to-day as the most splendid illustration of the patience and forbearance of the people, when we recall the fact that its ballot-boxes have been trampled under foot, that its elections have been conducted, not for the purpose of determining the will of the majority of its people, but rather for the purpose of defeating and defrauding them of the opportunity to exercise their constitutional rights.

"It is useless to quibble about terms, and the claim that the Democratic party has within a quarter of a century, at any trial, commanded the confidence and support of a majority of the people of this country is as baseless as it is presumptuous. Within that time, in almost one-half of the Union, the freedom of the ballot has been unknown, the right of the citizen to express himself without fear and without favor has been defeated and denied, and the minority has been able by means within its power to hold and to keep control of local and Federal representation.

"He who is not aware of this either willingly ignorant of the condition of things existing in that portion of the Union, or is so blindly bigoted as to be ready to permit them to exist in order that the party to which he belongs may for a brief period continue in power, even if it shall be necessary for this purpose to overturn the will of the majority.

"The claim that the Democratic party has at any election been indorsed by the popular vote is but another manner of expressing the fact that the Democratic party has been enabled in a large part of the Union to suppress the votes of a large number of those entitled to exercise the franchise and by this means to accomplish the overthrow of the will of the people.

"The bald pretense that Grover Cleveland was elected President of the United States by a majority of the people of the United States is subject to the further statement that at this same election a large number of the qualified voters who would have registered their votes against him were not permitted to do so, and hence, by reason of intimidation and outrage, one who would of necessity have been defeated in a fair contest is declared to have been the choice of a majority.

* * * * *

"There has never been a time since the year 1860 when the people of the whole country, if permitted to do so, would not have declared by their ballots in favor of the principles and policy of the Republican party.

* * * * *

"It is a matter which testifies to the patience and forbearance of the most enlightened people upon the face of the earth that in the midst of such fraud and outrage, in the face of the acknowledged and boastful trickery and open and notorious overthrow of the rights of the people neither anarchy nor bloodshed followed, but quiet submission to so great a wrong, with the hope that opportunity would soon present itself to correct by peaceable means these great evils and by legislative enactments and by wise provisions secure to every citizen of the Republic the rights guaranteed to him under the Constitution.

"And in view of these facts, as if it was a matter of which to be proud and exultant, the Democratic party proceeds to glorify itself because it has not only suppressed the right of suffrage, but has been enabled by this means to obtain power and preferment."[77]

FOOTNOTES

[1] Political historians point, with varying degrees of emphasis, to three other Presidential elections—those of 1824, 1876, and 1960—where some case can be made that the popular vote winner was denied the presidency because of the electoral college system.

In 1824, John Quincy Adams, the runner-up in both the popular and electoral votes, was elected by the House of Representatives, since no candidate had a majority in the electoral college. However, one-quarter of the States, casting 27 percent of the electoral votes, held no popular election of electors, choosing them instead by the State Legislatures. In any event, it was the House of Representatives, not the electoral college, that denied Andrew Jackson the Presidency in 1824.

In 1876, Republican Rutherford B. Hayes defeated Democrat Samuel J. Tilden in the electoral college, 185–184, although Tilden apparently led in the popular vote by over 250,000 votes. In this most bitterly contested Presidential election in history, Congress was forced to establish a fifteen-man Electoral Commission to determine the outcome. By a straight 8 to 7 party line vote, the Commission awarded twenty electoral votes from four States to Hayes. The massive vote fraud and intimidation of black Republican voters in the South alleged or, in many cases, proven complicates this example of an electoral college "misfire."

In 1960, six of eleven Democratic electors in Alabama were pledged not to support the Kennedy-Johnson ticket in the electoral college. Once elected, they voted for Senator Harry F. Byrd of Virginia. The question arose whether to credit Kennedy with all or five-elevenths of the Democratic popular vote for President in Alabama. If the latter, Kennedy would have trailed Nixon in the nationwide popular vote by 58,181. It was—and is—generally accepted that Kennedy won the popular vote nationwide.

For a more comprehensive discussion of the extent to which these elections were electoral college "misfires," see: Pierce, Neal R. The People's President; the Electoral College in American History and the Direct-Vote Alternative. New York, Simon and Schuster [1968] pp. 81–110.

[3] For the purposes of this report, the "South" includes the eleven former Confederate States: Alabama, Arkansas, Florida, Georgia, Louisiana, Mississippi, North Carolina, South Carolina, Tennessee, Texas, and Virginia.

[5] The literature supporting and qualifying these generalizations is, of course, massive. The extent to which each is valid for specific States—and counties—discussed below will be addressed as appropriate. However, readers interested in the general political condition of the South during this period, with detailed analyses of each Southern State, are referred to: Kousser, J. Morgan. The Shaping of Southern Politics: Suffrage Restriction and the Establishment of the One-party South, 1880–1910. New Haven, Yale University Press, 1974.

[6] Autauga, Barbour, Bullock, Choctaw, Clarke, Dallas, Greene, Hale, Lee, Lowndes, Macon, Marengo, Monroe, Montgomery, Perry, Pickens, Russell, Sumter, and Wilcox. Figures on the racial divisions by county used throughout this report are taken from: U.S. Department of the Interior. Census Office. Compendium of the Eleventh Census: 1890. Part I: Population, Washington, U.S. Govt. Print. Off., 1892. pp. 475 ff.

[7] "Black-majority counties" throughout this report will designate, in the absence of explanations to the contrary, those counties which maintained black majorities in all three of the censuses of 1870, 1880, and 1890. Counties having black majorities in fewer than three of those years will not be so designated, in order to further isolate counties with the highest concentrations of actual or potential black/Republican voters. Unless otherwise noted, county returns are taken from Burnham, Walter D. Presidential Ballots.

[8] The literature on race relations in the South during and immediately following Reconstruction is extensive, and this report will make no attempt to cite it. However, for the purpose of illustration, recognizing that parallel works are available for other Southern States, the following white/Democratic views of Reconstruction in Alabama are recommended: Fleming, Walter L. Civil War and Reconstruction in Alabama. Spartanburg, S. C., Reprint Co., 1978; reprint of the 1905 ed. (especially Ch. XXIII, "Political and Social Conditions During Reconstruction," pp. 735–770). Fleming exhibited a pronounced anti-black, anti-Republican bias. Also: DuBose, John Witherspoon. Alabama's Tragic Decade. Birmingham, Webb Book Co., 1940.

[9] Kousser, J. Morgan. The Shaping of Southern Politics, pp. 14–15.

[10] Ibid., p. 27.

[11] Ibid., p. 239. Two Alabama elections for United States Representative were contested following the election of 1888. In the First District, all but two counties had black majorities. The Republican-controlled Committee on Elections, while finding fraud in Choctaw, Clarke, Marengo, and Monroe Counties, nevertheless concluded that "the record fails . . . to disclose that the number of votes counted for contestee illegally . . . changed the result of the election" and recommended that the election of the Democrat be upheld.

In the Fourth District, composed of five black-majority counties (Hale, Wilcox, Perry, Dallas, and Lowndes) and with a black population of 135,893 and a white population of 32,834, the certified returns had the Democratic candidate winning by a margin of 18,778 to 5,625. The Committee on Elections, in voting to unseat the Democrat, attacked the "enormous frauds shown by this record, by which an honest majority of nearly 5,000 (and there are strong grounds for suspecting it to be much larger still) was turned into a minority of more than 13,000." See: U.S. Congress. House of Representatives. Committee on Elections. Digest of Contested-election Cases in the Fifty-first Congress. Washington, U.S. Govt. Print. Off., 1891. (51st Congress, 2d Session. House Misc. Doc. No. 137) pp. 173–83, 255–327 (hereafter cited as Digest).

Where available, the printed records compiled by the Committee on Elections in investigating contested House elections following the 1888 election have been examined and provide a plethora of information on political and race relations in the South in 1888. In regard to Alabama's First District, see: U.S. Congress. House of Representatives. Committee on Elections. Contested-election Case of Frank H. Threet vs. Richard H. Clarke from the First Congressional District of Alabama. Washington, U.S. Govt. Print. Off., 1889. (51st Congress, 1st Session) 274 p.

For the Fourth District, see: U.S. Congress. House of Representatives. Committee on Elections. Contested-election Case of J. V. McDuffie vs. Louis W. Turpin from the Fourth Congressional District of Alabama. Washington, U.S. Govt. Print. Off., 1889. (51st Congress, 1st Session) 803 p.

[12] By definition, the "white-majority counties" are those not included in the list of "black-majority counties," even though some of the former may have had black majorities in one or two of the censuses of 1870, 1880, or 1890.

[13] These figures are consistent with the contemporary observation that there were more white Republicans than there were black Democrats.

[14] Chicot, Crittenden, Desha, Jefferson, Lafayette, Lee, Monroe, and Phillips. Lee was organized from Crittenden, Monroe, Phillips, and St. Francis in 1873 and is included here because of its heavy black majorities in 1880 and 1890. All the parent counties except St. Francis had black majorities in 1870, and St. Francis had a black majority in 1890.

[15] A comprehensive survey of credible evidence of obvious fraud and intimidation in specific elections in specific jurisdictions is beyond the scope of this paper. However, illustrative of the allegations made was testimony given before the Committee on Elections, 51st Congress, reprinted in the Digest of Contested-election Cases cited above. (See Note 11.) The election in 1888 of Democrats in the First and Second Congressional Districts was successfully challenged by the defeated Republicans. In its investigation into the election in the First District, the Committee heard testimony from a former election official, ordered out of town by a mob of white Democrats, that the national election was dominated by this group and that "the Republicans, the colored people, were under the same influence, and they wouldn't vote as freely as they had done before" (p. 82). Another Republican official, also driven out of town, testified that he "hadn't done anything against the white people more than voted and issued the Republican ticket" (p. 83). A white witness explained how "the black man never votes any other ticket [than Republican], unless he's pursuaded [sic] or paid, and this time neither was done . . ." (p. 93). In one township, which reported a Democratic margin of 59 to 2, a Republican official testified that he could list 73 men who voted the Republican ticket (p. 101). The testimony and record allegedly illustrated the many approaches used by Democratic election officials to minimize the Republican vote. Of the seventeen counties in the district, fraud, mistake, or improper conduct was charged in fifteen. On March 5, 1890, the Republican-controlled House of Representatives unseated the certified Democratic winner and seated the Republican challenger. See also: Paisley, Clifton. The Political Wheelers and Arkansas' Election of 1888. Arkansas Historical Quarterly, v. 25 (Spring 1966): 19.

The results in the Second District were also upset, notwithstanding the fact that the challenger had been assassinated while the contest was pending (Digest, pp. 679–781).

Although the election contests involved the election of United States Representatives, the fraud alleged was against the entire Republican ticket. It should be noted that minority reports were filed in both contests, rejecting the findings of the Republican majority.

Of the eight black-majority counties, all but one (Lafayette) were located within one of the two congressional districts whose elections were rejected by the House of Representatives as fraudulent.

As was the case with most other contested House elections cited in this report, the Committee on Elections published a printed record of its investigation, which is unsurpassed as a chronicle of the political and racial divisions in 1888. For the First District, see: U.S. Congress. House of Representatives. Committee on Elections. Contested-election Case of L. P. Featherston vs. W. H. Cate from the First Congressional District of Arkansas. Washington, U.S. Govt. Print. Off., 1889. (51st Congress, 1st Session) 292 p. For the Second District, see: U.S. Congress. House of Representatives. Committee on Elections. Contested-election Case of John M. Clayton vs. C. R. Breckinridge from the Second District of Arkansas. Washington, U.S. Govt. Print. Off., 1889. (51st Congress, 1st Session) 926 p.

[16] Kousser, J. Morgan. The Shaping of Southern Politics, p. 239.

[17] Alachua, Duval, Gadsden, Jackson, Jefferson, Leon, Madison, and Marion.

[18] Kousser, J. Morgan. The Shaping of Southern Politics, p. 99.

[19] Digest, pp. 584–85. (See Note 11.)

[20] Ibid., p. 598. As noted previously, the printed record compiled by the Committee on Elections in investigating the contest in the Second District is an invaluable source of information on Florida politics in 1888. See: U.S. Congress. House of Repersentatives. Committee on Elections. Contested-election Case of F. S. Goodrich vs. R. Bullock from the Second Congressional District of Florida. Washington, U.S. Govt. Print. Off., 1889. (51st Congress, 1st Session) 1022 p.

[21] Kousser, J. Morgan. The Shaping of Southern Politics, pp. 209–11, 239.

[22] Ibid., 210. The poll tax no doubt was responsible for the fact that only one election to the United States House of Representatives from Georgia was contested between 1872 and 1888. The poll tax, on its face applying to all, kept blacks away from the polls without the level of fraud, violence, and intimidation found elsewhere in the Deep South.

[23] Baker, Baldwin, Bibb, Brooks, Burke, Cal-

houn, Camden, Chatham, Chattahoochee, Clay, Columbia, Coweta, Crawford, Decatur, Dougherty, Early, Elbert, Glynn, Greene, Hancock, Houston, Jasper, Jefferson, Jones, Lee, Liberty, Lincoln, McIntosh, Macon, Meriwether, Monroe, Morgan, Muscogee, Oglethorpe, Pulaski, Putnam, Quitman, Randolph, Schley, Screven, Stewart, Sumter, Talbot, Taliaferro, Terrell, Thomas, Troup, Twiggs, Warren, and Wilkes.

[24] Camden, Lee, Liberty, and McIntosh.

[25] Calhoun, Columbia, Lincoln, Putnam, and Wilkes. In these counties, blacks outnumbered whites, 41,277 to 17,510 (1890 census).

[26] Ascension, Bossier (which, along with Claiborne, lost population to Webster in 1871), Caddo, Carroll (which was divided into Carroll and West Carroll in 1877), Claiborne, Concordia, DeSoto, East Baton Rouge, East Feliciana, Franklin, Iberville, Madison, Morehouse, Natchitoches (which, along with Rapides and Sabine, lost population to Vernon in 1871), Ouachita, Plaquemines, Point Coupee, Rapides, Red River (established in 1871 from Caddo, Bossier, and Bienville), Richland, St. Charles, St. Helena, St. James, St. John the Baptist, St. Martin, St. Mary, Tensas, Webster (created in 1871), West Baton Rouge, and West Feliciana.

[27] The Democratic count, referred to as the "Warmoth Board Count," was published in The World Almanac (1875), p. 31, which described it as "that compiled and claimed by the Democratic-Conservative State Committee."

[28] Adams, Amite, Bolivar, Carroll, Claiborne, Clay (created 1872), Coahoma, Copiah, DeSoto, Grenada, Hinds, Holmes, Issaquena, Jefferson, Kemper, Leflore (created 1871), Lowndes, Madison, Marshall, Monroe, Noxubee, Oktibbeha, Panola, Quitman (created 1877), Rankin, Sharkey (created 1876), Sunflower, Tallahatchie, Tate, Tunica, Warren, Washington, Wilkinson, Yalobusha, and Yazoo.

[29] Digest, p. 331. (See Note 11.) For the printed record compiled by the Committee in investigating this contest, see: U.S. Congress. House of Representatives. Committee on Elections. Contested-election Case of James R. Chalmers vs. J. B. Morgan from the Second Congressional District of Mississippi. Washington, Govt. Print. Off., 1889. 1164 p.

[30] Ibid.

[31] Ibid., p. 358.

[32] Ibid. p. 799. For the printed record of the Committee's investigation see: U.S. Congress. House of Representatives. Committee on Elections. Contested-election Case of Henry Kernaghan vs. Charles E. Hooker from the Seventh Congressional District of Mississippi. Washington, U.S. Govt. Print. Off., 1889. (51st Congress, 1st Session) 547 p.

[33] Ibid., p. 786.

[34] Ibid., p. 803.

[35] Ibid., p. 807. For the printed record of the Committee's investigation of this contest, see: U.S. Congress, House of Representatives. Committee on Elections. Contested-election Case of James Hill vs. T. C. Catchings from the Third Congressional District of Mississippi. Washington, U.S. Govt. Print. Off., 1889. (51st Congress, 1st Session) 428 p.

[36] Kousser, J. Morgan. The Shaping of Southern Politics, p. 239.

[37] Bertie, Caswell, Chowan, Craven, Edgecombe, Franklin, Granville, Halifax, Hertford, Jones, New Hanover, Northampton, Richmond, Vance (created 1881, from Franklin, Granville, and Warren), and Warren.

[38] Kousser, J. Morgan. The Shaping of Southern Politics, p. 183.

[39] Rowell, Chester H. A Historical and Legal Digest of All the Contested Election Cases in the House of Representatives of the United States from the First to the Fifty-sixth Congress, 1789–1901. (Reprint of the 1901 ed. published by the Govt. Print. Off., Washington, which was issued as Doc. no. 510, 56th Congress, 2d session, House of Representatives.) Westport, Conn., Greenwood Press [1976], pp. 348–50, 400–01.

Before dismissing North Carolina, however, it is perhaps instructive to note that the contest in the Second District in the Forty-sixth Congress (1879–81) involved a ten-county district, six of which had black majorities, with a Republican unsuccessfully contesting the election of a Democrat. In the same Congress, the election in the First District, which contained three black-majority counties out of sixteen, led to a Republican's being unseated in favor of a Democrat. In the Forty-eight Congress (1883–85), the contest of a Republican against the certified Democratic winner was rejected in a sixteen-county district which contained three black-majority counties. In short, what Federal election irregularities that were charged in North Carolina between 1872 and 1888 did occur in eastern North Carolina in areas with above-average black populations.

[40] Abbeville, Aiken (created 1871), Barnwell, Beaufort, Berkeley (created from Charleston, Chester, Clarendon, Colleton, Darlington, Edgefield, Fairfield, Florence (created from Marion, Darlington, and Williamsburg in 1888), Georgetown, Hampton (created from Beaufort in 1878), Kershaw, Laurens, Marlborough, Newberry, Orangeburg, Richland, Sumpter, Union, Williamsburg, and York.

[41] Kousser, J. Morgan. The Shaping of Southern Politics, pp. 84–91.

[42] Ibid., p. 85.

[43] Digest, p. 505. (See Note 11.)

[44] The Committee noted the contestant's observation that the Seventh District was gerrymandered to contain "the population of every large colored Republican settlement and town on the sea-coast or interior, and from it has been excluded nearly every white or Democratic settlement." ibid., p. 507.

[45] Ibid., p. 508.

[46] Ibid.

[47] Ibid., p. 513.

[48] Ibid., p. 531. For the printed record compiled by the Committee in investigating this contest, see: U.S. Congress. House of Representatives. Committee on Elections. Contested-election Case of Thomas E. Miller vs. William Elliott from the Seventh Congressional District of South Carolina. Washington, U.S. Govt. Print. Off., 1889. (51st Congress, 1st Session) 692 p.

[49] U.S. Congress. House of Representatives. Committee on Elections. Contested-election case of L. B. Eaton vs. James Phelan from the Tenth Congressional District of Tennessee. In two parts. Washington, Govt. Print. Off., 1889. (51st Congress, 1st Session) 2,228 p.

[50] Ibid., I, p. 3.

[51] Brazoria, Fort Bend, Gregg (created out of Rusk and Upshur in 1873, neither of which had a black majority), Grimes, Harrison, Jackson, Marion, Matagorda, San Jacinto (created out of Liberty in 1870), Walker, Waller (created out of Austin in 1873) Washington, and Wharton.

[53] Rowell, Chester. A Historical and Legal Digest . . . Contested Election Cases . . . 1789–1901, p. 21.

[54] Amelia, Brunswick, Buckingham, Caroline, Charles City, Charlotte, Cumberland, Dinwiddie, Elizabeth City, Gloucester, Goochland, Greenesville, Halifax, James City, King and Queen, King William, Lancaster, Louisa, Lunenburg, Mecklenburg, Middlesex, New Kent, Northampton, Nottoway, Powhatan, Prince Edward, Prince George, Southampton, Surry, Sussex, Warwick, Westmoreland, and York.

[57] Rowell, Chester. A Historical and Legal Digest . . . Contested Election Cases . . . 1789–1901, p. 22.

[58] Ibid., pp. 451–52.

[59] Ibid., p. 453.

[60] Digest, p. 208. (See Note 11).

[61] A printed record of over 1,400 pages compiled to support the Committees report has not been found. However, six volumes of original material gathered by the Committee concerning this contest has been preserved at the National Archives.

[62] Digest, p. 440.

[63] Ibid.

[64] A printed record of approximately 1,200 pages compiled to support the Committee's report has not been found. However six volumes of original material gathered by the Committee concerning this contest has been preserved at the National Archives.

[65] Remarks in the House. Congressional Record, v. 21, June 26, 1890: 6541.

[66] Remarks in the House. Congressional Record, v. 21, July 2, 1890: 6928.

[67] Remarks in the Senate. Congressional Record, v. 22, December 4, 1890: 76.

[68] See, especially, the following statements or colloquies on the floors of the House and Senate which are particularly illustrative of the partisan, racial, and geographical views of the political (and social) situation in the South: remarks in the House, Congressional Record, v. 21, 1890: 6505, 6537, 6591, 6608, 6672, 6700, 6761, 6843, 6862, 6876, 6923, 6941, 6982, 7689, 8277; remarks in the Senate, ibid., v. 22, 1890–1891: 18, 48, 74, 114, 166, 167, 201, 240, 279, 297, 325, 365, 378, 407, 451, 503, 558, 616, 620, 674, 712, 757, 763, 804, 834, 853, 864, 894, 906, 1323, 1358, and 1398.

[69] Public Opinion, a weekly magazine which published all or parts of editorials from over one hundred major American newspapers on leading issues of the day, gave heavy coverage to editorial comment on the election results. Issues examined spanned v. 6 (no. 5, November 10, 1888) to v. 6 (no. 22, March 9, 1889): 85–500.

[70] Ibid., v. 6 (no. 9, December 8, 1888): 173.

[71] Ibid., p. 172.

[72] Ibid., v. 6 (no. 11, December 22, 1888): 212. Other comments on the electoral college system, without the knowledge that Cleveland had won the popular vote, were offered by: the Cincinnati Enquirer, a Democratic paper, which urged on November 24 the automatic casting of electoral votes, ibid., v. 6 (no. 8, December 1, 1888): 151; the St. Louis Globe-Democrat, a Republican paper, which on November 16 opposed direct election on the grounds that fraud would be encouraged in:

"the outlying districts in the State whose returns are slower in coming in. In all cases where the aggregate of the returns, as far as obtained within ten or twelve hours after the election, appeared to be close, there would be the strongest sort of a temptation for campaign managers to tamper with the votes in the States and districts yet to be heard from. The party which seemed to be ahead would use all its endeavors to keep its lead, while the other party would be equally industrious in its efforts to get ahead . . . The party which had the most money and most astute and unscrupulous managers would have a big advantage over the other under the system of choice by popular vote."

The Globe-Democrat also noted another objection: "The result of the election could not be known definitely for several days or weeks after the votes were cast." Pointing out that "Nine days have passed since [the election of 1888] . . . it is not yet certain whether [Harrison] or Cleveland has obtained a plurality of the popular vote. . . . Doubt and suspense throughout the country for three or four weeks after a Presidential election as to the result of that election would be intolerable." The Globe-Democrat editorial was in reaction to a *Philadelphia Times* call for direct election not only to "end the now great and steadily growing debauchery of close States, but [to] end all apprehensions of dispute as to the election." See: Public Opinion, v. 6 (no. 7, November 24, 1888): 130–131.

The Nation also attacked the idea of direct popular election, pointing out that "nobody has the slightest idea today, or can have for days to come, whether he [Harrison] has also a majority of the popular vote. . . . The idea of subjecting the nation to the strain of waiting days and probably weeks to find out who is to be President, while all the back districts are being heard from, is simply preposterous." See: Nation, no. 1220 (November 15, 1888): 386–87. The editorial led to a series of letters to the editor commenting on both the original editorial and subsequent reader reaction; see: ibid., no. 1222 (November 29, 1888): 433–34; no. 1223 (December 6, 1888): 453, no. 1224 (December 13, 1888): 476; no. 1225 (December 20, 1888): 496.

[73] Ibid., v. 6 (no. 9, December 8, 1888): 173.

[74] Ibid., v. 6 (no. 11, December 22, 1888): 212.

[75] Under the proportional plan, Cleveland would have won easily, 202.9 to 185.8 for Harrison; see: Peirce, Neal R. The People's President, p. 358.

[76] The four were: H. Res. 7, introduced January 4, 1888, by Representative Richard W. Townshend, Democrat of Illinois; H. Res. 11, introduced January 4, 1888, by Representative Thomas M. Browne, Republican of Indiana; H. Res. 28, introduced on January 4, 1888, by Representative Levi Maish, Democrat of Pennsylvania; and S. Res. 45, introduced January 31, 1888, by Senator Francis M. Cockrell, Democrat of Missouri.

[77] Congressional Record, v. 21, June 27, 1890: 6603.

NUCLEAR PLANTS MUST AWAIT FOOLPROOF SAFEGUARDS

Mr. MELCHER. Mr. President, public confidence in the use of nuclear power for generation of electricity is waning. The Three Mile Island nuclear plant failure focused attention on the necessity of safety precautions in nuclear plants but that incident is only one example of the importance of using caution in dealing with nuclear radioactive fuels. There are two even more far-reaching catastrophic problems in which national policy has never caught up with our use of nuclear energy.

The first is a failure to develop adequate safe storage of nuclear wastes. The spent fuel rods from nuclear plants are dangerously radioactive for thousands of years unless reprocessed to remove plutonium which in itself poses other potential catastrophes is not rigidly safeguarded. I addressed the American Nuclear Association meeting in Washington last November and warned them that their industry could not avoid the obvious—without a safe and sane solution for nuclear waste storage, nuclear electrical generation has a very limited future.

That question is still not solved and the spent fuel rods from the 72 U.S. nuclear plants now generating electricity in this country inevitably continue to accumulate.

By 1983, if new policy has not resulted in safe central storage we will have to make each nuclear plant retain its radioactive wastes at its own risk. At present they are equipped to do so only for limited periods of time. These plants—all 72 of them—eventually need to have safe storage facilities for the radioactive wastes they accumulate.

The second of the catastrophic potentials we face with nuclear plants is national security. Whether through the lunatic actions of a madman or forcible attack by an enemy, the radioactive materials and water of any of the 72 plants can be unleashed and rapidly endanger the lives of millions of humans and animals.

Not to recognize these two unresolved potential calamities by developing proper policies is unmitigated folly.

In Montana we have set our State apart from the use of nuclear power unless approved by a referendum of the people. I have again amended the Senate energy authorization bill to give a State like Montana, through the Governor's veto power, the right to refuse a nuclear storage facility siting in a State.

While there are drawbacks to using coal for electrical generation, coal is an organic material whose properties and thus its potential health hazards we understand better and can control far easier than nuclear power. Scrubbers on stacks to remove air pollutants—or better yet the use of MHD without air pollutants—can lead to eliminating health damages from burning coal. The costs, while substantial, can be calculated and are worth the investment. Unanswered nuclear problems cannot even be calculated. Costs cannot even be equated until we can with confidence control the potential catastrophes.

Commonsense—if it prevails in the country and in Congress—will hold back nuclear expansion and provide needed protection to existing nuclear plants until risks can be eliminated. Meanwhile, we should have a crash program to develop clean and efficient use of coal.

RECESS SUBJECT TO THE CALL OF THE MAJORITY LEADER

The PRESIDING OFFICER. Without objection, the Senate will stand in recess subject to the call of the majority leader.

There being no objection, at 4:43 p.m., the Senate took a recess, subject to the call of the majority leader.

The Senate reassembled at 6:35 p.m., when called to order by the presiding officer (Mr. BRADLEY).

The PRESIDING OFFICER. The Senator from West Virginia is recognized.

Mr. ROBERT C. BYRD. Mr. President, I yield to the distinguished Senator from South Carolina.

THE DEATH OF JOHN WAYNE

Mr. THURMOND. Mr. President, with the death of John Wayne, Monday night, one of the most admired and respected persons in America passed into history. Over the past 30 years the name John Wayne became synonymous with courage, loyalty, independence, and patriotism. He came to represent the heroic ideals which we all try to foster within our Nation.

In every John Wayne movie, there was never any hidden meaning or deep symbolism nor was there any question as to his role; rather there was one simple message—strength, goodness, and determination eventually triumph over all adversity. All these virtues were embodied in one man—John Wayne.

In has been said that he never really had to act but merely portray himself. In my estimation, nothing finer could be said of him, for the attributes of his characters were certainly ones which were admired by all. Whether he was portraying a determined Marine or an aging gunfighter, he exhibited the qualities which truly made him an American hero.

John Wayne was no less courageous and determined off the screen than he was on it. Several years ago he fought cancer and won, but it was "the big C" which finally brought his noble life to an end.

Perhaps the final days of his life were the most inspirational for they showed us all a courageous American and his determination to live.

To paraphrase Shakespeare "Nothing in his life became him like the leaving it," and the passing of "the Duke" has taught each of us a lesson in life.

The spirit of John Wayne may best be summed up by the words on the Congressional medal to be struck in his honor—"John Wayne, American."

Mr. President, I ask unanimous consent that two fine newspaper articles be printed in the RECORD at the conclusion of my remarks so that they may be shared with my colleagues.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

JOHN WAYNE

You didn't have to love either his politics or his movies to find something specially poignant in the death of John Wayne. You didn't even have to be crazy about the fact that Congress and the president had arranged to have a congressional medal struck in his honor just a short while ago. The last years of Mr. Wayne's life, and his death on Monday night in California, were something wholly apart from the issues raised about whether and when and for whom special congressional medals are dished out—they were years of life and a moment of death that inspired great sympathy and respect.

We have become a nation of deathbed-watchers in the age of the celebrity and at a time when the progressive ravages of cancer, as they affect our leaders and heroes and stars, may be understood and even viewed by millions. Those millions comprise the curious, the empathetic, the anxious, the titillated and the frightened, and in some degree each watching individual has within him elements of each. The afflicted celebrity—so the drill goes—gets the word from the doctors; and almost as soon, the rest of us hear the news: It is cancer. Whereupon the deathwatch begins, although it is marked by aspects of a contest too—a contest between the person and the disease and one in which grace and luck and dignity and valiance are all scored.

Mr. Wayne scored well in all of these categories, including, for a time, luck. Bluff and bravado—that was the look of the man combatting the killer everyone knew would prevail in the end. He had beat "the Big C," as he put it when he won an early round a few years ago. Surely his cockiness and evident, if temporary, success reassured people, just as his subsequent unwillingness to subside into invalidity heartened and moved them. How could he have made it out of that hospital last winter? How could he now already be tromping around the stage, picking up special trophies and commendations as fast as his professional colleagues and innumerable fans and friends could serve them up? There was valor there and toughness too, an exercise of human will in the face of adversity that far transcended the romantic screen version of those strengths for which John Wayne, the actor, had become famous.

JOHN WAYNE

In the end, John Wayne was transformed by myth; even as he grew older and weaker, he carried with him those qualities of laconic toughness and sweetness that seemed to leap from the movie screen.

Born Marion Michael Morrison in Winterset, Iowa, he made films for almost 50 years. His career was extraordinary. Like such Hollywood stars as Gary Cooper and Clark Gable, he acted out various shades of American heroism, but he endured longer than any of them.

We wanted our heroes to behave in certain ways: We expected them to be strong and gentle, wise and slightly inarticulate, pragmatic and able to make correct moral choices. Heroic ventures were rarely undertaken lightly, but once begun there was no quitting.

John Wayne, of course, never quit. His acting career was something of a celluloid miracle, a transformation from youth to maturity to old age, accomplished without self-parody and only rarely with questionable taste.

It has at times been hard to separate John Wayne's screen persona from the man. What film historian David Thomson calls "the slit-eyed, obdurate side to Wayne's character" was connected to principles stubbornly held. His passionate anti-communist views made their way into such films as *Big Jim McLain;* his hawkish approach to the Vietnam war led to his greatest screen embarrassment, *The Green Berets*.

But if such films exaggerated a side of the stubborn loner, they were variations on a theme that became art in other movies, notably Howard Hawks' *Red River* and John Ford's *The Quiet Man*.

In the 1970s, we came again to see John Wayne clearly. He'd won an Oscar in 1969 for *True Grit*, and in the films that followed, such as the remarkable *The Shootist*, his last, in which he played a gunfighter dying of cancer, one began to see his personal bravery. No longer was he indestructible; age and disease were catching him; and he was all the braver in his rejection of the inevitable.

He knew part of the reason why he was such a box-office draw. "I always look for a story with basic emotions," he said once. "A dog . . . a kid . . . a woman's love . . . a man's love . . . these are the things that strike at people's hearts . . ."

But John Wayne filled such stories with heroism, with human qualities we treasure, such as duty, commitment, promises to be kept. Nor, as he lived and played the Western myth, would he accept defeat. That defiance was surely unvanquished even when death came Monday, in the stillness of a modern hospital.

POSITION ON COCHRAN AMENDMENT TO S. 662, THE SMALL BUSINESS INVESTMENT ACT OF 1979

Mr. THURMOND. Mr. President, on May 16, 1979, I was necessarily absent from the Senate in order to participate in a panel discussion at Mercer University in Macon, Ga., on the subject of "the Role of the United States as a World Power in the 1980's."

Due to this commitment, I missed a record vote on the Huddleston motion to table the Cochran amendment to S. 662, the Small Business Investment Act of 1979. The amendment offered by the junior Senator from Mississippi would have reduced the interest rate on SBA loans to homeowners suffering physical disaster losses to 1 percent on the first $10,000, 3 percent on the next $30,000, and 7⅜ percent on loan assistance in excess of $40,000. The maximum interest rate on disaster assistance to small businesses would have been reduced from 8.5 percent to 7⅜ percent. These interest rates would have been retroactive to October 1, 1978.

As reported from committee, this Small Business Administration loan authorization bill would have provided for interest rates on disaster loans of 3 percent on the first $55,000 of assistance, and an effective rate of 8.5 percent for loans exceeding that amount. After debate on the Cochran amendment, the manager of the bill, Senator HUDDLESTON, moved to table the amendment. This motion carried by a vote of 46 yeas to 38 nays.

Mr. President, had I been present, I would have voted against the motion to table and in favor of the Cochran amendment. The thrust of this amendment was to provide reduced interest rates on disaster relief loans to homeowners and the owners of small businesses, including farmers. I think the proposal of Senator COCHRAN was a meritorious one, since it would have benefited the owners of small businesses at a time when they most need financial assistance and yet are least able to repay loans at market interest rates. While my vote would not have affected the outcome on this issue, I would have been glad to give my support to the amendment of Senator COCHRAN.

My position on this amendment is consistent with my previous voting record on similar issues. For example, as recently as August 2, 1978, I voted against an amendment by Senator MUSKIE to charge prevailing interest rates on Small Business Administration disaster relief loans. This vote of mine is reflected in the CONGRESSIONAL RECORD of that date on page 23853. When a small businessman in America has been wiped out by a natural disaster, I think it is in the best interest of our national economy that the U.S. Government, through the Small Business Administration, take all reasonable steps to get that small business enterprise operating on a sound financial footing again as quickly as possible.

EXECUTIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate go into executive session for not to exceed 2 minutes to consider nominations on the Executive Calendar, all of which I believe have been cleared.

Mr. BAKER. Mr. President, reserving the right to object, and I shall not object, I have previously advised the majority leader, and he is correct in stating now, that these items were cleared on our side as well. We have no objection to the consideration and confirmation of all of the items on the Executive Calendar, including those listed as nominations placed on the Secretary's desk.

There being no objection, the Senate proceeded to the consideration of executive business.

Mr. ROBERT C. BYRD. Mr. President, if there is no objection, I ask unanimous consent that all the nominations be considered en bloc and confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations are considered and confirmed en bloc.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the nominations were considered and confirmed en bloc.

Mr. BAKER. Mr. President, I move to lay the motion to reconsider on the table.

The motion to lay on the table was agreed to.

The nominations considered and confirmed en bloc are as follows:

DEPARTMENT OF DEFENSE

Robert Burns Pirie, Jr., of Maryland, to be an Assistant Secretary of Defense.

IN THE AIR FORCE

Lt. Gen. William Y. Smith, to be general.

Maj. Gen. John Steven Pustay, to be lieutenant general.

IN THE ARMY

Lt. Gen. Edward Charles Meyer, to be Chief of Staff, U.S. Army, in grade of general, under the provisions of title 10, United States Code, sections 3034 and 3066.

Lt. Gen, John Adams Wickham, Jr. (major general, U.S. Army), to be general.

Lt. Gen. Volney Frank Warner (major general, U.S. Army), to be general.

Maj. Gen. Hillman Dickinson (brigadier general, U.S. Army) to be lieutenant general.

Col. Frederick Charles Biehausen, to be brigadier general, Medical Corps.

Col. Kenneth Anthony Cass, to be brigadier general, Medical Corps.

Col. Garrison Rapmund, to be brigadier general, Medical Corps.

Col. Billie Branham Lefler, [redacted], Dental Corps, U.S. Army, to be brigadier general, Dental Corps.

Col. Hazel Winifred Johnson, to be brigadier general, Army Nurse Corps.

IN THE NAVY

Rear Adm. Carl T. Hanson, to be vice admiral.

IN THE MARINE CORPS

Maj. Gen. John H. Miller, to be lieutenant general.

Maj. Gen. Edward J. Bronars, to be lieutenant general.

Maj. Gen. William J. White, to be lieutenant general.

NOMINATIONS PLACED ON THE SECRETARY'S DESK IN THE AIR FORCE, ARMY, NAVY AND MARINE CORPS

Air Force nominations beginning Daniel H. Ackerman, to be lieutenant colonel, and ending Ronald J. Kalish, to be lieutenant colonel, which nominations were received by the Senate on May 18, 1979, and appeared in the CONGRESSIONAL RECORD of May 21, 1979.

Air Force nominations beginning Barton L. Abbott, to be first lieutenant, and ending Ronald W. Zimmerman, to be first lieutenant, which nominations were received by the Senate on May 18, 1979, and appeared in the CONGRESSIONAL RECORD of May 21, 1979.

Air Force nominations beginning Thomas B. Carleton, to be major, and ending Kenneth L. Shireman, to be lieutenant colonel, which nominations were received by the Senate on May 29, 1979, and appeared in the CONGRESSIONAL RECORD of June 4, 1979.

Army nominations beginning Charles D. Herrera, to be colonel, and ending Thomas E. York, to be first lieutenant, which nominations were received by the Senate on May 29, 1979, and appeared in the Congressional Record on June 4, 1979.

Navy nominations beginning Duane Coyle, to be lieutenant, and ending Darrell Y. Van Hutten, to be ensign, which nominations were received by the Senate on May 18, 1979, and appeared in the Congressional Record of May 21, 1979.

Navy nominations beginning Ernesto A. Aban, to be chief warrant officer, W-3, and ending Michiael J. Zakrajsek, to be chief warrant officer, W-4, which nominations were received by the Senate on May 18, 1979, and appeared in the Congressional Record of May 21, 1979.

Marine Corps nominations beginning Charles N. Adams, to be lieutenant colonel, and ending Susan M. Mason, to be lieutenant colonel, which nominations were received by the Senate on May 29, 1979, and appeared in the Congressional Record of June 4, 1979.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the President be notified of the confirmation of the nominations.

The PRESIDING OFFICER. Without objection, it is so ordered.

LEGISLATIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate return to legislative session.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER TO CONVENE AT 9:30 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that, when the Senate convenes tomorrow, it convene at 9:30 a.m. rather than 9 a.m., as originally ordered.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER LIMITING RECOGNITION OF TWO LEADERS TOMORROW

Mr. ROBERT C. BYRD. Mr. President, are there orders for recognition of Senators that have already been entered?

The PRESIDING OFFICER. There are no orders.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that, after the two leaders are recognized tomorrow, if the distinguished minority leader is agreeable, the time of the two leaders be reduced to 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECOGNITION OF SENATORS ROTH AND PERCY TOMORROW AND TIME LIMITATION AGREEMENT ON S. 1144

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that, after the two leaders or their designees are recognized tomorrow, Senators Roth and Percy be recognized, each for not to exceed 15 minutes, after which the Senate will proceed to the consideration of Calendar Order No. 162, the Quiet Communities Authorization Act; that there be a time agreement thereon of 30 minutes, to be equally divided between Messrs. Culver and Stafford; that there be a time agreement on amendments in the first degree of 30 minutes, a time agreement on amendments in the second degree, on debatable motions, points of order, if points of order are submitted to the Senate, and appeals of 20 minutes; and that the agreement be in the usual form.

Mr. BAKER. Mr. President, reserving the right to object, and I shall not object, I am sure the majority leader will not be put out or offended when I say that we have spent a good part of the time this afternoon, while the Senate has been in recess, trying to arrange the schedule of bills and activities for the Senate. This is the first of a series of requests I anticipate the majority leader may make today and tomorrow. I have no objection to this request. On the contrary, I express my appreciation to the majority leader for his cooperation and consideration of our interests and concerns in trying to arrive at a schedule.

Mr. ROBERT C. BYRD. I thank the minority leader.

The PRESIDING OFFICER. Without objection, it is so ordered.

AUTHORIZATION THAT NO CALL FOR THE REGULAR ORDER MAY TAKE DOWN CALENDAR ORDER NO. 162, S. 1144

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that no call for the regular order may take down this bill, Calendar Order No. 162, S. 1144, the Quiet Communities Act authorizations, while it is before the Senate.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR CONSIDERATION OF S. 802

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that upon the disposition of Calendar Order No. 162, the Senate proceed to the consideration of Calendar Order No. 147, S. 802, the Peace Corps authorization, provided that there be a time limitation as follows: 2 hours on the bill, equally divided between Mr. Church and Mr. Javits; 1 hour on any amendment; 1 hour on an amendment offered by Mr. Tsongas; 30 minutes on an amendment by Mr. Cranston; 30 minutes on amendments in the second degree; 20 minutes on debatable motions, points of order, appeals, or points of order if submitted to the Senate for any discussion; that the agreement be in the usual form and that the bill not be brought down by a call for the regular order.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR CONSIDERATION OF S. 892

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on the disposition of Calendar Order No. 147, the Senate proceed to the consideration of Calendar Order No. 199, S. 892, rural development research, that there be a time limitation as follows: 30 minutes equally divided on the bill between Mr. Leahy and Mr. Helms; 30 minutes equally divided on any amendment; 1 hour on an amendment by Mr. Lugar; 20 minutes on amendments in the second degree, debatable motions, appeals, points of order, if discussion is entertained by the Chair; and that the agreement be in the usual form and that no call for the regular order bring down the measure.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER OF BUSINESS

Mr. ROBERT C. BYRD. Mr. President, it is anticipated that these three measures will be disposed of tomorrow. This does not rule out the possibility of other meaures being called up tomorrow in the event such are cleared for action and time permitting.

Now, with respect to Monday——

Mr. BAKER. Will the Senator yield before he proceeds to Monday?

Mr. ROBERT C. BYRD. Yes.

Mr. BAKER. On my schedule, I had the possibility of consideration of the rural development bill, Calendar Order No. 198.

Mr. ROBERT C. BYRD. Yes.

Mr. BAKER. Is it still the contemplation of the majority leader that that might be an item for consideration tomorrow?

Mr. ROBERT C. BYRD. Yes, it is. I think it is good that we specify that in particular because we have been discussing that measure with Mr. Leahy and other Senators.

Mr. BAKER. And with Mr. Boschwitz, who has an amendment.

Mr. ROBERT C. BYRD. Yes; that is a likely candidate, also for tomorrow.

ORDER FOR CONSIDERATION OF S. 1039 AND S. 673 ON MONDAY, JUNE 18, 1979

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that after the two leaders are recognized on Monday, and any Senators for whom orders for recognition may be entered prior thereto, the Senate turn to the consideration of Calendar Order No. 189, S. 1039, dealing with veterans' programs, that there be time limitation on the bill of 1 hour, a time limit on any amendment of 30 minutes, with the exception of one amendment by Mr. Humphrey on which there will be 2 hours equally divided, that there be 20 minutes on any amendments in the second degree, debatable motion, or appeals, and the same, to wit, 20 minutes, on any point of order, if such is submitted to the Senate for its discussion, that the agreement be in the usual form, that no call for the regular order bring down the measure and that the time on the bill be divided between Mr. Cranston and Mr. Simpson.

Mr. BAKER. Reserving the right to object, Mr. President, and once again I will not object, this is another in a series of bills we tried to schedule as a result of our efforts today and previously.

There is only one understanding I would hope to have the majority leader's concurrence in. I am not sure, but I think there is a possibility that in addition to the 2-hour amendment by the distinguished Senator from New Hampshire (Mr. HUMPHREY) that he may have another amendment that would otherwise qualify under the particular provision for amendments.

I take it there would be nothing that precluded him from offering an amendment under the general provisions?

Mr. ROBERT C. BYRD. No; if the second amendment is germane, it would certainly not be.

Mr. BAKER. I thank the majority leader.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that upon the disposition of the veterans bill on Monday, the Senate turn to the consideration of Calendar Order No. 208, S. 673, the Department of Energy national security bill, that there be 1 hour on the bill to be divided between Mr. JACKSON and Mr. TOWER, that there be 1 hour each on two amendments to be offered by Mr. DOLE, that there be 30 minutes on any other amendment in the first degree, 20 minutes on second degree amendments, 10 minutes on debatable motions, appeals, points of order, if such are submitted to the Senate, and that the agreement be in the usual form.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR CONSIDERATION OF S. 588 ON TUESDAY, JUNE 19, 1979

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that upon the disposition of Calendar Order No. 208, the Senate proceed to the consideration of Calendar Order No. 211, S. 588, International Development Assistance, and this would be on Tuesday, Mr. President, and provided there be a time agreement as follows: 2 hours on the bill to be equally divided between Mr. CHURCH and Mr. JAVITS, 2 hours on an amendment by Mr. DECONCINI, 1 hour each on any of six amendments to be offered by Mr. HELMS, 1 hour on each of two amendments to be offered by Mr. JAVITS, 1 hour on any other amendment in the first degree, 30 minutes on second degree amendments, 20 minutes on debatable on motions, points of order, appeals, and that the agreement be otherwise in the usual form.

Mr. BAKER. Mr. President, reserving the right to object, and I will not, for it is my understanding that the six amendments to be offered by Mr. HELMS, which are identified in this request, may not be germane amendments.

Mr. ROBERT C. BYRD. They may or may not be. That is correct.

The PRESIDING OFFICER. The Senator is correct.

Mr. ROBERT C. BYRD. And I have cleared this request with Mr. CHURCH who is the chairman of the committee and the manager of the bill on this side of the aisle.

ORDER FOR CONSIDERATION OF S. 436 OR S. 562, AND S. 712 ON WEDNESDAY, JUNE 20, 1979 AND THURSDAY, JUNE 21, 1979

Mr. ROBERT C. BYRD. Mr. President, following the completion of Calendar Order No. 211, S. 588, the Senate will then very likely return to one of the following bills, Calendar Order No. 187, S. 436, TVA authorization, or Calendar Order No. 188, S. 562, Nuclear Regulatory Commission.

Also, the Senate would hope to consider Calendar No. 194, S. 712, the Amtrak authorization.

Mr. BAKER. Mr. President, will the Senator yield?

Mr. ROBERT C. BYRD. Yes.

Mr. BAKER. Is the majority leader speaking of these items for Wednesday and Thursday?

Mr. ROBERT C. BYRD. Yes; these items would be following completion of Calendar No. 211, S. 588, the International Development Assistance Act.

For the information of the Senate, it is hoped that time agreements can be reached on the TVA authorization bill.

Mr. BAKER. There is a partial time arrangement on the TVA bill now. I am willing to enter into an agreement with the majority leader, if he wishes, for a time limitation on the bill and amendments, except as to an amendment to be offered by the Senator from Kentucky (Mr. FORD); and I understand he is not at this time willing to accept a time agreement.

Mr. ROBERT C. BYRD. I have discussed this matter with Senator Ford. He is unwilling to enter into a time agreement on his amendment, but he is agreeable to a time limitation on the bill.

Mr. President, I ask unanimous consent that there be 30 minutes on the bill, to be equally divided between Mr. RANDOLPH and Mr. STAFFORD; that there be a time limitation on any amendment of 20 minutes, to be equally divided; that there be a time limitation on any debatable motion, appeal, or point of order of 10 minutes; that the agreement be in the usual form, with the exception of Mr. FORD's amendment, and there is no time agreement on the Ford amendment.

Mr. BAKER. Mr. President, reserving the right to object, I believe I am correct in this, but I ask the majority leader if he agrees that in respect to the Ford amendment, amendments to the Ford amendment would not be controlled as to the limitation of time.

Mr. ROBERT C. BYRD. That is correct.

The PRESIDING OFFICER. Without objection, it is so ordered.

Will the Senator state the number of the bill?

Mr. ROBERT C. BYRD. That is S. 436, Calendar No. 187.

RESOLUTION PERTAINING TO DIRECT ELECTIONS

Mr. ROBERT C. BYRD. Mr. President, under the order of the Senate, I am authorized to call up the direct elections constitutional amendment resolution, Calendar No. 66, at any time after June 1. It will be my intention at some point next week—not before Wednesday, but either on Wednesday or Thursday—to call up that measure. I make that statement so that all Senators will be on notice.

Mr. BAKER. Mr. President, will the Senator yield?

Mr. ROBERT C. BYRD. I yield.

Mr. BAKER. Mr. President, I thank the majority leader for that information.

This matter was also discussed at some length at our scheduling session today. I apprised the majority leader of the fact that I would hope for a week's notice before this matter was scheduled for consideration by the Senate, notwithstanding that an order already is in existence which would authorize him to call it up prior to that time. This does, in fact, comply with my request, and I express my appreciation to the majority leader for that consideration.

ACTION WITH RESPECT TO CALL FOR THE REGULAR ORDER

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that no call for the regular order may bring down any measure on Monday, Tuesday, and Wednesday of next week.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS UNTIL 9:30 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the order previously entered, that the Senate stand in recess until tomorrow morning at 9:30 a.m.

The motion was agreed to; and at 6:57 p.m., the Senate recessed until tomorrow, Thursday, June 14, 1979, at 9.30 a.m.

NOMINATION

Executive nomination received by the Senate June 13, 1979:

IN THE ARMY

The following-named officer to be placed on the retired list in grade indicated under the provisions of title 10, United States Code, section 3962:

To be lieutenant general

Lt. Gen. Edward Leon Rowny, xxx-xx-xxxx (age 62), Army of the United States (major general, U.S. Army).

CONFIRMATIONS

Executive nominations confirmed by the Senate June 13, 1979:

DEPARTMENT OF DEFENSE

Robert Burns Pirie, Jr., of Maryland, to be an Assistant Secretary of Defense.

The above nomination was approved subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.

AIR FORCE

The following-named officer under the provisions of title 10, United States Code, section 8066, to be assigned to a position of importance and responsibility designated by the President under subsection (a) of section 8066, in grade as follows:

To be general

Lt. Gen. William Y. Smith, xxx-xx-xxxx U.S. Air Force.

The following-named officer under the provisions of title 10, United States Code, section 8066, to be assigned to a position of importance and responsibility designated by the President under subsection (a) of section 8066, in grade as follows:

To be lieutenant general

Maj. Gen. John Steven Pustay, [redacted]FR, U.S. Air Force.

IN THE ARMY

Lt. Gen. Edward Charles Meyer, [redacted] Army of the United States (brigadier general, U.S. Army), for appointment as Chief of Staff, U.S. Army, in the grade of general, under the provisions of title 10, United States Code, sections 3034 and 3066.

The following-named officer under the provisions of title 10, United States Code, section 3066, to be assigned to a position of importance and responsibility designated by the President under subsection (a) of section 3066, in grade as follows:

To be general

Lt. Gen. John Adams Wickham, Jr. [redacted], Army of the United States (major general, U.S. Army).

The following-named officer under the provisions of title 10, United States Code, section 3066, to be assigned to a position of importance and responsibility designated by the President under subsection (a) of section 3066, in grade as follows:

To be general

Lt. Gen. Volney Frank Warner, [redacted] Army of the United States (major general, U.S. Army).

The following-named officer under the provisions of title 10, United States Code, section 3066, to be assigned to a position of importance and responsibility designated by the President under subsection (a) of section 3066, in grade as follows:

To be lieutenant general

Maj. Gen. Hillman Dickinson, [redacted] Army of the United States (brigadier general, U.S. Army).

The following-named Army Medical Department officers for temporary appointment in the Army of the United States, to the grade indicated, under the provisions of title 10, United States Code, sections 3069, 3442 and 3447:

To be brigadier general, Medical Corps

Col. Frederick Charles Biehusen, [redacted], Medical Corps, U.S. Army.

Col. Kenneth Anthony Cass, [redacted] Medical Corps, U.S. Army.

Col. Garrison Rapmund, [redacted] Medical Corps, U.S. Army.

To be brigadier general, Dental Corps

Col. Billie Branham Lefler, [redacted] Dental Corps, U.S. Army.

To be brigadier general, Army Nurse Corps

Col. Hazel Winifred Johnson, [redacted] Army Nurse Corps, U.S. Army.

IN THE NAVY

The following-named officer, having been designated for commands and other duties of great importance and responsibility in the grade of vice admiral within the contemplation of title 10, United States Code, section 5231, for appointment while so serving as follows:

To be vice admiral

Rear Adm. Carl T. Hanson, U.S. Navy.

IN THE MARINE CORPS

The following-named officer under the provisions of title 10, United States Code, section 5232, to be assigned to a position of importance and responsibility designated by the President, in grade as follows:

To be lieutenant general

Maj. Gen. John H. Miller, [redacted], U.S. Marine Corps.

The following-named officer under the provisions of title 10, United States Code, section 5232, to be assigned to a position of importance and responsibility designated by the President, in grade as follows:

To be lieutenant general

Maj. Gen. Edward J. Bronars, [redacted] U.S. Marine Corps.

The following-named officer under the provisions of title 10, United States Code, section 5232, to be assigned to a position of importance and responsibility designated by the President, in grade as follows:

To be lieutenant general

Maj. Gen. William J. White, [redacted] U.S. Marine Corps.

IN THE AIR FORCE

Air Force nominations beginning Daniel H. Ackerman, to be lieutenant colonel, and ending Ronald J. Kalish, to be lieutenant colonel, which nominations were received by the Senate on May 18, 1979, and appeared in the CONGRESSIONAL RECORD of May 21, 1979.

Air Force nominations beginning Barton L. Abbott, to be first lieutenant, and ending Ronald W. Zimmerman, to be first lieutenant, which nominations were received by the Senate on May 18, 1979, and appeared in the CONGRESSIONAL RECORD of May 21, 1979.

Air Force nominations beginning Thomas B. Carleton, to be major, and ending Kenneth L. Shireman, to be lieutenant colonel, which nominations were received by the Senate on May 29, 1979, and appeared in the CONGRESSIONAL RECORD of June 4, 1979.

IN THE ARMY

Army nominations beginning Charles D. Herrera, to be colonel, and ending Thomas E. York, to be first lieutenant, which nominations were received by the Senate on May 29, 1979, and appeared in the CONGRESSIONAL RECORD on June 4, 1979.

IN THE NAVY

Navy nominations beginning Duane Coyle, to be lieutenant, and ending Darrell Y. Van Hutten, to be ensign, which nominations were received by the Senate on May 18, 1979, and appeared in the CONGRESSIONAL RECORD of May 21, 1979.

Navy nominations beginning Ernesto A. Aban, to be chief warrant officer, W–3, and ending Michael J. Zakrajsek, to be chief warrant officer, W–4, which nominations were received by the Senate on May 18, 1979, and appeared in the CONGRESSIONAL RECORD of May 21, 1979.

IN THE MARINE CORPS

Marine Corps nominations beginning Charles N. Adams, to be lieutenant colonel, and ending Susan M. Mason, to be lieutenant colonel, which nominations were received by the Senate on May 29, 1979, and appeared in the CONGRESSIONAL RECORD of June 4, 1979.

HOUSE OF REPRESENTATIVES—*Wednesday, June 13, 1979*

The House met at 10 a.m.

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

Eternal Lord, Heavenly Father, grant us the spirit of thanksgiving for the gifts of life and hope, and the opportunity to be of service to those about us. Though we necessarily busy ourselves with the duties most immediate, may we yet recall the blessings that are ours because of the glory of Your creation.

For the occasion to wake in the morning and greet a new day, we give thanks. In the opportunity to labor for the good of people, we offer praise, for the moments of being reconcilable in love with Your people, we laud Your name.

Give us, O Lord, increasing awareness of Your love for us in our lives and the gratitude we can have in our hearts for each day. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

MAKING IN ORDER CONSIDERATION OF H.R. 4390, LEGISLATIVE APPROPRIATIONS, 1980

Mr. MOAKLEY. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 312 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 312

Resolved, That during the consideration of the bill (H.R. 4390) making appropriations for the legislative branch for the fiscal year ending September 30, 1980, and for other purposes, all points of order against sections 303 and 305 of said bill for failure to comply with the provisions of clause 2, rule XXI are hereby waived. No amendment to section 305 of said bill shall be in order except an amendment in the following form: "On page 30, strike out '7 percent' and insert '5.5 percent' ", and said amendment shall not be subject to amendment but shall be debatable by the offering of pro forma amendments. No other amendments to and no motion to recommit said bill having the effect of changing or modifying section 305 of said bill shall be in order.

The SPEAKER. The gentleman from Massachusetts (Mr. MOAKLEY) is recognized for 1 hour.

Mr. MOAKLEY. Mr. Speaker, I yield the customary 30 minutes to the gentleman from Ohio (Mr. LATTA). Pending that, I yield myself such time as I may consume.

Mr. Speaker, the resolution provides certain procedures during the consideration of the legislative branch appropriation —H.R. 4390.

The rule waives points of order against section 303, relating to terms of service for pages, and section 305, which places a limit on the pay raises which would otherwise go to Congressmen, Senators, judges, and other high level Federal employees. Both sections would

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☐ This symbol represents the time of day during the House Proceedings, e.g., ☐ 1407 is 2:07 p.m.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

otherwise be subject to points of order as legislation in an appropriations bill.

The rule would also permit an amendment to further reduce the limitation on pay raises which would otherwise be granted to persons covered by section 305.

It is an unusual rule and I expect there will be a certain amount of controversy. However, I feel that the rule provides a fair method for dealing with limiting the pay of top Federal officials and I urge the adoption of the resolution.

Mr. LATTA. Mr. Speaker, I yield myself such time as I may consume.

Mr. SOLOMON. Mr. Speaker, will the gentleman yield?

Mr. LATTA. Mr. Speaker, I yield to the gentleman from New York (Mr. SOLOMON).

CALL OF THE HOUSE

Mr. SOLOMON. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The call was taken by electronic device, and the following Members responded to their names:

[Roll No. 222]

Abdnor
Addabbo
Akaka
Albosta
Alexander
Ambro
Anderson, Calif.
Anderson, Ill.
Andrews, N. Dak.
Anthony
Applegate
Ashbrook
Aspin
Atkinson
AuCoin
Badham
Bafalis
Bailey
Baldus
Barnard
Barnes
Bauman
Beard, R.I.
Beard, Tenn.
Bedell
Beilenson
Benjamin
Bennett
Bereuter
Bethune
Bevill
Blanchard
Boggs
Boland
Boner
Bonker
Bouquard
Bowen
Brademas
Breaux
Brinkley
Brodhead
Brooks
Broomfield
Broyhill
Burgener
Burlison
Butler
Campbell
Carney
Carr
Carter
Cavanaugh
Chappell
Cheney
Clay
Cleveland
Clinger
Coelho
Coleman
Collins, Ill.
Collins, Tex.
Conable
Conte
Corcoran
Corman
Cotter
Coughlin
Courter
Crane, Daniel
D'Amours
Daniel, Dan
Daniel, R. W.
Danielson
Dannemeyer
Daschle
Davis, Mich.
de la Garza
Dellums
Derwinski
Devine
Dickinson
Dicks
Dodd
Donnelly
Downey
Duncan, Tenn.
Early
Eckhardt
Edgar
Edwards, Ala.
Edwards, Okla.
Emery
English
Erdahl
Erlenborn
Ertel
Evans, Del.
Evans, Ga.
Evans, Ind.
Fary
Fazio
Fenwick
Ferraro
Findley
Fish
Fisher
Fithian
Flippo
Florio
Foley
Ford, Tenn.
Fountain
Fowler
Frenzel
Frost
Fuqua
Garcia
Gaydos
Gephardt
Gilman
Gingrich
Ginn
Glickman
Goldwater
Gonzalez
Goodling
Gore
Gradison
Gramm
Grassley
Green
Grisham
Guarini
Guyer
Hagedorn
Hall, Ohio
Hall, Tex.
Hamilton
Hammerschmidt
Hance
Hanley
Harkin
Harsha
Hawkins
Hefner
Heftel
Hightower
Hillis
Hinson
Holland
Hollenbeck
Holt
Holtzman
Hopkins
Horton
Howard
Hubbard
Huckaby
Hughes
Hutto
Hyde
Ichord
Ireland
Jeffords
Jeffries
Jenkins
Jenrette
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kastenmeier
Kazen
Kildee
Kindness
Kogovsek
Kostmayer
Kramer
Lagomarsino
Leach, Iowa
Leach, La.
Leath, Tex.
Lederer
Lee
Lehman
Leland
Lent
Levitas
Lewis
Livingston
Lloyd
Loeffler
Long, La.
Long, Md.
Lowry
Luken
Lundine
Lungren
McDade
McEwen
McHugh
McKay
McKinney
Madigan
Maguire
Markey
Marks
Marlenee
Marriott
Mattox
Mavroules
Mazzoli
Mica
Michel
Mikulski
Miller, Calif.
Miller, Ohio
Mineta
Minish
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Montgomery
Moore
Moorhead, Calif.
Mottl
Murphy, Ill.
Murphy, N.Y.
Murphy, Pa.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nedzi
Nelson
Nichols
Nowak
O'Brien
Oakar
Oberstar
Obey
Panetta
Pashayan
Patten
Paul
Pease
Perkins
Petri
Peyser
Pickle
Preyer
Price
Pritchard
Pursell
Quayle
Quillen
Rahall
Ratchford
Regula
Rhodes
Richmond
Rinaldo
Roberts
Robinson
Roe
Rosenthal
Rostenkowski
Roth
Rousselot
Roybal
Royer
Rudd
Russo
Sabo
Satterfield
Sawyer
Schulze
Sebelius
Sensenbrenner
Shannon
Sharp
Shelby
Shumway
Skelton
Slack
Smith, Nebr.
Snowe
Snyder
Solarz
Solomon
Spellman
Spence
Stack
Staggers
Stangeland
Stanton
Steed
Stenholm
Stockman
Stokes
Stratton
Studds
Stump
Swift
Symms
Synar
Tauke
Taylor
Thomas
Thompson
Traxler
Trible
Van Deerlin
Vanik
Vento
Volkmer
Walker
Wampler
Watkins
Weaver
Weiss
White
Whitehurst
Whitley
Whittaker
Whitten
Wilson, C. H.
Wilson, Tex.
Winn
Wirth
Wolff
Wolpe
Wright
Wyatt
Wydler
Wylie
Yates
Yatron
Young, Fla.
Zablocki
Zeferetti

□ 1020

The SPEAKER. On this rollcall, 344 Members have recorded their presence by electronic device, a quorum.

Under the rule, further proceedings under the call are dispensed with.

MAKING IN ORDER CONSIDERATION OF H.R. 4390, LEGISLATIVE APPROPRIATIONS, 1980

The SPEAKER. The Chair recognizes the gentleman from Ohio (Mr. LATTA).

Mr. LATTA. Mr. Speaker, I yield 4 minutes to the gentleman from Illinois (Mr. O'BRIEN).

Mr. O'BRIEN. Mr. Speaker, I oppose the rule in its present form. I hope we can defeat the previous question. That is the objective. There is very little room for argument that the major problem we face domestically is the problem of inflation. It pervades and it permeates every issue, every problem, that is raised here on the floor of the House. Nearly every day we are called upon to make decisions touching upon that difficult matter. If fiscal restraint is going to be shown—if fiscal restraint is going to be shown—we have to take the lead in cutting Federal spending. Almost every economist that we talk to or read about says that fiscal restraint has to begin in Government, and we are urged and implored to make every effort to cut Government expenditures. I am just as much aware, as the Members are, that the salary that a Congressman makes does not buy as much as it did a few years ago. I am equally aware that it sounds like a lot more than it really is. But it is very difficult for some of our constituents to understand that $57,500 is something we just cannot get along without increasing. Every demand and call we have made on the American people, such as "conserve energy," or "be prudent, do not ask for a wage increase. Do not increase prices," will have meaning or not by the way we handle the problem we are facing today. And in good conscience, we really cannot support a pay raise at this time.

A few weeks ago I went back to my district and I talked to about 300 constituents who are not unlike your people in your district. They were not content with my saying "They are doing this" and "They are doing that." They wanted to know, quote:

> What are you, GEORGE O'BRIEN, what are you doing to help us out of the mess we find ourselves in?

What disturbs me at this moment is that we do not have an opportunity in this situation to decide whether or not we want a pay raise. This rule, as I understand it, will only allow the Members of Congress to decide—only, mind you, to decide whether the increase would be 7 percent or 5.5 percent. The procedures provided by the Committee on Rules offer us no flexibility at all. I hope those who are in favor of the pay raise, and those who are undecided and those who are against the pay raise will simply give us an opportunity to vote on the issue on the merits, and that will require us to defeat the previous question.

Mr. LATTA. Mr. Speaker, I yield 3 minutes to the gentleman from Maryland (Mr. BAUMAN).

Mr. BAUMAN. Mr. Speaker, I urge the membership to vote against the previous question on the rule now before us so that a substitute rule can be offered undoing the damage that a majority of the Committee on Rules did yesterday. I say "damage" because I think it does reflect badly on the House that we are not permitted to vote freely on the section of this bill dealing with the pay increases for top-level executive branch employees, members of the judiciary, and Members of Congress.

The rule which was adopted by the Committee on Rules makes in order only one amendment. The provision in the bill itself allows a 7-percent increase in pay. The only amendment made in order under this rule would reduce that to 5.5 percent. It is my understanding that the gentleman from Ohio (Mr. LATTA), if the previous question is voted down, will offer a substitute rule allowing a motion to strike out that 7-percent increase for executive, judicial, and Members of Congress, or an amendment reducing the amount in the bill to a 5.5-percent increase.

I would emphasize that the Committee on Appropriations did not request this rule. It was gratuitously granted by a majority of the Committee on Rules without any request from the Committee on Appropriations. All that the Committee on Appropriations asked was to have points of order waived against two sections of the bill, including this one.

So I would urge a "No" vote on the previous question so a new rule can be offered.

Mr. ROUSSELOT. Mr. Speaker, will the gentleman yield?

Mr. BAUMAN. I yield to the gentleman from California.

Mr. ROUSSELOT. I appreciate my colleague's yielding.

Mr. Speaker, the gentleman was present in the Committee on Rules at the time that this was taken up. I would ask him this question: Is a motion to recommit allowed under this rule?

Mr. BAUMAN. The motion to recommit is also restricted. That motion is permitted, but it is restricted in the sense that no motion to recommit can amend the section dealing with the pay raise; so that there is no opportunity under this rule to strike out the pay raise or to do anything but vote on an amendment reducing it from 7 percent to 5.5 percent. No other amendment and no other motion to recommit is permitted.

Mr. ROUSSELOT. If the gentleman will yield further, a vote for this rule is, in effect, a vote for a substantial pay raise for Members of Congress which, I am sure, some Members wish to do, but those of us who feel that there was an adequate pay raise last time would not have the chance to vote on this issue. Is that correct?

Mr. BAUMAN. The only chance the House would have would be to vote a 7-percent increase or a 5.5-percent increase under the rule now pending before the House. If the previous question is defeated, a substitute rule will allow a motion to strike out the pay raise completely as well as these two alternate proposals.

Mr. ROUSSELOT. I appreciate the gentleman's comments. It is obvious we must vote against the rule.

Mr. LATTA. Mr. Speaker, I yield 3 minutes to the gentleman from New York (Mr. SOLOMON).

Mr. SOLOMON. Mr. Speaker, on Monday last, when H.R. 4390 became a public document, I filed an amendment at the desk which would have struck the provision for a 7-percent increase for level-5 employees and the Congress. I was shocked and chagrined when, on Tuesday, I discovered that the Committee on Rules had reported a rule which was going to prohibit my amendment, and others, perhaps, from being offered to this bill.

Mr. Speaker, I rise in opposition to the rule, which would prohibit votes on amendments to freeze congressional salaries. If we approve the rule and then approve H.R. 4390, we will be setting the worst possible example for the American people.

Our citizens today are faced with double digit inflation, an energy problem which has gone unsolved for 6 years, and record high taxes. I cannot see that we have done a great deal in the first 6 months of this session to solve those problems. But we are rewarding ourselves with a backdoor pay raise of up to 7 percent. It is no wonder to me that the Congress as a body is not held in high esteem by the average citizen.

Less than a year ago, all of us were back home running for election to this body. Most of us found that the American people wanted us to spend their money more wisely. If we let this pay raise slide through, then we will be showing that we have forgotten that message.

I have no doubt that many of my colleagues believe the Congress is entitled to a cost-of-living pay raise, just like everyone else is. If they feel that way, by all means let them vote for it. But should not this issue be decided in an up-front manner—by an up or down vote on the pay raise itself? We owe our constituents—and all taxpayers—that much, and I hope we will reject a rule which will enable us to take the coward's way out. I would hope that the substitute rule that would allow my amendment to be offered would pass and I strongly urge the passage of Mr. LATTA's substitute rule.

Mr. LATTA. Mr. Speaker, I yield 3 minutes to the gentleman from Iowa (Mr. GRASSLEY).

Mr. GRASSLEY. Mr. Speaker and Members of the House, I rise in opposition to the rules. I could hardly believe it when the report came down from the Rules Committee yesterday that the Committee, by a wide margin, decided to limit very restrictively the amendments that could be offered to this bill. Standing here before the American people you are telling them in regard to the pay raise, "We can get away with it."

Think of the lack of credibility that American governmental institutions have today, the lack of respect that people have for elective officials, and it surely takes much gall to justify a 7-percent pay raise without a vote—especially without a vote. Something as fundamental and easily understood to the American people as a pay raise for Congressmen and upper-level civil servants and members of the judiciary should be voted on openly. The approach in this rule will further increase distrust in our governmental institutions.

Now, I do not know how we can expect to build up that confidence, taking this sort of approach to something this easily understood. What we ought to be doing here today, ladies and gentlemen, what we ought to be doing here today is to do those things that will cause people to have greater respect for elected officials, greater respect for the Congress of the United States, greater respect for participatory democracy that we are all proud of, rather than trying to tear down those institutions, and that is what the lack of ability to vote on this issue is all about. That is what each of us, taking the opportunity to enrich ourselves at the expense of the taxpayers at a time of high inflation, is doing to the American system of government as well.

For this reason the rule should be defeated and an amendment be made in order foregoing an automatic pay raise in 1979.

I yield back the balance of my time.

Mr. MOAKLEY. Mr. Speaker, I yield 1 minute to the gentleman from Florida (Mr. NELSON).

Mr. NELSON. Mr. Speaker, at the risk of sounding sanctimonious, I want to share with you that I think the people in my district are quite upset that when they are crimped in their home budgets with inflation, and they see the Congress increasing its salary, they say, "You are setting a bad example for us." I know what my folks think. I do not think this feeling is just in my district. I think it is in everybody's district.

I believe that at this point, with all of the problems that are descending upon us, from energy to the economy, now to foreign affairs, I think that this body has to stand tall and set the economic example of where we want this Nation to go. This is a symbolic vote.

As I say, I do not want to appear sanctimonious—because I know what the cost of living is in Washington. I know how many of us are strapped financially here. But I think this is where we must set the example.

Mr. MOAKLEY. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, just to set the record straight, under the law, the pay of Congressmen will rise into the high sixties this year and the pay of judges and other top Federal officials would go up by a similar rate.

The economic situation in this country makes that totally unacceptable and the Appropriations Committee and the Rules Committee felt that Members should be afforded an opportunity to place a limit on those increases.

This year, the President's pay agent will recommend a congressional pay in the very high sixties. The President will act to cut that figure back. This bill will provide that the amount will be reduced below the President's cut. And the rule makes in order an amendment to trim it back further still.

Mr. Speaker, I yield such time as he may consume to the gentleman from Indiana (Mr. BENJAMIN).

Mr. BENJAMIN. Mr. Speaker, House Resolution 312, the rule proposed for the legislative branch appropriations bill, fiscal year 1980, appears to be considerably more provocative than that which was formally requested by the Committee on Appropriations.

Section 305, providing a 7-percent restriction, was added to H.R. 4390 by the committee to limit an automatic salary adjustment for Members of Congress, Federal judges, and other top Government officials which could have amounted to 11.3 percent or more. The Rules Committee, in its wisdom, invoked an alternate limitation of a maximum of 5.5 percent, presumably that which will be proposed by the President under the Federal Pay Comparability Act of 1970.

Mr. Speaker, I support the rule. I take this time to explain the dilemma invoked by using the legislative branch appropriations bill to vent disagreement with the salary structure.

In 1975, the Congress adopted the Executive Salary Adjustment Act which provided that top Government officials, including Members of Congress, would automatically receive the same Governmentwide percentage pay increase granted to Civil Service workers under the Federal Pay Comparability Act of 1970. Under this law, adjustments are recommended to keep Federal employee pay scales comparable to the private sector. The President must issue an Executive order putting the recommendation or an alternate proposal, subject to one-House congressional veto, into effect by October 1.

Under the Executive Salary Adjustment Act, Members of Congress and other top Government officials did receive an adjustment in 1975. However, in 1976, the legislative branch appropriations bill was used to deny payment of the adjustment in fiscal year 1977.

In 1977, the increase recommended under the Federal Salary Act of 1967 took effect. In the same year, Public Law 95–66 was adopted providing that the salaries of Members of Congress and other top Government officials that were increased by the Quadrennial Commission would not be increased again in the same year by the comparability pay adjustment. This effectively denied a 7-percent increase.

In 1978, and again this year, the legislative branch appropriations bill, is being used to deny payment of adjustments under the Executive Salary Adjustment Act—not to deny increases as Public Law 95–66 did in 1977.

Please distinguish this carefully. The use of the legislative branch appropriations bills in 1976, 1978, and 1979 are not erasing adjustments which occur automatically as entitlements pursuant to the Executive Salary Adjustment Act—you are merely abating payment while the adjustments continue to increase the salaries.

If it is the intent of the Congress to deny payment pursuant to or separate itself from the provisions of the Executive Salary Adjustment Act, then the proper approach is that found in Public Law 95–66 and the proper committee of jurisdiction is the House Post Office and Civil Service Committee.

I urge my colleagues to familiarize themselves with the General Accounting Office report of May 17, 1979, which urged that annual adjustments under the Executive Salary Adjustment Act be allowed to take effect and that Congress unlink itself to executive level II salaries because of its political propensity to abate payments thereby compressing the schedule.

Quite frankly, our collective zeal to castigate ourselves has developed a precarious situation which could lead to an increase that the opponents of this rule assert that they do not want.

I urge the adoption of the rule and a vote on the preferred adjustment. Then, I urge passage of the bill which has great merit beyond the question of salaries. Finally, I urge that the matter of comparability pay be addressed to the proper committee and that future legislative branch appropriations bills not be used for the annual salary fight.

I include the following explanation of section 305:

EXPLANATION OF SECTION 305 OF H.R. 4390

This amendment provides for a 7 percent increase for those individuals in the legislative, executive, and judicial branches or in the government of the District of Columbia, whose rate of pay was either directly or indirectly increased as a result of the March 1977 pay increases which went into effect under the Quadrennial Commission mechanism and whose pay, as a result of various legislative actions, has been frozen since that time.

The first sentence of the amendment provides that the rate of pay may not be increased by more than 7 percent of the rate in effect on September 30, 1978, which is the last day before the 1978 comparability adjustment would have taken effect. It also defines in clauses (1) and (2) the individuals who are subject to the limitation. Under clause (1) any individual whose rate of pay is $47,500 or more (that is equal to or greater than level V of the Executive Schedule) is covered. This covers those individuals whose rate of pay was directly affected by the 1977 Quadrennial increase (such as Members, Senators, judges, heads and assistant heads of cabinet departments), as well as individuals whose rate of pay is administratively set at rates above $47,500 (such as certain high level positions in the Postal Service).

Clause (2) covers those individuals whose rates of pay were not directly affected by the 1977 Quadrennial increase, but whose rates of pay nevertheless increased because the Quadrennial increase raised the statutory (or other) salary ceiling on their rates of pay.

For example, the published rate for a GS–18 is $61,449, but pay payable is only $47,500 because of the statutory level V ceiling (5 U.S.C. 5308) which has been frozen since March 1977. Under the amendment the $47,500 ceiling is increased by 7 percent to $50,825. The amendment also makes comparable adjustments for ceilings on rates of pay for committee staffs, other officers and employees of the House and Senate, and for administrative assistants whose maximum rate of pay is limited by congressional resolution.

The amendment applies to individuals in all three branches, and thus includes individuals in the Postal Service, and the military service. The Office of Personnel Management has informally estimated that the amendment will affect 15,046 individuals broken down as follows:

Executive Branch:	
Currently at level V or above	742
Additional affected by frozen ceiling	12,807
Legislative Branch	584
Judicial Branch	913

Most of these individuals have had no adjustment since March 1977. The 1978 adjustment was denied pursuant to a limitation on the use of funds contained in the FY 1979 Legislative Branch Appropriations Act (P.L. 95–391). The 1977 comparability adjustment for these individuals was eliminated by Public Law 95–66. During the period when comparability adjustments have been denied (March 1977 through April 1979) the Consumer Price Index has increased by 18.8 percent.

Under the amendment the 7 percent limitation will be in effect only for FY 1980. If a limitation is to continue beyond Fiscal Year 1980, it will be necessary for Congress to enact a similar limitation on funds again next year.

If no limitation is enacted this year, and assuming that the President submits an alternative plan to limit the October 1979 comparability adjustment to 5.5 percent, the pay of individuals covered by this amendment would increase by approximately 11.3 percent since both the FY 1979 adjustment (5.5 percent) and the FY 1980 adjustment (assumed to be 5.5 percent) would go into effect simultaneously (See Attachment).

Subsection (b) of the amendment provides a special rule to cover positions created after September 30, 1978, and requires the appropriate officials in each branch to promulgate regulations to ensure that the pay for such positions will be set at a rate equivalent to that for comparable positions which were in existence on September 30, 1978.

This provision ensures that individuals in positions which are transferred to the new Senior Executive Service (SES), which was created by the Civil Service Reform Act, will not receive pay increases of more than 7 percent during FY 1980. Although the maximum rate of pay for the SES is set at level IV of the Executive Schedule, those positions transferred into the SES which on September 30, 1978, were subject to the level V ceiling will continue to be subject to the adjusted level V ceiling. The amendment, however, pertains only to increases in basic pay. Performance awards and other lump-sum payments which are in addition to basic pay are not limited by the amendment.

Subsection (c) provides that the salary or pay actually paid to an employee, as a result of the application of the amendment, will serve as the basis for computing life insurance, retirement, and other benefits, rather than the higher statutory rate.

	March 1977[1]	Oct. 1977[2]	Oct. 1, 1978[3]	Oct. 1, 1979[4]
Speaker, Vice President, Chief Justice	75,000	75,000	75,000 (79,100)	80,250 (83,500)
Cabinet heads (Executive Level I)	66,000	66,000	66,000 (69,600)	70,620 (73,400)
Members, circuit court justices (Executive Level II)	57,500	57,500	57,500 (60,700)	61,525 (64,000)
Executive Level III	52,500	52,500	52,500 (55,400)	56,175 (58,400)
Executive Level IV (SES maximum)	50,000	50,000	50,000 (52,800)	53,500 (55,700)
Executive Level V (GS maximum)	47,500	47,500	47,500 (50,100)	50,825 (52,900)

[1] Rate established pursuant to Quadrennial Commission recommendations.

[2] Comparability adjustment denied pursuant to Public Law 95–66.

[3] Limitation on use of funds (Public Law 95–391) limits rates payable to those in effect on Sept. 30, 1978. Legal rates, reflecting the 5.5-percent increase, are shown in parentheses.

[4] Rates payable if 7-percent limitation is adopted. Legal rates are shown in parentheses (assumes President limits this year's comparability adjustment to 5.5 percent).

☐ 1040

Mr. LATTA. Mr. Speaker, I yield 2 minutes to the gentleman from Texas (Mr. PAUL).

Mr. PAUL. Mr. Speaker, I would like to urge that the House vote no today on the previous question. I think there is no question in the minds of the American people today that the last thing the Congress should do is to protect themselves with a cost-of-living raise in their pay.

I have recently introduced legislation

into the House which would do exactly the opposite. Rather than building in a protective device and give us a pay raise with the cost-of-living increase, it would do exactly the opposite. What it would do here is, if the inflation rate is at 10 percent this year, we would take a pay cut of 10 percent. I believe there would then be some investigation into the fundamental cause of inflation and that we would all become aware of its nature.

The truth is that the buck does not stop here in the House, the bucks start here and the inflation starts here. It starts with the overspending that we do in order to satisfy the voters by giving them the things that they want in order to buy their votes. That is why we have the deficits and that is why we have the inflation. We create the deficits and then we print up the money. This causes the prices to go up. We then protect ourselves by building in escalations in our pay.

I think it would be an abuse of public trust and intolerable to the American people to see us take a pay raise today. I think the fact that we do not have the opportunity to amend this legislation is unbelievable and that we must vote no on the previous question in order for us to have that opportunity.

I yield back the balance of my time.

Mr. LATTA. Mr. Speaker, I yield such time as he may consume to the gentleman from New York (Mr. Gilman).

Mr. GILMAN. I thank my colleague for yielding.

I urge my colleagues to oppose this rule.

This is an important issue which should be fully debated. It may very well be that an increase in legislative salaries may be justifiable or should be resented, but, in either case, the issue should be fully debated on the floor and discussion should not be closed in this arbitrary manner.

Mr. Speaker, I am urging a no vote on the previous question in order that the House may have a reasonable opportunity to consider whether or not Members of Congress should receive any salary increase.

The rule on this legislative appropriation, as reported, will not allow the House to work its will on this matter. We will be bound—unless the substitute rule offered by the minority is allowed to be considered—by the language fixed in the bill by the Committees on Rules and Appropriations.

While the Members of Congress and some of our high-level Government officials have not had any salary increase in 3 years, the issue of whether or not the Congress and those other officials should receive a salary adjustment is a matter of some controversy and should be open to a full and thorough debate.

I believe that in these inflationary times, the Congress, which is ultimately responsible for our Nation's economy, should provide an example of restraint in considering its own pay and the pay of other Federal officials who share that responsibility. The Congress has in fact turned down a number of pay increases in the recent past; and I would predict that if the previous question is defeated and the Republican substitute is accepted, an increase less than the 7-percent figure recommended in this bill, as reported, will be adopted.

Mr. Speaker, as we consider legislative appropriations, I hope that all of us in this Chamber will reflect upon the severe burdens being borne by our Nation's taxpayers in these troublesome times.

Mr. LATTA. Mr. Speaker, I yield 2 minutes to the gentleman from California (Mr. Lungren).

Mr. LUNGREN. Mr. Speaker and Members of the House, I am not going to stand before you and say that in all circumstances I would oppose a pay raise. But I think what we are dealing with here is the method by which we do that.

Many constituents that I have talked with are very concerned about the means by which Congress is allowed to adjust its salary. The idea that a commission can come in and in conjunction with the President, make recommendations for our salaries is wrong. Yes, we have a one-House veto, but essentially that means if we do not vote, we get a pay raise. Some of us feel very, very deeply that pay raises ought to be voted on by the full House, and that they should not take effect until after the next election so that if we really believe in the particular pay raise that we are voting for, at least we have to go before our constituents to try and justify it. That is simple democracy.

What this unamended rule would allow, what this rule would permit would only be to allow a pay raise through various processes for next year. But it disallows an attempt by any of us who believe that we should not have a pay raise in the midst of a term.

Essentially, what we are talking about is the process by which we do it; whether we do it up front, in the open, where the American people can see this, or whether we come here and talk about a rule that somehow is going to help us limit the pay raise when, in fact, the vote should be on whether we will have a pay raise allowed at all. So, let us not kid ourselves by saying that this rule is the way to hold a pay raise down. This debate is on whether we will have the ability to decide whether we want any pay raise. If we do not change the rule, many of us are going to be denied the opportunity to say very firmly and very much up front to the American people that under these circumstances and in these times we do not think we deserve a pay raise before going to the American people in the next election and trying to justify the steps we take.

Mr. LATTA. Mr. Speaker, I yield 5 minutes to the gentleman from California (Mr. Rousselot).

Mr. ROUSSELOT. Mr. Speaker, I rise in opposition to the rule because I do not believe that it is fair. I do not think it is fair to the American people to operate under what I would consider to be a general deceit with this type of closed rule. My belief is that we should open the rule to allow a clear vote on the pay issue for top Federal executives and classified employees, and I think it is important to do so.

I do not happen to favor a pay increase in the higher levels of Government because I think the present pay is adequate, but regardless of whether a Member favors or disfavors that position, I think we should at least vote on it. Those that feel that it is an appropriate increase can justify that, and I think that the rule should allow that debate and that issue to be discussed.

I urge my colleagues, in the name of openness—which we talk a lot about—to vote down this rule and allow a full and complete discussion of the legislative bill on this issue on the basis of a substitute rule to be offered by Mr. Latta.

Mr. LATTA. Mr. Speaker, I yield such time as he may consume to the gentleman from California (Mr. Shumway).

Mr. SHUMWAY. Mr. Speaker, I am vehemently opposed to this rule in its present form because I believe it is a thinly disguised effort to secure congressional pay raises. If an increase in congressional salaries is to take place—and I certainly would not endorse such a raise—then that is an issue which should be debated openly, in full view of the American people and of the appropriate congressional committees. Instead we have before us a back-door approach which is both embarrassing in its amateurishness and disillusioning in its attempt to pull the wool over the taxpayers' eyes.

To me, it is indeed unfortunate that the issue of multibillions of dollars in funding for the legislative branch is not at issue here; it will not be the subject of our debate. Rather, we will be overlooking our responsibilities and the needs of our branch of Government, focusing instead on our own salaries.

I believe that we will be taking one more step toward destroying public trust and confidence if we do not resoundingly defeat this rule.

Mr. LATTA. Mr. Speaker, I yield 3 minutes to the gentleman from Illinois (Mr. Michel).

Mr. MICHEL. Mr. Speaker, as the Members of the House well know, we do not normally have to have a rule to consider an appropriation bill, but we are about to consider the legislative appropriation bill and there are provisions in the bill which are subject to a point of order, the most controversial of which has to do with the pay raise provision. Since that issue is the subject of this rule I want to say something here while considering the rule rather than waiting for reading of the bill for amendment.

First may I say that in my testimony before the Rules Committee I asked that committee to give the Members an opportunity to vote both on reducing the amount recommended in the bill from 7 percent to 5.5 percent, or to, knock out the raise altogether and that action would include the judicial branch, and the upper executive branch level, persons as well as Members of Congress.

The reasons for my having acceded in the first place to including this provision in the bill are several. From what I have been able to gather from some of the Members, particularly more senior Members around here, would like to know whether or not, in this kind of climate there are any prospects for increasing Members' pay in the foreseeable future and whether the upper executive levels, particularly in the scientific community—those persons with whom I have to deal in the National Institutes of Health, can expect any lifting of the ceiling on salaries that has been imposed over the past several years.

☐ 1050

Earlier this year there were some discussions about the living allowance of Members of Congress, whether or not that old, outmoded, obsolete limit of $3,000 a year should be raised. My own personal preference on that would be to wipe out that statute altogether and have Members of Congress treated no differently from any private citizen. The Constitution says we have got to be residents of our States, and that is indication enough to the Internal Revenue Service that that is our principal home, and that our tour here in Washington is in our business away from home overnight. We ought to be treated just like any other businessman taking a business trip to Washington. It is quite obvious to me that we cannot expect any adjustment in the foreseeable future on our so-called "living expenses away from home."

We have also turned the last several times to the Quadrennial Commission, for a recommendation on our pay. But when you have got double-digit inflation for 1 year, 2 years, 3 or 4 years in a row, do you think you are going to be able to come back to this House and say, we need a 25- or 30-percent increase for Members of Congress? Of course not. That is out. While I am not about to support automatic increases year after year for Members, it does seem to me that from time to time we have got to talk about it openly and frankly and discuss it so the general public knows of our problem just like everybody else's. As for me I am supporting the effort here to give Members of Congress an increase after 3 years, of 5.5 percent or 7 percent. I think it is justified. I have no problem justifying that when there has been an inflation of maybe 20 percent or more in that period of time. I do want to give the Members an opportunity to vote on the issue, however, and I respect those Members, particularly those freshmen who oppose this effort. I understand their position perfectly. All I want to see is that the rule does provide an opportunity to give Members a choice of voting either to reduce the 7 to 5.5 percent or knock out the raise altogether, and I think ultimately the right judgment will be made.

The SPEAKER. The time of the gentleman from Illinois (Mr. MICHEL) has expired.

Mr. LATTA. Mr. Speaker, I yield 1 minute to the gentleman from California (Mr. DORNAN).

Mr. DORNAN. Mr. Speaker, I urge a no vote on the previous question. If the 79 freshmen will listen to this 1-minute speech carefully, they may return to this House in 1981 for the 97th Congress; otherwise some of you for sure will be back on the free market. How many of you spent $17,000 in October and November for pre- and post-election surveys. Well, I did. And there was only one issue which stood out clearly from the pack that enraged the voters. The 1977 so-called pay-raise rollback by the distinguished gentleman from Iowa (Mr. GRASSLEY). Many of us felt it was an unconstitutional rollback mainly because it would have separated in payscale the House from the Senate for the first time in history. A dangerous precedent. But try and explain that to your constituents in 30 seconds or less on TV.

My 28-year-old opponent demagoged on that for months with a little bit of help from his friends.

Our distinguished Speaker came into my district, the Vice President of the United States, Mr. MONDALE, the President's mother twice, twice, his son Chipper only once, Senator DANIEL PATRICK KEVIN MICHAEL MOYNIHAN, Mayor Tom Bradley three times. Quite a parade. Meanwhile, all my young opponent talked about was my evil, vicious rejection of the wonderful Grassley rollback. Beware of demagogs my new colleagues. The taxpayers have a right to be outraged. We do not deserve a 7-percent raise.

We cannot even go for a 5.5-percent pay raise because the people out there are angry. They blame this House for inflation and they are correct. And you had better allow for any and all amendments to be debated openly on this House floor before you go raising salaries again.

● Mr. BEDELL. Mr. Speaker, I rise in opposition to the rule.

Adoption of this rule will preclude a vote on a proposed amendment to prevent any pay raise for Members of Congress from taking effect during fiscal year 1980. Without a chance to vote on the pay raise issue, those of us who oppose the pay raise will have no other choice but to vote against the entire bill.

I had hoped that the days were over when the House would be denied the opportunity to debate and vote on these automatic pay raises. In February 1977, a $12,900 raise went into effect without a vote, and at that time I raised similar objections to the unwillingness of the House to stand up and be counted on this issue.

Although I question the wisdom of the 7-percent pay raise provided by this bill and the 5.5-percent raise which will be offered as an amendment under this rule, I do not see how anyone can argue that there should not be open debate and a vote on whether there is to be any raise at all.

I believe that it is maneuvers such as this rule which contribute to the public's disenchantment with Congress and the Federal Government in general, for they correctly view it as ducking a tough issue. If we are to escape public accountability on this issue, what is to prevent this from becoming the practice on other difficult issues that we face? ●

Mr. LATTA. Mr. Speaker, I yield myself 3 minutes.

Mr. Speaker, I would just like to clear up a couple of matters. After listening to most of the debate, one would be led to believe that only Members of Congress are covered in the cost-of-living increase provided under section 305. There are actually 13,500 employees of the Federal Government involved. These people, including Members of Congress as the gentleman from Illinois pointed out, have not had a cost-of-living increase since 1977, whereas other Federal employees have had and will have with the President's request of 5.5 percent on October 1, 1979, a 19.5-percent increase in cost-of-living benefits during this period of time. I merely state this for the record without comment.

I am asking that you vote down the previous question in order that I and the gentleman from Maryland might offer a substitute which would give the option of voting for the 5.5 percent, as proposed in the original resolution that came out of the Committee on Rules, or no cost-of-living increase at all. Since this bill is for fiscal year 1980, it would apply to all but 3 months of calendar year 1980.

Let me read a portion of the substitute I will offer.

> "No amendment to section 305 of said bill shall be in order except amendments in the following form: (1) "on page 30, strike out '7 percent' and insert '5.5 percent' ", and (2) a substitute amendment for said amendment striking out the words 'by more than 7 percent', and said amendments shall not be subject to further amendment but shall be debatable by the offering of pro forma amendments. No other amendment to and no motion to recommit said bill having the effect of changing or modifying section 305 shall be in order."

I think this gives the Members a choice on all of the proposals which have been discussed. Again I repeat, I will ask that the previous question be voted down in order to offer this amendment.

Mr. Speaker, I yield the remainder of my time to the gentleman from Arizona (Mr. RHODES).

Mr. GOLDWATER. Mr. Speaker, will the gentleman yield?

Mr. RHODES. I yield to the gentleman from California.

Mr. GOLDWATER. Mr. Speaker, I rise to urge my colleagues to defeat the previous question and thus allow consideration of a rule which will permit the offering of any proper amendment to section 305 of the legislative appropriations bill.

Here we go again. The press has called it everything from highhanded to unbelievable. My constituents are calling it a few things that are unrepeatable, and I cannot see that it is anything but congressional chicanery. We are going around the barn to open the gate on that touchy question of raising our own salaries.

OK, for once let us face the issue straight on. Let us have a straightforward vote. Let us allow 435 elected Members of the House to publicly decide the issue instead of leaving it up to 9 Members of the House.

If Members want the pay raise, let them vote for it, and then let the Members who vote on it answer their own constituents.

In all candor, I am getting sick and tired of trying to explain parliamentary pussyfooting to my constituents. They do not understand or accept it, and they are justifiably angry.

Yes, I have heard the story. Everyone's having a time making ends meet, including Members of Congress. But if we are having a difficult time of it, can you imagine what the poor sucker who is earning one-third our salary is up against? I simply cannot justify a cost-of-living increase to these people. Are my colleagues aware that a great many of them do not get automatic cost-of-living increases. They have to struggle along on yearly merit raises that are not connected in the least to the rate of inflation.

Perhaps, if Congress as a body, gets its act together on the issues of inflation and taxation, our constituents may feel we deserve a merit raise, but until that time, the foxy 400 had better forgo the temptation to make themselves inflation proof.

Mr. RHODES. Mr. Speaker, I urge a no vote on the previous question. The gentleman from Ohio (Mr. LATTA) has explained very well exactly what we plan to do. If the previous question is voted down, there will be a substitute offered which will give the Members of the House another choice. Under the proposed rule, the only choice is between a 7-percent pay increase or a 5.5-percent pay increase for Members of Congress, the judiciary, and for the senior positions in the executive branch. The substitute which we will offer will give the added alternative of a zero pay increase for the people who are in those classifications.

I thoroughly agree with my colleagues, the minority whip, the gentleman from Illinois (Mr. MICHEL), as far as a pay increase is concerned. I can justify a pay increase for this body. As a matter of fact, the Speaker and I came to the Congress together, and I believe we both voted to increase the pay from $15,000 to $22,500. I also voted for the increase which raised pay from $22,500 to $30,000. When I went home some of the people in my district said, "My, that was a tremendous pay increase you had." I said, "Yes, but we had not had one for years, and the cost of living has gone up," and the people pretty well agreed that that was true. While I caught a little flack from it I really did not catch anything I could not handle and could not explain. At least we were forthright and we took a stand.

I voted against creating the Pay Commission. I did not want somebody increasing my pay or the pay of the Members indirectly. If it was justified, we should do it directly and openly, not indirectly through a commission or by inaction on our part.

When the Commission was created they did come in with the recommendation to increase the pay from $30,000 to $42,500. It was impossible to get a vote on the matter on the floor because the Committee on Rules at that time would not give a rule. So the pay increase went into effect under the terms of the law.

I went home, and I have never caught as much thunder from my constituents as I did over that pay increase. It was not because the pay increase was not justified; it was because the Members of the House and the Senate did not have the guts to vote on it.

The people of this country want to believe that the Members of the House and the Senate are not playing games with them. This is not a time for gamesmanship with the American people. This is a time when the prestige of the whole Government is about as low as it has ever been. Now we compound that situation by bringing in a rule which does not allow a vote on whether or not we get a pay increase. By ducking this issue we play into the hands of those people who would demean this Congress, who would make the people of the country less confident in the Government than they now are.

□ 1100

In my opinion it will have the effect of making us all subject to the kind of criticism we faced in the past when we did not have the guts to vote directly on the issue of a pay increase.

I have always fought to retain the right to vote on all pay raises, but we are facing the issue again today I hope my colleagues will stand with me in requiring a vote. If we vote for the previous question then in effect you are saying that you do not want to face up to the issue of whether or not you should have a pay increase. I do not think that you really want to do that. I do not think you want to go back home and explain to the people why you did not vote for a rule which would have given you that option. For the good of the country, for the good of the House of Representatives and to show your own political courage I urge you to vote down the previous question. Then you may vote any way you want to when the question finally comes up on the pay increase.

Personally I will vote for the pay increase. I think it is necessary. I think it is important. I think we will get a better Congress if the Congress is well paid than if we are not. I think the worst money the American people could possibly spend would be to underpay the Congress of the United States. I will vote for the increase. However, believe me, I am going to insist there be a vote.

Let us vote down the previous question and vote for the substitute resolution.

I yield back the balance of my time.

Mr. MOAKLEY. Mr. Speaker, at this time I yield 5 minutes to the gentleman from New York (Mr. PEYSER).

Mr. CHARLES H. WILSON of California. Mr. Speaker, will the gentleman yield for a question?

Mr. PEYSER. I yield to the gentleman from California.

Mr. CHARLES H. WILSON of California. Much has been said today about having an open vote and turning down the previous question so that we can have a vote. What in the world is a vote on the previous question but a vote on this whole issue? Would the gentleman agree with that?

Mr. PEYSER. Mr. Speaker, I would certainly agree, we are going to have a vote.

Mr. Speaker, I thank the chairman of the committee for giving me this opportunity to speak on the floor. It was not too many years ago I was speaking from the floor on the opposite side of the aisle on the exact same issue on the pay raise and of getting this issue publicly out so that the people knew what we were voting on.

Mr. Speaker, I am totally in agreement with the minority leader when he says we should vote on a pay raise. We are voting on a pay raise when we support this rule. There is a question as to whether it is a 5½-percent or a 7-percent pay raise but there should be no question in anybody's mind that we in this Congress, today, unless we are thinking the Members of Congress should be men of great wealth who do not have to face the problems of everyday people in trying to maintain themselves and their families. When I hear people in the Congress say, "If you vote for this rule or you vote for a pay raise you are going down to defeat," I say that is nothing but hogwash. You can justify every dollar that you are paid in this Congress if you are working and to my knowledge practically every Member in this Congress is working and do earn their money.

You are maintaining two homes, you are faced with the problem of getting your kids through college. I say to you, do not be afraid of a pay raise. What concerns the public is that the Congress is not effectively addressing the issues that affect them, such as energy. Why do we not come up with a solution for energy and resolve that problem? Why do we not face some of the problems having to do with cutting out waste in the Government where we know it exists and it still keeps going on?

The people are not angry if you will do that job.

The people are not angry if you will do that job, however, when you start hiding behind something, I agree with the minority leader. Any time we do not vote for a pay raise and somehow get it through a committee, it is dead wrong. I want to vote for every pay raise that we are entitled to. I am talking to Members and particularly new Members who say, "You know, if I go back to my district this issue will beat me."

This issue will not beat anybody. What will beat you is if you have not done a job for your district, if you have not represented your people, and if the Congress as a whole has not done a job that is what will defeat you.

I, therefore, urge that you vote for the rule, vote for a cost-of-living pay raise.

Mr. O'BRIEN. Mr. Speaker, will the gentleman yield to me?

Mr. PEYSER. I will be glad to yield to the gentleman from Illinois.

Mr. O'BRIEN. Mr. Speaker, I would like to take issue with the gentleman on the notion that the people do not mind. Back in my home State in the early part of this year, the general assembly voted itself a pay raise. All of my newspapers ran pictures of the legislators on the editorial page with a caption, "Remember Them Next November."

Mr. PEYSER. Mr. Speaker, may I ask the gentleman, what was the pay raise the gentleman's legislature voted for itself?

Mr. O'BRIEN. I think it was in the neighborhood of 10 or 15 percent.

Mr. PEYSER. Mr. Speaker, I think it was more than that. If I remember the pay raise, I remember the amount of that increase and it nearly doubled their salaries. They went up nearly $15,000. It was a fantastic figure in violation of the President's guidelines.

Mr. Speaker, I will regain my time. We in the Congress are staying well within the President's guidelines. When you consider when our last pay raise took place we are well below. I have some figures here that show a 6.8-percent inflationary rate in 1977, a 9.8-rate in 1978, and so far this year a 13.9 percent, and we are talking about increasing our pay by 5½ or 7 percent to cover that period.

I urge we support the rule and give ourselves the opportunity of voting publicly for this cost-of-living pay raise.

Mr. MOAKLEY. Mr. Speaker, at this time I yield 5 minutes to the majority leader, the gentleman from Texas (Mr. WRIGHT).

Mr. WRIGHT. Mr. Speaker, when I was a freshman Member of the Congress in 1955 one of the very first things that came before the House was an increase from $15,000 to $22,500 for Members of Congress. I was a bit apprehensive about it frankly, just a little nervous, and I expressed that concern to Speaker Rayburn. I said:

> Mr. Speaker, I came here knowing the pay was $15,000 and I don't know whether my people would appreciate my voting for an increase this soon after arriving.

Mr. Rayburn looked at me in that stern businesslike way of his and said,

> Jim, if you vote against the pay raise for Members of Congress you are saying only 1 to 2 things. Either you are saying that the job you sought is not that important, or you are saying that you are not a big enough man for the job.

I have studied that remark and believe he was right. I supported that pay raise because I believed it ought to be granted. I did not suffer criticism.

I once heard Fred Vinson speak of the first session he was in Congress. He came I think in 1913 along with Alben Barkley and Sam Rayburn. They voted a pay raise that year, perhaps from $5,000 to $10,000, I am not sure just what it was. He voted against it, wanting to demonstrate a self-sacrificing and self-abnegating spirit.

He went home to be applauded by the throngs. To his consternation, nobody brought it up.

Finally, toward the end of the session at home, he said, there was a crusty old fellow from up in the Kentucky hills who had had plenty of time to read the back newspapers. This gentleman confronted the young Congressman in the post office and said, "Well, I see you fellers voted yourselves a pay raise."

Fred Vinson drew himself to his full height and said:

> Yes, but I will have you know I voted against that nefarious thing.

He said the old man looked him up and down and from stem to stern, then said,

> Well, son, you're just a plain darn fool.

How much respect do we gain from the public by playing these games?

My friend, the distinguished minority leader says let us not play games. I agree. Let us not play games.

We are playing games, are we not, if we try to show that we are self-sacrificing and do not believe that Members of Congress deserve any cost-of-living increase? Are we not playing a very childish game to pretend that we believe everybody else in Government is entitled to a pay adjustment but not the Congress?

□ 1110

Are we not down playing the importance of the job that the people have given to us? Are we not cowering before the god of unenlightened public opinion? Are we not really belittling ourselves if we take that stance? Really?

When the question arises at home, I say to my people that the job of Congressman is big enough and important enough to deserve the same cost-of-living pay increase that all the other jobs in Government get. If I am not big enough to deserve it, then the public deserves a better man than I.

Now, that is true, is it not? Is it not literally true? If you do not consider yourself of sufficient value to your district and to this country to warrant a cost-of-living pay raise that we vote for everyone else in the Government of the United States, then do you not think the public is deserving of somebody better than you? Do you not think they are smart enough to buy that?

Certainly we have the responsibility to set a decent example. If the proposed increases exceeded the anti-inflation guidelines which we ask others to observe, then manifestly we should oppose them. But they do not. They are well within the guidelines.

Since 1969, one decade ago, the raises that Congress has begrudgingly allowed itself have lagged at least 14 percent behind the increases in the cost of living. Do we not belittle ourselves and our institution if we perpetuate and aggravate that disparity knowingly and intentionally?

We have lagged behind the pay raises that have been granted to day laborers, industrial workers, all the building trades, teachers, journalists. Yes, indeed, pay for journalists has gone up much faster than that for Members of Congress. Income for most of those who criticize congressional pay has gone up in the last decade far more rapidly than for Members of Congress.

Even the staid Washington Post today calls upon us to have the courage to do what is right. It says:

> The House Appropriations Committee approved a proposal by Representative John Murtha that would limit—

Limit, that is what we are voting on—

> limit the total top level increase to 7 percent. Maybe that is too high for some nervous lawmakers to explain. Perhaps a 5½ percent limit would be more palatable at home. Neither number has any magic, but either would fall within a reasonable range. Legislators should avoid creating any more difficulties for those in other branches of government whose pay is now being held hostage—

Hostage—

> to the politicians' super-sensitivities. Another general freeze could undermine the whole structure of merit awards and incentives for senior executives, which is a central feature of last year's Civil Service reform.

Now, you know that it is warranted. You know that it is fair. You know that the average Member of Congress works many longer hours every week than any other top level or low level or intermediate level person in Government. You know that is true. You know that your responsibilities to this Republic are greater than those of almost any senior level executive. Do you want to degrade and denigrate and downplay the importance of the office that you sought? Well, I do not think we do.

Now, we are not dodging any issue. And we should not. Let us face it. Of course, certainly, this rule gives us an opportunity to vote for a pay raise. Yes, and we shall be voting for a limit on the raise. We are giving ourselves an option. We may vote either for a 7-percent limit or for a 5½-percent limit. I expect to support the 5½-percent limit. But we shall be voting for the same limit across the board. We shall not hold the Congress of the United States in any less regard or as any less deserving or any less responsible than the other branches of Government. If we do not feel that way, then I wonder that we wanted to be in the Congress in the first place.

● Mr. WHITTAKER. Mr. Speaker, once again we have been given the opportunity to show the American people that we are serious about making the necessary sacrifices to cut Government spending. By defeating the legislative appropriations bill we denied ourselves a pay increase, an increase I have opposed from the start. However, in spite of the outcome of the vote, I was deeply disturbed over the parliamentary maneuvering that gave Members no choice but to vote against a 7-percent pay raise by voting for a 5.5-percent pay raise. This maneuver did not allow us the opportunity to show our complete opposition to a pay increase of any size. Fortunately for those of us who were forced to vote for a 5.5-percent raise which we opposed, we later were able to vote down the entire measure. I trust this final action will be a true sign to the American people that we are willing to stop increased Government spending, beginning with our own salaries. These are the types of sacrifices we must continue to make.●

GENERAL LEAVE

Mr. MOAKLEY. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and to include extraneous material on the resolution under consideration, House Resolution 312.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. MOAKLEY. Mr. Speaker, I yield myself all remaining time for the purpose of closing debate and hope to use very little of it.

It is the clear intent of the Committee on Rules that no amendment affecting compensation of Members would be in order except the amendment specified in the rule which guarantees that any congressional pay raise will be within the President's wage-price guideline of 7 percent and we are afforded an opportunity to vote even a tighter cut.

Mr. Speaker, the rule is fair. It protects the valid concern of those who wish to be sure that the automatic pay raises are cut back substantially. If the previous question is ordered on the rule, we are provided with a structured situation that guarantees a significant cut in pay hikes for thousands of the level of Federal officials.

One vote and the matter is resolved.

I move the previous question on the resolution.

The SPEAKER. The question is on ordering the previous question.

The question was taken; and the Speaker announced that the ayes appear to have it.

Mr. BAUMAN. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 126, nays 292, not voting 16, as follows:

[Roll No. 223]

YEAS—126

Addabbo
Akaka
Alexander
Anthony
Beilenson
Benjamin
Bingham
Blanchard
Boggs
Bolling
Bonior
Brademas
Breaux
Brodhead
Brooks
Brown, Calif.
Burlison
Burton, Phillip
Chappell
Chisholm
Clay
Coelho
Collins, Ill.
Corman
Cotter
Danielson
Davis, S.C.
Dellums
Diggs
Dingell
Early
Eckhardt
Edwards, Ala.
Edwards, Calif.
Erlenborn
Evans, Ind.
Fary
Fascell
Fazio
Ford, Mich.
Garcia
Gaydos
Giaimo
Gibbons
Gonzalez
Gray
Green
Hanley
Hawkins
Heftel
Hillis
Holland
Hollenbeck
Johnson, Colo.
Jones, N.C.
Jones, Okla.
LaFalce
Lederer
Lehman
Leland
Lloyd
Long, La.
Long, Md.
McKay
Marks
Mattox
Mikulski
Mikva
Miller, Calif.
Mineta
Minish
Mitchell, Md.
Moakley
Moorhead, Pa.
Murphy, Ill.
Murphy, N.Y.
Murphy, Pa.
Murtha
Myers, Pa.
Nedzi
Nolan
Oberstar
Ottinger
Patten
Patterson
Pease
Pepper
Peyser
Price
Rahall
Rangel
Richmond
Rodino
Rose
Rosenthal
Rostenkowski
Roybal
Sabo
Scheuer
Schulze
Seiberling
Simon
Slack
Solarz
Stark
Steed
Stewart
Stokes
Thompson
Udall
Ullman
Van Deerlin
Vanik
Vento
Waxman
Weiss
White
Whitten
Wilson, C. H.
Wolff
Wright
Yates
Young, Alaska
Young, Mo.
Zablocki
Zeferetti

NAYS—292

Abdnor
Albosta
Ambro
Anderson, Calif.
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Applegate
Archer
Ashbrook
Ashley
Aspin
Atkinson
AuCoin
Badham
Bafalis
Bailey
Baldus
Barnard
Barnes
Bauman
Beard, R.I.
Beard, Tenn.
Bedell
Bennett
Bereuter
Bethune
Bevill
Boland
Boner
Bonker
Bouquard
Bowen
Brinkley
Broomfield
Broyhill
Buchanan
Burgener
Butler
Byron
Campbell
Carney
Carr
Carter
Cavanaugh
Cheney
Clausen
Cleveland
Clinger
Coleman
Collins, Tex.
Conable
Conte
Corcoran
Coughlin
Courter
Crane, Daniel
Crane, Philip
D'Amours
Daniel, Dan
Daniel, R. W.
Dannemeyer
Daschle
Davis, Mich.
de la Garza
Deckard
Derwinski
Devine
Dickinson
Dicks
Dodd
Donnelly
Dornan
Dougherty
Downey
Drinan
Duncan, Oreg.
Duncan, Tenn.
Edgar
Edwards, Okla.
Emery
English
Erdahl
Ertel
Evans, Del.
Evans, Ga.
Fenwick
Ferraro
Findley
Fish
Fisher
Fithian
Flippo
Florio
Foley
Ford, Tenn.
Fountain
Fowler
Frenzel
Frost
Fuqua
Gephardt
Gilman
Gingrich
Ginn
Glickman
Goldwater
Goodling
Gore
Gradison
Gramm
Grassley
Grisham
Guarini
Gudger
Guyer
Hagedorn
Hall, Ohio
Hall, Tex.
Hamilton
Hammerschmidt
Hance
Hansen
Harkin
Harris
Harsha
Heckler
Hefner
Hightower
Hinson
Holt
Holtzman
Hopkins
Horton
Howard
Hubbard
Huckaby
Hughes
Hutto
Hyde
Ichord
Ireland
Jacobs
Jeffords
Jeffries
Jenkins
Jenrette
Jones, Tenn.
Kastenmeier
Kazen
Kelly
Kildee
Kindness
Kogovsek
Kostmayer
Kramer
Lagomarsino
Latta
Leach, Iowa
Leach, La.
Leath, Tex.
Lee
Lent
Levitas
Lewis
Livingston
Loeffler
Lott
Lowry
Lujan
Luken
Lundine
Lungren
McClory
McCloskey
McCormack
McDade
McDonald
McEwen
McHugh
McKinney
Madigan
Maguire
Markey
Marlenee
Marriott
Martin
Mathis
Matsui
Mavroules
Mazzoli
Mica
Michel
Miller, Ohio
Mitchell, N.Y.
Moffett
Mollohan
Montgomery
Moore
Moorhead, Calif.
Mottl
Myers, Ind.
Natcher
Neal
Nelson
Nichols
Nowak
O'Brien
Oakar
Obey
Panetta
Pashayan
Paul
Perkins
Petri
Pickle
Preyer
Pritchard
Pursell
Quayle
Quillen
Railsback
Ratchford
Regula
Reuss
Rhodes
Rinaldo
Ritter
Roberts
Robinson
Roe
Roth
Rousselot
Royer
Rudd
Runnels
Russo
Santini
Satterfield
Sawyer
Sebelius
Sensenbrenner
Shannon
Sharp
Shelby
Shumway
Shuster
Skelton
Smith, Nebr.
Snowe
Snyder
Solomon
Spellman
Spence
St Germain
Stack
Staggers
Stangeland
Stanton
Stenholm
Stockman
Stratton
Studds
Stump
Swift
Symms
Synar
Tauke
Taylor
Thomas
Traxler
Trible
Vander Jagt
Volkmer
Walker
Wampler
Watkins
Weaver
Whitehurst
Whitley
Whittaker
Williams, Mont.
Williams, Ohio
Wilson, Tex.
Winn
Wirth
Wolpe
Wyatt
Wydler
Wylie
Yatron
Young, Fla.

NOT VOTING—16

Annunzio
Biaggi
Brown, Ohio
Burton, John
Conyers
Derrick
Dixon
Flood
Forsythe
Johnson, Calif.
Kemp
Schroeder
Smith, Iowa
Treen
Walgren
Wilson, Bob

□ 1130

The Clerk announced the following pairs:

On this vote:

Mr. Conyers for, with Mrs. Schroeder against.

Until further notice:

Mr. Biaggi with Mr. Brown of Ohio.
Mr. Flood with Mr. Dixon.
Mr. Derrick with Mr. Kemp.
Mr. Smith of Iowa with Mr. Forsythe.
Mr. Treen with Mr. Walgren.
Mr. John L. Burton with Mr. Bob Wilson.

Messrs. BONKER, TRAXLER, LENT, GUDGER, MADIGAN, GUARINI, DICKS, IRELAND, PURSELL, VANDER JAGT, and ROBERTS changed their vote from "yea" to "nay."

So the previous question was not ordered.

The result of the vote was announced as above recorded.

AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. LATTA

Mr. LATTA. Mr. Speaker, I offer an amendment in the nature of a substitute.

The Clerk read as follows:

Amendment in the nature of a substitute offered by Mr. Latta: Strike all after the resolving clause and insert in lieu thereof the following:

"That during the consideration of the bill (H.R. 4390) making appropriations for the legislative branch for the fiscal year ending September 30, 1980, and for other purposes, all points of order against sections 303 and 305 of said bill for failure to comply with the provisions of clause 2, rule XXI are hereby waived. No amendment to section 305 of said bill shall be in order except amendments in the following form: (1) "on page 30, strike out '7 percent' and insert '5.5 percent'", and (2) a substitute amendment for said amendment striking out the words 'by more than 7 percent', and said amendments shall not be subject to further amendment but shall be debatable by the offering of pro forma amendments. No other amendment to and no motion to recommit said bill having the effect of changing or modifying section 305 shall be in order."

The SPEAKER. The gentleman from Ohio (Mr. Latta) is recognized for 1 hour.

Mr. LATTA. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, this is exactly the amendment I referred to earlier in the well of the House. I have been informed by the Parliamentarian that the vote, should this be adopted, would occur first on the substitute for the 5.5-percent amendment. By adopting the substitute for the 5.5-percent amendment, you would strike out the words "by more than 7 percent," which would mean there would be no—and I emphasize the word "no"—cost-of-living increase for Members of Congress and the other Federal employees I mentioned earlier. There are a total of 13,500 employees involved. I shall vote for the substitute and "no" on the cost-of-living increases as I am not voting—and have not ever voted—for any increase in salary or other benefits for myself and do not intend to do so now.

Mr. MOAKLEY. Mr. Speaker, will the gentleman yield?

Mr. LATTA. Mr. Speaker, I yield to the gentleman from Massachusetts (Mr. Moakley) for the purposes of debate only.

Mr. MOAKLEY. I thank the gentleman for yielding.

Mr. Speaker, I think the position of the House in this matter has been made clear and I see no reason to extend debate any further.

The amendment in the nature of a substitute proposed by the gentleman from Ohio (Mr. LATTA) is fair and reasonable. It gives us a clear and structured procedure for accomplishing the will of the House in this matter.

For the majority on the committee, we have no objection to the amendment and I urge its adoption.

Mr. LATTA. Mr. Speaker, I move the previous question on the amendment and on the resolution.

The previous question was ordered.

The SPEAKER. The question is on the amendment in the nature of a substitute offered by the gentleman from Ohio (Mr. LATTA).

The amendment in the nature of a substitute was agreed to.

The SPEAKER. The question is on the resolution, as amended.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. CHARLES H. WILSON of California. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were refused.

So the resolution, as amended, was agreed to.

A motion to reconsider was laid on the table.

AUTHORIZING ADDITIONAL APPROPRIATIONS FOR TEMPORARY COMMISSION ON FINANCIAL OVERSIGHT OF DISTRICT OF COLUMBIA

Mr. DELLUMS. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H.R. 3879) to authorize additional appropriations for the Temporary Commission on Financial Oversight of the District of Columbia, and for other purposes, with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read he Senate amendment, as follows:

Strike out all after the enacting clause, and insert:

That section 5(a) of the Act entitled "An Act to provide for an independent audit of the financial condition of the government of the District of Columbia", approved September 4, 1976, is amended by inserting immediately before the last sentence thereof the following: "In addition to the amount authorized by the preceding sentence and for the purposes set forth therein, there are authorized to be appropriated, for the fiscal year ending September 30, 1979, the sum of $9,000,000, and for the fiscal year ending September 30, 1980, the sum of $13,000,000, one-half of which sums shall be from funds in the Treasury not otherwise appropriated and one-half from funds in the Treasury to the credit of the District of Columbia.".

SEC. 2. (a) The first section of the Act entitled "An Act to provide for an independent audit of the financial condition of the government of the District of Columbia", approved September 4, 1976 (D.C. Code, sec. 47-101 note), is amended by inserting "(a)" before "there is hereby".

(b) Subsections (h), (i), and (j) of section 2 of such Act are amended by striking out "Commission" each place it appears therein and inserting in lieu thereof "commission".

The SPEAKER. Is there objection to the request of the gentleman from California?

Mr. ROUSSELOT. Mr. Speaker, reserving the right to object, will the gentleman explain what this is, how it is different from what we passed, et cetera?

Mr. DELLUMS. Mr. Speaker, will my distinguished colleague, the gentleman from California, yield?

Mr. ROUSSELOT. I yield to the gentleman from California.

Mr. DELLUMS. Mr. Speaker, H.R. 3879, approved by the House on May 17, 1979, by voice vote, increased the authorization for additional funds which were requested by the General Accounting Office and the District of Columbia government. These funds are necessary in order to complete the work of the Temporary Commission, required to be done before the start of the independent audit of the financial condition of the District of Columbia government as directed by Public Law 94-399.

H.R. 3879, as approved by the House, authorized an appropriation of $22 million, to be shared on a matching, or 50-50 basis, between the Federal and District of Columbia governments.

The Senate amendment likewise authorized the additional $22 million funds, but split the same so that $9 million was authorized to be appropriated for the fiscal year ending September 30, 1979, and $13 million for the fiscal year ending September 30, 1980.

Both Houses having already agreed upon the funds necessary to be authorized for this preliminary work, the House District Committee has no objection to and agrees to the division of the authorized funds between the 2 fiscal years, as the Senate amendment provides.

Mr. ROUSSELOT. Mr. Speaker, further reserving the right to object, can the gentleman assure us there is no additional money to be agreed to if we agree to this unanimous-consent request?

Mr. DELLUMS. Mr. Speaker, I would say to my distinguished colleague, the gentleman from California, that that is correct. The House passed the bill which authorized $22 million supplemental funds in fiscal year 1979. The Senate passed the identical version of the bill, but the Senate Budget Committee, in order to grant a waiver, asked that the $22 million be split into the 2 fiscal years, 1979 and 1980, $9 million in 1979 and $13 million in 1980. That is the only difference. Our committee is certainly prepared to agree to the Senate amendment.

Mr. McKINNEY. Mr. Speaker, will the gentleman yield?

Mr. ROUSSELOT. Mr. Speaker, further reserving the right to object, I yield to my colleague, the gentleman from Connecticut (Mr. McKINNEY).

Mr. McKINNEY. Mr. Speaker, I would like to just add to the assurance of my colleague, the gentleman from California, there is no change in the amount of money we are talking about, simply a change in the years of distribution. Our side of the committee has no problem with this at all.

Mr. ROUSSELOT. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

A motion to reconsider was laid on the table.

□ 1140

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. The Chair would like to advise Members there will be a mandatory vote within a matter of minutes.

PERMISSION TO EXCUSE FROM SERVICE AS CONFEREE AND APPOINTMENT OF NEW CONFEREE ON S. 429, DEPARTMENT OF DEFENSE SUPPLEMENTAL AUTHORIZATION ACT, 1979

Mr. PRICE. Mr. Speaker, I ask unanimous consent that the gentleman from California (Mr. BOB WILSON) be excused from service as a conferee on the Senate bill (S. 429) to authorize appropriations for fiscal year 1979, in addition to amounts previously authorized for procurement of aircraft, missiles, naval vessels, and other weapons, and for research, development, test, and evaluation for the Armed Forces, and for other purposes, and that the Speaker be authorized to appoint a Member to fill the vacancy.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

The SPEAKER. The Chair appoints the gentleman from New York (Mr. MITCHELL) to fill the existing vacancy on the committee of conference on Sente bill S. 429.

The Clerk will notify the Senate of the change in conferees.

MOTION OFFERED BY MR. PRICE

Mr. PRICE. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. PRICE moves that, pursuant to rule XXVIII 6(a) of the House rules, the conference committee meetings between the House and the Senate on S. 429, the fiscal year 1979 supplemental military authorization bill, be closed to the public at such times as classified national security information is under consideration, *Provided however*, That any sitting Member of Congress shall have the right to attend any closed or open meeting.

The SPEAKER. Under the rule, the vote is automatic and must be taken by electronic device.

Voting will be by electronic device.

The vote was taken by electronic device, and there were—yeas 397, nays 16, answered "present" 1, not voting 20, as follows:

[Roll No. 224]

YEAS—397

Abdnor
Addabbo
Akaka
Albosta
Alexander
Ambro
Anderson, Calif.
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Anthony
Applegate
Archer
Ashbrook
Ashley
Aspin
Atkinson
AuCoin
Badham
Bafalis
Bailey
Baldus

Barnard
Barnes
Bauman
Beard, R.I.
Beard, Tenn.
Bedell
Beilenson
Benjamin
Bennett
Bereuter
Bethune
Bevill
Bingham
Blanchard
Boggs
Boland
Bolling
Boner
Bonior
Bonker
Bouquard
Bowen
Brademas
Breaux
Brinkley
Brodhead
Brooks
Broomfield
Broyhill
Buchanan
Burgener
Burlison
Burton, Phillip
Butler
Byron
Campbell
Carney
Carr
Carter
Cavanaugh
Chappell
Cheney
Chisholm
Clausen
Cleveland
Clinger
Coelho
Coleman
Collins, Ill.
Collins, Tex.
Conable
Conte
Corcoran
Corman
Cotter
Coughlin
Courter
Crane, Daniel
Crane, Philip
D'Amours
Daniel, Dan
Daniel, R. W.
Danielson
Dannemeyer
Daschle
Davis, Mich.
Davis, S.C.
de la Garza
Deckard
Derwinski
Devine
Dickinson
Dicks
Diggs
Dingell
Dodd
Donnelly
Dornan
Dougherty
Downey
Drinan
Duncan, Oreg.
Duncan, Tenn.
Early
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
Edwards, Okla.
Emery
English
Erdahl
Erlenborn
Ertel
Evans, Del.
Evans, Ind.
Fary
Fazio
Fenwick
Ferraro
Findley
Fish
Fisher
Fithian

Flippo
Florio
Foley
Ford, Mich.
Ford, Tenn.
Fountain
Fowler
Frenzel
Frost
Fuqua
Garcia
Gaydos
Gephardt
Giaimo
Gibbons
Gingrich
Ginn
Glickman
Goldwater
Gonzalez
Goodling
Gore
Gradison
Gramm
Grassley
Gray
Green
Grisham
Guarini
Gudger
Guyer
Hagedorn
Hall, Ohio
Hall, Tex.
Hamilton
Hammerschmidt
Hance
Hanley
Hansen
Harkin
Harris
Harsha
Hawkins
Heckler
Hefner
Heftel
Hightower
Hillis
Hinson
Holland
Holt
Holtzman
Hopkins
Horton
Howard
Hubbard
Huckaby
Hughes
Hutto
Hyde
Ichord
Ireland
Jeffords
Jeffries
Jenkins
Jenrette
Johnson, Colo.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kazen
Kelly
Kildee
Kindness
Kogovsek
Kostmayer
Kramer
Lagomarsino
Latta
Leach, Iowa
Leach, La.
Leath, Tex.
Lederer
Lee
Leland
Lent
Levitas
Lewis
Livingston
Lloyd
Loeffler
Long, La.
Long, Md.
Lott
Lowry
Lujan
Luken
Lundine
Lungren
McClory
McCloskey
McCormack
McDade

McDonald
McEwen
McHugh
McKay
McKinney
Madigan
Maguire
Markey
Marks
Marlenee
Marriott
Martin
Mathis
Matsui
Mattox
Mavroules
Mazzoli
Mica
Michel
Mikulski
Mikva
Miller, Ohio
Mineta
Minish
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Montgomery
Moore
Moorhead, Calif.
Moorhead, Pa.
Mottl
Murphy, Ill.
Murphy, N.Y.
Murphy, Pa.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nedzi
Nelson
Nichols
Nowak
O'Brien
Oakar
Oberstar
Obey
Ottinger
Pashayan
Patten
Patterson
Paul
Pease
Pepper
Perkins
Petri
Peyser
Pickle
Preyer
Price
Pritchard
Pursell
Quillen
Railsback
Rangel
Ratchford
Regula
Reuss
Rhodes
Richmond
Rinaldo
Ritter
Roberts
Robinson
Rodino
Roe
Rose
Rosenthal
Rostenkowski
Roth
Rousselot
Roybal
Royer
Rudd
Runnels
Russo
Sabo
Santini
Satterfield
Sawyer
Scheuer
Schulze
Sebelius
Seiberling
Sensenbrenner
Shannon
Sharp
Shelby
Shumway
Shuster
Simon

Skelton
Slack
Smith, Iowa
Smith, Nebr.
Snowe
Snyder
Solarz
Solomon
Spellman
Spence
St Germain
Stack
Staggers
Stangeland
Stanton
Steed
Stenholm
Stewart
Stockman
Stratton
Studds
Stump

Swift
Symms
Synar
Tauke
Taylor
Thomas
Thompson
Traxler
Trible
Udall
Ullman
Vander Jagt
Vanik
Vento
Volkmer
Walker
Wampler
Watkins
Waxman
Weaver
White
Whitehurst

Whitley
Whittaker
Whitten
Williams, Mont.
Williams, Ohio
Wilson, C. H.
Wilson, Tex.
Winn
Wolff
Wolpe
Wright
Wyatt
Wydler
Wylie
Yates
Yatron
Young, Alaska
Young, Fla.
Young, Mo.
Zablocki
Zeferetti

NAYS—16

Brown, Calif.
Clay
Dellums
Fascell
Jacobs
Kastenmeier

Lehman
Miller, Calif.
Mitchell, Md.
Nolan
Panetta
Quayle

Stark
Stokes
Weiss
Wirth

ANSWERED "PRESENT"—1

Van Deerlin

NOT VOTING—20

Annunzio
Biaggi
Brown, Ohio
Burton, John
Conyers
Derrick
Dixon

Evans, Ga.
Flood
Forsythe
Gilman
Hollenbeck
Johnson, Calif.
Kemp

LaFalce
Rahall
Schroeder
Treen
Walgren
Wilson, Bob

□ 1150

So the motion was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

□ 1200

GENERAL LEAVE

Mr. PRICE. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the matter just considered.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

LEGISLATIVE APPROPRIATIONS, 1980

Mr. BENJAMIN. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 4390) making appropriations for the legislative branch for the fiscal year ending September 30, 1980, and for other purposes, and pending that motion, Mr. Speaker, I ask unanimous consent that general debate be limited not to exceed 1 hour, the time to be equally divided and controlled by the gentleman from Illinois (Mr. MICHEL) and myself.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Indiana?

There was no objection.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Indiana (Mr. BENJAMIN).

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 4390, with Mr. MURPHY of New York in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the unanimous-consent agreement, the gentleman from Indiana (Mr. BENJAMIN) will be recognized for 30 minutes, and the gentleman from Illinois (Mr. MICHEL) will be recognized for 30 minutes.

The Chair recognizes the gentleman from Indiana (Mr. BENJAMIN).

Mr. BENJAMIN. Mr. Chairman, I yield myself so much time as I may consume.

Mr. Chairman, this is my first year as chairman of the Legislative Subcommittee and it is a high privilege for me to serve in that capacity and to present the legislative branch appropriation bill for fiscal year 1980 to the House. Before we begin, I would like to express my thanks to the other members of the subcommittee for their help and support throughout the hearings and markup process. The members of the subcommittee include Mr. SLACK of West Virginia; Mr. SMITH of Iowa; Mr. GIAIMO of Connecticut; Mr. YATES of Illinois; Mr. MICHEL of Illinois, who has been very cooperative in his position of ranking minority member; Mr. CONTE of Massachusetts, the ranking minority member of the full Appropriations Committee; Mr. RUDD of Arizona; and of course, Mr. WHITTEN of Mississippi, who as chairman of the Committee on Appropriations, is an ex officio member of the subcommittee.

RECOMMENDATIONS FOR FISCAL YEAR 1980

Mr. Chairman, the bill we are considering today contains appropriations for fiscal year 1980 totaling $952,878,400, of which $562,886,400 is for congressional operations. These figures exclude appropriations for the operation of the Senate in accord with the long-term practice under which each body determines its own housekeeping requirements.

The budget requests considered by the committee total $1,034,974,600. The recommendation is $82,096,200 less than was requested. This is a reduction of 8 percent under the amounts presented in the President's budget. We have searched our records going back over 25 years and find, Mr. Chairman, this is the largest reduction in a legislative branch bill ever presented to this House.

The overall appropriations recommended are $30,190,600 above the current year level enacted to date. This is a 3-percent increase over last year's enactment—decidedly less than the amount necessary to keep pace with inflation. If the effect of the 5-percent cut in obligations and expenditures not required by law is factored—which resulted in a reduction of $22 million under the amount enacted—the increase over the current level is 5.6 percent.

It has been the general policy of the committee to provide the funds necessary for pay raises and other mandatory items and for some, but not all, of the increases necessary because of rising prices. Only essential increases for growing workload have been allowed. Percentagewise, of the $30 million increase over 1979, all of this increase is required for pay raises and related mandatory items. An increase of 8 percent to maintain the current level of services has been offset by a reduction of 8 percent in workload, the effects of legislation, and equipment, alterations and repairs.

At this point in the RECORD under permission which I will seek at the conclusion of consideration of the bill, I will insert a tabulation detailing the committee recommendations in comparative form:

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 1979 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR FISCAL YEAR 1980

[Excludes Senate items including those under Architect of the Capitol. All amounts are in the form of "appropriations" unless otherwise indicated.]

Agency and item (1)	New budget (obligational) authority fiscal year 1979 [1] (2)	Budget estimates of new (obligational) authority fiscal year 1980 [2] (3)	New budget (obligational) authority recommended in bill (4)	Bill compared with—	
				New budget (obligational) authority, fiscal year 1979 (5)	Budget estimates of new (obligational) authority, fiscal year 1980 (6)
TITLE I—CONGRESSIONAL OPERATIONS					
HOUSE OF REPRESENTATIVES					
Compensation and Mileage for the Members					
Compensation of Members	$27,699,300	$27,690,000	$27,690,000	−$9,300	
Mileage of Members	210,000	210,000	210,000		
Total, compensation and mileage for the Members	27,909,300	27,900,000	27,900,000	−9,300	
House Leadership Offices					
Office of the Speaker	545,300	566,100	566,000	+20,800	
Office of the Majority Floor Leader	384,100	396,500	396,500	+12,400	
Office of the Minority Floor Leader	479,100	491,500	491,500	+12,400	
Office of the Majority Whip	416,800	431,600	431,600	+14,800	
Office of the Minority Whip	321,800	336,600	336,600	+14,800	
Total, House leadership offices	2,147,100	2,222,300	2,222,300	+75,200	
Salaries, Officers and Employees					
Office of the Clerk	7,541,600	8,378,400	8,378,400	+836,800	
Office of the Sergeant at Arms	10,889,900	12,951,900	12,951,900	+2,062,000	
Office of the Doorkeeper	4,343,000	4,615,100	4,530,100	+187,100	−85,000
Office of the Postmaster	1,177,100	1,284,700	1,284,700	+107,600	
Office of the Chaplain	23,700	50,000	50,000	+26,300	
Office of the Parliamentarian	250,000	280,000	280,000	+30,000	
Compilation of precedents of the House of Representatives	295,000	200,000	200,000	−95,000	
Technical assistant, Office of the Attending Physician	30,700	32,400	32,400	+1,700	
House Democratic Steering Committee	308,323	323,000	323,000	+14,100	
House Democratic Caucus	83,600	85,600	85,600	+2,000	
House Republican Conference	542,500	566,900	566,900	+24,400	
Six minority employees	272,500	300,000	300,000	+27,500	
L.B.J. Interns and Former Speakers' staff	649,200	630,300	630,300	−18,900	
Total, salaries, officers and employees	26,407,700	29,698,300	29,613,300	+3,205,600	−85,000
Committee Employees					
Professional and clerical employees (standing committees)	24,605,000	24,705,000	24,705,000		
Committee on Appropriations (Studies and Investigations)					
Salaries and expenses	2,895,000	2,950,000	2,950,000	+55,000	
Committee on the Budget (Studies)					
Salaries and expenses	261,000	277,000	277,000	+16,000	
Office of the Law Revision Counsel					
Salaries and expenses	435,000	465,000	465,000	+30,000	
Office of the Legislative Counsel					
Salaries and expenses	1,879,000	1,987,000	1,987,000	+108,000	
Members' Clerk Hire					
Clerk hire	112,648,300	118,307,600	118,307,600	+5,659,300	
Contingent Expenses of the House					
Allowances and expenses					
Official expenses of Members	38,367,989	39,418,800	39,418,800	+1,050,811	
Supplies, materials, administrative costs, and Federal tort claims	2,578,511	3,483,600	3,483,600	+905,089	
Furniture and furnishings	1,085,000	2,079,000	2,079,000	+994,000	
Reporting hearings	1,501,000	1,650,000	1,650,000	+149,000	
Reemployed annuitants reimbursement	2,099,700	661,500	661,500	−1,438,200	
Government contributions	14,000,000	14,632,100	14,632,100	+632,100	
Miscellaneous items	334,800	451,700	451,700	+116,900	
Total, allowances and expenses	59,967,000	62,376,700	62,376,700	+2,409,700	
Special and Select Committees					
Salaries and expenses	46,762,000	55,551,200	42,100,000	−4,662,000	−13,451,200
Total, contingent expenses of the House	106,729,000	117,927,900	104,476,700	−2,252,300	−13,451,200
Total, House of Representatives	306,016,400	326,440,100	312,903,900	+6,887,500	−13,536,200
JOINT ITEMS					
Contingent Expenses of the Senate					
Joint Economic Committee	2,353,000	2,749,000	2,468,000	+115,000	−281,000
Joint Committee on Printing	656,000	864,000	719,000	+63,000	−145,000
Total, contingent expenses of the Senate	3,009,000	3,613,000	3,187,000	+178,000	−426,000

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 1979 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR FISCAL YEAR 1980—Continued

[Excludes Senate items including those under Architect of the Capitol. All amounts are in the form of "appropriations" unless otherwise indicated.]

Agency and item (1)	New budget (obligational) authority fiscal year 1979 [1] (2)	Budget estimates of new (obligational) authority fiscal year 1980 [2] (3)	New budget (obligational) authority recommended in bill (4)	Bill compared with—	
				New budget (obligational) authority, fiscal year 1979 (5)	Budget estimates of new (obligational) authority, fiscal year 1980 (6)
Joint Committee on Taxation					
Salaries and expenses	$2, 375, 200	$2, 607, 200	$2, 445, 000	+$79, 800	−$152, 200
Office of the Attending Physician					
Medical supplies, equipment, expenses, and allowances	465, 000	459, 000	459, 000	−6, 000	
Capitol Police					
General expenses	750, 100	809, 500	809, 500	+59, 400	
Capitol Police Board	1, 421, 000	1, 297, 000	1, 263, 000	−158, 000	−34, 000
Total, Capitol Police	2, 171, 100	2, 106, 500	2, 072, 500	−98, 600	−34, 000
Education of Pages					
Education of congressional pages and pages of the Supreme Court	205, 800	241, 800	220, 000	+14, 200	−21, 800
Official Mail Costs					
Expenses	64, 944, 000	70, 707, 000	70, 707, 000	+5, 763, 000	
Capitol Guide Service					
Salaries and expenses	544, 000	610, 000	610, 000	+66, 000	
Statements of Appropriations					
Preparation	13, 000	13, 000	13, 000		
Total, joint items	73, 727, 100	80, 357, 500	79, 723, 500	+5, 996, 400	−634, 000
OFFICE OF TECHNOLOGY ASSESSMENT					
Salaries and expenses	9, 700, 000	12, 500, 000	9, 385, 000	−315, 000	−3, 115, 000
CONGRESSIONAL BUDGET OFFICE					
Salaries and expenses	11, 368, 000	13, 568, 000	12, 117, 000	+749, 000	−1, 469, 000
ARCHITECT OF THE CAPITOL					
Office of the Architect of the Capitol					
Salaries	2, 382, 000	3, 055, 000	2, 836, 000	+454, 000	−219, 000
Contingent expenses	210, 000	120, 000	210, 000		
Total, office of the Architect of the Capitol	2, 592, 000	3, 265, 000	3, 046, 000	+454, 000	−219, 000
Capitol Buildings and Grounds					
Capitol buildings	6, 157, 000	8, 541, 000	7, 394, 000	+1, 237, 000	−1, 147, 000
Capitol grounds	2, 565, 000	4, 223, 000	4, 062, 000	+1, 497, 000	−161, 000
House office buildings	21, 065, 000	20, 391, 000	18, 484, 000	−2, 581, 000	−1, 907, 000
Capitol Power Plant (operation)	13, 635, 000	15, 133, 000	14, 181, 000	+546, 000	−952, 000
Total, Capitol buildings and grounds	43, 422, 000	48, 288, 000	44, 121, 000	+699, 000	−4, 167, 000
Total, Architect of the Capitol (except Library buildings and grounds)	46, 014, 000	51, 553, 000	47, 167, 000	+1, 153, 000	−4, 386, 000
LIBRARY OF CONGRESS					
Congressional Research Service					
Salaries and expenses	25, 553, 000	30, 335, 000	27, 090, 000	+1, 537, 000	−3, 245, 000
GOVERNMENT PRINTING OFFICE					
Congressional printing and binding	73, 961, 000	76, 212, 000	74, 500, 000	+539, 000	−1, 712, 00
Total, title I—Congressional operations	546, 339, 500	590, 983, 600	562, 886, 400	+16, 546, 900	−28, 097, 200
TITLE II—OTHER AGENCIES					
BOTANIC GARDEN					
Salaries and expenses	1, 392, 000	1, 473, 000	1, 464, 000	+72, 000	−9, 000
LIBRARY OF CONGRESS					
Salaries and expenses	92, 249, 000	108, 293, 000	102, 380, 000	+10, 131, 000	−5, 913, 000
Copyright Office, salaries and expenses	8, 560, 500	10, 542, 000	9, 251, 000	+690, 500	−1, 291, 000
Books for the blind and physically handicapped, salaries and expenses	36, 729, 700	36, 948, 000	34, 337, 000	−2, 392, 700	−2, 611, 000
Collection and distribution of library materials (special foreign currency program):					
Payments in Treasury-owned foreign currencies	3, 603, 500	3, 495, 500	3, 187, 100	−416, 400	−308, 400
U.S. dollars	256, 600	406, 500	375, 900	+119, 300	−30, 600
Total, collection and distribution of library materials	3, 860, 100	3, 902, 000	3, 563, 000	−297, 100	−339, 000
Furniture and furnishings	7, 694, 000	2, 880, 000	870, 000	−6, 824, 000	−2, 010, 000
Total, Library of Congress (except Congressional Research Service)	149, 093, 300	162, 565, 000	150, 401, 000	+1, 307, 700	−12, 164, 000
ARCHITECT OF THE CAPITOL					
Library Buildings and Grounds					
Structural and mechanical care	2, 766, 000	8, 785, 000	4, 410, 000	+1, 634, 000	−4, 375, 000
COPYRIGHT ROYALTY TRIBUNAL					
Salaries and expenses	805, 000	631, 000	471, 000	−334, 000	−160, 000
GOVERNMENT PRINTING OFFICE					
Printing and binding	11, 476, 000	19, 541, 000	13, 646, 000	+2, 170, 000	−5, 895, 000
Office of Superintendent of Documents, salaries and expenses	23, 200, 000	23, 037, 000	23, 000, 000	−200, 000	−37, 000
Total, Government Printing Office (except Congressional printing and binding and acquisition of site and general plans and designs of building)	34, 676, 000	42, 578, 000	36, 646, 000	+1, 970, 000	−5, 932, 000

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 1979 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR FISCAL YEAR 1980—Continued

[Excludes Senate items including those under Architect of the Capitol. All amounts are in the form of "appropriations" unless otherwise indicated.]

Agency and item	New budget (obligational) authority fiscal year 1979 [1]	Budget estimates of new (obligational) authority fiscal year 1980 [2]	New budget (obligational) authority recommended in bill	Bill compared with—	
				New budget (obligational) authority, fiscal year 1979	Budget estimates of new (obligational) authority, fiscal year 1980
(1)	(2)	(3)	(4)	(5)	(6)
GENERAL ACCOUNTING OFFICE					
Salaries and expenses	$185,756,000	$206,763,000	$195,300,000	+$9,544,000	−$11,463,000
COST-ACCOUNTING STANDARDS BOARD					
Salaries and expenses	1,850,000	1,800,000	1,300,000	−550,000	−500,000
Total, title II—other agencies	376,348,300	424,595,000	389,992,000	+13,643,700	−34,603,000
TITLE III—CAPITOL IMPROVEMENTS					
GOVERNMENT PRINTING OFFICE					
Acquisition of site and general plans and designs of building		19,396,000			−19,396,000
Grand total, titles I, II, and III: New budget (obligational) authority	922,687,800	1,034,974,600	952,878,400	+30,190,600	−81,096,200
RECAPITULATION					
Title I—Congressional operations	546,339,500	590,983,600	562,886,400	+16,546,900	−28,097,200
Title II—Other agencies	376,348,300	424,595,000	389,992,000	+13,643,700	−34,603,000
Title III—Capital improvements		19,396,000			−19,396,000

[1] Does not reflect effect of sec. 311 of the Legislative Branch Appropriation Act, 1979 (Public Law 95-391) which requires that 5 percent of total budget authority not required by law shall be withheld from obligation and expenditure.

[2] Includes the following budget amendments for fiscal year 1980:

H. Doc. 96-58: Joint items: Joint Committee on Printing	$120,000
H. Doc. 96-97: Salaries, officers and employees: Office of the Chaplain	25,000
Total, budget amendments	145,000

REVENUE ACTIVITIES

There are a number of revenue activities within the legislative branch which will return $66.5 million before expenses to the Federal Government during fiscal year 1980. Included in this estimate is $2 million to the Capitol Power Plant in reimbursements for heating and air conditioning, $10.8 million from copyright fees and the sale of catalog cards and publications by the Library of Congress, and $53.7 million from the sale of Government documents through the Office of the Superintendent of Documents. Savings attributable to General Accounting Office activities total approximately $2.5 billion, which also have an offsetting effect on total Federal finances.

MAJOR ITEMS IN BILL

TITLE I—CONGRESSIONAL OPERATIONS

The bill provides a total of $562,886,400 for fiscal year 1980 for seven major areas of activity in direct support to the Congress. These include the House, joint items, the Office of Technology Assessment, the Congressional Budget Office, the Architect of the Capitol (except Senate and Library buildings and grounds), the Congressional Research Service, and congressional printing and binding.

HOUSE OF REPRESENTATIVES

The allowance of $312,903,900 for the House for 1980 is an increase of $6,887,500 above 1979 appropriations enacted to date and includes $3.2 million for increased expenses for various housekeeping items, $5.7 million for Members' clerk hire exclusively for pay raises and $2.4 million based on current usage rates in several allowances and expenses categories. These increases over 1979 are offset by a $4.7 million reduction in resources for special and select committees based on actions already taken and approved by the House.

RECOMMENDED REDUCTIONS

The total recommendation for congressional operations is $28,097,200 less than was requested. Included in this decrease is a reduction of $13.4 million in funding requested for the special and select committees—as I have already mentioned; a reduction of $634,000 in various joint items; a reduction of $3,115,000 in the request of the Office of Technology Assessment; $1,469,000 less than requested by the Congressional Budget Office; the deferral of certain projects and other downward adjustments totaling $4,386,000 in the budget of the Architect; a reduction of $3,245,000 for the operation of the Congressional Research Service; and a reduction of $1,712,000 in congressional printing and binding.

TITLE II—OTHER AGENCIES

A total of $389,992,000 is recommended for the seven agencies carried in this title of the bill. This allowance is an increase of $13,643,700 over the current level of funding and $34,603,000 less than requested.

The agencies that are included in this title of the bill and the amounts recommended are as follows: First, Botanic Garden, $1,464,000; second, Library of Congress—except the Congressional Research Service—$150,401,000; third, Library buildings and grounds, $4,410,0000; fourth, Copyright Royalty Tribunal, $471,000; fifth, Government Printing Office—except congressional printing and binding—$36,646,000; sixth, General Accounting Office, $195,300,000; and seventh, Cost-Accounting Standards Board, $1,300,000.

Mr. Chairman, I will not attempt to discuss all of the recommendations made by the committee for the various agencies funded in this title of the bill, but I would like to mention a few. Our general policy has been to provide only the resources necessary to maintain activities at the current level and to fund essential increases. Only 139 of the 438 additional staffing requested by the Library of Congress to expand activities have been allowed and 127 of the 139 are necessary at the new James Madison Memorial Building which is scheduled to open in the fall. The General Accounting Office has been allowed 100 net additional positions of the 250 requested primarily to close gaps in their workload and to comply with their legislatively mandated activities.

CAPITAL IMPROVEMENTS

Due to lack of authorization, the committee has denied the funds for site acquisition and design of a proposed new Government Printing Office building.

TITLE III—GENERAL PROVISIONS

There is a general provision in the bill which provides that, during fiscal year 1980, individuals in the legislative, executive, or judicial branch, or the District of Columbia government, may not receive more than a 7-percent pay raise over their rate of pay on September 30, 1978, if their salary is set at a rate which is equal to or greater than level V of the Executive schedule—currently frozen at $47,500 per annum—or to a percentage of such rate. Thus, these individuals will be entitled to the cost-of-living raise they were denied last year plus a portion of what may be proposed by the President this year.

CONCLUSION

Mr. Chairman, these are the highlights of the bill. The committee report explains our actions in much more detail, and is available to all the Members of the House.

The committee has little discretion as far as the amounts for the House and the joint items of the Congress are concerned. Salaries, allowances, and expenses of the Members, special and select committee funding, and other items have been approved by the House and are already in effect through the adoption of House resolutions from the Committee on House Administration. Where the committee has discretion, it has been exercised.

As I noted earlier in my remarks, the committee is recommending an overall reduction totaling $82,096,200, and only 31 percent of the new positions requested in those areas where we have control have been allowed.

Mr. Chairman, this is a good bill. I recommend that it be approved.

□ 1210

Mr. SOLOMON. Mr. Chairman, will the gentleman from Indiana yield, please?

Mr. BENJAMIN. I will yield to the gentleman from New York.

Mr. SOLOMON. Mr. Chairman, during the early days of the session this House approved a series of budget bills for the various committees for their operations.

At that time there were increases that ranged well above the 7-percent guidelines. During the budget resolution debate I offered an amendment which would have deleted $2.4 million of those increases to bring them all down to a 7-percent guideline as proposed by the President. That amendment was adopted.

In looking through the committee report and the bill itself I cannot determine whether or not that cut of $2.4 million to bring all of those committee operation budgets down to an increase of no more than 7 percent is in here. Can the gentleman enlighten me on that?

Mr. BENJAMIN. I assure the gentleman it is in there. In fact, the decrease in the special and select committee budget the gentleman refers to is a decrease of approximately $13 million, considerably more than the $2.4 million the gentleman refers to.

Mr. SOLOMON. Mr. Chairman, if the gentleman will yield further, my question is whether or not the $2.4 million cut is in this budget bill for committee operations for staff. Those increases were for staff. I want to know if my amendment in the budget resolution is incorporated in the bill.

Mr. BENJAMIN. The amendment on the budget resolution actually modified the amount allowed for the general Government function. We concurred with that without any qualification. It is the Committee on House Administration's responsibility to report the committee funding resolutions. These resolutions to determine the amount that is allowed for each one of the committees for their investigative funds during the calendar year.

We took the requests for fiscal year 1980 appropriations for these committees and reduced the amount requested by over $13 million, so we reduced the budget by more than the amount the gentleman talks about.

The figure recommended in the bill, $42,100,000, is less than 1.8 percent over that which was approved for all House accounts in 1979. It is well within the range of the President's guidelines and well under the good amendment that the gentleman offered to the budget resolution.

Mr. SOLOMON. If the gentleman will yield further, Mr. Chairman, I would like to commend the gentleman for making those cuts. I would like to have the gentleman tell this body that none of the committees will be operating at an increase of more than 7 percent during fiscal year 1980. Is that what the gentleman tells me?

Mr. BENJAMIN. I think I can tell the gentleman that is the case. We work on the overall account which is special and select committees, not the individual committee funding allowances, and, as I said, we made significant cuts in that account.

Mr. SOLOMON. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, if the gentleman will yield on one other point.

Mr. BENJAMIN. I do yield to the gentleman from New York.

Mr. SOLOMON. Mr. Chairman, concerning the language on line 30 which will come up in the form of amendments later on concerning a pay raise for Congress and level 5 employees, are there funds in this budget bill for an increase and if so what is that dollar amount of increase?

Mr. BENJAMIN. Sir, there are no funds in this bill for the pay limitation which is in section 305 of the bill. Generally speaking, if section 305 is approved in some form, whether it be 7 percent or 5½ percent, the funds necessary would be provided in a supplemental appropriations bill. That would probably occur sometime in 1980 but there is no provision in this bill for any such funds.

Mr. SOLOMON. Mr. Chairman, if this provision were to hold up with an increase of some kind, would that increase be effective October 1?

Mr. BENJAMIN. Yes, sir.

Mr. SOLOMON. And, therefore, we would have to act on some kind of supplemental legislation to appropriate those moneys prior to October 1, 1979?

Mr. BENJAMIN. No, sir, we would act sometime subsequent to October 1. There would be a drawdown at a more rapid pace than budgeted for in this bill which would then require supplemental funding. Consequently, sometime in 1980, you would have a pay supplemental to vote on.

Mr. SOLOMON. I thank the gentleman for yielding.

Mr. COUGHLIN. Mr. Chairman, will the gentleman yield?

Mr. BENJAMIN. I yield to the gentleman from Pennsylvania.

Mr. COUGHLIN. Mr. Chairman, as a former member of the Legislative Branch Appropriations Subcommittee and former ranking minority of that subcommittee, I want to congratulate the chairman on his maiden voyage as chairman of the subcommittee and congratulate the distinguished minority member, the gentleman from Illinois (Mr. MICHEL).

The gentleman brings forward basically a very good bill. I know the distinguished chairman has been concerned as I have over the years about the growth in the legislative branch appropriation and I think this year's bill has probably shown more care and more restraint and more concern for that growth in the legislative branch appropriation than any bill I have seen brought before this House in recent years. I think that is an important accomplishment on the part of the chairman and one which I welcome.

I will have at the appropriate time an amendment which would reduce the amount of Members' tax paid allowances, by the amount it was increased during the last Congress and not during the distinguished chairman's tenure as chairman, I just wanted to call attention to that.

Basically, as I say, I believe this is a good bill. With one slight modification I think it would be an excellent bill. I thank the distinguished chairman for yielding.

Mr. BENJAMIN. I thank the gentleman for his kind remarks. I look forward to the gentlemans' amendments.

Mr. MYERS of Indiana. Mr. Chairman, would my colleague from Indiana yield?

Mr. BENJAMIN. I yield to the distinguished gentleman from the Seventh District of Indiana.

Mr. MYERS of Indiana. I ask the gentleman this question: Has the gentleman provided enough money to build a new kitchen for the House? Your kitchen is on fire. They have emptied the dining room. I do not know how extensive is the damage but I hope the gentleman has enough money to rebuild the kitchen. Someone asks for a well-done steak and I think they overdid it.

Mr. BENJAMIN. Mr. Chairman, I thank the gentleman for bringing us that emergency message.

Mr. MYERS of Indiana. Perhaps they misunderstood the vote awhile ago thinking that the striking was going to strike their wages too. There is an old saying in politics, "If you can't stand the heat, get out of the kitchen." They have just evacuated the House kitchen.

Mr. MICHEL. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, the total in this bill, excluding the Senate items, is $952 million. This exceeds the 1979 level by $30 million, but represents a reduction of $82 million below the budget.

To show you what kind of a job we did, last year the bill reported out of committee cut the budget by just $25 million, so we have more than tripled that reduction. Last year, the increase over the previous year was 11 percent; this year the increase is only 3 percent.

If you go down the summary of agencies in the bill, you will find that every one was reduced below the budget. Furthermore, we have made no increases over the budget in any of the subitems within these agencies.

In apportioning these reductions, we have probably treated the House account better than the others. With the exception of the special and select committees, we have provided for the budget request in virtually every instance. For the special and select committees, the level in the bill is $13.5 million under the budget, but is also based on the level provided in the committee funding resolutions passed by the House earlier this year.

Furthermore, it should be noted that while there are not many reductions below the budget in the House account, neither is there a significant increase over last year. The increase over last year is only 2.3 percent, which is below the increases for several of the other agencies and also below the overall increase in the bill of 3 percent.

☐ 1220

I should mention quite frankly that the Appropriations Committee faces considerable jurisdictional difficulty in trying to deal with the House account. There appears to be a rather strong feeling on the part of some Members at least that the Appropriations Committee should do no more than simply ratify decisions already made by the House Administration Committee or by housekeeping resolutions on the floor. If that is the prevailing attitude in this body, then any changes in the House account will have to take place when the individual committee budgets are put together or when the various resolutions are on the floor.

Though this bill treats most of the House items as in effect entitlements, we have sought to get at some of the excesses to the best extent possible.

For instance, we have cut the number of House elevator operators by 11, from 47 to 36. I felt we should have gone further, but this at least represents some headway. I wonder how many of you are aware that the elevator operators make $9,536 a year, for only 6 hours of work a day. This compares to wage levels of between $7,200 and $8,200 for regular 8 hours a day shifts in the private sector in the District of Columbia.

They are assigned in shifts running from 8 a.m. to 10 p.m. in the Capitol and from 7:30 a.m. to 7:30 p.m. in the House office buildings. The House is not in session during most of this time. If we were to assign operators to the "11 Members Only" elevators just during the time we are in session, which is the only time we really need them, we could get by with about 14 operators, rather than the 47 we currently have.

We have included report language designed to prevent the personal use of chauffeur-driven Government vehicles by congressional employees. At present, the Sergeant at Arms, the Architect of the Capitol, and the Comptroller General use such vehicles to go to and from home. That and any other personal use would be prohibited.

I would like to engage, if I might at this moment, in an exchange with the chairman of our subcommittee, because there is a special consideration here, I think, for the Sergeant at Arms, who is the authority of the House for getting and retrieving recalcitrant Members if they should be off the Hill, or for taking care of various types of security situations, or for handling emergencies when a Member dies.

In handling these responsibilities, the Sergeant at Arms apparently needs an automobile equipped with a two-way radio in order to be in constant touch with the police.

We do not intend, do we, Mr. Chairman, to foreclose the Sergeant at Arms from using that specially equipped vehicle for personal use if he pays the full cost?

Mr. Chairman, I yield to the gentleman from Indiana (Mr. BENJAMIN).

Mr. BENJAMIN. Mr. Chairman, I would agree with the gentleman. As the officer in charge of the House security and vice chairman of the Capitol Police Force, the Sergeant at Arms needs to be in constant contact with the Capitol police. He needs to have a two-way radio in his car to maintain that communication and that cannot be placed in a privately owned automobile.

Mr. Harding, the Sergeant at Arms, currently reimburses the Government for all maintenance and operational costs of the official car he is supplied. He has offered to reimburse the Government for the full cost of the annual lease, which is $1,900.

I would have no objection to that arrangement, as long as it is clearly understood that the Government would not be liable for any damage for the private use of that automobile.

Mr. MICHEL. I thank the chairman. I think it is appropriate that we have this exchange here for legislative purposes.

Excluding the police, there are currently 63 vehicles and 51 drivers assigned to the various agencies covered by this bill. In most cases, the drivers have other duties as well, and 43 of the vehicles are assigned to the Library of Congress, but I do think we need to look more closely at this general area to see if we cannot get by with fewer overall vehicles and drivers.

In both this bill and the supplemental, we have sought to reduce the excessive use of overtime by the Capitol Police. Most of you may not be aware that over $1.6 million in overtime payments were made to the police during the farmers protest. The entire 1,100-member police force was placed on duty 12 hours a day, 7 days a week during that period, a clear case of overreaction.

In the number of instances, the use of overtime is also apparently being used solely as a means to supplement salaries. That practice is wrong, and we have included report language requiring that it be stopped. The language also suggests that the Capitol Police Board do a better job of monitoring the overall situation to prevent some of these excesses.

The report also contains language designed to more rapidly phase out the detailing of D.C. Police to the Capitol Police, to end training funds for these detailed D.C. Police, and to prohibit further promotions of these D.C. Police unless they take part in the U.S. Capitol Police promotion evaluation program.

We have included in the bill some language which will allow the Architect of the Capitol to shift personnel from one assigned location to another, as the workload demands. This need arises because currently we have separate maintenance and mechanical personnel assigned to five different locations, without any shift between locations being permitted. As an example, elevator mechanics assigned to the House Office Buildings can only serve those buildings, and cannot be assigned to the Capitol, or the Senate Office Buildings, or the Library of Congress, or the Supreme Court.

This results in a terribly inefficient operation which both inhibits service and results in the employment of an excessive number of personnel. Hopefully this change will ultimately enable us to reduce the personnel level through consolidation and at the same time improve the service.

Another effort we have made to try and promote a more streamlined operation is in the area of research. At present, we have four different offices, the General Accounting Office, the Congressional Research Service, the Office of Technology Assessment, and the Congressional Budget Office, which undertake research and studies for Members and committees. The requests are increasing, and in many cases they are duplicative in nature. A research notification system has been established to improve coordination among these Offices, but it has not been operating all that effectively. We have, therefore, included report language calling for improved procedures and stating that coordination should take place before any study is undertaken. We do not need three or four studies on the same subject matter done by three or four different offices.

I might also point out that we have reduced the budget requests for these four offices engaging in research, by an aggregate amount of $19 million. Most will still receive increases over the current level, but the problem is that Members and committees are assigning too much of their workload to these offices.

For example, the Congressional Research Service has received a 200-percent increase in requests for in-depth analyses since 1973, and a 160-percent increase in requests for information. This has taken place despite a substantial increase in committee and Members' staffs, increases which theoretically were provided to handle some of this work.

By holding down the levels of increase for GAO, CRS, CBO, and OTA, what we are in effect saying is that Members' staffs and committee staffs ought to be thinking twice about just automatically shoveling off work onto these other agencies. In other words, while we have not cut funding for Members' or committee staffs, we are suggesting that they do a little more of their own work so that we can reduce funding increases in these other areas. The more people we seem to hire, the more the work we end up generating for others. It is a never-ending cycle that needs to be brought to a halt.

The bill contains an overall 16-percent cut in travel in those areas where travel is set out as a separate line item in the justifications. This does not apply to Members or regular House committees, where decisions about travel were ostensibly made in earlier deliberations.

On the first day the House convened this year, a resolution was adopted by voice vote without debate providing a salary of $50,000 for the House Chaplain. That amount is included in this bill.

Regarding construction and renovation, we have included $2.6 million, rather than the $3.6 million requested, to complete the renovation of Annex No. 2—the old FBI Building. The allocation will raise the total to $25.5 million for the project, which in the view of the committee is enough.

We have included funds for roofing improvements in the Longworth Building, but denied funds for interior electrical and ceiling work in that building. A $1.8 million is provided for improving the sidewalks on the west side of the Capitol, but with the contingency that some less elaborate, less costly plans be submitted for the work.

The bill does not include $4.5 million requested for renovation in the old Library of Congress buildings. We denied the funds because there is no overall comprehensive plan as yet, nor any firm total cost estimates.

Incidently, regarding the Library, the new James Madison Building will be ready for partial occupancy later this year.

We have denied the $19 million requested to start the design of a new Government Printing Office Building. The project is not yet authorized. The total estimated cost of the building is a substantial $188 million, so I think the proposal ought to be reviewed a little more closely before we move ahead.

In concluding, I think I should point out that the 5 percent across-the-board reduction we adopted as part of this bill last year is not being applied to the House accounts by the Clerk of the House. He told us during the hearings that he hoped the reduction would be achieved by voluntary fiscal restraint resulting in a spending level at least 5 percent below the total appropriated.

That is not happening, however, and I point that out in the event anybody may be contemplating a similar amendment this year. Any such amendment with no teeth in it represents little more than political posturizing, and I think that with the many specific cuts we made in the bill this year, there is actually very little justification for an across-the-board reduction.

☐ 1230

Mr. BENJAMIN. Mr. Chairman, I have no further requests for time.

Mr. MICHEL. Mr. Chairman, I yield such time as he may require to the distinguished gentleman from Massachusetts, Mr. Conte, a member of the subcommittee and the ranking minority member of our Committee on Appropriations.

Mr. CONTE. Mr. Chairman, first I want to compliment and congratulate our very able chairman of the Subcommittee on the Legislative Branch. Also I wish to point out that the three minority members of the subcommittee are serving their first tour of duty in looking over these items, and the subcommittee chairman has been fair, he has been helpful, and he has been most informative.

It would be my guess that if the agencies of the executive branch had to present their budget requests to the subcommittee chairman, the gentleman from Indiana (Mr. Benjamin), we could balance the budget immediately and maybe have a surplus. He runs a very tight ship and a good ship. I am really proud to say that the gentleman is my friend.

I also want to congratulate the ranking minority member of the subcommittee. It was my good fortune to designate him as ranking minority member of the Subcommittee on the Legislative Branch of the Committee on Appropriations. The gentleman carries a heavy load, being also ranking minority member of the Subcommittee on Labor-HEW. I believe this is maybe one of the first times that any member has served as ranking member on two subcommittees. The gentleman from Illinois (Mr. Michel) has the fortitude and he has the energy to do it. He has done a good job.

As our chairman appropriately pointed out last year, the legislative branch of Government is the most important but the least expensive branch of our Federal Government. But we have all witnessed the growth in the legislative branch in recent years, and we are aware that we must exercise restraint if we are to control that growth in the future. This bill is a step in the right direction.

The overall increase we recommend in the bill over fiscal 1979 is 3 percent, far below the inflation rate. Discretionary travel funding has been reduced by more than 16 percent. The number of elevator operators has been cut, as well as the number of barbers.

There are no funds in this bill for the Hart Senate Office Building, although we may have to fight that battle later on. Funding for the restoration of the Main Library of Congress Building and the Jefferson Library has been deferred until the committee receives an overall plan for such work. Employees' private use of vehicles and chauffeurs is restricted by the report in this bill.

Mr. Chairman, I will not repeat a line-by-line description of the bill, since the subcommittee chairman has covered that. However, there are a couple of other items that deserve our attention.

There are nearly 1,200 Capitol Hill Police. This is more than two policemen for every Member of the House and the Senate. That is too many. That is overkill. They are walking over each other.

As I proposed in committee, we ought to have a special insurance fund for the policemen, a workmen's compensation fund in case they trip over each other and get hurt. They should have health insurance to take care of such an injury.

When was the last time we saw a single policeman at a post?

I intend to work with the chairman, the ranking minority member, and the other members of this subcommittee to bring this thing under control. We all agree the Capitol requires adequate security, but we do not need an armed camp.

The other item is the Capitol Page School. That is another concern of mine. This school is presently operated under a contract with the District of Columbia public school system. The Page School is a unique institution. The student body attends for various lengths of time and at various hours based upon their duties here in the Capitol and at the Supreme Court. The school has very little in common with the D.C. public schools.

As noted in our report, in which I inserted language, it is time for the Oversight Committee to consider transferring this school to a private contract so that specialized attention can be given to the education needs of our pages.

Mr. Chairman, I hope to enlist the support of the gentleman from Maryland (Mr. Bauman) in that regard.

Mr. BAUMAN. Mr. Chairman, will the gentleman yield?

Mr. CONTE. I yield to the gentleman from Maryland.

Mr. BAUMAN. Mr. Chairman, I am also concerned with the future of the page school. The pages have had some unhappy publicity lately in the Washington Post, and I do think we ought to look very seriously at the educational standards at the school. I understand the GAO did a study and made certain recommendations, and I think for the good of our young people who work on the Hill we ought to seriously consider some changes in their education.

Mr. Chairman, if the gentleman will yield further, every year the gentleman from Massachusetts (Mr. Conte) and I go through this debate. I just heard the gentleman's remarks about the Capitol Police. I am sure there might be perhaps an individual problem with one officer here or there, but I am sure the gentleman did not mean to condemn wholesale all the Metropolitan and Capitol Police who do such an excellent job servicing the millions of tourists, as well as the prima donnas who serve in the House and the other body.

Mr. Chairman, I am sure the gentleman did not mean that. Perhaps I misconstrued what he said.

Mr. CONTE. No, I am not talking about the D.C. police. I just feel we have too many Capitol policemen.

This was all brought about during the Vietnam war when we had a lot of riots and a lot of demonstrations around here as the gentleman will recall, and then we came in with a tremendous influx of policemen.

I think now it is time to draw back, look at this situation, and cut down on it. There are too many. I am afraid they are going to get hurt stumbling over each other. They do a good job, however.

Mr. BAUMAN. Mr. Chairman, I wish the gentleman could see the valiant efforts by the D.C. firemen, the Metropolitan Police, and the Capitol Police right now downstairs, as the Capitol is burning. They are trying to keep the gentleman safe so he can speak about the police. I wish the gentleman could see that good work.

Mr. CONTE. Mr. Chairman, I hope the firemen are down there protecting this building and not the policemen.

But in any case, I sincerely feel—and I know the gentleman is going to join me in bringing this thing back in line—that there are just too many of them. If we want to give them a course in foreign languages and help them interpret when some of the foreigners come here on the Hill, maybe we can give them another job. But as far as protection is concerned, I think we have too many now.

□ 1240

I want to compliment the gentleman from the Eastern Shore, one of my favorite places, for this colloquy in regard to the page school. I am really concerned about it. I hope I can enlist his support, and a few others, and see if we can do something. We have a lot of good prep schools, we have a lot of good colleges. I think we ought to be able to contract out to some private school to take on the page school and give these young people the finest education we can give them.

The report also proposes that urgent consideration be given to provide additional restaurant facilities for the many constituents and groups who visit the Capital in ever-increasing numbers. The need for this is obvious if one just walks around these halls.

Mr. Chairman, I urge the Members to support this bill as reported. The committee has worked hard and long to bring out a tight bill and a carefully considered bill. Those items on which the committee has a degree of discretion have been reduced. I believe the committee can vote for this bill in good conscience. Believe me, I was the author last year of a 5-percent across-the-board cut that passed on a legislative bill. I do not think it is needed this year becasue the gentleman from Indiana (Mr. BENJAMIN) and the gentleman from Illinois (Mr. MICHEL), and the rest of the Members, have done a good job in reporting a responsible and tight bill.

Mr. MICHEL. Mr. Chairman, I yield such time as he may consume to the gentleman from California (Mr. LUNGREN).

Mr. LUNGREN. Mr. Chairman, at the outset I would like to congratulate those who have brought this document to us. In terms of comparison with many other work products that are brought to us on the floor, I think it is far better. But I think there are some things we ought to take a look at. There is one thing in particular which troubles me a great deal and for which I probably will not be able to support this particular piece of legislation. A second ago there was some comment about the excess number of Capitol Police officers we have here, and I think there is some evidence we have too many. But that is really just the tip of the iceberg in this institution. Having been here for 6 months and having had the opportunity to look at the committee system, I am compelled to make an observation. I do not think there is a Member of Congress who can stand up here and say that we need even one-half the number of staff personnel we have attached to committees at the present time. We have had a tremendous growth in that in the last decade. Although I have heard some more encouraging words about how this committee that brought out this particular bill is going to look very, very closely in the future at increases in committee staff, I wonder when we are going to start looking at the already existing members of the staff. If the Members think police officers are tripping over themselves in this Capitol, go to a committee meeting some time. It is awfully hard to find a Member because there are so many committee staff people standing around. It seems to me that if we were able to actually say that we should be doing some of our own things and that perhaps we should get back into the idea of legislating ourselves instead of having staff people doing a great deal of legislating—as we have here now—we might finally be faced with the question of whether we need to reform this entire place with respect to the present number of committee and subcommittee assignments. We know that such multiple assignments oftentimes interfere with work here on the floor of the House. I have heard time and time again that we have to make adjustments in the schedule here on the floor because one committee or another subcommittee is meeting. We have various assignments on various subcommittees, and the only reason we are even allowed to have a semblance of order on our committee or subcommittees is because we have a tremendous number of staff people who often do act as surrogate members of Congress. I have been surprised to see the times the staff people present to a chairman of a particular committee or subcommittee a proxy for their particular Members, and sometimes I get the feeling that the staff people are the elected Members of Congress and not the elected Members of Congress themselves. We allow ourselves to have excuse after excuse as to why we need to have proxy voting, why we absolutely have to have proxy voting, that is, because we have these many meetings to go to. But the fact of the matter is that we have created a system by the tremendous number of staff people that we have, and we can have all of these meetings, we can split ourselves four ways on a particular day. Yet we cannot give the attention that is absolutely necessary to the legislative process.

Mr. CONTE. Mr. Chairman, will the gentleman yield?

Mr. LUNGREN. I yield to the gentleman from Massachusetts.

Mr. CONTE. I thank the gentleman for yielding. Because I directed myself to the elevator operators and to the policemen, I do not want the gentleman to think I exclude other places to cut. I agree with the gentleman. I want the gentleman to know that, so far as this Member is concerned, for the 21 years I have been in Congress, nearly every month—not every month, but nearly every month—I have returned money back to the Treasury from my office staff, and the gentleman can do likewise.

Mr. LUNGREN. That is right. And we are doing that. But I think if you look at it, the problem is not with the office staff, because we have a tremendous amount of correspondence with constituents in our districts which needs to be answered, but the tremendous growth we have seen is in committee staffs. The gentleman from Illinois pointed out some time ago in his remarks that we are finding out that the Library of Congress is being inundated year after year and month by month with more and more requests for more investigations, more study. And a lot of this increase is coming from committee staffs. If we create more committee staffs, we create more incentive to create paperwork, to send it over to the Library of Congress to answer questions, and then the Library of Congress comes back and says, "We need more people to answer all of these requests." And then they put out more work, and then the people on the committee staffs send them more requests for more information, and we have this tremendous cycle. We are not going to be able to stop that until we address that situation during considerations of the legislative branch appropriations. And unless we are willing to make a tremendous cut in the number of people on committee staffs we are not going to stop it. When I argued on the floor on the funding resolutions and on the budget, I was told by many Members, "You have to wait until you get to the appropriation process, because we know the funding resolutions are only setting overall caps, and when we get to the appropriations, then we will have the fights on cutting down those committees." Well, I am here, and where is the fight? I am here, and where are all of the amendments? Where are the Members who told me, when I stood here on the floor of the House of Representatives arguing that we ought to vote then and there, that, "No, we ought to face that at the time we have the actual appropriation bill"? Well, here we are, and where are they? Where is everybody?

Mr. SOLOMON. Mr. Chairman, will the gentleman yield?

Mr. LUNGREN. I yield to the gentleman from New York.

Mr. SOLOMON. Mr. Chairman, I just want to inform the gentleman that there are some amendments coming which I am sure he will be very pleased with. I want to commend the gentleman and associate myself with his remarks. I think, to bring this out, perhaps the gentleman might want to give us a dissertation on the little colloquy we were having here in private about one committee that went to China and a statement made by a staff and some of the attitudes that go on around this place.

Mr. LUNGREN. Mr. Chairman, I was informed that the entire professional staff of the Committee on Education and Labor made a trip to China. Some in this House may feel that we can learn something about an educational system or labor relations from the Communist Chinese. I doubt that, and I wonder whether that is the type of priority we should have. A member of my staff asked one of the top professional staffers on that particular committee, "What are you doing going there?" This person said, "I am going, and what are you going to do about it? Tell the press?"

Mr. SOLOMON. Is not that terrible?

Mr. LUNGREN. I had a person the other day ask me, "Do you as a freshman find some difficulty operating within this system? Is there some arrogance on the part of some of the older Members?" Well I am certainly not concerned with that so much, but I do find a tremendous amount of arrogance on the part of staff members who know that they have been here before the Members and they will be here long after the Members and they will have more to do with making legislation and making sure certain amendments get in or not than the rest of us. I think we ought to take a hard look at this at this time and not put it off until sometime in the future.

● Mr. LUKEN. Mr. Chairman, I am voting "no" on the passage of H.R. 4390, the legislative appropriations bill for fiscal year 1980 because Congress did not have a recorded vote on the issue of striking the pay raise for Members of Congress and other top officials. Certainly the House should have stood up and been counted and that is reason enough to vote against the bill.

I would have voted "no" on the specific issue of the pay raise for Congress. Even though Members of Congress suffer from inflation as well as the general public, I believe it is important for those at the highest level of the Federal pay scales, who can afford it best, to give the example of the type of sacrifice the American public must make in order to combat inflation effectively.

The Federal Government helped create the inflation from which our country is now suffering by its spending policies. The message that the passage of this bill would have sent to the American people is that Congress is not working hard to stop inflation when it strikes close to home. It says instead, that we are willing to use the taxpayers' money to keep ourselves from suffering along with the rest of the Nation. We have asked the American people to try to cut down on pay raises this year in order to halt inflation but we are unwilling to do so ourselves.

I urge the House to vote "no" on the bill so that we can get another bill, without congressional pay raises.●

● Mr. DANIEL B. CRANE. Mr. Chairman, today the House is considering the legislative branch appropriations for fiscal year 1980. One of the major issues in dispute is whether to increase the salaries of the Members of the House, and, if so, whether to increase salaries by 5.5 percent or by 7 percent. At the very same time this increase is being discussed, the private sector is being told to hold the line on wages.

Since the private sector is being told to hold back pay raises because of the inflationary effect, I believe the Congress must be consistent and hold back also. I am advised that, with current salaries of $57,500 per year, Congressmen are among the top 3 percent of salaried individuals in the country. In other words, 97 percent of the wage earners in the United States—our constituents—make less money than we do.

I find this reprehensible.

Since Members of Congress are leaders of our country, I firmly believe that we should demonstrate our capacity for leadership by tightening our own belts before we ask others to tighten theirs.

Yet, there are those among us who cry that they are underpaid. Those same voices called me foolish for introducing my very first legislative measure, a proposal that we reduce our salaries by 5 percent.

If, in fact, Members of Congress are underpaid—and I do not believe it for a minute—the solution must not be to line our pockets with taxpayers' dollars. The remedy is very simple: allow those Members who wish to supplement their income to do so via private initiative. That means work. Work. I don't believe the concept is foreign to most of us.

If the earnings limitation were lifted, then those Members who cannot seem to scrape by on nearly $60,000 a year plus fringe benefits will be free to supplement their income, if they are able. The important point is that it will not be at taxpayers' expense.

Let us proceed to the bottom line. Everyone is busy pointing the finger at the guilty parties: "They are responsible for inflation." "No; it's the other group." We have heard that labor is responsible, that business is responsible, that the health professionals are responsible. We are told that the oil companies are the guilty ones. Based on the recent wage-price guideline citation, President Carter apparently has found the culprit: inflation is caused by a small cement company in Colorado.

At least two recent Nobel Prize-winning economists have pinpointed the cause of inflation. As the saying goes, "We have found the enemy, and he is us." The U.S. House of Representatives, and only the House, is where inflation begins. Practically everybody in the country knows that. Everybody but the House.

When Members feel the need for a pay raise, they justify it by citing the need to "keep pace with inflation." That is a bit convoluted. I say let those who have caused inflation bail themselves out.

If lawmakers were to experience the shrinking dollar for themselves because they did not receive a raise to keep up with inflation, I would say hurrah. Perhaps then our big spending friends on both sides of the aisle would work a little harder to stop blowing the taxpayers' money away like it was confetti.

This is the chief reason I am a cosponsor of Congressman RON PAUL's bill, H.R. 4235, to freeze the salaries of Members of Congress at their present level and to provide for regular reductions—yes, I said reductions—in our salaries based upon increases in the Consumer Price Index. In other words, every time inflation went up, our salaries would correspondingly go down. Passage of this legislation would undoubtedly make Members painfully aware of the economic and moral consequences of those big spending programs they advocate.

Clearly, it is long past time for this body to act in a responsible manner regarding its own pay. We are not kids at the candy jar, even though we can certainly act like it. My colleagues must defeat any and all proposals that call for a pay increase for Members of the House.●

The CHAIRMAN. All time has expired.

Pursuant to the rule, no amendment to section 305 of the bill shall be in order except an amendment (1) "on page 30, strike out '7 percent' and insert '5.5 percent'", and (2) a substitute amendment for said amendment striking out the words "by more than 7 percent", and said amendments shall not be subject to further amendment but shall be debatable by the offering of pro forma amendments. No other amendment to the bill having the effect of changing or modifying section 305 of said bill shall be in order.

The Clerk will read.

Mr. BENJAMIN (during the reading). Mr. Chairman, I ask unanimous consent that the remainder of the bill be considered as read and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Indiana?

There was no objection.

☐ 1250

AMENDMENT OFFERED BY MR. MURTHA

Mr. MURTHA. Mr. Chairman, I offer an amendment.

The portion of the bill to which the amendment relates reads as follows:

SEC. 305. (a) No part of the funds appropriated for the fiscal year ending September 30, 1980, by this Act or any other Act may be used to pay the salary or basic pay of any individual in any office or position in the legislative, executive, or judicial branch, or in the government of the District of Columbia, at a rate which exceeds by more than 7 percent the rate (or maximum rate, if higher) of salary or basic pay payable for such office or position for September 30, 1978, if the rate of salary or basic pay for such office or position is—

(1) fixed at a rate which is equal to or greater than the rate of basic pay for level V of the Executive Schedule under section 5316 of Title 5, United States Code, or

(2) limited to a maximum rate which is equal to or greater than the rate of basic pay for such level V (or to a percentage of such a maximum rate) by reason of section 5308 of Title 5, United States Code, or any other provision of law or congressional resolution.

(b) For purposes of subsection (a), the rate or maximum rate (as the case may be) of salary or basic pay payable for September 30, 1978, for any office or position which was not in existence on such date shall be deemed to be the rate or maximum rate (as the case may be) of salary or basic pay payable to individuals in comparable offices or positions for such date, as determined under regulations prescribed—

(1) by the President, in the case of any office or position within the executive branch or in the government of the District of Columbia;

(2) jointly by the Speaker of the House of Representatives and the President pro tempore of the Senate, in the case of any office or position within the legislative branch; or

(3) by the Chief Justice of the United States, in the case of any office or position within the judicial branch.

(c) For purposes of administering any provision of law, rule, or regulation which provides retirement, life insurance, or other employee benefit, which requires any deduction or contribution, or which imposes any requirement or limitation, on the basis of a rate of salary or basic pay, the rate of salary or basic pay payable after the application of this section shall be treated as the rate of salary or basic pay.

Amendment offered by Mr. MURTHA: Page 30, line 1, strike out "7 percent" and insert "5.5 percent".

Mr. MURTHA. Mr. Chairman, I do not think this needs any additional debate. I understand a substitute is in order. I think it is self-explanatory.

AMENDMENT OFFERED BY MR. O'BRIEN AS A SUBSTITUTE FOR THE AMENDMENT OFFERED BY MR. MURTHA

Mr. O'BRIEN. Mr. Chairman, I offer an amendment as a substitute for the amendment.

The Clerk read as follows:

Amendment offered by Mr. O'BRIEN as a substitute for the amendment offered by Mr. MURTHA: On page 30, line 1, strike "by more than 7.0 percent".

Mr. O'BRIEN. Mr. Chairman, I think a comment made by our friend from New York touching upon the inflation rate since the last pay raise was introduced is about all that needs to be said on this matter. We have debated it seriously in the rule and argued the point thoroughly, but I recall his comment being that the 1976 inflation rate was 5.8 percent; 1977, 6.5 percent; 1978, 7.7 percent, and the present inflation rate is running in excess of 13.9 percent.

I recognize that such an inflationary problem affects the Members of Congress just as it does the judiciary and the executive branch, but it also affects all those at home who do not have the opportunity to raise their own pay in the middle of their own contracts of employment.

Mr. BENJAMIN. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, in the colloquy on the rule and earlier remarks on the rule, I spoke in reference to what we were really doing with this bill, the legislative branch appropriations bill. I indicated we were not really resolving the problem that most Members were attempting to get to, and that is to deny any adjustment pursuant to the 1975 law. The amendments to the bill offered by the gentleman from Pennsylvania (Mr. MURTHA) and the gentleman from Illinois (Mr. O'BRIEN), as well as the language now in section 305, merely abates the payment.

That presents a real dilemma, because it is an entitlement based on the 1975 law that not only applies to 575 members of the legislative branch, but it also applies to 913 members of the judicial branch of the Government and as the gentleman from Ohio (Mr. LATTA) indicated, 13,500 members of the executive branch.

Now, I also alluded to the May 17, 1979, report of the General Accounting Office and asked my colleagues to examine that report, because the report came up with two conclusions.

One is that by continuously denying the payment of the comparability adjustment, what we were doing is compressing the pay schedule for the general schedule employees as well as the executive schedule employees.

The second thing the report said is that we ought to go back to the 1975 law, the Executive Salary Adjustment Act, which took us into the 1970 law and excludes Members of Congress, because we have a propensity to deny ourselves that particular raise.

Perhaps this is what the Post Office and Civil Service Committee should consider.

In effect, the report concluded that we have denied any adjustment first to GS-18 employees, then it creeped down to GS-16 and GS-15. If this particular pay adjustment is denied, it will also affect GS-14, which is an interesting situation. It runs counter to the recent legislative enactments that this body and this administration has worked on, particularly the reform of the civil service system that was enacted during the 95th Congress.

The more interesting aspect of that is when the General Accounting Office looked at the figures, they found out that the general pay schedule, that is, the pay schedule applying to civilian workers, has actually increased by 87 percent since 1969.

On the other hand, those who are considered executive employees had only a 28-percent adjustment since 1969. This is an even more glaring inequity when you look at the figures that were presented by the National Tax Foundation. They indicated that the general Government worker, as compared to those in the private sector, is at the bottom rung when confronted with inflation since 1967. In fact, the total loss in purchasing power even with the pay adjustment that I just mentioned of 87 percent amounts to 2.1 percent.

The cost for the senior executives and the Members of Congress amounts to almost 20 percent, after taxes.

Now, not only have we compressed that pay schedule, because in 1977 and 1978 and now in 1979, we are saying no adjustment whatsoever; but in effect, what we have done is say to ourselves that no longer will we be paying money out, but the entitlement grows. The entitlement is going to become so attractive one day—and the entitlement at this point, I might add, can go to 11.3 percent, or more—is going to be so attractive that one of those Government workers or perhaps a Member of this body or perhaps a judicial officer is going to sue.

When the suit comes about, there are those who are much more scholarly in the law than I who have said that the plaintiffs will win.

So, if you think you are denying adjustments, you are wrong. You are denying payments. And by denying these payments, you are making that adjustment just that much more attractive to force someone into court, and then we will not only be paying these wages out, but we will be paying whatever interest may be due and I assume attorney's fees as well.

Mr. SOLOMON. Mr. Chairman, will the gentleman yield?

Mr. BENJAMIN. I yield to the gentleman from New York.

Mr. SOLOMON. Earlier in the discussion, the gentleman from Indiana told me that there are no moneys in this bill for the raise that the gentleman argues for now, effective October 1, 1979.

Mr. BENJAMIN. That is true.

Mr. SOLOMON. But at that time we could not determine how much this raise amounts to in total dollars.

Now, I heard the minorty whip mention 13,500 employees at the level 5; another 535 Members of Congress, plus judicial——

The CHAIRMAN. The time of the gentleman from Indiana (Mr. BENJAMIN) has expired.

Mr. SOLOMON. Mr. Chairman, I ask unanimous consent that the gentleman from Indiana be allowed to proceed for 2 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

Mr. DANIELSON. I object, Mr. Chairman.

The CHAIRMAN. Objection is heard.

Mr. GRASSLEY. Mr. Chairman, I rise in support of the amendment.

Mr. SOLOMON. Mr. Chairman, will the gentleman yield?

Mr. GRASSLEY. I yield to the gentleman from New York.

Mr. SOLOMON. Mr. Chairman, I yield to the gentleman from Indiana (Mr. BENJAMIN), if he is willing to answer a question.

Mr. BENJAMIN. If the gentleman will ask the question.

Mr. SOLOMON. I would like to know how much in dollars and cents we are talking about in fiscal year 1980 for these total amounts of raises?

Mr. BENJAMIN. For all branches, we are talking about somewhere between $40 and $50 million that may have to be appropriated in a supplemental unless absorbed.

Mr. SOLOMON. $40 or $50 million?

Mr. BENJAMIN. $40 or $50 million to cover 13,500 executive branch, 913 judiciary, and 575 legislative branch employees.

Mr. SOLOMON. Could the gentleman from Indiana tell me how much the social security tax increase was for fiscal year 1979, total dollars?

Mr. BENJAMIN. The adjustment was 10 percent. If I recall, we were paying out about $116 billion, so the adjustment was around $11 billion.

Mr. SOLOMON. I just want to tell the gentleman from Indiana I think it would be a good idea considering the condition of the social security system that perhaps we turn this $40 or $50 million back over to the Social Security Administration trust fund so we can bail that out instead of trying to bail out the Members of Congress.

Mr. GRASSLEY. Mr. Chairman, I rise in support of the amendment offered by the gentleman from Illinois, and I am opposed to the Murtha amendment, even though it is better than no amendment at all. I also rise to speak against any pay raise for Congress, the judicial branch, and upper-level employees of the executive branch.

The number of people included here are 742 executive level 5's, 12,807 executive branch GS-15 and GS-18, 584 legislative branch employees and 913 judicial branch employees.

The average salary increase in this provision, if the 7 percent is allowed is $3,325 per job for a total of $50,279,050.

☐ 1300

For each Member of Congress the 7-percent increase will mean a $4,025 salary upward adjustment.

Now, it does not do any good I know at this point to go through all of the arguments pro and con with respect to this pay raise, because they have been raised in 1975, 1976, and 1977 previous to now by me and many other Members.

However, one point needs to be raised one last time. The rate of inflation is one reason to give more emphasis to not having a pay raise for Members of Congress or any of these other high-level salaried people, both appointive and secured by Civil Service, more so this year than any other year, because the rate of inflation is at a historical high, higher than it was during the recession period of 1974 and 1975. It just is not going to set a very good example for the public at large to fight inflation if we are not willing to bite the bullet here and now.

It adds up simply to this: That we as the elected leaders of this Nation, hopefully a group of people that the Nation at large looks to for respect and leadership can, in fact, look to us for leadership in this battle against inflation and we will exercise that leadership today by not voting for any pay increase at all.

Thank you. I yield back the balance of my time.

Mr. CAMPBELL. Mr. Chairman, I move to strike the requisite number of words.

I thank the chairman and I wonder if I might pose a question to the gentleman from Indiana. I was very interested in the comments that the gentleman made a while ago about the freeze that had taken place. There was one point that was not made and I wonder if he would address himself to it, and that is the fact that we have through this freeze created a situation where a number of people are actually retiring from Government and are, in effect, at this time receiving a higher salary by having retired than they were by staying on the payroll. We are losing talent and this is a problem by freezing one and not the other. I wonder if the gentleman had brought this to the attention of his colleagues? In fact, there was a report recently in one of our national magazines that last year 2,400 people at the top level had gone over the salary level that they would have been at, and were actually drawing more in retirement than they would had they remained working. The replacement cost of these people was costing the taxpayers more money. I wonder if the gentleman looked into that?

Mr. BENJAMIN. Would the gentleman yield?

Mr. CAMPBELL. I yield to the gentleman.

Mr. BENJAMIN. I thank the gentleman for his comments. Your remarks are further testimony to the paradox as I have previously described. We have not looked into that particular problem, but I plan to ask the Post Office and Civil Service Committee to determine what alterations can be made in the law so that we will not suffer from this dilemma year after year. Hopefully, this will cure the problem the gentleman talks about.

Mr. CAMPBELL. I thank the gentleman and I yield back the balance of my time.

Mr. MICHEL. Mr. Chairman, I move to strike the last word.

Following up on the gentleman's remarks, my figures would indicate there are 12,807 GS-15, -16, -17, and -18 people who have been caught in this kind of a freeze where you have them at the lower levels, butting up against the top to the extent that some of these really desirable individuals that you would like to keep in Government today are being forced out, and on to the retirement rolls. I point this out as a consideration beyond that being expressed here for Members of Congress.

I find myself under the parliamentary situation that has developed here being foreclosed from voting for a 7-percent increase for Members even if I think it is justified. The only option I have here now is to first vote for nothing as proposed by my friend from Illinois (Mr. O'BRIEN) or for a reduction from 7 percent to 5.5 percent. That would appear to be the best that Members could achieve from this kind of a parliamentary situation. Of course if both the amendment and substitute are defeated, which is highly unlikely, we are left with the 7 percent in the bill.

Might I just make one further comment. In years past, when we have relied upon the Quadrennial Commission's recommendations we have had to play catch-up with increases in the neighborhood of 20, 25 or 30 percent. In my judgment it is just impossible to think that we are ever going to achieve raises of that magnitude again for Members of Congress who subsequently succeed us.

Now, let me make my point with an appropriate illustration. In years past when we have voted ourselves significant raises, those negotiating big labor management contracts have looked to what we have done for ourselves and said, "Well, if the Members of Congress are getting that kind of raise, maybe that is what we ought to get."

We might very well turn the tables around now by showing Members of Congress in favor of an increase of only 5.5 percent after 3 years. Had we done it earlier it might have had an effect on the Teamsters who are getting 10 percent for 3 years running, or a total 30 percent package. A few weeks ago the United Airline workers settled for a 30-percent package and the Rubber Workers are now in the process of negotiating a new contract.

If we adopted an amendment here which indicated that Members of Congress, whose contract has been roughly over the same period of time, were settling for 5.5 percent, maybe that might influence those negotiating to say, "If the Members of Congress are willing to accept that, maybe that is what we ought to be willing to settle for at this time."

Admittedly one could say that we have a selfish interest here. I do not plead anything other than guilty to that, but I think someone has got to make the case openly and above board for all of us. We must try to do it the right way. It ought to be discussed on the floor of this House, and each of us ought to be man or woman enough to make our own case for whatever reason. I happen to think that it is well justified. Reluctantly I have to vote against my friend from Illinois who offered his amendment in good faith, to eliminate any raises and support the amendment offered by the gentleman from Pennsylvania (Mr. MURTHA), to scale back the 7-percent figure to one of 5.5 percent.

Mr. SOLOMON. Mr. Chairman, will the gentleman yield?

Mr. MICHEL. I yield to the gentleman from New York.

Mr. SOLOMON. I would just like to point out to my good friend from Illinois that if we had an open rule, as he was mentioning, there would be a series of amendments. There would have been an amendment just prohibiting a raise for Members of Congress.

Mr. MICHEL. I would have to oppose that. I just think that is chickening out, and we leave the judiciary and everybody else, in and I am not about to be a party to that. That is exactly the point I made; what is sauce for the goose is sauce for the gander. If it is justified for the executive branch-level people, it surely is justified for Members of the Congress.

Mr. SOLOMON. If the gentleman would yield further, I did not have a chance to finish my statement. I was going to say that there would be further amendments as well. There would be an amendment which would have prohibited we Members of Congress from receiving a raise during our terms of office. There are many of us that feel very philosophical about this issue. The only reason we voted for this "modified closed rule" was because we did not get the votes from that side of the aisle to open it up. So, we could not have a full debate on the issues. That is why we had to support it and regain the original vote.

We should have an open debate under an open rule so that we could have put in any amendments that we wanted to. The gentleman might have prevailed; I might have prevailed, all of us who oppose the raise would have prevailed.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

(By unanimous consent Mr. MICHEL was allowed to proceed for 1 additional minute.)

Mr. MICHEL. Mr. Chairman, I ask for this additional time only to commend the gentleman for his comments, and to say that there are good arguments for having Members of Congress pay increases take effect in the following Congress beyond that in which we are serving. Our problem here is that if we tried to deal with it over a period of years, particularly if we set a figure now that would be commensurate with what we think would be equitable at that time, it would be challenged as being too big an increase now. We are caught in the switches any way we attempt to deal with it. It resolves down to our simply taking the bull by the horns from time to time to face up to the issue and vote for what we feel is fitting, and deserving at that time, what the public will accept.

● Mr. HOPKINS. Mr. Chairman, I rise in opposition to the pending amendment. I intend to vote against the amendment now pending. Some of my colleagues have argued that the conservative thing to do is to vote in favor of this amendment because its 5½-percent pay raise would be more responsible than the 7-percent increase which the bill would provide if this amendment is defeated.

Well, Mr. Chairman, I cannot in good conscience support any pay raise at all for Congress. When we campaigned for our seats in the House last fall, all of us—freshmen and veteran Members alike—knew what the pay was, knew what the inflation rate was, and yet we pressed onward. In fact, I doubt seriously that any of us included in our platforms a plank which said, "If elected to Congress I promise to vote a $4,000 pay raise for myself and my colleagues."

Today is only the 74th day of this session and already Congress is telling the American people that they don't like the terms of their contract.

But the issue today is clouded by a situation which has gone on for far too long. More than 13,000 Government officials, Federal judges and their families are being told by Congress that their salaries cannot be adjusted for inflation unless Members of Congress are allowed an offsetting increase too. This is wrong for two fundamental reasons:

First. Congress should vote up or down on its pay raises on their own merits. Do we or do not we deserve this incumbents' bonus? I, for one, do not believe we do.

Second. But far more important, Congress is in a position to take actions which might well reduce the never-ending spiral of inflation; while these other Government employees—by and large—are not. Members of Congress, alone among all public servants at the Federal level, are in a position to vote themselves insulating raises against the ravages of inflation for which they are themselves largely responsible.

Mr. Chairman, I will not vote for a 7-percent raise and I will not vote for a 5½-percent raise. I simply want to make my strong opposition to this effort absolutely clear.●

☐ 1310

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois (Mr. O'BRIEN) as a substitute for the amendment offered by the gentleman from Pennsylvania (Mr. MURTHA).

The question was taken; and the Chairman announced that the noes appeared to have it.

Mr. O'BRIEN. Mr. Chairman, I demand a recorded vote, and pending that I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. One hundred five Members are present, a quorum.

The pending business is the demand of the gentleman from Illinois (Mr. O'BRIEN) for a recorded vote.

A recorded vote was refused.

So the amendment was rejected.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania (Mr. MURTHA).

The question was taken; and the Chairman announced that the ayes appeared to have it.

RECORDED VOTE

Mr. MURTHA. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 396, noes 15, answered "present" 7, not voting 16, as follows:

[Roll No. 225]

AYES—396

Abdnor
Addabbo
Akaka
Albosta
Alexander
Ambro
Anderson, Calif.
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Anthony
Applegate
Archer
Ashbrook
Ashley
Aspin
AuCoin
Badham
Bafalis
Bailey
Baldus
Barnard
Barnes
Bauman
Beard, R.I.
Beard, Tenn.
Bedell
Beilenson
Benjamin
Bennett
Bereuter
Bethune
Bevill
Biaggi
Bingham
Blanchard
Boggs
Boland
Boner
Bonior
Bonker
Bouquard
Bowen
Brademas
Breaux
Brinkley
Brodhead
Brooks
Broomfield
Broyhill
Buchanan
Burgener
Burlison
Butler
Byron
Campbell
Carney
Carr
Carter
Cavanaugh
Chappell
Cheney
Chisholm
Clausen
Clay
Clinger
Coelho
Coleman
Collins, Ill.
Collins, Tex.
Conable
Conte
Corcoran
Corman
Cotter
Coughlin
Courter
Crane, Daniel
Crane, Philip
D'Amours
Daniel, Dan
Daniel, R. W.
Danielson
Dannemeyer
Daschle
Davis, Mich.
de la Garza
Dellums
Derwinski
Devine
Dickinson
Dicks
Diggs
Dingell
Dodd
Dornan
Dougherty
Downey
Drinan
Duncan, Oreg.
Duncan, Tenn.
Early
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
Edwards, Okla.
Emery
English
Erdahl
Erlenborn
Ertel
Evans, Del.
Evans, Ga.
Evans, Ind.
Fary
Fascell
Fazio
Fenwick
Ferraro
Findley
Fish
Fisher
Fithian
Flippo
Florio
Foley
Ford, Mich.
Ford, Tenn.
Fountain
Fowler
Frenzel
Frost
Fuqua
Garcia
Gaydos
Gephardt
Giaimo
Gibbons
Gingrich
Ginn
Gilman
Glickman
Goldwater
Gonzalez
Goodling
Gore
Gradison
Gramm
Gray
Green
Grisham
Guarini
Gudger
Hagedorn
Hall, Ohio
Hall, Tex.
Hamilton
Hammerschmidt
Hance
Hanley
Hansen
Harris
Harsha
Hawkins
Heckler
Hefner
Heftel
Hightower
Hillis
Hinson
Hollenbeck
Holt
Holtzman
Horton
Howard
Hubbard
Huckaby
Hughes
Hutto
Hyde
Ichord
Ireland
Jacobs
Jeffords
Jeffries
Jenkins
Jenrette
Johnson, Colo.
Jones, N.C.
Jones, Tenn.
Kastenmeier
Kazen
Kelly
Kemp
Kildee
Kindness
Kogovsek
Kostmayer
Kramer
LaFalce
Lagomarsino
Leach, Iowa
Leach, La.
Leath, Tex.
Lederer
Lee
Lehman
Leland
Lent
Levitas
Lewis
Livingston
Lloyd
Loeffler
Long, La.
Long, Md.
Lott
Lowry
Lujan
Luken
Lundine
Lungren
McClory
McCloskey
McCormack
McDade
McDonald
McEwen
McHugh
McKay
McKinney
Madigan
Maguire
Markey
Marks
Marlenee
Marriott
Martin
Mathis
Matsui
Mattox
Mazzoli
Mica
Michel
Mikulski
Mikva
Miller, Calif.
Miller, Ohio
Mineta
Minish
Mitchell, Md.
Mitchell, N.Y.
Moakley
Mollohan
Montgomery
Moore
Moorhead, Calif.
Moorhead, Pa.
Mottl
Murphy, Ill.
Murphy, N.Y.
Murphy, Pa.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nedzi
Nelson
Nichols
Nolan
Nowak
Oberstar
Obey
Panetta
Pashayan
Patten
Patterson
Paul
Pease
Pepper
Perkins
Petri
Peyser
Pickle
Preyer
Price
Pritchard
Pursell
Quayle
Quillen
Rahall
Railsback
Rangel
Ratchford
Regula
Reuss
Rhodes
Richmond
Rinaldo
Ritter
Roberts
Robinson
Rodino
Roe
Rose
Rosenthal
Roth
Rousselot
Roybal
Royer
Rudd
Runnels
Russo
Sabo
Santini
Satterfield
Sawyer
Scheuer
Schulze
Sebelius
Seiberling
Sensenbrenner
Shannon
Sharp
Shelby
Shumway
Shuster
Simon
Skelton
Slack
Smith, Iowa
Smith, Nebr.
Snowe
Snyder
Solarz
Spellman
Spence
St Germain
Stack
Staggers
Stangeland
Stanton
Stark
Steed
Stenholm
Stewart
Stockman
Stokes
Stratton
Studds
Stump
Symms
Synar
Tauke
Taylor
Thomas
Thompson
Traxler
Trible
Udall
Ullman
Van Deerlin
Vander Jagt
Vanik
Vento
Volkmer
Walgren
Walker
Wampler
Watkins
Weaver
Weiss
White
Whitley
Whittaker
Whitten
Williams, Mont.
Williams, Ohio
Wilson, Tex.
Winn
Wirth
Wolff
Wolpe
Wright
Wyatt
Wydler
Wylie
Yates
Yatron
Young, Alaska
Young, Fla.
Young, Mo.
Zablocki
Zeferetti

NOES—15

Brown, Calif.
Burton, Phillip
Davis, S.C.
Donnelly
Grassley
Holland
Hopkins
Mavroules
Moffett
O'Brien
Oakar
Ottinger
Rostenkowski
Waxman
Wilson, C. H.

ANSWERED "PRESENT"—7

Atkinson
Cleveland
Deckard
Guyer
Harkin
Latta
Swift

NOT VOTING—16

Annunzio
Bolling
Brown, Ohio
Burton, John
Conyers
Derrick
Dixon
Flood
Forsythe
Johnson, Calif.
Jones, Okla.
Schroeder
Solomon
Treen
Whitehurst
Wilson, Bob

☐ 1330

Mr. YATES, Mr. BEILENSON, and Mrs. HECKLER changed their vote from "no" to "aye."

Mr. GUYER changed his vote from "aye" to "present."

So the amendment was agreed to.

The result of the vote was announced as above recorded.

PERSONAL EXPLANATION

Mr. SOLOMON. Mr. Speaker, on rollcall No. 225 I am not recorded. Apparently the electronic voting device malfunctioned and did not record my vote. Had I been recorded I would have, in spite of the erroneous AP story, voted "aye" to cut the pay raise from 7 to 5.5 percent.

AMENDMENT OFFERED BY MR. COUGHLIN

Mr. COUGHLIN. Mr. Chairman, I offer an amendment.

The portion of the bill to which the amendment relates reads as follows:

CONTINGENT EXPENSES OF THE HOUSE

ALLOWANCES AND EXPENSES

For allowances and expenses as authorized by House resolution or law, $62,376,700, including: Official Expenses of Members, $39,418,800; supplies, materials, administrative costs and Federal tort claims, $3,483,600; furniture and furnishings, $2,079,000; stenographic reporting of committee hearings, $1,650,000; reemployed annuitants reimbursement, $661,500; Government contributions to employees' life insurance fund, retirement fund, and health benefits fund, $14,632,100; and miscellaneous items including, but not limited to, purchase, exchange, hire, driving, maintenance, repair and operation of House motor vehicles, interparliamentary receptions and gratuities to heirs of deceased employees of the House, $451,700.

Such amounts as are deemed necessary for the payment of allowances and expenses under this head may be transferred between the various categories within this appropriation, "Allowances and Expenses", upon the approval of the Committee on Appropriations of the House of Representatives.

The Clerk read as follows:

Amendment offered by Mr. COUGHLIN: On page 5, line 10, strike "$62,376,700" and insert in lieu thereof "$61,700,985"; on line 11, strike "$39,418,800" and insert in lieu thereof "$38,743,085".

Mr. COUGHLIN. Mr. Chairman, for hours we have been talking about pay increases for Members of Congress. Yet the number of taxpayer dollars involved is minuscule compared to the dollars we have lavished upon ourselves in taxpayer funded allowances.

It is no secret that this House has increased Members' allowances at a shameful rate in recent years. And it is no secret that much of the expenditures are used indirectly for reelection purposes.

We have been given—without a vote of the House—more mailings, more district office space, more mobile offices, more staff—all at the expense of the taxpayer.

Not only this, but we have "consolidated" accounts so that funds which used to be limited to say, travel to the district, can be used for more constituent mailings, but it has also substantially sweetened the total put available to incumbents.

My amendment is for a total amount of $6,757,150, a mere 1 percent of the congressional operations portion of the bill. This figure is composed of the following: First, $2,195,000 which represents the difference of an additional $3,000 allowed each Member in 1978 in the official expense account. An increase over the previous years' amount of $2,000; second, $1,097,500 which represents a cut of one-half in the constituent communications allowance from $5,000 to $2,500; and third, $3,464,650 which represents the monetary increase attributed to district office rental space increase of 1,000 square feet.

When the House prohibited "office accounts" of voluntary contributions to cover Member's expenses, which few Members had anyway, it added $5,000 of taxpayer's money to the Member's allowance pot to make up for their hardship. The $5,000 could, of course, be put to any official use the Member deemed desirable to promote his incumbency.

A few months later the House Administration Committee, with no public hearings and only 30 minutes notice of the meeting agenda, increased district office rental allowances by an average of $7,900 per Member. This money was, of course, also transferable to any other official use the Member deemed desirable to promote his incumbency.

The amendment would in no way reduce the square footage allowed. It just takes away some of the extra money we have conferred upon ourselves and is now in a consolidated account which can be spent for any purpose.

Prior to this time the House had already created a tax-paid constituent communications allowance of $5,000 to fund printing of newsletters and questionnaires. This allowance, previously covered by private funds, does not, of course, even reflect the cost of tax-paid postage to frank the newly tax-paid newsletter. Congressional postage alone costs the taxpayer $70,707,000 for fiscal 1980. This is up from $64,944,000 of fiscal 1979, and this is not even an election year, when postal usage traditionally rises, due to increased "constituent" mailings.

Each Member now has an allowance of approximately $87,598. That is an average figure, because Members' allowances differ, depending on what part of the country they are from.

The amendment would propose a cut in that $87,500 allowance of approximately $15,400 depending upon the area in which the Member lived. It would save a total of $6.5 million to the U.S. taxpayers.

This is a real test to see whether we are willing to truly take the leadership and to impose upon ourselves some of the same fiscal stringencies that we are asking of other parts of the Government and that we are asking of the American people as a whole.

In a time when taxpayers have been asking us to search everywhere for economies, these items are obvious candidates for deletion.

Although the House pays lip service to the idea of economizing, when we have authorizing legislation before us, it is always said to be the wrong time to cut spending. When we have appropriations bills before us and we try to make reductions, we are accused of trying to legislate on an appropriation bill.

It is time to institute rational reform of the House, as well as lowering the cost to the taxpayer of operating the legislative branch of Government.

Mr. ICHORD. Mr. Chairman, will the gentleman yield?

Mr. COUGHLIN. I would be glad to yield.

Mr. ICHORD. Mr. Chairman, I have remained silent on practically all of the pay increases that have come before this body during the period that I have been in Congress, because I know that most of the Members disagree with what might be considered a very peculiar idea that I have on service in the Congress of the United States or any legislature and what the salaries should be, but expenses are an entirely different matter.

The CHAIRMAN. The time of the gentleman from Pennsylvania (Mr. COUGHLIN) has expired.

(At the request of Mr. ICHORD and by unanimous consent, Mr. COUGHLIN was allowed to proceed for an additional 3 minutes.)

Mr. ICHORD. Mr. Chairman, if the gentleman will yield further, I might point out to the gentleman from Pennsylvania that since I have been in Congress I have turned back somewhere nearly a million dollars on the allowances; but I recognize that each Member is in a different position. For example, I come from the Ozarks. The cost of living is much lower there than in other parts of the United States and consequently my official expenses are lower than other Members from other parts of the United States. We are allowed a maximum which the gentleman would decrease, but no Member has to spend the maximum.

□ 1340

I am not spending it, but I recognize many Members are in a different position than I am.

How much has the gentleman from Pennsylvania turned back? Has the gentleman turned back his million dollars like the gentleman from Missouri has?

Mr. COUGHLIN. I have never used as much as 70 percent of it.

Mr. ICHORD. How much is the gentleman using now? If the gentleman is offering this amendment, he should be telling this body how much he is turning back.

Mr. COUGHLIN. Nobody turns money back in. They simply do not use all the law allows. We have never used even 70 percent of our allowance.

Mr. ICHORD. The gentleman does not have to spend it, then. The gentleman from Pennsylvania is to be commended if he is turning back 30 percent or more.

But there are other Members in this body who have different expenses and have to spend the money. For example, the cost of living in New York is much higher than it is in my district in southern Missouri.

Mr. Chairman, I would leave this up to the individual Members and let their constituencies take care of it. Why do we need this amendment on the floor of the House?

Mr. COUGHLIN. Mr. Chairman, I would say to the gentleman it is, because we have increased these allowances at such a rapid rate in the last 3 years, and we have made available more and more and more funds to Members for what are essentially election purposes and incumbency promotions, more offices, bigger offices, and bigger staffs.

Mr. ICHORD. Mr. Chairman, if the argument of the gentleman from Pennsylvania (Mr. COUGHLIN) has merit to it, then I would have to state that the Fourth Estate is not doing its job. The gentleman's constituents have the right to know, and it is a matter of public knowledge. The expenses of every Member are a matter of public record and are freely made available to the press and the public.

I see very little merit in the amendment.

Mr. COUGHLIN. Mr. Chairman, the gentleman can use what he appropriately feels he should, and we will use what we feel is appropriate. In that way we try to save the taxpayers as much money as we can. But in this way we would assure the taxpayers that we will save money for them.

The CHAIRMAN. The time of the gentleman from Pennsylvania (Mr. COUGHLIN) has expired.

(On request of Mr. FRENZEL, and by unanimous consent, Mr. COUGHLIN was allowed to proceed for 3 additional minutes.)

Mr. FRENZEL. Mr. Chairman, will the gentleman yield?

Mr. COUGHLIN. I yield to the gentleman from Minnesota.

Mr. FRENZEL. Mr. Chairman, I think the gentleman from Pennsylvania (Mr. COUGHLIN) should be commended, too, but not for turning back his allowances. Rather, he should be commended for raising this amendment, because I think it is an important item in which the Members of the House ought to take a strong interest and on which most of them ought to want to be recorded in their votes.

The gentleman from Missouri (Mr. ICHORD) claimed the cost of living is higher between different areas, and we would all agree with that. But we have not touched the staff allowances or we have not hurt wages at all. The allowances for district offices are based on different costs in different areas. That would not be affected at all.

What it would do would be to cut the total of all our expenditures by about 17 percent, and we have increased our expenditures and our expenditure allowances, often without a vote in this House, on numerous occasions in the last 3 or 4 years.

The newsletter allowance is a good example; the increase in the allowance for district offices is another good example. And so it goes on and on and on.

The consolidation of accounts, of course, allows legitimate increases in one area to be spent in another area where they are not needed, but may be helpful for reelection purposes, and so forth.

Mr. Chairman, I think the gentleman has offered a splendid amendment. I think it ought to be passed and passed unanimously.

Mr. Chairman, I thank the gentleman for yielding.

Mr. COUGHLIN. Mr. Chairman, I thank the gentleman from Minnesota (Mr. FRENZEL).

Mr. YOUNG of Florida. Mr. Chairman, will the gentleman yield?

Mr. COUGHLIN. I yield to the gentleman from Florida.

Mr. YOUNG of Florida. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, I rise in support of the gentleman's amendment. I would like to say, like the gentleman from Missouri (Mr. ICHORD), that I, too, turn back considerable amounts of the office allowances that I would be permitted to spend. I do not send all the newsletters that the gentleman suggested might be used for my reelection. I do not send those newsletters; I turn the money back to the Treasury.

As I say, I support the gentleman from Pennsylvania (Mr. COUGHLIN) very strongly in this effort. I think we need to tighten our belts a little more.

There is one thing that does bother me, though, just a little. I recognize that the gentleman's amendment relates only to the Congress of the United States and the House of Representatives, but just 2 days ago the gentleman had an opportunity to try to also bring about a similar savings in the funds appropriated for the soft loan window of the World Bank. At that time the gentleman refused even to consider reducing that appropriation by $10.

I just wonder how the gentleman makes these two points consistent. I support the gentleman in this effort. I am just curious as to why he would not support us in trying to do the same thing to the soft loan window of the World Bank.

Mr. HYDE. Mr. Chairman will the gentleman yield to me?

Mr. COUGHLIN. I yield to the gentleman from Illinois.

Mr. HYDE. Mr. Chairman, I thank the gentleman for yielding.

I just want to ask the gentleman from Florida (Mr. YOUNG) a question.

The gentleman said he does not send out any newsletters. I mention this, because recently I saw a beautiful one, with charts and graphs, and I thought it was from the gentleman.

The CHAIRMAN. The time of the gentleman from Pennsylvania (Mr. COUGHLIN) has expired.

Mr. YOUNG of Florida. Mr. Chairman, I ask unanimous consent that the gentleman from Pennsylvania (Mr. COUGHLIN) be permitted to proceed for 3 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

Mr. TRAXLER. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

Mr. NEAL. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I would like to ask the gentleman who was just speaking in the well if I might have his attention. I refer to the gentleman from Pennsylvania (Mr. COUGHLIN), the author of the amendment. I thank the gentleman.

Did I hear the gentleman correctly to say that he was using these official accounts for his reelection effort?

Mr. COUGHLIN. Mr. Chairman, will the gentleman yield?

Mr. NEAL. I yield to the gentleman from Pennsylvania.

Mr. COUGHLIN. Mr. Chairman, I am saying, as the gentleman well knows, that any mailing that goes out—and I refer to all of these things—helps promote incumbency and helps the promotion purposes of the incumbent.

Mr. NEAL. Mr. Chairman, did I also understand the gentleman to state that he was using his district office expense for his reelection effort? Is that correct?

Mr. COUGHLIN. Mr. Chairman, I am saying, as the gentleman well knows, that anything that helps a Member of Congress become more well known in his district also helps in his reelection.

Mr. NEAL. Mr. Chairman, I wish to say that I disagree with the gentleman and would state that the purpose of these allowances is to help us stay in touch with our constituencies so that we might have the value of their advice on the issues that face us and so we have district offices that truly serve our constituencies. And I think, from my experience, that most Members of this House use them for those purposes. It is shocking to me to hear this other view.

Mr. COUGHLIN. Mr. Chairman, I think the gentleman would have very sufficient funds to do that even with this amendment, if it is adopted.

Mr. SEIBERLING. Mr. Chairman, will the gentleman yield?

Mr. NEAL. I yield to the gentleman from Ohio.

Mr. SEIBERLING. Mr. Chairman, several years ago at a candidates debate meeting during an election campaign, my opponent—a Republican, naturally—got up and said, "You know, there is already too much money spent to help the public. The Government is taking the taxpayers' money to help people, and it isn't necessary."

So I said, "Well, how many people in this room"—and there were several hundred—"feel they are getting too much service out of my congressional office or from the Federal Government?"

Nobody raised his hand. So perhaps the voters out there are a lot smarter than this kind of proposal might indicate.

Mr. CONTE. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I yield to my good friend, the gentleman from Florida (Mr. YOUNG) to explain that newsletter.

Mr. YOUNG of Florida. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, I feel a little bad that the gentleman from Michigan (Mr. TRAXLER) decided to object to the request for more time to permit me an opportunity to respond to my good friend, the gentleman from Illinois (Mr. HYDE).

If the gentleman from Illinois would have paid close attention, he would have heard that I said I did not use all the money I am entitled to for newsletters.

If the gentleman will recall, we are entitled, each one of us, to send six newsletters per year as long as the funds are there in the account.

The gentleman is absolutely correct. About a year ago I did send a masterful newsletter to the people in my district because they had been misled on a very important issue relating to that very same soft loan window of the World Bank about which I was just talking in debate with the gentleman from Pennsylvania (Mr. COUGHLIN).

In my 9 years in the U.S. Congress, I have sent three newsletters. Yes, I have sent three. Very likely, if I stay here 9 more years, I probably will send at least three more.

What I was saying to the gentleman from Illinois (Mr. HYDE) is that although we are entitled to send six newsletters a year, I do not do that. There a lot of things I do not do. I do not spend all the money that is available. I do not do all the things I am entitled to do. I assume the gentleman from Illinois also returns money to the Treasury, money that is unspent.

The point is that when the gentleman from Pennsylvania (Mr. COUGHLIN) makes an issue of the fact that the Members of Congress are using moneys provided for them to do their job, to answer their mail, and to serve their constituents, and when he suggested that is for campaigning and he wants to cut that back, I am for that. If it is for campaigning, I say we should cut it out.

But I also say that if our budget is fat and can be trimmed by that amount, the budget for the soft window of the World Bank is also fat, but the gentleman is not willing to cut the fat from that budget.

Mr. Chairman, I thank the gentleman from Massachusetts (Mr. CONTE) for yielding and giving me the time.

Mr. CONTE. Mr. Chairman, I just might say that perhaps he is all wrong in regard to that "fat."

Mr. HYDE. Mr. Chairman, will the gentleman yield?

Mr. CONTE. I yield to the gentleman from Illinois.

Mr. HYDE. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, let me say that is a sensitive word to me.

☐ 1350

I just want to say that I misunderstood my good friend, the gentleman from Florida. I thought I heard him say that he did not send these newsletters. If he only sends two in 9 years, I commend him. I would also like to say your newsletter is your way of communicating to your constituents what you want to say rather than relying on the editor of a local newspaper to tell them what he wants to say.

Mr. CONTE. Mr. Chairman, I yield back the balance of my time.

Mr. BENJAMIN. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment. The account at the present time is underfunded by $1.3 million pursuant to recommendation of the Legislative Branch Appropriation Subcommittee. If we were to have full funding of this account, it would be $40,691,500. We have recommended a funding level of $39,418,800.

As the gentleman from Missouri earlier indicated, there is a range of funding levels within the Member's official expense allowances depending on the circumstances of the Member. The range is between $59,810 per Member to $183,910 per Member, an average of about $87,000 per office. It includes fixed accounts such as postage at $211, equipment leases at $9,000, official expenses at $7,000, stationery allowance at $6,500, constituent communications at $5,000, and telephone, which is a monthly service charge, at $5,200, for a fixed annual allowance of $32,911. Then the difference between that and the minimum amount and the maximum amount is made up in several variables which include travel, telephone and, of course, the District office rental allowance. We do not feel that we can abide by those resolutions that were adopted by this House in the guise of reform in 1977 and approved by this body unless we have the funds that are appropriated and recommended to be appropriated within the legislative branch bill.

The gentleman indicated he is asking for a 16-percent reduction. That is absolutely impossible within the limited situation within which we work. Since the procedures for setting these allowances were promoted by reform—and all of the Members recall the circumstances—I would encourage the Members to stay with their earlier decision that sets these amounts at that level I have indicated. The allowances have not been raised during the past 3 years—1977, 1978, and 1979. However, there has been a greater utilization by the Members of the allowances in each succeeding year, which means that those who felt initially that they had some leeway, because they were funded at a level that allowed some discretion will no longer have that discretion within a short period of time. Consequently, I urge the House to defeat the amendment offered by the gentleman from Pennsylvania.

Mr. DORNAN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, for the second time today, I would like to speak principally to the 79 new Members of the 96th Congress, 40 of them members of the majority party and 39 of the minority.

I know that as Congressmen-elect each group was taken off to a secluded monastery somewhere and advised by the tribal elders that the most important thing they should do over the next 2 years to nail down their incumbency is send out five or six newsletters per year. I do not believe in the privacy of those critical pre-swear-in caucuses the leadership was so cynical as to even remotely suggest that newsletters really were designed for taking the pulse of each Member's district. What was carefully pointed out to each freshman was that a newsletter was the greatest tool to insure longevity and tenure that we have here in the Congress.

Well, I tell those same freshmen that if they come from a district that is described as "sophisticated" by the Congressional Quarterly, they should be prepared for close scrutiny. They are going to be tracked over the next 2 years as no Members of Congress have ever been tracked before. Phony newsletters will be analyzed carefully. The best way they can assure reelection now is to go home and with honest pride tell their tax-poor constituents that they voted for this fine amendment offered by the distinguished gentleman from Pennsylvania to cut 17 percent out of the bloated office account funds, and that any Member is able to suffer with only three or four newsletters a year.

Let me give you an example of one of the most cynical abuses of newsletters that I have ever seen. When the courageous defender of human life, Pope Paul the VI died, the entire Senate and House delegation sent to the funeral of the "Humanae Vitae" Pope was for taxpayer funding of abortion-on-demand. Imagine that affront to the memory of a holy man who fought for 14 years to protect innocent life. And, lo and behold, what appeared a few weeks later? Newsletters from the other body telling how wonderful it was that Members went over to the funeral of Pope Paul showing their great regard for his courage and dedication. That kind of cynical newsletter is not to inform constituents, it is to mislead voters on political positions. It is to assure reelection by confusing the electorate. It is done on defense, on tax-cutting and particularly on inflation. If we would do away with newsletters entirely, this would be a cleaner House, a more honest legislature, and there would be perforce more town hall meetings telling taxpayers face-to-face about our genuine positions on critical issues and not informing them by carefully worded newsletters what miraculous faith healers we are when we return to Washington, D.C. to labor tirelessly to stop inflation and cut crushing taxation.

I would again advise all of the 79 new faces that this amendment is a great way to keep faith with your constituents. Tell them at your town hall meetings in the year and a half you have left to serve here in the 96th Congress that you will continue to cut back the cost of runaway Government spending including our own.

Mr. STUDDS. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, I apologize to my colleagues, because I did not intend to speak on this, but the statements of the gentleman from California with respect to "new faces" and how they can get themselves reelected miss the point altogether.

Some of the Members will remember, those of us who took office in 1973 on this side of the aisle, that about 30 of us took a special order one night in our first year and kept the House in session until approximately midnight. The subject was the balance of power between the legislative and executive branches, and many of us were deeply concerned that the legislative branch had forfeited many of our constitutional prerogatives to the executive. Thirty of us divided up amongst ourselves, by subject matter, those areas in which we had let our responsibilities go. I argued that night in favor of tripling the allowances of this House.

The "new faces" that were spoken to just now may not know that in the Congress years ago it was not a question of whether the allowances were adequate. In many instances there were no allowances. I spent $25,000 out of my own pocket for legitimate official expenses in my first 3 years here. I am sick and tired of those who do not have enough backbone to stand up and stop cringing if they wish to do the best job they can as U.S. Representatives. A part of that job happens to be meeting with your constituency, who happen to be very upset, among other things, that the Federal Government is so hopelessly out of touch with what they are concerned about and with what they are thinking about.

It is true that if you send out a lot of newsletters and they are good, they will probably help you be reelected. If you have a good staff, it will probably help you be reelected. If you have a good district office, it will probably help you be reelected. It is probably true that if your telephones work and you use them and you talk to your constituents, this will probably help you be reelected. It is even possibly true that some Members feel that if they offer amendments like this, it will help them be reelected.

Let me suggest to you that, if you are really concerned about being reelected, do the job you are sent here to do. Do the one thing the people of this country, regardless of ideology, regardless of philosophy, are dying for you to do—stand up and do and say what you think is right, and if you really want to do something about the disproportionate advantages of the incumbency, let us get on with public financing of congressional campaigns.

That is what counts. What counts is to have the backbone to stand up before the people of this country and say that we should be given the tools to do our job. They understand that. And if the "new faces" are concerned about what happens to you if you vote against this amendment, you should know that I took the lead on this subject in 1973, as the most marginal Member of this House. I had been elected with 50.2 percent of the vote the year before, and the next year it was a heck of a lot better. I will not tell you how much better, because it is embarrassing.

This is not the way people judge Members of Congress. They judge whether or not you are doing what you were elected to do. You were elected to represent them, to communicate with them. These allowances are a vital part of that responsibility, and I implore you to defeat this amendment.

Mr. OBEY. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I will speak for 30 seconds. I want to remind the House that 2 years ago, when we had my ill-fated commission before the House, we commissioned a poll of the public to find out exactly what they thought on questions like this. We had Lou Harris do that poll, and that poll showed that the one thing the public wanted out of this Congress more than anything else was more communication, more discussion, and it also stated that they wanted us back in the district more than we were getting back. So the answer to what the public wants is more service, more communication, not less.

□ 1400

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania (Mr. Coughlin).

The question was taken; and on a division (demanded by Mr. Coughlin) there were—ayes 22, noes 115.

Mr. COUGHLIN. Mr. Chairman, I demand a recorded vote.

A recorded vote was refused.

So the amendment was rejected.

AMENDMENT OFFERED BY MR. ERLENBORN

Mr. ERLENBORN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Erlenborn: Page 5, line 11, strike out "$39,418,800" and insert in lieu thereof "$37,448,260".

Mr. ERLENBORN. Mr. Chairman, all of the arguments concerning this item in the bill, the office allowances, have been made very forcefully on both sides of the aisle. I suspect that the 17-percent cut that was proposed by the gentleman from Pennsylvania was possibly just a little bit too large for many Members to support. Yet, I think the basic thesis is correct, and that is if we are going to try to whip inflation, if we are going to ask business and our constituents as individuals to make some sacrifices in light of today's economy, we have to be willing to lead the way.

So, I am offering in this amendment a 5-percent cut in office allowances. It does not affect anyone's salaries, committee or our own personnel staff. It does not affect newsletters. You could use your money for newsletters and use a little bit less on paper or pencils and some other things that you buy with your office allowance.

So, I submit this without further argument, a simple 5-percent cut in the office allowances.

Mr. BENJAMIN. Mr. Chairman, I rise in opposition to the amendment.

The amendment that is offered by the gentleman from Illinois again hits an underfunded account as I explained in the opposition to the amendment offered by the gentleman from Pennsylvania. The fund is underfunded now at $1.3 million.

If we are just taking an aggregate cut out of these allowances, it is not advising the House, or the committee of jurisdiction, or the House Administration Committee as to where the cuts should be made. As a consequence, it might be in the travel of those who are representing the great State of California. It might be in the communication allowance that is utilized by those who represent the great State of Illinois.

There is a procedure that should be employed if we are going to reduce the official expenses of Members. That procedure is to address yourself to the House Administration Committee. They can recommend a resolution which then can properly be considered by this House.

Just by cutting the appropriation itself does not resolve the problem if you feel that the official expenses are too high or that there is too wide a latitude between the lowest and highest allowances that can be utilized by the Members. This may be appealing, but, on the other hand, we have already made a significant reduction under the amount authorized. We have based that reduction on historical usage. I feel we ought to stick with the committee recommendation.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois (Mr. Erlenborn).

Mr. ERLENBORN. Mr. Chairman, I demand a recorded vote, and pending that, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. Ninety-eight Members are present, not a quorum.

The Chair announces that pursuant to clause 2, rule XXIII, he will vacate proceedings under the call when a quorum of the Committee appears.

Members will record their presence by electronic device.

The call was taken by electronic device.

□ 1410

QUORUM CALL VACATED

The CHAIRMAN. One hundred Members have appeared. A quorum of the Committee of the Whole is present. Pursuant to rule XXIII, clause 2, further proceedings under the call shall be considered as vacated.

The Committee will resume its business.

RECORDED VOTE

The CHAIRMAN. The pending business is the demand of the gentleman from Illinois (Mr. Erlenborn) for a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 204, noes 213, answered "present" 1, not voting 16, as follows:

[Roll No. 226]

AYES—204

Abdnor
Ambro
Anderson, Calif.
Anderson, Ill.
Andrews, N. Dak.
Archer
Ashbrook
Atkinson
Bafalis
Barnard
Bauman
Beard, Tenn.
Bennett
Bereuter
Bethune
Boland
Bouquard
Brinkley
Broomfield
Brown, Ohio
Buchanan
Burgener
Butler
Byron
Campbell
Carney
Carter
Cavanaugh
Cheney
Clausen
Cleveland
Clinger
Coleman
Collins, Tex.
Conable
Conte
Corcoran
Coughlin
Courter
Crane, Daniel
Crane, Philip
D'Amours
Daniel, Dan
Daniel, R. W.
Dannemeyer
Daschle
Davis, Mich.
de la Garza
Deckard
Derwinski
Devine
Dickinson
Dodd
Dornan
Drinan
Duncan, Tenn.
Early
Edwards, Ala.
Edwards, Okla.
Emery
English
Erdahl
Erlenborn
Evans, Del.
Evans, Ind.
Fenwick
Findley
Fish
Fountain
Fowler
Frenzel
Gephardt
Gilman
Gingrich
Glickman
Goldwater
Goodling
Gore
Gradison
Gramm
Grassley
Grisham
Guyer
Hagedorn
Hall, Tex.
Hammerschmidt
Hance
Hansen
Harkin
Harsha
Heftel
Hightower
Hillis

Hinson
Holt
Hopkins
Hubbard
Hughes
Hutto
Jacobs
Jeffries
Jenkins
Jones, Okla.
Kazen
Kelly
Kemp
Kildee
Kostmayer
Kramer
LaFalce
Lagomarsino
Latta
Leach, Iowa
Leach, La.
Leath, Tex.
Lee
Lent
Levitas
Loeffler
Lott
Lujan
Luken
Lungren
McClory
McCloskey
McDade
McDonald
McEwen
Madigan
Maguire
Marlenee
Martin
Mathis
Mazzoli
Miller, Ohio
Minish
Mitchell, N.Y.
Moffett
Montgomery
Moorhead, Calif.
Mottl
Myers, Ind.
Natcher
Nedzi
Nelson
Nichols
O'Brien
Panetta
Pashayan
Paul
Petri
Pickle
Quayle
Quillen
Railsback
Regula
Rhodes
Ritter
Robinson
Roth
Royer
Rudd
Runnels
Russo
Santini
Satterfield
Sawyer
Schulze
Sebelius
Sensenbrenner
Sharp
Shumway
Shuster
Smith, Nebr.
Snowe
Snyder
Solomon
Spence
Stangeland
Stanton
Stenholm
Stockman
Stump
Symms
Tauke
Taylor
Thomas
Trible
Volkmer
Walker
Wampler
Watkins
Weaver
White
Whitehurst
Whittaker
Williams, Mont.
Williams, Ohio
Wilson, Tex.
Winn
Wydler
Wylie
Yatron
Young, Fla.

NOES—213

Addabbo
Akaka
Albosta
Alexander
Andrews, N.C.
Anthony
Applegate
Ashley
Aspin
AuCoin
Badham
Bailey
Baldus
Barnes
Beard, R.I.
Bedell
Beilenson
Benjamin
Bevill
Bingham
Blanchard
Boggs
Boner
Bonior
Bonker
Bowen
Brademas
Breaux
Brodhead
Brooks
Brown, Calif.
Broyhill
Burlison
Burton, John
Burton, Phillip
Carr
Chappell
Clay
Coelho
Collins, Ill.
Corman
Cotter
Danielson
Davis, S.C.
Dellums
Dicks
Dingell
Donnelly
Dougherty
Downey
Duncan, Oreg.
Eckhardt
Edgar
Edwards, Calif.
Ertel
Evans, Ga.
Fary
Fascell
Fazio
Ferraro
Fisher
Fithian
Flippo
Florio
Foley
Ford, Mich.
Ford, Tenn.
Frost
Fuqua
Garcia
Gaydos
Giaimo
Gibbons
Ginn
Gonzalez
Gray
Green
Guarini
Gudger
Hall, Ohio
Hamilton
Hanley
Harris
Hawkins
Heckler
Hefner
Holland
Hollenbeck
Holtzman
Horton
Howard
Huckaby
Hyde
Ichord
Ireland
Jeffords
Jenrette
Johnson, Colo.
Jones, N.C.
Jones, Tenn.
Kastenmeier
Kogovsek
Lederer
Lehman
Leland
Lewis
Livingston
Lloyd
Long, La.
Long, Md.
Lowry
Lundine
McCormack
McHugh
McKay
McKinney
Markey
Marks
Marriott
Matsui
Mattox
Mavroules
Mica
Michel
Mikulski
Mikva
Miller, Calif.
Mineta
Mitchell, Md.
Moakley
Mollohan
Moore
Moorhead, Pa.
Murphy, Ill.
Murphy, N.Y.
Murphy, Pa.
Murtha
Myers, Pa.
Neal
Nolan
Nowak
Oakar
Oberstar
Obey
Ottinger
Patten
Patterson
Pease
Pepper
Perkins
Peyser
Preyer
Price
Pritchard
Pursell
Rahall
Rangel
Ratchford
Reuss
Richmond
Rinaldo
Roberts
Rodino
Roe
Rose
Rosenthal
Rostenkowski
Roybal
Sabo
Scheuer
Seiberling
Shannon
Shelby
Simon
Skelton
Slack
Smith, Iowa
Solarz
Spellman
St Germain
Stack
Staggers
Stark
Steed
Stewart
Stokes
Stratton
Studds
Swift
Synar
Thompson
Traxler
Udall
Ullman
Van Deerlin
Vanik
Vento
Walgren
Waxman
Weiss
Whitley
Whitten
Wilson, C. H.
Wirth
Wolff
Wolpe
Wright
Wyatt
Yates
Young, Alaska
Young, Mo.
Zablocki
Zeferetti

ANSWERED "PRESENT"—1

Rousselot

NOT VOTING—16

Annunzio
Biaggi
Bolling
Chisholm
Conyers
Derrick
Diggs
Dixon
Flood
Forsythe
Johnson, Calif.
Kindness
Schroeder
Treen
Vander Jagt
Wilson, Bob

□ 1430

The Clerk announced the following pairs:

On this vote:

Mrs. Schroeder for, with Mr. Johnson of California against.

Messrs. CHENEY and HAMMERSCHMIDT changed their vote from "no" to "aye."

Messrs. COELHO, HOLLAND, GINN, EVANS of Georgia, JONES of Tennessee, and MOORE changed their vote from "aye" to "no."

So the amendment was rejected.

The result of the vote was announced as above recorded.

AMENDMENT OFFERED BY MR. MILLER OF OHIO

Mr. MILLER of Ohio. Mr. Chairman, I offer an amendment.

The portion of the bill to which the amendment relates reads as follows:

MILEAGE OF MEMBERS

For mileage of Members, as authorized by law, $210,000.

The Clerk read as follows:

Amendment offered by Mr. MILLER of Ohio: On page 2, strike lines 11 through 13.

Mr. MILLER of Ohio. Mr. Chairman, this is a very short amendment on a matter which should be brought to the attention of the House.

The gentleman from Indiana (Mr. BENJAMIN) and the gentleman from Illinois (Mr. MICHEL) are funding, through their committee, an amount of $210,000 for mileage. This is mandated by law. They feel they are obligated to do this, and I can understand why.

Mr. Chairman, I think we should take a look at what this is.

On page 2, under title I, line 11, it says, "Mileage of Members. For mileage of Members, as authorized by law, $210,000."

A letter the Members received in January, which most signed, authorizes the Clerk of the House to send you a check for one round trip to the Congress; coming in when the Congress starts and going out after the Congress is over. That is what this amounts to.

Let me give you a bit of history. On July 28, 1866, 2 U.S.C. 43 became effective. It provides a payment to each Member and totals $210,000. Presently each Member is allowed 20 cents per mile to cover the cost of that trip. Vouchers are submitted and paid for the trips taken.

Before January 1977 Members were authorized to receive reimbursement for 26 round trips per session between Washington and their district office. Effective at the beginning of the 95th Congress, January 1977, the system of allowances used by Members to run their offices was revised to allow, for the first time, the transfer of money from one fund to another. On November 2, 1977, the Committee on House Administration further modified Members' allowances to consolidate 10 established allowances including travel into 2 allowances or categories: Clerk hire and official expense. It is possible to transfer as much as $15,000, and it is conceivable you could pay out $85,000 from your office account for travel.

I feel this is something we should not charge the taxpayers for. It is an item for which each Member can just sign and receive the payment. Who is going to take a trip that will bring them here for the 96th Congress in January and 2 years later, in December, take them home? Back in 1866, the date to which I previously referred, the intent was good, but it is presently outmoded, and it is costing the taxpayers $210,000.

Mr. Chairman, I would request a yea vote on the amendment.

Mr. THOMPSON. Mr. Chairman, I move to strike the last work and will speak in opposition to this amendment.

Mr. Chairman, I am slightly less than terribly impressed by this effort, having been on the Committee on House Administration—which I now have the privilege to chair, thanks to the vote of my peers—for 20-some years and having arrived here at a date preceding some of my more conservative colleagues who now serve on the Committee on House Administration—who shall be nameless; one, for instance, from West Virginia—who have been very cautious about such matters.

Mr. Chairman, may I refer my friend, the author of the amendment, section 43 of the United States Code, which states that each Senator, Representative and Delegate shall receive mileage at the rate of 20 cents per mile to be estimated by the nearest route usually traveled in going to and returning from each regular session.

Not having anticipated this amendment, I do not have before me all the data on the travel of all the Members, but it seems to me, from reviewing the requests and signing off on them over a long period of time, that the Members have availed themselves of this privilege in a most responsible manner. They do so in order to get themselves here and to get themselves back, and in the case of new Members, to bring in their families to Washington.

□ 1440

Anyone in this day and age who can make the trip at 20 cents a mile, if he is lucky enough to find the fuel, gasoline, gasohol, diesel or otherwise, is doubly fortunate. So eliminating this provision is nothing less than pure cosmetics; unreasonable, irrational, and not at all sensible.

I do not know how many trips each Member takes. One is not supposed to refer to such matters here. But I would be glad to publish for the record the number of trips that each and every Member takes. And I note that such information is already available through the report of the Clerk of the House.

I am sure that Members are responsible. They file travel vouchers, which they certify and which they are paid for, so that they can keep in touch with their constituents, and come back here and tell the House, as we have been hearing all day long, that "my constituents say this and my constituents say that." Obviously they must be in almost daily contact with their constituents, and even with the telephone and the other allowances as liberal as they are, to keep in touch with one's constituents, one must go back and forth to one's district.

Seeking this payment is a voluntary thing. None of us is required to sign a voucher and ask for this payment. If the gentleman wants to cut down on his entitlement, he can do so on a voluntary basis.

Mrs. FENWICK. Mr. Chairman, will the gentleman yield?

Mr. THOMPSON. I yield to my colleague, the gentlewoman from New Jersey.

Mrs. FENWICK. Mr. Chairman, I thank my colleague for yielding.

I just would like to make one thing clear. None of this travel money is available to any Member of the House, except when the request is accompanied by a voucher; is that correct?

Mr. THOMPSON. The gentlewoman is correct.

Mrs. FENWICK. I thank the gentleman.

Mr. THOMPSON. That is correct no matter what the means of conveyance.

Mr. BEDELL. Mr. Chairman, will the gentleman yield?

Mr. THOMPSON. I yield to my colleague, the gentleman from Iowa.

Mr. BEDELL. Mr. Chairman, I have a statement here that people are expected to sign to get the money and there is no requirement at all that you certify that you made the trip or that you certify with a voucher.

Would the gentleman agree that this should be changed so that we are required to certify that we made such a trip in order to get the mileage that is listed in the one trip per year?

Mr. THOMPSON. Well, the gentleman does not agree, because the gentleman from Iowa, and the gentleman speaking now, must certify and submit a voucher in order to be paid.

Mr. BEDELL. Mr. Chairman, if the gentleman will yield further, you do not have to submit any voucher at all. All I have to do is sign that I want the 20 cents and I get that money.

Mr. THOMPSON. For the first trip, there is a voucher necessary. When the first quorum call comes and the gentleman's presence is noted, need he state that he left his State and got here? The answer is no, obviously he is here, whether he walked or rode a pogo stick or a polo pony, or whatever.

Mr. BEDELL. Mr. Chairman, if the gentleman will yield further, if that is the gentleman's intent, and I think it should be the gentleman's intent, then is there anything wrong on the voucher simply to require that the person who signs for the mileage hereby certify that they made such a trip to and from their district, if that is what the gentleman is doing anyway.

Mr. THOMPSON. Mr. Chairman, if the gentleman is on my time, I will answer. I think I understand the gentleman's question. The current voucher, which must be completed by the Member, states:

> I hereby request payment at the rate of 20 cents per mile between my residence and Washington, D.C., computed on the basis of——

Whatever the number of miles is.

The CHAIRMAN. The time of the gentleman from New Jersey (Mr. THOMPSON) has expired.

(By unanimous consent, Mr. THOMPSON was allowed to proceed for 3 additional minutes.)

Mr. THOMPSON. Incidentally, the Rand-McNally inaccurate Atlas is used to calculate the mileage, inaccurate in the sense that it may understate the number of miles for a trip to a Member's district. The voucher is then signed by the Member.

Now, what other authorization would the gentleman suggest for certification other than the Member's signature and on his honor?

If the gentleman can suggest additional language, I would agree to it; but that is the language to the voucher, but not to cut 5 percent.

Mr. BEDELL. Mr. Chairman, will the gentleman yield further?

Mr. THOMPSON. I yield very briefly.

Mr. BEDELL. Mr. Chairman, the gentleman asked me what additional language I would suggest. I would simply suggest that on this voucher before you sign, you say, "I hereby state that I have made such a trip to and from my district."

That is the only request that I make.

Mr. THOMPSON. In other words, "I hereby request" is not sufficient? Fine, we will give thought to that at the next meeting of the Subcommittee on Accounts.

Mr. SEIBERLING. Mr. Chairman, will the gentleman yield?

Mr. THOMPSON. I yield to the gentleman from Ohio.

Mr. SEIBERLING. Mr. Chairman, if a Member certifies to collect his annual travel allowance, I understand he could not then collect a separate travel reimbursement for the cost of the same transportation. In other words, he could not collect it twice.

Mr. THOMPSON. No, he could not.

Mr. SEIBERLING. Well, therefore, it does not matter. He obviously had to get here and he obviously had to go back to his district.

Mr. THOMPSON. The gentleman is quite correct.

Mr. SEIBERLING. So there is no duplication possible.

Mr. THOMPSON. No, there is none.

Mr. GUYER. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I just would like to comment that to make this official, this report is required by the Internal Revenue Service to be filed with your income tax. I think I am correct in that.

Mr. BEDELL. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I think it is important that we understand the issue here. The fact is that if I wanted to send this voucher in and get my mileage and then I took a trip during the period to and from my district, I can submit that mileage together with the vouchers and be paid for both, even though I may have only taken one trip.

The request is pure and simple, that is not the intent, as I understand it from the chairman of the committee.

I think we should have an agreement if that is the case by the chairman of the committee that he will see to it that it is not possible to make duplications, because I think the gentleman from Ohio agrees there should not be duplications.

All you have to do to get your money on this is send it in. You do not have to make a trip.

Mr. THOMPSON. Mr. Chairman, will the gentleman yield?

Mr. BEDELL. I would be glad to yield.

Mr. THOMPSON. Mr. Chairman, this says, and I certainly will admit that it is possible to perfect and tighten the language:

> I hereby request payment at the rate of 20 cents a mile.

The gentleman is quite right. The language does not require a Member to state, "I got here," in order to submit the voucher.

Mr. BEDELL. That is right, and I can be paid for the trip anyway.

Mr. THOMPSON. The gentleman can send it from Iowa, if the gentleman wanted to risk that.

We can tighten it up.

Mr. BEDELL. That is the only request, that you certify here when you get the money that you made such a trip.

Mr. THOMPSON. Mr. Chairman, will the gentleman yield further?

Mr. BEDELL. I yield.

Mr. THOMPSON. Mr. Chairman, does the gentleman think that the certification can be cleared up without the need to support this rather absurd amendment?

Mr. BEDELL. I absolutely do. That is why I think the gentleman should agree to do that; but I do not think the gentleman has agreed.

Mr. THOMPSON. The gentleman has agreed.

Mr. BEDELL. I thank the gentleman.

Mr. SEIBERLING. Mr. Chairman, will the gentleman yield?

Mr. BEDELL. Yes, I will be glad to yield to the gentleman from Ohio.

Mr. SEIBERLING. I think the chairman has already made the interpretation that if a Member collected this allowance and then in addition filed a travel voucher for the same trip, that he would be in effect asking to be reimbursed for a charge for which he had already been paid, which would be improper under the House rules; so whatever his annual travel allowance voucher says, he would be filing a false voucher on the second application; so it seems to me the problem is going to be handled automatically.

Mr. BEDELL. If the Member did not make the trip, and simply sends this in, they automatically get the money, regardless.

Mr. SEIBERLING. That is right, but then he could not collect again for the same trip. He obviously had to get here and he could not get paid twice for the same trip. That is all the chairman is saying.

Mr. BEDELL. As I understand it, I do have the agreement from the gentleman that he will try to clear it up so that it cannot be paid on this trip unless the trip is made; is that correct?

Mr. THOMPSON. The gentleman has such an agreement, presuming, of course, that this amendment is defeated.

Mr. SOLOMON. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I have been sitting here and I have been listening to some people say that this is nitpicking. It could very well be nitpicking, but we have had opportunities to vote on amendments that were not nitpicking, like that of my good friend, the gentleman from Pennsylvania (Mr. COUGHLIN); so maybe it is necessary to nitpick a little while.

Mr. Chairman, I yield to my good friend, the gentleman from Ohio (Mr. MILLER).

Mr. MILLER of Ohio. Mr. Chairman, I thank the gentleman for yielding. It may be considered an absurd amendment, but when we go back to 1866, when this section started, it was necessary to pay for a trip to the Congress and back. In that case it was probably after a 3-month session.

□ 1450

But we are still carrying on with the same item and the same voucher. I have one also. The member can add the payment to his checking account with the Sergeant at Arms at the Capitol. It will be deposited there or it will be sent as a check to the member.

I think it is important that we do not just have a "freebee" on the books, and I look at this as that.

The gentleman from Iowa says he has not received his, but I find, since the 95th Congress, when we had the transfer of funds—and it makes sense that we should have transfer of funds—that we can be paid for those trips that we take. That is the purpose. That is why we do it, why we voucher it, and not for some antique idea that is still on the books.

If we do not fund it it cannot be paid. I would like to say, too, that I did not sign and certify that I took that trip therefore I did not receive money from this account.

Mr. Chairman, I think it is important that we remove the $210,000, and I hope the Members will support it.

Mr. SOLOMON. Mr. Chairman, I wish to reclaim my time.

I just want to say that I want to thank the gentleman for bringing this matter up. I was looking through the committee report, and I found out they have already cut out seven barbers that we did not need. And now I have just learned, after talking to my good friend, the gentlewoman from New Jersey (Mrs. FENWICK), that we have 25 beauticians for only 17 women Members of this House.

Mr. Chairman, I think we ought to keep this thing going, and perhaps we will cut this budget by 50 percent before we are through.

Mr. CONTE. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. THOMPSON. Mr. Chairman, will the gentleman yield?

Mr. CONTE. I yield to my good friend, the gentleman from New Jersey.

Mr. THOMPSON. Mr. Chairman, I certainly have no reason to question the fact that our colleague, the author of this amendment, has not signed the requisite voucher form in order to be paid for this trip. The records indicate that he has not. However only 17 Members of the 435 of us have not done so. That is an option which is open to each of them. There can be and will be no duplication.

I might say that such matters, with respect to Members' allowances submitted for approval to the Committee on House Administration, will be given most careful scrutinv, and the desires of Members, as reflected in the recent rollcall votes, will be respected.

Mr. Chairman, I want to respect the desires of my colleagues, particularly with regard to the use of their funds.

Mr. CONTE. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Ohio (Mr. MILLER).

I do not want anyone here, including the press, to get the impression that there is some way here that we can have double-dipping. There is no double-dipping. If anyone double-dips, then he or she is in violation of the rules of the House of Representatives. If we want to take travel this way, we take it this way. If we want to take travel out of the other office allowance, we have got the right to take it under that.

But we cannot get it both ways. If we vote for this amendment, we are not doing anything; we are not saving $1. The only way we can save a dollar is by not putting in for our travel allowances when we go back and forth to our districts. In that way we can save the taxpayers some money, but not through this amendment.

Mr. Chairman, I hope this amendment is defeated.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio (Mr. MILLER).

The amendment was rejected.

AMENDMENT OFFERED BY MR. TAUKE

Mr. TAUKE. Mr. Chairman, I offer an amendment.

The portion of the bill to which the amendment relates reads as follows:

OFFICIAL MAIL COSTS

For expenses necessary for official mail costs, $70,707,000, to be disbursed by the Clerk of the House, to be available immediately on enactment of this Act.

The Clerk read as follows:

Amendment offered by Mr. TAUKE: Page 12, line 3, strike out "$70,707,000" and insert in lieu thereof "$64,994,000".

Page 12, line 4, after the period, insert the following: "The Committee on House Administration shall set forth rules to uniformly limit the amount of official mail which may be sent by Members of the House with the use of funds appropriated under this paragraph.".

Mr. BENJAMIN. Mr. Chairman, I reserve a point of order on this amendment.

The CHAIRMAN. The gentleman from Indiana (Mr. BENJAMIN) reserves a point of order on the amendment.

The Chair recognizes the gentleman from Iowa (Mr. TAUKE).

Mr. TAUKE. Mr. Chairman, the story is often told in this Chamber that the former Speaker of the House, Sam Rayburn, when asked by freshmen Members how to get reelected, said:

> There are three things that you must remember in order to be reelected: the frank, the frank, and the frank."

My amendment speaks to the frank.

When I arrived in this body a few months ago, I was surprised to find out that there is no method by which the use of the frank by Members is accounted for or that any records are kept for the use of it. So I can continue to send materials to the post office to be mailed under the frank and there is no record kept.

Mr. FORD of Michigan. Mr. Chairman, will the gentleman yield?

Mr. TAUKE. I will yield when I have finished.

Mr. FORD of Michigan. Mr. Chairman, the gentleman is just badly misleading the House. I know the gentleman well enough to know that he would not intentionally do this. We have two members of the Committee on Post Office and Civil Service, and I hope the gentleman from Illinois (Mr. DERWINSKI) is here some place.

If the gentleman does not know where to get that information, he can come to us and we will have it in 5 minutes. We will tell the gentleman exactly what he is spending, and we can tell him what any other Member is spending.

The gentleman can check on that information. He can ask the gentleman from Iowa (Mr. GRASSLEY), who is the champion in the House.

Mr. TAUKE. Mr. Chairman, if I may, I will reclaim my time.

While the post office does keep records of the poundage that goes through and while the post office does keep records relating to the numbers of mass mailings, the post office does not keep records with regard to the individual mail being sent out by Members.

In this day of computerized mailings, mass mailings are not indicative of total mailings, but the computerized mailings sent out on an individual basis, I think, are critically important, and we should have some rules regulating the amount of individual mailings that go out.

The second thing I discovered this week that surprised me was that in 1978, just 2 years ago, this House spent about $47,236,000 for the franking privilege. Since that time the amount has gone up $23,470,000, so that this year the committee is recommending over $70 million for the frank. In other words, in 2 years we have gone from $47 million to $70 million.

This amendment does two things. First, it cuts the amount of money back from $70 million to $64 million, in other words, the same amount that was appropriated last year.

Second, and most importantly, the amendment asks the Committee on House Administration to set some limitations on the amount of franked mail that each Member can send out.

I believe that this amendment will permit greater accountability in the House for the use of the frank. I think it will probaby not affect most offices. It probably will affect those offices that abuse the frank. Moreover, it will give us some records whereby we know who the Members are who are overextending themselves in the use of this privilege.

Mr. Chairman, we do want to communicate with our constituents, but we should not abuse the frank. The increase in costs over the last several years suggests that perhaps this privilege is being abused.

Mrs. FENWICK. Mr. Chairman, will the gentleman yield?

Mr. TAUKE. I yield to the gentlewoman from New Jersey.

Mrs. FENWICK. Mr. Chairman, I heartily endorse this amendment, and I hope very much it will be passed.

We have had, as the gentleman knows, to limit in both Houses of Congress the number of photographs that can be shown in any one mailing, so that a Member can have no more than a certain number showing the happy incumbent with a baby, a fireman, a worker, a farmer, an aged person, and so on.

We know perfectly well what many of these mailings are for, when we "communicate with our constituents." They are in a sense campaign literature. They are really, if we are going to be honest about it, advertisements for the incumbent. They are carried, luckily, no longer at first-class rates paid by the taxpayers.

Mr. Chairman, we ought not to try to fool each other, nor should we try to fool the pubic. We know what we are doing. I think this is an absolutely essential curb on an abuse.

The CHAIRMAN. The time of the gentleman from Iowa (Mr. TAUKE) has expired.

□ 1500

POINT OF ORDER

The CHAIRMAN. Does the gentleman from Indiana (Mr. BENJAMIN) insist upon his point of order?

Mr. BENJAMIN. Mr. Chairman, I insist on my point of order.

Mr. Chairman, I would maintain that the gentleman's amendment is in violation of rule XXI, clause 2, since it is legislation on an appropriation bill. It establishes law where none exists.

The CHAIRMAN. Does the gentleman from Iowa (Mr. TAUKE) wish to be heard on the point of order?

Mr. TAUKE. I do, Mr. Chairman.

The CHAIRMAN. The gentleman is recognized.

Mr. TAUKE. Mr. Chairman, the amendment speaks to the amount of dollars that would be appropriated for this particular item, and then it places restrictions on the use of those dollars. Under those circumstances, I believe the amendment is germane.

The CHAIRMAN (Mr. MURPHY of New York). The amendment clearly requires action by the Committee on House Administration and, therefore, is legislating in an appropriation bill.

The Chair sustains the point of order.

Are there other amendments to the bill?

AMENDMENT OFFERED BY MR. MILLER OF OHIO

Mr. MILLER of Ohio. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MILLER of Ohio: On Page 31, after line 12, insert the following section:

SEC. 306. Of the total budget authority provided in this Act, for payments not required by law, five per centum shall be withheld from obligation and expenditure: *Provided*, That of the amount provided in this Act for each appropriation account, activity, and project, for payments not required by law, the amount withheld shall not exceed ten per centum.

Mr. MILLER of Ohio. Mr. Chairman, this is the standard 5-percent reduction that I have offered on many, many appropriations bills. After the last time it was offered on the supplemental, I had some of the new Members say there were not positive it would work. So for that reason I would like to state again that it is a 5-percent reduction on only the unmandated items in the bill. In conference (after we have had the amendment approved on the floor of the House, the amendment language generally is wiped out, but the conferees reduce the bill the appropriate amount. They can line up the items with the high-priority items at the top and the low-priority items at the bottom, and not take a dime out of the high-priority items but take up to 10 percent out of the low-priority items, until they actually remove 5 percent of the nonmandated amount.

The total in the bill—and I will round figure it—is $952 million. The nonmandated items are $569 million. Five percent of the nonmandated items is $28 million. I would hope that the Members would vote for the taxpayers and support the amendment.

Mr. BENJAMIN. Mr. Chairman, I rise in opposition to imposing a percentage reduction on the legislative branch appropriation bill. Such a cut is akin to taking a shotgun to go after an offensive bumble bee. The pellets will scatter in all directions and yield unknown and possibly harmful results but the bumble bee will go on stinging.

Mr. Chairman, the Committee on Appropriations understands full well the need to scrutinize the budget and to weed out the unnecessary or the marginal requests made by legislative branch agencies. We conducted intensive hearings into the requests for fiscal year 1980 appropriations; over 100 witnesses appeared before the Legislative Branch Subcommittee; we reviewed the agency submissions closely, and then we marked up a bill that reduced the agency budget requests by $82,146,200, or 8 percent of their total budget.

Mr. Chairman, in reducing this budget by over $82 million, we considered budget requests that would have resulted in an increase of $112,286,800 over the amounts enacted in fiscal year 1979. The committee has trimmed this by 73 percent, or $82 million.

The increase of $30,140,600 that we do recommend amounts to an increase of 3 percent over the amounts enacted last year. Mr. Chairman, as we all know, inflation is running at over 10 percent—we have provided less than necessary to keep up with that inflation and we have actually reduced the purchasing power of the legislative branch budget.

We have made many reductions in the bill, but enough is enough. You can only flail a dog so much—then he becomes useless.

And the reductions we have made have been considered carefully. We made specific cuts with, I believe, supportable rationale. That is what the appropriations process is all about. We have the responsibility to look at these programs and made the hard decisions necessary to recommend a good bill to the House. That is exactly what we have done.

Percentage cuts are meat axes, Mr. Chairman. They are the easy way out. They sound good because no single program is put on the block. It all sounds innocuous and benign—but this approach just subverts the real issue that the congressional appropriations process is designed to deal with—what programs do we allow, and how much are they to be funded.

We think we have a good bill, Mr. Chairman. If there are those who disagree, let them tell us where to adjust and use the amendment procedure to do that. Then we can debate the specifics of program reductions.

An $82 million reduction in the legislative branch budget as is presented in the bill before us is tough, but fair, Mr. Chairman. Allowing only a 3-percent increase over last year in the face of double-digit inflation is going to require extreme measures by legislative branch agencies, but they will do it.

We have acted responsibly—let us support the bill as it now stands.

I urge the defeat of this amendment.

Earlier, Mr. Chairman, the gentleman from Massachusetts (Mr. CONTE) who was the author of the 5-percent amendment on the 1979 bill, indicated to this House as a member of this subcommittee that he does not feel that a 5-percent cut would be warranted because he personally felt that we examined each item closely, scrutinized each very carefully, and only brought forth a recommendation to this House that showed for the bare minimum that the legislative branch can live with, and nothing more.

Mr. Chairman, I would again ask for the defeat of this amendment.

Mr. SMITH of Iowa. Mr. Chairman, will the gentleman yield?

Mr. BENJAMIN. I yield to the gentleman from Iowa.

Mr. SMITH of Iowa. Mr. Chairman, I want to say that I serve on this subcommittee. I have not been able to be in all of the hearings, but the gentleman from Indiana has gone through each one of these individual items. It does not surprise me that many Members do not know what is in this bill. But it does amaze me that many Members get up and say things that indicates they do not know what they are talking about. One Member talked about the beauty shop. What the Member does not know is that that place makes money. If you knock money out of the bill, you have to put in money to make up for it. That is one of the misconceptions, I believe, around here.

Another Member said you can send out two district mailings a month. That is not permitted.

The gentleman from Indiana, who has worked like a trouper, has taken out many things that need to be taken out. The best thing to do is what the gentleman did.

Mrs. FENWICK. Mr. Chairman, will the gentleman yield?

Mr. BENJAMIN. I yield to the gentlewoman from New Jersey.

Mrs. FENWICK. Mr. Chairman, I would like to speak to the issue of the beauty parlor. What I very much resisted and felt very badly about was that 25 beauticians were added to the Federal payroll. I have never been in there, in the beauty shop, as I am afraid the Members may have noticed. But we are not Buckingham Palace here, as I said at the time. They should make money. They should be a concession.

Mr. SMITH of Iowa. If the gentleman will yield, they are rent free. The fact is, the House beauty shop operation makes money.

Mrs. FENWICK. They do not pay rent. Why should it not make money? They pay no rent.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio (Mr. Miller).

The question was taken; and on a division (demanded by Mr. Miller of Ohio) there were—ayes 14, noes 71.

So the amendment was rejected.

□ 1510

Mr. BEDELL. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I will only take a few moments. Although I question the advisability of voting ourselves a pay raise at this time, I fully realize there are those who think otherwise.

My concern, Mr. Chairman, is for the integrity of the House and the legislative process. I believe the American people expect us to be recorded on whether or not we should increase our pay, and not to have an up or down recorded vote on this issue, in my opinion, helps to further erode the confidence of the people in the legislative process.

How can we expect the American people to make sacrifices if we are not willing to do likewise? This is an opportunity, Mr. Chairman, for us to be recorded as to whether or not we should grant ourselves a pay raise at this time. We can do that by voting for or against this bill.

I intend to vote against this bill, as a vote against the fact we have not had a recorded vote on whether or not we should be granted this 5½ percent.

I suggest my colleagues do likewise.

Mr. GRASSLEY. Mr. Chairman, will the gentleman yield.

Mr. BEDELL. I yield to the gentleman from Iowa.

Mr. GRASSLEY. The gentleman is saying then a vote for this bill is a vote for the pay raise, and a vote against the bill is a vote against the pay raise?

Mr. BEDELL. My vote is going to be a vote against the bill, because I think it is the only opportunity we have to be recorded on this.

Mr. GRASSLEY. I compliment the gentleman for bringing out that point. What he says is very true. I think we ought to emphasize that point to people as they vote on this bill in final passage that this is a vote the public will be watching as to whether or not each one of us supported a pay raise.

Mr. BEDELL. I yield back the balance of my time.

Mr. HARKIN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I happened to be sitting at a table down in the dining room when the fire broke out at lunch. I was at a table near the door, where it goes into the kitchen. The smoke started billowing out, and I stuck my head in the kitchen.

I said, "Somebody ought to get a fire extinguisher." I found out in the kitchen they do not have one.

I said, "What about a sprinkler system?" There is no sprinkler system either.

Then when we started to funnel out of the restaurant to get people out, there was no procedure to get people out in case of a fire. So you had a big blockade of people moving out of the door just when the firemen were trying to get in.

Mr. SMITH of Iowa. Mr. Chairman, will the gentleman yield?

Mr. HARKIN. I yield to the gentleman from Iowa.

Mr. SMITH of Iowa. This place would not meet fire requirements for any place in the United States.

We have a room downstairs where the full Appropriations Committee meets that has 1 door, and 80 people meet in there. The other door was shut up to make a place for a telephone booth.

This building would not begin to meet fire ordinance requirements for the smallest town in the United States.

Mr. HARKIN. I think the gentleman is very correct. When I saw that happen in the restaurant, I thought of the potentially disastrous fire that could have happened in the Capitol of the United States, not talking about the lives that could have been lost, but the property destruction, simply because there was not a fire extinguisher in the kitchen, nor a sprinkler system.

Mr. THOMPSON. Mr. Chairman, will the gentleman yield?

Mr. HARKIN. I yield to the gentleman from New Jersey.

Mr. THOMPSON. On the question of fire, it is my understanding that the chairman of the Subcommittee on Services, the gentleman from Tennessee (Mr. Jones), will explain at least what happened and when the facilities will be reopened. It is terribly difficult.

I do not think that our colleague, the gentleman from Tennessee (Mr. Jones), when he demanded that the kitchen be cleaned, asked them to burn it in order to do it.

Mr. HARKIN. I thank the gentleman. I only raise this issue at this time, because of the appropriations that we are appropriating, a lot of it goes to the Architect of the Capitol, who, I understand, is in charge of this. I would hope that our distinguished chairman of the Appropriations Subcommittee on Legislative Appropriations would take that into account.

I would hope that some kind of a study or investigation would take place to see what kind of fire protections are needed in the U.S. Capitol to make sure that a small fire does not some time in the future become something that would really destroy this Capitol.

Mr. JONES of Tennessee. Mr. Chairman, will the gentleman yield?

Mr. HARKIN. I yield to the gentleman from Tennessee.

Mr. JONES of Tennessee. I thank the gentleman. I would like to explain that there were fire extinguishers in the kitchen today. There is no sprinkler system. That is absolutely true. But there were fire extinguishers there.

The majority of the damage—I am going to rise for a special privilege in a little bit to make an announcement about what we will do as far as food is concerned, because I do not want you to go hungry, Tom, and neither do I—the fact is that the majority of the damage is from smoke in the kitchen.

Mr. HARKIN. If my friend would yield back to me, all I know is when I went into the kitchen from my vantage point of being near the door, and the smoke was down to about the 10-foot level, the manager of the kitchen ran out to get the police to get a fire extinguisher. I saw them. They had to run to some place outside for the fire extinguisher. They did not have them there. I do not know what they might have had there, but they did not have fire extinguishers that were needed for that kind of fire.

Mr. JONES of Tennessee. I am advised by the manager of the restaurant that fire extinguishers were available and that the fire extinguishers in the kitchen are adjacent to the kitchen and were the ones which were used to extinguish the fire before the fire department got here.

The manager of the restaurant notified the fire department, pulled the alarm at 12:05. The record shows the fire department was here at 12:06. I do not know whose watch is off. But you know enough that if you ever killed hogs on the farm, like I did, and rendered lard out in the backyard, that there is a great deal of smoke wherever there is a little lard. I suspect that is what took place there today.

Mr. CLAY. Mr. Chairman, will the gentleman yield?

Mr. HARKIN. I yield to the gentleman from Missouri.

Mr. CLAY. Would not a simple solution to the problem be to bring Federal buildings under the same provisions of OSHA as private buildings?

Mr. HARKIN. Yes. That is exactly what ought to be done.

Mr. RUDD. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I simply want to take this opportunity, to compliment the chairman of this committee, the ranking member from Illinois, and all committee members on their dedicated work in the committee.

I have to say that the chairman has in every way conducted himself positively and with good decision. I think it is overall a good bill. I urge adoption of the bill.

AMENDMENT OFFERED BY MR. TAUKE

Mr. TAUKE. Mr. Chairman, I offer an amendment.

(The portion of the bill to be which the amendment relates reads as follows:)

TITLE III—GENERAL PROVISIONS

SEC. 301. No part of the funds appropriated in this Act shall be used for the maintenance or care of private vehicles, except for emergency assistance and cleaning as may be provided under regulations relating to parking facilities for the House of Representatives issued by the Committee on House Administration.

The Clerk read as follows:

Amendment offered by Mr. TAUKE: Page 28, line 25, strike out "and cleaning".

Mr. TAUKE. Mr. Chairman, and members of the commmittee, this is a very simple amendment. It simply removes the subsidy for the washing of cars in the House garage. Right now the House garage carwash operation is subsidized, and it seems to me that it should not be subsidized. If additional funds are needed, the price for car washes should be increased.

As you may know, carwashes there now run about $3 and $4 for a van or pickup truck.

A check with other carwashes in the Washington area indicates that a similar wash by hand, inside and out, with a wax job, would cost about $16.75 in the average carwash.

This is a small example, I think, of abuse of Government funds.

I urge support of the amendment.

Mr. BENJAMIN. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, the figures that the subcommittee has on this, and we looked at this carefully, although it is under the domain of the House Administration Committee and specifically the Subcommittee on Services, the information provided us was that based on GAO audited data in 1978, five individual carwashers operated in the Rayburn and Cannon House Office Building garages. The total income for 1978 was $24,863 while total expenses for the carwashing activity were $447.25. The number of cars washed totaled 8,279, of which 5,569 were washed in the Rayburn garage and 2,710 were washed in the Cannon garage.

These carwashers also are carried part time on the rolls as garage attendants.

In further investigation, we found out these men are not paid at all by the appropriated funds when they are engaged with carwash operation. They are then on their own time.

□ 1520

Mr. LEWIS. Would the gentleman yield?

Mr. BENJAMIN. I yield to the gentleman.

Mr. LEWIS. I thank you for yielding.

As a member of the House Administration Committee, the only complaint I have had about the car wash is that we cannot buy gas down there as well.

Thank you.

Mr. BENJAMIN. Thank you.

Mr. TAUKE. Would the gentleman yield?

Mr. BENJAMIN. I yield to the gentleman.

Mr. TAUKE. Could the gentleman tell me why, if this is a money-making operation, we are appropriating funds specifically for the cleaning of private cars?

Mr. BENJAMIN. We are not appropriating funds for cleaning of cars. The language the gentleman is amending is a restriction in the legislative bill which, in essence, states that under the purview of the House Administration Committee and their rules and regulations there will be emergency services provided and cleaning services provided. We do not appropriate funds for the carwashers while they are performing that function.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Iowa (Mr. TAUKE).

The amendment was rejected.

Mr. WALKER. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, as we move toward a vote on the final passage of this bill I just thought some of the Members might be interested in the fact that I was just out and checked the Associated Press ticker which is now running a story based on a vote a little while ago that House has voted itself a 5.5-percent increase in pay. I think as we consider our vote on the legislative appropriation in its finality we might want to know that that is what is being told to the Nation at this time.

Mr. BAUMAN. Would the gentleman yield?

Mr. WALKER. I will be glad to yield to the gentleman.

Mr. BAUMAN. I think it is most unfortunate this kind of inaccurate interpretation is placed by the press on that vote. It was quite clear to everyone in this House that many of us have opposed congressional pay raises and many never voted for one. It was quite clear that in that vote we had one choice, and that was to reduce the amount of the raise in the bill by 1.5 percent. That is precisely what the Members voted for.

I think the gentleman makes a good suggestion. I plan to vote against the bill because it contains a pay raise. I regret that the gentleman from Illinois (Mr. O'BRIEN) was not able to obtain the requisite number of 25 Members, as our rules now require, to get a rollcall on his motion to strike out the entire pay raise. But, a vote on final passage will certainly cure that.

Again I will say that the press account is a totally erroneous interpretation of the situation. The vote was a reduction of the amount of the pay raise in the bill and the only vote available for those who wished to reduce the raise.

Mr. WALKER. I certainly agree with the gentleman and I think he makes an excellent point because we should have it represented to the Nation the way it happened.

Mr. SMITH of Iowa. Would the gentleman yield?

Mr. WALKER. I will be glad to yield to the gentleman.

Mr. SMITH of Iowa. What the gentleman is saying is that the House will be credited with voting for a pay raise whether it votes yes or no on final passage.

Mr. WALKER. I would say to the gentleman the picture as it has been painted to the Nation right now is that we have already voted for a pay increase, so insofar as that is true, I would say the gentleman is correct.

I yield back the balance of my time.

The CHAIRMAN. Are there further amendments?

Mr. BENJAMIN. Mr. Chairman, I move that the Committee do now rise and report the bill back to the House with an amendment, with the recommendation that the amendment be agreed to and that the bill as amended do pass.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. MURPHY of New York, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 4390) making appropriations for the legislative branch for the fiscal year ending September 30, 1980, and for other purposes, had directed him to report the bill back to the House with an amendment, with the recommendation that the amendment be agreed to and that the bill as amended do pass.

The SPEAKER. Without objection, the previous question is ordered.

There was no objection.

The SPEAKER. The question is on the amendment.

The amendment was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

MOTION TO RECOMMIT OFFERED BY MR. MILLER OF OHIO

Mr. MILLER of Ohio. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. MILLER of Ohio. I am, Mr. Speaker.

The SPEAKER. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. MILLER of Ohio moves to recommit the bill, H.R. 4390, to the Committee on Appropriations.

The SPEAKER. Without objection, the previous question is ordered on the motion to recommit.

There was on objection.

The SPEAKER. The question is on the motion to recommit.

The motion to recommit was rejected.

The SPEAKER. The question is on the passage of the bill.

The question was taken; the Speaker announced the ayes appeared to have it.

Mr. MILLER of Ohio. Mr. Speaker, I demand the yeas and nays.

The yeas and nays were refused.

Mr. BAUMAN. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 186, nays 232, not voting 16, as follows:

[Roll No. 227]

YEAS—186

Addabbo.
Akaka
Alexander
Andrews, N. Dak.
Anthony
Applegate
Ashley
Badham
Bailey
Baldus
Beilenson
Benjamin
Bevill
Biaggi
Bingham
Blanchard
Boggs
Boland
Bonior
Bonker
Bowen
Brademas
Breaux
Brodhead
Brooks
Brown, Calif.
Burgener
Burlison
Burton, John
Burton, Phillip
Byron
Carr
Carter
Chappell
Chisholm
Clay
Coelho
Collins, Ill.
Conte
Corman
Cotter
Coughlin
Danielson
Davis, S.C.
de la Garza
Dellums
Derwinski
Dickinson
Dicks
Diggs
Dingell
Dixon
Downey
Duncan, Oreg.
Early
Eckhardt
Edwards, Ala.
Edwards, Calif.
Erlenborn
Ertel
Fary
Fascell
Fazio
Findley
Fish
Fisher
Flippo
Florio
Ford, Mich.
Fowler
Garcia
Gaydos
Giaimo
Gibbons
Gonzalez
Gray
Green
Hamilton
Hanley
Harris
Hawkins
Heftel
Hillis
Holland
Howard
Hughes
Hyde
Jenkins
Jenrette
Johnson, Colo.
Jones, N.C.
Kastenmeier
LaFalce
Lederer
Lehman
Leland
Lloyd
Long, La.
Long, Md.
Lowry
Lundine
McEwen
McKay
McKinney
Madigan
Marks
Mattox
Michel
Mikulski
Mikva
Miller, Calif.
Mineta
Minish
Mitchell, Md.
Moakley
Moorhead, Pa.
Murphy, Ill.
Murphy, N.Y.
Murphy, Pa.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Nedzi
Nolan
Nowak
Oberstar
Obey
Ottinger
Patten
Patterson
Pease
Pepper
Perkins
Peyser
Preyer
Price
Pritchard
Rahall
Railsback
Rangel
Reuss
Richmond
Rodino
Rose
Rosenthal
Rostenkowski
Roybal
Rudd
Sabo
Santini
Scheuer
Schulze
Seiberling
Simon
Slack
Smith, Iowa
Solarz
Spellman
St Germain
Staggers
Stark
Steed
Stewart
Stokes
Thompson
Traxler
Udall
Ullman
Van Deerlin
Vanik
Vento
Volkmer
Walgren
Waxman
Weiss
Whitten
Wilson, C. H.
Wolff
Wright
Wyatt
Yates
Young, Alaska
Young, Mo.
Zablocki
Zeferetti

NAYS—232

Abdnor
Albosta
Ambro
Anderson, Calif.
Andrews, N.C.
Archer
Ashbrook
Aspin
Atkinson
AuCoin
Bafalis
Barnard
Barnes
Bauman
Beard, R.I.
Beard, Tenn.
Bedell
Bennett
Bereuter
Bethune
Boner
Bouquard
Brinkley
Broomfield
Brown, Ohio
Broyhill
Buchanan
Butler
Campbell
Carney
Cavanaugh
Cheney
Clausen
Cleveland
Clinger
Coleman
Collins, Tex.
Corcoran
Courter
Crane, Daniel
Crane, Philip
D'Amours
Daniel, Dan
Daniel, R. W.
Dannemeyer
Daschle
Davis, Mich.
Deckard
Devine
Dodd
Donnelly
Dornan
Dougherty
Drinan
Duncan, Tenn.
Edgar
Edwards, Okla.
Emery
English
Erdahl
Evans, Del.
Evans, Ga.
Evans, Ind.
Fenwick
Ferraro
Fithian
Foley
Ford, Tenn.
Fountain
Frenzel
Frost
Fuqua
Gephardt
Gilman
Gingrich
Ginn
Glickman
Goldwater
Goodling
Gore
Gradison
Gramm
Grassley
Grisham
Guarini
Gudger
Guyer
Hagedorn
Hall, Ohio
Hall, Tex.
Hammerschmidt
Hance
Hansen
Harkin
Harsha
Heckler
Hefner
Hightower
Hinson
Hollenbeck
Holt
Holtzman
Hopkins
Horton
Hubbard
Huckaby
Hutto
Ichord
Ireland
Jacobs
Jeffords
Jeffries
Jones, Tenn.
Kazen
Kelly
Kemp
Kildee
Kogovsek
Kostmayer
Lagomarsino
Latta
Leach, Iowa
Leach, La.
Leath, Tex.
Lee
Lent
Levitas
Lewis
Livingston
Loeffler
Lott
Lujan
Luken
Lungren
McClory
McCloskey
McCormack
McDade
McDonald
McHugh
Maguire
Markey
Marlenee
Marriott
Martin
Mathis
Matsui
Mavroules
Mazzoli
Mica
Miller, Ohio
Mitchell, N.Y.
Moffett
Mollohan
Montgomery
Moore
Moorhead, Calif.
Mottl
Neal
Nelson
Nichols
O'Brien
Oakar
Panetta
Pashayan
Paul
Petri
Pickle
Pursell
Quayle
Quillen
Ratchford
Regula
Rhodes
Rinaldo
Ritter
Roberts
Robinson
Roe
Roth
Rousselot
Royer
Runnels
Russo
Satterfield
Sawyer
Sebelius
Sensenbrenner
Shannon
Sharp
Shelby
Shumway
Shuster
Skelton
Smith, Nebr.
Snowe
Snyder
Solomon
Spence
Stack
Stangeland
Stanton
Stenholm
Stockman
Stratton
Studds
Stump
Swift
Symms
Synar
Tauke
Taylor
Thomas
Trible
Walker
Wampler
Watkins
Weaver
White
Whitehurst
Whitley
Whittaker
Williams, Mont.
Williams, Ohio
Wilson, Tex.
Winn
Wirth
Wolpe
Wydler
Wylie
Yatron
Young, Fla.

NOT VOTING—16

Anderson, Ill.
Annunzio
Bolling
Conable
Conyers
Derrick
Flood
Forsythe
Johnson, Calif.
Jones, Okla.
Kindness
Kramer
Schroeder
Treen
Vander Jagt
Wilson, Bob

☐ 1540

The Clerk announced the following pairs:

On this vote:

Mr. Annunzio for, with Mrs. Schroeder against.

Mr. Johnson of California for, with Mr. Kindness against.

Mr. Conyers for, with Mr. Kramer against.

Until further notice:

Mr. Flood with Mr. Anderson of Illinois.

Mr. Derrick with Mr. Forsythe.

Mr. Jones of Oklahoma with Mr. Bob Wilson.

Mr. Conable with Mr. Vander Jagt.

Ms. HOLTZMAN, Messrs. MOORHEAD of California, LIVINGSTON, SKELTON, GOLDWATER, NEAL, ANDREWS of North Carolina, HEFNER, JONES of Tennessee, EVANS of Delaware, GUDGER, AUCOIN, and ALBOSTA changed their vote from "yea" to "nay."

So, the bill was not passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. BENJAMIN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and to include extraneous material on the bill, H.R. 4390.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

PERSONAL EXPLANATION

(Mr. KRAMER asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. KRAMER. Mr. Speaker, earlier today, when the House voted on final passage of H.R. 4390 providing appropriations for the legislative branch for fiscal year 1980, rollcall No. 227, I was regrettably detained outside of the Chamber where I was unable to hear the bells and thus was not recorded on that vote. Had I been present, I would have voted "nay."

I ask unanimous consent that this statement be inserted in the RECORD immediately following that vote.

PROVIDING FOR CONSIDERATION OF H.R. 4388, ENERGY AND WATER APPROPRIATIONS FOR FISCAL YEAR 1980

Mr. BEILENSON. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 311 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 311

Resolved, That during the consideration of the bill (H.R. 4388) making appropriations for energy and water development for the fiscal year ending September 30, 1980, and for other purposes, all points of order against the following provisions in said bill for failure to comply with the provisions of clauses 2 and 6, rule XXI, are hereby waived: Title I; beginning on page 19, lines 3 through 6; beginning on page 25, line 13 through page 26, line 5; beginning on page 27, lines 3 through 23; and beginning on page 28, line 19 through page 29, line 9.

The SPEAKER pro tempore (Mr. WRIGHT). The gentleman from California (Mr. BEILENSON) is recognized for 1 hour.

Mr. BEILENSON. Mr. Speaker, for purposes of debate only I yield the customary 30 minutes to the gentleman from Mississippi (Mr. LATTA), pending which I yield myself such time as I may consume.

Mr. Speaker, this resolution provides for the consideration of H.R. 4388, a bill making appropriations of $10.7 billion for the Department of Energy, the

Corps of Engineers, the Bureau of Reclamation and various independent agencies for the fiscal year 1980. The rule grants waivers of points of order against H.R. 4388 for failure to comply with clauses 2 and 6 of rule XXI of the rules of the House. These waivers are provided for all of title I and for specific paragraphs and portions of title III and title IV of the bill.

Clause 2 requires that all appropriations must have an authorization and prohibits the inclusion of legislation in an appropriations bill.

Waivers have been requested under clause 2, rule XXI, for a lack of an authorization for provisions contained in authorization bills which have been reported to the House but which have not yet been enacted into law.

In some cases for which waivers are sought, provisions are included which might be technically classified as legislation in an appropriations bill.

Clause 6 of rule XXI prohibits the inclusion in appropriations bills of reappropriations of unexpended balances of appropriations. Paragraphs for which waivers have been requested under clause 6 contain provisions regarding transfer or reuse of funds which are technically considered reappropriations.

Mr. Speaker, H.R. 4388 provides appropriations of $6.38 billion for the Department of Energy programs for fiscal year 1980, a sum $352 million below that requested by the administration; a total of $3.38 billion has been provided in the bill to enable the Corps of Engineers and the Bureau of Reclamation to carry out various water projects, this figure being $65.8 million above the administration request.

The bill also allocates $897,422,000 in funds for independent agencies, including the Appalachian Regional Commission, the Delaware River Basin Commission, the Interstate Commission on the Potomac River Basin, the Nuclear Regulatory Commission, the Susquehanna River Basin Commission, the Tennessee Valley Authority, and the Water Resources Council.

☐ 1550

The only concerns with the rule, Mr. Speaker, have been raised or were raised by two Members who were opposed to waiving points of order with respect to matters still being decided upon by the respective authorizing committees. One of these was the staff level of the Nuclear Regulatory Commission. The other had to do with the funding of the Colorado River Basin Salinity Control Project, a project whose necessity and whose wisdom is questioned by the gentleman from California (Mr. BROWN), amongst others. It is a project which has not yet been fully decided upon by the authorizing committee. Unfortunately, as with a good many other bills, the Appropriations Committee, which has done its job well and on time, again as usual, has finished its work on this particular bill before all of the authorizing legislation pertaining to matters contained within this bill could be marked up and come to the floor of the House; but it still will, of course, be possible for the entire House to make decisions with respect to these particular matters when these authorization bills finally do come to the floor.

Mr. LEVITAS. Mr. Speaker, will the gentleman yield?

Mr. BEILENSON. I would be pleased to yield to the gentleman from Georgia.

Mr. LEVITAS. Mr. Speaker, I thank the gentleman for yieldiing.

The waiver against points of order on the basis that there is no authorizing legislation is contained in this rule, as I understand it.

Would the gentleman from California tell us which items in the appropriation in addition to those specific ones he enumerated would be covered by this waiver of requiring an authorization prior to appropriations?

Mr. BEILENSON. Mr. Speaker, I cannot tell the gentleman from Georgia with great specificity all of the projects which would be included. I can tell the gentleman which particular titles and which portions of these bills are covered by the waivers, or would be.

The entire title I relating to the Department of Energy would be covered by a waiver of clause 2, as well as a waiver of clause 6.

Portions of title III, relative to the Department of the Interior, specifically with respect to the Colorado River Basin salinity control project, which I did mention, specifically would be covered.

In title IV, under "Independent Agencies," the following four items would be covered by a waiver of clause 2: The Appalachian Regional Commission; the funds appropriated to the President under the Appalachian regional development program; the Nuclear Regulatory Commission, and the Water Resources Council, and any projects included within those independent agencies.

Mr. LEVITAS. Mr. Speaker, I thank the gentleman for that.

As a matter of course, I tend to oppose any rule that waives what I think is an essential part of our entire legislative process; that is, permitting money to be appropriated that has not yet been authorized by committees, I think, is a very bad practice and if it requires restructuring and rescheduling our entire budget process, we ought to do that; but we ought not to simply take the position that the authorizing committees have no significance.

Mr. BEVILL. Mr. Speaker, will the gentleman yield?

Mr. BEILENSON. I would be happy to yield to the gentleman from Alabama.

Mr. BEVILL. Mr. Speaker, my distinguished colleague, the gentleman from Georgia, certainly has made a good point; but this has been the case ever since we have gone under the Budget Control Act. Actually, each of the six authorizing committees that affect this appropriation bill have approved their bill, but they have not had the opportunity to bring any of them up on the floor and it is unlikely that they will have that opportunity until after the date has passed that we must meet under the Budget Control Act.

We are on a schedule. We have done this each year. It is unfortunate that the authorization cannot be passed first and acted on.

I might say this, that this appropriation subcommittee has respected the wishes of those six authorization committees and each appropriation in this bill is within the amount of money that they have authorized in their bill, although it has not been passed by the Congress yet.

Mr. BEILENSON. Mr. Speaker, I thank the gentleman, the chairman of the subcommittee, for his remarks. Those are entirely correct. The Rules Committee was not happy to have to provide these waivers, but we really see no other way out, because under the existing requirements of the Budget Act, these appropriation bills, of course, do have to get out before these other bills and have to be acted upon by the entire Congress and signed into law by the President by mid-September.

I would say also in response to what the distinguished chairman of the subcommittee said that with respect to each of the bills for which waivers were required, authorization bills, each one of those bills was reported from the Legislative Committee on May 15, the latest possible date. There was simply no way for the appropriations bill to wait beyond that date.

As I said earlier in my remarks, the Appropriations Committee, as usual, and in this particular case this particular subcommittee did its work well and on time. The Committee on Rules simply felt it had no other way except to report this bill to the floor in order for it to be properly heard and passed in time.

Mr. GLICKMAN. Mr. Speaker, will the gentleman yield?

Mr. BEILENSON. I am happy to yield to the gentleman from Kansas.

Mr. GLICKMAN. Mr. Speaker, the gentleman mentioned the Nuclear Regulatory Commission was one of the agencies upon which a waiver was required; is that correct?

Mr. BEILENSON. That is correct.

Mr. GLICKMAN. Therefore, the rule would make in order germane amendments to increase the aggregate funding level of that agency then; would that be a correct statement?

Mr. BEILENSON. That would be correct.

Mr. GLICKMAN. Mr. Speaker, I thank the gentleman.

Mr. KOSTMAYER. Mr. Speaker, will the gentleman yield to me?

Mr. BEILENSON. I would be happy to yield to the gentleman from Pennsylvania.

Mr. KOSTMAYER. Mr. Speaker, might I ask if the gentleman from California has had the opportunity to see today's RECORD and the amendment which I intend to offer that has been printed in the RECORD, and can the gentleman tell me if it is permissible under the rule?

Mr. BEILENSON. The gentleman has not seen the amendment nor has he had his attention directed toward it until this moment.

Mr. KOSTMAYER. This amendment would affect the Nuclear Regulatory

Commission and remove a restriction on the expenditure of those funds which was imposed by the subcommittee.

Perhaps the distinguished chairman of the subcommittee can respond to my question. It is my understanding from speaking with the Parliamentarian that my amendment is acceptable, but I did want to ask the chairman if he concurs.

Mr. BEVILL. Mr. Speaker, if the gentleman will yield further, this is to add the words "and operation."

Mr. KOSTMAYER. I beg the gentleman's pardon?

Mr. BEVILL. This was an oversight. It was a typographical error. As a matter of fact, I intend to correct it in my statement on the floor when I get to the floor.

There is no objection to adding those two words. I am not familiar with what the gentleman's amendment does, but if the gentleman is adding, "and operation" that is all right.

Mr. KOSTMAYER. Mr. Speaker, my amendment says that no funds appropriated in this bill may be used to restrict the authority of the NRC to use their staff as they see fit.

I refer to the restriction the subcommittee has imposed on the way in which 100 additional NRC staff may be used as far as licensing.

Mr. BEVILL. That would be in order for the gentleman to offer that amendment. It was a typographical error that did that.

Mr. KOSTMAYER. Mr. Speaker, I thank the gentleman.

Mr. BROWN of California. Mr. Speaker, will the gentleman yield?

Mr. BEILENSON. I would be happy to yield to my friend, the gentleman from California.

Mr. BROWN of California. Mr. Speaker, I thank my friend for yielding.

As the gentleman indicated, I did appear before the Committee on Rules yesterday in opposition to the granting of a rule waiving points of order. I did so, of course, with no intent to be critical of the Appropriations Committee, which has acted promptly and wisely in connection with this legislation.

The distinguished chairman of the Appropriations Subcommittee tells me that perhaps as much as one-half of the money in this bill would be subject to a point of order. That is due to the fact that authorizing legislation has not yet been passed.

I think that for us to go forward with the appropriations for these projects, amounting to several billions of dollars, in the absence of policy decisions contained in the authorizing legislation is a gross violation of the intent of the rules of the House and is a matter which has to be corrected. In order to focus the attention of the House on this matter, I intend to vote against the rule, because it forces me into an intenable position of arguing the merits of a legislative policy on the appropriation bill when that argument should be made on the authorization bill.

I wanted the Members of the House to be aware of my reasons for voting against the rule because of that.

Mr. Speaker, I believe the practice of the Rules Committee to routinely grant waivers to the House rules for the annual appropriations bills is wrong. H.R. 4388 illustrates why waivers against points of order due to the absence of an authorization bill create confusion, uninformed policy choices, and undemocratic decisionmaking.

Two major construction projects, previously authorized by the Congress, but subsequently under reconsideration by the Congress and the executive branch due to cost overruns and policy revisions are found in this legislation. One example is well known to you—the Clinch River breeder reactor project.

The Energy and Water Development Subcommittee chose this year to include zero funds for this project pending action on the authorizing bill. Last year they did the opposite, and due to an appropriation for a project which never received an authorization, we are wasting $15 million a month on a construction project that few, if any, believe we will ever complete. This waste of taxpayers money, and avoidance of a showdown on the policy matter was made possible by the Rules Committee, because without its waiver, this money would not be spent today.

A second example of a wasteful project is found on page 19 of the bill under the heading "Colorado River Basin Salinity Control Projects." Under this heading there are funds for the Department of Interior to award contracts for the construction of the proposed Yuma desalting plant. This desalting plant is planned to be 100 times larger than any plant of its kind in the world, and 10 times larger than any desalting plant of any kind built anywhere in the world. The costs for the entire desalting program under title I of the Colorado River Basin Salinity Control Act have gone from an authorization ceiling, and total project cost in 1974 of $155,000,000 to a 1979 estimate, contained in this year's authorization bill of $356,400,000. All this cost escalation has occurred before contracts for construction have been awarded, and most observers expect it to rise after contracts are awarded as well.

Mr. Speaker, I fully expect to see the authorization bill, allowing the higher cost, to be defeated or amended. A rule which waives points of order on this section will either force the opponents of this project to fight the policy matter on the appropriations bill, or potentially allow the Department of Interior to award contracts which the Congress may refuse to honor. Obviously, the awarding of contracts will be used as an argument for proceeding with the originally planned project.

There are compromises which could be worked out, clarifying the intent of the Appropriations Committee to not allow the awarding of contracts unless and until the authorization bill is law, but this can always be done. The role of the Rules Committee should be to preserve the rules of the House which make good policy sense, and expedite the time of all parties involved. I urge the defeat of the rule.

Mr. BEILENSON. Mr. Speaker, I appreciate the gentleman's comments. I supported the position of the gentleman in the Committee on Rules, but we were not successful.

I am supporting, of course, the rule as it has been reported.

Just for the information of all the Members, the amounts of money included in this particular bill for the project to which the gentleman from California referred is $38,194,000; although, as the gentleman has correctly pointed out, the eventual amounts of money may be quite in excess of that amount.

□ 1600

Mr. LOTT. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, this rule pertains to H.R. 4388, the energy and water development appropriation bill for fiscal year 1980. Clauses 2 and 6 of rule XXI are waived against certain provisions in the bill which lack prior authorization and which reappropriate existing appropriations, respectively. The provisions affected by these waivers relate to the Colorado River basin salinity control projects, the Appalachian Regional Commission, the Nuclear Regulatory Commission, the Water Resources Council, and the Department of Energy.

The total amount appropriated in this bill is $10.68 billion. This is $332.57 million below the budget request, and the chairmen and ranking minority members of both the Subcommittee on Energy and Water Development and the full Appropriations Committee are to be commended on their very valuable and conscientious efforts in this regard.

H.R. 4390 contains funding for four major items: Department of Energy, Department of Defense—Civil, Department of Interior, independent agencies.

The independent agencies include the Appalachian Regional Commission, Delaware River Basin Commission, Interstate Commission on the Potomac River Basin, Nuclear Regulatory Commission, Susquehanna River Basin Commission, Water Resources Council, and Tennessee Valley Authority.

Mr. Speaker, I urge the adoption of this rule so that we may proceed to the passage of this bill.

Mr. Speaker, I yield 5 minutes to the gentleman from Indiana (Mr. MYERS).

Mr. MYERS of Indiana. Mr. Speaker, I thank my colleague, the gentleman from Mississippi (Mr. LOTT) for yielding me this time.

Mr. Speaker, I rise in support of this rule, even though I agree with what has been said here by several Members this afternoon, including the gentleman from Georgia.

It is regrettable that once again we must request a waiver of the Rules of the House in order to be able to bring this bill to the floor, not today but tomorrow. Something should be done. The remedies are several that are available, and we could change the rules. It is unfortunate that the Committee on Appropriations must do this every year.

But I rise really, Mr. Speaker, objecting to the scheduling. Last week this appropriation bill was put on the schedule to be brought up today. Now, that is necessary because we are faced with a time restraint. All the appropriation bills have to be passed both by this body and the other body by the 7th day after Labor Day.

The Committee on Appropriations has done its part, and it appeared we would be able to bring this bill to the floor today. But now I understand we are going to discuss this rule and then we are going to that "turkey" again, the Department of Education bill.

Why? Well, there have been suggestions that a group of lobbyists are in town, that they are here to observe what we are doing, and in order to accommodate them we are going to have to go back to this bill once again today.

I suggest the business of the people's Government here is more serious than just to play some game for the lobbyists. I go back to the colloquy that was had on the floor last Friday when there was some indication this could happen. The colloquy was between the minority leader, the gentleman from Arizona (Mr. Rhodes) and the acting majority leader, the gentleman from New York (Mr. Rosenthal).

The gentleman from Arizona (Mr. Rhodes) asked the question, and I quote:

> I will ask the gentleman, is it the opinion of the majority leadership that the schedule for Wednesday, Thursday, and Friday, insofar as it pertains to the appropriations bills, is firm, and if there is any unfinished business from Monday and Tuesday, that that business will go over to another date and will not interfere with the proposed appropriation bills?
>
> Mr. Rosenthal replied: That is absolutely correct.

Now today, Mr. Speaker, we find ourselves delaying the important business of this body so that we are not going to consider this appropriation bill until possibly tomorrow. It is on the program for tomorrow, but if by some quirk we should not complete the business of the education bill, I should not be surprised to see it put over.

Mr. Speaker, I want the Members to remember this and watch this: We will be working late during the next 2 or 3 weeks. We will be here until 10 o'clock or 11 o'clock at night trying to finish the debate and the amendments on these appropriations bills. The appropriations bills are the most important function this body has.

Why should we not finish the schedule that was planned last week? Why should we not bring the appropriation bill up today and expedite the business? That is what should be done.

We are going to be taking 10 days off in July, we will be taking 4 weeks off in August, and then we will come back in September. Then we will proceed, with our backs to the wall, and work to complete the necessary appropriation legislation.

Mr. Speaker, I criticize strongly the leadership of this House in not keeping its word and abiding by the schedule.

Mr. LOTT. Mr. Speaker, I have no further requests for time. I urge the adoption of this rule so we can move to the passage of the bill.

Mr. Speaker, I yield back the balance of my time.

Mr. BEILENSON. Mr. Speaker, I yield such time as he may consume to the gentleman from Arkansas (Mr. Alexander).

Mr. ALEXANDER. Mr. Speaker, I thank the gentleman very much for yielding me this time.

I would like to take a minute to express my appreciation to the chairman, to the ranking minority member, and to all the members of the Committee on Appropriations for the time they have taken to hear the thousands of witnesses who have come before them in order to present the bill that will be presented following the adoption of this rule. I think they have done a commendable job. I know the difficulties they have had in dealing with the many issues that have come before them, because I have an issue in this bill involving a project that has presented a political issue in my own State. That is the Cache River Basin, Ark., project.

Mr. Speaker, I appreciate very much the time and the consideration that this committee has given to the witnesses from my State and my region.

Mr. BEILENSON. Mr. Speaker, I yield 5 minutes to the gentleman from Indiana (Mr. Fithian).

Mr. FITHIAN. Mr. Speaker, I thank the gentleman for yielding me this time.

Mr. Speaker, I do not rise in objection to the rule, although an objection could be raised on the basis that we are anticipating what may or may not happen in various authorizing committees of the House. This does pose in this particular bill, particularly in that section dealing with energy, a rather significant problem.

I rise, rather, to announce my intention to offer an amendment in the hopes that we will engender a significant policy debate on the matter of whether or not the Federal Government shall undertake to underwrite the disposition and the cost of disposing of nuclear waste.

But before I spell that out, let me just briefly take a moment and answer my good friend and colleague, the gentleman from Indiana (Mr. Myers). I have known the gentleman for some time, and I am sure that he is an astute legislator. He is a careful observer of the House. But even if he has been observing only half the time in the last 2 days, there can be no doubt in anybody's mind in this Chamber about who has been playing games with this schedule on the Department of Education bill.

It is one thing to defeat a bill on its merits; it is another thing to simply put together 200 amendments, most of which have no substance whatsoever—amendments that address such scintillating and crucial national issues as whether we should name the new department "Dopey" or "Dope." I could go on down through the 190 useless amendments that have consumed the time of this House over the last 2 days.

Surely my friend, the gentleman from Indiana, knows the merits of those amendments and knows the lack of merit in those amendments, and I am staggered by the implication of his argument that because there is a change in the schedule, someone has played games with it. Everyone knows what has been going on in this House in the last 2 days.

What has been going on is a dilatory tactic by Members of the opposition to the bill, clearly intending to talk the bill to death because the House, unlike the other body, does not have a filibustering permit to operate.

I am sure that my friend knows that. We were here late last evening without really accomplishing very much. So if someone wanted to tidy up the House so we could move on to important legislation like final passage of the Department of Education bill, if someone wanted to move that up so we could then move to the appropriation bills now before us, I am sure my friend, the gentleman from Indiana, has considerable influence on that side of the aisle and he might do a little lobbying this afternoon to see if we could tidy up the whole process and simply discuss the serious issues before us.

Mr. Speaker, I would be happy to yield to the gentleman from Indiana if that is what he is seeking.

Mr. MYERS of Indiana. Mr. Speaker, I appreciate my colleague's yielding, and I thank him for saying such kind things about me.

But I must hurry along to say that the Committee on Appropriations has worked overtime and worked long hours in order to get this bill to the floor today on schedule. The schedule was not made by this side.

☐ 1610

Mr. FITHIAN. I understand that.

Mr. MYERS of Indiana. And the amendments were offered by those Members of this Congress. I cannot impugn nor do I have that power nor wisdom to decide whether those amendments were serious or not serious. But the rules of the House provide that a Member may offer amendments. I do not recall any of them being struck down for not being germane. Amendments dealing with such things as prayers in schools I think are pretty serious amendments. Maybe my colleague does not think so. But those things are serious amendments. Maybe some of them were somewhat frivolous, but who am I and who is the gentleman to decide that?

Mr. FITHIAN. I would suggest to my good friend that you do not have to be too observant to sort out the major amendments such as the ones the gentleman cites from the 190 that have absolutely nothing to do with whether or not we are going to create a Department of Education. Some are for the Department; some are against it. I just simply wanted to put the blame where it lies and where it rightfully belongs.

Mr. MYERS of Indiana. If the gentleman will yield further, it was known that there were more than 200 amendments. The leadership was aware of that. But with the understanding that those amendments were pending, the leadership nevertheless advised this body that the appropriation bills were probably more important than the Department of Education and that the schedule would go as announced. That is where I am critical.

Mr. FITHIAN. I would suggest, with all of the prestige of the Appropriation Committee members, that some influence could have been used over the last 2 days to see that we got the appropriation bill on time.

The SPEAKER pro tempore. The time of the gentleman from Indiana (Mr. Fithian) has expired.

Mr. BEILENSON. Mr. Speaker, I yield 1 additional minute to the gentleman from Indiana (Mr. Fithian) for the purpose of discussing the rule.

Mr. FITHIAN. Tomorrow I shall offer an amendment to strike $5 million from this bill which would be used as a demonstration project on the West Valley New York nuclear waste disposal problem. Two weeks ago we had some lengthy and detailed hearings on this in the Committee on Government Operations. I would only ask the members to come and join that debate if they are interested in discussing whether or not the Federal Government shall embark upon a road which would have the Federal Government pick up the tab for nuclear waste disposal in this country. I think it is a tremendously important matter. And even if this amendment is not the place and time—I think it is—I think we will tomorrow, should this amendment fail, embark upon and set a precedent of very major proportions and, therefore, I would urge the members to have a significant debate on this particular question as to whether or not that is a proper role of the Federal Government.

Mr. BEILENSON. Mr. Speaker, I yield 2 minutes to the gentleman from Georgia (Mr. Levitas).

Mr. LEVITAS. Mr. Speaker, I would like to commend the Appropriations Subcommittee and its chairman and ranking minority member for the diligent and hard work they did in bringing such an important measure to the floor of the House. Therefore, it is with a great deal of sadness that I am constrained to vote against this rule, because it waives points of order against the rule requiring authorization of appropriations before the appropriations are made. With something as important to this Nation's survival as energy policy, we are in the process, or will be in the process, of appropriating over $6 billion without any authorization for that appropriation. The role of the Appropriation Committee under the procedures of this House is to set the levels of spending, not to make the policy decisions as to whether something should or should not be spent and in what manner. And yet, by adopting this process and in waiving this rule, we are getting ourselves in that box.

I understand the date requirements of the Budget Act and I understand the hard work of the Appropriations Committee to meet its deadlines. Perhaps the responsibility lies upon the leadership of this House and upon the leadership on the minority side to change those deadlines and to make it possible for the Appropriations Committee to complete its work.

I intend to vote against the rule.

Mr. WHITTEN. Mr. Speaker, will the gentleman yield?

Mr. LEVITAS. I yield to the gentleman from Mississippi.

Mr. WHITTEN. Mr. Speaker, I hope the gentleman will appreciate the problem we have in the Appropriations Committee. We had three bills in committee 1 day, on two occasions last week because we must live with the schedule. We certainly did not want to be in this situation, but we were.

Mr. LEVITAS. I would like to say to the gentleman from Missisippi that he has done an outstanding job, and it is not the gentleman from Mississippi that I referred to when I made my remarks.

Mr. LOTT. Mr. Speaker, I yield 1 minute to the gentleman from Massachusetts (Mr. Conte).

Mr. CONTE. Mr. Speaker, I would like to answer the gentleman from Georgia. I wonder what the gentleman expects the Appropriations Committee to do. Does he expect the Congress to come to a standstill? No one has worked harder than the Appropriations Committee. If we can get our bills out—since January we have been meeting every single day—why cannot the authorization committee get their bills out? And, furthermore, we do not like the system any more than the gentleman does. As we said before the Committee on Rules, we do not like to come up before them and ask for a rule, but under the circumstances we have to. What we should do is get our heads together and either go back to the old system or change the target dates.

Mr. BEILENSON. Mr. Speaker, I yield 1 minute to the gentleman from Washington (Mr. McCormack).

Mr. McCORMACK. Mr. Speaker, I want to commend the chairmen and the members of the Appropriations Committee for the work they have done in getting their bills out, and for keeping the schedule. It is important that these bills are handled in a timely manner, and I know that the Appropriations Committee has done a good job.

However, I hope that no one will stand on this floor and criticize the authorization committees for not having done their work. The Committee on Science and Technology, which has primary responsibility for authorizing R. & D. programs for the Department of Energy, reported its bill out weeks ago. Since that time, the bill has been referred to three other committees, because of the rules under which we are operating today. Until we clean that mess up, we are going to have this problem, and it is high time we start thinking about it.

Mr. LOTT. Mr. Speaker, I would hope we could settle this issue on another day in a proper forum. However, I have a request for time, and I yield 1 additional minute to the gentleman from New Mexico (Mr. Lujan).

Mr. LUJAN. Mr. Speaker, I want to take up the cry in defense of the authorizing committees also. I also sit on the Committee on Science and Technology, and for months we have had these projects authorized. The same thing with the Committee on the Interior. We were attacked just a moment ago on the Colorado River project. That has been authorized a long, long time ago. All of these issues which have been raised against this rule are not really valid issues. They are issues which have been discussed in committees, and the committees have decided to go ahead. It is merely a technicality, and I think we ought to go ahead with the rule.

Mr. LOTT. Mr. Speaker, I yield 1 minute to the gentleman from Indiana (Mr. Myers).

Mr. MYERS of Indiana. Mr. Speaker, I am sorry to take this time, but the discussion of the House has taken a direction that was not intended. It is not to point fingers at anyone, whether it is the Appropriation Committee or the authorizing committees. It is the rules of the House which provide for this. This is where the remedy rests. We have the power, through the Rules Committee, to change those rules. I do not think anything can be gained by pointing fingers back and forth and throwing the ball back and forth in each other's court. We all must live by the rules that we have today. The chairman of our committee appeared before the Rules Committee yesterday and said he regretted he had to ask for the waiver of the rules, but those are the rules that have to be changed.

☐ 1620

Mr. BEILENSON. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the resolution.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. LEVITAS. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 386, nays 34, not voting 14, as follows:

[Roll No. 228]

YEAS—386

Abdnor
Addabbo
Akaka
Albosta
Alexander
Ambro
Anderson, Calif.
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Anthony
Applegate
Archer
Aspin
Atkinson
AuCoin
Badham
Bafalis
Bailey
Baldus
Barnard
Barnes
Beard, R.I.
Beard, Tenn.
Beilenson
Benjamin
Bennett
Bereuter
Bethune
Bevill
Biaggi
Bingham
Blanchard
Boggs
Boland
Boner
Bonior
Bonker
Bouquard
Bowen
Brademas
Breaux
Brinkley
Brodhead
Brooks
Broomfield
Brown, Ohio
Broyhill
Buchanan
Burgener
Burlison
Burton, John
Burton, Phillip
Butler
Byron
Campbell
Carney
Carter
Cavanaugh
Chappell
Cheney
Chisholm
Clausen
Clay

Clinger
Coelho
Coleman
Collins, Ill.
Conte
Corcoran
Corman
Cotter
Coughlin
Courter
D'Amours
Daniel, Dan
Daniel, R. W.
Danielson
Dannemeyer
Daschle
Davis, Mich.
Davis, S.C.
de la Garza
Deckard
Dellums
Derwinski
Devine
Dickinson
Dicks
Dixon
Donnelly
Dornan
Dougherty
Downey
Drinan
Duncan, Oreg.
Duncan, Tenn.
Early
Eckhardt
Edwards, Ala.
Edwards, Calif.
Edwards, Okla.
Emery
English
Erdahl
Erlenborn
Ertel
Evans, Del.
Evans, Ga.
Evans, Ind.
Fary
Fascell
Fazio
Fenwick
Ferraro
Findley
Fisher
Fithian
Flippo
Florio
Foley
Ford, Mich.
Ford, Tenn.
Fountain
Fowler
Frost
Fuqua
Garcia
Gaydos
Gephardt
Giaimo
Gibbons
Gilman
Ginn
Glickman
Goldwater
Gonzalez
Goodling
Gradison
Gramm
Gray
Green
Grisham
Guarini
Gudger
Guyer
Hagedorn
Hall, Ohio
Hall, Tex.
Hamilton
Hammer-schmidt
Hance
Hanley
Hansen
Harris
Harsha
Hawkins
Heckler
Hefner
Heftel
Hightower
Hillis
Hinson
Holland
Holt
Hopkins
Horton
Howard
Hubbard
Huckaby
Hughes
Hutto
Hyde
Ichord
Ireland
Jacobs
Jeffords
Jeffries
Jenkins
Jenrette
Johnson, Colo.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kastenmeier
Kazen
Kelly
Kemp
Kildee
Kogovsek
Kostmayer
Kramer
LaFalce
Lagomarsino
Latta
Leach, Iowa
Leach, La.
Leath, Tex.
Lederer
Lee
Lehman
Leland
Lent
Lewis
Livingston
Lloyd
Loeffler
Long, La.
Long, Md.
Lott
Lowry
Lujan
Lundine
Lungren
McClory
McCloskey
McCormack
McDade
McEwen
McHugh
McKay
McKinney
Madigan
Maguire
Markey
Marks
Marlenee
Marriott
Martin
Mathis
Matsui
Mattox
Mavroules
Mazzoli
Mica
Michel
Mikulski
Mikva
Miller, Calif.
Miller, Ohio
Mineta
Minish
Mitchell, Md.
Mitchell, N.Y.
Moakley
Mollohan
Montgomery
Moore
Moorhead, Calif.
Moorhead, Pa.
Mottl
Murphy, Ill.
Murphy, N.Y.
Murphy, Pa.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Nedzi
Nelson
Nichols
Nolan
Nowak
O'Brien
Oakar
Oberstar
Obey
Panetta
Pashayan
Patten
Patterson
Pease
Pepper
Perkins
Peyser
Pickle
Preyer
Price
Pritchard
Pursell
Quillen
Rahall
Railsback
Rangel
Ratchford
Regula
Reuss
Rhodes
Richmond
Rinaldo
Ritter
Roberts
Robinson
Rodino
Roe
Rose
Rostenkowski
Roth
Rousselot
Roybal
Royer
Rudd
Runnels
Russo
Sabo
Santini
Satterfield
Sawyer
Schroeder
Schulze
Sebelius
Seiberling
Sensenbrenner
Shannon
Sharp
Shelby
Shumway
Shuster
Simon
Skelton
Slack
Smith, Iowa
Smith, Nebr.
Snowe
Snyder
Solarz
Solomon
Spellman
Spence
St Germain
Stack
Staggers
Stangeland
Stanton
Stark
Steed
Stenholm
Stewart
Stockman
Stokes
Stratton
Studds
Stump
Swift
Symms
Synar
Taylor
Thomas
Thompson
Traxler
Trible
Udall
Ullman
Van Deerlin
Vanik
Volkmer
Walgren
Walker
Wampler
Watkins
Waxman
Weiss
White
Whitehurst
Whitley
Whittaker
Whitten
Williams, Mont.
Williams, Ohio
Wilson, C. H.
Wilson, Tex.
Winn
Wirth
Wolff
Wolpe
Wright
Wyatt
Wydler
Wylie
Yates
Yatron
Young, Alaska
Young, Fla.
Young, Mo.
Zablocki
Zeferetti

NAYS—34

Ashbrook
Bauman
Bedell
Brown, Calif.
Carr
Cleveland
Collins, Tex.
Conable
Crane, Daniel
Crane, Philip
Dingell
Dodd
Fish
Frenzel
Gingrich
Gore
Grassley
Harkin
Hollenbeck
Holtzman
Levitas
Luken
McDonald
Moffett
Neal
Ottinger
Paul
Petri
Quayle
Rosenthal
Scheuer
Tauke
Vento
Weaver

NOT VOTING—14

Annunzio
Ashley
Bolling
Conyers
Derrick
Diggs
Edgar
Flood
Forsythe
Johnson, Calif.
Kindness
Treen
Vander Jagt
Wilson, Bob

□ 1630

The Clerk announced the following pairs:

Mr. Annunzio with Mr. Treen.

Mr. Johnson of California with Mr. Vander Jagt.

Mr. Flood with Mr. Bob Wilson.

Mr. Ashley with Mr. Forsythe.

Mr. Derrick with Mr. Conyers.

Mr. Edgar with Mr. Diggs.

Mr. DODD and Mr. NEAL changed their vote from "yea" to "nay."

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

REPORT ON H.R. 4440, DEPARTMENT OF TRANSPORTATION AND RELATED AGENCIES APPROPRIATIONS, 1980

Mr. DUNCAN of Oregon, from the Committee on Appropriations submitted a privileged report (Rept. No. 96–272) on the bill (H.R. 4440) making appropriations for the Department of Transportation and related agencies for the fiscal year ending September 30, 1980, and for other purposes, which we referred to the Union Calendar and ordered to be printed.

Mr. CONTE reserved all points of order on the bill.

□ 1644

THE HOUSE RESTAURANT FIRE

(Mr. JONES of Tennessee asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. JONES of Tennessee. Mr. Speaker, the Members are aware that there was a fire in the restaurant today, and it is closed temporarily. Some necessary repairs are going to have to be made there before it can reopen. For tonight the Members can have food served to them if they want to go over to the Rayburn Cafeteria. It will remain open until completion of today's legislative program. Then tomorrow and Friday the Members may be served in the private dining room from 8 a.m. until the end of the legislative program tomorrow. Catering service will be available tomorrow also. The congressional restaurant will remain closed until further notice.

Mr. JOHN L. BURTON. Mr. Speaker, will the gentleman yield?

Mr. JONES of Tennessee. I will be glad to yield to my good friend, the gentleman from California.

Mr. JOHN L. BURTON. I thank the gentleman for yielding.

I think that all of the Members ought to give thanks that although the restaurant is closed, there were no injuries or fatalities in the fire.

Mr. MYERS of Indiana. Mr. Speaker, will the gentleman yield?

Mr. JONES of Tennessee. I will be glad to yield to my good friend, the gentleman from Indiana.

Mr. MYERS of Indiana. I thank the gentleman for yielding.

I was trying to follow what facilities would be open. Will the Members' private dining room be open, did the gentleman say?

Mr. JONES of Tennessee. Yes, and the prayer breakfast will be moved to the Speaker's dining room.

Mr. MYERS of Indiana. The Capitol Hill Club is open tonight, if anyone is interested.

Mr. MONTGOMERY. Mr. Speaker, will the gentleman yield?

Mr. JONES of Tennessee. I yield to the gentleman from Mississippi?

Mr. MONTGOMERY. I thank the gentleman for yielding.

I commend the gentleman and his subcommittee for the job they have done in the restaurants. It is a thankless job, and I am sure the gentleman would be glad to have those who applauded the restaurant's closing serve on that committee and see if they can do any better.

Mr. JONES of Tennessee. I do thank the gentleman.

Mr. DERWINSKI. Mr. Speaker, will the gentleman yield?

Mr. JONES of Tennessee. I yield to the gentleman from Illinois.

Mr. DERWINSKI. I thank the gentleman for yielding. I was worried when the gentleman from Indiana (Mr. Myers) asked a question about the facilities. Perhaps the Chairman would suggest that one have an occasional meal at home with his wife.

DEPARTMENT OF EDUCATION ORGANIZATION ACT OF 1979

Mr. BROOKS. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 2444) to establish a Department of Education, and for other purposes.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Texas (Mr. Brooks).

The question was taken; and on a division (demanded by Mr. Stangeland) there were—yeas 148, nays 47.

Mr. STANGELAND. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 356, nays 50, not voting 28, as follows:

[Roll No. 229]

YEAS—356

Abdnor
Addabbo
Akaka
Albosta
Alexander
Ambro
Anderson, Calif.
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Anthony
Applegate
Ashley
Aspin
Atkinson
AuCoin
Bafalis
Bailey
Baldus
Barnard
Barnes
Beard, R.I.
Beard, Tenn.
Bedell
Beilenson
Benjamin
Bennett
Bereuter
Bethune
Bevill
Biaggi
Bingham
Blanchard
Boland
Boner
Bonior
Bonker
Bouquard
Bowen
Brademas
Breaux
Brinkley
Brodhead
Brooks
Brown, Calif.
Broyhill
Burgener
Burlison
Burton, John
Burton, Phillip
Byron
Campbell
Carr
Carter
Cavanaugh
Chappell
Chisholm
Clausen
Clay
Clinger
Coelho
Coleman
Collins, Ill.
Conte
Corcoran
Corman
Cotter
Courter
Crane, Daniel
D'Amours
Danielson
Dannemeyer
Daschle
Davis, Mich.
de la Garza
Deckard
Dellums
Derwinski
Devine
Dickinson
Dicks
Dingell
Dixon
Dodd
Donnelly
Dornan
Dougherty
Downey
Drinan
Duncan, Oreg.
Duncan, Tenn.
Early
Eckhardt
Edwards, Ala.
Edwards, Calif.
Edwards, Okla.
Emery
English
Erdahl
Ertel
Evans, Del.
Evans, Ga.
Evans, Ind.
Fary
Fascell
Fazio
Fenwick
Ferraro
Fish
Fisher
Fithian
Flippo
Florio
Foley
Ford, Mich.
Ford, Tenn.
Fountain
Fowler
Frost
Fuqua
Garcia
Gaydos
Gephardt
Giaimo
Gibbons
Gilman
Ginn
Glickman
Gonzalez
Gore
Gramm
Grassley
Gray
Green
Grisham
Guarini
Gudger
Guyer
Hall, Ohio
Hall, Tex.
Hamilton
Hammerschmidt
Hance
Hanley
Harkin
Harris
Hawkins
Heckler
Hefner
Heftel
Hightower
Hillis
Holland
Hollenbeck
Holt
Holtzman
Hopkins
Horton
Howard
Hubbard
Huckaby
Hughes
Hutto
Hyde
Ichord
Ireland
Jacobs
Jeffords
Jenkins
Jenrette
Johnson, Colo.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kastenmeier
Kazen
Kelly
Kemp
Kildee
Kogovsek
Kostmayer
Kramer
LaFalce
Lagomarsino
Leach, Iowa
Leach, La.
Leath, Tex.
Lederer
Lee
Lehman
Leland
Lent
Levitas
Livingston
Long, La.
Long, Md.
Lott
Lowry
Lujan
Luken
Lundine
McCloskey
McCormack
McDade
McHugh
McKinney
Madigan
Maguire
Markey
Marks
Marlenee
Marriott
Martin
Mathis
Matsui
Mattox
Mavroules
Mazzoli
Mica
Michel
Mikulski
Mikva
Miller, Calif.
Miller, Ohio
Mineta
Minish
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Montgomery
Moore
Moorhead, Calif.
Moorhead, Pa.
Mottl
Murphy, Ill.
Murphy, N.Y.
Murphy, Pa.
Murtha
Myers, Pa.
Natcher
Neal
Nedzi
Nelson
Nolan
Nowak
Oakar
Oberstar
Obey
Ottinger
Panetta
Pashayan
Patten
Patterson
Pease
Perkins
Petri
Peyser
Pickle
Preyer
Price
Pritchard
Pursell
Quillen
Rahall
Railsback
Ratchford
Regula
Reuss
Rhodes
Richmond
Rinaldo
Roberts
Robinson
Roe
Rose
Rosenthal
Rostenkowski
Roth
Roybal
Russo
Sabo
Santini
Satterfield
Sawyer
Scheuer
Schroeder
Schulze
Sebelius
Seiberling
Shannon
Sharp
Shelby
Simon
Skelton
Slack
Smith, Iowa
Smith, Nebr.
Snowe
Solarz
Solomon
Spellman
Spence
St Germain
Stack
Staggers
Stanton
Stark
Steed
Stenholm
Stewart
Stockman
Stokes
Studds
Stump
Swift
Synar
Tauke
Thompson
Traxler
Trible
Udall
Ullman
Van Deerlin
Vanik
Vento
Volkmer
Walgren
Walker
Wampler
Watkins
Waxman
Weaver
Weiss
White
Whitehurst
Whitley
Whittaker
Whitten
Williams, Mont.
Wilson, Tex.
Winn
Wirth
Wolff
Wolpe
Wright
Wyatt
Wydler
Wylie
Yates
Yatron
Young, Alaska
Young, Fla.
Young, Mo.
Zablocki
Zeferetti

NAYS—50

Archer
Ashbrook
Badham
Bauman
Broomfield
Brown, Ohio
Butler
Carney
Cheney
Cleveland
Collins, Tex.
Conable
Coughlin
Crane, Philip
Daniel, R. W.
Erlenborn
Frenzel
Gingrich
Goodling
Gradison
Hansen
Harsha
Hinson
Jeffries
Latta
Lewis
Lloyd
Loeffler
Lungren
McClory
McDonald
McEwen
Mitchell, Md.
Myers, Ind.
O'Brien
Paul
Quayle
Ritter
Rousselot
Royer
Rudd
Sensenbrenner
Shumway
Shuster
Snyder
Stangeland
Stratton
Taylor
Thomas
Wilson, C. H.

NOT VOTING—28

Annunzio
Boggs
Bolling
Buchanan
Conyers
Daniel, Dan
Davis, S.C.
Derrick
Diggs
Edgar
Findley
Flood
Forsythe
Goldwater
Hagedorn
Johnson, Calif.
Kindness
McKay
Nichols
Pepper
Rangel
Rodino
Runnels
Symms
Treen
Vander Jagt
Williams, Ohio
Wilson, Bob

☐ 1700

So the motion was agreed to.

The result of the vote was announced as above recorded.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill, H.R. 2444, with Mr. NEDZI in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee of the Whole rose on Tuesday, June 12, 1979, title III had been considered as having been read and open to amendment at any point.

Are there any further amendments to title III?

AMENDMENT OFFERED BY MR. WAXMAN

Mr. WAXMAN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WAXMAN: Page 69, strike out lines 22, 23, and 24, and redesignate the succeeding subparagraphs accordingly.

Mr. WAXMAN. Mr. Chairman, this amendment would delete that provision of H.R. 2444 which transfers responsibility for administering the majority of the health professions and nursing student assistance programs from the Department of Health, Education, and Welfare to the proposed Department of Education.

Adoption of this amendment will prevent unnecessary and unwise fragmentation in health manpower planning and strategy, and obviate duplication of effort and potential conflicting Federal policies in the health manpower area.

As indicated in my dissenting views on this bill, the burden of proof that a new administrative structure—in this case a new department—is needed, should be on those making that proposal. At a minimum, reasonable proof should be provided that the agencies currently administering the programs in question are doing so in an inefficient and unacceptable manner and that the problems are not conceptional, but rather organizational. Any such proposal should result in "more economy and efficiency", elimination of "overlap and duplication", and "greater responsiveness" to the needs of the public. The provision of H.R. 2444 which my amendment proposes to delete, meets none of these tests. The contemplated program transfer would, in fact, result in a lack of comprehensive Federal policy for health professions education, and divide program administration between departments, making it less cost effective.

As reported, the bill would transfer the Federal program of insured loans to graduate students in health professions schools; student loan and loan repayment programs for these same individuals, and nursing scholarships, traineeships, student loans and loan repayment programs. Because these programs have been designed to train these health professionals necessary to meet national health care needs, the transfer of responsibility for their administration, and the subsequent splitting of educational program support from the policy and strategy decisionmaking process related to health manpower development makes neither fiscal nor programmatic sense.

The justification provided for the consolidation of student assistance authorities in a Department of Education is that it would simplify loan eligibility procedures; reduce paperwork burden on students and college administrators; improve Federal collections; and allow reassessment of the present mix of allocation formula and application processes.

Because the programs of financial support for health professional training are part of a national health strategy to meet health care needs, because they contain unique program provisions—such as individual loan maximums; deferral of loan repayment pending completion of advanced clinical training; and repayment of loans for students who serve in manpower shortage areas, among others—and because of linkages with other health manpower programs, these educational assistance prpgrams are sufficiently unique to be continued in their present context. Unless the special provisions of the health professions assistance programs are to be eliminated upon transfer of these programs to a Department of Education, such a transfer would not in itself significantly simplify loan eligibility procedures, reduce paperwork, or improve the collection and billing process.

For these reasons, specialized programs of assistance to health professions and nursing students need to be preserved in their current context if they are to be effective as one part of a coordinated program of assessing and meeting the Nation's health care needs.

I urge the adoption of this amendment.

Mr. BROOKS. Mr. Chairman, I rise in opposition to the amendment.

The consolidation of various student loan, scholarship, and traineeship programs within the Department of Education can have significant benefits. This consolidation will permit the Secretary to simplify loan eligibility procedures, reduce paperwork burdens on students and their families and on institutional administrators, and improve the procedures for collection, debt referral and forgiveness activities. It is true that health profession loan and assistance programs have unique features, but the same can be said of all scholarship and loan programs of the Federal Government. The purpose of consolidating these programs within the Department of Education is to improve the operation of the common features of these assistance programs. Health profession assistance should be transferred to the Department of Education, and this amendment should be defeated.

Mr. CARTER. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, I am pleased to join my distinguished colleague today, the chairman of the Subcommittee on Health and the Environment, the gentleman from California (Mr. WAXMAN), in offering this amendment to prevent disruptive fragmentation of health professions education programs and policies.

As drafted H.R. 2444 would transfer responsibility for administration of important health professions and nursing student assistance programs from HEW's public health service to the proposed new Department of Education.

In doing so the bill would separate health professions student assistance from the general health programs and thereby severely disrupt our ability to provide an effective, coordinated, and comprehensive policy in this important area.

Moreover, by shifting these health student assistance programs to the Department of Education H.R. 2444 would split authority for health programs between two Federal agencies.

Congressional jurisdiction would then be divided between the respective committees in the House and Senate and as a result effective policymaking would be further complicated.

Mr. Chairman, I am very concerned that the bill's provision transferring some of the health authorities to the new Deparment would be extremely detrimental to our ability to plan for and meet the health needs of our Nation. Issues such as the maldistribution of health personnel are difficult enough to solve without complicating the process by fragmenting our health manpower programs.

The amendment I am offering with Chairman WAXMAN would delete the harmful transfer provision from this bill.

By adopting our amendment health student assistance programs will be preserved as an integral part of the health sector.

Only in that context will we be able to develop effective and coordinated policies to address the complex issues of health policy which we face now and will undoubtedly face in the future.

I urge favorable consideration of the amendment.

Mr. WAXMAN. Mr. Chairman, will the gentleman yield?

Mr. CARTER. I am happy to yield to the distinguished chairman.

Mr. WAXMAN. Mr. Chairman, I thank the gentleman for yielding to me.

I wanted to respond to the statements of the chairman of the Committee on Government Operations in arguing against the amendment. The gentleman referred to the fact that there are loan repayments in higher educational programs that would be dealt with through a consolidated Department of Education; but I wanted to point out to the gentleman and to the members of this committee that these programs in the health professions are unique. They have unique program provisions, such as individual loan maximums, deferral of loan payments, pending completion of advanced clinical training and repayment of loans for students who serve in manpower shortage areas.

The reason they are unique is because these programs are designed to deal with our health needs in this country, not designed to deal with the ordinary and regular kinds of experience we have in higher education. Therefore, we may have a unique way of paying back a loan, as we have under the Health Manpower Act, where a student repays the loan by serving in a shortage area. That is so much different than the experience in other educational institutions. We are not going to save in any way on the paperwork, as the chairman would suggest, by having this go to a Department of Education. I think it confuses the roles and would fragment policy.

I wanted to mention that point. I thank the gentleman for his arguments in support of our amendment.

Mr. WALKER. Mr. Chairman, will the gentleman yield?

Mr. CARTER. I yield to my friend, the gentleman from Pennsylvania.

Mr. WALKER. Mr. Chairman, I thank the gentleman for yielding.

If I understood what the gentleman in the well was saying and the distinguished chairman of the subcommittee before him, this particular addition into the Department of Education really causes more disorganization within government.

□ 1710

Is that the point the gentleman is making, that really by ordering this department we are causing more disruption and more disorganization within this particular aspect than would presently be there in Government, and that the whole reorganization concept is kind of called in to question by that kind of disorganization?

Mr. CARTER. Mr. Chairman, the gentleman from Pennsylvania (Mr. WALKER) is correct.

Mr. WALKER. Mr. Chairman, I thank the gentleman for his response.

Mr. FORD of Michigan. Mr. Chairman, will the gentleman yield?

Mr. CARTER. Yes, I yield to the gentleman from Michigan.

Mr. FORD of Michigan. Mr. Chairman, as a matter of fact we have been discussing these loan programs during the reauthorization process for higher education in the legislation that is being considered under authorization at the present time.

The CHAIRMAN. The time of the gentleman from Kentucky (Mr. CARTER) has expired.

(On request of Mr. FORD of Michigan, and by unanimous consent, Mr. CARTER was allowed to proceed for 2 additional minutes.)

Mr. FORD of Michigan. Mr. Chairman, will the gentleman yield further?

Mr. CARTER. I am happy to yield to the gentleman from Michigan.

Mr. FORD of Michigan. Mr. Chairman, the gentleman would be interested, I am sure, in what the student groups have had to say about the unique characteristics of these loans. They were somewhat critical. But when we talk about simplifying things, let us picture what we are really talking about in terms of the student.

The student borrows from two or three basic loan programs now in the Office of Education. They borrow from these programs while they are in undergraduate school. Then they go on to medical school, and they borrow both from the Office of Education and from the medical loans, all of which are presently in HEW.

But when the Office of Education leaves HEW, they will not even be in the same agency any longer. So when we talk about fragmenting something, we are really talking about separating something that is now together, and we will, in fact, have the monitoring of the default problem with respect to these loans in two different places with two different Secretaries.

What the gentleman is suggesting is to leave with HEW the monitoring of the medical loans, and then at the same time the other loans which the same student has will be over in the new Department of Education. If the gentleman can explain that to students as a way we are making their lives simpler, I would like to hear it. They do not agree that that is simplification.

Mr. CARTER. Mr. Chairman, if I may reclaim my time, I have right here letters or telegrams from the American Nurses Association and the American Association of Medical Colleges, both of them asking that the loans remain under the Public Health Service as they are now.

The thing about it is that the Public Health Service has the expertise to handle these loans. It is the only group which really does have that expertise.

Would the gentleman want a professor of education telling a dentist just what to do, or would he want a professor of history telling a nurse what to do?

The CHAIRMAN. The time of the gentleman from Kentucky (Mr. CARTER) has again expired.

(By request of Mr. WAXMAN, and by unanimous consent, Mr. CARTER was allowed to proceed for 2 additional minutes.)

Mr. WAXMAN. Mr. Chairman, would the gentleman yield?

Mr. CARTER. I yield to the gentleman from California.

Mr. WAXMAN. Mr. Chairman, in further answer to the point raised by the gentleman from Michigan (Mr. FORD), the program for the health professional students and for the nursing students is not an ordinary loan program. It is not just to aid those students, as is the case with the other loan programs. It is to aid in filling out the needs we have in the country for certain health professionals and in order to deal with the manpower shortage problems that we have, both in terms of geography and in terms of specialities.

Whatever our view is on whether there ought to be a Department of Education, I think we ought to view these particular programs as not educational programs primarily but health programs primarily.

Mr. FORD of Michigan. Mr. Chairman, will the gentleman yield to me?

Mr. CARTER. I am happy to yield to the gentleman from Michigan.

Mr. FORD of Michigan. Mr. Chairman, I find it borders on sophistry to suggest that health education is somehow different than other types of education, because we need people to have health education.

Does that imply that we do not need the other people supported in our education program? Does it imply we do not need artists and school teachers and engineers and lawyers and architects, but that we do need people in health, and somehow that makes the nature of their education different? What does the gentleman mean by that?

Mr. WAXMAN. Mr. Chairman, will the gentleman yield?

Mr. CARTER. Mr. Chairman, I will yield in just a few seconds, but first, in response to what the gentleman said, I would point out that really it takes a physician to teach physicians. We should not go to the Department of Education to get someone to teach a physician.

The CHAIRMAN. The time of the gentleman from Kentucky (Mr. CARTER) has again expired.

(On request of Mr. FORD of Michigan, and by unanimous consent, Mr. CARTER was allowed to proceed for 2 additional minutes.)

Mr. CARTER. Mr. Chairman, the Public Health Service officials have the expertise to oversee dentists, doctors, nurses, osteopaths, and so on, and such expertise is vitally necessary. A Department of Education will not have this expertise.

Mr. WAXMAN. Mr. Chairman, will the gentleman yield?

Mr. CARTER. I am happy to yield to the chairman of the subcommittee.

Mr. WAXMAN. Mr. Chairman, I hope the gentleman from Michigan (Mr. FORD) did not misunderstand the point I was making. From his statement, I thought perhaps he did.

If we in this country want to encourage education, if we want to encourage those who do not have sufficient means to get an education, we must have a loan program for any student for any kind of program.

These programs, however, for the health professionals, in addition to the loans we give to students who are in need financially, are specifically targeted to deal with health manpower needs in the country.

Certainly we need engineers, certainly we need teachers. We need to have an educated public. When we make loans for health professional students, however, we are providing loans not just for the students to receive an education, but to fulfill the needs for health manpower.

We have a unique repayment program to offer for a student in certain health professions if they will agree to serve in underserved areas. That is far different from what we do when we give a loan to someone to become an engineer or a teacher or a member of some other profession.

Mr. FORD of Michigan. Mr. Chairman, if the gentleman will yield further, I cannot agree with that at all. As a matter of fact, we expect that we are making an investment in an educated person as a citizen of this country and no matter what that person chooses to do.

Sometimes—and for too many years we did this—we have encouraged people to become school teachers. We created a surplus with one of our programs. We were the primary culprit in doing that. I see Members in this room who helped create that problem, but we were trying to do the right thing.

In response to the comment of the gentleman from Kentucky (Mr. CARTER), I would like to suggest that whether we need physicians or whether we need nurses, we make a loan and collect the money after it is due. What we are talking about is lending money to people to get an education.

The CHAIRMAN. The time of the gentleman from Kentucky (Mr. CARTER) has again expired.

(On request of Mr. FORD of Michigan, and by unanimous consent, Mr. CARTER was allowed to proceed for 1 additional minute.)

Mr. FORD of Michigan. Mr. Chairman, if the gentleman will yield further, let me say that if this bill does not pass, nothing will change, so nothing is lost. But if it does pass, we will have these programs separated.

Why not hedge against that and leave it where it is?

If the bill passes, then we will keep the programs in some kind of coherent relationship to each other. But what the gentleman is saying is that even if the bill passes, he does not want to give that kind of protection.

Mr. CARTER. Mr. Chairman, I would say that really physicians are needed to oversee the program that we have right now in the Public Health Service. We do not have them in the Department of Education.

Of course, dentists oversee the dental teaching programs and the dentists who get loans.

The CHAIRMAN. The time of the gentleman from Kentucky (Mr. CARTER) has again expired.

(By unanimous consent, Mr. CARTER was allowed to proceed for 1 additional minute.)

Mr. CARTER. Mr. Chairman, as I understand it, right now, at the present time there are outstanding loans up to $1 billion. Perhaps we need a physiologist over there to lend them and collect them.

Mr. WALKER. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, it seems to me that this is probably the first of many arguments we are going to hear on title III about totally unique programs that need to be withdrawn from the Department of Education.

The whole concept the proponents put forth for the Department of Education is that it is to be a comprehensive Department covering all phases of education, and now we hear each special interest group come forward and say, "Look, we have a unique program that needs to be withdrawn from this department."

I would point out, Mr. Chairman, that 96 percent of the programs which are run now outside the Office of Education are already left outside this Department. If we start to withdraw programs that were included, we will be left with nothing but an Office of Education being retitled the "Department of Education."

It seems to me that is a travesty in this legislation. I would say, even to those who oppose the idea of a new Department, that I think if we are going to debate the concept of a Department of Education on this floor, we should agree it ought to be the most comprehensive kind of a Department possible. It really disturbs me that we are going to hear a whole series of arguments now that in effect say, "You should withdraw my program from this Department of Education, because if we don't do so, we will ruin the unique quality of this particular program."

□ 1720

Mr. CARTER. Mr. Chairman, will the distinguished gentleman yield?

Mr. WALKER. I yield to the gentleman from Kentucky.

Mr. CARTER. Mr. Chairman, I would say that, actually, this bill takes from the Public Health Service the loan program. It is not something that you are taking from the Department of Education. It is something you are taking from the Public Health Service at the present time. And you are fragmenting, actually, the education of the different people, the different professions.

Mr. WALKER. I thank the gentleman for his comments. That was the point I wanted to clarify earlier when I asked the gentleman the question that, in fact, what he is saying is that, in creating this Department, we are in fact fragmenting Government. I think that is an excellent point to be made of the general nature of why we should not have a Department of Education. But if we look at the quality of the particular act we are debating here today, I think we have to make the point that we should include all phases of education if in fact that is the direction we propose to go. That is the point I am making. I think we are going to hear about the Bureau of Indian Affairs schools, we are going to hear about CETA programs, we are going to hear about a number of things, all of which say that they want to stay outside the Department of Education because they are unique. I am saying that if we are going to have a Department of Education, it should be unique, in that it includes all phases of education.

Mr. CARTER. If the distinguished gentleman will yield further, I want to commend him on his change of heart and his strong support for a Department of Education, which position he seems to have taken by his action.

Mr. WALKER. I thank the gentleman. I pointed out earlier that I am in opposition to a Department in general, but I do believe if we are going to consider a Department, it should be a comprehensive Department.

Mr. HORTON. Mr. Chairman. I rise in opposition to the amendment.

Mr. Chairman, I take this occasion, because we are on the transfer section of the bill, to talk in terms of the problems of transferring different programs into and out of the proposed Department. When the proposal was first submitted in this Congress, I had staff prepare an analysis of the programs that are included and the programs that are not included in the proposed Department. We analyzed the 1978 catalog of Federal education programs, and found that there were some 311 programs which were listed, 190 of which were not transferred to the proposed Department. So I wrote to the Director of the Office of Management and Budget to determine why some programs were included and why others were not. The plumbline that I was furnished was basically that there were four reasons for not including programs in the Department; that, first of all, those that were not transferred were those that were closely tied to the overall mission of the current agency. This program that we are talking about now is certainly not tied to the overall mission of the current agency, which is HEW.

The second was that it would undermine the effectiveness or the integrity of the programs themselves or their delivery systems. In other words, if the program was transferred away, it would undermine the effectiveness of the integrity of the program or the delivery system.

The third was that the negative effects on the parent agency would not warrant the transfer. In other words, if the program was transferred, it would create some problems so far as the parent agency was concerned.

And the fourth was where Congress has previously indicated opposition to the transfer, such as in the case of Head Start.

This particular program was one of those that was included, and it meets the test that was furnished to me. I have available here on the minority table a copy of the response of the Office of Management and Budget with regard to its analysis of all of these programs. The plumbline, in other words, is if it is something which has to do with education and it is not going to materially affect the agency from which it is being transferred, then it ought to be in the Department of Education.

It seems to me that this particular program we are talking about, is a loan program, and regardless of its uniqueness because of the relationship that it has to the medical profession, it is purely and simply a loan program to students who are going to college, students who are going to class, students who are going to the university and for one reason or another have to borrow money in order to further their education. So it seems to me that the program ought to be under the auspices of the Department of Education where I think it can get better treatment. So accordingly I would urge that the amendment be defeated.

Mr. STAGGERS. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment.

Mr. Chairman, first I want to congratulate the chairman of the subcommittee and the chairman of the committee here that has brought this bill to the floor. The gentleman from Texas (Mr. Brooks) I think has done an excellent job. I have been trying to help him all I could on all of these amendments, and the gentleman as well as the gentleman from Michigan (Mr. Ford), have done a grand job, as has the gentleman from Pennsylvania (Mr. Walker). I do not want to forget to mention the gentleman from New York (Mr. Horton). He and I have been on several committees together. They have done a good job. We want to be with them and we want to help them. But I think you are making a very serious mistake here in trying to remove these programs from the Public Health Service of HEW—not the Education Department.

I have a copy of a letter from the American Nurse's Association in writing, and I know that they are dead set against it. They think it will ruin their program. They think it will be detrimental to the nursing profession.

If the new Department of Education wanted to reduce paperwork in these programs, they would have to knock out several existing, unique provisions of these health manpower programs. These include the loan forgiveness program for practice in underserved areas; the maximum loan limits, depending on the tuition of each school, and the like.

I would like to mention the fact that the gentleman from California is talking about the health manpower program and the nurses program. They come under the Health area of HEW; in the Public Health Service and not in the Education Department. I do not know if the gentleman from Texas realizes this. You are trying to take away from the Public Health Service something they have had as their responsibility for all these years. They know what they are doing. It is not the Education Department.

I would like to say that I think to take the programs from the Public Health Service would be wrong. It puts me in mind of a little story of a town that had a great sightseeing cliff outside of the town. So many people would come and look over, and every once in awhile someone would fall over the top of the cliff and they would have to go and pick him up and they would have to bring him to the hospital. They had a big council meeting one night as to whether they should buy a new ambulance to go out and pick people up or whether they should build a fence to keep the people from falling off. Well, anybody with commonsense knows they had better build a fence to keep them from falling off.

We do not want to transfer these programs over to another department, let them take a whack at it and try to struggle around with it for a long time and then decide to buy an ambulance instead of building a fence. This is something that is too important to America; the health of this land.

As the gentleman from Kentucky (Mr. Carter) said, we do not get lawyers to teach doctors. We do not get other kinds of instructors to teach nurses. We get those who know what they are doing, who have had experience, and experience in their field. Certainly we ought to leave these programs with the Public Health Service of the Nation. And so with that I say that the amendment should carry.

□ 1730

The CHAIRMAN. The question is on the amendment offered by the gentleman from California (Mr. Waxman).

Mr. WAXMAN. Mr. Chairman, I demand a recorded vote, and pending that, I make the point of order that a quorum is not present.

The CHAIRMAN. Evidently a quorum is not present.

Pursuant to the provisions of clause 2 of rule XXIII, the Chair announces that he will reduce to a minimum of 5 minutes the period of time within which a vote by electronic device, if ordered, will be taken on the pending question following the quorum call. Members will record their presence by electronic device.

The Chair will announce this is a regular quorum call followed by a 5-minute vote.

The call was taken by electronic device.

The following Members responded to their names:

[Roll No. 230]

Abdnor
Akaka
Albosta
Alexander
Ambro
Anderson, Calif.
Anderson, Ill.
Andrews, N. Dak.
Anthony
Archer
Ashbrook
Aspin
Atkinson
Badham
Bafalis
Bailey
Baldus
Barnard
Barnes
Bauman
Beard, R.I.
Beard, Tenn.
Bedell
Beilenson
Benjamin
Bennett
Bereuter
Bethune
Bevill
Biaggi
Bingham

Blanchard
Boggs
Boland
Boner
Bonior
Bonker
Bouquard
Bowen
Brademas
Breaux
Brinkley
Brodhead
Brooks
Broomfield
Brown, Calif.
Broyhill
Buchanan
Burgener
Burlison
Burton, Phillip
Butler
Byron
Campbell
Carney
Carr
Carter
Cavanaugh
Chappell
Cheney
Chisholm
Clausen
Clay
Cleveland
Clinger
Coelho
Coleman
Collins, Ill.
Collins, Tex.
Conable
Conte
Corcoran
Corman
Cotter
Coughlin
Courter
Crane, Daniel
Crane, Philip
D'Amours
Daniel, R. W.
Danielson
Dannemeyer
Daschle
Davis, Mich.
de la Garza
Deckard
Derwinski
Devine
Dickinson
Dicks
Dingell
Dixon
Dodd
Donnelly
Dornan
Dougherty
Downey
Duncan, Oreg.
Duncan, Tenn.
Early
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
Edwards, Okla.
Emery
English
Erdahl
Erlenborn
Ertel
Evans, Del.
Evans, Ga.
Evans, Ind.
Fary
Fascell
Fazio
Fenwick
Ferraro
Fish
Fisher
Flippo
Florio
Foley
Ford, Mich.
Fountain
Fowler
Frenzel
Frost
Fuqua
Garcia
Gaydos
Gephardt
Gibbons
Gilman
Gingrich
Ginn
Glickman
Goldwater
Gonzalez
Goodling
Gore
Gradison
Gramm
Grassley
Gray
Green
Grisham
Guarini
Gudger
Guyer
Hagedorn
Hall, Ohio
Hamilton
Hammerschmidt
Hance
Hanley
Hansen
Harkin
Harris
Harsha
Hawkins
Heckler
Hefner
Heftel
Hightower
Hillis
Hinson
Holland
Hollenbeck
Holt
Holtzman
Hopkins
Horton
Howard
Hubbard
Huckaby
Hughes
Hutto
Hyde
Ireland
Jacobs
Jeffords
Jeffries
Jenkins
Jenrette
Johnson, Colo.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kastenmeier
Kazen
Kemp
Kildee
Kindness
Kogovsek
Kostmayer
Kramer
LaFalce
Lagomarsino
Latta
Leach, Iowa
Leach, La.
Leath, Tex.
Lederer
Lee
Lehman
Leland
Lent
Lewis
Livingston
Lloyd
Loeffler
Long, La.
Long, Md.
Lott
Lowry
Lujan
Luken
Lungren
McClory
McCloskey
McCormack
McDade
McDonald
McEwen
McHugh
McKay
McKinney
Madigan
Maguire
Markey
Marks
Marlenee
Marriott
Martin
Mathis
Matsui
Mattox
Mavroules
Mica
Michel
Mikulski
Miller, Calif.
Miller, Ohio
Mineta
Minish
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Montgomery
Moore
Moorhead, Calif.
Mottl
Murphy, Ill.
Murphy, Pa.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nedzi
Nelson
Nichols
Nolan
Nowak
O'Brien
Oakar
Oberstar
Obey
Ottinger
Pashayan
Patten
Patterson
Paul
Pease
Perkins
Petri
Peyser
Pickle
Preyer
Price
Pritchard
Pursell
Quayle
Quillen
Rahall
Railsback
Rangel
Ratchford
Regula
Reuss
Rhodes
Richmond
Rinaldo
Ritter
Roberts
Robinson
Roe
Rose
Rosenthal
Rostenkowski
Roth
Rousselot
Roybal
Royer
Rudd
Russo
Sabo
Santini
Sawyer
Schroeder
Schulze
Sebelius
Seiberling
Sensenbrenner
Shannon
Sharp
Shelby
Shumway
Shuster
Simon
Skelton
Slack
Smith, Iowa
Smith, Nebr.
Snowe
Snyder
Solomon
Spellman
Spence
St Germain
Stack
Staggers
Stangeland
Stanton
Stark
Steed
Stenholm
Stewart
Stockman
Stokes
Stratton
Studds
Stump
Swift
Symms
Synar
Tauke
Taylor
Thomas
Thompson
Traxler
Trible
Ullman
Van Deerlin
Vanik
Vento
Volkmer
Walgren
Walker
Wampler
Watkins
Waxman
Weaver
Weiss
White
Whitehurst
Whitley
Whittaker
Whitten
Williams, Mont.
Williams, Ohio
Wilson, C. H.
Wilson, Tex.
Winn
Wirth
Wolff
Wolpe
Wyatt
Wydler
Wylie
Yates
Yatron
Young, Alaska
Young, Fla.
Young, Mo.
Zablocki
Zeferetti

☐ 1740

The CHAIRMAN. Members have answered to their name, a quorum is present, and the Committee will resume its business.

RECORDED VOTE

The CHAIRMAN. The pending business is the demand of the gentleman from California (Mr. WAXMAN) for a recorded vote. Five minutes will be allowed for the vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 243, noes 169, not voting 22, as follows:

[Roll No. 231]

AYES—243

Addabbo
Akaka
Ambro
Anderson, Calif.
Anderson, Ill.
Applegate
Archer
Badham
Bafalis
Barnard
Barnes
Beard, R.I.
Beard, Tenn.
Bedell
Beilenson
Bennett
Bethune
Bevill
Biaggi
Bingham
Boland
Boner
Bonker
Brinkley
Broomfield
Brown, Calif.
Broyhill
Buchanan
Burgener
Burton, John
Burton, Phillip
Byron
Carney
Carter
Cavanaugh
Chappell
Cheney
Chisholm
Clausen
Clay
Cleveland
Clinger
Coelho
Coleman
Collins, Tex.
Conable
Conte
Corman
Cotter
Courter
Daniel, Dan
Daniel, R. W.
Danielson
de la Garza
Derwinski
Devine
Dickinson
Dixon
Donnelly
Dornan
Early
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
Edwards, Okla.
Ertel
Evans, Del.
Evans, Ind.
Fary
Fazio
Fenwick
Fithian
Flippo
Florio
Ford, Tenn.
Fountain
Fowler
Garcia
Gaydos
Gilman
Gingrich
Ginn
Goldwater
Gore
Gradison
Gramm
Grassley
Gray
Green
Grisham
Gudger
Guyer
Hall, Ohio
Hamilton
Hammerschmidt
Hance
Harsha
Hawkins
Hefner
Heftel
Hillis
Hinson
Holland
Hollenbeck
Holt
Holtzman
Hopkins
Huckaby
Hutto
Ichord
Ireland
Jeffries
Jenkins
Johnson, Colo.
Kemp
Kramer
LaFalce
Lagomarsino
Latta
Leach, La.
Leath, Tex.
Lederer
Lee
Leland
Lewis
Livingston
Loeffler
Long, La.
Long, Md.
Lowry
Lujan
Luken
Lungren
McClory
McCloskey
McCormack
McDade
McDonald
McEwen
McKinney
Madigan
Marlenee
Martin
Mathis
Mattox
Mica
Michel
Mikulski
Miller, Calif.
Miller, Ohio
Minish
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Montgomery
Moorhead, Calif.
Mottl
Murphy, Ill.
Murphy, N.Y.
Murphy, Pa.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nelson
Nolan
Nowak
Oakar
Obey
Ottinger
Patterson
Paul
Petri
Peyser
Preyer
Price
Pursell
Rahall
Rangel
Richmond
Rinaldo
Ritter
Robinson
Rosenthal
Rostenkowski
Roth
Rousselot
Royer
Rudd
Runnels
Scheuer
Sebelius
Seiberling
Sensenbrenner
Sharp
Shelby
Shumway
Shuster
Slack
Smith, Nebr.
Snyder
Solarz
Solomon
Spellman
Spence
Staggers
Stanton
Stark
Stenholm
Stewart
Stockman
Stokes
Stratton
Stump
Swift
Symms
Taylor
Thomas
Van Deerlin
Walgren
Wampler
Watkins
Waxman
Weaver
Weiss
White
Whitehurst
Whitley
Whitten
Wilson, C. H.
Winn
Wirth
Wolff
Wright
Wyatt
Wylie
Yates
Yatron
Young, Fla.
Zeferetti

NOES—169

Abdnor
Albosta
Alexander
Andrews, N. Dak.
Anthony
Ashbrook
Ashley
Aspin
Atkinson
AuCoin
Bailey
Baldus
Bauman
Benjamin
Bereuter
Blanchard
Boggs
Bonior
Bouquard
Bowen
Brademas
Breaux
Brodhead
Brooks
Burlison
Butler
Campbell
Carr
Collins, Ill.
Corcoran
Coughlin
Crane, Daniel
Crane, Philip
D'Amours
Dannemeyer
Daschle
Davis, Mich.
Deckard
Dicks
Dingell
Dodd
Dougherty
Downey
Drinan
Duncan, Oreg.
Duncan, Tenn.
Emery
English
Erdahl
Erlenborn
Evans, Ga.
Fascell
Ferraro
Fish
Fisher
Foley
Ford, Mich.
Frenzel
Frost
Fuqua
Gephardt
Gibbons
Glickman
Gonzalez
Goodling
Guarini
Hagedorn
Hanley
Hansen
Harkin
Harris
Heckler
Hightower
Horton
Howard
Hubbard
Hughes
Hyde
Jacobs
Jeffords
Jenrette
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kastenmeier
Kazen
Kelly
Kildee
Kindness
Kogovsek
Kostmayer
Leach, Iowa
Lehman
Lent
Levitas
Lloyd
Lott
Lundine
McHugh
McKay
Maguire
Markey
Marks
Marriott
Matsui
Mavroules
Mazzoli
Mikva
Mineta
Mollohan
Moore
Moorhead, Pa.
Nedzi
Nichols
O'Brien
Oberstar
Panetta
Pashayan
Patten
Pease
Perkins
Pickle
Pritchard
Quayle
Quillen
Railsback
Ratchford
Regula
Reuss
Rhodes
Roberts
Roe
Rose
Roybal
Russo
Sabo
Santini
Sawyer
Schroeder
Schulze
Shannon
Simon
Skelton
Smith, Iowa
Snowe
St Germain
Stack
Stangeland
Steed
Studds
Synar
Tauke
Thompson
Traxler
Trible
Ullman
Vanik
Vento
Volkmer
Walker
Whittaker
Williams, Mont.
Williams, Ohio
Wilson, Tex.
Wolpe
Wydler
Young, Alaska
Young, Mo.
Zablocki

NOT VOTING—22

Andrews, N.C.
Annunzio
Bolling
Brown, Ohio
Conyers
Davis, S.C.
Dellums
Derrick
Diggs
Findley
Flood
Forsythe
Giaimo
Hall, Tex.
Johnson, Calif.
Pepper
Rodino
Satterfield
Treen
Udall
Vander Jagt
Wilson, Bob

☐ 1750

The Clerk announced the following pairs:

On this vote:

Mr. Conyers for, with Mr. Johnson of California against.

Mr. Dellums for, with Mr. Pepper against.

Mr. Hall of Texas for, with Mr. Flood against.

Messrs. SEIBERLING and FITHIAN changed their vote from "no" to "aye."

Messrs. BOWEN, DINGELL, and YOUNG of Alaska changed their vote from "aye" to "no."

So the amendment was agreed to.

The result of the vote was announced as above recorded.

Mr. RINALDO. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I have listened carefully to the debate. I spent a great deal of time examining the bill, studying its implications, and the effect that it will have on my home State. I feel that what I would characterize as extreme care is fully justified. However, I would like the answers to a few fundamental questions that go to the heart of the matter before us; the answers to questions that are of vital concern to my constituents; the answers to questions that constituents have written or called me about in the past few days. Whether we want to admit it or not, the Federal Government plays an important role in our Nation's educational system. I feel very strongly that that role must be neutral. It must never advocate public schools over private or parochial schools. I have not yet decided how I will vote on the bill, but certainly my decision will rest in large measure on the answers to these questions. I will not vote for this bill if it disturbs the Federal role in education or if it would endanger our parochial and private school system. Accordingly, I would like to direct several questions to the committee chairman and engage in a brief colloquy so that we can have these answers on the record.

First of all, will the Department of Education under this bill be neutral in our educational system, favoring neither public nor private schools?

Mr. BROOKS. If the gentleman will yield, I certainly think so. H.R. 2444 makes no differentiation between public and private education.

Mr. RINALDO. Will the Department of Education in any way affect or reduce the influence of parents and local school boards as those who are primarily responsible for the education of children?

Mr. BROOKS. No, I do not think that it will, and I do not think that it can. I think that the responsibility for education, regardless of any law we pass anytime, rests squarely on the shoulders of the parents of any children.

Mr. RINALDO. Will the establishment of a Department of Education in any way reduce Federal assistance to parochial schools?

Mr. BROOKS. I do not think so.

Mr. RINALDO. The gentleman answers, "I do not think so." Is it the intent not so?

Mr. BROOKS. The intent is not to at all.

Mr. RINALDO. Finally, will the Department of Education be staffed with individuals who predominantly hold one point of view, such as favoring public or private education?

□ 1800

Mr. BROOKS. It will not and I do not think it should.

Mr. RINALDO. Thank you. I appreciate the gentleman s answers to the questions.

Mr. ROSENTHAL. Mr. Chairman, will the gentleman yield?

Mr. RINALDO. I will be glad to yield.

Mr. ROSENTHAL. I would like to respond to the very thoughtful inquiry of the gentleman from New Jersey. Having worked on this bill for a long period of time, both last year and this year, and I want to suggest to the gentleman I oppose this bill, there is no way to responsibly answer those questions. There is no way to get an honest, forthright response to the kind of very thoughtful inquiries of the gentleman.

I am sure the gentleman answered to the very best of his sincere ability but objectively it is just impossible to assert in the affirmative or the negative answers to questions the way the gentleman framed those questions. I really do not think the colloquy that the gentleman had was at all useful.

Mr. RINALDO. Well, it was useful to this extent that the questions were carefully framed, and I am asking them for a specific reason. The gentleman is favoring a particular piece of legislation and I wanted to get the intent as envisioned, as espoused by the committee chairman, on the record.

I recognize the difficulty anyone has in predicting the future and predicting the direction the Department is going to take, and certainly his response to the question indicates that he does espouse a Department of Education that would be neutral.

Mr. ROSENTHAL. That is exactly the point I am trying to make. I want you to remember this bill was reported out of the committee by a vote of 20 to 19, by 1 vote.

The CHAIRMAN. The time of the gentleman from New Jersey has expired.

(On request of Mr. ROSENTHAL, and by unanimous consent, Mr. RINALDO was allowed to proceed for 2 additional minutes.)

Mr. ROSENTHAL. Mr. Chairman, will the gentleman yield further?

Mr. RINALDO. I yield to the gentleman from New York

Mr. ROSENTHAL. Mr. Chairman, the way the questions were framed there is no way to predict what the attitude of this Department would be.

I am sure the gentleman has a very responsive, thoughtful view. It is my view that it is impossible to predict what will happen.

Mr. RINALDO. Mr. Chairman, I agree, it is impossible to predict, for example, whether or not we will be alive tomorrow, but I am not looking for predictions. I am interested in the intent of this piece of legislation. I think it is important. It is what he feels after his study, after the committee hearings, after the debate that has taken place so far. I emphasize that I want to know the intent of this particular legislation as regards the questions I asked. I feel the gentleman was responsive in that regard. I am satisfied with the answers. I am satisfied that the gentleman is explaining what he expects it to be.

No one, but no one, can say with certainty, "This is what is going to occur," at any future point in time but certainly he has answered the questions to the best of his ability, and he is the manager of the bill. I feel that this establishes legislative intent on his part and important legislative history.

Mr. PATTEN. Mr. Chairman, would the gentleman yield?

Mr. RINALDO. I would yield at this time to my friend from New Jersey.

Mr. PATTEN. What the gentleman is saying to me is if the gentleman from Texas (Mr. BROOKS) is head of this Department of Education, we are all right. But he is not going to be the Commissioner of Education.

Mr. RINALDO. Mr. Chairman, I yield back the balance of my time.

Mr. ROSENTHAL. Mr. Chairman, I move to strike the last word.

I think the exchange that just took place is very, very significant, very important and I think it deserves a little bit more time than perhaps opportunity permits.

The inquiry by the gentleman from New Jersey to the manager of the bill, our very distinguished and lovable chairman of the committee, suggests that there are valuable questions.

The point I was trying to make to the gentleman from New Jersey, which I do not think I properly articulated, was that in my judgment it is impossible—maybe if the gentleman from Texas (Mr. BROOKS) has a different point of view and I am sure the gentleman from Illinois (Mr. ERLENBORN) has an additional point of view, but in my judgment there is no responsible way to respond to the inquiry of the gentleman from New Jersey. There is simply no way to make a prediction.

If the gentleman from New Jersey is prepared to accept the individual judgment of the chairman of the committee, taking into account that he is a proponent and floor manager of the bill, then I think it was a useful exchange. If the gentleman goes beyond the parameters of the responsibility as chairman of the committee then the exchange was not useful and may in effect do disservice to the legitimate intellectual inquiry of the gentleman from New Jersey.

Mr. ERLENBORN. Mr. Chairman, will the gentleman yield?

Mr. ROSENTHAL. I will be happy to yield to my colleague from Illinois.

Mr. ERLENBORN. Mr. Chairman, I thank the gentleman for yielding. I think the gentleman is exactly correct. They are the kind of questions we all must ask ourselves but I think they are also questions that ultimately we will each have to answer ourselves. It is a value judgment.

The gentleman from Texas is a good soldier, he is handling this bill for the administration and his answer to you is his value judgment and that of the administration.

As a further input to help the gentleman answer those questions that the gentleman really ultimately must answer himself when he casts his vote. The value judgment made by the American Federation of Teachers is that this will not be an independent Department of Education and so they are opposed to it.

The value judgment made by the United States Catholic Conference is that it will not be equal in its treatment of public and private education and so they are opposed to it.

The value judgment of most of the independent colleges and universities in this country is that the slant of the department will be toward primary and secondary education and so most of the institutions of higher education are opposed to the bill. That does not mean they are right, but I happen to agree with them. My value judgment is the bill is no good because of that but the gentleman, I think, is the one who will ultimately have to look at their opinion, the opinion of the gentleman from Texas (Mr. Brooks), and other opinions, and make up your mind.

Mr. ROSENTHAL. My point is it may well be that your perspective and mine might be different as to the kind of things we would expect from primary and secondary schools and from higher education. The only point I was trying to make is that at this point in time there is no way to make a prediction and thus responsibly answer your questions.

Mr. RINALDO. Mr. Chairman, will the gentleman yield to me?

Mr. ROSENTHAL. I yield to the gentleman from New Jersey.

Mr. RINALDO. I thank the gentleman for yielding.

I recognize the difficulty in answering the questions. However, as was just pointed out by my colleague on my side (Mr. Erlenborn) it is a value question. I agree with the gentleman completely in that regard.

I also would state and take it one step further by saying that many of the decisions, many of the conclusions that we have come to on this particular legislation are probably more based on emotion than on fact.

The value judgments that he stated can be ruled inconclusive because there is no tangible language in the bill to support them.

On the other hand, I felt that the most authoritative person to respond to the questions on the record would be the chairman.

Mr. ROSENTHAL. I hate to disagree with that and indeed I do not, but I do think at this point in time having served on this committee for a period of 16 years and having seen three departments created by the Congress, it is frequently difficult to predict the actions of executive agencies once the legislation is passed.

Mr. WEISS. Mr. Chairman, will the gentleman yield?

Mr. ROSENTHAL. I would be happy to yield to the gentleman from New York.

Mr. WEISS. I appreciate the gentleman yielding and I think that perhaps, putting it in the context of the question or the intent which the gentleman of New Jersey has, he said that what he was really looking for was not specific predictions as to what would happen but that he was looking for legislative intent.

Mr. RINALDO. Mr. Chairman, that is correct.

Mr. WEISS. It seems to me what the gentleman from New York (Mr. Rosenthal) was trying to say to him was that when you have a bill reported out of committee by the margin of 1 vote, 20 to 19, the legislative intent which the distinguished chairman of the committee gave is really only his own interpretation of what the legislative intent is. It certainly cannot be the legislative intent of the 19 people who voted against the bill and it cannot even be the legislative intent of the 19 other people who voted for it.

□ 1810

Mr. JOHN L. BURTON. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, first of all I would like to agree with the gentleman from Illinois (Mr. Erlenborn), my good friend. It is a question we all ought to face within ourselves, so I wish we would get on with facing it within ourselves and vote the bill up or vote the bill down and get on with other business of the House; so do not offer any more amendments just to waste time.

Mr. ROSENTHAL. Mr. Chairman, I have not offered any.

Mr. JOHN L. BURTON. I was not talking to the gentleman from New York.

Secondly, in response to the comments of my good friend, the gentleman from New York (Mr. Weiss) who said that the intent of the bill cannot be gleaned from the 19 members in the minority who voted against reporting it from the committee is absolutely accurate, because you do not take the losing side of a bill and say that is the intent; otherwise, every bill that is defeated or every bill that is passed, you do not ask what the purpose was the bill was passed. You go to the people who voted on the losing side and say, "What do you think about this legislation?" That is ludicrous on its face.

Mr. WEISS. Mr. Chairman, will the gentleman yield?

Mr. JOHN L. BURTON. I would be happy to yield to the gentleman from New York, as long as the gentleman is standing.

Mr. WEISS. I appreciate the gentleman yielding. Of course, I am leaning slightly.

I also said, and I think the gentleman will recollect, that it is almost impossible in the kind of context in which it was done, that is a 20-to-19 vote, for the chairman himself to be able to speak for the other 19 who voted with him to be able to say what their legislative intent was.

Mr. JOHN L. BURTON. Mr. Chairman, I would like to say this. My legislative intent was the exact legislative intent of my beloved chairman and my beloved ranking member and those other beloved 17 that along with those two and me made 20 that reported the bill to the floor, the only thing I would really say in all earnestness to my colleagues is let us get the bill moving so we can get along with important things, like the pork barrel bill that is coming up that has got a few projects in it that I am sure we are all interested in.

Mr. VOLKMER. Mr. Chairman, will the gentleman yield?

Mr. JOHN L. BURTON. I would be happy to yield.

Mr. VOLKMER. Mr. Chairman, I would just like to know, does the gentleman have an amendment?

Mr. JOHN L. BURTON. No; the gentleman does not have an amendment. The gentleman is trying to expedite the business of the House.

Mr. VOLKMER. Mr. Chairman, if the gentleman does not have an amendment, can I go to my office and sign my mail and the gentleman stay on the floor for a while, so I do not have to run back here for a vote?

Mr. JOHN L. BURTON. I mean, as far as I am concerned, I think I could get unanimous consent for the gentleman to go to his office for the rest of the evening.

Mr. HORTON. Mr. Chairman, I move to strike the requisite number of words.

I would just like to add what I think will be some clarifying remarks with regard to the questions and the answers. As I understood the questions from the gentleman from New Jersey to the chairman of the committee, the gentleman was attempting to determine some answers to specific questions; for example, will the Department of Education be neutral in our educational system, favoring neither public nor private schools?

I think the gentleman from Texas with regard to his answers was attempting to do was to state that when we have a reorganization bill, we are not changing any substantive law. All we are doing is setting up a new department. Whatever the law is today and whatever the attitudes are today, they will be the same as they have been in the past; so we are not changing any law. We should not be changing any substantive law in a reorganization statute.

I think it is important to that colloquy to point out that what the chairman was saying was not so much what the gentleman's opinions were or what the predictions might be as to the future, but that insofar as legislative history is concerned, we are not changing substantive law. What we are doing is proposing to reorganize or to create a new department. The substantive law will not be changed.

I think that the answers that the chairman gave to the gentleman from New Jersey were appropriate under the circumstances and they do make legislative history.

Mr. LEVITAS. Mr. Chairman, will the gentleman yield?

Mr. HORTON. I would be happy to yield.

Mr. LEVITAS. Mr. Chairman, I thank the gentleman for yielding. I would like to associate myself with the gentleman's remarks.

As a member of this committee and the subcommittee who participated in the hearings and the markup of this bill and after listening to the colloquy between the gentleman from New Jersey and the gentleman from Texas, I find one very interesting thing that emerges from it, that with respect to each question asked I have yet to hear anyone suggest that the legislative intent stated by the chairman of the committee is different from that which was stated by the chairman of the committee.

Now, people cannot predict what the future will hold, but I think it is clear that with respect to each question asked, the neutrality of the department, whether it will reduce the influence of parents and local school boards, whether it will affect Federal assistance to parochial schools, will it be staffed with individuals who hold predominantly one point of view, I think clearly the legislative intent, and that has not been disputed by anyone, is that it is precisely as stated by the chairman.

Consequently, I think the colloquy of the gentleman from New Jersey serves a very valuable purpose in establishing legislative intent and I commend the gentleman for it.

Mr. HORTON. Mr. Chairman, I would just add further that I would agree with the answers that were given by the chairman to the questions asked by the gentleman from New Jersey.

Mr. WALKER. Mr. Chairman, will the gentleman yield?

Mr. HORTON. I yield to the gentleman from Pennsylvania.

Mr. WALKER. Mr. Chairman, the one thing that disturbs me as I begin to hear all this is that some of these things like the local control amendment which was put in by amendment in the committee, would the gentleman agree with that, that back last year when we first developed the language for this bill, that was an amendment that was added by a Member from our side of the aisle.

Mr. HORTON. That is correct, and the gentleman from Illinois (Mr. CORCORAN) who was a member of the subcommittee and a member of the full committee in the last Congress had some concern that the new Department might attempt to dictate education policy to States and localities.

As a matter of fact, the gentleman from Illinois (Mr. ERLENBORN) had articulated in the committee and in the subcommittee and here on this floor that one of the reasons he was opposed to this bill was that it would create a sort of Federal Board of Education that it would direct policy. The purpose of that amendment was to make certain that the Department was not going to have any influence over local decisionmaking in the educational process. That is why that amendment was put in. I think it was a good amendment and it is in the bill now.

Mr. WALKER. I agree with the gentleman. I thank the gentleman for that explanation.

Also, the personnel limitation that we have been discussing as one of the key features of this bill was put in by amendment. Would the gentleman agree with me on that?

Mr. HORTON. I certainly agree and I think what the gentleman is saying is that there have been good amendments put in by the Congress. I think this is good. I do not think that the Congress should be a rubberstamp for the administration on any legislation that it sends up. Legislation ought to be perused. It ought to be studied. We ought to have hearings. We ought to examine it in subcommittees and full committees and then report the bill out to the floor and go through the process we are going through now. Those amendments were good amendments.

The CHAIRMAN. The time of the gentleman from New York (Mr. HORTON) has expired.

(At the request of Mr. WALKER, and by unanimous consent, Mr. HORTON was allowed to proceed for 3 additional minutes.)

Mr. WALKER. Mr. Chairman, will the gentleman yield further?

Mr. HORTON. I yield to the gentleman from Pennsylvania.

Mr. WALKER. I thank the gentleman for that, because the point that I want to make is that an awful lot that has been added to this bill that is now being discussed as the substance of this bill was put into it by amendment. I am very disturbed to read press accounts that things that were put in on this House floor by amendment, in some cases amendments where there was a 2-to-1 margin, are now being talked about by proponents of the bill on the outside as things that they are going to pull out in conference committee. "Do not worry about supporting this bill," they say. "We are going to take it all out in the conference committee."

I submit to the gentleman that if some of those things that were decided by a 2-to-1 margin on this House floor are to be taken out in the conference committee, so can some of the things like personnel limitations, local control language, and a lot of this kind of thing, which is not exactly similar in the Senate language, but can be pulled out in the conference committee and we can lose some of these basic things that we say are vital to the bill.

Mr. HORTON. Mr. Chairman, I would like to reclaim my time.

As the gentleman knows, when we get into conference, the Senate has a bill, the House has a bill, the conferees of the House are obligated to stand for the position of the House with regard to the amendments that have been offered and the bill that is reported out. When we get into conference, we have to make compromises, whatever compromises there are will have to come back to the floor.

□ 1820

There is no way to know now what the status of the conference will be, but that is the legislative process. I think it is inappropriate for people to be predicting what the conference is going to do. The conferees have not even been named yet. We are a little bit far afield from legislative history in this regard, although I am glad to have had this opportunity to engage in colloquy with the gentleman.

Mr. WALKER. Mr. Chairman, if the gentleman will yield further, I think the point needs to be made that some of the people—and I am not talking about people within this body; I am talking about people on the outside, primarily proponents of the bill—are suggesting that the conference committee will act to pull out some things which they consider unacceptable. I think on the record it should be made clear that a lot of the things in this bill which are being discussed as positive and good may not be left in the bill.

Mr. HORTON. Mr. Chairman, there are all sorts of people who are making predictions, some of which will come true and some of which will not. That does not involve us with regard to the instant problem, which is the matter of making legislative history as far as the questions of the gentleman from New Jersey are concerned.

With regard to the colloquy with the gentleman, we have to go through the process we are going through now. If we pass this bill, we will go to conference. I assume I will be a conferee, and I assume the gentleman from Texas (Mr. BROOKS) will be a conferee. We will do our best to uphold the will of the House. That is the way it works.

AMENDMENT OFFERED BY MR. FORD OF MICHIGAN

Mr. FORD of Michigan. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. FORD of Michigan: Page 72, strike out lines 9 through 12 and insert in lieu thereof the following:

SEC. 302. (a) Notwithstanding the provision of section 601 of this Act, there shall be transferred to and vested in the Secretary, at such time, on or after the effective date of this Act, as the Secretary certifies that there has been established in the Department a single component responsible for the administration and the coordination of programs relating to the education of migrants, all functions of the Secretary of Labor or the Department of Labor under section 303 (c)(2) of the Comprehensive Employment and Training Act.

Mr. FORD of Michigan. Mr. Chairman, I have an amendment to section 302 of H.R. 2444 which transfers two migrant education programs from the Department of Labor to the new Department of Education. My amendment does not prevent this transfer but merely delays it until an office or unit is established within the Department of Education to administer all programs designed to help educate migrant youth.

I am very grateful to the distinguished chairman of the Government Operations Committee for his cooperation in developing this amendment. His concern for and commitment to improving educational opportunities for children who are compelled to travel the migrant streams as their parents harvest our food are widely known and lauded.

H.R. 2444 proposes to transfer from the Department of Labor two programs which were originated by the Office of Economic Opportunity to assist migrant children in their efforts to receive high school and college training. These programs, the high school equivalency program and the college assistance migrant program (HEP and CAMP), were spun off to the Labor Department when OEO was dismantled. They have been extremely successful in increasing educational achievement for thousands of migrant students at a modest cost to the Government, despite the fact that the Department of Labor's employment training orientation makes it an uncomfortable host.

It is my expectation that the new Department of Education will establish a single office to administer and coordinate a comprehensive educational delivery system for migrant children so that they will have equal access to a quality education at every level. The transfer of these programs at that time will provide the capstone to the approach embodied in the title I migrant education program.

My amendment will simply delay the transfer until it can be effectively incorporated within such an office.

Mr. BROOKS. Mr. Chairman, will the gentleman yield?

Mr. FORD of Michigan. I yield to the chairman of the committee.

Mr. BROOKS. Mr. Chairman, I want to say that I support the amendment offered by the gentleman from Michigan (Mr. Ford). I agree with him that it is vital to the effective structure of migrant education.

I have read the amendment in full, it is a good amendment, and I agree with the gentleman.

Mr. HORTON. Mr. Chairman, will the gentleman yield?

Mr. FORD of Michigan. I yield to the gentleman from New York.

Mr. HORTON. Mr. Chairman, I have discussed the amendment with the gentleman from Michigan (Mr. Ford). I think it is a good addition to the bill. I would be willing to accept it, and I urge its approval.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan (Mr. Ford).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. JEFFORDS

Mr. JEFFORDS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

AMENDMENT OFFERED BY MR. JEFFORDS

Amendment offered by Mr. Jeffords: On page 72, strike out lines 9 through 21, inclusive, and insert in lieu thereof the following:

"Sec. 302. There are hereby transferred to and vested in the Secretary all functions of the Secretary of Labor or the Department of Labor under title II, title III, and title IV of the Comprehensive Employment and Training Act, as amended."

Mr. JEFFORDS. Mr. Chairman, the amendment that I am about to offer is an important amendment. It is not a new proposal. It was embodied in the Department of Education bill which was suggested by one of my predecessors, Mr. Quie, some time ago.

What the amendment attempts to do is establish consistent philosophies within the Department of Education and within the Department of Labor. It says that we should transfer out of the Department of Labor and into the Department of Education those programs which are primarily oriented toward training people to be employable, and that we should leave the Department of Labor those programs which are oriented toward getting people employed who are already employable. The distinction between training and jobs is very important.

My amendment to H.R. 2444 would place vocational training programs operated under titles II, III, and IV of CETA within the new Department of Education, in order to make possible, for the first time, a sensible education and training policy.

There are three broad basic reasons for my suggestion to move training into the new Department. First in the Department of Education we now have the vocational educational programs and, of course, the other vocational training programs which deal with our schools.

In my travels recently around the country, I have visited some 10 cities and examined our CETA programs and our vocational education programs. It has come through very clearly to me that in the areas where these programs work we have close cooperation between our school systems and our CETA programs. Unfortunately, this is not true in most of the country; in fact, the opposite is true: the schools and CETA mostly fight against each other and not working in coordination and cooperation. It seems sensible to me, and to many others with whom I have talked, that if we are going to get coordination and cooperation among the people who are implementing the program, it is essential that we have that coordination at the Federal level, and at the top of that level.

The second reason is that we also have in this country a very real problem with handicapped individuals. This House yesterday overwhelmingly rejected removing the programs which help handicapped people become employable.

What this amendment does say is that we will put together under the same roof the programs which should be helping our handicapped people to become employable and to become employed.

Right now we have a serious situation in that regard. For instance, we have somewhere between 3½ and 7½ million people who are handicapped. A large number of these citizens ought to be participating in being trained under the CETA program, and I include other programs in that area. Yet the fact is that only some 81,000 handicapped—at least in the 1976 report—are being trained under our CETA programs, leaving the bulk of our handicapped outside of that training program.

The third basic reason is that creation of the proposed Department of Education raises serious questions about what genuine responsibilities the new Secretary will have. When he sits down at the Cabinet level, what will the Secretary do besides serve as an agent for income transfer programs currently under the Office of Education? As now proposed, the new Department of Education fails to address any real responsibilities for its Secretary.

One of the responsibilities of the Secretary should be to coordinate Federal efforts to educate and train our young people and the structurally unemployed so that they can become productive members of the work force. Vocational education and training activities conducted by the Department of Labor under titles II, III, and IV of CETA should be incorporated into the new Department together with the vocational education programs presently carried out by the Office of Education.

WE HAVE CREATED A DUPLICATE SYSTEM

As things stand now, we have a dual system for many young people, with Federal funds and Federal nonpolicy flowing into both sides: CETA programs simply take up where the schools give up, and no one bothers to see whether these efforts are coordinated or duplicate one another, particularly at the Federal level. The result is astounding waste and duplication of resources, both human and economic.

Placing all significant vocational programs together in the new Department would give us a coordinated Federal approach to one of the most difficult social problems we face today: helping youth and the structurally unemployed to join the labor force. DOL training programs are currently budgeted at $6.58 billion, $3.43 billion of which is spent directly on programs for youth. Title IV programs focus exclusively on youth and significant proportions of youth are served under titles II and III. Vocational education programs under the Office of Education are budgeted at $781 million (fiscal year 1979).

WE MUST HAVE COORDINATION AT THE TOP

Failure to put these activities together is not only silly, but irresponsible on our part. Frankly, as I said, if we cannot coordinate our efforts at the Federal level, how can we expect our local agencies to work together? And, I might add, we do expect and tell our local agencies to work together. I submit that we in Washington should practice what we preach.

Let me give the Members some examples of what we would transfer. The youth employment training program (YETP) and entitlement program (YIEPP), (title IV, parts A and C of CETA) are perfect examples of the need for a coordinated Federal policy toward vocational and training activities that are supported with Federal funds. The amount of $110 million of the YETP's $500 million budget is already subject to the approval of local school districts. The whole point of the entitlement program is to pursuade young people to finish their schooling, by guaranteeing them a part-time job during the school year and by providing alternative schools and GED programs as acceptable schooling.

I have recently visited ten cities around the country where these programs are in operation. The most successful programs are those where schools and prime sponsors do work together. In Albuquerque, young parents are able to find day care for their children, finish high school, and earn money through a program coordinated and staffed by the local school system. In Portland, Oreg., young people gain experience in the construction trades while finishing their educations, and are able to move into apprenticeship training or higher education, again through a program run by the schools. These programs show that the schools and CETA prime sponsors can coordinate their activities. We have yet to see the same degree of coordination in Federal policy here in Washington. The result is that it is only luck that successful programs ever get off the ground.

ARGUMENTS AGAINST THE AMENDMENT ARE WEAK

Opponents of this idea say that we are simply expanding the bureaucracy CETA prime sponsors will have to deal with. Yet, prime sponsors already have to make out separate applications for the various categorical programs under title IV of CETA, and school districts would only have to deal with the Federal agency that they already work with—education. Opponents will also claim that CETA programs, including youth programs, are oriented toward the "world of work" in a way that the supposedly more "academic" Department of Education will not be. That is exactly why we should put CETA vocational training programs into the new Department: we would like to see the Department have a realistic view of the problems faced by those making a transition into the labor force.

Opponents may argue further that CETA title IV programs are just beginning to get on their institutional feet and that any change now would be severely disruptive to the success of these programs. I disagree and submit that the opposite will occur: the success of these programs may well be enhanced with increased coordination efforts. Moreover, it is far better to seek greater coordination with the schools now than after these programs have become completely entrenched in the Labor Department. Let me emphasize, however, that I am not, in any way, requiring programs to be placed in schools, but rather am suggesting that Federal policy regarding vocational and training issues all originate from the same Department.

Why do these things occur? It is primarily because the Department of Labor has a philosophy—which is correct with respect to title VI public service employees, and in title VII to the private sector employment provisions of that act—that its primary function is to see how many people it can get into jobs. What this leads to is a "creaming" process that is taking those people who are most employable and fitting them into slots so that at the end of the year they have statistics which indicate a successful job.

That does not provide the kind of incentives we need to provide the programs and the incentives to get the people to work, to get the people who need to be trained to be employed.

So the basic thrust of my amendment is to put within the Department of Education those programs which are training people to be employable.

So, Mr. Chairman, to summarize briefly, the purpose of this amendment is to clearly establish a philosophy that those people who need to be trained to be employable—the handicapped, the disadvantaged, the people who have dropped out of our system—should be under one roof, and that we should leave in the Department of Labor those programs which emphasize employing the employable. That is the purpose of this amendment, and that is its function.

For all these reasons and more, I urge you to support my amendment. If we create a Department of Education, let us make it meaningful by giving it a real mission: educating and training young people to hold useful jobs. Let us give the Secretary of Education something to do that certainly needs to be done.

Mr. HAWKINS. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I regret that it is necessary to oppose the gentleman from Vermont (Mr. JEFFORDS) who is a very valuable member of the subcommittee on employment opportunities. However, it seems to me that this is a matter which should be discussed on its merits and not as part of a strategy, a political strategy to defeat another issue.

It would seem to me that if this is a good idea, then it should be the basis of a bill that would be introduced and pushed and advocated quite apart from whether there should or should not be a separate Department of Education.

I think this is somewhat akin to booking passage for someone who is close to one on a ship that one is trying to wreck.

I am confident that those who are advocating this in this instance—and this does not go to the question of the integrity of those who may be advocating it—are not advocating it merely to transfer it but really to use it as a ploy. I thing that is most unfortunate. We worked for a long time to obtain a comprehensive, coordinated, and integrated manpower policy.

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In this amendment we would go in the opposition direction of splitting up such a policy and taking a part of it and putting it piecemeal into a Department of Education and leaving the rest of the policy spread throughout other Departments.

You may ask: Why is not title I, title V, title VI and title VII equally relevant to a Department of Education?

This House last year decided on a package, in which the gentleman from Vermont participated, and, as a matter of fact, took the initiative in working out a system, whereby we would try to eliminate waste and fraud.

Most of this is in title I. It will not be transferred under the amendment.

So we are, in a sense, splitting off one of the very things we have worked for a long time to get into the package. We would also split off the initiative toward the private sector, relating these programs to the private sector, which is included in title VII, which is not included in this amendment.

So this is but a fragmentation of all the efforts we have put forward in the last decade to get a comprehensive, integrated manpower policy within a stabilization context in which we would use it in relationship to monetary and fiscal policies so that as the economy moved up or down we could rapidly put into operation these programs.

I think it is most unfortunate that we find it even necessary to defend this concept against this type of amendment.

The question has been raised about linkage between education and manpower. This was mandated in the act last year. We are beginning to get that linkage. This morning, in the hearings before the Subcommittee on Employment Opportunities at which the gentleman from Vermont was present, we had persons from vocational education testifying not against the linkage, not against CETA, but telling us that they were beginning to work with the CETA people in order to make this linkage real. And here it is that we would move this afternoon to set that encouraging sign aside, to ignore it. These efforts are already beginning to bear fruit. The act itself has a 22-percent set-aside to bring in vocational education and other phases of education. And a 1-percent set-aside so that the State administration, State administrations throughout this country, could provide that linkage. And here we are beginning to destroy.

Now, it seems to me, is not the time to disrupt the building of this great insurance, I think, against increasing unemployment and a recession.

The CHAIRMAN. The time of the gentleman from California (Mr. HAWKINS) has expired.

(On request of Mr. BROOKS and by unanimous consent, Mr. HAWKINS was allowed to proceed for 2 additional minutes.)

Mr. HAWKINS. Mr. Chairman, at the very time when the Congressional Budget Office has indicated that unemployment is likely to go up to 7½ percent, at a time when we are being advised that we may face a recession this year and next year and that unemployment may go up to 7½ percent, when these programs will be particularly needed, when local prime sponsors, cities and counties and States, are moving ahead in order to make contracts to do the planning in order to avoid the disruption that may be brought about as a result of these economic conditions, we are now saying we are going to change the signals, when private sector is saying to us here in Congress, "Look, you have been hesitant too long and we are not going to put private money into these programs unless we know what the program is going to be." We are making in answer to these efforts more and more changes.

We cannot commit the private sector to what may be a changing scene, that we may change next month or the month after, and we are discouraging their effort through making all of these changes. And now we intend to make one of the most decisive changes we could possibly make. I think this is not the time to do it. I think it is most unfortunate. I think we should address the merits of the matter itself and not use this as another strategy in an attempt to misguide and mislead the body in what I think is a most insane direction.

Mr. BROOKS. Mr. Chairman, will the gentleman yield?

Mr. HAWKINS. I yield to the gentleman from Texas.

Mr. BROOKS. Does the gentleman agree with me that if you transfer this, you will be transferring matters of little relationship to education?

Mr. HAWKINS. That is correct. It is no more educational than most any other thing. Education spreads throughout this society. If you wanted to use that as a test, you have to transfer almost everything in which we are engaged.

Mr. BROOKS. And the program has had plenty of trouble. They are trying to resolve the difficulties of it and the management of it in the Labor Department?

Mr. HAWKINS. That is correct.

Mr. BROOKS. And it ought to stay there?

Mr. HAWKINS. It ought to stay there. And we have provisions about fraud, mismanagement, and the other provisions in order to control these programs and to prevent abuse, which are in other titles of law that would be left in suspension without these amendments if we approved such transfer.

Mr. ERLENBORN. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment.

Mr. JEFFORDS. Mr. Chairman, will the gentleman yield?

Mr. ERLENBORN. I yield to the gentleman from Vermont.

Mr. JEFFORDS. Mr. Chairman, I am pleased to take a few moments and ask the chairman of the subcommittee if he would be willing to respond to a couple of questions that I may have?

Mr. HAWKINS. Yes, I will be glad to.

Mr. JEFFORDS. First of all, I think the colloquy the gentleman just had with the chairman of the subcommittee has indicated that the programs which are being shifted here have little relationship to the educational process. I would like to ask if we are not, under title IV, for instance, transferring the YETP program, which is the youth employment training program, which is primarily involved with the school system; is that correct?

Mr. HAWKINS. Yes. It certainly involves the school systems, but it also involves the private sector and it involves the employment services. It is part of a package. And, sure, there is an educational component. But you do not have the placement activities, you do not have the counseling of the employment service, you do not have a link with the private sector that we are trying to build.

Mr. JEFFORDS. Is that any different than the vocational education program and the cooperative program that we have in vocational education which are working with the private sector in attempting to find vocational education jobs?

Mr. HAWKINS. No, it is no different. But the vocational educators are not in here supporting this amendment.

I would say that those who testified in the hearings this morning, at which the gentleman was present, as well as others, have not testified in support of making this change. They have indicated they are beginning to build that linkage.

Mr. JEFFORDS. Many of the people are in the closet. I have had word from many of these people who do support it. They have many problems, as the gentleman does, recognizing that this ought to be done. But they are concerned about what it does to the passage of the bill. I say we ought to be more concerned about what we are doing to the bill to make it more effective if it passes. And certainly I know our former colleague, Mr. Quie, and others, last year thought this was a good idea. I think it is a good idea. The only problem with my amendment is it appears to be too good.

Let me ask the gentleman another question. Am I not correct that the gentleman and I joined in a letter just the other day to the Department of Labor, criticizing them for their discrimination against the handicapped in their regulations? We did that, did we not?

Mr. HAWKINS. Yes, we did.

Mr. JEFFORDS. And is it not true, also, that we have criticized them in title VI because they have taken what this body proposed last year, and that was to provide incentive for more training in title VI, and we said that not less than 10 percent of the money in title VI shall be used for training, and the Department turned around and read that, at least according to the evidence before our committee, it would be not more than 10 percent in title VI that should be used for training; is that correct also?

Mr. HAWKINS. That is correct. I am not satisfied with the administration of the present act. I think there are many things that we need to do in order to correct these things. I think we would have the same problems with the new Department. We would still have to monitor the new Department. We may have more trouble with it.

May I say, if the gentleman's argument is valid, is the gentleman supporting the bill if this goes in?

Mr. JEFFORDS. Yes, if this amendment passes I will support the bill.

Mr. HAWKINS. If this does not, the gentleman will not support the new Department?

Mr. JEFFORDS. That is quite possible. I have not made up my mind about it. I will definitely support it if the amendment passes. I may not support it if it does not. And I just want to let the gentleman know that I propose this amendment in good faith. To me, without this provision in here, we have neglected the most important problem in this country today, and that is youth unemployment. We must have a coordinated attack against youth unemployment; we must do something constructive. The same thing is true with our handicapped who have been neglected, especially by the Department of Labor, as the gentleman recognizes, which has been discriminating against the handicapped. Although there is an equal number of handicapped people available to be trained in this country as there are unemployed nonhandicapped less than 4 percent of the CETA trainees are handicapped. This is a disgrace to that Department and which is a disgrace to the Federal Government in its attempts to handle the handicapped and the serious youth unemployment problems.

Mr. HAWKINS. May I ask the gentleman if the gentleman's statement is reasonably accurate—and I am not going to go into whether it is or not—would the gentleman think that the physically handicapped people, or those who represent them, would take a position on the amendment the gentleman is proposing? Would the gentleman not expect them to be in here supporting it and to indicate to us that they would support it?

Mr. JEFFORDS. I have no indication whatsoever that they do not support it. In fact, I have not had any indication from the groups that I have talked to that anyone does not support it. I would expect the handicapped groups would support it. The main concern seems to be will it help passage or not. I think that ought to be irrelevant at this point. We ought to act responsibly and get the best bill possible, then decide as to whether it ought to pass on its merits.

Mr. ERLENBORN. Mr. Chairman, if I might recapture what is left of my time, let me say that reference has been made to the fact that our former colleague and dear friend, now Governor of Minnesota, Al Quie, supported the concept of a Department of Education, but conditioned his support upon the inclusion of education-related education and training programs in the Department of Labor.

The CHAIRMAN. The time of the gentleman from Illinois (Mr. ERLENBORN) has expired.

(By unanimous consent, Mr. ERLENBORN was allowed to proceed for 1 additional minute.)

Mr. ERLENBORN. I think that we all know that the CETA program has been and is in trouble, and one of the principal reasons is that in the administration of the program in the Department of Labor, jobs—public service jobs—have been the cornerstone of the program.

☐ 1840

The administrators in the Department of Labor have thought very little about education and training. Now that is exactly what this program is supposed to be about. The core of it should be education and training, but it has been turned into a massive public public service job program. It has been turned into backdoor revenue sharing—a boondoggle, very plainly, in many of the large municipalities in this country.

I think the shift of the CETA program to the Department of Education (should such a Department come into existence, God forbid) would at least put the proper emphasis on the CETA programs. That is on education in general.

Mr. FASCELL. Mr. Chairman, would the gentleman yield?

Mr. ERLENBORN. I would be happy to yield to the gentleman from Florida.

Mr. FASCELL. How many dollars and how many people would this amendment transfer?

The CHAIRMAN. The time of the gentleman from Illinois (Mr. ERLENBORN) has expired.

Mr. PURSELL. Mr. Chairman, I rise in support of the amendment offered by the gentleman from Vermont to place the vocational training programs operated under titles II, III, and IV of CETA within the Department of Education.

As you know, last year after much debate, Congress approved legislation—now Public Law 95-524—extending the Comprehensive Employment and Training Act (CETA) through fiscal year 1982. Let me just briefly read from the "statement of purpose" that is the foundation for this massive program.

> It is the purpose of this act to provide job training and employment opportunities for economically disadvantaged, unemployed, or underemployed persons which result in an increase in their earned income, and to assure that training and other services lead to maximum employment opportunities and enhance self-sufficiency by establishing a flexible, coordinated, and decentralized system of Federal, State, and local programs.

The amendment now before us presents a very simple, but vitally important question; that is, should the emphasis be on the short-term job a CETA participant holds while receiving needed training, or on that training, which, in turn, prepares the participant for long-term employment. It seems to me that the answer should be loudly and clearly in favor of lasting, meaningful and productive jobs.

Under the CETA renewal, participation in employment and training programs is limited to 2½ years during any 5-year period, and an individual may hold a public service employment (PSE) position for no more than 18 months at any one time. Furthermore, strict limits are placed on CETA wages. For example, PSE wages must average $7,200 annually on a national basis, with a $10,000 ceiling. Such provisions certainly were not imposed by Congress to take emphasis away from the training aspects of CETA, but rather to make them its central theme.

We have all heard the axiom "give a man a fish, and he can eat for a day, but teach him to fish, and he can feed himself for a lifetime." Of course, one must continue to eat while he is being taught, so we need to provide short-term employment during this period. However, we should never lose sight of the ultimate goal.

Because most jobs are found in the private sector, the most significant way to make progress against unemployment is to increase employment opportunities in private industry for the jobless and economically disadvanvantaged. In recognition of this, Public Law 95-524 established the private sector initiative program (title VII), under which CETA prime sponsors must set up Private Industry Councils (PIC's) to encourage private sector participation in CETA programs.

As a member of the Education and Labor Committee, which considered this legislation initially in the House, I was successful in securing approval of two amendments designed to help put CETA back on the "training track." One of the amendments requires that at least half of the businessmen serving on the PIC's be representatives of small business, those enterprises employing not more than 500 individuals. The other mandates that the PIC's include representatives from educational institutions. In addition, I participated in formulation of the so-called "Quie amendment" that requires all prime sponsors to actively seek involvement of local educators in designing programs under title VII, as well as all other titles.

Adoption of these amendments were small, but important, steps to stress the training aspects of CETA. We have an opportunity to take an even larger step in that direction today by adopting the Jeffords amendment.

The House Appropriations Committee, on which I now serve, last week recommended close to $1 billion in Federal funds for occupational, vocational and adult education programs during the upcoming fiscal year. In addition, $20 million was recommended for implementation of the new Career Education Incentives Act. As I sat through the hearings on these programs, I often wondered how effective this money would be in preparing students for meaningful jobs. By involving educators more deeply in the employment aspects of CETA, we can not only increase the emphasis on training, but, just as importantly, bring the "real world of work" more directly into the classroom.

No area of Government is closer to the people than is education. The legislation we are considering today emphasized this by stating that "the primary responsibility for education resides with States, localities and private institutions." By adopting the Jeffords amendment, we can help our schools in fulfilling this heavy responsibility, as well as provide a more coordinated, effective approach to reaching the objectives of CETA I quoted earlier.

We will not meet these important goals through disjointed efforts by various agencies.

We will not meet them by quibbling in jurisdictional disputes.

We certainly will not meet them by emphasizing $7,500 jobs that last no more than 18 months.

However, we can take a very significant step by voting for the amendment of the gentleman from Vermont and putting the stress on training for lasting, meaningful employment, that is an essential ingredient in the American dream.

Mr. JEFFORDS. Mr. Chairman, will the gentleman yield?

Mr. PURSELL. I yield to the gentleman from Vermont.

Mr. JEFFORDS. I would like to answer the question asked of me about what this would mean in terms of the transfer funds and personnel.

First, under title II, the transfer of funds under parts A, B, and C would be $2.054 billion—fiscal year 1980 budget—and under part D, $2.16 billion—fiscal year 1979 carryover.

With respect to title III, it is $371 million.

With respect to part A of title IV, it amounts to $134 million for YCCIP projects, and $533 million for the YETP program.

Under part B, it is $415 million (Job Corps), and under part C (summer job programs), it is $533 million, including carryovers.

With respect to personnel transferred, the number might be slightly different, but we have received these estimates: under title II there would be around 1,000 people; under title III, there are about 100 people, and under title IV about 360 people.

Mr. PURSELL. I thank the gentleman.

I think that I have a minute left, and I would like to reclaim my time. You can give a man a fish, and he could eat for a day, but if you teach him how to fish, he can live for a lifetime.

Mr. GREEN. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, if one asks people in the educational establishment why students' scores on aptitude tests are down or why a significant percentage of the students whom we are turning out are at best semiliterate, one is told that it is the breakdown in the family, it is the breakdown in respect for authority, it is the prevalence of drug use, it is the fact that so many people are watching TV instead of reading. In short, it is all of the social factors that impinge on education.

Thus I oppose this bill, because I think the real need is to end the isolation from the rest of HEW that the educational establishment has succeeded in forcing on the Office of Education, rather than to isolate education still further from those elements of the Federal Government, centered in HEW, that deal with those social problems that afflict education.

If the opposition that I have and others have to this bill fails, I think that this amendment is at least a step in the right direction, because surely everyone will agree that one of the key roles of education in our society is to prepare people for gainful employment.

Just a few weeks ago, we had testifying before the Select Committee on Aging, in a hearing relating to the midlife problems of women, the president of one of the leading temporary office employee firms in this country. He told us that, in the midst of an era when there is high unemployment among young people, it is very difficult to find qualified people for office work. In a colloquy between him and me, because I am a member of the committee and I was at that hearing, we agreed that there obviously must be a misdirection in the resources of our educational system if on the one hand we have this enormous unemployment centered among young people, and particularly minority young people, and at the same time we have office jobs going begging in this country for lack of people with the skills to fill them.

So I think it is very important, if we do create a separate Department of Education, that it should have responsibility and accountability for educating our children so that they can hold down the kind of useful jobs that will be available in our society.

I think that the amendment of the gentleman from Vermont goes a long way toward achieving that goal or at least putting in place the kind of Department of Education that could help achieve that goal.

I think that any Member concerned with the problems of minority youth unemployment in this country ought to vote for this amendment.

Mr. GOODLING. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, yesterday in our Committee on Elementary, Secondary, and Vocational Education, we were hearing testimony about the relationship of vocational education to the CETA programs. One of the remarks made by one of the superintendents was that they are having trouble filling slots in relationship to the CETA money that they have for the training programs, and he said that one of the reasons they were having that problem is that a youngster or young man or young woman must go to four and five different agencies in order to bring about this program, and that they do not have that kind of stick-to-itiveness, nor do they, in many instances, know exactly where to go.

□ 1850

It seems to me an amendment like this would help that superintendent bring under one roof the opportunity to fill those slots because a lot of the redtape would be eliminated and a lot of the bureaucracy and the different organizations that this young person must go to would be eliminated.

In fact, he said in his statement he really believes if the vocational educational people had a little more say and a little more authority in this business of CETA, in this business of training youth for employment, and we were particularly talking about the 18- to 24-year-old group, he believes that they could not only fill those slots, but they would have many more people requesting that kind of training. At the present time, he said, he was unable to do the job and, therefore, those same young people, not all disadvantaged young people from the standpoint of money disadvantage, but young people who started out in an academic program and then discovered that is not for them, so they really had no skills in order to go out into the work world were not taking advantage of the program. I would think an amendment like this would in some way bring about a better program so that these young people would not have to seek many different agencies, but could go basically to one because the program would be under one roof.

Could the gentleman from Vermont comment on that. I yield to the gentleman from Vermont (Mr. Jeffords).

Mr. JEFFORDS. First, I certainly agree with what has been said. Of course a lot has been made out of confusion, but actually we are going to transfer the bulk of the people over that are dealing with those people anyway. But, what we are going to do is put someone at the top who is going to be overseeing both programs which will put him in a position to eliminate the duplication of work and eliminate the problems with paperwork we have now, and also work to coordinate programs to get more efficiency out of our programs.

I think also I would like to emphasize again that we are making a distinction here of putting under one roof the programs which are training people to be employable and separating them away from the programs which are just oriented to getting people jobs. There is a lot of difference between finding a person a job and putting a person in a position to have a job.

Mr. FUQUA. Would the gentleman yield?

Mr. GOODLING. I yield to the gentleman from Florida.

Mr. FUQUA. I might point out to the gentleman, I am sure he is aware that within this bill there is an Assistant Secretary dedicated to vocational education, so I think some of the remarks the gentleman is concerned about, some of the concerns are answered.

Mr. GOODLING. The Assistant Secretary dealing with vocational education is not necessarily involved in CETA in relation to vocational education.

Mr. FUQUA. It could under the organization. It could.

Mr. GOODLING. It could.

Mrs. CHISHOLM. Mr. Chairman, I move to strike the requisite number of words and I rise in support of the amendment.

I am speaking in support of the amendment on the basis of what has been occurring in many of the programs where the young people have had to move from three and four different places in order to acquire what is necessary to get a job. I am speaking on the basis of experience.

Many of our mayors and our Governors in terms of getting the funds do not have the same kind of basic interests in the very specific educational needs of young people in this country who lack the requisite skills to function in an automated and technological society. We recognize that the mayors and the Governors have very, very definite goals and definite responsibilities, and perhaps the needs of the youngsters are not in their list of top priorities.

One of the reasons that we are having tremendous difficulties in the areas of work insofar as many of our young people are concerned is the lack of coordination between the education they are getting and the training that would emanate from this education for the jobs that are acceptable and available in the market. The left hand does not know what the right hand is doing at this juncture. I know my good friend, Gus Hawkins, is a little bit perturbed with me in taking this position.

But, there comes a time when, friend or no friends, one has to speak on the pragmatism and practicality of the particular issue. The fact is, there is no coordination between the education of many of these young people and the kind of jobs that are acceptable and available to the communities. I speak about this on the basis of the experiences I have seen taking place in this country.

How can one expect to give the young people the necessary tools unless they have the coordination with the education facilities they need in order to get where they are trying to go? I think the time has come, especially when Federal programs are not working up to par, when we must not be afraid to reassess, revitalize, restructure if necessary and perhaps turn in another direction.

I speak on the basis of my experience as an educator, having deep concern in terms of what is happening to many of the young people in this country.

Mr. HAWKINS. Mr. Chairman, will the gentlewoman yield?

Mrs. CHISHOLM. I yield to the gentleman from California.

Mr. HAWKINS. Mr. Chairman, may I say, out of the great respect I hold for the view of the gentlewoman in the well, that this question is not intended as, in any way, to speak to the integrity of the lady.

Is it not true, however—and I agree with virtually everything the gentlewoman has said, and I commend her on the great experience she has had in the field of education—realizing the importance, however, of what she has said, is it not strange, therefore, that she does not intend to support the bill if this amendment succeeds? Then, what becomes of the argument that she has used that this is so vitally necessary that she would not support the bill that provides the very vehicle for implementing what she has said?

Mrs. CHISHOLM. The bill is not composed of only one particular segment. The bill has a composite of factors that puts me in the position of not supporting the bill, because I deeply believe that this is not a comprehensive education bill in terms of speaking about a separate Department of Education. Many of the important programs that deal with children should be incorporated in this separate Department of Education, and are not a part of the Department of Education they are about to set up. There are over 50 different kinds of programs that have not been put into this separate Department that have a direct bearing in terms of potential training education, so there are many reasons why I am not supporting the bill.

Mr. HAWKINS. If the gentlewoman will yield further, what she is saying is not that important for us to overcome her opposition to the total provisions in the bill in order that this fine section that she is talking about would then come into reality.

Mrs. CHISHOLM. Let me say to the gentleman from California that the bill has several things that have been put in and taken out. There are musical chair games being played all over this bill from its inception. My opposition to the bill stems from a combination of factors, not one or two factors. I think many persons know since the very beginning. I have had a deep opposition to this bill based on several factors.

Mr. WEISS. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, let me say at the outset that I am opposed to the bill before us. I voted against it in committee last year; I voted against it in committee this year, and I continue to oppose it. But. I must say that, again without questioning motivation or integrity, it occurs to me that this particular amendment may end up doing great harm to to the cause of those who are in favor of the bill.

As Mr. Hawkins indicated earlier on, I guess in the overall scheme of things one could say that just about anything that deals with life has to do with education. We are constantly learning and, therefore under that concept or definition just about everything could belong in the new Department of Education. But, it seems to me that we can sometimes go too far. Here is a very major amendment which has never really been considered in any way at all; certainly, in no depth.

There were no hearings on it in either of the committees—that is, either in the Government Operations Committee or in the Education-Labor Committee. Now, we are about to, on a very superficial, perhaps even cavalier basis, consider moving the Comprehensive Employment and Training Act programs, with the exception of the public service title and the audit and inspection and enforcement title into the Department of Education.

☐ 1900

Talk about not thinking through what the real purpose or function of the Department of Education may be. There have been many expressions in the course of these past few days that one of the concerns that people have about the Department of Education is that it may start undertaking a mission which nobody intended for it, but because it exists as a department it has to find something to do. It has been established, that as to educational matters, it cannot get into policysetting areas, because educational policy is left to the States and the localities. Now we are going to give it a mission so that the Department would have the perfect right under the aegis of the broad Comprehensive Employment and Training Act to set policy at a local level. It would not in education, but in training for jobs. I think that would mark a very dangerous intrusion for a Department of Education.

I have no problem with having close coordination, even closer coordination by far than exists right now between education and jobs. We are building that kind of coordination under the legislation that was passed in 1977. The cooperation and coordination between the school systems and the Department of Labor, the manpower program people, have never been better. No matter which department has the control at the local level or at the national level, the fact is that we still are going to require coordination between the Department of Labor, who are the people basically responsible for jobs, and the Department of Education, which has the responsibility ultimately for providing some funding for educational purposes. At the local level certainly there is always going to have to be a divided area of responsibility and coordination between the Department of Labor and the schools. So we are not solving that problem simply by shifting the programs which belong now and which ought to continue to belong under the jurisdiction of the Department of Labor into the Department of Education. All that we would be doing is shifting the person who is going to be top dog in title, but as far as the kids or the adults—and we are not talking only about youth programs in CETA but also about adult job training——

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent, Mr. Weiss was allowed to proceed for 2 additional minutes.)

Mr. WEISS. As far as the trainees, both youth and adults, are concerned, they are still going to be subject to the dual jurisdiction of labor and education, because they will be looking not just for training but they will also be looking for jobs.

It seems to me that if there is any justification for transferring more of these programs into the Department of Education, we ought to wait until the department is operating. Perhaps what is suggested by the amendment is that CETA is going to be a permanent program. If I felt that all supporters of this amendment were opting for a permanent CETA program, maybe I would support it. But we know that that is not the case. It seems to me that what we would be doing wittingly or unwittingly is to cause and to create great mischief. Let us not do it.

Mr. JEFFORDS. Mr. Chairman, will the gentleman yield?

Mr. WEISS. I yield to the gentleman from Vermont.

Mr. JEFFORDS. I thank the gentleman for yielding.

First of all, I would like to point out that we are not in any way destroying the situation we have now where we are dealing through the prime sponsors. All we are doing is creating a better linkage and better policy control over those functions that have to work closer together. That is the training functions that now operate outside the schools, the CETA programs, so that they can have better coordination with schools or vocational education at that level. Each should work to supplement each other, not to work against each other as is the case in most of the country.

Mr. WEISS. I do not see why we are creating better linkage simply because we say CETA now is going to be in the Department of Education rather than in the Department of Labor. They are going to be the same trainees.

Mr. JEFFORDS. The reason for it is the attention of the Department of Labor right now is all focused on title VI, trying to find some $2 billion that is floating around. They do not know where it is in the pipeline. They are trying to figure out why they did not have some 200,000 job slots filled. The whole emphasis is to fill jobs and get their statistics in line. The easy way to do that is to ignore the tough cases; the disadvantaged, the dropouts, and the handicapped.

Mr. WEISS. If the gentleman will allow me to reclaim my time, that is not my experience with the Department of Labor. Yes, they are concerned with title VI, but they are equally concerned, and certainly the people in my area are equally concerned, with title II.

The CHAIRMAN. The time of the gentleman has expired.

The question is on the amendment offered by the gentleman from Vermont (Mr. Jeffords).

The question was taken; and the Chairman announced that the noes appeared to have it.

Mr. JEFFORDS. Mr. Chairman, I demand a recorded vote, and pending that, I make the point of order that a quorum is not present.

The CHAIRMAN. Evidently a quorum is not present.

Pursuant to the provisions of clause 2, rule XXIII, the Chair announces that he will reduce to a minimum of 5 minutes the period of time within which a vote by electronic device, if ordered, will be taken on the pending question following the quorum call. Members will record their presence by electronic device.

The call was taken by electronic device.

The following Members responded to their names:

[Roll No. 232]

Abdnor
Addabbo
Akaka
Albosta
Alexander
Ambro
Anderson, Calif.
Andrews, N. Dak.
Annunzio
Anthony
Applegate
Archer
Ashbrook
Ashley
Aspin
Atkinson
AuCoin
Badham
Bafalis
Bailey
Baldus
Barnard
Barnes
Bauman
Beard, R.I.
Beard, Tenn.
Bedell
Beilenson
Benjamin
Bennett
Bereuter
Bethune
Bevill
Biaggi
Bingham
Blanchard
Boggs
Boland
Boner
Bonior
Bonker
Bouquard
Bowen
Brademas
Breaux
Brinkley
Brodhead
Brooks
Broomfield
Brown, Calif.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burlison
Burton, John
Burton, Phillip
Butler
Byron
Campbell
Carney
Carr
Carter
Cavanaugh
Chappell
Cheney
Chisholm
Clausen
Clay
Cleveland
Clinger
Coelho
Coleman
Collins, Ill.
Collins, Tex.
Conable
Conte
Corcoran
Corman
Cotter
Coughlin
Courter
Crane, Daniel
Crane, Philip
D'Amours
Daniel, Dan
Daniel, R. W.
Danielson
Dannemeyer
Daschle
Davis, Mich.
de la Garza
Deckard
Dellums
Derwinski
Devine
Dickinson
Dicks
Dixon
Donnelly
Dornan
Dougherty
Downey
Duncan, Tenn.
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
Edwards, Okla.
Emery
Erdahl
Erlenborn
Ertel
Evans, Del.
Evans, Ga.
Evans, Ind.
Fary
Fascell
Fazio
Fenwick
Ferraro
Fish
Fisher
Fithian
Flippo
Florio
Foley
Ford, Mich.
Ford, Tenn.
Fountain
Fowler
Frenzel
Frost
Fuqua
Garcia
Gaydos
Gephardt
Giaimo
Gibbons
Gilman
Gingrich
Ginn
Glickman
Goldwater
Gonzalez
Goodling
Gore
Gradison
Gramm
Grassley
Gray
Green
Grisham
Guarini
Gudger
Guyer
Hagedorn
Hall, Ohio
Hall, Tex.
Hamilton
Hammerschmidt
Hance

Hanley
Hansen
Harkin
Harris
Harsha
Hawkins
Heckler
Hefner
Heftel
Hightower
Hillis
Hinson
Holland
Hollenbeck
Holt
Holtzman
Hopkins
Horton
Howard
Hubbard
Huckaby
Hughes
Hutto
Hyde
Ichord
Ireland
Jacobs
Jeffords
Jeffries
Jenkins
Jenrette
Johnson, Colo.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kastenmeier
Kazen
Kelly
Kemp
Kildee
Kindness
Kogovsek
Kostmayer
Kramer
LaFalce
Lagomarsino
Latta
Leach, Iowa
Leach, La.
Leath, Tex.
Lederer
Lee
Lehman
Leland
Lent
Levitas
Lewis
Livingston
Lloyd
Loeffler
Long, La.
Long, Md.
Lott
Lowry
Lujan
Luken
Lundine
Lungren
McClory
McCloskey
McCormack
McDade
McDonald
McEwen
McHugh
McKay
Madigan
Maguire
Markey
Marks
Marlenee
Marriott
Martin
Matsui
Mattox
Mavroules
Mazzoli
Mica
Michel
Mikulski
Mikva
Miller, Calif.
Miller, Ohio
Mineta
Minish
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Montgomery
Moore
Moorhead, Calif.
Mottl
Murphy, Ill.
Murphy, N.Y.
Murphy, Pa.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nedzi
Nelson
Nichols
Nolan
Nowak
O'Brien
Oakar
Oberstar
Obey
Ottinger
Panetta
Pashayan
Patten
Patterson
Paul
Pease
Pepper
Perkins
Petri
Peyser
Pickle
Price
Pritchard
Pursell
Quayle
Quillen
Rahall
Railsback
Rangel
Ratchford
Regula
Reuss
Rhodes
Richmond
Rinaldo
Ritter
Robinson
Rodino
Roe
Rosenthal
Rostenkowski
Roth
Rousselot
Roybal
Rudd
Runnels
Russo
Sabo
Santini
Satterfield
Sawyer
Schroeder
Schulze
Sebelius
Seiberling
Sensenbrenner
Shannon
Sharp
Shelby
Shumway
Shuster
Simon
Skelton
Smith, Iowa
Smith, Nebr.
Snowe
Snyder
Solomon
Spellman
Spence
St Germain
Stack
Staggers
Stangeland
Stanton
Stark
Steed
Stenholm
Stewart
Stockman
Stokes
Stratton
Studds
Stump
Swift
Symms
Synar
Tauke
Taylor
Thomas
Thompson
Traxler
Trible
Ullman
Van Deerlin
Vanik
Vento
Volkmer
Walgren
Walker
Wampler
Watkins
Weaver
Weiss
White
Whitehurst
Whitley
Whittaker
Whitten
Williams, Mont.
Wilson, Tex.
Wirth
Wolff
Wolpe
Wright
Wyatt
Wydler
Wylie
Yates
Yatron
Young, Alaska
Young, Fla.
Young, Mo.
Zablocki
Zeferetti

□ 1920

The CHAIRMAN. Three hundred ninety-nine Members have answered to their names, a quorum is present, and the Committee will resume its business.

RECORDED VOTE

The CHAIRMAN. The pending business is the demand of the gentleman from Vermont (Mr. JEFFORDS) for a recorded vote. Five minutes will be allowed for the vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 145, noes 265, not voting 24, as follows:

[Roll No. 233]

AYES—145

Abdnor
Addabbo
Albosta
Andrews, N. Dak.
Archer
Ashbrook
Badham
Bauman
Bedell
Bennett
Bereuter
Broomfield
Brown, Ohio
Broyhill
Buchanan
Burgener
Butler
Campbell
Carney
Cheney
Chisholm
Cleveland
Clinger
Coleman
Collins, Tex.
Conable
Corcoran
Coughlin
Crane, Daniel
Crane, Philip
Daniel, R. W.
Daschle
de la Garza
Derwinski
Devine
Dickinson
Dornan
Downey
Emery
English
Erlenborn
Fenwick
Fish
Florio
Frenzel
Gingrich
Glickman
Goldwater
Goodling
Gradison
Gramm
Grassley
Green
Guyer
Hagedorn
Hammerschmidt
Hance
Hansen
Harsha
Heckler
Hillis
Holt
Hopkins
Hughes
Hyde
Ichord
Jeffords
Jeffries
Jenkins
Jenrette
Johnson, Colo.
Jones, Okla.
Kelly
Kramer
Latta
Leach, Iowa
Leath, Tex.
Lee
Lent
Levitas
Livingston
Loeffler
Lungren
McClory
McDonald
McEwen
McKay
Madigan
Maguire
Marlenee
Martin
Michel
Miller, Calif.
Miller, Ohio
Mitchell, N.Y.
Montgomery
Moore
Moorhead, Calif.
Mottl
Myers, Ind.
Neal
Obey
Panetta
Paul
Pursell
Quayle
Railsback
Regula
Robinson
Roth
Rousselot
Runnels
Sabo
Satterfield
Sawyer
Schulze
Sebelius
Sensenbrenner
Shuster
Smith, Nebr.
Snowe
Snyder
Solomon
Staggers
Stangeland
Stanton
Stark
Stenholm
Stockman
Stump
Symms
Tauke
Taylor
Thomas
Trible
Walgren
Walker
Wampler
Whitehurst
Whittaker
Williams, Mont.
Wyatt
Wydler
Wylie
Zeferetti

NOES—265

Akaka
Alexander
Ambro
Anderson, Calif.
Andrews, N.C.
Annunzio
Anthony
Applegate
Ashley
Aspin
Atkinson
AuCoin
Bafalis
Bailey
Baldus
Barnard
Barnes
Beard, R.I.
Beard, Tenn.
Beilenson
Benjamin
Bethune
Bevill
Biaggi
Bingham
Blanchard
Boggs
Boland
Boner
Bonior
Bonker
Bouquard
Bowen
Brademas
Breaux
Brinkley
Brodhead
Brooks
Brown, Calif.
Burlison
Burton, John
Burton, Phillip
Byron
Carr
Carter
Cavanaugh
Chappell
Clausen
Clay
Coelho
Collins, Ill.
Conte
Corman
Cotter
Courter
D'Amours
Daniel, Dan
Danielson
Dannemeyer
Davis, Mich.
Deckard
Dellums
Dicks
Dingell
Dixon
Dodd
Donnelly
Dougherty
Drinan
Duncan, Oreg.
Duncan, Tenn.
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
Edwards, Okla.
Erdahl
Ertel
Evans, Del.
Evans, Ga.
Evans, Ind.
Fary
Fascell
Fazio
Ferraro
Fisher
Fithian
Flippo
Foley
Ford, Mich.
Ford, Tenn.
Fountain
Fowler
Frost
Fuqua
Garcia
Gaydos
Gephardt
Giaimo
Gibbons
Ginn
Gonzalez
Gore
Gray
Grisham
Guarini
Gudger
Hall, Ohio
Hall, Tex.
Hamilton
Hanley
Harkin
Harris
Hawkins
Hefner
Heftel
Hightower
Hinson
Holland
Hollenbeck
Holtzman
Horton
Howard
Hubbard
Huckaby
Hutto
Ireland
Jacobs
Jones, N.C.
Jones, Tenn.
Kastenmeier
Kazen
Kemp
Kildee
Kindness
Kogovsek
Kostmayer
LaFalce
Lagomarsino
Leach, La.
Lederer
Lehman
Leland
Lewis
Lloyd
Long, La.
Long, Md.
Lott
Lowry
Lujan
Luken
Lundine
McCloskey
McCormack
McDade
McHugh
Markey
Marks
Marriott
Matsui
Mattox
Mavroules
Mazzoli
Mica
Mikulski
Mikva
Mineta
Minish
Mitchell, Md.
Moakley
Moffett
Mollohan
Moorhead, Pa.
Murphy, Ill.
Murphy, N.Y.
Murphy, Pa.
Murtha
Myers, Pa.
Natcher
Nedzi
Nelson
Nichols
Nolan
Nowak
O'Brien
Oakar
Oberstar
Ottinger
Pashayan
Patten
Patterson
Pease
Pepper
Perkins
Petri
Peyser
Pickle
Preyer
Price
Quillen
Rahall
Rangel
Ratchford
Reuss
Rhodes
Richmond
Rinaldo
Ritter
Roberts
Rodino
Roe
Rosenthal
Rostenkowski
Roybal
Rudd
Russo
Santini
Scheuer
Schroeder
Seiberling
Shannon
Sharp
Shelby
Shumway
Simon
Skelton
Smith, Iowa
Solarz
Spellman
Spence
St Germain
Stack
Steed
Stewart
Stokes
Stratton
Studds
Swift
Synar
Thompson
Traxler
Ullman
Van Deerlin
Vanik
Vento
Volkmer
Watkins
Waxman
Weaver
Weiss
White
Whitley
Whitten
Wilson, Tex.
Winn
Wirth
Wolff
Wolpe
Wright
Yates
Yatron
Young, Alaska
Young, Fla.
Young, Mo.
Zablocki

NOT VOTING—24

Anderson, Ill.
Bolling
Conyers
Davis, S.C.
Derrick
Diggs
Early
Findley
Flood
Forsythe
Gilman
Johnson, Calif.
McKinney
Mathis
Pritchard
Rose
Royer
Slack
Treen
Udall
Vander Jagt
Williams, Ohio
Wilson, Bob
Wilson, C. H.

Mr. HOLLENBECK and Mr. DECKARD changed their vote from "aye" to "no."

So the amendment was rejected.

The result of the vote was announced as above recorded.

□ 1930

AMENDMENT OFFERED BY MR. HARKIN

Mr. HARKIN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HARKIN: Page 73, beginning on line 22, strike out all of section 304 through line 21 on page 74 and redesignate the following sections and conform the table of contents accordingly.

Mr. HARKIN. Mr. Chairman, my amendment deletes from the bill the transfer of the science education program from the National Science Foundation to the Department of Education.

Why should we want to keep the science education program in the National Science Foundation?

First of all, I would like to ask the attention of the members of the committee who are here on the floor. I would ask for their attention because this has to do with what is going to happen to science education in our country, what is going to happen to the teaching of our young people in this country, and what will happen in teaching them science education in the future.

Basically, what we have done in this bill is we have transferred from the National Science Foundation the science education program to the Department of Education. As I see it, what it does is further deconsolidate our science education programs.

First of all, I would be opposed if we transferred all the science education programs, but I am even further opposed to what we have done in this bill and that is that we have segmented some and transferred some to the Department of Education but left others in the National Science Foundation.

Second, the prominent place that science education has in the National Science Foundation will not be the same as it would be under the new Department of Education. For example, right now, out of six directors in the National Science Foundation, one full director is in charge of and has responsibility for science education. Almost 9 percent of the NSF budget is for science education. Just the opposite would be true under the Department of Education. Less than one-half of 1 percent of the entire budget of the Department of Education would go for science education. It would be so small and such a small part of this entire vast bureaucracy in the Department of Education that I am afraid science education would simply fall through the cracks. I do not believe we can afford that in this country at this time.

To be sure, the Department of Education will have an Office of Research and Improvement, but under this bill all research stays with the National Science Foundation and does not go with the Department of Education.

Why is this unique? Why do I feel that the program of science education is so unique and so different from the other things that are going into the Department of Education?

Basically, it is because of the interdependence between science research and science education.

I would like to read from the testimony of Dr. Thomas Wenzlau before the Committee on Government Operations. Dr. Wenzlau testified on behalf of the Associated Colleges of the Midwest and the Great Lakes Colleges Association, and I believe he really pinpoints and puts his finger on the essence of my amendment. Dr. Wenzlau said this:

> Clearly the quality of a research scientist will be contingent on the quality of his or her early science education. That, in turn, depends on the opportunity for practicing researchers and science educators to have frequent and continuing contact with one another. As the level of science education advances, it becomes increasingly difficult to distinguish between science education and research. At some point in the process, scientific research actually becomes science education.

So a principal concern, one of the six principal concerns of the National Science Foundation, is research and science education. But, as I said, the Department of Education could not give science this high priority because it does not have the basic research arm, and science education will be buried in some other department.

So for this reason, because of the uniqueness of it and because of the close correlation between science research and science education, I believe it must remain in the National Science Foundation.

Basic research is an integral part of science education. To separate them out would reduce the quality of both.

Time and time again this House has spoken out strongly, both in authorizations and in appropriations to keep a high level of basic research in this country. So this interdependence, I believe, distinguishes this science education part from all the other things we have talked about and put into the Department of Education.

One other reason why I feel so strongly that this ought to be kept in the NSF has to do with accountability. I would like to quote from a letter that I received from Dr. Lynn Glass, a constituent of mine and a teacher at Iowa State University. He speaks to the issue of accountability, which I do not believe will happen in the Department of Education.

The CHAIRMAN. The time of the gentleman from Iowa (Mr. HARKIN) has expired.

(By unanimous consent, Mr. HARKIN was allowed to proceed for 4 additional minutes.)

Mr. HARKIN. Mr. Chairman, I quote from Dr. Glass' letter as follows:

> "A second area of concern is in the area of accountability. The relative size of the Science Education Directorate"—(in the National Science Foundation)—"permits the Foundation staff to become very well acquainted with all aspects of every project they fund. I have had Dr. Theodore Reid from the foundation approach me at professional science teachers meetings," for example, "national meeting of the National Science Teachers Association, and ask me how some specific aspect of my project was working. Personnel attention by Staff members to projects they are funding would not be possible in the much larger Department of Education."

So from the standpoint of accountability it ought to be kept in the National Science Foundation.

Let me point out one other thing. In the National Science Foundation Organic Act, the National Science Foundation is charged—and I quote—"to strengthen science education programs at all levels."

No proposal before the House or the Senate proposes to change that charge to the National Science Foundation, and no such charge exists in the proposed new Department of Education.

The Members may ask, who supports my amendment? If they see my hand out, practically everybody who is involved in science and who is not closely connected with the new Department or with the administration.

Every previous science adviser to the President of the United States supports keeping science education in the National Science Foundation.

Finally, just to reiterate what I have said, I do not believe that science education can be segmented. It is a continuum of learning, of teaching, and of research. One feeds on the other, and each supports the other.

Especially at this time in this country, I do not believe it is wise to place the future of science education in jeopardy. We face immense scientific and technological challenges in the future. Let us keep our science education programs where they are meaningful, where they are consistent and coordinated with scientific research, where they have high visibility and support, and where they have the proper direction.

Mr. GOLDWATER. Mr. Chairman, will the gentleman yield?

Mr. HARKIN. I yield to the gentleman from California.

Mr. GOLDWATER. Mr. Chairman, I think the gentleman from Iowa (Mr. HARKIN) has offered a very important amendment.

Today we have real problems with attracting the right kind of scientists and engineers with the very disciplines we need to overcome and solve many of the problems that confront this Nation.

It is very important that the dollars and the problems be coordinated together. They will get lost completely if they are transferred to the Department of Education, with this immense budget and other interests. Science and engineering, those things that are going to solve problems in this country, need to be monitored and coordinated very closely.

Mr. Chairman, I think the gentleman has raised a very important point, and I urge support of his amendment.

☐ 1940

Mr. HOLLENBECK. Mr. Chairman, will the gentleman yield?

Mr. HARKIN. I yield to the distinguished ranking minority member on the Subcommittee on Science, Research and Technology, the gentleman from New Jersey (Mr. HOLLENBECK).

Mr. HOLLENBECK. I thank the gentleman for yielding.

Mr. Chairman, incorporated into the provisions of H.R. 2444, is a transfer of certain National Science Foundation (NSF) programs to the newly proposed Department of Education (DOE). I believe that such a transfer would greatly hinder the quality of science education in this country and I therefore oppose the transfer of these programs to DOE.

As a member of the Subcommittee on Science, Research and Technology, which has jurisdiction over NSF programs, I have seen major advancements being made in the promotion and strengthening of science education programs in recent years. However, I believe a transfer of NSF programs to DOE would greatly impede much of this recent progress.

While this transfer is not essential to DOE, the retention of science education is essential to the execution of NSF as it functions to support and strengthen scientific knowledge. Currently, science education occupies 9 percent of the NSF budget and if transferred to DOE it would occupy less than 1 percent of their budget. It is imperative that science education be handled effectively by an agency which considers it to be a major responsibility. I fear that some worthy programs may not survive the transfer because the strengthening and promoting of science is not a primary aim of DOE. However, these are primary aims of NSF and these programs should remain under their jurisdiction.

For science education to benefit science as well as for science to benefit science education an intimate association must be maintained between the two. Science education must reflect current scientific knowledge and techniques and these in turn must be closely linked with scientific research. Furthermore, the health of science education itself demands a special association with the practioners of science.

It should further be noted that the Committee on Science and Technology noted in its committee recommendations that no funding should be transferred from NSF to DOE. Let us not act hastily on this matter and maintain the prominent position of science and science education in this country. Progress in science education must be continued and will be if maintained within NSF. If transferred, the quality, accuracy and advancements of science will be greatly impeded or reduced. Science education does deserve the special attention it receives within NSF and I therefore urge favorable consideration of the amendment presently before us.

Mr. HARKIN. I thank the gentleman for his remarks.

The CHAIRMAN. The time of the gentleman from Iowa (Mr. HARKIN) has expired.

(On request of Mr. OBEY and by unanimous consent, Mr. HARKIN was allowed to proceed for 1 additional minute.)

Mr. OBEY. Mr. Chairman, will the gentleman yield?

Mr. HARKIN. I yield to the gentleman from Wisconsin.

Mr. OBEY. I thank the gentleman for yielding.

Mr. Chairman, I simply want to say, without taking much time, that I agree with the gentleman. I think that this is perhaps substantively the most important amendment that has been offered to this bill this week.

Science is a very specialized field. It is not a generalized field. We cannot deal with it in a generalized way.

It would be terribly damaging and disruptive to the scientific programs in this country if we did not adopt the gentleman's amendment.

Mr. HARKIN. I thank the gentleman for his remarks.

Mrs. FENWICK. Mr. Chairman, will the gentleman yield?

Mr. HARKIN. I yield to the gentlewoman from New Jersey.

Mrs. FENWICK. As a trustee of an institute of technology, I would like to associate myself with the gentleman's remarks and urge the adoption of his amendment.

Mr. HARKIN. I thank the gentlewoman.

Mr. BROOKS. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, the programs included in the Department of Education are the result of the compromise worked out between the administration and the chairman of the Committee on Science and Technology, the gentleman from Florida (Mr. FUQUA), who is also a distinguished member of the Committee on Government Operations. He insisted that the transfers be limited and sharply defined and that they not include any of the basic science programs in the National Science Foundation, and that is what we have done in this legislation.

In the year or so that this legislation has been under consideration in our committee, it has been very interesting to me to see so many Members and outside witnesses come in and say:

> Establish a Department of Education, but just do not put my favorite program in it.

The fact is that we are trying to do something that I think every Member really supports. I think we have all said good things about it back in our districts, and that is to reorganize the Government in order to make it more efficient, more effective, less costly. We are all for it. We have given a lot of thought in our committee, and so have a lot of other people, about what should be included in this Department to meet that goal. I hope the Members will agree that the amendment should be defeated.

Mr. PEASE. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of Mr. HARKIN's amendment to retain jurisdiction over all science education programs in the National Science Foundation.

There are few Members of this House who would not agree that the scientific excellence of this country is one of our most valuable resources. The quality of this resource—based in industrial labs, Government resource centers, and universities—depends on the strength of the scientific education we offer from the elementary levels through the postdoctoral programs. More than any other discipline, the fields of mathematics and science demand that each new concept be built on a mastery of the concepts learned at the previous level. Any weak link contributes to a weakening of the program as a whole.

I firmly believe that the National Science Foundation, with its long-range perspective on the science needs of the Nation, is in a better position to promote quality science education at every level of the sequence and to emphasize the importance of each step to the larger goal of a healthy scientific community. Education has been a significant part of the Foundation's mandate and now comprises about 8 percent of the Foundation's annual authorization. However, one cannot say the same thing about the role of science in the proposed Department of Education. The entire science budget would comprise only one-half of 1 percent of their budget. Inevitably, the small but critical support programs which serve to strengthen each link in the educational chain (some of them only $2 or $3 million programs) will be lost in the struggle between competing departmental goals.

I am a cosponsor of the bill to establish a Department of Education. However, I think that it is essential that we not include programs in its jurisdiction merely for the sake of convenience or in an attempt to establish an all-inclusive department. Let us, rather, seek to establish an administrative framework for the best education this Nation can provide. The concern, expertise, and perspective of the scientific community, which is readily available in the NSF, is essential to the continued development of a strong forward-looking science education program.

I urge your support of the amendment before us.

Mr. RITTER. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment offered by the gentleman from Iowa (Mr. HARKIN).

Mr. Chairman, I do not support the formation of this new Department. But if this Department were to be formed, perhaps its greatest single error would have been to dismember the science education function of our Federal Government.

Many years before I came to this House I worked with the Office of Education, and I worked with the National Science Foundation. They are bureaucracies both. But I can tell you, to get to someone in the National Science Foundation, to be able to see a name on an office, to get an appointment to be able to get a result, to be able to get a program through quickly, to be able to see goals accomplished, these are features which characterize the National Science Foundation. The Office of Education, however—and I consider this department just one massive, enormous Office of Education—had just the opposite features. I would like to ask the chairman of the committee, the gentleman from Texas (Mr. BROOKS) what science institutions, what organizations dealing in science and technology have come out in favor of transferring this major share of the National Science Foundation education program into the new Department of Education.

Mr. BROOKS. If the gentleman will yield, the President's Office of Science and Technology came out for it, the policy committee which is made up of professors, also supports it.

Mr. RITTER. I would submit, Mr. Chairman, that the Office of Science and Technology policy reflects the administration's policy and that said policy is to formulate the new Department of Education. I do not think we have to read the list which I have before me containing many organizations related to science and technology that come from the community, not from the White House. Every single major science and technology organization—educational, professional, and industrial—is opposed to the transfer of these NSF programs.

Mr. HARKIN. Mr. Chairman, will the gentleman yield?

Mr. RITTER. I yield to the gentleman from Iowa.

Mr. HARKIN. I thank the gentleman for yielding.

Mr. Chairman, in response to the distinguished chairman's remarks, I would again just point out all past science advisers to the President of the United States opposed the transfer except the present occupant of that position.

Mr. RITTER. How many past science advisers opposed this?

Mr. HARKIN. The advisers of Mr. Kennedy, Mr. Johnson, Mr. Nixon, and Mr. Ford.

Mr. RITTER. Four previous President's science advisers have opposed this transfer, and those four who have opposed it have no connection to the new Department and can view this amendment objectively.

I might add that the President's science adviser, Dr. Frank Press, has been out campaigning for the Department of Education. That does not sound like an objective view of this Department.

□ 1950

I would just like to sum up and say that transferring science education to the new Department is a bad management move. It is bad for science and technology and I ask for your support in supporting the amendment of the gentleman from Iowa against this very, very bad move.

Mr. FASCELL. Mr. Chairman, I move to strike the requisite number of words.

I will just take a minute or two. I have been listeniing to the debate and one would believe from listening to this somewhere we are going to lose all our Nobel laureates; that in some way all postdoctoral, scientific programs will in some way be harmed. But, Mr. Chairman, what I am about to say will not require a thorough knowledge of the mathematical formula of the exponential extension of outer space.

If you read the language of the bill, it says:

> There will be transferred to the Department of Education those programs which are directed to (1) precollege level science and education.

In other words, we are talking about—at least it was when I was in high school— basic chemistry and biology and things of that nature. We are talking about precollege. We are not talking about doctoral or postdoctoral programs.

> (2) Science education designed especially for minority and minority groups.

Where is there a better chance of getting a mix on that kind of operation than in precollege level programs than in a Department of Education which will have the full panoply of all educational programs.

> (3) Educational activities intended to provide science information for specific citizens and public interest groups.

And then further, that whatever is done will have to be done in cooperation with the director of the National Science Foundation, so if they do want to have something to say about curricula or particular programs or particular scientific endeavors at that level, which is precollege, they are still going to have the opportunity to do it.

Then the bill goes on further and says:

> Nothing is intended in any way to de-limit the power or authority of the National Science Director to initiate whatever programs or conduct whatever programs he thinks are in the best interests of the scientific community and at anything above the precollege level program.

I just think that it is a very limited transfer, Mr. Chairman, in terms of authority, and I think it fits in totally with the concept of the Department of Education. We see it in our school levels now, and I cannot see where there would be any difference.

Mr. FUQUA. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, I rise in opposition to the amendment. I have the greatest respect for my friend from Iowa, the author of the amendment and a very valued member of the committee that I have the honor to chair, and the other members who have supported the amendment.

I would briefly like to explain what the transfer in the bill actually does.

Last year, when the bill was sent up to the House, there was a provision that transferred all of the science education from the National Science Foundation to the Department of Education.

I opposed that amendment. I opposed it for the very reasons that have been expressed here today, the breaking up of science, the breaking up of a very valued program, and probably one of the best administered departments of this Government, the National Science Foundation.

Here, we do not get into basic science. It is that part that is related to social issues or dissemination of science information. That part—and it was a compromise—that I was not totally pleased with, but in the interest of trying to reach an agreement, I agreed with those programs that did not fall within the scientific education programs.

The teaching of ethics and values, science information for citizens and public interest groups, precollege-level science education, programs that were specifically designed for minorities and minority groups, these programs had certain social implications that could be logically transferred within the framework of the Department of Education. That was the reason that this compromise was worked out.

I might point out that I am not aware of any of the science advisers or former science advisers who have taken a position on this amendment.

The position that they took was one, and logically so, on the transfer of all of the science education programs to the Department of Education.

This does not do that. This only takes about one-fourth of those programs within science education within the National Science Foundation and makes that transfer.

The Members are all adults. I am sure we can make up our minds. But, as for me, I plan to vote against the amendment.

Mr. MARTIN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of the amendment of the gentleman from Iowa (Mr. HARKIN), to remove science education in this bill from the Department of Education and return it to the National Science Foundation where it now resides and where it properly belongs.

The issue before us right now is the quality of science education in this country. That means whether it is going to be directed and controlled by educationist pedagogy or by scientists.

The Members or at least some of the Members will know that before I came to Congress, in real life, I was a mild mannered college chemistry professor until that day when, as one of my students said, trying to get even after a typically impossible exam, that I had had my head turned by lust for power in my heart.

Mr. Chairman, we also recall the days just after Sputnik when we agonized as a Nation that our science education and our science training was faltering and was inadequate. We found that that was especially true at the high schools and undergraduate levels in this country.

We found that it was waterlogged with too many teachers whose principal qualifications were that they had taken all of the required teachers courses but little or no science. They had not taken physics, and were teaching physics. They had not taken chemistry, and were teaching chemistry.

The result was we were losing the interest of bright young minds for science careers. I do not want to see us returned to that kind of program that was producing that kind of result. I do not even want us returned, as was suggested a moment ago, to providing that kind of third-rate science courses for minorities.

You see, at that time we decided we would set up a structure for reorganizing our science education, high school and college and postgraduate levels toward an emphasis on science, not under teachers' colleges, but scientists, who at that time with very hard work and innovation redesigned high school physics and chemistry courses, renewed an emphasis on subject matter rather than on how to teach. As a result of that, we benefited. I can tell you from experience that when high school physics and chemistry courses were overhauled by scientists, the achievement of high school students in those fields improved markedly. Suddenly our freshmen knew and understood basic principles of chemistry and physics whereas just a few years before our freshmen were science illiterates. The improvement was dramatic.

I would like to see us keep it that way, keep the program the way that it has produced that kind of renewed vigor in our science at the high school level especially; and for that reason, I support the gentleman from Iowa.

Mr. HARKIN. Mr. Chairman, will the gentleman yield?

Mr. MARTIN. I yield to the gentleman from Iowa.

Mr. HARKIN. I thank the gentleman for yielding, and I thank him for his support. I know the gentleman's past support for science, for science education, and the gentleman correctly referred to the Sputnik era.

One of the things we found out was that the research being done, for example, at the national level was not getting out into the field in a rapid manner. So we set up the science education program to do just that, to get the basic knowledge, the new discoveries in mathematics the new discoveries in physics and chemistry, to get it from the researchers out to the elementary and secondary school teachers so they would have that information right away so they could begin teaching it.

Mr. MARTIN. To further elaborate on the point the gentleman is making, the reason new developments were not getting out is because those teachers were not trained in science themselves, so it did not mean anything to them.

□ 2000

Mr. HARKIN. That is absolutely right. I am afraid if this transfer takes place, even if this partial transfer we are talking about takes place there will be this tremendous lag time and difficulty in getting this information from the scientists and researchers down to the teachers at the elementary and secondary school level. I thank the gentleman for his comment.

Mr. MARTIN. I commend the gentleman for his leadership on this.

I yield back the balance of my time.

Mr. BOLAND. Mr. Chairman, I move to strike the last word and I rise in support of the amendment.

Mr. Chairman, of all of the amendments that have been offered to this bill over the past few days I would think that this is the one amendment that the gentleman from Texas would accept. Both Jack Brooks and I came to this body in the 83d Congress. His mentor and my mentor was a giant in the Congress from Texas.

Mr. BROOKS. Would the gentleman yield?

Mr. BOLAND. I am delighted to yield to the gentleman.

Mr. BROOKS. In 1953, the 83d Congress. God knows I am not that old.

Mr. BOLAND. The 83d Congress. One of the giants in the Congress at that time and before we ever came was a distinguished congressman from Texas, Albert Thomas. Under his direction and leadership in the Congress the National Science Foundation flourished. He was here at the creation of the National Science Foundation.

Dr. Norman Hackerman—one of the most distinguished educators in the Nation, the president of Rice University, and the chairman of the National Science Board—when he appeared before the HUD-Independent Agencies Appropriations Subcommittee, which I have the honor to chair, expressed opposition to the transfer of any of the functions, any of the activities, as I understand it, from the National Science Foundation to the new Department of Education. He also quoted from a statement by the National Science Board as follows:

> The argument * * * has been advanced that the science education component of NSF would form a natural part of the proposed Department of Education, because of a common concern with education issues. The National Science Board concludes that this would not be in the best interests of Science or the Nation, because activities in scientific research and scientific education are inextricably linked.

I know my distinguished friend from Florida, Mr. Fuqua, mentioned the fact that there are only a few programs being transferred from NSF to the DOE. But they are important programs. The total budget for the National Science Foundation in science education for fiscal year 1980 is $84.7 million. The programs that are being transferred by this bill out of NSF and into the DOE amount to $27.8 million.

The programs proposed for transfer are: Faculty improvement (precollege teacher development), $9 million; student science training, $2.3 million; minorities, women, and the physically handicapped in science, $2 million; information dissemination, $1.3 million; minority institutions sciences improvement, $5 million; resource centers for science and engineering, $2.8 million; minority institution graduate fellowships and traineeships, $2 million; ethics and values in science and technology, $1.3 million; and science for citizens, $2.1 million, making a total of almost $28 million for terribly important programs in science that are now being administered effectively by the National Science Foundation.

As the gentleman from Iowa indicated, four previous science advisers to the President oppose this transfer. The only one who favors it is the present science adviser.

So, Mr. Chairman, from my long experience as a member of the Subcommittee on Appropriations that has funded the NSF over the years, from my limited experience as chairman of the subcommittee that funds the NSF, I think it is an unwise decision.

I do not say it would ruin science education. I do not say that at all. What I do say is that it will harm science education and we ought not to do that.

Mr. WYDLER. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I wonder if the gentleman from Iowa would tell me whether he supports this bill or not?

Mr. HARKIN. I think so.

Mr. WYDLER. The gentleman thinks so?

Mr. HARKIN. I never commit myself on a bill, but I will see what the finished product is and make my decision then.

Mr. WYDLER. I have a great difficulty, and at the same time great interest in the amendment the gentleman has offered, but I find it raises a point that is of more interest to me and I think should be of interest to every member of this committee and of this House who is going to vote on the final passage of this bill. That is what I would like to talk about.

I think this amendment is good, although I am not sure whether it would make a great deal of difference one way or another. The important thing to me about this amendment is that it does what many amendments have been doing since we started the consideration of this legislation; that is, trying to get one group or another out of the new Department.

Now, to me that is a message. Does this not tell you something? These people, many of whom support the bill, and this gentleman from Iowa, who says he is not sure but is likely to support it, still want to get this particular set of programs out from this great new Department. This Department, we are told, is absolutely necessary; the Department we have got to have, the Department that is going to unify education programs and run everything better. In short this Department will do a better job for education in this country.

Yet what happens? The nurses come in here, and they say they want out. The Indians come in here, and they say they want out. Members know how many other groups have been taken out of this bill from the beginning, first by the administration then by committee. One after another said, "If you want our support, we want out."

They tell Members of Congress to vote for the bill because it is a great Department—"As long as we are not part of it."

Do the Members get the message? This is all a put-on. Let one or another group get out, and that group becomes a supporter of this legislation and puts its name on the list of supporters. That is what they are doing to us, and they have done it time and again. Let us think of what they are trying to do to us with this bill.

I find very little support for this legislation outside of a number of people down at the White House and some of the Members of this body who have said that they made commitments long ago to support this idea because somebody came to see them early and they do not want to go back on their commitments.

Think however what a difference exists now that it is apparent what we have done to this bill to change it from the way it was originally proposed. Measure today's bill against the commitment you have made to support it some time ago. The message is simple, "We do not want any part of that so-called great new Department of Education."

Mr. ASHBROOK. Mr. Chairman, will my colleague yield?

Mr. WYDLER. I yield to the gentleman from Ohio.

Mr. ASHBROOK. My colleague from New York makes an excellent point. It is easily understood by all of us, but I am not sure he understands that famous old American custom, the law of the prairie that says, "Anything caught in your trap is yours."

The trap is just about ready to come down, and anything they get in it they will keep. Nobody wants to get in the trap.

Mr. WYDLER. I thank the gentleman.

Mr. HARKIN. Mr. Chairman, will the gentleman yield?

Mr. WYDLER. I yield to the gentleman from Iowa.

Mr. HARKIN. Mr. Chairman, I think each and every amendment that comes on this bill ought to be debated and voted on on its merits.

Mr. WYDLER. I agree.

Mr. HARKIN. That is all I am asking, and whether the gentleman is for the Department of Education or against it, I am not making that case. I am only making a case that science education ought not to be in this bill. I think that amendment ought to be voted on on its merits.

Mr. WYDLER. I understand the gentleman's position since he has just indicated that he is not really sure whether he is going to vote for this bill or not, and since he really does not want this particular aspect of education in this great new Department, maybe that would make him question what the need is for this new Department of Education. That is all I am asking the gentleman to do, and I hope he will see it and arrive at the same conclusion that I have, that we just do not need it.

☐ 2010

Mr. McCORMACK. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment.

Mr. Chairman, no matter how we look upon the point made by the gentleman from New York just now, it is important also to consider this amendment purely on its merits. I support the Harkin amendment, and I associate myself with the remarks of the several Members who have spoken for it.

What is at stake here is the quality of science education for the students of this country. The bill as drawn would remove the National Science Foundation science education program, which has been extraordinarily successful, from the National Science Foundation. I oppose this separation, which would be extremely damaging to our scientific education program.

I differ with the gentleman from Florida. He has said that social programs would be removed from the NSF by the bill. This is not the case. The bill would remove the pre-college-level science education program for teachers for our elementary and secondary students. This is not a social activity, and it is important to the quality of the education of this country's children. The Committee on Science and Technology, which the gentleman chairs, voted to not allow any transfer of any part of the National Science Foundation education program to the Department of Education. That committee vote indicated its support for keeping the NSF program together. This program is working extremely well today. I know of no justification for removing it from the National Science Foundation. I know of no reason to assume that any part of it, let alone the whole program, should be transferred to a new Department. What justification could there possibly be for taking one of the most extraordinarily successful science training programs away from the scientists, which is what the bill would do?

The amendment, if it is adopted—and I hope it is adopted—would not interfere with existing programs in education which would be transferred from HEW to a new Department of Education. It would simply maintain the status quo. The National Science Foundation would go on as it is, and what programs are now under HEW would go to the new Department of Education.

The House has just accepted the Waxman amendment with respect to the nursing student loan program. One of the points made in that debate by the gentleman from West Virginia (Mr. STAGGERS) was that we do not want nonprofessionals teaching nurses; that we wanted professionals teaching nurses. This same philosophy applies in this case.

I, too, have had the experience of teaching college chemistry and college mathematics, and I have worked with many secondary teachers, teaching them in subject areas in which they are teaching students. Mr. Chairman, that one can easily detect the desperate need to have science teachers qualified in the subject which they teach. This is best brought about by having scientists assist in teaching the teachers, and establishing this close relationship between science research and development and education. Accepting the Harkin amendment will maintain that strong relationship which we need, and I strongly endorse the Harkin amendment.

The CHAIRMAN. The time of the gentleman has expired.

(At the request of Mr. HARKIN, and by unanimous consent, Mr. McCORMACK was allowed to proceed for 2 additional minutes.)

Mr. HARKIN. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from Iowa.

Mr. HARKIN. I thank the gentleman for yielding.

Further on the topic of this being just social programs, the largest single program in scientific education, in pre-college-level scientific education, is being transferred. To support what the gentleman from Washington (Mr. McCORMACK) is saying, and to show this is not a social program, here is a brochure I have from Iowa State University. It is called Energy Education for Elementary School Teachers. This is one of the programs funded by the National Science Foundation. It is a year-long program where they bring in elementary school teachers and teach them about energy. The curricula consists of: Process approach to elementary science teaching; nuclear energy; field trip to Duane Arnold Energy Center; nuclear energy and field trip to Iowa State University nuclear reactor; solar energy—field trip to Iowa State University Solar Energy Research Center; field trip—Iowa coal research project; energy from fossil fuels; energy storage and transportation; energy use and conservation; energy in the home and school.

Nothing could be further from social programs. These are scientific programs being taught to elementary school teachers so they can go back and teach the elementary school kids all there is about energy and the various aspects of energy education and science in this country.

Mr. McCORMACK. I thank the gentleman. He has given us a single example. There are more, and many are even more important, including the teaching of physics mathematics, chemistry, and many other subjects of importance to our national strength.

Mr. BADHAM. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, I like many others had not intended to speak on this amendment, but I think that this perhaps could be the most important amendment that has been offered on this bill for the simple reason that it points out the futility of the exercise in which we are engaged today. To imply that education is a program that exists in our country and needs Federal direction, but only as it involves busing, abortion, sex education, minorities, and the like—but cannot and must not exist for science or for medicine, or for Indians and for all of the educational goals of this country, is ludicrous. I guess from a mechanical standpoint those who are opposed to this ill-conceived legislation in the first place should vote for the Harkin amendment, because that would point out the futility of having this kind of a Department of Education that embodies only that portion of education that does not have a strong lobby, such as those involving science or medicine education. On the other hand, from the educational standpoint, if we are trying to do legislatively and philosophically that which has always been impossible, and that is to amend a bad bill to make it a good bill, then we should vote against the amendment and keep the legislation whole; that is, to preserve a bill that would encompass all education. But in the final analysis of this particular amendment we are saying what the gentleman from New York said, that it is OK to have your new department. It is OK to build a new bureaucracy. It is OK to spend more and more billions of dollars, but do not put my program, that is, science, medicine, nursing, et cetera in it. So if we are going to be honest with ourselves and honest with the people of this country, we should defeat this and get on with the essence of the bill, and that is: Do we want a new, expanded bureaucracy or not, and I do not think this Congress or the majority of the people of this country want this new, added expense.

Mr. MARTIN. Mr. Chairman, will the gentleman yield?

Mr. BADHAM. I yield to the gentleman from North Carolina.

Mr. MARTIN. I thank the gentleman for yielding.

I agree with much of what the gentleman says. If we want to clarify the purpose of this amendment, it is not to take science education out of the public schools—not by any means. The purpose of the amendment is to take control of science education out from under the Department of Education which the gentleman has characterized so incisively.

Mr. BADHAM. I understand that is the expressed intent, and I think the gentleman is clarifying that point. But if we take all of those finer aspects of the higher essence of education out of the Department of Education, there would not be anything left for the Department of Education to do. This amendment is pointing out the fact that this bill in its entirety is useless.

Mr. Chairman, I yield back the remainder of my time.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Iowa (Mr. Harkin).

The question was taken; and on a division (demanded by Mr. Harkin) there were—ayes 39, noes 38.

RECORDED VOTE

Mr. HORTON. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 165, noes 240, not voting 29, as follows:

[Roll No. 234]

AYES—165

Addabbo
Ambro
Anderson, Calif.
Anderson, Ill.
Anthony
Applegate
Archer
Atkinson
Bafalis
Bailey
Barnes
Bedell
Beilenson
Bereuter
Biaggi
Bingham
Boland
Bonker
Broomfield
Brown, Ohio
Butler
Byron
Carter
Cavanaugh
Chappell
Cheney
Chisholm
Cleveland
Clinger
Collins, Tex.
Conte
Cotter
Courter
Danielson
Davis, Mich.
de la Garza
Derwinski
Devine
Dickinson
Dingell
Donnelly
Dornan
Downey
Duncan, Oreg.
Edwards, Okla.
Emery
Erdahl
Evans, Del.
Fazio
Fenwick
Ferraro
Fithian
Flippo
Fountain
Garcia
Giaimo
Gilman
Gingrich
Glickman
Goldwater
Gradison
Gramm
Green
Grisham
Guyer
Hamilton
Hance
Harkin
Heckler
Heftel
Hinson
Holland
Hollenbeck
Hyde
Jeffries
Jones, Okla.
Kastenmeier
Kemp
Kindness
Kostmayer
Kramer
LaFalce
Lagomarsino
Latta
Leach, La.
Lee
Lewis
Livingston
Loeffler
Long, La.
Long, Md.
Lott
Lowry
Lujan
Lundine
McClory
McCormack
McDade
McHugh
McKinney
Madigan
Maguire
Martin
Mica
Miller, Ohio
Minish
Mitchell, Md.
Montgomery
Moorhead, Calif.
Natcher
Nichols
Nolan
Nowak
Obey
Ottinger
Patten
Pease
Petri
Preyer
Pursell
Railsback
Rangel
Richmond
Rinaldo
Ritter
Roberts
Roe
Rosenthal
Roth
Rudd
Runnels
Sawyer
Scheuer
Shannon
Shelby
Shumway
Slack
Smith, Iowa
Smith, Nebr.
Solarz
Solomon
Stanton
Stenholm
Stratton
Stump
Thomas
Van Deerlin
Walgren
Wampler
Watkins
Waxman
Weiss
White
Whittaker
Whitten
Wilson, C. H.
Wirth
Wyatt
Wydler
Wylie
Yates
Yatron
Young, Fla.
Zablocki
Zeferetti

NOES—240

Abdnor
Akaka
Albosta
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Ashbrook
Ashley
Aspin
AuCoin
Badham
Baldus
Barnard
Bauman
Beard, R.I.
Beard, Tenn.
Benjamin
Bennett
Bethune
Bevill
Blanchard
Boner
Bonior
Bouquard
Bowen
Brademas
Breaux
Brinkley
Brodhead
Brooks
Brown, Calif.
Broyhill
Buchanan
Burgener
Burlison
Burton, John
Burton, Phillip
Campbell
Carney
Carr
Clausen
Coelho
Coleman
Collins, Ill.
Conable
Corcoran
Corman
Coughlin
Crane, Daniel
Crane, Philip
D'Amours
Daniel, Dan
Daniel, R. W.
Dannemeyer
Daschle
Deckard
Dellums
Dicks
Dixon
Dodd
Dougherty
Drinan
Duncan, Tenn.
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
Erlenborn
Ertel
Evans, Ind.
Fary
Fascell
Fish
Fisher
Florio
Foley
Ford, Mich.
Ford, Tenn.
Fowler
Frenzel
Frost
Fuqua
Gaydos
Gephardt
Ginn
Gonzalez
Goodling
Gore
Grassley
Gray
Guarini
Gudger
Hall, Ohio
Hall, Tex.
Hammerschmidt
Hanley
Hansen
Harris
Harsha
Hawkins
Hefner
Hightower
Hillis
Holt
Holtzman
Hopkins
Horton
Howard
Hubbard
Huckaby
Hughes
Hutto
Ichord
Jacobs
Jeffords
Jenkins
Jenrette
Johnson, Colo.
Jones, N.C.
Jones, Tenn.
Kazen
Kelly
Kildee
Kogovsek
Leach, Iowa
Leath, Tex.
Lederer
Lehman
Leland
Lent
Levitas
Lloyd
Luken
Lungren
McCloskey
McDonald
McEwen
McKay
Markey
Marks
Marlenee
Marriott
Mathis
Matsui
Mattox
Mazzoli
Michel
Mikva
Miller, Calif.
Mineta
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Moore
Moorhead, Pa.
Mottl
Murphy, Ill.
Murphy, N.Y.
Murphy, Pa.
Murtha
Myers, Ind.
Myers, Pa.
Neal
Nedzi
Nelson
Oakar
Oberstar
Panetta
Pashayan
Patterson
Paul
Perkins
Price
Pritchard
Quayle
Quillen
Rahall
Ratchford
Regula
Reuss
Rhodes
Robinson
Rodino
Rose
Rostenkowski
Rousselot
Roybal
Sabo
Santini
Satterfield
Schroeder
Schulze
Sebelius
Seiberling
Sensenbrenner
Sharp
Shuster
Simon
Skelton
Snowe
Snyder
Spellman
Spence
St Germain
Stack
Staggers
Stangeland
Stark
Steed
Stewart
Stockman
Stokes
Studds
Swift
Symms
Synar
Tauke
Taylor
Thompson
Traxler
Trible
Udall
Ullman
Vanik
Vento
Volkmer
Walker
Weaver
Whitehurst
Whitley
Williams, Mont.
Williams, Ohio
Wilson, Tex.
Winn
Wolff
Wolpe
Wright
Young, Alaska
Young, Mo.

NOT VOTING—29

Alexander
Boggs
Bolling
Clay
Conyers
Davis, S.C.
Derrick
Diggs
Early
English
Evans, Ga.
Findley
Flood
Forsythe
Gibbons
Hagedorn
Ireland
Johnson, Calif.
Mavroules
Mikulski
O'Brien
Pepper
Peyser
Pickle
Royer
Russo
Treen
Vander Jagt
Wilson, Bob

The Clerk announced the following pairs:

On this vote:

Mrs. Boggs for, with Mr. Johnson of California against.

Messrs. ANTHONY, MADIGAN, and COTTER changed their vote from "no" to "aye."

Mr. MOLLOHAN changed his vote from "aye" to "no."

So the amendment was rejected.

The result of the vote was announced as above recorded.

AMENDMENTS OFFERED BY MR. DICKINSON

Mr. DICKINSON. Mr. Chairman, I offer amendments.

The Clerk read as follows:

Amendments offered by Mr. Dickinson:

Strike out all from line 22 of page 72 to line 21 of page 73, inclusive.

On page 73, in line 23, strike out "304" and insert in its place "303".

On page 74, in line 23, strike out "305" and insert in its place "304".

On page 75—

In line 9, strike out "306" and insert in its place "305"; and

In line 15, strike out "307" and insert in its place "306".

On page 76, in line 16, strike out "308" and insert in its place "307".

On page 79, strike out lines 15 through 25, inclusive.

On page 93—

In line 18, after the semicolon, insert the word "and";

In line 21, strike out "; and" and insert in its place a period; and strike out lines 22 and 23.

Strike out all from line 10 of page 102 to line 13 of page 103, inclusive.

On page 103—

In line 14, strike out "(l)" and insert in its place "(k)"; and

in line 20, strike out "(m)" and insert in its place "(l)".

On page 52, in the table of contents, strike out "Sec. 303. Transfers from the Department of Defense." and renumber sections 304 through 308 as sections 303 through 307, respectively.

Mr. DICKINSON (during the reading). Mr. Chairman, I ask unanimous consent that the amendments be considered as read, printed in the Record, and that they be considered en bloc.

The CHAIRMAN. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. DICKINSON. Mr. Chairman, this amendment is in essence the same amendment that was offered by my distinguished colleague, the gentleman from Illinois (Mr. Erlenborn); but rather than to confuse anyone, let me say it has to do with the employees of the Department of Defense in our overseas schools.

Now, what the amendment offered by our colleague, the gentleman from Illinois, would have done was to remove the department head itself. My amendment simply says that the employees of the Department of Defense that are now engaged in educating our children overseas, the children of dependents and in this country in some respects, will not be removed from the Department of Defense.

Now, why are they being treated differently?

□ 2040

Well, they are different, and their situation is different for a number of reasons. I have been to the schools and seen them in operation. I have seen them in Spain, in Germany, in Japan, and, Mr. Chairman, the logistics involved are tremendous. The problems involved are tremendous. The curriculum involved is tremendous because it has to be padded to fit their needs which are peculiar to the military because they are so mobile and so transient in nature.

The overseas schools, which are supervised by the Department of Defense, are like no other in their operation. Because the normal tour of duty for personnel overseas is 3 years, the overseas schools have to constantly deal with a stream of new students in the schools. As a result, we can see the need for curricula which provide for continuity from one theater to another, which is necessary.

Unfortunately, I am afraid, if the schools were combined with the Department of Education, the overseas military schools, which obviously need special attention, will either be pushed to the background or will be required to conform to standards applied to schools in the United States which really are not applicable.

It is not just my feeling that this is not a good idea. I have here in my hand a copy of a memorandum to Mr. James McIntyre, Director of OMB, which was signed by Mr. Duncan, our Deputy Secretary of Defense. If I may quote, he said in part as follows:

> I have reviewed the OMB optional paper dealing with a new Department of Education.—

This is dated 1978.

To continue, Mr. Chairman, he said:

> I have several comments on portions of the paper related to the DOD Overseas Dependents Schools.

He said further:

> I agree with the recommendation in the OMB paper that the DOD Overseas Dependents Schools not be transferred to the proposed Department of Education.

Mr. Chairman, let me say to the Members of the House that we have to understand this letter is directed to Mr. McIntyre, the Director of OMB, and it is from the Deputy Director of Defense.

We have a very difficult time getting a statement out of the Department of Defense that is contrary to the official position.

This is what they said last year:

> The best way to guarantee quality education to the dependents of our service people overseas is to continue operation of schools by the Department of Defense. Transferring the schools to the Department of Education would involve a substantial risk of degrading their quality and would provide an extremely strong reaction from the Military Services.

He also goes on and says:

> I disagree with the paper's recommendation dealing with the linkage between the Department of Defense and the Department of Education. The latter should not have oversight authority. Rather the relationship between the two agencies should be similar to that which exists between the new Department of Education and State and local school systems.

Mr. Chairman, this makes sense. The Department of Defense has been in the business of educating children overseas for over 25 years. In 1976 there was a complete overhaul of the program, and since that time I think it has been universally agreed within the Department of Defense that they have been upgraded and their standard of education has increased. They are all accredited, and their needs are in fact unique.

The CHAIRMAN. The time of the gentleman from Alabama (Mr. DICKINSON) has expired.

(By unanimous consent, Mr. DICKINSON was allowed to proceed for 5 additional minutes.)

Mr. DICKINSON. Mr. Chairman, to continue reading from the letter from the Deputy Secretary of Defense to the OMB, he went on to say:

> I object to the paper's assessment of school management.

This is a paper from OMB written on the subject.

To continue, he said:

> It is badly out of date.

I mention this because of some of the arguments that have been made prior to this in the past and that might surface.

To continue, he said:

> The problems it outlines were highlighted in a study for Secretary Schlesinger in 1975. As a result the system was reorganized in 1976, with management centralized in the Office of the Secretary of Defense. Hard work within the DOD has led to dramatic management improvements since then.
>
> The paper—meaning the OMB paper—is misleading in its assessment of quality of the schools. The President should be told that educational quality is measured annually by the North Central Association of Colleges and Schools (NCA).
>
> This is the same association that accredits colleges and schools in 19 States. All 62 DOD high schools are accredited. Arrangements have been made with the NCA to accredit all elementary schools.

Mr. Chairman, I could go on and cite others. I think there is a lot of background here, and if any of the Members care to hear it, I will be glad to go further into it.

But the point is this: I have visited the schools, I have talked to the teachers, and in many instances I have received a very large number of letters on this subject.

Mr. Chairman, I have not received one letter—not one letter—from anyone within the educational system of the Department of Defense who is in favor of the proposed amalgamation, but I have received a raft of letters in opposition to it.

As I said before, the situation is unique. The question of logistics is unique, the moving and transferring of teachers to and from foreign countries.

And what about the housing when they get there, Mr. Chairman? What about the transfer of goods? Is the Department of Education going to be able to transfer household furnishings and goods as efficiently as does the Department of Defense?

The entire spectrum that has been set up is in being. It works, and it has been working for a number of years. There is nothing wrong with it, and as the saying goes down home, "If it ain't broke, don't fix it."

It is going good. We are about to take a well coordinated, ongoing, successful operation and transfer it over into limbo, where perhaps eventually they can work out the kinks and the problems. But there is no need for it. Nobody wants it except the head of the Department of Defense and the White House.

When I called over to the Department of Defense to get some background information to make this presentation, I asked who I could talk to to get the background. I was told, "Well, there is really nobody over here who will speak against it because the official line is this way, but there is nobody over here for it either."

So it makes it a little difficult to get the statistical background, but we were able to come up with some, and I think the most authoritative we could find would be from the Deputy Secretary of Defense.

So my point, Mr. Chairman, is that the hour is late. I think there is a natural resistance on the part of some Members because they think if they could not get their program out, nobody else's program should come out. But I think in the interest of the dependents of our uniformed personnel, this is necessary. It is good, it will save money, and it will avoid confusion.

I earnestly implore the Members of the House to give this serious consideration on its merits. Let us not tear up a good thing that we have been years in building and bringing about and fold it under another administration and another layer of bureaucracy where it cannot possibly receive the individualized personal attention that is needed and where it would have to deal at arm's length with Washington from overseas bases.

Mr. Chairman, I ask the Members to vote for this amendment and at least let our service personnel get out from under. They feel strongly about it, believe it or not.

We are very concerned now about the All-Volunteer Army and whether we should reinstate the draft. The military has seen an erosion of benefits to service personnel, and they view this as just another threat. If we want to give some encouragement to those in uniform, let us support this amendment and show them we are interested in their welfare and we want to do the best we can for them.

Mr. BROOKS. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I supported the transfer of the DOD overseas schools last year and again this year. I continue to do so for one basic reason. The Department of Defense's primary mission is in defense and military preparedness, not education. Transferring the schools to an agency oriented to education will benefit overseas dependent students and give them an opportunity to have a first-class education.

During the hearings we heard testimony from Navy Commander Michael Austin. He spoke on behalf of 26,000 members of the European Congress of Parents, Teachers and Students. He wholeheartedly endorsed the transfer of overseas dependent schools into the Department of Education.

□ 2050

He told our committee:

> We believe that our children deserve a better education than that which they are getting, that this education must be relevant in terms of preparation for adult life, and that it must be compatible with the general educational processes in the United States.

I used this letter last night when this same effort was made to take these overseas students and put them back in the Defense Department where nobody wants them. We beat it then by 230 to 178 votes. I hope we can do better tonight.

Commander Austin further said:

> The new Department of Education is certainly no panacea to immediately cure all of our ills. But we believe that the prognosis for survival there is much better than under the Department of Defense system.

We had letters from the National PTA endorsing this. We had a letter dated May 1979, from Dr. Ed Schulze, president. European PTSA, endorsing it. It was passed unanimously in their 1978 convention. It will be in effect until the 1980 convention.

We received a letter from the Secretary of Defense, not dated in 1978 or 1975, but dated June 11, 1979. Secretary of Defense Harold Brown said:

> I am writing to ask you to oppose any amendment to delete the Overseas Dependents' Schools from this legislation.

He said:

> We believe that the Overseas Dependents' School program is more appropriately located in the Department of Education than in the Department of Defense, for several reasons.
>
> It will improve prospects for enhancing the quality of education services to locate the schools in a Department of Education that includes a wide variety of education program resources, information and professional expertise.
>
> The schools would be better able to tap resources from other Federal education programs. For example, a Department of Education could help guide and fund the expansion of education programs now offered in the Overseas Dependents' Schools. Examples are vocational education, bilingual education, special services for handicapped and gifted children, and libraries.
>
> The administration bill recognizes the uniqueness and importance of the Overseas Schools. The legislation creates an Office of Overseas Dependents' Schools reporting directly to the Secretary. The schools will be phased in over a three-year period. This will provide time for the Secretary of Education and the Secretary of Defense to ensure an orderly transition, including the development of logistical support arrangements.
>
> I know that one of the major objections to the inclusion of the Overseas Dependents' Schools program in the Department of Education is the fear that this may lead to increased Federal control of education. I do not believe that this concern is warranted. The Federal Government (in the form of the Department of Defense) already operates these schools. The Administration's legislation includes specific language prohibiting any increase in Federal control of education.
>
> No serious objections to the transer of the Overseas Dependents' Schools to the Department of Education have been raised by the Military Departments or by the military community—those who know best the needs of their children.
>
> We believe that the Department of Education is the most appropriate Federal agency to administer these schools, and I ask your support for the inclusion of the Department of Defense Schools in H.R. 2444.

Mr. HORTON. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, I will not take the full amount of time, the full 5 minutes, because we have debated this amendment yesterday afternoon, at which time, as the chairman has pointed out, there was a vote, and the vote was 178 to 230 against the amendment offered by the gentleman from Illinois (Mr. ERLENBORN).

But I do think that I should read a letter that I received from one of the teachers. The gentleman from Alabama said he had received no letters from any teachers. I have received a letter from a Martha A. Negri, dated June 3, 1979, and I think it probably sums up what we could probably talk for several hours about on this amendment.

She says:

> Hon. FRANK HORTON,
> *U.S. House of Representatives,*
> *Washington, D.C.*
>
> DEAR REPRESENTATIVE HORTON: As an Elementary School teacher in the Dependent schools in Europe I am very concerned about the establishment of the Dept. of Education.
>
> I feel the Dept. of Defense has enough to do with the defense of our country, they do not need to be tied to the education of dependents. The Dept of Defense does not understand many of the problems of educators or education, which causes many problems.
>
> The Dept. of Education would not only benefit education it would also reduce the HEW bureaucracy.
>
> Please help us—teachers—by supporting the Dept. of Education.
>
> Sincerely,
>
> MARTHA A. NEGRI.

Mr. Chairman, I urge that the amendment be defeated.

Mr. ROSENTHAL. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of the amendment, and possibly for some reasons different than the author of the amendment. I am equally concerned with the conduct and the quality of the education of the youngsters in these overseas dependent school systems. I know that whichever way the amendment goes that that is one of our prime concerns.

The number of personnel proposed to be included in the new Department is 24,293. If the overseas schools stay in the proposed Department, they will provide 10,864, or very close to 40 percent, of the total personnel. You are, in fact, creating a Cabinet-level Department to run a school system. Think of that for just a moment. You are creating a Cabinet-level Department to run a local school system, albeit it is dispersed throughout the world.

Without the Defense Department overseas local school system this proposed Department is really seen for the fact of what it is, a skeletal operation of a grant-in-aid Department, a grant-in-aid bureaucracy elevated to a Cabinet-level office. To me, this shows how absolutely silly the proposition is to create this new Department.

Mr. Chairman, I would hope that this amendment carries.

Mr. GOLDWATER. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of the Dickinson amendment. Under the Committee version of H.R. 2444, the education functions which have been administered through the Defense Department—and administered well—would be transferred to this new Federal monster, the Department of Education.

With 135,000 students attending the 267 overseas schools, we cannot afford to dismantle a $350 million operation which was originally placed under DOD for a very logical reason. These schools, which comprise a program comparable in size to the 11th largest school system in the country, are interwoven with the fabric of the military communities in which they have been established. I agree with the views of a number of my colleagues who, in the committee report, likened this provision of the Department of Education bill with a proposal to have the U.S. Department of Agriculture run the dining room in the Capitol.

The Defense Department has responsibility for this function because it is most sensitive to personnel procedures, transportation, warehousing, supplies, maintenance of facilities, food services, and so on, installations where a Department of Education would have not the slightest idea of how things should be managed consistent with policies of a particular branch of the military service. If a Department of Education extends its tenacles of bureaucratic signal-calling to these overseas schools, there will be a costly duplication of effort—something which I thought Congress, by this time, was not about to tolerate in government programs.

As it is, I foresee a Department of Education falling on its face trying to run the show at a school in my congressional district 3,000 miles away. How in the world are they going to do it in a small European village when the capability already exists in our Department of Defense?

Mr. Chairman, the interrelationship beween these overseas schools and the U.S. Department of Defense has worked well. I urge the committee to adopt the Dickinson amendment and keep management of these overseas schools where it belongs—under the control of the Pentagon.

□ 2100

The CHAIRMAN. The question is on the amendments offered by the gentleman from Alabama (Mr. DICKINSON).

The question was taken, and the chairman announced that the noes appeared to have it.

Mr. DICKINSON. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device and there were—ayes 173, noes 225, not voting 36, as follows:

[Roll No. 235]

AYES—173

Abdnor
Alexander
Ambro
Andrews, N. Dak.
Applegate
Archer
Ashbrook
Badham
Bafalis
Bauman
Bennett
Bethune
Bevill
Bingham
Boland
Bowen
Broomfield
Brown, Ohio
Burgener
Butler
Byron
Campbell
Carney
Carter
Chappell
Cheney
Chisholm
Clausen
Cleveland
Coleman
Collins, Tex.
Conable
Crane, Daniel
Crane, Philip
Daniel, Dan
Daniel, R. W.
Deckard
Derwinski
Devine
Dickinson
Dingell
Donnelly
Dornan
Duncan, Tenn.
Early
Edwards, Ala.
Edwards, Okla.
Emery
English
Erlenborn
Evans, Del.
Flippo
Fountain
Frenzel
Giaimo
Gingrich
Goldwater
Gradison
Green
Grisham
Guarini
Guyer
Hagedorn
Hall, Tex.
Hamilton
Hammerschmidt
Hance
Hansen
Harsha
Heckler
Hinson
Holt
Hopkins
Hubbard
Hutto
Hyde
Ichord
Jeffries
Jenkins
Kelly
Kindness
Kramer
LaFalce
Lagomarsino
Latta
Leach, La.
Leath, Tex.
Lee
Lent
Lewis
Livingston
Lloyd
Loeffler
Lott
Lujan
Lungren
McClory
McCloskey
McCormack
McDade
McDonald
McEwen
McKay
Madigan
Marlenee
Marriott
Martin
Mathis
Mica
Michel
Miller, Ohio
Mitchell, N.Y.
Mollohan
Montgomery
Moore
Moorhead, Calif.
Murtha
Myers, Ind.
Natcher
Nelson
Nichols
Obey
Pashayan
Paul
Price
Quayle
Railsback
Regula
Rhodes
Ritter
Roberts
Robinson
Rosenthal
Roth
Rousselot
Rudd
Runnels
Satterfield
Sawyer
Schulze
Sebelius
Sensenbrenner
Shelby
Shumway
Shuster
Skelton
Slack
Snowe
Snyder
Solomon
Spence
Stangeland
Stanton
Stenholm
Stratton
Stump
Taylor
Thomas
Walgren
Walker
Wampler
Watkins
Waxman
White
Whitehurst
Whitley
Whitten
Wilson, C. H.
Winn
Wydler
Wylie
Yates
Young, Fla.

NOES—225

Akaka
Albosta
Anderson, Calif.
Anderson, Ill.
Andrews, N.C.
Annunzio
Anthony
Ashley
Aspin
Atkinson
AuCoin
Bailey
Baldus
Barnard
Barnes
Beard, R.I.
Beard, Tenn.
Bedell
Beilenson
Benjamin
Bereuter
Blanchard
Boner
Bonker
Bouquard
Brademas
Breaux
Brinkley
Brodhead
Brooks
Brown, Calif.
Broyhill
Buchanan
Burlison
Burton, John
Burton, Phillip
Carr
Cavanaugh
Clinger
Coelho
Collins, Ill.
Conte
Corcoran
Corman
Cotter
Coughlin
Courter
D'Amours
Danielson
Dannemeyer
Daschle
Davis, Mich.
de la Garza
Dellums
Dicks
Dixon
Dodd
Dougherty
Downey
Drinan
Eckhardt
Edgar
Edwards, Calif.
Erdahl
Ertel
Evans, Ga.
Evans, Ind.
Fary
Fascell
Fazio
Fenwick
Fish
Fisher
Fithian
Florio
Foley
Ford, Tenn.
Fowler
Frost
Fuqua
Garcia
Gaydos
Gephardt
Gilman
Ginn
Glickman
Gonzalez
Goodling
Gore
Gramm
Grassley
Gray
Gudger
Hall, Ohio
Hanley
Harkin
Harris
Hawkins
Hefner
Hightower
Hillis
Holland
Hollenbeck
Holtzman
Horton
Howard
Huckaby
Hughes
Jacobs
Jeffords
Jenrette
Johnson, Colo.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kastenmeier
Kazen
Kildee
Kogovsek
Kostmayer
Leach, Iowa
Lederer
Leland
Levitas
Long, La.
Long, Md.
Lowry
Luken
Lundine
McHugh
Maguire
Markey
Marks
Matsui
Mattox
Mazzoli
Mikva
Miller, Calif.
Mineta
Minish
Moakley
Moffett
Moorhead, Pa.
Mottl
Murphy, Ill.
Murphy, N.Y.
Murphy, Pa.
Myers, Pa.
Neal
Nedzi
Nolan
Nowak
Oakar
Oberstar
Ottinger
Panetta
Patten
Patterson
Pease
Perkins
Petri
Pickle
Preyer
Pritchard
Pursell
Quillen
Rahall
Rangel
Ratchford
Reuss
Richmond
Rinaldo
Rodino
Roe
Rose
Rostenkowski
Roybal
Russo
Sabo
Santini
Scheuer
Schroeder
Seiberling
Shannon
Sharp
Simon
Smith, Iowa
Smith, Nebr.
Solarz
Spellman
St Germain
Stack
Staggers
Stark
Steed
Stewart
Stokes
Studds
Swift
Synar
Tauke
Thompson
Traxler
Trible
Udall
Ullman
Van Deerlin
Vanik
Vento
Volkmer
Weaver
Weiss
Whittaker
Williams, Mont.
Williams, Ohio
Wilson, Tex.
Wirth
Wolff
Wolpe
Wright
Wyatt
Yatron
Young, Alaska
Young, Mo.
Zablocki

NOT VOTING—36

Addabbo
Biaggi
Boggs
Bolling
Bonior
Clay
Conyers
Davis, S.C.
Derrick
Diggs
Duncan, Oreg.
Ferraro
Findley
Flood
Ford, Mich.
Forsythe
Gibbons
Heftel
Ireland
Johnson, Calif.
Kemp
Lehman
McKinney
Mavroules
Mikulski
Mitchell, Md.
O'Brien
Pepper
Peyser
Royer
Stockman
Symms
Treen
Vander Jagt
Wilson, Bob
Zeferetti

□ 2110

So the amendments were rejected.

The result of the vote was announced as above recorded.

AMENDMENT OFFERED BY MR. MCLOSEY

Mr. McCLOSKEY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. McCloskey: On page 76, line 12, strike the word "or", and on page 76, strike lines 13 and 14 and insert in lieu thereof the following:
>
> "(2) Alter in any way the responsibility of the Secretary or the Department to work with Indian tribes, Indian institutions, and Indian organizations as is required of the Secretary of the Interior under title XI of the Education Amendments of 1978.
>
> "(3) Alter in any way the trust responsibility of the United States for Indians, Alaskan Natives, or Aleuts."

Mr. McCLOSKEY. Mr. Chairman, this is a simple amendment. Last year, the House passed Public Law 95-561, providing that Indian education would be under the control of Indian tribal councils. The purpose of this amendment, if this bill should be enacted, and if the Bureau of Indian Affairs schools should be transferred to the new Department of Education, is to provide that when the Department of Education takes over Indian schools it will obey that mandate Congress enacted last year, that control of schools funded by HEW instead of BIA shall remain under the control of the tribal councils.

Let me just read section 1130 of Public Law 95-561. It says:

> It shall be the policy of the Bureau in carrying out the functions of the Bureau to facilitate Indian control of Indian affairs in all matters relating to education."

I hope that the committee will accept this amendment.

Mr. HORTON. Mr. Chairman, will the gentleman yield?

Mr. McCLOSKEY. I yield to the gentleman from New York.

Mr. HORTON. Mr. Chairman, I think this is a good amendment, and we will accept it on this side.

Mr. McCLOSKEY. I thank the gentleman.

Mr. BROOKS. Mr. Chairman, will the gentleman yield?

Mr. McCLOSKEY. I yield to the gentleman from Texas.

Mr. BROOKS. Mr. Chairman, I think the amendment is in good order, in looking over it, and we accept it on this side.

Mr. McCLOSKEY. I thank the gentleman, and I yield back the balance of my time.

□ 2120

Mr. KILDEE. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, I oppose the amendment, because I intend to offer another amendment deleting the transfer of BIA schools, so at this point I will oppose Mr. McCloskey. The amendment offered by the gentleman from California really does not do anything. It is really a superfluous bit of language which tries to perfect that which is imperfect, but which is still objectionable to the Indian Community.

The Coalition of Indian Controlled School Boards has, in the last 5 minutes, indicated that they oppose the McCloskey amendment, and that they support my amendment, which I will be offering in a few minutes.

Mr. McCLOSKEY. Mr. Chairman, will the gentleman yield?

Mr. KILDEE. I yield to the gentleman from California.

Mr. McCLOSKEY. I thank the gentleman for yielding.

The reason that I offered the amendment was because I had a letter from the Acting Assistant Secretary for Indian Affairs, Forrest Gerard, and he pointed out this in the letter. He said:

> The BIA commends Congress for providing direction and giving a statement of confidence to the Bureau of Indian Affairs in passing P.L. 95-561, The Education Amendments of 1978 (Title XI). The law is unique because it mandates the rights of tribes to control Indian education. If now Congress suddenly mandates a reversal of past legislation, tribes will become uncertain of education direction because of continuous change and no implementation. There is an inherent policy of confidence of tribes in P.L. 95-561.

If the Secretary is correct. how can the tribes oppose putting the language of Public Law 95-561 into this act?

Mr. KILDEE. I would submit that a letter from the gentleman or myself telling the BIA to obey the law would have the same effect as his amendment. Neither the BIA nor the Federal Government needs this amendment. They can implement Indian control right now.

What the Indian tribes object to is the transfer of the BIA schools from the Department of the Interior to the proposed Department of Education. The amendment which I will propose will delete that provision which was added at the last minute and without true consideration by the committee. The Indian community is overwhelmingly opposed to the transfer, and they are opposed also to the language which the gentleman has proposed.

While I am not happy with the history of the BIA, particularly in the area of education, this Congress passed last year title XI of Public Law 95-561, which has restructured the role of the BIA schools within the BIA. This was developed with great input from the Indian tribes and the various Indian organizations. That legislation should be given a chance to go into operation. It will improve the role of the BIA schools within the BIA structure.

Let me tell the Members why we should not separate the BIA schools from the rest of the BIA functions. The BIA is the agency entrusted with the fiduciary trust responsibility for the various interlocking services to the Indians and the Indian tribes. This is a very important point. At the local level, particularly on the reservations, education is inextricably intertwined with other services provided by the BIA.

The principal of a BIA school is not only an educator but, of necessity, he or she is also the postmaster, the expert on the other BIA programs, such as the social services and clinics, land management, the water wells, and the road management. Indeed, road management is a very essential responsibility of the principal at a school. There is a direct correlation between the attendance at BIA schools and the maintenance of what some would call "roads". But it is a very, very important correlation. There is distance out there, and there is a remoteness. The BIA principal, an employee of the BIA, can get the other BIA divisions to maintain the roads, repair the wells, fly in the supplies, et cetera, which bring the Indian students from a distance, long distances, to that school and make a school possible. He can do that, because he is part of the BIA system.

Remove him from the BIA system, and you break apart these interwoven services for Indians. For the provision in the bill does not transfer support services at all. Either they will have to be duplicated in the Department, or the new Department would have to rely on the BIA. It takes no great imagination to foresee how that arrangement would work.

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent, Mr. KILDEE was allowed to proceed for 3 additional minutes.)

Mr. KILDEE. I spent some time on reservations and in BIA schools learning about the situations. I found that in a boarding school, the BIA principal really acts, in a sense, as a surrogate parent to those students living there. He has to have that immediate input to the other services within the BIA to really carry out his responsibilities. Without it, the safety of the children is jeopardized.

Mr. MARLENEE. Mr. Chairman, will the gentleman yield?

Mr. KILDEE. I yield to the gentleman from Montana.

Mr. MARLENEE. I thank the gentleman for yielding.

Where are these schools located? Where are these boarding schools located?

Mr. KILDEE. A number of them are located in New Mexico and Arizona. Some are in Alaska and others are scattered throughout the United States.

Mr. MARLENEE. They are located on the reservation?

Mr. KILDEE. Many of them are located on the reservation. Some are not on the reservation.

Mr. MARLENEE. What are these distances the gentleman is talking about in the interwoven services?

Mr. KILDEE. The distances are considerable. They are the distances from the child's isolated and often unreachable homes.

Mr. MARLENEE. Who pays for the schools?

Mr. KILDEE. The schools are paid for by the people of the United States.

Mr. MARLENEE. Why should they be different then?

Mr. KILDEE. The appropriation is given to the BIA. I will reclaim my time.

The reason why they are different is because the education services to the Indians cannot be separated from all the services needed to support them. That BIA principal has to be able to have direct input into the BIA to make sure that those other services are maintained. You cannot sever this symbiotic relationship.

Mr. WEISS. Mr. Chairman, will the gentleman yield?

Mr. KILDEE. Just briefly I yield to the gentleman from New York.

Mr. WEISS. I thank the gentleman for yielding.

I wonder if the gentleman could outline what his procedural timetable or plan is? Is he planning to offer a substitute for the amendment?

Mr. KILDEE. I checked with the Parliamentarian, but I have chosen not to do that. I will offer my amendment after the defeat of this amendment.

Mr. WEISS. Will the gentleman yield further?

Mr. KILDEE. Yes.

Mr. WEISS. If the amendment is not defeated, what will the gentleman do?

Mr. KILDEE. I will still offer my amendment.

Mr. WEISS. And it would be in order?

Mr. KILDEE. It would be in order.

Mr. WEISS. I thank the gentleman.

Mr. KILDEE. The gentleman is very welcome.

In this entire debate, I have heard very little about children. It is rather shameful that we have not given more time to children when we discuss a Department of Education. Having spent time staying in Indian boarding schools, inspecting them, living on reservations, I am convinced, absolutely convinced, that the best thing for Indian children is to defeat this amendment and adopt the amendment I will offer. I believe that from the depth of my heart. I would urge the Members to defeat this amendment and support my amendment which I will offer later.

Mrs. CHISHOLM. Mr. Chairman, I move to strike the requisite number of words.

I think if there is one particular measure that we should eliminate from the separate Department of Education bill, it should be Indian education. For a number of years in this country, local and State educational agencies did not take into consideration the unique and specific needs of the Indian children. As a result of being able to have established within the Bureau of Indian Affairs the final recognition that all of their programs do take into account the different tribalisms, and their own culture I think it would be a very unjust and unfair thing at this particular juncture in America to remove the Bureau of Indian Affairs from overseeing and supervising the education of this particular segment of our people who have never been given fair and requisite treatment by the local educational agencies in this country.

□ 2130

I think history is replete with this kind of information. Since we are in the process of putting in and taking out different segments for this particular Department, this is one area which I think in good conscience, we should continue to permit within the Bureau of Indian Affairs and not be placed in a separate Department of Education. I think many of the Indian organizations and groups have indicated quite clearly that this is what they would like to see happen with respect to Indian education.

Mr. GUDGER. Mr. Chairman, I move to strike the last word.

I would like to associate myself very firmly with the comments of the gentlewoman from New York. The gentlewoman's observations concerning the importance of the Bureau of Indian Affairs and the education of Indian children is certainly valid. I think, also, we need to take recognition of the fact that in recent years, particularly the 95th Congress, considerable legislation has been passed designed to improve the educational opportunities in the Indian schools under the administration of the BIA.

I would like to say within my own district I am well aware of the great progress that has been made in the last 20 years in the process of Indian education under the Bureau of Indian Affairs. I think it would be a very, very serious mistake to do anything which would disrupt this progress which has been realized at this time.

I think nothing short of the refusal to transfer the process of Indian education from the Bureau of Indian Affairs would be effective and, therefore, I think that the Kildee-Foley amendment is the only answer to this particular problem. Accordingly I speak against the amendment pending.

Mr. BROOKS. Mr. Chairman, I move to strike the requisite number of words. I speak in support of the amendment.

The amendment by the gentleman from California (Mr. McCloskey) is a simple amendment which maintains the existing responsibility of the American people to the Indians and our relationships are rather special relationships. This is agreed to by myself and agreed to by the gentleman from New York (Mr. Horton).

Another amendment that they are talking about that may come up later would remove the Indian education capability from the Department of Education and give it back to the Bureau of Indian Affairs. We will argue that when we get to it but right now this is rather noncontroversial and I would think we ought to be able to pass it without any difficulty.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California (Mr. McCloskey).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. KILDEE

Mr. KILDEE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Kildee: Page 75, beginning on line 14, strike out all of section 307 through line 14 on page 76, and on page 76, line 16, redesignate section 308 as section 307.

Page 52, in the table of contents of the bill as amended, strike out:

Sec. 307. Transfers from the Department of the Interior.
Sec. 308. Effect of transfers.

And insert in lieu thereof:

Sec. 307. Effect of transfers.

Mr. KILDEE. Mr. Chairman, I have said most of what I wish to say with regard to the McCloskey amendment.

I really believe that the gentleman from California (Mr. McCloskey) is sincere but what he gives to the Indians is language. It merely is a kind of a pious thought. It does not give the Indians anything substantive because the transfer still takes place and it is the transfer that the Indian people oppose.

That is the real question before this House. Will we transfer the Bureau of Indian Affairs schools from the Bureau of Indian Affairs to the proposed Department of Education? Because of the interlocking nature of the services of the Bureau of Indian Affairs and the interlocking responsibilities of the principals of those schools, this would be harmful to the Indian community. I am convinced of this. I have observed the schools and I think it would be extremely disruptive. Transfer of Bureau education would not allow the one agency which is entrusted with the fiduciary responsibility to the Indian tribes to carry out their responsibilities as they should.

Mr. UDALL. Mr. Chairman, will the gentleman yield?

Mr. KILDEE. I yield to the gentleman from Arizona.

Mr. UDALL. Mr. Chairman, I want to associate myself with the remarks of the gentleman from Michigan earlier and with the remarks he has just now made. Mr. Chairman, I rise in support of the amendment. While I am in strong support of the establishment of the new Department of Education, I simply do not feel that it is timely to transfer the educational functions of the Bureau of Indian Affairs to the new Department.

Indian tribes, whose children will be affected by the proposed transfer, stand in united opposition to the transfer, and they are unanimously supporting the Foley-Kildee amendment to delete BIA education from the new Department. I support the policy of the United States toward the Indian tribes which is one of self-determination for the tribes and local control of the education of Indian children. The bill as reported violates the principle of Indian self-determination by ignoring the expressed views of the local community.

An Indian tribe is a governing body and an Indian reservation is a community of people. The problems of Indian education cannot be separated from the total Federal effort attacking the multitude of problems on the reservations. This is not the time to further splinter the Federal effort in these communities so vulnerable to changes in Federal policy.

The Indian people have a real concern about the fate of the education of Indian children in the new Department of Education. They feel that their very unique needs in education and their concern for the retention of their culture will be lost in such a large department. They fear also that this kind of transfer will set a precedent which will result in a complete fragmentation of the Federal responsibility for Indian tribes and which may lead to the eventual termination of their existence as a people. I share their concern.

I am not unaware of criticism over the years of the quality of the educational program of the Bureau of Indian Affairs. The Indian tribes are equally aware of the failures of the Bureau in education; they have been the Bureau's most severe critics. Nonetheless, the answer is not to transfer the educational function from the Bureau of Indian Affairs, but rather to work with the Bureau to make it an effective, efficient agency in all of its functions, including education.

In the past, it has been too often the practice for the Federal Government to ignore the voice of the Indian people and to decide without their consent what is good for them. In this case, the Indian people—the Indian parents—have spoken with one voice. They do not wish the transfer. We should listen to and honor their decision.

I urge you, whatever your position may be on the creation of the Department of Education, to give effect to the expressed desires of the Indian people and to vote "yes" on the Foley-Kildee amendment to delete the provisions of H.R. 2444 which provide for the transfer of BIA education to the new Department.

Mr. CLAUSEN. Mr. Chairman, will the gentleman yield?

Mr. KILDEE. I yield to the gentleman from California.

Mr. CLAUSEN. Mr. Chairman, I oppose the transfer of the Indian education programs from the Bureau of Indian Affairs to the new Department.

A great many individual tribes and several Indian organizations have contacted us requesting our support for an amendment to delete the BIA education programs from the jurisdiction of the proposed Department of Education. I intend to support the amendment and I urge my colleagues to do likewise.

The thrust of the amendment is consistent with our longstanding goal of self-determination for all native Americans. By allowing the BIA to continue to address the unique educational needs of Indian people, we can better prepare the Indian community for an expanded role in our democracy.

By transferring the Indian education programs away from the BIA we would lose the expertise they have developed and the understanding they have of tribal government systems, beliefs, and customs.

The transfer would also fragment Indian programs and services between two different agencies. The likely consequence would be delay and confusion in Indian programs.

The Education and Labor Committee has recently expanded the BIA's role in developing Indian education programs. The Education Act Amendments of 1978 were unique in that they mandated the rights of tribes to control Indian education. We have moved quickly in this direction by supplying the BIA with the necessary authority to assist them.

The bill as reported to the House would undo the work of the committee without properly considering the consequences. At a minimum, the transfer would leave our Indian communities uncertain of the direction Indian education would take.

To give my colleagues a better understanding of the progress being made in the BIA, I would like to point out the following key facts:

The BIA education program served 20,000 students in 1978, up from 2,660 in 1968.

The Johnson-O'Malley program served 163.000 students in 1978, up from 87,000 in 1972.

Approximately nine new schools per year have been tribally contracted since the 1975 passage of the Indian Self-Determination Act.

In 1978, the Bureau launched a new effort to identify the needs of handicapped Indian students and is implementing a program to provide services to those students in 1979.

I urge my colleagues to stand firm in their previous commitments to a comprehensive Indian education program and our goal of Indian self-determination by supporting the amendment.

Mr. JOHNSON of Colorado. Mr. Chairman, will the gentleman yield?

Mr. KILDEE. I yield to the gentleman from Colorado.

Mr. JOHNSON of Colorado. Mr. Chairman, before the Committee on Interior and Insular Affairs did away with its Subcommittee on Indian Affairs, I was the ranking member on that subcommittee. I am convinced that the gentleman's amendment is a good one which should be passed and I endorse it.

Mr. STEED. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, it just happens I have no Indian reservations in my district but I represent 13 Indian tribes and I have two Indian boarding schools in my district that have been in existence for more than 100 years each.

If we make the mistake of taking this program from the Bureau of Indian Affairs we are going to do a disservice to the most needy of all the Indian children in this country.

Most of our Indian children in Oklahoma go to the public schools under the Johnson-O'Malley Act, but we have those who, by reason of living so far into the hinterlands that it is impossible to get them to a school. The only way they can be given their educational opportunity to to have these boarding schools.

I have been in these schools many times. I am very familiar with these schools. I give you my word that the program is improving, it is doing the job, it serves a purpose that no public school on Earth can serve and if we want to be fair to these people and live up to these treaties, these sacred obligations we have with them, we must support this amendment.

Mr. HINSON. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise on behalf of the Kildee-Foley amendment to H.R. 2444.

There are a number of strong arguments for maintenance of control of Indian education by the Bureau of Indian Affairs, but the strongest, I think, is the support for the amendment which has been shown by native Americans themselves. Very few tribal groups desire that their education programs be directed by a new Cabinet department.

The reasons are several. Indian education is highly specialized, requiring a knowledge of, and a sensitivity to, the cultures, languages, and environments of the various tribal groupings and subgroupings. The Bureau of Indian Affairs has developed this necessary expertise. In addition, the experience of the Bureau has made it thoroughly cognizant of special considerations which make Indian education even possible: Wells in New Mexico, transportation in inaccessible parts of Alaska, and many others. Entry by a Department of Education into these areas which have traditionally been administered by BIA would necessarily involve a needless duplication of facilities. The fact is, at least so far as Indian education is concerned, the Bureau, after a rather unfortunate beginning, has developed excellent and increasingly successful education programs. By contrast the dead hand of HEW has been laid upon the head of public education throughout the Nation to the extent that we are annually graduating legions of illiterates and semi-literates from the public schools in every state, with the attendant social, economic, and cultural consequences. To subject American Indians to the tender mercies of HEW, at a time when they are just beginning to reemerge would add insult to injury, and could well be catastrophic for their continued development.

Our culture was violently thrust on American Indians and with it came the necessity that they become educated in its substance and processes. Their disadvantages are great. It seems irresponsible to tamper with a successful program in order to insure bureaucratic consolidation, especially when American Indians have suffered so greatly in the past from the Government's caprice. When we created the Bureau of Indian Affairs, we recognized the unique character of native Americans and the unique obligations we bear to them. To fragment these obligations and the programs we have established to carry them out would, in my view, be a great tragedy—for our own culture and for that of American Indians. I urge adoption of the Foley-Kildee amendment.

□ 2140

Mr. FOLEY. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I realize that the hour is growing late and the patience of the Members, particularly on this legislation, is growing thin.

I support this bill. I intend to support it, regardless of the outcome of this amendment offered by my friend, the gentleman from Michigan (Mr. KILDEE).

I want to compliment the distinguished chairman of the committee and the members of the committee on both sides of the aisle for their diligence and concern in dealing with the many amendments that have come forth in the committee with respect to the legislation.

I think it was the gentlewoman from New York (Mrs. CHISHOLM), who said that if there is one strong case for separating a segment of educational policy now carried on by another agency from the new proposed Department of Education, it is with respect to Indian education.

Among the more than 200 organized federally recognized tribes in the United States, there is virtual unanimity of opinion that the Indian education program should continue under the Bureau of Indian Affairs.

There is similar unanimity of feeling among the Alaska Federation of Natives that represent 201 Alaska Native villages and organizations.

The policy of the United States with respect to Indian tribes has been a difficult and checkered one, spanning the whole of our history If there is one theme that has become the theme of our modern relations with our Indian citizens, however, it has been the theme of greater participation by the tribes in the affairs of Government with respect to their welfare and concerns. That theme has run through every piece of legislation that has been brought to this floor in my memory in the last dozen years and more. Of all the issues of great sensitivity to the Indian people of this country, it is the education of their children.

We have adopted by almost unanimous voice vote, I believe by unanimous voice vote, a cardinal principle of this bill that the primary responsibility for education lies with the State and with the parents.

I ask you only to apply that principle in dealing with the question of Indian education. I ask you to recognize the interests of Indian parents, and to recognize the interests of American Indian tribes in the vital concern for the education of their children.

If you have a doubt as to whether this particular segment of the bill should be separated from the Department, resolve that doubt in line with the intention of the tribes and the parents of Indian children. If you do that, you will support this amendment. You will be carrying on a concern and recognition of all Americans toward fair treatment for their fellow Indian citizens. I believe you will be acting in the best interests, not only of this Department and of the education of Americans in general, but of particular sensitivity and concern to the problems of the literally hundreds of thousands of Indian children that depend upon special concerns and and the special attention that Indian education must provide.

I hope that all members of the committee will on this one occasion join together on both sides of the aisle and support this amendment.

Mr. ROSE. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I would like to speak very briefly for a group of Indian people who have not been mentioned by the eloquent remarks of my preceding colleagues. There may be hundreds of thousands of Indian people in this country tonight in federally recognized tribes who would be in favor of this amendment, but there are hundreds of thousands of Indian people in this country tonight who are not members of federally recognized tribes who are opposed to this amendment, who wish to be treated like all other American citizens in this act and to be a part of the Department of Education.

I represent 40,000 Lumbee Indians who are recognized by the State of North Carolina as being Lumbee Indian people. If this amendment passes, they will no longer participate in the Indian education programs that they now enjoy or that they will enjoy if this bill is passed just as it has been written.

I urge my colleagues, the Indian policy of this country has not been uniform. The niceties of treaty and reservations only came to pass when the white man got to the west coast and the central part of this country, but we came roughshod across the eastern plains of this Nation. We did not engage in treaties and tribal recognition patterns, but there are Indian people in Baltimore, there are Indian people in my North Carolina colleague's town of Charlotte. There are Indian people in North Carolina not a part of any tribe. Keep them in this act. Keep them in the Department of Education. Defeat this amendment.

Mr. MARTIN. Mr. Chairman, will the gentleman yield?

Mr. ROSE. I will be happy to yield to my colleague.

Mr. MARTIN. Mr. Chairman, I thank my colleague for yielding to me.

Some time ago, I think I had been swayed by the kind of arguments such as spoken here by our earlier colleagues, in favor of having a separate Indian education program, rather than to have education for Indians as a part of the American education system.

Yet I, too, have heard from some constituents who make the point that there are Indians, Americans of Indian ancestry, who are off reservation and who have made it a point to blend their lives into the American way of life as it has evolved over the last 100, the last 50, the last 10 years. They make the case that they believe education for their children will be superior if it is a part of the same education system as for all Americans today, rather than to have some limited form of education.

Mr. ROSE. Mr. Chairman, I thank the gentleman for his comments.

Mr. KILDEE. Will the gentleman yield?

Mr. ROSE. I will be happy to yield to the gentleman from Michigan.

Mr. KILDEE. Mr. Chairman, I appreciate the gentleman's concern, because we do know there are various classes of Indians in various situations in this country.

Mr. ROSE. Mr. Chairman, I submit to the gentleman, there are not but one class of Indians.

Mr. KILDEE. There are various types of services and various legal classifications for Indians. For example, there are those who have chosen to stay on the reservations and those who have not.

This in no way affects the nonrecognized tribes. To be very specific, this in no way affects the Lumbees in the gentleman's State.

We are talking about the jurisdiction of the present program being transferred from one department to another. It will not affect, for example, as I said, the Lumbees in the gentleman's State. It really does not affect the nonrecognized tribes; so we do have two classifications, one class of people, I would hope, but two classifications of Indians under the law.

Mr. ROSE. Mr. Chairman, I appreciate the gentleman's sincerity. I am not persuaded that that would be the case.

I apologize for losing my voice here at this moment.

Mr. MARLENEE. Mr. Chairman, will the gentleman yield?

Mr. ROSE. I would be happy to yield to the gentleman from Montana.

Mr. MARLENEE. Mr. Chairman, I ask one simple question. Are we setting up double standards in this Congress? On the one hand we are trying to instigate busing to achieve an integration, an equal standard of education throughout our society, and on the other hand we are going to set up a separate educational department, especially for the tribes to keep them separate?

Mr. ROSE. I agree with the gentleman and I thank my colleague.

Mr. JOHNSON of Colorado. Mr. Chairman, will the gentleman yield?

Mr. ROSE. I yield to the gentleman from Colorado.

Mr. JOHNSON of Colorado. Mr. Chairman, I do not follow the gentleman's logic, because those Indian children that are not subject to the BIA now if this bill passes will then become subject to the Office of Education or the Department of Education. They will be treated as the rest of American children are and those Indian children that are now under the jurisdiction of the BIA will remain under the jurisdiction of the BIA.

Mr. ROSE. But they are Indians.

Mr. JOHNSON of Colorado. How does that affect the gentleman's Indian tribe, the Lumbees?

☐ 2150

Mr. ROSE. They are Indians, let me say to my friend, and they are entitled to the programs this Government has set up just for Indians.

The CHAIRMAN. The time of the gentleman from North Carolina (Mr. Rose) has expired.

(By unanimous consent, Mr. Rose was allowed to proceed for 1 additional minute.)

Mr. JOHNSON of Colorado. But, Mr. Chairman, if the gentleman will yield further, these Indians do not receive the benefits of BIA now, and they will not be affected by the passage of this amendment.

Mr. ROSE. They are entitled to the benefits of this act that we are debating today and tonight, and I want to say they are deserving. They have an Indian culture, and their culture is just as rich and just as rightly deserving to be preserved as that of other Indians and of those Members who represent Indians and tribes that are on reservations.

Mr. Chairman, I yield back the balance of my time.

Mr. ROSENTHAL. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I am not sure I understand correctly the position taken by the gentleman from North Carolina (Mr. Rose). As I understand the situation, section 307(a) of the act says:

> There are hereby transferred and vested in the Secretary all functions of the Secretary of the Interior or the Department of the Interior relating to the education of Indians, Alaskan Natives, and Aleuts.

I think the people the gentleman from North Carolina (Mr. Rose) is talking to and about have nothing to do with the amendment. The amendment applies only to this section and those persons who are covered in this section. What I understand the amendment to say is that those programs that are transferred from the Department of the Interior to the proposed Department of Education would not go to Education; they would go back to Interior.

Mr. Chairman, I wonder if some Member can tell us something more about that?

Mr. KILDEE. Mr. Chairman, will the gentleman yield?

Mr. ROSENTHAL. I yield to the gentleman from Michigan.

Mr. KILDEE. Mr. Chairman, the gentleman is exactly correct. This will not change what people are being served or the programs.

For example, the Indian Education Act is not under the BIA now; that is under HEW. This will not change that at all.

We are talking about the BIA programs which serve a certain group of Indians and not the Indians about whom the gentleman is very deeply concerned. This will not change at all, I assure the gentleman.

I recognize that we have classified them by law in different ways, but this will not change what people are being served or the program. It is a question of which Department will have jurisdiction over the programs serving the same people.

Mr. BROOKS. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I would point out that my youngest daughter—I call her "my little Indian princess"—is part Chickasaw.

So I have no prejudice whatsoever against Indians. I love them dearly.

In the transfer of all the Indian education programs to the Department of Education, we will encourage the needy development of comprehensive, consistent policies and we should significantly improve the educational experience of Indian students all over this country, whether they are one class of Indians or another class or whatever we want to talk about.

I do not think anybody in his right mind can say that the Indian education programs to date have been a triumphant success. The Members are keenly aware of the special relationship which exists between the Federal Government and the Indian tribes. This transfer will not change that special relationship in any way.

The goals sought by this provision of the bill include improvement of the delivery of the education services to all the Indian children of this Nation, and I would oppose the deletion of the transfer and hope it will remain in the Department of Education.

Mr. WALKER. Mr. Chairman, will the distinguished chairman of the committee yield?

Mr. BROOKS. I yield to my friend, the gentleman from Pennsylvania.

Mr. WALKER. Mr. Chairman, I thank the committee chairman for yielding.

As the principal sponsor of the amendment in the committee which put the BIA schools in the Department, I think it is well to note the reason why the committee made this decision which the distinguished chairman of the committee supported at that time, and that was that we had just considered an amendment in the committee on the DOD schools and decided the DOD schools should remain within the Department.

It was the considered judgment of this member and of other members on the committee that if we were going to put the largest school district run by the Federal Government into the Department, it would be well to consider the second largest as well, and this Department, in light of being a comprehensive Department serving a broad Federal jurisdiction should include the broad range of those services. That was certainly my intention in sponsoring this amendment. I think it does improve the Department if we are going to have a Department.

Mr. Chairman, I certainly appreciated the gentleman's support of the amendment when it went in there. I oppose this amendment, and I thank the gentleman from Texas (Mr. BROOKS) for his statement.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan (Mr. KILDEE).

The question was taken; and on a division (demanded by Mr. KILDEE) there were—ayes 71, noes 58.

RECORDED VOTE

Mr. WALKER. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 235, noes 170, not voting 29, as follows:

[Roll No. 236]

AYES—235

Addabbo
Akaka
Albosta
Alexander
Anderson, Calif.
Andrews, N. Dak.
Annunzio
Applegate
Archer
Atkinson
AuCoin
Badham
Bafalis
Bailey
Barnes
Beard, R.I.
Bedell
Beilenson
Bennett
Bevill
Biaggi
Bingham
Blanchard
Boland
Boner
Bonior
Bonker
Bowen
Brinkley
Broomfield
Buchanan
Burgener
Burton, John
Burton, Phillip
Byron
Carr
Carter
Cavanaugh
Chappell
Cheney
Chisholm
Clausen
Clinger
Coelho
Coleman
Collins, Ill.
Collins, Tex.
Conable
Corman
Crane, Philip
Daschle
Davis, Mich.
de la Garza
Dellums
Derwinski
Dickinson
Dicks
Dingell
Dixon
Dodd
Donnelly
Dornan
Downey
Duncan, Oreg.
Early
Edgar
Edwards, Ala.
Edwards, Calif.
Edwards, Okla.
Erdahl
Evans, Ga.
Evans, Ind.
Fazio
Ferraro
Findley
Fish
Flippo
Foley
Ford, Tenn.
Frenzel
Frost
Fuqua
Garcia
Gaydos
Gephardt
Gilman
Gradison
Grassley
Gray
Green
Grisham
Guarini
Gudger
Guyer
Hall, Ohio
Hamilton
Hammerschmidt
Hance
Hanley
Hansen
Harkin
Harsha
Hawkins
Heftel
Hinson
Holtzman
Hubbard
Hughes
Hutto
Ichord
Johnson, Colo.
Kemp
Kildee
Kindness
Kogovsek
Kostmayer
Kramer
LaFalce
Lagomarsino
Latta
Leach, Iowa
Leach, La.
Lederer
Lee
Leland
Lewis
Lloyd
Long, Md.
Lott
Lowry
Lujan
Luken
McClory
McCormack
McDade
McEwen
McHugh
McKay
McKinney
Madigan
Maguire
Markey
Marriott
Mica
Michel
Miller, Calif.
Miller, Ohio
Minish
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Montgomery
Moorhead, Calif.
Murphy, Pa.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Nichols
Nolan
Nowak
Oakar
Oberstar
Obey
Ottinger
Pashayan
Patten
Paul
Pease
Pickle
Pritchard
Rahall
Rangel
Regula
Reuss
Rhodes
Richmond
Ritter
Roberts
Rodino
Roe
Rosenthal
Roth
Rousselot
Rudd
Runnels
Russo
Sabo
Sawyer
Scheuer
Schroeder
Sebelius
Sharp
Shumway
Simon
Slack
Smith, Iowa
Snyder
Solarz
Solomon
Stack
Stangeland
Stark
Steed
Stewart
Stokes
Studds
Stump
Swift
Symms
Taylor
Thomas
Udall
Ullman
Vanik
Vento
Volkmer
Watkins
Waxman
Weiss
White
Whitehurst
Whittaker
Whitten
Winn
Wirth
Wolpe
Wright
Wylie
Yates
Young, Alaska
Young, Fla.
Zablocki
Zeferetti

NOES—170

Ambro
Anderson, Ill.
Andrews, N.C.
Anthony
Ashbrook
Ashley
Aspin
Baldus
Barnard
Bauman
Beard, Tenn.
Benjamin
Bereuter
Bethune
Boggs
Bouquard
Brademas
Breaux
Brodhead
Brooks
Brown, Calif.
Brown, Ohio
Broyhill
Burlison
Butler
Campbell
Carney
Cleveland
Conte
Corcoran
Cotter
Coughlin
Courter
Crane, Daniel
D'Amours
Daniel, Dan
Daniel, R. W.
Danielson
Dannemeyer
Deckard
Devine
Dougherty
Drinan
Duncan, Tenn.
Emery
English
Ertel
Evans, Del.
Fary
Fascell
Fenwick
Fisher
Fithian
Florio
Fountain
Fowler
Giaimo
Gingrich
Ginn
Glickman
Goldwater
Gonzalez
Goodling
Gore
Gramm
Hagedorn
Hall, Tex.
Harris
Heckler
Hefner
Hightower
Hillis
Holland
Hollenbeck
Holt
Hopkins
Horton
Howard
Huckaby
Hyde
Jacobs
Jeffords
Jeffries
Jenkins
Jenrette
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kazen
Kelly
Leath, Tex.
Lent
Levitas
Livingston
Loeffler
Lungren
McCloskey
McDonald
Marks
Marlenee
Martin
Mathis
Matsui
Mattox
Mazzoli
Mikva
Mineta
Mollohan
Moore
Moorhead, Pa.
Mottl
Murphy, Ill.
Murphy, N.Y.
Neal
Nedzi
Nelson
Panetta
Patterson
Perkins
Petri
Preyer
Price
Pursell
Quayle
Quillen
Railsback
Ratchford
Rinaldo
Robinson
Rose
Rostenkowski
Roybal
Santini
Satterfield
Schulze
Seiberling
Sensenbrenner
Shannon
Shelby
Shuster
Skelton
Smith, Nebr.
Snowe
Spellman
Spence
St Germain
Staggers
Stanton
Stenholm
Stockman
Stratton
Synar
Tauke
Thompson
Traxler
Trible
Van Deerlin
Walgren
Walker
Wampler
Whitley
Williams, Mont.
Williams, Ohio
Wilson, C. H.
Wilson, Tex.
Wolff
Wyatt
Wydler
Yatron
Young, Mo.

NOT VOTING—29

Abdnor
Bolling
Clay
Conyers
Davis, S.C.
Derrick
Diggs
Eckhardt
Erlenborn
Flood
Ford, Mich.
Forsythe
Gibbons
Ireland
Johnson, Calif.
Kastenmeier
Lehman
Long, La.
Lundine
Mavroules
Mikulski
O'Brien
Pepper
Peyser
Royer
Treen
Vander Jagt
Weaver
Wilson, Bob

□ 2210

The Clerk announced the following pairs:

On this vote:

Mr. Conyers for, with Mr. Johnson of California against.

Mr. Abdnor for, with Mr. Ford of Michigan against.

Mr. Clay for, with Mr. Erlenborn against.

Mr. Diggs for, with Mr. Pepper against.

So the amendment was agreed to.

The result of the vote was announced as above recorded.

AMENDMENT OFFERED BY MR. M'CLORY

Mr. McCLORY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. McCLORY: Page 74, line 22, strike "TRANSFERS FROM THE DEPARTMENT OF JUSTICE" and all that follows through line 6, page 75, redesignating succeeding sections accordingly.

Mr. McCLORY. Mr. Chairman, my amendment would effectively strike the existing section 305 from the proposed bill, H.R. 2444. Section 305 transfers certain criminal justice educational programs from the Law Enforcement Assistance Administration (LEAA) and the Department of Justice to the new Department of Education. It is my position that these programs would be sorely reduced in their effectiveness if such a transfer is allowed to take place.

The affected programs, namely the law enforcement education program and the law enforcement intern program, are currently designed to acquaint active and future members of the law enforcement community with up-to-date training and education in criminal justice-related subjects. Supervision of these programs requires an expertise in criminal justice matters which LEAA and the Department of Justice possess and which the new Department of Education does not. Properly educated police personnel are an essential ingredient in any effective fight against crime and it is simply inappropriate to talk about transfering that responsibility to a newly created agency.

H.R. 2061, the bill to reauthorize LEAA, was recently reported favorably by the Committee on the Judiciary. The Senate bill, S. 241, passed by the Senate 67 to 8, retains the LEEP authority in LEAA.

In the meantime, it should be noted that since the proposed transfer of LEEP responsibilities became imminent, several academic institutions and professional organizations have contacted me to voice their opposition. They include:

The International Association of Police Chiefs;

The Academy of Criminal Justice Sciences;

The National Association of State Law Enforcement Training Commission;

The National Advisory Commission on Higher Education for Police Officers;

National Sheriff's Association;

The Southwestern Association of Criminal Justice Educators;

The Midwestern Association of Criminal Justice Educators;

The University of Illinois at Chicago Circle;

California Peace Officer's Association;

The John Jay College of Criminal Justice;

Michigan State University School of Criminal Justice; and

Numerous colleges and universities.

Mr. Chairman, I urge that my amendment be adopted and that section 305 be stricken from the proposed bill.

Mr. WYDLER. Mr. Chairman, will the gentleman yield?

Mr. McCLORY. I am happy to yield to the gentleman from New York.

Mr. WYDLER. I thank the gentleman for yielding.

Now do I understand the gentleman's amendment is to take out of this wonderful new Department that is being proposed, that is going to really upgrade and improve the educational system for our country, one more group of programs?

In other words, what the gentleman is saying is that he wants to get these programs out of this Department, this proposed Department, back into the place where it is now? Is that what the amendment is?

Mr. McCLORY. The effect of my amendment is to retain in the Department of Justice programs that are presently administered there, being administered successfully and with the full support of the law enforcement community.

I think it would be a terrible mistake to deprive the persons who are administering it of the opportunity to continue these very useful and very successful programs which provide law enforcement education and training.

Mr. VOLKMER. Mr. Chairman, will the gentleman yield?

Mr. McCLORY. I yield to the gentleman from Missouri.

Mr. VOLKMER. We have put out of the Judiciary Committee a bill to reauthorize law enforcement administration; is that correct?

Mr. McCLORY. Yes, we have.

Mr. VOLKMER. In that bill there is a provision that, upon the creation of a Department of Education, those programs having to do with education, that grants to higher education or institutions for law enforcement shall be transferred to the Department of Education. That is in the bill reported out of the Judiciary Committee.

Mr. McCLORY. Let me say this. That is in the bill that came to us from the administration, but the bill when it was passed on the floor of the Senate took on an amendment that was consistent with what I am trying to do here.

I expect that when the LEAA bill comes out of our committee and is debated on the House floor, it will take on an amendment consistent with the amendment that I am offering here and which will be consistent with the Senate bill.

□ 2220

Mr. BROOKS. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

I would just say briefly that the Judiciary Committee realized that these programs are going to be in the Department of Education. This is just another case of let us have a Department of Education, let us have a reorganization, but do not put our program in it. I am on the Judiciary Committee. I understand that attitude.

But, you cannot reorganize the Federal Government in any way if that attitude is going to prevail on every committee and everybody wants to protect his own turf. That is why we have so much duplication and waste within the Federal Government.

The main reason for establishing a Department of Education is to cut down on duplication and waste. Careful consideration has been given to all of the programs going into it. This one fits well in the Department of Education and should remain there despite the Judiciary Committee attitude.

Mr. McCLORY. Would the gentleman yield?

Mr. BROOKS. Certainly.

Mr. McCLORY. I just want to point out that the Department of Justice and LEAA already have the personnel, they already have the know-how, they already have the expertise. The duplication is going to come if you duplicate that same kind of talent in a Department of Education which you already have at present in the Department of Justice.

Mr. BROOKS. I want to thank the gentleman and point out that the Department of Justice has not done what we would call an exemplary job. The LEAA program has had as much mismanagement as there has been in almost any operation we have going in the Government.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois (Mr. McCLORY).

The question was taken; and on a division (demanded by Mr. McCLORY) there were—ayes 65, noes 84.

RECORDED VOTE

Mr. McCLORY. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 128, noes 275, not voting 31, as follows:

[Roll No. 237]

AYES—128

Andrews, N.C.
Andrews, N. Dak.
Annunzio
Archer
Badham
Bafalis
Barnes
Bennett
Bethune
Bingham
Brinkley
Brown, Ohio
Burgener
Butler
Byron
Campbell
Carter
Cleveland
Coleman
Collins, Tex.
Cotter
Courter
Crane, Philip
Daniel, Dan
Daniel, R. W.
Davis, Mich.
de la Garza
Deckard
Derwinski
Devine
Dickinson
Dingell
Dornan
Duncan, Tenn.
Early
Edwards, Ala.
Edwards, Calif.
Edwards, Okla.
Erdahl
Evans, Del.
Fenwick
Ferraro
Findley
Fountain
Gilman
Gingrich
Goldwater
Gradison
Gramm
Green
Grisham
Guarini
Guyer
Hamilton
Hansen
Harkin
Hinson
Hughes
Hyde
Jeffries
Johnson, Colo.
Kastenmeier
Kramer
Lagomarsino
Latta
Lee
Lent
Lewis
Livingston
Loeffler
Lungren
McClory
McEwen
McKinney
Martin
Mica
Michel
Miller, Ohio
Mitchell, N.Y.
Moorhead, Calif.
Murphy, Ill.
Myers, Ind.
Nelson
Obey
Ottinger
Pashayan
Paul
Petri
Pickle
Price
Quayle
Railsback
Regula
Rhodes
Rinaldo
Ritter
Roberts
Robinson
Rodino
Rousselot
Rudd
Satterfield
Sawyer
Sensenbrenner
Shelby
Shumway
Shuster
Smith, Iowa
Solarz
Solomon
Spence
Stack
Stanton
Stenholm
Stratton
Stump
Symms
Taylor
Thomas
Wampler
Watkins
Weiss
White
Whitehurst
Wolff
Wylie
Young, Alaska
Young, Fla.

NOES—275

Abdnor
Addabbo
Akaka
Albosta
Alexander
Ambro
Anderson, Calif.
Anderson, Ill.
Anthony
Applegate
Ashbrook
Ashley
Aspin
Atkinson
AuCoin
Bailey
Baldus
Barnard
Bauman
Beard, R.I.
Beard, Tenn.
Bedell
Beilenson
Benjamin
Bereuter
Bevill
Biaggi
Blanchard
Boggs
Boland
Boner
Bonior
Bonker
Bouquard
Bowen
Brademas
Breaux
Brodhead
Brooks
Broomfield
Brown, Calif.
Broyhill
Buchanan
Burlison
Burton, John
Burton, Phillip
Carney
Carr
Cavanaugh
Chappell
Cheney
Chisholm
Clausen
Clinger
Coelho
Collins, Ill.
Conable
Conte
Corcoran
Corman
Crane, Daniel
D'Amours
Danielson
Dannemeyer
Daschle
Dellums
Dicks
Dixon
Dodd
Donnelly
Dougherty
Downey
Drinan
Eckhardt
Edgar
Emery
English
Erlenborn
Ertel
Evans, Ga.
Evans, Ind.
Fary
Fascell
Fazio
Fish
Fisher
Fithian
Flippo
Florio
Foley
Ford, Mich.
Ford, Tenn.
Fowler
Frenzel
Frost
Fuqua
Garcia
Gaydos
Gephardt
Giaimo
Gibbons
Ginn
Glickman
Gonzalez
Goodling
Gore
Grassley
Gray
Gudger
Hagedorn
Hall, Ohio
Hall, Tex.
Hammerschmidt
Hance
Hanley
Harris
Harsha
Hawkins
Heckler
Hefner
Heftel
Hightower
Hillis
Holland
Hollenbeck
Holt
Holtzman
Hopkins
Horton
Howard
Hubbard
Huckaby
Hutto
Ireland
Jacobs
Jeffords
Jenkins
Jenrette
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kazen
Kelly
Kemp
Kildee
Kogovsek
Kostmayer
LaFalce
Leach, Iowa
Leach, La.
Leath, Tex.
Lederer
Lehman
Leland
Levitas
Lloyd
Long, Md.
Lott
Lowry
Lujan
Luken
McCloskey
McCormack
McDade
McDonald
McHugh
McKay
Madigan
Maguire
Markey
Marks
Marlenee
Marriott
Mathis
Matsui
Mattox
Mazzoli
Mikva
Miller, Calif.
Mineta
Minish
Mitchell, Md.
Moakley
Moffett
Mollohan
Montgomery
Moore
Moorhead, Pa.
Mottl
Murphy, N.Y.
Murphy, Pa.
Murtha
Myers, Pa.
Natcher
Neal
Nedzi
Nolan
Nowak
Oakar
Oberstar
Panetta
Patten
Patterson
Pease
Pepper
Perkins
Peyser
Preyer
Pritchard
Pursell
Quillen
Rahall
Rangel
Ratchford
Reuss
Richmond
Roe
Rose
Rosenthal
Rostenkowski
Roth
Roybal
Russo
Sabo
Santini
Scheuer
Schroeder
Schulze
Sebelius
Seiberling
Shannon
Sharp
Skelton
Slack
Smith, Nebr.
Snowe
Snyder
Spellman
St Germain
Staggers
Steed
Stewart
Stokes
Studds
Swift
Synar
Tauke
Thompson
Traxler
Trible
Udall
Ullman
Van Deerlin
Vanik
Vento
Volkmer
Walgren
Walker
Whitley
Whittaker
Whitten
Williams, Mont.
Williams, Ohio
Wilson, C. H.
Wilson, Tex.
Wirth
Wolpe
Wright
Wyatt
Wydler
Yates
Yatron
Young, Mo.
Zablocki
Zeferetti

NOT VOTING—31

Bolling
Clay
Conyers
Coughlin
Davis, S.C.
Derrick
Diggs
Duncan, Oreg.
Flood
Forsythe
Ichord
Johnson, Calif.
Kindness
Long, La.
Lundine
Mavroules
Mikulski
Nichols
O'Brien
Royer
Runnels
Simon
Stangeland
Stark

Stockman
Treen
Vander Jagt
Waxman
Weaver
Wilson, Bob
Winn

☐ 2240

Mr. ANDREWS of North Dakota changed his vote from "no" to "aye."

So the amendment was rejected.

The result of the vote was announced as above recorded.

AMENDMENT OFFERED BY MR. GOODLING

Mr. GOODLING. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Goodling: On page 70—

In line 16, strike out the word "and";

In line 18, after the semicolon, insert the word "and"; and after line 18, insert the following:

"(Q) under the Headstart-Follow Through Act;"

Mr. GOODLING. Mr. Chairman, since we have had so many amendments recently dealing with taking something out of the Department of Education, I thought it might be appropriate to offer an amendment that would put something into it or we may not have anything in the Department.

When I spoke the other day—and I forget which day it may have been at this point—I ended my comments by saying that if we really wanted to help children—and I think that is what this whole debate and discussion should be about—we would take the money we want to spend for this department and send it back to the local governments telling them to use it to reduce the pupil-teacher ratio in our early childhood education programs. I pointed out that the die is cast in a child's life early and that if we really wanted to help children we would then use this money to give those youngsters and the teachers who are working with those youngsters a fighting chance.

Second, I said that I had told the local education organization, the State education organization, and NEA that I could not support a proposal that was not all inclusive. I do not know how we can dissect children or dissect the education of children or adults.

In fact, the chairman, the gentleman from Texas (Mr. Brooks) in his last remarks made the statement that the problem now is that everyone is trying to protect their own turf. That is the exact argument I have used with NEA; everyone wants to protect their own turf, not thinking about the education of the youngsters.

I also told NEA if we could get an all-inclusive Department of Education, then we would have an opportunity perhaps to have one committee in the Congress of the United States dealing with the very, very important subject of education.

Mr. Chairman, I will now turn to my amendment.

People have said, this evening particularly and during the entire discussion, that if you are opposed to the concept of the Department of Education and you offer an amendment, then there is a question about your motivation and a question about your integrity.

Now, the next statement they make is, "I am not talking about the motivation or integrity of the person in the well but about the amendment."

You cannot question the motivation and integrity of the amendment so you have to be questioning the motivation and integrity of the person who is offering the amendment.

Let me tell you, folks, if it is the judgment of the Congress of the United States, whether it is good or whether it is bad, to establish a Department of Education, then those of us whose life has been involved in the business of education want to make very sure that it is the children we are considering when we establish a Department of Education. So we should be offering amendments to make sure that the children are protected.

My amendment would include Head Start in a Department of Education. How could you possibly divorce anything as important as Head Start from the overall education of a child?

What was the purpose of Head Start? The Purpose of Head Start was to give disadvantaged youngsters an opportunity for a head start when they get involved in the educational process. A head start when they get involved in the educational process. That is what we are talking about, a Department of Education for that purpose.

What happened in the early history of the Head Start program? It was almost a self-destruct program. Why? Because the people involved with the Head Start program said, "The people who are involved in early childhood education are not doing a good job. We know a better way to do it."

Therefore, without any consultation, in fact with open hostility toward those people whose involvement was in early childhood education, they moved ahead blindly.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

(On request of Mr. Rousselot, and by unanimous consent, Mr. Goodling was allowed to proceed for 3 additional minutes.)

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield to me?

Mr. GOODLING. I yield to the gentleman from California.

Mr. ROUSSELOT. Do I understand the Head Start program activity is mostly educational in nature?

Mr. GOODLING. Education in all of the things that go into a good education of a youngster.

Mr. ROUSSELOT. Mr. Chairman, is it mostly preschool?

Mr. GOODLING. It is preschool.

Mr. ROUSSELOT. You are convinced that this will be better established here?

Mr. GOODLING. Mr. Chairman, I am convinced it has to be a continuation of the child's education. You cannot divorce that preschool program from the continual education of the child.

Mr. ROUSSELOT. That is quite convincing. I suppose the chairman will want to accept it.

Mr. GOODLING. I suppose.

Let me go on to say, after it got off to a rocky start. Finally they realized in the Head Start program that it had to be a continuing process. They had to get the early childhood people involved. They had to get the people who were dealing with the education of the youngster involved in the program. Therefore, it became a much more successful program. In fact, so much so, because of that involvement, that, today many of the local educational administrative units are, in fact, administering the Head Start program. There is no question that the Head Start program is now functioning much better because of the involvement of the over-all educational system.

Now, I know the first argument that I will hear will be, "But Head Start is more than education."

The first thing they will say is, "We deal with child nutrition; we deal with food."

Well, of course we do. How can you educate a child if he is hungry or if he is getting a poor diet? You cannot.

Another argument we will get will be, "We also involve them in medical programs."

Of course. The education of a child who is not receiving proper medical attention is not going to be a successful education.

We will then get the argument, "But with Head Start we had parent involvement and group involvement."

That was a good argument back in the early 1960's.

☐ 2250

Mr. OTTINGER. Mr. Chairman, I offer a preferential motion.

The CHAIRMAN. The gentleman from Pennsylvania still has the floor.

Mr. GOODLING. And I would like to continue with my amendment.

Mr. OTTINGER. Mr. Chairman, I believe that the preferential motion takes precedence over the amendment.

The CHAIRMAN. The Chair will state that the rules do not provide for a preferential motion under the circumstances.

The gentleman from Pennsylvania may continue.

Mr. GOODLING. Mr. Chairman, next, of course, as I said, people will argue, but there is parental involvement in Head Start. That was a good argument in the early sixties, particularly; but now we have passed handicapped education, we have an IEP program—we have total involvement by many parental groups because they were concerned and because they became involved and because we legislated their involvement.

The CHAIRMAN. The time of the gentleman from Pennsylvania (Mr. Goodling) has expired.

(By unanimous consent, Mr. Goodling was allowed to proceed for 3 additional minutes.)

Mr. GOODLING. Mr. Chairman, let me carry this one step further. When we got the Head Start program rolling, we discovered that when they got into a setting in a regular school system, there seemed to be a problem of retaining the head start they made in the Head Start program, so there was developed a follow through program. It was a complete disaster. Why was it a complete disaster? Because on the one hand we had the

Head Start program with the Assistant Secretary for Human Development. We had the follow through program in the Office of Education. They not only did not work together, they did not even speak to each other.

So, Mr. Chairman, I think it is extremely important that an important program such as Head Start be a total part of the whole educational process of a child.

I would hope that we make our decision whether to vote for or against a separate Department of Education in a statesmanlike manner.

I would hope our only concern and our only thought would be about children and the education of children.

I would not hope that we would vote simply because we made some idle promise years ago or recently to some organization, that we will support you on that, thinking that it would not come up or maybe thinking that it would be a comprehensive program; but I must go back and say what the chairman said recently, the gentleman from Texas (Mr. BROOKS) about the problem with the bill. "Everyone wants to protect their own turf," so we will not have an education agency that will operate with the concern of the overall education of youngsters and adults.

I would hope you would support the amendment to put something into the Department of Education, rather than take it out.

Mrs. CHISHOLM. Mr. Chairman, I move to strike the requisite number of words. I rise to oppose the amendment of my good friend, the gentleman from Pennsylvania (Mr. GOODLING).

Mr. Chairman, I think one of the many difficulties that we do have from time to time is the differences in the definitions of a Head Start program, a prekindergarten program, a nursery school program, and a day care program.

Now, with all of these different programs, there are different components that make up each program; I desire to say to you that Head Start is a program that involves the community and the parents and all of the social services in a composite whole. This was part of the reason for my difficulty when the department was being put together of seeing that the Head Start program was going to be moved out of HEW; health, which is a very important part of the entire Head Start program and, of course, the educational component and the welfare component in terms of the social services that are brought into the Head Start program in order to help families become more stable and thus be able to supervise their children in a much better way; from that standpoint, I think that the Head Start program is one of the programs that should not be placed in the separate Department of Education for the reasons which I have outlined.

Mr. KAZEN. Mr. Chairman, will the gentlewoman yield?

Mrs. CHISHOLM. Yes, I will yield.

Mr. KAZEN. Mr. Chairman, let me ask the gentlewoman, where are the Head Start programs? Where do they take place? Are they not in schoolrooms, in school buildings?

Mrs. CHISHOLM. Some Head Start programs are in school buildings. Some Head Start programs, quite a number of them, are in community settlement houses.

Mr. KAZEN. Yes, but are not the majority in school buildings? Are not the school buildings under the Department of Education, under the school boards?

Mrs. CHISHOLM. The majority of Head Start programs, at least in New York City, I do not know about Texas, but at least in New York City, are not in school buildings.

Other child programs, but not Head Start.

Mr. KAZEN. I would submit that the majority of them all over the country are in school buildings and they are part of the educational system.

Mrs. CHISHOLM. But I am not arguing from that premise. I am arguing from the premise that this is a composite whole that we are dealing with. We are not only dealing with the educational needs of these very young children. We are also dealing (this is why the Head Start program came into existence) with the social service components in the family as well as medical services. All of these are very important parts of the Head Start program. This is why the combination of health, educational, and welfare services have been so important from the inception of the program.

Mr. KAZEN. But the custodial of the program is the basis for it and the educational part of it is the integral part of Head Start and the starting of that child into the educational process.

Mrs. CHISHOLM. The gentleman differs with me in terms of the gentleman's premise. I speak from being a Head Start director for 6 years in New York City and being involved in Head Start programs.

Mr. GOODLING. Mr. Chairman, will the gentlewoman yield?

Mrs. CHISHOLM. I yield to the gentleman from Pennsylvania (Mr. GOODLING).

Mr. GOODLING. Mr. Chairman, in my argument, of course, I indicated that back in the sixties, in the early sixties particularly, that was all true; but would the gentlewoman not agree that the parental involvement now, the organizations involved, the fact that many programs are now Head Start programs administered by school districts, because we have made that transition and that everyone has to consider the health and the welfare of the youngster if we are going to do a job, that this is now something that has been corrected. It is different than it was in the early sixties.

Mrs. CHISHOLM. I see a minimization of the roles that the parents and the community will play if the Head Start program is put into a separate Department of Education.

I am not negating the fact that education is not perhaps one of the most important components. I am saying I am against any direction that tends to minimize the role of the parents and the community. The Head Start programs were developed precisely because people and local citizens were not involved in the education and the health and welfare of their children.

Mr. GOODLING. Mr. Chairman, will the gentlewoman yield further?

Mrs. CHISHOLM. Yes, I certainly will.

Mr. GOODLING. Of course, I agree with all of that and it has changed tremendously and dramatically.

Would the gentlewoman not also say that at the present time it is working much better because we got the early childhood people involved in the program who were not wanted originally and now would this not signal to them that we should divorce again the education of the youngsters, once they get into a school situation from the Head Start program?

Mr. BROOKS. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, the administration at one time wanted to include Head Start, but we had so many complaints from the people that operated Head Start that I suggested to them last year that if I was going to introduce the bill, I would not include Head Start.

I think now that most of the people in Head Start do not want to be involved in it. They like their operation now and the local people seem pleased with it. It is one of the programs in HEW that does seem to be working satisfactorily now. I would hate to disrupt its operation now.

I would ask for a no vote on the amendment.

Mr. MILLER of California. Mr. Chairman, will the gentleman yield?

Mr. BROOKS. I yield to my friend, the gentleman from California.

Mr. MILLER of California. Mr. Chairman, I would like to agree with the remarks made by our colleague, the gentlewoman from New York (Mrs. CHISHOLM), and by the chairman, the gentleman from Texas (Mr. BROOKS).

The only connection that I know of in many areas, certainly that I represent in California between Head Start and the schools is where the school enrollment is down and they have rented out classrooms to Head Start organizations.

I think one of the valuable components of Head Start is the involvement of the parents, of people in the community, of single fathers, of single mothers with their children. As soon as you absorb it in here, they are all going to have to have credentials. They are all going to have to be licensed by State agencies. They are all going to have to be licensed by the Department of Education and we are going to lose that community support for Head Start.

□ 2300

Mr. Chairman, that is exactly what we want to do. We are seeing a number of Members who are opposing this bill who would love to have Head Start absorbed into the Department of Education. At that point Head Start is not "Head Start"; we might as well call it "kindergarten" and go back to where we were before.

Mr. Chairman, I urge the Members to reject this amendment.

Mr. GREEN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, it seems to me that the remarks of the gentlewoman from New

York (Mrs. CHISHOLM) exhibit a fatal flaw in the bill which we are now debating, because the fact is that, as the gentlewoman from New York points out at least in terms of early childhood education, these other issues—nutrition, involvement of parents, and the social issues—are very much a part of the educational issues. And after all, the ultimate objective of Head Start is to improve how children do in school.

I think the gentlewoman is right when she points out that it is necessary to have all these other components in Head Start in order to make it work. But I would suggest that it is also necessary to have all these other components in education after Head Start if we are going to make education work.

The fact of the matter is, if we look at what has happened to children who have been in the Head Start program, we see them doing well in Head Start, but then they go into our regular schools, and they do not have that combination of inputs, and suddenly the head start they got starts to slip and slip over the years, and they are no longer getting the advantages that the Head Start program was designed to give them.

I would suggest to the Members that that occurs because we have isolated education within the Department of Health, Education, and Welfare from the other social problems that afflict the children in the schools, and particularly the children who are eligible for the Head Start program.

I would like to suggest to the Members, that instead of isolating education still further from our means of dealing with all the other social problems that affect education by creating this isolated Department of Education, what we really ought to be doing is insisting that the Office of Education really start to participate in HEW and really start to get the benefits of the other inputs in HEW.

So I would suggest that the fact that the Members who support Head Start do not want it in an isolated Department of Education really teaches us a lesson. It really says to us: If 4-year-olds and 5-year-olds should not be in an isolated Department of Education, why should 6-year-olds and 7-year-olds and 10-year-olds and 18-year-olds be in an isolated Department of Education?

The same problems that affect the 4-year-olds and the 5-year-olds affect all education in this country, and I think the gentlewoman from New York (Mrs. CHISHOLM) has shown why this bill is such a very poor idea.

Mr. ASHBROOK. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment.

Mr. Chairman, maybe we have all learned something very interesting in the last half hour. I have been on an Education Committee for some time, and I am just now learning that Head Start is different in our schools because it involves parents and it involves the community. That is a really novel argument.

I have always been under the assumption that our schools that are supported by taxpayers and which are the recipients of the children of our parents and taxpayers are involved in the community. But for some reason or other we are now hearing that Head Start is different from our high schools and our elementary and secondary schools.

Think about that for a minute. Our friend, the gentleman from California (Mr. MILLER), a very learned member of our committee, talked about the involvement of parents in the community. The gentlewoman from New York (Mrs. CHISHOLM), a very learned member of our committee, talked about Head Start being involved with parents in the community. I wonder, in the 120,000 school districts in our country, where there is one that does not have the involvement of the parent and the community.

Head Start should go into our schools, Mr. Chairman, and I support my colleague, the gentleman from Pennsylvania (Mr. GOODLING) in his amendment.

Mr. GOODLING. Mr. Chairman, will the gentleman yield?

Mr. ASHBROOK. I yield to the gentleman from Pennsylvania.

Mr. GOODLING. Mr. Chairman, I thank the gentleman for yielding.

I would like to make two comments. The chairman of the committee said it is a good program; therefore, we should leave it where it is.

Mr. Chairman, just a minute ago the gentleman said that the problem is that everyone is trying to protect their interests. Every Member who got up and wanted to take something out of the Department of Education said, "It is a good program, it is working well, and let's not mess it up now."

That is the same argument that was just made for taking this out or keeping this out of the Department of Education.

And then we heard the statement: "Gee, Head Start deals with parent involvement. We don't want to mess that up."

Let me tell the Members that a great deal of ESEA-1 money happens to go to early childhood education, preschool education. And let me tell the Members that the Senator from Massachusetts unfortunately got an amendment through our last bill which is going to spend thousands and thousands and thousands of dollars, taking away from the education of youngsters in ESEA-1 programs and giving it to what he calls involving the parents.

ESEA programs are in many instances preschool programs. Many are similar to Head Start programs, and they are totally controlled in relationship to parental involvement by the Congress of the United States. This is no different.

Mr. MILLER of California. Mr. Chairman, will the gentleman yield?

Mr. ASHBROOK. I yield to the gentleman from California.

Mr. MILLER of California. Mr. Chairman, the concept is much different because in those other programs they do not allow parents to spend time in the classroom teaching their own children and teaching children from other parts of the community. They have to be members of the advisory councils or they have to serve on coordinating committees, but they do not actually participate. These are the low-income parents who participate in Head Start.

Head Start was an effort to bring them back and get them involved with the children and give the children exactly what the program says: A "head start." That is why we have made it different than the rest of the educational programs.

Mr. GOODLING. Mr. Chairman, will the gentleman yield further?

Mr. ASHBROOK. I yield to the gentleman from Pennsylvania.

Mr. GOODLING. Mr. Chairman, let me inform my friend, the gentleman from California (Mr. MILLER), that ESEA programs in fact go out into the home, work with mothers and fathers, and involve those mothers and fathers. And I hope the gentleman does not say, "no," because I ran one for 5 years.

They go out into the home and truly involve those parents because they even have a one-on-one situation before they can bring them into a group setting.

So, Mr. Chairman, there is no difference between these two programs, depending on who runs the programs. There is parent involvement because the Congress of the United States mandates it.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania (Mr. GOODLING).

The question was taken; and the chairman announced that the ayes appeared to have it.

RECORDED VOTE

Mr. BROOKS. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 179, noes 230, not voting 25, as follows:

[Roll No. 238]

AYES—179

Abdnor
Ambro
Anderson, Calif.
Andrews, N. Dak.
Annunzio
Applegate
Archer
Ashbrook
Badham
Bafalis
Bauman
Beard, Tenn.
Benjamin
Bereuter
Bevill
Blanchard
Bouquard
Broomfield
Brown, Ohio
Broyhill
Buchanan
Burgener
Butler
Byron
Campbell
Carney
Cavanaugh
Chappell
Cheney
Clausen
Cleveland
Coleman
Collins, Tex.
Conable
Corcoran
Coughlin
Courter
Crane, Daniel
Crane, Philip
Daniel, Dan
Daniel, R. W.
Dannemeyer
Davis, Mich.
Derwinski
Devine
Dickinson
Dornan
Dougherty
Duncan, Tenn.
Emery
Erdahl
Erlenborn
Ertel
Evans, Del.
Evans, Ga.
Evans, Ind.
Findley
Fish
Flippo
Frenzel
Giaimo
Glickman
Goldwater
Goodling
Gramm
Green
Grisham
Guyer
Hagedorn
Hamilton
Hansen
Harsha
Hinson
Holt
Hopkins
Howard
Hubbard
Hughes
Hyde
Ichord
Jacobs
Jeffords
Jeffries
Jenkins
Johnson, Colo.
Kazen
Kelly
Kindness
Kramer
Lagomarsino
Latta
Leach, Iowa
Leach, La.
Leath, Tex.
Lent
Levitas
Livingston
Loeffler
Lott
Lundine
Lungren
McClory
McCloskey
McCormack
McDade
McDonald
McEwen
McKay
Madigan
Marlenee
Marriott
Martin
Mattox
Mica
Michel
Miller, Ohio
Minish
Mitchell, N.Y.
Mollohan
Montgomery
Moore
Moorhead, Calif.
Mottl

Murphy, Pa.
Myers, Ind.
Panetta
Patten
Petri
Pursell
Quayle
Quillen
Regula
Rhodes
Ritter
Roberts
Robinson
Roth
Rousselot
Rudd
Runnels
Russo
Sabo
Santini
Satterfield
Sawyer
Sebelius
Sensenbrenner
Shelby
Shumway
Shuster
Skelton
Smith, Nebr.
Snowe
Snyder
Solomon
Spence
Stanton
Stenholm
Stump
Symms
Synar
Tauke
Taylor
Thomas
Traxler
Trible
Walker
Wampler
White
Whitehurst
Whittaker
Williams, Mont.
Winn
Wyatt
Wydler
Yatron
Young, Alaska
Young, Fla.
Zablocki

NOES—230

Addabbo
Akaka
Albosta
Alexander
Anderson, Ill.
Andrews, N.C.
Anthony
Ashley
Aspin
Atkinson
AuCoin
Bailey
Baldus
Barnard
Barnes
Beard, R.I.
Bedell
Beilenson
Bennett
Bethune
Biaggi
Boggs
Boland
Boner
Bonior
Bonker
Bowen
Brademas
Breaux
Brinkley
Brodhead
Brooks
Brown, Calif.
Burlison
Burton, John
Burton, Phillip
Carr
Carter
Chisholm
Clay
Clinger
Coelho
Collins, Ill.
Conte
Corman
Cotter
D'Amours
Danielson
Daschle
de la Garza
Deckard
Dellums
Dicks
Dingell
Dixon
Dodd
Donnelly
Drinan
Duncan, Oreg.
Early
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
Edwards, Okla.
English
Fary
Fascell
Fazio
Fenwick
Ferraro
Fisher
Fithian
Florio
Foley
Ford, Mich.
Ford, Tenn.
Fountain
Frost
Fuqua
Garcia
Gaydos
Gephardt
Gibbons
Gilman
Gingrich
Ginn
Gonzalez
Gore
Gradison
Grassley
Gray
Guarini
Gudger
Hall, Tex.
Hammer-schmidt
Hance
Harkin
Harris
Hawkins
Heckler
Hefner
Heftel
Hightower
Hillis
Holland
Hollenbeck
Holtzman
Horton
Huckaby
Hutto
Ireland
Jenrette
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kastenmeier
Kemp
Kildee
Kogovsek
Kostmayer
LaFalce
Lederer
Lee
Lehman
Leland
Lewis
Lloyd
Long, Md.
Lowry
Lujan
Luken
McHugh
McKinney
Maguire
Markey
Marks
Mathis
Matsui
Mazzoli
Mikulski
Mikva
Miller, Calif.
Mineta
Mitchell, Md.
Moakley
Moorhead, Pa.
Murphy, Ill.
Murphy, N.Y.
Murtha
Myers, Pa.
Natcher
Neal
Nedzi
Nelson
Nolan
Nowak
Oakar
Oberstar
Obey
Ottinger
Pashayan
Patterson
Paul
Pease
Pepper
Perkins
Peyser
Pickle
Preyer
Price
Pritchard
Rahall
Railsback
Rangel
Ratchford
Reuss
Richmond
Rinaldo
Rodino
Roe
Rose
Rosenthal
Rostenkowski
Roybal
Scheuer
Schroeder
Schulze
Seiberling
Shannon
Sharp
Simon
Slack
Smith, Iowa
Solarz
Spellman
St Germain
Stack
Staggers
Stangeland
Stark
Steed
Stewart
Stokes
Stratton
Studds
Swift
Thompson
Udall
Van Deerlin
Vanik
Vento
Volkmer
Walgren
Watkins
Waxman
Weiss
Whitley
Whitten
Williams, Ohio
Wilson, C. H.
Wilson, Tex.
Wirth
Wolff
Wolpe
Wright
Wylie
Yates
Young, Mo.
Zeferetti

NOT VOTING—25

Bingham
Bolling
Conyers
Davis, S.C.
Derrick
Diggs
Downey
Flood
Forsythe
Fowler
Hall, Ohio
Hanley
Johnson, Calif.
Long, La.
Mavroules
Moffett
Nichols
O'Brien
Royer
Stockman
Treen
Ullman
Vander Jagt
Weaver
Wilson, Bob

☐ 2320

Mr. LEVITAS and Mr. JACOBS changed their vote from "no" to "aye."

Mr. DODD changed his vote from "aye" to "no."

So the amendment was rejected.

The result of the vote was announced as above recorded.

AMENDMENT OFFERED BY MR. WALKER

Mr. WALKER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by WALKER.

On page 76 after line 14, insert:

"TRANSFERS FROM THE DEPARTMENT OF STATE

"SEC. 308. There are hereby transferred to and vested in the Secretary all functions vested in the Secretary of State or the Department of State with regard to the Educational Exchange—Graduate Students (Fulbright-Hays) Program under Public Law 87-256, as amended,"; and

In line 16, strike out "308." and insert in its place "309."

Conform the table of contents accordingly.

Mr. BROOKS. Mr. Chairman, I reserve a point of order. I did not hear the amendment too well.

Mr. WALKER. Mr. Chairman, what this amendment does is it transfers the Fulbright-Hays program, which now resides in the Department of State, to the new Department of Education.

It seems very clear to me that this is the kind of program that should come over to this comprehensive Department of Education. This is an educational exchange program for graduate students.

Let me describe a little bit what the objectives of the program are. It is to improve and strengthen international relations of the United States by promoting better mutual understanding among peoples of the world through educational exchanges.

Now, this is a program of grants. That is exactly what this Department is all about, a program of educational grants. So what we are doing here is we are taking the grants which are designed to give the U.S. students the opportunity to live and study in a foreign country for one academic year and putting those into the new Department of Education.

The grants which we are talking about have specific terms and conditions to meet educational goals proposed by the grantee and approved by the Board of Foreign Scholarships in making the award.

In other words, Mr. Chairman, what this program is, is an educational scholarship grant kind of program. It would be perfectly appropriate for the students of this country to be under the jurisdiction of the Department of Education rather than having them under the jurisdiction of the Department of State.

So this is a program that we want to transfer into the Department of Education. I would urge the adoption of the amendment.

Mr. SIMON. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I recognize that there are a lot of programs that are tweedledum or tweedle-dee, whether they go in the Department of Education or in another department.

This particular program involves our relationships with a great many countries. It is not something that should be capriciously transferred to a department that does not have those kinds of relationships established. It is mischievous. It is not the kind of thing that I think we ought to be doing.

Mrs. FENWICK. Mr. Chairman, will the gentleman yield?

Mr. SIMON. I yield to the gentlewoman from New Jersey.

Mrs. FENWICK. I thank my colleague for yielding.

I would like to share in my colleague's remarks.

We have here one of the best programs and one which shows the diversity which is the whole genius of American education. We do not want one single authority choosing which students, right from the top, throwing out complete control in all aspects of education. I think it would be most unwise to take this away from the Department of State.

Mr. FASCELL. Mr. Chairman, will the gentleman yield?

Mr. SIMON. I would be pleased to yield to my colleague from Florida (Mr. FASCELL).

☐ 2330

Mr. FASCELL. Mr. Chairman, if the committee needed any evidence about how fast an unconsidered and mischievous amendment can be dreamed up in order to frustrate the legislative process, here it is. This is a simple one to consider on a very simple point made by the distinguished gentleman from Illinois because of the fact that you have arrangements now in all of the foreign countries through the Department of State and other appropriate agencies for conduct and management of these programs which do involve those kinds of relationships. Simply to transfer those over to a department which is primarily and fundamentally concerned with domestic education, the two really have no bearing.

Mr. SIMON. I would simply add in a late-night session once in a while we do things that we should not do. Let us not be so foolish as to accept this particular amendment.

The CHAIRMAN. Does the gentleman from Texas insist on his point of order?

Mr. BROOKS. I do not insist on the point of order. I withdraw the point of order.

Mr. ERLENBORN. Mr. Chairman, I move to strike the last word, and I rise in support of the amendment.

Mr. Chairman, I rise in support of this amendment because it is purely and simply education. The only nexus that it has to foreign affairs is that the funding for this education comes from excess credits built up during World War II and after World War II through lend-lease and through the Marshall plan. The excess currency that we own in these countries had to be used in some way and so we adopted this program to spend them on education. It certainly belongs in the new Department.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania (Mr. WALKER).

The amendment was rejected.

PREFERENTIAL MOTION OFFERED BY MR. OBEY

Mr. OBEY. Mr. Chairman, I offer a preferential motion.

The Clerk read as follows:

> Mr. OBEY moves that the Committee do now rise and report the bill back to the House with the recommendation that the enacting clause be stricken.

Mr. OBEY. Mr. Chairman, those of you who know me and know my record in this House know that I am a friend of education. I do not think I have to remind the Members what my involvement was in the education bill and in education funding just 3 weeks ago on the budget resolution.

I also ought to point out that I think that virtually every meeting that has taken place on Capitol Hill in the last 7 years when we pulled education groups together to discuss how much we were going to be able to raise the President's budget in the area of education, virtually every one of those meetings have taken place in my office. I have offered at least half of the amendments that have been offered in this House to significantly raise Appropriation Committee spending on education in the last 7 years. So, I think I speak with some credibility in support of education.

I also want to make the point that I have very few AFT people in my district. I have an awful lot of NEA people. So I am not doing this from the standpoint of special interests.

I am opposed to this bill because I think if it passes it will significantly weaken the voice of education in this country. I want to explain why and in very simple terms.

Right now, with all due respect to the quality of the people who lobby for the education community in this country, it is my fundamental belief that the reason that we have been able to override veto, after veto, after veto to the Labor-HEW bill over the last 10 years has been because we have had a giant, progressive coalition composed of labor, composed of education, and composed of all of the health groups in the country, from the cancer lobby to the muscular dystrophy lobby to you-name-it. That is a progressive, potent coalition that has been able to get us what increases we have been able to get in the last few years on the education budget. With all due respect to the arguments made on the minority side of the aisle about all of the dangerous things this bill is going to do to education, I think those arguments are a lot of hooey.

I believe fundamentally, I know the education community wants visibility. They say they want a Cabinet-level office because it will give them visibility. But the fact is I would trade visibility for power any time. I think we keep power for education by keeping them in the same group with labor, with all of the health lobbies and with the education lobby in the same bill, in the same boat, and I guarantee the Members that if this Department passes you will pretty soon have on this floor a separate Education Department appropriation bill. That will mean that that progressive coalition will be split up, it will be a single-issue bill and you will not have the power we have had in the past.

I also want to refute the argument that what we need in the Cabinet is a voice speaking out for education, because then everything will be all right. That also is a lot of hooey. The Department of HEW does not decide what education is going to get; OMB and the President do. When we have a President like Ford and like Nixon, we are not going to get any money for education. When we get a President like Carter, we are. That is why we had an increase in funding last year. It was not because we had an increase in HEW, but because we had a damn good President, a President who cared about education.

So, I urge the Members, if they are to keep the education community in a powerful position in this country, vote to strike the enacting clause and end this nonsense.

Mr. BROOKS. Mr. Chairman, I rise in opposition to the motion.

Mr. Chairman, this motion is premature. This is a major piece of legislation. The House has not finished it. The rule was designed to give Members a full and fair opportunity to debate H R. 2444. To kill the bill at this point would defeat that goal.

Members can vote against it if they want to. Members have had an opportunity to vote on a lot of amendments, and will have the opportunity to vote on some more. That is the democratic way to work our will on legislation affecting millions of Americans. The motion would be unfair both to the proponents and opponents of the bill.

In 1977, Members of this House voted overwhelmingly for a reorganization bill, a reorganization act. The RECORD is just full of those statements that Members made about how essential it is for the Federal Government to be organized more efficiently; so we could use tax money more wisely. In our campaign in 1976, we made those great claims.

Now, were we serious or were we just talking? It seems now that everyone wants to take the position of, "Reorganize them, but not us. Reorganize them, but not us."

This reorganization is not going to be a panacea; nobody thinks that it will. But the President of the United States is trying to reorganize the Government to make it work better. We should quit protecting turf, responding to special interests and help make this Government operate more efficiently and effectively.

I commend the President for trying to make our educational organization work for the benefit of 100 million students and teachers and parents in this country. I hope the Members will join me in supporting that effort, in the hope that the billions of dollars, 14, 15, 16 billion dollars we spend every year for education will result in a better future for the young people of this country. I urge the Members to vote down this motion that would have the effect of killing this bill.

Mr. Chairman, I yield first to my distinguished friend from Massachusetts, the distinguished Speaker, Mr. O'NEILL.

☐ 2340

Mr. O'NEILL. Mr. Chairman, I have the greatest respect for the gentleman from Wisconsin (Mr. OBEY). I appreciate the feeling of the Members of the House at this late hour. We have now debated this bill 8 hours today, about 6 hours yesterday, and a couple of hours the day before. If we adopt this motion, are we being fair to ourselves? Are we being fair to the institution? Are we being fair to the President of the United States who has sent this message to Congress? To thine own self be true. Be true to this body for which we have such a high regard. Sure, people like to say the image of Congress is low, but why is it low? Resolve in your own hearts why it is low.

We waste all of this time. Is that what we are going to say? We are going to give the press a field day, that we wasted some 14 hours.

There is merit on both sides of the legislation. The President of the United States tells me that he held 43 Cabinet meetings, and only once was education brought up at a Cabinet meeting.

There are going to be savings in this bill. All I know is that there is opposition as between two labor organizations.

Vote your conscience. I think the President is right. I commend the chairman of the committee for the trying time that he has had.

I have the greatest respect for the gentleman from Wisconsin (Mr. OBEY). He is bitterly opposed to the bill. I understand that. Do not let the bill go down this way. Vote your mind, your conscience, when you have heard the entire argument. I hope this motion does not prevail, and I hope the bill ultimately passes.

Mr. HORTON. Mr. Chairman, will the gentleman yield?

Mr. BROOKS. I yield to the gentleman from New York.

Mr. HORTON. I thank the gentleman for yielding.

I would just like to indicate to the Members of the House that this committee has spent a lot of time and a lot of hours in the last Congress and in this Congress bringing this bill to the floor. The gentleman in the well, the chairman, and I have tried to give every Member an opportunity to be heard, to offer their amendments, and it seems to me that the chairman was exactly right when he said it is premature to vote on this bill in this manner.

Let me just add one further thing. This is a good bill because it does provide for better management and a better accountability, and that is what we need in this Congress in order to get oversight.

Vote this motion down.

Mr. SCHEUER. Mr. Chairman, I rise in opposition to the motion to strike the enacting clause and hope that my colleagues will join me in making the Federal investment in education a truly effective one, through the establishment of a new Department of Education.

As many of my colleagues know, I served for 8 years a a member of the distinguished House Committee on Education and Labor and, during that time, had the opportunity to work with some of the great education Congressmen of this House. Together, Democrats and Republicans, we enacted some of the landmark education statutes of all time—the Elementary and Secondary Education Act, the Higher Education Act, and a number of other programs which have given aid and assistance to the Nation's schools, colleges, and students of all ages.

It is precisely that experience in authorizing and overseeing Federal education programs that has led me to the conviction that the $16 billion of education programs included in the proposed new Department deserve a better chance than they are now getting by their location within the behemoth of HEW. HEW is simply not an acceptable policymaking and administrative body. Layer upon layer of decisionmakers, redtape piled on redtape. office canceling out office—all combine to give the taxpayers far less for their tax dollar than they deserve.

Morale in the Office of Education has never been lower. There have been 13 Commissioners and Acting Commissioners of Education during the last 12 years. Good civil servants who care about congressionally mandated programs tell me that the organizational structure, and especially the revolving-door leadership in the Education Division, mean that most of their work is negated and undermined.

All of us complain of delays, redtape, officious bureaucrats, and excessive regulations. But under the present setup in HEW there is simply no way to make the education programs truly cost effective and politically accountable to the Congress and to the public at large.

This is the unanimous view of every Commissioner of Education and Assistant Secretary of Education who has ever served in HEW—Democrat and Republican alike.

As OBM Director Jim McIntyre and others have testified, solely from a management point of view, the present system is not working. We need to streamline education programs. We need to make certain that the legislative intent of Congress is clearly understood by every man and woman at the top of the new Department. Above all, we need to make certain that the persons placed in positions of responsibility in education at the Federal level give their full-time attention to making the programs work, instead of dividing their time among such admittedly urgent and pressing problems as welfare fraud and abuse, social security deficits, the needs of the elderly, and the plight of our health care system.

Education is the largest single industry in the United States. Fully a third of our Nation's people are involved in some form of study. Surely, that argues for full-time attention—not Federal domination or control—but full-time attention to the solution of the many educational problems which are laid at the doorstep of the Congress and of the executive branch.

H.R. 2444 will not in and of itself, and certainly not overnight, solve all of the problems of faulty administration of Federal education programs. But, I do believe that we must do better than we have been doing. I welcome H.R. 2444 as a new start designed to give all of us more confidence that Federal education dollars can truly make a difference in the lives of the young people we are trying to help.

I am satisfied that the Committee on Government Operations has written into the legislation adequate safeguards against Federal domination of the curriculum and that it has also clipped the wings of any would-be Federal bureaucrats who would use this new Department for grandiose empire building schemes. On the contrary, H.R. 2444 is a modest proposal, but one long overdue.

I hope this House will join me in support of this much-needed legislation.

The CHAIRMAN. The question is on the preferential motion offered by the gentleman from Wisconsin (Mr. OBEY).

The question was taken; and the Chairman announced that the noes appeared to have it.

Mr. ERLENBORN. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 146, noes 266, not voting 22, as follows:

[Roll No. 239]

AYES—146

Abdnor
Annunzio
Applegate
Archer
Ashbrook
Badham
Bafalis
Bauman
Bennett
Broomfield
Brown, Ohio
Burgener
Butler
Byron
Campbell
Carney
Carter
Cheney
Cleveland
Coleman
Collins, Tex.
Conable
Crane, Daniel
Crane, Philip
Daniel, R. W.
Dannemeyer
Deckard
Derwinski
Devine
Dickinson
Dingell
Donnelly
Duncan, Oreg.
Early
Edwards, Ala.
Edwards, Okla.
Emery
Erlenborn
Evans, Del.
Fenwick
Findley
Fountain
Frenzel
Gaydos
Gibbons
Glickman
Goldwater
Goodling
Gradison
Grassley
Green
Grisham
Guyer
Hagedorn
Hamilton
Hansen
Harsha
Hillis
Hinson
Holt
Hopkins
Hyde
Ichord
Jeffries
Johnson, Colo.
Kastenmeier
Kelly
Kemp
Kindness
Kramer
Lagomarsino
Latta
Leach, La.
Lee
Lent
Livingston
Lloyd
Loeffler
Lott
Luken
Lungren
McClory
McCloskey
McDade
McDonald
McEwen
McKinney
Marlenee
Mazzoli
Michel
Mikulski
Miller, Ohio
Mitchell, N.Y.
Moore
Moorhead, Calif.
Murphy, Ill.
Murphy, N.Y.
Myers, Ind.
Myers, Pa.
Nelson
Nowak
Obey
Ottinger
Paul
Peyser
Quayle
Regula
Rhodes
Robinson
Rosenthal
Roth
Rousselot
Rudd
Sabo
Satterfield
Sawyer
Schulze
Sebelius
Sensenbrenner
Shumway
Shuster
Snowe
Snyder
Solarz
Solomon
Stangeland
Stanton
Steed
Stratton
Stump
Symms
Taylor
Thomas
Vanik
Walgren
Walker
Waxman
Weiss
Whittaker
Williams, Mont.
Wilson, C. H.
Winn
Wolff
Wydler
Wylie
Zablocki

NOES—266

Addabbo
Akaka
Albosta
Alexander
Ambro
Anderson, Calif.
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Anthony
Ashley
Aspin
Atkinson
AuCoin
Bailey
Baldus
Barnard
Barnes
Beard, R.I.
Beard, Tenn.
Bedell
Beilenson
Benjamin
Bereuter
Bethune
Bevill
Biaggi
Blanchard
Boggs
Boland
Boner
Bonior
Bonker
Bouquard
Bowen
Brademas
Breaux
Brinkley
Brodhead
Brooks
Brown, Calif.
Broyhill
Buchanan
Burlison
Burton, John
Burton, Phillip
Carr
Cavanaugh
Chappell
Chisholm
Clausen
Clay
Clinger
Coelho
Collins, Ill.
Conte
Corcoran
Corman
Cotter
Coughlin
Courter
D'Amours
Daniel, Dan
Danielson
Daschle
Davis, Mich.
de la Garza
Dellums
Dicks
Diggs
Dixon
Dodd
Dornan
Dougherty
Downey
Drinan
Duncan, Tenn.
Eckhardt
Edgar
Edwards, Calif.
English
Erdahl
Ertel
Evans, Ga.
Evans, Ind.
Fary
Fascell
Fazio
Ferraro
Fish
Fisher
Fithian
Flippo
Florio
Foley
Ford, Mich.
Ford, Tenn.
Fowler
Frost
Fuqua
Garcia
Gephardt
Giaimo
Gilman
Gingrich
Ginn
Gonzalez
Gore
Gramm
Gray
Guarini
Gudger
Hall, Ohio
Hall, Tex.
Hammerschmidt
Hance
Hanley
Harkin
Harris
Hawkins
Heckler
Hefner
Heftel
Hightower
Holland
Hollenbeck
Holtzman
Horton
Howard
Hubbard
Huckaby
Hughes
Hutto
Ireland
Jacobs
Jeffords
Jenkins
Jenrette
Jones, N.C.
Jones, Okla.
Jones, Tenn
Kazen
Kildee
Kogovsek
Kostmayer
LaFalce
Leach, Iowa
Leath, Tex.
Lederer
Lehman
Leland
Levitas
Lewis
Long, Md.
Lowry
Lujan
Lundine
McCormack
McHugh
McKay
Madigan
Maguire
Markey
Marks
Marriott
Martin
Mathis
Matsui
Mattox
Mica
Mikva
Miller, Calif.
Mineta
Minish
Mitchell, Md.
Moakley
Moffett
Mollohan
Montgomery
Moorhead, Pa.
Mottl
Murphy, Pa.
Murtha
Natcher
Neal
Nedzi
Nolan
Oakar
Oberstar
Panetta
Pashayan
Patten
Patterson
Pease
Pepper
Perkins
Petri
Pickle
Preyer
Price
Pritchard
Pursell
Quillen
Rahall
Railsback
Rangel
Ratchford
Reuss
Richmond
Rinaldo
Ritter
Roberts
Rodino
Roe
Rose
Rostenkowski
Roybal
Runnels
Russo
Santini
Scheuer
Schroeder
Seiberling
Shannon
Sharp
Shelby
Simon
Skelton
Slack
Smith, Iowa
Smith, Nebr.
Spellman
Spence
St Germain
Stack
Staggers
Stenholm
Stewart
Stokes
Studds
Swift
Synar
Tauke
Thompson
Traxler
Trible
Van Deerlin
Vento
Volkmer
Wampler
Watkins
White
Whitehurst
Whitley
Whitten
Williams, Ohio
Wirth
Wolpe
Wright
Wyatt
Yates
Yatron
Young, Alaska
Young, Fla.
Young, Mo.
Zeferetti

NOT VOTING—22

Bingham
Bolling
Conyers
Davis, S.C.
Derrick
Flood

Forsythe
Johnson, Calif.
Long, La.
Mavroules
Nichols
O'Brien
Royer
Stark
Stockman
Treen
Udall
Ullman
Vander Jagt
Weaver
Wilson, Bob
Wilson, Tex.

☐ 2350

Mrs. SMITH of Nebraska, and Messrs. TAUKE, RITTER, and HAMMERSCHMIDT changed their vote from "aye" to "no."

So the preferential motion was rejected.

The result of the vote was announced as above recorded.

The CHAIRMAN. Are there further amendments to title III?

If not, the Clerk will designate title IV.

Title IV reads as follows:

TITLE IV—ADMINISTRATIVE PROVISIONS

PART A—PERSONNEL PROVISIONS

OFFICERS AND EMPLOYEES

SEC. 401. (a) The Secretary is authorized to appoint and fix the compensation of such officers and employees, including attorneys, as may be necessary to carry out the functions of the Secretary and the Department. Except as otherwise provided by law, such officers and employees shall be appointed in accordance with the civil service laws and their compensation fixed in accordance with title 5 of the United States Code.

(b) (1) At the request of the Secretary, the Director of the Office of Personnel Management shall, under section 5108 of title 5, United States Code, provide for the establishment in each of the grade levels GS-16, GS-17, and GS-18 of a number of positions in the Department equal to the number of positions in that grade level which were used primarily for the performance of functions and offices transferred under this Act and which were assigned and filled on the day before the effective date of this Act.

(2) At the request of the Secretary, the Director of the Office of Personnel Management shall, under section 3104 of title 5, United States Code, provide for the establishment in the Office created by section 208 of this Act of a number of scientific, professional, and technical positions outside of the General Schedule equal to the number of such positions which were used primarily for the performance of functions and offices transferred under this Act and which were assigned and filled on the day before the effective date of this Act.

(3) Appointments to positions provided for under this subsection may be made without regard to the provisions of section 3324 of title 5 of the United States Code, if the individual appointed in such position is an individual who is transferred in connection with the transfer of functions and offices under this Act and, on the day preceding the effective date of this Act, holds a position and duties comparable to those of the position to which appointed hereunder.

(4) The authority under this subsection with respect to any position shall terminate when the person first appointed to fill such position leaves such position.

(5) For purposes of section 414(a)(3)(A) of the Civil Service Reform Act of 1978, an individual appointed under this subsection shall be deemed to occupy the same position as he or she occupied on the day preceding the effective date of this Act.

(c) The Secretary may appoint, without regard to the provisions of title 5 of the United States Code governing appointment in the competitive service, up to 112 scientific, technical, or professional employees of the Office created by section 208 of this Act and may compensate employees so appointed without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates. The rate of basic compensation for such employees shall not be equal to or in excess of the minimum rate of pay currently paid for GS-16 of the General Schedule under section 5332 of title 5 of the United States Code.

(d) Notwithstanding any other provision of law, the Director of the Office of Personnel Management shall establish positions within the Senior Executive Service for 15 limited-term appointees. The Secretary shall appoint individuals to such positions as provided by section 3394 of title 5 of the United States Code. Such positions shall expire on the latter of three years after the effective date of this Act or three years after the initial appointment to each position. Positions in effect under this subsection shall be taken into account in applying the limitations on positions prescribed under section 3134(e) and section 5108 of title 5, United States Code.

(e) Notwithstanding the transfer of functions effected by section 303 (and the consequent transfer of personnel), personnel performing such functions shall be treated, for purposes of access to services and facilities provided by the Department of Defense, as if employed by the Department of Defense.

(f) For purposes of any status of forces agreement between the United States and any other country or any international organization, any reference to "civilian component" shall be deemed to include a reference to overseas personnel of the overseas dependents' education system.

EXPERTS AND CONSULTANTS

SEC. 402. The Secretary may obtain services as authorized by section 3109 of title 5, United States Code, at rates not to exceed the daily rate payable for grade GS-18 of the General Schedule under section 5332 of such title, for persons in Government service employed intermittently.

REDUCTION OF POSITIONS

SEC. 403. Not later than the end of the first fiscal year beginning after the effective date of this Act, the number of full-time permanent positions that perform functions to be transferred to the Department by this Act shall be reduced by 450 and thereafter the number of such positions shall not be increased by more than 50 in any one year except by law enacted after the date of enactment of this section.

EXCLUSION OF OVERSEAS SCHOOL PERSONNEL FROM LIMITATION ON POSITIONS

SEC. 404. None of the limitations or computations required by section 403 shall be applicable to any individual employed pursuant to section 209 as a teacher, administrator, clerk, or secretary in an overseas school.

PART B—GENERAL PROVISIONS

GENERAL AUTHORITY

SEC. 421. In carrying out any function or conducting any office transferred by this Act, the Secretary, or any officer or employee of the Department, may exercise any authority or part thereof available by law (including appropriation Acts) with respect to such function or office to the official or agency from which such function or office is transferred.

DELEGATION

SEC. 422. Except as expressly provided in this Act, the Secretary may delegate any function or office vested in the Secretary to such officers and employees of the Department as the Secretary may designate and may authorize such successive redelegations of such function or office within the Department as the Secretary may deem to be necessary or appropriate.

REORGANIZATION

SEC. 423. The Secretary is authorized to establish, alter, consolidate, or discontinue such organizational units or components within the Department as the Secretary may deem to be necessary or appropriate. Such authority shall not extend to the abolition of organizational units or components established by this Act, or to the transfer of functions or offices vested by this Act in any organizational unit or component.

RULES

SEC. 424. (a) The Secretary is authorized to prescribe such rules and regulations as the Secretary may deem necessary or appropriate to administer and manage the functions vested in the Secretary or the Department.

(b) The Secretary, in promulgating rules and regulations as authorized by statute, shall prescribe such rules and regulations in accordance with chapter 5 of title 5, United States Code. Section 431 of the General Education Provisions Act also shall apply to such rules and regulations to the extent applicable immediately prior to the effective date of this Act, and to rules and regulations promulgated with respect to programs transferred under sections 301(a) (1) and (2), 302, 303, 304, 305, and 306 of this Act.

CONTRACTS

SEC. 425. Subject to the provisions of the Federal Property and Administrative Services Act of 1949, the Secretary is authorized to make, enter into, and perform such contracts, grants, leases, cooperative agreements, or other similar transactions with Federal or other public agencies (including State and local governments) and private organizations and persons, and to make such payments, by way of advance or reimbursement, as the Secretary may deem necessary or appropriate to carry out functions vested in the Secretary or the Department.

REGIONAL AND FIELD OFFICES

SEC. 426. The Secretary is authorized to establish, alter, discontinue, or maintain such regional or other field offices as the Secretary may deem to be necessary or appropriate to perform functions vested in the Secretary or the Department.

ACQUISITION AND MAINTENANCE OF PROPERTY

SEC. 427. (a) The Secretary is authorized to acquire (by purchase, lease, condemnation, or otherwise), construct, improve, repair, operate, and maintain schools and related facilities (but only to the extent that operation of schools and related facilities by the Department is authorized by this Act), laboratories, research and testing sites and facilities, quarters and related accommodations for employees and dependents of employees of the Department, personal property, or any interest therein, as the Secretary deems necessary; and to provide by contract or otherwise for eating facilities and other necessary facilities for the health and welfare of employees of the Department at its installations and purchase and maintain equipment therefor.

(b) The authority available to the Secretary of Health, Education, and Welfare under section 524 of the Education Amendments of 1976 shall also be available to the Secretary.

(c) The authority granted by subsection (a) of this section shall be available only with respect to facilities of a special purpose nature that cannot readily be reassigned from similar Federal activities and are not otherwise available for assignment to the Department by the Administrator of General Services.

FACILITIES AT REMOTE LOCATIONS

SEC. 428. (a) The Secretary is authorized to provide, construct, or maintain, as necessary and when not otherwise available, the following for employees and their dependents stationed at remote locations:

(1) emergency medical services and supplies;

(2) food and other subsistence supplies;

(3) dining facilities;

(4) audiovisual equipment, accessories, and supplies for recreation and training;

(5) reimbursement for food, clothing, medicine, and other supplies furnished by such employees in emergencies for the temporary relief of distressed persons;

(6) living and working quarters and facilities; and

(7) transportation for dependents of employees to the nearest appropriate educational facilities.

(b) The furnishing of medical treatment under paragraph (1) of subsection (a) and the furnishing of services and supplies under paragraphs (2), (3), and (4) of subsection (a) shall be at prices reflecting reasonable value as determined by the Secretary.

(c) Proceeds from reimbursements under this section may be credited to the appropriation or funds that bear all or part of the cost of such work or services or used to refund excess sums when necessary.

USE OF FACILITIES

SEC. 429. (a) With their consent, the Secretary may, with or without reimbursement, use the research, equipment, services, and facilities of any agency or instrumentality of the United States, of any State or political subdivision thereof, or of any foreign government, in carrying out any function vested in the Secretary or in the Department.

(b) In carrying out his duties, the Secretary, under such terms, at such rates, and for such periods (not exceeding five years), as the Secretary may deem to be in the public interest, is authorized to permit the use by public and private agencies, corporations, associations, or other organizations, or by individuals of any real property, or any facility, structure, or other improvement thereon, acquired pursuant to sections 427 and 428, under the custody and control of the Secretary for Department purposes. The Secretary may require permittees under this section to recondition and maintain to a satisfactory standard, at their own expense, the real property, facilities, structures, and improvements involved. This section shall not apply to excess property as defined in section 3(e) of the Federal Property and Administrative Services Act of 1949.

(c) Proceeds from reimbursements under this section may be credited to the appropriations or funds that bear all or part of the cost of such work or services or used to refund excess sums when necessary, except that such proceeds may be credited to a working capital fund otherwise lawfully established, including a fund established pursuant to section 432 of this Act, and used under the law governing such fund.

(d) Any interest in real property acquired pursuant to this Act shall be acquired in the name of the United States Government.

COPYRIGHTS AND PATENTS

SEC. 430. The Secretary is authorized to acquire any of the following described rights if the property acquired thereby is for use by or for, or useful to the Department:

(1) copyrights, patents, and applications for patents, designs, processes, and manufacturing data;

(2) licenses under copyrights, patents, and applications for patents; and

(3) releases, before suit is brought, for past infringement of patents or copyrights.

GIFTS AND BEQUESTS

SEC. 431. The Secretary is authorized to accept, hold, administer, and utilize gifts, bequests and devises of property, both real and personal, for the purpose of aiding or facilitating the work of the Department. Gifts, bequests, and devises of money and proceeds from sales of other property received as gifts, bequests, or devices shall be deposited in the Treasury and shall be available for disbursement upon the order of the Secretary.

WORKING CAPITAL FUND

SEC. 432 (a) The Secretary, with the approval of the Director of the Office of Management and Budget, is authorized to establish for the Department a working capital fund, to be available without fiscal year limitation, for expenses necessary for the maintenance and operation of such common administrative services as the Secretary shall find to be desirable in the interests of economy and efficiency, including such services as a central supply service for stationery and other supplies and equipment for which adequate stocks may be maintained to meet in whole or in part the requirements of the Department and its components; central messenger, mail, telephone, and other communications services; office space, central services for document reproduction, and for graphics and visual aids; and a central library service.

(b) The capital of the fund shall consist of any appropriations made for the purpose of providing working capital and the fair and reasonable value of such stocks of supplies, equipment, and other assets and inventories on order as the Secretary may transfer to the fund, less the related liabilities and unpaid obligations. Such funds shall be reimbursed in advance from available funds of agencies and offices in the Department, or from other sources, for supplies and services at rates that will approximate the expense of operation, including the accrual of annual leave and the depreciation of equipment. The fund shall also be credited with receipts from sale or exchange of property and receipts in payment for loss or damage to property owned by the fund. There shall be covered into the Treasury as miscellaneous receipts any surplus of the fund (all assets, liabilities, and prior losses considered) above the amounts transferred or appropriated to establish and maintain such fund. There shall be transferred to the fund the stocks of supplies, equipment, other assets, liabilities, and unpaid obligations relating to the services which the Secretary determines, with the approval of the Director of the Office of Management and Budget, will be performed.

FUNDS TRANSFER

SEC. 433. The Secretary may, when authorized in an appropriation Act in any fiscal year, transfer funds from one appropriation to another within the Department, except that no appropriation for any fiscal year may be thus increased or decreased by more than 10 per centum.

SEAL OF DEPARTMENT

SEC. 434. The Secretary shall cause a seal of office to be made for the Department of such design as the Secretary shall approve. Judicial notice shall be taken of such seal.

ANNUAL REPORT

SEC. 435. The Secretary shall, as soon as practical cmfwyetaoincmfwyetaoicmfwyetao practicable after the close of each fiscal year, make a single, comprehensive report to the President for transmission to the Congress on the activities of the Department during such fiscal year. Such report shall include a statement of goals, priorities, and plans for the Department together with an assessment of the progress made toward the attainment of those objectives, the more effective and efficient management of the Department, and the coordination of its functions. Such report shall also include an estimate of the extent of the non-Federal personnel employed pursuant to contracts entered into by the Department under section 425 or under any other authority (including any subcontract thereunder), the number of such contracts and subcontracts pursuant to which non-Federal personnel are employed, and the total cost of those contracts and subcontracts.

AUTHORIZATION OF APPROPRIATIONS

SEC. 436. Subject to any limitation on appropriations applicable with respect to any function transferred to the Department or the Secretary, there are authorized to be appropriated such sums as are necessary to carry out the provisions of this Act and to enable the Department and the Secretary to perform any function or conduct any office that may be vested in the Department or the Secretary. Funds appropriated in accordance with this section shall remain available until expended.

RELATIONSHIP TO GENERAL EDUCATION PROVISIONS ACT

SEC. 437. Except where inconsistent with the provisions of this Act, the General Education Provisions Act shall apply to functions transferred by this Act to the extent applicable on the day preceding the effective date of this Act.

TECHNICAL ADVICE

SEC. 438 (a) The Secretary is authorized, upon request, to provide advice, counsel, and technical assistance to applicants or potential applicants for grants and contracts and other interested persons with respect to any functions of the Secretary or the Department.

(b) The Secretary may permit the consolidation of applications for grants or contracts with respect to two or more functions administered by the Secretary or the Department, but such consolidation shall not alter the statutory criteria for approval of applications for funding with respect to such functions.

ALTERNATIVE ADMINISTRATIVE STRUCTURES WAIVER

SEC. 439. Notwithstanding any other Federal law which provides that a single State or local government, department, agency, multimember board or commission, or other organizational unit, or specific officer within a department, agency, multimember board or commission of State or local government, must be established or designated to administer any grant-in-aid program of the Department, upon certification by the appropriate executive or legislative authority of the State or local government responsible for determining or revising the organizational structure of such government that such provisions prevent the establishment of the most effective and efficient organizational arrangements within the State or local government, the Secretary may waive such provisions and approve other State or local administrative structures or arrangements, when he determines that the objectives of the Federal statute authorizing the program will not be thereby endangered.

● **Mr. KASTENMEIER.** Mr. Chairman, although I support the notion of creation of a separate Department of Education, I regret that I cannot vote for this bill. It has been so amended in specific respects as to not only render parts of it constitutionally questionable, but also make it objectionable as a declaration of policy.

The school prayer amendment adopted yesterday, making it an official purpose of the department to permit daily opportunity for voluntary prayer or meditation in public elementary and secondary schools is, in my view, unconstitutional and has no place in this or any bill. The language clearly runs counter to the first amendment rights which we have traditionally upheld and counted on since the founding of this Nation.

The Supreme Court has consistently held that the Government must maintain a neutral position with regard to religion in public schools. Moreover, prayer in public schools is prohibited in the constitution of my own State of Wisconsin, as affirmed by a State Supreme Court decision in 1893.

To those who argue that there is no prescribed prayer in this amendment, no coercion, no Government interference, I would make a couple of points.

First, it is proclaimed as an official purpose of the Department of Education. That is a Government decree.

Second, to the extent that children must be in school and, presumably, must participate in silent prayer when the designated time is set, or not pray if that child so chooses, Government involvement is present under the amendment.

Any student, whenever he or she wishes, may voluntarily and silently pray at any time they so choose. The Court did not throw out the concept of an individual's right to pray. The Court simply said that we cannot have Government involvement.

Justice Clark, in writing for the majority in Murray against Curlett, Abington School District against Schempp, in 1968 clearly stated the prohibition of the first amendment against any government role in promoting religion. He said:

> The place of religion in our society is an exalted one achieved through a long tradition of reliance on the home, the church and the inviolable citadel of the individual heart and mind. We have come to recognize through bitter experience that it is not within the power of government to invade that citadel, whether its purpose or effect be to aid or oppose, to advance or retard. In the relationship between man and religion, the state is firmly committed to a position of neutrality.

Justice Clark went on to note that it is irrelevant that such practices may seem "relatively minor encroachments on the first amendment. The breach of neutrality that is today a trickling stream may all too soon become a raging torrent."

Mr. Chairman, this amendment clearly violates the neutrality the Court spoke of. Religion, if it is to have a place in an individual's life, must be promoted by the home, the church, and each individual's own desires. If these traditional sources cannot achieve the kind of religious awareness and commitment some are apparently seeking, it will not be obtained by finding someone else to do the job. It will not be obtained by turning that responsibility over to the schools.

Time and time again we have heard many of the same Members who support this amendment say on this floor that the Government has no right to interfere in matters which are the responsibility of the parents. Yet, this amendment runs directly counter to that claim. Further, I was under the impression that opponents of this bill are concerned that the Department will get involved in the decisions traditionally made on the local level, that the department will attempt to influence curricula choices. What, pray tell, do they think this amendment does except get the Federal Government involved in local decisionmaking? It simply has no place in this bill.

The school busing amendment is another to which I have the strongest objections. This amendment, which effectively prohibits the Secretary from requiring busing of students or teachers to carry out desegregation as a condition of eligibility for Federal assistance is another in a long line of efforts by certain Members of Congress to undo what have been great strides in the area of school desegregation.

While the courts have clearly indicated that busing should not be considered the only remedy for desegregation, they have indicated that busing must be considered a possible remedy. In the unanimous decision of the Supreme Court in Swan against Charlotte-Mecklenburg Board of Education back in 1970, Chief Justice Burger, writing for the Court, said the Court found "no basis for holding that the local school authorities may not be required to employ bus transportation as one tool of school desegregation. Desegregation plans cannot be limited to the walk-in school."

Yet, by removing busing as a possible remedy, this amendment removes one of the most important symbols of the commitment of the Government to provide an equal education to all of our children.

It is regrettable that some have managed to so encumber this bill. Education does deserve the priority creation of a separate department would give it. But, we cannot begin to compromise basic principles in the process, at least I cannot.●

Mr. BROOKS. Mr. Chairman, I move that the Committee do now rise.

☐ 2400

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. Nedzi, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 2444) to establish a Department of Education, and for other purposes, had come to no resolution thereon.

PERSONAL EXPLANATION

(Mr. GILMAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GILMAN. Mr. Speaker, I ask unanimous consent to enter a personal explanation at this point in the Record.

Earlier today, I was inadvertently absent during rollcall No. 233, an amendment to move CETA training functions to the Department of Education. Had I been present, I would have voted "no" on that amendment.

WHO NEEDS THE MX?

(Mr. DELLUMS asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. DELLUMS. Mr. Speaker, I would like to enter into the Record for the benefit of my colleagues, an editorial by the noted columnist, Mr. Tom Wicker, which appeared in the New York Times on June 12, 1979. I believe that this article provides useful insights into the decision to deploy the MX missile system. I am hoping that my colleagues will consider these thoughts carefully.

WHO NEEDS THE MX?

(By Tom Wicker)

After telling the National Security Council the other day that he would approve full-scale development of the MX mobile intercontinental ballistic missile, President Carter is reported to have said, "I feel confident with this decision."

Not everyone will. As Mr. Carter had just been told in a letter from several nuclear arms authorities: "$30 billion seems an exorbitant price to pay for a system that adds so little to American security and promises to end by decreasing it."

And for the same money over the same years, Mr. Carter could underwrite a Manhattan Project to cope with an energy crisis far more threatening to American security than the likelihood of a Soviet nuclear attack.

The case for the MX is weak enough, in fact, to arouse suspicion that Mr. Carter is approving its development only to win the ratification votes of senators who now fear that the SALT II treaty would weaken American security, and to keep the Joint Chiefs of Staff from denouncing the treaty.

But if Mr. Carter's decision is taken at face value—as at the moment it must be—supporting the MX still requires several dubious leaps of faith. First among them is a conviction that the Soviet Union does indeed pose and intend a threat to the United States' nuclear deterrent.

It appears to be true that by the mid-1980's, Soviet missilery will have been so improved in accuracy and equipped with multiple, independently targeted warheads (MIRV's) that its use in a surprise attack might wipe out the present American land-based missile force. Is such an attack conceivable?

To consider it so, you have to believe the Soviets would make the attack knowing that even if it also took out the two-thirds of the American bomber force not kept on alert, the United States still would have 800 nuclear warheads aloft in one-third of its bombers and 3,000 nuclear warheads afloat in two-thirds of its submarines (the number normally kept at sea).

These figures do not include the more than 2,000 nuclear warheads to be installed in the 10 new Trident submarines already approved (one already launched). A Soviet attack in the teeth of such an assured second-strike force seems suicidal—particularly for nothing more than the destruction of an ICBM force that contains only about 25 percent of American nuclear warheads.

The Soviets seem far more vulnerable to *us* All their 1,400 land-based missiles, all their 150 bombers and 85 percent of their submarines (the number normally in port) would be at least theoretically vulnerable to an American attack, leaving them only about 200 submarine-based warheads with which to retaliate. If 200 Soviet warheads are a sufficient second-strike capacity to deter the United States from a first strike, why aren't 3,800 American second-strike warheads sufficient to deter the Soviets?

But if you nevertheless accept the Soviet threat as real, you still have to convince yourself that the MX mobile missile is the right response. The Carter Administration, for example, apparently narrowed the options to two—a landbased MX and further submarine missile development. Then Mr. Carter chose the MX, which on the face of it seems more expensive and less secure from attack. It will entail more development risks and costs than the submarine weaponry already in being or in the works, and it's bound to encounter severe environmental and political resistance.

What state is going to want a huge number of MX missiles, each in a 20-mile trench studded with protective shelters and lined with railroad track, over which a single missile with the destructive power of 200 Hiroshima-type bombs will be shunted back and forth in an effort to keep the Soviets from knowing where it is? How can this clumsy, costly, environmentally destructive apparatus, eating up the landscape over several states, be preferable to swift and silent submarines?

But even if you accept the threat and the MX as the best response, you must further convince yourself that the mobile missile will not be destabilizing to the balance of nuclear deterrents. The history of the strategic arms race is that if one side leaps momentarily ahead, the other follows. The American decision to deploy MIRV's, for example, prevented the possibility of agreeing with the Soviets to ban such weapons; now the inevitable development of Soviet MIRV's has largely produced that very threat to American ICBM's cited as the necessity for building the MX.

Won't MX development cause the Soviets to see their land-based missile force (on which they rely far more heavily than we do on ours) as inferior? Won't that cause them to develop their own MX, hence making their land-based force less vulnerable to attack from us? And won't that lead both sides to target more warheads on more different sites where the other might possibly have hidden a missile?

If stategic weapons history has any relevance, that is exactly what will happen, thus raising costs and lowering security on both sides. And what about verification, a vital component of deterrence? More on this and other questions in another article.

CONGRESS MUST SET EXAMPLE FOR NATION IN FIGHT AGAINST INFLATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Wisconsin (Mr. PETRI) is recognized for 5 minutes.

● Mr. PETRI. Mr. Speaker, almost every day brings us new and disturbing news about our country's economic situation. Inflation is the No. 1 problem facing our Nation today. That is the message I get from my constituents everywhere I travel in my district. I suspect my colleagues are hearing much the same things in their districts.

I opposed pay increases for the Wisconsin Legislature when I was a member of the senate in that State. I oppose any new congressional pay raise now. I feel strongly that, in these time of high inflation, Congress should not approve a new pay raise.

We have been criticized in the press and in public opinion as a "privileged class." If Congress approves any new pay increase, we are indeed setting ourselves up as a privileged class.

Congress has to set the example for the Nation in the fight against inflation. One way we can do this is to vote down the previous question on the rule. By doing so, we will be giving the people word that Congress is not seeking to place itself above the people we represent.●

PERSONAL EXPLANATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania (Mr. GOODLING) is recognized for 5 minutes.

● Mr. GOODLING. Mr. Speaker, I was absent Tuesday, June 12, from 4 p.m. until 8:23 p.m., because I was delivering the commencement address to my daughter's graduating class. During the ceremony, Jennifer Elizabeth Goodling, received an award for receiving academic honors during each of the six marking periods in the senior year of her high school experience.

During my absence for this most important family experience, I would have voted as follows had I been present:

Rollcall No. 214, "yes".
Rollcall No. 215, "yes".
Rollcall No. 216, "no".
Rollcall No. 217, "yes".
Rollcall No. 218, "yes".
Rollcall No. 219, "present".
Rollcall No. 220, "yes".
Rollcall No. 221, "yes".●

WHAT DO BRITAIN, CANADA, EGYPT, INDIA, AND PUERTO RICO HAVE THAT THE UNITED STATES DOES NOT; RULING PARTIES MADE POPULAR BY BOLD MOVES TO RESTORE INCENTIVES FOR INDIVIDUAL EFFORT AND ECONOMIC GROWTH

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. KEMP) is recognized for 20 minutes.

● Mr. KEMP. Mr. Speaker, in announcing a new budget yesterday, British Prime Minister Margaret Thatcher and her Conservative Party have fulfilled promises which may make the May 3 Tory victory one of the most important political and economic events of this era. For the first time in a century, a Tory government has come to power in Britain on the explicit promise to expand the domestic economy with significant reductions in tax rates on personal income.

Several days before the elections, Mrs. Thatcher summarized the theme of her campaign:

> What we offer is lower taxation because we believe people are entitled to a bigger portion of the fruits of their own efforts. If they dont' get that, they won't work harder, we shall not get expansion. We shall not get a higher standard of living or the money for helping the disabled or improving the prospects for our children.

Yesterday, the Conservative government made good on that offer, and laid what Chancellor of the Exchequer Sir Geoffrey Howe called "the keystone of our policy." Tax rates on personal income were cut across the board. The top rate on earned income was lowered from 83 to 60 percent. The bottom rate was cut from 33 to 30 and further reduced by increasing personal exemptions by about twice the amount necessary to adjust for inflation.

The New York Times called this move "the most radical change in the country's economic direction since the Labor Party's quiet revolution of the early postwar years."

Sir Geoffrey called it commonsense:

> Excessive rates of income tax bear a heavy responsibility for the lackluster performance of the British economy. Both Labor and Conservatives governments have spent too much time and effort trying to use the income tax to level down the British classes by redistributing income. This is no good to anybody. We cannot have a successful and prosperous society without successful and prosperous people.

In addition to the cuts in personal income tax rates, the budget for the fiscal year ending April 1980 includes many of the proposals on which Prime Minister Thatcher campaigned. For example:

The tax rates on dividend income will be lowered across the board, reduced from a maximum of 98 percent down to 75 percent, while the income exclusion at the bottom was raised from 1,500 to 5,000 pounds to help the many, especially elderly, people who rely on such income.

Controls limiting dividend increases to 10 percent a year will be abolished and exchange controls will be relaxed. This will, among other things, permit British companies to expand overseas.

The Bank of England has increased its minimum lending rate from 12 to 14 percent, a perfect complement to tax reduction in reducing inflation by restraining demand and encouraging supply at the same time.

More than $2 billion in public assets, including additional British Petroleum stock, will be sold. The government deficit, or public sector borrowing requirement is expected to drop by more than $2 billion as a net result of the economic program.

The national sales tax (VAT) will be increased from 8 to 15 percent on some items, and 12½ to 15 percent on luxury goods. Food, other essential goods and services are exempt.

I personally believe the VAT did not need to be raised and hope that as the economy responds more cuts are in order on VAT and income tax rates.

The principle of taxing income more when it is spent and less when it is earned is a good one in many respects. This approach gives individuals a choice in determining the size of their aftertax incomes by changing their consumption patterns, and encourages saving and investment. However, the unexpected size of this increase does appear to be revenue overkill, stemming from a lack of confidence in the incentive effects of some of the other tax measures. The smaller relative increase in tax on luxury goods than on other goods also tends to shift the burden for this tax toward the middle and lower end of the income scale. Therefore, this is the one measure of the economic program which I would question.

As I said, the most important announcement is the Government's firm commitment to further tax rate reductions. Sir Geoffrey called the budget "only the first step" in revitalizing the British economy, singling out further reduction in the bottom rate on personal income from 30 to 25 percent.

The emphasis of Britain's new economic leadership is on increasing production and "supply" by increasing individual incentives. This has ended the destructive preoccupation with demand-oriented measures which has muddied the thought of British political parties, left, right and center, for decades. According to the New York Times, Sir Geoffrey—

> Dismissed excuses like slow economic growth elsewhere as a key to British failures. "The truth is that our troubles are very largely homemade," he asserted. "If we tackle them ourselves then we can pull our own economy around even in a world of slow growth."

By simultaneously restricting money, reducing demand pressures generated by Federal spending, and encouraging production, the Conservative government has chosen a path of strong economic growth with less inflation. Without a doubt, the British experience will have profound implications for politicians around the world.

There can be no serious question that the anticipation of this new tax policy was decisive in producing the Tory 43-seat majority in the House of Commons. Prime Minister Thatcher has now succeeded economically as she has politically, and I believe we could see similar changes throughout the world and hopefully in this country. The result could be a wave of private sector economic growth and a worldwide relative shift out of real assets into financial assets that will reverse the process of the 1970's.

Canada: We have already seen the immediate effect of the Thatcher success in the May 13 victory of Canadian Conservative leader Joe Clark. Clark defended his own tax-cutting election platform against assaults by Prime Minister Trudeau and New Democratic leader Ed Broadbent. Like Mrs. Thatcher, he centered his campaign on the idea that lower marginal rates will expand the economy and produce higher government revenues. Clark specifically pledged to propose legislation that will make mortgage interest payments deductible from taxable income, a measure that will have the rough effect of reducing marginal income tax rates across the board.

He was also specific in citing the tax cut arguments of many supply side legislators in the United States of America as having influenced him and the Tory platform. The issue revived what was a moribund Progressive Conservative Party that has enjoyed power only a half dozen years of the last 45.

Mr. Speaker, Britain and Canada are not the only countries where the idea of increasing the incentive for production and growth has taken on new political and economic significance. Rapid changes seem to be on the rise in the Third World countries, especially those which originally designed tax systems off the British model.

The Middle East: Both Egypt and Israel are in the category of troubled economies with tax systems designed in London. The conventional wisdom is that peace in the Middle East will now depend on economic expansion of the Israeli and Egyptian economies. President Anwar Sadat, in particular, counts on Egyptian prosperity providing him with political support necessary to maintain the Israeli peace accords, and that such prosperity will require massive doses of foreign aid from the United States to offset the loss of aid from Saudi Arabia. Israel, too, counts on continued injections of resources from the United States. I believe the answer for both countries lies in internal tax reform.

Egypt is already on the way toward an economic revival that could bring major advances in living standards to the country's 40 million people in a few years. Since 1961, when "strongman" Gamal Abdel Nasser decreed a series of socialist experiments, the tax rates on personal incomes have been confiscatory above the level of small shopkeepers. Since 1971, Sadat has been inching the domestic economy back in the direction of market capitalism. In January, the long-debated tax reform on personal income took effect. Here is the tax schedule, before and after:

TAX SCHEDULE 1961–1978

Taxable income (EL)[1]:	Rate in percent
Up to 1,000	exempted
Up to 1,500	8
Up to 2,000	9
Up to 3,000	10
Up to 4,000	15
Up to 5,000	25
Up to 6,000	40
Up to 7,000	50
Up to 8,000	60
Up to 9,000	70
Up to 10,000	80
Over 10,000	95

TAX SCHEDULE 1979

Taxable income (EL)[1]:	Rate in percent
Up to 1,200	exempted
Up to 2,000	8
Up to 3,000	9
Up to 4,000	10
Up to 5,000	11
Up to 6,000	12
Up to 7,000	13
Up to 8,000	20
Up to 9,000	25
Up to 10,000	30
Up to 15,000	35
Up to 20,000	40
Up to 30,000	45
Up to 40,000	50
Up to 50,000	55
Up to 60,000	60
Up to 70,000	65
Up to 100,000	70
Over 100,000	80

[1] Egyptian pound (EL) equals $1.44.

Source: International Bureau of Fiscal Documentation.

The old rates were so steeply progressive, and tax collectors so poorly paid at roughly LE 40 per month, that the income tax was efficiently evaded by most of the population and only about 2 percent of total revenues flowed from the tax. Of course, capital intensive enterprises could not be assembled, being too visible, to tax collectors, so the economy has functioned almost entirely on the barter level. Since the reform, I am told by officials of the Egyptian Embassy in Washington that capital markets are already developing at the curbstone level to support incipient enterprises. Sadat has effectively halted Egypt's "brain drain," and Egyptians who left in earlier years are now repatriating earnings at the rate of $600 to $700 million annually, with expectations this will rise to $1 billion in calendar 1980. It is once again possible to accumulate capital in Egypt, and the only wonder is that Sadat left nominal rates as high as he did, except that he has left room for further rate reductions into the 1980's.

Both the London Economist and the New York Times in recent weeks have featured hand-wringing portraits of the supposedly beleaguered Sadat, as if the Egyptian prosperity depends on the flow of Saudi aid now cut off. It is my guess that Sadat's tax reform, plus Egyptian recovery of the Sinai oilfields, will be more than sufficient to offset the loss of Saudi aid, and that Egypt is indeed headed toward a major expansion. As far as I can tell, the Egyptian tax reform has not yet been reported in the popular press of either the United States or the United Kingdom.

Israel: On the other hand, Israel is in the tragic position where its economic prospects are exceedingly bleak no matter how much foreign aid in the Federal budget. The problem is that Israeli external debt, at $3,200 per capita, is the highest in the world, and there is no one outside Israel who is arguing that the debt can be more easily paid off if the internal tax rate is lowered. Israeli Prime Minister Menachim Began has, based on good intentions, incorrectly, I think, pressed austerity on the electorate. The last "tax reform" in Israel for example was in 1975, when the Israel equivalents of the McGovernites ran amok closing loopholes, including the Israeli equivalent of the "Three-Martini Lunch." True, the top marginal rate on personal income was cut to 60 percent. But the Israeli tax reform left the thresholds intact. The schedule for tax year 1977 illustrates the punishing wedge the Israelis face on income alone. The incomes are in U.S. dollars, converted at the 1977 rate of $1 U.S. equals 11 IL.

TAXABLE INCOME

	Percent
Up to $1,767	Exempt
Up to $4,036	25
Up to $7,418	35
Up to $8,727	45
Up to $11,454	50
Over $11,454	60

Although the rate of inflation was 50 percent in 1978, and in two years the Israeli pound has plummeted from 11 to the $1 to 23 to the $1, these income-tax rates have presumably been fully adjusted by the indexing system. Still, the above rates are roughly comparable to the progressive schedules in Pakistan. And it is one thing to exact such heavy taxation during war conditons, but another to attemp to exact them without war. By attempting to squeeze the population of 3,700,000 in order to pay interest on the $12 billion external debt, the government has gone well past the point of diminishing returns.

Much of the economy now operates at the barter level, with an estimated $2 to $3 billion in income unreported, roughly a quarter to a third of the gross domestic product. The inflation rate will easily exceed 60 percent in 1979; the 1-month consumer price index rise in April was at an annual rate of 100 percent. Like his conservative counterparts in the United States, Israeli Finance Minister Simcha Erlich can only think of proposing cuts in government spending, but two thirds of the budget is chewed up by defense outlays and debt service.

The correct economic strategy is to convert the tax structure to a peacetime footing: Knock 15 points off the corporate tax rate of 61 percent; drop the top rate on personal income to 30 or 35 percent, which would immediately bring in a third of the unreported income and at the same time push the level of national productivity to a higher plateau.

This is my hope for the people of Israel. But the chances that the Begin government would be so adventurous with fiscal policy are not very high, unfortunately, which suggests that the economy will remain troubled unless these ideas catch on in Israel. I pray that they do, because Mr. Begin is a great leader and Israel is a great nation.

India: In the summer of 1975, Prime Minister Indira Gandhi suspended democratic rule and civil liberties in the country of India. Political opponents, revolutionaries, student agitators, and labor leaders were thrown into prison, press censorship began, and Mrs. Gandhi began ruling by decree. These moves, in themselves, would have insured revolution and guerilla warfare.

But as an unnoticed and, in the West, unreported strand of the government's new order, the tax rates were reduced. Finance Minister C. Subramaniam used the suspension of parliamentary activity to put through a pet idea. Not only was the 12½ percent surtax removed, but the top rates were cut to 77 percent from 85 percent. The wealth tax, which had been 8 percent annually on assets of about $2 million, was slashed to 2½ percent, and an urban-property wealth tax, which ranged from 5 percent to 7 percent annually, was abolished entirely. Corporate tax rates were cut and progressive taxes on investment and royalty income were replaced with proportional rates.

Suddenly, the rupee began climbing against sterling on the exchange markets. The rate of price inflation, which had been running at 30 percent dipped to 10 percent, and real growth of 3 percent was recorded in the following 6 months—a period of contraction elsewhere in the world. And as treasury revenues exceeded projections by 15 percent, in April of 1976 Subramaniam whacked at personal rates again, cutting the top rate to 66 percent and adjusting brackets down along the line. Where the 60 percent bracket had been encountered at $5,000, it was not hit at $10,000. Bumper crops came in from the farms. Real growth ran to 6 percent in the first quarter and moved to 10 percent for 1976. The consumer price index declined in 1976. Foreign reserves began piling up at the rate of $150 million per month, even as imports of oil doubled.

Unfortunately for Mrs. Gandhi, instead of identifying the tax cuts as a major source of the economy's buoyancy, she turned more and more of the Government's revenues to spending programs, when yet another tax-rate cut was in order. Worse, she defended her suspension of democracy in 1975 instead of admitting error, and she weakly defended the Government's heavy-handed birth-control program.

The patient Indian electorate had not clung to democracy for 30 years, waiting for a politician who would understand the incentive exect of tax cuts, only to reward an accident that attended suspension of the democratic system. Mrs. Gandhi and her Congress Party were pitched out, and almost the entire cabinet went down in defeat in the parliamentary elections as well. Subramaniam, though, was returned to his seat.

In the years since then, the new Janata Government's tax reform experience might be best summarized in the following March 1979 editorial from the Times of India:

> Not since the late fifties has a new year for our republic begun with so much promise and so much hope. For ten bleak years, after the end of the Third Plan this country was battered by a succession of blows which would well have brought a mightier nation to its knees. And they came at a time when agricultural production had more or less attained a plateau (1961 to 1967) and foreign exchange was in critically short supply. While the former bred inflation, price controls and a tight money policy, the latter gave birth to a forest of export and import controls. This restrictive regime strangled the economy and further heightened inflation pressures. The stagnation which ensued lasted, without a break for exactly a decade. Even the wheat revolution failed to break its grip, for after five years of growth agricultural production reached a new plateau in 1971–72.
>
> When the national cake stopped growing, energies inevitably got diverted into appropriating more of what was being produced at the expense of others in society. In the bitter struggle that ensued the strong and the organized triumphed and the weak were driven to the wall. Labor unrest increased by leaps and bounds. Smuggling, bootlegging, blackmarketing and tax evasion flourished. The "emergency" could be said to be the logical clumination of these trends, but by an irony of history, it was imposed at precisely the moment when the country's enconomic fortune was about to change again.
>
> Today the experiences of the dark decade are beginning to recede from the public memory. Since 1975–1976 the national income has grown on an average by 5.8 percent a year and is likely to go up another five percent by April this year. Industrial growth has finally begun to respond to the sea change in the economy and has been rising by eight to nine percent this year. The current years' output of foodgrains is likely to equal or exceed the record crop of 126 million tons obtained last year and the foreign exchange reserves of the country are continuing to grow despite a slowdown in the growth of exports and a sharp rise in imports.
>
> These statistics may mean little to the common man. But even he knows that after eating poor rice and imported red wheat for a decade he is now getting fine long grain rice and the whitest and softest of wheat from the ration shops, that the oil he buys for cooking is no longer adulterated, that sugar, onions and potatoes are cheaper than they have been at almost any time in the last seven years, and that the nightmare of queing endlessly at ration shops only to have the shutters put up in his face, and searching desperately for a black-market supplier has come to an end. Today he is looking forward to the future once more with hope.
>
> The Janata government, therefore, has a profound duty to ensure that nothing comes in the way of further growth. Its liberalization of imports a year ago has already paid good dividends. It must now shed all undue caution (such as characterized last year's budget) and adopt policies designed to raise the rate of investment both in the towns and the countryside.

Puerto Rico: Since taking power in 1977, Puerto Rican Gov. Carlos Romero has been vigorously applying a step-by-step tax cut program. In September 1978 he announced that a 5-percent surtax enacted back in 1954 would be abolished, and that sometime in 1979 or 1980 there would be a 10-percent cut in all income tax rates.

The result? M. S. Forbes, Jr. in an October 1978 column in Forbes Magazine described the Puerto Rican experience first with Keynesian theory and then with the supply side theory behind cuts in marginal tax rates. With this, he describes the influence University of California Prof. Arthur Laffer has had with the Puerto Rican government:

> In the 1950s and 1960s Puerto Rico experienced a German-like economic miracle. But in the early 1970s the economy sputtered and then, with the quadrupling of oil prices, economic growth disappeared.
>
> The initial response of the Commonwealth's government compounded the island's problems. At the behest of a blue-ribbon committee of American economists, bankers and financiers, Puerto Rico raised taxes in 1974. The theory was that the increased exactions would reduce inflation and dampen consumer spending, which was considered "bad." Business investment was regarded as "good," and there were no new levies there.
>
> The program was a flop. The economy continued to "sit down," as Puerto Ricans put it. In 1976 voters threw out the incumbent governor and his long-dominant party.
>
> Thanks in large part to Romero's tax-cutting moves, Puerto Rico's economy is perking again. After experiencing no growth in 1974–76, it expanded almost 5% last year and should do even better this year.
>
> What makes the new governor's Laffer-like actions the more noteworthy is that under the Commonwealth's constitution the budget must be balanced. Carlos Romero has little margin for error.
>
> The governor has also raised eyebrows by slightly raising corporate taxes. He isn't however, antibusiness. Says Laffer: "For a healthy economy, you should have a better balance of taxes on labor and business."
>
> One need only look at the U.K. to see the truth of that. Britain, like Puerto Rico, has draconian taxes on personal income. Britain also has just about the most liberal corporate investment incentives in the West. Result: stagnation.
>
> Puerto Rico bears close watching now, especially by the more conventional economists whose thinking still dominates U.S. economic policymaking. It is they who may deserve searching criticism, not the backers of Kemp-Roth.

The United States: In all of these countries, experience has shown that rather than increasing revenue, steadily rising effective income tax rates drive economic activity underground when the rates become too prohibitive. This is especially true of Britain, and of all of the countries mentioned, where bartering has become the vehicle for economic activity for large segments of the population.

In the United States, the size of the burgeoning subterranean or barter economy is estimated at $220 billion, actually one-tenth the size of our official GNP. Yet, in spite of our obvious similarity with other countries, we still hear it argued that the Federal Government can wait another 2 years to do something about our rapidly rising marginal tax rates due to inflation and excessive progressivity.

Mr. Speaker, Economist Leonard Silk, of the New York Times has reported on the U.S. underground barter economy in an account of a study by Prof. Peter Gutmann, of Baruch College. Professor Gutmann estimates that at an average tax rate of 20 percent, subterranean economic activity would yield more than $40 billion in Federal revenues alone were it taxable. The key to yielding more revenue is to bring people back into the taxpaying economy by lowering their marginal tax rates across the board.

I would like to submit Mr. Silk's April 27, 1979, article as a forceful illustration of the counterproductive budgetary and economic effect of reducing incentives through the combined effect of inflation and excessive income tax progression. His comments, together with the recent events in Britain, Canada, Egypt, India, Puerto Rico, and other countries around the world, serve to prove that people do respond to tax rates and that good economics can make for good politics and vice versa. Mr. Silk's article follows:

Economic Scene: The Hidden Economy

(By Leonard Silk)

The combination of high taxes, inflation and eroding respect for government is splitting every advanced industrial nation into two economies—an above-ground economy that, as Prof. Peter M. Gutmann of Baruch College in New York says, is legal and taxed, and a subterranean economy that is illegal and untaxed.

No one really knows how large the underground economy is; by its very nature, underground work is done in the dark. (In France it is called "travail au noir," in Italy "lavoro nero," in West Germany "schwartzarbeit" and in England, more insouciantly, "fiddling.")

But Professor Gutmann asserts that last year the American subterranean economy accounted for roughly $220 billion, or slightly more than 10 percent of the gross national product. So huge a figure implies that underground income is being received not just by gangsters, racketeers, drug peddlers, prostitutes and illegal gamblers, but by a lot of people who think of themselves as respectable and law-abiding citizens, and who, for the most part, are.

Joseph A. Pechman of the Brookings Institution, who is one of the country's leading tax experts, believes that the largest single group of nontaxpayers are domestic workers, a vast number of whom are paid in cash without their employers contributing to or deducting taxes for Social Security, unemployment insurance or other benefits.

Nowadays, however, there are many other types of subterranean transactors; retailers who skim off part of the sales taxes they collect to keep for themselves; plumbers; builders; garage mechanics; diamond merchants; orchestra leaders who ask to be paid in cash and will often give a substantial discount if they are; employees working "off the books"; businessmen who pay their suppliers in cash, plus hundreds of thousands of working illegal immigrants.

Is the underground economy growing relative to the above-ground economy? There is no way to be sure, but Professor Gutmann contends that it is, using the more rapid growth of cash than of demand deposits as a prime indicator of the trend. In the 12-month period ending April 4, 1979, he points out, currency in circulation increased by 9.6 percent while checking accounts at commercial banks rose by only 2.6 percent.

However, such figures are not definitive proof. Gross national product in dollars uncorrected for inflation grew by 13.7 percent from the first quarter of 1978 through the first quarter of 1979. Thus, though currency in circulation grew over three times as fast as demand deposits, it did not keep pace with money G.N.P. The sluggish growth of demand deposits resulted from shifts out of checking accounts into certificates of deposit, money market funds and other high-yielding assets, not into currency. On the other hand, the fact that cash has not gone into these instruments suggests an effort to evade the tax collector.

Over the longer run, cash has maintained in large part its share of reported G.N.P., while demand deposits have not. Back in 1939, for example, currency in circulation amounted to 6.8 percent of G.N.P. By 1960, this cash ratio had come down to 5.8 percent, and by 1972 to 4 percent. But in 1973, a year when inflation began to roll, the cash ratio jumped to 4.7 percent, and it has stayed high, amounting to 4.6 percent last year. By contrast, demand deposits back in 1939 equaled about 30 percent of G.N.P., but today amount to only 12.5 percent. So the suspicion that people are evading the tax collector by hiding in noninterest-bearing currency looks well founded.

Inflation plays a double role in promoting this trend. First, it pushes people into higher and higher tax brackets without allowing for proportionate increases in their real income. Second, it undermines their sense of justice; many feel they are being deprived of their hard-earned money by irresponsible government and controlled by others who are benefitting from government payments, subsidies of tax breaks.

This leads to what Professor Gutmann labels "the new morality," which he thinks began with an unwillingness to pay for the unpopular Vietnam War. He finds an "increasing tendency to 'rip off' the system for whatever is possible," both in tax evasion and in abuses on the spending side of the budget.

How can one get rid of the subterranean economy?

No easy answers exist. Mr. Pechman's suggestion is tax reform, "to reduce the cost of participating in the legal economy." He would cut taxes, reduce the role of government in the economy and switch to less visible taxes, such as the value-added tax, a sort of sales tax built into the price of a product. But in Britain and on the Continent, where the tax has been in effect for a while, people have discovered how to cheat on the value-added tax, too.

PERSONAL EXPLANATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Massachusetts (Mr. Drinan) is recognized for 5 minutes.

● Mr. DRINAN. Mr. Speaker, due to a longstanding obligation as a board member of the National Conference of Christians and Jews, I was unable to be present in the House for a brief period yesterday during consideration of the Department of Education Organization Act, H.R. 2444. Had I been present, I would have voted as follows: "No" on rollcall No. 203, an amendment concerning prayer and meditation in public schools; "no" on rollcall No. 204, an amendment concerning further increases in the department's budget authority; "no" on rollcall No. 205, an amendment concerning the authority of the Secretary of Education to require busing of students or teachers to achieve desegregation; and "yea" on rollcall No. 206, concerning the hour of meeting of the House.●

THE OIL AND GAS TAX ACT OF 1979

The SPEAKER pro tempore. Under a previous order of the House, the gentle man from California (Mr. Corman) is recognized for 10 minutes.

● Mr. CORMAN. Mr. Speaker, today, I am introducing the Oil and Gas Tax Act of 1979 with 14 cosponsors. This legislation would eliminate special tax preferences enjoyed by the oil and gas industry. When oil prices were very low, these preferences were designed to provide incentives for the discovery and production of oil and gas. They have served to reduce the average effective tax rate paid by the industry to 20 percent, less than half of the statutory rate. In view of the enormous price increases oil producers have benefited from over the past 5 years, the need for these special preferences no longer exists.

The bill would end five preferences that are exclusive to this industry. Briefly, it would:

First. Repeal percentage depletion for oil and gas production now available only for independent producers and royalty owners.

Second. Require intangible drilling costs on successful wells to be capitalized.

Third. Provide that a taxpayer not include in his tax return income from the operation of a foreign oil and gas property since the foreign tax credit now operates to eliminate any U.S. tax on such income. Deductions would no longer be allowed for losses from expropriation of foreign oil and gas property or from unsuccessful exploration for such properties.

Fourth. Terminate deferral of U.S. tax on income from shipping oil or gas and on refining profits earned by a foreign corporation.

Fifth. Deny the investment tax credit for property used for exploration and production of foreign oil or gas in international waters.

With oil prices rising almost daily, and decontrol in the prospect, now is the time to eliminate these tax preferences put into the tax code in the long ago days of cheap oil.

A technical explanation of the bill follows:

IN GENERAL

The bill would reduce or deny certain income tax deductions and credits now provided for producers of crude oil.

Percentage depletion.—Under present law, percentage depletion generally is not available in the case of oil and gas production (sec. 613A(a)). However, certain independent producers and royalty owners are entitled to percentage depletion on domestic production to the extent that their average daily production does not exceed a specified exemption. For 1979, the exemption is 1,200 barrels per day (438,000 barrels per year), but will be established permanently at 1,000 barrels per day in 1980 (365,000 barrels per year). Through 1980, the opplicable depletion rate is 22 percent. Thereafter, the rate is scheduled to be phased down to a permanent level of 15 percent in 1984. The depletion deduction resulting from this exemption is subject to certain limitations based on the taxpayer's net income. In addition, any depletion deduction in excess of the properties' adjusted basis at the end of the year is an item of tax preference.

The bill generally would repeal the independent producers and royalty owners exceptions for all crude oil and gas production. However, it would retain the limited exception in present law for certain gas production subject to fixed contracts.

Intangible drilling costs.—Under present law, the operator of an oil, gas or geothermal well has a one-time option to deduct intangible drilling and development costs (IDCs) as an expense rather than to capitalize the costs and recover them through depletion deductions. Generaly, IDCs are those expenditures made by the owner of the operating interest for wages, fuel, repairs, hauling, supplies, etc., incurred in preparing a drill site, drilling and cleaning a well, and constructing assets which are necessary in drilling the well and preparing it for production (such as derricks, pipelines, and tanks). The IDC option applies both to domestic and foreign drilling. However, any deduction for IDCs is limited to the amount with respect of which the taxpayer is "at risk." Generally, the cost of drilling a dry hole is deductible currently.

In the case of noncorporate taxpayers, "excess IDCs" are an item of tax preference subject to the minimum tax under present law. Thus, IDCs are included in a noncorporate taxpayer's minimum tax base only to the extent that those costs which are incurred in a taxable year, over the amount of those costs amortizable on the basis of a 10-year life or under cost depletion, exceed the taxpayer's income from oil and gas properties.

Under present law, gain on the disposition of an oil property is subject to recapture as ordinary income to the extent that the amount of the IDC deductions exceed the amount that would have been allowable had the costs been capitalized and deducted through cost depletion.

The bill would require all IDCs to be capitalized. It also would provide a one-time election to recover those costs over an amortization period of 10 years, instead of through cost depletion. This capitalization requirement would apply to all IDCs incurred in oil and gas development regardless of whether domestic or foreign, land-based or offshore. The costs of drilling a nonproductive well would be deductible when the well is completed and abandoned.

The IDC cost recovery period contained in the bill basically is the same as that presently used to determine whether an individual has excess IDCs for minimum tax purposes.

Income from foreign oil and gas properties.—Under existing law, if a taxpayer goes into a foreign country to explore for and develop oil and gas wells, the deductible costs of exploration and development are used to reduce the U.S. tax on other income. If the venture is successful and the oil and gas properties produce profits, the credit for foreign income taxes imposed upon those profits will, on the basis of past experience, completely offset the U.S. tax on those profits. The net result is that the United States Treasury loses revenue on account of the exploration and development in foreign countries of oil and gas properties and receives no revenue (because of the foreign tax credit) when the oil and gas properties produce profits. Moreover, if there is a loss on account of the expropriation of oil and gas properties by a foreign government, the deductible loss in the usual case has the effect of reducing the income taxes otherwise payable on income from sources within the United States.

To eliminate the losses to the Treasury on account of the exploration, development, and expropriation of foreign oil and gas properties, this section of the bill provides—

(1) a taxpayer will not include in his tax return amounts derived from the operation of an oil and gas property located outside the United States and no credit will be allowed for foreign taxes paid on such income.

(2) no deduction shall be allowed for amounts chargeable to income so excluded from the tax return. or for any amount expended for the exploration or development of any oil and gas property located outside the United States,

(3) no credit shall be allowed for foreign income taxes paid on amounts excluded from gross income and no investment tax credit shall be allowed for property used in exploration and development of any foreign oil or gas property used in exploration and development of any foreign oil or gas property or in producing the income from such properties, and

(4) losses on the sale, abandonment or expropriation of oil and gas properties located outside the United States shall be allowed only to the extent gains are recognized on the sale of oil and gas properties located outside the United States.

The exclusion from gross income will not apply to profits derived from processing oil and gas after reaching the so-called cutoff point used in the past for percentage depletion purposes. Thus, for example, profits from transporting oil and gas or in producing gasoline will not be exempt. In addition, the exclusion from gross income will not apply to royalties received on oil and gas properties located outside the United States or, in general, to dividends on stock of any corporation operating oil and gas properties outside the United States.

TERMINATION OF DEFERRAL FOR FOREIGN OIL-RELATED INCOME

Under present law, the United States imposes income tax upon the worldwide income of any corporation organized under the laws of the United States whether this income is derived from sources within or from without the United States. However, foreign corporations (even those which are subsidiaries of U.S. companies) generally are taxed by the United States only to the extent they are engaged in business in the United States or derive investment income here. As a result, the United States usually does not impose a tax on the foreign source income of a foreign corporation even though it is owned or controlled by U.S. persons. Instead, the foreign source earnings of a foreign corporation generally are subject to U.S. income taxes only when they are actually remitted to U.S. shareholders as dividends. The tax in this case is imposed on the U.S. shareholder and not the foreign corporation. The fact that no U.S. tax is imposed until, and unless, the income is distributed to the U.S. shareholders is generally referred to as "tax deferral."

An exception to the general rule of tax deferral is provided for "tax haven" activities of corporations controlled by U.S. shareholders under the subpart F provisions of the Code. Under these provisions, this tax haven income is deemed to be distributed to the U.S. shareholders, and it is taxed to them currently whether or not they actually receive the income in the form of a dividend.

There are five categories of tax haven (subpart F) income taxed currently to U.S. shareholders of controlled foreign corporations ("CFCs"): (1) income from the insurance of U.S. risks; (2) passive investment income such as dividends, interest royalties, and rents; (3) sales income earned by the foreign subsidiary on the sale of property purchased from, or sold to, a related company if the property was neither manufactured in nor sold for use in the country in which the subsidiary is incorporated; (4) income from services performed by the foreign subsidiary outside of the country in which it is incorporated; and (5) shipping income earned by a foreign subsidiary outside of the country in which it is incorporated, if that income is not reinvested in shipping assets.

The bill would terminate the deferral of U.S. tax on foreign oil-related income earned by controlled foreign corporations. This would be accomplished by treating foreign oil-related income as an additional category of foreign base company income currently included in the U.S. shareholder's income under subpart F. Any shipping income derived from the transportation of oil or gas or their primary products would be treated as foreign oil-related income rather than foreign based company shipping income for subpart F purposes so that that income would be currently taxable to the U.S. shareholder whether or not it was reinvested in shipping assets. Also profits from refining and marketing gasoline and other products shall be treated as foreign oil-related income. The termination of deferral is effective with respect to income earned by foreign corporations after the date of enactment.

Revenue effect.—For calendar year 1980, assuming that the Administration's oil price decontrol phase-in begins, each section of the bill would result in an estimated revenue increase of the following amounts:

[In billions]

Repeal of percentage depletion	$.8
Capitalizaiton of intangible drilling costs	3.0
Exemption from tax of extraction activities	.2
Termination of deferral on foreign oil-related income	.2
Investment credit amendments	.1
Total	4.3 ●

HEALTH MAINTENANCE ORGANIZATIONS MEDICARE REIMBURSEMENT AMENDMENTS OF 1979

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. RANGEL) is recognized for 10 minutes.

● Mr. RANGEL. Mr. Speaker, as chairman of the Subcommittee on Health, Committee on Ways and Means, I am pleased today to be introducing the administration's proposal to improve the present provisions of medicare law relating to payment for services provided by health maintenance organizations (HMO's). And, I am especially pleased to have joining with me the distinguished chairman of the Committee on Ways and Means, the Honorable AL ULLMAN, my good friend and colleague, the chairman of the Select Committee on Aging, the Honorable CLAUDE PEPPER, and the ranking majority member of the Subcommittee on Health, Mr. CORMAN. I know that the Select Committee on Aging has made enactment of medicare HMO legislation one of its primary objectives for this session.

The introduction of this legislation is timely; much has been said lately about the need to stimulate competition in the health care delivery industry. Unlike many other issues in health care, there is a great degree of consensus that increased competition could do much to lower costs without an accompanying decrease in the quality of care provided. That consensus quickly dissipates when we begin discussion of how best to achieve competitiveness—except, that is, with respect to the potential offered by HMO's.

Unlike other health care providers, which are generally reimbursed under medicare, medicaid and Blue Cross-Blue Shield plans retrospectively on the basis of the costs they actually incur in providing services, HMO's traditionally operate on the basis of a prospectively determined payment per member. In return for this capitation payment, HMO's provide their members a comprehensive array of services including physician care, hospitalization, laboratory services, X-ray services and other health services, often including pharmacy services. The amount charged enrollees is unrelated to the amount of care the individual member receives and does not change during a contract period. This predetermined, fixed capitation amount creates a powerful incentive for efficient management and avoidance of unnecessary hospitalization through prevention, early treatment of medical problems, and use of the least costly medical service which is appropriate.

There is evidence that these incentives do much to lower health care costs for HMO members. For example, HMO's have been shown to reduce hospitalization rates by as much as 50 percent. And according to HEW, average medicare costs are about 20 percent lower in HMO's than for comparable groups of beneficiaries in the fee-for-service system.

Unfortunately, we are not doing a very good job of encouraging HMO's to participate in medicare or encouraging HMO acceptance among medicare beneficiaries. Generally, HMO's do not feel that medicare's current reimbursement methodology reflects fully enough their unique way of doing business and does not adequately reward the HMO's ability to provide all necessary services at a lower per capita cost. Also, the present methodology makes retroactive adjustments in determining the appropriate reimbursement, whereas the concept of prospective reimbursement is integral to the normal HMO pattern of operation. Out of 200 operating HMO's in the Nation, only one has opted for the medicare risk reimbursement provided for HMO's under current law.

These concerns and others are addressed in the administration's bill. First, the reimbursement formula used is truly a prospective one. Second, HMO's would be allowed to retain savings they are able to achieve by providing services at less than 95 percent of the regular medicare per capita cost. However, those savings would have to be passed on to medicare enrollees in the form of additional benefits. I believe this is a most attractive and essential part of the administration's proposal. Many of my colleagues are familiar with the severe budget limitation we are working under in our efforts to make the medicare program more responsive to the needs of beneficiaries. In fiscal year 1980, we have $156 million to make improvements in the program. In the context of a $34 billion program, this amount hardly even qualifies as a "drop in the bucket." The proposed incentive reimbursement which returns an HMO's savings to beneficiaries may well bring about the only major increase in medicare benefits until we are able to enact a program of national health insurance.

I am pleased by the seriousness of the commitment of the administration to increase the accessibility of HMO's to medicare beneficiaries; this proposed change in medicare reimbursement is also recommended as part of the President's national health plan. Although the subcommittee will want to examine the proposal carefully and may decide that changes are appropriate, I believe that the approach is a sound one which provides the correct incentives along with sufficient safeguards against abuse. This bill is not only significant in its own right, but it is also, I believe, important in that it represents a trend—a trend which we will hopefully continue—to provide through system reform more efficient management of health care resources.

A brief summary of the bill, and 5-year cost estimates, follows:

SUMMARY OF PROPOSED HEALTH MAINTENANCE ORGANIZATIONS MEDICARE REIMBURSEMENT AMENDMENTS OF 1979

The draft bill would replace the present provisions of law under which a health maintenance organization (HMO) may contract for Medicare reimbursement on either a cost or a risk basis; the existing risk basis reimbursement authority has not been acceptable to HMOs and has been used only once. Under the new method, HMOs would be paid, on a prospective basis, 95 percent of the amount the Secretary estimates would be paid for Medicare services furnished by entities other than HMOs. Members of the HMO entitled to Medicare would be required to purchase preventive health services as well as Medicare services. The Secretary would also estimate the amount that the HMO would charge its Medicare members if that amount were determined by using a community rating system, adjusted for utilization characteristics of Medicare beneficiaries. If that amount were lower than the Medicare reimbursement rate, the HMO would have to return the difference to its members entitled to Medicare in a specified order of reduced payments and extra services. Services not furnished by or through the HMO could not be paid for by Medicare. The new reimbursement method would not take effect for one year, unless the Secretary and a particular HMO agreed to utilize it earlier. It would also not apply to the first three years of an HMO's Medicare contract (or five for good cause shown), or for the first five years after enactment of the draft bill to a risk contract previously entered into, unless the HMO chose otherwise. In addition, Medicare beneficiaries enrolled in an HMO at the time the new method was first applied to the HMO could continue under the present method if they so wished. The Secretary, however, could, because of administrative costs or other administrative burdens involved, require the new method to apply to all members of a particular HMO. The draft bill would also require at least 50 percent of an HMO's membership to consist of individuals who were neither Medicare nor Medicaid beneficiaries; the Secretary, however, could waive this requirement in circumstances which he found warranted special consideration.

ESTIMATED FEDERAL COSTS

Proposed Health Maintenance Organizations Medicare Reimbursement Amendments of 1979

[In millions of dollars]

Fiscal year 1980	0
Fiscal year 1981	5
Fiscal year 1982	25
Fiscal year 1983	35
Fiscal year 1984	40

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● Mr. ULLMAN. Mr. Speaker, I strongly endorse the concept behind this proposal. It is an integral part of a health proposal I announced last week at the National Journal Health Conference. While the committee will have to study the details of the proposal carefully and make further improvements if necessary, this clearly is a step in the right direction.

The enactment of medicare was a social landmark. It has provided access to quality health care for millions of elderly and disabled individuals. However, medicare reimburses medical costs retrospectively with disastrous results. Doctors and hospitals have little incentive to control cost, reduce utilization, or practice a more economical style of medicine because Federal payments are automatic no matter how high.

Health maintenance organizations (HMO's) provide their members with a comprehensive set of health services including physician care, hospitalization, laboratory and X-ray services. These organizations receive a prospectively determined payment per member regardless of the amount of care actually received during the contract period. This predetermined payment encourages providers to avoid unnecessary hospitalization, promote cost effective preventive services, and utilize manpower—including physician extenders—in an efficient manner.

HMO's have demonstrated that they provide quality care and have a potential to reduce health care costs significantly for comparable groups of beneficiaries. HMO's have reduced hospitalization rates by 20 to 50 percent. Given that hospital costs are 45 percent of the entire health expenditures, average medicare costs are about 20 percent lower in HMO's compared with the fee-for-service sector.

Under this proposal, an HMO would receive 95 percent of the amount medicare pays for the same benefits in a cost reimbursement plan. That is a 5-percent saving to the Government without any loss of benefits to older Americans. In addition, the elderly would be offered broader benefits to encourage them to join an HMO. These benefits would be paid for by the savings generated by the HMO's more cost effective medical service.

This change will stimulate competition in the health care industry. I urge Members to give serious consideration to this proposal.●

● Mr. PEPPER. Mr. Speaker, I am delighted to join my distinguished colleagues, Mr. RANGEL, chairman of the Health Subcommittee, and Mr. ULLMAN, chairman of the Committee on Ways and Means, in sponsoring the Health Maintenance Organizations Medicare Reimbursement Amendments of 1979. This legislation, which has been developed by the administration, is very similar to legislation I first introduced in October of 1977 and again in January of this year, with almost 60 cosponsors. It seeks to establish a prospective reimbursement mechanism for medicare members and thereby encourage their enrollment in HMO's. It would guarantee 24 million older Americans a place in HMO growth and development.

I am pleased that the Carter administration has placed great emphasis on the development of HMO's. Last fall, Secretary Joseph Califano and I met to discuss this issue, and I was gratified by the depth of his commitment to reform medicare reimbursement of HMO's. I know that both he and the President strongly support the concept of expanded participation by the elderly in HMO's. Moreover, Chairman RANGEL has announced that he will conduct hearings this month on proposed medicare changes. I look forward to testifying in support of this legislation on June 27, and it is my hope that it will be included in the bill which is brought before the full House. Both he and Chairman ULLMAN are to be commended for lending their support to this important proposal.

We are familiar with the proven advantages of HMO's. They offer comprehensive medical benefits, economic efficiencv and require onlv nominal premiums. Through an emphasis on preventive and outpatient services, they are able to reduce hospital utilization significantly and channel the savings into broader services for their members.

Our health care crisis has reached disastrous proportions. Personal health care expenditures totalled $143 billion in fiscal year 1977. National health expenditures amounted to 8.8 percent of the gross national product that year, and were rising at a faster rate than the GNP. It is clear that we must bring about svstemic changes in our health care svstem. I believe that an effective program of national health insurance is the answer.

But we need not wait for enactment of a national health insurance program to make changes which can make health care more equally available to our people. There is something we can do now, something which will not mean huge outlavs of money but will, in fact, save money and afford some economic relief to those in need and still insure medical care of the highest quality. We can and should assure the elderly of unfettered access to health maintenance organizations.

The tragic victims of our health care crisis are those without health insurance or those with very little coverage—the poor and the elderly. These increases mean further burdens and hardship for those who can least afford them—those who live on fixed incomes and those who are most susceptible to expensive illness. It is a sad irony when the health care plight of the elderly approaches the state that existed before medicare was enacted.

The bill we introduce today would institute prospective medicare reimbursement of HMO's, in line with prevailing HMO practices. Under current law, medicare allows HMO's to be paid on a cost basis, essentially under the fee-for-service system, or on a risk basis. However, as a result of the uncertainties currently involved in the risk contract, only one HMO has chosen to sign a risk contract. Of the 200 HMO's and other prepaid plans which provide care, only 52 have opted to sign cost contracts with medicare. As of April of this year, only some 2 percent of medicare beneficiaries (489,000) were enrolled in HMO's, and the majority of these became members under group contracts while they were employed.

Like my earlier propsoals, the bill we offer today would provide that an HMO be paid, on a prospective basis, 95 percent of the costs of rendering the medicare part A and B services in the community by providers other than HMO's. The Secretary would estimate what premium the HMO would otherwise charge medicare members using the "community rate" adjusted to reflect the higher utilization rates of the elderly. The difference between the medicare reimbursement rate and the adjusted community rate would be used by the HMO to reduce cost sharing or finance broader benefits for enrolled beneficiaries.

In addition to the obvious 5-percent saving to the Government gained through this reimbursement mechanism, we will make it possible for HMO's to reduce the burden of out-of-pocket costs currently borne by the elderly. Moreover, it would be possible, under this proposal, for HMO's to provide benefits such as expanded home health care, day care, and other services which can help to prevent institutionalization of older citizens.

On May 2, 1978, I conducted a hearing by the Subcommittee of Health and Long-Term Care of the Select Committee on Aging, both of which it is my privilege to chair, in which we examined the benefits to the elderly of HMO enrollment. It was the first such hearing on this aspect of HMO development.

Witnesses at the hearing were Hale Champion, Under Secretarv of Health, Education, and Welfare; Nelson Cruikshank, Counsellor to the President on Aging and Chairman of the Federal Council on Aging, Daniel G. Harwitz, M.D., president of the American Health Plan, Inc., in North Miami Beach, Fla.; Herman A. Schwartz, M.D., Department of Internal Medicine, the Permanente Medical Group (Kaiser) and director of the Cancer Home Care Program, San Francisco Medical Center; and Milton I. Roemer, M.D., professor, School of Public Health at the University of California at Los Angeles.

The advantages were clearly demonstrated: the potential for out-of-pocket cost savings; improved access to a wide range of services, such as home health care and prescription drugs; and assured availability of preventive and maintenance care, free of bureaucracy and burdensome paperwork.

Mr. Speaker, our current medical programs, medicare and medicaid, promote an institutional bias which is both callous and costly. The care a patient receives under medicare is determined less on the basis of what is needed than on the basis of what will be reimbursed. The program denied the most pressing need of the vast majority of older citizens—care for chronic illness and health maintenance. It is in the area of prevention and maintenance that HMO's can provide such enormous assistance to the elderly.

In my own district, we have seen evidence of the success of this concept. Cuban refugees to our shores brought with them the tradition of "Centros Beneficos," which started out as institutions providing both inpatient and outpatient health care and later expanded to include recreational and educational actvities, as well. The "Centros" were the forerunners of the modern HMO.

Mr. Speaker, I believe the elderly people of this country should be invited to participate fully in the development of a health care delivery system which can reap such great benefits for all our citizens. We must guarantee them a place in HMO growth and development.●

REPRESENTATIVE VANIK CALLS FOR WORK TO BEGIN NOW TO EXTEND TRIGGER PRICE MECHANISM TO SPECIALTY STEELS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. VANIK) is recognized for 5 minutes.

● Mr. VANIK. Mr. Speaker, the President has just announced a phase-out of the existing specialty steel quotas over the next 8 months. This means that effective February 13, 1980, temporary import relief for this critical segment of the domestic steel industry will be terminated.

At present, most of the steel industry is safeguarded against massive dumping of foreign steel through a trigger price mechanism (TPM), in which fast antidumping investigations are initiated, if steel is sold into the U.S. market at below the cost of production of the world's most efficient producers, the Japanese.

If quotas are terminated for specialty steel, and trigger prices are maintained for carbon steel, I believe we will quickly see a concentration by foreigners on sales of specialty steel into the United States. Such a concerted trade drive in the specialty steel sector will destroy the gains that our domestic specialty industry have made during the past 3 years. This danger is particularly acute, because of the heavy involvement and subsidy by foreign governments of specialty steel industries and exports.

Therefore, I believe that the Treasury Department must begin preparing trigger prices for specialty steel immediately. This will be a very difficult task, because specialty steels are considerably more diverse and complex than carbon steels and establishing the proper number and level of TPM's will be an extraordinary task.

Failure to undertake TPM's for specialty steels, however, will leave this strategic industry vulnerable to massive dumping by European and other steelmakers who still have excess capacity and who limit imports into their own countries of steel. Preparation of TPM's—even on a standby basis—will warn foreigners that we will not tolerate massive dumping or subsidized sales in our markets.

TPM's for specialty steel are likely to be difficult; I regret the need for them, but I do believe they are essential. The bureaucratic confusion and disruption that can be caused by trigger prices can be minimized if Treasury begins to prepare now for the expiration of the quotas on February 13th.

The Subcommittee on Trade, once it completes consideration of the multilateral trade negotiations, will attempt to hold hearings on the current steel trade situation and on the steps which Treasury will be taking to prepare for possible massive diversions and dumping of specialty steel products into the United States.●

MONTHLY LIST OF GAO REPORTS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. BROOKS) is recognized for 5 minutes.

● Mr. BROOKS. Mr. Speaker, the monthly list of GAO reports includes summaries of reports which were prepared by the staff of the General Accounting Office. The March 1979 list includes:

NATIONAL DEFENSE

AWOL in the Military: A Serious and Costly Problem. FPCD–78–52, March 30.

Improperly Subsidizing the Foreign Military Sales Program—A Continuing Problem. FGMSD–79–16, March 22.

The Defense Department's Systems of Accounting for the Value of Foreign Military Sales Need Improvement. FGMSD–79–21, March 16.

NATO's New Defense Program: Issues for Consideration. ID–79–4, March 13.

Transatlantic Cooperation in Developing Weapon Systems for NATO—A European Perspective. PSAD–79–26, March 21.

Need for More Accurate Weapon System Test Results to be Reported to the Congress. PSAD–79–46, March 9.

Indecision and Uncertainty Exist in the Development of an Advanced ICBM Weapon System. PSAD–79–40, February 8.

The Navy's Strategic Communications Systems—Need for Management Attention and Decisionmaking. PSAD–79–48, March 19.

Recent Changes in the Defense Department's Profit Policy—Intended Results Not Achieved. PSAD–79–38, March 8.

Need for Consolidation of Naval Oceanographic Activities. CED–79–27, January 25.

Is the Air Force Inspection System Effective: GAO Was Denied Access to Pertinent Records. FGMSD–78–42, June 29, 1978.

Naval Reserve Drill and Personnel Field Reporting System Needs Improvement. FPCD–79–12. March 6.

Letter reports

Anti-Deficiency Act violations by shore activities at the National Space Technology Laboratories, Bay St. Louis, Miss. LCD–79–306, February 16.

Improved methods will enable the Defense Department to plan better for hospital sizes. HRD–79–53, February 28.

Deregulation of domestic air cargo rates has little effect on how DOD distributes its supplies and uses commercial air freight services. LCD–78–243, March 2.

Aeronca, Inc. overpriced its subcontract with Grumman Aerospace Corporation for procurement of engine inlet ramps for 80 F–14 aircraft. PSAD–79–45, March 12.

A deferral of the Navy Department budget authority for the AV–8B aircraft has not been reported to the Congress as required by the Impoundment Control Act of 1974. OGC–79–8, March 14.

Western Gear Corporation in Jamestown, North Dakota overpriced its subcontracts to Grumman Aerospace Corporation by $551,806. PSAD–79–47, March 19.

The military services' accountability and management controls over fuel supplied by the Defense Logistics Agency in Korea and the Philippines need improvement. LCD–79–210, March 28.

INTERNATIONAL AFFAIRS

The U.S.-Saudi Arabian Joint Commission on Economic Cooperation. ID–79–7, March 22.

U.S. Development Asistance to the Sahel—Progress and Problems. ID–79–9–, March 29.

The Law of the Sea Conference—Status of the Issues, 1978. ID–79–6, March 9.

ENERGY

A Review of the Department of Energy's Tax Policy Analysis. EMD–79–26, March 13.

Analysis of the Energy and Economic Effects of the Iranian Oil Shortfall. EMD–79–38, March 5.

Areas Around Nuclear Facilities Should Be Better Prepared for Radiological Emergencies. EMD–78–110, March 30.

Tennessee Valley Authority Can Improve Estimates and Should Reassess Reserve Requirements for Nuclear Power Plants. PSAD–79–49, March 22.

Conversion of Urban Waste to Energy: Developing and Introducing Alternate Fuels from Municipal Solid Waste. EMD–79–7, February 28.

Letter reports

Possible mismanagement and overpayment of outside consultants by the Nuclear Regulatory Commission. EMD–79–37, March 7.

The Department of Energy needs to establish lighting and thermal efficiency standards as part of the 10-year plan for energy conservation in Federal buildings. EMD–79–32, March 8.

The Department of Energy has failed to obtain sufficient data on regional demand and imports of refined petroleum products to create a strategic petroleum reserve. EMD–79–14, March 20.

NATIONAL RESOURCES AND ENVIRONMENT

Environmental Protection Issues Facing the Nation. CED–79–63, March 15.

Georgia Embayment—Illustrating Again the Need for More Data Before Selecting and Leasing Outer Continental Shelf Lands. EMD–79–22, March 19.

Unique Helium Resources Are Wasting: A New Conservation Policy Is Needed. EMD–78–98, March 7.

Improving the Safety of Our Nation's Dams—Progress and Issues. CED–79–30, March 8.

Letter reports

Can Federal agencies improve the quality of their resource reports for Outer Continental Shelf lease sales? CED–79–53, February 22.

Future role of the Marine Fisheries Commission is unclear. CED–79–46, February 26.

Tampering with auto emission control devises is occurring nationwide and resulting in increased pollutants. CED–79–47, March 1.

Recommendation for improving the national flood insurance program. CED–79–58, March 22.

AGRICULTURE

Questionable Payments and Loan Defaults in Sugar Program. CED–79–24, March 16.

TRANSPORTATION

Selected Budget Issues in the Federal Aviation Administration. CED–79–61, March 15.

Problems in the Northeast Corridor Railway Improvement Project. CED–79–38, March 29.

Letter reports

The cost estimate developed by the Coast Guard during the design phase of a replacement icebreaker is reasonable. CED–79–16, December 1.

COMMERCE AND HOUSING

Changes needed in U.S. Valuation System for Imported Merchandise. GGD–79–29, March 23.

Export Controls: Need To Clarify Policy and Simplify Administration. ID–79–16, March 1.

Action Being Taken to Correct Weaknesses in the Rehabilitation Loan Program. FGMSD–79–14, March 14.

U.S. Administration of the Antidumping Act of 1921. ID–79–15, March 15.

Letter reports

HUD should establish controls preventing duplicate payments in its Section 8 Housing Assistance Program. CED–79–51, March 1.

U.S. Postal Services practices for obtaining highway transportation services.

SOCIAL SERVICES

Federal Efforts to increase Minority Opportunities in Skilled Construction Craft Unions Have Had Little Success. HRD–79–13, March 15.

Administrative Weaknesses in St. Louis' Comprehensive Employment and Training Act Program. HRD–79–15, March 2.

HEALTH

Grain Dust Explosions—An Unsolved Problem. HRD–79–1, March 21.

The Special Supplemental Food Program for Women, Infants, and Children (WIC)—How It Can Work Better. CED–79–55, February 27.

Information on Federally Assisted Health Professions Scholarship Program. HRD–79–57, March 9.

Hospice Care—A Growing Concept in the United States. HRD–79–50, March 6.

Letter reports

Current information on the swine flu program. HRD–79–47, Febraury 6.

The Center for Disease Control should improve its management of disease investigation, surveillance, and control activities. HRD–79–58, March 16.

INCOME SECURITY

Internal Revenue Service Efforts and Plans to Enforce the Employee Retirement Income Security Act. HRD–79–55, March 28.

VETERANS AFFAIRS

The VA Health Manpower Assistance Program: Goals, Progress, and Shortcomings. HRD–79–8, March 16.

ADMINISTRATION OF JUSTICE

Reducing Federal Judicial Sentencing and Prosecuting Disparities: A Systemwide Approach Needed. GGD–78–112, March 19.

The Coast Guard's Role in Drug Interception—How Much Is Enough? CED–79–40, February 12.

Disclosure and Summons Provisions of 1976 Tax Reform Act—Privacy Gains With Unknown Law Enforcement Effects, GGD–78–110, March 12.

Resources Devoted by the Department of Justice to Combat White-Collar Crime and Public Corruption. GGD–79–35, March 19.

GENERAL GOVERNMENT

The Government Can Collect Many Delinquent Debts by Keeping Federal Tax Refunds as Offsets. FGMSD–79–19, March 9.

Improved Executive Branch Oversight Needed for the Government's National Security Information Classification Program. LCD–78–125, March 9.

Federal Cost Principles Are Often Not Applied in Grants and Contracts with State and Local Governments. GGD–78–111, March 12.

The Government Can Be More Productive in Collecting Its Debts by Following Commercial Practices. FGMSD–78–59, February 23.

IRS Inspection Service Functions: Management Can Further Enhance Their Usefulness. GGD–78–91, January 30.

Repairs and Alterations of Public Buildings by General Services Administration—Better Congressional Oversight and Control Is Possible. LCD–78–335, March 21.

Why the National Park Service's Appropriation Request Process Makes Congressional Oversight Difficult. FGMSD–79–18.

Fragmented Management Delays Centralized Federal Cataloging and Standardization of 5 Million Supply Items. LCD–79–403, March 30.

Department of Health, Education, and Welfare Standards of Employee Conduct Need Improvement. FPCD–79–29, March 14.

National Bureau of Standards—Information and Observations on Its Administration. CED–79–29, March 21.

Audit of the Stationery Revolving Fund for Fiscal Year Ended June 30, 1978. GGD–79–22, March 13.

National Science Foundation Standards of Employee Conduct Need Improvement. FCPD–79–33, March 29.

Letter reports

Because of the inconsistencies and uncertainties of the law it is difficult to determine when and if it is improper to release mailing lists to the public. LCD–79–106, February 15.

Income from vending machines on Federal property must be shared with blind vendors or State blind vendor licensing agencies. FPCD–79–26, February 27.

Federal agencies can deny GAO access to records even though it is legally entitled to the information. LCD–79–305, March 6.

GSA underestimated its $24.7 million renovation of the historic U.S. Customhouse in New York City for use by Federal agencies. LCD–79–305, March 6.

The Persident's fifth special message to the Congress proposing new recissions of budget authority and new and revised deferrals. OGC–79–7, March 12.

GAO's recommendations for better using building space should produce a more effective system for monitoring NASA's facilities. PSAD–79–53, March 15.

Proposed revisions to three previously proposed deferrals as contained in the President's sixth special message for fiscal year 1979. OGC–79–9, March 16.

The office improvement program of the Defense Property Disposal Service needs better management. PSAD–79–52, March 20.

Evaluation of automated systems security programs of major recordkeeping agencies. LCD–79–109, March 21.

Ways to improve management of the GSA interagency motor pool. LCD–78–246. March 23.

The Office of Personnel Management's plans for informing all Japanese-Americans who were confined in U.S. internment camps during WW II and who later became Federal employees that they are eligible to receive civil service retirement credit. FPCD–79–30, March 28.

HEW pays too much for its interoffice moving services. PSAD–79–60, March 28.

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PERSONAL EXPLANATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. STEWART) is recognized for 5 minutes.

● Mr. STEWART. Mr. Speaker, I was unavoidably detained on my way to the floor on June 11, 1979, and, consequently, was not present for rollcall No. 204. Had I been present, I would have voted "no."●

A TRIBUTE TO LENNY WILKENS, COACH AND DIRECTOR FOR SEATTLE SUPERSONICS BASKETBALL TEAM

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Washington (Mr. DICKS) is recognized for 5 minutes.

● Mr. DICKS. Mr. Speaker, on behalf of the Washington State congressional delegation and the Congressional Black Caucus I rise to call attention to a man for demonstrating the success of American patience, skill, and strong determination in leading the Seattle Supersonics to this year's National Basketball Association world championship.

Mr. Speaker, successful leadership, whatever the profession, requires a unique ability to effectively evaluate liabilities and assets, develop a plan of operation to maximize assets, minimize liabilities, and motivate subordinates to their highest potential.

Lenny Wilkens, the coach and director of player personnel for the Seattle Supersonics basketball team, has successfully demonstrated this unique ability in leading his team as a player and as a coach.

Last season, Lenny assumed coaching responsibilities when the Supersonics were in last place with a record of 5 wins, 17 losses and destined to go nowhere. Immediately, he transformed a losing team into the conference champion and a contender for the NBA world title.

At the beginning of the 1978–79 season, this man and the Supersonics were dismissed as serious contenders to repeat as conference champions, especially since they had lost their 7-foot-2-inch center, Marvin Webster, to New York and the experts reasoned that the Supersonics could not even be compensated for Webster's change of uniforms. Lenny remained confident, selected Lonnie Shelton from New York as compensation for Webster and prepared to use Tom Lagarde, acquired from Denver, at center.

Then when injury to Lagarde made the skeptics even more convinced that the Supersonics would never duplicate last season's success, Lenny Wilkens remained calm and confident. He adjusted his lineup and molded a team which posted the second best won-loss record in the league.

Lenny and his Sonics went on to beat the Los Angeles Lakers and Phoenix Suns to once more capture the western conference crown. On June 1, 1979, Wilkens and the Seattle Supersonics capped a marvelous career and spectacular season by outplaying the defending world champion Washington Bullets, for their first NBA championship.

Mr. Speaker, my colleagues and I salute Lenny Wilkens for his accomplishments and hope that the House will join us in our congratulations and best wishes to Lenny and his family.●

PERSONAL EXPLANATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. MIKVA) is recognized for 5 minutes.

● Mr. MIKVA. Mr. Speaker, I was absent for the final two rollcall votes regarding amendments to H.R. 2444 (Department of Education Organization Act) on June 12, 1979.

Had I been present, I would have voted as follows:

Rollcall No. 220, amendment by Mr. ERLENBORN which would have stricken language allowing officers of the Department to provide useful information about education to students, parents, and communities—vote, "no"; and

Rollcall No. 221, amendment by Mr. QUAYLE which would have stricken language providing for five officers in the Department to carry out functions delegated by the Secretary—vote "no."●

PERSONAL EXPLANATION

(Mr. BRADEMAS asked and was given permission to extend his remarks at this point in the RECORD.)

● Mr. BRADEMAS. Mr. Speaker, I take this time to state my position on two rollcall votes that I missed yesterday, June 12, 1979, during debate on H.R. 2444, the bill to establish a Department of Education.

The reason for my having missed these rollcalls was that I was delivering an address at Gallaudet College here, the college for the deaf.

The first rollcall was rollcall No. 220, a vote on an amendment offered by Mr. ERLENBORN. The amendment was rejected by a vote of 149 to 243. Had I been present, I would have voted against the amendment.

The second rollcall was rollcall No. 221, a vote on an amendment offered by Mr. QUAYLE. The amendment was rejected by a vote of 170 to 220. I was paired against this amendment and had I been present would have voted against it.●

GENERAL LEAVE

Mr. SYNAR. Mr. Speaker, I ask unanimous consent that all Members be permitted to extend their remarks and to include therein extraneous material on the subject of the special order speech today by the gentleman from New York (Mr. RANGEL).

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. BEREUTER) to revise and extend their remarks and include extraneous material:)

Mr. GOLDWATER, for 5 minutes, today.
Mr. PETRI, for 5 minutes, today.
Mr. GOODLING, for 5 minutes, today.
Mr. KEMP, for 20 minutes, today.
Mr. GRASSLEY, for 5 minutes, today.
Mr. CLAUSEN, for 5 minutes, today.

(The following Members (at the request of Mr. SYNAR) to revise and extend their remarks and include extraneous material:)

Mr. WEAVER, for 10 minutes, today.
Mr. ANNUNZIO, for 5 minutes, today.
Mr. GONZALEZ, for 5 minutes, today.
Mr. DRINAN, for 5 minutes, today.
Mr. CORMAN, for 10 minutes, today.
Mr. RANGEL, for 10 minutes, today.
Mr. VANIK, for 5 minutes, today.
Mr. BROOKS, for 5 minutes, today.
Mr. STEWART, for 5 minutes, today.
Mr. PEPPER, for 15 minutes, today.
Mr. DICKS, for 5 minutes, today.
Mr. DODD, for 5 minutes, today.
Mr. MIKVA, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous covnsent, permission to revise and extend remarks was granted to:

Mr. HOPKINS, to revise and extend his remarks to appear just prior to the vote on the Murtha amendment.

Mr. SCHEUER, to revise and extend his remarks in support of the education-bill immediately prior to the vote on the Obey motion.

(The following Members (at the request of Mr. BEREUTER) and to include extraneous matter:)

Mr. ROUSSELOT in three instances.
Mr. CLINGER.
Mr. PAUL.
Mr. YOUNG of Alaska.
Mr. DORNAN in two instances.
Mr. WHITEHURST in two instances.
Mr. SNYDER.
Mr. BEREUTER.
Mr. RUDD.
Mr. GILMAN in two instances.
Mr. BUCHANAN in three instances.
Mr. COLEMAN in two instances.
Mr. ASHBROOK in three instances.
Mr. PRITCHARD.
Mr. BROWN of Ohio.
Mr. FISH in two instances.
Mr. DANIEL B. CRANE.
Mr. QUAYLE.

(The following Members (at the request of Mr. SYNAR) and to include extraneous matter:)

Mr. HAMILTON.
Mr. VENTO in two instances.
Mr. PEASE.
Mr. MCHUGH.
Mr. NELSON.
Mr. MAZZOLI in three instances.
Mr. ASPIN.
Mr. BAILEY.
Mr. MATHIS.
Mr. MINETA.
Mr. VANIK in two instances.
Mr. MINISH.
Mr. OTTINGER.
Mr. ROE.
Mr. FORD of Michigan in two instances.
Mr. YATRON.
Mr. MOORHEAD of Pennsylvania in 10 instances.
Ms. FERRARO in two instances.
Ms. HOLTZMAN in two instances.
Mr. BONKER.
Mr. WAXMAN.
Mr. ROYBAL.
Mr. SOLARZ.
Ms. MIKULSKI.
Mr. GAYDOS.
Mr. MCDONALD in five instances.
Mr. MYERS of Pennsylvania.
Mr. OBERSTAR.
Mr. CAVANAUGH.

ENROLLED BILL SIGNED

Mr. THOMPSON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H.R. 3915. An act to amend title IV of the Employee Retirement Income Security Act of 1974 to postpone for 10 months the date on which the corporation must pay benefits under terminated multiemployer plans.

ADJOURNMENT

Mr. SYNAR. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 12 o'clock and 5 minutes a.m.), the House adjourned until 10 a.m. today, Thursday, June 14, 1979.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1788. A communication from the President of the United States, transmitting a draft of proposed legislation to amend the Federal Water Pollution Control Act, as amended, and the Solid Waste Disposal Act, as amended, to provide a system of response, liability, and compensation for releases of oil, hazardous substances, and hazardous wastes, to establish a response and liability fund, and for other purposes (H. Doc. No. 96–149); jointly, to the Committees on Interstate and Foreign Commerce, Merchant Marine and Fisheries, and Public Works and Transportation, and ordered to be printed.

1789. A letter from the Secretary of Health, Education, and Welfare, transmitting the sixth annual report on Head Start services to handicapped children, pursuant to section 513(e) of the Economic Opportunity Act of 1961, as amended (88 Stat. 2301; 92 Stat. 2432); to the Committee on Education and Labor.

1790. A letter from the Secretary of Health, Education, and Welfare, transmitting a draft of proposed legislation to extend the Fund for the Improvement of Postsecondary Education for 1 year; to the Committee on Education and Labor.

1791. A letter from the Assistant Secretary of State for Administration, transmitting the semiannual report on International Narcotics Control program activities for the period October 1, 1978 through March 31, 1979, pursuant to section 481(b)(1) of the Foreign Assistance Act of 1961, as amended (87 Stat. 719); to the Committee on Foreign Affairs.

1792. A letter from the Acting Assistant Administrator for Legislative Affairs, Agency for International Development, Department of State, transmitting the fourth semiannual report on participation by small business firms in procurement under AID programs, pursuant to section 602 of Public Law 94–329; to the Committee on Foreign Affairs.

1793. A letter from the Secretary of Health, Education, and Welfare, transmitting a draft of proposed legislation to extend the National Institute of Education for 1 year; to the Committee on Education and Labor.

1794. A letter from the Chairman, U.S. Nuclear Regulatory Commission, transmitting a report on the Commission's activities under the Government in the Sunshine Act during calendar year 1978, pursuant to 5 U.S.C. 552b(j); to the Committee on Government Operations.

1795. A letter from the Director, Defense Security Assistance Agency, transmitting the quarterly report on foreign military sales as of March 31, 1979, pursuant to section 36(a) of the Arms Export Control Act; to the Committee on Foreign Affairs.

1796. A letter from the Director, Defense Security Assistance Agency, transmitting addenda to the quarterly report on foreign military sales as of March 31, 1979, pursuant to section 36(a) of the Arms Export Control Act; to the Committee on Foreign Affairs.

1797. A letter from the Acting Secretary of the Interior, transmitting notice of the proposed refund of $30,000 in royalty payments to Chevron U.S.A. Inc., pursuant to section 10(b) of the Outer Continental Shelf Lands Act of 1953; to the Committee on Interior and Insular Affairs.

1798. A letter from the Assistant Attorney General for Legislative Affairs, transmitting a draft of proposed legislation to amend section 274 of the Immigration and Nationality Act relating to the seizure of vessels, vehicles, and aircraft by the Immigration and Naturalization Service; to the Committee on the Judiciary.

1799. A letter from the Director, Administrative Office of the United States Courts, transmitting notice of an error in the printing of an amendment to the Federal Rules of Criminal Procedure, previously submitted pursuant to 18 U.S.C. 3771 (Executive Communication No. 1456; House Document No. 96–112); to the Committee on the Judiciary.

1800. A letter from the Administrator, U.S. Environmental Protection Agency, transmitting the comments of the Science Advisory Board on the Agency's 5-year plan for environmental research, development, and demonstration, together with his response, pursuant to section 8(c) of Public Law 95-155; to the Committee on Science and Technology.

1801. A letter from the Secretary of Energy, transmitting a draft of proposed legislation to provide certain authorities for the Department of Energy; jointly, to the Committees on Armed Services, House Administration, Interstate and Foreign Commerce, and Science and Technology.

1802. A letter from the Secretary of Health, Education, and Welfare, transmitting the annual report on the operation of the special pay program for medical officers of the commissioned corps of the Public Health Service, pursuant to 37 U.S.C. 313; jointly, to the Committees on Armed Services, and Interstate and Foreign Commerce.

1803. A letter from the Chairman, U.S. Nuclear Regulatory Commission, transmitting a report assessing the capabilities and research needs of the Environmental Protection Agency and the Nuclear Regulatory Commission in the area of health effects of low-level ionizing radiation, pursuant to section 5(c) of Public Law 95-601; jointly, to the Committees on Interior and Insular Affairs, and Interstate and Foreign Commerce.

1804. A letter from the Secretary of Health, Education, and Welfare, transmitting a draft of proposed legislation to change the method of medicare reimbursement for health maintenance organizations; jointly, to the Committees on Ways and Means, and Interstate and Foreign Commerce.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. UDALL: Committee on Interior and Insular Affairs. Report on subdivision among subcommittees of budget allocation for fiscal years 1979 and 1980 (Rept. No. 96-271). Referred to the Committee of the Whole House on the State of the Union.

Mr. DUNCAN of Oregon: Committee on Appropriations. H.R. 4440. A bill making appropriations for the Department of Transportation and related agencies for the fiscal year ending September 30, 1980, and for other purposes (Rept. No. 96-272). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. SOLARZ:

H.R. 4439. A bill relating to sanctions against Zimbabwe-Rhodesia; to the Committee on Foreign Affairs.

By Mr. BROWN of California:

H.R. 4441. A bill to amend the Federal Food, Drug, and Cosmetic Act to provide that any label or advertising of an alcoholic beverage contain a statement warning consumers of possible health hazards associated with the beverage, unless comparable labeling or advertising requirements have been established under any other Federal law; to the Committee on Interstate and Foreign Commerce.

By Mr. CONABLE (for himself, Mr. Lee, and Mr. McHugh):

H.R. 4442. A bill to prohibit taxation by a State of electricity generated in that State and transmitted to and consumed in another State; to the Committee on the Judiciary.

By Mr. CORMAN (for himself, Mr. Beilenson, Mr. Bonior of Michigan, Mr. Brodhead, Mr. Dellums, Mr. Drinan, Mr. Edwards of California, Mr. Hawkins, Mr. Kogovsek, Mr. Matsui, Mr. Miller of California, Mr. Moakley, Mr. Oberstar, Mr. Patten, and Mr. Vento):

H.R. 4443. A bill to amend the Internal Revenue Code of 1954 with respect to the tax treatment of oil and gas income, and for other purposes; to the Committee on Ways and Means.

By Mr. RANGEL (for himself, Mr. Ullman, Mr. Corman, and Mr. Pepper):

H.R. 4444. A bill to change the method of medicare reimbursement for health maintenance organizations; jointly, to the Committees on Ways and Means and Interstate and Foreign Commerce.

By Mr. DINGELL:

H.R. 4445. A bill to amend the Energy Policy and Conservation Act to authorize certain appropriations for energy conservation programs for schools and hospitals, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. HOLLAND (for himself, Mr. Conable, Mr. Duncan of Tennessee, Mr. Vander Jagt, Mr. Gradison, Mr. Jenkins, Mr. Ford of Tennessee, Mr. Bafalis, and Mr. Fowler):

H.R. 4446. A bill to amend the Internal Revenue Code of 1954 to provide that the retirement-replacement-betterment method of accounting for property used by a common carrier (including a railroad switching company or a terminal company) is an acceptable method for determining depreciation allowances for income tax purposes; to the Committee on Ways and Means.

By Ms. HOLTZMAN (for herself and Mr. Rangel):

H.R. 4447. A bill to amend section 218 of the Social Security Act to require that States having agreements entered into thereunder will continue to make social security payments and reports on a calendar-quarter basis; to the Committee on Ways and Means.

By Mr. KOGOVSEK:

H.R. 4448. A bill to amend the Fair Labor Standards Act of 1938 to exempt full-time students serving as resident assistants and resident counselors in private nonprofit institutions of higher education from that act, and for other purposes; to the Committee on Education and Labor.

By Mr. OBEY:

H.R. 4449. A bill to amend the Federal Water Pollution Control Act to provide an additional allotment of funds to certain States, and for other purposes; to the Committee on Public Works and Transportation.

By Mr. BROWN of Ohio:

H.R. 4450. A bill to provide for a National Afro-American History and Culture Board, which shall establish a museum to be known as the National Museum of Afro-American History and Culture; to the Committee on Education and Labor.

H.R. 4451. A bill to provide for the establishment of a National Museum of Afro-American History and Culture in the vicinity of Wilberforce, Ohio; to the Committee on Education and Labor.

H.R. 4452. A bill to provide for the establishment of a museum to be known as the National Museum of Afro-American History and Culture; to the Committee on Education and Labor.

By Mr. WAXMAN (for himself, Mr. Satterfield, Mr. Preyer, Mr. Luken, Mr. Walgren, Ms. Mikulski, Mr. Gramm, Mr. Shelby, Mr. Murphy of New York, Mr. Carter, Mr. Madigan, Mr. Stockman, Mr. Lee, Mr. Dannemeyer, Mr. Wirth, Mr. Sharp, Mr. Santini, Mr. Mottl, Mr. Swift, Mr. Devine, Mr. Broyhill, Mr. Brown of Ohio, Mr. Lent, Mr. Moorhead of California, Mr. Rinaldo, Mr. Marks, and Mr. Loeffler):

H.R. 4453. A bill to amend the Saccharin Study and Labeling Act to extend to June 30, 1981, the ban on actions by the Secretary of Health, Education, and Welfare respecting saccharin; to the Committee on Interstate and Foreign Commerce.

By Mr. WHITEHURST:

H.R. 4454. A bill to amend the Federal Railroad Safety Act of 1970 to expand State enforcement of railroad safety laws; to the Committee on Interstate and Foreign Commerce.

By Mr. HEFTEL:

H.R. 4455. A bill to require 15 days notification to the Governor of any State prior to transporting nuclear waste to, through, or across the State; jointly, to the Committees on Interior and Insular Affairs and Interstate and Foreign Commerce.

By Mr. BEDELL (for himself, Mr. McCloskey, Mr. Wolpe, Mr. Mitchell of Maryland, Mr. Markey, Mr. Pease, Mr. Oberstar, Mr. LaFalce, Mr. Mineta, Mr. Barnes, Mr. Hughes, Mr. Walker, Mr. Quayle, Mr. Won Pat, Mr. Flood, Mr. Downey, Mr. Kildee, Mr. Ottinger, Mr. Gradison, and Mr. Drinan):

H. Con. Res. 139. Concurrent resolution expressing the sense of Congress with respect to employment practices in South Africa of U.S. companies doing business in that country; to the Committee on Foreign Affairs.

By Mr. WOLFF (for himself, Mr. Diggs, Mr. Goodling, Mr. Guyer, Mr. Hall of Ohio, Mr. Mica, Mr. Pritchard, Mr. Solarz, and Mr. Yatron):

H. Res. 316. Resolution expressing the sense of the House of Representatives that the President should call upon the Secretary General of the United Nations to convene immediately an emergency session of the General Assembly to deal with the refugee crisis in Southeast Asia, to the Committee on Foreign Affairs.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

223. The SPEAKER presented a memorial of the Legislature of the State of Nevada, relative to research and demonstration in geothermal resources; to the Committee on Science and Technology.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BROWN of California:

H.R. 4456. A bill for the relief of James E. Kennedy; to the Committee on the Judiciary.

By Mr. FOWLER:

H.R. 4457. A bill for the relief of Tsai Yuan and Tsai Huang Wen-Chen; to the Committee on the Judiciary.

By Mr. McKAY:

H.R. 4458. A bill for the relief of Antonio Savini; to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 1150: Mr. Grassley.

H.R. 1173: Mr. Perkins.

H.R. 1539: Mr. Ambro, Mr. Bingham, Mr. Bevill, Mr. Leach of Louisiana, Mr. Patten, Mr. Sawyer, Mr. Shelby, Mr. Wolff, and Mr. Zeferetti.

H.R. 2735: Mr. Railsback.

H.R. 3005: Mr. Addabbo, Mr. Akaka, Mr. Baldus, Mrs. Boggs, Mr. Bonior of Michigan, Mrs. Bouquard, Mr. Buchanan, Mr. Burgener, Mr. Butler, Mr. Brown of California, Mrs. Chisholm, Mr. Clay, Mr. Dornan, Mr. Downey, Mr. Drinan, Mr. Edwards of California, Mr. Ertel, Mr. Fazio, Mr. Forsythe, Mr. Frenzel, Mr. Garcia, Mr. Gephardt, Mr. Glickman, Mr. Gray, Mr. Green, Mr. Heftel, Ms. Holtzman, Mr. Hughes, Mr. Kildee, Mr. Kindness, Mr. LaFalce, Mr. Lehman, Ms. Mikulski, Mr. Moakley, Mr. Murphy of Pennsylvania, Mr. Nolan, Ms. Oakar, Mr. Ottinger, Mr. Pepper, Mr. Richmond, Mr. Rodino, Mrs. Schroeder, Mr. Simon, Mrs. Snowe, Mrs. Spellman, Mr. Studds, Mr. Waxman, Mr. Weaver, and Mr. Wolff.

H.R. 3111: Mr. Evans of Delaware.

H.R. 3181: Mr. Gray.

H.R. 3548: Mr. Gudger.

H.R. 3562: Mr. Bauman, Mr. Cleveland, Mr. Courter, Mr. Dodd, Mr. Giaimo, Mr. Kostmayer, Mr. Lujan, Mr. Mica, Mr. Mitchell of New York, Mr. Mollohan, Mr. Ottinger, Mr. Pepper, Mr. Pursell, Mr. Snyder, and Mr. Slack.

H.R. 3718: Mr. Cleveland, Mr. Flood, Mr. Stangeland, and Mr. Yatron.

H.R. 3790: Mr. Lehman, Mr. LaFalce, Mr. Richmond, Mr. Mitchell of New York, Mr. Weiss, Mrs. Fenwick, Mr. Maguire, Mr. Bedell, Mrs. Spellman, Mr. Ottinger, Mr. Dougherty, Mr. Clinger, Mr. Mikva, Mr. Nolan, Mr. Gray, Mrs. Bouquard, Mr. Solarz, Mr. Drinan, Mr. Stark, Mr. Mitchell of Maryland, Mr. Lee, and Mr. Lundine.

H.R. 3991: Mr. Preyer, Mr. Ottinger, Mr. Satterfield, Mr. Luken, and Mr. Rinaldo.

H.R. 4120: Mr. Ambro, Mrs. Bouquard, Mr. Clay, Mr. Clinger, Mr. Corrada, Mr. D'Amours, Mr. Dellums, Mr. Diggs, Mr. Drinan, Mr. Evans of the Virgin Islands, Mrs. Fenwick, Mr. Fish, Mr. Fisher, Mr. Harris, Mr. Hollenbeck, Mrs. Holt, Mr. Hutto, Mr. Kemp, Mr. Kildee, Mr. Kogovsek, Mr. Kostmayer, Mr. LaFalce, Mr. Lee, Mr. Lent, Mr. Lowry, Mr. McEwen, Mr. McKinney, Mr. Maguire, Mr. Mikva, Mr. Mineta, Mr. Mitchell of Maryland, Mr. Montgomery, Mr. Murphy of Pennsylvania, Mr. Murphy of New York, Mr. Nowak, Mr. Oberstar, Mr. Pepper, Mr. Price, Mr. Rangel, Mr. Ratchford, Mr. Rinaldo, Mr. Roe, Mr. Sabo, Mr. Solarz, Mrs. Spellman, Mr. Thompson, Mr. Weiss, Mr. Zeferetti, and Mr. Markey.

H.R. 4212: Mr. Jeffords, Mr. Gudger, and Mr. Carr.

H.J. Res. 19: Mr. Emery.

H.J. Res. 161: Mr. Seiberling, and Mr. Evans of Georgia.

H.J. Res. 209: Mr. Annunzio, Mr. Archer, Mr. Barnes, Mr. Bereuter, Mr. Phillip Burton, Mr. Collins of Texas, Mr. Conte, Mr. Corman, Mr. Dan Daniel, Mr. Daschle, Mr. Davis of South Carolina, Mr. Duncan of Tennessee, Mr. Edgar, Mr. Ertel, Mr. Fascell, Mrs. Fenwick, Mr. Fish, Mr. Fowler, Mr. Giaimo, Mr. Gradison, Mr. Harris, Mr. Harsha, Mr. Hightower, Mr. Jacobs, Mr. Johnson of Colorado, Mr. Kastenmeier, Mr. Lehman, Mr. Leland, Mr. Lent, Mr. Lungren, Mr. Madigan, Mr. McDade, Mr. Mica, Mr. Mikva, Mr. Mitchell of New York, Mr. Nowak, Mr. Paul, Mr. Rinaldo, Mr. Thompson, Mr. Wampler, Mr. Weiss, Mr. Wolff, Mr. Wyatt, Mr. Yatron, and Mr. Young of Missouri.

H.J. Res. 275: Mr. Harsha, Mr. Gray, Mr. LaFalce, Mr. Gaydos, Mr. Montgomery, Mr. Sabo, Mr. Evans of Delaware, Mr. Udall, Mr. Alexander, Mr. Frenzel, Mr. Fisher, Mr. Coelho, Mr. Williams of Ohio, Mr. Walgren, Mr. Collins of Texas, Mr. O'Brien, Mr. Coleman, Mr. Wolpe, and Mr. Gonzalez.

H.J. Res. 353: Mr. Anderson of California, Mr. Badham, Mr. Barnard, Mr. Beilenson, Mr. Breaux, Mr. Brinkley, Mr. Burgener, Mr. Clay, Mr. Coelho, Mr. Philip M. Crane, Mr. Dornan, Mr. Edwards of Alabama, Mr. English, Mr. Findley, Mr. Florio, Mr. Gibbons, Mr. Hall of Texas, Mr. Hopkins, Mr. Huckaby, Mr. Ichord, Mr. Jones of Tennessee, Mr. Leach of Louisiana, Mr. Lee, Mr. Levitas, Mr. Livingston, Mr. Long of Louisiana, Mr. Lott, Mr. McCormack, Mr. Marriott, Mr. Mica, Mr. Michel, Ms. Mikulski, Mr. Montgomery, Mr. Moorhead of Pennsylvania, Mr. Murtha, Mr. Myers of Pennsylvania, Mr. Nichols, Mr. Patterson, Mr. Pease, Mr. Pickle, Mr. Quayle, Mr. Satterfield, Mr. Shelby, Mr. Volkmer, Mr. Whittaker, Mr. Bob Wilson, Mr. Wirth, Mr. Yatron, Mr. Gonzalez, Mr. Garcia, Mr. Dougherty, Mr. Kildee, Mr. Robert W. Daniel, Jr., Mr. Mitchell of New York and Mr. Dodd.

H. Con. Res. 69: Mr. Archer.

H. Res. 225: Mr. Tauke.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

148. By the SPEAKER: Petition of the Michigan State Board of Education, Lansing, Mich., relative to equal educational opportunity; to the Committee on Education and Labor.

149. Also, petition of the Kalamazoo County Board of Commissioners, Kalamazoo, Mich., relative to creating a National Cemetery at Fort Custer, Mich.; to the Committee on Veterans' Affairs.

150. Also, petition of the New York Metropolitan Unitarian Universalist District, Summit, N.J.; relative to the proposed conversion of the Olympic Games facility in Lake Placid, N.Y., into a Federal prison; jointly, to the Committees on Interstate and Foreign Commerce, and the Judiciary.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 2462

By Mr. McCLOSKEY:

—On page 2, strike lines 9–23 and renumber the following paragraphs accordingly.

On page 3, line 16, strike "$35,598,000" and insert in lieu thereof "$34,782,000".

On page 3, line 17, strike $29,221,000" and insert in lieu thereof "$28,405,000".

On page 4, after line 5, add:

"Sec. 5. Notwithstanding any other provision of law, the Secretary of Commerce may, under the same terms and conditions applying to vessels built in the United States, make the operating-differential subsidy provided for in section 601 of the Merchant Marine Act, 1936 (46 U.S.C. 1171), and government-impelled cargoes provided for in section 901 of the Merchant Marine Act, 1936 (46 U.S.C. 1241), available to any vessel that is contracted for or purchased by a United States citizen in fiscal year 1980 and subsequently documented under the laws of the United States.".

—On page 2, line 23, after "series" insert: ": *Provided further*, That no funds authorized by this paragraph may be used to construct any vessel which will have a subsidized manning level 50 percent above the minimum determined by the Coast Guard to be necessary for the safe operation of the vessel".

—On page 3, line 4, after "Defense" insert: ": *Provided further*, That no funds authorized by this paragraph may be paid for any item of wage costs that is paid to the Transportation Institute, the Joint Maritime Congress, the American Maritime Officers Service, or to any other organization which engages in lobbying activities".

H.R. 4388

By Mr. CAVANAUGH:

—Page 17, line 6, strike out "$215,453,000" and insert in lieu thereof "$209,453,000".

Page 18, line 6, after the period, insert the following: ": *Provided further*, That, no part of this appropriation shall be used for the O'Neill Unit."

By Mr. DODD:

—Page 11, line 22, after "Act" insert the following: "in excess of $750,000".

By Mr. EDGAR:

—Page 13, line 9, strike out "$1,441,216,000" and insert in lieu thereof "$1,432,116,000".

Page 13, line 10, after the period, insert the following: *Provided*, That, none of the funds made available under this paragraph shall be obligated or expanded for the Stonewall Jackson Lake project.

By Mr. FITHIAN:

—Page 2, line 11, strike out $2,050,623,000" and insert in lieu thereof "$2,060,623,000".

—Page 2, line 11, strike out "$2,050,623,000" and insert in lieu thereof "$2,045,623,000".

Page 11, insert after line 24 the following:

Sec. 104. None of the funds appropriated for Department of Energy activities by this Act shall be used for the purpose of initiating work on a nuclear waste solidification program at West Valley, New York.

By Mr. RAILSBACK:

—On page 13, line 9, strike "$1,441,216,000" and insert in lieu thereof "$1,441,466,000".

By Mr. WIRTH:

—Page 3, line 15, strike out "$235,329,000," and insert in lieu thereof "$237,329,000,".

H.R. 4389

By Mr. DODD:

—Page 28, line 4, strike out "$874,500,000" and insert in lieu thereof "$1,006,000,000".

H.R. 4394

By Mr. MILLER of Ohio:

—Page 38, after line 16, insert the following section:

Sec. 409. Of the total budget authority provided in this Act, for payments not required by law, five per centum shall be withheld from obligations and expenditure; *Provided*, That of the amount provided in this Act for each appropriation account, activity, and project, for payments not required by law, the amount withheld shall not exceed ten per centum.

By Mr. MITCHELL of New York:

—Page 15, line 19, strike out "$131,121,000" and insert in lieu thereof "$168,521,000".

EXTENSIONS OF REMARKS

COMMEMORATING THE 50TH ANNIVERSARY OF ANNE FRANK'S BIRTH

HON. MATTHEW F. McHUGH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 13, 1979

● Mr. McHUGH. Mr. Speaker, this is the month of commencement exercises throughout our country. Every June, as young people go forth to face the world's challenges, there is one basic challenge which always presents itself: How to retain those high hopes, that joyous expectation, in the face of disappointments, hardships, and even miseries which people sometimes inflict on one another.

Today, we celebrate a special anniversary that should encourage us all to rekindle the kind of faith and courage that overcomes tragedy and doubt. Fifty years ago today, June 13, Anne Frank was born, and on her 13th birthday in 1942 she began keeping a diary. In the first entry she addressed her diary by writing, "I hope you will be a great support and comfort to me." Little did she imagine that her very private thoughts would one day be translated into thirty languages and become a great support and comfort to millions of people.

Her "Diary of a Young Girl" describes the 2 years she and seven other Jews spent hiding in a nest of Amsterdam rooms during the Nazi occupation of Holland. Despite those harrowing circumstances, and amid the daily fear of discovery and certain death, the flowering of a beautiful and sensitive human spirit occurs. In recording the events of her daily life, Anne Frank believed in a saying that "paper is more patient than man." At the end of the war, after Anne had died in the concentration camp at Bergen-Belsen, the scattered pages of her diary were found on the floor of her family's hiding place. Now, as long as people can read, they can continue to be inspired by the story of her faith and growth.

She lives on through her diary which relates her growing up, her experience of family tensions, her young love for the boy upstairs, and her appreciation for a world that grew more threatening and yet more precious.

In the beautiful story of human grandeur emerging amid a world war, she continues to teach us the value of faith and courage in a skeptical century. In a world still riddled by horrendous examples of human suffering, Anne Frank remains alive in the hearts of those who hear her message. Her spirit can be seen in the energy and confidence of those who still pledge themselves to the pursuit of high ideals. In her sensitive, loving legacy to the human race, here is how Anne Frank spoke of such ideals:

> It's really a wonder that I haven't dropped all my ideals, because they seem so absurd and impossible to carry out. Yet I keep them, because in spite of everything I still believe that people are really good at heart. I simply can't build up my hopes on a foundation consisting of confusion, misery, and death. I see the world gradually being turned into a wilderness. I hear the ever approaching thunder, which will destroy us too. I can feel the sufferings of millions and yet, if I look up into the heavens, I think that it will all come right, that this cruelty too will end, and that peace and tranquillity will return again. In the meantime, I must uphold my ideals, for perhaps the time will come when I shall be able to carry them out.

This June, Mr. Speaker, as many of our young people go forth in the world, may they learn to share in the same hope and idealism that Anne Frank cherished so memorably.●

FAREWELL ADDRESS

HON. DAWSON MATHIS

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 13, 1979

● Mr. MATHIS. Mr. Speaker, I rise today to enter into the RECORD the valedictory address of Miss Denise Brewer, the outstanding 1979 graduate of Tiftarea Academy, Tifton, Ga. I believe that this young lady's remarks are worthy of study by young people all over this great country of ours, and that these remarks be inserted at this time:

FAREWELL ADDRESS

Dear Friends: The time has come for us, as a class, to separate—to break the bonds that have held us closely together all these years during which we have been striving to attain a common goal—graduation. Much of the time it has been uphill work, sometimes the tasks have seemed too difficult to master—the burdens heavier than we could bear, but we were young, and with perseverance and a bull-dog determination, we have come safely and triumphantly to the finish.

Now that we have reached this important station in life's journey, the thrill of the occasion to which we have looked forward, has somehow given place to a feeling of sadness as we come to a realization that the direct and more intimate association with each other is to be severed—that the friendships of our years are to be but a happy memory. No longer are we active members of the Senior Class of Tiftarea Academy. We are to launch forth into the field of new endeavor and adventure. New associations are to be formed, more practical and more mature ones. We are to enter upon the actual realities of life—we are to assume the responsibilities of our life careers. Shall we succeed or shall we fail? That depends entirely upon ourselves.

Much depends upon the wisdom and judgment with which each one selects his life vocation, the application he gives to it, the persistent efforts and determination with which he pursues it. We may learn a great deal from the success or failure of others. We may profit by reviewing the struggles of Lincoln and Carnegie and Edison. None of them had the advantages of school education, such as we have enjoyed, and yet, by their heroic efforts, they achieved worldwide fame and made the whole universe happier and better for their having lived. By this I do not mean to belittle a high school education but rather to emphasize how much greater should be our chances of success with the education that we have.

Education should not end with graduation. This graduation day of ours should really be only one of the milestones on our educational highway. It should be what we commonly speak of as commencement day. It should be the commencement of our lifelong quest for practical knowledge and research if we are to win the greatest success in life.

A beautiful diploma hanging on the wall of a physician's waiting room or in a lawyer's private office will not in itself bring patients to the one or clients to the other. Both recipients of these cherished parchments must continue their constant study and research if they are to win recognition in their callings. Many a college graduate has become a dismal failure because his education stopped when he left school.

Let us, as graduates, always remember this and be spurred on by the thought. May it never be said of any one of us that this graduation day ended his or her education. No matter what may be our vocations in life, whether treating a patient or arguing a case in court, whether selling goods over a counter or preaching a sermon, may we put into our job the very best that is in us. When we cease to do that, we cease to grow and expand.

Now classmates and friends and teachers, it is time to say farewell. Happy times we have had together. Now we go our separate paths. Some of us may win fame or fortune or even both: others may be content to remain in the modest walks of life. Whatever our status in life, whatever we do or whatever we are, we shall always remember with pride and joy the class of 1979. For we so few and so small, have stood together through it all! Tonight our few hearts are heavy with joyful anticipation of what lies ahead and with sorrow of what we leave behind. On this day of days—our graduation day—we say to all of you—our dear parents, teachers, and friends, as well as to our classmates,

Farewell! ●

AMTRAK: A POTENTIAL TO ALLEVIATE THE ENERGY CRISIS

HON. DOUGLAS K. BEREUTER

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 13, 1979

● Mr. BEREUTER. Mr. Speaker, I recently read an editorial in the Omaha World Herald which I would like to bring to the attention of my colleagues. "Give Amtrak More of the Load" discusses the short-sightedness of the administration's policy to "cut the rug" from under Amtrak.

Many of us who represent States which will suffer because of the administration's plan have been working to reinstate service. Now that the Nation's energy problems have again reached critical proportions, it seems we have even more arguments on our side.

Train service can play a signficant role in reducing the demand for gasoline by automobiles. As the editorial points out, "Now is the time to modernize and expand equipment, to improve service and routes—not cut back."

Because we will be addressing this issue when the Amtrak reauthorization legislation comes to the House floor, I would like to commend the editorial to the attention of my colleagues:

[From the Omaha World Herald, June 6, 1979]

Give Amtrak More of the Load

Amtrak hasn't been all that successful—for sure. But how could the Carter administration and Congress find a worse time to pull routes and money out from under it?

Here is an administration apparently willing to try about anything now to meet the energy crisis, yet it shrugs off Amtrak opportunities.

Looking at it from another way, if Amtrak ever were to prove itself more than a financial headache, now is the time.

Here in our part of the country, you can ring the Amtrak phone off the hook without getting an answer. The trains that do come and go do so in the middle of the night. Reports of service vary greatly Yet . . .

Even with service at worst, there were those who patronized the train, not as much as needed for financial success, but faithfully. Given reasonable departure and arrival hours, the results might have been quite different.

Be that as it may, the gas shortage and price increases have completely changed the picture. Amtrak now has more business than it can handle. And this is while you can still buy enough gasoline for your auto in most areas of the country.

We agree with Transportation Secretary Brock Adams that passenger trains can't bail our nation out of the energy crisis. But we disagree that trimming service to reduce the deficit is the current answer to saving Amtrak.

Compared with other deficits, the half-billion subsidy to Amtrak is minor. A full passenger train is at least twice as efficient in energy use as any other form of transportation for handling people.

Not one, but many approaches will be needed in coming years to lower our energy use. Trains should have a part. Now is the time to modernize and expand equipment, to improve service and routes—not cut back.

We are at a loss to understand why this message is so difficult to get through to the Carter administration and Congress—aside from senators and representatives from states which would lose routes.●

NATION'S OLDEST BREWERY

HON. GUS YATRON

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 13, 1979

● Mr. YATRON. Mr. Speaker, this year the Nation's oldest brewery, D. G. Yuengling & Son, Inc., of Pottsville, Pa., will celebrate its 150th anniversary. I am proud to count the Yuengling company among my constituency.

In 1828, the founder of the company, David G. Yuengling, immigrated to Pennsylvania from Germany. After locating in Pottsville in 1829, Mr. Yuengling engaged in the manufacture of malt liquors and was one of the first brewers to make lager beer. So began a tradition of family operation which continues to this day.

Since the early period of the brewery's operation, owing to expanding trade, the premises have been practically rebuilt several times, and now occupy three entire blocks. The plant has never ceased production since its establishment in 1829. It remained in operation during the Prohibition era in the manufacture of a nonalcoholic beverage, "Near Beer."

Mr. Speaker, I invite my colleagues to join with me in recognizing the outstanding contribution that D. G. Yuengling & Son, Inc., has made to the brewing industry over the past 150 years, with wishes of continued success and growth to its President, Mr. Richard L. Yuengling, Sr.●

REGULATION: THE CONGRESSIONAL DEBATE

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 13, 1979

● Mr. HAMILTON. Mr. Speaker, I would like to insert my Washington Report for Wednesday, June 13, 1979, into the Congressional Record:

Regulation: The Congressional Debate

A congressional debate on federal regulation is much needed. It is also long overdue. As the debate progresses, it is important to understand which issues are central and which are not, what the government has done so far to improve regulatory policy, and what some of the major changes in that policy might be.

While I welcome the debate on regulation, I am disturbed that it too often centers on extreme examples. Critics of regulation are likely to complain too much about "nuisance" regulations, and proponents of regulation tend to belabor the excesses of a few in their effort to justify regulation across the board. The level of the debate could be raised if both sides would recognize its seriousness and would agree to emphasize key issues. Another factor which clouds the debate on regulation is the difficulty of detecting the public's true attitude. I receive dozens of letters on regulation each week, but in my last questionnaire only 16.4% of those responding gave regulatory reform a high priority. National polls show the same uncertainty. This means that better information will have to be made available to the public.

Whether to regulate or not should be a question of the cost of regulation weighed against the benefit of it. Unfortunately, it is often difficult—and sometimes impossible—to total up the costs and benefits of regulation in an adequate way. Some headway is being made on the cost side, but much more work needs to be done on the benefit side. It is clear to me that more precise thinking about regulation depends on advances in the techniques of cost-benefit analysis. I believe as well that the debate is being confused by those who favor or oppose regulation in the abstract. Some people think that regulation should be the first, and is always the best, solution to virtually every problem society faces. Other people are against regulation no matter how beneficial it is. These abstract positions, however, are neither necessary nor desirable. The particular facts of regulation should occupy center stage.

Although the debate on regulation has just begun to unfold, important steps to remake regulatory policy have already been taken. In the executive branch, where regulations are drafted and enforced, the President has directed agencies to analyze the costs of rules with maximum cost-effectiveness as a goal. Agencies are under orders to expand public participation in the regulatory process, to write regulations in plain English, to eliminate out-dated rules, and to publish agendas of regulations they are working on. The President has also created two government-wide panels, the Regulatory Analysis Review Group and the Regulatory Council, to bring more consistency and coherence to regulatory policy. The former panel prepares reports on major proposed rules, and the latter identifies and deals with overlapping or conflicting regulations. Yet another promising development in the executive branch is the expanded role of the Council of Economic Advisors. The council has gone beyond its traditional mission by giving the President its assessment of the economic impact of regulations.

Government activity has not been confined to the executive branch. Dozens of regulatory reform proposals are attracting the attention of Congress. There are bills to provide for a "sunset" review of agencies, bills to require economic impact statements for regulations, bills to streamline agency proceedings, bills to give Congress the power to veto regulations, bills to reduce paperwork, and bills to change regulatory practice in specific sectors of the economy. It is still too early to say which of these measures will emerge from the current session, but I am confident that Congress is taking the debate on regulation seriously. To me, the most encouraging sign is the willingness of many legislators to consider new approaches. One new approach—the now enacted deregulation of the airline industry—is an indication that substantive reform of regulation will be favorably received in Congress.

I hope that Congress' work on regulation will be both comprehensive and in depth. As I see it, we must concentrate on balancing the costs and benefits of all regulations, with special attention to cost-effectiveness. This may mean that agencies should get out of the business of direct regulation in some instances, restricting themselves instead to the setting of goals and the monitoring of compliance. It may also mean that cost-benefit analyses and economic impact statements should have broader use. We must try to even out the impact of regulation. This may mean that agencies should write simplified rules for small organizations, or else exempt them from regulation altogether. We must take a case-by-case approach to the issue of deregulation. This may mean that no sector of the economy would be free from examination, but also that no decision would be made without careful study. We must make regulators more accountable to the public. This may mean that Congress should be able to veto regulations, or perhaps that Congress should establish a new mechanism, such as "sunset" review, to oversee the conduct of regulators. We must speed up the regulatory process. This may mean that agencies should streamline their operations at many levels.

A final consideration is just as critical as any of these: Congress must make sure that all regulation is guided by well defined goals of public policy. When goals are unclear, regulations become unintelligible, regulators become confused, and the public wonders just what is going on.●

TRADITIONAL VERSUS SECULARIST VIEW OF FAMILIES AND GOVERNMENT'S PROPER ROLE TOWARD THEM

HON. ELDON RUDD

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 13, 1979

● Mr. RUDD. Mr. Speaker, I would like to bring to the attention of my colleagues an excellent and thought-provoking article which appeared in the Washington Post on June 8.

Columnist Nick Thimmesch has accurately identified a disturbing vein of thought which I have noticed with increasing frequency as the basis for many Federal programs affecting families and children. It is also the philosophy espoused by those within the bureaucracy who administer these programs.

According to this line of thought, people—in this article, children—are essentially one-dimensional human beings. That one dimension, in their view, is an economic one.

As Mr. Thimmesch suggests—

> They are convinced that if only enough federal programs are funded—Eureka!—the age-old problems of families will be diminished to a manageable level. They actually believe that the primary reason families come apart is that economic forces have conspired against them. Thus, children are abused by parents, run away, commit crimes, take drugs, become pregnant, get abortions, drop out of school—mostly because of the U.S. economic monster.

Unfortunately, the subtle and dangerous derivative of this philosophy is that our citizens' human problems are somehow a result of our particular economic system—that is, the capitalist system.

Even if we accept the economic premise as the sole standard for measuring the quality of life—and I do not—it does not follow, as some secularists advocate, that human problems disappear, or are lessened, in a noncapitalist society.

But regardless of how extreme the secularists become in promoting the economic view of man, the results are disastrous. Such a view negates consideration of the physical, emotional, phychological, or spiritual view of man. These secularists also tend to diminish the role of individuality of man since their philosophy holds that the primary ingredient in everyone's success—at least measured materially—is one's economic circumstance and background.

Mr. Thimmesch notes that the real answer to the family problems besieging our Nation is the increased concern and attention of parents, rather than the Federal Government, to their children.

Probably the best advice given on the subject of children and families was provided by the writer of Proverbs in the Bible who said:

> Train up a child in the way he should go, and when he is old, he will not depart from it. (Proverbs 22: 6)

The training and instruction of children is the responsibility of the child's parents. We must not set up programs which allow the Federal Government to usurp this vitally important role under the guise of improving a one-dimensional, solely economic quality of life.

I commend to my colleagues this excellent analysis of contemporary Federal family welfare programs by Nick Thimmesch, with the suggestion that Congress carefully contemplate the philosophy which underlies our future consideration of these policies. I include the article in the RECORD at this point:

331 FEDERAL PROGRAMS—FOR FAMILIES

(By Nick Thimmesch)

A large but underreported war rages in the republic, and it is as important in the national scheme as energy, inflation or the latest Middle East wrinkle.

The war, simply, is over families and children. The adversaries are traditionalists and a gang of secular-minded materialists who think federal benevolence and militant "children's rights" are the answer to the crisis in family life.

Now the antitraditionalists are well meaning. They are convinced that if only enough federal programs are funded—*Eureka!*—the age-old problems of families will be diminished to a manageable level. They actually believe that the primary reason families come apart is that economic forces have conspired against them. Thus, children are abused by parents, run away, commit crimes, take drugs, become pregnant, get abortions, drop out of school—mostly because of the U.S. economic monster.

So outfits like the Carnegia Foundation or the National Academy of Sciences called for direct income redistribution, and a variety of other federally financed programs.

Now this can be bad economics and bad social policy as well. Small wonder that Sen. Alan Cranston (D-Calif.) recently canceled hearings on the Child Care Act of 1979 (favored by antitraditionalists), saying that Congress and the public feel "very negative" about such new federal proposals.

The consequence of so many family welfare programs (331 in the federal government alone) is an enlargement of the pitiable welfare class—people who are told, in effect, you just can't take it, so we'll take care of you. Such a dictum can be as bad as heroin.

Traditionalists feel for humanity just as keenly as the secularists do. Their ranks number political liberals as well as conservatives. But they feel that excessive federal meddling in families amounts to destroying the family in order to save it.

If families need help, they argue, do it through the "mediating structures" of neighborhood groups, churches and other voluntary organizations. Retain pluralism, retain family control.

Strong forces work against parental control these days. Some "children's rights" advocates go beyond the United Nations' acceptable list, and call for laws guaranteeing a child the right to: find a new home if his isn't happy for him; obtain free legal, medical or psychiatric care without parental consent; remain in a runaway center even if parents request his return; sue parents or schools for damages; exact a minimum wage from parents for doing chores.

One such advocate, Patricia McGowan Wald, now waiting for confirmation as a U.S. circuit judge, has argued that a "neutral decision-maker" should decide the merits of a child's grievances against his parents. Wald also declared that she wouldn't be against dropping the voting age to 12 or 13.

The thrust of antitraditionalists is an attempt to pass the Ten Commandments all over again, though in the form of federal regulations with money attached. The sad experience with those 331 federal programs, as well as extreme stands on "children's rights" and the situation by which a child can get a Planned Parenthood abortion without parental consent, but must have a written note from mother to get her ears pierced, has created a backlash against President Carter's White House Conference on Families and U.S. participation in the International Year of the Child.

Indeed, Carter seems confused about American family life. On one hand, he talks fervently about the traditional family and laments the decline of moral standards and the scorning of marriage. On the other, he appoints policy-makers who are antitraditional and foster a secularism that deteriorates family life.

There is no better voice on this issue than Dr. Robert Coles, a Harvard University psychiatrist, who passionately declares that the most pressing need for American children today is for parents to teach them values and ethics, and compassion for other people, rather than the tricky path to beat the system and make big bucks. Dr. Coles commits the secular sin of involving Judaic tradition and Christ's teaching to plead his case.

He scoffs at proposals for children to engage in contentious battles with parents over "rights." Moreover, he says, parents should quit trying to psychologically "understand" their children and begin showing them why they should contribute to the family's needs.

While Coles believes that children of the poor need free medical attention, compensatory education and other special help, he still gives priority to the need for parents to take charge, to stress, by word and example, the difference between right and wrong, and the value in treating people with humanity.

Rich and poor parents alike must do this, and federal grants won't help.●

ONE TRUST FUND TOO MANY

HON. RICHARD L. OTTINGER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 13, 1979

● Mr. OTTINGER. Mr. Speaker, as one who has long opposed massive subsidy programs that circumvent the prerogatives of the House, I want to applaud an editorial in today's Washington Post, entitled "One Trust Fund Too Many."

As the editorial eloquently states:

> Helping the poor and mass transit and new energy technologies are all worthy and proper uses of tax money. But it is the responsibility of Congress to set those appropriations . . . rather than leaving them up to the blind workings of a trust-fund formula.

I urge my colleagues to read this editorial and pay heed to its wise advice:

ONE TRUST FUND TOO MANY

The House Ways and Means Committee will soon have an opportunity to kill the president's plan for an energy trust fund. It is an opportunity to be seized. The energy trust fund is a dangerously flawed concept, and no amount of tinkering can make it right.

When President Carter decided to decontrol oil prices, he saw the need for a tax to return to the public some of the gigantic increases in revenues to the oil producers. So far so good. But then he adopted the idea of putting all of those revenues into what he called the Energy Security Fund. Out of it, he proposed to pay a little for aid to the poor, a little more for public transit, and quite a lot for the development of new energy supplies.

The big flaw is that no real relationship exists between those needs and the amounts of money flowing into the fund. If the oil taxes should return less than estimated, the shortfall would restrict the subsidies to the poor, the transit systems and new energy technologies. But it is infinitely more likely, almost certain, that the income to the fund would be far greater than the administration's estimates. The administration's figures are based on oil price forecasts that are already demonstrated to be vastly too low. The trust fund would be inundated with money, creating a strong temptation to expand those subsidies beyond all justification.

Helping the poor and mass transit and new energy technologies are all worthy and proper uses of tax money. But it is the responsibility of Congress to set those appropriations in terms of the needs that they meet, rather than leaving them up to the blind workings of a trust-fund formula.

Mr. Carter adopted the trust fund because he expected it to strengthen his tax plan in Congress. But it is a liability that drags on the tax bill. If the tax bill continues to lose momentum, the whole oil price decontrol plan will fall into great jeopardy. The Ways and Means Committee will do a service by dumping the trust fund overboard, to improve the chance of survival for those parts of the plan that should be saved.●

WIND ENERGY

HON. NORMAN Y. MINETA

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 13, 1979

● Mr. MINETA. Mr. Speaker, at a time when there is talk of gasoline rationing and increased controversy over the use of nuclear power, it is vitally important to accelerate Federal programs for research and development of new sources of energy.

Thus, on April 10, 1979, I, along with Congressman JIM BLANCHARD and JIM JEFFORDS introduced H.R. 3558, the Wind Energy Systems Research, Development, and Demonstration Act of 1979. The object of this bill is to bring costs of wind energy—currently the most promising of all renewable energy technologies—down to a level at which wind energy can compete with conventional energy sources.

Mr. Speaker, I am pleased to inform you that this legislation has already attracted over 60 cosponsors in the House. For the benefit of my colleagues, I would like to present a short summary of H.R. 3558. I entertain any ideas or comments my colleagues may have on the proposal, and I hope that we will move ahead in this Congress toward the accelerated development of our alternative energy sources.

A summary of H.R. 3558 follows:

BRIEF SUMMARY OF H.R. 3558

Title: "Wind Energy Systems Research, Development and Demonstration Act of 1979"

Section 2: Findings and Purposes:

Explains in detail the value of a strong wind energy research program.

Expresses intent to establish a seven-year, $1-billion program with a goal of reaching wind energy capacity of 500 megawatts by the year 1986 (with at least 5 megawatts of that total being supplied by small wind systems).

Establishes goal of reducing cost of electricity from wind energy, by 1986, to a "level competitive with conventional energy sources".

Section 3: Definitions:

Defines "wind energy system" as any system which converts the kinetic energy of the wind into energy.

Defines "small wind energy system" as a wind system with a capacity of less than 100 kilowatts.

Section 4: Program Description:

Authorizes DOE to set up programs needed to meet goals stated in Section 2.

Provides for federal aid to private parties wishing to use wind energy systems for power. Limits such aid to the difference in cost between wind energy systems and conventional energy systems. Provides for DOE to monitor performance of the systems.

Requires an end to subsidization of such purchases by profitmaking entities when DOE determines that wind systems have become competitive with conventional energy, but in any event, by September 30, 1986.

Allows DOE to make arrangements with other federal agencies for the installation of wind systems and demonstrations.

Section 5: Criteria for Program Selection: Establishes as priorities for the program (1) minimizing costs of wind energy systems; (2) reducing wind energy costs to levels competitive with conventional energy; and (3) cost-sharing with private industry.

Section 6: Monitoring, Information Gathering, and Liaison: Authorizes DOE to collect data on performance of wind systems installed under the Act, and to maintain liaison with industry and the technical community.

Section 7: Studies and Dissemination of Information:

Requires publicizing of information obtained under the program.

Requires study of effects of wind energy systems on utility systems.

Requires study of incentives program to hasten commercialization.

Section 8: Encouragement of Small Business: Requires DOE to encourage maximum participation of small business in the program.

Section 9: Authorization: Authorizes $100 million for FY 1980 for the program.●

A TRIBUTE TO JERRY DIETRICK

HON. GENE SNYDER

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 13, 1979

● Mr. SNYDER. Mr. Speaker, it has been over 50 years since that great aviation pioneer, Charles Lindburgh, flew alone from New York to Paris.

Although great advances have been made in the aviation industry, it is still very hard to fly that route in a single-engine aircraft today.

To commemorate the Paris Air Show, now in progress, G. P. "Jerry" Dietrick, Florence, Ky., alone in his Windecker Eagle, flew the 3,636 miles in unofficial record time of approximately 21½ hours.

In these times of uninformed FAA officials and the media wrongly blaming General Aviation aircraft for accidents, such as the tragedy at San Diego, let us pause to remember that General Aviation aircraft haul approximately 45 percent of the passengers moved in this country.

Let us also take a moment to honor the pioneer aviators, like Jerry Dietrick, for a job well done.●

FEDERAL RAILROAD SAFETY ACT AMENDMENT OF 1979

HON. G. WILLIAM WHITEHURST

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 13, 1979

● Mr. WHITEHURST. Mr. Speaker, today I am introducing the "Federal Railroad Safety Act Amendments of 1979," a bill to amend the Federal Railroad Safety Act of 1970 to expand State enforcement of railroad safety laws. This is a companion bill to S. 934, introduced in that body by Senator BAKER and cosponsored by Senate majority leader BYRD and Senator SASSER.

I would like to share with my colleagues at this point in the RECORD a resolution adopted by the Southeastern Association of Regulatory Utility Commissioners in support of this legislation, and I would hope that prompt and positive action can be taken toward its passage.

The resolution follows:

RESOLUTION

Whereas, The Railroad Safety Act of 1970 was adopted in response to a growing number of rail accidents throughout the nation; and,

Whereas, The Act granted authority to the Secretary of Transportation and the Federal Railroad Administration to promulgate and enforce uniform rail safety standards; and

Whereas, These federal rules preempt State regulations except in very limited circumstances; and,

Whereas, The National Safety Act of 1970 has not succeeded in assuring safe operating conditions on rail tracks and roadbeds throughout the nation. Rather the national railroad safety situation has deteriorated substantially since 1970; and,

Whereas, There have been many catastrophies, including the Waverly, Tennessee, catastrophe of February 1978, in which sixteen persons died; and,

Whereas, The Federal Railroad Safety Act of 1970 has certain provisions contemplating State participation in investigation and enforcement of railroad safety standards: but these provisions and the regulations adopted with respect to them have not proven to facilitate effective State participation and have not resulted in sufficiently effective enforcement of federal safety standards and programs, and in fact have impaired State standards and programs; and,

Whereas, The number of derailments and instances of evacuation have steadily increased; and,

Whereas, Senator Howard Baker of Tennessee has caused to be introduced in the United States Senate S-934 to amend the Railroad Safety Act of 1970 in order to improve enforcement of federal railroad safety standards by granting State regulatory agencies the authority to impose penalties and to seek immediate injunctive relief in U.S. District Court when railroad safety laws have been violated: now, therefore, be it

Resolved by the Southeastern Association of Regulatory Utility Commissioners that the United States Congress amend the Railroad Safety Act by adoption of S-934 to facilitate more effective enforcement of federal and State safety standards and programs.

A copy of this resolution shall be sent to the President of the United States, Governors, and each Member of Congress within the SEARUC region, the National Association of Regulatory Utility Commissioners, and to members of the news media.●

CAN WE AFFORD "NO NUKES"?

HON. ROMANO L. MAZZOLI

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 13, 1979

● Mr. MAZZOLI. Mr. Speaker, I commend to the attention of my colleagues an editorial from the June 6, 1979 New York Times.

Nuclear power presents each of us with a dilemma.

Nuclear power has potential for answering our Nation's and the world's energy requirements. Yet it poses great—and possibly insolvable—health and safety hazards to every human being.

The Times editorial places the vexing problem of nuclear energy in a thoughtful, balanced prospective.

Can We Afford "No Nukes"?

Even before the Three Mile Island investigations are finished, pressures are rising to ban, or suspend, nuclear power. Moratoriums have been proposed in Congress and last weekend thousands of demonstrators picketed nuclear sites around the world, bearing signs calling for "No Nukes." Some people want to ban any new nuclear plants. Others would halt plants already in construction. Still others would abandon those now in service. Is there a sensible interim answer?

That depends on one's perception of the risks. Ralph Nader yesterday urged Congress to shut down all nuclear plants now operating or under construction. The billions this would cost are, he believes, "a cheap price to pay" for averting catastrophes that could render large areas uninhabitable. Everyone is concerned about nuclear safety in the wake of Three Mile Island. But at this stage of the investigations, it is not yet clear how close to disaster that accident came. We surely take it as a warning to reassess the nation's nuclear commitment—but not as reason to abandon nuclear power before that assessment is complete.

A strong case can be made for a moratorium on starting new nuclear plants, at least until the lessons of Three Mile Island are clear. Society may end up deciding to go slow on nuclear power; it makes little sense to expand nuclear capacity in the interim. Delaying construction permits for plants by, say twelve months, would not impose enormous costs.

The 70-odd plants now operating and the 92 under construction are a more difficult matter. Some areas of the country—including New England, Illinois and South Carolina—are heavily dependent on nuclear plants. And even where installations are only partially built, they represent enormous investment—more than $50 billion, by one estimate. Consider the Long Island Lighting Company's partly built plant at Shoreham, L.I., the target of some 15,000 demonstrators last weekend. It is 80 percent complete and has already cost more than $1 billion. When finished in late 1981, it should generate 30 percent of LILCO's power, reducing oil imports by some 8 million barrels a year and holding down electric bills.

The nation could not easily do without the power supplied by such plants. The White House Council on Environmental Quality, though skeptical about nuclear energy, has predicted that by the year 2000, even under optimistic assumptions, the nation would require all nuclear and coal-fired plants now in construction.

Abandoning the nuclear plants would mean switching heavily to coal, with all its environmental and health consequences; or deepening dependence on foreign oil; or conserving more than seems possible—or doing without the energy, with probable blackouts and economic slowdowns. There is, in short, no painless way to abandon nuclear energy. The current reassessments may force society to conclude that nuclear power is unacceptably risky. Until then, the cry for "No Nukes" is unacceptably premature.●

IS THE CURRENT GASOLINE SHORTAGE CONTRIVED?

HON. BILL NELSON

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 13, 1979

● Mr. NELSON. Mr. Speaker, all of us are aware of the strong feeling among our constituents that the current gasoline shortage is being contrived by the oil companies to drive the price of gasoline even higher and thereby increase profits.

The lack of credible, comprehensive information regarding oil and gasoline supplies currently held by the oil companies has made it difficult to respond to our constituents' questions. The problem is further complicated by the public's skepticism of Department of Energy figures.

To try to obtain impartial, comprehensive statistics which will be credible to the public and to Members of Congress, I introduced yesterday House Concurrent Resolution 138—a sense of the Congress resolution calling on the Department of Energy to commission an external, independent audit of current supplies of crude oil and refined products compared with stocks held prior to the revolution in Iran.

The text of my resolution is as follows:

House Concurrent Resolution 138

Expressing the sense of the Congress regarding the commissioning of an independent audit of domestic supplies of crude oil and refined petroleum products and related matters.

Whereas the extent and effectiveness of energy conservation efforts by the public is directly related to whether the public believes the current oil shortage is beyond the control of oil companies or is contrived by such companies in order to increase profits; and

Whereas the results of an audit of domestic oil supplies that is conducted by independent private entity would be more credible to the public than one conducted by an executive agency: Now, therefore, be it

Resolved by the House of Representatives (*the Senate concurring*), That it is the sense of the Congress that the Department of Energy commission an independent audit of the crude oil and refined petroleum products held by or under the control of domestic oil companies and report to the Congress on results of that audit. The audit and report should include—

(1) the level of crude oil and refined petroleum product stocks at the primary level for each month since July 1978,

(2) the domestic refinery capacity utilization for each such month, and

(3) any evidence of hoarding of any type of middle distillate or other refined petroleum product, or of any manipulation of the market for any type of middle distillate or other refined petroleum product, which could create or significantly aggravate any regional shortage of such distillate or petroleum product.●

TAX-EXEMPT MORTGAGE REVENUE BONDS

HON. DON YOUNG

OF ALASKA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 13, 1979

● Mr. YOUNG of Alaska. Mr. Speaker, I would like to take this opportunity to impress upon you and my colleagues in Congress, the importance of tax-exempt revenue bonds for the financing of housing in Alaska. Because the cost of housing is so expensive in rural areas, investors are unwilling to provide mortgages for people in those situations. I am submitting a copy of an article that appeared on the front page of the Anchorage Times concerning this issue. As you can see, the Alaska Housing Finance Corp. cannot assist residents of rural areas unless specific attention is given to the situation in Alaska.

The article follows:

Ullman Bill Would Halt State Program

(By Karen Ranspot)

Unless the U.S. House Ways and Means Committee adopts a provision to allow the June 21 sale of Alaska Housing Finance Corp. bonds, no new mortgage applications will be accepted by Alaska Housing and 863 pending home loans at Anchorage banks totaling $57 million will not be processed.

Alaska Housing announced late Wednesday afternoon that unless a transitional rule allowing the sale is passed, no loan applications will be accepted from banks after 4:30 p.m. June 8. Since 30 to 40 days are required for processing within the bank before the application can be submitted to Alaska Housing, most applications made in May will be affected, officials said.

Alaska Housing Finance Corp., a state-run agency that provides mortgage funds to banks, is the largest single source of home loans in Alaska. Interest on Alaska Housing loans is about 2 percent less than that on conventional loans.

The program and others like it is endangered by a U.S. House bill that would eliminate the tax-exempt status of bonds sold to provide the mortgage money.

Loan applications already received by Alaska Housing and those applications that can be processed and forwarded to Alaska Housing prior to June 8 will not be affected, said Jack Linton, executive director of the state-run agency.

The banks will try to speed applications along, said Tom Behan of Alaska Pacific Bank. "If we can't close (on the loan), we have expended an awful lot of time and effort and unless we make that loan, we don't make any profit," he said.

Current interest rates for loans through Alaska Housing are 8.75 percent compared to more than 11 percent for other types of mortgage loans. The difference in interest charged means about $135 more in monthly payments on a $65,000 loan, Behan said.

Since monthly mortgage payments can be no more than 25 percent of the applicant's gross monthly salary, many potential home buyers will not qualify for loans under programs other than Alaska Housing and will be priced out of the market, Behan said. The loan applicant's monthly salary must be $540 higher to qualify for a conventional $65,000 loan than for an Alaskan Housing Loan of the same amount.

While Alaska Housing officials remain optimistic the Ullman bill in Congress will be revised to allow programs such as Alaska Housing to continue operating, Linton said there will be an immediate "serious and drastic effect on the (Alaskan) economy" if the transitional provision is not adopted.

The bill, introduced last month by House Ways and Means Committee chairman Al Ullman, D-Ore., would remove tax exempt status from most mortgage bonds such as those sold by Alaska Housing and $50 million in bonds sold by the municipality of Anchorage earlier this year.

The legislation would remove the tax-exempt status of all bonds sold after April 24, 1979. Although the bill is still in committee and has not been considered by the full House or Senate, investors will not purchase the bonds unless the Ways and Means Committee changes the effective date, officials say.

Without the transitional provision, the June 21 bond sale would have to be postponed, Linton said. Until the tax status of the bonds is resolved, investors will not be willing to purchase the bonds, he said.

The transitional amendment would guarantee the tax exempt status of the June 21 sale.

"The important thing now is to get to Washington and get us written into the June 21 sale—that will avert a major tragedy—and then take up the philosophical question of tax-exempt mortgage revenue bonds," said Perry Eaton, chairman of the Alaska Housing Finance Corp. board and an Anchorage banker.

"I don't think anybody has realized the impact (of losing the Alaska Housing program). I think it will affect the consumer far greater than D2," Eaton said.

Loss of Alaska Housing mortgage money would mean a 38.5 percent reduction in the housing market statewide and there will be a ripple effect on lumber sales, plumbing contracts and related business, Eaton said. It could mean as much as a 2 percent increase in unemployment, he said.

More than 27 percent of the mortgage financing in Anchorage and 65 percent statewide is through Alaska Housing, Linton said. Since the interest rate charged on other types of mortgage loans is more than 2 percent higher than Alaska Housing, many people will not qualify for mortgage loans without the program, Linton said.

Local bankers and realtors echoed Alaska Housing officials and said the effect on the housing market would be drastic.

"There is some hope the transitional rule will be considered today," said Eric Wohlforth, bond counsel to Alaska Housing, "but there is a committee split that might delay it."

Wohlforth was to return to Washington today to lobby for the transitional rule. He said Wednesday that "a number of large eastern states intend to force the issue of multi-housing units and that is not in our interest."

Wohlforth said he was optimistic that the final bill passed would allow programs such as Alaska Housing to continue operating, but the income ceilings might be lowered and programs in the bush with no income ceilings would have to be discontinued.

"Alaska Housing would like to enlist the help of any organization that would like to send telegrams (to Washington)," Linton said.

Eaton said, "What we need is people screaming."●

LIBERAL BLUNDERS AND KENNEDY'S HESITANCE

HON. RON PAUL

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 13, 1979

● Mr. PAUL. Mr. Speaker, as one of those who dissents from the received wisdom about a Kennedy candidacy, I was interested in Richard Reeves' recent article on the subject.

The respected Mr. Reeves points out the damage done to Detroit housing by the ill-conceived HUD, just one of many liberal programs that were going to save the poor, and have ended up grinding their faces in the mud. Can someone who advocates a virtual socialist state be a serious contender in today's America? I doubt it.

Mr. Reeves, a liberal himself, reminds us of some facts that we should all keep in mind, when the time comes to vote on HUD appropriations and programs.

LIBERAL BLUNDERS AND KENNEDY'S HESITANCE

(By Richard Reeves)

DETROIT.—Douglas Fraser, president of the United Automobile Workers (UAW), is a proudly unreconstructed New Deal liberal who would very much like to see Edward Kennedy run for president in 1980. But he doubts that will happen—and the reason may be down the street from Fraser's office on Jefferson Avenue.

If you go three miles east along Jefferson, you come to Chalmers Street. There are 29 boarded-up houses and 20 vacant lots along the six blocks on either side of Jefferson—on Chalmers, Marlborough, Philip, Manistique, Ashland and Alter Streets. They were once good houses, solid two-story brick buildings on tree-lined streets a few hundred yards from the wealthy gentility of Grosse Pointe Park.

Those 49 houses and more than 16,000 others like them were destroyed by the United States government—by well-meaning liberals. Around here it's known as "The HUD Scandal." In its way, the scandal is far worse than Watergate—it robbed the taxpayers of almost $1 billion and damn near destroyed the city of Detroit.

This is, very briefly, what happened:

The Housing Act of 1968, one of the last achievements of the Johnson administration, established programs under which poor people could buy inner-city homes with down payments as low as $200. The Department of Housing and Urban Development, through the Federal Housing Administration, guaranteed the mortgages.

In 1969, the former governor of Michigan, liberal Republican George Romney, became secretary of HUD and he decided to use the program to rebuild his hometown. HUD acquired thousands and thousands of homes in changing neighborhoods, hired local contractors and agencies to fix them up and sold them with the FHA mortgages.

The troubles began when contractors began bribing HUD inspectors and faking the repair of many of the houses—there have been more than 200 convictions and indictments in the scandal over the past eight years. Then it turned out that the new owners were unwilling or unable to maintain the houses or pay the mortgages.

Banks began foreclosing—with HUD paying the bills and getting the houses back. The government then tried new owners and the same thing happened again. Finally, in embarrassment, HUD began razing the houses by the thousands.

Today, 11 percent of Detroit's former housing stock is vacant lots—and the 29 houses I saw in Jefferson-Chalmers—some of them had to be worth $75,000—are boarded up, waiting for the wreckers.

"We were wrong about a lot of things and we're paying a price," says Doug Fraser, of American liberalism. "The HUD scandal is an example. We just were wrong about government's capability and the ability of poor people to adjust to a modern urban environment even when they were given good homes."

Part of the price that liberals are paying is the reluctance of Ted Kennedy, who could be their savior, to run in 1980.

The Senator from Massachusetts may hesitate because it wouldn't be nice to bump Jimmy Carter or because he's afraid of new public exposure of his tattered personal life, but there is a more compelling reason: Given liberalism's recent failures, it may be impossible for a real liberal to govern the nation in the early 1980s.

The rise of conservatism, or "the swing to the right," in American politics, is essentially a reaction to the grand mistakes of liberalism—busing, opposing "law and order," blundering attempts to elevate the poor. Detroit has survived—the city is surprisingly vital these days—but the evidence of what happened to it is still visible on Chalmers Street.

But some time may have to pass before America is ready to try more New Deal government. That's why Kennedy wants to wait until 1984—after conservatives have had a few failures of their own.●

MONESSEN SPONSORS CULTURAL HERITAGE FESTIVAL

HON. DON BAILEY

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 13, 1979

● Mr. BAILEY. Mr. Speaker, the recognition of cultural heritage is a significant occurrence practiced by hundreds of ethnic communities across the Nation. The residents of the city of Monessen, in the 21st Congressional District of Pennsylvania, will join these many persons in celebrating their heritage when they commence activities of the Cultural Heritage Festival 1979, June 19–22.

After the opening parade and the release of thousands of brilliantly colored balloons over the Mon Valley skies, the 75,000 to 80,000 persons who annually visit the festival will begin enjoying its ethnic fare and entertainment.

The Monessen Chamber of Commerce and the city of Monessen in cooperation with the Pennsylvania Council of the Arts and Westmoreland County CETA Program are sponsoring all the activities which include: ethnic entertainment each evening, 20 ethnic cuisine booths offering more than 75 different dishes, and a flag display by participating nationalities. Downtown merchants will be taking part in the week's activities by displaying various keepsakes to depict different nationalities in their store fronts.

I feel that the chamber of commerce and the leaders and residents of the city of Monessen should be commended for their great pride in their cultural heritage and strong will and enthusiasm in showing their respect. In my opinion, all who visit Monessen's Cultural Heritage Festival will benefit from its warm spirit of comradery and strong cultural pride.●

COLEMAN URGES BALANCED BUDGET

HON. E. THOMAS COLEMAN

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 13, 1979

● Mr. COLEMAN. Mr. Speaker, today I had the opportunity to testify before the Subcommittee on Monopolies and Commercial Law of the House Judiciary Committee on behalf of my Balanced Budget Resolution, House Joint Resolution 2. As I am sure you are well aware, the overwhelming majority of Americans continue to support the balanced budget concept. And, not surprisingly, they look to Congress to act on this issue. I sincerely hope that the work of the House Judiciary Committee on this subject will soon bear fruit so that we in Congress can report home that we responded to their mandate.

I am including a copy of my remarks before the subcommittee for the information of my colleagues. Hopefully my statement will shed light on this important issue.

BALANCED BUDGET AMENDMENT

(BY E. THOMAS COLEMAN)

Mr. Chairman, first, thank you for the opportunity to appear before your subcommittee on behalf of the Balanced Budget Amendment. Because, I have always felt that this idea merits careful consideration, during the 95th Congress I introduced a resolution proposing a Constitutional Amendment mandating a balanced federal budget except in times of national emergency.

Because of the strong support my resolution received in the 95th Congress and my continued belief that the federal budget must be balanced, I reintroduced this identical language during the 96th Congress. H.J. Res. 2 presently has over 50 cosponsors and has been referred to your committee for consideration. The resolution itself states in simple straightforward language what the large majority of Americans are now demanding—a balanced budget. Consisting of four sections, H.J. Res. 2 provides the following: appropriations made by the United States shall not exceed its revenues, except in times of war or emergency when this provision may be suspended by a three fourths vote of both the House or Senate; there shall be no increases in the national debt and such debt shall be repaid over 100 years; and finally, the amendment would become effective on the fiscal year beginning more than six months after which the amendment was ratified. As you can see, H.J. Res. 2 addresses the major concerns of all those troubled by our chronic deficit spending problems.

I believe that Congress must address the issue of balancing the federal budget. Unquestionably, Americans today are looking to their elected representatives in Washington resolve the problem of continued, growing deficit spending by the Federal Government.

One has only to point to recent polls and surveys for proof of the strong feeling and support the balanced budget concept has among the general populace. Eighty to 85 percent of the Americans polled feel that some restrictions should be placed on federal deficit spending. The mandate is obviously there and it is our responsibility to carry it out.

What has evoked this kind of response from the American people? Clearly, it is what they see as the irresponsible fiscal policy of the federal government. Deficit spending has become an overriding and unthinking process here in Washington. This process has become a convenient rationale for more programs with little consideration given to how they will be paid for. Americans are obviously no longer willing to support this practice. Taxes are too high and the deficit is too large; so large, in fact, that it now constitutes a serious drain on our economy.

We need to describe this drain in terms that we all can understand. First, it means that today over 12 percent of the federal budget will be needed just to pay the interest on the debt. Nearly $159 million per day, or over $260 per person per year, will be necessary to finance the national debt alone. In other words, the average family of four will pay more than a thousand dollars just to finance the national debt. And that was with a national debt of "only" $780 billion. Recently Congress approved a new national debt ceiling of $830 billion. The interest alone on this debt is estimated to be approximately $65 billion, and that does not pay any of the principal. It does not require a PHD in economics to see the disastrous implications of this trend if it is continued.

One has to wonder how we reached this point.

While the answer to this question is complex, the results can be clearly seen in the following table:

BUDGET RECEIPTS AND OUTLAYS, 1960-80

[In millions of dollars]

Fiscal year	Budget receipts	Budget outlays	Budget surplus or deficit
1960	92, 492	92, 223	+269
1961	94, 389	97, 795	−3, 406
1962	99, 676	106, 813	−7, 137
1963	106, 560	111, 311	−4, 751
1964	112, 662	118, 584	−5, 922
1965	116, 833	118, 430	−1, 596
1966	130, 856	134, 652	−3, 796
1967	149, 552	158, 254	−8, 702
1968	153, 671	178, 833	−25, 161
1969	187, 784	184, 548	+3, 236
1970	193, 743	196, 588	−2, 845
1971	188, 392	196, 588	−23, 033
1972	208, 649	232, 021	−23, 373
1973	232, 225	247, 074	−14, 849
1974	264, 932	269, 620	−4, 688
1975	280, 997	326, 185	−45, 188
1976	300, 005	366, 439	−66, 434
Transition quarter	81, 773	94, 729	−12, 956
1977	357, 762	402, 725	−44, 963
1978	401, 997	450, 836	−48, 839
1979 estimate	455, 989	493, 368	−37, 379
1980 estimate	502, 533	531, 566	−29, 013

Source: "The United States Budget in Brief, Fiscal Year 1980."

This data reflects the significant change in our economic philosophy which has occurred over the past two decades. Over the years America's historic commitment to balancing the budget has been replaced by an acceptance of the instrumental role of the government in the economy. This has enabled government leaders to initiate spending policies which ignore a basic economic reality of life: That revenues must equal expenditures.

Unfortunately, Keynesian theories on the discretionary role of the federal government in the economy have been grossly distorted in practice. Mr. Keynes envisaged government's role as a limited one in times of normal economic growth, expanding only in periods of severe economic dislocation. If the economy was experiencing a serious downturn, it was felt that the federal government should intervene—using the federal purse strings as an instrument for stimulation—to stabilize the economy. However, in the past two decades Congress and the Administration began to expand the federal role in the economy, making intervention much more the rule than the exception envisaged by Mr. Keynes. Today, the failure of Congress to exercise fiscal responsibility has resulted in annual deficits becoming a standard fixture in our nation's economic cycle. The net result of this practice is a national debt that is rising astronomically every year with accompanying debt service obligations becoming increasingly onerous.

Many experts argue, and I agree, that the cost of supporting the national debt is now a factor of great concern. Presently over 12 percent of current budget outlays go to interest payments on our nation's debt. The President's own budget report estimates that almost $66 billion will be spent in FY 1980 on interest payments. But the real cost of this debt is the loss in goods and services which could have been purchased with the resources spent on these interest payments. Additional harm is done to the economy by the loss of private purchasing power sapped by higher taxes necessary to finance the deficit. Moreover, a growing deficit increases the size of government relative to the private sector, thus "crowding out" private investors by withdrawing from the capital market funds that would otherwise have been used to increase private capital formation. This aggravates inflation and inevitably places a tremendous burden on the nation's economy. Of long term concern is the burden on future generations, since inadequate capital formation today will be felt most severely in the future.

In order to support the federal deficit, the government has been forced increasingly to monetize this deficit. Essentially this means that the Federal Reserve tries to offset increases in the government spending by supplying more money to the private commercial banking system. This in turn fuels inflation. The Federal Reserve contributes to inflation by permitting this extra growth in the money supply, unfortunately a practice often forced upon it by the demands of a deficit oriented fiscal policy. It seems logical therefore that if the basic reason for monetization, namely deficit spending, could be eliminated, inflation could in turn be reduced and investments revived.

Still another side effect of deficit spending is that big deficits reflect a fundamental change in the economy—a growing government sector relative to the private sector. The public sector now consumes more than 32 per cent of our national product.

Finally, the policy of continued deficit spending indicates that rather than attempting to encourage economic growth through individual and corporate initiatives, we have adopted a policy in which we rely upon the federal government to stimulate growth through the injection of money into the economy. This practice is by definition inflationary, because we are increasing the money supply without increasing our productive capacity. Frankly, I am convinced that we have reached a point where this approach is no longer tenable.

In analyzing and evaluating the balanced budget concept, I urge the subcommittee to look at other issues which are related to this question. For example, I believe we must carefully examine the question of off-budget spending requirements. Provisions must be made for controlling these budget expenditures as well. Another issue which merits study is controllable vs. uncontrollables in the federal budget. Over the years, controllable expenditures in the federal budget have decreased annually. Presently approximately 75 percent of the budget is reportedly effectively beyond the control of Congress because they are "mandated expenditures." The effect that this development is having on government fiscal policy should be analyzed carefully. Finally, I think it is time to broadly reassess the federal government's role in the U.S. economy. Many would argue, and with good reason, that discretionary fiscal spending has corrupted the economic freedom which traditionally has made our economy the strongest, most innovative in the world.

Once again, thank you for allowing me to make this statement. While members may differ on the best remedy to these problems, we can and must work together. We have the opportunity to exercise fiscal responsibility and return to the efficient management of government. I certainly hope we have the wisdom and foresight to take advantage of this opportunity.●

A TRIBUTE TO DR. MILTON J. BAILEY

HON. GLADYS NOON SPELLMAN

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 13, 1979

● Mrs. SPELLMAN. Mr. Speaker, a philosopher once said the wise educator "does not bid you enter the house of his wisdom but rather leads you to the threshold of your own mind." I rise today, Mr. Speaker, to call my colleagues' attention to an individual who has led literally thousands of children to the thresholds of their minds in almost three decades as an educator in my congressional district.

I refer to Dr. Milton J. Bailey, of Upper Marlboro, Md., who will retire later this month after 28 years in the Prince Georges County School System.

A native Minnesotan, Dr. Bailey earned a bachelor's degree and taught briefly in his home State before coming to Prince Georges in 1951. After 5 years as a social studies teacher, he was appointed principal of one of the first junior high schools constructed in our county, John Hanson Junior High in Oxon Hill. His dedication and leadership at John Hanson led to similar assignments at several more new county junior highs over the next decade. For the past 4 years, he has been principal of William Wirt Junior High School in Riverdale.

Mr. Speaker, there is no way to calculate the number of young lives that have been touched by this inspiring public servant. Henry Adams wrote that an educator's work "affects eternity" and that the teacher "can never tell where his influence stops." Nowhere is this more accurate than in the career of Dr. Milton Bailey. The extent of his impact, in leading so many young people to the "thresholds of their minds," will never fully be known. But there is no disputing that he has enriched the lives of thousands of students who were fortunate enough to have passed through his sphere of influence on their educational journeys.

Mr. Speaker, in just a few days, many of Dr. Bailey's friends and admirers will be gathering to pay deserved tribute to him as he retires from public service. I truly regret that congressional duties will prevent me from being present for this very special occasion.

But I do want to take this opportunity to publicly commend Dr. Milton Bailey for his many years of dedicated service to the students of my congressional district. I know my colleagues will want to join me in wishing Dr. Bailey well in whatever new challenges he undertakes in his well-earned retirement. And most of all, Mr. Speaker, I know all my colleagues here today will want to join me in offering heartfelt thanks to Dr. Bailey for his selfless devotion and his significant contribution to our youth.●

THE MIDDLE EAST IN TRANSITION

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 13, 1979

● Mr. GILMAN. Mr. Speaker, each Member of this body, from our legislators in Maine to those who represent California, is well aware of the good works and major accomplishments of Bnai Zion.

Founded in 1908, Bnai Zion is the major nonpolitical fraternal Zionist organization, committed to a program of service to our country, to the Jewish people and to Israel. In early June, Bnai Zion held its 70th annual convention at Kutsher's Country Club, just to the north of my congressional district in Sullivan County, N.Y.

Bnai Zion offers a multifaceted program, financed through the Bnai Zion Foundation, encompassing over 40 constructive and lifesaving projects in Israel, and supporting educational and cultural projects in our own Nation. The prime objective of Bnai Zion on the American scene is the promotion of America-Israel friendship, now being achieved through the unique America-Israel Friendship League.

At their recent convention, dedicated to the 71st anniversary of Bnai Zion, my distinguished colleague Lester Wolff, from New York, the chairman of the House Foreign Affairs Subcommittee on Asian and Pacific Affairs, delivered the keynote address.

I found Congressman Wolff's analysis of the Middle East situation enlightening, and would like to give my colleagues an opportunity to share his views by inserting the text of his address at this point in the Record:

The Middle East

(By Representative Lester Wolff)

I have long been amazed at how the world can turn historical facts around to suit their own prejudices. How, for instance, did the Arab-Israeli conflict get turned around from a war of aggression by 80 million Arabs and 14 Arab countries against 3 million Jews and one tiny Jewish state into a struggle of oppressed Palestinian refugees against an expansionist power? Incredible.

Another myth is that of the homeless Palestinians.

Historically, the British, after the war, first partitioned what was then Palestine into two areas—split off 80 percent and as a debt to King Abdullah, agreed to limit the Balfour Declaration to the 20 percent of the land that lay west of the Jordan River (which includes the West Bank). Thus, Transjordan, a Palestinian state, was created even though it was to be ruled by a Bedouin King—That Palestinian state is today Jordan, ruled by the grandson of the Abdullah, King Hussein.—So the stateless Palestinians are not so stateless.

This sand curtain drawn about the cry for what is really a 2nd Palestinian state by the Arabs, who continue to attempt to undermine the peace agreement so laboriously carved out at Camp David, is unfortunately given substance by well meaning Americans who do so at the risk of ultimately jeopardizing Israel's security through the loss of buffers necessary to sustain a viable defense.

Even the term "Palestinian" has witnessed an incredible turn around Before the establishment of Israel in 1948, Jewish residents of the area referred to themselves as "Palestinians", with Palestinian Arabs referring to themselves as "Arabs" because they had no national feeling for the area. Palestine was not even a country until 1918, and most of the Arabs continued to think of the British Mandate as part of Syria. In fact most of the Palestinian Arabs had emigrated to the area in the early 1900's, and had little national identification with "Palestine". Some of you might remember singing "Palestine, My Palestine," in the 1930's—that was no Arab national anthem.

Another example of blatant disregard of historical facts, and tenets of international law, is the criticism of new Israeli settlements in the West Bank and the Gaza. These are not new settlements—they are resettlements in historic Judea and Samaria.

The lines set up by the armistice in 1949, referred to in UN Resolution 242, never constituted internationally recognized borders. The lands militarily seized and occupied by Jordan including Jerusalem and the West Bank have never been recognized by any nations except Pakistan and the U.K. These areas, even to those who do not recognize the historical Israeli claim to Judea and Samaria remain legally "unallocated areas of the British Mandate". Therefore, even those who criticize Israel's new settlements are in error, since Israel under the Mandate continues to have the full right of settlement. If this is to be restricted land, it must await the partition and the borders agreed upon by both Israel and the Arabs.

The Administration has objected to new settlements because of "Arab perceptions" of the settlements, even though Administration witnesses have testified in the past that the Israelis had a right to settle in the West Bank and Gaza Strip. For example. in 1977 Assistant Secretary of State, Alfred Atherton, before 2 subcommittees of the International Relations Committee said of the West Bank and Gaza: "Both of these territories were part of the British mandate of Palestine. . . . The question of sovereignty in the part of Palestine remaining outside of Israel under the 1949 Armistice agreements has not been finally resolved. . . . In the view of the United States, the important thing concerning the future of disposition of the West Bank and Gaza is that the arrangement be acceptable to the parties concerned."

The Israelis have always said that this is a negotiable question. Those who say that settlements show the Israelis will not negotiate these boundaries because they will not vacate the settlements have been proven wrong by the Israeli withdrawal from settlements in the Sinai.

You don't have to be Henry Kissinger to know that you don't negotiate by presenting your final position first. And remember too that the U.S. will take 20 years to withdraw from the Panama Canal. Israel needs defensible borders. That has been shown indisputedly by 4 wars. The fact that the U.S. has bases outside its territory to protect its security is unchallenged. We have bases in Korea, Berlin, Japan, and South Pacific et al. Israel needs no bases in Japan or Korea or Berlin. It must have security through its settlements if only as an early warning system—perhaps not a "dew" line but a don't line. These borders are part of the agenda for Arab-Israeli peace. "Defensible borders" mean something very different between nations hostile to each other, than between nations at peace. The peace process for both Egypt and Israel has been an enormous gamble, and still a delicate undertaking. The entire framework is vulnerable and could crumble if any of a number of events were to happen. As much as Israel is hoping for peace, they cannot assume that peace will last. They must have buffers for their defense, and they must negotiate from a position of strength. Another important fact is that the Camp David agreements provided for the Israelis to be "redeployed at specific locations."

Hundreds of my constituents have written to me asking that I support the special international security assistance act which provides for additional economic and military aid to Egypt and Israel because of the huge financial burdens of the peace treaty. Of course, I strongly support this measure which recently passed the House. I did receive a couple of letters, however, which complained of the amount of this support. As I explained to these constituents, the price of peace is a bargain to this country compared to the price of another war. Just the effects of another oil embargo would be staggering to this nation.

Our country is a nation under attack. This attack is just as serious as any armed attack we have ever faced. Economic warfare is being waged against us with disastrous effect . . . If not checked, it promises to get worse.

When Kruschev said he'd "bury us", the OPEC nations were listening. They learned the lessons of economic warfare very well. You and I today are feeling the effects of that warfare and unless we take steps to deal with this crisis . . . we will feel it more and more as each day passes.

I am not a seer or a prophet, but over the years I've made it a practice to send a newsletter to the people of my congressional district about six times a year. I believe people should be informed about what their congressman is doing. They may not agree with everything I do, or every position I take . . . but, they are aware of what I'm doing.

Well, in 1974, five years ago, I had this to say to my constituents, in my newsletter:

". . . the energy war is cutting short our ability to respond to challenges, that must be met for our own existence as well as for the future of the industrial and developing nations of the world.

"If we are to win the economic war, and I believe we will, we must institute domestic and international wartime measures needed to assure this nation's security. We must concern ourselves with those nations that hold monopolies on strategic materials and have been given new courage to continue by the success of last winter's oil embargo. These nations will attempt to hold our country hostage, while they sit in lofty command.

"Our adversaries who use oil as an economic weapon must be squeezed as hard as they press us—no oil, then . . . no food . . . no grains . . . no technology . . . no equipment."

Remember, that was five years ago, and I can go back even farther than that.

I know that you share my conviction that this nation will not be destroyed by a small group of men who sit beside sand dunes in their tents and irresponsibly pursue a course that can only eventually wreak economic havoc upon us.

A prime example of the reckless pricing of oil is contrasting it with our wheat prices. In 1973 the import price of a barrel of oil was about $3.00. That too, was the price of a bushel of American wheat—$3.00. Now six years later, the price of a bushel of wheat is still about $3.00. The spot price of a barrel of oil has been arbitrarily increased to approximately $30.00. That's ten times the price of wheat.

It's time for us to let OPEC know that we are prepared to meet their challenge—I have in preparation, legislation that will impose an export tax on all wheat and feed grains to bring them to parity with OPEC oil. No tax would be imposed on shipments to the poor, emerging nations—only to those nations that can well afford to pay.

We must remember that the increases in the cost of oil have been in the form of increased royalties and export taxes levied by OPEC nations. If Japan, with whom we have a serious balance of payments problem, and others, can afford to pay taxes and royalties to the Arabs for oil, they can pay taxes to us on wheat.

The proceeds of this export tax would be shared by the farmers who grow the wheat; applied to reduction of existing federal taxes on gasoline and heating oil, and the balance to fund an all-out crash program to develop alternate sources of energy.

This is one possible way to fight back. Obviously, Americans must reduce their consumption of energy—we can only blame ourselves for our insatiable appetite for oil. But for now we have to admit that we are very dependent on foreign oil for the lifestyle we now enjoy. Maybe we'll be able, through conservation and alternate sources of energy, to turn this historical fact around.

The Middle East situation is of paramount importance to us and to the entire world—not only for oil, not only for our desire to see Israel survive as a nation, but also for the sake of world peace. Another war in the Middle East could again threaten Israel's very existance, cut off our oil supply, and threaten to involve the major powers. The Middle East is the "tinder box" of the world that could easily lead to nuclear war.

So where do we go from here? Clearly we must continue to offer our "good offices," and material support for the Egyptians and Israelis. We must not try to force positions on either party to the negotiations. I do not believe that we should be too hasty to involve the "rejectionist front" nations in the peace process. I believe that this will happen in time, after Egypt and Israel have worked out many of the knotty problems that remain. We must assess our diplomacy carefully in the region, and not let ourselves become involved in situations like the war between the 2 Yemens and the revolution in Iran.

In time, with care, maybe we will see real peace in the Middle East. In the Congress I will continue to do all that I can to work toward this goal, and to see that our support for Israel does not diminish. I believe that eventually history will show that our efforts toward peace benefited not only the Middle East, but also the entire world.●

PUBLIC ATTITUDES TOWARD GASOLINE SHORTAGES

HON. WILLIAM F. CLINGER, JR.

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 13, 1979

● Mr. CLINGER. Mr. Speaker, I would like to introduce into the RECORD the results of a study that was conducted among a small cross section of adult voters in my district. I feel that the results of this study, in the form of a survey, display the attitudes of a significant number of Americans concerning the latest gasoline shortage.

This survey, conducted in Venango County, Pa., represents results as reported by the Cranberry High School driver education class of Mr. Lee G. Detar, Jr.

The overwhelming majority feel there is no gasoline shortage at present. The same proportion feel that the present situation is a "rip-off" by the major oil companies, and that rationing is not the answer to the shortage. Two-thirds of the men surveyed and roughly one-half of the women said they would drive less if gasoline was priced over a dollar a gallon. A solid majority of both men and women feel that studded tires should be legalized in Pennsylvania. On the question of an additional 6-cent sales tax on gasoline, to be used exclusively for road repair, an overwhelming majority of men do not support such a tax. Of the women surveyed, on the other hand, a slight majority favor a tax for this purpose. Mr. Speaker, it is my privilege to introduce these results into the RECORD. I would also like to sincerely thank Mr. Detar and the members of his class for their excellent work in an area of overriding importance.

The material follows:

Question	Male (109)			Female (136)		
	Yes	No	Undecided	Yes	No	Undecided
1. Do you think that there is a gasoline shortage?	25	75	9	36	92	8
2. Do you think that this is another "rip-off" by the major oil companies?	78	21	10	109	19	8
3. Do you think that rationing is the answer to our gasoline problems?	23	75	11	35	89	12
4. Would you drive less if gasoline cost more than a dollar a gallon?	60	40	9	81	43	12
5. Do you think that studded tires should be legalized in the State of Pennsylvania?	78	21	10	78	34	24
6. Would you be in favor of an additional 6 cents sales tax on gasoline for improvement of our roads?	14	76	19	22	19	13

WHAT CARTER CAN DO

HON. G. WILLIAM WHITEHURST

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 13, 1979

● Mr. WHITEHURST. Mr. Speaker, in the June 18, 1979, issue of Newsweek, Milton Friedman has another trenchant commentary on the failure of Government to solve our national problems and the urgent need to return to the basic principle that originally made this country great: "reliance on individual initiative and voluntary cooperation."

I still have great faith in the people of the United States to work together toward mutual goals, but as long as over-regulation by the Government continues to strengthen the feeling of "us and them," the spirit of cooperation is going to be stifled.

The commentary follows:

WHAT CARTER SHOULD DO

(By Milton Friedman)

As I was daydreaming the other day, I fancied that I heard President Carter give the following talk:

"For many years, your government has been trying to fine-tune monetary and fiscal policy in order to avoid both unemployment and inflation. A growing number of people—inside government and outside—have concluded that such fine-tuning has not worked. It has not prevented repeated recessions. It has not prevented worse and worse inflation.

"Our government's failure in this important area inevitably raises questions about its performance in other respects.

"That troublesome question has prompted me to reappraise what government can and should do. I speak to you to report my conclusions and to recommend a major change in government policy."

The New Deal: "The role of the Federal government has been expanding ever since the Inauguration of President Franklin D. Roosevelt. What have been the results?

"One of the first New Deal objectives was to cure the problems of agriculture. The tractors that crowded the streets of Washington some months ago, as well as the explosive rise in food costs, are ample evidence that these problems remained. Government programs have not preserved the family farm. They certainly have not assured food to the public at reasonable cost. But they have cost the taxpayer many tens of billions of dollars.

"Another problem area attacked early in the New Deal was housing. Public housing was followed, after World War II, by urban renewal, and, in 1965, by a new Cabinet department, the Department of Housing and Urban Development. Has adequate housing been assured for all, and especially for the poor? Has urban blight been eliminated? Hardly. The urban-renewal program, according to one expert, Martin Anderson, destroyed 'four homes, most of them occupied by blacks, for every home it built—most of them to be occupied by middle- and upper-income whites.' Public-housing projects built at great expense—for example, the Pruitt-Igoe houses in St. Louis—have literally been blown up because they had become a hotbed of crime and a breeding ground of poverty.

"Other costly social programs—welfare, job creation, health and so on in endless variety—were enacted for the noblest of motives. Yet, they have repeatedly failed to achieve their intended objectives.

"Regulation of industry has neither protected the consumer from high costs nor promoted healthy and innovative enterprise. Deregulation of airlines—the first real break in a 90-year trend—has been a boon to both airline companies and their pasengers.

"What of energy—our nation's No. 2 problem after inflation? The United States, I discovered, never had a problem of energy shortages and crises, except during World War II, until government interfered on a large scale—first, in 1954, when ceiling prices on natural gas encouraged excessive use and discouraged production then in 1971, when President Nixon imposed his ill-advised freeze on all prices and wages; then in 1973 and 1974, when price controls were removed from all products except petroleum products; then in 1975, when President Ford continued the Federal Energy Administration instead of letting it expire and signed a bill continuing controls on the prices of domestically produced crude oil.

"These government interventions in energy were consolidated during my Administration into a Department of Energy. We pay $16.50 a barrel under long-term contract for oil from OPEC and even more on the spot market but force domestic producers to sell oil for as little as $5.90 a barrel. In the process, we tax domestic production of oil in order to subsidize oil imported from abroad. The Department of Energy spends $3.50 of the taxpayers' money per barrel of domestically produced oil, without producing a single drop of oil. These counterproductive governmental policies have increased our use of foreign oil—even though we recognize the danger of depending on a thin line of oil tankers stretching halfway around the world.

"OPEC is a convenient excuse for the energy crisis. But OPEC itself was largely created by our own foreign and economic policies— and it could never have reached its present level of influence and power without the unintended and unwitting support of our mistaken domestic policy.

"We must learn from experience. We must not repeat past mistakes. Accordingly, I am today initiating a major change in government policy.

"On economic policy, I have requested the Council of Economic Advisers and the Office of Management and Budget to prepare a series of budgets for coming years that will cut government spending as a fraction of national income, eliminate deficits and reduce taxes. I shall recommend that Congress adopt such a budget policy. In addition, I am recommending to Congress that it limit the discretion of the Federal Reserve System, and instruct it to reduce the rate of monetary growth over the next few years to a level that is commensurate with the real growth of the economy.

"On energy, I recommend that the Department of Energy be abolished. Effective the earliest possible date, I am removing all controls on the prices of crude oil, natural gas and other petroleum products, confident that the market will promptly bring the energy crisis to an end.

"These changes will start the process of replacing short-term improvisations by long-term planning and of reducing government intervention in your lives."

A radical program: "These recommendations represent a real change in direction. But I do not make them lightly. And I do not make them without sincere admiration and respect for the dedicated services of our public officials. The fault is not theirs; the fault is in the system, not in the people who have been administering it.

"These recommendations do not take us into unchartered seas. On the contrary, they return us to the basic principle that produced the miracle of America: reliance on individual initiative and voluntary cooperation. We must have compassion for the less fortunate among us. We must see to it that no resident of the United States is without assistance in time of real need. But that compassion must be joined with realism. It must be expressed in ways that take account of the experience of the past 50 years.

"If you, the citizens of the United States, will join with me in this task, we can, in Abraham Lincoln's words, 'have a new birth of freedom'."

This talk will never be given. Yet, is it only a daydream that the policy it outlines would not only be good for the country but might also prove a political triumph for President Carter? He might ask Margaret Thatcher.●

GROUNDBREAKING CEREMONIES OF THE KENNETH NORRIS, JR., CANCER RESEARCH INSTITUTE

HON. EDWARD R. ROYBAL

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 13, 1979

● Mr. ROYBAL. Mr. Speaker, I recently had the great pleasure of attending groundbreaking ceremonies for the Cancer Research Institute at the University of Southern California located in my district.

The Cancer Research Institute—scheduled for occupancy in 1981—was made possible through the cooperation of Government and the private sector. The Norris Foundation has granted the Institute $5 million, including a recently announced $1 million gift in the form of a matching grant. An $11.8 million grant from the National Cancer Institute—the largest single construction grant yet made by NCI—truly makes this a joint venture of Government and the private sector.

The ceremonies on May 10 of this year marked the start of the largest building project in the University of Southern California's 99-year history. The groundbreaking was attended by Government and civic leaders, Institute donors, including representatives of the Norris, Ahmanson, Louis B. Mayer, and McDonald Foundations, university officials, faculty members of the USC School of Medicine and Comprehensive Cancer Center, as well as representatives of the National Cancer Institute.

Participating in the symbolic groundbreaking ceremony that highlighted the event were Dr. Denman Hammond, director of the USC Cancer Center; Dr. Allen W. Mathies, Jr., dean of the USC School of Medicine; Dr. Arthur C. Upton, director of the National Cancer Institute, and Kenneth Norris, Jr., chairman of the board of Norris Industries and executive trustee of the Norris Foundation.

In alphabetical order. the following is a list of some who have helped the building fund thus far:

The Ahmanson Foundation, Mrs. Molly Sayers, Maria Coe. Mr. John Fazio, H. Leslie and Elaine S. Hoffman Foundation, and Louis B. Mayer Foundation.

Mrs. Future McDonald, Los Angeles Junior Chamber of Commerce, the National Cancer Institute, Mr. Donald W. Shaw and daughters, Joanne Shaw Reymolds and Mary Kay Shaw.

As a member of the Labor-Health, Education, and Welfare Appropriations

Subcommittee I am proud to have participated in these ceremonies. I am certain that this research institute will do much to contribute to our knowledge and eventual cure of this Nation's most dreaded disease, cancer.●

UNITED STATES-PANAMA CANAL TRADE

HON. JOEL PRITCHARD

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 13, 1979

● Mr. PRITCHARD. Mr. Speaker, the following information quantifies the trade transiting the Panama Canal that affects U.S. ports. The trade volume is described by weight and dollar value and includes imports and exports.

As is readily apparent by the data, Panama Canal trade affects U.S. ports from Maine to Hawaii. All major U.S. geographical regions—the west and east coasts, the Midwest and U.S. gulf—handle trade that transits the canal. Legislation, or the lack of it, that hurts the efficiency of the canal would deprive U.S. commerce and consumers of the value of the canal as a transportation route.

The port cities that handle Panama Canal trade deal in commodities that are important to our economy. U.S. ports handles massive volumes of trade in petroleum, coal, automobiles, grains, machinery, wood products, radios, televisions, and electronic equipment that transit the canal. For example, most of the grain exports produced in the Midwest for the Far East go through the Panama Canal. The bill now before the House, H.R. 111, would result in a rate increase in Panama Canal tolls that would add only one-half of a cent to the price of one bushel of corn. Should the canal be forced to close because of bad legislation or no legislation, the price of the same bushel of corn could rise by 5 cents. Closure of the canal would also curtail the supply of petroleum to the eastern half of the United States by roughly 7 percent. Export sales would be lost to our economy and increase our trade deficit.

The Panama Canal services about $140 billion in commodities that go to and from our ports. H.R. 111 would insure that the canal will continue to be efficiently run and that trade to our port cities from the canal will continue uninterrupted.

U.S. PANAMA CANAL TRADE 1978—SUMMARY

U.S. port	Total tons	Total dollars
Portland, Maine	473,075.10	$46,282,999
Eastport, Maine	522.98	112,412
Postsmouth, N.H	229,632.72	9,149,937
Belfast, Maine	24.91	2,250
Seasport, Maine	45,891.72	5,566,028
Boston, Mass	877,925.06	479,777,086
Gloucester, Mass	25,003.67	38,946,883
New Bedford, Mass	1,857.70	1,225,013
Plymouth, Mass	66,303.81	4,649,440
Fall River, Mass	1.23	2,998
Salem, Mass	30.72	18,350
Providence, R.I	420,231.09	239,780,362
Bridgeport, Conn	75,198.21	$18,052,353
New Haven, Conn	255,650.27	82,253,161
N. London, Conn	41,230.34	13,562,618
New York, N.Y	7,123,487.12	11,028,216,982
Albany, N.Y	141,123.35	13,505,563
Philadelphia, Pa	2,340,035.44	1,460,070,785
Chester, Pa	24,375.83	5,393,954
Wilmington, Del	295,115.90	83,783,332
Paulsboro, N.J	665,223.61	66,508,637
Camden, N.J	611,325.69	145,297,856
Gloucester City, N.J	68,660.26	29,937,049
Marcus Hook, Pa	141,744.45	14,974,538
Annapolis, Md	9,406.95	805,490
Baltimore, Md	5,849,516.73	2,748,038,385
Norfolk, Va	5,562,534.92	1,569,778,853
Newport News, Va	1,498,901.70	145,444,741
Hopewell, Va	10,127.68	795,615
Coastal district total (U.S. North Attic)	26,844,159.16	18,251,933,670
Wilmington, N.C	428,093.85	120,953,532
Beaufort-Morehead, N.C	180,331.82	316,355,865
Charleston, S.C	938,799.08	889,924,562
Georgetown, S.C	52,275.57	11,948,598
Brunswick, Ga	18,323.37	896,878
Savannah, Ga	1,252,766.51	974,172,132
Jacksonville, Fla	698,473.21	1,159,242,308
Port Canaveral, Fla	207,634.83	21,563,286
Miami, Fla	150,558.33	396,058,053
Port Everglades, Fla	127,699.52	34,357,299
West Palm Beach, Fla	337.88	1,698,017
Fort Pierce, Fla	1.98	6,792
Coastal district total (U.S. South Atlantic)	4,055,295.95	3,927,177,322
Tampa, Fla	4,833,110.62	372,062,691
Boca Grande, Fla	119,391.26	12,230,553
St. Petersburg, Fla	.27	600
Mobile, Ala	3,783,754.09	383,461,283
Gulfport, Miss	197,090.16	49,446,120
Pascagoula, Miss	1,602,741.78	266,717,465
Panama City, Fla	26,548.47	6,126,271
Pensacola, Fla	73,132.92	14,935,346
Port St. Joe, Fla	705.66	170,213
Morgan City, La	349.54	682,324
New Orleans, La	7,225,768.09	2,373,957,321
Baton Rouge, La	3,115,793.49	582,743,709
Port Sulphur, La	175.29	789,217
Destreham, La	3,980,561.00	592,397,161
Gramercy, La	4,659,172.20	677,681,220
Greenville, Miss	123.93	434,263
Avondale, La	48,808.25	21,546,667
St. Rose, La	2,524,151.64	499,965,340
Good Hope, La	836,302.83	114,551.902
Port Arthur, Tex	444,106.13	54,439,425
Sabine, Tex	944.78	1,983,651
Beaumont, Tex	1,065,022.86	149,699,934
Lake Charles, La	366,865.30	87,636,110
Galveston, Tex	1,087,885.76	493,255,606
Freeport, Tex	884,561.44	174,302,710
Corpus Christi, Tex	3,076,170.48	307,736,936
Texas City, Tex	244,241.59	109,430,932
Port Lavaca, Tex	9,461.60	4,352,302
Brownsville, Tex	222,929.47	35,225,133
Houston, Tex	7,314,869.75	2,795,897,103
Coastal district total (U.S. gulf)	47,744,740.65	10,183,859,508
San Diego, Calif	177,685.67	7,238,928
Los Angeles, Calif	5,959,467.37	2,028,181,428
San Luis, Calif	29.12	64,897
Long Beach, Calif	5,950,540.22	1,482,869,363
El Segundo, Calif	4,066,696.58	414,763,302
Port Hueneme, Calif	286,351.63	28,903,359
Eureka, Calif	117,758.61	40,648,381
San Francisco, Calif	253,373.95	406,092,144
Stockton, Calif	97,495.62	14,604,014
Oakland, Calif	656,799.84	1,107,813,426
Richmond, Calif	2,261,268.72	305,486,697
Alameda, Calif	75,783.28	166,177,567
Sacramento, Calif	190,626.83	35,095,125
Martinez, Calif	377,325.74	40,082,448
San Joaquin River, Calif	29,181.66	1,618,206
San Pabls Bay, Calif	1,689,990.39	171,855,324
Carquinez Strait, Calif	91,481.02	12,123,989
Suisin Bay, Calif	103,329.53	14,590,650
Coastal district total (U.S. South Pacific)	22,385,185.78	6,278,209,248
Astoria, Oreg	34,979.47	2,588,154
Coos Bay, Oreg	172,714.23	54,413,635
Portland, Oreg	885,741.92	346,151,345
Longview, Wash	289,396.96	66,459,884
Vancouver, Wash	176,784.30	138,884,765
Kalama, Wash	21,465.57	2,681,224
Seattle, Wash	373,828.02	465,436,998
Tacoma, Wash	813,790.22	241,942,586
Blaine, Wash	289.94	1,010,636
Bellington, Wash	749,844.73	85,996,782
Everett, Wash	66,666.35	22,755,943
Port Angeles, Wash	8,628.01	2,666,132
Port Townsend, Wash	1,069.58	206,488
Anacortes, Wash	3,700,078.87	$386,862,339
Friday Harbor, Wash	42.37	68,963
Coastal District Total (U.S. North Pacific)	7,315,320.54	1,818,125,874
Ogdenburg, N.Y	124.17	374,676
Alexandria Bay, N.Y	3.41	19,350
Champlain-Rouses, N.Y	55.52	84,322
Buffalo, N.Y	4,009.25	1,173,430
Rochester, N.Y	460.45	220,413
Duluth, Minn	292,859.50	41,543,640
Superior, Wis	440,643.28	58,662,166
Milwaukee, Wis	39,010.37	15,837,820
Green Bay, Wis	22,912.32	15,837,820
Racine, Wis	7,128.09	1,386,920
Detroit, Mich	462,685.90	105,706,102
Port Huron, Mich	31,400.01	6,698,044
Sault St. Marie	461.24	143,550
Saginaw Bay, Wis	8,828.65	988,822
Rogers City	18,804.46	47,597
Alpena	9,444.76	25,902
Chicago, Ill	253,837.94	88,553,550
Peoria, Ill	84.47	124,869
E. Chicago, Ind	379.12	188,487
Gary, Ind	36,144.09	13,148,378
Cleveland, Ohio	76,865.52	26,824,455
Toledo, Ohio	502,753.91	124,545,148
Erie, Pa	8,860.67	17,210,906
Fairport, Ohio	55.63	50,342
Huron, Ohio	3,138.68	366,679
Ashtabula, Ohio	91,632.85	18,889,887
U.S. coastal district total (U.S. Great Lakes)	2,312,584.26	540,226,410
Honolulu, Hawaii	6,079.13	19,800,891
Hilo, Hawaii	13,164.33	5,479,900
Nawiliwili, Hawaii	6,866.07	338,574
Coastal district total (Hawaii)	26,109.53	25,619,365
Alaska	82,686.24	5,529,946
Grand total	110,766,082.11	41,030,681,343

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STRENGTH OF LITHUANIAN, LATVIAN, AND ESTONIAN PEOPLE

HON. GERALDINE A. FERRARO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 13, 1979

● Ms. FERRARO. Mr. Speaker, June 15, 39 years ago, marked the beginning of tragedy for the people of Lithuania, Latvia, and Estonia. On that date, these three countries were invaded and occupied by Soviet forces. Coupled with the insult of this invasion, was the injury of the banishment of 700,000 of these people to slave labor camps in Siberia the following year.

Nearly 40 years of oppression has not destroyed the strength of the Lithuanian, Latvian, and Estonian people. Although their homes have been taken and they have had to seek refuge in foreign countries, they have never given up the hope for freedom.

The spirit of these people, their unfailing resistance to tyranny, is an inspiration to all people; but perhaps even more so to the American people, for our roots can be traced back to a time when we too struggled for liberation.

Therefore, Mr. Speaker, I am asking my colleagues to recognize the plight of the people of Lithuania, Latvia, and Estonia, to stop for a moment to remember that we, as Americans and as compassionate people, have a commitment to independence and freedom.

The State of New York has named June 17, 1979, "Commemoration Day of the Mass Deportation to Siberia of Lithuanians, Latvians, and Estonians."

It is my hope that my colleagues and all American people will join in spirit with the Lithuanian-Americans, Latvian-Americans, and Estonian-Americans in this commemoration.●

DOD SUPPORTS SYNTHETIC FUELS EFFORT

HON. WILLIAM S. MOORHEAD

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 13, 1979

● Mr. MOORHEAD of Pennsylvania. Mr. Speaker, recent remarks made by David E. McGiffert, Assistant Secretary of Defense, stressed the fact that the Department of Defense has a vital stake in a "domestically controllable energy policy." Noting that in fiscal year 1978, defense energy consumption alone accounted for 247 million barrels of oil equivalent, Secretary McGiffert stated the concern expressed within the Department of Defense over its ability to meet its requirements for defense mobility fuels, pointing out that it is imperative that we begin a transition from natural to synthetic fuels on a "the sooner the better" basis.

As recently as June 12 in testimony before the House Banking Subcommittee on Economic Stabilization, of which I am chairman, the DOD reemphasized the benefit and obvious peace of mind we can all enjoy if their requirements for fuel can be maintained through the accelerated development of synthetic fuels.

My bill, H.R. 3930, which would amend the Defense Production Act of 1950 to accomplish this objective and which was reported favorably by the Banking Committee by a 39 to 1 vote, will soon be before the House for action. I urge my colleagues to review the issues noted by Secretary McGiffert and to ponder the implications our lack of a synthetic fuels capability have for our defense needs and for our economic and political well-being.

The statement follows:

REMARKS BY THE HONORABLE DAVID E. McGIFFERT

It is indeed a great pleasure for me to have this opportunity to address the members of the coal industry—an industry that plays such a vital role in providing reliable supplies of energy for our nation. The fundamental importance of having energy supplies under our control has been painfully demonstrated many times during the decade of the 70's. The political upheaval in Iran and the consequences of it we have seen at the gas pumps in recent weeks illustrate once again the dangers of depending on unreliable sources of energy. The nation's ever-growing dependency on such sources is perhaps the most serious, long term threat to our national security.

National security consists of a number of factors, and a number of requirements must be satisfied to ensure that we have adequate security. We must maintain a strong defense posture, supported by vigorous force modernization and improvement programs as well as equitable and verifiable arms control agreements. Another requirement is to have assured supplies of energy for the nation in general and for the military in particular.

Today I would like to speak to you on both these requirements. I will concentrate on the SALT II Treaty and its relationship to our defense posture and to our national security.

As you know, next month the President will sign the SALT II Treaty and submit it to the Senate for ratification. This agreement will enhance our security. A reduction in the nation's dependency on foreign oil would also greatly improve the security of our country. We must make a transition in our energy base from sources that are not domestically controllable—such as imported oil—to sources such as coal that are

The President has recognized the important role of increased coal production in his energy program. As you know, at his direction the Secretary of the Interior has stepped up the pace of federal coal leases, and the Department of Energy has supported private sector initiatives to commercialize coal gasification. The Administration also supports legislation to ensure that coal slurry pipelines can obtain necessary rights of way.

The Department of Defense has a vital stake in a domestically controllable energy policy. In Fiscal Year 1978, defense energy consumption was 247 million barrels of oil equivalent, or about two percent of the nation's total energy usage. In terms of energy source, about 70 percent of our total requirement was met by natural petroleum products with 90 percent of that used as mobility fuels in aircraft, ships, tanks, and wheeled vehicles. It is essential that energy supplies for military purposes be assured in peacetime as well as war, since the conduct of military operations is so dependent on mobility fuels.

A recent Defense Department task force studied the alternatives available to the Department to meet future mobility fuel requirement. This task force concluded that we must transition from natural to synthetic mobility fuel in the post 1985 time frame. Cooperative efforts have already begun between the Departments of Defense and Energy to develop plans that assists in meeting defense mobility fuel needs through the development of a domestic synthetic fuels industry. Coal-derived liquids are one of the principal feedstocks that can be converted into synthetic mobility fuels. For this reason, the Department of Defense strongly supports the development of advanced coal technologies and the growth in mining that would be required by their eventual application.

We need the support of your industry in making these programs—so vital to national security—a success. I look forward to working with you on new technologies to give us greater domestic supplies of energy.

I turn to another issue central to national security—the SALT II Treaty. The United States is by most measures the strongest nation on earth. No other country can match us in economic power, political and social cohesion, technological proficiency, international friendship and national will.

Only in military strength is one country—the Soviet Union—comparable to the United States. Since military strength is the foundation of our national security, the acceptbility of any action or agreement that affects it—such as the SALT II Agreement—depends on that Agreement's impact on our defense posture and, thus, its impact on our national security. We should measure the impact of SALT II first by its effect on the ability of our strategic forces to achieve their military objectives of deterrence and stability, and second on its ability to meet the broader policy objective of essential equivalance.

What is the impact of the Treaty on the strategic nuclear balance between the United States and the Soviet Union? That is the key issue. The SALT II Agreement is properly examined in light of the current and projected future status of the strategic balance.

Let's look at the situation today. What is that balance? It is one of rough equivalence. The United States is ahead in some areas: deliverable warheads, heavy bomber numbers and payload, submarine quality and alert rate, and generally (but decreasingly) in missile accuracy. The Soviet Union leads in other areas: missile throw-weight, number of missiles and the total number of delivery vehicles. Neither the United States nor the Soviet Union are in a position today to exploit their strategic weapons without running the unacceptable risk of catastrophic retaliation. That's equivalence.

The trends in both the nuclear and conventional military balance, however, are disturbing. There has been a continuing military buildup on the part of the Soviet Union for more than a decade.

We can only speculate as to why the Soviet Union has concentrated its resources on the production of military weapons: but we can measure the results of this concentration. Soviet military power today is much greater than it was in the 1960's. There has been a steady increase in Soviet military spending during each one of the last 15 years. The annual rate of increase has averaged between four and five percent in Soviet buying power. Their spending total today substantially exceeds our own. By how much is not certain; it may be by as much as 45 percent; it certainly is no less than 25 percent. This difference in defense spending is even more unbalanced in relative terms since our GNP is nearly three times theirs. Perhaps most critical is the growth of Soviet investment in new military hardware. It has increased two-fold in the same period and is more than twice ours today.

It is important to emphasize that Soviet increases in spending have not been affected by U.S. spending levels. We build, they build. We cut, they build. We have no evidence that they will reduce either their forces or their spending if we make unilateral reductions.

In the strategic nuclear area, the Soviets have underway a number of impressive and costly programs to strengthen their offensive capabilities. They are deploying a fourth generation of intercontinental-ballistic missiles—SS–17's, SS–18's and SS–19's. These weapons—these new weapons—are significantly improved in accuracy, and they can be equipped with multiple independently-targetable warheads, or what we call MIRV's.

The Soviets also continue to build new strategic submarines and new types of submarine-launched ballistic missiles equipped with multiple independently-targetable warheads. More than 1000 ICBM launchers and more than 900 modern submarine-launched ballistic missile tubes have been added to the Soviet strategic nuclear forces in the last 15 years.

The Soviets also have the mobile, MIRVed SS–20 intermediate-ranged ballistic missile and the Backfire bomber, both of which are shorter range systems suitable for intra-theater use, such as in Europe, and with conventional forces.

Finally, Soviet conventional forces—land, naval and air—have all grown substantially in size. The quality of Soviet equipment has improved and in some cases is equal to that which we have in the West.

We cannot, we must not, ignore the enormous military growth of the Soviet Union during the past 15 years.

But, at the same time, we should not exaggerate where the Soviets stand today in relation to the United States and its allies. The Soviets have not achieved overwhelming military power. They have had to develop their military capabilities with an economy that is much less efficient than ours. We think they have made some major mistakes in resource allocation. Their allies are less reliable and less capable—although better integrated—than ours. Soviet deployments are complicated by difficult geographic problems. For example, they find it necessary to station as much as 25 percent of their ground and tactical air power facing the People's Republic of China.

Nevertheless, national security demands that we prevent the present unfavorable trends in U.S. and Soviet defense expenditures from developing into real asymmetries in the military balance. We are pursuing two courses of action to achieve this goal.

The first is to ensure that our strategic forces are capable of achieving their objectives despite the continued Soviet buildup. This requires an adequate and properly balanced defense budget, and the modernization and improvement of our forces. The Administration has emphasized that we must increase our defense effort in real terms, as reflected in the President's defense budgets for both Fiscal Year 1979 and 1980. These real increases have been proposed despite competing pressures from other government agencies, and the compelling need to reduced federal expenditures wherever possible to combat inflation.

The second course of action is to reduce the military competition between the United States and the Soviet Union through equitable and verifiable arms control agreements. The SALT II agreement is designed to do this while permitting us, at the same time, to improve and modernize our nuclear forces.

Let's look at strategic forces first. Today's strategic programs are designed to improve all three components of the strategic triad—submarines, bombers, and land-based missiles—ICBM's. We now have—and intend to maintain—essential equivalence with the Soviet Union in the strategic area.

Late this year we will begin to deploy the Trident I missile in our submarine fleet. The new Trident submarine will be introduced into the fleet beginning in 1981.

Our cruise missile progarms will greatly enhance the penetrating capability of our bombers. Our B–52 bombers are an essential component of our strategic nuclear forces. They will contribute to the viability of the manned bomber into the late 1980's. We are also examining the requirements for a new penetrating bomber as a follow on to the B–52.

We are improving the accuracy and yield of the Minuteman land-based ICBM's. But we are concerned about their survivability. Or, in other words, their vulnerability. It is possible, at some point in the next few years, that the Soviets—with a first strike—could eliminate the bulk of our ICBM silos and still retain a large number of warheads in reserve. The increasing ICBM vulnerability is not catastrophic to our strategic deterrent because our surviving submarine and bomber second-strike capability would remain large. However, it is serious, and it does indicate the need for full-scale development of a more survivable ICBM. I would also emphasize that this situation—ICBM vulnerability—is not a result of the strategic arms limitation process. We must deal with it, with or without a SALT II agreement.

The Defense Department is considering a number of more survivable, mobile basing options that will deal with the ICBM vulnerability problem. The strategic program that was recently submitted to the Congress provide for the full-scale development of the MX missile which will be based in a survivable mode.

The SALT II Treaty is the second course we are following to enhance national security. All of the force improvement programs that I've just mentioned can be accommodated within the provisons of SALT II.

The essential question is: Will the proposed SALT II Treaty enhance our security by making the U.S.-Soviet strategic balance more stable, more predictable and equivalent? By limiting deployments, will SALT II also help ensure that a potentially dangerous, wasteful strategic arms race will not occur? The answer is yes.

The treaty which will last until 1986, will consist of both quantitative reductions and qualitative constraints. Some of the key provisions of the agreement include:

Equal limits on strategic nuclear delivery systems.

Various sublimits on MIRV'd systems and heavy bombers carrying air-launched cruise missiles.

A limitation on each side to one new ICBM with a maximum of ten reentry vehicles.

A freeze in the number of reentry vehicles on existing ICBM's.

A prohibition against interfering with verification by national means as well as against deliberate concealment.

The agreement also includes a Protocol, a Statement of Principles to guide SALT II, and an exchange of statements on the Soviet Backfire bomber.

The ceilings imposed by the Treaty will hold the Soviets well below the levels they would be capable of attaining without SALT II, in fact, they will have to dismantle over 250 strategic systems they presently have. But delivery vehicles are only part of the issue. Perhaps of more importance is the restriction on the number of warheads on missiles. This restriction is aimed at the Soviet throw-weight advantage, which without limitation, would enable them to deploy 20, 30, or even 40 warheads on their largest ICBM, rather than the 10 they now have.

The numerical limitations imposed by the Treaty improve predictability in strategic force planning, and increase certainly in requirements for our strategic forces.

The combination of limitations on missile launchers and numbers of warheads will ease the job of maintaining the survivability of our land-based ICBM's, because they will limit the number of warheads that could be targeted against any of the various mobile concepts we are considering. So SALT II becomes, then, an important element in ensuring ICBM survivability.

The Treaty's restrictions also impart a stability to the U.S.-Soviet balance. The resulting strategic forces are of sufficient strength, diversity and survivability that the Soviets will not have an incentive to strike first, even in a crisis situation. Furthermore, the limitations reduce the potential for achieing a destabilizing future advantage.

Two other important issues are vital to the acceptability of the SALT II agreement. The first is the verifiability of the provisions of the Treaty; the second is the effect of the Treaty on our allies.

Much of the focus of the SALT debate so far has been on verifiability. In assessing the adequacy of our verification capability, it is essential to remember that we need to know the nature and size of Soviet strategic forces whether or not we have a SALT II Treaty. Such knowledge is fundamental to defense planning. Deterrence of a Soviet attack—as well as verification of Soviet compliance with the SALT II Treaty—demands that we have the basic means to acquire the information necessary to measure, evaluate and respond to the Soviet strategic force. We must have—and we do have—a multitude of intelligence systems to obtain the required information. The widely-publicized loss of our intelligence sites in Iran must be judged in this context. Replacement of this intelligence capability is not a question of whether we will replace it, but how, where and how quickly we can do it.

Another point that must be carefully considered in the assessment of treaty verification is what the Russians would have to do to "cheat." The development of a new or significantly improved strategic system that violates the agreement would be a formidable task. The detailed knowledge that we currently have of the Soviet strategic force is prime evidence that our intelligence systems are capable of detecting both minor and major modification in the structure of Soviet strategic forces.

The verifiability issue essentially comes down to a single question. Do we have the ability to detect a violation of the Treaty—that is, a violation that would adversely effect our security—before its impact is realized? I am confident that we have this ability.

The SALT II Treaty will not affect either the existing patterns of cooperation with our allies or further cooperation in tactical nuclear force modernization. A Protocol is part of the Treaty. Under that Protocol, we will be developing and testing ground and sea-launched cruise missiles with no limit on range. This is of great interest to our allies as a possible response to the Soviet intermediate range ballistic missile, the SS–20, and their Backfire bomber. The Soviets asked for a ban on the transfer of such technology, and we refused.

The NATO High Level Group, which I chair, is moving ahead, based on the foregoing assurances, with planning necessary to counter the growing Soviet nuclear threat. Hopefully, arms control measures, possibly in SALT III, will someday be able to contribute to greater security at lower force levels in this area too.

If there is no Treaty, the Soviet Union would almost certainly deploy substantially more delivery vehicles and warheads than would be permitted under the terms of the Treaty.

The United States would have to respond to a massive Soviet buildup. We would have to do whatever was necessary to maintain a satisfactory balance. The net effect of a failure in SALT would be the inherent instability of an unrestrained and more costly strategic arms competition costing billions of dollars over the years—as much as 30 billion additional dollars over the next ten years—without any increase in our relative military strength or in our national security. Furthermore, verification of the makeup of Soviet strategic forces would be no less necessary—merely more difficult.

In summary, the current state of the military balance between the United States and the Soviet Union is best described as one of rough equivalence, but with very disturbing trends. In the face of the Soviet challenge, we must continue to maintain a strong defense posture. We will do so, by increasing our defense budget—and asking our allies to do likewise—and by seeking an equitable and verifiable SALT II agreement that will enhance our security and, at the same time, limit the strategic arms competition.●

TRIBUTE TO BRUCE I. HOCHMAN

HON. HENRY A. WAXMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 13, 1979

● Mr. WAXMAN. Mr. Speaker, attorney Bruce I. Hochman will be honored at the Israel Dinner of State of the Bench and Bar Division of Israel Bonds on Thursday, June 21, 1979. He will be presented with the coveted Lion of Judah Award for a lifetime of service to his profession, his community, his fellow Jews and the State of Israel.

Born in Toronto, Canada, Bruce was educated at the University of Toronto and holds an A.B. honors degree and a J.D. degree from UCLA. He served on active duty with the U.S. Air Force during the Korean war. Early in his career Hochman was an assistant U.S. attorney in the tax division. He is a lecturer and author in the field of taxation. Bruce and his wife Harriet have four children: Nathan, David, Nancy, and Jennifer.

A longtime supporter of the Israel Bond campaign and the United Way, Bruce Hochman is vice chairman of the United Jewish Welfare Fund and past chairman of its attorneys division; national vice chairman of the Anti-Defamation League of B'nai B'rith and former president of its Regional Advisory Board; and a member of the Guardians of the Home for the Aged as well as a member of Leo Baeck Temple.

It is a special pleasure to recognize one who has labored long and faithfully for his people and his community: Bruce I. Hochman.●

CONGRESSMAN KEMP ON REPUBLICAN ECONOMIC ALTERNATIVES

HON. CLARENCE J. BROWN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 13, 1979

● Mr. BROWN of Ohio. Mr. Speaker, now that President Carter's "voluntary" wage and price guidelines have been found by a Federal court to be illegal mandatory wage and price controls, administration economists are stumbling to the conclusion that we have got to have full-fledged controls, or a recession, or both, if we are to stop inflation. Our distinguished colleague (JACK KEMP) who helped bring to court the arguments that toppled the President's illegal program, has written an excellent piece for the Washington Post, June 5, explaining why neither controls nor a recession is necessary or even helpful.

I was particularly gratified to see that Congressman KEMP cited this year's Joint Economic Committee annual report as the source of an economic strategy of which no one in the administration seems to be aware. He then describes an alternative economic policy which Republicans have been trying to bring to the attention of this body for some time. The proposals Congressman KEMP mentions, including his own tax cut proposal, which I heartily support, were drawn together into a Republican economic policy package by former Congressman Del Clawson in the last Congress. And on the first day of the 96th Congress, as the ranking Republican on the Joint Economic Committee, I introduced a package of Republican legislation originated by a number of Members, which also expresses this Republican economic philosophy.

In the hope that more Members may become aware of the available alternatives, Congressman KEMP's recent article is reprinted here:

"THE PEOPLE AREN'T FOOLED"

(By JACK KEMP)

Nothing more clearly demonstrates the utter exhaustion of economic thought among our national opinion- and policy-makers than the fact that most of them now agree. What they agree upon is that to control inflation, we need a recession.

They may quibble about whether they mean a "growth recession" or the good-old-fashioned variety. But The New York Times says we need one, Business Week says so, the National Association of Manufacturers says so, last week The Washington Post said so. And, of course, the unnamed administration economist says so, although Alfred Kahn maintains that we will only need to "lower our standard of living" for several years.

Yet few outside this circle seriously subscribe any more to a mystical trade-off between inflation and unemployment. Keynesian theory is in disarray. "Economists no longer believe that some blissful state can be achieved by demand management," says Otto Eckstein of Harvard, himself a Keynesian. "Unfortunately, that hasn't penetrated to the Brookings Institution or the White House—they're both 10 years behind academic thought in fiscal policy." What could the serious academic community do but dismiss the theory after the spectacular failures of textbook demand management in 1969–1970 and 1974–1975? Keynesians are leaving the academy, but seem to wind up in Washington.

Here they can feel at home, Treasury Secretary Michael Blumenthal has explained that "inflation is caused by a number of factors that act together and interact in strange and mysterious ways."

We have inflation, apparently, because too many workers are working too much, business is doing entirely too much business, producers are producing too much and consumers are consuming too much. Certain commodity prices seem to be rising all by themselves.

Given the premise, the administration's answer to inflation is perfectly logical: Everybody should do less of whatever it is they're doing. Slow down the economy, and with luck, inflation will eventually go away.

Now, the notion that we can fight inflation by employing fewer workers to produce fewer goods and lowering their real wages tends to puzzle the factory workers in my Buffalo area district, who by this definition have been fighting inflation since 1969. They may not have studied Samuelson, but it seems to them that as goods get scarcer, prices go up, not down. They find austerity is the problem, not the solution.

And what about minority unemployment? Why is no one in Washington any longer appalled that 12 percent of black adults and more than 40 percent of black teen-agers don't have jobs? Aside from being a criminal waste of human life, chronic unemployment is one of the biggest contributors to the demand for "inflationary" federal spending. Each 1-percent rise in unemployment costs the budget $20 billion in lost revenues and higher spending.

Yet black audiences are being admonished for not voting—presumably for not voting to support an anti-inflationary scheme that explicitly proposes to put upwards of 1 million more workers out of jobs by next year.

Margaret Bush Wilson of the NAACP told us two years ago that "inflation is not caused by too many workers working," and Margaret Bush Wilson was right. Inflation is not caused by workers working, business doing business, producers producing or consumers consuming. Inflation is a decline in the value of currency. Period. Goods aren't getting spontaneously more expensive any more than they would suddenly grow if the government decreed that there are 15 inches in a foot. The average price level rises exactly to the degree that federal monetary policy devalues the dollar.

The administration's frustration with wage and price controls arises because people aren't fooled, as called for under both Keynesian and monetarist theory, into accepting each devaluated dollar at full value.

Yes, hold the applause for monetarism. If, as the monetarists tell us, we are to blame inflation entirely on the Federal Reserve Board, how do we explain why inflation spurted from about 8 percent in the last quarter of 1978 to more than 13 percent in the first quarter of 1979, when Federal Reserve policy was actually tightening?

The answer is that inflation means not only too much money created, but too few goods produced. Deliberate efforts to slow the economy's output almost to zero (the administration's successful discouragement of housing starts, for example) have increased inflation to its highest level since the last recession.

Federal fiscal and monetary policies have been backwards for more than a decade. Monetary policy is supposed to prevent inflation, and fiscal policy is supposed to promote the economic growth that pays for federal spending.

Instead, unnecessary overregulation and excessively high tax rates are deliberately slowing down the economy and increasing the demand for federal spending. What is the Federal Reserve supposed to do? If money is loose, inflation increases and simply pushes everyone into still higher tax brackets, further decreasing productivity. If money tightens, it hastens the recession, yet with lower output, inflation remains unaffected.

No wonder they warn us that this policy may take a while.

Is this the best we can do? Is it true, as a Washington Post editorial asserted last week, that we have to go along with this routine yet again because "nobody really has any other strategy to offer"?

As a matter of fact, there is an alternative. It's called production. The Joint Economic Report of 1979 finds "an emerging consensus in the [Joint Economic] Committee and in the country" that in the fight against inflation, "the major challenges today and for the foreseeable future are on the supply side of the economy."

"The greater the burden placed on production, the less production there will be," the report explains. "Reducing these tax and regulatory burdens may encourage the supply of labor, capital and output. This may weaken inflation and lessen the prospect that steps taken to manage demand will produce a slowdown."

The administration and the Congress are doing some of the right things to restrain demand generated by federal policies, but all of the wrong things on the supply side. The biggest mistake is trying to balance the budget through massive tax increases, as inflation pushes everyone into higher tax brackets without relief for two more years.

It doesn't work. Exactly such attempts to balance the budget by raising tax rates were directly responsible for the last two recessions and their increasingly unbalanced budgets. All we learned was that putting millions of workers out of jobs is no way to stop inflation and no way to balance the budget.

To avoid recession and reduce inflation at the same time, measures must be enacted immediately to encourage saving, investment, employment and production, while holding down federal spending and tightening money creation. I happen to believe that the most direct day to get individuals to work, save and invest more is to increase the after-tax reward on the next dollar they earn, save or invest—that is, to lower their marginal income tax rates.

But there are many other steps we can also take to encourage supply: Index income and capital-gains rates, adjust inventory appreciation and capital depreciation for inflation, remove controls on wages and prices, stop taxing American energy production to subsidize imports of foreign energy, and reduce the disincentives for hiring minority and unemployed workers.

The excuse just won't wash any more that we don't dare change anything because the economic theory that resulted in two recessions says we can't. If when history repeats itself, the first time it's tragedy and the second time it's farce—what does that make of another recession in 1979–1980? ●

THE CASE OF NUCLEAR POWER

HON. RON PAUL

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 13, 1979

● Mr. PAUL. Mr. Speaker, on May 6, with what the Washington Post called "the sharp aroma of marijuana" floating above the crowd, more than 60,000 demonstrators marched on the U.S. Capitol. Chanting "no more nukes," groups like the Socialist Workers Party and Environmental Action heard Ralph Nader and Jane Fonda demand that the Federal Government outlaw nuclear energy. The focus of the speeches was, of course, the accident at Three Mile Island Nuclear Powerplant near Harrisburg, Pa.

THREE MILE ISLAND

At 4 o'clock on the morning of March 28, the first of a series of five human and mechanical failures took place, which led to the shutting down of the big electrical generating facility.

The final mishap took place on March 30. This gave "rise to a puff of radioactivity," says nuclear expert Dr. Petr Beckmann, that resulted in a "minuscule dose in Pennsylvania but gigantic headlines in New York."

SAFETY

Nuclear power is not safe. No form of mass energy generation can be safe. But in the worst accident in nuclear power history, which the media called a "disaster" and a catastrophe," there was not even one injury.

The multi-layered defenses of a nuclear plant give operators many opportunities to avert disaster. This is true of no other form of energy production. If a hydro-electric dam bursts, if an oil refinery explodes, if an LGN tanker blows up in a harbor, there is no warning and no second chance. A nuclear plant's defense in depth also means that any accident happens slowly, so that even in the worst case, there would be days to evacuate the surrounding population.

> Three Mile Island was a very serious accident,

Physics Professor Karl Cohen of Stanford told the House Science and Technology Committee.

> More system and human failures occurred in sequence than any of us had imagined (could happen . . . The damage to the plant itself was considerable . . . Nevertheless, there was not a meltdown. And Three Mile Island may have proven that melt-downs can't happen.

THE "CHINA SYNDROME"

The scare talk by nuclear opponents, before and after Three Mile Island, concerned two doomsday scenarios: an atomic explosion and a melt-down.

Uranium in its natural state contains about 0.7 percent U–235, the isotope that enables a chain reaction to take place. For use as reactor fuel, uranium must be purified or enriched to 3 percent U–235. Pellets of this enriched uranium fill the fuel rods in a reactor. Bombs require uranium that is 90 percent U–235. No matter what the zealots at the demonstration claimed, it is a physical impossibility for an atomic explosion to occur at a nuclear plant.

A meltdown, whereby a core would melt through the reactor floor and into the Earth, is a technical possibility, however. But we now know that it is very hard to bring about.

The Rasmussen Report, criticized for being too pro-nuclear, had estimated that a meltdown would take place if the core were exposed for 2 minutes. At Three Mile Island, the top of the core was exposed for at least 2 hours, and perhaps as long as 15, and there was no meltdown. Fuel rods were cracked and bent by the heat, but none melted. Temperatures have to reach 5,000° for this to happen; they never exceeded 2,000° despite the hydrogen bubble that made cooling difficult.

"The China Syndrome," the propaganda film starring Jane Fonda which got such a boost from the media hype about Three Mile Island, is what John Hospers rightly calls "One of the most evil movies ever made."

Skillfully using every lie ever told about nuclear energy, the movie portrays plant owners as deliberately running dangerous facilities liable to blow up or melt down at any moment. Why owners would want to risk damaging plants worth billions of dollars is never explained. The only solution, the movie tells us, is for altruistic government to take over from greedy private owners, and shut down the nuclear industry.

If a meltdown should ever take place outside Hollywood fantasies, and real life has shown the possibility to be tiny, the radiation released would be held by the containment building, and the core would turn into a cool solid 50 to 100 feet down. The containment building, designed to take the impact of a jetliner, can easily prevent the radiation from leaking. But if it did not, it would take rare weather conditions to keep the radiation from being harmlessly dissipated. And long before any radiation leak could take place, people would be safely evacuated.

Prof. Edward Teller, our most prominent nuclear physicist, told that same House committee meeting that we still have "zero cases" of health damage to an individual in the free world through the nuclear nature of one of these plants. He said free world, because we do not know about the Communist experience. He said:

> Nuclear reactors are not safe, but they are incomparably safer than anything else we happen to have.

RADIATION

We heard a lot about radiation during the Three Mile Island incident. How much was released?

According to HEW Secretary Califano, the largest total dose possibly received by a person living near the plant was 80 millirems. "What kind of person?" asks Dr. Beckmann. One standing naked next to the plant for the whole time. And Dr. Beckmann points out that a person living in Boulder, Colo., where he makes his home, receives 220 millirems in natural background radiation.

In normal circumstances, a nuclear plant gives off an infinitesimal amount of radiation. Neither Grand Central Station nor the House Office Building where I work could be licensed as plants, because the granite they are built of gives off too much radiation. The level is not dangerous, of course, since radiation is normal. The ground we walk on, the food we eat, even our own bodies are sources of radiation.

There was also a lot of press attention about the radioactive iodine released at Three Mile Island and detected in the milk of local cows. What the media did not mention was just how low the level—22 picocuries per liter—was. It was, for example, a 20th of the level detected in Pennsylvania after the 1976 Communist Chinese atomic bomb tests. You remember, says Dr. Beckmann, all the demonstrations held by Nader and Fonda to protest that radiation. Scotch whiskey naturally contains 1,200 picocuries of radioactive iodine; salad oil has 4,900.

COAL

Physicist Eugene Wigner of Princeton points out that coal-fired plants put out more radioactivity than nuclear plants, because coal contains small amounts of uranium. That does not mean the radiation levels are dangerous in either case, of course. Coal does release dangerous air pollution, however, and it is coal that would have to take up the slack if nuclear power were hamstrung. Oil and gas, especially if freed from government control, will remain our major energy sources. But they have more important uses than generating electricity, and neither is as cheap as nuclear.

We have vast resources of coal, and no energy source can be ignored. But coal has health and environmental problems not present with nuclear power. Thousands of men have been killed mining coal. Tens of thousands have been crippled with black lung disease. Millions have their emphysema and other respiratory problems made worse by air pollution caused by coal. An estimated 30 people die each year because of each present coal-fired plant and its pollution. Nuclear power is not only healthier than coal, it can be inexhaustible.

THE BREEDER REACTOR

Unlike any other practical energy source, we will never run out of nuclear fuel, if our private companies are allowed by the Government to build a breeder reactor. The normal reactor uses up uranium fuel; the breeder actually makes more fuel than it uses, because of the nature of the chain reaction carried on in the core. But antinuclear forces, in combination with Government bureaucrats, have prevented use of this technology.

Clinch River, the breeder now being slowly built, should be discontinued because it is Government-subsidized and technologically obsolete. It has been so delayed that newer methods have been discovered in Western Europe and put into use there. However, private breeders, combined with more nuclear power plants, could make us independent of the Arabs and give us the inexpensive electricity we need for economic growth, long after oil and gas are gone.

NUCLEAR WASTES

Even if nuclear power is cheaper than other methods of generating, and it is; even if it is environmentally cleaner, and it is; even if it is healthier, and it is; what about nuclear wastes?

Disposal of these wastes is a problem, but scientists have solved it. Only Government redtape keeps the solution from being put into practice more quickly. If all of our power were generated by nuclear energy, the total wastes would equal the size of an aspirin tablet for each person per year. Wastes can be vitrified—turned into glassy solids—sealed in cement and steel, and safely buried in deep geological formations. The Swiss have developed greater refinements we can use as well, if Government regulations can be loosened. Coal-fired plants, by comparison, produce 320 pounds of poisonous wastes per person, per year, 32 pounds of which are discharged into the air.

If all our power were produced by nuclear, total wastes for the next three and a half centuries would fit into a cube 200 feet on a side; yet this is a problem the Naders and Fondas claim our technology cannot solve.

WHY THREE MILE ISLAND?

Was the incredible chain of events at Three Mile Island accidental, or could it have been deliberate?

Certainly, the antinuclear and anticapitalist zealots are capable of sabotage. A group of English scientists say they have proof that the Soviet Union, which has its own extensive nuclear power program, is financing antinuclear groups to cripple the West, since the Communists know that only nuclear power can take the place of our more vulnerable oil.

There was one interesting coincidence at Three Mile Island. In the summer of 1978, a leftist Harrisburg magazine—funded by a Federal grant—published a fictional article about a series of accidents at Three Mile Island, culminating in a melt-down. The melt-down didn't occur, of course, but the other parts of the story were similar to actual events. In the article, the problems began on March 28. And the real incident started on—March 28.

THE FREE MARKET

Nuclear power is one of our most regulated industries, and this has raised costs tremendously, as well as delayed new construction. But all these regulations did not prevent the accident at Three Mile Island. In fact, they may have made it worse.

The Nuclear Regulatory Agency, like OSHA and similar bodies, neither achieves its goals nor has a constitutional basis. But without the NRC, how could we be sure about safety? If any regulation is necessary, it should be handled on a State level. But I believe that the free market would insure safety, if we repealed another subsidy—the Price-Anderson Act.

Under this law, two pools of private insurance companies provide up to $140 million in coverage per incident for nuclear plants. The Government provides coverage above that, with liability limited to $560 million. Insurance for nuclear plants, and for everything else, should be handled in the free market. Not only would this save the taxpayers money, but it would be a means of providing safety checks for plants. No pool of private insurance companies would provide hundreds of millions of dollars in coverage without being sure that the plants were safe. And no businessmen would want to run anything but safe and efficient plants, since it would be unprofitable to do otherwise.

NUCLEAR POWER AND TOTALITARIANISM

Samuel McCracken points out that over 500 Americans died in 1838 alone because of steam accidents—a rate equivalent to 7,000 with today's population. But there was no movement, led by a 19th century Ralph Nader, calling for a moratorium on the development of steam power. Such a moratorium, says Professor McCracken, "would have prevented the deaths of some thousands in steam explosions, and would have assured the deaths of many thousand more through a halt to the industrial revolution."

The industrial revolution, better called the capitalist revolution, has been slowed by Government intervention. If we want to keep a free and productive society, we need to get Government out of all aspects of energy.

Says John Hospers:

> There is hardly a surer way to turn the United States into a totalitarian state than by drying up its sources of energy. There are abundant sources of fossil energy, but the government is regulating these industries to death. That leaves only nuclear. But once people have had the hell scared out of them by threats of disasters in nuclear plants, that leaves nothing—no energy, no more production, no more wealth—only massive starvation and passive ants in an inert anthill controlled by the regulators enforcing universal poverty from above.

The best source of information on nuclear energy, for the layman, is the work of Dr. Petr Beckmann.

Dr. Beckmann, who escaped from Communist Czechoslovakia in 1963, is an author, editor, and professor of engineering at the University of Colorado. He is also a staunch advocate of free-market, limited-government ideals.

I cannot recommend too highly his book, "The Health Hazards of Not Going Nuclear," or his engrossing monthly newsletter, Access to Energy.

Petr Beckmann, who holds two earned doctorates, is an eloquent voice of scientific reason in the midst of all the antinuclear hysteria.●

CALVARY BAPTIST CHURCH CENTENNIAL ANNIVERSARY

HON. ROBERT A. ROE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 13, 1979

● Mr. ROE. Mr. Speaker, this coming week June 17 to June 25 the Calvary Baptist Church, the oldest black Baptist Church in the city of Paterson, N.J., will celebrated the 100th anniversary of the founding of this most distinguished church. I know that you and our colleagues here in the Congress will want to join with me in extending our heartiest congratulations and best wishes to the esteemed pastor, Rev. Albert P. Rowe, and members of his congregation on this most important centennial celebration.

During the course of the year, the clergy and laity of the Calvary Baptist Church have been celebrating this most important centennial history devoting themselves in an outstanding program dedicated to the remembrance of the blessings of the church and strengthening the resolve of all to continue their most noteworthy efforts in service to God and mankind. The centennial theme is "One Hundred Years Glorifying God and Serving Humanity."

Mr. Speaker, the faith and devotion of our people in a full communion of understanding, ever caring and respecting the individual religious beliefs of his fellowman has been the lifeline of our democracy—ever inspiring our people with hope and urging the individual on to great achievements and purpose in pursuing the fulfillment of his dreams and ambitions. The exemplary leadership and outstanding efforts of our citizens so important to our quality of life are in the vanguard of the American dream and today we express our appreciation to the pastor and administrator of the Calvary Baptist Church Rev. Albert P. Rowe, and his predecessors whose outstanding dedication and unselfish devotion in promulgating spiritual guidance, good will, fellowship, and brotherhood in service to God have truly enriched our community, State, and Nation.

Mr. Speaker, during centennial week many outstanding special events have been planned under the auspices of the centennial committee whose membership is comprised of highly reputable citizens and community leaders, as follows:

The Honorable: Rev. Albert P. Rowe, pastor; James Evans and Mildred Tramble, cochairpersons; Barbara Zeigler, secretary; Alphonso Miles, treasurer; Dorothey Rowe, program chairman; Ora Pipkin, finance chairman; Etta Currin, publicity chairman; James Bryant, hall of fame chairman; Floyd Hinton, souvenir book, Deacon Willie Nickerson, Lula B. Riley, Beatrice Burwell, Catherine Sellers, Savannah Montague, Marie Sargent, Arthur Holloway, Willie Malone, Marian Malone, and Helen Peace.

On Sunday, June 17 a morning service of remembrance will be held in memoriam to deceased members of the Calvary Baptist Church and an afternoon service of recognition and appreciation will be held in honor of the following distinguished members of the church who have rendered loyal and faithful service to the church for 50 years or more, as follows: Hon. Martha Brown, Sally Booth, Evelyn Easton, Priscilla Evans, Ella Hampton, Susie Howard, Bessie Kirkland, Marshall Kirkland, Waymond Miller, Simmie Piplin, George Riley, Lula B. Riley, Addie Savington, Robert Side, Elizabeth Smith, Percy

Schofield, Martha Thomas, Charles Williams, Martha Williams, Levada Moore, and Naomi Bogert.

The closing centennial week's celebration will be commemorated at special services on Sunday, June 24, Rev. A. A. Watts, of Los Angeles, Calif., the only living former pastor of the church, will deliver the anniversary sermon. Rev. S. Howard Woodson, pastor, Shiloh Baptist Church and former speaker of the New Jersey assembly will be the guest preacher. Religious leaders of the major religious faiths will participate and bring fraternal greetings and congratulations to the congregation.

Mr. Speaker. With your permission I would like to insert at this point in our historic journal of the Congress an excerpt on the background history of the Calvary Baptist Church which was transmitted to me by the centennial committee, as follows:

THE CALVARY BAPTIST CHURCH—1879–1979

In 1879, the Reverend Ownes L. Simmons came to Paterson for the purpose of organizing a "Colored Baptist Church." Reverend Simmons was a licensed minister who came from the Bethany Baptist Church of Newark, New Jersey. A meeting place was sought and secured on Main and Fair Streets on the property of Mr. Daniel McGloven at a rental fee of $6.00 per month. The facility was prepared for the first meeting of the Negro Baptist Congregation. Reverend Simmons invited many scattered Baptists to attend meetings.

In 1880, the Congregation began meeting in the Grand Army Hall on West Street where they remained until a building was constructed. Services were held in the Park Avenue Church where the Reverend Harvey Woods was pastor.

Early in 1886, the church was formally organized and a site was purchased on Lawrence Street. In 1887, Reverend Simmons was ordained and Calvary Baptist Church was recognized.

In 1889, a building was constructed on the Lawrence Street property at a cost of $1,740.00. Initial officers of the church included Honorable Charles Berry, J. W. Brown, Harvey O'Blenis, and J. R. Randolph. Early membership included Honorable Jane Thompson, Katie Thompson, Roberta Johnson, Mr. and Mrs. Scott, Betty Frazier, Betty Lively, Hattie Jackson, Mr. and Mrs. Johnson, Mr. Zabriskie, and J. C. Smith. Reverend Simmons remained pastor until his passing on April 16, 1906.

After the death of Reverend Simmons, the Reverend J. R. Anderson served as supply pastor for a short time. He resigned to organize the Canaan Baptist Church in 1906. The Reverend Willis Young was elected pastor.

The Reverend James H. Randolph was chosen leader in 1908. He remained with the church for approximately six years. During his pastorate, the mortgage was burned for the Lawrence Street building. Reverend Joshua Greene succeeded Reverend Randolph and served as pastor for approximately six years.

In 1919, the Reverend Thomas Christian accepted the pastorate of Calvary Baptist Church. Under his leadership a site was purchased on East 18th Street near 12th Avenue, and in November 1920, a new building was constructed at a cost of $26,250.00.

During 1925, Reverend Christian resigned to become pastor and leader of the Christian Missionary Baptist Church.

In 1926, the Reverend A. Alfred Watts became pastor of Calvary and served for eleven years. Under his leadership a parsonage was built on 12th Avenue near the church and the sanctuary was renovated.

During the latter years of the 1930's Calvary was faced with many financial problems. The Reverend Robert Dokes was elected to serve as interim pastor. The uncertain times and problems within the church led to the assignment of Mr. Walter S. Mills, a member of Broadway Baptist Church and an outstanding businessman, to assist the church.

As the interim pastorate of Reverend Dokes neared its end, some members of Calvary desired to elect him as pastor. Because of difficulties, Reverend Dokes resigned his elected position and later organized the Second Baptist Church. Mr. Mills provided leadership after the resignation of Reverend Dokes.

In June of 1040, the church membership selected the Reverend C. T. Wilcher, the Northern Jersey Association Moderator, as spiritual leader. The faithful leadership of Reverend Wilcher and the cooperation and hard work of the membership enabled the congregation to celebrate a second mortgage burning on November 5, 1944 along with the sixty-fifth anniversary of the church.

Accepting the call of the membership, the Reverend Charles C. Currin became pastor and leader of Calvary beginning the first Sunday in November, 1945. With Reverend Currin as leader, significant accomplishments were made during his twenty-two year pastorate. Property in the immediate area was purchased by the church. The Gospel Chorus, Flower Club, Roberta Johnson Guild, and the Calendar Club were organized.

In September 1946, a building fund was established and under the leadership of Reverend Currin, the building fund grew to $53,812.00 by 1968.

After the passing of Reverend Currin on October 2, 1967, the Reverend Norman Olphin, who had retired from a position in Iowa, served as interim pastor. After hearing many candidates, the Pulpit Committee presented the name of the Reverend Albert P. Rowe of Wilmington, Delaware, to the congregation and the membership unanimously accepted the recommendation of the committee.

On November 3, 1968, Reverend Rowe, fully qualified educationally and spiritually, came to Calvary as the new pastor and leader.

In January 1969, a Building Council was organized to lay out plans for the future. James Evans was appointed chairman. Floyd Hinton headed the church-community survey. Willie C. Nickerson was made program chairman.

Because of the capable and dedicated leadership and the support of the membership, Calvary moved smoothly into a building program, which will amount to more than a half million dollars on completion. On May 16, 1971, ground was broken.

In 1972, the church dedicated a new, modern church and Christian Education Building at a cost of over half million dollars. In 1974, the Church purchased an old factory and converted it into a modern Community Center with a regulation size gymnasium which houses recreational and educational programs for community children.

Other community programs sponsored by Calvary Baptist Church are: the development of a housing complex which is to include 177 Senior Citizen Units and 28 Garden Apartments for families at a cost of 10 million dollars.

In the economic development area, the church, under the leadership of its Pastor, has taken the lead in organizing People Involved Corporation (PIC). PIC exists for the exclusive purpose of encouraging positive individuals to invest in a progressive economic growth program for capital gain and community improvement.

From humble beginnings to a place of prominence in religious and civic affairs in the Patterson community, Calvary Baptist Church now stands. From a dedicated few to a membership of well over 600, the church has expanded its ministry and its outreach.

Mr. Speaker, our Nation was founded on the cornerstone of our people's faith in God which is truly the spirit, conscience and very being of our society. The dedication, devotion and untiring efforts of the esteemed clergy of the Calvary Baptist Church in pursuit of the noble cause of service to God and brotherhood, goodwill, and understanding among all mankind is applauded by all of us. We do indeed salute the pastor, Rev. Albert P. Rowe, and the members of the Calvary Baptist Church upon the celebration of their centennial anniversary.●

GAS RATIONING

HON. DON BONKER

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 13, 1979

● Mr. BONKER. Mr. Speaker, on Monday, June 11, 1979, the Washington Post carried an article by William Raspberry that goes a long way toward explaining the gas shortage mentality and an appropriate response to it—rationing.

As we all know, our growing dependence on expensive foreign oil, now accounting for half of all the oil consumed in the United States is making the country dangerously vulnerable to another energy crisis. In spite of this, the House of Representatives voted down the President's standby gas rationing plan.

Higher prices for fuel have had little effect, except to accelerate inflation and unfairly burden the poor. Demand for gasoline is simply not price-elastic in the short or medium term.

It has been my experience that in a crisis or shortage situation, people do not mind making reasonable sacrifices as long as everyone else has to make similar sacrifices. Few, however, will willingly cut their consumption so that less conservation minded individuals can increase theirs.

Voluntary conservation has been a dismal failure because there are inadequate incentives to conserve.

The present situation incorporates the worst of all worlds—we have rapidly rising prices and short supply which results in an informal and chaotic form of rationing that limits consumption through long lines, short gas station hours, weekend closings, limited purchase, and the like. The responsible person who conserves fuel has no assurance that it will be available when it is needed.

Gasoline rationing is an option that allows for the equitable and efficient allocation of what has come to be a necessity. At the very least, rationing should be a part of our energy contingency planning.

The Washington Post article follows:

RATIONING—WITH SOMETHING FOR EVERYONE

(By William Raspberry)

President Carter, having been turned down in his recent request for standby authority to ration gasoline, apparently doesn't intend to ask again.

That is one potentially disastrous miscalculation. The other is his assumption that if the American people have the facts, we will do the right thing: That is, if he can convince us that the energy crunch is real, we'll behave intelligently and curtail our energy consumption.

We won't, of course. We can't. Not voluntarily, anyway. The only way we'll cut back on our energy usage is when we're forced to. What we need is an intelligent rationing plan.

The clearest explanation I've seen of why voluntary curtailment won't work—can't work—was outlined by Conrad Horn in a recent letter to the editor of The Washington Post.

"I could reduce my own gas consumption by 30 to 50 percent right now, by car-pooling or bike-riding," Horn wrote. "But why should I bother when the gas I save will only go to someone who can spare the time to wait in line for two hours: teen-agers, housewives, government employees on long lunch hours?"

Then came the clincher:

"No matter how much gas I save, there's no way I can guarantee that I'll have some when I need it—over the [upcoming holiday] weekend, for example.

"Under a rationing system, whether I'm entitled to 10 gallons a month or 100 gallons, at least I can plan ahead so that I'll have gas when I need it most. Consumption would be cut even further because most people would be forced to hold some of their ration in reserve each month."

President Carter may not understand us, but Conrad Horn surely does. Nobody is going to conserve gasoline in order to preserve the general stock of gasoline. We'll conserve only if there is something in it for us. Rationing would give us that personal interest in conservation.

Indeed, the only question that needs to be debated is the nature of the rationing plan we finally adopt. That is, should we ration on the basis of registered vehicles, as Carter proposed in his first plan, or on the basis of state-by-state consumption, as he suggested in his third, rejected, proposal? Should ration coupons be allotted to cars? To licensed drivers? To all adults?

Actually, all the elements of a sound rationing plan have pretty much been proposed, though never so far as I know in one package.

Putting together the best elements of all the proposals, we might begin with Carter's state-by-state-consumption proposal, with ration coupons going to all adults, licensed drivers or not.

The coupons would entitle each holder to an amount of gasoline calculated by dividing the total statewide usage (reduced by whatever percentage the current shortfall happened to be) by the number of monthly coupon holders. The amount of gasoline would be available at "normal" prices—say, up to a dollar a gallon.

Any motorist would be allowed to purchase additional gasoline either by buying coupons from someone else or by paying extremely high prices at the pump—perhaps $3 to $4 a gallon.

Such a plan would accomplish a number of things. It would provide for the equitable distribution of a scarce resource; it would reward the owners of small, energy-efficient automobiles (and those who chose to limit their driving); and it would produce income for those who don't own cars at all.

Further, it wouldn't matter whether a particular gasoline shortage is real or contrived, permanent or temporary. If, for instance, the total amount of gasoline available this month is 5 percent less than in the appropriate base period, each state's allotment for the month would be reduced by 5 percent. If as a result of conservation, the discovery of new oil reserves or increased imports, the total amount of available gasoline should increase, then each coupon would be good for proportionally more gasoline.

Under such a scheme, it's a safe bet that we'd use less gasoline. Conrad Horn, being an ordinary citizen and not a government official, understands that.

He also understands that you and I are not about to curtail our gasoline consumption voluntarily if the only result is to make more of the stuff available for the gas guzzler down the street.●

HEALTH WARNINGS FOR ALCOHOLIC BEVERAGES

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 13, 1979

● Mr. BROWN of California. Mr. Speaker, I am introducing legislation today to address one of the most serious problems facing the country today. Alcoholism and alcohol abuse cost this Nation more than $42 billion and more than 200,000 lives each year. The health costs alone cost more than $12 billion a year. In these times of inflation fighting and budget tightening, alcohol abuse increases our production costs by almost $20 billion, through loss of production and services, and direct Government expenditures to treat alcohol abuse increases our budgets by almost $2 billion a year.

Mr. Speaker, I am, therefore, introducing a bill to require health warnings for alcoholic beverages. I propose to require that a warning reading, "Caution: Consumption of alcoholic beverages may be hazardous to your health," be conspicuously placed on all labels and advertisements of alcoholic beverages.

This proposal is similar to the provision recently passed by the Senate to require warning labels on alcoholic beverages. Passed as an amendment to authorizing legislation for Federal alcoholism programs, this provision was supported by the Senate by greater than a 2-to-1 margin. Commenting on this bill, Senator BELLMON of Oklahoma stated:

> There is a strong feeling among health specialists that we must begin to emphasize prevention and individual responsibility for one's own health. To achieve this goal, however, we must inform citizens of the health risks associated with their actions. This amendment represents a step in the right direction by calling attention to risks associated with consumption of beverage alcohol.

I fully concur with this comment and for this reason am introducing this proposal.

However, the bill I am proposing is much more extensive in scope and application than the Senate version. The Senate proposes to amend the Food, Drug, and Cosmetic Act to provide for warning labels for alcohol. However, it is not clear that alcohol labeling is covered under this act. My proposal would effectively clarify that alcoholic beverage labeling is covered under this act by amending the definition of "food" in the Food, Drug, and Cosmetic Act to include the phrase, "including distilled spirits, wines, and malt beverages." This section also gives the Secretary of Health, Education, and Welfare the authority to exempt beverages from bearing the warning if he determines that a comparable requirement has been established under any other Federal law. This is intended to avoid duplication between agencies and applicable laws.

While the Senate bill provides for warnings on alcoholic beverage labels, my proposal requires that this warning be conspicuously placed on all advertising of such beverages. If such a health warning is to have any efficacy, it should be required wherever the suggestion to consume alcoholic beverages is made. The 1978 HEW report on alcohol and health suggests that aggressive advertising and marketing may have an effect on demand for alcohol. I believe that it is as important that the message, "alcohol may affect your health," be communicated as is the message that alcohol is sexy or sophisticated.

The suggestion has been made that since people already know excessive drinking is not healthy that such a warning is not necessary. I believe that such a warning label is necessary to remind people, not only of the potential for alcoholism or problem-drinking, but also that alcohol may affect your health or, if you are a pregnant mother, the health of your unborn child. Such a health warning would also stand as a good faith effort by the alcohol industry to recognize the health-effects of their product.

This proposal cannot be construed as another element of Government regulation or as another prohibitionist effort. Rather, it is but one part of an overall education and awareness campaign necessary for the health and safety of our citizens.●

THE WEARING OUT OF URBAN AMERICA

HON. ELIZABETH HOLTZMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 13, 1979

● Ms. HOLTZMAN. Mr. Speaker, the continuing deterioration of the bridges, sidewalks, highways, and sewers of many American cities has now reached serious proportions. The failure to make these much needed repairs in a timely manner results from many factors: the poor fiscal condition of cities which have had to postpone planned maintenance; the failure of many cities to prepare and carry out an adequate maintenance program; and the availability of Federal funds only for new construction, not for maintenance and repairs of existing facilities.

An article by Peter Nye in the October 1977 Nation's Cities discusses this problem at length and concludes that insufficient and inadequate maintenance of urban infrastructure is a problem that will plague cities for many years to come.

The text of the article follows:

THE WEARING OUT OF URBAN AMERICA

(By Peter Nye)

For centuries, children on both sides of the Atlantic Ocean sang about London Bridge falling down. Even King Henry VIII chanted the ditty when he was a child in the late 15th century. In the early 1960s, it was discovered that the London Bridge, opened in 1831 as the latest in a series that went back 2,000 years, really was falling down—it was sinking into the Thames River under the enormous traffic load. A new London Bridge was erected, and its predecessor was taken apart, stone by stone, and transported 10,000 miles to Lake Havasu City, Arizona, where it was reassembled and stands today.

Not all bridges endure such long lives and dual citizenship. Officials at the Bridge Division of the Federal Highway Administration contend the average life expectancy of bridges in this country is about 50 years. (For statistical purposes, a bridge is at least a 20-foot span; a shorter span is called a culvert.)

Douglas Nettleton, deputy chief of the division that oversees the nation's approximately 500,000 bridges, is quick to point out that bridges are designed more for their safety factors than for infinite years of use.

But bridges need upkeep: metal weakens from fatigue and corrosion, cement bases crumble, wood underbraces rot. The Sixth Annual Report of the Department of Transportation (DOT) said there are 105,500 federal-aid and city or county bridges that are deficient (up from 88,900 in 1968). Replacing them would cost $23 billion—$12.4 billion for federal-aid bridges, $10.6 billion for city and county bridges. Under Section 204 of the Federal-Aid Highway Act of 1970, the federal government has appropriated a matching grant of 70 percent federal money for the states' 30 percent. For FY '77 federal appropriations totaled $180 million.

The funding mechanisms, however, are woefully short.

Tom Stockhausen, assistant manager of the Allegheny County (Pennsylvania) Transportation Bureau, said recent estimates show the county, located at the southwestern portion of the Keystone State and embracing Pittsburgh, has a backlog of bridge deficiencies totaling $210 million needed for repairs, and another $90 million is needed for road repairs. Yet total federal, state, county, and city appropriations for the $300 million backlog amount to a scant $25 million for FY '77.

One of Pittsburgh's bridges that is in critical need of costly repairs is the Liberty Bridge, which carries more than 50,000 vehicles daily over the Monongahela River into and out of the city. Built in 1926, the Liberty Bridge requires major repairs totaling $13 million, Stockhausen said. While the cost of rehabilitation may sound steep, it is considerably cheaper than the $71 million that would be required to replace the bridge.

Pittsburgh and Allegheny County are not alone in their need for maintenance funds. Nor is the problem of upkeep and money confined strictly to bridges and roads.

Rochester, New York, City Council Member Chris Lindley said a recent examination of Rochester's urban structures (superstructures above the ground like bridges, viaducts, and roads and infrastructures below the ground like sewers and water systems), disclosed an estimated $7.7 million is needed to pay for replacement of hazardous sidewalks and curbs, as well as $5.9 million more needed to fund bridge repairs to meet minimum safety standards. Another local official, John Davis, deputy director of Monroe County Division of Pure Waters, said a total of $133 million is needed to repair Rochester's crumbling, vintage sewer system and bring it up to EPA's safety standards and those of the Great Lakes International Joint Commission between the U.S. and Canada. He said the main sewer system was built around the turn of the century although some portions date back to the 1850's, and the system takes both sanitary and storm water flow. With increased paving in the city, there is an added drainage burden on the city sewage system. Overflows frequently carry sewage into local waterways that empty into Lake Ontario.

"When a city doesn't allocate properly for maintenance, it's an obligation on future resources," Lindley said. "If a city has to spend $10 million to replace a bridge it neglected, that is the same thing as borrowing $10 million for current operating revenues to finance current expenditures such as police, firefighters, secretaries, and so on."

Maintenance and improvement of cities' structures caught the attention of the Congress this summer. Sen. Hubert Humphrey, cochairman of the Subcommittee on Economic Growth and Stabilization, and Rep. William S. Moorhead, cochairman of the Subcommittee on Fiscal and Intergovernmental Policy, had a report prepared by the staff of the Joint Economic Committee (JEC) for testimony before that committee. The report, entitled "The Current Fiscal Condition of Cities: A Survey of 67 of the Largest 75 Cities," assessed the impact of the current national economy on local economies and concluded, perhaps too expansively, that the upkeep of streets, roads, sewers, transportation, and police buildings "appears to be the single greatest problem facing our nation's cities."

The maintenance problems of Pittsburgh and Allegheny County are more dramatic than most other cities and counties because they have possibly the greatest number of bridges of any city and county in the nation. And they must be kept up in the face of rapid population drain and subsequent loss in tax revenues. Between 1970 and 1975, the city's population went down by 60,000 (520,000 to 459,000); the county lost more than 500,000 residents (1.6 million to 1.1 million).

Some call Allegheny County the bridge capital of the world, for there are more than 1,700 bridges along the 1,700-mile highway network that sprawls across the county's 731 square miles. This works out to 2.3 bridges per square mile, or one bridge for every mile of highway. In addition, 35 of the bridges span the county's four major rivers—the Allegheny, Monongahela, Ohio, and Youghiogheny.

Many of Allegheny County's bridges are outliving their life expectancies. During the 1920s the county built hundreds of bridges; by the end of this decade, more than 1,000 of them will be 50 years old.

Dr. Steven J. Fenves, a professor in the civil engineering department at Carnegie-Mellon University, attributed the neglect in upkeep to a transfer of authority in the 1950s from local government to the state. With the matching grants system, the state government was eligible for additional federal highway fund dollars for construction of new roads and bridges. The financial incentive favored more and more construction by the state—at the expense of routine upkeep.

"As long as the states have interstate highway funds to build with, where states can get 90 percent reimbursement from the federal government for roads and bridges, they will continue to construct interstate highways," Fenves said. "And states can get back 50 percent of their money for making roads and bridges outside the interstate.

"But no money for maintenance. Many of the bridges in Allegheny County haven't been inspected since the mid-1960s."

CONVENIENTLY PUT OFF

In an overwhelming number of cases, maintenance of capital assets can be postponed. Especially in the wake of the 1974–75 recession, there is a natural inclination of city officials to put off maintenance as a way of reducing current expenditures. Cutting a few hundred city employees from the city budget will instantly evoke a heated reaction. Trimming maintenance money, by contrast, is unlikely to show up for a decade.

"Maintenance is a peculiar thing," said Louis Bruneau, senior management analyst for Portland, Oregon. "You can cut back and cut back until eventually it gets to the point that a thing deteriorates and has to be overhauled or replaced.

"We have changed the level of our services. Where we used to wash the streets, the street department trucks now just sweep. We cope. We're expected to do the same level of services with less money."

The collapse of the elevated portion of the West Side Highway in New York City is a good example of how costly inadequate maintenance is and how much trouble it causes in the long run. Insufficient upkeep gradually weakened the elevated highway, which crumbled and toppled over in December, 1973. The four-mile section of highway wasn't repaired and hasn't been used since. ("Don't ask me where the traffic has gone to," said an exasperated city official.) Replacing it will cost about $2.5 billion. (One engineer in the city's Department of Highways described the structure's falling down as a "blessing in disguise" since it was in need of such extensive upkeep that it practically would have to be rebuilt and nobody was injured when it crashed down.)

Eric Hoffer, the longshoreman-philosopher, observed that throughout world history, the level of a civilization could be determined by the extent to which a culture performed maintenance. But while U.S. cities enjoy a high degree of civilization, possibly the highest ever, they are burdened by an unprecedented number of expensive social services and programs.

A New York City-based research outfit, the Conference Board, reported recently that figures supplied by the Department of Commerce's Census Bureau show the number of state and local government welfare workers swelled 99 percent from 1965 to 1975 (from 170,000 to 339,000), compared with a three percent rise in the number of state and local government street and highway workers (549,000 to 570,000).

HIDDEN LIABILITY

George E. Peterson, director of the public finance programs at the Urban Institue in Washington, D.C., testified before the JEC that from 1960 to 1965, state and local government spending for construction, repairs, and acquisition averaged about 29 percent of state and local budgets. By 1976, that spending had dropped to 15 percent, and records for the first half of 1977 show such spending is still decreasing as a proportion of state and local budgets.

In a separate interview, Peterson said he saw underbudgeting for upkeep as a serious problem confronting cities. "Underbudgeting has been especially bad in the last three years," he said. "It seems there is an indefinite postponement. At least it is not clear when it will stop." He said lack of maintenance was a hidden liability borne by a majority of U.S. cities.

Peterson said he felt frustrated by the general lack of information available on superstructures and infrastructures (also called capital stock) when he was gathering material in preparation for his congressional testimony. "There is no assessment of capital stock," he said. "It is a major omission."

Ignorance of the value of urban structures puts most cities in the position of not knowing what the trade-off is between spending maintenance money now or putting it off for one or two years or longer. For too many cities, he said, precious few years remain for maintenance money to help before deterioration goes beyond the point of salvaging;

then dilapidated structures will have to be junked and replaced altogether at a tremendous burden to taxpayers.

Only 50 of the 67 cities surveyed by the Joint Economic Committee were able to respond to a questionnaire about how much the cities need to maintain their public structures, a JEC spokesperson said, apparently because maintenance and information about it are decentralized among separate city agencies and not readily available. The lack of centralization in local agencies of many cities indicates more cities may be in deeper trouble than officials realize, the spokesperson said.

A study of the 50 cities showed, however, they need a total of $22.4 billion. There emerged a pattern among the 50 cities: unemployment levels correspond with the amounts of money needed for maintenance. Twenty-six of the high-unemployment cities (6.9 percent and greater), for example, projected a total need of $14.8 billion at the same time that the 24 low-unemployment cities (6.8 percent and less) said they needed $7.6 billion.

QUESTIONS UNANSWERED

Beyond the employment pattern, other correlations about cities and maintenance go unanswered. For example, have older cities cut back their maintenance more than younger cities? Or do both young and old cities share the same underfunding problems? Second, is there a demographic pattern to cities that have upkeep problems? JEC's survey apparently is the first foray into the dark mystery of how much money is needed for maintenance. City officials tend to be reluctant to discuss their specific maintenance needs. Some officials just don't know; others don't want to acknowledge a deliberate oversight. JEC researchers, to ensure a higher probability for accuracy in their survey, compiled their information from cities in exchange for confidentiality. The JEC won't release details of their survey.

Urban growth alone doesn't mean that a city is less fettered in making maintenance outlays than cities with declining populations.

Colorado Springs, Colorado, is typical of rapidly expanding cities. Its population of 185,000 has grown considerably (about 30 percent) since 1970.

"Maintenance isn't an issue here," said Larry Allison, city controller. "The big thing is how much do we need to spend to make new streets. Here it's what we need that's new, not what we have to take care of."

But San Jose, California, is a generation ahead of Colorado Springs and has maintenance problems stemming specifically from a long period of surging growth. Population in San Jose has grown sharply. From a small town of 30,000 in the 1950s, it has become the twentieth largest city in the country, with 575,000 people. City officials say the population is still expanding at the rate of 2 to 3 percent a year.

As a result of the population expansion, streets constructed in the late 1940s and 1950s are outmoded; main thoroughfares can't efficiently accommodate rush-hour traffic loads, and numerous streets need to be repaired so that they can carry traffic at necessary speeds and volumes.

City Manager Ted Tedesco said $33 million is needed to widen and upgrade the city's roadways.

"It's the highest priority we've got," Tedesco said. "What streets existed 20 years ago are wearing out. The old streets are being worn down, and they need to be replaced. We have the same problem with them as older cities, even though we are a new city in many respects because we have been gaining 20,000 to 25,000 new people each year."

He said the $33 million is still wanting. "The city council hasn't agreed on a way to fund it," he said. "We need four out of seven council members to agree on a means of funding. This has gone on for three years now, since late 1974."

Some big-city officials play down the issue of their city needing more maintenance than it can afford.

Ed Bedore, budget director for Chicago, said Chicago is budgeting adequately for its maintenance, thanks in part to a great financial boost from Public Works Program money.

"Our first round of public works money was awarded this January for $22 million and our second round is set to be $37 million," he said. "We spent it on sewers and water mains and other public works projects. It was money we wouldn't otherwise have had. Of course, inflation is taking its toll, and we aren't doing as well as we would like to do, but we have been able to take care of our urgent needs."

In Washington, D.C., Harold Walker, deputy chief of capital improvements, said he didn't see maintenance as "much of a problem" in the District. Les Schaefer, chief of the design section, which oversees the sewer and water system, said the District was able to keep up with repairing and replacing the sewer and water system, which dates back 100 years and more. "Some of the sewers put in in 1875 still look clean and solid as the inside of rifle barrels," he said.

One city that manages its maintenance budget with fair success is Seattle. Willis Maxfield, chief accountant for the comptroller's office, said that of the city's $220 million 1976 budget, more than $22 million went for construction and repair of streets and roads ($12.6 million), storm and sanitation sewers ($2.7 million), bikeways ($114,000), sidewalks ($846,000), and bridges and viaducts ($6 million).

Drawbridges are important for Seattle, a port city, to preserve its river and road traffic flow, especially as the city's busiest drawbridge, the Fremont Bridge. It has more than 1,000 openings a month during its peak period in the summer. Seattle has eight drawbridges (also called jackknife bridges. bascule bridges, and counterbalance bridges) and about 80 fixed bridges.

"We began a program of upgrading and regularly inspecting the bridges in the early 1950s," said Carl Comnick, supervisor of bridge maintenance. "We replaced rubber wiring with plastic, replaced control consoles and other things. I think we are keeping ahead of repairs adequately."

Most other cities face an uphill budget battle to get funds for upkeep. The problems that St. Louis and Detroit face are characteristic.

Tom Hagley, street commissioner for St. Louis, said his city is confronted with such a budget crunch that it is forced often to adopt bandaid measures of treating only the symptoms as they break out rather than go after the disease.

"Our bridge maintenance is on crisis treatment only," he said. St. Louis has six bridges that are funded with federal aid money and another 49 that the city is directly responsible for. "To repair our bridges, we need at least $10 million," he said, adding that the money would go exclusively for critical needs, not routine upkeep. He said there was no estimate available on how much money in all would be required to finance preventive maintenance of the bridges.

Hagley said the 1,100 miles of streets in St. Louis are in better shape as a result of numerous federal grants in the last few years. The rest of St. Louis, however, has been pitted like its bridges against withering yearly budgets. Victims have been the deteriorating park system and city street equipment.

The street department has an inventory of $6 million, but the city has been falling continually behind in its replacement purchases, which have averaged about $100,000 a year for the last four or five years, he said.

"We have street sweepers that are 1970 models," Hagley said. "They were not designed to last that far. Our records prove maintenance of the vehicles is not good after three years. And if we were to order replacement vehicles now and the order were to get budgeted, we wouldn't get replacements until 1978 at the earliest."

Detroit Assistant City Engineer Jack Covert described upkeep problems similar to those in St. Louis, also stemming from severe money problems. "There gets to be an unlimited price tag to the repairs we would like to do," he said. "There just isn't enough money to respond with."

This year Detroit is spending $5 million resurfacing city streets, but they could use another $30 million for resurfacing and other street-related repairs, he said.

"We have had to establish a priority system," Covert said. The need to set up priorities is more intense than in previous years, but bridges and streets that don't get regular repairs are contributing to the mounting "vast reservoir of funds needed."

The same principle applies to bridge maintenance. Covert said Detroit is spending about another $2.5 million to rebuild one bridge and finance some smaller bridge repair projects this year. At the same time, the city needs a total of at least $15 million for immediate bridge needs. "We could use another $30 million beyond that for bridge repairs, too," he said.

SIDEWALKS DISAPPEARING

Perhaps the urban structure that is most endangered among cities is the sidewalk. Several city officials call them a thing of the past. Sidewalks have not been built into many suburbs since the 1950s, partly because in our car-oriented culture there are few places to walk to in residential suburbia and partly to lend a rural look to suburban homes. There are bridges that don't have sidewalks, either, from the Verrazano Narrows Bridge, the world's longest suspension bridge, in New York City, to thousands of shorter bridges around the country.

Research information about them is scarce. Flipping through a periodical guide, a reader is apt to look up sidewalks only to discover a begrudging reference that reads, "Sidewalks: see accidents, falls, etc."

Responsibility for funding sidewalks varies. Sometimes the property owners are responsible for deciding whether to have them, and, if so, then the property owners must pay for and maintain them. Sometimes the city installs them, and the homeowners have to pay for their upkeep; or the city's public works department will continue to support them as another piece of property.

Sidewalks in U.S. cities lack the attention they were given in Renaissance Italian cities. The cobblestone streets in old Milan were laid in place to guide carriage wheels away from the walkway to protect pedestrians. The old city of Bologna has a 20-mile system of sidewalks covered by porticos that protect walkers from the elements. And Leonardo da Vinci planned a city with one set of streets for vehicles and an elevated street for pedestrians.

In recent years, some people in the U.S. have noticed the aesthetic advantage sidewalks can have. Richmond, Virginia, for example, this year put brick sidewalks in three historical areas of the city to enhance the colonial ambience. San Francisco took initiative in the early 1970s to jazz up drab sidewalks with a mile of small blue vitreous tiles on Mission Street. Under years of wear, the vitreous tiles wear down to expose a red color underneath.

But budgeting for sidewalk improvements is easily overlooked in our cities, especially in these times of budget cuts and city government austerity programs.

SUBSIDENCE

While most cities can get away with postponing the outlay of money for upkeep or lengthen the time between cycles of major expenditures, Long Beach, California, has an ongoing problem of subsidence—the sinking of land surface—that requires constant efforts to overcome. A million barrels of water are injected daily into selected sites in the harbor to repressurize the caverns from which oil is taken. 2,000 to 8,000 feet below the Wilmington Oil Field that embraces Long Beach.

"We are sitting on the largest producing oil field in the lower 48 states," said James McJunkin, general manager of the Harbor Department. "We produce more than 120,000 barrels of oil a day."

Leonard W. Brock, general manager of the City Department of Oil Properties, explained that a couple of years after development of the oil field began in 1938, officials discovered the harbor area was sinking. By 1952, the land developed a bowl-shaped depression taking in 20 square miles. The center had dropped by 29 feet and was sinking at the rate of more than two feet a year. With the ground shriveling up like a grape turning to a raisin, railroad tracks buckled, building walls cracked, and hundreds of oil wells were sheared off by underground slippages. Physical damages and costs of restoring the land to its elevation were estimated at $100 million.

Long Beach started injecting water underground in 1953 to replace the oil that was taken out. The city has spent nearly $25 million in the construction of 16 water injection facilities. Gradually the subsidence stopped, and by 1966 the land had gained back its lost elevation—a process called rebounding.

Yet the subsistence problem remains. Today the city engineer's office and Long Beach Harbor Department work jointly in measuring about 900 area bench marks twice a year to keep a close eye on surface elevations.

And the problem of maintenance of cities remains. Long Beach has a decisive advantage since the value of the oil production more than offsets what it costs the city for overcoming subsistence and other aspects of urban upkeep. For other cities, however, determining how much money to spend for maintenance and how much it could save them is like hitting a moving target. But upkeep has to be tackled if cities are going to continue to be comfortable places to live in and efficient settings to carry out business. Dangerous bridges, bad roads, and inadequate sewer systems can only work against the residents and commerce of a city.

BACK IN 1014

The song "London Bridge is Falling Down" is a piece of oral history. Norwegian Vikings and a band of Saxons attacked a Danish stronghold defending London in the year 1014. They tore the bridge down by tying cables, fastened at one end to their boats, around the bridge supports and rowed their boats furiously down river.

In our time, *U.S. cities face a different form of assault through neglect of upkeep.* If present trends continue, children might later be singing about Pittsburgh's bridges falling down, or San Joe's roadways crumbling away, or Rochester's sewers overflowing. Insufficient maintenance, aggravated by grossly inadequate information about it, has been spreading inexorably through our cities like a stain. Indications show maintenance is an overlooked liability in the same dimensions as the immensely underfunded public sector employee pensions that now are hitting city after city with scandal.●

HANOI REGIME REPORTED RESOLVED TO OUST NEARLY ALL ETHNIC CHINESE

HON. RON PAUL

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 13, 1979

● Mr. PAUL. Mr. Speaker, while our State Department is busying trying to undermine the nascent democracy in Rhodesia, the Communist regime in Vietnam is engaging in racism and traffic in human beings. I must have missed Andrew Young's denunciation.

Fox Butterfield, whose excellent dispatches to the New York Times are well known, recently wrote about this situation. I would like to call his article to my colleagues' attention. (And as a minor point, I would like to underline the fact that gold is still the universally acceptable money, despite all the attempts by our Treasury bureaucrats to "demonetize" it. Even the Reds know better than to accept paper currency.)

The article follows:

HANOI REGIME REPORTED RESOLVED TO OUST NEARLY ALL ETHNIC CHINESE

(By Fox Butterfield)

HONG KONG, June 11.—Vietnam appears determined to expel virtually all the members of its ethnic Chinese minority and is exacting hundreds of millions of dollars from them before their departure, much of it to repay Soviet aid and arms sales, according to refugees and intelligence sources here.

Despite denials by Vietnamese officials, there is growing evidence that the exodus is being organized by the Government. The regime regards the Chinese as of doubtful loyalty and as unproductive city dwellers who are an obstacle to plans for rural development.

A Vietnamese official who is in charge of emigration in Ho Chi Minh City recently told the representative of a foreign relief agency that the Government wanted to expel the Chinese as quickly as possible and asked for his help. The Vietnamese official, Vu Hoang, the head of the consular department of the Foreign Ministry, said there were still 800,000 to 1.2 million Chinese in southern Vietnam following the departure of 300,000 Chinese during the last year.

Roughly 200,000 others have been expelled or have fled from northern Vietnam in the last 12 months, leaving 50,000 there, by the count of a Western diplomat in Hanoi. Since Vietnam's border war with China in February, the number of departures has speeded up, with 3,000 a day leaving from north and south in the last few weeks, refugee officials say.

SUBJECT TO HARASSMENT

To encourage the Chinese to depart, they have been subjected to harassment, including loss of jobs, closure of schools, curfews, intimidation by the police and the creation of detention camps.

An International Red Cross official who has worked in Vietnam believes that, as more refugees are putting out to sea, the likelihood of their reaching a foreign shore has been declining. From talks with leaders of the Chinese community in Ho Chi Minh City, the official calculates that the number who are drowning or dying of exposure, hunger and thirst at sea has risen to 70 percent, from 50 percent. The reason, he believes, is that fewer seaworthy boats are being used.

The traffic in human beings has a double advantage for the Vietnamese Government since the police have been collecting 10 taels of gold, or over $3,000, from each adult leaving southern Vietnam. The diplomat in Hanoi estimates that these funds make up the largest single export commodity of Vietnam's threadbare economy, replacing its traditional leading export, coal.

An intelligence report reaching here contends that the Vietnamese have used some of this gold to make a down payment of $100 million to the Soviet Union for its aid and arms sales. Soviet aid to Vietnam runs $1 million to $2 million a day this year, the diplomat says.

The gold collected from the refugees is melted down in the Bank of Vietnam in Ho Chi Minh City and shipped to the Bank of Foreign Trade in Hanoi before transport to Moscow, refugees report. Some gold still bearing faint Vietnamese Government markings has shown up in Soviet gold sales in Europe, according to the intelligence report.

In addition, international banking sources here say, overseas Chinese eager to help their relatives in Vietnam remitted $242 million to the Bank of Vietnam in Ho Chi Minh City in April, the last month for which figures are available. Most of the money is thought to be designed to pay for boat passages.

Such an amount, in one month, is more than half of Vietnam's total estimated exports for all of 1978, $416 million. This year, because of the disruption caused by Vietnam's incursion into Cambodia in support of the new government there and because of the border war with China, regular exports are expected to be lower.

CHANGE IN COMPOSITION OF EXODUS

The refugees leaving now differ from the earlier small groups of boat people who escaped after the Indochina war ended in 1975. The earlier refugees were largely ethnic Vietnamese leaving clandestinely. About 80 percent of the present flow consists of ethnic Chinese and is arranged by the Vietnamese Government.

According to refugees arriving here, the Government is so eager to keep control of the flow, and evidently wring all possible profit from it, that some refugees planning to leave surreptitiously are being approached by police officials and are urged to arrange their departure openly through them.

In another case, according to refugees who arrived here on the freighter Sen On, Vietnamese security forces opened fire last Christmas on a boatload of 220 people who tried to leave without clearance. Only 18 people were said to have survived.

The descriptions by refugees of their experiences differ only in slight detail whether they are from north or south.

Tran Van Hong is a 44-year-old former printer from Haiphong, the port city. Last winter he was dismissed from his job without cause, he said in an interview here. He said he was repeatedly detained and interrogated by the security police and threatend with death if he did not either leave the country or report to one of the new rural resettlement zones.

Then his two children's Chinese school was closed and they were forbidden to attend regular Vietnamese schools, he said. His wife lost her job in a garage, and a curfew during hours of darkness was imposed on an entire Chinese neighborhood. Vietnamese friends came to say that they could no longer remain in contact. The rice ration, a little over two pounds a month, was cut off, Mr. Hong said.

Finally, a policeman put him in touch with the captain of a fishing boat that was to leave for Hong Kong. For the equivalent of $850 a person, which he paid to the policeman, passage was arranged. "We had to sell all our furniture and our clothes," Mr. Hong said. "When we got aboard the boat, the police searched us and took the little jewelry we had hidden."

To insure that the emigration plan works, the Vietnamese have reportedly set up two camps in the north for Chinese who balk at the choice of risking their lives at sea or of moving to a resettlement zone. The camps, described by refugees as concentration camps are at Vinh Bao, near Haiphong, and at Nghe An.

In the south, the authorities have set up two transit camps near the port of Vung Tau to process the refugees, according to some people who arrived on the Sen On. The refugees are brought to the camps by bus from Ho Chi Minh City and are then taken to their boats on other buses.

CHINESE CONNECTIONS ARE CRUCIAL

Evidently few people with Chinese connections are exempt. Nguyen Van Minh, 31 years old, was a Soviet-trained civil engineer from Hanoi and a party member. Two months ago, he says, he was called in by the police and questioned.

"You have always been a loyal Communist, but isn't your grandmother a Chinese?" the police were said to have asked. When Mr. Minh said she was, he was given the choice of a boat or a resettlement area.

In like fashion, Nguyen Van Tri, a 30-year-old postal clerk from Haiphong, was called in by the police. He is an ethnic Vietnamese, and his wife is Chinese. "Either you divorce her or you leave with her," he was told.

Even a former Vietcong provincial propaganda official from the Mekong Delta found himself condemned because one of his ancestors was Chinese. "I expected more, after 11 years of fighting for the motherland," he remarked in his new refugee camp home. He declined to give his name, having left his family behind.

Other refugees reported a new development in the Vietnamese Government's involvement. They said that after the police had put them aboard their boat and confiscated their belongings, they were ordered to sign the following declaration:

"I am very happy to give all this property to the Vietnamese Government. This government is very good to give us the opportunity to see our families."●

FIFTIETH ANNIVERSARY OF MR. AND MRS. ALLIE EASIE

HON. JAMES J. FLORIO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 13, 1979

● Mr. FLORIO. Mr. Speaker, on Friday, June 15, 1979 two fine residents of New Jersey's First Congressional District will be celebrating their 50th wedding anniversary, and I am happy to join in congratulating Mr. and Mrs. Allie Easie.

A native of Beirut, Lebanon, Mr. Easie married the Philadelphia-born Mary McKenna in Media, Pa., in 1929. The two moved to Audubon, N.J. in 1949 and have lived at 345 West Graisbury Avenue for more than 30 years.

They are the parents of five sons, Edward A., James, Norman, Donald, and Kenneth. Edward, Norman, and Donald all reside in their parent's hometown of Audubon, while James lives in Youngsville, Pa., and Kenneth makes his home in Birmingham, Ala.

In addition to their sons, the Easie's are the proud grandparents of 19, and have 4 great-grandchildren.

Prior to his retirement, Mr. Easie was a Government employee working as a General Superintendent in the Federal Court House Building at Ninth and Market Streets in Philadelphia. A veteran of the U.S. Navy, Mr. Easie also served for several years as the Borough of Audubon's zoning enforcement officer from 1973 to 1979.

Mr. and Mrs. Easie's family is hosting a party to mark this Golden Wedding Anniversary on Friday evening at the home of their son Donald. Many of their friends and relatives have been invited to join them in honoring their parents. I and all who have come to know Allie and Mary Easie give them sincere congratulations on this wonderful occasion, with best wishes for many more anniversaries to come.●

FEDERAL EMPLOYEES

HON. BARBARA A. MIKULSKI

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 13, 1979

● Ms. MIKULSKI. Mr. Speaker, I want to take this opportunity to speak out on behalf of Federal employees. The individuals who make up the Federal work force are responsible for breathing life into the legislation that we enact in the Congress. They are responsible for making our programs work. They should not be the scapegoats for problems the administration cannot solve, from energy to inflation.

It is estimated that the President's proposed parking plan would only reduce the total U.S. daily energy consumption by less than 0.002 percent. This proposal will not be effective in reducing automobile use because most people drive out of necessity and not choice. For example, public transportation to the Gaithersburg area, where several Government agencies are located, is minimal at best. In many instances, Government employees have no option because public transportation from their homes to their offices is not readily accessible. Making them pay for their parking places leaves many Government employees with no choice but to pay for their spaces and bear the resulting economic hardships.

In the Washington area alone, two-thirds of the Government parking spaces are already used by carpoolers. These workers have adopted voluntary energy conservation measures—why should they be the only ones who are required to make further sacrifies?

Food and energy costs are soaring at an astronomical rate and the mother or father who is a Federal employee is having to meet these costs with a shrinking pay check.

Frequently Federal employees unjustly bear the brunt of the criticism about the Government bureaucracy. President Carter should not look to Federal employees for a quick fix to the Nation's energy and inflation troubles. These people deserve our praise for their efforts in keeping our Government running. They should not be the only ones required to make symbolic sacrifices which will result in no noticeable improvements in either the fight against inflation or the energy crisis.●

THE FUTURE OF AMTRAK

HON. DONALD J. PEASE

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 13, 1979

● Mr. PEASE. Mr. Speaker, America has rediscovered the railroad.

The following is an article that recently appeared in the business section of the June 12 Washington Post. Like many articles that have appeared in newspapers and national publications in recent weeks, this discusses the current boom in rail travel.

A note of caution, however, Alan Boyd, president of Amtrak, says that the future of Amtrak is uncertain, pending the votes of the House and Senate. In order to make sure that Amtrak does have a bright future, that it can meet the growing demands that are being made on its system. I urge the Members to support H.R. 3996, the authorization legislation and its appropriations legislation.

The article follows:

WHITE HOUSE RETHINKING PROPOSED AMTRAK CUTS

(By William H. Jones)

Faced with a sudden ridership explosion on Amtrak trains, the Carter administration is beginning to have second thoughts about its proposal to eliminate 43 percent of the nation's rail passenger service next fall.

Administration sources confirmed yesterday White House domestic policy officials, working with the Department of Transportation, have begun a review of the Amtrak proposal. Officials said letters from senators and congressmen have been piling up in the office of Transportation Secretary Brock Adams urging a review of the cuts.

"Our business is topping out . . . because we're out of equipment," with no potential for increasing the number of passenger cars Amtrak has in less than about three years' time, Boyd said in an interview.

Gasoline shortages and fears about the ability of some people to travel this summer by automobile, combined with the long United Air Lines strike and the crush caused by the grounding of the DC10 airliners, have brought more customers to Amtrak than at any time since it was formed by Congress in 1971.

During May, Amtrak reported yesterday, the dollar volume of ticket sales soared 72½ percent to $33 million compared with $19 million in the same month last year. Advance reservations are running 90 percent ahead of the 1978 levels and some trains now are carrying standing passengers.

The rediscovery of the railroads came as Congress was confronted with the administration's Amtrak cutback proposals, first announced in January.

But Amtrak President Alan Boyd warned yesterday that even if there is a policy change there is no way the rail system can build up a fleet of passenger cars fast enough to handle sudden travel demands.

Since neither house acted last month to veto the Carter plan, Amtrak is required to eliminate services over 43 percent of its 27,000-mile system as of Oct. 1. Two-dozen long-distance trains would be stopped and rail service to such cities as Atlanta, Indianapolis and Dallas-Fort Worth would be ended.

Later this month, DOT and Amtrak officials will sit down to review a new survey of passenger ridership being developed by the government-subsidized railroad, which could lead to some changes in the administration plan.

"If Amtrak comes up with the figures . . . we don't want to be locked in to cutting out trains with new-found riders, that may make them potentially viable in the long run," DOT spokesman Jerry Klingerman said yesterday.

At the same time, Klingerman emphasized that DOT "remains happy" with the 43 percent cutback now contemplated and he noted that many of the trains now being crowded—such as the Los Angeles-San Diego route—are among those that would be continued in any event.

"We aren't doing this [cutback] with a vision of penalizing anybody," Klingerman added, pointing to DOT statistics showing that 91 percent of current riders still would receive rail service under the proposed cutback. The cutbacks are designed to reduce the federal subsidy to Amtrak by $1.4 billion over the next five years.

The DOT spokesman and Amtrak's Boyd also agreed that the biggest question about the new boom in rail passenger business is: How long will it last? "There is an energy crisis and we expect to spot shortages (of gasoline) . . . but as people get more used to it, who knows whether this Amtrak increase will be there," said Klingerman.

Boyd said a true picture of the permanent ridership gain won't be available until September figures are gathered—the first month after a normal increase experienced every summer. Only at that time can Amtrak consider cars, he added. There was a similar—but smaller—gain in Amtrak business after the Arab oil embargo in 1974 although most riders returned to their cars thereafter.

But the Amtrak chief executive said he expects a different reaction this time. "Trains are in fact capable of being energy-efficient on a relative basis," Boyd said. "As the reality of the energy shortage permeates the consciousness of more people, there's going to be greater and greater demand for alternative forms of transportation, which will be proved by the railroad."

Boyd also emphasized yesterday that he does favor some cutback in Amtrak's routes, because he doesn't have available equipment to operate current routes efficiently and at proper levels of service. Amtrak begins the summer of 1979 with record demand but 100 fewer passenger cars than a year ago—all of which had been owned by private railroads and were built decades ago.

"We're trying to mend and make do," said Boyd, who has ordered renovations for 84 cars that were "in the boneyard" and put a hold on plans to send 300 old cars to the scrap heap. Amtrak officials also have been asked by Boyd to contact the one remaining U.S. passenger car manufacturer—Budd Co.—about when new Amtrak cars could be placed into production. Separate contacts are being made with the railroads of Mexico and Canada, and West European manufacturers, about the availability of any cars.

Amtrak ordered 284 new bilevel cars for service in the Western states from Pullman Inc. in 1975 but because of strikes, only 23 are in service today. And Pullman has announced plans to retire from the rail passenger car manufacturing business when the current production run is completed.

Meanwhile, Boyd is operating perhaps the only billion-dollar corporation in America that has no idea about what services it can offer after Oct. 1. Boyd must make decisions on such things as whether to accept reservations after that date for trains due to be dropped, whether to order tickets and timetables and whether to order food stocks for dining and snack cars.

The Senate is scheduled to take up Amtrak legislation later this month but the House is not expected to act until July, at the earliest. Boyd conceded that he may not know the fate of Amtrak until late in the summer, since many congressmen have amendments planned that would exempt certain trains from the proposed cutback.●

THOSE INTEGRATED OIL COMPANIES: IS A BREAKUP COMING?

HON. JERRY M. PATTERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 13, 1979

● Mr. PATTERSON. Mr. Speaker, without objection, I would like to insert into the RECORD at this point an article by Prof. Arthur John Keeffe titled, "Those Integrated Oil Companies: Is a Breakup Coming?" The article was printed in the December 1973 American Bar Association Journal and is pertinent to the concerns shared by many of our colleagues regarding national energy supplies and oil industry competition, production, and pricing.

The article follows:

THOSE INTEGRATED OIL COMPANIES: IS A BREAKUP COMING?

(By Arthur John Keeffe and Paul Tierney)

Next to Watergate and inflation, the current darling of the news media is the energy crisis. The term "energy crisis" has come to refer to a wide range of policy issues, no matter how indirectly connected to the actual shortage of gasoline. And it has different meanings for different people.

To the environmental expert, it means our national policy toward clean air standards, off-shore drilling, strip mining, and deep water ports. To the foreign policy expert, it meshes with our policy toward Israel in the face of the Arab curtailment of crude oil production or sales. To the domestic policy expert, it is the problem of providing adequate gasoline supplies while building up stockpiles of heating oil for the winter. To the antitrust expert, it concerns our policy toward the large integrated oil firms and their effect on the competitive structure of the oil industry.

Each policy is important, and each is intertwined with the others. But while the environmental, foreign, and domestic policies are debated in the press and the halls of Congress, a behind-the-scenes struggle in the labyrinth of Washington's bureaucracy is being waged over our antitrust policy.

This struggle is between the Federal Trade Commission on the one hand and the President's Oil Policy Committee and the Treasury Department on the other. On July 18 a proposed antitrust action was filed by the FTC against the eight largest oil corporations, charging them with anticompetitive activities in violation of Section 5 of the Federal Trade Commission Act. While the proposed complaint does not specify the exact relief sought, James T. Halverson, head of the F.T.C.'s Bureau of Competition, is believed to be advocating divestiture of pipelines and refineries. He told a press conference that the remedy requested is broad enough to permit a breakup of the companies.

On July 30 William E. Simon, chairman of the President's Oil Policy Committee, by letter requested a meeting with Lewis A. Engman, chairman of the F.T.C., to discuss the oil situation and to offer his comments on the F.T.C. study on which the proposed complaint is based. Mr. Simon stated that some oil companies that had announced plans for new refineries are now having second thoughts because of the threat of divestitures and that the F.T.C. action could have an adverse effect on the energy supply. To the F.T.C., however, this smacked of economic blackmail.

THE OIL INDUSTRY IS WAGING A STRONG COUNTEROFFENSIVE

Then on September 5 a report prepared by the Treasury Department under the aegis of Deputy Secretary Simon (he wears two hats) was released to the Congress and the F.T.C. This report, highly critical of the F.T.C. staff study on the oil industry, comes to the conclusion that if the antitrust action is successful it will have an adverse effect on our energy supply in the future. At a time when Congress and the public are gravely concerned about the energy crisis, which many persons believe was knowingly encouraged by the large integrated oil companies, the crisis is being hailed as a reason to dump the antitrust action. The oil industry, never wanting for powerful friends in Washington, is waging a strong counteroffensive.

The current interest in the competitive structure of the oil industry is not a new topic in legal or economic circles. Twenty-five years ago Eugene Rostow, a professor of law at Yale Law School, wrote a perceptive book on this very subject, *A National Policy for the Oil Industry* (Yale University Press, 1948). Of course, Professor Rostow was not writing about an energy crisis but about our over-all postwar policy on oil. Then, as today, oil was considered a strategic natural resource vital to our national survival in wartime. His observations on industry structure—the most important factor of which is vertical integration—are no less valid today than twenty-five years ago.

After studying the industry, he came to a conclusion that, had it been followed, might have averted the current shortage of oil refining capacity. He wrote: "The key to an effectively competitive reform of the petroleum industry is therefore the separation of the major companies into separate units controlling their four chief functions, production, transportation, refining, and distribution, and the further horizontal division of the dominant units which would survive a vertical dissolution of the great companies. Freeing the oil industry from the effects of monopolistic size is not a sufficient oil program, but it is an indispensible element of any comprehensive program in the public interest."

He was right, but his advice was ignored. The breakup of the giant integrated oil firms is not the ultimate solution to our energy crisis. But no energy policy can ignore the integrated oil companies, and any policy that hopes to deal with energy in the future must come to grips with the competitive structure of the domestic oil industry. The F.T.C. has taken an important first step in the examination of this structure.

Prior to filing the proposed complaint, the F.T.C. completed an investigation of the oil industry released in July to the public by Sen. Henry M. Jackson, chairman of the Permanent Subcommittee on Investigations of the Senate Committee on Government Operations. A brief examination of some of the main points in that investigation will aid in understanding the present energy crisis and its relation to the competitive structure of the oil industry. It is a complex and fascinating subject, and so it is necessary to simplify certain abstruse concepts.

INDUSTRY IS DOMINATED BY TWENTY LARGE FIRMS

The industry functions at four different levels. Each is interdependent on the others, and all levels must be examined together. The four levels are crude production, refining, transportation, and marketing. At each there are a number of independents engaged only at that level. In reality, the industry is dominated by twenty large firms, of which eighteen are fully integrated. The F.T.C. complaint charges the eight largest integrated companies with anticompetitive acts in violation of Section 5 of the Federal Trade Commission Act. These companies are Exxon, Texaco, Gulf, Mobil, Standard of California, Standard of Indiana, Shell, and Atlantic Richfield.

In 1972 all eight ranked among the top twenty-five corporations in the United States in both assets and sales. Their combined assets totaled $75.8 billion, and their combined sales $43.5 billion. In 1970 they had 55 percent of the market in gasoline and control of 58 percent of both crude oil production capacity and gasoline refining capacity. Facts, figures, market shares, percentages, and concentration are each important analytic tools. The crux of the problem, however, is the manner in which the power achieved through concentration, favorable tax legislation, and oil import quotas has been exercised to the detriment of independent refineries.

WHY ISN'T THERE ENOUGH GASOLINE?

The starting point is the crude oil production level. The cause of the present energy crisis is that demand exceeds supply. There is not too much that can be done about demand. The crucial question is why there is not an adequate supply of gasoline. Everyone agrees there is not enough refinery capacity in the United States to meet demand. With the demand for gasoline constantly rising, it seems curious that a profit-oriented economy would not have expanded refining capacity to meet the increase.

An examination of the special legislation aimed at the industry provides some insights into this phenomenon. The Internal Revenue Code allows a firm to deduct from its gross income before taxes 22 percent of its income at the wellhead—the number of barrels produced times the sale price of each barrel. This deduction is limited to 50 percent of total income. A simple example of the effect of the oil depletion allowance has on the profit structure of the integrated oil companies is given in the F.T.C. report.

Several assumptions have to be made in order to simplify the mathematical computations. First, take a fully integrated oil company that produces its own crude and operates its own refineries, pipelines, and gasoline stations. Second, assume that the corporate tax rate is 50 rather than 48 percent of corporate income and that the oil depletion allowance is 20 rather than 22 percent of gross income at the wellhead. Third, let's say the company produces one hundred barrels of gasoline at its refinery and sells them for one dollar each.

This results in total income of one hundred dollars. The cost of recovering the crude oil at the wellhead is thirty cents a barrel. The total cost at the wellhead, then, is thirty dollars. The cost at the refinery to convert the oil to gasoline is forty cents a barrel. So the total cost at the refinery is seventy dollars.

The normal tax consequences are as follows:

Crude oil level

Cost to recover crude oil	$30
Gross income from sale of crude	30
Total	0

Refinery level

Cost of crude oil	$30
Cost of refining	40
Total cost	70
Gross income	$100
Cost of goods sold	70
Income before taxes	30

Tax liability

Oil depletion allowance (20 percent × $30 gross income at wellhead)	$6
Taxable income	24
Corporate tax	12
Net profit after taxes	12
Real net profits after taxes ($6 + $12)	18

Given the same facts and making judicious use of accounting concepts, the integrated oil company can increase its profit and reduce its tax liability.

Crude oil level

Cost to recover crude oil	$30
Gross income from sale of crude	60
Income before taxes	30

Refinery level

Cost of crude oil	$60
Cost of refining	40
Total cost	100
Gross income	$100
Cost of goods sold	100
Income	0

Tax liability

Oil depletion allowance (20 percent × $60 gross income at wellhead)	$12
Taxable income	18
Corporate tax	9
Net profit after taxes	9
Real net profits after taxes ($12 + $9)	21

The results of this analysis can be compared as follows:

	Example 1	*Example 2*
Gross income at wellhead	$30	$60
Oil depletion allowance	6	12
Net profits after taxes	12	9
Real net profits	18	21
Tax liability	12	9

The critical factors are that an integrated oil company is both a buyer and seller of its own crude oil and that the 22 per cent depletion allowance applies only to gross income at the wellhead. As the price of the barrel at the wellhead increases, the percentage of total income that is tax free is increased. This encourages integrated firms to sell oil to their own refineries not at cost but at prices well above cost. In the second example, the company sells the oil to its refinery not at the cost of thirty dollars but at sixty dollars. This can be done only if the firm is integrated, that is, supplies its own oil to its own refinery. As the price of crude oil rises, the profits at the refinery are reduced, but the total profits are increased. In the end, the refineries actually are operating at a zero profit, that is, they are breaking even.

The F.T.C. has developed a simple economic model suggesting that for integrated companies that supply between 40 and 80 per cent of their own crude, it is to their profit advantage to raise crude prices to a point to make refinery profits zero. Someone desiring to enter the refining business will have to purchase oil at inflated prices either from integrated firms or independent producers who have the same incentive to increase the price of crude oil. This means that an independent will have to compete with integrated firms that can operate refineries at no profit.

When this is coupled with the fact that a new refinery costs $250 million to build, one can understand why there has not been a new one constructed either on the East or Gulf coasts since 1950 by any nonintegrated firm. The only source of competition for domestic oil producers has been from foreign oil, but from 1959 and May of 1973 the oil import quota effectively smothered this potential competition. The world price of crude oil during this period was $1.25 to $1.50 a barrel below the domestic price. Any investor interested in the refining business would be inhibited from investing millions when he knows that the supply of oil is contingent on the actions of firms with an incentive to keep the price of crude oil high.

Although the oil import quota has been lifted, the oil lobby is so powerful that once the crisis appears to be ending, these controls may be imposed again. Thus, with control of the domestic oil supply and favorable legislation, the integrated oil companies have been able to erect barriers to entry to the oil refining business.

PIPELINES PROVIDE BASIS FOR DISCRIMINATORY FACTORS

An important and often overlooked level of operation is the transportation of crude oil by pipelines. Owing to crude oil's low value relative to its weight and the refineries' need for a constant flow of oil, pipelines are the most economical method of transportation. Pipelines have a very high construction cost and are built either by a single large integrated company or by several firms as a joint venture. And the technological features of a pipeline provide a basis for discriminatory practices by the large integrated firms against independent oil producers.

The oil has to be transported on a constant-pressure flow basis. As a result, oil can be pumped into the main trunkline only when there is an available slot in the oil flow. Scheduling oil into the pipeline is a complex procedure and requires advanced planning. In periods of high demand the major firms will satisfy their own transportation needs and ignore those of independents. Independents face problems of getting into the flow when they have small amounts to be shipped and also lack storage facilities at the trunkline stations in which to hold oil until a slot is available.

These circumstances put pressure on independents to sell to the integrated firms at the wellhead in order to ensure adequate transportation for their oil, thus further reducing the supply of crude oil available to the independent refiners. Control over pipelines coupled with control over the majority of crude oil gives the integrated firms virtual monopoly power over the crude oil resources in the United States.

The refining operation is the pivotal point in the oil industry, for it is here that the crude oil is turned into gasoline. Independent refineries purchase half of their crude requirements from the top twenty integrated companies. They provide themselves with only 3.5 per cent and purchase the remainder from independent crude producers. In turn, the independent refineries sell only 14 per cent of their gasoline output to the major integrated firms and 86 per cent to independent retailers.

The independent refiners, while needing the majors for crude oil, rely on the independent retailers for the bulk of their gasoline sales. As the demand for gasoline increases and the major firms operate at higher capacity, the supply of crude oil from the majors to the independents will be diminished.

The economics of refineries are such that the average cost per barrel decreases significantly as the refinery approaches capacity operation. A slight drop in operating capacity can result in a serious loss of profits, and independents, who are forced to reduce capacity because of a lack of crude oil, will be driven out of business. By cutting the supply of crude oil, the majors can cause irreparable harm to both the independent refiner and the independent retailer.

GASOLINE: THE INTEGRATED COMPANIES' ACHILLES' HEEL

The final phase of operation is the marketing of gasoline. This is the Achilles' heel of the integrated companies, for it is here that the independents have given the majors a run for their money. They compete on price alone, a practice shunned by the majors. The marketing strategy of the majors has been to saturate an area with gas stations, offer credit cards, give away junk, and attempt to offer everything but lower prices.

The independents, on the other hand, compete among themselves and with the majors solely on the basis of lower prices. They traditionally have priced their gasoline two to six cents per gallon below the majors' retail outlets. The marketing strategy of the majors has been a flop, as revealed by the fact there is a 25 per cent turnover annually in gas stations run by the majors because of too many stations doing too low a volume of business. The majors are revising their marketing strategy frantically. This year Gulf, Phillips, Arco, B.P., Sun, Mobil, Exxon, and Standard of Indiana have announced plans to leave their weakest market areas.

In certain markets any semblance of competition among the majors will be lessened even more. At the same time, some majors are establishing second brands, called "fighting brands," patterned after the independents. These stations will only pump gas, offer minimal service, and enjoy low overhead. This change in marketing strategy, combined with the power over crude supplies, pipelines, and refineries, has placed the independent in a precarious position. Twelve hundred stations had closed by May, 1973, and all but a few were independents.

In addition, the eight majors have sold very little gasoline to independents but have managed to exert considerable leverage over the supply indirectly. For instance, in 1971 the eight majors sold 96 million barrels of gasoline to the twelve smaller majors, who in turn sold 91 million barrels to independents. In a time of increased demand for gasoline it is easy for the eight majors to cut supplies to the smaller majors, who then will turn off the spigot to the independents. The majors will simply claim that they are supplying their own stations first.

Because of lower gasoline supplies, the independents, in order to keep the same profit margin, have been forced to curb operating hours and raise prices. This has the same effect as an across-the-board reduction in price by the majors and destroys the only basis for competition between the majors and the independents. Once the independents are driven out of business and the majors have pulled out of their weakest markets, leaving only the stronger majors behind, they will have a complete monopoly and can raise prices at will.

As more foreign crude oil comes into the country, the ability of the integrated firms to keep domestic crude oil prices artificially high will be reduced. As their profits shrink on crude, they will have to recover them elsewhere. The logical place to do so is at the level at which the integrated firms are least efficient—marketing. The only obstacle is the independent.

The real problem is power and who is to exercise it. Oil is the life blood of the American economy. The power over this vital natural resource and its byproducts is being exercised by a number of corporate boards who appear to be motivated by the bottom line rather than the welfare of the country as a whole. This raises the ultimate question: Should the major integrated oil companies be broken up?

Justice Black once explained the Sherman Act in terms that apply to all antitrust laws: "It rests on the premise that the unrestricted interaction of competitive forces will yield the best allocation of our economic resources, the lowest prices, the highest quality and the greatest natural progress, while at the same time providing an environment conducive to the preservation of our democratic, political and social institutions. But even were that premise open to question the policy unequivocally laid down is competition." (*Northern Pacific Railway Company* v. *United States*, 356 U.S. 1 (1958).)

If this is still the philosophy of our antitrust laws, then Gene Rostow is as right today as he was yesterday, and the remedy is as he saw it then—divorce exploration, transportation, refining, and marketing.●

THE POPE AND POLAND: REMARKS BY HAMILTON FISH, FORMER MEMBER OF CONGRESS

HON. HAMILTON FISH, JR.

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 13, 1979

● Mr. FISH. Mr. Speaker, Pope John Paul II has just concluded a historic and emotion-charged trip to his native homeland of Poland.

The reaction of the Polish people to the Pope's visit illustrates the love the Poles have for their Pope and the desire to practice their religion even in a Communist state.

My father, Hamilton Fish, has recently commented on the Pope's trip, and I believe his remarks accurately reflect the feeling of many people in this country.

The remarks follow:

THE POPE AND POLAND

The visit of Pope John Paul II to Poland where he challenged the Soviet Union, the communist government of Poland and the other captive nations, by upholding publicly the right of every citizen to freedom of religion, and to human rights.

This was the greatest blow delivered to world communism and to the Moscow dictatorship since their advent into power. It opened the eyes of the rest of the world and of all religions who worship God that in spite of everything the communists have done to destroy religion for the last 60 years, that it continues to exist silently on a vast scale in the captive nations and underground in the Soviet Union.

As chairman of the first Congressional committee to investigate communist activities, policies and objectives, back in 1930 and as a Protestant, I believe Pope John Paul II is the world's most effective freedom fighter, second Solzhenitsyn and third Billy Graham.

The Pope had the courage, in a communist-dominated nation, to proclaim the right not only of Catholics, but of Protestants, Jews and all other denominations, to worship God openly and publicly, without any interference and even proclaimed and upheld the doctrine of human rights. His visit to Poland is almost providential, similar in many respects to the ancient prophets of the Bible.

What infuriates the Godless communists the most, is that the Pope's visit definitely proves that the people of Poland, Hungary, Lithuania, and Czechoslovakia, would vote ten to one for freedom and independence in a free and fair election.

I speak the sentiments of most Americans, well done, good and faithful servant of God who has accomplished more in a short visit to Poland in exposing communism and shaking it to its very foundation, than all the statesmen of the world.●

NUCLEAR PROLIFERATION

HON. ELIZABETH HOLTZMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 13, 1979

● Ms. HOLTZMAN. Mr. Speaker, the New York City Council has passed a resolution calling upon the President to convene a meeting of the leaders of all nations that have nuclear weapons in order to plan an immediate slowdown in their proliferation. The author of the resolution is Councilwoman Miriam Friedlander who deserves special mention for her efforts in getting the resolution adopted.

I wish to bring the resolution to the attention of my colleagues. The text follows:

RES. NO. 512

Resolution Calling Upon the President of the United States to Issue a Call for an Emergency Meeting of All Nuclear Nations to Plan an End to the Escalating Arms Race.

By Council Member Friedlander; also Council Members Alter, Codd, Foster, Gerena-Valentin and Messinger—

Whereas, The international arms race has led to stockpiles in the five nuclear nations which can destroy every major city in the world seven times over; and

Whereas, Over $1 million per minute are being spent on arms in a world where 300 million children are suffering from malnutrition; and

Whereas, The proposed military budget, the highest in American history, is a major cause of inflation, eating $130 billion a year out of the American economy but producing nothing for people's use; and

Whereas, The American people are angered at the increasingly heavier tax burden and lower standard of living while arms builders enjoy increased tax benefits and great profits; and

Whereas, Reversing nuclear weapon stockpiling and the arms race could not only bring tax relief, but also release the billions of dollars now used for monstrous weapons to feed, house and educate our children; and

Whereas, The United Nations' Declaration of 1979 as "The Year of the Child," unanimously supported by the New York City Council, could become meaningless in an uncontrolled drift to nuclear extinction; and

Whereas, Many women's and other organizations are asking President Carter to call an emergency meeting of heads of the nuclear nations to stop the escalating arms race and plan for the dismantling of nuclear weapons in a campaign called "Proposition #1—A People's Referendum for Survival"; now, therefore, be it

Resolved, That the Council of The City of New York joins in calling upon the President of the United States to issue a call for an emergency meeting with the heads of all nuclear nations to plan an end to the arms race and the dismantling of all nuclear weapons down to only those conventional weapons necessary for each nation's defense.

Adopted.●

INFANT FORMULA: A BALANCED VIEW

HON. JOHN BUCHANAN

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 13, 1979

● Mr. BUCHANAN. Mr. Speaker, few problems touch the heart and conscience of this Nation more deeply than the recognition that hunger and malnutrition especially among infants are widespread throughout the Third World. As a member of the House Foreign Affairs Committee, I have learned firsthand about the attempts of our Government and the governments of other Western nations, to remedy this most serious example of human suffering. The United States has become a leader in this issue, in part, because we are the largest provider of food supplies for the world.

In the past several weeks, in a well-intentioned attempt to address the problems of hunger and malnutrition, a bill was introduced that, if enacted, would exacerbate the problem of infant malnutrition rather than solve it. H.R. 4093, known as the "Infant Nutrition Act of 1979," is based on two very faulty assumptions. The first is that the promotion of infant formula by U.S.-based companies, has been a cause of the trend away from breast feeding in the Third World. The second faulty assumption behind this bill is that the availability of infant formula contributes to the high degree of morbidity and mortality among infants in the emerging nations of this world.

Mr. Speaker, there is no resource more vital to the world than its children. To insure that any action taken by the Congress is responsive to the real needs of these children and their mothers, a thorough knowledge of the complexity of the issue of hunger is required.

The goal of H.R. 4093 is to restrict the sale of infant formula by American-based companies throughout the world. Yet American-based infant formula companies have been among the most responsive in developing and implementing policies to minimize the possibility of improper use of this product.

The difficulty with this legislation is pointed out in the article by a statement from anthropologist Judy Johnston, of Adelphi University, who stated:

> To isolate the feeding bottle as the source of the fatal insult (i.e., cause of illness) is curiously myopic and to isolate the feeding bottle as the source of poor infant growth seems naive.

Before this Congress or the executive branch takes one step to restrict, in any way, the flow of American food supplies to the Third World, I would strongly suggest to my colleagues that they read the article following this statement. Published by Human Lactation, Ltd., a unique institution with the purpose of researching, teaching, and publishing information about breast feeding, the article is entitled "Babies in Poverty: The Real Victims of the Breast/Bottle Controversy." This article should be required reading for any individual who wishes to make a public statement or take a public position on the question of infant feeding practices in developing nations.

This article, written by Mr. Lee Edson, a regular contributor to the New York Times, is a balanced, objective discussion of the issues, of the history of infant feeding, of the advantages of breast milk, and of the positions taken by the various manufacturers of infant formula. I recommend it to my colleagues and urge them to read it. The first three sections of the article follow. The remainder will be included on the following 2 days:

BABIES IN POVERTY: THE REAL VICTIMS OF THE BREAST/BOTTLE CONTROVERSY—PART I

(By Lee Edson)

The article was called *The Baby Killer* and it was published in 1974 by War on Want, Ltd., a charitable organization in London. The first page displayed a picture of a wailing, emaciated black child curled up like a shrunken doll inside a milk formula bottle.

"Recent research has shown that Chilean babies who were bottle fed during the first three months of their life suffered treble the mortality rates of their brothers and sisters who were exclusively breastfed," the article began. "This stark fact highlights the problems of infection—and the malnutrition often associated with it—created by the early abandonment of breastfeeding . . ."

In these somber terms Mike Muller, a South African journalist based in London, started an expose article that was to set off an extraordinary uproar. Throughout the industrialized world, multinational companies manufacturing and selling infant formula in the Third World became targets of church groups, moralists, consumer advocates, and political activists, who spared no punches in accusing the industry of infanticide. In Switzerland, a political group called *Abeitsgruppe Dritte Welt* (Third World Action Group), concerned with Swiss involvement in the developing countries, singled out Nestle as "baby killer" and was promptly sued for libel. In Dayton, Ohio, the Sisters of the Precious Blood, a Catholic order, sued Bristol Myers for misstatements to stockholders and were rewarded with an out of court settlement.

A motion picture called *Bottle Babies,* filmed in Kenya, followed on the heels of the Muller article, and brought forth a further horrified condemnation of multinational corporations from church organizations throughout the world. The final emotional scene showed a child's grave marked with a feeding bottle for a headstone.

The climax to all this activity occurred in the U.S. in July, 1977, when a community action project sponsored by the Newman Center, a Catholic organization in Minneapolis, Minn., called Infant Formula Action Coalition (INFACT) launched a nationwide boycott of Nestle products. Other groups climbed on the bandwagon—groups with names like Clergy and Laity Concerned, The Church Women United, the Investor Responsibility Research Center, and the Interfaith Center for Corporate Responsibility, an arm of the National Council of Churches. The 60 organization united front against Nestle also included the so-called social justice organizations, such as the Committee Against Sterilization and Science For The People, as well as labor and political groups. Congressmen, sensing the beginning of a popular movement, introduced an amendment to a foreign aid bill, urging the President to develop a strategy for programs of nutrition, including breastfeeding.

Thereafter, events moved rapidly. The consumer advocates in Minnesota proclaimed April 13, 1978 as Infant Food Day to publicize the evils of bottle feeding for babies in the developing countries. The day was endorsed by Minnesota Governor Rudy Perpich who also supported the boycott, and was celebrated by a protest rally and march in St. Paul. In May, the argument reached a national platform in the U.S. when Senator Edward Kennedy, responding to what one aide described as the most successful letter campaign on the Hill, ordered hearings in Washington, D.C., on the claims and counterclaims of hazards in infant formula. Bill Moyers, then with CBS, took a crack at the story and, according to many observers, at the multinationals as well. By the beginning of 1979, the voices of protest were as loud and shrill and effective as ever—with a boycott of Nestle still the dominant theme and with various shareholder resolutions being prepared for presentation at annual meetings.

The companies involved have responded to this notoriety in a number of ways. Some executives have simply met with critics on a one-to-one basis at high levels and argued their different positions in the hope of reaching common ground. Other corporate personnel have made sure their firms were represented at various meetings called to discuss the problem. Several companies have modified their advertising and promotional practices. Bristol Myers even abandoned its long time use of "mothercraft milk nurses"—company-employed nurses who visited mothers in the home and informed them how to feed their infants—because of charges they were using their position to sell the company's products.

Perhaps the company most affected and concerned is Nestle S.A. of Vevey, Switzerland, often credited with having started the infant formula industry with a "milk food" mixture in 1867. Today, Nestle is the world's largest food product conglomerate with annual sales of $12 billion, $300 million of which is in infant and dietetic foods in the developing world. Its president, Arthur Furer, a devout Catholic educated by the Jesuits in Austria, who holds double doctorates in law and economics, told me that he could not comprehend how Nestle, always conscientious about its products, could be singled out for criticism and a boycott by church groups.

But despite its shock, indignation and hurt pride, Nestle has been extraordinarily adaptable. Under Nestle's corporate leadership, twelve firms in the infant formula field (representing 85 per cent of the world market) have formed a trade group known as the International Council of Infant Food Industries (ICIFI), which has established a code of ethics to guide marketing and promotional practices in underdeveloped countries of Africa, Asia and South America.

Nestle itself has reviewed its marketing practices. The company claims to have halted direct to the consumer advertising because of the criticism from the INFACT group that formula-oriented sales messages influence poor people to buy, and subsequently misuse such products. Nestle claims to have made an extra effort to emphasize the role of breastfeeding as the best form of infant nutrition in the first months.

Despite their conciliatory nature, these reforms have not fully satisfied the critics. Dr. Derrick Jelliffe, of UCLA, former head of the Caribbean Nutrition Institute and now the medical guru of those fighting the milk formula companies, told me in a recent interview that he felt the companies are only paying lip service to the need for change. "No company is going to abandon so lucrative a market," Jelliffe says. "It will take major government intervention to do something positive about the misuse of the bottle in the Third World. Meanwhile, as breastfeeding declines, more babies will die."

Jelliffe is not alone in this view. A number of committed nutritionists, pediatricians, and other health professionals, support his stand on infant formula and lend their names on tracts and petitions which accuse the multinational companies of contributing to malnutrition and death in the Third World—mainly by promotional practices that seduce illiterate mothers into buying products they cannot afford or know how to prepare hygienically. Dr. Roy Brown, a pediatrician at Mt. Sinai Hospital in New York who has worked in the Third World, says that "infants are dying because multinational companies push bottle food to mothers who don't know how to use it."

On the other side are equally dedicated doctors and scientists who believe that bottle feeding has been responsible for saving the lives of uncounted numbers of children in the developing world. These children would have died were it not for programs which brought powdered formula and evaporated milk to the impoverished masses. "The entire controversy," shrugs Dr. Fernando Monckeberg of the University of Chile, "has been blown out of proportion, and the guilt of the companies exaggerated."

THE CHILEAN EXPERIENCE

Ironically, Dr. Monckeberg's analysis of the situation shows that the study in Chile, which propelled the War on Want onslaught on the multinationals, is itself a misstatement. Chile, he points out, is different from other developing countries. First, it is the only developing country with socialized medicine that covers 80% of the people and that gives all the poor access to health care. Second, most children up to the age of eight get milk free under a program that has been growing since 1942. Third, its population is primarily urban.

"When our program first got under way," Monckeberg told me, "there was a mortality ratio in Chile of 150 babies out of 1000 births. At that time 60 per cent of the mothers breastfed till six months. Breastfeeding declined at the same time as programs for socialized medicine and free milk developed and so did infant mortality, which today is 46 per 1000. If the goal is to stimulate use of breast milk in Chile, we've done a bad job. If the goal is to eliminate malnutrition, then we've done a good job."

Confirming the findings Peter Hakim of the Ford Foundation and Giorgio Solimano, former Director of the Department of Nutrition in the National Health Service of Chile note, "The available data do not support the conclusion that the decline in breastfeeding has led to a worsening nutritional condition in Chile."

Monckeberg estimates that, in all of Chile, there are today only 7000 infants who are seriously malnourished. Many of them are abandoned children and, he says, "We are trying to get at them." This rate of malnutrition is low, incidentally, compared to other Latin American countries. In Mexico, where the majority of people live in villages, breastfeeding is the rule, yet 67 per cent of the children under six have some form of malnutrition.

Not satisfied, Monckeberg believes that infant malnutrition and mortality can be decreased further in Chile. "The ideal situation would be to encourage early breastfeeding along with sanitation and education in bottle feeding," he says, "and at the same time to provide enough income for each family to do the best for its own health and well-being."

Chile has already demonstrated the truth of this proposition through its unique network of community-built Centers for Marasmic Recovery. When malnourished children are brought to these centers, social workers investigate the family situation which led to the malnourishment and try to rectify it. One successful technique has been to build "sanitary units" for families that never had a toilet. "The results," Monckeberg says, "have been extraordinary. Families develop pride. They change their life style, even building a house around the new plumbing."

Statements about the origins and cures of infant malnutrition such as those of Jelliffe, Monckeberg and others—in which data and conclusions as well as perceptions may be 180 degrees apart—cloud up the contemporary picture of infant nutrition. Is it possible for a concerned layman to view the conflicting pieces of evidence and come to a satisfactory and rational conclusion? How does one cut a path through the thicket of argument and counterargument? And, of course, who cares?

A HISTORY OF INFANT FEEDING

Answers to such questions require some historical perspective from which to view the contemporary controversy. Food, like energy, has always been linked to the course of history. Author George Orwell once noted that "change of diet is more important than change in dynasty." Certainly hunger was the key to the potato riots of Ireland that led to reform, and hunger was the main motivation that led to shouts of "bread and liberty" that fueled the French and Russian revolutions. Bread and circuses perpetuated the Caesars, while families in India overthrew the Moguls. No less a statesman than Henry Kissinger once remarked, after the U.S. concluded a wheat sale to Russia, that we manipulate with wheat more than with weapons.

What is at stake today in the controversy over infant feeding, is nothing less than the fate of the next generation in the Third World. Until recently this fate was linked to the technology of the developed world, which it was said, would bring the benefits of a higher standard of living to poor countries. But the slow rate of progress, the difficulty of turning tribes into nations, the continued high rate of mortality have induced second thoughts. The recent creation in the UN of a high level position—an associate directorship close to the Director General—involved primarily with Third World food and technology, marks a shift in thinking from emphasis on military crises and responses which have long dominated the UN to the deeper everyday problems of survival.

Against this backdrop infant formula emerges as only a small piece of a very large problem. But, in the minds of many critics of present policy, it is symbolic of a rising danger to the Third World—the export from the West of "inappropriate" technologies which tend to exacerbate social problems and to impede development rather than promote it. "The bottle," sums up one eloquent critic, "is the most insiduous intrusion of Western technology into the lives and welfare of less developed country populations."

Oddly, artificial feeding is hardly a new technology dreamed up in the West. The ancient Greeks were as concerned as we are with various substitutes for human milk. Hippocrates, apparently not in jest, once even suggested wine for babies. The Egyptians were interested in glorifying the small breasts of the elite and fashionable women, and the Romans devised fluids based on animal milk which mothers could use if they were unable to breastfeed. Soamus of Ephesus, a Roman Dr. Spock of the second century, chided those who began artificial feeding too early. In modern times, anthropologist Margaret Mead has stated that the reason why women have not wanted to breastfeed is that they don't want to behave like animals.

In the centuries that followed the Roman era, the pros and cons of artificial feeding were debated throughout the world, the argument sometimes leaning toward breast milk and sometimes toward a substitute. And many substitutes were in vogue at different times. In England during the 16th century, one hospital for orphans brought in donkeys and strapped the infants to their bellies. Children have fed off pigs, dogs and goats. Romulus and Remus, the legendary youngsters who founded Rome, were said to have been raised on the teats of a wolf. So widespread was the desire to escape from the human breast during one period, that the King of Sweden levied a fine on any woman who failed to breastfeed.

The Catholic Church was well aware of the fact that not all mothers could, nor wanted to, breastfeed, and it devoted considerable thought to the characteristics of hired wet nurses. One Church proscription was that a wet nurse should not have red hair, for the fiery temper it represented might slip into the milk and damage the child's personality. In the 17th century the Church came out against professional wet nurses, largely because some women greedily attempted to breastfeed more than two children at a time. The problem came to a head when some royal infants assigned to wet nurses were found to be sick and starving.

In the 19th and 20th centuries, the arguments over bottle versus breast shifted to more scientific grounds as scientists developed the instruments to measure the components of milk and to assess their role in nutrition. Among other things casein was identified as the main factor in cows' milk that created a hard curd which upset the infant's stomach and prevented its getting all the nutritional value out of the milk. Soon after, Gail Borden, the founder of Borden. Inc., developed a vacuum method to condense cows' milk which when properly modified was suitable for ingestion by young children. The first adaptation of cows' milk for infant feeding came about at the turn of the century and was received favorably by the medical profession. Unfortunately, the early formulas forced mothers to undertake elaborate steps in the preparation of a properly balanced hygienic food.

Consequently, pediatricians vied with one another to convert cows' milk into a commercial product for infants that would be simple to prepare and yet nutritious. In 1914, Drs. H. J. Gerstenberger and H. O. Ruh of Western Reserve University in Cleveland found they could make a suitable human milk-like formula if they substituted for the butter fat of cows' milk a mixture of animal and vegetable fat. A small amount of cod liver oil was added to prevent rickets. Demand for this product, which at the time was said to be the closest thing to human milk, was so strong that the doctors formed a company called SMA Corporation (for Scientifice Milk Adaptation). This company eventually merged into Wyeth International Ltd., a Philadelphia-based drug and food conglomerate, which is now a subsidiary of American Home Products.

During the pre-World War I era and in the 20's, as the use of evaporated milk became widespread, many other companies moved into the infant feeding business. As early as 1910 Mead Johnson (now a division of Bristol Myers) came out with the widely used and still selling Dextri-Maltose, a simple carbohydrate mix derived from corn starch and used to modify evaporated or whole milk, and then went on in 1929 to produce Sobee, the first soya bean based formula. Borden introduced a similar product called Mullsoy. In the mid-20's, Ross Laboratories of Columbus, Ohio, now a division of Abbott Laboratories, was also producing a "humanized" (as the company calls it) infant formula, Similac. Nestle was already deep in the milk product business, having divided most of the world infant food market with Borden.

Evaporated milk was not always accepted with enthusiasm. In the 30's, newspapers reported that some infants in Chicago died, and the culprit was allegedly traced to a bottle. In the end it wasn't known whether the milk itself was at fault or whether the bottles were contaminated, but canned milk was temporarily removed from the shelves of food stores in Chicago, Detroit and other cities. Only the demands of the mothers brought it back.

Problems later arose with evaporated milk because in the process of modifying it for baby use a hospital inadvertently dissolved salt in it instead of the required sugar. This was discovered only when several babies died of sodium poisoning.

After World War II, the infant food business expanded enormously. The post war baby boom in America and the discovery of the potential markets of the Third World in the 50's and 60's helped fuel this global expansion. The government also entered the food picture in 1954 through the Food for Peace program (PL–480), which was designed to unload surplus food on a hungry world. For 25 years, under this program, the U.S. loaned money to the governments of developing countries to purchase some 200 million tons of U.S. commodities worth $25.5 billion. About four per cent of this total involved skim and nonfat dry milk.

Even as this was going on several companies were moving their infant food line from evaporated milk to infant formula, coming ever closer to the model of mother's milk. During the fifties more and more mothers discovered they could raise healthy babies without resorting to the breast at all. The bottle became another labor-saving device like the refrigerator or washing machine.

This abandonment of breastfeeding occurred at a time when the woman's bosom was becoming a sex object throughout the American culture. Many middle class women associated breastfeeding with the peasant classes and shunned it because they feared it might distort their figures.

In the 70's, breastfeeding has enjoyed a renaissance of sorts as a number of feminist groups with Rousseaunian leanings have espoused lactation as consistent with the natural way of living. The American Academy of Pediatrics and the International Pediatrics Association, spurred on for 20 years by the La Leche League and other breastfeeder advocates, have also come out for breastfeeding, proclaiming that "breast is best."

However, despite this support for breastfeeding, the majority of American women—perhaps as much as 65 per cent—continue to bottle feed. The practice has been given a major lift in the hospital by the development of ready-to-use liquid formula, which eliminates one bane of the new mother, the need for boiling water, cleaning bottles, sterilizing equipment and storing the milk as a prelude to feeding. This luxury is not available to most mothers in the poorer countries, where a major criticism has been that mothers infect their own children by failing to clean their bottles properly.

As a result of pressure from advocacy groups to make bottle cleaning easier for the Third World mothers, ICIFI has recently designed a two-part bottle without recessed areas, screw thread or other corners that normally catch milk residue.

In the developing world the movement toward use of the bottle or to mixed feeding in the early months continues to increase, mainly in the urban centers. As noted earlier, the critics contend that this trend is largely the result of heavy promotion from the infant formula companies, but other observers have argued that the forces leading to a choice between bottle and breast are age-old, complex and involve culture, politics, economics, and even the personal health and physical stamina of the mother. As one observer put it, you breastfeed because you're so destitute you have no chance to do anything else, or you are so rich that you are perfectly comfortable with it. Interesting, the Soviets have asked Ross Laboratories to establish a $3 million Similac plant in the Soviet Union. Evidently the Soviet Government is responding to the modern Russian woman's needs for formula feeding.●

THE WRONG MX MISSILE

HON. LES ASPIN

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 13, 1979

● Mr. ASPIN. Mr. Speaker, it was predictable that at about this time the President would be forced to announce full-scale development of the MX missile. The politics of SALT ratification in the Senate and between the President and the Joint Chiefs of Staff required such an announcement. And, indeed, if the choice before the President was ratification of a SALT II Treaty or the foreswearing of money for full-scale development of the MX in this year's budget, then I cannot blame him for choosing ratification of SALT II.

Yet while at first glance his decision may appear to expand our military might and our strategic options, I think we will see in a few years that this decision, in fact, reduces both. President Carter's decision in favor of proceeding with the MX missile is understandable, but he chose the wrong missile—and this is where I think the national security is going to suffer in the coming decade.

It is now well-known that the President decided to go with the largest MX in the planning books, the 92-inch diameter missile with 190,000 pounds launch-weight. By doing so, he rejected the idea—favored bv several of his advisers—to go with the 83-inch, 150,000-pound missile instead. This slightly smaller missile has been called the "partly common missile," because its first two stages would be identical to those of the Trident II submarine-launched ballistic missile (SLBM).

It would not have weakened our counterforce capability very much to go with the slightly smaller missile. The missile holds 10 Mark-12A warheads, each with 335 kilotons, just as the larger missile.

As Dr. William Perry, Under Secretary of Defense for Research and Engineering, testified before the Senate Armed Services Committee on March 7 of this year:

> . . . I believe now it is possible to maintain the option for commonality with the Trident II missile at no significant expense or no significant degradation of performance to the MX missile. . . . Our best estimate now is that that missile so conceived would be at most a few percent off an optimum MX design and in any event. . . . I think it would be an inaccurate description to call that a small missile or a degraded missile relative to the MX that was originally conceived.

Indeed, Dr. Perry testified on that same day:

> If we decide that Mark–12A warhead is the appropriate warhead to use—

And this seems to be the direction in the planning for MX—

> then there is no reason for going larger than 150,000 pounds. There is no reason for going more than 83 inches in diameter.

Now, it is true that the larger MX could hold more than 10 Mark–12As, and can carry 10 larger-yield, precision-guided warheads, if we ever decide to produce such weapons, whereas the common missile could not. Yet our strategic mission does not require more than 10 warheads; and it strains the imagination to wonder why we would possibly need precision-guided warheads when the Mark–12A, along with the MX advanced inertial reference sphere (AIRS) guidance system, can destroy a hardened Soviet missile silo with 97 percent probability in a single shot. What more accuracy or lethality do we need?

The disadvantages of going with the bigger missile rather than the common missile, on the other hand, are significant. This big missile cannot be carried on the sort of airplanes envisioned in the MX air-mobile basing mode. Nor can it be put on any submarine that the Navy has deployed or designed.

In short, President Carter's decision insures that the MX missiles will be, must be, land based.

This puts our national security in something of a bind.

Recall that the whole purpose behind a new missile is to reduce the vulnerability of our land-based intercontinental ballistic missile (ICBM) force. Yet what happens if all the land-based mobile schemes are discovered to have crucial flaws? Given the track record on these schemes, this is not unlikely.

Last year, we were told by the Air Force and the Pentagon that the "pipe-trench" was the guaranteed solution to the problem of Minuteman vulnerability. Then it was discovered in tests and analyses that a direct hit by a single warhead along any portion of this pipe would propagate the shockwave along the pipe and destroy the missile therein. So much for the trench pipe.

Then the multiple aim point system (MAPS)—later called multiple protective structure (MPS)—was slated as the ideal solution. We still have some proponents of this scheme, particularly in the House of Representatives; but the consensus among the national security elite in the executive branch is that this basing mode is flawed in a number of ways. First, it makes future—and possibly even the present—arms control agreements problematic. Second, it would be nearly impossible for us to verify the number of Soviet missile launchers if the Russians established a similar system. Third, the Soviets could neutralize this basing scheme merely by adding on warheads to their ICBM's at the same pace at which we dig additional holes in the ground. SALT II puts a limit on the number of warheads the Soviets are allowed to have on each ICBM. But SALT II expires in 1985, and the MX will not even start to be fielded until 1986. The MPS system will give the Soviets a powerful bargaining chip in SALT III negotiations.

I should add that, according to the Pentagon, the Soviets could theoretically put up to 30 warheads on their SS-18 missiles which now contain, at most, 10.

Now many in the Pentagon and the National Security Council are recommending a "zipper trench"—an underground railroad track inside a 20-mile trench, with horizontal shelters placed every 3,000 feet. Numbers cited have been something like 8,800 shelters for 200 MX missiles.

Thorough analyses of this system have yet to be made, but there are bound to be problems here as well. Costs are guaranteed to be very high. Verification problems will still exist. And the Soviets may still be able to knock out the whole system if they expand their number of warheads. This problem is exacerbated by the horizontal shelters in this system. With vertical shelters, such as we now have in silos, light blast overpressure on the silo may not affect the missile, since the missile inside is suspended, somewhat like a pendulum. With horizontal shelters, the missile cannot be suspended. Even fairly light overpressure may, if not destroy the missile, at least alter its guidance system or command-control system. Since the unique attributes of ICBM's are greater accuracy and positive command-control, this sort of vulnerability puts the zipper-trench/horizontal-shelter system into some question.

The point is this: With the bigger missile, if we discovered at some point that all the land-mobile basing schemes under consideration were highly flawed, then we would be in the same trouble we are in now, but only a few years later. Recognizing the inexorable vulnerability of land-based schemes, we could not go ahead and move the missile to the sea or the air, unless submarines or airplanes of a very different design were built. This would, of course, take considerable time, effort, and money, as well as a prior disposition by the Air Force to build submarines or new designs for ICBM-launching airplanes; I do not detect such a disposition among any Air Force officials.

In short, with this decision, President Carter, in an attempt to save the SALT II Treaty, has thrown away a good portion of our strategic flexibility. It would have been far wiser to announce full-scale development on the 83-inch missile; to explain that this in no way reduces our strategic strength, as compared with the 92-inch missile; to note that until all uncertainties about basing modes are resolved, it is merely prudent planning to keep all options open.

The MX issue is supposedly about reducing vulnerability. The 92-inch missile is not the way to go in terms of assuring reduced vulnerability. Even if all the land-mobile modes turn out to be flops, we are stuck with one of them. The Pentagon will come up and tell us that this one—like many other basing modes that they have endorsed and have since rejected—is the best one of the lot. But this may be like describing someone as the most attractive person in the leper colony.

The national-security bureaucracy is now in the midst of debates and studies about the future of the triad, the nature of our targeting options, the survivability of our strategic forces. Even if one accepts the proposition that the MX missile is necessary, it is foolish and imprudent to choose a particular version of the MX that restricts its basing mode to schemes that may not solve the problem of ICBM vulnerability.

This is why I believe that President Carter's decision to go ahead with the 92-inch, 190,000-pound missile may reduce—and not enhance—our military might and strategic options in the coming decade.●

NATIONAL MUSEUM DAY

HON. WILLIAM D. FORD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 13, 1979

● Mr. FORD of Michigan. Mr. Speaker, on May 15 the House adopted by unanimous consent House Joint Resolution 262 which designated May 18, 1979, as National Museum Day.

As chairman of the Subcommittee on Postsecondary Education which has jurisdiction over the programs administered by the Arts and Humanities Endowments and the Institute of Museum Services, I was pleased with the opportunity to introduce this legislation on March 20.

Recognizing the important role of museums in their States and communities, 229 of my colleagues joined me as cosponsors.

Subsequent action by the Senate on May 16 resulted in Presidential Proclamation No. 4661 of May 18 which designated that day for recognizing the contribution of museums to the life of our country.

This celebration would not have been possible without the support of my colleagues who cosponsored House Joint Resolution 262.

I am using this means, Mr. Speaker, to express my gratitude to the 229 Members who so enthusiastically responded to this measure. I also want to share with them the letter of appreciation I have received from the American Association of Museums which describes the types of activities which this resolution encouraged.

Therefore, Mr. Speaker, I include the text of this letter and the list of cosponsors in the RECORD at this point:

MAY 24, 1979.

Hon. WILLIAM D. FORD,
House of Representatives, Rayburn House Office Building, Washington, D.C.

DEAR CONGRESSMAN FORD: I want to take this opportunity on behalf of the American Association of Museums to express our deep gratitude and appreciation for your sponsorship and support of our efforts to have May 18, 1979 designated as National Museum Day. Over the last several months the association has worked diligently to encourage museums all over the country to have appropriate celebrations and observances on this day in their communities. I am pleased to say that there were a large number of museums responding to this call. Our efforts to have the Congress pass the resolution and the President to issue a proclamation helped substantially.

National Museum Day provides an opportunity for all museums to call to the attention of the public the role and importance of museums in each community. Museums all over the country celebrated National Museum Day with special exhibits, longer hours, and cultural festivities. In your own state of Michigan, the Saginaw Art Museum declared the whole month of May to be Museum Month and dedicated all of their month's activity to celebration and special exhibits. Governor Milliken declared May 18 to be Michigan Museum Day and his proclamation was aired over WDET radio. This proclamation was also read at a museum conference in Flint, Michigan, which was attended by Washington representatives from the National Endowment for the Humanities. In addition, the Detroit Cultural Center sponsored a free program for the public called "My Odyssey".

The association would also like to acknowledge the bipartisan involvement of the following members of the House of Representatives who, as co-sponsor of H.J. Res. 262, helped to establish May 18th as a day on which Americans could commemorate the preservation of our cultural and historical heritage through the national museum system:

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Thompson, Frank, Jr. (D-N.J.)
Treen, David C. (R-La.)
Udall, Morris K. (D-Ariz.)
Vento, Bruce F. (D-Minn.)
Walgren, Doug (D-Pa.)
Waxman, Henry A. (D.Calif.)
Weaver, James (D-Oreg.)
Weiss, Ted (D-N.Y.)
White, Richard C. (D-Tex.)
Whitehurst, G. William (R-Va.)
Williams, Lyle (R-Ohio)
Wilson, Bob (R-Calif.)
Wilson, Charles (D-Tex.)
Wolff, Lester L. (D-N.Y.)
Wolpe, Howard (D-Mich.)
Wright, Jim (D-Tex.)
Wyatt, Joe, Jr. (D-Tex.)
Yates, Sidney R. (D-Ill.)
Yatron, Gus (D-Pa.)
Young, Don (R-Alaska)
Young, Robert A. (D-Mo.)
Zablocki, Clement J. (D-Wis.)
Zeferetti, Leo C. (D-N.Y.)

Thank you again, Chairman Ford—you and all of your colleagues who cosponsored National Museum Day—for your loyal support and assistance.

Sincerely,

LAWRENCE L. REGER,
Director.●

ADMINISTRATION SHOULD DELAY AMTRAK REDUCTIONS

HON. DAN QUAYLE

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 13, 1979

● Mr. QUAYLE. Mr. Speaker, the Carter administration once again is considering making a U-turn on a vital domestic policy matter. Yesterday's Washington Post reported that the White House is having second thoughts about its proposal to eliminate 43 percent of the Nation's rail service on Amtrak trains next fall.

The old saying that "hindsight is better than foresight" probably rings true here.

More passengers are riding Amtrak trains now than at any time since it was established by Congress in 1971.

Several months ago I wrote to Secretary of Transportation Brock Adams protesting what obviously was a severe shortchanging of rail service in the State of Indiana. It was apparent then, and more obvious now, that the American public will rediscover the train as an economical energy and transportation alternative.

Unfortunately, neither the House or the Senate were given the opportunity to veto the administration's plan to cutback rail service starting October 1, 1979.

It is imperative that the administration action be reviewed and the planned cutbacks delayed to assure continued rail service to the American public.●

NEW JOBS TAX CREDIT

HON. GERALDINE A. FERRARO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 13, 1979

● Ms. FERRARO. Mr. Speaker, today I am reintroducing, with 49 cosponsors, H.R. 3005. This legislation amends the Internal Revenue Code to add displaced homemakers to the list of targeted groups for whom employers may claim the new jobs tax credit for hiring.

I am pleased by the broad bipartisan support that my legislation has received from the Members of this House. The plight of displaced homemakers is a universal problem. It cuts across liberal and conservative lines, racial, and economic classes. The problems facing these women—perhaps as many as 30 million of our constituents—should be of grave concern to this House and this Nation.

Mr. Speaker, for 14 years, I stayed home, raised my children, and managed the household. Upon reentering the workforce, I discovered how difficult it is for a homemaker to make the adjustment to full-time employment. I was not a displaced homemaker. I had not lost my primary source of income. Rather, I was a "reentry woman." The problems I face were typical—my coworkers were younger than I, had more recent work experience, and did not have to concern themselves with a family at home still expecting dinner to be on the table when they arrived.

But, my problems were trivial compared to those facing a displaced homemaker. These women have lost their primary source of income and have been out of the labor force for a substantial number of years. They are not reentering the workforce, because they feel the need for broader horizons, they are entering the labor market for survival.

The reintroduction of H.R. 3005 coincides with publication of an article in the

New York Daily News on the problems of displaced homemakers and the State's program to aid them. I commend the author, Constance Rosenblum, for her informative and compassionate portrayal of the issue. I ask my colleagues to read this article with the understanding that many of their constituents face the problems described. I also ask my colleagues to join me in my effort to alleviate the employment difficulties of displaced homemakers:

STARTING OVER—NEW YORK STATE IS HELPING FORMER HOUSEWIVES BECOME INDEPENDENT

(By Constance Rosenblum)

They are women who lived by the rules. They married young, bore children early and spent nearly all their waking hours in service to their families. They mopped floors, did laundry, served milk and cookies after school. Now they are being punished for following the rules.

Society is starting to call them displaced homemakers. Mostly they are fulltime homemakers in their 40s and 50s who through the death or divorce of a husband, find themselves suddenly poor and unable to make their way into the job market. A lifetime of housework doesn't count when it comes to collecting unemployment insurance, and employers have little use for older women who have been out of the workforce for many years.

Up to 30 million American women fall into this category. State and federal governments are just beginning to respond to their needs with a network of centers across the country to provide financial help, counseling, retraining and job placement for these women.

Since the nation's first Displaced Homemaker center opened in California in 1975, some 170 centers have sprung up across the country. Some are run under CETA, the federal Comprehensive Employment and Training Act, which in 1978 made displaced homemakers a target population and has set aside $5 million for this program, but most are state-sponsored. The New York State Department of Labor, which ran a highly successful pilot program in Buffalo last year, just opened six centers in the New York metropolitan area and is sponsoring a major conference on the subject here tomorrow.

The first meeting at the new Park Slope center, held last Monday in a spartan walk-up office on Fifth Avenue, drew a hodgepodge of women—Italian, black, Jewish, Hispanic, from Red Hook, Bensonhurst, Flatbush and other neighborhoods. With anger, bitterness, and despair, they talked of loneliness, inability to find work, economic hardship, but, most of all, of being unprepared for this sort of life.

"I got married to stay married," announced Sarah West, a 43-year-old Fort Greene woman whose husband walked off 16 years ago. "Then I guess you could say I was dumped. All of a sudden I was married no longer and I had a houseful of kids to support."

A widow, close to tears, added, "When we were raised, the world was a different place. Who expects a husband to die young? I lost my house, there wasn't even enough money to bury my husband."

Many had felt social pressure to stay home with their families; some had been forbidden to work by husbands. When a husband died, or, as was common, suddenly departed in favor of a younger woman, the experience was shattering.

"One day my husband walked in and announced, 'I'm not paying any more bills,'" said Blondell Scott, married 26 years ago and the mother of two daughters. Eventually she had to give up her house. Recently, the firm where she'd been working as an order supervisor left town; since then she's been scrounging odd jobs.

Blondell Scott isn't alone in her money problems. One widow told of living on $75 a week in Social Security payments. Even many middle-class women found themselves in a paradoxical situation: looking well off but being anything but.

"Our aim is to help these women be less isolated, to give them self-confidence and clarity about their worth," explains Estelle Fonseca, codirector with Carol McVicker of the Park Slope center.

The heart of the Park Slope program is two sets of six-week workshops, supplemented by intensive individual counseling.

One set of workshops will prepare women for the job market: women will be taught how to translate their abilities into marketable skills, write resumes, handle interviews. Minimum-wage level stipends will be available to the neediest women.

Fonseca, a former director of the YWCA's Brooklyn Women's Center, will work individually to help each woman shape realistic career goals and work to place her in an appropriate job. She, like other center directors, is working with private employees to develop jobs, stressing the loyalty and reliability mature workers often bring to a job.

A second set of workshops will help women with the logistical problems of their lives. Outside speakers will work on a group and individual basis with the women helping them solve financial, medical and other problems.

The $1 million state program, of which the Park Slope effort is a part, is seen as of special importance because, unlike its federal counterpart, it catches women before they hit bottom financially.

"Under CETA, you have to be at near-welfare level of poverty to qualify," explains Louise Finney, Assistant Industrial Commissioner for the state. "But there's no income limitation for the New York program.

"This isn't an expensive program," she adds. "The whole goal is to make these women self-sufficient." Of the nearly 1,000 women served in the Buffalo program, she notes, 87 percent were successfully placed in jobs or training programs. It cost less than $675 to place a woman in a job.

The New York centers are equipped to make contact with 5,000 women and will have workshop space for up to 1,000.

Louise Finney and her staff see a certain syndrome among displaced homemakers. A woman finds her skills aren't needed, even made fun of. Job hunting, she faces the twin barriers of ageism and sexism. She wants to work but is afraid to enter a world she hasn't been a part of. It's no wonder she's insecure.

Anne Runyon of Manhattan, recently separated from her lawyer husband and now an aide to the state Displaced Homemaker program, felt this way: "I had to completely change gears at 52. I had no career, no college degree. When my marriage suddenly broke up, it was shattering, both emotionally and knowing I had to pull myself together in terms of a career. I didn't think I could possibly cope."

"We women have skills we can use," adds Sarah West. "We've cooked and kept house for years. But sitting in that house for years, you lose confidence, you let yourself go. If you're told so often, 'That's all mama is good for, to cook and clean,' you start to believe it."

Marrying at 18 and raising four children kept West out of the job market most of her adult years. "And it's not easy to go back, because most of the time they don't want a fat 43-year-old."

Yet, despite the strikes against them, these women have an enormous drive to succeed this time around.

"I'm gonna get me a job and stop being a nothin'," insists Blondell Scott. "I'm gonna stop sitting around a saying I can't. I've told myself I can do it.

"Every woman here wants to get herself together, not sit around and do nothing," Sarah West adds. Her slumped body straightens and there's a touch of fire in her intense dark gaze. "These are women who, after being a fixture in the house, putting aside any life they might have had for themselves, say, 'Now I'm free. Let me do something for myself.' And this is the help we need." ●

GAO RECOMMENDATION FOR OSHA: FACTS FIRST, REGULATIONS SECOND

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 13, 1979

● Mr. ASHBROOK. Mr. Speaker, on May 3, the General Accounting Office (GAO) released its study of the rulemaking approach of the Occupational Safety and Health Administration (OSHA). As ranking Republican on the Education and Labor Committee of the House, I have known that this procedure was poorly carried out. But this GAO study has confirmed my worst suspicions.

The sort of OSHA deficiency involved is made clear by the title of the report: "How Can Workplace Injuries Be Prevented? The Answers May Be In OSHA Files." The thrust of the report is introduced uncompromisingly on the first page:

> The Department of Labor's Occupational Safety and Health Administration (OSHA) has information in its files on the causes of using this to develop measures to prevent accidents from recurring.

Because of this, OSHA does not know—

To what extent fatal accidents could have been avoided had safety and health regulations been enforced,

What standards need to be developed or revised, and

What violations cause death or serious accidents.

To put this plainly, OSHA has been making rules without taking the first, essential step: That of collecting reliable, well-targeted information on which to base its decisions. The result has been regulations which have cost needless sums of money. Far more important, this sloppiness over the 9 years of OSHA's existence has almost certainly cost a number of working people their lives.

What GAO is recommending to OSHA is a principle which every working man understands, and which every businessman understands: Get your information first, and only thereafter make decisions. The more important the decision, the more strenuous should be the search for information before action is taken. For 9 years, OSHA has turned this principle on its head. It has regulated strenuously while showing little real interest in informing itself on the actual cause of accidents it was charged to prevent on worksites:

CONCLUSIONS

Thousands of serious accidents are investigated each year by OSHA and the States. These investigations are made to determine whether (1) the accidents could have been

> avoided had proper safety and health regulations been enforced, (2) standards need to be developed or revised, and (3) violations of standards contributed to the accidents. The investigations produce the best information available on the specific hazards and related factors causing serious accidents. Despite these investigations, OSHA has not effectively used the data it and States have collected to attain the objectives of the investigations. OSHA does not know (1) to what extent fatal accidents could have been avoided if (2) what standards need to be developed or revised, and (3) what standards' violations cause most serious accidents and deaths.
>
> The information acquired from accident investigations has not been fully used due to OSHA's practices and methods of recording, classifying, and collecting information. Data collection and analysis activities have not been adequately coordinated to assure the data system products meet program management needs. Factors for coding information are too broad and poorly defined, and causal data have been inaccurately recorded. Accident prevention measures are not being categorized, and concise narrative hazard descriptions are not being prepared, although such information would be valuable in directing program activities. Also OSHA's exclusion of States' accident investigations limits the data system's information about serious hazards and the potential to accurately reflect accident trends.
>
> The identity of serious hazards needing standards coverage is contained in accident information obtained during OSHA investigations. However, OSHA has not effectively used this information in selecting standards' projects and establishing priorities. Two-thirds of the standards projects were started to clarify existing standards or eliminate unnecessary detail and do not address specific hazards. Our review of accident cases showed that about 12 percent involved hazards not covered by standards, and 74 percent of these hazards were not being addressed in current standards development projects. The absence of a systematic approach to identifying serious hazards has resulted in standards projects which do not address specific hazards and the creation, suspension, and abandonment of standards development projects without regard to their potential for reducing accidents.
>
> Information from accident investigations has not been used effectively in enforcement activities to optimize the potential for abating hazards which cause serious accidents. The locations of fatal accidents are not considered when targeting inspections. The inspection activity is not monitored by industry and workplace size to assure that inspections are conducted first at locations most frequently having serious accidents. As a result, the types of workplaces where most fatal accidents occur are not receiving a proportionate share of inspections. The industries in which 30 percent of the fatalities occurred received less than 18 percent of OSHA's self-initiated inspections, and small workplaces received a larger share of inspections than their proportion of serious accidents. Also, the probability of inspectors identifying serious hazards at workplaces is reduced because they are not alerted to hazards which have caused serious accidents in each type of workplace.
>
> The greatest potential for accident prevention is in the areas of employee awareness of hazards, training of workers and supervisors, and improvement of employer programs for the continuing identification and abatement of workplace hazards. Although OSHA can contribute in each of these areas, much of this potential has not been realized.
>
> OSHA has not identified the types of workplaces and the occupations where the greatest number of serious accidents could be prevented by each of its programs. A list of hazards has not been used in the training, consultation, and awareness programs to explain and emphasize how to avoid the accidents. Guidance has not been provided to grantees and contractors on where training and education services can produce the greatest benefits in reducing serious accidents. OSHA does not monitor and evaluate grantee and contractor activities to assure that services are provided first to those with the greatest needs. Information on accident causes has not been provided to employers and labor groups so that they can identify and voluntarily debate serious hazards.
>
> State and corporate accident statistics and specific information on serious accidents have proven useful in directing the safety programs of State and private organizations. Accidents have been significantly reduced by programs in which data from accident investigations were used to identify the location of prevalent accidents and their causes.

What GAO is recommending is not only common sense. It is, in the private sector, common practice.

> PRIVATE FIRMS USE ACCIDENT DATA
>
> Successful private industry safety programs place great emphasis on training, education, and awareness programs. Information on the most frequent and severe accidents is gathered and used to direct these activities to the hazards with the greatest potential for accident prevention.
>
> We interviewed safety directors and corporate safety officers from 15 firms in New Orleans, Dallas, and Jackson to obtain information on how they used accident information in their safety programs. Officials in all of the firms said that they investigated all serious accidents to identify the cause and to determine what corrective action is needed to prevent future accidents. Safety officers said that they used local accident data to program corrective action—such as improved job procedures, counseling, awareness, and training—to where the accidents were happening. At the corporate level, the data were analyzed to determine (1) what incidence and severity rates for the firm were, (2) where accidents were happening, and (3) where corporate assistance was needed in the form of consultation for managers or corporate-wide training programs. One company used accident information to select 10 plant locations where accidents most frequently occurred. These sites were targeted for most of the corporate safety office's efforts.
>
> About half of the firms had ongoing safety training programs for supervisors and new hires; also, 73 percent scheduled safety meetings for workers. Specialized training in job operations was offered in several firms as a result of accident data revealing specific hazards.
>
> Over half of the firms published safety bulletins to inform corporate units about the kinds of accidents occurring in similar operations in the firm and to motivate employees to improve their safety records. The bulletins contained accident statistics and frequency rates, described disabling and nondisabling accidents resulting from specific hazards, and included the supervisor's recommendation for action to prevent future occurrences.
>
> Also, four firms issued safety alerts when necessary to appropriate plants or divisions, notifying the managers of unsafe conditions or procedures that had been discovered at other sites and directing them to take corrective action at their plants.
>
> Information on accident frequency and severity has proved beneficial in directing training and awareness programs to prevent accidents. The following are examples of the programs initiated in some firms in response to accident rates and the results achieved.

It would be less costly and more successful to replace the OSHA-type bureaucracy with a program of incentives for private companies to work out their own safety programs. But that is for the future. At this time, OSHA is supposed to be making regulations which are reasonable and based on solid facts.

The General Accounting Office, in this and previous studies, has given Congress the ammunition to use in fighting for such a rational, businesslike approach.

The American businessman has a right to expect regulation on an intelligent, businesslike basis. The American worker deserves something far better than the slipshod approaches used by OSHA for his protection on the job. I propose to do everything in my power to assure that these reasonable expectations are fulfilled.

Lastly, I would like to commend the General Accounting Office on a job well done. I recommend that every Member give the May 2, 1979 General Accounting Office Report, "How Can Workplace Injuries Be Prevented? The Answers May Be In OSHA Files.", careful attention.●

SETTING THE RECORD STRAIGHT ON THREE MILE ISLAND

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 13, 1979

● Mr. McDONALD. Mr. Speaker, the country is still awash with hysteria and misfacts generated over the recent incident at Three Mile Island. In point of fact, for days after all danger has passed we were treated to scare stories in the press about the possibility of a "meltdown" of the reactor. The facts say otherwise and this information was available to newsmen. In support of this assertion I would like to place in the RECORD at this time three paragraphs from a letter by James H. Rust, professor of nuclear engineering, at the Georgia Institute of Technology in Atlanta, in response to questions on this matter:

> The Enquirer asked me to be a consultant for them and reconstruct the accident from the information available as of April 4, 1979. My assessment was that after 48 hours from initiation of the accident the reactor no longer posed a threat to the public. At that time the reactor was being cooled by normal processes with all emergency backup systems still being functional. The decay heat from the reactor was 10 megawatts as opposed to 2770 megawatts normal operating power level. A core meltdown at this time was impossible. Yet, local and national media were publishing scare stories up to a week after the accident alluding to a core meltdown and the possibility of the so-called "China Syndrome."
>
> The NRC started publishing through their public information rooms technical reports

about the accident which were initially forthcoming 24 hours after the accident initiation. The media chose to ignore this information. Any qualified engineer could have analyzed these reports and concluded that after 48 hours had elapsed the reactor was under control and the possibility for public danger had passed.

Details on Three Mile Island are available to the public and I suspect the press will not publish this information because it will make copy by many so-called "science writers" look very foolish.

Sincerely yours,

James H. Rust,
Professor, Nuclear Engineering.●

RHODESIAN SANCTIONS

HON. JAMES L. OBERSTAR

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 13, 1979

● Mr. OBERSTAR. Mr. Speaker, our colleagues in this House have agonized over the question of lifting the economic sanctions now imposed on Rhodesia. We all wish there were an immediate solution which would insure a stable democratic regime in Zimbabwe Rhodesia and reduce the threat of Marxist domination in southern Africa. Precipitous action now by our Government, however, would not produce that solution. On the contrary, it would harm both our national interest as well as the cause of democracy in Africa.

The Congress and the administration face a most difficult situation in our relations with the government of Bishop Muzorewa. While I can understand the impulse to do something to offer a show of force to the Soviets, I am concerned that such action would be detrimental to our relations with not only Rhodesia but all of Africa. The new Thatcher Government in Great Britain has sensibly chosen to wait until after the meeting of commonwealth nations this summer before it acts on the question of sanctions. I would urge my colleagues to act as sensibly and not rush into a hasty vote on the question of lifting sanctions.

Policy coordination with Great Britain on this issue is in our best interests. Unilateral action at the present moment would serve only to identify the United States with a white minority in southern Africa and would dissipate our ability to act to foster peaceful negotiations to end the civil war.

The administration has crafted a reasonable and responsible course of action for the United States.

The President has indicated his intention to review the progress of majority rule in Zimbabwe and the success of the Muzorewa Government in winning the support of its people and the nations of Africa.

I would like to share with my colleagues an editorial which appeared in the New York Times on Monday, June 11, 1979. It offers a concise, balanced comment on the impact of the President's action on Rhodesia.

The editorial follows:

The Middle Course on Rhodesia

President Carter has defined a right and expedient new policy for Rhodesia: It stays in step with Britain's Conservatives. It protects Western interests in black Africa. It preserves a hope for ending the civil war and keeping the Russians out. The only trouble is, it offends the Senate and perhaps the House, too, and the sense of fairness of many Americans. They don't understand why we should be boycotting a new black-white regime whose election looked more democratic than any other recently held in black Africa.

The President's answer relies on history and the American national interest, but he has not explained it well. Zimbabwe Rhodesia, unlike most African states, remains a ward of the world because its colonial white minority of 4 percent has long defined an orderly transition to black majority rule. Only when pressed by world sanctions and challenged in a civil war did that minority even pretend to admit some blacks to leading positions. Even then the whites alone wrote a new constitution, preserving white power in the army, courts, police and civil service and protecting their hold on most of the valuable land. Whites alone were allowed to vote on that constitution; parties tied to the guerrillas were banned. Only then were the remaining blacks invited to elect representatives to Parliament.

Most black Africans are not impressed, therefore, by the democratic ritual of that last election. Nor do they think that Rhodesian whites have passed enough power to blacks. They still support the guerrillas and they warn the West of retribution—and Soviet intervention—if London and Washington rush to help the new Government of Bishop Muzorewa.

Most members of Congress seem unmoved by these global stakes. They think guerrillas and their Soviet sponsors should be defied. Some of them also think the West should stand by the beleaguered whites of southern Africa. So Congress demanded an end to sanctions if Mr. Carter found the recent election fair.

This legal formula forced the President to denounce the election. But he really objects to the pace of progress toward black rule and to an alliance with South Africa in defense of white rights. He proposes instead a sensible middle course.

There has been some encouraging progress, the President says, but not enough. So instead of recognizing the new Zimbabwe Rhodesia, he would periodically send diplomats to check on further progress and keep the sanctions in place so Americans and Britons can bargain for more black rights.

This course recognizes reality: the Muzorewa Government still lacks necessary appeal among Rhodesian and African blacks and cannot be safely anointed from London and Washington. It also recognizes, however, that simply waiting for the Patriotic Front guerrillas to seize Salisbury is no more humane or democratic.

Mr. Carter's policy would put significant pressure on both Rhodesian camps. It gives the Muzorewa Government a chance and incentive to win more concessions from whites and to demonstrate a wider appeal to blacks. The guerrillas, in turn, would be on notice that time may no longer be on their side. If they reject genuine reconciliation, the Muzorewa regime may evolve without them. The Russians may not help them much while Moscow and Washington are engaged in the more important business of arms control. And if the Muzorewa regime grows in stature, the neighboring African states may come to like peace on their borders.

The President's course has been coordinated with the new British Government. It will not satisfy those who regard the Bishop as irreparably tainted by his compromises with Ian Smith. Nor will it please those who attach excessive value to the formalities of his election. But neither will it leave the West embarrassingly aligned with either the guerrillas alone or with the whites of Africa. The new American plan may work no better than the old, but it is shrewd and prudent.●

A PRODUCTIVE FOREIGN POLICY

HON. BRUCE F. VENTO

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 13, 1979

● Mr. VENTO. Mr. Speaker, in these troublesome times, President Carter has had many difficult foreign policy decisions to make, and as Philip L. Geyelin, noted journalist points out in a recent speech to the Yale Club of Boston, he has come up with good marks.

In his recounting of Mr. Carter's achievements, Mr. Geylin calls them "A Productive Foreign Policy." For the benefit of President Carter's critics and admirers alike, I insert in the Record Mr. Geyelin's remarks contained in the Washington Post June 10, 1979:

A Productive Foreign Policy

(By Philip L. Geyelin)

To the extent you can distinguish between Carter abroad and Carter at home—between effective conduct of foreign policy and a capacity to deal successfully with domestic problems—it strikes me that the Carter handling of foreign policy is a lot more productive than sometimes made to appear. There is nothing fundamentally wrong with it and much that is sound and sensible about it. The public perception of it could be improved immeasurably by, let us say, a full tank of gasoline on Friday or a close to zero inflation rate, or even by nothing more than the appearance of an administration more deft and sure-handed in its management of the fundamental things—relations with Congress party leaders and, in a certain sense, itself.

But that, of course, is not the appearance. There is a powerful sense that Jimmy Carter can't cope. That he can't lead, or inspire, or reassure, in the manner of a Roosevelt, or a Kennedy, or an Eisenhower. Some say it's simply because he can't communicate. Whatever it is exactly, it's reflected in the polls and the commentary and—which may be the most devastating indicator of all—the jokes going the rounds. In one such, the president is playing bridge. His opponent on his left bids one club. His partner bids one diamond. His opponent on his right bids a heart. The president says, "I bid two." "Two what?" somebody naturally asks. "Trust me," the president replies.

So the columnists and commentators are baffled—a state of mind, with columnists and commentators, that tends to express itself in absolutes. Or in cliches: Carter doesn't understand leadership, for example. Or he has lost control of foreign policy. Or he has no policy. And so it goes. Perhaps someday somebody will solve the Jimmy Carter mystery. In the meantime, one way to judge him is to forget the mystery and examine the record. And one way to do that is to measure his first two years and a little more against the experience over a comparable span of other recent presidents.

By about this time in his presidency, Dwight Eisenhower had approved CIA-supported coups in Iran and Guatemala. John Kennedy had bungled the Bay of Pigs and so misrepresented his will and resolve to Nikita Khrushchev that we had, in quick and frightening succession, a Berlin crisis and Soviet missiles in Cuba, Lyndon Johnson had dispatched combat troops to South Vietnam and the Dominican Republic, dealt inconclusively with riots in Panama, intervented in the Chilean elections by not-so-covert CIA activity, begun bombing North Vietnam. Richard Nixon had widened the Vietnam War to Cambodia and Laos. Gerald Ford had suffered roughly 40 U.S. Marine casualties, directly or indirectly, in order to rescue about an equal number of crewmen from the Mayaguez. Saigon had fallen; the frantic American evacuation was a humiliation.

And Jimmy Carter?

To begin with, no war, no military involvements and, so far as we can tell, no abortive, covert CIA activities. And on the plus side, in terms of his purposes if not necessarily everybody's, a Panama Canal treaty that four predecessors tried unsuccessfully to achieve.

Similarly, the lifting of the Turkish arms embargo does not pave the way, necessarily, for a settlement, but it does remove an insurmountable obstacle, and Carter fought that issue successfully in Congress, as well. I am not going to get into the interstices of SALT II, but here again Carter has brought to fruition a diplomatic enterprise that eluded his immediate predecessors. And he did the hardest part of normalizing relations with China, on terms Congress accepted—and this time the Chinese came to see us.

Finally, in the Mideast, Carter won congressional acceptance of the sale of military aircraft to Egypt and Saudia Arabia, which was central to his strategy for arranging a peace treaty between Israel and Egypt—a treaty that constitutes far and away the most substantial advance in the direction of a comprehensive Mideast settlement in the entire 31-year history of the Arab-Israeli conflict. Some say it won't work—that it will actually operate to preclude further agreements, that Anwar Sadat will be overthrown, that terrorism will grow, that shuttle diplomacy is beneath the dignity of a president. And there may be a little truth to all of that—there is a little truth to almost everything that is said about the Mideast. But it is my belief that if Carter is remembered for nothing else he will be well and favorably remembered for the courage and the skill with which he personally brought to a constructive conclusion the Egyptian-Israeli peace treaty.

If this is beginning to sound like an apologia, so be it. It is intended as a balancing of the account. Jimmy Carter does not even always do good things very well; he does some good things badly. But he has done, in my judgment, no bad things that have turned out to be irretrievable. And he has been operating in the aftermath of Watergate and Vietnam, when the popular inclination to show the flag is counterbalanced by a contradictory and equally powerful disinclination to get involved, at a time when the polls suggest that a clear majority of the American public is fearful of a loss of American influence in the world but an even larger majority cannot think of any situation other than an attack on the United States itself that would justify sending American troops to fight overseas.

In 1976, in the autobiographical campaign tract he so presumptuously entitled "Why Not The Best?", Carter had this to say:

"There is no possible means of isolating ourselves from the rest of the world, so we must provide leadership. But this leadership need not depend on our inherent military force, or economic power or political persuasion. It should derive from the fact that we try to be right and honest and truthful and decent."

Soft-headed pap? Perhaps, but you could also call it a return to first principles.●

SYN FUEL SUPPORT GROWS

HON. WILLIAM S. MOORHEAD

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 13, 1979

● Mr. MOORHEAD of Pennsylvania. Mr. Speaker, with each passing day, more and more newspapers are writing about H.R. 3930, my legislation which passed the House Banking Committee by a 39-to-1 vote, to establish a national production target of 50,000 barrels of synthetic fuel per day.

The legislation which carries out this objective and would give birth to a domestic synthetic fuel industry, producing petroleum equivalents from coal, chemical feedstocks, biomass, and other processes, is poised for consideration by the Rules Committee.

Prompt passage by the House would mean that only one single Senate committee, the Senate Banking Committee, would have to approve the legislation, before the full Senate could pass it and send it to the President for his signature.

This bold legislation can end our dependence on foreign energy suppliers, cut heavily into our balance-of-payments problem, and provide a much needed production plank to our national energy policy.

Tuesday's Washington Star carried a strong endorsement of the synthetic fuel legislation and I would like to have it inserted in the Record for the consideration of my colleagues.

In addition, I would like to include articles from the Pittsburgh Press, the Pittsburgh Post-Gazette, the Washington Post, and the Congressional Quarterly.

The articles follow:

[From the Washington Star, June 13, 1979]

A Synthetic Solution?

Proposals for meeting the energy crisis are focusing on the idea of a massive national commitment to synthetic fuel production. This is not routine stuff. There are major bills along these lines, with important backing, in both chambers of Congress. After the endless months of inaction and quibbling over details of President Carter's energy program, the legislators are at last moving swiftly.

The House leadership is behind a package of measures to devote billions in federal guarantees and subsidies to spur the creation of plants to produce fuel from plentiful resources like coal. Because of high costs and the uncertainties of competition with petroleum, the government would assume risks in the effort. A market would be assured by a requirement that the Defense Department buy 500,000 barrels a day by 1984.

In the Senate, a bipartisan group led by Chairman Jackson of the Energy Committee is pushing a new energy development program aimed at reducing the need for energy imports by as much as 6.2 million barrels a day by 1990. (We now import about eight million barrels.) One section of the measure would authorize nearly $5 billion for 15 synthetic fuel demonstration projects. The bill would force a speedup of Energy Department plans for promoting alternative energy sources, including solar and geothermal power, coal gasification and waste conversion.

A well-publicized chorus outside the government is making the case for a crash program to produce synthetic fuels quickly and in huge quantities to end the stranglehold on the nation's economy by the Organization of Petroleum Exporting Countries. These appeals evoke the successes of the Manhattan Project, the Apollo missions to the moon, and the World War II conversion to synthetic rubber when the Japanese seized almost all natural supplies. Though the development of alternative sources has been a regular part of the energy litany for years, mostly in viewing a distant and hazy future, the present talk is urgent, and responsible commentators are taking it seriously.

There are reasons for this. The reappearance of the gasoline queues has made everyone ponder the future more soberly. A half-hour wait at the pump is worth 100 presidential admonitions. The international petroleum supply seems ever more precarious, subject to the ayatollah's whim, the next Mideast flare-up and such blackmail as Nigeria's warning about U.S. Rhodesian policy. A bit of scarcity brings out the greediest instincts of the OPEC hawks—the cartel price is headed for the clouds.

OPEC pricing, though, is the best friend the synthetic-fuel drive could have. The expensive conversion processes gain in economic feasibility with each boost in the price of ordinary crude.

It is possible to be skeptical of the sudden upsurge in congressional interest. The congressmen collectively have shown little courage in the past in making hard decisions on energy. They as well as the administration are under fire now by a public worried about where the next gallon of gasoline or heating oil is coming from, and what it will cost. The Hill is under great pressure to act.

There are dangers, of course, in doing something on as large a scale as is now contemplated. A great deal of taxpayers' money could be wasted. The pork barrel will be passed around—so much for West Virginia, so much for Kentucky coal conversion projects. But the ultimate test is the extent to which the drive for synthetic fuels can free the nation from the debilitating dependence on foreign oil. At the moment it appears to be one of the brighter hopes in a dismal energy picture.

What's needed mostly is President Carter's leadership in this area. A House delegation led by Speaker O'Neill and Majority Leader Wright met with him on it last week, and found him sympathetic but non-committal. The administration's plans on synthetics and other alternative sources of energy are more modest and of longer range. The president is thinking about the budget impact, and proposals for energy cooperation at the upcoming Western economic summit in Tokyo.

The congressmen, though, have their eyes on the people in the gas queues. The plan to stress new production using American ingenuity has undeniable political appeal.

If Mr. Carter wishes to be the nation's leader in energy policy, he needs to take a fresh look at this aspect of the game.

[From the Washington Post, June 12, 1979]

Avoiding an 'Energy Munich'

(By Joseph Kraft)

The United States has to frame a policy regarding illegal immigration from Mexico. I don't know what the right policy is.

But I do know it can't be found under the gun of a Mexican threat to hold up oil exports. For that involves appeasement.

The United States continues to have decisions to make regarding sanctions against Zimbabwe Rhodesia. I'm not sure what the right decisions are.

But I am sure they can't be made under the gun of a threat by Nigeria to cut off oil shipment. For that too involves appeasement.

The United States has basic stands to take in the Middle East. I'm not altogether clear as to what those stands ought to be.

But I am clear that they shouldn't be taken under the gun of a Saudi threat to cut back on oil supplies. For that again involves appeasement.

Those three examples express the international consequences of this country's increasing reliance on foreign oil. The United States is heading into a condition where, short of sending the Marines, the president has no option but an energy Munich.

Finding a way out of that pinch, achieving energy independence, is thus a pressing national security requirement. Especially since so many of this country's closest allies—notably France but also Germany and Japan—are ostentatiously pressing the United States toward a policy of energy appeasement, the better to advance their own standing in the eyes of the oil-exporting countries.

As it happens, one obvious road to energy independence presents itself. It is a road as American as the way the West was won. It emphasizes this country's great forte—production. It is consistent with the mixed public-private system that has always been dominant in energy matters. It has both favorable immediate consequences and beneficial long-range effects.

The road back to energy independence lies in the development of synthetic gasoline. The United States has the right resource base—hundreds of years of coal supplies, shale and tar sands. Technology for converting these materials into high-octane gasoline exists or is about to come onstream. A program to support that technology could be used to fight recession, and even to build jobs in troubled urban areas. The principal problem is financial. Companies that develop synthetic fuels need protection against temporary price cuts by oil-exporting countries designed to wipe out the competition.

Protection can easily be afforded by a government guarantee program, similar to the program whereby during World War II the United States moved in a few years from almost total dependence on imported natural rubber to very high consumption of domestically produced synthetic rubber. The basic requirement is that the government agree to buy synthetic gasolines at a stipulated floor price. In that way if a company in synthetics couldn't sell the product on the open market, it could lay it off on the government, which would either stockpile the stuff or turn off the production line.

Merely starting up such a program would deliver a message to the oil exporters who are now so cockily raising prices and dictating policy. The message would be that they have to think twice about the tactic that permits them to play fast and loose with the rest of the world—the tactic of creating shortages by keeping oil in the ground. As Arthur Okun of the Brookings Institute observed, a production program would "shake the premise that oil in the ground is a great, riskless investment."

Dozens of private groups and individuals have recently surfaced proposals for a guarantee program. A bill to that effect, sponsored by Rep. William Moorhead (D-Pa.), has passed the House Commerce Committee by a 39-to-1 vote.

The bill was discussed with the president by the congressional leadership at the White House last Tuesday morning. Mr. Carter expressed interest but with reservations. He wants to subordinate the guarantee program to his commitment to budgetary stringency. He also wants to coordinate it with his proposal for an excess profits tax on the oil companies. He wants to check it out with the allies at the Tokyo summit.

My impression is that not for the first time President Carter is trying to do too many things simultaneously. Once a clear policy direction is established, Carter can easily pull along the allies, win over the penny-pinchers and push through his tax program. The first requirement is to tell the country—and the world—that an American answer to the energy shortage is on the way. That answer—the answer for which everybody is waiting—is the production answer.

[From the Pittsburgh Press, June 10, 1979]

Moorhead's Bill Quietly Boosts Synthetic Fuels

(By Doug Harbrecht)

WASHINGTON.—Rep. William S. Moorhead calls it a "little bitty bill" that slipped out of the House Banking Committee last month so quietly that opposing environmental groups missed it.

But if President Carter and Democratic congressional leaders get behind it, as they unanimously pledged last week, Moorhead's sleeper of a bill may become one of the major pieces of legislation to emerge from this Congress, in much the same way that the Pittsburgh Democrat's New York City loan guarantee bill passed last year.

It may even save the North American continent, or so say Moorhead aides half-jokingly.

Moorhead has added a series of amendments to the 1950 Defense Production Act that would provide up to $2 billion to subsidize a synthetic fuel industry in the United States where none exists now.

The bill, providing standby emergency authority for the president to allocate resources in time of war, would make the Department of Defense a captive customer for 500,000 barrels of synthetic fuel a day, which is about what the military now uses in oil to run its tanks, ships and planes.

"This is what we should have done years ago," Moorhead said. In fact, he sponsored a similar bill in 1976 that failed to reach the House floor by one vote.

Carter, House Speaker Thomas P. "Tip" O'Neill, and House Majority Leader James Wright, D-Texas, now envision expanding Moorhead's bill to set a national goal of 2 million barrels a day by 1983.

The thrust of this new policy is to reduce the nation's dependence on foreign oil. Currently, the imports account for 50 percent of U.S. oil consumption and a yearly flow of $40 billion of American money to foreign producers.

Besides the $2 billion the bill provides for price supports on synfuels—of synthetic fuels—the bill also makes direct loans and loan guarantees to industries interested in developing synfuel plants.

As a last resort, it would authorize the president to establish government-owned corporations which would be leased to private industry for producing synthetic fuels from coal, shale, tar sands and farm products.

Actually, the plan is a rehash of New Deal government policy during World War II which started synthetic rubber and aluminum industries in America where none existed before.

"The longer we delay developing a synfuels capability, the greater will be the likelihood in a future crisis that our nation will be forced into a massive crash program funded fully by the federal government in order to achieve the same purpose," the committee's minority Republican view stated.

Republicans say Moorhead's plan could end up costing as much as $20 billion, but they are not objecting.

There is some opposition in Congress, although it does not appear strong enough to defeat it.

The dissenter in the 39–1 Banking Committee vote was Rep. Ron Paul, R-Texas, a Pittsburgh native and maverick conservative who has vowed to oppose the bill on the House floor. Paul is a strong advocate of the government keeping its hands off business.

"If synfuels are such a good idea, then businessmen should take the chance themselves," said Lew Rockwell, Paul's executive assistant.

Also, the bill gives Carter dictatorial powers, through a one-year extension of a 30-year-old act. "This is a Korean War bill, and the president should not have that kind of power," Rockwell contended.

Paul is joined in his opposition by a host of environmental groups, but for very different reasons.

"The guy's not off the wall on this, but there are better ways to solve our liquid fuels problem," said David Mazelli, energy policy director for Friends of the Earth in Washington.

Mazelli worries that the average synthetic fuels plant using coal, for example, would require much larger mines than the nation traditionally has seen.

One 50,000-barrel-a-day plant would require 10 million tons of coal a year, the amount that now comes from the largest strip mine in the country, Mazelli said.

Also, the manufacture of liquid fuels, which entails many complex processes, poses other environmental risks such as cancer-causing agents in the waste from the process, Mazelli contended.

Mazelli also doubted whether it is economically realistic to expect private industry to perfect the technology within five years.

"The first $2 or $3 billion we spend on this will produce some real turkeys," Mazelli said.

The largest pilot synfuel plant built so far in the United States was capable of turning out only 700 barrels a day, Mazelli said, and "anyone who thinks we are going to produce 50,000 to 500,000 barrels a day is kidding himself."

But Moorhead points out great potential in the bill for coal-rich Western Pennsylvania and for Pittsburgh's corporation's, two of which have large investments in synfuel technology.

[From the Pittsburgh Post-Gazette, June 8, 1979]

Synthetic Fuel Project Gaining Support in D.C.

(By Milton Jaques)

WASHINGTON.—A massive synthetic fuel program has apparently won consensus support from leaders in Congress and the Carter administration.

The program, proposing 500,000 barrels of oil extracted from coal for the Defense Department, has already been cleared 39–1 by the House Banking Committee.

Drafted by Rep. William S. Moorhead, D-Downtown, the bill is being held off from floor action while the leadership decides how much it wants to increase its fuel target.

Moorhead has scheduled a meeting Tuesday of his Economic Stabilization Subcommittee to hear Defense Department experts outline military uses of the synthetic fuel.

"If a decision is made to expand the bill, the Tuesday hearing will provide the basis on the record for the expansion," Moorhead said.

Moorhead's subcommittee got into the synthetic fuels legislation through amendments to the 1950 Defense Production Act, which is due to expire Sept. 30, unless extended by Congress.

With a number of other energy-related committees vying for leadership in energy legislation, the Banking Subcommittee won the race to the floor with the major bill on the strength of its provisions for the Defense Department.

The synthetic fuels program also became more feasible as foreign fuel prices rose drastically in recent months.

The plan is a resumption of World War II and Korean War government-supported industries which are operated by private firms to produce strategic materials.

The Moorhead version calls for 500,000 barrels a day of liquid synthetic fuel within five years, at a cost of $2 billion.

Congressional sources said the Moorhead bill may be expanded from two to five times, authorizing up to 2.5 million barrels a day of synthetic fuel production capacity, under the leadership plan.

[From the Congressional Quarterly, June 9, 1979]

HOUSE DEMOCRATS LOOKING TO SYNTHETIC FUELS TO MEET NATION'S ENERGY DEMANDS

(By Ann Pelham)

A desire to do something about energy is spurring congressional efforts to funnel billions of dollars into creating fuel from farm products, oil from shale, liquids from coal and other alternative fuels.

The move would require the government to purchase great amounts of the so-called synthetic fuels, no matter what the cost.

The guaranteed market, plus new government subsidies and loan guarantees for production plants, is designed to shove along the new infant industry, much as the government boosted new space technologies. Most synthetic fuels have been too expensive to compete in the marketplace with oil and gas.

Under the plan, risk for the new ventures would be assumed by the government, which would work in partnership with private industry. Companies already involved in government-sponsored projects to make synthetic fuels include Gulf Oil Corp., and Exxon Corp.

The synthetic fuels program has the support of top House Democrats, including Majority Leader Jim Wright, D-Texas. It is one of several congressional steps they are considering to reduce U.S. dependence on imported oil.

President Carter was presented with the plans at a June 5 White House meeting with Wright, House Speaker Thomas P. O'Neill Jr., D-Mass., and other congressional leaders. Carter was reported to be sympathetic to the concept, but made no commitment to support the proposal.

Legislation (HR 3930—H Rept. 96–165) requiring the government to purchase synthetic fuels was reported June 8 by the House Banking Committee.

In the name of national security, the panel voted 39–1 to require the Defense Department to buy the equivalent of 500,000 barrels a day of synthetic fuels by 1984. That is about the amount of gasoline and other oil products the agency now consumes daily. Total U.S. demand for petroleum averages close to 19 million barrels a day.

"We are spending $139 billion on defense, and we are an indefensible nation because we are dependent upon (outside sources) for 50 percent of our energy," said Stewart B. McKinney, R-Conn., during committee debate.

The bill authorizes the government to provide a potential synthetic fuel supplier with loans to build his plant, loan guarantees to back up commercial loans or a contract to buy what he produces at a price that covers all costs. Under the legislation, no supplier could provide more than 100,000 barrels a day.

The amendment to the Defense Production Act of 1950, sponsored by William S. Moorhead, D-Pa., authorizes $2 billion for fiscal 1980. But the Congressional Budget Office estimates the bill could cost the Treasury up to $18 billion over the five-year period specified.

OPPOSITION BUILDS

Opponents are already organizing. The diverse group includes Republicans such as Dave Stockman, R-Mich., and Ron Paul, R-Texas, the lone dissenting member of the Banking Committee. They object to the government tinkering with the free market system.

"Beside HR 3930," Paul noted in dissenting views, "the federal bailouts of Lockheed [Aircraft] and the Penn Central [Railroad] pale into insignificance."

Also opposed is Richard L. Ottinger, D-N.Y., who argues that the subsidies give an unfair advantage over solar energy to shale oil and other energy sources considered more damaging to the environment.

Wary of the approach are several other legislators, including John D. Dingell, D-Mich., who want more safeguards on how the money would be spent. "There's great opportunity for mismanagement," Dingell said.

In addition, he and others see the measure as overkill. "It's more than needs to be done to elicit the response necessary," Dingell said. "If you want to catch a catfish, you give him a little wad of dough; you aren't going to give him 40 pounds of dough."

BACKGROUND

The administration has endorsed aid to synthetic fuels in budget proposals and suggested that some revenues from the proposed windfall profits tax on oil be used for development of synthetic fuels. But Carter has been concerned about paying for the very expensive projects.

Demonstration and research projects for synthetic fuels that are already under way have been caught up in traditional congressional pork barrel politics, with legislators fighting to get the valuable projects in their districts. (*Background, 1978 Almanac, p. 688.*)

Proposals for major subsidies of synthetic fuels have been before Congress in the past. In 1975, the House killed a Senate proposal authorizing $6 billion in loan guarantees for synthetic fuels projects and price supports. In 1976, the House voted 192–193 against a rule providing for floor consideration of similar legislation. (*1975 Almanac, p. 288; 1976 Almanac, p. 174.*)

One problem in 1976 was that four different committees shared responsibility for the legislation—and reported four different versions. The Banking Committee has avoided that problem by narrowly drawing its legislation. By limiting the price supports to fuel purchased for defense purposes, the panel kept the Commerce Committee from claiming jurisdiction. By stating that no research into new technology was called for, it made sure the Science and Technology Committee did not get involved. The fourth committee with a role in 1976 was Ways and Means, which participated because of tax provisions in that bill.

But the primary reason chances for the program have improved is the widespread feeling among legislators that they must do something to ease U.S. dependence on unstable and shrinking supplies of foreign oil.●

THE PLIGHT OF PETKAS AND GAJAUSKAS: PRISONERS OF CONSCIENCE

HON. WILLIAM J. HUGHES

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 13, 1979

● Mr. HUGHES. Mr. Speaker, as we look around us at this time of year, we are reminded of new life and rebirth. The presence of spring somehow reminds us of the continuity of freedom shared by all citizens of the United States, and the hope that someday citizens everywhere will enjoy exercising the liberties we too often take for granted.

But along with spring comes a special date, June 15, which marks the occupation and forced annexation of Lithuania by Soviet forces. This date is an unpleasant reminder of oppressed freedoms and the lack of concern for the most basic rights of speech, religion, and national identity by the Soviet Union toward the Eastern European community.

I would like to take this opportunity to point out two particular cases concerning Soviet oppression of Lithuanian citizens who attempt to exercise civil liberties. By exposing their quests for freedom, and by gaining the support of my fellow Representatives for their releases from Soviet confinement, I hope that all nations will realize and appreciate the importance of the most basic freedoms, and the price that must sometimes be payed for them.

The Lithuanian-born Vicktoras Petkas has spent his entire life fighting for human and religious rights along with attempting to spark national identity movements in Estonia, Latvia, and Lithuania. He has served two previous sentences in Soviet prisons at hard labor for what he and most of the world feel are the most just causes. He is now serving another 10-year sentence at hard labor in what has been termed unbearable conditions.

Vicktoras Petkas has no living relatives to defend his case in the Soviet system of injustice. It is our responsibility as the driving force behind the free world to plead his case and politely demand his release from prison. Petkas' release would be a great accomplishment in the fight for worldwide human rights.

At the same time, and perhaps more importantly, we can offer this great man a partial compensation for his persistant goal of freedom—the opportunity to enjoy the liberties of this free Nation.

Petkas' fellow Lithuanian, Balys Gajauskas, shares an equally tragic story. Fighting for the same goals as Petkas, Balys has spent over half his life in Soviet concentration camps. From 1948 until 1973, he served a 25 year prison sentence. In 1978, only 5 years after his release, he was sentenced to 10 years of "the most severe prison regime" which is the highest level of Soviet punishment. He is now a very sick man due to his first grueling experience in prison, and faces the threat of seeing his dream of freedom follow him to the grave.

Balys Gajauskas is severed from his wife and family but he fortunately has relatives in this country to plead his case and keep us informed of the circumstances under which he lives. While serving his first sentence, he mastered 18 languages. He has the potential to make many contributions to a free world, and we should do everything within our power to see to it that he lives the remainder of his life in such a society.

These two men have been guided by the same spirit which guided our forefathers in their quest for freedom over 200 years ago. We are fortunate that our forefathers succeeded, but these two men will probably pass on long before their dreams ever become realities. But we can offer them a partial compensation by exerting the right diplomatic pressure to secure their freedom, and by extending an invitation to enjoy existing freedom in the United States. Our current State Department policy toward Eastern Europe is to encourage any national movement. By exposing their plight and securing their freedom, we will be taking a large step in that direction, and at the same time, we will be offering Petkas and Gajauskas the opportunity to be reborn into a life of Western liberties.●

ST. PATRICK'S CATHEDRAL—A CENTURY OF SERVICE TO THE PEOPLE OF NEW YORK CITY

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 13, 1979

● Mr. BIAGGI. Mr. Speaker, the city of New York has long been blessed with beautiful and impressive buildings, but perhaps the most famous of them all is the one on Fifth Avenue and 50th Street which recently celebrated its 100th anniversary, St. Patrick's Cathedral.

St. Patrick's has played host to a variety of visitors from all over the world. Tourists take pictures of its towering twin spires, parades always inevitably march by its massive bronze doors and religious personalities of all denominations and converts from all walks of life have come to pray inside its cavernous interior. The most celebrated moment of the cathedral's history came on October 4, 1965 when Pope Paul VI celebrated mass in St. Patrick's in his capacity as the first pope to visit the new world. Interestingly enough, when Polish Cardinal Karol Wojtyla visited there in 1976, a few people had their pictures taken with him and since his election last year, the pictures have not surprisingly become a prized commodity. I am certain that should Pope John Paul II visit this country, St. Patrick's Cathedral will again be a papal visit of primary importance.

Even today, St. Patrick's stands as a monument to the great sacrifices as well as the generosity of the Catholic citizens of New York City. The heavy stream of immigrants, more than 75,000 alone by the turn of the century, which found their way to New York City were greeted with open arms by the parishioners of St. Patrick's. When the poor and destitute had no place to stay and when the sick had no one to take care of them, Archbishop Hughes, who first conceived of the idea of the Cathedral, offered them help, a place to stay and clothing to wear. When the construction for the church began, little did Archbishop Hughes know that the $73,000 he began with would be a mere prelude to the $10 million more that would be spent on construction and that the daily operating expenses of the church would run into the thousands.

Nor did he ever think that St. Patrick's, the one-time local parish would become the "Mother Church of New York," receiving over 5 million visitors a year. What he envisioned was a quiet and spiritual haven for the people of New York City where they could come to think, to dream, and to pray. When John Cardinal McCloskey, who 4 years before the opening of St. Patrick's became the first American to be named a cardinal, celebrated the opening Mass in May 1879, little did he know that 100 years later that it would become a haven for busy New Yorkers, looking for spiritual relief in an otherwise hectic day.

Archbishop Hughes was the first in a long line of devoted men of the Catholic Church which have guided St. Patrick's Cathedral throughout its century of existence. Over the years, each archbishop of New York, together with his devoted priests and parishoners have helped St. Patrick's fulfill its spiritual mission. The spires, which can be seen from 20 miles away, were erected during the time of Cardinal McCloskey. The planning and construction of the Lady Chapel was the work of Archbishop Corrigan and Cardinal Farley. The ministry of Cardinal Hayes was highlighted by the additional embellishment of the interior of the cathedral. Following this tradition, the beautiful bronze doors and the magnificence of the alter and sanctuary were due to the work of Francis Cardinal Spellman.

St. Patrick's Cathedral is and always will be an integral part of New York City life. In the words of the Archbishop of New York, Terence Cardinal Cooke:

> Through all of these hectic years, she has watched as New York grew up around her to create the world's most famous skyline. She has seen millions come by land and sea and air to seek their fortune here and live out their lives. She has stretched out her loving arms to welcome every race and class and culture.

St. Patrick's Cathedral has and always will be, a monument to the past, the present, and the future as the Mother-Church of New York.●

POLISH GOVERNMENT DENIES EXIT VISAS TO A FAMILY WHICH WANTS TO VISIT A DYING ST. PAUL MAN

HON. BRUCE F. VENTO

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 13, 1979

● Mr. VENTO. Mr. Speaker, I have never ceased to wonder at what appears to be the cruel vindictiveness of totalitarian regimes toward vulnerable, little people. The hard, senselessness of bureaucracies in tyrannical governments is the stuff of many news stories in lands wherever there is the semblance of a free press.

At hand, in the St. Paul Dispatch of June 12, 1979, is to the touching account of a dying man, Jan Puszkarz, who is being denied the company of his daughter and grandchildren because his truck-driver son-in-law is considered a "necessary worker" and will not be granted an exit visa by the Polish Government.

This has been one of the most frustrating matters my staff has been involved with in a long time. The complete absence of compassion is without parallel in our experience.

The article from the St. Paul Dispatch follows:

[From the St. Paul Dispatch, June 12, 1979]

FAMILY WAITS; TIME RUNS OUT

East Sider Jan Puszkarz, a retired janitor, is tough to buy for this Father's Day.

The father of three dauughters, Puszkarz, who is suffering from terminal bone cancer, wants only a gift from the land which he left seven years ago. The present has not been shipped.

Puszkarz, of 991 E. Rose Ave., is waiting for the delivery of his daughter and son-in-law and their two small children, a package which is sitting neglected in a little town in Poland.

"I cannot die," said Puszkarz, 66, who is bedridden in a doubleroom on the third floor of St. Joseph's Hospital. "I have to see them. I have to see them."

Puszkarz, who was a farmer in Poland, speaks little English and communicates well only with his wife, Eugenia, and daughters Anna Napiorkowski and Julia Rahn.

He cannot understand the reluctance of the Polish government to release his family, which seeks to live permanently in the United States. He yearns to embrace grandchildren he has never seen.

Mrs. Napiorkowski, of 1076 E. Rose Ave., began five years ago proceedings to bring the Wikton Daszcyszak fámily to Minnesota. The attempts were frusted, she said, but her sister, Janina, was allowed to visit her ailing father for a month last fall.

As her father's condition worsened, Mrs. Napiorkowski intensified her efforts to bring over the family, which includes Katyrzyna, a 5-year-old girl, and Krzysztof, a 19-month-old boy.

Mrs. Napiorkowski, who is married and the mother of two, contacted 4th District Congressman Bruce Vento and Robert Hess, his administrative assistant in St. Paul. She also corresponded with the office of Vice President Walter Mondale.

Vento and Hess, who have been especially helpful in the case, communicated frequently with the U.S. State Department, the Polish Embassy in Washington and the American Embassy in Warsaw.

Nevertheless, the Polish government on April 9 denied the Daszczyszaks an exist visa.

Hess, who has successfully handled many immigration matters, is baffled by the denial. Explanations by Polish officials are vague if not harsh.

The American Embassy in Poland has informed Mrs. Napiorkowski that her relatives are being detained for "important social reasons," she has been told that Wiktor, a former bus driver who now operates a truck, is considered a "necessary worker" in the communist nation.

Mrs. Napiorkowski said the family here still hopes that the Polish government will rescind its denial of the passorts. But since her father is failing rapidly, it is imperative that his happen soon.

Mrs. Pustkarz works at Model Cleaners, where her husband worked on a clean-up crew. She and the other members of the family also are seeking assistance at St. Casimir Catholic Church, where many city Poles worship.

"It's so sad," said Mrs. Napiorkowski. "My father worked so hard in Poland. He's so nervous, so depressed. Why can't they let them come?" ●

LIBERALS TRY TO OUTFLANK TAX REVOLT

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 13, 1979

● Mr. ASHBROOK. Mr. Speaker, it has become clearer than ever that liberalism as a political force in America is exhausted. It is now the right, not the left, that offers daring new proposals for solving people's problems—from decentralizing education to cutting tax rates across the board. Think of the sweeping kinds of initiatives that liberals were so fond of in the recent past: Comprehensive economic planning, a guaranteed annual wage, Government control of energy development. This year's Congress is not seeing boldly trumpeted legislative schemes like the Humphrey-Hawkins bill, or the Nixon-Moynihan family assistance plan, or the Rockefeller-inspired $100 billion "energy independence authority." The philosophy behind these approaches has been tested for the past 15 years, and the voters have observed the results of that test and have drawn the proper conclusions.

That is why we have a tax revolt. The liberals have learned—the hard way for some of them—that their ideas just are not popular any more. Unfortunately, they have not learned that those ideas are wrong in and of themselves. The Washington establishment has not abandoned its discredited objectives: Instead, it has turned to stealth and subterfuge to push the same tired, old big-government policies.

The liberals know that it is not possible for them to push through Congress the kind of forthrightly radical ideas about welfare that were embodied in the discredited family assistance plan. But that has not stopped them from moving toward a back-door guaranteed annual wage through steady increases in existing welfare programs. Payments under the aid to families with dependent children program have increased tenfold since the mid-1960's. The food stamp program has increased more than 15,000 percent over the same period.

Comprehensive economic planning is dead, but liberals use the rhetoric of environmentalism to put the private sector into as tight a straitjacket as possible. The House-passed Alaska lands bill will block private development of 2 million acres in the arctic National Wildlife Range, which geologists estimate may contain up to 14 billion barrels of oil.

Over the next decade this measure will deny more than 2,500 gallons of gasoline to the average American family. At current rates of consumption, that is about a third as much gasoline as a one-car family would use in that period!

The Washington establishment has a vested interest in energy shortages, since they provide an excuse for new bureaucracies and bureaucratic programs. That is why the Carter administration tried to suppress a report from its own Energy Research and Development Administration which indicated that domestic reserves of natural gas are sufficient to meet our needs for the next 1,000 years.

The administration is willing to let consumer prices rise, but only if much of the extra revenues go to the Government rather than to the private companies which might actually develop new fuel reserves. As long as Washington continues to impose crazy quilt regulations on domestic producers, the energy crisis will continue.

An even more destructive instance of liberal subterfuge is the back-door tax increases which sap our citizens' purchasing power every year without being voted on by Congress. Workers get pay increases from their employers to meet the higher cost of living, only to find that they are worse off than they were before because they have been pushed into higher tax brackets. This process of "bracket creep" causes Federal tax revenues to go up by nearly 17 percent with every 10-percent rise in inflation. The administration's proposed budget calls for tax increases of 10.3 percent in 1980 and 14.5 percent in 1981, to be financed primarily by inflation. And yet, the budget is still in deficit. Congress could end this charade by voting to index the tax rates to the cost of living, but the liberal leadership would rather keep squeezing our Nation's workers than give up any of its spending programs.

Fortunately, the electorate is smarter than the liberals think it is. Voters are demanding specific steps to cut Federal taxes and spending and restore vigorous growth to the private sector, and they are going to notice who responds to those demands and who does not. The tax revolt is not going to go away until its demands are met. ●

NIE COMES OF AGE UNDER GRAHAM

HON. WILLIAM D. FORD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 13, 1979

● Mr. FORD of Michigan. Mr. Speaker, in 1972 our colleague from Indiana, the distinguished majority whip, helped guide into being a new enterprise designed to consolidate and improve Federal efforts to learn more about how children learn and how to create effective classroom and school management techniques, the National Institute of Education (NIE).

For several years, Mr. Speaker, the Institute languished in relative obscurity because, as in all research endeavors, a considerable amount of time and patience is required before results begin to appear.

Then, 2 years ago, the President appointed a really quite remarkable educator as the new Director of NIE, Patricia Albjerg Graham.

Dr. Graham, aware that Members of Congress were beginning to wonder when their investment in research in education would begin to show some results, made it a first order of business to spend some considerable amount of time with Members of the House of Representatives and the other body explaining the substance of the agency's work and where they were headed.

Moreover, she made considerable progress in informing us of the new results that were beginning to appear from NIE-supported work. I will cite just a few:

Last year the Committee on Education and Labor, upon which I am privileged to sit, had the benefit of the most thorough and objective evaluation of Title I of the Elementary and Secondary Education Act ever completed as we considered reauthorizing Title I—if evaluations of this kind were available on every Federal program on which we must vote, the complexities of our work would be considerably lessened;

Also last year, NIE published a landmark study of the extent and seriousness of violence and vandalism in our schools which has been well received by the school community and widely reported upon in the popular press;

This past winter, 229 stations in the Public Broadcasting System network began broadcasting Project Freestyle to reach nearly 5 million viewers—a project designed to teach adolescent youngsters more about the world of work;

NIE conferences and workshops now underway on the question of student achievement in tests are making a major contribution to our teachers and administrators as they seek to understand the value and limitations of testing.

Mr. Speaker, Pat Graham also demonstrated that she has a sound grasp of management principles when she reorganized NIE so that its major program areas would better reflect the two major missions assigned it by the Congress: Enhancing equity in education and improving educational practice through research.

In pursuit of those two goals she enunciated two major themes which run through the agency's funding plans: First, examining literacy so that we can control the really quite alarming declines in student achievement in this society; and second, investigating the characteristics of truly effective schools.

The result of this work has been that NIE's stature in the eyes of the authorizing and appropriating committees has grown considerably. Last year the 1978 education amendments authorized the NIE to conduct the national assessment of educational progress, and authorized additional funds to do so. The conferees on that bill noted that NIE had become a "unique and valuable" resource to educators and policymakers alike.

Moreover, the appropriations committees in both bodies have increased the agency's budget from $70 million in 1977 to $96.8 million in fiscal 1979.

Mr. Speaker, a great deal of the credit for this situation must go to Pat Graham and her two capable deputies, Michael Timpane and Gladys Hardy.

All of my colleagues join me, I know, in wishing her well as she returns to private life. She has made a distinguished, professional contribution to the Department of Health, Education, and Welfare during her term in public service.●

MARIJUANA AND DRIVING

HON. ROMANO L. MAZZOLI

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 13, 1979

● Mr. MAZZOLI. Mr. Speaker, I commend to the attention of my colleagues an article, entitled "Marijuana and Driving: The Sobering Truth," which appeared in the May edition of Reader's Digest.

The potential health hazards of marijuana and the threats to our safety of motorists driving under the influence of marijuana makes me all the more confident that legalizing marijuana would be an ill-advised action.

The Reader's Digest article follows:

Marijuana and Driving: The Sobering Truth

(By Peggy Mann)

(A growing number of stoned motorists are endangering lives on our highways. Here's what must be done.)

Recent studies blow the warning whistle on a little-publicized but nonetheless frightening new menace to motorists: the pot smoker driving "high" on the highways. Persuasive evidence is mounting that such drivers often have a distorted sense of space and time, altered peripheral and central vision, and impaired manipulative and coordination skills.

Surveys reported by the National Institute on Drug Abuse (NIDA) reveal that 60 to 80 percent of the marijuana users questioned sometimes drive while "intoxicated" on pot. Every day, increasing numbers of stoned drivers are endangering lives—as pot use escalates into what NIDA calls "a national epidemic among young people." (The latest countrywide survey shows that one out of every nine high-school seniors smokes pot daily, almost twice the 1975 figure.)

Our nation is both unaware of the marijuana highway crisis and unprepared for it. Many states have inexpensive and legally recognized tests for establishing alcoholic intoxication. However, we have no workable roadside test for marijuana intoxication. (NIDA is funding research on such a test, but it is probably three or four years away from being ready.)

In 39 states, possession of marijuana is still a crime, but enforcement is generally lax—and pot smokers know it. Of the 11 states that have decriminalized marijuana, only Alaska and Minnesota have thus far enacted a special increased penalty for possession of pot in a vehicle. In all 11 states, many pot-smoking drivers mistakenly believe that decriminalization implies governmental sanction to smoke marijuana—anywhere.

The politicization of pot has helped to obscure the picture. But when emotions and polemics are cleared away, both pro- and antidecriminalization forces agree that it is dangerous to drive stoned. Even the National Organization for the Reform of Marijuana Laws (NORML), which supports removal of all legal penalties for possession of pot for personal use, "strongly discourages driving while under the influence of marijuana or any other drug, and recognizes the legitimate public interest in prohibiting such conduct."

The "legitimate public interest," however, is *not* being protected. Highway officials nationwide express profound concern. Richard L. Burton, former commissioner of Alaska's Department of Public Safety, is among the most apprehensive, saying, "The alcohol problem on the highways will soon be only half as serious as marijuana—and that's not because the alcohol problem is going to get any better!" And Lee Dogoloff, White House adviser on federal drug policy, states: "It is essential that Americans understand the very real hazards of driving while marijuana-intoxicated."

How much does marijuana contribute to traffic accidents and fatalities? Research findings have been remarkably consistent. In 1975, the Boston University Traffic Accident Research Team surveyed 267 drivers deemed "most responsible" for a fatal accident. Sixteen percent of the 267 drivers had been smoking marijuana prior to the fatal accident. Statistically, "marijuana smokers were over-represented in fatal highway accidents," the study concluded. Other traffic-fatality studies in Albuquerque, N.M., Baltimore, and in Oklahoma City yielded a similar incidence of marijuana involvement.

California's Department of Justice has made the first large-scale study directly relating marijuana to traffic arrests. The study, completed last year, covered 46 of the state's 58 counties and examined 1792 blood samples (randomly selected from 19,000 turned in by the California Highway Patrol) from drivers arrested for traffic accidents or for driving under the influence of drugs. The tests were made with an expensive radioinnunoassay laboratory technique that can analyze blood samples for molecules of THC (tetrahydrocannabinol), the chief mind-altering ingredient of marijuana. Sixteen percent of the 1792 arrested drivers had sufficient THC in their blood to constitute marijuana intoxication.

Victor Reeve, supervisor of the California study, pointed out: "This must be regarded as a conservative figure because, of the drivers arrested, fewer than half agreed to give a blood sample. How many of the remaining drivers were under the influence of marijuana we will never know."

How does pot affect driving abilities? More than 50 studies have been made in the United States since 1970, when standardized grades of so-called "NIDA marijuana" were made available to researchers. Says Herbert Moskowitz, a University of California research psychologist who has probably done the most work on marijuana with simulated driving studies: "The preponderance of evidence indicates that marijuana impairs skills performance and perceptual processes, including vision, attention, and tracking behavior—all important components of driving performance."

Such impairments as tracking performance are significant after two "street joints." Drivers may imagine they are doing a fine job of keeping the car in the correct lane, when in fact they are weaving.

In addition, marijuana can cause: impaired night-driving abilities, impaired short-term memory function, impaired concentration, impaired ocular motor control and impaired vigilance.

These results are generally obtained in driving-simulator tests—and most people drive *better* under simulated conditions than they drive normally.

However, one test was carried out in *actual* driving conditions by Dr. Harry Klonoff, professor of psychiatry at the University of British Columbia. He chose 64 psychologically stable subjects who had used marijuana before. One third were given a low dosage of one street joint, one third received a high dosage of two joints, the other third received placebos. With dual controls and an observer in each car, all 64 volunteers drove through a closed course with no other traffic. Low-dose subjects showed a 33-percent significant decline in driving skills, while high-dose subjects showed a 55-percent significant decline.

Thirty-eight drivers also covered a 16-mile route from the university campus to the traffic-heavy downtown area, and back again. These 38 were rated by the system used to examine drivers for licensing. Final figures for the road test showed that those on the low dose had a *42-percent decline* in driving skills, while the high-dosage subjects had a *63-percent decline*. Unusual driving behavior, Klonoff reported, included missing traffic lights or stop signs, poor handling of the vehicle in traffic, unawareness of pedestrians and stationary vehicles.

Of 11 behavioral components tested, the three of greatest vulnerability were judgment, caution and concentration—despite the fact that some of the subjects paid special attention to their driving to prove that pot had no impairing effects.

How long does *marijuana continue to affect driving skills?* Studies in 1972 showed a definite decrease in skills performance 5 to 6 hours after intake of a strong social dose of marijuana. Another worrisome factor, reported in 1976 by NIDA, is that a person may attempt to drive without realizing that his functioning is still impaired—even through he or she no longer feels "high."

A 1972 study of driving behavior in a safety-controlled area showed a "marked" decline in driving abilities was still present 5 to 6 hours after intake, a "definite" effect 8 to 10 hours after intake, and a lingering effect as long as 24 hours later. Another factor: Many chronic pot smokers reported that only a few puffs of "good pot" (with a high THC content) can result in a sudden intense high (if this happens on the highway it can be frightening and dangerous).

Do pot users recognize the danger of driving while stoned? Chronic pot smokers tend to view their driving impairments through rose-colored glasses. Among more than 1000 people arrested for marijuana possession in Minnesota, 25 percent thought pot had no effect on their driving. More than 25 percent thought pot actually improved their cooordination. Some enthusiasts *prefer* driving stoned, saying that it becomes less boring. "I get more into my driving" goes the refrain.

Dr. Joseph Davis, the medical examiner in Dade County, Fla., with Arnold W. Klein and Dr. Brian D. Blackbourne surveyed 571 local college and post-graduate students on pot and driving. In every driving category former and infrequent users sharply downgraded their ability to perform while stoned, while chronic pot smokers gave themselves quite good grades. Despite their cheery assessments, 53 percent of the cronic users had been stopped by police for driving under the influence of drugs; 22 percent had three or more violations, compared with 2.3 percent of non-users. Eight percent had had their license revoked, compared to one percent of the non-users.

The alcohol-drunk driver usually finds it hard to hide his condition, if stopped by police. But the pot-high driver often believes he can "come down" and carry on a seemingly normal conversation with a police officer. This apparent ability to "hide their high" gives many pot smokers confidence that they can drive stoned.

One such self-assured driver, a 30-year-old medical sociologist—a heavy drug user and daily pot smoker for about five years before he swore off drugs—reported smoking a few joints at a friend's house. Then he borrowed his friend's car, certain that he could handle whatever might turn up on the road—including the police. "But," he recalls, "as I drove down one of the busiest steets in the city, the dream-like pleasure I usually felt when driving stoned suddenly burst into a total psychedelic experience. All I could see was a myriad of tiny dancing lights. I was so totally spaced out that I had no awareness of even being *in* a car, much less driving one."

When a traffic light turned red, he didn't notice it, and crashed into a small car. He got out, danced a little jig, walked away and wandered around the city for hours. "I knew something had happened. But I didn't know what."

Around 4 a.m. he remembered, and turned himself in to the police. He learned that he had wrecked his friend's car, and had totally demolished the small car in front of him—which had, in turn, crashed into the sedan in front of it. Remarkably, no one had been seriously injured.

What can be done—now? We need not wait helplessly until scientists come up with a roadside kit for testing THC levels, and states enact laws to deal with marijuana-intoxicated drivers. There are two avenues we can take right away.

First, state legislatures should immediately pass laws imposing a high fine and/or other stiff penalty for possession of marijuana in a vehicle—including taxis, buses, trucks, trains and planes.

Second, we must inaugurate educational programs by governmental agencies, insurance companies, foundations, private groups and, especially, high-school and private driving instructors. (A friend of mine taking a driving course was offered a joint by an instructor, "to relax.") Coordination of effort will increase the impact of the message: it's dangerous to drive stoned.

Brochures should be distributed at toll booths, gas stations, garages. Car users are a captive audience, and "spot warnings" can be tailored to a range of radio programs. The American Automobile Association and National Safety Council could begin a nationwide information campaign.

Unless we move in these directions, warns NIDA's Robert Willette, who is responsible for developing THC test kits, more and more pot users will be driving high. "We can only hope that growing awareness of the problem," he says, "will prevent a national disaster."●

CARRYING OIL TO NEW CASTLE

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 13, 1979

● Mr. McDONALD. Mr. Speaker, Mr. Alfred H. Kingon, editor-in-chief of Financial World recently wrote a fine editorial on the energy problem pointing out how much of it can be solved through the use of coal. However, at the same time, he points out how much we have inhibited ourselves from using this same coal by various acts of the Congress. I do not agree with his comment on nuclear energy in that I feel the safety and storage problem are both solvable and that nuclear energy is necessary and useful. The editorial is an excellent summary of how we have worked to create our own energy problem:

CARRYING OIL TO NEWCASTLE

If you believe that just outside our great harbors are endless lines of tankers chock-full of oil to heat your home and fuel your car, read no further. In passing though, I might suggest that there is about as much chance of that as a solution to the energy crisis, as there is that the budget will be balanced, inflation will hit the President's targets of last January, and that the Camp David accords produced everlasting peace in the Mideast.

Why is it that humans, especially Americans, react to great and overwhelming danger by focusing on fantasies? Is it to avoid recognizing the potential calamity that surely lies on the path ahead?

Think back. Was there one analyst, or industry leader, or government official who warned us of the incredible risk that the Western World faced when OPEC was a fledgling?

I know of only two. One was Vern Myers, who at the time was editing his magazine, *Oilweek*, up in Canada. The other was Jean Paul Getty.

And now Myers, who writes a newsletter under his own name out of Spokane, Washington (*Myers' Finance and Energy*) is warning again in his May 4th issue that we are in mortal peril; yet we not only fail to recognize it, but are obdurate in our refusal to take the easy way out.

His answer? Coal!

The fundamental errors of the Administration's energy policy have been detailed many times on this page. The price you are now paying for gasoline, if you can get any, is testimony to that. Unless and until our leaders in Washington understand and allow the free market to work, unless and until our leaders in Washington unshackle productive resources in this country, we will never have enough oil to run our cars, heat our homes and maintain our economy. To think otherwise is madness.

But focus, if you will, on the long term. As soon as the 1973 embargo was in effect, even the earliest appraisals of alternatives conceded that our dependence on fossil fuels would last at least until the 1990's, and that we had an almost inexhaustible supply of coal. So take a guess at what our peerless chieftains in Washington have accomplished in the five and a half years since the first embargo.

Well, for one thing, they increased our dependency on oil by nearly 40 percent.

And while allowing an increase of our nuclear power, they demonstrated that they don't know how to handle its safety or eliminate its waste products.

And they have increased our coal production by a staggering—1 percent!!

The idiocy of national policy becomes more evident when you realize that to keep the economy going at today's level we would have to find a new Alaskan North Slope every 16 months, and to keep the free world going a new Saudi Arabia every eight years.

And it will not do to shrug our shoulders and wonder why the Creator seemed to put all the oil in the hands of an increasingly antagonistic Moslem world, because beneath our lands is enough coal to make the U.S.A., as Myers puts it, "the Saudi Arabia of coal."

Listen to his summary of the facts:

The U.S. has 218 billion tons of coal underfoot and recoverable right now.

One ton of coal creates the energy in four barrels of oil.

This amounts to approximately 900 billion barrels of oil. (Saudi Arabia's oil reserves are about 165 billion barrels.)

The technology to remove it is ready or nearly ready.

One ton of coal sells at about $25, i.e., just over a $6-a-barrel oil equivalent; oil now costs us $17 a barrel (Mideast crude) heading towards $20.

Since 1973 our dependency on oil is up over 35% and we have increased our dependence on OPEC by roughly that same amount long term, while coal production is up only 1%.

Don't think that we haven't done anything about coal. While our coal production is up by a lump or two, we have produced a bumper crop of bureaucratic red tape. Here's Myers summary of the recent laws coal producers must buck:

"The Surface Mining and Control Act (1977), The Federal Safety and Health Act (1977), The Surface Mining Control and Reclamation Act (1977), The Federal Land Policy and Management Act (1976), The National Forest Management Act (1976), The Alaska Claims Settlement Act (1971), The Federal Coal Leasing Amendments Act (1976), The Mining in the Parks Act, The Clean Air Act and Clean Air Act Amendment (1977), The Federal Coal Mine Health and Safety Act (1969) and the Community Health and Environment Surveillance System."

So where does this leave us? We are in the most vulnerable position in our 200-year history. We are allowing our life stream to become dependent, literally, upon the maintenance of peace in the Mideast. And should war erupt in that historically troubled area for whatever reason, we, as well as Japan and Western Europe, would be unable to avoid catastrophe in a matter of months. And yet we sit on top of a natural resource that makes us still the most energy-rich country on the face of the earth.

Moreover, a concentrated effort has enabled us to hurl rockets into outer space so that we may view in awe the planets and their satellites. Surely then can we not develop the technology and the chemistry to mine and burn coal safely and cleanly?

It's bad enough that the government has put its unproductive, inefficient, battle-scarred hands on the productive resources and the free market that have provided our energy until now. It is nothing short of suicide if this same government refuses to allow the development of the energy source, widely known and freely used, that can keep this nation alive.

It has to be said up front, and we had all better recognize it, that if there is a severe energy crisis in the next few years, it will not have been created by our Sunday drivers, our commuters, our workers, or investors or our oil companies. It will not have been a function of either greed or extravagance. It will not have been caused by the lack of resources or the technology to utilize those resources.

In the aftermath of disaster, when blame will be apportioned, it will all belong to a parade of Presidents and Congresses that have stymied exploration, production and distribution of gas, oil and above all coal with price controls, quotas, tariffs, taxes and every other known mechanism to foul up economic machinery.

Only the government that instituted these things can remove them. And only you can remove the government.●

UNITED STATES STEEL CORP. AND THE MON-YOUGH VALLEY

HON. JOSEPH M. GAYDOS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 13, 1979

● Mr. GAYDOS. Mr. Speaker, recently the Mon-Yough Chamber of Commerce in southwest Pennsylvania sponsored a series of seminars to emphasize the importance of steel production to the area and its residents. These seminars were extremely significant since the economy of this highly industrialized area is built upon steel and the jobs of more than 30,000 steelworkers depend upon its continued production.

The first program centered on the importance of our inland waterways to our domestic steel industry; the second detailed the adverse impact foreign steel imports have had on that industry; the third outlined the effect of governmental regulations and controls on the industry's viability and the final session summarized the overall situation—past, present, and future—of steel in our area.

This "wrap-up" session was conducted by Mr. Robert W. Smith, group vice president for United States Steel Corp., who spoke of the decline of the industry over the past two decades, outlined what has been done to reverse that trend and what must be done to insure the stability of the industry and the economy of the Mon-Yough Valley.

Mr. Smith's comments were particularly interesting in view of his corporation's conclusion of a new agreement with the Federal Environmental Protection Agency just a few weeks ago. That agreement demonstrated United States Steel Corp.'s commitment to the area and the hundreds of thousands of people who live and work there and to whom the production of coke and steel is bread and butter.

Our people welcomed the news of the agreement for it signaled a commitment to their future security. They were heartened by Mr. Smith's declaration that the Mon-Yough Valley, once a monument to high achievement and steel production, would remain "a valley of decision and promise, not a valley of lost mills, lost jobs, and lost opportunities."

These people have weathered the economic storms that have battered the area's steel industry over the past 20 years. They understood too well what Mr. Smith meant when he described the downturn in fortunes over that period as the equivalent of losing one entire integrated steel plant.

But, how many Members here understand what the loss of such a plant means to a steel-producing area such as the Mon-Yough Valley? Mr. Smith graphically illustrated the point with a succession of jolting facts which I believe are most enlightening.

The loss of an integrated steel plant means the loss of coke batteries capable of producing 2 million tons a year. It means the loss of a dozen ironmaking blast furnaces. It means the loss of steelmaking capacity equal to 80 open hearth furnaces. It means the loss of five primary mills, four bar mills, and two rod mills. It means the loss of 12,000 steelworker jobs.

Those are shocking statistics but they do not tell the whole story. Mr. Smith did not attempt to describe the spreading paralysis that grips our valley when steel production is endangered. I do not believe anyone could depict such a development accurately. Our valley is built on steel production and its collapse would bring down hundreds of smaller businesses, dependent upon it; eliminate the jobs of thousands of workers outside the steel industry and ruin the lives of hundreds of thousands of people.

The Mon-Yough Valley, however, is not the only area in the Nation dependent upon steel for economic survival. The Nation as a whole must maintain a strong and viable domestic steel industry. We cannot afford to become the wards of foreign steel producers as we have become reliant on foreign oil for our energy needs.

There is no question about the importance of steel. Yet, in the summer of 1977 a chain of events occurred that threatened the industry with a massive internal upheaval that, had it been allowed to continue, would have sent the Nation into convulsions. How did this situation come about?

Mr. Smith said a combination of circumstances was responsible: The advancement of steelmaking technology, the natural shifting of steel markets to other geographical areas, Government's indifference to the enforcement of trade laws which made domestic steel producers vulnerable to the unfair trade practices of foreign competitors, and the industry's efforts to grow and remain competitive in domestic and international markets.

But, the steel executive also said there have been recent signs that conditions are changing for the better. He cited as examples the EPA agreement, the attitude of the International Steel Committee, an organization of 20 steel-producing nations, and the "trigger price mechanism" a program launched by the administration at the urging of industry, labor, and the congressional steel caucus to control steel imports and halt the illegal "dumping" of foreign products here below fair market value.

Mr. Smith described the EPA agreement as "the best that could have been negotiated given the environmental laws and regulations now in effect." The expenditures of $400 million for new air and water quality controls will not add 1 pound of steel production, he said. "We won't be larger," the steel executive emphasized, "but we'll be better, more modern."

The International Steel Committee, he explained, now espouses a position long held by United States Steel Corp.; that is, "domestic policies to sustain steel firms during crisis periods should not shift the burden of adjustment to other countries."

Mr. Smith indicated some reservation about the TPM. Imports in the first quarter of 1979, he said are below the total recorded in the same period last year. But, he hinted there may be other reasons why foreign producers have slowed their exports—and unemployment—to the United States. I share Mr. Smith's caution. I wonder if foreign manufacturers are not holding back until they see the reaction of Congress to the multinational trade agreement now being negotiated by the administration.

Mr. Speaker, I applaud the Mon-Yough Chamber of Commerce for undertaking a project to acquaint its members and the general public with the problems affecting and facing the domestic steel industry which is so important to them. And, I commend the EPA and the United States Steel Corp. for reaching an agreement that safeguards the future of steel in the Mon-Yough Valley.

The agreement is more than a mere meeting of minds. It means a commitment to the area, jobs for steelworkers, and a decent environment for people. It marks the beginning of a new spirit of cooperation between Government, industry, and labor to forge an industrial renaissance that will be the pride and mainstay of the Mon-Yough Valley area—and perhaps the Nation—for generations to come.●

"GETTING THE BLACK VOTE" RHETORIC IS AN INSULT TO BLACK PEOPLE

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 13, 1979

● Mr. ASHBROOK. Mr. Speaker, one of the best-kept secrets of the liberal media recently has been the courage of the National Association for the Advancement of Colored People (NAACP) in defying the liberal establishment. The liberal establishment is fighting to produce a no-growth economy, in which bureaucrats by the hundreds of thousands will be hired to divide up the products of our stagnant economy. The NAACP saw immediately that nothing could be worse for minorities in this country than a stagnant economy, and launched a courageous battle against this liberal policy of stagnation—so the liberal establishment is livid with rage.

If you are a $40,000-a-year bureaucrat, there is nothing better than a stagnant economy, where bureaucrats, presiding over gasoline rationing and environmental rulemaking, would rule the country from Washington. But if you are an ambitious black man from a poor family, or an ambitious white man from a poor family for that matter, a stagnant economy means you stay on the bottom. Here in Washington, the liberal establishment, made up largely of offspring of well-to-do families who got into the social activism business in the 1950's and 1960's, look forward to being America's bureaucratic rulers. But if you are a person trying to move up, there is no hope for you in a stagnant America. If our only concern is more and more environmental regulations, not industrial growth, there will be no opportunity for ambitious and energetic people to move up. This is the reason that the NAACP has defied the establishment.

The NAACP, it seems, is more interested in advancing "colored people" than it is in furthering the interests of the liberal establishment.

My advice to the liberal establishment is that they had better get used to this attitude. It is time that these self-righteous elitists began to realize that what they call "the black vote" is not just a bloc to be manipulated, but several million American citizens, each of whom, like the rest of us, has his own point of view. But the last thing the liberal establishment is interested in appealing to is the opinions of real individuals, whatever their color.

It is hard to imagine a more insulting stereotype of black people than the one my liberal and Republican "moderate" colleagues conjure up when they talk about "the black vote." To them, every black voter is a welfare recipient who plans to spend the rest of his life getting Government handouts. Their picture of "appealing to the black vote" is pumping Federal billions, year after year, into the "inner city," in order to make artificial jobs possible for all those people they call "the black vote." If somebody expressed the same attitude toward Midwesterners that these liberals and "moderates" express about "the blacks," many of my neighbors would be tempted to poke them in the nose.

Two of my young colleagues lately have gotten a lot of votes from citizens who are black, and neither of them is a liberal or even a moderate. Neither of them went out after a "black vote," because, I think, each of them realizes how insulting and inaccurate that expression is. They are conservatives, and they had the same thing to say to black working people that they did to white people or anyone else: If we are to have jobs and opportunity in this country, we must have a healthy, growing economy. To do that, they told voters, we must get the bureaucrats out of the way. This message does not get "the black vote," if by that you mean a huge, faceless mass of voters who march to liberal orders. It does not get "the labor vote," if that means that everyone who belongs to a labor union marches out and votes according to George Meany's choice. But they did get a majority of the American voters in their districts who belong to the black race and a majority of the American voters in their districts who belong to labor unions.

The fact is that the attitude on the part of liberals in Washington toward all our voters is very similar to the "black vote" stereotype. They do not think of the "white vote" as the bunch of congenital welfarites they think all blacks are, but they certainly do not want voters, whatever their color, telling the liberal establishment what is best for this country. If the average voter in this country, black or white, ever realized exactly what the liberals really think of them, there would not be a single liberal in any elected office in this country.

The overwhelming majority of voters of every race opposes busing, but it would never even occur to a liberal politician in Washington that this opinion matters. Liberal sociologists have spoken, and fashionable liberal activists have spoken, and that is all there is to it. Busing will continue as long as liberals have the majority. There can be no question that the NAACP's position in favor of oil price deregulation and nuclear energy for our economic growth represents the best interests of the overwhelming majority of black voters. But Jane Fonda and Ralph Nader have made their antinuclear and price-fixing view clear, so it does not matter what the people say.

The liberals will make a few statements to appease their voters, but in the crunch, in committees and procedural votes where issues are decided, they will be careful to be sure the liberal establishment position is maintained. Liberal politicians will stand by the Nader-Fonda line as long as they hold office.

On the economic issues, therefore, the NAACP is fighting a brave and lonely battle for the interests to which they are dedicated. Their reward has been the predictable liberal treatment of those who dare take the side of conscience against liberal dictates. Liberal big money has been pulled out, almost bankrupting the organization, and the media, which reports NAACP activities so loudly when they are hewing to the establishment line, have almost completely ignored its economic stands.

But the writing is on the wall. However much power and however many "insiders" they control here in Washington, the Washington establishment will soon learn a bitter lesson: The voters will eventually have their way, however much the powers that be may delay their asserting it. As Lincoln said, "You can't fool all the people all the time." And the liberal establishment's time is running out.●

ENERGY, TRANSPORTATION, AND LAND USE

HON. BRUCE F. VENTO

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 13, 1979

● Mr. VENTO. Mr. Speaker, Doug Kelm, Chairman of the Federal Regional Council Region V, recently delivered a paper on Energy and Transportation at a national conference of the American Public Transit Association.

What he has to say is very important and deserves the attention that the wider audience the CONGRESSIONAL RECORD provides:

ENERGY, TRANSPORTATION, AND LAND USE

(Address by Doug Kelm)

THE END OF THE AGE OF OIL

Technological history began many thousands of years ago when man first produced energy by burning wood. We next learned to use animals as beasts of burden. We discovered how to harness the sun's energy to grow food; how to use the winds to power boats and the rivers to turn mills. Such advances in the use of energy took many millenia. Then, only two hundred years ago, the first practical steam engine became the energy breakthrough that sparked the Industrial Revolution. And only this century saw the great energy converter of all, the internal combustion engine, and we entered the "age of oil".

Now, during the past quarter century man has consumed more energy than he did in all of the centuries since those first flames of fire. That reckless extravagance has made the "age of oil" the most brief of all of the ages of man. Indeed, though that age is not ending in 1979, it is certainly the beginning of the end. We already see its symptoms in one dollar gasoline, spot shortages; steadily increasing imports, and political instability in the land of OPEC. The 1980's will bring chronic supply shortage in relation to demand. Before the 90's end man will consume the last large quantities of oil.

PERSPECTIVE

The Transportation Research Board recently said that "one of the greatest needs today is to conserve energy in the face of uncoordinated development of land and transportation facilities." The principle that there is a direct interrelationship between energy, transportation and urban development is not newly conceived; we simply chose to ignore it for the last 50 years. Before that, urban development was, in great part, limited by home to work distances acceptable by walking, horse carriage, and electric street cars. Next rapid transit and commuter rail substantially affected the size of the city, yet they still caused that growth to be in the form of efficient clusters. Transit ridership began to drop with the advent of the automobile and another change in the size of urban areas began, though the ultimate dispersal of population was not yet perceived. And these trends were slowed by the great depression and the years of World War II.

In the new prosperity following the war, the automotive, rubber and petroleum industries began massive investments in production facilities and marketing. Fortunes were made, new life styles created and the form of urban development was revolutionized. Those same automobile-related industries sometimes combined with salvage profiteers to buy up and junk good urban electric streetcar systems.

By the time the 60's arrived, freeway construction, the ability to commute long distances and cheap petroleum completed the disintegration of the compact city. Those who expressed doubts or fears were dismissed as fools who were against an ill-defined concept of "progress". In fact, during those first two post-war decades of economic growth little concern was expressed over the nature of urban development. That growth was based, as we've already noted, on cheap energy, but also on great technological and capital resource advantages over our war-torn global neighbors. Lacking any urban growth policy little thought was given to the consequences of the loss of any of those advantages. Now we are in danger of losing all three.

Energy is no longer cheap even though the Congress has resisted the pricing of petroleum in relation to its true value and in relation to other sources of energy. As a result we continue to gobble up a dwindling resource and we send billions of dollars to OPEC—funds desperately needed for private and public investments.

The rapid technological advance by western industrial nations and the low cost labor competition by less developed countries have substantially reduced the advantage the U.S. once held in manufacturing capacity.

The financial problems of our urban areas are evident in the deferral of investments in vital urban services. We can anticipate a deterioration of public facilities and the reduction of certain urban services because of the lack of capital.

In brief, during the 50's and 60's we built our cities with a near-total disregard of the costs, both private and public, to deliver the full range of urban services (transportation, fuel, water, sewer, communications, parks, schools—the entire municipal infrastructure). That new urban form created a direct financial burden; it also caused much greater consumption of energy. For example, a study of the Minneapolis/St. Paul area (since duplicated in other urban areas) found that households in the center city require an average of one gallon of gasoline for daily mobility; households in the first ring of suburbs require 2 to 3 gallons; those in more distant suburbs need 3 to 6 gallons per day.

I mentioned earlier that the multi-million dollar marketing programs by the automobile-related industries had an impact on the change of urban life style. To let that suggestion stand alone would be a great oversimplification. Ill-conceived government programs in the financing of housing, water and sewer system and highways played a major role too. With the federal government providing 90 percent of the funding for urban freeways, Washington was telling each city council that, whatever its other priorities might be, they could build freeways at a bargain basement 10 percent of cost?

Only in the administration of President Carter, has the White House demonstrated a real understanding of urban problems and the need to revitalize our center cities. Permit me to list just a few of the Carter programs and directives: Targeted Job Tax Credits directed at the employment of the disadvantaged, Investment Tax Credits for rehabilitating old factories, warehouses and other commercial buildings, Urban Development Action Grants tied to job creation and improved tax base in distressed cities, directives to target federal procurement and federal office locations in struggling center cities, Urban Initiative grants in association with public transportation projects, discouraging additional urban freeway construction, and the highest level yet of mass transit funding. Although transit funding must be increased much more, the Carter White House is the first to relate energy conservation to transit funding.

In review, the renewed understanding by both the public and private sectors of the interrelationship of energy, transportation and land use is one of the more hopeful signs that we may yet solve our problems. The post-war population bulge that created havoc in our educational facilities from kindergarten through college has now become our home-formation generation. The next dozen years will be one of the greatest periods of housing construction this country has experienced. The important question relates to where this housing will be built. Will it be in the same haphazard, dispersed, leap-frog fashion of the immediate past or will it be within the areas already served by roads, water, and sewers? If it is the former, the public costs for just those minimum services alone will be nearly five times as great. If, however, reasonable guided growth at eyen moderate densities, can be promoted, all public services and especially public transportation can be provided at far lower cost. What follows are tremendous capital savings, less land consumption, increased tax base, substantially lower energy consumption and reduction of pollution.

PETROLEUM TRENDS

Prior to 1970 the U.S. oil production capacity was so great that it successfully set the world price. In fact we so rapidly exploited our resources that the cumulative U.S. production up to that time was greater than that of all of the OPEC countries combined!

When the Suez Canal was closed, and during the 1967 Israel War, Western Europe was cut off from Mid East oil, but the U.S. was able to export enough to prevent significant shortages and price increases.

But by the time of the 1973–74 embargo the U.S. could not fill the European gap nor hold down prices. The U.S. was already a substantial petroleum importer and we've since become even more dependent on imports—in 1979 roughly 50% of our consumption is from foreign fields. This year payments for such oil will exceed $50 billion. This drain on our economy is a major factor in the decline of the dollar, inflation and unemployment.

OPEC keeps demonstrating that they fully understand the changed situation. They can control world supply, they can control price. They are increasingly using their power as an economic and political weapon.

The result of the March OPEC assembly in Geneva was not simply a 9% price increase. The new price of $14.54 per barrel is a base price, not a ceiling and nearly all the OPEC members have already added surcharges, as much as $4. OPEC oil is, in fact, now selling at an average of 25% higher than year-end 1978 prices. It is also apparent that an agreement was reached to reduce production sufficiently to keep the squeeze on the rest of the world. The fond hope that the cartel might break-up is unrealistic. And in the event of a complete cutoff of Middle East oil, we have the frightening prospect of the warning by the Defense Secretary that the U.S. would intervene with military force.

Despite our growing dependence on imports the reality is that the U.S. is not nearly so hurt by OPEC actions as are other countries. Western Europe is far more dependent on Middle East oil, and the less developed countries are incurring a burden of debt on which they may ultimately default. The prospect of competition for dwinding oil supplies, and armed conflict for their control among free world nations is a most disturbing one.

POSTPONING THE INEVITABLE

In 1977 President Carter told the nations: "*Now* we have a choice. But if we wait, we will constantly live in fear of embargoes. We could endanger our freedom as a sovereign nation to act in Foreign affairs. Within ten years we would not be able to import enough oil—from any country, at any acceptable price."

But we *have* waited. And we've debated and studied. Politicians from California to Texas to Massachusetts gamble their presidential hopes against the nation's welfare. Our Congress has been derelict in failing to enact either an energy conversion or an energy conservation program. With few exceptions our political leaders lack the courage to tell the public that it's wishful thinking to believe that the petroleum crisis will somehow go away. In fact increased oil consumption has been encouraged by legislatively imposing an artificially low price. Of what does the public need to be convinced?

Is there a crisis? Yes, because we've not enacted policies and programs to conserve and to boost domestic production. By increased imports we've put ourselves at the mercy of the most politically unstable countries of the world.

Are the oil companies ripping us off? It is true that the oil companies benefit from OPEC price increases and it is true that they are reaping large profits. But it is also true that the return on investments by the oil industry is less than U.S. industry at large. Further, it is a fact that the controlled price on oil from "old" wells make the more expensive secondary and tertiary techniques of fuller recovery uneconomical. This makes imported oil attractive and depresses domestic production.

Are domestic supplies being held off the market? What is occurring is a rebuilding of inventories drawn down during the winter months. Also, it's necessary now to shift production from gasoline to heating oil to assure that supply for next winter. The combination of these actions will certainly cause spot shortages throughout the heavy summer driving months. While I've never thought of the oil companies as the fellows with the white hats, it's time that we stopped looking for "villains" to blame. From the OPEC point of view even they are behaving rationally! The problem is greatly with the American consumer.

Can domestic production be increased substantially? In the short run, decontrol will increase production by making economical increased recovery efforts from "old" wells and encouraging new domestic exploration. Unfortunately there probably are not large quantities of oil to be discovered in this country. The U.S. is the most explored area of the world. There are presently over a half million operating wells. Over 48,000 were drilled last year with rather disappointing results. In the long run we must face the fact that oil is a finite resource here and abroad, and modest increases in domestic production are primarily important as a means of easing our energy problems during the transition period of the next 20 years—until the time we've developed realistic energy alternatives.

Is the problem as severe in European countries? Europe's greater dependence on Middle East oil makes it more vulnerable to OPEC decisions. But in other respects, Europe is in better shape. Even in countries with an equal or higher standard of living than ours, and in countries with colder climates, the per capita consumption of energy is less than that of the U.S. Sweden, for example, uses only 60% as much energy per person. They encourage superior standards of building construction, evaluation and heating. In the commercial sector they have more realistic lighting standards. They employ cogeneration of heat and electricity, and district heating plants are more common. But the greatest difference in energy use is in the transportation sector. Transportation in the U.S. accounts for two to three times the energy used for this purpose in Sweden and other countries. In the U.S. today about 55% of petroleum consumed is for transportation. In Sweden, smaller cars and fewer second cars made possible by a superior public transit system make the difference. For short trips and for commuter work trips the Swedes rely far more heavily on transit. They tend to save their car and their money for longer trips, recreational trips. Government policies on taxes, parking, auto-free zones and pedestrian facilities are additional factors in reducing consumption by transportation.

Won't we soon have plenty to energy alternatives? The expectation that other sources of energy are "just around the corner" is almost certainly a delusion. Our greatest, most immediate source of energy is coal, *but* we are stymied because of environmental concerns about the effect of massive strip-mining and high sulphur emissions from its burning. The technologies to adequately and economically overcome these concerns are yet to be developed. We need to find the large capital capacity to bring this tremendous energy source on line. As the price of oil starts reflecting its true value it will also be economically feasible to obtain liquid fuels from coal, shale and tar sands. Some promising technologies are being worked on, *but* we'll be lucky to replace 10% of our current oil imports by the year 2000 from these sources.

Nuclear power today contributes 14% of our electrical production and almost 4% of total energy consumed. Nuclear electricity is as cheap as coal generated electricity and far less than oil-fired plants. It was hoped that nuclear plants would provide 25% of the country's electricity by the end of this century. The Harrisburg incident was a severe blow to those hopes. Since it takes about 12 years to bring a nuclear power plant into production and since much remains to be done to satisfy safety concerns, one cannot be optimistic about near-term increases in energy from this source.

Solar energy, at least in sunnier climes, is expected to be the power of the future. Costs are slowly coming down and efficiency improved. *But* even with technological breakthroughs, by the year 2000 solar energy will probably provide no more than 5% of the country's needs.

Gasohol's main virtue is the fact that by adding alcohol to gasoline to the extent of 10% we could prolong the period during which liquid fuels would be available. From an overall energy standpoint, however, with today's technology it takes more energy to produce alcohol than the energy it, in turn, generates when burned. Moreover, since alcohol has but 50% of the BTU's of gasoline, a 90/10 mixture must result in 5% less auto mileage.

But how about the recent proposal to trade our grains for oil? The defect in that suggestion is that a sparsely populated land like Saudi Arabia consumes very little grain. Canada's Alberta produces oil, but it also produces surplus grain. And if Mexico were to triple last year's total oil exports and trade them *all* to the U.S. it would still account for but 5% of U.S. oil consumption.

Despite these caveats on energy alternatives I remain optimistic that my children will see plentiful supplies of energy from a variety of sources. The problem returns once again to the transition period of the next 20 or 30 years. And the solution to that problem keeps returning to the need for petroleum conservation.

A GALLON OF CONSERVATION IS OUR CHEAPEST FUEL

Before concluding with a discussion of conservation policies, it is prudent to observe some serious impacts in our economy and lifestyle caused by oil shortages, outside the personal transportation sector.

First of all, when we run short of oil, what will happen to goods movement nearly totally dependent on diesel trucks, trains and barges? Shouldn't we, for instance, be giving as much attention to developing more efficient truck-trailers as we are to automobile efficiency?

In respect to the 45% of petroleum used in other than transportation, what will happen to electrical production if we cannot convert on a timely basis to nuclear and coal-fired generating plants? What will heat our homes and power our factories?

If we fail to conserve in the transportation sector, what will be the impact on the petrochemical industry which supplies fertilizers and insecticides to agriculture; plastics for industrial and consumer products; chemicals for medicines, paints, dyes and adhesives; synthetic fibers for clothing and home furnishings. Even that short list provides a different insight into potential "changes in lifestyle!

The former Minnesota Energy Administrator once said in respect to conservation: "We've done all the *easy* things—and we've only made a small dent in our energy problem. We've yet to really tackle the source of greatest energy waste, the automobile." It appears that tackling the automobile will require considerably more courage than the Congress has shown.

The President has courageously and rightly moved to decontrol oil and has coupled it with a proposal for windfall taxes. The prime benefit of decontrol, however, is the increase in domestic oil production. The few additional cents on the price of gasoline will not cause substantial conservation by motorists now driving more miles than ever.

We need to use a variety of taxes, more as instruments of public policy than as generators of revenue.

1. The President is asking Congress to close the loopholes to prevent foreign tax credit abuses common in the multi-national oil industry;

2. We need to tax both barge traffic and general aviation to a level commensurate with our costs of constructing and maintaining waterways and aviation facilities.

3. The tax on diesel fuel and on truck-trailers must be increased to *at least* the level necessary to repair the road damage caused by heavy loads. Road maintenance costs alone will reach nearly $10 billion this year. And of the total 1979 highway expenditures of $36 billion, at least 36% come from non-highway user taxes.

4. Eliminate gasoline taxes as an income tax deduction. Today, the rewarding of gasoline consumption must be viewed as terribly bad public policy.

5. To bring about a truly significant reduction in the consumption of motor gasoline will require, as Energy Secretary Schlesinger said, a price approaching the European level, now two to three times that of this country. Such a price increase must not increase the profits of either OPEC or the oil companies. The increase therefore should be in the form of a tax on gasoline at the pump. As we have observed, a substantial tax on crude oil would have adverse impact on nearly every sector of the economy. The tax must be targeted on the greatest waster of energy. For guidance on the proposed size of such a tax, it may be useful to compare Western European gasoline taxes with the average U.S. tax levy of 12c to 13c per gallon. During the first quarter of 1979 the tax expressed in dollars per U.S. gallon were: in the United Kingdom 75c; in Sweden, Germany, Belgium and Netherlands 90c to $1.10; in Italy $1.55 and in France $1.60, tax per gallon.

I propose that we start more modestly with a 50¢ per gallon total tax, which corresponds to an increase of 38¢ in the federal tax. It should be noted that many of the claims of inelasticity of demand in respect to motor gasoline ignore the fact that, until very recently, the "real" price of gasoline actually declined. The experience of European countries would encourage estimating a greater reduction in consumption, but for our purposes here, let's assume a 20% reduction and net additional revenues of approximately $34 billion from this tax.

The typical response (usually from the upper middle class) to this sort of tax proposal is that the measure "hurts poor people." That contention is disputable. Twenty percent of our households (generally the poor, and aged and infirm) do not own an automobile. Secondly there is a substantial correlation between family income and multi-car ownership and a very high correlation between income and ownership of "gas-guzzlers." However, let's concede some harm, and further let's reward the family which reduces mileage or gets rid of a second car. A sensible way to deal with "regessivity" would be to provide a refundable tax credit equivalent to the average cost increase in a family with an income level of (say) $5,000. With a 38¢ per gallon tax increase this would involve a credit of about $175 per family. The aggregate tax credit would offset approximately $10 billion of the tax increase.

The remaining $24 billion might be allocated as follows: Nearly $4 billion is now budgeted from general revenue for energy research and development. I propose those general revenue funds be replaced by $10 billion from the "Energy Security Fund." Included in the R&D effort should be the support of efforts by auto manufacturers to produce a super energy-efficient automobile. Next, allocate $10 billion per year for ten years to mass transit. The remaining $4 billion might be used to reduce income taxes or be applied to some program reform affecting the disadvantaged, such as social security.

In summary, Congress must enact policies and programs to:

Revitalize our central cities and guide future development into more capital-efficient and energy-efficient patterns;

Conserve a dwindling energy resource by aggressive employment of specific taxes as instruments of good public policy;

Provide the vast capital investments needed in energy research and development, and in public transportation alternatives.

A moral sense of fairness and equity to other nations and other generations requires that we take immediate aggressive actions so that the transition from "the age of oil" to a new age of energy sufficiently and independence takes place smoothly. Our very survival may depend on it.●

EARLY TMI REPORTS SOUNDED LIKE "CHINA SYNDROME"

HON. HAMILTON FISH, JR.

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 13, 1979

● Mr. FISH. Mr. Speaker, the Washington Star, in its Monday, June 11th issue, published an article entitled, "Early TMI Reports Sounded Like 'China Syndrome.'" This article provides what I believe is one of the best accounts of what happened at the Three Mile Island Nuclear Power Generating Station. As we all know, this accident was the worst in the history of commercial operation of nuclear plants.

This article gives, in layman's language, the hour-by-hour details of the catastrophe at Three Mile Island. It points out the fact, for the first few days of the accident, the Nuclear Regulatory Commission (NRC)—much less the public—had no idea of the nature or gravity of the situation.

In drawing an analogy between the movie, "The China Syndrome," and the real-life accident, the article cites specific cases where, like the movie, the people responsible for informing the media about the situation were "bland" and "erroneous."

In all, it is an article well worth reading. In clearly understandable terms, it relates the events of those days at Three Mile Island and poses some questions we must eventually face.

The article follows:

EARLY TMI REPORTS SOUNDED LIKE "CHINA SYNDROME"

Shortly after 1 p.m. on March 28, the day the nation's most severe nuclear accident devastated the nuclear fuel inside Three Mile Island No. 2, Jack Herbein, vice president of Metropolitan Edison, the company that operates the plant, waded resolutely into a mob of reporters.

The networks, the wire services, local television stations and most of the major newspapers in the East were in that crowd, jostling with each other, shouting simultaneous questions at Herbein.

If there was one thing that had primed the press for Three Mile Island, it was "The China Syndrome." The movie included a corporate PR man who tried to minimize a serious nuclear accident.

Herbein, 41 a middleweight boxing champion as an undergraduate at Annapolis, was better than his movie counterpart, coolly bobbing and weaving through a spate of angry, skeptical questions.

Yes, he explained, there had been some "minor" damage to the plant's fuel. Herbein then gave the first public chronology of a strange series of events that began with a feed at 4 o'clock that morning.

"This is not what I would call a serious accident," Herbein concluded.

Since then Herbein has admitted to investigators that he now regrets this scene on the lawn of the plant's visitors' center, a small, squat building located on the bank of the Susquehanna, a few hundred yards away from the boat-shaped island that contains the company's two nuclear plants.

AVOIDING "SPECULATION"

Herbein, too, had seen "China Syndrome." He later told Rep. James Weaver, D-Ore., head of a House Interior subcommittee now looking into the accident that he hated the PR man in the movie. "But you know," he added, according to Weaver, "a couple of weeks later I found myself saying the same things."

When investigators finally untangle the long story of how the public was finally made aware of the full seriousness of the accident, they will find not one Herbein-type performance, but dozens of them acted out between Wednesday and Friday morning when the stark picture of the crippled plant's potential dangers finally became clear.

The bland, erroneous descriptions of the event stemmed from two conditions.

The experts, who knew the risks inherent in a near meltdown, have worried that undue speculation could cause panic. Beyond that there are signs many of them didn't find out exactly what was going on until a plant employee opened a valve Friday morning, sending a radioactive message that finally alerted the Nuclear Regulatory Commission and the White House to something terribly, terribly wrong at Three Mile Island.

Had anyone been listening that Wednesday, the plant itself would have told them that at 1:50 p.m. it was going through the final stage of a serious accident, one that a generation of nuclear engineers and planners have labored to make almost impossible.

A few moments after Herbein had ducked back into the visitors' center, while the television crews were packing their equipment, a hydrogen explosion shook the heavy cement containment building of Three Mile Island No. 2.

The theory behind nuclear power safety is "defense in depth." The explosion meant that an entire redundant safety system at Three Mile Island had been overcome and that the last defense protecting the public from lethal radiation, the huge cement dome, was under serious attack.

As reconstructed by Carl Michelson, a senior nuclear engineer with the federal Tennessee Valley Authority, the accident began when a water blockage in an air pipe caused some valves to shut. This, in turn, shut off the pumps in one of the plant's two feedwater plumbing systems.

There was a backup system which instantly attempted to take over the job of pumping water into the plant's two giant steam generators. The steam generators transfer heat to the feedwater from the superheated water coming from the reactor. The feedwater then flashes into steam and turns the power plant's turbine.

TWO PROBLEMS, THEN THREE

But two valves, turned off sometime before the accident, blocked that system. Then the emergency core cooling system sprang into action to prevent the core from overheating. However, plant operators, worried they might lose control by pumping too much water into the reactor, began to restrict the emergency pump flow.

The blocked valves were turned on eight minutes into the accident, but the confusion over the valves added to the chaos in the control room. That, in turn, prevented technicians from spotting another problem, a stuck-open reactor pressure relief valve, for more than two hours.

Those two foulups exacerbated a third problem. As in many nuclear plants of similar design there was no direct measure of how much cooling water was in the reactor. The technicians were looking at a gauge showing water level in a separate tank, the pressurized tank. The operators had been trained to accept the gauge's readings as an indication that the reactor was full of water.

The leaky valve dropped the water pressure far enough inside the reactor so that the remaining, superheated cooling water began to boil. According to Michelson, the resulting steam pressure combined with a design flaw, a curved piece of piping, to form a water seal under the pressurizer that trapped the water in it. The pressurizer gauge said full.

At that point the operators were something like drivers, talking comfort in a "full" gas gauge reading, when the gauge was actually measuring gasoline in a smaller container somewhere outside the gas tank.

In fact, the operators "tank," the reactor, was almost three-quarters empty. (One distinction between the two examples is that when a car runs out of gas it stops. When a nuclear reactor starts to run out of water, it begins to destroy itself.)

The steam caused a number of other problems, too. It produced "voids" in the water, giving instruments outside the reactor the false impression that there was a high neutron level, unusual for a reactor that was supposedly shut down.

During the first three hours, when most of the damage occurred, the operators spent the better part of one frantic hour trying to pump more dissolved boron into the reactor to "poison" the neutron activity so the reactor wouldn't "go critical" again. In fact, that was not the problem at all.

At 7:10 a.m. when Gary Miller, the plant's top nuclear engineer arrived, all the cooling pumps had been turned off for at least an hour. The pumps, which are not designed to pump steam, had begun to vibrate wildly. Miller tried to turn them on again and failed.

2500 DEGREES OVER NORMAL

A sump pump system, which should have been turned off sucked leaking radioactive water out of the containment and into the adjoining auxiliary building. There, radioactive gases in the water escaped into the air. When the sump pumps finally were turned off, a siphoning effect continued the process.

A second undetected siphoning occurred when the reactor coolant pumps were turned off. That sucked some of the remaining water from the core, where it was needed, to the steam generators, where it was not needed.

By the third hour, about the time Miller arrived, temperatures as high as 3,000 degrees—2,500 degrees higher than the normal operating temperature of the reactor—had begun to make a rubble out of the nuclear fuel rods in the upper part of the core.

Their zirconium alloy jackets were cracking and popping, oxidizing rapidly in reaction with the intense heat. The cracked rods dumped a fiercely radioactive load of wastes into the cooling water being sucked, silently, out of the protective building.

A cloud of hydrogen gas, formed from the reaction between the water, the heat and the zirconium in the fuel rods, had begun to collect in a tightly compressed bubble at the high point in the reactor.

During that day, which Miller later described as "ten hours of hell," he had tried everything he could think of to get cooling water into the reactor. He had tried driving water into it with such force from the high pressure emergency pumps that the steam bubbles binding the big reactor coolant pumps would be squeezed out of the way.

When that didn't work, he tried going the other way, attempting what is known as a "blowdown," a maneuver that gets rid of pressure in the reactor by allowing steam and water to blow out through a relief valve so another series of pumps, designed to flood the core at low pressure, could come into play. That didn't work either because the pressure would never go quite low enough.

Precisely at 1:50 p.m. Miller was in the midst of his second blowdown attempt. An operator had just opened the relief valve when Miller, sitting in his office, surrounded by his aides, recalls hearing a "thump."

DEFENSE IN DEPTH

"I asked at the time what it was. The operators looked at their dials and they didn't see anything," Miller later explained.

Fortunately, the cement dome housing the reactor is one of the strongest ever built. Because the plant is located near Harrisburg International Airport, it was reinforced with steel, built to withstand the impact of a 747 flying at 200 miles per hour.

The Burns & Row engineers who built it designed it to withstand the most severe earthquake expected in the region. They had also put in a kind of "doomsday" mechanism, a series of sodium hydroxide pumps installed in the ceiling of the containment.

Defense in depth. Assuming that the core overheats and hydrogen or superheated steam escapes from the reactor causing an explosion, the pumps come on automatically, triggered by the pressure pulse of the explosion.

They shower sodium hydroxide, a caustic liquid over the reactor. While the caustic solution is not good for the reactor, it does precipitate radioactive iodine out of the air, engineering's last ditch attempt to contain some lethal radiation if the explosion knocks a hole or a crack in the mighty dome.

Because the liquid is so caustic, the pumps are carefully designed to avoid being turned on by false electrical signals. Two separate instruments have to detect the pressure pulse before they turn the pumps on.

When the explosion occurred, a gauge inside the control room, a pen inking a line on a rolling scroll of paper, described a large spike, indicating a pressure pulse of 28 pounds per square inch. NRC inspectors in the control room missed it, and did not discover the spike until two days later.

Several Metropolitan Edison technicians recall seeing it, but they rejected it as the result of a spurious electrical signal.

There was other evidence of the explosion. Why were the sodium hydroxide pumps running? After exploring the matter, Miller was satisfied with a subordinate's explanation that it was a faulty electrical signal. It had been a day of faulty instruments and Miller apparently did not connect it with the "thump."

It would be a gross understatement to say that Miller had other things on his mind. As he testified later, he had never been trained to deal with a situation where all of his pumps were bound with steam, despite years as an engineer for Navy submarines—which use the same type of reactor—and despite supposedly rigorous training on the computer used by the manufacturers of the plant, Babcock & Wilcox, to simulate plant emergencies.

DETERMINED TO REMAIN

And he could never focus all of his attention on the reactor's strange problems because the wind kept dying down, dropping the plume of radiation escaping from the auxiliary building's vents back down on the island.

Miller had to keep moving men from area to area, to keep them from exceeding maximum allowable doses of radiation. If it got worse, Miller was preparing to send some men home, rotating them back to serve short shifts in respirators and rubber suits. That way the plant would remain fully manned.

As for himself, Miller was determined to remain at the plant, no matter what. His idea was in keeping with the Navy training common to most of the people in the plant that day: The captain was mentally preparing himself to go down with the ship, if it came to that.

Then there were the telephones. People from the State of Pennsylvania and Babcock & Wilcox and the NRC and the nearby counties were all trying to get through to Miller to find out what was going on.

Miller resisted them all, trying to focus his attention on saving the plant, trying, that is, until Herbein told him he had to leave the plant to brief Gov. Richard Thornburgh. That happened in the middle of the afternoon.

The one person in the Metropolitan Edison hierarchy who came close to diagnosing the danger that afternoon was not in the plant at all. He was in Lynchburg, Va., headquarters of B & W's nuclear division, training on the computer simulator.

That was James S. Floyd, supervisor of operations for Three Mile Island No. 2. Since he was working on the simulator that morning, Floyd was attempting to reprogram it to mimic the problem at the plant, adding pieces of the problem as they came in over the telephone.

Around 3 p.m. Floyd was summoned up to the board room where worried B & W executives were meeting. They wanted to tell Miller to turn on the high pressure injection pumps, they said, but they couldn't get through to the control room. Did Floyd have any unlisted numbers that would reach the control room?

LIKE A SECURITY BLANKET

Just then Greg Schaedel, a B & W employee at Three Mile Island, called the board room to say that Miller and his crew had finally succeeded in collapsing the steam bubbles and were on their way to recovery.

As Schaedel rattled off some new temperature numbers, Floyd made some calculations in his head and concluded the top of the reactor core was no longer covered with water, just superheated steam.

"I said no way is that liquid," recalls Floyd, who said he was met by "some stares of disbelief."

But one B & W engineer, brandishing some charts showing the range of temperatures and pressures at which water will boil, backed Floyd up. "Between us we convinced Greg Schaedel right there in front of the vice presidents and all that in fact the plant had not collapsed the bubble . . . and they damn well ought to look at their steam tables," said Floyd, who estimated that at least one-eighth of the core was damaged.

With help from B & W, Miller finally brought an end to the immediate crisis. At 7:51 p.m. that evening he rammed enough water into the reactor through the high pressure injection pumps to move the steam bubbles away from one of the big cooling pumps, in effect priming the pump to run again.

To nuclear engineers, cooling pumps are like security blankets. They have 10.000 horsepower motors and are capable of moving 500 gallons a minute into the core. As long as his pump held out and as long as his supply of borated water held out, Miller knew he could probably prevent further damage while somebody figured out what to do with the hydrogen bubble.

Seen through the luxury of hindsight, Thursday was a very odd day. At least half the nuclear fuel in the reactor was damaged, some of it reduced to an overheated rubble of zirconium and uranium oxide. If reactor pressure was dropped to turn on more efficient pumps to cool the damaged fuel, the hydrogen bubble might expand, blocking cooling water from reaching the fuel.

The problem was that nobody yet had given a public warning of the extent of the danger.

After receiving a briefing from his experts, the man who should have been aware of it, NRC Chairman Joseph M. Hendrie, told the House Interior Committee that only about "1 percent" of the core had been damaged. He added, though, that he did not know for sure how close the water had come to exposing the top of the core.

"If you do not know, then how can you say whether or not we were close to a core meltdown?" Rep. Weaver asked Hendrie. "If you do not know that information, then how can you say that?"

"Because, I guess, based on the knowledge and instincts of a career in nuclear engineering," replied Hendrie.

THE GAS BUBBLES

Although they knew there was some danger at Three Mile Island, Hendrie and the rest of the NRC hierarchy were not really plugged in to what was happening at the plant until Friday afternoon.

The man who proved this was Floyd, who drove back to the plant on Thursday and took over its operation at midnight. "First thing I could remember when I walked into the plant was that the radiation monitoring panel was lit up like a Christmas tree. All the red lights and all the yellow lights were on," he recalled.

The problem was that the water being pumped through the damaged core was full of gas bubbles, mainly hydrogen from the zirconium-water reaction. It behaved, as Floyd put it, "like seltzer water." Water coming out of the reactor went into a special makeup tank where it would be recycled, but the fizz in the water was periodically popping a relief valve, spilling some of the cooling water, into the drains in the bottom of the reactor's containment building.

The containment was one of the major defenses of the plant that had survived (it can withstand explosions up to 60 pounds per square inch of pressure). The other major defense is the 500,000-gallon tank of cooling water and dissolved boron.

Periodically, Floyd was able to prevent the waste of water in the cooling tank by drawing some gas off into another tank. But there was a faulty valve on the gas line and every time he did that he would release some radiation into the atmosphere. And every time he did that the State of Pennsylvania would call and complain.

Relations between the plant and Pennsylvania authorities were growing extremely touchy. After the state had discovered dissolved xenon in the plant's sewage, it lifted Metropolitan Edison's sewage dumping permit.

Shortly after 7:30 a.m., Floyd decided that he could not solve the gas problem with these periodic bursts. Preserving the remaining cooling water, he concluded, was more important that containing the radiation.

"I had but one source of water between me and another LOCA (loss of coolant accident)," he later explained. "If there was one way to hurt the public, it would be having the core melt."

"I was going to open the valve and if it was too hot, I was going to close it," said Floyd, who ordered a helicopter up over the plant before he released the gas. The helicopter reported 1,200 millirems, but the winds quickly carried the plume away, so Floyd left the valve open for a while.

LACK OF CONTACT

More than anything else, that plume galvanized Washington into action. At around 9:15 a.m., when Harold Denton, head of the NRC's office of nuclear reactor regulation heard about it, he had a subordinate call the Pennsylvania Civil Defense authorities and recommend an immediate evacuation downwind of the plant for five miles. The NRC commissioners weren't consulted. Neither was Thornburgh, an omission that later made Thornburgh skeptical of NRC evacuation suggestions.

Lee V. Gossick, the NRC's executive director for operations, alerted the White House, the Department of Energy and key members of Congress about the radiation.

What would the commission tell the press? "Tell the media there was an uncontrolled release of radioactive material earlier today. Duration of the release appears to have stopped," suggested Gossick.

Around 10 a.m., when Hendrie and the commissioners arrived, Denton suggested that Hendrie consider "talking to the owner of the shop up there and get somebody from the company who is going to inform us about these things in advance if he can and then what he is doing about it if he can't. We seem not to have that contact."

One reason for the lack of contact is that the NRC officials did not have the names and phone numbers of the Metropolitan Edison officials. Subordinates were sent scurrying for phonebooks.

Meanwhile at the plant, Charles Gallina, the NRC's main contact there, was being upbraided by a worker. "What the hell are you doing? My wife says the radio said the NRC has ordered an evacuation," said the worker.

Gallina assured him that the NRC had done no such thing; the level of radiation was not that high. Later he discovered the call had come from NRC headquarters. He couldn't believe it. "You don't ever mention evacuation before you mean it because people will get upset," he later told the president's commission.

The pieces of the puzzle, the proof of the hydrogen explosion, the extent of the core damage, the source of the radioactive releases fell into place late Friday morning. "My best guess is that the core uncovered . . . stayed uncovered for a long period of time," Roger Mattson, the NRC's top safety expert reported to the commission in a closed session. "We saw failure modes the likes of which have never been analyzed."

By Sunday night, after a weekend visit to the plant by President Carter, the most worrisome engineering problem was resolved.

MELTDOWN A POSSIBILITY

After flying an exact duplicate of an instrument located on the Three Mile Island reactor from another B & W plant in California to one of its laboratories in Alliance, Ohio, B & W engineers were able to prove that the hydrogen bubble—which had the potential of expanding and uncovering the core again—would eventually dissolve itself into the water if it was kept under careful pressure controls.

Two weeks later it went away.

But the public relations problem, the one Herbein walked into that fateful Wednesday afternoon, lives on. How do public officials plan for the risks of nuclear power and publicize them without creating the additional risk of causing a panic?

That weekend the NRC tried it both ways. Neither of them worked out very satisfactorily. A good part of the commission's time on Friday was taken up by an NRC effort backed up by the White House, to tone down a wire service report that the plant faced the possibility of a core melt-down which was true.

Most of Saturday the commission was absorbed with calculations and NRC pronouncements that oxygen might combine with the hydrogen in the bubble to cause it to explode possibly blowing a hole in the reactor. That, as it later turned out, was false.

Perhaps the basic dilemma was best described late Friday night in a discussion between two weary NRC commissioners, John Ahearne and Richard Kennedy, as they agonized over how a press release should deal with the prospects for a meltdown.

"I think it would be technically a lot better if you said—something about there's a possibility—it's small but it could lead to serious problems," said Ahearne.

Kennedy: "Well, you've got to remember that's the only thing out of the press release they (the press) will take out."

Ahearne: "Well, Dick, we've been sitting here for the longest time telling them everything's fine. It's a real struggle, with what to do. There's none of that flavor here. And I realize you're counterbalancing."

Kennedy: "Well, I understand what you're saying; I'm wormried about the effect that you're going to get; it's going to be hyped by a factor of a hundred."●

PROPOSED AMENDMENT TO ENERGY AND WATER APPROPRIATIONS BILL

HON. JOHN J. CAVANAUGH

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 13, 1979

● Mr. CAVANAUGH. Mr. Speaker, I will appreciate your support for an amendment that I will offer to H.R. 4388, the fiscal year 1980 Energy and Water Appropriations bill, to delete funding of $6 million for the proposed $200 million O'Neill unit of the Pick-Sloan Missouri Basin project on the Niobrara River in my own State of Nebraska.

This project has been the subject of a Federal court injunction since March of 1977 as a result of the inadequacy of the environmental impact statement. In April of this year dam proponents sought to overturn the injunction and, after an 11-day trial, the injunction was continued. The court was particularly distressed about failures to explore nonstructural alternatives to the Norden Dam on the Niobrara and geological instability of the dam site.

The project has been in the planning stages since the midfifties but was not authorized until 1972. At the time of the authorization of this project, the cost was estimated to be $113 million. This figure has risen to a 1979 cost estimate of $200,259,000.

The O'Neill unit as proposed clearly lacks economic justification. This project will be used almost exclusively for irrigation purposes, and is designed to deliver irrigation water to an area of 77,000 acres. Over half of this area is already being irrigated by means of ground wells and center pivot irrigation system. In order to construct the project, more than 30,000 acres must be purchased for construction of the dam, reservoirs, and an extensive 362-mile system of canals to deliver this water.

Taxpayers would be paying more than $1.5 million per 640-acre farm to be irrigated by the project. Although some would be recouped by the farmers who stand to benefit, most of the expense would be borne by the taxpayer.

Proponents of this project will cite an optimistic benefit/cost ratio as the economic justification of the project. However, the results of two independently conducted studies by the agricultural economics department of the University of Nebraska and by the chairman of the economics department of the University of Montana have seriously undermined the economic assumptions of the Bureau of Reclamation of the benefit/cost ratio of this project.

For example, the Bureau assumes after completion the establishment of a 180-head cattle feeding operation on each farm benefited, due to additional availability of feed grains. The decision to establish a cattle feeding operation is dependent upon the current and projected market price of cattle, and not on the availability of feed grain. Between 1973 and 1975 the number of cattle on feed in Holt County (O'Neill) fell by about 75 percent while the irrigated acres rose by 25 percent. In addition, crop yields expected have been estimated at rates far in excess of current irrigated crop yields in the county.

The O'Neill unit would also do great damage to the environment. The Niobrara is the only freeflowing river in the State and the project would inundate Rocky Ford, an irreplaceable natural treasure in my State.

In the 95th Congress I voted to delete funding for this particular reclamation project even though it was within my own State. I am joined in this Congress by my Republican colleague from Nebraska, Representative DOUGLAS BEREUTER, who is also opposed to this project and who will vote to delete funding.●

DEPARTMENT OF EDUCATION: REDUCING EDUCATION PROBLEMS BY EXPANDING FEDERAL CAUSES

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 13, 1979

● Mr. ASHBROOK. Mr. Speaker, for a number of years the National Education Association has been supporting the idea of a Federal Department of Education. For the very first time in its long existence, NEA supported a presidential candidate in 1976—candidate Jimmy Carter. In the 95th Congress, with President Carter in the White House legislation to establish such a Department was introduced in Congress but ran out of time and was not enacted. This sequence of events caused one national organization to observe: "That the decision to establish a Cabinet-level Department of Education in itself is a policy decision which apparently has been made largely to make good on a political campaign promise and with little or no public discussion and debate on this important issue."

Several months ago the administration, the NEA and other education-oriented organizations resumed the drive to establish an education department with a meeting of over 100 organizational representatives in the Old Executive Office Building to hear Vice President Mondale and to plan strategy for this year. Copious literature was made available and details of the project were laid out. The object of the meeting was to form a classic united-front campaign to influence House and Senate Members into voting for the proposed Department—whether the American public favored such a department or not. In fact, one would be hard pressed to prove that there is substantial support among the American public.

In contrast to this high-level, sophisticated campaign to "persuade" Congress to support the creation of the Department, reactions from my district from those closest to the educational process have been in opposition. Far removed from the theorizing, innovating drawboards of the educational elite, these parents and citizens cope daily with the nuts and bolts of daily education. These are the people sensible to conclude that if many Johnnies can not read, it is time to look at the educational process.

Just yesterday the Christian schools of Ohio passed a resolution opposing the establishment of the Federal Department of Education. This action, I believe, is typical of the concern and opposition of parents in both public and nonpublic schools throughout our Nation. These parents and concerned citizens want the education of their children controlled by their neighbors and peers as much as possible and not by a coterie of nameless, faceless "educationists" buried in the bowels of a Department of Education.

I insert at this point the resolution passed at the regular meeting of the Christian schools of Ohio on June 12 at High Street Baptist Church in Columbus, Ohio.

NEWARK BAPTIST TEMPLE,
Heath, Ohio, June 12, 1979.

DR. JAMES DENNIS, Pastor: A Resolution passed at a regularly scheduled meeting of the Christian Schools of Ohio, convened at High Street Baptist Church of Columbus, Ohio, on Tuesday, June 12, 1979:

Be it resolved that the Christian Schools of Ohio, representing Christian schools and churches in the State of Ohio numbering 250,000 constituents, states its wholehearted opposition to a Department of Education, believing that local boards give control to parents where the real authority for education ought to rest.

Be it further resolved that the Christian Schools of Ohio resist Federal control of our church schools as well as we have fought state and local control.

It is our contention that the First Amendment of the Constitution guarantees us these rights. Therefore, we beseech our legislators to resist a new bureaucratic agency which will be costly and stifling to quality education.

DR. JOE LEWIS,
President.●

ROUSSELOT-ARMSTRONG TAXPAYER PROTECTION AMENDMENT "AN ECONOMIC BILL OF RIGHTS"

HON. JOHN H. ROUSSELOT

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 13, 1979

● Mr. ROUSSELOT. Mr. Speaker, yesterday, June 12, I testified before the Judiciary Committee on a "balance the budget" constitutional amendment that I have proposed. This amendment, coauthored by Senator BILL ARMSTRONG and cosponsored by 16 other House Members to date, would provide the needed framework for a fresh economic policy aimed at encouraging growth within the context of a balanced budget and lowered tax rates.

The Rousselot-Armstrong amendment requires a balanced Federal budget except in times of war or national emergency, but also facilitates tax relief by further allowing a budget deficit in a year during which Congress reduces the tax rates. The 1-year deficit would be limited to the amount of the tax cut.

The dual goal of Rousselot-Armstrong, a balanced budget and tax relief, would be further facilitated by two other major constitutional changes. First, all tax rates would be adjusted annually by the rate of inflation. and second. the ability of Congress to raise taxes would be made more difficult by requiring a three-fifth's majority for passage of legislation to raise taxes.

It is my belief that the Rousselot-Armstrong Taxpayer Protection Act, "an economic bill of rights," would encourage economic growth and slow the rate of inflation through its tax and budget aspects. It is a new approach to reverse the trends of inflation and rising taxes, a new mechanism to revive the American economy.

Mr. Speaker, I would like to share my testimony on this unique balanced budget approach with my colleagues.

STATEMENT OF HON. JOHN H. ROUSSELOT

Mr. Chairman and Members of the Subcommittee, thank you for allowing me this opportunity to testify on behalf of a "supply-sider's" approach to the balanced budget, H.J. Res. 278, the Rousselot-Armstrong Taxpayer's Protection Amendment.

This bill, a Constitutional Amendment, has been introduced by Senator Bill Armstrong and myself because we both deeply believe in the need to stimulate economic growth by focusing fiscal policy on the supply side, as opposed to the demand side of the economy.

I think we can all agree that demand has a way of taking care of itself. Yet, for forty years Keynesian economists have been telling us that the way to achieve sustained economic growth is by fine tuning demand in the economy through Federal spending programs. Now, as we suffer from high inflation and low productivity, we must get out of the no-growth rut that our economy has fallen into by shoring up the factors responsibile for the productive supply of goods and services in our society.

Our Nation is in need of a fiscal program that 1) restrains excessive Federal spending, 2) encourages tax rate reductions and 3) establishes flexible ground rules for a balanced budget.

To achieve these three objectives, H. J. Res. 278 seeks to eliminate the free-spending binge that Congress has enjoyed because of inflation and the progressive tax code. In addition, H.J. Res. 278 seeks to dampen the rate of growth of Federal spending by raising the voting majority needed in the House and in the Senate to both deficit-spend and to raise taxes.

Specifically, if enacted and subsequently ratified by three-fourths of the states, H.J. Res. 278 would require the Congress to reduce tax rates (duties, excises, and imports) to offset the effects of inflation. H.J. Res. 278 further stipulates that the Congress may spend more than it collects, but only upon favorable action by a three-fifths majority of both Houses—except during a wartime emergency when this rule does not apply. Tax rate increases will also require a three-fifths majority, but tax rate reductions will only require a simple majority, and they may be passed without violating the requirement of a balanced Federal budget.

This unique approach to the balanced budget will place a heavy but flexible lid on spending increases and tax increases while pointing to tax rate reductions as the preferred fiscal method of stimulating economic growth. Under H.J. Res. 278, the Congress will be telling the people of America that the most beneficial way to achieve a balanced budget is by fueling economic growth through supply-side incentives. It will be our way of saying that we in Congress recognize that we could balance the budget by raising taxes through the vehicle of inflation, but that such a fiscal program would not be in the Nation's best interest because it would just tempt a recession.

Judging by our current fiscal policy, the Congress has no intention of balancing the budget through an expanding economy. Today's high rate of inflation is wiping out all the economic gains that we had been making in response to the tax cuts that were enacted last October.

Day by day, inflation is increasing the tax burden levied on labor and capital. In so doing, it is virtually guaranteeing a recession. A recession may the Administration's solution to inflation, but it is not the solution that is supported by historical results. Inflation is a monetary phenomenon, and until we start "trading tobacco leaves" in the economy, as our forefathers did, inflation will continue to be a monetary phenomenon—caused by too much money chasing too few goods. If we are trying to slow down inflation, we should slow down the Federal Reserve's printing presses—not the productive economy.

When will the Congress realize that we can have slow growth and high inflation, high growth and high inflation, and even a recession and high inflation? The state of the economy depends on the rate of growth of the money supply. It depends on whether the tax code is incentive oriented or whether the tax code is punitive in nature. A punitive tax code, such as the steeply progressive one we have at present, combined with high rates of monetary expansion, guarantees high inflation and either a slow-growth, no-growth, or even negative-growth economy.

It is no big secret that inflation pushes workers into higher tax brackets, that it causes fictional gains on the sale of assets, results in the underdepreciation of plant and equipment. All this leads to the overtaxation of income, which in turn leads to lower growth. These arguments are not new. Yet, why do we continue to heavily tax work, savings, thrift, investment and entrepreneurship while subsidizing non-work unemployment, leisure, debt, spending and mediocrity? How can we do this and still expect to grow economically?

We can balance the Federal budget on the backs of the taxpayers, but such actions do not confer halos upon our heads for fiscal responsibility when we return to our Congressional districts. Most of us are greeted by irate constituents demanding tax relief and less government Nor will there be any halos for those who continue to blindly vote against balancing the budget, after having fallen for the kinds of arguments advanced by some economists. Their position has been that budget deficits can pump purchasing power into the economy. Therefore, by this theory, economic growth can be stimulated when there is slack in the economy. Economic observers are now, however, taking a more hard-nosed look at the data. Throughout our history, large Federal deficits, caused by a growing Federal budget, have neither systematically reduced the rate of unemployment, nor have they systematically stimulated the economy. If anything, unemployment tends to be higher and economic growth lower when deficits are large.

Despite all the myths around, we must face the cold facts as to what budget deficits are, and are not. Budget deficits represent an obligation that the Government has to those citizens from whom it has borrowed. It is an obligation to levy taxes on the general citizenry upon the maturity of the debt. In some instances the budget deficit is financed via the Federal Reserve Bank's printing presses, and this can be inflationary. Historically, however, the Fed's role in financing the debt has not been as great as many people have been led to believe. The blame for our current inflation is only partially attributable to our large deficits—the Fed has other ways to gin up the money supply. The real problem with running budget deficits is that in most cases they are simply an expedient way of redistributing earnings from one segment in our society to another segment by forcing future generations to pay for the tab.

Unfortunately, today's generation of taxpayers is already paying part of the tab. With deficits growing, the Federal Government's obligation to increase tax rates has also been growing. As a consequence, our Nation's financial managers have been systematically turning down high risk projects with paybacks too far off in the future. The bottom line has been that investment has been dropping off over a period of years, and along with it productivity. The only reason investment has not fallen completely out of bed is because of the tax cuts we enacted last session. With after-tax incomes for business and individuals higher after the tax cut, the economy has been growing despite higher inflation. In short, all the things we said last summer about the positive effect tax cuts can have on incentives in the marketplace have come true.

Obviously in light of the positive effects tax cuts can have on the economy, we must not undermine the tax cutting movement by forcing the Congress to raise taxes to balance the budget. Across-the-board tax rate reductions will naturally lead to "paper" deficits because the Treasury is simply not able to calculate the supply-side effects that cutting tax rates have on the economy. Therefore, balanced budget proposals which make tax-cutting impossible and tax increases inevitable must be avoided.

Mr. Chairman, there can be no doubt of the need to balance the budget. Large deficits associated with increased Federal spending either contribute to inflation or serve only to stifle investment because of the expectation of higher taxes in future years. Nor can there be any doubt that the drafters of the Constitution ever intended to provide the Congress with a free ride to spend to their heart's content by virtue of inflation and the progressive tax code. They adopted provisions to limit the Federal Government—but adoption of the 16th Amendment has lead to the emergence of powerful special interest groups in society who are competing for larger and larger shares of a growing Federal spending pie.

This Congress is in need of a new set of fiscal rules which automatically limits the growth and the size of the Federal pie by constraining the power to raise taxes either through inflation or by direct vote. After all, even if the tax code was entirely indexed by statute, there would be no guarantee that the Congress would not find some convenient scapegoat to burden with heavier taxes. Some Members of Congress are trying to do this to the oil industry. They are trying to raise revenues for spending programs by burning the "oil witch." The irony is that, historically, the more Federal Government has spent, the less productive our economy has become.

Congress must re-navigate its fiscal course. Lower the tax rates and reduce the size and scope of Federal Government. We have the ability in the 96th Congress to put an end to the unconscionable intrusion in the workings of our national economy. Congress has the power to reduce tax rates, restrain Federal Government spending and balance the budget through the Budget Control and Impoundment Act of 1974, but to date Congress has not been determined to do this. It is therefore apparent that the only recourse is to call for a mandate from the people to prompt Congress to act in a manner more beneficial to the Nation's working taxpapers.

I urge this Subcommittee, which has recognized the immediate need for consideration of a legislative means to require a balanced Federal budget, to favorably act upon the Rousselot-Armstrong Taxpayer's Protection Amendment (H. J. Res. 278) to implement a fiscal policy that will generate more revenues through an expanding tax base and create the incentives that this Nation needs to achieve sustained economic growth.●

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of all meetings, when scheduled, and any cancellations or changes in the meetings as they occur.

As an interim procedure until the computerization of this information becomes operational the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Any changes in committee scheduling will be indicated by placement of an asterisk to the left of the name of the unit conducting such meetings.

Meetings scheduled for Thursday, June 14, 1979, may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

JUNE 15

10:00 a.m.

Commerce, Science, and Transportation
Communications Subcommittee

To continue hearings on S. 611 and 622, bills providing for the development of domestic, international, and rural broadcasting stations, focusing on the implementation of cable television, the National Commission on Spectrum Management, and public resource fee schedules for nonbroadcast uses of the electromagnetic frequency spectrum.

235 Russell Building

Environment and Public Works

To resume oversight hearings on the General Services Administration's leasing and new construction policies of Federal buildings.

4200 Dirksen Building

Governmental Affairs

To resume hearings on S. 445 and title 5 of S. 2, to require that all Federal agencies conduct a regulatory analysis before issuing regulations and to prevent unnecessary or harmful procedures which has led to economic inefficiencies that disrupt the operation of a free enterprise system of the U.S.

3302 Dirksen Building

JUNE 18

9:30 a.m.

Finance
Taxation and Debt Management Generally Subcommittee

To hold hearings on S. 231, 700, 1003, and 1065, bills to provide for the enactment of efficient tax incentives for research and development innovation in the field of U.S. exports.

2221 Dirksen Building

Judiciary

To mark up H.R. 2807, proposed Bankruptcy Amendments Act, and a proposed amendment which would make a defendant liable only for damages caused by his sales and proportionate portion of damages attributable to sales by a nonconspirator to S. 390, to expedite and reduce the cost of enforcing existing antitrust laws.

2228 Dirksen Building

10:00 a.m.

Banking, Housing, and Urban Affairs
International Finance Subcommittee

To hold hearings on S. 864, to establish an office within the Department of Commerce, which would promote and encourage the formation and utilization of export trade associations.

5302 Dirksen Building

Commerce, Science, and Transportation
Communications Subcommittee

To resume hearings on S. 611 and 622, bills providing for the development of domestic, international, and rural broadcasting stations, focusing on the implementation of cable television, the National Commission on Spectrum Management, and public resource fee schedules for nonbroadcasting uses of the electromagnetic frequency spectrum.

235 Russell Building

Environment and Public Works
Water Resources Subcommittee

To resume hearings on S. 703, to provide for the study, advanced, engineerings, and design and/or construction of certain public works projects for navigation and flood control on rivers and harbors in the United States and trust territories.

4200 Dirksen Building

10:30 a.m.

Judiciary
Improvements in Judicial Machinery Subcommittee

To resume hearings on S. 677 and 678, bills to reform and restructure the Federal judicial system.

6226 Dirksen Building

2:00 p.m.

Judiciary

To hold hearings on the nomination of Patricia M. Wald, of Maryland, to be U.S. Circuit Judge for the District of Columbia Circuit.

2228 Dirksen Building

JUNE 19

9:30 a.m.

Commerce, Science, and Transportation

To resume oversight hearings on the trucking industry's economic regulation by the Federal Government, focusing on household moving and the problems confronting both the household goods carriers and the consumers they serve.

235 Russell Building

*Energy and Natural Resources

To hold oversight hearings on the activities of programs administered by the Surface Mining Control and Reclamation Act of 1977.

3110 Dirksen Building

Labor and Human Resources
Education, Arts, and the Humanities Subcommittee

To resume oversight hearings to explore the areas of basic learning skills used in elementary and secondary schools.

4232 Dirksen Building

Select on Ethics

To resume hearings in conjunction with the investigation of Senator Talmadge's alleged abuse of certain financial reporting rules of the Senate.

Room to be announced

10:00 a.m.

Banking, Housing, and Urban Affairs
International Finance Subcommittee

To continue hearings on S. 864 to establish an office within the Department of Commerce, which would promote and encourage the formation and utilization of export trade associations.

5302 Dirksen Building

Commerce, Science, and Transportation
Communications Subcommittee

To continue hearings on S. 611 and 622, bills providing for the development of domestic, international, and rural broadcasting stations, focusing on the implementation of cable television, the National Commission on Spectrum Management, and public resource fee schedules for nonbroadcast uses of the electromagnetic frequency spectrum.

1202 Dirksen Building

Environment and Public Works
Water Resources Subcommittee

To continue hearings on S. 703, to provide for the study, advanced engineerings, and design and or construction of certain public works projects for navigation and flood control on rivers and harbors in the United States and trust territories.

4200 Dirksen Building

Foreign Relations

To receive testimony on the proposed ratification of the new International Sugar Agreement.

4221 Dirksen Building

Judiciary
Antitrust, Monopoly, and Business Rights Subcommittee

To hold hearings on S. 1246, to prohibit the growth of a monopoly power forming among major petroleum companies, and to encourage oil companies to put profits back into oil exploration, research, and development.

5110 Dirksen Building

2:00 p.m.

Environment and Public Works

Business meeting, to mark up S. 914, authorizing funds through fiscal year 1985, for public works and economic development programs of the Economic Development Administration.

4200 Dirksen Building

JUNE 20

8:00 a.m.

Energy and Natural Resources

To hold hearings on title 2 of S. 1308, proposed Priority Energy Project Act.

318 Russell Building

9:00 a.m.

Veterans' Affairs

To hold hearings on veterans' claims for disabilities resulting from the effects of nuclear weapons testing.

6226 Dirksen Building

9:30 a.m.

Environment and Public Works

Business meeting, to consider the nomination of Victor Gilinsky, of Maryland, to be a Member of the Nuclear Regulatory Commission.

4200 Dirksen Building

Judiciary

To hold hearings on the nomination of Bailey Brown, Tennessee, to be a U.S. Circuit Judge for the Sixth Circuit, and Francis D. Murnaghan, Jr., of Maryland, to be U.S. Circuit Judge for the Fourth Circuit.

2228 Dirksen Building

Labor and Human Resources

To hold hearings on S. 446, proposed Equal Employment Opportunity for the Handicapped Act.

4232 Dirksen Building

10:00 a.m.

Commerce, Science, and Transportation
Surface Transportation Subcommittee

To resume hearings on S. 796, proposed Railroad Deregulation Act.

235 Russell Building

Energy and Natural Resources

Business meeting on pending calendar business.

3110 Dirksen Building

Environment and Public Works
To hold hearings on pending proposals for the John F. Kennedy Center relating to the payment of outstanding bonds and the issuing of free tickets.
1114 Dirksen Building

Environment and Public Works
Environmental Pollution Subcommittee
To hold joint hearings with the Subcommittee on Resource Protection on S. 1325, to provide for adequate and safe treatment of hazardous substances being released into the environment.
4200 Dirksen Building

Labor and Human Resources
*Health and Scientific Research Subcommittee
To hold hearings on S. 568, to provide for the potential contribution and advancement of women in scientific, professional, and technical careers, and on proposed national health insurance programs.
457 Russell Building

3:30 p.m.

*Labor and Human Resources
Health and Scientific Research and Subcommittee
To resume markup of S. 772–787, S. 1045, and S. 1075, bills to require drug companies to conduct postmarketing and scientific investigations of approved drugs, to transmit drug information to patients and health professionals regarding the use of approved drugs.
4232 Dirksen Building

JUNE 21

9:30 a.m.

Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To hold hearings on S. 1250, to develop techniques for analyzing and stimulating technological and industrial innovation by the Federal Government.
6226 Dirksen Building

*Energy and Natural Resources
To resume oversight hearings on the activities of programs administered by the Surface Mining Control and Reclamation Act of 1977.
3110 Dirksen Building

Judiciary
Administrative Practice and Procedure Subcommittee
To resume hearings on S. 1291, 755, 262, 299, and 104, bills to coordinate and oversee Federal regulatory policy, to promote competition in the regulated industries, and to increase public participation in rulemaking procedures.
424 Russell Building

Judiciary
Antitrust, Monopoly, and Business Rights Subcommittee
To resume hearings on S. 1246, to prohibit the growth of a monopoly power forming among major petroleum companies, and to encourage oil companies to put profits back into oil exploration, research, and development.
5110 Dirksen Building

Labor and Human Resources
To continue hearings on S. 446, proposed Equal Employment Opportunity for the Handicapped Act.
4232 Dirksen Building

10:00 a.m.

Banking, Housing, and Urban Affairs
Financial Institutions Subcommittee
To hold hearings on proposed legislation to establish financial reform programs.
5302 Dirksen Building

Commerce, Science, and Transportation
Surface Transportation Subcommittee
To continue hearings on S. 796, proposed Railroad Deregulation Act.
235 Russell Building

Environment and Public Works
To hold hearings on S. 269, to extend the service area of the Tennessee Valley Authority to include West Memphis, Arkansas.
1114 Dirksen Building

Environment and Public Works
Environmental Pollution Subcommittee
To continue joint hearings with the Subcommittee on Resource Protection on S. 1325, to provide for adequate and safe treatment of hazardous substances being released into the environment.
4200 Dirksen Building

*Labor and Human Resources
Health and Scientific Research Subcommittee
To continue hearings on S. 568, to provide for the potential contribution and advancement of women in scientific, professional, and technical careers, and on proposed national health insurance programs.
457 Russell Building

1:30 p.m.

Finance
Oversight of the Internal Revenue Service Subcommittee
To hold hearings on the applicability of the Internal Revenue Code relating to employee stock ownership plans to railroads.
2221 Dirksen Building

JUNE 22

9:30 a.m.

Finance
Taxation and Debt Management Generally Subcommittee
To hold hearings on S. 1063 and 1062, bills to provide for the structural simplification of the Internal Revenue Code.
2221 Dirksen Building

Governmental Affairs
Energy, Nuclear Proliferation and Federal Services Subcommittee
To hold hearings on S. 742, to provide for an increase in the development of nuclear waste management programs by the Federal Government.
6226 Dirksen Building

10:30 a.m.

Commerce, Science, and Transportation
To hold hearings to investigate whaling activities that take place beyond the jurisdiction of the International Whaling Commission.
235 Russell Building

JUNE 25

9:30 a.m.

Finance
Taxation and Debt Management Subcommittee
To hold hearings on S. 192 and 208, bills to provide for the tax treatment of foreign investors for property located in the United States.
2221 Dirksen Building

Judiciary
Improvements in Judiciary Machinery Subcommittee
To resume joint hearings with the Subcommittee on Constitution on S. 678, to reform and restructure the Federal judicial system, S. 295, to establish within the judicial branch a system for investigating and resolving allegations that the condition or conduct of Federal judges is or has been inconsistent with good behavior required by the Constitution, and S. 522, to clarify the authority of the judicial councils to deal with instances of judicial misconduct.
6226 Dirksen Building

10:00 a.m.

Energy and Natural Resources
To receive a briefing by Administration officials on location, life style, and the future outlook of certain islands under the jurisdiction of the United States
3110 Dirksen Building

*Labor and Human Resources
Health and Scientific Research Subcommittee
To hold hearings to investigate the environmental effects of low level radiation.
4232 Dirksen Building

2:00 p.m.

Finance
Energy and Foundations Subcommittee
To resume oversight hearings on the implementation of the energy taxation policy for tax proposals relating to energy production.
1224 Dirksen Building

Finance
Health Subcommittee
To hold hearings on S. 1204, to expand Federal health assistance to children of low income families.
2221 Dirksen Building

Labor and Human Resources
Health and Scientific Research Subcommittee
To resume markup of S. 772–787, S. 1045, and S. 1075, bills to require drug companies to conduct postmarketing and scientific investigations of approved drugs, to transmit drug information to patients and health professionals regarding the use of approved drugs.
EF–100, Capitol

JUNE 26

9:00 a.m.

Labor and Human Resources
To hold hearings on S. 1076, proposed Multiemployer Pension Plan Amendments Act.
4232 Dirksen Building

9:30 a.m.

Commerce, Science, and Transportation
To resume oversight hearings on the trucking industry's economic regulation by the Federal Government.
235 Russell Building

10:00 a.m.

Energy and Natural Resources
Energy Conservation and Supply Subcommittee
To hold hearings on S. 734, proposed Federal Power Marketing Revolving Fund Act.
3110 Dirksen Building

Environment and Public Works
Water Resources Subcommittee
To hold hearings on proposed cost sharing factors for water resources projects.
4200 Dirksen Building

Finance
International Trade Subcommittee
To hold hearings on the implementation of the United States-Hungarian trade agreement relating to the industrial property rights.
2221 Dirksen Building

Labor and Human Resources
Education, Arts, and the Humanities Subcommittee
To hold hearings on proposed authorizations through fiscal year 1964 for the National Endowment for the Arts, the National Endowment for the Humanities, and the Institute of Museum Services.
1114 Dirksen Building

2:00 p.m.

Environment and Public Works

To hold hearings on the nomination of Robert N. Clement, of Tennessee, to be a Member of the Board of Directors of the Tennessee Valley Authority.

4200 Dirksen Building

JUNE 27

9:00 a.m.

Labor and Human Resources

To continue hearings on S. 1076, proposed Multiemployer Pension Plan Amendments Act.

4232 Dirksen Building

9:30 a.m.

Commerce, Science, and Transportation

To continue oversight hearings on the trucking industry's economic regulation by the Federal Government.

235 Russell Building

Commerce, Science, and Transportation

Science, Technology, and Space Subcommittee

To resume hearings on S. 1250, to develop techniques for analyzing and stimulating technological and industrial innovation by the Federal Government.

6226 Dirksen Building

10:00 a.m.

Energy and Natural Resources

Business meeting on pending calendar business.

3110 Dirksen Building

Environment and Public Works

Business meeting, to resume mark up of S. 914, authorizing funds through fiscal year 1985, for public works and economic development programs of the Economic Development Administration, and to consider the nomination of Robert N. Clement, of Tennessee, to be a member of the Board of Directors of the Tennessee Valley Authority.

4200 Dirksen Building

Labor and Human Resources

Education, Arts, and the Humanities Subcommittee

To continue hearings on proposed authorizations through fiscal year 1984 for the National Endowment for the Arts, the National Endowment for the Humanities, and the Institute of Museum Services.

1318 Dirksen Building

JUNE 28

9:30 a.m.

Judiciary

Administrative Practice and Procedure Subcommittee

To resume hearings on S. 1291, 755, 262, 299, and 104, bills to coordinate and oversee Federal regulatory policy, to promote competition in the regulated industries, and to increase public participation in rulemaking procedures.

1114 Dirksen Building

10:00 a.m.

Energy and Natural Resources

Energy Conservation and Supply Subcommittee

To resume hearings on S. 734, proposed Federal Power Marketing Revolving Fund Act.

3110 Dirksen Building

Environment and Public Works

Environmental Pollution Subcommittee

To resume joint hearings with the Subcommittee on Resource Protection on S. 1325, to provide for adequate and safe treatment of hazardous substances being released into the environment.

4200 Dirksen Building

Labor and Human Resources

Education, Arts, and the Humanities Subcommittee

To continue hearings on proposed authorizations through fiscal year 1984 for the National Endowment for the Arts, the National Endowment for the Humanities, and the Institute of Museum Services.

4232 Dirksen Building

JULY 10

10:00 a.m.

Energy and Natural Resources

Energy Resources and Materials Production Subcommittee

To hold oversight hearings on the implementation of the Outer Continental Shelf Leasing program.

3110 Dirksen Building

JULY 11

9:30 a.m.

Labor and Human Resources

To hold hearings on the workplace, employment and training and their perspectives for the coming decade, and will focus on the Federal role in public sector employment and training policies and programs.

4232 Dirksen Building

10:00 a.m.

Commerce, Science, and Transportation

Aviation Subcommittee

To hold hearings on the certification and inspection procedures of the DC–10 and other types of aircraft.

235 Russell Building

JULY 12

9:30 a.m.

Labor and Human Resources.

To continue hearings on the workplace, employment and training and their perspectives for the coming decade, and will focus on the Federal role in public sector employment and training policies and programs.

4232 Dirksen Building

Veterans Affairs

To hold oversight hearings on the efforts made by the Veterans' Administration to provide information on benefits due incarcerated veterans.

6226 Dirksen Building

10:00 a.m.

Commerce, Science, and Transportation

Aviation Subcommittee

To continue hearings on the certification and inspection procedures of the DC–10 and other type of aircraft.

235 Russell Building

Energy and Natural Resources

Energy Resources and Materials Production Subcommittee

To resume oversight hearings on the implementation of the Outer Continental Shelf Leasing program.

3110 Dirksen Building

Environment and Public Works

To hold hearings on proposed legislation to provide additional office space for the Department of the Judiciary.

4200 Dirksen Building

JULY 16

10:00 a.m.

Energy and Natural Resources

To hold hearings on S. 730, to provide for the establishment of the Energy Corporation of the Northeast designed to bring together the States, Federal Government, and private industry in a creative effort to deal with the energy problems of this area.

3110 Dirksen Building

JULY 17

9:30 a.m.

Commerce, Science, and Transportation

Science, Technology, and Space Subcommittee

To hold joint hearings with the House Subcommittee on Science, Research and Technology of the Committee on Science and Technology, to examine U.S. policies and initiatives of the U.S. Conference on Science and Technology for Development.

5110 Dirksen Building

JULY 18

10:00 a.m.

Energy and Natural Resources

Business meeting on pending calendar business.

3110 Dirksen Building

Environment and Public Works

Environmental Pollution Subcommittee

To resume joint hearings with the Subcommittee on Resource Protection on S. 1325, to provide for adequate and safe treatment of hazardous substances being released into the environment.

4200 Dirksen Building

JULY 19

9:30 a.m.

Labor and Human Resources

Handicapped Subcommittee

To hold oversight hearings on the implementation of the Education for all Handicapped Children Act of 1975 (P.L. 94–142).

4232 Dirksen Building

10:00 a.m.

Energy and Natural Resources

Parks, Recreation, and Renewable Resources Subcommittee

To hold hearings on S. 1104, to provide for the establishment of the Channel Islands National Park.

3110 Dirksen Building

Environment and Public Works

Environmental Pollution Subcommittee

To continue joint hearings with the Subcommittee on Resource Protection on S. 1325, to provide for adequate and safe treatment of hazardous substances being released into the environment.

4200 Dirksen Building

JULY 20

9:30 a.m.

Finance

Tourism and Sugar Subcommittee

To hold hearings on S. 589, 749, and 940, bills to provide for the applicability of tax rules affecting foreign conventions.

2221 Dirksen Building

JULY 24

9:30 a.m.

Labor and Human Resources

To resume hearings on S. 446, proposed Equal Employment Opportunity for the Handicapped Act.

4232 Dirksen Building

JULY 25

9:00 a.m.

*Veterans' Affairs

To hold hearings on S. 759, to provide for the right of the United States to recover the costs of hospital nursing home or outpatient medical care furnished by the Veterans' Administration to veterans for non-service-connected disabilities to the extent that they have health insurance or similar contracts.

6226 Dirksen Building

JULY 26

9:30 a.m.

Labor and Human Resources

Handicapped Subcommittee

To resume oversight hearings on the implementation of the Education for All Handicapped Children Act of 1975 (P.L. 94–142).

4232 Dirksen Building

JULY 30

10:00 a.m.

Commerce, Science, and Transportation
Aviation Subcommittee
To hold hearings on S. 1300, proposed International Air Transportation Competition Act.
235 Russell Building

JULY 31

9:30 a.m.

Labor and Human Resources
Handicapped Subcommittee
To resume oversight hearings on the implementation of the Education for all Handicapped Children Act of 1975 (P.L. 94-142).
4232 Dirksen Building

AUGUST 1

10:00 a.m.

Commerce, Science, and Transportation
Aviation Subcommittee
To resume hearings on S. 1300, proposed International Air Transportation Competition Act.
235 Russell Building

AUGUST 2

10:00 a.m.

Commerce, Science, and Transportation
Aviation Subcommittee
To continue hearings on S. 1300, proposed International Air Transportation Competition Act.
235 Russell Building

CANCELLATIONS

JUNE 21

2:00 p.m.

Labor and Human Resources
Health and Scientific Research Subcommittee
To continue mark up of S. 772-787, S. 1045, and S. 1075, bills to require drug companies to conduct post-marketing and scientific investigations of approved drugs, to transmit drug information to patients and health professionals regarding the use of approved drugs.
EF-100, Capitol

SENATE—*Thursday, June 14, 1979*

(Legislative day of Monday, May 21, 1979)

The Senate met at 9:30 a.m., on the expiration of the recess, and was called to order by Hon. WALTER D. HUDDLESTON, a Senator from the State of Kentucky.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

This Flag Day marks the 25th anniversary of the revision of the Pledge to the Flag to include the phrase "one nation under God."

Let us pray:

God of our fathers and our God, who has made and preserved us a nation, we thank Thee for the flag of the United States and all that it symbolizes in heritage and heroism. We thank Thee for all who for two centuries have followed it in paths of service and deeds of greatness. Rekindle in us a lofty patriotism and a new reverence for the red, the white, and the blue. Help us to unfurl the flag against the skyline of every high national endeavor. May the spirit of this symbol accompany the President on his mission to Vienna. Invest the flag with fresh beauty and new meaning, that it may be to us and to all mankind a banner of freedom, compassion, helpfulness, and love. Rally all the people to this ensign of the Nation, that with purer lives and deeper devotion we may ever witness to "one nation under God."

In Thy holy name we pray. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. MAGNUSON).

The assistant legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., June 14, 1979.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable WALTER D. HUDDLESTON, a Senator from the State of Kentucky, to perform the duties of the Chair.

WARREN G. MAGNUSON,
President pro tempore.

Mr. HUDDLESTON thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF THE MAJORITY LEADER

The ACTING PRESIDENT pro tempore. Under the previous order, the majority leader is recognized for not to exceed 5 minutes.

THE JOURNAL

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Journal of the proceedings be approved to date.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

FLAG DAY

Mr. ROBERT C. BYRD. Mr. President, the prayer of our Chaplain this morning reminding us that this is Flag Day should serve to rekindle in all of us a feeling of patriotism to our country and to our flag and to bring back the memories of yesteryear when our country lived in a simpler age, when life was not the mad rush that it is today. In those days we seemed to think more about the flag, and to revere it, and I think it is good that the Chaplain's prayer has served to reinstitute into our hearts this reminder that we should revere the flag.

This is Flag Day. Flag Day has always meant something special to Americans and I hope it will continue to rekindle a love in our hearts for the principles our country holds dear.

In the spirit of that prayer I would like to attempt to recall the lines that were written by Henry Van Dyke, but I will have to have the attention of everyone because otherwise I might miss a line.

'Tis fine to see the Old World, and travel up and down
Among the famous palaces and cities of renown,
To admire the crumbly castles and the statutes of the kings,—
But now I think I've had enough of antiquated things.
So it's home again, and home again, America for me
My heart is turning home again, and there I long to be
In the land of youth and freedom beyond the ocean bars,
Where the air is full of sunlight and the flag is full of stars.

Oh, London is a man's town, there's power in the air;
And Paris is a woman's town, with flowers in her hair;
And it's sweet to dream in Venice, and it's great to study Rome,
But when it comes to living, there is no place like home.

I like the German fir-woods, in green battalions drilled;
I like the gardens of Versailles with flashing fountains filled;
But, oh, to take your hand, my dear, and ramble for a day

In friendly West Virginia hills where nature has her way.

I know that Europe's wonderful, yet something seems to lack!
The Past is too much with her, and the people looking back.
But the glory of the Present is to make the Future free,—
We love our land for what she is and what she is to be.

Oh, it's home again, and home again, America for me!
I want a ship that's westward bound to plough the rolling sea,
To the blessed Land of Room Enough beyond the ocean bars,
Where the air is full of sunlight and the flag is full of stars.

So, Mr. President, it is good, I think, to recall these lines that are poignant with inspiration and patriotism for our wonderful country. For those of us who can still remember the time when the hats went off as the flag came down the street and the bugles were blaring:

Hats off, the flag is passing by.

I thank the Chair.

RECOGNITION OF THE ASSISTANT MINORITY LEADER

The ACTING PRESIDENT pro tempore. Under the previous order, the assistant minority leader is recognized for not to exceed 5 minutes.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

FLAG DAY

Mr. STEVENS. Mr. President, I marvel at the majority leader's ability to recall at a moment's notice those beautiful words. He certainly put a lump in the throats of all of us who used to follow or have followed that flag overseas and returned home.

PRESIDENT CARTER'S TRIP TO VIENNA

Mr. STEVENS. Mr. President, I follow the majority leader's comments to make note of the fact that the President leaves today for Vienna for talks with Mr. Brezhnev. Traditionally when presidents have embarked on missions overseas they have done so with the full support of the country behind them, and it is my personal hope that we in the Congress realize that the actions of the President in Vienna will reflect a very, very important moment in the history of United States-Soviet relations.

I only wish we had had the ability to develop a greater consensus for the position he will express abroad before he left this morning; but I would also take the occasion to remind all Americans that as he goes abroad, he represents all of us as President of the United States. Once he leaves this country he deserves the right to speak his point of view without hindrance of our debate, or any attempt to undermine the position he articulates while abroad.

I, for one, have my own individual views about the SALT Treaty and I will express those views at the appropriate time. But while the President is representing all Americans in the talks with the leader of what all consider to be a great power in the world, I think it is our duty to let him speak his mind without any carping criticism or expressed reservation as to what he perceives as the policy of the United States.

That has been the tradition. Presidents since the days of Teddy Roosevelt have requested adherence to it, yet there have been some who have not received that courtesy. I am expressing the hope that this country will see the importance of the concept that the President is his own man as he goes abroad and has the right to exercise the powers of the Presidency in foreign affairs without our interference. He could do well to hold the poetry recited by my good friend close to his heart, because I am certain that when he returns home he will be very glad to be back in this great Nation.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield?

Mr. STEVENS. Yes.

Mr. ROBERT C. BYRD. The Senator has delivered a very statesmanlike expression of thought. It is one that I am sure the President will appreciate. It is one that I feel all Americans should appreciate.

Regardless of party, the President is the only leader our country has. He is the one leader, let us put it that way. He is the foremost leader, who holds the highest office, and he is the person who is charged, in the final analysis, with the execution, not only of the laws of this land, but of its foreign policy.

I thank the distinguished assistant Republican leader for stating these thoughts, and reminding us all that this is a serious mission, one that in many ways can be vital to the future of our country. It is a sober and solemn undertaking.

I think the President deserves the best wishes of all of us, and certainly our support insofar as this mission is concerned. As to the final decision and the ultimate outcome on the treaty itself, that will come in due time, I hope after thorough reflection by each of us, and much sober thought on the part of all of us.

THE VIENNA SUMMIT

Mr. ROBERT C. BYRD. Mr. President, as the distinguished Republican leader has pointed out, today the President of the United States embarks on a highly significant mission. For the next 3 days he and other top officials from this country will be meeting with the chief of state of the Soviet Union, Leonid Brezhnev, and other Soviet leaders.

This is the first face-to-face meeting between heads of government of the two nations in 4 years. It will be President Carter's first summit conference with a Soviet leader, the 13th summit meeting between a U.S. President and a Soviet leader, and the 9th bilateral meeting.

In the years since those first summit meetings at Teheran and Yalta during World War II, relations between the Soviet Union and the United States have become a dominant matter in world affairs. Relations with the Soviet Union are a major factor in U.S. foreign policy.

Our two nations are the world's greatest military powers, possessing extensive nuclear capability. This nuclear weaponry which each side possesses, and the possibility of equitable arms control measures, will, of course, be a major topic of the summit, leading up to the expected signing of the SALT II Treaty on Monday.

Once the treaty is signed, having been negotiated and agreed to by the executive branch, it will then be submitted to the Senate, where we will begin to exercise, in a careful and deliberate manner, our constitutional responsibility to advise and consent. Just as the President has undertaken an awesome responsibility in negotiating the treaty, so will the Senate face a solemn and challenging task in making its judgment as to whether the treaty serves the national interest.

Although SALT II will probably be the major issue at the summit, other important international questions will be discussed. I hope these discussions will lead to meaningful progress in reducing international tensions.

Summitry can and has, on occasion, been overdone. But periodic meetings such as this can be useful, particularly in helping to reduce the possibility of serious misunderstandings. There is a limit to what can be accomplished by aides and intermediaries.

I hope this meeting will prove to be worthwhile and productive. But we should not have unduly high expectations A summit can provide a useful framework, but it is the reality of relations—and not glowing and high-blown phrases—that count. We should examine the results in a hopeful, but realistic, cold-eyed manner, with no illusions.

As President Carter begins this summit meeting he carries a serious responsibility. He has my best wishes for a successful summit, and, I believe, the support of the American people in working for increased understanding, and a more stable and secure world.

RECOGNITION OF SENATOR ROTH

The ACTING PRESIDENT pro tempore. The time of the leadership has expired. Under the previous order, the Senator from Delaware (Mr. ROTH) is recognized for not to exceed 15 minutes.

Mr. ROTH. I am happy to yield to the Senator from Illinois.

Mr. PERCY. I thank the Senator. I am very pleased that Senator ROTH and I will be addressing ourselves to the coverage of the Senate SALT II debates; and, of course, in this regard, we are addressing ourselves respectfully to the majority leader's comment. I also have written separately on this subject, but I was particularly pleased to be on the floor this morning to hear his eloquence, his moving statement and comment. But I would also like to join in the expression of prayers and hopes, the best wishes of all the American people, and certainly of the entire U.S. Senate, that go along with the President.

This is Flag Day. We are not only here in a sense of patriotism and honor to our country, but also in remembrance of all those who have contributed their lives to our country. No one would question the motivation of the President or his reason for attempting to save the lives, humanity, and future mankind in trying to find the way to sensibly put a cap on the arms race. He begins a national change, which will then be reflected in debate in the Senate, probably the most important single debate we will have and the most important decision any of us will be called upon to make; and I am very pleased indeed to have heard the eloquent and moving statement by our majority leader and the response of the assistant minority leader.

Mr. PROXMIRE. Mr. President, will the Senator from Delaware yield me 30 seconds?

Mr. ROTH. Yes.

RACINE EDITORIAL URGES GENOCIDE TREATY RATIFICATION

Mr. PROXMIRE. Mr. President, I call attention to a recent editorial appearing in a newspaper in my home State of Wisconsin. The column, written for the May 29 edition of the Racine Journal Times, strongly advocates the ratification by the Senate of the 30-year-old Genocide Treaty. In a powerful statement the editors argue—

> By refusing to ratify the treaty, the United States is making a mockery of its own constitutional guarantees of free rights for all.

I draw attention to the Journal Times

comment because it represents another important example of the grassroots support for the passage of the treaty. It seems the "Racines" of America still hold to the ideals which have shaped this Nation, particularly a compassionate and fair treatment of one's fellow man.

Yet it is sad to observe that the U.S. Senate does not share this same motivation. In fact, the Journal Times editors clearly recognize that it is this body alone that has continually blocked an official American acceptance of the terms of the Genocide Convention.

The White House shares no blame for the delay in the treaty's adoption. Every President, Secretary of State, and Attorney General since the Truman administration has urged its ratification.

Indeed, we in the Senate are uniquely responsible for obstructing the treaty's acceptance. Yet we also have the tools at our disposal to improve our image in the eyes of the people we are elected to represent.

This editorial demonstrates that many of our constituents are not only aware of the treaty's content but also the criticisms of it. And after reviewing the facts they conclude that we must pass the treaty now. I urge all Members of the Senate to join with me in demonstrating that we no longer intend to lag behind the executive branch and our own constituents in a commitment to basic human rights. We can show this commitment through our ratification of the Genocide Convention.

I ask unanimous consent that the text of the Racine Journal Times editorial be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

U.S. SHOULD RATIFY GENOCIDE PACT

Eighty-three nations have ratified the 30-year-old treaty aimed at preventing the crime of genocide.

The United States, sadly, has not approved the treaty that defines genocide as an act intended to destroy a national, ethnic, racial or religious group in full or in part.

The treaty has been before the U.S. Senate since 1949 but the necessary 67 votes can't be mustered, mainly because of opposition by a group of southern senators.

Opponents of the treaty say it would force the U.S. to surrender part of its sovereignty and could result in some Americans being tried in foreign courts. What the critics don't say is that the treaty might be embarrassing because of discriminatory practices against minorities in this country.

The genocide treaty grew out of a determination to prevent a recurrence of the policies of mass extermination of Jews and other minorities practiced by Nazi Germany in World War II.

Nations ratifying the treaty have pledged to bring persons accused of genocide to trial and to enact legislation to implement provisions of the pact.

By refusing to ratify the treaty, the United States is making a mockery out of its own Constitutional guarantees of free rights for all.

The time is long past when America should join the majority of nations and ratify the treaty.

MULTILATERAL COOPERATION IN THE PACIFIC BASIN

Mr. ROTH. Mr. President, when President Carter visits East Asia at the end of this month, I hope he will thoroughly explore with other Asian leaders the possibilities for expanding economic and political cooperation on a multilateral basis among the countries of the Pacific basin.

For years, the United States has been basically oriented more toward the North Atlantic than the Pacific basin, a result of our history and the cultural heritage of the majority of our people.

Our North Atlantic relationships have served us very well and should be preserved and strengthened.

At the same time, I believe we now have an exciting opportunity to put our relations with the countries of the Pacific basin on a basis similar to that of the North Atlantic nations.

In recent years, and especially in recent months, there has been new discussion of the Pacific basin. President Ford, you may recall, once enunciated a "Pacific Doctrine." Prime Minister Ohira has endorsed a "pan-Pacific concept." And he has appointed one of Japan's most highly regarded economists, Okita Saburo, to head a task force to examine more concrete proposals to implement this concept. There has been debate and interest in the Pacific basin community in governmental and academic circles in a number of other countries in the region, including Australia, Canada, South Korea, and Indonesia.

This interest is not only to be welcomed and encouraged, but needs to be actively exploited. In my judgment, a "Pacific century" is not inevitable, but is likely if the nations of the Pacific make it so. We need to build upon the past dynamic growth in the region, to reaffirm and strengthen the institutions which underpinned that growth, and to develop new, more multilateral means of cooperation and development among the Pacific basin nations.

As one who first went to East Asia as a young serviceman during World War II and who has returned to the region on a number of occasions since, I cannot help be struck by the phenomenal economic success stories in the region. Between 1960 and 1976, according to the World Bank data, South Korea, Singapore, and Taiwan experienced an average annual growth in GNP of more than 9 percent. Thailand's average annual GNP growth over these same 16 years was 7.7 percent; Malaysia's 6.7 percent, the Philippines' 5.4 percent, and Indonesia's 5.2 percent. These are nations which have relied on the private enterprise system as the engine of growth and they have outstripped the Communist or socialist countries. They have learned or are learning to cope with the stresses of industrial society. More than anywhere else, the people of East Asia have shown a capacity to exploit modern technology and management and make their region the area of exciting economic growth in the world today.

This growth has contributed to political stability. As Singapore's Prime Minister, Lee Kuan Yew, has pointed out, the bright, eager-beaver types who were once joining Communist underground cells are now becoming young engineers and managers in industry. "Communist recruitment has dropped in quality and in numbers."

The remarkable and relatively sustained high rates of growth in Asia, despite the recession of the mid-1970's reflect the hard work and energy of the people of this region. But we must also remember that this level of growth could not have occurred without an international political and economic environment conducive to investment, development, business activity, and relatively liberal trade flows. Without a sense of international security, without predictable trade and monetary systems, and without relatively open markets such as the American market, growth rates in this region would have been considerably less.

I am concerned—deeply concerned—by growing signs that our economic and security institutions are now in some danger. On the economic side, these signs have included the abandonment of the Bretton Woods system of the fixed exchange rates, the virtually unchecked growth of Euro- and Asian currency markets, cartel-set crude oil prices and production levels, massive current account surpluses and deficits, and growing protectionism around the world. On the security side, there is a growing perception that American foreign and security policies are in disarray, and the United States no longer has a vital stake in the security of our friends in East Asia. Very disturbing also is the apparent increased willingness by countries to resort to military coercion to try to resolve international disputes. The recent Vietnamese invasion of Kampuchea, followed by the Chinese invasion and "withdrawal" from Vietnam, are cases in point. Fortunately, both these instances were confined to the Communist world, but they were carried almost to the brink of superpower confrontation between China and the Soviet Union and could have had a serious impact on the interests of non-Communist nations if the circumstances had been slightly different. As you know, increased political tensions and instability can quickly discourage investment and business activity.

The United States and Japan, as nations with a vital stake in the preservation of stability and a healthy economic order in East Asia and the Pacific basin, must not take for granted the present political and economic institutions. Like a rare plant, they require our constant care. We must be alert to dangers to them, dangers which may originate not only from the outside, but also from the unintended consequences of our own policies and actions. It is in this context that the United States-Japan trade problem, if not resolved, can have a serious repercussion beyond our bilateral relationship. The one big force pushing the U.S. Congress toward protectionism is our huge trade deficit with Japan.

There needs to be a change in attitudes on both sides, not only in the interests of our two nations, but in the broader interests of maintaining a healthy and stable Pacific region. In Japan, there needs to be a different spirit about accepting foreign products that are competitive with domestic articles. In the United States, there needs to be a whole new approach to exporting and overseas markets. Too many Americans are thinking of Japan, South Korea, Taiwan, and Hong Kong only as a new Asian "gang of four." We ought to be looking at these and other nations as new growth markets for American goods and services.

In my judgment, neither the United States nor Japan have developed clear and integrated Asia/Pacific policies. We tend to respond to specific crises or opportunities, but lack a longer term perspective of what a Pacific community could be or how to achieve one.

As for the United States, our "Asia policy" too long has been bound into bilateral straitjackets which have narrowed our vision and limited our effectiveness. We have a number of individual policies toward countries—a Korea policy, a Japan policy, a China policy, a Philippine policy, but the vital element of how these separate country perspectives interrelate to each other and to a grander set of objectives is missing.

The program of troop withdrawals toward South Korea is a case in point. Those who argued for troop withdrawals, and I was not one of them, argued their case in terms of the balance of power in the Korean Peninsula and what they regarded as a need for more American flexibility in the event of an emergency in Korea. The initial consultations with Japan in January 1977 were pro forma at best. The depth of Japanese reservations and the deep concern the troop withdrawals caused among American friends in Southeast Asia came as a great surprise to some of our policymakers. It should not have and would not have if this policy had been viewed in a broader Asian context.

Another recent illustration of the pitfalls of bilateralism involved the question of normalization of American relations with China. The manner in which normalization was carried out (as opposed to the substance of that policy) suggest the views of and implications for our American allies and friends in Northeast and Southeast Asia were not given the attention they should have. And despite the talk of a "China card" implying that normalization related to a broader set of strategic and political goals, I believe the basic thrust for normalization came from those who desired it for its own value in bilateral relationships and that talk of the "China card" was primarily rhetoric designed to help sell it. As events have subsequently indicated, Mr. Deng Xiaoping appears to have been more astute in finding a means of using a bilateral initiative with the United States in pursuit of his broader Asian and global objectives.

In years gone by, bilateralism was almost necessary in U.S. policy toward Asia, in contrast to our policies in Latin America or Western Europe. It reflected the very different foreign policy perspectives and values of East Asian societies, which made necessary a variety of unique U.S. relationships with individual countries and virtually ruled out any broader framework. But this Asia is rapidly disappearing. I believe there is a growing convergence in the outlook and objectives of most of the Pacific basin countries. We now have similar policies toward the People's Republic of China. We are all opposed to the domination of East Asia as a whole by any single country. We believe each country in the region should be allowed to choose its own destiny without coercion from the outside. We value a stable economic international system that provides trade opportunities for our peoples. We believe each nation should increase its own efforts for national self-reliance and economic prosperity.

In my judgment, the time is ripe to strip off the straitjacket of bilateralism and seek to enrich the web of relationships developing among the Pacific nations in a multilateral consultative forum. Such an association—which might be called a Pacific forum—would serve much the same purpose as similar organizations in which the United States participates in Latin America and the North Atlantic. It would not replace other global forums nor subregional organizations such as ASEAN, but it would provide an opportunity for the discussion of issues of unique importance to the Pacific basin nations. It would help us preserve the progress we have already made and to take advantage of the special opportunities for accelerated growth and prosperity which lie in the Pacific basin, more than any other region in the world today.

Let me be very clear that I am not proposing a multilateral military alliance. I believe the current security treaty relationships in the Pacific region, if maintained and supported by adequate United States and indigenous military power, are capable of providing the external security the region requires at the present time. A Pacific forum would add to the security of individual countries by providing a sense of solidarity in resolving common problems and assisting in the economic growth of the region, but it would not be a military alliance.

A decade ago, Mr. Brezhnev urged the nations of Asia to join in a "collective security arrangement." That concept proved a "nonstarter," and I am content to leave Mr. Brezhnev as its exclusive advocate.

Many of the problems the Pacific nations face, for example, the problem of international trade barriers, are ones most effectively addressed in nonregional forums, such as GATT. Other problems, such as the current military conflicts in Indochina are addressed primarily, if ineffectually, in such institutions as the United Nations, lacking other sites for discussions. We have found in the Organizations of American States, in contrast, that many regional issues are most effectively resolved by the countries within the region which have the primary stake in their peaceful resolution. These countries are less likely to look at such problems through lenses tinted by ideology or vague prejudices uninformed by knowledge of the issues at stake or tempered by a real and pragmatic interest in a solution.

A Pacific forum would provide an arena for a genuine multilateral exchange of views among countries which already meet very frequently on a bilateral basis. The United States holds ministerial level meetings with South Korea. Japan has ministerial level meetings with South Korea. We each have separate dialogs with the ASEAN nations of Southeast Asia. Australia, Canada, and New Zealand also have seperate dialogs with the ASEAN group. In such discussions, there are many bilateral issues that need to be addressed and such exchanges can and must continue. But there are also many issues with broader regional implications.

It makes good sense if our foreign or economic ministers meet every so often with each other on a multilateral basis to consult on these issues. Certainly such an arrangement would be much more efficient. Moreover, it would provide a vision of mutual interests and a common destiny needed to help shore up the psychological, political, and economic climate throughout the region. American participation would demonstrate the continuing American interest in East Asia and the Pacific.

A Pacific basin community will have to be rooted in mutual interest, benefit and cooperation. The United States does maintain vital interests in Asia and the Pacific, and there is strong public support for an active American role in this region. But we are no longer—either economically or politically—in a position to provide benefits to other nations which are not reciprocated. Maintenance of a healthy economic and political order in as vast a region as the Pacific basin is a burden beyond the means of any single country. There must be an equitable sharing of responsibilities.

I do not see a need for a complicated, formal structure for a Pacific basin commununity. Instead, I would hope there would be periodic meetings on a very high level, with working groups established only for those specific areas where there are important problems or potential opportunities to be exploited. There might be different countries participating depending on the problem involved. Let me briefly sketch out a series of issues which I believe are conducive to multilateral discussions among the Pacific basin countries.

First, the implications of China's modernization program is of great interest and importance to all the nations of the Pacific basin. I regard vice premier Deng Xiaoping's modernization plans as one of the most exciting developments in Asia in recent history. But we must be realistic about China's needs, capabilities, and ability to finance its programs, and we should maintain a sound business-like posture when dealing with China's requests for credits, technology, and experts. How do we insure that our economic interactions with China benefit ourselves in a collective sense as well as China? What will be the repercussions of China's plans on competitive commercial relations within the region and what is the best way of insuring China's trade contributes to the economic well-being of the region and does not become a disruptive element? What are the implications of China's development for the resources of the region? Clearly any major increase in the living standards of 1 billion people will have an effect on their use of resources, their nutritional needs and preferences, and on the ecological environment of the region around them. Will investment flows into China come at the expense of capital investments elsewhere in Asia and, if so, should special measures be taken to assure the continued rapid growth of countries which more truly share our political, economic, and humanitarian values?

We should discuss in a Pacific forum the trade, aid, and investment patterns among the non-Communist countries of the Pacific basin. Many Southeast Asian countries fear overdependence on Japan, while smaller nations on our side of the Pacific fear dependence on the United States. I believe Japan must bear a large part of the burden of assisting developing countries in the region, but we should also seek an overall distribution that diversifies economic relationships to alleviate fears of excessive dependence on any single country. Moreover, a multilateral perspective is more likely to lead to creative means of helping resolve bilateral problems. For example, I have long urged and continue to urge Japan to buy extra American agricultural products to help rectify the bilateral trade deficit and provide food aid to needy Southeast and South Asian countries.

I believe a Pacific forum could lead to a fruitful consideration of food and energy issues. In Australia, Canada, and the United States, the Pacific basin contains all the principal wheat-exporting countries. It also includes the largest rice-exporting nations. China, Indonesia, Canada, Mexico, and the United States are major producers of crude oil, while Japan and the United States could very usefully benefit from cooperative energy research and development programs.

Trans-Pacific civil aviation, shipping, and telecommunications also need to be further developed to provide the infrastructure essential to a rapidly developing Pacific basin community.

The countries of the Pacific basin have the largest stake in finding a solution to the very difficult and tragic problem created by the thousands of Indochinese refugees. These refugees, which are likely to increase in number over at least the next year, are taxing the facilities and placing great stress on the social structures of several of the ASEAN countries as well as Hong Kong. The United States, Australia, and France are the major countries of ultimate asylum. These countries cannot be expected to single-handedly shoulder this burden. A truly multilateral effort is needed to assist these refugees, and Japan, as a responsible member of the Pacific community with an important stake in stability in Southeast Asia, will be expected to participate more fully in this effort, and not just in the financing of it.

These are illustrative of the kind of issues which the Pacific basin countries face, where a concerted regional effort can provide more energetic solutions than either bilateral or global endeavors.

It should be clear from what I have said that a Pacific forum cannot be merely an American-Japanese effort. We and the Japanese have been, and remain, the economic "locomotives" of the Pacific basin, but other rapidly growing Pacific nations provide an increasing portion of the steam. Working together, we can expand the opportunities and benefits for all our peoples, and consequently, each nation must feel it is a full and equal partner.

Canada and Australia, despite their small populations, are nations of continental size. With their food and raw material exports and highly educated and talented people, they have much to contribute to a dynamic Pacific community.

Mexico, a nation of almost 70 million people, has achieved a real growth rate of more than 5 percent annually during the 1970's. Its oil and gas reserves may rival those of Saudi Arabia.

Indonesia, the world's fifth most populous nation, has emerged as a dynamic and articulate leader in Southeast Asia.

Hong Kong and Singapore, although tiny city-states, have become "global cities," centers of business, industry, and finance that help energize the larger countries around them.

South Korea is being referred to as a "new Japan." Its economic development, however, has been even more spectacular than Japan's and South Korea is rapidly emerging from the ranks of the poor and developing nations to become an affluent, industrialized country.

The peoples of these countries, like those of the United States and Japan, are standing on the threshold of a unique opportunity. The Pacific basin has emerged as the growth center of the world. The Pacific countries have supplanted the Atlantic countries as the major center of trade and commerce for the United States.

I believe the United States will have lost a rich opportunity if we neglect our interests in the Pacific. All the nations of the region will suffer if we fail to preserve and augment the political and economic institutions that have helped transform the Pacific into the region of growth it now is. If we misstep, we could plunge this region back toward stagnation and a resurgence of various forms of totalitarianism, whether of the Communist or Fascist variety.

Our chances of misstepping are less if we join together in a broad, multilateral framework to work on common problems. I hope the leaders of the United States and Japan, as well as those of the other Pacific nations, will realize the potentialities of a more integrated Pacific basin community. It is time for the Pacific community concept to become something more than rhetoric and dream. We have reached a point where we can make it a living reality.

BROADCAST AND NEWS PHOTOGRAPHY COVERAGE OF SALT II DEBATE

Mr. ROTH. Mr. President, I am very pleased to join Senator PERCY in colloquy in support of full broadcast coverage and news photography of the forthcoming SALT II debate.

Winston Churchill once remarked that the making of two things should not be done in public: The making of sausages and the making of laws. Despite my respect for Mr. Churchill, I cannot subscribe to that view.

I firmly believe in Government in the sunshine.

With public confidence in their elected officials at an all time low and cynicism in Government at an all time high, it is time to open Government up to more scrutiny.

The taxpayers pay our salaries; they pay for the programs of this Government. They deserve to see what we do and hear what we say.

Since the President has announced he will send a SALT Treaty to the Senate, I want the American public to be a full partner in this historic debate.

As a Senator, I am personally uncommitted as to how I will vote on this complex issue, so I have no ax to grind—I seek only to open up this process to the over 200 million Americans who have a vital stake in its outcome.

It is essential we have the backing of the American people whatever way we choose to go on this issue. We must learn from the lesson of Vietnam that it makes little difference what the Congress does if the Nation is not behind the policy. On an issue as crucial to the survival of this country as SALT II, we need all the public confidence we can possibly muster.

I realize we must walk before we can run—but let open broadcast and news photography coverage of the SALT II debate be the first step.

I want to let the sunshine in on the Government. I want us to do business in the open. This is a very logical place to start.

Let us bring the Senate into the 20th century. Let us make senatorial history, not a senatorial hiding place. Modern views and modern techniques are compatible.

I have faith in the action of my colleagues, their judgment and their ability to come under closer public scrutiny. It is healthier—for our country and for Congress as an institution. The Senate has been called the greatest deliberative body in the world. Let us give it a chance to live up to that claim. I am ready and so are a lot of my colleagues.

At this time I would be happy to yield to the distinguished Senator from Illinois.

NEWS COVERAGE OF SALT II DEBATE

Mr. PERCY. Mr. President, once again I am very pleased to join with my distinguished colleague from Delaware in what I consider to be an important recommendation to the leadership of the Senate. It is a recommendation and yet I know our leadership on both the majority and minority side have always taken into account the strong feelings of Members of the Senate.

I think there is now a growing, strong feeling among many Members of the Senate that the decision with respect to whether or not Senate debate on SALT II should be given full news coverage is an important decision that should be made in the affirmative, and should be made in the very near future.

Mr. President, the signing of the SALT II Treaty this weekend in Geneva will mark the official beginning of the public debate over Senate approval of the agreement.

When I sent out a survey several months ago to Illinois residents, about 77 percent of them indicated that they favored the concept of disarmament, putting a ceiling on the nuclear arms race, and, therefore, they favored the concept of SALT II. But almost as many constituents, the same proportion, indicated that they did not have enough information about it, and they needed very badly to get that information.

News coverage of the Vienna summit at which President Brezhnev and President Carter will be engaged will be very extensive. Similar extensive coverage will be provided when the treaty is considered in Senate committees.

Almost all of the hearings in the Foreign Relations Committee, which will begin July 7, in accordance with the request from the majority leader that we get those hearings underway at the earliest possible time, will be fully covered, and I believe that most of the hearings of the Armed Services Committee will be fully covered by news media as well.

We should consider now providing full news coverage of the Senate floor debate of the SALT II Treaty. It would be consistent with basic principles of fairness and commitment to the peoples' right to know.

Full news coverage of Senate debate would require expanding access to include television, radio, and news photography. Providing this expanded coverage would open the doors of the Senate so the public would have full access to debate on one of the most crucial and certainly one of the most complex issues to be considered in this or any other Congress.

Mr. President, the principle of Government in the sunshine dictates that we make every effort possible to bring the SALT debate to the people of the United States, and, in a sense, to the people of the world, because all humanity shares in the end result of this debate.

This debate should be conducted in full view of every American, and should be carried everyplace where they have an interest in it.

We have a responsibility, indeed an obligation, to conduct the SALT II Treaty debate in the open for all to see and for all to hear.

Full news coverage of Senate debate is technically feasible with a minimum of equipment and distraction. Such coverage could be patterned after the successful coverage of proceedings now provided in the House.

Along with Senator ROTH, I am today asking Senator PELL, chairman of the Committee on Rules and Administration, and Senator HATFIELD, ranking minority member, to immediately consider providing television, radio, and news photography coverage of the SALT II debate, with proper safeguards, of course, to preserve and protect the decorum of the Senate.

Immediate consideration of this proposal will assure adequate time to explore the matter and make the necessary preparations.

Mr. President, I ask unanimous consent that the text of a letter to Senator PELL from myself and Senator ROTH be printed in the RECORD at this point. The letter spells out our proposal and discusses the matter in detail.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

WASHINGTON, D.C.,
June 14, 1979.

Hon. CLAIBORNE PELL,
Senate Committee on Rules and Administration, Russell Senate Office Building, Washington, D.C.

DEAR CLAIBORNE: Senate consideration of the SALT II treaty will be one of the most important debates of the 96th Congress. Public interest in the Senate floor debate, as well as Committee proceedings, will be intense.

To facilitate public debate on the treaty, it would be helpful to provide full broadcast coverage and news photography. We urge that the Committee on Rules and Administration immediately consider this expanded coverage of the SALT II debate.

Full broadcast coverage of the SALT II treaty consideration would be a logical and feasible extension of news coverage of Senate proceedings. Most importantly, it would affirm the Senate's dedication to "government in the sunshine," a principle that remains unfulfilled as long as electronic journalism is barred from Senate floor debate.

The Senate allowed radio coverage of the Panama Canal debate. This was a successful and unobtrusive experiment. It fostered greater public awareness of an important Senate debate.

Therefore, it is logical to provide the same coverage for the SALT II treaty debate, with two additions. Television coverage and news photography should be provided, too.

Many who oppose television coverage of Senate floor debate claim it would be distracting. This is not a valid point. Television equipment is now so sophisticated and technologically advanced that a minimum of lighting and equipment is required. A case in point is the closed circuit television coverage now provided in the House of Representatives. This coverage is unobtrusive and efficient. Recently a portion of House debate on the standby gas rationing proposal was featured on network newscasts.

We look forward to your early consideration of this matter. The SALT II debate will affect every American for years to come. It would be unfortunate and, in our judgment, unwise, to deny full public access to the Senate floor debate, which will be the final chapter of this crucial public issue.

Sincerely,

CHARLES H. PERCY,
WILLIAM V. ROTH,
U.S. Senators.

Mr. PERCY. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there be a period for routine morning business not to extend beyond 10 minutes in time, and that the Senators may be permitted to speak up to 2 minutes each.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

WHY A GAS SHORTAGE?

Mr. ROBERT C. BYRD. Mr. President, many Americans are frustrated by the persistent shortage of gasoline. Tempers are short in the long gas lines which are appearing more and more across our country. Disbelief of the explanations offered by the Government and the oil industry is common.

There are exceptions to the general confusion, as shown by an article which appeared in the Wall Street Journal of June 13. It is a clear and cogent history of the events which have led to our present situation. I commend it to the attention of my colleagues and our constituents.

I ask unanimous consent that the article be printed in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

WHY A GAS SHORTAGE? IRAN, OIL-FIRM ERRORS, FEDERAL BUNGLING CITED

(By Walter S. Mossberg and Rich Jaroslovsky)

WASHINGTON.—Comedian Johnny Carson claims he recently spotted a sign in front of a California gasoline station. "Temporarily out of phony excuses," it read.

The gag amused Mr. Carson's television audience. But it also reflects a serious side of the gasoline shortage: Nobody can quite agree on why it's happening, and the public doesn't believe the official explanations.

Theories abound. Everybody puts some blame on the closing of Iran's oil fields early this year. But the Energy Department also faults wasteful American motorists. Oil companies blast the Energy Department and its complicated regulations. And the public, according to opinion surveys, suspects an oil-industry plot.

"There is an abundance of fault in this thing," declares Rep. John Dingell, a Michigan Democrat who heads a House energy subcommittee.

BASIC REASONS

But a close look at reasons for the shortage clarifies the picture a bit. While Iran's revolution served as the immediate trigger, the chief underlying cause seems to have been the oil companies' miscalculation of the near-term prospects for supply and demand. Ranking close behind as a cause of trouble was the government's uncertain and contradictory energy policy.

Interviews with private and government analysts indicate that the oil companies last year followed a risky strategy of draining inventories and thus left the country with uncomfortably low supplies of crude oil and gasoline. At the same time, slow-moving and confusing federal policies were discouraging fuel production and distorting markets, while failing to curb rising prices.

As a result, the U.S. couldn't cope with three unexpected events. First came a surge in driving last fall, then a particularly cold winter, and finally the Ayatollah Khomeini's revolution, which interrupted Iranian oil exports and pushed up world oil prices.

When these problems arose, the industry was gripped with uncertainty, and the government unleashed a flurry of policy changes that added to their confusion. Companies husbanded their reserves of crude oil, and U.S. refineries continued to produce only limited amounts of gasoline well into 1979, despite growing shortages.

CRITICS' CHARGES

Critics contend that the industry deliberately withheld crude oil from its refineries to worsen the crisis for economic and political reasons. But the industry and the Energy Department reject those charges: they say conserving crude oil in the face of turmoil was only prudent.

To understand how the U.S. got into its present fix, it's necessary to go back to late 1977. At the time, world oil production was outrunning demand, but the Organization of Petroleum Exporting Countries—the price-fixing cartel—was nonetheless considering a new price rise for January 1978. And Saudi Arabia, OPEC's biggest producer, was talking about cutting production to ensure that such a rise would stick.

To beat the increase, U.S. oil companies in late 1977 built their stocks of crude oil and petroleum products, such as gasoline, to unusually high levels. By January 1978, U.S. crude-oil inventories stood at 340 million barrels, up from 294 million a year earlier. Gasoline stocks were 7.8 percent above 1977 levels.

But the expected price increase didn't come that January, nor at another OPEC meeting in May. So oil companies, uncomfortable with their bulging inventories, began reducing them. Impacts of crude fell sharply in early 1978 as the industry used stocks on hand. And to hold down big inventories of refined products, U.S. refineries were run for much of the year at rates below the 1976 and 1977 levels.

CUT IN INVENTORIES

In 1978, the industry "went from a position of abnormally high inventories to normal inventories," explains Theodore Eck, chief economist for Standard Oil Co. (Indiana). Actually, Government figures show stocks of crude oil and gasoline below normal by year-end.

Then came the crunch. Spurred by mild autumn weather, motorists continued to burn up large amounts of gasoline even after Labor Day, in defiance of normal driving patterns. When the weather finally turned wintry, it did so with a vengeance; the unusual cold boosted the need for heating oil. "Demand in 1978 was a big surprise to all of us," says Annon Card, a Texaco Inc. vice president.

Meanwhile, Iran was sinking into chaos. Revolutionaries began disrupting oil production in October; by Dec. 26, exports were halted. When resumed in March, they were at about half the prerevolutionary rate.

"In retrospect, we screwed up," Indiana Standard's Mr. Eck says. "If we'd seen the Iranian situation coming, we should have kept abnormally high inventories all year."

The Iranians' shutoff hurt the U.S. in two ways. First, after Iran's oil stopped flowing. U.S. supplies fell 500,000 barrels a day below projected demand. Light crude oil, best suited to make gasoline, was especially scarce. Such oil already had been thrown into tight supply by an earlier move in Saudi Arabia to restrict production of its lighter grades.

And perhaps just as serious as the actual shortage was the uncertainty spawned by the crisis. In the oil industry, "nobody knew when Iran was coming back," a top U.S. energy official says. The uncertainty, along with another pending OPEC price increase, spurred a world-wide grab for crude oil and a spurt in U.S. imports, starting late last year.

But instead of refining all the oil they could get, the skittish oil companies have carefully conserved their crude stocks. Besides feeling uncertain about future supplies of crude, the companies have been unsure which refined products would be needed most. In the first four months of 1979, U.S. refineries ran at only about 85 percent of capacity, close to the low 1978 pace. Gasoline and heating-oil production fell.

Similar fears for the future, government officials believe, have prompted many businesses and plain speculators to buy up and hoard fuel. Similarly, drivers in auto-dependent California began a panicky rush to fill their tanks.

Despite a glut of oil from Alaska, California was hardest-hit for several reasons. Many of California's refineries aren't equipped to handle the heavy crude produced in Alaska. Oil companies complain that lack of capital and tough environmental rules have discouraged them from expanding their West Coast operations; so, much of the Alaskan crude is shipped to Gulf Coast refineries. And it's difficult to supply California from the East or South because of a lack of major East-West pipelines.

While the refiners' gasoline supplies were drying up, government policies seemed to make things worse. They "were a disaster from beginning to end," contends Jack Blum, who represents independent gasoline stations and frequently criticizes the big oil companies and the government.

GOVERNMENT'S ACTIONS

Among other things, the government:

Hinted it would decontrol gasoline prices but never did for fear of a congressional backlash. Refiners, waiting for higher prices, held off expanding their production capacity.

In effect, rewarded refiners for holding down gasoline production. By creating a sellers' market in 1978, the companies were able to impose certain price rises approved in earlier years by federal price controllers; the government had let companies defer the increases until market conditions allowed higher prices.

Pressed efforts to get the lead out of gasoline, and at the same time, banned the use of MMT, an octane-boosting lead substitute. These moves meant refiners were forced to use more crude oil, on average, for each gallon of gasoline.

This year, as the fuel situation worsened, the government tried to ease it with a rapid-fire series of new moves that seemed only to increase confusion in the industry.

PRICES INCREASED

In January, the Energy Department sought to spur gasoline production by loosening its price controls to let quotas rise further. But while consumers griped, refiners complained that the higher prices weren't adequate to encourage more gasoline-making.

In February, the department updated its rules under which companies divide gasoline supplies among dealers in order to reflect regional change in population and fuel consumption. But the change was made with just a week's notice and caused unexpected disruptions in supplies. Two months later, the agency found it necessary to change the rules yet again.

In March, despite the beginnings of shortages in the U.S. the department quietly told refiners to stay out of the high-priced world spot market for crude oil and refined products. But last month, after the gasoline crunch hit California, the department reversed itself.

In April, the department began urging refiners to build up heating-oil stocks for next winter, even at the cost of gasoline shortages this summer. But a month later, after gas-station lines began sprouting, the agency lowered its heating oil targets to allow greater gasoline production.

ANOTHER CHANGE SLATED

Just lately, the department has been preparing still another major change: It wants to scrap the existing gasoline price-control system in favor of a new, completely different formula.

Says Mr. Blum of the gasoline-dealers group: "The very act of trying to solve the crisis has only made the crisis worse."

Deputy Energy Secretary John O'Leary rejects such arguments. He concedes that some government actions have created market "distortions," but he says he would repeat most of them anyway. The updating of allocation rules, Mr. O'Leary asserts, was long overdue. The ban on spot-market purchases, he says, may have cut world prices by $2 a barrel. And he insists that heating oil must take precedence over gasoline.

But many others don't put the blame solely on government actions. Indeed, some analysts—and 77% of the public, according to a recent Gallup Poll—believe that the gasoline shortage springs not from bungling or bad luck but from a plot by the oil industry.

CRITICS REPORT

In a 15-page statistics-studded report, a Washington-based anti-oil-industry group called Energy Action argues that in running down inventories last year, the companies left the U.S. "extremely vulnerable" to foreign shortages. Then, the group contends, the companies deliberately kept production low early this year by unnecessarily withholding oil from their refineries.

The report asserts that, despite Iran's cutbacks, world oil supplies actually exceeded 1978 levels because of increased production elsewhere. Thus, the group contends, the oil companies could have produced adequate supplies of gasoline, but didn't. The industry's major motive, Energy Action argues, was to exaggerate the Iranian shortage and scare President Carter into decontroling oil prices in hopes of raising domestic production.

The group's report contends that the government, eager to encourage fuel conservation, helped contrive the shortage. Energy Action argues that the Energy Department overstated the amount and importance of the loss of Iranian oil and the growth in U.S. demand and that it let industry inventories dwindle so that stiff conservation measures would be needed.

"Rationing by inconvenience is one way of bludgeoning the public into cutting back on automobile usage," the group says.

Some congressional analysts agree with the Energy Action view. And a high official of the Federal Trade Commission has publicly suggested that certain statistics show "the current gasoline shortage may be contrived."

EXXON OFFICIAL'S REPLY

Oil executives naturally bristle at such charges. "What's happened is that we've lost all that oil; we can't make it up," insists C. C. Garvin, Jr., chairman of Exxon Corp. "We're running the refineries with all of the crude that we have."

Analyzing the situation, the American Petroleum Institute, the main industry group, says companies are merely being prudent by conserving their oil stocks to avoid costly stopping and restarting of refineries. The institute adds that government controls have interfered with even distribution of supplies and have deprived companies of the capital needed to expand unleaded-gasoline capacity; it takes more crude oil and special equipment to produce unleaded.

But the companies say they lately have been running their refineries at much higher rates than earlier in the year. Energy Secretary James Schlesinger says that under federal prodding average refinery operating rates have climbed to about 87% of capacity in recent weeks. Even if a company makes about as much gasoline as last year, however, shortages persist at the pump because demand this year is stronger and because federal rules require big chunks of fuel to be set aside for priority users, such as farmers. The result: Less than 100 percent of 1978 supplies are left for general sale.

Both industry executives and federal officials insist that there is a real world oil shortage. "It's as plain as mashed potatoes," says Mr. Schlesinger, who estimates world oil supplies are running about 1.5 million barrels daily below demand. Government and industry men say comparisons with 1978, such as those offered by Energy Action, indicate little because production in 1978 was abnormally low.

RISING DEMAND STRESSED

But government analysts put much more stress than industry officials on rising demand as a cause of the problem. Mr. O'Leary says gasoline consumption grew 4 percent nationally, and 7 percent in California during this year's first quarter. "There isn't a gasoline shortage," he cracks. "There's a driving surplus."

Mr. Schlesinger conceded recently that the oil companies may have been "unduly conservative" in holding onto crude-oil stocks early this year. But he says their behavior is "understandable, perhaps, in light of the uncertainty regarding crude-oil supplies." And Deputy Secretary O'Leary says this conservatism doesn't "add up to a conspiracy either to create an artificial shortage of gasoline or roust the price up."

However, Mr. Schlesinger says the oil industry's conduct isn't "necessarily a reflection of the best national policy." Another federal energy expert puts it this way: "What the companies have done is perfectly rational, even sensible from a business point of view. It isn't sinister or evil. But that doesn't mean it's in the national interest."

CONCLUSION OF MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask that morning business be closed if no Senator seeks recognition.

The ACTING PRESIDENT pro tempore. If there is no further morning business, morning business is closed.

QUIET COMMUNITIES ACT AUTHORIZATION, 1980 AND 1981

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will now proceed to the consideration of S. 1144, which the clerk will state.

The legislative clerk read as follows:

A bill (S. 1144), to authorize appropriations for the Quiet Communities Act for the fiscal years 1980 and 1981.

The Senate proceeded to consider the bill.

Mr. CULVER. Mr. President, the Committee on Environment and Public Works has reported an original bill, S. 1144, to extend the authorization of the Noise Control Act of 1972 for 2 years.

The bill authorizes appropriations of $15 million annually for fiscal years 1980 and 1981. In addition, the bill requires the Administrator of the Environmental Protection Agency (EPA) to develop a 5-year plan for carrying out the purposes of the Noise Control Act of 1972 as amended by the Quiet Communities Act of 1978. A report on this proposal is to be submitted to Congress by March 1, 1980, and is to cover fiscal years 1981 through 1985.

S. 1144 reflects the new emphasis on community-based solutions to noise abatement problems as opposed to centralized Federal regulation of noise sources. Until last year, EPA had concentrated on regulations for major sources of noise. While these regulations appeared to have merit, it became clear that unless they were complemented by vigorous State and municipal programs, little real progress would be made. The committee is impressed by the efforts that many communities already are making with little financial support. Examples of State and community initiatives, with technical help from EPA, are the cities of Des Moines and Council Bluffs, Iowa; Anchorage, Alaska; Warwick and Pawtucket, R.I.; Portland, Maine; Sioux Falls, S. Dak.; and the States of Vermont, West Virginia, and New Mexico.

Under the ECHO (each community helps others) program, a community can get technical help from experts in another community, whose travel expenses but not salary, are paid by EPA.

Both of these Iowa cities received help through this program from noise officials in Lincoln, Nebr. Now, Des Moines is preparing to similarly aid other Midwest communities in establishing local noise control programs.

Consequently, last year, in the Quiet Communities Act of 1978, the committee directed the Environmental Protection Agency to begin a comprehensive program of research, technical assistance, and discretionary grants to support State and local efforts. Although these new provisions were enacted after the start of the current fiscal year, EPA has reprogramed appropriated funds to begin implementing this program. The President's budget request for fiscal year 1980 sustains the EPA's efforts and shifts the emphasis of noise abatement funding away from product regulation and toward State and local programs.

The committee originally proposed a 2-year authorization for the Quiet Communities Act of 1978, but the Senate last year agreed to a 1-year bill to accommodate the House of Representatives. At this time, the committee proposes a 2-year extension of the program through fiscal year 1981.

I have a brief description of major provisions, which I request unanimous consent to have printed in the RECORD at this point.

There being no objection, the description was ordered to be printed in the RECORD, as follows:

Description of Major Provisions

SECTIONS 1 AND 2

Section 1 amends the title of the Noise Control Act of 1972 to read the "Quiet Communities Act", and this section conforms all references in law to the new name.

SECTION 3

This section authorizes $15 million to be appropriated annually for fiscal years 1980 and 1981. This is approximately $2 million more than the $12.95 million requested in the President's FY 1980 budget. The EPA proposes that of this latter amount, $2.3 million will go to grants for local noise abatement efforts, including $1.65 million for State and local governments and $650,000 for University Technical Centers.

By May 15, 1979, EPA will have received grant requests from communities totaling more than $3 million. These applications indicate an exceptional degree of interest in noise control among the Nation's communities. In the expectation that such requests will continue to expand, the committee has authorized a sum of $2 million over the President's request.

SECTION 4

Section 4 requires the Administrator of the Environmental Protection Agency to develop a five year plan for carrying out the authorities under the Quiet Communities Act. The plan must be submitted to Congress by March 1, 1980, and should provide a detailed description of the programs and activities which the Administrator will carry out in the five fiscal years beginning on October 1, 1980 (FY 1981–1985).

The plan should contain the following elements:

1. A description of the objectives of each program or other activity to be carried out during this period.
2. An indication of the relative priority assigned to various programs and categories of activities, together with a detailed statement of the annual levels of funding to be allocated to each.
3. A schedule or timetable of specific actions proposed to attain the objectives identified, including deadlines for interim goals where appropriate.

The five-year proposal is to be developed in consultation with state and local governments and should specifically identify actions and programs which they may undertake to control noise under the Quiet Communities Act, and estimate the funding levels necessary to implement the activities and programs identified.

It should also contain a separate discussion of the Administrator's research objectives with respect to the health aspects of noise. The research portion should indicate the relative priorities of various categories of noise research, a detailed statement of the annual levels of funding to be allocated to each category, and a schedule or timetable of activities proposed to attain the noise research objectives.

The research portion of the plan should also contain an analysis of the relationship between the research elements and the other programs.

It should contain a separate portion on aircraft and airport noise studies conducted and reported in accordance with section 7(a) of the Quiet Communities Act.

The Administrator must prepare and submit to Congress a revision of the five year plan not later than January 31, 1981, and each two years thereafter. The effectiveness of EPA's program will benefit from a clearly articulated set of program objectives and strategies.

(Mr. LEVIN assumed the chair).

Mr. CULVER. Mr. President, the committee believes that Federal noise control efforts will also be enhanced by the requirement that the report be submitted to Congress. This will facilitate oversight by the responsible congressional committees and assure that the noise control program receives the appropriate attention.

On behalf of the committee, I recommend that the Senate support this legislation. It is my understanding that we have at least one and possibly two amendments, as well as a colloquy, to clarify some of the legislative contents of this bill.

Mr. CANNON. Mr. President, I would like to ask the manager of this legislation, the distinguished Senator from Iowa, about his interpretation of one provision in S. 1144. The bill specifically directs EPA to update the studies on aircraft noise and the FAA regulations which were done pursuant to section 7 (a) of the Noise Control Act of 1972. It is my understanding that the Committee on Environment and Public Works does not intend this provision to conflict with the requirements in S. 413, the Aviation Safety and Noise Abatement Act of 1979, which directs the FAA to establish a single system for measuring noise around airports and the other provisions of that bill.

It is my further understanding that the EPA update of their study is intended to be advisory in nature and will be provided to the FAA in its development of a single airport noise measurement system.

Is my understanding correct?

Mr. CULVER. The Senator is correct.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. CULVER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CHAFEE. Mr. President, speaking on behalf of the minority I want to assure my colleagues that this bill to continue the Quiet Communities Act for 2 more years was approved unanimously by the Committee on Environment and Public Works. We have changed the name of the Noise Control Act in order to more accurately describe the objectives of this Federal environmental program: the achievement of quieter communities that will protect the health and well being of their residents.

The bill is otherwise a simple extension of the Federal law first enacted in 1972 which authorizes a program to regulate noisy products sold and used in interstate commerce. This bill also extends those policies first articulated in the 1978 amendments which emphasize Federal technical and financial assistance to States and localities which want to develop their own noise abatement programs. Until last year, the EPA concentrated on the regulation of noise emissions and on labeling of noisy products, particularly transportation and construction equipment. However, the committee realized that unless these efforts were complemented by programs at the community level, little significant progress in noise abatement would be made.

The bill before us also directs the Administrator of EPA to develop a long-term strategy for carrying out the quiet communities program. The report which EPA must make to Congress will discipline the Agency to reevaluate its entire noise abatement program with particular reference to the new policy initiated in the 1978 Quiet Communities Act and carried on in this bill. The report will also facilitate oversight by the responsible congressional committees and insure more careful attention to a program which has often been overwhelmed by other environmental issues.

That said, Mr. President, I recommend the reported bill to my colleagues in the Senate.

Mr. ROTH. Mr. President, I thank the chairman for holding off on the debate because of my prior commitment. I also want to express my great appreciation to him and to the ranking member of the Environment and Public Works Committee and the Resource Protection Subcommittee for the interest and help they have given me in this matter.

Mr. President, I commend the chairman and ranking member of the Environment and Public Works Committee and the Resource Protection Subcommittee. The Quiet Communities Act reported out by these committees continues the congressional policy established last year to encourage State and local noise control efforts.

In a moment I will offer an amendment providing State and local communities a greater voice in dealing with noise problems caused by railroads.

UP AMENDMENT NO. 251

Mr. ROTH. Mr. President, I send an unprinted amendment to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Delaware (Mr. Roth) proposes an unprinted amendment numbered 251.

Mr. ROTH. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Add a new section, section 5 to the end of the bill as follows:

Sec. 5. That section 17 of the Quiet Communities Act is amended by inserting a new subsection (e) at the end thereof, as follows:

"(e) At any time after the promulgation of regulations under this section, a State or political subdivision thereof may petition the Administrator to revise such standard on the grounds that a more stringent standard is necessary to protect the public health and welfare. The Administrator shall publish a notice of receipt of such petition in the Federal Register and shall within ninety days of receipt of such petition, respond by (1) publication of proposed revised regulations, or (2) publication in the Federal Register of a decision not to publish such revised regulations, together with a detailed explanation for such decisions."

Mr. ROTH. Mr. President, my amendment provides that State and local authorities have a greater voice in dealing with noise problems caused by railroads.

Mr. President, I have spoken to the distinguished chairman and ranking member concerning these amendments, and I appreciate the interest they have shown and the cooperation they have given in responding to the needs of States such as Delaware.

This amendment is endorsed by the National League of Cities, the National Association of Counties, and the U.S. Environmental Protection Agency. I ask unanimous consent that copies of letters from the National League of Cities and the EPA be printed in the Record at this point.

There being no objection, the letters were ordered to be printed in the Record, as follows:

National League of Cities,
Washington, D.C., June 8, 1979.

Hon. William Roth, Jr.,
United States Senate,
3215 Dirksen Senate Office Building,
Washington, D.C.

Dear Senator Roth: The National League of Cities strongly supports your amendments to S. 1144, which would reauthorize the Noise Control Act of 1972. Your amendments will provide state and local governments with an opportunity to petition to EPA to obtain justifiable exemptions and modifications to federal noise emission standards for fixed railroad facilties.

As you know, EPA has been directed by court order to issue regulations governing railroad noise emissions. It will soon publish final regulations setting noise emission standards for railroad facilities that will preempt this field. State and local governments will have no recourse but to comply with the standards. Your amendments are not intended to do away with preemption, but to allow state and local governments input into the process of setting standards for fixed facilities.

One amendment will allow state and local governments to petition EPA to revise the federal noise emission standards on the grounds of public health and welfare. The right to petition exists in current law for standards governing equipment. This amendment would apply this provision to fixed facilities as well.

A second amendment will allow a state or local government to seek an exemption from the federal noise standards if it can demonstrate that greater noise restrictions are necessitated by special local conditions. However, the language of the amendment does not allow EPA to grant exemptions automatically since EPA must make a finding that the exemption will not require new equipment or changes in equipment or facilities which are economically unreasonable or technologically unfeasible.

NLC supports these amendments in order to enhance the effectiveness of EPA's efforts to regulate railroad noise emissions in the interest of public health and safety. If they are not adopted, approximately 2,000 communities will have no opportunity to participate in a regulation process that involves about 4,100 fixed railroad facilities. They will have no recourse but to accept a Federal standard that will not, in many cases, protect their communities and residents from unnecessary and harmful railroad noise emissions.

Sincerely,

Alan Beals,
Executive Director.

U.S. ENVIRONMENTAL
PROTECTION AGENCY,
Washington, D.C., June 13, 1979.
Hon. WILLIAM V. ROTH, Jr.,
United States Senate,
Washington, D.C.

DEAR SENATOR ROTH: You asked us for our comments on the amendments regarding railroad noise which you contemplate offering to the Noise Control Reauthorization Act (Quiet Communities Act). One amendment would provide communities the right to petition the Agency for a more stringent national standard following agency promulgation. Although we have no objection to communities petitioning us, we believe that the amendment might raise false hopes of these petitions being easily granted by the Agency. It is very difficult for the Agency to change a nationwide, uniform rule on the basis of conditions in a single community. Such community concerns are best handled all together in the comment period on the rule itself.

With regard to the amendment which would change the conditions under which local communities could set more stringent rules for railroad noise, we have these comments: As you are well aware, the present Act presents a very difficult situation in which local communities' flexibility to regulate local sources of railroad noise is severely constrained. The railroads are legitimately concerned, however, with the possibility of local ordinances which would be unreasonable in their demands upon the industry. The Congress settled this issue very much in favor of the railroad interests. It did so by requiring EPA to set a national, uniform standard based on the average railroad yard and on the economic reasonableness of the rule to all railroad companies, no matter what their financial plight. Obviously, this is almost certain to result in a national rule which provides a less stringent regulation than some communities would desire for their citizens.

The Congress added Section 17(c)(2) to the Act to allow communities to set standards more stringent than the EPA rule, but the language of that section is sufficiently ambiguous and restrictive as to raise questions regarding whether the agency is going to be able to issue exemptions from Federal preemption to communities except in extremely limited circumstances. Even then, it is clear that only a very few communities would so benefit. Thus, the combination of the requirement for a national uniform rule plus a very restrictive opportunity for differing local ordinances clearly strikes the balance in favor of the railroad interests. However, we would not recommend providing communities with full authority to regulate railroad noise, since the national rail transportation system would suffer as a result.

Your second amendment appears to be a sound approach to swing the balance back slightly toward the communities' interest. It represents an attempt to provide slightly more authority to localities while continuing to restrict their ability to impose requirements which EPA finds are not economically reasonable and technologically feasible. We conclude that it may well provide a suitable compromise between the competing interests of the local communities who desire local control of their own problems and these of the railroads who are concerned with the economic strength of the industry. The amendment would restrict the flexibility of the communities to a large extent, but still hold out the possibility of a reasonable ordinance being approved.

However, we believe it would be absolutely necessary to have the legislative history of this provision show two things: First, that the opportunity for local ordinances to be more stringent than the national rule in a few cases is not an excuse for a weak national rule, since it will be the national rule which will apply in most cases. Secondly, we believe it should be understood that a separate determination of technical feasibility and economic reasonableness would not have to be made from scratch in each individual case. This would result in interminable rulemaking and no real relief for the communities. Instead, we believe that generic decisions by the Agency on the technical feasibility and economic reasonableness of various control techniques should be allowed to be incorporated by reference for these determinations. If either of these two conditions are not part of the legislative history and/or the amendment itself, we would adamantly oppose the enactment of this amendment.

The views represented herein are those of the Environmental Protection Agency and not necessarily those of the Administration.

Sincerely yours,
CHARLES L. ELKINS,
Deputy Assistant Administrator, for Noise Control Programs.

Mr. ROTH. Mr. President, my amendment allows local governments to petition the Environmental Protection Agency requesting a change in Federal noise regulations which affect fixed railroad facilities, such as rail yards and switch yards. This amendment only fills in a procedural loophole in the Noise Control Act, since local governments already have the right under the law to request changes in EPA regulations which affect railroad equipment, such as locomotives and rail cars.

Mr. President, at this time I yield the floor.

Mr. CULVER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. CULVER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CULVER. Mr. President, this amendment that has been offered by the distinguished Senator from Delaware would give cities and towns the right to petition EPA and seek consideration by EPA for changes in regulations governing noise at fixed railroad facilities.

The amendment, Mr. President, is acceptable to the committee.

The right of petition would provide cities and towns a formal procedure for letting EPA know about problems that may not be noticed in the initial rulemaking procedure.

This is similar to an amendment to the product standards portion of this act which we enacted last year.

So, Mr. President, I ask if the ranking minority member has any objections to accepting this amendment, and perhaps we could have a vote on it.

Mr. CHAFEE. Mr. President, as I understand the amendment, the petitioning community would have to go through the regular procedure to get the standards changed.

Is that not so?

Mr. ROTH. That is correct.

Mr. CHAFEE. I believe it is an acceptable amendment, Mr. President, and we concur with the majority view.

The PRESIDING OFFICER. Do Senators yield back their time?

Mr. ROTH. I yield back the remainder of my time.

Mr. CULVER. I yield back the remainder of my time.

The PRESIDING OFFICER. All time having been yielded back, the question is on agreeing to the amendment.

The amendment was agreed to.

UP AMENDMENT NO. 252

Mr. ROTH. Mr. President, I send a second unprinted amendment to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Delaware (Mr. ROTH) proposes an unprinted amendment numbered 252.

Mr. ROTH. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Add a new section, Section 6 to the end of the bill as follows:

SEC. 6. That section 17(c)(2) of the Quiet Communities Act is amended by deleting "is not in conflict with regulations promulgated under this section" and inserting in lieu thereof: "does not require new equipment or fixed facilities or changes in equipment or fixed facilities which are economically unreasonable or technologically unfeasible".

Mr. ROTH. Mr. President, this amendment would allow local governments to apply for exemptions from the current law's prohibition of local noise standards for railroads. Before granting any exemption and allowing a local noise standard, the EPA after consulting with the Secretary of Transportation would have to specifically find the proposed standard is necessitated by special local conditions and does not require new railroad equipment or facilities which are economically unreasonable or technologically infeasible.

The Noise Control Act of 1972 struck a balance between State and local control over community noise problems, and the national need for our great systems of commerce, including our railroads, to be subject to predictable and consistent noise control standards. On the one hand, Congress required EPA to set a uniform, national noise standard based on the average railroad yard and on the economic reasonableness of the rule to all railroad companies. On the other hand, Congress included section 17(c)(2) in the Noise Control Act to allow communities to set their own noise standards for railroads where special local conditions exist and the proposed standards are not in conflict with the national standards.

My amendment continues this balance. By strictly requiring that no local noise controls place excessive economic or technological burdens on railroads, my amendment strikes a balance between the need for local control and the need to avoid Government overregulation of our railroads. EPA concludes, and I quote from a letter from Charles L. Elkins, Deputy Assistant Administrator for Noise Control programs, this amendment will provide a suitable compromise between the competing interests of the local communities who desire local control of their own problems and those of the railroads who are concerned with the economic strength of the industry.

It is—

a sound approach to swing the balance back slightly toward the communities' interest.

I think it important for us to remember these communities are not hostile to the railroads, and the railroads are not outsiders to the community. The railroads provide jobs, commerce and essential services to the communities, and the people who work on the railroad are in most cases the same who live in the community.

Mr. President, I am concerned that the inability to eliminate railroad noise in my home State of Delaware has caused bad community relation for the railroad. Residents of our State capital of Dover have had a noise problem with ConRail for over 2 years. ConRail operated a switch yard adjoining a residential area of the city until a year ago, when it moved the switching operations to another town in response to citizen complaints. However, this move did not come about until both the EPA and a Federal judge had ruled, under the Noise Control Act, Dover had no power to control its local noise problem. Recently, Dover citizens have complained that ConRail has scheduled a daily freight train serving the Delmarva Peninsula so that it arrives and drops off cars in Dover at about 3 to 3:30 a.m. every night. Citizens are again complaining of sleepless nights.

On the other hand, ConRail provides essential daily switching services for several local businesses in the Dover area as well as for customers up and down the productive Delmarva Peninsula. Even the loudest critics of ConRail's nighttime bumps and grinds agree a balance must be struck between maintaining community livability and community services. I ask unanimous consent that a resolution by the city council of Dover, Del. be printed in the RECORD at this point.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

DOVER, DEL., *May 31, 1979.*

Hon. WILLIAM V. ROTH, Jr.,
United States Senator,
3021 Federal Building,
Wilmington, Del.

DEAR SENATOR ROTH: Mayor and Council have unanimously directed that the enclosed resolution be forwarded to your office as a means to express their concern of the resumption of Conrail's switching activities in close proximity to a residential area.

In behalf of the citizens of Dover, we request your immediate attention to this matter and hope that the expertise of your office will lead to a quick and satisfactory solution.

Sincerely,

WILLIAM H. WILLIS,
City Clerk.

RESOLUTION

Whereas, Consolidated Rail Corporation, a Pennsylvania corporation, and the City of Dover, a municipal corporation of the State of Delaware, had reached an implied agreement that Consolidated Rail Corporation ("Conrail") would refrain from switching operations of its cars within the City limits of the City of Dover between the hours of 11:00 p.m. and 7:00 a.m. and would refrain from causing undue noise from its operations during this period of time and would also refrain from parking on the railroad siding or allowing to remain within the Cty limits for any substantial period of time, tank cars carrying chemicals which might be dangerous to the health of residents of the City of Dover; and

Whereas, Conrail has generally abided by this implied agreement in the past; and

Whereas, it has recently been called to the attention of the City that switching operations have been resumed during the early morning hours which has been disruptive to the peace and enjoyment of residents;

Whereas, it has been called to the attention of the City of Dover that tank cars have been allowed to remain in the City of Dover carrying chemicals which may be hazardous; and

Whereas, the City has received numerous complaints from residents in this regard.

Now, therefore, be it resolved by the Mayor and Council of the City of Dover in Council met:

1. That the management of Conrail shall immediately be notified by the City that its employees are violating the implied agreement that Conrail has with the City to the great disturbance of the peace and welfare of residents of the City.

2. That the management of Conrail is hereby asked to have its employees immediately refrain from switching operations with its cars and trains during the prohibited hours and from the storage of hazardous material and chemicals in cars in the City limits.

3. That a copy of this Resolution shall be distributed to the United States Senators of the State of Delaware and the United States Representative of the State of Delaware and to the appropriate members of the Delaware General Assembly.

Mr. ROTH. Mr. President, this is how my second amendment would work: First, a community would propose a local noise standard to EPA and request an exemption from the Federal prohibition. Then EPA would have to make two specific findings before it could even consider allowing the local standard. First, EPA must find the local standard is necessitated by "special local conditions." Second, EPA must find the local standard would not require changes in railroad equipment or facilities, or new railroad equipment or facilities which would be either economically unreasonable or technologically unfeasible. EPA would have to consult with the Department of Transportation in making these findings.

In many cases, the standards proposed by local communities are similar enough so that EPA may be able to establish guidelines by which most proposed local standards would be judged. In addition, I would like to emphasize the local control option is not intended to be an excuse for a weak national rule, but is intended to complement a strong, predictable national standard.

If and only if EPA determines the local standard satisfies the strict "economic reasonableness and technological feasibility" test, then EPA may in its discretion grant the exemption. And "economic reasonableness," Mr. President, is clearly intended to be determined by a balancing of the benefits to the community of improving the noise conditions and the harm to the railroad's financial condition caused by the capital and operating expenses incurred in order to comply with the local standard.

This amendment provides a balanced approach to noise conditions in communities across the country. It gives State and local governments basic procedural rights in dealing with community noise problems caused by railroads—while at the same time it strictly prohibits economically and technologically burdensome regulation of the railroads.

Mr. President, once again I yield to my distinguished colleague from Iowa.

Mr. CULVER. Mr. President, I have spoken with my distinguished colleague from Delaware about this amendment, and I believe it has merit and deserves our full consideration. I have also spoken with my colleague about the special local noise problems the capital of his home State of Delaware is facing.

I know of his deep concern about finding appropriate remedies for the serious problem that is faced there and of his concern that these noise problems be solved and be solved quickly.

Can my distinguished colleague tell me what has been ConRail's response?

Mr. ROTH. I say to the distinguished chairman that I have been in contact over a matter of weeks with ConRail. They have promised to deliver and should be delivering a letter to me this morning, by 10:30.

They have agreed to take certain actions in response to my concern over the noise problems in Dover. First, they have agreed to comply with a Dover curfew on rail operations between the hours of 11 p.m. and 6:30 a.m. daily, unless they demonstrate to the city's satisfaction changes in the curfew are necessary to maintain services to Dover-area customers and customers on the Delmarva Peninsula. Second, they have agreed to maintain the quality and reliability of services to their Dover-area customers. Third, they have consented to monitoring and enforcement of the curfew by Dover. I ask unanimous consent the letter agreement by ConRail be printed in the RECORD at this point.

There being no objection, the print letter was ordered to be printed in the RECORD, as follows:

CONRAIL,
Washington, D.C., June 14, 1979.

Hon. WILLIAM V. ROTH,
U.S. Senate,
Dirksen Senate Office Building,
Washington, D.C.

DEAR SENATOR ROTH: This responds to your concerns about Conrail's intentions relative to our embargo (curfew) of night time operations in Dover, Delaware. Your objective is to guarantee some quiet from railroad noise between 11:00 P.M. and 6:30 A.M. or 7:00 A.M. while at the same time preserving the improved service we have over this past year brought to the Dover and Delmarva shippers.

As you know, on Monday, June 11 we placed a curfew on all rail car handling activities at our Dover facility between the hours of 9:30 P.M. and 6:30 A.M. That curfew will be in effect for 30 days. We are treating this curfew as an experiment to test the permanent feasibility of continuing to serve our Dover shippers with this critical 9 hour segment removed from our operating clock.

This is something I am sure no railroad has ever attempted before for such a high traffic locality. During the period of the experiment, our operating forces will be manipulating schedules and switching service to Dover shippers to arrive at an optimum long range "quiet hours" program. Our objective is to curtail night time operations permanently. It may well be that we will find the 9:30 P.M. to 6:30 A.M. embargo too restrictive and may in the end find your suggested 11 P.M. to 7 A.M. curfew much more practicable. Your suggestion on that score is most appreciated. Our marketing department is monitoring service and shippers closely. I would want to assure you continued improvement in our service—meaning continued on-time switching and delivery of cars for Dover and Delmarva shippers—will be our guiding principle. I would hope you would monitor and report community reaction.

You have also asked if Conrail would comment on a monitoring role by the City of Dover. We would certainly welcome the Mayor and Council serving as the contact point for complaints—and compliments. We'd be pleased to cooperate by supplying whatever available information and data is required. A single responsible official focal point, as you recommend would be most welcome. Before definitively commenting on that though, I'd hope you'll understand we'd need some additional information so we could make an informed judgment. I would look forward to hearing from you on this proposition as you move it along toward actuality.

You've also asked about the schedule of our local freight trains EH 7 and HE 6. As to EH 7, that train was ordered to depart Edgemoor at Noon so it could set off its Dover cars before 5 P.M. HE 6 was ordered to leave Harrington at 3 P.M. so it could also set off its Dover cars before 5 P.M. During the period of the experiment we may find that to optimize service the Operating Department might have to reschedule the trains again, but in no case would they set off cars during the embargoed period. During the period of the experiment extreme flexibility, as in any experiment, is required to arrive at the best ultimate solution.

Finally, you mention the prospect of hearings on the Dover situation. Please know Conrail, of course, would be responsive to any Congressional Committee of jurisdiction, just as we are responsive to a variety of committees on other matters effecting Conrail.

I hope you find this responsive to your concerns.

Sincerely yours,

JOHN L. SWEENEY,
Senior Vice President.

Mr. ROTH. Mr. President, in light of this agreement by ConRail and in light of the fact no hearings have been held on my amendment, I would like to ask my colleague from Iowa if his subcommittee would be willing and able to aggressively oversee ConRail's compliance with this agreement, and to hold hearings on Dover's noise problems and my amendment this year so that the issues raised can be more fully explored? If these hearings could be held, I would be happy to withdraw my amendment—provided I would feel free to bring it up again if Dover's noise problems continue. I would be happy to act as liaison between the subcommittee and the city of Dover in this oversight role.

Mr. CULVER. Mr. President, I believe the Resource Protection Subcommittee would be very interested in the Senator from Delaware's amendment, and I will promise to try to schedule hearings on it in this Congress. In addition, I firmly believe our subcommittee should take an active role in overseeing the noise problems of local communities brought to light under the Quiet Communities Act. I can promise the Senator from Delaware that as chairman of the subcommittee, I will take a personal interest in the noise problems in Dover, Del., and in ConRail's compliance with the Dover curfew. I will ask the subcommittee to work with the Senator from Delaware to aggressively monitor the results under the ConRail agreement. I can promise the subcommittee will look upon any violation by ConRail of this agreement as a serious breach of legislative trust.

Mr. ROTH. Mr. President, I thank the chairman for his understanding of the problem and his interest in ending the matter, not only for the State of Delaware but for the entire country as well.

I think my amendment is an important one. It needs careful hearings so that we can strike the proper balance in such provisions. I particularly appreciate the chairman's willingness to have the subcommittee watch over the question of compliance with the agreement between ConRail and myself.

Mr. President, I thank my colleague from Iowa for his strong interest and concern. The National League of Cities has done an excellent job in bringing these noise problems to national attention, and now it is time for Congress to act. In order that hearings can be held, I now withdraw my amendment.

The PRESIDING OFFICER. The amendment is withdrawn.

Mr. CULVER. Mr. President, I know of no additional amendments; and if there are none, I call for passage of this measure.

The PRESIDING OFFICER. Do Senators yield back their time on the bill?

Mr. CULVER. I yield back the remainder of my time.

Mr. CHAFEE. Mr. President, the minority is in agreement with the chairman. We yield back our time.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendments to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, was read the third time, and passed, as follows:

S. 1144

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 1 of the Noise Control Act of 1972 be amended to read, "This Act may be cited as the 'Quiet Communities Act' ".

SEC. 2. All references in other laws to the Noise Control Act of 1972 be deemed to be references to the Quiet Communities Act.

SEC. 3. That section 19 of the Quiet Communities Act is amended by inserting the following before the period at the end thereof: "; $15,000,000 for the fiscal year ending September 30, 1980; and $15,000,000 for the fiscal year ending September 30, 1981".

SEC. 4. (a) The Administrator of the Environmental Protection Agency shall develop and submit to the Congress not later than March 1, 1980, a five-year plan for carrying out the authorities under the Quiet Communities Act.

(b) (1) The plan required to be submitted under subsection (a) (hereinafter in this section referred to as "the five-year plan") shall set forth in detail the objectives of each program and other activity proposed to be carried out by the administrator under the Quiet Communities Act during the five-year period beginning October 1, 1980.

(2) The five-year plan shall specify the relative priorities among the various programs and other categories of activities proposed to be undertaken by the Administrator pursuant to his authority under the Quiet Communities Act, together with a detailed statement of the annual levels of funding which the Administrator proposes to allocate to each such program or other category.

(3) The five-year plan shall contain a schedule or timetable of specific actions proposed to be undertaken by the Administrator during the five-year period in order to attain the objectives referred to in paragraph (1). Such schedule or timetable shall include deadlines for the interim goals necessary to attain such objectives.

(4) The five-year plan shall be developed in consultation with State and local governments and shall identify (A) specific actions and programs which may be undertaken by such governments to control noise under the Quiet Communities Act or possible modification thereof and (B) levels of funding necessary to implement such actions or programs.

(c) (1) The five-year plan shall contain a separate portion setting forth—

(A) the Administrator's research objectives respecting the health aspects of noise for such five-year period,

(B) the relative priorities among the various categories of research activities proposed to be undertaken by the Administrator or other Federal agencies for purposes of the noise control programs (together with a detailed statement of the annual levels of funding while the Administrator proposes to allocate to each such category), and

(C) a schedule or timetable of research activity proposed to be undertaken by the Administrator or other Federal agencies during such five-year period in order to attain such research objectives.

The schedule or timetable required under subparagraph (C) shall include deadlines for the interim goals necessary to attain the research objectives.

(2) The portion of the five-year plan referred to in paragraph (1) of this subsection shall contain an analysis of the relationship between the research elements of the plan referred to in such paragraph and the other elements of the plan described in subsection (a).

(d) The five-year plan shall also contain a separate portion on aircraft and airport noise conducted and reported in accordance with section 7(a) of the Quiet Communities Act.

(e) A revision of the five-year plan shall be prepared by the Administrator and submitted to the Congress not later than January 31 of 1981 and each two years thereafter. Each such revision shall set forth the information described in subsections (a) and (b) for the five-year period following the date of submission of the revision.

(f) Nothing in this section shall be construed to affect any authority of the Administrator to carry out any activity under the Quiet Communities Act or under any other authority of law.

SEC. 5. Section 17 of the Quiet Communities Act is amended by inserting a new subsection (e) at the end thereof, as follows:

"(e) At any time after the promulgation of regulations under this section, a State or political subdivision thereof may petition the Administrator to revise such standard on the grounds that a more stringent standard is necessary to protect the public health and welfare. The Administrator shall publish a notice of receipt of such petition in the Federal Register and shall within ninety days of receipt of such petition, respond by (1) publication of proposed revised regulations, or (2) publication in the Federal Register of a decision not to publish such revised regulations, together with a detailed explanation for such decisions.".

Mr. CULVER. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. CHAFEE. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. CULVER. Mr. President, I ask unanimous consent that the Secretary of the Senate be authorized to make any necessary technical and clerical corrections in the engrossment of the Senate amendments.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I would like to commend the distinguised senior Senator from Iowa, Mr. CULVER, for his fine work on the Quiet Communities Act which the Senate completed action on earlier today. As chairman of the Resource Protection Subcommittee of the Environment and Public Works Committee, the Senator has consistently demonstrated a thorough knowledge of complex environmental matters. His work on the Endangered Species Act which the Senate passed yesterday, as well as other important environmental bills, was—as always—of the highest quality.

The Quiet Communities Act authorization modifies the noise abatement programs carried out by EPA to make them more responsive to State and local needs. This change reflects the considered judgment of the Environment and Public Works Committee that better noise control will be maintained by vigorous local involvement in the regulatory process.

This commonsense approach will enable EPA to use its resources in a more efficient manner. Senator CULVER, Senator CHAFEE, and the members of the committee have made a worthwhile change in existing law which will bolster the noise abatement program. Again, I commend his leadership and knowledge in this area.

Mr. CULVER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

PEACE CORPS ACT AMENDMENTS OF 1979

The PRESIDING OFFICER. Under the previous order, the Senate will now proceed to the consideration of S. 802, which the clerk will state by title.

The legislative clerk read as follows:

A bill (S. 802) to further amend the Peace Corps Act.

The Senate proceeded to consider the bill, which had been reported from the Committee on Foreign Relations with amendments as follows:

On page 2, line 6, strike "(2) for the fiscal year ending September 30, 1981, such sums as may be necessary";

On page 2, line 8, strike "and";

On page 2, beginning with line 9, strike through and including line 11, and insert in lieu thereof the following:

(b) in subsection (c) by striking out "year 1978, $1,069,000, and for fiscal year 1979" and by inserting in lieu thereof "year 1980".

So as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Peace Corp Act Amendments of 1979".

SEC. 2. Section 3 of the Peace Corps Act (22 U.S.C. 2502) is amended—

(a) in subsection (b) by striking out the matter before the first proviso and inserting in lieu thereof the following: "There are authorized to be appropriated to carry out the purposes of this Act for the fiscal year ending September 30, 1980, not to exceed $105,404,000:", and

(b) in subsection (c) by striking out "year 1978, $1,069,000, and for fiscal year 1979" and by inserting in lieu thereof "year 1980".

The PRESIDING OFFICER. Time for debate on this bill is limited to 2 hours, to be equally divided and controlled by the Senator from Idaho (Mr. CHURCH) and from the Senator from New York (Mr. JAVITS), with 1 hour on any amendment in the first degree, 1 hour on an amendment by the Senator from Massachusetts (Mr. TSONGAS), and 30 minutes on an amendment by the Senator from California (Mr. CRANSTON), with 30 minutes on any amendment in the second degree and 20 minutes on any debatable motion, appeal, or point of order.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that I may suggest the absence of a quorum without the time being charged against either side.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. CHURCH. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CHURCH. Mr. President, the measure before the Senate is S. 802, a bill to authorize fiscal year 1980 appropriations of $105.4 million for the Peace Corps.

The committee has looked very carefully at the Peace Corps programs and concurs in the current focus of volunteer efforts overseas. Approximately 80 percent of the Peace Corps volunteers coming into the program in fiscal year 1980 will be trained to implement basic human needs projects in the host countries. These projects are designed to assist people to help themselves.

To further enhance the capability of Peace Corps to promote self-sufficiency in developing countries at the grassroots level, the following goals have been established for the 1980 program:

The implementation of new collaborative efforts with AID, World Health Organization, World Bank, UNICEF, the Food and Agriculture Organization, and private voluntary organzations with the goal of optimizing both interinstitutional efficiency and development coordination;

Substantial changes in the profile of the Peace Corps' involvement in education which will emphasize basic human needs—oriented curricula in formal education systems and increased attention to nonformal education. This is a marked departure from the past practice of providing volunteers to teach English in developing countries;

Specific efforts to encourage domestic volunteer participation within developing countries themselves; and

The increased dissemination of the expertise gained through the Peace Corps and other volunteer agencies' unique grassroots experience for use by AID and other development institutions.

In addition, Peace Corps has placed an added emphasis on screening potential Peace Corps volunteers in order to reduce the numbers of volunteers who terminate their overseas assignments early.

This bill has received strong bipartisan support from the Committee on Foreign Relations, which ordered it reported with a favorable recommendation by a vote of 12 to 2. Therefore, I urge the Senate to adopt the Peace Corps Act Amendments of 1979.

I ask unanimous consent that the following persons from the staff of the Committee on Foreign Relations have the privilege of the floor during consideration and voting on S. 802: Richard McCall, Gerald Decker, William Bader, Patrick Shea, and Rudy Rousseau.

Mr. CHURCH. Mr. President, I ask unanimous consent that the committee amendments be considered and agreed to en bloc and that the bill as thus amended be regarded as original text for the purpose of further amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

UP AMENDMENT NO. 253

(Purpose: To establish the Peace Corps as an independent agency within the International Development Cooperation Agency)

Mr. TSONGAS. Mr. President, I call up an unprinted amendment and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Massachusetts (Mr. TSONGAS) for himself, Mr. SCHWEIKER, and Mr. HATFIELD proposes an unprinted amendment numbered 253.

Mr. TSONGAS. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 1, between lines 4 and 5, insert the following:

"PEACE CORPS ACT AMENDMENTS"

On page 2, after line 14, add the following new section:

ESTABLISHMENT OF THE PEACE CORPS AS AN INDEPENDENT AGENCY WITHIN THE INTERNATIONAL DEVELOPMENT COOPERATION AGENCY

SEC. 3. (a) (1) The Congress declares that the service of men and women of the United States as Peace Corps volunteers makes a unique contribution to world peace and friendship by assisting interested countries to meet their needs for trained personnel. The Congress finds that the ability of the Peace Corps to carry out its functions can be strengthened by establishing an autonomous Peace Corps as one of the entities linked to the proposed International Development Cooperation Agency.

(2) It is the intent of the Congress that, in order that the Peace Corps exercise the autonomy required to maintain its unique character and identity, the Director of the Peace Corps shall be responsible for carrying out the policies and programs of the Peace Corps, developing the budget of the Peace Corps, and directing its operations, subject to overall policy guidance and review by the Board of Directors established under subsection (d) of this section. The Board shall assure the coordination of Peace Corps activities with other development assistance activities which are carried out by the United States or in which the United States participates.

(b) (1) Upon the establishment of the International Development Cooperation Agency (hereafter in this section referred to as the "Agency"), pursuant to a reorganization plan the Peace Corps shall be established as an independent unit within the Agency.

(2) In the exercise of its functions, powers and duties, the Director of the Peace Corps and the Board of Directors established under subsection (d) of this section shall be independent of the Director of the Agency and the other offices and officers of the Agency.

(c) Upon the establishment of the Peace Corps pursuant to subsection (b) or (h) of this section, the Director of the Peace Corps and the Board of Directors established pursuant to subsection (d) of this section shall have the authority, as provided in subsection (e), to exercise all the functions under the Peace Corps Act which, immediately before such establishment, the Director of ACTION, or any other officer or employee of ACTION, has the authority to exercise.

(d) (1) Upon the establishment of the Peace Corps pursuant to subsection (b) or (h) of this section, there shall be established within the Peace Corps a Board of Directors (hereafter in this section referred to as the "Board") composed of seven members, one of whom shall be the Director of the Agency, and six of whom shall be appointed by the President, by and with the advice and consent of the Senate, as follows:

(A) Two members shall be appointed from among senior officers and employees of agencies of the United States concerned with development programs abroad and from among United States citizens serving in multilateral international development agencies.

(B) Four members shall be appointed from private life from among United States Citizens knowledgeable in development and volunteer programs abroad.

(2) The members of the Board shall elect one of their members as chairman.

(3) The Board shall meet at least four times in each year.

(4) Members of the Board referred to in paragraph (1) (A) shall be appointed for terms which expire when the term of the President expires. Members of the Board from private life shall be appointed for terms of four years, except that the first such member appointed shall be appointed for the term of one year, and the remaining three such members, one shall be appointed for a term of two years and one shall be appointed for a term of three years, as designated by the President at the time of their appointment. A member of the Board appointed to fill a vacancy occurring before the expiration of the term for which his or her predecessor was appointed shall be appointed only for the remainder of such term. Upon the expiration of his or her term of office a member of the Board shall continue to serve until his or her successor is appointed and shall have qualified. Members of the Board shall be eligible for reappointment.

(5) Members of the Board shall serve without additional compensation, but shall, to the extent provided in advance in appropriations Acts, be reimbursed for actual and necessary expenses and for transportation expenses, when engaged in their duties on behalf of the Peace Corps.

(6) The Board may prescribe, amend, and repeal bylaws, rules, and regulations governing the manner in which the business of the Peace Corps may be conducted and in which the powers granted to it by law may be exercised. A majority of the Board shall be required as a quorum.

(7) The Board shall nominate individuals to the President for appointment as Director of the Peace Corps, and the Board may make recommendations to the President with respect to the removal of the Director.

(e) On or after the establishment of the Peace Corps pursuant to subsection (b) or (h) of this section, any reference in any other law to the President, ACTION, any other Federal department or agency, or any officer or office, with respect to functions which are vested in the Director of the Peace Corps and the Board by subsection (c) of this section and which are exercised after such establishment, shall be deemed to refer to the Director of the Peace Corps and the Board.

(f) (1) Upon the establishment of the Peace Corps pursuant to subsection (b) or (h) of this section, the personnel employed in connection with, and the assets, liabilities, contracts, property, records, and unexpended balances of appropriations, authorizations, allocations, and other funds held, used, arising from, available to, or to be made available in connection with, the functions which are vested in the Director of the Peace Corps and the Board by subsection (c) of this section shall, to the extent provided in advance in appropiration Acts, be transferred to the Peace Corps. Unexpended funds transferred under this section may only be used for the purposes for which the funds were originally authorized and appropriated.

(2) All orders, determinations, rules, regulations, contracts, certificates, and privileges made, issued, or granted by the Peace Corps transferred by this section or in connection with any function transferred by this section and in effect on the date of enactment of this Act shall continue in effect to the same extent as if this section had not occurred, until modified, superseded, or repealed.

(3) The provisions of this section shall not affect any proceedings pending before the Peace Corps at the time this section takes effect, but such proceedings to the extent that they relate to any function transferred by this section shall be continued before the Peace Corps.

(4) No suit, action, or other proceeding commenced by or against the Peace Corps or any officer of the United States acting in his official capacity shall abate by reason of any transfer made pursuant to this section, but the court on motion or supplemental petition filed at any time within 12 months after such transfer takes effect, showing a necessity for the survival of such suit, action, or other proceeding to obtain a settlement of the question involved, may allow the same to be maintained by or against the appropriate office or officer of the United States.

(g) (1) The Director of the Office of Management and Budget, at such time or times as the Director shall provide, shall—

(A) make such determinations as may be necessary with regard to the functions vested in the Director of the Peace Corps and the Board by subsection (c) of this section; and

(B) to the extent provided in advance in appropriation Acts, make such additional incidental dispositions of personnel, assets, liabilities, contracts, property, records, and unexpended balances of appropriations, authorizations, allocations, and other funds held, used, arising from, available to, or to be made available in connection with such functions, as the Director of the Office of Management and Budget may deem necessary to accomplish the purposes of this section.

(2) The Director of the Office of Management and Budget shall provide for terminating the affairs of all offices terminated by reason of this section and for further measures and dispositions as the Director considers necessary to effectuate the purposes of this section.

(3) After consultation with the Director of the Office of Personnel Management, the Director of the Office of Management and Budget shall, at such time as the Director of the Office of Management and Budget shall provide, make such determinations as may be necessary with regard to the transfer of positions within the Senior Executive Service in connection with functions vested in the director of the Peace Corps and the Board by subsection (c) of this section.

(h) If, by October 1, 1979, the Congress, pursuant to the provisions of chapter 9 of title 5 of the United States Code, has not permitted a reorganization plan establishing an International Development Cooperation Agency to become effective, then the Peace Corps shall be established as an independent agency. In appointing members of the Board following such establishment, the President shall appoint, in lieu of the Director of such Agency, a third member from among those individuals described in subsection (d) (1) (A) of this section, such individuals to be appointed by and with the advice and consent of the Senate.

(i) To the extent that any provision of this section provides new authorities involving the expenditure of appropriated funds, such provision shall apply only with respect to funds appropriated after the date of enactment of this Act.

Mr. TSONGAS. Mr. President, I am offering this amendment to S. 802, the Peace Corps Act Amendments, with my colleagues, the Senators HATFIELD and SCHWEIKER. Our amendment separates the Peace Corps from ACTION and makes it an independent agency connected to the proposed International Development and Cooperation Agency. The House passed similar legislation in April by an overwhelming vote—276 to 116.

So clearly this issue is going to be at least at a minimum decided in conference.

I am a former Peace Corps volunteer—in fact, the only Peace Corps volunteer in the Senate, and one of three who are either in the House or Senate. My Peace Corps service in Ethiopia was the most formative experience of my life. My commitment to the Peace Corps and its future, and my hope that thousands of other Americans can participate and benefit from experiences similar to mine, are the reasons I introduce this amendment.

It is vital that we keep the importance of the Peace Corps in mind during this debate. The Peace Corps is not a glue that holds ACTION together. To inform the body, the Peace Corps was put into ACTION back in the early 1970's, and I think most people would agree it was done to diminish the relative importance of the Peace Corps by the then Nixon administration. It is a unique people-to-people program with benefits for both the people served and people who serve.

I must say that even though I felt I contributed, if you will, to the community in which I lived in Ethiopia that I felt when I got back that what they contributed was far greater.

It functioned successfully as a small independent agency in the 1960's, and it has a challenging role to play in the 1980's. I believe it can meet the challenge most effectively by severing its tie to ACTION. That view is shared overwhelmingly by former volunteers, only 5 percent of whom in a recent survey wanted to keep the Peace Corps in ACTION.

The value of an independent Peace Corps was finally recognized by this administration on the heels of the strong House vote.

I wish to commend Congressman BONKER who was in the lead in bringing about that particular change.

The day before the Senate Government Affairs Committee took its hurried look at what to do with ACTION the President issued an Executive order giving greater autonomy to the Peace Corps Director in ACTION. But there are two major problems with this so-called solution. First, we do not know how it is being implemented and whether the direction for that implementation will be from Dick Celeste, the new Peace Corps Director, or from Sam Brown and Mary King of ACTION. More importantly, if the Peace Corps does gain additional autonomy, how long will it last? Until there is a new Director of either the Peace Corps or ACTION? Until there is a new administration? Would this kind of autonomy have survived the problems that existed between the Director of ACTION and his former Peace Corps Director, Carolyn Payton?

An Executive order allows each administration to work its will on the Peace Corps. In 1971 an administration tried its brand of "benign neglect" on the agency by placing it within ACTION. That so-called success is the reason we are here today. The Peace Corps is too important to be a political football.

The advantage of our amendment is that it protects Peace Corps independence through statute. It strengthens the independence in the House version by establishing a relationship identical to that which the National Transportation Safety Board has to the Transportation Department. The functions, powers and duties of the Peace Corps will be independent from IDCA. The Peace Corps Director will control his own programs, policies and budget so that they will not be subject to foreign policy objectives which can affect other development aid programs.

The amendment sets up a Board of Directors for the Peace Corps that includes members from Government and private organizations involved in development activities. The Board includes the IDCA Director, but unlike the provisions of H.R. 3324, the IDCA Director will not be chairman of the Peace Corps Board. The Board nominates a Peace Corps Director who is appointed by the President.

I cannot stress to strongly the importance of Peace Corps autonomy in an agency that is our foreign policy apparatus. The most important attribute that Peace Corps volunteers carry with them wherever they go in the world is credibility. I saw a very clear example of this when I returned to Ethiopia in 1977. It was 15 years after I had served there as a Peace Corps volunteer. I met with several of my former students. We talked in the middle of Addis Ababa, with posters of Lenin and Marx prominently displayed in the main square. Russian and Cuban troops were visible throughout the country, there was no American Ambassador in residence, and United States-Ethiopian relations were at rock bottom. We renewed the friendship of past years and talked of the friendship that Ethiopians still felt for Americans. Despite Government pronouncements, we could share basic human feelings and hopes for our future. An American presence was reestablished that may well be critical to our future relations with that country whether or not the Russians and Cubans leave.

The credibility of volunteers will continue to have importance in our dealings with the Third World. We have more volunteers in Africa than in any other region of the world, and they work there successfully in spite of the fact that U.S. policies with regard to Africa often run counter to prevailing opinion there. And yesterday obviously was another case in point.

A second case in point would be the front line states of Africa, which look incredulously at the United States for its refusal to recognize Angola. Yet President Nyerere of Tanzania last year invited the Peace Corps back to his country and the first volunteers will arrive there this fall.

It is obvious that not only African people, but their leaders as well, make a distinction between the Peace Corps and other U.S. foreign policy objectives. This amendment preserves that distinction.

With independence assured through statute, it makes sense to link the Peace Corps to our development assistance programs. The "new directions" mandate of foreign aid is that it be directed to the needs of the poorest of the poor in developing countries. What better representatives to help meet these goals than Peace Corps volunteers. Most Peace Corps work is done at the village level; almost all Peace Corps projects use appropriate technology. The Agency for International Development and Peace Corps have increased their cooperation in recent months. Our amendment carries that cooperation forward.

I am deeply concerned about the future of the Peace Corps if it remains in ACTION. Two years ago I was willing to give the new administration a chance to revitalize the agency within ACTION after 8 years of neglect by administrations indifferent to the Peace Corps' survival. But it has become apparent to me that the Peace Corps is not regaining its identity, or its vitality sufficiently. It requires a change if it is to survive to meet the challenges of the rapidly changing world in the 1980's.

The Peace Corps thrives on the collective personalities of the thousands of Americans who spread their idealism, their technical know-how and their willingness to work on a people-to-people basis. When the staff and volunteers are caught up in battles over turf within the bureaucracy, their creativity is suffocated and their usefulness compromised.

I recently met with Dick Celeste, the new Peace Corps Director. I am impressed with his enthusiasm and many of his ideas to try to revitalize the agency. That does not, however, diminish my feeling that the agency will continue to flounder within ACTION.

I have heard many of those lobbying to keep the Peace Corps in ACTION argue that ACTION will not survive if the Peace Corps is severed, and that the domestic volunteer programs will be swallowed up by HEW or some other giant bureaucracy. I am sympathetic to these fears, but I do not accept them as a reason for keeping the Peace Corps in the agency. This rationale has nothing to do with what is best for the Peace Corps.

I pledge my efforts to keep the domestic volunteer programs vital within an agency greatly reduced in size. The Peace Corps survived very well as a small, independent agency. There is no reason to believe the same could not be true for a domestic ACTION. The domestic programs should be kept together, for their unique spirit of voluntarism would have difficulty thriving under the thumb of a well-entrenched bureaucracy.

Mr. President, the Peace Corps is our country's most effective people-to-people program. I hope the Senate will join with Senators HATFIELD, SCHWEIKER, and me to insure its future.

Let me simply say in closing, Mr. President, that having served as a Peace Corps volunteer, both as a volunteer for 2 years and as a training coordinator in the West Indies for a year, I am vitally interested in the Peace Corps. I want to insure that what happened to it in the early 1970's cannot happen to it again.

We have tried to insulate the Peace Corps from political interference. I hope the Senate will see the wisdom of the amendment, and that it will pass.

I yield back the remainder of my time.

The PRESIDING OFFICER. The Senator from Idaho.

Mr. CHURCH. Mr. President, I yield myself such time as I may require.

First of all, I want to say to my good friend from Massachusetts (Mr. TSONGAS) that I recognize he speaks from experience, and I do not take lightly the argument he has made on behalf of the amendment.

When this bill was before the committee, no strong case was made for following the course of action the House had taken. It was the feeling of the majority on the committee that there were not sufficient reasons presented to justify an action by the committee that would separate the Peace Corps from the ACTION Agency.

We heard, of course, from the new Director of the Peace Corps, Dick Celeste. We, too, were impressed by his obvious qualifications for the office, and by his enthusiasm and dedication to the rejuvenation of the Peace Corps.

He asked the committee not to take action to separate the Corps from its present association with ACTION. It was in deference to him that the committee decided not to follow the course that the House had taken.

Furthermore, the administration sought to keep the Peace Corps in the ACTION Agency. When the matter was referred to the Senate Governmental Affairs Committee, which properly exercises jurisdiction over the organization of the Federal Government, that committee concluded that this was not the time to separate the Peace Corps from ACTION. I am told that members of the Governmental Affairs Committee, who looked more closely into the question of where the Peace Corps should be located within the Government, intend to come to the floor to participate in the debate and to present to the Senate the reasons why their committee concluded that it would not be wise to accept the proposal embodied in the amendment offered by the distinguished Senator from Massachusetts. I defer to them to make the arguments in support of maintaining Peace Corps in ACTION, since it was that committee which examined this question most closely.

Nevertheless, I recognize that since the House has made its decision, even if the amendment offered by the distinguished Senator were not to prevail, the issue would be before us in conference. We would again have an opportunity to explore the arguments in support of separating Peace Corps from ACTION.

I commend the Senator for his great interest in the Peace Corps. I know that he is motivated by a desire to make it work most effectively. I can only assure him that in the conference, should his amendment not prevail today, the members of the Foreign Relations Committee who sit as conferees will give very close attention to the arguments presented by the conferees from the House.

Mr. TSONGAS. Mr. President, will the Senator yield?

Mr. CHURCH. Yes, I am happy to yield.

Mr. TSONGAS. I very much appreciate the chairman's statement as to what his views would be on the subject in the conference.

Mr. CHURCH. Mr. President, may I interrupt the Senator? Will the Senator yield?

Mr. TSONGAS. I yield.

Mr. CHURCH. May I ask, since we are on limited time, if the Senator will speak on his time? I am trying to protect the Senators from the Government Operations Committee who wish to speak.

Mr. TSONGAS. Oh, sure. Mr. President, how much time remains for each side at this time?

The PRESIDING OFFICER (Mr. HEFLIN). The proponent of the amendment has 20 minutes remaining and the chairman 23 minutes.

Mr. TSONGAS. I yield myself 2 minutes, Mr. President.

If I could have the chairman's attention, what happened in this process was that former Peace Corps volunteers, I guess just like old Army buddies, spend a great deal of time together. We were concerned about what had happened in the Peace Corps in the 1971 time period. It was really after years of discussion that in 1977 there was an attempt to do exactly this. We were approached at that point by the administration, by Sam Brown, who asked us to back off and give them a chance to show that the Peace Corps in ACTION could work. We did. We stood back for 2 years and our conclusion now is exactly what it was before. Even though the Government Operations Committee has had some hearings, which have not been extensive, we have invested really years into this. As I assured the chairman, if this would be deleterious to the Peace Corps, I would not have offered it. I very much appreciate the chairman's comments.

The PRESIDING OFFICER. Who yields time?

Mr. CHURCH. Mr. President, I yield such time to the Senator from Ohio as he may need. I request, however, the Chair to advise me how much time remains to the opponents of the amendment.

The PRESIDING OFFICER. Twenty-three and a half minutes remain.

Mr. CHURCH. Mr. President, I yield 7 minutes to the distinguished Senator from Ohio.

Mr. GLENN. I thank the distinguished floor manager.

Mr. President, I oppose the amendment to remove the Peace Corps from ACTION and do so on behalf of the Committee on Governmental Affairs which voted 15 to 2 on May 22, 1979, to recommend to the full Senate that the ACTION Agency be kept together as an independent executive branch agency, and that the Peace Corps, as a part of ACTION, be granted budget and policy autonomy in accordance with the new Executive Order 12137 which was issued by the President on May 16, 1979.

The report of the Committee on Governmental Affairs, which was filed on June 4, 1979, with the summary and recommendations printed in the RECORD, was made after public hearings at which representatives of 59 Federal, State, or local agencies and private organizations either appeared or submitted views. Those hearings stemmed from a resolution adopted on April 11, 1979, by the Committee on Labor and Human Resources which asked the Governmental Affairs Committee "to consider, and to report to the Senate by June 4, 1979, its recommendations as to whether some or all of the programs administered by the ACTION agency should be transferred and administered elsewhere."

In its hearings, the Governmental Affairs Committee received testimony on and considered the various ACTION programs, including the Peace Corps, VISTA, and the older American programs. It considered the effect of various organizational changes on the agency as a whole, and on its programs. It specifically examined the advantages and disadvantages of linking the Peace Corps program with the proposed International Development Cooperation Agency, which would be established by S. 588.

The single most important organizational issue at hand when the committee considered this resolution from Labor and Human Resources was that of Peace Corps autonomy. On that, virtually all who appeared before the committee agreed. But the administration acted by issuing Executive Order 12137, delegating the critical program authority directly to the Director of the Peace Corps, thereby giving him total control over policy, budget, and staffing matters. Still, Peace Corps remains nominally a part of ACTION, sharing certain common goals and administrative support functions with the ACTION Agency.

Even so, it is the judgment of the present, recently confirmed Director of the Peace Corps, my friend and constituent of many years, Richard F. Celeste, that Executive Order No. 12137 actually grants Peace Corps more independence than it had in 1961 and 1966, in its early days. In a letter to me, Mr. Celeste stated this belief, which was backed up by an analysis performed at his request by Bill Josephson, an early General Counsel of Peace Corps and a distinguished attorney in New York.

Mr. Josephson's key observations are that the Director, under the new Executive order, reports directly to the President; that all funds appropriated for the purposes of the Peace Corps Act are allocated directly to the Director, meaning he will deal directly with the Office of Management and Budget and the Treasury Department, and that the sole authority delegated to the Director of ACTION now deals with those ACTION functions which jointly service the domestic volunteer components of that agency and Peace Corps.

Mr. President, I ask unanimous consent that Mr. Celeste's letter of June 6 setting forth this analysis be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. GLENN. Mr. President, a major reorganization, such as the dismantling of ACTION, should not be undertaken unless there are clear and compelling reasons. To date, at least, no such compelling reasons have been identified to justify such a reorganization. The Committee on Governmental Affairs, to the contrary, concluded that retention of the present organizational structure, with the Peace Corps enjoying autonomy under the ACTION umbrella, offers the best opportunity for the various volunteer programs to achieve progress on the missions established for them by the Congress. Removal of the Peace Corps would be the first step toward abolishing ACTION which was established because Congress and the executive branch agreed that there should be a single agency in the Government organized around the principle of voluntary service, and one that could help preserve and promote the American tradition of citizens volunteering their time and skills to help others.

The various alternative organizational arrangements that have been proposed, including the establishment of the Peace Corps as a completely independent Federal agency, or placing it within a quasi-governmental foundation, cannot be justified in light of the President's very recent Executive order increasing Peace Corps autonomy within ACTION. That new order should be tried before other alternatives are considered. That is especially so since such a step would increase the cost of support services.

Further, we should carefully consider any organizational change that could possibly lead to either the blurring of the Corps' mission as a voluntary agency or of an unfortunate perception abroad that it was another arm of American foreign policy, and nothing else.

The Peace Corps is something else. It is the most visible, best known, and most effective example of grassroots, people-to-people assistance we have in this country. It provides the cohesive force holding ACTION together, representing, as it does, the principal identity of the parent agency, as well as a full 40 percent of its budget. Removal of the Peace Corps would leave an ACTION agency with a budget of slightly more than $100 million, and one not long destined to survive, I would judge. Should it come to that, Congress could parcel the various domestic volunteer programs out among other agencies with program responsibilities in generally similar areas; VISTA to the Community Services Administration, for instance, and the older Americans programs to the Administration on Aging within the Department of Health, Education, and Welfare. Both the administration and the various public interest groups who appeared at the hearing held by the Governmental Affairs Committee opposed such transfers, however, stressing that these volunteer programs were different in kind, intent, and program from the other executive branch programs—just as Peace Corps is different from AID.

Mr. President, I ask my colleagues to oppose this amendment and endorse the action taken by the President when he issued the recent Executive order conferring budget and policy autonomy on the Peace Corps.

Mr. President, I would add to my prepared statement that I want to see a very effective Peace Corps. My good friend Dick Celeste, who has just recently taken over as the new Director of the Peace Corps, was very concerned about his ability to operate in an autonomous and an independent fashion when he took that job. He discussed it at great length with the President. As a result of those discussions, he was then able to get the Presidential directive to which I have referred, Executive Order 12137. This has established a new order of autonomy within the executive branch for the Peace Corps without altering other structures. I would submit to my colleagues that it should be given a chance to operate.

There will always be an opportunity later, if it does not operate to the satisfaction of those who are very concerned, and justifiably so, about the Peace Corps—I know Senator Tsongas is. I urge my colleagues to go along with the Executive order of the President and leave the Peace Corps where he has placed it now by this Executive order.

I thank the Chair.

Exhibit 1

Peace Corps,
Washington, D.C., June 6, 1979.

Hon. John Glenn,
U.S. Senate, Washington, D.C.

Dear Senator John Glenn: President Carter recently issued an Executive Order which reestablished the autonomy of the Peace Corps. Since then I have had a number of inquiries regarding the scope of the Executive Order.

At my request, Bill Josephson, a distinguished New York attorney and early General Counsel of the Peace Corps, analyzed the Executive Order in the context of the original Peace Corps mandate. I believe you may find some of his observations of particular interest. Josephson observes:

"While for technical reasons Executive Order No. 12137 establishes the Peace Corps as an agency within ACTION, actually the Peace Corps and its new Director, Richard F. Celeste, have more independence than the Peace Corps had in 1961 and 1966."

". . . Independence of Peace Corps Director. Executive Order No. 12137 delegates the principal program and administrative functions conferred on the President by the Peace Corps Act directly to the Director of the Peace Corps. In 1961 to 1966 those functions were delegated by the President first to the Secretary of State and then by him to the Director of the Peace Corps. Thus, the Peace Corps Director, in 1961 to 1966, was technically subject to the direct authority of the Secretary of State. Under Executive Order No. 12137, the Peace Corps Director in effect reports directly to the President. Any other United States Government officials (including the Director of ACTION but possibly not the Secretary of State) who disagrees with the Director of the Peace Corps with respect to the carrying out of a Peace Corps Act function must take his case to the President."

". . . the Order provides that all funds appropriated or otherwise made available to the President for carrying out the provisions of the Peace Corps Act are allocated directly to the Director of the Peace Corps. Thus, the Peace Corps Director will deal directly with the Office of Management and Budget and the Treasury Department with respect to the apportionment, obligation and expenditure of Peace Corps funds. Previously, these funds are allocated to the Director of ACTION. (In 1961 to 1966, they were allocated to the Secretary of State.)"

". . . Relationship to ACTION. Executive Order No. 12137 establishes the Peace Corps as an agency within ACTION. None of the functions under the Peace Corps Act are delegated to ACTION or its Director. As we have seen, all the principal Peace Corps Act program and administration functions are delegated directly to the Director of the Peace Corps. The sole authority delegated to the Director of ACTION with respect to the Peace Corps is, under section 1–605 of the Order, the 'general direction of those ACTION functions which jointly serve ACTION domestic volunteer components and the Peace Corps.' (Emphasis added.) The Peace Corps Director under section 1–112 of the Order is to consult and coordinate with the Director of ACTION so that they carry out their respective functions consistently. Likewise, under section 1–605 of the Order the Director of ACTION is responsible for 'advising the Director of the Peace Corps to ensure that the functions delegated under this Order to the Director of the Peace Corps are carried out.'"

I hope these excerpts will clarify for you the President's mandate that the Peace Corps is to be autonomous and that the responsibility for, and control of, its programs, policies, and budget rest solely with the Peace Corps Director.

If you have any questions please do not hesitate to contact me at 254–7970.

Sincerely,

Richard F. Celeste,
Director.

Mr. CHURCH. Mr. President, I yield such time as the distinguished Senator from New York may require.

Mr. JAVITS. I ask the Chair to let me know when I have used 4 minutes.

Mr. President, I am in a very unique position in this matter and I feel a great responsibility about it. For one, I was one of the original sponsors of the Peace Corps when it was first organized. More important than that, Mr. President, I am a member of all three committees which are directly concerned. I am the ranking member of the Committee on Foreign Relations, which has reported the bill before the Senate. I am the senior member, though not the ranking member because of the rules, of the Committee on Human Resources, which considered the question of whether ACTION would remain or be dissolved. I am also the senior member, though not the ranking member, of the Committee on Governmental Affairs, for which Senator Glenn just spoke so eloquently and so accurately.

Like Senator Church, I fully respect the motivation of Senator Tsongas and Senator Schweiker in this matter. Their amendment comes with the utmost good faith and with the utmost dedication to the best interests of the United States. But I do not agree with them. I say that for this reason:

Before we dismantle an agency, we have to remember that axiom which is stated very well by our Governmental Affairs Committee at page 8 of its report. Members who are really deeply interested should look at the committee report:

> No major reorganization should be undertaken unless clearly desirable, because it inevitably causes disruptions which reduce program effectiveness for a significant length of time.

That is really the essence of this matter. We have just put the Peace Corps on a better base, as Senator Glenn has explained. It has autonomy and is no longer going to be under the control of the Director of ACTION. It has a direct channel to the President and to the OMB. Although it has to observe policy guidance, which is given to all of these voluntary agencies, including the Peace Corps, it is essentially an autonomous operation. The Executive order just made on May 15 shows that. So does the letter of Dick Celeste.

He is a very good man from our point of view. We looked at him very carefully, we thought about him a good deal, and we approved him with high marks. Let us give him a chance, Mr. President.

In addition, and very importantly, the difference here in this debate reflects a potential difference between the House and Senate. I do not know whether Senator TSONGAS would fully agree with the House in this matter. They do not just want to make the Peace Corps an independent agency; they want to put it in the international aid agency, the new IDCA. The difficulty with that is that it would destroy the concept of the Peace Corps program as a volunteer program not connected with U.S. foreign aid. Possibly, neither the House nor the Senate would agree with the movers of this amendment—the Senate at least in the sense of the Human Resources Committee, the Foreign Relations Committee, and the committee dealing with the operations of the Government, the Governmental Affairs Committee.

Finally, Mr. President, I think it is very significant that although this was hotly debated and ardently considered by our Governmental Affairs Committee, the vote was 15 to 2. The only two who were negative on this thing were Senators DURENBURGER and ROTH. But 15 Senators were for it, Mr. President, including Senator GLENN, myself, Senators RIBICOFF and PERCY (the chairman and ranking member of the committee), Senator JACKSON, Senator STEVENS, Senator MATHIAS—people who really have the interests of the Peace Corps at heart, as I do.

I was around when Jack Kennedy first authored the Peace Corps proposal. As a historical note, before he did, I urged it on Nixon. He did not take it. Jack Kennedy did. I think it is wonderful. I really cannot tell Senator TSONGAS how moved I was by it and still am.

Really, in the greatest sincerity, I think this amendment would not do what he wants for the Peace Corps. It is just the wrong time. If we are going to move the Peace Corps from ACTION at any time, we certainly should not move it now, when we have a new man, new autonomy, and a new chance.

I strongly believe, Mr. President, with full appreciation of the devotion and the heart that goes into this from the Senator from Massachusetts, that, nonetheless, his amendment is not the right way to go. Three committees have said that it is not the right way to go. Governmental Affairs said so 15 to 2—that is pretty decisive. Therefore, the Senate should not approve this amendment.

Mr. GLENN. Mr. President, will the floor manager of the bill yield me 2 minutes?

Mr. CHURCH. I am happy to yield 2 minutes to the Senator from Ohio.

Mr. GLENN. How much time do we have left?

The PRESIDING OFFICER. Eleven minutes remain.

Mr. GLENN. I thank the floor manager of the bill.

Mr. President, I want to assure Senator TSONGAS of my heartfelt support for the Peace Corps, but I want to associate myself with the remarks of the Senator from New York. He has been a big booster of the Peace Corps since its earliest days.

Wherever we have traveled in connection with foreign relations matters around the world, I have always made it a practice to stop in and meet with the Peace Corps volunteers, wherever they were. The last such experience was one of the best I think I have ever had, which was about a year ago, over July 4, when I was asked by the President to lead our American delegation to the Solomon Islands for their independence ceremony. While we were there, we asked the Peace Corps volunteers to come in from the other islands in the area. They did; some 60 of them came in and we had dinner with them and had a chance to talk to them.

I had a chance to talk to Prime Minister Kenilorea and to ask his views of the Peace Corps in that area. He had a very high opinion of them. He said they are doing an outstanding job there and we would like to have more sent.

I give this as a little background for my complete support of what the Senator is proposing here, in support of the concept that if something is not working right in the Peace Corps, let us fix it. But if we let the President's Executive order stand and go ahead for a year or so and see how it works and we find it is not working, as the new Director of the Peace Corps, Dick Celeste, has great hopes for its working, I shall be the first to line up with the distinguished Senator from Massachusetts and work to get this changed so it can be made more effective.

My effort in supporting the committee on this and in my statement on the floor this morning is in no way to put the Peace Corps down or put it under anyone else. It is support for it, hoping that this new system will work and work well. If it does not, I shall be happy to work with the Senator from Massachusetts to make it work better.

I thank the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. CHURCH. Mr. President, I am unaware if there are other Senators who wish to speak. That being the case, I am prepared to yield back the remainder of my time, depending, of course, on the wishes of the able Senator from Massachusetts.

Mr. TSONGAS. Mr. President, how much time is remaining on the side of the proponents?

The PRESIDING OFFICER. Eighteen minutes.

Mr. TSONGAS. Mr. President, I shall take about 4 minutes and then I shall be finished.

Let me address my remarks to Senator JAVITS and Senator GLENN, if I may, just for a moment.

I think it is quite true that a number of people who look at the Peace Corps are encouraged by what the President has done and the Executive order is clearly a step in the right direction.

I simply caution on two points. First, that Executive orders can be changed. What we are seeking is to do the same kind of thing except by statute, so it is not dependent on the Peace Corps Director or the President of the United States.

The second point is that even though, clearly, there are people who are encouraged by this change, recent experience has shown, especially, as I understand it, and I think my information is good, that in the meetings between OMB and ACTION and the Peace Corps that, indeed, it was ACTION that called the tune.

It would suggest to me that despite the recent change that, indeed, nothing has really changed after all.

The final point I would make is this, the committee was convinced by witnesses, excluding me, that what the President was doing was adequate.

I know the three Senators are men of good will who have long supported the Peace Corps, but I would encourage them to talk to former Peace Corps volunteers who really knows the situation better than anyone else. They will find a remarkable majority, 95 percent of the recent poll that was taken, feel it has diminished in the 1970's.

I do not think anyone who served, or very few people, walks away not enamored with the notion and concept of the Peace Corps. I urge Senators, if possible, to meet with the former volunteers, talk to them about their concerns, and I think then perhaps the arguments I make today may have a bit more weight.

I appreciate the interest and open mind of Senators.

Mr. President, I yield back the remainder of my time.

Mr. CHURCH. Mr. President, before yielding back the remainder of my time, the distinguished Senator from Ohio asked for 2 more minutes.

Mr. President, I now yield 2 minutes to the distinguished Senator from Ohio.

Mr. GLENN. I thank the floor manager.

Mr. President, the only response I would like to make to the distinguished Senator from Massachusetts, as far as ACTION, as he said having called the tune, I think that is absolutely correct in prior days. But one of the new parts, set up as part of the President's Executive order, is that the Peace Corps will now have its own budgeting authority, and while it will be submitted as part of the ACTION budget, as I understand it, it will not be reviewed nor modified by ACTION. That is the understanding. It will be submitted to OMB as the Peace Corps submits it. So that is a very major change as far as the dollar support and funding goes.

I think in prior days when ACTION could call the tune and massage the budget around and, really, change the mission by that mechanism or limit it, I think those days are past because that now will go directly to OMB.

That was one of the major reasons why I was willing to support this and the new Director of the Peace Corps, and going along with the President's Executive order.

Mr. President, I wanted to make that clear, that they are not under ACTION like they were in the previous budgetary situation.

I thank the Chair.

Mr. CRANSTON. Mr. President, I oppose the amendment.

I have given a great deal of thought to this matter, and have concluded that the legitimate concerns of proponents of a Peace Corps transfer can be met within the existing administrative structure of the ACTION Agency, given the President's May 16, 1979 Executive Order (No. 12137) to grant the Peace Corps a large measure of independence within the agency. I think we should give that new structure a chance to work.

Keeping the Peace Corps within the ACTION Agency under the terms of the Executive order is preferable. I am convinced, to any of the available options.

I cannot support the alternative of placing the Peace Corps in the proposed new International Development Agency.

The fundamental purpose of the Peace Corps is to help promote a better understanding of the American people on the part of the peoples served and a better understanding of other peoples on the part of the American people. It is a people-to-people program, not a material assistance program. I believe that its essential spirit and integrity would be very seriously compromised by any suggestion that it is an international development program.

For different reasons, I cannot support the proposal that the Peace Corps should be transferred back to the State Department. Such a transfer now could be construed as being for the purpose of subjecting the program to political and foreign policy dictates. The reality of restoring the pre-1971 independence of the Peace Corps within the State Department would not, in my estimation, resolve this serious perception or misperception question.

Nor do I believe it would be feasible at this time to abolish one agency and then establish a new, independent Peace Corps Agency—whether that new agency were styled as a foundation, a nonprofit private corporation, or, as I might prefer under other circumstances, a new Federal agency.

It is for these reasons that I support retaining the Peace Corps within the ACTION Agency.

Mr. President, Richard Celeste, Director of the Peace Corps, has provided me with an analysis of the effects of Executive Order 12137 prepared by a former general counsel of the Peace Corps. Bill Josephson. Mr. Josephson concludes that under the arrangements of the Executive order, the Peace Corps will have even more independence than it had during the 1960's.

This analysis, prepared by an individual who was closely involved with the Peace Corps during the program's early history is most significant in light of the current debate.

Mr. President, I ask unanimous consent that Dick Celeste's letter be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

PEACE CORPS,
Washington, D.C., June 6, 1979.

Hon. ALAN CRANSTON,
U.S. Senate, Washington, D.C.

DEAR SENATOR CRANSTON: President Carter recently issued an Executive Order which reestablished the autonomy of the Peace Corps. Since then I have had a number of inquiries regarding the scope of the Executive Order.

At my request, Bill Josephson, a distinguished New York attorney and early General Counsel of the Peace Corps, analyzed the Executive Order in the context of the original Peace Corps mandate. I believe you may find some of his observations of particular interest. Josephson observes:

"While for technical reasons Executive Order No. 12137 establishes the Peace Corps as an agency within ACTION, actually the Peace Corps and its new Director, Richard F. Celeste, have more independence than the Peace Corps had in 1961 and 1966."

". . . *Independence of Peace Corps Director*. Executive Order No. 12137 delegates the principal program and administrative functions conferred on the President by the Peace Corps Act *directly* to the Director of the Peace Corps. In 1961 to 1966 those functions were delegated by the President first to the Secretary of State and then by him to the Director of the Peace Corps. Thus, the Peace Corps Director, in 1961 to 1966, was technically subject to the direct authority of the Secretary of State. Under Executive Order No. 12137, the Peace Corps Director in effect reports directly to the President. Any other United States Government officials (including the Director of ACTION but possibly not the Secretary of State) who disagrees with the Director of the Peace Corps with respect to the carrying out of a Peace Corps Act function must take his case to the President."

". . . the Order provides that all funds appropriated or otherwise made available to the President for carrying out the provisions of the Peace Corps Act are allocated directly to the Director of the Peace Corps. Thus, the Peace Corps Director will deal directly with the Office of Management and Budget and the Treasury Department with respect to the apportionment, obligation and expenditure of Peace Corps funds. Previously, these funds were allocated to the Director of ACTION. (In 1961 to 1966, they were allocated to the Secretary of State.)"

". . . *Relationship to ACTION*. Executive Order No. 12137 establishes the Peace Corps as an agency within ACTION. None of the functions under the Peace Corps Act are delegated to ACTION or its Director. As we have seen, all the principal Peace Corps Act program and administration functions are delegated directy to the Director of the Peace Corps. The sole authority delegated to the Director of ACTION with respect to the Peace Corps is, under section 1–605 of the Order, the 'general direction of *those ACTION functions which jointly serve* ACTION domestic volunteer components and the Peace Corps.' (Emphasis added.) The Peace Corps Director under section 1–112 of the Order is to *consult and coordinate* with the Director of ACTION so that they carry out *their respective functions* consistently. Likewise, under section 1–605 of the Order the Director of ACTION is responsible for '*advising* the Director of the Peace Corps to ensure that the functions delegated under this Order to the Director of the Peace Corps are carried out.' "

I hope these excerpts will clarify for you the President's mandate that the Peace Corps is to be autonomous and that the responsibility for, and control of, its programs, policies, and budget rest solely with the Peace Corps Director.

If you have any questions, please do not hesitate to contact me at 254–7970.

Sincerely,

RICHARD F. CELESTE,
Director.

Mr. CRANSTON. Mr. President, throughout the debate on what should be the future administrative arrangements for the Peace Corps, I have been concerned that many who call for a transfer of the Peace Corps are basing their decisions on unwarranted, unfair, uninformed attacks on the ACTION Agency Director, Sam Brown.

When Sam Brown took over the leadership of the ACTION Agency in 1977, he inherited a multitude of problems. He has done much to improve the situation. In fact, a recent GAO report examining problems in the Peace Corps concluded by acknowledging that Sam Brown has contributed significantly to resolving the problems studied by the GAO.

Mr. President, decisions on the future of the ACTION Agency programs, including the Peace Corps, should not be based on personality politics. They should be based in what is best for the optimum development of the programs and how the volunteer participants can best continue their work in human development endeavors.

Mr. President, I chair the Senate Subcommittee on Child and Human Development which has legislative and oversight responsibilities for the domestic volunteer programs of the ACTION Agency, and am the author of S. 239, the Domestic Volunteer Service Act Amendments of 1979, which reauthorizes certain of the agency's domestic programs, including VISTA, the Peace Corps' counterpart program.

When S. 239 was considered by the Committee on Labor and Human Resources, there was much discussion as to what would be the most responsible course of action to take with respect to the future administrative arrangements for the agency's domestic programs. It was the sense of the committee that the future of the Peace Corps would weigh heavily on what would be the future of the domestic programs.

Mr. President, to address these concerns, the Senator from Wisconsin (Mr. NELSON) proposed during full committee consideration of S. 239 that the committee agree to a resolution requesting the Governmental Affairs Committee to look into the question of where the ACTION programs should be housed, and report to the full Senate by June 4.

Mr. President, the Governmental Affairs Committee was most responsive to the resolution submitted to it by our committee. The Governmental Affairs Committee held a day of hearings, receiving testimony from a range of witnesses concerned about the future of both the Peace Corps and the domestic programs, and submitted a detailed report (No. 96–199) to the full Senate on the day it was requested—June 4. It was the conclusion of the Governmental Affairs Committee—which voted 15 to 2—that none of the programs now in the ACTION Agency should be transferred to other agencies. It is that committee's position that no compelling reasons have been identified to justify reorganization of the ACTION Agency, and to the contrary, that retaining the current organizational structure, particularly in light of the President's Executive order giving more autonomy to the Peace Corps within the ACTION Agency, would provide the best opportunity for all the volunteer programs to achieve the mission established for them by Congress.

Mr. President, let me highlight the conclusions of the Governmental Affairs Committee's recommendations with respect to the Peace Corps:

First. Association of Peace Corps with ACTION helps insure continued emphasis on the small, humanitarian nature of the volunteer program.

Second. The Peace Corps programs benefit from coordination with domestic programs.

Third. The new Executive order protects Peace Corps autonomy.

Fourth. Reorganization linking the Peace Corps with AID could lead to undue domination by other foreign policy agencies.

Fifth. The alternative of establishing the Peace Corps as a completely separate agency is unjustified at this time.

Sixth. The alternative of establishing the Peace Corps as a quasi-Government foundation involved too great a separation from U.S. interests.

Mr. President, the legitimate concerns of proponents of a Peace Corps transfer can be met within the existing administrative structure of the ACTION Agency through the Executive order that the President has promulgated to give the Peace Corps a large measure of independence within the agency. I think we should give that new structure a chance to work.

Mr. PERCY. Mr. President, I am pleased to strongly endorse S. 802, the Peace Corps authorization bill for fiscal year 1980, and to speak in favor of retaining the Peace Corps as an autonomous entity within the ACTION Agency.

Mr. President, I have closely followed the progress of the Peace Corps since its creation in 1961 and have been very impressed with the work of the Peace Corps throughout the developing world. Over 80,000 American citizens have already had the invaluable experience of living and working as Peace Corps volunteers in Asia, Africa, Latin America, and the Pacific region. They have worked and lived with the people they serve in projects aimed at meeting basic human needs such as food, water, health, and nutrition.

I think I have visited as many Peace Corps members in the field over the past two decades as any Member of the Senate, having worked in the private sector for many years, traveling abroad a great deal, having been privileged to study Peace Corps volunteers at work in many countries of Latin America, Asia, and Africa. I can personally vouch for their devotion and energy under conditions of severe hardship. They ask but little and they receive but little; but they give of themselves a great deal. I know of no better investment that we can make abroad.

What cannot be underestimated is the tremendous, positive impact the Peace Corps has made on millions of people who would never otherwise come into personal contact with American citizens. Today, through the daily actions and example of Peace Corps volunteers, 1 million people a year in 63 countries see for themselves that the people of the United States are personally concerned about their problems and are willing to send their very best citizens to assist them in overcoming the problems of survival and raising their standard of living. This personal demonstration of concern by the volunteers as well as a desire to learn about the peoples and cultures of other societies and countries is an extremely important contribution that the Peace Corps makes to another country. And these volunteers return to the United States as better citizens, more willing and equipped to devote their energies and acquired skills to the improvement of their communities.

The strength of the links that the Peace Corps volunteers have made with the peoples of the host countries can be attested by the fact that every year the Peace Corps receives more requests from other countries for volunteers than it could ever possibly fill at the present budget levels.

Mr. President, I would urge my colleagues to oppose any amendments that would remove the Peace Corps from ACTION. As the ranking minority member of the Governmental Affairs Committee, I have had the opportunity to review the various programs of the ACTION Agency, including the Peace Corps. The committee examined all of ACTION's programs, held hearings on the agency, and received the views of 59 Federal, State, or local officials and private organizations. At a subsequent meeting, I joined the majority of the other members of the committee in resounding agreement that the Peace Corps is best served by being retained within ACTION. There are a number of reasons why the Peace Corps should remain in ACTION, all thoroughly stated and endorsed in the recent report of the Governmental Affairs Committee.

I would like to mention that what I consider to be major reasons for my support for this conclusion. First and foremost, ACTION is a volunteer agency, the only agency in the Federal family so specifically mandated by the Congress.

I think that we send a very positive signal to the world's developing countries that the people of the United States support the concept of voluntarism. The Governmental Affairs Committee's report makes this point:

> The Committee believes that the real and symbolic value of the Peace Corps as a humanitarian, people-to-people program is not to be underestimated. The image of American volunteers living under austere conditions among the people of Third World nations, enduring physical hardship and financial sacrifice, remains an important expression of this Nation's tradition of humanitarian concern and idealism. ACTION is an appropriate place to place the Peace Corps in order to protect and symbolize the special volunteer nature of the program.

Placing the Peace Corps in the proposed International Development Cooperation Agency associates it with an agency whose goals are quite different. In a recent letter to Senators, Senator TSONGAS stated that putting the Peace Corps in the IDCA "would tie it too closely to foreign policy objectives," and that "this unique people-to-people program enjoys credibility in the Third World which would be seriously jeopardized by including it in IDCA."

Second, I think we all acknowledge that the Peace Corps has suffered from a lack of sufficient autonomy within ACTION. The Foreign Relations Committee refused to approve full funding for the Peace Corps as long as this condition persisted.

However, the President has now acted to protect the Peace Corps by issuing an Executive order which gives the Peace Corps Director authority over the operations, personnel, and budget of the Peace Corps. The new Director of the Peace Corps, Dick Celeste, has a strong background as a capable manager and appears to have the ability to effectively lead the Peace Corps in the future. Dick Celeste has convinced me and the other members of the Foreign Relations Committee that with the strengthened authority over the Peace Corps that has been delegated to him by the President by Executive order, he, and no other official of the ACTION agency, will be in charge of the Peace Corps. In fact, according to William Josephson, one of the authors of the Peace Corps Act and the first General Counsel of the Peace Corps, the Peace Corps and its directors actually have more independence than the Peace Corps had in its early days when the principal programmatic and administrative functions were delegated to the Secretary of State.

Third, for cost-benefit management reasons, the Peace Corps should remain in ACTION. An estimate of the breakup of ACTION into two distinct agencies, one international and one domestic, places the cost at a minimum of over $15 million.

The management of the ACTION agency has been effective in serving the needs of the volunteers in all of the programs. A separation of ACTION into two components could mean substantially increasing the number of staff, especially in Washington. In this era of deep concern by the taxpayers of this country about the cost of Government and the increase of Government spending and bureaucracy, this is hardly the way to go.

In summary, Mr. President, I believe there are many reasons for retaining the Peace Corps within ACTION. I see no real advantages, and some distinct disadvantages, to taking the Peace Corps out of ACTION and relegating it to a new super-foreign-aid agency. I urge the Senate to support this bill and vote to keep the Peace Corps in ACTION.

Mr. JAVITS. Mr. President, I thank the Senator from Illinois for his support and his deep understanding of the question.

I now yield a minute to the Senator from Connecticut.

Mr. RIBICOFF. Mr. President, I oppose the amendment. The Peace Corps should stay within ACTION.

The Governmental Affairs Committee voted 15 to 2 to retain the Peace Corps as part of ACTION, after hearing in person or writing from 59 people. The conclusions of the committee are described in detail in its June 4 report on the organization.

I believe transferring the Peace Corps

would be bad for the Peace Corps and bad for ACTION.

Keeping the Peace Corps and ACTION together preserves the volunteer nature of the program. It demonstrates to Americans, and to developing countries, that the Peace Corps is not just another source of foreign assistance, but a volunteer agency working with other volunteer programs in ACTION to reduce poverty at home and abroad.

The necessary autonomy of the Peace Corps will be preserved by the new Executive Order 12137. Under this Executive order the Peace Corps should have at least as much autonomy as it ever had before is became part of ACTION. It gives the Peace Corps broad authority over the budget, policy, and management of the volunteer program. The Peace Corps Director will report directly to the President. Its budget will be directly reviewed by OMB, not ACTION. One former General Counsel of the Peace Corps who has reviewed the new order concludes that under it the Peace Corps will actually have more independence than it has ever had before.

In addition to being unnecessary, transferring the Peace Corps would have very serious disadvantages for the Peace Corps, and for the Nation's entire commitment to volunteer ACTION.

The witnesses who testified before our committee all generally agreed that the Peace Corps should not be closely associated with the Government's foreign policy generally or its foreign assistance program in particular.

The effectiveness of the Peace Corps and the spirit of its volunteers would be damaged if it became just another part of this Government's foreign assistance program. The volunteers might well become junior and unpaid assistants to the fully paid employees of AID. And Third World countries which are wary of too much foreign aid from this country would be more reluctant to accept Peace Corps volunteers if they were just another part of this Government's foreign aid program.

It is suggested that the Peace Corps will be fully autonomous if it moves to IDCA. I doubt that this is the way it would be perceived by the future volunteer or developing countries. And if it were so independent, then there is no reason to go to the trouble of transferring the Peace Corps into IDCA in the first place.

The transfer would also hurt the domestic programs in ACTION, VISTA and the retired senior volunteer programs.

There should be no doubt about it. Transferring the Peace Corps out of ACTION will imperil the existence of ACTION itself. The concept of ACTION as a focal point of volunteer programs in the Government would be seriously undermined if the Peace Corps was taken totally out from under it.

The Peace Corps represents over $95 million of the agency's total budget. The domestic programs, $119 million. Some 48 officials or groups indicated to the committee that they support keeping the domestic programs in ACTION. There is a real danger that if VISTA is transferred to the Community Service Administration or the retired senior volunteer program to HEW they would become lost in much larger beaucracies which are not particularly attuned to, or expert in, running volunteer programs.

Mr. President, reorganizations should not be undertaken lightly. They should only be done if they enhance the effectiveness of the programs. This is one case where I believe the reorganization would have just the opposite effect.

I oppose the amendment.

• Mr. PELL. Mr. President, I wish to indicate my opposition to the amendment to the fiscal year 1980 Peace Corps authorization bill offered by Senator TSONGAS which would move the Peace Corps out of ACTION and place it in the newly created International Development Cooperation Agency. My view that the Peace Corps most appropriately belongs under the ACTION umbrella was fortified when the President recently issued an Executive order giving the Peace Corps new autonomy and independence within ACTION. This action should go far in convincing those who advocate the transfer of the Peace Corps out of ACTION that the prospects for revitalizing and strengthening the Peace Corps will be greatly enhanced.

As a member of both the Human Resources Committee and the Foreign Relations Committee, I have personal knowledge of the Peace Corps and of ACTION's other excellent volunteer programs, and I have been very impressed with the contribution they make. The Peace Corps is perhaps the finest program our country has the privilege to sponsor overseas, enabling our people to work alongside needy Third World people in advancing their self-development. As a people-to-people program, it not only is more effective than our traditional aid programs in reaching the poor, but it also fosters international understanding, a goal that is increasingly important in this time of growing global interdependence.

ACTION's very existence is testimony to the importance our Government attaches to voluntary solutions to human problems, and the fact is that the Peace Corps, institutionally linked with VISTA and our very popular Older American programs, has the triple advantage of facilitating program collaboration, achieving administrative cost savings, and conveying to the Peace Corps' host countries overseas that Peace Corps is not just another donor agency, but rather part of a larger volunteer agency that grapples with poverty both at home and abroad in a genuine spirit of partnership and reciprocity. ACTION's volunteers work from the same spiritual motivation, stressing the importance of individual self-help leading to self-reliance. The union in ACTION of domestic and international volunteer programs can be a powerful statement of the Congress' support for the value of voluntary service and the constituencies served by these programs, the young, the elderly, and minorities.

The President believes—and I share his belief—that the advantages of linking like-minded volunteers can be retained in ACTION while at the same time giving the Peace Corps Director the authority he needs to run the Peace Corps. The alternative, to place Peace Corps within our foreign aid structure, frankly causes me great concern. In my opinion it would be counter to the spirit of the Peace Corps to transfer it to a Federal agency which puts its primary emphasis on material assistance rather than on people-to-people help. That could cause the Peace Corps to lose its unique ability to enhance American foreign policy in the broadest terms. Furthermore, the ability of ACTION's domestic volunteer programs to continue to exist in a viable, cost-effective structure would be thrown into serious doubt if the Peace Corps were removed from the agency.

Finally, I believe we should afford the Peace Corp's new Director, Richard Celeste, the opportunity to build on the new authority provided in the Executive order to revitalize this critical institution. Richard Celeste is a uniquely talented individual and I am greatly impressed by his dedication and commitment to the Peace Corps and his demonstrated record of accomplishment.

For all these reasons, I urge the Senate to reject the Tsongas amendment and act to retain the Peace Corps within ACTION.•

• Mr. HATFIELD. Mr. President, I want to add my support to Senator TSONGAS' amendment to remove Peace Corps from ACTION and make it an independent agency connected to the proposed International Development and Cooperation Agency. I am pleased to be a cosponsor of the measure.

My concern about keeping the Peace Corps within ACTION is twofold:

First, Director Richard Celeste makes the argument that the strong Executive order issued by the President gives him more independence than Sargent Shriver had in 1961. Given the recent history within ACTION of well known conflicts between respective directors, it is my view that it is far better to have statutory language giving independence rather than a fluid Executive order that can, and be assured will, change with circumstances. It is a fact that under the President's order ACTION is still the supervisory agency.

Second, it is my strong feeling that if, as the opponents of this amendment argue, the viability of ACTION is dependent upon the keeping of the Peace Corps, then ACTION is giving credibility to our suspicion that the Peace Corps is most of what ACTION has. If that is the reality then what more persuasive evidence do we have that Peace Corps should stand on its own.

I do appreciate the concern of Senator CHURCH that, "in deference to Mr. Celeste" he wants to allow him time to carry out the President's order. But in respect I do want to urge careful consideration of the House action and this amendment.•

Mr. CHURCH. Mr. President, no other Senators desiring to speak, I yield back the remainder of my time.

Mr. TSONGAS. Mr. President, I only add one footnote. It is the best of my information that the proponents of the amendment have managed to persuade the chairman's wife, but not the chairman.

I would like to have that go in the RECORD.

The PRESIDING OFFICER. Does the Senator from Massachusetts yield back his time?

Mr. TSONGAS. Yes.

The PRESIDING OFFICER. All time having been yielded back, the question is on agreeing to the amendment.

The amendment (UP No. 253) was rejected.

Mr. JAVITS. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. GLENN. I move to lay that motion on the table.

Mr. CHURCH. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. Who yields time?

Mr. CHURCH. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. CRANSTON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The Presiding Officer. Without objection, it is so ordered.

UP AMENDMENT NO. 254 (MODIFICATION OF AMENDMENT NO. 183)

(Purpose: To amend the Peace Corps Act to facilitate civil service employment of former Peace Corps Act Foreign Service appointees)

Mr. CRANSTON. Mr. President, I call up my amendment No. 183, which I submitted for printing on May 1, in order to provide competitive status in the civil service to certain employees and former employees of the Peace Corps, and I send to the desk a modification and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment, as modified, will be stated.

The assistant legislative clerk read as follows:

The Senator from California (Mr. CRANSTON) proposes an unprinted amendment numbered 254, which is a modification of amendment No. 183.

Mr. CRANSTON. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment, as modified, is as follows:

Add at the end of the bill the following new section:

SEC. 3. Section 7(a) of the Peace Corps Act (22 U.S.C. 2506(a)) is amended by adding at the end thereof the following new paragraph:

"(4) A person who has received a Foreign Service Reserve or staff appointment or assignment under this subsection may, not later than three years after the date of enactment of this paragraph or after separation from such appointment or assignment, whichever is later, be appointed to a position in any United States department, agency, or establishment (A) in the competitive service under title 5, United States Code, without competitive examination and in accordance with such regulations and conditions consistent with this subsection as are prescribed by the Director of the Office of Personnel Management or (B) in an established merit system in the excepted service, if such person (i) served satisfactorily under the authority of this subsection, as certified by the President, for not less than 36 months on a substantially continuous basis and (ii) is qualified for the position in question: *Provided, however,* That nothing in this paragraph shall be interpreted to deprive such person of a competitive status acquired, prior to the date of enactment of this paragraph, in the competitive service or in any established merit system in the excepted service.

Mr. CRANSTON. Mr. President, for the benefit of my colleagues, let me briefly summarize the remarks I made on May 1 and the supporting material I placed in the RECORD at that time.

The issued addressed by this amendment is the "Catch 22" faced by individuals who wish to continue Government service after being employed by the Peace Corps. They are virtually unable to continue their Federal Government service through civil service channels, since they are considered "non-status" candidates—this means that they are ineligible to apply for civil service jobs even within their parent Agency, the ACTION Agency. On the other hand, by law they are subject to the Peace Corps' "5-year flush" whereby the Peace Corps continually makes room for new personnel with fresh ideas. Under this provision of law, they must leave employment with the Peace Corps after a 5-year period.

These individuals are the only Federal employees who are subject to such an arrangement.

My amendment would confer on these employees the civil service status which would enable them to reenter Federal service as civil service employees—generally as career conditional employees—and would offer the Federal Government the future assistance of experienced and talented people who could contribute to other areas of Federal activity.

Mr. President, the modification I have sent to the desk is derived from Executive Order 11219 of May 7, 1965, "providing for the appointment in the competitive service of certain present and former officers and employees of the Foreign Service." This amendment is designed to confer the same incidences and status on former Peace Corps employees as the executive order confers on Foreign Service Officers and employees.

My amendment, as modified, would amend section 7(a) of the Peace Corps Act—concerning Peace Corps personnel appointments—to add a new paragraph (4) enabling qualified former and current Peace Corps employees who have worked for not less than 3 years to be appointed in the competitive service or in an established merit system in the excepted service. Former Peace Corps staffers would generally have 3 years in which to take advantage of this benefit.

Mr. President, I should point out that there are other classes of employees in the Federal Government who have similar civil service eligibility—among those are employees of the Office of the President or White House staff, congressional employees, employees of regulatory agencies such as TVA, and of course, the Foreign Service Officers and employees covered by Executive Order 11219. Only the Peace Corps employees, however, as I have mentioned, are subject to a statutory "5-year flush." Certainly, they merit the kind of protection this amendment proposes.

I urge my colleagues to join me in support of this amendment.

Mr. President, I am delighted that the managers of the bill apparently are willing to accept the amendment.

Mr. CHURCH. Mr. President, I think this is an excellent amendment. It should be adopted, and I join the Senator from California in urging the Senate to accept it.

Mr. JAVITS. Mr. President, the amendment is acceptable on this side. I agree with the Senator—it is an excellent amendment.

The PRESIDING OFFICER. Do Senators yield back their time on the amendment?

Mr. CHURCH. I yield back the remainder of my time.

Mr. CRANSTON. I yield back the remainder of my time, and I thank both Senators very much.

The PRESIDING OFFICER. The question is on agreeing to the amendment, as modified.

The amendment, as modified, was agreed to.

Mr. JAVITS. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. CRANSTON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. CHURCH. Mr. President, so far as I know, there are no further amendments to be offered to the bill. I have been notified of none. In checking with my colleague, the ranking minority member, he knows of none. Therefore, we are prepared to proceed to third reading of the bill.

The PRESIDING OFFICER. Do Senators yield back their time on the bill?

Mr. JAVITS. I yield back the remainder of my time.

Mr. CHURCH. I yield back the remainder of my time.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, was read the third time, and passed, as follows:

S. 802

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Peace Corps Act Amendments of 1979".

SEC. 2. Section 3 of the Peace Corps Act (22 U.S.C. 2502) is amended—

(a) in subsection (b) by striking out the matter before the first proviso and inserting in lieu thereof the following: "There are authorized to be appropriated to carry out the purposes of this Act (1) for the fiscal year ending September 30, 1980, not to exceed $105,404,000:"; and

(b) in subsection (c) by striking out "year 1978, $1,069,000, and for fiscal year 1979" and by inserting in lieu thereof "year 1980".

Sec. 3. Section 7(a) of the Peace Corps Act (22 U.S.C. 2506(a)) amended by adding at the end thereof the following new paragraph:

"(4) A person who has received a Foreign Service Reserve or Staff appointment or assignment under this subsection may, not later than three years after the date of enactment of this paragraph or after separation from such appointment or assignment, whichever is later, be appointed to a position in any United States department, agency, or establishment (A) in the competitive service under title 5, United States Code, without competitive examination and in accordance with such regulations and conditions consistent with this subsection as are prescribed by the Director of the Office of Personnel Management or (B) in an established merit system in the excepted service, if such person (i) served satisfactorily under the authority of this subsection, as certified by the President, for not less than thirty-six months on a substantially continuous basis and (ii) is qualified for the position in question: *Provided, however,* That nothing in this paragraph shall be interpreted to deprive such person of a competitive status acquired, prior to the date of enactment of this paragraph, in the competitive service or in any established merit system in the excepted service.".

Mr. JAVITS. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. CHURCH. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. CHURCH. Mr. President, I ask unanimous consent that the Secretary of the Senate be authorized to make technical and clerical corrections in the engrossment of S. 802.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CHURCH. Mr. President, I yield the floor.

ADDITIONAL LOAN GUARANTEES FOR PILOT ENERGY PROJECTS

The PRESIDING OFFICER. Under the previous order, the Senate will now proceed to the consideration of S. 892, which will be stated by title.

The assistant legislative clerk read as follows:

A bill (S. 892) to extend the authorization of appropriations for carrying out rural development research, small farm research, and small farm extension programs.

The Senate proceeded to consider the bill, which had been reported from the Committee on Agriculture, Nutrition, and Forestry with amendments as follows:

On page 2, line 4, strike "September 30, 1981, and September 30, 1982" and insert "and September 30, 1981":

On page 2, line 11, strike "September 30, 1981, and September 30, 1982" and insert "and September 30, 1981";

On page 2, beginning with line 13, insert the following:

Sec. 2. Section 509(b) of the Rural Development Act of 1972 (7 U.S.C. 2669(b)) is amended by—

(1) inserting "(1)" after the subsection designation; and

(2) adding at the end thereof a new paragraph (2) as follows:

"(2) The Secretary shall, in addition to the pilot projects required under paragraph (1) of this subsection, provide for pilot projects for the production of industrial hydrocarbons and alcohols from agricultural commodities (including, but not limited to, grain, potatoes, sugar beets, and sugarcane) and forest products by guaranteeing loans, the total amount of which shall not exceed $180,000,000, to public, private, or cooperative organizations organized for profit or nonprofit, or to individuals for a term not to exceed twenty years at a rate of interest agreed upon by the borrower and lender.".

On page 3, line 7, strike "2" and insert "3";

So as to make the bill read:

S. 892

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 503 of the Rural Development Act of 1972 (86 Stat. 672, as amended; 7 U.S.C. 2663) is amended by—

(1) amending subsection (a) to read as follows:

"(a) There are hereby authorized to be appropriated to carry out the provisions of this title, except subsections (c) and (d) of section 502, not to exceed $20,000,000 for each of the fiscal years ending September 30, 1980, and September 30, 1981."; and

(2) amending subsection (c) to read as follows:

"(c) There are hereby authorized to be appropriated to carry out subsections (c) and (d) of section 502 of this title not to exceed $20,000,000 for each of the fiscal years ending September 30, 1980, and September 30, 1981.".

Sec. 2. Section 509(b) of the Rural Development Act of 1972 (7 U.S.C. 2669(b)) is amended by—

(1) inserting "(1)" after the subsection designation; and

(2) adding at the end thereof a new paragraph (2) as follows:

"(2) The Secretary shall, in addition to the pilot projects required under paragraph (1) of this subsection, provide for pilot projects for the production of industrial hydrocarbons and alcohols from agricultural commodities (including, but not limited to, grain, potatoes, sugar beets, and sugarcane) and forest products by guaranteeing loans, the total amount of which shall not exceed $180,000,000, to public, private, or cooperative organizations organized for profit or nonprofit, or to individuals for a term not to exceed twenty years at a rate of interest agreed upon by the borrower and lender.".

Sec. 3. The provisions of this Act shall become effective October 1, 1979.

The PRESIDING OFFICER. Time for debate on this bill is limited to 30 minutes, to be equally divided between and controlled by the Senator from Vermont (Mr. Leahy) and the Senator from North Carolina (Mr. Helms), with 30 minutes on any amendments in the first degree, except an amendment by the Senator from Indiana (Mr. Lugar), on which there shall be 1 hour, and with 20 minutes on any amendment in the second degree, debatable motion, appeal, or point of order.

Mr. JAVITS. Mr. President, I suggest the absence of a quorum, and I ask unanimous consent that the time not be charged to either side.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. LEAHY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LEAHY. Mr. President, I ask unanimous consent that Ken Pierce and David Julian of my staff and the following staff members of the Commitee on Agriculture, Nutrition, and Forestry be granted the privilege of the floor during consideration of S. 892: Henry Casso, Carl Rose, Steve Storch, Reider Bennett-White, Bill Lesher, Randy Russell, and George Dunlop.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LEAHY. Mr. President, I ask unanimous consent that the committee amendments be adopted en bloc and that the bill as thus amended be considered as original text for the purpose of further amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LEAHY. Mr. President, S. 892 has two very basic components. It would reauthorize rural development and small farm research under title V of the Rural Development Act of 1972 for 2 years, as carried out by the Extension Service and the Cooperative Research Service of the Department of Agriculture.

Also, S. 892 increases the number of gasohol pilot project loan guarantees that can be made by the Commodity Credit Corporation from four to no specified limit with total loan guarantees not to exceed $180 million.

Mr. President, the Department of Agriculture has no objection to the reauthorization of title V of the Rural Development Act. They support the reauthorization for good reasons.

Title V is a very valuable rural research program with tangible results. Through 1977, some 1,300 projects have been initiated by title V; 900 of these have already been completed.

Title V is a very flexible research program which has allowed a rural community to benefit from it to meet its most pressing needs. Title V has resulted in improved water, sewage, solid waste, health, and recreation facilities for our small towns. It has helped small cities improve their economic planning to provide more jobs and develop cooperatives. Title V projects have even been successful in improving rural housing and preserving the natural environment.

Although title V rural development research receives minimal appropriations of $4 million annually, it is easy to see that this program provides vital services while stretching the Federal dollar.

S. 892 is a straight reauthorization of title V rural development and small farm research. That is, these are the same authorization levels held by the program in both 1977 and 1978.

Mr. President, my proposed reauthorization is an interim action. Over the next year, the USDA, working in partnership with the States, will be developing improvements in the operation of the program. Through this work, title V will be made even better than the fine program that it already is.

Mr. President, S. 892 would also help decrease our dependence on foreign oil supplies through increasing this Nation's commitment to gasohol as an alternative energy resource.

Currently, the Commodity Credit Corporation guarantees up to $65 million in loans for four gasohol pilot projects. This program is extremely popular though underfunded. The Department of Agriculture received 30 formal applications for these pilot projects. Unfortunately, due to the limit on guaranteed loan levels, only four projects could be approved, for a total of $42.7 million in loan guarantees.

Increasing the loan levels to $180 million is a bold step to meet the ever-increasing demand for alternative energy resources like gasohol. I hope that the Senate will be moved to decrease further our dependence on foreign oil supplies by supporting S. 892.

Finally, Mr. President, I also hope that the Senate will continue to exhibit its support for improving life in rural America by supporting the extension of the fine work done by title V rural development programs.

Mr. President, I yield to Senator Lugar for the purpose of his making his opening statement.

Mr. LUGAR. Mr. President, I appreciate the Senator's yielding. On behalf of the minority, I indicate that the minority was very pleased to participate in the formation of this legislation, S. 671, and then S. 892, which corrects title V of the Rural Development Act of 1972.

I ask unanimous consent to have printed in the Record comments about this legislation, which commend it and direct, really, where we have headed during this constructive attempt.

There being no objection, the material was ordered to be printed in the Record, as follows:

Review of S. 892—"Corrects Title V of Rural Development Act of 1972."

BACKGROUND

The primary purpose of S. 671, which was introduced by Mr. Leahy and Mr. Stewart, was to extend Title V of the Rural Development Act of 1972 for another 2 years. Title V is the research arm of the Federal rural development efforts. It provides the knowledge necessary for rural development. This research provides States, organizations, universities, and local governments with the capability to carry out varied rural development efforts in their areas.

Title V is administered by the Science and Education Administration of the Department of Agriculture. Through SEA, Title V research and information dissemination is conducted by the Extension Service and the Cooperative State Research Service.

The Rural Development Act of 1972 originally appropriated $10 million for 1973, $15 million for 1974, and $20 million for 1975 to carry out the functions of Title V. In 1976, the Act was extended again but at the same level of $20 million. In 1977, with the passage of the Food and Agriculture Act, the authority of Title V was extended to include small farm research and extension work. An appropriation of $20 million was made available for the small farm provision.

CURRENT BILL

The current legislation was introduced tc amend a drafting error in S. 671 which reauthorized Title V of the Rural Development Act of 1972. In particular S. 892 would amend S. 671 by reauthorizing the small farm research section of Title V, Section 503 (c) and (d). The two major revisions are: (1) Not more than $20 million are to be appropriated for each of the fiscal years ending September 30, 1980, September 30, 1981, and September 30, 1982, to carry out the provisions of Title V, Section 503, subsections (c) and (d). Subsections (c) and (d) relate directly to small farm research and extension work.

This current legislation adds to S. 671 the appropriations for small farms research and extension work that was left out of the earlier bill. The appropriations of $20 million for community development and $20 million for small farm research and extension work was kept at the same level.

POSSIBLE DEVELOPMENTS AND CONTROVERSIES

An agreement was reached between SEA officials and House and Senate members to have a study made within 2 years on the current rural development research program. This study is to include a general plan for restructuring the current program.

A question has been raised on the content and the timing of this report. There has been some talk of making this a mandatory report within 2 years which would include a complete breakdown of the rural development program and the small farm research and extension work.

Mr. LEAHY. Mr. President, I suggest the absence of a quorum, with the time to be equally divided.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. DeCONCINI. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

UP AMENDMENT NO. 255

(Purpose: To make certain Indian tribes and tribal organizations eligible for emergency loans under section 321 of the Consolidated Farm and Rural Development Act)

Mr. DeCONCINI. Mr. President, I send to the desk an amendment and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Arizona (Mr. DeConcini) proposes an unprinted amendment numbered 255.

Mr. DeCONCINI. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 3, between lines 6 and 7, insert the following new section:

Sec. 3. Section 321 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1961) is amended—

(1) by striking out "and (2) to" and inserting in lieu thereof the following: "(2) an Indian tribe or tribal organization engaged in farming, ranching, or aquaculture, and (3)";

(2) by striking out the last sentence; and

(3) by inserting "(a)" after "SEC. 321." and by adding at the end of such section the following new subsection:

"(b) For the purposes of this subtitle—

"(1) The term 'aquaculture' means husbandry of aquatic organisms under a controlled or selected environment.

"(2) The term 'Indian' means a person who is a member of an Indian tribe.

"(3) The term 'Indian tribe' has the meaning given to such term under section 4(b) of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b(b)).

"(4) The term 'tribal organization' means the recognized governing body of an Indian tribe and any legally established organization of Indians which is controlled, sanctioned, or chartered by such governing body or which is democratically elected by the adult members of the Indian community to be served by such organization and which includes the maximum participation of Indians in all phases of its activities.".

On page 3, line 7, strike out "Sec. 3." and insert in lieu thereof "Sec. 4.".

Mr. DeCONCINI. Mr. President, this amendment will modify the Consolidated Farm and Rural Development Act to permit Indian tribal governments to receive Farmers Home Administration disaster assistance loans. The Colorado River Indian Tribes, located near Parker, Ariz., recently brought to my attention the fact that Indian tribal governments are not eligible to receive disaster assisance loans from the Farmers Home Administration when the tribe owns and operates a farm that has been devastated by a natural disaster.

The Colorado River Indian Tribes applied for a FHA disaster loan on October 24, 1978, as a result of severe damages caused by Hurricane Doreen. However, according to FHA interpretation of the regulations, funds are available only to individuals, partnerships, corporations, and cooperatives.

Although the tribes are organized as a corporate entity the FHA determined that the tribes were not eligible for an emergency loan. The decision was based on the reasoning that the tribes are not engaged primarily in farming, ranching, or aquaculture. Rather the tribes were organized primarily to govern the reservation.

My amendment will simply correct this deficiency in the law so that tribal governments will be able to participate in the Farmers Home Administration emergency loan program. I encourage my colleagues to support this amendment.

Mr. President, this has been cleared by both the distinguished manager of the bill, the Senator from Vermont, and the Senator from Indiana. I believe it is acceptable.

Mr. LEAHY. Mr. President, I think it is an excellent amendment. I have no objection to it. I am perfectly willing to yield back the remainder of my time on this amendment and move its adoption.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (UP No. 255) was agreed to.

Mr. DeCONCINI. I thank the Senator and his staff very much for their participation and cooperation.

Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. LEAHY. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. LEAHY. I thank the Senator from Arizona for bringing that up.

Mr. President, I suggest the absence of a quorum and ask that the time be equally divided.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. LEAHY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 226

(Purpose: Increases from $180,000,000 to $500,000,000 the amount of new loan guarantees that may be made for pilot energy projects using agricultural commodities and forest products; gives priority to loan applicants who plan to use Government price-supported commodities; and assures that the new guarantees will be directed toward projects that will result in new and innovative technologies for producing industrial hydrocarbons and alcohol)

Mr. LUGAR. Mr. President, I call up amendment No. 226 to S. 892.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Indiana (Mr. LUGAR) proposes an amendment numbered 226.

Mr. LUGAR. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 2, beginning with "(including" on line 23, strike out everything down through "cane)" on line 25.

On page 3, line 2, strike out "$180,000,000" and insert in lieu thereof "$500,000,000".

On page 3, line 6, insert after the first period two new sentences as follows: "In considering applications for loan guarantees under this paragraph, the Secretary shall give priority to projects that will use Government price-supported commodities, such as corn and other feed grains, wheat, sugar beets, and sugarcane. The Secretary shall also assure that loan guarantees under this paragraph are for projects that will result, insofar as practicable, in new and innovative technologies for the production of industrial hydrocarbons and alcohols.".

The PRESIDING OFFICER. The Chair inquires of the Senator whether this is the amendment on which the Senator asks for 1 hour.

Mr. LUGAR. Yes, it is.

The PRESIDING OFFICER. The Chair thanks the Senator.

Mr. LUGAR. Mr. President, I call up this amendment to attempt to bring about effective action in the area of production of ethanol for gasohol. The committee took action in this respect to provide for $180 million of loan guarantees to accelerate the progress the Agricultural Act of 1977 already has made possible. In fact, four such loan guarantees have been authorized out of 30 applications USDA has received. We are advised that at least half of those applications met the basic criteria that USDA has imposed and which are important.

The committee report on S. 892 set forth those criteria:

No loan may be guaranteed under section 509 of the Rural Development Act of 1972 unless (1) research indicates the total energy content of the products and byproducts to be manufactured by the loan applicant will exceed the total energy input from fossil fuels used in the manufacture, and (2) such other conditions as the Secretary deems appropriate to achieve the purposes of the section are met.

Mr. President, this is important to point out. From time to time, gasohol has been criticized as being a process that uses more energy than it produces. In essence, the criteria for these plants are that, in fact, total energy input from fossil fuels will be less than the output. Thus, we have an energy-efficient product.

Even more important, we are going to be able to use agricultural products, including grain, stalks of corn, wheat, and rice; cottonseed hulls; fruits and vegetables and their processing byproducts and residues; residues from poultry and livestock; wood products, including bark, pulp, chips, and residues from logging and paper manufacturing, and a good number of other specific farm crops.

The value of this amendment already has been perceived by the committee, and $180 million of loan guarantees are now provided in S. 892 as it comes before this body.

My purpose in proposing an extension of those guarantees to $500 million is simply a recognition that the gasoline situation in this country is critical. That is taken for granted by all of us.

The ethanol process, the gasohol that uses 90 percent petroleum and 10 percent ethanol—that procedure is at hand. It is well known. What we need now is action to meet the interim emergency.

In my judgment, there are applications extant that indicate that $500 million of loan guarantees would be utilized.

Furthermore, it appears that, because the procedures are well known, and the market is very well established that the risk to the Federal Government is minimal, and I stress that. As a fiscal conservative, I would not favor this approach if I felt that the Federal Government was going to be directly involved and would be losing money. The Federal Government, as a matter of fact, has a considerable obligation right now to take action.

I am aware that this Hall abounds with various ideas as to how the production of synthetic fuels might be accelerated in this country. I am aware that this is merely one of them, and I make no claim that this is a be-all and end-all. Many Senators have favored the gasohol idea; many have worked for it actively. In the Agriculture Committee, I believe we have made substantial progress in this respect. I would like to favor that progress, and I ask for favorable consideration by the Senate of this amendment today.

Mr. President, I reserve the remainder of my time.

Mr. LEAHY. Mr. President, I wonder whether the distinguished Senator from Indiana would be willing to modify his amendment on page 3, line 6, to insert after the first period a new sentence:

No loan guarantee for a project under this paragraph may exceed $30,000,000.

The reason I make that suggestion is that some of the major energy producers have both the money and, I believe, the obligation to be doing this kind of experimentation, and I would hate to see USDA underwriting them.

I believe the thrust of the amendment—it is an excellent amendment—is to get American know-how and technology, from whatever area of the country it might come, into this valuable field, and not as just some kind of giveaway to corporations.

Mr. LUGAR. Mr. President, in response to the distinguished Senator from Vermont, I believe that he is persuasive, both in terms of any implications that the amendment might have that it favors very large as opposed to medium sized or small businesses. I believe that a $30 million cap per application is reasonable, and I would be delighted to accept that amendment to my amendment.

UP AMENDMENT NO. 256

The PRESIDING OFFICER. Will the Senator send the modification to the desk?

Mr. LEAHY. I send the modification to the desk.

The PRESIDING OFFICER. Without objection, the amendment is so modified.

The modification is as follows:

At the end of the Lugar amendment add: "No loan guarantee for a project under this paragraph may exceed $30,000,000.".

Mr. LEAHY. I think the original text said "$50 million," but it should read "$30 million.".

Mr. STEWART. Mr. President, will the Senator yield?

Mr. LEAHY. I yield

Mr. STEWART. Mr. President, I would like to modify the amendment offered by the Senator from Indiana. I ask him at this time if he would be willing to modify it as follows:

On page 2, lines 3 and 4, strike out "insert after the first period two new sentences as follows" and insert in lieu thereof "after the first period insert the following."

On page 2, line 12, after the first period insert the following: "Not less than 25 percent of any funds appropriated to carry out the provisions of this paragraph shall be made available to producers of alcohol who produce not more than 2,500,000 gallons of alcohol per year from renewal resources.".

The PRESIDING OFFICER. Will the Senator please send his modification to the desk?

Mr. LEAHY. Mr. President, if we could withhold for a moment on my time, if the Chair will bear with us, we want to check the language.

Mr. BAYH. Mr. President, will the Senator from Vermont yield to the Senator from Indiana 5 minutes, or will the Senator from Alabama yield on his amendment?

Mr. LEAHY. I yield.

Mr. BAYH. Mr. President, I ask unanimous consent that my name be added as a cosponsor of the amendment of the Senator from Indiana and the amendment of the Senator from Alabama.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAYH. Mr. President, I think we have come a long way in our efforts to try to get the Government of this country, particularly, and the Nation, generally, sensitized to the role that alcohol fuels can play in resolving not only the long-term energy shortages we may face, but the tight gasoline availability we are now facing.

This country possesses abundant sources of various kinds of energy. The problem is that we do not have enough oil. The problem is further compounded by the fact that those who do have the oil have developed a very sophisticated form of what I call Btu blackmail. They are raising the price, and threaten to cut it off altogether; this hovers over the foreign policymakers of this country.

There is a great deal of interest in gasohol in Indiana. I believe that the loan fund, which I supported originally, which was aided and abetted by the distinguished Senator from Kansas, is an important part of this program.

We recently have had established by act of Congress, the latter part of the year, the National Alcohol Fuels Commission, of which I have had the good fortune to be chosen chairman. The Senator from Kansas is one of the Senate members.

The President last week appointed the seven public members, and I have to confess to my colleagues that we really should not have to have a National Alcohol Fuels Commission. The reason it was established was because no one in the energy hierarchy of this country was really determined to make the pursuit of alcohol fuels a high-priority item. So a national commission had to be established through which, in a year and a half's time, we are going to be able to lay out the evidence to show even the biggest doubters of all that alcohol plays a very important role in our overall domestic energy future.

Senator STEWART'S modification to S. 892 will insure that 25 percent of USDA's section 1420 loan guarantee funds will be designated for those applicants seeking assistance in building alcohol plants producing fewer than 2½ million gallons per year from renewable resources. I supported the original 1420 program—and while it is always preferable to have private sector support for the commercialization of any new technology, until our lending institutions are completely convinced of the important long-term contribution alcohol fuels will make to the Nation's energy future, the section 1420 program makes sense.

It does not make sense, however, for the 1420 program to be administered in such a way that only those applicants with the backing of major corporations can muster the clout to pursue successfully a loan guarantee. Alcohol production by our farmers and farm coops simply has to be encouraged. Administering a program so that only those applicants wise to the ways of pursuing Federal dollars stand a chance of success discourages smaller-scale proposals.

Another major source of discouragement for those who pursued the first four section 1420 loan guarantees was the pace at which the Department's review procedure moved. Almost 2 years were consumed in committing those loan guarantees. They are not completely finalized yet. I am hopeful today's action demonstrates the Senate's clear support for his kind of program to stimulate the production of alcohol fuels. Implicit in our action is an endorsement of one of section 1420's major guidelines. It must be demonsrtated that private sources of funding are not available to the applicant. When one scans the list of the first four loan guarantee recipients, one wonders whether venture capital could have been available from private sources.

Adoption of this amendment will insure that the Department will commit loan guarantees to farmers and co-ops. In the State of Indiana, the ability of the Indiana Farm Bureau Co-op to market gasohol successfully has already been clearly demonstrated. For the period January 1 through May 31, the co-op sold over 4½ million gallons of gasohol. That, of course, represents about 450,000 gallons of ethanol. I am told the co-op is selling every drop they have. I am firmly convinced, as I have said many times, that our agricultural co-ops have the expertise to build and operate production facilities. They need a loan guarantee program that will recognize the role they can play—not a program that disqualifies those unable to bring big corporate guns to bear on the Department.

As I have mentioned, over 70 outlets in my State of Indiana, under the primary leadership of the Indian Farm Bureau Co-op, are selling gasohol right now. They are doing it because it is economically feasible.

The energy ratio—the amount of energy put into the production of alcohol compared with the amount derived—is an important consideration in this loan. But I think also important, as we look at the energy ratio, is the source of the energy. We can do with a smaller energy ratio because we are controlling the supply. We can take the kinds of refuse, grain, coal, or a multitude of sources and produce alcohol—alcohol that no one can cut it off, no one can blackmail. We have it right here in the United States of America.

We must have a diversity of producers as well as a diversity of feedstocks, and here again I salute the Senator from Alabama. I think by earmarking 25 percent to small producers we are assisting family-sized farms, family-sized businesses, small communities, in their efforts to get into the production of alcohol.

We have the opportunity to develop an energy source here that cannot be controlled by any multinational cartel or multinational corporations in our country. Each community can make that decision. A farmer can determine he wants to go into the operation himself, and a farm operation can be virtually self-sufficient in energy.

I honestly believe this will come someday. Through the production of alcohol—and the Commission will be working with the members of the Agriculture Committees, with the other committees of this Congress to develop a comprehensive legislative response—we can move this country forward in the pursuit of energy independence. Then we may reach a time when we do not have to look over our shoulder to see what the sheiks are doing before we can determine what is in the best interests of this country.

UP AMENDMENT 257

Mr. STEWART. Mr. President, at this time, I wish to send a perfecting amendment to the Lugar amendment to the desk.

The PRESIDING OFFICER. The Chair informs the Senator until time has expired on the Lugar amendment a perfecting amendment to the Lugar amendment is not in order.

Mr. LEAHY. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. LEAHY. Could Senator LUGAR modify his own amendment along the lines recommended by Senator STEWART?

The PRESIDING OFFICER. By unanimous consent, that is correct.

Mr. LUGAR. Mr. President, I ask unanimous consent that I be allowed to modify my amendment to adopt the language that has been entered by Senator STEWART.

The PRESIDING OFFICER. Without objection, the amendment is so modified.

The modification is as follows:

On page 2, lines 3 and 4, strike out "insert after the first period two new sentences as follows" and insert in lieu thereof "after the first period insert the following new sentences".

On page 2, line 12, after the first period insert the following: "Not less than 25 percent of the loans guaranteed under this paragraph shall be made available to producers of alcohol who produce not more than 2,500,000 gallons of alcohol per year from renewal resources.".

Mr. STEWART. Mr. President, I rise today to offer a perfecting amendment to the measure by the Senator from Indiana.

The purpose of this amendment is to insure that medium and small producers of gasohol have adequate resources to fulfill their potential role in addressing the energy, as well as the economic needs, of rural America. This measure mandates that half of the funds appropriated will go to medium and small producers.

Unquestionably rural America can play an important role in the energy future of this country. However, the extent—and the eventual value of that role—could very well be dictated by the action we take here today.

Senator LUGAR has proposed that we increase from $180 million to $500 million the amount available for pilot projects for the production of industrial hydrocarbons and alcohol from agricultural commodities. I have no problem with that approach, although I admit to one reservation that I believe my amendment adequately addresses.

I am gravely concerned, Mr. President, about the future of the small farmer in this country. I am concerned that the family farmer as we know him is becoming a thing of the past. And I worry that Federal policy—intentionally or unintentionally as the case may be—is facilitating this decline.

Facts supporting the argument that U.S. policies favor large farms and agribusiness are legion, and I will not prolong debate in this body by citing each and every number at my disposal. However, I would like to offer just a few statistics that every Senator should know in his analysis of Senator LUGAR's measure and of my perfecting amendment.

Frankly, Federal research and extension work has been designed to discourage small farms, and to encourage the growth and expansion of larger agricultural interests. The Agriculture Department freely admits that 72 percent of the farms in this country—the ones it identifies as "small farms"—receive only 25 percent of the Nation's research efforts and a mere 5 percent of its extension efforts. Officials within that Department blame this failure to address the needs of small farmers on a preoccupation with "large and powerful things," and "large-scale technologies."

But in the few—and I stress the word "few"—instances that the agricultural research establishment provided direct assistance to small farmers, the results were quite interesting. In fact, they were remarkable. Farm income in those projects doubled, and the programs had a cost-benefit ratio of 3.5 to 1.

Now Mr. President, I do not for a moment want to suggest that the research efforts of larger agricultural concerns have not benefited the overall farm economy. That would be unfair and, quite simply, incorrect. What I am suggesting, however, is that Federal policy in the agriculture research area has been skewed in the favor of the large farms, thus—in effect—ignoring the smaller farms, which have proven to be the most efficient unit of production in this country.

With these things in mind, Mr. President, I am asking my colleagues to accept the perfecting amendment I propose here today. What I want to insure is that a certain portion of the generous assistance in this bill be earmarked for smaller farmers.

The positive economic impact that effective research in an area such as gasohol could have on the rural community is incredible. As alcohol fuels can be distilled from nearly any animal or vegetable product containing starch or sugar, the market for surplus wheat and corn would be expanded significantly. In addition, a commitment to gasohol research could eventually lead to a valuable new market for distressed crops that would otherwise be unfit for human consumption.

Mr. President, this body has the opportunity to go on record as striking a blow not only for the Nation's economy and for and improved energy situation, but also for a rural community that has all too often been ignored by the big city mentality that seems to pervade Washington.

I do not deny, as I said, that industrial concerns can have a valuable impact on the research in an area such as gasohol. But at the same time, we cannot forget the needs of rural America. Whereas U.S. agricultural policy has consistently taken a "bigger is better" posture, we have only to look at a bloated, inflationary bureaucracy to see very clearly that bigger is not necessarily better at all.

Mr. President, I ask my colleagues to recognize the small farmer's needs, to give them the research capability that Government has afforded to the larger farms. To deny rural America this opportunity would be to drive yet another nail into the Government-subsidized coffin of the family farm.

Mr. LUGAR. Mr. President, I am pleased to accept the very constructive suggestion of the distinguished Senator from Alabama and I am very appreciative of the strong arguments offered by my colleague from Indiana, Senator BAYH, in support of the Stewart modification and of the amendment that I have offered.

I would be remiss if I failed to point out the very strong leadership of Senator BAYH, not only in our State but throughout the Nation, on the gasohol issue. And I am very grateful for his strong support today and agree with him that the Stewart amendment to my amendment strengthens it with regard to those small producers who are abundant in the States of Indiana and Alabama and hopefully throughout the Nation.

Mr. President, I ask unanimous consent that Senator YOUNG be added as a cosponsor of my amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOLE addressed the Chair.

The PRESIDING OFFICER. On whose time?

Mr. LEAHY. I yield time to the Senator.

Mr. DOLE. Mr. President, I wish to speak in favor of S. 892, a bill to extend title V of the Rural Development Act of 1972, and provide for additional loan guarantees for pilot energy projects.

I am particularly interested in the provision of S. 892 that requires the Secretary of Agriculture to provide for additional pilot projects for the production of industrial hydrocarbons and alcohols from agricultural commodities and forest products through loan guarantees.

On May 1, 1979, I introduced S. 1054, a bill to raise from 4 to 16 the number of loan guarantees that could be approved by the Commodity Credit Corporation to finance pilot energy projects that would convert agricultural products into fuel and other energy sources.

This bill, S. 1954, stimulated interest in the Senate and the House to increase the pilot energy program. On Thursday, May 3, I introduced this concept as an amendment to S. 892 in the Senate Agriculture Committee.

The committee adopted my proposal and changed it to allow the USDA to guarantee $180 million in new loan guarantees. The House Agriculture Committee has also adopted a similar amendment to a similar bill on the House side. I am pleased that the support for this increase in pilot projects has come from both parties and from many Congressmen and Senators.

I express my support for the amendment offered by Senator LUGAR to increase the loan guarantees from $180 million to $500 million. I believe it is important to expand the guarantee authority in light of the rapidly expanding energy crisis and double-digit inflation.

The Food and Agriculture Act of 1977 provided for research and pilot projects in the production and marketing of industrial hydrocarbons and alcohols. Section 1420 provided for four pilot project loan guarantees from the Commodity Credit Corporation not to exceed $15 million each.

The USDA is in a strong position to help develop forest and agricultural biomass resources as a source of energy. The USDA has adopted, as one of its major energy goals, the development and utilization of alternative sources of energy, including fuels derived from agricultural and forestry sources.

The USDA received 30 formal applications for the four loan guarantees. The Commodity Credit Corporation has met and approved four projects contingent upon satisfaction of environmental and other requirements and developments of satisfactory guarantee and related loan documents.

FOUR COMPANIES

The four guarantees were approved for: Enerco, Inc., Langhorne, Pa., Biomass/Suchem Corps., Clewiston, Fla.; Guaranty Fuels, Inc., Independence, Kans.; and Midwest Solvents, Inc., Atchison, Kans.

First. Enerco, Inc., Langhorne, Pa.: $6.9 million loan guarantee. This project will convert forest and agricultural residues into gas, oil, and charcoal for fuel and other uses. It will involve a number of mobile units located near sources of residues and will provide energy in rural communities.

Second. Biomass/Suchem Corps.: $15 million loan guarantee. This will involve a plant in Clewiston, Fla., to convert sugar cane residues to alcohol. The project will include initial pilot and engineering work at Purdue University, followed by construction of a commercial-sized plant at Clewiston.

Third. Guaranty Fuels, Inc., Independence, Kans.: $5.8 million loan guarantee. There will be two plants in North Carolina that will refine forest and agricultural residues into fuel pellets for direct burning in industrial boilers.

Fourth. Midwest Solvents, Inc., Atchison, Kans.: $15 million loan guarantee. A plant will be built in Santa Rosa, Tex., to convert sorghum grain and sugar cane molasses to alcohol and to test sweet sorghum as an alternative feedstock. Approximately 80 percent of the total feedstock for the plant will be composed of sorghum grain.

The four projects involve a total of $42.7 million in loan guarantees.

A significant feature of section 1420 of Public Law 113 was the requirement that no loan may be guaranteed unless research indicates the total energy content of the products and byproducts will exceed the total energy input from fossil fuels used in the manufacture. Another rigorous requirement was that the projects must be economically viable in order to qualify.

To increase the probability of qualified proposals, USDA broadened the eligible products to include all forms of renewable biomass, including such diverse materials as the grain and stalks of corn, wheat, and rice; cottonseed hulls; fruits and vegetables and their processing byproducts and residues; poultry and livestock manures and residues; wood products, including bark, pulp, chips, and residues from logging and paper manufacturing; aquatic plants; and specific energy farm crops. USDA also broadened the definition of industrial hydrocarbon to chemically consist of carbon plus hydrogen as the major constituent.

MORE PROJECTS NEEDED

With the increase in fuel costs since the farm bill was passed in 1977, and with the increased interest in liquid and solid fuels from agricultural products, I believe more pilot projects are needed.

USDA has the regulations written and have processed four guarantees. They could guarantee several more projects without major administrative costs.

Four projects do not seem enough given the energy situation faced in 1979. Many applicants were turned down because only four projects were provided by Congress. I understand some of the applicants did not meet the qualifications but I hope in a new round of taking applications more feasible projects would be developed.

Congress needs to provide more stimulation to the private sector for the production and marketing of industrial hydrocarbons derived from agricultural commodities and forest products. The use of agricultural products could expand the Nation's supply of industrial hydrocarbons and also increase the market for agricultural commodities and products.

A project has not been funded yet that directly takes grain like corn or wheat and produces a grain alcohol for use in gasohol. With the widespread interest in gasohol, I hope some projects in that area would be feasible.

Mr. President, I believe S. 892 is a good bill that deserves the support of the U.S. Senate. I am hopeful the bill will receive broad support today in the Senate.

I know the distinguished Senator from Vermont has another important meeting to attend.

I commend everyone here who may come in later for their efforts on gasohol.

I ask unanimous consent to be made a cosponsor of the amendment of the distinguished Senator from Indiana.

The PRESIDING OFFICER. Without objection, it is so ordered.

UP AMENDMENT 258

Mr. DOLE. I wish at the appropriate time to offer another amendment which I think might encourage the USDA to move ahead. I am not certain I can offer it at this time. Maybe it could be accepted as a modification of the Lugar amendment.

Is that correct?

The PRESIDING OFFICER. The Senator is correct. By unanimous consent, that is correct.

Mr. DOLE. Mr. President, I ask unanimous consent, and first let me read the amendment:

> Insofar as practicable, loans for the pilot projects authorized by this paragraph shall be approved by December 31, 1980.

And the only point of that is to encourage the Department to move. That gives them a long time to complete the projects.

We have an energy crisis, that the distinguished senior Senator from Indiana pointed out.

As to the four projects approved by USDA, we still do not have any loan guarantees issued.

Mr. President, I offer an unprinted amendment to S. 892. My amendment would put a date in the bill when the Senate believes the USDA could have the new loans for pilot projects approved.

My amendment simply says that insofar as practicable, loans for the pilot projects atuhorized in S. 892 shall be approved by December 31, 1980.

I believe with the energy crisis on us it is important that USDA move forward with the pilot energy projects as quickly as possible. It has been over a year and a half since the original four projects were authorized.

The four projects have been approved by USDA but the guarantees have not been issued. I believe it would be good for the Senate to set a goal for this expanded program. A goal of December 31, 1980, would give USDA around 1½ years to implement this expanded program.

Time is critical to this program to help our energy crisis. I know a firm date cannot be set to fully implement this program but I believe a goal of December 31, 1980, is reasonable and practical.

I recommend the passage of this amendment.

I wonder if we might modify the amendment? Does the Senator have any objection to that?

Mr. LUGAR. No.

Mr. President, I ask unanimous consent that my amendment be modified by the language just offered by the distinguished Senator from Kansas.

The PRESIDING OFFICER. Without objection, it is so ordered.

The modification is as follows:

> At the end of Lugar amendment 226 insert: "Insofar as practicable, loans for the pilot projects authorized by this paragraph shall be approved by December 31, 1980."

The PRESIDING OFFICER. Who yields time?

Mr. BELLMON. Mr. President, are we under a time limitation?

The PRESIDING OFFICER. The Senator is correct.

Mr. BELLMON. I ask that I be yielded 5 minutes.

The PRESIDING OFFICER. Who yields time?

Mr. LEAHY. I am happy to yield 5 minutes on the amendment.

Mr. BELLMON. Mr. President, I have come to the Chamber to express concern as to the budgetary impact of this proposed increase in the loan guarantee level for gasohol.

As I think every Member of the Senate is aware, we are this year under some fairly severe constraints so far as outlays are concerned, and there seems to be a move underway to begin not only this but several other large loan guarantee programs and in this way stay off budget and escape the constraints that we have in our budget resolution so far as outlays are concerned.

The point I make is that even though these loan guarantees are not reflected in the budget numbers immediately, if we provide loan guarantees for operations that are not sound and those loans later are not serviced by the income from the projects these guarantees will then go into effect and we will, in fact, have increased the outlays in future years.

This amendment would increase loan guarantees from $180 million to $500 million.

There is a very serious prospect for defaults which could affect our budget within perhaps 5, 6 or 7 years.

There is no provision, as I understand it, for a review or a study of the advisability of this proposal.

While I am not here necessarily to oppose it, I simply point out that there will be an opportunity and I believe a responsibility for the Appropriations Committee to carefuly review the effect of this large increase and perhaps to set limits in conjunction with all the other research projects dealing with energy that are going to be considered by Congress this year.

I note, for instance, the distinguished chairman of the Energy Committee has introduced a bill which will provide very large loan guarantees not so much for gasohol but for coal liquefication and coal gasification and for oil shale.

The Senator from New Mexico, Senator DOMENICI, will propose either later today or early next week another large loan guarantee bill.

There is a real danger if Congress is not careful, even though these are off budget items that do not show up as outlays this year, we will set the stage for very large outlays in later years when these projects go into default and the lending agencies come to the Treasury and expect to be reimbursed for the amount of money they have advanced to get these projects started.

My purpose in rising today is to make certain the Senate understands that this does hold the danger of very large outlays in future years, and we should take that into account in deciding how to vote on this matter.

Mr. COCHRAN. Mr. President, will the Senator yield to me?

Mr. BELLMON. Do I have control of the time?

The PRESIDING OFFICER. Who yields time?

Mr. STEWART. How much time remains?

Mr. BELLMON. I have 5 minutes I would be glad to yield to the Senator.

Mr. COCHRAN. I apologize to the Senator. I thought he had concluded.

Mr. STEWART. I would yield the remainder of the time to the Senator from Mississippi. How much time is left?

The PRESIDING OFFICER. The Senator from Indiana has 17 minutes and the Senator from Alabama has 18 minutes on the amendment.

Mr. MUSKIE. I wonder if the Senator will yield to me to respond to the Senator? I rise simply to endorse——

The PRESIDING OFFICER. Who yields time?

Mr. STEWART. I yield time to the Senator from Maine.

Mr. MUSKIE [continuing]. Simply to join in the word of caution that my distinguished friend from Oklahoma has raised about the budgetary implications of this amendment, and I applaud him for doing it.

Mr. COCHRAN. Mr. President, will the Senator from Indiana yield me 7 minutes?

Mr. LUGAR. I would be happy to yield.

Mr. COCHRAN. Six and three-quarters or whatever——

Mr. LUGAR. Seven minutes.

Mr. COCHRAN. I thank the Senator for yielding to me.

Mr. President, it causes me a great deal of personal regret to rise in opposition to this amendment.

When the committee was taking up the proposal in the Committee on Agriculture to increase the allocation of funds for loan guarantees for gasohol production, I was concerned that we might be taking that action without having the benefit of hearings or of careful study of the feasibility of the projects which we were going to extend these loan guarantees to perpetuate.

There have been projects in operation already which have had the benefit of loan guarantees. But our committee did not choose to wait to look at how well they are working, whether they are feasible or not, whether this is a legitimate target for Government emphasis at this time when we are trying to develop alternative sources of energy.

We added in committee an amount of money that increased this program to $180 million. Now on the floor we are asked to increase it still further to $500 million in loan guarantee programs.

I know that Senators have been following the discussion in the press by experts who are concerned that we may be encouraging an inappropriate use of some of our renewable resources in the production of gasohol. I am in favor of exploring all options we have, and I think that under our economic system there are incentives available with prices at their current levels, and we are seeing a great deal of innovation and activity in the development of feasible alternatives. But what we are doing here is making a very strong commitment which has significant budgetary implications, as we already heard, in an area that is certainly unproved as an economically feasible effort to gain a great degree of independence in the energy field.

Specifically, we are being asked to support, as a matter of national policy, the conversion of corn and grain to alcohol to help run automobiles.

Mr. President, I ask unanimous consent to include in the RECORD a copy of an article on this issue that appeared in the June–July 1979 issue of Farm magazine written by Dr. Leonard W. Schruben, who is a professor at Kansas State University.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

I'M A GASOHOL SKEPTIC

I have monitored Gasohol for about 15 years and have turned from a dedicated optimist to a see-then-I'll-believe. Attempts over 80 years to commercialize alcohol from grain as a motor fuel have resulted in the unimpressive failure rate of 100%.

The problem with present Gasohol technology is that it uses more scarce oil or natural gas than it replaces, and not enough by-product feed is made to pay for the grain.

Officials of Archer-Daniels-Midland, the larger supplier of alcohol for Gasohol, disclosed to a national TV audience in 1978 that their plant used 3 gal. of furnace oil of natural gas to get 2 gal. of equivalent in alcohol. And that does not include the energy to grow the grain.

We will not reduce oil shortages by using enough fuel oil to heat homes for three months while getting back only two months' heat. Gasohol supporters say coal or farm waste can be used. Maybe so, but nobody is now doing it commercially. Efficient methods of gathering and storing crops and using residues haven't been invented.

In Iowa, the state gasoline tax of 8½ cents for Gasohol and federal tax of 4 cents is kept by Gasohol suppliers. Since only one tenth is alcohol, that is $1.25 per gallon of actual alcohol. Already Iowa has paid out several million dollars from road funds. How will Iowa build roads or repair bridges without raising taxes from another source?

At $1.25 per gallon, the tax subsidy in Iowa is $52.50 per barrel. Gasohol suppliers keep that money as well as the going price of Gasohol. Gasoline from shale oil without any subsidy is estimated to cost between $25 and $28 a barrel.

This Gasohol subsidy encourages OPEC countries to increase oil prices. By comparison, their oil looks cheap, even if it were $20 per barrel. An equal subsidy for new domestic sources of motor fuel would finance wildcatting throughout the U.S., as well as development of oil shale and coal conversion.

If the government wants to help farmers, there are better ways to spend taxes. How much of the $52.50 per barrel subsidy will trickle down to farmers?

A bushel of corn (56 lb.) makes about 2.6 gal. of alcohol and 18.5 lb. of feed, so 37.5 lb. of feed goes to alcohol. At $1.25 per gallon, the subsidy amounts to $3.25 spent to find a new market for 37.5 lb. of feed. That is $.0867 per pound or $8.67 per cwt, but Iowa farmers get only about $3.60 of the $8.67.

History indicates if enough Gasohol were used to increase corn prices 25 cents, the high protein by-product produced would decrease soybean prices about 50 cents per cwt. So soybean producers, among others, pay taxes used to beat down soybean prices.

Gasohol and parity are inconsistent. If prices were to increase to parity, the cost of alcohol would increase about $25 per barrel.

In Iowa, farmers do not get a tax refund on Gasohol used in tractors and other nonhighway machinery. The Gasohol supplier keeps the tax. In addition, farmers must pay a sales tax on Gasohol, including that for tractor use. The present sales tax amounts to about 22 cents per gallon of alcohol. Therefore, for non-highway use, farmers are giving up a potential $1.25 refund plus 22 cents sales tax per gallon of alcohol for a real cost of $1.47 per gallon ($61.74 per barrel) more than their usual tractor fuel.

Gasohol can only make a few who get the subsidies wealthy at the expense of taxpayers, with little or no benefit to farmers.

(Mr. BOREN assumed the chair.)

Mr. COCHRAN. Among other things, Professor Schruben points out some of the economic problems with conversion of corn to gasohol, and I would like to invite the attention of the Senate to this one observation he makes. He says that one producer of alcohol that was to be used for gasohol reported last year that their plant was using 3 gallons of oil or natural gas to produce 2 gallons of equivalent in alcohol.

That does not include, Mr. President, the amount of energy it takes to produce the corn, the amount of energy it takes to plant the crop, to harvest it, to irrigate it or whatever else may be necessary in order to get the product that is then used for conversion into alcohol.

We have heard a great deal about how utilities are being encouraged as a matter of Government policy to go from using oil and gas under their boilers to coal or other forms of energy. That is part of our national policy now.

Now to endorse as a part of our national policy the opposite kind of thinking is not really justified.

Another point that is made in this article, Mr. President, is that a bushel of corn, 56 pounds of corn, makes about 2.6 gallons of alcohol, and there is a byproduct feed which amounts to 18.5 pounds. So 37.5 pounds of feed go to alcohol.

At $1.25 a gallon, the subsidy, relating to the subsidy of $52.50, amounts to $3.25 to find a new market for 37.5 pounds of feed.

One thing that is indicated in addition to that is if gasohol were used to increase corn prices by 25 cents, the high protein byproduct produced would decrease soybean prices by about 50 cents per hundredweight. So soybean producers are being asked, along with other taxpayers, to furnish the Federal Government with tax money so they can use it to help beat down soybean prices. This is a logical extension of what can happen if we continue with a program without the benefit of having good, solid reason for doing so.

I am not suggesting that I am an expert in this area. I happen to have read this article.

I read another article by Nicholas Wade which appeared in the Sunday, June 3, edition of the Washington Star that cast grave doubts on whether or not this is appropriate national policy.

At this point I ask unanimous consent that a copy of the Wade article be made a part of the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

FROM GASOLINE TO ALCOHOL MEANS FROM BAD TO WORSE

(By Nicholas Wade)

While motorists on East and West Coasts idled impatiently in line to buy gasoline, a beguiling rumor went the rounds: of a man who had converted his car to run on ethyl alcohol which he distilled from his kitchen garbage.

The story was a little too good to be true, but it represented a ground swell of hope, manifested in a rash of initiatives by the White House and Congress last month, that nativegrown alcohol can somehow help support the national addiction to the automobile and reduce dependence on foreign oil.

Scott Sklar directs the Washington office of the National Center for Appropriate Technology. Before that he was an aide to Senator Jacob Javits for 10 years. Oil company skepticism about alcohol as a fuel, Sklar says, made him determined to find out for himself. Talking to farmers who had run their tractors on alcohol during the Depression, he learned that converting an engine to alcohol was easy. For about $12 in parts, Sklar 8 months ago converted his 1964 Rambler Classic to run on pure alcohol. It drives fine and does 22 miles to the gallon, he says, compared with the 20 miles it used to do on gasoline.

The only catch is the alcohol. Sklar has experimented with stills, but it is hard to get them to work on a small scale. He has to buy his alcohol from a gasohol dealer—for $1.25 a gallon.

Gasohol, now being sold in the United States as a mixture of 90 percent gasoline and 10 per cent ethyl alcohol, is the form in which proponents of alcohol fuels place their most immediate hopes. It can be used in existing cars without any modification to the engine. General Motors gave its seal of approval to gasohol last month by announcing that its warranty coverage would still apply to cars using gasohol instead of gasoline.

Some powerful political interests have converged in support of gasohol. Proponents argue that there is already enough surplus wheat, corn, and distressed crops to distill some 10 billion gallons of fuel alcohol a year. National consumption of gasoline is 110 billion gallons; selling it all in the form of gasohol would reduce imports of foreign oil, improve the U.S. balance of trade, raise farm income, do away with grain surpluses, save the taxpayer billions of dollars in farm subsidies, and help convert the nation from fossil to renewable sources of energy. "Let the sunshine make your moonshine," is the lighthearted slogan of the fuel alcohol movement.

Alcohol can be made from the cellulose in wood chips and urban trash. It can be made from the carbohydrates in the by-products of the cheese and corn sweetener industries. Or it can be made directly from grains grown specially for the alcohol distillery. It is the third choice that arouses the strongest political passions.

With record surpluses of corn on hand, farm interests in Congress are urging that the government, instead of paying farmers to hold land out of production, should instead encourage maximum planting and channel the surplus into alcohol fuel distilleries.

Spearheading the effort is Representative Berkley Bedell, D-Iowa, who has a bill that would lend $600 million for building alcohol fermentation plants. The money would come from the savings made by not paying farmers to set aside land, a program which for feedgrains cost the taxpayers $512 million in 1978.

The scheme has undeniable appeal. So why does even the Department of Agriculture oppose it?" "Those guys just have tunnel vision down there," says a Bedell aide. "They don't understand the ability of farmers to produce a hell of a lot more if only farming was made profitable."

It's not that simple. Economists at Midwestern universities have made no friends for saying so, but the economics of fermenting corn to fuel alcohol make no sense at all under almost any foreseeable price conditions that do not include a hefty federal subsidy. * * * Using agricultural wastes, such as corn stover, as the distilleries' source of heat, would at best be a break-even process in energy terms.

Becoming dependent on corn as a source of fuel would only buy future grief: In years of bad harvests in a hungry world, a decision would be forced between food for people and fuel for cars.

The natural fluctuations in the price of corn could be economically devastating for those who had invested in alcohol distilleries, Secretary of Agriculture Bob Bergland explained to the House Science and Technology committee.

"There does not now appear to be a need to grow additional crops for alcohol production," Department of Energy official Alvin L. Alm told members of the House Agriculture committee.

These counterarguments are nothing new to the farm lobby. The country boys in Congress are riding the gasohol bandwagon only to take their city cousins for another ride. The cost competitiveness or otherwise of alcohol is beside the point. The real issue is the price of corn. The rule of thumb in Iowa is that a 1 percent decrease in corn supply raises corn prices by 2 per cent. If you could divert some 500 million bushels of corn (from the normal yearly production of 6 billion bushels) into the alcohol distilleries that you had induced the federal government to finance, you could raise the price of corn by roughly one-sixth. The city dwellers would be paying more for their corn and more for their uncompetitive, tax-subsidized gasohol, but the farmers in Iowa would be laughing all the way to the bank.

Making common cause with those concerned about the energy crisis, the farm lobby in Congress has already pressured the administration to create a range of incentives for gasohol. The Department of Agriculture is increasing its research on alcohol fuels by $4 billion, and has lent $30 million to build two pilot plants for fuel alcohol production. In a speech given in Des Moines, Iowa, in April, President Carter promised $11 million to help farmers build 100 small-scale alcohol fuel plants.

More important than any of these initiatives was an amendment to the 1978 Energy Tax Bill which exempted gasohol from the 4 cents per gallon federal fuel tax for a 5-year period. Backed mostly by senators from farm states, the exemption amounts to 40 cents per gallon of alcohol when used to make gasohol with a 10 per cent alcohol content.

So potent is the tax incentive that it has now drawn into production almost all the unused capacity in the nation's distilleries and industrial alcohol plants. Almost overnight, a market has been created for gasohol. The number of gas stations marketing gasohol has grown from a handful a year ago to more than 700. President Carter told Iowans he would support a permanent extension of the tax exemption.

Iowans themselves have gone one better. They have exempted gasohol from state taxes of 6.5 cents a gallon. As a result, gasohol sales in Iowa in March this year amounted to 2.5 percent of the State's gasoline sales.

The state's tax exemption, however, brings the total tax subsidy to $44 per barrel of alcohol. To some economists that seems a high price to pay to avoid buying a $16 barrel of Arab oil.

The gasohol market doubtless merits incentives to get started, particularly since gasoline benefits from the oil depletion allowance and other advantages. Even if converting corn to alcohol makes no sense outside Iowa, other kinds of source material may prove more practical in time as the price of oil increases. Grain-carbohydrate fermentation has been fairly well explored; better potential for breakthroughs in production economics may lie in cellulose, an avenue that would draw upon forestry by-products and municipal wastes as a vast source of feedstock.

Columnist Jack Anderson is vexed that the Carter administration "has largely ignored our appeals" for a crash gasohol program and that "the oil industry has opposed them." Gulf Oil, however, has been experimenting with a cellulose-to-ethyl-alcohol program since 1971. "It was our decision to stay away from the food chain. Food is a basic human energy need that supersedes all other energy needs," Gulf official George F. Huff told the House Science and Technology committee. Gulf's process depends on enzymes to break down the cellulose (acid breakdown, the alternative, causes environmental disposal problems). The raw material is municipal waste, supplemented with paper-mill waste, depending on what is locally available. If the demonstration plant proves successful, Gulf plans to invest $112 million in a plant that would produce 50 million gallons of alcohol a year from a daily input of 2000 tons of cellulosic waste. The alcohol is to sell at $1.45 a gallon in 1983 (today's prices range from $1.20 to $1.50), giving Gulf a commercially viable process that yields a 15 percent return on investment.

If the 4 percent federal tax exemption is made permanent, alcohol fuel production from all biological material (excluding food or feed grains) could reach 600 million gallons a year by 1985, the Department of Energy estimates. This is a drop in the bucket which the national appetite requires. The alcohol would substitute for 40,000 barrels of petroleum a day. Provided that minimal amounts of petroleum were used in its manufacture, the alcohol would reduce petroleum imports by up to 0.4 percent.

That is no big help. But from the grass-roots sentiment in favor of alcohol fuel, perhaps some new development will emerge to brighten the Department of Energy's forecast. As proponents will tell you at the drop of a hat, Henry Ford built the Model T with an adjustable carburetor so that it would run on alcohol, gasoline, or any mixture of the two. The conversion of biomass to ethanol is a national folk art hallowed by tradition if not by law. New research, according to biofuel enthusiast Sklar has made clear why federal agents could never trace the illegal grain shipments from which they supposed Al Capone distilled the liquor supply for his fellow Chicagoans: Capone's feedstock came from a source over which he had better control—the city's garbage.

Carter doubtless had something else in mind when he went to Des Moines and praised the forgotten old time uses and production of alcohol as "a classic example of American ingenuity."

Mr. COCHRAN. Mr. President, in conclusion, I know my time is about to expire and I realize that the Members are not prepared to engage in a full discussion of the pros and cons of gasohol, but what we are questioning now, and what I think we should give our attention to, is whether or not, in the absence of evidence adduced from hearings by our committee, we should proceed with allocation of substantial resources to a loan guarantee program for a procedure we are not sure is working.

I know that it may sound good to corn farmers to suggest that we have a new market for their products, and we can help the Nation gain independence in the energy area in this regard.

Maybe we can, but I am not sure that, based on what we know now, we are justified in making the kind of financial commitment that we are being asked to make today.

One further observation, Mr. President, and I know my time will be up. We are already subsidizing gasohol production and consumption in ways other than loan guarantees for plants to produce gasohol. As a part of the Energy Act last year, we waived the 4-cent-per-gallon Federal excise tax on gasohol.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. COCHRAN. In conclusion, Mr. President, we have subsidies now, in tax exemptions, that amount to $44 per barrel on alcohol. Compare that to the $16 a barrel we pay for Arab oil, and you wonder about the economics of approving an amendment such as this.

I thank the Senator for yielding to me.

The PRESIDING OFFICER. The Senator from Indiana.

Mr. LUGAR. Mr. President, I yield myself 5 minutes.

I ask unanimous consent that the name of Senator STEWART be added as a cosponsor of my amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LUGAR. Mr. President, I would like respectfully to respond to the argument of the Senator from Mississippi, because I think it is important to point out that engineering in the gasohol area has progressed very substantially. The argument that we are going to use up more Btu's producing gasohol than we will receive from gasohol is simply outmoded, as the Honorable BERKLEY BEDELL, a Representative from Iowa, pointed out recently in an article in the Washington Post:

> Engineering firms now tell us that they can construct new "grass roots" plants utilizing recent technologies that have positive net energy balances of up to a ratio of 4 to 1. Of course, we can use a variety of energy sources, such as coal and solar, for providing the process heat needed in an alcohol-production facility.

And indeed we can. I think it is important to see that we set the record straight, that the whole argument that we use up more Btu's than we get is an outdated argument that has simply been overtaken by the engineering in this field.

Furthermore, as I pointed out in my argument, the USDA cannot guarantee a loan under section 509 of the Rural Development Act of 1972 unless research indicates the total energy content of the products and byproducts to be manufactured by the loan applicant will exceed the total energy input from fossil fuels used in the manufacture.

That is a part of the existing law. So, quite apart from the loan guarantee program, the energy efficiency argument is met, and applications for guarantees cannot be considered without that being so.

With regard to the suggestion about my amendment being a parochial amendment dedicated to corn farmers in Indiana, for example, indeed I hope that corn can be converted economically to alcohol and gasohol, and I think there are a good many farmers in Indiana who share that hope.

But the law provides and the thrust of my amendment is to encourage a whole raft of potential gasohol sources that I have listed in this debate and shall not reiterate.

The point is that we are moving rapidly to the development of biomass products that are probably more efficient than corn and grain going into this alcohol process. Clearly the corn stalks offer a better source than other cellulose materials that come in a biomass form. I think it is important to make progress in those areas, with the criterion that the procedure be energy efficient.

I think that is true of any number of agricultural pursuits in this country, and that this amendment will be very helpful to them. As a matter of fact, the first applications that were received and have been approved provide, for example, for a plant in Clewiston, Fla., to convert sugarcane residues to alcohol; a plant in Langhorne, Pa., to convert forest and agricultural residues into gas, oil, and charcoal; a plant in Independence, Kans., to refine forest and agricultural residues into fuel pellets; and, as a matter of fact, the fourth plant, in Atchison, Kans., is to change milo and sugarcane molasses into alcohol.

The PRESIDING OFFICER. The Senator's 5 minutes have expired.

Mr. LUGAR. I yield myself 3 additional minutes.

In essence, the first four projects, for which $42.7 million in loan guarantees have been provided, do not involve corn at all, or wheat, or any other such grain. They are thrown into the hopper of the argument, but not into the hopper of the gasohol procedure at this point.

Finally, I would suggest that the budgetary implications suggested by the distinguished budget chairman and the ranking Republican member are important. I recognized those at the outset. But we are not dealing here with the unknown, and the thought that we should go into further study and research simply defeats the whole purpose of massive production of ethanol to provide something that Americans can use in their cars now. This is why I think the timely agreement of the Senator from Kansas that these applications should come in and be considered now is important, and I think the argument in favor of the amendment is persuasive.

Mr. President, I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

● Mr. TALMADGE. Mr. President, I strongly support this amendment to S. 892 which would increase to $500 million the amount of loan guarantees available for gasohol pilot projects.

I have been a longtime supporter of gasohol. During the debate on the 1977 farm bill, we included authorization for up to $60 million in gasohol loan guarantees. The Department of Agriculture received over 30 applications for these 4 pilot projects—demonstrating widespread support in the private sector to use their own resources to make alcohol for blending with gasoline. And since this time, I have received calls from many Georgians and other citizens who are deeply interested in gasohol production.

I know there have been many skeptics concerning the feasibility of gasohol—both on economic and net energy gain considerations. I am not sure who is right or wrong, but I do know we are now facing a severe energy crisis—a crisis that might not improve in the future unless we find new domestic renewable sources of energy that are not owned and controlled by the sheiks of the Middle East. Alcohol production from farm commodities and waste products is one of many alternatives that we must pursue.

It seems that an expanded loan guarantee program is the best and most cost-effective way the Federal Government can stimulate gasohol production and use.

With loan guarantees, private money is used for such projects. The Federal Government only guarantees such loans against default. Thus, a $500 million gasohol project loan guarantee program may cost the Government little if anything if only projects with great potential are approved. The results of this loan guarantee program, however, would be to stimulate private investment in developing new technologies that could lead to gasohol becoming a reality—reducing dependence on foreign oil by a significant amount. Farmers and consumers would benefit from this, because of improved farm prices, lower support payments for agricultural commodities, and increased motor fuel supplies.

Mr. President, I urge all of my colleagues to support this amendment. Our Nation's future depends on it.●

Mr. LEVIN. I thank the Senator.

Mr. President, I am pleased to support the amendment of the Senator from Indiana. I believe that the introduction of alcohol into gasoline is a promising near-term means of reducing this country's oil consumption, and our dependence upon imported crude.

The Federal Government must be as aggressive as possible in its support of the already-growing gasohol industry. Unlike other potential oil substitutes, or synthetics, the technology for producing alcohol from biomass exists today, and is at or near the point of cost-competitiveness. Gasohol also does not create some of the environmental problems that may be associated with other fuels.

This amendment would permit the Government to expand dramatically its support for pilot demonstration projects which will allow various alcohol-production technologies to be tested. Because the authorization is for loan guarantees, the cost will be minimal, but the potential benefits are great.

If we are at war to achieve energy independence, we must act accordingly. The risk involved in this amendment is slight when compared to the stakes involved in energy independence.

Mr. LUGAR. Mr. President, I know of no other Senators who wish to speak.

The PRESIDING OFFICER. Is all remaining time yielded back?

Mr. COCHRAN. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. Do the Senators yield back the remainder of their time?

Mr. LUGAR. I am happy to yield back the remainder of my time, Mr. President.

Mr. STEWART. I have already yielded back my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment (No. 226), as modified, of the Senator from Indiana (Mr. Lugar). The yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. CRANSTON. I announce that the Senator from Delaware (Mr. Biden), the Senator from New York (Mr. Moynihan), and the Senator from Tennessee (Mr. Sasser) are necessarily absent.

I further announce that the Senator from Nevada (Mr. Cannon) is absent on official business.

Mr. STEVENS. I announce that the Senator from Tennessee (Mr. Baker), the Senator from Nevada (Mr. Laxalt), the Senator from Wyoming (Mr. Simpson), and the Senator from Vermont (Mr. Stafford) are necessarily absent.

I further announce that, if present and voting, the Senator from Wyoming (Mr. Simpson) would vote "yea."

The PRESIDING OFFICER. Are there Senators present who have not voted who desire to vote?

The result was announced—yeas 82, nays 10, as follows:

[Rollcall Vote No. 131 Leg.]

YEAS—82

Armstrong
Baucus
Bayh
Bentsen
Boren
Boschwitz
Bradley
Bumpers
Burdick
Byrd, Robert C.
Chafee
Church
Cohen
Cranston
Culver
DeConcini
Dole
Domenici
Durenberger
Durkin
Eagleton
Exon
Ford
Garn
Glenn
Goldwater
Gravel
Hatch
Hatfield
Hayakawa
Heflin
Heinz
Helms
Hollings
Huddleston
Humphrey
Inouye
Jackson
Javits
Jepsen
Johnston
Kassebaum
Leahy
Levin
Long
Lugar
Magnuson
Mathias
Matsunaga
McClure
McGovern
Melcher
Metzenbaum
Morgan
Nelson
Nunn
Packwood
Pell
Percy
Pressler
Pryor
Randolph
Ribicoff
Riegle
Sarbanes
Schmitt
Schweiker
Stennis
Stevens
Stevenson
Stewart
Stone
Talmadge
Thurmond
Tower
Tsongas
Wallop
Warner
Weicker
Williams
Young
Zorinsky

NAYS—10

Bellmon
Byrd, Harry F., Jr.
Chiles
Cochran
Danforth
Hart
Kennedy
Muskie
Proxmire
Roth

NOT VOTING—8

Baker
Biden
Cannon
Laxalt
Moynihan
Sasser
Simpson
Stafford

So Mr. Lugar's amendment (No. 226), as modified, was agreed to.

Mr. LUGAR. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. LEAHY. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. DURKIN. Will the Senator from Vermont yield for a question of the floor managers?

Mr. LEAHY. Certainly, I yield to my colleague from New Hampshire.

Mr. DURKIN. I thank the Senator. The thing I want to make clear in the record is that when we are talking about gasohol, the Senate Energy Committee has had some very interesting testimony from Dr. Lee Spano, of the Natick Army Laboratory, wherein cellulosic solid waste can be converted to ethanol at a projected cost of about 75 cents a gallon. It not only will help solve the energy problem but also will help solve the solid waste problem of many, many communities.

As the Senator knows, no longer can you campaign on Saturday morning at a town dump. They are all closed. The solid waste problem is facing many cities across the country. It is my understanding that this ethanol, cellulosic solid waste, is clearly covered in the legislation before us as amended by Senator Lugar's proposition.

Mr. LUGAR. Mr. President, I am happy to respond to the Senator from New Hampshire by pointing out that the specific criteria for loans under section 509 of the Rural Development Act of 1972, which we are considering today, called for the increased probability of qualified proposals through USDA broadening the eligible products for pilot energy projects to include all forms of renewable biomass, including such diverse materials as the grain and stalks of corn, wheat and rice; cottonseed hulls; fruits and vegetables and their processing byproducts and residues; poultry and livestock manures and residues; wood products, including bark, pulp, chips, and residues from logging and paper manufacturing; aquatic plants; and specific energy-farm crops—which, to my understanding, has been including cellulose products such as those developed at Purdue University in my State and other farm and land grant colleges.

Mr. TSONGAS. Will the Senator yield for a question?

Mr. LUGAR. Yes, I yield.

Mr. TSONGAS. Is municipal waste, solid waste, included?

Mr. LUGAR. Municipal solid waste could be included, to my understanding. Every sort of residue that can be converted into ethanol is eligible for a project. The criterion, however, is that the project has to be energy-efficient; that is, the Btu's lost from fossil fuels in making the ethanol must be exceeded by the Btu's that come from the ethanol.

Mr. TSONGAS. I think we would be in accord. I just want to be sure that the legislation reflects that municipal solid wastes would be included vis-a-vis the others.

Mr. LUGAR. I am pleased to give that assurance. This is my undertsanding of the act.

Mr. TSONGAS. I appreciate the Senator's giving that assurance, particularly after a vote has taken place.

Mr. DURKIN. I thank the Senator.

The PRESIDING OFFICER. Who yields time?

Mr. LEAHY. Mr. President, as I understand the law, it says:

> The Secretary shall, in addition to the pilot projects required under paragraph (1) of this subsection, provide for pilot projects for the production of industrial hydrocarbons and alcohols from agricultural commodities (including, but not limited to, grain, potatoes, sugar beets, and sugarcane) and forest products by guaranteeing loans.

In the amount that we have talked about.

So it would have to fit within these USDA loans, not to be mixed up with loans from anybody else. But the USDA loan would have to fit within those categories. At least, that is my understanding as the chief sponsor of the bill, that that is the way it would have to be.

Incidentally, Mr. President, I believe I may be a cosponsor on the amendment offered today. If not, I ask unanimous consent that I be shown as cosponsor of the amendments to my bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LEAHY. Mr. President, I might take a moment to thank Senator Stewart who filled in for me as floor manager.

One of the people from my State of Vermont was here to see me on a matter of longstanding interest at a time we had agreed on several weeks ago, and Senator Stewart made it possible for me to be there.

His own interests in the whole area of world development are well known to the Senate and I am sure to the people of Alabama.

Again, he has shown that concern and shown the kind of leadership he has expressed on the Agriculture Committee today, and I appreciate that.

Mr. President, I know of no further amendments to this bill. But I understand Senator Lugar wishes to note something for the record.

Mr. LUGAR. Mr. President, I ask unanimous consent that Senators Boschwitz and Levin be added as cosponsors to my amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LEAHY. Mr. President, I wish to acknowledge the tremendous work done by Carl Rose, Robert Kabel, and David Lyons in this matter. They have, as always, shown their ability to not only get my thoughts in order that make far more sense than they did originally, but to put it in sense for the Senate.

Ken Pierce and David Julyan of my personal staff were also extremely helpful in that. They did yeoman service, especially when this bill came up at a time different than anticipated. I appreciate their help, as I know the Senate does.

Mr. President, I know of no further amendments, unless my distinguished friend from Indiana does. If there are none, I am perfect willing to yield back the remainder of my time and go to final passage.

Mr. LUGAR. Mr. President, before yielding back my time, I simply want to express my appreciation to Senator Leahy as the manager of this bill for his leadership in this area. As always, it has been a great pleasure to work with him on this legislation.

I am pleased to yield back our time.

Mr. LEAHY. I thank my distinguished colleague.

We were two leaders on a subcommittee last year. He expresses the feeling I have toward him and the help he has been in so many matters.

Mr. President, I yield back the remainder of my time.

● Mr. **TALMADGE**. Mr. President, I support S. 892. This bill would extend for 2 years the appropriations authorization for the rural development extension, rural development research, small farm research, and small farm extension programs conducted under title V of the Rural Development Act of 1972. S. 892 also provides for additional pilot projects for the production of industrial hydrocarbons and alcohols from agricultural commodities and forest products through loan guarantees from the Commodity Credit Corporation.

Those of us involved in the development and enactment of the Rural Development Act of 1972 envisioned title V as a means to facilitate the use of the superb scientific and educational resources of the Nation's private and public universities, colleges, and technical institutes on behalf of rural development and small farmers. As had been hoped, title V has provided a significant impetus to rural development and small farm research and extension. Since 1972 more than 1,300 projects have been initiated under title V, and as of November 1977 about 900 of these projects have been completed. A major evaluation of title V conducted by the National Rural Center and the Pennsylvania State University concluded that title V has enabled communities and counties to make significant gains and has helped colleges and universities demonstrate their capacity to help through research and education.

The authorization for appropriations for the small farm and rural development research and extension programs conducted under title V expires at the end of this fiscal year. Enactment of S. 892 will enable these fine programs to continue, while the Department of Agriculture, in cooperation with the States, attempts to define modifications needed in title V based on the experience to date.

S. 892 also requires the Secretary of Agriculture to provide for additional pilot projects for the production of industrial hydrocarbons and alcohols from agricultural commodities and forest products through loan guarantees from the Commodity Credit Corporation. The total amount of the guarantees may not exceed $180 million.

In considering S. 892, the Committee on Agriculture, Nutrition, and Forestry determined that the increase in fuel costs since the farm bill was enacted in 1977 and the increased interest in liquid and solid fuels from agricultural commodities and forestry products clearly demonstrates the need for more pilot projects on the development of alternative energy sources.

Given our current energy situation, Congress must provide the stimulation to the private sector to seriously consider the use of agricultural commodities and forest products as alternative energy sources. S. 892 will provide some of this stimulation.

I urge your support of S. 892.●

Mr. **HEINZ**. Mr. President, I am a cosponsor of S. 892 because I am a firm supporter of the title V program. This legislation will extend the authorization for rural development extension and research programs, as well as small farm research and extension activities, conducted under title V of the Rural Development Act of 1972.

Reauthorizing title V is really an interim action. Several of us who are concerned with the problems facing our rural areas are working on modifications to the program. These changes will make the title V process even more effective. However, it is essential to reauthorize the program at this time to allow USDA and States to keep present projects in place.

Title V is truly an innovative program. It calls on the Nation's land-grant universities to help rural people attain their development goals by establishing linkages among research extension, Government agencies, and rural people. Many title V projects concentrate on developing the capacity of local agencies and citizens to identify and solve their own rural development problems. Other projects focus on helping citizens attain badly needed physical facilities such as a medical center, a water storage tank, or better housing. Of the 900 projects still active in 1977, 300 projects were directed at improving income and employment opportunities; 500 were directed at providing community services and facilities; and more than 100 focused on environmental and natural resources concerns.

Let me mention briefly some of the excellent title 5 work going on in Pennsylvania. In Clarion County, a county needs assessment survey was conducted and the local commissioners used the results in determining revenue sharing priorities. In Indiana County, a series of housing workshops were held to assist recent flood victims in the area and financial management aid was given to the badly needed Mahoning medical care facility. Finally in Somerset County, title 5 funds have been used to work on several problems areas such as land reclamation, fire protection, abandoned mines and child welfare needs.

These examples are just a partial list of the activities taking place under the title 5 program. At the research arm of the Federal rural development effort, the program provides essential information necessary for successful, practical, and often innovative rural development. Without title 5, the capability of State, county and local governments to carry out varied rural development initiatives would be greatly hindered. Title 5 is a program that works in rural America. It deserves our support.

The **PRESIDING OFFICER**. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment and the third reading of the bill.

The bill was ordered to be engrossed for a third reading and was read the third time.

The bill (S. 892) was passed, as follows:

S. 892

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 503 of the Rural Development Act of 1972 (86 Stat. 672, as amended; 7 U.S.C. 2663) is amended by—

(1) amending subsection (a) to read as follows:

"(a) There are hereby authorized to be appropriated to carry out the provisions of this title, except subsections (c) and (d) of section 502, not to exceed $20,000,000 for each of the fiscal years ending September 30, 1980 and September 30, 1981."; and

(2) amending subsection (c) to read as follows:

"(c) There are hereby authorized to be appropriated to carry out subsections (c) and (d) of section 502 of this title not to exceed $20,000,000 for each of the fiscal years ending September 30, 1980, and September 30, 1981.".

SEC. 2. Section 509(b) of the Rural Development Act of 1972 (7 U.S.C. 2669(b)) is amended by—

(1) inserting "(1)" after the subsection designation; and

(2) adding at the end thereof a new paragraph (2) as follows:

"(2) The Secretary shall, in addition to the pilot projects required under paragraph (1) of this subsection, provide for pilot projects for the production of industrial hydrocarbons and alcohols from agricultural commodities and forest products by guaranteeing loans, the total amount of which shall not exceed $500,000,000, to public, private, or cooperative organizations organized for profit or nonprofit, or to individuals for a term not to exceed twenty years at a rate of interest agreed upon by the borrower and lender. In considering applications for loan guarantees under this paragraph, the Secretary shall give priority to projects that will use Government price-supported commodities, such as corn and other feed grains, wheat, sugar beets, and sugarcane. The Secretary shall also assure that loan guarantees under this paragraph are for projects that will result, insofar as practicable, in new and innovative technologies for the production of industrial hydrocarbons and alcohols. No loan guarantee for a project under this paragraph may exceed $30,000,000. Not less than 25 percent of the loans guaranteed under this paragraph shall be made available to producers of alcohol who produce not more than 2,500,000 gallons of alcohol per year from renewal resources. Insofar as practicable, loans for the pilot projects authorized by this paragraph shall be approved by December 31, 1980.".

SEC. 3. Section 321 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1961) is amended—

(1) by striking out "and (2) to" and inserting in lieu thereof the following: "(2) an Indian tribe or tribal organization engaged in farming, ranching, or aquaculture, and (3)";

(2) by striking out the last sentence; and

(3) by inserting "(a)" after "SEC. 321." and by adding at the end of such section the following new subsection:

"(b) For the purposes of this subtitle—

"(1) The term 'aquaculture' means husbandry of aquatic organisms under a controlled or selected environment.

"(2) The term 'Indian' means a person who is a member of an Indian tribe.

"(3) The term 'Indian tribe' has the meaning given to such term under section 4(b) of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 459b(b)).

"(4) The term 'tribal organization' means the recognized governing body of an Indian tribe and any legally established organization of Indians which is controlled, sanctioned, or chartered by such governing body or which is democratically elected by the adult members of the Indian community to be served by such organization and which includes the maximum participation of Indians in all phases of its activities.".

SEC. 4. The provisions of this Act shall become effective October 1, 1979.

Mr. LEAHY. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. LUGAR. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. LEAHY. Mr. President, I ask unanimous consent that the Secretary of the Senate be authorized to make necessary technical and clerical corrections in the engrossment of S. 892.

The PRESIDING OFFICER. Without objection, it is so ordered.

The title was amended so as to read:

A bill to extend the authorization of appropriations for carrying out rural development research, rural development extension, small farm research, and small farm extension programs, and for other purposes.

CONSIDERATION OF CERTAIN MEASURES ON THE CALENDAR

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar Nos. 214 and 220.

Mr. BAKER. Mr. President, reserving the right to object—and I will not object—I advise the distinguished majority leader that these measures have been cleared for passage on our calendar, and I have no objection to proceeding to their consideration and passage.

The PRESIDING OFFICER. Without objection, it is so ordered.

INDUSTRIAL COST RECOVERY

The Senate proceeded to consider the bill (S. 901) to amend section 204 of the Clean Water Act to repeal certain grant conditions, and for other purposes, which had been reported from the Committee on Environment and Public Works with an amendment to strike all after the enacting clause and insert the following:

That (a) section 70(b) of the Clean Water Act of 1977 (91 Stat. 1610) is hereby amended by striking out "the last day of the eighteenth month which begins after the date of enactment of this section" and inserting in lieu thereof "June 30, 1980".

(b) Section 75(d) of the Clean Water Act of 1977 (91 Stat. 1610) is hereby amended by striking out "eighteen-month" each time these words appear and inserting in lieu thereof each time the words "thirty-month".

• Mr. MUSKIE. Mr. President, S. 901 would amend the Clean Water Act to continue the existing moratorium on industrial cost recovery payments to the Treasury until June 30, 1980.

In the 1972 Federal Water Pollution Control Act Amendments, Congress included the industrial cost recovery provision to assure that industrial participants in municipal treatment plans repaid the share of the Federal construction cost attribtable to the treatment of their industrial wastes. In this way, the Federal Government would not be subsidizing capital construction costs for industrial waste treatment through the water pollution control program.

In the 1977 Clean Water Act Amendments, the Congress believed that it was necessary to mandate a moratorium on industrial cost recovery payments to the Treasury, so that the Environmental Protection Agency could conduct a study of the efficiency of and need for such a provision. The Congress required that the study include an analysis of the impact of industrial cost recovery on rural communities and on industries in economically distressed areas or areas of high unemployment.

Industrial cost recovery payments to the Treasury will resume at the end of the 18-month moratorium, if the Congress does not change the law. The moratorium expires on June 30, 1979.

To fulfill the requirements of the 1977 amendments, the Environmental Protection Agency contracted with Coopers and Lybrand, a Washington, D.C., consulting firm, to examine issues associated with the industrial cost recovery provision. The report was submitted to the Congress by Douglas Costle, the Administrator of the Environmental Protection Agency, January 25, 1979.

While the report raises many questions, it cannot yet serve as the basis for final legislation. In light of the concerns raised by that report, and the fact that the moratorium deadline is near, it is necessary to extend the moratorium. This will give the Congress time to fully assess the study, the impact of industrial cost recovery, and develop further information necessary to make a decision on the efficacy of the provision.

Many unanswered questions follow from the statements made in the report Some of these lead to questions about the validity of some of the findings in the report. The Senate Public Works Committee estimated in 1972 that half of the then authorized $18 billion in construction grants would be for industrial waste treatment. The Coopers-Lybrand study more or less confirmed that 50 percent estimate. The report claims that 55 percent of waste water revenues come from the nonresidential sector.

If this is accurate, then it would be logical to expect that a high proportion of the nearly $45 billion currently authorized Federal investment in pollution control facilities would be recovered under the industrial cost recovery provision. Yet the study estimates that only $1.8 billion will be collected, of which less than $1 billion will be returned to the Federal Treasury. There is inadequate explanation of the gap between these figures. How much of this nonrecovery of capital costs is due to failure to comply with the law in the grant approval process?

The Environmental Protection Agency has provided a lower estimate of the percentage of industrial use of municipal systems, based on its 1978 needs survey. The question of whether such different views on a fundamental issue undermine other conclusions reached in the report needs a thorough investigation.

The report predicts that many industries in the future are likely to choose to build their own treatment systems rather than join a municipal system. The principal reason given is the economic effect of tax code changes that have occurred. Yet, it would appear that there are many industries that would have difficulty in raising the capital to build a separate treatment system, or might not have profits large enough to take advantage of the new tax provisions, or might be limited by the physical location of the plant.

Because the findings of the report rest in a significant way on estimates of future behavior based on projections on very limited data, it is important to provide adequate answers to questions that flow from this initial report.

Thus, further information will prove helpful to the committee in evaluating industrial cost recovery and possible alternatives. This is in recognition of the fact that the legislative purposes stated in 1972 are good objectives.

The most absurd aspect of the Coopers and Lybrand study is the comments indicating that recovering the Federal subsidy to industry was somehow not important or worth the effort. I cannot imagine that recovering approximately $10 billion could not be important to the Federal Treasury. Or that an additional $10 billion recovered by local governments would not be important to them. We are in a period when the Federal budget is very tight. Pressures are strong to balance the budget. Billions of dollars, even if they are scattered over a number of years, are an important contribution to the Federal Treasury. There is no real evidence that this industrial cost recovery program cannot work—only evidence that so far, few people have tried to make it work.

The Environmental Protection Agency is instructed to further examine the industrial cost recovery provision and issues related to its implementation. Such analysis should take into account the desirability of industries joining municipal treatment works. The Agency should be ready to come forward with legislative recommendations regarding industrial cost recovery by October 1, 1979.

The Agency should be ready to present those views in a hearing later this year. The study to be conducted by the Environmental Protection Agency should be undertaken with close consultation with the committee. Any further action deemed necessary would be taken at this time.

The Agency, all grantees, and all industries involved must clearly understand that actions must be taken to be capable of fully implementing the industrial cost recovery requirements on July 1, 1980. The extension of the current moratorium in no way indicates that the law will necessarily be altered.•

Mr. CHAFEE. Mr. President, the moratorium which Congress set on the industrial cost recovery provision in the 1977 Clean Water Amendments ends in 2 weeks—June 30, 1979. S. 901, which was unanimously approved in the Environment and Public Works Committee, mandates that the moratorium be extended through June 30, 1980, because a great deal of evidence on the shortcomings of the provision has been discovered. To allow the industrial cost recovery requirement to go back into effect, in light of such evidence, is not sound policy. I am pleased to have introduced S. 901 and look forward to continued work in the committee and the Senate on the ICR issue. But let me go back and provide some information on what the ICR issue is all about.

ICR was originally enacted in the 1972 clean water legislation. The provision requires that industrial users of a municipal sewage plant pay for that portion of the Federal share of the plant's construction costs which is attributable to the treatment of industrial wastes. The administrative burden falls on the towns and cities who must collect these charges, and on the Environmental Protection Agency who must monitor each treatment plant situation for the 30-year ICR payment period.

In the Clean Water Amendments of 1977 Congress mandated an 18-month moratorium on ICR and a 12-month study of ICR and its effects. As a conferee on the 1977 amendments, I felt that we needed to take a long look at industrial cost recovery. Thus, I am pleased that the conferees on the amendments adopted and the Congress affirmed the decision to mandate the moratorium and the study.

The EPA sent its report to the Congress in late January of this year; 227 sanitary agencies and 394 industrial plants had been contacted throughout the country, to discover the impact of ICR on communities and industries in both rural areas and economically distressed or high unemployment regions. This is the charter we gave the EPA in our 1977 conference report.

Mr. President, I would also note that the EPA formed an industrial cost recovery advisory group, composed of approximately 40 individuals who represented a broad spectrum of viewpoints; 10 regional public hearings were held on draft report findings during the fall months of 1978. These regional meetings often included interview sessions with affected community officials, with regional EPA representatives present. Communities visited ranged in size from Ravenna, Nebr., and Woonsocket, R.I. to New York City. Although the total ICR amounts collected to date are not extremely large, several cities and towns have collected ICR and many more are on the verge of beginning collections. I know this to be the case because EPA has shared with me figures on collections in over 50 communities to date, not to mention those whose treatment plants are nearing completion.

What was the EPA finding in the January 1979 report? ICR is failing completely in accomplishing the purposes for which it was written. Let me quote from EPA Administrator Costle's letter of January 25, 1979, to Vice President MONDALE:

> The Environmental Protection Agency (EPA) is pleased to submit to the Congress its report on the study of the efficiency of, and the need for, Industrial Cost Recovery (ICR). This study and its report was directed by the Congress in Section 75 of the Clean Water Act of 1977 (Public Law 95-217). This study was conducted with the fullest public participation achieved to date by EPA in any major study. A broad spectrum of industrial, environmental, civic, and governmental organizations were actively and voluntarily involved in the decision-making process throughout the project.
>
> Based on the data available, the study concludes that the ICR provisions of Section 204(b)(1) of the Federal Water Pollution Control Act Amendments of 1972 (Public Law 92-500) are not effective in accomplishing their legislative purposes.

These purposes have been summarized as parity, water conservation, appropriate capacity, and self-sufficiency. Specifically, the report found that, first, industrial cost recovery funds returned to the grantee do not significantly contribute toward the grantees' capability to finance future expansion, upgrading or replacement of waste water treatment works; second, changes in the tax law and Internal Revenue Service regulations since 1972 have decreased the extent to which the construction grants program is likely to be used as a subsidy to industries utilizing publicly owned treatment works; third, that the substantial water conservation which has occurred among industrial users since the 1972 law was enacted is due to the proportionate user charge, rather than industrial cost recovery; and fourth, industrial cost recovery has had little apparent influence on industries' decisions regarding industrial capacity in a treatment works. I would like to comment on these findings in more detail.

Parity was an issue when ICR was originally enacted. Some people thought that industries hooking into a municipal treatment plant were getting a free ride without ICR. Yet, EPA has found that it is often less expensive for an industry to build its own treatment facility than to dispose its wastes into a municipal plant. Part of this is due to the fact that industry must pay operation and maintenance charges and pretreatment costs, as well as local debt service, for a public plant. Also, changes in the tax rate structure favor self-treatment. And, finally, industry pays Federal, State, and local taxes, just as do residential users of treatment plants. It is interesting to note that the 40 percent of ICR collections retained by a community, which it collects from industries, is to be used, under the law, for future expansion and reconstruction of the subject treatment plant—but there is no linking of the spending of this money to industry needs in particular. This is indeed astounding. All in all, the EPA Administrator concluded that the construction grant program does not provide a subsidy to industrial users.

Water conservation was another paramount goal of ICR. Yet, the cost recovery provision has had little effect on water conservation, when compared to the success achieved through proportionate user charges. The industrial plants surveyed reported an average reduction in water use of 29 percent, but they pointed to user charges and water rates as the impetus. ICR is not credited with encouraging water conservation. Precaution against overly excessive treatment plant capacity was still another reason given for the approval of ICR in 1972. A plant should be built with enough capacity to serve existing domestic, commercial, and industrial needs, with a sufficient capacity for projected growth in these three areas. Yet, the EPA study found that ICR did not affect decisions on sizing of plants or deter construction of excess capacity.

Actually, the EPA and communities appear to have tackled the capacity problem in other ways—for example, by use of the agency's cost-effectiveness guidelines. EPA has determined that reserve capacity for facilities should normally be 20 to 40 percent of design load, with more reserve needed in areas of unusually high growth. The study team found that the average plant has about 32 percent reserve capacity, which is within the range essential for cost effective design.

I should like to go into more detail on EPA's cost-effectiveness guidelines, as a method of capacity control. Appendix A of EPA's September 27, 1978, Federal Register publication of the construction grant regulations established EPA's cost-effectiveness guidelines.

Section 8 of this appendix is titled "Cost-Effective Staging and Sizing of Treatment Works." Subpart (d) is titled "Industrial Flows," and item (2) of this subpart reads as follows:

> 8. (d) (2) This additional allowance for future unplanned industrial flow shall not exceed 5 percent (or 10 percent for towns with less than 10,000 population) of the total design flow of the treatment works exclusive of the allowance or 25 percent of the total industrial flow (existing plus documented future) whichever is greater.

In other words, EPA will only fund the "cost-effective" portion of a public treatment works. For future industrial capacity, the "cost-effective" portion is generally limited to 5 percent of the total design flow.

Section 10 of the appendix is titled "Additional Capacity Beyond the Cost-Effective Capacity." Subpart (f) states:

> The grantee shall execute appropriate grant conditions or releases providing that the Federal Government is protected from any further claim by the grantee, the state or any other party for any of the costs of construction due to the additional capacity.

In other words, if a community decides that it wishes to build industrial treatment capacity greater than the "cost-effective" portion, then the community must insure that the Federal Government is protected from any responsibility. This is generally accomplished through the use of reserve capacity contracts with industrial users.

As for the self-sufficiency of municipalities in providing for their own sewage treatment needs, the EPA reported that the amount able to be retained by the grantees will not make a significant contribution toward their financial capability to meet the costs of future expansion and upgrading of their treatment works. This is especially true when you consider two things: First, while collecting ICR over a 30-year period, the grantee's administrative costs go up; second, inflation eats up part of what expansion work can be done with the dollars eventually collected.

In 1972, when ICR was originally enacted, potential dollar recovery was expected to be $4.5 to $7 billion. But now, based on assumed eventual grants, EPA says that the total ICR revenues may amount to considerably less—$1 to $2 billion over 30 years. By the time 50 percent is given back to the Federal Treasury and administrative costs are covered by the grantee-retained portion, there is little on which to base local government wastewater treatment self-sufficiency. We know what ICR amounts are estimated to be collected under plants to be done under the 1977 amendments and grant awards; $24 million per year spread around more than 5,000 grantees will not make these grantees self-sufficient in the future expansion and reconstruction of their treatment works. It was not difficult for EPA to make this prospective finding from its study results. Although some would state that nonresidential wastewater revenues were estimated to be quite high, it must be clarified that such revenue estimates are likely to include user charges collected from industry for operation and maintenance of treatment plants. Such user charges are responsible for greater revenues than ICR.

Mr. President, the administrative burden of collecting and policing the ICR charge becomes even more onerous in light of the reduced expectation of revenues to be received. These administrative costs keep going up during the 30-year collection period. The revenues to the Treasury and the 50 percent allowed to be kept by the grantee (40 percent of which must be held for future work) are not worth the administrative burdens to cities and towns. For example, Dallas officials have said, I believe, that it costs $1 to collect 50 cents.

There may not be a lot of horror stories about plant closures due to ICR, but what about the plants which do not expand in a town because of ICR? What about the plants which decide to go elsewhere in their decision on where to locate for the first time? Some communities have ICR, while others do not, because their plants were built before March 1973. So we are sometimes talking about a loss of potential jobs in a community, if that community must assess an ICR charge, because of construction grant expenditures after 1973. Further, although an industry or business may not identify ICR as the sole reason for a shutdown or move, I would submit that ICR is one of a combination of factors that can drag down a marginal business. For example, in its letter of May 8, 1979, to Senator MUSKIE, the Northern Textile Association stated:

> What we have done is cite some specific examples to give an idea of what wastewater treatment can cost the discharger to a publicly owned treatment works in the Northeast. Industrial Cost Recovery is sometimes, as in the last case, a significant part of this cost. It is in all cases an additional factor to be considered in decisions on how to treat wastewater and ultimately where to locate a plant. Its implications can only be negative for industries in the Northeast.

We are coming to the end of the ICR moratorium period in a few weeks. EPA itself, in an April 10, 1979, letter from Assistant Administrator Jorling, has recommended that the moratorium be extended for 2 years, not just 1 year. One option which EPA stated in that letter as meriting further study during the moratorium period is the repeal of ICR as a condition of construction grants assistance.

In recommending that the moratorium be extended, the Environment and Public Works Committee has instructed the EPA to further examine ICR and whether it should be repealed or maintained. The Agency is expected to come forth with legislative recommendations regarding ICR by October 1, 1979. Two issues which we have mandated EPA to consider are the desirability of keeping industries tied into municipal plants, rather than driving them out, and second, the efficacy of EPA's cost-effectiveness guidelines, mandated by the Clean Water Act, in restricting capacity of municipal plants. As I noted earlier, municipal-industrial agreements regarding additional industrial capacity are already instrumental in capacity control.

EPA will also be required to study the administrative feasibility of its recommendations to the Congress.

In summary, the EPA should review various options in developing their legislative recommendations. These include:

First. Continuing the present industrial cost recovery system along with any recommended modifications to make it more efficient;

Second. Eliminating industrial cost recovery; and

Third. If industrial cost recovery is eliminated, any changes in the cost-effectiveness guidelines or other existing provisions to further legislative goals.

The Environment and Public Works Committee will hold hearings later this year on the ICR issue to examine agency, as well as industry and community, recommendations.

Mr. President, I appreciate the support of my committee colleagues, particularly Senator MUSKIE, on the ICR moratorium extension. The committees in both Houses had discussed or heard testimony on ICR in 1977, before the conferees agreed to the first moratorium at that time.

The committee has received several expressions of concern from local government leaders and industries on the ramifications of ICR. Many communities, both during the recent EPA study and in letters to committee members, have actually favored repeal of ICR. I must say that this is the alternative which I support.

ICR fails to accomplish the goals intended by the Congress in 1972. This does not mean that such goals, especially water conservation, are suspect. Other sections of the Clean Water Act spur efforts to meet these needs. I do look forward to hearing suggestions from EPA and others as to what we can do to improve our chances to meet these goals.

But it is my belief that there is no need to beat a dead horse—to get a performance from ICR which it cannot provide. The costs, both to municipalities and business, are highly disproportionate to the extremely slight role of ICR in meeting the needs I mentioned earlier.

Mr. President, in closing, I ask unanimous consent to be printed with my remarks some examples of letters and statements from local government leaders on the ICR issue.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

APRIL 10, 1979.

Hon. JOHN CHAFEE,
Dirksen Senate Office Building,
Washington, D.C.

DEAR SENATOR CHAFEE: When you addressed the Association of Metropolitan Sewerage Agencies (AMSA) on March 20 on the subject of Industrial Cost Recovery (ICR), you indicated to Dr. I. M. Rice, our Director of Water Utilties, that you would be interested in any information we had concerning the administrative burden of collecting ICR.

The Dallas City Council has opposed ICR since November 1977. The costs of administering ICR in Dallas appear to far outweigh any receipts which can be expected. In an October 28, 1977 Mailgram to Senator Lloyd Bentsen, we stated that our preliminary estimates indicated that it would cost the City of Dallas more than $150,000 per year to make ICR collections; an expense which would yield only $100,000 for the City.

Since that time, we have been updating the potential costs. In an October 16, 1978 statement to the EPA, Dr. Rice stated that for FY 1978, the full costs of ICR would have been $159,075. However, a supplemental ICR charge to our industrial customers in FY 1978 would have yielded only approximately $1776; an 80-to-1 ratio.

When looking at the current fiscal year, the costs for administering the ICR program would have been $170,686. And even though the receipts would have risen to a total of $52,394, the ratio is still out of proportion. And although the ICR collections would rise in subsequent years as more grants are completed, it likely would not approach the full costs allocable to ICR here in Dallas.

As cities across the nation are trying to trim unnecessary spending wherever possible in an effort to cope with the high rate of inflation, it seems ill-advised to impose Federal regulations requiring expenditures which exceed any foreseeable monetary benefits.

Thank you for the opportunity to express our views.

Yours very truly,
GEORGE R. SCHRADER,
City Manager.

RESOLUTION

Whereas the United States Congress is presently considering Senate Bill 901 which would extend the moratorium on collection of taxes under the Industrial Cost Recovery Provisions of the Clean Water Act; and

Whereas the Council of the City of Allentown believes the ICR tax subjects City industries and commercial enterprises to a tax burden not applicable to all competing industries and commercial enterprises in other municipalities; and

Whereas the required collection of the ICR tax from Allentown industries and commercial enterprises may discourage such business from locating in the City of Allentown;

Now, therefore, it is resolved by the City Council of the City of Allentown, Pennsylvania, that the City Council supports Senate Bill 901 and encourages passage by the United States Congress of S. 901 or similar legislation which may accomplish one or more of the following purposes:

The abolition of the Industrial Cost Recovery System:

Extension of the moratorium upon collection of ICR taxes;

Exoneration of any taxes accumulated or during the period of the moratorium or any extension thereof;

Repeal of the requirement for municipalities to maintain a standby ICR structure during any moratorium.

Be it further resolved that a copy of this Resolution be forwarded to Congressman Donald Ritter and Senators Richard S. Schweiker and H. John Heinz III as an expression of the concern of the City of Allentown.

May 11, 1979.

Hon. John Chafee,
Senate Office Building,
Washington, D.C.

Dear Senator Chafee: I would urge you to reject the renewal of the ICR portion of PL 92-500.

We have a good working relationship with local industry and they have been strained economically with the addition of the sewer service charge. While the sewer service charge is understandable and justified, I feel the ICR would place an undue strain upon local industry and inhibit any further expansion or growth.

Your consideration would be appreciated.

Respectfully,

Richard W. Succha,
Mayor.

October 23, 1978.

Re ICR Evaluation.

Mr. John Gall,
WC/ICR Coordinator, Municipal Facilities Branch, U.S. Environmental Protection Agency, Region I, John F. Kennedy Federal Building, Boston, Mass.

Dear Mr. Gall: I am writing to offer comment concerning the Industrial Cost Recovery System study now being conducted by EPA under mandate of the Clean Water Act of 1977. This office would like to express complete opposition to the concept and implementation of the ICR system for the following reasons.

1. An industry is as much a part of a community as a homeowner, shop owner, drug store, school, church, etc. and therefore should be treated no differently with respect to receiving the benefits of federal construction grants.

2. The ICR system operates to encourage industries to construct separate treatment facilities instead of joining with municipalities to build a single treatment plant. In our opinion numerous smaller treatment plants are more costly to build and operate than fewer, larger plants. Further they are less reliable, particularly when privately owned because controlling effluent quality is peripheral to the manufacture of goods and private operators are frequently at the bottom of the pay scale, change jobs more frequently and require a greater program effort to train.

3. Administration of the ICR system imposes an unnecessary burden on small municipal governments which are forced to keep separate accounts suitable for federal audit.

4. The existence of an ICR system does not contribute toward the stated goals of the Water Pollution Control Act by causing or accelerating the abatement of pollution or in any way restore water uses or water quality.

5. The money repaid by an industry must be based in part to defray the cost of future pollution abatement work and such amounts used are to be deducted from the federal grant awarded at that time. The municipality gains no benefit from these funds, but must maintain an accounting of them. A small town may never again undertake a project qualifying for construction grants under PL 92-500 particularly recognizing the current trend of restricting eligibility.

6. Development and submission of ICR systems or commitment to do so add one more administrative step to final design and construction projects, already overburdened with red tape.

7. Deletion of ICR requirements from the program will help simplify planning requirements, reduce planning and administrative costs, encourage regionalized sewerage systems and lift unnecessary and continuing administrative burdens from small municipalities.

I trust the above summarizes our view of the ICR system. I would be happy to elaborate on these points if you wish.

Sincerely,

Reginald A. LaRosa, P.E.,
Director, Environmental Engineering.

Mr. BAKER. Mr. President, I rise in support of S. 901 and would like to express my interest in the investigation of the industrial cost recovery (ICR) issue which will be carried out by the Committee on Environment and Public Works during the course of the moratorium established in the legislation which is before us for approval today.

Mr. President, a very brief review of congressional action on this matter may be helpful here. Section 204 of the Federal Water Pollution Control Act of 1972 (Public Law 92-500) required all sewage treatment works receiving EPA construction grant moneys to develop, install, and maintain approved systems for ICR. Congress included this provision in the act to insure that those industries using publicly owned treatment works for disposal of their wastewater would repay that portion of the money provided by EPA's construction grants program for industrial capacity in publicly owned sewage treatment plants. This is a worthy goal and one which I endorse.

However, during subsequent consideration of the 1972 water bill the Congress was approached by a number of communities, including a number in my home State of Tennessee, which were concerned with the administrative, political, and economic problems they must face in trying to comply with this provision. In 1977 in response to these concerns, Congress specified in Public Law 95-217 (the bill amending the 1972 act) that EPA conduct a study of the need for the ICR provision, and on the feasibility of the ICR program. Public Law 217 also included a moratorium provision delaying ICR payments until EPA had had a chance to complete this analysis of the ICR program.

This moratorium will end on June 30 of this year and the ICR payments and program requirements will be reinstated even though the study required in the 1977 law has now been completed and raises a number of questions as to whether the ICR provision can accomplish the goals set for it by Congress. With the results of the study in mind the Congress must decide if the ICR program should be significantly modified or even discontinued.

Senator Chafee earlier this year introduced legislation, S. 901, which would have repealed the ICR provision based on the results of the study outlined above. However, during the Environment Committee's review of S. 901 it was agreed that additional information and more detailed recommendations on the future of the provision should be prepared by EPA and presented to the committee at hearings on this subject later this year. It is hoped that the Agency's analysis will provide a better basis upon which the committee can make a final decision on the ICR question.

The moratorium we are asked to approve in the legislation before us today will simply stay the further implementation of the ICR provision until the committee has had time to act.

Mr. President, I believe that every effort should be made to insure that this provision is capable of achieving its congressionally intended purposes before further implementation proceeds. If there is one thing that we most assuredly do not need it is another unnecessary complication which could delay progress in the municipal sewage treatment plant construction program.

I, therefore, would urge that my colleagues support S. 901 and in addition pledge my interest and support of the committee's future investigation of this matter.

MORATORIUM ON THE INDUSTRIAL COST RECOVERY PROVISIONS OF THE CLEAN WATER ACT

● Mr. GRAVEL. Mr. President, I support S. 901, which extends the moratorium on the industrial cost recovery provision of the Clean Water Act. The Environment and Public Works Committee unanimously approved the extension.

In fact, I would note that several communities have urged the Congress to totally repeal ICR. Back in 1977, at our committee hearings on proposed clean water amendments, a representative of the municipality of Anchorage sewage utility stated:

> The Municipality of Anchorage is supportive of an amendment which would eliminate the industrial cost recovery system and its requirements. In the case of Anchorage, it would cost in excess of $30,000 to establish a system and put it on board to collect in the area of $700 annually. Thus the costs of administering the ICR requirements are far in excess of any benefits. Rather, the Municipality of Anchorage feels that it can administer a pretreatment policy which will be more than adequate to take the burden of treating any type of industrial waste from the shoulders of the Municipal wastewater facility without bringing in a third party (the industrial user) to the already complicated grant and user charge systems.

Thus, I believe that with the end of the current moratorium fast approaching, we must immediately take this step to extend the moratorium on ICR. I urge my colleagues to support S. 901 and look forward to working further on the issue in the Environment and Public Works Committee.●

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, was read the third time, and passed.

The title was amended so as to read:

> A bill to extend the time limits contained in the industrial cost recovery moratorium provision of the Clean Water Act of 1977 (91 Stat. 1610).

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. BAKER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

SIZE OF SMALL HYDROELECTRIC POWER PROJECTS

The Senate proceeded to consider the bill (S. 948) to amend the Public Utility Regulatory Policies Act of 1978 (92 Stat. 3117) to revise the limitation on size of small hydroelectric power projects, which had been reported from the Committee on Energy and Natural Resources with an amendment to strike all after the enacting clause and insert the following:

SECTION 1. That the Public Utility Regulatory Policy Act of 1978 (16 U.S.C. 2708) is amended as follows:

(a) In section 401 by deleting the words, "in connection with existing dams which are not being used to generate electric power".

(b) In section 402 by deleting the phrase, "at an existing dam or dams" in both instances where it appears.

(c) In section 403(a) by deleting paragraph (1) and renumbering paragraphs (2), (3), and (4) as paragraphs (1), (2), and (3), respectively and renumbering the reference to paragraph (2) as paragraph (1).

(d) In section 405 by deleting the phrase, "in connection with existing dams".

(e) By deleting section 406 and renumbering section 407 and section 408 as section 406 and section 407, respectively.

(f) In section 408 by deleting paragraph (1) and inserting in lieu thereof,

"(1) 'small hydroelectric power projects' means any hydroelectric power project which has not more than twenty-five thousand kilowatts of installed capacity;".

(g) In section 408 by deleting definition (6) and renumbering definitions (7) and (8) as definitions (6) and (7), respectively.

SEC. 2. There is hereby authorized to be appropriated in each of the fiscal years 1981 and 1982 not to exceed $100,000,000 in addition to the amounts authorized by the Public Utility Regulatory Policies Act of 1978 for purposes of loans to be made pursuant to section 403, such funds to remain available until expended.

Mr. DURKIN. Mr. President, the measure that the Senate is about to consider, S. 948, marks another major step ahead in the continuing development of Federal initiatives for small-scale hydroelectric power. This bill, which authorizes an additional $200 million for loans for small-scale hydroelectric projects for 2 years beginning October 1, 1980, and which expands the number of dams available under the program by increasing the upper limit from 15 megawatts to 25 megawatts, is another milestone in this Congress attempts to move toward greater use of clean, safe, renewable and nonpolluting energy sources.

I am very pleased to have worked with my friend and colleague, the distinguished chairman of the Senate Energy and Natural Resources Committee, Senator JACKSON, on this bill. And I appreciate the active support of my other colleagues on the Energy Committee for this important bill.

In talking about small-scale hydroelectric power, the most important thing to bear in mind is that this is a technology of today. We are not talking about a power source for the next century. Hundreds of dams in New Hampshire, New England, and across the Nation have the capability of reducing the absolute dependence we now have on imported oil to supply our energy needs. We have the technology of reducing this dependence almost immediately, not 10 or 20 years in the future.

Because of my belief in small-scale hydropower, I have long supported Federal initiatives to encourage development of this power source. As my colleagues are aware, two provisions which I authored for developing small-scale hydroelectric became law last year as part of the National Energy Act. One authorizes $30 million for feasibility studies on small dam sites, and the other authorizes $300 million for a construction loan fund to build the hydro facilities.

I also have a bill pending before the Senate Finance Committee which will double the investment tax credit for developers of hydropower and additional Federal income tax deductions for those who purchase electricity generated by hydropower. Another bill will provide incentives for constructing fish ladders on hydrodams so the Atlantic salmon and other fish can multiply and abound without interference from the dams.

The Department of Energy has already started to investigate small-scale hydro sites in New Hampshire. Engineering firms are currently doing three feasibility studies on dams in Concord, Goffstown, and Bethlehem. The Brown Company in Berlin has received a $1 million grant from DOE to restore a hydro facility along the Androscoggin River. And the U.S. Army Corps of Engineers is conducting a study in Nashua, N.H.—the money for which Congress provided last year at my urging—which indicates in its preliminary stages that the Nashua River can provide a significant amount of electricity for Nashua.

This is an important beginning, but it is only that—a start—and we must commit more resources to this vital project immediately. Furthermore, we must take immediate steps to eliminate all institutional and bureaucratic roadblocks. We all know that small-scale hydropower can make a difference and we must back up that belief with a Federal energy policy that expedites hydroelectric development.

Although most small-scale hydroelectric facilities now lie abandoned, these facilities were once the cornerstone of power production in the Northeast. New Hampshire and New England in a very real sense owe their economic growth development to water power. From colonial days, water power was the major source of energy in New England, promoting rapid expansion of industry and commerce. Despite this long record of efficient service, water power was gradually phased out as a source of energy in favor of huge, centralized powerplants fired by cheap oil and nuclear fuel.

The Department of Energy has estimated that in the past 30 years, hundreds of small hydro plants have been abandoned in New England, causing us to consume millions of barrels of oil that would otherwise have been saved. Recently, however, studies have indicated quite clearly that reviving these small-scale hydroelectric sites is feasible from an economic, engineering, and environmental point of view. A nearly completed study of regional hydroelectric power by the New England River Basins Commission has shown its significant potential as an energy source.

Small-scale hydroelectric power is clean, safe, renewable, and nonpolluting. Most important, it can reduce our dependence on costly imported oil. The time to develop it is now.

I urge passage of this bill, which will hasten the development of small-scale hydroelectric power.

● Mr. JACKSON. Mr. President, I have made the national program for the development of domestic energy supply the top priority among the business now before the Committee on Energy and Natural Resources. The legislation now before the Senate, S. 948, marks an essential step toward increasing energy supply from small-scale hydroelectric power. S. 948 expands the Federal Government's feasibility study and construction loan program to include projects at new dams, it increases the upper limit on project size from 15 megawatts to 25 megawatts, and it authorizes an additional $200 million for construction loans during fiscal years 1981 and 1982.

The Committee on Energy and Natural Resources unanimously supported this bill. I was pleased to cosponsor this bill with my colleague and chairman of the Subcommittee on Energy Conservation and Supply, Mr. DURKIN, and I appreciate his efforts in promoting its passage.

Mr. President, I am extremely concerned about this Nation's energy future. We need sources of new supply now. Hydroelectric power is not only a well-understood and available technology, its untapped potential is enormous. The U.S. Army Corps of Engineers has identified 50,000 small dams in the United States. Less than 5 percent of these dams have been developed.

Good hydro sites can be found in every region of the country. In my part of the country, the Pacific Northwest, 22,000 megawatts of power now exist, but over 14,000 megawatts remain undeveloped. In the South and Middle Atlantic States the potential also exceeds 14,000 megawatts.

If we are successful in developing just 20 percent of this untapped resource the Nation will save 1 million barrels of oil every day of every year.

This country has for the past two decades abandoned thousands of small-scale hydroelectric power sources. The Congress took a major step toward reversing this trend when it established the small-scale hydroelectric program in the National Energy Act. We have learned much since the passage of the National Energy Act about the commercial development of small-scale hydroelectric power. The Congress now has the opportunity to hasten this development.

I urge the Senate to pass S. 948.

I ask to have the budget statement on S. 948 from the Congressional Budget Office printed in the CONGRESSIONAL RECORD.

The statement follows:

CONGRESSIONAL BUDGET OFFICE,
Washington, D.C., June 11, 1979.

Hon. HENRY M. JACKSON,
Chairman, Committee on Energy and Natural Resources, U.S. Senate, 3106 Dirksen Senate Office Building, Washington, D.C.

DEAR MR. CHAIRMAN: Pursuant to Section 403 of the Congressional Budget Act of 1974, the Congressional Budget Office has prepared the attached cost estimate for S. 948, a bill to amend the Public Utility Regulatory Policy Act of 1978.

Should the Committee so desire, we would be pleased to provide further details on this estimate.

Sincerely,

ALICE M. RIVLIN,
Director.

CONGRESSIONAL BUDGET OFFICE—COST ESTIMATE

1. Bill number: S. 948.

2. Bill title: A bill to amend the Public Utility Regulatory Policy Act of 1978.

3. Bill status: As ordered reported by the Senate Committee on Energy and Natural Resources, June 7, 1979.

4. Bill purpose: The bill amends the Public Utilities Regulatory Policy Act of 1974 to provide feasibility study and construction loans for small hydroelectric projects at new as well as existing dams. The bill also increases the power capacity of projects eligible for such loans. In addition, the bill authorizes the appropriation of $100 million for each of the fiscal years 1981 and 1982 for small hydroelectric construction project loans. This is the same level of funding currently authorized for fiscal years 1979 and 1980, though no funds have been appropriated for this program.

5. Cost estimate: The projected budget impact of the bill, assuming appropriation of the authorized amounts, is summarized in the following table.

Authorization Level: 100.0, 1981; 100.0, 1982.

Estimated Outlays: 30.0, 1981; 75.0, 1982; 43.3, 1983; 18.6, 1984; 14.0, 1985.

By fiscal years, in millions of dollars.

The budget impact of this bill falls within budget function 270.

The estimated outlays reflect loan disbursements, and principal and interest payments received. While costs and outlays are identical for most government programs, they differ for loan programs. The costs of this bill reflect defaults less interest payments received, and are summarized below:

Estimated costs: −1.4, 1983; −5.8, 1984; −9.8, 1985.

By fiscal years, in millions of dollars.

6. Basis of estimate: For the purposes of this estimate, it is assumed that this bill will be enacted and the entire amount appropriated prior to the beginning of each fiscal year. The outlays are based on preliminary plans of the Department of Energy (DOE). The Department plans to make the construction loans over a five-year period (fiscal years 1981 through 1985), with repayments to begin two years after the loan is made (since construction is expected to take two to three years). Loan disbursements are estimated to be $30 million in fiscal year 1981, $75 million in 1982, $45 million in 1983, and $25 million in each of the fiscal years 1984 and 1985. A 2 percent net default rate is assumed, spread over the first three years of repayment. The interest rate is set by the original act (Public Law 95-617) at the rate established by the Water Resources Development Act of 1974 (Public Law 93-251). It is assumed that this rate will be 8.25 percent over the loan period. Fees are expected to be set to recover administrative costs.

7. Estimate comparison: None.

8. Previous CBO estimate: None.

9. Estimate prepared by: Mark Berkman (225-7760); Susan Cirillo (225-7760).

10. Estimate approved by:

C. G. NUCKOLS,
(For James L. Blum, Assistant Director for Budget Analysis) ●

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. BAKER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

POSTEMPLOYMENT RESTRICTIONS

Mr. RIBICOFF. Mr. President, I ask that the Chair lay before the Senate a message from the House of Representatives on S. 869.

The PRESIDING OFFICER laid before the Senate the following message from the House of Representatives:

Resolved, That the bill from the Senate (S. 869) entitled "An Act to amend section 207 of title 18, United States Code", do pass with the following amendments:

Page 2, after line 2, insert:

SEC. 2. Subsection (d) of such section 207 is amended by striking out paragraphs (2), (3), and (4) and inserting in lieu thereof the following:

"(2) on active duty as a commissioned officer of a uniformed service assigned to pay grade of O-9 or above as described in section 201 of title 37, United States Code; or

"(3) in a position which involves significant policymaking or supervisory responsibility, as designated under this paragraph by the Director of the Office of Government Ethics after consultation with the department or agency concerned. Only positions for which the basic rate of pay is equal to or greater than the basic rate of pay for GS-17 of the General Schedule prescribed by section 5332 of title 5, United States Code, or positions which are established within the Senior Executive Service pursuant to the Civil Service Reform Act of 1978, or positions of active duty commissioned officers of the uniformed services assigned to pay grade of O-7 or O-8, as described in section 201 of title 37, United States Code may be designated. As to persons in positions designated under this paragraph, the Director of the Office of Government Ethics may limit the prohibitions of subsection (c) to appearances before or communications to specified offices or specified positions, rather than to an entire department or agency. On an annual basis, the Director of the Office of Government Ethics shall review the designations and determinations made under this paragraph and, after consultation with the department or agency concerned, make such additions and deletions as are necessary."

Page 2, after line 2, insert:

SEC. 3. Section 207 of title 18, United States Code, is amended by adding the following new subsection (e).

"(e) The prohibition contained in subsection (c) shall not apply with respect to the representation by any person who is an elected official or full-time employee of a State or local government, or any agency or instrumentality thereof, or of any institution of higher education, as defined in section 1201(a) of the Higher Education Act of 1965, or any medical research or treatment facility exempted under section 501(c)(3) of the Internal Revenue Code of 1954."

Redesignate subsections (e) through (j) as subsections (f) through (k) respectively.

Page 2, strike out lines 3 through 9 inclusive.

ETHICS IN GOVERNMENT ACT AMENDMENTS

Mr. RIBICOFF. Mr. President, I am pleased to report that agreement has now been reached on amendments to the "revolving door" provisions of the Ethics in Government Act of 1978. I want to acknowledge Congressman DANIELSON and Congressman KINDNESS, and their staffs, for their diligent work on this matter. Their effort insured the prompt and expeditious action we take today.

Since the act was adopted last October, there has been public concern expressed over some of the postemployment provisions. Fast congressional action to allay that concern is warranted due to the approaching effective date of July 1.

The history of recent congressional action can be briefly summarized. On April 4, at the request of the President, I introduced S. 869, which contained technical and clarifying amendments to title V of the act. The Senate passed S. 869 on April 9. Then on May 24, the House also passed the bill, but with several amendments. The new House-passed amendments had not previously been the subject of consideration in this body.

Thus, we entered into discussion with the House and other interested parties. And agreement has been reached. Congressmen DANIELSON and KINDNESS, who were the sponsors of the House amendments, have accepted the proposal. On the important provisions of concern to the education and medical communities, HEW has agreed to those language changes. Therefore, I propose that we accept the House amendments to S. 869, with certain clarifying refinements. I propose that the Senate concur in the House amendments with an amendment.

The major points of the amendment we have agreed to can be summarized as follows:

First. The first point concerns the ability of the Office of Government Ethics to designate Federal employees as subject to subsection (c). Under the amendment, no Federal employee below GS-17 and no military personnel below grade O-7 could be subjected to the subsection (c) "no contact" provision by OGE—with the sole exception of the members of the Senior Executive Service. Inclusion of the SES allows OGE to designate officials as low as GS-16, since that is the lowest grade eligible for that Service. This new subparagraph does not, of course, affect Federal officials who are included automatically under the other subparagraphs of subsection (d), such as higher military grades and positions in levels I through V of the Executive Schedule. The objective of this House proposal is to eliminate the discretion of OGE to designate non-SES officials and employees below the GS-17 level. Our amendment concurs in that objective.

Second. The second point also concerns the designation power of OGE. It would allow OGE to limit the scope, but not the substance, of subsection (c). This new language recognizes that former officials sometimes have little influence on a department outside their particular bureau or agency. Thus, in those cases, there is little or no potential for undue influence or unfair advantage over former colleagues or subordinates, who work in different, unrelated bureaus. For example, it would permit OGE to allow contact by a former Justice Department attorney, who had served in the Lands Division, with an official in the Immigration Service. Those divisions are large and significant parts of the Department. Moreover, they are unrelated, and do not work together closely. In those limited cases, OGE may determine that the potential for conflict is low. For the same reasons, such contact would be permitted between the U.S. Attorney's Office in the eastern district of New York, and the U.S. Attorney's Office for Washington, D.C.

We concur in this proposal with the understanding that such designations will be made infrequently. And the responsibility rests squarely and exclusively with OGE to determine: First, that the bureau or agency, different from the one in which the former employee served, has a separate and distinct subject matter jurisdiction; and second, that there is no potential for real or apparent undue influence or unfair advantage. This language is not intended to sanction or permit "hair-splitting": OGE is not hereby authorized to split-up, for the purposes of subsection (c) coverage, offices within bureaus or subdivisions within divisions. For example, as previously pointed out, employees in the Justice Department's Land Division may have the coverage restricted insofar as the Immigration Service; but that should not be the case with the various sections within the Lands Division. This provision does not allow a former attorney in the Antitrust Division's litigation section to reappear before that division's investigation section, seeking some exemption or other favor from those colleagues. Units such as the FCC's Broadcast Bureau cannot, under this provision, be divided up into various offices. The working relationships between such units are, as a rule, too close to permit a judgment that there is no potential for undue influence or unfair advantage. The language is tightly drafted to avoid that result. Such distinctions would create a large, potential loophole through subsection (c), by possibly limiting coverage to only specific offices. The key is that the different, major bureau must have a subject matter jurisdiction, which is distinct and separate from that in which the former employee served.

It should also be noted that some 9,000 Federal supergrade employees will be eligible for possible designations under this language, and that task could easily become impossible, if OGE had to distinguish between various offices, sections, and subdivisions of the various departments and agencies. Therefore, this designation provision is availiable only for the most significant agencies or bureaus within departments or agencies.

Also, the language continues coverage for other situations where undue influence could exist. For example, an FTC General Counsel frequently deals with all sections of his agency—the Commissioners, the Bureau of Competition, the Bureau of Consumer Protection, and so on. The same thing is true of a ranking contracting officer in the Defense Department, or an assistant administrator of procurement at GSA, with respect to certain other bureaus within the department or administration. Contact in these situations should not be exempted, and the language is carefully drafted to provide for this. It should be emphasized that the type of contact this narrow exemption allows is on a bureau-to-bureau basis only—that is contact by a former employee of one bureau with a current employee of a separate and distinct bureau.

Up-the-line or down-the-line types of contacts continue to be fully prohibited. That is, contact by a former high-ranking official of a Justice Department division to a current officer or staff assistant in the Attorney General's office, during the 1-year period, would be prohibited. By the same token, contact by a former officer or a staff assistant in the Attorney General's or Deputy Attorney General's office with a current employee in one of the department's divisions would be prohibited. The same is true with high-ranking department or agency officials, such as the staff assistant to a deputy secretary or to a commission chairman; and for that reason, eligibility does not extend to those positions either.

In short, what this amendment means is that a former employee, who worked within a separate bureau in an agency, may be permitted to contact employees in a different bureau within the same agency—if the two bureaus involved have separate and distinct subject-matter jurisdiction, and if there is no potential for undue influence. The provision in subsection (e) continues to apply to those persons who are not designated under subparagraph (C) and instead are included under the automatic coverage of subparagraphs (A) and (B) of subsection (d). This new provision thus applies only to GS-17 and GS-18, military grades O-7 and O-8, and GS-16, 17, and 18 positions eligible for the SES.

This provision is needed due to certain limitations of present subsection (e), which provides for limiting subsection (c) for separate statutory bureaus within agencies. Subsection (e) applies only when a statute establishes the organization of a major agency or bureau within a department or agency. It does not cover situations in which the head of the agency or bureau is mentioned in the Executive Schedule. In instances not covered by subsection (e), reliance must be placed on this new provision. Of course, simply because the head of such bureau is mentioned in a statute does not qualify the situation for this new limitation. The various tests of this provision must be met in those cases as well.

It is the legislative intention that each limitation of subsection (c) made under this provision be made public by OGE.

Third. Finally the amendment establishes three exemptions from the subsection (c) provision. Each of those exemptions is justified on the basis that it concerns subsequent service or employment with a public or not-for-profit institution or organization. Generally, the three exemptions are for, first, State and local governments, or agencies and instrumentalities thereof; second, accredited, degree-granting institutions of higher education, 2- and 4-year colleges and universities; and, third, not-for-profit hospitals and medical research organizations. In order to qualify under this provision, a former Federal officer or employee must be a publicly elected official of a State or local government, or must have, as his or her principal occupation, employment within one of the three exempt groups. The term "principal occupation" is intended to exclude part-time employees, consultants, less than full-time, appointive membership on governing boards, attorneys retained for specific matters or cases, and other employment situations where the principal occupation is elsewhere than with an exempt group. Of course, if a former Federal employee retires from active professional life, and accepts work 2 or 3 days a week with an exempt group, then such employment would constitute his principal occupation—since it was the only work he or she performed.

It merits emphasis that being an elected public official, or having a principal occupation with an exempt group, is not in itself enough: In addition, the appearance, communication or representation must be on behalf of the exempt group. Therefore, an elected State official who was also in private law practice could not represent private clients before his former agency; nor could a physician arrange to represent a hospital in seeking a drug application approval from FDA, when in fact the activity was connected to part-time employment with a pharmaceutical company. In other words, the employment situation and the representation must be directly connected to an exempt group.

The term "institution of higher education" will be defined in conformity with section 1201(a) of the Higher Education Act of 1965, as amended, except to the extent that that definition includes institutions other than accredited, degree-granting 2- and 4-year colleges and universities. The term "hospitals and medical research organizations" will be defined in conformity with IRS regulations interpreting that term under section 501(c)(3) of the Internal Revenue Code; except that it is understood that, for the purposes of this act, "Health Systems Agencies" are included. Officials of HEW have assured us that those agencies, which are not-for-profit, should be properly included.

Mr. President, in concluding my remarks, I want to refer to the amendments which were the original subject of S. 869. Specifically, those amendments have three purposes:

First, they will clarify that the ban on "aiding and assisting in representing" is limited only to those particular matters in which the former official had been "personally and substantially" involved while in office.

Second, they will limit "aiding and assisting in representing" to onsite appearances before the Government.

Third, they will equalize the treatment between military officers and civilian officials, insofar as automatic inclusion for certain provisions such as the 1-year "cooling off" period.

UP AMENDMENT NO. 259

Mr. RIBICOFF. Mr. President, I move to concur in the amendments of the House to S. 869 with an amendment which I send to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Connecticut (Mr. RIBICOFF) proposes an unprinted amendment numbered 259 to the House amendments.

Mr. RIBICOFF. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Strike House amendments (1) and (2) and insert in lieu thereof the following:

SEC. 2. Subsection (d) of section 207 of title 18, United States Code, is amended to read as follows:

"(d)(1) Subsection (c) of this section shall apply to a person employed—

"(A) at a rate of pay specified in or fixed according to subchapter II of chapter 53 of title 5, United States Code, or a comparable or greater rate of pay under other authority;

"(B) on active duty as a commissioned officer of a uniformed service assigned to pay grade of 0–9 or above as described in section 201 of title 37, United States Code; or

"(C) in a position which involves significant decision-making or supervisory responsibility, as designated under this subparagraph by the Director of the Office of Government Ethics, in consultation with the department or agency concerned. Only positions which are not covered by subparagraphs (A) and (B) above, and for which the basic rate of pay is equal to or greater than the basic rate of pay for GS–17 of the General Schedule prescribed by section 5332 of title 5, United States Code, or positions which are established within the Senior Executive Service pursuant to the Civil Service Reform Act of 1978, or positions of active duty commissioned officers of the uniformed services assigned to pay 0–7 or 0–8, as described in section 201 of title 37, United States Code, may be designated. As to persons in positions designated under this subparagraph, the Director may limit the restrictions of subsection (c) to permit a former officer or employee, who served in a separate agency or bureau within a department or agency, to make appearances before or communications to persons in an unrelated agency or bureau, within the same department or agency, having separate and distinct subject matter jurisdiction, upon a determination by the Director that there exists no potential for use of undue influence or unfair advantage based on past government service. On an annual basis, the Director of the Office of Government Ethics shall review the designations and determinations made under this subparagraph and, in consultation with the department or agency concerned, make such additions and deletions as are necessary. Departments and agencies shall cooperate to the fullest extent with the Director of the Office of Government Ethics in the exercise of his responsibilities under this paragraph.

"(2) The prohibition of subsection (c) shall not apply to appearances, communications, or representation by a former officer or employee, who is—

(A) an elected official of a state or local government, or

(B) whose principal occupation or employment is with (i) an agency or instrumentality of a state or local government, (ii) an accredited, degree-granting institution of higher education, as defined in section 1201 (a) of the Higher Education Act of 1965, or (iii) a hospital or medical research organization, exempted and defined under section 501(c)(3) of the Internal Revenue Code of 1954, and the appearance, communication, or representation is on behalf of such government, institution, hospital, or organization."

Mr. RIBICOFF. Mr. President, I move that the Senate concur in the House amendments with the amendment I have sent to the desk.

The motion was agreed to.

Mr. RIBICOFF. I thank the Senator from Vermont for his courtesy.

ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there be a brief period for the transaction of routine morning business at this time and that Senators may speak therein up to 3 minutes each, and that the period not extend beyond 6 minutes.

The PRESIDING OFFICER (Mr. TSONGAS). Without objection, it is so ordered.

RURAL DEVELOPMENT POLICY AND COORDINATION ACT OF 1979

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar Order No. 198. Mr. LEAHY and Mr. BOSCHWITZ are here, and once we lay the bill down I will request a recess for a period of time until they work out some matters.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will state the bill by title.

The legislative clerk read as follows:

Calendar No. 198, S. 670, a bill to amend the Rural Development Act of 1972.

The Senate proceeded to consider the bill which had been reported from the Committee on Agriculture, Nutrition, and Forestry with an amendment to strike all after the enacting clause and insert the following:

That this Act may be cited as the "Rural Development Policy and Coordination Act of 1979".

SEC. 2. Congress finds that the efforts conducted under title IX of the Agriculture Act of 1970 and the Rural Development Act of 1972 have been insufficient to achieve the planning and coordination needed for the development of a national rural development policy that will ensure a sound balance between rural and urban America. The diverse Federal, State, and local programs that affect rural America must be coordinated and systematically reviewed and analyzed. Without this coordination and review, Federal rural development efforts result in wasteful duplication of effort and excessive confusion that burdens the effective delivery of services and assistance to rural areas. It is hereby declared to be the policy of Congress to provide for the effective implementation of the congressional mandate for coordination and planning of rural development efforts contained in the Rural Development Act of 1972 and title IX of the Agricultural Act of 1970.

SEC. 3. Section 526 of the Revised Statutes as amended (7 U.S.C. 2204), is amended by striking out the last two sentences of subsection (b) and inserting in lieu thereof the following: "In carrying out this responsibility the Secretary of Agriculture shall establish and maintain a rural development policy management process in partnership with local and State governments and involving all executive branch departments and agencies and major private institutions having policies and programs affecting the quality of life in rural areas. This policy management process shall include, but not be limited to—

"(1) the development, collection, and assessment of data necessary to determine and compare rural and metropolitan conditions, problems, needs, and opportunities for development at the national, multi-State, State, and sub-State levels, and the effect of governmental policies and program thereupon;

"(2) the formulation of broad, long-range rural development goals, policies, and strategies, at the national, multi-State, State, and sub-State levels that are consistent with the balanced growth and development of the Nation;

"(3) the establishment of short-range rural development strategies, plans, and program objectives by Federal, State, and local agencies that are consistent with the long-range strategies and support long-range goals; and

"(4) the periodic reporting of progress made toward meeting the broad, long-range national goals and specific short-range program objectives and the identification of needed changes in the rural development program.

SEC. 4. (a) Section 901 of the Agricultural Act of 1970, is amended by—

(1) striking out the last sentence of subsection (b); and

(2) repealing subsections (c), (d), (e), and (f).

(b) Section 603(c) of the Rural Development Act of 1972, is amended by—

(1) amending paragraph (2) to read as follows:

"(2) The Secretary shall make an appraisal every five years of rural conditions, needs, problems, and the opportunities for development in rural areas of the United States. The Secretary's report of this appraisal shall be delivered to the Speaker of the House of Representatives, the President of the Senate, the chairman of the House Committee on Agriculture, and the chairman of the Senate Committee on Agriculture, Nutrition, and Forestry on the first day after Congress convenes in 1983 and on that day every five years thereafter. Each appraisal shall include, but not be limited to—

"(A) the establishment of broad, long-range national rural development goals that reflect national policy with respect to the quality of life in rural areas and are consistent with the balanced growth and development of the Nation;

"(B) an inventory and description of specific problems, needs, and opportunities for development as they relate to national rural development goals;

"(C) recommended long- and short-range strategies needed to address the problems, needs, and opportunities for development identified in the inventory; and

"(D) recommended policy, program, and budget changes needed in the national rural development policy to implement the proposed development strategies."; and

(2) adding new paragraphs (3) and (4) as follows:

"(3) The Secretary shall make a biennial report on the progress made toward attaining the national rural development goals. This report shall be submitted to the Speaker of the House of Representatives, the President of the Senate, the chairman of the House Committee on Agriculture, and the chairman of the Senate Committee on Agriculture, Nutrition, and Forestry on the first day after Congress convenes in 1981 and on that day every two years thereafter, except that no report is required in those years in which the five-year rural development progress appraisal is submitted. Each biennial report shall include but not be limited to—

"(A) a comparison of rural and metropolitan employment, income, and population conditions and trends;

"(B) an identification and discussion of the problems, needs, and opportunities of those rural areas that differ significantly in terms of employment, income, and population experience from metropolitan standards;

"(C) an appraisal of housing in rural areas that (i) analyzes conditions affecting rural housing and Federal rural housing programs, (ii) provides information on the Federal program strategies to be employed over the next succeeding two years to deal with rural housing problems, (iii) identifies specific rural areas and population groups having the greatest housing needs, and (iv) provides information on the short-range strategies to be employed by the Federal Government to meet those needs;

"(D) data on the needs of rural Americans for selected community facilities and services and a statement of the Federal strategy to be employed to meet those needs. The specific community facilities and services to be assessed in each biennial report shall be selected after consultation with the House Committee on Agriculture and the Senate Committee on Agriculture, Nutrition, and Forestry.

"(E) an analysis of the needs of disadvantaged rural people (including, but not limited to, migrant farmworkers) that reviews the needs and problems of selected population groups and describes the Federal strategy for meeting their problems; and

"(F) an analysis of Federal outlays in rural areas as contrasted with those in metropolitan areas.

"(4) The Secretary may initiate new and expand ongoing research and development efforts related to the solution of rural development, economic, technological, and social problems.".

SEC. 5. There are hereby authorized to be appropriated annually not to exceed $1,500,000 for the development of a rural development policy management process that shall include both an appraisal every five years of rural conditions, needs, problems, and opportunities for development, and a biennial report on progress toward attaining national rural development goals.

SEC. 6. Section 306(a)(11) of the Consolidated Farm and Rural Development Act is amended to read as follows:

" '(11) The Secretary may make grants, not to exceed $20,000,000 annually, to public bodies or such other agencies as the Secretary may select to assist in establishing and maintaining the rural development policy management process provided for under section 526(b) of the Revised Statutes, as amended (7 U.S.C. 2204), at the State and sub-State levels. Such grants are to be used to establish and maintain a process to—

" '(A) collect data and information needed to assess area and State rural conditions, needs, problems, and opportunities;

" '(B) establish local and State government rural development policies, strategies and program objectives to address these conditions, needs, problems, and opportunities;

" '(C) enable participation by the grantees in the Federal, State, and local rural development policy management process;

" '(D) design, in conjunction with other levels of government, programs needed to implement rural development goals, objectives, and strategies; and

" '(E) provide for a flow of rural development information among the citizens, local governments, designated sub-State planning bodies, State governments, and the Federal Government.' ".

SEC. 7. The provisions of this Act shall become effective October 1, 1979.

RECESS FOR 1 HOUR

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate stand in recess for 1 hour.

There being no objection, the Senate, at 2:21 p.m., recessed for 1 hour.

At 3.21 p.m. the Senate reassembled when called to order by the Presiding Officer (Mr. MATSUNAGA).

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. LEAHY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LEAHY. Mr. President, parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. LEAHY. S. 670 is the bill before us?

The PRESIDING OFFICER. The Senator is correct.

Mr. LEAHY. And it has been called up?

The PRESIDING OFFICER. The Senator is correct. It has been called up.

Mr. LEAHY. I thank the Chair.

Mr. President, as chairman of the Rural Development Subcommittee I strongly back it.

The Rural Development Policy and Coordination Act of 1979 will do away with overlap in Federal rural reporting requirements, it will further integrate rural development planning with State rural development strategies, and it will strengthen the Secretary of Agriculture's hand in coordinating the various programs serving rural areas.

This bill creates no new grandiose scheme for serving the needs of rural areas. Actually, it cuts back on and makes sense of grandiose, fragmented schemes of the past.

Mr. President, S. 670 is basically good Government legislation. It creates no new programs but is designed to build upon and refine existing Federal efforts in rural development. This legislation, the Rural Development Policy and Coordination Act of 1979, is offered to strengthen the Rural Development Act of 1972.

Currently, there are five reports mandated on rural conditions. Up until now, these reports have been of little benefit to anyone except. perhaps, those bureaucrats paid to write them. These reports are a contradiction. They are a fragmented approach to coordinated Federal rural development policy.

Mr. President, I have a speech which even by Thursday afternoon standards would not rank as one of the most eloquent statements made in this august body, and may be one of the reasons why I am not joined by a total majority of my colleagues here. I say this knowing that none of these words I am now saying will appear in the RECORD next morning because they will be changed.

Instead, I ask unanimous consent that my full statement—and I do this as a matter of charity to the Presiding Officer, who is a good friend of mine, and the ranking minority member of this committee, who is also a very good friend of mine, and with all the other friends, to say nothing about those people who traveled to Washington with the intent of hearing one of the great statements of all times—as a matter of charity, Mr. President, I ask unanimous consent that my whole statement be placed in the RECORD as though read.

The PRESIDING OFFICER. The Senator is most modest by any standard. His speech would be most eloquent.

Mr. LEAHY. Mr. President, specifically, these reports are on Federal rural outlays as compared to urban outlays, the location of Federal facilities, the technical assistance and information available to rural areas, the President's goals for rural areas, and a report showing the annual levels of HUD and USDA assistance available to rural areas.

Now, I have few complaints with the information these reports present or the recommendations they make. What I do have problems with, however, is that these analyses and recommendations have little or no effect upon programs serving rural areas. They do little to make existing programs work better together. S. 670 will alleviate this problem.

The Rural Development Policy and Coordination Act of 1979 would direct the Secretary of Agriculture to establish and maintain a rural development management process involving local and State governments and all executive departments and agencies, as well as private institutions whose programs and activities have a significant impact on rural areas.

The Secretary's responsibilities under this management process would include a report every 5 years on national rural development goals, an inventory of rural needs and opportunities, recommendations of long and short term strategies to meet these inventoried needs, and program and budget changes necessary to meet these needs and implement these strategies.

The Secretary would also be required to make a biennial report on progress made to meet the goals contained in the 5-year report. The appraisal would contain a section comparing rural and urban employment, income and population trends. a section identifying needs unique to certain rural areas, an assessment of rural housing conditions and programs, a section on rural community facilities, and a section analyzing Federal outlays in rural areas as compared to urban areas.

One and a half million dollars would be authorized annually for the development of these 5- and 2-year reports. These reports would replace the five currently mandated but inefficacious rural development reports. Also, these funds will greatly strengthen the Secretary of Agriculture's hand in coordinating Federal rural development efforts. They would make possible a thorough assessment of nonmetropolitan conditions and develop strategies for addressing rural problems.

Through these reports and the rural development policy and management process which would be created by the Rural Development Policy and Coordination Act, a clearer focus and consistent direction would be given to efforts to improve the quality of life for rural residents. The tools for rural development management which my bill would give to the Secretary of Agriculture make sense. They represent an attempt to bring a sound management process to rural development.

A second feature of this bill involves the Rural Development Act's section 111 moneys for State rural development planning; $20 million would be authorized annually in grants to States, local governments and community based organizations through section 111. These moneys would assist these bodies in taking part in the Secretary of Agriculture's rural development policy management process.

This doubling of section 111 authorizations is necessary and justified by the increased responsibilities designated under my legislation. The proposed revision of section 111 would greatly broaden the State's rural development policy management process. It would enable the States to act in consort with the Secretary of Agriculture's rural development policy management process.

These grants would allow recipients to collect rural needs data, and help to establish local and State rural development strategies to meet these needs in conjunction with Federal programs.

In essence, what would result from this legislation is that the Secretary of Agriculture would control a process involving the executive branch, States, and local governments in the formulation of flexible rural development policies that encompass differing local needs and conditions while also addressing problems common to all areas and reflecting national objectives.

S. 670 is not a controversial bill and goes a long way toward improving and strengthening the 1972 Rural Development Act. It is good Government legislation that I believe every Member of Congress will want to support.

Mr. President, I ask unanimous consent that the summary of S. 670 contained in the committee report be printed in the Record following my remarks.

There being no objection, the summary was ordered to be printed in the Record, as follows:

Short Explanation

S. 670, the Rural Development Policy and Coordination Act, as amended by the committee—

(1) requires the Secretary of Agriculture to develop and maintain a rural development policy management process in partnership with local and state governments and involving all federal departments and agencies and major private institutions having policies and programs affecting the quality of life in rural America;

(2) repeals the requirement for the submission to Congress of five reports on rural conditions and substitutes a requirement that the Secretary prepare and submit a comprehensive 5-year assessment of rural conditions that establishes goals and strategies for a national rural development program and a biennial report on the progress made toward reaching these goals;

(3) authorizes appropriations of $1.5 million for the development of the rural development policy management process, including the 5-year appraisal and the biennial progress report; and

(4) authorizes planning grants—not to exceed $20 million annually—to eligible entities to assist in establishing and maintaining the policy management process at the state and local levels.

Mr. LEAHY. Mr. President, I ask unanimous consent that the committee amendments be agreed to, and that the bill as amended be considered as original text for the purpose of further amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LEAHY. Mr. President, I ask unanimous consent that David Julian and Ken Pierce of my staff and the following staff members of the Committee on Agriculture, Nutrition, and Forestry be granted the privilege of the floor during consideration of S. 670: Henry Casso, Carl Rose, Reider Bennett-White, Bill Lesher, Randy Russell.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LEAHY. Mr. President, I yield to my distinguished colleague, Senator Boschwitz.

UP AMENDMENT NO. 260

(Purpose: To reduce from $20,000,000 to $15,000,000 the funds authorized for rural development policy management process purposes)

Mr. BOSCHWITZ. Mr. President, I send to the desk an amendment.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Minnesota (Mr. Boschwitz) proposes an unprinted amendment numbered 260:

On page 16, line 6, strike out "$20,000,000" and insert in lieu thereof "$15,000,000".

The PRESIDING OFFICER. The Senator from Minnesota is recognized in support of his amendment.

Mr. BOSCHWITZ. The Rural Development Policy and Coordination Act of 1979 (S. 670) has a number of commendable provisions. I commend the object of the act. Most important of these is the restructuring of the current reporting system, from the highly fragmented five report system to the proposed two report system. These reports, to be made by the Secretary of Agriculture would develop goals and suggest methods to meet these goals so as to better coordinate rural development policy.

However, the doubling of the authorization from the current $10 million to the proposed $20 million level for the purpose of better coordinating rural development policy simply cannot be justified. Over the last 2 fiscal years (1977–1978) only $5 million was spent under this particular program. Furthermore, it is estimated that in fiscal year 1979 the number of planning grants will decrease from the 1978 level of 145 to approximately 125 grants. Therefore, it is my opinion that this Congress should wait until the first biennial report, which is due in 1981, before such great increases in authorization are made. The information and recommendations provided in this report will give us the material we need in order to evalaute the level of demand for grants under this program.

Also, I feel the expansion of current authorization for rural development planning and coordination would tend to cause duplication of similar programs in other Federal agencies.

Currently, the following rural development programs exist in other Federal agencies: First, section 701 funding in Housing and Urban Development give grants to Council of Governments for the purpose of coordinating rural development policy; and second, programs within EDA appropriate grants to economic development districts for the purpose of developing and coordinating rural development policy.

Mr. President, the amendment I am offering today merely decreases the authorization level from $20 million to $15 million. This amendment is the result of discussions between myself and Senator Leahy. It is my understanding that the Senator from Vermont is willing to accept this amendment.

Agreeing with me on this authorization issue is Secretary of Agriculture Bob Bergland, who expressed the USDA's view of S. 670 in a letter sent to Senator Talmadge (chairman of the Senate Agriculture Committee) on April 25. Secretary Bergland noted the objectives of S. 670 could be accomplished through improved utilization of existing resources and that additional authorizations for coordinating rural development policy could not be justified.

Also in agreement with this amendment is the American Farm Bureau Federation and the National Farmers Union.

I ask your support in amending S. 670.

Mr. LEAHY. Mr. President, the amendment of the Senator from Minnesota is a matter that was considered earlier in subcommittee and committee. At that time I had opposed it, but by the force of sheer eloquence and perseverance Senator Boschwitz has worn me down. He has appealed to my own conservative sense of fiscal responsibility, and because of that, I would join him in his amendment.

I have no objection to the amendment. I move its adoption, and yield back the remainder of my time on the amendment.

The PRESIDING OFFICER. Does the

Senator from Minnesota yield back the remainder of his time?

Mr. BOSCHWITZ. Mr. President, I would like to commend and thank the Senator from Vermont for his gracious comments. I was able to wear him down from $20 million to $15 million, not the $10 million that I suggested, but nevertheless I am very satisfied with the outcome.

I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment (UP No. 260) of the Senator from Minnesota.

The amendment was agreed to.

Mr. LEAHY. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. BOSCHWITZ. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. LEAHY. Mr. President, I suggest the absence of a quorum, and ask unanimous consent that the time be equally divided.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. LEAHY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

UP AMENDMENT NO. 261

Mr. LEAHY. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. LEAHY. I have before me three amendments. These are all basically on the same subject, but they amend the bill at three different places. Is it possible, by unanimous consent, that all three amendments may be considered en bloc?

The PRESIDING OFFICER. The Chair would advise the Senator from Vermont that it is possible, if he will request it and there is no objection.

Mr. LEAHY. Mr. President, I send to the desk three amendments to S. 670, and ask unanimous consent that they be considered en bloc.

The PRESIDING OFFICER. The amendments will be stated.

The assistant legislative clerk read as follows:

The Senator from Vermont (Mr. LEAHY) offers an amendment, en bloc, numbered UP 261.

Mr. LEAHY. Mr. President, I ask unanimous consent that further reading of the amendments be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered. Without objection, the amendments will be considered en bloc.

The amendments, en bloc, are as follows:

On page 10, line 16, insert the following: immediately following the words "urban America." a new sentence to read as follows: "Persons living in rural areas of the United States do not have convenient, useful, and unbureaucratic access to programs sponsored or funded by the Federal government and the Federal government has failed to adequately address the problem through an active coordination."

On page 11, beginning with line 14, strike all through line 19 and insert the following: "(1) the development, collection, dissemination, and assessment of data and information necessary to determine and compare rural and metropolitan conditions, problems, needs, and opportunities for development at the national, multi-State, State and sub-State levels, and the effect of governmental policies and programs thereupon;"

On page 17, between lines 4 and 5, insert the following:

Sec. 7. Section 306(a) of the Consolidated Farm and Rural Development Act is amended by—

(1) redesignating paragraphs (12), (13), and (14) as paragraphs (13), (14), and (15), respectively; and

(2) inserting immediately following paragraph (11) a new paragraph (12) to read as follows:

"(12) The Secretary shall provide for the establishment and operation in no less than five rural states rural information and assistance centers (hereinafter referred to as 'centers.') The centers shall be established and operated as demonstration projects:

"(A) The centers shall be established in geographically dispersed areas of the United States, taking into consideration the geography of the areas in which the centers are to be located, the rural population of the areas in which they are to be located, and accessibility and convenience to the rural population.

"(B) The Secretary, through grants, contracts, or cooperative agreements with any public or private nonprofit organization, college or university, State or local agency, governmental planning body shall assure the operation of such centers. Contracts, grants, or coperative agreements entered into for the operation of the centers shall be for a period of at least two but not more than three years. The Secretary shall provide such technical assistance and training as may be necessary to provide the most accurate, timely, systematic, and comprehensive exchange of information on federally sponsored or funded programs. The Secretary may contract with commercial time-sharing firms in order to carry out these purposes.

"(C)(1) It shall be the function of each center to provide to persons living in rural areas, to officers and employees of government at all levels, elected officials, and to regional, district, and local planning bodies current, accurate, and comprehensive information with respect to all federally sponsored or funded programs. It shall also be the function of each center to provide its users with such technical assistance and training as may be necessary. It shall also be the function of each center to provide for the widest possible dissemination of all information available to the center.

"(2) the Secretary shall provide the centers with as much information as possible regarding new Federal programs at the earliest practicable time after the establishment of such programs, particularly those programs not yet listed in the Catalogue of Federal Domestic Assistance or on the Federal Assistance Program Retrieval System, and the centers shall make through the best available state-of-the-art information to the persons it serves at the earliest practicable time after receiving it from the Secretary.

"(D) The Secretary shall give the centers the widest possible discretion in their operations and shall encourage the centers to conduct for the users of such centers, under contractural arrangements with such uses, analytical type studies using the information available to the centers.

"(E)(1) In order to carry out the demonstration projects the Secretary shall obtain from all departments and agencies of the Federal government the most comprehensive, current and applicable information that can be made available with respect to programs operated or funded by such departments and agencies and provide such information to the centers. This is to include but not be limited to elements of the following data bases; Federal Procurement Data System, Federal Assistance Program Retrieval System, Catalogue of Federal Domestic Assistance, Geographic Distribution of Federal Funds, U.S. Census Information, Code of Federal Regulations, Federal Assistance Award Information and other such data bases.

"(2) Coordinating Federal interagency bodies and the neads of all departments and agencies of the Federal government shall cooperate and assist the Secretary in providing such information as may be needed for the purposes of this Act.

"(F) The Secretary shall submit a written report to Congress one year after the date of enactment of this Act, and annually thereafter, reviewing the actions taken under this Act and the operations of the Centers during the past year. The Secretary shall include in each such report his evaluation of the program being carried out under this Act together with such recommendations for new legislation as he deems necessary or appropriate to improve such program.

"(G) Funds authorized to be appropriated in section 306(a)(11) shall be used to carry out the demonstrations.".

On page 17, line 5 strike "Sec. 7" and insert in lieu thereof "Sec. 8".

Mr. LEAHY. Mr. President, when we are talking about a rural development bill, we should not and really cannot forget for whom we are coordinating our rural development policy management process. Rural Americans are directly affected by what we in Congress and in the agencies plan, and how we then encourage planning. Rural Americans should be allowed to participate in this whole process, and they should be given a chance, a nonbureaucratic chance, to know that the Federal Government is doing as well as having the chance through participation to take advantage of the Government's activities. These amendments will require the Secretary to demonstrate methods to provide for active public participation in the Rural Development Policy management process and in rural development itself, as provided for by all the Federal domestic assistance programs and federally sponsored activities.

The people in my home State of Vermont, the most rural State in the Nation, have great difficulty in even finding out what Federal programs and funds are available to them and their areas. In the first instance rural people, including every Vermonter, suffer an inequity in the availability of Federal programs and benefits for themselves and their small towns, counties, and cities. This inequity is magnified because rural people have no adequate comprehensive or available means for obtaining information about the programs they are eligible for.

How can these people contribute to a process? The Government should not remain so aloof and distant, hiding behind bureaucracies. The Government should not plan policies that affect its citizens without providing for a means to these citizens to get through the layers of bureaucracy.

The people in rural America are not experienced in dealing with the Federal system. The more rural an area the more isolated are the people. This geographic isolation is aggravated by poor transportation systems, poor communications systems, and often poor education systems. We must make a coordinated and active approach to address these problems. Still, how can the people in my State, how can rural Americans, participate in a coordinated process to help provide solutions to these problems? How do they gain experience if they have no place to turn?

The information and assistance centers provided for under this demonstration program will go a long way toward alleviating this inequity suffered by rural Americans. These centers are there to provide access to Federal programs, they are there to provide assistance to the people in their dealings with Federal programs. How else can people be expected to be able to enter into a process to create a better rural America. Bureaucracy no—but rather, a coordinated and active hand extended by the Government. These centers are to be information and assistance centers with the emphasis on assistance, when called upon, from technical assistance to simple sharing of information.

For proper planning we need the cooperation of all involved. This includes, in partnership, the A-95 coordinating bodies, the States, sub-State public bodies, government agencies and departments, and the rural American.

The centers to be established under these demonstrations will provide current data and information on existing Federal programs and other related financial, eligibility, and statistical information. The centers will use the most modern state-of-the-art developments in their operations. I envision that these centers will include computer terminals which will have the capacity to retrieve this information from both existing and future information systems from within the Federal Government and other related sources. The development of the Federal assistance program retrieval system by the Farmers Home Administration should serve as a useful model for development of much of the operations. Indeed, the offices established in Farmers Home that have dealt already with these planning and information operations should be able to provide strong background and support for the purposes of this bill.

Mr. President, a recent report to Vermont's Governor, Richard Snelling, from the Governor's conference on State-local intergovernmental relations, a report which was the product of months of meetings and public hearings, stated very forcefully that—

> One of the most serious impediments to smooth relations between governments is the difficulty encountered in the transfer of information. The printed word is incapable of moving the sheer volume of information that present day government generates. We are drowning in a sea of paper.
>
> It would be fruitful to study the possibility of developing a system that would utilize modern computer technology. Such a study could possibly lead to development of a system to link every municipality, regional commission, and state agency to a central unit giving instant access to a vast supply of information when and as needed. Furthermore, this system would make possible an exchange of data and research between governments and educational institutions.

Mr. President, my amendments insure that the Secretary will provide a means to involve the public in the rural development policy management process, and probably more importantly, will provide a means to increase the public's participation in rural development. The Secretary is directed to fully disseminate information to the people of rural America through these centers. I can only envision full support and full funding for these centers.

Mr. President, every Senator has a rural constituency. Every Senator thereby has a deep and abiding interest and responsibility along with the Federal agencies and departments to insure that rural Americans know about and can benefit from Federal programs and federally sponsored activities. Support of this bill allows every Senator, every Congressman, as well as the President, to heed this responsibility and bring already established Federal rural development and Federal assistance programs to the rural taxpayers who pay for them.

Mr. HEINZ. Mr. President, I am particularly pleased to be a cosponsor of this legislation. S. 670 will not solve all the pressing problems of our rural areas and small communities but it is a positive first step to improving existing Federal efforts in rural development.

There are several important provisions in the Rural Development Policy and Coordination Act. First, the legislation will eliminate the existing overlap and redtape in Federal rural reporting requirements. Five duplicative reports will be replaced by one, comprehensive, 5-year assessment of rural conditions that establishes clear goals and strategies for a national rural development program and a biennial report on the progress being made in reaching these objectives.

Second, S. 670 will direct the Secretary of Agriculture to establish and maintain a rural development management process involving local and State governments and all executive departments and agencies. The lack of coordination in the present process has resulted in duplication of efforts, program conflicts, and bureaucratic intanglements that have severely hindered the efficient delivery of services and assistance to rural areas.

The third provision in the bill calls for a $20 million annual authorization for rural development planning grants. This doubling of section 111 authorization is necessary and sorely needed.

Section 111 planning grants have a proven track record of success. They maximize the most efficient use of USDA construction and hardware funds by targeting these resources to rural areas with greatest needs. Section 111 is a bottom up flexible process allowing local priorities to be met and serves to stimulate public-private linkages essential to effective rural economic development. These grants have achieved benefits well beyond "traditional" planning programs by focusing on local capacity building. The section 111 program has also demonstrated that it can enhance the existing farmer's home delivery system at the State, district, and county levels. Finally, these grants go exclusively to rural areas and are key to insuring a national effort to revitalize our nonmetropolitan regions. If we are to ever implement a national rural policy and begin to meet the needs of our small communities, these types of programs are essential support vehicles which are indicative of our commitment.

This past fiscal year, my home State of Pennsylvania has benefited from a $50,000 section 111 grant to carry out a rural housing needs inventory in the southern Allegheny region. I understand that a section 111 grant to North Carolina has resulted in a rural development steering committee, chaired by the Governor, which has been effective in targeting investment decisions. Similar success stories exist in countless other States. Rural areas want these grants and can put these moneys to work. This past year $26 million worth of applications were filed for only $5 million in available funds.

I strongly urge my colleagues to show their commitment to our rural areas by giving their support to the Rural Development Policy and Coordination Act.

Mr. LEAHY. Mr. President, as chairman of the Rural Development Subcommittee, I have been delighted to have the help and expertise of the Senator from Pennsylvania in this area. He is an example of the type of Senator that I referred to earlier who has a rural type of constituency. While many think of Pennsylvania as an urban State, it does indeed have an enormous rural constituency, and I deeply appreciate his cosponsorship of the two pieces of legislation that I have authored and urged today. I appreciate his help.

Mr. HEINZ. Mr. President, will the Senator yield further?

Mr. LEAHY. Surely.

Mr. HEINZ. I thank the Senator for his kind remarks. I, of course, concur with everything the Senator has said. There is only one small correction I would like to make in what the Senator from Vermont may have said. I suspect the Senator, coming from a State which has a very high proportion, in fact the highest proportion of rural residents in the Nation, probably stated that he, the Senator from Vermont, comes from the most rural State in the Nation, and measured that way the Senator is accurate.

However, the State of Pennsylvania, having more than three-quarters of a million rural residents, has an even larger number of rural residents. I use that figure merely to illustrate that we have in Pennsylvania, from that point of view, an even greater interest in this legislation than does the State of Vermont.

Mr. LEAHY. I appreciate the comments of the Senator from Pennsylvania, and I appreciate his State. I drive through it a number of times a year on my way up to the more beautiful State of Vermont. In fact, I will be driving through his State tomorrow. I hope they have gasoline there.

I will be driving through Pennsylvania, bringing my family back to our home in Vermont for the summer. The beauties of Pennsylvania are always good for us because they whet our appetite for the even greater beauty we see 100 miles or so further north.

I yield to my good friend from Minnesota.

Mr. BOSCHWITZ. Obviously, the Senator from Vermont has not been to Minnesota.

Mr. LEAHY. My godmother lives in Minnesota, Mr. President, and I enjoy visiting her occasionally.

Mr. BOSCHWITZ. The Senator should visit her more often.

The PRESIDING OFFICER. The Senator from Minnesota is recognized.

Mr. BOSCHWITZ. Mr. President, I would like to object to the amendment just offered by the Senator from Vermont. Most rural Americans whom I know do not want another layer of bureaucracy, do not want another set of establishments like rural information centers. They do want to be left alone by the Federal Government. This amendment that the Senator from Vermont is asking for is probably going to cost a couple of million dollars in its early stages, and it will probably take some money away from the overall objectives of the rural development bill. I object to further layers of bureaucracy. I object to further troubling the rural people of Minnesota, Vermont, or the Nation. I want my objection recorded.

Mr. LEAHY. I would want it noted, of course, Mr. President, for the record, that I would assure the Senator that his analysis of my amendment is not correct. I know of his concern about adding further layers of bureaucracy. Having served in the State government in the most rural State in the Nation, the State of Vermont, and having been born and raised in that State, I know I can speak for rural people when I say the last thing in the world they would want would be another layer of bureaucracy. I do not envision my legislation as that at all. I envision, instead, that this legislation is to finally let the people in the rural areas know where the programs are for which they are already paying. They are constantly paying for programs that are designed to serve them. And yet because of the urban bias, even the notices of these programs are often only tuned to the urban areas, where the people have a much easier chance of looking through the various programs. Rural Americans are cut off from even this basic communication function, knowing what Federal programs exist, not to mention how to deal with them.

This legislation is designed to insure that people in the rural areas finally have a chance to participate in those programs that for decades their tax dollars have been paying for and yet the potential recipients or participants did not even know existed.

Mr. President, I am willing to yield back the remainder of my time.

The PRESIDING OFFICER. The Chair will advise the Senator from Vermont there is no time limitation.

Mr. LEAHY. Mr. President, I move adoption of the amendment.

The PRESIDING OFFICER. Is there further debate on the amendment?

The Senator from Vermont.

Mr. LEAHY. Mr. President, I would hope we could move adoption of the amendments which are being considered en bloc.

The PRESIDING OFFICER. The question is on agreeing to the amendments offered by the Senator from Vermont en bloc.

The amendment was agreed to.

Mr. LEAHY. Mr. President, I know of no further amendments.

Mr. President, I move to reconsider the vote by which the amendment was agreed to en bloc.

Mr. BOSCHWITZ. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. LEAHY. Mr. President, I know of no further amendments from anybody on the Agriculture and Forestry Committee or from anyone on this side of the aisle or the other side of the aisle. Apparently, Mr. President, there are no further amendments. I ask for a third reading.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendments to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading and was read the third time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass?

So the bill (S. 670), as amended, was passed as follows:

S. 670

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Rural Development Policy and Coordination Act of 1979".

SEC. 2. Congress finds that the efforts conducted under title IX of the Agriculture Act of 1970 and the Rural Development Act of 1972 have been insufficient to achieve the planning and coordination needed for the development of a national rural development policy that will ensure a sound balance between rural and urban America. Persons living in rural areas of the United States do not have convenient, useful, and unbureaucratic access to programs sponsored or funded by the Federal government and the Federal government has failed to adequately address the problem through an active coordination. The diverse Federal, State, and local programs that affect rural America must be coordinated and systematically reviewed and analyzed. Without this coordination and review, Federal rural development efforts result in wasteful duplication of effort and excessive confusion that burdens the effective delivery of services and assistance to rural areas. It is hereby declared to be the policy of Congress to provide for the effective implementation of the congressional mandate for coordination and planning of rural development efforts contained in the Rural Development Act of 1972 and title IX of the Agricultural Act of 1970.

SEC. 3. Section 526 of the Revised Statutes as amended (7 U.S.C. 2204), is amended by striking out the last two sentences of subsection (b) and inserting in lieu thereof the following: "In carrying out this responsibility the Secretary of Agriculture shall establish and maintain a rural development policy management process in partnership with local and State governments and involving all executive branch departments and agencies and major private institutions having policies and programs affecting the quality of life in rural areas. This policy management process shall include, but not be limited to—

"(1) the development, collection, dissemination, and assessment of data and information necessary to determine and compare rural and metropolitan conditions, problems, needs, and opportunities for development at the national, multi-State, State and sub-State levels, and the effect of governmental policies and program thereupon;

"(2) the formulation of broad, long-range rural development goals, policies, and strategies, at the national, multi-State, State, and sub-State levels that are consistent with the balanced growth and development of the Nation;

"(3) the establishment of short-range rural development strategies, plans, and program objectives by Federal, State, and local agencies that are consistent with the long-range strategies and support long-range goals; and

"(4) the periodic reporting of progress made toward meeting the broad, long-range national goals and specific short-range program objectives and the identification of needed changes in the rural development program.

SEC. 4. (a) Section 901 of the Agricultural Act of 1970, is amended by—

(1) striking out the last sentence of subsection (b); and

(2) repealing subsections (c), (d), (e), and (f).

(b) Section 603(c) of the Rural Development Act of 1972, is amended by—

(1) amending paragraph (2) to read as follows:

"(2) The Secretary shall make an appraisal every five years of rural conditions, needs, problems, and the opportunities for development in rural areas of the United States. The Secretary's report of this appraisal shall be delivered to the Speaker of the House of Representatives, the President of the Senate, the chairman of the House Committee on Agriculture, and the chairman of the Senate Committee on Agriculture, Nutrition, and Forestry on the first day after Congress convenes in 1983 and on that day every five years thereafter. Each appraisal shall include, but not be limited to—

"(A) the establishment of broad, long-range national rural development goals that reflect national policy with respect to the quality of life in rural areas and are consistent with the balanced growth and development of the Nation;

"(B) an inventory and description of specific problems, needs, and opportunities for development as they relate to national rural development goals;

"(C) recommended long- and short-range strategies needed to address the problems, needs, and opportunities for development identified in the inventory; and

"(D) recommended policy, program, and budget changes needed in the national rural development policy to implement the proposed development strategies."; and

(2) adding new paragraphs (3) and (4) as follows:

"(3) The Secretary shall make a biennial report on the progress made toward attaining the national rural development goals. This report shall be submitted to the Speaker of the House of Representatives, the President of the Senate, the chairman of the House Committee on Agriculture, and the chairman of the Senate Committee on Agriculture, Nutrition, and Forestry on the first day after Congress convenes in 1981 and on that day every two years thereafter, except that no report is required in those years in which the five-year rural development progress appraisal is submitted. Each biennial report shall include but not be limited to—

"(A) a comparison of rural and metropolitan employment, income, and population conditions and trends;

"(B) an identification and discussion of the problems, needs, and opportunities of those rural areas that differ significantly in terms of employment, income, and population experience from metropolitan standards;

"(C) an appraisal of housing in rural areas that (i) analyzes conditions affecting rural housing and Federal rural housing programs, (ii) provides information on the Federal program strategies to be employed over the next succeeding two years to deal with rural housing problems, (iii) identifies specific rural areas and population groups having the greatest housing needs, and (iv) provides information on the short-range strategies to be employed by the Federal Government to meet those needs;

"(D) data on the needs of rural American for selected community facilities and services and a statement of the Federal strategy to be employed to meet those needs. The specific community facilities and services to be assessed in each biennial report shall be selected after consultation with the House Committee on Agriculture and the Senate Committee on Agriculture, Nutrition, and Forestry;

"(E) an analysis of the needs of disadvantaged rural people (including, but not limited to, migrant farmworkers) that reviews the needs and problems of selected population groups and describes the Federal strategy for meeting their problems; and

"(F) an analysis of Federal outlays in rural areas as contrasted with those in metropolitan areas.

"(4) The Secretary may initiate new and expand on-going research and development efforts related to the solution of rural development, economic, technological, and social problems.".

SEC. 5. There are hereby authorized to be appropriated annually not to exceed $1,500,000 for the development of a rural development policy management process that shall include both an appraisal every five years of rural conditions, needs, problems, and opportunities for development, and a biennial report on progress toward attaining national rural development goals.

SEC. 6. Section 306(a)(11) of the Consolidated Farm and Rural Development Act is amended to read as follows:

"(11) The Secretary may make grants, not to exceed $15,000,000 annually, to public bodies or such other agencies as the Secretary may select to assist in establishing and maintaining the rural development policy management process provided for under section 526(b) of the Revised Statutes, as amended (7 U.S.C. 2204), at the State and sub-State levels. Such grants are to be used to establish and maintain a process to—

"(A) collect data and information needed to assess area and State rural conditions, needs, problems, and opportunities;

"(B) establish local and State government rural development policies, strategies and program objectives to address these conditions, needs, problems, and opportunities;

"(C) enable participation by the grantees in the Federal, State, and local rural development policy management process;

"(D) design, in conjunction with other levels of government, programs needed to implement rural development goals, objectives, and strategies; and

"(E) provide for a flow of rural development information among the citizens, local governments, designated sub-State planning bodies, State governments, and the Federal Government."

SEC. 7. Section 306(a) of the Consolidated Farm and Rural Development Act is amended by—

(1) redesigning paragraphs (12), (13), and (14) as paragraphs (13), (14), and (15), respectively, and

(2) inserting immediately following paragraph (11) a new paragraph (12) to read as follows:

"(12) The Secretary shall provide for the establishment and operation in no less than five rural states rural information and assistance centers (hereinafter referred to as "centers".) The centers shall be established and operated as demonstration projects—

"(A) The centers shall be established in geographically dispersed areas of the United States, taking into consideration the geography of the areas in which the centers are to be located, the rural population of the areas in which they are to be located, and accessibility and convenience to the rural population.

"(B) The Secretary, through grants, contracts, or cooperative agreements with any public or private nonprofit organization, college or university, State or local agency, governmental planning body shall assure the operation of such centers. Contracts, grants, or cooperative agreements entered into for the operation of the centers shall be for a period of at least two but not more than three years. The Secretary shall provide such technical assistance and training as may be necessary to provide the most accurate, timely, systematic, and comprehensive exchange of information on federally sponsored or funded programs. The Secretary may contract with commercial time-sharing firms in order to carry out these purposes.

(C)(1) It shall be the function of each center to provide to persons living in rural areas, to officers and employees of government at all levels, elected officials, and to regional, district, and local planning bodies current, accurate, and comprehensive information with respect to all federally sponsored or funded programs. It shall also be the function of each center to provide its users with such technical assistance and training as may be necessary. It shall also be the function of each center to provide for the widest possible dissemination of all information available to the center.

(2) The Secretary shall provide the centers with as much information as possible regarding new Federal programs at the earliest practicable time after the establishment of such programs, particularly those programs not yet listed in the Catalogue of Federal Domestic Assistance or on the Federal Assistance Program Retrieval System, and the centers shall make through the best available state-of-the-art information to the persons it serves at the earliest practicable time after receiving it from the Secretary.

(D) The Secretary shall give the centers the widest possible discretion in their operations and shall encourage the centers to conduct for the users of such centers, under contractual arrangements with such users, analytical type studies using the information available to the centers.

(E)(1) In order to carry out the demonstration projects the Secretary shall obtain from all departments and agencies of the Federal government the most comprehensive, current and applicable information that can be made available with respect to programs operated or funded by such departments and agencies and provide such information to the centers. This is to include but not be limited to elements of the following data bases; Federal Procurement Data System, Federal Assistance Program Retrieval System, Catalogue of Federal Domestic Assistance, Geographic Distribution of Federal Funds, US Census Information, Code of Federal Regulations, Federal Assistance Award Information and other such data bases.

(2) Coordinating Federal interagency bodies and the heads of all departments and agencies of the Federal government shall cooperate and assist the Secretary in providing such information as may be needed for the purposes of this Act.

(F) The Secretary shall submit a written report to Congress one year after the date of enactment of this Act, and annually thereafter, reviewing the actions taken under this Act and the operations of the Centers during the past year. The Secretary shall include in each such report his evaluation of the program being carried out under this Act together with such recommendations for new legislation as he deems necessary or appropriate to improve such program.

(G) Funds authorized to be appropriated in section 306(a)(11) shall be used to carry out the demonstrations.

SEC. 8. The provisions of this Act shall become effective October 1, 1979.

The title was amended so as to read:

A bill to require the Secretary of Agriculture to establish and maintain a rural development policy management process, and for other purposes.

Mr. LEAHY. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. BOSCHWITZ. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The Senator from Vermont.

Mr. LEAHY. Mr. President, I ask unanimous consent that the Secretary of the Senate be authorized to make technical and clerical corrections in the engrossment of the bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LEAHY. Mr. President, I want to thank the people both on my staff and on the committee staff for whom I asked unanimous consent to be present in the Chamber.

Again it was a case where, on very short notice, the people I listed at that time were extremely rushed to put together the extra amendments involved here. Without their help the whole piece of legislation would not have been available for consideration. They have been extremely helpful to me.

I also want to compliment the usual courtesy of my colleague and the ranking member of the subcommittee (Mr. BOSCHWITZ), who has always shown himself to be very helpful and very accommodating.

This has enabled us, in a matter of 20 minutes or so, to pass a significant piece of legislation with four amendments.

Mr. President, during the past decade, there has been renewed economic and population growth in America's rural areas. Yet, Federal rural development efforts have remained fragmented and uncoordinated. This has not only impeded effective delivery of services and assistance to rural areas, hindering the prospects of economic growth, it has resulted in wasteful duplication of efforts and excessive bureaucratic conflict.

The Rural Development and Policy Coordination Act of 1979, introduced by Senator Leahy and passed by the Senate earlier today, addresses the heart of this issue. The measure would provide authorizations for a more systematic rural development management process. Inherent in the success of Federal rural development efforts, is State and local government participation, and the bill would insure their involvement. Improved planning and coordination of rural development efforts will inject a new vitality into Federal rural development programs. It will further the intent of the Congress that there be a sound, balanced growth between urban and rural America.

Senator Leahy's leadership as chairman of the Rural Development Subcommittee of the Agriculture, Nutrition, and Forestry Committee and his expertise in the field of rural development benefits us all. I commend him for the able management of the bill. The freshman Senator from Minnesota, Mr. Boschwitz, also deserves recognition for his fine contributions to the measure.

Mr. President, the majority leader's award today goes to Senator Leahy who has piloted through the Senate two bills, and they are both must bills. The bills had to be passed before the Senate adjourned this year. So I compliment him. I especially thank him because he was having difficulty in making preparations for the calling up and disposition of the bill which has just been passed, S. 670.

Mr. LEAHY. Mr. President, if the majority leader will yield, I should like to say that he has always had the ability to inspire alacrity in junior Members of the Senate when he has a calendar to move along. I heard the call and I answered it.

Mr. ROBERT C. BYRD. I guess it was Samuel who said, "Here, My Lord, send me." So Pat Leahy answered the call and, very effectively, very skillfully managed these two bills today. I congratulate him.

Again, I thank him, because this second bill was not scheduled to be done this afternoon, but the action on the previous three bills—one that was very ably managed by Mr. Culver, one that was very ably managed by Mr. Church, and the third, ably managed by Mr. Leahy—did not take as long as we had thought, so we were able to complete action on this bill.

I also want to thank Mr. Lugar for his able assistance and for his fine cooperation in dealing with the first of the two measures that Mr. Leahy managed today, S. 892. He and Mr. Leahy did a remarkable job on that bill.

I want to commend a new Member, Rudy Boschwitz, for his equally skillful and effective leadership in helping to manage the bill that has just been passed and for his fine cooperation with the leadership in expediting action on this measure today.

My compliments to the managers and ranking managers of all the bills the Senate has passed today.

Mr. ROBERT C. BYRD. Mr. President, earlier today the Senate passed S. 892, a bill to extend the authorization for rural development and small farm research. The distinguished junior Senator from Vermont, Senator Leahy, managed the bill with his usual precision and competence and with the cooperation and assistance of Senator Chafee. I wish to commend him for his excellent work in an area which is of special importance to me, namely, rural development.

Since Senator Leahy's election to the Senate in 1974, he has been vitally concerned with agricultural and rural development matters. As chairman of the Rural Development Subcommittee of the Agriculture, Nutrition, and Forestry Committee, he has a firm grasp on the needs of rural Americans.

S. 892, the rural development and small farm research bill, provides an example of his expertise. The bill authorizes small scale research and planning projects aimed at improving the quality of life and increasing employment in rural America. Under Senator Leahy's direction, the definition of "rural development" is beginning to take on an even more specific meaning, as these projects are focused on delivering essential community services, such as fire protection and health care, in more efficient ways.

In addition to the community research projects, the bill contains funds for loan guarantees for gasohol and biomass projects. These programs are an essential part of our national energy policy.

This is the kind of action we need in order to develop alternatives to foreign oil and spur employment in our rural areas.

I once again commend Senator Leahy for his fine efforts on behalf of this bill.

ORDER OF BUSINESS

Mr. ROBERT C. BYRD. Mr. President, there will be no more rollcalls today. may I say, but the Senate will be in a little while. I hope that we can possibly secure some time agreements, looking down the road toward future days.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS UNTIL 4.30 P.M. TODAY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate recess until 4:30 p.m. today.

There being no objection, the Senate, at 3:53 p.m., recessed until 4:30 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. Baucus).

RECESS UNTIL 5 P.M.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate stand in recess for 30 minutes.

There being no objection, the Senate at 4:30 p.m. recessed for 30 minutes; whereupon, at 5 p.m. the Senate reassembled when called to order by the Presiding Officer (Mr. Pell).

ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there now be a period for the transaction of routine morning business not to exceed 15 minutes and that Senators may speak up to 5 minutes therein.

The PRESIDING OFFICER. Without objection, it is so ordered.

SPENT NUCLEAR FUEL STORAGE

Mr. JACKSON. Mr. President, today the Department of State issued a press release announcing the names of three sites under preliminary consideration as potential sites for temporary spent nuclear fuel storage. The sites are Palmyra, Wake, and Midway.

This disclosure is the result of almost 3 months of efforts by the Committee on Energy and Natural Resources, including what I consider to be an extraordinary measure of convening a closed hearing on June 5, to inquire into the specific justifications for continnued secrecy.

Mr. President, the Pacific community is extremely sensitive over any nuclear-related issue, and it is imperative that we understand and appreciate the depth of their concern. Secrecy only breeds suspicion and distrust as well as genuine concern and fear. Although, as the press release notes, no decision on site selection or to construct a storage facility will be made in the near future, I would like to offer my personal assurance that any such decision will be made only after full public disclosure and full public hearings.

I ask unanimous consent that a copy of the press release be printed in the Record at this point.

There being no objection, the press release was ordered to be printed in the Record, as follows:

Preliminary Studies of Possible Island Sites for Temporary Storage of Spent Nuclear Fuel

The United States is undertaking preliminary studies on the possibility of establishing on a U.S. owned island in the Central Pacific an international facility for the temporary storage of spent fuel from commercial nuclear power reactors from countries in the Pacific Basin area. This is being undertaken in accordance with and in support of U.S. non-proliferation law and policy. No decision has been reached or will be reached in the immediate future regarding either the selection of a site or whether to construct such a facility. A primary consideration in determining whether to move forward with the project will be the impact on health, safety, and environment of the region. Such a facility, if developed, would be available to states of the Pacific region. Permanent dispoal of nuclear waste in the Pacific is not being considered.

These studies were begun as a step in implementation of U.S. non-proliferation law and policy. The Nuclear Non-proliferation Act of 1978 directs the President to "institute prompt discussions with other nations" looking towards the establishment, among other options, of repositories for the interim storage of spent nuclear fuel from commercial power reactors "under effective international auspices and inspection." The establishment of international interim spent fuel storage facilities is an essential element of our non-proliferation policy. The policy is aimed at providing an alternative to reprocessing for handling the spent fuel generated by nuclear power reactors.

In our view, the movement toward reprocessing should not be driven by the pressure to handle spent fuel because reprocessing separates plutonium which can be used in nuclear explosives. The development of interim spent fuel storage capacity in various areas of the world can help defer large scale reprocessing and the use of plutonium in the fuel cycle until there is sufficient time to develop technological choices and institutional arrangements to reduce the risk of proliferation associated with such use.

The U.S. Government work involves preliminary assessment of sites as well as examination of storage technology, health, safety, and environmental concerns. Three islands, all U.S. owned, have been identified for preliminary study and evaluation: Palmyra, Midway and Wake. Palmyra has been the subject of a preliminary assessment. Midway and Wake have not yet undergone a similar preliminary evaluation. At this time, it is not clear whether any of the sites will prove feasible for the purposes intended.

The studies have proceeded on the basis that a Pacific Island may be suitable for interim spent fuel storage (i.e., about 30 years), but not for permanent disposal of nuclear material.

As noted, these evaluations are at a preliminary stage. Detailed studies of potential risks and health and environmental considerations, among other studies, would need to be performed and evaluated before a determination could be made that the concept is feasible and a recommendation made to move ahead with construction.

The U.S. has informed states and interested governments in the region of the concept. We plan to consult further with the interested nations and other parties as our evaluation proceeds. We are keeping Congress informed of this effort, and Congressional approval will be sought at the appropriate time and as required by U.S. law.

ROB LOCKLIN'S RETIREMENT FROM THE SENATE

Mr. MORGAN. Mr. President, I am pleased to join my distinguished colleague from Alabama, Senator DON STEWART, who serves so ably with me as a member of the Rural Housing Subcommittee, in thanking and commending Robert R. Locklin on the occasion of his retirement from the staff of the U.S. Senate.

I have known Rob since I first came to the Senate. Rob served the members of the Rural Housing Subcommittee, which it is my privilege to chair, as counsel. Rob displayed the same qualities of thorough and objective work and sound judgment, which enabled him to serve our distinguished former colleague, John Sparkman, with distinction for such a long time.

It is a matter of common understanding on Capitol Hill that those of us privileged to serve in the U.S. Senate could not do so with any degree of effectiveness without the strong support and loyalty of our staff assistants. Most, like my friend Rob Locklin, avoid the spotlight and public show, finding their reward in work well done and the satisfaction of personal accomplishment.

Long ago, Rob Locklin adopted the philosophy of service so ably expressed by the late Justice Holmes who stated:

> I think that the best service that we can do for our country and for ourselves:
>
> To see as far as one may, and to feel the great forces that are behind every detail . . . to hammer out as compact and solid a piece of work as one can, to try to make it first rate, and to leave it unadvertised.

Rob has had a long and distinguished career in public service. I cherish my personal association with him, and the people of Alabama and, indeed, rural Americans in general can be grateful for his efforts. I wish him the very best in his future endeavors.

Mr. President, I believe the Senator from South Carolina desires to speak. It was the wish of the majority leader that when I completed and when he completes, we recess the Senate until about 5:20.

The PRESIDING OFFICER. The Senator from South Carolina.

RECESS FOR 5 MINUTES

Mr. THURMOND. Mr. President, I ask unanimous consent that the Senate recess for 5 minutes.

There being no objection, the Senate, at 5:05 p.m., recessed until 5:10 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. PELL).

The PRESIDING OFFICER. The Senator from South Carolina is recognized.

TRUCK STRIKES IN SOUTH CAROLINA

Mr. THURMOND. Mr. President, the people of South Carolina are deeply concerned over the moving of perishable food commodities from our State as a result of truck strikes down there at this time.

The same situation exists, I understand, in other States that produce fresh vegetables and fruits. This is a matter of deep and serious concern to the farmers who produce vegetables and fruits.

I have a wire that I would like to read from the Commissioner of Agriculture:

> Unable to move perishable food commodities from South Carolina as a result of truck strike. Situation becoming more serious each hour.
>
> We urge that you use your full influence to alleviate the problem as follows:
>
> 1. Stabilize fuel prices in order that truckers can properly price their services in advance.
>
> 2. Ascertain that truck stops receive full fuel allocations.
>
> 3. Introduce and promote legislation for uniform weights and lengths for trucks in all states.
>
> 4. Provide for the right of independent truckers to backhaul regulated commodities.
>
> If immediate action is not forthcoming on items listed food will shortly become scarce in our supermarkets.
>
> G. BRYAN PATRICK, Jr.,
> *Commissioner.*

Mr. President, I cannot overemphasize the importance of this matter. South Carolina is in the middle of a 6-week tomato harvest season at this time. The peach and other vegetable seasons are beginning. This situation can result in tremendous havoc in our part of the country.

Two hundred and fifty trucks per day normally move out from Beaufort and Charleston Counties during this period. Very few are moving now, and truckers in the New York and New England area are afraid to drive south.

Each truck leaving South Carolina normally carries a load of vegetables worth roughly $80,000. That means nearly $2 million worth of produce per day is exported from South Carolina if the truckers are not afraid to move.

The Governor of our State, Gov. Richard B. Riley, has met with the South Carolina law enforcement officials, the South Carolina highway patrol, and the South Carolina National Guard. He has told them that no violence will be tolerated in our State, because of this situation. Governor Riley is contacting the Governors in other Eastern Seaboard States.

Mr. President, this matter was called to my attention yesterday. I immediately prepared a letter to the President and dispatched it to the White House by hand. It reads as follows:

> WASHINGTON, D.C.,
> *June 13, 1979.*
>
> The PRESIDENT,
> *The White House,*
> *Washington, D.C.*
>
> DEAR MR. PRESIDENT: It has come to my attention that independent truckers who haul agricultural commodities, principally tomatoes and other fresh vegetables, are refusing, in many cases, to transport perishable produce to market because of fears of violence and other reprisals against them by some other independent, owner-operator truckers who do not haul agricultural produce.
>
> Mr. President, this is a most serious problem that demands your immediate attention! The Federal Government cannot afford to stand idly by while fresh produce rots in the fields or in the packing sheds because one group of independent truckers is fearful of another. For the sake of the farmer producers, consumers, and the truckers themselves, these produce haulers must be given the necessary security and protection in order to promptly move these commodities to market.
>
> In talking today with Bryan Patrick, Commissioner of Agriculture for South Carolina, I am informed that he is requesting the Governor of South Carolina to use his authority to alert and mobilize highway patrol and other law enforcement units in South Carolina so that they can render necessary protection and assistance to produce haulers.
>
> I urge you to immediately contact the Governors of other states, particularly the Eastern Seabord states, requesting that they similarly exercise their authority to make their highways and truck stops as safe as possible for all users, especially truckers carrying perishable agricultural commodities.
>
> At the same time, Mr. President, I strongly recommend that you take every reasonable step to assist all groups of independent truckers in their current plight. While I do not endorse or agree with their methods of protest and deplore the several incidents of violence that have occurred, I am sympathetic to the situation in which these small businessmen find themselves. I note that the Interstate Commerce Commission has recently approved expedited procedures that will allow truckers to pass through their increased fuel costs by filing surcharges to take effect on ten working days notice. This is a move in the right direction, and I hope you

> will continue to take all reasonable steps to assist independent truckers in their current plight.
>
> The matter of highway security for produce haulers, however, demands immediate, effective action on your part, and I urge you to do everything you reasonably can to solve this problem without delay.
>
> Respectfully,
>
> Strom Thurmond.

Mr. President, the Governor's office of our State also contacted the White House. In spite of the plea made by them and by me the White House has taken the position that they do not feel the situation is serious enough to take any action at this time.

Mr. President, I am terribly disappointed at this. This is a very serious matter. It is costing the vegetable growers of our State $2 million a day. It is inexcusable for the President to stand by and take no action when this has been called to his attention.

Mr. President, I would like to present an article from the Washington Post dated today, June 14, 1979—Flag Day, incidentally—entitled "Guard Called in Truck Strike":

> ### Guard Called in Truck Strike
>
> Birmingham.—Alabama Gov. Fob James, angered that a woman was critically wounded by gunfire aimed at nonstriking truckers, activated National Guard troops to stop violence in the independent truckers protest. Shutdowns by truckers hobbled commerce in 29 states.

I want to repeat that—

> Shutdowns by truckers hobbled commerce in 29 states.
>
> Truck stops and major oil terminals were blockaded. Highways were blocked or slowed to a crawl and truckers defying the week-old strike were targets of gunfire. Vandalism and sabotage spread as independent truckers pressed demands for more fuel at lower prices and higher freight rates, speed and load limits.
>
> Bullets fired through the windshield of a truck on U.S. 82 in Alabama's Tuscaloosa County Tuesday night critically wounded Linda Pruett, 20, who was traveling with her trucker husband, Fred.

Mr. President, I cannot emphasize too strongly the urgency of the situation existing in my State, the State of South Carolina, because of this truck strike.

The strike is hurting not only the farmers of South Carolina, but it is hurting consumers all over the country because it is disrupting commerce in 29 States, as stated in the article I just placed in the Record.

Mr. President, it is inexcusable that the President sits idly by and does nothing—absolutely nothing—when this matter has been called to his attention. Even when the Governor's office of my State contacted him, still the President does nothing about it.

What is going to happen to these vegetable growers? Their entire earnings for a year are at stake. They cannot get this produce to market safely in trucks without the truckers being shot at or endangered. Great havoc is going to result. It seems to me that action must be taken, and it should be taken at the Federal level. I am sure the Governors will do what they can, but we need some coordinated action throughout the U.S. Government on a matter of this kind.

Mr. President, I hope the President will reconsider this matter and will see fit to take some action and not sit in the White House and do nothing. After all, he is elected by the people, and the vegetable and fruit growers of this country are entitled to consideration. It seems to me that any segment of our people which is injured in any way or threatened with injury should concern him. I realize that there are many matters of importance he has to consider. But these people have worked a whole year, and everything at stake will go up in smoke overnight. They have worked and slaved to produce these crops and cannot get them to the market, because of the trucking situation. I say this is a matter that demands immediate attention.

Mr. President, the distinguished Senators from North Carolina (Mr. Morgan and Mr. Helms) have asked to be associated with my remarks in this matter.

My colleagues tell me that this matter has become serious in North Carolina, also. It is serious wherever vegetables are grown on the east coast—Delaware, Maryland, Virginia, Georgia, and Florida. It is also serious in Alabama, Mississippi, Louisiana, and Texas. All States that produce vegetables are affected this way.

I repeat: I hope the President will no longer delay and do nothing. I hope that he will take steps to help protect these farmers with their crops. When he does that, he will be protecting the consumers of this country, also. If these vegetables do not get to the market, the price of vegetables will get higher and the consumers will have to pay much higher prices.

JOINT SESSION OF THE TWO HOUSES—ADDRESS BY THE PRESIDENT OF THE UNITED STATES

Mr. ROBERT C. BYRD. Mr. President, I ask that the Chair lay before the Senate a concurrent resolution, which I have discussed with Mr. Stevens. I ask for its immediate consideration.

Mr. STEVENS. Mr. President, I join the majority leader in that request.

The PRESIDING OFFICER laid before the Senate House Concurrent Resolution 140, which was read as follows:

> *Resolved by the House of Representatives (the Senate concurring)*, That the two Houses of Congress assemble in the Hall of the House of Representatives on Monday, June 18, 1979, at 9 o'clock postmeridian for the purpose of receiving such communications as the President of the United States shall be pleased to make to them.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of the concurrent resolution.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the concurrent resolution?

There being no objection, the Senate proceeded to consider the concurrent resolution.

The PRESIDING OFFICER. The question is on agreeing to the concurrent resolution.

The concurrent resolution (H. Con. Res. 140) was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the concurrent resolution was agreed to.

Mr. STEVENS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

ORDER OF BUSINESS

Mr. HATFIELD addressed the Chair.

The PRESIDING OFFICER. The Senator from Oregon.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield?

Mr. HATFIELD. I yield.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the time I consume not be charged against the Senator from Oregon.

The PRESIDING OFFICER. Without objection, it is so ordered.

BUDGET ACT WAIVER

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to proceed with the budget waiver on NASA.

The PRESIDING OFFICER. The resolution will be stated by title.

The assistant legislative clerk read as follows:

> A resolution (S. Res. 181) waiving section 402(a) of the Congressional Budget Act of 1974 with respect to the consideration of H.R. 1786.

Mr. STEVENS. Mr. President, it is my understanding that this waiver applies to the technicality of the date of reporting the measure and not any substantive problem concerning the budget, so I have no objection.

The PRESIDING OFFICER. Is there objection to the present consideration of the resolution?

There being no objection, the resolution was considered and agreed to, as follows:

> *Resolved*, That pursuant to section 402(c) of the Congressional Budget Act of 1974, the provisions of section 402(a) of such Act are waived with respect to the consideration of H.R. 1786, a bill to authorize appropriations to the National Aeronautics and Space Administration for fiscal year 1980 for research and development, for construction of facilities, and research and program management, and for other purposes. Such waiver is necessary to permit consideration of a budget amendment submitted by the President to the Congress on May 14, 1979, recommending the enactment of additional budget authority for the National Aeronautics and Space Administration for the Space Shuttle program for fiscal year 1980.
>
> The shuttle program consists of two major funding elements: design, development, test and evaluation (D.D.T. & E.) which supports system development, and production which supports manufacture of the second, third, and fourth flight orbiters. The additional authorization is necessary to complete critical development tasks on the most efficient schedule and thereby avoid restructuring both the D.D.T. & E. and production programs and incurring the substantial cost penalties associated therewith. The Space

Shuttle program, a complex, high technology activity, is at a very intensive stage of development and at a very high spending rate; therefore, the transfer of funds from the production program to the D.D.T. & E. program, the most viable option in the absence of the budget amendment, would necessitate deferral of the production program activities. It is estimated that the orbiter vehicles in the production program would be delayed six to twelve months each with a cost increase of as much as $500,000,000. The budget amendment was submitted to maintain existing work schedules to the greatest possible extent to avoid the substantial cost penalties and to assure the availability of the Space Shuttle fleet to meet critical civil and defense requirements. Delay in fleet availability to users would incur additional cost penalties also approaching $500,000,000.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. STEVENS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

NASA AUTHORIZATIONS, 1980

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to proceed for not more than 30 seconds to consider Calendar No. 223.

The PRESIDING OFFICER. The bill will be stated by title.

The assistant legislative clerk read as follows:

A bill (H.R. 1786) to authorize appropriations to the National Aeronautics and Space Administration for research and development, construction of facilities, and research and program management, and for other purposes.

Mr. STEVENS. Mr. President, this is the bill for which the waiver was just granted, and it is my understanding that the budget waiver on that was necessary to pass this bill at this time.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Commerce, Science and Transportation with an amendment to strike all after the enacting clause and insert the following:

That there is hereby authorized to be appropriated to the National Aeronautics and Space Administration to become available October 1, 1979:

(a) For "Research and development", for the following programs:

(1) Space Shuttle, $1,586,000,000;

(2) Space flight operations, $467,300,000;

(3) Expendable launch vehicles, $70,700,000;

(4) Physics and astronomy, $337,500,000;

(5) Planetary exploration, $220,200,000;

(6) Life sciences, $43,900,000;

(7) Space applications, $334,300,000;

(8) Technology utilization, $12,100,000;

(9) Aeronautical research and technology, $309,300,000;

(10) Space research and technology, $119,400,000;

(11) Energy technology, $5,000,000; and

(12) Tracking and data acquisition, $332,800,000.

(b) For "Construction of facilities", including land acquisition, as follows:

(1) Modification of static test facility, Ames Research Center, $2,900,000;

(2) Construction of large aircraft maintenance dock, Hugh L. Dryden Flight Research Center, $1,500,000;

(3) Rehabilitation and modification of flight operations facilities, Ellington Air Force Base, $1,760,000;

(4) Modifications to central instrumentation facility, John F. Kennedy Space Center, $1,260,000;

(5) Modifications to operations and checkout building, John F. Kennedy Space Center, $950,000;

(6) Rehabilitation of roof, launch control center, John F. Kennedy Space Center, $600,000;

(7) Modifications of model support system 8-foot high temperature structures tunnel, Langley Research Center, $1,410,000;

(8) Modifications to 8-foot transonic pressure tunnel, Langley Research Center, $2,000,000;

(9) Modification of transonic dynamics tunnel, Langley Research Center, $970,000;

(10) Rehabilitation and modification of gas dynamics laboratory, Langley Research Center, $3,600,000;

(11) Modifications to central air system, various buildings, Lewis Research Center, $5,720,000;

(12) Modifications to various buildings, Marshall Space Flight Center, $2,640,000;

(13) Rehabilitation of roofs, various buildings, Marshall Space Flight Center, $900,000;

(14) Rehabilitation of roof, Phase I, building 103, Michoud Assembly Facility, $3,100,000;

(15) Construction of facilities operations shop building, Wallops Flight Center, $1,100,000;

(16) Large aeronautical facility: construction of national transonic facility, Langley Research Center, $12,000,000;

(17) Large aeronautical facility: modification of 40- by 80-foot subsonic wind tunnel, Ames Research Center, $33,900,000;

(18) Space Shuttle facilities at various locations as follows:

(A) Modifications to launch complex 39, John F. Kennedy Space Center, $17,100,000;

(B) Modifications to crawler transporter maintenance facility, John F. Kennedy Space Center, $1,250,000;

(C) Modification of manufacturing and final assembly facilities for external tanks, Michoud Assembly Facility, $6,900,000;

(D) Minor Shuttle-unique projects, various locations, $2,500,000;

(19) Space Shuttle payload facilities at various locations as follows:

(A) Rehabilitation and modification for payload ground support operations, John F. Kennedy Space Center, $2,610,000;

(B) Modification and addition to materials sciences laboratory, Ames Research Center, $1,640,000;

(20) Repair of facilities at various locations, not in excess of $500,000 per project, $12,000,000;

(21) Rehabilitation and modification of facilities at various locations, not in excess of $500,000 per project, $19,790,000;

(22) Minor construction of new facilities and additions to existing facilities at various locations, not in excess of $250,000 per project, $3,500,000; and

(23) Facility planning and design not otherwise provided for, $14,000,000.

(c) For "Research and program management," $964,900,000, and such additional or supplemental amounts as may be necessary for increases in salary, pay, retirement, or other employee benefits authorized by law.

(d) Notwithstanding the provisions of subsection 1(g), appropriations for "Research and development" may be used (1) for any items of a capital nature (other than acquisition of land) which may be required at locations other than installations of the Administration for the performance of research and development contracts, and (2) for grants to nonprofit institutions of higher education, or to nonprofit organizations whose primary purpose is the conduct of scientific research for purchase or construction of additional research facilities; and title to such facilities shall be vested in the United States unless the Administrator determines that the national program of aeronautical and space activities will best be served by vesting title in any such grantee institution or organization. Each such grant shall be made under such conditions as the Administrator shall determine to be required to insure that the United States will receive therefrom benefit adequate to justify the making of that grant. None of the funds appropriated for "Research and development" pursuant to this Act may be used in accordance with this subsection for the construction of any major facility, the estimated cost of which, including collateral equipment, exceeds $250,000, unless the Administrator or his designee has notified the Speaker of the House of Representatives and the President of the Senate and the Committee on Science and Technology of the House of Representatives and the Committee on Commerce, Science, and Transportation of the Senate of the nature, location, and estimated cost of such facility.

(e) When so specified and to the extent provided in an appropriation act, (1) any amount appropriated for "Research and development" or for "Construction of facilities" may remain available without fiscal year limitation, and (2) maintenance and operation of facilities, and support services contracts may be entered into under the "Research and program management" appropriation for periods not in excess of 12 months beginning at any time during the fiscal year.

(f) Appropriations made pursuant to subsection 1(c) may be used, but not to exceed $25,000 for scientific consultations or extraordinary expenses upon the approval or authority of the Administrator and his determination shall be final and conclusive upon the accounting officers of the Government.

(g) Of the funds appropriated pursuant to subsections 1(a) and 1(c), not in excess of $75.000 for each project, including collateral equipment, may be used for construction of new facilities and additions to existing facilities, and for repair, rehabilitation, or modification of facilities: *Provided*, That, of the funds appropriated pursuant to subsection 1(a), not in excess of $250,000 for each project, including collateral equipment, may be used for any of the foregoing for unforeseen programmatic needs.

SEC. 2. Authorization is hereby granted whereby any of the amounts prescribed in paragraphs (1) through (22), inclusive, of subsection 1(b)—

(1) in the discretion of the Administrator or his designee, may be varied upward 10 percent, or

(2) following a report by the Administrator or his designee to the Committee on Science and Technology of the House of Representatives and the Committee on Commerce, Science, and Transportation of the Senate on the circumstances of such action, may be varied upward 25 percent,

to meet unusual cost variations, but the total cost of all work authorized under such paragraphs shall not exceed the total of the amounts specified in such paragraphs.

SEC. 3. Not to exceed one-half of 1 percent of the funds appropriated pursuant to subsection 1(a) hereof may be transferred to the "Construction of facilities" appropriation, and, when so transferred, together with $10,000,000 of the funds appropriated pursuant to subsection 1(b) hereof (other than funds appropriated pursuant to paragraph (23) of such subsection) shall be available for expenditure to construct, expand, or modify laboratories and other installations at any location (including locations specified in subsection 1(b)), if (1) the Administrator determines such action to be necessary because of changes in the national program of aeronautical and space activities or new scientific or engineering developments, and (2) he determines that deferral of such action until the enactment of the next authorization act would be inconsistent with the interest of the Nation in aeronautical and space activities. The funds so made available may be expended to acquire, construct, convert, rehabilitate, or install permanent or temporary public works, including land acquisition, site preparation, appurtenances, utilities, and equipment. No portion of such sums may be obligated for expenditure or expended to construct, expand, or modify laboratories and other installations unless (A) a period of 30 days has passed after the Administrator or his designee has transmitted to the Speaker of the House of Representatives and to the President of the Senate and the Committee on Science and Technology of the House of Representatives and to the Committee on Commerce, Science, and Transportation of the Senate a written report containing a full and complete statement concerning (1) the nature of such construction, expansion, or modification, (2) the cost thereof including the cost of any real estate action pertaining thereto, and (3) the reason why such construction, expansion, or modification is necessary in the national interest, or (B) each such committee before the expiration of such period has transmitted to the Administrator written notice to the effect that such committee has no objection to the proposed action.

SEC. 4. Notwithstanding any other provision of this Act—

(1) no amount appropriated pursuant to this Act may be used for any program deleted by the Congress from requests as originally made to either the House Committee on Science and Technology or the Senate Committee on Commerce, Science, and Transportation,

(2) no amount appropriated pursuant to this Act may be used for any program in excess of the amount actually authorized for that particular program by subsections 1(a) and 1(c), and

(3) no amount appropriated pursuant to this Act may be used for any program which has not been presented to or requested of either such committee,

unless (A) a period of 30 days has passed after the receipt by the Speaker of the House of Representatives and the President of the Senate and each such committee of notice given by the Administrator or his designee containing a full and complete statement of the action proposed to be taken and the facts and circumstances relied upon in support of such proposed action, or (B) each such committee before the expiration of such period has transmitted to the Administrator written notice to the effect that such committee has no objection to the proposed action.

SEC. 5. It is the sense of the Congress that it is in the national interest that consideration to be given to geographical distribution of Federal research funds whenever feasible, and that the National Aeronautics and Space Administration should explore ways and means of distributing its research and development funds whenever feasible.

SEC. 6. (a) Paragraph 13 of subsection (c) of section 203 of the National Aeronautics and Space Act of 1958, as amended (42 U.S.C. 2473(c)(13)), is amended by striking out "$5,000" where it appears and inserting in lieu thereof "$25,000".

(b) The National Aeronautics and Space Act of 1958, as amended, is amended (1) by redesignating section 308 as section 309 thereof; and (2) by inserting the following new section:

"INSURANCE AND INDEMNIFICATION

"SEC. 308. (a) The Administration is authorized on such terms and to the extent it may deem appropriate to provide liability insurance for any user of a space vehicle to compensate all or a portion of claims by third parties for death, bodily injury, or loss of or damage to property resulting from activities carried on in connection with the launch, operations or recovery of the space vehicle. Appropriations available to the Administration may be used to acquire such insurance, but such appropriations shall be reimbursed to the maximum extent practicable by the users under reimbursement policies established pursuant to section 203(c) of this Act.

"(b) Under such regulations in conformity with this section as the Administrator shall prescribe taking into account the availability, cost and terms of liability insurance, any agreement between the Administration and a user of a space vehicle may provide that the United States will indemnify the user against claims (including reasonable expenses of litigation or settlement) by third parties for death, bodily injury, or loss of or damage to property resulting from activities carried on in connection with the launch, operations or recovery of the space vehicle, but only to the extent that such claims are not compensated by liability insurance of the user: *Provided*, That such indemnification may be limited to claims resulting from other than the actual negligence or willful misconduct of the user.

"(c) An agreement made under subsection (b) that provides indemnification must also provide for—

"(1) notice to the United States of any claim or suit against the user for the death, bodily injury, or loss of or damage to the property; and

"(2) control of or assistance in the defense by the United States, at its election, of that suit or claim.

"(d) No payment may be made under subsection (b) unless the Administrator or his designee certifies that the amount is just and reasonable.

"(e) Upon the approval by the Administrator, payments under subsection (b) may be made, at the Administrator's election, either from funds available for research and development not otherwise obligated or from funds appropriated for such payments.

"(f) As used in this section—

"(1) the term 'space vehicle' means an object intended for launch, launched or assembled in outer space, including the Space Shuttle and other components of a space transportation system, together with related equipment, devices, components and parts;

"(2) the term 'user' includes anyone who enters into an agreement with the Administration for use of all or a portion of a space vehicle, who owns or provides property to be flown on a space vehicle, or who employs a person to be flown on a space vehicle; and

"(3) the term 'third party' means any person who may institute a claim against a user for death, bodily injury or loss of or damage to property.".

(c) This section shall be effective October 1, 1979.

SEC. 7. This Act may be cited as the "National Aeronautics and Space Administration Authorization Act, 1980".

● Mr. STEVENSON. Mr. President, the bill, H.R. 1786, authorizes $4.961 billion for the National Aeronautics and Space Administration for fiscal year 1980, an amount $16 million above the budget request as amended by the President's message on May 14, 1979. This authorization recommendation is slightly less than 0.8 percent of the new budget authority established by the first concurrent resolution on the budget (H. Con. Res. 107), and is about 1 percent above the proposed budget plan for fiscal year 1979 after factoring in the effects of inflation over the past year.

Of the total amount in the bill, $4.961 billion, $3,838,500,000 is for research and development, $157,600,000 is for the construction of facilities, and $964,900,000 is for research and program management.

The development of the Space Shuttle, the key element in an advanced space transportation system, continues to be the dominant program in NASA. In January 1972 when this development was initiated, the first orbital test flight of the space shuttle was scheduled for mid-1979. However, as this date approaches and assessments were made of the status of the various elements of this highly sophisticated, advanced technology system, it became clear that this flight date could not be met and that additional funds would be required to solve outstanding technical problems in an efficient and economical manner. The first such assessment I referred to was made in August-September 1979 and it resulted in rescheduling the first shuttle flight to November 9, 1979, and a request for a supplemental authorization of $185 million for fiscal year 1979. This supplemental authorization was approved by the Senate on May 17 and became Public Law 96-10 on June 4, 1979. I call to the attention of my colleagues my remarks on the supplemental appearing on page 11683 of the CONGRESSIONAL RECORD inasmuch as they address the status and the events currently affecting the shuttle program.

A second and, in the committee's view, a tardy shuttle program reassessment, was made in April 1979 leading to the conclusion that the amount of work to be completed was underestimated. Therefore, the first launch would have to be rescheduled for the first quarter of 1980 and funds in addition to those in the fiscal year 1980 request before the Congress would have to be provided to maintain the pace of development activity. Following an evaluation of various alternatives such as further delay of the program and internal transfers of funds, the President submitted a budget amendment, H. Doc. 96-124, increasing the recommended level of funding for the space shuttle program by $220 million.

The additional funding in fiscal year 1980 is deemed to be the most economical approach to the current problems and also the only one which could assure the availability of the Shuttle fleet to support civil and military space requirements in the early 1980's. In view of these events, the committee suspended action to report this bill in April until it could consider the budget amendment. The amendment is included in the total amount recommended in H.R. 1786; however, the budget amendment was submitted subsequent to passage of the bill by the House, and therefore, the $220 million is not reflected in the House bill.

The events surrounding the budget

amendment have been of concern to the committee, a concern which has been expressed to NASA by the chairman, Senator CANNON, Senator SCHMITT, and myself. NASA, in response, has initiated an independent review of the Shuttle management system and is conducting a further review of financial data to assure improved visibility of program requirements.

NASA assures us that the overall engineering status of the program is quite good and that the program is technically sound. It is expected that a firm date for the first orbital test flight of the Space Shuttle will be established at the end of this month.

While the NASA budget request for fiscal year 1980 provided support for the continuation of space science and space applications projects initiated in prior years, it did not introduce any new initiatives to maintain momentum in these program areas. Major space science projects—the Space Telescope and the Galileo (Jupiter Orbiter/Probe)—are well underway. Without new initiatives to build upon and expand the data base in space science, the Nation will lose its capability to continue to make major advances in our knowledge of the universe and the application of that knowledge to the planet Earth. While there are at least two well researched, logical projects ready to be pursued in space science, the committee, in recognition of Shuttle funding requirements and the need for fiscal restraint, did not recommend any new starts in space science in this bill.

The space applications program represents the most immediate payoff of space technology as applied to national needs. These activities include communications, weather, and the Earth resources (Landsat) satellite programs. Here again the ongoing activities have been supported in the budget request, but no new initiatives have been proposed. Accordingly, the committee has recommended a $2 million addition to initiate development of an advanced scanning instrument to be used on the very successful Landsat series of spacecraft. This is a $25 million development to be funded over 5 years.

The committee believes the magnitude of the market for aircraft and rotorcraft signifies the need for NASA to maintain a vigorous program in aeronautical research and technology. It is this effort that provides the foundation for the United States to successfully compete in an increasingly competitive international marketplace for aircraft. The committee, noting the forecast for a large market for rotorcraft and foreign inroads in that market, is recommending an increase of $5 million to the budget request to initiate an advanced rotorcraft technology program. The committee also added $4 million for additional effort on variable cycle engine technology with the request, however, that action be initiated to define and propose a more aggressive program in future years, if warranted, rather than to continue the current low-level activity which may not be providing a good return on investment.

The committee also added $3 million for additional work on large space structures looking toward the utility of these initiatives in space applications such as advanced communications systems. The remaining $2 million, of the $16 million added to the budget request, is for the increased application of space technology to energy research and development. This activity is basically in support of the Department of Energy mission and experience demonstrates that this seed money is a most profitable investment for the Nation.

Mr. President, 2 years ago in the fiscal year 1978 budget request, the President proposed the acquisition of a five-orbiter, Space Shuttle fleet to support civil, defense, commercial/industrial and international users space launch requirements in the 1980's and beyond. This system would replace the less versatile, more expensive ballistic missile-type expendable launch vehicle families maintained by NASA and the DOD. This replacement can only occur if adequate shuttle vehicles are available to handle the traffic. In fiscal year 1979 and again this year, the NASA budget proposes a four-orbiter fleet. The committee is convinced that this is not adequate and added funds to acquire a fifth orbiter last year. This conviction remains, and funds were not added for the fifth vehicle this year only because of program delays I have discussed and the testimony that, under the circumstances, no work could be accomplished on the fifth orbiter. The committee urges the administration to place the fifth orbiter back in the program in fiscal year 1981.

Mr. President, the detailed justification for the research and development and other activities funded in this bill is included in part 1 of the hearings on the fiscal year 1980 NASA authorization request. I commend this document to the attention of my colleagues. The additions the committee has recommended to the fiscal year 1980 budget request for research and development where carefully considered, are fiscally supportable in fiscal year 1980 and subsequent years, and address, in our own view, identified national needs. The committee remains convinced of the need to advance the national research and technology base. It is this base that increases the national productivity, enhances our competitive position in the marketplace, and thereby allows us to sustain our standard of living. NASA activities make a significant contribution to the national research and technology base. These views and concerns underlie the committee's action on this authorization bill.

Mr. President, one final comment. The committee notes that NASA employment continues to be cut back. The reasons for continuing reductions in a scientific and technical agency when we need all the technology advancement we can achieve are unclear. Not only do these reductions affect direct technology output, but they leave no room to recruit young talent with new ideas to stimulate and continually reinvigorate the work force. This is a serious concern and I personally hope the executive branch would reassess its staffing criteria when it reviews Federal employment levels.

Mr. President, I believe this is a good bill and that it warrants the support of my colleagues.

Mr. President, I ask unanimous consent that the summary section of the report on H.R. 1786 be printed in the RECORD.

There being no objection, the summary was ordered to be printed in the RECORD, as follows:

SUMMARY

For fiscal year 1980 NASA requested a budget totaling $4,725 million, of which $3,602,500,000 is for research and development, $157,600,000 for construction of facilities, and $964,900,000 for research and program management. However, following a reassessment of the Space Shuttle program, NASA on April 27, 1979, advised the Committee that additional funds would be required in fiscal years 1979 and 1980 for the Space Shuttle design, development, test and evaluation (D.D.T. & E.) program. Initially, NASA proposed to accommodate these new funding requirements within existing fiscal year 1979 and fiscal year 1980 budget levels by transferring funds from the orbiter fleet production program to the D.D.T. & E. program. However, such a transfer would have deferred substantially production and delivery of the Shuttle's operational fleet, thereby incurring a large cost penalty (as much as $500 million); moreover, the Space Shuttle would not have been able to meet civil and military requirements for space launches during the early 1980's, thereby incurring additional costs approaching $500 million for the procurement of expendable launch vehicles and losses associated with the unavailability of the Shuttle's unique capabilities.

On May 14, 1979, the President formally requested the Congress to consider an amendment to the fiscal year 1980 NASA budget request in the amount of $220 million for the Space Shuttle program to maintain the D.D.T. & E. and production schedules necessary to meet civil and military requirements and to avoid steep cost penalties. Thus, for fiscal year 1980, the NASA budget request totals $4,945 million of which $3,822,500,000 is for research and development; the amounts requested for the construction of facilities and research and program management are unchanged from the original request.

The Committee recommends a total of $4,961 million be authorized to be appropriated to the National Aeronautics and Space Administration for fiscal year 1980, an amount $16 million above the amended request. Of the amount recommended by the Committee, $3,838,500,000 is for research and development, which is $16 million above the request and $199 million above the amount approved by the House; $157,600,000 is for construction of facilities which is identical to NASA's request and identical to the House-approved amount; and $964,900,000 is for research and program management, which is identical to the request and to the amount approved by the House. It should be noted that the bill as passed by the House does not include consideration of the President's $220 million budget amendment; the House passed the bill before the President sent his amended budget request to the Congress.

The Committee recommendation is $394,831,000 above the amount available to NASA for fiscal year 1979 (including two fiscal year 1979 supplemental requests—for the Space Shuttle and for Federal employee pay increases), an increase of less than 1 percent after allowing for the effects of inflation. This recommendation by the Committee represents about 0.8 percent of the total new budget authority recommended by the

Budget Committees of the Senate and the House.

The NASA budget request for fiscal year 1980 has been carefully reviewed by the Committee. It was noted that, while supporting research and development projects underway, the request provided for no new initiatives and that important programs had been cut substantially by the Office of Management and Budget. The Committee found that some of these cuts impair the future needs of the Nation, therefore, the Committee recommends additions, directed to the Nation's future needs in space and aeronautics, as follows:

Two million dollars to initiate development of a solid state, multispectral resources sampler for remote sensing applications;

Four million dollars to be applied to technology of variable cycle aircraft engines;

Five million dollars to initiate a program in advanced rotor-craft technology directed to maintaining U.S. leadership in the technology and thus in the market for such aircraft;

Three million dollars for increased effort on the development of advanced space structures;

Two million dollars to support additional activities in NASA designed to identify and verify potential contributions to national energy needs.

In addition, the Committee in this report directs an internal reallocation of $1 million to advanced programs in the space flight operations program for definition studies of a large deployable antenna, including planning for multiagency participation in a demonstration project.

Those new initiatives with a multiyear performance period can be supported without major impact on NASA's subsequent budgets.

The bill provides authorization for appropriations in three appropriation categories; research and development, construction of facilities, and research and program management.

The 12 line items under research and development are fully described in the subsequent sections of the report.

The principal elements of the construction of facilities request are: Space Shuttle facilities, $31,450,000; large aeronautical facilities, $45,900,000; other aeronautical research facilities, $16,600,000; repair projects, a new facility category for fiscal year 1980, $12 million; rehabilitation and/or modification projects, $31,550,000 of which $19,790,000 is for high priority projects not in excess of $500,000 each; new construction, $6,100,000 of which $3,500,000 is for high priority minor construction projects not in excess of $250,000 per project; and facility planning and design, $14,000,000. The major Space Shuttle facility requirements are for completing the construction of the second launch facility at the Kennedy Space Center and for additional modifications at the Michoud Assembly Facility to support Space Shuttle external tank production operations. Funding for the large aeronautical facilities represents the fourth and final increment for both the transonic facility at the Langley Research Center and the expansion and upgrading of the low speed, subsonic 40- by 80-foot wind tunnel at the Ames Research Center.

The Committee recommendation for research and program management reflects a personnel level of 22.563 at the end of fiscal year 1980. This is 674 positions below the level recommended for fiscal year 1979. Of the $964,900,000 requested, about 75 percent is for salaries and personnel benefits. The remaining 25 percent is divided among facility services, technical services, management and operations support, and travel.

The Committee also considered several legislative amendments as discussed in the report under legislative changes. Two of the amendments are technical in nature; the third deletes the authorization of appropriations for NASA for fiscal year 1981 which will be the subject of a separate authorization bill next year.

Section 6 of the bill contains two amendments to the National Aeronautics and Space Act of 1958, as amended, both proposed by NASA. The first amendment modifies section 203(c) (13) (A) authorizing NASA to settle small claims not in excess of $25,000 in lieu of the existing $5,000 limitation on such actions. The second amendment adds a new section 308 entitled "Insurance and Indemnification." It is designed to facilitate an orderly and equitable allocation of tort liability risk in the operations of the Space Shuttle. In so doing, it is designed to encourage and maximize the commercial use of the Shuttle thus reducing the cost of space flights for both the U.S. Government and non-Government users. A detailed analysis of these amendments can be found in the section-by-section analysis section of the report.

The Subcommittee on Science, Technology, and Space held 6 days of hearings on the contents of this bill during February and March. An April 6, 1979, the subcommittee met to prepare its recommendations to the full committee. On April 10, 1979, the Committee on Commerce, Science, and Transportation met, marked up the bill, and ordered, without objection, the bill reported. However, as previously noted, before the Committee reported the bill, the Committee was notified of the need for additional funds for the Space Shuttle program. Therefore, on May 8, 1979, the Committee withdrew its order to report the bill. Additional hearings on Space Shuttle program funding requirements were held by the subcommittee on May 1 and June 4, 1979. On June 5, 1979, the Committee on Commerce, Science, and Transportation met and marked up the bill and, without objection, ordered the bill reported.●

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time, and passed.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. STEVENS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

ORDER OF BUSINESS

Mr. FORD. Mr. President, will the Senator yield for a question?

Mr. HATFIELD. I yield.

Mr. FORD. Mr. President, what is the time schedule now? Do we have scheduled speakers or time?

Mr. ROBERT C. BYRD. At the present time, the Senate is operating under an order for the transaction of routine morning business, for not to exceed 20 minutes, and Senators may be permitted to speak therein up to 5 minutes.

Mr. FORD. May I request 5 minutes?

Mr. ROBERT C. BYRD. The Senator from Oregon is recognized at this moment, and there are 6½ minutes remaining in morning business.

Mr. FORD. I do not have a right to make a motion, then?

Mr. ROBERT C. BYRD. Not at the moment. Mr. HATFIELD has the floor.

Mr. HATFIELD. I am happy to yield to the Senator from Kentucky.

ORDER EXTENDING MORNING BUSINESS

Mr. FORD. Mr. President, I ask unanimous consent that routine morning business be extended 5 minutes and I be allowed those 5 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE 50TH ANNIVERSARY OF THE INAUGURATION OF HERBERT CLARK HOOVER AS THE 31ST PRESIDENT OF THE UNITED STATES

Mr. HATFIELD. Mr. President, 1979 marks the 50th anniversary of the inauguration of Herbert Clark Hoover as the 31st President of the United States. Among our Presidents, Hoover ranks with Thomas Jefferson in the diversity of his interests and accomplishments, both in public and private life. Yet, the general public knows little about Hoover, his extraordinarily varied and colorful life overshadowed and dimmed by the single fact that the Great Depression began during his Presidency.

This 50th anniversary comes at a time when an increasingly searching look is under way at the tumultuous 1920's and 1930's in this country. Naturally, the Hoover Presidency has had a substantial share of this attention. Primary materials just now becoming available in archives have been of inestimable value in this process. A clearer perspective of this period can only yield valuable lessons for our Nation.

It is entirely appropriate that the U.S. Senate contribute to this reexamination and reassessment of Herbert Hoover.

Too often the Government's role in observing historic occasions is only to commemorate the events and personalities of the time, and not to spur increased research and superior scholarship to increase public understanding of key figures and periods of our history.

In order to contribute to the reassessment of Hoover which American scholars have undertaken, I have asked leading authorities on Hoover to submit essays on the general subject of "Herbert Hoover Reassessed." These essays will be placed in the CONGRESSIONAL RECORD as they are received. At the end of the year, I will ask that the essays be compiled and printed as a Government document, available to libraries and other learning centers.

Mr. President, I am pleased today to submit the first such essay. It has been prepared by Dr. J. E. Wallace Sterling, former president and Chancellor of Stanford University, where Hoover was a member of the first graduating class. Dr. Sterling was a personal friend of Hoover, and his essay is rich with personal anecdotes about Hoover's life and philosophy. I also submit a short biography of Mr. Hoover from the Encyclopedia Britannica, in order that my colleagues and other readers of the RECORD can understand this and future essays in the full context of Mr. Hoover's life. I also include a short biographic sketch of Dr. Sterling.

I ask unanimous consent that the materials to which I have referred be printed in the Record at the conclusion of my remarks.

There being no objection, the material was ordered to be printed in the Record, as follows:

Essay on Herbert Hoover

(By J. E. Wallace Sterling)

I begin with two predictions:

(1) The life and achievements of The Honorable Herbert Hoover will command the attention of more than one biographer in the years to come—and appropriately so, because here is a human and historical record of singular attainment and interest.

(2) The biographer, whoever he may be, will find his comprehension, his skill and his art tested to the limit, not only because the documentation available to him is so extensive and varied, but also because the facets of Mr. Hoover's ability and personality reflected so many rays of light.

In a brief essay it would be pretentious for anyone to assume the biographer's role. But I trust that it will not be unseemly to recall some of the highlights of Mr. Hoover's extraordinary career and some of his deep and abiding concern for the welfare of his fellowmen.

The years of childhood and youth are impressionable years in anyone's life, and they were no exception in Mr. Hoover's experience. His love of the out-of-doors, his curiosity about and admiration of the bounty and variety of nature, his recognition of honest work and thrift, his appreciation of the Quaker faith—all of these were woven into the sturdy fabric of life as he knew it and lived it when he was a boy in Iowa and a youth in Oregon. They were values which he treasured all his life.

The record of Mr. Hoover's achievements makes clear that his life combined several careers. He was professionally an engineer and he did much to make it a profession of high standing. It might be argued that his inclination toward engineering revealed itself when he was a boy. He records in his Memoirs that there was in his father's implement shop "a machine for putting barbs on wire. After the barbs were fixed, the bundles were dipped in hot tar to prevent rust. While no one was looking," he writes, "I undertook an experiment in combustion by putting a lighted stick in the cauldron. It produced a smoke that brought the town running and me speeding the other way in complete terror." (I, 4) (This and future references are to the 3 volume *Memoirs of Herbert Hoover*.)

His academic training at Stanford as a geologist was punctuated by summer employment with the U.S. Geological Survey in Arkansas and in the Sierra Nevada. This employment brought him to the attention of men whose respect for his abilities led to Mr. Hoover's first great opportunity at the age of 23 as a mining engineer in Australia, and subsequently in China, for the London firm of Bewick, Moreing and Company. In four years he was made a partner of this firm; seven years later, during which time the firm's business had tripled, he left it to set up his own consulting business with offices initially in San Francisco and eventually in New York, London, Paris and Petrograd. That was in 1908, and from then until the outbreak of World War I, Mr. Hoover and his new associates "doctored" ailing engineering projects back to health and developed some successful ones of their own.

Mr. Hoover's success as an engineer rested on his application of scientific mining principles and techniques. He had a touch of genius for spotting rich ore deposits. On a side trip in Australia, for instance, he found the "Sons of Gwalia" gold mine. On his recommendation, his London firm bought a 2/3's interest for $250,000. In the ensuing 50 years the mine yielded $55 million in gold and paid $10 million in dividends. Later on he used modern techniques to open up old and very rich Burmese lead-zinc-silver mines which produced more than $350 million worth of metal in the next 30 years.

He had a preference for working in the field, and this preference involved travel by all modes of transportation known to man before the airplane. As a conveyance, he regarded the horse as "one of the original mistakes of creation." He rested his judgment on the following observations: The horse was "too high off the ground for convenience and safety on mountain trails. He would have been better if he had been given a dozen legs so that he had the smooth and sure pace of a centipede. Furthermore he should have had scales as protection against flies, and a large water tank like a camel. All these gadgets were known to creation prior to the geologic period when the horse was evolved. Why were they not used!" (I, 18)

Again and again he traversed the high seas. In his seven years with the London firm, he circled the globe five times, devoting much time on shipboard to reading and study. On many of these journeys Mrs. Hoover accompanied him and, as he puts it, "When the babies came, she brought them along in a basket" (I, 75) and comments that "traveling with babies is easier than with most grown-ups." (I, 76) travels and experiences afforded him insight into a variety of national cultures and customs—Chinese, Mongolian, Burmese, Russian, European, Arabic—and to anyone who wishes to appreciate Mr. Hoover's perceptiveness about people and governments, and to enjoy the wit and sensitivity with which he describes the habits and foibles of mankind, I heartily recommend a reading of the first volume of his *Memoirs*.

Mr. Hoover had pride in engineering. During his lifetime he saw it transformed from a trade into a profession. "It was the American universities," he writes, "that took engineering away from rule-of-thumb surveyors, mechanics, and Cornish [mine] foremen and lifted it into the realm of application of science, wider learning in the humanities with the higher ethics of a profession ranking with law, medicine and the clergy." (I, 131) To him it was the engineer's "high privileges" to watch "a figment of the imagination emerge through the aid of science to a plan on paper. Then it moves to realization in stone or metal or energy. Then it brings jobs and homes to men. Then it elevates the standards of living and adds to the comforts of life." (I, 132–3)

All people did not share Mr. Hoover's judgment about engineers. On one occasion, in the first decade of this century, he engaged in a debate at Oxford as to whether engineering should be included in the curricula of that ancient university. He argued that "not until Oxford and Cambridge recognized engineering as a profession equal to others would engineering secure its due quota of the best English brains." (I, 131) It may be added that in time Oxford and Cambridge, however reluctantly, accepted Mr. Hoover's judgment.

Mr. Hoover records an anecdote of some relevance here. Shortly after these debates he sailed to the United States. At his table was an English lady whom he describes as "of great cultivation and happy mind." At breakfast, as the ship was entering New York harbor, she said to him:

"I hope you will forgive my dreadful curiosity, but I should like awfully to know—what is your profession."

Mr. Hoover replied that he was an engineer, at which she exclaimed, "Why, I thought you were a gentleman." (I, 132)

Mr. Hoover regarded the years of his professional engineering career as "the golden age of American engineers" in foreign countries. He also regarded this period as "the happiest of all humanity in the Western World in ten centuries." There was freedom from great wars. Human welfare advanced. "The dignity of men and women and their personal liberty were everywhere receiving wider recognition." People moved without restriction over almost all national frontiers—only Russia and Turkey required passports. Science was burgeoning and technology brought new range and speed to communication and transportation. The rotary press and public education made a rugged assault on illiteracy, and the extension of the franchise added a new dimension to politics and government. "The long peace," he writes, "had developed a great growth of the human spirit—that of confidence and boundless hopes."

Then the world stumbled into the Great War and, as Mr. Hoover puts it, "the period of the Great Fear settled like a fog upon the human race." (I, 135–6) He adds: "I did not realize it at the moment, but on Monday, August 3rd [1914] my engineering career was over forever. I was on the slippery road of public life." (I, 148)

No aspect of Mr. Hoover's public life and service touched more lives more enduringly than did his relief work. It was a career in itself. Human suffering always evoked his compassion and seemed inexorably to stir him to action. As a young engineer in China he had administered food relief for victims of the Boxer Rebellion, but his Commission for the Relief of Belgium (CRB) was an organization without precedent in history—operating its own ships, issuing its own passports, and making arrangements as a sort of independent government with belligerents on both sides of the battle lines of World War I. He brought to this task not only compassion and selflessness but also administrative and diplomatic talent of a high order. Every pound of the more than 5 million tons of food and supplies was accounted for, as was every penny of the expense. At war's end there was a balance of $34 million in the Belgian account alone. The Belgian government insisted that Mr. Hoover dispose of this balance as he deemed wise in the interest of the Belgian people and in such a way as to provide for a living memorial to the Commission. Four Belgian universities and three professional schools received benefactions. A university Foundation in Brussels was established to promote education and scientific research in Belgium and the CRB Educational Foundation in New York was endowed to finance intellectual exchanges between Belgium and the United States and to perform other services. The designation of these funds is another evidence of Mr. Hoover's active and abiding interest in education and research.

The relief work thus begun was continued after the war. To its direction, Mr. Hoover brought not only experience from the Commission for the Relief of Belgium but also the record of his prodigious accomplishments as United States Food Administrator, when in less than a two-year period, by regulation, stimulation and education he enabled the United States to increase its food exports threefold. From the Armistice to the making of peace, he was Director-General of Relief and Reconstruction of Europe, and from the Armistice until 1932 he headed the American Relief Administration which conducted operations in thirty countries, including Soviet Russia.

His relief efforts were renewed during World War II and again when, at President Truman's request, he coordinated the food supply for 38 nations during the World Famine of 1946–47. It was in this period that he initiated Care, Inc., which, as we all know, still operates. The last major writing enterprise of his life was an extensive history of almost a half-century of relief work under the title An American Epic. Scores of millions of people could testify with their lives to the unprecedented and unparalleled humanitarian work of Herbert Hoover.

As to Mr. Hoover's career in the Federal Government of his native land, the spotlight has played most frequently on the years of his Presidency. They were years accented by depression and harsh judgment. Too many of his countrymen did not know of his efforts in Paris in 1919 to moderate the insistence of the victorious European allies that Germany make reparation for the costs of the war; too many did not know that these allies who had borrowed vast sums from each other, and particularly from the United States, counted on German payment of reparations to pay off these borrowings. Too many did not know that Mr. Hoover, together, interestingly enough, with John Maynard Keynes, had argued in vain that post-war economic recovery would be frustrated by the burdensome weight of reparations and war debts. It is one of the caustic ironies of history that depressive economic forces which he had opposed at the Peace Conference should have been let loose to contribute a decade later to the depression in his own country. Too readily overlooked or forgotten were Mr. Hoover's efforts to avert the crash of 1929 and to effect recovery from it.

And memory was then, and has been since, too slow to recall his work for eight years as Secretary of Commerce. He transformed that department from one of comparative unimportance to one of first rank. The Bureau of Standards became an important research organization whose scientists made notable contributions in electronics, metallurgy and electrical transmission. The Bureau of Fisheries, of Mines and of Patents, all were infused wtih new enterprise. The Census Bureau became one of the greatest fact-finding institutions in the world. Extensive standardization of industrial technology in 86 companies was the product of his initiative and insight. A committee of scientists and industrialists was created to develop industrial support for basic research in universities and other centers of investigation. But, as I say, these achievements were overlooked or forgotten as depression scourged the land and twenty-three million voters chose to place their faith in what was called a New Deal.

After Mr. Hoover's defeat in the national election of 1932, he was sometimes referred to as the forgotten man. But in truth he was not forgotten, for the simple reason that he did not forget his fellow men. He turned more of his attention and energies to the service of various educational and scientific institutions, to writing, and to the Boys' Clubs of America. And when, in 1947, the Congress of the United States created the bi-partisan Commission on Organization of the Executive Branch of the Government, Mr. Hoover was selected to be its Chairman. Six years later he headed a second such Commission. The adoption of many recommendations of both Commissions has, as we all know, saved American taxpayers billions of dollars.

Frederick E. Terman has commented that "few men in history have possessed the range of abilities demonstrated by Herbert Hoover, and perhaps none has ever equalled the distillation of humanism and science that were combined in this man." This observation invites elaboration. It was Mr. Hoover's conviction that human problems should be tackled with the scientist's fundamental approach to truth: "first to determine the facts, arrange these facts in proper perspective, and then distill truth from them in the retort of experience." This conviction helps to explain Mr. Hoover's devotion and service to education as when he assigned those balances in the CRB Belgian account to universities and Foundations, and as when he served for half a century as a Stanford Trustee. It was his concern to abate or avoid the ravages of famine by solving problems of food production, processing and distribution which moved him to persuade the Carnegie Corporation of New York to establish and endow at Stanford University the Food Research Institute to conduct scientific studies in this field. It was to provide better, more scientific training for leaders and managers of commerce and industry that he took the initiative in founding at Stanford a Graduate School of Business. And it was his concern for human life, and how it might be spared the waste, the misery, the devastation of war that inspired him to found the Hoover Institution on War, Revolution and Peace. It is this Institution which is singularly his creation and which embodies his conviction that if the peace among nations, for which he so fervently hoped, was to be attainable, men and nations must learn from the record of past mistakes. He began the collection of its priceless materials during World War I. By virtue of the relief activities which he directed from 1914–1923, his associates were spread throughout Europe and in a position to acquire historical records, including much ephemeral material. It is said that for every ton of food delivered, Mr. Hoover's associates acquired at least a pound of history. Today this collection constitutes the world's greatest single repository of the historical record of political and social turmoil in the twentieth century. At the top of the Tower which houses these records is a carillon of 35 bells, made in Belgium. On the largest bell is the inscription, "Pro pace sono"—"I ring for peace." Mr. Hoover believed that study of the records which repose under the Big Bell would help to reveal to men how war and the ravages of war could be avoided and so to illumine the way to peace.

Engineer, humanitarian, public servant, champion of peace: these were the careers he combined in a long life time. To each he brought rare executive ability, devotion, and a seemingly boundless energy sustained by good health and directed by a clear sense of purpose. To each he also brought the discipline and code of the scientist. In this connection it is appropriate to recall that he was a president of the American Institute of Mining and Metallurgical Engineers, of the Mining and Metallurgical Society of America, and of the American Engineering Council. He was a Fellow of the Royal Geographical Society of London, and for 50 years of the American Association for the Advancement of Science. Nor does this exhaust the list of his membership in scientific bodies, nor does it bespeak the recognition accorded him by the award of some 300 medals and about 100 honorary degrees from leading educational institutions throughout the world. And not least among his many honors was his election as early as 1922 to the National Academy of Sciences. Mr. Hoover was the only President of the United States ever to hold membership in that distinguished and august company.

In 1959 Mr. Hoover received a request from the *Reader's Digest* for the best advice he ever had. His response was in an article entitled "Thank you, Miss Gray!" He had met Miss Gray, a schoolteacher, when he was an office boy, aged 15, in Salem, Oregon. Miss Gray asked Mr. Hoover if he were interested in reading books. She did more: she stirred his interest in reading, which theretofore, he relates, had been limited essentially to the Bible and the morning newspaper. It was then that he discovered the worlds of Ivanhoe and David Copperfield and a host of others. As a young graduate engineer, he felt the need to complement his technical and scientific reading, so he turned to Adam Smith's *Wealth of Nations*, Walter Bagehot's *English Constitution*, and John Stuart Mill's *Essays On Liberty*. Among his companions in the Australian desert, in the interior of China, and on long and frequent sea journeys, were Defoe, Balzac, Carlyle, and Gibbon, to mention only a very few. He himself became an author of distinction. His first publication in 1905 was a contribution with others to a book entitled *Economics of Mining*. Four years later he published *Principles of Mining*, based on lectures given at Columbia and Stanford Universities. It became a widely used and long-lived textbook. His most scholarly work was a translation, in collaboration with Mrs. Hoover, of Agricola's *De Re Metallica*, a treatise on mining and metallurgy and industrial chemistry, written in a Latin which was something less than classical, and published in 1556. The translation was an exercise which transcended grammar and syntax, and became detective work to discover the meaning of technical terms and processes. Mr. and Mrs. Hoover worked at this translation in spare moments over a period of five years, at home and abroad, on land and on sea. The translation was beautifully published in 1912 by an English printer who, as a labor of love, did his best to duplicate 16th century linen paper, type and illustrations. 3000 copies were published. Today they are collectors' items.

Writing thus begun continued throughout his life. I have not counted the total number of articles and books which came from his pen, but I do know that he completed for publication 10 volumes between his 75th and 90th birthdays, which is for many authors the worthy production of a lifetime. No wonder he wrote in response to the request for the best advice he ever had: "Thank you, Miss Gray; thank you for guiding me to the rich world of wonder, beauty, wisdom and imagination that can be found in books."

No one who knew him could fail to note the reciprocity of ready affection between Mr. Hoover and children. I'm sure that they were particularly in his mind during his relief work and certainly when he organized the White House Conference on Child Health and took the Chairmanship of the Boys' Clubs of America. He received and answered thousands of letters from children on subjects ranging from "Why learn Latin?", or "What bait do you use?", or "What good is grammar?" to "How did you get to be president?" One girl had asked "What are the chances of there ever being a woman president of the United States?" To this Mr. Hoover replied: "As a generalization, the men have not done too good a job of government in the world in this last 47 years, and the chances for the women are thereby increased." He defended our present crop of children. "Answering their letters," he wrote, "has been a great relief from sleepless nights haunted by public anxieties, and they are a restoration of confidence in America's future" (Herbert Hoover, *On Growing Up*).

And those who knew him well can testify to his gifts as a storyteller. Many of his best stories were reminiscences of people in high and low status, of places far and near, of incidents out of his extraordinarily manifold experiences. And his friends will recall that stories about fishing had a particular appeal for him and occasionally led him to philosophize about the art and environment of the angler. Many have heard him speak of fishing and fishermen. "The reason for it all," he would say, "is that fishing is fun and good for the soul of man." "All fishermen and fisherladies are by nature friendly and righteous persons. No one of them ever went to jail while fishing—unless they forgot to buy a license." Moreover, "all men"—including Presidents and former Presidents—"are equal before fish." He liked to quote the inscription on an ancient tablet: "The gods do not subtract from the allotted span of men's lives the hours spent is fishing" (Herbert Hoover, *Fishing for Fun*).

So to the careers which combined in his busy life there must be added those attributes which made him a lover of books, of children, of good stories well told, and of the great out-of-doors. And yet another: his great devotion to his native land, to her institutions, and to the individual freedom they were designed to establish, protect and enhance. To him this country was indeed America the Beautiful. He deplored the name-calling which sometimes punctuates our public life. "Calling names is not debate," he said from a Stanford platform years ago. "It is a confession of defeat by logic and fact. It is more—it is the infallible sign of intellectual dishonesty."

When 88 years old, at West Branch, Iowa, the place of his birth, he left a message and benediction for all of us:

And what may I say to you as the shadows close around me?

I say to you that today America assures more nearly the dignity of man and the durability of freedom than any other place on earth.

I say to you that America will live because its life is in the hearts of her people, in their religious faith, in their love of freedom and of our country.

May God bring you even more great blessings.

BIOGRAPHIC SKETCH ON HERBERT CLARK HOOVER FROM THE ENCYCLOPEDIA BRITANNICA

Hoover, Herbert Clark (1874–1964), 31st president of the United States, was born on Aug. 10, 1874, in West Branch, Ia., and died in New York City on Oct. 20, 1964. He was the second of three children of Huldah Minthorn and Jesse Clark Hoover, both Quakers with a long American Quaker ancestry. His father, a blacksmith who had established a farm-implement business, died when Herbert was six. His mother, an unusually gifted woman, was a school teacher. She spoke frequently at Quaker meetings and took part in local "prohibition" campaigns. After Jesse's death she kept the family taking in sewing, and carefully saving the life insurance left by her husband toward the education of the children. Herbert attended the public school at West Branch, but upon the death of his mother when he was eight he was sent to the home of an uncle, Henry John Minthorn, a country doctor living in Newberg, Ore.

When he was 15, his uncle established a land settlement business in Salem, Ore., and for two years Herbert worked as office boy. He picked up the rudiments of typewriting, and in a business college in Salem developed a knowledge of mathematics. From public library a friend brought him a copy of *Ivanhoe*, which opened to him the world of literature. A chance encounter with an engineer caused him to think of the importance of a college education and he determined to become a mining engineer. Declining scholarship aid at Earlham college (Quaker) because it had an engineering course, he turned his attention to Stanford University which was about to open in California. Hoover entered Stanford as a member of its first freshman class on Oct. 1, 1891, and worked his way to graduation (A.B.) by typing and by operating a laundry agency and a newspaper route. During summer vactions he served as an assistant with a state geological survey in Arkansas and with the U.S. geological survey in California and Nevada. Despite his working to earn his living, he participated in extracurricular activities, including a term as football team manager. He records in his *Memoirs* his contacts with Sen. Leland Stanford and on one occasion, with former president of the United States Benjamin Harrison, who was at Stanford delivering a special series of lectures on government.

Career as Engineer.—After graduation from Standford in 1895, Hoover worked for a brief time as a labourer in California mines. He then joined the staff of Louis Janin, a mining engineer in San Francisco, Calif., and in Oct. 1897, on his nomination to Bewick, Moreing & Co. of London, was placed in charge of their projects in Australia. Meanwhile, he had been reading books on economics in his spare time. While visiting England, he was deeply impressed by the historic landmarks in the long history of the British people. His work in Australia, filled with adventure and experience for himself, was profitable for his employers. They transferred him to China, where he became chief engineer in the newly organized bureau of mines of the Chinese government. Returning to London from Australia and then journeying to California in 1899, he married Miss Lou Henry (1874–1944), whom he had known as a fellow student at Stanford. He and his bride reached Peking in March 1899. Caught in the Boxer rebellion in June 1900, they were active in relief work until the arrival of international forces who rescued all foreigners in August

In Nov. 1901 Hoover became a partner of Bewick, Moreing & Co., from which he withdrew after seven years to take up an independent career. He engaged in mining activities throughout the world, maintaining offices in New York City, San Francisco and London. Until 1914 he spent much of his time in England, but he also acquired a house at Stanford university, because he and Mrs. Hoover wished to spend more time in the U.S. as their two sons grew up.

Hoover gave much thought during those years to engineering, which, in his lifetime thus far, had been transformed, as he put it, "from a trade into a profession." Lectures he gave at Columbia and Stanford universities were published in 1909 under the title *Principles of Mining*. He had also become interested in earlier writings on applied science, especially in Georgius Agricola's De re metallica, printed in Latin in 1556. For five years he and Mrs. Hoover spent their spare time in its translation, which was published privately by them in 1912. A trade edition was published in 1950.

Always retaining a close interest in his native land, Hoover had thought of entering public service in some capacity, but his contacts in engineering and in government transcended national boundaries and his association with those active in politics were few, even in California, where he retained his residence. The factional political struggles that rocked the U.S. in the first decade of the 20th century apparently left little impression on him. Prior to World War I he had for 18 years lived abroad, working as an administrative engineer on industrial projects in Russia, China, India, Australia, New Zealand, South Africa, Canada, Great Britain, Belgium and Mexico, as well as in the United States. Everywhere he went he participated in the daily life and work of the people.

Relief Work in World War I.—As a U.S. citizen long resident in London, Hoover at the outbreak of World War I in Aug. 1914 organized and served as chairman of an "American committee" in London which aided in securing passage home for more than 100,000 U.S. tourists. The Commission for Relief in Belgium, a voluntary organization to which U.S. officials and residents in London gave full support, was started in Oct. 1914 with Hoover as chairman. Soon afterward he made the first of many visits to observe the problem of destitution in Belgium. Hoover concluded agreements with the British which permitted passage of food, clothing and medical supplies through the Allied blockade. The Germans, in turn, gave protection to the distribution of these supplies to the 10,000,000 people of Belgium and northern France. He ultimately secured subsidies for support of the commission from the governments of France, Great Britain and the United States. Under his direction, the commission expended nearly $1,000,000,000.

When the United States entered the war in April 1917, Hoover returned to the United States and in August Pres. Woodrow Wilson appointed him U.S. food administrator. In this work of stimulating production and conserving supplies, he called upon and obtained voluntary action from the American people. He organized the U.S. grain corporation, Sugar Equalization board and Food Purchase board, agencies which, under his direction, handled over $8,000,000,000 in supplies for the United States and the Allies. During the critical year July 1, 1918–July 1, 1919, Hoover's food administration furnished 18,500,000 tons of food, more than three times the normal export, to the Allies and to famine areas of Europe. He served at this time as a member of President Wilson's War Trade council and as chairman of the Inter-allied Food council.

Hoover served also as alternate chairman of the Supreme Economic council and as a member of the advisory economic committee of the U.S. delegation to the peace conference. Establishing his headquarters in Paris, he co-ordinated the continuing work of the Food administration, the Belgian and Northern France Relief commission and the Relief and Reconstruction of Europe commission, of which he had been appointed director general by the Allied governments. These operations spread over 30 European countries where, with the authorization of congress and an appropriation of $100,000,000, Hoover established a special relief program for 10,000,000 undernourished and homeless children.

Altogether at this time he directed, on behalf of the Allies and the United States, the handling of $3,254,000,000 in relief funds and the distribution of more than 23,000,000 tons of foodstuffs, medical supplies and clothing. In order to carry on this work effectively, Hoover obtained the mandate of the Allied powers to manage the railways and coal mines, waterways and ports in eastern Europe. With the termination of official activities at the signing of the peace, he set up a volunteer organization to continue relief work among European children and support for the people of Austria, Hungary, Armenia and Russia, raising over $250,000,000 for this purpose.

Historical Interests.—During the war Hoover had been gathering historical material and had professional collectors in all belligerent countries engaged in gathering and holding material on the war. With the armistic he embarked upon an enterprise which be refers to in his *Memoirs* as a side issue, but which resulted in one of his great contributions to the writing of the history of the modern world. The large body of manuscript and particularly fugitive material dealing with the years of the war comprised the documentary story of both the established and resolutionary governments of western Europe. These materials were deposited for the use of scholars in a newly established war library at Stanford university. Later known as the Hoover Library on War, Revolution and Peace, it was enlarged to include materials on World War II and the history of governments and peoples throughout the world, finally becoming the Hoover Institution on War, Revolution and Peace.

His experiences during the war and reconstruction years (1914–21) had left deep impressions on Hoover's thinking, and he gave expression to these in a little book, *American Individualism* (1922). He wrote that, "Our individualism differs from all others because it embraces these great ideals: that while we build our society upon the attainment of the individual, we shall safeguard to every individual an equality of opportunity to take that position in the community to which his intelligence, character, ability, and ambition entitle him; that we keep the social solution free from frozen strata of classes; that we shall stimulate effort of each individual to achievement; that through an enlarging sense of responsibility and understanding we shall assist him to this attainment; while he in turn must stand up to the emery wheel of competition."

Secretary of Commerce.—These reflections help in explaining the later developments in Hoover's thought and action as he entered upon his long public career in 1921 as secretary of commerce, first in the cabinet of Pres. Warren G. Harding and later in the cabinet of Pres. Calvin Coolidge. Secretary Hoover undertook the reorganization of the department on the basis of voluntary cooperation among the commercial, agricultural and labour interests of the nation. He organized a multitude of committees representative of business and labour whose functions were to reduce wastes in manufacturing and distribution. He organized new divisions in the department to cover radio broadcasting and commercial aviation, and other divisions to answer the growing need of the country for better housing and greater highway safety. He also expanded the department's foreign trade activities.

During this period he served as a member of the advisory board of the Conference on Limitation of Naval Armaments (1921–22) and as a member of the World War Foreign Debt commission. He served also as chairman of the Colorado River commission and the St. Lawrence Waterway commission. The work of these latter commissions culminated in the erection of the Hoover dam (1930–36) and the construction of the St. Lawrence seaway.

In 1922 Hoover organized the American Child Health association and became its first president. Likewise, in 1923 he organized the Better Homes in America association. He served as chairman of a National Research fund established by the National Academy of Sciences for the support of research in pure science and raised over $5,000,000 for this purpose.

While secretary of commerce, he was placed in charge of relief at the time of the disastrous Mississippi flood of 1927. For this project he raised over $34,000,000 in charitable funds, directed the removal of 1,500,000 persons from danger areas to temporary camps and afterward restored them to their homes.

Election as President.—Prior to his cabinet service under Presidents Harding and Coolidge, many indications appeared that Hoover's services during World War I had produced in the public mind a growing belief that he had unusual qualifications for the presidency of the United States in the postwar world. This was demonstrated by members of both political parties who discussed his availability during the preliminary canvass of 1920. But his appeal as a national figure was not regarded with favour by the leaders in control of either party. In the course of the discussion it was revealed that he had been and was a registered Republican. Despite activity for his nomination by many friends, his possible candidacy was scarcely considered at the Republican national convention of 1920. The well-known opposition of his fellow Californian, Sen. Hiram Johnson, which influenced many progressives and the final nomination of Warren G. Harding, an old-line conservative, were indicative of the moderate position Hoover appeared to occupy. In the Republican national convention of 1924 he was given 300 votes for the vice-presidency. All this provided significant background for his entrance upon an active canvass when President Coolidge chose not to be a candidate in 1928. Hoover was strong in the persidential primary contests, and in the convention of 1928 overcame the opposition candidates back by senate leaders, as well as the candidacy of Gov. Frank Lowden of Illinois. Yet the nomination was not enthusiastiaclly supported by experienced party leaders, for they were divided on the issues of prohibition and farm relief, on each of which the presidential nominee had his own program. With some marked defections, Hoover nevertheless held the Republican electoral vote of the previous two campaigns and added votes from southern states that would not support Alfred E. Smith (*q.v.*), the Democratic nominee. Although he polled 21,391,993 votes, 4,500,000 more than had his predecessor, Calvin Coolidge, it became clear that many progressive Republicans distrusted Hoover and the regular Republican organization still considered him an outsider.

Presidency.—Aware of these conflicting elements—for he had lived in the midst of them for eight years as a cabinet member and had seen the results of their existence in the trying days of President Wilson's war administration—Hoover bent every effort to make the transiton from the Coolidge administration as painless as possible. At the same time, his cabinet appointments made it clear that his was to be a personal administration.

Beneath the surface of the highly emotional presidential campaign of 1928 were evidences of the impending crisis in party government that had threatened the disruption of the Republican party ever since the disappearance of the Progressive party in 1916. The choice of Hoover, who stood apart from factions in the party, had obscured the issues in this factionalism and the importance of the personalities involved. But these were at once revealed in the new congress that met to deal with farm relief and with limited revision of the tariff. The center of the fight was in the senate.

President Hoover presented his program for what he had termed in his campaign "The New Day," a realization of the great economic and social potentialities of the American people in an age of developing science. He pushed toward the enactment of the program throughout his four years in office.

Three developments forced him repeatedly into activities in other fields: (1) the overwhelmingly need for a new federal actions on prohibition; (2) the growing importance of an energetic U.S. program overseas to meet rising tides of economic and political uncertainty; and (3) the long train of demands upon the president caused by the stock market crash in the autumn of 1929 and the ensuing widespread depression. On each of these, the president's program as it developed was the object of attack by his Democratic opponents, by a large body of U.S. public opinion, and particularly by members of his own party in the senate.

Despite continuous strife among Republican congressmen Hoover succeeded in establishing the Federal Farm board to serve agriculture, and in increasing the powers of the Tariff commission, the protecting of the principle of a flexible tariff. He also obtained senate approval of the London Naval treaty on July 22, 1930.

The defeat of the Republicans in the congressional elections of 1930 signalized not only the downfall of effective party government in congress, but also the rise to first place in public estimation of a great need for partisan leadership in the presidency. In the ensuing two years of his term in office, Hoover offered that leadership, and in the campaign for re-election more vigorouly defended and explained his program for the termination of depression at home and abroad.

The U.S. had been making a slow but certain recovery from the recession when, in 1931, inflation in Europe, unbalanced budgets, unlimited currency issues and excessive borrowing by European nations from U.S. banks resulted in the gigantic European financial collapse of that year. The president proposed to the European governments a moratorium upon all debt payments for one year, obtaining in record time support for his proposals not only from U.S. financial leaders but from senate and house members of both political parties.

Frequently at odds with independent members of his own party and opposed vigorously throughout his administration by Democratic congressmen and the Democratic national committee, Hoover nevertheless obtained a considerable amount of constructive legislation during his administration. The Reconstruction Finance corporaton was created (1932) to save building and loan organizations and savings banks and to prevent the collapse of weak banks, trust companies, railways and industries. Home loan banks were set up to aid homeowners in meeting their mortgages, and agricultural aid banks to help farmers.

The Republican national convention of 1932 renominated Hoover on a platform of his own choosing, and he was supported by the party organization in the ensuing campaign. Despite his extensive and constructive program for dealing with the problems of the depression, and his defense of that program in the campaign, the electorate failed to return him to office, and the Republican party returned to congress a smaller number of representatives than at any time since 1897. Hoover was defeated by Franklin D. Roosevelt by 22,821,857 to 15,761,841 popular votes—in effect a reversal of the vote of 1928. For further details of the Hoover administration, *see* UNITED STATES OF AMERICA): *History*.

Retirement.—Having served his nation continuously since April 1917, Hoover retired on March 4, 1933, taking an apartment in New York city and reopening his home on the Stanford campus near Palo Alto, Calif. There a trustee of the university since 1912, he had established not only the Hoover institution, but also had led in establishing a graduate school of business and a food research institute.

At no time during the 12 years of Franklin D. Roosevelt's administration was former President Hoover called into service by his successor. Hoover opposed most of the measures, domestic and foreign, of the Roosevelt administration. He opposed the involvement of the United States in World War II and on June 29, 1941, in discussing a tacit alliance with Soviet Russia, he said in a radio broadcast: "If we go further and join the war and we win, then we have won for Stalin the grip of communism in Russia. . . . Again I say, if we join the war and Stalin wins, we have aided him to impose more communism on Europe and the world. At least we could not with such a bedfellow say to our sons that by making the supreme sacrifice, they are restoring freedom to the world. War alongside Stalin to impose freedom is more than a travesty. It is a tragedy."

Hoover continued to be sharply critical of the foreign policies of the Roosevelt administration, yet continued to address his countrymen in discussion of the ends of peace to be achieved in the course of the war. In particular did he attack radical influences in the U.S. government, distinguishing, however, between socialist attack by ballot and communist attack by secrecy and violence.

In view of Hoover's record as relief administerator during World War I, it was not surprising that the former president organized relief for Poland, Finland and other European states after World War II. Pres. Harry S. Truman summoned him to aid in the organization of relief during the great famine of 1946. In order to co-ordinate the work, Hoover visited 39 countries. In 1947 he undertook a mission to Germany and Austria for President Truman to advise upon U.S. policies in the administration of those occupied countries. In response to requests from both Pres. Dwight D. Eisenhower and Chancellor Konrad Adenauer. Hoover repeated his visit to Germany in 1954.

For more than 35 years Hoover had called attention to the inefficiency, waste and rising costs of government services. During his administration, he had made marked contribution to improvement under the difficult conditions of depression. In 1948 congress by unanimous action created a bipartisan Commission on Organization of the Executive Branch of the Government, and Hoover was selected as its chairman. Known popularly as the Hoover commission, this group, after extensive hearings and research, made 270 specific recommendations, of which, with President Truman's aid, 70% were adopted in the interest of reducing expenditures by eliminating overlapping and waste. In 1953 a second Hoover commission was created with wider power. Hoover was again chosen chairman and after two years reported on his exhaustive inquiry. The commission brought in 375 recommendations, many of which were adopted.

In the course of his long public career, Hoover twice received the distinction of joint resolutions of appreciation from congress.

In 1958 he published *The Ordeal of Woodrow Wilson*, based upon his own observations of the struggle over the treaty ending World War I and the establishment of the League of Nations. Hoover had dealt with some of the details of this theme in *America's First Crusade* (1941) and at greater length in the first volume of his *Memoirs* (1951). In this and the following year, he published three more volumes of his *Memoirs*. His other works include *The Challenge to Liberty* (1934); with Hugh Gibson, *The Problems of Lasting Peace* (1942); *Addresses Upon the American Road*, 7 vol. (1938–55); and *American Epic*, 2 vol. (1959–60).

Bibliography.—W. S. Myers (ed).), *State Papers and Other Public Writings of Herbert Hoover* (1934); W. S. Myers and W. H. Newton, *The Hoover Administration* (1936). R. L. Wilbur and A. M. Hyde, *The Hoover Policies* (1937), provides further information on the developments of the Hoover administration. *See* also A. M. Emery, *American Friend: Herbert Hoover* (1967); A. U. Romasco, *The Poverty of Abundance* (1968).

BIOGRAPHIC SKETCH ON J. E. WALLACE STERLING FROM THE BIOGRAPHICAL DICTIONARY OF AMERICAN EDUCATORS

Sterling, John Ewart Wallace. B. August 6, 1906, Linwood, Ontario, Canada, to William and Annie (Wallace) Sterling. M. August 7, 1930, to Anna Marie Shaver. Ch. three.

J. E. Wallace Sterling received the B.A. degree (1927) from the University of Toronto, Ontario, Canada, and the M.A. degree (1930) from the University of Alberta in Edmonton, Alberta, Canada. He was awarded the Ph. D. degree (1938) from Stanford (California) University.

Sterling was a lecturer in history at Regina (Saskatchewan) College (1927–28) and was an assistant in history, athletic director, and football coach at the University of Alberta. He was a research staff member of the Hoover Library of War, Revolution and Peace (1932–37) and an instructor in history (1935–37) at Stanford University. He was an assistant and associate professor of history (1937–45) at California Institute of Technology at Pasadena and became Edward S. Harkness Professor of History and Government in 1945. He also was secretary of the faculty (1941), chairman of the faculty (1944), and a member of the executive committee (1945).

In 1948 Sterling was appointed director of the Henry E. Huntington Library and Art Gallery in San Marino, California, an internationally famous center for scholars in English and American literature and history. He became president of Stanford University in 1949 and retired as chancellor in 1968.

Sterling was a news analyst for the Columbia Broadcasting System with radio station KNX in Hollywood, California (1942–48). He edited *Features and Figures of the Past* (with others, 1939).

A member of many organizations, Sterling was a fellow of the Social Science Research Council and the American Geographical Society and was president of the Association of American Universities (1961–63). He was a civilian faculty member (1947) and member of the board of consultants (1948–52) of the National War College and of the board of visitors to the United States Naval Academy (1956–58). He received more than twenty honorary degrees from American and foreign colleges and universities and was decorated by the governments of Great Britain, Germany, France, Japan, and Austria.

The PRESIDING OFFICER. The Senator from West Virginia.

Mr. ROBERT C. BYRD. Mr. President, I have been recognized?

The PRESIDING OFFICER. The Senator from West Virginia.

Mr. ROBERT C. BYRD. I yield to the distinguished Senator from Arizona.

Mr. GOLDWATER. Mr. President, I wanted to address some questions to the majority leader.

Mr. ROBERT C. BYRD. Very well.

Does the Senator wish to do that now or does he wish to have the Senator from Kentucky proceed first?

Mr. GOLDWATER. It makes no difference.

Mr. FORD. Go ahead, as long as I get the time.

THE TREATY TERMINATION PROCESS

AMENDMENT NO. 234

Mr. GOLDWATER. Mr. President, on Wednesday, June 6, the Senate took action asserting its right to participate in the treaty termination process. By an overwhelming vote of 59 yeas to 35 nays, we voted to approve the amendment by the Senator from Virginia (Mr. HARRY F. BYRD, JR.) as a substitute for the substitute amendment proposed by the Foreign Relations Committee.

The Byrd amendment reads:

> That it is the sense of the Senate that approval of the United States Senate is required to terminate any mutual defense treaty between the United States and another nation.

Obviously, this vote was clear-cut action by the Senate on the question of treaty termination.

Now, as I understand it Senate Resolution 15 will come before the Senate automatically when the Senate returns to the regular order of business.

Am I correct in that?

Mr. ROBERT C. BYRD. I beg the Senator's pardon. Will the Senator repeat the question? I am sorry.

Mr. GOLDWATER. As I understand it, Senate Resolution 15, the Harry F. Byrd, Jr., resolution, will come before the Senate automatically when the Senate returns to the regular order of business.

Mr. ROBERT C. BYRD. The measure still is the pending business before the Senate.

Mr. GOLDWATER. I beg pardon?

Mr. ROBERT C. BYRD. The measure to which the distinguished Senator refers is still the pending business before the Senate. It has been temporarily replaced by measures from time to time under orders of the Senate entered into by unanimous consent. At such time as the measure is called up and there is no provision protecting such measure from a call for the regular order a call for the order would under prevailing circumstances at the moment bring that measure down and bring back before the Senate the pending business which is the so-called Byrd measure.

Mr. GOLDWATER. Am I correct in assuming that we have now so much business piled up by unanimous consent that it would be impossible to call up this resolution before the end of business next Thursday?

Mr. ROBERT C. BYRD. No, I am not sure that we have that much business locked in.

Mr. GOLDWATER. Let me ask the Senator another question. Mind you, these are things that I hear, and I have not had the opportunity to visit with the distinguished majority leader. Is it true that it is planned to call up this resolution and the suggested amendment offered by Mr. CHURCH under the cloture rule about the 9th of July?

Mr. ROBERT C. BYRD. There is no such plan.

Mr. GOLDWATER. There is no such plan?

Mr. ROBERT C. BYRD. If it is, I am not a part of it, and I have not heard of it.

Mr. GOLDWATER. I am naturally, as the Senator knows, very concerned about this, and I am even more concerned now that I have heard of the action of Mr. Brzezinski in the White House who has been calling Senators and telling them an absolute falsehood about the intentions of my lawsuit, and I want the opportunity to face Mr. Brzezinski when he returns from Vienna so that we can stop that and get this whole thing in order so what we could do is what I know every Member of the Senate wants to do, that is, get a constitutional question resolved.

So with the assurances that I have from my friend, the leader, I am not going to call this up for regular business because I do not think we have time. He promised not to have votes on Friday. It will have an extreme effect on this because it will not be determined in a matter of a few hours.

So with that I have no other questions.

I send to the desk an amendment that I will offer as a substitute for the amendment of Senator CHURCH, and I thank my friend and I greatly appreciate it if he will keep me posted on this.

I am not trying to run any shenanigans. I am not trying to doublecross the President. I am merely trying to find out once and for all if the President can change any law he wants or any treaty he wants, and I think my friend from West Virginia agrees with me.

Mr. ROBERT C. BYRD. I thank the Senator.

Mr. President, I yield to the distinguished Senator from Louisiana (Mr. LONG).

HEALTH PLAN DIFFERENCES

Mr. LONG. Mr. President, over the past 3 or 4 days, there has been some confusion as to what my position is on the administration's proposed national health care plan.

We have some agreements, Mr. President, and we also have some points of disagreement.

On Tuesday morning, June 12, I went to the White House, at the President's personal invitation, to be on hand for the long-awaited announcement of his health care plan. I did so, not for the purpose of endorsing the plan, as some news reports have suggested, but as both a personal and a professional courtesy to the President. I also wanted to be there to discuss the issue personally with him and to determine what similarities and what opportunities for compromise there might be in our respective plans for new health care initiatives.

Now that I have had an opportunity to study the basic elements of the President's plan, I see that we do agree on certain important aspects of the health care issue. I see, too, that there are other areas in which we do not agree and in which we will simply have to count noses in committee and on the floor of the Senate to see whose plan will prevail.

Beyond our particular differences of opinion as to what programs should be enacted now, we still do not see eye-to-eye on the eventual scope of a national health insurance program. President Carter continues to think in terms of "comprehensive" coverage, while I simply do not presume that cradle-to-grave programs will ever be necessary.

We agree that we should enact catastrophic health insurance protection against the costs of very serious and very expensive illness and injury. We agree on that, as a matter of principle.

The disagreement comes, not about the need to provide such protection, but on the issues of how extensive and, therefore, how costly such protection should be and when that protection should become effective.

The position which I now favor would cost $5 billion a year—about $3 billion in employer contributions, plus about $2 billion in Federal outlays—and would become effective about a year from now, in mid-1980. It would have an individual deductible of $3,000 and a family deductible of $5,000—adjusted annually to inflation—beyond which the program would pay the costs of very serious illness and injury.

By contrast, the President's more ambitious plan, mainly because of the lower deductible of $2,500, would cost at least $10 billion—in other words, at least twice as much as the plan I favor. This would involve about $6 billion in employer contributions and about $4 billion in new Federal outlays. But, even this $10 billion estimate for the President's program might jump to $12 billion or more if assumptions about savings from his proposed hospital cost containment bill do not work out as planned.

As to timing, the President's catastrophic health insurance plan would not become effective until October 1982, compared to October 1980 for the plan I favor. In my opinion, 2 additional years of delay is too long a time to wait for those families who badly need this protection. So, although my program is smaller in cost to the Government, because of significantly higher deductibles, it would offer protection a full 2 years earlier than the President's program.

We agree further that we should enact a standardization and a modest expansion of medicaid coverage for the poor. Again, the disagreement comes in terms of the scope and the cost of the program. My approach would add not more than $5 billion a year above present outlays, while the President's more ambitious plan would cost at least an additional $15 billion a year. Once again, his figure assumes considerable cost savings by way of the proposed mandatory hospital cost control bill, without enactment of which the estimated annual cost of the administration's medicaid proposal would jump significantly.

As to the effective date of the proposed medicaid changes, we are in agreement that October 1982 is an appropriate date. The experts argue convincingly that this much time will be needed to make the bureaucratic changes in existing mechanisms, in order that the changes will operate with maximum efficiency when coverage does become effective.

We also agree that we should enact legislation calling for the standardization of private health insurance policies, so that their general terms coincide with and complement the Federal programs. This would be done without any Federal programmatic costs and with only small administrative costs.

The President and I seem to agree on the need to rely to a maximum extent on the private insurance industry, as opposed to the Government bureaucracy, to administer the catastrophic health insurance program. We also agree on the need to rely on private, rather than public financing, to cover its costs.

One item on which our plans do not coincide is in the matter of requiring employers to cover prenatal care, delivery, and mother-and-child care following delivery. The plan I favor would, of course, extend such care only in those cases where either the catastrophic health insurance plan or the expanded medicaid plan applies.

By contrast, the President's proposal would set up a separate plan to provide assistance in all cases of pregnancy and child delivery and would extend through the first year after the birth of the child. In my opinion, this would extend unnecessary coverage to millions of Americans whose normal, trouble-free pregnancies and deliveries can be routinely covered by the normal limits of private insurance policies. As for the poor, they would be automatically covered by medicaid, and the exceptionally complicated and expensive cases would be covered by the catastrophic insurance plan.

Now, Mr. President, I have not yet commented on how either my plan or the administration's plan compares with the latest plan proposed by Senator TED KENNEDY. Very briefly, as I understand it, Senator KENNEDY estimates the costs of his plan as follows:

	Billion
Employer contributions	$33.1
Federal outlays	30.7
Program total	63.8

This program would be almost three times the size of the President's program, which is itself about twice the size of the program I favor. My $10 to $12 billion plan, compared to the President's $25 to $30 billion program, compared to Senator KENNEDY's $60 to $70 billion program, give you some idea of how wide a range of suggestions we are talking about.

Of course, in order to reduce the advertized cost of his program, Senator KENNEDY subtracts from his $64 billion total some $25.4 billion in private insurance premiums, which he says would no longer have to be paid by individuals, plus almost $3 billion which he estimates could be saved by State and local governments.

While I do not mean to be specifically critical of this way of figuring the bottom-line cost of the Kennedy plan, I do think it ought to be understood that this is the way in which the figure of $64 billion is reduced to a mere $36 billion annually. Even this figure, which is based on a number of assumptions which may not hold true—and which is arrived at by somewhat unorthodox methods of calculation—is at least 3 times the size of the cost of the plan I favor.

As soon as we move beyond a $10 to $12 billion program, I begin parting company with both the President and, of course, with Senator KENNEDY.

I said recently, in an interview with Mr. Victor Cohn of the Washington Post, that I "could support a $20 billion program." That is a correct report by Mr. Cohn, who writes accurately and perceptively about the health care issue. But, I do not expect to have to vote for a plan nearly that costly.

The point is that I would certainly vote for a $20 billion plan, rather than have no plan at all. But, I simply do not think that will be the choice which I will have to make.

With so wide a divergence in terms of initial cost, and an even greater difference in presumption as to what will happen thereafter, I do not see the potential for a "grand compromise." Instead, it will be a question of which approach can garner the number of votes needed to prevail.

Whatever plan, or combination of plans, wins the majority of support from the Finance Committee will, by definition, be the "compromise" we present to the Senate. The Senate will then have the opportunity to consider various amendments and various substitutes which will certainly be proposed to the committee bill; and, from this, will come the Senate's "compromise" plan, to be referred to the House of Representatives for its deliberation.

Basically, after all is said and done, I think the Congress will eventually enact, and the President will eventually sign into law, something very much akin to the modest, affordable measures which I have described above. I feel that the votes will simply not be available on the Senate floor to sustain amendments and substitute bills which run the price tag many billions of dollars beyond that point.

Now let me talk a bit about the future—about what additional steps, if any, will follow behind whatever health programs are enacted this year. It is in this area where I part company with President Carter, and particularly with Senator KENNEDY.

Their attitude is that what we do this year is only the first step among many steps on the road which leads to a "comprehensive," cradle-to-grave, womb-to-tomb national health care system.

In pointed and emphatic contrast to this notion, my position has always been and is now that there should be no presumption that there will be any further major expansion of the health care law, once these rather modest, manageable steps are taken.

There may indeed be further changes as time goes on. Who am I to say what future Congresses might decide? But, my position today is that, except for possible fine tuning of these catastrophic and medicaid programs, there should be no presumption whatever that other, more ambitious programs will follow.

My firm expectation, in fact, is that the changes in the law described above will answer so much of the real problem as to eliminate the need and the appeal for major expansions in the direction of comprehensive cradle-to-grave coverage.

Opposed to this point of view, of course, are those who do favor the cradle-to-grave approach, who insist that anything resembling an "incremental" approach is unacceptable. They say it is better to have no catastrophic coverage at all than to permit enactment of legislation which does not at the same time guarantee further elements of coverage in years to come.

They fear—and perhaps rightfully so—that, once enacted, these highly important, but less-than-comprehensive, programs will solve so much of the real problem as to eliminate the appeal for their kind of very expensive and oppressively bureaucratic health care programs.

It is revealing to note that, in almost every attempt to justify their much broader and more costly approach, proponents of "cradle-to-grave" coverage continue to cite those heartrending cases in which long-term medical expenses completely ruin the patient's finances, even those of his or her entire family. The fact is that about 95 percent of those cases would be taken care of by our far less costly proposal.

This being the case, one can readily understand the desire of some to enact a "package" deal now, which would automatically expand health care bureaucracy and expenditures three fold or fourfold in years to come—whether or not the intervening experience indicates this to be necessary, desirable, or affordable.

Mr. President, there is a powerful element which will most certainly prevent the cradle-to-grave approach from prevailing in the Senate. That factor is the unique bipartisan support enjoyed by our alternative approach. As I see it, a substantial majority of Senators from both parties will favor our modest, one-step solution, because it is the only solution which can be legislated free of the imagery that one party is shoving the program, like bitter medicine, down the throat of the other.

Once enacted, neither the catastrophic health insurance program, nor the medicaid expansion should be interpreted as a "Democratic Party" program or a "liberal" or a "conservative" one.

It should not be approved or disapproved because it does or does not have the active support of the American Medical Association, or the AFL–CIO, or the insurance industry, or the enthusiastic blessing of this or that group.

I think Senators will be able to look forward to a bill to be reported from the Finance Committee in the next few days which will:

First, respond at an early date to a great number of our people's most pressing health care needs;

Second, do so with minimum impact on the Federal budget;

Third, rely to the greatest degree on the private sector, both as the source of the insurance itself and in terms of the means by which most people finance their coverage;

Fourth, give people maximum flexibility and freedom of choice in selecting the particular doctors, hospitals, and health delivery systems they desire;

Fifth, create the minimum amount of stultifying Federal bureaucracy, which Americans are coming so universally to detest;

Sixth, preserve in the Congress and in future administrations the greatest degree of flexibility as to what new programs, if any, will be needed to supplement those which we now enact; and

Seventh, result in a program which will not be either party's partisan political football to play with in years to come.

If we are able to achieve these goals, it will be a proud day for every lawmaker who feels that at least this much needs to be done—without a built-in presumption that it will lead to anything more.

I thank the Senator.

Mr. ROBERT C. BYRD. I thank the distinguished Senator.

Mr. LONG. I yield the floor.

The PRESIDING OFFICER. The Senator from Kentucky.

ENERGY

Mr. FORD. Mr. President, I thank the majority leader for his courtesy and I shall try not to take too much time.

But, Mr. President, on I believe it was April 5 of this year the President asked three of his agencies to report on increasing coal production and use, and that report was to be in in 60 days.

The report from the Department of Energy was submitted to the White House on June 4 and it has now become widely circulated among various individuals and groups.

Mr. President, this report, as I have read it, spells out in no uncertain terms the one point that still has not gotten across about our current energy situation.

That point is that we are talking about more than just an energy shortage. What we are really talking about is this Nation's economic survival in the near-term future.

The report, as I read it, lays it on the line that time is short, that the stakes are high. It makes it clear that by 1985 there will not be enough oil at any price to satisfy our energy demands or needs.

In the view of the Department of Energy the use of coal, both direct and indirect, is the only answer for the midterm.

Earlier recommendations regarding coal have not lived up to our expectations. But times are different now. The undertones are different, and the needs are far more apparent than ever before in the past.

I think this time it will be different. The report points out that in the past coal has been hobbled by across-the-board uncertainties, and that a stable regulatory framework is essential.

The report presents a very practical approach to the direct burning of coal, and inducements to change boiler use from oil to coal.

It also promises an aggressive and comprehensive synthetic fuels program.

There is a theme in this report, Mr. President, most of which is unsaid, but one that I have been speaking to for a long time. That theme points out the need for a central coal policy agency at the Federal level, a central financing agency for the development of synthetic fuels and the entire fossil fuel program; and, finally, the necessity of a uniform, expedited licensing system that is imperative for increasing coal production and use.

Mr. President, I ask unanimous consent that the report on increasing coal production and use by the Secretary of Energy, Dr. James R. Schlesinger, be printed in the RECORD at this point.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

INCREASING COAL PRODUCTION AND USE

Given the meager prospects for improvement in world oil supply and the long lead times for the introduction of other alternatives, the United States will require much greater use of coal in order to grapple effectively with the energy problems of the 1980's and 90's. Without greatly expanded use of coal, this country just may not make it.

In the abstract, the need to increase coal production and use is recognized by all. In practice, countless decisions, arrived at independently by various levels of government, tend to militate against the use of coal. If this nation is to cope effectively with economic and national security problems during the rest of this century, the obstacles to increased coal production and use must be removed by an effective national commitment to coal.

Two years ago the President presented the National Energy Plan (NEP) to the American public and to Congress. The NEP proposed measures that would keep oil imports at 6-7 million barrels per day (MMBD) in 1985. While many of these measures were enacted, three elements critical to greatly increased coal use have not been implemented.

Domestic oil and gas prices have not moved rapidly to world levels;

An industrial users tax and rebate mechanism, reinforced by a regulatory program, was not enacted;

A stable regulatory regime has not been established.

As a result of these and other factors, the use of coal in 1985 is expected to be substantially less than projected earlier and the demand for imported oil higher by at least 2 MMBD. At the same time, developments in the world oil market have made it increasingly doubtful that an additional 2–3 MMBD will be available.

The extended curtailment of Iranian exports and the reduced level at which production was resumed have brought closer the time when world oil demand exceeds available supply. There have been no other developments that have favorable oil supply implications for the near or long term. This more somber assessment of world oil prospects is based on the following considerations:

The situation in Iran has not stabilized and current exports of 2–3 MMBD could be stopped again at any time.

Saudi Arabia has delayed capacity expansion and has imposed restrictions on production.

Elsewhere in OPEC, no additions to capacity can be anticipated and current capacity continues to erode due to maintenance difficulties and maturing fields.

The disappearance of spare capacity makes the U.S. more vulnerable to random disturbances in the intricate global oil supply system. The nation is also more vulnerable to politically-inspired embargoes, imposed by any one of several small producers, that would have been little more than an inconvenience of few years ago.

Outside of OPEC, no new oil provinces have been discovered, despite continued drilling, to supplement the last large finds in the North Sea, North Slope and Mexico; and there is no improvement in the energy outlook for the Soviet Union.

The position of the price moderates in OPEC has been weakened by the change in Iran and the successful demonstration that less oil brings more money.

Consequently, there will be even less oil in the 1980's than was expected two years ago, and quite possibly no more than is available today. If additional oil is not available, increased demand will push world oil prices up causing higher rates of inflation and reducing output and employment. Under these circumstances, further increases in U.S. oil imports could be obtained only by bidding available supplies away from Europe, Japan and the less developed countries.

If further increases in oil imports are not available on acceptable terms, the nation will have to meet its additional energy needs from domestic resources. Although conservation has reduced growth in energy demand to half the rate of GNP growth, there is still a large increment of demand that must be met by domestic production. Domestic oil and gas output cannot be expected to increase sufficiently, even with greater investment. The use of solar and renewable energy resources will increase steadily in coming years, but long lead times in developing and placing these new technologies in commercial use will push their main contribution into the next century. Finally, increases from nuclear power may be reduced as a result of Three Mile Island.

The only conclusion that can be drawn is that coal must play the major role in meeting the nation's incremental energy needs for the rest of this country. The alternative is no longer imported oil because it will not be available. The only other alternative is a permanent slowdown of the economy.

Notwithstanding the critical need for coal, growth in domestic coal use is lagging. To meet the nation's energy needs, coal consumption will have to rise from 623 million tons last year to 1.8 billion tons by 1985 and 1.6 to 2.1 billion tons by 2000 depending on the contribution of nuclear power. This will require at least a 4.5% annual increase in coal use. Yet, over the last five years, annual growth has averaged 2%, and even less in recent years. The difference between a 2% and 4.5% annual rate of growth in coal use by the year 2000 is approximately 600 million tons of coal or the equivalent of 6 million barrels of imported oil per day. Additional oil in that quantity is not likely to be available.

The prospects for increased coal production and use will be determined by the following four factors:

1. Implementation of the Clean Air Act:

Coal is demand limited; and one of the principal constraints on demand for coal is the Clean Air Act. The objectives of the Clean Air Act are not at issue. However, the mechanics of its implementation have often presented an unintended obstacle to the increased use of coal. The states, which have the principal responsibility for achieving clean air objectives under the Act, have incentives to discourage internal coal use and to trust that the increased burning of coal occurs in other states. As a result, everyone favors greater coal use in the general, but few take the specific action necescary to bring this result about.

Many states have adopted stricter regulations in their implementation plans than necessary in order to establish reserve margins to provide for future economic growth or to simplify administration and enforcement. These margins may have been understandable when the energy problem was perceived as less serious. They are less understandable when they lead to increased oil imports and they reduce economic performance. Other provisions of the Clean Air Act and its implementing regulations could be changed so as to remove impediments to expanded coal use without violating National Ambient Air Quality Standards.

2. The ability of utilities to finance new coal capacity:

The displacement of oil from existing utility boilers depends largely on additions of new coal fired baseload capacity. Regulatory procedures, however, discourage utilities from retiring these boilers as rapidly as economically justifiable. Regulatory "lag" in an inflationary period makes it harder for utilities to raise capital and to undertake a replacement construction program. Public utility commissions are reluctant to allow utilities to build more capacity than needed to meet load growth plus a reserve margin. Regulatory accountng practices "front-load" capital charges, so that a new coal plant, which provides power more cheaply, paradoxically raises rates in the first few years. The net result is less coal use, more oil imports, and increased overall cost to consumers.

3. The reduction of coal's competitive advantage:

The cost advantage enjoyed by coal from the increase in world oil prices in the 1970's is disappearing under the impact of government regulations that increase the cost of mining, transporting and using coal. For example, coal prices have more than tripled over the past decade and almost doubled in the past four years. In particular, coal imports have been rising in recent years, while there is unemployment and as much as 100 million tons of unused capacity in the mines. Although the quantities of imports are not yet significant (4–6 million tons), the trend is disturbing and symptomatic.

4. The institutional impasse over coal:

Responsibilities for various aspects of coal production, transportation and use are relegated to different agencies and levels of government. No mechanism exists to resolve issues and establish a balance at the federal level below the President or to coordinate actions effectively at the federal, state and local levels. The result is the delay, inaction, finger-pointing and uncertainty that has led to the unacceptably low 2% rate of annual growth in coal use, accompanied by a rise in oil imports.

In addition to reducing the immediate constraints to conventional use of coal, the federal government, must also become actively involved in the development of capacity to produce synthetic fuels from coal. In the longer-term, synthetic fuels from coal will contribute increasingly to reducing the nation's dependence on imported oil. Because of the large capital expenditure, complex technologies and uncertainty over price, private investors are not willing today to make commitments to such projects without active and effective government support. But the nation can ill afford to wait. The worsening world oil price outlook makes actual capacity in these technologies increasingly more attractive and the costs of delay ever greater.

Two major strategies emerge for increasing coal production and use in this country:

In the near-term, increases must depend upon greater conventional use of coal in the utility and industrial sectors;

In the long-term, additional increases in coal use will depend upon new, non-conventional coal technologies and adequate coal production from federally owned western lands where most future increases in production will occur.

RECOMMENDATIONS

Conventional coal uses

(1) In view of the unavoidable conflict and need for a fine balance between coal use and air quality, I recommend that the President establish an independent task force, perhaps the Coal Commission, to examine modifications in the implementation of the Clean Air Act that could increase coal use without violating National Ambient Air Quality Standards. Examples of such measures are:

Urge the states to examine and revise their implementation plans where they are stricter than necessary to meet the National Primary Ambient Air Quality Standards;

Review the impact of non-attainment and prevention-of-significant-deterioration provisions of the Clean Air Act as they affect siting and the use of coal in industrial facilities;

Use intermittent control and improved monitoring systems where an exemption from the use of coal under the coal conversion program under the Fuel Use Act would otherwise be granted;

Reform the process of issuing permits for coal-fired plants by using more realistic air quality modeling; and

Revise the criteria and duration in Section 110(f) for temporary modification of State Implementation Plans (SIPs) that are more stringent than required to meet primary standards, including measures to place greater initiative with the President.

(2) To speed the substitution of coal for oil in existing facilities, I recommend that:

The Administration consider additional economic incentives to improve the cost advantage of coal, including augmented tax credits and depreciation allowances or phased-in boiler fuel taxes with rebates; and

The Administration develop a program to assist states in assuring adequate financing for utilities to add coal and other non-oil and gas generating capacity.

(3) To reduce the time required for siting and licensing coal burning plants, I recommend that:

A mechanism be established to encourage states to "bank" sites; and

A "one-stop" licensing system be established at the federal and state levels for coal-fired utility and industrial users of coal.

(4) To cut through the institutional impasse, I recommend that:

The President create a mechanism to resolve coal issues at the federal level that will preclude the usual bureaucratic stand-off; and

The National Governors Association be asked to address ways to bring greater unity to the efforts of the states and the federal government to increase coal production and use.

Non-conventional coal uses

(1) To assure the rapidly expanded use of new coal technology in the 1980's, I recommend that:

The Administration aggressively pursue the demonstration of a broad range of new coal technologies so that their technical, environmental, economic and financial characteristics are well known;

The Administration recognize that federal participation is necessary to accelerate the creation of meaningful synthetic fuel capacity in the late 1980's; and

High priority be placed on the implementation of the Administration's generic loan guarantee legislation.

(2) To provide adequate domestic supply for increasing coal use, I recommend that:

The Department of Interior's (DOI's) administration of leases incorporate multiple land use planning to permit timely leasing of high quality coal that can be developed with the least environmental risk;

DOI's surface mining regulations and unsuitability criteria be applied in a way that facilitates increased coal production; and

Diligent development of existing leases, and expeditious processing of all outstanding preference right leases be required.

(3) To ensure that problems in transportation do not erode coal's competitive advantage, I recommend that:

The Administration ensure that coal users do not bear a disproportionate share of the cost of upgrading and maintaining railroads;

The Administration's proposals for railroad deregulation emphasize protection for captive shippers, such as a ceiling on the tariff a railroad may charge, in addition to provisions for long-term freight contracts;

Priority be given to passage of the Administration's coal slurry pipeline legislation;

Measures be developed to halt the abandonment of trackage that will have a significant impact on coal hauling; and

The Department of Transportation (DOT) examine and recommend measures the states can take to ensure the adequacy of state roads to meet present and future coal transport needs.

CONCLUSION

The President has stated clearly and bluntly that the nation's energy problems are serious and getting worse. To help solve those problems, it is imperative that the United States stop using so much petroleum and start using more abundant fuels. While the contribution of nuclear power, solar energy and renewables will be helpful, the greater use of coal is indispensable. If this nation can overcome the unintended obstacles to greater coal use, then the prospects for our security and well-being are reasonably good. The time is right for a renewed national commitment to coal.

SALT: STRAIGHT ANSWERS FOR CONFUSED CITIZENS

Mr. FORD. Mr. President, I would also like to make one other point.

Mr. President, in the weeks ahead Members of this body will be asked to make an intelligent judgment on a new strategic arms limitation agreement between the United States and the Soviet Union. Like many of my colleagues, I find many still unanswered questions pertaining to this agreement. Without a doubt, the Senate can expect an extended debate on approval of this treaty in those weeks and months ahead.

Many words already have been written on the subject, but none so far have done a better job of addressing the varied dimensions of this proposal than those of an article by Richard Harwood in the "Outlook" section of the Sunday, June 10, Washington Post.

I call this article to the attention of the Members of the Senate and ask unanimous consent that it be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Post, June 10, 1979]

SALT: STRAIGHT ANSWERS FOR CONFUSED CITIZENS

(By Richard Harwood)

On Aug. 6, 1945, at 8:15 in the morning an American air crew dropped an atomic bomb on Hiroshima, Japan, a city with a civilian population of 245,000 people.

The bomb weighed 9,000 pounds. It was a fearful thing.

It killed outright approximately 100,000 men, women and children. Roughly the same number died later from injuries, burns and radiation.

The historian John Toland has described one of the scenes: ". . . 350 young girls from the Girls Commercial School had been working in an empty lot . . . They wore blue *mompei* [pajamas] and jackets but no hats or fire hoods, and those who turned, curious, toward the [flash]—almost 300 of them—were instantly doomed. Twelve-year-old Miyoko Matsubara's instinct was to bury her face in her arms. She regained consciousness in unimaginable desolation—no people, no buildings—only limitless rubble. Where were her *mompei?* All she had around her waist was a white cloth belt and it was on fire . . . She started to beat out the flames with her right hand but to her horror she saw strips of skin, her skin, dangling from it."

One of the American crewmen, Capt. Robert Lewis, saw the explosion from 31,000 feet. He cried out: "My God, what have we done."

They had done quite a lot, although the bomb they dropped was a "toy" compared with the 1979 models. It had a "yield," or explosive force, of 13,000 tons of TNT.

Our young pilots today, most of whom were not born until 1945, could fly over Leningrad some morning and with a single bomb, exploded at 8,000 feet, kill perhaps 900,000 people and seriously injure another 1,225,000. It would create winds of a velocity of 470 miles an hour—far greater than any hurricane. These winds would hurl people through the air at high speeds, smashing them into buildings. Air pressures from the explosion would strike houses with the force of 180 tons.

All that from one bomb. It would have a yield of 1 million tons of TNT and even that is not an especially large bomb as weapons are measured these days. The Russians some years ago built one with a yield of 100 million tons of TNT.

We and the Russians now have in our arsenals thousands of these weapons; their combined yield is measured in billions of tons of TNT, an explosive potential that is beyond comprehension. It is equal to several thousand tons of TNT for every man, woman and child on the face of the earth.

Another comparison: The annual consumption of dynamite in the United States for all industrial and construction purposes is 120,000 tons. A nuclear weapon of that explosive power is considered a popgun.

Our children have grown up with "nukes," although mine never talk about them. It's as if we've gotten comfortable with them or have simply hidden the dreadful knowledge in unused storage spaces of the mind. We have also disguised them with friendly names like Minuteman and Hounddog, or have made them into bland symbols with bureaucratic acronyms: SRAM, MIRV, MX, SLBM, ALCM. Few of us know what the initials mean and, thus, they are not threatening.

This is true of high levels of the national government.

One of President Carter's cabinet members told his staff recently that he knew that "SALT" must be important, but he really didn't understand what it was all about. Most of us are that way. We are vaguely aware that politicians and generals and "experts" of various description are arguing about SALT. But it doesn't mean anything to us because they don't talk our language. That's what this little essay is about: SALT and human lives.

When World War II ended in 1945, there was only one nuclear weapon in all the world—a U.S. atomic bomb rather like the one dropped in Hiroshima.

Today, the United States has 9,200 "strategic" nuclear warheads powerful enough to destroy cities, industrial complexes, military facilities and tens of millions of people. The Soviet Union has 4,500 "strategic" warheads. They are more powerful than the American warheads and have the potential of killing—instantly—160 million of us. The British have nuclear weapons. So do France, China and India. South Africa and Israel may have them. Taiwan, Korea and Pakistan are moving in that direction.

There has been a second major change since 1945. At that time, the only way to deliver a nuclear weapon to a distant target was by airplane. Now there are three "delivery systems"—airplanes, submarines that fire missiles from beneath the ocean and land-based missiles.

The third thing that has happened in these postwar years is a series of scientific achievements. The hydrogen bomb, far more powerful than the atomic bomb, has been invented. These new bombs or warheads are much smaller than the old ones and for more accurate; they can be hurled thousands of miles and will land within a few hundred feet of their targets. And because they are small, several of them, each guided to its own target, can be installed on a single rocket, and, thus, guided to several targets.

As these terrible arsenals have grown larger and larger over the years, people have argued that enough is enough, that since the United States and the Soviet Union can destroy one another there is no need to continue the race with death.

Robert McNamara, in effect, made this argument a decade ago when he was secretary of defense. He had an acronym for the situation: MAD. It stood for "mutual assured destruction" which meant simply the ability of either the United States or the U.S.S.R. to respond to any attack in such a devastating way that no attack would be worthwhile. This was an echo of Nikita Khrushchev's remark that in a nuclear war the "survivors would envy the dead."

For 10 years, "strategic arms limitation talks" (SALT) have gone on between the United States and the Soviet Union. The first agreements—"SALT I"—were reached in 1972. They included temporary limits on offensive weapons and a treaty sharply limiting the construction of anti-missile defenses on the theory that a country with an effective defense against missiles might be encouraged to start a war.

The second round of the strategic arms limitation talks (SALT II) has been under way for six years and has produced a treaty (except for a few details) which Carter and Brezhnev are expected to sign in Vienna this month.

The treaty, which must be approved by the U.S. Senate, would achieve two major objectives.

First, it establishes ceilings on the number and type of missiles and long-range bombers each side can have. That number is 2,400 until 1981. Thereafter the number would be 2,250.

Second, it commits both countries to begin a third round of talks (SALT III) which might produce further limitations on these weapons.

There are several things the treaty will not do. It will *not* reduce the number of nuclear warheads available to either side. On the contrary, thousands of new warheads will be built and added to the two arsenals.

By 1985, under terms of the treaty, the United States is likely to increase its nuclear warheads from 9,200 to 17,000. The U.S.S.R. is expected to increase its warhead stockpile from 4,500 to 9,500, and possibly to 18,000.

This will happen because more and more warheads will be loaded onto the allowable "vehicles."

Another thing the treaty will not do is to stop the development of new weapons. Each side will be allowed to develop one "new" missile and improve others. And there are no restrictions on exploration of that new frontier for war—non-nuclear weapons in outer space.

Thus, the SALT II treaty is in no sense a disarmament measure or even a reduction. It merely establishes upper limits for the present arms race.

Those who support the treaty, including President Carter, offer three arguments.

First, any limitation on nuclear weapons is better than none, and ceilings help the war planners prepare for the worst case.

Second, the agreement is essential to stable relations, or "detente," with the Soviet Union.

Third, the agreement guarantees that negotiations will continue (SALT III) and may lead to some form of real disarmament.

Those who oppose the treaty come from two directions. Advocates of disarmament, such as Sen. George McGovern (D-S.D.), argue rightly that SALT II does not achieve that objective. Furthermore, they contend, the treaty actually will stimulate the arms race, with each side using treaty loopholes to build new and more lethal weapons.

The other line of criticism comes from those who feel that the treaty freezes the United States into a position of nuclear inferiority. They believe the nation is already in peril.

These critics, such as Paul Nitze, have two principal fears. They believe that the Soviet Union already has an effective civil defense program that makes nuclear war feasible or "thinkable."

And they believe that with their new, "heavy" missiles, notably the SS–18, the Soviets may have a "war-winning" capability.

Within a few years, they say, sufficient numbers of these missiles will be in operation, ready to destroy in a single strike virtually all of the land-based missiles in the United States. That would leave U.S. submarines and bombers, of course, to launch a devastating counterattack.

There is no general disagreement on that point among either the supporters or critics of SALT II. There is also no disagreement on the fact that United States does not now have the same capability.

The disagreements arise over the meaning of this "non-winning" capability.

Critics of the treaty have written this theoretical scenario:

In response to some political or military crisis, the Soviet Union fires a sufficient number of its SS–18s and SS–19s to destroy our land-based missile. This might result in 20 million American deaths. The U.S. could retaliate with thousands of airborne and submarine-borne missiles. But instead of retaliating we would, in effect, surrender.

Why? Because the only targets we could hit would be cities and industrial complexes, and that would bring down on the United States mass destruction from the remaining Soviet weapons. In short, it would be better to lose 20 million than 160 million Americans.

Treaty advocates, such as Sen. John Culver (D-Iowa), reject that view. They think this "first strike" scenario is farfetched because the Soviets have no assurance that an American president would not unleash our nuclear arsenal regardless of the consequences. In short, the "balance of terror" would restain both sides.

These intellectual games are pure speculation. No one knows what would happen in a nuclear exchange or how people—including a Brezhnev or Carter—would behave.

The important thing is that this issue of first-strike capability is irrelevant to the SALT debate.

With or without a treaty, that situation will not change in the next three or four years. Moreover, the remedies for American vulnerability—better protection of our missiles and development of our own first-strike capability—are permitted under the treaty. The same is true of the civil defense issue.

Critics of the treaty have raised another concern—verification. The United States, they argue, can't be sure the Russians won't cheat.

The president and his men disagree. They claim that satellites and other electronic gadgets can monitor every important thing the Russians are doing. Nitze tends to agree with that.

This issue, like the first-strike issue, exists whether there is a treaty or not. The intelligence needs of the war-gamers are constant, and their monitoring capabilities are probably enhanced by the treaty, which legitimizes monitoring by both sides.

The SALT debate in the Senate is likely to go on for months. It will be filled with the jargon of the nuclear age—megatons, throw weights, CEP's, EMT's and all the acronyms we have invented. It will get into questions of first strikes and civil defense and foreign policy and defense policy and who is number one in the world.

Much of this will have nothing to do with the terms of the SALT II treaty. It will deal with the questions of Soviet intentions, America's place in the world and the diplomatic uses of nuclear might.

But the central facts of the treaty can be understood by any of us:

1. It is not a disarmament agreement, although it holds out an ephemeral hope for arms reductions in the SALT III negotiations which would follow.

2. It allows the United States to make up any military deficiencies it may now have and gives no new advantages to the Russians.

3. It contributes to the spirit, if not the reality, of detente, which simply means civil relationships between the United States and the Soviet Union.

Some years ago, a legislator arose in the Kentucky House of Representatives to urge approval of a bill. "This," he said, "is the best legislation you will consider this year. It don't help nobody and it don't hurt nobody."

In a cynical sense, the SALT II treaty is that kind of product. It will not lift from mankind the dreadful specter of bloated nuclear arsenals.

But it does establish the principle that at some point enough is enough. And it provides the link for future parleys at which future negotiators may decide that enough is really too much and that it is time to rid ourselves of some of these weapons.

You can't eat 14 billion tons of explosives?

Mr. FORD. Mr. President, I yield back whatever remainder of my time I have under the unanimous-consent agreement.

The PRESIDING OFFICER. The Senator from West Virginia.

RESOLUTION ON ALASKA NATIONAL INTEREST LANDS

Mr. STEVENS. Mr. President, the Alaska d–2 lands issue is one of the most important public land issues ever to face the Congress. However, there are a number of related issues which this Congress shall also deal with in the process of the allocation of public lands. The most obvious is the so-called RARE II national forest wilderness designation problem. Alaska's national forests and public lands are being considered for wilderness and other designations as part of the Alaska lands issue. It has always been my opinion that the action taken by Congress on this issue will foreshadow and set the precedent for future consideration of wilderness throughout the country. This has been recognized by Westerners throughout the Nation, who have rallied to Alaskans' support in seeking a balanced and sound legislative solution.

Recently, the Western States Legislative Forestry Task Force passed a resolution which it has distributed to President Carter, Secretary of the Interior Cecil Andrus, and the congressional delegations of the States of Alaska, California, Idaho, Oregon, Washington, and Montana. This resolution supports balanced and reasonable legislation which it is my goal also. The resolution calls on the Congress to act under its constitutional authority to provide for the final disposition of public lands.

Mr. President, it is increasingly important that Congress utilize its authority to insure that Alaska's public lands are dealt with rationally and reasonably.

I ask unanimous consent that this resolution from the Western States Legislative Forestry Task Force be printed in the Record.

There being no objection, the resolution was ordered to be printed in the Record, as follows:

Resolution Relative to Alaska National Interest Lands

Whereas, Secretary of Interior Andrus has withdrawn 110 million acres of Alaska land from mineral entry under authority granted by the Organic Act, Section 204; and

Whereas, on December 1, 1978, President Carter proclaimed 17 new National Monuments in Alaska with a total land area of 56 million acres; and, in addition, 7.8 million acres on the Tongass National Forest were requested to be withdrawn under Section 204(b)(1) of the FLPMA; and

Whereas, on December 1, 1978, the Assistant Secretary of Agriculture directed withdrawal of a special use road permit for bulk ore sampling on a proven molybdenum deposit in the Misty Fiords area of southeast Alaska; and

Whereas, the National Conference of State Legislators on May 9, 1978, adopted a policy relative to Alaska National Interest Lands that provided for mineral inventories prior to new federal classification; guaranteed access in all preservation systems; economic and environmental assessments on wilderness proposal; designation of new National Forest and provisions for development of agricultural potential lands in Interior Alaska; State management of resident game and the right to rehabilitate, maintain and enhance its fishery resources on all land and water in Alaska; and procedures for federal-state planning and management of state and federal lands; and

Whereas, President Carter's proclaimed withdrawals if not reversed effectively close land management options that are critically needed for the State of Alaska to have a balanced cultural, social and economic base instead of job displacements, lost productivity, needless increases in federal spending and further erosion of our federal balance of payments; and

Now, therefore be it resolved that the Western States Legislative Forestry Task Force urges the Members of the 96th Congress to enact legislation to designate the proclaimed National Monuments in Alaska into units of the National Conservation Systems with adequate areas designated as National Forests in order to ensure a balance of multiple use lands in Alaska's interior; and

Be it further resolved, that the Western States Legislative Forestry Task Force does hereby reaffirm the policy adopted by the National Conference of State Legislators on May 9, 1978, on Alaska's National Interest Lands and the Executive Director is hereby authorized and directed to forward copies of this resolution to President Carter, Interior Secretary Andrus, and Congressional delegates of the States of Alaska, California, Idaho, Oregon, Washington, and Montana.

On motion of Representative Richard Eliason, seconded by Assemblyman Norman Waters, the foregoing Resolution was duly passed and adopted this ninth day of December, 1978, by the Western States Legislative Forestry Task Force.

SALT II: WILL THE UNITED STATES BE BETTER OFF WITH OR WITHOUT A TREATY?

Mr. MUSKIE. Mr. President, whether we like it or not, America belongs to the world. We must have the oil of the Middle East, Africa, and Latin America. Much of the world must have our food and our technology.

We are called a "superpower," and the term is appropriate. The free world looks to us for economic leadership and for global security.

Inescapably, we are a key part of an interdependent global society.

Our global interdependence extends well and dangerously beyond the questions of energy supply and economic stability. All of us depend on the willingness of each country to maintain military restraint. And nowhere is this more true than in the case of the strategic nuclear balance between the United States and the Soviet Union.

On my recent trip to Portugal, Spain, NATO Headquarters in Brussels, Poland, and West Germany, every leader was concerned with three issues: Energy, the strength of the United States' economy, and SALT II. It is the last issue which I would like to explore today. I believe that the process which generated this treaty and which may lead to future arms control agreements is as important as any activity in which this country is involved.

Shortly, the President and Soviet leader Breshnev will sign a new Strategic Arms Limitation Treaty—SALT II. This treaty and the process which led to it has been the subject of national debate since Lyndon Johnson initiated the SALT process in 1967.

It is a debate of immense importance—nationally and internationally. Its ultimate resolution will affect the lives of every American and of every person in the world.

And it is an immensely complicated debate—there are no black and white differences—no right or wrong answers. Instead there are uncertainties and questions. Ultimately, it will involve difficult balancing judgments dealing with such serious questions as these:

Will the agreement reduce or alter the likelihood of nuclear war;

Will the treaty accelerate or slow down the arms race;

How large the budgetary costs of our strategic forces will be with the agreement, compared to the costs without;

Will the agreement increase or reduce political tensions between the United States and the Soviet Union;

Will the agreement increase or decrease the stability of Europe, both NATO and Warsaw pact countries;

Will the agreement be effectively enforced-verified; and

Will the agreement, in fact, enhance the security of the United States.

Each of these questions, as well as highly technical questions involving a comparison of our respective nuclear weapons systems must be carefully weighed by each Senator before he votes. When the final text of the treaty is available I hope the people who have developed it can make the case for ratification. The President, Secretary Vance, Secretary Brown, and the arms control negotiators have begun that effort. But they have a great deal yet to do. A great majority of the Senate is still undecided.

The question of verification of Soviet compliance is still very much open to debate.

As importantly, many Americans may doubt the validity of an arms control treaty that appears to accelerate arms investments.

I suspect some people in the Soviet Union are asking similar questions. A recent article by a former Nixon-Ford administration official in the Los Angeles Times analyzed SALT II from the perspective of Russians who are concerned about Soviet security.

The following is a typical excerpt:

> To the Russians, SALT II is a treaty of prohibition. They must reduce bombers and missile-launchers by 250. They cannot deploy their already-tested mobile missile, the SS–16. They must count all SS–18s as missiles with multiple warheads, even though some don't have multiple warheads. They must stop their current program of deploying additional missiles with multiple warheads by about 1982. They must not deploy any additional heavy missiles. They may deploy only one landbased missile, even though they may have several on the drawing boards of their four competing design bureaus. They may not increase the number of warheads on existing missiles, even though they are capable of carrying more. SALT II restricts the Russians.

Here is another excerpt:

> SALT II equates Russia's strategic nuclear force and America's strategic nuclear force. Yet Russia is threatened by three other potentially hostile nuclear-weapons states—Britain, France and China—while America is not now threatened by any other nuclear-weapons state. The nuclear capabilities of Britain, France or China are formidable. For instance, just one of the four British Polaris submarines could destroy 20% of Russia's industry and kill 10 to 15 million of its people.

Like the Soviets, we have our hardliners. They find equally critical reasons to challenge the agreement. They, too, are preoccupied with the question of security.

It is their judgment that this treaty creates a significant imbalance in favor of the Soviet Union, which could make us vulnerable to nuclear blackmail.

Second, they argue that the Soviet Union covertly benefitted from SALT I and thus gained a significant strategic arms advantage. They say that SALT II freezes America into a position of inequality.

Third, because of the Soviet Union's active efforts to destabilize the politics of such countries as Afghanistan, Ethiopia, the Yemen, and Angola, they argue that ratification should be linked to Soviet expansionism.

Fourth, they argue that the Soviet Union simply cannot be trusted. They are building up their military with real spending increases of 4 to 5 percent per year, and will continue to do so. And there is no reason to believe they will not break out of the agreement and deploy nuclear weapons.

Finally they argue that the agreement will make our ICBM's increasingly vulnerable to attack; thus, we stand to lose our best weapon system.

Of course, there is much more detail to these allegations. But you can perceive the breadth and the emotion of the debate from the perspective of American hawks and Russian hawks.

Who, then, supports the treaty? The President, two former Presidents; the leaders of Western and Eastern Europe, Japan, Australia, and New Zealand, and an overwhelming majority of the American public. They believe the agreement will reduce the likelihood of nuclear holocaust.

They advance a number of arguments for the treaty, including, most importantly, the need to continue the process of arms control which will lead to a SALT III and IV and to other efforts such as mutual and balanced force reductions and the comprehensive test ban treaty.

They point out that the agreement will:

Place limits on all types of strategic delivery vehicles, bombers, as well as ballistic and cruise missiles.

Increase the confidence level on both sides by clearly defining the capability of both sides.

Reverse the arms race and call for reductions from existing force levels. The Soviet Union will have to destroy about 250 of its strategic weapons.

Put an overall ceiling on the total number of warheads each side can have. This will put finite limits on the size of the threat to our land-based missiles in the Midwest. And it is warheads, as Henry Kissinger often reminded us, that kill.

Put restraints not only on the numbers but the qualitative arms race as well. Each side is limited to testing and deploying only one new type of ICBM, for instance.

Be sufficiently verifiable by using satellite photographs and other methods to insure that no signification violation of the treaty is possible.

Establish many new procedures to assist verification and remove uncertainties as to the strategic threat facing each nation.

Hold down the deployment of Soviet strategic forces well below that which they could deploy by 1985 absent an agreement.

Not affect our forward-based systems in Europe.

Reduce uncertainty in strategic planning. Allow the United States flexibility to continue current strategic programs and avoid the expenditure of hundreds of billions of dollars otherwise required without certainty and flexibility.

I have raised the major arguments presented by opponents and proponents. I believe the majority of U.S. Senators support the arms control process as I do, but will not become finally committed to this treaty unless and until very basic questions are answered.

The most basic question is this: Will the United States be better off with or without this agreement?

Will we be more or less secure?

Will our arms costs be greater or less?

And what will the Soviet Union do if there is no treaty?

However most Senators resolve the basic question—there remain political problems involved in any ratification attempt. Few Senators—though there are now more than in my memory—want to be identified as opposed to arms control.

But some Senators intend to so change the treaty that either it will lose support in the Senate or become unacceptable to the Soviets. They intend to do this in such a way that they are not held politically responsible for the consequences of a SALT breakdown. This is a dangerous course.

The Senate cannot constitutionally negotiate a treaty, though it can and should be consulted as the process evolves. It can and should try to affect the outcome of the negotiating process. It can and should express reservations and interpretations about the final document.

But to substantially amend that document—to alter the text—so as to say they are in favor of arms control—when in fact they intend to kill it is politically irresponsible. Each Senator must resolve whether or not the treaty is, on balance, an acceptable accord—in the best military, political, and economic interests of the United States.

And each of us, having participated in the debate—having established whatever interpretations on which we and the negotiators can agree—should vote for or against that treaty.

To do otherwise is to so politicize our foreign policy as to make our negotiators sterile—is to convince both our allies and our adversaries that our bargainers have no credibility.

We can reject this treaty. And if it is against our national interests in the minds of one-third plus one Senator, we will. We can approve this treaty, if in the minds of two-thirds of the U.S. Senate, it is better to have SALT II than not to have it. In that case we should.

But to cripple the treaty solely to avoid voting against arms control is to cripple the process. That is against the best interests of the United States, and likely to take us down the road of unlimited arms construction.

The debate over SALT II may be one of the most momentous debates of our time. All sides agree the outcome will affect the course of history.

The world spends hundreds of billions of dollars each year on arms. They are an escalating threat to peace. Moreover, such expenditures dilute the world's ability to feed the hungry, to meet the needs of the world's poor—in short to eliminate the inequities and tensions which lead to war.

That age-old dilemma has been ours to face since the beginning of time.

The SALT process may be a chance to change direction. Whether or not it meets this test is the question which we must resolve.

THE CHRISTIAN SCIENCE MONITOR HAS A FACELIFT

Mr. PERCY. Mr. President, the Christian Science Monitor has recently undertaken two major changes that will help the newspaper continue to be a leader. It is switching to an advanced system of electronic editing, and it has changed editorship.

As a daily reader of the Monitor for over 40 years, I have found its coverage of national and international affairs to be one of the most thorough and objective of any newspaper in the country, and find the perspective reflected on its editorial pages to be enlightening. The new editorship should be able to capitalize on these outstanding qualities and continue to edify its readers.

The dream of Mary Baker Eddy, the founder of the Christian Science Monitor, to use the newspaper for educational purposes has come true. Its readership includes people of all ages from every walk of life, and exposes them, many times, to new ideas.

One of the most innovative ideas that has come from the Monitor's staff, which has now become an institution, is the Godfrey Sperling press breakfast regularly held in Washington, D.C., since 1967. These events have brought together the top journalists in our Nation's Capital to meet with the current newsmakers for an informal discussion that many times prove to be extremely revealing and newsworthy.

Recently the Christian Science Monitor ran an editorial which aptly expressed its own past and discussed some aspects of what the future holds. At this time I ask unanimous consent to print in the Record the editorial written June 4, 1979, entitled "The Monitor Looks Ahead."

There being no objection, the editorial was ordered to be printed in the Record, as follows:

The Monitor Looks Ahead

As of this month, the Monitor is under a new dictorship. Before long, it also will be converting to an advanced system of electronic editing. These changes provide us an opportune occasion to scan the past and offer some thoughts for the future.

The past decade has brought a number of revolutionary changes and improvements. The Monitor converted from the conventional broadsheet to its present convenient format. It introduced a syndicated news service to other newspapers (208 now subscribe) and a news service to radio stations (265 subscribers). It launched transmission of the newspaper via high-speed facsimile equipment to remote printing plants. More recently it started a new pullout feature section and laid the groundwork for conversion to electonic editing.

Looking ahead, it is our hope not only to continue upgrading our technology to make possible more efficient production and delivery of the Monitor but to expand the means to carry out the newspaper's aim of providing reliable, fair, and objective coverage of the news. Today's changing, shrinking world demands changing, expanding approaches to that purpose. The sheer volume of information spawned by the revolution in communications—the mass of information is said to be growing exponentially every year—calls for careful selectivity of the news. Television and radio provide much basic information; the role of the print media is therefore shifting.

We believe our readers continue to want hard, factual information, but facts that are deemed most essential for an understanding of the turbulent events around us, facts which keep them well informed and equipped to make intelligent choices about public policies. Today, moreover, the "facts" can be elusive because of the complexity of issues. So, to serve readers, the newspaper must seek to cut through these confusing complexities and present and explain them in such a way that complex subjects are comprehended without being daunting.

Nor is a presentation of the facts alone sufficient. The Monitor wants to penetrate the meaning behind them, specifically the trends they portend and the fundamental challenges they pose. Most important, it would like to focus more on solutions rather than merely rehearse human problems, to search for and report on those fresh, constructive but tough-minded ideas germinating in human thought which can help individuals, communities and nations out of their difficulties. More and more, we feel, journalism must stretch its role to be not only informant and "monitor" but problem analyzer and solution finder. It is the public, of course, which must demand and prod solutions, but the press can be an effective leader for reform.

The Monitor sees its role expanding in other ways, too. It seeks increasingly to be a newspaper that enhances the life and beauty of the home. Every member of a family, whether the businessman father, the houseworker mother, the college son, or the teenage daughter—or if you will, the businesswoman mother, the houseworker father, or the small child—ought to be able to find in its pages something intriguing, delighting, and edifying. If the Monitor's coverage of international and national affairs is its backbone; we would like to think its articles on gardening, food, home furnishings, financial advice, books are its equally essential arms and legs. Our goal is a daily, selective diet of lively and helpful ideas.

These must all serve a purpose, of course, and that purpose, as defined by the founder of this newspaper, Mary Baker Eddy, is "to injure no man, but to bless all mankind." Mrs. Eddy saw the Monitor as an educational tool that would expand the horizon of readers, enlightening them and lifting them out of a preoccupation with their own private worlds into a deep and caring concern for their neighbors, near and far. Not a namby-pamby concern born of blinkered ignorance of the world's problems but a compassionate concern solidly grounded in a thorough, unvarnished understanding of them. Her Christian vision and inspiriation sprang from Christ Jesus' unparallelled demonstration of his own commandment "That ye love one another, as I have loved you," a demonstration which showed humanity how to escape from suffering and limitation.

This is the vision of warm outreach combined with feet-on-the ground perception which the Monitor would strive to exemplify—and convey to its readers. For, when all is said and done, this is what opens the way to the answers to human yearnings and aspirations.

NATIONAL CONFERENCE ON AGE AND EMPLOYMENT

Mr. PERCY. Mr. President, as a member of the Senate Select Committee on Aging, I am especially pleased with a program developed by institutions in my own State, Bankers Life & Casualty Co. of Chicago and Northeastern Illinois University, designed to advance the hiring and retention of older workers in America.

Bankers Life & Casualty Co. and Northeastern Illinois University for the second year in a row will join in cosponsoring the National Conference on Age and Employment on June 25 and 26, 1979. The purpose of this conference is to provide those attending an opportunity to discuss and share the experiences, systems, and procedures of their businesses, academic institutions, and service agencies in the hiring and retention of older workers.

This year's conference, which will be held in Chicago, has been purposely scheduled as close as possible to July 1, 1979, the date upon which enforcement of the Age Discrimination Employment Act will be transferred from the Labor Department to the Equal Employment Opportunity Commission. The timing of the conference, therefore, will serve to highlight the importance that this transfer of enforcement will have for older workers. It is hoped that the conference will achieve an increased understanding of the benefits and opportunities which have been made possible by this legislation and that it will assist in the dissemination of the requirements for compliance with the new legislation. Those attending will be personnel directors, legal counsels, training directors, pension planners, compensation managers, labor relations officers, union officers, negotiators, media representatives, private foundations, and affirmative action officers.

Dr. Arthur S. Flemming, Chairman of the Commission on Civil Rights, is the featured speaker at the opening banquet, and key representatives of both the Department of Labor and the Equal Employment Opportunity Commission will also address the conference. The conference will close with a presentation by WTTW Television in Chicago of a television broadcast which it produced and which aired in the Chicago area this spring dealing with the views and problems of older workers. This broadcast will run nationally in the fall.

It is refreshing to those of us in Congress who have been addressing the concerns of older workers through the legislative process to have such programs as this sponsored by the private sector. I wish to commend Bankers Life & Casualty Co. and Northeastern Illinois University for their cosponsorship of this National Conference on Age and Employment and for the leadership and support they have demonstrated in advancing this goal, which we all share, in encouraging the hiring and retention of older workers in America.

THE JOHN F. KENNEDY CENTER FOR THE PERFORMING ARTS

Mr. PERCY. Mr. President, the desire in America to participate in and appreciate the arts, in all of its expressions, is a strong and enduring force. And the John F. Kennedy Center for the Performing Arts is doing its part in meeting that demand. In my view, the greatest strength of the Center is its present and potential diversity of programs.

Congress and the American public played an important role in establishing the Kennedy Center in 1971. Since that time, the Center has attracted more than 30 million visitors. The Center has four major theaters: the Opera House, the Concert Hall, the Eisenhower Theater, and the Terrace Theater. It also includes a musical theater laboratory, a performing arts library, and the American Film Institute Theater. It has presented 7,000 performances to a total of 11 million visitors.

The outstanding success story of the Kennedy Center is due to the creative leadership of Roger L. Stevens, the unpaid, dedicated chairman of the board of trustees. Roger Stevens, along with Martin Feinstein, executive director for the Performing Arts, select the broad range of artistic performances which play at the Center. I believe there is interests in how these productions are selected. To that end, I thought I would share with my colleagues a recent article, written by Roger Stevens, which appeared in the May 27, 1979, edition of the Washington Post entitled "Booking the Kennedy Center." As revealed in the article, the main objective of these two men is one of "pleasing the public."

It is apparent that they have achieved remarkable success when we consider the unbelievable high occupancy rate of the theaters and the worldwide acclaim the Center has received. Most importantly, the Kennedy Center has changed the face of Washington, making it one of the leading cultural cities of the world.

I ask unanimous consent that the article by Roger Stevens entitled "Booking the Kennedy Center" be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Booking the Kennedy Center

(By Roger L. Stevens)

There seems to be some concern expressed recently regarding the booking policies of the Kennedy Center. Since the Center is a national institution, I feel the public is entitled to know what procedures we follow and how we arrive at the decisions that determine our actions.

First, I cannot stress enough the importance of keeping the theaters fully occupied, because the rental fees received from our auditoriums represent a major portion of our income. Since we receive no government funding for our theater operations, we are totally dependent for survival on this income, along with contributions from corporations, foundations, and individuals. It is true that because the Center is a national memorial the National Park Service provides maintenance of the building for the millions of tourists who visit the Center during the day, but we receive no government support for programming. In fact, we pay an occupancy fee to the Park Service for use of the building—estimated at $700,000 this year, which does not include our full cost of maintaining all the theaters and complex backstage facilities.

Through careful planning and aggressive booking, as well as originating our own production, the Eisenhower Theatre has been empty for only two weeks in the approximately eight years the Center has been open. The Opera House has been empty at the most for 10 weeks during this same period of time. The Concert Hall's main occupant is the National Symphony. When the symphony is not using the hall, it is usually occupied by leading orchestras, soloists and other miscellanous musical talent, who are generally presented by the Washington Performing Arts Society and other independent bookers.

The decisions as to who shall occupy the halls are made by Martin Feinstein, executive director for the performing arts, and myself. Since my experience has been largely in the theater, both legitimate and musical, I tend to concentrate on those bookings; and Martin, whose background has been in music and ballet, is responsible for those activities. We report our program plans well in advance to both the executive committee and the board of trustees. Although there are times when a decision must be made immediately in order to avoid losing a desirable booking, we try to plan as far in advance as possible in order to ensure that the halls are always filled—and yet filled with productions of the highest quality. Since we have been averaging on a year-round basis the sale of about 80 percent of the seats, which is considered excellent in theatrical circles, it is evident that we are achieving our main objective—that of pleasing the public.

A good illustration of the way Martin and I work occurred when we were in New York to see a show that had been highly praised by the critics and very successful and which we were considering bringing to the Kennedy Center. After the show, Martin said to me, "Did you like the show?" and I said, "No, did you?" and he said, "No." He said, "Shall we put it on?" and I said "Yes." I might add that there was not an empty seat for the four weeks that "A Little Night Music" played at the Center. Obviously, Feinstein and I were wrong. In other words, we try not to let our personal tastes interfere with practical booking considerations.

However, in a town like Washington where you have an extremely intelligent and perceptive audience there is always that inevitable difference of opinion, depending on personal taste. We would not be human if our choices pleased all of the people all of the time. In the long run, it is always "word of mouth" which decides the success of a play. No advertising campaign can compete with spontaneous conversation; the fate of many a play has been determined by this factor long after the impact of the reviews and subscriptions has been exhausted.

An interesting example of the power of "word of mouth" occurred during the run of Tennessee Williams' play, "Outcry," in the Eisenhower Theatre several years ago. There were many people who absolutely loathed the play, to the point of walking out in the middle. On the other hand, there were many very avid supporters of the show who were so vocal that attendance grew to the point where we had a financially successful run here in Washington.

Elsewhere on this page is a schedule of 15 plays that have future bookings through May 1980. It is interesting to note that of those 15, 10 were new plays, mostly by young authors. Two of them were hits in New York and one in London before they were shown here.

"The Mighty Gents" was the work of a promising black author, who we felt deserved a hearing. "The Last of Mrs. Cheyney" was done because of our great respect and admiration for Deborah Kerr, who was anxious to appear at the Kennedy Center last season and we agreed this would be a good vehicle for her.

"Players" marked the first time that a new Australian play had been presened in this country in 20 years. Other foreign plays were represented by the Comedie Francaise. And there was the English hit from the renowned National Theatre of Great Britain, "Bedroom Farce." During the 18-month period with which we are dealing, British plays took 11 weeks, the Comedie Francaise, 2; and the Australian play, 5—representing only about one-third of the time period devoted to non-American authors.

Under our Congressional Charter, we are specifically charged, as the National Cultural Center, with presenting productions from "this and other countries."

Of all the productions listed, six were produced by the Kennedy Center and seven were brought in by outside producers. We are always more than happy to accept plays by other producers when the occasion warrants it. However, the necessity of having to book so far in advance often means that the time slots requested simply are not available, regardless of the merit of the property involved, often causing disappointment—and sometimes unkind words—among the producers turned down.

As the schedule indicates, our future bookings in the Eisenhower include two plays recently written by Tom Stoppard and Harold Pinter, which will be seen for the first time in this country. In order to balance the program repertoire, we are reserving three vacant slots that we are hoping to fill with new American plays worthy of a production.

Needless to say, nothing is more rewarding than to produce an exciting new play. Although I am delighted to say that recently there seem to be more young promising playwrights on the horizon, there simply are not that many outstanding new properties that are ready for a first-class professional production, which, of course, is a necessity for the Eisenhower Theatre. In the future I would hope that our Musical Theatre Lab and new Terrace Theater would be able to provide developmental workshop and showcase opportunities for more experimental plays than we have been able to present in the past.

We do have our antenna out constantly searching for new material and talent at theater festivals and regional theaters around the country. And, what is equally important, we are continually talking to authors, directors and performers whose projects have not even yet materialized, in an effort to stay ahead of the game.

I might also point out that I read a minimum of 200 plays a year, which might include four or five readings of the same script if we are considering it for an actual production.

The Center has been in partnership with most of the well-known producers in the country, and we are frequently included in their producing plans. Having been in this business for 30 years, when something of unusual interest appears someone will usually bring it to my attention in its beginning stages. However, there can be barren periods when you go for a long time with nothing noteworthy coming to your attention.

I found myself in the middle of just such a desperate situation recently, and then, interestingly enough, several exciting prospects suddenly surfaced at one time. Gordon Davidson, who does a superb job running the Mark Taper Theater in Los Angeles, called me with a very intriguing new project—a play about the famous race to the North Pole between Scott and Amundsen.

Shortly thereafter, Leslie Stevens, an author whose works I had produced during the '50s, but who has been spending most of his time lately working on films and television, sent me a new script he has written and which I feel is very promising.

At almost the same time, Tennessee Williams' agent called to say he was sending me Tennessee's latest work. It's called "Clothes for a Summer Hotel," subtitled "a ghost-play in four scenes," and some of the ghosts are Zelda Fitzgerald and Ernest Hemingway. George White, who does an excellent job developing new plays at the O'Neill Center in New London, Conn., wants to show me a new play he feels is quite extraordinary.

And most recently, Lynn Austin, a friend and colleague whose judgment I greatly respect and who has been responsible for putting on some excellent off-Broadway shows, tells me she has a very special work by George Trow to bring to my attention.

In the Opera House, scheduling is not as difficult, because many of the dates of the engagements are made so far in advance. We know that we are going to be presenting about 18 weeks of ballet per season, scheduling that must be done at least a year ahead. There also are a certain number of weeks set aside each year for the Washington Opera. Special events such as the Vienna Opera take years of work.

We regard many of the above activities as "public service," called for in the congressional act setting up the Kennedy Center. They usually require extra financing in terms of private subsidy through donations and it is from the presentation of musicals that we secure the funds necessary to run the Opera House.

We save time for at least four and sometimes five musicals per year. Unlike ballet and opera, we never know where we stand on musical productions because they are put together sometimes only a few weeks before they arrive. The problem of finding good musical comedies is a difficult one, and the results of the last year have been very disappointing. Not only were most of last season's musicals received badly by the New York critics, but there seem to be none in the planning stage that look promising. Fortunately, in the case of musicals, one can go to an audition and get some idea of the work.

However, one may be fooled by auditions. The best presentation of "Platinum" was in a small apartment in which Martin Feinstein and I were the only audience. The composers and writers put their heart and soul into what we heard. They sold us so successfully on the material that the Center made a large investment to help get the production started. But from the first performance, it seemed to go downhill in spite of an excellent performance by Alexis Smith and heroic efforts on the part of the producers. Obviously, Gershwin's music in "Oh Kay" is sensational but the book was so old-fashioned that, in spite of many changes, the producer was unable to make the show come alive.

Since musicals today need such a large budget, it is not at all hard to become one of the participants in the financing. In fact, I would say practically every major musical being produced in this country comes to us for either a booking or funds or both. We are able to supply funds for musicals and plays through our Kennedy Center Productions, Inc. (KCPI), which is a nonprofit organization that for some reason sounds very mysterious to various investigators and critics of the Kennedy Center.

The Center itself is unable to borrow money because it is not authorized to do so, which at times is a handicap, but maybe in the long run keeps us out of trouble. However, KCPI does have a line of credit at a bank that is guaranteed in amounts up to $50,000 apiece by a dozen responsible, public-spirited individuals. We have had this revolving line of credit for the seven years that Kennedy Center Productions, Inc., has been in business, and I am happy to say that we have never had to call on any individual to put up money to repay this loan. In fact, at the moment, we are not even in debt to the bank and have some surplus funds available.

During these years, approximately $5 million has been advanced and returned to this nonprofit corporation. It is most important to point out that any profit secured from its operation belongs—by KCPI's charter—to the Kennedy Center. The individuals who so generously guarantee the loan are unable to profit in any way. I am not on the board of KCPI and cannot even vote. The board consists mostly of members who endorse the bank notes and other citizens interested in the welfare of the Center.

I have never personally made one cent out of any production financed by KCPI.

In the case of "Death Trap," which I am coproducing but which is not a KCPI play, I told the board of trustees of the Center that before I booked it here I would promise to turn over my share of any profit or fees in Washington to the Center as a gift.

The chairman of the board, Abe Fortas, gives very generously of his time and carefully watches the operations, which is probably why we have had such an outstanding record. The only operational expense is a small auditor's fee and whatever interest we have to pay the bank. Thus, it is thanks to the generosity of a few public-spirited individuals that we are able to have a source of production funds available on call through a line of credit that in no way obligates the Center itself.

The best example of the value of KCPI is the case of "Annie." We had a seven-week booking for this show, which was about to disappear because an important investor backed out at the last moment. We had to come up with a considerable amount of money—more than $150,000—practically overnight. Thanks to KCPI, we were able to solve the financing problem: and needless to say, "Annie" will now probably enable us to finance some other "chancey" shows in the years ahead.

Audiences differ from city to city, and what is a hit in Washington might be unsuccessful in New York or Boston or vice versa. We are firm believers in the fact that quality is the name of the game and that the public will respond to quality in theater, dance, music and opera. It will be noted from the list of plays in the box that practically every author is well known and successful, even though some of the results of their work might have been disappointing.

HEDLEY DONOVAN RETIRES

Mr. PERCY. Mr. President, many years ago while still in business, I went to the Far East with Time, Inc., and a group of other industrialists. Accompanying us, among other members of the Time, Inc., staff, was Editor-in-Chief Hedley Donovan. Over a period of several weeks, I had an opportunity to observe the superb qualities of this outstanding American whose influence on American thought and journalism has been so immense this past decade and a half. Those who know and respect him pay tribute to his past accomplishments on his retirement as editor-in-chief of Time, Inc.

Time, Inc. has been noted for the superiority of its management and staff in every respect. Hedley Donovan is a great credit to his colleagues, his profession, his friends, and his country.

Mr. President, I ask unanimous consent that an article by Phil Gailey that appeared in the Washington Star Sunday, June 3, be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

HEDLEY DONOVANS "THE KEY WORD IS FAIRNESS"

(By Phil Gailey)

NEW YORK.—Hedley Donovan came home from World War II in 1945 as a wanted man.

His name was on a list of Rhodes Scholars who had entered journalism before the war and Eric Hodgins, a Time Inc. vice president on a talent hunt for Fortune magazine, was trying to track down this promising young man from Brainerd, Minn.

Unknown to the talent scout, Donovan, who once considered teaching history, at the time was applying for a job with Fortune.

When the two finally met, Hodgins recommended Donovan as "a remarkable young man," who, if hired on a trial basis, "would be a very good gamble."

Hodgins did not know it at the time, but the magazine was about to take aboard the man who would succeed Henry A. Luce, cofounder, spiritual leader and supreme commander of Time Inc. until his death in 1967.

Last Friday, Donovan retired as editor-in-chief of Time Inc., a position he had held since Luce handed him the keys to his editorial kingdom in 1964.

Donovan, an unflappable, laconic man with a physical presence as imposing as a giant oak in a pine thicket, told his colleagues at a farewell dinner last week he would like to be remembered for quality of the managing editors, 14 of them, he has appointed, and for the "burst of magazine-making" he has presided over.

In the past six years, he has helped Time Inc. launch People and Money magazines, resurrect Life as a monthly and turn Fortune into a fortnightly.

His impact, however, has been much greater than his own modest assessment suggests.

In a way as low-key and measured as his own personality, Donovan in his 15 years as Time Inc.'s top editorial officer nudged Luce's magazines, and especially Time, away from the fierce partisanship and missionary zeal that had instructed confused, entertained and infuriated its readers for a couple of generations.

He led Time, an early supporter of the war, out of the Vietnam wilderness, kept it out front in reporting the Watergate story and, in the opinion of many journalists, made it more intellectually respectable and honest.

"I suppose in the course of things we've gotten more thorough, more careful—and maybe even more cautious, which in some ways may not be good for us," Donovan said in a recent interview in his office on the 34th floor of the Time-Life building. "I always thought Time's bias was exaggerated to some extent by your critics, but I think that's behind us."

Not that Donovan, or anyone else, pretends that Time is neutral these days. The key word is "fairness."

"The fairness Hedley has brought to the magazines is basically an extension of his own character," said one Time staffer. "He is an extremely fair and open-minded man, decent and good in the classic sense. Luce liked to present his opinions in sharply-honed, snappy prose. Hedley is more interested in the point than the prose."

Some wonder what Luce would say if he were around to see what his chosen successor has done with his magazines.

Under Donovan, Life supported Lyndon Johnson for president in 1964, the first time a Luce publication had endorsed a Democrat. Luce's reaction was that he was glad he was not the one who had to make that decision.

Three years later, a few months after Luce's death, Donovan would use Life's editorial page again to raise Time Inc.'s first reservations about the war in Vietnam. In its Nov. 12, 1973 edition, Time, in the magazine's first and only editorial, called on Richard Nixon to resign the presidency, an office Luce revered, because of his involvement in Watergate.

And in 1979, Time named as its "Man of the Year" Deng Xiaoping, the strongman in the People's Republic of China. Luce was an ardent anti-Communist and unyielding supporter of the Chiang Kai-shek government on Taiwan.

Luce knew what he wanted—and what the company needed—in the way of a successor. His sensors told him a new era was approaching, one that would require a man of the center, someone like Hedley Donovan.

"I think Luce saw a great steadiness in Hedley," said one former Time editor. "I also think he chose him for his integrity and the force of his character. Hedley's the kind of guy nobody would ever make an indecent proposal to."

Donovan was an unusual mixture of tradition and modern thought, a careful, controlled man who could moderate and lead the editorial establishment Luce had built through the social and political turbulence of the '60s.

Some of his colleagues say if they ever had to cross a mine field they would want Donovan to lead the way.

Although Donovan shared many of Luce's old-fashioned values, the two could not have been farther apart in style and temperament. Donovan, a strapping man with piercing blue eyes, a dry wit and a commanding voice not even his own children have ever heard raised in anger, is conservative in the classic sense.

"There is something moral about Hedley, a strong sense of right and wrong" said one friend. "He really believes in patriotism, the family, social order and Eagle Scout values. But he's always got an eye out for change and he doesn't mind admitting he's wrong."

In 1938, as a young reporter for The Washington Post, Donovan covered the famous Orson Welles radio hoax that had thousands of Americans convinced the Martians had finally landed. He wrote that Marines at the Quantico barracks were praying, crying and running for the woods.

The next day a delegation of angry Marines called on him. He took them to a drugstore for coffee, listened to their denial and wrote a correction.

It would not be the last time he would admit being wrong.

In the spring of 1967, after returning from a trip to South Vietnam, Donovan gave the commencement address at New York University. He said journalists and politicians must "consider the possibility of saying out loud that they were wrong" about the war.

It was the beginning of Time Inc.'s withdrawal from the Vietnam quagmire.

His son Mark once summarized his father's philosophy this way: "The intelligent thing to do is the moral thing to do."

When his three children misbehaved, Donovan calmly told them that they had been foolish, not bad. Or he would threaten to make Minnesota Twins slugger Harmon Killebrew Time's "Man of the Year." His children, Yankee fans, were horrified at the thought.

Joan Simpson Burns, interviewing Donovan for her book, "The Awkward Glance," scribbled this note to herself: "Can't get him to show an emotion except sort of a sense of humor. Nothing he says shows a bias that might demonstrate fear or anger or love or even liking."

To work in an organization, he told her, "I think you have to have the emotional stability . . . Temperament, you can have a certain amount if it seems to be closely associated with some aspect of your creativity.

"But if it seems merely eccentric or capricious or totally selfish or self-centered, then I think it's not compatible with operating executive jobs . . . It may be OK for individual writers or photographers or artists."

One evening in 1959 Luce asked Donovan, at the time managing editor of Fortune, to dinner. They talked about the bad state of the American novel, politics, theology and some of the problems at Fortune.

Toward the end of the evening, Donovan recalls, Luce almost "apologetically" told him he wanted to bring up something "rather personal."

Luce popped the question: Would Donovan be interested in having the editor-in-chief's job at Time Inc. when Luce decided to step down?

"I was not totally sure I wanted it," Donovan said recently. "I had in mind that after another three or four years at Fortune I might leave the company and do something different."

He also told Luce that he was bothered by some of Time's "positions and tendencies" and that if he took the job there would be some changes.

Fine, Luce replied, but would Donovan agree to be his successor?

Donovan hedged again. He suggested that by the time Luce retired someone else in the company might "look better" to him for the editor-in-chief job and that he shouldn't lock himself into a choice that night.

A year later Luce named Donovan his deputy, with the title of editorial director.

Tom Griffith, a former assistant managing editor of Time, was one of the first to sense Donovan's "creeping" presence.

Griffith, who was considered the house liberal in those days, was placed in charge of the magazine's coverage of the 1960 presidential election. He was determined to see that the magazine was fair to both candidates, unlike Time's coverage of the Eisenhower-Stevenson campaigns.

"That was quite an undertaking in those days and I discovered that I had a quiet ally in Donovan," said Griffith, now retired.

In 1964, when Luce stepped aside and Donovan took over as editor-in-chief, both men were to speak at a dinner marking the occasion at the New York Hilton.

Each had written his remarks without showing it to the other. Griffith, concerned that no awkward moments arise, offered to read the two speeches as a precaution.

Griffith underlined and brought to Luce's attention this paragraph in Donovan's text: "The vote of Time Inc. should never be considered to be in the pocket of any particular leader or party. The vote of Time Inc. is an independent vote."

Griffith recalls, "I showed it to Luce who nodded as to say, 'Yeah, I expected that.' "

Donovan also used the occasion to address another question on the minds of Time staffers.

Time, he said, "has always denied that there is such a thing as antiseptic objectivity. We do not claim to be neutral; we do claim to be fair.

"But our occasional lapses hurt us among some of the very people our magazines are meant for. I have sometimes heard it said that it will be a sorry day for Time Inc. if we ever run out of enemies . . . We do indeed have some enemies to be proud of, and we want to keep them. We also have some unnecessary enemies whom we acquired rather carelessly."

As an editor, it was not Donovan's style to push or dictate. When he called a writer or editor into his office it was to discuss his "druthers" and "bothers" about a particular story. His solemn gaze has been described by one Time staffer as the look of a "stunned bull."

"He'd never let you get in a cheap shot by leaving out the half of the argument you were unsympathetic to," said Griffith.

Andrew Heiskell, chairman of the board of Time Inc., put it this way: "Hedley's style of editing has been to nudge, not thunder. His style of management has been to clarify, not maneuver. He is on occasion a man of few words because he has learned to use the pause like a scapel, silence like a sledgehammer."

Donovan, his colleagues say, shared authority without diluting it. He appointed managing editors and let them run their magazines. "You're not going to get first-class people to push buttons for autocrats," he said.

In retirement, Donovan will work as a consultant for Time Inc. and serve in a number of corporate, university and foundation trustee and directorship positions. He will remain on The Washington Star's board of directors.

He also plans to teach part-time at Harvard, work on a book and from time to time move piles of rocks.

For Donovan, balancing considerations of weight control and aesthetics, likes to rearrange the rocks on the beach in front of his home on Long Island Sound.

ROBERT McNAMARA RECEIVES ALBERT PICK AWARD

Mr. PERCY. Mr. President, as you and many of my colleagues may have read in the press, Robert McNamara received the Albert Pick, Jr., award for international understanding last month. The award was presented May 22 at the University of Chicago.

Throughout the day of the award, there were demonstrations and teach-ins on campus protesting the fact that Mr. McNamara was named as the recipient because he served as Secretary of Defense during the early part of the Vietnam war. The controversy is a reminder of the long, tumultuous national debate that surrounded our involvement in the Vietnam war.

Despite my own opposition to continued U.S. involvement in Vietnam and despite my own memory of that sad chapter in American history, I believe that Robert McNamara was an outstanding choice for the Pick Award. I have known him for many years, as an industrialist and public official, and I have always admired the sincerity of his views, his brilliance, and his dedication to this country. His work as president of the World Bank has been outstanding and has contributed to the betterment of the lives of millions of people around the world. He has consistently and effectively made the case for U.S. participation in developing the economies of the developing nations and his efforts have been applauded by Americans and foreign dignitaries alike.

I commend the University of Chicago for its selection of Robert McNamara as the first recipient of the Albert Pick Award. It took courage because there was no doubt that the choice would be controversial. But the university stood up for what it believed because it knew the award was justified. And I also commend University of Chicago President Hannah H. Gray for her response to the demonstrations that were staged in opposition to the awards. As Dr. Gray said: "Responsible dissent and dicussion are essential to the university's task." The university has not preferred any charges against those who were arrested in connection with the demonstrations and there is no intention of pressing charges in the future. Certainly the attention the demonstrations brought to the award could not have been achieved in any other way. I wish to share with my colleagues the speech that Robert McNamara gave at the award dinner, and ask unanimous consent that it be printed in the RECORD.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

REMARKS BY ROBERT S. McNAMARA

President Gray, Dr. Harris, Mrs. Pick, and Ladies and Gentlemen: I am deeply honored and grateful for this award—for the sculpture which accompanies it, and for the generous cash prize of $25,000, which I will contribute to a development-oriented activity.

It seems to me that what the Directors of the Albert Pick, Jr. Fund, and this great university had in mind in establishing this award honoring international understanding was to point out that we need to think more profoundly about the new kind of world that is emerging around us.

The old order is certainly passing. Perhaps the beginning of its breakdown can be dated from that cold December day in 1942 when a few hundred yards from where we are now sitting the first nuclear chain reaction began. The consequences of that event were to transform our whole concept of international security because now Man had the capacity not merely to wage war, but to destroy civilization itself.

If I may on this occasion speak quite personally, I had of course to wrestle with the problem of the fundamental nature of international security during my tenure as U.S. Secretary of Defense, and in 1966 I spoke publicly about it in a speech to the American Society of Newspaper Editors meeting in Montreal.

My central point was that the concept of security itself had become dangerously oversimplified. There had long been an almost universal tendency to think of the security problem as being exclusively a military problem, and to think of the military problem as being primarily a weapons-system or hardware problem.

"We still tend to conceive of national security," I noted, "almost solely as a state of armed readiness: a vast, awesome arsenal of weaponry."

But, I pointed out, if one reflects on the problem more deeply it is clear that force alone does not guarantee security, and that a nation can reach a point at which it does not buy more security for itself simply by buying more military hardware.

That was my view then. It remains my view now.

Let me be precise about this point.

No nation can avoid the responsibility of providing an appropriate and reasonable level of defense for its society. In an imperfect world that is necessary. But what is just as necessary is to understand that the concept of security encompasses far more than merely military force, and that a society can reach a point at which additional military expenditure no longer provides additional security.

Indeed, to the extent that such expenditure severely reduces the resources available for other essential sectors and social services—and fuels a futile and reactive arms race—excessive military spending can erode security rather than enhance it.

Many societies today are facing that situation. Certainly the world as a whole is. And any sensible way out of the problem must begin with the realization of the dangers and disproportionate costs that extravagant military spending imposes on human welfare and social progress.

Global defense expenditures have grown so large that it is difficult to grasp their full dimensions.

The overall total is now in excess of $400 billion a year.

An estimated 36 million men are under arms in the world's active regular and paramilitary forces, with another 25 million in the reserves, and some 30 million civilians in military-related occupations.

Public expenditures on weapons research and development now approach $30 billion a year, and mobilize the talents of half a million scientists and engineers throughout the world. That is a greater research effort than is devoted to any other activity on earth, and it consumes more public research money than is spent on the problems of energy, health, education and food combined.

The United States and the Soviet Union together account for more than half of the world's total defense bill, and for some two-thirds of the world's arms trade.

And yet it is not in the industrialized nations, but in the developing countries that military budgets are rising the fastest.

On average around the world, one tax dollar in six is devoted to military expenditure, and that means that at the present levels of spending the average taxpayer can expect over his lifetime to give up three or four years' of his income to the arms race.

And what will he have bought with that?

Greater security?

No. At these exaggerated levels, only greater risk, greater danger, and greater delay in getting on with life's real purposes.

It is imperative that we understand this issue clearly.

The point is not that a nation's security is relatively less important than other considerations. Security is fundamental.

The point is simply that excessive military spending can reduce security rather than strengthen it.

In the matter of military force—as in many other matters in life—more is not necessarily better. Beyond a prudent limit, more can turn out to be very much worse.

And if we examine defense expenditures around the world today—and measure them realistically against the full spectrum of actions that tend to promote order and stability within and among nations—it is obvious that there is a very irrational misallocation of resources.

Is there any way, then, to moderate the mad momentum of a global arms race?

No very easy way, given the degree of suspicion and distrust involved.

But as one who participated in the initial nuclear test ban arrangements, and other arms limitation discussions, I am absolutely convinced that sound workable agreements are attainable.

These matters clearly call for realism. But realism is not a hardened, inflexible, unimaginative attitude. On the contrary, the realistic mind should be a restlessly creative mind—free of native delusions, but full of practical alternatives.

There are many alternatives available to an arms race. There are many far better ways of contributing to global security. I suggested a number of those ways in my address in Montreal in 1966, pointing out the importance of accelerating economic and social progress in the developing countries. When, two years later, I left the Pentagon for the World Bank this was an aspect of world order with which I was particularly concerned.

Eleven years in that institution, combined with visits to some 100 of the developing countries, have contributed immeasurably to my international understanding. They have permitted me to explore the whole new world that has come to political independence—in large part over the past quarter century.

I have met the leaders of this new world—their Jeffersons and Washingtons and Franklins—and have sensed their pride and their peoples' pride in their new national independence, and their frustrations at their economic dependence.

I have shared their sense of achievement at the remarkable rate of economic growth which many of them attained, largely by their own efforts. But I have been appalled by the desperate plight of those who did not share in this growth, and whose numbers rose relentlessly with the great tide of population expansion.

There are today more than one billion human beings in the developing countries whose incomes per head have nearly stagnated over the past decade. In statistical terms, and in constant prices, they have risen only about two dollars a year: from $130 in 1965 to $150 in 1975.

But what is beyond the power of any set of statistics to illustrate is the inhuman degradation the vast majority of these individuals are condemned to because of poverty.

Malnutrition saps their energy, stunts their bodies, and shortens their lives. Illiteracy darkens their minds, and forecloses their futures. Preventable diseases maim and kill their children. Squalor and ugliness pollute and poison their surroundings.

The miraculous gift of life itself, and all its intrinsic potential—so promising and rewarding for us—is eroded and reduced for them to a desperate effort to survive.

The self-perpetuating plight of the absolute poor tends to cut them off from the economic progress that takes place elsewhere in their own societies. They remain largely outside the entire development effort, neither able to contribute much to it, nor benefit fairly from it.

And when we reflect on this profile of poverty in the developing world we have to remind ourselves that we are not talking about merely a tiny minority of unfortunates—a miscellaneous collection of the losers in life—a regrettable but insignificant exception to the rule. On the contrary, we are talking about hundreds of millions of human beings—40 percent of the total population of over 100 countries.

Is the problem of absolute poverty in these nations solvable at all?

It is. And unless there is visible progress towards a solution we shall not have a peaceful world. We cannot build a secure world upon a foundation of human misery.

Now how can we help lift this burden of absolute poverty from off the backs of a billion people? That is a problem we have been dealing with at the World Bank intensively for the past six or seven years.

It is clear that we in the richer countries cannot do it by our own efforts. Nor can they, the masses in the poorest countries, do it by their own efforts alone. There must be a partnership between a comparatively small contribution in money and skills from the developed world, and the developing world's determination both to increase their rate of economic growth, and to channel more of the benefits of that growth to the absolute poor.

Most of the effort must come from the developing countries own governments. By and large they are making that effort.

In the past decade, the poor nations have financed over 80% of their development investments out of their own meager incomes. But it is true they must make even greater efforts. They have invested too little in agriculture, too little in population planning, and too little in essential public services. And too much of what they have invested has benefitted only a privileged few.

That calls for policy reforms, and that is, of course, always politically difficult. But when the distribution of land, income, and opportunity becomes distorted to the point of desperation, political leaders must weigh the risk of social reform against social rebellion. "Too little too late" is history's universal epitaph for political regimes that have lost their mandate to the demands of landless, jobless, disenfranchised, and desperate men.

In any event, whatever the degree of neglect the governments in the poor countries have been responsible for, it has been more than matched by the failure of the developed nations to assist them adequately in the development task.

Today, Germany, Japan, and the United States are particularly deficient in the level of their assistance.

The case of the United States is illustrative. It enjoys the largest gross national product in the world. And yet it is currently one of the poorest performers in the matter of Official Development Assistance. Among the developed nations, Sweden, the Netherlands, Norway, Australia, France, Belgium, Denmark, Canada, New Zealand, and even—with all its economic problems——the United Kingdom: all of these nations devote a greater percentage of their GNP to Official Development Assistance than does the U.S.

In 1949, at the beginning of the Marshall Plan, U.S. Official Development Assistance amounted to 2.79 percent of GNP. Today, it is less than one-tenth of that: .22 percent of GNP. And this after a quarter-century during which the income of the average American, adjusted for inflation, has more than doubled.

There are, of course, many sound reasons for development assistance.

But the fundamental case is, I believe, the moral one. The whole of human history has recognized the principle that the rich and powerful have a moral obligation to assist the poor and the weak. That is what the sense of community is all about—any community: the community of the family, the community of the nation, the community of nations itself.

Moral principles, if they are really sound—and this one clearly is—are also practical ways to proceed. Social justice is not simply an abstract ideal. It is a sensible way of making life more livable for everyone.

Now it is true that the moral argument does not persuade everyone.

Very well. For those who prefer arguments that appeal to self-interest, there are some very strong ones.

Exports provide one out of every eight jobs in U.S. manufacturing, and they take the output of one out of every three acres of U.S. farm land—and roughly one third of these exports are now going to the developing countries.

Indeed, the U.S. now exports more to the developing countries than it does to Western Europe, Eastern Europe, China, and the Soviet Union combined.

Further, the U.S. now gets increasing quantities of its raw materials from the developing world—more than 50 percent of its tin, rubber, and manganese plus very substantial amounts of tungsten and cobalt, to say nothing of its oil.

The U.S. economy, then, increasingly depends on the ability of the developing nations both to purchase its exports, and to supply it with important raw materials.

And the same sort of relationship of mutual interdependence exists between the other industrialized countries—the Common Market, and Japan—and the developing world.

Thus, for the developed nations to do more to assist the developing countries is not merely the right thing to do, it is also increasingly the economically advantageous thing to do.

What will it cost the United States and the other industrialized countries to do more?

Far less than most of us imagine.

The truth is that the developed nations would not have to reduce their already immensely high standard of living in the slightest, but only devote a minuscule proportion of the additional per capita income they will earn over the coming decade.

It is not a question of the rich nations diminishing their present wealth in order to help the poor nations. It is only a question of their being willing to share a tiny percentage—perhaps 3 percent—of their incremental income.

It is true that the developed nations, understandably preoccupied with controlling inflation, and searching for structural solutions to their own economic imbalances, may be tempted to conclude that until these problems are solved, aid considerations must simply be put aside.

But support for development is not a luxury—something desirable when times are easy, and superfluous when times become temporarily troublesome.

It is precisely the opposite. Assistance to the developing countries is a continuing social and moral responsibility, and its need now is greater than ever.

Will we live up to that responsibility?

As I look back over my own generation—a generation that in its university years thought of itself as liberal—I am astonished at the insensitivity that all of us had during those years to the injustice of racial discrimination in our own society.

Will it now take another 50 years before we fully recognize the injustice of massive poverty in the international community?

We cannot let that happen.

Nor will it happen—if we but turn our minds seriously to the fundamental issues involved.

Increasingly the old priorities and the old value judgments are being reexamined in the light of the increasing degree of interdependence that is developing among nations—and it is right that they should be.

Once they are thought through, it will be evident that international development is one of the most important movements underway in this century.

It may ultimately turn out to be the most important.

Our task, then, is to explore—to explore a turbulent world that is shifting uneasily beneath our feet even as we try to understand it. And to explore our own values and beliefs about what kind of a world we really want it to become.

It was T. S. Eliot, in one of his most pensive moods, who wrote:

"We shall not cease from exploration
"And the end of all our exploring
"Will be to arrive where we started
"And know the place for the first time."

Thank you, and good evening.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Chirdon, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

PRESIDENTIAL APPROVALS

A message from the President of the United States stated that on June 13, 1979, he had approved and signed the following acts:

S. 7. An act to amend title 38, United States Code, to revise and improve certain health-care programs of the Veterans Administration, to authorize the construction, alteration, and acquisition of certain medical facilities, and to expand certain benefits for disabled veterans, and for other purposes; and

S. 709. An act to authorize appropriations for the Coast Guard for fiscal years 1980 and 1981, and for other purposes.

MESSAGES FROM THE HOUSE

At 10:50 a.m., a message from the House of Representatives delivered by Mr. Berry, one of its reading clerks, announced that the House has agreed to House Concurrent Resolution 140, a concurrent resolution providing for a joint session of the two Houses on Monday, June 18, 1979, to receive a message from the President of the United States, in which it requests the concurrence of the Senate.

At 11:54 a.m., a message from the House of Representatives delivered by Mr. Gregory, one of its reading clerks, announced that the House agrees to the amendment of the Senate to H.R. 3577, an act to amend section 8 of the National Advisory Committee on Oceans and Atmosphere Act of 1977 to authorize appropriations to carry out the provisions of such act for fiscal year 1980, and for other purposes.

COMMUNICATIONS

The PRESIDING OFFICER laid before the Senate the following communications, together with accompanying reports, documents, and papers, which were referred as indicated:

EC–1586. A communication from the Chairman, Board of Governors, Federal Reserve System, transmitting, pursuant to law, a report on the advisability of Edge Corporation membership in the Federal Reserve System, June 13, 1979; to the Committee on Banking, Housing, and Urban Affairs.

EC–1587. A communication from the Secretary of Transportation, transmitting a draft of proposed legislation to amend section 4170 of the Revised Statutes of the United States (46 U.S.C. 39), to simplify the issuance of a new document upon sale or transfer of a documented vessel of the United States; to the Committee on Commerce, Science, and Transportation.

EC–1588. A communication from the Secretary of Commerce, transmitting a draft of proposed legislation to amend section 502(a) of the Merchant Marine Act, 1936; to the Committee on Commerce, Science, and Transportation.

EC–1589. A communication from the Secretary of Commerce, transmitting a draft of proposed legislation to extend the provisions of title XII of the Merchant Marine Act, 1936, relating to war risk insurance; to the Committee on Commerce, Science, and Transportation.

EC–1590. A communication from the General Counsel, Department of Energy, reporting, pursuant to law, notice of a meeting related to the International Energy Program; to the Committee on Energy and Natural Resources.

EC–1591. A communication from the Acting Secretary of the Interior, reporting, pursuant to law, that Chevron U.S.A., Inc. has submitted an application to the Department for repayment of excess minimum royalties totaling $30,000 for lease OCS–G–1995, West Cameron Block 145, offshore Louisiana; to the Committee on Energy and Natural Resources.

EC–1592. A communication from the Acting Administrator, General Services Administration, transmitting, pursuant to law, a prospectus which proposes a succeeding lease for space presently occupied in the Page Building 1 at 2001 Wisconsin Avenue, NW., Washington, D.C.; to the Committee on Environment and Public Works.

EC–1593. A communication from the Acting Administrator, General Services Administration, transmitting, pursuant to law, a prospectus which proposes a succeeding lease for space presently occupied at Pershing Point Plaza, Atlanta, Georgia; to the Committee on Environment and Public Works.

EC–1594. A communication from the Acting Administrator, General Services Administration, transmitting, pursuant to law, a prospectus which proposes a succeeding lease for space presently occupied in the Tishman Building, 525 Market Street, San Francisco, California; to the Committee on Environment and Public Works.

EC–1595. A communication from the Acting Administration, General Services Administration, transmitting, pursuant to law, a prospectus which proposes a succeeding lease for space presently occupied at the JFK International Airport, Jamaica, New York; to the Committee on Environment and Public Works.

EC–1596. A communication from the Chairman, Nuclear Regulatory Commission, transmitting, pursuant to law, a report entitled "Assessment of the Capabilities and Research Needs of the Environmental Protection Agency and the Nuclear Regulatory Commission in the Area of Health Effects of Low-Level Ionizing Radiation"; to the Committee on Environment and Public Works.

EC–1597. A communication from the President of the United States, transmitting a draft of proposed legislation to amend the Federal Water Pollution Control Act, as amended, and the Solid Waste Disposal Act, as amended, to provide a system of response, liability, and compensation for releases of oil, hazardous substances, and hazardous wastes, to establish a response and liability fund, and for other purposes; to the Committee on Environment and Public Works.

EC–1598. A communication from the Administrator, United States Environmental Protection Agency, reporting, pursuant to law, on the Environmental Protection Agency's five year research plan; to the Committee on Environment and Public Works.

EC–1599. A communication from the Secretary of Health, Education, and Welfare, transmitting a draft of proposed legislation to change the method of Medicare reimbursement for health maintenance organizations; to the Committee on Finance.

EC–1600. A communication from the Acting Assistant Administrator for Legislative Affairs, Agency for International Development, Department of State, reporting, pursuant to law, justification of an increase in the funding level of the proposed fiscal year 1979 program in Liberia; to the Committee on Foreign Relations.

EC–1601. A communication from the Acting Assistant Administrator for Legislative Affairs, Agency for International Development, Department of State transmitting, pursuant to law, the fourth semi-annual report on small business procurement under programs of AID; to the Committee on Foreign Relations.

EC–1602. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Multiple Problems With the 1974 Amendments to the Federal Employees' Compensation Act," June 11, 1979; to the Committee on Governmental Affairs.

EC–1603. A communication from the Assistant Secretary for Management and Budget, Department of Health, Education, and Welfare, transmitting, pursuant to law, a report on a new system of records; to the Committee on Governmental Affairs.

EC–1604. A communication from the Chairman, Nuclear Regulatory Commission, transmitting, pursuant to law, a report on the administration of the Government in the Sunshine Act; to the Committee on Governmental Affairs.

EC–1605. A communication from the Chairman, Council of the District of Columbia, transmitting, pursuant to law, Act 3–50, "District of Columbia Surplus Property Authority Act of 1979," and report, adopted on May 22, 1979; to the Committee on Governmental Affairs.

EC–1606. A communication from the Chairman, Council of the District of Columbia, transmitting, pursuant to law, Act 3–51, "District of Columbia Comprehensive Merit Personnel Act Amendments of 1979," and report, adopted on May 22, 1979; to the Committee on Governmental Affairs.

EC–1607. A communication from the Director, Administrative Office of the United States Courts, reporting, for the information of the Senate, an error in the print of one of the amendments to the Federal Rules of Criminal Procedure transmitted to the Congress on April 30, 1979; to the Committee on the Judiciary.

EC–1608. A communication from the Assistant Attorney General for Legislative Affairs, Department of Justice, transmitting a draft of proposed legislation to amend section 274 of the Immigration and Nationality Act relating to the seizure of vessels, vehicles, and aircraft by the Immigration and Naturalization Service; to the Committee on the Judiciary.

EC–1609. A communication from the Secretary of Health, Education, and Welfare, transmitting a draft of proposed legislation to extend the Fund for the Improvement of Postsecondary Education for one year; to the Committee on Labor and Human Resources.

EC-1610. A communication from the Secretary of Health, Education, and Welfare, transmitting a draft of proposed legislation to extend the National Institute of Education for one year; to the Committee on Labor and Human Resources.

PETITIONS

The PRESIDING OFFICER laid before the Senate the following petitions and memorials, which were referred as indicated:

POM-288. A joint resolution adopted by the Legislature of the State of North Carolina; to the Committee on Commerce, Science, and Transportation:

"SENATE JOINT RESOLUTION 822

"Whereas, the availability of federal funds, from the United States Coast Guard, was established by the Federal Boat Safety Act of 1971 for states which complied with the federal law by requiring the registration of all motorboats and by meeting other criteria established by federal law; and

"Whereas, the State of North Carolina enacted legislation in 1975 to comply with the federal laws to establish eligibility for the federal grant and maintain State control of its boating program; and

"Whereas, such federal funds, in the amount of five hundred fifty-seven thousand eighty-eight dollars ($557,088), have been received by North Carolina and used by the Wildlife Resources Commission to develop a boating safety course for our public school system, to provide for enforcement of the boating laws, to provide programs of waterway marking to improve boating safety, and to promote water safety generally; and

"Whereas, the discontinuation of these funds, as is planned in the budget of the United States Coast Guard, would diminish the State's capabilities to provide boating safety courses, aids to navigation, and safety patrols;

"Now, therefore, be it resolved by the Senate, the House of Representatives concurring:

"Section 1. The North Carolina General Assembly urges the Congress of the United States to enact legislation which would return to the several states for their use in supporting boating related programs the federal tax on fuel used to power motorboats, as was introduced by the Honorable Mario Biaggi in the Second Session of the Ninety-fifth Congress.

"Sec. 2. Copies of this resolution shall be transmitted to the Speaker of the House of Representatives, the President of the Senate of the United States, the Honorable Mario Biaggi, and members of the North Carolina delegation to the Congress in order that they may be apprised of the sense of this body.

"Sec. 3. This resolution is effective upon ratification.

"In the General Assembly read three times and ratified, this the 6th day of June, 1979."

POM-289. A joint resolution adopted by the Legislature of the State of Wisconsin; to the Committee on Commerce, Science, and Transportation:

"ASSEMBLY JOINT RESOLUTION 50

"Whereas, the North Coast Hiawatha provides vital rail passenger service from Chicago to Seattle, including direct service to Milwaukee, Columbus, Portage, Wisconsin Dells. Tomah and La Crosse; and

"Whereas, thousands of people in this State utilize this passenger train in their business, schooling and recreation; and

"Whereas, the severe shortage of crude oil worldwide has prompted the United States to consider cutbacks in the use of petroleum products, including closing gasoline stations on weekends and banning Sunday driving; and

"Whereas, passenger travel by rail provides an energy efficient, low-cost alternative to travel by private auto; and

"Whereas, in the event of national or international emergency, passenger trains offer the best method of large scale movement of people; now, therefore, be it

"*Resolved by the assembly, the senate concurring, That* the legislature urges Congress, the President of the United States and the Secretary of Transportation to retain the North Coast Hiawatha in the National Amtrak Transportation System; and, be it further

"*Resolved, That* duly attested copies of this resolution be transmitted to the Honorable Jimmy E. Carter, President of the United States, the Honorable Brock Adams, Secretary of Transportation, the secretary of the U.S. senate, the chief clerk of the U.S. house of representatives and to each member of the congressional delegation from this state."

POM-290. A joint resolution adopted by the Legislatture of the State of North Carolina; to the Committee on Foreign Relations:

"HOUSE JOINT RESOLUTION 1353

"Whereas, 11 nations continue to ignore the 10-year whaling moratorium unanimously recommended by the United Nations Conference on the Human Environment; and

"Whereas, this year more than 24,000 intelligent warm-blooded whales will be killed, needlessly, by explosive harpoons from the whaling vessels of these nations; and

"Whereas, by far, the largest whaling operations are carried out by Japan and the Soviet Union whose floating factory ships, complete with helicopters and accompanied by sonar equipped catcher boats, methodically hunt, chase and slaughter more than seventy-five percent (75%) of the whales killed worldwide; and

"Whereas, in addition, smaller but equally deadly and unnecessary whaling operations are tolerated by the governments of Denmark, Norway, Iceland, Peru, Chile, South Korea, Spain, Taiwan and Cyprus; and

"Whereas, whale kiling has already caused the commercial extinction of the Blue, Humpback, Bowhead, Gray and Right whales and is seriously threatening other species as well; and

"Whereas, unless we halt the needless slaughter immediately, we will, within a few years, succeed in kiling off these magnificent creatures which took millions of years to evolve;

Now, therefore, be it resolved by the House of Representatives, the Senate concurring:

"SECTION 1. The President of the United States is hereby requested to have the moratorium issue placed on the agenda of the July, 1979, meeting in London of the International Whaling Commission.

"SEC. 2. The Congress of the United States is hereby requested to urge the International Whaling Commision to take immediate steps to halt the needless slaughtering of the world's great whales by adoption of the 10-year moratorium unanimously recommended by the United Nations Environment Conference.

"SEC. 3. That copies of this resolution be sent to the Clerk of the United States House of Representatives, the Secretary of the United States Senate, to each member of the North Carolina Congressional Delegation and to the President of the United States.

"SEC. 4. This resolution is effective upon ratification.

"In the General Assembly read three times and ratified, this the 5th day of June, 1979."

POM-291. A concurrent resolution adopted by the Legislature of the State of Pennsylvania; to the Committee on Armed Services;

"RESOLUTION

"Whereas, On November 1, 1942, while heroically resisting a determined enemy onslaught near the Matanikau River on Guadalcanal, United States Marine Corps Corporal Anthony Casamento was seriously and grievously wounded by 14 bullets and innumerable grenade fragments; and

"Whereas Anthony Casamento's single-handed action prevented his position from being overrun, protected his wounded comrades from a murderous bayonet slaughter, and kept the enemy forces from gaining a commanding ridge position from which to unleash a withering fire on the rest of the battalion; and

"Whereas, By any reasonable standard, such valiant efforts would more than qualify Anthony Casamento for the Medal of Honor; and

"Whereas, In 1965 the Board of Decorations and Medals of the Department of the Navy recognized the heroism of Anthony Casamento and unanimously recommended that he receive the Medal of Honor; and

"Whereas, In spite of this recommendation by the Board, the testimony of eyewitnesses and the obvious merit and justification of awarding the Medal of Honor to Anthony Casamento, the Department of the Navy has inexplicably refused to give its necessary endorsement to such award; and

"Whereas, Members of the House of Representatives, the United States Senate, countless veterans from the Armed Forces of the United States, and many concerned American citizens are requesting that this matter be reopened and consideration again be given to awarding Anthony Casamento the Medal of Honor; and

"Whereas, This effort is being spearheaded in Pennsylvania by the Order of Sons of Italy, Lodge 1776, in Norristown, which has brought this matter to the attention of the General Assembly of the Commonwealth of Pennsylvania; and

"Whereas, The General Assembly of the Commonwealth of Pennsylvania wishes to add its collective voice to those already raised in requesting that the case of Anthony Casamento be reopened and consideration again be given to awarding him the Medal of Honor; therefore be it

"*Resolved (the House of Representatives concurring)*, That the General Assembly of the Commonwealth of Pennsylvania does hereby memorialize the President of the United States and the Congress of the United States to do everything within their power to have the case of Anthony Casamento re-examined and that serious consideration be made on awarding him the Medal of Honor; and be it further

"*Resolved*, That duly authenticated copies of this resolution be forwarded to the President of the United States, the Vice President of the United States, the President pro tempore of the United States Senate, the Speaker of the House of Representatives, the Chairman of the House of Representatives Committee on Armed Forces, the Chairman of the Senate Committee on Armed Forces, each Member of Congress elected from the Commonwealth of Pennsylvania, the Order of Sons of Italy Lodge No. 1776, Norristown, Pennsylvania, and Anthony Casamento."

POM-292. A concurrent resolution adopted by the Legislature of the State of New Hampshire; to the Committee on Energy and Natural Resources:

"SENATE CONCURRENT RESOLUTION No. 7

"Whereas, tourism is the second largest industry in New Hampshire; and

"Whereas, tourist spending totals over $528 million annually; and

"Whereas, the tourist industry employs over 35,000 full time employees with an annual payroll of over $167 million; and

"Whereas, the tourist contributes 24.1 percent of the total local and state revenues or $111 million annually; and

"Whereas, tourism is a major employer in many areas of the state and provides entry level jobs for our young people and unskilled workers; and

"Whereas, the leisure activity provided for our residents and visitors by the tourism industry is essential for a sound and healthy society; and

"Whereas, the tourism industry is a major economic and social force in this state; and

"Whereas, 95 percent of the visitors to the state arrive by automobile; and

"Whereas, the continued viability of the tourist industry depends on adequate supplies of gasoline and service stations remaining open to provide aid to motorists; and

"Whereas, the present energy shortages as well as the threats and fears of inadequate supplies and station closings pose problems for the entire industry and the state's economy; now, therefore, be it

"Resolved by the Senate, the House of Representatives concurring:

"That the state and the federal government take all appropriate action to insure that in any allocation of energy supplies to alleviate the energy shortage, proper consideration be given, in light of the facts expressed in the preamble of this resolution, to the provision of our fair share of supplies of energy to all segments of the tourism industry; and to maintain adequate service and fuel supplies for weekend use and information be disseminated the public confirming station openings and adequate supply.

"Be it further resolved, that a copy of the resolution be forwarded by the secretary of state to the president of the United States, to the vice-president of the United States, to the speaker of United States House of Representatives, to the governor, and to each member of Congress from the 6 New England states."

POM-293. A resolution adopted by the Council of the Borough of National Park, New Jersey, supporting a proposed income tax Olympic contribution check-off donation; to the Committee on Finance.

POM-294. A resolution adopted by the Michigan State Board of Education, reaffirming the purpose and intent of the concept of equal educational opportunity; to the Committee on the Judiciary.

POM-295. A petition from a private citizen relating to SALT II; to the Committee on Foreign Relations.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. MUSKIE, from the Committee on the Budget, without amendment:

S. Res. 181. A resolution waiving section 402(a) of the Congressional Budget Act of 1974 with respect to the consideration of H.R. 1786.

S. Res. 182. A resolution waiving section 402(a) of the Congressional Budget Act of 1974 with respect to the consideration of S. 1319.

By Mr. KENNEDY, from the Committee on the Judiciary, with an amendment:

S. 648. A bill for the relief of Marlin Toy Products, Inc. (Rept. No. 96-214).

S. 400. A bill to relieve the liability for the repayment of certain erroneously made contributions by the United States (Rept. No. 96-215).

S. 404. A bill for the relief of Yaeko Howell (Rept. No. 96-216).

S. 276. A bill for the relief of Steve Wing-On Yan (Rept. No. 96-217).

By Mr. KENNEDY, from the Committee on the Judiciary, with an amendment and an amendment to the title:

S. 275. A bill for the relief of Mr. and Mrs. Edward Cohen and their adopted daughter, Leah Mi Cohen (Rept. No. 96-218).

S. 229. A bill for the relief of Inocencio Eder and Lourie Ann Eder (Rept. No. 96-219).

By Mr. PELL, from the Committee on Rules and Administration, with an amendment:

S. Res. 171. A resolution authorizing supplemental expenditures by the Committee on Environment and Public Works for inquiries and investigations (Rept. No. 96-220).

By Mr. PELL, from the Committee on Rules and Administration:

Special Report pursuant to section 302(B) of the Congressional Budget Act of 1974 (Rept. No. 96-221).

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. LONG, from the Committee on Finance:

Arthur L. Nims, III, of New Jersey, to be a judge of the U.S. Tax Court.

By Mr. LONG, from the Committee on Finance:

Richard Bryant Lowe, III, of New York, to be Deputy Inspector General, Department of Health, Education, and Welfare.

(The above nomination from the Committee on Finance was reported with the recommendation that it be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

By Mr. KENNEDY, from the Committee on the Judiciary:

Frank Minis Johnston, Jr., of Alabama, to be U.S. circuit judge for the Fifth Circuit of Appeals.

Dolores Korman Sloviter, of Pennsylvania, to be U.S. circuit judge for the Third Circuit.

Amalya L. Kearse, of New York, to be U.S. circuit judge for the Second Circuit.

Jon O. Newman, of Connecticut, to be U.S. circuit judge for the Second Circuit.

Valdemar A. Cordova, of Arizona, to be U.S. district judge for the district of Arizona.

By Mr. KENNEDY, from the Committee on the Judiciary:

Joseph Ransdell Keene, of Louisiana, to be U.S. attorney for the western district of Louisiana.

Carlton M. O'Malley, Jr., of Pennsylvania, to be U.S. attorney for the middle district of Pennsylvania.

Peter J. Wilkes, of Illinois, to be U.S. marshall for the northern district of Illinois.

(The above three nominations from the Committee on the Judiciary were reported with the recommendation that they be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

By Mr. PELL, from the Committee on Rules and Administration:

Thomas Everett Harris, of Virginia, to be a member of the Federal Election Commission; and

Frank P. Reiche, of New Jersey, to be a member of the Federal Election Commission (togther with supplemental views) (Ex. Rept. No. 96-2).

(The above nominations from the Committee on Rules and Administration were reported with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

ORDER EXTENDING TIME OF COMMITTEE ON GOVERNMENTAL AFFAIRS TO CONSIDER SUNDRY NOMINATIONS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Committee on Governmental Affairs have an extension of time until June 28, 1979, to consider the following nominations which have previously been sequentially referred to that committee:

Mary Bass, Inspector General, Department of Commerce.

Charles L. Dempsey, Inspector General, Department of Housing and Urban Development.

Eldon D. Taylor, Inspector General, National Aeronautics and Space Administration.

Paul R. Boucher, Inspector General, Small Business Administration.

Thomas F. McBride, Inspector General, Department of Agriculture.

The PRESIDING OFFICER. Without objection, it is so ordered.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. RIBICOFF (by request):

S. 1340. A bill to amend titles 5 and 37, United States Code, to extend the pay comparability concept to a total compensation comparability concept encompassing both pay and benefits, and for other purposes; to the Committee on Governmental Affairs.

By Mr. CULVER (by request) (for himself, Mr. MUSKIE, Mr. STAFFORD, Mr. CHAFEE, and Mr. MOYNIHAN):

S. 1341. A bill to amend the Federal Water Pollution Control Act, as amended, and the Solid Waste Disposal Act, as amended, to provide a system of response, liability, and compensation for releases of oil, hazardous substances, and hazardous wastes, to establish a response and liability fund, and for other purposes; to the Committee on Environment and Public Works.

By Mr. KENNEDY (for himself and Mr. TSONGAS):

S. 1342. A bill to establish the Boston Harbor National Recreation Area, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. CRANSTON:

S. 1343. A bill to amend section 45 of the Lanham Trademark Act, title 15, United States Code, section 1127, to clarify and specify the intent of Congress regarding certain protections afforded registered marks, and for other purposes; to the Committee on the Judiciary.

By Mr. JACKSON (by request):

S. 1344. A bill to amend the act of October 15, 1966 (80 Stat. 915), as amended, establishing a program for the preservation of additional historic properties throughout the Nation, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. JAVITS (for himself, Mr. DANFORTH, and Mr. MATHIAS):

S. 1345. A bill to amend the Internal Revenue Code of 1954 to provide a credit against tax for certain research and experimental expenditures; to the Committee on Finance.

By Mr. STONE (for himself, Mr. YOUNG, Mr. MAGNUSON, Mr. BURDICK, Mr. JACKSON, Mr. JAVITS, Mr. KENNEDY, Mr. MCGOVERN, Mr. LEAHY, Mr. RANDOLPH, and Mr. STAFFORD):

S. 1346. A bill to amend the Food Stamp Act of 1977 to eliminate certain restrictions on excess shelter expense deductions with respect to households that contain a member who is 60 years of age or over or who receives benefits under title XVI of the Social Security Act and to allow a deduction for certain medical expenses in the computation of the income for these families; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. CRANSTON (for himself and Mr. Proxmire):

S. 1347. A bill to provide improved consumer services and to strengthen the ability of financial institutions to adjust to changing economic conditions; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. DeCONCINI (for himself, Mr. Hollings, Mr. Exon, Mr. Tsongas, and Mr. Baucus):

S. 1348. A bill to provide for the appointment by the President of a Special Investigator of Petroleum Fuel Shortages; to the Committee on Governmental Affairs.

By Mr. MELCHER (for himself and Mr. Tower):

S. 1349. A bill to create an International Council of Oil Importing Nations; to the Committee on Foreign Relations.

By Mr. PELL (for himself, Mr. Williams, Mr. Javits, and Mr. Stafford):

S. 1350. A bill to extend certain programs under tht Higher Education Act of 1965 for 1 year, and for other purposes; to the Committee on Labor and Human Resources.

By Mr. HEFLIN:

S. 1351. A bill to amend title 5, United States Code, to provide that civilian air traffic controllers of the Department of Defense shall be treated the same as air traffic controllers of the Department of Transportation for purposes of retirement, and for other purposes; to the Committee on Governmental Affairs.

By Mr. GRAVEL:

S. 1352. A bill to provide that the Internal Revenue may not implement certain rules regulating to the determination of whether private schools have discriminatory policies until Congress provides specific guidelines for such determinations; to the Committee on Finance.

By Mr. COCHRAN:

S.J. Res. 88. A joint resolution to authorize the President to proclaim the third Friday in October of each year as "American Enterprise Day"; to the Committee on the Judiciary.

By Mr. CHURCH:

S.J. Res. 89. A joint resolution permitting the supply of additional low enriched uranium fuel under international agreements for cooperation in the civil uses of nuclear energy, and for other purposes; to the Committee on Foreign Relations.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. RIBICOFF (by request):

S. 1340. A bill to amend titles 5 and 37, United States Code, to extend the pay comparability concept to a total compensation comparability concept encompassing both pay and benefits, and for other purposes; to the Committee on Governmental Affairs.

FEDERAL EMPLOYEES COMPENSATION REFORM ACT OF 1979

● Mr. RIBICOFF. Mr. President, at the request of the President, I am today introducing the Federal Employees Compensation Act of 1979. This is a significant piece of legislation that represents the next step in the President's program to reform the Civil Service System.

The Federal Employees Compensation Act strives to bring Federal civilian employee compensation more accurately in line with non-Federal employee compensation. It does so by including both pay and benefits, rather than just pay, in determining comparability. It calls for including State and local governments as well as private industry in measuring Federal compensation against non-Federal compensation. And, it strives to more closely aline both white-collar and blue-collar pay with local prevailing rates.

The legislation embodies a concept critical to a well-functioning and equitable Federal civil service. It raises many issues relating to the manner in which Government workers are compensated. The Governmental Affairs Committee intends, therefore, to study this legislation very carefully in the coming months.●

By Mr. CULVER (by request) (for himself, Mr. Muskie, Mr. Stafford, Mr. Chafee, and Mr. Moynihan):

S. 1341. A bill to amend the Federal Water Pollution Control Act, as amended, and the Solid Waste Disposal Act, as amended, to provide a system of response, liability, and compensation for releases of oil, hazardous substances, and hazardous wastes, to establish a response and liability fund, and for other purposes to the Committee on Environment and Public Works.

OIL, HAZARDOUS SUBSTANCES, AND HAZARDOUS WASTE RESPONSE, LIABILITY, AND COMPENSATION ACT OF 1979

● Mr. CULVER. Mr. President, as chairman of the Resource Protection Subcommittee, I join Senator Muskie, chairman of the Subcommittee on Environmental Pollution, in introducing, at the request of the administration, "The Oil, Hazardous Substances, and Hazardous Waste Response, Liability and Compensation Act of 1979."

Mr. President, one of the most pressing environmental challenges confronting this Nation is the leaking of hazardous and toxic chemicals from inactive and abandoned waste disposal sites.

This problem has created an entirely new set of images in the public mind. Say "Niagara Falls," and most people used to think of its majestic waterfall. "Kentucky" meant a State filled with bluegrass and thoroughbred horses. This is no longer the case. "Niagara Falls" now brings to mind a neighborhood of boarded up and abandoned houses in an area called the Love Canal. Kentucky bluegrass is stained by up to 100,000 rotting barrels of leaking chemicals in an area nicknamed "the Valley of the Drums." These two sites have become almost synonymous with the spread of chemical leachate in the environment.

The problem of chemical spills and unsafe disposal sites is more severe than the occasional "midnight dumper" who abandons these substances along a deserted stretch of roadway or woods. The Environmental Protection Agency (EPA) estimates as many as 2,000 dump sites may be potential health hazards due to the seepage of toxic and hazardous wastes into rivers, soils, and ground waters.

These wastes are the byproduct of our modern industrial society. A generation ago, we believed these wastes could be safely buried and forgotten. We have, however, been shocked out of this delusion. These "environmental time bombs" are beginning to explode all over the country, releasing deadly chemicals like Mirex, PCB's Dioxin, and a host of others into the environment. They blight the landscape and pose a serious threat to the public health.

In areas like the "Love Canal," the damage has already been done. At joint hearings of the Resource Protection and Environmental Pollution Subcommittees chaired by Senator Muskie and myself last March, residents of this area painted a painful picture of their existence: Chemicals oozing through basement floors; miscarriages, birth defects, nervous disorders, and cancer rates significantly above the national average; and life savings wiped out because their homes are now worthless.

In other areas, fortunately, it is not too late to reverse the situation before major environmental damage occurs. In my own State, hundreds of pounds of hazardous wastes—including arsenic and benzine—have leached into the Cedar River from the LaBounty dumpsite in Charles City, Iowa. Should the waste begin to seep through the bedrock into the underlying Cedar Valley acquifer, the principal water supply of 300,000 Iowans might be contaminated.

Last winter, I worked with the EPA to establish the LaBounty dump as a demonstration site to develop the best way to isolate the chemical waste and prevent it from spreading. This effort, to begin later this spring, will provide valuable information that EPA can use to help contain dangerous wastes at dumpsites around the country. It is essential that this project be conducted quickly and effectively before any chemicals actually breech the acquifer and contaminate the water supply of downstream communities, including Waterloo and Cedar Rapids.

The cost of cleaning up the 2,000 known hazardous wastes sites will be substantial, and a good-faith effort on the part of both industry and government will be needed to pay for this difficult but essential undertaking. The administration's bill is a first step forward in addressing the serious problem posed by spills and releases of toxic and hazardous chemicals in the environment. Many difficult questions concerning the creation, implementation, and administration of the fund must still be addressed, and I look forward to working with the administration during the coming months.

The Resource Protection and Environmental Pollution Subcommittees are currently developing separate legislation to establish a reserve fund to help pay part of the costs of cleaning up chemical spills and leaking from hazardous waste sites. The two subcommittees have begun a series of legislative hearings in Washington, D.C., and around the country so that citizens can comment on the most appropriate way to implement and administer the fund. Hearings on the various legislative proposals are planned in Washington, D.C., for June 20 and 21, June 28, and July 18 and 19. Senator

CHAFEE will chair a field hearing in San Francisco on June 29, and I want to thank him and Senator STAFFORD, ranking member of the Environment and Public Works Committee, for their interest and involvement in this effort. On June 22, 1979, I will chair a hearing of the Resource Protection Subcommittee in Charles City, Iowa, to visit the LaBounty site and receive testimony from a number of Iowans. I am confident their views will prove extremely helpful to the Members as they fashion a hazardous waste reserve fund.

No matter how timely or well-financed, however, a waste containment fund is still no substitute for identifying and controlling the harmful effects of chemicals before they enter the environment. It would have taken no more than $4 million to safely dispose of chemicals at "Love Canal" so that they would have posed no danger to residents. Compare that with the estimated $23 million already spent by the State of New York to stop the chemical leaking and the $2 billion in lawsuits currently pending as a result of that tragedy. These staggering figures, of course, cannot compensate for the suffering of the families who once lived there.

Mr. President, the hazardous waste disposal crisis may teach us a valuable lesson that is all too easily forgotten: We cannot mortgage the future of succeeding generations by ignoring the costs of clean air, land, and water.

Mr. President, I ask that the text of the administration bill, along with a section-by-section summary and other accompanying material, be printed in the RECORD at this time.

There being no objection, the bill and material were ordered to be printed in the RECORD, as follows:

S. 1341

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Oil, Hazardous Substances, and Hazardous Waste Response, Liability, and Compensation Act of 1979."

SEC. 2. Section 7003 of the Solid Waste Disposal Act, as amended, is further amended by striking "is presenting" and inserting in lieu thereof "may present" and by striking "the alleged disposal" and inserting in lieu thereof "such handling, storage, treatment, transportation or disposal".

SEC. 3. Subtitle G of the Solid Waste Disposal Act, as amended, is further amended by adding the following new section:

"SEC. 7010. For purposes of administering or enforcing Subtitle C or Section 7003 of this title, the Administrator or the Attorney General of the United States, as appropriate, may by subpoena require the attendance and testimony of witnesses and production of reports, papers, documents, answers to questions and information that the Administrator or the Attorney General deems necessary. Witnesses shall be paid the same fees and mileage that are paid witnesses in the Courts of the United States. In the event of contumacy, failure, or refusal of any person to obey any such subpoena, any district court of the United States in which venue is proper shall have jurisdiction to order any such person to comply with such subpoena. Any failure to obey such an order of the court is punishable by the court as a contempt thereof."

SEC. 4. The Federal Water Pollution Control Act, as amended, is further amended by adding at the end thereof the following new title:

"TITLE VI—OIL, HAZARDOUS SUBSTANCES, AND HAZARDOUS RESPONSE, LIABILITY, COMPENSATION, AND FUND

DEFINITIONS

SEC. 601. For purposes of this title, the term—

(a) "act of God" means an unanticipated grave natural disaster or other natural phenomenon of an exceptional, inevitable, and irresistible character, the effects of which could not have been prevented or avoided by the exercise of due care or foresight;

(b) "Administrator" means the Administrator of the United States Environmental Protection Agency;

(c) "barrel" means forty-two United States gallons at 60 degrees Fahrenheit;

(d) "claim" means a demand in writing for a sum certain;

(e) "containment" means those least cost actions consistent with eventual permanent remedy, taken in the event of a release or significant threat of release from an uncontrolled hazardous waste disposal site to prevent or minimize the release of hazardous substances as defined in section 601(o)(3) so that they will not migrate to cause substantial danger to present or future public health or safety, or to a significant environmental resource. The term includes, but is not limited to such on site actions as storage, confinement, perimeter protection using dikes, trenches or ditches, clay cover, neutralization, clean-up of released hazardous substances, recycling or reuse, diversion, destruction, segregation of reactive wastes, the replacement of leaking containers, collection of leachate and runoff, on-site treatment, and the monitoring to ensure that such actions protect the public health or safety, and the environment. The term does not include off-site transport of hazardous substances, storage, treatment, destruction, and/or redisposal off site except as provided in subsection (b) of section 603;

(f) "contiguous zone" means the entire zone established or to be established by the United States under article 24 of the Convention on the Territorial Sea and the Contiguous Zone;

(g) "emergency assistance" means actions up to a cost of $300,000 which the Administrator in his discretion determines must be immediately taken in the event of a release or the significant threat of a release from an uncontrolled hazardous waste disposal site to prevent, minimize, or mitigate the release of hazardous substances as defined in section 601(o)(3) so that they will not cause substantial danger to present or future public health or safety, or to a significant environmental resource. The term includes, but is not limited to, security fencing; provision of temporary alternative water supplies; temporary evacuation of threatened individuals not otherwise provided; and transportation, storage, destruction, or treatment and redisposal off site of hazardous substances where the Administrator determines that, due to the seriousness of the danger which may be created by the physical, chemical, or biological properties of the substances and the potential for human exposure, or the unavailability of on-site methods for preventing or minimizing the danger, such off-site actions are essential to protect the public health or safety or a significant environmental resource. The term also means any one or more of the following: (1) planning to determine the feasibility of containment; (2) monitoring and surveys to define the release or threat of release, the hazardous substances involved, and the danger to public health, safety, or the environment; (3) engineering, architectural, legal, fiscal, or economic investigations; and (4) studies, investigations, surveys, designs, plans, working drawings, specifications, procedures, or other necessary actions to provide for emergency assistance, containment, and recovery of the costs of emergency assistance and containment.

(h) "environment" means the environment within the United States and the environment which may be affected by pollution as defined in section 601(bb) of this title;

(i) "Executive" means the head of any Federal department, agency, or administration to whom the President of the United States delegates or assigns any of the powers or responsibilities granted by this title;

(j) "foreign claimant" means any person residing in a foreign country, the government of a foreign country, or any agency or political subdivision thereof, who asserts a claim;

(k) "fund" means the fund established by section 606 of this title;

(l) "gross negligence" means the failure to use even slight care, accompanied by a disregard for the consequences that may ensue from the act;

(m) "groundwater" means water in a saturated zone or stratagem beneath the surface of land or water, and any other water used as a source of public drinking water;

(n) "guarantor" means the person, other than the owner or operator, who provides evidence of financial responsibility for an owner or operator;

(o) "hazardous substance" means (1) any substance designated pursuant to section 311 of this Act prior to the effective date of this title, (2) any substance designated pursuant to section 602(a)(2) of this title; and (3) any waste (A) having the characteristics identified in or (B) listed pursuant to section 3001 of the Solid Waste Disposal Act, as amended;

(p) "inland oil barge" means a non-self-propelled vessel, certificated to carry oil in bulk as cargo and certificated to operate only on the inland waters of the United States while operating in those waters;

(q) "inland waters of the United States" means the United States portion of the Great Lakes and those waters of the United States lying inside the baseline from which the territorial sea is measured and those waters outside that baseline which are a part of the Gulf Intracoastal Waterway;

(r) "internal waters" means waters lying inside the baseline from which the territorial sea is measured, as recognized by the United States;

(s) "navigable waters" or "navigable waters of the United States" means the waters of the United States, including the territorial seas;

(t) "offshore facility" means any facility of any kind located in, on, or under, any of the navigable waters of the United States, and any facility of any kind which is subject to the jurisdiction of the United States and is located in, on, or under any other waters, other than a vessel or a public vessel;

(u) "oil" means oil of any kind or in any form, including, but not limited to, petroleum, fuel oil, sludge, oil refuse, and oil mixed with wastes other than dredged spoil;

(v) "onshore facility" means any facility (including, but not limited to, motor vehicles and rolling stock) of any kind located in, on, or under, any land within the United States, but does not include an uncontrolled hazardous waste disposal site or any facility which has qualified for interim status or received a final permit under Subtitle C of the Solid Waste Disposal Act, as amended;

(w) "otherwise subject to the jurisdiction of the United States" means subject to the jurisdiction of the United States by virtue of United States citizenship, United States vessel documentation or numbering, or as provided for by international agreement to which the United States is a party;

(x) "owner or operator" means (1) in the case of a vessel, any person owning, operating, or chartering by demise, such vessel, and (2) in the case of an onshore facility, an offshore facility or an uncontrolled hazardous waste disposal site, any person owning or operating such facility or site, and (3) in the case of any abandoned offshore or onshore facility, the person who owned or operated such facility immediately prior to such abandonment;

(y) "person" means an individual, firm, corporation, association, partnership, consortium, joint venture, commercial entity, State, municipality, commission, political subdivision of a State, or any interstate body;

(z) "petrochemical feedstock" means liquid or gaseous hydrocarbon used primarily for the preparation of more complex chemicals, i.e., ethylene, propylene, butylenes, butadiene, butanes, benzene, toluene, xylenes, napthalene, carbon black, and methane other than that used to make ammonia.

(aa) "petroleum oil" means petroleum, including crude petroleum or any fraction or residue therefrom;

(bb) "pollution" means oil or a hazardous substance other than a hazardous waste as defined in section 601(o)(3) of this title—

(1) released from a vessel or an onshore facility in violation of subsection (b) of section 602 of this title; or

(2) released from a vessel engaged in any segment of the movement of oil loaded at the terminal facilities of the pipeline authorized by the Trans-Alaska Pipeline Authorization Act, as amended by this Act (43 U.S.C. 1651 et seq.) for transportation to a port under the jurisdiction of the United States, and released from that vessel prior to being brought ashore in such a port; or

(3) in or on the territorial sea, internal waters, or immediately adjacent shoreline, of a foreign country, in a case where damages are recoverable by a foreign claimant under this title; or

(4) in or on the waters of the high seas which may affect natural resources belonging to, appertaining to, or under the exclusive management authority of, the United States;

(cc) "public vessel" means a vessel owned or bareboat-chartered and operated by the United States, or by a State or political subdivision thereof, or by a foreign nation, except when such vessel is engaged in commerce;

(dd) "refinery" means a permanently situated facility, located in the United States, which receives crude petroleum oil for the purpose of refinement;

(ee) "release" includes, but is not limited to any spilling, leaking, pumping, pouring, emitting, emptying, discharging, escaping, leaching, or dumping into the environment, but excludes (1) dicharges in compliance with a permit under section 402 of this Act, (2) discharges resulting from circumstances identified and reviewed and made a part of the public record with respect to a permit issued or modified under section 402 of this Act and subject to a condition in such permit, (3) continues or anticipated intermittent discharges from a point source, identified in a permit or permit application under section 402 of this Act, which are caused by events occurring within the scope of relevant operating or treatment systems, (4) releases from a hazardous waste treatment, storage, or disposal facility in compliance with any interim status standards promulgated by the Administrator under Subtitle C of the Solid Waste Disposal Act, as amended, or any final permit under said Act, (5) any release in compliance with a permit issued under section 102 or section 103 of the Marine Protection, Research, and Sanctuaries Act of 1972, as amended, and (6) any injection of fluids authorized under applicable underground injection control programs pursuant to Part C of the Safe Drinking Water Act, as amended;

(ff) "removal costs" means (1) costs incurred under subsections (a) or (e) of section 603 of this title; section 5 of the Intervention on the High Seas Act, or section (b) of section 18 of the Deepwater Port Act of 1974, as amended by this Act and (2) other costs of reasonable measures taken after an incident resulting in the release or threatened release of oil or a hazardous substance to prevent, minimize, or mitigate damage from that incident, but does not include costs of emergency assistance or containment;

(gg) "remove" or "removal" refers to the cleanup or removal of released oil or hazardous substances from the environment, the disposal or removed material, or the taking of such other actions as may be necessary to prevent, minimize, or mitigate damage to the public health or safety, or to the environment, which may otherwise result from a release or threat of release:

(hh) "ship" means either of the following types of vessel constructed or adapted primarily to carry oil or hazardous substances in bulk as cargo in the cargo spaces;

(1) a self-propelled vessel, or

(2) a non-self-propelled vessel which is not an inland oil barge;

(ii) "strict liability" or "strictly liable" means liability for the release of oil or a hazardous substance as defined in this title regardless of negligence, knowledge, good faith, intent, surrounding circumstances, degree of care, or any reasonable precautions;

(jj) "supplier" means any person who either produces, manufactures, or imports petrochemical feedstocks or inorganic elements and compounds and either provides, through sale or any other means, these feedstocks or elements and compounds to other persons, or uses those feedstocks or elements and compounds himself;

(kk) "uncontrolled hazardous waste disposal site" means any natural or man-made facility or site of any kind located in, on, or under, any land or waters within the United States which has been or is being used, in whole or in part, for the storage of hazardous substances as defined in section 601(o)(3)(A) or (B) of this title, or for the retention, disposal, deposit, injection, placing, or treatment, or dumping of hazardous substances, but does not include any facility which is subject to regulation under Subtitle C or D of the Solid Waste Disposal Act, as amended;

(ll) "United States" and "State" include the several States of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the Canal Zone, Guam, American Samoa, the United States Virgin Islands, the Commonwealth of the Northern Marianas, and any other territory or possession over which the United States has jurisdiction;

(mm) "United States Claimant" means any person residing in the United States, the Government of the United States or an agency thereof, or the government of a State or a political subdivision thereof, who asserts a claim;

(nn) "vessel" means every description of watercraft or other artificial contrivance used, or capable of being used, as a means of transportation on water other than a public vessel.

PROHIBITED RELEASES, NOTICES, PENALTIES

SEC. 602. (a)(1) The Congress hereby declares that it is the policy of the United States that there should be no releases of oil or hazardous substances into the environment.

(2) The Administrator shall develop, promulgate, and revise as may be appropriate, regulations designating as hazardous substances, other than those referred to in section 601(o)(1) and (3) of this title, such elements and compounds which, when released in any quantity into the environment, may present substantial danger to the public health or safety, or to the environment.

(3) The Administrator shall be regulation determine for the purposes of this title those quantities of oil and any hazardous substances as defined in section 601(o)(1) and (2) of this title, the release of which may be harmful to the public health or safety, or to the environment.

(b) The release of oil or hazardous substances, other than hazardous wastes as defined in section 601(o)(3)(A) or (B) of this title, either into or upon (1) land, (2) groundwater, (3) the navigable waters of the United States or the waters of the contiguous zone, or in connection with activities under the Outer Continental Shelf Lands Act or the Deepwater Port Act of 1974, or which may affect natural resources belonging to, appertaining to, or under the exclusive management authority of the United States (including resources under the Fishery Conservation and Management Act of 1976), in such quantities as may be harmful, as determined by the Administrator under subsection (a)(3) of this section, is prohibited, except (1) in the case of such release of oil into the waters of the contiguous zone or which may affect natural resources belong to, appertaining to, or under the exclusive management authority of the United States (including resources under the Fishery Conservation and Management Act of 1976), where permitted under the International Convention for the Prevention of Pollution of the Sea by Oil, 1954, as amended, or other international agreement to which the United States is a party and which is intended to replace that Convention, or (2) where permitted in quantities and at times and locations or under such circumstances or conditions as the Executive may, by regulation, determine not to be harmful. Any regulations issued under this subsection shall be consistent with maritime safety and with marine and navigation laws and regulations and applicable water quality standards.

(c)(1) Any person, including, for purposes of this paragraph, any agency or department of the United States Government, in charge of a vessel or any public vessel owned by the United States or a State or political subdivision thereof or an onshore facility or an offshore facility shall, as soon as he has knowledge of any release of oil or a hazardous substance from such vessel or facility in violation of subsection (b) of this section, immediately notify the appropriate agency of the United States Government of such release.

(2) Any person

(A) in charge of a vessel from which oil or a hazardous substance is released in violation of subsection (b) of this section into or upon the navigable waters of the United States, adjoining shorelines, or unto or upon the waters of the contiguous zone, or

(B) in charge of a vessel from which oil or a hazardous substance is released in violation of subsection (b) of this section in connection with activities under the Outer Continental Shelf Lands Act or the Deepwater Port Act of 1974, or which may affect natural resources belonging to, appertaining to, or under the exclusive management authority of the United States (including resources under the Fishery Conservation and Management Act of 1976), and who is otherwise subject to the jurisdiction of the United States at the time of the release, or

(C) in charge of an onshore facility or an offshore facility from which oil or a hazardous substance is released in violation of subsection (b) of this section, who fails to notify immediately the appropriate agency of the United States Government as soon as he has knowledge of such release shall, upon conviction, be fined not more than $10,000, or imprisoned for not more than one year, or both.

Any person subject to criminal penalties for failure to provide notice of a release pursuant to this subsection who fails to do so shall not be entitled to the limitation of liability set out in subsection (c) of section 604 of this title. Notification received pursuant to this paragraph or information obtained by the exploitation of such notification shall not be used against any such person in any criminal case, except a prosecution for perjury or for giving a false statement.

(d) (1) Within 90 days of the effective date of this Act, or, if regulations have not been promulgated at that time under sections 3001 and 3004 of the Solid Waste Disposal Act, as amended, within 180 days of promulgation of such regulations, any person who may be subject to liability for an uncontrolled hazardous waste disposal site under subsection (b) of section 604 of this title shall notify the Administrator of the existence of such site, specifying the amount and type of any oil or hazardous substances to be found there, and any known, suspected, or likely releases of such substances from such site. The Administrator may prescribe the manner and form of the notice and the information to be included. Any such person who knowingly fails to notify the Administrator of the existence of any such site shall, upon conviction, be fined not more than $10,000, or imprisoned for not more than one year, or both. In addition, any such person who fails to provide the notice required by this subsection shall not be entitled to the limitation of liability set out in subsection (c) of section 604 of this title or the defenses to liability set out in subsection (d) of section 604 of this title.

(2) Following provision of notification of the existence of an uncontrolled hazardous waste disposal site under paragraph (1) of this subsection, any person who, pursuant to section 604(b) of this title, may be liable for a release or threat of release of oil or a hazardous substance from the site who takes action to remove, mitigate, or lessen the likelihood of a release or threat of release shall in the event of such release or threat of release be entitled to subtract from any amount for which he may be liable under that section that portion of the costs of such actions as the Administrator may approve as reasonable and appropriate. *Provided*, however, that nothing contained in this paragraph shall in any way be deemed or interpreted to limit or affect any liability such person may have to any other party as a result of the release or threat of release.

(3) After the effective date of this Act, it shall be unlawful for any person required to provide the notification of an uncontrolled hazardous waste disposal site set out in paragraph (1) of this subsection knowingly to destroy, mutilate, erase, dispose of, conceal or otherwise render unavailable or unreadable any records relating to the site or any hazardous substances contained or deposited therein. Any person who violates this paragraph shall, upon conviction, be fined not more than $20,000, or imprisoned for not more than one year, or both.

(e) (1) Any owner, operator, or person in charge of any onshore facility or offshore facility from which oil or a hazardous substance is released in violation of subsection (b) of this section shall either be assessed a civil penalty by the Secretary of the department in which the Coast Guard is operating of not more than $5,000 for each offense or, in the case of releases of hazardous substances, be subject to a civil action under paragraph (2) of this subsection. Any owner, operator, or person in charge of any vessel from which oil or a hazardous substance is released in violation of subsection (b) of this section into or upon the navigable waters of the United States, adjoining shorelines, or into or upon the waters of the contiguous zone, and any owner, operator, or person in charge of a vessel from which oil or a hazardous substance is released in violation of subsection (b) of this section in connection with activities under the Outer Continental Shelf Lands Act or the Deepwater Port Act of 1974, or which may affect natural resources belonging to, pertaining to, or under the exclusive management authority of the United States (including resources under the Fishery Conservation and Management Act of 1976), and who is otherwise subject to the jurisdiction of the United States at the time of the release, shall either be assessed a civil penalty by the Secretary of the department in which the Coast Guard is operating of not more than $5,000 for each offense or, in the case of releases of hazardous substances, be subject to a civil action under paragraph (2) of this subsection. No penalty shall be assessed unless the owner or operator shall have been given notice and opportunity for a hearing on such charge. Each violation is a separate offense. Any such civil penalty may be compromised by such Secretary. In determining the amount of the penalty, or the amount agreed upon in compromise, the appropriateness of such penalty to the size of the business of the owner or operator charged, the effect on the owner or operator's ability to continue in business, and the gravity of the violation, shall be considered by such Secretary. The Secretary of the Treasury shall withhold at the request of such Secretary the clearance required by section 4197 of the Revised Statutes of the United States, as amended (46 U.S.C. 91), of any vessel the owner or operator of which is subject to the foregoing penalty. Clearance may be granted in such cases upon the filing of a bond or other security satisfactory to such Secretary.

(2) The Administrator, taking into account the gravity of the offense, and the standard of care manifested by the owner, operator, or person in charge, may, after consultation with the Secretary of the department in which the Coast Guard is operating, commence a civil action against any such person subject to a penalty under paragraph (1) of this subsection for the release of a hazardous substance to impose a penalty based on consideration of the size of the business of the owner or operator, the effect on the ability of the owner or operator to continue in business, the gravity of the violation, and the nature, extent, and degree of success of any efforts made by the owner, operator, or person in charge to minimize or mitigate the effects of such release. The amount of such penalty shall not exceed $50,000, except that where the United States can show that such release was the result of willful negligence or willful misconduct within the privity and knowledge of the owner, operator, or person in charge, such penalty shall not exceed $250,000. Each violation is a separate offense. Any action under this paragraph may be brought in the district court of the United States for the district in which the defendant is located or resides or is doing business, and such court shall have jurisdiction to assess such penalty. No action may be commenced under this clause where a penalty has been assessed under paragraph (1) of this section.

(3) Civil penalties shall not be assessed under both this section and section 309 of this Act for the same release.

(4) Any costs of removal incurred in connection with a release excluded by section 601(ee)(1), (2), (3), (4), (5), or (6) of this title shall be recoverable from the owner or operator of the source of the release. The Administrator is authorized to commence a civil action for such costs in the district court of the United States for any district in which the owner or operator is located or resides or is doing business, and such court shall have jurisdiction to order the payment of the costs and to grant any and all other appropriate relief. Any moneys received by the Administrator pursuant to this paragraph shall be deposited in the fund.

EMERGENCY RESPONSE, ACTION TO REMOVE OR MITIGATE, NATIONAL CONTINGENCY PLAN, JUDICIAL RELIEF

SEC. 603. (a) (1) Whenever any oil or a hazardous substance is released or there is (A) a substantial threat of such a release into the environment, or (B) a release into the environment of any pollutant or contaminant which may present an imminent and substantial danger to the public health or welfare, the Executive is authorized to act to remove or arrange for the removal of such oil, hazardous substance, pollutant, or contaminant at any time, unless he determines such removal will be done properly by the owner or operator of the vessel or onshore facility or offshore facility or uncontrolled hazardous waste disposal site from which the release occurs.

(2) For the purposes of this subsection, the terms "release" and "released" shall include the discharge, release, and injections excluded by items (1), (2), (3), (4), (5), and (6) of section 601(ee) of this title, as well as all other releases included in that subsection.

(3) If the Administrator determines that the source of a release for which action is being taken pursuant to this subsection is an uncontrolled hazardous waste disposal site, that action shall be terminated immediately. A determination made under this paragraph shall not affect the liability of any person for the costs of any action taken, or affect in any way the payment of moneys obligated under paragraph (1) of this subsection prior to the date of the determination.

(b) (1) Whenever any hazardous substance as defined in section 601(o) (3) is released, or there is a substantial threat of such a release, from an uncontrolled hazardous waste disposal site, the Administrator is authorized to provide emergency assistance and containment of the hazardous substances or to arrange for the provision of such assistance and containment, unless he determines that the owner or operator of the site, or some other person, will properly provide such assistance and containment. *Provided, however,* That the Administrator shall not provide containment unless the State in which the site is located first enters into a contract providing adequate assurance that (A) it will provide for or otherwise assure any and all maintenance of containment and any and all containment costs which may prove necessary, beginning not later than one year from the date containment is first effectuated, as determined by the Administrator, and extending for 19 years or the expected life of the containment, whichever is less; and (B) that it will assure the availability of a hazardous waste disposal facility acceptable to the Administrator for any necessary off-site storage, destruction, treatment, or redisposal of the hazardous substances. *Provided, further,* that the Administrator shall not provide containment projected by him to cost in excess of 200,000 for any site unless (A) he first determines that it is the least cost method of containing the hazardous substances over 20 years or the expected life of available containment methods, if less; and (B) the State, or other person, first enters into a contract providing adequate assurance that it will pay at least 10 per centum of the costs of first effectuating and maintaining for one year thereafter containment. *Provided further,* that the Administrator shall not provide containment at an uncontrolled hazardous waste disposal site owned by a State or a political subdivision of a State unless the State or subdivision first enters into a contract providing adequate assurance that it will pay at least 50 per centum of the costs of first effectuating containment and maintaining it for one year thereafter.

(2) subject to the provisions of this title, the Admiinstrator may pay for (A) 100 per centum of the costs of emergency assistance;

and either (B) per centum of the costs of first effectuating containment and maintaining it for one year thereafter, whenever the eligible costs of such containment do not exceed $200,000; (C) 90 per centum of the costs of first effectuating the containment and maintaining it for one year thereafter, wherever the eligible costs of such containment are in excess of $200,000; or (D) 50 per centum of the costs of first effectuating containment and maintaining it for one year thereafter wherever the uncontrolled hazardous waste disposal site is owned by a State or political subdivision thereof. Any payments for work incurred to effectuate containment shall at not time exceed the Federal share of the cost of such work incurred to the date of the voucher covering such payment plus the Federal share of the value of materials, chemicals, or other commodities which have been stockpiled in the vicinity of and for such containment activities.

(3) The State or political subdivision shall bear the cost of any remedial measures it may choose to take instead of the least cost containment, as determined by the Administrator, or in addition to any containment provided hereunder, such as complete waste and/or soil transport off site and treatment and redisposal at secured facilities off site. The Administrator is authorized, in lieu of providing containment or arranging for the provision of containment under paragraph (1) of this subsection, to reimburse the State or subdivision for such expenses, if approved by the Administrator, up to the amount which would have been necessary to effect the Federal share of any containment which could be provided thereunder.

(4)(A) Subject to the requirements of paragraph (1) of this subsection, the Administrator is authorized to provide for complete or partial waste transport, storage, destruction, or treatment and redisposal off site at secured facilities, or to arrange for the provision of such actions, if he determines that such actions are the least cost means of containment for an uncontrolled hazardous waste disposal site over a period of up to 20 years.

(B) Where the life cycle cost and environmental impact of providing for off-site transport of hazardous substances from two or more uncontrolled hazardous waste sites and of providing for centralized off-site storage, destruction, or treatment and redisposal at a secured facility off site does not exceed the total sum of the life cycle costs of the least cost containment at each of the sites, or the State or other person agrees by contract to pay the difference between the Federal share of the total sum of containment at each of the sites and the costs of centralized off-site transportation, storage, destruction, or treatment and redisposal, such centralized off-site actions shall be deemed to be the least cost means of containment, and the Administrator is authorized to provide for the transport of the wastes and their centralized off-site destruction, storage, or treatment and redisposal: *Provided*, The total cost of any action authorized by the Administrator under this clause shall not exceed the total sum of the Federal share of the costs of containment which could be authorized by him at each of the sites.

(5) Within 12 months after enactment of this title, if a State or political subdivision thereof can show to the satisfaction of the Administrator that it does not have legal authority to assume responsibility for maintenance of containment, or if it has such authority but has no legal authority to allocate funds for that purpose or to match the Federal share of containment, the Administrator may assume the responsibility for, and the costs of, first effectuating containment and/or maintenance of containment for up to an additional 12 months beyond the period provided for in paragraph (1) of this subsection if the State or political subdivision by contract agrees to assume the responsibility ad subsequent costs at the end of such additional period, or to seek the legal authority to do so, as may be appropriate.

(6) If the Administrator provides containment pursuant to paragraph (1) of this subsection and the State or political subdivision thereof fails to comply with applicable requirements of any contract entered into pursuant to this subsection, the Administrator shall, after providing 60 days notice to the State, seek, in a court of competent jurisdiction to enforce the contract and/or to recover from the State the costs of maintaining such containment and the State or local share of the costs of containment at the site.

(7) Where a State or a political subdivision thereof is acting in behalf of the Administrator, the Administrator is authorized to provide technical and legal assistance in the administration and enforcement of any contract or subcontract in connection with emergency assistance or containment assisted under this title, and to intervene in any civil action involving the enforcement of such contract or subcontract.

(c) Within 180 days after the effective date of this section, the Executive shall revise and republish the National Contingency Plan for the removal of oil and hazardous substances, originally prepared and published pursuant to section 311 of this Act to reflect and effectuate the responsibilities and powers created by this title in addition to those matters specified in section 311(c)(2) of this Act on the date prior to the date of enactment of this title. In preparing such amendments, the Executive shall propose for public review and hold public hearings on a new section of the Plan to be known as the "National Uncontrolled Hazardous Waste Disposal Site Response Plan." Following such hearings, the Executive shall revise as necessary and finally adopt and publish the said Response Plan, which shall include at a minimum:

(1) methods for discovering and investigating such sites;

(2) methods for evaluating, including least cost analyses, and containing any releases or threats of releases from such sites which pose substantial danger to the public health or safety, or to significant environmental resources;

(3) methods and criteria for determining the appropriate extent of emergency assistance, containment, and other measures authorized by this title;

(4) appropriate roles and responsibilities for the Federal, State, and local governments and for interstate and non-governmental entities in effectuating the Plan.

(5) provision for identification, procurement, maintenance, and storage of response equipment and supplies;

(6) a method for and assignment of responsibility for reporting the existence of uncontrolled hazardous waste disposal sites which may be located on federally owned or controlled properties and any releases of hazardous substances from such sites.

Following publication of the revised National Contingency Plan, the removal of oil and hazardous substances and actions to minimize damage from oil and hazardous substance releases shall, to the greatest extent possible, be in accordance with the provisions of the plan. The Executive may, from time to time as he deems advisable, revise, otherwise further amend, and republish the National Contingency Plan.

(d)(1) Consistent with the National Contingency Plan, the Executive may issue regulations consistent with maritime safety and with marine and navigation laws (A) establishing methods and procedures for removal of released oil and hazardous substances; (B) establishing criteria for the development and implementation of local and regional oil and hazardous substance removal contingency plans; (C) establishing procedures, methods, and equipment and other requirements for equipment to prevent release of oil and hazardous substances from vessels and from onshore facilities and offshore facilities, and to contain such releases; and (D) governing the inspection of vessels carrying cargoes of oil and hazardous substances and the inspection of such cargoes in order to reduce the likelihood of releases of oil and hazardous substances.

(2) Any owner or operator of a vessel or an onshore facility or an offshore facility and any other person subject to any regulation issued under paragraph (1) of this subsection who fails or refuses to comply with the provisions of any such regulations, shall be liable for a civil penalty of not more than $5,000 for each such violation. This paragraph shall not apply to any owner or operator of any vessel seaward of the territorial sea of the United States unless such owner or operator is otherwise subject to the jurisdiction of the United States. Each violation shall be a separate offense. The Executive may assess and compromise such penalty. No penalty shall be assessed until the owner, operator, or other person charged shall have been given notice and an opportunity for a hearing on such charge. In determining the amount of the penalty, or the amount agreed upon in compromise, the gravity of the violation, and the demonstrated good faith of the owner, operator, or other person charged in attempting to achieve rapid compliance after notification of a violation, shall be considered by the Executive.

(e) Whenever a marine disaster in or upon the navigable waters of the United States has created a substantial threat of a pollution hazard to the public health or welfare of the United States, including, but not limited to, fish, shellfish, and wildlife and the public and private shorelines and beaches of the United States, because of a release, or an imminent release of large quantities of oil, or of a hazardous substance from a vessel, the United States may (1) coordinate and direct all public and private efforts directed at the removal or elimination of such threat; and (2) summarily remove, and, if necessary, destroy such vessel by whatever means are available without regard to any provisions of law governing the employment of personnel or the expenditure of appropriated funds. Any expense incurred under this subsection or under the Intervention on the High Seas Act (or the convention defined in section 2(3) thereof) shall be compensable as removal cost under section 607 of this title.

(f) In addition to any other action taken by a State or local government, when the Executive determines there may be a substantial danger to the public health or safety of the United States, because of an actual or threatened release of oil or a hazardous substance from an onshore facility, an offshore facility, or an uncontrolled hazardous waste disposal site, the Executive may require the Attorney General of the United States to secure such relief as may be necessary to abate such threat, and the district court of the United States in the district in which the threat occurs shall have jurisdiction to grant such relief as the public interest and the equities of the case may require.

(g)(1) If any emergency assistance or containment activity is carried out by the Administrator pursuant to section 603(b)(1) of this title in relation to an uncontrolled hazardous waste disposal site located on property which is owned or operated by the person who owned or operated the property at the time it was utilized for the disposal of hazardous substances as defined in section 601(o)(3) of this title, and if the said person utilized the site at that time for the disposal of any such wastes produced by him, either at the site or elsewhere, and if said person failed to properly provide such emergency assistance or containment upon request of the Administrator, the Administrator may commence a civil action to impose a penalty against such person. The size of the penalty shall be based upon consideration of the size of the business of such person, the effect upon his ability to continue in business, the seriousness of any threat presented by the release or threatened release of hazardous substances as defined in section 601(o)(3) of this title from the site, and any efforts made by such person to minimize or mitigate the effects of any release or threat of release. Any penalty imposed hereunder shall be in addition to any costs of such emergency assistance or containment recovered from such person by the fund pursuant to this title. *Provided, however*, that in no event shall any penalty imposed hereunder exceed two and one half times the amount of the costs of emergency assistance and/or containment incurred by the Administrator.

(2) Any action under this paragraph may be brought in the district court of the United States for the district in which the defendant is located or resides or is doing business, and such court shall have jurisdiction to assess and order the payment of such penalty to grant any and all other appropriate relief. Any moneys received by the Administrator pursuant to this subsection shall be deposited in the fund.

(h) Anyone authorized by the Executive to enforce the provisions of this title may (1) board and inspect any vessel upon the navigable waters of the United States or the waters of the contiguous zone, (2) upon presentation of his credentials, have a right of entry to, up, over, or through any premises or property containing an offshore facility or an onshore facility or an uncontrolled hazardous waste disposal site, or any premises or property where the effects of a release of oil or hazardous substances are being, or may reasonably be expected to be experienced, (3) while on such property, take samples or photographs and make any analyses he deems necessary of any soil, water, residues, wastes, air, or other substances suspected to be or to contain oil or hazardous substances, (4) with or without a warrant arrest any person who violates the provisions of this title, or any regulations issued thereunder in his presence or view, and (5) execute any warrant or other process issued by an officer or court of competent jurisdiction.

LIABILITY

Sec. 604. (a) Subject to the provisions of subsections (c) and (d) of this section, the owner and operator of a vessel, other than a public vessel, or of an onshore facility or an offshore facility, which is the source of pollution, or which poses a threat of pollution in circumstances where removal costs are incurred, shall be jointly, severally, and strictly liable for all damages resulting from pollution or the threat thereof for which a claim may be asserted under section 607 of this title.

(b) Subject to the provisions of subsections (c) and (d) of this section, the owner and operator of an uncontrolled hazardous waste disposal site, if they caused or contributed or are causing or contributing to any release, or to the conditions which produce any such release, of a hazardous substance as defined in section 601(o)(3) of this title from such site, or the threat thereof where the cost described in subsection (d) of section 607 of this title are incurred, and any other person who caused or contributed or is causing or contributing to such incident, including but not limited to prior owners, lessees, and generators, transporters, or disposers of such hazardous substances, shall be jointly, severally, and strictly liable for all costs for which a claim may be asserted under that subsection.

(c)(1) Except when the pollution of threat thereof is caused in whole or in part by willful misconduct or gross negligence, within the privity or knowledge of the owner or operator of a vessel or an onshore or offshore facility, or in whole or in part by a violation, within the privity or knowledge of the owner or operator, of applicable public health, safety, construction, or operating standards or regulations of the Federal Government; or except where the owner or operator is subject to criminal penalties for failure to furnish any notice of a release required by subsection (c) of section 602 of this title, or fails or refuses to provide all reasonable cooperation and assistance requested by the responsible Federal official in furtherance of cleanup and removal, and

(2) Except when the release or threat of a release of a hazardous substance as defined in section 601(o)(3) of this title from an uncontrolled hazardous waste disposal site is caused in whole or in part by willful misconduct or gross negligence, within the privity or knowledge of any person liable under subsection (b) of this section, or in whole or in part by a violation within the privity or knowledge of any such liable person of any applicable public health, safety, construction, or operating standards or regulations of the Federal Government; or except where any such person fails to furnish the notice required by subsection (d) of section 602 of this title, or fails or refuses to provide all reasonable cooperation and assistance requested by the responsible Federal official in furtherance of emergency assistance or containment activities, the total of the liability under subsection (a) or subsection (b) of this section and any removal costs or cost of emergency assistance or containment recoverable by, or on behalf of, the owner or operator or other liable person shall be limited to—

(A) in the case of a vessel other than a ship or other than an inland oil barge, $150 per gross registered ton or $250,000, whichever is greater.

(B) in the case of an inland oil barge, $150,000 or $150 per gross registered ton, whichever is greater;

(C) in the case of a ship, $250,000 or $300 per gross registered ton (up to a maximum of $30,000,000), whichever is greater;

(D) in the case of an offshore facility operated under authority of the Outer Continental Shelf Lands Act, the total of removal costs plus $50,000,000; or

(E) in the case of an uncontrolled hazardous waste disposal site or an onshore facility or an offshore facility other than one described in paragraph (D), $50,000,000 unless a lesser limit is established by the Executive under subsection (e).

(d) There shall be no liability under subsection (a) or subsection (b) of this section where an owner, operator, guarantor, or other liable person can prove that—

(1) the pollution or release or threat thereof is caused solely by an act of God or an act of war;

(2) as to a particular claimant the economic loss is caused, in whole or in part, by the gross negligence or willful misconduct of that claimant; or

(3) as to a particular claimant to the extent that the economic loss is caused by the negligence of that claimant. *Provided*, however, that nothing contained in this subsection shall be construed or interpreted to limit or deny any claim presented by or on behalf of any authorized agency of the United States Government arising out of such agency's response to pollution or to a release or threat thereof pursuant to this title.

(e) The Executive may issue regulations establishing limits of liability of no less than $8,000,000 and no more than $50,000,000 for various classes of onshore facilities and offshore facilities other than those described in subsection (c)(2)(D) of this section and for uncontrolled hazardous waste disposal sites. Any such regulations shall take into account the size, type, location, storage and handling capacity, and other matters relating to the likelihood of releases of oil or hazardous substances involving those classes.

(f) The Executive shall, from time to time, report to Congress on the desirability of adjusting the monetary limitations of liability specified in subsection (c) of this section.

(g)(1) Subject to the provisions of paragraph (2) of this subsection, the fund shall be liable, to the extent that the loss is not otherwise compensated, for all valid claims for losses or damages for which a claim may be asserted under section 607 of this title. Should moneys to pay any such claim not be available in the fund, the Executive shall defer payment of the claim until moneys are available.

(2) Except for the removal costs specified in section 601(ff)(1) of this title, there shall be no liability under paragraph (1) of this subsection—

(A) where the pollution or release from an uncontrolled hazardous waste disposal site is caused solely by an act of war;

(B) as to a particular claimant where the economic loss is caused, in whole or in part, by the gross negligence or willful misconduct of that claimant; *Provided, however*, That nothing contained in this clause shall be construed or interpreted to limit or deny any claim presented by or on behalf of any authorized agency of the United States Government arising out of such agency's response to pollution or to a release or threat thereof pursuant to this title.

(h)(1) In addition to the damages and costs for which claims may be asserted under section 607 of this title, and without regard to the limitation of liability provided in subsection (c) of section 604 of this title, any person or persons liable under subsection (a) or subsection (b) of this section shall also be jointly and severally liable to the claimant for interest on the amount paid in satisfaction of the claim for the period from the date upon which the claim was presented to such person to the date upon which the claimant is paid, inclusive, less the period, if any, from the date upon which the liable person shall offer to the claimant an amount equal to or greater than that finally paid in satisfaction of the claim to the date upon which the claimant shall accept that amount, inclusive. However, if the liable person shall offer to the claimant, within sixty days of the date upon which the claim was presented, or of the date upon which advertising was commenced pursuant to section 608 of this title, whichever is later, an amount equal to or greater than that finally paid in satisfaction of the claim, the liable person shall be liable for the interest provided in this paragraph only from the date the offer was accepted by the claimant to the date upon which payment is made to the claimant, inclusive.

(2) The interest provided in paragraph (1) of this subsection shall be calculated at the average of the highest rate for commercial and finance company paper of maturies of one hundred and eighty days or less obtaining on each of the days included within the period for which interest must be paid to the claimant, as published in the Federal Reserve Bulletin.

(i) No indemnification, hold harmless, or similar agreement shall be effective to transfer from the owner or operator of a facility, or from any person who may be liable for a release or threat of release from an uncontrolled hazardous waste disposal site pursuant to subsection (b) of this section, to any other person the liability imposed under subsection (a) or (b) of this section, other than as specified in this title: *Provided*, That this provision does not preclude an agreement whereby the holder of a leasehold interest for the exploration of oil agrees to indemnify for, or hold harmless from, that liability the owner or operator of a facility which is, by contract or other agreement, engaged in activity on behalf of the holder of the leasehold interest.

(j) Nothing in this title, including the provisions of subsection (i) of this section, shall bar a cause of action that an owner or operator or any other person subject to liability under subsections (a) or (b) of this section, or a guarantor, has or would have, by reason of subrogation or otherwise against any person.

(k) To the extent that they are in conflict with, or otherwise inconsistent with, any other provisions of Federal law relating to liability or the limitation thereof, the provisions of this section shall supersede all such other provisions of law, including those of subsection (a) of section 4283 of the Revised Statutes, as amended (46 U.S.C. 183(a)).

FINANCIAL RESPONSIBILITY

SEC. 605(a)(1) The owner or operator of any vessel (except a non-self-propelled barge that does not carry oil or hazardous substances as fuel or cargo) over three hundred gross tons, which uses an offshore facility or the navigable waters shall establish and maintain in accordance with regulations promulgated by the Executive, evidence of financial responsibility sufficient to satisfy the maximum amount of liability to which the owner or operator of such vessel would be exposed in a case where there is an entitlement to limit liability in accordance with the provisions of subsection (c) of section 604 of this title, *Provided*, That the Executive may prescribe by regulation levels of financial responsibility requirements applicable to persons owning or operating more than one vessel; *Provided further*, That in no case may the total amount of financial responsibility so prescribed be less than the amount applicable to the largest of those vessels as determined under this paragraph. Financial responsibility may be established by any one, or any permitted combination, of the following methods acceptable to the Executive: evidence of insurance, guaranty, surety bond, or qualification as a self-insurer. Any bond filed shall be issued by a surety company authorized to do a surety business in at least one of the United States.

(2) The Secretary of the Treasury shall refuse the clearance required by section 4197 of the Revised Statutes of the United States to any vessel subject to this subsection which does not have certification furnished by the Executive that the financial responsibility provisions of paragraph (1) of this subsection have been complied with.

(3) The Secretary of Transportation, in accordance with regulations promulgated by him, shall (A) deny entry to any port or place in the United States, or to the navigable waters of the United States, to, and (B) detain at the port or place in the United States from which it is about to depart for any other port or place in the United States, any vessel subject to this subsection which, upon request, does not produce certification furnished by the Executive that the financial responsibility provisions of paragraph (1) of this subsection have been complied with.

(b) The owner or operator of an offshore facility which (1) is used for drilling for, producing, or processing oil, or (2) has the capacity to transport, store, transfer, or otherwise handle more than one thousand barrels of oil at any one time, shall establish and maintain, in accordance with regulations promulgated by the Executive, evidence of financial responsibility sufficient to satisfy the maximum amount of liability to which the owner or operator of the facility would be exposed, in a case where he would be entitled to limit his liability in accordance with the provisions of section 604(c) of this title, or $50,000,000, whichever is less; *Provided*, That the Executive may prescribe by regulation levels of financial responsibility requirements applicable to persons owning or operating more than one facility; *Provided further*, That in no case may the financial responsibility requirement prescribed be less than the highest amount applicable to any one of those facilities as determined under this subsection.

(c)(1) Any person who fails to comply with the requirements of subsection (a)(1) or subsection (b) of this section, the regulations promulgated thereunder, or any denial or detention order issued under subsection (a)(3) of this section, shall be subject to a civil penalty of not more than $10,000.

(2) Such penalty may be assessed by the Executive; no penalty shall be assessed until notice and an opportunity for hearing on the alleged violation have been given. In determining the amount of penalty or the amount agreed upon in compromise, the demonstrated good faith of the party shall be taken into consideration.

(3) At the request of the Executive, the Attorney-General may bring an action in the name of the fund to collect the penalty assessed.

(d) Any claim authorized by subsection (a) of section 607 of this title may be asserted directly against any guarantor providing evidence of financial responsibility as required under this section. In defending such claim in respect to its merits, the guarantor shall be entitled to invoke all rights and defenses which would be available to the owner or operator under this title, but the guarantor may not invoke policy or contractual defenses otherwise available to him in an action brought by the owner or operator. If the guarantor's obligation to make payment of such a claim arises solely out of the requirements of this subsection, the guarantor is entitled to reimbursement from the owner or operator. The guarantor need not provide protection for costs, loss, or damage intentionally caused.

(e) The Executive shall conduct a study to determine (1) whether adequate private insurance protection is available on reasonable terms and conditions to the owners and operators of vessels, onshore facilities, offshore facilities, and uncontrolled hazardous waste disposal sites subject to liability under section 604 of this title, and (2) whether the market for such insurance is sufficiently competitive to assure purchasers of features such as a reasonable range of deductibles, coinsurance provisions and exclusions. The Executive shall submit the results of his study, together with his recommendations, within two years of the date of enactment of this Act, and shall submit an interim report on his study within one year of the date of enactment of this Act.

FUND ESTABLISHMENT, ADMINISTRATION, AND FINANCING

SEC. 606. (a) There is hereby established in the Treasury of the United States an Oil and Hazardous Substances Liability Fund, which shall be administered by the Executive. The fund may sue and be sued in its own name.

(b) The total moneys received by the fund from the appropriations and fees authorized by subsections (e) and (f) of this section shall not exceed $250,000,000 in fiscal year 1981, $375,000,000 in fiscal year 1982, $500,000,000 in fiscal year 1983, and $500,000,000 in fiscal year 1984.

(c) The fund shall be constituted from—

(1) such sums as may be appropriated to it, as provided for in subsection (e) of this section; and

(2) all fees collected pursuant to subsection (f) of this section;

(3) all moneys recovered on behalf of the fund under section 610 of this title;

(4) all moneys transferred from funds abolished pursuant to section 6 of this Act; and

(5) all other moneys recovered or collected on behalf of the fund under this title, including penalties assessed under this title, moneys recovered pursuant to section 602(e)(3) of this title, and interest received from the investment of moneys held in the fund pursuant to subsection (g) of this section.

(d)(1) The fund shall be available only to the extent and in such amounts as provided in appropriation acts for:

(A) removal costs described in clause (1) of subsection (s) of section 601 of this title;

(B) costs of emergency assistance described in subsection (ff) of section 601 of this title;

(C) costs of containment described in subsection (gg) of section 601 of this title;

(D) costs incurred pursuant to section 603(a)(1)(B) of this title;

(E) the processing, settlement, and payment of claims under section 609 of this title; and

(F) administrative and personnel costs of the Federal Government incident to the administration of this title, including but not limited to claims settlement activities and adjudicatory and judicial proceedings, and reports and studies required by this title, whether or not such costs are recoverable under section 610 of this title.

(e) There is hereby authorized to be appropriated to the fund from the general fund of the United States Treasury, not to exceed $50,000,000 in fiscal year 1981, $75,000,000 in fiscal year 1982, and $100,000,000 per year in fiscal years 1983 and 1984. Any and all sums appropriated to or deposited in said fund shall remain available until expended.

(f)(1) There is imposed upon the owners of refineries receiving crude or unfinished petroleum oil and upon the owners of any petroleum oil for export at the point of export or loading for export or of any petroleum oil for entry into the United States at the point of entry or unloading for entry, whether for import or transfer to a foreign counrty, a fee, not to exceed 3 cents per barrel of petroleum oil received, exported, or entered. *Provided, however*, That the total of fees imposed under this paragraph shall not exceed $60,000,000 in fiscal year 1981, $80,000,000 in fiscal year 1982, and $100,000,000 per year in fiscal years 1983 and 1984.

(2) There is imposed upon each supplier of petrochemical feedstocks a fee, not to exceed 0.5 cents per pound, on any amount of petrochemical feedstock supplied to another person or used by said supplier. *Provided, however*, That the total of fees imposed under this paragraph shall not exceed $90,000,000 in fiscal year 1981, $150,000,000 in fiscal year 1982, and $200,000,000 per year in fiscal years 1983 and 1984.

(3) There is imposed upon each supplier of inorganic elements and compounds a fee, not to exceed 2 dollars per ton, on any amount of inorganic element or compound supplied to another person or used by said supplier. The inorganic elements and compounds subject to this fee are

(A) arsenic and the equivalent weight of arsenic in arsenic trioxide, cadmium, chromium and the equivalent weight of chromium in chromite, chromic acid, sodium dichromate, and potassium dichromate, lead and the equivalent weight of lead in lead oxide, and mercury;

(B) chlorine, hydrochloric acid, hydrofluoric acid, and bromine in methyl bromide and ethylene dibromide;

(C) phosphoric acid, sulfuric acid, nitric acid, potassium hydroxide, and sodium hydroxide;

(D) ammonia and the equivalent weight of ammonia in ammonium nitrate; and

(E) such other inorganic elements and compounds as the Administrator may deem appropriate, based upon information available to him as a result of listing or characterizing hazardous substances or of implementing this Act. *Provided, however,* That the total of fees imposed under this paragraph shall not exceed $50,000,000 in fiscal year 1981, $70,000,000 in fiscal year 1982, and $100,000,000 per year in fiscal years 1983 and 1984.

(4) (A) Any fees imposed by paragraphs (1), (2), and (3) shall be assessed and collected by the Secretary of the Treasury or his delegate, and the provisions of subtitle F of the Internal Revenue Code of 1954 shall apply to the assessment and collection of such fee as if such fee were a tax described in Chapter 32 of such Code.

(B) Any fees prescribed by this subsection shall be imposed only once on any quantity of petroleum oil, feedstock, element, or compound, except that any fee imposed on any quantity of refined petroleum used as feedstock shall be added, once and only once, to the fee imposed on that quantity pursuant to paragraph (1) of this subsection. The Administrator may recommend to the Secretary of the Treasury an economic incentive for recycling feedstocks and elements or compounds covered by this subsection by reducing the fee on such feedstocks and elements or compounds removed from the waste stream of a production process and recycled in such production process or reintroduced into products or used as a source of energy. The Secretary of the Treasury shall, based upon the recommendation of the Administrator, establish the amount of any such reduction of fee by regulation. *Provided, however,* That in no event shall any reduction of fee exceed the fee on such feedstock and element or compound.

(5) In no event shall the fee imposed with respect to a quantity of petrochemical feedstock or inorganic element or compound pursuant to paragraphs (2) or (3) of this subsection exceed two per centum of the price of the petrochemical feedstock or inorganic element or compound when sold at arms length by the supplier.

(6) From time to time, beginning two years after the establishment of the fund, the Administrator shall recommend to the Secretary of the Treasury any modification of the fees authorized by this subsection needed to assure, to the extent reasonably possible, that the percentage of the total fees collected from each of the various authorized sources is equitable, based upon the claims and payments experience of the fund. Any such recommendation shall be based upon the annual reports provided for in subsection (a) of section 614 of this title. The Secretary of the Treasury shall, based upon the recommendation of the Administrator, establish the new fee schedule by regulation. No regulation that modifies fees promulgated by the Secretary of the Treasury, nor any modification of such a regulation, whether or not in effect, may be stayed by any court pending completion of judicial proceedings for the review of that regulation or modification.

(g) (1) The Secretary of the Treasury or his delegate shall, after consultation with the Secretary of Transportation and the Administrator, invest such portion of the fund, up to $50,000,000, as is not, in his judgment, required to meet current withdrawals. The primary purpose of this capital reserve is to assure the availability of money to cover the costs of Federal response actions.

(2) Any funds invested by the Secretary of the Treasury under paragraph (1) shall be in public debt securities with maturities suitable for the needs of the fund, as determined by said Secretary after consultation with the Secretary of Transportation and the Administrator, and bearing interest at rates determined by the Secretary of the Treasury taking into consideration current market yields on outstanding marketable obligations of the United States of comparable maturities. The income on these investments shall be credited to and form a part of the fund.

(h) To the extent practicable, the Secretary of the Treasury shall keep precise records as to the sources of all moneys in the fund and as to all claims and payments made. For purposes of the annual report provided for in subsection (A) of section 614 of this title, claims and payments shall be categorized as claims and payments (1) for the release or threatened release of oil from uncontrolled hazardous waste disposal sites; (2) for the release or threatened release of hazardous substances from uncontrolled hazardous waste disposal sites; (3) for all other releases or threatened releases of oil; and (4) for all other releases or threatened releases of hazardous substances.

DAMAGE AND CLAIMANTS

SEC. 607. (a) Claims asserted and compensable but unsatisfied under provisions of the Trans-Alaska Pipeline Authorization Act, section 311 of this Act, the Deepwater Port Act of 1974, and title III of the Outer Continental Shelf Lands Act Amendments of 1978, which provisions are repealed or modified by section 6 of this Act may be asserted under this title; and other claims for damages for economic loss incurred on or after the effective date of this section, resulting from pollution, or for costs specified in section 601(ff)(1) of this title incurred by reason of a release or threat thereof, may be asserted under this title for—

(1) removal costs;

(2) injury to, or destruction of, real or personal property;

(3) injury to, or destruction of, natural resources, including costs for damage assessment; and

(4) loss of opportunity to harvest marine life due to injury to or destruction of natural resources.

(b) A claim authorized by subsection (a) of this section may be asserted—

(1) Under item 1,

(A) by any agency of the United States government,

(B) by any State, with respect to reimbursements allowed under the system established in the National Contingency Plan,

(C) by any United States claimant—

(i) who is an owner or operator of a vessel or an onshore facility or an offshore facility;

(ii) which is engaged in the storage, handling, or transportation of oil or hazardous substances; and

(iii) who, in the course of normal operations, maintains expertise, supplies, or equipment to be used for the removal of oil or hazardous substances; and

(iv) who, respecting a release not emanating from a vessel or an onshore facility or an offshore facility owned or operated by such claimant, incurs removal costs referred to in section 601(ff)(2) of this title, as certified by the responsible Federal official; or

(D) by any United States claimant who is an owner or operator of a vessel or onshore facility or offshore facility, for cleanup costs associated with a release occurring from that vessel or facility: *Provided:* That the owner or operator of a vessel or onshore facility or offshore facility who would otherwise be liable under subsection (a) of section 604 of this title may assert such a claim only if he can show that he is entitled to a defense to liability under section 604(d)(1) of this title or, if not entitled to such a defense to liability, that he is entitled to a limitation of liability under subsection (c) of section 604 of this title: *Provided further,* That where he is not entitled to such a defense to liability but entitled to such a limitation of liability, such claim may be asserted only as to the removal costs incurred in excess of that limitation:

(2) under item 2 by any United States claimant, if the property involved is owned or leased by the claimant;

(3) under item (3), by the President, as trustee, for natural resources over which the United States Government has sovereign rights or natural resources within the territory or fishing conservation zone of the United States to the extent they are managed or protected by the United States, or by any State for natural resources within the boundary of that State belonging to, managed by, controlled by, or appertaining to the State: *Provided* that compensation paid under this item shall be used only for assessing the damages to and the restoration of the natural resources damaged or for acquisition of equivalent resources;

(4) under item 4 by any United States claimant;

(5) under items 1 through 4, by a foreign claimant to the same extent that a United States claimant may assert a claim if—

(A) the pollution occurred (i) in the internal waters or (ii) in or on the territorial sea or the immediately adjacent shoreline of a foreign country of which the claimant is a resident;

(B) the claimant is not otherwise compensated for his loss;

(C) the discharge was from a facility located adjacent to or within the navigable waters or from a vessel within the navigable waters or was discharged in connection with activities conducted under the Outer Continental Shelf Lands Act, as amended by the Act (43 U.S.C. 1331 et seq.) or the Deepwater Port Act of 1974, as amended by the Act (33 U.S.C. 1501 et seq.); and

(D) recovery is authorized by a treaty or an executive agreement between the United States and the foreign country involved, or if the Secretary of State, in consultation with the Attorney General and other appropriate officials, certifies that such country provides a comparable remedy for United States claimants: *Provided,* that subclauses (A), (C), and (D) of this clause shall not apply where the claim is asserted by a resident of Canada and where pollution involves oil discharged from a vessel carrying oil that has been (i) transported through the pipeline authorized by the Trans-Alaska Pipeline Authorization Act, as amended, (ii) loaded for transportation to a port under the jurisdiction of the United States, and (iii) discharged prior to being brought ashore in that port; and *Provided further,* That notwithstanding paragraph (1) of subsection (b) of section 6 of this Act, with respect to any oil pollution described in the foregoing proviso, any resident of Canada may assert a claim for all damages, including clean-up costs which would have been cognizable under subsection (c) of section 204 of the Trans-Alaska Pipeline Authorization Act;

(6) under item 1, by a foreign owner or operator of a vessel to the same extent that a United States owner or operator of a vessel may assert such a claim under clause (1) of this subsection where the pollution involved is that set forth in clauses (1), (2), or (4) of subsection (bb) of section 601 of this title; and

(7) under any item, by the Attorney General, on his own motion or at the request of the President, on behalf of any group of United States claimants who may assert a claim under this subsection, when he determines that the claimants would be more adequately represented as a class in asserting their claims. Failure of the Attorney General to take action shall have no bearing on any

class action maintained by any claimant for damages authorized by this section.

(c) If the number of members of a class in an action brought under clause (7) of subsection (b) of this section exceeds one thousand, publication of notice of such action in local newspapers of general circulation in the areas in which the damaged persons reside shall be deemed to fulfill the requirement for public notice established by Rule 23(c)(2) of the Federal Rules of Civil Procedure.

(d)(1) The Administrator shall, within 12 months of the effective date of this title, establish by regulation a priority system for responding to releases or threats of releases from uncontrolled hazardous waste disposal sites which shall include, but not be limited to:

(A) methods, including the role of the States in determining State priorities for response, and in assisting in the Administrator's determination of national priorities for response, and criteria for determining response priorities in the development of which the Administrator shall, to the extent possible, take into account: the significance of the threat to public health, safety, and significant environmental resources; the population at risk, the hazard potential of the hazardous substances at such sites; the potential for contamination of drinking water supplies; the potential for direct human contact; the potential for destruction of sensitive ecosystems; State preparedness to assume State costs and responsibilities; and such other factors as he deems appropriate; and

(B) a system, including the use of contracts, whereby the State or States affected by a release of hazardous substances from such sites may act where necessary to provide emergency assistance and containment and may be reimbursed for the reasonable costs incurred for such assistance and containment from the fund.

(2) Claims for the costs of emergency assistance and containment carried out pursuant to subsection (b) of section 603 of this title may be asserted if the Administrator certifies that such costs have been incurred in a manner consistent with the regulations promulgated pursuant to paragraph (1) of this subsection—

(A) by any agency of the United States government;

(B) by any State, with respect to any reimbursements allowed by the said regulations; or

(C) by any person who is an owner or operator of an uncontrolled hazardous waste disposal site, or any other person who may be liable for a release from such site, for any such costs associated with a release occurring from that site: *Provided*, That the owner or operator of any uncontrolled hazardous waste disposal site, or any other person who would otherwise be liable under subsection (b) of section 604 of this title, may assert such a claim only if he can show that he is entitled to a defense to liability under subsection (d) of section 604 of this title, or, if not entitled to such a defense to liability, that he is entitled to a limitation of liability under subsection (c) of section 604 of this title: *Provided further*, That where he is not entitled to such a defense to liability but entitled to such a limitation of liability, such claim may be asserted only as to emergency assistance and containment costs incurred in excess of that limitation. *Further provided*, That nothing contained in this subsection shall be deemed or held to prevent the assertion of a claim by the Administrator for any emergency assistance or containment activity carried out or authorized by him prior to the promulgation of the regulations provided for herein.

DESIGNATION AND ADVERTISEMENT

SEC. 608. (a)(1) When the Executive receives information of an incident which involves pollution or when he exercises his authority to respond to a release of a hazardous substance from an uncontrolled hazardous waste disposal site, he shall, where possible, designate the source or sources of the pollution or release and shall immediately notify the owner, operator, and the guarantor of the source of that designation and, in the case of an uncontrolled hazardous waste disposal site, any other liable party, where possible.

(2) Any person designated under paragraph (1) of this subsection may deny that designation. If the owner, operator, or guarantor of a source of pollution fails to inform the Executive, within five days after receiving notification of the designation, of his denial, that owner, operator, or guarantor, as required by regulations promulgated by the Executive, shall advertise the designation and the procedures by which claims may be presented to him. If advertisement is not otherwise made in accordance with this paragraph, the Executive shall, as he finds necessary, and at the expense of the owner, operator, or guarantor involved, advertise the designation and the procedures by which claims may be presented to that owner, operator, or guarantor.

(b) In a case where—

(1) the owner, operator, and guarantor all deny a designation in accordance with paragraph (2) of subsection (a) of this section,

(2) the source of the pollution or release was a public vessel, or

(3) the Executive is unable to designate the source or sources of the pollution or release under paragraph (1) of subsection (a) of this section, he shall advertise or otherwise notify potential claimants of the procedures by which claims may be presented to the fund.

(c) Advertisement under subsection (a) of this section shall commence no later than fifteen days from the date of the designation made thereunder and continue for a period of no less than thirty days.

CLAIMS SETTLEMENT

SEC. 609. (a) Claims may be presented directly to the fund by any authorized agency of the United States Government for the costs described in clauses (A) through (D) of section 606(d)(1) of this title, and the Executive is authorized to promulgate regulations designating the Federal official or officials who may obligate available money in the fund for such purposes. Except as provided in subsection (b) of this section, all other claims shall be presented to the owner, operator, or guarantor.

(b) All claims shall be presented to the fund—

(1) where the Executive has advertised or otherwise notified claimants in accordance with subsection (b) of section 608 of this title, or

(2) by an owner, operator or other liable person where he may recover under the provisions of subsection (b)(1) or under subsection (d)(2) of section 607 of this title.

(c) In the case of a claim presented in accordance with subsection (a), and in which—

(1) the person to whom the claim is presented denies all liability for the claim, for any reason, or

(2) the claim is not settled by any person by payment to the claimant within 120 days of the date upon which (A) the claim was presented, or (B) advertising was commenced pursuant to paragraph (2) of subsection (a) of section 608 of this title, whichever is later, the claimant may elect to commence an action in any court of competent jurisdiction against the owner, operator, or guarantor, or to present the claim to the fund, that election to be irrevocable and exclusive. Should the Claimant elect to commence an action in court, the standards of liability, and the defenses and limitations thereto set forth in section 604 of this title shall apply, any other laws to the contrary notwithstanding.

(d) In the case of a claim presented in accordance with subsection (a) of this section, where full and adequate compensation is unavailable, either because the claim exceeds a limit of liability invoked under subsection (c) of section 604 of this title or because the owner, operator, and guarantor are financially incapable of meeting their obligations in full, a claim for the uncompensated damages may be presented to the fund.

(e) In the case of a claim which has been presented to any person, pursuant to subsection (a) of this section, and which is presented to the fund pursuant to subsection (c) or (d) of this section, such person, at the request of the claimant, shall transmit the claim and supporting documents to the fund. The Executive may, by regulation, prescribe the documents to be transmitted and the terms under which they are to be transmitted.

(f) In the case of a claim presented to the fund, pursuant to subsection (b), (c), or (d) of this section, and in which the fund—

(1) denies all liability for the claim, for any reason, or

(2) does not settle the claim by payment to the claimant within sixty days of the date upon which (A) the claim was presented to the fund or (B) advertising was commenced pursuant to subsection (c) of section 608 of this title, whichever is later, the claimant may submit the dispute to the Executive for decision in accordance with section 554 and related provisions of title 5, United States Code.

(g)(1) The Executive shall promulgate regulations which establish uniform procedures and standards for the appraisal and settlement of claims against the fund: *Provided*, that nothing contained in this section or the preceeding section shall be construed as authorizing the Executive to deny any claim presented by any authorized agency of the United States Government for cleanup, removal, emergency assistance, or containment costs or costs incurred under section 603(a)(1)(B) of this title. Should moneys for any such claim not be available in the fund, the Executive shall defer payment of the claim until moneys are available.

(2) Except as provided in paragraph (3) of this subsection, the Executive shall use the facilities and services of private insurance and claims adjusting organizations or State agencies in processing claims against the fund and may contract to pay compensation for those facilities and services. Any contract made under the provisions of this paragraph may be made without regard to the provisions of section 3709 of the Revised Statutes, as amended (41 U.S.C. 5), upon a showing by the Executive that advertising is not reasonably practicable. The Executive shall establish procedures for the approval and payment of claims. When the services of a State agency are used in processing and settling claims, no payment may be made on a claim asserted on behalf of that State or any of its agencies or subdivisions unless the payment has been approved by the Executive.

(3) To the extent necessitated by extraordinary circumstances, where the services of such private organizations or State agencies are inadequate, the Executive may use Federal personnel to process claims against the fund.

(h) Without regard to subsection (b) of section 556 of title 5, United States Code, the Executive is authorized to appoint, from time to time for a period not to exceed one hundred and eighty days, one or more panels, each comprised of three individuals, to hear and decide disputes submitted to the Executive pursuant to subsection (f). At least one member of each panel shall be qualified in the conduct of adjudicatory proceedings and shall preside over the activities of the panel.

Each member of a panel shall possess competence in the evaluation and assessment of property damage and the economic losses resulting therefrom. Panel members may be appointed from private life or from any Federal agency except the staff administering the fund. Each panel member appointed from private life shall receive a per diem compensation, and each panel member shall receive necessary travel and other expenses while engaged in the work of a panel. The provisions of chapter 11 of title 18, United States Code, and of Executive Order 11222, as amended, regarding special government employees, apply to panel members appointed from private life.

(i)(1) Upon receipt of a request for decision from a claimant, properly made, the Executive shall refer the dispute to an administrative law judge appointed under section 3105 of title 5, United States Code or a panel appointed under subsection (h) of this section.

(2) The administrative law judge and each member of a panel to which a dispute is referred for decision shall be a resident of the United States judicial circuit within which the damage complained of occurred, or, if the damage complained of occurred within two or more circuits, of any of the affected circuits, or, if the damage occurred outside any circuit, of the nearest circuit.

(3) Upon receipt of a dispute, the administrative law judge or panel shall adjudicate the case and render a decision in accordance with section 554 of title 5, United States Code. In any proceeding subject to this subsection, the presiding officer may require by subpoena any person to appear and testify or to appear and produce books, papers, documents, or tangible things at a hearing or deposition at any designated place. Subpoenas shall be issued and enforced in accordance with procedures in subsection (d) of section 555 of title 5, United States Code, and rules promulgated by the Executive. If a person fails or refuses to obey a subpoena, the Executive may invoke the aid of the district court of the United States where the person is found, resides, or transacts business in requiring the attendance and testimony of the person and the production by him of books, papers, documents, or any tangible things.

(4) A hearing conducted under this subsection shall be conducted within the United States judicial district within which, or nearest to which, the damage complained of occurred, or, if the damage complained of occurred within two or more districts, in any of the affected districts, or, if the damage occurred outside any district, of the nearest district.

(5) The decision of the administrative law judge or panel under this subsection shall be the final order of the Executive except that the Executive in his discretion and in accordance with rules which he may promulgate, may review the decision upon his own initiative or upon exception of the claimant or the fund.

(6) Final orders of the Executive made under this subsection shall not be subject to judicial review.

(j)(1) In any action brought against an owner, operator, or guarantor, both the plaintiff and defendant shall serve a copy of the complaint and all subsequent pleadings therein upon the fund at the same time those pleadings are served upon the opposing parties.

(2) The fund may intervene in the action as a matter of right.

(3) In any action to which the fund is a party, if the owner, operator, or guarantor admits liability under this title, the fund upon its motion shall be dismissed therefrom to the extent of the admitted liability.

(4) If the fund receives from either the plaintiff or the defendant notice of such an action, the fund shall be bound by any judgment entered therein, whether or not the fund was a party to the action.

(5) If neither the plaintiff nor the defendant owner or operator gives notice of such an action to the fund, the limitation of liability otherwise permitted by subsection (c) of section 604 of this title is not available to that defendant, and the plaintiff shall not recover from the fund any sums not paid by the defendant.

(k) In any action brought against the fund, the plaintiff may join the owner, operator, or guarantor, and the fund may implead any person who is or may be liable to the fund under any provision of this title.

(l) No claim may be presented, nor may an action be commenced for damages recoverable under this title, unless that claim is presented to, or that action is commenced against, the owner, operator, or guarantor, or against the fund, as to their respective liabilities within three years from the date of discovery of the economic loss or cost for which a claim may be asserted under subsection (a) of section 607 of this title.

SUBROGATION

SEC. 610. (a) Any person or governmental entity, including the fund, who shall pay compensation to any claimant for an economic loss or cost, compensable under section 607 of this title, shall be subrogated to all rights, claims, and causes of action which that claimant has under this title.

(b) Upon request of the Executive, the Attorney General may commence an action, on behalf of the fund, for the compensation paid by the fund to any claimant pursuant to this title. Such an action may be commenced under any law against any owner, operator, or guarantor, or against any other person or governmental entity, who is liable thereunder to the compensated claimant or to the fund, for the damages for which the compensation was paid.

(c) In all claims or actions by the fund against any person pursuant to the provisions of subsections (a) and (b) of this section, the fund shall recover—

(1) for a claim presented to the fund (where there has been a denial of source designation) pursuant to section 608(b)(1) of this title, or (where there has been a denial of liability) pursuant to section 609(c)(1) of this title—

(A) subject only to the limitation of liability to which the defendant is entitled under subsection (c) of section 604 of this title, the amount the fund has paid to the claimant, without reduction;

(B) interest on that amount, at the rate calculated in accordance with section 604(h)(2) of this title, from the date upon which the claim was presented by the claimant to the defendant to the date upon which the fund was paid by the defendant, inclusive, less the period, if any, from the date upon which the fund shall offer to the claimant the amount finally paid by the fund to the claimant in satisfaction of the claim against the fund to the date upon which the claimant shall accept that offer, inclusive, and

(C) all costs incurred by the fund by reason of the claim, both of the claimant against the fund and the fund against the defendant, including, but not limited to, processing costs, investigating costs, court costs, and attorney's fees; or

(2) for a claim presented to the fund pursuant to section 609(c)(2) of this title—

(A) in which the amount the fund has paid to the claimant exceeds the largest amount, if any, the defendant offered to the claimant in satisfaction of the claim of the claimant against the defendant—

(i) subject to dispute by the defendant as to any excess over the amount offered to the claimant by the defendant, the amount the fund has paid to the claimant;

(ii) interest, at the rate calculated in accordance with section 604(h)(2) of this title, for the period specified in clause (1) of this subsection; and promulgate, may review the decision upon his own initiative or upon exception of the claimant or the fund.

(iii) all costs incurred by the fund by reason of the claim of the fund against the defendant, including, but not limited to, processing costs, investigating costs, court costs, and attorney's fees; or

(B) in which the amount the fund has paid to the claimant is less than or equal to the largest amount the defendant offered to the claimant in satisfaction of the claim of the claimant against the defendant—

(i) the amount the fund has paid to the claimant, without reduction;

(ii) interest, at the rate calculated in accordance with section 604(h)(2) of this title, from the date upon which the claim was presented by the claimant to the defendant to the date upon which the defendant offered to the claimant the largest amount referred to in this subclause: *Provided*, That if the defendant tendered the offer of the largest amount referred to in this subclause within 120 days of the date upon which the claim of the claimant was either presented to the defendant or advertising was commenced pursuant to section 608 of this title, the defendant shall not be liable for interest for that period; and

(iii) interest from the date upon which the claim of the fund against the defendant was presented to the defendant to the date upon which the fund is paid, inclusive, less the period, if any, from the date upon which the defendant shall offer to the fund the amount finally paid to the fund in satisfaction of the claim of the fund to the date upon which the fund shall accept that offer, inclusive.

(d) The fund shall pay over to the claimant that portion of any interest the fund shall recover, pursuant to subsections (c)(1) and (c)(2)(A) of this section, for the period from the date upon which the claim of the claimant was presented to the defendant to the date upon which the claimant was paid by the fund, inclusive, less the period from the date upon which the fund offered to the claimant the amount finally paid to the claimant in satisfaction of the claim to the date upon which the claimant shall accept that offer, inclusive.

(e) The fund is entitled to recover for all interest and costs specified in subsection (c) of this section without regard to any limitation of liability to which the defendant may otherwise be entitled.

JURISDICTION AND VENUE

SEC. 611. (a)(1) Except as provided in paragraph (2) of this subsection the United States district courts shall have exclusive original jurisdiction over all controversies arising under this title, without regard to the citizenship of the parties or the amount in controversy.

(2) Review of any regulation issued under this title may be had upon application of in interested person only in the Circuit Court of Appeals of the United States for the District of Columbia. Any such application for review must be made within ninety days from the effective date of the regulation.

(b) For the purposes of paragraph (1) of subsection (a) of this section, venue shall lie in any district wherein the injury complained of occurred, or wherein the defendant resides, may be found, or has his principal office. For the purposes of this section, the fund shall reside in the District of Columbia.

(c) The provisions of subsection (a) and (b) of this section shall not apply to any controversy or other matter resulting from the assessment of collection of any fee, as provided by section 606(f) of this title, or to the review of any regulation promulgated under the Internal Revenue Code of 1954.

RELATIONSHIP TO OTHER LAW

SEC. 612. (a) Except as provided in this title—

(1) No action may be brought in any court of the United States, or of any State or political subdivision thereof, for damages for an economic loss or cost described in subsection (a) of section 607 of this title, a claim for which may be asserted under this title, and

(2) no person may be required to contribute to any fund, the purpose of which is to pay compensation for such a loss or cost, nor to establish or maintain evidence of financial responsibility relating to the satisfaction of a claim for such a loss or cost.

(b) Nothing in subsection (a) of this section shall preclude or be interpreted to preempt any State from establishing liability funds, establishing limits of liability, setting financial responsibility requirements, or imposing any taxes or fees upon any person, or upon oil or hazardous substances for the purpose of establishing liability and compensation schemes for losses or costs not compensated under this title which are associated with pollution, or for any losses or costs associated with releases of hazardous substances as defined in section 601(o)(3) at uncontrolled hazardous waste disposal sites.

(c) Nothing in subsection (a) of this section shall prohibit an action by the fund, under any other provision of law, to recover compensation paid pursuant to this title.

(d) Regardless of any State statutory or common law to the contrary, no person who asserts a claim for damages pursuant to this title shall be deemed or held to have waived any other claim for damages not covered or assertable under this title arising from the same incident, transaction, or set of circumstances, nor to have split a cause of action. Further, no person asserting a claim pursuant to this title shall as a result of any determination of a question of fact or law made in connection with that claim be deemed or held to be collaterally estopped from raising such question in connection with any other claim not covered or assertible under this title raising from the same incident, transaction, or set of circumstances.

(e) In the case of conflict or inconsistency, the provisions of this Act shall supersede all other provisions of Federal law which may define liability for the release of oil or hazardous substances, provide a mechanism for responding to such releases, set up a claim mechanism relating to losses resulting from such releases, or otherwise regulate or control the release or threat of release of oil or hazardous substances. *Provided,* That this title does not preempt the authority of the Federal Government to take action under other provisions of Federal law for any remedies not provided by this title.

AUTHORITY TO DELEGATE, ISSUE REGULATIONS

SEC. 613. The President is authorized to delegate and assign any duties or powers imposed upon him or assigned to the Executive, and, except to the extent limited by section 606(f) of this title, to promulgate any regulations necessary to carry out the provisions of this title.

REPORTS, STUDIES, REVIEW OF FEES AND PENALTIES

SEC. 614. (a) The Executive shall submit to the Congress within six months after the end of each fiscal year, beginning one year after the establishment of the fund pursuant to section 606 of this title, a report summarizing the receipts and disbursements made from the fund during that year, showing categories of sources and types of damages reimbursed. The report shall also describe the administration and functioning of the fund during the period covered and present any recommendations the Executive may have for improvement.

(b) No more than three years after the effective date of this title, the Executive shall make a comprehensive report to the Congress on experience with the implementation of this title, including, but not limited to, an analysis of: (1) whether the prohibitions against releases are effective; (2) the extent to which the fund is effective in enabling government to respond to and mitigate the effects of releases and threatened releases of oil and hazardous substances; (3) the cost of responding to and the potential threat to public health or safety, or to significant environmental resources, posed by remaining uncontrolled hazardous waste disposal sites; (4) whether the fees, appropriations, and penalties established hereunder are sufficient and equitable; and (5) State participaiton in the system of response, liability, and compensation established by this title. In preparing such report, the Executive shall consult with appropriate Federal, State, and local agencies, affected industries and claimants, and other interested parties. Based upon the analyses and consultation required by this subsection, the Executive shall also include in the report any recommendations for legislative changes he may deem necessary for the better effectuation of the purposes of this title, including but not limited to recommendations concerning authorization levels, fees, State participation, liability and liability limits, and financial responsibility provisions.

EFFECTIVE DATES, SAVINGS PROVISION

SEC. 5. (a) This section, section 7 and all provisions of this Act authorizing the appropriation of funds, the delegation of authority, and the promulgation of regulations shall be effective on the date of enactment of this Act.

(b) All other provisions of this Act and the regulations applicable thereto shall be effective on the first day of the first calendar month beginning on or after the one hundred and eightieth day after the date of enactment of this Act; *Provided* that any regulations issued pursuant to this title may provide for such an additional period in which to comply or for such an effective date as the Executive may determine is reasonable.

(c) Any regulation issued pursuant to any provision of section 311 of the Federal Water Pollution Control Act, as amended, which is in effect on the date immediately preceding the effective date of section 6 of this Act shall be deemed to be a regulation issued pursuant to the authority of Title VI of section 4 of this Act and shall remain in full force and effect unless or until superseded by new regulations issued thereunder.

(d) Any regulation

(1) respecting financial responsibility,

(2) issued pursuant to any provision of law repealed by section 6 of this Act, and

(3) in effect on the date immediately preceding the effective date of section 6 of this Act shall be deemed to be a regulation issued pursuant to the authority of Title VI of section 4 of this Act shall remain in full force and effect unless or until superseded by new regulations issued thereunder.

(e) No provision of this Act shall be deemed or held to moot any litigation concerning releases of oil or hazardous substances commenced prior to the effective date of this Act.

CONFORMING AMENDMENTS

SEC. 6. (a) Subsection (b) of section 204 of the Trans-Alaska Pipeline Authorization Act (87 Stat. 586) is amended, in the first sentence, by inserting after "any area", the words "in the State of Alaska"; by inserting after "any activities", the words "related to the trans-Alaska oil pipeline", and by inserting at the end of the subsection a new sentence to read as follows: "this subsection shall not apply to removal costs resulting from pollution as that term is defined in subsection (ff) of section 601 of the Oil, Hazardous Substances, and Hazardous Wastes Response, Liability, and Compensation Act of 1979.".

(b) Subsection (c) of section 204 of the Trans-Alaska Pipeline Authorization Act is hereby repealed. The Trans-Alaska Pipeline Liability Fund is hereby abolished. All assets of that fund, as of the effective date of this section, shall be transferred to the fund established by section 606 of Title VI, as set out in section 4 of this Act. The fund shall assume any and all liability incurred by the Trans-Alaska Pipeline Liability Fund under the terms of subsection (c) of section 204 of the Trans-Alaska Pipeline Authorization Act.

(c) Section 17 of the Intervention of the High Seas Act (88 Stat. 10) is amended to read as follows:

SEC. 17. The fund established under section 606 of the Oil, Hazardous Substances, and Hazardous Wastes Response, Liability, and Compensation Act of 1979 shall be available to the Secretary for actions and activities taken under section 5 of this Act.".

(d) Section 311 of the Federal Water Pollution Control Act, as amended, is hereby repealed. The fund established pursuant to subsection (k) of that section is hereby abolished, and any and all assets of that fund, as of the effective date of this section, shall be transferred to the fund established by section 606 of Title VI, as set out in section 4 of this Act.

(e) The Deepwater Port Act of 1974 (88 Stat. 2126) is amended as follows:

(1) In section 4(c)(1), strike "section 18 (1) of this Act," and insert in lieu thereof "section 605 of the Oil, Hazardous Substances, Hazardous Wastes Response, Liability, and Compensation Act of 1979.".

(2) Subsections (b), (d), (e), (f), (g), (h), (i), (j), (l), and (n) of section 18 are deleted.

(3) Clause (3) of subsection (c) of section 18 is amended by striking "Deepwater Port Liability Fund established pursuant to subsection (f) of this section." and inserting in lieu thereof "fund established under section 606 of the Oil, Hazardous Substances, and Hazardous Wastes Response, Liability, and Compensation Act of 1979.".

(4) Subsection (k) of section 18 is amended to read as follows:

"(k) This section shall not be interpreted to preclude any State from imposing additional requirements, not inconsistent with the provisions of the Oil, Hazardous Substances, and Hazardous Wastes Response, Liability, and Compensation Act of 1979, for any discharge of oil from a deepwater port or a vessel within any safety zone.".

(5) Subsections (c), (k), and (m) of section 18 are redesignated (b), (c), and (d), respectively.

(f) Title III of the Outer Continental Shelf Lands Act Amendments of 1978 is repealed. Any fees or moneys deposited in the Offshore Oil Pollution Compensation Fund established under Section 302 of that title shall be deposited in the fund established by section 606 of Title VI, as set out in section 4 of this Act. The fund shall assume any and all liability incurred by the Offshore Oil Pollution Compensation Fund under title III of the Outer Continental Shelf Lands Act Amendments of 1978.

(g) Subsection (b) of section 504 of the Federal Water Pollution Control Act as amended, is hereby repealed.

SEPARABILITY

SEC. 7. If any provision of this Act, or the application of any provision of this Act to any person or circumstance, is held invalid, the application of such provision to other persons or circumstances, and the remainder of this Act shall not be affected thereby.

THE WHITE HOUSE,
Washington, June 13, 1979.

Hon. WALTER F. MONDALE,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: Today I am transmitting legislation to address some of the most significant environmental and public health problems facing our Nation. The problems which the legislation is designed to address are extremely serious. Recent months have focused public attention on a series of past improper hazardous waste disposal incidents such as the tragedy of Love Canal, New York. This case clearly demonstrates the unacceptable costs of improper hazardous waste disposal which may accrue from other incidents such as:

Contamination of surface and ground waters including drinking water supplies;

Staggering financial costs of cleaning up and containing wastes; and

Acute poisoning, carcinogenicity, mutagenicity, and promotion of miscarriages and birth defects.

The proposed legislation is a comprehensive program with the financial responsibility shared by Federal, State and local governments as well as industry. For spills of oil or hazardous substances, the legislation establishes a comprehensive and uniform system of notification, emergency response, enforcement, liability and limited economic compensation for such incidents. For uncontrolled sites, the proposed legislation would establish essentially the same program but without economic compensation. This comprehensive program would be implemented by:

Requiring notification of spills and the presence of uncontrolled hazardous waste disposal sites;

Empowering the Federal Government to clean up and mitigate pollution in those incidents where the liable parties do not respond adequately or cannot be quickly identified;

Enforcing higher standards of care in the handling of oil, hazardous substances and hazardous wastes including recovery from liable parties of governmental response costs and economic compensation;

Providing compensation for the economic damages sustained by innocent victims of spills.

The States have a significant role in implementing this legislation. Although the proposed legislation authorizes Federal action in emergency situations, the States are expected to provide financing for both the short-term and long-term containment of releases from hazardous dumpsites.

The legislation provides a major innovation in the manner we approach environmental rehabilitation. In particular, those elements of the private sector which produce hazardous chemicals will share, along with the Federal and State governments, in the financial responsibility for meeting the goals of the legislation through a system of fees.

The legislation provides for a mid-term evaluation. Within three years of enactment a report will be submitted to the Congress which would include experience to date in implementing the legislation; the extent, if any, of the critical uncontrolled sites problem; projected funds required for spill response; extent of State participation; and recommendations for statutory modification in such areas as fee structure, fund operation, liability limits, and financial responsibility limits.

It has become abundantly clear over the past several months that exposure of humans and the environment to dangers from spills of oil, hazardous substances and hazardous wastes and from releases at uncontrolled hazardous waste disposal sites are two of the most pressing environmental problems facing the Nation. I believe that the proposed legislation represents a comprehensive and effective approach for protecting people and the environment from such incidents. I am hopeful that this proposal will receive prompt consideration and speedy enactment. The health of the public and the environment cannot afford less.

Sincerely,

JIMMY CARTER.

STATEMENT OF THE ADMINISTRATOR ON OIL, HAZARDOUS SUBSTANCES, AND HAZARDOUS WASTE RESPONSE, LIABILITY, AND COMPENSATION ACT OF 1979

A rash of recent incidents resulting from improper disposal of hazardous wastes has made it tragically clear that faulty hazardous waste management practices, both past and current present a grave threat to public health and to the environment. Incidents such as the tragedy at Love Canal in New York, show that hazardous wastes, if not properly disposed of, are capable of causing death, acute poisoning, cancer, miscarriages, and birth defects and polluting our environment. At this time, no one can estimate with certainty the full extent of the problem across the Nation, although a recent Environmental Protection Agency study indicates that thousands of abandoned sites and billions of dollars in remedial costs may be involved.

Spills of hazardous substances and oil, of which there are many thousands each year, can have harmful results similar to those produced by improper management of hazardous wastes, and they require similar or related treatment in terms of emergency response and clean-up methods. Currently, although there are limited authorities and resources to deal with some, but not all, aspects of hazardous waste site and spill problems, the overall effect is a confusing patchwork which severely handicaps the Government's ability to protect public health and the environment.

The Administration is proposing to the Congress a comprehensive piece of legislation which will enable the Federal Government, in concert with the States, to move swiftly and forcefully to prevent, minimize, and contain the dangers presented by past disposal practices of hazardous waste sites and by spill of oils and hazardous materials.

The bill addresses a legacy of neglect. For decades, thousands upon thousands of tons of hazardous chemicals bearing wastes have been deposited on the landscape.

These sites with their contents of long lasting chemicals now represent time capsules releasing, over time, their toxic contents into our surface waters, our groundwaters, and seriously degrading our landscapes, and that most essential element of our life support system—our water supply.

These past abuses represent threats against which our people expect action. This bill is designed to provide that action.

The legislation will establish a unified framework for notification, emergency response, enforcement, and liability, for incidents involving spills and abandoned and inactive hazardous waste disposal sites. It will establish a fund of $1.6 billion over four years to finance emergency response, clean-up and containment actions by government and, in the case of spill incidents, to provide limited compensation for property and economic damages to third parties, including private citizens.

Where possible, the costs of response and compensation will be recovered by the Government from the responsible parties. Although there will be some federal appropriations, 80 percent of the monies will be raised by fees on those segments of industry connected to commercial practices involving oil and hazardous substances. We expect that a significant portion of these costs will be passed on to consumers. Both industry and consumers have financially benefited from cheap and unsafe disposal practices in the past and, therefore, both should share in paying for the remedies we must now pursue. However, the legislation contains a number of safeguards which ensure that the burden of the fees will not be unreasonable. Within four years, moreover, the legislation will be carefully analyzed to see if the funding provisions are adequate. A report to the Congress, based on this analysis, will include a recommendation on the projected need for reauthorization.

The bill represents President Carter's personal commitment to create an equitable and effective mechanism to protect public health and welfare. The process of developing this legislation has been very thorough, and the legislation has received intensive and high-level scrutiny throughout the Executive Branch. We believe it will establish an effective program to deal with this serious problem. However, it is not yet law and, therefore, the Administration is taking what immediate actions we can under existing authorities.

Both EPA and the Justice Department are accelerating enforcement activities regarding hazardous disposal sites. The Coast Guard and EPA are also taking emergency response actions wherever our limited funds and authority allow us to do so. For example, we have mitigated the dangerous situation at the Valley of the Drums in Kentucky. In order to undertake all possible efforts within existing law, the President is also asking Congress for an addition to the FY 1980 budget of $45 million and 70 positions for EPA and $1.2 million and 30 positions for the Department of Justice. This will help us to immediately intensify our efforts in enforcement and emergency government response at the abandoned and inactive hazardous waste disposal sites.

The most critical issue, though, is the need for new legislation. President Carter's proposal is being transmitted to Congress today, and I hope that it will be promptly considered and speedily enacted. In a matter so critical to the public health and to the environment, we cannot afford delay.

FACT SHEET: OIL, HAZARDOUS SUBSTANCES AND HAZARDOUS WASTE RESPONSE, LIABILITY, AND COMPENSATION ACT OF 1979

1. Coverage: Releases of oil, hazardous substances (§ 311, Clean Water Act) and hazardous wastes (§ 3001, RCRA) from spills and inactive and abandoned (i.e., unpermitted) hazardous waste disposal sites, and any other release which may cause imminent and substantial danger to public health or welfare.

2. Reporting requirements: Spills, as now required; existence of inactive and abandoned disposal sites.

3. Government emergency response actions:

Spills: Removal, clean-up, mitigation, and restoration of natural resources.

Inactive and abandoned disposal sites:

Emergency assistance—100% Federal costs up to $300,000.

One year of containment (least cost means to prevent or minimize continued releases)—100% Federal costs up to $200,000; 90% Federal above $200,000; 50% Federal if State or municipal-owned site.

For containment, State must first agree, where necessary, to cost share, maintain for up to 19 years and provide safe off-site disposal facilities.

Priorities for response based on statutory criteria protecting public health, safety and significant environmental resources.

4. Liability: Joint, several, and strict for owners, operators and lessees.

For disposal sites: Also anyone who caused or contributed to a release, including past disposers and generators.

Specific limits of liability established up to $50,000,000 for certain types of sources.

5. Fund operation:

$1.625 billion in fees and appropriations over 4 year period.

Phased in—$250 million 1st year, $375 million 2nd year, $500 million 3rd and 4th years.

At $500 million annual level, fund composed of:

$100 million, appropriation; $100 million, petroleum oil; $200 million, petrochemical feedstocks for organic chemicals; $100 million, inorganic chemicals and heavy metals.

$50 million capital reserve for catastrophic incidents.

Cap on fees with annual adjustments within cap—

3c/barrel, petroleum oil;

½c/pound, petrochemical feedstock; and $2/ton, inorganic chemicals.

Cap on fees of two percent of sales price of petrochemical feedstocks and inorganic chemicals and heavy metals.

Single fund for all fee income and expenditures.

6. Damages and Claims:

Spills of oil and hazardous substances—

Removal costs (including restoration of natural resources);

Third party damages—property and loss of opportunity to harvest marine life;

No personal injury damages.

Abandoned and inactive disposal sites—

Emergency Assistance;

Containment;

No third party damages; and

Claims only for sites with priority.

7. Preemption:

Spills: States are preempted for anything covered by fund.

Uncontrolled Sites: No preemption.

8. Other Provisions:

Ensures carry-over of section 311 (Clean Water Act) regulations, case law, government response capability, etc.

Consolidates 4 existing special purpose funds into one fund.

Summary of Oil, Hazardous Substances, and Hazardous Waste Response, Liability, and Compensation Act of 1979

The proposed legislation addresses releases to the environment of oil, hazardous substances and hazardous wastes from spills and from inactive and abandoned disposal sites. It establishes a comprehensive and uniform system of notification, emergency government response, enforcement, liability and compensation for such incidents by:

(1) requiring notification to government of spills and the presence of inactive and abandoned hazardous waste disposal sites;

(2) empowering government to clean up and mitigate the pollution without delay in incidents where the liable parties do not respond adequately or cannot be quickly identified;

(3) enforcing higher standards of care by providing for recovery of government response costs and third party compensation as well as penalties from liable parties; and

(4) providing for quickly compensating innocent victims of spills for damages to property and the loss of opportunity to harvest marine life.

Upon learning of a spill or a release of wastes from an abandoned or inactive disposal site, the legislation would enable the government, in advance of judicial action, to induce any liable parties to prevent or cleanup and mitigating the problem by authorizing the government, if necessary, to act in their place without delay and later recover the public costs. The legislation would also provide for compensation to innocent victims of spills for damages to property or lost opportunity to harvest marine life, in advance of judicial action. Additionally, for spills, any third party damages paid as a result of an inadequate response by the potentially liable parties could also be recovered by the government. Even where a responsible, economically viable party could not be identified, government response could still be taken without delay to protect public health, safety or a significant environmental resource.

In contrast, government response to inactive and abandoned sites under existing funded statutory authority first requires documentation of an "imminent and substantial" threat to public health or welfare and successful judicial action to enjoin responsible parties before any remedial actions may occur. This can require months and often years. Where a responsible party cannot be identified or is not financially viable, no effective government response is authorized by existing laws, unless the disposal site discharges oil or specifically designated hazardous substances into navigable waters. In this case, the government can take action and recover the costs of cleanup, mitigation, and restoration of natural resources. However, if the discharge is to other than navigable waters or involves hazardous wastes but not designated hazardous substances, or the incident alone or in combination with other such incidents requires more than the existing $35 million appropriation, effective government response is precluded by existing laws. Moreover, existing Federal and State authorities covering spills and inactive and abandoned sites preclude payment of third party damages, except after often costly and lengthy litigation by the innocent victims under State tort law.

The proposed legislation is built upon and would incorporate Section 311 of the "Clean Water Act" and the proposed "Comprehensive Oil Pollution Liability and Compensation Act" developed by the Department of Transportation (DOT) for the 96th Congress. With minor conforming amendments the proposed legislation extends the DOT draft bill for oil spill compensation from just "navigable waters" to the "environment," and includes spills of designated hazardous substances. This proposed legislation also incorporates the notification, emergency response, penalty and spill prevention provisions of Section 311 and ensures the carry-over of Section 311 regulations, case law and government response capability. In effect, the legislation converts the Section 311(k) fund from an appropriated fund to an expanded fee-based fund and adds a compensation system for third party damages to property and lost opportunity to harvest marine life from spills of oil and hazardous substances.

The draft legislation also uses Section 311 and the DOT draft bill as a basis for addressing inactive and abandoned waste disposal sites. The proposed legislation adapts the Section 311 notification, emergency response and liability program to releases or threatened releases to the environment of hazardous wastes from inactive and abandoned disposal sites. It does not, however, provide a compensation system for third party damages resulting from such sites.

Finally, the proposed legislation expands the basis for collecting fees in the DOT-proposed fund to cover also hazardous substances and hazardous wastes and adds an annual Federation appropriation to the fund. The major policy decisions incorporated in the proposed legislation are summarized in the following discussion.

Coverage: The proposed legislation would cover releases into all environmental media, including navigable waters, groundwaters, land and air. The covered materials would include oil, all hazardous substances designated under Section 311 of the Clean Water Act and under the same provision as incorporated in the proposed legislation, and wastes defined as hazardous under Section 3001 of the Solid Waste Disposal Act (SWDA). The legislation would cover spills and abandoned and inactive hazardous waste disposal sites, but not discharges or sites with permits (or in the case of the SWDA, "interim status") under existing Federal environmental protection laws. In addition, the legislation would authorize use of the fund and recovery of costs for incidents involving releases to the environment posing an imminent and substantial danger to public health or welfare, regardless of any of the above limitations on materials or sources.

Size of the fund: The proposed legislation would authorize the fund to raise $1.625 billion from appropriations and fees over a four year period; authority for additional fees and appropriations would cease upon reaching this limit, unless Congress reauthorized fee collection and appropriations. The sources of revenue for the fund include: (a) per unit fees on petroleum oil, petrochemical feedstocks for organic chemicals, and certain other inorganic chemicals and heavy metals up to a total of $400 million per year; (b) Federal appropriations of up to $100 million per year; (c) recovered costs of government response; (d) amounts recovered by the fund as the subrogee of superseded Federal statutes; (f) penalties; and (g) interest earned on a capital reserve of up to $50 million. If expenditures in any year exceed the fund's assets, the fund could draw on the $50 million capital reserve and repay with fund revenues collected in future years.

The legislation provides for a phased initiation of the fund: first full year 50 percent ($250 million) of $500 million; second year 75 percent ($375 million) of $500 million; and the third and fourth years, $500 million.

The legislation provides for mid-term adjustment. Within four years of passage the President would submit a report to Congress which describes experience, to date, in implementing the legislation, the extent of the inactive and abandoned sites problem projected to remain after expenditure of the initial $1.625 billion; projected funds required for spill response; extent of State participation; and recommendations for statutory modification in such areas as fee structure, operation of the fund, liability limits, and financial responsibility limits. The report would include a recommendation on the projected need for reauthorization.

Basis of the fee: The fee system attempts to balance two principles which often conflict—(a) administrative simplicity and (b) equity. The proposed system of fees covers petroleum oil, petrochemical feedstocks, and certainly highly toxic and/or high volume inorganic elements and compounds including heavy metals, halogens, acids, and bases. This fee is based upon the belief that the fee should come as broadly as possible from those segments of industry and consumers who are most responsible for imposing the risks in society. Because the fees will be raised from all competitors in an industry, the approach assumes that costs will ultimately be passed on to users and consumers. All oil and almost all hazardous substances are products of the oil industry, chemical and allied industries, and heavy metals industries. In addition, most hazardous wastes are produced from these industries. All organic chemicals are derived from petrochemical feedstocks. Certain heavy metals, halogens, acids, and bases are significant elements and compounds for many toxic inorganics. Figure (1) depicts how oil, petrochemical feedstocks, and certain inorganic elements and compounds eventually become oil and hazardous substances which may be spilled and hazardous wastes found in inactive and abandoned sites.

To cover incidents where oil, hazardous substances, and hazardous wastes are released, the legislation establishes authority to collect up to $400 million annually through the following fees:

(a) A total of $100 million per year raised by a fee, not to exceed three cents per barrel of crude or unfinished petroleum oil received, from refineries for domestically produced and refined petroleum oil and from the owners of imported and exported petroleum oil.

(b) A total of $200 million per year raised by a fee, not to exceed one-half cent per pound of petrochemical feedstock supplied to others or used by the supplier to produce organic chemicals. The petrochemical feedstocks include ethylene, proplyene, butylenes, butadiene, butanes, benzene, toulene, xylenes, naphthalene, carbon black, and methane, other than that used to make ammonia.

(c) A total of $100 million per year raised by a fee, not to exceed two dollars per ton paid by suppliers (including self-suppliers) on certain inorganic elements and compounds, including but not limited to certain heavy metals hologens, acids and bases. The fees would be collected from fewer than 988 companies (the exact number will be less because a number of companies produce several of the materials subject to the fee).

Within the above total limits for each category of fees per year, the legislation authorizes the Executive Branch to modify the fees by regulation on an annual basis to more nearly reflect the claims and payments experience of the fund. In addition, within four years, the Executive Branch is required to recommend any statutory modifications in the maximum annual level of fees collected upon petroleum oil, petrochemical feedstocks, and inorganic elements and compounds, to more nearly reflect the operating experience of the fund.

The legislation establishes several safeguards to minimize inequities and any unintended adverse impacts of the fee system. Once a fee has been levied on a given quantity, no further fees may be imposed on that quantity. Oil which is refined and then used as an organic feedstock is the only exception to this principle. The legislation limits the fee to two percent of the market price of any crude petroleum oil, petrochemical feedstock or inorganic element or compound against which the fee is charged. This safeguard, together with the relatively small size of the fund, ensures that economic dislocations or shifts in feedstock or resource use will not result from the fee system. As an economic incentive for recycling and energy conservation, the fee may be reduced through a credit for recycling and reuse of materials subject to the fee.

The proposed $400 million fee system is expected to have a negligible impact on the U.S. economy. The size of the fund is small both in relation to the overall economy and in relation to the industries paying the fees. The fee on crude oil will amount to a very small percentage of crude oil prices. The fee on crude oil in 1980 would be approximately 1.85 cents per barrel or 0.11 percent of expected 1980 crude oil prices of $16.83 per barrel. The effect of the fee system on inorganic chemicals is expected to result in price increases of less than one percent. The effect of the fee system on the organic chemical industry will be to increase petrochemical feedstock prices by less than 2.0 percent and final organic chemical product prices by an average of 0.6 percent. This may have a slightly dampening effect upon the rate of growth of sales in the chemical industry, but like the crude oil price increases, would not result in any production shifts, employment losses or plant closings. The changes in chemical prices will not be great enough to produce any changes in the process economics of the petrochemical industry sufficient to create shifts in feedstock or resource use. In the first two years, the effect of the fee system will actually be less than the projections above as the fees are phased-in and the fund grows from $250 million to $500 million. In later years the effect of the fee system is likely to be even less than projected as inflation makes each fee a smaller part of production costs.

Uses of the fund: For spills of oil and hazardous substances or substantial threat of spills, the fund may be used to compensate government for its response costs. These costs of Federal or State response include: cleanup or removal; such other actions necessary to prevent, minimize, or mitigate damage to public health or safety, or the environment; and restoration of natural resources or acquisition of equivalent resources. Government response is authorized where the government determines that the responsible party will not adequately respond. The fund would also compensate innocent victims of spills of oil and hazardous substances for real or personal property damages or the loss of opportunity to harvest marine life. In general, claims for third party damages are presented directly to the spiller or other liable party and only if they deny all liability or no settlement occurs within 120 days, whichever occurs first, may the claim be submitted to the fund.

For releases, or substantial threats of releases, of hazardous wastes (which includes waste oils) from waste disposal sites, the fund may be used to compensate government for its response costs to prevent, minimize or mitigate substantial danger to public health or safety, or to a significant environmental resource. Like spills, government response is authorized where the government determines that the responsible party will not adequately respond or where there is no known responsible party. The government may respond by providing or arranging for the provision of up to $300,000 in emergency assistance, such as temporary alternative drinking water supplies or temporary evacuation, removal of explosive or highly toxic hazardous wastes from the site, and on-site actions to quickly prevent, minimize or mitigate the danger. Emergency assistance may also include all investigations and planning necessary to determine how to contain and/or remedy further contamination. Emergency assistance may result either in enforcement, under other environmental authorities, where a liable party is discovered but refuses to remedy the situation, or further government response, or both.

As further government response, the fund may provide and operate for one year (or arrange for the provision) of the least cost method of achieving containment of the hazardous wastes consistent with eventual permanent remedy (if containment is different). Wherever the cost of containment may exceed $200,000 per site, the government must first determine what would be the least cost method of containing the wastes over 20 years or the life of the containment, whichever is less. Containment includes on-site actions to prevent or minimize the continued release of hazardous wastes so they will not migrate to cause substantial danger to public health or safety or to significant environmental resources, as well as monitoring necessary to assure the success of the containment. Containment does not include off-site treatment and disposal unless this is the least cost means of containing the wastes, or unless other parties pay any additional costs needed for off-site treatment and disposal. Examples of containment include clay cover, neutralization, perimeter protection using dikes or trenches, collection and treatment of leachate and runoff, replacement of breached containers and on-site treatment and redisposal on-site.

Because of the estimated high costs of government response necessary to contain the spread of hazardous wastes from inactive and abandoned disposal sites and the belief that government response should be the first priority, payment of third party damages are not authorized for releases from these sites.

In addition to these uses of the fund, government costs incurred when responding to an imminent and substantial danger to public health or welfare would be recoverable from the fund.

Preemption and the role of the States: In order to enable the States to assume responsibility for remedying the problems caused by the vast majority of inactive and abandoned sites and focus Federal assistance on those sites presenting the most serious public health, safety or environmental problems, the proposed legislation would not preempt in any way the States' authority to establish funds, set limits of liability, or impose a fee or otherwise raise revenues to support such funds.

The fund created by the proposed legislation would enable the government to use up to $300,000 for emergency assistance at abandoned and inactive waste sites, regardless of State involvement. Provision of all costs of containment at these sites, however, would be contingent upon several conditions. First, the State would have to agree by contract to assure any necessary continued maintenance of the containment, including the costs of such maintenance, beginning one year after containment is first achieved and extending for up to 19 years or the life of the containment, whichever is less. The State may either perform this function itself, contract it out, or bind responsible parties and their successors to perform this responsibility. Second, the State must also assure in the contract that if off-site disposal capacity is necessary for containment, this capacity will be provided. If the costs of initially achieving containment would exceed $200,000, the State must also pay 10 percent of the costs of achieving containment and maintaining it the first year. If the site is owned by a State or local government, the State or local share of containment would be 50 percent.

If a State decided to implement other than the least cost containment, the State would have to pay the difference between its alternative and the least cost alternative. Provision is also made for the fund to cost share in a centralized treatment and disposal facility for several sites in an area. In this case the State or other interested parties would pay the difference between the costs of the centralized facility and the total of the least cost on-site containment methods at each of the several sites.

The above preconditions on use of the fund for containment provide the basis for States and local governments to assist in defining priorities for government response among abandoned and inactive sites. The proposed legislation would require the Administrator of EPA to establish by regulation a priority system based on criteria specified in the statute and including the roles of State, local, and Federal governments in assisting the Administrator in his determination of priorities. The proposed legislation prohibits use of the fund for a given site unless the Administrator determines that the abandoned or inactive hazardous waste disposal site is made eligible by the priority system.

The legislation would also require the Administrator of EPA to revise the National Contingency Plan to establish a contracting system for allowing States to provide emergency assistance and containment for abandoned or inactive sites and to be fully reimbursed by the fund. The States could contact with the fund to carry out any Federal government response authorized by the legislation.

With respect to spills, the proposed legislation preempts States from establishing funds, liability schemes or financial responsibility requirements which would duplicate the purposes of the legislation but it does not preempt States for other purposes. Thus, States could compel payment of a tax or fee to establish a fund to pay for personal injuries of innocent victims or purchase of pollution abatement equipment.

Liability: Owners and operators of vessels or facilities which are the source of or pose a threat of pollution are subject to joint, several and strict liability for all costs and damages covered by the fund. Owners, lessees and operators of inactive or abandoned hazardous waste disposal sites are subject to joint, several and strict liability for costs of government response covered by the fund if they caused or contributed to a release of hazardous wastes. In addition, any other persons who caused or contributed to the releases at such disposal sites, including but not limited to prior owners, lessees, and generators or disposers could be similarly liable. This retrospective extension of liability recognizes that in some cases, persons other than current owners or operators may have contributed to, and therefore are responsible for damages caused by such releases.

The legislation establishes limits to liability under certain circumstances. In the case of a vessel other than a ship or an inland oil barge, the limit of liability would be $150 per gross registered ton or $250,000, whichever is greater. For inland oil barges the liability would be $150,000 or $150 per gross registered ton, whichever is greater. In the case of a ship, the liability limits would be $250,000 or $300 per gross registered ton (up to a maximum of $30,000,000), whichever is greater. For offshore facilities operated under authority of the Outer Continental Shelf Lands Act, the limit would be the total of removal costs plus $50,000,000. In the case of abandoned and inactive hazardous waste disposal sites or onshore facilities or offshore facilities (not under the OCS Lands Act), the liability limit may be established at $50,000,000 or a lower limit, but not less than $8,000,000. The limits to liability do not apply for willful misconduct, gross negligence, violation of relevant Federal regulations, failure to provide notice of a release, or failure to cooperate or assist in cleanup operations requested by responsible federal officials.

The legislation establishes limited defenses to liability. Defenses include (a) incidents caused solely by an act of war or of God, or (b) as to a particular claimant, that the claimant's gross negligence or willfull misconduct contributed to the economic loss.

The fund itself is liable for damages from spills and subject to similar defenses. The fund is liable for damages from releases at abandoned or inactive hazardous waste disposal sites, but this is limited to the costs of government response and applies only where the site has been certified as meeting the criteria for priority established by the Administrator of EPA. Thus the fund provides compensation in those instances where claims, including those of Federal and State governments, are not fully satisfied by payment from a responsible party, or where the responsible party cannot be identified or is not liable under the Act.

SECTION-BY-SECTION ANALYSIS OF A BILL

To amend the Clean Water Act, as amended, and the Solid Waste Disposal Act, as amended, to provide a system of response, liability, and compensation for releases of oil, hazardous substances, and hazardous wastes, to establish a response and liability fund, and for other purposes.

AMENDMENT OF SECTION 7003, SOLID WASTE DISPOSAL ACT

Section 2: This section amends the "Imminent Hazard" authorities of section 7003 of the Solid Waste Disposal Act, as amended. The Administrator of the Environmental Protection Agency (EPA) may seek court action in the appropriate district court to restrain any person from contributing to hazardous waste management practices which "may present" an imminent and substantial endangerment to public health or the environment. This section is intended to clarify the "imminent and substantial" test so that it clearly applies to the risk of endangerment as well as endangerment itself which is presently imminent and substantial.

AMENDMENT OF SUBTITLE G, SOLID WASTE DISPOSAL ACT

Section 3: Section 3 adds a new section 7010 to the Solid Waste Disposal Act, as amended. This section can be used for administering section 7003 and subtitle C of the Solid Waste Disposal Act, as amended, and the new title VI to the Clean Water Act, as amended, added by this bill. It grants the Administrator and the Attorney General of the United States subpoena power to require attendance and testimony of witnesses, and the production of reports, papers, documents, answers to questions, and information the Administrator or the Attorney General deems necessary. Appropriate district courts will have jurisdiction to order compliance with subpoenas issued under this section. Failure to obey a compliance order is punishable by a contempt citation.

AMENDMENT TO CLEAN WATER ACT

Section 4: This section amends the Clean Water Act, as amended, by adding a new Title VI as follows:

TITLE VI—HAZARDOUS SUBSTANCES AND HAZARDOUS WASTE RESPONSE, LIABILITY, COMPENSATION AND FUND

DEFINITIONS

Section 601: This section defines the terms used in Title VI. A number of the definitions have been drawn directly from Section 311 of the Federal Water Pollution Control Act; specifically, "vesel", "public vessel", "contiguous zone", "otherwise subject to the jurisdiction of the United States", "offshore facility", "barrel", and "navigable waters". Other definitions have been drawn in substance from the statute with minor clarifying modifications; specifically "inland oil barge", "United States", "state", and "inland waters of the United States". Other definitions such as "uncontrolled hazardous waste disposal site" are new.

"Containment" is defined in subsection (e) as those least cost actions consistent with eventual permanent remedy taken at uncontrolled hazardous waste disposal sites to prevent or minimize the continued release of hazardous substances. The concept of containment is intended to stop the migration of hazardous subtances so they will not cause substantial danger to present or future public health or safety, or to a significant environmental resource. Examples of containment actions include, but are not limited to, providing perimeter protection using dikes, diversion, replacement of leaking containers, onsite treatment, clean up of released hazardous substances, and monitoring for migration of environmental contaminants. Offsite transport, treatment, and/or redisposal is not included in "containment" except in accordance with section 603(b).

Subsection (g) defines "emergency assistance" as a series of initial actions costing up to $300,000 at uncontrolled hazardous waste disposal sites which the Administrator of EPA determines in his discretion must be taken immediately. These actions can be grouped into two categories. First are those actions taken to prevent or abate substantial danger or its threat posed to present or future public health or safety or to a significant environmental resource. These types of action would include such things as security fencing, providing temporary alternative drinking water, temporary evacuation of threatened individuals not otherwise provided and removal and offsite disposal of wastes where determined necessary by the Administrator. Second are those actions necessary to determine the magnitude and scope of the problem and ways in which the problem may be contained. Full site investigation including monitoring, surveys, planning and design of containment systems is intended in this second category of actions.

Subsection (h) defines "environment" as the environment of the United States and the environment which could be affected by pollution as described in section 601(bb).

"Gross negligence" is defined in subsection (l) to mean the failure to use even slight care along with disregard for the consequences of an act.

Subsection (m) defines "ground water" as water in the saturated zone beneath the land or water surface. The term also includes any other water which is used as a source of public drinking water. The addition of this term ensures that "nonnavigable" waters with important public uses will be within the jurisdiction of this Act.

Subsection (o) defines "hazardous substances" to include substances designated pursuant to existing Section 311(b)(2)(A) of the CWA, or Section 3001 of the Solid Waste Disposal Act, as amended. In addition, substances designated by the Administrator pursuant to Section 602(a)(2) of this title are included. This expanded definition will permit the use of the fund for hazards created by potentially dangerous substances identified under this Act and the Solid Waste Disposal Act.

Subsection (p) defines "inland oil barge" as a vessel which is certificated both to carry oil in bulk and to operate only on the inland waters of the United States (see subsection (g)). The applicable limitation of liability is found in subsection 604(c)(2). The approach taken here parallels that taken in section 311 of the Clean Water Act.

In subsection (t) the term "offshore facility" is defined very broadly and includes, among other facilities, deepwater port facilities licensed under the Deepwater Port Act as well as facilities which are subject to the Outer Continental Shelf Lands Act and the Submerged Lands Act. In this connection, mobile drilling rigs at a drilling site in the drilling mode fall within this definition. When moving by water to and from the drilling site, those mobile rigs would be "vessels."

An "onshore facility" is defined in subsection (v) in the same manner as it is currently defined in section 311 of the CWA, except that uncontrolled hazardous waste disposal sites are specifically excluded, as are sites which are regulated under the Solid Waste Disposal Act.

In subsection (x) the term "owner or operator" has much the same meaning given that term in existing section 311 of the CWA with respect to vessels and onshore and offshore facilities, and adds the same definition for owners or operators of an uncontrolled hazardous waste disposal site.

Subsection (y) defines "person" as it was defined in Section 311 of the CWA except that the definition excludes the Federal government.

In subsection (z) "petrochemical feedstock" is defined as a liquid or gaseous hydrocarbon used primarily for the preparation of more complex organic chemicals. Examples of petrochemical feedstocks include ethylene, propylene, butylenes, butadiene, butanes, benzene, toluene, xylene, naphthalene, carbon black, and methane other than that used to make ammonia.

In subsection (aa), "petroleum oil" is defined to include crude petroleum and any of its fractions or residues.

Subsection (bb) defines "pollution" in terms of its source and location. Specifically, pollution refers to releases of oil or hazardous substances in violation of section 602(b) of this title, releases of oil from vessels engaged in the transportation of oil from Alaska to the Continental United States, releases into the waters of a foreign country (if damages are unrecoverable by a foreign claimant), and releases in the high seas which may affect natural resources belonging to, appertaining to, or under the exclusive management authority of, the United States. "Pollution" does not include releases from uncontrolled hazardous waste disposal sites.

Subsection (cc) defines "public vessel" as a subclass of vessel that performs governmental functions for foreign as well as Federal, State or local units of government. It is a significant definition for purposes of ascertaining liability and means of compensation. Public vessels are exempted from the liability provision in subsection 604(a). A vessel owned and operated by a governmental entity, however, is not necessarily a public vessel under this definition. To qualify as a public vessel, the vessel must be both owned or chartered by demise and operated by the entity concerned. Furthermore, a government owned or operated vessel, engaged in commercial activities, is not included in the definition.

Subsection (ee) defines "release" in much the same manner as "discharge" is currently defined in Section 311 of the Federal Water Pollution Control Act or Clean Water Act (CWA). However, releases include not only those to "navigable waters" (Section 601 (s)) but also to "ground water" (Section 601(m)) and land. Certain releases regulated under other statutes are exempt from coverage.

Subsection (ff) defines "removal costs" as the cost of measures taken to prevent, minimize or mitigate damages resulting from the release or threatened release of oil or hazardous substances from vessels, onshore or offshore facilities. The term does not include costs of emergency assistance or containment necessary in the case of releases from uncontrolled hazardous waste disposal sites.

Subsection (gg) defines "remove" or "removal" very broadly to include the actual removal of oil or hazardous substances from land, navigable waters, or ground water, the disposal of removed materials, or any other actions such as confinement of oil or hazardous substances which might be necessary to prevent, minimize, or mitigate damage to the public health or welfare or to the environment which may result from the release or threatened release of oil or hazardous substances from vessels, onshore or offshore facilities.

Subsection (hh) defines "ship" as a subclass of vessel which is constructed or adapted to carry oil or hazardous substances in bulk as cargo. Cargo is intended to refer to oil being transported as merchandise from one place to another, including oil owned by the ship owner or operator. "Ship" includes self-propelled vessels and those nonself propelled vessels which are not inland oil barges (see subsection (p)). The definition is significant in terms of the provisions of section 604, relating to limitation of liability.

In subsection (ii) "strict liability" is defined broadly as liability without regard to negligence, knowledge, good faith, intent, surrounding circumstances, degree of care or any reasonable precautions.

"Supplier" is defined in subsection (jj) as a producer, manufacturer, or importer of petrochemical feedstocks or inorganic elements and compounds. A supplier either provides the above described petrochemical feedstocks or inorganic elements and compounds to other persons by sales or other means, or uses those materials himself.

Subsection (kk) defines "uncontrolled hazardous waste disposal site" as any location which has been or is being used for the storage, retention, injection, deposit, treatment, placing, disposal, or dumping of hazardous substances. Sites which are regulated under the Solid Waste Disposal Act, as amended. are not included within this definition.

PROHIBITED RELEASES, NOTICES, PENALTIES

Section 602: This section states the National policy that there should be no releases of oil or hazardous substances into the environment. Certain releases must be reported to the Federal Government and civil penalties are provided for prohibited releases.

Subsection 602(a) (2) requires the Administrator to designate as hazardous those substances which, when released in any quantity, may present substantial danger to the public health or welfare. The "may present substantial danger" test is less stringent than the "imminent and substantial danger test" of existing section 311 of the CWA, and will permit the Administrator greater latitude in designating substances which may be hazardous. Substances already designated under Section 311 of the CWA and wastes designated as hazardous under Section 3001 of the Solid Waste Disposal Act, as amended, will be retained (See Savings Provision, Section (5)), and the Administrator will designate additional elements, and compounds under this section.

Subsection 602(a) (3) closely parallels section 311 of the CWA in providing that the Administrator shall determine by regulations those quantities of designated hazardous substances which may be harmful. Consistent with the 1978 amendments to the CWA, such quantities need not be harmful in all instances, but instead will be general estimates of potential harm based on the characteristics of the substance. Quantities are to be determined only for hazardous substances designated pursuant to section 602 (a) (2); hazardous substances defined in section 601(o) (3); (hazardous wastes) are not subject to this subsection.

Subsection 602(b) also closely parallels section 311 of the CWA in prohibiting releases of oil and hazardous substances in quantities which may be harmful. One important change is that releases in excess of harmful quantities either into or upon land or ground water, as well as navigable or other waters, are prohibited.

Requirements that releases be reported to the Federal government are contained in subsection 602(c). These notification provisions help ensure that Federal response teams are quickly aware of potentially harmful incidents and can, when necessary, respond to and minimize the effects of such releases. The owner or operator of any vessel or facility must immediately notify the Federal Government of releases from such vessel or facility which are in violation of subsection (b). Failure to notify is a criminal offense, subject to either fine or imprisonment, or both. Failure to notify will also result in the loss of the liability limitations set out in section 604(c).

Subsection 602(d) provides that any person who may be subject to liability for an uncontrolled hazardous waste disposal site under subsection 604(b) of this title must notify the Administrator of the existence of such a site within 90 days of the effective date of this Act, or within 180 days of the promulgation of regulations issued under sections 3001 and 3004 of the Solid Waste Disposal Act, as amended, whichever is later. Notification shall specify the amount and type of hazardous substances present at such site, as well as any known, suspected or likely releases of hazardous wastes from such site. Failure to notify is a criminal offense, with penalties the same as those in Subsection 602(c). Failure to notify will also result in the loss of both liability limits and defenses described in section 604. Notification by a liable person shall not be used against that person in any criminal case, except a prosecution for perjury or for giving a false statement.

Paragraph 602(d) (2) provides an incentive to a person who may be liable for releases from uncontrolled hazardous waste disposal sites. Any such person who takes action to prevent, minimize or mitigate a release or the threat of a release is entitled, in the case of a release, to subtract from his liability any portion of his costs in preventing, minimizing or mitigating which the Administrator deems reasonable. Ths subsection does not affect the liability of the person liable for the release to any other party due to a release or threat of a release.

Subsection (d) (3) prohibits the destruction or concealment by anyone subject to the notification provisions of this section of any records relating to an uncontrolled hazardous waste disposal site. After the effective date of this Act, a violation is a criminal offense subject to fines or imprisonment, or both.

Subsection (e) provides for civil penalties for the reelase of oil and hazardous substances in violation of subsection 602(b). Civil penalties will not be assessed for releases of hazardous substances (wastes) as defined in subsection 601(c) (2). Penalty provisions, including factors to be considered in assessing such penalties, are the same as in existing section 311 of the CWA. In addition, subsection (e) (2) clarifies that civil penalties greater than $5,000 do not apply to releases of oil.

It must be emphasized that the penalties provided in subsection (e) are civil, not criminal, in nature. A primary factor to be used in determining the amount of the penalty will be the extent of damage to the environment and the public health and welfare. In assessing the penalty, consideration should be given to the standard of care and good faith efforts made by the owner or operator in preventing the release and in mitigating its effects.

The Administrator is authorized in section 602(e) (4) to commence a civil action to recover costs incurred for mitigation and removal of releases which are excluded by section 601(ee). By authorizing suit by the Administrator in these specific cases, it is intended to remove liability for releases from permitted sources from the strict liability regime imposed for other releases by this title.

EMERGENCY RESPONSE, ACTION TO REMOVE OR MITIGATE, NATIONAL CONTINGENCY PLAN, JUDICIAL RELIEF

Section 603: This section is the basic provision which authorizes the Federal Government to act to abate problems caused by releases of oil or hazardous substances into the environment.

Subsection (a) allows the Executive either to remove or arrange for the removal of oil or hazardous substances in the event of a release or substantial threat of a release of these materials into the environment. The Executive may only act if he determines that the removal will not be properly carried out by the owner or operator of the vessel, onshore facility or offshore facility, including permitted facilities and vessels otherwise excluded by section 601(b). The Executive may also respond to the release of any other materials to the environment which may present an imminent and substantial danger to the public health, regardless of the source of the release. Where an imminent and substantial danger exists, the Executive may only act if he determines that the owner, operator or another person will not properly respond to protect the public health or welfare.

Subsection (a) enables the Executive to respond to a release of oil, hazardous substances, or pollutants presenting an imminent and substantial danger in instances where the cause of the release is not immediately known (the so-called "mystery spills"). If at any time after initiating the government's response the Administrator of EPA determines that the release is from an uncontrolled hazardous waste disposal site rather than a spill, the spill response must be terminated immediately. Thereafter, any government response would include provision of emergency assistance and containment rather than removal. Payment of any moneys obligated prior to the termination would be honored, and any "removal" costs will be deemed emergency assistance costs for purposes of recovery from responsible parties.

Subsection (b)(1) relates to Government actions taken at uncontrolled hazardous waste disposal sites. EPA's Administrator is authorized to provide emergency assistance up to $300,000 (see section 601(g)) and containment (see section 601(e) or arrange for its provision at uncontrolled sites if he determines that proper emergency assistance and/or containment will not be provided by the owner, operator, or some other person. The authority to act in emergency assistance and containment actions is triggered by the release or substantial threat of a release of a hazardous substance as defined in section 601(o)(3) (i.e. hazardous wastes) at an uncontrolled site.

If the expected costs of achieving containment and maintaining it for one year thereafter are $200,000 or less, then provision of containment (but not emergency assistance) is contingent upon the State agreeing in advance by contract to two conditions, where applicable. The State must agree to (1) operate and maintain the containment (e.g., run pumps, maintain drainage ditches and empty and treat wastes collected in a sump); and (2) assure that, if needed, public or private offsite storage, treatment and redisposal capacity will be made available at a hazardous waste disposal facility acceptable to the Administrator. The fund would pay for those actions necessary to achieve containment (i.e. stop the continuing spread of hazardous wastes) and any necessary operation and maintenance of the containment for one year after the date it is first achieved. Where there is a continuing need to operate and maintain (O&M) the containment, the State's responsibility would be to provide for or otherwise assure continuing O&M after the first year and for up to 19 additional years or the life of the containment, whichever is less.

If the expected costs of achieving and maintaining containment for one year thereafter are more than $200,000, then the Administrator must also determine the least cost means of containment over 20 years or the expected life of available containment methods, if less. The least-cost containment must be consistent with future permanent remedy if containment does not provide permanent remedy at a site. As used in this title the "least-cost means of" containment refers to analyses of optional methods and their life cycle costs of preventing or minimizing the spread of hazardous wastes from a site. Such analyses will assist the Administrator in determining which of several options having approximately equal reliability and each costing in excess of $200,000 should be considered least-cost. It is not intended that such analyses delay timely government response to protect public health, safety or significant environmental resources. In determining least-cost containment options, innovative or alternative methods which may improve the state-of-the-art of containment should not be precluded from consideration solely because they are not the least-cost. Where there is only one method of containment, including where that method requires offsite transport, storage, treatment, destruction and/or redisposal, it is intended that such offsite actions be considered a priori as the least-cost containment. The Administrator's determination of the least-cost containment option is conclusive.

In addition, if the expected costs of achieving containment and maintaining it for one year thereafter are more than $200,000, then the State (or other public or private person) must agree in advance and by contract to provide 10 percent of the costs of achieving and maintaining for the first year the least-cost containment. If the uncontrolled site is owned by a State or by a political subdivision of a State, then the non-Federal share must be at least 50 percent; this cost sharing provision applies to all such sites regardless of their costs.

Subsection (b)(2) authorizes the Administrator to pay 100 percent of the costs of emergency assistance up to $300,000 and 100 percent of the costs of containment under $200,000, and 90 percent of the costs of containment where projected to cost in excess of $200,000, unless the site is owned by a State or one of its subdivisions, in which case the Federal costs could not exceed 50 percent. These costs sharing ratios would prevail in any payments made for labor and materials to effectuate containment and maintain it during the first year. In-kind payments would not be accepted as cost-sharing.

Subsection (b)(3) provides that the State or its political subdivision in which a site is located must pay for any actions it may take other than or in addition to that which the Administrator has determined to be the least-cost containment. In such a case the Administrator may reimburse the State or a political subdivision for the amount which the Federal Government would otherwise have provided to achieve the least-cost containment and for one year thereafter. For example, if the State wished to provide complete waste and/or soil transport, treatment, and redisposal at a secured offsite facility, but the Administrator had determined that onsite containment could be achieved in a less costly manner, the State would be required to pay the cost differential.

In determining the method of containment, subsection (b)(4) authorizes the Administrator to provide for offsite disposal in remedying a particular site only if this is the least-cost means of containment over a twenty year period or more. In certain instances, a single, centralized offsite facility may prove to be the best means to provide for containment at two or more uncontrolled hazardous waste disposal sites. Where the 20 year life cycle costs of transport offsite and centralized storage, destruction, or treatment and redisposal is the least cost, the Administrator may contribute the total individual containment expenses which the Federal Government would have incurred at each of the several sites to the costs of the centralized facility. In cases where the proposed capacity of a centralized facility would exceed that needed for the group of controlled sites, the cost comparison would be based upon that portion of the centralized facility's costs attributable to the storage, or treatment and redisposal of hazardous wastes coming from the group of uncontrolled sites. In any case where the Administrator provides cost sharing for offsite disposal, the costs will be subject to the one year limit on maintenance after containment was first achieved as described above

Subsection (b)(5) provides that if up to 12 months after enactment, a State or one of its political subdivisions is lacking legal authority either to fund its share of the costs or to assume responsibility for operating and maintaining containment, the Administrator may assume the State or local share of the costs of the least-cost containment and/or continue maintenance of containment for an additional 12 months if the State or its political subdivision agrees to assume responsibility and subsequent costs by no later than the end of the second year or to seek the authority to do so. Under subsection (b)(6), if any State fails to comply with its contract regarding containment, the Administrator, after providing 60 days notice, is required to seek to enforce the contract and/or recover the State or local costs of containment committed to in the contract through court action. It is intended that, to the extent practicable, containment take into account the use of techniques which will provide for subsequent reclaiming or recycling of hazardous wastes or rendering the wastes inert.

Where a State or political subdivision acts on behalf of the Administrator, Subsection (b)(7) authorizes him to provide assistance in carrying out any contract relating to emergency assistance or containment. The Administrator may intervene in any civil action relating to the enforcement of the contract.

Subsection (c) directs the Executive to revise the National Contingency Plan for removal of oil and hazardous substances. The Plan was originally developed under Section 311 of the Clean Water Act. In revising the plan, the Executive will reflect the new responsibilities given him by this title. In particular the Executive will add a new section to the Plan for response to uncontrolled hazardous waste disposal sites. The new section on uncontrolled sites will include: methods for discovering and investigating sites; tools for evaluating and containing releases or threats of releases from sites; methods and criteria for determining the appropriate extent of emergency assistance and containment; appropriate roles for various levels of government in implementing the plan; provision for obtaining and maintaining necessary response equipment; and a system for establishing reporting requirements for releases of hazardous substances from Federally-owned uncontrolled sites. Actions taken to abate problems caused by releases of hazardous substances should conform to the plan to the maximum extent possible.

Subsection (d) empowers the Executive to develop regulations consistent with the National Contingency Plan. This subsection closely parallels Section 311(j) of the Clean Water Act. The regulations would: establish methods and procedures for removal of released oil and hazardous substances; establish regional and local oil and hazardous substance removal contingency plans; govern the inspection of vessels and cargoes of vessels to reduce the probability of oil and hazardous substance release: and require the development of spill prevention control and countermeasure plans by vessels and onshore and offshore facilities. Civil penalties are established for violations of the regulations of up to $5,000 for each violation. This civil penalty does not apply to vessels seaward of the territorial sea of the United States unless the owner or operator of the vessel is otherwise subject to the jurisdiction of the United States.

Subsection (e) grants the United States special powers in cases of marine disasters which create a substantial threat to public health or welfare from releases or imminent releases of large quantities of oil or a hazardous substance from a vessel. In such cases, the United States may manage all efforts directed at removal or elimination of the threat. The United States may also remove and if necessary destroy the vessel without limitations imposed by laws governing the employment of personnel or expenditure of appropriated funds. Costs from implementing this subsection, or under the Intervention on the High Seas Act, will be considered compensable as removal costs under this title.

Subsection (f) allows the Executive to direct the Attorney General of the U.S. to petition for injunctive relief to abate the threat of substantial danger to the public health or welfare because of a release or threatened release of oil or a hazardous substance. The Executive may take this action in addition to any actions taken by State or local governments. The district courts of the United States are given jurisdiction to grant such relief as the public interest and the equities of the case may require.

Subsection (g) provides for the imposition of a penalty not to exceed two and one-half times the costs to the fund of emergency assistance and/or containment if certain owners or operators of uncontrolled sites fail to properly provide emergency assistance or containment upon the Administrator's request. The penalty could be imposed if the present owner or operator of the site owned or operated the property at the time it was utilized for disposal where such person(s) produced (either at the site or elsewhere) some or all of the hazardous wastes disposed at the property. The penalty will be in addition to any costs by the government for emergency assistance and containment recovered from the owner or operator by the fund.

Subsection (h) grants authority to anyone authorized by the Executive to enforce the provisions of this title to:

Board and inspect any vessel upon the navigable water of the United States or the contiguous zone;

Have right of entry to property containing an onshore or offshore facility, uncontrolled hazardous waste disposal site or any property where the effects of a release of oil or hazardous substances may occur;

Take photographs, samples or perform necessary analyses on the property;

Arrest any person who violates the provisions of this title, and

Execute a warrant or other process issued by an officer of or a court of competent jurisdiction.

This provision does not apply to public vessels.

LIABILITY

Section 604: Subsections (a) and (b) establish liability. Owners and operators of vessels or facilities which are the source of or pose a threat of pollution are subject to joint, several, and strict liability for the damages resulting from pollution or its threat and for which a claim may be asserted as described in section 607. Liability for a threat of pollution arises where removal costs are incurred. Owners and operators of uncontrolled hazardous waste disposal sites are subject to joint, several, and strict liability for the costs of emergency assistance and containment if such owners or operators caused or contributed or are causing or contributing to the circumstances or conditions producing a release of oil or hazardous substances from such sites. In addition, any other persons who caused or contributed to or are causing or contributing to such incidents, including but not limited to prior owners, lessees, guarantors, generators, and transporters or disposers shall be similarly liable. The more extended reach of liability in the case of releases from uncontrolled hazardous waste disposal sites, compared to vessels or facilities, acknowledges that in some cases persons other than current owners or operators may have contributed to, and therefore are responsible for, damages caused by such releases.

Subsection (c) provides for limits to liability under certain circumstances. Such limits are not applicable if the pollution or release is caused in whole or in part by willful misconduct or gross negligence within the privity or knowledge of the owner, operator or other liable person, or in whole or in part by violation of relevant federal regulations. The limits also do not apply if the owner or operator or other liable person fails to provide notice as required by Section 602 (c), or fails to cooperate or assist in cleanup operations requested by the responsible federal official.

For vessels other than ships or inland oil barges, the liability is limited to the greater of $250,000 or $150 per gross registered ton. The liability limit for ships is the greater of $250,000, or $300 per gross registered ton, up to a maximum of $30,000,000. For inland oil barges, liability limits are the greater of $150,000 or $150 per gross registered ton. For offshore facilities operated under authority of the Outer Continental Shelf Lands Act, liability is limited to the total of removal costs plus $50,000,000. A liability limit of $50,000,000 applies to all other offshore facilities, as well as onshore facilities and uncontrolled hazardous waste disposal sites.

However, some owners and operators might be subject to unreasonably high limits of liability, considering the threat posed by a particular facility. For example, a release of oil from a tank truck (which is, by definition, a facility) is unlikely to result in pollution of the magnitude caused by a release of oil from a deepwater port or a release of hazardous substances from a large storage facility. To require the owner of the tank truck to be strictly liable for $50,000,000, and to carry insurance up to that level, may be inequitable. Therefore, subsection (e) authorizes the establishment of different limits of liability for facilities other than offshore production facilities and for uncontrolled hazardous waste disposal sites. In establishing such limits, the Executive is required to take into account the size, type, location, storage and handling capacity, and any other matter bearing on the likelihood of a release. In no case may reduced liability limits be less than $8,000,000.

Future experience under the Act, or distortion created by inflation, may make it desirable to adjust the specified limits of liability. Therefore, subsection (f) requires the Executive to report to the Congress periodically its recommendations on the matter.

The owner or operator is also exonerated as to a particular claimant if the claimant's gross negligence or willful misconduct contributed to the loss; a partial defense is provided to the extent that the economic loss is caused by the simple negligence of a claimant. These two defenses, unlike the others, apply to acts or omissions relating to the economic loss. Thus, if a particular claimant does not cause the incident in any way, he may still be barred, totally or partially, from recovery, if his own acts or omissions caused the economic loss.

Subsection (g) sets out the basic liability of the fund established under section 606. The specific procedure for asserting claims against the fund is outlined in section 607, whereby the fund serves to provide compensation in those instances where claims are not fully satisfied by payment from a responsible party, or where the responsible party cannot be identified or is not liable under the Act. Paragraph (2) of subsection (g) exonerates the fund from liability only where the incident is caused by an act of war. The liability of the fund may be exonerated as to a particular claimant where the claimant's own gross negligence or willful misconduct caused the incident or loss in whole or in part; this does not apply to any negligence of an authorized Federal agency in responding to a release or threatened release. Where moneys are not available in the fund to pay claims, payment shall be deferred until funds are available.

In addition to the liability for damages, subsection (h) imposes liability on owners, operators, guarantors and other liable persons for interest over and above the limitations of liability invoked under subsection (c).

Subsection (i) provides that, with a single exception, no indemnification, hold harmless, or similar agreements between a person liable for a facility or an uncontrolled hazardous waste disposal site under this Act and a third party shall be effective in transferring liabilities imposed under the Act. This prevents a liable person from attempting to pass his liability to his contractors, whether or not they are negligent, as a cost of doing business with him. This bar does not apply to hold harmless agreements currently in use between oil exploration leaseholders and their contractors who are engaged in activities developing the lease.

Subsection (j) preserves to persons subject to liability under this Act, all rights which they may have, under any other law, against any third party.

Subsection (k) provides for the superseding of all Federal laws relating to limitation of liability which are inconsistent with the provisions of this Act.

FINANCIAL RESPONSIBILITY

Section 605: Subsection (a) imposes on the owners or operators of vessels over 300 tons the requirement that they carry insurance, or have guarantees or surety bonds or qualify as self-insurers to meet their liability up to the level of the limitation available under Subsection 604(c). This requirement to maintain evidence of financial responsibility is imposed on all such vessels, including foreign vessels using our navigable waters or calling at offshore facilities subject to the jurisdiction of the United States, as covered by the Act. The Executive is authorized to prescribe levels of financial responsibility requirements applicable to owners or operators of more than one vessel, which must at a minimum be sufficient to meet the maximum liability of the largest of such vessels.

Paragraphs (2) and (3) provide the necessary sanctions for enforcing the financial responsibility requirements. Failure to comply with Subsection (a)(1) will result in a refusal of necessary clearances by the Secretary of the Treasury under Customs laws, and the denial of entry or detention of vessels which do not produce the necessary certification by the Secretary of Transportation. In this context it should be understood that in an emergency situation verification of certification may be obtained by officials enforcing this provision through telephonic or telegraphic communication with the Executive's designee.

Under existing subsection 311(g) of the Federal Water Pollution Control Act, a third party vessel which caused an innocent vessel to spill oil or hazardous substances is liable for removal costs. Therefore, in its current implementing regulations, the Federal Maritime Commission requires each subject vessel to maintain insurance or other evidence of finanical responsibility covering both oil and hazardous substances, whether or not such vessel actually carries both types of pollutants. By that means, oil carrying vessels are financially able to meet liability for spills of hazardous substances, and vice versa.

Under this bill, only the spilling vessel is initially liable for removal costs and damages, even if some other vessel caused the spill. In this case, to recover, the spilling vessel must proceed against the other vessel or the fund. Accordingly, the insurance and other evidence of financial responsibility required by section 605(a)(1) of this bill is intended to cover vessel operators for both oil and hazardous substances. Thus, for example, if a vessel which carries only oil rams a chemical tanker causing a spill of hazardous substances, the innocent chemical tanker or the fund, through subrogation rights provided in the bill, would be assured of being able to recover some or all of the expenses under the coverage required to be maintained by the oil tanker which caused the spill. Otherwise, situations could arise where an innocent vessel or the fund might be placed in the inequitable position of possibly not being able to recover from the vessel which caused the spill.

Under Subsection (b) comparable requirements to maintain financial responsibility sufficient to meet the liability imposed under Section 604(c) are placed on owners or operators of certain facilities. All facilities which are either (1) used for drilling for, produced or processing oil or (2) are used for transporting, storing, transferring or handling oil, and which have a capacity of 1,000 barrels or more, must establish necessary evidence of financial responsibility.

Subsection (c) provides that the failure of an owner or operator of either a vessel or a facility to meet the requirements of financial responsibility subjects that person to a civil penalty.

In order to provide claimants with a full range of options for pursuing their claims, subsection (d) authorizes direct action against anyone providing financial responsibility for an owner or operator. The person providing financial responsibility can assert rights and defenses that the owner or operator could have asserted, and he can invoke the additional defense that the owner or operator caused the incident intentionally. No other defenses can be invoked by the guarantor. If the guarantor's obligation to pay a claim is due solely to the requirements of this subsection, the guarantor is entitled to reimbursement from the owner or operator.

Subsection (e) directs the Executive to conduct a study as to the adequacy of private insurance protection. He is to determine whether insurance is available on reasonable terms and conditions to provide the owners and operators of vessels, onshore facilities, offshore facilities, and uncontrolled hazardous waste disposal sites with the means to satisfy the requirements for furnishing certificates of financial responsibility.

FUND ESTABLISHMENT, ADMINISTRATION, AND FINANCING

Section 606: Section 606(a) is the basic provision which establishes the Oil and Hazardous Substances Liability Fund which will be used to satisfy claims in accordance with the provisions of the bill. The fund, which will be administered by the Executive, is given the power to sue and be sued in its own name.

Subsection (b) provides that the total of funds from appropriations authorized by subsection (a) and fees authorized by subsection (f) will not exceed $250,000,000 in fiscal year 1982, $375,000,000 in fiscal year 1982, and $500,000,000 each in fiscal years 1983 and 1984.

Subsection (c) sets out the sources of revenue for the fund. First are appropriations provided for under subsection (e). Second are revenues derived from the per unit fees on oil, petrochemical feedstocks, and inorganic elements and compounds imposed under subsection (f). The total of revenues derived from these fees cannot exceed $200 million in fiscal year 1981, $300 million in fiscal year 1982, and $400 million in each of fiscal years 1983 and 1984. (See paragraphs (1), (2), and (3) of subsection (f) for specific limitations on the amounts which can be collected from (1) oil, (2) petrochemical feedstocks, and (3) inorganic elements and compounds in any fiscal year.) Third are all amounts recovered by the fund under those claimants whom the fund has compensated. The right to subrogation is set out in section 610. Fourth are amounts transferred from funds in the Trans-Alaska Pipeline, Deepwater Port, Offshore Oil Pollution, and section 311(k) of the Federal Water Pollution Control Act. Fifth are all sums which may be obtained or recovered under any other provision of the bill, including its penalty provisions.

Subsection (d) provides that the fund shall be available for removal, emergency assistance, containment and section 603(a)(1)(B) costs, the administration of the provisions of this title, and the costs of claims processing and payment only to the extent and in the amounts provided in appropriation acts.

Subsection (e) authorizes appropriations to the fund of up to $50 million in fiscal year 1981, $75 million in fiscal year 1982, and $100 million each in fiscal years 1983 and 1984.

Subsection (f) provides the basic authority to the Executive to collect fees for the fund. Paragraph (1) authorizes imposition of a fee, not to exceed three cents per barrel of oil received, from the owners of refineries for domestically produced and refined oil and from owners of oil which is exported from or enters the United States. Fees collected pursuant to this paragraph cannot exceed $60 million in fiscal year 1981, $80 million in fiscal year 1982, and $100 million each in fiscal years 1983 and 1984.

Paragraph (2) authorizes imposition of a fee from suppliers of petrochemical feedstocks, on any amount of feedstock supplied to other persons or used by the supplier. The fee cannot exceed 0.5 cents per pound. Petrochemicals are the primary feedstocks used in the production of organic chemicals. Fees collected pursuant to this paragraph cannot exceed $90 million in fiscal year 1981, $150 million in fiscal year 1982, and $200 million each in fiscal years 1983 and 1984.

Paragraph (3) provides for imposition of a fee, from suppliers or inorganic elements and compounds, on any amount of inorganic element or compound supplied to other persons or used by the supplier. The fee cannot exceed two dollars per ton. The list of inorganic elements and compounds upon which a fee shall be collected includes certain heavy metals, halogens, acids, and bases, and ammonia. This list can be expanded by the Administrator of EPA based on information available to him as a result of listing or characterizing hazardous substances or of implementing this act. Fees collected pursuant to this paragraph cannot exceed $50 million in fiscal year 1981, $75 million in fiscal year 1982, and $100 million each in fiscal years 1983 and 1984.

Paragraph (4) authorizes the Secretary of the Treasury to assess and collect the fees under the provisions of subtitle F of the Internal Revenue Code of 1954 as if such fee were a tax. In order to avoid more than one fee collection on any quantity of oil, feedstock, element or compound, paragraph (4) also provides that once a fee has been levied on a given quantity, it shall not be subject to further levies. The only exception to this principle is in regard to crude oil which is refined and then used as feedstock. In this case the fee on a quantity of refined petroleum used as feedstock is levied in addition to the fee levied on the same quantity prior to its being refined. However, once a fee has been levied on the refined feedstock, it is not subject to further fees.

This paragraph also provides an economic incentive for recycling feedstocks and elements or compounds by permitting a reduction of fee for recycling or energy production. In no event shall any reduction of fee exceed the amount of the fee that would otherwise have been collected.

Paragraph (5) provides that in no event shall the fee (exclusive of any administrative costs to industry) collected on a quantity of feedstock, element, or compound raise the price of that feedstock, element or compound by more than two percent when sold at arms length by the supplier.

The Secretary of the Treasury is responsible for the assessment and collection of specific fees and is authorized under the Internal Revenue Code of 1954 to promulgate rules and regulations relating to such an imposition. Paragraph (6) authorizes modification of these rules and regulations, based upon recommendations of the Administrator of EPA, to assure, to the extent practicable, that the collection of the fees from the various authorized sources is reasonably equitable, based upon the claims and payments experience of the fund as reflected in the annual reports provided for in subsection (a) of section 614 of this title. The new fee schedule is then established by the Secretary by regulation. It should be noted that any fee modifications provided for in this paragraph shall not cause the limitations on the amounts which can be collected from the various authorized sources in any one fiscal year, as stated in paragraphs (1), (2), and (3) of this subsection, to be exceeded.

Because court challenges to these regulations could be very lengthy, any interference with the imposition of fees while the challenge was pending could have a serious impact on the ability to keep the fund at a sufficient level. Therefore, any stay of regulations relating to fee schedules is prohibited until the completion of judicial review.

Subsection (g) provides that the Secretary of the Treasury shall determine the level of funding required for the fund to meet its potential obligations after consultation with the Department of Transportation and the EPA. The principal purpose of these estimates is to assure the availability of money to cover the costs of government response. After so doing, the Secretary of the Treasury may invest any excess in the fund in public debt securities, up to a maximum of $50 million at any one time. Income from these obligations shall become part of the fund.

Subsection (h) provides that, for purposes of the annual report in subsection (2) of section 614, and for modification of fees pursuant to paragraph (6) of subsection (f) of this section, the Secretary of the Treasury shall keep precise records, to the extent practicable, as to the sources of all moneys in the fund and as to all claims and payments made. Claims and payments shall be grouped into four categories: (1) for release or threatened release of oil from uncontrolled hazardous waste disposal sites; (2) for release or threatened release of hazardous wastes from uncontrolled hazardous waste disposal sites; (3) for all other releases or threatened releases of oil; and (4) for all other releases or threatened releases of hazardous substances.

DAMAGES AND CLAIMANTS

Section 607: This section enumerates the damages which may be claimed under the bill. The damages fall into two basic categories, those resulting from pollution (generally speaking, spill incidents) by oil or hazardous substances, and those resulting from actual or threatened releases of hazardous wastes from uncontrolled waste disposal sites. Whenever monies included in the appropriation acts are not available in the fund, the Executive shall defer any claim which would otherwise be payable until monies are available.

Subsections (a) and (b) deal with pollution related damages. In addition to claims for economic loss incurred on or after the effective date of this section, unsatisfied claims which had been asserted under provisions of law repealed or modified under this bill could be asserted. However, the claimant must show the loss to have been compensable under those provisions. It is important to note that the damages enumerated in subsection (a) may not, in all instances, be brought by all claimants. Subsection (a) must be read in conjunction with Subsection (b), which describes those parties who have standing to bring the claims for the various damages that are set out in Subsection (a).

"Removal costs" are recoverable economic loss, as provided under Subsection (a)(1). Subsection (b)(1) specifies the United States claimants who may recover removal costs.

United States government agencies and States may recover for removal costs incurred under this Act, the Intervention on the High Seas Act, the Deepwater Port Act, and, if such costs have been incurred thereunder, Section 311 of the Clean Water Act.

United States owners or operators of a vessel or a facility involved in a pollution incident have limited standing. The owner or operator who undertakes the cleanup of a spill may assert a claim against the fund for the cost of such an undertaking if he either has a defense to liability under Subsection 604(d) or is entitled to a limitation of liability under Subsection 604(c)(1). In the latter case, where entitled to limitation, his right to claim is limited to excess cost incurred above the limitation to which he is entitled. The purpose of this provision, in relation to owners or operators, is two-fold. First, it removes any disincentive that the owner or operator may have in undertaking the cleanup, where he might not be liable, and second, it serves as encouragement for him to continue his cleanup activities even after his limitation of liability has been reached, by affording him a basis for compensation of the cost of cleanup in excess of his limitation. A guarantor involved would have the same rights, as subrogee to the owner or operator. Other owners or operators of vessels or facilities may recover reasonable cleanup costs if they possess and utilize special expertise in the removal of oil or hazardous substances. This provision is meant to encourage non-discharging vessel and facility owners and operators who have access to cleanup capability to respond promptly to pollution incidents.

To create an incentive for maximum participation in cleaning up, foreign vessel owners and operators are permitted under Subsection (b)(6) to recover these costs even if the conditions generally imposed on foreign claimants by Subsection (b)(4) are not met.

When real or personal property is in some way injured by pollution, an avenue of relief is provided under Subsection (a)(2). Any United States claimant may bring claims for property loss in accordance with Subsection (b)(2).

Damages for, injury to, and destruction of, natural resources under Subsection (a)(3) may be claimed only by the President, as trustee of those natural resources over which the Federal Government has jurisdiction, or by a State for natural resources under its jurisdiction. The jurisdiction of the Federal Government specifically includes resources over which it has sovereign rights and resources within its territory or fishing conservation zone over which it exercises some protective or managerial authority. The jurisdiction of a State extends to those resources within the State's boundaries which, although not in fact belonging to the State, may be held in trust by the State for the benefit of its citizens, or otherwise managed or controlled by the State. The standing to bring such a claim is conferred in Subsection (b)(3). An example would be a State's claim against a discharger for injury to a coastal State park. Compensation paid for damages under Subsection (a)(3) must be used to assess damages and to restore the damaged natural resource or to acquire similar resources.

Subsection (a)(43) allows recovery for loss of earnings for fishermen due to injury to the marine life resources upon which they depend for their livelihood. Subsection (b)(4) gives standing to any United States claimant to recover losses due to injury to marine life resources.

Under Subsection (b)(5), foreign claimants, as defined in Subsection 601(j), and subject to the limitations in Subsection 601(bb)(3), are given rights comparable to United States claimants, provided they meet certain conditions. First, it should be borne in mind that pollution, as defined in Subsection 601(bb)(3), has a particular meaning for foreign claimants. Except for Trans-Alaska Pipeline (TAPA) related oil, only pollution in the territorial sea, internal waters, or immediately adjacent shoreline of the foreign country gives rise to a claim. Furthermore, (again subject to the TAPA exception) under this subsection there are four prerequisites to assertion of a claim by a foreigner. All four prerequisites must be met. Where pollution occurs in a foreign country the claimant must be a resident of the country where the pollution occurred. The claimant must not have been compensated through some other means for his loss. The discharge which resulted in pollution must have occurred in United States navigable waters or from certain activities under the control of the United States. Lastly, the recovery must be authorized by treaty or executive agreement, or the country involved must provide a comparable remedy for United States claimants in similar situations. In the case of oil being transported from the Trans-Alaska pipeline to a port under the jurisdiction of the United States, conditions as to location of the release and the oil pollution occurrence and the requirement for an agreement need not be satisfied with respect to a Canadian claimant where the oil is discharged, even outside United States navigable waters, at any time before it is brought ashore into a United States port. This provision substitutes for a similar provision in subsection 204(c) of the Trans-Alaska Pipeline Authorization Act, repealed by Subsection 6(b) of this bill. It should be noted that the repeal of that provision of TAPA does not affect in any way the scope of damages recovery which would have been available to Canadian residents if that provision had not been repealed. The scope will be determined by the law which prevails at the time a claim is asserted.

Subsection (b)(7) authorizes the Attorney General to act on behalf of a group of claimants and to consolidate their claims. This Clause is designed to expedite the settlement of claims under Section 609. Aside from consolidating the settlement of claims, through the negotiations process, it is contemplated that the Attorney General would also be authorized to bring a class action in accordance with the Federal Rules of Civil Procedure.

Subsection (c) provides for relaxation of the notice publication requirements of the Federal Rules of Civil Procedure by authorizing the satisfaction of those requirements in connection with class action suits for classes of more than 1,000 by publication of notices in local newspapers of general circulation.

Subsection (d) deals with claims for the costs of emergency assistance and containment (uncontrolled hazardous waste disposal site costs). Because of the limited funds available compared ot the vast potential costs presented by the problem, it is essential that a system of priorities be adhered to. Therefore, the Administrator must certify that the costs for which a claim is made were incurred in a manner consistent with regulations promulgated pursuant to subsection (d)(1) of this subsection, which contains criteria for establishing such priorities. If he makes such certification, claims may be brought by any agency of the United States government; by States, with respect to reimbursements authorized by the regulations; and by any person liable for the costs of a release from an uncontrolled hazardous waste disposal site if certain conditions are met. The conditions are identical to those contained in Subsection (b) and require that such a liable person be entitled either to a limitation of liability or a defense of liability under Section 604. As in Subsection (b), the conditions are intended to provide an incentive for cleanup. The costs reimbursed are limited to those authorized in Section 603(b).

DESIGNATION AND ADVERTISEMENT

Section 608: Upon receiving information of an incident involving pollution or upon responding to a release at an uncontrolled hazardous waste disposal site, the Executive, under subsection (b)(1), initiates the claims process by designating the source of the pollution or release and by notifying the owner, operator, guarantor, or other liable party of the designation. The designation is important because the owner, operator, and guarantor of the designated source will incur certain responsibilities under subsection (b)(2) if, within five days, they do not deny the Executive's designation.

Subsection (a)(2) requires the owner, operator, or guarantor of a designated source to initiate advertisement of the designation and of the procedures by which claims may be asserted. The failure to deny a designation does not preclude a later denial of liability. It merely makes the owner, operator, or guarantor of the designated source responsible for setting into motion the applicable claims procedure.

Failure to carry out the advertisement responsibilities properly may result in the Executive's undertaking those responsibilities, at the expense of the owner, operator, or guarantor.

Where there has been no denial of designation and the owner, operator, or guarantor advertises properly, the claims process may be asserted against any of those three parties. Subsection (b) sets out the instances in which claims may be brought directly against the fund, such as situations where the owner, operator, and guarantor of the designated sources have all denied the designation, where the Executive has determined the source of the release was a public vessel, or where the source of the release is unknown.

Subsection (c) sets out the time period during which advertising procedures are to be carried out.

CLAIMS SETTLEMENT

Section 609: This section establishes procedures for settling claims for damages under this title. Subsection (a) provides that, except for governmental removal, emergency assistance, and containment costs, claims shall be presented directly to the responsible party, except in those situations described in subsection (b). In accordance with subsection (b), claims shall be presented directly to the fund where the Executive has advertised the claims procedure under subsection 608(b). Claims may also be asserted directly against the fund by owners and operators of the designated source who qualify under the standing provisions of subsection 607(b)(1) or subsection 607(d)(2).

Subsections (c) and (d) provide for a second line of compensation. Subsection (c) allows for claims against the fund where attempts to reach a settlement with the owner, operator, or guarantor were unsuccessful. The preconditions for going to this second line of compensation are (1) the denial of all liability for the claim by the person to whom the claim was presented (owner, operator, or guarantor), or (2) the passage of 120 days after presentation of the claim without any settlement, whichever occurs later. At this point, the claimant may elect to commence an action in court against the owner, operator, or guarantor, but once having decided to pursue the claim in court, the claimant cannot come back and assert his claim against the fund until he has exhausted his remedy in cases referred to in subsection (d). If the claimant elects to pursue an action in Court, the standards of liability, and the limits and defenses to liability in section 604 will apply regardless of any other laws to the contrary.

Subsection (d) also permits a claim against the fund in those instances where claimants are not adequately compensated by the owner, operator, or guarantor may have successfully invoked his limitation of liability under subsection 604(c) and the claim may exceed that limitation. The balance would be recoverable against the fund. For some other reasons, such as insolvency, the owner, operator, or guarantor may not be able to satisfy all claims. Uncompensated claims could, therefore, be brought against the fund, which serves as a backup for such situations.

Subsection (e) provides for regulations by the Executive to prescribe documents to be transmitted to the fund in support of a claim which has first been presented against a person responsible for a release and is subsequently presented to the fund because it was not settled in a timely manner or because of a denial of liability or financial incapacity of the owner, operator, and guarantor.

Subsection (f) provides to those claimants who are proceeding against the fund, whether it be as first resort or second resort, the opportunity for review of the fund's actions by the Executive in accordance with the Administrative Procedures Act. A review of the claim by the Executive can only occur after the fund has denied liability or failed to settle the claim within 120 days.

Subsection (g) gives the Executive responsibility for establishing a uniform claims procedure; however, it does not allow the denial of any claim from an authorized agency of the United States Government for cleanup, removal, emergency assistance, or containment costs. This subsection also directs the use of private insurance adjusters or State agencies wherever possible. When a State agency is used, payment may not be made for a claim on behalf of that State unless approved by the Executive. Where private organizations or State agencies are inadequate, the Executive may use Federal personnel to process claims against the fund.

Subsection (h) authorizes the Executive to appoint three-member panels for a 180-day period to decide disputes submitted to the Executive under Subsection (f) and sets out the general qualifications of panel members. At least one member shall be qualified to conduct an adjudicatory hearing and all shall be competent in assessment of the economic losses that may be claimed under the Act.

Subsection (i) gives the Executive the option of referring the dispute to an Administrative Law Judge instead of the three-member panel.

In the case of the appointment of a panel, or the referral to an Administrative Law Judge, each is required to be a resident of the judicial circuit where the alleged damage took place. The usual powers required to conduct an administrative proceeding under the Administrative Procedures Act are conferred upon the Administrative Law Judge and panel. This includes the authority to compel appearances, testimony and production of material. Enforcement of this authority is provided through the district courts. The location of the hearings shall be the judicial district where the damage occurred.

Paragraphs (5) and (6) of subsection (h) provide for the review of decisions reached by the panel or the Administrative Law Judge. Their decisions become final orders of the Executive unless he elects to review them. These decisions are final orders within the meaning of the Administrative Procedures Act. However, they are not subject to review in the district court.

Subsection (j) sets out rules of procedures that shall apply in the case of actions brought in court. Both plaintiffs and defendants are required to provide the fund with copies of complaints and pleadings. The fund may intervene as a matter of right, and may be dismissed from an action, upon its own motion, when either the owner, operator, or guarantor admits liability. Receipt of notice by the fund of an action binds it to the judgment in that action even though the fund chooses not to become a party. The sanction imposed on plaintiffs or defendants if neither gives notice to the fund is a loss of limitation of liability to which the defendant would otherwise be entitled under subsection 604(c) and the loss of the plaintiff's right to recover from the fund amounts not paid by the defendant.

Subsection (k) allows the plaintiff to join the owner, operator, or guarantor in an action brought against the fund, and the fund has a right to implead any other person who might be liable under the Act.

The statute of limitations for presenting claims or maintaining causes of action under this Act is set out in subsection (1). The claimant has three years after discovering an economic loss resulting from pollution.

SUBROGATION

Section 610: Subsection (a) provides subrogation for anyone who pays a claimant compensation under the terms of the bill. If the fund pays a claimant for damages asserted under section 607, it will stand in the shoes of that claimant and may assert any rights that the claimant had under the bill.

Subsection (b) empowers the Attorney General, at the request of the Executive and on behalf of the fund to commence an action for the compensation paid by the fund to any claimant. The action may be commenced against any person liable for the damages for which compensation was paid.

Subsection (c) sets out the specific items that the fund may recover against an owner, operator, or guarantor. The recoverable items depend on how the owner, operator, or guarantor responded to the claim.

The first class of owners, operators, and guarantors consists of those who either deny designation or who deny liability. If the fund proceeds against such parties for compensation paid to claimants, those parties cannot contest the amount involved, except to the extent that it exceeds the limitation of liability available under subsection 604 (c). Implicit in the fund's status as a subrogee is the defendant's right to assert against the fund any defense that he could have asserted against the claimant.

Such defendants are also liable for interest for the period from the time the claim was initially presented to the defendant by the claimant, to the time that the fund is paid by the defendant. Excluded from the interest liability is the period, if any, from the time the claimant receives an offer from the fund, of the amount finally paid, to the time when the fund actually paid the claimant. The defendant must also pay costs incurred by the fund, both in the proceeding by the fund against the defendant, and in the proceeding by the claimant against the fund.

The second class of defendants consists of those who negotiated with the claimant but who were unable to reach a settlement within the 120 day period specified in subsection 609(c)(2). In the case of that type of defendant, where the fund pays to the claimant more than the defendant ever offered to the claimant, the defendant must pay what the fund paid, subject to the defendant's right to contest the validity of any part of the amount paid which is in excess of the largest amount offered in settlement to the claimant by the defendant. Such a defendant must also pay the interest that the first class of the defendants described above would have to pay and, as to costs, must pay only the costs incurred by the fund in the proceeding by the fund against the defendant.

In the case of the second class of defendants where the fund eventually pays an amount less than, or equal to, the largest amount offered by the defendant to the claimant, the fund shall recover that amount without reduction.

The fund shall also recover interest, running from the time the defendant offered the largest amount in satisfaction of the claim. Any offer made within the specified 120 day period will relieve the defendant of interest liability. In any case, the fund is liable for interest from the date upon which the defendant made payment. A defendant who offers the fund an amount equal to that which is finally paid to the fund shall not be liable for interest during the period between the offer and the acceptance by the fund.

Subsection (d) provides for the distribution of the interest recovered pursuant to subsection (c). The interest recovered from the first class of claimants, those who deny designation or deny liability, shall be paid over to the claimant, but only for the period from the time the claim was first presented by the claimant, to the time the claimant was paid by the fund, less the period following the offer of the fund which was finally accepted by the claimant in settlement. This would leave in the fund the interest received for the period from the time the claimant was paid by the fund, to the time the fund was paid by the defendant. The same rules apply for those defendants of the second class who have failed to settle in 120 days, and who have offered less to the claimant than the fund eventually paid the claimant.

Costs and interest shall be recovered by the fund under subsection (e) without regard to any limitations of liability.

JURISDICTION AND VENUE

Section 611: Except for the review of regulations issued under the bill as enacted, the United States District Courts are the courts of first and exclusive resort for controversies arising under the Act. Claimants need not assert any particular amount in controversy in order for Federal jurisdiction to attach, nor do they have to assert diversity of citizenship in order to obtain Federal jurisdiction. Actions brought under the Act are Federal questions. Under subsection (b), the forum shall be located in the district either where the injury occurred or where the defendant resides or is found, or, in the case of a business association, where it has its principal office. Review of regulations issued under this bill is available in the Circuit Court of Appeals for the District of Columbia.

Subsection (e) exempts any controversy or other matter resulting from either the assessment or collection of any fee as provided by sections 606(f), or the review of any regulation promulgated under the Internal Revenue Code of 1954 from the provisions of subsections (a) and (b) of this section.

RELATIONSHIP TO OTHER LAW

Section 612: Subsection (a)(1) is designed to prevent duplicate sources of compensation for certain damages provided under this Act. Any damages listed in Subsection 607(a) can be recovered only pursuant to the Act. Any other types of damages may be sought through means outside the Act, including remedies through State courts. Thus, if a State wished to allow or provide damages for personal injuries resulting from oil or hazardous substance pollution, it would be free to do so. The State is not preempted from providing relief for such damages.

One purpose of the fund is to compensate those who suffer the damages described in Subsection 607(a), who have not otherwise been fully compensated. Therefore, under Subsection (a)(2), no one may be required to contribute to any other fund which has those same purposes. A fund set up to purchase pollution abatement equipment or a fund established for the prevention, detection, or observation of pollution (such as environmental monitoring or research programs), or to pay for personal injury damages to third parties, for example, would not be duplicative of the fund established under this Act. Subsection (b) makes it clear that a State could compel payment of a tax or fee to finance such a fund. This Subsection does not totally preempt the field; it only preempts enactments which would duplicate the purpose of the fund as it applies to releases from vessels or facilities.

In addition, Subsection (b) makes it clear that this legislation does not preempt in any way a States' authority to establish liability funds, liability and compensation schemes, or financial responsibility requirements, or to impose a fee or tax in order to deal with any losses or costs associated with releases from uncontrolled hazardous waste disposal sites.

The preemption provisions in Subsection (a) recognize exceptions provided in this Act. Therefore, Subsection (a) of this section should be read together with Subsection 604(j) and Subsections (c), (d) and (e) of this section. Subsection 604(j) makes it clear that an owner or operator who is subject to liability under this Act retains his rights under any other law to pursue a cause of action against a third party, including a governmental entity, whose negligence caused or contributed to the incident through which the owner or operator was subjected to liability. The same right is preserved to a guarantor who is subrogated to the rights of the owner or operator.

Subsection (c) makes it clear that the fund may bring an original cause of action under any law to recover compensation paid to a claimant, even though the recovery may be for damages that are specified in Subsection 607(a).

Subsection (d) ensures that persons who assert a claim for damages under this title will not be prevented from seeking recovery under any other law for damages which are not covered by this title. For instance, a person may have suffered both economic loss and personal injury from the same incident. Such person may assert his/her claim under this title for the economic loss without being deemed to have split a cause of action. Thus, the person would not be collaterally estopped from seeking damages for personal injury under any other law. In addition, this subsection provides that findings of fact or conclusions of law made in proceedings under this title shall not be binding in any action or proceeding under other law.

Subsection (e) provides that in the case of any conflict or inconsistency, this Act will supersede all other provisions of Federal law which may (1) define liability for the release of oil or hazardous substances; (2) provide response authority or mechanisms for such release, (3) provide a fee collection mechanism; (4) provide a claim mechanism for damages from such releases; or (5) regulate or control in any other manner the release or threat of release of oil or hazardous substances. It also makes it clear that this title does not preempt the authority of the Federal Government to take action under other Federal laws for remedies not provided by this title.

AUTHORITY TO DELEGATE, ISSUE REGULATIONS

Section 613: This section authorizes the President to delegate any duties or powers which this title imposed upon him or assigned to the Executive. The President is also authorized to promulgate any regulations which are necessary to implement the provisions of this title.

REPORTS, STUDIES, REVIEW OF FEES AND PENALTIES

Section 614: Subsection (a) establishes an annual report which the Executive submits to Congress six months after the end of each fiscal year. The report describes the functioning of the fund during that year. In the report receipts and disbursements are summarized, categories of sources and types of damages reimbursed are presented, the administration of the fund is described and recommendations for improvements are made.

Subsection (b) sets out the requirements of the comprehensive report which will serve as the basis of the "mid-term adjustment" for this legislation. The Executive is required to make this report to Congress within three years of the effective date of this title. The report describes the experiences in the implemention of this title. Contents of the report include analysis of: (1) whether the prohibitions against releases are effective; (2) the extent to which the fund is effective in enabling government to respond and mitigate the effects of releases and threatened releases of oil and hazardous substances; (3) the potential threat to public health or safety, or to the environment posed by, and the cost of responding to, remaining uncontrolled hazardous waste disposal sites; (4) whether the fees and penalties established are sufficient and equitable; and (5) the appropriate role for the States.

The comprehensive report will also include recommendations for legislative changes in this title including recommendations on fees liability, and financial responsibility and any need to reauthorize authority to assess fees and pass appropriations for emergency assistance and containment at uncontrolled sites.

In preparing the report the Executive shall consult with appropriate Federal, State, and local agencies, industries, claimants, and other affected parties.

EFFECTIVE DATES, SAVINGS PROVISION

Section 5: Upon enactment of the Act, authority is conferred immediately upon the applicable Federal officials to delegate necessary authority and to draft and issue regulations in order that these delegations and regulations may be in place by the time the substantive provisions of the Act go into effect, the first day of the first month following 180 days after enactment. In addition, subsection 605(e), which requires a study of the insurance industry, subsection 614(b), the "mid-term adjustment" study, and section 7, the separability section, and all provisions authorizing the appropriation of funds are to be effective immediately.

Subsection (c) saves regulations issued under section 311 of the CWA, including regulations designating hazardous substances, determining reportable quantities, and requiring spill prevention control and countermeasure plans, unless or until superseded. Subsection (d) of this section saves financial responsibility regulations issued under repealed provisions of law unless or until superseded. The purpose of these provisions is to keep the hazardous substances lists and the program established by regulation pursuant to section 311 intact and to assure that any temporary delays in the entry into force of regulations issued under this bill will not result in a lapse of the provisions of section 311 and its implementing regulations, including but not limited to financial responsibility, notification requirements, or liabilities imposed by those regulations. Finally, subsection (e) is designed to insure that no ongoing litigation is mooted by passage of the Act.

Section 6: Subsection 6(a) makes some clarifying amendments to subsection 204(b) of the Trans-Alaska Pipeline Authorization Act. Subsection 204(b), as written, provides that permit holders under that Act who cause oil pollution "within or without the right-of-way for permit area" shall be liable for the total cost of removing the pollutants.

Subsection 6(b) repeals that subsection of the Trans-Alaska Pipeline Authorization Act which established liability and a compensation fund for damages caused by oil spills from vessels transporting oil from the pipeline terminus to ports elsewhere in the United States. It provides for a transfer of the assets and liabilities of the Trans-Alaska Pipeline Liability Fund to the new fund established under section 606 of section 4 of this Act.

Subsection (c) amends the Intervention on the High Seas Act, in order to make available to the Secretary, for intervention, procedures authorized by that Act, the fund established pursuant to section 606 of section 4 of this Act.

Subsection (d) repeals section 311 of the Federal Water Pollution Control Act, as amended. The fund established under subsection (k) of that section is abolished, and all assets of the fund are transferred to the fund established under section 606 of section 4 of this Act.

Subsection (e) amends the Deepwater Port Act of 1974, by deleting various subsections related to oil discharge, liability thereof, liability fund establishment, claims procedures, financial responsibility certificates, clean-up costs, and numerous correlative matters, all of which will be covered by the provisions of this Act. It further redesignates provisions of that Act accordingly.

Subsection (f) repeals Title III of the Outer Continental Shelf Lands Act Amendments of 1978.

Subsection (g) repeals subsection 504(b) of the Federal Water Pollution Control Act, as amended (the basic authority of that subsection having been included in subsection 603(a) of this Act).

SEPARABILITY

Section 7: This section allows all other provisions of this Act to remain unaffected if any provision of this Act is found to be invalid in any way.

SUPERFUND ECONOMICS—RATIONALE AND IMPACTS

INTRODUCTION

The annual revenue needs of the fund and the fee system established by the proposed legislation are premised on a number of factors and assumptions. The annual revenue needs are based upon an as-needed system of response to spills of oil and hazardous substances and a phased approach to dealing with the huge problem posed by uncontrolled hazardous waste disposal sites. EPA has projected that up to $6 billion may be needed to provide emergency assistance and containment for the 1200 to 2000 potentially hazardous sites. Simply managing such a volume of projects and funds in a two or three year period would be administratively impossible, to say nothing of the fact that enough sufficiently skilled contractors would simply not be available in such a short period. Moreover, since the fund is to be principally supported by industry fees, annual revenues must be limited to an amount that industry can reasonably be expected to bear. Finally, since the exact size and extent of the hazardous waste site problem is not known, the Administration's bill authorizes a fund for four years with total revenues of $1.625 billion. At the end of this period, the fund and fee system will have to be reauthorized by Congress.

We have recommended that the annual revenues of the fund be built up to $500 million over several years. The projected allocation of annual expenditures at the $500 million level is summarized in Table 1.

TABLE 1.—ESTIMATED ALLOCATION OF EXPENDITURES BY SOURCE OF FUNDS

[In millions of dollars]

Expenditures	Oil	Chemicals	Federal appropriation	Total
Uncontrolled hazardous waste disposal sites	40	200	60	[1] 300
Spills of oil and hazardous substances	40	40	20	100
Administration and reserve	20	60	20	[1] 100
Total	100	300	100	500

[1] Once a reserve fund of up to $50,000,000 is established, administration costs will drop by the amount of funds in the reserve and those annual revenues which are unnecessary to maintain the reserve and pay for administrative costs will be allocated to uncontrolled hazardous waste disposal sites. Thus, in any one year, the $300,000,000 allocated to such sites may be ncreased by up to $50,000,000 for a total of $350,000,000.

This amount will provide sufficient resources to cleanup and pay limited third party damages for spills, and to begin to attack the uncontrolled site problem, without significantly affecting the financial well-being of the industries affected.

The $500 million yearly expenditure represents a steady state spending rate which will not be achieved immediately. During the first year of fund operation, EPA will have to hire and train personnel in the proper administrative and operational aspects of the program. In addition the fee will be collected under the auspices of regulations which will take some time to develop. As a result, a full $500 million could not be raised or spent during the fund's initial year of operation. Recognizing this, the legislation provides for a phased initiation of the fund as follows: first full year 50 percent ($250) of $500 million; second year 75 percent ($375) of $500 million; and third and fourth years, $500 million.

SELECTION OF A FEE SYSTEM

Of the $500 million in needed annual revenues, appropriations will account for up to $100 million. Industry has argued that such an appropriation is necessary in order that the Congress and the Administration have a sufficient financial stake in the program to ensure efficient management and close scrutiny of expenditures and of any necessary reauthorization.

The remaining $400 million would be derived annually from industry fees. In establishing the fee system we have tried, given the amount of revenues required and the limit on Federal appropriations, to balance three key objectives: administrative simplicity, equity, and minimizing unintended adverse impacts. Since these three objectives, to a significant degree, conflict with one another, the proposed system obviously can not be perfect in all respects. While consideration initially was given to a number of alternative fee systems, two options were evaluated as especially worth considering: (1) a fee on crude oil, petrochemical feedstocks, and inorganic materials and (2) a fee on the disposal of hazardous wastes. The pros and cons of these two options are summarized below.

Option 1: Hazardous Waste Disposal Fee:

Pro: (1) Establishes an equitable fee for hazardous waste with respect to the current hazardous waste stream.

(2) Would provide an incentive for reduction of the waste stream (i.e., resource conservation and recovery) assuming fees were based on volume or mass.

(3) Avoids creating an incentive for in-

Con: (1) Depends on RCRA manifest and permit system which is currently not operational. Although due to be promulgated December 31, 1979 and effective 6 months later, manifest and permit systems could be held up in courts thereby preventing collection of fees.

(2) Would provide an incentive (i.e., not having to pay the fee) for generators not to enter the manifest and permit systems.

(3) Would add a significant increase to current hazardous waste disposal costs thereby providing a strong incentive for illicit dumping. Average current charge for disposal in landfills is about $30/ton. To raise $300,000,000 annually would require a fee of approximately $10/ton, a one-third increase in costs.

(4) A fee system for spills of oil and hazardous substances would still be necessary because from an equity point of view, a fee on disposal of hazardous waste could not be used fairly to respond to hazardous substance spills. It is not obvious how much such a two pronged fee system could preclude hitting the same party twice, once for disposal and once for spills.

(5) Requires collection of a fee from large numbers of disposers (approximately 30,000).

Option 2: Oil, Inorganic and Petrochemical Feedstock Fee:

Pro: (1) Establishes a single fee system which applies to spills of oil and hazardous substances and releases from uncontrolled hazardous waste disposal sites.

(2) Provides a broad-based fee which is relatively easy to administer due to relatively small numbers of those who would pay fee (under 1200 plants or 700 companies). For oil, information necessary to implement system is already available from Department of Energy.

(3) Establishes an economic impact ceiling of 2% of sales price so that no substance or company is hit too hard.

(4) Achieves equity by imposing a fee on oil and chemicals which:

(1) are spilled directly, (2) become chemicals which are spilled, and (3) become hazardous wastes.

(5) Provides an incentive for recycling of raw materials.

(6) Provides an incentive for conservation of natural gas and oil.

(7) Avoids creating an incentive for increased manufacturing abroad.

Con: (1) May impose fee on feedstocks which produce some substances or wastes which are not hazardous (however this should not produce unfair competitive advantages since all such affected competing companies will be paying the fee).

(2) Will require additional industry reporting on which to base most inorganic fees and some or all petrochemical feedstock fees.

The second option has been selected. The proposed system of fees covers oil, petrochemical feedstocks, and certain highly toxic and/or high volume inorganic materials including heavy metals, halogens, acids, bases, and ammonia. This fee is based upon the belief that the fee should come as broadly as possible from those segments of industry and consumers who are most responsible for imposing the risks in society. (The approach assumes that most costs will ultimately be passed on to users and consumers). All oil and almost all hazardous substances are products of the oil industry, chemical and allied industries, and heavy metals industries. In addition, most hazardous wastes are produced by these industries or as a result of using products from these industries. All organic chemicals are derived from petrochemical feedstocks. Heavy metals, halogens, acids, and bases are significant raw materials for many toxic inorganics. Figure (1) depicts how oil, petrochemical feedstocks, and inorganic materials eventually become oil and hazardous substances which may be spilled and hazardous wastes found in inactive and abandoned sites.

The legislation would authorize the following annual fees: (1) crude oil—up to $100 million; (2) petrochemical feedstocks—up to $200 million; and (3) inorganic materials—up to $100 million. The largest of these annual fees, $200 million from petrochemical feedstocks, constitutes less than 0.4 percent of the $55.8 billion value of shipments from the petrochemical industry in 1978.

SELECTION OF PETROCHEMICAL FEEDSTOCKS ON WHICH TO BASE FEE

In developing the fee system for organic chemicals, the primary issue was which chemicals should form the base from which to go back to their feedstocks and assess a fee (As pointed out earlier all organic chemicals are derived from petrochemical feedstocks). For the following reasons it was determined that this base should be *all* organic chemicals (hence, the fee should be collected from *all* petrochemical feedstocks). Many organic chemicals and their byproducts in the halogenated hydrocarbon, pesticide, and aromatic categories are known to be extremely hazardous. Experience to date tells us that chemical relatives to known problem chemicals and their byproducts are likely to be problems. The number and volume of organic chemicals which are not hazardous or likely to be hazardous is relatively small. Also, the complexity of the organic chemcial industry would make it extremely difficult to pick and choose among organic chemicals in determining which feedstocks or organic chemicals to impose a fee on. For example, benzene, itself a designated hazardous substance produced from petrochemical feedstocks, is converted as a primary building block into cyclohexane, then to adiponitrile and hexamethylenediamine in the organic chemical sector, and finally is converted to nylon 6-6. Nyon, as a resin, becomes a plastic product, and as a fiber, a textile product. This example of a product flow is only one of many involving benzene products and petrochemicals in general.

The major petrochemical feedstocks upon which the fee will be collectd eare: toluene, xylene, napthalene, benzene, butylene, butadiene, butane, ethylene, propylene, carbon black, and methane (other than that used to make ammonia).

SELECTION OF INORGANIC RAW MATERIALS ON WHICH TO BASE FEE

The number of potential sources of inorganic chemicals is vastly larger than for organic chemicals. For this reason it seemed unworkable and unreasonable to place a fee on all inorganic materials. Therefore selection criteria were necessary to determine which inorganic materials (heavy metals, halogens, acid formers, caustic formers, ammonia) to assess.

The selection of inorganic materials to be subject to a fee was based upon satisfaction of two or more of the following considerations: the material must be hazardous in a number of forms; the material in some form must be hazardous if spilled; the material must be produced in large amount; the material must be capable of increasing the hazard potential of other elements.

Of the heavy metals, arsenic, cadmium, mercury, lead and chromium are included in the fee system because they are produced in quantity and many compounds incorporating these elements are hazardous. Additional detailed information on these heavy metals is provided in Appendix A. All of these elements are subject to maximum contaminant levels under the Safe Drinking Water Act. Lead and chromium are used in chemical manufacturing in other forms, i.e., lead oxide, sodium and potassium dichromate chromite and chromic acid. Antimony, nickel, cobalt, beryllium, zinc, barium and selenium were considered but are not proposed to be subject to the fee at the present time. Their omission results from their satisfaction of only one of the above 4 criteria at this time. Should additional data demonstrate their satisfaction of an additional criterion, they could be added at a later date.

Of the halogens, chlorine, bromine and fluorine satisfy at least two of the above criteria and are included in the fee system. These elements, or their acids which are produced in large volumes, are hazardous if spilled, can form hazardous materials and wastes, and can increase the mobility of heavy metals if present in a disposal site in their acidic forms. Elemental fluorine and iodine are not produced in sufficient quantities to justify fee collection. Ethylene dibromide and methyl bromide are produced in large quantities and are quite hazardous.

Hydrochloric, hydrofluoric, sulfuric, phosphoric and nitric acids would be subject to fee collection because of their large production volumes, spill hazard, their incorporation into hazardous compounds and their satisfaction of the reactivity and corrosivity criteria of the EPA proposed hazardous waste regulations. Acidic disposal site conditions may corrode waste containers and increase the mobility and toxicity of some heavy metals.

Sodium and potassium hydroxides would be subject to fee collection because of their large production volumes, spill hazard, and their satisfaction of the EPA proposed hazardous waste reactivity and corrosivity criteria.

Ammonia and ammonium nitrate are subject to fee collection because of their large production volumes, spill hazard, their incorporation into hazardous compounds.

Other inorganic materials are known to demonstrate chronic toxicity but were not included at this time because initial concern has been on acute toxicity. When the list of designated hazardous substances is expanded to include chronic toxicity, the inorganic materials subject to a fee should be considered for expansion.

RATIONALE FOR ESTABLISHMENT OF FEE COLLECTION POINTS FOR HAZARDOUS SUBSTANCES [1]

The fee would be collected from suppliers (producers or importers) of petrochemical feedstocks and inorganic materials as they are shipped, or used on site, by these suppliers. The rationale for establishing the fee collection points for hazardous substances is based on the following considerations. The collection point should be early enough in the waste production cycle so that the fee is equitably distributed among all hazardous waste generators. The collection point should be early enough in the manufacturing cycle so that the fee is equitably distributed among all hazardous substances suppliers. The collection point should be late enough in the manufacturing cycle so that uses of petroleum, natural gas, and minerals other than for hazardous substance production, for example agricultural application of elemental sulfur and use of petroleum and natural gas as sources of energy, are not subject to the fee. Finally, the number of collection points should be kept as small as possible to minimize administrative costs and difficulties of fee collection.

These considerations argue for the establishment of the fee collection point very early in the hazardous waste and minerals generation cycle. The effect of establishing the fee collection point on petrochemical feedstocks and inorganic materials is examined below.

A major use of petroleum and natural gas is the production of chemicals. Almost all petrochemical feedstocks are produced from petroleum and natural gas. However, if the fee were collected on petroleum and natural gas producers, non-hazardous uses, such as fuels, would be inequitably subject to a fee. The first step in organic chemicals production is the processing of petroleum and natural gas into a small number of feedstocks or building blocks which can then be transformed into thousands of more complex organic compounds (intermediates) and eventually into hundreds of thousands of complex products. All petrochemical feedstocks are subject to the fee since all are judged equally hazardous in terms of products or wastes. Therefore, all suppliers (including on-site users) of petrochemical feedstocks will pay the fee. If the fee collection point were shifted further down the production path to organic intermediates a number of problems would ensue. That number of fee collection points would be substantially increased. Substantial difficulties in recognizing and determining the correct fee in the more complex intermediates would also be encountered.

Inorganic materials present a different set of issues. Inorganic materials are produced from minerals, sea water, and process wastes. If the fee were to be collected on minerals, sea water and process wastes, an exact composition would be necessary to calculate the fee due. Such a calculation would not be feasible. Also some minerals are used directly for non-hazardous uses, for example limestone may be used in cement and sulfur in agriculture. Bromine is produced from natural brines and chlorine can be produced from sea water. Major amounts of sulfuric acid are produced from oil, natural gas and flue gas refinement. These considerations suggest strongly that establishment of the fee collection point on shipment of minerals or other sources or inorganic materials would not be reasonable or feasible.

The fee would be collected on all shipments or on-site use by suppliers (producers or importers) of inorganic materials. Inorganic materials may be transformed into more complex intermediates, directly into products or combined with organic chemicals into organic-inorganic intermediates or final products. The number of these more complex compounds numbers in the thousands. If the fee were collected on intermediates or final products, many hazardous materials shippers or waste generators would not be subject to the fee. Fee collectors would find it very difficult to determine the required fee on complex inorganic or inorganic-organic intermediates or final products. Establishment of the fee collection point on suppliers of inorganic materials (including self-suppliers) provides the minimum number of fee collection points.

Table 2 shows the number of plants and companies from which fees will be collected for crude oil, petrochemical feedstocks, and inorganic materials.

TABLE 2.—FEE COLLECTION: NUMBER OF COLLECTION POINTS [1]

	Number [2] of—	
	Companies	Plants
Collection on petrochemical feedstocks:		
Ethylene	26	37
Propylene	38	67
Butylenes (butenes)	13	20
Butadiene	15	20
Butane	NA	NA
Benzene	38	54
Toluene	34	47
Xylenes (mixed)	30	37
O-Xylene	12	12
P-Xylene	11	13
Naphthalene	6	12
Methane (nonammonia use)	10	12
Carbon black	7	30
Subtotal	240	361
Collection of inorganic raw materials:		
Heavy metals:		
Arsenic, arsenic trioxide	1	1
Cadmium	6	7
Chromium, chromate, sodium/potassium dichromate, chromic acid	32	46
Lead, lead oxide	8	19
Mercury	1	12
Halogens:		
Bromine, methyl bromide, ethylene dibromide	12	16
Chlorine, hydrochloric acid	71	122
Hydrofluoric acid	12	22
Acid forming:		
Phosphorus, phosphoric acid	37	70
Sulfuric acid	73	158
Nitric acid	46	88
Caustic forming:		
Sodium, sodium hydroxide	36	72
Potassium hydroxide	10	13
Other:		
Ammonia	60	94
Ammonium nitrate	41	65
Subtotal	446	805
Total	[3] 686	[3] 1,166

[1] Exclusive of fee on crude oil and some imported petrochemical feedstocks and inorganic raw materials.

[2] Source: Stanford Research Institute, Directory of Chemical Producers.

[3] Since the same company or plant may (and often does) produce more than 1 petrochemical feedstock or inorganic raw material, these totals overstate the actual number of collection points. Although the above figures do not explicitly reflect approximately 300 crude oil refineries from which the oil fee will be collected, many of these refineries are part of the same companies producing petrochemical feedstocks.

ORGANIC/INORGANIC FEE DISTRIBUTION RATIONALE

The principle used to distribute the fee between petrochemical feedstock and inorganic material suppliers was that the distribution should reflect the generation of hazardous wastes. Alternative distribution systems—based on production—were rejected because they did not reflect hazardous waste generation. All data used were weight corrected to eliminate any inherent bias toward the heavier inorganic elements due to their higher atomic weights.

In response to the Resource Conservation and Recovery Act of 1976, EPA prepared a study of the 17 major industries producing hazardous wastes. Wastes for 8 of the 17 industries (organic chemicals, primary metals, electroplating, inorganic chemicals, petroleum refining, rubber and plastics, paints and allied products and pharmaceuticals) representing 92 percent of the estimated 35 million tons of hazardous wastes generated annually in the U.S. were characterized by the study as 45 percent organic and 55 percent inorganic by weight. These percentages were then corrected to eliminate the inherent bias toward the heavier inorganic elements, yielding fee collection percentages of about 68 percent from organics and 32 percent from inorganics. These figures were rounded off to 2:1 and produced the $200 to $100 million fee collection figures.

SAFEGUARDS

Like any fee system, the proposed fee scheme may have the potential for inducing unintended or unreasonable results in certain instances (e.g., an inorganic chemical producer who uses petrochemical feedstocks and competes against firms which produce the same product but use a different process which does not use petrochemical feedstocks subject to the fee). As a result, a series of safeguards have been built into the fee system in order to minimize inequities and inintended adverse impacts. In order to avoid more than one fee collection on any quantity of oil,[2] petrochemical feedstock, or inorganic material, the fee will only be levied once on a given quantity of such material.

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[1] For a discussion of the fee collection system for crude oil, see *A Fee Collection Mechanism for the Oil Pollution Liability and Compensation Legislation*, written by Michael W. Christensen and Maryann B. Froelich, DOT, August 1978.

[2] An exception is made for crude oil which is refined and used as a feedstock. In this case the fee is collected on the crude (for oil spills) and on the feedstock (for hazardous substance and hazardous waste releases).

A second safeguard relates to the limit of the fee for any given petrochemical feedstock or inorganic material. To help insure that no serious dislocations are created by this system, total fees collected on feedstocks and inorganic materials are limited to two percent of their market price. Any assessed firm which believes its fee is in excess of the two percent limit, may petition the Executive to have its fee lowered so as not to exceed the two percent cap. Thus, although it is possible that some firms might have to operate at reduced rates of profit, it is not expected firms or plants would actually be forced to close as a result of this fee system.

A series of limits have been included on the amount of funds which can be raised by the fee system. An annual limit of $400 million is the total amount of fees which may be collected in any one year. The total annual limit is broken down into categories. No more than $100 million may be collected yearly on crude oil. $200 million is the annual limit on petrochemical feedstocks, and $100 million is the annual limit for inorganic materials. Additionally there are per unit limits for each of these categories. For crude oil the fee may not exceed three cents per barrel. For petrochemical feedstocks, the limit is ½ cent per pound. Inorganic materials fees are limited by a $2 per ton ceiling.

Perhaps the most important safeguard is that the per unit fees will be established (within their above described maximum limits) by rulemaking. In the rulemaking process, an economic analysis is required by Executive Order to be conducted and all those affected by the fee will be able to participate in the development of the fee before it is established by rule.

The final safeguard is of a longer term nature. It is the mid-course adjustment study which will make recommendations to Congress within four years of enactment on any needed revision of the fee structure system. The recommendations will be based upon the study which will focus both on how the fee has been collected up to that point and on the nature of the hazardous substance and hazardous waste release problems. The goal of the mid-course adjustment is to make any necessary changes to insure that the fee system is equitable and reflects the experience of the fund relative to the proportion of the annual disbursements funded by each sector of the economy.●

● Mr. MUSKIE. Mr. President, President Carter yesterday announced a major new initiative in environmental policy. The proposal is a very positive step toward the goal of eliminating the spread of hazardous contaminants in our environment. The President should be applauded for moving ahead in this area.

In the last year we have found that the problem of hazardous substances leaking from dump sites or spilling during the normal use is extensive. Preliminary estimates by the Environmental Protection Agency indicate there are at least 32,000 chemical dump sites in the Nation, with perhaps 2,000 of these that need immediate attention.

Last year I introduced S. 2900, which created a fund to assist in payment for the cleanup of spills of oil and hazardous substances. That legislation was passed by the Senate, but did not become law.

Two subcommittees of the Senate Environment and Public Works Committee, chaired by Senator CULVER and myself, earlier this year began joint hearings on the spread of hazardous substances in the environment and mechanisms to deal with that problem. We recently announced a series of joint hearings to be held over the next month to explore legislative proposals in this area. We will kick off these hearings in testimony next Wednesday, June 20, by inviting administration witnesses to explain their new legislation. In Senator CULVER's statement elsewhere in the RECORD, there is a listing of the schedule of the joint activities of the two subcommittees in this area.

I want to emphasize the cooperative effort that is underway on this legislation. This includes strong involvement and contributions on the part of the minority members of the two subcommittees, and particularly Senators STAFFORD and CHAFEE. Environmental legislation has always been a bipartisan effort on the Environment and Public Works Committee and I will do all that I can to see that this legislation will bear that same mark.

In anticipation of these hearings, Senator CULVER and I are jointly cosponsoring the administration bill and introducing it by request today.

We are hoping to introduce our own legislation in the next few days dealing only with hazardous substances. We hope that this will be legislation that a number of the members of the Environment and Public Works Committee will cosponsor. Based on our experiences last year with a bill combining both oil and hazardous substances, we believe there are reasons to proceed with a bill dealing with hazardous substances only. That judgment could change, and the administration bill will be given full consideration.

The administration proposal includes within its coverage provisions governing oil spill liability and compensation in addition to provisions governing hazardous substance releases and cleanup of abandoned waste dump sites. The administration has already proposed legislation for oil spill liability and compensation. This legislation, Senate bill 953, was introduced by request on April 10 of this year and jointly referred to the Committees on Commerce, Science, and Transportation, and Environment and Public Works, along with Senate bill 684, a bill covering liability and compensation for the marine transportation of oil, introduced by Senator MAGNUSON.

The jurisdictional accommodation embodied in those referrals is not intended to be jeopardized by today's referral of the new administration bill to the Environment and Public Works Committee.

If the Environment and Public Works Committee reports legislation which includes matter which is in the jurisdiction of the Committee on Commerce, Science, and Transportation, then we will work with the Commerce Committee on those matters within their jurisdiction.

If such arrangements are not mutually satisfactory to the two committees, then consideration of a subsequent legislative referral may be necessary.

We will consult with the Commerce Committee as we develop our bill in order to reduce the potential for jurisdictional conflict.●

By Mr. KENNEDY (for himself and Mr. TSONGAS):

S. 1342. A bill to establish the Boston Harbor National Recreation Area, and for other purposes; to the Committee on Energy and Natural Resources.

BOSTON HABROR NATIONAL RECREATION AREA

● Mr. KENNEDY. Mr. President, I am introducing legislation to establish the Boston Harbor National Recreation Area in order to encourage effective preservation and management of the Boston Harbor area. Identical legislation is being introduced in the House of Representatives by Congressman J. JOSEPH MOAKLEY.

The islands and resources of the Boston Harbor are unique national assets, and have played a significant part in the history of our Nation. The area contains 180 miles of unparalleled shoreline and more than 30 islands compromising some 1,200 acres of land. More than 3 million people live within 25 miles of the harbor, and, since 1965, a concerted effort has been made at all levels of government to restore the harbor and its islands for public use, enjoyment, and education.

With the establishment of the Massachusetts Bay Colony in the early 17th century, the islands became a center for farming and shipbuilding. In 1713, the first lighthouse on the continent was built on Little Brewster Island which stood until it was destroyed by the retreating British in 1776. Fortifications from the War of 1812, World War I and World War II still remain on many of the islands.

Congressman MOAKLEY began the effort to preserve and protect the Boston Harbor Islands in the Massachusetts Legislature by securing passage of State legislation to acquire the islands. The Massachusetts Area Planning Council completed a comprehensive study on the recreational potential of the islands, and has proposed plans on how to achieve revitalization of the harbor.

Decades of neglect and misuse have preempted the public use and enjoyment of one of New England's finest resources. Recent action by local public officials and citizen groups has focused attention on the plight of the Boston Harbor and her islands, and a number of concrete steps have been taken. The Environmental Protection Agency and the Commonwealth of Massachusetts are involved in a 10-year $800 million construction program to improve the pollution control facilities in and around the harbor area. The Army Corps of Engineers is completing a report on a $16 million program for the removal of all sources of floatable debris from the Boston Harbor. A number of State agencies have developed expanded programs of security and maintenance on some of the islands. These efforts represent a substantial step forward toward the goal of returning the harbor and its islands to the people.

But much more is needed if the harbor area is to be utilized to the fullest extent possible for education and recreation. That is why the Boston Harbor National Recreation Area is so vitally important.

This legislation establishes a commission made up of State and local representatives charged with the responsibility to develop a comprehensive plan for the recreation area. At the present time, at least 17 agencies of Federal, State, and local governments have jurisdiction over the harbor and the islands. While all of these agencies are anxious to assist in restoring the harbor, a unified and coordinated authority is critical to avoid the piecemeal approach in addressing the problems of the harbor. This bill will move us toward the goal of harmonizing these programs and developing a comprehensive plan. The plan will provide for the preservation of the outstanding natural, historical, esthetic, and cultural features of the land and water in the Boston Harbor. It will also assure expanded public access to the harbor islands.

As I know my colleagues in the Senate will recognize, there is a national interest in the Boston Harbor Recreation Area because of its location in the densely populated area of the east coast where the opportunities for the Federal Government to assist in developing recreational facilities is so limited by lack of space and resources.

The Boston Globe recently reported the "rediscovery" of Boston Harbor and new efforts to revive the area. This legislation is a blueprint on which all elected officials, government agencies, and citizens neighboring the harbor will sketch their hopes and their plans. I look forward to working closely with all of these concerned groups and individuals to refine and perfect this legislation.

I ask unanimous consent that the article in the Boston Globe together with the text of the bill, be printed in the RECORD.

There being no objection, the bill and article were ordered to be printed in the RECORD, as follows:

S. 1342

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

FINDINGS AND STATEMENTS OF POLICY

SECTION 1. The Congress finds and declares that—

(1) the Boston Harbor area, including the Boston Harbor Islands, in the Commonwealth of Massachusetts, possesses unique scenic, natural, cultural, historic, and recreational values and resources;

(2) there is a national interest in preserving and enhancing these unique values and resources for the present and future wellbeing of the Nation and for present and future generations;

(3) the present State, regional, and local authority and funding capabilities are inadequate to insure the preservation and enhancement of the values and resources of the Boston Harbor area, and it is in the national interest to establish a new system to assist the Commonwealth of Massachusetts, regional agencies, and local governments to preserve and manage the values and resources of the area;

(4) the key to more effective recreation and conservation of the unique resources and values of the Boston Harbor area, including the Boston Harbor Islands, is a program encouraging coordinated action by the Federal and State Governments to assist local governments to administer sound management policies regulating and guiding development in the Boston Harbor area and on the Boston Harbor Islands;

(5) such a new system for the protection and management of the values and resources of the Boston Harbor area requires the establishment by the Commonwealth of Massachusetts of a Boston Harbor Commission to give effect to the trust relationship; and

(6) because expanded access to the Boston Harbor Islands is crucial to the development of the Boston Harbor area as a recreational area for the Nation, any plan for the development of the Boston Harbor National Recreation Area must include provisions for expanded access to and between the Boston Harbor Islands, including such shoreline, island, and water facilities as are needed to encourage public visitation of the Islands.

SEC. 2. The purposes of this Act are (1) to provide for the preservation of the outstanding natural, historic, aesthetic, and cultural features and the land and water resources of the Boston Harbor area including the Boston Harbor Islands, and (2) to provide adequate recreation facilities for the people of the Commonwealth of Massachusetts and the Nation.

SEC. 3. There is hereby established the Boston Harbor National Recreation Area (hereinafter in this Act referred to as the "recreation area"). The boundaries of the recreation area shall be Boston Harbor to the mean low water line, from Winthrop to Hull, Massachusetts and the Harbor Islands.

SEC. 4. (a) Within one year after the enactment of this Act, the Secretary of the Interior (hereinafter in this Act referred to as the "Secretary") shall establish a Commission for the purpose of preparing a plan for the development, maintenance, and management of the recreation area (hereinafter in this Act referred to as "Commission").

(b) There is authorized to be appropriated a sum not to exceed $200,000 for each fiscal year to prepare a plan for the development, maintenance, and management of the Boston Harbor Recreation Area.

(c) The Commission shall be composed of not more than twenty-seven members appointed by the Secretary from recommendations of the Governor of the Commonwealth of Massachusetts (hereinafter in this Act referred to as the "Governor") and the chief executive officers of such local units of government, including counties and municipalities which have jurisdiction over the recreation area. The Commission shall consist of the following persons or their designees:

(1) Three members of the Massachusetts House of Representatives recommended by the Speaker;

(2) Two Massachusetts State Senators recommended by the President of the Senate;

(3) One representative from each of the following cities: Chelsea, Quincy, Everett, and Revere who shall be recommended by the mayor of each city;

(4) One representative each from the towns of Winthrop, Weymouth, Hingham, and Hull who shall be recommended by the board of selectmen of each town named;

(5) Three representatives from the City of Boston who shall be recommended by the Mayor of the City of Boston. At least one of these persons shall represent the neighborhoods bordering the Boston Harbor;

(6) The executive director of Massachusetts Port Authority;

(7) The commissioner of the Metropolitan District Commission;

(8) The Secretary of the Massachusetts Department of Environmental Affairs;

(9) The Secretary of the Massachusetts Executive Office of Transportation and Construction;

(10) The Director of the Massachusetts Office of Coastal Zone Management;

(11) Six persons recommended by the Governor. The Governor shall designate a member of the Commission to serve as Chairman.

(d) The Governor shall recommend for membership on the Commission at least three persons from recognized groups or organizations whose primary purpose is in the areas of conservation and historic preservation. All persons recommended shall have interests consistent with Section 2 of this Act.

(e) The function of the Commission shall be to prepare a plan for the development, maintenance, and management of the Boston Harbor National Recreation Area (hereinafter in this Act referred to as "the plan").

(f) The plan shall include, but need not be limited to:

(1) recommendations for the development of public recreational facilities, including but not limited to visitor centers, picnic, beach, swimming, and camping facilities;

(2) provision for the preservation, conservation, and interpretation of significant natural and historic resource areas;

(3) provision for expanded water access to and between the Boston Harbor Islands for the public, including plans for such shoreline, islands, and water facilities as may be necessary to provide frequent and inexpensive access to the Islands; and

(4) identification of the units of State or local government which will be responsible for implementing the plan.

This plan may not propose an expenditure of Federal funds greater than $20,000,000 (exclusive of funds available under any existing Federal programs) to implement the plan.

(g) The Secretary and the heads of other Federal agencies shall cooperate with the Commission in the formulation of the plan upon the request of the Commission and to the extent of available funds.

(h) (1) Members of the Commission who are employees of government shall serve without additional compensation as such. All other members may, if the Commission so votes, receive $50 per diem when actually engaged in the performance of the duties of the Commission.

(2) The Secretary shall allow the reimbursement of all Commission members for necessary travel and subsistence expenses incurred by them in the performance of the duties of the Commission.

(i) Financial and administrative services (including those related to payment of compensation, budgeting, accounting, financial reporting, personnel, and procurement) shall be provided by the Secretary from the funds appropriated to carry out the provisions of this Act.

(j) The Commission shall have the power to appoint and fix the compensation of such additional personnel, including experts and professional, and for such temporary and intermittent services as may be necessary to carry out their duties, without regard to the provisions of the civil service laws and the Classification Act of 1949, and they shall have the power to hold hearings and administer oaths.

(k) The Commission shall act by affirmative vote of a majority thereof. Vacancies shall be filled in the same manner as the original appointment.

(l) The Commission, within 1 year of the date on which it is established, shall submit its plan to the Secretary.

SEC. 5. (a) The Secretary shall within one hundred and twenty days of the date the plan is received by him either approve or disapprove the plan.

(b) The Secretary shall approve the plan if he finds that—

(1) The Commission has afforded adequate opportunity for public comment on the plan, and such comment was received and considered in the plan or revision as presented to him;

(2) State and local units of government identified in the plan as responsible for implementing any portion of its provisions have the necessary legislative authority to do so, and the chief executive officers of the State and local units of government have indicated their commitment to utilize such authority in accordance with the program established by the Commission;

(3) the plan will preserve the unique scenic, natural, cultural, historic, and recreational values of the Boston Harbor area including the Boston Harbor Islands; and

(4) the plan includes adequate provisions for expanded and sufficient public access to and between the Boston Harbor Islands.

(c) If the Secretary disapproves the plan, he shall advise the Commission of the reasons therefor and convey his recommendations for revision. The revision may be resubmitted to the Secretary for his approval.

(d) Upon approval of the plan, the Secretary shall publish a notice thereof in the Federal Register and shall transmit copies of the plan together with his comments to the President of the Senate and the Speaker of the House of Representatives.

(e) No substantial revision to the plan may be made without the approval of the Secretary.

SEC. 6. Upon approval of the plan, the Secretary shall make grants to the State or local units of government identified in the approved plan for the recreation area as having responsibility for implementing its provisions. Such grants shall be made upon application of such State or local units of government, shall be supplemental to any other Federal financial assistance for any purpose, and shall be subject to such reasonable terms and conditions as the Secretary deems necessary to effectuate the purposes of this Act.

SEC. 7. There is hereby established a special account in the Treasury of the United States for the purpose of holding moneys to be used for grants, pursuant to Section 6 of this Act, to the State or local units of government. There shall be covered into such special account $20,000,000 from revenues due and payable to the United States under the Outer Continental Shelf Lands Act or under the Act of June 4, 1920 (41 Stat. 813), or under both such Acts, which would be otherwise credited to miscellaneous receipts of the Treasury. Moneys covered into the account shall be used only for grants made pursuant to Section 6 of this Act and shall be available for expenditure only when appropriated therefor.

HARBORS: PRESENT

(By Ian Menzies)

The waters of Boston harbor are again being used as they should. A multi-faceted resource, too long ignored, has finally been rediscovered.

For instance, after a lapse of 27 years, ferry boat service to East Boston is to start again, beginning next Monday.

The South Shore commuter boat has shown that there is an alternative to cars, and that commuter ferries are here to stay.

True, the 35-knot, 60-passenger Hoverferry, which can make three runs a morning, had to be withdrawn from the South Shore run for a time because of severe icing and inadequate docking facilities at the Hingham terminus, but service was maintained with the 100-foot catamaran Freedom.

It shouldn't be forgotten either that in the 1978 snowstorm more than 1000 people came in by ferry and 600 were left standing on the dock because the ferries couldn't cope with the numbers.

Next Monday the Hoverferry, which floats on a cushion of air while driven by conventional twin-diesels, is scheduled to return to the South Shore run, in good time to help handle the expected rise in fair weather riders.

Another harbor development is a proposal by the National Park Service to run a Freedom Trail ferry from downtown Boston to Charlestown, simplifying and enhancing the tourist route to the USS Constitution and Bunker Hill.

And a private entrepreneur is thinking about a tourist boat to run between Long Wharf and the new Kennedy Memorial Library, scheduled to open at Columbia Point this fall.

The state also hopes to encourage an increase in water taxi service to and between the harbor islands this summer.

Not only are harbor waters being put to better public use than at anytime since the early 1930s' but concern for adequate public access to the harbor shoreline is also on the rise as is an interest in the commercial expansion of the port as a shipping and fish processing center.

Boston harbor has, it seems, finally developed a constituency. Recognizing this, the Boston Redevelopment Authority has established a Boston Harbor Task Force "to see that future development is carried out within a framework that balances economic growth with protection of our environmental quality."

And, responding to some criticism that the harbor could become lost behind "a wall of of affluence" (hotels, apartment towers and restaurants) BRA director Robert Ryan said, "It is not so much a matter of encouraging development as it is overseeing and coordinating the many and varied plans and proposals for Boston's waterfront."

That, precisely, is the problem, along with finding more public docking space and restoring and repairing existing wharfs and piers.

The trouble is the BRA can't do this alone, because the harbor is controlled by a confusing mix of federal, state, municipal and private landholders. Even management of the islands within Harbor Islands Park is divided among different agencies as are some ferry operations.

All this is well known to Boston Harbor Associates, the most active coalition of individuals and groups concerned about the port.

Harbor Associates, through its president, Arthur Lane, and director, John Ames, has petitioned the Legislature to set up a commission to study how the port could best be managed and administered.

As Lane and Ames point out, harbor activity is growing rapidly but there are enormous jurisdictional problems (the city and Massport can't even agree about providing much needed additional container space) raw sewage continues to float around the harbor, wharfs and piers are falling apart, dock space is inadequate and public access is limited.

Boston Harbor and the Port of Boston must have an overall coordinating authority, with decision-making powers and representative of all major port interests, including the public. And from such an authority should come a long-range port and harbor plan. Such authority would have to be delegated by the Legislature.

An exciting glimpse of what the harbor could be is currently being promoted by another harbor group, the new Boston Educational Marine Exchange, headed by architect Carl Koch, who developed Lewis wharf, the first major waterfront restoration.

Koch proposes wide-scale use of Fort Point Channel as a marina, the construction of a breakwater with docking facilities some 200 yards off Rowes wharf and other harbor improvements.

The public has done its part to revive interest in the port, as exemplified by the dedicated South Shore boat commuters, but the public can only do so much. Now it's time for the Legislature and officialdom to do its share.●

By Mr. CRANSTON:

S. 1343. A bill to amend section 45 of the Lanham Trademark Act, title 15, United States Code, section 1127, to clarify and specify the intent of Congress regarding certain protections afforded registered marks, and for other purposes; to the Committee on the Judiciary.

LANHAM TRADEMARK ACT CLARIFICATION AMENDMENT OF 1979

● Mr. CRANSTON. Mr. President, I am introducing legislation today to clarify the intent of Congress that the Lanham Trademark Act protects the design of a trademark from State or local legislation or regulation which alters the design of a trademark in material respects.

I want to make clear at the outset that my bill will not interfere in any way with a community's right to regulate signs and advertising for scenic or environmental purposes or to prohibit deceptive or misleading advertising and unfair competition.

Section 45 of the Lanham Trademark Act (15 U.S.C. 1127) currently states that it is the intent of the act "to protect registered marks used in (interstate) commerce from interference by State, or territorial legislation."

Notwithstanding this provision in the law, several States acting through real estate boards have issued regulations prohibiting real estate agents from displaying signs on which a national franchise logo is printed in typeface larger than the name of the agent or agency. Court challenges to this infringement of a registered trademark have been unsuccessful to date.

The specific situation at hand involves State regulations limiting the use of the registered trademark of Century 21, a nationwide franchisor of real estate agents. The registered trademark of Century 21 is designed with the words "Century 21" printed in type considerably larger than the name of the local franchise holder. The State regulations in question force the franchise holder to print his name in larger type and to reduce the size of the type used for the trademark logo.

The real estate board regulations limiting the use of the logo as designed, deprives the franchisee of a competitive asset he or she is seeking by paying for the right to use the Century 21 logo as trademarked. Absent any proof of abuse in the marketplace or unfair competition, clearly such regulations promulgated by regulatory boards which may be industry-dominated, are self-serving. Obviously, the purpose of a trademark is to secure to the holder of the mark and his licensees the goodwill of the business built up through advertising and service. It is not fair play to deprive the trademark holder of this investment of money, time, and effort.

Furthermore, such regulations have an adverse effect on interstate commerce. The business of 1,200 Century 21 franchise holders in California depend in considerable part, on the display and recognition of the Century 21 logo in all of the 50 States. Regulations in a neighboring State diminish the value of the logo to California franchisees as surely as if my State limited the use of the logo—which it does not.

There is no evidence that the display of the logo in larger type than the name of the agency in any way deceives the consumer. On the contrary display of the nationally known logo informs the consumer of the type of service he can expect.

Such State real estate board regulations, in my view, constitute an unreasonable interference with free commercial speech. The restriction placed on the design of the logo is as unreasonable as would be a regulation requiring the masthead of a newspaper to be printed in the same size type as the publisher's name.

Given the reluctance of the courts to limit State action regulating trademarks, it is necessary for Congress to express itself once more on this matter.

The bill I am offering to amend the Lanham Trademark Act will spell out the intent of Congress that State and local governments may not dictate the design of a registered trademark. Again, I wish to make absolutely clear that the bill will not limit the power of a State or community to prohibit the display of advertising of any kind, to limit the dimensions of signs or their location, or prohibit deceptive advertising or unfair competition. It is directed only at unwarranted interference with the arrangement and design of a registered trademark.

A community will be free, under the bill, to prohibit advertising by real estate agents, to limit the size of real estate agent's signs, to restrict their locations, and to exercise any other reasonable restraints on advertising. But it will not be permitted to dictate the arrangement or relation of the elements of design of a registered trademark as used by licensees of the trademark holder.

I ask unanimous consent that the text of my bill be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 1343

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as "The Lanham Trademark Act Clarification Amendment of 1979".

Sec. 2. The last paragraph of Section 45 of the Lanham Trademark Act (section 1127 of title 15, United States Code) is amended to read as follows:

"The intent of this Act is to regulate commerce within the control of Congress by making actionable the deceptive and misleading use of marks in such commerce; to protect registered marks used in such commerce from interference by state, or territorial legislation and regulation; to prohibit any state, territory or any agency or political subdivision thereof from adopting, enforcing or continuing in effect any law or regulation that interferes with the licensing of any registered mark or that requires that additional trademarks, service marks, trade names or corporate names that may be associated with or incorporated into the registered mark be displayed in a manner differing from the display of such additional trademarks, service marks, trade names or corporate names contemplated by the registered mark as indicated in the certificate of registration; to protect persons engaged in such commerce against unfair competition; to prevent fraud and deception in such commerce by the use of reproductions, copies, counterfeits, or colorable imitations of registered marks; and to provide rights and remedies stipulated by treaties and conventions respecting trademarks, trade names, and unfair competition entered into between the United States and foreign nations."●

By Mr. JACKSON (by request):

S. 1344. A bill to amend the act of October 5, 1966 (80 Stat. 915), as amended, establishing a program for the preservation of additional historic properties throughout the Nation, and for other purposes; to the Committee on Energy and Natural Resources.

● Mr. JACKSON. Mr. President, by request, I send to the desk for appropriate reference a bill to amend the act of October 15, 1966 (80 Stat. 915), as amended, establishing a program for the preservation of additional historic properties throughout the Nation, and for other purposes.

Mr. President, this draft legislation was submitted and recommended by the Advisory Council on Historic Preservation, and I ask unanimous consent that the bill and the executive communication which accompanied the proposal from the chairman of the Advisory Council on Historic Preservation be printed in the Record.

There being no objection, the bill and letter were ordered to be printed in the Record, as follows:

S. 1344

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Act of October 15, 1966 (80 Stat. 915), as amended (16 U.S.C. 470), is further amended as follows:

(a) Section 212(a) is amended by deleting the last sentence and inserting in lieu thereof the sentence "There are authorized to be appropriated such sums as may be necessary to carry out such activities of the Council as may be authorized by the Congress."

May 22, 1979.

Hon. Walter F. Mondale,
President of the Senate,
Washington, D.C.

Dear Mr. President: Enclosed is a bill amending the National Historic Preservation Act of 1966 to reauthorize the Advisory Council on Historic Preservation. First established in 1966, the Council is now an independent agency of the Federal Government comprised of 29 members, 17 ex officio and 12 appointed by the President from outside the Federal Government. The Council is responsible for advising the President and the Congress on historic preservation matters and protecting designated historic resources whenever they are threatened by Federal, federally assisted, or federally licensed undertakings.

We recommend that the enclosed bill be referred to the appropriate Committee for consideration, and that it be enacted.

The Council's current authorization expires at the end of fiscal year 1980 and enactment of the enclosed bill will ensure the continuation of the Council in fiscal year 1981 and beyond.

The Office of Management and Budget advises that it has no objection to the enactment of this legislation.

Sincerely,

Richard H. Jenrette,
Chairman.●

By Mr. JAVITS (for himself, Mr. Danforth, and Mr. Mathias):

S. 1345. A bill to amend the Internal Revenue Code of 1954 to provide a credit against tax for certain research and experimental expenditures; to the Committee on Finance.

INCREMENTAL TAX CREDIT FOR R. & D.

● Mr. JAVITS. Mr. President, the performance of the U.S. economy has slipped materially in the last decade. We have lost an alarming measure of the economic vigor and dynamism that have been traditionally the basis for our domestic prosperity and our ability to compete in international markets. Productivity growth of U.S. industry is lagging—a minus 4.6 percent in the first quarter of this year—and U.S. leadership in the area of research and development is being challenged aggressively by our major trading partners. We can no longer afford to ignore this dismal state of affairs without undermining a critical element in our economic and political structure. We must begin to mobilize our productive resources to resolve our economic problems now, but reviving the inherent boldness and ingenuity that has served us so well in the past.

Mr. President, I believe that vigorously and strategically channeled support of scientific and technological research and development is vital to continued economic growth and job development in this country. What the economy requires is longer term, higher risk investments which emphasize technological innovation in the industrial sector and which are implemented through private industry and Government cooperation.

In my judgment, the inadequacy of capital investment and the deteriorating performance in R. & D. are among the major causes of the dismal productivity performance of the United States in the decade of the 1970's. Capital investment in the United States fell from 10.5 percent of GNP in 1973 to a new low of 9.5 percent last year. Meanwhile, France and Germany are investing proportionally two times as much, and Japan three times as much, as the United States in new ventures, new technology, and new plant and equipment.

Persistent inflation has reduced much real profitability, thereby eroding the capacity of industry to invest in new facilities and equipment and modernization. Real after-tax profits have grown very slowly over the past decade. Also some Government regulations have diverted capital appropriations from goods and productivity-increasing investments to federally mandated environmental outlays—thus simultaneously limiting the availability of internal corporate cash flows for capital spending and introducing a higher degree of caution into the managerial decisionmaking process.

Nowhere is this trend more apparent than in the area of technological innovation.

A quick survey of R. & D. expenditures in the United States today pinpoints a number of disturbing trends. These are reflected in the indicators the National Science Foundation uses to measure the state-of-the-art in R. & D.: First, investment as a proportion of GNP; second, R. & D. expenditures as a percentage of total Federal budget outlays; third, the number of patents issued to U.S. citizens; and fourth, the number of scientists engaged in R. & D. per 10,000 population. All of these indicators are pointing downward.

Expenditures on R. & D. as a fraction of GNP have declined from a high of 3 percent in 1964 to 2.25 percent in 1976. Federal R. & D. funds as a fraction of total Federal budget outlays also have slipped, from a high of 13 percent in 1965 to an estimated 6 percent in 1976. The number of U.S. patents granted to U.S. inventors reached a peak in 1971 and has declined by 21 percent since then. And the number of U.S. scientists and engineers engaged in R. & D. fell in the period between 1969 and 1971 and has remained constant ever since.

Perhaps even more disturbing is the recent poor trade performance of the United States in R. & D.-intensive manufactured products. Surpluses in this produce category historically have played an extremely important role in maintaining an overall favorable balance of trade. However, as our major trading partners have stepped up their R. & D. funding effort, we are no longer able to offset our imports of low-technology-intensive products. While Japan's surplus in manufactured products topped off at $63 billion in 1978, followed in second place by West Germany's surplus of $49 billion, the United States recorded a record trade deficit in manufactures of $9.5 billion. How can we expect realistically to sustain our present standard of living if this performance continues and how can we begin to work to reverse these trends?

Federal funding of R. & D. in the United States, especially in basic research, has dropped off in real terms, and Federal efforts to foster technological change through support of R. & D. in the private sector have met with only limited success. At the same time, private research managers, pressured to perform in the age of "the bottom line," report a heavy shift in emphasis to lower-risk, shorter-term projects designed to improve existing product lines or to comply with growing regulatory requirements. Rather than take the risk on long-range investment, private firms prefer to seek alternative investment opportunities and cut back on R. & D. expenditures. As Reginald Jones, chairman of the Board of General Electric, has observed so perceptively, the U.S. businessman is being encouraged to "think small and play it safe."

If we dare to look into the future, knowing as we do that private investors tend to cut back on investment in longer-term payoff projects during times of slackening growth—such as those anticipated for late 1979 and into 1980—then the urgency is even greater at this time for a full-scale major initiative directed at promoting productive investment in R. & D.

R. & D. TAX CREDIT

Mr. President, the bill I am introducing today, and which Senators DANFORTH and MATHIAS are cosponsoring, is one of a series of legislative proposals that I am developing to stimulate real economic growth through technological inovation. I am already a cosponsor of a bill which Senator DANFORTH introduced last month to provide a 25-percent tax credit for contributions to universities engaged in basic research.

My bill would take a very direct approach in creating an incentive for increased research and development in the United States. It would provide corporate taxpayers with a credit against tax liability equal to 25 percent of the increase in qualified research and experimental expenditures made during the tax year, compared with the previous year.

To be eligible for the 25-percent tax credit, the expenditure would have to qualify under the definition of research and experimental expenditures in section 174 of the Code. This would exclude expenditures related to the social sciences and the humanities. And, in order to insure that there is a sufficient incentive to increase R. &. D. spending and to avoid windfall gains for companies which presently make such expenditures, the tax credit would apply only to R. & D. spending in excess of 102 percent of the previous year's spending. Absent this threshold, we cannot be sure the tax credit contains the appropriate incentives for measured R. & D. spending. Thus, if a company had spent $30 million on R. & D. in 1979 and $33 million in 1980, a 10-percent gain, it would qualify for a tax credit equal to 25 percent of $2,400,000 or $600,000.

I am also proposing an upper limit of 150 percent of the previous year's R. & D. expenditures so as to dissuade corporations from stop-and-go investment policies and to encourage gradual long-term increases that can have maximum benefit in the revitalization of technological innovation in the private sector.

Mr. President, I know my colleagues on the Finance Committee will study this bill very carefully and look forward to our close cooperation in the coming months.

I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1345

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) subpart A of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1954 (relating to credits allowable) is amended by inserting before section 45 the following new section:

"SEC. 44D. CREDIT FOR RESEARCH AND EXPERIMENTAL EXPENDITURES.

"(a) IN GENERAL.—There shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to 25 percent of the qualified research and experimental expenditures paid or incurred by the taxpayer during the taxable year in connection with his trade or business.

"(b) DEFINITIONS.—For purposes of this section—

"(1) QUALIFIED RESEARCH AND EXPERIMENTAL EXPENDITURES.—The term 'qualified research and experimental expenditures' means the research and experimental expenditures of the taxpayer for the taxable year which exceed 102 percent but which do not exceed 10 percent of such expenditures for the preceding taxable year.

"(2) RESEARCH AND EXPERIMENTAL EXPENDITURES.—The term 'research and experimental expenditures' means research or experimental expenditures with respect to which a deduction is allowable under section 174, other than expenditures related to research or experimentation in the social sciences or the humanities.

"(c) APPLICATION WITH OTHER CREDITS.—The credit allowed by subsection (a) for any taxable year shall not exceed the amount of the tax imposed by this chapter reduced by the sum of the credits allowable under a section of this part having a lower number of letter designation than this section, other than the credits allowable by sections 31, 39, and 43.

"(d) CARRYBACK AND CARRYOVER OF UNUSED CREDIT.—

"(1) ALLOWANCE OF CREDIT.—If the amount of the credit determined under this section for any taxable year exceeds the limitation provided by subsection (c) for such taxable year (hereinafter in this subsection referred to as the 'unused credit year'), such excess shall be—

"(A) a research and experimental credit carryback to each of the 3 taxable years preceding the unused credit year, and

"(B) a research and experimental credit carryover to each of the 7 taxable years following the unused credit year,

and shall be added to the amount allowable as a credit by this section for such years. If any portion of such excess is a carryback to a taxable year beginning before January 1, 1980, this section shall be deemed to have been in effect for such taxable year for purposes of allowing such carryback as a credit under this section. The entire amount of the unused credit for an unused credit year shall be carried to the earliest of the 10 taxable years to which (by reason of subparagraphs (A) and (B)) such credit may be carried, and then to each of the other 9 taxable years to the extent that, because of the limitation contained in paragraph (2), such unused credit may not be added for a prior taxable year to which such unused credit may be carried.

"(2) LIMITATION.—The amount of the unused credit which may be added under paragraph (1) for any preceding or succeeding taxable year shall not exceed the amount by which the limitation provided by subsection (c) for such taxable year exceeds the sum of—

"(A) the credit allowable under this section for such taxable year, and

"(B) the amounts which, by reason of this subsection, are added to the amount allowable for such taxable year and which are attributable to taxable years preceding the unused credit year."

(b) The table of sections for such subpart is amended by inserting before the item relating to section 45 the following new item:

"SEC. 44D. Credit for research and experimental expenditures.".

(c) Section 6096(b) of such Code (relating to designation of income tax payment to Presidential Election Campaign Fund) is amended by striking out "and 44C" and inserting in lieu thereof ", 44C and 44D".

(d) (1) (A) Section 383 of such Code (relating to special limitations on unused investments credits, work incentive program credits, foreign taxes, and capital losses), as in effect for taxable years beginning after June 30, 1980, is amended by inserting "to any unused research and experimental credit of the corporation under section 44D(d)," before "to any unused investment credit".

(B) The heading of section 383 is amended to read as follows:

"SEC. 383. SPECIAL LIMITATIONS ON CERTAIN UNUSED CREDITS.".

(2) (A) Section 383 of such Code (as in effect on the day before the date of the enactment of the Tax Reform Act of 1976) is amended by inserting "to any research and experimental credit of the corporation which could otherwise be carried forward under section 44D," before "to any unused investment credit".

(B) The heading of section 383 (as so in effect is amended to read as follows:

"SEC. 383. SPECIAL LIMITATIONS ON CERTAIN UNUSED CREDITS.".

(3) The table of sections for part V of subchapter C of chapter 1 of such Code is amended by striking out the item relating to section 383 and inserting in lieu thereof the following:

"SEC. 383. Special limitations on certain unused credits.".

(e) (1) Section 6511(d) (4) (C) of such Code (relating to limitations on credit or refund) is amended by inserting "research and experimental credit carryback," before "and new employee".

(2) Section 6411 of such Code (relating to quick refunds in respect of tentative carryback adjustments) is amended—

(A) by striking out "or unused new employee credit" each place it appears in such section and inserting in lieu thereof "unused new employee credit, or unused research and experimental credit",

(B) by inserting after "section 172(b)," in the first sentence of subsection (a) "by a research and experimental credit carryback provided in section 44D(d),",

(C) by striking out "or a new employee credit carryback from" in the second sentence of subsection (a) and inserting in lieu thereof ", a new employee credit carryback from, or a research and experimental credit carryback from", and

(D) by striking out "work incentive program carryback)" in the second sentence of subsection (a) and inserting in lieu thereof "work incentive program carryback, or, in the case of a research and experimental credit carryback, to an investment credit carryback, a work incentive program carryback, or a new employee credit caryback)".

(3) Section 6501(m) of such Code (relating to tentative carryback adjustment assessment period) is amended by striking out "or a new employee credit carryback" and inserting in lieu thereof "a new employee credit carryback, or a research and experimental credit carryback".

(4) Paragraph (3) of section 55(c) of such Code (relating to credits against alternative minimum tax for taxpayers other than corporations) is amended by redesignating subparagraph (D) as (E) and inserting after subparagraph (C) the following new subparagraph:

"(D) Research and experimental credit.—For purposes of determining under section 44D(d) the amount of any research and experimental credit carryback or carryover to any other taxable year, the amount of the limitation under section 44D(d) (2) for the current taxable year shall be deemed to be—

"(i) the amount of the credit allowable under section 44D for the current taxable year without regard to this subparagraph, reduced by

"(ii) the amount equal to the lesser of (I) the amount of the credit allowable under section 44D for the current taxable year without regard to this subparagraph, or (II) the net tax imposed by this section for the current taxable year reduced by the sum of the amounts of reduction described in clause (ii) of subparagraphs (A), (B), and (C).".

SEC. 2. The amendments made by this Act shall apply to taxable years beginning after December 31, 1979.●

By Mr. STONE (for himself, Mr. YOUNG, Mr. MAGNUSON, Mr. BURDICK, Mr. JACKSON, Mr. JAVITS, Mr. KENNEDY, Mr. McGOVERN, Mr. LEAHY, Mr. RANDOLPH, and Mr. STAFFORD):

S. 1346. A bill to amend the Food Stamp Act of 1977 to eliminate certain restrictions on excess shelter expense deductions with respect to households that contain a member who is 60 years of age or over or who receives benefits under title XVI of the Social Security Act and to allow a deduction for certain medical expenses in the computation of the income for these families; to the Committee on Agriculture, Nutrition, and Forestry.

ELDERLY AND DISABLED FOOD STAMP AMENDMENTS OF 1979

● Mr. STONE. Mr. President, today I am introducing the Elderly and Disabled Food Stamp Amendments of 1979. I have previously introduced S. 928 to remedy some of the drastic consequences being experienced by the elderly and SSI recipients who participate in the food stamp program as a result of implementation of the Food Stamp Act of 1977. The bill I am introducing today combines the best aspects of S. 928 with the provisions of S. 1060 that has been introduced by my senior colleague from Florida, Senator CHILES.

On June 1, 1979, I chaired a field hearing of the Subcommittee on Nutrition in Miami Beach at which I heard, firsthand, about the effect of the 1977 law on elderly and disabled households. It is one thing to read statistics in cold black and white, and quite another to see recipients face-to-face. It is only through an experience such as this that one can fully understand that we are talking about people and not numbers. This experience, plus conversations I have had since that hearing, have convinced me that S. 928 does not go far enough, and that minor changes in that bill will substantially improve it. Those improvements are contained in the bill I am introducing today.

When Senator TALMADGE introduced S. 1309 to increase the authorization for appropriations for the 1979 food stamp program, he rightfully described it as emergency legislation. However, S. 1309 only addresses one of the two emergencies in the food stamp program. There can be little doubt that it would be extremely serious if through congressional inaction food stamp recipients had to have their already scant allotments further reduced. But I also believe that it is equally disastrous when elderly and disabled food stamp recipients must choose between needed medication and food, when elderly people have to survive on a few slices of bread, when these same people run out of food stamps by the third week of the month, and when elderly people are arrested for stealing needed food. These are not hypothetical examples, these are the situations that real people are currently confronted with. These intolerable situations must be remedied and they must be remedied now, not at some indeterminate point in the future.

My original bill would have allowed households comprised exclusively of elderly and SSI recipients to have an unlimited excess shelter expense deduction for the actual amount of their shelter expenses that exceed 50 percent of their program income and a medical expense deduction for their actual medical expenses in excess of the food stamp program's standard deduction, which will be $70 per month beginning July 1, 1979. Two pertinent points have been disclosed to me that have convinced me to change my original position.

By limiting these deductions to "households comprised exclusively of" elderly and SSI recipient members, the legislation could encourage the breakup of household units. Elderly parents could be forced to move out from their children and SSI recipients forced to isolate themselves from their loved ones. This was certainly not my intent. The bill I am introducing today would make these deductions available to all households "containing" an elderly or SSI recipient member and would therefore remove any potential encouragement to household dissolution.

I have also been convinced that the trigger point that would activate the excess medical expense deduction should not be set at a level that would only cover catastrophic or unusual medical expense of the elderly and the disabled. Therefore, the bill that I am introducing today would establish this trigger point at $35 per month. This trigger point would be indexed for future periods on the same formula that is used for the standard deduction in the food stamp program. I am also including the definition of allowable medical expenses that Senator CHILES included in S. 1060.

It has become abundantly clear that elderly and disabled food stamp recipients in all parts of the country are suffering under the new food stamp program. Various bills have been introduced in the Senate to address these problems. I firmly believe that the bill I am introducing today would insure a measure of relief for those most in need. It may not be the complete solution but it is a step in the right direction. The other alternatives can, and I am confident will, be considered by the Committee on Agriculture, Nutrition, and Forestry later this year.

I am well aware of the mood of fiscal responsibility that is sweeping the country. As my colleagues know, I am a charter member of the S.O.B.'s (Save Our Bucks). However, fiscal responsibility should not be equated with insensitivity to human suffering or need. The bill that I am introducing today is a modest proposal, and its cost is less than one percent of the cost of the food stamp program. This small expenditure will reap relief for those people who are least able to cope with the increasing demands on their ever-shrinking dollars.

I ask unanimous consent that the bill be printed in the RECORD.

I urge my colleagues to join me in supporting this important legislation and to aid in insuring its expeditious approval.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1346

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Elderly and Disabled Food Stamp Amendments of 1979".

SEC. 2. Section 5(e) of the Food Stamp Act of 1977 is amended by—

(1) inserting in the fourth sentence after "Households" the following: ", other than those households containing a member who is sixty years of age or over or who receives supplemental security income benefits under title XVI of the Social Security Act,"; and

(2) adding at the end thereof the following new sentence: "Households containing a member who is sixty years of age or over or who receives supplemental security income benefits under title XVI of the Social Security Act shall also be entitled to (1) an excess medical expense deduction for that portion of the actual cost of allowable medical expenses, exclusive of special diets, that exceed $35 a month, which shall, starting on July 1, 1979, be adjusted every July 1 and January 1 to the nearest $5 to reflect changes in the Consumer Price Index published by the Bureau of Labor Statistics of the Department of Labor for items other than food for the six months ending the preceding March 31 and September 30, respectively, (2) a dependent care deduction, the maximum allowable level of which shall be the same as that for the excess shelter expense deduction contained in clause (2) of the preceding sentence, for the actual cost of payments necessary for the care of a dependent, regardless of the dependent's age, when such care enables a household member to accept or continue employment, or training or education which is preparatory for employment, and (3) an excess shelter expense deduction to the extent that the monthly amount expended by a household for shelter exceeds an amount equal to 50 per centum of monthly household income after all other applicable deductions have been allowed.".

SEC. 3. Section 3 of the Food Stamp Act of 1977 is amended by adding at the end thereof a new subsection (q) as follows:

"(q) 'Allowable medical expenses' means payments made for (1) medical and dental care, (2) hospitalization or nursing care (including hospitalization or nursing care of an individual who was a household member immediately prior to entering a hospital or nursing home), (3) prescription drugs (including insulin) and over-the-counter medication when prescribed by a certified medical practitioner, (4) health and hospitalization policy payments (excluding costs of health and accident or income maintenance policies), (5) medicare payments, (6) costs of dentures, hearing aids, and prosthetics (including costs of securing and maintaining a seeing eye dog), (7) eye glasses prescribed by a physician skilled in eye disease or by an optometrist, (8) reasonable costs of transportation necessary to secure medical treatment or services, and (9) costs of maintaining an attendant, homemaker, home health aide, housekeeper, or child care services due to age, infirmity, or illness.".

SEC. 4. The amendments made by sections 2 and 3 of this Act shall take effect on the first day of the first month that begins after the date of the enactment of this Act. ●

By Mr. CRANSTON (for himself and Mr. PROXMIRE):

S. 1347. A bill to provide improved consumer services and to strengthen the ability of financial institutions to adjust to changing economic conditions; to the Committee on Banking, Housing, and Urban Affairs.

DEPOSITORY INSTITUTIONS DEREGULATION ACT OF 1979

● Mr. CRANSTON. Mr. President, today Senator PROXMIRE and I introduced the Depository Institutions Deregulation Act of 1979, a bill to provide improved consumer services and to strengthen the ability of financial institutions to adjust to changing economic conditions.

The 1970's have been a time of considerable economic turmoil and change for the financial industry. Increased competition in the marketplace, inflation and high interest rates have fueled the growth of nondepository institutions' financial services. Commercial banks, to keep their deposits, have devised various techniques for evading the prohibition on payment of interest on demand deposits; for the individual, the use of the credit card has led to a demand for instant access to funds and more flexible accounts from financial institutions. For example, as of April 25, 1979, about 6 months after automatic funds transfer services were initiated, total automatic transfer account balances totaled some $6.4 billion. At the close of 1978 there were about 800,000 sharedraft accounts totaling $720 million in approximately 740 Federal credit unions. About 200 federally chartered savings and loan associations had been approved to operate remote service units accessing $2.6 billion in savings deposits. The rapid growth in these services have permitted depositors to receive a form of interest on their checking accounts without legislative action by Congress.

Simultaneously, in 1972, State chartered savings banks in Massachusetts and New Hampshire began offering NOW accounts. NOW accounts—an interest bearing checking account—were extended to all of New England in 1976 and then to New York in late 1978 by Congress, to remedy the competitive imbalance in favor of State chartered thrift institutions.

In 1974, the first remote service units were installed in supermarkets allowing customers to make deposits or withdrawals from savings accounts and the first sharedrafts accounts in credit unions began. Telephone transfer accounts were authorized for commercial banks in 1975, and in 1978 commercial banks and mutual savings banks were authorized to transfer funds automatically from savings to checking accounts. In 1978, the financial regulators created a high interest rate money market certificate that has had broad consumer appeal. In 1979, a series of regulatory changes that will help the small saver obtain a higher rate of return on their deposits including new higher interest rate certificates, the removal of the minimum denomination requirement on all but the money market certificate, and increase of the passbook interest rate from 5¼ percent to 5½ percent were implemented by regulation.

These legislative, regulatory, and market place occurrences have sensitized the consumers to interest rate levels in addition to being beneficial to consumer needs. These events have increased the demands by consumers for a higher rate of return on their savings deposits while at the same time, eroding the prohibition in the Banking Act of 1933 against the payment of interest on demand deposits.

On April 20, 1979, the U.S. court of appeals ruled that automatic transfers of deposits from interest bearing accounts to noninterest bearing demand accounts in commercial banks and savings banks; the withdrawal of funds from an interest bearing savings deposits account by a device functionally equivalent to a check such as a remote service unit operated by savings and loan associations; and withdrawal of funds from share accounts in Federal credit unions though the use of drafts were illegal under the existing law that prohibits the payment of interest on demand deposits. The court stayed the effective date of its ruling until January 1, 1980, indicating that Congress should act on this matter.

It is in this heated environment dominated by critical issues facing our financial system, that Senator PROXMIRE and I come together to introduce comprehensive legislation that hopefully will address some of these concerns. Financial reform is needed to permit depository institutions to effectively compete for funds and thereby avoid disintermediation when interest rates rise in addition to paying a fairer return to the small saver. Disintermediation occurs because interest rates in the open market rise above rates that depository institutions are allowed to pay on time and savings deposits. The result is an unstable flow of funds into sectors of the economy, such as housing, that rely on depository institutions to meet their credit needs.

Our bill, the Depository Institutions Deregulation Act would first address the problem created by the court of appeals ruling. It will remove the prohibition against interest-bearing checking accounts—NOW accounts—nationwide for individuals and nonprofit, or charitable groups. NOW accounts could then be offered by all depository institutions. A similar authority is authorized for credit unions in the form of a sharedraft account.

The bill will provide for expanded asset powers for thrift institutions including increased authority for consumer lending, commercial paper and trust powers. The new NOW and sharedraft accounts will bear a uniform interest rate at one-quarter percent below the lowest passbook interest rate. Uniform reserves shall be held on all transaction accounts. New England NOW accounts and existing sharedraft interest rates shall be grandfathered in at present interest rates. Reserves for nonmember depository institutions will be phased in over a 4-year period.

A phaseout plan is established in this bill for the Interest Rate Control Act, the authority by which deposit rate ceilings for financial institutions are established. Two years after NOW accounts and the expanded asset powers in this bill go into effect, the interest rate ceilings under regulation Q will escalate up one-quarter percent every 6 months and at the end of 10 years, all interest rate controls will expire.

The testimony before this committee, in previous years, has consistently shown that deposit rate ceilings lead to inequities among depositors and inefficiencies in the economy. However, this section recognizes that complete or sudden removal of ceilings in the present economic environment might have adverse consequences for some institutions. Because of the imbalance of short-term liabilities and long-term assets in the portfolios of most thrifts, their earnings and possibly solvency, are vulnerable when interest rates are rising rapidly.

This section attempts to anticipate problems that may arise in the transition to a world without interest rate ceilings, by giving institutions sufficient time to adjust their portfolios and operating policies with regard to the new powers authorized before interest rate ceilings began to be phased out. The interest rate differential on passbook deposits that insures a continued flow of funds to thrifts for housing will remain in effect over the entire 10-year period of the phaseout plan. Emergency powers are provided for regulators during the phase-up period and after the Interest Rate Control Act expires to protect the financial industry from serious economic harm.

Mr. President, the deregulation of interest rate controls on the liability side of thrift institutions portfolio argues for similar action on usury laws that restrict the ability of depository institutions to earn a market rate on funds that are used for mortgage lending. It is well recognized by lending authorities that these ceilings inhibit the ability to make loans to those who can afford them and thereby, distort the flow of funds by encouraging out-of-state investment of funds, in addition to restricting the ability of thrifts to earn a market rate return on funds. When usury ceilings are below market rates of interest, they divert lending and investment activities to markets where usury controls do not exist. In the interest of facilitating a national housing policy and creating a national residential mortgage lending market, this bill modifies State usury laws to exempt mortgages secured by real estate that are eligible for sale to any government secondary mortgage facility from State laws. Additionally, there are some usury laws that prohibit not only lending at a usurious rate but prohibit a consumer from knowingly receiving such a rate. These kind of statutes would inhibit lenders from paying depositors a rate of return on their savings or certificate accounts higher than the usury ceiling when interest rates increased on passbook and certificate accounts under the regulation Q phaseout plan in this bill.

This bill exempts deposit accounts from State usury laws so that savers may receive a fair interest rate return on their deposits. States are given the option of removing themselves from coverage under this section.

There is one very important issue in regard to expanded asset powers of thrifts, that has been addressed by regulatory action of the Federal Home Loan Bank Board, the authority for thrifts to be permitted to have alternative mortgage instruments. It has become increasingly clear that one of the components of the continued viability of thrift institutions is the ability to offer a form of variable rate mortgage. California institutions have proven that this mortgage can be a benefit to lenders as well as consumers when proper safeguard for the consumers are provided. I support and commend Robert McKinney, Chairman of the Federal Home Loan Bank Board for having shown the foresight and commitment to the viability of the thrift industry by authorizing variable rate mortgages nationwide. Chairman McKinney worked very closely with the Banking Committee in developing the necessary consumer safeguards in the VRM regulations.

Mr. President, the Banking Committee along with the Congress has been studying and mulling over the issues in this bill since such legislation evolved from the Hunt Commission study and recommendations in 1971, on needed improvements in the structure of financial institutions to move toward freedom and competition in the financial markets. The Senate has passed two bills on this subject and numerous hearings have been held in the House and Senate on these issues, however, the issues still remain with us.

Our financial system has shown great resiliency over the past 200 years, however, the competitive environment in which financial institutions evolved during the 1930's has vastly changed. We are attempting in this bill to address the challenge of updating our financial system to adjust to technological, social, and market changes that have occurred in the financial marketplace. I believe that enactment of financial reform legislation will further the objectives of expanding consumer services, increasing the ability of financial institutions to adjust to changing economic conditions and improving their ability to pay a reasonable rate of return to depositors.

This bill will provide the focal point of hearings by the Financial Institutions Subcommittee June 21, 28, and July 18 on financial reform.

Mr. President, I ask unanimous consent that the bill and a section-by-section analysis be printed in the RECORD.

There being no objection, the bill and analysis were ordered to be printed in the RECORD, as follows:

S. 1347

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Depository Institutions Deregulation Act of 1979".

TITLE I— PAYMENT OF INTEREST ON DEPOSIT ACCOUNTS

SEC. 101. (a) Section 19 (i) of the Federal Reserve Act (12 U.S.C. 371a(i)) is amended by striking out the matter in the first sentence before the first proviso and inserting in lieu thereof the following: "No member bank shall, directly or indirectly, by any device whatsoever, pay any interest on any deposit which is payable on demand, and a demand deposit shall not include a negotiable order of withdrawal account:".

(b) The first sentence of section 19(j) of the Federal Reserve Act (12 U.S.C. 371b(j)) is amended to read as follows: "The Board may from time to time, after consulting with the Board of Directors of the Federal Deposit Insurance Corporation, the Federal Home Loan Bank Board, and the National Credit Union Administration Board, prescribe rules governing the payment and advertisement of interest on deposits, including limitations on the rates of interest which may be paid by member banks on time and savings deposits.".

(c) The first section of the Federal Reserve Act (12 U.S.C. 221) is amended by adding at the end thereof the following new paragraphs:

"The term 'depository institution' means—

"(1) any insured bank as defined in section 3 of the Federal Deposit Insurance Act;

"(2) any mutual savings bank as defined in section 3 of the Federal Deposit Insurance Act;

"(3) any savings bank as defined in section 3 of the Federal Deposit Insurance Act;

"(4) any insured credit union as defined in section 101 of the Federal Credit Union Act;

"(5) any member as defined in section 2 of the Federal Home Loan Bank Act; and

"(6) any insured institution as defined in section 408 of the National Housing Act.

"The term 'negotiable order of withdrawal account' means an account on which payment of interest may be made on a deposit with respect to which the depository institution may require the depositor to give notice of an intended withdrawal not less than thirty days before the withdrawal is made, even though in practice such notice is not required and the depositor is allowed to make withdrawal by negotiable or transferable instrument for the purpose of making payments to third persons or otherwise. Such account shall consist solely of funds in which the entire beneficial interest is held by one or more individuals, or by an organization operated primarily for religious, philanthropic, charitable, educational, or other similar purpose and not for profit.

"The term 'share draft account' means an account on which payment of interest may be made on a deposit with respect to which the credit union may require the member to give notice of an intended withdrawal not less than thirty days before the withdrawal is made, even though in practice such notice is not required and the member is allowed to make withdrawals by negotiable or transferable instrument for the purpose of making payments to third persons or otherwise. Such account shall consist solely of funds in which the entire beneficial interest is held by one or more individuals or by an organization operated primarily for religious philanthropic, charitable, educational, or other similar purpose and not for profit.".

SEC. 102. (a) Section 3 of the Federal Deposit Insurance Act (12 U.S.C. 1813) is amended by adding at the end thereof the following new subsections:

"(r) The term 'depository institution' means—

"(1) any insured bank as defined in this section;

"(2) any mutual savings bank as defined in this section;

"(3) any savings bank as defined in this section;

"(4) any member as defined in section 2 of the Federal Home Loan Bank Act; and

"(5) any insured institution as defined in section 408 of the National Housing Act.

"(s) The term 'negotiable order of withdrawal account' means an account on which payment of interest may be made on a deposit with respect to which the depository institution may require the depositor to give notice of an intended withdrawal not less than thirty days before the withdrawal is made, even though in practice such notice is not required and the depositor is allowed to make withdrawals by negotiable or transferable instrument for the purpose of making payments to third persons or otherwise. Such deposit or account shall consist solely of funds in which the entire beneficial interest is held by one or more individuals, or by an organization operated primarily for religious, philanthropic, charitable, educational, or other similar purpose and not for profit.".

(b) The first sentence of section 18(g) of the Federal Deposit Insurance Act (12 U.S.C. 1828(g)) is amended to read as follows: "The Board of Directors shall by regulation prohibit the payment of interest or dividends on demand deposits in insured nonmember banks (including insured mutual savings banks), and for such purpose it may define the term 'demand deposit', except that the term as so defined shall not include negotiable order of withdrawal accounts; but such exceptions from this prohibition shall be made as are now or may hereafter be prescribed with respect to deposits payable on demand in member banks by section 19 of the Federal Reserve Act, or by regulation of the Board of Governors of the Federal Reserve System.".

(c) The second sentence of section 18(g) of the Federal Deposit Insurance Act (12 U.S.C. 1828(g)) is amended to read as follows: "The Board of Directors may from time to time, after consulting with the Board of Governors of the Federal Reserve System, the Federal Home Loan Bank Board, and the National Credit Union Administration Board, prescribe rules governing the payment and advertisement of interest on deposits, including limitations on the rates of interest or dividends that may be paid by insured nonmember banks (including insured mutual savings banks) on time and savings deposits.".

SEC. 103. Section 5B(a) of the Federal Home Loan Bank Act (12 U.S.C. 1425b(a)) is amended by striking out the first sentence and inserting in lieu thereof the following: "The Board may from time to time, after consulting with the Board of Governors of the Federal Reserve System, the Board of Directors of the Federal Deposit Insurance Corporation, and the National Credit Union Administration Board, prescribe rules governing the payment and advertisement of interest or dividends on deposits, shares, or withdrawable accounts, including limitations on the rates of interest or dividends on deposits or shares that may be paid by members, other than those the deposits of which are insured in accordance with the provisions of the Federal Deposit Insurance Act, by institutions which are insured institutions as defined in section 408 of the National Housing Act, and by nonmember building and loan, savings and loan, and homestead associations, and cooperative banks.".

SEC. 104. (a) Section 2 of the Home Owners' Loan Act of 1933 (12 U.S.C. 1462) is amended by adding at the end thereof the following new subsections:

"(e) The term 'depository institution' means—

"(1) any insured bank as defined in section 3 of the Federal Deposit Insurance Act;

"(2) any mutual savings bank as defined in section 3 of the Federal Deposit Insurance Act;

"(3) any savings bank as defined in section 3 of the Federal Deposit Insurance Act;

"(4) any member as defined in this section; and

"(5) any insured institution as defined in section 408 of the National Housing Act.

"(f) The term 'negotiable order of withdrawal account' means an account on which payment of interest may be made on a deposit with respect to which the depository institution may require the depositor to give notice of an intended withdrawal not less than thirty days before the withdrawal is made, even though in practice such notice is not required and the depositor is allowed to make withdrawal by negotiable or transferable instrument for the purpose of making payments to third persons or otherwise. Such deposit or account shall consist solely of funds in which the entire beneficial interest is held by one or more individuals, or by an organization operated primarily for religious, philanthropic, charitable, educational, or other similar purpose and not for profit."

(b) Section 5(b)(1) of the Home Owners' Loan Act of 1933 (12 U.S.C. 1464(b)(1)) is amended by adding at the end thereof the following: "The preceding sentence does not apply to negotiable order of withdrawal accounts.".

SEC. 105. (a) Section 101 of the Federal Credit Union Act is amended—

(1) by inserting before the semicolon at the end of paragraph (5) the following: ", and such term also includes a share draft account";

(2) by striking out "and" at the end of paragraph (8);

(3) by striking out the period at the end of paragraph (9) and inserting in lieu thereof "; and"; and

(4) by adding at the end thereof the following:

"(10) the term 'share draft account' means an account on which payment of interest may be made on a deposit with respect to which the credit union may require the member to give notice of an intended withdrawal not less than thirty days before the withdrawal is made, even though in practice such notice is not required and the member is allowed to make withdrawals by negotiable or transferable instrument for the purpose of making payments to third persons or otherwise. Such account shall consist solely of funds in which the entire beneficial interest is held by one or more individuals, or by an organization operated primarily for religious, philanthropic, charitable, educational, or other similar purpose and not for profit.".

(b) Section 107(6) of such Act is amended by inserting before the semicolon at the end thereof the following: ", and to issue, deal in, and accept as orders of withdrawal against shares, share drafts".

(c) Section 117 of such Act is amended by adding at the end thereof the following: "The maximum rate of dividends payable on share draft accounts shall be determined by the Board after consultation with the Board of Governors of the Federal Reserve System, the Board of Directors of the Federal Deposit Insurance Corporation, and the Federal Home Loan Bank Board.".

SEC. 106. (a) The maximum rate of interest or dividends payable by depository institutions on negotiable order of withdrawal accounts shall be uniform for all depository institutions and shall be equal to that rate which is one-fourth of a percentage point less than the lowest limitation on deposits or accounts prescribed under section 19(j) of the Federal Reserve Act, subject to adjustment as provided in section 107.

(b) Notwithstanding any other provision of law, a depository institution which is located in Massachusetts, Connecticut, Rhode Island, Maine, Vermont, New Hampshire, or New York may, after the date of enactment of this Act, pay or credit interest or dividends on negotiable order of withdrawal accounts at any rate not in excess of the maximum rate at which such institution was permitted to pay or credit such interest or dividends prior to the date of enactment of this Act, or at such higher rate as may be paid under subsection (a) on such accounts, and any depository institution which was offering or was authorized to offer share draft accounts prior to the date of enactment of this Act, may continue to pay interest or dividends on such accounts at any rate not in excess of the rate paid on these accounts during the last dividend period preceding that date (or the rate paid on regular share accounts during the last dividend period preceding that date, if no interest or dividends have been paid on share draft accounts during such period) or at such higher rate as may be authorized hereafter by the National Credit Union Administration Board.

(c) As used in this section, section 107, section 108, and section 303 the term—

(1) "depository institution" means—

(A) any insured bank as defined in section 3 of the Federal Deposit Insurance Act;

(B) any mutual savings bank as defined in section 3 of the Federal Deposit Insurance Act;

(C) any savings bank as defined in section 3 of the Federal Deposit Insurance Act;

(D) any member as defined in this section;

(E) any insured institution as defined in section 408 of the National Housing Act; and

(F) any insured credit union as defined in section 101(7) of the Federal Credit Union Act;

(2) "negotiable order of withdrawal account" means an account on which payment of interest may be made on a deposit with respect to which the depository institution may require the depositor to give notice of an intended withdrawal not less than thirty days before the withdrawal is made, even though in practice such notice is not required and the depositor is allowed to make withdrawal by negotiable or transferable instrument for the purpose of making payments to third persons or otherwise. Such account shall consist solely of funds in which the entire beneficial interest is held by one or more individuals, or by an organization operated primarily for religious, philanthropic, charitable, educational, or other similar purpose and not for profit; and

(3) "share draft account" means an account on which payment of interest may be made on a deposit with respect to which the credit union may require the member to give notice of an intended withdrawal not less than thirty days before the withdrawal is made, even though in practice such notice is not required and the member is allowed to make withdrawals by negotiable or transferable instrument for the purpose of making payments to third persons or otherwise. Such account shall consist solely of funds in which the entire beneficial interest is held by one or more individuals, or by an organization operated primarily for religious, philanthropic, charitable, educational, or other similar purpose and not for profit.

SEC. 107. (a) The limitations on the maximum rates of interest or dividend for each category of deposits (including time and savings deposits), shares, or withdrawable accounts which were established pursuant to the provisions of law which are referred to in section 7 of the Act of September 21, 1966, shall remain in effect in accordance with the provisions of the amendments made by this title.

(b)(1) Except as provided in paragraphs (2) and (3), the limitations referred to in subsection (a) and the limitations established pursuant to section 106(a) shall be increased by at least one-fourth of a percentage point on January 1, 1982, and on each succeeding July 1 and January 1 through July 1, 1989, subject to section 102 of Public Law 94–200.

(2) If the Board of Governors of the Federal Reserve System, in consultation with the Board of Directors of the Federal Deposit Insurance Corporation, the Federal Home Loan Bank Board, and the National Credit Union Administration Board, determines that a serious economic emergency exists and that such action is necessary to avoid a threat to the economic viability of depository institutions, it may postpone an increase required by this subsection. When the Board makes such determination and postpones an increase, it shall report to the Congress the reasons for such action.

(3) If the authority to postpone an increase required by paragraph (1) has been exercised—

(A) that increase which has been postponed shall be put into effect not later than 1 year after the date of the postponement; and

(B) no other increase required by paragraph (1) may be postponed until the postponed increase has been put into effect as required by clause (A).

(c) During the period beginning on January 1, 1982, and ending on July 1, 1989, no new category of deposits or accounts may be approved by the Board of Governors of the Federal Reserve System, the Board of Directors of the Federal Deposit Insurance Corporation, the Federal Home Loan Bank Board, or the National Credit Union Administration Board if the rate of interest or dividends payable thereon is not at least equal to the rate payable on deposits or accounts of comparable maturities.

(d) Whenever the Board of Governors of the Federal Reserve System, in consultation with the Board of Directors of the Federal Deposit Insurance Corporation, the Federal Home Loan Bank Board, and the National Credit Union Administration Board, determines that it is economically feasible or desirable to accelerate the increase in the maximum rates of interest and dividends as provided in subsection (b)(1), the Board of Governors shall report such determination to the Congress.

Sec. 108. On or after January 1, 1990, the Board of Governors of the Federal Reserve System, in consultation with the Board of Directors of the Federal Deposit Insurance Corporation, the Federal Home Loan Bank Board, and the National Credit Union Administration Board, may prescribe limitations on the maximum rates of interest or dividends on deposits or accounts which may be paid by depository institutions only upon a finding that an extreme economic emergency exists and such action is necessary to maintain the economic viability of depository institutions. Any such finding shall be described in detail in a prompt report to the Congress. In no case shall any limitation prescribed under this section remain in effect for more than one year.

Sec. 109. The Board of Governors of the Federal Reserve System, the Federal Home Loan Bank Board, the Board of Directors of the Federal Deposit Insurance Corporation, and the National Credit Union Administration Board shall jointly report to the Congress annually after the date of enactment of this Act on the economic viability of depository institutions. Each report shall contain such recommendations for legislation or other actions necessary to maintain the economic viability of depository institutions.

Sec. 110. (a) Effective January 1, 1990, section 19(j) of the Federal Reserve Act, section 18(g) of the Federal Deposit Insurance Act, section 5B(a) of the Federal Home Loan Bank Act, and the provisions of sections 106(a) and 107 of this Act are repealed.

(b) Effective January 1, 1990, section 102 of Public Law 94–200 is repealed.

(c) Section 2 of Public Law 93–100 is repealed.

(d) Sections 2(c), 3, and 4 of Public Law 89–597, and the amendments made thereby, are repealed.

TITLE II—RESERVE REQUIREMENTS

Sec. 201. (a) Section 19(b) of the Federal Reserve Act is amended—

(1) by inserting "(other than its negotiable order of withdrawal accounts)" after "deposits" where it first appears; and

(2) by adding at the end thereof the following: "Each depository institution shall maintain reserves against its negotiable order of withdrawal and share draft accounts in such ratios as shall be determined by the Board. The reserve ratios for such accounts shall be uniform for all depository institutions and shall be set a ratio which is not less than 3 per centum nor more than 22 per centum, as determined by the Board.".

(b) Section 19(c) of such Act is amended—

(1) by striking out "subsection" and inserting in lieu thereof "subsections";

(2) by inserting "(except with respect to negotiable order of withdrawal accounts)" after "(b)"; and

(3) by adding at the end thereof the following: "Reserves held by any depository institution against its negotiable order of withdrawal accounts and its share draft accounts shall be in the form of—

"(1) balances maintained for such purposes by such depository institution in the Federal Reserve bank of which it is a member or at which it maintains an account, or to the extent the Board may by regulation permit, in the form of vault cash, except that the extent permitted shall be identical for all depository institutions; and

"(2) balances maintained by a nonmember depository institution in a member bank, nonmember depository institution, or the National Credit Union Central Liquidity Facility, or in a Federal Home Loan Bank, except that such member bank, nonmember depository institution, Facility, or Federal Home Loan Bank shall maintain such funds in the form of balances in a Federal Reserve bank of which it is a member or at which it maintains an account. Balances which are received by a member bank from another depository institution and which are used to satisfy the reserve requirements imposed on such depository institution by this section shall not be subject to the reserve requirements of this section imposed on such member bank and shall not be subject to assessment imposed on such member bank pursuant to section 7 of the Federal Deposit Insurance Act.

Every depository institution which maintains reserves pursuant to this section shall make reports concerning its deposit liabilities and required reserves at such times and in such manner and form as the Board may require.".

(c) The required reserves imposed pursuant to the amendments made by subsection (a) against the negotiable order of withdrawal accounts or share draft accounts on the effective date of this Act for any depository institution which is not a member of the Federal Reserve System on July 1, 1979, shall be reduced by 75 per centum during the first year after the date of enactment of this Act, 50 per centum during the second year, and 25 per centum during the third year.

Sec. 202. The first sentence of section 13 of the Federal Reserve Act (12 U.S.C. 342) is amended by inserting after "may receive from any nonmember bank or trust company", the following: "or, subject to approval by the Board of Governors and the Federal Home Loan Bank Board or the Federal Credit Union Administration Board, as appropriate, by regulation or otherwise, from any Federal Home Loan Bank or member thereof or from any credit union or from the National Credit Union Central Liquidity Facility".

TITLE III—MISCELLANEOUS

Sec. 301. Section 5(c)(4) of the Home Owners' Loan Act of 1933 is amended by adding at the end thereof the following:

"(E) Consumer loans and certain securities.—An association may make unsecured loans for personal, family, or household purposes, and may invest in, sell, or hold commercial paper, corporate debt securities, and bankers acceptances as defined and approved by the Board, but the aggregate amount of such loans and investments at any time may not exceed 10 per centum of the assets of the association.".

Sec. 302. Section 5(b) of the Home Owners' Loan Act of 1933 is amended by adding at the end thereof the following:

"(3) An association may, if permitted by the Board and subject to such regulations as the Board may prescribe, act as a trustee, executor, administrator, guardian, or in any other fiduciary capacity.".

Sec. 303. (a)(1) The provisions of the constitution or law of any State expressly limiting the rate or amount of interest, discount points, or other charges which may be charged, taken, received, or reserved shall not apply to any loan, mortgage, or advance which is secured by real property and which is made after the date of enactment of this Act by a lender described in section 527(b)(2) of the National Housing Act.

(2) The provisions of the constitution or law of any State expressly limiting the rate or amount of interest which may be charged, taken, received, or reserved shall not apply to any deposit or account held by a depository institution.

(b) The provisions of subsection (a)(1) shall apply to loans, mortgages, and advances made in any State unless and until the State adopts a provision of law (within two years after the date of the enactment of this Act) limiting the rate or amount of interest, discount points, or other charges on any such loan, mortgage, or advance.

Section-by-Section Analysis

TITLE I

Sec. 101(a). Distinguishes a NOW Account from a Demand Deposit.

Sec. 101(b). Requires consultation with the Credit Union Administration on setting interest rate ceilings on NOW Accounts.

Sec. 101(c). Definitions of covered depository institutions in the Federal Reserve Act. Provides definition of a NOW Account for all institutions; definition of share drafts for credit unions: limits eligibility for NOW accounts to individuals and nonprofit groups.

Sec. 102(a). Contains definitions of covered depository institutions in the Federal Deposit Insurance Act, definition of a NOW Account and limits eligibility of a NOW Account to individual and nonprofit groups.

Sec. 102(b). Removes the prohibition of NOW Accounts for insured nonmember banks and insured mutual savings banks.

Sec. 102(c). Add National Credit Union Administration in FDIC Act to be consulted when setting interest rate ceilings on NOW Accounts.

Sec. 103. Adds Credit Unions Administration to list to be consulted in the Federal

Home Loan Bank Act and defines depository institutions.

Sec. 104(a). Definitions of NOW Accounts for Federal Savings & Loans in the Federal Home Owners Loan Act and definitions of depository institutions.

Sec. 104(b). Removes the prohibition for Federal Saving and Loan Associations from offering NOW accounts.

Sec. 105 (a) (b). Gives Federal Credit Unions sharedraft authority and defines a sharedraft account.

Sec. 105(c). Grant of authority to set interest rate ceilings on sharedrafts to the Credit Union Board.

Sec. 106(a). Provides that the interest rate ceilings for NOW accounts shall be uniformly applied to all depository institutions ¼ percent below the lowest passbook rate.

Sec. 106(b). Provides for grandfathering of the present interest rates on existing NOW accounts and sharedrafts.

Sec. 106(c), subsections (1, 2, 3). Definition of depository institutions, NOW and sharedraft accounts under this act.

Sec. 107(a). Extends Regulation Q beyond December 15, 1980 to 1989.

Sec. 107(b)(1). Provides for escalation of Regulation Q interest rate ceilings by ¼ percent every 6 months beginning 2 years after the effective date of the Act until 1989.

Sec. 107(b)(2). Grants emergency powers to regulators to delay escalation of interest rate ceilings to avoid a serious economic emergency and sets up conditions for resumption of escalation.

Sec. 107(c). Prohibits regulators from creating any new category of deposits or accounts bearing interest rates lower than rates on deposits or accounts under this Act.

Sec. 107(d). If the regulators determine that it is feasible to accelerate interest rate ceilings faster than plan they shall report to Congress.

Sec. 108. Create standby emergency powers for interest rate ceilings to be reimposed after the Interest Rate Control Act expires.

Sec. 109. Requires annual reporting to the Congress on the economic viability of depository institutions.

Sec. 110(a)(b)(c) Repeal of the Interest Rate Control Act sections on interest rate ceilings and the differential authority effective in 1990.

Sec. 110(d) Repeals the 1966 temporary amendments on interest rate controls.

TITLE II—RESERVE REQUIREMENTS

Sec. 201(a) Establishes authority for the Federal Reserve Board to set reserve requirements against negotiable order of withdrawal and sharedraft accounts for all depository institution offering such accounts. The reserve ratio must be uniform for all depository institutions and within the ranges of 3 and 22 percent.

Sec. 201(b) Provides the form that reserves against NOW and sharedraft accounts shall be held and where they may be held and establishes the procedure for pass thru of reserves to the Federal Reserve.

Sec. 201(c) Reserves required against NOW accounts and sharedrafts of nonmember institutions (as of July 1, 1979) would be phased-in over a four year period.

Sec. 202. Permits Federal Reserve banks to receive deposits, checks and drafts for collection from any Federal Home Loan Bank or member of such bank or from any credit union or the National Credit Union Central Liquidity Facility.

TITLE III—EXPANDED ASSET POWERS

Sec. 301. Provides for expanded asset power for thrift institutions for consumer lending and commercial paper.

Sec. 302. Provides trust powers for thrift institutions.

Sec. 303(a)(1) Preempts usury laws for loans secured by real property defined as a federally related under 527(b) 2 of the National Housing Act.

(2) Exempts deposit accounts from state usury laws.

(2)(b) Provides that the exemption under this section is effective unless a state enacts a law within two years after the effective date of this act to remove themselves from coverage.●

Mr. PROXMIRE. Mr. President, I am pleased to cosponsor with Senator CRANSTON legislation to phase out interest rate ceilings imposed by statute on depository institutions, to augment the powers of all depository institutions to enable them to better serve the consumer, and to give thrift institutions increased lending authority to assure their viability during periods of high interest rates while still maintaining their commitment to housing.

One of the great inequities and injustices in our country today is the fact that a small saver, a person who puts his money in the bank in a savings account, is, by law, limited in the amount of interest he can earn to about 5 or 5¼ percent. This is unjust in view of the fact that the going interest rate today is about 10 percent and the inflation rate is over 10 percent. This legislation would correct that and I am hoping that we can act on it in the committee and on the floor here, and that it will pass the House and become law. The President, I am told, is disposed toward it, and I am hopeful that it will become law.

Earlier in this Congress, on February 6, I introduced Senate Resolution 59, the small savers equity resolution of 1979. The purpose of Senate Resolution 59 was to call the Senate's attention to the discriminatory aspects of interest rate controls that disadvantage the small saver with respect to the so-called money market certificates that financial institutions were authorized to issue in denominations of over $10,000. At the time I introduced Senate Resolution 59, I stated my intent to draft legislation which would provide a more comprehensive vehicle for the reform of this Nation's interest rate control laws which restrict the amount of interest financial institutions are permitted to pay to depositors. This legislation accomplishes that objective.

The legislation also is responsive to the April 20, 1979, U.S. court of appeals decision which indicated that bank automatic transfer savings accounts (ATS), savings and loan association remote service units (RSU), and Federal credit union share drafts are not authorized by the relevant statutes. The effectiveness of the court's judgment has been stayed until January 1, 1980 "in the expectation that the Congress will declare its will upon these matters." The authorization of NOW accounts and share drafts on a nationwide basis will permit those consumers currently using ATS, RSU, and share drafts to continue to have these services without interruption.

Mr. President, interest rate ceilings (or regulation Q as they have become known in the marketplace) are discriminatory against the small saver, especially during periods of rapid inflation and high interest rates. One crucial aspect of this legislation is that by gradually raising interest rate ceilings our financial system can move to a market oriented system where all depositors will be able to earn a market rate of interest on their savings and depository institutions will be able to gradually adjust their asset portfolios in an orderly manner.

This legislation also provides for a partial reversal of the existing prohibition against interest payment on transaction accounts by permitting the authorization of negotiable order of withdrawal accounts (NOWs) and credit union share draft accounts for federally insured depository institutions. NOW accounts and share drafts would be authorized as new types of deposits that would be available to consumers. Thus, consumers would be able to earn interest on their transactions accounts whereas they may not do so now because of the statutory prohibition passed in 1933.

This legislation provides increased asset powers for Federal savings and loan associations to further help them adjust to the gradual phase up of regulation Q and the authority for NOW accounts. These powers include consumer lending and investment in commercial paper, corporate debt, and bankers acceptance with a combined limitation of 10 percent of total assets.

DEREGULATION OF INTEREST RATE CEILINGS

Financial institutions—commercial banks, savings and loan associations and savings banks—are required currently to operate under interest rate controls set by the Federal Reserve, the Federal Deposit Insurance Corporation, and the Federal Home Loan Bank Board. The interest rate control authority exercised by these regulatory agencies has become known in the marketplace as regulation Q. Regulation Q in its present form has been in effect since 1966. It places ceilings on the amount of interest that can be paid on the various classes of deposits at commercial banks and at thrift institutions. Thrift institutions are able to offer their depositors one-quarter of 1 percent more than commercial banks on each class of deposits under the regulation.

The current inflation has brought money market interest rates into the 9- to 10-percent range. However, except for the money market certificate which discriminates against the small saver because of its $10,000 minimum, regulation Q rates have remained static and far lower than those market rates. For example, the regulation Q rate on passbook savings at banks is 5 percent and the rate on a 2-year, $1,000 bank deposit is 6 percent.

Regulation Q interest rate ceilings were instituted because it was thought that they would help stabilize the flow of deposits to thrift institutions. They are based primarily on the theory that since commercial banks have a range of powers which enable them to offer consumers a wider range of services, thrift institutions would be disadvantaged in their ability to compete for the deposit unless ceilings were fixed and a rate differential were set in their favor on the various deposit categories. There is some validity to this theory. Thrifts unlike commercial banks are locked into long term mortgage loan portfolios. Because of this factor, thrifts are not able to adjust the yields on their asset portfolios in times of high interest rates as well as commercial banks.

As a practical matter the interest rate differential established regulation Q and has no doubt helped thrifts to maintain their viability and their consequent ability to fund the home mortgage sector of the economy. But, as with any program of governmental regulation and controls, regulation Q has not been without its unfortunate public consequences. During periods of high interest rates it has resulted in massive shifts of funds out of thrift institutions to higher yielding market securities.

Despite the fact that interest rates have been set at artificially low levels by regulation Q, this policy of controls has not prevented the housing industry from bearing the economic brunt of every period of high interest rates and tight money since 1966 except until recently in the current high interest phase. The only reasons the housing market has not borne the brunt of the current high interest/tight money phase until lately is that last summer the regulatory bodies provided for an exception to the artificial regulation Q ceilings for larger savers. Under this exception savers with $10,000 or more to invest are able to receive a market rate of interest on their savings—and over $100 billion in such savings have been invested in thrift institutions. But the $10,000 certificate is blatantly discriminatory against the small saver.

The fact is that judged by prudent standards, regulation Q cannot be viewed as a permanent solution to the problems expressed by the thrift industry or the home mortgage market during periods of tight money and high interest rates.

I think we can and should do better. We should move toward an interest rate system that is regulated by the market. When all is said and done the market is the most efficient mechanism we have to allocate resources in our economy.

Recently the Council on Wage and Price Stability in recommending that we move toward ultimate abolition of regulation Q said:

> The Council believes, however, that public policy ought to work toward the ultimate abolition of Reg Q and similar ceiling restrictions on deposit rates. In the short run, even limited upward adjustments in allowable deposit rates would be helpful because these adjustments would increase incentives to hold assets in financial form (reducing price pressures on those physical commodities that are used as a "hedge" against inflation). Such steps would permit small savers to obtain competitive rates of interest on their savings and would enhance efficiency in financial markets.

Regulation Q is a jerry-built solution to a problem that cries out for more fundamental reform. Secretary Blumenthal best characterized Congress action on regulation Q in 1966 in testimony before the Banking Committee when he stated that—

> The ceilings were considered temporary and meant to expire in the following year. It was recognized that the ceilings penalized the small depositor and might not succeed in insuring the steady flow of funds to the housing market.

What was envisioned as a temporary measure in 1966 has extended regulation Q 11 times. Substantial time has been expended by both the Senate and the House and their Banking Committees in rehashing this issue. In 1975 the Senate passed a Financial Institution Act which attempted to provide a fundamental solution by broadening the powers of thrift institutions to enable them to maintain their viability during periods of tight money and to maintain their viability during periods of tight money and to maintain their commitment to housing.

The Financial Institutions Act of 1975 did not become law in part because of the opposition of the thrift institutions themselves. Simply put, regulation Q does provide an artificial crutch to some financial institutions which do not prefer to compete in the open market. Nevertheless, public policy is not well served by continued reliance on deposit interest rate controls and an anticompetitive environment for financial institutions.

Mr. President, the time has come to deregulate the system of governmental controls over deposit interest rates. The legislation I am cosponsoring today will provide a framework for a gradual phaseout of regulation Q over the next 10 years. The legislation provides that beginning on January 1, 1983, the regulation Q ceilings will be increased one-fourth percent every 6 months, or one-half of 1 percent each year. This will raise the permissible regulation Q rates a full 4-percentage points. It would appear probable that at the end of the 10-year period the regulation Q ceilings would exceed the market rate so that the regulation Q ceilings would be irrevelant.

A phaseout of regulation Q is important not only on its own merits at this time, but also because of recent actions of the financial institutions regulatory agencies to market variable rate mortgages. Historically, mortgage loans in this country have been made through fixed rate mortgages. That is, the rate of interest on home mortgage loans remained constant throughout the life of the loan. Thus, assuming that a home mortgage borrower received a 25-year home mortgage loan at 10 percent in 1979, the 10 percent rate on the loan would remain in effect until the loan was paid off in 2004. However, under a variable rate mortgage, if the economy experiences a general rate rise, for example, in 1989 the financial institutions could increase the rate on that same home mortgage to 12.5 percent. It would be unconscionable in such a situation to allow regulation Q to remain on the books with the maximum permissible rate payable to passbook savers at 5¼ percent. Congress simply cannot and will not in my judgment condone a windfall of this magnitude to financial institutions that comes about because of the artificial restraint of regulation Q on permissible depositor rates.

Thus, if there is to be simple justice the approval of variable rate mortgages, which is already an accomplished fact, must signal the end of Government imposed ceilings on the amount of interest payable on deposits. These ceilings have deprived millions of small savers of a legitimate rate of return on their savings. If financial institutions are to be given the freedom to raise their rates on outstanding mortgage loans, how can Congress possible justify continuing restrictions on the amount of interest paid on savings deposits?

AUTHORIZATION FOR INTEREST-BEARING TRANSACTIONS ACCOUNTS

The prohibition against interest payment on demand deposits in the Banking Act of 1933 has resulted in financial innovations designed to provide interest-bearing transactions accounts for a wide range of customers, both consumers and corporations. The driving forces behind these innovations have been high market rates of interest due to rapid inflation and greater competition for funds among depository institutions. Thus, in the last 10 years we have seen the emergence of negotiable order-of-withdrawal accounts in New England (and since last year in New York State), share draft accounts at Federal credit unions, and telephonic, third-party, and automatic transfers from savings accounts at banks and nonbank depository institutions. I might also note that outside of banking institutions the prohibition has stimulated other types of developments in the cash management arena that provide additional types of interest-bearing transactions accounts. The most prominent of these are overnight repurchase agreements and money market mutual funds that may be accessed by wire transfer, by check, and even by credit card.

Some of these financial innovations available to consumers at depository institutions are not authorized by relevant statutes according to a recent ruling by the U.S. court of appeals. In particular, the court indicated that automatic transfer savings accounts at banks, remote service units that access savings accounts at savings and loan institutions, and credit union share drafts go beyond current law. Therefore, if such consumer accounts and services are to continue the Congress must act before January 1, 1980. The bill being introduced today addresses this problem by granting all federally chartered depository institutions authority to offer NOW accounts and share drafts.

A NOW account—negotiable order-of-withdrawal account—is a transactions account on which the payment of interest may be made. These accounts may only be offered to individuals and nonprofit institutions and the depository institution offering the account may require notice of intended withdrawal, although in practice the institutions would not ordinarily do so. NOW accounts are currently authorized for commercial banks, mutual savings banks, and savings and loan associations in Massachusetts, Connecticut, Rhode Island, Maine, Vermont, New York, and New Hampshire.

A share draft account is a transactions account on which the payment of interest may be made by a credit union, which may require the member to give notice of withdrawal, and which is available only to individuals of nonprofit institutions.

The most direct method for handling the problems that have resulted because of the prohibition against interest payments on demand deposits in the Banking Act of 1933 would be to repeal that prohibition. I have long favored that approach. However, there appears to be little support for this outright repeal, while there is support for the provision of interest bearing transactions accounts for consumers. This will be an important first step, but it is clear that eventually the Congress will need to deal with the prohibition against interest payment on demand deposits more broadly. Until the prohibition is repealed there will continue to be financial innovations, and implicit interest payments on certain demand deposits in circumvention of the existing statute.

The Senate Banking Committee approved nationwide NOW accounts and share drafts in the Consumer Financial Services Act of 1977. In the report to the Senate (No. 95–407) the committee indicated that the experience with NOW accounts in New England suggests that there will be real benefits to consumers. Consumers will be able to earn additional interest income which may be spent in any manner they may choose. Thus, the value of checking accounts services would be weighed against the actual price and it will be possible for consumers to make an informed choice. Also, NOW accounts and share drafts will offer the consumer a more convenient form of transactions account. Automatic transfer savings accounts are awkward because they involve two accounts, a checking account and a savings account. NOW accounts will make it possible to spend less time and effort in managing deposits. This benefit will also accrue to the deposit institution that must handle two accounts under current rules and regulations.

The granting of NOW accounts to savings and loan associations and mutual savings banks will also provide an additional means for those institutions to attract deposits, the proceeds of which can be made available to the housing market. This is an important power for the thrift institutions to have as regulation Q is gradually phased out. Since transactions balances would be less sensitive to changes in interest rates over the course of the business cycle, NOW accounts will provide a stable base of funds that may ease the strains of disintermediation experienced during periods of tight credit.

Mr. President, there is one issue that this legislation does not address that in fairness to the small saver must be addressed. The issue is the very high minimum denomination on 6-month money market certificates which makes them unavailable to the small saver. There is no equity in a situation that allows a consumer with $10,000 to earn a market rate of interest on his savings—at least 9 or 10 percent at current interest rates—and to give savers with less than $10,000 only the deposit alternative of savings accounts paying 5 percent or time deposits with a similar maturity 5½ percent. This forces savers to withdraw their funds from depository institutions or to accept the unfair treatment imposed by Federal regulation.

On May 30, 1979, the depository regulatory agencies approved a change in regulations that goes into effect in July which eliminates all requirements for minimum denomination on consumer-type time deposits except for the $10,000 minimum required for the money market certificates. This is an admission on the part of the regulators that minimum denominations on time deposits are not needed and since the action was taken to "improve the opportunities for small savers" that minimum denominations are unfair.

There may be valid reasons for treating the money market certificates differently—for moving more slowly in removing the minimum denomination. But change is definitely needed. The $10,000 minimum should, in my opinion, be eliminated as quickly as possible. Therefore, I plan to offer an amendment to this legislation which would direct the financial regulatory agencies to reduce and ultimately eliminate minimum denominations completely as soon as possible. The small savers of this Nation deserve the same access to high interest bearing investment opportunities as the wealthy.

Mr. President, I ask unanimous consent that the Council on Wage and Price Stability's "Statement on Banking and Financial Institutions" which calls for the ultimate elimination of regulation Q and President Carter's recommendations for comprehensive financial reform legislation be printed in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

Council on Wage and Price Stability; Statement on Banking and Financial Institutions

On December 13, 1978, the Council on Wage and Price Stability issued standards for noninflationary pay and price decisions. The price standard applies to "all goods and services (products) sold in the United States and its territories and possessions."

Since then, the Council has considered special sector standards for sectors in which the general standard cannot be applied or is inappropriate, owing to special factors that sector (such as existing government regulations or other unique factors). Banking is one of these sectors. (For the purpose of this statement, the term "banking" is used to cover the activities of commercial banks, savings and loan associations, mutual savings banks, and credit unions.)

After reviewing the characteristics of the banking system, and consulting with other government agencies, the Council has developed a specific profit standard for these institutions. However, within the existing regulatory framework, there are severe limitations on the actions that these institutions can take to comply with the standard without undermining the objectives of monetary policy and disrupting credit markets. In particular,

(1) Any banking price standard that impinges on interest rates charged to borrowers threatens to interfere with the objectives of anti-inflationary monetary policy, and

(2) Federal law and regulation greatly restrain the responses that financial institutions can make to satisfy a profit-margin limitation by increasing deposit interest rates.

The Council's price deceleration standard calls on individual companies to hold overall average rates of price increase below the rates experienced during the base period. For financial institutions, the "prices" to which the standard would be applied are interest rates charged to borrowers. However, interest rates play a very special role in economic policy, in that they are the vehicle through which the monetary policy of the Federal Reserve Board is transmitted to the economy. Applying the price deceleration standard to financial institutions, because it implies reducing interest rates charged to borrowers, would be directly contrary to the purpose of the monetary policy being pursued by the Federal Reserve; and the allocation of loans at interest rates below market-clearing levels would give rise to discriminatory rationing of credit. For this reason, interest rates were excluded in the initial formulation of the price deceleration standard.

This initial formulation required instead that financial institutions satisfy the profit-margin limitation. However, the general profit-margin limitation is inappropriate for financial institutions because of the unique accounting issues raised by the definition of a profit margin for these institutions. Therefore, the Council has formulated a special standard for financial institutions. The standard includes a limitation on rates of return on equity or assets, referred to as the "profit standard."

Still, the range of actions that can be taken to achieve compliance with this profit standard is limited by monetary policies and existing regulations.

If financial institutions were to reduce profits by cutting borrower loan rates, their attempts to comply with the profit standard could, as with the price deceleration standard, work at cross-purposes with Federal Reserve monetary policy.

Increasing interest rates paid to depositors would also decrease profits of financial institutions. Moreover, the Council believes that an upward adjustment in deposit interest rates would serve the objective of equity by reducing the especially large impact of inflation on small savers. This method of reducing profits, however, is precluded to most financial institutions because the range of deposit-rate adjustments that can be made is severely constrained by explicit Federal laws and regulations that prohibit the payment of interest on demand deposits and put ceilings on the rates paid on certain classes of time and savings deposits.

Thus, implementation of the profit standard may be thwarted by the absence of any practical means by which individual institutions can bring themselves into compliance.

Therefore, the standard for financial institutions also includes a set of alternative restrictions that should be met if compliance with the profit standard is infeasible. In particular, such an institution should limit its annual increase in dividend payments to no more than 7 percent and should not raise the noninterest charges to its customers. This limitation on service charges will provide some contribution to moderating inflation and the dividend restriction will foster financial stability by increasing capitalization ratios.

The Council believes, however, that public policy ought to work toward the ultimate abolition of Regulation Q and similar ceiling restrictions on deposit rates. In the short run, even limited upward adjustments in allowable deposit rates would be helpful because these adjustments would increase incentives to hold assets in financial form (reducing price pressures on those physical commodities that are used as a "hedge" against inflation). Such steps would permit small savers to obtain competitive rates of interest on their savings and would enhance efficiency in financial markets. The Council urges that the regulatory agencies carefully evaluate the opportunities for such adjustments in interest rates paid on small accounts.

The Council recognizes, however, that public policy with respect to Regulation Q involves a number of complex issues. The Administration's task force on Regulation Q is considering these issues, and its recommendations to the President will be available soon. The attachment examines these issues in greater detail.

Attachment.

THE REGULATORY DILEMMA

DEPOSIT-RATE CEILINGS AND THE SMALL SAVER

There is no limitation on the maximum interest rate paid on large-denomination certificates of deposit (those in excess of $100,000). Interest rates on those deposits are determined by competition among banks for funds and are responsive to changes in interest rates on other short-term money-market instruments. Accordingly, owners of large time deposits, since they are benefiting from high current interest rates, have a measure of protection against erosion of their assets by inflation.

It is quite another story for small depositors. For time and saving deposits under $100,000, maximum interest rates that can be paid by banks and nonbank saving institutions are constrained by Federal law and regulations. Except for the relatively new Money Market Certificates (MMCs), these maximum rates range from 5 percent up to 8 percent, depending on the type and maturity of deposit, and most have not been changed since 1974.

Effective June 1, 1978, commercial banks, savings and loan associations, and mutual savings banks were authorized by the regulatory agencies to offer 6-month MMCs, at rates tied to the discount rate on more recently issued 6-month U.S. Treasury bills. The average rate on these certificates has ranged between 9 and 10 percent in recent weeks. These MMCs are issued in maturities of 6 months, with a minimum deposit of $10,000—not a sum readily available to the small saver.

The introduction of MMCs has liberalized the ceiling restriction for large deposits, but similar liberalization for smaller deposits has gone more slowly. In fact, the principal financial investment alternative for small savers has been limited by requiring minimum purchases of $5,000 for short-term securities of the U.S. Treasury. On the other hands, there has been a rapid growth of Money Market Funds that offer shares for as low as $1,000.

THE PROFITS OF FINANCIAL INSTITUTIONS

As with any other business, the profit of a financial institution is the difference between total revenues and total expenses. However, unlike other businesses, changes in financial institutions' profits are in large measure the result of monetary policy actions to limit or expand the availability of credit in the economy. The Federal Reserve does not control directly the interest rates charged by banks to their borrowers. However, because of borrower competition for loanable funds, interest-rate changes are diffused rapidly throughout the financial system. At the same time, laws and regulations prevent similar changes in a significant portion of a financial institution's costs by effectively limiting interest payments on some classes of deposits.

There are, however, important differences in the behavior of profit margins among different classes of commercial banks and between banks and nonbank saving institutions.

For large regional and money-center banks, noninterest bearing demand deposits and small time accounts comprise a small proportion of total liabilities. For these banks, the cost of funds tends to rise somewhat in step with their earnings on assets and their profit rates are less cyclical than for other commercial banks.

However, for many banks, the primary sources of funds are demand deposits and small time accounts. For these banks, when monetary policy is tightened, market rates rise and the wedge widens between the rates at which they lend and their relatively fixed cost of funds—the result is increased profit margins. For example, in 1978, a period of high and rising interest rates, the rate of increase in bank profit rates was largest for banks outside the major money centers.

Profit rates of nonbank savings institutions will not respond similarly to fluctuations in short-term interest rates. Existing regulations require these institutions to invest in fixed-rate long-term assets—primarily mortgages. As a result, their earnings on assets in the past generally have been less responsive to short-term fluctuations in market interest rates. During 1978 thrifts were able to use funds from MMCs to maintain a steady flow of funds to new mortgages, which often yield market rates of return, in part due to raising of usury ceilings in several States. As a result, thrifts in 1978 experienced a substantial increase in earnings on assets from previous years. However, since the latter part of 1978, MMCs have become an increasingly expensive source of funds for thrifts, as Treasury-bill rates have risen to the 10 percent range. Thus, their profit margins for 1979 are expected to be severely squeezed.

THE REGULATORY DILEMMA

The differences in the impact of changes in market interest rates on the various deposit institutions creates a dilemma for the current regulatory system. By preventing cyclical adjustments in many categories of deposit rates, the regulations contribute to rising bank profits during periods of cyclical peaks in market rates and deny the holders of small deposits a competitive interest return. Yet, an increase in ceiling rates on time and savings deposits would sharply reduce the financial viability of the nonbank savings institutions because of regulatory restrictions on the types of assets they are allowed to hold.

CONCLUSION

The Council recognizes that the issues involved in the area of financial regulation are very complex. Yet, the current system is inequitable in its treatment of small savers. On a sustained basis it can also seriously erode savings incentives. Furthermore, it is this system of regulation that is the primary factor responsible for the surge in bank profit rates in 1978. The Council has concluded that the ultimate solution should result from a reform of the current laws and regulations.

To the Congress of the United States:

For over a decade, the Federal government has limited the interest rates that savers can receive on their deposits in banks and savings institutions. In keeping with my commitment to eliminate inequitable and unnecessary regulations, I directed an Administration task force, chaired by the Treasury Department, to review the fairness, effectiveness and efficiency of these interest rate controls.

Based on the task force's findings, I am today recommending that the Congress enact comprehensive financial reform legislation. I am asking that the Congress permit an orderly transition to a system where the average depositor can receive market-level interest rates on his or her savings. I am also proposing measures to protect the long-term viability of savings institutions so that they can pay fair and competitive rates to depositors and continue their traditional role in meeting our nation's housing needs.

These actions will reform a system which has become increasingly unfair to the small saver. The present rate ceilings are costing the American people billions of dollars in lost interest annually. Our senior citizens, and others whose savings are concentrated in passbook accounts, have suffered the most. During a period of high inflation, it is particularly unconscionable for the Federal government to prohibit small savers from receiving the return on their deposits that is available to large and sophisticated investors.

The present ceilings have also contributed to sharp fluctuations in the flow of housing credit. Large cyclical swings in the availability of mortgage funds have increased housing costs and forced many prospective homebuyers out of the market during periods of high interest rates. The actions I am recommending today will help assure a steadier flow of mortgage credit for homebuyers.

Savings and loan associations exist to channel household savings into mortgages. Mutual savings banks are also major suppliers of housing credit. Because these institutions invest in long-term, fixed-rate mortgages, they are limited in their ability to meet competitive rates for savings when interest rates rise.

In 1966, interest rates rose sharply, and depositors fled many of these institutions to those able to pay higher interest rates. To prevent the failure of savings institutions and the disruption of the mortgage and housing markets, deposit rate ceilings covering commercial banks were temporarily extended to thrift institutions. The ceilings generally have been administered to permit thrift institutions to pay higher rates of interest than commercial banks.

Conditions have changed dramatically since these limitations were first imposed on thrift institutions. In the current economic and financial environment, the ceilings have the following effects:

They discriminate against the small saver, who often lacks sufficient funds to purchase market-rate securities which are available to the large investor.

They are increasingly ineffective in maintaining deposit flows to thrift institutions. The financial marketplace is becoming adept at creating new investment alternatives, such as the money market mutual funds, which induce the small saver to withdraw his funds to obtain benefits similar to those enjoyed by the large investor. While the six-month money market certificate has succeeded in maintaining the flow of housing credit since last year, it has imposed serious pressures on thrift institutions, and it is not a long-term solution.

They avoid the discipline of competition and create inefficiencies in the financial marketplace. Financial institutions are limited to non-price competitive practices such as merchandising gifts, although the consumer might prefer a higher yield on his savings.

These problems cannot be solved overnight. They are rooted in the structure of our financial system, and their resolution will require a careful and deliberate approach which takes account of the realities facing our thrift institutions.

Our savings institutions have been required by law and influenced by tax incentives to invest primarily in residential mortgages. In most States, the law confines them to long-term fixed-rate mortgages. Their sources of funds—deposits—have considerably shorter maturities. When short-term interest rates rise sharply, revenues are limited by their earnings on the existing longer-term mortgages. Since their deposit liabilities are more volatile than their assets, they must pay depositors market rates or they start to lose their deposits.

While raising or removing the ceilings would give savings institutions the legal power to pay market rates to depositors, their economic ability to do so is still limited by the earnings from their mortgage investments. Savings institutions must be given new investment power so that they can afford to pay higher rates and maintain the flow of mortgage credit. The transition to freer deposit rates and to new asset powers must be orderly, to avoid major shocks to the financial system.

The disparity between market rates and the ceilings is greatest during periods of high interest rates. Yet that is the time when it is most difficult for the regulatory agencies that set ceilings to raise them substantially. These agencies are also responsible for the safety and soundness of financial institutions. If deposit interest rates rise sharply, the institutions' earnings come under great pressure unless, at the same time, their earnings are made more responsive to changing interest rates.

Accordingly, I shall ask the Congress to:

Provide that through an orderly transition period all deposit interest rates be permitted to rise to market-rate levels. This will be subject to emergency action on the part of the responsible regulators if the safety and soundness of financial institutions is threatened or the implementation of monetary policy so requires;

Grant the power to offer variable rate mortgages to all Federally-chartered savings institutions, subject to appropriate consumer safeguards. This authority, which would be phased in, would permit thrifts the earnings flexibility to pay competitive rates throughout the business cycle;

Permit all Federally-chartered savings institutions to invest up to 10 percent of their assets on consumer loans; and

Permit all Federally-insured institutions to offer interest-bearing transaction accounts to individuals.

These steps will bring the benefits of market rates to consumers, promote a steadier flow of mortgage credit and improve the efficiency of the financial markets.

In the interim, I support the efforts of the Federal Reserve, the FDIC, the Federal Home Loan Bank Board and the National Credit Union Administration to take steps to increase the interest rate payable to small savers. I urge them to pursue the direction begun with authorization of the six-month money market certificate, with the goal of increasing the responsiveness of the interest rate ceilings to market rates.

Jimmy Carter.

The White House, *May 22, 1979.*

By Mr. DeCONCINI (for himself, Mr. Hollings, Mr. Exon, Mr. Tsongas, and Mr. Baucus):

S. 1348. A bill to provide for the appointment by the President of a special Investigator of Petroleum Fuels Shortages; to the Committee on Governmental Affairs.

SPECIAL INVESTIGATION OF FUELS SHORTAGES ACT

Mr. DeCONCINI. Mr. President, the current energy crisis is an increasingly frustrating experience for most Americans. It is inconvenient; it is disruptive; and it is economically debilitating. As we note from newspaper accounts of gas lines, the frustration quickly turns to anger, and there is a breakdown of the normal everyday courtesies that usually govern our behavior.

The American public has been told by its political leaders and by oil company executives a variety of different stories to explain the present situation. Much of the information is contradictory. Over a period of time, we have come to lose faith in the accuracy of that information. Thus, the energy crisis and the crisis in credibility it has produced have come at a time when general confidence in Government and Government leaders is at a low point. Rather than restore the public's faith in either the credibility of our institutions or their ability to deal effectively with national problems, the present energy crisis has deepened the alienation and sense of futility that the people have.

This is unfortunate. America is a great country and our democratic institutions while not perfect are the best the inventiveness of the human mind has yet to develop. But, there is no denying the fact that in the area of energy we have performed poorly. As a U.S. Senator, I am forced to confess to my constituents that I have inadequate information on energy and that the information I do have is often inconsistent. Like my constituents, I have a basic mistrust about it. I am not convinced that the energy shortage is real, although I would prefer to believe that the men and women charged with managing our oil companies are, indeed, responsible members of the community.

Besides creating an atmosphere of mistrust, the lack of believable information about energy contributes to the inability of our political system to generate solutions. For example, if we were to truly accept that the present shortages are in no way contrived and that they stem from real shortfalls in production and imports that are quite beyond our control, it would be easier for Members of Congress to vote for measures that required substantial changes in our way of life and which called for considerable sacrifices. Likewise, these sacrifices would be more easily supportable by the public if it felt confident that they were not being made in vain or because of chicanery and profiteering.

It seems to me that the first real step toward the resolution of the present energy crisis is to develop reliable information about the causes of the crisis. Unfortunately, the Department of Energy under the leadership of Secretary Schlesinger has been incapable of convincing the Congress or the public as to the nature of the energy crisis. There is no lack of material resources in the Department. The lack lies somewhere else. Perhaps, it is a tragic flaw in the character of the Secretary; perhaps it is some inadequacy within the organizational structure of the DOE. Whatever the reasons, the result is a general lack of confidence in the information being supplied.

Together with my very distinguished colleagues, Senators Hollings, Exon, Tsongas, and Baucus, I am introducing legislation that will, I believe, move us significantly toward the goal of establishing credible information. What we propose is the establishment of a special energy investigator within the Department of Justice. This new office would be temporary and unrelated to the existing bureaucratic structure of either that organization of the Department of Energy. Appointed by the President, the Special Energy Investigator would be totally independent but possessed of the full investigatory and subpena powers of the Attorney General.

We would expect that the person appointed to fill this position would be of the highest intellectual caliber, and a man of complete and total credibility. Following an investigation of not more than 6 months into the causes of the present energy crisis, the Special Investigator will issue a report to the Congress and the President outlining the situation. Following that, the office will cease to exist.

The model for the Special Energy Investigator was the Special Watergate Prosecutor. The analogy between the two situations is imperfect, but society's underlying needs are the same. During Watergate, the problem was conflict of interest; today, it is lack of credibility both institutional and personal. During Watergate, the primary mandate was to prosecute criminal wrongdoing; today, the mandate is to uncover the root causes of our shortages and, in the process, to determine whether there has been criminal wrongdoing or other practices not in the general public interest. During the Watergate era and today the need was to reestablish credibility within our Government so that we could proceed with the task of governing.

In sum, Mr. President, I strongly urge my Senate colleagues to consider the merits of the proposal we introduce today. Even though the powers to conduct the type of investigation we wish already exist, I believe that a number of factors have impaired the credibility of the results of such investigations. Remembering that public acceptance and understanding are the cornerstones of any effective action, I believe that an investigation undertaken by an unimpeachable individual who is free from any self-interest or institutional or political interest will greatly augment our ultimate capacity to act. Furthermore, reliable information is itself essential to fashioning reasonable solutions.

I ask unanimous consent, Mr. President, to insert in the Record at this point the text of our legislation.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 1348

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Special Investigator of Fuels Shortages Act".

APPOINTMENT OF SPECIAL INVESTIGATOR

Sec. 2. (a) There is established in the Department of Justice of the position of Special Investigator of Petroleum Fuels Shortages, to be appointed by the President within 30 days from the date of enactment of this Act. The Special Investigator of Petroleum Fuels Shortages shall investigate the causes of petroleum fuels shortage arising during the period beginning January 1, 1978.

(b) The Special Investigator shall have all the investigatory powers and authority of the Attorney General in order to investigate such shortages, including—

(1) the authority to obtain and review any documentary evidence from any source and to have full access to such evidence;

(2) the authority to apply to any Federal court for a warrant, subpena, or other court order necessary in the conduct of his investigation; and

(3) any other investigatory powers available to the Attorney General.

(c) The Special Investigator may request assistance from the Department of Justice and any other Federal department or agency, including, to the extent permitted by law, access to any records, files, or other materials relevant to matters within such Special Investigator's jurisdiction and the use of the resources and personnel necessary to perform such Special Investigator's duties. All personnel in the Department of Justice (including the United States Attorneys) and in the other Federal departments and agencies shall cooperate to the fullest extent possible with the Special Investigator.

(d)(1) The Special Investigator may hire staff in such numbers and with such qualifications as he may require, including attorneys, investigators, and support personnel. No person employed on such staff may be compensated at a rate exceeding the maximum rate provided for GS–18 of the General Schedule under section 5332 of title 5, United States Code.

(2) Any staff member of any committee of the Senate or of any committee of the House of Representatives may be detailed to serve on the staff by the chairman of the respective committee. Any staff member so detailed shall serve on the staff without additional compensation except that he or she may receive such reimbursement of expenses incurred as the Special Investigator may authorize.

(e) The Special Investigator appointed under this section shall receive compensation at a per diem rate equal to the annual rate of basic pay for level IV of the Executive Schedule under section 5315 of title 5, United States Code.

REPORT TO THE PRESIDENT, THE CONGRESS, AND THE ATTORNEY GENERAL

SEC. (a)(1) Within six months after the appointment of the Special Investigator under section 2, the Special Investigator shall submit a written report to the President and to each House of Congress which includes the findings and recommendations of the Special Investigator with respect to the causes of the petroleum fuels shortage arising during the period beginning on January 1, 1978.

(2) Any information contained in such report which, in the opinion of the Special Investigator, would prejudice an investigation by the Department of Justice or any other Federal department, or agency, of alleged criminal conduct, shall be submitted in such report with the provision that such information shall not be disclosed to the public.

(b) The Special Investigator shall report any information concerning alleged criminal conduct or any possible violation of a Federal law to the Attorney General whenever such information is obtained, and shall make recommendations to the Attorney General with respect to the prosecution of any person for any such alleged criminal conduct or violation of a Federal law.

TERMINATION OF POSITION

SEC. 4. The position of the Special Investigator established under section 2 of this Act shall cease to exist on the last day of the seventh month after the date of the enactment of this Act, unless specifically extended by an Act of Congress.

● Mr. EXON. Mr. President, it is vitally important to this Congress and the public that energy policy decisions be based upon sound and accurate information. A major obstacle to this goal exists today regarding the current petroleum situation. I am pleased to join Senators DECONCINI and HOLLINGS as a cosponsor of this legislation which provides for the appointment of a Special Investigator of Petroleum Fuels Shortages who will operate under the auspices of the Justice Department.

The Special Investigator would be assured that he would have full authority of the Attorney General in carrying out his responsibilities to conduct a 6-month investigation into the causes of the petroleum shortage arising during the period beginning on January 1, 1978. Any findings of possible criminal conduct or violation of Federal laws will be reported to the Attorney General with recommendations respecting the prosecution of any party involved in wrongdoing.

This legislation will serve as an important beginning point in getting at the true facts surrounding the questions regarding the fuel shortage. The appointment of a Special Investigator will insure a full time, independent, and coordinated inquiry into the facts which we so desperately need. We cannot give the public the answers which they rightfully demand without knowing the entire truth of the situation.

The oil companies have presented us with hundreds of conflicting stories which have only fueled the fires of confusion and frustrated attempts to develop an effective energy plan. These petroleum firms have been consistently reluctant to provide information and documents to Government agencies investigating the crude oil crisis. Their unwillingness to cooperate has merely inhibited the progress of Congress efforts to resolve the energy problem. Faulty or incomplete information can only lead to erroneous energy policy decisions.

The American public has found it difficult to believe that an energy crisis exists. Although no one would deny growth potential to the oil companies, the rising profits of the large firms amid claims of supply shortages has contributed to a growing skepticism and antipathy for the industry. Questions remain unanswered as to whether the oil shortage has been contrived. Figures reveal that in the first quarter of 1979 there was a reduction in gasoline production by domestic refiners that exceeded the reduction of crude oil imports to the United States. Credibility of the oil industry has been even further eroded by the sudden diesel fuel shortage. The price of diesel fuel was decontrolled in 1976 on the promise that higher prices would mean ample supplies. The price has suddenly and rapidly escalated while supplies apparently dwindle.

Mr. President, the Nation needs answers. I hope the Congress will act quickly on this important legislation. Before a meaningful and cogent energy policy can be developed, the facts must be clearly demonstrated to provide a reasonable basis for decision. The report of a Special Investigator can settle this matter and either confirm the shortage and rally the American public behind their Government in dealing with it, or it will expose possible wrongdoing and recommend methods of dealing with violations of the law. This bill is an important step in resolving the energy crisis and developing a sound energy policy for the future.●

By Mr. MELCHER (for himself and Mr. TOWER):

S. 1349. A bill to create an International Council of Oil Importing Nations; to the Committee on Foreign Relations.

Mr. MELCHER. Mr. President. Today I am introducing with Senator TOWER as cosponsor a bill calling on President Carter to initiate negotiations with the other oil importing nations to establish a Council of Oil Importing Nations (COIN) to negotiate with the Organization of Petroleum Exporting Countries (OPEC) reasonable base prices for oil with the elimination of unreasonable or unjustified surcharges.

As I noted on the Senate floor Tuesday, OPEC actions taken since late last year have created anarchy in international oil pricing that will result in an undisciplined and unrestrained spiral of oil price increases that threatens to throw the oil importing and industrial nations of the world into a deep depression.

The base OPEC oil price has itself been increased twice since last fall for a total jump of from $12.93 a barrel to $14.55 a barrel. Even more dangerous than the impact of this substantial increase in OPEC base prices has been OPEC's turn to a new pricing system that allows individual members of OPEC to add surcharges to the base price as they see fit. Every nation in OPEC with the exception of Saudi Arabia has already made use of surcharges and this has led to prices that are already above $20 a barrel for key African producers—Nigeria, Algeria, and Libya—and up to $26.80 a barrel for Ecuador. The average OPEC price, with surcharges, is now up to $17.11. Oil on the spot market, which makes up 3 to 5 percent of world shipments, is going at even $8 to $10 higher with much of it above $35 a barrel.

An end to this price spiral seems nowhere in sight. According to yesterday's Christian Science Monitor, Réné Ortiz, Ecuadorian Secretary General of OPEC, says that he intends to push the members of OPEC at their June 26 meeting in Geneva to raise the base price for OPEC oil to $20 a barrel. Some Western leaders are urging the OPEC ministers to eliminate surcharges at Geneva, but there is no assurance, or indeed do I think any likelihood, that this will happen. As long as the oil importing nations approach OPEC individually with halfhearted or timid appeals for price control, we can expect to see continual price increases with resulting devastating effects on the economies of the industrialized world.

It is true that we can help ourselves through better efforts at conservation and new production of domestic sources of energy, but this is not likely to be enough to help us escape a major depression if OPEC prices continue to soar as they have in the last 12 months.

To counteract this international price gouging, the oil importing countries must get down to the business of coordinating their dealings with OPEC. It is urgent that the oil importing nations develop a method of restraining the pressure that OPEC is creating to outbid one another for crude, which will continue to push prices higher and higher.

That is why I am introducing with cosponsorship by Senator TOWER this bill today calling on the President to set up COIN. COIN can work because OPEC depends as much upon our economic and strategic capabilities as we depend on its oil. COIN's bargaining strength is our industrial supplies, agricultural supplies, and our technology, which OPEC needs. Our bill calls upon the President to develop and submit to the COIN for its consideration a set of appropriate economic and political sanctions to be used when appropriate by the Council's member nations to encourage compliance of any nation that either sells or purchases crude oil on the international market at prices greater than the negotiated oil prices arrived at by the Council and the OPEC.

I believe that COIN can succeed in negotiating elimination of excessive surcharges and that reasonable prices for the international oil market can be established through a positive joint stand. I am not proposing that we approach OPEC as antagonists—but as equals in bargaining.

I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1349

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, that,

Congress finds that the current annual inflation rate of 13.4% is totally unacceptable and a major threat to the economic wellbeing of the United States;

That escalating energy prices are a major factor in the current round of high inflation; and

That OPEC oil price increases are the primary factor in our current high energy costs.

It is the intent of Congress that the President initiate negotiations with the other oil importing nations to establish a Council of Oil Importing Nations to negotiate with the Organization of Petroleum Exporting Countries reasonable base prices for oil with elimination of unreasonable or unjustified surcharges.

SEC. 2. The President shall develop and submit to the Council of Oil Importing Nations for its consideration a set of appropriate economic and political sanctions to be used when appropriate by the Council's member nations to encourage compliance of any nation that either sells or purchases crude oil on the international market at prices greater than the negotiated oil prices arrived at between the Council and the Organization of Petroleum Exporting Countries.

SEC. 3. The President shall report back to Congress on the progress of negotiations and the development of the sanctions code each 180 days from the date this bill is enacted.

By Mr. PELL (for himself, Mr. WILLIAMS, Mr. JAVITS, and Mr. STAFFORD):

S. 1350. A bill to extend certain programs under the Higher Education Act of 1965 for 1 year, and for other purposes; to the Committee on Labor and Human Resources.

EDUCATION AMENDMENTS OF 1979

● Mr. PELL. Mr. President, today I am introducing, on behalf of myself, the Senator from New Jersey (Mr. WILLIAMS), the Senator from New York (Mr. JAVITS), and the Senator from Vermont (Mr. STAFFORD), what is essentially a technical amendments bill, the Education Amendments of 1979. It is my hope that it can receive speedy consideration by the Senate and swift enactment into law.

The reason for such haste is reflected in the provision which appears in section 5(c) of the bill, relating to the payment of special allowances to lenders participating in the Guaranteed Student Loan program. This special allowance is paid by the Federal Government on a quarterly basis, to assure that the return to lenders, such as banks, credit unions, and savings and loan institutions, is sufficient to assure adequate student loan capital availability. Without this special allowance, the rate of return to lenders on student loans would be limited to 7 percent, an unrealistically low yield in light of today's money market.

Current law limits the special allowance to 5 percent above a figure tied to the average of bond equivalent rates paid on 91-day Treasury bills. This 5 percent level is figured over a 12-month period, so that for any given quarter it may exceed or be less than 5 percent. Up until the present time, this ceiling has not caused problems for the continued flow of Guaranteed Student Loans.

The special allowance rate paid for the first quarter of calendar year 1979 was 6.25 percent. If the rate were calculated for the second quarter on the basis of 91-day Treasury bonds, with the 5 percent ceiling for the 12-month period, the special allowance would be limited to 4 percent, approximately 2.5 percent below its true rate. For the July-August-September quarter, the true rate will probably be equally high, if interest rates remain at their current levels.

The results of this potential shortfall in lender return can be catastrophic to the guaranteed loan program. Traditionally, students have sought loans in the later summer months, as they face the hard realities of attaining funds to go to college. If the rate of lender return falls below the cost of borrowing money that banks must pay, the inevitable result will be a driving up of funds available to make student loans.

The human cost of such a diminution of program volume is incalculable. The first to be denied loans, if history is any predictor, are high-risk students and freshmen. Banks may continue to make loans to students with depositor relationships who have received loans in the past, but they will ration their lending carefully. Hundreds of thousands of students will find themselves unable to borrow money for school, as lending is restricted and as smaller banks, with greater liquidity problems, drop out of the loan program completely. The result of keeping on the statutory ceiling on special allowances could be chaotic.

The bill I am introducing today seeks to avert that chaos by removing the artificial ceiling on special allowances, and allowing their rate to float with the average of 91-day Treasury bills. If interest rates remain high, the special allowance will reflect that fact; if they drop, the special allowance will drop accordingly.

In order to avoid conflict with the budget resolution for fiscal year 1979, which has already been adopted by the Congress, the amendment provides that any increased amount of allowance for the second quarter of calendar 1979 will be paid by the Commissioner on or after October 1, 1979, together with any accrued interest, as currently required by law. This will cause some "squeeze" on availability of lender capital, but it reduces the amount of the "squeeze" to 2.25 percent for a single quarter. Since lenders will know that additional funds will become available in fiscal year 1980 to ease their liquidity problems, I am hopeful that they will keep up their loan volume during the critical summer months.

The remainder of the bill contains a number of technical amendments. First, all expiring higher education programs are extended through fiscal year 1981. This is necessary if our budget and appropriations cycle are to be kept on track. Many programs and agencies, such as the National Institute of Education and the Fund for the Improvement of Postsecondary Education, have no authorization of appropriations for fiscal year 1981.

In the absence of this extension, they would not be included in the President's Budget when it is submitted to Congress and would not be able to be acted on by the Appropriations Committees in the regular Labor-HEW Appropriations Act. The result could be disastrous to the higher education community, which needs to know the amounts to be available for the upcoming school year in order to plan their programs and hire their faculty.

This 1-year extension is not intended to substitute for a thorough examination of higher education programs by the Subcommittee on Education, Arts, and Humanities later in this session. We hope to begin our hearings in the fall, and have a bill for Senate consideration as early as possible. At that point, substantive program changes will be proposed to the Senate. The enactment of the 1-year extension would be without prejudice to our rights to make changes in the later substantive legislation.

Other amendments contained in the bill I am introducing are necessary to improve the operation of current higher education programs until the larger legislation is considered and enacted. Section 5(a)(2)(A) of the bill waives the provisions of other legislation which would impede the immediate effectiveness of regulations for the Basic Educational Opportunity Grant Program for the upcoming academic year.

In large part, this amendment is necessary because of the lateness of the Administration in promulgating regulations concerning independent students, as required in the Middle Income Student Assistance Act. If independent students are to receive the benefits Congress voted them, this waiver is necessary.

Similarly, subsection (B) of section 5 (a)(2) allows for carry-over of unexpended basic grant funds appropriated for the academic year 1978–79 to subsequent academic years. The Department of Health, Education, and Welfare estimates that it will have carryover funds in excess of the statutory limit of 15 percent, and this amendment will allow them to make basic grant payments to students in academic year 1979–80, under the Middle Income Assistance Act's expanded provisions.

Section 5(b) is intended to encourage lenders to make multiple disbursements of guaranteed loans, so that if a student drops out of school, the entire principal amount of the loan has not already been paid out. This amendment was part of the Education Amendments of 1976.

However, since the Commissioner has failed to issue regulations governing lender participation in the multiple disbursement activity, its congressional intent has been frustrated. The amendment would allow the Commissioner until September 30, 1979 to promulgate such regulations. In the absence of such issuance, all eligible lenders would be eligible to participate.

Section 5(c) reflects the change in the level of the special allowance payment I mentioned at the beginning of my statement. I believe that it is essential that it become law before June 30, the end of the second quarter of calendar 1979, to assure continued lender participation in the guaranteed loan program over the critical summer months.

Section 5(d)(3) authorizes the U.S. Commissioner of Education to collect defaulted national direct student loans, pursuant to an agreement made with the institution of higher education which originated the loans, including reimbursement to the Commissioner for expenses involved in the collection. A difficulty has arisen in some States which cannot, because of State law, subrogate their rights under the loans to the Federal Government because State funds are involved in the loan amounts.

This amendment, by making the Commissioner an institutional agent, would get around that problem and significantly improve the collection rate on defaulted direct loans.

Section 5(e) contains an amendment brought to the subcommittee's attention by the Senator from South Dakota (Mr. McGOVERN). Early in May the Senator contacted me to point out that the new Federal regulations for the basic grant program differentiated between public and proprietary students participating in 6-month vocational training programs, for the first time in the program's history.

This differentiation had the effect of allowing proprietary school students to qualify for basic grants, but excluding students in publicly funded vocational schools, thus placing an undue and unnecessary hardship on both the students and the schools they attend. The amendment would treat both categories of students identically, in keeping with a longstanding congressional policy of evenhanded treatment of the public and private sectors of postsecondary education.

Section 16 would make the effective date of section 9 of the Middle Income Student Assistance Act, relating to expanded availability of basic educational opportunity grants to middle-income students, July 1 rather than August 1. This would conform the programmatic changes to the academic year used by the Office of Education for grant purposes, and would assure equitable treatment for all students enrolled in the 1979–70 academic year.

Section 17 of the bill would clarify an ambiguity in title V of the Elementary and Secondary Education Act, as enacted in the Education Amendments of 1978. This is the provision which authorizes funds for State leadership in elementary and secondary education.

As passed by the Congress, title V–B does not contain a formula for distribution of funds among the States. This amendment would assure that each State would receive the same amount for State leadership activities as it had received in past years. Only additional appropriations for title V–B would be subject to competitive grants, in the Commissioner's discretion.

A similar bill is being introduced in the House of Representatives today, and it is my hope that both the Senate and the House can act quickly on the legislation. As I mentioned earlier, it is imperative that the change in the special allowance for the guaranteed loan program be made before the expiration of the second quarter of calendar year 1979, so that lenders are not dissuaded from continuing their participation in the program. Speedy enactment of this bill can assure that untold thousands of students will be able to pursue their postsecondary educations this fall.●

By Mr. GRAVEL:

S. 1352. A bill to provide that the Internal Revenue may not implement certain rules relating to the determination of whether private schools have discriminatory policies until Congress provides specific guidelines for such determinations; to the Committee on Finance.

● Mr. GRAVEL. Mr. President, today I am introducing legislation which addresses the concerns of the private, church related elementary and secondary schools in this country about the proposed revenue procedure of the Internal Revenue Service which would allow for the revocation of the tax-exempt status of all such private schools.

I want to make it absolutely clear that this legislation will not interfere with the ability of the IRS to revoke the tax-exempt status of discriminatory academies. But, it will protect schools which operate in good faith. It prevents the IRS from ruling in this area unless the Congress gives instructions and authority to act.

We have adopted a policy of racial equality. The Federal Government must not support discriminatory practices. However, the separation of church and State is constitutionally mandated. The proposed IRS revenue procedure inextricably entwines the two and will inevitably suffocate many independent church-related private schools.

In 1971 the U.S. Supreme Court affirmed the ruling in Green against Connally which held that the tax exemptions for private segregated academies in Mississippi violated "Federal public policy." The Internal Revenue Service responded by issuing Revenue Ruling 71–447, making the Court standards applicable to the entire Nation. This policy was broadened to include religious schools in 1975 by Revenue Procedure 75–50. Since 1971 over 100 discriminatory schools have lost their tax exemptions under these procedures. These regulations encountered little opposition because nondiscriminatory schools were not adversely affected.

However, in August 1978, the IRS published a proposed revenue procedure containing new requirements for tax-exempt schools. After receiving an unprecedented 150,000 letters protesting this action, the IRS held hearings and modified their proposed revenue proceeding. While a good number of schools were excluded from the revised procedure, the remaining schools pointed out that the revision was more vague and inconsistent than the original.

Some religious groups have justifiably protested an exclusionary clause which apparently permits certain schools formed in accordance with a "longstanding practice of religion" to receive special treatment. Only the Roman Catholic Church operates such a system of schools. And yet, many newly organized religious groups can and do operate excellent private schools on a nondiscriminatory basis.

It is an abuse of bureaucratic discretion for the IRS to select from among our religious academies only the newly formed for special scrutiny. Singling out such a group while providing an exemption for other religious groups goes beyond the limitations intended by our Constitution.

Another clause indicates that discriminatory intent of a school will be determined by the IRS, "taking into account all the facts and circumstances relating to the school's formation or expansion." This language is so vague that it sets no usable standard for the rule of written law. Schools will have no way of knowing whether or not they may be found discriminatory.

Schools will be at the mercy of distant bureaucrats, operating in constant uncertainty, and having little means of determining how such standards will be enforced. In Alaska we have been subject to the whims of Washington for far too long. At a time when we are loosening the shackles should we allow this new action to refasten the bonds?

The revised revenue procedure was published without statutory authority. If allowed to become effective it will entangle the Government in church affairs threatening thousands of innocent private and religious schools with extinction. This cannot be tolerated.

This legislation will not turn back the hands of time to an America without a policy of nondiscrimination. The IRS already has the tools to deal with discriminatory institutions and the Congress will reserve for itself the prerogative to establish new social policy.●

By Mr. CHURCH:

S.J. Res. 89 A joint resolution permitting the supply of additional low enriched uranium fuel under international agreements for cooperation in the civil uses of nuclear energy, and for other purposes; to the Committee on Foreign Relations.

● Mr. CHURCH. Mr. President, I am introducing today, a joint resolution which would relax the limits currently specified in existing U.S. bilateral agreements for cooperation to allow fuel exports slightly in excess of current levels. Specifically, the resolution would allow the Department of Energy to contract for, and the NRC to approve exports of low enriched uranium fuel of up to 10 percent in excess of existing levels specified in agreements for cooperation.

The purpose of this resolution is to provide sufficient latitude in a few limited cases for the United States to contract now for an additional increment of reactor fuel to a country where we are technically constrained from doing so without formal amendment of the cooperative agreement. A country may be actively cooperating with us toward renegotiation of its entire agreement, pursuant to the Non-proliferation Act. In such cases it may be necessary or useful to adjust existing ceilings enough to resolve pressing near-term needs. This resolution provides a way of accomodating legitimate needs of such a country. This approach offers sufficient flexibility for resolving problems for a few cases without being so broad as to impair efforts to renegotiate and modernize the terms of existing agreements for cooperation.●

ADDITIONAL COSPONSORS

S. 500

At the request of Mr. Randolph, the Senator from Rhode Island (Mr. Pell) was added as a cosponsor of S. 500, a bill to provide for the protection of the public health (including consumer patients) from unnecessary exposure to radiation.

S. 643

At the request of Mr. Kennedy, the Senator from Oregon (Mr. Hatfield) and the Senator from Massachusetts (Mr. Tsongas), were added as cosponsors of S. 643, a bill to amend the Immigration and Nationality Act to revise the procedures for the admission of refugees, to amend the Migration and Refugee Assistance Act of 1962 to establish a more uniform basis for the provision of assistance to refugees, and for other purposes.

S. 737

At the request of Mr. Stevenson, the Senator from Alabama (Mr. Stewart) was added as a cosponsor of S. 737, a bill to provide authority to regulate exports, to improve the efficiency of export regulation, and to minimize interference with the right to engage in commerce.

S. 770

At the request of Mr. Church, the Senator from North Dakota (Mr. Young) was added as a cosponsor of S. 770, a bill to prohibit trading in potato futures on commodity exchanges.

S. 1050

At the request of Mr. Roth, the Senator from Connecticut (Mr. Weicker) was withdrawn as a cosponsor of S. 1050, a bill to amend the Internal Revenue Code of 1954 to permit a taxpayer to claim a credit for amounts paid as tuition and fees to provide a higher education for himself, his spouse, or his dependents.

S. 1070

At the request of Mr. Percy, the Senator from North Dakota (Mr. Burdick), the Senator from Utah (Mr. Garn), the Senator from South Carolina (Mr. Hollings), the Senator from Montana (Mr. Melcher), and the Senator from West Virginia (Mr. Randolph) were added as cosponsors of S. 1070, a bill to provide a 3-year residency requirement for aliens receiving supplemental security income benefits and to require every alien admitted for permanent residency to have a sponsor who will contract to support him for 3 years, or to have other means of support.

S. 1129

At the request of Mr. Kennedy, the Senator from Texas (Mr. Bentsen) and the Senator from Connecticut (Mr. Ribicoff) were added as cosponsors of S. 1129, a bill to amend the Comprehensive Employment and Training Act to provide a youth employment incentive program.

S. 1215

At the request of Mr. Schmitt, the Senator from South Dakota (Mr. Pressler) was added as a cosponsor of S. 1215, the Science and Technology Research and Development Utilization Policy Act.

S. 1268

At the request of Mr. Bayh, the Senator from Oregon (Mr. Hatfield) and the Senator from North Dakota (Mr. Young) were added as cosponsors of S. 1268, the Gasohol Marketing Freedom Act.

S. 1295

At the request of Mr. Culver, the Senator from South Dakota (Mr. McGovern) was added as a cosponsor of S. 1295, a bill to amend title XVIII of the Social Security Act to provide for a program of voluntary certification for health insurance policies sold in supplementation of medicare.

SENATE JOINT RESOLUTION 77

At the request of Mr. Stevenson, the Senator from Connecticut (Mr. Weicker) was added as a cosponsor of Senate Joint Resolution 77, congratulating the men and women of the Apollo program upon the 10th anniversary of the first manned landing on the Moon and requesting the President to proclaim the period of July 16 through 24, 1979, as "United States Space Observance."

SENATE RESOLUTION 183—RESOLUTION SUBMITTED RELATING TO ALLOCATION OF DIESEL FUEL REQUIREMENTS FOR THE PRODUCTION OF COAL

Mr. SCHMITT (for himself, Mr. Randolph and Mr. Melcher) submitted the following resolution, which was referred to the Committee on Energy and Natural Resources:

S. Res. 183

Whereas the United States has enormous mineable coal resources, sufficient to last from 200 to 500 years at current rates of consumption, with economically recoverable reserves currently estimated at 275 billion tons;

Whereas United States coal reserves represent ninety percent of the Nation's total fossil fuel reserves;

Whereas maintaining and increasing domestic coal production can abate the critical energy supply shortage that is currently facing the Nation;

Whereas increasing the production of coal is essential to attaining the goal of increased domestic energy production;

Whereas the national security of our Nation is in no small part dependent on uninterrupted supplies of fuel from foreign nations;

Whereas the need for adequate supplies of diesel fuel is essential in maintaining coal operation; and

Whereas the Department of Energy has provided 100 percent allocation of diesel fuel for the production of oil and gas: Now, therefore, be it

Resolved, That it is the sense of the Senate that in order to continue domestic production of coal at current levels that the Secretary of Energy should within five days promulgate a rule permitting any activity necessary to and directly associated with the exploration for and extraction of and the production of coal from its source to obtain 100 percent of their current needs of diesel fuel,

Sec. 2. The Secretary of the Senate shall transmit a copy of this resolution to the President and the Secretary of Energy.

● Mr. SCHMITT. Mr. President, today I am introducing a resolution cosponsored by Senator Randolph to allocate 100 percent of diesel fuel requirements for the production of coal.

The growing shortage of diesel fuel is becoming more critical day by day. The shortage evident in most parts of the country, however, the worst of the shortage is in the West. Recently, in recognition of this shortage, the Department of Energy released a special rule that provides 100 percent diesel fuel allocation to truckers of perishable food, surface mass transportation operators, and crude oil and natural gas producers.

It seems to me that once again we may be setting contradictory policies. This refers to the fact that coal production was not included in the special rule. Just 2 weeks ago the Senate agreed to a resolution calling on the Federal Government to "pursue a policy of displacing a specified percentage of foreign oil with domestic coal." We need to promote the production of coal as well as our domestic oil and gas resources in order to lessen our dependence on foreign nations for energy supplies. The recent events in Iran amplifies our vulnerability to supply interruptions.

This resolution is important to the security of our Nation as well as helping to mitigate the current shortage of diesel fuel that now faces us. We hope that my colleagues from the 37 coal producing states, along with those supportive of maintaining and increasing our Nation's energy production capability will join us in this effort and that this resolution will be given immediate consideraton by the Energy and Natural Resources Committee and by the full Senate.●

AMENDMENTS SUBMITTED FOR PRINTING

HOUSING AND COMMUNITY DEVELOPMENT AMENDMENTS OF 1979—S. 1149

AMENDMENT NOS. 231 AND 232

Mr. DOMENICI submitted two amendments intended to be proposed by him to S. 1149, a bill to amend and extend certain Federal laws relating to housing, community, and neighborhood development and preservation and related programs, and for other purposes.

● Mr. DOMENICI. Mr. President, recently I cosponsored a bill introduced by my colleagues, the distinguished Senators from New Jersey and Florida, (Mr. Williams and Mr. Chiles) and others to amend section 202 of the Housing Act of 1959 to extend for 3 additional years the program to provide housing for the elderly and handicapped (S. 593).

Today I am submitting two amendments which have been cosponsored by Senator Williams and Senator Kassebaum to amend S. 1149 (which incorporates S. 593) the Housing and Community Developments Amendments of 1979.

The purpose of these two amendments is to generate greater activity and focus more attention on the role of section 202 housing for the elderly and handicapped program in promoting rural development.

Our first amendment, Mr. President, will require the Secretary of Housing and Urban Development to submit to the Congress a special report on the present and future direction of the Federal housing programs and the capacity for meeting the housing needs of the elderly and handicapped in rural areas. The amendment also calls on the Secretary to establish, within the Office of the Secretary, an Office of Elderly Housing under the direction of an Assistant to the Secretary.

The other amendment we are offering today will authorize the Secretary to grant, in certain cases, a waiver of any minimum capital investment imposed in connection with the section 202 program, housing for the elderly and handicapped, to facilitate participation by small and minority nonprofit sponsors in the section 202 program.

The Ad Hoc Coalition for Housing for the Elderly which consists of 26 national organizations and the American Association of Homes for the Aging, endorsed these amendments by resolution dated June 7, 1979.

Mr. President, Senator Williams and Senator Kassebaum and I feel that we must continue to do all we can to provide adequate housing assistance to the elderly residing in rural areas as well as to the urban elderly. We feel that the two amendments we are offering are steps in that direction and respectfully urge our fellow colleagues to give favorable consideration to these amendments.

Mr. President, I ask unanimous consent that the text of these amendments be printed in the Record.

There being no objection, the amendments were ordered to be printed in the Record, as follows:

On page 24, between lines 19 and 20, insert the following:

(e) Not later than 6 months after the date of enactment of this Act, the Secretary of Housing and Urban Development shall submit to the Congress a special report on the present and future direction of Federal housing programs and the capacity for meeting the housing needs of the elderly and handicapped in rural areas. Such a report shall contain—

(1) an assessment of the operation of present programs in rural areas;

(2) an assessment of the housing needs and desires of the elderly and handicapped people residing in rural areas;

(3) an evaluation of how Federal programs can be used most effectively to meet the needs of the elderly and handicapped living in rural areas;

(4) an examination of the various alternatives available in housing assistance programs to meet the housing needs of the elderly and handicapped in rural areas and their linkage to the program; and

(5) an assessment of the rehabilitation needs of the 202 projects constructed before 1976 and of the adequacy of the section 7 subsidy mechanism for these projects.

Such report shall include a study of how elderly housing can be developed and operated effectively and in a cost-effective manner in rural areas. Such report shall be developed after consultation with other Federal agencies involved in housing and rural development, Federal, State and local agencies involved in housing assistance programs, and other agencies involved in providing services to the elderly and handicapped.

(f) (1) The Secretary of Housing and Urban Development shall establish within the Office of the Secretary an Office of Elderly Housing under the direction of an Assistant to the Secretary. The Assistant to the Secretary for Elderly Housing shall—

(A) be responsible for the Department's implementation of the Age Discrimination Act of 1975 as amended;

(B) participate in the formulation of policies and procedures affecting the development and management of housing and other related programs for the elderly;

(C) coordinate inter-departmental and intra-departmental activities with respect to housing programs serving the elderly;

(D) provide technical assistance and facilitate access to appropriate agencies within the Department responsible for the planning, development, and management of programs for the elderly;

(E) participate in the planning and budgeting of Department programs with respect to elderly housing and related programs;

(F) serve as an ombudsman within the Department on behalf of consumers of housing

(G) assist in the evaluation of Department programs directed toward serving the elderly; and

(H) make an annual report to the Secretary on the adequacy and effectiveness of the Department's efforts with respect to serving the elderly.

(2) The Assistant to the Secretary shall be involved in all Departmental activities affecting elderly housing and related programs. The Assistant to the Secretary shall be of sufficient status and rank to work closely with all operating units within the Department. The Office of the Assistant to the Secretary for Elderly Housing shall be allocated sufficient staff and budget to perform its functions.

(3) To facilitate the ombudsman and assistance role of the Office of the Assistant to the Secretary for Elderly Housing, the Secretary shall designate in each of the Department's regional offices an elderly housing specialist to be designated as an Assistant to the Regional Director for Elderly Housing. The functions of such personnel shall be to assist in carrying out, at the regional level, the responsibilities of the Assistant to the Secretary for Elderly Housing.

On page 24, between lines 19 and 20, insert the following:

(e) Section 202 (a)(2) of the Housing Act of 1959 is amended by adding at the end thereof the following: "The Secretary is authorized to grant a waiver of any minimum capital investment requirement imposed in connection with the program under this section in order to assist and facilitate the effective operation of the program under this section in connection with development of housing for the elderly whenever the Secretary determines that the local nonprofit sponsor—

"(i) has a creditable reputation for satisfactory job performance;

"(ii) has not defaulted on any contract;

"(iii) has proven stability in the community and has community acceptance and support; and

"(iv) has the support and endorsement of the appropriate local or State housing authorities.".●

TELECOMMUNICATIONS COMPETITION AND DEREGULATION ACT OF 1979—S. 622

AMENDMENT NO. 233

(Ordered to be printed and referred to the Committee on Commerce, Science, and Transportation.)

Mr. SCHMITT submitted an amendment intended to be proposed by him to S. 622, a bill to amend the Communications Act of 1934 in order to encourage and develop marketplace competition in the provision of certain services and to provide certain deregulation of such services, and for other purposes.

● Mr. SCHMITT. Mr. President, for the past several months the Communications Subcommittee has been holding hearings on S. 611 and S. 622, bills to amend the Communications Act of 1934. To date, the hearings have supported the views that, S. 622, the Goldwater-Schmitt bill, represents the best starting point if we are to preserve the good parts of our present telecommunications system while encouraging improvements through the timely assimilation of new technologies and services. However, at the time Senator Goldwater and I introduced S. 622, I expressed the belief—and the hearings have supported that belief—that before we pass any comprehensive telecommunications legislation, the Congress must specifically address the unique telecommunications needs of rural America. Mr. President, the amendment to S. 622 which I am submitting today will allow us to consider those needs.

The legislation now before the Communications Subcommittee would change the statutory framework which has provided the basis for making telephone service available to all parts of this country at reasonable rates. That service has been provided through a regulated monopoly. However, because of the advent of new technologies, increased competition and eventual deregulation now appear to offer the best means of providing diverse and advanced telecommunication services to the consumer. Urban areas will clearly be the beneficiaries of these new policies. For rural areas, the benefits are less clear. I am committed, however, to insuring that the telephone service now available in rural areas is not impaired and that these services have equal access to advanced technologies and services.

At the hearings, several witnesses advocated the coordination of Federal telecommunications programs with the needs of rural recipients. In addition, these programs must be coordinated in the context of a competitive, deregulated telecommunications industry. For these reasons my amendment proposes to create within the executive branch a Federal Rural Telecommunications Council which will be the coordinating body for Federal policies and programs relating to the provision of telecommunications services to rural America. This council will be chaired by the Secretary of Commerce and consist of representatives of various Federal agencies and the governors of rural States.

Once needs are determined and the programs coordinated, an effective means of ensuring delivery of services to rural areas must be provided. This is the primary purpose of the Rural Telecommunications Development Corporation which this amendment would also create.

The corporation also will be responsible for stimulating the commercial provision of diverse telecommunication services to rural areas. I want to emphasize "commercial provision" because nothing in the corporation's charter will permit the inhibition of prvate system development where an appropriate market exists. In order to accomplish these purposes, the corporation will be expected to obtain grants from and contract with individuals, State, Federal agencies, private corporations, organizations, and institutions; contract with or make grants to entites providing rural telecommunications services; hire, or accept the voluntary services of, consultants and experts to aid the corporation in carrying out the purposes of this act; conduct (directly or through grants or contracts) research, demonstrations, or training in matters related to delivery of diverse telecommunications services to rural areas; participate as a party in interest in proceedings before Federal agencies when such initiation or intervention is necessary to implement or further the policies of this amendment and take other actions as may be necessary to accomplish the amendment's purpose.

Mr. President, because we have completed our hearings on the rural aspects of S. 611 and S. 622, I will invite comments on this amendment from appropriate agencies and interested parties. I ask unanimous consent that the text of the amendment be printed in the RECORD.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

At the end of the bill insert the following new title:

TITLE IV—RURAL TELECOMMUNICATIONS POLICY AND SYSTEM

SUBTITLE 1.—NATIONAL RURAL TELECOMMUNICATIONS POLICY

FINDINGS AND PURPOSE

SEC. 401. (a) The Congress finds that—

(1) it is in the national interest to improve the quality of life in rural America by encouraging the availability of diverse telecommunications services;

(2) new technologies present an opportunity to provide diverse telecommunications services now unavailable in rural areas;

(3) the promotion of marketplace competition and deregulation of telecommunications services may adversely affect the availability of existing and future telecommunications services to rural America; and

(4) although existing Federal programs and policies have been successful in promoting universal telephone service, new initiatives by the Federal Government are needed to stimulate the delivery of diverse telecommunications services.

(b) The purposes of this Act are to—

(1) improve the delivery and increase the availability of diverse telecommunications services through technologies that are now or may become available particularly satellites;

(2) eliminate or revise Federal regulation to facilitate the delivery of such services;

(3) improve the effectiveness of Federal assistance programs by coordinating the objectives of such programs with recipients' needs;

(4) expand private sector participation in the delivery of diverse telecommunications services; and

(5) ensure the aggregation of financial support within the public and private sectors and encourage alternative technologies for the delivery of diverse telecommunications services.

SUBTITLE 2.—FEDERAL RURAL TELECOMMUNICATIONS COUNCIL

ESTABLISHMENT OF COUNCIL

SEC. 411. (a) There is established in the executive branch a Federal Rural Telecommunications Council (hereinafter referred to as the "Council"). The Council shall be the principal coordinating body for Federal policies and programs relating to the provision of diverse telecommunications services to rural America.

(b) The membership of the Council shall consist of—

(1) a Chairman and a Vice-Chairman appointed in accordance with subsections (e) and (f);

(2) the Secretaries of the Department of State, the Department of Defense, the Department of Agriculture, the Department of the Interior, the Department of Health, Education, and Welfare, the Department of Housing and Urban Development and the Attorney General; the Administrators of the National Aeronautics and Space Administration, the Veterans Administration and the General Services Administration; the Chairman of the Federal Communications Commission; and, the President of the Rural Telecommunications Development Corporation; and

(3) the Governors from three States representing different geographical regions to be appointed by the Chairman for a term of two years.

(c) Each member of the Council, other than the Chairman and the Vice Chairman, may designate an alternate who shall serve as a member of the Council whenever the regular member is unable to attend a meeting of the Council or any committee of the Council. A member of the Council who assigns an alternate to serve as a member of the Council on those occasions when the regular member is unable to attend a meeting shall make such assignment for the remainder of the member's term on the Council. Any such designated alternate shall be selected from individuals who exercise significant decisionmaking authority in the Federal agency involved and shall be authorized to make decisions on behalf of the member for whom he is serving.

(d) Whenever the Council, or a committee of the Council, considers matters that affect the interests of Federal agencies that are not represented on the Council or the committee, the Chairman may invite the heads of such agencies, or their alternates, to participate in the deliberations of the council or the committee.

(e) The Chairman of the Council shall be the Secretary of Commerce, who, for purposes of this Act, shall serve as the principal advisor to the President on matters relating to rural telecommunications issues and policies.

(f) The President of the Rural Telecommunications Development Corporation (as established by subtitle 3 of this title), shall serve as the Vice Chairman of the Council and shall act as Chairman of the Council in the absence of the Chairman.

(g) Employees of the National Telecommunications and Information Administration, together with such additional individuals from Federal agencies and departments represented on the Council as may be necessary, shall perform such duties in support of the Council as the Chairman may direct.

(h) Members of the Council shall serve without additional compensation, but shall be reimbursed for actual and necessary expenses, including travel expenses, incurred by them in carrying out the duties of the Council.

(i) Among other things, the Council shall—

(1) review all Federal policies and programs that have a significant effect on the delivery of diverse telecommunications services to rural areas including specifically the impact of competition and deregulation, identify factors that may inhibit their effective delivery, and recommend changes to improve such Federal policies and programs.

(2) identify and develop new programs which will enhance cooperation between Federal and State governments and the private sector;

(3) resolve interagency policy and program conflicts;

(4) solicit and consider the views of State and local governments and the private sector with respect to Federal policy and programs affecting the delivery of diverse telecommunications services to rural areas;

(5) coordinate Federal policy and programs with the activities of the Rural Telecommunications Development Corporation; and

(6) submit annually a report for the preceding fiscal year to the President for transmittal to Congress on or before the 31st day of December of each year.

(j) The report required under paragraph (6) of subsection (i) shall include—

(1) a comprehensive review of the activities of the Council;

(2) the results of Council efforts to coordinate Federal policies and programs that have a significant affect on the delivery of diverse telecommunications services to rural

areas, resolve interagency policy and program conflicts, and identify and develop programs to enhance Federal, State and private sector cooperation;

(3) an analysis of problems referred to the Council by State and local governments or the private sector with a statement of any action taken or anticipated to be taken to resolve such problems; and

(4) recommendations for legislation that the Council determines is necessary to carry out the objectives of this title.

SUBTITLE 3—RURAL TELECOMMUNICATIONS DEVELOPMENT CORPORATION

PURPOSE

SEC. 421. It is the purpose of this subtitle to establish a nonprofit corporation, to be known as the "Rural Telecommunications Development Corporation".

CONGRESSIONAL DECLARATION OF POLICY

SEC. 422. The Congress finds and declares—

(1) that it is in the national interest to encourage the economic and social development of rural America;

(2) that the economic and social development of rural America is of concern to all levels of government and private industry;

(3) that it is in the national interest to ensure that the Federal policies and programs for the delivery of diverse telecommunications services to rural areas are responsive to the needs and interests of the residents of rural America;

(4) that in view of the importance to the United States of a strong and balanced rural economy, it is necessary and appropriate for the Federal Government to complement, assist and support mechanisms that will most effectively serve the diverse telecommunications needs of rural America; and

(5) that to carry out these policies, a Federally chartered, nonprofit corporation should be created to improve the delivery of diverse telecommunications services to rural America.

CORPORATION ESTABLISHMENT

SEC. 423. There is established a nonprofit corporation, to be known as the "Rural Telecommunications Development Corporation", which shall not be an agency or establishment of the United States Government. The Corporation shall be subject to the provisions of this subtitle, and, to the extent consistent with his subtitle, to the District of Columbia Nonprofit Corporation Act.

BOARD OF DIRECTORS

SEC. 424. (a) The Corporation shall have a Board of Directors (hereinafter referred to as the "Board"), consisting of 15 members appointed by the President, by and with the advice and consent of the Senate. Not more than 8 members of the Board may be members of the same political party.

(b) The members of the Board shall be appointed from among citizens of the United States (not regular full-time employees of the United States) who are eminent in such fields as telecommunications technology including satellites; program production; the delivery of educational, social and health services; and evaluating the telecommunications needs of rural America; and, shall be selected so as to provide as nearly as practicable a broad representation of different geographical regions and rural areas within the United States.

(c) The members of the initial Board of Directors shall be appointed by the President not later than 120 days after the date of enactment of this Act and shall serve as incorporators and take whatever actions are necessary to establish the Corporation as expeditiously as possible under the District of Columbia Nonprofit Corporation Act.

(d) The term of office of each member of the Board shall be 3 years; except that (1) any member appointed to fill a vacancy occurring prior to the expiration of the term for which his predecessor was appointed shall be appointed for the remainder of such term; and (2) the terms of office of members first taking office shall begin on the date of incorporation and shall expire, as designated at the time of their appointment, 5 at the end of the first year, 5 at the end of the second year, and 5 at the end of the third year. No member shall be eligible to serve in excess of 2 consecutive terms of 3 years each. A member who does not regularly attend meetings of the Board shall be replaced. Notwithstanding the preceding provisions of this subsection, a member whose term has expired may serve until a successor has qualified.

(e) Any vacancy in the Board shall not affect its power, but shall be filled in the manner in which the original appointment was made.

(f) A majority of the directors shall constitute a quorum and action shall be taken only by a majority vote of those present.

ELECTION OF CHAIRMAN: COMPENSATION

SEC. 425. (a) The President shall designate one of the members first appointed to the Board as Chairman and thereafter the members of the Board shall annually elect one of their number as Chairman. The members of the Board shall also elect one or more of them as Vice Chairman or Vice Chairmen.

(b) The members of the Board shall not, by reason of such membership, be deemed to be employees of the United States. Members of the Board shall serve without compensation, but shall be reimbursed for actual and necessary expenses, including travel expenses, incurred by them in carrying out the duties of the Board.

OFFICERS AND EMPLOYEES

SEC. 426. (a) The Corporation shall have a President, and such other officers as may be named and appointed by the Board for terms and at rates of compensation fixed by the Board. No individual other than a citizen of the United States may be an officer of the Corporation. No officer who is an employee of the Corporation may receive any salary or other compensation from any source other than the Corporation during the period of his employment by the Corporation. All officers shall serve at the pleasure of the Board. The officers and employees of the Corporation shall not be deemed to be employees of the United States.

(b) Except as provided in the second sentence of section 424(a), no political test or qualification shall be used in selecting, appointing, promoting, or taking other personnel actions with respect to officers, agents, and employees of the Corporation.

NONPROFIT AND NONPOLITICAL NATURE OF THE CORPORATION

SEC. 427. (a) The Corporation shall have no power to issue any shares of stock, or to declare or pay any dividends.

(b) The income and assets of the Corporation shall not be used for any purpose other than carrying out the purposes of the Corporation as set forth in this subtitle, and no part of such income or assets shall inure to the benefit of any director, officer, employee, or any other individual except as salary or reasonable compensation for services.

(c) The Corporation may not contribute to or otherwise support any political party or candidate for elective public office.

PURPOSES AND ACTIVITIES OF THE CORPORATION

SEC. 428. (a) In order to achieve the objectives and to carry out the purposes of this subtitle the Corporation is authorized to advise and assist the Congress of the United States, the Federal Rural Telecommunications Council, all Federal agencies having policy and programs affecting rural America, and State governments and the private sector concerned with the delivery of rural telecommunications services.

(b) The primary purpose and activity of the Corporation shall be to maximize the availability of diverse telecommunications services to rural areas through technologies that are or may become available, and to promote the provision of such services with maximum efficiency, flexibility, and versatility.

(c) The Corporation shall stimulate the commercial provision of diverse telecommunications services to rural areas.

(d) Included in the activities of the Corporation authorized to accomplish the purposes set forth in this subtitle are, among others not specifically named—

(1) obtaining grants from and contracting with individuals, State, Federal agencies, private corporations, organizations and institutions;

(2) contracting with or making grants to entities providing rural telecommunications services;

(3) hiring, or accepting the voluntary services of, consultants and experts to aid the Corporation in carrying out the purposes of this title;

(4) conducting (directly or through grants or contracts) research, demonstrations, or training in matters related to delivery of diverse telecommunications services to rural areas;

(5) participating as a party in interest in proceedings before Federal agencies when such initiation or intervention is necessary to implement or further the policies as set forth in Title I of this Act; and

(6) taking such other actions as may be necessary to accomplish the purposes set forth in subsection (a) of this section.

ADMINISTRATIVE POWERS AND PROVISIONS

SEC. 429. (a) To carry out the purposes and activities of the Corporation as set forth in section 428 of this title, the Corporation shall have the usual powers conferred upon a nonprofit corporation by the District of Columbia Nonprofit Corporation Act to the extent that such powers are not inconsistent with this Subtitle. In addition the Corporation is authorized to—

(1) enter into such contracts, agreements, or other transactions as the Board of Directors determine appropriate; except that in entering into any contract, agreement, or transaction the Corporation shall rely on competitive bidding to the maximum extent practicable;

(2) accept in the name of the Corporation and employ or dispose of in furtherance of the objectives of this title any money, or property, real, personal, or mixed, tangible or intangible, received by gift, devise, bequest, or otherwise;

(3) appoint such officers and employees as the Board deems necessary, and fix their compensation without regard to the provisions of chapter 51 and subchapter III of chapter 53 of title 5, United States Code, except that no officer or employee of the Corporation may be compensated in excess of the rates now or hereafter prescribed for level I of the Executive Schedule under section 5312 of title 5 of the United States Code;

(4) obtain the services of experts and consultants without regard to section 3109 of title 5 of the United States Code except that no such expert or consultant may be compensated at rates which exceed the daily equivalents of rates now or hereafter prescribed for GS–18 of the General Schedule by section 5332 of title 5 of the United States Code;

(5) appoint without compensation, such advisory committees as the Board deems appropriate; and

(6) accept and use with their consent, with or without reimbursement, such personnel, services, equipment, and facilities of agencies of the Federal Government, State governments, or local political subdivisions thereof, as are necessary to conduct the activities of the Corporation efficiently.

(b) Upon request made by the President of the Corporation, each Federal agency is authorized and directed—

(1) to make its services, personnel, and facilities available to the greatest practicable extent to assist the Corporation in the performance of its functions; and

(2) to furnish to the Corporation, subject to the provisions of applicable law, such information, suggestions, estimates, and statistics as the President of the Corporation may request.

REPORT TO CONGRESS

Sec. 430. The Corporation shall, beginning with the first complete fiscal year following the date of enactment of this Act, submit an annual report for the preceding fiscal year, to the President for transmittal to the Congress on or before the 31st day of December of each year. The report shall include a comprehensive and detailed review of the Corporation's operations, activities, financial condition, and accomplishments and may include such recommendations as the Corporation determines appropriate.

RECORDS AND AUDIT

Sec. 431. (a) The accounts of the Corporation shall be audited annually in accordance with generally accepted auditing standards by independent certified public accountants or independent licensed public accountants certified or licensed by a regulatory authority of a State or other political subdivision of the United States. The audits shall be conducted at the place or places where accounts of the Corporation are normally kept. All books, accounts, financial records, reports, files and all other papers, things or property belonging to or in use by the Corporation and necessary to facilitate the audits shall be made available to the person or persons conducting the audits, and full facilities for verifying transactions with the balances or securities held by depositories, fiscal agents, and custodians shall be afforded to such person or persons.

(b) The report of each such independent audit shall be included in the annual report required by section 430. The audit report shall set forth the scope of the audit and include such statements as are necessary to present fairly the Corporation's assets and liabilities, surplus or deficit, with an analysis of the changes therein during the year, supplemented in reasonable detail by a statement of the sources and application of funds, together with the independent auditor's opinion of those statements.

(c) (1) The financial transactions of the Corporation for any fiscal year during which Federal funds are available to finance any portion of its operations may be audited by the General Accounting Office in accordance with the principles and procedures applicable to commercial corporate transactions and under such rules and regulations as may be prescribed by the Comptroller General of the United States. Any such adult shall be conducted at the place or places where accounts of the Corporation are normally kept. The representatives of the General Accounting Office shall have access to all books, accounts, records, reports, files, and all other papers, things, or property belonging to or in use by the Corporation pertaining to its financial transactions and necessary to facilitate the audit, and they shall be afforded full facilities for verifying transactions with the balances of securities held by depositories, fiscal agents, and custodians. All such books, accounts, records, reports, files, papers, and property of the Corporation shall remain in the possession and custody of the Corporation.

(2) A report of each such audit shall be made by the Comptroller General to the Congress. The report to the Congress shall contain such comments and information as the Comptroller General may deem necessary to inform the Congress of the financial operations and condition of the Corporation, together with such recommendations with respect thereto as he may deem advisable. The report shall also show specifically any program, expenditure, or other financial transaction or undertaking observed in the course of the audit, which in the opinion of the Comptroller General has been carried on or made without authority of law. A copy of each report shall be furnished to the President and to the Corporation at the time submitted to the Congress.

DEFINITION

Sec. 432. For the purposes of this title the term "rural" or "rural area" shall not include any area in any city or town which has a population in excess of 10,000 inhabitants.

AUTHORIZATION

Sec. 433. (a) There is authorized to be appropriated for the expenses of the Corporation $20,000,000 for the fiscal year ending September 30, 1980. Funds appropriated for any fiscal year shall remain available for obligation until expended, but no more than 5 percent of the funds appropriated in any fiscal year may be used for the general administrative costs of the Corporation, the salaries or related expenses of Corporation personnel and members of the Board, or for expenses of consultants and advisers to the Corporation.

(b) Nothing contained in this title shall be construed to commit the Federal Government to provide any sums for the payment of any obligation of the Corporation which exceeds amounts provided in advance in appropriation Acts.

(c) Unless expressly authorized by law no Federal funds shall be made available to the Corporation after January 1, 1986.●

TERMINATION OF TREATIES—SENATE RESOLUTION 15

AMENDMENT NO. 234

(Ordered to be printed and to lie on the table.)

Mr. GOLDWATER submitted an amendment intended to be proposed by him to amendment No. 221 to Senate Resolution 15, a resolution concerning mutual defense treaties.

(The remarks of Mr. Goldwater when he submitted the amendment appear elsewhere in today's proceedings.)

NOTICES OF HEARINGS

COMMITTEE ON GOVERNMENTAL AFFAIRS

● Mr. RIBICOFF. Mr. President, I wish to announce that the Committee on Governmental Affairs will hold hearings on July 11, 17, and 18, to consider bills to reorganize the Government's trade functions, including S. 377 and S. 891.

The administration has agreed to submit to Congress by July 10, 1979, its legislative proposals for reorganizing the Government's trade functions. The administration will testify on its proposals at the hearing on July 11. Representatives of private groups will testify on July 17 and 18.

The hearings will begin at 10 a.m. in room 3302, Dirksen Senate Office Building, on July 11 and 17, and at 10:30 on July 18.●

COMMITTEE ON GOVERNMENTAL AFFAIRS

● Mr. PRYOR. Mr. President, I wish to announce that the Committee on Governmental Affairs will hold a hearing on June 21 at 2 p.m. in room 3302 of the Dirksen Senate Office Building to consider the nomination of Rowland G. Freeman III to be Administrator of General Services.

Anyone wishing additional information about the hearing may contact the committee office at 224–4751.●

SUBCOMMITTEE ON ENERGY REGULATION

● Mr. JOHNSTON. Mr. President, the hearing of the Subcommittee on Energy Regulation of the Committee on Energy and Natural Resources on S. 1335, S. 1336, S. 1337, and S. 1338 which had been scheduled for Monday, June 19, 1979, at 9:30 a.m. is being postponed and will be rescheduled.

In its place, the subcommittee will hold a hearing on middle distillate supply and the desirability of reimposing mandatory Federal price and allocation controls on these fuels. This hearing will commence at 9:30 a.m. in room 3110 of the Dirksen Senate Office Building. Questions about this hearing should be directed to Benjamin S. Cooper or James T. Bruce of the subcommittee staff at 224–9894.●

SUBCOMMITTEE ON ECONOMIC STABILIZATION

● Mr. RIEGLE. Mr. Chairman, the Subcommittee on Economic Stabilization has been holding hearings on the economic stabilization implications of various aspects of the petroleum shortage. Hearings were held on May 22 and June 6 and I now wish to announce that an additional hearing has been scheduled for Wednesday, June 20.

This hearing will be devoted to the subject of the development and financing of synthetic fuels, an issue that has been getting much needed congressional and press attention. The House Committee on Banking, Finance and Urban Affairs has already favorably reported H.R. 4349, the Defense Production Act Amendments of 1979. This bill contains specific authorities for the startup, through a joint Government-private industry effort, of the production of synthetic fuels and synthetic chemical feedstocks for national defense purposes. The bill would add a new section to the Defense Production Act directing the President to attempt to achieve a national production goal of at least 500,000 barrels per day of crude oil equivalent of synthetic fuels and synthetic feedstocks within 5 years of the effective date of the amendments made by the bill.

A number of prestigious private persons have recently proposed various plans that would involve cooperative efforts between Government and industry of the sort that supplied synthetic rubber during World War II and that built the aluminum and steel capacity that enabled us to fight the war successfully.

One such proposal was outlined in the Washington Post on June 10, 1979, by three prominent Washingtonians—Lloyd N. Cutler, Paul R. Ignatius, and Eugene M. Zuckert. These persons—experts in various aspects of defense production—propose the creation of a U.S. Petroleum Reserve Corporation that would be authorized to design and execute a program to create up to 5 million new barrels of petroleum and alcohol capacity per day. The Corporation would be authorized to issue federally guaranteed bonds, and have authority to build new plants that would be initially owned and financed by the

Government. The plants would be operated by private industry under leases and management agreement, and the ultimate aim would be to sell the facilities to private industries thereby repaying any cost to the taxpayers.

These three gentlemen have agreed to serve as the committee's witnesses on June 20. They will outline their program in detail, including financial and economic implications, and they intend, as well, to show their plan can be made compatible with and incorporated into H.R. 4349.

Mr. President, I need hardly emphasize how important the synthetic fuel issue is for our national security and for the prosperity of our country. As chairman of the Economic Stabilization Subcommittee I can testify to the enormous balance of payments gains that would result from reduced dependence on imported oil. I can also affirm that continued increases in oil prices will add to domestic inflation, impede economic growth, raise unemployment, and increase the risk and severity of recession. Finally, because foreign sources of supply are becoming increasingly unreliable, the threat of economic disruption is reaching intolerable levels quite apart from price considerations.

The hearing will be held at 10 a.m. on Wednesday, June 20, in room 5320 of the Dirksen Senate Office Building. The confirmed witnesses will appear as a panel and are:

Lloyd N. Cutler, attorney, Wilmer, Cutler and Pickering; Paul R. Ignatius, president and chief executive officer, Air Transport Association, and Eugene M. Zuckert, attorney, Washington, D.C.

Questions concerning the hearing should be addressed to Tom Dernburg, staff director of the Subcommittee on Economic Stabilization, 224-3608.●

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON RULES AND ADMINISTRATION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Committee on Rules and Administration be authorized to meet during the session of the Senate today to consider the nominations of Thomas Harris and Frank Reiche to the Federal Election Commission; and other legislative and administrative business.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON COMMUNICATIONS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Communications Subcommittee of the Committee on Commerce, Science and Transportation be authorized to meet during the session of the Senate today to hold a hearing on S. 611 and S. 622, the Communication Act Amendments.

The PRESIDING OFFICER. Without objection, it is so ordered.

CONSUMER SUBCOMMITTEE

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Consumer Subcommittee of the Committee on Commerce, Science and Transportation be authorized to meet during the session of the Senate today to hold an oversight hearing on the Consumer Products Safety Commission's chronic hazards program.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

THE SALT II TREATY

● Mr. JACKSON. Mr. President, I am taking this opportunity to bring to the attention of my colleagues my address to the Friends of Freedom awards dinner of the Coalition for a Democratic Majority on Tuesday evening, June 12.

In placing the text of this speech in the RECORD, I would emphasize only one point:

What began 10 years ago as an effort to test Soviet willingness to agree to stabilizing arms control can no longer be regarded as a great experiment. Substantial evidence is now in. In the light of a decade-long Soviet military buildup beginning in 1969, agreeing to an unequal SALT II agreement would be an act of appeasement.

I ask that the text of my speech be printed in the RECORD.

The text of the speech follows:

THE SIGNS OF THE TIMES

In the seven years since the Moscow summit of 1972, we have been testing the proposition that, despite the lessons of history, it is possible to achieve an accommodation with a totalitarian superpower through negotiated agreements.

The effort at accommodation has been sustained through three administrations; and the agreements have covered the spectrum from science and technology to medicine, art, culture, education, and the limitation of strategic weapons.

In the last seven years, we and the Soviet Union have gone jointly into space. The Soviet Union has gone alone into Ethiopia.

We have sent our scientists to Moscow. The Soviets have sent their Cubans to Angola.

We have encouraged peace in the Middle East. The Soviets have encouraged war in Southeast Asia.

We tried to calm the turmoil in Iran. The Soviets sought to aggravate it.

We have encouraged human rights around the world. The Soviets have trampled human rights at home.

We have exercised restraint in the acquisition of strategic weapons. The Soviets have invested, in the last decade, over 104 billion dollars more than the United States in strategic nuclear forces alone.

The danger is real that seven years of detente are becoming a decade of appeasement.

What so easily transforms a policy of detente and accommodation into one of retreat and appeasement is the failure to insist that restraint must be reciprocal, that forbearance must be mutual.

Diplomatic accommodation becomes appeasement when we make concessions out of a fear that the Soviets will cause trouble around the world unless we yield to their desires. Negotiations turn to appeasement when we silence our own officials, withhold honest criticism, and bend our laws and traditions. Cooperative relations become appeasement when we apologize for Soviet behavior to protect an unjustified image of Soviet restraint.

My friends, we have been making too many gratuitous concessions, we have silenced too many officials, bent too many laws and traditions and apologized too often. In the areas of trade and technology, the right to emigrate, and strategic arms, the signs of appeasement are all too evident.

The public learned for the first time a few days ago that the Kama River Truck Plant near Moscow, built with tens of millions of dollars in U.S. supplied equipment and technology, is now turning out diesel engines for military vehicles.

There are indications that a Department of Commerce official, who confirmed during a Congressional hearing the diversion of the Kama River plant to military production, has been threatened by the senior Assistant Secretary of Commerce responsible for approving the sale of technology to the Soviets. He could lose his job.

At the same time, committees in the House and Senate, under pressure from industry and the Administration, have prepared legislation that will basically ratify, and in some significant instances relax, the already appallingly loose controls exercised by our government over the transfer of militarily useful technology to the Warsaw Pact nations.

To sanction the present system of controls—not to mention relaxing it—is a sign of appeasement.

The Jackson Amendment to the 1974 Trade Reform Act provides that the President can issue a waiver, and grant trade benefits, to countries that assure the United States that henceforth their emigration practices will lead substantially to the achievement of free emigration.

This means letting people leave without harassment, without intimidation, without punitive action. It means letting the refusniks and their families emigrate. It means letting out the prisoners of conscience. It means a reasonable correspondence between the number of applications and the number of visas—letting people leave whether they live in Moscow or Tashkent, whether they are young or old, without waiting two, three, four, even six or seven years for a visa.

As of now, the Soviet leaders have not given us those assurances. And however joyously we welcome those who have been permitted to leave, we must not forget the many who have not.

For them, the legal requirement for assurances from the Soviets is a lifeline.

Pretending that the Soviet Union is in compliance with the law when it is not, bending the meaning of the law to a shape the Soviets approve—that is appeasement.

The Administration has completed and the President is about to sign a strategic arms treaty with the Soviet Union to replace the agreement signed in 1972. The new treaty will be signed ten years after the first round of negotiations between the United States and the Soviet Union took place at Helsinki in 1969. What has happened in that decade?

In 1969, the United States led the Soviet Union in every single indicator of strategic military strength: the number of land-based and sea-based missiles, the number of warheads, the megatonnage of its missile force, the accuracy of its weapons, the potential of its missiles to strike protected military targets, and so forth. Now, on the eve of a second arms treaty, the Soviet Union leads the United States in every one of these same indicators with only one exception, the number of warheads. The projections are that before the new treaty expires in 1985, the Soviets will have achieved superiority in the number of warheads as well.

For the first time, after a decade of arms control negotiations, the Soviets have acquired the capability to destroy a significant portion of our strategic retaliatory forces—something they were never able to do before—and something that we cannot do to their forces even now.

We are less secure today than when the SALT negotiations began ten years ago. And we will be still less secure at the end of the treaty period than we are today.

It is now generally recognized that the SALT agreement of 1972 did not, as its proponents hoped, moderate the growth of Soviet strategic forces. In fact, Soviet spending on strategic forces actually increased after the 1972 agreement. Today they spend more than three times as much as the United States on strategic offensive and defensive forces.

Indeed, as I mentioned a moment ago, during the last decade the Soviet Union has spent over 104 billion dollars more than the United States in this area. A recent study has indicated that, had these billions of dollars been spent in this country, they would have procured the entire B–1 program, the M–X program of missiles and shelters, the Trident program with all its missiles, 7,000 XM–1 tanks, completed the planned procurement of the F–14, F–15, F–16, F–18 and the A–10 aircraft, as well as permitting major buys of several other systems. In other words, we could have modernized the entire strategic Triad, as well as made large investments in equipment for our general purpose forces.

In conventional weapons, the situation is also serious: the Soviets lead us in tanks by 5 to 1, in artillery pieces by 2.3 to 1, in attack submarines by 3.5 to 1, in ground forces divisions by 10 to 1, in medium bombers by 11 to 1, and in air defense missile systems by 278 to 1.

And all of this is taking place in a misty atmosphere of amiability and good fellowship under a policy of detente.

This is appeasement.

The new SALT treaty, like the last one, will permit the Soviets to continue unabated their massive buildup of strategic forces. The President says that under the treaty the Soviets will have to dismantle some 250 strategic weapons. He fails to mention that they are the sort of obsolete weapons that we unilaterally dismantled, in equal numbers, years ago. And he also fails to mention that during the seven years of the treaty the Soviets are expected to add more than 5,000 strategic nuclear warheads to their already formidable arsenal.

Despite the fact that the Soviets are now spending 13 to 15 percent of their gross national product on defense (we spend less than 5 percent), the proponents of this unequal treaty say that without it the Soviets will spend even more and deploy still more weapons. To enter into a treaty that favors the Soviets, as this one does, on the ground that we will be in a worse position without it is, ladies and gentlemen, appeasement in its purest form.

The new treaty permits the Soviets some 300 heavy missiles, each with 10 warheads. We are not allowed any heavy missiles nor are we compensated for the imbalance in throw-weight. And even our light missiles, which are a third the power of the Soviet light missiles, are permitted to carry only half as many warheads—six on each missile for them and three on each missile for us.

The Soviets have a new supersonic bomber, the Backfire, currently in production. It doesn't count in the treaty. We have an old subsonic bomber, built 20 years ago, called the B–52. Each B–52 counts under the treaty—even those that have been cannibalized for spare parts. Yet the treaty's chief negotiator, Mr. Paul Warnke, insists that the treaty is equal.

Some of us in the Senate believe that the treaty should be amended to provide for equality and verifiability, even if that means there will have to be some further negotiations with the Soviets. Some of us believe that no treaty would be preferable to an unsafe one, and that the current treaty will not be safe unless it is improved by amendment. But the Administration implies that if we change a comma in Mr. Warnke's treaty, we will increase the risks of nuclear war. That is appeasement.

Against overwhelming evidence of a continuing Soviet strategic and conventional military buildup, there has been a flow of official Administration explanation, extenuations, excuses. It is all ominously reminiscent of Great Britain in the 1930's when one government pronouncement after another was issued to assure the British public that Hitler's Germany would never achieve military equality—let alone superiority.

The failure to face reality today—like the failure to do so then—that is the mark of appeasement.

Many Americans just don't want to think about these things: the one scenario they have in mind is a devastating nuclear exchange with tens of millions of casualties and utter destruction on each side. "Since we will both be dead," they say, "more or less power makes no difference."

The odds are there will not be a nuclear war. Rational leaders know that a nuclear exchange is self-defeating. The real danger ahead is the Kremlin's political use of strategic superiority as an umbrella under which to pursue a series of probes to expand Soviet power and weaken the position of the United States.

The fateful question for us is whether the United States can conduct an effective foreign policy—one which will assure our national security and the safety of other free nations—from a position of strategic inferiority. Can we bargain confidently and stubbornly, can we stand up to Soviet blackmail, can we hold our ground in crisis situations—from a position of relative military weakness?

On October 6, 1938, after the Munich summit, as the policy of appeasement lay in ruins, Neville Chamberlain said in the House of Commons:

"Our past experience has shown us only too clearly that weakness in armed strength means weakness in diplomacy."

In concluding, let me add this:

It's not only we Americans who are troubled at the signs of the times; many of our best friends and allies abroad are deeply disturbed about us. The prediction is now current in some circles overseas that the United States will yet turn out to be the "great disappointment."

All of us here tonight have our work cut out to see that America, rather than turning out to be the "great disappointment," proves a "pleasant surprise." Each of us—whatever our vocation or calling—must help stop the slide to surrender, help fortify our defense posture, help show more guts in the conduct of foreign policy, and help combat terrorism and champion the great human rights.

Our national interest in a more decent, just and stable ordering of things, in promoting prosperity, in the genuine, mutual reduction of armaments, in the triumph of the free spirit over the world's coercion, reflects the common interests of an entire free world.

In the prophetic words of Reinhold Niebuhr:

"Our position is not an enviable one. Yet from an ultimate standpoint it need not be regretted. For a nation which cannot save itself without at the same time saving a whole world has the possibility of achieving a concurrence between its own interests and 'the general welfare' which must be regarded as the highest form of virtue in man's collective life."●

SELECTIVE SERVICE

● Mr. COHEN. Mr. President, as the issue of selective service registration has been discussed over the past few days, reference has been made to the letter I have received from the Secretary of Defense stating that he does not support the move to registration.

Defense Secretary Harold Brown told me the Pentagon is concerned that the Selective Service System cannot now meet the 30-day requirement for the initial inductee in time of emergency mobilization. But he indicated that the official Defense Department position is that enhancement of Selective Service's standby ability, including its computer resources, staffing, and planning is preferable to a reinstitution of registration.

Secretary Brown told me in his letter:

> Our view and the view suggested in all studies of the question that I have seen, is that the critical step towards achieving our goals is not immediate collection of names through registration, but rather the immediate improvement of our ability to prepare for processing people, and in case of mobilization actually to process them, through the Selective Service System.

So that all my colleagues, who will be asked to vote on this issue in the next couple of weeks, will have the benefit of his comments, I am including his letter with these remarks and ask that it be printed in the Record.

Senator Dole and I have proposed that the President be directed to report to Congress, within 120 days of enactment of our measure, on the Nation's manpower needs and mobilization capability. Our proposal, which we are introducing today, would insure that we in the Senate will be given the kinds of answers that are essential if we are to make an informed, reasoned decision on this critical question.

Secretary Brown's letter follows:

Washington, D.C.,
June 8, 1979.

Hon. William S. Cohen,
U.S. Senate, Washington, D.C.

Dear Senator Cohen: This is in response to your letter of 5 June 1979 regarding the Department of Defense position on legislation that would mandate the reinstitution of Selective Service registration.

In the event of an emergency mobilization the Department of Defense manpower demands will be substantial. Particularly in the early days, much of that manpower comes from those who have already voluntarily obligated themselves to serve in the event of a mobilization. Beyond that, however, beginning thirty days after a decision to mobilize, the Department would need to begin receiving inductees.

We are concerned that the Selective Service System cannot now meet the 30-day requirement. That circumstance does not, however, lead to the conclusion that peacetime registration is necessary. In the near term, we think that the proper course of action is to enhance the standby ability of the Selective Service System, including its computer resources, its staffing and its planning. The Acting Director of the Selective Service System has testified that he is confident that, if adequate funds are provided by the Congress, the Selective Service System will be able to develop the capability to meet our requirements. An Administration funding request is now before Congress. Last year the Congress chose not to fully fund that request. The Department of Defense thinks that an endorsement of this year's appropriation measure would be a productive step in improving our posture.

Our view and the view suggested in all studies of the question that I have seen, is that the critical step towards achieving our goals is not immediate collection of names through registration, but rather the immediate improvement of our ability to prepare for processing people, and in case of mobilization actually to process them, through the Selective Service System.

Sincerely,

Harold Brown.●

AN ECONOMY IN TROUBLE

● Mr. DURENBERGER. Mr. President, recently, Judge Barrington Parker pulled the teeth on what has become a rather bedraggled dog of late, the administration's wage and price guidelines. Previously, the Congress had rejected real wage insurance as an incentive for workers to abide by the guidelines. The Teamsters rolled over the program while negotiating a new contract. What was once the key, and perhaps the only, component of the Carter anti-inflation program now seems destined for oblivion (the dog pound?).

With the guidelines effectively neutralized, we are now hearing new rumblings about the possibility of wage and price controls as a necessary new tactic for fighting inflation. I would have thought that our experience in the early 1970's with controls would have cured us of any interest in this approach—at least for several decades. The continued fascination with controls reveals the bankruptcy of boldness and imagination on the part of the administration. As a result, we have a faltering national economic policy with double-digit inflation and persistent structural high unemployment.

Some commentators believe that America is becoming anglicized. In other words, we are entering a period of economic decline, labor strife, high unemployment, and high prices similar to the British experience. The record of the past decade does provide credence to their position. Productivity is declining. Savings and investments are declining. The real value of workers' earnings and retirement are declining. The country still is searching for an effective energy policy. We do not have an international trade policy or a policy to stabilize the budget. We are adrift.

In many ways, the Federal Government is the real culprit. One example of the backwardness of the economic thinking of Federal policymakers is the debate last year on the tax bill. Specifically, the administration proposed an increase in the tax on capital. Taxing away a country's capital base is economic suicide. What we should be doing is expanding the capital base—to provide new investment, new business opportunities and new jobs. Congress understood this need, and rejected the Carter tax proposals. Instead, the Revenue Act of 1978 cut the tax on capital. This action was the first time since the early 1960's that Congress reversed a policy that increased taxes on the middle class, on capital development. It was a first step, strongly resisted by the administration, and it must be continued.

The Federal Government also contributes to inflation. The rate of expansion of the Government sector has been greater than the rate of growth of the private sector which provides the tax revenues to support the Government. Federal spending now absorbs about 22 percent of GNP. The historic average is near 18 percent. Today's rate is too high. When the Federal Government crowds out the private sector, inefficiency and nonproductive spending occur. Government has legislated and regulated without considering the consequences on inflation and employment. The Federal Government has become the greatest engine of inflation.

The private sector must share some blame for inflation. Wages and salaries have increased without regard to increases in productivity. Prices have also increased without regard to the constraints of supply and demand. But, ultimately, it is the Government which is responsible for economic instability, which gets me back to controls. When one cannot devise a workable strategy for the economy, there develops a strong advocacy for wage and price controls. We are still in phase I—a period of jawboning, of voluntary guidelines. When phase I fails, we will move on to phase II—mandatory controls. Both Alfred Kahn, the inflation fighter, and Barry Bosworth, the inflation monitor, have indicated that we would have to turn to mandatory controls. The White House issued the obligatory denial, but the same denials were being issued back in 1971 by the White House as the new economic program of mandatory controls was being developed.

Controls merely suppress inflation and distort the normal workings of the economy. A recent study by the National Bureau of Economic Research demonstrated that wage and price controls have the perverse effect of raising prices. This is understandable when you realize that controls do nothing to cure inflation. I have included the study at the end of my remarks.

What should be done to provide for economic growth in a stable environment? The first step is to bring Federal spending under control. We need a full employment economy, not a full employment budget. As an interim step, the growth in Federal spending should not exceed the rate of inflation. Over the long term, growth of the Federal budget should not be greater than real growth in the economy. The percent of GNP represented by Federal spending should be reduced.

We should also reduce inflationary growth in the money supply. Money supply expansion should be more closely coordinated with the business cycle.

Individual income taxes should be indexed to remove the inflationary windfall to the Federal Government resulting from our progressive tax system. We also have to develop new incentives for savings and investment. Our Tax Code encourages borrowing, not saving. That policy should be reversed.

We need to develop new policies to stimulate exports. We have been an internal market for too long. It is now time for us to adopt an aggressive export policy. We have much to learn from our trading partners, and now is the time to expand our presence in the world marketplace.

We must begin to bridle our voracious appetite for energy and to develop alternative domestic energy sources as the price of oil is decontrolled. The only effective means for opposing OPEC-dictated price increases is to end our dependency on OPEC oil.

We must also develop a workable national policy on income security and human resource development. We have a multiplicity of programs to respond to social needs. Some are good, some bad, but there is no cohesion to our approach. The welfare programs are a mess, education programs train people for nonexistent jobs, employment programs rely on public service jobs rather than skill development and cooperation with the private sector. It is time to end our piecemeal approach to social problems.

These are just a few of the policies which are necessary to stabilize the economy. Wage and price controls, excessive Federal spending, and an inflated Tax Code are not the answer.

In addition to the NBER study, I am including a recent article from the National Journal which proposes many of the same solutions to inflation which I outlined above.

I request that the article be printed in the RECORD.

The article follows:

THE 1971–1974 CONTROLS PROGRAM AND THE PRICE LEVEL: AN ECONOMETRIC POST-MORTEM

(By Alan S. Blinder and William J. Newton)

ABSTRACT

("The 1971–1974 Controls Program and the Price Level: An Econometric Post-Mortem," by Alan S. Blinder and William J. Newton.)

This paper provides new empirical evidence on the effects of the Nixon wage-price controls on the price level. The main new features are (1) that the controls are treated as a quantitative (rather than just a qualitative) phenomenon through the use of a specially-constructed series indicating the fraction of the economy that was controlled, and (2) that the fine structure of the various phases is examined by estimating the model on monthly data.

According to the best estimates, by February 1974 controls had lowered the price level by about 1.7 percent. After that point, and especially after controls ended in April 1974, a period of rapid "catch up" inflation eroded the gains that had been achieved and, according to the estimates, even carried the price level slightly above what it would have been in the absence of controls. Thus the ending of controls can account for almost all of the burst of "double digit" inflation in non-food and non-energy prices during 1974.

Department of Economics, Princeton University, Princeton, N.J.

I. INTRODUCTION

In response to the perceived failure of traditional fiscal and monetary policy to lower the rate of inflation without creating high unemployment, the New Economic Policy announced by President Richard Nixon in August, 1971 included two significant departures from previous U.S. economic policy—the establishment of mandatory wage-price controls, and the abandonment of fixed exchange rates. The purpose of this paper is to provide new empirical evidence on two basic questions raised by the first of these policy responses. First, did wage-price controls have the intended effect of reducing the inflation rate while they were in effect, and, if so, did they have a permanent effect on the price level?

We certainly would expect temporary wage-price controls to reduce the rate of inflation—at least as measured in the official indices—while they are in effect.[1] What should happen after controls are lifted is a much more controversial matter. Although many economists argue that prices artificially

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Footnotes at end of article.

held down by controls will seek their free-market level once controls are lifted, proponents of controls argue that a properly conceived controls program will result in no excess demand at the price level from which controls are lifted. Section II of this paper considers theoretical arguments concerning the magnitude of the post-controls "catch-up," and Section III describes the institutional features of the 1971–1974 program. Section IV briefly surveys previous attempts to measure empirically the effects of controls, and Section V provides our own estimates based on an explicit model of controls. Section VI is a brief conclusion.

II. CONTROLS AND THE PRICE LEVEL

A useful starting point in the analysis of the effects of controls on the long-run price level is provided by the familiar supply-and-demand diagram, in which temporary, binding controls reduce prices in the short run, but result in excess demand which drives prices back to their initial level once controls are ended. Figure 1 offers a stylized representation of this view. Proponents of controls object to this argument on the grounds that the controls program should also hold down marginal costs so that there is no excess demand at the controlled price.

In the particular case of the 1971–1974 controls, the weight of empirical evidence seems to be that controls squeezed profit margins, that is, were more effective on prices than on wages.[2] In such a case, marginal costs would not have been held down by as much as prices, so a catchup would be expected.[3] Furthermore, it is virtually certain that any real-world controls program will distort relative prices, and it is abundantly clear that the 1971–74 controls did so. In a world in which prices are rigid downward, equilibrium *relative* prices can only be reestablished through rising *nominal* prices. On balance, then, there is good reason to expect a post-controls catchup inflation in 1974, and Figure 1 may be a reasonable expectation. (Figure 1 omitted)

Another argument for a complete catchup is based on the long-run neutrality of money. If the controls program does not imply a change in the long-run growth path of the money supply, it cannot effect the long-run price level because (a) there is no mechanism by which temporary controls can permanently affect velocity, and (b) the natural rate hypothesis implies that real output will be at its "full-employment" level in the long run regardless of whether or not there ever was a controls program. Supporters of controls counter, however, that the money supply path need not be fixed. Specifically, by permitting the price level path to be deflected downward for a while, controls allow the economy to get by with less money. If the money supply path is permanently lowered, then the price level path should also be permanently lowered, in contradiction to Figure 1.

In the arguments just reviewed, potential GNP is assumed to be unaffected by controls. But there are several reasons why this might not be so. For one thing, it is often suspected (though not, to our knowledge, demonstrated empirically) that controls discouraged business investment. The common belief that the 1971–1974 controls program squeezed profit margins by holding down prices more than wages has been used to support this suspicion. If true, this is a reason why the catchup could conceivably exceed 100 per cent, for in that case controls would have reduced the natural rate of real output.

Finally, the most important intellectual justification for instituting controls in the first place may also provide a reason *not* to expect much catchup behavior when they are lifted. To the extent that inflation perpetuates itself through self fulfilling inflationary expectations, *and* to the extent that the shock-treatment of controls succeeds in reducing inflationary expectations, even temporary controls can have a permanent effect on the price level. Whether inflationary expectations actually did decline in August 1971, and how durable this decline proved to be, are hard to know. The well-known Livingston data on inflationary expectations did show a drop of almost one percentage point between June 1971 and December 1971, and it seems natural to attribute this to the controls.[4] But the effects of dismantling the controls are impossible to untangle from the Livingston data since decontrol was gradual and since so many other "shocks" were buffeting inflationary expectations in 1973–1974.

On balance, both the *a priori* theoretical arguments and what we know about how the 1971–1974 controls actually operated seem to point strongly to a post-controls catchup period, though the degree of catchup could be either more or less than the 100 per cent catchup depicted in Figure 1. To estimate empirically the magnitude of the post-controls catchup is one goal of the model of Section V.

III. THE 1971–1974 CONTROLS PROGRAM

The New Economic Policy of August 1971 began with a 90 day freeze on all wages, prices, and rents, with the exception of taxes, raw agricultural products, and mortgage interest.[5] Although the principle economic justification for the freeze was that it provided an unexpected shock to inflationary expectations, the need to provide time to set up the administrative apparatus and to formulate regulations for wage and price increases consistent with reduced inflation was probably the overriding consideration.[6] Given the complexity of the U.S. economy and the necessity of public support for the controls program, much emphasis was placed on self-administered compliance with regulations issued by the two chief administrative units, the Pay Board and the Price Commission of the Cost of Living Council (COLC). Cooperation with the controls program was encouraged by the inclusion of representatives of labor, business, and the public on the stabilization bodies.

Phase II, which lasted from November 1971 to December 1972, attempted to apply broad standards for wage and price increase consistent with a reduced inflation rate, and gave relatively little regard to particular market structures. Thus the Price Commission permitted a one-for-one percentage pass-through of cost increases to prices if this did not lead to profit margins greater than those of a base period. The Pay Board permitted increases of 5.5 per cent in wages, with an extra allowance for certain fringes, and permitted slightly larger increases for workers with relatively small previous increases.

Phase III, which began in January 1973, was intended to be a transitional period providing gradual deregulation. In this spirit, there was greater emphasis on broad rather than detailed compliance with regulation. The most important changes in price regulations were the removal of the profit margin constraint for cost-justified price increase of less than 1.5 percent, and the acceptance of larger than standard increases "as necessary for efficient allocation of resources or to maintain adequate levels of supply."[7] The administrative responsibility for controls was shifted to the COLC, and the Pay Board and Price Commission were terminated, primarily because of the resignation of the labor representatives from the Pay Board.

Events of early 1973 quickly made Phase III look like a failure. In particular, increased food prices and cost-justified price increases in other sectors led to a sharp acceleration of inflation. Indeed, the critics of the controls program might argue that this was the beginning of the inevitable post-controls catchup inflation. As a result of the acceleration in inflation, a second freeze on prices was imposed in June 1973. This freeze was lifted sector by sector and ended entirely in August 1973.

Phase IV, following the end of Freeze II, brought with it regulations even more stringent than those of Phase II. For example, cost-justified price increases were permitted only on a dollar-for-dollar rather than a percentage markup basis. The effect was to squeeze historic profit margins. Furthermore, the policy of sector-by-sector decontrol was applied in a manner which prevented relative price adjustments in several sectors, including steel, petroleum, health, and food.[8] As a result of sector by sector decontrol, only about 12 percent of the CPI remained under control when the legislation authorizing controls was allowed to expire on April 30, 1974.

It is apparent from the history of the controls program that any attempt to model controls successfully must account for the changing character of the program over the 1971–1974 period. The controls were not either "on" or "off". Rather, the stringency of regulation in the controlled sector and the size of the controlled sector both varied over time. Furthermore, circumstantial evidence from Phase III suggests that one must be careful to distinguish catchup inflation in the uncontrolled sector from the failure of controls to reduce inflation in the *controlled* sector. The model of Section V reflects these characteristics of the controls program, at least in a crude way.

IV. MEASURING THE IMPACT OF CONTROLS

A. Methods

To measure the effects of controls on the price level, an equation or set of equations is required that will generate two price-level paths: one with controls and the other without. We can then subtract the two paths to estimate the influence of controls. Conceptually, we may think of any structural wage-price model as taking the following form:

$$(1) \qquad \dot{p}_t = a + \sum_{j=0}^{n} b_j \dot{w}_{t-j}$$

$$(2) \qquad \dot{w}_t = \alpha + \sum_{j=o}^{m} \beta_j \dot{p}_{t-j},$$

where "a" includes all the non-wage influences on price inflation, and "α" includes all the non-price influences on wage inflation. The estimated equations can be used to measure the impact of controls by any of three methods:

(a) Dummy variables. The equations can be estimated through the period of controls, and the coefficients of the dummy variables are the desired measures. This method has been criticized by Lipsey and Parkin (1970) and later by Oi (1976) on a variety of grounds. First, the method's validity depends on all of the coefficients of the model except the constant being the *same* in the pre- and post-controls periods. Yet there may be good reasons to think that controls would alter the wage- and price- setting mechanisms. The assumption that the coefficients would be unchanged through a controls period of more than 2½ years seems completely untenable. Second, the economy is not like a laboratory; other things are *not* equal. Any unusual event that happens during the controls period, and that is not captured elsewhere in the equation, will be attributed to the controls.

Footnotes at end of article.

(b) Post-sample predictions. In this method, the data generated during the controls period are not used in the estimation; rather the model is estimated only on pre-controls data. Then a series of post-sample predictions, $\hat{p}(t)$, are made and the residuals $p(t)-\hat{p}(t)$ are the estimated effects of controls. In its favor, the method of post-sample predictions does not require that the effect of controls be the same in every period. However, the method is based on the assumption that the equation would have fit *perfectly* during *every* quarter of the period if controls had not been involved. As in the method of dummy variables, any random influences will be attributed to controls. Also, there seems to be an obvious inefficiency in using a model that ignores all data generated during the controls period to study what happened during controls.

(c) Within-sample predictions. A third approach, which is the basis for the new results presented in the paper, is to estimate the equation right through the controls period, allowing the controls to effect all or several of the parameters, and then use these equations to generate *two* hypothetical paths:

$\bar{p}(t)$ = the price path predicted by the equation when the controls are "off."

$\hat{p}(t)$ = the price predicted by the equations when the controls are "on."

Since the differences $\hat{p}(t)-\bar{p}(t)$ are the estimated impacts of controls, we do not attribute equation errors to the controls, but let the model estimate the effects of controls directly. Like the method of post-sample predictions, this method does not force the effect of controls to be the same in every period, but can allow it to vary quarterly or month by month. Like the dummy variable approach, however, it does not throw away the valuable data generated by the economy during controls.

Let us defend our choice of the method of within-sample predictions by an analogy. In obtaining policy multipliers from simulations of complete macroeconometric models, the standard procedure is to simulate the model twice: once with the actual policy variables, and once with an alternative path for one or more policy variables. No one would dream of comparing the simulation based on alternative policy variables with the actual history of the economy. Yet this is precisely what is done when the method of post-sample predictions is used to appraise controls.

Also, the purpose of the exercise must be recalled: an historical appraisal of a past policy episode. A history of econometric wage-price models of the past ten years would probably show that they *fit* well within their periods of estimation, but then did very poorly at *forecasting* beyond the sample. However, after-the-fact modifications of the equations always enabled them to rationalize history rather well. And this is, after all, what we are after in this case. The method used here would not have been useful for making a true *ex ante* prediction of the effects of controls in August 1971, but does purport to be useful in understanding what happened.

B. Previous estimates

Before turning to our results, it will be useful to survey briefly three previous studies based on the other approaches.

Gordon's Study. Using a structural price equation that explains the rate of change of a specially-constructed price index for non-food non-energy final sales by trend unit labor costs, the relative prices of both investment goods and spot materials, the effective rate of excise taxation, and a demand variable,[9] Gordon (1975) applied the method of post-sample predictions with an equation estimated through 1971:2. He estimated that controls kept the 1973:3 price level about 3½ per cent below what it otherwise would have been. Then prices started to rise faster than they would have in a world without controls. so that the price level in 1975:1 was actually 1 per cent *above* the no-controls path. Two quarters later, the equation was almost precisely on track. However, when he reestimated the equation with revised data (Gordon, 1977), it completely fell apart. Post-sample predictions from the revised equation suggested a downward deflection of the price level of about 2.4 percent by 1972:4, not too different from his 1975 estimate. But then the equation started underpredicting inflation, and by 1975:1 it was underpredicting the price *level* by about 3.7 percent. The difference $(3.7-(-2.4)-6.1$ percent) can hardly be attributed to a post-controls catchup. When Gordon abandoned the post-sample predictions method and used dummy variables instead, his estimate was that controls lowered the price level by 2 percent from 1971:3 to 1972:4, and the post-controls catchup gave this all back between 1974:2 and 1975:1.

McGuire's Study. McGuire (1976) also makes post-sample predictions from a structural model, but both his specification and his conclusion differ greatly from Gordon's. First, while the idea behind Gordon's specification is that prices are determined by a markup (which depends on demand) over cost, McGuire adopts the rational expectations approach and models the *deviation* of actual from expected inflation as a function of events that are unknown at the time expectations are formed.

Second, while Gordon uses ordinary least squares to estimate his price equation, McGuire uses a complex systems method which exploits the fact that the expected rate of inflation must enter two other equations as well: the "Phillips curve" for wage increases and a "Fisherian equation" for the nominal interest rate.

Third, McGuire's price equation goes badly off track just before controls start. Since we look for an effect of controls by looking for overpredictions starting in 1971:4, this hardly inspires confidence in the results.

Finally, in most of his work, McGuire uses the Consumer Price Index (CPI) without making any adjustments for food and fuel prices. His rationale is that when some sort of a shock (poor harvests, cartelization) hits some commodity prices, no effect would be felt on a broad-based price index "if the government pursues a non-inflationary monetary policy." (McGuire, 1976, p. 118) But his procedure winds up comparing actual U.S. history with a hypothetical scenario in which controls were never invoked *and* an incredibly stringent stabilization policy was followed. In our view, this is a mistake, since combining the two can only obscure the effects of controls. Fortunately, McGuire also provides results using the private nonfarm deflator (without an energy adjustment), so we can see what difference the change makes.

Using the CPI to measure inflation, he finds that controls lowered the inflation rate *slightly* in 1971:4 through 1972:4, with the maximum effect on the price *level* (about 1.5 percent) coming in 1972:2. Thereafter, controls actually *raised* the inflation rate, and by 1974:2, the price level was about 3.5 percent higher than it would have been without controls. These results are surprising, but we can only speculate about how much of them are due to the extraordinary behavior of food and fuel prices. When he uses the nonfarm GNP deflator, McGuire obtains quantitatively different but qualitatively similar results.

However, as noted, McGuire's equation badly underestimates inflation in 1971:1 through 1971:3. If we add the average prediction error of these three quarters to all the forecasts, we conclude that controls lowered inflation in the nonfarm GNP deflator in every quarter from 1971:4 through 1973:3, with a cumulative effect on the price level of 2.5 percent. Thereafter, controls raised inflation so that the 1974:2 price level was only 1.2 percent below what it would have been without controls. This certainly changes the picture drastically. In fact, the 1973:3 estimate of 2.5 percent is quite consistent with Gordon's estimates, and it fails to make any adjustment for energy.

Lanzillotti, Hamilton, and Roberts' Study. Lanzillotti, Hamilton, and Roberts (1975) used three conventional wage-price models to estimate the effects of Phases I and II only.[10] All models used the private nonfarm deflation to measure inflation. When the models were estimated through 1971: 2 and used to generate post-sample predictions for 1971: 3–1972: 4, they yielded estimates of the downward deflection of the annual inflation rate averaging 3.6 percent, 1.9 percent, and 0.2 percent. Closer agreement was reached when the models were estimated through 1972: 4 and controls appraised by a dummy variable. Estimated downward deflections of the annual inflation rate became 2.0 percent, 1.6 percent, and 1.3 percent. It is interesting that the two methods give such different results in this case.

In sum, if we agree to focus on the nonfarm deflator and adjust McGuire's results for the error in the last few pre-controls quarters, the structural models offer a modicum of agreement that controls depressed the 1973: 3 price level by 2 to 3 percent, and then this effect started to dissipate.

In addition to structural models, reduced form models and ARIMA (autoregressive-integrated-moving average) time series models, pioneered by Box and Jenkins (1970), have been used to estimate the effects of controls on prices. The former method seeks to explain prices by their "ultimate" causes: monetary and fiscal policy and other exogenous variables, while the latter method relies solely on the past values of prices themselves in order to produce an equation explaining the behavior of prices. Although reduced form models are by now well known and, we think, widely discredited in the context of income determination models, Darby (1976) attempts to assess the impact of controls with post-sample predictions from a reduced form model in which *only* current and lagged values of the money stock enter the reduced form. He finds that by 1973: 3 (the last quarter of his simulation) controls had reduced the PCE deflator by 4.4 percent if M_1 is the predictor and 3.6 percent if M_2 is the predictor. The corresponding effects on the GNP deflator are 4.5 and 2.7 percent respectively. However, his estimates fail to take into account the unusual behavior of food prices, and, if they were removed from the indices, we presume that his estimated effects of controls would have been substantially stronger. Feige and Pearce (1976) used monthly data on the rate of change of the CPI to generate post-sample predictions for 16 months after August 1971 from an ARIMA model. They estimate that Phase I cut the annual inflation rate by 1½ percent, but that Phase II gave this all back. This result is quite different from those of other studies, but as McGuire (1976) notes, long-term forecasts from ARIMA models have an unimpressive record. They also suffer from the basic problem of having to attribute to controls *any* behavior that is unusual given the past history of inflation.

V. A NEW QUANTITATIVE MODEL OF CONTROLS

A. Basic ideas

In commenting on Gordons estimate of the effects of controls, Nordhaus (1975, p. 665) despaired that ". . . the methodology that Gordon and others use to test for incomes policies is inadequate. Can't economists be more creative than to use dummy variables? Why can't we *model* price controls and test the model explicitly? This section reports on an attempt to do precisely this, though the creativity involved is perhaps not very great and the model is not terribly rigorous.

In implementing the method of within-sampling predictions, two basic ideas were applied within the context of the general

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Footnotes at end of article.

structural wage-price model described by equation (1) and (2). First, that conventional wage-price model determine the rates of inflation in the controlled and uncontrolled sectors, but the parameters of the model may differ between the two sectors. When there are no controls, the uncontrolled sector is the entire economy. Second, that controls are not strictly a *qualitative* phenomenon, being either "on" or "off," but rather have a *quantitative* aspect that has heretofore been ignored. Specifically, the fraction of all prices controlled varied from month to month and can, in principle, be observed. Although the technique of dummy variables could have been used to implement the first of these ideas, it fails to provide an explicit model of the quantitative nature of the controls program.

B. The price equation

In order to capture more accurately the timing of the shifts from one phase of controls to the next, and also to give more observations during the period of controls, monthly rather than quarterly data were used. However, we must not delude ourselves into thinking that the 32 monthly observations on the controlled economy convey more information than they really do. The number of parameters that can realistically be estimated with these data is severely limited, and this is reflected in extreme multicollinearity when we try to estimate too many.

While we measure inflation by monthly changes in the all-items CPI, since this is presumably what affects wage demands, we treat the food and fuel components of the CPI as *exogenous* in the price equation. Thus the basic equation to be estimated is:

$$(3)\quad \pi_t = r_t^F \pi_t^F + r_t^E \pi_t^E + \alpha + \sum_{j=0}^{n} \beta_j w_{t-j} + \sum_{j=0}^{q} \phi_j m_{t-j} + \sum_{j=0}^{n} \gamma_j D_{t-j} + C_t + \text{error.}$$

where:

π_t=the rate of inflation of the Consumer Price Index

π_t^F=the rate of inflation of the CPI food component

π_t^E=the rate of inflation of the CPI energy component

r_t^F=the relative importance of food items in the CPI

r_t^E=the relative importance of energy components in the CPI

w_t=the rate of change of money wages

m_t=the rate of change of raw materials prices

D_t=an indicator of product-market demand pressures

C_t=a term for post-controls "catchup" inflation, to be explained below

When there are no controls, equation (3) is assumed to apply to the entire economy, and $r^*_t \pi^*_t = \pi_t - r_t^F \pi_t^F - r_t^E \pi_t^E$ is observed as data. So the actual lefthand variable in (3) is $r^*_t \pi^*_t$. This variable can be interpreted as the contribution of non-food non-energy inflation to total inflation. When there are controls, a modified version of (3) is assumed to apply to the *uncontrolled* sector:

$$(4')\quad r^*_{1t} \pi^*_{1t} = \frac{r^*_{1t}}{r^*_t} [\alpha + \Sigma \beta_j w_{t-j} + \Sigma \phi_j m_{t-j} + \Sigma \gamma_j D_{t-j} + C_t + \text{error}],$$

where r^*_{1t} and π^*_{1t} are respectively the relative importance and rate of inflation of non-food and non-energy prices in the uncontrolled sector. The scaling factor, r^*_{1t}/r^*_t, simply recognizes that the uncontrolled sector is less than the whole economy, and hence contributes proportionately less to overall inflation. Dividing both sides of (4′) by this factor gives:

$$(4)\quad r^*_t \pi^*_{1t} = \alpha + \Sigma \beta_j w_{t-j} + \Sigma \phi_j m_{t-j} + \Sigma \gamma_j D_{t-j} + C_t + \text{error.}$$

A similar equation applies to the *controlled* sector:

$$(5)\quad r^*_t \pi^*_{2t} = (\alpha + a) + \sum_{j=0}^{n} (\beta_j + b_j) w_{t-j} + \sum_{j=0}^{q} (\phi_j + f_j) m_{t-j} + \sum_{j=0}^{n} (\gamma_j + c_j) D_{t-j} + \text{error.}$$

(Here the subscript "2" connotes the controlled sector, and there is no "catchup" term). Notice the identifying assumption that (a) the existence of controls does not alter the parameters of the equation for the uncontrolled sector, and (b) w_t, m_t, and D_t are all the same in the two sectors. While these assumptions can be questioned, it is hard to see what we can do without them. A full wage-price model cannot be estimated from 32 monthly observations.

Footnotes at end of article.

Since the lefthand variables in (4) and (5) are unobserved, we need to link the two equations via the following identity:

$$(6)\quad \pi_t = \lambda_t \pi_{2t} + (1 - \lambda_t) \pi_{1t},$$

where λ_t is the relative importance of the controlled sector. (When there are no controls, $\lambda_t = 0$). Using (6), (4) and (5) can be combined into a single equation in variables that are actually observed.

$$(7)\quad r^*_t \pi^*_t = \alpha + a\lambda_t + \sum_{j=0}^{n} \beta_j w_{t-j} + \lambda_t \sum_{j=0}^{n} b_j w_{t-j} + \sum_{j=0}^{q} \phi_j m_{t-j} + \lambda_t \sum_{j=0}^{q} f_j m_{t-j} + \sum_{j=0}^{n} \gamma_j D_{t-j} + \lambda_t \sum_{j=0}^{n} c_j D_{t-j} + (1 - \lambda_t) C_t + \text{error.}$$

Recall that the interpretation of the lefthand variable in (7) is the rate of inflation of non-food non-energy prices multiplied by their relative importance in the all-items CPI. Thus the effect of λ_t on the constructed lefthand variable is also the estimated effect on the rate of change of the CPI. To get the estimated effect on π^*_t itself, we must divide by r^*_t.

C. The specification of catchup inflation

To make (7) operational, we need a specification of the catchup term, C_t, and this is not easy to do in a theoretically satisfying way. What we might expect to happen is something like the following. Industry i gets decontrolled in month t_i, and at this time has a current price which is g_i percent below its equilibrium price. Call g_i the *disequilibrium gap*. During the next R months we expect supernormal inflation rates for this industry as it "catches up." If a set of distributed lag coefficients, v_j^i (where $j = t - t_i$ = number of months elapsed since decontrol), show the time pattern by which industry i returns to its equilibrium price, the additional catchup inflation attributable to industry i would be:

$$r_i g_i v_0^i \text{ in month } t_i$$

$$r_i g_i v_1^i \text{ in month } t_{i+1}$$

$$\vdots$$

$$r_i g_i v_R^i \text{ in month } t_i + R$$

where r_i is the relative importance of industry i. Now in fact we cannot really identify which industries were decontrolled in which months, nor can be hope to estimate separate disequilibrium gaps and lag patterns by industry. It seems that the best we can do is to invoke the heroic, and no doubt false, assumptions that (a) all industries catch up with the same distributed lag pattern: $v_0, v_1, \ldots, v_R$; and (b) all industries have the same disequilibrium gap, g, on the date they are decontrolled. The latter is, in fact, a "theory" of the behavior of the regulators: that they decontrol an industry when its controlled price gets to be g percent below its equilibrium price. Under these assumptions, the catchup term can be written:

$$C_t = g \sum_{j=0}^{R} v_j \delta_{t-j},$$

where δ_{t-j} is the fraction (relative importance) of the CPI that is decontrolled in month t, and g can be identified by the restriction that the v's sum to unity.

D. Controlled relative importance, λ_t

This was constructed from information in various publications of the Cost of Living Council (COLC), with missing months filled in by interpolation and some guesswork. Table 1 shows the series, and the following paragraphs explain how it was constructed.

According to COLC's first quarterly report,[11] the first freeze exempted only raw agricultural products, taxes, and mortgage interest, and hence covered 91.2 percent of the CPI. Since it began on August 15, 1971, we entered half of this amount for August, and the full amount for September and October. The same document reports that 81.8 percent of the CPI was controlled on December 31, 1971. Since most of the 9.4 percent drop in coverage came right after the freeze ended on November 15, we guessed at the numbers for November and December as shown in the table.

A controlled relative importance of 80.2 percent on March 31, 1972 was reported in ESPQR (Jan–March 1972), so this was recorded for April 1972 and February and March were simply interpolated. The small firm exemption occurred in May 1972. While the COLC offered no estimate of the fraction of the CPI that was thereby decontrolled, we made a guess of 8 percent based on its report that 13 percent of wages were decontrolled by this action (ESPQR, July–Sept. 1972, p. 4). Then for the period May-December 1972, we simply extrapolated the decontrolled rate that had been observed for Phase II between November 1971 and April 1972.

All the remaining observations came from a COLC press release (see ESPQR, January-May 1974) which reported the following values for λ_t:

t	λ_t
Jan. 1, 1973	0.477
June 1, 1973	.426
Sept. 10, 1973	.426
Mar. 1, 1974	.280
Apr. 1, 1974	.242
Apr. 18, 1974	.122

TABLE 1.—RELATIVE IMPORTANCE OF CONTROLLED PRICES, λ_t

	1971	1972	1973	1974
January	0	0.818	0.477	0.426
February	0	.813	.477	.426
March	0	.808	.477	.280
April	0	.802	.477	.121
May	0	.722	.477	0
June	0	.698	.699	0
July	0	.673	.912	0
August	.456	.649	.669	0
September	.912	.624	.426	0
October	.912	.600	.426	0
November	.904	.576	.426	0
December	.845	.551	.426	0

The remainder of Table 1 was filled out from these numbers and from the assumptions that (a) Freeze II, which included half of June 1973, and half of August 1973, controlled the same fraction of the CPI as did Phase I; (b) nothing was decontrolled between January 1, 1973 and June 1, 1973.

From the constructed λ_t series, the δ_t series was created, with one exception, by the following definition:

$$\delta_t = \lambda_{t-1} - \lambda_t \text{ if } \lambda_t \leq \lambda_{t-1}$$

$$\delta_t = 0 \text{ if } \lambda_t > \lambda_{t-1}$$

Had there been only one freeze, this definition would have produced a series of positive (or zero) numbers which sum to .912. Because Freeze II increased λ_t temporarily from .477 to .912, this definition implies that the δ_t should sum to 1.347. In principle one would like to specify a second catchup from some new disequilibrium gap, $\bar{g}$ say, caused by the second freeze. This is, however, undoubtedly too much to ask of the limited amount of data, so that the actual δ_t equals $\lambda_{t-1} - \lambda_t$ only if $\lambda_{t-1} \leq \lambda_{t-1-i}$ for all $i = 1, 2, \ldots$. This means that the catchup from the first freeze was allowed to continue during the second freeze, and that the second freeze (which lasted only two months) created no new disequilibrium gap.

E. Estimation results

The distributed lags in equation (7) were estimated by the Almon lag technique, after some searching over alternative lag lengths for m, n, q, and R. For wages, materials prices, and demand, a third-degree polynomial with no endpoint constraints was adopted (there was no experimentation with this choice). Demand conditions were proxied by the ratio of real inventories to real sales in manufacturing and trade. Some experimentation in preliminary regressions showed that this variable performed better than the ratio of unfilled orders to capacity in durable manufacturing, the demand proxy typically used by Gordon and others.

To conserve on parameters, the lag coefficients in the catchup term were assumed to follow a quadratic constrained to zero at the far end. We expected to find a quadratic lag distribution that rose to a peak and then declined because COLC often exacted pledges from newly-decontrolled industries that they would exercise restraint in raising prices at first. However, on estimation, this quadratic turned out to be almost exactly linear, so a linear form was substituted.

Even so, the equation contained 27 parameters: 13 for the pre-controls economy, and 14 for the controlled and post-controls economy. While the former posed no unusual problem, the latter proved to be far more than the data could handle. It was necessary to drop most of the terms involving λ_t, owing to the extreme multicollinearity among all these terms. Thus the equation actually estimated was:

$$(8)\quad r^*_t\pi^*_t=\alpha+a\lambda_t+\sum_{j=0}^{34}\beta_j w_{t-j}+\sum_{j=0}^{24}\phi_j m_{t-j}+\sum_{j=0}^{41}\gamma_j D_{t-j}+(1-\lambda_t)\sum_{j=0}^{11} g v_j\delta_{t-j}+\text{error}.$$

This is obtained from (7) by imposing the constraints that the b_j, f_j, and c_j equal 0 for all j. That is, controls did not alter the pass-through of wages, materials prices, or aggregate demand into prices. Of these three restrictions, the first two accord quite well with what we know about the intent and administration of the controls program. Except during freezes, there was never any attempt to block the pass-through of wages or materials prices into product prices. On the other hand, controls were certainly intended to have an impact on the affect of aggregate demand on prices. However, even without controls, the effect of demand on prices is small and hard to measure with any precision in an aggregate price equation. To ask the data to yield two *different* distributed lag effects of demand on prices was to ask for more than the data could deliver.

When equation (8) was estimated by ordinary least squares using monthly data from January 1960 to May 1977, the results were as follows: [12]

$$(9)\quad r^*_t\pi^*_t\text{—}\ \underset{(.0043)}{.0064}-\underset{(.0005)}{.0014\lambda_t}+\underset{(.087)}{.421w}+\underset{(.031)}{.103m}-\underset{(.0029)}{.0041D}+\underset{(.015)}{.066\delta}$$

R^2—.74 D.W.—1.85 S.E.—.0010

n—197 months mean of LHV—.0023

The reported coefficients of w, m, D, and δ are sums of distributed lag coefficients. The individual coefficients are listed in Appendix II. As the contemporaneous feedback of prices on wages within a single month is quite trivial, and since there was no strong evidence of autocorrelation, it did not seem necessary to use more sophisticated econometric techniques. The fit of the equation is remarkably good since the lefthand variable is the *monthly* inflation rate—an extremely noisy series. The fit compares favorably with that of a similar price equation in Gordon (1977). In an equation using the much smoother *quarterly* rates of change of the non-food non-energy deflator for business product as the dependent variable, estimated over the period 1954:2—1976:4, he obtained a standard error of .0026, when expressed in comparable units. By comparison, our standard error, when converted to a quarterly rate, is .0030.

The coefficient of λ_t implies that a full controls program ($\lambda_t=1$) something we never had—would reduce the *monthly* inflation rate by about .14 percentage points. This translates to about 1.7 percent at *annual* rates. Continued over 2½ years, such a program would reduce the price level by 4.3 percent. However, some catchup inflation starts as soon as the first industry is released from controls. In the Nixon controls program, this began in November 1971 with the end of Phase I. On the other hand, reduced inflation leads to smaller wage increases, which in turn reduces inflation still further. For both of these reasons, the full effects of controls are complex, and we can estimate them only by simulating a wage-price model. Results of such a simulation are reported in the next section.

The coefficients of the catchup term can be given an interesting interpretation. Under the assumption that the v_j's sum to unity, the estimate is that the disequilibrium gap when the typical industry was decontrolled (g) was 6.6 percent, and that the typical industry took 12 months to rectify this disequilibrium. The v's decline linearly from .15 in the first month.

The distributed lag coefficients for wages and materials prices together sum to .524. Under the usual interpretation of the accelerationist hypothesis, this sum should be equal to r^*, the relative importance of non-food non-energy prices, which averages around .67. Thus the estimated equation is not quite accelerationist.

The estimated effects of aggregate demand on prices are interesting. While the sum is rather small, and not significantly different from zero, individual coefficients are sometimes large and very significant. According to the estimates, higher demand (as proxied by lower inventory to sales ratio) actually *slows down* inflation for about the first 10 months. After this, higher demand does raise inflation, and its effects become quite large at very long lags. The finding that demand has a "perverse" effect on prices in the very short run is a common one, and is usually attributed to higher sales and production which enable the firm to utilize its fixed and quasi-fixed resources more efficiently, thus holding down unit costs by increasing productivity.

F. Simulation results

To appraise the effects of controls on the price level, it is necessary to append a wage equation. Taking a cue from the many other investigators that failed to turn up any effects of the controls program on wages *given prices*, we initially did not look for any such effect, and estimated instead the following conventional "Phillips Curve":

$$(10)\quad w_t=\underset{(.0049)}{.0057}+\underset{(.209)}{1.039\,\pi}-\underset{(.0015)}{.00126\log u},$$

where u is the unemployment rate. The coefficients of inflation and unemployment are sums of coefficients of distributed lags of lengths 44 and 4 months, respectively. Individual coefficients are given in Appendix II. Unlike the price equation, the results turned out to be accelerationist, with a sum of the inflation coefficients equal to 1.04, and to show remarkably little sensitivity of wage inflation to unemployment.

To close the model, it was necessary to add the following identity relating π^*_t to π_t:

$$(11)\quad \pi_t=r^*_t\pi^*_t+r_t^F\pi_t^F+r_t^E\pi_t^E.$$

As noted earlier, π_t^F and π_t^E were taken to be exogenous.

Table 2 shows the results obtained with this three-equation system in a 69 month dynamic simulation of the effects of controls. Actual wage and price data were used up to July 1971, and predicted values were used thereafter. (For all other variables, actual values were used throughout.) The entries in the table are the implied effects of the controls program on the *level* of the all-items Consumer Price Index. It should be noted that the dynamic simulation with controls "on" resulted in a 7.9 percent underprediction of the *level* of the CPI by May 1977, the last month of the simulation. Although this might seem to be a large error, it is not unreasonable given the long (69 month) period over which the model was simulated.

TABLE 2.—EFFECTS OF CONTROLS ON THE CONSUMER PRICE INDEX, 1971–77

[Percentage effect on the price level]

	1971	1972	1973	1974	1975	1976	1977
January		−0.66	−1.17	−1.62	+0.84	+0.92	+1.00
February		−.76	−1.15	−1.66	+.90	+.92	+1.01
March		−.87	−1.14	−1.59	+.93	+.93	+1.02
April		−.96	−1.14	−1.34	+.93	+.93	+1.03
May		−1.02	−1.16	−.95	+.93	+.94	+1.04
June		−1.07	−1.23	−.60	+.92	+.95	--------
July		−1.12	−1.36	−.28	+.92	+.95	--------
August	−0.10	−1.16	−1.44	+.001	+.91	+.96	--------
September	−.16	−1.18	−1.46	+.24	+.91	+.97	--------
October	−.31	−1.20	−1.49	+.44	+.91	+.98	--------
November	−.38	−1.21	−1.53	+.61	+.91	+.99	--------
December	−.46	−1.22	−1.57	+.75	+.91	+1.00	--------

Note: Timing of phases was as follows: Phase I: August to November 1971; Phase II: November 1971 to December 1972; Phase III: January 1973 to June 1973; Freeze II: June 1973 to August 1973; Phase IV: August 1973 to April 1974.

It is interesting to see how these estimates track the changing face of controls. Phase I and the early months of Phase II apparently reduced the annual rate of inflation by about 1.3 percentage points. In total, the price level path was deflected downward by about 1 percent between July 1971 and April 1972. During the balance of 1972, the effect of controls on the inflation rate, while still negative, was quite small (about —0.4% at an annual rate). By the time Phase II ended, the price level was about 1¼ percent lower than it would have been without controls.

Under the ill-fated Phase III (January-June 1973), the anti-inflationary impact of controls in the controlled section was almost exactly cancelled out by the extra catchup inflation in the uncontrolled sector; on balance, controls had virtually no effect on the price level during this period. This was followed by Freeze II from mid-June to mid-August 1973. The estimates show a clear effect of this freeze and its aftermath. From May 1973 until February 1974, when the effects of controls reached their peak (1⅔ percent), the controls program pushed the price level down another 0.5 percent.

At this point, according to the estimates, the catchup began overwhelming the direct effect of controls—a process that accelerated greatly when controls ended at the end of April 1974. By August 1974, the price level had returned to what it would have been in the absence of controls. But then prices continued to rise, leaving the price level ultimately about 1 percent higher on account of controls. As a result, during the year from February 1974 to February 1975, the controls program added 2.6 percentage points to the inflation rate. After this date, it had almost no effect on inflation.

VI. AN ALTERNATIVE MODEL

A. The wage equation

Inspection of the residuals from equation (10) above revealed a series of three negative residuals, reflecting smaller than expected wage increases, coinciding with Phase I, followed by a large positive residual in the first full month after the freeze was lifted. There were also large positive residuals associated with the end of controls in April 1974. Despite the disinclination to get one's hypotheses from the data, this seems to suggest quite strongly that the controls program had some very strong but very transitory effects on wages (given prices)—effects that might be missed by a quarterly model.

Given data on the fraction of wages controlled, it is possible to apply to the wage equation the techniques used in the price equation above. Thus, if the subscripts 1 and 2 denote the uncontrolled and controlled sectors as before, we have that:

$$(12)\quad w_{1t}=A+\sum_{i=0}^{m}\beta_i\pi_{t-1}+\sum_{i=0}^{n}C_i\log u_{t-1}+C_t^w+\text{error}.$$

$$(13)\quad w_{2t}=(A+a)+\sum_{i=0}^{m}(\beta_i+b_i)\pi_{t-i}+\sum_{i=0}^{n}(C_i+c_i)\log u_{t-1}+\text{error}.$$

Here a, b_i, and c_i measure the direct effects of controls on wages in the controlled sector, and C_t^w is the catchup wage inflation in the uncontrolled sector. If μ_t gives the relative importance of wages controlled, total wage inflation is given by:

$$(14)\quad w_t=(1-\mu_t)w_{1t}+\mu_t w_{2t}.$$

Give the experience with multicollinearity in the price equation, no attempt was made to estimate the interaction terms b_i and c_i in this equation.
Thus, the equation estimated was:

$$(15)\quad w_t=A+a\mu_t+\sum_{i=0}^{m}\beta_i\pi_{t-i}+\sum_{i=0}^{n}C_i\log u_{t-i}+(1-\mu_t)C_t^w+\text{error}.$$

Footnotes at end of article.

B. Relative importance of controlled wages, μ_t

This was constructed from information contained in various publications of COLC and in an article by Associate Director of COLC, Don R. Conlan, in *Challenge* in July-August, 1974. Published estimates of the fraction of wages controlled were not always internally consistent, so the construction of this series necessarily involved a greater degree of guesswork than did that of λ_t Table 3 shows the series and the following paragraphs explain how it was constructed.

Freeze I, which lasted from August 15, 1971 to November 13, 1971 covered virtually all wages, so a value of 1.0 was indicated for these months. The data on employment and earnings are, however, collected for the week including the 12th of the month, so the value of μ for August is 0 and the value for November is 1.0.

Phase II exempted from controls those workers with wages under the Federal minimum (then $1.90), those suffering "gross inequities," and those whose annual percent change in wages for the past three years had been under 3 percent. On July 25, 1972, the exemption level was raised to $2.75 per hour. COLS reported that the increase from $1.90 to $2.75 released 10 million workers in the private nonfarm sector, or 17 percent based on the *Employment and Training Report of the President, 1976,* and brought the total fraction of wages exempted up to 43 percent. Thus, 26 percent must have been released at the beginning of Phase II.

The small firm exemption in May 1972 released 12 percent of workers, bringing the total up to 56 percent. Thus, however, exceeds the 54 percent exempt as of January 1973, as reported by Conlan in *Challenge*. In order to reconcile the two estimates, the fraction released in November 1971 was set, rather arbitrarily, at 24 percent.

TABLE 3—CONTROLLED RELATIVE IMPORTANCE OF WAGES, μ_t

	1971	1972	1973	1974
January	0	0.76	.46	0.441
February	0	.76	.46	.441
March	0	.76	.46	.374
April	0	.76	.46	.268
May	0	.63	.46	0
June	0	.63	.441	0
July	0	.63	.441	0
August	0	.46	.441	0
September	1.0	.46	.441	0
October	1.0	.46	.441	0
November	1.0	.46	.441	0
December	.76	.46	.441	0

The remaining values of μ were based in Conlan's figures published in *Challenge*. The fractions of wages decontrolled in a given month, d_t, was created from the same definition as δ_t. There was no second freeze on wages, however.

C. Estimation and simulation

Equation (15) was estimated by ordinary least squares. The lags on prices and unemployment were again unconstrained cubics, and the lag on the catchup, 6 months, was chosen to minimize the sum of squared residuals. The results were as follows:

$$(16)\quad w_t = \underset{(.0047)}{.0035} - \underset{(.0014)}{.0013}\,\mu + .889\pi - .0021 \log u + \underset{(.0255)}{.1127}\,d$$

$$R^2 = .669 \qquad D.W. = 2.43 \qquad S.E. = .0037$$

Although the Durbin-Watson statistic indicates negative serial correlation of the residuals, correcting for this did not change any parameter values significantly, and the estimated ρ was quite small.

The estimates of the coefficients of μ and d are certainly surprising. Although the coefficient of μ might be plausible, given the large standard error, that of d is much too large. This is shown quite clearly in Table 4, which gives the percentage effect of controls on the price level when equation (16) is simulated along with the price equation above. Although the values in Table 4 follow those of Table 2 quite closely until June 1972, they tell a different story thereafter. The strong catchup in wages following Phase I causes the effect of controls on the price level to peak in July–September 1972 and to decline until May 1973. Despite the behavior of wages, the second freeze has an observable, though small, impact on the price level.

TABLE 4.—EFFECTS OF CONTROLS ON THE CONSUMER PRICE INDEX 1971–77: ALTERNATIVE MODEL

	1971	1972	1973	1974	1975	1976	1977
January		−0.66	−0.86	−0.77	2.75	3.67	4.50
February		−.76	−.78	−.77	2.93	3.70	4.62
March		−.85	−.72	−.65	3.06	3.75	4.74
April		−.93	−.68	.35	3.17	3.80	4.83
May		−.97	−.65	+.11	3.25	3.86	4.91
June		−1.01	−.68	.53	3.34	3.91	--------
July		−1.03	−.77	.94	3.40	3.97	--------
August	−0.07	−1.03	−.81	1.31	3.47	4.04	--------
September	−.20	−1.03	−.78	1.67	3.51	4.12	--------
October	−.33	−1.01	−.77	2.00	3.56	4.19	--------
November	−.46	.98	−.75	2.30	3.60	4.79	--------
December	−.57	.94	−.76	2.54	3.63	4.39	--------

Following Freeze II, controls had no effect on the price level until they were ended in April 1974. At that time the catchup in wages quickly pushed the price level higher than it would have been without controls. The estimated impact of controls continues into 1977, as controls add about 1 percent per year to the rate of inflation from January 1975 to May 1977.

Despite the implausible impact of controls on the price level implied in the simulation by μ and d in the wage equation, they do improve the fit of that equation significantly. The F-test for the coefficients of μ and d both being equal to zero produces an $F(3,175) = 6.96$, compared to a critical value of 3.90 at the 1 percent level. Perhaps the most reasonable interpretation of these results is that the timing of changes in the controls program and in wage inflation is consistent with controls having a direct effect on wages, but that there simply is not enough data to allow this effect to be estimated accurately. In any case, we believe our estimates in Table 2 to be our best estimates.

VII. CONCLUSION

The results from simulating this model of the impact of wage-price controls on the rate of inflation and on the price level allow us to answer the two questions posed at the beginning of this paper. First, we conclude, with a wide and unknown standard error, that the controls program did reduce the rate of inflation while it was in effect, though our estimate of the maximum effect of controls on the price level, about 1⅔ percent, is less than the 2 to 3 percent reported in previous studies. Second, our results agree quite well with the stylized representation of Figure 1, except that the catchup inflation caused by the ending of controls carried the price level permanently 1 percent above what it would have been without controls. We can only speculate on the reasons for the overshooting, though the conventional wisdom that controls reduced investment must be a prime candidate.

It is interesting to relate the catchup inflation following the end controls to the inflationary bulge of 1974. Table 5 gives a breakdown of the bulge into pre-peak, peak, and post-peak segments, each eight months long, where the peak period is defined as February-October 1974. It will be noted immediately that the maximum effect of controls happens to fall in February 1974—precisely the month that begins the period of double-digit inflation. The estimated effects of controls in Table 2 imply that controls *reduced* the 8-month inflation rate by 0.43 percent in the pre-peak period, and *raised* it by 2.1 percent in the peak period—a difference of 2.53 percent. But the estimated effects of controls apply to the entire CPI, whereas the table pertains only to the non-food non-energy components (roughly ⅔ of the total). When we make the translation, the conclusion is that the controls program contributed 3.78 (=2.53/67) percentage points to the acceleration in non-food, non-energy inflation between the pre-peak and peak period. This is 86 percent of the total acceleration. In a word, this post controls catchup seems able to explain virtually all of the temporary jump of the non-food, non-energy CPI into the double-digit range.

TABLE 5.—ACCELERATION AND DECELERATION OF INFLATION, 1973–75, BASED ON NON-FOOD NON-FUEL CPI

[In percent]

	Period before peak (June 1973–February 1974)	Peak period (February–October 1974)	Period after peak (October 1974–June 1975)
8-month rate[1]	3.90	8.31	5.16
Seasonally adjusted annual rate	5.90	12.72	7.84
Acceleration or deceleration from previous period[2]		+4.41	−3.15

[1] Based on seasonally adjusted data.
[2] Based on 8-month inflation rates.

Source: Alan S. Blinder, "Government Policy and the Great Stagflation" (Academic Press: forthcoming).

APPENDIX I: DATA CONSTRUCTION

Prices. The rates of change of the CPI (π_t) and its non-food non-energy components (π^*_t) were computed from official BLS data on the *seasonally unajusted levels* of these series. Seasonal adjustment was accomplished by adding 11 monthly dummies to the estimated equations. Relative importances of the non-food non-energy component of the CPI (r_t) were calculated month by month from the fixed weights by the definition that the BLS uses:

$$r^*_t = w^* \frac{P^*_{t-1}}{P_{t-1}}$$

where w^* is the weight for the non-food, non-energy component, P^* is the price index for this component, and P is the all-items CPI. The r^*_t series varied in the .64-.69 range.

Materials Prices. Materials prices were measured by the Wholesale Price Index for crude materials for further processing. It should be noted that this index includes prices of energy and agricultural products, and so the equations captures—at least in principle—the indirect inflationary effects of the cost increases on non-food and non-energy consumer prices.

Wages. The rate of change of money wages was measured using the BLS's series on average hourly earnings of production or non-supervisory workers on manufacturing payrolls, seasonally unadjusted and corrected for overtime and interindustry shifts. Monthly changes were used with no attempt to "smooth" the date.

Demand. The demand variable was the ratio of real inventories to real sales in manufacturing and trade, from the *Survey of Current Business*.

Unemployment. The unemployment rate was measured by the BLS's unemployment rate for all civilian workers.

Footnotes at end of article.

APPENDIX II: DISTRIBUTED LAG COEFFICIENTS

TABLE A-1.—EQUATION (9)

Lag	Wages	Materials prices	Demand	Catchup
0	0.00635	0.00377	0.00194	0.01010
1	.00734	.00424	.00166	.00926
2	.00815	.00471	.00140	.00842
3	.00880	.00519	.00116	.00758
4	.00930	.00565	.00095	.00673
5	.00968	.00608	.00076	.00589
6	.00993	.00647	.00059	.00505
7	.01008	.00682	.00044	.00421
8	.01014	.00710	.00030	.00337
9	.01013	.00730	.00018	.00252
10	.01006	.00742	.00008	.00168
11	.00994	.00744	−.00001	.00084
12	.00980	.00735	−.00008	
13	.00964	.00713	−.00014	
14	.00947	.00678	−.00019	
15	.00933	.00628	−.00023	
16	.00920	.00563	−.00026	
17	.00913	.00479	−.00029	
18	.00910	.00378	−.00030	
19	.00915	.00257	−.00032	
20	.00929	.00115	−.00032	
21	.00953	−.00492	−.00032	
22	.00988	−.00237	−.00032	
23	.01036	−.00448	−.00032	
24	.01099	−.00686		
25	.01178		−.00032	
26	.01274		−.00032	
27	.01389		−.00032	
28	.01524		−.00033	
29	.01680		−.00034	
30	.01860		−.00036	
31	.02065		−.00039	
32	.02296		−.00042	
33	.02554		−.00047	
34	.02841		−.00052	
35			−.00059	
36			−.00067	
37			−.00076	
38			−.00087	
39			−.00099	
40			−.00113	
41			−.00129	

TABLE A-2—EQUATION (10)

Lag	Prices	Unemployment
0	0.00134	−0.0159
1	.01221	.0166
2	.02143	−.0074
3	.02909	.0054
4	.03527	
5	.04007	
6	.04358	
7	.04591	
8	.04713	
9	.04734	
10	.04665	
11	.04513	
12	.04289	
13	.04001	
14	.03660	
15	.03273	
16	.02852	
17	.02404	
18	.01940	
19	.01469	
20	.00999	
21	.00541	
22	.00104	
23	−.00304	
24	−.00672	
25	−.00992	
26	−.01253	
27	−.01448	
28	−.01565	
29	−.01597	
30	−.01533	
31	−.01365	
32	−.01082	
33	−.00677	
34	−.00139	
35	.00541	
36	.01373	
37	.02365	
38	.03527	
39	.04868	
40	.06398	
41	.08126	
42	.1006	
43	.1221	

TABLE A-3.—EQUATION (16)

Lag	Prices	Unemployment	Catchup
0	−0.04333	−0.01524	0.02584
1	−.02991	.01799	.02302
2	−.01802	−.00650	.02020
3	−.00757	.00164	.01738
4	.00151		.01465
5	.00928		.01174
6	.01584		
7	.02125		
8	.02559		
9	.02894		
10	.03137		
11	.03296		
12	.03378		
13	.03391		
14	.03343		
15	.03241		
16	.03092		
17	.02905		
18	.02686		
19	.02444		
20	.02186		
21	.01919		
22	.01652		
23	.01391		
24	.01144		
25	.00920		
26	.00725		
27	.00566		
28	.00453		
29	.00391		
30	.00390		
31	.00455		
32	.00596		
33	.00819		
34	.01132		
35	.01543		
36	.02059		
37	.02687		
38	.03436		
39	.04313		
40	.05326		
41	.06481		
42	.07788		
43	.09252		

APPENDIX III: SIMULATION RESULTS ON WAGES

TABLE A-4.—BASIC MODEL

	1971	1972	1973	1974	1975	1976	1977
January		−0.036	−0.506	−0.863	−0.626	0.079	−0.082
February		−.056	−.580	−.871	−.566	.124	−.148
March		−.082	−.623	−.882	−.515	.160	−.194
April		−.112	−.662	−.893	−.464	.188	−.221
May		−.148	−.696	−.900	−.409	.205	−.234
June		−.189	−.726	−.899	−.347	.212	
July		−.233	−.750	−.886	−.281	.208	
August	0	−.279	−.769	−.857	−.215	.914	
September	0	−.331	−.796	−.833	−.154	.165	
October	−0.004	−.380	−.811	−.786	−.091	.117	
November	−.010	−.432	−.830	−.737	−.032	.059	
December	−.020	−.486	−.851	−.687	.026	−.009	

FOOTNOTES

[1] If controls cause shortages which are partially alleviated by disguised price hikes (e.g., quality deterioration, ending previously-offered discounts, queueing, etc.), official price indices may understate the inflation in the "shadow prices" (see Oi (1976)) or in a more accurate index of actual transactions prices (see Darby (1976)).

[2] See, for example, Schultze (1975) or Gordon (1973). Other authors have reached the same conclusion.

[3] Raw materials prices also enter marginal costs, and were never controlled (nor could they have been). However, at least in principle, cost increases for these reasons could have been entirely passed through to prices (except during freezes), and thus should not have led to any catchup behavior, except possibly to restore historic margins.

[4] The series cited was created from Livingston's data by Carlson (1977).

[5] The discussion in this section relies greatly on Kosters (1975).

[6] See Shultz and Dam (1978), pp. 68–69.

[7] See Kosters (1975), p. 23.

[8] See Kosters (1975), p. 25.

[9] The ratio of unfilled orders to capacity in durable goods manufacturing. This variable and most others are entered as distributed lags.

[10] The models are those of Gordon (1971, 1972), Eckstein and Brunner (1972), and Siebert and Zaidi (1971).

[11] U.S. Cost of Living Council, *Economic Stabilization Program Quarterly Report, Covering the Period August 15 through December 31, 1371.* Henceforth these documents are referred to as "ESPQR" with the appropriate dates.

[12] The data were not seasonally adjusted. Eleven monthly dummies were included in the regression, but not shown in equation (9).

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Short-sighted Economics

One of the wittiest things ever said by John Maynard Keynes, the great British economist, was this: "In the long run, we are all dead."

Keynes's frequently quoted quip has come to justify economic activism. But Keynes no doubt would appreciate the irony that his Depression-era advice—given when economists preferred to do nothing—now impedes the solution of many economic problems.

For the past 15 years, the economy has been managed as if only the short run mattered. Economists have become the priests of immediate gratification, while immediate gratification has become increasingly unrealistic. Their preoccupation with today has unleashed changes, including stubborn inflation, that they only dimly understand.

The truth is that economic behavior—like personal behavior—changes only slowly, and basic patterns can't always be easily predicted or altered. The current economic recovery, for example, has been characterized by more consumer spending, less business investment and less productivity than the government either wanted or expected.

Similarly, most of our serious problems don't have quick, short-term solutions. Otherwise, they wouldn't be serious. This is especially true of the economy's inflationary bias and of the stresses caused by energy supplies and environmental improvements. Until government officials shift their focus away from short-term economic management, they—and we—will continue to ask the wrong questions and receive the wrong answers.

That's precisely what the Carter Administration has been doing for the past 2½ years. Carter came into office mouthing every known economic platitude. His list of 1981 goals was awesome: reduce unemployment below 5 percent, cut inflation to less than 4 percent, balance the budget and prevent an increase in personal taxes. By that standard, he will probably fail on every count.

But overpromising is the universal sin of politicians. Carter's more fundamental failing is that the platitudes apparently represented real policy and the extent of the Administration's economic sophistication. The resulting policy can, most charitably, be characterized as drift.

Despite occasional pep pills (tax cuts) and pain killers (anti-inflation programs), it's doubtful that either economic policies or the course of the economy would have differed very much if the country had lacked a President or the President, economists. In practice, Congress shaped the tax cuts, and the basic propellant of economic growth—a consumer boom fueled by inflationary expectations and the maturing of "baby boom" children—existed independently.

The Administration's chief impact instead has been stylistic. It has perpetuated the idea that the government's fundamental economic duty consists of piloting the country along a path of "high growth." Its economic pronouncements and policies have emphasized short-term goals and consequences.

But this orientation is self-defeating, because it strengthens popular—and unrealistic—expectations that the government can concoct a cure for every ill. In turn, such expectations augment pressures to devise such cures (which usually don't work and, often, make some other problem even worse) while distracting attention from more severe economic afflictions.

It is Monday-morning quarterbacking, of course, to suggest what might have been, but because the needs remain as pressing as ever, the exercise is not irrelevant. A sound economic program would:

Index the tax system. Because inflation kicks people into higher tax brackets and imposes extra invisible taxes on profits, the government periodically goes through the charade of a "tax cut." Indexing would simply adjust tax rates automatically for inflation. By holding down government revenues, it would tend to check spending. By minimizing press attention to "tax cut" debates, it would dispel the popular impression that government regulates the economy through tax cuts.

Raise energy prices to world levels. Contrary to popular opinion, higher prices do cause people and institutions to adjust by using less energy or shifting to other sources (such as solar). But adjustment is gradual. Growth in residential energy use, for example, declined from 4.6 per cent annually in the 1960s to 2.6 per cent in the 1970s. By only partially deregulating natural gas prices and delaying decontrol of oil prices, the Administration has prolonged this adjustment unnecessarily.

Gradually reduce money supply growth. Esoteric arguments take place among economists over the role of money, but no one believes that the money supply can be increased twice as fast as output without encouraging inflation. The government's usual willingness to accommodate wage and price increases by supplying more money simply stimulates inflation.

Restore competitive checks on wage and price increases. Economists such as John Kenneth Galbraith have declared that market forces are dead, but, in fact, government could revitalize them substantially by refusing to provide protection to special interests. Import relief contributes to higher prices (steel, sugar, shoes and clothes, for example), as does government regulation (trucking freight rates) and farm price supports (dairy products).

It would be naive and dishonest to suggest that this sort of standoffish policy would be painless or perfect. Economic change—like personal change—is often difficult, which is why it's avoided. Business and labor are so accustomed to passing along higher costs in higher wages and prices that strict adherence to lower money growth targets almost certainly would entail, temporarily at least, slower economic growth.

That Carter avoided this approach is understandable—all the short-term political pressures push the other way—but he may not be saved from the consequences of his short-sightedness. It might have been useful to remember something else Keynes said: "Practical men, who believe themselves to be quite exempt from any intellectual influences, are usually the slaves of some defunct economist."●

THE VISIT OF POPE JOHN PAUL II TO POLAND

● Mr. PELL. Mr. President, Pope John Paul II's tour through Poland was truly a miraculous voyage. He touched and excited the chords of his compatriots in a way that no man had done in living memory.

At the same time, he did not incite the Polish populace to revolt and revolution, which would have only led to bloody repression. In this regard, I well remember being in Warsaw in the late 1950's when the local population was so aroused at the Communist government, that the militia was on the defensive and huddled behind and in doorsteps using a barrage of teargas as protection.

During his mission of peace to Poland, Pope John Paul II emphasized human rights and the dignity of human beings and he stressed that human beings should not be regarded as machines of human productivity. These words needed to be said and have reverberated throughout the territory of all of Poland's neighbors behind the Iron Curtain.

This historic visit of a Pope to a Communist country has uniquely served to underline the problems of all people living under such regimes. Poland, it must be noted, is regarded as relatively progressive when compared to other authoritarian regimes, as the Poles have had the experience of having the Roman Catholic Church function openly. Still, problems concerning press censorship, restrictions on external travel and impediments to new church construction are still very much in evidence in that country. There is no doubt that much of the progress registered in Poland in the field of human rights results directly from the Pope's personal efforts when he was bishop of Krakow.

As Cochairman of the Commission on Security and Cooperation in Europe, I have consistently called for increasing emphasis on efforts to insure that freedom of religion be made accessible to all citizens of the signatory countries to the Helsinki Final Act of 1975. In the context of the Final Act, which was signed by 33 European nations and the United States and Canada, it is imperative that we carefully monitor the progress—or lack thereof—in the implementation of all elements of that agreement. With the conclusion of Pope John Paul's visit to Poland, it is a propitious time to call for a redoubling of our efforts in the human rights area. That visit has illustrated that much needs to be done.

In October of 1977, on the eve of the Belgrade CSCE Review Conference, I stated on the Senate floor that the loosening up of impediments to religious practice posed little threat to the Communist system and that the fostering of religious freedom was a particularly appropriate and worthwhile area where the United States could concentrate its efforts. For I believe that the right to worship God freely and without fear of retribution is the most fundamental of human rights after the preservation of life itself.

In this connection, I was appalled to learn that Czechoslovakia, Poland's neighbor to the south, refused to allow some 6,000 Czechs and Slovaks to cross the border into Poland to see and worship with the Pope. In addition, on May 29, 1979, the Czechoslovak authorities arrested 10 leading members of the Charter '77 Movement—a human rights group including many religious activists. They were charged with subversion against the state for their activities. At least one member of the group was beaten and is hospitalized. I personally am aghast that these repressive actions got little notice in the press, and it seems quite clear that the actions by the Czechoslovak authorities were timed to take place when the world's attention was riveted on the Pope's visit to Poland.

Thus, in the aftermath of the Pope's visit, we must not lose sight of the fact that most Communist regimes persist in denying human rights and the free practice of religion to their citizens. My State of Rhode Island is known as the cradle of religious freedom in American. As a representative of Rhode Island in the Senate, I feel a particular responsibility therefore, to call on Americans everywhere to join in support of efforts to insure that people, no matter in what type of political system they live, have the freedom to pursue their religious beliefs in dignity and without interference.

I also believe that this is a time for the administration to formulate new initiatives in the area of human rights and to pursue more actively with the signatories of the Helsinki Final Act the full implementation of all aspects of that accord—with particular emphasis on religious freedom. I also hope that Pope John Paul II, will be able to follow up his visit to Poland with similar visits to other Eastern European countries.●

RETIREMENT OF ROBERT R. LOCKLIN

● Mr. GARN. Mr. President, I wish to take a moment to recognize the long and dedicated service in the Senate of Rob Locklin, who retired from the staff of the Committee on Banking, Housing, and Urban Affairs on June 1.

I understand Rob joined the committee staff as an aide to former Senator Sparkman of Alabama, having previously served him for a number of years as his administrative assistant and prior to that as counsel to the then Select Committee on Small Business. I met Rob shortly after I came to the Senate in 1975 at the beginning of the 94th Congress while I was the ranking member on the Small Business Subcommittee of the Committee on Banking, Housing, and Urban Affairs which was chaired by Senator MORGAN. Due to his past experience, Rob was very helpful to me, being new in the Senate, in the work of the subcommittee. Then in the 95th Congress we were again fortunate to have Rob staff our Rural Housing Subcommittee on which I was the ranking member and Senator MORGAN chaired. Again, Rob ably contributed to the work of that subcommittee. I would like to express my sincere appreciation for his assistance and join with his many friends in the Senate to wish him God speed in the years ahead.●

SALT II

● Mr. HART. Mr. President, the Strategic Arms Limitations Treaty, soon to be addressed by the Senate, demands careful consideration. On June 12, 1979, George M. Seignious II, Director of the U.S. Arms Control and Disarmament Agency, delivered a most thoughtful and lucid speech addressing these important issues. He cautioned that to be ratified, the treaty must stand on its own merits. It must enhance, in real and specific ways, the national security of the United States. It must place limits on the forces of our adversary; it must preserve our option to deploy the forces we need to maintain the strategic balance; and it must be adequately verifiable. I anticipate the treaty will fulfill these requirements.

Mr. Seignious discusses in detail the significant constraints the treaty imposes upon the Soviets, and points out that the treaty does not limit any planned U.S. strategic programs. He addresses the problems of Minuteman vulnerability and explains the motivations behind development of the M–X missile. Most importantly, he examines the problem of treaty verification, pointing out that the treaty actually enhances our knowledge of Soviet strategic forces.

Mr. President, each of us would benefit from the words of Mr. Seignious, a man intimately familiar with the treaty. I ask that this speech be printed in the RECORD.

The speech follows:

SALT II AND OUR NATION'S SECURITY

Good afternoon, Ladies and Gentlemen: Thirty-seven years ago, in the midst of a world war, I became a United States army officer. Over three decades in the service of my country have taught me that we first must see to the security of our nation, that preparedness and vigilance must be our guides—if we are to remain free.

I could not, and I will not, advocate to the President, to the Senate—or to you—any form of unilateral disarmament.

I could not, and I will not, advocate an agreement based on trust The very survival of our nation is at stake—and trust is not a basis for survival.

And I won't be a party to any action that makes the United States second best. In strategic arms we must be ahead of or at least equal to the Soviet Union, never number two.

To command my support, an arms control agreement must stand on its own merits. It must enhance, in real and specific ways, the national security of the United States. It must place limits on the forces of our adversary; it must preserve our option to deploy the forces we need to maintain the strategic balance; and it must be adequately verifiable.

The new SALT II agreement passes those tests.

The most difficult task that faces a strategist is to find some way to limit the forces of your opponent. No matter how many weapons of your own you build, you cannot stop your opponent from building right along with you. And with nuclear weapons—against which there is no real defense—the result of such a race is not more security for one, but greater insecurity for all.

SALT is the only way I know to force the Soviets to dismantle ICBM missile launchers and nuclear submarines. SALT is the only way I know to limit the number of Soviet nuclear warheads targeted at our nation.

I challenge any opponent of this treaty—military or civilian—from the left or the right—to show me another way.

So one of the primary military objectives in SALT is to limit the strategic forces of the Soviet Union. SALT II does just that in ways that are important to our security:

One, SALT II will place a ceiling of 2,250 on the number of Soviet missile launchers and heavy bombers. We estimate that the Soviets, without this ceiling, could have 3,000 in 1985—just by continuing the momentum of their current programs. And there is reason to believe that they would continue.

Two, SALT II will force the Soviets to reduce their current total of central strategic systems by about 250—systems such as nuclear-powered submarines with missiles built in the early 1970's and aircraft carrying their largest multi-megaton bombs. No existing operatational U.S. forces will have to be reduced.

Three, SALT II will limit to 1,200 the number of launchers of MIRVed strategic ballistic missiles the Soviets are allowed to deploy. We estimate that they could have as many as 500 more than this in 1985 without this limit.

Four, SALT II will limit to 820 the number of Soviet launchers of MIRVed intercontinental ballistic missiles. We estimate that without this limit they could have more than 1100 by 1985, and these are their most threatening weapons.

Five, SALT II will ban any increase in the number of warheads the Soviets can place on existing ICBMs, and it will limit to 10 the number they can place on the one permitted new type of ICBM. It's no coincidence that this is the same number we plan for our new MX missile. This warhead limit is one of the major features of SALT—it restricts significantly the use the Soviets can make of their larger ICBM throw-weight. I should note that it neutralizes one of the major advantages of a giant missile if this missile is only allowed the same number of warheads as a smaller one. For example, the Soviet SS–18 heavy ICBM could pack 30 warheads rather than the 10 SALT will permit. With over 300 SS–18's by the 1980's, that means 6,000 fewer warheads on just one type of Soviet missile.

Six, SALT II will ban the production, testing, and deployment of the Soviet SS–16 ICBM—the only mobile ICBM yet tested by either nation. This ban will even extend to production of missile components unique to the SS–16.

You can see what these limits mean for us—many hundreds fewer Soviet missiles and many thousands fewer Soviet hydrogen warheads aimed at us. Is there one opponent of SALT who will stand up and say he is against that?

There are other ways by which SALT will limit the forces of the Soviet Union:

The Soviets will be banned from flight-testing and deploying new types of ICBMs, with an exception for only one new type of light ICBM.

Constraints written into this provision will limit Soviet ICBM improvements in such characteristics as throw-weight, launch-weight, length, diameter, and fuel type.

The agreement will ban ICBM rapid-reload systems and storage of excess ICBMs near launch sites. This will prevent the Soviets from gaining any meaningful strategic advantage from extra missiles.

You may have noticed that I keep repeating a word—ICBM. We have focused SALT on ICBMs—much as the Soviets would have preferred a different emphasis, because land-based intercontinental ballistic missiles are the backbone of their strategic nuclear forces. Fully 70 percent of Soviet strategic power is carried aboard their ICBMs. We, by contrast, divide our strategic forces into three relatively equal and capable components.

This brings me to the second vitally important criterion for SALT. We must be able to maintain the strategic balance under SALT.

The first priority of our strategic nuclear forces is to ensure that no nation will ever be tempted to use nuclear weapons against us or our Allies. These forces must be able to withstand a Soviet first strike and retaliate to inflict unacceptable devastation—in the manner and method of our own choosing. Basically, these forces exist to deter war. The Strategic Air Command motto, "Peace Is Our Profession," is not some hollow, public relations slogan.

We have these forces today. We can target every Soviet city, every industry, every missile silo, every submarine base, every airbase, every rail line.

No matter what Soviet force is hurled at us, the United States can retaliate in an appropriate fashion.

Any person who questions that retaliation is engaging in sophistry of the first order. I am appalled at those who go around this country—even abroad—and contemplate a scenario of American surrender. They say that an American President, staring at a so-called limited Soviet strike on our land-based missiles, faced with the deaths of up to 20 million citizens and the carpeting of a good part of our country with radioactive fallout—they say that he would fail to respond!

I find such a surrender scenario incredible and I find it irresponsible—for it sends just the wrong message to the Soviets. We have not built and maintained our strategic forces at the cost of billions—in order to weaken their deterrent impact by telling the Russians and the world that we would back down—when, in fact, we would not.

We have built our strategic forces so that we may never have to strike first. As our forces are modernized, this principle will continue to be our guide.

We have built a balanced triad of land-based intercontinental ballistic missiles, submarine-launched ballistic missiles, and heavy bombers. Each carries its own devastating retaliatory power; each guarantees our overall deterrent against failure of any one part; each complicates the problem for an opponent. For example, if the Soviets attack our our ICBMs first, many of our bombers will have enough warning to escape. If the Soviets use close-in submarines to fire missiles at our bomber bases, then our ICBMs are forewarned. And behind these forces are our submarine-launched ballistic missiles carrying over 5,000 deliverable warheads, about 3,000 of which are at sea on invulnerable submarines at any one time.

There is no doubt that the Soviet strategic force is formidable. There is no doubt that it is the only military arsenal in the world that is our rival. But there is also no doubt that the Soviet Union does not have strategical superiority today, and they will not have it in the future, if we continue to modernize our strategic forces.

Right now I want to lay to rest two myths about SALT. The first is that we are standing still on defense; the second is that SALT will tie our hands.

Both of these propositions are false.

Our strategic military capabilities are increasing, and SALT will allow us to proceed with all of the force options we have decided are necessary for our security:

We have improved the accuracy and explosive yield of our existing Minuteman III land-based missiles. SALT II will not prevent similar improvements in the future.

We are about to fit some of our existing Poseidon nuclear submarines with the longer-range Trident I missile which means that these submarines can patrol and hide in vastly increased ocean areas, and still hit their Soviet targets. They will be even more difficult to detect. This program will be completed in 1982. SALT II does not hinder this in any way.

We have just launched the first of our Trident nuclear missile submarines, each of which can hit about 200 Soviet targets. By the end of SALT II, we plan to have seven of these submarines. SALT II does not hinder this in any way.

We are developing and testing air-launched cruise missiles for placement aboard approximately 150 of our heavy bombers. We plan to start installing these air-launched cruise missiles in 1981. By late 1985, we expect to have nearly 1,500 cruise missile deployed. These cruise missiles are highly accurate and can be launched outside of Soviet air defenses. One could be fired from a B-52 over the Atlantic and land within a few yards of a command post near Leningrad carrying a nuclear punch over 10 times that which destroyed Hiroshima. SALT II does not hinder this at all.

We are developing and testing long-range ground- and sea-launched cruise missiles. Deployment is prohibited by SALT II until after 1981, but these missiles would not be ready for deployment before this date anyway. When these are ready for deployment, it will be our decision to make whether deployment or negotiated restrictions, which also limit the Soviet Union, are in our best national security interests. SALT II does not ban the transfer of cruise missiles and other sophisticated technology to our NATO Allies nor will it hinder cooperation with our Allies to modernize nuclear and conventional forces in Europe.

And SALT II does not prevent us from developing a solution to the problem of the increasing vulnerability of land-based missiles. This vulnerability is not the result of SALT. It is due to the increasing capabilities, accuracy combined with greater explosive power, of the missiles of both nations.

The search for a solution to the growing vulnerability of our land-based missiles has been a concern of arms control as well as defense. And it will continue to be. On the one hand, we cannot allow a significant part of our strategic force to be placed at risk to a Soviet preemptive strike, however likely in concept or execution. There must never be the slightest doubt in Soviet minds that our ICBMs are capable of doing their job. On the other hand, whatever solution we choose to make our land-based missiles less vulnerable in the future must be adequately verifiable.

Some will ask: "Why should we design a system that is mobile?" The reason is clear. As our missiles grow in accuracy and explosive power, the Soviet land-based missile force will become vulnerable. The incentive could be theirs to strike first in a crisis or period of tension to prevent us from destroying their missiles. To lessen this instability, we must design systems that provide no incentive to strike first in a crisis. Mobile, so they cannot be targeted. But, verifiable, so they can be counted.

Whatever solution we choose to ensure that our land-based missiles remain relatively invulnerable must be adequately verifiable for the Soviets. And whatever solution we choose must be designed so that we could verify it if the Soviets choose to copy it for their own forces. A system that does not meet these tests could come back to haunt us in years to come.

And whatever solution we choose must provide the Soviets an incentive for adequately verifiable, mutual reductions through negotiations—negotiations in which we too will have to forego something, negotiations aimed at limiting the first-strike threat which has spawned our own response.

We have considered a number of basing schemes for our new ICBM, the mobile MX. It is a demonstration of the importance of arms control to national security that, with SALT II, the mobile missile land-based alternatives that we have considered are unquestionably more feasible and more economical. Without the SALT limits on numbers of Soviet warheads, the Soviets could add more warheads over time which would necessitate a significantly larger number of shelters for our missiles, thus threatening the economic feasibility of such systems.

I would be less than candid if I told you that we won't have to increase our spending for strategic programs, with or without SALT. The scope and pace of Soviet strategic programs leave us little choice. But there is no doubt that the cost without SALT could be many tens of billions more than it will be with SALT.

With SALT II, we can plan our forces knowing that the Soviets in 1985 will have no more than a certain number of strategic missile launchers, no more than a certain number of deliverable strategic warheads. There will be specific limits on the numbers, types, and capabilities of Soviet strategic weapons. This will help us to spend our money where it is needed and when it is needed.

We will still have to plan against the maximum Soviet capabilities possible under SALT II. Entrusted with the defense of our nation, we would not be doing our job if we did otherwise. But this is a far cry from the threat and the uncertainty that would confront our military planners if there is no SALT II.

I said when I began that I could not advocate an agreement based on trust.

If SALT depended on trust, I'd reject it, no matter how advantageous its provisions. SALT and trust do not belong in the same sentence. To put it bluntly, we are dealing with our principal adversary.

We monitor Soviet compliance in SALT with our own independent intelligence capabilities. These capabilities are truly astounding—especially to a soldier who began his career in World War II when we often had no idea what was happening a thousand yards behind enemy lines, let alone a thousand miles:

We survey the Soviet Union regularly, thoroughly, and accurately;

We watch them build missile silos and we will oversee the dismantling of these silos if that is what SALT requires;

When the Soviets launched their latest Delta-class strategic missile submarine, it was no surprise to us; we had been following the progress of its construction since it began;

We observe new missiles as they are flight-tested, and they are tested extensively;

We know whether a missile is tested with one warhead or more than one.

As in any intelligence effort, we can monitor some activities with greater precision than others. But I know of no way that the Soviets could cheat so as to pose a military risk or in any way affect the strategic balance without being caught by our intelligence in time to permit us to respond promptly and effectively. And we will have that capability from the outset of the Treaty. When I make those statements before the Senate of the United States, I intend to be able to defend them.

People often ask: "What do we do if we discover a Soviet violation or even if we suspect one?" As a result of the first SALT agreement in 1972, we established at Geneva a U.S./Soviet Standing Consultative Commission where any compliance questions, any suspected activities, by the Soviets or by us, can be challenged at once. We have not been hesitant to challenge. The fact is, there is not one outstanding challenge that we have made against the Soviet Union that has not been resolved to our satisfaction. If a violation persisted without correction or if a violation threatened our security, then we could abrogate the agreement and build the forces necessary to meet the threat. This would be a serious development, and the Soviets know it.

The relevant question in verification is whether or not compliance with the limits can be determined to the extent necessary to safeguard our security—that is, whether or not we could identify evasion attempts well before they reach a scale which puts us at a military disadvantage. This is what is meant by adequate verification.

Some have said that President Carter changed the ground rules on verification, that the word "adequate" was inserted as some sort of gimmick to cover provisions that could not be fully verified. The record proves the opposite:

In 1969, President Nixon approved instructions that said: "Any agreed measures must be subject to adequate verification";

In 1973, in Washington, President Nixon and Soviet leader Brezhnev signed a "Basic Principles of Negotiations" for SALT which again required "adequate" verification;

In 1974, "adequate" verification remained the standard under President Ford when our SALT Delegation received its instructions;

And in 1977, Congress established by Law the standard of "adequate" verification.

Now if President Carter uses the word "adequate," I call that following the rules, not changing them.

The verification provisions of SALT II do more than serve our basic need to be certain that the Soviets are living up to their obligations under the agreement. These provisions, and indeed the entire process of strategic arms negotiations, actually enhance the knowledge we have about Soviet strategic forces:

Under SALT II, the Soviets will not be allowed to interfere with the intelligence systems we use to verify SALT. For example, they will not be allowed to blind our satellites.

Under SALT II, deliberate concealment, including encryption of telemetry, which impedes verification of compliance is banned. Without this ban, the Soviets could use any and all means of concealment. Our intelligence task would be greater; our information would be less; and we would have to plan our own forces against a far less certain and more dangerous Soviet threat.

For the first time in the history of strategic arms negotiations, the Soviets will provide figures on their own offensive forces as part of an agreed data base, figures which we will be able to verify independently; this is a break in a centuries-old tradition of Russian secrecy. This provides a clear, agreed baseline on which to judge treaty compliance and from which future negotiated reductions can be made.

Furthermore, in SALT II there will be rigorous counting rules to solve such problems as determining which missile launchers have missiles that carry multiple independently targetable warheads—or MIRV's—and which do not. The practical result of those rules means that, for example, fully tested single-warhead versions of MIRVed Soviet missiles must be considered as MIRVed under SALT, even though we know, and the Soviets know we know, that these missiles carry only one warhead.

In SALT, we have used verification to good advantage—for our own security, for strategic stability, and to turn uncertainty into confidence.

Vigilance in defense and in negotiations; will to meet any challenge; and confidence in ourselves and our friends—these are qualities of a nation always free.

The Soviets challenge us today not only in the strategic arena; they challenge us on many other fronts as well And so they should be met—on many fronts. To use SALT to meet every aspect of that challenge is not only inappropriate: it means that we lack the imagination and the will to use the many other, more effective resources at our disposal.

SALT will not stop our ability to compete around the world with the Soviets. In fact, SALT will enhance it. For example, would we be better able to meet the Soviet challenge to NATO, or in Africa and Asia, without SALT II—while spending even larger sums on nuclear, rather than conventional, forces?

A nuclear arms race, with the gloves off, would not just mean billions more for defense. It would focus our attention and our resources on strategic military rivalry and competition. Our response to other pressing problems—such as energy and economic problems of friends and allies—could not help but suffer, for strategic security would be our first concern.

A stable world is an arena best turned to our advantage. An unrestrained and tension-filled nuclear arms race is not the recipe for a stable economy and it is not the recipe for a stable world.

There are too many other problems that threaten the health of our nation and too many other problems that provide opportunities for the Soviets to exploit about the globe. We should not forget that many in this world are more concerned with fear of hunger and disease than fear of Communism. These are the types of problems that I want to see our nation address—not a new arms race we don't want, we don't need, from which there is no advantage, yet from which we shall not shrink if necessity leaves us no choice. If we can make headway against these problems, then we will have triggered an earthquake shock against the Soviet system.

Confidence is essential to our strength. Its opposite is fear, fear unworthy of a proud and independent nation. Free of fear, secure in our strength, we should not hesitate to cooperate with the Soviet Union. In our overall relations, as in negotiations, one nation's gain need not be the other's loss.

No threat to our common security better illustrates this point than the danger posed by the possible spread of nuclear weapons. We and the Soviet Union, together with other nations, are working on this danger. As a former strategist for the Joint Chiefs of Staff, I can think of no more of a nightmare for our security than a world of 10 or 15 or 25 nuclear powers. Circumstance could drag us unwilling into conflagration. Furthermore, as these weapons spread into more hands, we might not even know from where the blow had come.

We must all realize that more than 100 nations have foresworn nuclear weapons for themselves by adhering to the Nuclear Non-Proliferation Treaty. The United States and the Soviet Union, as nuclear powers, pledged their own restraint. The non-nuclear nations—some of whom could develop nuclear weapons if they choose—are watching closely the two superpowers, to see whether we are indeed credible in our commitment to reduce the level of nuclear weaponry.

Ladies and Gentlemen, we should not forget why we have built our strategic forces. And we should not forget why we are negotiating with the Soviet Union. A common necessity binds us, the Soviet Union, and every nation—the necessity to prevent a nuclear war.

Even after a Soviet first strike, we could retaliate with such force that the living would envy the dead, and a nation—once a superpower—would lapse into some sort of 20th century feudal age.

Take no comfort from such a scenario. The grim reality of the nuclear age is such that the same holocaust would be our fate. No one can truly imagine the consequences of nuclear war. And no nation could be certain of immunity once the apocalypse was underway. I believe we are in a period of history when it may be our last real chance to get a handle on nuclear weapons that threaten the survival of our nation and the world.

Peace and security are the vision for America that we all share. World War II taught us that our defenses must be strong and vigilance our guide. Hiroshima taught us that nuclear war must never be allowed to happen. Our history—in war and peace—has taught us that our purpose must be clear. These are precepts for a strong and peaceful and confident nation.●

SALT AND THE SUPPRESSION OF INFORMATION

● Mr. GARN. Mr. President, in February 1978 Secretary of Defense Harold Brown released the first Carter administration posture statement on defense programs—"Annual Defense Report for FY 1979." In general, the statement was an interesting throwback to 1960 strategic thinking with its somewhat qualified assertions that "mutual assured destruction" makes strategic superiority meaningless and indeed it is uncertain that this is now a Soviet objective. The 1980 version was more realistic, accepting some of former Secretary of Defense Schlesinger's beliefs in the necessity of matching Soviet capabilities for limited nuclear war.

Nonetheless, there is a most disturbing aspect to these posture statements. It is reasonably clear that both defense reports represent an attempt by the Carter administration to obtain congressional ratification of a SALT II agreement by denying the general public the customary level of information concerning Soviet strategic military programs.

Since the signing of SALT I in May of 1972, there have been over 15 allegations of SALT violations on the part of the Soviet Union involving such things as illegal deployment of ABM radars, heavy ICBM's, interference with "national technical means of verification," construction of new silos and various activities related to the upgrading of bomber defense missiles (SAM's) to ABM's. In not a single instance has the U.S. Government taken the initiative in bringing these activities to the attention of the American people. The allegations were made public by concerned former officials or "whistleblowers."

The evidence now suggests that the Carter administration is not only continuing this policy, but expanding it to information concerning the development of new Soviet weapons systems that are a potential threat to the political viability of the administration's effort to support SALT II. The political fate of SALT II may be determined by the release or withholding of intelligence on Soviet missile developments. The opposition to the agreement is both substantively politically valid and, therefore, likely to be quite strong in view of the fact that SALT II almost certainly dooms the U.S. to a significant—and perhaps major—degree of strategic inferiority in the early 1980's—as so convincingly argued by former Deputy Secretary of Defense Paul Nitze.

By not telling the American people about recent developments in Soviet ICBM forces and in the projected accuracy of Soviet missiles, the Carter administration can reduce political opposition to SALT II. The last thing the administration desires is a full and fair congressional probe of the violations issue. This can be averted by denying the public information. While unable to suppress leaks completely, the administration may consider that they are less of a threat than official admissions of additional Soviet actions that could be deemed violations of the agreements. There is evidence that the Carter administration is engaged in the suppression of both new information concerning the Soviet threat and Soviet violations of SALT I.

With the exception of a limited amount of new information concerning Soviet civil defense, the Carter administration in its recent presentations to Congress has released little that was not released by the Ford administration. The absence for 2 years of essential information concerning the Soviet threat is not yet critical in evaluating the Soviet threat or the strategic implications of SALT and other arms control proposals. But if this policy is continued over the the next 3 years, there will be a critical difference between the reality of the Soviet threat and what is described in official presentations to the public.

Mr. President, it is for that reason that I support a lawsuit to obtain some of this information. I request that a press release on the suit and the suit itself be printed in the Record.

The material follows:

American Legal Advocates Accuses Administration of SALT Information Coverup

Claiming that "the Carter Defense Department has withheld from the public vital information which might heighten concern about the hazards of a SALT II Treaty," American Legal Advocates, a Boston-based public interest law firm, has filed suit under the Freedom of Information Act in the United States District Court for Washington, D.C. to seek the release of information indicating Soviet violations of SALT I and facts about Soviet weapons improvements.

According to ALA President, Albert Ferri, Jr., "ALA filed a request with the Defense Department for the release of this data. The request was denied: and the Central Intelligence Agency, a defendant in the suit, never responded to the request, in direct violation of the Act."

In a complaint filed Wednesday, May 23rd, in the U.S. District Court for Washington, D.C., ALA asserts "the Defense Department's selective release policy manifests no protection of national security interests, but instead reflects an arbitrary and capricious decision dictated by purely political considerations." The complaint continued, "such a practice conceals essential facts about Soviet weapons development and U.S. Minuteman vulnerability to pacify public apprehensions of Soviet violations of SALT I and concerns about SALT II."

American Legal Advocates, a public interest law firm under the auspices of The Conservative Caucus Research, Analysis and Education Foundation (TCCRAEF) has offices both in Boston, Massachusetts and the Washington, D.C. area.

ALA litigates on issues of public policy, government regulation and media fairness. Howard Phillips, President of TCCRAEF, stated that "the release of this information will in no way jeopardize U.S. security interests but will provide essential facts which could influence the outcome of the U.S. Senate debate on the proposed Carter-Brezhnev SALT II Agreement."

Since its establishment in 1978, ALA has also petitioned the Department of Labor to halt OSHA inspections and is participating in action against the Public Broadcasting System and WGBH (Channel 2 Boston) for allegedly illegal campaign contributions to Speaker of the House Thomas P. (Tip) O'Neill, Jr.

U.S. DISTRICT COURT FOR THE DISTRICT OF COLUMBIA

American Legal Advocates, 47 West Street, Suite 500, Boston, Massachusetts 02111, Plaintiff v. Department of Defense, Washington, D.C. 20301; The Honorable Harold Brown, Secretary of Defense, The Pentagon, Washington, D.C. 20301; RDS-3A, Defense Intelligence Agency, Washington, D.C. 20301; Lt. General Eugene F. Tighe, USAF Director, The Defense Intelligence Agency, Washington, D.C. 20301; Central Intelligence Agency, Washington, D.C. 20505; Admiral Stansfield Turner, Director, Central Intelligence Agency, Washington, D.C. 20505, Defendants

COMPLAINT

(For Mandamus and Injunctive Relief)

1. This is an action under the Freedom of Information Act 5 U.S.C. ss 552 et. seq., as amended (Pub. L. No. 93-502), to enjoin the defendants from wrongfully withholding from the plaintiff certain documents and information pertaining to Soviet missile numbers and Soviet missile developments and to compel the defendants to produce such documents and information forthwith.

2. Jurisdiction is founded on 5 U.S.C. ss 552(a)(4)(b) and 28 U.S.C. ss 1361. Venue is proper in this court pursuant to 5 U.S.C. ss 552(a)(4)(b) and 28 U.S.C. ss 1391(e).

PARTIES

3. Plaintiff American Legal Advocates (A.L.A.) is a public interest law firm which operates under the auspices of The Conservative Caucus Research, Analysis and Education, Foundation. A.L.A. maintains offices both in Vienna, Va. and Boston, Mass. It is engaged in litigation and research on public issues including national defense, and the right of the public to know how government is affecting its security and interests.

4. Defendants Department of Defense, Defense Intelligence Agency and Central Intelligence Agency are all "agencies" within the scope of the Freedom of Information Act, as amended 5 U.S.C. 552(e).

5. Defendants Harold Brown, Stansfield Turner and Lt. General Eugene F. Tighe are, respectively, the heads of the Department of Defense, Central Intelligence Agency and the Defense Intelligence Agency.

STATEMENT OF FACTS

6. On December 1, 1978 plaintiff A.L.A., pursuant to the Freedom of Information Act, requested of the Secretary of Defense Harold Brown information regarding certain significant aspects of Soviet military developments which had been routinely made available in the past and Soviet adherence to the Strategic Arms Limitations Agreement of 1972 (SALT I). A.L.A. requested information on the number of operational Soviet Intercontinental Ballistics Missiles (ICBMs) and Sea Launched Ballistic Missiles (SLBMs) as of October 1, 1977 and February 1, 1978; and the number of Soviet ICBMs fully dismantled in accordance with agreed upon procedures as of those dates. A.L.A. additionally requested information on the improved accuracy of Soviet ICBMs; the deployment of new, long range ballistic missile tracing radars; upgrades of SA-5 (Surface-to-Air) missiles to antiballistic missile (ABM) interceptors; flight testing of SA-5 radars in the ABM mode and the development and testing of advanced ABM interceptors by the Soviet Union. Finally, A.L.A. sought current information of estimates on Minuteman survivability in graphic form based upon national intelligence estimates projections.

7. Since the mid 1960s, with the exception of 1978, and resuming in 1979, the Defense Department has annually released facts and other information showing the exact or nearly exact number of operational Soviet ICBMs; the Secretary of Defense conspicuously terminated that practice in his 1978 Statement to Congress.

8. Additionally, Secretary Brown's February 1978 statement failed to mention any new Soviet strategic systems not released to the public prior to January 20, 1977, although defendant Stansfield Turner had testified as to the existence of a new Soviet SLBM system in 1977. Moreover, Secretary Brown's 1979 statement still has failed to mention any new Soviet weapon's model like the one described by Director Turner.

9. On December 21, 1978, the Department of Defense, in a letter signed by Mr. Charles W. Hinkle, Director of Freedom of Information and Security Review, acknowledged receipt of A.L.A.'s letter, but stated that the Defense Department was unable to respond to the request within ten (10) working days.

10. On January 8, 1979 Mr. Hinkle wrote that the request was denied, and that an appeal could be made to the Director, Defense Intelligence Agency. An appeal was filed on February 7, 1979 by A.L.A.

11. The Defense Intelligence Agency on March 12, 1979 affirmed the denial in part and referred another part of the request to the Director of the Central Intelligence Agency.

12. At the time of this complaint, no response has been received from the Director, Central Intelligence Agency.

13. The information requested has been routinely released in the past. The defendant executive agencies refused even to provide to the plaintiff information pertaining to unclassified designators for new Soviet systems.

14. As part of its overall request for the release of information, A.L.A. sought a chart depicting Minuteman vulnerability as was routinely released by the Defense Department in the past, but was denied by the Department on January 8, 1979 on the grounds that its release would jeopardize national security. Yet subsequently on January 25, 1979 such a chart was otherwise released by Defense Secretary Brown. Moreover, the appeal authority for the A.L.A. request. The Defense Intelligence Agency, continued to refuse this information almost two months after its public release by the Secretary of Defense.

15. The Defense department's selective release policy manifests no protection of national security interests, but instead reflects an arbitrary and capricious decision dictated by purely political considerations. Such a practice conceals essential facts about Soviet weapons development and U.S. Minuteman vulnerability to pacify public apprehensions of Soviet violations of SALT I and concerns about SALT II.

16. The plaintiff has exhausted all administrative remedies with regard to each of the defendant agencies.

17. The defendants' refusal to release the information (or reasonable segregable portions of documents containing said information), which documents are in the actual or constructive possession or control of the defendants, is based upon an erroneous, arbitrary and capricious interpretation and application of the applicable law and has no basis in law.

PRAYER

18. Wherefore, the plaintiff prays that this Honorable Court:

a. Enjoin the defendants and their agents from further withholding from the plaintiff information in the defendants' actual or constructive possession or control and directly or indirectly related to the plaintiff's request;

b. Direct the defendants to make immediately available for inspection and copying by the plaintiff or his authorized agent all such information in materials directly or indirectly relating to the plaintiff's request or such nonexempt portions of such information and materials as are reasonably segregable and

c. Grant such further relief as the Court deems just and proper, including payment of plaintiff's costs and reasonable attorneys' fees.

Respectfully submitted.

ALBERT FERRI, JR.,
Attorney for Plaintiff.●

DIRECT ELECTION

● Mr. BAYH. Mr. President, many opponents of the direct popular election of the President and Vice President assert that the electoral college gives disproportional weight to the votes of racial and ethnic minorities, thereby offsetting to some extent the social and economic deprivations historically suffered by such groups. This argument, expounded in an oft quoted Brookings Institution study by Wallace Sayre and Judith Parris, rests on the content that minorities are concentrated in electorally advantaged large States with large blocs of electoral votes.

Mr. President, I draw to the attention of my colleagues the following chart, based on estimates of black voting age population provided by the Congressional Research Service:

PERCENTAGE OF BLACK VOTING AGE POPULATION IN THE LARGE STATES

States	Electoral votes	State	Difference between national and State
California	45	[1] 6.13	−3.57
Illinois	26	10.99	+1.29
New York	41	10.57	+.87
Ohio	25	[1] 8.24	−1.46
Pennsylvania	27	[1] 7.69	−2.01
Texas	26	11.17	+2.10
Michigan	21	10.23	+.53
New Jersey	17	[1] 9.18	−.52
Florida	17	12.19	+2.49
Average		[2] 9.6	

[1] States with black percent voting age population less than national black percent voting age population.

[2] National percentage of black voting age population is 9.7 percent.

As the chart indicates, blacks are in fact slightly underrepresented in the nine largest States possessing 245 of the 270 electoral votes required for a victory. They comprise 9.6 percent of the voting age population in these States, while nationwide blacks make up 9.7 percent. If the argument can be made that a voting group of approximately 10 percent is sufficient to influence elections at the State level, why then would a similar proportion of the electorate not be equally effective in affecting outcomes at the national level?

It is apparent that the abolition of the electoral college would in no way reduce the political influence of blacks and other minority groups. They could effectively transfer their voting strength, actual and potential, to the national stage and be considerably effective there. As Neal Peirce, author of "The People's President," observed:

> The newly enfranchised blacks from southern States like Georgia and Alabama would be able to combine their votes with blacks from New York, Illinois, and Michigan and thus constitute a formidable na-

tional voting bloc that the parties would ignore at their peril.●

TRIBUTE TO ROBERT R. LOCKLIN

● Mr. STEWART. Mr. President, I would like to have the Senate take note of the recent retirement of one of our senior staff members, Robert R. Locklin. Rob Locklin came to Washington from a successful law practice in Mobile, Ala., to serve as counsel, and later as general counsel, of the Senate Select Committee on Small Business, under the chairmanship of our distinguished former colleague, Senator John Sparkman. He served that committee with noteworthy distinction for some 6 years, contributing significantly to the committee's work on the investment programs of the Small Business Administration. In those days, the SBA local development and small business investment company programs were in their infancy, and the committee was instrumental in laying the groundwork for needed changes and refinements to make these programs work. Rob not only provided staff support for a series of hearings held by the committee, but he traveled throughout the country speaking to and meeting with small business groups, in support of the committee's effort.

In 1967, Rob became administrative assistant to Senator Sparkman, and served there for some 8 years. He became known, particularly in Alabama, as one who was always ready, willing, and able to render assistance to those experiencing difficulty in dealing with the Federal Government.

In 1975, Rob became counsel to the Senate Committee on Banking, Housing and Urban Affairs. At this particular time, Senator Sparkman, while still a member of that committee, had become chairman of the Senate Foreign Relations Committee. With this added responsibility, Senator Sparkman needed someone on the staff of the Banking Committee that he could rely upon. He chose Rob Locklin. In addition to serving as Sparkman's representative on the committee staff, Rob served as counsel to the Small Business and Rural Housing Subcommittee under the chairmanship of Senator Robert Morgan of North Carolina. Rural Housing was a new subcommittee, and Senator Morgan and the other members of the committee wasted no time in attacking the housing problem of rural America. A new homeownership assistance program for low-income rural residence was enacted, and necessary changes were made in the loan guaranty program for above-moderate income people. Rob Locklin provided aggressive and able staff assistance in these accomplishments.

Mr. President, Members of the Senate know of the fine work done by our staff, and it is my pleasure to take special note of the job that has been done by Rob Locklin on the occasion of his retirement.●

LITHUANIA

● Mr. ZORINSKY. Mr. President, June 14–15 marks the tragic anniversary of the deaths of scores of thousands of Lithuanians at the hands of the Soviet Union. On this night, 1941, 30,455 members of the Lithuanian intellegensia were deported to certain death in Siberia.

On one hand this poignant incident 38 years ago is but one example of the domination of Lithuania by outside forces. Throughout its illustrious history Lithuania has been constantly invaded and preyed upon by surrounding peoples and nations more powerful than she.

The pattern can be traced to the 13th century A.D. as the Lithuanians were defeated and partly exterminated by the German Knights of the Teutonic Order. The Knights were bent upon enslaving them for force of arms and seizing their lands. For 250 years Germanic tribes carried out a savage offensive against the Lithuanian people.

From the middle of the 16th century the Muscovite Tsars were engaged in a relentless policy of continual aggression against and enslavement of the Lithuanian people.

In 1795, the third partition of Poland resulted in the Russian annexation of the greater part of historic Lithuania. Russian domination lasted 120 years although it was continually challenged by nearly every successive generation in armed insurrections, namely; 1794–95, 1807, 1812, 1831, 1863–64, 1905. The uprisings were savagely suppressed by the Tsarist forces.

At the conclusion of World War I Lithuania had won its well-deserved independence only to lose it again to the Soviets in 1940.

Since the first mass deportation that we commemorate today, many others have taken place. The total number of those deported and executed is difficult to ascertain. But one may be certain that the figure is not less than 600,000 and may probably far exceed that number.

The Soviet objective was clearly to eliminate a population which fought and is still fighting for national independence. Today we honor in a most solemn fashion those Lithuanian "Freedom Fighters" who lost their lives in the heroic struggle for freedom.

The Lithuanian people demonstrate to the world the indestructability of the human spirit. Their unparalled will to independence and their desire to preserve their culture cannot be restrained by the political bondage imposed by the Soviet Union.

We as Americans mourn the loss of those who fought and continue to fight to throw off the chains of totalitarianism and tyranny. We also pray that the national aspirations of the Lithuanian people are soon realized and the bell of liberty shall once again ring forth over the land.●

FALSE ALARM: THE STORY BEHIND SALT II

● Mr. HART. Mr. President, in the upcoming debate on the Strategic Arms Limitations Treaty, well-balanced, perceptive discussions of the treaty's provisions are essential to insure that the Senate does not ratify a treaty detrimental to U.S. interests.

Dr. George B. Kistiakowsky, emeritus professor of chemistry at Harvard University has been closely involved with the problems of nuclear weapons for nearly 35 years. His early work at Los Alamos Labs, where the first nuclear bombs were developed, as well as his role as Special Assistant on Science and Technology to President Eisenhower, make him uniquely qualified to comment on the treaty. In an article appearing in the New York Review of Books on March 22, 1979, Dr. Kistiakowsky discusses the historical background of arms control treaties, as well as certain provisions of the SALT II treaty.

As we in the Senate begin discussion of the SALT treaty, the sage and nonpartisan counsel of Dr. Kistiakowsky is much appreciated. Although I personally disagree with certain elements in the article, there is much wisdom in it for all. I ask that this article be printed in the Record.

The article follows:

False Alarm: The Story Behind SALT II

(By George B. Kistiakowsky)

In the coming months Americans will be facing great decisions about the future of our defense policy and our relations with the Soviet Union. Should we decide to accept in good faith the spirit of SALT II as a limitation on the arms race—a limitation that is in fact already largely known by the public—and introduce the minimum of new weapons consistent with our security? Or, if the SALT treaty is signed, should we stretch its provisions and build as many arms as are not forbidden by it? Or, finally, should we reject the treaty and choose to increase vastly our spending on strategic weapons—for instance on the Trident submarine, cruise missiles, and the proposed MX ICBM, a large mobile intercontinental missile—in an attempt to achieve military superiority over the Soviet Union?

In recent months a great many books, articles, speeches, and advertisements—even a privately produced and widely distributed film—have been circulated in order to convince the American public that Soviet strategic power is growing while American defenses are weakening. We are told again and again that our national security is in jeopardy. The Soviet Union, we hear, will soon have the means to destroy our land-based Minuteman and Titan II missiles which are stored in and launched from hardened silos. The Russians would then strike first and destroy our deterrent missiles, thus winning the war with relative impunity. Or, short of actually going to war, they could use the threat of their superior nuclear force for political blackmail.

The hawks who want to convince the American public that the danger is growing severely criticize the SALT II treaty now being concluded under which each side would limit itself to no more than 2,250 strategic missile launchers and bombers between now and 1985. The proposed treaty is said to concede too much to the USSR, perpetuating our weakness and consolidating the Soviet threat.

Such predictions are indeed frightening, but are they realistic, or even plausible? The past record of the arms race argues strongly that they are not. If we investigate the predictions about the Soviet military threat that have been made during the past twenty years, we find that they have been consistently exaggerated—often by the same people who make such claims today. We also find that complying with these alarmists' suggestions to expand our arsenal has led us into a spiraling nuclear arms race that is undermining real security—the full assurance of national survival—of the US as well as the Soviet Union. Can it be that history repeats itself, and that if we follow the most recent alarmist demands—for intransigence over the SALT II treaty and an accelerated arms buildup even if it is passed—our national security will be further weakened and we will find that we are headed for a nuclear war?

Since the days when I worked in the White House as special assistant to President Eisenhower, I have seen again and again how disputes over arms control have depended on how we interpret information—often unreliable information—about Soviet military developments. It is true that during the 1940s and early 1950s we knew shockingly little. The iron curtain that Stalin drew around the Soviet bloc, and his draconian security measures within it, baffled our military intelligence. But much of the controversy over SALT II fails to recognize the extent to which systematic and highly ingenious technological advances—in which we continue to have an advantage—have now dramatically improved our knowledge. Nuclear test explosions anywhere in the world can be detected by seismic tests and air sampling; our satellites relay detailed information about the location of Soviet ICBMs, as well as of bombers and submarines in port; other techniques supported by satellite observation provide details about Soviet missile testing and submarine activity, etc.

The Soviet strategists finally acknowledged in 1972 that the policy of secrecy at any cost could no longer work. In the SALT I treaty they agreed in principle that neither the USSR nor the US would interfere with the intelligence technology of the other side. (In the SALT II negotiations, the USSR has also reportedly agreed to give the US regular information on how many strategic weapons it has deployed.) As a result, exaggerated claims about the development and deployment of strategic weapons inside the Soviet Union can sometimes be demolished fairly easily. In December 1977, for example, Melvin Laird, a former secretary of defense in the Nixon administration, published in *The Reader's Digest* an article called "The Russians are Cheating." It gave "incontrovertible evidence" that the Soviet Union was not honoring the commitments it made in the SALT I treaty and Interim Agreement signed in 1972. Mr. Laird predicted dreadful consequences for the security of the United States. A few months later Secretary of State Cyrus Vance discredited Laird's allegations in a paper approved by the CIA and the Defense Department. He showed in detail that violations by both sides were in fact relatively minor and that they had been corrected.

Somewhat more difficult to disprove are the alarmists' nearly hysterical assertions that the Soviet leaders consider a future nuclear war as different only in degree from earlier wars. Such hard-line professors as Richard Pipes of Harvard suggest that the USSR may well be planning a war, and they argue that its leaders seem confident of winning it. They point to blustering and aggressive statements in Soviet publications that seem to show that Russian leaders are willing to risk nuclear attack. Yet such able Russian scholars as George Kennan and Raymond Garthoff have shown in detail that this display of Soviet confidence and belligerence is largely domestic propaganda. It conceals a sharp awareness among the Soviet leaders that a nuclear war between the superpowers is certain to have catastrophic consequences for both countries.

Certainly it is more difficult to make assessments of future military power and intentions of the USSR such as those published by the US intelligence agencies in their jointly compiled National Intelligence Estimates (NIE). Soviet defense officials neither publish "posture" statements, nor testify before legislators, nor allow security "leaks" to occur. Since little definite information is available, NIE's "projections" suggest several possibilities: they describe the probable course of events as the median case, while a threat that is possible but greater than the one expected is called the worst case.

Hard-line commentators such as Albert Wohlstetter have tried to demonstrate that U.S. intelligence agencies consistently underestimate Soviet strength. But the history of the past twenty years shows quite the reverse. Few indeed are the instances when the Soviet military threat later turned out to be greater than the estimated "worst case." Usually the government's experts overestimated the danger. A principal reason for the escalation of the nuclear arms race has been the tendency among pessimistic Washington officials to treat "worst case predictions" as if they were the probable figures and then to demand that we arm ourselves to meet what later turn out to be largely imaginary threats. To understand the current opponents of SALT, we must first understand how wrong they have been in the past.

THE ABM SCARE

Between the late 1950s and the early 1970s U.S. strategic policy was distorted by foolish reactions to a false alarm: that the Soviets were building vast antiballistic missile systems—the ABM—that could destroy most of the deterrent missiles we would launch after the Russians attacked, thus giving them a decisive advantage in a nuclear war.

This alleged threat not only provided the main pretext for our own expensive and useless efforts to set up an ABM system, mainly in the 1960s. It also was one of the main justifications, in the late 1960s, for the MIRVing of our missiles, so that a single missile would carry several warheads, each aimed at a different target.

While working on Eisenhower's scientific advisory committee in 1959 and 1960 I had to assess some of the early claims that the Russians were developing an ABM system. The Soviets, we knew from our intelligence, had a center for anti-aircraft and anti-missile work at Sary Shagan in Central Asia. Our U-2 planes observed there a large radar installation that might, it was thought, be a device for detecting incoming missiles. Our intelligence experts immediately linked this installation to the Soviet tests of medium-range ballistic missiles at Kapustin Yar, many hundreds of miles to the west. They conjectured that the Russians were putting together the combination of radar (to detect incoming missiles), computers (to track them), and interceptor missiles (to destroy them) that makes up an ABM system.

The evidence was hardly conclusive that an effective ABM system was being tested at Sary Shagan, but it was enough to encourage the U.S. Air Force and Navy to develop "penetration aids" to be used on American missiles in order to confuse a Soviet ABM system. The army justified its campaign for the earliest possible installation of our own ABM project—with the code name Nike Zeus—by citing the tests at Sary Shagan. Notwithstanding pressure from the army, defense contractors, and influential senators, my colleagues and I on the President's Science Advisory Committee concluded that Nike Zeus defenses, while effective against single missiles, would not be useful against a massed attack. Eisenhower refused to order the Nike Zeus system to be installed.

But this was only the beginning of the Soviet ABM scare. In 1961—after the three-year moratorium on nuclear testing was ended by the Soviets—explosions near Sary Shagan and a defense installation being constructed near Leningrad were interpreted by proponents of the "worst possible case" as evidence that the Soviets were building a huge defense system that would eventually be able to launch thousands of ABM interceptor missiles. During 1961 and 1962 Pentagon officials were making plans to react in kind. They, and their supporters, claimed the Leningrad defense work justified the development and installation not only of Nike Zeus but also of multiple warheads (MRVs). In the mid-Sixties such warheads were indeed deployed on the American strategic missiles in Polaris II submarines—a major step. And although proposals by Senator Strom Thurmond and others for the immediate deployment of Nike Zeus were defeated by the Kennedy administration, these alarms about Soviet ABM armaments encouraged the development of Nike X, a more advanced system designed to defend us from a large number of simultaneous incoming missiles. In fact, later on in the 1960s, it turned out that the constructions near Leningrad were abandoned. The evidence suggested they were merely anti-aircraft defenses. But the damage was done: we had already gone ahead with our plans for MRVs.

Late in the Sixties, a number of senior weapons experts—including W. K. H. Panofsky at Stanford, George Rathjens and Jerome Wiesner, both from MIT—began to assert that no ABM system could defend the US against a determined and sophisticated missile attack. They were opposed by alarmists calling for a vastly increased missile defense system. In an attempt to mediate between the two camps, Secretary of Defense Robert McNamara announced in late 1967 that we would deploy Nike X in a limited way; to defend American cities from a possible "light" attack by Communist China. This decision was welcomed by Pentagon officials who saw it as laying the cornerstone of a vast defensive system that could be used to resist heavy nuclear attack by the Soviet Union. But preparations for the deployment of Nike X near several large American cities—a project code-named the Sentinel system—aroused considerable public opposition, and the incoming Nixon administration canceled the project in early 1969. Thus another project was dropped, but the exaggerated fears of a Soviet ABM that produced it had not been put to rest.

During the 1960s the Russians themselves did much to exacerbate these fears, particularly after the humiliation of the missile crisis of 1962. If, as seems likely, they boasted about having impressive ABM defenses in an attempt to conceal their own weakness in strategic weapons, they only played into the hands of the Pentagon hard-liners. In 1961 Khrushchev told a group of Western reporters that the Soviet Union had developed interceptors that could "hit a fly in outer space." In November 1964 the Moscow military parade included a display of a huge cylindrical container—code-named the Galosh canister—which was said to contain an interceptor missile. American intelligence suspected that it was part of a Moscow defense system, and over-pessimistic analysts concluded that within a few years Soviet defenses would be impenetrable. This speculation gained support when three very large "henhouse" radars—like our own "early warning" installations which detect incoming missiles at a great distance—were discovered near the northwest borders of the U.S.S.R.

Once again Pentagon zealots claimed that the Soviet development justified—indeed required—an American response. Since an effective Soviet missile defense would threaten our basic doctrine of nuclear deterrence, it would be necessary—in the interest of "stability"—to introduce a new and vastly more destructive kind of nuclear weapon: the MIRVed warheads. The Pentagon argued that by MIRVing our strategic missiles we could overwhelm Soviet ABM defenses, and thus the threat of our retaliatory force would continue to deter nuclear war. The technical development of MIRVs was authorized in 1964 and at first carried out in secret. But classified discussions and reports soon raised the question whether the possibility of using MIRVed missiles in a surprise attack aimed at the opponent's missiles—a "counterforce" attack—would not upset the equilibrium of mutual deterrence.

Before the development of MIRVs, the theory of mutual deterrence assumed that even after an initial strike the victim would be able to launch a retaliatory strike so damaging that no rational leader would initiate strategic nuclear warfare. But if missiles are MIRVed, each missile can be used to destroy several of the enemy's missile silos, and it could become possible to disarm the enemy with a surprise attack that uses only a fraction of one's own forces. Theoretically, a country with a MIRVed strategic force could threaten a general nuclear attack, secure in the knowledge that the opponent's counterstrike would be tolerably feeble. Each side might become more tempted to launch the initial attack—particularly during an international crisis when each fears that the other will strike first.

As these concerns were secretly being debated in the mid-1960s, what had become of the alleged Galosh ABM system around Moscow, which had set off the efforts to develop MIRV in the first place? By 1967 the USSR slowed down its construction; it never became an effective ABM system after all. Washington alarmists, however, soon discovered a new threat that could justify MIRVing our missiles: the Soviet defense network called the Tallinn system. In the late Sixties, as these installations spread over large areas of the Soviet Union, they provoked another intense secret debate in Washington. CIA experts gradually concluded that Tallinn was merely an air defense system which could not be used against ballistic missiles. But the Defense Intelligence Agency—and with it most of the Pentagon—insisted that Tallinn was indeed an ABM system. Among the leaders of this Pentagon group was Dr. John Foster, then the director of Defense Research and Engineering, who had long been active in efforts to convince Congress that the Soviet ABM system justified increased American armament.

The flight testing of MIRVed Minuteman and Poseidon missiles was begun in August 1968 and completed in June 1970 when MIRVed Minuteman III missiles were first deployed. Despite growing skepticism about the Soviet ABM force, Pentagon spokesmen continued to argue that MIRVs were essential for penetration of Soviet ABM defenses. Foster seemed to ignore the danger that MIRVed missiles would upset the equilibrium of mutual deterrence. As early as 1968 he suggested to the Senate Military Affairs Committee that MIRVs could be used as counterforce weapons against Soviet ICBMs.

Despite evidence that the Soviet Union had no effective ABM installations, at Tallinn or elsewhere, hard-liners such as Foster, Laird, and Nitze continued to insist that we had underestimated Soviet ABM defenses. Foster now suggested that the Tallinn project could be rapidly converted into an ABM system. In 1969 Laird repeated this claim, adding that "By the mid-to-late 1970s Soviet strategic air and missile defenses could be quite formidable." This was another false alarm. But it led the Senate to approve, although by only one vote, the installation of four sites for American Safeguard missiles. Then and now, one of the most influential promoters of the ABM scare was Paul Nitze, a deputy secretary of defense in the Johnson administration, and currently an active leader of the Committee on the Present Danger. As recently as 1977 he told a Senate committee, "I think I have not overestimated the threat of Soviet ABM. I think I have underestimated it." It is not yet apparent to Mr. Nitze that throughout the 1960s the US was mainly competing against itself—and not against the Soviet Union—in its race to develop strategic arms.

THE SOVIET ARMS SCARE

In 1972 the SALT I treaty so restricted ABM deployments that they no longer can be regarded as a significant military threat—as even Mr. Nitze would probably have to agree. But accompanying the false alarms about the Soviet ABM throughout the 1950s and 1960s were equally distorted claims about the danger of the Soviet offensive strategic arsenal, and these continue today.

Again the Russians' own claims were exaggerated. During the 1950s, Khrushchev talked proudly about Soviet production of long-range missiles. In 1957, the White House appointed a secret group directed by H. Rowan Gaither to assess the Soviet threat. This group, which included Mr. Nitze and other hard-liners, predicted a catastrophic "missile gap"—claiming that by 1959 as many as 150 Soviet ICBMs would be aimed at the US. This was a wholly false scare. In fact, by the end of 1960 the USSR had deployed at most half a dozen virtually unserviceable ICBMs. Nikita Khrushchev's memoirs, *Khrushchev Remembers: The Last Testament,* reveal his anxiety during the late Fifties over the Soviet failure to build effective strategic nuclear forces. By 1961 when the development of American ICBMs and Polaris submarines was well underway, evidence accumulated by U2 planes and later by satellites made it clear to most American experts that the threat of a Soviet ICBM force had been largely imaginary. Soviet propagandists, who had previously claimed that defense against an ICBM attack was impossible, then began to insist that the USSR had designed an ABM system and to circulate the misleading information about a Soviet ABM force that I have described.

Soviet propaganda about their ABM system was apparently intended to prove to the world that the USSR was a superpower equal to the US and to erase Moscow's painful memory of its retreat during the Cuban missile crisis. As we have seen, this propaganda had an effect that the Kremlin could neither have planned nor desired: it played directly into the hands of American alarmists who argued that MIRVing our warheads was the only way to bring about the "assured destruction" of the USSR in a nuclear war.

In the second half of the 1960s Soviet construction and testing of what were alleged to be ABM defenses—never effective or convincing anyway—began to decline. The USSR began to install a large number of ICBMs based in silos—more than 250 missile silos per year—from 1967 through 1969. Although the increase was less dramatic during the following years, by 1972 when the SALT I agreement froze ICBM installation, approximately 1,600 Soviet silos were completed, or under construction, each capable of housing one of several kinds of ICBMs. Exactly what prompted this vast effort—which was for several years significantly underestimated by American intelligence—remains unclear. One can only surmise that the early decision to develop this system followed Khrushchev's failure during the Cuban missile crisis. And in following years the steadily increasing numbers and accuracy of American strategic warheads, including MRVs, as well as the American debate about using MIRVs as our counterforce arsenal, must have figured in the USSR's decision to expand its own ICBM system.

The Russian development of ICBMs produced a new campaign in Washington for a US ABM system. When Nixon took office in 1969, the new administration proposed that the Sentinel city defense system—part of the US ABM network that was never built—be installed, without major technical changes, but under a different guise. It would not be used to defend the cities, but rather would be set up at the Minuteman silo sites, functioning as the so-called "Safeguard" defense against a Soviet surprise attack. One Senator sarcastically commented: "We have the same Joint Chiefs of Staff [as in the Johnson administration] but they seem to have changed their position. . . . About three months ago . . . they were saying that it was absolutely necessary for the security of the country to protect the people of the cities." This was the beginning of a new race to build vast missile forces aimed not at cities but at the missiles of the enemy—arsenals matched in a stalemate that becomes more deadly every year.

Despite considerable opposition in Senate hearings, the administration continued to support the Safeguard system. During the summer and fall of 1969 Secretary Laird and Henry Kissinger, who was then assistant to the president for National Security Affairs, pressed the director of the CIA to increase the CIA's estimate of the future threat that Soviet missiles posed for the Minuteman force. Kissinger is said to have urged the CIA to reconsider its estimate that Soviet SS-9 missiles were armed only with MRVs, as they were, and to have made clear his own view that these missiles were MIRVed, which they were not.[*]

Here we come to yet another case, and a crucial one, where false alarms led to the escalation of the arms race. In 1969, when it was not yet clear that either the USSR or the US had a workable MIRV system, it might still have been possible to agree with the Soviet Union to prevent or delay the deployment of the MIRVs. When American preparations for the SALT talks began in the fall of 1969, it was proposed by one of the administration agencies that we seek a moratorium on MIRV testing. This suggestion was firmly rejected, it was said, by our Joint Chiefs of Staff.

What in fact was the evidence that the USSR was going ahead with MIRVs? Here the public was again misled. In 1968 we had observed Soviet test flights of a new heavy ICBM: the SS-9. American intelligence noticed a "triplet" of vehicles reentering the atmosphere together. Were the triplets MIRVs, or were they the more primitive MRVs, which cannot be targeted independently, and which resemble buckshot although on a much grander scale?

Mr. Laird commented on the triplets in January 1969: "The Soviets are going for our missiles and they are going for a first strike capability. There is no question about that." Shortly thereafter, he told the Senate Committee on Foreign Relations that "this weapon can only be aimed at the destruction of our retaliatory force." Dr. Foster supported Laird's view that the SS-9 triplets were MIRVs designed to attack our hard targets: "Mr. Laird's statements are based upon agreed intelligence data." In fact, however, a substantial number of experts in the intelligence community concluded that the triplets were only MRVs.

They were right, and the widely reported assertions of Laird and Foster were wrong. The Soviet Union, we now know, did not begin to test MIRVs until 1973 and did not deploy them until 1975. The U.S. began tests as early as 1968, installing the first new warheads in 1970. And, by contrast with the public opposition to the Sentinel ABM system for American cities, few people raised questions about MIRVs; the Nixon administration easily got approval for them.

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[*] This is described in *Foreign and Military Intelligence,* Book I, the final report of the Senate Select Committee to Study Governmental Operations with Respect to Intelligence Activities (USGPO, 1976).

One reason it could do so was that Pentagon officials and alarmist Senators claimed in the late 1960s and early 1970s that the Soviet SS–9 missile, because of its multiple warheads and more powerful throw-weight, would make our strategic forces vulnerable: the huge explosions of the SS–9 warheads could allegedly destroy most of the missiles in our hardened silos. Thus, they argued, it was necessary to intensify development not only of our ABM but of MIRVs as well. In 1969 Foster told the Senate Armed Services Committee, "In the 1975 time frame . . . [SS–9] missiles could destroy or immobilize all but fifty or so of our Minutemen."

Nor were these pessimistic fears calmed by the signing of the SALT I agreements in 1972. Influential Senators severely criticized the agreement on offensive missiles which allowed the Soviets to maintain a larger number of missiles than the U.S.; the Senate passed Henry Jackson's resolution calling on the administration to insist on numerical parity in the next SALT treaty.

But in fact the Soviet SS–9 which had provoked these alarms was hardly as effective a missile as Foster and his allies alleged. By 1976, only seven or eight years after it was first deployed, it evidently was not found satisfactory and began to be replaced by the fourth generation of Soviet ICBMs, the heavy MIRVed SS–18. Altogether, since intercontinental missiles were introduced some twenty years ago, the Soviets have tested thirteen known ICBM designs—and probably several other models not identified by American intelligence—while the U.S. tested and deployed only six models. This is an extraordinary waste of Soviet economic and technical resources. It seems likely that the Soviet leaders have had even more difficulty controlling their "military-industrial" bureaucracy than our own government has.

THE SALT II SCARE

The proposed SALT II treaty would limit the total number of each side's strategic launchers to 2,250—slightly more than the number of American launchers, including silos, heavy bombers, and missile tubes on submarines, but fewer than the present Soviet totals. The USSR would have to demolish about 270 strategic launchers to meet these limits. The new SALT treaty would also limit the total number of each side's MIRVed ICBMs to 820. Although these limits are regrettably high, they are better than none.

But such American hard-liners as Senator Jackson, Paul Nitze, Admiral Moorer, and Edward Teller claim that despite such numerical reductions, future improvements in Soviet missile technology and strategy will mean that the USSR will continue to threaten the US, especially if the SALT II treaty is approved.

Among the missiles that are currently deployed in the Soviet Union, the SS–18 and SS–19 have MIRVed warheads and are capable of yet greater throwweight—a traditional Soviet strength—than the older designs. They are also said to be more accurate, although it is admitted unofficially that such estimates are difficult to make. Some American strategists predict that the fifth generation of Soviet ICBMs will make our Minuteman virtually obsolete within five to seven years. They claim that by the mid-1980s Soviet missiles will be more accurately guided than American missiles currently are. And the powerful throw-weight of the Soviet missiles means that they can carry more warheads. As a result, the explosions they cause would be larger, and they would not have to be aimed so precisely at their targets.

The main scare being spread by the opponents of SALT II is that the USSR's 820 MIRVed ICBMs could carry many thousands of the new, more accurately guided Soviet MIRV warheads. Some of these, it is alleged, could destroy 95 percent of the Minuteman force in an initial counterforce attack. This would leave the USSR enough strategic warheads to threaten to destroy totally the US should we launch our remaining forces in an enfeebled retaliatory strike.

Like many other fearful predictions of strategic weakness, however, this one is based on false and simplistic assumptions—among them, in this case, that the American strategic force consists overwhelmingly of land-based ICBM missiles. In reality fewer than 25 percent of American strategic warheads are stored in Minuteman silos; the rest are carried by submarines and aircraft. And by the mid-1980s the fraction in silos will probably be even lower—assuming that Trident submarines and cruise missiles are deployed as planned. Indeed the so-called "triad composition" of our strategic forces—the distribution of warheads in silos, submarines, and bombers—was designed to reduce the threat of a Soviet first strike aimed at our land-based missiles.

The current alarmists scenario does not account for the several thousand warheads on American bombers and submarines, which would certainly survive a Soviet surprise attack, and would assure our retaliatory strikes. Each of these warheads is powerful enough to devastate most of the Soviet cities with more than 100,000 inhabitants, which also contain most Soviet industry. Our submarines could sustain the attack for several months, launching occasional missiles at the main harbors, airports, and railway centers, and thus prevent whatever is left of the Soviet economy from functioning.

Secretary of Defense Harold Brown has written in his annual report to Congress. "The potential vulnerability of our existing silo-based ICBM force is a major issue of concern to us . . . but the Soviets would face great uncertainties in assessing whether they would have the capacity we fear."

Among the uncertainties facing the USSR are the retaliatory missiles we could fire from our submarines and bombers. But there are others that are too often ignored in the current debate over SALT II. First, how can Soviet leaders be certain that an American president would not launch the Minuteman force as soon as he knew that Soviet attacking missiles were on the way from their silos to the US? The president would have nearly one half hour to do so, and the Soviets would have to gamble that he would not. Nor can they predict the likelihood of human error in the execution of the attack by the Soviet Missile Command—an operation that is highly complex and impossible to rehearse. Neither Soviet nor American missiles have ever struck real targets in the other country; hence the calculation of missile trajectories is imprecise and systematic misses are not out of the question.

Equipment failures are also likely to be more frequent in real wartime situations than they are in practice launches. Mechanical failures in the propulsion of Soviet ICBMs, which use liquid fuel—used by the US only in our fifty-four old and very large Titan II ICBMs—are also likely. To use liquid fuel involves high-speed rotary machinery, turbines, and pumps that are designed to function under great strain. This machinery cannot be tested in the silos without launching a missile, and although such testing is done, it is not done frequently.

A major problem for the Soviets, and one that has not been sufficiently emphasized, would be the destruction or deflection of their warheads during their "reentry" into the atmosphere on the way to their targets. The first nuclear explosions in any given area would greatly disturb its atmosphere. Atmospheric nuclear explosions (before the 1963 treaty) have shown that transient but unimaginably violent storms and atmospheric turbulence as well as highly intense electromagnetic disturbances can be expected after a nuclear explosion. An ICBM reentry vehicle arrives at a low angle over the horizon, and travels many miles through the atmosphere before striking its target. What effect this passage will have on the fuses, firing mechanism, and impact point of an incoming warhead cannot be fully predicted. The warhead could be disabled. But even assuming that it were not, any small deflection of its trajectory would substantially affect its chances of destroying its target.

The so-called "fratricidal effect" could also effectively destroy incoming warheads. A large thermonuclear blast on the ground would suck hundreds of thousands of tons of earth and gravel into the stem of the "mushroom" cloud created by the explosion. A reentry vehicle would pass through this debris in the stem faster than a rifle bullet and at a high degree of heat, and would be vulnerable to destruction or damage on hitting the gravel in the stem. It is impossible to predict the exact proportion of warheads that would be put out of action in this way during a Soviet attack aimed at Minuteman silos, which are built relatively close to one another. Since at least as many as 400 missiles would be aimed at 200 silos, a large number of warheads would certainly be incapacitated unless the launching of the missiles were very precisely timed or spread out over the large part of an hour. And during that hour the US could fire retaliatory missiles.

How, in the light of such facts and uncertainties, are we to judge the current alarmist claims that the Minuteman force is vulnerable? It should be clear that fears based on purely statistical calculations have little relevance to the real world in which a counterforce attack would take place. Soviet leaders since Stalin have often acted in ways that are hostile or intransigent, but they have shown extreme caution in using military force whenever an open conflict with the US seemed possible. To suppose that they would disregard all the terrible dangers and uncertainties surrounding an attack on the Minuteman force is to mistake the Soviet attitude toward strategic planning.

American hard-liners argue that the US has not kept up with the expansion of Soviet strategic forces. In fact, since we began to MIRV our missiles in 1970, the number of our strategic warheads has more than doubled, and most of our older missiles have been replaced by the new Poseidon and Minuteman III, the latter more accurate than any the USSR now possesses. During the past eight years we have deployed approximately as many new missiles as the Soviet Union has. The only difference is that we chose to place them in existing submarines and silos, while the Soviets continued to build new launchers until they reached the limits specified by SALT I.

As a result the Soviet ICBM is numerically greater than ours and includes a number of very large MIRVed missiles, which could theoretically pose an effective threat to the Minuteman force if the accuracy of Soviet guidance were considerably improved. However, unlike the US, the Soviets do not have a triad of equally potent strategic forces. Their strategic bomber force is small and obsolescent; nor is a part of it kept on continual alert, as our SAC bombers are. (Their much discussed Backfire bomber has been developed and deployed as a regional, not an intercontinental weapon.) And although the USSR has more missile-launching submarines than the US, their military effectiveness is questionable since most of them stay in harbor. In recent years the fraction of this force on station in the open ocean has risen to 15 percent of the total—still much smaller than the 60 percent of the submarine missile force that the US maintains on alert at sea.

In fact the SALT II treaty has little to do with the vulnerability of our Minuteman force. As Secretary Brown has written, "Minuteman vulnerability was not a problem created by SALT, nor is it a problem we can solve with a SALT II agreement. . . . We would have the same problem without such an agreement—only in that case we would have other problems as well." He could have added that it was our own hawks who created the problem nearly ten years ago when they insisted that MIRVs should be developed and deployed—and thus foreclosed the possibility of agreeing with the Soviet Union in SALT I to ban MIRVs.

What are the "other problems" that Secretary Brown refers to? SALT II would not in any case significantly limit the development of new weapons either by the US or by the U.S.S.R. It would still theoretically be possible for both sides to use ICBMs in a counterforce attack. But the Soviet Union would probably regard rejection of the treaty as a signal to resume an unrestricted nuclear arms race. They would not demolish over 250 silos as the SALT II treaty requires, and they would continue—or perhaps even accelerate—the MIRVing of their ICBMs. They might also begin to build more silos and submarines. Congressman Les Aspin, a member of the House Armed Services Committee and a former Defense Department official, has calculated the cost of rejecting the treaty. He estimates that, if the SALT II treaty fails, before the mid-1980s we would have to spend at least an additional 20 billion dollars on new strategic arms merely to maintain the nuclear balance that the SALT agreement would have ensured.

In spite of the aggressive and well-financed campaigns against SALT II, the polls show that a large majority of American voters want the treaty concluded. Most voters, according to recent polls, are aware that the treaty will neither end the arms race nor eliminate all threats to our security, desirable as the treaty is.

Faced with the hostility of a part of the Senate, Mr. Carter, instead of trying to mobilize this favorable public opinion, has apparently tried to appease a variety of hawkish groups—hard-time Senators, intransigent generals, both active and retired, arms contractors, etc. He is proposing several new programs to increase U.S. military strength that will probably intensify the arms race. Most ominous is the plan to develop the huge mobile ICBM, the MX, that would be equipped with as many as ten nuclear warheads. This deadly counterforce weapon would threaten Soviet ICBM forces and invite a similar response. The new proposals to increase spending on civilian "defense" are no less frightening. An attempt to evacuate our cities just before a thermonuclear exchange would not save many lives, while emptying the cities during an international crisis could well encourage hostilities if it were interpreted by the enemy as a signal that we were preparing for war.

The apparent postponement of negotiations for a comprehensive nuclear test ban is also discouraging. One can only assume that this indefinite delay in part results from the reported threat by the directors of the two American nuclear weapons laboratories and by Secretary of Energy Schlesinger that they would not testify for such a treaty if it were brought before the Senate.

Indeed, most of Mr. Carter's decisions on military policy during the last few months seem driven by political fears rather than by analysis of US defenses. This seems the case with his new budget in which the military will receive 3 percent more than the automatic increase for inflation, while the civilian budget will be cut by some $15 billion. Carter's decision to manufacture components of so-called neutron bombs, moreover, can only intensify the race for tactical arms.

Nor does the appointment of George M. Seignious II, a retired general, as director of the Arms Control and Disarmament Agency augur well for future arms limitation. If indeed he does support disarmament, he will have to denounce the views of his many military colleagues and friends who belong, as he did until he was selected for the Agency, to organizations such as the American Security Council, which bitterly oppose all arms control agreements. Seignious has already said that whatever the outcome of the SALT talks, the increasing accuracy of Soviet missiles means that the US must continue to "modernize its nuclear arsenal."

Whether or not these maneuvers actually gain votes for the SALT II treaty—and that remains in doubt—they are dangerous. By seeming to admit our military inferiority, such concessions provide ammunition to the military lobby and its supporters in the Senate. Furthermore, what if Soviet leaders actually accepted our hard-liners' protestations that we are weak militarily, vulnerable to the kind of intimidation they claim will result unless we chase after the illusory goal of absolute nuclear superiority? One hesitates to imagine the reckless adventurism, leading possibly to a nuclear holocaust, that Soviet acceptance of such claims could encourage.

What is needed is not anxious domestic appeasement but confidence and frankness about our strategic force. Mr. Carter should stress that our present defenses are impregnable, that our will to resist aggression is firm, that—if we do not start another round of the strategic arms race—the SALT II treaty will improve our national security and allow us to give greater attention to domestic problems. Only in this way can we break out of the vicious circle of alarmism and escalation that has characterized the nuclear arms race for more than twenty years.●

IMPORTANT BUSINESS LEADER RECOGNIZES VALUE OF SMALL BUSINESS

● Mr. BAUCUS. Mr. President, in 1975, there was recognition that small business in this country was in trouble, and that its problems were bogging down the entire economy.

The Small Business Committee attacked this problem by sponsoring and gaining passage through Congress of a major small business tax bill in each of the past 4 years. To get at the major causes of the problem facing independent enterprisers, last year on April 6, 1978, President Carter agreed with Senate Resolution 105 and called the Nation's first White House Conference on Small Business. That conference is to be preceded by 57 regional and State meetings which are now in progress.

Since 1975, small business has grown into an increasingly effective political force. Its existing associations are steadily gaining new members, new groups are being created across the country, and all of these organizations are becoming more active at the National and State levels.

Recently, a nationally recognized business leader spoke out on the necessity of preserving small and independent enterprise. Ralph Lazarus, chairman of Federated Department Stores stated that—

> The (Nation) must rely on the initiative and energy of individuals and individual business.

Many people might regard Federated Department Stores as a giant conglomerate of merchandisers. Their 19 divisions sold $5.4 billion in goods last year.

However, Mr. Lazarus pointed out that the company is—

> . . . made up primarily of department stores that were all small family-owned businesses when they began. The success of our company derives from the success of . . . very small businesses that grew and prospered with their communities. The men who founded them were entrepreneurs . . . They were daring. They took risks. They succeeded.

Mr. Lazarus said that Federated Stores continues to be competitive, holding its price increases to less than 60 percent of the 1978 inflation rate. He noted that small and independent business is the wellspring of this kind of competition, and that the American business system must have a high degree of freedom to compete "if it is to have the flexibility to survive in these complex times."

Not only is competition a solid basis for small business, but Mr. Lazarus observed that:

> Keeping small business healthy ought to be an important social issue in this country . . . a healthy small business establishment is a primary source of opportunity for most Americans.

As to the major issues which are affecting our economy, he stated:

> I am totally convinced that small business and big business have essentially the same objectives, particularly in such areas as reducing over-regulation, encouraging intelligent tax policy and the generation of adequate capital for growth and modernization.

It is gratifying to see a business leader of Mr. Lazarus' caliber adding his voice to those seeking to preserve small and independent business as a major root of the free enterprise system.

I, therefore, ask that Mr. Lazarus' thoughtful remarks of May 3, 1979, to the annual dinner of Future Memphis, Inc. be printed in the Record.

The remarks follow:

REMARKS BY RALPH LAZARUS

A number of thoughts about America, about business and about our economy have been on my mind lately. I think Memphis is an appropriate place to air some of my views because it has become a great crossroads city. The Memphis businessman has been an entrepreneur and an innovator.

Although I am an optimist about the future of our country, it would be foolish not to recognize that we face some serious and frightening problems. Let's take a look at some of them:

Inflation, a potential recession, diminishing productivity, widespread youth unemployment, diminishing quality of education, over-regulation of business, a tax structure that discourages capital formation, and growing reliance on foreign energy sources.

These problems are familiar to you. We all live with them day to day. But they have special meaning to small business—a vital part of our enterprise system.

Frankly, I'm concerned about the future of small business. That's what I want to talk about with you tonight.

Our company is made up primarily of department stores that were all small family-owned businesses when they began. Goldsmith's, as you know, has been around for 109 years. The success of our company derives from the success of a group of very small businesses that grew and prospered with their communities. The men who founded them were entrepreneurs. The opportunities were there. They recognized them and took advantage of them. They were daring. They took risks. They succeeded.

Federated, of course, has become big business. However, in many respects it still has the operating characteristics of a small business. We emphasize decentralized control and considerable autonomy under division management. In a real sense the fifteen hundred buyers who are in these divisions operate independent businesses with the risks, opportunities and personal satisfaction that face any small business management.

More than that, we could not operate without the existence of thousands of small businesses, really small busineses. They sell us merchandise and provide us with hundreds of different kinds of services all across the country.

To give you a feeling for what small business means to a company like ours, I made a quick random check of a few Federated divisions to find out just how extensive our relationship with small business really was. In one California division, for example, we buy about $100 thousand worth of goods from a manufacturer who employs eight people. The same division buys about $50 thousand in goods each year from a family firm with just six employees, three of whom are family members. This kind of relationship exists in all of our divisions. We spend millions of dollars with them.

Federated relies on small business. And our economy relies on the vitality and innovation that small business generates. It does seem to me that keeping small business healthy ought to be an important social issue in this country.

Let me remind you of the fact that 56 percent of the private work force is employed in small business and small business accounts for 43 percent of our gross national product. Furthermore, small business comprises, numerically, some 97 percent of all the businesses in the nation. Those reasons by themselves should establish the importance of small business. But there are other reasons—in some ways reasons that are even more important.

A healthy small business establishment is the primary source of opportunity for most Americans. It is the place where innovation and the entrepreneurial spirit are usually most conspicuous.

It should be apparent to any thinking person that our competitive business system must have a high degree of freedom if it is to have the flexibility to survive in these complex times.

Jobs depend on this. Our ability to contain inflation depends on this because competition and productivity are inflation's greatest enemies. This can be clearly demonstrated in my own industry, perhaps the most competitive there is. General merchandise retailers have held the increase in the prices of the goods we sell to less than 60 percent of the increase registered by the overall Consumer Price Index (the CPI). Last year, when inflation really began to get out of hand, we held the line to an even greater extent. Our prices increased less than half as fast as the CPI. It was the competitive nature of our business and our determination to improve productivity that accomplished this.

There are other areas where we must rely on the initiative and energy of individuals and individual business.

All of us in management positions at Federated are deeply concerned about America's urban condition, our downtowns. Many of these, happily, are beginning to show signs of vigorous rehabilitation, but we still have a long way to go. The first signs of deterioration in an urban center come with the departure of people who live there. Next comes the failure of the small businesses which served them. You have all seen the empty shops—a very vivid scene. A vigorous downtown is characterized by a vigorous small business community. When that community is hurt, the quality of life within the city is diminished.

The same is true of education. Our school systems are based on the concept of local control. To make this work, the people who benefit from schools have to care about them. Usually, it is small business owners and their employees who form a community core. They support and help finance the schools. When they are unable to do so, the quality of education deteriorates; and everyone loses.

Let's look at another problem.

Business today suffers from a degree of overregulation which has profoundly serious implications for our whole way of life. There is simply no question about that. The burden of over-regulation is hard on every business, but to small business it's catastrophic. If the trend toward more and more regulation, and more and more government, continues, the wealth and power of this nation are going to become vested in big business and big government—the very condition we have been working to avoid.

We must not forget in our frustration over this condition that government has become an enormously complex process. We are not the victims of evil men. We are the victims of a dangerous new philosophy. It provokes our legislators and the regulatory bodies they establish to resort to regulation every time there is a problem. I do not happen to believe that a healthy economic society can be legislated.

A free and healthy society depends for its existence upon a competitive economy. The kind of over-regulation we are suffering today is destroying competition. We must do something about it.

I am totally convinced that small business and big business have essentially the same objectives. We must work together to achieve these objectives. If we don't, I fear we will all share a common defeat. There never was a better time for us to join forces. If I'm not mistaken, the mood of our country—including those who govern us—reflects an overwhelming desire to reverse or moderate the tide of over-government and the over-regulation that results from it.

Let me suggest some targets for our joint effort.

First, the *incrementally increasing minimum wage:*

It seems to me that this is especially difficult for the small businessman. The rationale for a greater minimum wage is obvious. Unfortunately, the net result diminishes the opportunities for employment among those who need it most desperately—untrained women and young people, minorities and the disadvantaged. The small businessman has always been a source of opportunity in this respect. But he can't afford to hire the unskilled, the untrained, when he has to pay too high a price for them. Thus they lose the opportunity for individual growth and development that small business once could offer. And small businesses lose the opportunity to compete with larger firms by offering a higher degree of personal service. We should seek to persuade Congress to postpone the increases scheduled for 1980 and 1981.

Next, *over-regulation:*

All of us are buried in paperwork required by those who regulate us. It is an enormous and costly burden on every business in America.

The Business Roundtable has just released a study on the cost of government regulation. Results show that the 48 major companies participating in the study spent more than $2.6 billion in 1977 to comply with regulations imposed by six government agencies.

That figure is only the tip of the iceberg. If only 48 companies had to spend more than $2.6 billion, consider what the cost must be for all American companies.

In the current annual report of Time, Inc., the president of that company, James Shepley, estimates that Time's expenses imposed by regulatory compliance procedures cost his company half as much as the dividends paid to its shareholders in the past year. This is a burden none of us can tolerate. It reduces productivity, sales and profits in big business. It could destroy small business.

Next, *investment tax credit:*

The investment tax credit, in its present form, is discriminatory as it relates to small and big businesses engaged in the retailing and service industries. Capital expenditures of manufacturers are primarily allocated to machinery, equipment and special facilities. All of these qualify for the credit. Retailers invest a substantial amount of their available capital resources in buildings and structures. These do not qualify except in the case of the rehabilitation of buildings at least 20 years old.

We should remember that the investment tax credit was established to help create jobs. Between 1948 and 1977, employment in the distribution sector increased by 105 percent, while employment in manufacturing rose only 26 percent. Employment by utilities and mining and transportation firms rose less than 6 percent. Yet in 1977, utilities and mining and transportation firms received 46 percent of the total investment tax credit allowed. Manufacturing firms received 45 percent. And distributors—who had actually created the bulk of the jobs—received only 9 percent.

The investment credit should be extended to all industrial and retail buildings. This would be especially helpful to small retailers and service businesses that want to expand. And it would result in a significant number of new jobs.

And last, *capital formation:*

It has become increasingly difficult for all businesses to generate adequate growth capital.

From the small business person's point of view, a large part of the problem has been a tax system for capital cost recovery that is just too complex and too cumbersome for small businesses to use. The effect has been to deny small businesses many of the benefits of the tax code that are available to larger firms. There are proposals now before the Congress for a vastly simplified rapid capital cost recovery system that would be enormously helpful to all businesses, perhaps especially to smaller ones.

Specific proposals vary. Most would legislate ten-year lives for buildings and five-year lives for equipment and fixtures. Some would add a special three-year category for autos and a one-year category for government-mandated capital costs.

Legislation has already been introduced by Senator Nelson of Wisconsin, chairman of the Senate Small Business Committee, and Senator Chaffee of Rhode Island. Others will follow. It is probably too early to endorse any specific proposal since refinements will be made. But it seems to me that, in principle, changes in the tax law that simplify and encourage speedy capital recovery are exactly the kind of thing we should support.

Also, it pains me to see and read of small businesses that must be sold in order to pay estate taxes when the founder-owner dies.

Congress has recently raised the amount of unified credit exemption allowed on an estate when it is transferred. The exemption will go up to $175,000 in 1981. Given our inflationary economy, this is still too low to be of much help to heirs who want to keep a family business. I would like to pledge my support tonight to a move by the small business community to raise this exemption in cases when family-owned enterprises form the bulk of an estate.

Of course there are other problems we can attack jointly. These, however, seem especially relevant to our objectives right now.

The sum and substance of my message tonight is that small business is too important a factor in the economic and social fabric of American life to permit it to wane. Our society was built on imagination and on daring. If we ever lose this in our society, we will have lost those very qualities that for generations made American business the economic wonder of the world. Unless small business thrives, nothing else will.

Every day, over and over, the American dream finds reaffirmation in its small businesses. We've had the dream since we began in this country. It's part of our heritage. If you start small, and you work hard, and you have a good idea, you can make good. Built into the dream is a kind of stubborn insistence that a really free society lets a man take risks, his own risks, if he wants to take them.

It seems to me that a really free society requires a vigorous business community composed of vigorously competing firms of all sizes. They must be free to take the kinds of risks that lead to great victories. The way to do this is to rebuild the kind of climate in which small businesses can grow.

We all have a stake in the future of small business. Let's all join the fight to preserve it. This is our opportunity and our challenge.

The time to act is now.●

CBO NAVY ISSUES PAPER BRINGS F/A-18 INTO SERIOUS QUESTION

● Mr. **HART**. Mr. President, the Congressional Budget Office (CBO) recently issued a paper, "Navy Budget Issues for Fiscal Year 1980." This is a most important paper, since it represents the analytical work of the CBO, the office established to inform Congress about budget-related matters.

The paper brings into serious question the F/A-18 naval aircraft program. It raises serious doubts about the cost-effectiveness and overall effectiveness of the F/A-18 in both the fighter and attack roles.

In terms of fighter aircraft, the CBO report states:

> The F-14 would be more cost-effective than the F-18 for defending ships at sea from air attack. As a result, the F-14 would be the best fighter for both offensive and defensive sea control missions in the event of a war with the Soviet Union. The F-18 would be more cost-effective than the F-14 for defending ground attack aircraft from enemy fighters. As a result, the F-18 would be the best fighter for power projection missions against countries other than the Soviet Union.

In other words, if we base our naval planning on preparing for a possible conflict with the Soviet Union, we should buy the F-14 instead of the F-18. If we want to prepare for Vietnam-type wars, we should buy the F-18.

I would hope my colleagues would agree that the danger against which we must prepare is possible conflict with the Soviet Union, not another Vietnam war. If we are not concerned with fighting the Soviet Union, then we hardly need thirteen large aircraft carriers; we might well not need large aircraft carriers at all. And the inadvisability of planning for another Vietnam would, I would hope, be generally recognized.

In fact, our planning is based on the possibility of war with the Soviet Union. This illustrates the inconsistency of buying the F-18, since according to the CBO, it is less cost-effective than the F-14 for this mission. Are we merely going to accept this inconsistency for another year, and pour more than a billion dollars into the F-18 program in fiscal year 1980, as the budget requests?

The CBO comparison of the A-18 with the A-7 for the attack mission is even more devastating. The CBO study states:

> A close examination of the capabilities and costs of attack forces that take an equal amount of carrier deckspace reveals that the A-7E force actually is more effective than the A-18 force in many combat environments, *even when performance estimates made by the Navy and the A-18's contractor* (emphasis added).

This is no surprise to anyone who has followed the A-18 program. Range/payload was at best equal to that of the A-7 from the beginning, and has been seriously degraded by A-18 weight increases. If more realistic evaluations of survivability than those used by the Navy are applied, even the advantage in this respect claimed for the A-18 erodes: It is larger than the A-7, hence has more signature; it lacks the A-7's armor; and on afterburner it will serve as a beacon to any heat-seeking missile in the neighborhood. Its ability to go supersonic is a doubtful advantage, since ordnance cannot be carried at supersonic speeds, so that it must still enter hostile airspace at subsonic speeds.

The CBO paper claims that the A-18 is more cost-effective than the A-7, but it bases this conclusion on the assumption that the A-18 buy is marginal to the F-18 buy; that is to say, all the R. & D. costs are allocated only to the F-18, not the A-18. Since the need for the F-18 is very much in doubt—the Navy would be better off with the F-14, and the Marines have said they can do without either F-14's or F-18's if they get the AV-8B—this assumption is open to question. If the A-18 buy is not regarded as marginal, then the A-18 is both less effective and less cost-effective than the A-7.

Finally, the CBO paper questions the need for an "interim" CTOL naval aircraft (which is what the F/A-18 is supposed to be) until we get advanced V/STOL in the 1990's. The paper states:

> The Navy's program presents V/STOL "B" as a 1995 replacement for the F/A-18. The Navy sees V/STOL "B" as a follow-on aircraft because it does not believe that a V/STOL aircraft "competitive with CTOL aircraft in mission performance and in cost" will be feasible until the mid-1990s . . .
>
> Nevertheless, it is plausible to suppose that a V/STOL "B" aircraft competitive with current CTOL aircraft in performance could be introduced well before 1995. Increased funding for research and development might well make V/STOL "B" feasible sooner. Moreover, others' experience with supersonic V/STOL suggests that it is feasible before 1995. The British Government once planned to introduce a V/STOL supersonic strike fighter as early as 1968; some observers believe that such an aircraft could certainly have been in service by 1975.

What this all adds up to is that the F-14, not the F-18, is the fighter the Navy needs. The existing (and much cheaper) A-7 is a better attack aircraft than the A-18; and if we get cracking, we can replace the current generation of CTOL aircraft—the A-7's and F-14's—directly with high performance V/STOL aircraft, without needing the F/A-18 as an interim generation of CTOL's.

These CBO findings come on top of a GAO study of the F-18 which recommends, on the basis of performance degradations and the high degree of concurrency in the test program, delaying production until the testing can be completed. It also comes on top of serious unit cost increases in the F-18 program. Despite an increase in the planned buy from 800 aircraft to 1,366, the unit cost dropped only from $17.6 million to $17.4. This strongly suggests that if the buy had remained at 800, the unit cost would have soared.

How long will the Congress continue to fund this program, when the reasons to terminate it grow almost daily, and the alternatives are clear and attractive?●

ALBIA'S RESTORATION PROJECT

● Mr. **CULVER**. Mr. President, I have spoken on several other occasions about the vital need to preserve the downtown commercial centers of America's small towns and cities. Our main streets are a valuable resource which is threatened today by commercial development and shopping malls that deny unique regional differences of culture and heritage.

Increasingly, some communities have resisted this trend and sought ways to preserve and expand the existing downtown areas. They have found that with a minimum of effort and community cooperation the downtown can be maintained for the shopkeepers and the customers.

In my own State of Iowa, there is a growing interest in this type of activity. One example is the small town of Albia, Iowa, a county seat community of 4,500 people. This town has undertaken an extensive face-lifting operation which has enjoyed a great deal of success. The local chamber of commerce has published an account of their program which I believe is instructive for other communities. Mr. President, I ask that this article, "Albia: The Story of a Town Restored," be printed in the RECORD.

The article follows:

ALBIA: THE STORY OF A TOWN RESTORED

> Once upon a town . . . came the realization that like an individual, a community cannot separate its past from its future . . . that for this town—Albia, Iowa—there could exist a future full of the promise of economic and social well-being . . . there was in the community much of worth and beauty . . . that the restoration of the community face could complement the economic heart in building a better future.

This realization was influenced by the need for industrial growth and an awareness on the part of the business and professional people that Albia would soon be the center of a growing tourist area encompassing six lakes (including the two largest in Iowa) within a 30-mile radius.

It was also clear that this county-seat community of 4,500 people offered a variety of goods and services that most metropolitan shopping centers could not supply.

The key is the Town Square, an attractively functional business area constructed around the Monroe County Courthouse. The structures around this Town Square house governmental units, medical, dental and legal services, agricultural services, transportation facilities, financial institutions, news media and retail stores serving an expanding trade area.

The restoration of the Town Square would provide a perfect mating of the heritage of the past and the promise of the future, a combination offering aesthetic as well as economic benefits.

With these thoughts in mind, with pride in their heritage and excited over possibilities, these Albia men and women began to build their futures. The way in which they built was through "Operation Face Lift", a community project which has given new vigor to . . . Albia, a town restored.

This is that story, told in the hope that it may help other communities which, too, may wish to build for a better tomorrow.

THE ORGANIZATION

To effect the results desired, to offer an overall plan of action and to involve individuals and business who might not be members of the Albia Chamber of Commerce, a separate non-profit corporation was formed. This corporation, however, has full use of Chamber offices, facilities and staff without charge.

The corporation, the Albia Area Improvement Association, has no capital stock. Membership certificates are sold to individuals and business firms but businesses may obtain the services and benefits of the group without a membership fee. Local firms may also buy multiple memberships or additional memberships each year. But each firm or individual has only one vote.

The corporation was made broad enough so its activities might encompass other projects following the completion of "Operation Face Lift". Its purposes as listed are:

1. To provide the means for obtaining benefits available under the various federal and state programs for citizens residing in the Albia, Monroe County, Iowa, area.

2. To undertake any other programs and activities which will improve economic and social conditions, and educational opportunities for citizens residing in the area.

The corporation has 10 directors and four officers who are also directors.

The corporation has the authorities conferred upon it under Chapter 504A of the 1966 Code of Iowa and acts amendatory to this code. As such it may borrow money and enter into contracts.

This is the organization and the plan evolved after several meetings of business and professional people, in which they viewed two films of comparable projects and began to assess the potential for Albia.

THE PLAN

There are 83 different property owners on the Albia square and within a block of the square. Some own several buildings. A number are absentee owners, traditionally little concerned about civic projects and community pride. The number of store fronts and business places is appreciably higher.

How does a community get from such diversity a unified approach to a physical improvement of the business area? What should that approach be? Should there be unity, a theme throughout? Or should each building be treated individually, yet as a part of the whole?

The individual approach was decided upon after several architectural firms had submitted sketches.

The firm of Steffen-Stoltz Architects of Ottumwa, Iowa was employed to work closely with Robert T. Bates, an imaginative Albia interior decorator returned home to live and to work. Together Stephen M. Stoltz and Robert T. Bates sketched and planned, talked accents and selected colors, until there emerged sketches and ideas of how the Albia square would appear when restored.

The architectural firm submitted colored sketches of each building, together with suggestions for shutters, lights, wrought iron, awnings, and other decorative devices. Under Mr. Bates the colors were coordinated with those of other buildings around the square. The planning resulted in one paint firm furnishing the paint and stain, mixed to specifications. A single contractor was also selected to do the restoration.

As each building was considered the architect made suggestions, the contractor inspected the building and made recommendations and estimates were given the building owner. With final figures in contract form a representative of the Albia Area Improvement Association, who had been working with the owner, returned with this contract for signing. If there were differences, compromises were made. Then the contractor was ready to begin. And in each step in the process the contractor was in constant consultation with Mr. Bates.

In order to provide for an orderly working arrangement, local representatives tried to keep enough signed contracts ahead so the restoration contractor could move his men from one job to another. Where possible buildings in the same halfblock were scheduled at one time to reduce disruption caused by the work, the sandblasting, the scaffolding.

As work was completed around the square, schools, churches, and local governmental units were contacted so services might be available to them also. The popularity of the project was such that the major problem was getting anxious property owners to wait.

THE FINANCING

The Albia Area Improvement Association is financed completely by the sale of the $25 memberships to any interested firm or individual, although an initial planning grant was made by Iowa Southern Utilities Co.

The corporation expenses have been solely those of incorporating and maintaining records ($45.99 in three years) payment of interest on necessary loans (only $49.34); and payments to the architectural firm coordinating the planning. This planning has cost $3,544.63 in the first three years and covers two-thirds of the complete project.

The corporation has been responsible for the general planning on the renovation of each building. This service has been provided at no charge to the building owner. However, services for structural changes and all renovation work itself has been paid by the property owner.

The two local banks, the Peoples National Bank and First Iowa State Bank, agreed to provide any necessary financing for their customers in connection with this renovation. All work was accomplished through these membership fees and through this local financing. No government grants or aids were involved. This is an entirely local project, aided only by a few former residents who were enthused about the project and offered to contribute.

THE WORK

The type of work and the amount of work to be done on any individual building can be determined only by an inspection. However, the following may be typical of the scope of the work which should be considered in a renovation:

Sandblasting.—The wall should be sandblasted to free it from any dirt, grease, and other foreign matter. This will result in a clean wall, prepared for any necessary repairs.

Solid cut and point.—Every joint in the wall should be cut out to prepare for repointing. Joints should be repointed fully and soundly with non-shrinking, waterproof mortar. Cutting can be done by either sandblasting or air hammer.

Windows and cornices.—Windows and cornices should be cleaned and scraped to prepare for painting and caulking. A coat of primer and a coat of finish should be applied.

Silicone treatment.—After the wall has been completed and properly cured it should receive a saturating coat of five percent silicone to secure it from any water penetration. This silicone treatment will not be done if bricks are to be stained.

Painting.—All windows and trim should be cleaned, preparatory to painting with one coat of primer and a finish coat.

Brick work.—All brick work should be repaired and all joints found to be defective after cleaning should be re-pointed.

Coping stone.—All coping stone should be cut out and recaulked with a thiokol base caulking.

Staining.—All brick should be stained in the color chosen and to the customer's satisfaction.

Grouting.—All walls, after being cleaned, should receive a coat of ironite and rubber cement grout to fill all joints and holes in the wall.

These items above pertain primarily to masonry construction, but the contract should also cover any wood repair or replacement, any ornamental tin work, the addition of shutters, lamps, wrought iron, flag standards, or other work to be done by the contractor.

THE COST

The cost of the renovation projects has varied so extensively it would be misleading to give figures and averages without detailing the specific work done on each building. This detail will be found on Pages 9–12.

A fair estimate is that $150,000 will be spent in the business district on this renovation project by the time it is completed. This would include only the renovation work and not remodeling or structural changes.

Individual building renovations so far have ranged from $200 to $6,822.84—for a complex of buildings covering a fourth of a block. It includes, for instance, $5,600 spent by one local church in renovating its building.

Of the first 30 projects completed, and the amount of frontage and work done varies greatly, 11 cost less than $1,000 each.

In most instances the work being done would ordinarily be classified as building maintenance and repair and as such the cost is not amortized but deducted (for tax purposes) in the year in which repairs are made.

THE CONTRACTOR

The major work done for the Albia Area Improvement Association has been done by the J. & R. Building Maintenance Co. of Des Moines. Because the scope of the work is renovation rather than structural repair, an experienced maintenance contractor, rather than a construction contractor, was preferable for the project.

The scope of the work and the responsibility of both the customer and contractor are specified in individual contracts. The contract is solely between owner and contractor, with the Albia Area Improvement Association acting as the sales agent at no fee.

The contractor is to protect all work areas and be fully responsible for the quality of the work. He provides Workmen's Compensation Insurance in statutory limits and Contractor's Liability Insurance.

The contractor must clean up after work completion and guarantees workmanship and materials. The contractor doing the Albia work guaranteed work and materials for a five-year period with defects being repaired at the contractor's expense.

Payment is made directly to the contractor following satisfactory completion of the job.

THE PUBLICITY

An understanding of the operation of the project, its purposes, and a resounding public acceptance can be obtained by full local and area publicity of all of the phases of planning and restoration.

For historical as well as publicity purposes all buildings should be photographed in black and white and in color. A set of before-and-after photographs on transparencies or colored slides provides a delightful contrast. Before-and-after pictures can be used in the local news media and stories of the renovation progress are always welcome.

The Albia Area Improvement Association has been a ready source of stories and features for area newspapers, television stations, travel magazines, travel columnists, as well as other community groups seeking information and background on the project.

The Albia Chamber of Commerce, through its executive secretary J. Logan Cain, made up a slide presentation with before-and-after pictures. This series, shown with two projectors and using the same screen, has provided a graphic illustration of changes accomplished in the renovation project.●

TWENTY-FIFTH ANNIVERSARY OF AIR FORCE ACADEMY

● Mr. HART. Mr. President, April 1 of this year marked the 25th anniversary of one of Colorado's most distinguished institutions, the Air Force Academy. In the April issue of Air Force magazine, Gen. T. R. Milton, one of Colorado Springs' foremost citizens, pays a deserved tribute to the Academy. As General Milton states:

> All things considered, we are a lucky Nation to have such a school, and we owe a great deal to the vision of those men—Hap Arnold, Tooey Spaatz, Father Guthrie, all of them—who saw the need for an Air Force Academy * * * Now, as the Academy begins its 26th year, there are more than 8,000 candidates for admission. There is a distinctly rising trend in the test scores and other attributes of this year's applicants, an encouraging sign of the Academy's nationwide reputation.
>
> It deserves that reputation. There is no other school in the land that can offer more in the way of an education, a career, and stimulating associations, to say nothing of its scenery and its many diversions, than the Air Force Academy.
>
> All in all, it has been a fine 25 years.

Mr. President, I agree with General Milton that it has been a fine 25 years, and I am certain that there will be many more fine years to come. I ask that General Milton's article from Air Force magazine be printed in full in the RECORD.

The article follows:

THE AIR FORCE ACADEMY: A FINE TWENTY-FIVE YEARS

(By Gen. T. R. Milton, USAF (ret.))

When World War II ended, it was the Army Air Forces that, as the song had it, nothing could stop. The AAF had all but achieved its total independence during that war, a fact testified to by the fifty-mission caps and other abstract variations on the Army uniform. It was a pretty cocky service, and, with its accelerated promotion system and flight pay, a pretty insufferable one as well in the eyes of the ground Army. And yet, as the AAF approached the status of a separate service, there were some feelings of inadequacy.

The war had seen the AAF balloon from a branch that in 1939 had 1,650 regular pilots, 850 reserves, and a total strength of 22,500, to a service with 380,000 officers alone in 1945. The trouble was that there was some suspicion that a great many of them were not really officers—not in the traditional meaning of the term. Technicians, but not officers. Furthermore, they were a little shy on formal education as compared with the Army and the Navy.

And so, two years later, when the Army Air Forces finally became the United States Air Force, it had also, almost unaccountably in a service with such an exuberant history, acquired a slight inferiority complex. Only forty-one percent of its officers had baccalaureate degrees, compared with seventy-five percent in the Navy and seventy-two percent in the Army. Of that forty-one percent, only ten percent had graduated from a service academy, less than a third of the average for the other two services. Not that service academy graduates were especially revered in either the AAF or the new United States Air Force. There were, in fact, some West Point graduates who felt life went more smoothly if the class rings were kept in the box.

Still, there was a strong feeling in this new air arm that there should be a service academy to match those of the other services. It was part of a general concern about the postwar education of career officers, a concern that had produced some interesting and thoughtful suggestions from, among others, Gen. Henry H. Arnold. General Arnold held the view that undergraduate training should begin at a combined—nondenominational, so to speak—services academy for the first two years, pursuing a largely academic curriculum. Following these first two years, General Arnold would then have sent the successful students on to a final two years at a military, naval, or air academy. He saw in this scheme a way of giving career officers a common grounding in military customs and traditions and a reduction, by this early joint experience, in interservice rivalry and friction later on.

Predictably enough, even his own service disagreed with Hap Arnold. Since there appears to be no record of the Arnold proposal's reaching the Army and Navy for comment, we can only guess at their probable negative reactions to this antiparochial scheme.

Beginning in 1944, there was a steady process of planning within the Army on this matter of undergraduate training for career officers. While West Point was prepared to expand and take the load for both the ground and air arms, the AAF, and then the Air Force, wanted its own school.

There was a divergence of opinion within the Air Staff as to whether or not this new air academy would include flying training as an integral part of the curriculum. West Point had produced pilots during the war years, but at some sacrifice, many felt, to their overall education. It was a matter that would not be settled until the academy was actually founded, but the decision to provide some flying training was given a powerful assist by Carl Vinson, the omnipotent Chairman of the House Armed Services Committee. Mr. Vinson informed Air Force Secretary Stuart Symington, in March 1950, that he opposed the concept of an air academy that did not teach flying. It was an observation that did wondrous things toward straightening out the thinking on that subject. Future discussions on flying training would be limited to how much, rather than whether.

Even by 1948, however, the general concept for an Air Force academy was by no means clear. The Fairchild Board, a group of senior officers and distinguished educators under the chairmanship of Gen. Muir S. Fairchild, Vice Chief of Staff of the new Air Force, met at the Air University to discuss plans for the proposed academy. One plan, favored by the majority, which included a number of West Point graduates, would have given the undergraduates two years at a civilian institution followed by three years at a military academy.

One of the strongest opponents of this scheme was a Jesuit educator, Father Hunter Guthrie of Georgetown University, who argued that "the service academies would lose something . . . basic in the training of these young men if they didn't have them for a full four years . . . from the beginning to the end of their military baccalaureate-level training." Air Force DCS/Personnel Lt. Gen. Idwal Edwards shared Father Guthrie's views, and these two were persuasive. Gen. Hoyt Vandenberg, the Air Force Chief of Staff, overruled the majority in favor of a four-year Air Force Academy.

At the end of 1949, Lt. Gen. Hubert R. Harmon, was recalled from retirement and appointed Special Assistant for Academy matters in anticipation of early legislation creating the school. It was going to be a long wait. There were arguments over location, self-serving bills to assure the location at a particular place, and discussions as to the need for another academy. Then the Korean War came along to put the whole subject quietly on a back burner. It was not until 1954 that the Congress finally approved the legislation. President Eisenhower signed the bill on April 1, 1954, and the Academy was in business, at least on paper. There remained, of course, the selection of a faculty and staff, finding a site for the school, and getting under way with the first freshman class.

Given the Army ancestry of the Air Force, it was only natural that West Point should have served as the model for the new academy. Thus, the first faculty was chosen, like the faculty at West Point, from within the service. It has remained essentially a commissioned officer faculty ever since, although there are usually one or two visiting professors from civilian universities to add a touch of academic ecumenism.

The site selection was a little more complicated. After an initial consideration of existing bases, including Randolph AFB, Tex., the "West Point of the Air," the choices narrowed down to a spot on the bank of the Mississippi near Alton, Ill., Lake Geneva, Wis., and Colorado Springs. Community resistance in the first two, and community enthusiasm in Colorado Springs were the deciding factors. The selection committee, a group that included Charles Lindbergh and retired Gen. Carl "Tooey" Spaatz, recommended Colorado Springs, and Secretary of the Air Force Harold Talbott concurred.

During the years the new school was under construction, the Academy, under its first Superintendent, Lt. Gen. Hubert Harmon, operated at a temporary site on Lowry AFB in Denver. Construction by the firm of Skidmore, Owings and Merrill went on briskly but not without some controversy. There were cost overruns to be explained away, and then there was the chapel that offended a considerable number of congressmen and senators, who had their own ideas of what a chapel should look like. Not to minimize the skirmishes, the chapel survived as conceived and sits there below the Rampart Range today, the most distinctive architectural feature of the Academy.

Now it is twenty-five years and 12,133 graduates later. Of those 12,133 graduates, 9,362 are still on active duty. Not perfect, but not bad either as evidence of the commitment the graduates have made toward an Air Force career. Twenty of those graduates have won Rhodes Scholarships, a remarkable record for this still-young school and one that puts the Air Force Academy just behind the Ivy League and West Point in these coveted awards. There have been forty-two Guggenheim Engineering Scholarships won in those twenty-five years, and 144 graduates have achieved some sort of all-American acclaim, though only one or two have made it in football.

On the somber side, 105 graduates have been killed in action and nineteen more are still carried as missing. One, Capt. Lance P. Sijan, was awarded, posthumously, the Medal of Honor. A dormitory, Sijan Hall, has been dedicated to his memory.

Some have gone on to become Ph.D.s, a few are now M.D.s, a program that has ended with the establishment of the Defense Medical School. There has been a sprinkling of astronauts, White House Fellows, and now, this past year, the first brigadier general. In a very few years we can expect to see Academy graduates prominent throughout the Air Force from top to bottom of the commissioned ranks. It is, after all, the main idea.

A SOUND MIND . . .

The present Superintendent, Lt. Gen. Kenneth Tallman, like all his predecessors, has to keep in mind that basic purpose of the Academy: to turn out career officers—the best possible career officers—for the Air Force. Simple as that seems, it is not always an easy mission to keep in focus. From his spacious third-floor office in Harmon Hall, General Tallman looks out past the seventeen wigwams of the chapel to the quadrangle of the cadet area. At the east end of the area is the main academic building, the scene this past year of a small tempest over the status of the academic dean. The dean is chosen from among the permanent professors and thus is a somewhat different sort of brigadier general from those found in the Air Force at large. A superintendent wishing to change deans has, accordingly, a different problem from, say, the Commander in Chief of the Strategic Air Command who decides to move a division commander.

Professors at the Air Force Academy are, as we noted earlier, drawn from the ranks of the career military. They go by military titles and wear their uniform to work, all of which tends to conceal the fact that these professors have, like professors in other colleges with high academic standards, graduate degrees—usually doctorates—and can aspire to tenure, which is to say permanent faculty status. They then come under a different statute from that governing their fellow officers—one that fixes them in place, gives them sabbaticals, and allows them to stay on until they are sixty-five, though that privilege has yet to be exercised.

The faculty, in short, is unlike the rest of the uniformed military, emphasizing the fact that the Academy is first of all an academic institution. A military academic institution plain enough, but one fully accredited by the civilian world of education. There is an intense competition for a cadet's time in this self-contained little world at the base of the Rockies. The professors have laid on an impressive academic load—153 semester hours in the core curriculum, against an average of 124 semester hours in comparable civilian institutions. The difference lies in the requirement for military studies and physical education, neither being either incidental or superfluous to the basic mission of the Academy. There is not much time left in a cadet's day for either reflection or mischief.

Gradually, over the years, academics have become the focus of a cadet's existence. In the beginning there were no course majors. The curriculum, following the old West Point pattern, was basically science and engineering and was the same for everybody. A generous amount of time was allotted to military training, including a thoroughgoing airmanship program, one in which cadets graduated with navigator wings. There was extensive flying experience throughout the entire four years, along with summer field trips and individual assignments to operational squadrons.

Today, there are twenty-three course majors offered the Academy undergraduate, along with the academic enrichment program, an imaginative concept that encourages cadets to take validating examinations in subjects they have previously studied. Thus freed from traveling over familiar ground, they can go on to explore new areas. The academic workload, as we have previously noted, is impressive by any standards, but, as is always the case in this unforgiving world, you never get something for nothing. In this case, the increased academic load has been accompanied by a decrease in military training. The airmanship program is, compared to the old days, fairly superficial. Classes no longer graduate with navigator wings, nor do the cadets see as much of the active Air Force—the "real Air Force," as they put it—as in former times.

It is a tough school that has grown out of those early years, as the lights burning late at night in the dormitories testify. From time to time over the years there has been some questioning as to whether the academic load might not be too heavy, with too much emphasis on studies and high entrance scores and not enough on the military and physical side of things. The recent dismal football season, with Air Force losing both to Army and Navy as well as to almost everyone else, coming on the heels of other recent dismal seasons, has raised the question again. Losing football seasons are no joking matter, for it is football, not Congress, that underwrites the rest of the Academy's athletic program. A losing team means empty seats and, worse yet, no televised games.

A SOUND BODY

As we all know, college football at the championship and big-bowl level has become one of the anachronisms—there are less polite and more accurate words—of the American higher education scene. There is no real mystery about assembling a powerful football team, only a certain cynicism and a benevolent attitude toward scholasticism. Clearly, the Air Force Academy cannot aspire to a truly big-time football team and maintain its other high standards. At the same time, there is no statistical proof that Guggenheim or Rhodes Scholars make any better Air Force officers than do good athletes. Somewhere in between, say the critics, lies the answer.

The Superintendent's job is not an easy one.

Actually, the Air Force Academy is, aside from football in recent years, a highly successful competitor in collegiate sports. The swimmers have a sparkling record, as do the gymnasts, the soccer team, and the pistol and rifle shooters. From time to time the hockey team scores a sensational victory over one of those teams made up of players, many of them Canadian, with professional ambitions. The basketball team, facing obstacles similar to the football program in this era of astronomical professional salaries and their consequent effect on college basketball, is beginning to look ahead to some successful years.

As for the Air Force Academy women, they are demolishing the opposition. With only three classes of women yet in residence, their intercollegiate record is spectacular. In basketball, for instance, they have lost only two games in two years, and one meet in swimming. There is obviously something basically competitive about a young woman who can survive that hard and essentially miserable first cadet summer.

All in all, then, the Academy does very well in athletics, especially in the kinds of athletics that do not lead to professional athletic careers. Unhappily, these are also the sports that do not attract big crowds, bring in revenue, and get the headlines in the sports pages. It is a problem well understood at the Air Force Academy.

CHANGING PHILOSOPHY

Looking back at the formative years of this twenty-five-year-old school, one is struck by the attention directed at the business of turning out pilots. If it was not the entire philosophy of the founding fathers, it was certainly a dominant one. Ninety percent of the early entering classes had to be physically qualified for pilot training. It was almost axiomatic that most—practically all—of the cadets had their sights set on pilot training. A large percentage of the remainder would go to navigation school. One way or another flying training was to be the first step after graduation for the great majority.

The years have seen some changes in that philosophy. Only sixty percent of the entering class need now be pilot-qualified. Since four years always sees some falling off here and there in twenty-twenty vision, the graduating classes can now expect to have less than sixty percent pilot-qualified. And even here, as a sort of sign of the times, there is a further loss to pilot training by some otherwise qualified cadets who choose not to go that route.

To some extent, this trend away from pilot training and a career closely tied to airplanes is simply a reflection of the trend in the Air Force itself. The old days, those wonderful old days when being a pilot meant being able to fly your whole active-duty life, are gone forever. There are no longer proficiency airplanes at Andrews to lighten the lives of the poor souls trapped in the Pentagon. Flying now is something reserved for those serving in flying jobs, and there are fewer and fewer of those jobs. Cadets know this, and it is reflected in the tentative way many of them look ahead to an Air Force career. It is also reflected, not so much in the attrition rate of the cadet wing itself but in the way this attrition makes itself felt.

In the long-ago days of prewar West Point, for instance, most of the attrition came from academic and disciplinary failures. Voluntary resignation was a very small statistic. To a great extent, this was also true in the early days of the Air Force Academy. Now, volutary resignations are by far the largest factor in cadet attrition, running about thirty percent against a cumulative total of around thirty-eight percent losses for all causes. It is fair to assume that these voluntary resignations are tied to what cadets see, or think they see, down the road.

LIBERATED AUTHORITARIANISM

These are difficult times for any enterprise that interferes with individual liberties and rights. By its very nature, the Air Force Academy finds itself in that category, an essentially authoritarian institution in a libertarian era. The fact that it exercises a very liberated kind of authoritarianism is, to some young people, beside the point, and so the voluntary resignations will probably continue to be a major factor in the attrition rate. Another factor is undoubtedly the six-year service commitment that now follows pilot training. Again, in this easycome era, commitments are something to be viewed with deep suspicion.

And yet, in refutation of that statement, there is the honor system, a hoary relic of simpler times, that has survived intact, with the cadets themselves its fiercest preservers. It is a system that gives these young men and women a common bond of trust in one another, and what better basis than that can there be for people in the military profession? It is a fragile system, one that can be destroyed if it is abused or made to do the work of the authorities. The authorities, from the superintendent on down, understand this wonderfully well.

One of the most remarkable events in the past twenty-five years has been the admission of women to this previously all-male institution, something not even remotely contemplated by the founding fathers back in those days after World War II. It is very much a sign of our changing times that this transformation took place with so little commotion. Beyond a certain amount of male chauvinistic griping at the idea of coeducation, the women have become, in the three years since they were first accepted, as unremarkable as women are on any campus. It will take some years before we will know whether or not this is the best way to provide women officers for the Air Force, but there is no arguing the success of the Academy's effort to admit women with the least possible disruption to the basic mission and routine. The experience thus far is encouraging. The women are good cadets, take their duties as well as their studies seriously, and seem to look forward, for the most part, to an Air Force career.

For the most part, they all do, men and women alike. The fact that an Air Force career is no longer as easily visualized as it was years ago is a complicating factor in a cadet's motivation toward that career. It has, thus, become more important than ever for the Air Force to take a close and proprietary interest in its Academy. Unhappily, for reasons of economy and others that are not so evident, the interest somehow does not seem as intense as it was in the early days of the school. Perhaps it is simply a reflection of the fact that Academy graduates are not yet very numerous in the higher ranks. Still, if the Air Force Academy is to fulfill its destiny and have the sort of support its sister academies enjoy, the Air Force at large must come to look on this school as its own.

A SUMMING UP

All things considered, we are a lucky nation to have such a school, and we owe a great deal to the vision of those men—Hap Arnold, Tooey Spaatz, Father Guthrie, all of them—who saw the need for an Air Force Academy. Some of their original ideas have, of course, been altered or even abandoned with the passing of time. But in those same years what has not changed?

Looking back to those years when this school was just an idea in the minds of some forward-looking men, it is fair to wonder if everything has turned out the way they would have wanted it to. That it did not turn out exactly the way they visualized it would is clear enough, but that is just the way the world has gone. The founding fathers could not have foreseen the trauma of Vietnam and what it might do to young people's attitudes toward a military career. The fact that it had so little effect and that outstanding young people would continue to apply in record numbers would surely please those men. It is doubtful if they foresaw the change that would come, in those twenty-five years to the Air Force itself. They were realistic fellows, however, and knew that plans, military or otherwise, rarely came off unchanged.

A fair guess is that they, Hap Arnold and all the rest, would be eminently satisfied with what they brought about. So would Dwight Eisenhower who, together with Dr. Stearns of the University of Colorado when they were both university presidents, drafted the report that set the basic academic tone for the still-unborn institution. Aside from a few rocks in the road, it has been a steady ride for the Air Force Academy, one that has seen it take note of the rapidly changing mores of the country while holding fast to its original course.

The problems that have surfaced from time to time have been, on the whole, transitory. The Academy has not only weathered them but has emerged stronger from the experiences. The cheating scandal in 1965 was traumatic, no doubt about that, and it left a few scars. However, the years since have seen the honor system not only survive but become better—more deeply—understood. When the courts did away with compulsory religious services, there were visions of the famous landmark chapel becoming a mausoleum. Church attendance, after a temporary decline, has recovered most of the Cadet Wing. Beyond that, the services, being voluntary, have a higher degree of cadet participation and sheer joyfulness than was ever the case when cadets were marched to church.

Now, as the Academy begins its twenty-sixth year, there are more than 8,000 candidates for admission. There is a distinctly rising trend in the test scores and other attributes of this year's applicants, an encouraging sign of the Academy's growing nationwide reputation.

It deserves that reputation. There is no other school in the land that can offer more in the way of an education, a career, and stimulating associations, to say nothing of its scenery and its many diversions, than the Air Force Academy.

All in all, it has been a fine twenty-five years.●

SCIENCE AND TECHNOLOGY RESEARCH AND DEVELOPMENT UTILIZATION POLICY ACT (S. 1215)

● Mr. STEVENSON. Mr. President, America's leadership in technology has often resulted from the Government's role as supporter of research and development and purchaser of its results. As distasteful as the notion may be to believers in the omnipotence of free enterprise and the irrelevance of Government, our most innovative and competitive industries are those which have benefited most from Government involvement—aerospace, electronics, telecommunications, and agriculture.

Now with productivity stagnating, inflation accelerating, our competitive position in world markets eroding, and the need for energy development pressing, the Government shrinks from new technological initiatives and continues to impose barriers to Government-industry collaboration.

Dan Greenberg observed in a recent Washington Post column that the skeptics allow facile analogies between moon landings and technological solutions to social problems have succeeded in creating a cynicism toward public research and development with the result that "the governance of science and technology is permeated with a distrust of Goliath undertakings, a craving for penny-pinching accountability, and an obsession with difficulties rather than opportunities."

For a rich and resourceful country to be infected with what Greenberg calls "technological timidity" is understandable in a period of awareness of natural resource limitations and environmental and health hazards; but spread too far, the infection is self-defeating. If the United States is to prosper, serve the needs of its citizens and restore its authority in the world, it must maintain a preeminent capacity to push ahead the frontiers of knowledge and apply the results.

Greenberg concludes:

> Now that we have worn the hair short for the past abuses of science and technology, it's time to act on an important reality: The United States has an immense powerhouse in its scientific and technological enterprise and while prudence and thrift should not be foresaken, this enterprise could do nicely without the shackles of doubt and parsimony that have burdened it for so long.

In May I introduced, with Senator CANNON and other Members, the National Technology Innovation Act and joined Senator SCHMITT and Senator CANNON in sponsoring the Science and Technology Research and Development Utilization Policy Act, to establish a uniform policy for determining the rights of the Government, its contractors, and employees to exploit publicly financed inventions. Today I want to discuss the latter legislation.

Last year's Federal research budget of $28 billion represented half of the Nation's total investment in research and development. Three-quarters of Government R. & D. is performed in industry, university, and other non-Federal laboratories. Between 1970 and 1975, Government-sponsored R. & D. generated 53,000 invention disclosures, 70 percent of them by contractors and grantees, the remainder by Federal employees. The Government acquired title to more than 80 percent of the inventions whose ownership and usage rights were determined. Less than 10 percent of the Government's patent portfolio has been licensed to private producers. Less than 5 percent of Government-owned inventions are used commercially.

In order for the public to benefit from inventions derived from Government-supported research and development, they must be developed, marketed, and used. The Government can provide assured markets for some inventions by purchasing new products and services for its own use, primarily in defense and space programs. In other cases, Government regulations effectively require all producers to use an invention. But for energy development, health care, and transportation improvements, civilian applications of military and space R. & D., and a variety of other domestic purposes, the Government depends largely on private markets to commercialize the technology it develops. For obvious reasons, private investors run much greater risks in turning these inventions into marketable products. The risks are especially high if competitors can legally copy an invention because the Government refuses to allow a producer exclusive rights for the period necessary to recoup his investment in development and marketing. The principle of granting exclusivity in return for public disclosure of an invention is the foundation of the patent system, but it is not recognized in most Government R. & D. grants and contracts.

A series of statutes, regulations, and Presidential policy statements has produced a hodgepodge of policies concerning rights to Government-financed inventions. Even though its R. & D. is intended for Government use, the Defense Department generally follows a "license policy" of conveying title to contractors while retaining rights to free use of inventions for Government purposes. On the other hand, many domestic agencies as well as the National Aeronautics and Space Administration have a title-in-Government policy with provision for case-by-case waivers upon application by contractors. Waiver conditions can be enormously complex, the process time-consuming, and the outcome unpredictable. Uncertainties at the time of contracting may discourage the most qualified performers from participating in Government contracts or encourage them to separate Government-sponsored and proprietary research activities.

The bill we have introduced requires disclosure of inventions made in the course of Government-sponsored research and development. It reserves title to the Government in certain narrow circumstances where the public interest in full access supersedes the public interest in private exploitation. These cases include contracts for the operation of Government research and production facilities, for classified work, or for results required for compliance with Government regulations. In most other instances, a contractor may elect to take title to his invention provided that the Government retains free use of it for its own purposes. The Government may "march-in" to resume title or require licensing to third parties in order to alleviate a serious threat to the public welfare or national security, prevent undue market concentration, or serve regulatory purposes, or if the contractor fails within a reasonable time to apply the invention. The Government may grant exclusive or partially exclusive licenses to Government-owned inventions if that is necessary to encourage private investment and commercial use. The bill also addresses the respective rights of the Government and Federal employee inventors.

I have advised Senator Schmitt that, while I fully support the principles of S. 1215, I want to consider two changes in the interests of equity and administrative simplicity.

First, I believe that the public's contribution to a federally assisted invention subsequently generates private returns justifies requiring a payment back to the Government over and above corporate and individual income taxes. I recognize the difficulty of administering such a requirement and, in particular, the difficulty of determining the precise contribution of a single invention to the returns on a product or process incorporating it and perhaps other inventions. Moreover, the payback requirement should not itself deter private commercialization of inventions.

Second, I believe that we should simplify the "march-in" procedure whereby the Government reacquires title to an invention or demands that it be licensed if the contractor fails to commercialize it. In view of the Government's poor record in promoting use of Government-owned inventions, I see little to be gained in having the Government resume title. At least through 1975, moreover, the Government had never once exercised its right to require licensing under the Presidential policy statements of 1963 and 1971. Most Federal agencies have failed to monitor commercial use even though, ostensibly, they are required to do so. As an alternative, we should consider a self-enforcing licensing requirement that would become effective automatically after a reasonable time.

We will explore these issues, among others, in hearings before the Subcommittee on Science, Technology, and Space and in cooperation with the Committee on Governmental Affairs.

The delicate balancing of interests we are seeking will not be helped by the rhetoric that has plagued this issue for 30 years and prevented achievement of the uniform Government patent policy that numerous commissions, studies, and members of Congress have recommended.

We intend no giveaway of public property to private monopolists but rather a prudent use of private interests for the public good.

With the support of business, labor, public interest groups, and academia for that objective, we can make an important contribution, not to innovation for innovation's sake, but to a revival of America's growth, productivity and competitiveness.

Mr. President, I ask that Mr. Greenberg's article be printed in the Record.

The article follows:

Technological Timidity

(By Daniel S. Greenberg)

It is commonly recited that those supreme examples of big technology, the bomb-building Manhattan Project and the Apollo moon landing are poor models for dealing with mundane problems—so commonly, in fact, that what is no more than a useful historical insight has been turned into a deadening rule.

The issue deserves attention because large-scale technological mobilization does make sense in certain circumstances, some of which now exist, most conspicuously in energy-related matters. But the arbiters of scientific and technological fashion—having long scoffed at the naive question. "If we can land a man on the moon, why can't we . . .?" have succeeded all too well. And the result is that the governance of science and technology is now permeated with a distrust of goliath undertakings, a craving for penny-pinching accountability, and an obsession with difficulties rather than opportunities. The blame for this can be justly spread around: A space program conceived as a public circus was bound to lose its audience; like space, the "war on cancer" was oversold and contributed to the distrust of grandiose schemes, and, finally, money for big ventures is now politically difficult to obtain—especially when memories of technological debacles remain fresh.

The net effect is technological timidity in a country that is teeming with technological strength. And nowhere is it more apparent—or ironic for being there—than in the public pronouncements of Engineer-President Jimmy Carter, who has subtly combined loudly proclaimed generosity for university-based science with an intense frugality toward research of direct commercial value. The rationale is that government alone is the financial mainstay for academic science, while industry ought to tend to research that can make money. The reality, however, is that American industry—with a few exceptions—is not awash with technological adventurism, and if government doesn't get out there and put big resources into lagging areas of public importance, the research just isn't going to get done, at least in the United States.

One of Mr. Carter's reactions to the current gasoline shortage invites attention to the excess of caution that dominates his administration's attitudes toward research and development. Meeting last week with leaders of the big four automobile manufacturers, the President announced a study aimed at establishing a program of government and industry research collaboration on greater fuel efficiency. "This is a very exciting prospect for me," Mr. Carter said.

For the rest of us, however, it ought to be regarded as a very depressing one, because what this pending government-industry research compact clearly establishes is that, six years after the OPEC embargo clearly spelled out the energy perils of the Western world, research that ought to be well underway is yet to be started. Given the fact that the Department of Energy does not lack research money, it is appalling to find that any reasonable possibilities for fuel-efficiency research are not being exploited. But, since Mr. Carter and the automobile industry are talking about just that sort of research, the only conclusion is that it just hasn't been done.

A quest for why this is so can profitably look to the "Science and Technology Report" that the President sent to Congress last year. It is one of the gloomiest, put-down documents that any government has ever issued on the subject: "The experience of recent decades suggests that too often too much has been expected of our scientific and technological breakthroughs. . . . Failure of our technology to meet our expectations is, in part, a reflection of the fact that each new advance serves not only to satisfy old needs, but also to create new needs almost simultaneously."

And it goes on with similarly dour observations: "The most significant thing we have learned may be that technological solutions are unlikely to be permanent or complete solutions. . . . Each advance seems to generate new problems as it solves old ones. . . . We are coming to realize that science and technology by themselves are often inadequate to ensure enhanced social welfare." And so forth.

What has to be recognized is the great strength that the U.S. possesses in science and technology and in the ability to use them. The Soviets covet our computers; we have no interest in the museum pieces that they produce. Foreign potentates come here to have their hearts rebuilt, and China is mainly counting on our universities to bring its youth abreast of modern science and technology.

Now that we have worn the hair short for the past abuses of science and technology, it's time to act on an important reality: The United States has an immense powerhouse in its scientific and technological enterprise, and while prudence and thrift should not be forsaken, this enterprise could do nicely without the shackles of doubt and parsimony that have burdened it for so long.●

DO NOT DO US ANY FAVORS, MR. SECRETARY

● Mr. METZENBAUM. Mr. President, it was with great interest that I read an article in the June 18, 1979, edition of Newsweek magazine that states Secretary Schlesinger is staying on as our Energy Administrator until all the political blame for the gasoline shortage this summer can be borne by him without besmirching his successor. At this time, Mr. President, I thank Mr. Schlesinger for showing a great deal more concern for his successor than he ever has for the consumer, but I believe we should not hold Dr. Schlesinger to this commitment. If he truly desires to leave his post, then finally we have something in common. My message to the good doctor is do not worry about your successor. I am quite sure he will be able to take care of himself. Leave Mr. Secretary. Resign.

An article in the March 17, 1979, edition of the National Journal dealt with the administration of Dr. Schlesinger. Although the article is almost 3 months old, I feel the thrust is just as true today, and the recent turn of events in the energy situation shows no new problems, but a continuation of the ineptitude of the Department of Energy under Dr. Schlesinger.

Perhaps the most telling quote in the article was made by William Lamont, an attorney who represents the California Lands Commission. According to the article, Mr. Lamont states, "He (Schlesinger) did an incredible job. He inherited a great many problems. And he made them worse." The article goes on to deal with the problems we have all had with the DOE: lack of information, lack of credibility, and, most importantly, a lack of a strong cohesive energy policy.

This week, a number of my colleagues and I joined in sponsoring legislation that would result in greater production of fuels, greater research and development in the area of synthetic fuels, and mandatory conservation measures. It is my belief, and I might add, Mr. President, the belief of many others that this is the way to curb the energy crisis we are experiencing. But, according to Mr. Schlesinger and the oil companies, price should be the conserving factor.

Mr. President, our energy situation is growing worse every day. Our streets and highways are clogged with motorists waiting in line to buy higher and higher priced gasoline. There is doubt we will have enough heating oil to last the winter. Our entire energy situation is muddled with conflicting forecasts from DOE. We need help, Mr. President, and we are not getting it from Dr. Schlesinger. I urge the Secretary to reconsider his reported decision and resign now so this country can begin to handle our energy problems in an orderly and comprehensive manner.

I request that the Newsweek article be printed in the Record. Thank you.

The article follows:

Bad News for Schlesinger's Longest-Running Energy Show

(By Richard Corrigan)

When James R. Schlesinger first appeared on Capitol Hill as the Carter Administration's energy czar, he often quoted Winston Churchill on the need for bold action.

Two years later, he seems to have lowered his sights. When urged at a Senate hearing the other day to draw up a comprehensive plan to promote gasohol—a mixture of gasoline and alcohol—Schlesinger murmured, "I've gotten a little gun-shy about comprehensive plans, myself."

"I was half joking," Schlesinger said in a subsequent interview. But he then speculated that if the Administration had pushed its energy legislation one bill at a time instead of in a package during the last session of Congress, it might have fared better than it did.

Schlesinger now has held the post of energy czar—an unofficial title that started bouncing around the bureaucracy during the first Nixon Administration—longer than anyone else. About a dozen others preceded him, averaging well under a year each at the job.

The position rates Cabinet rank since the formation of the Energy Department a year and a half ago. But Schlesinger, as the nation's first Secretary of Energy, rates only mixed reviews—at best. Like the other czars before him. Schlesinger has not been able to bend national policy to his liking. For all his intellectual firepower, he cannot control the workings of the energy markets abroad or at home or the free-for-all nature of energy politics. His critics—and they are many—contend that he can't even manage the operations of his own department.

PRECARIOUS POST

"In a democratic society," Schlesinger said in a statement March 1 to the Senate Appropriations Subcommittee on Interior, "any successful effort to assure dependable supplies of energy and their wise use must be predicated on the active support of the people.

"In this respect, it is important to remember that the principal role of the department is to serve as an instrument in shaping energy policies and actions so that governments and private interests can understand, debate and decide upon reasonable choices in a realistic manner."

How has the department measured up to that mission?

There is widespread disaffection with many of the things Schlesinger and his department have done or have not done. And while the critics would be hard put to agree among themselves on what the nation's energy policy should be—or what sort of czar they might prefer—they share the view that the department is floundering.

"You have probably the most thankless job in Washington," House Majority Leader Jim Wright, D-Texas, told Schlesinger recently, before getting in his own digs about the Administration's approach to energy issues. Many concur in that description—but add their own barbs to it.

"You have to be sympathetic to his problems," said a specialist in international oil affairs. "On the other hand, he hasn't done anything to solve most of them. I didn't think that anybody could make Bill Simon look good, but he has." (William E. Simon, former Treasury Secretary, is among the former energy czars.)

"He did an incredible job," said William J. Lamont, an attorney who represents the California Lands Commission on energy matters. "He inherited a great many problems. And he made them worse."

"I recognize that he's operating with some restraints," said Rep. James C. Cleveland, R-N.H. "But he's supposed to be in charge of energy. And as far as I 'm concerned and as far as New England is concerned, he's done a lousy job."

"Mr. Schlesinger has never asked Texas, 'What do you think?'" said John H. Poerner, chairman of the Texas Railroad Commission, which regulates oil and natural gas production in that state. "It has always been. 'This is the way it is going to be.'

"If Mr. Carter campaigns next year in Texas and has Mr. Schlesinger at his side," said Poerner, a Democrat in elective office, "I suspect that his chances of getting 25 percent of the vote would be very slim."

Charles J. Cicchetti, chairman of the Wisconsin Public Service Commission, said Schlesinger's predecessors tried not to overstate the size of the energy problem. But Schlesinger, Cicchetti complained, "just feels he can announce it, and people will accept it. And he doesn't seem to have any problem in exaggerating or inflating situations in order to help push what he's pushing—without regard to its effect on the economy, or on the President."

One band of critics, made up of public interest groups and labor unions, has set up a "Shadow Department of Energy" to monitor the agency's actions. Lamont, a former Justice Department antitrust lawyer with the firm of Lobel, Novins and Lamont, serves as secretary of the shadow outfit.

Other critics from the oil-producing camp use T-shirts, among other devices, to express their opinion. Sen. J. Bennett Johnston Jr., D-La., cheerfully showed one to Schlesinger. It bore a caricature of the department's seal and posed the question, "Would we lie to you?"

The *Ada Report*, founded in Ada, Mich., to "send a message to Washington," sent Schlesinger its "Baked Pretzel Award" for his puzzling statements on whether he wanted industries to switch to coal or natural gas.

Some say Schlesinger has held the job too long; Sen. Howard M. Metzenbaum, D-Ohio, for example, repeatedly calls for his resignation—mainly because Schlesinger holds to the view that energy prices are too low, while Metzenbaum thinks they are too high.

Sen. George McGovern, D-S.D., likewise has called for Schlesinger's resignation. Rep. Anthony Toby Moffett, D-Conn., calls Schlesinger a political liability to the Administration. And Rep. Clarence J. Brown, R-Ohio, ranking minority member of the House Interstate and Foreign Commerce Subcommittee on Energy and Power, told *The Wall Street Journal* that Schlesinger "couldn't sell beer on a troop ship."

When Sen. John A. Durkin, D-N.H., suggested on March 12 that he should quit, the Secretary—after accusing Durkin of "demagoguery"—said he already had offered to resign but President Carter had declined. "That offer is still open," he said.

Carter reaffirmed his support in a March 14 letter to Sen. Dennis DeConcini, D-Ariz. And Schlesinger apparently enjoys the esteem of Senate Majority Leader Robert C. Byrd, D-W. Va., and House Speaker Thomas P. O'Neill, Jr., D-Mass.

"It is a kind of vulnerable and precarious position," Schlesinger said of his job. Sitting on a couch in his spacious new office atop the Forrestal Building, he did not look especially perturbed.

"Tenacity," the Secretary said, puffing on his ever-present pipe, accounts for his relative longevity in the post.

Carter, he added, has shown "a very deep conviction in this area and a willingness to stand a great deal of guff," whereas other czars did not enjoy that degree of presidential interest.

Then too, he said, "I've been around Washington for some time," and while he might have made some enemies along the way, "I have some pretty fast friends." Notable among them is Sen. Henry M. Jackson, D-Wash., chairman of the Senate Energy and Natural Resources Committee.

SCHLESINGER STYLE

Schlesinger retains a formidable presence as a global strategist who peers into the future and notes the dark possibilities ahead. It is hard to look at those deep-set, ice-blue eyes and not wonder what awesome secrets he harbors.

This 50-year-old former economist, after all, has been the chief of the Atomic Energy Commission, the Central Intelligence Agency and the Defense Department, and even now, as Secretary of Energy, he controls nuclear weapons programs. "He makes the bombs," as a Senate aide put it, and that gives him a certain edge in discussions bearing on national security.

There are very few people in this town who would dare use a phrase like "the end of the Free World as we have known it" without risking derisive laughter. Schlesinger says such things and gets away with them. He is known as a hawk on defense matters, and as Secretary of Energy does not hesitate to suggest that the United States make its military presence known in the Middle East to safeguard the flow of oil from that region.

Schlesinger never served in the armed forces: he had a draft deferment while in graduate school, and then was exempt from service as the father of a growing family. However, his appearances on Capitol Hill show some of the trappings of a Pentagon briefing. Aides precede him to set up a tripod, and they switch charts at the wave of his finger. The charts portray the world oil situation, which is invariably bad and getting worse.

A retinue of assistants accompany him for his appearances before Congress, although Schlesinger generally can field any question tossed his way. The impression persists that he decides department policy pretty much by himself, and that only a few trusted assistants are allowed in his inner circle.

The label of "arrogant" has been pinned on Schlesinger for years. But after dealing with energy issues for two years, he seems to have tempered that trait. When he talks with Members of Congress, various interest groups and the press, he can display a solicitous attitude, amazing patience and wry humor.

Representatives of the Chamber of Commerce of the United States, the National Association of Manufacturers and the Business Roundtable recently were invited to his office to discuss the possible impacts of the Iranian oil cutoff. What stunned them was not what Schlesinger said, but that he had sought their suggestions on what might be done.

Denis A. Hayes, an author with the Worldwatch Institute and an advocate of solar power, also is said to pay occasional visits. Schlesinger appointed Hayes and some other figures from way outside the energy industry to the National Petroleum Council, an advisory body historically jammed with like-minded executives, and he reportedly enjoys the bemusement that such actions cause.

Schlesinger, who holds a doctoral degree from Harvard University, taught economics at the University of Virginia starting in 1955 and was a consultant to the Federal Reserve Board. In 1963, he switched to the Rand Corp., and spent considerable time at the Defense and State Departments. His affiliation with Rand had "a certain cachet" in those years, he said, when Robert S. McNamara was Defense Secretary and national security analysts were in vogue.

Thus, even before joining the Budget Bureau in 1969, he was learning what made the government tick.

"I'm a product of a post-World War II generation that took an entirely different view of public service" from the attitude that prevails today, he said. It was then—and still is to him—a "noble calling," he said, but that sense of high purpose has been washed away for later generations by events such as the Vietnam war and the Watergate scandal.

These days he works about a 12-hour day, starting at 7 a.m., and puts in a half day on Saturdays as well. The father of eight children, he pursues his hobby of bird watching even on the deserts of Arabia and plays the harmonica and guitar.

"I never ran for anything," he said, and his last involvement in partisan politics was in 1952, as a member of Citizens for Eisenhower. He has attended a few campaign fund-raisers over the years, he said. But as the only nominal Republican in Carter's Cabinet, Schlesinger can be classified as a nonpartisan practitioner of his own kind of politics.

His background, coupled with the difficulties he has had as an energy czar, brings to mind a remark attributed to former House Speaker Sam Rayburn, D-Texas. Vice President Lyndon B. Johnson, the story goes, was telling his Texas colleague about the brilliant academicians who were running the Kennedy Administration. Rayburn is said to have replied that he wished just one of them had once campaigned for county sheriff.

ENERGY POLITICS

Schlesinger immersed himself in Capitol Hill negotiations over most of the past two years to salvage portions of the Administration's energy package. When the final product fell far short of what originally was proposed, he lost some of his mystique and credibility.

Schlesinger said of that effort. "One of the things that you probably could argue—indeed I think you should argue—is that, given the array of interests in the energy area, you could have gotten the same amount [of legislation] more rapidly, and maybe more, on a piecemeal basis."

That, incidentally, was exactly what his friend "Scoop" Jackson was advising in 1977. But O'Neill, Carter and Schlesinger held out for a package, which, because of the prolonged debate over natural gas pricing, was not wrapped up until last fall.

"It's plain that a comprehensive plan, given the mood of the country, tends to excite the interests of all of the groups in the country," Schlesinger said. "And when you accumulate that, it means very formidable resistance indeed."

Schlesinger also feels his campaign for tough energy legislation suffered from the fact that 1977 and 1978, when the legislation was pending, proved to be the only two-year period in the decade when world oil prices were stable and world oil supplies readily available.

"We had the bad luck of the country's good luck," he said. "Given the painfulness of some of the measures in this area," he added. Congress preferred to chase after a "mirage"—a world oil glut—rather than accept the bitter truths that Schlesinger was speaking.

Now, with the sudden escalation of world oil prices and a tightening of supplies following the cutoff of exports from Iran, the Energy Secretary says an "emergency"—not a four-alarm crisis, but a test of the nation's willpower—is upon us, just as he warned. As a result, he said, the nation has an opportunity to take actions that seemed unnecessary in the more comfortable times of the past two years.

There are suggestions, however, that Schlesinger is overplaying the extent of possible oil shortages to serve his political purposes.

"He's using the Iranian situation to create a climate in which he can get more things done that he wants to get done." said Sen. James A. McClure, R-Idaho, a member of the Energy and Natural Resources Committee. "I understand why he's doing it and I can't fault him," said McClure, but he said there are hazards in "crying wolf" too many times.

"I think that they have not accurately portrayed the character of the present shortfall," said Rep. Albert Gore, Jr., D-Tenn., a member of the Interstate and Foreign Commerce Subcommittee on Energy and Power. "I think that the world's capacity for oil production actually showed some resilience in the immediate aftermath of the Iranian cutoff."

"He is stubborn and tenacious, which are good qualities," Mr. McClure said. "He's dealing with a very rough set of characters." And Rep. Gore, a dogged critic of the department's operations, said he likes and admires Schlesinger, and that the Secretary still has a strong reservoir of support on Capitol Hill.

The Energy Department, in a March 6 analysis of the world oil situation, said voluntary conservation of energy could avert the need for mandatory energy-saving measures. But if the public did not cooperate adequately, the study said, or if something else upset the world's oil supply, action would be required.

Schlesinger's predicament is this: if the public heeds his department's warning and conserves energy, his predictions of shortages may be dismissed in the future as mere scare talk that proved false.

Members of Congress, after bewailing American dependence on foreign oil, typically want to know whether and when the Administration intends to ration gasoline—the answer being, not unless things get much worse—and what happened to the budget requests for Energy Department projects in their home states. These down-home budget matters are very much a part of the energy politics in which Schlesinger gets involved, in addition to learned disputes over when the world's oilfields will run dry.

McClure, who has carried on extensive negotiations on breeder reactor research bearing on his own state's share of the pie, said the $10 billion Energy Department budget has become "the major pork barrel to replace public works."

Senator Majority Leader Byrd, who also chairs an Appropriations subcommittee that covers part of Schlesinger's budget, hammered away at a recent hearing on the Administration's refusal to put up more money for coal liquefaction plants, one of which is planned for West Virginia.

Byrd could not blame Schlesinger for that reduction, since the department's request had been sliced by the Office of Management and Budget (OMB) over Schlesinger's objections. But Byrd complained bitterly about Carter's State of the Union address—"not one dozen words on energy, and not one word on coal"—and said the Administration was being "penny-wise and pound-foolish" not to invest "a measly $250 million" in the West Virginia project.

Whether such queries come from a Senate leader or a first-term Representative, Schlesinger, judging from several recent appearances on the Hill, treats them with great care. No doubt he learned something of the importance of such questions from his days at the Pentagon as well as OMB.

INTERNAL TROUBLES

"Jim Schlesinger has always been sitting on top of a structure that was working," an aide said. "He never had to create one before."

The Energy Department, one of Carter's first proposals to Congress, came into being on Oct. 1, 1977, although not quite in the form that Carter and Schlesinger wanted. The department swallowed up the Energy Research and Development Administration and the Federal Energy Administration, both of which had been patched together after the Arab oil embargo of 1973–74.

The Federal Power Commission, rather than disappearing entirely into the Cabinet-level department, was transformed into the Federal Energy Regulatory Commission (FERC). The commission is supposed to operate as an independent, five-member body within the department—a semi-autonomous status that predictably has caused confusion in oil and gas regulation.

Some say the formation of the entire department was a mistake to begin with.

"I think it was a disastrous day that this country thought it was necessary to institutionalize so much regulatory involvement in an industry that has served this country well," said one oil executive. He asked not to be named because his company has requests pending at the department.

"Would it have made any difference if they hadn't established a Department of Energy?" asked John N. Nassikas, a former chairman of the Federal Power Commission. "I think the Department of Energy basically has been spinning its wheels. I don't see the substantive results that were expected."

Nassikas, now with the Washington law firm of Cox, Langford and Brown, spoke of "fractured authority" between the department and the FERC, saying one or the other agency should be given greater responsibility.

Schlesinger wanted more power over pricing than Congress was willing to give him, and now the department, in its authorization legislation, is seeking to cut the FERC out of some oil regulatory matters.

Outside events have a way of upsetting whatever ventures the Energy Department gets into. The strategic petroleum reserve offers a prime example.

After cutting back on its ambitious schedule for putting oil into this national stockpile, the department now has storage capacity ready but, because the world oil market has turned upside-down, cannot buy oil to put into it. The strategic reserve, the biggest single item in the department's budget outside of nuclear weapons, thus is about as useful right now as a hole in the ground—which is what it is. (See NJ, 2/24/79, p. 301.)

The department's own regulatory programs, like those of most Federal agencies these days, are the subject of endless complaints. Schlesinger himself joins in the criticism, saying he would like to relieve the department's Economic Regulatory Administration of many of its functions. For example, he brands the crude oil entitlements program, which requires companies that have cheaper domestic oil to write checks to companies using more costly foreign oil, as a monstrosity that subsidizes greater imports.

That program could be eliminated, however, only if price controls were lifted from all domestic crude oil. Schlesinger speaks more and more favorably of that objective, but the timing and method remain to be determined at the White House level.

Lamont, the shadow secretary, is as critical as anyone of the department's regulatory programs. "If you were just to take and count the regulatory proceedings that are under way, you would go bonkers," he said, adding that Schlesinger "inherited a set of regulations that were designed not to work."

At the same time, Lamont's allies have fought against decontrol of oil and gas prices. "If only we could some way or another establish enough competition so we could do without the controls, it would be a great world," Lamont said. "But it ain't."

To the dismay of many Members of Congress, the Administration is seeking more money for regulatory operations while trimming research, development and demonstration projects aimed at producing more energy. Congress itself, as Schlesinger reminds such Members, necessitated the regulatory increases by enacting the Administration-backed legislation last fall.

"The Department of Energy just isn't spending time on the real problems," Carl E. Bagge, president of the National Coal Association, said through an aide. "What we are looking for is for the department to do an effective job in arguing the energy side inside the government."

Glenn R. Schleede, vice president for policy at the coal association, added that the department "is devoting its in-house resources to efforts that have little potential for increased use of coal." He said the department intends to spend more than $20 million and to use 167 employees to implement the coal conversion law—which the coal producers opposed—while only a few department analysts, at most, are equipped to challenge other federal agencies over such important issues as air pollution standards and strip mining regulations.

"I feel like I've been had," said Jack H. Ray, president of Tennessee Gas Transmission, a subsidiary of Tenneco Inc. A year ago, Ray was complaining that he could not get an answer out of the department on a pending application to import liquefied natural gas (LNG). He has since gotten an answer: "No." His company's hopes of getting natural gas from Mexico were also set back, at least temporarily, after Schlesinger rejected the terms under which the gas would be bought.

Schlesinger's handling of the Mexican gas negotiations has been widely panned, although his rejection of the original contract price conceivably will save U.S. consumers money in the long run. "I think it was a monumental blunder," said Bruce C. Netschert, vice president of National Economic Research Associates, an energy consulting firm, who contends the Administration should eagerly seek access to Mexico's gas and oil. (*See NJ, 2/18/79, p. 208.*)

A representative of gas producers gave Schlesinger credit for one recent action. When the FERC issued proposed regulations setting forth the prices that would be allowed, the commission pegged them at a lesser level than the producers had counted on.

Schlesinger filed a statement with the FERC saying it had misread the law. "He came through," this source said. "He told the producers that he was upset, and that he would intervene—and that's exactly what he did."

This action was "quite contrary" to some earlier dealings that the producers had with Schlesinger, he said. During the negotiations over the gas bill, he said, "he'd tell you what you wanted to hear, and then you'd hear that things were going in the opposite direction."

In any event, Schlesinger's opinion need not be accepted by the FERC, which can treat his arguments as it would any other party's. Under this relationship, Schlesinger often is constrained in carrying out a policy he might favor: FERC,, for example, decides what sort of rates to offer projects that make synthetic gas from coal.

A RATIONAL MAN

Much to Schlesinger's frustration, his department is far from the Administration's only actor in the energy policy-making game. The overlaps have caused him no end of headaches.

Schlesinger, for example, has said, "Nuclear power is in many respects the answer to the energy problem." But even though Carter has long since forsaken his assessment of nuclear energy as only a "last resort," his Council on Environmental Quality continues to question the safety of this option. "The same differences of view exist within the Administration as exist in the general public," Schlesinger has said, and the nuclear industry is in a coma.

Coal provides another example: the Interior Department leases coal-rich federal lands to industry, and the Environmental Protection Agency sets air pollution standards for coal furnaces. Schlesinger sounds sympathetic to proponents of greater coal use, but he cannot dictate the practices of the other agencies.

In the Carter Administration, agencies seem free to go their own ways unless the President personally intervenes. There is no process to make decisions that bind all parts of the Administration. (See NJ, 2/24/79, p. 296.)

Thus the energy czar—despite his 19,000 employees and a work force of contractors that numbers about 100,000—is not a czar at all. He must share power with many others.

As McClure pointed out, some Members of Congress would like to see Schlesinger wage open warfare with some of the other agencies. But that is not the Secretary's way.

In dealing with Congress, interest groups and other parts of the Administration, Schlesinger tries only to get across his interpretation of the truth and hopes that it sells. His methods of salesmanship sometimes work and sometimes don't.

Their next test will be the Secretary's continuing effort to force domestic crude oil prices up to the world price. As an energy economist and security-minded strategist, Schlesinger finds it essential that Americans pay the true cost of oil in today's world and stop buying so much from unstable sources. Only if people have to pay the full price will they stop squandering it, he contends.

Last year, Congress blocked the Administration's crude oil equalization tax. But thanks to previous congressional action, Carter could unilaterally achieve Schlesinger's goal on or after June 1 by removing price controls from domestic oil immediately or on a gradual basis, perhaps coupled with a new tax on oil company profits.

A decision to remove price controls is hardly a sure thing, however. Although it might be the rational step in Schlesinger's view, an additional increase in oil prices would surely be unpopular with the public, and it might increase the chances of a recession in the coming presidential election year.

As the Energy Secretary has said of other issues, "I can't guarantee that we will be rational. . . . We do strange things to ourselves in this country."●

A COHERENT DEFENSE BUDGET

● **Mr. KENNEDY.** Mr. President, to enhance congressional deliberation and debate over the fiscal 1980 defense budget, I call to my colleagues' attention a new study by the Brookings Institution. Appearing in Setting National Priorities: The 1980 Budget, a team of defense specialists led by Thomas A. Dine, now a senior fellow in the Brookings Foreign Policy Studies program and previously the director of the national security staff of the Senate Budget Committee, critically analyze current defense spending and policy.

The authors note that President Carter has kept his promise to NATO to increase real defense outlays by 3 percent above the 1979 total and that accumulated budget authority implies a real increase of about 3 percent each year through 1984. But these increases of themselves will not necessarily produce increases in real military capability.

In applying a mission approach to the analysis, Mr. Dine and his colleagues point out that serious questions have arisen that may lead to basic changes in the 5-year defense plan, most notably for the strategic deterrent mission, theater nuclear forces mission, general purpose land and air mission in Europe, and the general purpose naval mission.

"The effectiveness of defense spending" for these four missions, the authors say, "depends on how resources are allocated in the defense budget, and at the moment that is a more important question than marginal increases or decreases. The most significant problem in contemporary U.S. defense policy does not involve budget choices in the first instance, but rather clarification of the basic military purposes of U.S. forces."

Mr. President, strategic spending is an example. The administration has requested a 17-percent real increase over last year's total appropriation. This will lead to incrementally improved existing forces at modest cost. However, the new strategic forces being considered for deployment in the second half of the 1980's raise fundamental questions about U.S. strategic doctrine, spending, and force-level priorities.

I agree with Mr. Dine that the primary question is whether the United States should offset only the Soviet capability to threaten the American ICBM force, or should also acquire a matching capability against Soviet hardened targets, including ICBM silos. How much and what kind of hard-target kill capability does the United States need in the future? How should it deal with the potential threat to its silo-based ICBM force?

According to the Brookings' authors, the executive branch has no firm answers to these questions. The Defense Department's annual report presents a "countervailing strategy" that implies a commitment to a second-strike counterforce capability while distingiushing this from a disarming first-strike capability against the Sovet strategic forces. How the administration intends to acquire this capability and how the countervailing strategy would affect U.S. strategic force decisions are not explained.

In the authors' view, U.S. strategic force policy has proceeded on an expedient, piecemeal basis. I believe there is need for a longer term, more coherent plan in which the purpose and structure of the strategic forces are directly linked.

My colleagues should take heed of the study's conclusion:

> The increase in defense spending in the President's 1980 budget is intended to serve notice that the United States is not lowering its military guard. But national security cannot be purchased merely by spending more money. At any level of spending, defense resources must be effectively directed to actual military needs.

Mr. President, I request that the Brookings analysis of defense spending be printed in the RECORD.

The analysis follows:

A chapter from "Setting National Priorities: The 1980 Budget," edited by Joseph Pechman. The Brookings Institution, 1979.

THE DEFENSE BUDGET

(By Thomas A. Dine, John C. Baker, Robert P. Berman, G. Philip Hughes, and William P. Mako)

The Defense budget proposed by the President for 1980 continues a pattern of real spending increases that began in fiscal year 1976. Budget authority of $135.5 billion is proposed for the Department of Defense and $3 billion for the Department of Energy. Outlays of $122.7 billion are estimated for 1980 for the Department of Defense with an additional $3 billion for defense-related activities in the Department of Energy. The commitment the President made at the May 1977 meeting of NATO to increase defense spending by 3 percent is interpreted to apply to the total outlays of the Defense Department. Under official assumptions, which include favorable congressional action on supplemental requests for the 1979 budget, the outlay total of $122.7 billion would represent an increase of 3.1 percent above the 1979 total in constant 1980 dollars. Moreover, budget authority is projected to increase by 1.7 percent in constant 1980 dollars. The accumulation of budget authority increases since 1976 and in the next few years implies a real increase of about 3 percent in Defense Department outlays for each year through 1984 (table 5-1).

These continuing increases in defense outlays reflect a major shift in national priorities. Given the limit on the federal budget inspired by strong voter sentiment, increases in defense spending come at the cost of other programs (see chapter 4). This unusually sharp turn in political commitment has been stimulated by widely shared perceptions of potentially dangerous increases in Soviet military capability and a drift in world political affairs that is unfavorable for the United States. The Ford administration emphasized these considerations when it turned the defense budget around in fiscal 1976. Improvements in the technical capability of Soviet strategic missiles and the extraordinary turbulence in the Middle East have intensified the concern of Congress and the administration about the U.S. defense capability.

TABLE 5-1.—BUDGET AUTHORITY AND OUTLAYS OF THE DEPARTMENT OF DEFENSE, CONSTANT AND CURRENT DOLLARS, FISCAL YEARS 1976-84

[Dollar amounts in billions]

Fiscal year	Budget authority: Amount	Budget authority: Percent change from previous year	Outlays: Amount	Outlays: Percent change from previous year
Constant 1980 dollars:				
1976	$124.7	4.2	$114.6	−3.2
1977	130.9	4.9	116.5	1.7
1978	131.8	.7	117.4	.8
1979	133.2	1.1	119.1	1.4
1980	135.5	1.7	122.7	3.0
1981	138.4	2.1	126.4	3.0
1982	141.5	2.2	130.5	3.2
1983	145.9	3.1	134.4	2.9
1984	150.5	3.2	138.4	2.9
Current dollars:				
1976	95.8	11.2	87.9	3.5
1977	108.2	12.9	95.6	8.8
1978	116.5	7.7	103.0	7.7
1979	125.7	7.9	111.9	8.6
1980	135.5	7.8	122.7	9.7
1981	145.7	7.5	133.7	8.9
1982	155.7	6.9	144.9	8.4
1983	166.8	7.1	155.5	7.3
1984	177.7	6.5	165.7	6.6

Sources: Department of Defense Annual Report, Fiscal Year 1980 (1979); and data provided by the Office of the Assistant Secretary of Defense (Comptroller), March 1979.

Although defense budget increases provide a means of stating a serious national commitment, by themselves they do not necessarily produce increases in real military capability. The effectiveness of defense spending depends on how resources are allocated in the defense budget, and at the moment that is a more important question than marginal percentage increases or decreases. The most significant problem in contemporary U.S. defense policy, moreover, does not involve budget choices in the first instance but rather clarification of the basic military purposes of U.S. forces. To produce the kind of military capability that can respond to challenges around the world requires clarity of purpose and appropriate allocation of defense resources.

At this point in their development, the basic military purposes of U.S. forces are in serious dispute. In part this is true because defense programs are becoming more complicated and are changing in character. The primary potential enemy—the Soviet Union—is stronger, and the occasions for potential conflict are more diverse. Well-established U.S. military programs, which are the result of three decades of investment, inevitably generate demands for additions to military capabilities along favored, familiar lines. The range of choice for further investment provided within these traditional programs does not necessarily correspond to the most urgent national security needs.

The 1980 budget on the surface does not represent a sharp departure from previous defense budgets. As can be seen from table 5-2, its pattern of allocation across basic military purposes shows orderly continuity with the past, and the five-year defense plan projects an orderly progression to 1984. In the struggle over the military budget, however, serious questions have prompted new lines of thought that might well lead to basic changes beginning soon enough to alter the course of the current five-year plan. It is too early in this process of transition, if that is what it is, to define desirable reallocations of the defense effort in detail, but it is not too early to expose the issues that need to be resolved.

These issues are encountered in four areas of military activity: the strategic deterrent, theater nuclear weapons in Europe, ground force and tactical air force operations on the European central front, and general purpose naval deployments.

TABLE 5-2.—DISTRIBUTION OF TOTAL OBLIGATIONAL AUTHORITY BY CATEGORY, CONSTANT AND CURRENT DOLLARS, FISCAL YEARS 1976, 1980, AND 1984

[In billions]

Category	1976	1980	1984
Constant 1980 dollars:			
Strategic nuclear forces [1]	24.8	25.8	28.6
General purpose forces [2]	85.9	93.2	103.3
Mobility forces [3]	3.9	4.4	4.9
Retired pay	9.8	11.5	13.9
Support to other nations	.3	.6	.4
Total	124.7	135.5	150.5
Current dollars:			
Strategic nuclear forces [1]	19.0	25.8	33.8
General purpose forces [2]	66.2	93.2	122.0
Mobility forces [3]	3.1	4.4	5.8
Retired pay	7.3	11.5	15.7
Support to other nations	.3	.6	.4
Total	95.9	135.5	177.7

[1] The costs of strategic nuclear forces are the sum of the following portions of strategic forces programs: 50 percent of the intelligence and communications program; 10 percent of the National Guard and Reserve program; 40 percent of the research and development program; and a percentage of the 3 support programs—central supply and maintenance; training, medical, other general personnel activities (excluding retired pay); and administration—which varies each year in direct proportion to the ratio of operating costs between strategic and all other forces.

[2] The costs of baseline general purpose forces were taken as Department of Defense total obligational authority less the cost of strategic nuclear forces, strategic mobility forces, support to other nations, and retired pay.

[3] The costs of strategic mobility forces are the sum of the airlift and sealift programs, 5 percent of the intelligence and communications program, 5 percent of the National Guard and Reserve program, 1 percent of the research and development program, and a variable percentage of the three support programs.

Sources: Authors' derived from data provided by the Office of the Assistant Secretary of Defense (Comptroller), March 1979

STRATEGIC FORCES

For 1980 the Carter administration proposes $10.8 billion of direct spending for U.S. strategic force programs. This is a $2.2 billion increase over the previous year's appropriation and supplemental request and represents nearly a 17 percent real increase. If most of the major strategic weapon programs now under development are approved for deployment in the next few years, by the mid-1980s funding for these programs will increase dramatically as a series of new weapon systems simultaneously enter into advanced development and production.

This renewed emphasis on strategic forces stems primarily from two factors. First, as in the late 1950s and early 1960s, the United States is now entering a cycle of across-the-board modernization of its strategic forces. These new, more advanced, and more expensive weapon systems will increasingly replace most of the current intercontinental ballistic missiles (ICBMs), submarine-launched ballistic missiles (SLBMs), and strategic bombers during the 1985–95 period. Spending for the development and production of most of these new systems is already well under way. Second, while the second round of strategic arms limitation talks (SALT II) will be valuable in reducing the uncertainties with which defense planners must cope, it will not eliminate the Soviet Union's capability to threaten the survivability of American strategic forces. Some of this increased spending for U.S. strategic force programs could be moderated—but not eliminated—if the SALT II agreement is signed and ratified by the United States and the USSR.

The 1980 budget request for strategic forces reflects the U.S. commitment to provide for a moderate level of modernization in the near term and to add new forms of strategic capability in the long term. (Table 5–3 gives estimated costs of major strategic programs for the five-year defense plan.) Current deployment programs primarily seek to improve the effectiveness and flexibility of the so-called triad of ICBMs, SLBMs, and strategic bombers that constitute U.S. strategic forces. For instance, guidance improvements have been made to the 550 Minuteman III ICBMs carrying multiple independently targetable reentry vehicles (MIRVs), and the higher-yield MK–12A warheads will be placed on 300 of these missiles in the early 1980s.

The budget request also includes full funding for the construction of the eighth Trident (*Ohio*-class) nuclear-powered ballistic missile submarine (SSBN), which was deferred last year owing to payment problems between the contractor and the navy. The first of these larger and faster SSBNs will become operational in 1981. The Tridents will carry twenty-four launchers each for the Trident I SLBM, which has a range of 4,000 nautical miles. This missile is currently scheduled to be retrofitted on twelve of the older Poseidon SSBNs, the first of which will be deployed in October 1979. The longer range of the Trident I missiles will expand the potential patrol area available to U.S. SSBNs, thereby improving their survivability against enemy antisubmarine forces.

TABLE 5-3.—COST OF MAJOR STRATEGIC DEVELOPMENT AND ACQUISITION PROGRAMS, FISCAL YEARS 1980–84[1]

[Total obligational authority in millions of constant fiscal 1980 dollars]

Strategic force	Program cost 1980	1981	1982	1983	1984	Total, 1980–84
Offensive	4, 464	4, 613	5, 140	6, 460	8, 745	29, 422
Improved Minuteman ICBM	135	150	50	15	0	350
MX mobile ICBM[2]	675	1, 230	1, 500	2, 300	2, 600	8, 305
Trident submarine[3]	1, 575	1, 315	1, 220	1, 200	2, 360	7, 670
Trident I SLBM	861	660	735	800	630	3, 686
Trident II SLBM[2]	41	120	540	950	1, 340	2, 991
B-52 modifications	657	550	500	500	450	2, 657
Air-launched cruise missile	475	490	420	365	315	2, 065
Cruise missile carrier and missiles[2 4]	40	75	150	300	1, 000	1, 565
New manned bomber[2 5]	5	23	25	30	50	133
Defensive	418	441	344	346	348	1, 897
Antiballistic missile research	228	230	232	234	236	1, 160
Space defense	81	101	NA	NA	NA	NA
Civil defense[6]	109	110	112	112	112	555
Command and control	306	279	250	280	235	1, 350
Advanced airborne command post	193	190	150	130	120	783
Extremely low frequency submarine communications program[2 7]	14	15	40	90	55	214
Navy submarine communication aircraft	99	74	60	60	60	353
Total	5, 188	5, 333	5, 73'	7, 086	9, 328	32, 669

[1] The weapon systems in this table include most of the largest and most important U.S. strategic force programs. In the 1980 budget these programs will amount to over ⅔ of the total Department of Defense request for funds for research, development, and procurement in the strategic forces category.

[2] No decision has been made to procure these weapon systems at this time. Figures in this table are based on publicly available estimates of the numbers and costs of these systems. The initial operational capability for these programs is assumed to be as follows: an MX missile in a mobile basing system, 1986; Trident II SLBM, 1989; wide-body cruise missile carrier aircraft with improved air-launched cruise missiles, 1987; and a new manned bomber, 1992.

[3] The current 5-yr naval shipbuilding program includes 6 Trident submarines. Calculations in this table include the costs of Trident I missiles for these submarines and for certain Poseidon submarines.

[4] Assumes a program of 100 wide-body aircraft and includes the cost of additional numbers of an improved air-launched cruise missile.

[5] Assumes a program of 120 new manned penetrating bombers based on a new, advanced strategic bomber.

[6] Not to be included in the Defense Department budget after fiscal 1980.

[7] Assumes a decision to deploy and be operational by 1984.

NA. Not available.

Source: Figures for 1980 are based on information in "Department of Defense Annual Report, Fiscal Year 1980;" Department of Defense, "Program Acquisition Costs by Weapon System (1979);" and data from a statement by Vice Adm. Charles H. Griffiths before the Senate Committee on Armed Services, Feb. 1, 1979. Figures for 1981–84 are authors' estimates.

The triad's aircraft and air-launched missile components are also undergoing modernization. Advance funding for the production of the air-launched cruise missile (ALCM), which will be deployed on existing B–52G bombers, is being received. Operational deployment of the first squadron of B–52G aircraft equipped with ALCMs is planned for December 1982.

In accord with the 1972 treaty limiting antiballistic missiles (ABMs), U.S. strategic ABM research programs are maintained at relatively modest levels of funding. The minimal U.S. bomber defenses will be strengthened over the next few years by the addition of six new airborne warning and control system (AWACS) aircraft. In addition, various improvements to the ground-based radar system are under way. For the time being the Carter administration has deferred procuring a new interceptor aircraft for continental air defense, preferring instead to assign some interceptors of the Tactical Air Command to serve in the event of a crisis.

Finally, substantial funds are continuing to be allocated to improvements in the U.S. strategic command and control system as well as in the early warning and space defense systems. Of special importance is the planned acquisition of six E–4B advanced airborne command post aircraft that are intended to provide survivable command centers in the event of nuclear war. Numerous programs seek to improve the capability for warning of enemy missile and bomber attacks and for assessing them. The United States is also working on ways to make its satellites less vulnerable to enemy attacks and to destroy enemy satellites in the event of war.

In the short run, current strategic force modernization programs will incrementally improve the existing force structure at modest costs. But in the long run in the new strategic forces now being considered for deployment in the second half of the 1980s raise fundamental questions about U.S. strategic doctrine, spending, and force-level priorities.

The purpose and missions of U.S. strategic forces

The purpose of the strategic forces is to provide the United States and its allies with a credible deterrent against both a nuclear attack and political coercion by hostile states. Thus U.S. strategic forces have been assigned three military missions: assured destruction, escalation control, and damage limitation.

The assured destruction mission continues to be the foundation of U.S. strategic deterrence. It requires the United States to maintain sufficient forces to be capable of countering a nuclear attack with a retaliatory strike that would inflict an unacceptable degree of damage on the Soviet Union's urban-industrial base. Some observers doubt that the United States has the capability to effectively carry out this mission—a doubt prompted by the USSR's civil defense effort. The U.S. capability to perform the mission, however, is accepted by most defense analysts.

Similarly, despite some debate over the scope and definition of escalation control, most analysts agree that some degree of flexibility and selectivity is desirable in the employment of strategic forces. Improvements in the strategic command and control system and in targeting plans could make the United States capable of responding more effectively to less than all-out nuclear attacks, thus enhancing its ability to terminate such attacks. A new part of this flexibility mission appears to be the explicit requirement to withhold a certain portion of U.S. strategic forces as a strategic reserve.

Controversy over U.S. strategic weapons policy concerns the final mission—damage limitation. This mission calls for U.S. offensive and defensive strategic forces to attempt to limit the amount of damage the Soviet Union could impose on the United States and its allies by limiting attacks to the adversary's military forces only. The tension between various U.S. strategic objectives, such as essential equivalence and strategic stability, is manifested to the greatest degree in the debates concerning the role of U.S. forces in damage limitation.

Some analysts, primarily arms control proponents, argue that the United States should only deploy strategic forces that enhance strategic stability between the United States and the Soviet Union. Such forces would seek to maintain their survivability without threatening the survivability of the Soviet Union's deterrent forces, thus promoting greater stability between the two superpowers in times of crisis. Those holding this viewpoint also generally see the requirement for essential equivalence between U.S. and USSR strategic forces as meaning an overall balance of various strategic weapon capabilities.

Another set of analysts, however, are more concerned about relative imbalances between the United States and the USSR. These analysts strictly interpret the requirement for essential equivalence, focusing on specific types of strategic capabilities. Consequently they worry that asymmetries in the ICBM capabilities of the Soviet Union and the United States could have serious consequences. They particularly fear that the USSR may gain certain political and military advantages if it acquires a disarming, countersilo capability in the 1980s that the United States cannot effectively thwart. This viewpoint is less sensitive to arms race stability and is more concerned with matching or exceeding the USSR in all major strategic capabilities so that strategic stability and a credible political deterrent can be achieved.

Consequently the primary strategic force question is whether the United States should offset only the Soviet capability to threaten the U.S. ICBM force or should also acquire a matching capability against USSR hardened targets, including ICBM silos. In short, how much and what kind of hard-target kill capability does the United States want in the future? How should it deal with the potential threat to the survivability of its silo-based ICBM force?

The Carter administration evidently has no firm answers to these questions at this time, but it is aware of the tension caused by a desire for strategic stability on the one hand and pressure to prevent Soviet acquisition of an advantage in strategic capability on the other. In the annual report of the Defense Department the administration has declared a "countervailing strategy" by which the United States should make certain that it has the capability to respond to any attack "in such a way that the enemy could have no expectation of achieving any rational objective, no illusion of making any gain without offsetting losses."[1] Under this strategy the United States will maintain the capability to (1) cover hard targets, such as silos, command bunkers, and nuclear weapon storage sites, with at least one reliable warhead capable of destroying the target; and (2) have the retargeting capability necessary to permit reallocation of these warheads to a smaller number of hard targets or to other types of targets such as Soviet general purpose forces and their support elements.[2] Furthermore, U.S. strategic forces must continue to be capable of attacking urban-industrial targets. Another part of this strategy is the maintenance of a "strategic nuclear reserve," which has not been defined.

In essence, the annual report implies a commitment to a second-strike counterforce capability while taking pains to distinguish this from a disarming first-strike capability against the Soviet strategic forces. A second-strike counterforce capability would give the United States the option to effectively target Soviet strategic and conventional military forces that would be held in reserve. How the administration intends to acquire this capability and how the countervailing strategy would specifically affect U.S. strategic force decision are not explained in the report.

New strategic force capabilities

A number of important strategic arms decisions face the Carter administration and Congress in the next two years. Those that will have the most important arms control and fiscal implications concern (1) the MX missile and its mobile basing structure, (2) the Trident II missile and the Trident submarine, and (3) the future bomber force.

MX missile and mobile basing. Despite the uncertainties involved in a large-scale countersilo attack, the Defense Department has decided that it is necessary to deploy a new ICBM that would be mobile and more survivable. A final decision on the type of missile-basing system may be made by late 1979, and a production decision for the MX missile system could possibly be made in mid-1983.

Two basing arrangements for the MX are currently under consideration: the vertical shelter basing concept and an airmobile ICBM concept. The verticle shelter would rely on the deployment of about 4,500 alternate shelters to exhaust the attacking Soviet warheads; the airmobile would rely on short takeoff and landing aircraft for dispersal until the missiles were air-launched. The air force prefers the lower-cost vertical silo arrangement, which would also make fewer demands on the accuracy of the new ICBM, would require far less support, and would not depend on warning of an attack for its survivability. Others in the Carter administration favor the airmobile system because of its greater compatibility with the SALT verification requirements.

Outside the administration a general debate has arisen concerning the need for and desirability of deploying the MX and its mobile system. Critics have emphasized the destabilizing character of the potent counterforce capability of the MX and the SALT verification problems the basing system would create. Many of these critics desire a shift toward more survivable bomber and SLBM forces.

Proponents of the MX system have emphasized its importance as a solution to the growing vulnerability of the U.S. ICBM force. They also stress the political and military need to prevent the USSR from attaining an unmatched capability in the form of large numbers of highly accurate ICBM warheads.

Trident II missile and Trident submarine. Another important future weapon system decision is whether the United States should continue to produce the large and expensive Trident submarine and to develop and deploy the Trident II missile. The substantial cost of each Trident submarine, currently $1.4 billion, has led the Defense Department to consider the cost-effectiveness of an SSBN-X once again.[3] Even if promising, such a lower-cost submarine would not become available until fiscal 1984, by which time 11 Tridents with 264 SLBM launchers are projected to be deployed or under construction. Consequently the United States faces the question of whether to procure a longer-range, large throw-weight Trident II missile for these submarines.

Current defense planning calls for the Trident II to be designed with increased accuracy in order to be effective against all types of USSR targets. A new, longer-range SLBM with sufficient accuracy to destroy hard targets will be expensive, possibly costing about $23 billion in fiscal 1980 dollars. It will also be the first time an SLBM has had such a capability, thereby raising important questions about the nature of the SLBM force and its future implications for strategic stability.

An important issue concerns the projected drop-off in U.S. SLBM launchers in the late 1980s and early 1990s. At this time Poseidon submarines will reach their appointed retirement age, but not enough Trident submarines will be ready to replace them. One solution to this decrease in the number of SLBMs available in the future is to adopt a more flexible retirement policy for the Poseidons. The navy could retain some Poseidons beyond their projected twenty-five-year service life, thereby postponing and mitigating the SLBM dropoff. This policy move could be assisted by the adoption of more flexible deployment practices for the older SSBNs.

The future of the bomber forces. A final important question concerns the type of bomber force the United States will maintain through the late 1980s and early 1990s. The present conception of future bomber force requirements is unclear. After canceling the B-1 bomber, the Carter administration initially portrayed the B-52G bombers as serving exclusively as cruise missile carriers. Now these bombers are characterized as both standoff cruise missile launch platforms and penetrating bombers that will carry gravity bombs or short-range attack missiles in their bomb bays. This has resulted in stretching out the procurement of the number of ALCMs required for the B-52 bombers. Moreover, the deployment of a wide-body cruise missile carrier force would be an expensive proposition (see table 5-4), although it could become operational in the late 1980s because of the availability of wide-body aircraft and the previous production of air-launched cruise missiles.

There is the further issue of whether (and when) the United States should procure a new manned penetrating bomber to replace the B-52s as USSR air defenses are upgraded. Administration officials currently project a requirement for this new bomber in the early 1990s; the air force, however, is openly pushing for its procurement by the late 1980s. Proponents of a new manned penetrating bomber contend that a mixed force of standoff and penetrating bombers would prevent the USSR from maximizing its air defense resources to counter any single type of attacking bomber force.

TABLE 5-4.—TOTAL ACQUISITION COSTS, STRATEGIC OFFENSIVE FORCES, FISCAL YEARS 1980-95

[In millions of constant 1980 dollars]

System	Acquisition costs	
	Fiscal 1980-95	Total
Land-based missile forces:		
Improved Minuteman ICBM	350	980
MX mobile ICBM [1]	20, 800	21, 500
Sea-based missile forces:		
Trident submarine [2]	16, 000	21, 600
Trident I missile	3, 700	8, 500
Trident II missile [3]	17, 500	17, 500
Strategic bomber forces:		
Air-launched cruise missile	2, 550	3, 750
Cruise missile carrier and associated cruise missiles [4]	14, 775	14, 800
New manned bomber [5]	10, 000	10, 000
Advanced strategic air-launched missile [6]	2, 450	2, 600
Total	88, 125	101, 230

[1] Estimates based on current projections of a force of 200 MX missiles in a multiple shelter basing system.

[2] Official U.S. Navy figures for the cost of the Trident submarine program include only the number of Trident submarines and Trident I missiles in the current 5-yr defense plan. Under the current 5-yr shipbuilding program, this would be 13 Trident submarines and associated missiles. Defense Department officials have stated that the United States will eventually procure at least 20 Trident submarines. The figures listed here project the total acquisition cost of a force of 20 Trident submarines and associated Trident I missiles for these submarines as well as the installation of 12 Poseidon submarines with Trident I missiles. A 20-ship fleet including some lower cost SSBN-X submarines could cost about $18,000,000,000.

[3] Figures are estimates of the cost of a sufficient number of Trident II missiles and spares for a force of 20 Trident submarines. They are based on a Trident II missile of modest accuracy using conventional guidance techniques. A missile system with a high accuracy, terminal guidance system could total about $23,000,000,000.

[4] Estimates assume a force of 100 wide-body aircraft carrying 75 advanced air-launched cruise missiles each. A smaller force of 50 such cruise missile carrier aircraft and associated missiles could cost about $9,000,000,000.

[5] Costs are based on a force of 120 advanced strategic bombers. A similar number of less advanced penetrating bombers derived from the FB-111 program is estimated to cost about $6,000,000,000.

[6] This missile would begin to replace in 1989 the short-range attack missile currently carried by U.S. strategic bombers. A variant of it would be used as a bomber defense missile against Soviet air defense forces.

Source: Authors' estimates based on Defense Department statements and congressional testimony.

U.S. strategic planning for the long term

U.S. strategic force policy has proceeded on an expedient, piecemeal basis. A number of increasingly important factors give rise to the need for a longer-term, more coherent plan in which the purpose and structure of the strategic forces are directly linked.

Footnotes at end of article.

Among these factors are the four discussed below.

Strategic threat assessment. One important influence on the general direction of U.S. strategic force development has been the way American defense planners view the threat posed by Soviet strategic forces. In the annual defense reports to Congress and in other official statements, the USSR is perceived as being engaged in an effort to develop and deploy various weapons systems aimed at neutralizing the effectiveness of the U.S. strategic forces.

The Soviet strategic threat that currently most concerns many defense planners is the projected deployment of large numbers of highly accurate MIRV warheads on the USSR's new ICBM's. Official U.S. estimates conclude that such a force could theoretically provide the USSR with sufficient capability to destroy most of the American ICBM silos by the early 1980s. This possibility has led many American analysts to worry that in a future crisis the USSR might be tempted to seek some type of political advantage by threatening the U.S. land-based missile force with a limited nuclear strike.

The USSR's countersilo capability is seen as the most serious threat. While Soviet air defenses are projected to improve in the future, U.S. cruise missile technology is expected to stay significantly ahead of Soviet efforts. Finally, official statements often portray Soviet antisubmarine warfare (ASW) forces as oriented toward strategic ASW against U.S. missile submarines, despite the limited effectiveness of Soviet forces at the present time.

The official threat assessment is accepted by most defense analysts, with some variations. Some find the USSR civil defense program worrisome. Others are concerned that regional Soviet systems, such as the Backfire bomber, would be used for intercontinental strikes against the United States.

Despite the general acceptance of the official threat assessment, however, there are some indications that the major threats posed by the Soviet strategic forces may be different from those familiar to most defense analysts. In the past most attention has been paid to the survivability and effectiveness of U.S. strategic weapon systems. Of even more importance may have been Soviet interest in developing a capability to effectively neutralize the U.S. strategic forces by disabling the American command, control, and communications system. Thus before the United States commits itself to major weapon programs in the future it should examine more closely the possibility that vital U.S. command and control systems may be more vulnerable to a Soviet nuclear attack than the strategic weapons these systems direct. In particular, this raises questions about all mobile strategic systems including SSBNs and mobile ICBMs.

The assumption that the USSR is intent on developing a capability for undertaking a limited nuclear strike against the U.S. land-based missile force is questionable. One reason is that Soviet military writing contains little to encourage the belief that the USSR finds Western conceptions of limited strategic strikes either desirable or feasible. Second, unlike U.S. ICBMs, Soviet ICBMs have a predominant and demanding role in the strategic force structure. Because USSR strategic land-based missiles must strike a wide range of targets, not merely U.S. ICBM silos, the design of Soviet ICBMs is distinctive.

Another alternative assessment is that current Soviet ASW forces are given the primary task of protecting their own strategic submarines from superior Western ASW forces. Consequently the real threat to U.S. submarine survivability in the future is likely to come from unconventional means of ASW detection such as satellite-based or airborne sensors. This raises the question of whether an alternative to the large Trident submarine might better serve as a hedge against such ASW developments. Furthermore, the Soviet Union's concept of actively defending its SSBNs by using conventional naval forces might be worth future American consideration as the United States searches for better ways to ensure the long-term survivability of its SSBN force.

Strategic stability considerations. It is not clear that American defense planners have adequately thought through the effect of their present strategic arms programs on strategic stability. To some degree U.S. conceptions of stability appear to be based on the presumption that Soviet non-ICBM forces are survivable to the same degree as American SSBNs and bombers. Closer examination shows that the Soviet SSBN force has not been an invulnerable to ASW threats as the U.S. SSBN force has been, a weakness that has compelled the Soviet navy to make fundamental changes in its mission structure in order to improve the survivability of its submarine force. Furthermore, Soviet bombers do not play the significant role that U.S. bombers do, nor are they kept on high alert.

Another tendency in the United States has been to ignore the effect that the acquisition of a new SLBM with a hard-target capability could have when added to a similar land-based capability. Given the projected acquisition of a similar hard-target kill capacity for both the MX and the Trident II missiles, the USSR could reasonably perceive the combined capability of these two systems as a substantial new threat to its land-based forces.

Future affordability. With a substantial increase in strategic spending, fiscal 1980 marks the beginning of a sustained and heavy investment of new funds for strategic force modernization. The total future cost of these weapon programs for the MX and its mobile basing system, the Trident submarine and Trident I missiles, and the ALCM for the B–52G cruise missile carrier is about $43 billion in constant fiscal 1980 dollars. The three new strategic weapon programs under consideration by the Defense Department—cruise missile carrier aircraft and associated ALCMs, a new manned bomber, and Trident II SLBMs—could cost an additional $42.3 billion (see table 5–4).

In light of the projected operational deployments for both the current and new strategic programs during the late 1980s and early 1990s, these strategic systems will require even higher levels of real growth in the future. The continuing production of many of the currently projected programs such as the MX system and Trident submarines through the last half of the 1980s will coincide with the increasingly expensive advanced development-initial procurement phase of a new strategic bomber. The peak in this overlap of expenditures for several current and new strategic weapon programs is likely to occur about 1986 if the United States adheres to its present projected deployment schedules for these systems.

Even if spread over the next fifteen years, these costs would probably be prohibitive, given competing defense and domestic priorities. Yet there is little indication of which way the Defense Department intends to go at this time. Considering the large sums involved, it is unlikely that the United States will be able to procure both the MX and its mobile basing system and the Trident II missile, as well as to continue to fully modernize the strategic bomber force. Consequently it is imperative for the U.S. government to decide which of these weapon systems it can either defer or forgo before committing itself to the advanced development of these new types of strategic forces.

SALT considerations. Because of projected strategic deployments the United States will be compelled to choose between dismantling some number of MIRV-equipped Minuteman III ICBMs or Poseidon C–3 SLBMs in order to remain under the SALT II ceiling of 1,200 ICBM and SLBM launchers with MIRVs.[4]

The United States currently has a total of 1,046 MIRV-equipped Minuteman III and Poseidon missiles. As new Trident submarines are deployed beginning in 1981, the U.S. launcher level will gradually increase toward the SALT II ceiling of MIRV-carrying missiles. With the sixth new Trident, the United States will reach the ceiling and will presumably choose between dismantling some Minuteman III missiles or retiring some Poseidon submarines. The delivery and deployment dates of the sixth Trident are currently estimated by the navy to be in 1985.

The total number of older MIRV-equipped ICBM or SLBM launchers that will have to be dismantled will depend on two considerations. One of these is whether the SALT II limit of 1,200 MIRV launchers continues in effect beyond 1985. Assuming that it does, the major factors determining the number of older launchers that must be dismantled are the pace at which new Trident submarines become operational and the number of aircraft carrying long-range cruise missiles in excess of the 120 aircraft that are allowed under the SALT II treaty. In light of the revised procurement program for the air-launched cruise missile, the United States will probably be able to avoid surpassing the cruise missile carrier limit until 1985. Yet eventully, as additional cruise missile carrier aircraft are converted or procured, this shift in forces will become an important factor in compelling the United States to retire older MIRV-equipped missile launchers.

To date no decision has been made concerning whether MIRV-equipped ICBMs or MIRV-equipped SLBMs will be dismantled. It would seem prudent to make this decision before current programs are allowed to continue much longer. Finally, it is also necessary to have a clear idea of future U.S. strategic force preferences in order to avoid many of the conflicts in the SALT negotiations that arose as new systems, such as the ALCM and MX mobile basing system, came into being.

In summary, to some degree all these factors argue for the development of a more comprehensive, long-term American strategic force framework as well as the avoidance of the piecemeal rush into commitments to add new strategic weapon capabilities before a better understanding of their role and implications has been established. It is also important to this planning framework to have a much clearer understanding of Soviet strategic force developments and the specific threats that these developments pose to the United States.

THEATER NUCLEAR FORCES

The Carter administration's 1980 defense budget includes programs to update every element of the U.S. theater nuclear arsenal.[5] Secretary of Defense Harold Brown describes modernization of theater nuclear forces as a "key program objective."[6]

In the budget request are five nuclear weapons programs: one to produce new nuclear warheads for the Lance tactical missile, and four engineering programs to develop new 8-inch and 155-millimeter nuclear artillery shells, a more accurate, longer-range, lower-yield Pershing II missile, and a highly accurate, longer-range ground-launched cruise missile (GLCM).[7] More than $1.6 billion is provided for continued procurement of the new, nuclear-capable F–16 fighter, which will replace the F–4 fighter in nuclear and conventional roles. The administration is also considering theater nuclear versions of the air-launched and sea-

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Footnotes at end of article.

launched cruise missiles, although the time for developing the latter has been indefinitely extended, and a new mobile medium-range ballistic missile (MRBM) to take the place of missiles with longer-range delivery capabilities. Finally, $48.3 million is requested to study survivability and security improvements for current and future theater nuclear forces.

The total fiscal 1980 cost of all theater nuclear weapons programs is small—about $2 billion—half of which appears in the Department of Energy budget. These programs, however, represent the most thoroughgoing modernization the theater nuclear forces have had in two decades and are significant both for U.S. strategic nuclear programs and for NATO allies. The United States' choice of a theater nuclear modernization program, which was influenced by the threat facing NATO, will affect NATO members' perception of the U.S. commitment to the defense of Western Europe.

Assessment of missions and threats

The standard assumption. NATO defense planning is based on the assumption of an attack by large numbers of Warsaw Pact conventional forces on Central Europe. NATO theater nuclear forces, in conjunction with the U.S. strategic deterrent, would be relied upon to deter Soviet use of nuclear weapons during the attack. Later, if NATO conventional forces were unsuccessful in their defense, NATO theater nuclear weapons could be used to destroy the attackers and perhaps force a favorable truce. Recently there has been renewed questioning about the length of time the Soviet Union would require to mobilize for such an attack, the amount of warning and preparation time that NATO defenders might have, and the consequent swiftness with which the Soviet-led forces might achieve victory. If the mobilization and warning time were very short and NATO defenders were caught relatively unprepared, the prospect of a swift victory by the Warsaw Pact countries could force NATO to use nuclear weapons sooner than it might otherwise, especially if quick Soviet seizure or conventional destruction of large portions of the NATO nuclear arsenal seemed likely unless these weapons were used first. It is difficult to believe that NATO theater nuclear delivery systems, many of which are used to deliver conventional munitions also, would survive the chaos of an unsuccessful conventional defense. The heightened possibility of an early NATO nuclear response to a conventional attack with so little warning would surely affect Soviet readiness to launch it.

Reasons for questioning. Soviet military writing has long emphasized the decisive use of nuclear weapons at the very outset of an attack. NATO planners, however, have persisted in the conventional attack planning assumption in part because of the strength of the U.S. strategic deterrent and the increasing capability of Soviet conventional forces. Recent Soviet writing and military exercises acknowledge the possibility of a purely conventional phase of combat, and even of a limited theater nuclear phase.

The modernization and strengthening of Soviet theater nuclear forces, combined with their doctrine of disrupting all types of threatening targets outside their territory in the event of war, cast doubt on the NATO assumption. The Soviet Union has improved the flexibility of its theater nuclear forces, replacing the Frog and Scaleboard tactical missiles with the new SS-21 and SS-22 missiles, both of which have conventional capabilities, something their predecessors lacked. The Soviet Union has also improved the flexibility of its conventional cannon artillery in recent years, giving it for the first time a nuclear delivery capability similar to that of NATO forces. The replacement of SS-4 and SS-5 missiles with SS-20 missiles has both reduced the vulnerability of the Soviet striking force and increased its ability to attack fixed sites such as NATO airfields and nuclear storage sites. This capability was further enhanced by the deployment of nuclear-capable later-model MIG-21, MIG-27, SU-17, and SU-19 fighter-bombers with the Frontal Aviation forces in Central Europe and the deployment of the Backfire bomber with the Long Range Aviation forces in the USSR in the early and mid-1970s. The possibility that the Soviet Union might use nuclear-armed sea-based ballistic and cruise missiles against targets in the European theater also adds to this capability.

This growth in the size and flexibility of the Soviet Union's theater nuclear forces has alarmed U.S. allies in NATO and added impetus to suggestions that the United States undertake offsetting initiatives. At the same time, the ambiguity of Soviet doctrine about whether the attack would be initially conventional or nuclear, combined with force improvements, raises a vital question for NATO. Can the alliance afford to assume that it will be allowed the luxury of choosing the time and place for the first use of nuclear weapons in a war with the Warsaw Pact countries? This question can be answered affirmatively only if the United States adopts a coherent doctrine and structures its theater nuclear modernization plans to intensify deterrence of a Soviet nuclear attack in Europe.

The necessity for a coherent policy

The Carter administration's program for theater nuclear modernization replicates and adds to the current stockpile of tactical nuclear weapons and delivery systems. That stockpile, the accumulation of twenty years, was begun at a time when the United States did not have to worry about deterring a Soviet theater nuclear offensive. No policy has since been developed to indicate how this might be done and to justify additions to the stockpile. It is therefore difficult to see how adding to this much-criticized stockpile without developing a theater nuclear deterrence doctrine will assure the United States of a credible deterrent to a Soviet nuclear attack. It is also unclear what concept or doctrine of theater nuclear deterrence is behind the programs proposed by the administration. Are the forces intended to deter Soviet attack by threatening to destroy attacking Soviet forces, to disrupt military targets in Eastern Europe, or to carry out reprisals on nonmilitary targets in Eastern Europe or in the Soviet Union itself? Are they to be used in large numbers or in selective, individual strikes, in planned attacks or in improvised attacks? And what are the intended effects of this use—prompt military relief, the signaling of serious intentions, coercive bargaining, or punishment?

In his annual statement to Congress for fiscal 1980, Secretary Brown justifies this wide array of programs by pointing out the need for diverse and flexible forces that can be used in different ways for different purposes. There is something to be said for this approach. It could show the Soviet Union that the United States has many options available for responding to various provocations. But uncertainty about how the United States might react increases the risk of any Soviet provocation. Deploying a great variety of weapons can also be very costly. Moreover, unless the variety of weapons and possible responses is backed by well-reasoned contingency plans, it may simply perpetuate U.S. confusion about what to do. Having many types of weapons may merely be a way of avoiding difficult choices among alternative theater nuclear systems and strategies. Thus a variety of flexible weapons does not seem an adequate substitute for an articulated theater nuclear strategy.

Until last year, when President Carter deferred making a decision on producing enhanced-radiation tactical nuclear weapons (neutron bombs), the army contemplated delivering "pulses" of such low-yield weapons in planned "packages" of detonations that would blanket sparsely populated avenues of attack by the Warsaw Pact countries with lethal radiation. U.S. Air Force tactical nuclear bombing doctrine was similarly modified to minimize damage to civilian facilities.

The President's decision, however, denied the army a weapon that was crucial to employment planning. At the same time, serious questions were raised about whether these plans were really workable and about the possibility of Soviet retaliation, which would result in great civilian destruction. Consequently, although the army's nuclear employment concept is still in its field manuals, it has been dropped as a practical matter. No new doctrine has yet been developed to take its place and guide the modernization effort. Instead, the army seems to have reverted to its earlier plan of using nuclear weapons on individual tactical targets of opportunity when it becomes necessary.

Without enhanced-radiation weapons and the employment doctrine that supported them, the United States is back in the position it was in more than five years ago. Then, as now, the Defense Department was proposing to produce new blast-type artillery shells and missile warheads for existing delivery systems—without a credible, articulated theater nuclear doctrine. Then, as now, the justification for these programs was that the shells and warheads they would replace were based on old technology, were very inefficient, were cumbersome to use in the field, and produced inappropriate nuclear yields. The now-defunct Joint Committee on Atomic Energy found these justifications weak in 1973, and they seem weak now. While the technology of existing weapons may be old and reliability may not always be perfect, if the United States is to use blast-type weapons for individual target destruction, as was planned in the 1960s, it is difficult to see why the current stockpile of weapons would be inadequate for this task. If decisions were to be made on strategic grounds alone, it might be better to defer these theater nuclear modernization plans until a clear concept of how and when the weapons are to be used is developed.

Theater nuclear modernization cannot be considered only in the context of "warfighting" options, however, as these forces have political and symbolic importance to NATO allies. This was recently emphasized by concern in NATO about Soviet deployment of the mobile SS-20 medium-range ballistic missile and the desire to offset the weapon with additional long-range capabilities in Europe. Without such capabilities, allies fear that the United States might be unwilling to use its strategic forces in retaliation for a Soviet attack with SS-20s on Western Europe.

The justification for such added systems seems doubtful, however, since they would surely not be used to attack the SS-20 preemptively before it was moved. Moreover, justifying them requires an assumption that the Soviet response to nuclear attack from Western Europe would be different from the response to an attack with U.S. strategic forces. If this distinction is not made by the USSR, the need for additional long-range weapons in Europe is dubious. If the NATO allies have confidence in the United States' willingness to use its strategic forces in their defense, those forces should be more than adequate to counter the threat of an SS-20 strike. If they lack confidence, the longer-range systems based in Europe could not reassure them militarily. They would view the United States as just as reluctant to use these forces against the USSR as to use its own strategic forces, since the Soviet response would be the same in either case.

Although the strategic rationale for more long-range nuclear capability in Europe may be weak, such deployments might nevertheless give NATO visible psychological reassurance of U.S. commitment. If the purpose of these deployments were political and psychological, however, fewer weapons would probably be needed than for demanding military missions. Thus long-range Pershing II, GLCM, and MRBM programs should not all be required to provide this symbolic reassurance.

The administration's program of theater nuclear modernization is directly related to strategic nuclear programs, such as the MK-12A warhead for Minuteman III, the MX missile, the Trident I and II missiles, and the air-launched cruise missile, which will increase the number of U.S. nuclear warheads by an estimated 40 percent through 1985. At the same time, the U.S. supply of available nuclear material to build these weapons is limited.[8]

This supply limitation, if severe enough, could prevent the completion of all these strategic programs unless additional nuclear material was obtained. The problem could be solved by producing more material, but this would be extremely costly and would lead to innumerable environmental complaints. Alternatively, additional material could be obtained by replacing older tactical nuclear weapons, which used material very inefficiently, with new, more efficient weapons. Thus if new material cannot be produced, it may be impossible to achieve all the planned strategic nuclear force improvements without simultaneous theater nuclear modernization. This situation would mean that the pursuit of aggressive strategic nuclear programs might make it necessary to undertake a concurrent theater nuclear modernization program even though its underlying strategy had not been fully thought out. But the situation presents an opportunity as well: if the pace of U.S. strategic force deployments were slowed, theater nuclear modernization might be less urgent and more time would be available to decide what measures, if any, the United States really should take.

GROUND AND AIR FORCES

The 1980 budget request reflects the administration's continued interest in improving the ability of the United States to help defend its NATO allies. The President wants $56 billion for the ground and air forces oriented toward Europe. Included is $4.0 billion to continue modernizing the air force inventory of tactical combat aircraft and $2.6 billion to develop and procure fifteen new ground combat systems for the army, which is just beginning a major modernization program. All this comes partly in response to improvements over the past decade in the military capabilities of the Warsaw Pact countries.

The Warsaw Pact threat

Since the late 1960s the Soviet Union has come to accept the possibility of a conventional phase in any European war. Consequently it has sought to increase its military flexibility by augmenting the Warsaw Pact's conventional combat power.

There is general agreement about what this has meant. The Warsaw Pact armies have increased and modernized their inventories of tanks, infantry-fighting vehicles, artillery, and antitank and air defense weapons. Moreover, the Soviet Union has deployed a large number of attack helicopters. In addition, the personnel strength of Eastern European armies has increased slightly, and the Soviet Union appears to have added about 100,000 troops, mostly between 1968 and 1973. Some of the additional personnel seem to have gone to bolster the Warsaw Pact's support establishment. Finally, the Warsaw Pact seems to have further increased its ability to sustain conventional operations by expanding its forward stocks of combat consumables.

The deployment of more and better weapons has given Warsaw Pact ground forces the mobility and firepower needed to generate the shockpower and achieve the rapid advance rates long emphasized by Soviet military doctrine. Moreover, increases in organic firepower and air defense capabilities have freed Soviet ground forces, at least, from dependence on tactical aviation for air defense and close air support. At the same time, the Soviet Union's deployment of new tactical and long-range aircraft has increased its ability to carry more ordnance over longer distances, to fly more at night or in bad weather, and to employ precision-guided munitions for conventional ground attack.[9]

The Soviet Union now expects its tactical and long-range aviation to conduct independent air operations at the start of any conflict. These would involve concentrated strikes against such NATO targets as airfields, nuclear storage sites, command centers, and stockpiles of pre-positioned equipment.

Several things seem certain from all this. First, Soviet (if not Eastern European) ground and air forces have moved to positions where they would operate large independently of one another. Second, the ability of Warsaw Pact ground forces to wage and sustain conventional operations has increased. Third, modernization and force improvement programs have decreased the amount of mobilization and reinforcement the Warsaw Pact would need to attain a given level of conventional combat power. But it is not clear how much improvements in the Pact's conventional capabilities would affect the amount of attack warning, the duration of any conflict, or the Soviet Union's readiness to use nuclear weapons.

Five years ago Soviet ground doctrine for the conventional phase clearly called for carefully prepared, massed breakthroughs along a few axes of attack. This type of campaign would require several weeks of mobilization and reinforcement. But the 1973 Middle East war raised doubts among Soviet planners about the ability of armored forces to break through well-prepared defenses thick with guided antitank missiles. Believing that a hasty attack against an uneven defense would actually involve less risk than a prepared assault against a solid defense, some Soviet theorists have argued for a preemptive campaign—a "daring thrust"—designed to achieve quick and deep advances before NATO could fully prepare its defenses.[10]

A preemptive campaign would be extremely risky for the Soviet Union. Because of the low readiness of Eastern European armies and the time needed to move reinforcements from the western USSR, the initial ground attack would probably involve only those Soviet forces already deployed in Eastern Europe. Moreover, after the attack began NATO almost certainly would try to delay the arrival of Soviet reinforcements and mobilized Eastern European armies. Finally, while training routines might make their ground combat units ready for a standing-start attack, the Soviet Union would still need time to set up the command and support systems needed to control and sustain an offensive.

Other factors might serve to lessen the USSR's risks in launching a preemptive ground offensive. Force improvement and modernization programs during the past decade might have given forward-deployed Soviet armies an ability to go it alone against an ill-prepared NATO defense. The Soviet Union might also be able to hide some preparations for an attack and to finalize its command and support arrangements under the cover of military exercises.

Whereas NATO once expected several weeks' warning of an attack, it now counts on no more than eight to fifteen days. NATO's confidence about having that much warning stems from its ability to monitor military activity in the Warsaw Pact countries. In expecting eight to fifteen days of usable warning, NATO supposes that its surveillance apparatus would largely be able to see through the Soviet Union's efforts to screen its attack preparations. NATO also assumes that its analysts and decisionmakers would be perceptive enough to discern the significance of available indicators, despite Soviet attempts at deception, and decisive enough to act on them in a timely manner.

Numerous uncertainties make it impossible to predict how much usable warning NATO would have of a Warsaw Pact attack. But it is reasonable to conclude that NATO would now have less warning than it would have had ten years ago, and that assured time may decrease still further.

Despite acceptance of the possibility of a conventional phase, Soviet military writers still show a predisposition toward using nuclear weapons to achieve singularly decisive results throughout the European theater. This stems from their belief that the high stakes would probably provoke nuclear fire by the losing side, their doubts about the possibility of tightly controlling nuclear exchanges, and their appreciation of the military benefits to be gained from a first strike. Moreover, the Soviet Union seems to believe that any use of nuclear weapons would benefit its side because it would force NATO's defenses to disperse, thus giving Warsaw Pact armies greater opportunities for maneuver. In general the Warsaw Pact's investment in protective equipment and its emphasis on training in simulated nuclear environments at least indicate high Soviet readiness to use nuclear weapons.

Increases in the number of Warsaw Pact support personnel and the amount of prepositioned supplies probably are the result of a Soviet desire for greater military flexibility, through improvements in the Pact's overall conventional capabilities, and a realization that another conventional war would consume an unprecedented amount of materiel. These steps need not suggest Soviet plans for a protracted conventional campaign. Appreciating the West's superiority in manpower and economic capacity as well as the advantages of compressing its period of risk, the Soviet Union has always planned for a quick campaign.

The availability of large nuclear stockpiles, the likelihood of strong pressures and incentives for a cease-fire, and the anticipated high rate of materiel consumption raise strong doubts about any conflict continuing or staying conventional beyond, say, thirty days. Of course, it is conceivable that both sides would hold their nuclear fire and, perhaps conserving their resources, fight conventionally for a longer period.

U.S. missions, operational concepts, and projected spending

The Seventh Army's presence on West German soil demonstrates the U.S. commitment to Western Europe's security. The combined power of this force and allied armies serves to deter military threats or conventional aggression by the Warsaw Pact. The basic wartime mission of that portion of the U.S. Army dedicated to Western Europe would be to participate in the forward defense of allied territory.

The army is embarking on the most extensive and costly modernization program in its history; the budget seems likely to peak between fiscal 1982 and 1984. Two things account for this. First, the Vietnam War absorbed most of the funds that would otherwise have gone for the development and

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procurement of new weapons for Europe. Once U.S. involvement in Vietnam ended, the army began developing a variety of new systems. Second, development problems disrupted what plans the army had made for phasing in new weapons. For instance, high costs forced it to cancel the Cheyenne attack helicopter and the MBT-70 main battle tank and virtually start over again. As a result, many new systems are currently reaching maturity and entering low-level production. Hence, as table 5-5 indicates, development funding for fifteen new systems will drop off rapidly between fiscal years 1979 and 1984. But over that same period the army's plans for buying those systems would require about a five-fold increase in their procurement funding.

Between fiscal years 1979 and 1984 the army plans to triple its investment in major systems for close combat. Funding for the new XM-1 tank, infantry-fighting vehicle (IFV), and cavalry-fighting vehicle (CFV) will account for most of this increase.

TABLE 5-5.—COSTS OF PLANNED MODERNIZATION OF SELECTED GROUND COMBAT SYSTEMS, FISCAL YEARS 1979-84

[Millions of fiscal 1980 dollars]

Ground combat system	Cost 1979	1980	1981	1982	1983	1984
Close combat [1]	818	1,167	1,790	2,200	2,315	2,335
Development	370	314	217			
Procurement	448	853	1,573	2,200	2,315	2,335
Fire support [2]	137	176	312	470	475	475
Development	90	83	78			
Procurement	47	93	234	470	475	475
Air defense [3]	749	1,013	1,349	1,350	1,255	1,255
Development	371	184	80	20		
Procurement	378	829	1,269	1,330	1,255	1,255
Command, control, communications, and intelligence [4]	116	218	244	280	370	335
Development	116	171	109	45	35	
Procurement		47	135	235	335	335
Total	1,820	2,574	3,695	4,300	4,415	4,400
Total development	947	752	484	65	35	
Total procurement	873	1,822	3,211	4,235	3,480	4,400

[1] Includes the XM-1 tank, infantry-fighting and calvalry-fighting vehicles, advanced attack helicopter, and Hellfire missile.

[2] Includes the general support rocket system, Copperhead laser-guided shell, and ground laser designator.

[3] Includes the Patriot and Roland missiles, DIVAD gun, and Stinger missile.

[4] Includes the TRI-TAC radio, standoff target acquisition system, and remotely piloted vehicles.

Sources: Figures are authors' estimates draw from "Department of Defense Annual Report, Fiscal Year 1980," pp. 144-55; Department of Defense, "Program Acquisition Costs by Weapon System," p. iv; and "Department of Defense Authorization for Appropriations for Fiscal Year 1979," Hearings before the Senate Committee on Armed Services, 95th Congress, 2d session (GPO, 1978), pt. 2, pp. 168, 900-02. Figures are rounded.

The army's desire for these new armored fighting vehicles, which offer greater firepower, mobility, and survivability than their predecessors, reflects two beliefs. First, the army believes that its superior firepower and tactical mobility make heavy forces—armored and mechanized infantry—the most appropriate for use in Central Europe.[11] All American infantry units in West Germany have been mechanized since the early 1960s. And heavy divisions are coming to dominate the active army: the portion of heavy divisions in the active army's divisional structure increased from 45 percent in fiscal 1972 to 63 percent in fiscal 1979 and will increase to 70 percent by fiscal 1984. Second, the army believes that the capability to move more quickly and deliver more firepower can obviate the need for more men on the battlefield. In peacetime it has never been politically feasible for the United States to maintain ground forces as large as those of the Soviet Union. Indeed, the continued "heavying-up" of the army and the procurement of better armored fighting vehicles can be seen as instances of technological substitution.

Technological substitution shows up more clearly in the army's interest in new systems for command, control, communications, and intelligence (C^3/I). The army's investment in three C^3/I systems will grow significantly between fiscal years 1979 and 1984. These are the standoff target location and tracking system, an airborne radar for detecting enemy ground forces, the TRI-TAC communications system, and a remotely piloted vehicle for reconnaissance.

As electronic systems have improved, the army has seized upon them as a means for managing its relatively scarce combat assets more effectively. The army's interest in a new airborne radar and a new reconnaissance drone reflects the fact that the army now counts heavily on airborne and ground-based sensors to accurately locate the enemy so that American commanders can feel more confident in deploying their outnumbered maneuver battalions. While the growing electronic warfare capabilities of the Warsaw Pact have raised concern about the reliability and security of present radios, the army's interest in new communications systems is heightened by its requirement that division and brigade commanders exercise tighter control over their subordinate units. In general, numerical inferiority has created a need for reliable target location and tracking, data-processing, and communications systems.

Some degree of substitution between ground attack aircraft and ground combat weapons, particularly artillery, is possible. The army now counts heavily on air force ground attack aircraft to destroy a substantial portion of army targets. The army, however, is in the process of building up its fire support capabilities. Over the next five years the army intends to increase the number of howitzers in many of its artillery battalions by 33 percent; and in fiscal 1981 it plans to request funds for the procurement of a general support rocket system, which is capable of rapidly delivering a large volume of fire. But these programs are largely needed to counter the recent modernization and expansion of Warsaw Pact artillery. The Copperhead laser-guided shell, for which funds have been requested for continued procurement, will theoretically give the army's artillery an ability to hit moving tanks, but the Copperhead has several operational limitations. Despite these improvements in fire support, it appears that the army will continue to require tactical air support to implement its plans for forward defense.

The army is in the process of reducing somewhat its dependence on the air force for air defense. It plans to nearly double its annual investment in major air defense systems between fiscal years 1979 and 1984. These include the Patriot, an army-level, radar-guided missile system; the Roland missile and DIVAD gun, which are short-range radar-guided systems for the division; and the Stinger, a short-range infrared-guided missile for the division.

The 1980 budget also requests funds to increase the speed with which the army could deploy heavy divisions to Europe, to improve the readiness of home-based and forward-deployed forces, and to maintain forces for a protracted conflict.

Army materiel stockpiles in Europe now include the equipment for seven brigades (the equivalent of two and one-third divisions) that are currently based in the United States. Upon mobilization the personnel from these units would fly to Europe and take this prepositioned overseas matériel configured to units sets (POMCUS) out of storage. This arrangement reflects the difficulties that the United States would encounter otherwise in moving heavy units to Europe. Whereas the United States might be able to fly the personnel for a heavy division to Europe within twenty-four hours, it could take as long as eleven days to airlift the personnel and equipment of a heavy division.[12] Moving heavy forces by sea would take at least thirty days.

Currently the United States could send about one additional heavy division to West Germany with in a week and a half. The apparent decrease in attack warning time has prompted the United States to seek to attain by 1983 te capability to send about five divisions to Europe within the same amount of time. Because of current limits on its ability to airlift outsized cargo, such as tanks and armored personnel carriers, the United States plans to meet its goal by adding another division's worth of POMCUS by the end of fiscal 1980 and two more divisions' worth by the end of fiscal 1982.

Congress has not authorized the purchase of extra equipment for POMCUS. The equipment will therefore have to be drawn from war reserve stocks and the inventories of active and reserve units based in the United States. But the administration did receive $59 million in fiscal 1979 to construct additional POMCUS storage sites and to maintain this extra stored equipment. It is requesting another $33 million in 1980 for the maintenance of the additional POMCUS.

Plans for increasing POMCUS will decrease the amount of equipment that home-based units have to train on and thus seemingly conflict with the administration's desire to increase the readiness of home-based units as part of an overall program to raise the readiness of all army units oriented toward NATO. The interest in increased readiness likewise stems from concern about decreased warning time. Readiness is a vague term, but a unit can reasonably be judged ready when it has enough well-trained people and enough working equipemnt on hand to perform its mission; for U.S. Army units in Europe, the ability to quickly take up forward defensive positions could serve as an additional criterion of readiness.

The administration is pursuing a modest program to increase the readiness of forward-deployed and early-arriving army units. For instance, it is increasing training and is beginning to man selected units above their authorized levels to ensure the presence of

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at least 95 percent of their personnel at all times; in West Germany it is now keeping selected combat vehicles loaded with ammunition and is constructing ammunition storage sites in forward areas. The administration is also studying the possibility of spending about $30 million per battalion to reposition selected army units already stationed in West Germany. This is partly prompted by the fear that many of these units may be based too far west of their forward defensive positions. Because Warsaw Pact ground forces are generally stronger in the north, however, the orientation of the relatively strong U.S. ground force toward the south central German border has also caused concern in recent years. Last year, in response, the army moved a brigade to northern Germany. This brigade is part of a U.S. corps that upon mobilization would deploy to northern Germany.

Finally, the administration wants to maintain funding for the Army Reserve and the National Guard, which would provide additional combat and support units after mobilization, at the fiscal 1979 level of about $2.7 billion. Because the army deactivated some support units to provide personnel for the three new divisions and two new brigades it established in the mid-1970s, it counts on the reserves to augment its support establishment in wartime. In addition the army maintains eight divisions and twenty-four brigades in its reserve force structure. With the possible exception of the four reserve brigades attached to active divisions, it is reasonable to expect that these units would take months to achieve combat readiness.

The U.S. Air Force currently bases twenty-six of its fighter—ground attack squadrons in Western Europe. Within ten days it could deploy another forty squadrons. U.S. aircraft in Central Europe could bring their great firepower to bear in a matter of minutes on the central front and within hours on the northern and southern flanks.

Although almost all the air force's tactical combat aircraft could operate worldwide, most of the existing and planned forces are oriented toward Central Europe. In a European war air force missions would be to establish some degree of air superiority and to assist allied and U.S. ground forces. The air superiority mission would involve the continuous defense of friendly airspace and could also involve air combat over enemy territory and strikes against enemy air bases. The present extent of the air force commitment to these extra elements of the air superiority mission is unclear. To assist U.S. and allied ground forces, the air force would fly reconnaissance, airlift, battlefield and deep interdiction, and close air support missions.

While the air force will continue to have some specialized aircraft (A–10s and F–15s), it will retain a large number of multipurpose aircraft (primarily F–4s now and F–16s in the 1980s). The air force wants a lot of aircraft that can be used for air combat or ground attack as the situation requires. This emphasis on flexibility discourages any precise definition of mission priorities.

The air force has made numerous responses to the changing Warsaw Pact threat. In the early 1970s it embarked on programs to procure several new aircraft: the E–3A, F–15, A–10, and F–16. The E–3A airborne warning and control system is designed to detect enemy aircraft and to direct the operations of NATO's fighter and ground attack aircraft. The F–15 is an all-weather fighter for the air superiority mission. The A–10 is basically a daytime aircraft designed solely for close air support. Charges that the air force was ignoring army needs encouraged its procurement. A multipurpose aircraft, the F–16 will replace the F–4. While it has a limited capability for ground attack in adverse weather, the F–16 could not be used for air combat at night or in bad weather.

TABLE 5-6.—SIZE AND COST OF MAJOR AIR FORCE MODERNIZATION PROGRAMS, FISCAL YEARS 1979–84

[Cost in millions of fiscal 1980 dollars]

Program	1979		1980		1981		1982		1983		1984	
	Number	Cost	Number	Cost	Number	Cost	Number	Cost	Number	Cost	Number	Cost
F–16		1,669		1,699		1,745		1,710		1,710		1,71
Development		114		27		39						
Procurement	145	1,555	175	1,672	180	1,706	180	1,710	180	1,710	180	1,710
F–15		1,526		990		1,011		505				
Development		11		1		9						
Procurement	78	1,515	60	989	60	1,002	30	505				
A–10		888		904		559						
Development		19		18								
Procurement	144	869	144	886	106	559						
E–3A		319		407		363		300				
Development		62		74		61						
Procurement	3	257	3	333	3	302	3	300				
Total		4,402		4,000		3,678		2,515		1,710		1,710
Total development		206		120		109						
Total procurement	370	4,196	382	3,880	349	3,569	213	2,515	180	1,710	180	1,71

Sources: Figures for 1979–81 are from "Department of Defense Annual Report, Fiscal year 1980," pp. 186–87; figures for 1982–84 are authors' estimates. Figures are rounded.

As table 5-6 indicates, the air force plans to finish procuring the E–3A, F–15, and A–10 during fiscal years 1981 and 1982, but it will continue buying F–16s through the mid-1980s. While the annual funding for procurement of all these aircraft will decrease by about two-thirds between fiscal 1979 and 1984, the air force's annual budget for the modification of existing aircraft will more than double between fiscal years 1979 and 1981 and may increase further in subsequent years.

In response to the increased threat from Soviet theater aviation and Warsaw Pact air defenses, the air force also wants to improve the survivability of its aircraft on the ground and after takeoff. Thus the 1980 budget request contains funds to continue programs designed to increase the survivability of U.S. air bases. It also requests funds for the development and procurement of new systems designed to deceive or destroy enemy air defenses. Finally, the 1980 budget request almost certainly contains funds for the continuation of army-air force exercises that are partly designed to promote the coordination of the capabilities of the two forces for suppressing enemy air defenses. As the threat from enemy air defenses has grown, the air force has increasingly sought help from the army, which would use electronic warfare equipment as well as some of its artillery and attack helicopters to aid in defense suppression.

Budget issues and alternatives

The future level and allocation of army funding for procurement is the foremost issue in the fiscal 1980–84 program for ground and air forces. The army's plans for buying the fifteen new systems shown in table 5-5 would require about a fivefold increase in their procurement funding between fiscal years 1979 and 1984. The Defense Department is planning to increase the army's total procurement budget from $6.6 billion in fiscal 1979 to $8.5 billion in 1981 and $9.5 billion in 1983.[13] But the procurement of the fifteen new systems as planned would absorb a disproportionate share of these increases in total army procurement. Whereas the procurement of these systems consumes 13 percent of the army's total procurement budget for fiscal 1979, it would absorb 38 percent in 1981 and 46 percent in 1983.

This budget contains hundreds of additional items, however, and if the army plans to maintain fairly constant funding for their procurement, it cannot go ahead with the procurement of the fifteen new systems as planned. Hence it appears that the army will have to cancel some of these systems, stretch out their procurement, or obtain extra funding from somewhere else. Accordingly, the rationales behind these procurement programs—as well as spending for POMCUS, readiness, and hedges against a long war—warrant close examination. Moreover, since the army and the air force perform some identical missions—notably air defense and fire support—the relationship between their performance of these missions deserves an attempt at clearer definition.

Future Procurement of Armored Fighting Vehicles. Before buying large numbers of XM–1s, IFVs, and CFVs, the administration and Congress would do well to address two questions.

First, how many heavy forces will the army want for use in Central Europe ten or twenty years from now? The army has recently come to recognize that a war there would now involve almost continuous combat in built-up areas. It would also involve a lot of fighting in woodlands. Since afforestation and controlled urbanization is proceeding at a slow but steady pace, the open areas in West Germany most suitable for armored and mechanized operations will continue to shrink in the years ahead.[14]

Light forces (infantry, airborne, or airmobile) are more suitable for defensive combat in close terrain. As table 5–7 indicates, they also have considerable combat power. While light units are more vulnerable to artillery fire, the assignment of extra artillery to suppress that of the enemy would mitigate this problem. By the 1990s it is possible that the United States might want or be prepared to trade in some of its heavy units—equipped with XM–1s, IFVs, and CFVs—for such light units.

Second, with heavy units retaining some role in Central Europe, what will be a suitable mixture of armored fighting vehicles in quality and quantity? The growing lethality of modern weapons and the consequent like-

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lihood of high attrition in any European war warrants further consideration of this question. While the XM-1 appears to be nearly invulnerable to current antitank missiles, how much more protection it will offer against new armor-piercing shells fired from tank guns is not clear. In the 1973 Middle East war, tank guns caused almost all the tank kills. Because tank guns are highly accurate and have many advantages over guided missiles, included a higher rate of fire, it is reasonable to assume that they would pose the greater threat in conventional combat in Europe. If this is true, the United States might still stand to lose a lot of XM-1s. Moreover, losses of any kind of tank would presumably be higher still in nuclear combat.

TABLE 5-7.—CHARACTERISTICS OF HEAVY AND LIGHT U.S. DIVISIONS

Characteristic	Heavy divisions		Light divisions		
	Armored	Mechanized infantry	Infantry	Airborne	Airmobile
Authorized strength (number):					
Personnel	16, 850	17, 800	18, 146	16, 682	18, 313
Main battle tanks	342	216	54	0	0
Artillery	66	66	72	54	72
Guided antitank weapons	680	738	813	684	1, 242
Ground-launched	344	402	429	300	522
Helicopter-launched	336	336	384	384	720
Defensive combat power: National value[2]	50, 000	46, 000	44, 000	35, 000	39, 000
Airlift requirements (thousands of tons):					
Outsized cargo[3]	29.0	21.0	14.0	11.0	9.0
Non-outsized cargo	40.5	42.0	37.5	29.0	27.0
Total cargo[4]	69.5	63.0	51.5	40.0	36.0
Addendum: Ratio of defensive combat power to weight[5]	719.4	730.2	854.4	875.0	1, 083.3

[1] Heavy divisions have 155-mm and 8-in artillery, infantry and airmobile divisions have 105-mm and 155-mm artillery, and the airborne division has 105-mm artillery.

[2] This index sums up the effectiveness of all the weapons in a particular unit. Estimates of the effectiveness of each weapon are based on formulas that take into account its firepower, mobility, and survivability.

[3] Consists of cargo that because of its bulk can only be carried on the C-5 aircraft.

[4] Included is 60 percent of the initial support increment needed in the 1st 30 days of deployment. Excluded is the bulk cargo that would be carried by mobilized civilian aircraft.

[5] Weighted unit value per 1,000 tons.

Sources: Selected Department of the Army "H-series" Tables of Organization and Equipment; International Institute for Strategic Studies, "The Military Balance, 1978-1979" (London: IISS, 1978); methodology extracted from U.S. Army Concepts Analysis Agency, "Weapon Effectiveness Indices/Weighted Unit Values," vol. 1 (Bethesda, Md.: USACAA, April 1974); and the Boeing Aerospace Co., "The 747 Tanker/Transport" (Boeing, April 1973), p. 76.

The XM-1's overall survivability seems to be the chief issue. Unless it offers substantially greater survivability than current tanks, the XM-1's extra firepower and mobility will not be worth their expense. If indeed the XM-1 does not offer a significant decrease in vulnerability overall survivability of the U.S. tank force will improve more with increases in number. In this case, instead of spending more than $7 billion on 7,000 XM-1s over the next eight years, the administration and Congress might want to think about limiting the XM-1 purchase and using some of the money to procure additional M-60A3s, to turn additional M-60 A1s into M-60A3s, to accelerate development of a new low-cost tank, and to create additional maneuver battalions for deployment in West Germany.[15]

Because of their profile and lighter armor, the survivability of the IFV and CFV is even more questionable. Again, the administration and Congress might want to think about limiting their purchase and pursuing other alternatives. These alternatives might include the development and procurement of another infantry-fighting vehicle, derived from the XM-1, to accompany the XM-1 into battle; the modification of some M-113 armored personnel carriers to give them increased standoff firepower; or the development of a wheeled combat vehicle for use in an urbanized environment such as Central Europe. Wheeled combat vehicles are much cheaper to operate and maintain. The savings in support costs that would probably result from these alternatives could fund other things.

Apart from these larger issues, there are questions about the XM-1, IFV, and CFV themselves. In operational testing the XM-1's engine is experiencing problems. Current plans for refitting the first thousands or so XM-1s with West Germany's 120-millimeter gun will involve additional costs. As for the IFV and CFV, their designs have been severely criticized for poor operational and strategic mobility, low survivability, and other faults. All in all, more thought about the army's direction in armor development might be in order.

Strategic Mobility Through POMCUS. Increasing the number of POMCUS to five is generally applauded for being the most cost-effective way of increasing the U.S. ability to rapidly send heavy reinforcements to Europe. These sets of equipment, however, would be stored at a relatively small number of obvious sites, which seem extremely vulnerable to attack by conventional, chemical, or nuclear munitions, or airborne troops. The Defense Department's response that there are many rear area targets around to draw Soviet fire offers cold comfort, for it is reasonable to assume that a disruption of U.S. reinforcement, through a surprise strike at POMCUS, would come as a severe blow to NATO. Another problem with increasing POMCUS is that some equipment would have to be taken away from units in the United States, thereby decreasing their readiness.

Hence the administration and Congress might want to consider the following Defense Department alternatives: (1) give the strategic mobility forces more money to increase their ability to carry outsized cargo, thereby increasing America's worldwide military flexibility; (2) plan on sending some entire light units at the start of any reinforcement[16]; (3) substantially increase the number of planned storage sites and allocate more money for POMCUS maintenance; or (4) make provision for emergency dispersal of the additional POMCUS.

Spending for readiness. While readiness has received greater attention in recent years, several things seem worthy of still further study. How serious is the threat of a standing-start attack by Soviet, and perhaps Eastern European, ground forces? And how much can NATO count on its capacity to detect, appreciate, and act on indications of a Warsaw Pack attack? Finally, what would be the rewards of additional spending on readiness and the costs of increasing the number of POMCUS divisions sets to five?

Further study might indicate that the army's current level of readiness is sufficient. If so, funds programmed for additional increases in readiness could be diverted to other uses. Alternatively, a need for greater readiness might become apparent. If this were the case, the administration might want to spend more on training, reposition some army units already in West Germany, and perhaps deploy additional ground units to Europe.

Worldwide flexibility versus commitments to NATO. Programs such as those to "heavy-up" the army and increase the amount of POMCUS in West Germany may very well increase the army's capacity to carry out its NATO mission of forward defense. They may also decrease the army's ability to respond adequate to military challenegs elsewhere in the world.

Because of the distances and the terrain involved, the United States will continue to rely on light forces for contingencies outside Central Europe. Counting the marines, the United States currently has nine light divisions in its active forces. One marine division is oriented toward NATO's flanks, and one army infantry division is deployed to defend Korea. It is planned to convert the latter unit into a mechanized infantry division upon its return to the United States.

Of the remaining seven divisions, the army's airborne and airmobile divisions maintain high readiness, as may the two other marine divisions. But two of the three infantry divisions would each require the time-consuming mobilization of one reserve brigade to achieve combat readiness. Perhaps it is more important that equipment may be taken away from these army divisions to increase the amount of equipment prepositioned in West Germany. Finally, it may be that insufficient attention has been paid to the development of easily transportable equipment that would increase the tactical mobility and organic firepower of the army's light forces.

For contingencies in such regions as the Persian Gulf or the Middle East, the Defense Department now seems to plan on sending a corps-sized force of about three divisions. It currently appears that the United States could quickly deploy at most only four or five light divisions. Depending on the situation, this might or might not be a sufficient force.

Western Europe, whose security is vital to the United States, is at present in a stable relationship with Eastern Europe. Given the tendency toward political turmoil in many other regions, more urgent threats to U.S. security could easily arise in other parts of the world. Thus before the administration spends much more money on ground forces for NATO and converts any more light divisions into heavy ones, it might do well to think more about potential military threats and ground force requirements elsewhere in the world.

Hedging Against a Long War. The size and organization of the selected reserves deserves further examination. In a European war, the army probably would need some of the extra support capability that selected reserve units could provide. But how much would it need for a conflict that seemed likely to be of short duration? Likewise, given the generally low readiness of these forces, the administration should ask whether it can really afford to maintain the equivalent of sixteen combat divisions in the National Guard and the Army Reserve. While the maintenance of this hedge against a protracted conflict may be a source of comfort, the money might better go toward

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increasing the army's short-war capabilities. Unfortunately, domestic politics make it difficult to effect substantial or even minor changes in the selected reserves. But at the very least the administration and Congress might more vigorously pursue ways to make these reserve combat units more responsive to the threat of an intense, brief war in Europe.

C^3/I as a "Force Multiplier." The notion that C^3/I systems can serve as a force multiplier deserves careful examination. While it is natural to want a better view of the enemy and better control over one's own forces, is it realistic to suppose that electronic systems will reliably allow the army to get by with fewer maneuver battalions than would otherwise be needed? Atmospheric conditions, terrain, electronic warfare, and nuclear effects can all degrade the performance of electronic systems to varying degrees. Radar for locating and tracking targets, short-range communications equipment, and data-processing equipment are particularly vulnerable to nuclear effects.

There seems to be a consensus that many of the army's current C^3/I systems are unacceptably vulnerable to interference or exploitation by an enemy. Funds are in this year's budget request to continue the development of various systems that promise increased security and reliability. The procurement of these systems promises to significantly increase C^3/I budgets in the 1980s.

In considering future expenditures and C^3/I's potential as a force multiplier, the army may need to think more about the operational limitations of these systems. The army might also consider how different assumptions about the nature of a future European war would affect C^3/I requirements and whether it wants to promote a further centralization of command and control. A future European battlefield might well discourage efforts by division and brigade commanders to fine tune the operations of their subordinate units. If it seemed that future European combat might be more chaotic and fast-moving and more likely to involve nuclear weapons than is currently assumed, the army might want to think about decentralizing command and control, increasing its number of maneuver battalions, and relying still more on the initiative of battalion commanders.

Air to ground fire support. The attractions of ground attack aircraft were mentioned earlier. But two things raise questions about the army's reliance on the air force for close air support and battlefield interdiction.

First, the combined threat from the Soviet Union's theater aviation, surface-to-surface missiles, and airborne forces suggests an ability to partly neutralize the U.S. Air Force in Europe or disrupt its operations. In recent years the air force has taken a number of steps to increase the survivability of its air bases, and it has spent much money to defend rear area targets from air attack. The question is whether this is enough to guarantee a reasonable degree of security against a broader threat, which has likewise increased in capability.

Second, quantitative increases and qualitative improvements in the Warsaw Pact's ground-based air defenses raise questions about the ability of U.S. ground attack aircraft to survive and successfully perform their missions. Through the use of jamming equipment, Warsaw Pact ground forces might be able to disrupt the communications required for the air-ground coordination of close air support; through the use of complementary weapons, they might be able to exact unacceptable attrition. Depending on the projected length of the conflict, seemingly low aircraft loss rates (for example, 2 percent per sortie) could quickly curtail operations. Higher loss rates have occurred in recent wars. The United States is, of course, continuing to develop active and passive countermeasures and tactics to increase the survivability of its ground attack aircraft. But the competition between air defenses and combat aircraft is highly dynamic, and it holds great potential for technological surprise. It is impossible to predict with any confidence who would prevail in actual combat. It may be that neither side would gain a decisive edge.

Finally, in questioning the future contribution of offensive air support to the ground battle, it is worth noting the unequal wartime burdens that would be placed on the ground attack elements of the Soviet and U.S. air forces. The Soviet air forces would be out to get a rather modest number of fixed and generally soft targets in NATO's rear area. In contrast, the U.S. Air Force would have to deal with thousands of moving and generally hardened targets. Moreover, the Soviet deployment of a larger number of precision-guided air-to-ground munitions seems likely to further increase the inequity.

All this suggests that a lot of uncertainty surrounds the role of U.S. ground attack aircraft in any European war. But none of it suggests that air power is obsolete. At the very least the ground attack aircraft currently in the U.S. inventory could serve as a highly mobile strategic reserve to be used against ground breakthroughs. Air power could probably do more, but the question is how much more?

It seems reasonable to suggest further examination of the army's reliance on tactical air power. It may also be reasonable to suggest some redistribution of funds between the air force and the army. The magnitude of this redistribution would depend on a better determination of the degree of uncertainty associated with tactical air support. Attack helicopters and ground-based fire support systems, such as tube artillery and general support rockets, may present fewer command and control problems; and they certainly seem to offer greater survivability. Hence the administration might want to think about decreasing procurement and modification funding for the A-10 and perhaps the F-16 and using the money instead to increase the organic firepower of the U.S. Army in Europe.

Air Defense. Before proceeding as planned with large expenditures on the F-15 and F-16 aircraft and the Patriot and Roland missile systems, the administration and Congress might further consider the integration of these weapons. Although these systems differ in having been designed for either all-weather or clear-daylight use, either area or point defense, and use against targets either within or beyond visual range, they are also redundant to some degree. The expenditure of much more money on air defense would increase operational flexibility. But given the demand for funds, it might be necessary to more closely examine possible trade-offs in the continued procurement of these systems.

GENERAL PURPOSE NAVAL FORCES

Budget authority of $42 billion is proposed for general purpose naval forces in the 1980 budget.[17] Within this total are sharp increases and decreases for new resources. Budget authority of $4.8 billion is provided for the construction and conversion of fourteen general purpose ships—60 percent higher (in constant dollars) than the comparable part of the 1979 budget. For all other naval functions the increases average less than one-half of 1 percent in real terms. Spending for the marine corps (particularly for tactical aviation) and for naval support forces such as oilers, tenders, tugs, and repairs ships is decreased.

The emphasis on ship construction and associated investment is projected to continue in the five-year defense plan. Approximately $30 billion of budget authority in constant dollars is included for 61 new ships and 13 conversions, with another $12 billion for the purchase of 525 naval aircraft for use on aircraft carriers. If implemented, this program will absorb 25 percent of the new resources devoted to naval programs over a period of five years.

In fiscal 1980 budget authority for general purpose ship construction is dominated by three large commitments—$1.6 billion for a conventionally powered aircraft carrier of medium size; $1.3 billion for continued construction of patrol frigates; and $825 million for a new destroyer with an advanced fleet air defense system (AEGIS). The carrier and the destroyers, as well as proposed authority of $1.7 billion for F-14 and F/A-18 aircraft, are the principal budget items around which debates about the purposes of naval forces revolve.

The executive and the legislative branches agree that naval forces are an important symbol of America's political presence throughout the world and a flexible means of responding to crises. The currently programmed force of 12 aircraft carriers with their associated aircraft and some 175 supporting ships are frequently justified by these requirements. In support of political commitments to European and Asian allies, the United States has long kept two carriers permanently stationed in the Mediterranean and two more in the western Pacific. To meet overhaul schedules, conduct training, and facilitate personnel management, the navy believes it must have three carriers to support one on station and defines its peacetime need as six carriers in the Atlantic to support the Sixth Fleet in the Mediterranean and six in the Pacific to support the Seventh Fleet in the Asian theater.[18]

Though this determination of peacetime requirements for the navy's capital ships has been questioned, it is apparent that any change in habitual deployment patterns would be strongly resisted by U.S. allies. Also, any contemplated reductions in the established level would probably have to be compensated for by increasing support efficiency enough to enable the navy to maintain a carrier on station with fewer than two in reserve. In recognition of these difficulties, much of the recent debate has focused not on the number of carrier task forces but rather on the appropriate size, cost, propulsion system, and aircraft complement of new carriers to be added to the force as older ones are retired. This debate hinges on one important fact—that the central problems of current naval force planning concern missions to be performed in a conflict with the Soviet Union.

The F-14 fighter and the AEGIS fleet air defense system are specifically designed to counter Soviet force capabilities. Though it has not been authoritatively determined whether these systems would be unnecessary and whether other naval assets could be eliminated or redirected if the Soviet threat did not exist, it is nonetheless apparent that U.S. naval development is driven by the prospect of war with the Soviet Union. Far from apparent, however, is what the general purpose navy, particularly the carrier forces, might appropriately seek to accomplish in such a war. The fact that this issue is unresolved is reflected in the content of the 1980 defense budget and the five-year force plan.

Assessment of the threat

The first step in defining the Soviet naval threat is readily taken; in the most general sense Soviet naval capability has increased significantly in the past two decades. From 1962 to 1976, 331 ships classified as major combatants were delivered to the Soviet fleets. Over this period, the rate at which

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major ships were added declined as the total tonnage of new additions increased (table 5-8), a crude indication of the increasing emphasis on technical sophistication.

Table 5-9 shows the change from 1968 to 1978 in the composition of major combatants in the Soviet fleet, mainly a shift toward nuclear power in the Soviet navy—which is also a rough measure of sophistication—and reflects some of its priorities. In particular, the large increase in strategic missile submarines—up to the limit allowed in the SALT I agreement—has given the Soviet navy a capability for global projection of strategic power comparable to that of the United States. This particular element of the Soviet navy seems to fulfill the requirements of the Soviet armed forces, particularly the navy.

TABLE 5-8.—MAJOR COMBAT SHIPS ADDED TO THE SOVIET NAVY, 1962-76

Type of ship [1]	1962-66			1967-71			1972-76		
	Number of ships	Tonnage	As percent of total tonnage	Number of ships	Tonnage	As percent of total tonnage	Number of ships	Tonnage	As percent of total tonnage
Aircraft carriers	0			0			1	3, 700	7
Helicopter cruisers	0			2	34, 000	7	0		
Guided missile cruisers	6	46, 500	12	7	52, 500	11	10	86, 000	15
Guided missile destroyers	17	72, 500	19	18	76, 700	15	16	64, 900	11
Frigates	40	46, 000	12	24	27, 600	6	0		
Cruise missile submarines	40	142, 500	37	13	58, 500	12	10	45, 000	8
Attack submarines	32	69, 000	18	20	70, 000	14	17	56, 500	10
Ballistic missile submarines	2	10, 000	2	22	176, 000	35	34	276, 000	49
Total	137	386, 500	100	106	495, 300	100	88	565, 400	100
Addendum: Ballistic missile submarine production as percent of total		2. 6			35. 5			48. 8	

[1] Types of ships are U.S. designations.

Sources: Ship deliveries are primarily based on those constructed by Michael McCGwire, "Comparative Warship Building Programs," in McCGwire, ed., "Soviet Naval Developments: Capability and Context" (Praeger, 1973), pp. 144-50; Michael McCGwire, Ken Booth, and John McDonnell, eds., "Soviet Naval Policy: Objectives and Constraints" (Praeger, 1975), pp. 424-25; and Michael McCGwire, "Soviet Naval Programmes," in Paul J. Murphy, ed., "Naval Power in Soviet Policy" (Government Printing Office, 1978), pp. 77-107. Also consulted were Seigfried Breyer and Norman Polmar, "Guide to the Soviet Navy," 2d ed. (U.S. Naval Institute, 1977); and John E. Moore, ed., "Jane's Fighting Ships" (Franklin Watts, 1978), pp. 483-519.

TABLE 5-9.—CHANGES IN MAJOR SOVIET TYPES OF NAVAL VESSELS, 1968-78

Type of ship	1968	1978	Percentage change
Surface ships	121	135	12
Antisubmarine cruisers	1	2	100
Rocket cruisers	8	8	0
Cruisers [1]	16	13	−19
Large antisubmarine ships	10	63	530
Destroyers	86	50	−42
Submarines	341	333	−2
Multipurpose:			
Attack, nuclear	14	40	185
Attack, conventional	243	134	−45
Cruise missile, nuclear	25	45	80
Cruise missile, conventional	24	24	0
Strategic missile: [2]			
Nuclear	13	70	438
Conventional	22	20	−9

[1] U.S. Navy officials have reported that the U.S.S.R. no longer designates Kiev-class carriers as antisubmarine warfare (ASW) cruisers but instead calls them simply "cruisers." Consequently, the 2 Kiev-class carriers in operation by 1978 are included in the "cruiser" category. Had they retained their former designation, the ASW cruiser category would have increased by 300 percent and the cruiser category would have been further reduced by 31 percent.

[2] Soviet naval literature also refers to nuclear strategic missile submarines as submarine missile carriers and missile-armed submarines and to conventional strategic missile submarines as submarine cruisers.

Sources: Numbers of ships, International Institute for Strategic Studies, "The Military Balance, 1967-1968, and 1978-1979" (London: IISS, 1967, 1978); categorization of ship types according to Soviet classification systems, McCGwire, "Soviet Naval Programmes" pp. 89-90; and Admiral S. G. Gorshkov, commander-in-chief of the Soviet navy, in "The Navy," "Translations on U.S.S.R. Military Affairs" (Joint Publications Research Service, Nov. 22, 1978), pp. 30-34.

The Soviet navy has clearly been given the general military mission and the forces to protect the waters adjacent to the Soviet Union from the incursions of hostile powers. Large numbers of coastal patrol craft, antiship missiles, and land-based aircraft (including a substantial portion of the Backfire bomber inventory) have been deployed to support the Soviet fleets in the Barents Sea, the Baltic Sea, and the waters between Vladivostok and Petropavlovsk. These have become areas of impressive Soviet naval strength. A somewhat less impressive but nonetheless substantial and clearly conceived Soviet naval presence has also been established in the Mediterranean. The Soviet Mediterranean squadron would be a respectable opponent for the U.S. Sixth Fleet.

These general characterizations of Soviet naval forces are widely accepted. However, there is serious disagreement among analysts about the capabilities and intentions of Soviet fleets in the open oceans.

Official estimates by the U.S. Navy, undoubtedly influenced by its most memorable combat experience, project a range of Soviet naval missions similar to those carried out by enemy forces during World War II. Thus it is estimated that in a war the Soviet navy would attack U.S. fleets in the open oceans, would interdict shipping between the United States and its European and Asian allies, and would suport amphibious landings by Soviet troops on the flanks of NATO. Also, while acknowledging currently poor Soviet antisubmarine capability in the open ocean, analysts of the Soviet threat are particularly sensitive to any challenge to U.S. ballistic missile submarines, and most credit the Soviet Union with systematic efforts to develop such a challenge.

Disagreements with standard conceptions of the Soviet threat come from analysts who do not believe that the Soviet navy has actually acquired the capability necessary to conduct open ocean operations against U.S. naval resistance.[19] Their assessment is that Soviet surface fleets could not successfully emerge from their areas of strength under full war conditions to attack the navies of the United States and its allies. In fact, they estimate these fleets to be so inadequate for such a mission that they doubt whether the Soviet Union would attempt it. U.S. carrier task forces in the Atlantic and the Pacific might be attacked with remotely based Soviet missiles, but analysts also doubt that Soviet missile systems have the capability to fix on and track targets accurately. Soviet submarines might operate in the open oceans alone or in small squadrons with considerable risk, but not in combined fleet operations.

Such doubts lead dissenting analysts to limit the purposes of the general Soviet navy to two. The first is to support land combat operations in the European and Asian theaters adjacent to the Soviet Union by direct attack on the forward operations of U.S. fleets. The second is to protect Soviet strategic missile submarines operating in areas of primary Soviet strength from U.S. antisubmarine warfare. Both of these missions are in keeping with the general policy of strongly defending ocean areas near the Soviet Union. If the second conception is valid, it may explain why, despite having such poor antisubmarine warfare capability in the open oceans, the Soviet Union has invested so heavily in large surface combatants for antisubmarine warfare (see table 5-9).

Esoteric as such arguments may seem, they have potentially strong implications for U.S. defense programs. If the dissenting opinion should ever prove to be correct, it would affect the direction of U.S. naval force developments.

U.S. naval combat missions

As with the problem of assessing the threat there is a range of opinion about the appropriate combat missions for which U.S. naval forces ought to be designed dissension on this point undermines the coherence of naval posture and effectiveness in allocating naval resources. Though many specific variations of opinion can be found, there are a few general themes.

In its recent comprehensive planning exercise, "Sea Plan 2000," the navy advanced the concept of a two-front war against the Soviet Union that would require carrier task forces to attack land targets both on the Kola Peninsula and in Soviet Asia.[20] Forward attack of this sort against the core strength of Soviet naval deployment and a clear Soviet commitment to defend these areas would be an extremely demanding task. It would endanger a significant portion of the U.S. Navy and it is unlikely that current forces or those programmed in the five-year defense plan would be sufficient.[21] Such a mission would probably demand additional aircraft carriers, more AEGIS destroyers, and an increased number of the more expensive F-14 fighters. The cost of such increments would probably run close to $10 billion.

Both the cost and the basic wisdom of this mission are sharply questioned outside the navy. Attacks on the Soviet Union of this sort would clearly be strategic if only because Soviet ballistic missile submarines seem to be the principal targets. Circumstances that motivated such attacks would also motivate strategic operations, which would be aimed at many of the same targets.

The secretary of defense in his 1980 annual report presented a less demanding concept of the missions of the surface navy in a war with the Soviet Union.[22] In explaining the proposals for carrier task forces and other elements of the surface fleet, he emphasized defensive missions against Soviet attacks in the open ocean—protecting allied shipping from air and submarine attack and defending against any operations in the At-

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lantic or the Pacific of the Soviet surface fleets. For these purposes the current shipbuilding program seems adequate to most authorities. Though a war in which nuclear weapons remained in reserve on both sides is highly unlikely, in such a war the United States could expect to use carrier task forces, land-based aircraft, and attack submarines for supporting combat operations in many areas of the globe.

Few doubt that the protection of the Atlantic and the Pacific is intrinsically desirable if war should occur, but doubts about the more defensive mission concepts do arise when assessing the threat. If the Soviet navy is not being designed for major conventional naval combat in the Atlantic and the Pacific, desirable trade-offs can be made to direct U.S. naval development toward less demanding contingencies elsewhere in the world. These include the construction of cheaper, smaller, less capable ships in greater numbers and an emphasis on more modest aircraft, which could be purchased and maintained in greater numbers under existing and prospective budget levels.

In short, attaining the goal of clear-sighted, efficient naval planning for these and other issues will require a more stable, more explicit, more authoritative policy than now exists relating the character of the Soviet naval threat to the missions of U.S. forces.

CONCLUSION

The increase in defense spending in the President's 1980 budget is intended to serve notice that the United States is not lowering its military guard. But national security cannot be purchased merely by spending more money. At any level of spending, defense resources must be efficiently directed to actual military needs. There is currently wide disagreement about the definition of these needs. In the principal areas of military activity, the relationship between basic objectives, major missions, and actual force deployments has not been made clear. Those who seek to form an opinion about the defense budget and those who must act on it are entitled to ask whether its allocation of resources is fully consistent with national security requirements. Resolution of such doubts through sharp and constructive debate is necessary to achieve greater clarity of purpose in defense policy and will help the United States play a more effective role in world affairs.

FOOTNOTES

[1] *Department of Defense Annual Report, Fiscal Year 1980*, p. 77.

[2] Ibid., p. 78.

[3] In the mid-1970s the navy considered and rejected the idea of this smaller SSBN based on the Narwhal submarine design.

[4] Both sides are also allowed to deploy 120 aircraft carrying long-range cruise missiles. Each additional aircraft of this type must be counted as one of the 1,200 MIRV launchers constituting the SALT limit.

[5] Almost all theater nuclear delivery systems are based in or allocated to units with wartime missions in Western Europe.

[6] *Department of Defense Annual Report, Fiscal Year 1980*, p. 136.

[7] The new Lance warheads and nuclear artillery shells do not have increased radiation features—they are not "neutron bombs"—but are designed so that these features could be incorporated later if the President so decided.

[8] W. S. Bennett, R. P. Gard, and G. C. Reinhardt, "Tactical Nuclear Weapons: Objectives and Constraints," Informal Report LA-5712-MS (Los Alamos Scientific Laboratory, September 1974), pp. 6-7; "LASL Panel on Tactical Nuclear Warfare, Report of the Third Meeting," Informal Report LA-6059-MS (Los Alamos Scientific Laboratory, September 1975), p. 29.

[9] The offensive load-carrying capability of Soviet air forces in Europe perhaps doubled between 1965 and 1975. See Robert P. Berman, *Soviet Air Power in Transition* (Brookings Institution, 1978), p. 55.

[10] See Phillip A. Karber, *The Tactical Revolution in Soviet Military Doctrine* (McLean, Va.: BDM Corp., 1979).

[11] See table 5-7 for a comparison of heavy and light divisions.

[12] Robert Lucas Fischer, *Defending the Central Front: The Balance of Forces*, Adelphi Paper 127 (London: International Institute for Strategic Studies, 1976), p. 22.

[13] "New Systems Pose Huge 'Bow Wave' for Army Budget," *Armed Forces Journal International* (June 1978), p. 12. Figures are expressed in fiscal 1980 dollars.

[14] Paul Bracken, "Urban Sprawl and NATO Defense," *Survival*, vol. 18 (November-December 1976), pp. 254-60.

[15] As of last year the army considered its M-60A3 superior to the two new Soviet tanks, the T-64 and T-72. *Hearings on Military Posture and H.R. 10929, Department of Defense Authorization for Fiscal Year 1979.* Hearings before the House Committee on Armed Services, 95 Cong. 2 sess. (GPO, 1978), pt. 2, p. 225.

[16] As table 5-7 indicates, light units possess considerable combat power and require less airlift capacity. Indeed, it is estimated that the defensive power of these divisions outweighs the offensive power of the notional Soviet heavy divisions. U.S. Army Concepts Analysis Agency, "Weapon Effectiveness Indices/Weighted Unit Values," vol. 1 (Bethesda, Md.: USACAA, April 1974).

[17] The Trident submarine program is a strategic system and is discussed in the strategic mission section above.

[18] Naval missions and their budget implications are reviewed by the Congressional Budget Office in *Navy Budget Issues for Fiscal Year 1980* (Government Printing Office, 1979).

[19] See V. D. Sokolovsky, *Soviet Military Strategy*, 3d ed., ed. and trans. by Harriet Fast Scott (Crane, Russak, 1975), p. 254; S. G. Gorshkov, "The Sea Power of the State," a translation of the book reprinted in *Survival*, vol. 17 (January-February 1977), p. 28; Bradford Dismukes, "The Soviet Naval General Purpose Forces: Roles and Missions in Wartime," in Michael MccGwire, Ken Booth, and John McDonnell, eds., *Soviet Naval Policy* (Praeger, 1975), p. 582; Commander Richard T. Ackley, USN (Ret.), "The Wartime Role of Soviet SSBNs," *United Nations Naval Institute Proceedings*, vol. 104 (June 1978), pp. 34-42. The term "SSBN support" has also been used by U.S. Navy officials to describe Soviet antisubmarine operations. See the testimony of Admiral James L. Holloway, Chief of Naval Operations, in *Hearings on Military Posture and H.R. 10929*, pt. 1, p. 690.

[20] U.S. Department of the Navy, "Sea Plan 2000, Unclassified Executive Summary" (1978).

[21] The Congressional Budget Office, in *Navy Budget Issues*, chapters 3 and 4, assesses the prospects and requirements for performing this invasion and finds the current plan inadequate for the purpose.

[22] *Department of Defense Annual Report, Fiscal Year 1980*, pp. 183-84.●

A WAY OF LIFE IS DYING

● Mr. BAYH. Mr. President, Mr. Colman McCarthy of the Washington Post has written a sensitive, well-informed piece on the crisis facing the independent American farmer. Mr. McCarthy comes to a conclusion being reached by a growing number of Americans—that increasing corporate domination of agriculture is not just a problem for the farmers of our country, but a pinch felt by American consumers every time they step up to a supermarket cash register. And as the price of food shoots up, the quality drops almost as quickly.

The conglomerates and agribusiness firms have covered their tracks for too long with the myth that "bigger is better." Past Congresses and the American people have accepted this line and supported tax and price-support policies that encourage concentration. But there is a growing movement in our Nation's cities and towns to preserve the family farm. The 96th Congress must be responsive to this mood and pass legislation to protect the family farm against the conglomerates that are advantaged not by greater efficiency or economies of scale, but by sheer economic power.

In May of this year, I chaired hearings before the Senate Judiciary Committee Subcommittee on Antitrust and Monopoly on S. 334, the Family Farm Antitrust Act of 1979. This bill, which would restrict ownership of farmland and production of farm products by major domestic financial interests, was praised by local farm leaders and rural sociologists as a valuable start toward a new American agricultural policy. This bill, if enacted, would slow land inflation, make it easier for young men and women to make a start in farming, and end careless corporate abuse of prime U.S. farmland. I will chair another day of hearings on July 12. At that time the subcommittee will hear testimony from representatives of the four major farm organizations and from prominent agricultural economists.

I recommend that my colleagues read Mr. McCarthy's article and carefully consider the consequences of continuing our present policy. If your conclusions are the same as mine, I urge you to join me in support of S. 334. I request that Mr. McCarthy's piece, "A Way of Life Is Dying" be printed in the RECORD.

The article follows:

A WAY OF LIFE IS DYING

(By Colman McCarthy)

ONEONTA, N.Y.—Like a finger jabbing bluntly into the face of beauty, the large For Sale sign on the front lawn of the farmhouse announced that another family was leaving the land. This parcel was 200 acres, a dairy. Throughout the spring, farm auctions have been common, with as many as three in one weekend.

The farmers get fair prices. Then they move to town, some to retire and some to take jobs in stores or factories. The Labor Department's CETA program has become a major employer in the area.

"In these parts, it's not the big boys gobbling up the little fellows," said a former poultry farmer who is now bored to numbness as a security guard for a local firm. "A lot of farms are going to the second-home crowd from New York City. They come up for only a few weeks a year. But they know that year-round the value of the land keeps rising. They don't grow food, they grow money."

He was depressed by it all. He understood that with fewer farmers working less land, life still goes on, but a way of life is dying.

The melancholy that hovers over Oneonta, a city of scenic hills and fertile earth that is north of the Catskills and two hours west of Albany, can be felt in hundreds of rural communities in all parts of the nation. "Something of lasting worth" has been lost, said Bob Bergland, the Secretary of Agriculture, in a recent speech. "And the loss is felt not only where it occurs, but also in urban America as well."

Anyone with a sense of tradition and who can remember when farm produce was the synonym for nutrition and taste laments what is happening to the small farmer. The fear of more and more citizens, as well as officials like Bergland, is that there may be no stopping it.

Any number of studies and reports—from congressional committees sympathetic to family farmers or the General Accounting Office—spell out the details of diminishment. Forty-five years ago, America had 6 million farms. Because of corporate concentration, we now have less than half of that. With tax laws and price-support programs favoring the large farms—which are actually firms—the Congressional Budget Office estimates that only 60 percent of today's farms will be around in 20 years.

Sometimes merely knowing what to worry about is a major victory; leave the easing of the worry to another day. What's to be done about soil erosion, which is 25 percent worse today than in the Dust Bowl years. Or soil exhaustion, which means that fruits and vegetables contain less and less nutrients. Iceberg lettuce might as well be ice, for all of its absence of vitamins and flavor.

Every part of the country appears to have its own pressure against the small farmer. In the Midwest, the production of beef gradually is being taken out of the hands of individual farmers. Large packing houses, urged on by large retailers, don't want to own either the land or the cattle or pay for labor. Instead, they want what counts: the contracts that control those three things. This means once enough contracts are signed, the small packing houses are forced out of business because the supply of cattle is tied up. With fewer outlets, cattlemen have less room to bargain for better contracts.

A different squeeze is felt in the West. There, "farmers" like Southern Pacific Railroad, California's largest landowner, are fighting mightily against pending federal legislation that would break up their agricultural domination. Pitted against them is Land for People, a coalition of small farmers, farmworkers and church groups based in Fresno.

The debate is over what limitations should be imposed by the proposed revisions of the Reclamation Act of 1902 on land that is federally irrigated. Keep it below 640 acres argues Land for People, and require the farmers to be local residents. The conglomerates, whose lobbyists in Washington currently sprout like weeds over a septic tank, are pushing the bigger-is-better line. That is true—better for them, and worse for everyone else.

Bob Bergland, the most conscientious Secretary of Agriculture we have had in some time, says that with the next comprehensive farm bill due in 1981, the work of shaping a more rational policy must start now. "I, for one," he said, "do not want to see an America where a handful of giant operators own, manage and control the entire food production system."●

COLMAN McCARTHY'S COLUMN ON SMALL FARMS

● Mr. LEAHY. Mr. President, so often what we try and accomplish here as lawmakers is simply not enough to stem the tide of events that inexorably pull this country away from its roots. Such is the case with our struggle to save the family farm. We are losing the struggle. I am deeply concerned, because in my home State of Vermont, the small hill farms tucked away in the Green Mountains are the heart of our tradition. And I am witnessing their demise.

Mr. President, the Department of Agriculture is embarking today on another study of our diminishing prime farmland. I hope the panel comes up with some answers where other committees have failed. I have tremendous confidence in Bob Gray, who will head the study.

Today's Washington Post carried an excellent column by Colman McCarthy on the issue of small farms. Mr. McCarthy's portrait of the Nation's debt to the small farmer and the tremendous pressures they now bear brings their plight into stark relief. I commend him and ask that his column, "A Way of Life Is Dying," be printed in full in the RECORD.

The column follows:

A WAY OF LIFE IS DYING

(By Colman McCarthy)

ONEONTA, N.Y.—Like a finger jabbing bluntly into the face of beauty, the large For Sale sign on the front lawn of the farmhouse announced that another family was leaving the land. This parcel was 200 acres, a dairy. Throughout the spring, farm auctions have been common, with as many as three in one weekend.

The farmers get fair prices. Then they move to town, some to retire and some to take jobs in stores or factories. The Labor Department's CETA program has become a major employer in the area.

"In these parts, it's not the big boys gobbling up the little fellows," said a former poultry farmer who is now bored to numbness as a security guard for a local firm. "A lot of farms are going to the second-home crowd from New York City. They come up for only a few weeks a year. But they know that year-round the value of the land keeps rising. They don't grow food, they grow money."

He was depressed by it all. He understood that with fewer farmers working less land, life still goes on, but a way of life is dying.

The melancholy that hovers over Oneonta, a city of scenic hills and fertile earth that is north of the Catskills and two hours west of Albany, can be felt in hundreds of rural communities in all parts of the nation. "Something of lasting worth" has been lost, said Bob Bergland, the Secretary of Agriculture, in a recent speech. "And the loss is felt not only where it occurs, but also in urban America as well."

Anyone with a sense of tradition and who can remember when farm produce was the synonym for nutrition and taste laments what is happening to the small farmer. The fear of more and more citizens, as well as officials like Bergland, is that there may be no stopping it.

Any number of studies and reports—from congressional committees sympathetic to family farmers or the General Accounting Office—spell out the details of diminishment. Forty-five years ago, America had 6 million farms. Because of corporate concentration, we now have less than half of that. With tax laws and price-support programs favoring the large farms—which are actually firms—the Congressional Budget Office estimates that only 60 percent of today's farms will be around in 20 years.

Sometimes merely knowing what to worry about is a major victory; leave the easing of the worry to another day. What's to be done about soil erosion, which is 25 percent worse today than in the Dust Bowl years. Or soil exhaustion, which means that fruits and vegetables contain less and less nutrients. Iceberg lettuce might as well be ice, for all of its absence of vitamins and flavor.

Every part of the country appears to have its own pressure against the small farmer. In the Midwest, the production of beef gradually is being taken out of the hands of individual farmers. Large packing houses, urged on by large retailers, don't want to own either the land or the cattle or pay for labor. Instead, they want what counts: the contracts that control those three things. This means once enough contracts are signed, the small packing houses are forced out of business because the supply of cattle is tied up. With fewer outlets, cattlemen have less room to bargain for better contracts.

A different squeeze is felt in the West. There, "farmers" like Southern Pacific Railroad, California's largest landowner, are fighting mightily against pending federal legislation that would break up their agricultural domination. Pitted against them is Land for People, a coalition of small farmers, farmworkers and church groups based in Fresno.

The debate is over what limitations should be imposed by the proposed revisions of the Reclamation Act of 1902 on land that is federally irrigated. Keep it below 640 acres, argues Land for People, and require the farmers to be local residents. The conglomerates, whose lobbyists in Washington currently sprout like weeds over a septic tank, are pushing the bigger-is-better line. That is true—better for them, and worse for everyone else.

Bob Bergland, the most conscientious Secretary of Agriculture we have had in some time, says that with the next comprehensive farm bill due in 1981, the work of shaping a more rational policy must start now. "I, for one," he said, "do not want to see an America where a handful of giant operators own, manage and control the entire food production system."●

ADMINISTRATION ANTI-PROLIFERATION EFFORTS BEAR FRUIT

● Mr. KENNEDY. Mr. President, I have strongly supported President Carter's efforts to control the spread of nuclear weapons. Specifically, I have supported his decision to avoid commitments to plutonium reprocessing throughout the world.

When he announced this policy, it was widely misunderstood as an attempt to force other nations to follow our lead. The administration has not tried to force our allies to follow our lead. Rather, it has attempted to begin a broad international debate on the costs and benefits of plutonium reprocessing.

The U.S. Government has taken the position, correctly, I believe, that in the short term, plutonium reprocessing cannot be justified on economic or national security grounds.

The recent decision of the West German Government to postpone indefinitely construction of a plutonium reprocessing plant shows that this policy has real promise if it is given time to succeed.

I request that a copy of a recent New York Times article describing this decision be printed in the RECORD.

The article follows:

[From the New York Times, May 17, 1979]

WEST GERMANY POSTPONES BUILDING A KEY ATOM PLANT

(By John Vinocur)

BONN.—West Germany, reacting to the recent nuclear accident near Harrisburg, Pa., postponed indefinitely today construction of a nuclear reprocessing plant considered central to the nation's energy program for the next two decades.

Although rejection of the plant at Gorleben, in Lower Saxony, near the East German border, was announced by the state government, it came after consultations with Chancellor Helmut Schmidt. The decision reflected substantial public resistance to the plan and a conviction among members of all major political parties that attitudes about nuclear energy would have to settle down before work could proceed.

In a televised speech in Hanover, the state Premier, Dr. Ernst Albrecht, a Christian Democrat, said that even if all health risks for the population involved in a reprocessing plant were removed, "the double question remains—if construction of such a facility is indispensable and if it can be carried out politically."

Reprocessing plants extract fissionable plutonium from uranium after it has been used in conventional nuclear plants. The plutonium can be used to make nuclear weapons.

Dr. Albrechet received unanimous backing on the issue from both his own party and the Social Democrtas, who make up the parliamentary opposition in Lower Saxony.

Mr. Schmidt has said that West Germany, which has limited energy resources, cannot renounce its nuclear development plans. But the Gorleben decision gives the Government time to strengthen security measures at nuclear facilities and convince the public that it has taken all possible steps to develop alterative energy sources. The delay will also allow the Chancellor to smooth over divisions within his own party on the nuclear issue.

As an indication that the Government was regarding the Gorleben decision as a pause rather than a halt in developing nuclear plants, Interior Minister Gerhart Baum said that the Government stood by its concept of building an integrated disposal and reprocessing system and would discuss locating it somewhere else.

Court decisions and a nuclear development law have made the development of new disposal systems a prerequisite for the construction of nuclear power plants in West Germany. But Mr. Baum said it did not seem to him that the granting of construction licenses would be halted by the action in Lower Saxony.

UNDERGROUND SALT CAVERNS

Dr. Albrecht appeared to give Bonn at least a temporary way out of the disposal problem by saying that his state was ready to set up longterm, although nonpermanent, dumps for nuclear waste with low- and middle-level radioactivity in its underground salt caverns. But there may be court challenges to this plan by those opposed to nuclear facilities, for the proposal could be regarded as failing to meet the requirements for waste disposal set out in a 1977 law.

The transformation of the salt domes into permanent storage sites remains an open question, however. Dr. Albrecht said he would permit further geological testing of the domes in order to determine their suitability as an ultimate storage facility for nuclear wastes.

The Government's longterm aim for the Gorleben site was to consolidate both the reprocessing facility and the disposal unit into a $6 billion complex. Resistance to its construction always existed in the area around Gorleben. but it became the focal point for West German antinuclear forces after the Harrisburg accident. There were large demonstrations throughout the country and public opinion polls showed that a majority of the population opposed nuclear plant construction.

West Germany has 14 nuclear power plants in operation, producing about 3 percent of the country's energy needs, and 9 plants are being built. If they are completed, total power generated by nuclear plants will be over 18 million kilowatts. But the amount falls short of the original goal of having nuclear plants produce about 10 percent of West German power by 1985.●

JOHN STREIFF

● Mr. CHURCH. Mr. President, a heart attack and a stroke have taken the life of a dear friend, John Streiff, whose contributions enriched the life of Idaho for four decades.

John Streiff's interests were many and varied. He was a successful businessman, had a career in politics, and had an abiding interest in civic affairs, ranging from service on the Lewiston School Board to service as a director of the Lewiston Chamber of Commerce to promotion of music and the theater.

But John's crowning achievement—and one for which Idaho will remember him longest—was the creation of a statewide water plan for the people of his State.

The Lewiston Tribune commented editorially that—

> Few of us are privileged to touch as many lives as John Streiff did in his 66 years.

Those whose lives he did touch are poorer for the loss of this good citizen and fine friend.

Mr. President, I request that an article on John Streiff appearing in the Lewiston Tribune on June 3, and an editorial in the same newspaper on June 4, be printed in the RECORD.

The articles follow:

ONE LIFE: TOO SHORT, BUT WONDERFULLY FULL

Few of us are privileged to touch as many lives as John Streiff did in his 66 years—a brief span in biblical terms but in this case a full and useful one. He lent his energies and his talents to the arts, to government, to education, to business, to resource conservation, to city planning and to the social life of our community. He was a soft touch for anybody needing help in getting some good thing going.

Streiff had a hand in the development of the Lewiston Civic Theater and in the acquisition of its home, the Anne Bollinger Art Center. He helped keep the Washington Idaho Symphony afloat and was an important force in the Community Concerts Association here. He served on the Lewiston Planning Commission back in the Fifties when it took some gumption to be in the front line of orderly development. He served in the legislature and on the school board, and all the while he was spending himself on civic works he kept a successful business going and raised as fine a family as any man might want. As a father he was devoted to his children and ambitious for them. He saw that each was exposed to the words of music, literature and politics, things he considered necessary parts of the bringing up of any well-rounded person.

He loved to read and to talk. He appeared frequently in the Tribune's newsroom looking for nothing more than conservation, and warm friendships developed over the years between Streiff and members of the Tribune staff.

So it seemed to us an especially cruel stroke that took away his ability both to talk and to read while leaving him in possession of all his mental powers. The frustrations of the last few months of his life must have been close to unbearable. Those of us who knew him and respected him are hoping today, that John Streiff understood throughout his ordeal what has long been clear to us: that his was a productive, successful and in many ways an inspiring life, and that nothing at the end could change that.

CIVIC LEADER JOHN STREIFF DEAD AT 66

(By Thomas W. Campbell)

John F. Streiff, 66, who achieved a balance between public service and a business career during 40 years residence at Lewiston, died at 12:10 a.m. Saturday at St. Joseph's Hospital. Death was due to a combination of a heart attack and a stroke. Streiff suffered a heart attack Jan. 23 and a stroke two weeks later.

He was president of J. D. Jacobs, Inc., a Lewiston farm implement firm, but his varied interests led him into education, politics, city planning and, as his crowning achievement, the creation of a water policy for the state of Idaho.

He was the driving force behind the state plan adopted by the Water Resources Board in December, 1976, after five years of work. Streiff was chairman of the board from 1971 through 1977. He spent a good share of his time during those years conducting hearings throughout the state and shepherding the plan through the political shoals at Boise. The plan, which set a future course for all waters in the state, was destined for dismemberment by the Idaho Legislature. Then attorney general Wayne Kidwell ruled that before it could be put into effect, it must be reviewed and approved by the Legislature. This left it open to the long knives of special interest groups, a keen disappointment to Streiff.

Last month as he lay ill, unable to either speak or to read, two of the things in life which brought him the most pleasure, Streiff was presented with a plaque by the Idaho Water Resources Board. He was praised for leading the board "with honor, integrity, diplomacy and good humor to create a state water plan for the benefit of all the people."

Continued intellectual stimulation beyond the confines of daily work keynoted Streiff's life. He was an omniverous reader, able to converse with elegant wit on a wide range of subjects, and devoted to music and the theater.

As a citizen of Lewiston, Streiff enthusiastically involved himself in civic affairs, education and politics. A Democrat, he served one term as a state representative in 1940–41, and was chairman of the Nez Perce County Central Committee from 1950 to 1958. Although he had not been active in politics in recent years except as a precinct committeeman, Streiff was sought out at the county, state and national level by political leaders.

In a message Saturday morning, Sen. Frank Church and his wife Bethine regretted his death.

"Bethine and I have lost a dear friend and the people of Idaho have lost a champion for their interests," Church said. "John Streiff's special concern was the concern of many Idahoans—our water. He worked effectively to protect Idaho's water resources."

At the time of his death, Streiff was a member of the Pacific Northwest River Basins Commission as the representative of Idaho. The commission is composed of members from Idaho. Washington, Oregon, Montana and Wyoming.

When Lewiston turned to city planning in 1955, Streiff was the first planning commission chairman, serving until 1960. He was a member of the Lewiston School Board from

1959 until 1965, a past director of the Greater Lewiston Chamber of Commerce and past chairman of the education and waterways committees. He had also served as vice president of the Inland Empire Waterways Association and as vice chairman of the Lewiston-Clarkston Community Concert Association. He also served a term as a member of the board of the Lewis-Clark Council of the Boy Scouts.

Streiff was born Jan. 19, 1913, at Jackson, Mich., the son of Abraham and Josephine Streiff. He received an engineering degree from the University of Michigan, Ann Arbor, in 1935, and that same year obtained a job with the Brazos River Construction and Reclamation District, Austin, Texas. He worked as a surveyor for the Army Corps of Engineers at Madill, Okla., in 1937 and 1938 he was employed as an engineer for the Consumer Power Co. of Jackson, a position he held until moving to Lewiston in 1939.

At Lewiston, he was the assistant manager of the Lewiston-Clarkston Lumber Co., a firm founded by his father-in-law, J. D. Jacobs.

Streiff spent from 1942 to 1946 at Seattle, where he was employed as a supervisor for the Boeing Aircraft Co. and served in the U.S. Coast Guard Reserve. He returned to Lewiston in 1947 as a partner in the Jacobs company and became its president in 1956.

He married the former Elinor Jacobs at Jackson, March 12, 1938.

In addition to his wife, Streiff is survived by three daughters, Martha Nelson of Washington, D.C., Dr. Katrina Laurin of Wilmington, Del., and Julia Evans of Seattle; a son, John J. Streiff of Lewiston; two brothers, Anton Streiff of Pittsburgh, Pa., and William H. Streiff of Boise; and four grandchildren.

The funeral will be Tuesday at 2 p.m. at the Vassar-Rawls Chapel. The officials will be Father Peter Stretch of St. David's Episcopal Church, Spokane, and former pastor of the Church of the Nativity at Lewiston, and Monsignor Nicholas V. Hughes, pastor of St. James Catholic Church of Lewiston. Burial will be at Normal Hill Cemetery.

The family has suggested memorials to the Washington-Idaho Symphony. 198 East 2nd St., Moscow, the North Idaho Children's Home, Lewiston and the Ella Bollinger Memorial Fund, in care of the Lewiston Civic Theater. A scholarship fund in Streiff's name has also been set up at Lewis-Clark State College.●

MEDIA MEDICINE

● Mr. DOLE. Mr. President, with the introduction of the Carter administration national health insurance plan, much of Washington seems to be swept up in a furious war of words between the White House and Senator KENNEDY. It is a curious debate, more over the fine points of federalized medicine than any fundamental dispute.

It is also, in my opinion, a waste of time and energy. It may provide bored columnists and commentators with something to do, it may give political pundits some grist for their speculative mills, but it remains irrelevant to the real facts of health insurance and the American economy.

The reason for this is simple: Neither plan has any chance of passage. The President may have a marginal advantage in this confrontation, only because his bill will cost less than half of Senator KENNEDY's $40 billion package. But no budget-minded Congress, tired of deficits and wary of any new bureaucracy and federalization of medicine; is going to approve even the Carter plan.

The media, preoccupied with a fascination for anything proposed by Senator KENNEDY, has failed to make mention of the Dole-Danforth-Domenici health insurance proposal, which plugs gaps in the existing system and removes the threat posed by catastrophic illness. Last year, some 7 million American families paid 15 percent or more of their income for health care. That poses enormous liabilities to middle and upper middle income people, as well as those below and near the poverty line.

AVOIDS REDTAPE

Our plan maximizes participation of the private health care deliverers, and will avoid the creation of any costly and inefficient new morass of Federal redtape. It is a workable plan, a feasible plan, and it has a far greater chance of approval from this Congress than any proposal called comprehensive. The Dole-Danforth-Domenici bill can solve our most pressing health problem, now. Can we afford to sacrifice such a promising initiative so that democratic candidates or would-be candidates can fight out their private political battles? I think the physical and mental health of our people is more important than the political health of a Democratic Presidential candidate.

Carter administration officials are quoted in this morning's Washington Post as acknowledging the need for Republican support if any health insurance proposal is to pass. This is one of the few shrewd analyses to come out of the White House in a long time. But, as usual, it misses the mark.

The simple fact is that the Republican Party is much more closely attuned to the mood of the American people when it comes to any grandiose new Government program. They know from painful experience what happens when the good intentions get attached to their tax bill, when noble motives are transferred to bureaucratic offices for enactment. They know what takes place when Government displaces the private sector as a deliverer of anything.

PEOPLE SUSPICIOUS

And, Mr. President, it is my belief that they share my suspicions of both the Carter and Kennedy plans. They are far more worried about paying their medical bills than who leads in the Gallup poll.

The media has chosen to focus on the political aspects of a Kennedy-Carter confrontation of health care, but they are misreading both the Congress and the American people. Our bill is a realistic, responsible approach to health insurance which will command the attention of the Congress and the public, rather than political columnists looking ahead to the 1980 Democratic National Convention.

The U.S. Senate is often called the world's greatest deliberative body. And that is precisely what I propose we all do now. Let us deliberate over the merits and flaws of the health proposals before us, including the Long-Ribicoff approach, which has merit. Let us try for a moment or two to put away the siren call of Presidential politics, to keep from hearing the bands and seeing the balloons, and keep in mind what it is we are doing here.

We are here to confront a serious national problem. We are charged with addressing that problem, in a manner that is cost-efficient and protective of the quality of American health care. I believe the bill I have filed with my colleagues, Senator DANFORTH and DOMENICI, will do just that. It is practical, both economically and politically. It can work, and it can pass.

And that, Mr. President, is the bottom line on the health debate.●

THOUGHTS ON SALT

● Mr. CHURCH. Mr. President, the coming debate in the Senate and throughout the country on the question of the ratification of the SALT agreements with the Soviet Union promises to be of historic consequence. A recent editorial in the Idaho Statesman has contributed some sobering thoughts on the SALT process which I believe should be kept in mind as the debate gets underway.

In my own view, the jury is still out on whether the Senate will agree to the ratification of SALT II. Much will depend on the hearings before the appropriate Senate committees on whether the treaty enhances the security of the United States and is verifiable. If these questions are answered in the affirmative, then the treaty should be ratified.

Mr. President, I ask that the Statesman editorial of May 4, 1979, entitled "Thoughts on SALT" be printed in the RECORD.

The editorial follows:

THOUGHTS ON SALT

Let's talk SALT—strategic arms limitation treaty. Not specifics, for information available on the actual provisions of the proposed U.S.-Soviet treaty is too vague to make an informed judgment. Rather, let's talk philosophy. That's what is on most peoples' minds at this point: Is any arms treaty with the Soviets worth the risk?

The answer, in our opinion, is, definitely, "Yes." In fact, if the proposed treaty is at all within the limits of acceptability to the United States, it must be approved by the U.S. Senate. And in deciding if the treaty is acceptable, the document must be weighed on its merits, without consideration of personal views on the Soviet government or apprehensions over the Soviet attempts to ignite the continent of Africa. SALT must be considered an entity unto itself, and, if found acceptable, ratified. We have little choice. Nor do the Soviets. The dangers that will accrue through rejection or severe amendment are much greater than the benefits to accrue from passage. The treaty probably is not all that comforting to either the Soviets or the Americans. That is in the nature of such a treaty between equal, undefeated adversaries.

When the United States and the Soviets agreed to negotiate a strategic arms treaty, a worldwide expectation was created that these two superpowers would be putting a lid on the nuclear arms race. That was a totally new expectation; theretofore, attempts at arms control had been piecemeal. SALT, in its overarching embrace, represented a commitment to a whole new perspective between the two superpowers. Its importance ranged far beyond the treaty itself to encompass a whole range of political and cultural attitudes.

Rejection of the treaty by the U.S. Senate would be a serious step for the future of the entire world. It would signal a return to the power struggle of the Cold War, but with a dangerous new twist: a stamp of approval for the arms race that was lacking at even the pinnacle of the Cold War. Never has the United States consciously, deliberately embraced the mentality of nuclear confrontation with the Soviets as it would by rejecting this treaty. Rejection will force us into a new sort of brinksmanship. The entire world could, and should, hold the two superpowers responsible for acting most irresponsibly in first creating an expectation and then failing to meet it. If the treaty is not ratified, everyone will be worse off than if SALT had never been conceived.

It may well be that the U.S. Senate will find itself compelled to reject the treaty. There are some mighty honorable, sensible men already expressing reservations about the provisions of the treaty. All we're saying is that each senator must well understand the seriousness of the evaluation about to be undertaken. If the treaty is rejected, the only defensible reason is extremely serious, unanswered concerns over the treaty's provisions for the security of the United States. Even the word "security" takes on special meaning here, for a treaty of this type is by definition really an agreement to be mutually insecure.

If you're hearing us say ratification of the SALT accord is close to mandatory for the Senate, you're right. The treaty will not make the world that much safer, but its rejection will make the world significantly more dangerous. The treaty will not call upon us to forswear the use of nuclear arms, but its rejection will encourage us to build more and more such weapons, increasing the chance of their use. If the U.S. Senate is to choose this course, it must have good reason.●

TOM WATSON—PLAYER OF THE YEAR

● Mr. DANFORTH. Mr. President, it is with the greatest of pleasure that I call the Senate's attention to a man from Missouri who the New York Times has called the "world's greatest golfer"—Tom Watson.

Tom has won four professional golf tournaments this year, twice as many as his closest competitor. His victories include the Heritage, Byron Nelson Classic, Tournament of Champions, and most recently, the Memorial Golf Tournament. Tom also has four second place finishes this year. His yearly earnings for 1979 already exceed $350,000 and he has won at least $300,000 a year in each year since 1977. Tom could easily become the first man in golfing history to win $500,000 in a single season.

Tom Watson was born and raised in Kansas City. His character and determination have, no doubt, provided the basis for his superiority on the golf course. At the youthful age of 29 he has gained the respect of his fans and his peers. Jack Nicklaus recently acknowledged that, "Tom Watson now is playing far better than anyone on the tour and has been for 3 years."

Tom and his wife, Linda, are making this a truly banner year as they anticipate the birth of their first child.

The U.S. Open is the next test of Tom's abilities. I wish the 1977 and 1978 Player of the Year the very best of luck.●

RETIREMENT OF ROBERT R. LOCKLIN

● Mr. HEFLIN. Mr. President, I would like to bring to the attention of the Senate the recent retirement of one of its senior staff members, Mr. Robert R. Locklin.

Rob Locklin is a native Alabamian born in Monroeville. Throughout his life he has excelled in every endeavor. He graduated from Marion Institute, where he was on the dean's list. At the University of Alabama Law School, he graduated third in his class and was a member of the law review. He served with distinction in the Judge Advocate General's Department of the Air Force, before returning to the private practice of law in Mobile, where he was a member of the firm of Hamilton, Denniston, Butler, and Riddick. During this time he became one of the prominent young attorneys in Mobile. He left to come to Washington to serve as a counsel on the U.S. Select Committee on Small Business. While serving on the committee, he was involved in many innovative and far-ranging programs. Later he was appointed general counsel, where he served with distinction until 1967, when he became administrative assistant to U.S. Senator John Sparkman. For the next 8 years he served in this position and rendered assistance to the people of Alabama in numerous ways. He was always known as an individual who could be contacted for help and advice.

In 1975 he left the Senator's staff to become counsel on the U.S. Senate Committee on Banking, Housing, and Urban Affairs. He worked primarily in the area of rural housing and initiated many programs that are still in effect today.

Robert R. Locklin has excelled throughout his life. He has been an outstanding Democrat, an outstanding Alabamian, and an outstanding member of the staff of the U.S. Senate. We hate to see him go, but we know that as in the past he will continue to excell in the future.

Mr. President and Members of the Senate it is with great pleasure that I have been able to offer a few remarks on this distinguished Alabamian, on the occasion of his retirement.●

THE RHODE ISLAND FOSTER CARE PROGRAM

● Mr. PELL. Mr. President, I would like to take this opportunity to commend the board and staff of the Rhode Island foster care program for their intensified recruitment effort to expand foster care in the State.

The private sector has responded positively to this initiative and is working in conjunction with the State to place an additional 300 children in homes per year.

The children who need foster care have been neglected, abused, or are part of a family where there has been a severe illness or death. Some are physically or emotionally handicapped, but all need the loving care that only a family can provide.

The Rhode Island foster care program is able to accommodate children who need short-term temporary homes, those who need long-term care, and those who have special medical and emotional needs.

Many of the disciplinary problems encountered with children who are placed in institutions gradually decline once they feel comfortable in a loving family environment.

Also, finding foster homes for children who need them is a human approach to the policy of deinstitutionalization. Foster parents go through an orientation program to prepare them for the responsibility of opening their home to a child, and the care that costs $18,000 per child in an institution annually is usually rendered more effectively, and certainly more personally, in a foster home for only $1,800 per year.

Since this is the International Year of the Child, I would urge other States to follow this model, working with the private sector and their community members, to provide foster care to the children in their areas, who are in need.●

PROPOSED ARMS SALES

● Mr. CHURCH. Mr. President, section 36(b) of the Arms Export Control Act requires that Congress receive advance notification of proposed arms sales under that act in excess of $25 million or, in the case of major defense equipment as defined in the act, those in excess of $7 million. Upon such notification, the Congress has 30 calendar days during which the sale may be prohibited by means of a concurrent resolution. The provision stipulates that, in the Senate, the notification of proposed sale shall be sent to the chairman of the Foreign Relations Committee.

In keeping with my intention to see that such information is immediately available to the full Senate, I ask to have printed in the Record notification I have just received.

The notification follows:

Defense Security Assistance Agency,
Washington, D.C. June 11, 1979.
Hon. Frank Church,
Chairman, Committee on Foreign Relations,
U.S. Senate, Washington, D.C.

Dear Mr. Chairman: Pursuant to the reporting requirements of Section 36(b) of the Arms Export Control Act, we are forwarding herewith Transmittal No. 79–41, concerning the Department of the Navy's proposed Letter of Offer to Indonesia for defense articles and services estimated to cost $25.8 million. Shortly after this letter is delivered to your office, we plan to notify the news media.

Sincerely,

Ernest Graves,
Lieutenant General, USA,
Director, Defense Security Assistant Agency.

[Transmittal No. 79–41]

Notice of Proposed Issuance of Letter of Offer Pursuant to Section 36(b) of the Arms Export Control Act

(i) Prospective purchaser: Indonesia.

(ii) Total estimated value: Major defense equipment* $25.0 million; other, $.8 million; total, $25.8 million.

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*As included in the U.S. Munitions List, a part of the International Traffic in Arms Regulations (ITAR).

(iii) Description of articles or services offered: Fourteen (14) A–4E and two (2) TA–4H aircraft.

(iv) Military department: Navy (SAX).

(v) Sales commission, fee, etc. paid, offered or agreed to be paid: None.

(vi) Date report delivered to Congress: 12 June 1979.

Mr. CHURCH. Mr. President, section 36(b) of the Arms Export Control Act requires that Congress receive advance notification of proposed arms sales under that act in excess of $25 million or, in the case of major defense equipment as defined in the act, those in excess of $7 million. Upon receipt of such notification, the Congress has 30 calendar days during which the sale may be prohibited by means of a concurrent resolution. The provision stipulates that, in the Senate, the notification of proposed sale shall be sent to the chairman of the Foreign Relations Committee.

Pursuant to an informal understanding, the Department of Defense has agreed to provide the committee with a preliminary notification 20 days before the transmittal of the official notification. The official notification will be printed in the RECORD in accordance with previous practice.

I wish to inform Members of the Senate that such a notification was received on June 13, 1979.

Interested Senators may inquire as to the details of this preliminary notification at the offices of the Committee on Foreign Relations, room S–116 in the Capitol.

The notification follows:

DEFENSE SECURITY ASSISTANCE AGENCY,
Washington, D.C., June 13, 1979.

Dr. HANS BINNENDIJK,
Professional Staff Member, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

DEAR DR. BINNENDIJK: By letter dated 18 February 1976, the Director, Defense Security Assistance Agency, indicated that you would be advised of possible transmittals to Congress of information as required by Section 36(b) of the Arms Export Control Act. At the instruction of the Department of State, I wish to provide the following advance notification.

The Department of State is considering an offer to a Middle East country tentatively estimated to cost in excess of $25 million.

Sincerely,

ERNEST GRAVES,
Lieutenant General, USA,
Director, Defense Security Assistance Agency.●

AUTHORIZATION FOR COMMITTEES TO FILE REPORTS UNTIL 5 P.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that committees may have permission to file reports until 5 p.m. tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

AUTHORIZATION FOR CERTAIN ACTION DURING THE RECESS OVER TO MONDAY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that during the recess over to Monday the Secretary of the Senate may be authorized to receive messages from the other body and from th President of the United States, and that they may be appropriately referred.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that during the recess over to Monday the Vice President of the United States, the President pro tempore of the Senate, and the Acting President pro tempore of the Senate may be authorized to sign all duly enrolled bills and joint resolutions.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECOGNITION OF SENATOR HELMS AND SENATOR ROBERT C. BYRD ON MONDAY, JUNE 18, 1979

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on Monday, after the two leaders have been recognized under the standing order, Mr. HELMS be recognized for not to exceed 15 minutes, to be followed by 15 minutes for the junior Senator from West Virginia.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM FOR NEXT WEEK

Mr. ROBERT C. BYRD. Mr. President, the Senate will convene at 10 a.m. on Monday, following the recess. The two leaders will be recognized under the standing order following the prayer, and there will then be two Senators recognized under orders previously entered, each for not to exceed 15 minutes, after which the Senate will turn to the consideration of Calendar No. 189, S. 1039, a bill to extend and revise a program of grants to State homes for veterans. There is a time agreement on that bill. Rollcall votes are expected on amendments and/or motions in relation to the bill.

Upon the disposition of that bill, the Senate will then take up Calendar Order No. 208, a bill to authorize appropriations to the Department of Energy for national security programs. There is a time agreement on that bill. Rollcall votes may occur thereon.

Upon the disposition of that bill on Monday the Senate may turn to the consideration of the Nuclear Regulatory Commission bill, Calendar Order No. 188, S. 562.

Another candidate for possible action on Monday would be the VISTA bill, Calendar Order No. 101, S. 239, an authorizing measure. So there will be rollcall votes on Monday.

On Tuesday, the Senate will take up Calendar Order No. 211, a bill to amend the Foreign Assistance Act to authorize development assistance programs. There is a time agrement on that bill, and rollcall votes will occur in relation thereto.

Upon the disposition of that measure, possible candidates for action are Calendar Order No. 188—if action has not previously been taken thereon—that is the Nuclear Regulatory Commission bill—and/or Calendar Order No. 187, the TVA bill, S. 436, or the VISTA bill, if action thereon has not been concluded.

Also next week it is hoped the Senate can complete action on the Rail Passenger Service Act to extend the authorization of appropriations for Amtrak, Calendar Order 194, S. 712.

Those are among the bills, Mr. President, that will be acted on next week. There are other measures which, hopefully, will be cleared for action.

No later than Thursday of next week, the Senate will take up Calendar Order No. 66, the joint resolution proposing an amendment to the Constitution to provide for the direct popular election of the President and Vice President of the United States. So it looks as though there is a pretty full calendar building for next week.

I want to compliment all concerned for the excellent work that has been done today. Five important pieces of legislation have been passed by the Senate today, and I thank the distinguished acting Republican leader, the Republican leader, and Senators on my side of the aisle and on the other side of the aisle, for the cooperation that has been given in scheduling the business for today and in enacting several measures that had to be enacted before the adjournment sine die of this session.

Mr. FORD. Mr. President, will the majority leader yield for a question?

Mr. ROBERT C. BYRD. Yes.

Mr. FORD. I wanted to be sure that I understood the Senator's statement about Calendar Order No. 187, which I believe is the TVA legislation, on which I have an amendment without a time agreement.

I hope I did not understand the majority leader to say it would be up Monday. I was under the impression that it would be up Wednesday, according to the colloquy which is in the RECORD with the minority leader.

Mr. ROBERT C. BYRD. The distinguished Senator did not understand me accurately. The bill that I said might be a candidate for action on Monday—I mentioned two bills; one is the Nuclear Regulatory Commission bill, Calendar Order No. 188. I believe that is the one——

Mr. FORD. Then you referred to No. 187, which is the TVA bill, and I was under the impression that that would be on Wednesday.

Mr. ROBERT C. BYRD. The Senator is correct; that will not come before the foreign assistance bill, which is scheduled for Tuesday.

Mr. FORD. I thank the majority leader, and apologize for misunderstanding.

Mr. ROBERT C. BYRD. The Senator needs offer no apology, and I am glad to have the opportunity to clarify the matter.

THE SENATE AGENDA

Mr. ROBERT C. BYRD. Mr. President, before I make the motion to recess, let me remind the Senate that beginning with July time will become a precious commodity. I have kept my commitment to avoid Friday sessions of the Senate through the end of June. I think we have had two Friday sessions this year, and specifically they occurred on January 19 and February 9.

As I stated in the beginning, however, once we reach July, Friday sessions will become necessary and some Saturday sessions will be required. A look at the Gregorian Calendar as well as the Senate Calendar makes this very apparent. After today, only 8 working days remain, Mondays through Thursdays, prior to the July 4 holiday.

Beginning with July 9, the date of our return from the Independence holiday, only 24 working days will be available, and this includes every Saturday before the August recess begins. Hence, after today a total of only 32 working days remain, including four Saturdays, prior to September 5, the date the Senate comes back from the August recess.

With a look at the calendar we find ourselves in June. What is so rare as a day in June? Today is June 14. Look down the road between now and September 5 and it may appear that we have lots of time, almost 3 months, but a close look at the calendar of working days for the Senate shows only 32 working days after today—including four Saturdays—prior to September 5. If those four Saturdays were eliminated we would have only 28 working days between now and September 5.

During the aforementioned 32 working days, the Senate should try to dispose of all appropriations bills—and we have not disposed of one yet because we have been waiting on the House of Representatives to send over those appropriations bills, so we have all the appropriations bills—13 regular appropriations bills—in addition to 1 or more supplementals ahead of us. During the aforementioned 32 working days the Senate should also try to dispose of as many expiring authorization measures as possible, and there are several already on the calendar.

In addition thereto, it is hoped that such legislation as hospital cost containment and any energy measures can also be handled.

Once we reach September and the frost begins to gather on the pumpkin, the days begin to shorten more and more and the shadows become longer, the second concurrent budget resolution must be adopted by the 15th of that month and any remaining appropriations bills, together with windfall profits tax legislation, and so forth, should be completed—in addition to our getting a good start in the SALT treaty debate in September.

There will be no "holidays"—quoted for emphasis—no holidays once the August recess is behind us, with the exception of the weekend of Thanksgiving in the event the Senate has not completed work on the SALT treaty by Thanksgiving.

It is hoped that SALT will be the final work completed before adjournment sine die for this session. I would hope to see us complete the work on the treaty—whether it is voted up or down, whether there are modifications, reservations, understandings, amendments, whatever, I hope it will all be completed by Thanksgiving. If it is not, we will have to come back after Thanksgiving and stay until Christmas, and if it is not finished then, we will come back beginning on the 3d day of January and we will just keep going without a break except for Christmas holiday. There is still a Santa Claus.

As is clear from the above, once we reach July, the Senate will have to drastically intensify its floor work with long days and Saturday sessions a necessity, a necessity, not because I said so, not because I want them—I do not want them—but they will become a necessity from there on through to adjournment. I hope that all Senators will recognize the urgency of seizing time by the forelock, because we do not have much of that forelock left before the middle of the year will be gone, and keeping our noses—long, short, romanesque, whatever—to the grindstone once the July 4 break is behind us.

Finally, in light of the above, it is to be hoped that committees will refrain from reporting out legislation that is not absolutely necessary for passage this year. The leadership has given committees Fridays, and as much other time as possible, to work on measures that had to be reported. But the time will be here very soon, when the Senate will be in on Fridays and on Saturdays. I hope, may I repeat, that committees will refrain from reporting out legislation that is not absolutely necessary for passage this year. There just simply will not be enough time left to take up legislation that does not have the highest priority.

In saying this, I say it with deep appreciation for the cooperation and the understanding that I have received from all Senators on both sides of the aisle. I feel it imperative that all Senators be informed of the kind of workload we have left, and the increasingly restricted time that we have left in which to do business.

There remain 23 expiring authorizations to be completed by October 1, 1979, the end of the fiscal year, when all of these public laws will expire. I believe six of these have not yet been reported. That is about as clearly as I can lay out the stark outlines of the workload that remains to be done.

RECESS UNTIL 10 A.M. ON MONDAY

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, under the previous order, that the Senate stand in recess until the hour of 10 a.m. on Monday next.

The motion was agreed to; and at 5:52 p.m. the Senate recessed until Monday, June 18, 1979, at 10 a.m.

NOMINATIONS

Executive nominations received by the Senate June 14, 1979:

DEPARTMENT OF STATE

Anne Clark Martindell, of New Jersey, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to New Zealand, and to serve concurrently and without additional compensation as Ambassador Extraordinary and Plenipotentiary of the United States of America to Western Samoa.

DEPARTMENT OF DEFENSE

John Howard Moxley III, of California, to be an Assistant Secretary of Defense, vice Robert Nelson Smith, resigned.

THE JUDICIARY

Otto R. Skopil, Jr., of Oregon, to be U.S. circuit judge for the ninth circuit, vice a new position created by Public Law 95–486, approved October 20, 1978.

Lynn C. Higby, of Florida, to be U.S. district judge for the northern district of Florida, vice a new position created by Public Law 95–486, approved October 20, 1978.

Robert L. Vining, Jr., of Georgia, to be U.S. district judge for the northern district of Georgia, vice a new position created by Public Law 95–486, approved October 20, 1978.

Patrick E. Carr, of Louisiana, to be U.S. district judge for the eastern district of Louisiana, vice a new position created by Public Law 95–486, approved October 20, 1978.

Robert J. Staker, of West Virginia, to be U.S. district judge for the southern district of West Virginia, vice a new position created by Public Law 95–486, approved October 20, 1978.

DEPARTMENT OF COMMERCE

Samuel B. Nemirow, of Virginia, to be Assistant Secretary of Commerce for Maritime Affairs, vice Robert J. Blackwell, resigned.

DEPARTMENT OF ENERGY

Louis F. Moret, of California, to be Director of the Office of Minority Economic Impact (new position).

COMMUNITY SERVICES ADMINISTRATION

Frankie Muse Freeman, of Missouri, to be Inspector General, Community Services Administration (new position).

CONSUMER PRODUCT SAFETY COMMISSION

Stuart M. Statler, of the District of Columbia, to be a Commissioner of the Consumer Product Safety Commission for the remainder of the term expiring October 26, 1979, vice Barbara H. Franklin, resigned.

Stuart M. Statler, of the District of Columbia, to be a Commissioner of the Consumer Product Safety Commission for a term of 7 years from October 27, 1979 (reappointment).

FEDERAL EMERGENCY MANAGEMENT AGENCY

John W. Macy, Jr., of Virginia, to be Director of the Federal Emergency Management Agency (new position).

FEDERAL RESERVE SYSTEM

Frederick H. Schultz, of Florida, to be a member of the Board of Governors of the Federal Reserve System for the unexpired term of 14 years from February 1, 1968, vice Philip C. Jackson, Jr., resigned.

Frederick H. Schultz, of Florida, to be Vice Chairman of the Board of Governors of the Federal Reserve System for a term of 4 years (new position).

NATIONAL CREDIT UNION ADMINISTRATION

P. A. Mack, Jr., of Indiana, to be a member of the National Credit Union Administration Board for a term of 4 years (new position).

RAILROAD RETIREMENT BOARD

Charles J. Chamberlain, of Illinois, to be a member of the Railroad Retirement Board for a term of 5 years from August 29, 1979 (reappointment).

NATIONAL COMMUNICATION, CULTURAL AND EDUCATIONAL AFFAIRS

Jean McKee, of New York, to be a member of the U.S. Advisory Commission on International Communications, Cultural and Educational Affairs for a term of 3 years (new position).

HOUSE OF REPRESENTATIVES—*Thursday, June 14, 1979*

The House met at 10 a.m.

Rabbi Bernhard H. Rosenberg, First Hebrew Congregation, Peekskill, N.Y., offered the following prayer:

MASTER OF THE UNIVERSE

We gather today to give glory and honor to our flag and country. On June 14, 1777, the words of our valiant forefathers rang throughout the corridors of our hearts.

Americans, communicate these symbols to your children. White signifies purity; red, hardiness and valor; blue, vigilance, perserverance, and justices.

Hope and liberty is our creed. We will not compromise in our resolve. Yes, we may have to sacrifice; yet freedom is thicker than oil.

G-d grant us the strength and courage to shine as the lighthouse for democracy. Grant us success in the realm of commerce and industry.

Grant our leaders the intellectual and spiritual ability to encourage, sustain and inspire the populace of our cherished and treasured country, the U.S.A. Grant us the gift of shalom. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

RABBI BERNHARD H. ROSENBERG

(Mr. FISH asked and was given permission to address the House for 1 minute.)

Mr. FISH. Mr. Speaker, I want to take this opportunity to welcome to the Congress Rabbi Bernhard H. Rosenberg, a good friend and the spiritual leader of the First Hebrew Congregation of Peekskill, N.Y.

Besides fulfilling his duties as the leader of a large and active congregation, Rabbi Rosenberg is also a well-known writer whose articles on Jewish survival and the holocaust have been published nationally. He is an individual who is very active in community affairs and contributes a great deal to the welfare of the Peekskill community. I have known Rabbi Rosenberg for some time and we have worked together on projects on behalf of the Jewish community of the Hudson Valley.

He is a member of the Rabbinical Council of America, the New York Board of Rabbis, and the Yeshiva University Rabbinical Alumni. Rabbi Rosenberg has been involved as chairman and keynote speaker for numerous rallies on behalf of world Jewry and especially dealing with the memory of the 6 million Jewish martyrs that perished during the holocaust. He is himself a son of survivors of the infamous death camp of Aushwitz.

I am indeed fortunate to have had the opportunity to invite Rabbi Rosenberg to open our legislative session with a prayer this morning. Rabbi Rosenberg is clearly a gifted man who has given leadership to his congregation and his community. I am honored by his presence here this morning.

PROVIDING FOR JOINT SESSION ON MONDAY, JUNE 18, 1979, TO RECEIVE MESSAGE FROM THE PRESIDENT

Mr. WRIGHT. Mr. Speaker, I send to the desk a privileged concurrent resolution (H. Con. Res. 140) providing for a joint session of the two Houses on Monday, June 18, 1979, to receive a message from the President of the United States, and ask for its immediate consideration.

The Clerk read the concurrent resolution, as follows:

H. CON. RES. 140

Resolved by the House of Representatives (the Senate concurring), That the two Houses of Congress assemble in the Hall of the House of Representatives on Monday, June 18, 1979, at 9 o'clock postmeridiem for the purpose of receiving such communications as the President of the United States shall be pleased to make to them.

The concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

AUTHORIZING THE SPEAKER TO DECLARE A RECESS ON MONDAY, JUNE 18, 1979

Mr. WRIGHT. Mr. Speaker, I ask unanimous consent that it may be in order at any time on Monday, June 18, 1979, for the Speaker to declare a recess subject to the call of the Chair.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

OCEANS AND ATMOSPHERE ACT OF 1977 AUTHORIZATION, 1980

Mr. STUDDS. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H.R. 3577) to amend section 8 of the National Advisory Committee on Oceans and Atmosphere Act of 1977 to authorize appropriations to carry out the provisions of such act for fiscal year 1980, and for other purposes, with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Strike out all after the enacting clause, and insert: That section 8 of the National Advisory Committee on Oceans and Atmosphere Act of 1977 (33 U.S.C. 857–18) is amended—

(1) by striking out "1978, and" in the first sentence and inserting in lieu thereof "1978,",

(2) by striking out "1979." in the first sentence and inserting in lieu thereof "1979, $565,000 for the fiscal year ending September 30, 1980 and $600,000 for the fiscal year ending September 30, 1981.", and

(3) by striking the second sentence.

Mr. STUDDS (during the reading). Mr. Speaker, I ask unanimous consent that the Senate amendment be considered as read and printed in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The SPEAKER. Is there objection to the initial request of the gentleman from Massachusetts?

There was no objection.

A motion to reconsider was laid on the table.

REQUEST FOR CONSIDERATION OF RESOLUTION OF INQUIRY, DIRECTING THE PRESIDENT TO PROVIDE MEMBERS OF THE HOUSE WITH INFORMATION ON THE ENERGY SITUATION

Mr. DINGELL. Mr. Speaker, I call up the resolution (H. Res. 291) a resolution of inquiry directing the President to provide Members of the House with information on the energy situation, and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 291

Resolved, That the President, to the extent possible, is directed to furnish to the House of Representatives, not later than fifteen days following the adoption of this resolution, full and complete information on the following:

(1) the existence and percentage of shortages of crude oil and refined petroleum products within the United States and administrative regions:

(2) the current level of demand for crude oil and refined petroleum products within the United States and administrative regions;

(3) the current quantity and location prior to final retail sale of existing supplies of crude oil and refined petroleum products within the United States and administrative regions;

(4) methods used in the allocation of supplies of crude oil and refined petroleum products among the various administrative regions of the United States since January 1, 1978;

(5) directives changing or amending allocations of crude oil or refined petroleum products among or within the various administrative regions of the United States since January 1, 1978;

(6) facts in the possession of the executive branch demonstrating any action with-

☐ This symbol represents the time of day during the House Proceedings, e.g., ☐ 1407 is 2:07 p.m.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

in private industry to withhold or reduce supplies of crude oil or refined petroleum products available for public distribution since January 1, 1978;

(7) public statements since January 1, 1979, of the President, the Secretary of Energy, or spokesmen acting on their behalf, pertaining specifically to shortages and supply of crude oil and refined petroleum products as well as any diversion of foreign supplies of crude oil and refined petroleum products intended for shipment to the United States;

(8) the percentage change in the various petroleum products obtained from the refining of crude oil, on a monthly basis, since January 1, 1978;

(9) actions, directives, or communications regarding changes in the refinery yield of petroleum products since January 1, 1978;

(10) any reduction in the supply of crude oil from any foreign country since January 1, 1978, if not incompatible with the public interest;

(11) refinery capacity utilization, on a monthly basis, since January 1, 1978.

The information requested in this resolution shall be made available to each Member of the House of Representatives in accordance with applicable rules of the House.

Mr. DINGELL (during the reading). Mr. Speaker, I ask unanimous consent that the resolution be considered as read and printed in the Record.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

Mr. BAUMAN. Mr. Speaker, reserving the right to object, I wonder if the gentleman from Michigan (Mr. Dingell) could tell us whether or not it is his intent to take any of the time under this resolution, as the rules would permit, to explain whatever response was given by the President.

Mr. DINGELL. Mr. Speaker, will the gentleman yield?

Mr. BAUMAN. I yield to the gentleman from Michigan.

Mr. DINGELL. Mr. Speaker, the answer to the question is: Yes, I will take time to respond. I do have the information which was requested here at the table. It will be in the hands of the Subcommittee on Energy and Power, and it is available to any of my colleagues who desire to have the information.

Mr. BAUMAN. Mr. Speaker, further reserving the right to object, does the gentleman have the information that this resolution requested from the President?

Mr. DINGELL. I have the information here that was requested. It is available to the House at this committee table right now.

Mr. BAUMAN. Mr. Speaker, I think the gentleman should take the full time available and let the entire country know these answers.

Mr. DINGELL. Mr. Speaker, I thank the gentleman.

We have held extensive hearings, and the information is available from the hearings. I have inquired as to the cost of printing the requested information in the Congressional Record, and I am advised it is $59,000. I am not sure that the printing of that information, which is readily available and will be available to any Member who wishes to have it and use it with necessary staff assistance, is necessary.

Mr. BAUMAN. Mr. Speaker, further reserving the right to object, I think the premise of this resolution was, as I recall, that the administration was making so many contradictory statements about the extent and cause and cure of the energy problem that we wanted some comprehensive response from the President that would give a definitive answer once and for all.

If, as the gentleman says, he has it there in that very envelope. I know the American people are waiting in gas lines all over the country to hear it.

Mr. DINGELL. Mr. Speaker, if the gentleman will permit and if he will yield further, I have here the statement from the Office of the Public Printer, and if the gentleman wishes, I will present him with the estimate so that he can ask unanimous consent that this be printed in the Record.

The cost, according to the Government Printing Office, is $59,058. It would run to 153 pages of the Congressional Record.

Mr. BAUMAN. Mr. Speaker, further reserving the right to object, I expect we will burn $59,000 worth of gasoline in the next 10 minutes in gas lines all over this country.

I am not saying we should put it in the Record, but I am saying we do deserve some explanation of it, not just a motion to table it and shove this important issue under the table.

Mr. DINGELL. Mr. Speaker, I can only say that this matter has been discussed with the leadership on the minority side, and they are content with the information that has been secured in response to the resolution.

My good friend, the gentleman from Ohio (Mr. Devine), is here and is prepared to deal with the matter. He was the senior Republican member of the subcommittee to handle the matter. I am quite content to allow him to speak for the minority side as to whether or not he is satisfied with the information that has been submitted.

I am just trying to expedite the business of the House and seeing that the information is made available to my colleagues.

Mr. BAUMAN. Mr. Speaker, further reserving the right to object, the resolution, if it were read in full, would outline in rather stark dimensions the concern that is in the minds of most Americans and, I think, of most of the Members of the House about the energy problem we now face, which is becoming more acute hourly and minute by minute.

The gentleman from Michigan is suggesting, as I understand it, that we call the resolution up and table it. I would hope that we would have discussion to at least try and describe what the President's answer is.

Mr. DINGELL. Mr. Speaker, I withdraw my unanimous-consent request.

The SPEAKER. The Clerk will read.

The Clerk concluded the reading of the resolution.

□ 1010

The SPEAKER. The gentleman from Michigan (Mr. Dingell) is recognized for 1 hour.

Mr. DINGELL. Mr. Speaker, the resolution was introduced on May 24, 1979. It requires that the President provide to the House of Representatives within 15 days after adoption various information concerning the shortages, demand, and prices relative to crude oil and refined petroleum products. The information requested must be made available to each Member of the House.

The Subcommittee on Energy and Power has held extensive hearings on the energy situation, particularly on crude oil supplies and prices and on petroleum products. As the committee's report on House Resolution 291 indicates, many of these hearings were held in the last several months. In addition, we have conducted several investigations into the adequacy on data-gathering by the Department of Energy and we are currently examining a number of information-gathering issues.

As indicated in the committee's adverse report on the resolution, the information requested by the resolution is already available to the Members and public. However, on June 4 I asked the Department to respond to each of the 11 questions set forth in the resolution and provide to us the information available to the Department. That information was provided to us last week and a summary was provided in the report. At the table today here in the House, are the complete responses from the Department including the tables, data, and other documents. The total is a stack of papers nearly a foot high. These documents will be available in the subcommittee offices for any Member or his or her staff to review if they so desire.

In view of the fact that the committee has obtained all of the information requested and the Committee on Interstate and Foreign Commerce reported out the resolution adversely, surely it would not be appropriate to ask the President to resubmit the same data to all 435 Members of Congress. Such an effort would be very costly and a vast waste of time. It is for this reason that I believe this resolution should be tabled.

I want to express my appreciation to the gentleman from Ohio the ranking minority member of the subcommittee, Mr. Brown, who has worked very closely with me in insisting that the Department provide all the information required to inform the subcommittee with all the information on the energy crisis and enable the subcommittee to make sound judgments. I also want to commend the minority member of the full committee, Mr. Devine, in his support on this matter. All of us on the Interstate and Foreign Commerce fully believe that the Department's gathering system is inadequate and that data concerning the energy supplies, demands, and prices is not timely provided. Our subcommittee is already vigorously taking steps through oversight and legislation to improve and make more timely DOE energy collection and data validation.

Mr. Speaker, I yield to my good friend, the minority leader, the gentleman from Arizona (Mr. Rhodes).

Mr. RHODES. I thank the gentleman for yielding.

Mr. Speaker, I have no objection at all to any of the material which the gentleman has contained in the report. The resolution of inquiry had as its purpose the information to allow the American people to judge just what was happening in the situation involving the supply of gasoline and other petroleum products.

As I walked to work, or, as I rode to work today—I lost my Moped—the gasoline line, cars awaiting service at one of the filing stations out in Montgomery County, Md., was approximately four blocks long. So I cannot believe that the American people as yet have been fully informed as to why we do have this shortage.

The resolution of inquiry was propounded for the purpose of explaining to the people in words that the people understand just what is happening.

I recognize the difficulty in that, because it is not a simple situation and it probably does not have a simple answer.

Mr. DINGELL. Mr. Speaker, if the gentleman will permit me to retrieve my time, I would like to respond to him and to observe that I am in no wise critical of my colleague on the minority side for having filed this resolution of inquiry. I do believe that continued inquiry by the Congress is highly desirable. I believe that the information must be made plain. The American people do have to understand that we are in the midst of a very substantial problem. That I stress. I have no complaint with what the gentleman has done or what my colleagues on the minority side who have joined in this resolution have done in seeking energy data. I commend them for it.

We have tried, as a service to the House, to provide information to the gentleman and to the House in a fashion that is most useful to my colleagues in the House and at the same time is not unduly burdensome. For that reason, I believe it would probably be timely now, having discussed the matter, to move to table the resolution so we could go on to further business.

Mr. RHODES. Mr. Speaker, will the gentleman yield?

Mr. DINGELL. I yield 2 more minutes to the gentleman and such other time later on as he might request.

Mr. RHODES. Mr. Speaker, if the gentleman is only going to yield 2 minutes, I will not ask for time.

Mr. DINGELL. Mr. Speaker, I will yield the gentleman 5 minutes.

Mr. Speaker, I yield 5 minutes to my good friend, the gentleman from Ohio (Mr. Devine).

Mr. DEVINE. I thank the gentleman for yielding.

Mr. Speaker, I would like to thank the gentleman from Michigan (Mr. Dingell) for his expeditious, as well as fair, handling of the resolution of inquiry that was introduced by the minority leader and the other leadership on the Republican side, as well as a number of Members, including Members of the majority party.

Through the efforts of the gentleman from Michigan (Mr. Dingell) we were able to obtain most of the information that we sought in the resolution before it was necessary to act upon it on the House floor. Although neither I nor our staff have had the opportunity to fully go through what is, apparently, almost a foot-thick stack of documents on this particular matter, we will have an opportunity to review it fully and perhaps bring up some matters at a later date. If, upon review of the material forwarded to us, there are other questions which arise, I would hope that the chairman would be of continuing assistance, as he has been in the past, in helping us obtain the necessary information.

The American people perceive that this is a contrived shortage by the big oil companies, by the administration, by the Department of Energy, perhaps, to drive up the price of oil.

The minority leader has mentioned this morning that in coming to work there were lines as long as four blocks. I heard on the "Good Morning America" show, on the local portion of it, that anyone coming to work today who did not absolutely need gasoline should not try to get it because almost every gasoline station in the District has a 1-hour line of cars waiting to get gasoline.

The people want to know. That is the purpose of this resolution of inquiry. Unfortunately, there is a widespread distrust among the American people that the energy shortage is real. They do not recognize that we are existing at the whim of the OPEC nations, those unreliable sources can raise prices and cause us to either have a shortage or higher price for gasoline. OPEC provides about 50 percent of our crude oil now.

□ 1020

This not only reflects on the administration, but it also reflects on those of us in the Congress who seem to be preoccupied with educating the public to live with the shortage rather than seeking new sources of energy. That, we must do. Rationing will not solve it. A 55-mile-an-hour speed limit will not solve it. Carpooling will not solve it. Setting thermostats will not solve it. We need new sources of energy. We need to know what we have available. That is the purpose basically of the resolution of inquiry.

If the American public does not understand this problem, then we are, of course, to blame.

Our energy predicament is not going to be solved by the material called for in this resolution, nor is it likely to be solved by anything that we do here for many years to come.

However, it is very important that we act with the benefit of as much accurate and—I repeat—accurate information on our energy situation as is possible.

We cannot tolerate conflicting reports coming out of the Department of Energy every day or by different sources down there.

There is more than enough blame to go around in this matter regarding our energy problem.

DOE must share some of the blame. Particularly of concern to me and other sponsors of the bill has been the inability of the Department of Energy to rationalize its own figures regarding the energy problem.

In addition, it has disturbed us that the Department has been unable to better explain the energy issue to the American people. I would hope that this resolution has made some small contribution to the clarification of the contradictory nature of much of the information that we have received on the energy issue.

We have a duty to let the American people know just where they stand, and, rather than wandering around in a sea of uncertainty and pointing the finger of blame, we have to tie down sources of the problem. The public has the right to know the true facts, and so do we in order that we may come up with reasonable solutions.

Mr. MYERS of Indiana. Mr. Chairman, will the gentleman from Michigan yield?

Mr. DINGELL. I yield to the gentleman from Indiana.

Mr. MYERS of Indiana. I thank my colleague.

As one of the cosponsors of this resolution, I would like to state that the intent here was not only to inform Members of Congress of the problem so we might better decide upon how we must vote in the future on any problem associated with the energy problem, but to let the American people know why they have to stand in line up to an hour or hour and a half, and why the price of gasoline has tripled in the last 3 years.

These are things the American people should know.

I understand the gentleman has a draft copy of some type of summary on the mass of documents he has here. I certainly do not want to contribute to a $59,000 bill to have this published or printed, but is there not a summary that would answer these questions in a more concise manner that would cost less than $59,000 that the American people could understand these difficult questions?

Mr. DINGELL. The committee has filed an adverse report (H. Rept. 96-261, June 11, 1979). I regret that it is not yet back from the printer and is not available here for me to make available to the gentleman from Ohio.

I will tell the gentleman that we have report which does summarize the responses in an effort to be helpful to the House. I have got the printer's estimate, if the gentleman wants to ask unanimous consent to put the whole DOE response in the Record. It only costs $59,000.

Mr. MYERS of Indiana. I have no intention of printing that mass of documents, because I am sure that would be too burdensome for the American people to take the time to read. They are going to spend all of the time in the gasoline lines so they do not have time to read that. They could read that while they are waiting maybe. I do not want to be facetious because this is a serious problem.

Why is the gentleman bringing this up this morning, this motion, when the Congress does not have the advantage of having the summary? Why do we not have the summary here before the gentleman comes to the floor asking to table this motion?

Mr. DINGELL. Well, the answer is the Government Printing Office has not moved as fast as we have moved to try to bring the committee report before the House to respond to the questions that have been raised.

Mr. MYERS of Indiana. Why do we not table the gentleman's motion here and not do anything today until we have the advantage of seeing what the summary is going to contain? Why must the gentleman bring it up this morning?

Mr. DINGELL. Because we had agreement with my good friend on the minority side that this would be the way we would handle it.

Mr. RHODES. Mr. Chairman, will the gentleman yield?

Mr. DINGELL. I yield to the gentleman from Arizona.

Mr. RHODES. The gentleman from Indiana has asked a good question.

We introduced the request for information. Why were we not at least given a chance to see the summary before the matter comes to the floor to be dismissed? Would that have been too much? I would have been glad to go to the office of the gentleman from Michigan (Mr. DINGELL), or wherever, in order to look it over.

It seems to me this is an act of arrogance that I do not appreciate.

Mr. DINGELL. The gentleman very well knows I discussed the matter with his staff in rather considerable detail. The arrangements in which we are now engaged were agreed on between me and the staff of the minority leader.

Now, if the minority leader does not empower his staff to discuss these matters with me and arrive at an arrangement in which this matter is going to be processed by the House, then I will be happy to know that, and I will not deal with the gentleman's staff in the future. I will deal with him.

What we are doing at this particular minute was agreed upon by me and the staff of the minority leader. If the minority leader was not advised by his staff, I have great regret in that matter. I am simply doing that which was already discussed with the gentleman from Ohio and the minority staff of the Interstate and Foreign Commerce Committee and the staff of the minority leader.

If the gentleman from Arizona wishes to repudiate his staff on this or was not informed by his staff, I will be delighted to have him say so.

Mr. RHODES. The gentleman from Michigan knows exactly how to get hold of the minority leader when he needs him for something. I am just a little bit amazed that he would deal with his staff over a matter of this importance.

Mr. DINGELL. So the gentleman will understand, I did not solicit the counsel of the minority leader's staff. The staff sought me out on this particular matter.

Mr. MYERS of Indiana. If the gentleman will continue to yield, more than 400 Members are involved in this transaction that the gentleman had, who would like to know, along with 220 million people in this country.

Mr. DINGELL. I have for the gentleman the requested documents.

I have a copy of all this information that has been available to my colleagues on the minority side. We have just sent the minority a fresh packet of this information. It has been reviewed by the minority staff of the Subcommittee on Energy and Power; and they have found that it is a satisfactory response to the inquiry.

If the gentleman wishes to quarrel, then he should continue his quarrel with them and not with me.

Mr. MYERS of Indiana. If the gentleman will continue to yield——

Mr. DINGELL. I yield for this discussion only.

Mr. MYERS of Indiana. The argument is not whether Members of this Congress have available information to go over and read, if they have the time; there are hundreds of thousands of people right this moment, sitting in lines throughout the country, buying gasoline, who are entitled to know, too. How are they going to know? They do not have time to come in and read the document.

Mr. DINGELL. I stood in the gas line myself this morning. The reason we are standing in gas lines is that we are importing half of the crude oil that we use and that we have a shortage of finished product in this country for a diversity of reasons. I will be happy to discuss these with the gentleman.

There was an excellent article on this in the Wall Street Journal yesterday which I commend to the reading of the gentleman. As a matter of fact, I will put it into the RECORD by unanimous consent so my colleague will have the information available to him.

The question is, does the gentleman want us to dispose of this matter so we can go on and continue the orderly affairs of the House, or does the gentleman want this matter to be pursued?

Mr. MYERS of Indiana. If the gentleman would yield, I think this matter should be delayed until we see a printed copy of the summary that the gentleman has, a draft copy. I think the House should know what is available to them. Then we will make the decision, if that is adequate. I do not think this matter should be brought up this morning.

Mr. DINGELL. If the gentleman would permit, the time constraints are such that the response must be made within a very fixed period of time under the rules and that I, as chairman of the Subcommittee on Energy and Power, have a duty to submit to the House the information and bring the matter before the House at the earliest moment. That I have done. The matter has been reviewed by the staff of the minority leader. He had advised me that the information is sufficient.

It seems to content my good friend on the minority side of the Subcommittee on Energy and Power. The minority staff has reviewed the information; that is, the minority staff on the Subcommittee on Energy and Power has reviewed this information and advised that it is responsive to the resolution.

I will tell the gentleman that I have reviewed it. It is responsive to the resolution of inquiry. The problem is that we have been compelled by reason of the structure of the rules of the House to present this for the House faster than the Government Printing Office can get back to us the report.

Mr. MYERS of Indiana. That was 2 weeks ago. Why come with this brinkmanship, and once again we have to make a decision here in the dark?

□ 1030

Mr. BAUMAN. Would the gentleman from Michigan yield?

Mr. DINGELL. I yield briefly to the gentleman for purposes of discussion.

Mr. BAUMAN. I appreciate the gentleman yielding. I would just say to the gentleman as one Member who cosponsored this resolution, and also knowing that the gentleman from Michigan has an intimate understanding of the rules of the House, a resolution of inquiry is a very rarely used device that is usually reserved for instances where a great national policy question or issue is pending before the Congress and should be the subject of information not only for the Congress but to the people.

Mr. DINGELL. I have no quarrel with that.

Mr. BAUMAN. If the gentleman will yield further, my own thought was, in response to this serious resolution, we might have had the allotted time of debate permitted in which the gentleman, who has a great deal of knowledge also about the energy situation by virtue of his position in the Subcommittee on Energy, would have presented a summary of what the causes are of our present energy predicament, and perhaps at least he might have sought to allay the fears of the American people on the concerns and answer some of their questions.

I understand the gentleman has apparently discussed this on both sides and a satisfactory agreement amongst a small group was reached. It does not satisfy the gentleman from Maryland.

Mr. DINGELL. It was not a small group, if the gentleman will permit. I have dealt with the staff of the minority leader who sought me out. I have also dealt with the staff on the Committee on Interstate and Foreign Commerce, and the minority, my good friend from Ohio (Mr. DEVINE), who is content that the information sought here is sufficient.

Admittedly the Government Printing Office has not moved as quickly as we would like, and that I regret.

Mr. BAUMAN. If the gentleman would yield briefly?

Mr. DINGELL. Briefly for discussion.

Mr. BAUMAN. The gentleman knows the resolution poses the energy questions that are on everyone's mind. He knows the questions are on our minds and the American people's, and his staff has just been kind enough to give me this huge stack of papers which purports to answer those questions. If, indeed, in this stack are those answers, why can we not have a rational debate for an hour here and try to lay out for the American people what those answers really are.

The SPEAKER. Would the gentleman from Michigan kindly withdraw the resolution until such time as the summary is printed and the gentleman from Indiana and the gentleman from Maryland have an opportunity to read the document?

Mr. DINGELL. I am reluctant to do so. But if the Speaker is sending me a suggestion that that be done——

The SPEAKER. It was the understanding of the Chair that there was an agreement between the majority and the minority, otherwise the matter would not have been scheduled today. We would like to go forward.

Mr. DINGELL. Mr. Speaker, I am, of course, happy to respond to the wishes of the Chair. I gather I cannot let the staff of the minority leader speak for the minority leader. I do not think I can, therefore, very well let the Speaker speak for the minority leader, and if the minority leader has no objection to that, and will so indicate, I will make that request to the Chair.

The SPEAKER. The gentleman withdraws the resolution.

PERMISSION FOR SUBCOMMITTEE ON WATER RESOURCES OF COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION TO SIT TODAY DURING PROCEEDINGS

Mr. ROBERTS. Mr. Speaker, I ask unanimous consent that the Subcommittee on Water Resources of the Committee on Public Works and Transportation be permitted to sit during the proceedings today, June 14, 1979.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

DEATH OF DAVID SIBEKO

(Mrs. COLLINS of Illinois asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. COLLINS of Illinois. Thank you very much, Mr. Speaker.

It is with deep sadness and regret that the Congressional Black Caucus learned of the violent death of David Sibeko in Dar-es-Salam 2 days ago. We mourn his death as a fellow fighter for the liberation of those of African descent not only in South Africa but across the world. We mourn the loss that his death imposes on his potential to be one of the outstanding leaders and statesmen of the Republic of South Africa which is struggling at this time for political, economic, and social freedom.

Indeed, he had already emerged, in his capacity as Foreign Affairs Minister and a member of the Presidential Council of the Pan African Congress, as one of the most effective spokesmen at the United Nations for the liberation of that apartheid-riddled country.

We knew him as a big man. David was not only large in physical stature, but also magnanimous in spirit and in his dedication to the freeing of his people from racial inequality. He had to be in order to survive as long as he did. Driven by the desperation and despair of racism and murderous injustice, he joined the Pan African Congress in his native South Africa immediately after the infamous Sharpeville massacre of 1960.

He was arrested by that regime in 1963 for political activity and detained in solitary confinement for 7 months before finally being brought to trial. Shortly after being acquitted for lack of evidence he left South Africa to continue his work in the struggle for freedom.

David had the quality of being able not only to fight, but to talk with his enemies.

Acquaintances recall a rather interesting confrontation he had with the present Foreign Minister of South Africa in the offices of a Western media outlet when "Pik" Botha was South Africa's representative to the United Nations.

His death is tragic for many reasons. It is so, whether he died solely by the hands of associates embittered out of the intensity of the struggle which is now the fate of southern Africa, or whether he died, as some have suggested, at the hands of a South African-sponsored agent provocateur. The first makes us reflect on the supreme injustice of anyone, anywhere having to cope on any level, directly or indirectly, with such systematic brutalization as South African apartheid brings, to those both conqueror and conquered. We know of David's determination to fight for its eradication. The second would confirm for all of us the desperate hostility of a minority beleaguered by their refusal to recognize the equal humanity and rights of the black Africans around them, with whom they will inevitably both live and die.

We mourn him as a friend, brother, and fellow warrior. Our condolences go to this family who will be sustained by his legacy of struggle for freedom.

RESOLUTION TO REMOVE MOST-FAVORED-NATION STATUS FROM ROMANIA

(Mr. SCHULZE asked and was given permission to address the House for 1 minute and to revise and extend his remarks and to include extraneous matter.)

Mr. SCHULZE. Mr. Speaker, today I introduce with my colleagues Congressman McDONALD and Congressman DORNAN a resolution disapproving the President's recommendation to further extend most-favored-nation status to the socialist Republic of Romania. Under the provisions of the Trade Act of 1974, the President may recommend such an extension but either House of Congress may prevent it by adopting a resolution of disapproval within 60 days of the time the present waiver expires on July 3, 1979.

Providing MFN benefits to a nation is a privilege which must be jealously guarded and I do not feel we should reward Romania for being the most repressive Eastern European satellite in terms of their treatment of minority populations.

Even the President admitted in his sixth annual report on the implementation of the Helsinki Final Act that Romania severely penalizes many of its citizens for indicating a desire to emigrate. The barriers facing a would-be emigrant in Romania are considerable. They include:

The necessity to submit an application just to obtain the forms needed to apply for emigration;

Mandatory interviews with people's councils or Romanian Communist Party organs, at which some potential emigrants are discouraged from continuing to seek permission to leave;

Limitations on the amount of money which can be taken abroad;

Expulsion from work, school, or housand; and

Issuance of exit visas valid only for one designation.

It is also very distressing to note that emigration to Israel is still significantly declining and that the highest monthly levels of emigration occur during the times we are considering renewal of the trade agreement.

From my perspective, these policies are in contradiction to the basket III requirements of the Helsinki Final Act and violate the emigration criteria established within the Trade Act of 1974.

Second, when signing a bilateral agreement with Romania, we established that a satisfactory balance of concessions in trade and services must be maintained; while the amount of trade between the United States and Romania has substantially increased, this increase has been at our expense for Romania now enjoys a $27.6 million trade surplus. In short, the Romanian Government is utilizing its MFN status to proliferate our market with cheap goods which are costing American jobs.

Preservation of American jobs and the strengthening of our economy must be of utmost importance. We should cast our votes in favor of this disapproval resolution on behalf of American workers, the people of Romania, and our traditional trading partners who are hurt by a continuation of this waiver.

Finally, let us pay more than lipservice to the cause of human rights. We must not render economic, political, and moral support to the undemocratic and repressive regime in Romania.

I urge my colleagues to adopt this disapproval resolution.

MAN ARRESTED FOR PARTICIPATING IN MARKETPLACE

(Mr. PAUL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PAUL. Mr. Speaker, today I would like to alert my colleagues to a new and disturbing development in this country. Yesterday, in the Wall Street Journal, it was reported that a man was arrested for participating in the marketplace. He actually sold gasoline at the market price, so the Federal energy police came from the Department of Energy and arrested him. He had to put up a bond of $10,000 for this horrible crime of selling gasoline at the marketplace.

He stayed open 24 hours a day, and there were no lines at his gas station. This occurred in Boston, Mass. He gave the service, and people came in and voluntarily paid for the gasoline at the price the market demanded. He provided this service voluntarily, and yet the Federal energy police came in and arrested him. He had to put up a $10,000 bond, and now he faces the consequence we have imposed upon him because we, the Congress, created the Federal Energy Department.

In the Communist dictatorships, free world activities are punishable by death. In the United States, they can get you a year in jail and a $10,000 fine.

Yesterday, Mr. Glenn Heller was arrested for selling gasoline at $1.39 cents a gallon. His Gulf station was open 7 days a week, 24 hours a day, in the crime-ridden Beacon Hill area of Boston.

No one had to buy his gas at this price, which he felt was fair considering his hours and the risk he took.

But this rational economic decision violates the monstrous Federal Energy Petroleum Allocation Act, as unconstitutional a law as Congress has ever passed.

So the Department of Energy and their Federal energy police had Mr. Heller arrested. He is now free on $10,000 bail.

The Constitution gives the Central Government no authority over prices or wages.

We will never have enough gasoline, until the price system is allowed to operate freely.

If a price is too high in the free market, people will not buy the product.

In the Soviet Union, the KGB has jurisdiction over economic crimes. The Nazis had their Gestapo.

In America, capitalist acts between consenting adults should be legal. But the DOE have their Federal energy police, and are preventing such acts.

Is not it time, for the sake of our energy supplies and our freedom, that we consider abolishing the whole arrogant energy bureaucracy? How much oppression will be tolerated?

The Glenn Hellers of America deserve our gratitude, not persecution, for supplying a vital service.

BAD NEWS FOR OIL USERS

(Mr. CONABLE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CONABLE. Mr. Speaker, I regret to announce to my colleagues that the Ways and Means Committee is threatening to take leave of its collective senses in the current markup of the windfall profits tax. As the American people see their economy and their way of life beginning to be damaged by what looks like chronic oil dependency and shortage, a majority of the Ways and Means Committee seems to be intent on doing everything it can to discourage production of American oil. The decontrol the President has ordered is an opportunity for us, but we should be thinking in terms of more oil, not more money for big Government. Yesterday, for the first time, we decided to tax Alaskan oil, heretofore our ace-in-the-hole and not subject to taxation or effective control because it is already so expensive. The majority has refused to give encouragement for marginal wells, the source of the greatest potential short-term increase in production. Permanent taxes have to be paid by the American people wherever initially placed, yet yesterday the committee voted to put a permanent excise tax, without phaseout, of 70 percent on oil wells discovered since 1973, and only the adroitness of the chairman kept the majority from making that tax nondeductible which would have made the total tax on such production almost 100 percent. I know kicking the oil companies is diverting entertainment, particularly when we want to hide our own policy sins, but I am not sure we can kick an oil company or any other company into making voluntary investments. If you want more oil, not less, for your constituents, I urge my colleagues to discuss this matter earnestly with members of my distinguished committee. Perhaps the majority is counting on somebody from the other body to save us from our folly, but such reliance is an abdication of our own responsibility.

☐ 1040

BAD NEWS FOR OIL USERS

(Mr. FRENZEL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. FRENZEL. Mr. Speaker, I want to confirm the statement of the distinguished gentleman from New York (Mr. CONABLE) about the actions of the Committee on Ways and Means on the windfall profits tax over the past week. It does seem to me that the committee is getting this House into great trouble.

Whether it is because, as alleged, the committee is afraid that the Senate will water down its bill and, therefore, our bill must be much too strong, or whether it is because we want to divert the blame from ourselves to the oil companies because they are a handy scapegoat and whipping boy, I do not know.

But, I think it is fair to warn the Members of this House that if we ratify the committee's actions to date, we will have given our lucky electorate the remarkable double gift of increased energy prices and further restrictions on supplies in a single package.

BRYAN ALLEN MAKES AVIATION HISTORY

(Mr. THOMAS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. THOMAS. Mr. Speaker, 2 days ago on June 12, 1979, Bryan Allen, a young man from Kern County, Calif., made aviation history by completing the first man-powered flight across the English Channel.

Mr. Allen pedaled his fragile aircraft, the *Gossamer Albatross*, 22 miles across the channel in 2 hours and 49 minutes, a feat of skill and endurance that I would like to commemorate here in Congress.

I would like to note, also, that Mr. Allen made the first man-powered flight in history in 1977 in Kern County at Shafter, Calif., and earned a share of the $87,500 Kremer prize for his feat.

The aircraft which carried Mr. Allen on his historic flight in 1977, the *Gossamer Condor*, now hangs in the National Air and Space Museum here in Washington, and I would like to invite my colleagues to visit the museum and view the plane.

I congratulate Mr. Allen upon his successful channel flight, which surely places him among the world's aviation pioneers and which has earned Mr. Allen and the plane's inventor, Paul MacCready, a $200,000 prize from Henry Kremer and the Royal Aeronautical Society.

I am proud to claim Bryan Allen as one of my home district's own residents, and I congratulate him again on his success.

FLAG DAY

(Mr. MYERS of Indiana asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MYERS of Indiana. Mr. Speaker, I take this opportunity to announce that today is Flag Day. I realize that because of the more than 14 hours most of us spent in this Chamber yesterday, we may have neglected to remember this. For those of you who missed the opening prayer this morning, the guest chaplain, Rabbi Rosenberg, remembered our flag in his prayer.

I have been here for 13 years, not a long time in comparison to many, but in my 13 years this is the first year this Chamber has failed to have a program honoring our flag. Some of the most inspirational, fine programs have been here in this Chamber, and I was looking forward again to having a program this morning. When I came in this morning, I asked, "What happened to the Flag Day program?"

"Oh, we had to abolish it because of the press of legislative business."

We were here until after 12 o'clock this morning working on a bill that had no sense of urgency; yet we cannot take a few moments to honor our flag. I think it is a tragedy—symbolic, perhaps, of some of the moral decay in our country.

GENERAL LEAVE

Mr. BEVILL. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill, H.R. 4388, Energy and Water Development Appropriations, 1980.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Alabama?

There was no objection.

ENERGY AND WATER DEVELOPMENT APPROPRIATIONS, 1980

Mr. BEVILL. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 4388) making appropriations for energy and water development for the fiscal year ending September 30, 1980, and for other purposes, and pending that motion, Mr. Speaker, I ask unanimous consent that general debate be limited not to exceed 2 hours, the time to be equally divided and controlled by the gentleman from Indiana (Mr. MYERS) and myself.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Alabama?

There was no objection.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Alabama (Mr. BEVILL).

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. BEARD of Tennessee. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 385, nays 1, answered "present" 3, not voting 45, as follows:

[Roll No. 240]

YEAS—385

Abdnor
Addabbo
Akaka
Albosta
Alexander
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Anthony
Applegate
Archer
Ashbrook
Aspin
Atkinson
AuCoin
Badham
Bafalis
Bailey
Baldus
Barnard
Barnes
Bauman
Beard, R.I.
Beard, Tenn.
Bedell
Benjamin
Bennett
Bereuter
Bevill
Biaggi
Bingham
Blanchard
Boggs
Boland
Boner
Bouquard
Brademas
Breaux
Brinkley
Brodhead
Brooks
Broomfield
Brown, Calif.
Broyhill
Buchanan
Burgener
Burlison
Burton, Phillip
Butler
Byron
Campbell
Carney
Carr
Carter
Cavanaugh
Cheney
Clausen
Clay
Cleveland
Clinger
Coelho
Coleman
Collins, Ill.
Collins, Tex.
Conable
Conte
Corcoran
Corman
Cotter
Coughlin
Courter
Crane, Daniel
Crane, Philip
D'Amours
Daniel, R. W.
Danielson
Dannemeyer
Daschle
Davis, Mich.
de la Garza
Dellums
Derwinski
Devine
Dickinson
Dicks
Dingell
Dixon
Dodd
Donnelly
Dornan
Dougherty
Downey
Drinan
Duncan, Tenn.
Early
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
Edwards, Okla.
Emery
English
Erdahl
Erlenborn
Ertel
Evans, Del.
Evans, Ga.
Evans, Ind.
Fary
Fascell
Fazio
Fenwick
Ferraro
Findley
Fish
Fisher
Fithian
Flippo
Florio
Foley
Ford, Tenn.
Fountain
Fowler
Frenzel
Frost
Fuqua
Gephardt
Giaimo
Gibbons
Gilman
Gingrich
Ginn
Glickman
Gonzalez
Goodling
Gore
Gradison
Gramm
Grassley
Gray
Green
Grisham
Gudger
Guyer
Hagedorn
Hall, Tex.
Hamilton
Hammerschmidt
Hance
Hanley
Harkin
Harris
Harsha
Hawkins
Heckler
Hefner
Heftel
Hightower
Hillis
Hinson
Holland
Hollenbeck
Holt
Holtzman
Hopkins
Horton
Howard
Huckaby
Hughes
Hutto
Hyde
Ichord
Ireland
Jacobs
Jeffords
Jeffries
Jenkins
Jenrette
Johnson, Colo.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kastenmeier
Kazen
Kelly
Kemp
Kildee
Kindness
Kogovsek
Kostmayer
Kramer
LaFalce
Lagomarsino
Latta
Leach, Iowa
Leach, La.
Leath, Tex.
Lederer
Lee
Lehman
Leland
Lent
Levitas
Lewis
Livingston
Loeffler
Long, La.
Long, Md.
Lott
Lowry
Lujan
Luken
Lundine
Lungren
McClory
McCormack
McDade
McDonald
McEwen
McHugh
McKay
McKinney
Maguire
Markey
Marks
Marlenee
Marriott
Martin
Mathis
Matsui
Mattox
Mazzoli
Mica
Michel
Mikva
Miller, Calif.
Miller, Ohio
Mineta
Minish
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Montgomery
Moore
Moorhead, Calif.
Moorhead, Pa.
Mottl
Murphy, Ill.
Murphy, N.Y.
Murphy, Pa.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nedzi
Nelson
Nichols
Nolan
Nowak
O'Brien
Oakar
Oberstar
Ottinger
Panetta
Pashayan
Patten
Patterson
Paul
Pease
Perkins
Petri
Peyser
Pickle
Preyer
Price
Pritchard
Pursell
Quayle
Quillen
Rahall
Railsback
Rangel
Ratchford
Regula
Reuss
Rhodes
Richmond
Rinaldo
Ritter
Roberts
Robinson
Roe
Rose
Rosenthal
Rostenkowski
Roth
Rousselot
Roybal
Royer
Rudd
Runnels
Russo
Sabo
Satterfield
Sawyer
Scheuer
Schroeder
Schulze
Sebelius
Seiberling
Sensenbrenner
Shannon
Sharp
Shelby
Shumway
Shuster
Simon
Skelton
Slack
Smith, Iowa
Smith, Nebr.
Snowe
Snyder
Solarz
Solomon
Spellman
Spence
St Germain
Stack
Staggers
Stangeland
Stanton
Stark
Steed
Stenholm
Stewart
Stockman
Stokes
Studds
Stump
Swift
Symms
Synar
Tauke
Taylor
Thomas
Traxler
Trible
Udall
Ullman
Van Deerlin
Vander Jagt
Vanik
Vento
Volkmer
Walgren
Walker
Wampler
Watkins
Waxman
Weaver
Weiss
White
Whitehurst
Whitley
Whittaker
Whitten
Wilson, Tex.
Winn
Wirth
Wolff
Wolpe
Wright
Wyatt
Wydler
Wylie
Yates
Yatron
Young, Fla.
Young, Mo.
Zablocki
Zeferetti

NAYS—1

Lloyd

ANSWERED "PRESENT"—3

Beilenson
Guarini
Williams, Mont.

NOT VOTING—45

Ambro
Anderson, Ill.
Ashley
Bethune
Bolling
Bonior
Bonker
Bowen
Brown, Ohio
Burton, John
Chappell
Chisholm
Conyers
Daniel, Dan
Davis, S.C.
Deckard
Derrick
Diggs
Duncan, Oreg.
Flood
Ford, Mich.
Forsythe
Garcia
Gaydos
Goldwater
Hall, Ohio
Hansen
Hubbard
Johnson, Calif.
McCloskey
Madigan
Mavroules
Mikulski
Mitchell, Md.
Obey
Pepper
Rodino
Santini
Stratton
Thompson
Treen
Williams, Ohio
Wilson, Bob
Wilson, C. H.
Young, Alaska

☐ 1100

Mr. GILMAN and Mr. ENGLISH changed their vote from "present" to "yea."

So the motion was agreed to.

The result of the vote was announced as above recorded.

IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 4388, with Mr. SHARP in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the unanimous consent agreement, the gentleman from Alabama (Mr. BEVILL) will be recognized for 1 hour, and the gentleman from Indiana (Mr. MYERS) will be recognized for 1 hour.

The Chair now recognizes the gentleman from Alabama (Mr. BEVILL).

Mr. BEVILL. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, we bring to you today the energy and water development appropriation bill for 1980. I am joined in this effort by my colleagues on the Energy and Water Development Subcommittee who have worked long and hard to bring this legislation to the floor, the gentleman from Massachusetts (Mr. BOLAND), the gentleman from West Virginia (Mr. SLACK), the gentlelady from Louisiana (Mrs. BOGGS), the gentleman from Florida (Mr. CHAPPELL), the gentleman from California (Mr. BURGENER), and the gentlelady from Nebraska (Mrs. SMITH). Let me also make special mention of our two newest subcommittee members, the gentleman from South Carolina (Mr. JENRETTE) and the gentleman from California (Mr. DIXON). They have been a welcome and positive addition to our deliberations. Finally, let me express sincere appreciation to our ranking minority member, the gentleman from Indiana (Mr. MYERS). As in years past, he and I and the entire subcommittee have worked together without any trace of partisanship to fashion a bill that meets the present and future needs of our entire country.

Mr. Chairman, the bill before the committee today would provide $10,679,540,000 in new budget authority to the Department of Energy, the Army Corps of Engineers, the Bureau of Reclamation, and seven independent agencies and commissions. This is $517,288,100 more than was provided in last year's appropriation legislation but it is $332,570,000 less than the amounts requested in the President's 1980 budget.

WATER RESOURCE PROJECTS

Let me point out for those of you who remember the considerable amount of confusion that was evident last year, these comparisons do not include the full funding budget requests for new water resource projects which are included in the bill. Actually, the total budget request before the subcommittee was $11.5 billion. We considered the question of full funding and had a special hearing with officials from OMB. We are recommending that full funding not be adopted at this time. Frankly, in my judgment, there were no sound reasons offered for this proposal. It would only serve to enhance the discretionary power of the executive branch at the expense of the Congress while offering little if any prospect for better management of or lower costs for water resource development projects. In the details of the report and in my discussion today, the comparison will reflect the budget request with the amounts for full funding removed.

Mr. Chairman, I have been thinking about the controversy that surrounded the consideration of this bill last year—particularly in the area of water resource development. Frankly, I was amazed by some of the statements in the press as well as those coming out of the administration, which were repeated on the floor of this House, about the activities of the Federal Government in the water resource development area. In my judgment, what is needed is a reexamination and a clearer understanding about what these various projects and activities are designed and built to accomplish. Let me recall the eloquent words of our fifth President—James Monroe—made on the occasion of his first inauguration in 1817:

> Other interests of high importance will claim attention, among which the improvement of our country by roads and canals, proceeding always with a constitutional sanction, holds a distinguished place. By thus facilitating the intercourse between the States we shall add much to the convenience and comfort of our fellow-citizens, much to the ornament of the country, and, what is of greater importance, we shall shorten distances, and by making each part more accessible to and dependent on the other, we shall bind the Union more closely together. Nature has done so much for us by intersecting the country with so many great rivers, bays, and lakes, approaching from distant points so near to each other, that the inducement to complete the work seems to be peculiarly strong. A more interesting spectacle was perhaps never seen than is exhibited within the limits of the United States—a territory so vast and advantageously situated, containing objects so grand, so useful, so happily connected in all their parts!

We recall these memorable words not to beckon us to olden days and simpler times, but to remind us that our forbearers had the wisdom to nurture and to strengthen our national resource base by making those investments in the capital stock that would augment and expand our capabilities and our standard of living for their own and future generations. By building on the work that nature herself had begun, we have inherited a country that allows us to enjoy a level of prosperity unequaled in the history of man. But the work is not complete. America is not a static, changeless society. We are growing and we are changing. We must insure that our current resource base and our capital stock is not only maintained but improved and enhanced—"to complete the work"—that nature and our ancestors have begun. To this end, our water resource development program has served us well. The nature and the extent of the benefits of this program are outlined and discussed in the early pages of our committee report. The projects and activities recommended in the bill for the 1980 fiscal year will continue this excellent record of achievement and accomplishment.

ENERGY

Mr. Chairman, we are facing perhaps the most serious peacetime crisis in our recent national history—increasing dependence on foreign energy supplies, principally oil, a resource which is finite and limited. Only recently have we, as a nation, awakened to this ominous situation. The 1973 oil embargo and the resulting shortage of gasoline and other petroleum fuels was the first chapter in a story that has become increasingly difficult to ignore. In the winter of 1976–77 we had an unusually cold winter in many parts of our country and we found that natural gas was in short supply. In the year that followed, the Nation experienced a nationwide coal strike, with the loss of economic output and jobs. In the past year we have had two very important developments in the energy field: The enactment of those five public laws known generically as the National Energy Act; and the disruption of Iranian oil shipments to the United States and other countries along with an accelerated spiral of oil prices by the OPEC producers. It is clear that the developments in Iran serve to underscore once again the peril of continuing to depend on a few distant countries who do not share Western values on the importance of stable, dependable commercial relationships and enforceable contracts. Even before this, our national consumption of imported oil continued to be costly for our international balance of trade and damaging to our national security. During the 4-year period from 1975 through 1978, our consumption of imported oil increased by some 35 percent. As in 1973 and 1974, we are again experiencing increasingly short supplies of gasoline and other fuels in various sections of the country as well as sharp increases in the price to the consumer. Some economic forecasters were predicting an economic slowdown or a possible recession earlier this year. Hopefully, our economy will be strong enough in the coming months to sustain economic growth despite these developments.

On the positive side, the 95th Congress labored for many months to pass the national energy legislation. It provides the executive branch with a broad range of new and expanded authorities to deal with our energy problems. I am hopeful that Secretary Schlesinger and other responsible officials in the executive branch will use these new provisions of law to help foster the economic and regulatory climate that will insure that the private sector can plan and act in a rational and responsible manner in dealing with our growing energy supply problems. We discuss these and related energy supply problems on pages 8 through 11 of our committee report.

The Nation has only two domestic energy sources that can be used in the near term to reduce our dependence on foreign supplies and provide a sound basis for continued growth in our standard of living: coal and nuclear energy. Consistent with the public health and safety, we must move forward with these technologies. If the necessary steps are not taken, I fear we will face economic and political chaos in the late 1980's and 1990's.

Mr. Chairman, I would now like to cover the major components of the bill.

TITLE I—DEPARTMENT OF ENERGY

Mr. Chairman, title I of the bill contains $6,395,074,000 for the Department of Energy, which includes $2,464,501,000 for energy supply, research and development. This recommendation reflects the basic resolve of the committee to provide a prudent level of funding for all energy technologies which can reasonably be expected to enhance our domestic energy supplies in the short and long term. We are recommending $503,233,000 for the solar energy applications and technology development programs, an increase of $61,846,000 over the 1979 appropriation. In the past few years, the Congress has provided for significant increases in the solar program, as can be seen from the table I shall place in the record at this point:

Federal appropriations for solar energy research

Fiscal year:	
1974	$15,000,000
1975	43,000,000
1976	115,000,000
1977	294,000,000
1978	368,500,000
1979	441,387,000
1980 recommendation	503,233,000

Including the biomass program and funding for solar-related research in other DOE programs, the bill provides a total of $604,229,000 compared to a total of $515,834,000 last year.

The bill includes $140,802,000 for geothermal energy research, $18,324,000 for hydroelectric power development, and $57,796,000 for biomass, an increase of $14.8 million of the 1979 amount. For fission energy research, the bill contains $882,088,000, which is over $192 million less than the current level. This difference reflects the decision not to include any funding for the Clinch River breeder project or the increased funds for the study of a larger breeder project as proposed by the administration. It is well known that the President is opposed to the Clinch River project while at the same time he has stated his strong support for continued breeder reactor research. On May 7, the GAO issued a comprehensive report on the Clinch River project, reviewing the various objections and criticisms stated by the President and others in the administration. GAO finds little merit in any of these criticisms and concludes that the safest, most orderly way to continue a strong, viable breeder reactor progam would be to build the Clinch River breeder reactor. The House Science and

Technology Committee has voted to continue the project while a committee in the other body has voted to authorize the President to terminate the project. Given this uncertainty and considering the GAO finding that we are rapidly approaching the point where further funding would be wasteful unless a decision is made to actually build the project, the Appropriations Committee is recommending that funding be deferred until the authorizing committees of the Congress have resolved the issue.

Mr. Chairman, let me also mention that included in the recommendation for fission energy research, nearly $200,000,000 is for commercial waste management research and development.

For civilian applications of fusion energy, we are recommending $367,505,000, including $10,100,000 under a new heading "inertial confinement fusion—civilian applications." Previously, this work was done almost entirely for military applications but its potential for civilian applications is now more apparent and should be recognized. The bill includes $96,642,000 for electric energy systems and storage research, an important area with the potential for near-term application in the electric generation and transmission field. Finally, we are recommending $269,258,000 for environmental research and development work and $244,153,000 for basic energy research. Both of these areas have received substantial increases in recent years and funding levels recommended for 1980 will allow for the continued expansion of these important activities.

For uranium supply and enrichment activities, the bill provides net new budget authority of $64,523,000 which will provide for total obligations of $1,374,523,000 offset by $1,310,000,000 in revenues from the sale of uranium enrichment services carried out at Oak Ridge, Tenn., Paducah, Ky., and Portsmouth, Ohio. The recommendation includes $322,675,000 for the continued construction of a new centrifuge enrichment facility at the Portsmouth location.

Under the heading of general science and research, the recommendation of $469,050,000 will finance advanced energy research as well as more fundamental scientific inquiry—areas of research which are basic to man's understanding of the structure of the universe.

A total of $2,896,796,000 is recommended for the various atomic energy defense activities including inertial confinement fusion, naval reactors development, defense waste management and the research, development, testing and production of strategic and tactical nuclear weapons.

For the central administrative expenses of the Department, we are recommending $266,344,000, a reduction of $47,743,000 from the budget request.

For the five power marketing administrations, we are recommending separate appropriations and funds totaling $166,492,000. A separate appropriation is also recommended for the Federal Energy Regulatory Commission in the amount of $67,187,000, which is $6,750,000 less than the budget but nearly $16 million more than the amount available in 1979.

For the geothermal resources development fund, $181,000 is provided for certain administrative expenses and the limit on the aggregate amount of guaranteed loans would be increased from $300,000,000 to $350,000,000, as requested in the budget.

TITLE II—DEPARTMENT OF DEFENSE—CIVIL

Title II of the bill would provide $2,771,466,000 in new budget authority for the civil works program of the Army Corps of Engineers. This amount is $135,442,000 more than the 1979 level and $57,506,000 more than the budget request. These comparisons do not include $339,740,000 requested but not recommended for full funding. The recommendation will finance 22 new and 251 continuing studies, 10 new and 70 continuing planning items and 17 new and 227 continuing construction projects. The committee is recommending $142,221,000 for general investigations, $1,441,216,000 for construction, general, $210,515,000 for flood control, Mississippi River and tributories and $850,314,000 for the operation and maintenance of completed water resource facilities and structures. A total of $127,200,000 is recommended for the revolving fund, general expenses and special recreation use fees.

TITLE III—DEPARTMENT OF THE INTERIOR

Mr. Chairman, title III of the bill contains $615,578,000 for the Bureau of Reclamation, which is $35,663,000 more than the amount provided in 1979 and $13,851,000 more than the budget request. These comparisons do not include $147,734,000 requested but not recommended for full funding. This recommendation will finance 11 new and 65 continuing studies, 7 continuing planning items and 6 new and 93 continuing construction projects. The bill includes $36,855,000 for general investigations and $215,453,000 for construction and rehabilitation. The bill also contains $73,203,000 for the Upper Colorado River Storage Project, $94,217,000 for the Colorado River Basin Project and $38,194,000 for Colorado River Basin Salinity Control Projects, and $29,603,000 for the loan program; $128,053,000 is recommended for operation and maintenance and general administrative expenses.

TITLE IV—INDEPENDENT AGENCIES

For the seven independent agencies and commissions in title IV, a total of $897,422,000 is recommended, which includes $359,490,000 for the Appalachian program, $490,000 for the Delaware River Basin Commission, $55,000 for the Interstate Commission on the Potomac River Basin, $353,340,000 for the Nuclear Regulatory Commission, $314,000 for the Susquehanna River Basin Commission, $146,177,000 for the Tennessee Valley Authority and $37,556,000 for the Water Resources Council.

Mr. Chairman, during the development of this bill, over 2,000 people appeared before the subcommittee of which 700 presented testimony including Members of Congress, Governors of several States, officials from the executive branch, State and local governmental officials and private citizens. The hearings are contained in 13 printed volumes totaling 10,685 pages.

Mr. Chairman, I would like to call to the Members' attention printing errors in the report. On page 76, in the Department of Energy—program costs table, on the "construction" line the figure "$1,070,730" under the column "Fiscal Year 1980 estimates" should be "$970,730." In addition, no headings precede the tables on pages 86, 88, 90, 92, 94, 96, 150, and 152, but are shown on subsequent pages. On page 138, the last sentence in paragraph 3 should read—

> The committee's recommendations for 1980 include the 100 additional positions for the nuclear reactor regulatory program with the stipulation that these be available solely for the purpose of continuing to license nuclear plant construction and operation.

Mr. Chairman, I urge passage of this bill.

□ 1120

Mr. ADDABBO. Mr. Chairman, will the gentleman yield?

Mr. BEVILL. I yield to the gentleman from New York.

Mr. ADDABBO. I thank the gentleman for yielding.

Mr. Chairman, this bill contains $11 million for operations of the laser laboratory at the University of Rochester in New York State, and I, and our colleague, Mr. STRATTON, are very pleased that the committee has seen fit to include this money in the bill.

I would hope, however, that in conference with the Senate that consideration might be given by House conferees to the inclusion of funds for R. & D. purposes. In my viewpoint, this would be a worthwhile and wholly commendable addition in an area of research that holds strong promise for innovative breakthroughs in years to come.

Additionally, my colleagues from New York State and I have observed the funding tendencies insofar as university research is concerned, and it is our belief that New York State has been shortchanged significantly in comparison to other States. We have no complaint with providing research facilities throughout the United States, since there is no lack of talent anywhere, but we do implore the committee to provide our outstanding institutions with their fair share of research funds, especially in this area which may make such a vast improvement in the American way of life somewhere down the road a ways.

I know that the chairman and the rest of the committee members have always given full consideration to worthwhile scientific research proposals and I have no doubt that they will give this project a full and objective hearing. My purpose in raising this subject now is only to bring it to the attention of the committee for its consideration in conference.

Mr. BEVILL. I thank the gentleman for his contribution.

Mr. WHITTEN. Mr. Chairman, will the gentleman yield?

Mr. BEVILL. I yield to the gentleman from Mississippi.

Mr. WHITTEN. I thank the gentleman for yielding.

Mr. Chairman, I rise at this point to correct two errors in the report on page 102. In the paragraph regarding the road from Gums Crossing to an including Graysport Crossing, the referance to Enid Lake is incorrect, and should be changed to Grenada Lake. In addition, the words, "and maintain" should be deleted.

I would also like to take this opportunity to commend the gentleman from Alabama (Mr. BEVILL) for the tremendous job he has done in handling this program through the years.

Mr. BEVILL. I thank the gentleman.

Mr. WHITTEN. As we have discussed in the hearings, we are overdrawn in just about every financial bank in addition to our debt. This bill is one place we have held our own is in looking after our country. A big part of seeing that we do not deplete our natural resources, which is our real wealth, rests in the hands of the gentleman from Alabama and his colleagues on the committee, plus the support of those in the Congress. We cannot afford to let our country go down, and the gentleman from Alabama is in the forefront of calling this to the attention of the American people.

In connection with nuclear power, may I point out that just one nuclear application takes several years to complete, and by having the people they need, the Nuclear Regulatory Commission can continue their work without causing large delays and additional costs. We have reports from high levels in the administration that they are going to help the Nuclear Regulatory Commission, to see that the experts they need are available to continue with the work in connection with these licenses. This does not change the fact that some permits may be held up, but they will be granted when the time comes.

□ 1130

Mr. PERKINS. Mr. Chairman, will the gentleman from Alabama yield to me?

Mr. BEVILL. I yield to the gentleman from Kentucky.

Mr. PERKINS. Mr. Chairman, I personally wish to compliment the distinguished chairman of the civic functions Subcommittee on Appropriations; the minority ranking member, the gentleman from Indiana (Mr. MYERS), and all of the members of this subcommittee.

I think the House of Representatives is indeed very fortunate to have a gentleman heading this subcommittee of the caliber of the gentleman from Alabama (Mr. BEVILL).

This is a very important subcommittee, dealing with the resources of this Nation, and to see that these resources are developed in the right manner, certainly places tremendous responsibility on the chairman, and I cannot think of any chairman during my tenure in the House of Representatives who has done a more outstanding job than the gentleman from Alabama. He has been most considerate with every Member. I think that I can speak for the Members in admiring the way that he has handled this committee when Members have a project that they are interested in and they go before the gentleman's committee, they are given the consideration that they should receive.

He also discusses all of the intricacies and all of the ramifications of every project with them and gives them the opportunity to make their case, and if it is not a good case, he has always had the guts to tell the Members that it is not a good case in the subcommittee.

This is one of the most remarkable subcommittees, to my way of thinking, in the U.S. Congress. I certainly want to take my hat off to the gentleman.

Mr. BEVILL. Thank you.

Mr. FINDLEY. Mr. Chairman, will the gentleman yield?

Mr. BEVILL. I yield to the gentleman from Illinois?

Mr. FINDLEY. I want to thank the gentleman, the chairman of the subcommittee, as well as the senior Republican on the subcommittee, for acting so promptly to meet an extraordinary flood damage problem that has hit the Magee Creek Levy Drainage District on the Illinois River.

I feel that the subcommittee went out of its way to accommodate this extraordinary problem. I wanted to express my appreciation.

Mr. BEVILL. I thank my colleague.

Mr. EDGAR. Mr. Chairman, will the gentleman yield?

Mr. BEVILL. I yield to the gentleman from Pennsylvania.

Mr. EDGAR. I thank the gentleman for yielding.

I would like to commend the gentleman in the well for the movement that the gentleman has made.

I know that I have made some critical comments a year ago of the actions of the gentleman's subcommittee. I think that this year the gentleman's report and the gentleman's bill comes out in much better fashion than I had expected or thought that it would. I want to take a moment to thank the gentleman for his efforts.

I think all of us are concerned, as the gentleman mentioned in his statement, about a water policy based on merit and an energy policy based on need.

I think if we focus as clearly as possible on those projects throughout the Nation from whichever State and whichever region that are cost benefit wise of value, that do provide flood protection, that do provide the kind of water supply needs to the arid parts of our country that need water, that we are moving in a very positive direction.

I think our arguments over the years have been which projects have merit but not on the fact that water policy is critical to our Nation.

There are a number of scientists who have said that the water crisis will in fact equal the energy crisis as the years go on.

It will not simply be the water crisis of supply in certain Southern and Western States, but also the water crisis of supply in some of the Northeast and Midwest States that have the delivery problem of older infrastructures, wooden pipes, delivery systems of water supply to large populations of people that are very extensive.

Over the next couple of years in the eighties and nineties we are going to have to look at New York City, Boston, Philadelphia, and Chicago and some of the systems in cities that do not normally come to the chairman for help with projects that relate to large water supply systems.

I would like to say that, while I commend the gentleman for the effort this year to look at a quality water policy, there are certain projects that still remain within the authorized legislation and, in fact, within this bill that some of us will speak out against.

I think that the chairman should recognize that, while we may be concerned about the Stonewall Jackson Dam in West Virginia or some other dam, that we are not saying that there has not been movement on both sides in moving toward a national water policy based on merit and not simply based on the politics of porkbarrel or boondoggles.

I thank the gentleman.

Mr. BEVILL. I thank the gentleman from Pennsylvania.

Mr. JENRETTE. Mr. Chairman, will the gentleman yield?

Mr. BEVILL. I yield to the distinguished member of the subcommittee, the gentleman from South Carolina.

Mr. JENRETTE. This, I guess, is somewhat of a self-serving sort of statement. This is my third term in Congress, and I have been on four committees, about 15 subcommittees; and I would say to the chairman and staff and members of the committee, I have never seen an individual with more patience than the chairman of this subcommittee that I have the privilege of serving on.

He sat there day after day and listened to over 700 witnesses who provided meritorious comments and comments of great concern for the Nation, and I would say to my friend from Pennsylvania, I hope that we, on this subcommittee, have tried to begin the movement of a policy that would not be that of porkbarrel, but would be of one of a national energy and water policy. We turned down a number of projects which were requested if they were not justified. This subcommittee under the leadership of the gentleman from Alabama turned down a number of projects.

I just want to commend the chairman and the staff and all of the members of the subcommittee. I have enjoyed serving with all of them. No subcommittee has a chairman who has been more fair to the new members and been more patient with the citizens and agencies than has the gentleman from Alabama.

I am just pleased and honored as a freshman member on the subcommitte to have the privilege of serving with such a fine gentleman.

I think the leadership of the gentleman of Alabama will be one that will bring about a national policy, not a political policy, but a national policy, looking at the needs of energy and water in this country. I am just delighted to have the opportunity to serve on the subcommittee.

Mr. BEVILL. Thank you.

Mrs. BOUQUARD. Mr. Chairman will the gentleman yield?

Mr. BEVILL. I yield to the gentlewoman from Tennessee.

Mrs. BOUQARD. Mr. Chairman, I rise in support of the energy and water resources appropriations and commend my colleagues on the committee, especially the chairman of the subcommittee from Alabama, for their strong support of energy related initiatives in this bill. I note that the appropriations committee indicated its intent to await final House action on the authorization for the Clinch River breeder project. As many of my colleagues know, the Science and Technology Committee authorized $183 million to maintain important progress on the project, acknowledging among other things the seriousness of our energy struggle and the need to fully demonstrate every domestic energy source possible. In the face of increasing unrest once again in Iran, anything less would be a refusal to face up to reality. At this point Mr. Chairman, I would like to address a question to my esteemed friend from Alabama (Mr. Bevill). Is my understanding correct that if the House of Representatives should support the position taken by the Science and Technology Committee in authorizing $183 million for the Clinch River project in fiscal year 1980, then the gentleman's subcommittee would move in a timely manner to bring such an appropriate bill to the House floor?

Mr. BEVILL. That is correct. I commend the gentlewoman for the leadership that she has exhibited on the Clinch River breeder project. I know of no person who has been out front more and worked harder on the project. Certainly, the gentlewoman has always had the support of the majority of this House, a good majority, and a good majority of the other body.

The gentlewoman also has the General Accounting Office who made a study and has come forth with a report which confirms the position that the gentlewoman has been advocating all the time. I am hoping that the administration will work something out with your authorizing committee. Most of us on the Appropriations Subcommittee are most anxious to see this project built. Certainly we are going to take up the funding issue immediately after the authorization gets put into effect.

Mrs. BOUQUARD. I certainly thank my chairman.

I also commend my colleagues on the Appropriations Committee for supporting an aggressive response by the Nuclear Regulatory Commission to fully implement the lessons learned from the Three Mile Island incident. Under the direction of Dr. Harold Denton, the NRC has reassigned staff to assure expediting of approvals for continued operation of plants and the timely issuance of operating licenses and construction permits reflecting our important experience of how to improve the safety of today's nuclear powerplants. The committee's actions reinforce the need to move forward in a substantive and responsible manner to keep our nuclear plants in operation and to bring those plants about to start up on line as soon as is humanly possible.

The Department of Energy has just forecast the need to divert precious oil for electricity to replace nuclear units out of service. This oil is needed now for gasoline and diesel fuel to keep our economy alive. Hopefully, the NRC will read our vote today as an expression of concern about the unavailability of these plants. The equivalent of those facilities is 250,000 barrels per day or half of our imports from Iran. Approximately the same amount of capacity, including TVA's Sequoyah I, is awaiting approval of operating licenses. So with some prompt attention, we could have the oil equivalent of Iran's exports to the United States over the next several months. It is this urgent national, and genuinely public, interest to which NRC should dedicate its resources.

Our strong support for this bill should be read as an acknowledgement of the conclusions recently reached by GAO in the report entitled "Questions On the Future of Nuclear Power: Implications and Trade-Offs." If actions are taken to limit or halt the growth of nuclear power, then actions to limit electricity, as we must gasoline and diesel fuel, will be necessary. Our constituents will not tolerate this constraint on their daily lives. I urge my colleagues to strongly support this bill.

□ 1140

Mr. BAUMAN. Would the gentleman yield?

Mr. BEVILL. I yield to the gentleman from Maryland such time as he may consume.

Mr. BAUMAN. I just want to say to the distinguished chairman of the subcommittee on behalf of the hundreds of thousands of citizens of Maryland I have the honor to represent who live on the shores of the beautiful Chesapeake Bay, that all of us appreciate the interest shown by the gentleman from Alabama, the gentleman from Indiana (Mr. Myers) in the several projects for our area that are included in this bill. This includes the corps study for Smith Island, that gallant and fiercely independent little island out in the middle of the Chesapeake which your committee rescued in this particular bill. We do appreciate your interest and we want to extend to the committee a standing invitation to allow us to arrange appropriate ceremonies, perhaps at Smith Island if that is your desire, replete with crab cakes, oysters, clams, and appropriate victuals to celebrate the interest you have shown in the great State of Maryland. We do appreciate this. My comments are in no way to be considered as an effort to influence your decisions on any future projects.

Mr. BEVILL. I thank the gentleman from Maryland, I am sure nobody would misinterpret your statement because it would be after the fact, would it not?

Mr. BAUMAN. The gentleman is correct. I would add, Mr. Chairman, that in addition to the $95,000 contained in this bill for the further work on the Smith Island erosion control study, there is also included $72,000 for further studies on the Chesapeake City bridge which was recently reconstructed by the corps, as well as $2,515,000 for the continuing Chesapeake Bay study being conducted by the corps at the Chesapeake Bay model at Matapeake in Queen Anne's County.

The bill also contains funding for maintenance and dredging in the amount of $300,000 for the Ocean City Inlet; $175,000 for the dredging of Lower Thorofare and Deale Island and $185,000 for work at St. Peter's Creek in Somerset County.

All of these projects are of great importance to our watermen and our economy and I again thank the committee for its consideration.

Mr. CORRADA. Would the gentleman yield?

Mr. BEVILL. I yield such time as he may consume to the gentleman from Puerto Rico.

Mr. CORRADA. Mr. Chairman, I would like to commend the chairman of the subcommittee.

Mr. Chairman, I rise to express my strong support for H.R. 4388, which makes appropriations for energy and water developments for the fiscal year ending September 30, 1980.

In particular, under the Army Corps of Engineers section of title II, the following appropriations are made for Puerto Rico: Under general investigations—$170,000 for phase I of San Juan Harbor; under general construction—$150,000 for Ponce Harbor and $7,300,000 for the Portugues-Bucana Rivers. These are projects of major importance in my State. In the case of Ponce and San Juan Harbors, they are the ports of entry for the majority of goods coming into Puerto Rico and the work being conducted by the Army Corps of Engineers insures the easy accessibility to those ports by ships bringing cargo to the island. The Portugues-Bucana project is a major flood control program on the southern part of Puerto Rico.

In addition, and also under the general investigations section of the Army Corps of Engineers, it is my understanding that $450,000 is provided for a small craft navigation study of the Martin Peña Canal. These funds are provided under the item calling for coordination studies with other agencies. As many of my colleagues know, the cleanup and development of the Martin Peña Canal, which runs through the capital city of San Juan, is of great interest to myself and to the government of Puerto Rico.

The Committee on Appropriations should be commended for their work and I urge all my colleagues to support this legislation.

Mr. BEVILL. I thank the gentleman very much.

Mrs. BOGGS. Would the gentleman yield?

Mr. BEVILL. Yes, I will yield to our lovely member of the committee. We have two lovely gentlewomen on our subcommittee. I yield to the gentlewoman from Louisiana (Mrs. Boggs).

Mrs. BOGGS. Mr. Chairman, I would like to join your colleagues in praising our chairman and our ranking minority member, all of the members of the subcommittee, and the staff for long hours of hard and effective work and for bringing to the floor a bill that is very well thought out for two of the most precious resources that humanity has: Water resources, which are not renewable, and energy resources, some of which are not renewable.

I would like to point out most especially my own appreciation for keeping our ports open and clear for traffic, adding to our favorable balance of payments. These ports allow our agricultural products and all of our various products to go through our inland waterways and out to the rest of the world. I am also happy for the flood protection that you, of course, have provided for.

I would especially like to share with our colleagues on the floor of the House the excitement that our committee has felt in providing funds for the many alternative sources of energy that we have considered. We are all very excited on the committee about the $604 million for solar energy. This is an increase of $88 million, a 17-percent increase over the current appropriation.

I think some of the success stories will evolve as we continue this debate.

We should also think about the $16 million in TVA that is going to solar applications and about the $74 million in tax credits that will go to various types of solar installations. In addition, of course, there are other exciting projects in solar being performed by NASA in cooperation with the Department of Energy.

So, I think the gentleman should take great pride, Mr. Chairman, for bringing to the floor a bill with this magnificent display of interest and alternatives to energy so that we can make our country safe and free from having held over our heads the fact that we have to import so much of our energy.

I thank the gentleman very much.

Mr. BEVILL. I thank the gentlewoman from Louisiana.

Mrs. SMITH of Nebraska. Mr. Chairman, will the gentleman yield?

Mr. BEVILL. I yield to another very outstanding and lovely member of our Appropriations Subcommittee, the gentlewoman from Nebraska (Mrs. SMITH).

Mrs. SMITH of Nebraska. Mr. Chairman, I would like to add to those of my colleagues my appreciation to our wonderful chairman and our ranking minority member and to the staff. I think no greater privilege could come to me than to have had the privilege of working with all of you and with the other members of the committee.

Our chairman has listened patiently while 2,000 witnesses have testified, always fair, never any consideration of politics in our committee. We think our chairman is the greatest, and I am particularly personally appreciative of the chairman's understanding and sympathy for the needs of the dry lands areas of our countries, half the United States, which he has made productive because we could add water along with the desperate need for flood control and the inestimable advantage that have come from these water programs.

I want to thank the chairman and say that we are deeply appreciative.

Mr. BEVILL. I thank the gentlewoman.

Mr. GILMAN. Mr. Chairman, will the gentleman yield?

Mr. BEVILL. I yield to the gentleman from New York.

Mr. GILMAN. Mr. Chairman, I rise in support of this important public works legislation. H.R. 4388, the Energy and Water Development Appropriations Act for fiscal year 1980, on which the able subcommittee chaired by our distinguished colleague from the State of Alabama (Mr. BEVILL) and the distinguished ranking minority member, the gentleman from Indiana (Mr. MYERS), and the Appropriations Committee, under the able leadership of our distinguished colleague from the State of Mississippi (Mr. WHITTEN), labored so long, and so well.

This is sound legislation, deserving of our full support. However, more is at stake here than just the water development projects included in this legislation. The issue once again is that of the right by the House of Representatives to initiate such appropriations.

A good example of the worthiness of this legislation is the Upper Wallkill River, N.Y., flood control project, a matter which has been of grave concern to me and to my constituents.

That this project is essential is beyond dispute. More than a third of all of the onions consumed east of the Mississippi River are grown in the rich "black dirt" area of Orange County, N.Y. This fertile muckland has time and time again been inundated by flood waters, partially due to the incompleted flood control project begun by the old Civilian Conservation Corps back in the early 1930's.

As a result of the continual flood waters, millions of dollars' worth of crops have been lost over the years—$12.5 million as a result of Hurricane Agnes alone. As a result of these massive crop losses, more and more of our vegetable growers have had to go hat in hand to Federal agencies for financial assistance, and more and more are going bankrupt. Last year, our biggest grower was forced to declare bankruptcy. Those farmlands were sold on the auction block, and bid in by the U.S. Department of Agriculture, compounding the Federal Government's sin of throwing bad money after good.

Despite the critical nature of this flood-stricken area, I regret to state that we have been unable to convince our friends at the other end of Pennsylvania Avenue of the need for this worthy project.

Last January, when the executive budget was announced, we discovered to our dismay that the second year of the 2-year study of the Walkill flood project by the Corps of Engineers was not approved. The Office of Management and Budget has informed us that we had been assigned a "low priority" because farms, not urban areas, were being affected.

We again brought this flood project before the House Subcommittee on Energy and Water Development, and again we received a fair and thorough hearing.

Mr. Chairman, the members of the appropriations subcommittee had the time and the expertise to consider not only this but every other proposed project throughout the Nation in detail. The subcommittee carefully considered and weighed the facts on all of these projects, and the result is this comprehensive legislation which we are now considering.

An unfortunate precedent would be established if we do not follow the recommendations of the subcommittee. Our friends at the other end of Pennsylvania Avenue neither have the time nor the manpower to adequately analyze each and every necessary project. The bureaucracy does not have that kind of direct responsibility to the people which is invested in this body, the elected representatives of the people.

Accordingly, Mr. Chairman, I ask my colleagues to applaud the good work by the Appropriations Committee and its Subcommittee on Energy and Water Development, by passing this important legislation as reported by the committee.

Mr. BEVILL. I thank the gentleman.

Mr. ABDNOR. Mr. Chairman, will the gentleman yield?

Mr. BEVILL. I yield to the gentleman from South Dakota.

Mr. ABDNOR. Mr. Chairman, I thank the gentleman for yielding to me. I just have to add my thanks and appreciation to the chairman and to the ranking Republican member on the committee, and to the other members of the committee and the staff for their kind consideration. They always give all of us time, and I know the patience and the tough decisions they have to reach after hearing us. I am sure I speak for all of us when I say that we are truly grateful.

One thing went through my mind, Mr. Chairman, as I was listening to all the accolades coming to the gentleman from Alabama, which he so well deserves; the point I would like to make today is that we are talking about a substantial sum of money for energy and energy research, and this is very important.

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I think all of us here in Congress will admit readily that our phones have been ringing off their hooks because of the crying need for energy back in our districts. The thing that troubles me is that that need was just as great back in 1973 when I first came to Congress as it is today, and I have a hunch that it was apparent 10 years ago and people, and we in Congress, were refusing to do anything about it. Now today we are doing everything we can, only it is too much, almost too late. At least, we are on a proper course. We have a lot of alternatives for energy. We have an alternative that we should have pressed into use already, but we will be doing so soon.

Let me point out now as we talk about the water section, I hope we are not going to be shortsighted because every gallon of water we store up today, I can assure the Members, is going to be in great, great need 30 or 40 years down the road, and I hope we have enough foresight to see that. While we are not worried about it today, it is to come.

What are the alternatives to water?

We have them for energy, but we do not have them for water, and I think this is something this body should certainly keep in mind when we consider these appropriations.

Let me point this out, that in all of our appropriations for water, this is less than $4 billion, as I understand it, and when you take in a budget of $500 billion or $600 billion, I do not think this small amount is too much to consider in any way. It is way less than 1 percent of our total budget, and while I admit there is always a need for improvements and new criteria, these projects are badly needed.

Another thing I want to point out on our water projects, and the committee's, is the fact that these are all submitted to a rigid cost analysis, and I just wish that other expenditures that we make in government had a similar cost analysis.

Last, let me say this is one government expenditure that has a recovery to it in payment and benefits. I hope we keep this in mind.

Again I want to pay tribute to the gentleman and to the committee for the great job they are doing.

Mr. MYERS of Indiana. Mr. Chairman, will the gentleman yield?

Mr. BEVILL. I yield such time as he may consume to my good friend and colleague with whom I have worked so closely, the gentleman from Indiana (Mr. Myers), the leader and ranking member of our subcommittee. I am sure he will yield time to some of those who wish to speak.

Mr. MYERS of Indiana. I thank the gentleman for yielding.

Mr. Chairman, there is one advantage to coming in this late in a program. Just about everything that could be said about a good bill has been said. However, I, too, want to pay my compliments to a very fine subcommittee. In my tenure here in the House, I have served on a great many different subcommittees, and I must say without any reservation that the members of this subcommittee worked harder, longer, and with more dedication than any subcommittee on which I have had the privilege of serving. The staff is busy right now, and they do not have time to listen to the remarks I am making. The staff is very dedicated and nonpartisan. By observing the activities of some of our committees and subcommittees in the House, often necessarily the staff and even the members are somewhat partisan. I am pleased this morning to say that our activities and the things we do in this committee have never been partisan in the years I have served on this committee. I think that is a tribute to the chairman. It is a tribute to each of the members and certainly to the staff members who always consider what is best for our country.

The bill we bring to the Members this morning has been controversial this year, but less than in the past. One of the former great chairmen of this subcommittee often referred to this bill as the All American bill, and people would chuckle a little bit about the All American bill title. Others, perhaps kiddingly, perhaps wanting to get press attention, call these programs pork barrel or boondoggles, and the word has been used here this morning. I feel sorry for those individuals because either they do not understand the problems of our country or they do not understand our bill. Maybe it is a combination of both. But the bill we bring the Members today truly is an all American bill, and I will go back a few years and recapture that title we gave our bill because there is not a congressional district in this country that is not affected by this bill.

Many of the districts do not have water projects or public works projects, but the energy aspect, which is 60 percent of this bill, touches everyone in this country. Furthermore, it touches just about everyone around the world, because we are not alone on this planet in research for answers to our energy problems. The energy problems we are experiencing today are being experienced by the rest of the nations of the world and the people of the other countries. So we are researching together. But every dollar of this bill is invested in this country, not in some far-away country, where the results of which we will never see. The benefits we will experience particularly from the 60 percent of this bill that addresses the energy problems of our country will be enjoyed by everyone throughout the world.

Mrs. FENWICK. Mr. Chairman, will the gentleman yield?

Mr. MYERS of Indiana. I yield to my colleague, the gentlewoman from New Jersey.

Mrs. FENWICK. My colleague is kind. I am beginning to think, listening to this committee this morning, that none of us in Congress is really happy unless we have served on a committee with our charming colleagues, the gentleman from Alabama (Mr. Bevill) and the gentleman from Indiana (Mr. Myers). Life just is not the same.

Mr. MYERS of Indiana. We will give the gentlewoman the opportunity sometime.

Mrs. FENWICK. I would like to say something serious, and that is I have been hoping for some time that the cost-benefit ratio could be broadened to include loss of life. It seems to me tragic that this is not considered. I have known of one case in which if one more house had been involved, the cost-benefit ratio would have been adequate to have brought flood protection. But six lives were lost, and the Corps of Engineers was not permitted to take account of loss of life, was not encouraged to take loss of life into consideration. I have brought this up repeatedly, and I did so hope that perhaps this time this might be considered part of the equation when we are deciding where to put the dam. Has it been included?

Mr. MYERS of Indiana. I thank our colleague for bringing this matter to our attention. How does one put a dollar value on life?

Mrs. FENWICK. We must take it into consideration. Do not value it, but say, "we have this loss in property and the assessments all clear, and the sum is a little short, but six lives were lost, and that is something that also must be taken into consideration, without putting a money value on it. We have got to do this. It just sounds so unlike us to say, yes, we have property and we can measure it; therefore, we will put it in the equation, but not lives which cannot be valued. I do hope that loss of life can be considered, too.

I wonder if it would be proper, Mr. Ranking Member, and Mr. Chairman, if some of this dialog could be included so that we might see reference to loss of life, and give permission to the Corps of Engineers to take that into consideration.

Mr. MYERS of Indiana. I thank our colleague for her comments, and how appropriate they are. She is always one of the most compassionate Members of this body and is concerned about these kinds of problems. We, too, are concerned about them, not only in loss of life which is very tragic, but also the disruption of family life. The tragedy of floods are most visible when families have to go in and clean up the mud. If you have never done that, you do not know the loss. I have. I have lived along the Wabash River all my life, and have seen the disruption. For some people who live far away from these problems it is easy to say that those are pork barrels. I suppose there have been some of those in the past, but this committee has done everything to avoid any suggestion that any programs we have put in are similar or could even be accused of being such.

The gentlewoman is right. Last year I think there were 108 lives lost in this country over the preceding year from floods. This year I do not have the exact numbers. But just in February of this year within about 15 miles of my home, a very good friend of mine lost his son. He went off the road in a flood because the river came across the highway. He was coming home from work late at night, and he had an infant less than a month old at home. The high water washed him off the road because someone was more concerned about a butterfly someplace or a plant no one every saw than about human life.

I am glad my colleague brought this up. How true it is. One cannot put a dollar value on life. This bill puts things back in America to make life more beneficial.

Mr. BURGENER. Mr. Chairman, will the gentleman yield?

Mr. MYERS of Indiana. I yield to the gentleman from California, a very valued Member.

Mr. BURGENER. I thank the gentleman for yielding.

I think the gentlewoman makes a very good suggestion. Values, in terms of lost earnings or provider capacities, are placed on human life by actuaries for insurance companies and courts every day, and I think that what she is suggesting is that this computation be part of the equation. The net result of all of this, if our committee could consider it, would be more protection to the public by more effective flood control, for example, and I think in that sense we would most certainly want to give it serious consideration.

Mr. MYERS of Indiana. I thank my colleague for his remarks.

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Since we are on this subject of benefit and costs, the rules and laws require that we have to identify every measurable cost in every one of these projects. Whatever it might be, we have to crank in that cost. We are able to periodically increase those costs because of double-digit inflation today. We try to anticipate and project what the costs will be on every one of these projects. On the other side of the ledger, the benefit side, we never yet have been able to compute all the benefits or the dollar values. By law we cannot include some of the residual benefits such as increases in industry and employment that will come in because they have water or transportation. We are prohibited by law to include these benefits.

A great many benefits are not measured in today's benefit-cost analysis.

The chairman of the subcommittee, the gentleman from Alabama (Mr. BEVILL) identified what the benefits have been historically from flood control in this country. The gentleman pointed out there has been at least a $7 return for every $1 the taxpayer has invested.

What other bill does this Chamber ever consider that comes close to giving such a return to the investor. I would like to invest my dollars and get $7 back for each of them. That is what you can expect on one side, just the flood control side, of this bill. The energy side is immeasurable. We are going to benefit immeasurably from the exploration we are now engaging in on alternate sources of energy.

This is most certainly the all-American bill.

Mr. RUDD. Mr. Chairman, will the gentleman yield to me?

Mr. MYERS of Indiana. I yield to the gentleman from Arizona.

Mr. RUDD. I thank the distinguished Member from Indiana for yielding. I sincerely and earnestly hope that the Members here will listen carefully and closely to the important statements that have been made concerning this bill, this important bill.

Also, Mr. Chairman, I want to commend the esteemed chairman of the Energy and Water Development Appropriations Subcommittee, the gentleman from Alabama (Mr. BEVILL), along with the distinguished Member in the well, the ranking member of this subcommittee for their usual fair, thorough and prudent job in working up this important bill.

Many millions of Americans have benefited, and continue to benefit, from the construction projects and studies to provide increased energy and water supplies, flood control, recreational opportunities, and so forth, which are made possible by these annual appropriations.

As the report accompanying this bill points out, more than $57 billion in flood damages have been prevented throughout the country since 1968, as the result of flood control projects funded under these appropriations.

The people have benefited from more than $3 billion worth of electrical energy production from Federal hydroelectric generation, which now produces more than 136.8 billion of kilowatt hours annually.

The water projects funded under these appropriations have provided municipal, industrial, and irrigation water to more than 25,500,000 people annually. The value of agricultural production from the irrigation made possible is more than $4.4 billion every year.

Mr. Chairman, this bill provides $94.2 million for continued construction of the central Arizona project, which is now 32 percent complete and will eventually supply vital water supplies to the several million people of Phoenix and Tucson metropolitan areas, as well as to agricultural users throughout the region.

The CAP, comprising three separate aqueducts and one canal totaling 267 miles, associated facilities and pumping plants, will utilimately cost $1.7 billion. More than 86 percent of this cost will be repaid by the people of Arizona through municipal, industrial and irrigator water payments, ad valorem taxes, and other user fees.

State and county governments have already paid the costs of rights-of-way and relocation of facilities in connection with CAP construction. The small percentage of the CAP's total cost that will not be repaid by the people of my State comprises an amount deferred under Federal law for the Indiana water allocation, and certain flood control facilities totaling $130 million over the 12-year construction period.

This bill also provides $2.3 million for further construction of Indian Bend Wash, a flood control project in Scottsdale that will protect 2,300 acres of land and improvements in an area populated by 190,000 people. The estimated value of the property to be protected by this project is $305 million.

The average annual benefits of this project are more than $5.1 million for flood control, recreation, and area redevelopment. Indian Bend Wash will prevent $8.3 million in property damage from a storm of the intensity experienced by the area in June 1972, and $14.7 million in damages from a storm of the intensity experienced in August 1963, just 16 miles from the project site.

The Indian Bend Wash project is now 55 percent complete. As with the CAP, the total $35 million cost of this project will be fully repaid by the Arizona people benefiting from it, not by the taxpayers of the Nation at large.

Mr. Chairman, a third project of great importance to our people under this bill is the repair of Bartlett Dam, which was badly damaged as the result of four record storms in Arizona in the last 2 years. The committee approved $3 million for this purpose, which was authorized last year by passage of the Reclamation Safety of Dams Act.

Again, Mr. Chairman, I congratulate the members of the subcommittee for their work on the water development portion of this bill. Every region of the country will benefit from the projects funded under this appropriation. These are labor-intensive construction projects, which also provide productive jobs for tens of thousands of our people. This is money well spent, no matter how you look at it.

I continue to be concerned over the unwarranted high administrative costs in connection with the Department of Energy budget, which is also funded under this appropriation.

If it were not for the overwhelming positive benefits of the water programs in this bill, and a portion of the energy budget in the solar, geothermal, and nuclear areas, I would feel impelled to vote against the bill because of the unnecessary bureaucratic costs associated with the Energy Department.

I hope that this problem will be carefully reviewed and corrected in budget authorizations for the Energy Department, which come out of the Committee on Science and Technology, principle oversight committee for the Department's research and development programs.

Certainly, those of us on the Appropriations Committee will continue to work to reduce the high administrative costs of Energy Department programs. This is a matter that must be corrected, and it is a problem that those of us who opposed creation of the Department of Energy recognized and warned would need special attention.

I thank the gentleman for yielding.

Mr. MYERS of Indiana. I thank my colleague for his remarks. Even though the gentleman does not serve on this subcommittee he is a very valued member of the Committee on Appropriations. He is in constant contact with members of this subcommittee. The things we do here are very valuable to his district, his State and his country.

We appreciate the gentleman's participation and the contribution the gentleman makes to the subcommittee.

In summary, Mr. Chairman, the chairman of the subcommittee has done an excellent job in presenting this bill. It is difficult to follow his presentation.

About 60 cents of every dollar is either in energy research or energy development for our country. If there is an important problem for our country it is certainly energy. We are searching for alternate sources of energy. We are searching for better and cleaner ways to burn the existing energy supplies we do have available.

The subcommittee has attempted to allocate money where we can get back the best return, not turning our back on any possible source of energy as an alternate source of energy for the future. We have gone a long way. Biomass is one of them. We have dramatically increased biomass funding this year because this is one of the areas where we can help solve two problems: One, dispose of unneeded waste materials for our country and, two, produce very badly needed energy. We have increased this funding.

As the chairman has said we have increased solar funding. Five years ago, had anyone said we were going to spend more than half a billion dollars on solar research and development in this country, most of us would have said, "Impossible, you cannot spend that much, it would not be wise to spend that much."

However, our subcommittee has decided it is one of the high priorities, that perhaps in the future solar will produce more than the possible limit they refer to today as no more than 10 percent. There is a possibility it will be greater. We just cannot take the chance of not increasing solar research.

On the side of water development, I want to close my remarks with this thought. Going back just 5 years when this country was energy self-sufficient—we imported small amounts of energy from outside the United States, But that was a matter of price and convenience for us. There were those coming before our subcommittee at that time telling us that this country is going to have a severe energy problem in the future. Some pooh-poohed that thought, but it happened. They said, "It cannot happen. We are too rich in energy. The resources for our country are too great, that can never happen."

Now, tragically, we see lines as much as a mile or more at service stations waiting for gasoline. Next winter I shudder to think what may happen. It is because someone, including Members of this Congress, did not have the courage to stand up and do what was right.

Now we have to work our way out of this problem. We will, through American ingenuity and through the courage of Members of this body and the courage of the American people. We will be able to get ourselves out—not without some difficult times, but we will find answers to that problem.

Now people in similar numbers are coming in and advising us that the country is going to run out of water—potable water for our homes and water for our industry. Some folks today say that it is impossible, that we have too much water.

We are not creating any more water. It is a reusable resource. We must preserve and reuse the water we presently have. We also must anticipate the needs of the future. Communities in this country are going to be running out of water. The Washington, D.C. area, where many of us reside, is potentially a disaster area should a severe drought occur. We have had rationing in this area. Parts of California have already had water rationing.

Mr. Chairman, this committee heard five Governors this year. Other Governors sent testimony to the committee. Several Lieutenant Governors testified, along with 21 mayors who personally testified before our committee. State legislators and hundreds of citizens testified that we are going to run out of water and we need help.

The committee has tried to identify the most beneficial projects with the best benefit-cost ratios to determine where our resources are most needed, to provide for the water needs of our future.

I hope that the Members of this body will support the committee. This has not been an easy job. It never has been. This is the one bill for appropriations we will consider this year that will return more dollars for the investment to the taxpayers.

Referring again to that former chairman of this committee, it is an all-American bill because every dollar we spend in this country will pay a return several times over. This is the bill that helps make America better, it makes America a better place for us and for our children to live in.

I hope my colleagues will support this bill, Mr. Chairman.

Mr. JOHNSON of Colorado. Mr. Chairman, will the gentleman yeield?

Mr. MYERS of Indiana. I yield to my colleague, the gentleman from Colorado (Mr. JOHNSON), another very valuable Member of this body who frequently helps and advises our subcommittee.

Mr. JOHNSON of Colorado. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, I just want to commend the gentleman and the chairman of the subcommittee for the long hours and the great work that they have done. As the gentleman knows, in this particular bill there has not been reported the projects in eastern and western Colorado that were vetoed or that were on the President's hit list last year, which the committee reported out last year but which items were vetoed by the President and the Congress was unable to override the veto.

I did want to commend the gentleman for all the work he has done in the past on that. I wanted to reinforce what the gentleman has said about the energy problem. Right now we are beginning to talk about the development of oil shale, a synthetic fuels industry. There is more and more activity and more and more attention being brought to that area as a possible alternative source.

This committee in the past has had the intelligence and the foresight to recognize that we cannot develop the oil shale resource without attendant water projects.

This administration and slightly over one-third of the Members of the House have not had the foresight to recognize that. Therefore, when we begin to develop the oil shade resource we shall have to recognize that. When we shall be short of water and there will, in fact, be not enough water stored and available to develop the oil shale resource in western Colorado.

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I know that when the time comes and this administration is gone, that this committee will come back with those worthwhile projects which they have supported in the past and which I know they will be supporting in the future. If we want to develop the synthetic fuels process which obviously needs to be done, then these projects have to be built.

I just wanted to compliment the gentleman and thank the gentleman on behalf of the people in Colorado and the people in the country for his foresight, for the foresight of the chairman of the subcommittee; but it is with regret that I have to acknowledge that the gentleman has not been able to put those projects back into the bill this year. I understand that.

When I testified before the subcommittee I acknowledged there was probably no reason for the gentleman to insert those so we could pass the bill, take it down to the White House, have it vetoed, bring it back and have the veto sustained; but I appreciate everything the gentleman has done. I just wanted to insert in the record at this point this statement, because I know that the gentleman feels it is important. I know how the gentleman feels, that when the time comes and this administration is gone, that those projects in western Colorado and the Narrows project on the Platte River will be reinstated. We will have to go ahead and accept the fact there has been a 4 or 5 years' delay before we can actually go ahead with the development of our synthetic fuel process because of this intrasigence and ignorance and obduracy on the part of the administration.

Mr. MYERS of Indiana. Mr. Chairman, I thank my colleague for his contribution to the committee. We do appreciate it. The gentleman has identified one of the real problems we have had, the matter of priorities. The question of who shall decide what projects are to be built. There has been in the past, as we all know, some controversy between the executive and the Members of the Congress and this committee, who again have spent years in listening to witnesses and watching priorities.

It is unfortunate that in our country we have dislocations of resources more than anything else, such as energy resources. The oil shales are in areas where water is not available. Much of the population is located in areas where water is in short supply. Energy resources are located where they are hard to obtain, so it is a dislocation that we have to resolve. This is one of the problems.

Many of the alternate sources of energy we are considering require large sums of water. Even solar energy uses water as a heat conductor. Our Nation per capita is consuming much more water today than even just 10 years ago. Water is a necessary ingredient in many of the alternate sources and solutions to the Nation's problems.

I thank the gentleman for his contribution.

Mr. WIRTH. Mr. Chairman, will the gentleman yield?

Mr. MYERS of Indiana. Yes, I yield to the gentleman from Colorado.

Mr. WIRTH. Mr. Chairman, I wanted to associate myself with the comments of the gentleman from Colorado (Mr. JOHNSON). It is absolutely crucial that the administration come to understand the relationship the gentleman has been describing between water and energy development. If we are going to be concerned, as we must be, with long term synthetic fuel development, that demands that we have the water resources that are necessary for developing that resource. Until somehow the amateurs in the executive branch who have been running this particular operation come to understand that very direct correlation between water and energy development, we are not going to be able to get off the dime.

I want to thank the members of this subcommittee for working as hard as they have to attempt to get that message across. Twenty or thirty more votes and we will be able to get there, I think.

I thank the gentleman.

Mr. MYERS of Indiana. Mr. Chairman, I thank my colleague, the gentleman from Colorado (Mr. WIRTH).

The Western States, of course, experience a greater problem than some of us in the Eastern States. In my particular area, it is not a lack of water, it is too much water. We need to put the two together. We would like to save our water and not send it down the Mississippi River to Louisiana and other areas of the country where we have massive floods, because we will need it later in the year. Even the District I represent in Indiana has communities in which the water table has dropped as much as 15 feet. Yet I have had people come to me and say, "If you build a lake out there, some of it will evaporate."

Yes, hopefully it will evaporate. How else are we going to have the rain to produce the crops our country is going to need if some of it does not evaporate?

We are in severe problems and we need understanding and courage to stand up and tell some people that those who obstruct water and energy development are wrong, that we are not going to listen to what is emotionally popular today. We are going to do what is right for our country, for our future generations. If we do not, the same problem we are now experiencing with long lines for gasoline are going to hold true for water. We will be standing in long lines to get a gallon of water. I hope that never happens. It is just not necessary.

Mr. GRASSLEY. Mr. Chairman, will the gentleman yield?

Mr. MYERS of Indiana. I yield to my colleague, the gentleman from Iowa (Mr. GRASSLEY).

Mr. GRASSLEY. Mr. Chairman, I want to thank the gentleman from Indiana (Mr. MYERS) and the chairman of the committee, as well as the whole subcommittee for responding to the request of the leadership of the little city of Evansdale in my district for their request for an additional $200,0000 for additional planning for the flood control project there. Two hundred thousand dollars, even though it seems like a small amount of money of the billions we are appropriating, will allow that project to be continued on schedule and in the process of it being continued on schedule, because it is an extension of the Waterloo flood control project in a neighboring city upstream, it will save the taxpayers approximately $750,000. That is because it will save a tie-back project that would have had to be put on the end of the Waterloo flood control project if this money had not been available to continue the entire project downstream through the city of Evansdale.

I want to thank the gentleman very much for responding to that. I see it was one of the few additions that were made to the appropriation bill.

Mr. MYERS of Indiana. Mr. Chairman, I thank the gentleman for his comments.

Again, deciding the priorities has not been an easy task, because this committee also wanted to live within the monetary restraints that we must exercise today; but there are so many needed areas that we had to prioritize and only fund the top priorities. Fortunately for the gentleman, this was one of them. So we are pleased about that.

Mr. GRASSLEY. And it will save money in the process. I thank the gentleman.

Mr. JENRETTE. Mr. Chairman, I rise in support of H.R. 4388, the energy and water development appropriation bill for fiscal year 1980. This bill provides funds both for a variety of essential energy programs and for water resource development projects vital to all Members of this body and their constituents.

Our committee has fully recognized, and carefully studied, the pressing energy problems facing the Nation. We are well aware of the urgent need for energy research, development, and demonstration programs that will spur us down the path toward conversion to new energy technologies and improvement of existing ones. And we are equally aware of the pressing need to improve the efficiency of, and overcome the obstacles inherent in, the energy regulatory and administrative process. In fact, we believe this latter need is one of the most curcial facing the Department of Energy and other agencies—one where, as we say in our report with respect to electric power regulation, "substantial and meaningful improvement can be achieved through simple administrative action and better interagency coordination."

One agency which was a particular focus of our concern about regulatory improvement, even before the incident at Three Mile Island Plant No. 2 in Pennsylvania, is the Nuclear Regulatory Commission. Our committee has pressed for improvements in the responsiveness of the reactor regulatory program at the same time that it is determined to provide sufficient resources for this purpose in order to insure nuclear plant safety. We have indicated in our report that the Commission should reexamine its fiscal year 1980 budget requests in light of the events at Three Mile Island. I also expect the panel of citizens and scientists appointed by the President to investigate this incident to submit proposals of his sort. I anticipate that our committee will wish to reconsider the NRC budget later this year in light of these and other recommendations for strengthening the nuclear power regulatory progam.

In the energy research and development budget, an area that is, of course, of particular interest to many Members is the solar program. I would note that while our committee has not recommended all the funds proposed by the Science and Technology Committee, the solar lobby and others, it has proposed a substantial increase—totaling over $25 million—over the request of the Department of Energy for fiscal year 1980.

We frequently hear it said that our committee, as well as the Department, accord insufficient emphasis to this area. I believe our recommendation of some $417 million for solar applications and solar technology demonstrates otherwise.

For biomass research, we are recommending $55 million the same amount as the budget request. This program encompasses a matter of particular interest to me—alcohol fuels. Although the $23 million proposed for alcohol fuels work in 1980 is an almost 10-fold increase over the $2.7 million provided in 1977, I remain unconvinced that alcohol fuels are really taken seriously by those who run the Department of Energy. As is noted in our report—

> The committee is encouraged by efforts outside the Department to demonstrate the commercial viability of gasohol as a means of extending gasoline supplies. Successful experiments have been carried out in a number of states and there is sufficient evidence on hand that gasohol fuels with some improvements in technology to reduce costs could provide a major means of alleviating the critical shortage of transportation fuels now facing the country. The committee is at a loss to understand the Department's foot-dragging approach to what could be a major substitute for foreign oil.

In nuclear fission research, I am pleased that the committee has proposed to add $10.5 million for light water reprocessing and refabrication research and development at the Barnwell Nuclear Fuel Plant in Barnwell County, S.C. This facility, designed for reprocessing of spent nuclear fuel, cannot, of course, be used for that purpose as a result of President Carter's April 1977 decision indefinitely postponing commercial reprocessing. The committee has also recommended that $1 million of the funds proposed for converter reactors be used to evaluate options for using the Barnwell facility as an international fuel reprocessing center.

I believe it is widely accepted that the R. & D. program funded at Barnwell the past 2 years has generated some very useful data for the 50-nation, 2-year International Nuclear Fuel Cycle Evaluation (INFCE). The most sophisticated nuclear safeguards system in the world is being developed and tested at Barnwell and will be used for safeguards training. In addition, coprocessing, or operating in a mode without separating pure plutonium, has been shown to be a feasible means of operating a modern reprocessing facility. The Barnwell team has also developed a plutonium heat spike concept which would make plutonium in spent reactor fuel unattractive to a potential weapons maker. And several important spent fuel receiving, handling and storage problems have also been addressed and resolved as well.

With funding of these problems through fiscal year 1980 at a level of $11.5 million as proposed by the committee, the lion as proposed by the committee, the Barnwell R. & D. program can be continued until the end of the INFCE. At that point, I believe it will be essential for Congress and the administration to make a firm decision on the uses that are subsequently to be made of the Barnwell facility. Although uses such as safeguards training and military applications have been discussed, the one in which the department has expressed particular interest is using Barnwell as an away-from-reactor storage site for spent fuel from commercial power reactors, pending completion of a permanent national repository. Representatives of Allied-General Nuclear Services, the owners of Barnwell, have testified that its existing 400-ton storage pool could be expanded to a 5,000-ton capacity by 1983.

It is evident that AFR storage is becoming a pressing need for the nuclear power industry. According to the Department of Energy, by 1983 17 reactors will have exhausted their capacity to discharge a full core of spent nuclear fuel into their fuel pools. By 1985, this number will grow to 27. And I would note that of this total, 12 reactors are in the Southeast, including 4 in my home State of South Carolina, 6 are in the West, 5 in the Midwest and 4 in the Northeast.

The administration proposed legislation this year to establish a revolving fund to finance the acquisition and use of facilities to store spent nuclear fuel. Regrettably, no action has been taken in Congress on that legislation, and it has been necessary for the committee to defer action on the budget request for this purpose.

Despite the lack of movement on this proposal, I am encouraged that our committee has recommended an additional $5 million "for studies and analysis of site specific storage opportunities." I believe our committee is tired of hearing generalities voiced about this issue and wishes the Department to get down to specifics—and promptly.

In its testimony the Department has indicated that the 1983 requirement for the availability of AFR storage could be met only by the use of one or more of three existing sites: Barnwell; Morris, Illinois; and West Valley, New York. I would note that these three facilities are suitably located for reliance on a regional approach to meeting the bulk of the AFR storage requirements of the mideighties.

In that vein, I am most gratified that our committee has directed that $1 million of the funds added for studies of this problem be used "to study feasible away-from-reactor storage programs of a regional nature to meet the 1983 requirement for storage options." This is a particularly important point in South Carolina. Our Governor, Dick Riley, has made it clear that our State will do its fair share to meet the burden of providing interim storage for spent fuel, but our citizens do not want South Carolina to serve as the repository for the entire Nation, or the world for that matter.

We believe the regional approach is the only appropriate one. We are favorably inclined to the use of the Barnwell facility for the storage of spent fuel discharged from reactors in South Carolina and elsewhere in the Southeast. But in my view, other regions must assume equal responsibility for handling the spent fuel generated in their areas. I am hopeful that the Department will follow the committee's lead in this respect and orient its subsequent studies of AFR storage accordingly.

The bill before us provides not only for energy but also for water development, interests which are in fact closely linked in the case of water development for hydroelectric power. But electric power is just one of many benefits that the Nation gains from water resource development. The Federal water resource development program was not only responsible for almost 137 billion kilowatt hours of electricity in 1978—over 6 percent of that produced nationally—together with $4.3 billion of Federal revenues from this power. We also estimate that in 1978 it prevented almost $77 billion of flood damage across the country. The Federal water program was also responsible for almost $2 billion in transportation, the water supply of 24.5 million people, the irrigation of over 9 million acres of agricultural land with $4.4 billion worth of production, and an estimated 593 million visitor days of recreation.

The debate over the cost-benefit rations of various projects, full funding, environmental effects of water development and other issues can obscure these facts. I believe we must keep them in mind in order to maintain a proper perspective on the Nation's water program.

I have seen first hand, and hopefully will continue to see, the benefits of Federal water development efforts in my State and district. I am pleased that our committee has included in this bill all the funds requested by the Army Corps of Engineers for water development in South Carolina's Sixth District.

Fiscal year 1980 appropriations will finance completion of the Murrells Inlet jetty project, and continuation of a similar project at Little River Inlet, which is scheduled to begin construction this fall. The bill would also fund at requested levels continuation of studies the corps currently has underway of the Lynches and Lumber Rivers. In connection with these studies, our committee has directed the corps in its report "to examine the feasibility of providing flood protection on the Pee Dee River and its tributaries and the Little Pee Dee River and its tributaries."

This bill will enable the Corps of Engineers to bring within the purview of these two studies essentially all of the Pee Dee River Basin within South Carolina. I have requested the House Committee on Public Works and Transportation to approve the necessary committee resolutions authorizing the expanded scope of these two studies.

Let me say also that I have heard from many of my constituents this year about flooding problems along another river in the Sixth District—the Waccamaw. At my request the committee has added $40,000 to the bill to initiate the long-authorized but never funded study of flood control and recreational improvement along this river. These funds represent the maximum which the Corps of Engineers can utilize for this purpose in fiscal year 1980 and will permit the corps to begin the task of investigating the causes of the flooding along the Waccamaw and recommending solutions which would be compatible with other uses of the river.

At my request, the committee has also added funds in two areas—general investigations and operation and maintenance—for the harbor at Georgetown, S.C., which has long been a matter of particular concern. For some time the Corps of Engineers has had under study the feasibility of various proposals for deepening the navigation channel into Georgetown Harbor from the currently authorized 27-foot depth to 35 feet. In its January 1978 preliminary report on this subject, the corps concluded that no proposal for modifying the existing harbor project was economically feasible.

Subsequent to the preliminary report, the South Carolina State Ports Authority commissioned its own consultant study of Georgetown Harbor which has developed new economic data on the likely utilization of an improved channel, principally for the transport of iron ore. This study also concentrated on an alternative for channel improvement that was not the primary focus of the corps report—the establishment of a new port terminal in lower Winyah Bay, well below the existing SPA terminal, and the deepening of the channel only to the proposed lower bay terminal.

The corps' Charleston District Office is now evaluating the SPA recommendations and the new information on which they are based. Our committee has recommended the addition of $100,000 to the fiscal year 1980 budget request to enable the district, working in conjunction with the State Ports Authority, to complete its reevaluation of Georgetown Harbor improvement alternatives. I am hopeful that the authority's new information will provide the basis for a finding by the corps district office that the lower bay channel improvement alternative is, in fact, economically feasible.

Pending a decision on channel improvement, the State Ports Authority and users of the Georgetown Harbor are also concerned about the level of maintenance on the existing authorized 27-foot channel. The recent practice of the corps has been to perform maintenance dredging of the channel once annually, which typically results in parts of the channel being shoaled up to considerably less than the authorized depth for a few months each year.

The result is described in our committee report:

> Major using traffic, including tankers and bulk carriers, experience delays in movement, are forced to light load, and are occasionally exposed to hazardous navigation conditions as the result of reduced project dimensions. A number of groundings has occurred recently. A higher level of maintenance is needed to promote optimum and safe utilization of this project.

The committee has added $750,000 to the budget request for this purpose, possibly to include twice yearly maintenance dredging.

The funding requirements of the Cooper River Rediversion, Charleston

Harbor, project have also increased substantially since submission of the budget request. Two contracts recently awarded for major portions of project construction have come in well above previous estimates. Our committee has recommended an increase of $2,130,000 over the $15.9 million budgeted for this project. The proposed increase appears modest in comparison with the Corps of Engineers' revised estimate of its construction capability in fiscal year 1980 for this project, which when finalized may run as high as $40 million.

I would note, also, that the committee report indicates that the committee's allowance for the Cooper River Rediversion "includes $30,000 for an independent examination of the effectiveness of the rediversion in solving the sedimentation problem in Charleston Harbor." In this connecton, Brig. Gen. K. E. McIntyre, South Atlantic Division Engineer, has assured me that the Corps of Engineers would provide the Committees on Appropriations of the House and Senate, within 1 year of the availability of funds, a report outlining procedures for testing and monitoring the environmental impacts of the Cooper River Rediversion project both during and after construction. The study should be carried out in coordination with the Department of the Interior, the Department of Commerce, the Environmental Protection Agency, the State of South Carolina, and units of local government and other local interests. I am also informed by Brigadier General McIntyre that this report will advise the committees on whether the existing project authorization can accommodate any changes that may be needed for environmental purposes.

Turning to reorganization issues, I was also gratified to learn from Brigadier General McIntyre yesterday that as a result of its district realignment study, the South Atlantic Division proposes to maintain all of its existing district offices, including the Charleston district, which had been threatened with closure. There will be some minor changes in the areas of responsibility of three of the division's district offices, principally to bring them more in line with political boundaries, but each of them will keep essentially their current study, planning, and construction responsibilities.

This decision on the part of the corps has removed the need for myself and other members of the South Carolina delegation to undertake a legislative solution to the problem of retaining the Charleston district office. I am hopeful that it will put to rest the question of district realignment for the next several years.

In conclusion, let me say I am well aware that this bill does not do everything that Members would like for energy and water resource development in fiscal year 1980. Many of us would like to see continued funding for the Clinch River breeder reactor, which the committee proposes to defer, along with the large breeder plant study proposed by the administration, pending a larger resolution of the issue in the Congress. And as I have indicated, there are doubtless many Members who would provide additional funds for areas such as solar technology development. And I am sure there are others who would add or delete funds for one water project or another. Nevertheless, I believe this is a blanced and responsible bill. It is well within the budget estimates submitted to us. And it is oriented toward negotiation, not confrontation—to use the phrase of a prior administration—over the issues that divide Congress and the executive branch in energy and water development. I urge my colleagues to support it.

Mr. MYERS of Indiana. Mr. Chairman, at this time I yield 5 minutes to a very valued member of the subcommittee, the gentleman from California (Mr. BURGENER).

Mr. BURGENER. Mr. Chairman, I thank my colleague for yielding. I shall not belabor the debate, but I could not let the opportunity pass without, as a member of the committee for the past few years, expressing my appreciation to the chairman, the gentleman from Alabama (Mr. BEVILL), and the raking minority member, the gentleman from Indiana (Mr. MYERS) and the best staff I believe that any committee, both majority or minority has the privilege of working with in this House.

I would remind my colleagues that there probably is no other bill that makes the capital investment in America that this bill does. It broadens the tax base and, therefore, creates the jobs, the employment, the taxes, and the economic activity that makes real growth possible. With real economic growth comes the ability to support health care, education, welfare, and defense and all of the things that would not be possible without an expanding real growth that comes from an investment in America which this bill provides.

I want to commend the members of the committee who do not come from the arid West for understanding our problems. Water to the West is our lifeblood. I live in a county in southern California where we have no local water. We have almost 2 million people in San Diego County with no local water. The average rainfall is 10 inches a year; very little ground water supplies, and so we must import virtually all of the water that we use from the upper basin States of Utah, Colorado, and Wyoming, and from northern California, hundreds of miles away.

I wonder if years ago when the Boulder Canyon project was authorized and the California State water plan—Feather River project from northern California—was conceived, there were not cries of "pork barrel?"

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Without these projects, we could not survive. They provide hydroelectric power and water, and without that we just could not make it.

So, Mr. Chairman, I want to thank the Members of the committee and of this House, those Members from districts who have an excess of water and understand the problems of the West, for acting in an evenhanded and balanced manner to meet our needs. It is a privilege to serve on the committee.

Mr. Chairman, I think this is a good, balanced bill, and I recommend it to every Member.

Mr. BEVILL. Mr. Chairman, I yield such time as he may consume to the chairman of the Committee on Appropriations, the gentleman from Mississippi (Mr. WHITTEN).

Mr. WHITTEN. Mr. Chairman, in Congress, we represent the whole country and while we fully recognize the financial plight of our Nation, we do realize that to handle our financial problems, we must look after the physical and natural resources of our Nation, developing and protecting them for they are our real wealth.

In our efforts to hold our expenditures down, in the few months I have served as chairman of the Committee on Appropriations, in the first bill we rescinded $703 million of funds previously appropriated.

In the supplemental bill, we reported and passed through the House last week, we reduced the President's request by 25 percent. In each of the 10 bills, our Appropriations Committee has reported out, all are below the budget request. The same is true of the bill before us, but we have tried to meet the need to protect our soil from erosion, our lands from flooding, our harbors from filling up, and our navigation projects proceeding.

Mr. Chairman, it has been said we represent the whole country, and so we do; however, we are from our respective districts and States. Thus it is that since our subcommittee chairman, Hon. TOM BEVILL has covered the overall bill, I would like to list those actions we have in my own district and the provisions we have made to meet other needs in our State.

We have provided funds for the continued construction of the Tennessee Tombigbee navigation project and for general investigations on the Tenn-Tom Waterway. Others are and I quote from our report:

> Yazoo Backwater, Miss.—The committee recommends an appropriation of $3,200,000 for the Yazoo Backwater project, Miss. Within the committee allowance, funds are provided to accelerate feasibility studies of the requirement for pumping plants to relieve the problem of backwater flooding in the area.
>
> Greenville Harbor, Miss.—The committee notes that the phase 1 general design memorandum, plan formulation for the Greenville Harbor, Miss. project was submitted to the Chief of Engineers in 1976 and has not yet been submitted to Congress. The committee deplores a delay of this magnitude and directs the corps to move the project forward as rapidly as possible.
>
> Enid Lake, Miss.—The committee has provided $350,000 over the budget for Enid Lake, Miss. The increase over the budget is for repair of corps facilities and surfacing the road from State Highway 32 to Yocona Ridge (Cossar) State Park, Miss.
>
> For the four lakes in the Yazoo Basin area, the committee has added $225,000 to repair and surface boat ramps and roads which were severely damaged due to high water at the four lakes.

The corps is directed to repair the road from Gums Crossing to and including Graysport Crossing at Grenada Lake, Miss., as the road is essential to the operation of the facilities at the Lake.

Big Sand and Pelucia Creeks, Miss.—The committee has been advised that construction of the Big Sand Creek levee is underway and that planning of the Pelucia Creek levee is scheduled for completion in the current fiscal year. The corps is directed to take such actions as are necessary to complete these vital projects as soon as possible.

Nonconnah Creek and Horn Lake Creek and tributaries including Cow Pen Creek, Miss. and Tenn.—The committee has been advised that the reports on the Nonconnah Creek and Horn Lake Creek and tributaries, including Cow Pen Creek in Mississippi and Tennessee have not yet been received by Congress.

The corps is directed to expedite the completion of these studies and the submission of alternate plans for relief from the annual flooding of this area.

Ascalmore-Tippo and Opossum Bayous and Upper Yazoo Projects (formerly Auxiliary Channel).—The committee recommends an appropriation of $9,664,000 of which $3,364,000 is for Ascalmore-Tippo and Opossum Bayous and $6,300,000 is for the Upper Yazoo Projects (formerly Auxiliary Channel) which shall be constructed in such manner as to reduce flood levels in Tallahatchie and Quitman Counties substantially below that existing prior to the project. The Corps shall proceed from South to North on the entire Ascalmore-Tippo and Opossum Bayous Project.

Yazoo Basin: Tallahatchie River, Miss.—In 1975 and 1976, the Corps of Engineers performed emergency dredging work to remove sediment deposits that have severely restricted the carrying capacity of the Tallahatchie River and were causing flooding on several thousand acres. Relying upon representations of the corps as to the amount of dredged material, and the type of material, the landowners permitted land to be used for dredge material without charge. In some areas, the dredged material greatly exceeded the previous representations and the donated land has become unproductive despite the efforts by the corps to improve the quality by mixing clay with the sand.

Consequently, the committee has provided funds to reimburse landowners for reduction in value of property used as disposal sites where it substantially exceeded the corps representations:

Arkabutla Lake, Miss.—The corps is directed to continue to take such steps to relieve the flood problems along Grey's Creek as may be required until such time as an overall plan is prepared.

Streambank erosion control evaluation and demonstration—$14,900,000, $1,500,000, and $2,500,000.

Mr. Chairman, funds for the Natchez Trace Parkway come under the Subcommittee on Interior. Notwithstanding that again the Office of Budget did not recommend funds, my colleagues have provided funds to connect some 300 miles of that trace which extends from Nashville, Tenn., to Natchez, Miss.

Other Mississippi projects are taken care of in this bill. I shall list only what we did to set up protection in the Pearl River basin where we had such a disastrous flood—unheard of in recorded history. For the record, the Ross Barnett Dam was and is a recreation dam and there was no fault on the part of the Corps of Engineers. The one watershed which is complete helped a lot.

I quote from our report:

Pearl River Basin, Miss.—The committee has extensively reviewed the flooding problems in the Pearl River Basin, Miss. The Soil Conservation Service advises that there are three watersheds which have been organized in the Basin, the Taladaga, the Standing Pine and the Upper Yockanookany. It is estimated that the 16 small Taladaga retarding dams prevented the water from being three-fourths of a foot higher over the entire Basin. If two other watershed dams currently in the planning stage were completed, they would also have helped reduce the flooding.

The largest known flow prior to this flood was 85,000 cubic feet per second. Record stages were experienced all along the Pearl River, with the stage at Jackson exceeding the previous record stage by 6 feet. It is estimated that approximately 23,000 people were displaced by the flood waters. Preliminary estimates indicate that flood damages will be in the range of $500 million to $1 billion.

The Corps of Engineers has not been requested to build flood prevention structures in the Basin.

The committee has added $500,000 in the bill for the Corps of Engineers to initiate a study of all the possible alternatives to prevent reoccurrence of the flooding in the Pearl River Basin. The corps is directed to complete this study and to review the alternatives with local interest to insure a viable, locally supported project at the earliest possible date.

The committee is advised that the Soil Conservation Service has been directed to cooperate in this study.

Mr. Chairman, I repeat, these are necessary investments; they are productive expenditures if we are to meet our financial problems.

Mr. Chairman, I cannot let this occasion pass, where we deal with the flood problems of the Nation, without calling attention to the centennial of the Mississippi River Commission.

CENTENNIAL OF THE MISSISSIPPI RIVER

It is a simple name, the Mississippi River Commission: Seven men given charge of the Mississippi River 100 years ago. Their task is not so simple.

By 1879, the need for navigation improvement and flood control was a generally accepted fact. Disastrous floods were familiar experiences, and waterborne commerce had difficulty in navigating, because of shifting channels, shoals, and snags.

It was also apparent that a Federal authority would have to govern all work done on this major interstate waterway.

On June 28, 1879, Congress authorized the formation of a seven-member Commission with authority to direct all works along the Mississippi, while the regular Army Engineer organizations were to be restricted to work on the tributaries.

As created by the act, the Mississippi River Commission (MRC) was to consist of three officers of the Corps of Engineers, one of whom would be President; one member from the U.S. Coast and Geodetic Survey; and three civilians, two of whom would be civil engineers. All appointments would be by the President of the United States, after confirmation by the Senate.

Members of the first MRC were Col. Quincy Gilmore, president, Col. Cyrus Comstock, and Col. Charles Suter, all from the Corps of Engineers; Henry Mitchell of the Coast and Geodetic Survey; civil engineers, James Eads of Lawrenceburg, Ind., and B. M. Harrod of New Orleans; and Benjamin Harrison of North Bend, Ohio, who 10 years later would be President of the United States. The Secretary of the original MRC was Capt. Smith S. Leach.

This seven-man executive body, reporting directly to the Secretary of War, had a manyfold mission. Among its tasks were:

To direct and complete surveys then underway on the river between Head of Passes near its mouth in Louisiana to its headwaters in Minnesota.

To make additional surveys, examinations, and investigations—topographical, hydrographical, and hydrometrical—of the river and its tributaries.

To correct, permanently locate and deepen the channel, and protect the banks.

To improve and give safety and ease to navigation.

To prevent destructive floods.

To promote and facilitate commerce, trade, and the postal service.

To submit completed plans, together with cost estimates, to the Secretary of War for transmittal to Congress.

To report in full upon the practicability, feasibility, and probable cost of the various plans deemed necessary.

To enable the MRC to complete these duties, the Secretary of War was authorized to detail to it necessary officers, men, vessels, and instruments from both the Corps of Engineers and the Coast and Geodetic Survey.

The first meeting of the MRC was held in Washington on August 19, 1879, and headquarters was established in St. Louis. For administrative purposes, the MRC created the First and Second Districts at Memphis, Tenn; the Third District at Vicksburg, Miss.; the Fourth District at New Orleans, La.; and the Fifth (dredging) District at Memphis, Tenn. The headquarters remained in St. Louis until December 1929, when it moved to its current location in Vicksburg.

Congress several times modified the act of 1879 which had created the MRC, in some cases expanding its jurisdiction and revamping the basic concept of the MRC by the Flood Control Act of 1928.

Despite its changing mission over the years, the MRC today still retains the original mixture of Army Engineers, a Coast and Geodetic Survey (now the Ocean Survey) representative and civilian members prescribed by the founding act of 1879.

Today the Commission consists of Maj. Gen. Robert C. Marshall, president, Maj. Gen. E. R. Heiberg III, and Brig. Gen. William E. Read, from the Army Corps of Engineers; Rear Adm. Allen L. Powell of the National Ocean Survey; Mr. Roy T. Sessums of Metairie, La., and W. R. Hall of Memphis, Tenn. There is one civilian vacancy.

The general duties of the MRC include the recommendation of policy and work programs, the study of and reporting upon the necessity for modifications or additions to the flood control and navigation project, recommendations upon any matters authorized by law, making inspection trips, and holding public hearings. The work of the MRC is directed by its president and carried out by the three Army Engineer districts at New Orleans, Vicksburg, and Memphis.

In the past 50 years, the concepts and protection works of the Mississippi River Commission have been tested six times by major floods, and they have withstood the challenge. Not one Federal levee built to grade and section has failed. Floodways have diverted excess flows, and the channel improvement works have functioned.

Indeed, three times in this decade, waters from across our Nation have pushed the Mississippi River into major floods, but areas that would have been inundated a half-century ago were protected. In the largest of these events, the 1973 flood, damages prevented by Corps of Engineers projects are some $19.5 billion, at 1979 price levels. In the smaller—but still major—flood of this spring, damages prevented were estimated at $13 billion. To date, American taxpayers have invested just over $2½ billion on this project, so the return to the Nation has been substantial. However, there was severe damage in incompletely protected backwater areas, primarily to agricultural lands.

The floods emphasize the need to complete the Mississippi River and tributaries project, as quickly as possible, so that our Nation can profit from full utilization of the agricultural and industrial potential of the area, and the residents of the lower Mississippi River can work and play, safe from devastating floods.

In summary, the members of the Mississippi River Commission and their staff have well served this Nation for 100 years, and the Nation has gained from the expertise, dedication, and hard work of these distinguished Americans. As the organization begins its second century of service, I believe it is appropriate to congratulate them on their birthday and to promise to continue our support of the Commission's highly beneficial work.

Mr. MYERS of Indiana. Mr. Chairman, I yield 5 minutes to the gentleman from New York (Mr. CARNEY).

Mr. CARNEY. Mr. Chairman, I rise not so much to address the merits of the legislation before us but to talk for a moment about the task we face in arriving at a sensible Federal role in energy. I am a conservative and by nature opposed to Federal intervention unless there is an overwhelming reason for the Government to be involved. I feel strongly that our national obsession with energy regulation needlessly confines the industrial sector, the true source of technological progress, and ignores the almost unlimited American ingenuity which has been demonstrated repeatedly over the last 203 years. However, this does not mean that there is no role for DOE to play, for it can, working hand-in-hand with industry, help supply the massive amounts of capital necessary to bring good energy technology ideas into commercial reality.

At many critical points in our history, American technicians, scientists and inventors have provided us with the instruments necessary to confront national challenges. Examples abound in recent decades; the atomic technology which ended World War II and the space technology which put an American on the Moon are just two examples of development programs where Government funds and guidance were provided in an unobtrusive fashion and American private sector ingenuity forged ahead to make life better for all of us. It is foolhardy for us to restrain such genius with an energy policy which emphasizes regulation rather than innovation.

In attacking its energy problems, the United States of the 1980's will be facing time limitations no less restricting than the one which President Kennedy imposed upon our Nation in 1961 when he launched the American effort to put a man on the Moon before 1970. However, we have a lot more than pride at stake this time. The world oil supply is diminishing rapidly; it is imperative that we now make a commitment to fund research and development of alternative energy sources so that both our energy and environmental needs are met for the country. The United States has an abundance of possible energy sources, but they remain untested, or environmentally restricted. Embarking on a measured program of development of these sources involving both the public and private sectors makes sense, not only as a practical investment of scientific resources but also as a prudent investment of the taxpayers' money. Our American way of life is at stake, and we must act accordingly.

Today more than ever before, using the entire spirit of America, we must make the commitment to fund the necessary research and development so that our energy needs will be met. The United States must be able to use its abundant inexpensive energy sources to catapult this Nation to the economic stature which it once held.

Mr. BEVILL. Mr. Chairman, I yield 3 minutes to the gentleman from West Virginia (Mr. RAHALL).

Mr. PEASE. Mr. Chairman, will the gentleman yield?

Mr. RAHALL. I yield to the gentleman from Ohio.

Mr. PEASE. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, I would really like to commend the committee for its work.

There is $420,000 earmarked for operation and maintenance at Lorain, Ohio, Harbor in H.R. 4388, the fiscal year 1980 energy and water appropriation bill. A potential hazard to navigation in the Lorain Harbor has been brought to my attention, and I urge the Corps of Engineers to act promptly to conduct a reconnaissance report regarding it, utilizing funds from operation and maintenance moneys. The hazard of which I speak is the pier known as the West Government Pier. Studies have shown that the pier is now in an extremely deteriorated state. Because of its present condition, it cannot be used for the berthing of ships.

The corps has stated that it will include the possibility of removing the pier in its current study of Lorain Harbor. However, this study may not be completed for a few years yet. More immediate attention by the corps with regard to this pier is needed, and, again, I urge the corps to expedite a reconnaissance report to determine whether this potential hazard should be removed.

Mr. RAHALL. Mr. Chairman, I rise in support of the energy and water development appropriation bill for fiscal year 1980 that is before us today.

I want to commend the distinguished chairman of the subcommittee of the Committee on Appropriations, the gentleman from Alabama (Mr. BEVILL), for his hard work and his persistence with this bill, as well as the other members of the subcommittee.

There are many, many worthwhile projects in this bill, as we have already heard, and we will hear more about them later. The particular sections that affect southern West Virginia and eastern Kentucky are important projects as far as preventing flooding and also preventing the loss of human life and human suffering that the gentlewoman from New Jersey (Mrs. FENWICK) spoke of so eloquently a little while ago. That loss and suffering is not often taken into account when considering cost-benefit ratios. Indeed it is the cost-benefit ratio that makes it so difficult for long-term flood protection in this particular section of the country.

In the Tug Fork Valley of West Virginia and eastern Kentucky there is a great deal of coal production to make our country self-reliant for our energy needs. About 20 percent of our Nation's coal production comes from this particular area of the country. Flood protection is important not only for protecting lives but for protecting our national security interests.

In this regard the chairman of the subcommittee, the gentleman from Alabama (Mr. BEVILL) has mentioned earlier the need to develop alternate sources of energy—domestic sources of energy such as nuclear power and other sources of energy which we must develop in order to free us from the grip that the foreign oil cartel has over our country.

In this regard, Mr. Chairman, I would also like to bring to the attention of my colleagues the 60-day coal report which has been on the President's desk for several days now and which Secretary Schlesinger is making public today. This is the report that the President of the United States asked for in his April 1979 message on energy and which Mr. Schlesinger has now submitted to the President.

The report comes down very heavily in favor of increased coal production and utilization.

Mr. Chairman, at a time when we are talking about developing alternate sources of energy here in this country, the Secretary's report is most relevant. The Secretary in his conclusion states that "the time is right for a renewed national commitment to coal."

Indeed, the greater use of coal is indispensable, and I commend the Secretary of Energy, Mr. Schlesinger, for his report that he has submitted to the President and hope that the President will consider the increased utilization of coal for our country, because it is important to our national security.

I know that many of my colleagues in the Congress will be scrutinizing this report to make sure that the President does take affirmative action on it.

Mr. Chairman, I include in the RECORD the 60-day coal report submitted by the Secretary of Energy to the President, as follows:

REPORT ON INCREASING COAL PRODUCTION AND USE

(By the Secretary of Energy James R. Schlesinger, as requested by the President on April 5, 1979)

JUNE 4, 1979, *Washington, D.C.*

INCREASING COAL PRODUCTION AND USE

Given the meager prospects for improvement in world oil supply and the long lead times for the introduction of other alternatives, the United States will require much greater use of coal in order to grapple effectively with the energy problems of the 1980's and 90's. Without greatly expanded use of coal, this country just may not make it.

In the abstract, the need to increase coal production and use is recognized by all. In practice, countless decisions, arrived at independently by various levels of government, tend to militate against the use of coal. If this nation is to cope effectively with economic and national security problems during the rest of this century, the obstacles to increased coal production and use must be removed by an effective national commitment to coal.

Two years ago the President presented the National Energy Plan (NEP) to the American public and to Congress. The NEP proposed measures that would keep oil imports at 6–7 million barrels per day (MMBD) in 1985. While many of these measures were enacted, three elements critical to greatly increased coal use have not been implemented:

Domestic oil and gas prices have not moved rapidly to world levels;

An industrial users tax and rebate mechanism, reinforced by a regulatory program, was not enacted;

A stable regulatory regime has not been established.

As a result of these and other factors, the use of coal in 1985 is expected to be substantially less than projected earlier and the demand for imported oil higher by at least 2 MMBD. At the same time, developments in the world oil market have made it increasingly doubtful that an additional 2–3 MMBD will be available.

The extended curtailment of Iranian exports and the reduced level at which production was resumed have brought closer the time when world oil demand exceeds available supply. There have been no other developments that have favorable oil supply implications for the near or long term. This more somber assessment of world oil prospects is based on the following considerations:

The situation in Iran has not stabilized and current exports of 2–3 MMBD could be stopped again at any time.

Saudi Arabia has delayed capacity expansion and has imposed restrictions on production.

Elsewhere in OPEC, no additions to capacity can be anticipated and current capacity continues to erode due to maintenance difficulties and maturing fields.

The disappearance of spare capacity makes the U.S. more vulnerable to random disturbances in the intricate global oil supply system. The nation is also more vulnerable to politically-inspired embargoes, imposed by any one of several small producers, that would have been little more than an inconvenience a few years ago.

Outside of OPEC, no new oil provinces have been discovered, despite continued drilling, to supplement the last large finds in the North Sea, North Slope and Mexico; and there is no improvement in the energy outlook for the Soviet Union.

The position of the price moderates in OPEC has been weakened by the change in Iran and the successful demonstration that less oil brings more money.

Consequently, there will be even less oil in the 1980's than was expected two years ago, and quite possibly no more than is available today. If additional oil is not available, increased demand will push world oil prices up causing higher rates of inflation and reducing output and employment. Under these circumstances, further increases in U.S. oil imports could be obtained only by bidding available supplies away from Europe, Japan and the less developed countries.

If further increases in oil imports are not available on acceptable terms, the national will have to meet its additional energy needs from domestic resources. Although conservation has reduced growth in energy demand to half the rate of GNP growth, there is still a large increment of demand that must be met by domestic production. Domestic oil and gas output cannot be expected to increase sufficiently, even with greater investment. The use of solar and renewable energy resources will increase steadily in coming years, but long lead times in developing and placing these new technologies in commercial use will push their main contribution into the next century. Finally, increases from nuclear power may be reduced as a result of Three Mile Island.

The only conclusion that can be drawn is that coal must play the major role in meeting the nation's incremental energy needs for the rest of this country. The alternative is no longer imported oil because it will not be available. The only other alternative is a permanent slowdown of the economy.

Notwithstanding the critical need for coal, growth in domestic coal use is lagging to meet the nation's energy needs, coal consumption will have to rise from 623 million tons last year to 1.0 billion tons by 1985 and 1.6 to 2.1 billion tons by 2000 depending on the contribution of nuclear power. This will require at least a 4.5 percent annual increase in coal use. Yet, over the last five years, annual growth has averaged 2 percent, and even less in recent years. The difference between a 2 percent and 4.5 percent annual rate of growth in coal use by the year 2000 is approximately 600 million tons of coal or the equivalent of 6 million barrels of imported oil per day. Additional oil in that quantity is not likely to be available.

The prospects for increased coal production and use will be determined by the following four factors:

1. Implementation of the Clean Air Act

Coal is demand limited; and one of the principal constraints on demand for coal is the Clean Air Act. The objectives of the Clean Air Act are not at issue. However, the mechanics of its implementation have often presented an unintended obstacle to the increased use of coal. The states, which have the principal responsibility for achieving clean air objectives under the Act, have incentives to discourage internal coal use and to trust that the increased burning of coal occurs in other states. As a result, everyone favors greater coal use in the general, but few take the specific action necessary to bring this result about.

Many states have adopted stricter regulations in their implementation plans than necessary in order to establish reserve margins to provide for future economic growth or to simplify administration and enforcement. These margins may have been understandable when the energy problem was perceived as less serious. They are less understandable when they lead to increased oil imports and they reduce economic performance. Other provisions of the Clean Air Act and its implementing regulation could be changed so as to remove impediments to expanded coal use without violating National Ambient Air Quality Standards.

2. The ability of utilities to finance new coal capacity

The displacement of oil from existing utility boilers depends largely on additions of new coal fired baseload capacity. Regulatory procedures, however, discourage utilities from retiring these boilers as rapidly as economically justifiable. Regulatory "lag" in an inflationary period makes it harder for utilities to raise capital and to undertake a replacement construction program. Public utility commissions are reluctant to allow utilities to build more capacity than needed to meet load growth plus a reserve margin. Regulatory accounting practices "front-load" capital charges, so that a new coal plant, which provides power more cheaply, paradoxically raises rates in the first few years. The net result is less coal use, more oil imports, and increased overall cost to consumers.

3. The reduction of coal's competitive advantage

The cost advantage enjoyed by coal from the increase in world oil prices in the 1970's is disappearing under the impact of government regulations that increase the cost of mining, transporting and using coal. For example, coal prices have more than tripled over the past decade and almost doubled in the past four years. In particular, coal imports have been rising in recent years, while there is unemployment and as much as 100 million tons of unused capacity in the mines. Although the quantities of imports are not yet significant (4–6 million tons), the trend is disturbing and symptomatic.

4. The institutional impasse over coal

Responsibilities for various aspects of coal production, transportation and use are relegated to different agencies and levels of government. No mechanism exists to resolve issues and establish a balance at the federal level below the President or to coordinate actions effectively at the federal, state and local levels. The result is the delay, inaction, finger-pointing and uncertainty that has led to the unacceptably low 2% rate of annual growth in coal use, accompanied by a rise in oil imports.

In addition to reducing the immediate constraints to conventional use of coal, the federal government must also become actively involved in the development of capacity to produce synthetic fuels from coal. In the longer-term synthetic fuels from coal will contribute increasingly to reducing the nation's dependence on imported oil. Because of the large capital expenditure, complex technologies and uncertainty over price, private investors are not willing today to make commitments to such projects without active and effective government support. But the nation can ill afford to wait. The worsening world oil price outlook makes actual capacity in these technologies increasingly more attractive and the costs of delay ever greater.

Two major strategies emerge for increasing coal production and use in this country:

In the near-term, increases must depend upon greater conventional use of coal in the utility and industrial sectors;

In the long-term, additional increases in coal use will depend upon new, non-conventional coal technologies and adequate coal production from federally owned western lands where most future increases in production will occur.

RECOMMENDATIONS

Conventional coal uses

(1) In view of the unavoidable conflict and need for a fine balance between coal use and air quality, I recommend that the President establish an independent task force, perhaps the Coal Commission, to examine modifications in the implementation of the Clean Air Act that could increase coal use without violating National Ambient Air Quality Standards. Examples of such measures are:

Urge the states to examine and revise their implementation plans where they are stricter than necessary to meet the National Primary Ambient Air Quality Standards;

Review the impact of non-attainment and prevention-of-significant-deterioration provisions of the Clean Air Act as they affect siting and the use of coal in industrial facilities;

Use intermittent control and improved monitoring systems where an exemption from the use of coal under the coal conversion program under the Fuel Use Act would otherwise be granted;

Reform the process of issuing permits for coal-fired plants by using more realistic air quality modeling; and

Revise the criteria and duration in Section 110(f) for temporary modification of State Implementation Plans (SIPs) that are more stringent than required to meet primary standards, including measures to place greater initiative with the President.

(2) To speed the substitution of coal for oil in existing facilities, I recommend that:

The Administration consider additional economic incentives to improve the cost advantage of coal, including augmented tax credits and depreciation allowances or phased-in boiler fuel taxes with rebates; and

The Administration develop a program to assist states in assuring adequate financing for utilities to add coal and other non-oil and gas generating capacity.

(3) To reduce the time required for siting and licensing coal burning plants, I recommend that:

A mechanism be established to encourage states to "bank" sites; and

A "one-stop' licensing system be established at the federal and state levels for coal-fired utility and industrial users of coal.

(4) To cut through the institutional impasse, I recommend that:

The President create a mechanism to resolve coal issues at the federal level that will preclude the usual bureaucratic stand-off; and

The National Governors Association be asked to address ways to bring greater unity to the efforts of the states and the federal government to increase coal production and use.

Nonconventional coal uses

(1) To assure the rapidly expanded use of new coal technology in the 1980's, I recommend that:

The Administration aggressively pursue the demonstration of a broad range of new coal technologies so that their technical, environmental, economic and financial characteristics are well known;

The Administration recognize that federal participation is necessary to accelerate the creation of meaningful synthetic fuel capacity in the late 1980's; and

High priority be placed on the implementation of the Administration's generic loan guarantee legislation.

(2) To provide adequate domestic supply for increasing coal use, I recommend that:

The Department of Interior's (DOI's) administration of leases incorporate multiple land use planning to permit timely leasing of high quality coal that can be developed with the least environmental risk;

DOI's surface mining regulations and unsuitability criteria be applied in a way that facilitates increased coal production; and

Diligent development of existing leases, and expeditious processing of all outstanding preference right leases be required.

(3) To ensure that problems in transportation do not erode coal's competitive advantage, I recommend that:

The Administration ensure that coal users do not bear a disproportionate share of the cost of upgrading and maintaining railroads;

The Administration's proposals for railroad deregulation emphasize protection for captive shippers, such as a ceiling on the tariff a railroad may charge, in addition to provisions for long-term freight contracts;

Priority be given to passage of the Administration's coal slurry pipeline legislation;

Measures be developed to halt the abandonment of trackage that will have a significant impact on coal hauling; and

The Department of Transportation (DOT) examine and recommend measures the states can take to ensure the adequacy of state roads to meet present and future coal transport needs.

CONCLUSION

The President has stated clearly and bluntly that the nation's energy problems are serious and getting worse. To help solve those problems, it is imperative that the United States stop using so much petroleum and start using more abundant fuels. While the contribution of nuclear power, solar energy and renewables will be helpful, the greater use of coal is indispensable. If this nation can overcome the unintended obstacles to greater coal use, then the prospects for our security and well-being are reasonably good. The time is right for a renewed national commitment to coal.

Mr. MYERS of Indiana. Mr. Chairman, I yield 10 minutes to the gentleman from Utah (Mr. MARRIOTT).

Mr. MARRIOTT. Mr. Chairman, I would also like to thank the subcommittee chairman, the gentleman from Alabama (Mr. BEVILL), and the gentleman from Indiana (Mr. MYERS) for their leadership on this bill.

I am not a member of this committee, but I am a member of the Subcommittee on Energy and the Environment of the Committee on Interior and Insular Affairs, and I think we all have a vested interest in this subject. I can think of no greater priority in this country than the lifeblood of this country, which is water and energy development. I applaud both the gentleman from Alabama and the gentleman from Indiana and their subcommittee for bringing us this bill.

Mr. Chairman, I would just like to say two things very briefly. One is in regard to water projects. Sometimes we do not understand what these water projects mean, and I would like to just indicate what they mean to my district and to the State of Utah.

This bill, for which I am grateful, authorizes about $61.6 million to the Central Utah project. Of that about $44.5 million goes to the Bonneville unit.

This is what that means in terms of commonsense issues? It means 10 new reservoirs, about 140 miles of aqueduct, 9 pumping plants, 200 miles of drains, and 3 hydroelectric powerplants. It will deliver about 99,000 acre-feet of municipal and industrial water and provide about 207,000 acre-feet of irrigation water to the Wasatch front.

So in terms of economic benefits to the State of Utah, it is worth about $2 billion, and I am pleased that this committee would spend whatever few million dollars it might take to produce that kind of economic benefit.

I would ask the chairman of the subcommittee to consider at some point in time the possibility of perhaps accelerating these projects.

☐ 1230

We did some studies awhile back and found that if we moved from our 22-year completion date on the Central Utah project, accelerated that to about 8 years, we could save nearly $1 billion in inflationary costs. I would think, rather than arguing about cutting those projects, we ought to argue about how to accelerate them. I would hope that might be taken up at some point.

Second, I like this bill for another reason, and that is because of the energy potential that this bill provides. Here are some interesting facts:

We presently use about 78 quads of energy in the United States today. They tell us that by the year 2000 we will need about 120 quads. It is my understanding that this bill, with its research and development into solar, geothermal, hydroelectric, fission, fusion, and the like, has the potential of giving us enough research and development, if completed in the future years, to give us another 28 to 44 quads of energy. That means through R. & D. we can almost double the quads that we are now using. The bill could take us from zero to eight quads in solar energy alone by the year 2000. It could give us about nine quads of geothermal, and it could give us tremendously more emphasis on hydroelectric.

I would like to say one thing about geothermal and the potential of that, if I may, because this bill funds the geothermal projects. We on the Interior Committee are just working on a bill, which I think will pass, to accelerate the use of Federal lands in developing geothermal projects from about 20,000 acres per State to about 60,000. This is an interesting fact. The potential of geothermal in the United States is about 20,000 megawatts of generating capacity in the next 20 years. That is equivalent to about 700,000 barrels of oil a day. The only problem is that we have not quite got the technology where it ought to be. This bill puts more emphasis in that area and gives more R. & D. money to begin moving in that direction. Again, there is potential in geothermal to provide electricity for cities with population excess of 600,000 each.

The Geysers project in Sonoma County, Calif., the largest geothermal plant in the world, began in 1957. It now produces 630 megawatts and has the capacity of serving about 600,000 people for all of their electrical needs.

So I think, Mr. Chairman, in conclusion, that the future of this country really does not lie only in coal, it does not lie certainly in oil and gas. It lies in developing new technology in solar, geothermal, hydro, fusion, and these other areas. If we do not get about the business of solving these energy crises, I think the only heat we are going to have in the next few years will be what we can get by flicking our Bics. So I am hopeful that we will move ahead and fund these projects.

One other thing before I sit down, and that is, Mr. Chairman, we are going to have some rhetoric today about canceling out nuclear plants. I happen to be a member of that committee that went up to Three Mile Island and looked at the nuclear power situation and the problem up there. We have 72 nuclear powerplants in the country, we have 94 under construction, we have another 30 being planned, and I believe that nuclear power does in fact have a role in this country. I believe we have only heard one side of the story. We have not heard the other side. I am convinced, after being on that task force to look at Three Mile Island, that basically that was a human error problem, so I do not think we should use nuclear power as a whipping boy.

I would urge that any type of program to cut our nuclear funding should be looked at very carefully, with all the facts in mind.

Again I applaud both the gentleman from Indiana (Mr. MYERS) and our good chairman, the gentleman from Alabama (Mr. BEVILL), for their work in this area. I hope the House will pass this bill today.

Mr. BEVILL. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from Utah (Mr. MCKAY).

Mr. MYERS of Indiana. Mr. Chairman, I yield 3 minutes to the distinguished ranking minority member of the Committee on Public Works and Transportation, the gentleman from California (Mr. CLAUSEN).

Mr. CLAUSEN. Mr. Chairman, I want to join with my colleagues in the accolades and favorable comments which have been directed toward the chairman of the committee, the gentleman from Alabama (Mr. BEVILL), the chairman of the full committee, the gentleman from Mississippi (Mr. WHITTEN), the gentleman from Indiana (Mr. MYERS), and all of the other members of the Appropriations Committee which has jurisdiction over this legislation.

I think they are really to be commended for the kind of demonstrated leadership in these very important areas of energy and water resource development.

I think it is safe to say that this committee has been ahead of the country, they have been ahead of the administration by acting in a very positive way on what I see to be the requirements to develop energy alternatives.

In particular, I want to not only relate my appreciation but to acknowledge the importance of solar energy and photovoltaic programs. I have a very comprehensive program associated with a photovoltaic energy-producing industry in my own district that is moving with this advanced technology energy source, which I think is very exciting. The fact that this committee has placed emphasis on it and included it in the committee report is worthy of note, as they speak for the Congress.

The gentleman from Utah (Mr. MARRIOTT) made reference to the fact that we have the first geothermal energy program out in my own congressional district in California and added the fact that we also both serve on the Interior Committee. We are going to move the legislation, to expand on the amount of acreage that can be leased from public lands to an individual or corporation, hopefully to move in the direction of the potential energy yield that geothermal has for this country. While the gentleman made reference to 20,000 megawatts potential, and he also said the equivalent of 700,000 barrels of oil per day yield. I am going to relate the fact that the figures we have are that the geothermal energy potential in this country has an equivalent potential of 1.2 trillion barrels of oil if you had to replace that geothermal energy production with fossil fuels.

□ 1240

So, it suggests that if we move out as this committee is doing in addressing all of these energy alternatives, we do have the potential in the future to convert to alternatives and ultimately preserve the fossil fuels for transportation as well as our petrochemical industry.

I happen to think that is the basic energy policy all of us are attempting to advance.

Mr. Chairman, H.R. 4388 also provides funding for essential water resource development, projects, and investigations as well as flood control and navigation projects in the Second Congressional District of California.

Mr. Chairman, water is a most important and dominating resource in the Second Congressional District. Not only does the district have over 350 miles of coastline, but the north coast rivers and watershed account for over 40 percent of the State of California's available surface water. We in the north coast are very proud of our region and are determined to have the controlling influence on how our resources are used and developed. We recognize that we must strive for the proper balance between economic growth and environmental quality.

The types of water projects and navigation activities that will be funded by H.R. 4388 are indicative of our needs and desires. The appropriations bill includes operations and maintenance funds for all of the ports and harbors—Bodega Bay, Noyo Harbor, Humboldt Harbor and Bay, and Crescent City Harbor—in the district. The Corps of Engineers is in the preconstruction planning phase or general investigation phase for improvement and expansion of all of these harbors. These activities by the corps will enhance the opportunities for commercial fishing and contribute greatly to local economies without adverse environmental impact. This legislation also includes funding for channel deepening on two of our inland rivers—Petaluma and Napa. Both of these rivers play a significant role in the commerce of their respective areas.

Funding to continue the construction of Warm Springs Dam is included in this legislation. This project, which will provide flood control, water supply, flow augmentation, and recreational benefits, has districtwide significance and support. The completion of Warm Springs will stabilize the water supply in the southern part of the district and at the same time make possible the resolution of water rights questions that exist between the northern and southern countries. The resolution of these problems, in conjunction with data gleaned from the Eel and Russian Rivers basin comprehensive studies, will provide the north coast with the information base, expertise and resources for the development of a watershed conservancy program.

Mr. Chairman, I believe it is apparent why this legislation is so important to the people of the Second Congressional District and I reiterate my strong support for this measure and urge my colleagues to do likewise.

Mr. BEVILL. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from Oregon (Mr. WEAVER).

Mr. WEAVER. I thank the distinguished chairman of the subcommittee very much for his courtesy.

I want to inform the committee that I intend to offer an amendment to title IV of the bill which would preclude the licensing of any new nuclear plant in a State which does not have an emergency evacuation plan. In my investigation of the Three Mile Island accident, it became clear that such an emergency evacuation plan is essential where there are nuclear plants going into operation.

And the General Accounting Office report, which coincidentally came out on the very day that the Three Mile Island accident was building steam, so to speak, pointed out that there are many States in the Union now with nuclear plants or nuclear plants about to be licensed that do not have such emergency evacuation plans.

Presently the Nuclear Regulatory Commission does not require such a plan in order to issue an operating license.

My amendment would make sure that such a plan could not go into operation unless such an emergency evacuation plan were prepared by the State and approved by the Nuclear Regulatory Commission.

I would like to ask the chairman if he did have a moment, if he could respond to a very brief question.

In the report, on page 20, it says that there are $10,500,000 for the Barnwell programs in the funds for the thermoreactor technology.

I wondered what that $10,500,000 is for. Could the chairman tell us.

Mr. BEVILL. If the gentleman would yield, this is to continue research.

The CHAIRMAN. The time of the gentleman from Oregon (Mr. WEAVER) has expired.

Mr. BEVILL. I yield the gentleman from Oregon 3 additional minutes.

This, as you know, is for the small research efforts that are continuing at Barnwell. As the gentleman knows, 2½ years ago, the President placed a moratorium on fuel reprocessing in this country because of his nonproliferation initiative. The budget did not request any funds for this project, but our subcommittee felt, after hearing the testimony, that $10.5 million should be appropriated.

This is what is in the bill. It is for the purpose of continuing what this subcommittee considers is a very important project.

Mr. WEAVER. I thank the chairman.

Mr. BEVILL. Mr. Chairman, I yield 2 minutes to the gentleman from Montana (Mr. WILLIAMS).

Mr. WILLIAMS of Montana. I thank the gentleman.

As you know, Chairman BEVILL, there is an Army Corps of Engineers water project in my district which has been the subject of extended controversy in recent years. The project I am referring to is the Libby additional units and reregulating dam project, which has an appropriation in this legislation of $20 million for fiscal year 1980.

A Federal district court judge ruled on November 8, 1978, that the project had never received congressional authorization and the construction was halted. On March 15 of this year, the ninth circuit court of appeals upheld the ruling in part, saying that the re-regulating dam portion of the project had not received proper congressional authorization. The United States has requested a review from the entire ninth circuit court on the matter. Am I correct in my understanding that, regardless of that court's future actions, no funds in the bill will be spent on the re-regulating dam portion of this project in fiscal year 1980?

Mr. BEVILL. The gentleman is correct. The fiscal year 1980 appropriations bill does not include new funds for construction of the re-regulating dam. The gentleman is absolutely correct.

Mr. WILLIAMS of Montana. I appreciate that assurance because first it is clear to me that the Montana congressional delegation should have, and the project deserves, the benefit of full congressional hearings on the authorization question. Second, two separate requests for a General Accounting Office review of the project have been made by myself and Montana's two Senators. Those studies are not yet complete, and I feel that this information will be invaluable to the Montana delegation in its deliberations.

While I am cognizant of the need for additional energy in this Nation, I also suggest that appropriations for projects of this magnitude should be made only after the established process of congressional authorization has been conducted.

The CHAIRMAN. The time of the gentleman has expired.

Mr. BEVILL. I yield to the gentleman from Montana 1 additional minute.

Mr. WILLIAMS of Montana. I do want to make this point before I close.

The GAO has given the delegation a preliminary report and has concluded that no pressing need is evident to build the dam, and I therefore suggest that we indeed have the time to proceed with caution.

Then, Mr. Chairman, it is my understanding that no funds contained in this legislation will be spent for any facet of this project in fiscal year 1980 that has not received congressional authorization to date.

Mr. BEVILL. This is correct.

Mr. WILLIAMS of Montana. I thank the chairman.

● Mr. STRATTON. Mr. Chairman, I rise in support of this bill and wish to subscribe especially to the remarks made on the important role played by the National Laser Users Facility at the University of Rochester. Aside from the very cogent reasons for providing equipment funds for this facility that have already been presented by other speakers, I think we have to take a careful look at the amount of Federal dollars being spent for university research throughout the country. Anyone familiar with this area knows full well what a small proportion of Federal funds New York State receives as compared with California, for example. The University of Rochester already has an excellent laser fusion program setup and I think the Federal Government has a responsibility to foster and nurture its growth, instead of pouring millions into programs elsewhere that are still only in the idea stage.

As has already been mentioned, the attainment of an energy yield of 5 to 10 times beyond expectations during a recent experiment at this facility, is just one example of the tremendous research capabilities available to the Nation if the Federal Government is willing to contribute toward the continued growth of this National Laser Users Facility in my State of New York.

This breakthrough occurred subsequent to the markup of this bill by the Energy and Water Development Subcommittee, by the way, and subsequent to the markup of the authorization bill by the Armed Services Committee on which I serve. The Armed Services Committee provided $7.4 million for the National Laser Users Facility for equipment, in addition to the funds we authorized for research and operations. I understand that the authorization bill reported by the Senate committee also contains a line item for equipment for this facility.

Laser fusion offers the best hope for a tremendous new energy source that could solve many of our energy problems by the year 2000. We need to go full speed in that direction.

So far all research on laser fusion has been done at Government labs and under classified conditions. But if this new energy source is to aid our free American economy, then private enterprise also needs to acquire some understanding of it, and some access to it in the development stage.

That is precisely what the National Laser Users Facility at the University of Rochester does. It is unique in this regard. We need to see that progress in this direction is continued.

To keep this progress going we must have a flexible enough support formula provides for both vital, necessary equipment as well as for operating funds. We just cannot do it with O. & M. funds alone.

I hope the chairman (Mr. BEVILL) will assure the committee of his willingness to work in this direction in the conference with the other body.●

● Ms. OAKAR. Mr. Chairman, I am extremely pleased that H.R. 4388, like the public works funding bills of the past several years, includes funding for much-needed projects for Cleveland Harbor and the Cuyahoga River. It is vitally important for the health of the steel industry in the Cleveland area, and the health of the area's economy generally, that the ore boats used by the steel industry be able to transit the river freely.

In this connection, I have learned that there are now three very serious obstacles to navigation of the river and I believe that these warrant prompt action by the Corps of Engineers. First, the project depth of the winding basin, which is located several miles from the mouth of the river, is only 18 feet, which is 5 feet less than the project depth of the river. This depth does not permit fully loaded vessels to turn, and in some cases it does not even accommodate vessels in a light, ballasted condition. Hence the winding basin must be dredged to the full project depth of the river itself, which is 23 feet.

The second obstacle is the bridge known as Bridge No. 19, or the Erie-Lackawanna-ConRail Railroad Bridge. Apparently ConRail has not used this bridge since it took over operation of the railroad. At a minimum, its present use, and the possibility of modifying or removing it, should be studied. Finally, while the Jefferson Street Bridge across the river was removed several years ago, its abutment structure remains, and it poses severe approach and departure problems to mariners. There is no reason whatsoever for permitting this structure to stand, and it should be removed in the interest of safety.

I urge the corps to give these problems immediate attention in its ongoing work on the river.●

Mr. BEVILL. Mr. Chairman, I have no further requests for time, and I yield back the balance of my time.

Mr. MYERS of Indiana. Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

DEPARTMENTAL ADMINISTRATION

For salaries and expenses of the Department of Energy necessary for departmental administration and other activities in carrying out the purposes of the Department of Energy Organization Act (Public Law 95-

91), including the hire of passenger motor vehicles; official entertainment expenses (not to exceed $35,000); $235,329,000, and any moneys received as authorized by section 201 of Public Law 95-238, notwithstanding the provisions of section 3617 of the Revised Statutes (31 U.S.C. 484), to remain available until expended.

AMENDMENT OFFERED BY MR. WIRTH

Mr. WIRTH. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WIRTH: Page 3, line 15, strike out "$235,329,000," and insert in lieu thereof "$237,329,000,".

Mr. WIRTH. Mr. Chairman, I think all of us in this body are concerned about fraud, waste and abuse in the Federal Government.

Mr. Chairman, the amendment I am offering today addresses one of the few issues on which I think we all agree: That waste, fraud, and abuse of taxpayers' dollars should be eliminated from Government. One of the ways this Congress has attempted to deal with this problem is by the creation of Offices of Inspector General within several departments of Government. These offices—which are charged with the promotion of efficiency and economy and the detection and prevention of fraud—report directly to the Congress. Such a procedure makes the likelihood of a coverup much less than would otherwise be the case. In effect, the Office of Inspector General is an in-house General Accounting Office, conducting investigations and audits of departmental activities to fulfill a congressional mandate.

Probably no agency has a greater need for the services of an Inspector General than the Department of Energy. As we all know, the Department of Energy is a new department which is a combination of many diverse agencies. Accountability is very difficult in such a chaotic atmosphere. In addition, the Department is dealing in a field which involves complicated technologies which are constantly changing. Finally, DOE's contracts and regulations involve major expenditures of dollars. As in any institution of size, making certain that every dollar is properly spent is an enormous task.

Unfortunately, the DOE has not given its Office of Inspector General the support it needs to fulfill its responsibilities. The Inspector General requested 155 staff members, up from 120, for fiscal year 1980. In fact, the DOE cut the Inspector's staff to 100, representing a 17 percent personnel reduction. This is the largest personnel cut for any office within the Department.

We are all aware of the need to restrain Federal spending, and to hold down the number of Federal employees. However, the duties of the Office of Inspector General are such that the better they are performed, the greater the savings to the taxpayer. The amendment I am offering today will appropriate $2 million to increase the staff of the Inspector Generals office to 155, and help assure that the Inspector General is able to fulfill his mandate.

Let me quote from the DOE's Inspector General annual report to explain the importance of this staff increase:

> When 1978 closed, the single most important problem faced by our investigation office was a simple one: Too few investigators in too few places. . . . We think it almost certain that the fraud and abuse in DOE programs now going undetected, unprevented and unpunished because of our present inability to adopt a forward investigative strategy is large.

The DOE's Inspector General's office is well administered and has achieved some significant successes with its limited staff. For example, the office has started recovery of $4 million in accounts receivable that had effectively been lost by DOE. The office has begun investigation of the strategic petroleum reserve program. Though just beginning, in one action alone they saved $1 million involving 4 drilling rigs. Most impressively, the office found $100 million in cost overruns in the H-coal project. Due to their effort, this project is now coming under effective control. Of course, there are a number of examples which time does not permit me to relate.

The Inspector General office has an ambitious agenda ahead. They will have to investigate projects such as the weatherization grant program, and other conservation programs. The office will have to monitor the implementation of numerous regulatory programs as well. Even the strategic petroleum reserve will require additional investigation, due to its size and scope. Indeed, as the Inspector General has so ably testified before another committee of this Congress—

> The information we have been turning over to prosecutive authorities that relates to possible criminal conduct in the strategic petroleum reserve program. The pattern emerging from the facts we are gathering makes us think that we may be viewing only a fraction of the wrong-doing that may, in fact, be occurring in the program.

Mr. Chairman, I urge the adoption of my amendment. I will be more than happy to answer any questions the Members might have.

I yield to the gentleman from Alabama, the distinguished chairman of the Energy and Water Resources Subcommittee.

Mr. BEVILL. Mr. Chairman, on this we have no objection. The gentleman has discussed this with us. We are familiar with it. We have no objection to this amendment.

Mr. MYERS of Indiana. Mr. Chairman, will the gentleman yield?

Mr. WIRTH. I yield to the gentleman from Indiana, the distinguished ranking member of the Energy and Water Resources Subcommittee.

Mr. MYERS of Indiana. Mr. Chairman, we will accept the amendment with some reservations. It is going to require five additional people?

Mr. WIRTH. Fifty-five. Last year, the Office of Inspector General was limited to 120 people. It has since been cut back to 100. They have simply not the capacity even to audit what the Department of Energy is doing internally, much less to look at the coming problems that we see in the Strategic Petroleum Reserve; the weather station program; nor all of the new technology programs. The track record so far that the IG has developed, with very limited resources, has saved the taxpayers literally millions of dollars. Very clear statements from everybody who has looked at the IG would suggest that the potential is very much there for long-term savings within DOE.

□ 1250

Mr. MYERS of Indiana. Would the gentleman yield?

Mr. WIRTH. I am happy to yield.

Mr. MYERS of Indiana. The gentleman has put his finger on a very difficult and big problem the Department of Energy does have. I hope this will resolve some of their problems. It is a haphazard, sloppy operation down there, and this will help, these 55 additional people will help improve their operation. I hope it will do that.

Mr. WIRTH. I think this is the best tool that we in the Congress have.

As the gentleman knows, the IG reports to the Secretary of Energy, and also—independently—to the Congress. The reports that we have received so far indicate that there are some significant opportunities for saving money within the Department. For example, idle equipment at the strategic petroleum reserve costs the taxpayers $100,000 each day it is idle. And last year, the Office of Inspector General tracked down some $4 million in outstanding accounts receivable, which had previously been written off as untraceable. In short, an effective and vigorous Inspector General will save far more money than the Office costs the taxpayers. I urge the adoption of my amendment.

Mr. MYERS of Indiana. We accept the amendment.

Mr. WIRTH. I thank the gentleman.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Colorado (Mr. WIRTH).

The amendment was agreed to.

Mr. FITHIAN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I just entered the Chambers as the first title of the bill was read. I intended today to urge the House to take up a serious matter which this appropriations bill is, indeed, doing. In just a moment I want to ask a rather significant question of the chairman of the subcommittee as to the future intent of this committee.

Let me direct my attention to an amendment that I had intended to offer, though the ultimate purpose of the amendment was to engage in a discussion of a policy question at stake rather than the $5 million that is being put into this bill for the nuclear fuel facility at West Valley and the demonstration project at page 2, line 11.

I would call to the attention of Members of the House the amendment which I had originally intended to offer, which is printed in the RECORD. I want to urge the Members to understand that this is not a pro or con debate over nuclear power. It is a fundamental debate over who shall absorb the responsibility, the financial responsibility, if you will, for the disposition of commercial nuclear wastes not owned or legally titled to the Federal Government.

Unfortunately this bill will embark us on a precedent-setting undertaking through which the Federal Government will pick up the tab for all such nuclear waste disposal costs.

Two and a half years ago, Mr. Chairman, the subcommittee on which I have the opportunity to serve in the Government Operations Committee had lengthy and detailed hearings on West Valley. The GAO and an ERDA contractor estimated that the cost of solidification and cleaning up the West Valley mess, if you will, might run as high as $567 million. The GAO has suggested that the Federal Government provide technical assistance in this matter.

There is no question as to the fact that the Federal Government encouraged construction of the facility. The facility, however, is privately owned and the land is leased from the State of New York. Therefore, the State of New York and the licensee are the proper and legal owners of the waste that we are now embarking upon disposing.

I would hope, Mr. Chairman, that at the bottom of page 87 of your report where you indicate that the committee further notes that the State of New York has a responsibility in the project as recognized in the ongoing negotiations between officials of the Department of Energy and the State, I would hope, Mr. Chairman, that this means that in those negotiations upcoming there will be a negotiated cost settlement, and this does not mean that the Federal Government is embarking upon a program by which, regardless of the ownership of nuclear fuel wastes, the Federal Government will absorb all of those costs.

I believe that is what the report means.

Mr. BEVILL. The gentleman is correct.

Mr. FITHIAN. I thank the gentleman for his response. I do not, of course, wish and did not wish initially to cause any particular problem for my very good friend, Congressman LUNDINE, from that district, but I would say to Members of the House that unless we are very, very careful in our next appropriations bill, we will have locked the Federal Government into absorbing all waste disposal costs for all future time.

Now, Mr. Chairman, I would like to engage the Chair in a brief colloquy on another matter in this section just for clarification. I have talked with the counsel, and I believe that we are clear on this regard, but I wanted to discuss briefly the intention of the committee with regard to the utilization of funds in that section.

Mr. Chairman, I noted with interest the criticism of the Energy Department's "foot dragging" on biomass energy, which is included in the committee report. I share that concern. I have followed the work of the Energy Department on biomass energy with real concern, because it has seemed to me that energy policymakers at DOE have failed to adequately examine biomass energy; have refused to provide adequate research funding and production incentives; and now have stood with many of the major oil companies as opponents of biomass developments.

It had been my intention initially to offer an amendment at this point, but in talking with the counsel I was informed that funds are available for biomass pilot plants both in the pending appropriation and in funds from the fiscal year 1979 appropriation not yet spent. I think with the generous increases which the gentleman's committee has funded, that there is opportunity for the Department—and this is the clarification I seek—there is opportunity in this appropriation for the Department to advance the research on cellulose conversion within that increase in funding.

My question is, could the Department therefore allocate funds for a production-scale research pilot plant for an integrated process of converting cellulose and hemicellulose into alcohol, utilizing solvent pretreatment processes?

Mr. BEVILL. Yes; there are plenty of funds to accomplish that.

Mr. FITHIAN. The second question, Mr. Chairman, has to do with very excellent biomass research at Auburn University, which I now understand is ready to go to the second phase. I believe again that the funds are there, but I now seek clarification. Is funding available in the amounts appropriated in this title for the research at Auburn for the conversion of wood into alcohol fuels through acid hydrolysis? In this case, they need to move that wood conversion process to the next stage, which is a research-scale pilot demonstration plant.

Mr. BEVILL. Yes. As a matter of fact, I would be delighted to see that.

Mr. FITHIAN. I thank the chairman for his response, and I thank the committee for their commitment to the whole matter of alternate fuel supply. I think it is something on which we need to encourage the Department, and I commend the committee for its work on this important issue.

Mr. LUNDINE. Mr. Chairman, will the gentleman yield?

Mr. FITHIAN. I yield to the gentleman from New York.

Mr. LUNDINE. Mr. Chairman, I thank the gentleman for his withdrawal of that amendment.

The CHAIRMAN. The time of the gentleman from Indiana has expired.

(At the request of Mr. LUNDINE and by unanimous consent, Mr. FITHIAN was allowed to proceed for 1 additional minute.)

Mr. LUNDINE. Mr. Chairman, I ask for 1 additional minute only to express my deep conviction that the West Valley project has great advantages for the Nation as a demonstration of how to solidify high radioactive liquid waste and transport it off site to a repository for the ultimate safe, ecological, appropriate disposition of these wastes. West Valley happens to be large enough so that it is a significant scale demonstration, with facilities already there, which can be used in that solidification process; but, small enough so that it will not cost billions of dollars. It would undertake a similar demonstration at one of the Federal projects around the country.

I am a member of the Committee on Science and Technology, and have worked hard on this amendment. I look forward to a dialog with my colleague from Indiana on this matter as the authorization subsequently comes up, and wish to express my deep appreciation to the subcommittee chairman and the members of the subcommittee for their action in this matter.

☐ 1300

The CHAIRMAN. The time of the gentleman from Indiana (Mr. FITHIAN) has expired.

(By unanimous consent, Mr. FITHIAN was allowed to proceed for 2 additional minutes.)

Mr. FITHIAN. I thank the gentleman, and I would ask whether or not the Committee on Science and Technology—perhaps the gentleman from Washington would like to join in this colloquy—is aware that we have a very great deal of high-level liquid waste that is at present in the sole ownership and possession of the U.S. Government.

Mr. LUNDINE. If the gentleman will yield, I am certain that virtually every member of the Committee on Science and Technology is aware of that, yes, sir.

Mr. FITHIAN. That is precedent to the real question, as the gentleman from New York must have discerned, and that is if we were really going to do a demonstration project, which this is described as being, would it not make more sense to do the demonstration project with high-level nuclear waste owned solely by the U.S. Government since we have so much of it to dispose of rather than to embark upon the questionable policy of accepting the responsibility for commercially-owned waste; that is the policy decision that I believe is being inadvertently made here today without adequate debate. I welcome the opportunity and expect to engage in such a discussion, very frankly, when the authorization bill is on the floor.

Mr. LUNDINE. I look forward to that opportunity. If the gentleman will yield further, however, I would argue that the answer is in the negative for the fundamental reason that at West Valley we have perfectly capable facilities to do the demonstration, whereas elsewhere we would have to build them.

Mr. FITHIAN. I would point out to the House that this perfectly appropriate facility is a facility which we, the guardians of the Federal taxpayers, will pick up to the tune of $300 million before we are done. This $5 million is only the tip of the iceberg, and we are embarking today upon that policy.

Mr. McCORMACK. Mr. Chairman, I move to strike the requisite number of words. Several points should be made in response to the questions raised by the gentleman from Indiana (Mr. FITHIAN). The first one is made by the gentleman from New York; that we have a facility at West Valley. Glassification of the high level wastes at West Valley will be less expensive than has been suggested. I believe that the study will show that it will cost far less than $300 million. I think substantially less than $100 million; and perhaps as little as $50 million, to glassify that tank of waste.

The second point is that the West Valley wastes are 60 percent defense wastes.

Mr. FITHIAN. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from Indiana.

Mr. FITHIAN. I thank the gentleman for yielding.

Does that mean, then, that the gentleman is in opposition to the figure that is included in the committee report?

Mr. McCORMACK. I am simply giving what I believe to be the correct figure.

Mr. FITHIAN. The Department of Energy figure is $132 million, and that is considered by the GAO to be very low.

Mr. McCORMACK. I understand that. We have held detailed hearings on this subject, and I have visited West Valley and done my own study. I think I am well qualified to make a reasonable conclusion on this, and I am projecting that the cost will be less than $100 million to glassify the waste. I think this would be an extremely valuable demonstration for this country, and I think that the study will show that glassification will be simple and easy and quick, and relatively inexpensive.

Mr. FITHIAN. Will the gentleman yield?

Mr. McCORMACK. I will be glad to yield to the gentleman.

Mr. FITHIAN. Would the Members of the House then reasonably expect that the gentleman's authorizing committee will come in with a figure limiting the total expenditure to $50 million?

Mr. McCORMACK. No, I certainly do not promise that at this time. I am making an estimate now. We have had a formal presentation from a representative of a qualified glass corporation involved in making equipment for doing this sort of thing. He suggests a turnkey contract for glassification of the West Valley wastes for substantially less than $50 million. I simply make that point, and I assure the gentleman that we will be prudent in getting the facts straight as we authorize this project in the future.

Mr. FITHIAN. If the gentleman will yield further, I have never doubted the prudent character of the committee and do not now. My point is that ERDA contractors previously have come in with a much larger figure than this. But the point still rests as to the policy question we are embarking on. Is it going to be the responsibility of the Federal Government to pick up the tab for commercial waste disposal in this country? That is the fundamental policy issue.

Mr. McCORMACK. I think the question is a legitimate question at any time. My response to it is: Absolutely not. There is no question about the fact that the nuclear industry can easily afford to pay for the entire fuel cycle. As a matter of fact, at the appropriate time I may introduce legislation to create a Federal Fuel Cycle Corporation in which the Federal Government will preempt the ownership of fuel and lease the fuel elements to utilities, paying for all costs of the entire fuel cycle including reprocessing and waste management.

Mr. FITHIAN. I thank the gentleman.

AMENDMENT OFFERED BY MR. WEAVER

Mr. WEAVER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. WEAVER: Page 3, line 1, strike "334,050,000" and insert "323,550,000; provided none of these funds may be used for the Barnwell program."

Mr. WEAVER. Mr. Chairman, I ask unanimous consent that the amendment I have offered may be considered in order. I hope that the distinguished chairman of the subcommittee, who is one of the most courteous and generous Members of this House, will allow me to offer this general science and research activities amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Oregon?

Mr. BEVILL. Mr. Chairman, I reserve the right to object.

Mr. MYERS of Indiana. Mr. Chairman, I reserve the right to object. Does the minority have a copy of the gentleman's proposed amendment?

Mr. Chairman, we have now received it, but I further reserve the right to object.

The CHAIRMAN. Is there objection to the request of the gentleman from Oregon?

Mr. MYERS of Indiana. Mr. Chairman, reserving the right to object, we just received the amendment. Until we do have an opportunity to examine it, we do reserve the right to object.

Mr. BEVILL. Mr. Chairman, we object to the offering of this amendment because we have already passed this section. We object to the gentleman's request.

The CHAIRMAN. Objection is heard.

Mr. WEAVER. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I apologize to the members of the committee for not realizing that appropriations bills were read by paragraph. I thought they were read by title and had thought that I was going to be able to offer this amendment during the time that title I was being offered. I have learned something. I have not been one of those who constantly offers amendments to appropriations bills. I do not, and this is, as a matter of fact, my first experience in offering an amendment to an appropriations bill. I have learned something, and I appreciate that learning process. But I would like to ask the chairman and the distinguished ranking minority member again exactly why we are spending $10.5 million for the Barnwell program, a program in a reprocessing plant that is closed down, that the President has said we do not want and that has serious design problems involved in it.

I spent considerable time going through the Barnwell plant, and I would just like to recite one of the impressions that I received going through the Barnwell plant, which was designed, as we know, to take spent nuclear fuel from light water plants and reprocess it into plutonium and other elements. The areas within the plant itself where once it starts work at reprocessing—which, of course, this plant did not do when we went into it—one never goes into again. That is, humankind or anything else that wants to live will never go into those areas again. Those areas are extremely complicated. They have pipes and valves, just a complex maze of pipes and valves in an area where humankind will never go in again once that plant starts operating. They have peep windows and remote control devices which they say can be used if a pipe bursts or if a valve goes out. All by remote control, or so they say. But, of course, they said pipes do not burst nor do valves go out in these plants.

I would just like to say that while we were going through the control room, the former Congressman from Wyoming, Mr. RONCALIO was with us. He looked up at the light in the control room above. We had just been told that there were no leaks possible in such a plant, and he looked up at the plastic light cover, and it was full of water from a leak. That gave us some consternation.

□ 1310

These plants are so complex. Things could constantly go wrong. I cite the fact that in the first 4 moves in chess, 2 million different moves are possible. The same incredible interdependency exists in a nuclear facility, thus presenting an incomprehensible array of possible problems in a nuclear plant where something has gone wrong.

Could I ask the distinguished chairman again why we need to spend $10.5 million on the Barnwell program when the plant is down? It is not doing anything. It is not going ahead.

I yield to my colleague, the gentleman from South Carolina (Mr. JENRETTE), who is very interested in this project. The project is in his district. He is very familiar with it.

Mr. JENRETTE. I thank the gentleman for yielding.

I will be very candid and say to the gentleman I would rather the President had taken some other stance and he could have gone on with commercial reprocessing the way the Barnwell people had originally planned. That was the initiative they originally took.

I was in the State Legislature in South Carolina and the Federal Government at that time under President Nixon, the State legislative body and the Governor all encouraged Barnwell to come there. The President has come up with a different philosophy on reprocessing that has changed the posture. However, they built in Barnwell the finest facility with the finest group of individuals as far as technology is concerned anywhere in the world.

I have personally played a very strong role along with our entire legislative delegation to keep the Barnwell facility available because at some point in time and very near, in 1982 or so, we are going to have all of the waste particularly in the South and the Southeast. In the record I have all the figures about the amount of waste. Somewhere it is going to have to be stored. I do not want South Carolina to be a burial ground or a depository for nuclear waste. However, with the President's decision, the safeguards in the Barnwell facility as it is now, with a little adjustment, a small amount of adjustment, where a part of this money is for a study of those adjustments, will allow a reasonable——

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent, Mr. WEAVER was allowed to proceed for 2 additional minutes.)

Mr. WEAVER. I yield to the gentleman from South Carolina (Mr. JENRETTE).

Mr. JENRETTE. The Department of Energy is looking at a regional storage away from facility storage sites throughout the country because we have to do something with this. I think the gentleman would agree with me we have to do something. It is not a matter we can just allow to continue.

They are looking at the possibility of the Barnwell facility as it is now constructed with a few adjustments as being away from facility storage sites. We are taking in part of the Southeast and we have got to do something.

I asked the committee to put the money in to keep it going so they can do this study until the international study is completed.

Mr. WEAVER. As I understand the gentleman, he is saying this $9.5 million is in there really just to keep the plant on a stand-by basis, keep the personnel there in shape in case we need it some other time.

Mr. LUJAN. Mr. Chairman, will the gentleman yield?

Mr. WEAVER. I yield to the gentleman from New Mexico.

Mr. LUJAN. The gentleman should be supporting this figure of $10 million. We are all concerned about the nuclear problem, particularly the gentleman from Oregon, that is one of the things he has been concerned about. The important part of that money being spent in Barnwell today is for research in safety and safeguards. There is a lot of research going on there now and that is a big program there.

Apparently, some of us think we ought to preserve the reprocessing option, that we ought to approve the "away from reactor" storage because as the gentleman knows we have a——

Mr. WEAVER. I will talk to the gentleman further about this privately but I will just say that with that plant not operating and not working how can they do safety research?

Mr. LUJAN. That is one of the major projects at Barnwell. Research and safeguards.

Mr. WEAVER. I thank both gentlemen and I thank the chairman.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

FEDERAL ENERGY REGULATORY COMMISSION

SALARIES AND EXPENSES

For necessary expenses of the Federal Energy Regulatory Commission to carry out the provisions of the Department of Energy Organization Act (Public Law 95-91), including services as authorized by 5 U.S.C. 3109, $67,187,000.

AMENDMENTS OFFERED BY MR. DODD

Mr. DODD. Mr. Chairman, I offer amendments.

The Clerk read as follows:

Amendments offered by Mr. DODD: Page 9, line 14, after the period, insert the following: "None of the funds appropriated for the Federal Energy Regulatory Commission under this paragraph in excess of $600,000 shall be used to pay expenses of, or otherwise compensate, parties intervening in regulatory or adjudicatory proceedings funded under this paragraph.".

Page 11, lines 21 through 24, strike out section 103.

Mr. DODD. Mr. Chairman, I ask unanimous consent that these amendments be considered en bloc since they both touch on the same matter.

The CHAIRMAN. Is there objection to the request of the gentleman from Connecticut?

These was no objection.

Mr. DODD. Mr. Chairman, first of all, I would like to compliment the chairman of the subcommittee for the time he has given me to discuss this matter and I thank the ranking minority member as well.

I would like to explain clearly what the purpose of this amendment is and what it does and why I think it is important that it be included in this particular appropriation bill.

This amendment is rather simple and straightforward. It would permit—and I say permit; there is a cap on it—the Federal Energy Regulatory Commission, to use up to $600,000. That is a maximum cap.

Let me step back a bit and remind my colleagues, if I can, of the history of how the Office of Public Participation arose.

When we passed the National Energy Act in 1978 there were five parts of that bill. One of the parts of it was the Public Utilities Regulatory Policy Act. Part of that act set up the Office of Public Participation within the Federal Energy Regulatory Commission. It is a little confusing but that is how it came about.

When we set up the Office of Public Participation we set rather stringent guidelines for what an intervener would have to do in order to qualify to receive assistance, financial assistance, to appear before the Commission.

Section 212 of what is known as PURPA set out rather, as I mentioned, stringent guidelines. What is said there is "The Commission may under rules promulgated by it, provide compensation for reasonable attorneys' fees, expert witness fees and other costs of intervening or participating in any proceeding before the Commission to any person whose intervention or participation"—and this is important—"substantially contributed to the approval in whole or in part of a position advocated by such person and such compensation may be paid only if the Commission has determined that the proceeding is significant and that such person's intervention or participation in such proceeding without receipt of compensation constitutes a significant financial hardship to him."

It is a rather narrow definition, a rather narrow criteria under which we allow a person to receive public funds for the right to participate in proceedings.

I would like to point out that this is not a unique set of circumstances under which we have an Office of Public Participation.

□ 1320

There are a significant number of other departments and agencies of Government that also have an Office of Public Participation; the Department of Agriculture has a similar office, the Civil Aeronautics Board, the Consumer Protection Safety Commission, the Department of Energy, the Enivronmental Protection Agency, the Food and Drug Administration, the Federal Trade Commission; in fact, the Department of State and the Department of Transportation also have an Office of Public Participation; so this is not a unique set of circumstances.

The President has urged the Commission to set up regulations in order to get the Office of Public Participation moving. The authorizing committees have urged that the regulations be set forth that would allow for the operation of the Office of Public Participation; so both ends at the executive branch and at the authorizing level in previous acts that have passed this Congress, we have allowed for the establishment of this particular office.

The only holdup, it would seem, is appropriating the funds.

Now, there is some concern that we have an open ended funding mechanism. I point out again to my colleagues here in the House that we have set a cap with this amendment of only $600,000, so that it not be a runaway situation.

Now, what is the present situation in terms of the kinds of people that come before the Commission seeking to intervene on matters which will directly involve and directly affect their particular status? I would like to point out, If I may to my colleagues, what the situation was in the previous month, the month of May, in which we were able to track the intervenors that appeared before the Commission. In that instance there were 201 intervenors during the month of May. One hundred ten of those intervenors were gas and oil producers, pipelines or distributors. Thirty-five were electric utilities. Twenty-eight were State and local governments, 16 were industrial corporations, and only 6 were consumer groups; so what we are trying to do here is to create a mechanism that would allow legitimate intervenors to appear before the Commission, those intervenors that may not have the financial capability of hiring the necessary expertise to appear before the Commission.

The CHAIRMAN. The time of the gentleman from Connecticut (Mr. DODD) has expired.

(By unanimous consent, Mr. DODD was allowed to proceed for 1 additional minute.)

Mr. DODD. Mr. Chairman, this would allow these intervenors to come before the Commission. It would not allow those intervenors who are financially capable of paying their own way. It would not allow those intervenors who just want to jump in for the sake of tying up the process or procedure.

As I pointed out, section 212 of PURPA, narrowly defines who can be an intervenor; so I would urge my colleagues here in the committee that we consider carefully what is being advocated here. We want to allow people who are affected by those decisions, complicated decisions, to be able to participate in the process. We have expressed that feeling previously here in the House in other actions we have taken. Other agencies of Government allow for the Office of Public Participation.

I think it vitally important, particularly in the area of energy, that we give those legitimate interests an opportunity to participate and not deny them that opportunity merely because they are not financially capable of raising the funds to appear before the Commission.

Mr. MAGUIRE. Mr. Chairman, will the gentleman yield?

Mr. DODD. I would be glad to yield to my colleague, the gentleman from New Jersey.

Mr. MAGUIRE. Mr. Chairman, I thank the gentleman for yielding.

I think the gentleman has posed an excellent amendment to the House. I want to make simply a couple of additional points.

First of all, the amendment does not call for additional moneys.

The CHAIRMAN. The time of the gentleman from Connecticut (Mr. Dodd) has again expired.

(At the request of Mr. Maguire, and by unanimous consent, Mr. Dodd was allowed to proceed for 3 additional minutes.)

Mr. MAGUIRE. Mr. Chairman, will the gentleman continue to yield?

Mr. DODD. I continue to yield to my colleague, the gentleman from New Jersey.

Mr. MAGUIRE. Mr. Chairman, I thank the gentleman for continuing to yield.

What we are talking about here is not adding money to what is being suggested, but rather to eliminate a prohibition against the expenditure of the already appropriated funds for this particular purpose.

Now, this particular purpose is a purpose which was defined as the gentleman from Connecticut has so clearly stated in the National Energy Act. It is consistent with what we do with other agencies. It is really a minimal step in correcting a situation in which generally speaking those who have the expertise and the funding to appear before the Commission on matters of great importance to the public may, in fact, be the only ones represented in many cases, or at least the preponderance of representation will come from those utilities and companies that have a tremendous stake; but look at one important additional fact, that is, that the expenditures that they make for lawyers and economists and specialists are, generally speaking, passed on to our constituents, to citizens, because they are tax deductible in part. Some of the rest of it, of course, shows up in our utility bills. We are talking about billions and billions of dollars in the decisions that are made every year before the Federal Energy Regulatory Commission. It seems a very small step, indeed, to provide at least the flexibility within appropriated moneys to permit the funding of this office, which has already been authorized and established as the intent of this Congress, to make the department consistent with other departments in this respect.

I compliment the gentleman on his amendment and urge its adoption.

Mr. DODD. Mr. Chairman, I thank the gentleman for his comments. I would like to engage the gentleman, if I may, in a brief colloquy.

I think it should be, hopefully, clear to our colleagues here that we are not advocating a position that would allow those institutions or individuals who are fully capable of financially supporting their own intervention. We are not talking about using taxpayer money to say help out Mr. Nader, who is fully capable financially of being an intervenor. We are talking about those interests that do not have the financial capability, that have legitimate standing and are involved in a significant issue to participate in the process. Is that what the gentleman is trying to state?

Mr. MAGUIRE. Mr. Chairman, if the gentleman will yield further, the gentleman is absolutely correct.

Moreover, as the gentleman himself pointed out in his opening remarks, one would have to show that he had a clear stake, that he had standing, that he had a significant grievance, so that the money would not be used for purposes that were unimportant.

Mr. LEVITAS. Mr. Chairman, will the gentleman yield?

Mr. DODD. I would be glad to yield to the gentleman from Georgia.

Mr. LEVITAS. Mr. Chairman, I thank the gentleman for yielding. I would like to associate myself with the remarks of the gentleman from Connecticut. I support the gentleman's amendment.

The CHAIRMAN. The time of the gentleman from Connecticut (Mr. Dodd) has again expired.

(At the request of Mr. Levitas, and by unanimous consent, Mr. Dodd was allowed to proceed for 3 additional minutes.)

Mr. LEVITAS. Mr. Chairman, will the gentleman yield?

Mr. DODD. I will be glad to continue to yield to my colleague.

Mr. LEVITAS. Mr. Chairman, I think that very few people in this country and perhaps few people in this Congress realize what an impact the regulatory decisions on increasing energy costs to the American consumer have that are made by this particular Commission. I do not think any of us would want to face our constituents and say that our State utility commissions or public service commissions or similar commissions should not be accessible to the general public. Yet, what we do not tell them is that the decisions made here in Washington by FERC have at least as much an impact upon them as do the State commissions. Yet by virtue of the expense and the cost and location of these hearings, the public is shut out. As a result, millions and millions of dollars passed on to the American consumer never hear the voice of consumers in making those decisions.

As the gentleman will remember, I was one of the more ardent opponents of the so-called Consumer Protection Agency that the Congress happily defeated last year, because I did not think we needed to institutionalize the consumer's point of view and create a superconsumer to speak for everyone; but certainly it makes a lot of sense to provide those means and resources to let legitimate consumer interests that otherwise cannot be heard have that opportunity. Otherwise, we are turning the whole ball game over to the wealthy and those capable of having their voice heard and precluding the voices of the senior citizens, the poor, the middle-income people, who need to be heard.

I would like to point out, as the gentleman from New Jersey indicated, when the corporate interests are heard at FERC, the public is picking up that tab, too, through the deductions for lawyers expenses and through rolling back the remaining costs into the rate itself. Why not let the consumer be heard? The consumer is making his own case, not through some advocate that is a self-appointed consumer, but the consumers themselves.

I think that the amendment of the gentleman from Connecticut in a very modest way will accomplish this in the case of this agency and in the case of FERC.

I can cite specific examples in my own State where this would be needed in order to let the people have at least some voice in deciding whether $120 million of additional costs should be placed their utility bills.

I commend the gentleman and support the gentleman's amendment.

□ 1330

Mr. DODD. Mr. Chairman, I thank the gentleman for his comments.

Mrs. FENWICK. Mr. Chairman, will the gentleman yield?

Mr. DODD. I will be glad to yield to my colleague, the gentlewoman from New Jersey.

Mrs. FENWICK. Mr. Chairman, I did not intend to speak about this matter at all, but I would like to bring something to the attention of this House.

As a member of the Committee on Small Business, let me say that we were involved in Federal Trade Commission investigations of funeral directors.

Now, on what basis would the gentleman regard a 28-year-old lawyer in this situation?

The CHAIRMAN. The time of the gentleman from Connecticut (Mr. Dodd) has expired.

(On request of Mrs. Fenwick, and by unanimous consent, Mr. Dodd was allowed to proceed for 3 additional minutes.)

Mrs. FENWICK. Mr. Chairman, will the gentleman yield?

Mr. DODD. I continue to yield to my colleague, the gentlewoman from New Jersey.

Mrs. FENWICK. Mr. Chairman, as I was saying, there was a 28-year-old lawyer in the employ of the Federal Trade Commission who read six letters and a magazine article and then launched the Federal Trade Commission into an investigation of the funeral directors.

The first 9 months of the investigation were not counted as to what it cost, but before it reached us they had spent $450,000. A good part of that was spent on bringing crematorium directors from the west coast at public expense, and as I remember it, this represented some $200,000 of this $450,000. Obviously they were chosen by the Federal Trade Commission in order to bolster the opposition to the funeral directors.

I have no particular interest in either industry. What I am saying is that this is where we can get into problems. We can find that the staff of whatever agency is involved is going to bring witnesses from Spokane, Wash., and Seattle, Wash., at tremendous expense, with all the transportation, hotels, taxis, meals, and so forth, to come and testify against the funeral directors.

Mr. DODD. Mr. Chairman, if the gentlewoman would let me use just a minute of my time to respond to her point, let me say that I am not going to suggest to the gentlewoman from New Jersey or to any other Member in this Chamber that there are not examples that could be cited where there has been abuse. That would be naive, and I would suffer from a severe case of myopia were I to suggest to the gentlewoman or anybody else that this does not occur from time to time.

The fundamental principle is the important thing. Certainly every agency and every Department of Government has regulations and in every regulation we have we could find cases wherein there has been abuse. I would not deny that.

Mrs. FENWICK. Mr. Chairman, would the gentleman yield.

Mr. DODD. If I may, I would like to conclude this statement, because I think it is important.

Mr. Chairman, I am sure there are stories that can be told where there have been abuses.

The fundamental point is that we are talking about billions and billions and billions of dollars that are going into decisions that affect consumers in this country. Should we not at least allow those people who have standing—and the requirements are that they must have standing—and who have a financial hardship to testify? Should they not be allowed to come forward and intervene during these proceedings? Is that such a horrible thought?

Mrs. FENWICK. Mr. Chairman, if the gentleman will yield, it is not a horrible thought, and I was a consumer director once and was most in favor of it. But they do not have to choose consumers from Seattle, Wash., and bring them here and put them up in expensive hotels and pay all these expenses. Further, when the business is over and we find ourselves between the devil and the deep blue sea, I have yet to identify who should come before the Commission.

Yes, these expenses come out of the profits. The stockholders do not get as much money as they would have gotten if they did not have to testify.

Maybe the answer is to have these agencies pay both expenses modestly, but pay them. We could say, "If you want to hear from one side, you pay, and if you want to hear from the other side, you pay." Maybe that would be the answer, even steven.

But, Mr. Chairman, if we are going to build a trap, people are going to fall into it.

The CHAIRMAN. The time of the gentleman from Connecticut (Mr. Dodd) has expired.

(On request of Mr. Nolan, and by unanimous consent, Mr. Dodd was allowed to proceed for 1 additional minute.)

Mr. NOLAN. Mr. Chairman, will the gentleman yield?

Mr. DODD. I will be glad to yield to the gentleman from Minnesota.

Mr. NOLAN. Mr. Chairman, I just want to take 1 minute to commend the gentleman from Connecticut (Mr. Dodd) for offering this amendment.

It has become so obvious to us all that the Federal Energy Regulatory Commission in its regulations is so technical and these regulations so complex that it is virtually impossible for anybody to make any kind of a meaningful impact on that agency without the kind of legal and technical expertise that it takes to understand what they are trying to do. The only way it can be done, as far as the public interest is concerned, whether it is consumer groups, small businessmen, retailers, or whoever might be concerned, is through the amendment being offered by the gentleman from Connecticut (Mr. Dodd).

Mr. Chairman, I just want to commend the gentleman for the amendment, and I hope the House will have the good sense to adopt this amendment so that the public can have some confidence and some opportunity to participate in these most important regulations that are emanating from this agency.

The CHAIRMAN. The time of the gentleman from Connecticut (Mr. Dodd) has again expired.

(On request of Mr. Edwards of Oklahoma, and by unanimous consent, Mr. Dodd was allowed to proceed for 2 additional minutes.)

Mr. EDWARDS of Oklahoma. Mr. Chairman, will the gentleman yield?

Mr. DODD. I will be glad to yield to the gentleman from Oklahoma.

Mr. EDWARDS of Oklahoma. Mr. Chairman, let me point out what bothers me about the gentleman's amendment. First, I happen to feel it is also important in issues like this that representatives of the public have a chance to be heard and have their voice be heard, but I think the gentlewoman from New Jersey (Mrs. Fenwick) raised a very good point in terms of asking who these people are and where they are coming from.

Are we bringing somebody from Seattle to Kansas or Washington or wherever? I am bothered by that.

We faced this in the Committee on Interior and Insular Affairs when we had legislation there dealing with intervener funding, and I was concerned about who the "public" is. Is Ralph Nader the public? Is the Sierra Club the public?

If somebody gets together a group of activists and then they give themselves a title and they announce to the press that they are the public, are they the public? Are they the people who speak?

What concerns me, as I look at the gentleman's amendment, is that we have an open door here for not representatives of the individuals who may themselves truly be indigent and have something they need to say, something that bears on the issue that ought to be heard. They are not the people who usually benefit from this. It is usually the acctivist groups who benefit.

Mr. Chairman, I wonder if the gentleman would respond to that?

Mr. DODD. Mr. Chairman, I will be glad to respond.

I will point out that under section 212 of the Public Utilities Regulatory Policy Act we set up the Office of Public Participation, and we defined the criteria as to who could be interveners in this situation. We said that a person who could qualify as intervener is any person whose intervention or participation substantially contributed to the approval in whole or in part of the position advocated by such person, and that the position had to be significant. We said that such person had to demonstrate he was not in a position to financially bear the cost of it.

I would suggest to the gentleman from Oklahoma (Mr. Edwards) that the gentlewoman from New Jersey (Mrs. Fenwick) is correct. We ought to be able to give the Commission the opportunity to set up some regulation so that we might cut out the situation where we have a consumer coming from Seattle when we could have found the same citizen in New Jersey or in New York.

The CHAIRMAN. The time of the gentleman from Connecticut (Mr. Dodd) has again expired.

(By unanimous consent, Mr. Dodd was allowed to proceed for 1 additional minute.)

Mr. DODD. But, Mr. Chairman, if we cut out all funds to allow this office to begin to operate, then we are never going to get those regulations adopted.

I agree with the gentleman, but I do not think it is our position in the legislative process to be drafting regulations. That really is up to the Commission. But unless we allow for the funding, we will never get to the position where we can adopt those regulations so we will not have the abuses and waste of funds that go on in this area. I agree with the gentleman in what he said.

Mr. LUJAN. Mr. Chairman, will the gentleman yield?

Mr. DODD. I yield to the gentleman from New Mexico.

Mr. LUJAN. Mr. Chairman, in further response to the question, I am concerned about the same point the gentleman from Oklahoma (Mr. Edwards) has raised.

Could the gentleman tell us this: The gentleman said that six consumers wrote this whole list of intervenors that appeared before commissions. Could the gentleman tell us who those six consumers were that appeared before these commissions?

Mr. DODD. No; I could not give the gentleman the specific names of consumers, but I could identify them by blocks or groups.

Mr. LUJAN. Mr. Chairman, I meant to ask, Is it an organization, or is it an individual?

Mr. DODD. There were six consumer groups?

Mr. LUJAN. They were groups?

Mr. DODD. As I was able to get the information from the Commission.

Mr. LUJAN. They were groups; they were not appearing as individuals who were adversely affected?

Mr. DODD. That is correct.

Mr. LUJAN. Mr. Chairman, I thank the gentleman.

Mr. SYMMS. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, this whole idea and argument about intervenor funding, in my opinion, after watching and witnessing the special-interest lobbies work in Washington, D.C., is just a way to finance the no-growth lobby, which is already what I refer to oftentimes as "fat cat environmentalists" who are wealthy, well-funded, and it is probably the single most effective self-effacing lobby in Washington, D.C.

Let me cite several examples. We have already made it so it is practically impossible to use coal as an option in this country, because of laws that have been lobbied through this Congress for very noble causes: Clean air, clean water, and no desecration to the surface of the ground or the Earth.

As a result, we have the coal in the East that we have a tough time burning, because it burns with a high sulfur content, and as far as the coal in the West is concerned, it is illegal to mine it, although it is legal to burn it. And people cannot get a license for building a dam, a nuclear plant, or anything else.

What we are talking about is financing a no-growth lobby which is down here lobbying against building any projects in this country. I think that is a poor principle.

Who has said they are not well represented? I wish someone could show me a lobby that is more effective than the one that pushed this Alaskan lands bill through Congress. Did the oil companies, the coal companies, or the big captains of industry do that? Did they win? No, they got clobbered. They lost out to the no-growth environmentalists' lobby. That is who did the job.

Do we say they are not represented already in our society? They come in and they can slow and stifle growth, and what we are talking about is this: Do we want sound economic growth in the United States, or do we want to finance people who come in and lobby against any kind of progress or the development of any kind of resource in this country?

To me, to use the taxpayers' money to finance the demise of allowing an agency to allow for the licensing of a project or what have you that might produce a little energy or water resources is just incredible.

Mr. Chairman, I think it is a bad idea, and this amendment should be defeated.

Mr. MOFFETT. Mr. Chairman, will the gentleman yield?

Mr. SYMMS. I will be happy to yield to the gentleman from Connecticut.

Mr. MOFFETT. Mr. Chairman, does the gentleman really believe that in administrative proceedings before the Federal Government, even in a majority of cases, No. 1, there is a presence of these environmental groups and, No. 2, that the odds are anywhere near even?

□ 1340

Mr. SYMMS. I think I get the gist of the gentleman's question. I think what I perceive as happening is that if you go out and look at your private utility companies, or what is happening to the people in the private utility companies, who have had the lifetime experience of trying to develop energy sources to put on the line, that those people reaching the age now of retirement—engineers, business managers, and experts in the field—what are they doing? They are retiring early because they are sick and tired of coming down to Washington and fighting with the bureaucracy and the regulations. They cannot get a license to build a nuclear plant. They cannot get the coal transported or they cannot get it mined or they cannot burn it, they cannot comply, they cannot get the supplies, and everywhere they look there is a roadblock and obstacle set up by the U.S. Government interferring and intervening already with the progress of anybody who is trying to do anything.

So in my option, the idea of us financing taxpayers' money, which will ultimately raise the cost of utility bills to the consumers, because it will make it more difficult—the people that the gentleman is talking about financing will be in trying to stop progress. And let us not kid ourselves who we are talking about.

I yield back the balance of my time.

Mr. MOFFETT. Mr. Chairman, will the gentleman yield further?

Mr. SYMMS. If I have any more time, I will be happy to yield to the gentleman.

Mr. MOFFETT. Is the gentleman saying that he does not think it is a good idea that these groups intervene?

Mr. SYMMS. I am saying that these groups the gentleman is talking about are well-financed already. They are some of the most highly financed people in the United States.

Mr. MOFFETT. Does the gentleman think it is not good that they are in the proceedings; is that what the gentleman is saying? Would the gentleman like to get them out of the proceedings?

Mr. SYMMS. I am not trying to get them out of the proceedings. But I am saying they are not being neglected right today. And I am saying, cite the record. Just go and have a look at who is winning all of the arguments. Are the oil companies winning? No. Are the coal companies winning? No. Are the people who are trying to get licenses? No. What we are watching is, you have gaslines all the way between here and Alexandria, Va., if you want to buy gas. And I am saying that if you finance intervener funding and even set the precedent for it here, we are just financing it for the people who are trying to deindustrialize the United States. That is the way I like to refer to it. It is the deindustrialization of the United States.

Mr. MOFFETT. If the gentleman will yield further, I think, if the gentleman looks at the record of those regulatory proceedings, he will find that these groups are, No. 1, not all that present, as the gentleman would like us to believe. They are tremendously outmanned, in terms of resources, and they are not winning a lot of the battles.

Mr. SYMMS. I would say that I disagree with the gentleman. They are very well financed.

The CHAIRMAN. The time of the gentleman from Idaho (Mr. SYMMS) has expired.

(On request of Mr. DODD and by unanimous consent, Mr. SYMMS was allowed to proceed for 1 additional minute.)

Mr. DODD. Mr. Chairman, will the gentleman yield?

Mr. SYMMS. I yield to the gentleman from Connecticut.

Mr. DODD. Is the gentleman suggesting, somehow, that the industries, the utilities, that participate in the proceedings, that somehow we, or the consumers of this country, are not paying that cost when they intervene on behalf of themselves?

Mr. SYMMS. There is no question. The point is, you are going to take $600,000 here, which I realize, in the budget of the United States, is not a great amount of money, and you are setting the precedent for intervener funding and the whole licensing pocedure. Let us lay this on the table as to what we are talking about. We are talking about licensing nuclear powerplants, we are talking about licensing any potential hydro sites that might be around. We are talking about licensing any kind of an energy system that might have anything to do with energy.

Mr. DODD. If the gentleman will yield for just 1 second, the gentleman's point earlier was that, somehow the taxpayers ought not be paying $600,000.

Mr. SYMMS. Mr. Chairman, I will take back my time.

Mr. DODD. And yet we are paying dearly for it.

The CHAIRMAN. The time of the gentleman from Idaho (Mr. SYMMS) has again expired.

(By unanimous consent, Mr. SYMMS was allowed to proceed for an additional 30 seconds.)

Mr. SYMMS. Mr. Chairman, certainly the taxpayers are paying for it. But who are the rate payers? Who pays for it when the environmental lobby is able to come in and block the progress of getting a license, when it takes 14 years to get a license. For example, in a nuclear powerplant, who pays that cost, that add-on cost of production? Who pays for it when you stop work, do not allow someone to go ahead and move forward with an energy developing process, whatever it might be. It is the consumer, the rate payers, who pay that, because there is not any money that does not come from the marketplace ultimately.

Mr. MARKEY. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment.

Mr. DODD. Mr. Chairman, will the gentleman yield?

Mr. MARKEY. I yield to the gentleman from Connecticut.

Mr. DODD. I thank the gentleman for yielding.

Mr. Chairman, earlier I was asked by my good friend, the gentleman from New Mexico (Mr. LUJAN), who these six consumer groups were that participated in May. Those groups were the Kings River Conservation District: Algonquin Customer Group; Kentucky Municipal Preference Customers; Fresno County Sportsmen's Club; the Fresno Audubon Society; and the Kings River Water Association—all very threatening radical groups in this country.

Mr. MARKEY. I thank the gentleman for that clarifying remark.

Mr. Chairman, one of the real problems with the regulatory process, as opposed to some of the other victories, so-called, that are being won by environmental groups or consumer groups in this country, is that those victories are, for the most part, not being achieved in the regulatory process, because by and large, if not totally, there is absolutely no participation on the part of the public per se in any of these regulatory processes.

What you have, almost without exception, is the private industries being able to come in and present their case, their documentation, their records, without any kind of opportunity, because of the lack of funding on the part of the general public, to be able to present any kind of demonstrable evidence to the contrary of the views which are being presented by the private industries.

I think at this time in our history, with the energy situation the way it is, with public distrust of utilities, of the energy companies, at an all-time high, with the energy officials in the Department of Energy totally unable to answer the questions, the fundamental questions, which the American public has as to whether or not there is a gasoline shortage, whether or not there is withholding of supplies, whether or not the prices which are being charged are justified, that to say at this point in our history that the American public should not have this absolutely almost infinitesimal amount of money to be allotted so that they can participate fully in the regulatory process of this country, I think is absolutely ridiculous.

Given the competitive position of the companies, the energy companies, the utilities in this country, vis-a-vis the average consumer, the amount of money that we are asking for right now really is insignificant. And I would hope that, as the public becomes more and more cynical about our energy situation, that they ask more and more questions as to the responsibilities of the Federal Energy Regulatory Commission to regulate natural gas producers, gas and oil pipelines, license major hydroelectric projects on navigable waters in this country, and come before this regulatory agency. It makes absolutely no sense whatsover at this time to say that the public shall not have this sum of money to be able to participate, because they indeed do not participate. And the victories that we win have to be political victories on the floor of this body or victories that are won in the streets, as the people rebel against increases in prices without any justification coming forward from their regulatory agencies.

So I would ask that this committee include this money because it is a modest amount, a reasonable amount, and I think it is an amount that will serve the public interest.

I would hope that the amendment offered by the gentleman from Connecticut would be accepted.

Mr. DUNCAN of Oregon. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendments.

Mr. Chairman, I am not sure that we are focusing our debate on the proper issues here. I am not sure that we are really that far apart when we talk about what our objectives are, because the proponents of this amendment are talking about protecting the public interest—protecting the public interest. And I would like to suggest that this Government has moved in the direction of protecting the public interest; that these very regulatory agencies that have been created and for which these gentlemen now want the taxpayer to provide funding for intervention, that these regulatory agencies were set up in the public interest and they were organized specifically to protect the public—not the Sierra Club, not an irrigation district, not a fish and wildlife society, not a consumer group, not a small business group, but the public interest.

All of those groups are a part of the public, but none of them represent the public in whole. But the regulatory agencies before whom these proceedings take place are set up, are paid for, by the taxpayers to operate in the public interest.

Let me tell the Members this is not just $600,000 in one agency, and an infinitesimal amount of money. This is at least the third and, if I recall correctly, the fourth time that this issue has been joined in the Appropriations Committee.

The Transportation Committee, which I chair, has rejected amendments of this nature on two occasions this year. The Interior Committee turned down a $2 million proposition in its markup just the other day. I know there has been at least one other instance when it has been raised, but I do not remember the specific details of it. So this is the camel's nose under the tent.

It seems to me that their very contention that it is only $600,000 and that the interveners will be carefully screened to see who gets the money and who does not, is a fatal flaw in their argument, because in a free society, it seems to me, the Government ought to treat everyone similarly situated in an identical fashion. If you do not, you do not have a democracy in a free society.

☐ 1350

If I take the position that my view is in the public interest, and I would, or I would not be up here enunciating it, then I ought to be just as much eligible to be financed in front of that agency as anybody else.

And if you are not prepared to put up enough money to finance everyone who comes in and says they are acting in the public interest, then I do not think you ought to put any up, particularly when you have an agency created and paid for that is to represent all of these groups collectively.

You say that some of these agencies are no longer really protecting the public interest. That may be so in some instances, but if they are not, then the remedy is not to add another layer of public interest, but to straighten out that first layer that we have imposed to protect the public interest.

Now the first agency in which this question arose was the Civil Aeronautics Board. I defy anybody to point out to me an agency that has done a better job than the Civil Aeronautics Board. Mr. Kahn, when he was chairman, turned that agency completely around. It is possible for these agencies to act in the public interest. The CAB is a prime example of one that acted in the public interest, without paying intervenors, turned the airline industry around, opened it up, and looked at the benefits that have flowed to the consumers as a result of that action.

I did not approach this problem easily, because I understand what these people are saying. I know that frequently a regulatory agency will become a captive of the industry that it is supposed to regulate, but I know that it need not be.

I was told that the best public interest organization of this type that had been set up was in New Jersey. So I asked if the young lawyer who was in charge of that would come down and talk to be about it, because I wanted to be convinced.

The question I asked him—and he was alleged to have done a good job—I said, "How do you determine what the public interest is?"

Now he is hired. It is a little different situation. This is not an intervenor case. This is a guy the State pays to represent the public interest.

But I asked him, "How do you determine what the public interest is?"

He said, "Well, it is a pretty difficult thing."

He said, "With respect to one particular problem, I decided the public interest lay here and went into court, espousing that position."

He said, "I have since decided that I made a mistake and the public interest lies over there."

I said, "What are you going to do?"

The CHAIRMAN. The time of the gentleman from Oregon (Mr. DUNCAN) has expired.

(By unanimous consent, Mr. DUNCAN of Oregon was allowed to proceed for 2 additional minutes.)

Mr. DUNCAN of Oregon. I said, "What are you going to do?"

He says, "I think I am going to withdraw."

I said, "How can you withdraw? You are a lawyer. You have got a client. You take that case. You carry it through."

I said, "If you do withdraw, how are you going to fulfill your obligation? You cannot switch horses in the middle of the stream. You cannot then come up and espouse what you now deem to be the public interest."

We just have too many difficulties, in determining where the public interest lies, and the ultimate cost of this program, if you do it right, if you do it the way it ought to be done in a free society, is going to amount to hundreds of millions of dollars. To be able to finance and build up this expertise that they say the public does not have is going to cost hundreds of millions of dollars and, in effect, requires you to establish equivalent capacities to the agency before which they are practicing.

I will say only one more thing before I sit down, and that is that no one can truthfully say that the so-called public interest groups, special interest groups, who deem their activities to be in the public interest, have really not been represented.

This Congress, this country, this system of government, has, as it should, kept open the avenues for communication so every citizen has a right to petition his government, to bring his grievances to every one of these agencies, and those avenues are open. No one can say that, because we have not had public financing, that there has been any dearth of public intervenors in either regulatory proceedings or in the courtrooms.

All you have to do is to take a look at the situation that we face with respect to energy on the west coast today, where we have been unable to build a refining capacity, or have been unable to convert the pipelines or build the pipelines to get a glut of Alaskan crude from the west coast back into the Middle West.

We have not in this society of ours denied the public access to the regulatory agencies or the courts. We have set up agencies to protect the public interest.

This is an effort to set up a watchman over the watchman, and there will be no place to stop.

I urge my colleagues to turn this amendment down.

AMENDMENT OFFERED BY MR. JOHNSON OF COLORADO TO THE AMENDMENTS OFFERED BY MR. DODD

Mr. JOHNSON of Colorado. Mr. Chairman, I offer an amendment to the amendments.

The Clerk read as follows:

Amendment offered by Mr. JOHNSON of Colorado to the amendments offered by Mr. DODD: After the last sentence add the following: "However, in the event the respondent prevails in the proceeding on its appeal, any funds paid to an intervening party shall be refunded and paid to the respondent.".

Mr. JOHNSON of Colorado. Mr. Chairman, I do not think that the individual who offered the amendment is inherently a man who does not have basic fairness in his makeup. I have known him ever since he came to the Congress. He is one of the outstanding Members of this body. There is no question in my mind about that.

However, the amendment that he has offered, I think, is reflective of a particular attitude which is not balanced.

For example, the amendment that he is offering which provides for taxpayers paying legal fees for one side in a civil dispute in a regulatory dispute, is really fraught with danger.

I have seen case after case since I have been here, and I am sure many of my colleagues have too, where regulatory bodies begin to harass companies without a solid justification for it.

We have a case in my district right now where the FTC has two lawyers who have been harassing a company for 2 years. They have disregarded all kinds of evidence that the corporation has justifying its position. The Government has no evidence justifying its position. They are just stonewalling this whole situation and creating enormous legal fees for this company.

That is not an isolated example. It has happened all over the country.

This little corporation—it is a small corporation—has spent somewhere between $500,000 and $1 million in legal fees combatting the Federal Government's arbitrary and capricious conduct.

Now, if the Dodd amendment goes through, it just encourages more harassment of this kind by private people, private personnel, private corporations or private groups that have venal interests at heart. Not necessarily are they promoting good will or the public interest.

This generates business for lawyers. I can imagine Members leaving this body and going out and having knowledge about this kind of situation and generating legal activity on their own. They know there is a $600,000 slush fund here that the Government will pay for if they can just find some kind of a public interest group that will say that they want to intervene in any kind of a regulatory agency. Once we start doing it here, we can do it in any other place.

I think that fairness requires that the Government not subsidize one side of a civil proceedings. That is essentially what is going on. If you do that, if you insist on subsidizing one side, then I think you ought to be fair, and let us alleviate the deep-pocket theory that you are going after just slightly; and let us say, all right, if the respondent prevails, if the respondent is willing to fight the Government harassment, fight this other private-interest harrassment all the way through, and through the courts if necessary, and he prevails, then the intervening party who has received Government money has to pay that Government money back. That Government money then should go to the prevailing party, the respondent.

That seems to me to be only fair. I have seen case after case where individual corporations have been harrassed. They have no recourse against the Government or against arbitrary and capricious bureaucratic action. You are encouraging other arbitrary and capricious action by this amendment.

All I am saying is fairness would dictate to me, if the Federal Government is going to finance this kind of activity, if the respondent ultimately wins, then the taxpayers' dollar ought to go to reimburse the respondent for costs incurred as a result of funding the opposition. This will deter frivolous or verbal intervention by so-called public interest groups.

Mr. DODD. Mr. Chairman, will the gentleman yield?

Mr. JOHNSON of Colorado. I yield to the gentleman from Connecticut.

Mr. DODD. I thank the gentleman for yielding.

I thank the gentleman for his kind remarks.

This argument has been raised by several Members of the House in terms of equity. I would just like to remind my colleagues here that when an industry or a business or an individual who is financially capable appears before the Commission and hires the lawyers and hires the accountants and hires whoever else they have to have in order to present their side before the Commission—that is what we are talking about here in the proceedings, presenting their side. In most instances those fees are deductible under our Federal income tax structure.

So in effect, we are talking about a situation where the industry is subsidized in effect, if you will, by our Federal Government for appearing before these commissions.

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The individual who goes before them, who is not capable financially of hiring the attorneys and the accountants and specialists in order to present their side of the situation is not.

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent and at the request of Mr. DODD, Mr. JOHNSON of

Colorado, was allowed to proceed for 3 additional minutes.)

Mr. DODD. Would the gentleman yield further?

Mr. JOHNSON of Colorado. I yield to the gentleman.

Mr. DODD. That is the first point. So we are talking about a situation where already one side receives a financial benefit because they are allowed the deduction.

Mr. JOHNSON of Colorado. I would like to regain my time and respond.

Mr. DODD. One last point which I think is important. I said in the beginning I think it is important for Members to look at the law as it presently reads. We do not just allow anybody to be compensated for appearing before the Commission as an intervenor. There are three criteria that have to be met under the law as it presently reads. You have to demonstrate you contributed to the approval in whole or in part of the position advocated by such person. That is what the gentleman is already suggesting. Second, the matter has to be significant; and third, you have to prove you are indigent. That is a narrow criterion and the gentleman's point is really covered already in the law and so his amendment, in effect, is being met.

I would suggest we ought to defeat that amendment, give people the opportunity who would qualify under the law to appear before the proceedings and present their side of the case. That is all I am suggesting by my amendment and I thank the gentleman for yielding.

Mr. JOHNSON of Colorado. I thank the gentleman for his contribution, but I would like to point out that the notion that these corporations are always well-to-do and that they are appearing voluntarily before a Federal agency and are subsidized by the Federal Government tax policies is faulty because the corporations, the small corporations I am familiar with, that I see on a daily basis, not the large corporate giants that none of us seem to have any sympathy for, but the average run-of-the-mill small corporations that have to appear before the Federal Government regulatory agencies, are hauled up there by the scruff of their necks. They do not want to be there and it takes time away from their business activities to appear. They must hire attorneys that they would not otherwise hire. It results in increased prices for the products they produce or manufacture.

The whole Federal regulatory process is one which has degenerated into a harassment process and now the gentleman wants to give further credence to people, as he says, who are indigent, who might have a private beef of some kind or another, or feel like the Federal Government is not harassing the corporation or business enough so they want to get their oar in and the Government is going to pay for the attorney fees to do it. That is not going to help some indigent, it is going to help some attorney, and some attorney groups who have expertise before that particular regulatory agency, probably from right here in Washington, D.C., to obtain more fees to promote some kind of an arbitrary harassment that we see going on day after day after day and which is certainly not justified.

I urge passage of my amendment.

Mr. CHAPPELL. Mr. Chairman, I move to strike the last word and I rise in opposition to the amendments and to the amendment to the amendments.

Mr. Chairman, I suggest a reading of the section sought to be amended, section 103 of the bill, page 11:

> None of the funds appropriated for Department of Energy activities by this Act shall be used to pay expenses of, or otherwise compensate, parties intervening in regulatory or adjudicatory proceedings funded in this Act.

I emphasize the fact that we are talking about interveners. We live in a time when many suspicion our very form of Government.

The foundation of this Government is the free enterprise system. It is that foundation upon which the Government structure is built. The Government structure has the responsibility of protecting and setting the atmosphere within which that free enterprise system can best work. Within that system, in my view, we have been clearly working to better protect the consumer.

Time after time the Congress has passed legislation designed to beef up the agencies and bureaus of our country to better protect the consumer. In my view we would take a wrong step if we adopt the suggested amendment under the guise of protecting the consumers—and all of us want to protect the consumer but, by the same token, the whole system is ours to protect.

In my view, one of the greatest taxpayer tragedies is the FTC's use of our tax dollars to subsidize testimony and travel of consumer activist groups. The FTC regularly shells out tax dollars to pay the expenses of consumer groups they encourage to testify on proposed FTC rules. They expend such funds for travel allotment, travel, lodging, surveys, and related costs. This is the type of Federal payment known as "MAGNUSEN-MOSS" funding, after the law that permits the FTC to pay such expenses. We are asked here to extend that kind of tragedy to the Federal Energy Regulatory Commission. Let's look at the FTC example.

The trouble is, the FTC funds the same groups—the same groups—over and over again. Most money happens to go to groups that support—and I emphasize "support"—the FTC's proposed rules, usually the same groups that originally suggested the rules.

The reason I talk about the FTC experience—and obviously this is not the FTC bill we have before us—is that we can expect a like experience with the FERC if we adopt the amendment offered by Mr. DODD. What is happening at FTC amounts to a pilot program.

Let me call the attention of the Members to some of the groups that will be standing at the public trough, that are standing at the public trough as activists in this kind of proceeding. Take, for example, the proceedings on children's advertising. The FTC allowed $84,614 for action for children's television with the Center for Science in the Public Interest.

Let us look at one or two others. Americans for Democratic Action; this is the kind of group we are talking about. They intervened in five separate cases before the FTC. The Americans for Democratic Action intervened in the funerals case, the health spas case, the opthalmic goods case, whatever that is, the ATC drugs and antiacids case. They paid $21,592 in the funerals case. This one program cost $53,000 plus in intervenor fees. In the health spas case, they were paid over $47,000.

On and on it goes. Intervenors have been paid in FTC cases nearly two million dollars in the short history of intervenor fees for that agency.

The CHAIRMAN. The time of the gentleman from Florida has expired.

(By unanimous consent Mr. CHAPPELL was allowed to proceed for 3 additional minutes.)

Mr. CHAPPELL. Mr. Chairman, I invite the Members to look at the report which comes from the Subcommittee on Appropriations dealing with the Departments of State, Justice, the Judiciary and related agencies appropriations for 1980, of which Mr. SLACK is the chairman, and I ask the Members to go to that section which deals with the findings they have had on this very subject, and I ask them to look at these pages where are listed all of the groups we are talking about.

Mr. Chairman, at this point I will include pages 755, 756, 757, 758, 759, 760, 761, 762, and 763 of that report:

Summary of Attorney Fees and Costs Compared to Total Budgets

(March 1, 1979)

Total Obligated in Maximum Approved Budgets of Participants	$1,843,373
Total Obligated in Attorneys' Fees for Participants	674,782
Total Obligated in Attorney-Related Costs, Including Travel and Per Diem	145,595
Total Obligated in Both Attorneys' Fees and Attorney-Related Costs, Including Travel and Per Diem	820,377
Percent of Maximum Approved Budgets Obligated for Attorneys' Fees	36%
Percent of Maximum Approved Budgets Obligated for Attornew-Related Costs, Including Travel and Per Diem	07%
Percent of Maximum Approved Budgets Obligated for Attorneys' Fees and Attorney-Related Costs, Including Travel and Per Diem	44%

ATTORNEY FEES AND COSTS COMPARED TO TOTAL BUDGET AS OF MAR. 1, 1979

Rule/participant	Attorneys fees	Attorney-related costs (including travel and per diem)	Total attorney fees/attorney-related costs	Total approved maximum budget
ANTACIDS				
Americans for Democratic Action/NCSC	$17,125	$160	$17,285	$21,592
California Citizen Action Group	11,540	15,314	26,854	64,228
Council on Children, Media and Merchandising	5,796	4,404	10,200	41,065
CARE LABELING (Revised)				
National Consumers Congress (League)	19,200	2,306	21,506	57,293
CHILDREN'S ADVERTISING				
Action for Children's TV/CSPI	33,826	4,147	37,973	76,996
Center for Public Representation				20,360
Community Nutrition Institute	4,730		4,730	40,666
Consumers Union/CCT	22,405	3,046	25,451	73,916
Council on Children, Media and Merchandising	4,154		4,154	58,392
Media Access Project				33,813
Safe Food Institute				12,265
CREDIT PRACTICES				
Council of State Credit Institutes	5,166	774	5,910	9,730
National Consumer Law Center	51,109	12,770	63,879	132,256
FOOD ADVERTISING				
Connecticut Citizen Research Group	160	150	310	6,777
Consumer Action (Washington)	30,900	9,308	40,208	46,844
Consumers Union	4,580	740	5,320	7,360
Council on Children, Media and Merchandising	10,728	7,146	17,874	62,434
Wendy Gardner				295
Indian Home Economics Association				40
Iowa Consumers League				200
National Consumers Congress (League)				9,295
Mary Ruth Nelson				270
Society for Nutrition Education				20,860
FUNERAL INDUSTRY				
Americans for Democratic Action/NCSC	32,818	3,949	36,767	53,730
Arkansas Consumer Research	2,660		2,660	7,775
California Citizen Action Group	10,753	3,348	14,101	28,181
Central Area Motivation Program	4,981	1,829	6,810	7,410
Consumers Union	1,620	120	1,740	3,980
Continental Association of Funeral & Memorial Societies	8,844	2,000	10,844	18,170
Cremation Association of North America	3,738	246	3,984	3,997
New York Public Interest Research Group	9,073	2,046	11,119	12,184
Pre-Arrangement Interment Association	4,383	246	4,629	4,642
HEALTH SPAS				
Americans for Democratic Action	21,642	3,350	24,992	47,780
Consumers Union/CalCAG	27,292	4,317	31,609	39,539
HEARING AIDS				
National Council of Senior Citizens	38,198	2,170	40,368	46,734
National Hearing Aid Society	39,886	3,036	42,922	49,146
MOBILE HOMES				
Center for Auto Safety	24,345	8,375	32,720	48,657
Golden State Mobilhome Owners League	2,520	500	3,020	28,780
Housing Advocates	$7,520	$6,407	$13,927	$54,753
Michigan Mobile Home-owners	1,040	344	1,384	2,224
Nat'l Mfd. Housing Fed	11,520	2,357	13,877	20,145
OPHTHALMIC GOODS				
Americans for Democratic Action	15,924	5,012	20,936	30,202
Arkansas Community Organizations for Reform Now	1,080	210	1,290	2,812
California Citizen Action Group	9,867	1,394	11,261	38,285
Consumer Action (S.F.)	3,270	6,227	9,497	43,544
N.Y. Public Interest Research Group	10,202	1,405	11,607	12,575
OTC DRUGS				
Americans for Democratic Action	20,873	50	20,923	24,470
California Citizen Action Group	8,832	700	9,532	43,683
Council on Children, Media and Merchandising	7,560		7,560	25,249
PRESCRIPTION DRUGS				
National Council of Senior Citizens	630	280	910	2,070
PRESERVATION OF CONSUMERS' CLAIMS AND DEFENSES				
National Consumer Law Center	1,248	1,456	2,704	3,093
PROTEIN SUPPLEMENTS				
Consumer Action (S.F.)	4,050	1,405	5,455	15,507
Consumer Action Now				13,956
Consumers Cooperative of Berkeley				3,968
STANDARDS AND CERTIFICATION				
American Council of Independent Laboratories				26,591
Center for Auto Safety	4,463		4,463	7,537
Hayward, John O	1,000	48	1,048	1,058
National Consumers League				7,860
Public Interest Economics Foundation				5,866
THERMAL INSULATION				
Arizona Consumers Council				1,036
Center for Public Representation	979	276	1,255	4,573
Coalition: Sierra Club; Friends of the Earth; Environmental Defense Fund; Natural Resources Defense Fund	17,166	75	17,241	30,241
Consumer Federation of America	1,470		1,470	2,141
National Association of Home Insulation Contractors	10,170	600	10,770	15,852
National Consumers League	26,832	480	27,312	42,484
USED MOTOR VEHICLES				
Automobile Owners Action Council	15,840	2,570	18,410	29,735
California Public Interest Research Group	8,280	4,470	12,750	46,353
Center for Auto Safety	3,030	900	3,930	9,305
Center for Public Representation	4,420	1,866	6,286	33,146
Consumer Action (S.F.)	5,420	4,513	9,933	11,752
VOCATIONAL SCHOOLS				
Consumer Action (S.F.)	11,990	5,525	17,515	25,720
National Consumer Law Center	1,374	328	1,702	2,474
Joel Platt, Esq	4,560	900	5,460	5,460
Total	674,782	145,595	820,377	1,843,373

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Mr. SLACK. Mr. Chairman, will the gentleman yield?

Mr. CHAPPELL. I yield to the gentleman from West Virginia.

Mr. SLACK. I thank the gentleman for yielding.

We have just heard that the corporations are able to write off taxes on the moneys that they have spent, taxes on moneys that they spent for participation. But is it not a fact that many of the organizations that the gentleman mentions are tax-exempt completely?

Mr. CHAPPELL. Absolutely, and professional activist groups. There is not any question about that. The dangerous thing is that if we permit the agencies and their counsel to select those who are going to be interveners, obviously we give that agency the opportunity to build the record just exactly as they want to make it.

Mr. Chairman, I would like to make one more point and I shall close. Let me review what John W. Gardner has said about this, and I think all of us are agreed he is a respected consumerist.

John Gardner, founder of the citizens lobbying organization, Common Cause, has to say this about this kind of intervenor concept—and that is what we are talking about—John Gardner said "if the concept of conflict of interest means anything, then there is a danger in potential critics of an agency being financed by the very agency they criticize." He says, further, "we could easily create a class of kept critics, and damage the future of an independent public-interest movement." Marjorie Waxman Smith is of like opinion.

So, Mr. Chairman, I urge the members of this Committee to vote down both the amendment to the amendment and the amendment, as I feel they are detrimental to the best interests of our country and concept.

I appreciate what the gentleman from Colorado, Mr. JOHNSON, is attempting to do here because I do feel that if we could clearly define the intervenor and his responsibility and have him pay for losses incurred by others because of his spurious and delaying intervention then it might make some sense. But I do not know how, from a practical standpoint, we could do that.

The CHAIRMAN. The time of the gentleman has expired.

(At the request of Mr. EDWARDS of Alabama, and by unanimous consent, Mr. CHAPPELL was allowed to proceed for 2 additional minutes.)

Mr. EDWARDS of Alabama. Mr. Chairman, will the gentleman yield?

Mr. CHAPPELL. I yield to the gentleman from Alabama.

Mr. EDWARDS of Alabama. I thank the gentleman for yielding.

I want to thank the gentleman for his statement. If I may, I would like to describe briefly what I used to do before I came here. My job was representing a railroad and trying cases all over the country before the State Public Service Commissions and before the Interstate Commerce Commission in the field and here in Washington. I can tell the Members that in all the years of trying those kinds of cases, one thing you could be certain of when you walked into the hearing room was that there was going to be a crowd of interested citizens there, and they were not paid by any agency to come there. They were there because of their own interest in the proceedings. This was true in the field where the hearing was held by a hearing examiner; it was true here in Washington before the Commission. Interested parties who were generally interested showed up, and I do not think we need any kind of Federal funds to pay these special-interest groups, who by and large do not really represent the man on the street who has an interest, to come into these proceedings. The agency itself, the regulatory agency itself in the first instance is there to protect the public. That is its job. Interested citizens do come, and they are heard, and I think it is ridiculous to start on this path of every time we have a regulatory agency, funding money to pay special-interest groups, some of which the gentleman described, to come in and to take their special-interest position before these hearings.

Mr. CHAPPELL. I thank the gentleman for his remarks. I totally agree that the purpose of our agencies is to protect the public in the first place. They have the opportunity, the authority, and they are charged with the responsibility of hiring proper counsel and of hiring others to bring to their attention those things that are necessary for the protection of the public good.

Mr. Chairman, I urge defeat of the amendment and the amendment to the amendment.

Mr. McHUGH. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment to the amendments.

Mr. Chairman, we have spent a great deal of time on this amendment and, hopefully, we will be able to vote shortly.

Let me simply say that I hope we are not going to vote on this amendment on ideological grounds. From what I have heard during the debate there are some people who are ideologically inclined to the energy interests, and there are those who may be ideologically inclined to the consumer interests. For many it would appear that the vote on this issue will depend upon one's ideological outlook. That is not the issue here. The issue here is access. The issue here is whether we believe that the Commission, which is established to protect the public interest, can make a balanced, informed and thoughtful judgment without all substantial interests being able to present their case.

We all participate in committee hearings in Congress, and we know that it is very important in order to achieve a balanced and thoughtful decision to hear from all sides of the question, to have the opportunity to have a balanced record before we reach our final judgment. And that is the issue here. The issue is access, process, as well as fairness.

The fact is that there are groups who are substantially affected by judgments of this Commission and who do not have access because they do not have the money to appear.

My good friend, the gentleman from Alabama (Mr. EDWARDS), suggests that access means simply showing up at a hearing. That is not access. Access is the ablity to hire the experts who can present a case competently in these very complicated proceedings. That is what access means, and the fact is that one does not have access in any meaningful sense unless one has the money to hire those experts to present one's point of view competently.

What is wrong with the amendment offered to the amendment by the gentleman from Colorado (Mr. JOHNSON)? I know him very well, and I know that he is one of the fairest people in this House. However, what is wrong with his amendment is that no group can be assured that the Commission will decide in its favor, and without that assurance it may well not prevail, and if it does not prevail, under Mr. JOHNSON's amendment it would not be compensated for the opportunity to present its case.

As a practical matter, that will have a very dampening effect upon people who want to present their case, who have a substantial interest but who cannot afford to present their case because of lack of financial resources.

I would like to conclude, Mr. Chairman, by suggesting that we should not decide this issue on the basis of whether we think that the energy interests are more important in this country at this time, or whether we think that the consumer interests are more important. Obviously, in some proceedings one side will present a case which the Commission will ultimately determine to be more consistent with the public interest, and in certain other proceedings the opposing side will. But that is for the Commission to decide on a case by case basis, and not for us here.

The issue here is process, access, fairness, and I hope that this very modest amendment will be adopted. It will not add one dime to this appropriations bill, but will simply allow the Commission to allocate $600,000 to permit people who are substantially affected to have the opportunity to present their case if they are otherwise unable to do so for financial reasons.

Mr. WOLPE. Mr. Chairman, will the gentleman yield?

Mr. McHUGH. I yield to the gentleman from Michigan.

Mr. WOLPE. I thank the gentleman for yielding.

I would like to associate myself with the remarks of the gentleman from New York and add one additional observation. One of the things that I think is deeply troubling all Americans is the tremendous polarization that is occurring between the utility interests on the one hand and the general public on the other. One of the sources of that polarization is the perception on the part of the members of the public that they simply do not have the same kind of access and opportunity to argue their case before the regulatory bodies as is enjoyed by the utility industry itself. To the extent that we can create that openness of which the gentleman speaks, and that perception that we have in fact a fair and credible procedure, I would submit that we can begin to reduce that sense of frustration that causes the polarization and generally improve the regulatory climate for utilities as well as consumers.

Mr. McHUGH. I agree with the gentleman and thank him for his contribution.

Mr. BEVILL. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, the House Appropriations Committee discussed this matter at length, just as we have today. The Appropriations Committee felt that this was not a necessary expense. We funded the Office of Public Participation. The Appropriations Committee recommended it, I am for it. No one objects to that. We hope that anyone in this country who wants to contribute to the decisions that are made by these public officials will do so, and this office has been set up to help them do so.

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The only question is whether or not public funds will be used for travel expenses and other expenses for people to come to Washington to talk to the Federal Energy Regulatory Commission. They had a backlog of 6,000 cases pending last year. We added nearly 200 more personnel in 1978, so they could reduce the backlog of cases. This year they have a backlog of 8,000. So we added 323 more personnel in 1979 to try to help this agency.

If we open up Pandora's box and start paying people to pay consultants to come to Washington to intervene in these cases, we will never catch up on the backlog of cases.

The gentleman from Florida mentioned the experience from the Federal Trade Commission. It appears to be out of control. They gave, I understand, $200,000 to one group to intervene in four unrelated areas. You talk about a rip-off, that is a rip-off. That is what it is going to be for the FERC.

We urge you to vote against this amendment. The Federal Energy Regulatory Commission has the responsibility, they have the money, and they have this office for public participation. Everything is there.

I do not know of a single group or a single person in this country who has been deprived of being heard by the Commission. I say that because our committee has people before it from every part of this Nation, as do most of the committees and subcommittees of this Congress.

We have never denied anyone an opportunity to present testimony, whether for a project or against a project, regardless of their position.

We believe in public hearings.

This business of paying them to intervene, paying travel expenses, paying hotel bills, paying food bills, paying lawyers and consultants to intervene, when we have the Federal Regulatory Commission for this purpose, is just not right.

The chairman of the Federal Regulatory Commission called me yesterday and said, "I understand there is some question about this intervener business."

He said, "We are not lobbying for that. We will do whatever Congress decides."

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. BEVILL. I yield to the gentleman from Illinois.

Mr. YATES. Mr. Chairman, is it the intention of the chairman, by his remarks, to preclude the Federal Regulatory Commission from hiring experts?

Mr. BEVILL. No, the money is there. They have the authority to get any experts they want, to call in anyone they want to. They are representing the public. How many more people do we want to represent the public?

Mr. YATES. We want as many people representing the public as the public needs to represent them.

Mr. BEVILL. Well, we think this is enough. The Congress told the FERC to represent the public and it has worked for many years.

Mr. YATES. On the contrary, if the Congress permits the Commission to hire outside experts, the Congress knows that the Commission, by itself, does not have all the answers, and it does not have all the answers.

Mr. BEVILL. They have the authority to get whoever they need. We just do not want to pay every Tom, Dick, and Harry who has a special point of view to come to Washington. The FTC pays the same people over and over again. It does not matter what the issue is, the same groups come.

Mr. YATES. It is not a question of whether they come or not, it is a question of what contribution they make. How good are the facts they present?

Mr. BEVILL. I am always suspicious of people who are experts on everything. Over there they are testifying on any subject.

Mr. YATES. We have them in the House as well, people who are experts on everything, and we appraise them accordingly.

Mr. BEVILL. The present law gives the public the protection it needs. The law requires that the commissioners: "shall be individuals who by demonstrated ability, background, training or experience are specifically qualified to assist thoroughly the needs and concerns of 'all' interests affected by a Federal energy policy."

Mr. YATES. Mr. Chairman, will the gentleman yield further?

Mr. BEVILL. I yield to the gentleman from Illinois.

Mr. YATES. I am sure if the gentleman read the qualifications of the Nuclear Regulatory——

The CHAIRMAN. The time of the gentleman has expired.

(On request of Mr. YATES, and by unanimous consent, Mr. BEVILL was allowed to proceed for 2 additional minutes.)

Mr. BEVILL. Well, the gentleman wants to have watchers watching the watchers. I understand.

Mr. YATES. Mr. Chairman, that is possible. The point is the qualifications the gentleman read are probably the same as those for the Nuclear Regulatory Commission and the gentleman will remember what happened at the hearing on Three Mile Island. They had to get outside experts to come in and tell them what was happening.

Mr. BEVILL. They have the authority to do that if they need to.

Mr. YATES. Very well, That helps.

Mr. BEVILL. That question is not involved.

Mr. YATES. Very well, that is helpful may I say to the gentleman.

Mr. BARNES. Mr. Chairman, I move to strike the requisite number of words and rise in support of the amendment and in opposition to the amendment to the amendment.

Mr. Chairman, I simply want to rise in very strong support of the amendment of the gentleman from Connecticut.

One year ago today I was a member of a regulatory commission in my home State handling precisely the types of issues that the Federal Energy Regulatory Commission handles at the Federal level. My 3½ years as a member of our State's Public Service Commission convinced me of the absolute necessity for commissions that handle these extraordinarily complex issues to have before them when they reach their decisions the whole range of testimony that is necessary on all the issues.

Time and again we found that the intervenors who might have participated and who might have been able to give our commission the information that was adverse to the testimony of the moneyed interest in our State simply did not have the ability, they simply did not have the money to hire the technical expertise to present their case effectively. That is what this is about. It is meaningful participation.

Yes, a crowd of people can show up at a hearing but if they do not have an expert, if they do not have an attorney who is able to participate meaningfully, their presence at a hearing might as well not matter at all.

We found in the Maryland Public Service Commission, and I know in talking with commissioners all over the country and in Federal regulatory agencies, that we have had parties begin to participate in a case and finally have to withdraw even though they were participating effectively, meaningfully, constructively, but in a case they would have to withdraw because they simply ran out of money. They simply could not participate.

The amount of money we are talking about for the Federal Energy Regulatory Commission is de minimis. $600,000. And yet the effect of it, the importance of it, is very, very great. The effect of what that commission does has on all of our constituents is extraordinary. We are talking about hundreds and hundreds and hundreds of millions of dollars every year. The amount of money that is necessary to assure that the commission, when it reaches its decisions, has had all the information available to it is de minimis.

A Federal commission such as the FERC does not have the ability, because of the way it is structured and because of the statute under which it operates, to simply reach out to the experts that it wants. It has to decide its cases under the law on the basis of the record presented to it by the parties in the proceeding before it. If all that is heard by the commission is one side of a case, it has to decide the case on the basis of the record before it. If it does not, the party that presented that side can take them into court and can have the decision of the commission overturned on the basis that it was not decided on the record.

The commission when it decides a case wants to have before it the broadest possible range of options so that it can decide the case the way it wants in the public interest based upon the record.

I had in my office at 10:30 this morning the chairman of a Federal commission. I did not ask for permission to quote him so I will not state his name, but he is the chairman of one of our major Federal commissions. We were talking about this amendment this morning, and he said how important it is to the Federal agencies to have this ability when they do not have before them the testimony that they might use in deciding a case. He said how important it is for them to know that an interest is not being represented and to be able to use a small amount of money—and that is all it takes, the figures cited are very, very small—$40,000 for a case involving hundreds of millions of dollars—to assure that the commission has the ability to decide the case on the merits.

Mr. DODD. Mr. Chairman, will the gentleman yield?

Mr. BARNES. I yield to the gentleman from Connecticut.

Mr. DODD. I thank the gentleman for yielding.

I would just like to point out here that Chairman Curtis of the commission was opposed, or at least the inference was he was opposed to this amendment.

A letter from the President of the United States to Mr. Curtis stated May 16, 1979, says in its last paragraph:

> I understand that your agency is in the process of setting up a public participation funding program. I commend you on your efforts in this area, and hope that you will stand ready to provide advice, based on your experience to date, to other agencies that launch similar programs.

I would assume that the chairman of the commission is a participant in this process and supports it as the letter from the President to him would indicate.

Mr. YATES. Mr. Chairman, will the gentleman yield to me?

Mr. BARNES. I will yield to the gentleman.

Mr. YATES. The utilities, of course, have some of the most able lawyers in the area. Not only in the areas but from other parts of the country.

My good friend from Alabama (Mr. EDWARDS) talks about the fact that he represented the railroads. I am sure he did, and ably. He represented railroads before commissions all over the country because he was an expert lawyer in the field.

Now the commissions themselves hired their lawyers but the cases are so complicated and so lengthy. These rate cases take months and sometimes years and the public has to have this kind of help in order to be adequately represented.

I congratulate the gentleman.

□ 1430

Mr. ANDREWS of North Dakota. Mr. Chairman, I move to strike the requisite number of words. I rise in opposition to the Dodd amendment.

Mr. Chairman, earlier during this debate mention was made of the conversation I had with Mr. Pertschuk of the Federal Trade Commission on public participation funds over there. I totally support the position taken by the great chairman of the subcommittee, the gentleman from Alabama (Mr. BEVILL) when the gentleman was pointing out just a minute ago that what he wants to protect against is the use of taxpayer money to bring people into Washington to testify in a biased way.

Now, when we look at these groups that have been funded by your tax dollars, these are not people that cannot afford to come to Washington. These are not people that cannot afford to make their wishes known. These are groups like the National Consumers Congress, the Americans for Democratic Action, the National Consumers League, the Environmental Coalition, the Sierra group, the Friends of the Earth, the Environmental Defense Fund, and the rest.

I would like to ask my colleague, the gentleman from Alabama, the chairman of the subcommittee, if it is not implicit in the operation of this department that we can at any time have the people in our Government who are responsible for setting these regulations go out into the field where these plants are to be built and hold open public hearings where the general public can come in and participate and be made a part of the record.

Mr. BEVILL. Mr. Chairman, if the gentleman will yield, they do have nine regional offices and while these offices do hold hearings, they hold most major hearings in Washington as well.

Mr. ANDREWS of North Dakota. And there is nothing that the chairman of the subcommittee is doing that would preclude the right of the individual citizen concerned about a powerplant development or any other development in their areas from requesting a hearing and to be able to attend that hearing with their friends and neighbors in their own neighborhood where they can interact with their peer groups and have their feelings placed on the record on the locations of all nuclear plants.

Mr. BEVILL. Certainly not.

Mr. ANDREWS of North Dakota. What the chairman is opposing then is just the use of taxpayer dollars to go out into the field somewhere and pick up somebody who has a bias, bring him in, wine him and dine him and put him up in Washington and let him testify, speaking outside his own area where people cannot really check on what type of an expert he may or may not be.

Mr. BEVILL. Exactly. We welcome these special interest groups that come in and testify, but public funds should not be used to pay those people to come in.

Mr. ANDREWS of North Dakota. No way. Is it not far better to have the Government regulators move the hearings out into the field, which they can do, so that the public can participate?

Mr. BEVILL. As I say, there are nine regional offices, but there are hearings here in Washington.

I do not know of any group in this Nation or any individual that has been denied a hearing because of transportation.

Mr. ANDREWS of North Dakota. And that is the key point.

Mr. BEVILL. That is the key point.

Mr. ANDREWS of North Dakota. That there is no group of citizens in this country who have been precluded from making themselves being heard by the present actions of the committee.

Mr. BEVILL. I have not heard it even claimed that any group in this country has been denied the right to come up here and testify in Washington or at these regional offices or anywhere else simply because they did not have the transportation.

Mr. CHAPPELL. Mr. Chairman, will the gentleman yield?

Mr. ANDREWS of North Dakota. I would be glad to yield to the gentleman from Florida.

Mr. CHAPPELL. Mr. Chairman, is it not true that the gentleman's committee, the subcommittee on this matter with FTC, found many, many abuses and pointed out in the report the dangers of letting a regulatory agency once it takes a position, once it promulgates some rules and regulations, did not the gentleman point out the danger in permitting that very agency to go out into the field and permit the intervenors, as a matter of fact, select the intervenors who might then be used to build their case?

Mr. ANDREWS of North Dakota. That is right. It is totally the impression we had that if the regulatory body can go into one of our States, pluck out two or three and bring them into Washington to testify, they are removed from their home situation, so we do not know their bias. We do not know their background. We do not know their ability. It is far better in establishing a fair record to go out into the area and have the interaction between the people where they actually live.

Mr. CHAPPELL. More than that, where the funds are available, as they are in this bill for the agency to go out in any respect and check out any complaint that is made to have the opportunity to bring in experts, truly experts in the field, to testify; is that not a much safer way to use critical action groups, than simply to build a case for the agency?

Mr. ANDREWS of North Dakota. Not only safer, but much more accurate. It makes a better record and it saves taxpayer dollars.

Mr. MOFFETT. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the Dodd amendment.

Mr. Chairman, we have heard from the gentleman from Alabama (Mr. EDWARDS) who gave some real life experience of having represented the railroads. We have heard from the gentleman from Maryland (Mr. BARNES) who was on a regulatory commission. I suppose it is only fitting now that we hear from one of those people that we are talking about that the gentleman from Florida called, I think with affection, professional activists.

Before I came here, I was the director of something called the Connecticut Citizen Action Group. I would like to mention a little bit about what it did, not to promote the group, but to explain to some of my colleagues that are so negative on this issue my feelings on the issue.

We had four attorneys. I am not an attorney. We had four attorneys, each of whom made about $7,000 a year, $6,500, as I recall. They were good attorneys and they have since gone on and they make much more in different pursuits. We intervened in some utility cases, some clean air proceedings, a variety of other things. We found out that we were usually tremendously outgunned. We never quite had enough money. Our contributions came just from citizens. Our average contribution at that time was about 75 cents, the bake sales, the tag sales, the door-to-door kinds of contributions. We were no match for those interests. Things are not as simple as perhaps some citizen advocates see them, the black and white and so forth. One hopes that one would grow later on to see that; things are much more complicated, as I am sure all of us know. But those groups do perform a very important function.

The gentleman from Florida (Mr. CHAPPELL), my good friend, said the foundation of our Government is the free enterprise system. The foundation of our Government, with all due respect, is participation. It is at an all-time low. All of us, I know all of us, the distinguished chairman, all of us are concerned about the low level of participation, voter turnouts going down, apathy which affects all of us and our children. Kids in the fifth and sixth grades saying, "Nothing works. Don't even bother to get involved." We all see that when we go home, regardless of our party, regardless of our philosophy. This troubles all of us, because we are activists in a sense, professional activists, all of us. We are very troubled by this.

Cutting off this small amount of participation that is being encouraged here is not an answer to all of that. It really is not.

What in the world are we afraid of? Not to get melodramatic, but you know, Frederick Douglass once said:

> People who profess to favor freedom and democracy, yet put down agitation, are those who want crops without plowing the ground. They want rain without lightning and thunder. They want the ocean without the awful roar of its many waters.

What in the world are we afraid of? This system is built on the need for constructive agitation. We are talking about safeguards, as my friend and colleague from Connecticut has said. There are safeguards in this legislation, so let us open up a little bit to this idea, as many utilities have, as a matter of fact, and as many people, many industries and private interests who have gone into these proceedings have acknowledged. These groups play a useful role. They keep people on their toes. There are not many instances of them blocking or obstructing things. To say as the gentleman from Alabama, the distinguished chairman of the subcommittee said, that the subcommittee is open, we know that. That is not the issue. We know that the subcommittee is open. We know that the chairman is open; but there is an illusion of participation that evolves if you are anything other than a party in those regulatory cases.

I think that the gentleman from Alabama (Mr. EDWARDS) knows this, too. It is one thing to have people show up and so forth. It is another thing to try and even up those odds just a little bit. This bill does not even pretend to do that, but just try to even up the odds a little bit.

Mr. CHAPPELL. Mr. Chairman, will the gentleman yield?

Mr. MOFFETT. I yield to my friend, the gentleman from Florida.

Mr. CHAPPELL. Mr. Chairman, let me commend the gentleman on his keen interest in the consumer. I share that interest with the gentleman.

I do not think we are in any way disagreeing about citizen and customer participation. I, like the gentleman, want participation; but to make my position perfectly clear: We want to be sure everybody has an equal opportunity. But the thing that concerns me is: How do we select in this kind of a process the self-styled protectors of consumers? Who can we say is the more competent? Which one can be believed in all respects? Which one has the expertise? To the exclusion of others.

□ 1440

The agency itself has its fingers and arms with which to reach the expertise, to bring the facts in. What concerns me is the danger of cutting across the board and opening up a Pandora's box in all kinds of delaying proceedings. We are not trying to deny anyone the right to intervene. We are trying to keep our forums open to all.

Mr. MOFFETT. Mr. Chairman, I know the gentleman's point.

Mr. CHAPPELL. But we do not think the public taxpayers should pay the intervenors' fees.

Mr. MOFFETT. Mr. Chairman, I know the gentleman is not trying to deny that. Knowing the gentleman as I do, I would not assume that.

I only wish that in a sense these people were lined up outside the door trying to get in, but they do not have the opportunity; they do not have the resources.

The CHAIRMAN. The time of the gentleman from Connecticut (Mr. MOFFETT) has expired.

(On request of Mr. JOHNSON of Colorado, and by unanimous consent, Mr. MOFFETT was allowed to proceed for 1 additional minute.)

Mr. JOHNSON of Colorado. Mr. Chairman, will the gentleman yield?

Mr. MOFFETT. I yield to the gentleman from Colorado.

Mr. JOHNSON of Colorado. Mr. Chairman, I would like to point out to the gentleman the argument that he has made and the argument the gentleman from Maryland made had validity, but they are talking about ratemaking-type cases.

I am talking about the situation where the Federal Government has a regulatory proceeding that is quasi-criminal in nature and in which they are essentially financing legal costs for another party, and then the respondent, which many times can win that kind of a case, has got to pay the additional costs incurred as a result of the Government's financing somebody else's legal fees.

What I am saying is that in that kind of a case, in that event, if the respondent wins, the respondent ought to at least be able to get his money back that was spent because the Federal Government was harassing him.

Mr. MOFFETT. Mr. Chairman, is the gentleman talking about the Federal Energy Regulatory Commission?

Mr. JOHNSON of Colorado. Yes. I believe that is what we are talking about.

Mr. MOFFETT. Because that is not in most instances what we are talking about here.

Mr. JOHNSON of Colorado. I understand.

Mr. MOFFETT. What we are saying is that very powerful interests dominate the arena, and they dominate these cases. We believe somebody else should have the chance to get in and balance the record and even the odds in some way in these instances.

Mr. EMERY. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I have listened with a great deal of interest during the last several minutes to the debate, and I certainly commend the two gentlemen from Connecticut (Mr. MOFFETT and Mr. DODD) for their interest in defending the consumer and giving the consumer an opportunity to express his views.

The difficulty that we get into, though, is this: What is the price we pay for dragging out the regulatory process? What is the price we pay for encouraging every Tom, Dick, and Harry with an ax to grind—without a legitimate point to raise—to get into the debate over every powerplant, every bridge, every refinery, or every storage terminal, everything we try to construct that has something to do with producing energy?

The price we pay is delay. How many cases do we know of around the country in the last several years where a plant has not been built that would have provided us with energy?

There is one in my section of the country, and that is in Seabrook, N.H. Whether we happen to be for or against nuclear power, I ask the question: Who pays the price?

Well, we do not have any electricity from that facility yet, and the costs to the consumers and some of the ratepayers in southern Maine, in the New Hampshire public service system, have been tremendous because the consumers have paid the cost of bureaucracy, the increasing cost of oil, for the construction delays, and all the other problems. So is that going to benefit the consumer? No!

The difficulty is, though, that the more we drag out the decision as to whether or not we are going to build some kind of an energy facility because someone does not like it or someone has complaints about it, the longer it is going to be before we produce energy at any cost, and ultimately the consumer is going to pay.

It seems to me that what we really ought to do to protect the consumer is to guarantee that the regulatory process itself works and make sure the necessary decisions are made on environmental grounds, on safety, on siting, and all these other issues early on in the process so that when the decision to build or not to build is made, we will have all the information to work from. Is it safe? Will it work? Is it in the interest of the consumer?

I do not think, though, that encouraging a great many consumer suits or encouraging interveners is going to answer those questions, nor do I think it is going to improve the law, nor is it going to produce the added energy that we need in this country.

Mr. Chairman, I do not think we can afford to delay the process when many consumer questions could be answered adequately by the regulatory agency without encouraging unnecessary and frivolous lawsuits.

Mr. DINGELL. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the Dodd amendment and in opposition to the Johnson of Colorado amendment.

Mr. Chairman, the Committee on Appropriations has exercised a great deal of enthusiasm with regard to curtailing the powers of citizens to get before the regulatory bodies. A little while back we heard the discussion by my good friends on the subcommittee of the Committee on Appropriations about how these matters could be handled on the local level and how the folks could find FERC going out in the communities to hear these questions.

That is not true. These are matters decided before Federal agencies in Washington. They are not decided before State regulation bodies but rather are decided by Federal agencies in Washington. "Intervening" is a technical word. It means that a person enters the proceedings formally. It means he has to have experts. It means he has to have lawyers. It means he has to have skilled specialists. It means that he has embarked on an incredibly costly undertaking.

What are the kinds of proceedings that are affected by this? Rate cases before FERC, rate cases regarding natural gas, and rate cases regarding electric utility rates on the wholesale level—not on the retail level heard by State agencies but on the wholesale level heard by Federal agencies. These are some of the most complex rate matters that are involved in the Federal regulatory process. These are cases in which the highest priced Washington lawyers appear to represent and to handle the affairs of every large and powerful special interest in the country. Railroads, manufacturing concerns, electric utilities, telephone companies, and everybody else have high-priced lawyers at enormous cost, as well as rate specialists and all manner of other specialists appearing here at monstrous costs, costs that are always charged back against consumers and ratepayers, and paid for in part by tax deductions.

To intervene in these matters and to get compensation for that intervention, the individual would have to come before the regulatory body and establish that he would have the talent and the ability to make a useful contribution before he could be permitted to intervene and before he could get his expenses paid.

This says that FERC cannot even consider those questions. It means that the citizen and the consumer really is not going to get before those agencies because he cannot afford to come to Washington, he cannot afford high-priced lawyers, and he cannot afford high-priced specialists.

Mr. Chairman, there are some other things that my colleagues should consider here. These are ofttimes electric utility wholesale prices. They deal with prices that are beyond the reach of the State regulatory bodies. A citizen cannot go to his State capital and get protection and redress on these rates as respects electric utility sales from his State utility agency.

This means that a citizen has no way to get these questions before his State regulatory agency and no way to expect to have these questions heard in any responsible fashion in Washington.

The amendment that has been presented by the gentleman from Colorado (Mr. JOHNSON) makes substantive changes in law. It is incredibly bad. The amendment offered by the gentleman from Colorado (Mr. JOHNSON) is actually an amendment of substantive law, and it ought to be rejected by this body because it says that the intervenor, if he loses, has to pay the costs to the respondent in these matters. So then we are making the rich richer and the poor poorer by that amendment.

As an amendment to substantive law and should have been the subject of a validly upheld point of order.

If we really want to see that wholesale utility rates, properly regulated. Support the Dodd amendment, oppose the Johnson amendment there to. Wholesale electric rates are one of the biggest problems afflicting consumers, municipalities, and local units of government and the consuming public in general. They are beyond reach of State regulatory agencies. If we want to see our public utility bodies and our State regulatory bodies able to have fair consideration before Federal regulatory bodies, then we must vote for the Dodd amendment to permit proper intervention.

The CHAIRMAN. The time of the gentleman from Michigan (Mr. DINGELL) has expired.

(By unanimous consent, Mr. DINGELL was allowed to proceed for 3 additional minutes.)

Mr. CHAPPELL. Mr. Chairman, will the gentleman yield?

Mr. DINGELL. I yield to the gentleman from Florida.

Mr. CHAPPELL. Mr. Chairman, the gentleman has made the point that our consumers do not have the expertise to testify on certain subjects and, therefore, the taxpayer ought to pay for some expert testimony.

Would the gentleman speak to such as FTC examples health spas, as far as needing any unusual expertise on the subject? Can the gentleman imagine the necessity for paying the Americans for Democratic Action $47,860 for their testimony in a proceeding dealing with health spas? Does the gentleman say there is anything so difficult about that subject?

□ 1450

Mr. DINGELL. First of all, I do not know that this bill covers health spas.

Mr. CHAPPELL. Not this bill. I understand that.

Mr. DINGELL. I am only prepared to tell the gentleman that this deals with electrical utility and natural gas utility rates. And if the gentleman wants to discuss those, I will be delighted to discuss them. I am not prepared to discuss health spas and their contribution to society. Some of them are good and some of them are bad.

Mr. CHAPPELL. The only point was, the gentleman made the point on the various issues that the individuals do not have the opportunities to be heard.

Mr. DINGELL. I made that statement. I reiterate that.

Mr. CHAPPELL. And the gentleman gave examples. You will have the same kind of examples before this Commission, or anything dealing with energy, as you would have with some of the others.

Mr. DINGELL. FRC does not deal with regulating health spas. I am told they are not well regulated.

Mr. CHAPPELL. I agree with that.

Mr. DINGELL. They are not regulated by State bodies. And I am told that there are other practices that go on in health spas.

Mr. CHAPPELL. I understand that. I think the gentleman understood that I was being illustrative of the kind of abuse that goes with the agency that is permitted to say which one of the activist groups is going to be permitted to be the one to bring in the facts before the public.

Mr. DINGELL. The gentleman is totally in error on that, because what is involved here is that we have finally begun to craft a process whereby the ordinary citizen can appear collectively and individually before Federal regulatory bodies with some knowledge on rate cases, which are not reachable by State regulatory bodies under their regulatory process, and can expect that he can have some compensation to pay for the high-priced Washington lawyers and the high-priced rate specialists which are necessary to see to it that his viewpoint is properly represented, and who are available in vast abundance ofttimes at the same consumers' expense, or at the taxpayers' expense, or both, to the industrial groups on the other side who are seeking the rate raises.

Now I yield again to the gentleman.

Mr. CHAPPELL. Does the gentleman not concur that such organizations as the Coalition of Sierra Clubs, the Friends of the Earth, the Environment Defense Fund, all of which do great service, does the gentleman perceive that those organizations are without the ability to make appearances before our public bodies?

Mr. DINGELL. I am only going to tell the gentleman that we have gone into this. I am chairman of the subcommittee which deals with substantive legislative matters. And I am glad, by the way, to have a chance to inform the Appropriations Committee that there are legislative committees in this Congress. But we do not find that Federal regulatory bodies under the Dodd amendment will simply rush around and solicit the people to come forward and be paid. There is the requirement that intervenors establish that they make a useful contribution and they do not have other means to be compensated for their expenses.

Mr. ECKHARDT. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, it has become the custom of this House that when you read the words, "none of the funds appropriated," et cetera, you may expect that someone other than those who drew the original bill and who have considered in depth the policies involved, some outside source has decided to reverse the decision of the committee.

What has been discussed here about the public hearings, in which individuals may come and express their grievances but without being paid, is an entirely different situation from the situation of an intervention.

I want to say to the Members that when the DOE Authorization Act, the bill that created the Department of Energy, was up, I offered an amendment to provide for due process for oil companies when rules were made to control them. I thought they ought to be permitted to come before the agency, make their points and appeal a wrongful decision. But I, likewise, feel, that those who take a different position from the biggest and the most powerful interests of this country are entitled also to come in and present their case.

It is simply not correct, as a practical matter, that the public can be represented on a purely ad hoc basis and without financing. I know something about this. I remember, years ago, in Texas, when the situation was whether or not certain shell dredgers, very powerful interests in the Galveston Bay area, should be permitted to dredge out the oyster reefs in that area, and the fishermen opposed it. Do the Members think that those fishermen would have equal power with the shell dredgers? I happened to walk in that day and sat there with my papers under my chair and attempted to represent them on an ad hoc basis. But if you are going to represent adequately little people, Tom, Dick, and Harry—and I think Tom, Dick, and Harry should be represented in Washington—you have to have some formalized way in which, Tom, Dick, and Harry can be represented against Gulf, Exxon, and Mobil. You simply do not have a parity of interest between those two, unless you have some process by which an agency may make it possible for formal representation with reasonable pay to be afforded the other side of the case. Those are just the facts of life. If you do not do that, you have denied representation to the people and you have granted it to the large corporations.

This is a small amount involved. Fortunately, the Dodd amendment has been offered to bring back to the bill the same intent and direction that existed in the authorization bill, the same intent and direction that Mr. DINGELL was talking about a minute ago. He was talking knowledgeably about the types of issues that come up—not health spas, not the questions involving the Federal Trade Commission. Those rest on entirely different merits.

I would urge that my colleagues in this House go back to the policy of respecting the detailed consideration the committee of major jurisdiction has given to the matter, and not reverse those decisions on a short debate dealing with largely peripheral issues.

Mr. RITTER. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I think this body has to consider the larger issue at stake. We are all for a democratic process that allows access to important decisions. I think what we are seeing, however, in recent years, if you look at the larger picture, is that this process of reaching major decisions regarding energy is essentially tied up. I am talking about licensing and siting of new domestic installations; powerplants, refineries, pipelines, and so forth. The results are evident, gas lines across this country and growing energy dependency. How many cars are lined up at the gas pumps today because utilities are burning oil from the Middle East because domestic sources of energy are not available? How much is being paid by the very consumers that the sponsors of this amendment are looking out for in increased rates because we are dependent, we are held hostage by foreign energy producers?

□ 1500

I say to my fellow Members—please consider the larger picture. There is already enormous delay, snafu, and impendiment for this country to at least get on the road to energy self-sufficiency. We are already roadblocked at a crucial stage in our history. We should be dismantling those blockages, not making them larger. It will only tend to exacerbate the problems that we are deeply enmeshed in. I guarantee that this amendment will tend to increase the costs for the very consumers it intends to protect.

Thank you.

Mr. McCORMACK. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, before the Civil War, regulation was by statute. An individual citizen could go to court to seek enforcement of a regulatory statute.

With the coming of the complexities of industry, this procedure proved to be impractical, and the Congress created commissions to regulate industry and to represent the people. That is what regulatory agencies are. All of the arguments that have been made here today that are premised on the assumption that a regulatory commission is some sort of a neutral body before which individual citizens must duel with corporations are totally misplaced.

The fact is that regulatory agencies are the people of this country, and the regulated utilities and corporations must come before that agency; that is, they must come before the people, to defend their positions, to obtain permission to operate, and to gain agreement for rates.

In short, what we are doing, if we assume that we need an additional layer of consumer participation, is exactly what the chairman stated: We would be creating watchers watching the watchers.

I think we should remember, in everything we are saying during this debate, that regulatory agencies are the people. They are not neutral agencies, indifferent to the public interest.

Intervenors are extraneous persons coming in to proceedings between the people through their regulatory agencies and the regulated agencies.

We all agree that we want participation in Government, but I submit that intervening in regulatory activity is the least practical arena for individual participation in the democratic process. Experience has shown no good reason for funding intervenors with Federal money to intervene in the proceedings between the regulated corporations on the one hand and the people represented by the regulatory agencies on the other.

Now, this problem of private, self-appointed groups attempting to get Federal money to go around and pretend to represent the people is not new. Let us not kid ourselves. We are not dealing with the problems of individual citizens who suddenly need to defend themselves and somehow need money.

Everyone in this Chamber should know by now that these funds are being requested by perpetual, professional intervenors, who go around and stir people up so somebody will then hire the intervenors who then plan to get Federal money.

This has been going on for years. We were asked for $4 million about 6 years ago under the old Atomic Energy Commission for these same professional intervenor organizations to get money so they could come and appear before the AEC to oppose construction of our powerplants.

The gentleman from Oregon (Mr. DUNCAN) is completely correct when he says this is just the camel's nose. It is not just in this bill or in this instance. There are half a dozen different instances in the various pieces of legislation under consideration today wherein these same organizations are again and again coming to one committee or other and saying, "Give us money so we can pay ourselves while we are going out to get people whom we will represent as intervenors before Federal agencies."

The gentleman from Connecticut says a man must be indigent under his amendment in order to get this money.

This presents no problem for the professional intervenor.

In one recent case, we had people from Portland, Ore., coming all the way up to the city in Richland, Wash., 200 miles away, trying to find some one person near one of the nuclear plants being considered for a license there, so that that person could be used by the intervenors. They finally found a woman who lived close enough that she could claim that she was an affected party, and then they used their organization to support her as an intervenor.

All they have to do is get Ralph Nader's book on how to harass a utility which tells about how to bring endless legal procedures about and delay progress for many months or years until they finally run out their string, and then they bail out and forget it.

In that respect, I would like to point out that Secretary Schlesinger, speaking before the Committee on Science and Technology, pointed out that for every year's delay in constructing a major powerplant, it costs the ratepayers for that utility between $100 and $150 million.

I repeat, each year's delay costs the ratepayers from $100 to $150 million.

The CHAIRMAN. The time of the gentleman from Washington (Mr. McCormack) has expired.

(By unanimous consent, Mr. McCormack was allowed to proceed for 2 additional minutes.)

Mr. McCORMACK. Now, these ratepayers are the people whom we are trying to protect. It is the people who are being betrayed by these so-called consumer organizations that are causing the delays and causing energy rates to be higher.

Here we are with an energy crisis, paying more than $50 billion a year for imported oil; and here we are today, seriously talking about using Federal money to place obstacles in the way of producing enrgy from domestic sources.

This is what the Dodd amendment would do. I think it is time we should recognize that this amendment, for all the good intentions of its sponsors, is an attempt to set a precedent, not just for this instance, but for many others to provide Federal funds for these intervenor organizations. I think we must stop this thing now, and instead put our emphasis on producing energy for the people of this country.

Mr. EMERY. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from Maine.

The CHAIRMAN. The time of the gentleman from Washington (Mr. McCormack) has again expired.

(At the request of Mr. Emery and by unanimous consent, Mr. McCormack was allowed to proceed for 2 additional minutes.)

Mr. EMERY. Mr. Chairman, I commend the gentleman on his statement. I think he summed up the situation as well as anyone in the House could sum it up.

The fact of the matter is we are facing an energy crisis. Every time we talk about building a nuclear powerplant, a waste-reprocessing facility, a pipeline bringing oil from Alaska, offshore drilling, even cutting trees to produce methanol or growing grain to produce gasohol, someone is against it.

As long as we create a legal climate in Congress that allows people, sometimes for serious reasons, sometimes for obstructionist reasons, to prevent us from going ahead and producing the energy that the people in gas lines need, then we are going to be doing a tremendous disservice to the very consumers who we are trying to serve.

We have got to wake up in this Congress. We have got to stop putting obstacles in the way of energy production.

I commend the gentleman on his statement.

Mr. MAGUIRE. Mr. Chairman, not long ago, I had a discussion with a very senior executive of one of our major corporations. He was the chairman of the board, in fact. He suggested that, given the difficulty that we have formulating and implementing an energy policy, that what we really ought to do is put 12 or 15 experts together to figure our exactly what should be done about the energy problems in our country, take their decisions and implement them and have those decisions and the actions taken to implement them insulated from any legislative consideration and from any judicial review.

I was quite surprised, indeed, astonished, and I pointed out to the executive that we have a process in this country which is not synonymous with Plato's Republic, and as the gentleman from Connecticut (Mr. Moffett) so aptly pointed out earlier, participation is a key element of the process.

I must say that the debate over the last few minutes strains credulity. The assumption appears to be that by having people participate in the process in which decisions are made, that somehow all else comes unglued. Contrary to what has been suggested, we are not talking about citing facilities, we are not talking about energy options before the country. We are talking about what would be the proper rates to set in a given situation and who is, realistically, going to have an opportunity to set forth the views as to the merits.

It strains credulity to think that somehow a few thousand dollars, which might be allocated to a few public intervenors to prepare cases to be considered by the Commission, along with the cases that are prepared by corporations and utilities, that somehow this is going to result in all of the catastrophic consequences that have been portrayed here by so many speakers in the last few minutes.

□ 1510

This amendment would permit people other than more representing the interests of utilities to do a counterbrief before the regulatory agency with respect to the assumptions and the calculations that are going to be brought there in the most impressive, complicated, and may I suggest sometimes exaggerated for by those who are seeking to get decisions which will be most in favor of the positions they are advocating.

We have an example from my own part of New Jersey. A group of towns in absolute desperation banded together to form what was called the North Jersey Electric Rate Council, headed by an enterprising mayor, Charles Soumas of Wyckoff, a Republican by the way. He put together a group of citizens who said we cannot allow the Commission in our States to make decisions on these enormous rate increase requests simply on the basis of the briefs that have been presented by the utility. They banded together and spent many thousands of dollars preparing, with expert help, their own brief which ultimately everybody involved recognized resulted in a different decision by the Commission than would otherwise have been the case. This group subsequently disbanded because it could not afford the costs.

Let us face it, we know how power and money and influence are distributed. We know that decisions are going to be made at the staff level and at the Commission level based on what is in front of the Commission. There will not be an opportunity to do a fully independent analysis of every aspect. There may need to be a counterbrief filed if there is going to be even an approximation of equity in this type of proceeding.

So, let us narrow this discussion down to what this amendment really is about. It is no more money. It is simply the ability to spend a few of the existing dollars for public interventions which, as Mr. Dingell and Mr. Eckhardt indicated, is an established technical process which certainly should not be denied to members of the public as the Appropriations Committee language would do. Let us not pretend that all of our energy woes are to be assigned to a few consumers who may technically intervene in some process before a regulatory agency. Let us recognize we are talking about the setting of rates, and about their equity, and about the fairness of the proceeding through which they are set.

The gentleman from Maine (Mr. Emery) asks "who pays the price." I would ask the gentleman if consumers are not going to be paying, and paying, and paying, as a result of Commission decisions which do not adequately reflect the kind of balance and judgment that we would expect to have if in fact various sides of the case were presented instead of just one side.

(By unanimous consent Mr. Maguire was allowed to proceed for 2 additional minutes.)

Mr. ECKHARDT. Would the gentleman yield?

Mr. MAGUIRE. I yield to the gentleman from Texas.

Mr. ECKHARDT. Does it not seem in passing strange to the gentleman in the well that those who constantly say the bureaucracies do not represent the people should be the only ones through which the people's will is expressed?

Now, I have heard the argument on the other side that the bureaucracies are not going to properly represent the people, but at the same time the people are not going to be permitted to enter their cases as intervenors, as I understand.

Mr. MAGUIRE. I certainly agree with the gentleman and I hope we will allow ourselves a piece of legislation on the floor of this House today which does not preclude the public from intervening in a responsible and competent way in the decisions which affect all of us.

Mr. MYERS of Indiana. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, those who have just recently entered the Chamber may have gotten the impression that our committee was proposing to deny the right of a the decisionmaking process of our Government. This is not the case. This is not what the committee has done.

The gentleman from Connecticut (Mr. Moffett) said that it was necessary in a republic to have citizen participation. How true that is. But I was alarmed by his analogy to the low percentage of voting that occurs in some areas. Is this the camel's nose under the tent? If we set this precedent, will we then move to pay people who want to vote?

Certainly, we all agree that participation is essential in our form of government. It would sound this afternoon as though this is a fund for the poor who cannot afford to participate and testify, but what have we found? It certainly has not been the poor that have advocated this amendment; it has been the professionals—the lawyers, to be quite frank. They are the ones who are after this money.

Mr. MAGUIRE. Mr. Chairman, will the gentleman yield?

Mr. MYERS of Indiana. I will yield briefly.

Mr. MAGUIRE. I thank the gentleman. I actually have spoken once and was yielded to another time.

I wonder if the gentleman thinks that the public should not be represented by professionals? The whole point of this is to get them represented by professionals.

Mr. MYERS of Indiana. I would not disagree with the gentleman. But who are these "public" people? Who is going to decide who is to be paid? Who is going to make the decision about the many people standing in line who are saying, "I want to testify; I want to come to Washington"? Who is going to make that decision? How are we going to be sure that all sides are adequately represented if we start this program?

It would be most appropriate to require a declaration or determination of indigence. In the case of the FTC, the Americans for Democratic Action have received, in the last 4 years, more than $177,000. Is this group indigent? The Sierra Club and a coalition of "environmental" groups have received $28,241. There are other groups such as the Environmental Defense Fund, the National Audubon Society, the National Wildlife Federation. Are these groups indigent? I am referring to the Federal Trade Commission's program for public participation. This is what has actually happened.

The decision this afternoon is not whether there should be access or whether there shall be public participation. The committee has provided funding for this office. The issue is this: Shall we start paying witnesses to intervene in regulatory proceedings? If we do, will we then want to pay people to testify for or against the legislation that comes before our committees? Is this the precedent we want to establish? The issue is, Who shall pay their own way and who shall not pay their own way? That is the issue before the committee today.

Mr. DINGELL. Mr. Chairman, will the gentleman yield?

Mr. MYERS of Indiana. I yield to the gentleman from Michigan.

Mr. DINGELL. Mr. Chairman, the word used is "intervenor." That is not the witness. "Intervenor" is the word.

Mr. MYERS of Indiana. Is the gentleman familiar with this particular section?

Mr. DINGELL. I have read the section.

Mr. MYERS of Indiana. Under the amendment, funds would be available for witnesses and consultants hired by the intervenor.

Mr. DINGELL. The chairman of the committee advises me that the word "intervenor"—witnesses will be paid under this bill and they will be paid by taxpayers for their tax deductions that will be given to corporations, and will be paid——

Mr. MYERS of Indiana. The gentleman's amendment would have the Commission pay people to give their version of the public interest, which would, I am sure, involve the payment of professional consultants.

Mr. Chairman, I suggest we have a vote.

● Mr. GONZALEZ. Mr. Chairman, I support the proposition to provide funding for intervenors. These are people who appear in the public interest, and generally they are opposed by the most powerful of private interests who enjoy the aid and endless resources of governmental bodies from city hall to the White House.

In its present form, the business of licensing a nuclear plant allows in theory the right of anyone to intervene in the public interest. But it is at best only a theoretical right. No intervenor in history has ever succeeded in blocking a nuclear license in this country.

There are reasons, of course. The intervenors have no more legal resources compared to those of the plant builders than the Indians had against the forces arrayed against them. There were the Indians, who knew nothing of the legal systems of the white man, had no one in Government to speak for or represent them, had no means to uphold their rights, had no one to press their claims nor the resources to hire anyone who would. It is only now, in this generation, that some compensation is being paid to them.

And so it is with those who would defend the rights of humanity against the nuclear cult.

The intervenors did not write the law, and had precious little input with those who did, and no sympathy from them whatever. The intervenors may have access to the law, but they do not enjoy the services of squadrons of specially trained lawyers, scientists, and accountants, nor do they employ powerful lobby organizations. They do not enjoy the financial support of massive utilities, or of the equally massive industrial corporations that build nuclear plants and supply their needs. Neither do they enjoy the sympathy of local governments, which expect massive tax revenues from nuclear plants and which sometimes are even part owners of these plants.

For an intervenor to be effective, that party would have to have at least some minimal resources to research and prove a case and to put that case on in an effective way. An intervenor who has knowledge is generaly without the means to prove that knowledge or put it in the proper form, or present it before a commission that may sit a thousand miles away from that party's home. Resources are the key to the effective exercise of legal rights.

That is what this amendment is all about. This amendment seeks to make real the human rights that are today only theoretical. This amendment seeks in a pitifully weak way to grant intervenors some effective voice. Even if it is approved this amendment would do little to equalize the resources of public interest intervenors against the massive power of utilities, their lackeys, their corporate friends, and yes, the toadying Federal Government itself. It is a gesture toward making legal rights truly effective, that is all.

Even this modest effort may go down in defeat, and if it does, that is to the shame and discredit of the Congress.

Nuclear power brings with it questions that are unresolved. It brings questions and problems that we are saying to the next generation, "you solve it. We don't care about you, we are taking care of ourselves." We are running over, trampling upon basic human rights, and the people will rebel.

The rule of law starts with the effective exercise of rights. That is what this amendment is about—the effective exercise of rights that are inherent in the people. We do not give rights. The people have those rights, and woe betide the government that fails to recognize those rights.

This amendment is not for or against nuclear power. It is for the clear, basic exercise of rights, human rights.

Those who oppose this amendment only do so on the basis that so-called meddlers should mind their own business. That is a mistaken notion. The people for whom this money is intended are acting on the people's business, on behalf of all of us. If we fear to grant them this token amount of help, then we are saying that the rights they seek to exercise would undermine a great industry. Is something so mighty to be threatened by voices so tiny? If that is so, then the mighty are weak indeed. They are then too weak to be trusted.

This is not something to be lightly dismissed. The right to effective counsel is guaranteed for persons accused of crimes. Why then are we not obliged to provide effective counsel in behalf of those who seek to defend the lives of innocent people, who seek to see only that the laws on the books are effectively enforced and strictly observed? What have we to fear from them? Why should we deny or abridge their rights? We should not, and dare not.

I urge support of the amendment offered by the gentleman from Michigan (Mr. DINGELL).●

Mr. BEVILL. Mr. Chairman, as I understand it, we are scheduled to adjourn at 5:30 this evening.

Mr. Chairman, I ask unanimous consent that all debate on these amendments and all amendments thereto conclude in 2 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Alabama?

There was no objection.

□ 1520

The CHAIRMAN. The question is on the amendment offered by the gentleman from Colorado (Mr. JOHNSON) to the amendments offered by the gentleman from Connecticut (Mr. DODD).

The question was taken; and on a division (demanded by Mr. JOHNSON of Colorado), there were—ayes 33, noes 27.

RECORDED VOTE

Mr. DODD. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 257, noes 156, not voting 21, as follows:

[Roll No. 241]

AYES—257

Abdnor
Addabbo
Akaka
Albosta
Alexander
Anderson, Ill.
Andrews,
  N. Dak.
Annunzio
Anthony
Applegate
Archer
Ashbrook
Atkinson
Badham
Bafalis
Bailey
Barnard
Bauman
Beard, R.I.
Beard, Tenn.
Bennett
Bereuter
Bethune
Bevill
Boggs
Boner
Bouquard
Bowen
Breaux
Brinkley
Brooks
Broomfield
Broyhill
Buchanan
Burgener
Burlison
Butler
Byron
Campbell
Carney
Carter
Chappell
Cheney
Clausen
Cleveland
Clinger
Coelho
Coleman
Collins, Tex.
Conable
Coughlin
Courter
Crane, Daniel
Crane, Philip
Daniel, Dan
Daniel, R. W.
Danielson
Dannemeyer
Davis, Mich.
de la Garza
Deckard
Derwinski
Devine
Dickinson
Dornan
Dougherty
Duncan, Oreg.
Duncan, Tenn.
Edwards, Ala.
Edwards, Okla.
Emery
English
Erdahl
Erlenborn
Evans, Del.
Evans, Ind.
Fary
Fenwick
Findley
Fithian
Flippo
Fountain
Frenzel
Fuqua
Gaydos
Gephardt
Giaimo
Gingrich
Ginn
Gonzalez
Gradison
Gramm
Grassley
Grisham
Gudger
Guyer
Hagedorn
Hall, Tex.
Hammer-
  schmidt
Hance
Hanley
Hansen
Harsha
Hefner
Heftel
Hightower
Hillis
Hinson
Holland
Holt
Hopkins
Horton
Hubbard
Huckaby
Hutto
Hyde
Ichord
Ireland
Jeffries
Jenkins
Jenrette
Johnson, Colo.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kazen
Kelly
Kemp
Kindness
Kramer
Lagomarsino
Latta
Leach, Iowa
Leach, La.
Leath, Tex.
Lederer
Lee
Lehman
Lent
Lewis
Livingston
Lloyd
Loeffler
Long, La.
Long, Md.
Lott
Lujan
Lungren
McClory
McCloskey
McCormack
McDade
McDonald
McEwen
Madigan
Marks
Marlenee
Marriott
Martin
Mathis
Mica
Michel
Miller, Ohio
Mitchell, N.Y.
Mollohan
Montgomery
Moore
Moorhead,
  Calif.
Murphy, Ill.
Murphy, Pa.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Nelson
Nichols
O'Brien
Pashayan
Paul
Perkins
Petri
Price
Pritchard
Pursell
Quayle
Quillen
Railsback
Regula
Rhodes
Rinaldo
Ritter
Roberts
Robinson
Roe
Rose
Roth
Rousselot
Roybal
Royer
Rudd
Runnels
Santini
Satterfield
Sawyer
Schroeder
Schulze
Sebelius
Sensenbrenner
Shelby
Shumway
Shuster
Simon
Skelton
Slack
Smith, Iowa
Smith, Nebr.
Snowe
Snyder
Solomon
Spence
St Germain
Stack
Staggers
Stangeland
Stanton
Steed
Stenholm
Stockman
Stratton
Stump
Symms
Tauke
Taylor
Thomas
Trible
Volkmer
Walker
Wampler
Watkins
White
Whitehurst
Whitley
Whittaker
Whitten
Williams, Ohio
Wilson, Tex.
Winn
Wright
Wyatt
Wydler
Wylie
Yatron
Young, Alaska
Young, Fla.
Young, Mo.
Zablocki
Zeferetti

NOES—156

Ambro
Anderson,
  Calif.
Andrews, N.C.
Ashley
Aspin
AuCoin
Baldus
Barnes
Bedell
Beilenson
Benjamin
Biaggi
Bingham
Blanchard
Boland
Bonker
Brademas
Brodhead
Brown, Calif.
Burton, John
Carr
Cavanaugh
Chisholm
Clay
Collins, Ill.
Conte
Corcoran
Corman
Cotter
D'Amours
Daschle
Davis, S.C.
Dellums
Dicks
Diggs
Dingell
Dixon
Dodd
Donnelly
Downey
Drinan
Early
Eckhardt
Edgar
Edwards, Calif.
Ertel
Evans, Ga.
Fascell
Fazio
Ferraro
Fisher
Florio
Foley
Ford, Mich.
Ford, Tenn.
Fowler
Frost
Garcia
Gibbons
Gilman
Glickman
Goodling
Gore
Gray
Green
Guarini
Hall, Ohio
Hamilton
Harkin
Harris
Hawkins
Heckler
Hollenbeck
Holtzman
Howard
Hughes
Jacobs
Jeffords
Kastenmeier
Kildee
Kogovsek
Kostmayer
LaFalce
Leland
Levitas
Lowry
Luken
McHugh
McKinney
Maguire
Markey
Matsui
Mattox
Mazzoli
Mikulski
Mikva
Miller, Calif.
Mineta
Minish
Mitchell, Md.
Moakley
Moffett
Moorhead, Pa.
Mottl
Murphy, N.Y.
Neal
Nedzi
Nolan
Nowak
Oakar
Oberstar
Obey
Ottinger
Panetta
Patten
Patterson
Pease
Pepper
Peyser
Pickle
Preyer
Rahall
Rangel
Ratchford
Reuss
Rodino
Rosenthal
Rostenkowski
Russo
Sabo
Scheuer
Seiberling
Shannon
Sharp
Solarz
Spellman
Stark
Stewart
Stokes
Studds
Swift
Synar
Traxler
Ullman
Van Deerlin
Vanik
Vento
Walgren
Waxman
Weaver
Weiss
Williams, Mont.
Wirth
Wolff
Wolpe
Yates

NOT VOTING—21

Bolling
Bonior
Brown, Ohio
Burton, Phillip
Conyers
Derrick
Fish
Flood
Forsythe
Goldwater
Johnson, Calif.
Lundine
McKay
Mavroules
Richmond
Thompson
Treen
Udall
Vander Jagt
Wilson, Bob
Wilson, C. H.

☐ 1530

The Clerk announced the following pairs:

On this vote:

Mr. Johnson of California for, with Mr. Thompson against.

Mr. Brown of Ohio for, with Mr. Richmond against.

Mr. Goldwater for, with Mr. Conyers against.

Mr. Bob Wilson for, with Mr. Bonior of Michigan against.

Messrs. RITTER, DAVIS of Michigan, TAUKE, DE LA GARZA, MURPHY of Illinois, and FARY changed their vote from "no" to "aye."

Mr. ASHLEY changed his vote from "aye" to "no."

So the amendment to the amendments was agreed to.

The result of the vote was announced as above recorded.

☐ 1540

AMENDMENT OFFERED BY MR. DINGELL AS A SUBSTITUTE FOR THE AMENDMENT OFFERED BY MR. DODD, AS AMENDED

Mr. DINGELL. Mr. Chairman, I offer an amendment as a substitute for the amendment, as amended.

The CHAIRMAN. For what purpose does the gentleman from Alabama (Mr. BEVILL) seek recognition?

Mr. BEVILL. Mr. Chairman, on the amendment, as amended, I ask for a rollcall vote.

The CHAIRMAN. The Chair has not yet put the question on the amendment, as amended.

Mr. BEVILL. I ask for a vote then.

Mr. DINGELL. Mr. Chairman, I happen to have an amendment in the nature of a substitute.

The CHAIRMAN. The Chair had recognized the gentleman from Michigan and asked him for what purpose he sought recognition. The gentleman indicated that he had an amendment.

POINT OF ORDER

Mr. McCORMACK. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. McCORMACK. Mr. Chairman, when the gentleman from Alabama, the chairman of the subcommittee, requested an agreement to end debate, there was no objection on the amendment and amendments thereto. At that point the vote was put.

I suggest to the Chair that it is in order now to vote on the amendment.

Mr. DINGELL. Mr. Chairman, I have an amendment I desire to offer as a substitute at this time.

The CHAIRMAN. The Chair will indicate to the gentleman from Washington that we are operating under a time limit; however, that does not exclude the possibility of offering an amendment as a substitute, though no debate will be in order in the absence of a unanimous-consent request.

Therefore, the Clerk will read the amendment.

The Clerk read as follows:

Amendment offered by Mr. DINGELL as a substitute for the amendment offered by Mr. DODD: Page 11, lines 21 through 24, strike out section 103.

Page 9, line 14, after the period, insert the following: "None of the funds appropriated for the Federal Energy Regulatory Commission under this paragraph in excess of $550,000 shall be used to pay expenses of, or otherwise compensate, parties intervening in regulatory or adjudicatory proceedings funded under this paragraph.".

PARLIAMENTARY INQUIRY

Mr. ECKHARDT. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman from Texas will state the parliamentary inquiry.

Mr. ECKHARDT. Mr. Chairman would it be in order to request that the Clerk read the amendment, as amended?

The CHAIRMAN. By unanimous consent.

Mr. ECKHARDT. Mr. Chairman, I would ask unanimous consent.

Mr. SYMMS. Mr. Chairman, I reserve a point of order.

The CHAIRMAN. Is the gentleman reserving the right to object or a point of order?

Mr. SYMMS. A point of order on the amendment, Mr. Chairman.

The CHAIRMAN. The gentleman is reserving a point of order on the amendment of the gentleman from Michigan; is that correct?

Mr. SYMMS. Yes.

The CHAIRMAN. The point of order is reserved.

Mr. MYERS of Indiana. I reserve the right to object, Mr. Chairman.

Mr. VOLKMER. Mr. Chairman, I reserve the right to object.

Mr. HORTON. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard to the request of the gentleman from Texas; however, a point of order has been reserved.

Will the gentleman please at this time state his point of order to the amendment of the gentleman from Michigan. The gentleman from Idaho will proceed.

Mr. SYMMS. Mr. Chairman, I believe if I understood the amendment right that the gentleman is trying to legislate on an appropriation bill; but I was having difficulty hearing with the din and noise here in the Chamber.

The CHAIRMAN. Does the gentleman from Michigan wish to respond?

Mr. DINGELL. Mr. Chairman, I did not hear the point of order because of the noise.

Mr. SYMMS. The gentleman said that the gentleman is trying to legislate on an appropriation bill.

The CHAIRMAN. That the gentleman is trying to legislate on an appropriation bill.

Mr. DINGELL. Mr. Chairman, I think the gentleman from Idaho is entitled to be recognized first and then I would be glad to comment.

The CHAIRMAN. The gentleman from Idaho indicates that he believes that the gentleman is trying to legislate on an appropriation bill.

Mr. SYMMS. Mr. Chairman, I could not hear what the amendment was; but I got that impression, if the gentleman woold like to read it again.

Mr. Chairman, I withdraw the point of order.

The CHAIRMAN. The point of order is withdrawn.

PARLIAMENTARY INQUIRY

Mr. PEYSER. A parliamentary inquiry, Mr. Chairman.

The CHAIRMAN. The gentleman from New York will state the parliamentary inquiry.

Mr. PEYSER. Mr. Chairman, in hearing with some difficulty the amendment as it was being read, I am asking the Chair is the amendment of the gentleman from Michigan (Mr. Dingell) similar to the amendment of the gentleman from Connecticut (Mr. Dodd) without the Johnson amendment?

The CHAIRMAN. The Chair can only indicate that it appears to be germane and cannot get into the substance of the amendment.

Mr. PEYSER. Then it is. I thank the chairman.

PREFERENTIAL MOTION

Mr. DINGELL. Mr. Chairman, I offer a preferential motion.

The CHAIRMAN. The Clerk will report the preferential motion of the gentleman from Michigan.

The Clerk read as follows:

Mr. Dingell moves that the Committee do now rise and report the bill back with the recommendation that the enacting clause be stricken out.

Mr. MYERS of Indiana. Mr. Chairman, is the gentleman opposed to the bill?

The CHAIRMAN. Is the gentleman from Michigan opposed to the bill?

Mr. DINGELL. In its present form, I am, Mr. Chairman.

The CHAIRMAN. The gentleman qualifies. The gentleman from Michigan is recognized for 5 minutes in support of his motion.

Mr. DINGELL. Mr. Chairman, my colleagues will recall last night—I thank my good friends.

Mr. Chairman, I am sure my colleagues will recall last night when a motion to strike the enacting clause was offered, that was offered in dead seriousness. I advised my colleagues that we would probably be well served to strike the enacting clause on this matter, if the Johnson amendment amending the DOD amendment is adopted; so in order to have before the House a proposal which does not constitute unwise legislation on an appropriation bill, something which should have been defended against on a point of order, but which was not, in fact, done, I have reoffered what is essentially the DOD amendment, with compliments to my good friend, the gentleman from Connecticut, for his able leadership in this matter, which would allow intervenor funding in the amount of $550,000 instead of in the amount of $600,000, as would have been done by the rather better amendment offered by the gentleman from Connecticut; but as my colleagues know, the very adroit gentleman from Colorado, who is also my good friend, has offered an amendment which essentially guts the DOD amendment by making it impossible for any intervenor to anticipate that in any fashion he will receive compensation for intervening pursuant to a lawful order of any Federal regulatory agency permitting him to so intervene.

Now, to reiterate some of the reasons why the gentleman from Connecticut (Mr. Dodd) has so wisely offered this amendment, I would point out that we are dealing here with the Federal Energy Regulatory Commission and a number of Federal regulatory agencies in the department at Washington, operating far distant from the States where the public utility commissions of the States are able to hear and are able to permit intervenors to be heard. They are deciding cases involving bulk rates on electrical power, involving natural gas pricing and involving a number of matters which cost the simple ordinary consumer massive amounts of money over his lifetime in a time when rates are going up in an absolutely awful fashion.

The idea is to permit citizens to come to Washington with some expectation that they will be heard on matters which are Federal in character and which will never be decided before the State regulatory bodies.

It is also the purpose of this amendment to permit the compensation according to rules of the Federal Energy Regulatory Commission and other Federal agencies on matters which cannot come before Federal regulatory bodies—Mr. Chairman, I do not yield.

POINT OF ORDER

Mr. EDWARDS of Oklahoma. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman from Oklahoma will state the point of order.

Mr. EDWARDS of Oklahoma. Mr. Chairman, I do not believe the gentleman is proceeding in order. I believe the gentleman is supposed to speak on his preferential motion and not on the amendment the gentleman is offering.

Mr. DINGELL. Mr. Chairman, I am explaining why I will vote for the preferential motion.

The CHAIRMAN. Any aspect of the bill is debatable.

The gentleman from Michigan is recognized.

☐ 1550

Mr. Chairman, it must also be remembered that the other side, the large vested interests, are represented by expensive specialists and high-priced lawyers, none of whom will be available to the citizens of this country, and the viewpoints of ordinary citizens oftentimes by these mechanisms are denied to the Federal regulatory agencies within the Department of Energy.

I urge the Members to vote for the substitute which I have offered and vote against the very curious amendment which has now been embodied in the DOD amendments and which was offered by the gentleman from Colorado (Mr. Johnson) with, I think, the unfortunate but probably intentional consequence of gutting the amendments and making intervenor financing both impossible and undesirable from the standpoint of the little citizen.

We should remember that what we are trying to do here is to see to it that the "little guy" can have his voice heard before the regulatory agencies in Washington, since the big corporations and the very special vested interests are able to do so in part out of consumers' dollars paid to them and in part out of dollars they get back from charging their defense fees against the taxpayers.

So, Mr. Chairman, I urge the rejection of the DOD amendment, as amended, and I urge the adoption of the substitute which I have just offered for the consideration of my colleagues. Otherwise, I will be forced to vote for the preferential motion which I have offered.

Mr. BEVILL. Mr. Chairman, I rise in opposition to the preferential motion.

Mr. Chairman, we have been discussing this issue now for something over 2 hours. This issue involves the payment of intervenors to appear before the Federal Energy Regulatory Commission. This has never been done before. The gentleman from Connecticut (Mr. Dodd) has offered an amendment to do that, to pay intervenors, mostly high-priced Washington consultants.

No one wants to prevent anyone from appearing before the Federal Energy Regulatory Commission. As a matter of fact, we have set up a public office financed for that purpose, so anyone who wants to appear or file a brief, or intervene can go and find out what they need to know, and state their feelings about these matters.

We have the Dodd amendment providing for the paying of these fees and travel expenses. The gentleman from Colorado (Mr. JOHNSON) amended that amendment. He amended it to the effect that if an intervenor appears before FERC and is unsuccessful, they must then refund the attorney fees and other expenses.

The gentleman from Michigan (Mr. DINGELL) has now made a motion to strike the enacting clause. Certainly we urge a vote of "no" on that motion. The gentleman has also offered an amendment to provide susbtantially the same language as the Dodd amendment. It simply changes the figure from $600,000 to $550,000.

So, Mr. Chairman, that is where we are. The committee urges the Members to vote against all these amendments and motions. Every vote the Members have on these matters should be "no."

Mr. MYERS of Indiana. Mr. Chairman, will the gentleman yield?

Mr. BEVILL. I yield to the gentleman from Indiana.

Mr. MYERS of Indiana. Mr. Chairman, I concur and agree with what the chairman of our committee has recommended. I want to advise the body that if there is any extended debate beyond this vote on the pending amendment which changes the Dodd amendment, I intend to offer an amendment to the substitute which would require that funds be paid to all parties in a proceeding, regardless of what position they happen to favor. We will put all the intervenors on Federal money. Although this provision would be unwise, it would at least offer some equity by allowing all intervenors the same opportunity to participate.

The CHAIRMAN. All time has expired.

The question is on the preferential motion offered by the gentleman from Michigan (Mr. DINGELL).

The preferential motion was rejected.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan (Mr. DINGELL) as a substitute for the amendments offered by the gentleman from Connecticut (Mr. DODD), as amended.

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. DINGELL. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 136, noes 271, not voting 27, as follows:

[Roll No. 242]

AYES—136

Ambro
Anderson, Ill.
Ashley
Aspin
AuCoin
Baldus
Barnes
Bedell
Beilenson
Bingham
Blanchard
Boland
Bonker
Brademas
Brodhead
Brown, Calif.
Burton, John
Burton, Phillip
Byron
Carr
Chisholm
Clay
Collins, Ill.
Conte
D'Amours
Daschle
Dellums
Dicks
Diggs
Dingell
Dodd
Donnelly
Downey
Drinan
Early
Eckhardt
Edgar
Edwards, Calif.
Ertel
Fascell
Fazio
Fisher
Florio
Foley
Ford, Mich.
Frost
Garcia
Gilman
Glickman
Gonzalez
Gore
Green
Guarini
Hall, Ohio
Hamilton
Harkin
Harris
Hawkins
Heckler
Hollenbeck
Holtzman
Howard
Hughes
Jacobs
Jeffords
Kastenmeier
Kildee
Kogovsek
Kostmayer
LaFalce
Leland
Levitas
Lowry
Luken
McHugh
Maguire
Markey
Matsui
Mattox
Mikulski
Mikva
Miller, Calif.
Mineta
Minish
Mitchell, Md.
Moakley
Moffett
Moorhead, Pa.
Mottl
Nedzi
Nolan
Nowak
Oberstar
Obey
Ottinger
Panetta
Patten
Patterson
Pease
Peyser
Pickle
Rahall
Rangel
Ratchford
Reuss
Rosenthal
Sabo
Scheuer
Schroeder
Seiberling
Shannon
Sharp
Simon
Solarz
Spellman
St Germain
Stack
Stark
Stokes
Studds
Swift
Synar
Traxler
Van Deerlin
Vanik
Vento
Walgren
Waxman
Weaver
Weiss
Williams, Mont.
Wirth
Wolff
Wolpe
Yates
Yatron

NOES—271

Abdnor
Addabbo
Akaka
Albosta
Alexander
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Anthony
Applegate
Archer
Ashbrook
Atkinson
Badham
Bafalis
Bailey
Barnard
Bauman
Beard, R.I.
Benjamin
Bennett
Bereuter
Bethune
Bevill
Biaggi
Boggs
Boner
Bouquard
Bowen
Breaux
Brinkley
Brooks
Broomfield
Broyhill
Buchanan
Burgener
Burlison
Butler
Campbell
Carney
Carter
Cavanaugh
Chappell
Cheney
Clausen
Cleveland
Clinger
Coelho
Coleman
Collins, Tex.
Conable
Corcoran
Corman
Cotter
Coughlin
Courter
Crane, Daniel
Crane, Philip
Daniel, Dan
Daniel, R. W.
Danielson
Dannemeyer
Davis, Mich.
Davis, S.C.
de la Garza
Derwinski
Devine
Dickinson
Dixon
Dornan
Dougherty
Duncan, Oreg.
Duncan, Tenn.
Edwards, Ala.
Edwards, Okla.
Emery
English
Erdahl
Erlenborn
Evans, Del.
Evans, Ga.
Evans, Ind.
Fary
Fenwick
Ferraro
Fish
Fithian
Flippo
Ford, Tenn.
Fountain
Fowler
Frenzel
Fuqua
Gaydos
Gephardt
Giaimo
Gibbons
Gingrich
Ginn
Goodling
Gradison
Gramm
Grassley
Grisham
Gudger
Guyer
Hagedorn
Hall, Tex.
Hammerschmidt
Hance
Hanley
Hansen
Harsha
Hefner
Heftel
Hightower
Hillis
Hinson
Holland
Holt
Hopkins
Horton
Hubbard
Huckaby
Hutto
Hyde
Ichord
Ireland
Jeffries
Jenkins
Jenrette
Johnson, Colo.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kazen
Kelly
Kemp
Kindness
Kramer
Lagomarsino
Latta
Leach, Iowa
Leach, La.
Leath, Tex.
Lederer
Lee
Lehman
Lent
Lewis
Livingston
Lloyd
Loeffler
Long, La.
Long, Md.
Lott
Lujan
Lungren
McClory
McCloskey
McCormack
McDade
McDonald
McEwen
McKinney
Madigan
Marks
Marriott
Martin
Mathis
Mazzoli
Mica
Michel
Miller, Ohio
Mitchell, N.Y.
Mollohan
Montgomery
Moore
Moorhead, Calif.
Murphy, Ill.
Murphy, N.Y.
Murphy, Pa.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nelson
Nichols
O'Brien
Oakar
Pashayan
Paul
Pepper
Perkins
Petri
Preyer
Price
Pritchard
Quayle
Quillen
Railsback
Regula
Rhodes
Rinaldo
Ritter
Roberts
Robinson
Rodino
Rose
Rostenkowski
Roth
Rousselot
Roybal
Royer
Rudd
Runnels
Russo
Santini
Satterfield
Sawyer
Schulze
Sebelius
Sensenbrenner
Shelby
Shumway
Shuster
Skelton
Slack
Smith, Iowa
Smith, Nebr.
Snowe
Snyder
Solomon
Spence
Staggers
Stangeland
Stanton
Steed
Stenholm
Stewart
Stockman
Stratton
Stump
Symms
Tauke
Taylor
Thomas
Volkmer
Walker
Wampler
Watkins
White
Whitehurst
Whitley
Whittaker
Whitten
Williams, Ohio
Wilson, C. H.
Wilson, Tex.
Winn
Wright
Wyatt
Wydler
Wylie
Young, Alaska
Young, Fla.
Young, Mo.
Zablocki
Zeferetti

NOT VOTING—27

Beard, Tenn.
Bolling
Bonior
Brown, Ohio
Conyers
Deckard
Derrick
Findley
Flood
Forsythe
Goldwater
Gray
Johnson, Calif.
Lundine
McKay
Marlenee
Mavroules
Pursell
Richmond
Roe
Thompson
Treen
Trible
Udall
Ullman
Vander Jagt
Wilson, Bob

☐ 1600

The Clerk announced the following pairs:

On this vote:

Mr. Richmond for, with Mr. Johnson of California against.

Mr. Thompson for, with Mr. Flood against.

Mr. GUARINI changed his vote from "no" to "aye."

Mr. LENT changed his vote from "aye" to "no."

So the amendment offered as a substitute for the amendments, as amended, was rejected.

The result of the vote was announced as above recorded.

☐ 1610

The question is on the amendments, as amended, offered by the gentleman from Connecticut (Mr. DODD).

The amendments, as amended, were rejected.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

> SEC. 103. None of the funds appropriated for Department of Energy activities by this Act shall be used to pay expenses of, or otherwise compensate, parties intervening in regulatory or adjudicatory proceedings funded in this Act.

Mr. AKAKA. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I want to first commend the chairman of the Energy and Water Development Subcommittee, its members and its staff for the bill that has been posed to the floor, but I rise today to express some anxiety, dismay, and deep concern for some events that have happened to us and our country, as well as in the Pacific.

It was about 6 weeks ago that the Washington Post issued a story that was given by Japan on the international spent fuel storage site to be placed in the Pacific area. That caused much concern in the Pacific area, and especially in Hawaii.

At that time they were looking for a site where spent nuclear rods could be stored.

Recently, on June 8, a ship named the *Pacific Fisher*, a British ship, was traveling from Japan to France with spent fuel rods for reprocessing, and the Green Peace people received word of this ship stopping in Hawaii. They called all of the Government officials.

The concern there was why the Government was not informed about this.

This has led me, Mr. Chairman, to look seriously at this bill, and I have an amendment that I was intending to offer that would prevent funds from being used in the development of spent fuel storage sites in possessions, in territories, and in States.

So I would like to ask the chairman a few questions about the bill, and particularly on the committee report, Mr. Chairman. On page 14 there is a column that reads, "International Spent Fuel Storage."

My concern there is whether this $3 million that is noted there will be used for the development of any fuel shortage sites.

Mr. BEVILL. Mr. Chairman, will the gentleman yield?

Mr. AKAKA. I yield to the gentleman from Alabama.

Mr. BEVILL. These funds are only for study and evaluation. That is all.

Mr. AKAKA. I see. That is for the year——

Mr BEVILL. For the year 1980. This is the appropriation for 1980; there is no funding for construction of a storage site.

Mr. AKAKA. I thank the chairman very much for that comment. This certainly eases my anxiety.

For that reason, I will not offer any amendment.

Thank you very much.

Mr. GONZALEZ. Mr. Chairman, will the gentleman yield?

Mr. AKAKA. Yes, I would be happy to yield to the gentleman from Texas.

Mr. GONZALEZ. I thank the gentleman for yielding.

I merely rise to join him in his expression of concern. It is one of the very few times ever in the history of this legislation or any related legislation that anybody has raised a question of concern about the safety and the inadequacy of disposal of such things as spent fuel rods and the poisons that emanate from these plants. It is one of the very rare moments.

I sincerely compliment the gentleman from Hawaii. I join with him in sharing his concern, because we, too, in Texas are under the shadow of being victimized in a similar fashion.

Mr. AKAKA. I thank the gentleman from Texas.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

GENERAL INVESTIGATIONS

For expenses necessary for the collection and study of basic information pertaining to river and harbor, flood control, shore protection, and related projects, restudy of authorized projects, and when authorized by law, surveys and studies of projects prior to authorization for construction, $142,221,000, to remain available until expended: *Provided*, That none of the funds made available in this paragraph shall be obligated or expended for the study of Diversion of Lake Michigan Water at Chicago, if such study shall provoke or threaten to provoke flood waters throughout the Illinois Waterway: *Provided further*, That none of the funds made available in this paragraph shall be obligated or expended to discharge sewage overflow from the Metropolitan Sanitary District of Greater Chicago into the Illinois Waterway.

AMENDMENT OFFERED BY MR. PANETTA

Mr. PANETTA. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. PANETTA: On page 12, line 16, strike "$142,221,000" and insert in lieu thereof, "$142,296,000".

Mr. PANETTA. Mr. Chairman, my amendment would add a total of $75,000 to the general investigations appropriation in order to allow the Corps of Engineers to complete the second year of its flood damage prevention study on the San Lorenzo River in Santa Cruz County, Calif.

This study, which was authorized last year by the House Public Works Committee, is vitally important to provide data to the corps and to the public on the alternatives available for meeting the flood control needs of the Santa Cruz area. Until this study is completed and the necessary steps are agreed upon and implemented, the community will continue to face the threat of potentially disastrous flooding.

The official budget request on this study was originally put off until further input could be received from the local community on the proper scope of the study. However, following a recent public meeting with the corps in Santa Cruz, it appears that this issue has been substantially resolved and a contractor has been selected and is prepared to begin the data collection stage.

For this reason, I feel that any further delay in the study would be totally unwarranted, and I urge the adoption of this amendment.

Mr. BEVILL. Mr. Chairman, will the gentleman yield?

Mr. PANETTA. I yield to the gentleman from Alabama.

Mr. BEVILL. Mr. Chairman, the gentleman has discussed this with us. We accept the amendment and have no objection to the amendment. We think it is a very good amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California (Mr. PANETTA).

The amendment was agreed to.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

CONSTRUCTION, GENERAL

For the prosecution of river and harbor, flood control, shore protection, and related projects authorized by laws; and detailed studies, and plans and specifications, of projects (including those for development with participation or under consideration for participation by States, local governments, or private groups) authorized or made eligible for selection by law (but such studies shall not constitute a commitment of the Government to construction), $1,441,216,000, to remain available until expended.

□ 1620

AMENDMENT OFFERED BY MR. ENGLISH

Mr. ENGLISH. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ENGLISH: On page 13, line 9, strike "$1,441,216,000" and insert "$1,440,231,000."

Mr. ENGLISH. Mr. Chairman, I rise to offer an amendment to this legislation which will reduce its total slightly to reflect information which did not become available until the distinguished subcommittee had completed its work on H.R. 4388.

For 20 years, the Corps of Engineers has been studying the possibility of constructing a massive chloride control project to reduce the salt level in the Arkansas and Red Rivers. Unlike the less costly Red River proposal, however, for which there is substantial justification, the Arkansas River chloride control project does not warrant the expenditure of nearly $1 billion in tax dollars—especially when there is no evidence that its construction would bring substantial benefits to the Nation.

Until recently, the corps maintained that the loss of more than 60,000 acres of land in my congressional district would be more than offset by the project's benefits. But on May 30 of this year, the corps advised me that the Arkansas project "may not be economically justifiable." And in a letter dated June 6, the corps added that they had reduced their capability for the project from $3,185,000 to $2,200,000 because they were suspending most of the remaining studies on the Arkansas River portion of the project.

In light of this reduction, and in order to avoid needless expenditures for a project which cannot be justified, my amendment will reduce the corps' appropriation by $985,000—exactly what they no longer need for the Arkansas portion of this massive project.

Mr. Chairman, I urge my colleagues to support the amendment.

I include these two letters from the Corps of Engineers in the RECORD at this point:

OFFICE OF THE CHIEF OF ENGINEERS,
Washington, D.C., May 30, 1979.

Hon. GLENN ENGLISH,
House of Representatives,
Washington, D.C.

DEAR MR. ENGLISH: The purpose of this letter is to advise you of the current status of our studies of the Arkansas portion of the Ark-Red Chloride Control project.

We have been engaged in an intensive reevaluation of project economics. Preliminary results of this complex analysis using latest techniques indicate that the project may not be economically justifiable at this time. Concurrent with our economic reanalysis we have employed a board of consultants to review the technical feasibility of the proposed control plan. The Board has recommended additional investigations to improve the technical adequacy of the plan for Area II–III. We are therefore proceeding with some additional field explorations.

In view of these unresolved areas the Chief of Engineers has directed the Tulsa District Engineer to defer any further effort to resolve the endangered species (Whooping Crane) issues at Area I. In the event that there is some major change in the economic picture, and assuming technical feasibility questions are successfully resolved, this issue can be reopened at a later date.

In view of the change in the economics of this project resulting from our reanalysis, the Chief of Engineers has directed a more deliberate approach to finalizing our study effort. We believe it is essential to document thoroughly our state-of-the-art effort even though we may not now have an economically feasible project. Good quality water will become an increasingly valuable commodity, particularly in this area. The current study effort should be completed by the Tulsa District in Calendar Year 1980.

I will be happy to provide additional information on this project should you require it.

Sincerely,

SAMUEL P. COLLINS, Jr.,
LTC, Corps of Engineers, Assistant Director of Civil Works, Lower Mississippi and Gulf.

OFFICE OF THE CHIEF OF ENGINEERS,
Washington, D.C. June 6, 1979.

Hon. GLENN ENGLISH,
House of Representatives,
Washington, D.C.

DEAR MR. ENGLISH: This is a follow-up to our letter dated 30 May 1979 and to confirm a conversation between Mr. Leo Jardot of your office with Mr. John Breaden of this office regarding the impact of our recent reevaluation of the Arkansas-Red River Basin Chloride Control project on our Fiscal Year 1980 budget request.

As you know, our budget request for the Arkansas-Red River Basin Chloride Control project is $3,185,000 to complete preconstruction planning. We have now reduced our capability to $2,200,000. This reduction is based on our suspension of the remaining advance engineering and design on the Arkansas River portion of the project except for those studies required to verify project feasibility.

I appreciate your interest in the project and will keep you informed of our progress.

Sincerely,

SAMUEL P. COLLINS, Jr.,
Colonel, Corps of Engineers, Assistant Director of Civil Works, Lower Mississippi and Gulf.

P.S.—In the interest of expediency, the following additional information is provided: Of the above amount $1,140,000 would be used for the Arkansas River Basin and $1,060,000 would be applied for the Red River Basin Studies. A balance of $100,000 would be required for feasibility studies on the Arkansas River after FY 1980.

Mr. BEVILL. Mr. Chairman, will the gentleman yield?

Mr. ENGLISH. I yield to the gentleman from Alabama.

Mr. BEVILL. Mr. Chairman, I am familiar with this amendment. The gentleman is correct; the corps has reduced the amount of funds. Certainly we do not want to put more money in there than they can use wisely, and so we accept the gentleman's amendment.

Mr. ENGLISH. I thank the chairman very much.

AMENDMENT OFFERED BY MR. RAILSBACK TO THE AMENDMENT OFFERED BY MR. ENGLISH

Mr. RAILSBACK. Mr. Chairman, I offer an amendment to the amendment.

The Clerk read as follows:

Amendment offered by Mr. RAILSBACK to the amendment offered by Mr. ENGLISH: Page 13, strike "$1,440,231,000" and insert in lieu thereof "$1,440,481,000".

Mr. RAILSBACK. Mr. Chairman, I would like to begin by expressing my gratitude to the subcommittee chairman and to the ranking minority member for all of the courtesy and interest that they have shown to me over the years relating to my appearances before that particular subcommittee. I want to say that I have not always agreed with the subcommittee nor have they always agreed with me, but I can say without any equivocation that they have been very courteous, they have been very attentive and they have been very kind.

Mr. Chairman, I rise to ask support for my amendment to add $250,000 to the general construction category of the Corps of Engineers' budget for fiscal year 1980. These funds would be for the continuation of the design and engineering phase of the Moline flood control project located in my district.

The bill we are now considering has no funding for the Moline flood control project; although, the President's budget requested $20,468,000 full funding and the capability of the corps is the same. The corps, however, only requested incremental funding for fiscal year 1980 in the amount of $500,000.

I have consulted at length with the Corps of Engineers to learn the minimum capabilities required to continue the Moline flood control project. The corps advises me that in order to continue the planning design and engineering, $250,000 is required in the fiscal year 1980 budget. The funds would be used for the following purposes:

First. Planning, design and engineering;

Second. Work on right of way planning; and

Third. Local cooperation agreements with the city of Moline.

As I just explained, the corps indicates there are no funds required at this stage for new construction. The project is not yet ready for construction; however, it does need funds to continue planning and design work. I am not asking that the total dollar figure be restored. I am only asking for a portion of the incremental funding originally requested so that the design and engineering phase of this very valuable flood control project may be continued and not completely stopped.

Mr. BEVILL. Mr. Chairman, will the gentleman yield?

Mr. RAILSBACK. I yield to the gentleman.

Mr. BEVILL. We are familiar with this amendment and we do agree with it and have no objection to the gentleman's amendment.

Mr. RAILSBACK. I thank the chairman very much.

Mr. MYERS of Indiana. Mr. Chairman, will the gentleman yield?

Mr. RAILSBACK. I am happy to yield to the gentleman.

Mr. MYERS of Indiana. Mr. Chairman, the gentleman has fully discussed this with the minority, and the minority accepts this amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois (Mr. RAILSBACK) to the amendment offered by the gentleman from Oklahoma (Mr. ENGLISH).

The amendment to the amendment was agreed to.

AMENDMENT OFFERED BY MR. EDGAR AS A SUBSTITUTE FOR THE AMENDMENT OFFERED BY MR. ENGLISH, AS AMENDED

Mr. EDGAR. Mr. Chairman, I offer an amendment as a substitute for the amendment, as amended.

The Clerk read as follows:

Amendment Offered by Mr. EDGAR as a Substitute for the amendment offered by Mr. ENGLISH, as amended: Page 13, line 9, strike out $1,441,216,000 and insert in lieu thereof $1,431,381,000.

Page 13, line 10, after the period, insert the following: ": *Provided,* That, none of the funds made available under this paragraph shall be obligated or expended for the Stonewall Jackson Lake Project.

Mr. EDGAR. Mr. Chairman, this is a substitute amendment that deletes funding for the Stonewall Jackson project in West Virginia, a high-rise dam on the West Fork River of the Monongahela and accepts the English and Railsback amendments which I support.

This is a simple proposal to scrap an unsound Federal water project. Such proposals are not popular in this body; they violate the time-honored maxim, "I'll scratch your back if you scratch mine."

I do not deny that, by its nature, this is a political body. We all want to help fellow Members where we can. The trust of our fellow Members is important, but the public trust is more important. Political considerations must never blind us completely to the merits of issues.

There has been considerable pressure on me to back off on this amendment, but I and others who support this effort cannot and will not back off. This project has no merits. It degrades the Army Corps of Engineers and calls into question our whole system of funding water projects.

The more I learn about the Stonewall Jackson project, the angrier I become. Angry at the corps for abusing the system of benefit/cost analysis that is supposed to screen water projects. Angry at various bureaucracies for allowing this project to muddle along without serious review. And finally, angry at the Congress for its failure to stand up to the politics of pork.

Here are some of the things I have learned about the Stonewall Jackson project:

The original justification of the project was flood control, especially to protect the town of Weston, downstream from the dam. I admit that there is a valid need for flood control in this watershed, but a high-rise dam is a bad way to go. The West Fork River has three tributaries between the dam and the town, so flood protection for the town cannot be guaranteed. As a matter of fact, these three tributaries historically have posed the biggest flood control problems for the town. A system of small watershed dams in combination with some nonstructural flood abatement measures could provide better flood protection, at less cost. There is no excuse for the corps' failure to seriously investigate alternative actions.

In the benefit/cost calculations, which the corps puts at a mediocre 1.3 to 1 water quality—not flood control—is listed as the primary benefit of the project. The theory is that water would be released from the dam during low-flow periods, thus diluting pollutants downstream. But subsequent to the calculation of this benefit, downstream pollutants—both sewage and acid mine pollutants—have been and are being controlled at their source; in fact, since 1966 when these water quality benefits were calculated, nine downstream sewage treatment plants have been constructed. Clearly, the flow augmentation mission of the dam is now useless and unnecessary. The primary benefit of the project, as projected by the corps, no longer exists.

Another major part of the 1.3 to 1 benefit/cost ratio is recreation. Whoever it was in the corps who calculated this benefit must now be suffering from mental saddle sores. These recreation benefits were calculated on the basis that the areas's population will grow from from between 91 and 173 percent during the next 50 years. The U.S. Census Bureau estimates a growth of 15 percent during this period. Furthermore, it is doubtful that the visitor projections made by the corps will hold true considering the remoteness of the site and the prospect of gasoline shortages—not considered back in 1966.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

(By unanimous consent Mr. Edgar was allowed to proceed for 5 additional minutes.)

☐ 1630

Mr. EDGAR. The recreation benefits also must be seen in the light that this reservoir will be closed to swimming. Let me repeat that. This reservoir that we are making for recreation will be closed to swimming.

After checking with the State, I have learned that there is no uniform State law prohibiting swimming in such lakes; a specific determination was made in this case that the water quality in the reservoir will be of poor quality. Accordingly, the corps has built into the design a filtered, chlorinated swimming lagoon which will cost over $800,000.

The pattern is plain: Flood control, water quality, and recreation benefits all have been blown out of proportion by the corps. Even after all of this, they managed to get the benefit/cost ratio only up to 1.3 to 1.

There are other problems.

The project will inundate substantial coal reserves. For tax purposes, the State has put the value of the coal at $38 million. In its report, the corps puts the value of this coal at a mere $600,000. Even if the State figures are high—which I doubt—the corps' figure are ridiculously low; they lack credibility.

I draw the attention of my colleagues to the fact that the United Mine Workers of America delivered to me in my office today a letter as follows:

United Mine Workers of America,
Washington, D.C., June 14, 1979.

Hon. Robert W. Edgar,
House of Representatives, Cannon House Office Building, Washington, D.C.

Dear Congressman Edgar: We at the United Mine Workers of America would like to take this opportunity to thank you for your efforts in trying to delete funding for the Stonewall Jackson Dam project in West Virginia. We feel this entire project has been inadequately handled by the U.S. Corps of Engineers from the beginning. It has been revealed that the cost estimates were either inadvertently, or deliberately, falsified. Also, the mere fact the project for all intents and purposes, eliminates a large portion of West Virginia's recoverable coal reserves at a time when coal is being called upon to play a vital role in meeting our nation's energy needs, is indeed distressing.

Thank you again for your conscientious and diligent work on this matter.

Sincerely,

Frank Clements,
Director, Legislative Department.

The project condemns 19,500 acres; double the scope of the original authorization. Why was this change not reviewed by the authorizing committee?

The project wipes out 400 farms in some of the finest river bottom in West Virginia; 657 families will be displaced. I call the attention of my colleagues to this telegram, which I received yesterday:

Charleston, W. Va.,
June 12, 1979.

Hon. Robert Edgar:

I fully support your efforts to amend public works appropriations bill whereby funding for the Stonewall Jackson Dam would be deleted. I hope others have the foresight that you have and will give sufficient support to your success.

Gus R. Douglas,
Agriculture Commissioner,
State of West Virginia.

I follow this up with two letters that I received, one from the Pennsylvania Farmers Association, the other from the American Farm Bureau, that point out that 400 farms will be inundated with water once the dam is constructed.

The United Mine Workers, the State Agriculture Commissioner oppose this project; the State Farm Bureau opposes this project; the West Virginia Council of Churches opposes this project; most of the people in the area oppose the project. I have here a whole list of organizations opposed to the project.

When this project was first authorized, the estimated cost was $35 million. Since then, the cost has jumped to $117 million, and it may go as high as $250 million. This is more than all of us in this body are likely to pay in Federal taxes during our collective lifespans.

The Congress of the United States is at a crossroads. Either we face up to our declining public image—and stand up to projects like this one—or we give in to the politics of pork, thereby demonstrating once more that we may deserve the low regard in which we are held by the American public.

It is that certain time of the year again. Here we are, before our public, lining up at the trough. I suggest to my colleagues that, residing in this trough are some unsavory morsels that even we might not wish to consume.

Please join me in opposing this project.

Mr. BREAUX. Mr. Chairman, will the gentleman yield?

Mr. EDGAR. I yield to the gentleman from Louisiana.

Mr. BREAUX. I thank the gentleman for yielding.

I noted that the name of the project is the Stonewall Jackson Lake Dam. If I offered an amendment naming it the U. S. Grant Dam, would the gentleman accept the project?

Mr. EDGAR. If the gentleman offered an amendment to change the name of the dam, I would have to say that a rose by any other name is still a rose.

Mr. MOLLOHAN. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, the gentleman from Pennsylvania makes some rather broad generalizations about Stonewall Jackson Lake on the West Fork River. But let us deal in facts.

He says the amount of land in the project has increased. The gentleman is right. But the fact remains that the total land involved accounts for less than 1 percent of all property taxes collected in the entire county and amounts to only $14,200 per year.

The gentleman says the project will eliminate 400 farms and that relocation prospects are slim. The fact is that only 132 farms will be involved—and most of them are part-time operations. Property acquisition is 36 percent complete at a cost of nearly $6 million. There is no lack of housing in the area, and less than 6 percent of the population will be affected—not 18 percent as Mr. Edgar contends.

The gentleman says improvements to water quality have been superseded and the project is not needed for that purpose. The fact is that the West Fork River is spoiled by mine drainage, domestic wastes and sediment. It has the highest mineral content of any major stream in the Monongahela River basin. Both the Interior Department and the Environmental Protection Agency favor the water quality benefits that will result.

Mr. Edgar says flood benefits are overstated and include protection for new development. The fact is that the economic justification does not include benefits for new development. But the project will practically eliminate flood damages in the Weston area, which is flooded on the average of once a year, and will reduce by 76 percent annual damages caused by overall flooding of the West Fork River itself.

He says water quality in the dam will be so bad a separate swimming pool will have to be built. The fact is that water quality will be good enough for swimming. However, West Virginia State health regulations prohibit swimming beaches in all new lakes.

Mr. Edgar claims large coal reserves will be lost having a real value of $1,844 per acre. Relatively, only a small coal acreage is involved and in no case has a farm with residence, and farm buildings, all included and coal been purchased at a cost exceeding $700 per acre. Coal is being given a fair market value based on the sale of similar types and quantities of coal in the surrounding area.

Mr. Chairman, I include a letter to me from the Department of Agriculture in support of the Stonewall Jackson project.

The gentleman says the corps did not evaluate small watershed alternatives. That is just not true. Detailed studies were made. When this question was first raised, I personally asked the Federal Soil Conservation Service State director to make an evaluation of small watershed alternatives. He advised me in a formal letter dated March 25, 1977, that there was no way a small watershed could provide the essential benefits provided by Stonewall Jackson.

The project has met all legal requirements, including the environmental impact statement. Objections to the statement were made in Federal District Court and they overruled, appealed to the Federal Circuit Court of Appeals and overruled, and an appeal to the U.S. Supreme Court was denied.

These are the facts, and it is, indeed, regrettable that misinformation is being used as a basis for the gentleman's amendment.

Stonewall Jackson will provide flood protection, adequate domestic water supplies, water quality improvements, and recreation benefits which will contribute greatly to the advancement of tourism, the second largest employer in my State with total annual benefits will be in excess of $6 million.

This is an important project, and it would be tragic if we did not go forward with construction.

Stonewall Jackson Dam has the support of the administration which submitted a budget request for fiscal year 1980. It has the support of the State of West Virginia. As we have heard, it has the vigorous support of the Appropriations Committee. And most importantly, it has the support of the largest conceivable majority of people in north central West Virginia who will be served by it.

I urge my colleagues to vote against this amendment.

Mr. Chairman, I include a letter to me from the Department of Agriculture in support of the Stonewall Jackson project.

MARCH 25, 1977.

Hon. ROBERT H. MOLLOHAN,
House of Representatives,
Washington, D.C.

DEAR MR. MOLLOHAN: This is in further reference to your letter of March 2, 1977, and my reply of March 8, 1977, regarding Stonewall Jackson Lake, Lewis County, West Virginia. Since my last letter, I have made an even more extensive review of SCS capabilities, and felt that the following information would be of interest.

From the onset, let me emphasize the point made in previous correspondence and in several conversations we have had; there is no way, in my opinion, that SCS could develop a PL–566 project for the Upper West Fork River above Weston, that would provide the total benefits estimated in the Stonewall Jackson proposal. By total benefits, I am referring to the accumulation of all benefits, such as flood control, low flow augmentation, water supply, and recreation.

Under the PL–566 program, SCS operates under several very specific limitations. These restrictions are particularly pertinent when comparing a potential PL–566 project to the Stonewall Jackson proposal. For example:

STONEWALL JACKSON—PUBLIC LAW 566 PROJECT—SINGLE STRUCTURE LIMITATION

Purpose	Storage (acre-feet)	
Floodwater	27,000	12,500
Low flow augmentation	46,200	[1] 25,000
Permanent	2,000	[2] Undetermined
Total	75,200	[3] 25,000

[1] Less needed flood and sediment storage.
[2] Expected 100-yr sediment storage.
[3] Maximum all purposes.

With these figures as a comparison, it should be evident that more than one PL–566 project would be required to even approximate the benefits envisioned in the Stonewall Jackson project. To provide a comparable level of flood control benefits, the same drainage area would have to be controlled (behind dams) by some undetermined number of structures.

In addition, you are no doubt aware that developing a small watershed project is a time-consuming process, requiring extensive local financial contributions. A major difference to the sponsors is that they must provide all the easements and rights-of-way for PL–566 structures, for the purpose of storage allocated for flood control, including all costs involved, such as land purchase, surveys, legal fees, etc. A second major difference is that the sponsors are also responsible for the operation and maintenance of a project for flood control purposes, installed under the PL–566 program.

Other items for consideration would be the time involved in developing and installing a PL–566 project. Currently, this time frame would be somewhere in the range of 15 to 20 years; that is, from the time we are authorized to initiate our planning efforts to the actual installation of all project measures on the land. Also, during this period, due to inflation, all costs could be expected to increase.

The comments are more specific than those provided you earlier, and possibly provide for more positive determination.

We would be happy to provide any additional information you would desire and which is available.

Sincerely,

CRAIG M. RIGHT,
State Conservationist.

☐ 1640

Mr. KOSTMAYER. Mr. Chairman, I move to strike the requisite number of words, and yield to the gentleman from Pennsylvania.

Mr. EDGAR. I thank the gentleman from Pennsylvania for yielding and I appreciate the comments of my colleague from West Virginia and I appreciate the statistical information he has provided. However, there are some concerns I have.

The gentleman points out the fact that the land has, in fact, doubled from 9,925 acres that was authorized by the Committee on Public Works back in 1966 to about 19,000 acres of land which will be used in the project now. The doubling of the amount of acreage used in the project, and I think it is an important consideration for our authorizing committee to have some opportunity to view the project given the fact today is 1979 and not 1966.

On the sewage treatment issue we did a little work on that particular question. The sewage treatment plants are helpful to take care of the acid mine problem. Also the Strip Mining Control Act will also help to take care of the problem by preventing unsound mining practices that lead to acid mine drainage. Also, the State of West Virginia has over $1 million coming into the abandoned mine reclamation fund to take care of the acid drainage problem. State officials tell me that they cannot even use all of the money in that fund. If the acid drainage problem is so severe the way to solve it is to use some of the money that is already available and not to build a dam to flood the pollutants downstream.

There are just a couple other points I would like to make. The gentleman from West Virginia is correct that the Governor supports the project, but I have a list here at the desk I would like to share with those who are here indicating that there are a number of groups, over 25 different groups within the State of Pennsylvania and individuals who oppose the project, including the West Virginia Farm Bureau, the West Virginia Commissioner of Agriculture, the West Virginia Secretary of State, the National Wildlife Federation, the Lewis County Court—that is the governing body in the area in which the project is to be built.

I think there are people on both sides of this particular question. I simply go back to my original point. We want to focus on merit. This project does not provide the recreation needs or the water supply needs that were estimated in the cost-benefit ratio and the flood control needs can be better provided through alternative means.

I thank the gentleman for yielding and I hope that our colleagues will look carefully at this project. It is a project we ought to look at in terms of facts and figures and I hope this can be looked at by both the authorizing and appropriating committees in the future.

Mr. GAYDOS. Mr. Chairman, I move to strike the requisite number of words and rise in opposition to the amendment.

It may sound strange that a Member from Pennsylvania rises in opposition to this amendment, but we all know there are things that occur between States which are important. This is vitally important to the city of Pittsburgh and the McKeesport area which I represent and to the districts of the five Congressmen in the southwestern part of Pennsylvania.

To understand the situation you have to visualize the Monongahela River located in western Pennsylvania, where 30 percent of the Nation's steel is manufactured, where the largest coke-making plant in the entire world is located and where more coal and manufactured products are shipped than any other inland waterway in the world.

I want my friend to know that I do not question his motives, but I am vitally interested in the subject matter. When the gentleman talks about quality of water, I have to defend the need in the Pittsburgh area for quality water. All along the Monongahela River the small municipalities of Homestead, Clairton, Duquesne, McKeesport, Rankin, all heavy steel-producing areas, depend upon water quality. It costs the taxpayers and our steel producers substantial amounts to keep the water clean.

There is also a thermal problem involved; that is the warm water coming down on a lowered flow of the stream is quite important for steel-making users and also general public consumption.

How does that work? It is simple. During the drought that we had not too long ago, the water flow was so low in that area that the mills had to stop the production of steel and coke, because the flow was not sufficient to meet the industrial needs. The municipalities located along the Monongahela River use this water for recreation and domestic use. They too suffered.

How does this fit in with the Stonewall Jackson Dam for water reserve up at the West Fork? Simply, that is the main source, the headwaters of the Monongahela River and we need this dam desperately to maintain a uniform water flow, to keep the industrial valley of western Pennsylvania paying taxes to this Federal Government. Last year the contribution was close to $9 billion from that area. That makes projects such as this one which is under consideration possible.

My good friend from Pennsylvania considers this to be an unsound water project. The opposite is true. It is the soundest water project that I can envision and one that is a vital necessity in maintaining the economic health and viability of this industrial valley.

I can tell you that last year in the Pittsburgh district we shipped on this river 20 percent of the Nation's steel and approximately 70 percent of the coal consumed in our iron and steel production.

□ 1650

The CHAIRMAN. The time of the gentleman from Pennsylvania (Mr. GAYDOS) has expired.

(By unanimous consent, Mr. GAYDOS was allowed to proceed for 1 additional minute.)

Mr. GAYDOS. Mr. Chairman, I yield to my friend, the gentleman from Pennsylvania.

Mr. EDGAR. Mr. Chairman, I thank the gentleman for yielding. I compliment the gentleman on his concern for particularly the Pittsburgh area and the impact on Pennsylvania.

I, too, as a Pennsylvanian am very concerned about the impact of this project. It was, therefore, a surprise to me to find there was a large editorial in the May 13, 1978, edition of the Pennsylvania Farmer that looked at the critical aspects of this particular project and it concludes in a headline, "We don't need this dam." It focuses on this statement, if I may quote it.

Mr. GAYDOS. If the gentleman please, this is on my time.

Mr. EDGAR. I will make available some additional time to the gentleman.

Mr. GAYDOS. I do not want the gentleman to make a speech, because I have a limited amount of time. Let us be fair. I did not interrupt the gentleman when that gentleman was making his presentation.

Please make the point and I will be glad to yield. Make the point, please.

Mr. EDGAR. I would like to quote this one point:

> Industrial development was another claim for the dam not substantiated by the record, notes Senate document 109 89th Congress:
>
> No specific provisions of storage for industrial purposes on the Westport River is considered in the plan.

The CHAIRMAN. The time of the gentleman from Pennsylvania (Mr. GAYDOS) has again expired.

Mr. EDGAR. Mr. Chairman, I ask unanimous consent that the gentleman from Pennsylvania have 2 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania (Mr. EDGAR)?

Mr. MURTHA. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

Mr. MURTHA. Mr. Chairman, I move to strike the requisite number of words.

I yield to the gentleman from Pennsylvania (Mr. GAYDOS).

Mr. GAYDOS. Mr. Chairman, I thank my colleague for yielding

Let me make this one very important point and I think it should be made. We are talking about flood control. I talked about the problem of flood control many months ago with our colleague, the gentleman from West Virginia (Mr. MOLLOHAN), and my other associates and colleagues who are interested in this project.

I wish to emphasize that we desperately need this flood control project. It is not a minor consideration. It is of primary importance. I could quote statistics made available by the Mon-Yough Chamber of Commerce regarding the yearly flood damage that occurs, because we have no flood control project from the Monongahela River flowing in my district all the way down to where this dam is proposed to be located, except in one specific exception, that is on the Westport. It is a very small earthen dam.

It is vitally necessary for that entire industrial complex of southwest Pennsylvania, to assure adequate flood control. It has been stated that during Hurricane Agnes, the great flood, that the water level would have been reduced one foot in the city of Pittsburgh, which in turn would have saved hundreds of millions of dollars in flood damage if we had the Stonewall Jackson Dam in place and operating.

There is no question about the vital necessity of this project. Everybody that has studied it has concluded that we need it in our area not only for recreation, but primarily for water quality, flood control, and the preservation of an industrial valley that is second to none in the Nation. We have not been able to progress sufficiently. This will at least hold us at an even keel.

I want the Members to know that we have very many projects around the country that have been questioned and attacked. I do not think there has been a logical argument put forth attacking this project.

In closing, I do want to make this point. My very esteemed colleague said that it is going to involve a lot of underground coal. Any place you go in West Virginia you are going to find coal under the ground. I do not care what you do. It is under the rivers. It is under the towns. It is every place. It is a very bad argument to use. Yes, it does affect the ground that does have coal located under it; but what do you do with a State that has coal under every inch of its ground? It is going to affect it, but it is not going to affect it economically. It is not going to hurt the potential source of fuel. There is plenty of coal in West Virginia. It is vitally important for our particular area. I think the amendment on its face, based upon all the facts that we know, is unsound and I think the best position that my colleagues could take in this matter is to defeat this proposed amendment decisively.

Mr. MURTHA. Mr. Chairman, I thank the gentleman. I associate myself with the gentleman from McKeesport. I feel very strongly about his amendment. I think we ought to defeat it, because we have tremendous problems in Johnstown with floods over the years, and flood projects have been vital to the security of the area. We had $350 million in damage in the last flood. One flood project there was essential to saving millions of dollars from 1936 until 1977, so we had a 40-year period, because of a flood control project that helped us tremendously.

This project is essential to our area.

Mr. STAGGERS. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I will not take the 5 minutes, because I know it is getting late and I know that you are getting tired of this subject, but I just could not help myself. I had not intended to speak, but because of certain events that have taken place in the last 2 or 3 days, I feel compelled to. This dam is located in my district. I have tried to remain impartial all the time, but there comes a time when you just cannot remain impartial, when you hear things that are not right.

When a Congressman from another State tries to legislate what should or should not be in my district, I do not think that is right. I certainly would not tell another Congressman what to do in his district.

Now, I do not question the gentleman's motive, but I just think that this amendment is unwise on the gentleman's part.

The Governor of our State has endorsed this project. Our two Senators have endorsed it. Our four Congressmen have endorsed it. It is presumptious to have someone from some other State tell us how to represent our State. I do not believe you would want somebody coming to your district from West Virginia and tell you how to represent it, not at all.

I have every sympathy for those who are being affected by this dam. I have every sympathy for them, because to be routed out of your home and have your land and your home taken is a deplorable thing. It is horrible for those who have lived there most of their lives, but we have to think about everyone concerned. I do not think the gentleman has thought about this. I believe he has been told by two gentlemen from Pennsylvania what happened to their State and what it will mean to Pennsylvania. It will mean something to them.

Mr. MYERS of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. STAGGERS. Yes, I yield to the gentleman from Pennsylvania.

Mr. MYERS of Pennsylvania. Mr. Chairman, I thank the gentleman for yielding. I just would like to make it very clear that the Philadelphia delegation is opposed to this amendment and the gentleman is not from Philadelphia. He is from Delaware County.

Mr. STAGGERS. I thank the gentleman.

Mr. MYERS of Pennsylvania. We are supporting this amendment.

Mr. EDGAR. Mr. Chairman, will the gentleman yield?

Mr. STAGGERS. I yield to the gentleman from Pennsylvania.

Mr. EDGAR. I thank the gentleman for yielding, because the gentleman did mention my name.

Mr. STAGGERS. No; I did not mention the gentleman's name.

Mr. EDGAR. And that I authored the amendment; but I would like to remind the gentleman that my taxpayers in my district that elected me to Congress have to pay $117 million for this particular project.

Mr. STAGGERS. But they did not elect you to Congress to appropriate for 9 years millions of dollars and to come down here and say we are going to pour that money down a rathole. They did not elect the gentleman to do that, and I can guarantee the gentleman that they did not.

Mr. GAYDOS. Mr. Chairman, will the gentleman yield?

Mr. STAGGERS. I yield to the gentleman from Pennsylvania.

Mr. GAYDOS. Mr. Chairman, I thank my colleague for yielding.

I want to remind the gentleman from Pennsylvania that I checked the record. The gentleman did vote for foreign aid. They are building dams all over the whole world and yet the gentleman comes down there and he picks a project that is going to affect my district in the city of Pittsburgh and I resent it.

Mr. YOUNG of Alaska. Mr. Chairman, will the gentleman yield?

Mr. STAGGERS. Yes, briefly.

Mr. YOUNG of Alaska. Mr. Chairman, I want to compliment the gentleman and the other gentlemen from the district in which this dam is being built. I know nothing of the project, but what the gentleman just said in the well speaks very true of what I have been saying for the last 8 years. It is time this body starts listening to the representative that represents that district. It is time we remember we are an elected body of representatives, not people that get involved and put their noses in something that is none of their darned business. That man over there was elected from that district. Let him speak for his people and if he says it is right, as far as I am concerned, it is right for the State of West Virginia.

Mr. STAGGERS. I thank the gentleman very much.

Mr. BEVILL. Mr. Chairman, I ask unanimous consent that all debate on the pending amendment and all amendments thereto conclude in 2 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Alabama?

Mr. EDGAR. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

Mr. BEVILL. Mr. Chairman, I move that all debate on the pending amendment and all amendments thereto conclude in 2 minutes.

Mr. EDGAR. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count.

Mr. BEVILL. Mr. Chairman, regular order.

The CHAIRMAN. The gentleman has a right to make the point of order pending the motion.

Evidently a quorum is not present.

The Chair announces that pursuant to clause 2, rule XXIII, he will vacate proceedings under the call when a quorum of the Committee appears.

Members will record their presence by electronic device.

The call was taken by electronic device.

□ 1700

QUORUM CALL VACATED

The CHAIRMAN. One hundred Members have appeared. A quorum of the Committee of the Whole is present. Pursuant to clause 2, rule XXIII, further proceedings under the call shall be considered as vacated.

The Committee will resume its business.

The pending business is the motion offered by the gentleman from Alabama (Mr. BEVILL) to limit debate on the pending amendment and all amendments thereto to 2 minutes.

The question is on the motion offered by the gentleman from Alabama (Mr. BEVILL).

The motion was agreed to.

The CHAIRMAN. Members standing at the time the motion was agreed to will be recognized for 1 minute each.

The Chair recognizes the gentleman from Pennsylvania (Mr. EDGAR).

□ 1710

Mr. EDGAR. Mr. Chairman, we are about to move to a vote on this project. I want to remind my colleagues that last year we looked very carefully at our national water policy. And as I looked at the appropriation bill that was coming before the House today, I looked at each of the projects and felt that this particular project, irrespective of whose district it was in, was inappropriate according to the criteria we laid out last year. And to answer the comment of the gentleman from West Virginia, it seems to me that it is appropriate for those of us who represent 500,000 constituents throughout the Nation to come and look carefully at each project. This project, in my opinion, does not meet the flood control, the recreation and water resource needs of the community in which it is being placed and will cost my taxpayers $117 million, money that could be used for more valuable water projects in West Virginia and for other parts of the country that need the resources of water, recreation, and flood control.

The CHAIRMAN. The Chair recognizes the gentleman from Alabama (Mr. BEVILL).

Mr. BEVILL. Mr. Chairman, I urge the Members to vote no on this amendment. This is a good project, with a 1.3 to 1 benefit-cost ratio.

Mr. GAYDOS. Mr. Chairman, will the gentleman yield?

Mr. BEVILL. I yield to the gentleman from Pennsylvania.

Mr. GAYDOS. Mr. Chairman, I respect my colleague in the sincerity of his statement, but I just want to point out to my colleagues that we are talking about 147,000 jobs that are jeopardized should this project not continue. We are talking about a flood area that has caused total devastation in the amount of hundreds of millions of dollars. It is very vital to our area in Pittsburgh and southwest Pennsylvania, the area that is most dependent upon it. We have waited for 12 long years.

I ask my colleagues to vote down this mischievous amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania (Mr. EDGAR) as a substitute for the amendment offered by the gentleman from Oklahoma (Mr. ENGLISH), as amended.

The question was taken; and on a division (demanded by Mr. EDGAR) there were—ayes 13, noes 97.

So the amendment offered as a substitute for the amendment, as amended, was rejected.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Oklahoma (Mr. ENGLISH), as amended.

The amendment to the amendment, as amended, was agreed to.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

GENERAL INVESTIGATIONS

For engineering and economic investigations of proposed Federal reclamation projects and studies of water conservation and development plans and activities preliminary to the reconstruction, rehabilitation and betterment, financial adjustment, or extension of existing projects, to remain available until expended, $36,855,000, to be derived from the reclamation fund: *Provided*, That none of this appropriation shall be used for more than one-half of the cost of an investigation requested by a State, municipality, or other interest.

AMENDMENT OFFERED BY MR. MILLER OF CALIFORNIA

Mr. MILLER of California. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MILLER of California: On page 16, line 21, strike out "$36,855,000" and insert in lieu thereof "$36,905,000".

Mr. MILLER of California. Mr. Chairman, I am offering an amendment which would provide a modest increase in an already modestly funded program under title III of H.R. 4388.

The bill contains an appropriation of $50,000 for wind-hydroelectric opportunities study as a special investigation for California. The supportive statements which accompanied the Bureau of Reclamation's request for this funding targeted the area in the vicinity of the San Luis Dam as the optimum site for wind-hydroelectric research. My amendment would increase the appropriation level to $100,000 for fiscal 1980.

Wind energy has a far-reaching potential in California in conjunction with the Federal reclamation program. Discussions between my office and employees of the U.S. Bureau of Reclamation and the California Energy Commission have indicated a strong desire and need for the two agencies to coordinate their research and testing activities, particularly in the area of the San Luis Reservoir, Pacheco Pass, in order to expedite research and move toward the installation of wind production technology.

The State of California has been gathering information on wind energy in this area for several years. The State Energy Department, together with the Department of Water Resources and the Wind Commission will spend about $150,000 this year to conduct research. They are naturally anxious to move through the final stages of experimentation and into the creation of an energy development program, including the installation of windmills on the State and Federal lands. The State plans to install the first of its windmills on State lands in the vicinity of the San Luis Dam.

In adopting this amendment, the House would be signifying its intent that the Bureau coordinate its activities on windpower in the San Luis area to the maximum degree possible with the California Department of Energy and the Department of Water Resources in order to complete testing and expedite the siting of windmills on the Federal as well as the State land near San Luis. A special effort should be made to avoid duplication of the State's work. We expect to see rapid progress toward the installation of windpower facilities, and that is my reason for accelerating the up-front funding for work on the San Luis site rather than postponing our commitment several years into the future.

Wind power is especially appropriate for California, with its coastal winds and canyons. Yet there is little Federal support for research and demonstration with the State. There are about 300 good potential wind power sites in the State, which could represent an energy source equivalent to 30 nuclear powerplants. Wind power, unlike nuclear, however, has no supply problem, little capital investment, and no disposal problems.

The wind energy program can have a very beneficial effect on oil demand in California. It has been estimated that a full array of windmills throughout California could save the equivalent of 700,000 barrels of oil per year, at a cost of $14 million a year.

Equally important, the cost of electricity generated by windmills is significantly cheaper than that produced by other sources. Wind power costs about $720 per kilowatt in capitalization costs, compared to about $1,000 for coal generated power, and $1,200 to $1,400 for nuclear.

Yet last year, the Federal Government spent just $37 million for wind energy research, and $4.1 billion on nuclear.

The use of wind generated electricity makes especially good sense in conjunction with the reclamation program in California. Wind generated electricity could be used to pump water into reserviors and along canals rather than having to spill valuable water out of the dams in order to generate energy for this purpose. Especially in drought periods, the use of wind power will be an important source of energy which will permit the conservation of water which is needed for irrigation and for industrial and municipal supplies.

Wind power will provide a good peak load source of energy in the San Luis area. The windmills will work best when it is hottest in the valley, a condition which draws cooler coastal air toward the interior. Therefore, the windmills will generate electricity to power air-conditioning and other peak load uses, again freeing water resources for more valuable uses.

Mr. Chairman, wind power is not a novelty, but a proven source of energy which we are again coming to appreciate. Between 1900 and 1930, there were about 6 million windmills in the United States. Their use declined with the availability of cheap and abundant fossil fuels.

As our oil resources are continually depleted, we again must turn to the limitless sources of energy—the sun, wind, and the seas. My amendment will, in a very modest way, expedite the Federal role in California by bringing our activities into pace with the continuing efforts of the State of California. By accelerating funding up front, rather than deferring the bulk of this appropriation for subsequent fiscal years, we can assure that both the Federal and State governments arrive at the point of implementing a wind energy program at San Luis by 1980–81 instead of delaying action until as late as 1983.

I would ask for a "yea" vote on this modest effort to improve wind energy research and development in California.

Mr. BEVILL. Mr. Chairman, will the gentleman yield?

Mr. MILLER of California. I yield to the gentleman from Alabama.

Mr. BEVILL. Mr. Chairman, we accept the gentleman's amendment. We are fully aware of it and we think it is a good amendment.

Mr. MILLER of California. I thank the gentleman for his understanding and acceptance.

Mr. BURGENER. Mr. Chairman, will the gentleman yield?

Mr. MILLER of California. I yield to the gentleman from California.

Mr. BURGENER. Mr. Chairman, we accept the amendment.

Mr. MILLER of California. I thank the gentleman from California.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California (Mr. MILLER).

The amendment was agreed to.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

CONSTRUCTION AND REHABILITATION

For construction and rehabilitation of authorized reclamation projects or parts thereof (including power transmission facilities for reclamation use) and for other related activities, as authorized by law to remain available until expended, $215,453,000, of which $60,000,000 shall be derived from the reclamation fund: *Provided*, That no part of this appropriation shall be used to initiate the construction of transmission facilities within those areas covered by power wheeling service contracts which include provision for service to Federal establishments and preferred customers, except those transmission facilities for which construction funds have been heretofore appropriated, those facilities which are necessary to carry out the terms of such contracts or those facilities for which the Secretary of the Interior finds the wheeling agency is unable or unwilling to provide for the integration of Federal projects or for service to a Federal establishment or preferred customer: *Provided further*, That the final point of discharge for the interceptor drain for the San Luis Unit shall not be determined until development by the Secretary of the Interior and the State of California of a plan, which shall conform with the water quality standards of the State of California as approved by the Administrator of the Environmental Protection Agency, to minimize any detrimental effect of the San Luis drainage waters: *Provided further*, That of the amount herein appropriated not to exceed $344,000 for the Central Oregon Irrigation District shall be available for construction on a rehabilitation and betterment program under the Act of October 7, 1949 (63 Stat. 724), as amended, to be repaid in full under conditions satisfactory to the Secretary of Interior.

AMENDMENT OFFERED BY MR. CAVANAUGH

Mr. CAVANAUGH. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. CAVANAUGH: Page 17, line 6, strike out "$215,453,000" and insert in lieu thereof "$209,453,000".

Page 18, line 6, after the period, insert the following: ": *Provided further*, That, no part of this appropriation shall be used for the O'Neill Unit."

Mr. BEVILL. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker pro tempore (Mr. MURPHY of New York) having assumed the chair, Mr. SHARP, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 4388) making appropriations for energy and water development for the fiscal year ending September 30, 1980, and for other purposes, had come to no resolution thereon.

REPORT ON H.R. 4473, FOREIGN ASSISTANCE AND RELATED PROGRAMS APPROPRIATIONS, 1980

Mr. LONG of Maryland, from the Committee on Appropriations, submitted a privileged report (Rept. No. 96–273) on the bill (H.R. 4473) making appropriations for foreign assistance and related programs for the fiscal year ending September 30, 1980, and for other purposes.

which was referred to the Union Calendar and ordered to be printed.

Mr. YOUNG of Florida reserved all points of order on the bill.

□ 1720

PERMISSION FOR COMMITTEE ON MERCHANT MARINE AND FISHERIES TO HAVE UNTIL MIDNIGHT TOMORROW TO FILE REPORT

Mr. RATCHFORD. Mr. Speaker, I ask unanimous consent that the Committee on Merchant Marine and Fisheries may have until midnight, Friday, June 15, 1979, to file a report.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate agree to the amendment numbered 1 of the House to the bill (S. 869) entitled "An act to amend section 207 of title 18, United States Code" with an amendment.

The message also announced that the Senate disregreed to amendment numbered 2 of the House.

And that the Senate concurred in the amendment of the House of Representatives numbered 3.

LEGISLATIVE PROGRAM

(Mr. MYERS of Indiana asked and was given permission to address the House for 1 minute.)

Mr. MYERS of Indiana. Mr. Speaker, I take this time for the purpose of inquiring what the program will be for the remainder of the day and for tomorrow.

Mr. Speaker, there are quite a few Members who have airplane reservations who are quite concerned about what legislation might be pending tomorrow that I think in fairness, because our schedule has been juggled, a number of times this week already, unbeknownst especially to the minority, that we would like to have some indication at least right now as to what the schedule is going to be tomorrow.

Mr. DANIELSON. If the gentleman from Indiana will yield, I am not able to respond precisely to the gentleman's request.

I have been informed, and I believe that the further program will be announced tomorrow.

Mr. MYERS of Indiana. Tomorrow. That helps a lot tonight, does it not?

Mr. DANIELSON. If the gentleman will yield further, I have also received information that the program for tomorrow will be to conclude the energy and water appropriations, the rule on HUD/independent agencies appropriations, and as far as we can go on the intelligence authorization.

Mr. MYERS of Indiana. The bill we have just been working on?

Mr. DANIELSON. Energy and water appropriations is the bill we have been working on, to complete consideration. And then, if possible, take up the rules on the HUD/independent agencies appropriations for fiscal year 1980, and intelligence and intelligence-related activities authorizations for fiscal year 1980.

There is an open rule with 1 hour of debate and we will proceed on that as far as possible.

It is anticipated that the House will adjourn by 3 p.m.

Mr. MYERS of Indiana. Will the House convene at 10 o'clock tomorrow morning? Will the first order of business be the continuation of consideration of the energy and water appropriations bill at that time?

Mr. DANIELSON. The House will meet at 10 o'clock tomorrow morning. There will first be a resolution of inquiry.

Mr. MYERS of Indiana. Will the disposition of that resolution be the first order of business?

Mr. DANIELSON. That will be the first order of business.

Then we will consider the energy and water appropriation for fiscal year 1980, and then the rule on HUD/independent agencies appropriations for fiscal year 1980 and then as far as we can go on the intelligence authorizations.

We will adjourn by 3 o'clock.

Mr. MYERS of Indiana. There will be three rules then considered tomorrow after completion, hopefully, of the energy and water appropriations for fiscal year 1980.

Will there be any consideration upon those bills themselves?

Mr. DANIELSON. To the extent possible.

Mr. MYERS of Indiana. In the same order?

Mr. DANIELSON. My latest intelligence is that the order will be HUD/independent agencies appropriations for fiscal year 1980 and after that intelligence and intelligence-related activities authorization for fiscal year 1980.

Mr. MYERS of Indiana. The House will adjourn at 3 o'clock.

Mr. DANIELSON. Yes.

I thank the distinguished acting minority leader for his inquiry.

VISIT OF POPE JOHN PAUL II TO POLAND ENKINDLES NEW HOPE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Wisconsin (Mr. ZABLOCKI) is recognized for 60 minutes.

Mr. ZABLOCKI. Mr. Speaker, there are many aspects of the remarkable visit of Pope John Paul II to his native Poland that are worthy of comment. Unquestionably, his pilgrimage was a source of inspiration and renewed strength, not only for the predominantly Catholic population of Poland—but for other Slavs as well—and for Christians throughout the world. "We cannot forget these brothers of ours," he said.

The cordial reception the Pope was accorded by Polish President Henryk Jablonski, and the emotional farewell which marked the Pontiff's departure, stand in sharp contrast to the cool and distant relationship which has existed between the church in Poland and the avowed atheistic government. While the Polish Constitution provides for freedom of religion and of conscience, there are many obstacles to the exercise of those freedoms which have been the source of serious differences between the Government and the Catholic hierarchy in Poland. Pope John Paul II, as Karol Cardinal Wojtyla, then Archbishop of Cracow, together with his mentor, the Polish Primate, Cardinal Wyszynski, fought long and hard for the recognition the church has won.

Mr. Speaker, bearing in mind the significant philosophical differences that divide church and state in Poland, the Polish Government is to be commended for the courage it showed, and the good judgment it exercised, in permitting the Pope to accept the invitation of the Polish Episcopate to visit his native land. The late Pope Paul VI was denied the opportunity to visit Poland when he had expressed the desire to do so. Obviously, the prospect of the proposed visit was not a matter to be taken lightly, nor was it without risk. It was, therefore, a bold and courageous decision and it was carried out in commendable fashion. While some adverse incidents were reported in the media, for example: Police roadblocks set up at unreasonable distances from the site to be visited by the Pope without adequate provision for public transportation, and the denial of entry to visitors from nations on Poland's borders due to minor customs formalities, the fact that millions of Poles and some visitors from other countries as well were able to see the Pontiff in person is evidence of the Government's cooperation and unique expression of good will.

The visit was characterized by restraint—on both sides. The church accepted, although reluctantly, the Government's decision against a visit to Silesia—the heartland of mining and heavy industry. Understandably, the extensive industrial shutdown which would have resulted by such a visit was a price the already troubled Polish economy could not afford. During the course of the pontiff's tour, control of the tremendous crowds fell largely to the church. It is worthy to note and underscore that both the official authorities and the throngs of worshipers showed remarkable presence of mind in avoiding serious incidents which would have marred the pilgrimage and caused untold and unpredictable consequences.

Mr. Speaker, I believe that the most noteworthy aspect of the visit of Pope John Paul II to his beloved Poland is the hope it enkindled in the hearts of the Polish people for increased religious liberty and freedom of expression. The Pope's visit also resulted in a ray of hope to oppressed people everywhere. Throughout his visit to Poland, the Pope reaffirmed the principle he enunciated in his first encyclical, "Redeemer of Man:" "The church must in no way be confused with the political community nor bound to any political system." In accordance with this principle, the Pope called on Poland's Communist government as well as all governments of the world to recognize the "cause of fundamental human rights, including the right to religious liberty."

The challenge to the Government of Poland to respond to the call by Pope John Paul II by approving the building of more places of worship, by not restricting religious education, by permitting increased circulation of religious periodicals and the publication of more religious books, as is the case in Rumania, is far greater than the challenge already met in permitting the papal visit.

It will require even greater courage to demonstrate that the church and the Communist government can exist side by side without onerous restrictions and obvious obstacles to the church's unfettered development and growth.

But, Poland, with its indomitable spirit, its will to live, its destiny to survive, as it has in the face of a history of domination by foreign powers, will surely meet this challenge and prove to the world as it did in its Constitution of 1791, that to be a Pole is to be free.

The United States, and indeed all the world, will await Poland's response with great hope and expectations.

In no small measure, the visit of Pope John Paul II will hopefully open and facilitate the resolution of many problems that exist between the church and secular authorities in Poland and elsewhere.

Throughout his 9-day trip, Pope John Paul II exemplified what the Polish people have transmitted to every generation throughout their 1,000-year history: A people committed to a deep and abiding religious faith and moral convictions that will prevail against all temporal obstacles.

I join, with thoughtful people throughout the world, the chorus of millions of Poles who witnessed the reaffirmation of this principle as personified in His Holiness, in saying: "Sto Lat—Niech Zyje"—"Long Live the Pope."

□ 1730

Mr. BOLAND. Mr. Speaker, will the gentleman yield?

Mr. ZABLOCKI. I yield to the gentleman from Massachusetts.

Mr. BOLAND. Mr. Speaker, I want to congratulate the distinguished gentleman from Wisconsin on highlighting the Pope's magnificent and successful trip to his native land. I think it is significant that the gentleman in the well, who is the chairman of the Foreign Affairs Committee, and who is one of the most distinguished Polish leaders in the Polish life of this Nation, has brought this matter to the attention of the Members of the House, of which all of us, of course, are aware.

Mr. Speaker, since he became Pope last fall, John Paul II has been a great inspiration to millions around the world. As leader of the Roman Catholic Church, he has endeared himself to the world's 720 million Catholics with his outgoing manner, charisma, and deeply religious statements. This Pope is truly a remarkable man.

The special qualities of Pope John Paul II were most evident in his recent trip to his homeland, Poland. The sight of millions of people packed into one place to see this great leader was overwhelming. Reports from Poland indicated that few events in the history of that nation generated crowds as large or as enthusiastic as those which traveled to be near this man. The trip was a courageous triumph for the Pope, the Catholic Church and the Polish people.

The Pope's trip demonstrated the hollowness of the official Communist position restricting religious freedom. Despite efforts by the Government in Poland to limit crowds and media coverage of the Pope's visit, the people poured into the streets to catch a glimpse of their religious leader. Ninety percent of the citizens of Poland are Catholic and the government could not restrict the feelings of these deeply religious people. The pride they felt in seeing their native son as the world leader of their church could be clearly seen in their faces.

That pride is felt here in America by millions of people of Polish descent. In my area of western Massachusetts, there are thousands of Polish-Americans in communities like Chicopee, Webster, Ludlow, Palmer, Springfield, Wilbraham, and Southbridge. These people share the joy of their relatives in Poland. The Polish people have a long history of triumph in the face of adversity, both in Poland and as immigrants to this country. The great positive effect the new Pope has had on all Poles cannot be overstated. He is an example for Polish people everywhere.

Mr. Speaker, Pope John Paul II is also an example for all the people of the world. He is a man of peace, understanding and love. His words and actions are based in the great wisdom of the Bible. All humanity can benefit from his presence as head of the Catholic Church. I congratulate the Pope for his inspiring trip to Poland and look forward to the day that he visits the United States.

Mr. HYDE. Mr. Speaker, will the gentleman yield?

Mr. ZABLOCKI. I yield to the gentleman from Illinois.

Mr. HYDE. Mr. Speaker, I want to join my colleague from Massachusetts in saluting the distinguished chairman of the House Foreign Affairs Committee for his thoughtfulness in bringing this matter to the attention of the House.

The worst aspect of living under Communist domination is the bleak hopelessness that pervades the human spirit. But when despair seems most overwhelming, Providence responds by sending a leader, by permitting events to unfold, that result in the restoration of hope to the hopeless.

Such a leader and such an event are embodied in Pope John Paul II's visit to Communist Poland.

A man who has survived the most evil philosophies of our time, Nazism and communism, has emerged as the leader of those who believe with him that "Christ cannot be kept out of the history of man in any part of the globe."

His prayers at the Nazi death camps, his assertion that "I speak on behalf of all those whose rights have been forgotten" has given him a universality that is seldom embodied in one human being. Pride that such a man exists and is so courageous is an emotion that all humanity can share.

There have been great Popes down through the centuries. Pope Leo the Great, who turned back Attila the Hun and who saved every Roman life when the Vandals sacked Rome in 455; Pope Gregory the Great, who in 593 saved Rome from the Lombard Army; Pope Leo IV who defeated the Saracen Army in 849; and so many more.

But significant as these accomplishments were, none has touched so many lives, nor will have such a lasting effect as Pope John Paul's visit to Communist Poland. His place in history already is assured. He has taught us again, as the earliest Christians in the catacombs taught, that out of great adversity a towering spiritual strength can come.

His message went not only to the millions of Poles who heard and saw him, but to the whole world. He has reinforced the sagging spiritual unity of Christians everywhere and has challenged atheistic Communist governments everywhere to prove their legitimacy.

Pope John Paul II has produced in our time, hope and a triumph of the spirit. He has shown as no other human could, that indeed we are not alone.

Mr. ZABLOCKI. I thank the gentleman for his contribution.

Mr. DORNAN. Mr. Speaker, will the gentleman yield?

Mr. ZABLOCKI. I yield to the gentleman from California.

Mr. DORNAN. Mr. Speaker, I would like to join my colleague from Illinois (Mr. HYDE) in congratulating the gentleman from Wisconsin for bringing this special order before the House. I think that the most commonly heard line of powerful humor around the House of Representatives for the last 2 weeks has been the recalling of one of the mass killer Stalin's most arrogant lines. When told in the 1930's about the Pope's disapproval of the pogroms and murders that were going on in the Soviet Union, Stalin said, "How many divisions does the Pope have?"

□ 1740

I must have had at least a dozen colleagues come up to me, including the gentleman from Illinois (Mr. HYDE) in the last 10 days and say, "I think that the authorities in Moscow have found out exactly what type of divisional strength the holy father from Rome has." I think what we have seen in Poland over the last few weeks is a classic struggle between power and authority, the transcended power that some men derive from God versus the usurped and stolen authority of a tyrannical state power imposed upon a people. I am not engaging in any thoughtless redbaiting when I say, for I mean this sincerely, that there are more people enamored of Communism in my area of southern California than there are in Krakow at this minute, or for the last 20 or 30 years, as a matter of fact.

I would like to ask unanimous consent to revise and extend my remarks to discuss in depth one of the most poignant moments I have seen on that magical communications instrument of television when the holy father spent more than an hour walking from corner to corner of that infamous concrete bunker, where to save money the Fascists that were controlling Poland during the Second World War would put several dozen human beings at a time, just close the door, and slowly let them starve to death.

The first picture I hung up in my office when I came to work here 2½ years ago was a photograph taken in about 1940 of Blessed Maximilian Kolbe, as clear a photograph as if it had been taken just a few days ago. I think he symbolizes the ultimate hero in World War II, the man of God who would quietly step forward and offer his life for his brother in an exact manifestation of the most beautiful words in the New Testament, John 15:13: "Greater love than this hath no man." As in the case when the church elevated Maria Goretti to sainthood where the man who raped and murdered her a half century before was in attendance at Saint Peter's at her elevation to sainthood, so was it when Father Maximilian Kolbe was elevated to blessed, the man whose life he had saved was in attendance at his ceremony in Rome. He was the Jewish survivor of the Auschwitz-Birkenau death camp that Father Kolbe had stepped forward to save.

To see this man, this Pope of Rome, this Vicar of Christ, kneeling down, kissing the ground of his country when he arrived, kissing the ground in the cell where Father Kolbe had been murdered—he was the last to die; the SS guards actually had to come in and inject air in his veins to kill him—and then to see the Pope on his knees kissing the beloved soil of his native land Poland I think said more than all the intellectuals around the world could tell us about the failure of communism worldwide, without the Holy Father having to make mention of the genocide in Cambodia, the infamous concentration camps in Laos, the boat people dying by the thousands all over Indochina, the blood bath taking place there that we were told would never happen, Communist incursions into Central America from Cuba over the continent of Africa. I repeat, only in the free world does communism have any credibility as a form of authority in this world. Behind the Iron and Bamboo and Teakwood Curtains of the world it is a hated and loathed system. I just think that a commentator in Los Angeles, who is not a Catholic and not even a Christian, said it beautifully when he said the other night, "I do not know what it is the Pope is saying really, but I feel something, and I hope he will find time in his lifetime to visit the United States of America. I think we need his message and his presence as badly as it was needed by the oppressed citizens of Poland."

I thank the gentleman from Wisconsin (Mr. ZABLOCKI) for taking this special order.

Mr. HARKIN. Mr. Speaker, will the gentleman yield?

Mr. ZABLOCKI. I yield to the gentleman from Iowa.

Mr. HARKIN. I thank the gentleman for yielding.

I, too, want to commend the gentleman for bringing this to the attention of the House today. I would depart just slightly from the remarks just made by the gentleman from California (Mr. DORNAN). It occurred to me in the comments of Joseph Stalin about how many divisions the Pope had, and then seeing the actions of Pope John Paul in Poland brought that home again, that this really is not a struggle between two powers. It is a struggle, I think, rather, between the dictatorial powers that be, whether they are to the right or the left, who want to do away with human rights and individual liberties, and those who want to elevate human rights and secure them for all people. So I do not think it is an issue of a power struggle in that sense of how many divisions the Pope may have, but, rather, I think it poignantly points out that the real downfall of communism, or the real downfall of any dictator, whether of the right or the left, comes about not so much through the infliction of armed force as it does through the securing of human rights for those people who exist under those dictators.

I would dare say that the Soviet Union has more to fear from us as a Nation, not so much because of our armed might, our missiles, our anything else, but they have more to fear from our insistent support of human rights throughout the world. If there is one thing that the Soviet Union or any other dictator in the world has to fear from Pope John Paul, or from the church itself, it is insistence on human rights. That is the one thing that the forces of darkness, whether they be, as I say, of the right or the left, cannot stand. So I think that the trip that the Pope took to Poland more than anything else points out once again to the world, probably more so than has ever been done in history before, because of the rapid means of telecommunication, that people everywhere want to secure for themselves and for everyone else those basic fundamental human rights that allow people to live their lives with dignity and worth.

I thank the gentleman.

Mr. ZABLOCKI. I thank the gentleman for his contribution.

● Mr. BROOMFIELD. Mr. Speaker, it gives me great pleasure to join the distinguished chairman of the Foreign Affairs Committee in saluting Pope John Paul II for his triumphant and historic visit to his Polish homeland. Ever so often an individual of extraordinary personal magnetism, genuineness and intellectual depth comes along who causes all the other principal actors on the world stage to pale in comparison. Pope John Paul II embodies that description. Indeed, as Washington Post columnist David Broder noted the other day, "meaning no disrepect to the wonderful people who move up and down Pennsylvania Avenue, they all looked like pygmies last week when measured against Pope John Paul II's procession through Poland." The spectacle of the leader of the Roman Catholic Church visiting his Communist homeland, with all that it symbolized in the complex testing of values and cultures, overwhelmed the petty concerns that are the center of our politics.

As I watched the Pope's pilgrimage unfold on television, I was struck by his exceptional ability to communicate and establish a rapport with the common people. As a politician, I was envious of that facility, and at the same time conscious of the fact that this man was conveying a spiritual message in an age suffused with materialism. The reception of that message—not only in Poland but around the globe—underscores vividly how starved the modern world is for spiritual sustenance that often times only a religious figure of Pope John Paul's stature can provide.

Given our national concern for human rights, who can forget the Pope's poignant visit to Auschfitz which represents the brutal repudiation of the Judeo-Christian principles we all espouse. "I have come here," he said, "and I kneel on this Golgotha of the modern world, on these tombs, largely nameless like the great tomb of the unknown soldier." He went on to say that, "in particular, I pause with you, dear participants in the encounter, before the inscription in Hebrew," referring to a monument nearby bearing inscriptions in the languages of the inmates killed in the camp. "This inscription," Pope continued, "awakens the memory of the people whose sons and daughters were intended for total extermination. This people draws its origin from Abraham, our father in faith. The very people that received from God the Commandment 'thou shalt not kill' itself experienced in a special measure what is meant by killing. It is not permissible for anyone to pass by this inscription with indifference." "Auschwitz," he said, "is the testimony of war." "If there is some bitterness in what I said, it is not to accuse anybody, but to remind you."

In sum, Mr. Speaker, Pope John Paul II's unforgettable homecoming has provided the world with a much needed pause for spiritual reflection and introspection. Hopefully, as we now turn back to the weighty affairs of state we will remember his message of peace and let it serve as a continuing inspiration for those of us charged with the responsibility of bringing it about.●

● Mr. ROSTENKOWSKI. Mr. Speaker, in his triumphant return to his homeland, Pope John Paul journeyed to Poland as a celebrant of faith—faith in God and faith in man. This Polish Pope lifted his voice for freedom and, in doing so, lifted the hearts of people everywhere who loved the cause of liberty. His brothers and sisters in Poland joyously cheered the Pope's message. I know that I am one of many who rejoice in that fact. The predictable reaction of the Poles to the papal visit underscores my pride in being a Polish American. The Poles have always had a strong commitment to their faith and to individual freedom. And so I could not help but feel a heightening of pride as I saw the people of Poland again so fervently demonstrate their commitment to freedom. The Pope's visit also made clear to everyone, if it were not already clear, that while John Paul is indeed a man of the people, he is also a world leader of singular stature. He is not just a spiritual leader although he is a scholar of the church and obviously a man of great moral strength and vision. His statements in Poland and his interaction with government officials indicate that he can adroitly advance the cause of religious freedom for people who must live under government policies that often disavow a belief in God. At the same time, Pope John Paul does not seek to challenge just for the sake of disruption. He is not just a religious leader but a wise voice in world diplomacy and a spokesman for the values of the free world. In short, he is a leader of global influence whose words are all the more welcome in a world that seems to be sadly lacking in leaders of such dimension.

The Pope has described his visit to Poland as an "act of courage" on the parts of the Roman Catholic Church and the Communist government. Indeed, the Polish Goverment's reception of the Pope is commendable. And I, with many others, hope that this positive reception is indicative of even greater cooperation between the church and the government.

The Pope is obviously a man of many dimensions. I would like to comment also on another side of him, specifically his gentleness and grace which are qualities not often found in someone of such compelling strength. He is a poet of great lyricism and quiet persuasion. He is a man who sings and smiles—a man of natural wit and, in the Polish tradition, a man with a winning sense of humor. These are qualities that often surface only in a 1-to-1 encounter—qualities that do not usually make the newspapers—yet the Pope has managed to capture the attention of the world. This Polish Pope has an ineffable charm in addition to his other virtues, and so we see him as both a leader of the people and at one with the people.

Chicagoans are interested in this journey of historic spiritual and political magnitude particularly because of our substantial Polish-American population. Many of these proud people live in my congressional district. I would particularly like to compliment our Chicago newspapers that provided such excellent coverage of the Pope's visit.

I earlier inserted into the RECORD an article entitled "The Surge of Polish-American Pride," June 7, 1979. Today, I would like to insert in the RECORD several articles and an editorial from both the Chicago Sun-Times and the Chicago Tribune.

Finally, I would like to call attention to the article on the church in Nowa Huta. I believe that this church symbolizes the determination, will and pride of the Polish people and the tenacity with which they will pursue individual liberty. The article tells the story—but briefly—the town was built as a model "city without God," yet the Poles of Nowa Huta, through their pressure and prayers, persisted until the city without God had its church. As Pope John Paul said when the church of Mary, Queen of Poland was consecrated in Nowa Huta: "This was built as a city without God. But the will of God and the people who work here have prevailed. Let this be a lesson."

There are many lessons to find in the Pope's visit to Poland too. Clearly, one of the most important is that man's need and desire to determine his own destiny will never die. I am proud to belong to a heritage whose people have called this fact to the attention of the world.

[From the Chicago Sun-Times, May 27, 1979]

NOWA HUTA CHURCH

(By Zay N. Smith)

NOWA HUTA, POLAND.—In this grim and gray steel town, built in postwar Poland as a model "city without God," there rises the church of Mary, Queen of Poland.

Pope John Paul II had planned to visit the church during his journey through southern Poland. But the plan has been changed. A priest at the church, one of its 17 religious instructors, thinks he knows why.

"The government simply can't stand the thought of our being here," he said. "Our church is a foot in their face."

Nowa Huta was designed as a working display of modern Communist society, with a steelworks named after Lenin and no room for churches.

But the Poles are tenacious in most matters, and the Roman Catholics of Nowa Huta applied steady pressure. In 1957, the government reluctantly agreed to allow a cross to be placed there.

Yet it would take nearly two decades for the local faithful to have their church.

The government relented, and the building of the church began. But even then there was more trouble. The government came up with a bundle of bureaucratic delays. There were shortages of building materials, including steel, although a major steelworks was only a mile away.

The people continued to worship in barns or outdoors. They sometimes kneeled in the mud and prayed in the rain before makeshift altars. Poles can be tenacious, and they can be patient.

Now the church stands on a small rise in Nowa Huta. It is one of the largest churches in Poland, serving more than 50,000 parishioners. It is a starkly modern building with large upsweeps of concrete, and because of its vaguely sailboat-like appearance it has been called, by one of its priests, "an ark afloat on a sea of red."

Or a foot in the face, if you will.

The church's priests and parishioners were deeply disappointed to hear reports that Pope John Paul II, in the spirit of diplomacy, had decided to forgo the controversial site.

"It's really a shame," said one. "I suppose the thought of thousands of children worshiping here, in a city such as this, is something the government cannot take."

Instead, the Pope will visit the sanctuary of the Holy Cross at Mogilno, in the same region, according to church officials.

But the Pope, as history would have it, is already well on record concerning the church of Mary, Queen of Poland. He was Cardinal Wojtyla when he consecrated the church on May 15, 1977, and said in his sermon:

"This was built as a city without God. But the will of God and the people who work here has prevailed. Let this be a lesson."

[From the Chicago Tribune, June 11, 1979]

POPE, CHOKED WITH EMOTION, BIDS FAREWELL TO HOMELAND

(By Howard A. Tyner)

KRAKOW, POLAND.—An exhausted Pope John Paul II returned to Rome Sunday after a triumphant nine-day visit to Poland that he described as an "act of courage" on the parts of both the Roman Catholic Church and the communist government here.

The 59-year-old Pontiff broke down and cried several times during extended farewell ceremonies at Krakow airport when he hugged and kissed dozens of special guests, most of them from this city where he was archbishop until last October.

"Farewell to Poland, farewell to my country," the Pope said, his voice breaking with emotion as he knelt down to kiss the airport tarmac. "I wish you luck in all your actions. I say goodbye to the land, but it is so hard to part."

He then boarded a LOT Airlines jet for the two-hour flight home. He was greeted by Italian Premier Giulio Andreotti. In a brief speech, the Pontiff said he was bringing back "a message of optimism and hope" from a trip that brought him "ineffable happiness."

"The Pope has visited his native land . . . and now has returned to Rome, where the Lord has posted him," John Paul said after stepping off the plane at Ciampino Airport south of Rome. "I thank God that I was able to see Poland again."

Earlier, the largest crowd to gather during the Pope's journey, as many as 2 million people, turned out in a meadow on the outskirts of Krakow for a mass in honor of St. Stanislaus, Poland's patron saint.

"I beg you never to lose your spiritual freedom," John Paul told them in a long and moving sermon. Hundreds of people had camped out all night on the meadow, and thousands more began arriving at dawn on foot in order to secure a good place.

The field, called the Blonie, nearly two miles long and half a mile wide and was packed with people. Others could be seen on nearby hills observing the services through binoculars. Thousands more were on streets in the area.

It was a subdued occasion compared to most of the Pope's earlier appearances, when he joked with his audiences, sang along with them, hummed, or tapped his feet. This time the huge throng remained strikingly silent except for several rounds of applause, and John Paul, looking somber and pensive, made no attempt to make exchanges with the crowd.

"You must be strong, dear brothers and sisters," he said. "You must be strong with the strength that comes from faith. You must be strong with the strength of faith. You must be faithful. Today more than in any other age you need this strength."

It was a simple message that lacked the political overtones of some of his earlier statements. There was no mention of the differences between the powerful church and the officially atheistic regime that gave the Pope's trip such impact and importance.

In fact, the two sides showed a striking amount of cooperation in organizing the first visit to heavily Roman Catholic Poland by a pope. Crowd control especially was effective, thanks largely to church marshals backed by police, who kept streets and highways clear of motor traffic.

In his airport departure remarks, John Paul paid tribute to the cooperation by calling his visit "an act of courage on both sides.

"Our times needed this act of courage. Sometimes one should take a risk and go in a direction that has not been taken before."

During the trip, government officials and representatives of the state-run press consistently have insisted that they welcomed the papal visit and considered it a success, although many people considered the gigantic crowds as an indication of widespread anti-government sentiment here.

President Henryk Jablonski headed the government delegation that attended the airport farewell and he received a hug from the Pope. So did many other guests, both clergy and laymen, whom John Paul lingered with until he made his departure half an hour late.

Later, he told Jablonski that the trip had "sapped all my energy."

Before Jablonski could reply, Stefan Cardinal Wyszynski, the 78-year-old primate of Poland, stepped in and told the Pope:

"But your visit has given your homeland strength."

This was the first visit by any reigning pope to a communist-ruled land, and return visits anywhere by a Pope are unprecedented. In any event, after the Pope's open challenge to communist atheism, it was doubtful that Polish authorities would ever allow a return trip.

Even in death the Pope will not return. A space is reserved for his name on the tombstone marking his parents' grave in Krakow, where he paid a poignant tribute Saturday, but the Church of Rome buries its pontiffs beneath St. Peter's Basilica at the Vatican.

[From the Chicago Tribune, June 6, 1979]

COMMUNISM AND THE "SLAV POPE"

The people of Poland, and all of Eastern Europe, have stunningly refuted the Marxist dictum that religion is the opiate of the people. Poles certainly showed no sign of being opiated in the fervent energy of their public tributes to Pope John Paul II during his visit to his homeland this week. Nor have the Lithuanians, Czechoslovakians, and other Catholic peoples shown any lethargy in the determination with which they have defended their faith against a generation of frequently savage persecution by Communist regimes.

On the contrary, much of Eastern Europe is in the midst of a religious revival—even some Communist Party members are returning secretly to the faith of their forefathers by arranging church weddings and having their children baptized.

As the Poland visit shows, the Roman Catholic Church and its new Pope are responding admirably to the opportunity and challenge of that revival. The act of electing an East European to the papacy in the first place was an inspired one, and the performance of the former Cardinal Wojtyla has justified the courage that the election required.

John Paul's approach to the problems of religious freedom in Eastern Europe has been cautious, but not timid. Recognizing the vulnerability of the bishops, priests, and parishioners under Communist regimes, he has refrained from risking a new wave of anti-religious persecution by challenging secular authority. But at the same time he is vigorously asserting the church's authority in spiritual matters. As he said to a cheering throng in Gniezno, "Is it not Christ's will that this Polish Pope, this Slav Pope, should at this precise moment manifest the spiritual unity of Christian Europe?"

Restoring the church's spiritual authority is neither easy nor safe. It involves political confrontations that can, and do, bring great personal hardship to many. Although Polish leaders have learned to coexist, grudgingly, with an independent church, others have not. In the Soviet Union, for example, the authorities closely control the functioning of seminaries to prevent independent-minded individuals from entering the priesthood. Many purely religious activities, such as the teaching of catechism to children, are banned on pain of imprisonment of the priests and parents involved.

Both publicly in statements critical of the lack of religious freedom in Eastern Europe and privately by the support of "underground" seminaries, John Paul is pressing the regimes to remove themselves from relationships between the individual and his God. His efforts are effective.

In Lithuania [where tens of thousands of faithful have flocked to the southern part of the country so they can see the Polish television broadcasts of the Pope's visit] there is an active network of priests who secretly minister to religious needs that the "official" church may not, or will not, meet. Many of the secret priests were ordained in underground seminaries sanctioned by the Vatican, and a recently appointed secret cardinal is thought to be Lithuanian.

Yet the authorities have been reluctant to act against the priests, so much so that recently the priests named a group of five to deal openly with the western press.

Such official self-restraint may not last; Communist regimes are not noted for accepting any authority other than their own. But the church was born in adversity and has survived, and thrived, through many periods of oppression. It always prevails where there is enough faith; this "Slav Pope" well knows the depth of the faith among his fellow East Europeans.

[From the Chicago Sun-Times, May 27, 1979]

JOHN PAUL II A COMPLEX AND GIFTED MAN WITH STAR QUALITY

(By Norman St. John-Stevas)

In its long history the Vatican has witnessed many dramas, but it has never before seen anything quite like this. It seems the whole world wants to see the Pope. The weekly general audience first had to be doubled, then trebled, then repeated on other days of the week and then shifted out of Paul VI's hideous new audience chamber into St. Peter's Basilica. And finally when even this huge church was crowded out, the audience was moved into the Piazza San Pietro itself.

Private audiences are at a premium. Pope John Paul II has resorted to an American presidential device, working breakfasts. This was the only way recently that the king of the Belgians could be fitted in.

Enthusiasm for the Pope scales ever new heights.

Nuns in Rome are a notorious fierce breed, but this must be the first time that tribes of them have pulled every button off the papal cassock and one is said to have tried to bite his ear.

Metternich was disconcerted by the emergence of a liberal Pope, Pius IX, but what would he have made of an even stranger manifestation—a Pop Pope?

With the Romans and Pope John Paul II it really has been supply and demand. Rome is above all a theatrical city, and in the Pope it has found a personality worthy of its drama.

He has star quality. His presence is both majestic and electrifying. He radiates authority and strength. Behind the soft folds of the papal robes are the real muscles of an athlete formed in hiking, skiing and mountaineering. His head is handsome and his expression benevolent. He has a holy face.

The voice is a musical baritone, strong and resonant. His timing is impeccable. One recalls that he was a skilled amateur actor in his youth. His sensitivity to crowds and his ability to control them is astonishing.

Behind this brilliant facade is a complex and gifted personality. Karol Wojtyla is a philosopher, a disciple of the personalist Max Scheler. He is a mystic and a solitary, a student of St. John of the Cross. He is a moral theologian, and he is that most unpapal thing, a poet who has actually published his verse.

This sounds somewhat formidable but he is in no way solemn and has an impish and informal sense of humor that has earned him the high Roman accolade of "simpatico." It flashed out at the conclusions of the marathon installation ceremony when he declared that it was time for the congregation to go to lunch "and for the Pope as well."

It was seen again on Easter Sunday when he apologized for saying a few words in Polish, "the only language which I really know."

It was there again in the evening when, after repeated and unprecedented appearances at his window to wave at the crowds, he dismissed them with the words: "Goodnight. See you tomorrow."

Of course, the Pope has his critics. Rome would not be Rome without them. They say he talks too much, that he is too available and that he does not consult enough with his expert advisers with whom he should be more often closeted. Vatican officials find him unpredictable. They complain that they never know where he is going to dart off to next.

They may have a point, but Christianity is a religion centered not on a theology but on a person. And if a part of that person is reflected in the Pope, he is surely right to display it, building up, incidentally, his popularity and authority, which he will have to draw on in the storms and stresses that will undoubtedly come.

The Pope's philosophy, formation and culture are deep and wide. And, as is clear from his writings and speeches both before and after his election, he is in essence a Christian humanist.

In his first encyclical, "Redemptor Hominis," written originally incidentally by the Pope himself in Polish, there is much more about the man than about God.

In a key passage the Pope declares that the Christian missionary must always begin "with a feeling of deep esteem for what is in man, for what man has himself worked out in the depths of his spirit concerning the most profound and important problems . . . a deep esteem for man, for his intellect, his will, his conscience and his freedom." Pope John Paul II is remarkably open to human problems, an attitude reflected in his private conversation. He combines this with a unique prestige as a Polish citizen who has, like the vast majority of his compatriots, spent his life in suffering, endurance and hardship. Poland is the country where most evidently the force of the spirit has proved more powerful than that of repression and where the Communist regime has had to come to terms with the church rather than the other way around.

Yet the Pope is not an intransigent or a crusader. He is light years away from the warriors of the Catholic right.

His ability both to compromise and yet get his way is clearly shown in his handling of his projected visit to Poland. Originally, it was intended that the visit should coincide with the 900th anniversary celebrations of St. Stanislaw, the symbol of the independence of the Polish Church, about which the Polish authorities were understandably nervous. The Pope tactfully postponed the visit from May to June.

Nevertheless, Pope John Paul's anti-Communist credentials are not in doubt. But he has given no hostages to capitalism. He is the first Pope to come from a Socialist country and to have no identification with the social structures of the West. He has been sharp in his condemnation of the consumer society with its manipulation of man for market purposes and its incipient callousness about the needs and sufferings of the Third World.

In Mexico in February he rejected liberation theology with its secularization of the gospel message but championed the rights of the agricultural and industrial poor.

There is no doubt that the Pope intends to travel all over the world. One suspects that, as with previous Popes, foreign travel offers him a psychological release from the claustrophobia of Vatican life. He is keen to go to Lourdes, to Sargossa in Spain, to Cologne for the centenary of the cathedral and to the United States.

The one country that is likely to see less papal intervention is Italy. The umbilical cords of geography and history that tie Italy and the Vatican together cannot be totally severed but a non-Italian Pope can loosen them. The old cozy classmate-chaplain relationship between the Pope and the Christian Democratic leaders has been severed at a stroke. Pope John Paul II has shown more interest in being an effective bishop of Rome than in influencing internal Italian politics. Nearly every Sunday, to the dismay of the police, he comes out of the Vatican to visit a Roman parish. It is a real, not token, visitation and it lasts until 9 or 10 at night.

His one intervention in Italian politics was over abortion when he extended his criticism from moral concepts to legislative proposals and stirred up a few anti-clerical hornets. Since then he has been more circumspect.

The Pope's theological outlook seems in some ways to be as narrow as his secular culture is broad. Like nearly all Polish Catholics he is a devout follower of Mary, and the length and intensity of some of his Marian addresses have proved at times a little embarrassing even in Italy.

The Polish church is a church of devotion with a higher daily mass attendance than even the church in Ireland. In fact, in terms of modern life in the Western World, the Polish Church is a magnificent anachronism.

The question then, which has not yet been resolved, is whether the Pope theologically can make the move from Krakow to Rome and appreciate that the responses to Polish Catholic simplicities may not always be appropriate for the complexities of the universal church.

Those who may be disappointed at the Pope's theological conservatism—principally members of the Cathalic intelligentsia—should recall the circumstances of his election. Both the conclaves of August and October last year were looking not for a reforming progressive prelate but an open-minded and moderate conservative.

The sincerity of Pope John Paul II's acceptance of the Second Vatican Council is beyond doubt, but he equally certainly takes the view that the period of ferment and theological change is over and that what is needed now is a period of consolidation.

The Pope is also determined to take a different course from Paul VI, who in such matters as birth control raised hopes for change that were later dashed. John Paul II wants people to know where he stands as early as possible.

The signs are clear enough, although liberal Catholics are doubtless reluctant to recognize them. The Pope has personally stopped the process of laicization of priests, and they have been reminded that their vows are for life and they should keep them. Priests have also been told by Pope John Paul II that they must wear distinctive dress, although not necessarily the cassock. In a Holy Week letter addressed to the priests of the world the Pope reaffirmed the discipline of compulsory celibacy for the priesthood in glowing terms.

On sexual ethics the Pope made it clear in an address at Milan just before his election that he fully supports the condemnation of contraception by his predecessor, although he places it more fully in the context of married love and family responsibility.

As a cardinal at the council and as Pope since, Karol Wojtyla has made it plain that he accepts the idea of collegian government in the church and believes that power should be passed from the Pope to the various national conference of bishops.

The Curia as yet does not know what to make of him. On his election some doubt was expressed as to whether he could deal with his officials effectively, but for one who can get the better of the politburo, the Curia should not present insuperable difficulties. Pope John Paul I was clearly intimidated by the Curia, who filled his study with papers so that on occasions the harassed pontiff was found weeping in the Vatican gardens.

Pope Wojtyla received the same treatment, but there were no tears and, summoning the officials before him, he told them to take their papers away and get on with the work themselves.

The difficulty of this course is that the whole curial system is geared to implement decisions of the Pope. No one is going to risk a career by imprudent or rash decision-making.

One matter on which there has been as yet no clear Papal guideline is that of ecumenism. The movement for Christian unity seems to be in the doldrums.

The ecumenical courtesies will, of course, be continued by the Pope—he went out of his way in his Easter address to welcome the representatives of other churches who had come to his mass—but whether ecumenism in this reign will advance along paths other than that of the traditional submission to Rome is not yet clear. One would not expect a Polish pope to be an ardent ecumenist.

The Roman Catholic Church, like other institutions of the Western World, has been passing through a period of profound crisis and rapid change. The papacy has been battered and buffeted by theological storms from which it has emerged reeling but erect. There is no doubt that either by fortunate accident or by divine providence, according to one's point of view, it has found once again a commanding leader of diverse and extraordinary gifts who in just over six months has established himself as a major new figure on the world scene and has intrigued and fascinated men and women of all races and beliefs. The papacy has not aroused such interest and expectation since the days of Pope John.

Whether the traditional theology of John Paul II will prove adequate to the needs of the contemporary worldwide church is a question that cannot yet be definitely answered. Undoubtedly, there are doubts and reservations among theologians and the reflecting laity and from a minority sharp criticism, but the majority probably feel relief that the winds of change have ceased to blow and that once again they know where they are.

The great openings of this pontificate are likely to come in fields that can be broadly characterized as human and political.

Many share the view that the world is suffering from spiritual starvation and is bereft of moral leadership. With Pope John Paul II, the man from the far country, a new star has risen in the world firmament. Not since the peak of the papacy in the Middle Ages has there been such an opportunity for this venerable institution to serve mankind.●

● Mr. MINISH. Mr. Speaker, the triumphant journey of Pope John Paul II to Poland, his homeland, stands as a beacon of hope for all people bound to the yoke of communism.

For what greater proof exists of the inherent weakness of communism than its inability to stifle the religious fervor of Poland's 32 million Catholics.

In truth, Mr. Speaker, the wonderful devotion of the Polish people to their faith could well be considered a miracle, in light of the trying conditions caused by their Government.

Pope John Paul's trip points out conclusively that despite 35 years of official atheism, the people of Poland, and other Eastern European nations, remain free in spirit to worship God. This is a tribute not only to the tenacity of the Catholic faith, but also to the underlying commitment of Eastern Europe to overthrow the repression of communism.

It is obvious through the Pope's pilgrimage that the Catholic Church will play a major role in keeping the spirit of Eastern Europe alive. State officials will be forced to respond to Poland's almost universal Catholicism with a relaxation of the repression that characterizes their rule.

Mr. Speaker, on the occasion of his first visit to his native land since assuming the papacy, Pope John Paul has caused the whole world to rejoice through the tremendous response he has elicited. I join those who humbly offer praise to this great spiritual leader.●

● Mr. WOLFF. Mr. Speaker, I rise today to pay tribute to Pope John Paul II for his courageous trip to his native Poland.

Pope John Paul II has proven his stature as a spiritual leader. He has also brought an innovative approach to his office, and is applying this attitude to work for religious freedom in the Communist bloc. This makes him a fighter for a political cause. That cause is to end the spiritual repression of human being worldwide. His trip from the Vatican has had the effect of reaffirming the human commitment to all people, no matter where they are or to what religion they adhere.

In his recent trip to Poland the Pope has come face to face with the strong grip of communism. The visit to his native homeland has enthralled millions worldwide. All of us should learn by his lesson of confronting his or her adversaries head on.

Religious persecution, whether in the Eastern European nations or anywhere, is a constant threat to the spiritual and intellectual freedom of mankind. The Nazi holocaust is an horrendous example of where such persecution, if unchecked, can lead. His Holiness has shown the world that in Poland, a sattellite of the Soviet Union, the people still hold fast to their religion despite the pressure to conform to atheism. On a broader scale, the trip has brought a sense of freedom to the people of other Eastern European satellite nations.

Human rights and civil liberties, especially religious freedoms, are being violated all over the world. All of us must be aware of this, and we all must continue to do all we can for religious, political, and intellectual freedom. The Pope and his use of office in front of the world's cameras has made this struggle that much clearer.●

● Mr. O'NEILL. Mr. Speaker, I am honored to join my colleagues in this special tribute commemorating the historic pilgrimage to Poland of his Holiness, Pope John Paul II.

For Karol Wojtyla, the noble son of a Polish soldier, the former Cardinal of Cracow, the first non-Italian Pope in centuries and the first Polish Pope, it was a triumphal and sentimental reunification with his own beloved parishioners. For Karol Wojtyla—as student, priest, professor, archbishop, and cardinal, and now as prelate—is a humble man of the people.

Pope John Paul II's return to his native land carries a special meaning for Americans—not only because the United States has so many citizens of Polish descent, but also because he comes to his special mission as Pope after overcoming the considerable challenges of leading his flock in a Communist nation.

Pope John Paul II's journey manifests to American Catholics the importance of our church in guaranteeing the individual's right to really practice his faith. This is the message his holiness gave to his Communist hosts, repeatedly demanding that they support fundamental human rights and freedom. To his beloved countrymen and to all Christian Slavs of Eastern Europe, Pope John Paul II encouraged them to worship as a community and to publicly profess their faith. To the 70 bishops of Poland, he urged a continuance of the struggle for guarantees of respect from the Polish Government for the conviction of believers, and for the recognition of the church as a religious community to which the vast majorities of Poles belonged.

His holiness has recently described himself as "a traveler of peace and hope." To Polish-Americans, a Polish Pope's visit to their ancestral home symbolizes the freedom-loving and indomitable spirit that has identified the Catholic Church with Polish nationalism and culture.

As our Pope, John Paul II represents the international character of the church, and we wholeheartedly applaud his triumphal pilgrimage to his native land.●

● Mr. PATTEN. Mr. Speaker, I rise today to extend my praise of Pope John Paul II on his most recent and successful visit to Poland.

In 9 short days, Karol Wojtyla, a humble man of simple origin, managed to attract the attention of all peoples, both in the free world and behind the Iron Curtain.

In a peaceful, but decisive manner, John Paul brought the light of freedom to those living under oppression simply by speaking the truth, regardless of its consequences. John Paul has united peoples of all religious preference in the common bond of the search for human rights.

Even the Communist powers themselves have been permanently influenced by the pontiff's recent mission. It is clear that they too will have to rethink their attitudes and recognize that man's right of freedom stems not from the generosity of the state but from the hand of God.

Assailing "the great moral threats" exerted by the Communist Government in Poland, Pope John Paul praised the courageous Poles for fostering a strong belief in human rights despite the coercive force exerted by the Polish Government. To this extent, the Polish people deserve special praise. Although living in a prohibited environment, they have ventured to practice and express their basic human rights in open defiance of oppressive authorities. For their courage they have won not the chains of slavery, but the respect of their oppressor and admiration of all free peoples.

We in America can also learn much from John Paul's recent visit to his homeland. For most of us, religious and political freedoms are taken for granted. But, on this Flag Day we Americans should take stock and allow John Paul's visit behind the Iron Curtain to give us a greater appreciation for our precious freedom and make us realize that we are truly fortunate to live in a society unthreatened by oppression.●

● Mr. DERWINSKI. Mr. Speaker, I am pleased to join with Congressman ZABLOCKI this afternoon in commending Pope John Paul II on his dramatic trip to Poland. I want to add that this trip has caught the imagination of the world and was certainly a great inspiration, to those suffering under Communist rule.

The Pope's trip received a glowing report from the Chicago Sun-Times in its June 11 editorial section, which I wish to insert at this point:

JOHN PAUL'S TRIUMPH

We join in pealing the bells for John Paul II, the Pope, the Pole, the man and his mission to Poland, now ended.

From the point of view of the Communist regime that had no choice but to admit him, his mission must be judged a calamity.

It was a triumph of the Christian spirit over Marxist materialism, a victory of the liberty that endures—en masse—within individual souls against the authoritarianism of men and states.

Joseph Stalin, had he been alive to see the outpouring of love and respect shown by the Poles for John Paul and the Roman Catholic Church he represents, would not dare to renew his historic sneer, "How many divisions does the Pope have?"

No divisions. But he commands the allegiance of nations.

As John Paul said, quoting from St. John amid the horrors of the Nazi concentration camp at Auschwitz, "This is the victory which overcometh the world: our faith."

The triumph should not be overdrawn. The Communist tyrannies that oppress Eastern Europe are not about to collapse because of one week of massive, symbolic defiance in one of its small corners.

They, the despots, still have the divisions—and the secret police.

Indeed, if there are dangers to anyone, it is to those who have demonstrated their enduring faith. We would do well to watch how the Communists react to the historically overwhelming fealty demonstrated by the heroic Polish people to their church and their nation. Totalitarianism do not willingly abide contrary fractions.

Communist Party Sec. Edward Gierek, already in disfavor because of economic problems, is capable of responding fiercely to excessive expectations of freedom that John Paul's visit may have engendered.

If he doesn't, the Kremlin is at his back. The men who sit there now are generally the same as those who jackbooted into Hungary in 1956 and Czechoslovakia in 1968.

But let's not extend the brooding along these dark lines.

The greatest defense against added oppression is the size of the constituency that is united against it. And John Paul II has just rekindled a flame that is lighting up much of the world—in Poland, amid millions of Catholics elsewhere in the Soviet sphere and among the subjugated faithful everywhere.

From afar, by proxy through the people of Poland, we have all been witness to a victory which overcometh the world, and we unite in celebration.●

GENERAL LEAVE

Mr. ZABLOCKI. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days to revise and extend their remarks on the subject of this special order.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

A TRIBUTE TO JOHN WAYNE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. GOLDWATER) is recognized for 5 minutes.

● Mr. GOLDWATER. Mr. Speaker, John Wayne once said:

> Tomorrow is the most important thing because it comes every midnight, clean and perfect, and full of hope that we've learned something from yesterday.

While there will be no more tomorrows for the Duke, he has left us with a lot of wonderful memories and has earned something that so few of us ever achieve, the love and respect of people the world over.

He was loyal, honest, compassionate, and his courage in his losing fight with cancer is an inspiration to us all.

Above all, John Wayne was a patriot, and I am pleased that the Congress recently voted to present him with a specially struck gold medal. This medal represents a sincere "thank you" from his Government and fellow citizens for a lifetime of loving his country with a fierce loyalty and more than a little pride in its goodness and despite its faults.

John Wayne wanted his epitaph to read: "Feo, Fuerte, V Formal," which translated from Spanish reads "he was ugly, was strong, had dignity."

Yes; he was strong and had dignity, but he was never ugly. He was a beautiful man who lived and died with dignity.

We shall miss him terribly, but he left a legacy that will always be with us. Someone once said: "God must love the common man because he made so many of them", and I would only add, He must have given us great men—the John Wayne's—to help us know that no man is common.

My thoughts and prayers are with the Wayne family during this difficult time. The emptiness will pass. Their lives will be fuller and their memories sweeter because they knew him.●

THE PLIGHT OF SOVIET REFUSENIK EITAN FINKELSTEIN

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania (Mr. McDADE) is recognized for 5 minutes.

● Mr. McDADE. Mr. Speaker, I am pleased to take part in "Shatter the Silence, Vigil 1979," an occasion giving Members of Congress the opportunity to reiterate our strong concern about the plight of Soviet Jews refused permission to leave the Soviet Union. This vigil is sponsored through the Union of Councils for Soviet Jews and is intended to focus attention on the need to encourage the Soviet Union to adopt less restrictive emigration policies.

Today I would like to acquaint my colleagues with the case of Eitan Finkelstein, who since 1971 has been attempting to gain permission to leave the Soviet Union to emigrate to Israel. Eitan and his wife Alexandra are actively involved in the Soviet refusenik community and have bravely spoken out for others like themselves who wish to secure permission to leave.

Eitan, educated as a physicist, lost his job shortly after he applied for an exit visa to Israel. He was unemployed for a long time but was finally able to find a job as a laboratory technician in a hospital. However, to secure this job, he was forced to accept a salary much lower than that ordinarily paid such workers.

Even more distressing is the fact that Eitan is forced to live apart from his wife and young daughter Miriam. Alexandra and their child live in Moscow, while Eitan, who is unable to obtain a residence permit to live in the Soviet capital, is forced to reside in Vilnius, Lithuania, which is 550 miles away from his family.

In August 1976, Eitan was again required to leave his job, but this time he brought a lawsuit against his former employer for dismissing him. The court, however, asked Eitan to drop his suit, claiming that it had no jurisdiction to rule in this area.

Eitan has authored numerous protests to Lithuanian and Soviet officials concerning denial of his family's applications for exit visas to Israel. The Soviet authorities, in their efforts to subdue Jewish dissent, have been attempting to suppress publication of the journal "Jews in the U.S.S.R." Jewish activists, including Eitan Finkelstein, have been searched and questioned in connection with the journal. Eitan was threatened with 10-years imprisonment for possible involvement.

Unless we continue to voice our strong concern about the suppression of religious, cultural, and ethnic rights in the Soviet Union and the harassment of those requesting permission to emigrate, that country will not abandon its persistent violations of basic human rights. By participating in this year's vigil and calling attention to such cases as Eitan Finkelstein's, we will let the Soviet authorities know that we still stand behind a firm policy of basic individual rights for all.●

A MORE CONSTRUCTIVE 1980 BUDGET

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. GREEN) is recognized for 15 minutes.

● Mr. GREEN. Mr. Speaker, recent economic news has not been encouraging. The Congressional Budget Office recently predicted that we will move into a major recession later this year with the unemployment rate rising to 7.5 percent. The energy crunch continues to increase in severity and to have a broad impact on all segments of our economy. Inflation continues at very troublesome levels.

The current mood of austerity throughout the country is reflected in the Congress and leaves us with the task of making difficult choices, as some government programs must be pared back. It is at such a time that one's sense of priorities necessarily comes more sharply into focus. All Members of Congress have had to choose between competing needs and interests and, therefore, I consider it appropriate to set forth in some detail my views on the Federal budget and the reasons for my votes during our recent consideration of House Concurrent Resolution 107, the First Concurrent Resolution on the Budget for the fiscal year 1980.

The Congress takes few actions during the year which are more significant than developing the budget. That is so because the budget represents a triple decisionmaking process:

First. The budget determines the level of the Government's deficit or surplus. That, in turn, is significant for our overall economic well-being. True, it is theoretically possible to run a major deficit without an inflationary impact if the Federal Reserve System does not increase the money supply. But in practice the Federal Reserve simply cannot take the political heat inherent in having Federal borrowing "crowd out" private sector borrowing. As a result, major Federal deficits almost invariably have an inflationary impact as the Federal Reserve System creates money to finance such deficits.

Second. The Federal budget is a significant factor in determining the allocation of resources between the public and private sector (though State and local government budgets also play a significant role).

Third. Finally, the budget process also allocates resources among various governmental spending categories, and thus represents an expression of our spending priorities.

My basic approach to the fiscal year 1980 budget was to reduce the deficit to the fullest extent practical, in order to fight inflation. However, I did not consider it practical or good social policy to make significant cuts to income transfer programs such as social security and welfare, since such cuts, particularly in these inflationary times, would have a harsh effect on the poor. Nonetheless, I believe that a deficit level lower than the $20.9 billion initially approved by the House, the $23 billion proposed in the Senate-House conference report that the House rejected, and the $23.3 billion ultimately adopted by the House could have been achieved. Thus, I voted against all three of these proposals.

I believe that a deficit of approximately $18.9 billion could have been reached. The House Budget Committee had recommended defense spending $2.5 billion below the President's request. I feel that approximately $1 billion more could be cut from this category, as is explained more fully hereafter.

I also would have made substantial cuts in costly and environmentally unsound "pork-barrel" water projects. The President had requested a 15-percent increase for the Corps of Engineers over last year's appropriation. Given the marginal value of many of these projects as measured by their benefit/cost ratios (which, in most cases, are highly inflated in the first place), such an increase would be outrageous.

I would have to concur with the Coalition for Water Project Review that, not only are some specific flood control and other water projects unwise, but also we should question certain underlying water resource policies and should revise downward additional funding for inland navigation projects and for numerous water projects that compound our agricultural problems of surplus crops. I believe the House could have reduced the President's request by $1.071 billion.

I supported an amendment by Congressman JACOBS (which was defeated by a division vote) which would have made a start on this reform. Significant cuts should also be made in the subsidies we pay to farmers to inflate artificially agricultural prices. Certain subsidies, such as those to the tobacco industry, are particularly unjustified and should be phased out. I would begin this process by cutting $500 million from programs served by the Commodity Credit Corporation (roughly 10 percent).

These cuts, coupled with the more realistic revenue figures approved by the House (figures which assume a higher inflation rate than the President's), would have provided a deficit lower than the President's and lower than the budget resolution as passed by the House May 14 or in its amended conference version approved May 24. Such a deficit level would still permit a start on increases in spending that I favor, such as improved home health care and Federal takeover of the local share of welfare and medicaid costs.

Because they would have made substantial cuts in income maintenance programs, which, as I have explained above, I did not consider practical or socially sound, I voted against two budget-balancing proposals, the Rousselot substitute (defeated 186 to 214) and the Holt-Regula substitute (rejected 198 to 218). Such reductions would become even more serious if we move into the major recession predicted by the Congressional Budget Office.

I also voted against two proposals which were adopted and which would make "across the board" budget cuts. I did so because I believe that this kind of unselective approach to budget making is unsound. One of these, the Fisher amendment, was a flat 0.5 percent cut in all programs—including $921 million for income maintenance programs, $271 million for health and $149 million for education. The other cut $1.1 billion in overtime, travel and filmmaking. Although the latter superficially sounds appealing, in fact the budget resolution does not in any way fix such line items, so the actual impact is the same as an across-the-board cut. Besides, I question whether we really want fewer government inspectors visiting nuclear reactors or meatpacking plants.

Let me now turn to the major categories of issues that arose during the debate on the first concurrent resolution on the budget.

DEFENSE

I do not share the view of some that the defense budget is the cause of inflation or that major cuts could be made in it without damage to the national security. With respect to inflation, the defense budget has fallen from 12 percent of our gross national product in the late 1950's to less than 6 percent of GNP today, yet inflation then was but a fraction of today's rate.

On the issue of whether we are overarmed, in 1973, when we resupplied the Israeli armed forces during the Mideast War, we found ourselves at the end of that effort with the cupboard quite bare. If that 2-week effort could leave us in that posture, I am forced to conclude that we are not overstocked with military gear. My concern in this area is intensified by the steady build-up in Soviet military forces that we face. Moreover, if we are to continue to operate our Armed Forces on an all-volunteer basis, which I favor, military pay and fringe benefits must be competitive with the civilian sector.

At the same time, I believe that the military budget should be subject to the same intensive scrutiny that we give the nonmilitary budget. For example, I cannot see the point of the $1.7 billion 60,000 ton conventionally fueled aircraft carrier that President Carter included in his budget request this year after he vetoed a $1.9 billion 90,000 ton nuclear fueled carrier last year. In an all-out nuclear war, the carrier would cost the Soviets only one or two warheads to destroy, which makes it most ineffective in terms of the costs to the two sides. In a brush fire war, we already have three nuclear and nine conventionally-fueled carriers, which seem ample to "show the flag" and provide off-shore aircraft basing capability.

Another area for potential saving was recently disclosed when Assistant Secretary of the Navy David E. Mann released results of an official Navy study which indicated we can build submarines smaller than the Trident missile submarine, now under construction, and the Los Angeles class attack submarine, now being planned, which would be just as effective and considerably cheaper (by $450 million a unit in the case of the Trident).

Accordingly, I opposed two amendments to increase defense spending above the initial House Budget Committee recommendation and supported an unsuccessful amendment to shift $1 billion from the defense budget to a variety of programs to provide additional jobs for young people. However, I opposed substantially deeper cuts in the defense budget.

REVENUE SHARING

One unusual aspect of this year's budget resolution is that it made certain modifications in the budget for the current fiscal year—the bulk of the resolution setting spending goals for the coming fiscal year. These adjustments were made necessary by an inflation rate greater than had been predicted last year and other economic factors. During debate on this portion of the resolution, an amendment was offered which would have eliminated the additional $250 million provided for the countercyclical revenue sharing program. This money is specially targeted for areas of severe unemployment and New York City has received a substantial portion of these funds in the past. For several days I had been working hard with certain other Members of the House making the case for the countercyclical program and was disappointed when in a close vote the amendment was adopted and the increase eliminated. After that action, we resumed our efforts and the following day the House accepted another amendment which restored $200 million of the money which had been deleted. I was very pleased that we were able to pick up several additional Republican votes for the program. Those votes, coupled with several Democratic switches, turned the tide in favor of the countercyclical revenue sharing proposal.

When discussing the modifications in the budget for fiscal year 1980, the House also approved a significant increase necessary to continue the countercyclical program next year. The House Budget Committee had recommended weakening the general revenue sharing program by eliminating that portion which would go to State governments. Representative BARBER CONABLE led an unsuccessful effort, which I supported, to restore these funds in the amount of $2.3 billion in budget authority; 2 days later another effort was made to include roughly half this amount for general revenue sharing for States. I favored this move, which, on a vote of 203 to 216, also failed.

The conference agreement provided nearly enough money to continue revenue sharing at its present $6.9 billion level. However, the conferees indicated that this money might be divided between the general revenue sharing program and the countercyclical program. They did agree that the Budget Committees would add funds in the second budget resolution next fall if Congress decides to reauthorize the revenue sharing program.

ENERGY

A number of proposed amendments to the budget resolution related to energy issues. I supported an unsuccessful amendment to provide $73 million to Amtrak to continue some of the railroad routes that the Carter administration proposes to close. While I agree with the administration that the worst Amtrak money losers should be eliminated, the recent upturn in ridership persuades me that more routes should be kept going than the administration wants. I have written to Transportation Secretary Brock Adams urging reconsideration of the value of various Amtrak routes using the newest data and with an eye toward energy savings. I was encouraged when the House Commerce Committee recently approved the Amtrak authorization bill and added $70 million to the administration's request. This added amount will allow Amtrak to maintain some of the lines that have been destined to be cut and I am hopeful that the Montrealer will be subsidized under this system.

I supported another unsuccessful amendment which would have provided additional emergency fuel assistance for low-income families. I also voted for a successful amendment to increase tax revenues by revising the foreign tax credit for oil companies. While I believe that this is a step in the right direction, I am doubtful that such action could raise the full $1.2 billion some of its other proponents claim, since most of the revenues attainable from this source have already been garnered by the 1976 Revenue Act and by administrative determination by the Internal Revenue Service.

DOMESTIC PROGRAMS

I voted against two amendments to reduce the food stamp program by $650 million and $135 million respectively. As I indicated earlier, to cut programs targeted to low-income families and elderly persons would be peculiarly harsh in this time of inflation; fortunately, both amendments lost.

The Budget Committee included $500 million in authority and outlays for new programs by the Economic Development Administration. These programs would have a substantial impact in areas of high unemployment, and I opposed an amendment which would have eliminated these funds. The amendment failed 140 to 245.

Finally, I opposed a $497 million cut in funds for the Law Enforcement Assistance Administration. While I believe that LEAA has been justly criticized for the emphasis on policy hardware that characterized its early days, I feel that there are activities LEAA now funds that are more cost-effective. A prime example is a grant I helped secure for the multifaceted program emphasizing citizen efforts to fight crime being run by the Lenox Hill Neighborhood Association (in association with the East 86th Street Area TEAM, the East Mid-Manhattan Chamber of Commerce, Interfaith Neighbors, Marymount Manhattan College, and the Burden Center for the Aging) in my congressional district. Such programs are constructive, cost-effective anticrime efforts.

SOCIAL SECURITY

Because of President Carter's objections to any actions this year regarding funding of the social security system, it appears that Congress will take no action on that issue this year. Accordingly, the foregoing discussion of the fiscal year 1980 budget assumes no changes in the social security system. Nonetheless, in discussing action on the budget it is imperative to describe in some detail the dilemma we currently face regarding financing of the social security system. Serious financing problems persist and, if not resolved, will continue to plague Federal budget planning in the years ahead.

To meet the needs of the social security trust fund, Congress in 1977 enacted an enormous tax increase, which began to take effect in January of this year and which is estimated to cost taxpayers a cumulative total of $241.6 billion by January 1, 1987.

At the time the Congress approved the Social Security Financing Act of 1977, no one argued that we were without urgent need to put the social security system on a sound actuarial basis. Unquestionably, our senior citizens were and are entitled to know that their benefits under the system are secure.

However, the Social Security Financing Act of 1977 does not even accomplish that. The significant increases in payroll taxes provided for in the act still leave the system with a deficit over the next 75 years of 1.46 percent of taxable payroll, approximately $800 billion.

Given the fact that projected demographic trends will not provide a stabilized population replacement rate, we are confronted with a situation where a roughly static work force will be paying for the retirement of a growing number of senior citizens, especially in the years after 2011, when those born in the post-World War II baby boom start to reach age 65. Those population predictions resulted in the tax increase voted by the last Congress and the continuing actuarial deficit in the system. The unpleasant reality that, despite an income tax cut voted by Congress last year, many Americans are paying higher taxes than ever this year because of social security tax increases, illustrates the problems we face.

Numerous proposals have been offered in this Congress which would reduce the social security tax and shore up the system with money from the general revenue fund. The House Ways and Means Committee, which has sole jurisdiction over this matter, intends to study the financing question formally this fall, at which time it will examine general revenue fund approaches and others. But financing the system from the general revenue fails to alter the overall Federal budget picture. By that I mean that if social security taxes are lowered through the use of general revenues, we are then left with very unattractive alternatives to deal with the difference: First, we could raise other taxes, second, we could incur a larger deficit, or third, we could reduce Government services.

With this in mind, I have been working with other Members of the House and have introduced H.R. 2650, which would repeal most of the tax increases mandated by the social security financing legislation of 1977. Unlike most other social security financing proposals, the bill I have sponsored does not involve any funding of the system from the general revenues. Moreover, it would restore the taxable wage base to the levels of law prior to the 1977 legislation and would provide a payroll tax rate increase of only 1.25 percent over the next 75 years.

The principal feature of the bill, to which I hope the Ways and Means Committee will give strong consideration this fall, is an increase in the minimum retirement age for full benefits by one-quarter of a year each year from the year 2000 to the year 2011, thus resulting in an ultimate retirement age of 68. By deferring the effective date of the change to the year 2000, the measure would avoid hurting those who reasonably can be planning their retirements at age 65. Further, this would give the private sector time to adjust to the change.

By adding 3 years of payment into the system and subtracting 3 years of payment out of the system, this change, even though more than two decades away, would have an enormous actuarial impact. Such a change would also acknowledge the reality that people are living longer and working longer. It only makes sense that we should modify the system to reflect changes in the living and working styles and the health of Americans since social security was enacted in 1935.

CONCLUSION

In summary, I believe we should have moved nearer a balanced budget than the Carter administration and the Congress propose, though I do not believe we can get all the way there this year without unacceptable adverse effects on low income families and the elderly.

Tax relief can be provided if we are prepared to take a realistic view of the social security system. If, starting in the year 2000, we gradually (by 2011) increase the retirement age to 68, we can roll back almost all of the enormous tax increases enacted by the 1977 social security amendments.●

HOME HEALTH CARE REFORM UNDER MEDICARE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. CONABLE) is recognized for 15 minutes.

● Mr. CONABLE. Mr. Speaker, today I am pleased to introduce a bill which would go a long way toward reducing the cost of medical care, and improving access to care, by increasing the potential availability of home health services to our medicare beneficiaries. This bill, by removing certain restrictions with respect to proprietary home health agencies that are presently in title XVIII of the Social Security Act but which are widely regarded as unrealistic and discriminatory, would provide a small, but highly significant, first step toward developing a more effective and adequate system for the delivery of long-term care.

Many of my colleagues will recall that I introduced a similar bill in the last Congress, H.R. 12788, the provisions of which became incorporated into H.R. 13097 and was passed by the House. Unfortunately, the measure was not able to be considered by the Senate due to considerable legislative pressure and an impending adjournment deadline.

The bill I am introducing today differs from the previous bill in one substantial respect. It sets forth proposed standards that all home health agencies—proprietary and not-for-profit—would be required to meet in order to be reimbursed under medicare. I will discuss the reason for the addition shortly, but first I would like to review with my colleagues the reasons why I believe this legislation is both needed and desirable.

It is, of course, true that many of the complex issues we face in the area of health care delivery are not easily resolved. One of the most important of these issues concerns the question of how our country will provide for our chronically ill, disabled, and elderly citizens who must receive certain services but do not require, or desire, to be institutionalized.

This question is of particular importance to the Federal Government, where program costs for medicare and medicaid for care in acute care hospitals, nursing homes, and other types of institutions have skyrocketed in recent years. Yet, medicare and medicaid home health expenditures currently amount to only about 2 percent of program funds. In fiscal year 1978, for example, home health expenditures under title XVIII and XIX were projected to approach $772 million, compared to approximately $36 billion of total program costs.

It is significant that many studies have documented the cost savings that can accrue from substituting home care for institutional care. For example, the General Accounting Office reported in 1975 that of 20 studies dealing with the cost of home health care, 19 presented data which supported the proposition that home health care can be less expensive under some circumstances than institutional care. More recently, a comprehensive GAO report released December 30, 1977, revealed that the cost of nursing care for more than 80 percent of our population over 65 years of age would be greater than the cost of home services, including the large portion provided by family and friends. Furthermore, as the Congressional Budget Office has reported, there is evidence that 20 to 40 percent of the nursing home population could be cared for at less intensive levels if only adequate commuunity-based care were available.

The program of long-term care in this country clearly has not been adequate. Since, as the Census Bureau estimates, the percentage of people over 65 in the population will grow to 17 percent over the next 20 to 50 years, it is becoming increasingly vital to act now to expand the availability of noninstitutional services.

Unfortunately, the present medicare and medicaid laws do not seem sufficient to deal with this situation. As the House Aging Committee reported in 1976, dependence on the medical (acute care) model as the premise for entry into and exit from the health care reimbursement program contributes to the neglect of the sizable elderly population whose care requirements do not conform to the artificial structure of the Government reimbursement progam.

Mr. Speaker, I have been concerned with this problem of long-term care delivery for many years. A bill which I introduced earlier this session, H.R. 58, would in fact revise the system in a comprehensive manner through provision of a continuum of appropriate services under medicare, including home health care.

Today, I seek a far more modest goal. The legislation I am introducing would eliminate a particularly flagrant inequity found in section 1861(o) of the medicare law, which excludes proprietary home health agencies from participating in medicare unless they are licensed to do so under State law, and which otherwise imposes additional requirements on such agencies.

This requirement, in addition to depriving millions of medicare beneficiaries of access to needed home health services, clearly serves to inhibit or limit competition in the health marketplace. Secretary of Health, Education, and Welfare Califano has referred to this country's health industry as a "vast, sprawling, complex, highly expensive and virtually noncompetitive industry." The provisions of 1861(o) of the medicare law that I am concerned with are but one example of how such a situation has come about. A major purpose of this bill will be to remove this unfortunate anticompetitive barrier.

Mr. Speaker, I want to make clear that I am well aware of the problems which exists for the Federal Government in reimbursing home health care. The Subcommittees on Health and Oversight of the Ways and Means Committee, on which I have had the privilege of serving as the ranking minority member, have held extensive hearings that focused on problems in this area, including fraud and abuse; the entry of home health agencies that subsequently proved uncollectible; and others.

Hopefully, such issues will be considered and resolved in the very near future. It is my understanding, in fact, that hearings will be held very soon by the Ways and Means Health Subcommittee on H.R. 3990, which was introduced by my colleague from New York, the distinguished chairman of that subcommittee, and contains the language of H.R. 13097 as passed by the House.

Mr. Speaker, the provisions which I have added to the bill this year deserve the attention of my colleagues for a very important reason. As many of us are aware, the Medicare-Medicaid Antifraud and Abuse Amendments of 1977 (Public Law 95-142) called for a report by the Department of Health, Education, and Welfare that would delve into the areas I have mentioned, and would make recommendations to the Congress relating to appropriate standards for home health agencies, as well as all aspects of the delivery of home health services under medicare, medicaid and title XX social services programs. The report only recently was presented to Congress, although it was due in October of 1978.

More serious than the untimely submission of the report is the apparent failure or refusal of the Secretary to carry out what the law ordered. The report contained no legislative recommendations to Congress, ostensibly on the ground that budgetary considerations made it impracticable for HEW to do so. I might point out that, in what appears to be an unprecedented action, resolutions have been introduced in both the House and the other body to reject the report.

Because there is clearly a need for adequate standards for all home health agencies, regardless of their tax status, I instructed staff to consult with representatives of both for-profit and not-for-profit agencies, in an attempt to develop standards and thereby demonstrate that Congress indeed is serious about demanding and obtaining quality and value for medicare dollars.

It is important to point out, however, that the standards contained in the bill I am introducing today are not necessarily intended to be a final, definitive set of standards. Standards properly should be developed by the Secretary, and it is to be hoped that Congress will soon receive the cooperation and performance that Public Law 95-142 calls for. The proposed standards contained in this legislation do, however, embody and build upon the existing conditions for participation in medicare in certain important respects. It is my intention and hope that at the hearings and markup of this legislation all interested groups and the Department of HEW will provide the committee with insight and guidance with respect to modifying these standards by any changes that may be desirable, based upon the expertise and experience that they possess.

The crucial point, however, is that there has been no conclusive evidence to support the proposition that proprietary home health agencies are any less efficient, or more prone to abuse or defraud the Government, than the so-called nonprofit organizations that are not subject to exclusionary language of section 1861 (o). In fact, a great deal of testimony and data indicate that proprietary agencies have performed, and can perform, in a most high-level and capable manner.

Moreover, to require proprietary home health agencies to seek licensure in all States simply creates the anomalous situation where medicare is paying for services of such agencies in some States, but not others. The same agency, in fact, may be reimbursed for services provided to medicare beneficiaries in one State, but not another, even though those services are of equal quality and conform to all legal requirements.

Although Congress undoubtedly anticipated that States would enact home health licensure laws as the need arose, only about 40 percent of the States have so acted. The net result is that, in the other 60 percent of the States, millions of citizens are not able to obtain needed services or payment for such services. Or, as frequently happens, home health agencies will simply label themselves as "private-not-for-profit," thereby limiting their options for obtaining needed capital or other types of support, without any additional benefits for either the patient or the payor. It is precisely this unproductive situation that my proposed legislation will eliminate.

Finally, Mr. Speaker, let me emphasize that this bill would in no way expand the scope of coverage under medicare. The present requirements that apply concerning such matters as eligibility, the kinds of services that are covered, and the need for physician supervision, will not be changed. There is, in addition, no anticipated increase in cost to the Federal Government if this bill is enacted. All that the measure would do is to eliminate an arbitrary, unnecessary and detrimental distinction in the present law between "proprietary" and "nonprofit" home health agencies—a distinction that I submit is detrimental to the medicare program and its beneficiaries.

Mr. Speaker, I hope and expect this bill will be considered by the Ways and Means Committee this year, in conjunction with other important, but relatively low-cost and noncontroversial medicare issues. I would urge all of my colleagues to give careful thought and attention to this measure, because its enactment could provide substantial benefits for our elderly citizens, who are chronically ill or disabled but who prefer to live and be cared for in their own homes rather than institutions, at no additional cost to the programs.●

BALTIC STATES FREEDOM DAY

The **SPEAKER** pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. ANNUNZIO) is recognized for 5 minutes.

● Mr. ANNUNZIO. Mr. Speaker, June 14 and 15 is a time of special significance to Americans of Lithuanian, Estonian, and Latvian descent, as well as to all of us who are inspired by the courage and determination of the people of these three nations. During this time, 39 years ago in June 1940, the three Baltic States were brutally occupied by the Red Army and subsequently incorporated into the Soviet Union.

The unfortunate plight of the Baltic Republics has long been a matter of profound concern to me. It was for this reason that I introduced House Concurrent Resolution 49 at the beginning of the 96th Congress expressing the sense of Congress with respect to the incorporation of Latvia, Lithuania, and Estonia into the Soviet Union. The text of that resolution follows:

> Whereas the United States does not recognize the illegal annexation by the Soviet Union of the Baltic nations of Estonia, Latvia, and Lithuania;
>
> Whereas the United States as a member of the United Nations has pledged, in articles 55 and 56 of the United Nations Charter, ". . . to take joint and separate action . . ." to promote "universal respect for, and observance of, human rights and fundamental freedoms for all without distinction as to race, sex, language, or religion";
>
> Whereas the House of Representatives Select Committee to Investigate Communist Aggression of the Eighty-third Congress thoroughly investigated the seizure of the Baltic nations by the Soviet Union and, in its Third Interim Report, concluded, "The evidence is overwhelming and conclusive that Estonia, Latvia, and Lithuania were forcibly occupied and illegally annexed by the U.S.S.R.";
>
> Whereas the United States, as a signatory to the Final Act of the Conference on Security and Cooperation in Europe, endorsed Principle VIII, relating to equal rights and self-determination of peoples, which states, ". . . all peoples always have the right, in full freedom, to determine, when and as they wish, their internal and

> external political status, without external interference, and to pursue as they wish their political, economic, social, and cultural development . . ." and, "The participating States . . . also recall the importance of the elimination of any form of violation of this principle."; and
>
> Whereas the House of Representatives in the Ninety-fourth Congress, by adopting H. Res. 864 reaffirmed the United States policy with respect to the Baltic nations (and thereby urged positive actions): Now, therefore, be it
>
> *Resolved by the House of Representatives (the Senate concurring)*, That it is the sense of Congress that—
>
> (1) the President should enter into negotiations with the Soviet Union to secure the withdrawal from Estonia, Latvia, and Lithuania of all military forces and political, administrative, and police personnel not under the auspices of those respective countries;
>
> (2) another purpose of such negotiations should be to secure the release of political prisoners of Estonian, Latvian, and Lithuanian nationality from prisons, labor camps, psychiatric institutions, and other detention centers within the Soviet Union and their return to the countries of Estonia, Latvia, or Lithuania, as the case may be;
>
> (3) the President should instruct the United States delegation to the preparatory meeting of the 1980 Madrid meeting of the Conference on Security and Cooperation in Europe to present as specific agenda items—
>
> (A) the illegal seizure and annexation of Estonia, Latvia, and Lithuania by the Soviet Union, and
>
> (B) the denial by the Soviet Union of self-determination and territorial integrity to Estonia, Latvia, and Lithuania by the Soviet Union; and
>
> (4) the President should make every effort to gain the support and cooperation of all nations in achieving the objectives of the negotiations set forth in paragraphs (1) and (2) and in securing the agenda items set forth in paragraph (3).

Mr. Speaker, the people of the Baltic nations finally regained their freedom after World War I, after generations of oppressive rule by the Russian czars, and each of these states then took steps to insure to their people all of the rights and liberties found in democratic countries.

Subsequently, however, the Russian Government on June 15, 1940, took over these republics by force, and on June 14 and 15, 1941, the Kremlin supervised the cruel and inhuman mass deportation of some 100,000 Lithuanians, Latvians, and Estonians to Siberian labor camps. Many thousands of people died during those inhuman journeys in boxcars for lack of food and clothing. and because of unending brutality by the soldiers.

To its credit, the U.S. Government refuses to acknowledge the Soviet occupation of the Baltic States, and the House of Representatives unanimously reaffirmed this position in 1975 with the passage of my bill to put the House on record that there has been no change in the longstanding policy of the United States on nonrecognition of the illegal seizure of the Baltic States. But beyond this, the United States must continue to call attention to the issue of Baltic independence in every available forum. According to the American Latvian Association in the United States, Inc.:

> The russification process in Soviet occupied Latvia is prominently evident in education: textbooks used in Latvian schools are mainly translations from the Russian. Higher education can be obtained only if a student is a member of communist youth organizations. Less than one half of teachers in rural areas have college degrees.
>
> Free expression in literature and art is discouraged. Unless writers, poets, artists, and musicians follow the approved political doctrine, their works are not published or performed openly. Deviations from the prescribed course of action are met with restrictions upon the authors' and artists' activities and personal lives.
>
> As a result of religious discrimination, membership in the Latvian Lutheran church has decreased from 1 million prior to Soviet occupation to 0.3 million during the late 1960's; only 50 of the 259 churches are still used for religious services. In many parishes, christening, confirmation, and wedding ceremonies have not been performed for years. The communists are applying pressure to discard even last rites and burial services. Despite all this, there is evidence that Latvian youth displays a deep religious conviction.

Mr. Speaker, the Soviet Union's "russification" policies, abuse of human liberty and dignity, and harassment and intimidation because of religious beliefs continue in the Baltic States, and I was glad to appeal to Soviet authorities recently to urge the release of Zanis Skudra, a Latvian who is being held in a Soviet prison and who was sentenced to 12 years of hard labor only because he took pictures of ruined churches to publish abroad. I also joined with other Members of Congress to appeal to the Soviets on behalf of Balys Gajauskas, who has already served 25 years in a Soviet labor camp, and was resentenced in April 1978, for having religious literature and 50 pages of Solzhenitsyn's "Gulag Archipelago" in his apartment.

Gajauskas sent a statement to the U.S.S.R. Procurator General which was recently received in the West, and a portion of that statement follows:

> The Soviet leaders speak of peace today. But the concentration camps represent a not lesser threat to mankind than war; peace will remain impossible as long as we shall continue living in fear and slavery. A peace in concentration camps is a poor alternative to war. No, mankind must fight against concentration camps with the same zeal it fights against war. Only when concentration camps collapse, will the people be able to breathe freely. Otherwise we, nations with highly developed cultures, will enter the third millenium shoulder to shoulder with developed system of concentration camps.
>
> My trial in Vilnius, Gajauskas concludes, "is an example of how one purposely destroys a man who reads books. Such a trial belongs to the list of the trials of the Inquisition. It is a farce of a trial. My crime consists of having fought independently and having valued democracy more highly than the Communist dogmas. I committed a crime, because I wanted to make use of all the fruits of the human mind, and not only those that are officially allowed; because I wanted to communicate with people of all nationalities. Now, as I and my friends proceed on the road of trials and tribulations, I still have the flame of hope and liberty before my eyes. Here, too, separated as we are for long years from our near ones and relatives, condemned as we are for a humiliating death, even here we remain faithful to the ideas of democracy and liberty.

Mr. Speaker, 39 years have passed since the Baltic States were overrun by the Communists. The sad fate and memory of these victims are very much alive today and it is my privilege to join with Americans of Latvian, Lithuanian, and Estonian descent in the 11th Congressional District, which I am honored to represent, in the city of Chicago, and all over this Nation, in the observance of Baltic States Freedom Day as we pay tribute to the blessed memory of those who have given their lives. The legitimate aspirations and the perseverance of the Baltic peoples for independence and the right to reside again in their historic lands will ultimately triumph over communism, and freedom will someday be restored to these nations.●

MEDICARE AND MEDICAID AMENDMENTS OF 1979

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. RANGEL) is recognized for 10 minutes.

● Mr. RANGEL. Mr. Speaker, I am pleased to join with my distinguished colleague, the chairman of the Health and the Environment Subcommittee of the Interstate and Foreign Commerce Committee, in introducing the administration's proposed amendments to the medicare and medicaid programs.

As members know, during the last Congress the House overwhelmingly approved two bills reported by the Ways and Means Committee which provided for a number of improvements in the scope of coverage and the administration of the medicare program. Unfortunately, that legislation was not acted on by the Senate because of the press of business in the closing days of the session, although it was generally understood that the members of that body endorsed the provisions of the House bills. To assure prompt consideration of those needed changes in the program, I have already reintroduced those bills as H.R. 3990 and H.R. 4000 and, as chairman of the Ways and Means Committee's Subcommittee on Health, I have scheduled hearings on June 18 and 27 to receive public testimony on proposed amendments to the medicare program.

This bill which Chairman WAXMAN and I are today introducing on behalf of the administration, includes many of those same provisions, as well as additional recommendations for improvements in medicare and medicaid. Several of the additional recommendations included by the administration are designed to change provisions of present law in ways that would alter administrative practices relating to reimbursement for covered services and claims processing. While the motivation for these proposed changes is commendable, I believe the members of the subcommittee will want to carefully scrutinize their implications and effects to assure ourselves that they will, in fact, improve administration and accrue to the benefit of medicare and medicaid beneficiaries.

I am hopeful that my subcommittee will be able to expeditiously mark up and favorably report legislation that will significantly enhance the effectiveness of these vital programs. The House has recognized the importance and urgency of such action by including a modest allowance in the budget resolution to fund such improvements, and I can assure the Members we will abide the decision to exercise restraint in developing the legislation. I am persuaded, however, that even within the prescribed limits we can significantly enhance the quality and value of the protection afforded by these programs. And I am confident that all Members will be able to enthusiastically endorse the bill that we will report.

A brief summary of the bill follows:

SUMMARY OF THE BILL

TITLE I—MEDICARE PROVISIONS

Section 101 would require an employer to offer his employees age 65 or over (but under 70) the same inpatient hospital benefits offered to his other employees. If an employer did not offer such health benefits to his older employees, the employer would lose half the Federal income tax deduction to which he would otherwise be entitled for his expenses in providing his employees such health benefits. The section would also make Medicare a secondary payer with respect to inpatient hospital services covered by such benefits.

Section 102 would make changes in the provisions of law under which Medicare contracts with outside organizations to determine and pay claims under parts A and B of Medicare. Providers of services would no longer have the right to nominate specific organizations to process Medicare claims, reimbursement on the basis of costs would no longer be required, contracts could be entered into with any public or private entity, and, after an initial five year phase-in period, all contracts would be subject to the same competition requirements as are other Federal contracts. Section 102 would also consolidate the contracting requirements into one section, and move to a more appropriate section of the Medicare title provisions concerned with defining "reasonable charge".

Section 103 would deny hospitals reimbursement for their costs in paying for radiological administrative services if the physician concerned received payments under Medicare for radiological services furnished to inpatients of the hospital.

Section 104 would limit the special 100 percent reimbursement (with no deductible) for physicians in the fields of radiology and pathology to physicians who agreed to accept assignment for all services furnished to hospital inpatients.

Section 105 would eliminate coverage of chiropractors' services.

Section 106 would triple to $750 the maximum yearly psychiatric benefit payable under part B, would reduce from 50 percent to 20 percent the coinsurance required of the beneficiary, and would make clear that the $750 limitation applies only to physicians' services.

Section 107 would eliminate the restriction against any individual reenrolling under part B of the Medicare more than once.

Section 108 would repeal the authority of the Secretary to establish, for specific medical conditions, periods of time during which an individual is presumed eligible for post-hospital extended care or post-hospital home health services.

Section 109 would provide that reimbursement for part B services calculated on a reasonable cost basis could not, when added to 20 percent of the reasonable charges for the services (the coinsurance payable by the beneficiary), exceed the reasonable cost of the services. The section would also make conforming changes and technical corrections to provisions concerned with outpatient physical therapy services.

Section 110 would shorten the period for certain individuals no longer entitled to Medicaid payments of Medicare part B premiums to terminate part B coverage under Medicare.

Section 111 would repeal the statutory exclusion from coverage of the removal of plantar warts.

Section 112 would provide for part B payment for antigens furnished by physicians for administration by or under the supervision of another physician.

Section 113 would provide for payment of Medicare benefits to a person legally responsible for the bill of a beneficiary who has died even though the person has not yet paid the bill, and would provide for the refunds of a premium payment made although not due by or for a beneficiary who has died.

Section 114 would repeal the 12 month statutory limitation on agreements with skilled nursing facilities.

Section 115 would repeal a provision authorizing payment for consulting services provided by State agencies to skilled nursing facilities.

Section 116 would require skilled nursing facilities participating in Medicare which are located in a State with a Medicaid program to participate in Medicaid as well.

Section 117 would authorize the Secretary, where appropriate, to apply sanctions less severe than decertification against skilled nursing facilities which he found had ceased to meet the conditions of participation.

Section 118 would authorize the Secretary to specify in regulations the provisions of the Life Safety Code of the National Fire Protection Association which participating skilled nursing facilities would be required to meet. Current law requires compliance with the 1973 Code, which is out of date.

The proposed amendment would allow the Department periodically to update its requirements without requiring periodic legislative changes.

TITLE II—MEDICAID PROVISIONS

Section 201 would clarify the Secretary's authority to define "residence" for purposes of Medicaid eligibility.

Section 202 would repeal the requirement that a member of an AFDC family remain employed during the four months of extended Medicaid coverage allowed an AFDC family which loses cash assistance because of increased earnings from employment.

Section 203 would eliminate coverage of chiropractors' services.

Section 204 would require skilled nursing facilities participating in Medicaid (other than those primarily for treatment of tuberculosis and mental diseases) to participate in Medicare as well.

Section 205 would require all skilled nursing facilities and intermediate care facilities to be certified by the Secretary to participate in Medicaid, and would authorize the Secretary, where appropriate, to apply sanctions less severe than decertification against such facilities which he found had ceased to meet the conditions of participation.

Section 206 would remove the statutory distinction between medical review of skilled nursing facilities and independent professional review of intermediate care facilities. (This amendment would clarify the requirements of current law. P.L. 95-142, which repealed the requirement that a medical review team in a skilled nursing facility include a physician, removed the only difference in the statutory requirements concerning team composition and review in the two types of facilities.) This amendment would also permit the Secretary to allow teams reviewing long term care facilities to be headed by a health professional other than a physician or registered nurse, and would repeal the requirement for physician certification and recertification of the need for care in long-term care facilities. Finally, this amendment would permit the Secretary to require States to combine medical review with survey and certification review of the same facility or institution.

Section 207 would require that State Medicaid plans provide for common audits under Medicare and Medicaid of hospitals, skilled nursing facilities, and home health agencies participating in both programs.

Section 208 would increase federal funding for Medicaid in Puerto Rico, Guam, and the Virgin Islands. For fiscal year 1980 and succeeding fiscal years the current limitation of $30 million for Puerto Rico would be increased to $32.8 million; the limitation of $1 million for the Virgin Islands would be increased to $1.1 million; and the limitation of $900,000 for Guam would be increased to $1 million. Funding of $200,000 would be provided for the Northern Mariana Islands.

Section 209 would make technical changes in provisions of law concerned with Medicaid reimbursement to health maintenance organizations.

TITLE III—PROFESSIONAL STANDARDS REVIEW PROVISIONS

Section 301 would permit a conditionally designated professional standards review organization to become fully designated if the organization, at a minimum, was satisfactorily conducting reviews of health care services provided by or in hospitals, rather than only if the organization was satisfactorily conducting reviews of health care services provided by or in all institutions. The section would also eliminate the requirement that a professional standards review organization must, if capable, review ambulatory care services within two years of becoming fully designated. In addition, the section would permit the Secretary of Health, Education, and Welfare to determine, with respect to each fully designated professional standards review organization, when and the extent to which the organization must conduct reviews of services other than those provided by or in hospitals. The Secretary could designate another organization to conduct reviews of services not yet being conducted by a fully designated professional standards review organization.

Section 302 would permit individual professional standards review organizations to accept as members health care practitioners who are not physicians but who hold independent hospital admitting privileges.

Section 303 would declare that professional standards review organizations are not to be considered government agencies for purposes of the freedom of information, privacy, and related provisions of law generally applicable to government agencies, and are not to be considered advisory committees for purposes of the Federal Advisory Committee Act.

Section 304 would abolish the statewide professional standards review councils.

Section 305 would add a dentist, a registered nurse, and one other health care practitioner not a physician to the National Professional Standards Review Council.

Section 306 would eliminate indirect payment through hospitals by Medicare of professional standards review activities.

Section 307 would require each professional standards review organization to consult with representatives of health care practitioners other than physicians, and of institutional and noninstitutional providers of health care services.

TITLE IV—MISCELLANEOUS PROVISIONS

Section 401 would make clarifying amendments to section 402 of the Social Security amendments of 1967 and to section 222 of the Social Security Amendments of 1972, to make clear the Secretary's authority to waive compliance with any requirements of title XVIII, XIX, or V of the Social Security Act, to the extent necessary to conduct experiments and demonstrations authorized by these section.●

BAN NICARAGUAN BEEF

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Iowa (Mr. HARKIN) is recognized for 15 minutes.

Mr. HARKIN. Mr. Speaker, I take this time of the House to make some comments concerning an issue that has troubled me for some time, not only from the standpoint of the constituents I represent but also again because of my concern for human rights, not only here in the United States but throughout the hemisphere and throughout the world.

On January 30, 1979, over 36,000 pounds of boneless beef shipped to the United States from Nicaragua was rejected by USDA inspectors in Miami.

The reason: The beef contained unacceptably high levels of chlorinated hydrocarbon pesticide residue.

The meat was shipped from a plant owned and operated by the Nicaraguan Government and Anastasio Somoza, who rules Nicaragua with an iron hand and a grasping fist. Jack Anderson calls him "the world's greediest dictator."

During the first 2 days of March, USDA inspectors rejected another 72,000 pounds of beef shipped from the same plant. Again the reason: Too much DDT.

On May 17, a shipment of over 18,000 pounds of beef from Somoza's family-owned plant was rejected at Tampa for the same reason. And again, for the same reason, Miami USDA inspectors rejected on May 19 over 106,000 pounds of beef shipped from a plant owned by Pablo Rever (President of the Nicaraguan Senate) and several high ranking members of the Nicaraguan National Guard.

All told, over 330,000 pounds of beef shipped from Nicaraguan plants have been rejected this year by USDA inspectors. In 1978 over 185,000 pounds of beef were rejected and in 1977 the figure was similar.

Not all of this beef was rejected because it contained too much DDT. Some of it was contaminated, some contained "processing defects" such as bone or hair, and some contained pathological defects such as abscesses. Some were merely described by USDA inspectors as being of "unsound condition" or "off condition." In other words, it was spoiled.

The question that comes to mind is: Why was this meat not inspected by Nicaraguans before they shipped it to the United States. The answer: It was. Nicaraguan Government inspectors inspected it and passed it for shipment.

Now, I do not happen to believe that Nicaraguan Government inspectors are the most impartial people to inspect beef shipped from plants owned by the Nicaraguan Government, by Somoza, or by his family or political cronies. And there is no doubt that General Somoza, his family and his political cronies control the beef export industry in Nicaragua. The attached memo, which I recently sent to the Department of State and the Department of Agriculture, demonstrates that Somoza and his friends control approximately three-fourths of the beef exports to the United States. (See attachment No. 1.)

I do not think it is enough of a safeguard to send inspectors to Nicaragua to check out their plants every 3 months, which the Department of Agriculture does. There are several problems with this approach. Before our inspector visits Nicaragua, he notifies the Somoza government he is coming, and that gives Somoza time to clean up his plants. Our inspector also travels with a Nicaraguan Government official when he makes his rounds.

I believe we should ban Nicaraguan beef imports altogether. It does not help the Nicaraguan people—only Somoza—does not help our own cattlemen.

Would this action hurt the American consumer? Not at all. The USDA estimates that it would have practically no effect on the price of beef at the supermarket—a small fraction of a cent—since only a tiny amount of the beef consumed in this country comes from Nicaragua.

Would it hurt the American farmer? Not at all. In fact, many farmers and ranchers believe they face unfair competition from foreign producers now.

Would it hurt the people of Nicaragua? No; because the production and exporting of beef in Nicaragua is dominated by Somoza and his cronies. The beef export business is capital intensive rather than labor intensive and very few Nicaraguans are involved in producing and exporting beef. And, if less beef were exported, there would be more available for the domestic market in Nicaragua.

No one likes trade sanctions. But if there was ever a clear-cut case for banning imports of a commodity from a country, it is this particular case.

General Somoza is using the profits from his near total domination of Nicaraguan beef exports to line his own pockets, to buy arms to suppress his own people, and to hire American public relations firms to misrepresent his image to the American people.

The Nicaraguan people are the losers. The American consumers are the losers. And American farmers and ranchers are the losers.

The time to act is now. The Agriculture Department and the State Department have the power to deny Nicaraguan beef entrance into the United States. I call on the Carter administration to exercise this authority immediately.

Memo To: Department of State and Department of Agriculture.
From: U.S. Representative TOM HARKIN.
Re: Structure of the Meat Exporting Industry in Nicaragua and President Anastasio Somoza's role in Beef Exports to the United States.
Date: May 31, 1979.

The following is an overview of the Beef Export Industry in Nicaragua. It is based on data supplied to me by Nicaraguan nationals. Most of the information is available in published materials in Nicaragua. I would be happy to supply more information if you wish.

I. SOME BASIC FACTS

A. Beef is Nicaragua's most important export to the U.S. (Nearly 95% of beef exports come to the U.S. and Puerto Rico.)

B. Beef exports to the U.S. account for roughly 50% of Nicaragua's annual slaughter.

C. Although there are about 120 slaughter houses in Nicaragua, only seven are inspected and authorized to export. These seven control nearly 60% of the annual slaughter. Most of their output is for export to the U.S.

II. THE SEVEN EXPORTERS—1979 MARKET SHARE

(May 31, 1979)

IFAGAN: 26 percent.
Productos CARNIC: 17 percent.
Empacadora Nicaraguense EMPANICSA: 13 percent.
Industrial Ganadera de Oriente IGOSA: 10 percent:
Industrial Commercial San Martin: 17 percent.
Agricola Centroamericana (Matadero Amerrisque): 11 percent.
Emposadora y Procesadora de las Costa Atlantica EPCA: 6 percent.

III. THE SOMOZA CONNECTION

IFAGAN, the largest firm is jointly owned (50–50) by INFONAC (The National Development Institute) and ASGANIC (The Nicaraguan Cattleman's Association). INFONAC is an "autonomous" government agency designed to stimulate local development but it has close ties to Somoza and the Somoza government. ASGANIC also has close ties of Somoza who reportedly owns 50 ranches and thousands of head of cattle. The head of ASGANIC is Oscar Sevilla Sacasa, Somoza's first cousin. (Before Sevilla Sacasa, Luis Somoza, brother of Anastasio, was head of ASGANIC. He left ASGANIC to become President of Nicaragua.

Productos CARNIC is owned directly by the Somoza family.

Empacadora Nicaraguense EMPANISCA has as it principal shareholder Pablo Rever who is President of the Senate, Treasurer of Somoza's Liberal Party, and very close to Somoza.

Industrial Ganadera de Oriente IGOSA is owned by several large landowners/cattle ranchers and is not considered to be dominated by Somoza. The President's sister, Lillian Somoza de Sevilla Sacasa (wife of Nicaragua's Ambassador to the U.S.) is, however, a shareholder.

Industrial Commercial San Martin is not controlled by Somoza. Its principal shareholder is F. Alfredo Pellos Chamorro (who has extensive sugar, cattle and commercial interests.)

Agricola Centroamericana (Matadero Amerrisque) has as its most important shareholder Lillian Somoza de Sevilla Sacaso.

Emposadora y Procesadora de la Costa Atlantica EPCA is dominated by individuals close to Somoza. Pablo Rever is an important shareholder. Many high ranking officers of the National Guard are also major shareholders.

In summary, it is obvious that the Somoza family and the Somoza government control a substantial share of the export meat market. A conservative estimate would put Somoza in direct or indirect control of 50% of the market. Many would say it was closer to 80–85%.

An additional point is worth mentioning. Since Somoza controls the meat processing plants, he can effectively control the price at which cattle are sold. Generally, the price of cattle is kept low to ensure large profit margins at the processing plants. (A Nicaraguan economist with whom I spoke, told me that the profit margin on beef exports was in the neighborhood of 37%.) This has the further effect of driving small cattle producers out of business. Somoza also uses the National Guard, which administers the national program of artificial insemination of beef and dairy cattle, to control and manipulate the cattle industry in Nicaragua.

☐ 1750

IN COMMEMORATION OF FLAG DAY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. DORNAN) is recognized for 10 minutes.

Mr. DORNAN. Mr. Speaker, today is one of our proudest days, the day on which we pay tribute, honor, and respect to that symbol of our great and lovely land—our Stars and Stripes. Today, June 14, Mr. Speaker, is Flag Day. Who can forget those stirring words of Henry Ward Beecher:

> A thoughtful mind, when it sees a nation's flag, sees not the flag only, but the nation itself; and whatever may be its symbols, its insignia, he reads chiefly in the flag the government, the principles, the truths, the history which belongs to the nation which sets it forth.

Mr. Speaker, recalling the moving ceremonies that were held last year on the floor of the House in commemoration of Flag Day, I was eagerly looking forward today to an equally moving and patriotic observance. It was with the greatest disappointment, indeed, with a sad heart, that I learned that there was no observance planned today on the House floor. Therefore, if there will be no ceremonies in patriotic honor of our noble flag, let us, at least, pause to pay tribute in word and heart-felt sentiment to "Old Glory" unfurled and flying bravely.

Mr. Speaker, over 25,000 brave men gave their life for that flag in the Revolutionary War and the spirit of those men fighting for their beloved flag, has been given heart-felt expression in those unforgettable words of Ralph Waldo Emerson:

By the rude bridge that arched the flood,
  Their flag to April's breeze unfurled,
Here once the embattled farmer's stood
  And fired the shot heard round the world.

The War of 1812, in which thousands of honorable men died for their beliefs, witnessed the birth of our own beloved national anthem:

> By the dawn's early light . . . whose broad stripes and bright stars, through the perilous fight, O'er the ramparts we watched were so gallantly streaming.

The poet George Frederick Root anticipated the patriotic total self-sacrifice of over 116,500 courageous men in World War I when he penned the stirring words:

Yes, we'll rally round the flag, boys,
We'll rally once again,
Shouting the battle cry of Freedom,
We will rally from the hillside, we'll gather
  from the plain,
Shouting the battle cry of Freedom.

The more than 300,000 killed in action in World War II, the 33,629 killed in action in the Korean war, and the over 57,000 who died for freedom in Indochina—all those who died in battle—gave their "last true measure of devotion" for the Stars and Stripes. Our own monument here in Washington to the heroic men who unfurled the flag on Iwo Jima is a stirring memorial to the love of flag and country.

Today, Mr. Speaker, there is a great need to revive a spirit of patriotism and love of flag and country. There are those who would denigrate such values because of past sins or because such devotion is viewed as chauvinistic or lacking in "international brotherhood." But sins, as our Judaeo-Christian ethic reveals to us, should be forgiven if repented while patriotism is a just and rightful recognition of those noble ideals which we hold dear and continually strive to realize.

The poet Henry Holcomb Bennett best captures that spirit of deference and respect due our beloved flag when he writes:

Hats off!
  Along the street there comes
A blare of bugles, a ruffle of drums,
  A flash of color beneath the sky:
Hats off!
  The flag is passing by.

Mr. Speaker, I would like to close with a few short lines from another beautiful patriotic poem by Henry Cuyler Bunner:

Off with your hat as the flag goes by!
  And let the heart have its say;
You're man enough for a tear in your eye
  That you will not wipe away.

LEGISLATION FOR THE RELIEF OF THE SUAREZ FAMILY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Iowa (Mr. BEDELL) is recognized for 5 minutes.

● Mr. BEDELL. Mr. Speaker, I am introducing a private bill today for the relief of Dr. Victor Suarez, his wife, Julia, and his son, Jose. Dr. Suarez, his wife and eldest child entered the United States on a visitor's visa approximately 9 years ago. It was their intent to stay and become permanent residents at the time of their departure from Ecuador. Dr. Suarez attempted unsuccessfully to obtain permanent residence status for himself and his family during his stay in New York.

Dr. Suarez was a resident of New York for approximately 6 years during which time he passed the State's medical exams for foreign educated doctors and entered a residence program to become a board certified surgeon. During this period the Suarez's also had two more children, Ruth and Jessica, who are American citizens.

Dr. Suarez and his family moved to Anthon, Iowa, in June 1976, where they have lived until now. When the Suarez family moved to Anthon, the Anthon community had been actively looking for a medical doctor to start their medical clinic for approximately 2 years.

Three months ago Dr. Suarez voluntarily contacted the immigration authorities in Omaha, Neb., and since that time they have initiated deportation proceedings concerning Dr. Suarez and his family.

I request relief for the Suarez family for two reasons: first, because of the problems that would be caused to a family consisting of three citizens from Ecuador and two from the United States, and second, because of the hardship that would result to the community of Anthon with the loss of Dr. Suarez. The Anthon community in general has invested in excess of $80,000 to obtain Dr. Suarez and to facilitate his practice of medicine in their community. The doctor's clientele is primarily of a rural nature, serving both Anthon and the surrounding community and the farm population of the surrounding area. Because Dr. Suarez is the only medical doctor located in rural Woodbury County his continued presence there is of great need.

Upon consideration of the facts I am sure you will agree that Dr. Suarez and his family should be granted permanent residents status.

H.R. —

A bill for the relief of Victor Napoleon Suarez, Julia Matilde Suarez, and Jose Napoleon Suarez

Be it enacted by the Senate and House of Representatives of the United States of American in Congress assembled, That, for purposes of the Immigration and Nationality Act (8 U.S.C. 1101 et seq.), Victor Napoleon Suarez, Julia Matilde Suarez, and Jose Napoleon Suarez shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this Act, upon payment of the required visa fees. Upon the granting of permanent residence to such aliens as provided for in this Act, the Secretary of State shall instruct the proper officer to deduct the required numbers from the total number of immigrant visas and conditional entries which are made available to natives of the country of each alien's birth under section 203(a) of the Immigration and Nationality Act (8 U.S.C. 1153(a)) or, if applicable, from the total number of such visas and entries which are made available to such natives under section 202(e) of the Immigration and Nationality Act (8 U.S.C. 1152 (e)).●

PERSONAL EXPLANATION

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from New York (Ms. FERRARO) is recognized for 5 minutes.

● Ms. FERRARO. Mr. Speaker, on Thursday June 7, and Friday June 8, I was unavoidably absent from the House. On Thursday, I attended the graduation of my daughter from high school. On

Friday, I was on official business in my district.

Had I been present, I would have voted as follows:

THURSDAY, JUNE 7

During consideration of the Housing and Community Development Act of 1979, H.R. 3875:

Rollcall No. 187. On resolving into the Committee of the Whole House; "yes."

Rollcall No. 188. Panetta amendment mandating paperwork reduction within HUD; "yes."

Rollcall No. 189. Duncan of Tennessee amendment to exempt social security increases from consideration as income in eligibility for or amount of Federal housing assistance; "yes."

Rollcall No. 190. Campbell amendment to strike language authorizing the Secretary to issue cease and desist orders where there is reasonable cause to believe a developer is in violation of provisions regarding fraudulent activity; "no."

Rollcall No. 191. On final passage; "yes."

Rollcall No. 192. House Resolution 299, the rule for considering HR. 2444, to establish a Department of Education; "yes."

FRIDAY, JUNE 8

Rollcall No. 193. House Resolution 272, the rule for considering H.R. 2641, Civil Rights Commission Authorization Act; "yes."

Rollcall No. 194. House Resolution 284, the rule for considering H.R. 3347, the Treasury Department International Affairs Authorization; "yes."

Rollcall No. 195. Amendment to H.R. 2641 to reduce the 1980 ceiling to $11.4 million; "no."

Rollcall No. 196. Final passage of H.R. 2641 the Civil Rights Commission Authorization Act of 1979; "yes."

Rollcall No. 197. Final passage of H.R. 2374, to authorize the establishment of the Frederick Law Olmstead National Historic Site; "yes."

Rollcall No. 198. Final passage of H.R. 3347, the Treasury Department International Affairs Authorization; "yes." ●

NERVE GAS TASK FORCE CALLS FOR PRESIDENTIAL UNILATERAL BAN ON ALL FORMS OF GAS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Oregon (Mr. AuCoin) is recognized for 5 minutes.

● Mr. AuCoin. Mr. Speaker, an extremely important but oft-overlooked issue is the safe storage and disposal of our nerve gas and binary weapons stockpiles. I am taking the liberty of calling the attention of my colleagues to a petition to President Carter by the nerve gas task force in Oregon, calling for a Presidential unilateral ban on all forms of gas. This petition, which I endorse, follows:

> Dear Mr. President: Whereas gas weaponry is inimical to the continued evolution of a humane and civilized world and our country has ratified an International Protocol promising never to be the first to use poison gas in time of war, yet in thirteen depots, eleven in this country, one in West Germany and one on Johnston Island, we are storing many million pounds of deadly nerve and other gases whose sole purpose is genocide.
>
> Many of these munitions have already deteriorated and some have leaked. Any movement for any purpose could inflict unspeakable harm.
>
> Our NATO allies have destroyed their own stocks and refuse to store ours. Stockpiles of nerve and war gas increase international tension, thereby threatening our national security.
>
> We urge you to declare a Presidential Unilateral Ban, prohibiting production, instruction, stockpiling, and use of all forms of gas, including the Binary Weapon, as was done with Germ Warfare in 1969, instituting steps for immediate detoxification and destruction on site, using methods monitored and approved by the Environmental Protection Agency; destruction should be witnessed and continuously inspected by a verification team of United Nations origin.

I would hope my colleagues will join me in supporting the spirit of this resolution.

Les AuCoin,
Member of Congress. ●

NATIONAL FARMERS' DAY

The SPEAKER pro tempore. Under a previous order of the House the gentleman from West Virginia (Mr. Staggers) is recognized for 5 minutes.

● Mr. STAGGERS. Mr. Speaker, with all the crises and problems that beset us these days, we Americans sometimes seem to lose sight of some of the great strengths and virtues of our Nation. We need to be reminded and to pause to give thanks for them.

I believe that it is now past time to recognize and honor one incomparable national asset: the American farmer.

Some 2.33 million American farms produce the agricultural products that support 220 million Americans and feed millions of people from less fortunate nations as well. These dedicated men and women have developed the most efficient agricultural production methods in the world. Measured in terms of hours worked, American consumers spend less for their food than citizens of any other nation in the world. And the American farmer continues to work to improve efficiency. Food prices seem to be continually rising today, but it is important that Americans recognize that it is not the farmer who is benefiting from increased prices. The figures clearly show that the increased costs not directly attributable to inflation are incurred after the produce leaves the farm.

The farmer is beset by the same difficulties that burden all of us. Inflation eats away his dollar. Energy shortages threaten his livelihood. Pollution jeopardizes the quality of his life. But each day he also must face the harsh vagaries of weather and the problems of fluctuating markets in a way that few Americans in other walks of life are called upon to do.

The American farmer has weathered floods, droughts and other ravages of nature; he has borne the heavy burdens of war and economic crisis. Never once has he failed to produce the products upon which this Nation depends for its survival.

Now is a good time for the American people to pause and recognize the debt of gratitude they owe the American farmer for the dedication, ingenuity, and perserverence with which he labors and for the tremendous contribution that he has made to building this, the strongest and freest society in the history of the world.

I am today introducing a resolution authorizing and requesting the President to issue a proclamation designating September 23, 1979, as "National Farmers' Day" and calling upon the people of the United States to observe this date with appropriate ceremonies and activities. ●

ON INTRODUCTION OF FAMILY WELFARE IMPROVEMENT ACT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. Rousselot) is recognized for 10 minutes.

Mr. ROUSSELOT. Mr. Speaker, I am joined today by 10 Members of this body in introducing a positive alternative to traditional welfare "reform" proposals. The Family Welfare Improvement Act is cosponsored by five of my colleagues on the Ways and Means Commitee—Mr. Conable, Mr. Jones, Mr. Philip M. Crane, Mr. Gradison, and Mr. Moore—and by five other concerned Members of the House—Mr. Lott, Mr. Walker, Mr Collins of Texas, Mr. Abdnor, and Mr. Grisham. It is our belief that as the details of the Family Welfare Improvement Act (FWIA) become known, many of our colleagues will recognize the logic behind this legislation to revamp the present Federal welfare structure, replacing it with a system of block grants to be administered by the States.

The Family Welfare Improvement Act, if enacted, would reverse the trend toward greater federalization of our welfare system, encourage the elimination of waste and fraud, and promote a more efficient and responsive benefit system for those truly in need. The FWIA would replace the current open ended Federal matching of State costs for aid to families with dependent children (AFDC) with a Federal block grant system beginning in fiscal year 1981. The block grant would be a fixed amount based on the AFDC funds a State received in fiscal year 1979, with additional amounts distributed on the basis of population and basic benefit levels. The grant would be adjusted annually for inflation, population changes, and very high unemployment.

The present system. with the Federal Government matching rising costs dollar for dollar. provides inadequate incentives for States to cut waste. fraud, and rapidly growing welfare rolls. As a result, program costs are rising far faster than inflation or the socioeconomic picture would justify. The Family Welfare Improvement Act would end this rapid escalation. It would "cap" the Federal welfare program, so that expansion could properly occur only for cost of living increases, population shifts, or unemployment growth.

Other elements of the FWIA include: First, a 5-year, 8-State pilot project within which a State could run AFDC programs free from Federal regulations; second, complete State discretion on work requirements as conditions of AFDC elgibility; and third, freedom for States to reduce their welfare costs or to fund related programs with any Federal money saved through streamlining, error and fraud reduction, or increased work placement.

Mr. Speaker, the Members of this House recognize the need to make constructive changes in our present welfare system. The administration apparently also recognizes this need. However, the administration bill, a rehash of so many old proposals, is not the answer to welfare's current problems and the problems which will face the system in the 1980's. It is my belief, and that of my colleagues introducing our bill today, that the Family Welfare Improvement Act provides a program for the eighties and beyond. The FWIA is a repudiation of the old "to solve a problem, spend more money" attitude reflected in the administration bill and it is ratification of the desire of the American people to return power to the States and local jurisdictions.

I urge my colleagues to study the goals and elements of the Family Welfare Improvement Act and to consider supporting the bill. Let me review the basic provisions of this bill:

Fact Sheet: Family Welfare Improvement Act

GOALS

Limit the growth of expenditures for the present open-ended family welfare program.

Provide a strong incentive for the States to eliminate error, waste and fraud in welfare programs and to reduce overall welfare spending.

Provide fiscal relief to all States which may be used to reduce overall State welfare spending and to increase basic benefits for the truly needy.

Encourage the States with the lowest basic family welfare benefits to increase their benefit levels.

Permit the States complete discretion to require work as a condition of eligibility for family welfare benefits.

Reverse the trend toward complete federalization of welfare by permitting some demonstration States to design and implement their own family welfare program tailored to meet the needs of the individual State and its poor.

Eliminate the need for a large federal bureaucracy to monitor the present open-ended federal matching system.

ELEMENTS

Beginning with FY 1981, a federal block grant system would replace the current open-ended federal matching of State costs for Aid to Families with Dependent Children (AFDC).

I. The federal block grant would be:

(1) A fixed amount based on the AFDC funds the State received in FY 1979, plus

(2) To all States, a portion of $1 billion in fiscal relief allocated on the basis of the State's population, plus

(3) To the 15 States with the lowest basic benefit levels (including food stamps), a portion of $400 million distributed by population to be used solely to increase the basic AFDC benefit.

II. The federal block grant will be:

(1) Adjusted automatically so that the States will not have to bear the entire cost of inflation;

(2) Adjusted automatically when state population changes; and

(3) Temporarily augmented if the State experiences very high unemployment.

III. The block grant may be used for social welfare purposes. Savings resulting from better administration, reduction in fraud and error, successful placement of welfare recipients in employment and other improvements will be wholly retained by the States and may be used to reduce state welfare costs and/or improve benefits for the truly needy.

IV. The States will be permitted complete discretion to require work as a condition of AFDC eligibility.

V. A five-year, eight-State demonstration project will be established to test the States' ability to create their own family welfare program as an alternative to AFDC without regard to federal requirements and limitations. The eight States participating shall include Pennsylvania (to assure the inclusion of at least one Northern industrial State), Mississippi (to assure the inclusion of at least one Southern rural State), and six additional States to be selected by lot from among States desiring to participate.

VI. Beginning in FY 1986, the block grant, after adjustments for inflation, population changes, and high unemployment, will be reduced each year by two percent. This permits the federal budget to share the States' anticipated reductions in waste.

SHATTER THE SILENCE VIGIL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. Garcia) is recognized for 5 minutes.

● Mr. GARCIA. Mr. Speaker, today I am joining my distinguished colleagues, Mr. Brodhead, Mr. Drinan, Ms. Holtzman, and those who have and will partake in this solemn effort to bring to the fore the horrors facing the Jewish people in the Soviet Union who express a desire to emigrate. This effort has been named the "Shatter the Silence Vigil" by its originator, and my colleague from New Jersey, Mr. Howard.

Consider the case of Isaac and Ninel Yankilovich, their son Grecia, and their daughter Marina. Since their application for exit visas in August 1972, they have suffered a fate painfully similar to that of others who have applied for exit visas. Ninel's mother is in Israel and it has been 6 years since she last saw her only daughter. The Yankilovichs are told that they were denied permission to leave for state security reasons. Both Ninel and Isaac were engineers in Moscow. However, Ninel's mother has said that she was only an economic engineer in the aviation industry.

Their telephone has been disconnected. They cannot find work because they have requested permission to leave—permission they have requested four times and four times been denied.

The most sorrowful part of the Yankilovich's plight is the personal side of the violations of the Helsinki Final Act of 1975. It is my hope that this vigil will continue to illustrate the personal implications of each person denied permission to emigrate from the Soviet Union, and the actual meaning of these human transgressions.

CLARENCE J. VIPOND THE PATRIOT, THE CHURCHMAN, THE FAMILY MAN

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. Clausen) is recognized for 5 minutes.

● Mr. CLAUSEN. Mr. Speaker, on June 13, 1979, the funeral was held in Modesto, Calif., as a memorial tribute to a man for whom I had a profound measure of genuine admiration and respect—C. J. Vipond.

Here was a man who possessed the qualities we should all nurture: courage, integrity, humility, compassion, concern, sincerity, selflessness, warmth, and patriotism.

His love for God and country was only matched by his love for his wife and family—Vera Vipond; Lois Vipond Case; Del, Tonga, and Lorie Case; Robert L. and Lucy Vipond—who proudly referred to him as "C. J., Dad, and Grandpa." My wife Ollie and I have many fond memories of family get-togethers with this very special brother-in-law.

Wherever C. J. Vipond lived and worked, his presence left its mark. As a farmer, carpenter, businessman, and churchman, he demonstrated a special quality and excellence in his production and performance. No task was too large or difficult for this very extraordinary man. The church and school facilities in Crescent City and Modesto will stand as living monuments to the skill and commitment of this dedicated and devoted Christian.

His popularity, his genuineness, and his down-to-earth personality were all traits that endeared him to all of his personal and business friends.

Many a farmer in California's central valley can thank "C. J." for their earned profit and productivity—due to the realtor C. J. Vipond and his great credibility.

You cannot build character and courage by taking away a person's initiative and independence.

Through his many initiatives, "C. J." brought joy, happiness, and independence to many families of California.

As he might say, "keep your nose clean so you can smell a phony."

His life was hard and challenging.

He was a graduate of the "college of hard knocks," learning his lessons well from his everyday experiences—believing that hardships teach fortitude.

He was true to his principles, the Golden Rule and the Ten Commandments.

In his everyday living, he recognized that it is not the leap at the start but the steady going that gets you there.

Here was a man who cared and shared in a way beneficial to all of mankind.

We all know, "It is right living which prepares us for safe and even joyous death."

His was a life of giving.

His was a life which was good.

His was a life of beauty.

God governs in the affairs of men.

Our brother, "C. J." Vipond, is now safely and peacefully—in the hands of the Lord.●

KING CRIME

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. Gonzalez) is recognized for 10 minutes.

Mr. GONZALEZ. Mr. Speaker, the unresolved murder of the Federal district judge, John W. Wood, and the still unsolved attempted murder of the assistant Federal district attorney for the western district, James Kerr, continue to warrant our attention.

As I have said before, I sent a message to the judge 4 days before he was killed asking him to restore the custodial protection and supervision that he had been getting from the marshal's office. I feel a very deep, personal concern; not only because of what happened, but because King Crime is still king. I sent my message to Judge Wood by way of Mr. James Kerr, who happened to be in Washington to receive a citation from the Attorney General for his bravery and heroism; so you can see my concern, because it is interrelated with something that I had been saying for several years and more particularly late last summer and early last autumn in the San Antonio area. This death and attempted murder are not unconnected with a pattern that is associated with the most organized form of criminal activity, profitable activity. We are talking about a billion dollar business, not a mere million dollars.

□ 1800

Actually, it is concerning three mainstreams of organized crime in our country of which my city happens to be a way station and one of what I call the New York-Chicago-Dallas-Austin-San Antonio-Laredo and Little Laredo, Mexico, connection. Then you have another connection from Washington down to Florida, over to New Orleans, into Houston, Tex., and then the border.

Then you have the third from Las Vegas into El Paso through Ciudad Juarez and into the interior of Mexico.

Then you have the California connection, all of which is in its own orbit, north-south California, into Baja California and Mexico. It involves the billion-dollar industry that has grown into a billion-dollar extent in the last 1 year and a half, stolen automobile vehicles in the United States and stolen automobile parts, transported into Mexico in exchange partially for drugs.

In fact, the trade has become so sophisticated that a certain make of car, say a 1972 Chevrolet Impala, will bring so many kilos of marihuana or so many ounces of coke, and so forth; but we are talking about people that are highly organized and who, as I have said since 1970, when I took this forum and had to make 55 speeches before the Deputy Attorney General in charge of criminal matters for the United States under Mitchell was fired. It took 55 speeches and his involvement with what we call the Sharpstown scandal of Texas.

I said at the time that organized crime had penetrated the Federal structure from the highest levels and that it was a sophisticated form and that our resources on the law enforcement range of things from the Federal to the local authorities were wholly incapable of dealing with the extent of this insidious penetration of the organized criminal element in our country and its society.

In fact, it has reached such penetration that not only the Federal Government, but every form of corporate enterprise in the United States from banks to insurance companies, et cetera.

Now, here, this attack, though, is hitting at the heart of American society and our structure of Government. It is a direct challenge, as I said, when the attempt on James Kerr was perpetrated. It was a brazen challenge to the judiciary, to the constituted authorities of the United States, the State and the municipality, that crime was King Crime and would hold its head high and the criminals walk as they are today with head high, unfearful of the law, while the men that we pay to enforce the laws we make here cringe in fear, must hide under the custody of the marshals, must look over their shoulders each day and even find death, as in the unprecedented killing of Federal District Judge John W. Wood.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. Marriott, at the request of Mr. Rhodes, for June 15 on account of official business.

Mr. Simon for June 15 on account of Subcommittee on Select Education, Committee on Education and Labor field hearing in Carbondale, Ill.

Mr. Kramer, at the request of Mr. Simon, for June 15 on account of Subcommittee on Select Education, Committee on Education and Labor field hearing in Carbondale, Ill.

Mr. Erdahl, at the request of Mr. Simon, for June 15 on account of Subcommittee on Select Education, Committee on Education and Labor field hearing in Carbondale, Ill.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. Gonzalez, special order for 5 minutes to revise and extend.

(The following Members (at the request of Mr. Bereuter) to revise and extend their remarks and include extraneous material:)

Mr. Goldwater, for 5 minutes, today.

Mr. McDade, for 5 minutes, today.

Mr. Kemp, for 5 minutes, today.

Mr. Green, for 15 minutes, today.

Mr. Dornan, for 10 minutes, today.

Mr. Conable, for 15 minutes, today.

Mr. Lagomarsino, for 60 minutes, June 25, 1979.

(The following Members (at the request of Mr. Ratchford) to revise and extend their remarks and include extraneous material:)

Mr. Weaver, for 10 minutes, today.

Mr. Annunzio, for 5 minutes, today.

Mr. Rangel, for 10 minutes, today.

Mr. Hefner, for 5 minutes, today.

Mr. Harkin, for 15 minutes, today.

Mr. Jones of Tennessee, for 5 minutes, today.

Mr. Bedell, for 5 minutes, today.

Ms. Ferraro, for 5 minutes, today.

Mr. AuCoin, for 5 minutes, today.

Mr. Staggers, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. Jenrette, immediately following remarks of Mr. Myers of Indiana.

Mr. Gonzalez, immediately prior to the vote on the Dingell amendment to H.R. 4388, in the Committee of the Whole, today.

(The following Members (at the request of Mr. Bereuter) and to include extraneous matter:)

Mr. Broomfield.

Mr. Conte in two instances.

Mr. Grisham.

Mr. Shumway in two instances.

Mr. Myers of Indiana.

Mr. Derwinski in two instances.

Mr. Symms in two instances.

Mr. Rhodes.

Mr. Dornan in two instances.

Mr. Rudd.

Mr. Sawyer.

Mr. Hansen.

Mr. Paul in three instances.

Mr. Rousselot.

Mr. Hillis.

(The following Members (at the request of Mr. Ratchford) and to include extraneous matter:)

Mr. Kildee.

Mr. Stewart.

Mr. Udall.

Mr. Florio.

Mr. Stokes.

Mr. Dingell in two instances.

Mr. Solarz.

Mr. Fountain.

Mr. Garcia.

Mr. Gaydos.

Mr. Addabbo.

Mr. Mikva.

Mr. Vanik.

Mr. Flippo.

Mr. Fauntroy.

Mr. Dixon.

Mr. Won Pat.

Mr. Lowry.

Mr. Rosenthal.

Mr. Richmond.
Mr. Long of Maryland.
Mr. Hawkins.
Mr. Nolan.
Mr. Weiss in two instances.
Mr. Skelton.
Mr. AuCoin.
Mr. Santini.
Mr. Conyers in two instances.
Mr. Waxman.
Mr. McCormack.
Mr. Moakley.

BILL PRESENTED TO THE PRESIDENT

Mr. THOMPSON, from the Committee on House Administration, reported that that committee did on June 13, 1979, present to the President, for his approval, a bill of the House of the following title:

H.R. 3915. To amend title IV of the Employee Retirement Income Security Act of 1974 to postpone for 10 months the date on which the corporation must pay benefits under terminated multiemployer plans.

ADJOURNMENT

Mr. HARKIN. Mr. Speaker, I move the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 4 minutes p.m.) the House adjourned until tomorrow, Friday, June 15, 1979, at 10 a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1805. A letter from the Director, Office of Legislative Affairs, Department of the Navy, transmitting notice of the Navy's intention to sell certain naval vessels to the Government of the Republic of Korea, pursuant to 10 U.S.C. 7307; to the Committee on Armed Services.

1806. A letter from the Chairman of the Board of Governors, Federal Reserve System; transmitting the Board's recommendations with respect to permitting corporations organized under section 25 or 25(a) of the Federal Reserve Act to become members of Federal Reserve Banks, pursuant to section 3(g) of Public Law 95–369; to the Committee on Banking, Finance and Urban Affairs.

1807. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of District of Columbia Act 3–50, "To authorize the Mayor to promulgate rules and regulations relating to surplus property," pursuant to section 602(c) of Public Law 93–198; to the Committee on the District of Columbia.

1808. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of District of Columbia Act 3–51, "To amend the District of Columbia Comprehensive Merit Personnel Act of 1978 (District of Columbia Law 2–139)", pursuant to section 602(c) of Public Law 93–198; to the Committee on the District of Columbia.

1809. A letter from the Acting Assistant Administrator for Legislative Affairs, Agency for International Development, Department of State, transmitting notice of a proposed increase in the funding level of the Agency's fiscal year 1979 program in Liberia, pursuant to section 653(b) of the Foreign Assistance Act of 1961, as amended; to the Committee on Foreign Affairs.

1810. A letter from the Acting Administrator of General Services, transmitting a followup report on the recommendations contained in the 1977 annual report of the Federal Council on the Aging, pursuant to section 6(b) of the Federal Advisory Committee Act; to the Committee on Government Operations.

1811. A letter from the General Counsel, Department of Energy, transmitting notice of a meeting relating to the International Energy Program to be held June 29 in London, England; to the Committee on Interstate and Foreign Commerce.

1812. A letter from the Secretary of Commerce, transmitting a draft of proposed legislation to amend section 502(a) of the Merchant Marine Act, 1936; to the Committee on Merchant Marine and Fisheries.

1813. A letter from the Secretary of Commerce; transmitting a draft of proposed legislation to extend the provisions of title XII of the Merchant Marine Act, 1936, relating to war risk insurance; to the Committee on Merchant Marine and Fisheries.

1814. A letter from the Acting Administrator of General Services, transmitting a prospectus proposing a succeeding lease for space currently occupied in the Tishman Building, 525 Market Street, Calif., pursuant to section 7(a) of the Public Buildings Act of 1959, as amended; to the Committee on Public Works and Transportation.

1815. A letter from the Acting Administrator of General Services transmitting a prospectus proposing a succeeding lease for space currently occupied in the Page Building 1 at 2001 Wisconsin Avenue, NW., Washington, D.C., pursuant to section 7(a) of the Public Buildings Act of 1959, as amended; to the Committee on Public Works and Transportation.

1816. A letter from the Acting Administrator of General Services, transmitting a prospectus proposing a succeeding lease for space currently occupied at Pershing Point Plaza, Atlanta, Ga., pursuant to section 7(a) of the Public Buildings Act of 1959, as amended; to the Committee on Public Works and Transportation.

1817. A letter from the Acting Administrator of General Services, transmitting a prospectus proposing a succeeding lease for space currently occupied at the JFK International Airport, Jamaica, N.Y., pursuant to section 7(a) of the Public Buildings Act of 1959, as amended; to the Committee on Public Works and Transportation.

1818. A letter from the Secretary of Health, Education, and Welfare, transmitting a draft of proposed legislation to make improvements in the medicare and medicaid programs; jointly, to the Committees on Ways and Means and Interstate and Foreign Commerce.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. LONG of Maryland: Committee on Appropriations. H.R. 4473. A bill making appropriations for foreign assistance and related programs for the fiscal year ending September 30, 1980, and for other purposes (Rept. No. 96–273). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ADDABBO:

H.R. 4459. A bill to provide for the issuance of a commemorative postage stamp in honor of Americans of Italian descent and the 250th anniversary of the birth of Filippo Mazzei on December 25, 1980, or as soon as possible thereafter; to the Committee on Post Office and Civil Service.

By Mr. ROUSSELOT (for himself, Mr. Conable, Mr. Philip M. Crane, Mr. Gradison, Mr. Jones of Oklahoma, Mr. Walker, Mr. Collins of Texas, Mr. Abdnor, Mr. Moore, and Mr. Grisham):

H.R. 4460. A bill to amend title IV of the Social Security Act to improve the operation of the AFDC program, to give the States a fiscal incentive to reduce error and waste in the AFDC program, to permit the States to use savings from the AFDC program to defray the costs of other welfare programs, to provide fiscal relief to the States under the AFDC program, to make it clear that States may impose work requirements as a condition of eligibility for AFDC payments, and to establish a demonstration project to provide a pilot test of the States' ability to create their own welfare programs as an alternative to the AFDC program; to the Committee on Ways and Means.

By Mr. BROWN of California (by request):

H.R. 4461. A bill to establish the Mojave National Park in the State of California, and for other purposes; to the Committee on Interior and Insular Affairs.

H.R. 4462. A bill to authorize the establishment of the Desert Pupfish National Monument in the States of California and Nevada, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. CONABLE:

H.R. 4463. A bill to amend title XVIII of the Social Security Act with respect to conditions of participation of home health agencies under the medicare program; jointly, to the Committees on Ways and Means and Interstate and Foreign Commerce.

By Mr. CORMAN:

H.R. 4464. A bill to amend the Internal Revenue Code of 1954 to eliminate the requirement that States reduce the amount of unemployment compensation payable for any week by the amount of certain retirement benefits; to the Committee on Ways and Means.

By Mr. HAWKINS (for himself, Mr. Perkins, Mr. Akaka, Mr. Anderson of California, Mr. Bailey, Mr. Brown of California, Mr. Buchanan, Mr. Phillip Burton, Mrs. Chisholm, Mr. Clay, Mr. Corrada, Mr. Conyers, Mr. Dixon, Mr. Fauntroy, Mr. Ford of Michigan, Mr. Garcia, Mr. Jeffords, Mr. Kildee, Mr. Mitchell of Maryland, Mr. Moakley, Mr. Roybal, Mr. Simon, Mr. Stark. Mr. Stewart, Mr. Weiss, and Mr. Charles H. Wilson of California):

H.R. 4465. A bill to improve Federal programs of youth employment and training, and for other purposes; to the Committee on Education and Labor.

By Mr. JOHNSON of Colorado:

H.R. 4466. A bill to incorporate the National Mining Hall of Fame and Museum, and for other purposes; to the Committee on the Judiciary.

By Mr. McDADE:

H.R. 4467. A bill to extend to all unmarried individuals the full tax benefits of income splitting now enjoyed by married individuals filing joint returns; and to remove rate inequities for married persons where both are employed; to the Committee on Ways and Means.

H.R. 4468. A bill to extend for 4 fiscal years the authorization of appropriations for the State and Local Fiscal Assistance Act of 1972; to the Committee on Government Operations.

By Mr. MOAKLEY:

H.R. 4469. A bill to establish the Boston Harbor National Recreation Area, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. RANGEL:

H.R. 4470. A bill to provide for demonstration projects for training and employment of recipients of benefits, under programs of aid to families with dependent children, as homemakers and home health aides; jointly, to the Committees on Interstate and Foreign Commerce and Ways and Means.

By Mr. SYMMS (for himself, and Mr. Hansen):

H.R. 4471. A bill to accelerate the priority development of geothermal energy in the United States, to amend the Geothermal Steam Act of 1970, the Geothermal Energy Research, Development, and Demonstration Act of 1974 and the National Energy Act of 1978, and for other purposes; jointly, to the Committees on Interior and Insular Affairs, Interstate and Foreign Commerce, Public Works and Transportation, Science and Technology, and Ways and Means.

By Mr. WEISS (for himself and Mr. Waxman):

H.R. 4472. A bill to amend the Age Discrimination in Employment Act of 1967 to permit persons to bring suits under the act in Federal district courts without regard to whether any proceedings have been commenced by or on behalf of such persons under State law, and for other purposes; to the Committee on Education and Labor.

By Mr. LONG of Maryland:

H.R. 4473. A bill making appropriations for Foreign Assistance and related programs for the fiscal year ending September 30, 1980, and for other purposes.

By Mr. DINGELL:

H.R. 4474. A bill to amend the Energy Policy and Conservation Act to promote commerce in synthetic fuels; to the Committee on Interstate and Foreign Commerce.

By Mr. RANGEL (for himself and Mr. Waxman):

H.R. 4475. A bill to make improvements in the medicare and medicaid programs; jointly, to the Committee on Ways and Means and Interstate and Foreign Commerce.

By Mr. FORD of Michigan (for himself, Mr. Biaggi, and Mr. Buchanan):

H.R. 4476. A bill to extend certain programs under the Higher Education Act of 1965 for 1 year, and for other purposes; to the Committee on Education and Labor.

By Mr. HANLEY (by request):

H.R. 4477. A bill to amend titles 5 and 37, United States Code, to extend the pay comparability concept to a total compensation comparability concept encompassing both pay and benefits, and for other purposes; jointly, to the Committees on Post Office and Civil Service and Armed Services.

By Mr. MURPHY of New York:

H.R. 4478. A bill to amend the Small Business Act to reduce interest rates on Small Business Administration disaster loans obtained after April 20, 1973, and prior to July 1, 1976; to the Committee on Small Business.

By Mr. WEISS:

H.R. 4479. A bill to establish a commission to study alternative methods to the use of live animals in laboratory research and testing; to the Committee on Science and Technology.

By Mr. BEDELL:

H.R. 4480. A bill to amend titles XVIII and XIX of the Social Security Act with respect to extended care services, skilled nursing services, and intermediate care furnished by certain hospitals; jointly, to the Committees on Ways and Means and Interstate and Foreign Commerce.

By Mr. STAGGERS:

H.J. Res. 359. Joint resolution to authorize and request the President to issue a proclamation designating September 23, 1979, as "National Farmers' Day"; to the Committee on Post Office and Civil Service.

By Mr. SCHULZE (for himself, Mr. McDonald, and Mr. Dornan):

H. Res. 317. Resolution disapproving the President's recommendation to extend certain waiver authority under the Trade Act of 1974 with respect to Romania; to the Committee on Ways and Means.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

224. By the SPEAKER: Memorial of the Legislature of the State of Wisconsin, relative to retention of the North Coast Hiawatha in the national Amtrak system; to the Committee on Interstate and Foreign Commerce.

225. Also, memorial of the Legislature of the State of New Hampshire, relative to proposed amendments to the McCarran-Ferguson Act; to the Committee on the Judiciary.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BEDELL:

H.R. 4481. A bill for the relief of Victor Napoleon Suarez, Julia Matilde Suarez, and Jose Napoleon Suarez; to the Committee on the Judiciary.

By Mr. JOHNSON of Colorado:

H.R. 4482. A bill for the relief of Larry Land, Marie Land, Brian Land, Keith Land, Patricia Vandenberg, Lorri Vandenberg, James W. Land, Lois Land, Tamra Lee Land, Sandra Gay Land, Vincent James Land, Viola Hollenbaugh, William L. Phinney, Sr., Emily V. Phinney, Lora Phinney, and William L. Phinney, Jr.; to the Committee on the Judiciary.

By Mr. AuCOIN:

H.R. 4483. A bill for the relief of Jung-Sook Mun; to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 654: Mr. Robinson, and Mr. Devine.

H.R. 734: Mr. Williams of Ohio, and Mr. Lewis.

H.R. 735: Mr. Williams of Ohio, and Mr. Lewis.

H.R. 745: Mr. Gray.

H.R. 1050: Mr. Daschle, and Mr. Bereuter.

H.R. 1297: Mr. Wolff, and Mr. Downey.

H.R. 1307: Mr. Patterson.

H.R. 1509: Mr. McKinney.

H.R. 1745: Mr. Steed, Mr. Tauke, Mr. Howard, Mr. Pritchard, Mr. Latta, Mr. Lederer, Mr. Derwinski, Mr. Fuqua, Mr. Kindness, Mr. Montgomery, Mr. Lloyd, Mr. Won Pat, Mrs. Byron, Mr. Nichols, Mr. Schulze, Mr. Hinson, Mr. Bedell, Mr. Hopkins, Mr. Santini, Mr. Gramm, Mr. Levitas, Mr. Reuss, Mr. Hubbard, Mr. Kogovsek, Mr. Corrada, Mr. Patten, Mr. McKinney, Mr. Flood, Mr. Staggers, Mr. Williams of Ohio, Mr. Wampler, and Mr. Mitchell of New York.

H.R. 2156: Mr. Stark.

H.R. 2371: Mr. Andrews of North Dakota and Mr. Grassley.

H.R. 2472: Mr. Gingrich, Mr. Gray, Mr. Long of Louisiana, Mr. McCormack, Mr. Stark, and Mr. Solarz.

H.R. 2490: Mr. Kemp and Mr. Levitas.

H.R. 2647: Mrs. Spellman, Mr. Skelton, Mr. Nelson, and Mr. Gray.

H.R. 2648: Mrs. Spellman, Mr. Skelton, Mr. Nelson, and Mr. Gray.

H.R. 2658: Mr. McDonald and Mr. Neal.

H.R. 2853: Mr. Bedell.

H.R. 3169: Mr. Erdahl and Mr. Charles H. Wilson of Texas.

H.R. 3383: Mr. Grisham.

H.R. 3541: Mr. Jeffords.

H.R. 3584: Mr. Stenholm.

H.R. 3864: Mr. Fauntroy, Mr. McKinney, Mr. Lowry, Mr. Traxler, Mr. Heftel, Mr. Kildee, Mr. Yatron, and Mr. Weaver.

H.R. 3890: Mr. Lloyd, Mr. Evans of Delaware, Mr. Royer, Mr. Solomon, Mrs. Holt, Mr. Charles H. Wilson of California, Mr. Won Pat, Mr. Mitchell of New York, Mr. Patten, Mr. Pashayan, and Mr. Zeferetti.

H.R. 4027: Mr. Blanchard, Mr. Courter, Mr. Ertel, Mr. Hopkins, and Mr. Mitchell of New York.

H.R. 4235: Mr. Jeffords, and Mr. Dornan.

H.R. 4339: Mr. Benjamin, and Mr. Patten.

H.R. 4439: Mrs. Fenwick, Mr. Duncan of Oregon, Mr. Aspin, Mr. Pease, Mr. Buchanan, Mr. McCloskey, Mr. Bonker, Mr. Mica, and Mr. Wolpe.

H.J. Res. 180: Mr. Bonior of Michigan, Mr. Bauman, and Mr. McClory.

H. Con. Res. 92: Mr. Gudger, Mr. Cheney, Mr. Edgar, Mr. D'Amours, and Mr. Wirth,

H. Con. Res. 129: Mr. Grassley, Mr. Courter, Mr. Charles Wilson of Texas, and Mr. Hopkins.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 2462

By Mr. EMERY:

—Page 3, line 8, strike "$29,374,000" and insert in lieu thereof "31,372,000".

Page 3, line 12, after "schools," insert "1,998,000 for fuel oil for State marine school training vessels,".

H.R. 4388

By Mr. WEAVER:

—On page 27, after line 23, add: "No moneys appropriated in this paragraph may be expended by the Nuclear Regulatory Commission for the issuance of an operating license for a nuclear power plant located in a state which does not have an emergency evacuation plan which has been tested and submitted to the commission pursuant to law.".

—On page 27, after line 23, add: "No monies appropriated in this paragraph may be expended by the Nuclear Regulatory Commission for the issuance of an operating license for a nuclear power plant located in a state which does not have an emergency evacuation plan submitted to the commission pursuant to law.".

H.R. 4389

By Mr. DODD:

—Page 46, line 12, strike out "$546,000,000" and insert in lieu thereof "$726,000,000".

By Mr. EARLY:

(Unanimous consent will be requested to consider the amendments en bloc.)

—Page 15, line 5, strike out "$961,158,000" and insert in lieu thereof "$970,158,000".

Page 15, line 10, strike out "$527,544,000" and insert in lieu thereof "$533,544,000".

Page 15, line 20, strike out "$341,246,000" and insert in lieu thereof "$346,246,000".

Page 16, line 7, strike out "$215.402.000" and insert in lieu thereof "$220,402,000".

Page 16, line 11, strike out "$312,478,000" and insert in lieu thereof "$320,478,000".

Page 16, line 16, strike out "$208,981,000" and insert in lieu thereof "$213,981,000".

Page 16, line 24, strike out "$107,528,000" and insert in lieu thereof "$116,528,600".

H.R. 4392

By Mr. WAXMAN:

—Page 20, line 4, strike out "$12,000,000" and insert in lieu thereof "$23,705,000".

H.R. 4393

By Mr. HEFTEL:

—Page 32, line 13, remove period and insert the following: ": *Provided further*, That the limits set forth in this section shall not apply to electric or hybrid vehicles.".

H.R. 4394

By Mr. AMBRO:

—Page 12, lines 18 and 19, strike "For research and development activities, $233,568,000, to remain available until September 30, 1981." and insert in lieu thereof the following: "For research and development activities, $243,568,000, to remain available until September 30, 1981.".

—Page 12, lines 18 and 19, strike "For research and development activities, $233,568,000, to remain available until September 30, 1981." and insert in lieu thereof the following: "For research and development activities, $237,568,000, to remain available until September 30, 1981.".

By Mr. NELSON:

—On page 24, line 23, strike "$6,854,924,000", and insert in lieu thereof, "$6,170,924,000".

HOUSE OF REPRESENTATIVES—*Friday, June 15, 1979*

The House met at 10 a.m. and was called to order by the Speaker pro tempore, Mr. BRADEMAS.

DESIGNATION OF SPEAKER PRO TEMPORE

The SPEAKER pro tempore laid before the House the following communication from the Speaker:

WASHINGTON, D.C.,
June 14, 1979.

I hereby designate the Honorable JOHN BRADEMAS to act as Speaker pro tempore on Friday, June 15, 1979.

THOMAS P. O'NEILL, Jr.,
Speaker of the House of Representatives.

PRAYER

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

Almighty Father, we commend all who look to You for guidance and direction.

May Your hand be upon those to whom the Government of this Nation is entrusted. Give to leaders the knowledge that they are truly stewards of Your creation, and may they know wisdom and courage to believe that which is right and to do that which is needed. Encourage, O Lord, all faithful people to awareness of their responsibility to serve with justice and compassion, to learn to love in patience and forgiveness, and so to seek the common good.

Give us faith in Your providence and everlasting mercy, that though there be disappointment or defeat, we will be saved from cynicism and despair, because You first loved us and continue to be with us always. Amen.

THE JOURNAL

The SPEAKER pro tempore. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

Mr. ASHBROOK. Mr. Speaker, pursuant to clause 1, rule I, I demand a vote on agreeing to the Speaker pro tempore's approval of the Journal.

The SPEAKER pro tempore. The question is on the Chair's approval of the Journal.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. ASHBROOK. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 298, nays 8, answered "present" 1, not voting 127, as follows:

[Roll No. 243]

YEAS—298

Abdnor
Akaka
Albosta
Alexander
Ambro
Anderson, Calif.
Anderson, Ill.
Andrews, N. Dak.
Annunzio
Applegate
Archer
Ashbrook
Aspin
Atkinson
Badham
Bailey
Baldus
Barnard
Barnes
Bauman
Beard, R.I.
Beard, Tenn.
Bedell
Beilenson
Benjamin
Bennett
Bereuter
Bethune
Bevill
Biaggi
Bingham
Boland
Boner
Bonker
Bouquard
Bowen
Brademas
Brinkley
Brodhead
Brown, Calif.
Broyhill
Buchanan
Burgener
Burlison
Burton, John
Burton, Phillip
Butler
Campbell
Carney
Chappell
Cheney
Clausen
Clinger
Coelho
Coleman
Collins, Ill.
Collins, Tex.
Conable
Conte
Corcoran
Corman
Cotter
D'Amours
Daniel, Dan
Daniel, R. W.
Danielson
Dannemeyer
Daschle
Davis, Mich.
de la Garza
Deckard
Derwinski
Devine
Dickinson
Dicks
Dingell
Donnelly
Dornan
Duncan, Tenn.
Edgar
Edwards, Ala.
Edwards, Calif.
Edwards, Okla.
Emery
English
Erlenborn
Evans, Del.
Evans, Ga.
Evans, Ind.
Fary
Fascell
Fazio
Fenwick
Ferraro
Findley
Fithian
Florio
Foley
Ford, Tenn.
Frenzel
Frost
Fuqua
Gaydos
Gilman
Gingrich
Ginn
Glickman
Gonzalez
Gore
Gradison
Gramm
Grassley
Gray
Green
Grisham
Guarini
Guyer
Hagedorn
Hall, Ohio
Hamilton
Hammerschmidt
Hance
Hanley
Hansen
Harkin
Harsha
Hawkins
Hefner
Hightower
Hillis
Holland
Hollenbeck
Holt
Hopkins
Horton
Howard
Hubbard
Huckaby
Hughes
Hutto
Hyde
Ichord
Ireland
Jeffries
Jenkins
Jenrette
Johnson, Colo.
Jones, N.C.
Jones, Tenn.
Kastenmeier
Kazen
Kelly
Kemp
Kildee
Kindness
Kogovsek
Kostmayer
LaFalce
Lagomarsino
Latta
Leach, Iowa
Leach, La.
Lederer
Lee
Lent
Levitas
Lewis
Livingston
Loeffler
Long, La.
Long, Md.
Lowry
Lujan
Luken
Lungren
McDade
McHugh
McKinney
Madigan
Maguire
Markey
Marks
Martin
Mazzoli
Mica
Miller, Calif.
Miller, Ohio
Mineta
Minish
Mitchell, N.Y.
Moakley
Mollohan
Montgomery
Moore
Moorhead, Calif.
Moorhead, Pa.
Mottl
Murphy, N.Y.
Murphy, Pa.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Nedzi
Nelson
Nichols
Nolan
Nowak
O'Brien
Oakar
Oberstar
Obey
Ottinger
Panetta
Patten
Paul
Pease
Petri
Peyser
Pickle
Preyer
Price
Quillen
Rahall
Railsback
Ratchford
Regula
Reuss
Rhodes
Ritter
Roberts
Robinson
Roe
Rose
Rosenthal
Roth
Rousselot
Roybal
Rudd
Runnels
Russo
Satterfield
Scheuer
Schulze
Sebelius
Seiberling
Sensenbrenner
Sharp
Shelby
Shumway
Shuster
Skelton
Slack
Smith, Nebr.
Snowe
Snyder
Solarz
Solomon
Spence
Stack
Stangeland
Stanton
Steed
Stenholm
Stokes
Stratton
Studds
Stump
Swift
Symms
Synar
Tauke
Taylor
Traxler
Van Deerlin
Vanik
Vento
Walgren
Wampler
Watkins
Weaver
Weiss
White
Whitehurst
Whitley
Whittaker
Whitten
Williams, Mont.
Wolff
Wolpe
Wyatt
Wydler
Wylie
Yates
Yatron
Young, Fla.
Young, Mo.
Zablocki

NAYS—8

Broomfield
Coughlin
Goodling
Lloyd
Mattox
Schroeder
Volkmer
Walker

ANSWERED "PRESENT"—1

Fish

NOT VOTING—127

Addabbo
Andrews, N.C.
Anthony
Ashley
AuCoin
Bafalis
Blanchard
Boggs
Bolling
Bonior
Breaux
Brooks
Brown, Ohio
Byron
Carr
Carter
Cavanaugh
Chisholm
Clay
Cleveland
Conyers
Courter
Crane, Daniel
Crane, Philip
Davis, S.C.
Dellums
Derrick
Diggs
Dixon
Dodd
Dougherty
Downey
Drinan
Duncan, Oreg.
Early
Eckhardt
Erdahl
Ertel
Fisher
Flippo
Flood
Ford, Mich.
Forsythe
Fountain
Fowler
Garcia
Gephardt
Giaimo
Gibbons
Goldwater
Gudger
Hall, Tex.
Harris
Heckler
Heftel
Hinson
Holtzman

☐ This symbol represents the time of day during the House Proceedings, e.g., ☐ 1407 is 2:07 p.m.
● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

Jacobs
Jeffords
Johnson, Calif.
Jones, Okla.
Kramer
Leath, Tex.
Lehman
Leland
Lott
Lundine
McClory
McCloskey
McCormack
McDonald
McEwen
McKay
Marlenee
Marriott
Mathis
Matsui
Mavroules
Michel
Mikulski
Mikva
Mitchell, Md.
Moffett
Murphy, Ill.
Neal
Pashayan
Patterson
Pepper
Perkins
Pritchard
Pursell
Quayle
Rangel
Richmond
Rinaldo
Rodino
Rostenkowski
Royer
Sabo
Santini
Sawyer
Shannon
Simon
Smith, Iowa
Spellman
St Germain
Staggers
Stark
Stewart
Stockman
Thomas
Thompson
Treen
Trible
Udall
Ullman
Vander Jagt
Waxman
Williams, Ohio
Wilson, Bob
Wilson, C. H.
Wilson, Tex.
Winn
Wirth
Wright
Young, Alaska
Zeferetti

☐ 1010

So the Journal was approved.

The result of the vote was announced as above recorded.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate had passed without amendment a concurrent resolution of the House of the following title:

H. Con. Res. 140. Concurrent resolution providing for a joint session of the Congress, on Monday, June 18, 1979, at 9 p.m., to receive communications from the President.

The message also announced that the Senate had passed with an amendment in which the concurrence of the House is requested a bill of the House of the following title:

H.R. 2154. An act to revise the Strategic and Critical Materials Stock Piling Act, to require that appropriations for acquisition of strategic and critical materials be authorized by law, to establish a National Defense Stockpile Transaction Fund, and for other purposes.

The message also announced that the Senate had passed bills and a concurrent resolution of the following titles, in which the concurrence of the House is requested:

S. 428. An act to authorize appropriations for fiscal year 1980 for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, torpedoes, and other weapons and for research, development, test and evaluation for the Armed Forces, to prescribe the authorized personnel strength for each active duty component and the Selected Reserve of each Reserve component of the Armed Forces and for civilian personnel of the Department of Defense, to authorize the military training student loads, to authorize appropriations for civil defense, and for other purposes;

S. 1143. An act to extend the authorization for appropriations for the Endangered Species Act of 1973, and for other purposes; and

S. Con. Res. 20. Concurrent resolution commending the city of Rockville, Md.

☐ 1020

ANTITRUST DIVISION SHOULD FOCUS ATTENTION ON GAS SHORTAGE, NOT TV ADS

(Mr. PEYSER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PEYSER. Mr. Speaker, it is too bad that the Antitrust Division of the Justice Department does not have something more important to do then to stick its nose into the question of advertising time on TV. The country is faced with an energy crisis; there are many questions to be answered by major oil companies and others involved with the shortage of gasoline. Why is not the Antitrust Division spending full time on this problem? It is apparent that Mr. Anderson, Chief of the Special Regulated Industries, does not watch much TV. The public, as it is, must suffer through enough advertising while trying to enjoy a show. To suggest doubling or tripling the ads is outrageous. To make the punishment fit the crime, I wish I could make Mr. Anderson sit through a solid hour of dog food, upset stomach, feminine hygiene, and hemorrhoid commercials. He thinks he can save the consumer money by increasing commercials. I think we can save the taxpayer money by cutting the appropriations of his division of the Justice Department when the bill reaches the floor.

A TRIBUTE TO THE LATE LLOYD RIVARD

(Mr. HOWARD asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HOWARD. Mr. Speaker, it is with a tragic sense of loss and deep sadness that I advise the House of the death yesterday of Lloyd Rivard, former chief engineer of the Committee on Public Works and Transportation, who had retired December 31 of last year after more than 30 years of dedicated and outstanding public service to this Nation. Lloyd made an enormous contribution to the committee and to the House through his untiring efforts on national highway and transportation legislation.

Lloyd Rivard was a good personal friend of mine, and I feel his loss deeply. My sympathies go to his wife, Beverly, his daughters Lorraine and Pat, and his son, Rick. This institution and the Nation will miss him greatly.

Mr. CLAUSEN. Mr. Speaker, will the gentleman yield?

Mr. HOWARD. I yield to the gentleman from California.

Mr. CLAUSEN. Mr. Speaker, I rise to associate myself with the remarks of the gentleman from New Jersey (Mr. Howard). He has expressed the sense of loss all of us who knew Lloyd Rivard feel at learning of his death.

Above and beyond his outstanding professional competence, if there is one attribute we will remember about Lloyd it is his attitude. The positive attitude he brought to his work was the force behind the cooperative, constructive, and objective reputation he earned from all who worked with him.

He was a professional staff member in whom the Congress can take great pride for the role he played in the field of transportation legislation.

His competence was recognized by all his peers. The existing highway programs for which he worked so successfully will remain as continuing and living monuments to his commitment and expertise.

The first great gift we can bestow on others is a good example. Lloyd Rivard set a good example. He was a good man.

I know all the members of the Public Works and Transportation Committee join me in extending our condolences to his family. We, like them, will always remember this fine gentleman and I shall cherish his friendship forever.

Mr. OBERSTAR. Mr. Speaker, will the gentleman yield?

Mr. HOWARD. I yield to the gentleman from Minnesota.

Mr. OBERSTAR. Mr. Speaker, I join in the expression of sympathy on the loss of Lloyd Rivard. He was a very dear friend of mine. I worked with him on the Public Works Committee staff for many years before my election to Congress, and since then as member of that committee. I know firsthand from our close association what a great contribution he made to the Nation's highway network and to mass transit through his service on that committee. Lloyd Rivard is truly one of the unsung heroes of America's surface transportation program. We shall miss his wise and good counsel, his steady and solid work, his encyclopedic knowledge of highway and transit issues.

Most of all, I shall miss a very dear and treasured friend. None, however, will feel the loss as deeply as Lloyd's beloved wife, Beverly, to whom I extend my most heartfelt sympathies and prayers.

Mr. HOWARD. I thank the gentleman for his comments.

LET US KEEP TRYING TO SOLVE THE GAS SHORTAGES

(Mr. PANETTA asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PANETTA. Mr. Speaker, I would hope that if the Nation did not learn from the lessons of the 1973–74 embargo, that it might learn from the lessons of the California experience regarding the energy shortage.

Our problem in California began with diesel shortages. It expanded to gasoline shortages. There were long lines. There was panic buying. The situation did not improve until we began to implement odd-even plans, minimum purchase requirements and also changed allocation requirements for our State.

We were told by the Department of Energy that the shortages would subside. They have not subsided. We still have shortages but the distribution of those shortages has improved. The experience is being repeated elsewhere. There are diesel shortages, gasoline shortages, long lines, and panic buying and Department of Energy and Secretary Schlesinger have indicated that somehow the shortages will not continue and the shortages will subside. This will not happen. It is absolutely essential for States and communities to begin to implement odd-even plans and minimum purchase requirements to deal with the lines and the panic. There is no question we have to, in the long run, increase production and turn to alternative fuels, but in the short term we have to take steps to improve conservation and equalize the distribution of shortages if we are to avoid the lines, the panic buying and the serious import this situation will have on our economy and our people.

THE DAY OF RECKONING IS SOON

(Mr. DANIELSON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DANIELSON. Mr. Speaker, as a followup to the comments of my dear friend, my dear colleague, the gentleman from California (Mr. PANETTA), I would like to remind those who voted against having a standby gas rationing plan that the day of reckoning is coming. We are going to have to take it up again one of these times.

CONGRESS IS TO BLAME

(Mr. ROUSSELOT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ROUSSELOT. Mr. Speaker, the basic problem is still the executive branch, and the Department of Energy. This House, unfortunately, gave that power to the executive branch and Department of Energy to allocate fuels. The DOE is misusing that allocation procedure. It is not in keeping with the marketplace.

The basic problem is the Federal Government which is creating the gasoline shortage. All these other proposals about rationing and other Government controls are unnecessary.

This Congress gave the power to that administration to allocate fuels under the Emergency Fuel Allocation Act of 1973. The Congress is also responsible for creating this shortage. I did not vote to give that power to the executive branch because of the fear of the inability of the Government to manage the marketplace. I suggest we repeal that law.

WHY IS THE DEFENSE DEPARTMENT IMPOSING METRIC?

(Mr. RUDD asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RUDD. Mr. Speaker, I have just learned that the Defense Department is ordering American companies to provide equipment and build entire defense systems for the Armed Forces according to "hard metric" specifications.

It is not our national policy to convert to metric.

Yet this Defense Department contract policy will force many companies to convert completely to metric, to custom-order needed equipment and supplies in metric units, or to purchase equipment and supplies from foreign countries already using metric measurement—all at a tremendous additional cost to the taxpayers.

One project immediately affected by this Pentagon policy is the MX missile project, involving dozens of different companies.

The added costs and delays to comply with this metric mandate will mean further erosion of our defense dollar.

More cost for less production.

Today I am requesting the Secretary of Defense to explain why this metric policy is being imposed upon American companies under contract to the Pentagon.

Imposing metric can only delay and hurt our entire weapons development effort, as well as hurt our whole national economy.

TWIN FALLS, IDAHO, INAUGURATES REBROADCASTING OF HOUSE PROCEEDINGS

(Mr. HANSEN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HANSEN. Mr. Speaker, as you know, ever since January of this year this body has been videotaping and broadcasting its proceedings for public use. Since that time, many public and cable television systems have begun to broadcast the deliberations of the House as a public service to their viewers.

I am proud to say that yesterday the cable system in Twin Falls, Idaho, inaugurated a new service to their subscribers in the area—namely, the rebroadcasting of the proceedings of the House of Representatives.

It has often been said that one of the strongest assets any nation can have is an informed citizenry. At this time, I would like to commend these constituents of mine for their part in keeping the American public informed. It is important that every American know what their Government is doing, and it is public-mindedness such as this that will achieve that end.

Again, I congratulate my constituents at their efforts toward a stronger America.

□ 1030

GOVERNMENT POLICIES ON HUMAN RIGHTS

(Mr. PAUL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PAUL. Mr. Speaker, when the Egyptians recently elected a new parliament, neither the right- nor left-wing opponents of Sadat—all of whom have opposed the Israeli treaty—were allowed to field candidates.

Where was the outcry from our media? Where was Jimmy Carter's demand for free and fair elections? Our only response has been to send billions of dollars to buy weapons for the next war, which will come as soon as Sadat is overthrown by the more militant Arabs.

In the meantime, our Government and media condemn Rhodesia-Zimbabwe, which has just held probably the fairest election ever to take place on that continent.

With 68 percent of the people participating—twice the American percentage—a black majority government has taken power and minority rights have been safeguarded.

Our response is continued sanctions, moralistic denunciations, help to the Marxist guerrillas seeking to overthrow the elected government, and the purchase of Rhodesian chrome from the Soviet Union.

At the same time, the Carter administration is seeking special trade status for the brutal regimes in China and Russia, which is nothing more than a tax subsidy to the enemies of freedom.

The Soviets and the Red Chinese never even pretend to hold free elections, and they routinely imprison, torture, and kill dissidents.

Although Hitler's concentration camps are gone, Mao's and Stalin's are still in operation.

The American people deserve better. To fuel the fires of inflation by subsidizing nonmarket economies at the expense of taxpayers, while systematically hurting our friends, makes a mockery of the human rights issue.

ENERGY RESOLUTION OF INQUIRY

(Mr. BAUMAN asked and was given permission to address the House for 1 minute.)

Mr. BAUMAN. Mr. Speaker, the House will shortly have a chance to vote on a motion to table the resolution of inquiry which was introduced several weeks ago by a bipartisan group in this House. The resolution was directed to the President asking him to give us the true dimensions of the energy shortage. Since this resolution was passed that energy crisis has become far worse.

It is my understanding the gentleman from Michigan (Mr. DINGELL) intends to move to table this resolution. I urge my colleagues to vote against tabling.

The report on the resolution clearly indicates that the full information has not been given to us. In fact, it says that the Department of Energy does not even have the capacity to supply the information. If that is the case, if this information cannot be supplied to us, this House should vote against tabling and for the resolution directing the President of the United States to give us the information.

If the President does not have the capacity to provide that information in the current crisis, then we ought to seriously consider the capacity of the President of the United States.

ENERGY RESOLUTION OF INQUIRY

(Mr. MYERS of Indiana asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MYERS of Indiana. Mr. Speaker, the gentleman from Maryland just indicated what possibly will happen shortly. I hope that will not happen in fairness to what the American people are entitled to know.

We had a brief colloquy here yesterday with the members of the committee, and we tried to be fair, and we tried to find out just what information the Department of Energy has, if any. I must say our colleague from Michigan, who has always been very fair, yesterday said that the information was here. He showed us this massive stack of documents. All we are really asking for is a brief summary responding to the questions. This report does not do that and the American people and the Members of this Congress will not know if we table this resolution today.

In the spirit of trying to let the American people know the truth, I hope the gentleman from Michigan will not offer to table and will allow the discussion this morning to find the answers to these very, very important questions pertaining to the energy problems of our country. Let us not vote to table, let us have an opportunity to find the answers this morning.

ENERGY RESOLUTION OF INQUIRY

(Mr. MICHEL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MICHEL. I simply want to echo the remarks that have been made heretofore by several of my colleagues with respect to the resolution of inquiry and the anticipated motion to table.

I am reading from page 4 of the little printed report that we now have in our hands and it says:

> Much of the information requested in H. Res. 291 can be found in such publications, and some of the information was obtained by the Subcommittee in the course of its investigations.
>
> Nevertheless, it cannot be said that all information necessary to a full understanding of the supply problem is collected by the DOE, nor that the information which is collected is timely. To the contrary, the Committee has found the DOE lacking vital information on such matters as secondary stocks and actual sales of products. The information is rarely timely, as a result of long lag times in sending out forms and retrieving them.

It goes on to say that for all practical purposes what we were looking for has not been available and that is precisely the reason for our resolution of inquiry.

I would certainly urge Members, as my other colleagues have done, to vote down the motion to table the resolution of inquiry. The Congress is stagnating in a pool of contradictory statistics and information on the current energy situation. We must force the administration to commit themselves to a concise set of facts which Congress can assume is reliable and upon which we can act.

RESOLUTION OF INQUIRY, DIRECTING THE PRESIDENT TO PROVIDE MEMBERS OF THE HOUSE WITH INFORMATION ON THE ENERGY SITUATION

Mr. DINGELL. Mr. Speaker, I call up the resolution (H. Res. 291), a resolution of inquiry directing the President to provide Members of the House with information on the energy situation, and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. Res. 291

Resolved, That the President, to the extent possible, is directed to furnish to the House of Representatives, not later than fifteen days following the adoption of this resolution, full and complete information on the following:

(1) the existence and percentage of shortages of crude oil and refined petroleum products within the United States and administrative regions;

(2) the current level of demand for crude oil and refined petroleum products within the United States and administrative regions;

(3) the current quantity and location prior to final retail sale of existing supplies of crude oil and refined petroleum products within the United States and administrative regions;

(4) methods used in the allocation of supplies of crude oil and refined petroleum products among the various administrative regions of the United States since January 1, 1978;

(5) directives changing or amending allocations of crude oil or refined petroleum products among or within the various administrative regions of the United States since January 1, 1978;

(6) facts in the possession of the executive branch demonstrating any action within private industry to withhold or reduce supplies of crude oil or refined petroleum products available for public distribution since January 1, 1978;

(7) public statements since January 1, 1979, of the President, the Secretary of Energy, or spokesmen acting on their behalf, pertaining specifically to shortages and supply of crude oil and refined petroleum products as well as any diversion of foreign supplies of crude oil and refined petroleum products intended for shipment to the United States;

(8) the percentage change in the various petroleum products obtained from the refining of crude oil, on a monthly basis, since January 1, 1978;

(9) actions, directives, or communications regarding changes in the refinery yield of petroleum products since January 1, 1978;

(10) any reduction in the supply of crude oil from any foreign country since January 1, 1978, if not incompatible with the public interest;

(11) refinery capacity utilization, on a monthly basis, since January 1, 1978.

The information requested in this resolution shall be made available to each Member of the House of Representatives in accordance with applicable rules of the House.

Mr. DINGELL (during the reading). Mr. Speaker, I ask unanimous consent that further reading of the resolution be dispensed with.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

Mr. ASHBROOK. Mr. Speaker, reserving the right to object, I take this reservation for the purpose of asking my good friend and colleague, the gentleman from Michigan (Mr. DINGELL) whether or not he is asking for his unanimous-consent request for the purpose of then allowing debate after this unanimous-consent request is allowed.

Mr. DINGELL. I am asking unanimous consent for the purpose of expediting the business of the House.

Mr. ASHBROOK. Further reserving the right to object, Mr. Speaker, under the interpretation of expediting the business of the House, does my colleague from Michigan intend to have orderly and expeditious debate? Is that what he meant?

Mr. DINGELL. It is my intention to have appropriate and proper consideration of the matter under the rules of the House.

Mr. ASHBROOK. Further reserving the right to object, under that parliamentary situation would he mind stating to the Members of the House what would be appropriate and proper?

Mr. DINGELL. I did not hear the question.

Mr. ASHBROOK. Further reserving the right to object, does my colleague from Michigan intend, before closing debate and asking that this resolution be tabled——

Mr. DINGELL. It is my belief that we ought not have extended discussion of this matter before this body. It would be fully inappropriate. It is only my intention to see to it that the Members have an opportunity to know that the resolution of inquiry has been properly complied with. I will, of course, yield to my distinguished friend from Arizona, the minority leader, for such comments as he desires to make. Then, we will decide what other discussion is deemed appropriate in light of the protracted discussion we had yesterday and the voluminous information submitted by the administration which has been made available to my good friends on the minority side.

I do hope that my colleagues on the minority side have read it, because they protested yesterday.

Mr. CONTE. Mr. Speaker, I object.

The SPEAKER pro tempore. Objection is heard.

The Clerk concluded the reading of the resolution.

□ 1040

The SPEAKER pro tempore. The gentleman from Michigan (Mr. DINGELL) is recognized for 1 hour.

Mr. DINGELL. Mr. Speaker, we have here a resolution of inquiry which was submitted by my distinguished friend, the minority leader, the gentleman from Arizona (Mr. RHODES), and a number of our colleagues under the rules of the House.

It is in order for the administration then in response thereto to submit books, records, papers, information, and data in the possession of the administration. Without interpretive data, without additional investigations, and without any additional work, the information submitted in response is published in summary form in the report submitted by the Committee on Interstate and Foreign Commerce on this matter, copies of which are now available from the Government Printing Office. All of the information submitted in response to this resolution, and in response to inquiries by me, has been made available to the Members of the House. It was submitted to the minority yesterday in full detail and is available at the committee table on this side for the consideration of my colleagues.

It is my view that the resolution of inquiry has been fully complied with by the administration. It is my view that if further information is to be procured or submitted, it must be procured or submitted as a result of other resolutions of inquiry, not this one. It is my judgment that the business of the House will be expedited by consideration by my colleagues of the report which was submitted by the committee, and if they desire a review of the information and data and documents which were submitted, they are available both at this committee table and through my colleagues at the minority committee table. I will move at the appropriate time to table the resolution of inquiry.

Mr. Speaker, I now yield 2 minutes to my distinguished friend, the minority leader, the gentleman from Arizona (Mr. Rhodes).

Mr. RHODES. Mr. Speaker, the purpose of this resolution of inquiry was to try to determine the reasons for the existence of a gasoline shortage in the United States of America. I think all Members of the House are aware of the fact that throughout the country and here in the city of Washington there are long lines of people waiting at gasoline stations to get gas to run their cars. The people are puzzled; they are angry; they do not understand why this has to be; and, frankly, I do not understand it either. That is the main reason for the resolution of inquiry.

A resolution of inquiry is a very limited sort of a document. It is limited to responses which are factual. A resolution of inquiry cannot seek opinions or analysis from the President or the executive branch, and House Resolution 291 did ask specific questions.

I would have to say that as far as the technicalities of the situation are concerned, those questions were answered, but they were answered in such a way as to be almost incomprehensible, and certainly not to inform either the House or the American people as to the reasons for the existence of these shortages.

In the report of the committee which was printed on yesterday, and which has been in my possession for only about 24 hours now, the committee, I think very carefully and very properly, points out the fact that in many instances the Department has relied on data which is not verified, and industry data which may or may not be true; that it has not done the job which the American people expect and which this House expects in order to get the true story as to why the long gasoline lines exist. I cannot help but believe if we knew the reason for the lines, that perhaps there would also be some action we could take to do away with the underlying problem. Until we know why, then it would be very difficult for us to take the appropriate action.

I want to congratulate the gentleman from Michigan (Mr. Dingell) and his subcommittee for the efforts which they have expended in getting the "technical" compliance with the resolution of inquiry. As I said, it is technically a compliance. So far as the reasons for the shortage are concerned, we still do not have them, and the gentleman from Michigan (Mr. Dingell) and his committee point out very carefully in their well written report that that is the case. I just want to offer my support to the subcommittee in its efforts—continuing efforts, I hope—to find out the reason for the long gas lines. We do not know yet. We must know, and I am sure that the American people expect this body to do what is necessary to find out.

Mr. Speaker, I yield back the remainder of my time.

Mr. DINGELL. Mr. Speaker, I want to thank my good friend, the minority leader, the gentleman from Arizona (Mr. Rhodes), and to extend to him my assurances that what information is solicited from the administration on matters of this kind, whether it is done formally or informally, the subcommittee will do its best to see to it that the information is gotten. I again express my high regard and affection for the distinguished gentleman from Arizona.

Mr. RHODES. Mr. Speaker, will the gentleman yield further?

Mr. DINGELL. I yield to the gentleman from Arizona.

Mr. RHODES. I thank the gentleman for yielding.

I want to express to the gentleman from Michigan (Mr. Dingell) my regret at any misunderstanding. I am sure the gentleman knows that it did not come from any lack of regard for him and for his fine work as chairman of this committee. It is one of those things, and I certainly am sure that the gentleman and I want to work together in the future as harmoniously as we have in the past and, I think, effectively.

Mr. DINGELL. I thank the gentleman. I have high regard for him, and he is my friend. I am proud that we share that friendship.

Mr. Speaker, I yield 2 minutes to my distinguished friend, the gentleman from Ohio (Mr. Devine).

Mr. DEVINE. Mr. Speaker, I am glad to see the great degree of affection flowing to and fro across the floor here on this issue. I would primarily like simply to repeat the remarks I made here yesterday when this matter was brought up at a time when we did not think it would run into any controversy. The resolution of inquiry was filed initially by the leadership. The chief sponsor, of course, was the minority leader, the gentleman from Arizona (Mr. Rhodes), because we felt that the American public has the right to know what is going on. They believe that there is a conspiracy between the big oil companies and the Government, the Department of Energy and anybody else, and they are looking for somebody to blame.

The purpose of our initiating the resolution of inquiry was to try to lay the facts out on the table so that the American public would at least have the understanding of what the problem is, rather than being in the dark and seeking answers, talking to every one of us as we return to our districts, saying, "Why don't you solve this problem?"

I know there are great frustrations.

Some of my staff as they came in late this morning said, "I am sorry to be late, but I had to sit in a gas line since 6 o'clock this morning to try to get enough gas to get us over the weekend."

The American people have the right to know. The subcommittee in its efforts did come up with answers, as they said yesterday. Those answers are about a foot or a foot and a half thick in documents on both sides. It has been summarized in a very brief report here and with a summary. The summary did say that the Department of Energy does not know. I am not sure that this does, indeed, answer the American people who have a right to know, but I think that the subcommittee and its chairman, who has cooperated totally, have made an effort to respond to the inquiry.

I thank the gentleman for yielding.

Mr. WYLIE. Mr. Speaker, will the gentleman yield?

Mr. DINGELL. I yield to the gentleman from Ohio.

Mr. WYLIE. I thank the gentleman very much for yielding.

Mr. Speaker, I am opposed to the motion to table. I might say that I was one of those who was in on the discussion leading to this resolution of inquiry, and it was brought up, I might say, because of the statements by Members of the other party in this body and in the other body to the effect that there is no oil shortage, that there is no shortage of oil in the United States, while at the same time the administration has been saying that there is a shortage of oil. I think, as my friend, the gentleman from Ohio (Mr. Devine), has said, the American people are entitled to know.

What does the information say which has been submitted? There is a lot of information there in that report, but what does it say? Do we have a shortage of oil or do we not have a shortage of oil? I have been told by oil refinery people in Ohio that we have refinery capacity, but they do not have the capacity to get Alaska crude from California across the United States. Does that effect the shortage or not? I think we need to know that. I have been told by an oil company official that we can produce oil from coal, that in South Africa the process is in place right now whereby oil is being produced from coal. I think we need to know some of these facts, and

I do not think they have been brought out, I will say to the gentleman and they ought to be.

☐ 1050

Mr. DINGELL. Mr. Speaker, I yield 2 minutes to the gentleman from Maryland for purposes of debate only.

Mr. BAUMAN. Mr. Speaker, I thank the gentleman for yielding and I thank him for the frankness of his committee report. Earlier, the minority whip, the gentleman from Illinois (Mr. MICHEL), read from the committee report which admitted candidly that the information necessary to answer the questions that the resolution of inquiry posed is not available. It is partially available, obviously, as can be seen by the stack of material on that table. However, if you have read the report which has been available since yesterday morning, you will find the full answers are not provided. All that is provided is a summary of the documents that have been transmitted, documents making a pile roughly 10 inches high. Perhaps the answer is to be found somewhere in those documents. If one would care to wade through all of this you may or may not be able to devine the answers but I do not think the answers are there.

What alternative do we have? If we vote down the motion to table, the resolution is then before the House and the President of the United States, upon adoption of House Resolution 291, is directed to furnish the House of Representatives with the answers.

If the Department of Energy—this Frankenstein's monster that was created a few years ago—cannot do its job, it seems to me that the President has the ultimate responsibility jointly with the Congress. Our part of this responsibility is to act today and ask the President to provide the answers.

I suspect that before this energy crisis terminates—if indeed it is going to, the American people are going to want to know why the House, when it had the chance to get answers, refused to direct the President to give those answers. That is what I believe to be embodied in this procedure today. We may characterize it in any way we want but this is a well established parliamentary procedure used in emergency situations and this is an emergency situation and the American people want the answers.

Mr. GILMAN. Mr. Chairman, will the gentleman yield to me?

Mr. DINGELL. I do yield to the gentleman from New York.

Mr. GILMAN. Mr. Chairman, I would like to join the gentleman from Maryland in his thrust.

GENERAL LEAVE

Mr. DINGELL. Mr. Speaker, in order to permit all of my colleagues to have an opportunity to express their thoughts, I ask unanimous consent at this time that all of my colleagues may have 5 legislative days in which to revise and extend their remarks on the resolution now under consideration.

The SPEAKER pro tempore. Is their objection to the request of the gentleman from Michigan?

Mr. MYERS of Indiana. Mr. Speaker, reserving the right to object, the gentleman yield to me for 1 minute?

Mr. DINGELL. Mr. Speaker, I have a unanimous-consent request pending, and I cannot yield to the gentleman at this particular time.

Mr. MYERS of Indiana. Mr. Speaker, I thank the gentleman, and I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. DINGELL. Mr. Speaker, at this time I move to table the resolution of inquiry now before the House.

The SPEAKER pro tempore. The question is on the motion to table offered by the gentleman from Michigan (Mr. DINGELL).

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. CONTE. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 4, nays 338, not voting 92, as follows:

[Roll No. 244]

YEAS—4

Beilenson
Dingell
Gramm
Nedzi

NAYS—338

Abdnor
Akaka
Albosta
Alexander
Ambro
Anderson, Calif.
Anderson, Ill.
Andrews, N. Dak.
Annunzio
Applegate
Archer
Ashbrook
Aspin
Atkinson
AuCoin
Badham
Bailey
Baldus
Barnard
Barnes
Bauman
Beard, R.I.
Beard, Tenn.
Bedell
Benjamin
Bennett
Bereuter
Bethune
Bevill
Biaggi
Bingham
Boggs
Boland
Boner
Bonker
Bouquard
Bowen
Brademas
Brinkley
Brodhead
Broomfield
Brown, Calif.
Broyhill
Buchanan
Burgener
Burlison
Burton, John
Burton, Phillip
Butler
Byron
Campbell
Carney
Cavanaugh
Chappell
Cheney
Clausen
Clinger
Coelho
Coleman
Collins, Ill.
Collins, Tex.
Conable
Conte
Corcoran
Corman
Cotter
Coughlin
Crane, Daniel
D'Amours
Daniel, Dan
Daniel, R. W.
Danielson
Dannemeyer
Daschle
Davis, Mich.
Davis, S.C.
de la Garza
Deckard
Dellums
Derwinski
Devine
Dickinson
Dicks
Diggs
Donnelly
Dornan
Duncan, Oreg.
Duncan, Tenn.
Edgar
Edwards, Ala.
Edwards, Calif.
Edwards, Okla.
Emery
English
Erlenborn
Evans, Del.
Evans, Ga.
Evans, Ind.
Fary
Fascell
Fazio
Fenwick
Findley
Fisher
Fithian
Florio
Foley
Ford, Tenn.
Fountain
Frenzel
Frost
Fuqua
Gaydos
Gephardt
Gilman
Gingrich
Ginn
Glickman
Gonzalez
Goodling
Gore
Gradison
Grassley
Gray
Green
Grisham
Guarini
Guyer
Hagedorn
Hall, Ohio
Hall, Tex.
Hamilton
Hammerschmidt
Hance
Hanley
Hansen
Harkin
Harris
Harsha
Hawkins
Heckler
Hefner
Heftel
Hightower
Hillis
Holland
Hollenbeck
Holt
Holtzman
Hopkins
Horton
Howard
Hubbard
Huckaby
Hughes
Hutto
Hyde
Ichord
Ireland
Jeffries
Jenkins
Jenrette
Johnson, Colo.
Jones, N.C.
Jones, Tenn.
Kastenmeier
Kazen
Kelly
Kemp
Kildee
Kindness
Kogovsek
Kostmayer
LaFalce
Lagomarsino
Latta
Leach, Iowa
Leach, La.
Leath, Tex.
Lederer
Lee
Leland
Lent
Levitas
Lewis
Livingston
Lloyd
Loeffler
Long, La.
Long, Md.
Lott
Lowry
Lujan
Luken
Lungren
McCloskey
McCormack
McDade
McDonald
McHugh
McKinney
Madigan
Maguire
Markey
Marks
Martin
Mattox
Mazzoli
Mica
Michel
Miller, Calif.
Miller, Ohio
Mineta
Minish
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Montgomery
Moore
Moorhead, Calif.
Moorhead, Pa.
Mottl
Murphy, Ill.
Murphy, N.Y.
Murphy, Pa.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nelson
Nichols
Nolan
Nowak
O'Brien
Oakar
Oberstar
Obey
Ottinger
Panetta
Patten
Patterson
Paul
Pease
Petri
Peyser
Pickle
Preyer
Price
Quillen
Rahall
Railsback
Ratchford
Regula
Reuss
Rhodes
Rinaldo
Ritter
Roberts
Robinson
Roe
Rose
Rosenthal
Roth
Rousselot
Roybal
Rudd
Runnels
Russo
Sabo
Satterfield
Scheuer
Schroeder
Schulze
Sebelius
Seiberling
Sensenbrenner
Sharp
Shelby
Shumway
Shuster
Skelton
Slack
Smith, Nebr.
Snowe
Snyder
Solarz
Solomon
Spellman
Spence
Stack
Stangeland
Stanton
Steed
Stenholm
Stratton
Studds
Stump
Swift
Symms
Synar
Tauke
Taylor
Thompson
Traxler
Van Deerlin
Vander Jagt
Vanik
Vento
Volkmer
Walgren
Walker
Wampler
Watkins
Waxman
Weaver
Weiss
White
Whitehurst
Whitley
Whittaker
Whitten
Williams, Mont.
Wilson, C. H.
Wolff
Wolpe
Wright
Wyatt
Wydler
Wylie
Yates
Yatron
Young, Alaska
Young, Fla.
Young, Mo.
Zablocki

NOT VOTING—92

Addabbo
Andrews, N.C.
Anthony
Ashley
Bafalis
Blanchard
Bolling
Bonior
Breaux
Brooks
Brown, Ohio
Carr
Carter
Chisholm
Clay
Cleveland
Conyers
Courter
Crane, Philip
Derrick
Dixon
Dodd
Dougherty
Downey
Drinan
Early
Eckhardt
Erdahl
Ertel
Ferraro
Fish
Flippo
Flood
Ford, Mich.
Forsythe
Fowler
Garcia
Giaimo
Gibbons
Goldwater
Gudger
Hinson
Jacobs
Jeffords
Johnson, Calif.
Jones, Okla.
Kramer
Lehman
Lundine
McClory
McEwen
McKay
Marlenee
Marriott
Mathis
Matsui
Mavroules
Mikulski
Mikva
Pashayan
Pepper
Perkins
Pritchard
Pursell
Quayle
Rangel
Richmond
Rodino
Rostenkowski
Royer
Santini
Sawyer
Shannon
Simon
Smith, Iowa
St Germain
Staggers
Stark
Stewart
Stockman
Stokes
Thomas
Treen
Trible
Udall
Ullman
Williams, Ohio
Wilson, Bob
Wilson, Tex.
Winn
Wirth
Zeferetti

☐ 1110

Mr. GRAMM and Mr. NEDZI changed their vote from "nay" to "yea."

Mrs. BYRON and Messrs. DELLUMS, DONNELLY, EDWARDS of Oklahoma, and HEFTEL changed their vote from "yea" to "nay."

Mr. TAUKE changed his vote from "present" to "nay."

So the motion to table was rejected.

The result of the vote was announced as above recorded.

The SPEAKER pro tempore. The Chair recognizes the gentleman from Michigan (Mr. DINGELL).

Mr. DINGELL. Mr. Speaker, may I inquire as to how much time remains?

The SPEAKER pro tempore. The Chair will state to the gentleman that he has 48 minutes remaining.

Mr. DINGELL. Mr. Speaker, I will, then, at this time yield 24 minutes to my distinguished friend. the gentleman from Ohio (Mr. DEVINE), for purposes of debate only.

Mr. DEVINE. Mr. Speaker, I thank the gentleman for yielding this time to our side.

Mr. Speaker, I yield 2 minutes to the gentleman from Indiana (Mr. MYERS).

Mr. MYERS of Indiana. Mr. Speaker, I think it is unfortunate this morning that this resolution pending before the House is more technical in nature. It rejects the procedure used by the House in trying to find some answers to some serious problems for the country. The only thing most of us are concerned about is how we vote in the future on the important questions affecting the petroleum needs of our country.

It is not that we are trying to put the finger on anyone or trying to embarrass anyone, but most of us feel the report we have is too voluminous. We are not interested in having to spend $59,000, having to pay that amount of money to print a stack of documents that most people will never read.

It appears to us that there should be a way to summarize precisely the answer to these questions the American people are asking us. In order to do that, it is simple, it seems to me, for the Department of Energy to respond in a positive way and for the committee to make a summarized report and come back and answer these questions, giving us some answers we will know how we should vote in the future if there really is a need, as was mentioned earlier today, as an example, should we vote for a gasoline rationing plan.

How can any of us vote intelligently one way or the other when we are not sure? We have to have answers to these questions before we can reasonably and honestly vote in the future. This is all the motion or the suggestion called for in this resolution. It is not anything tricky.

Mr. Speaker, we just want some simple answers, and it seems to me we can get those answers. To this point that has not been done.

Mr. DEVINE. Mr. Speaker, I yield 2 minutes to the gentleman from Kentucky (Mr. HOPKINS).

Mr. HOPKINS. Mr. Speaker, I thank the gentleman for yielding me this time.

Mr. Speaker, in my opinion the confidence of the people of this country is eroding very rapidly. I told Mr. Schlesinger at a meeting a few weeks ago that I had seen a bumper sticker that in my opinion fairly well exemplifies the general feeling of the people of this country. The bumper sticker carried a very short saying; the words appeared: "Honk If You Believe in Anything."

The people do not know who to believe. They do not know whether to believe the Government, they do not know whether to believe the President, they do not know whether to believe me, they do not know whether to believe you, they do not know whether to believe Mr. Schlesinger; in short, they do not know who to believe.

They do not know whether to believe the oil companies. Is there a shortage, or is there not a shortage?

The people of this country are looking to you and to me to find answers. So I would like to ask the chairman of the subcommittee this morning right here in this room, in plain old Anglo-Saxon language, to stand up and tell the people of this country who is at fault and quit blaming everybody else, if indeed he has the answers.

I think that is part of the problem here in Washington and I tell the House this as a new Member. I watch Members oftentimes on one side of the aisle who point to the Republican side and put the blame on the Republicans, and the Republicans point to the Democrats and put the blame on them. The liberals point to the conservatives, and the conservatives point to the liberals and put the blame on them.

I am telling the Members here today and the people all over the country that they ought to stop looking at where these guys are pointing and start looking at them, because they are the ones who are responsible.

I would appreciate it if the subcommittee chairman would, in his own honest opinion, tell the people of this country today so they do not have to look to the Department of Energy and others who are pointing the finger of blame but can look to this chairman to tell the people who is at fault and let this body resolve the matter. Yes, we have an energy crisis, but we also have a leadership crisis.

Mr. DEVINE. Mr. Speaker, I yield 2 minutes to the gentleman from Ohio (Mr. WYLIE).

Mr. WYLIE. Mr. Speaker, several days ago some of us were discussing this issue at a whip organization meeting, and it was pointed out that on the radio that morning a gentleman of the President's party, a Member of this House had said—and this was heard on the radio, on the way into work that morning—that he had information that there was no shortage of oil.

A Senator from Ohio of the President's party has been saying continuously that he has information the oil companies are withholding oil from the market until the day decontrol comes along so they can up the price on oil that is already in reserve.

I submit that every day we get different information from the administration. The bottom line has always been, however, that there is an oil shortage.

Mr. Speaker, we need to know the answers to the question. Is there an oil shortage? We need to know the facts. The American people deserve to know the facts. The American people want to know the facts. If they know the facts, the American people will know how to respond, and it will be right, but the problem up to now is that we are getting different information from different people within the President's own party on whether there is or is not an oil shortage.

Just the other day a gentleman who runs an oil refinery in the State of Ohio came to my office, and said, "We have refinery capacity in the State of Ohio, and there is a glut of oil in California and on the west coast, but we cannot get it across the continent because we cannot get the pipe line capacity, although there is pipeline capacity available."

We need to know if that is a fact. That is germane to this inquiry. And if true what is the reason we cannot get Alaskan crude across the country into Ohio and other areas where we have the capacity to refine crude oil and produce gasoline?

Mr. Speaker, the administration has the resources to get these answers. We ought to have them. The American people ought to have them.

□ 1120

Mr. DEVINE. Mr. Speaker, I yield 2 minutes to the gentleman from Florida (Mr. YOUNG).

Mr. YOUNG of Florida. Mr. Speaker, I want to compliment our colleagues in the House this morning for voting down the motion to table this resolution. I think it is appropriate that we do take sometime to discuss it, and I hope that the House will, when the vote comes on the resolution itself, adopt it. It is not an attempt to put anybody on the spot. As the debate so far has indicated, it is an attempt by all of us to get answers to some questions, to try to sort out some of the conflicting statements that we ourselves hear, not only from some of our own committees, but from the administration officials, from the oil companies, and even from OPEC spokesmen. We hear that one day there is a glut of oil in the world markets, and 2 months later we are standing in the lines to buy gasoline. One day we are talking about selling gasoline to the Japanese, and the next day we are talking about swapping it. One day the crude oil supply is up, and the next day imports are up. We could use gasohol that would save about 15 percent of the gasoline we are using today, but we have not done it.

We are dealing with international countries. We are dealing with international companies. I submit that there is only one person in the United States who has enough power, enough jurisdiction, to get us the answers. Nobody in Congress is that powerful. The only one who has that kind of power, the only one who has that kind of jurisdiction, is the President of the United States. And in a team effort I think we should all join together, the House and the Senate and the President, in getting the answers to these questions.

Again I want to compliment the House for being willing to debate this issue today, and I hope the House will vote for this resolution so that we can settle down and try to sort out the conflicting statements whether we do or we do not, whether we will or we will not, whether we can or we cannot. And let us get the truth.

Mr. DEVINE. Mr. Speaker, if my figures are accurate, we have used 10 minutes of our 24 minutes. I will ask if the chairman of the subcommittee, the gentleman from Michigan (Mr. DINGELL) cares to utilize any time at this time.

Mr. DINGELL. Mr. Speaker, I yield 2 minutes to the gentleman from New York (Mr. PEYSER).

Mr. PEYSER. Mr. Speaker, it is very possible that this Congress and the American people have never been as poorly informed on a major issue as we are today. I would like to question something, Mr. Speaker, in the report dealing with proprietary data.

Just a week ago, Mr. Speaker, the intelligence information on the overall intelligence activities of our country was made available for Members of Congress who wanted to read it—all classified top secret. I spent quite a bit of time reviewing that information. On the 29th of May, I contacted the Department of Energy personally, asking them for information on refineries in our country who are receiving special allocations of oil and are producing neither middle distillates nor gasoline. They said that that information was confidential and I could not receive it. We have filed a written report with the Department of Energy now requesting this information. Will the gentleman from Michigan (Mr. DINGELL) respond to me on this one question, on this section in the report dealing with proprietary data, where it says this information is confidential and cannot be released, what does that mean? What kind of data is it that they cannot release, that the Department of Energy cannot release even to Members of the House.

Mr. DINGELL. If the gentleman will yield, there is certain information which is received by the Department of Energy from oil and other energy firms and falls under categories of proprietary and confidential under the Freedom of Information Act and other statutes. It could relate to pricing data and other data relating to matters of competition, drilling activities by the companies; and possibly other matters. Section 11 of ESECA requires, however, that the companies show before confidentiality is granted that the data meets the statutory test of proprietary and trade secret data, DOE, particularly EIA, does not like that approach. They prefer to grant blanket confidentiality of data and not determine the matter on a case-by-case basis.

Mr. PEYSER. How can we try to solve the energy problem when we are denied the basic information.

Mr. Speaker, I yield 4 minutes to the gentleman from Ohio (Mr. SEIBERLING).

Mr. SEIBERLING. Mr. Speaker, I wonder if I could ask the gentleman a question. It is my understanding that, as a result of the fact that as long ago as 5 years or more, we discovered that the Government did not have independent information about the supply of petroleum and petroleum products, the gentleman's own committee—and I believe he himself personally—drafted a law, which was enacted several years ago and which requires the Department of Energy to obtain, independently of the oil companies, information as to the supply of petroleum products.

Why do we not have that information today? I understand we are still dependent upon the oil industry to tell us this information.

Mr. DINGELL. If the gentleman will yield, the provision of the law to which the gentleman refers is section 11 and section 11(d), specifically, of the ESECA. That section of law requires that the Department of Energy and its predecessor the FEA, initiate a procedure requiring it to gather certain specified information and to make periodic reports to the Congress. That action and information has not been made available to the Congress. That section has not been implemented. The FEA and the DOE have not fully implemented the law.

It must be said that neither the FEA, to which that statute applied, or its successor agency, the Department of Energy, to which it now applies, has taken the first step to utilize the provisions of section 11 and section (d) of ESECA. The requirements of the law are very stern. It should be noted that both administrations, the last two, plus this administration, have refused to implement it.

The objection of both administrations are that the statute requires periodic reports to the Congress, and that it requires that the companies submit information which could be shared with other Federal agencies upon request, such as the Federal Trade Commission. This sharing with the Federal Trade Commission is something which the administration has always resisted.

Later in this month the House will consider H.R. 3180, which is the Department of Energy Authorization Act for fiscal year 1979 which will require expansion of the DOE's effort and which will require that the DOE use that law.

Mr. SEIBERLING. Mr. Speaker, I certainly commend the gentleman for planning to conduct hearings and coming up with any necessary additional implementing legislation. It seems to me that we in the Congress are in an untenable position if we enact a law and then we simply allow the executive branch to ignore it. This is an absolutely crucial matter. If there is some valid reason why they cannot comply with the law, that is one thing; but if we find out from the gentleman's hearings that is simply a matter of refusal to do so, then it seems to me that we ought to be thinking seriously about starting some sort of impeachment action against whatever official it is who is refusing to comply with the mandate of the Congress.

Mr. LEWIS. Mr. Speaker, will the gentleman yield?

Mr. SEIBERLING. I yield to the gentleman from California.

Mr. LEWIS. I thank the gentleman for yielding.

Mr. Speaker, the gentleman from Ohio makes a very, very important point.

I have with me a report from the Department of Energy on the activities of the Energy Information Administration recently published.

The SPEAKER pro tempore. The time of the gentleman from Ohio (Mr. SEIBERLING) has expired.

Mr. DINGELL. Mr. Speaker, I have many requests for time, and I would like to yield further to my good friend, the gentleman from Ohio (Mr. SEIBERLING), but that is not possible.

Mr. Speaker, I yield 2 minutes to the gentleman from Rhode Island (Mr. BEARD).

☐ 1130

Mr. BEARD of Rhode Island. Mr. Speaker, I think this resolution is very, very important to all of us here in the House, because this is probably the No. 1 issue back home in just about every district. It is very difficult for us in the North.

The Department of Energy, through the New England Caucus, has told us that we may face some severe or spot shortages next winter.

In the same week, the administration has told the New England Governors that the tanks would be filled in New England. Now, the information is not consistent. We cannot have a spot shortage or severe shortage and then, on the other hand, the President guarantees the New England Governors that the tanks will be filled up.

Recently, the Governor of California was given some assurances on gasoline in California.

So, it is a question of whether there is a shortage contrived or not; people still are standing in lines in other areas of the country and not doing so bad.

I think it is important for us to get the facts, whether we have a shortage, how severe it is or whether someone is holding the supply back. I think that is very, very important that this information come forth, because it is not consistent.

If we want to go to the oil companies on the figures on New England, we get one set of figures. The New England Caucus will give us another set. The administration will give us another set.

All of the apparatus that we have to work with in Congress will give us a different set.

I think that is where the confusion is. So, let us get it all together so we can tell our people back home what is going on.

I yield back the balance of my time.

Mr. DEVINE. Mr. Speaker, I yield 2 minutes to the gentleman from California (Mr. LUNGREN).

Mr. LUNGREN. Mr. Speaker, all this resolution is asking for is some information that is really desperately needed.

We know that we can, through what the subcommittee has done, get unofficial information from the members of the executive branch. But, as a Member from California who was hit by this monster of gas rationing and closings of gas stations and gaslines about 6 weeks ago, and having had to deal as a member of the bipartisan California-Nevada task force on gas shortage with the Department of Energy for the past 6 weeks, I can tell my colleagues we do not need unofficial information. We need official information.

All we are requesting in this resolution of inquiry is one voice from the administration. It is tough enough to deal with the problem when people generally cannot agree on what the facts are, but it is even worse when we have people within one agency or branch of Government who cannot agree. Two days ago those of us on that California-Nevada task force met with Charles Warren, the President's personal representative to investigate the situation in California and Nevada, and he told us that there was no real prospect in the future for shorter gaslines or more crude oil availability to the United States.

That is what I have been telling my constituents. That happens to be consistent with what I can find.

What happened yesterday? Mr. Schlesinger says, Yes, probably the gaslines are going to go down, crude oil is up. We are going to take care of the problem.

If you cannot depend on the executive branch of the Government from one day to the next on unofficial information, we have an absolute demonstrated need for official information.

It is almost as bad as our foreign policy. We do not know who is speaking for the administration from day to day.

We have here a serious problem in the United States in terms of energy, and we ought to get our act together.

That is all we are asking be done in this case: Executive branch, President of the United States, Department of Energy, get your act together.

I would suggest we support this resolution of inquiry.

Mr. DEVINE. Mr. Speaker, I yield 2 minutes to the gentleman from Maryland (Mr. BAUMAN).

Mr. BAUMAN. Mr. Speaker, I urge the House to adopt this resolution of inquiry. It is an unusual parliamentary device. It is rarely used, but it is a legitimate request from a coequal branch of the Government to the Executive to provide information about a serious situation which faces this country, a national emergency which touches the lives and the homes and the personal and collective economies of every American citizen that all of us represent.

I hope that we will have a unanimous vote. This is not a partisan issue. Gas lines all over this country are not partisan in any sense. The solution, if found, will not be partisan.

What answers does this resolution seek? Read the terms in the report. First of all, it asks whether there are shortages of gas and oil and to what extent? What is the current level of demand for gasoline and crude oil? How has the Department of Energy been shifting these supplies from region to region? What is their mode of allocation? Is private industry withholding or reducing supplies in order to hold back for higher profits?

Has there been any reduction of supply of crude oil from the shortages resulting from foreign countries, such as Iran? What is the refinery capacity presently in the Nation?

Now why do we need this information in a collective and definitive form from the President?

May I just give my colleagues a few quotes: Tuesday, May 15, President Carter:

> The American people must still face the inevitable prospect of an energy shortage.

Wednesday, May 16, President Carter to Governor Brown:

> By the end of the month, our gas situation will improve.

Wednesday, May 16, Secretary Schlesinger: "The worst is over," referring to the gasoline shortage.

Thursday, May 17, Jody Powell:

> Don't be overly optimistic about gasoline supplies this summer.

Tuesday, June 12, Deputy Secretary O'Leary said he had no evidence of any withholding of crude oil supplies by the oil companies.

This morning's paper, quoting Secretary James R. Schlesinger on June 13, charged yesterday that oil companies have aggravated the situation.

Mr. Schlesinger is everybody's favorite Secretary on both sides of the aisle. I would not want to interrupt this quotation:

> He charged yesterday oil companies have aggravated the Nation's gasoline supplies by unduly building up their crude oil inventories while cutting back production.

This is why we need a resolution of inquiry. It is because the American people are demanding an answer to this serious situation affecting their lives and their jobs and their homes. We may not have enough to heat their homes this coming winter. We do not have enough to keep their cars on the road even now.

How anyone could say no to a request for information so that we in this Congress can intelligently proceed to solve the problem, possibly with legislation that is being talked about here, I cannot possibly understand.

I ask for a unanimous vote in favor of this bipartisan resolution.

Mr. VOLKMER. Mr. Speaker, will the gentleman yield?

Mr. BAUMAN. I yield to the gentleman from Missouri.

Mr. VOLKMER. Maybe part of the trouble would be the fact that we do have the Secretary who said the things he did yesterday, reported in this morning's paper, and one of the good places to begin would be to have a new Secretary of Energy.

Mr. DINGELL. Mr. Speaker, I yield 2 minutes to the gentleman from Hawaii (Mr. HEFTEL).

Mr. HEFTEL. Mr. Speaker, this morning's resolution sounds like an echo from the past week of trying to draft legislation for the so-called windfall profits tax. We do not have adequate information. The Department of the Treasury has to admit it. The Department of Energy has to admit it. No matter whom we address and what we ask, when we get to the bottom line, it is blank, and it says, "We do not have the information."

This is as bipartisan a request as was pursuit of World War II. This is not Democratic or Republic. This is commonsense or lunacy. How can this body make judgments? How can any committee of this body make judgments when we do not have the facts with which to make those judgments, and what is worse, there is reason to believe the administration does not have the facts either, if we are to believe the contradictory statements which they issue to us.

The best thing we can possibly do is to figure out how to get the facts.

I cannot feel confident this resolution will do it, but let us try, because until we have the facts, we are all in the soup.

Mr. DEVINE. Mr. Speaker, I yield 1 minute to the gentleman from South Dakota (Mr. ABDNOR.)

Mr. ABDNOR. Mr. Speaker, I rise in support of House Resolution 291. In my home State of South Dakota many people are questioning whether the energy shortage is real or just contrived by the oil companies. The sad fact of the matter is that neither I nor anyone else in Congress knows for certain.

My office has been besieged with calls from oil dealers whose fuel allocations have been cut off, leaving farmers in the lurch until they were given priority. Independent truck stop operators are in a real bind. Several have had to close stations due to the lack of diesel fuel.

Despite the lessons of the oil embargo 5 years ago, neither the President nor the Congress nor the oil companies have done anything substantial to lessen our dependence on unreliable foreign sources for 50 percent of our crude oil needs. The President has exercised little real leadership and Congress is unwilling or incapable of facing up to the problem. The rationing plan rejected by Congress was blatantly weighted to favor big city States at the expense of rural areas.

Until everyone can operate from the same base of operation, I see no solution to the impasse other than to increase imports wherever possible. But that just exacerbates our energy dilemma.

There is so much finger-pointing and conflicting statements regarding supplies and stocks of crude oil that the American people do not know whom to believe. For this reason, I have joined in cosponsoring House Resolution 291, a resolution of inquiry calling upon the President to make public all the information at his command on 11 specific aspects of the energy supply situation.

If we can all operate from the same base of information, perhaps Congress can be induced to make some responsible decisions in this matter so crucial to our entire economy.

☐ 1140

Mr. DEVINE. Mr. Speaker, I yield 2 minutes to the gentleman from New York (Mr. GILMAN).

Mr. GILMAN. Mr. Speaker, I thank the gentleman for yielding and rise in support of House Resolution 291, a resolution of inquiry, directing the President to provide the Congress with full and accurate information concerning our Nation's crude oil and petroleum supplies.

Mr. Speaker, our Nation's energy problem is the most critical issue confronting our Nation today. It has not developed overnight. We have been living with this problem over the past decade, at least since 1973.

I have cosponsored and I support the passage of this resolution in order to help resolve the most critical problem confronting our Nation—the energy crisis.

Our energy problems did not develop overnight. We have been confronted with a growing shortage of energy throughout the seventies. It became most critical in 1973 and we are once again in a crisis situation since the spring of this year.

In all of those intervening years that this problem has persisted, it is incredible to read today in the Interstate and Foreign Commerce Committee's report, replying to this inquiry, the statement that:

> The information currently available is far from adequate . . . the committee will continue to press the Energy Department for timely responses to inquires, and timely collection of relevant data. [Report No. 96-261, accompanying H. Res. 291, p. 8, June 11, 1979.]

Here we are, 6 years after the long gas lines of 1973, repeating history, with an even more serious situation and still not having the kind of reliable, independent information which we were calling for 6 years ago.

It is difficult for most of us in this Chamber and for the American public to perceive why it has been so difficult for the Congress and the executive branch of our Government to obtain the information that is so essential in the consideration and resolution of our energy problems.

Certainly the Congress and certainly the American public are entitled to have accurate information in order to make responsible decisions in this crisis.

In order to provide the Congress and our constituents with a long overdue explanation of our present energy situation, by this resolution we are seeking from the President a reply to the following inquiries:

One, the existence and percentage of shortages of crude oil and refined petroleum products within the United States and administrative regions;

Two, the current level of demand for crude oil and refined petroleum products within the United States and administrative regions;

Three, the current quantity and location prior to final retail sale of supplies of crude oil and refined petroleum products within the United States;

Four, methods used in allocation of crude oil and refined petroleum products among the various administrative regions of the United States since January 1, 1979;

Five, directives changing allocations of crude oil or refined petroleum products among the various administrative regions of the United States since January 1, 1978;

Six, facts in the possession of the executive branch demonstrating any action within private industry to withhold or reduce supplies of crude oil or refined petroleum products available for public distribution since January 1, 1978;

Seven, public statements since January 1, 1979, of the President, the Secretary of Energy, or spokesmen acting on their behalf, pertaining specifically to shortages and supply of crude oil and refined petroleum products as well as any diversion of foreign supplies of crude oil and refined petroleum products intended for shipment to the United States;

Eight, the percentage change in the various petroleum products obtained from the refining of crude oil, on a monthly basis, since January 1, 1978;

Nine, actions, directives, or communications regarding changes in the refinery yield of petroleum products since January 1, 1978;

Ten, any reduction in the supply of crude oil from any foreign country since January 1, 1978, if not incompatible with the public interest; and

Eleven, refinery capacity utilization, on a monthly basis, since January 1, 1978.

The bureaucratic obfuscation and the lack of reliable, accurate information breeds cynicism and is, in part, responsible for the inability by the Congress to provide for the American public an adequate assessment and plan of action.

Our Nation has become too dependent upon foreign oil to approach the energy crisis with anything less than a clear and broad spectrum of information. Our resolution of inquiry will help to cure that crippling situation and put us in a position more conducive to progress and energy independence.

Mr. Speaker, I urge my colleagues to support this resolution, bearing in mind the implications that the neglect of this resolution would bring upon us in future years.

Mr. DEVINE. Mr. Speaker, I yield 1 minute to the minority leader, the gentleman from Arizona, (Mr. RHODES).

Mr. RHODES. Mr. Speaker, as I stated earlier in the day, the gentleman from Michigan and the Interstate and Foreign Commerce Committee took a course which I think was not improper, to get in formal compliance with a resolution of inquiry. I think, as I said, there has been a technical compliance with the resolution.

A resolution is a limited document and can only ask for facts. But I think the action in the House today should inform the Department of Energy and the President of the United States that this House is not going to be satisfied with a technical compliance to this resolution of inquiry. The House wants and the American people want a full statement of facts from the President. The President should give us his best factual information as to what happened, why we have a shortage and why people must wait in gas lines and he should do it in clear, plain, understandable language.

I sincerely hope that the President and the Department of Energy will not try again to formally give a technical compliance with this resolution when it is adopted by sending the same material down. If they do, it will be a great mistake. I promise you that there will be a resolution of inquiry on the floor then every day until we get the right answers.

Mr. DEVINE. Mr. Speaker, I yield such time as he may consume to the gentleman from Massachusetts (Mr. CONTE).

Mr. CONTE. Mr. Speaker, I am strongly in favor of this resolution, and I will call for a rollcall vote on the resolution itself.

Mr. Speaker, since my freshman term in 1959 I have been concerned with the callous attitude of the oil industry. They have consistently demonstrated the belief that they have controlled the destiny of this Nation since the 1800's and will continue to do so for years to come.

Presently, the Department of Energy has no internal means of determining the levels of petroleum stocks, gasoline stocks, or middle distillates. Rather, it relies totally on the figure's conveyed by the American Petroleum Institute.

We are all too familiar with the recent figures, one day they indicate that the crisis will be over next month; the next day, that the crisis is escalating.

It should be obvious to this body that we do not have adequate information. How can we even begin to make any constructive decisions under these circumstances?

The American public cries for positive action, any action. This resolution is that positive first step. It is time for Congress to promulgate some energy guidelines of our own. For too long the Department of Energy's Economic Regulatory Administration has monopolized the issuance of guidelines.

Let this body express its sense of frustration at the lack of cooperation coming from the White House with this resolution. At a minimum, we require this requested information in order to go forward intelligently.

Mr. DEVINE. Mr. Speaker, I yield 1 minute to the gentleman from Pennsylvania (Mr. WALKER).

Mr. WALKER. Mr. Speaker, a few days ago there were some steelworkers who stopped by to see me and they gave me a pin that said "Get mad." What they were referring to was we ought to get mad as a society in order to get something done about energy.

It seems to me that the way this House can begin to get something done is by getting information in the first place. That is exactly what this resolution is all about, getting information. If we can get the kind of information that this resolution calls for we will really be demanding of the President of the United States that he tell the American people through their Congress the truth about energy. If we get the truth about energy, then it seems to me we can get some real action on energy.

I yield back the balance of my time.

Mr. DEVINE. Mr. Speaker, I yield such time as he may consume to the gentleman from Alabama (Mr. DICKINSON).

Mr. DICKINSON. Mr. Speaker, I rise in support of the resolution.

Mr. Speaker, every day we read in the papers and see on television stories about the energy shortage and the decreasing gasoline supply. One very legitimate question which I receive daily is "Why doesn't the Federal Government do something about it?" I say this is a legitimate question because the President 2 years ago made his statement about the "moral equivalent of war" in referring to the energy shortage; but as yet, the Congress has not passed a comprehensive energy bill. It is only fair to ask why.

In my opinion, the basic and fundamental problem in drafting legislation to solve this problem is that Congress is not sure of the facts. There have been many, many conflicting statements. Three months ago, we read where there was a glut of Alaskan crude in California and on the west coast. Today, California is one of the hardest hit by the gasoline shortage problem. Just recently the administrator of the Office of Energy in New Jersey issued a many-paged letter stating there was no shortage—that the problem we are presently facing is artificially contrived. Now the gas lines are a mile long in Washington, D.C., as we experienced in 1973.

The big question is: Is there an energy shortage or not—and what should we do? This resolution of inquiry calling on President Carter to provide specific information about the supply, demand, and distribution of petroleum products in America is our best bet for getting the information we need. Then and only then can we fashion and pass legislation that can get to the problem and deal with it on a national basis.

Regardless of the reasons, one fact is without dispute: We are paying a lot more for gasoline and diesel than we were 6 months ago. We need to find out why. This resolution may get us the information we need.

Mr. DINGELL. Mr. Speaker, I yield 2 minutes to the gentleman from Indiana (Mr. SHARP).

Mr. SHARP. Mr. Speaker it is obvious to everybody that a better job has got to be done in the executive branch and in the Department of Energy to see to it that we get what information is available. Let us face it, we are going to have to face up to a lot of complications. We will have to vote on the problem of how to get that information out of the big oil companies. That may require disclosing confidential information. It may require Government placing people in their management offices, or taking more extreme measures. We are going to have to face up to the fact of having international cooperation in order to monitor the major corporations operating internationally.

We can slap around the President; we can slap around the Department of Energy, but if there is not adequate authority in international agreements, in international organizations, the U.S. Government can not get adequate information for the American public.

Mr. HEFTEL. Mr. Speaker, will the gentleman yield?

Mr. SHARP. I yield to the gentleman from Hawaii.

Mr. HEFTEL. Mr. Speaker, I think this point is not only well taken, but it may be something that we should consider amplifying. In the broadcast spectrum there are a limited number of facilities. Therefore, they are licensed in the public interest. It may well be that in the state of availability of oil, that oil will have to be a licensed process, whatever form that may take.

Perhaps we will have to face up to the necessity of talking about licensing, because otherwise we may not be able to get the information we are talking about.

Mr. SHARP. Mr. Speaker, let me say that I think we have got to seriously examine other alternatives, to examine organizational structure and the way in which Government relates to these companies. I think it is imperative. I do not have a lot of confidence in our present ability to license or to do all the things we are trying to do because we do inhibit initiative in the things we need. If we are not able to get refinery runs at full capacity when crude oil is available, the Government is going to have to act.

Mr. DINGELL. Mr. Speaker, I yield 1 minute to the gentlewoman from New York (Ms. HOLTZMAN).

Ms. HOLTZMAN. Mr. Speaker, obviously I most strongly support this resolution. It seems to me incredible that we should be confronting an energy crisis of this magnitude without having the facts at hand. I think this resolution is an important one. The one regrettable aspect of this resolution, however, is that it suggests that Congress is acting only now to get the facts. The point is that in 1974 legislation was passed requiring the executive branch to get the facts regarding oil production reserves, and refining capacity in this country. I think the resolution should ask why this administration and prior administration did not get that information.

Mr. DINGELL. Mr. Speaker, will the gentlewoman yield?

Ms. HOLTZMAN. I yield to the gentleman from Michigan.

Mr. DINGELL. Mr. Speaker, I would observe that section 11 of the ESECA, of which I am the author, requires initiation of rule-making by the Department of Energy to compel the requirement of information by special order, by subpena, and by other mechanisms, from the oil companies.

The SPEAKER pro tempore. The time of the gentlewoman from New York has expired.

Mr. DINGELL. Mr. Speaker, I yield 2 additional minutes to the gentlewoman from New York (Ms. HOLTZMAN).

With respect to production, supply, reserves, imports, exports, and other matters relating to all forms of energy, the Department of Energy, as I have pointed out, has never complied. I must point out that the question before the House today is not compliance with this particular provision of law, and although I am outraged about the failure of the administration to comply with this and the failure of the prior two administrations to comply with that, I have to advise the House that the resolution of inquiry before the House today has been complied with according to the letter of the rules of the House.

□ 1150

Very shortly we will have the Department of Energy authorization legislation before the House. You will find when that matter comes before the House that we are requiring additional actions to be taken by the Department of Energy to comply with section 11 of ESECA. I would point out further that at this particular minute, hearings are going on in the Subcommittee on Energy and Power, being chaired by the gentleman from Connecticut (Mr. MOFFETT) to deal with the question of the production of information, and they are going on right at this particular minute.

I thank the gentleman for yielding.

Ms. HOLTZMAN. I thank the gentleman. I would like to point out that I appreciate what he is doing, and I appreciate his leadership in this respect. It is very disturbing to me and to the other Members of this body to find that Congress passed a law requiring the executive branch to collect independent data and information precisely to formulate policy, and that administration after administration has refused to comply. Unless this administration decides to comply, how can we be assured that we can adequately and intelligently deal with this crisis.

Mr. DINGELL. If the gentlewoman would yield back, three administrations—this administration, the Ford administration, and the Nixon administration—have been accused of refusing to comply with this provision of the law despite our demands to the contrary.

Mr. Speaker, I yield 2 minutes to the gentleman from Texas (Mr. GRAMM), a member of the committee.

Mr. GRAMM. Mr. Chairman, I rise in opposition to this resolution. I rise in opposition to it because it will lead the American people to believe that we do not have these facts when, clearly, they are available to anyone who is willing to take the time to make the inquiries to get the facts. A resolution of inquiry can do only one thing, and that is to give us facts already available to the administration. If under existing law, or if under the procedures and policies of the administration they do not get the facts, then a resolution of inquiry cannot force them to give us the facts. If they are confused as to the facts, then what they report under this resolution will be confused.

I think it is very dangerous to call on the administration to give us information which we already have, because we mislead the American people into believing that facts are being held back. I remind every one of you who has been home within the last few weeks and months, that there is great confusion in this country as to the nature of the current energy situation. Every one of us is faced, when we go home, with somebody who met somebody in the men's room who told him that he saw somebody hoarding gasoline, dumping it in the desert or holding tankers off the coast. I think that this kind of resolution, which clearly misleads the America people as to facts which are available, simply adds to that misinformation and adds to the demagoguery going on all over this country.

If we are going to pass a resolution of inquiry, let us first pass a law to mandate the gathering, collection, and assessment of the data we want, and then let us ask for it. Let us not engage in this kind of sham which will mislead the public.

Our committee has the information that is being sought here. The information is on this desk. It has been available for some months to every Member of this body, and I think to pass a resolution of inquiry to ask for it misrepresents the facts to the American people.

Mr. DINGELL. Mr. Speaker, I understand the temper of the House very clearly. I want to have my colleagues know that we have had the resolution of inquiry fully and fairly and properly complied with by the DOE, and it will be further fully, fairly, and properly complied with according to the letter of the rules of the House if this resolution is adopted.

I want my colleagues to know that the resolution of inquiry requires that books, papers, information, and data in the possession of the administration be submitted to respond to the questions in the resolution of inquiry. I want my colleagues to know that that already has been done. Adoption of the resolution will result in DOE providing the same data.

I want my colleagues to know that the rules of the House relating to a resolution of inquiry do not require and, as a matter of fact, do not permit the House to ask or the administration to submit other information which is gathered by other processes and which is not already in the custody of the administration, or the officer of the administration to whom the resolution of inquiry is directed. My colleagues today have stressed with a great deal of concern the inadequacy of DOE information collection and validadation. They have stressed to the House, and I think properly so, that the administration and the prior administrations have not gathered independent information.

I want my colleagues to know that I have been highly critical of this behavior, not of this administration and not at this time, but throughout the period of years which have existed since 1974 from the passage of ESECA, the Energy Supply and Environmental Coordination Act, and I refer most specifically to section 11 and section 11(d) of which I am the author.

I want my colleagues to know that the Subcommittee on Energy and Power at this particular minute, under the chairmanship of my good friend and colleague who is a member of that subcommittee acting in my absence (Mr. MOFFETT), is dealing with this question of information as regards gasoline supply and other fuels.

I want my colleagues to know that when the Departmentof Energy authorization legislation for fiscal year 1977 is before this body, they will find that there is additional language therein further toughening the demands that I have made over the years, insisting that independent action be taken by the administration to procure the information which is important to our full understanding of reserve data, supply data, imports, and other matters, so that the House and the Congress and the people will have a clear understanding of what are the facts upon which we must act.

I want my colleagues to know that section 11 of ESECA, of which I am the author, is a clear mandate that the administration must procure the information in question.

I want my colleagues to know I have no objection to the vote which will take place, and I want them to know that the vote will, I regret to advise them, procure no new information other than that which was available at the committee table and which was made available to my Republican colleagues yesterday in response to the resolution. Such data was procured by me in my duties as the chairman of the Subcommittee on Energy and Power of the Committee on Interstate and Foreign Commerce. I do want them to know that I will persist in my efforts to procure the information which I and my colleagues desire to have on this particular matter, and that the motion to table made earlier by me was simply to save the time of the House and to see to it that the information requested by the sponsors of the resolution of inquiry was presented to the House in a proper and appropriate fashion.

Mr. WYLIE. Mr. Speaker, will the gentleman yield?

Mr. DINGELL. I yield very briefly to my colleague, the gentleman from Ohio.

Mr. WYLIE. I thank the gentleman for yielding.

I want to compliment him on what I regard as a responsible and sincere statement. I know he wants to bring whatever facts there might be available to the floor of the House.

The gentleman from Texas (Mr. GRAMM) a little while ago used the word "demagoguery" referring to this debate, and I would like to ask the gentleman from Texas, if the gentleman from Michigan would yield, if he has the facts requested here.

Mr. DINGELL. With all regard for my good friend, the gentleman from Ohio (Mr. WYLIE), for whom I have high regard, I do not think I have yielded to him for that kind of purpose. The gentleman from Texas (Mr. GRAMM) is a valued member of the subcommittee. He is a man of great integrity and a man for whom I have the highest regard. I am well satisfied that in his comments he meant nothing derogatory to anyone, and I think that that comment more than adequately serves the need of the House. With a great deal of respect for the gentleman from Ohio, I decline to yield further to him.

● Mr. ALEXANDER. Mr. Speaker, I join in directing this inquiry to the President with a great sense of urgency for the agricultural and other producers of my district. Indeed, I hope the President and the Secretary of Energy can provide the information well before the 15 days authorized. Within 15 days it will be too late to plant farm crops in Arkansas.

Something chaotic is happening with the supply of diesel fuel in parts of this country. Last Tuesday night I spoke to Secretary Schlesinger about the growing shortage of fuel for tractors and irrigation pumps in Arkansas. I told him we had been working daily with the Department of Energy to get fuel flowing. I told him that some distributors' tanks were dry, some tractors were standing idle, price gouging was occurring. Estimates indicate that 1 large cooperative needs 3 million gallons for the remainder of this month and the supply is nowhere in sight. Mr. Schlesinger's response was that such a situation was "impossible." The Secretary's incredulous reply came from a man who probably knows more about the fuel problem than any other person in the Nation. His assertion that such a situation could not exist underscores the gravity of the crisis of information that exists in energy.

A case in point: Last Friday evening I was informed by an aide that there were disturbing reports of impending diesel shortages in a nine county area in my district. I alerted my staff and began an investigation that has lasted until the present time.

Monday, June 11, the volume of calls from farmers and fuels distributors began to increase. The shortages, the callers said, were becoming more widespread and acute. By noon my district office in Jonesboro had received nearly two dozen calls. By midafternoon the members of my staff advised me that queries had been made of all the major oil companies supplying diesel fuel to the area. "No problem"—they were told by the oil companies. Allocations were being met. But the calls kept coming in. Further investigation revealed that a statewide cooperative was the principal jobber in the area. A representative of the co-op advised that the major oil company supplying his operation had turned off the valve last February 27. "How is that possible," I asked, "in view of the President's rule which required that fuel be delivered in amounts up to the level of last year's usage?" A staff member called the oil company involved. A company representative told us that the co-op was not a principal customer. Therefore, no obligation existed to continue delivery. We were advised by the oil company that they had provided only a limited amount of fuel during the base period last year. I subsequently found that the figures I was given, although correct, did not include the entire base period during which they had sold the co-op several million gallons of diesel. What could be done to restore delivery? Apparently the only recourse was litigation, which might take up to 2 years.

Tuesday, June 12. The number of callers increased as the shortages worsened but the picture became more muddled when it appeared that supplies of diesel in the system were adequate, if not plentiful. Striking truckers were blocking the pumps at several terminals. Nearly a half million gallons of diesel was already in the nearby pipeline. But there was apparently no fuel behind it to push it through. The co-op representative said he had managed to acquire about 200,000 gallons, but at a price which would sell to the farmers nearly 40 cents higher than the going rate. I called Secretary of Energy Schlesinger. He promised to investigate.

Wednesday, June 13. The shortages mounted. The weather was perfect for planting but still no fuel was available. The co-op supplier said that he had only 50,000 gallons of fuel available for delivery—a mere dribble. I contacted an executive of the petroleum industry in Arkansas and enlisted his help. He spent the afternoon talking to marketing representatives of various companies. He reported in late afternoon that he had managed to persuade the reluctant supplier of the co-op to make 55,000 gallons of diesel available. It was reported that the company had 1,600,000 gallons of diesel available at a nearby terminal. The co-op representative contacted my office to thank us for our help and said it looked like the worst was over. He had acquired, he said, six tanker transports and thought he could resume deliveries now that the product was available.

Thursday, June 14. Upon returning from the floor of the House after a vote on the Energy and Water Appropriations bill I was told that the terminal where the 1,600,000 gallons of diesel was located had been shut down. "Why?" I asked. No one seemed to know. It was just closed down. A reporter from the Jonesboro, Ark. Sun called a staff assistant and gave him information which could only lead to a strong surmise that there were "black marketing" operations underway. A jobber in a small northeast town had apparently managed to buy 107,000 gallons of diesel during the past few days at about 90 cents a gallon. The jobber said the farmers' production cost would rise $20,000, but it was better than losing the crop. The invoice reflected the shipper's name as that of the company that had cut off the co-op last February.

Friday, June 15. The co-op representative called to appeal for help in getting transport. More diesel was available, he said, but he could not move it. What happened to the six trucks? They were committed elsewhere, he said. I again contacted DOE to try to get an investigation underway. DOE advised their man would be on the scene early next week.

County Judge A. A. "Shug" Banks in my home county has indicated that 10 of 13 major diesel suppliers say they anticipate a 20- to 40-percent shortage this month.

It is a very serious situation for all of us. If crops are not planted, it means economic disaster for much of Arkansas. Farmers will go broke. Loans will not be repaid. Welfare rolls will swell.

Something is seriously awry with planning for, or with distribution of, agricultural fuel. The assurances and reassurances that have been forthcoming will not burn and will not sell. The people deserve to know the facts when their livelihood is at stake.●

Mr. DINGELL. Mr. Speaker, I yield back the balance of my time.

□ 1200

Mr. DEVINE. Mr. Speaker, I yield such time as he may consume to the gentleman from Ohio (Mr. MILLER).

Mr. MILLER of Ohio. Mr. Speaker, as a cosponsor, I rise in strong support of House Resolution 291, an inquiry directing the President to provide Members of the House with information on the energy situation.

The resolution simply seeks under one cover some basic facts with which the House and the Public can make some basic judgments about the current oil shortfall. It asks 11 questions about crude oil supply, usage, and demand.

For months there has been a steady flow of contradictions, clarifications, amplifications, retractions, charges and countercharges about the nature and scope of the shortages. No wonder the public is confused and angry. If the Government cannot sort the situation out and level with the people, the blame game will only continue while the gasoline lines grow longer, prices escalate and the economy plummets. Without the President sharing the best information he has, the Congress will keep flying blind.

All we seek is to lay all our cards on the table so that we can develop a coherent energy policy in rational manner. What will the gasoline supply be for the rest of the year? Will there be enough home heating oil this winter? How much will consumers have to pay to get the energy they need? These are some of the questions our constituents are asking and without the facts this resolution seeks the House Members will be hard pressed to give them responsible answers, or provide solutions to the energy problem.

Mr. DEVINE. Mr. Speaker, I yield such time as he may consume to the gentleman from Texas (Mr. PAUL).

Mr. PAUL. Mr. Speaker, I must oppose this resolution, even though I respect the intention of its proponents.

The assumptions on which this resolution of inquiry rests are all questionable. First, the resolution assumes that the Congress has the right to acquire this information from the energy producers via the Department of Energy. As the committee report states, much of the information requested is of a confidential or proprietary nature that neither Congress nor the Department of Energy should have. What is not confidential or proprietary is either already public and readily available to Members of Congress, or outdated and of little use to Members of Congress. There is no point in using this extraordinary vehicle to compel delivery of information that is either already public, outdated, or confidential.

The second assumption is that Congress will know what to do with this information once it receives it. This assumption is as unfounded as the first. Statistics are the eyes and ears of the Government when it is attempting to plan the economy or any phase of the economy. Congress already knows or should know what to do about our chronic energy shortages. Anyone who is even slightly acquainted with economics realizes that the market is self-adjusting, and that supply and demand problems such as those faced by the American people in recent weeks are caused by nonmarket forces, specifically the Federal Government. Allocations, price controls, commands to produce one sort of refined fuel and to restrict the production of other sorts of fuels are all tools of the Federal Government that have been used to disrupt the energy market. Congress created these tools and has handed them to the Department of Energy. It should not be surprised that the use of those tools has resulted in energy problems, for that is all those tools could be used for. The blame for our energy mess rests squarely on this Congress, not on the oil companies, and not even primarily on the Department of Energy. The DOE is simply the agent of Congress and has carried out its bidding.

This information requested in this resolution will be useful only for further interference by the Congress in the economy, Rather than worsening the situation by our bumbling and counterproductive efforts to regulate the energy market, we must stop our interference by deregulating, decontrolling, and detaxing our domestic energy producers. To do that, we need no further information. We need only consult the United States Code to get the proper citations for the laws that should be repealed. Since the passage of the Natural Gas Policy Act of 1978, the number of operating gas and oil rigs has decreased by

20 percent. Perhaps that has something to do with our energy problems. After we have repealed that act, we can proceed to repeal the Powerplant and Industrial Fuel Use Act of 1978, the Energy Policy and Conservation Act of 1975, the National Energy Conservation Policy Act of 1978, et cetera. It is about time that this Congress realized that it—not the oil companies, not the American people, not the Arabs—is the cause of our energy problems. Unfortunately, it seems more intent on shifting the blame elsewhere.

Mr. DEVINE. Mr. Speaker, I yield such time as he may consume to the gentleman from New Jersey (Mr. HOLLENBECK).

Mr. HOLLENBECK. Mr. Speaker, I rise in support of the resolution of inquiry and in strong disagreement with my colleagues who have tried to suppress it. The resolution of inquiry asks certain questions of the executive branch through the President of the United States concerning the crucial and critical oil and gas situation. The resolution was reported unfavorably and mysteriously by voice vote by that committee of this House. An attempt was also made by a subcommittee chairman of that committee to table the resolution of inquiry shortly before this debate.

Mr. Speaker, the American people are full of fear, frustration, doubt and are perplexed by the entire oil and gasoline situation. They demand answers of Members of Congress daily and Members of Congress simply are not able to give them the accurate, in-depth yet concise answers they deserve. In fact, Members of Congress cannot get precise answers themselves when they turn to the executive branch, in particular the Department of Energy, for help.

This resolution of inquiry, sponsored by many Members of my party, asks some very simple questions of the executive branch. Resolutions of inquiry have been traditionally used by the House of Representatives from the early days of our Government to ascertain "facts and documents already in the possession of the executive branch." Such a resolution cannot ask for opinions and cannot ask for investigations. They have been used sparingly, for example to receive documents which could not be received through routine channels—such as the war in Laos, busing, military aid, and South Vietnamese elections. In most cases, the requested information was received by the House.

The present resolution asks 11 questions of the President. Those questions concern the amount and percentage of shortages of crude oil and refined petroleum products, levels of demand and quantity and location of the same, allocation methods, percentages of production and refinery capacity utilization. They ask for specific answers.

Mr. Speaker, the appropriate place to address these questions is to the executive branch through the President and, in particular to the Department of Energy. However, all it appears that was done by the committee is the holding of a cursory meeting at which time prior hearing testimony was alluded to, and a report issued pointing to shortages of certain fuels, receipt of Department of Energy reports and voluminous documents received from the Department of Energy, and concluding, in essence, that it was the best that could be done.

In short, the questions asked by the resolution were not answered directly by the committee nor did the committee recommend their referral to the President. They were "answered" with the attitude of "here's a whole pile of hearing records, books, figures, facts, and information. It's all in there and find it if you want it." I hardly think that this is a manner in which the American people themselves—and through this House of Representatives—deserve to be treated.

However, it is typical of the entire confusing treatment given the energy situation by the White House and, in particular, by the Department of Energy, headed by Mr. Schlesinger. I have previously called for Mr. Schlesinger's resignation or removal and renew that call today. I note, parenthetically, that from a "profit of doom," Mr. Schlesinger is now attempting to solve the "gasoline shortage" by issuing statements saying that the lines will soon disappear. I hope for the sake of the American people that his prophecy comes true, but I hope they realize that if it does come true it is through no productive work of his.

Mr. Speaker, in all my years in Government and in observing Government in action, I have never seen such short-shrift treatment given a major problem by a major committee of a branch of Government. The entire committee report referring to the resolution of inquiry reads like a 14 page excuse. Two items in it would be almost amusing if the situation were not so critical. One has to do with "cost." The committee alludes to the stacks and volumes of prior committee hearings and reports and records furnished it by the Department of Energy. It then says that the cost of reproducing all those documents for distribution to 435 Members would be "very significant." I agree with that as far as the statement goes, but would note that this approach is analogous to the Congressional Research Service telling a Member of Congress when he asks for a report on the size of the American buffalo herd that the whole library of Congress is available for his research but that the cost of reproducing it would be too expensive.

Even more noteworthy is the statement that the data will not quell public skepticism. From my observation, the American public is ready and willing to draw its own conclusions from exact data, if the same is furnished. For the administration and its supporters to try to hide behind a mountain of figures, facts, statements and reports without providing exact data from those sources can only lead to further public skepticism—skepticism of the good faith and public interest of the President, Schlesinger, and this House in their dealings with the entire crisis.

Mr. Speaker, I have a great deal of pride in this House and in the committees and the committee system. I find it rather disturbing when a committee's actions and reports cast the image to some that it is a spokesman for the President and an arm of the Department of Energy. I urge the adoption of this resolution.

Mr. DEVINE. Mr. Speaker, I yield such time as he may consume to the gentleman from Pennsylvania (Mr. RITTER).

Mr. RITTER. Mr. Speaker, I rise in strong support of the resolution.

Mr. DEVINE. Mr. Speaker, I yield such time as he may consume to the gentleman from Pennsylvania (Mr. DOUGHERTY).

Mr. DOUGHERTY. Mr. Speaker, I rise in strong support of the resolution.

Mr. DEVINE. Mr. Speaker, I yield such time as he may consume to the gentleman from California (Mr. BURGENER).

Mr. BURGENER. Mr. Speaker, I rise in support of the resolution to require the President to provide Congress with all of the facts on our current energy situation.

The Department of Energy has been woefully inadequate in presenting the clear and concise situation to the American people, as evidenced by opinion poll results which show that nearly 70 percent of our citizens believe the energy shortage is contrived.

At a time when our imports are at their highest levels and when statistics report that gasoline consumption is down significantly below last year's levels, it is puzzling why we are witnessing mammoth gasoline lines first in the West, and now in the East, a potential shutdown of the movement of fresh produce and vegetables by truck, and retail fuel prices increases which bear little resemblance to the increases levied by OPEC.

The American people are willing to conserve if they can be convinced that the shortage is real. With all of the conflicting policy statements eminating from this administration, however, it is no wonder people have little confidence in Government pronouncements.

Congress is also embarking on consideration of important energy legislation aimed at speedy development of commercially available synthetic fuels, and it is imperative that we know, as well, the full dimensions of the energy problem and its true severity so the best possible legislation can be enacted.

I am hopeful that the administration will be forthcoming and respond rapidly to this resolution of inquiry so the full and true picture of the current energy situation can be known. I urge the President to utilize all the resources at his command to provide us with this information, and that the information be summarized and in readable form that all of us can comprehend.

Mr. DEVINE. Mr. Speaker, I yield 2

minutes to the gentleman from California (Mr. DANNEMEYER).

Mr. DANNEMEYER. Mr. Speaker, it has been said that Congress begins with a prayer and ends with an investigation. That appears to be our course today and it is a very wise course so long as we choose to go down the road of attempting to regulate our way out of a shortage. We are doing that and in order to do that intelligently we need this information.

A great economist, Dr. Milton Friedman, recently wrote in a national publication a very succinct analysis of what Government does to create a surplus or a shortage. First off, if you want a surplus of anything, have the Government establish a minimum price above what the market price will pay for that product. An example is teenage labor. That is why we have a surplus of unemployed teenagers in our society. Some of us want to create a lower minimum for teenagers in order to expand job opportunities in the private sector.

On the other hand, if you want a shortage, have the Government establish a maximum price at a level below what the market will pay for the product. That is why in those cities of this Nation where we have rent control, we have a shortage of rental housing and that is why we have a shortage of oil and gasoline in the United States today. We have pursued the philosophical folly of attempting to regulate our way out of a crisis. Why have we done this? Because the leaders of the Democratic Party are distrustful of the market system and also the profit system. They mistakenly believe that we should insulate consumers in this country from the true cost of energy, hence control prices. The only thing this policy has produced and will produce is a long line at the gas station. In a nutshell, what do we prefer? Long lines at gas stations for a limited supply or no lines at gas stations at a price for gasoline which reflects the individual choice of whether a person chooses to buy or not. We can ration by price or by standing in line.

If we want to know why we have gas lines and a shortage of petroleum in this country, the buck stops with the Congress of the United States because the Congress has created the law which is attempting to regulate our way out of this crisis. Congress has fixed a maximum price for domestic crude oil below the world market price. Producers of domestic U.S. oil are not inclined to pump their product from the ground and sell it for less than what it is worth. In some cases, the price the Government permits is less than what it costs to produce it. The most responsible thing we can do is immediately deregulate the price of gasoline, of natural gas, and oil. If we have the courage to do so, we will stimulate supply and production in this country, and begin to decrease our dependence on foreign oil.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. DEVINE. Mr. Speaker, I yield 1 minute to the gentleman from California (Mr. LEWIS).

Mr. LEWIS. Mr. Speaker, the question of credibility of information regarding energy is not new. During the 1973–74 oil embargo it rose to the surface immediately and the Congress did react by passing a law which specifically mandated the Department of Energy through a new agency, the Energy Information Agency, to develop credible, independent sources of information. Since that time the agency has spent millions of dollars and has over 100 employees. At the same time we developed an independent audit team to review their work and bring it back to us from time to time. Last month we received their report. The report states that EIA since October of 1977 "has made little progress in actually determining the accuracy and the reliability of energy data."

This report also states that DOE and EIA "anticipates completion of initial validation of all EIA energy systems by 1986." Can we really wait 7 more years for valid data on energy production? I think not. I would suggest instead that the President begin by cleaning house in the Department of Energy. We can no longer afford to have this critical area handled by a Secretary who continues to say "we have no reason not to believe the oil companies." The American people deserve better than has been received from the Energy Information Agency.

The report goes on to say that while DOE/EIA's validation office has been in existence since 1977, currently has a staff of 27 people and will have spent $7 million by the end of fiscal 1979 "little has been accomplished in the way of improving the accuracy, reliability and overall credibility of energy information." The report's findings were substantiated by a comment by DOE Deputy Secretary O'Leary in a letter to the chairman of the Federal Trade Commission that until it completes an audit, DOE will not know what the oil industry is up to.

The average American can and will do his part to conserve energy. But it is unrealistic to expect him to conserve, wait in line, and pay ever higher energy prices when the Department of Energy cannot accurately evaluate the statistical information provided it by the oil companies. If the Carter administration cannot tell us what the facts are in the current shortage, and by their own admission they cannot, and if the EIA will not have oil statistics validated until 1986, then it is time to make significant changes.

Accordingly, I believe, the task of collecting, evaluating, and disseminating information on oil production, refining and so forth should be taken from the ineffective EIA and placed with a Presidentially appointed, quasi-independent council that will provide accurate reliable data long before the 1986 date anticipated by EIA and that will treat the whole matter of valid, accurate reliable energy data with the sense of urgency it warrents.

I urge my colleagues to support this resolution.

Mr. Speaker, Mr. Schlesinger continues to tell us there is a no reason to question big oil's information sources.

Mr. Speaker, it is time we asked the President to clean up his own house.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. DEVINE. Mr. Speaker, I yield such time as he may consume to the gentleman from California (Mr. CLAUSEN).

Mr. CLAUSEN. Mr. Speaker, I rise in strong support of the resolution.

● Mr. BOLAND. Mr. Speaker, I rise in support of House Resolution 291. Few events in the history of this Nation have been surrounded by as much confusion as has our current energy situation. Each day seems to bring a different set of facts and figures proffered in an attempt to explain the reasons for the tight supplies and high cost of fuel.

The credibility of these explanations is routinely undercut by the issuance of conflicting statements and data, often by the same spokesman and often within a matter of hours of the original attempt to "set the record straight."

The American people simply do not know who to believe. That lack of knowledge breeds a mistrust of most explanations and, more importantly, a reluctance to take seriously most requests to conserve fuel. Meanwhile, lines at gasoline stations grow longer and the tempers of those in the lines, or those who know they soon must join those lines, grow shorter.

We have a responsibility to do what we can to not only establish methods to deal with the energy shortage, but to educate the public as to the extent of the shortage and the prospects for effectively dealing with it. To do this, we need accurate information concerning energy supplies, energy demand, and new energy sources. I am hopeful that this resolution of inquiry will provide that information.

Passage of the resolution will not, Mr. Speaker, provide one more drop of gasoline, diesel fuel, or home heating oil. It will, however, require that we be told, in as comprehensive a fashion as possible, just where we stand on energy supplies. With that information, we can make the decisions necessary to deal with our energy problems, with a reasonable expectation that the majority of the American people will concur in the necessity for those decisions.

Until we have that information we will continue to drift in much the same fashion as we have recently—unable to form a consensus on why the energy shortage exists and what to do about it. That is a sure formula for no action. We can no longer afford the luxury of that response.●

● Mr. AKAKA. Mr. Speaker, I rise in enthusiastic support of the resolution (H. Res. 291). It is inconceivable to me that we here in the United States, the most technologically advanced nation on Earth, were not aware of what was occurring and why it led to the current shortfall. Where was the planning? Why is no one developing and carrying out solutions now? We are only engaging in fingerpointing, trying to find someone who can be blamed.

It is evident that the current nationwide gasoline shortage is not as simply explained as the Arab oil embargo of 1973–74. Rather, it is the result of a series of events and decisions. A chain reaction of events has occurred and continues to place a stranglehold on our gasoline supplies.

Quite obviously, the interruption in supplies from Iran is part of the problem. However, other less visible events and decisions have played a part in creating our current crisis.

Anticipating higher prices and lower supplies of fuel, commercial purchasers began stockpiling in the early part of the year. Millions of gallons of oil were pulled from the system and place pressures on the oil companies' reserves. Quite logically, oil companies in response, concentrated on producing products such as heating oil, diesel and jet fuel. These miscalculations are in large part responsible for gas shortages that was eventually to lead to our current shortfall.

In addition, the administration, worried about other interruptions in Mid-East oil exports, has urged the major oil companies to conserve crude supplies for the production of heating oil next winter.

This squeeze in supplies for production of gasoline, has consequently led the oil companies to restrict deliveries to service stations under the Federal allocation program designed to distribute shortages equally across the Nation.

Despite the warnings since January, demand for gasoline continues to grow daily. Also, panic buying and "topping off" have increased to frenzy some gasoline purchasing in certain sections of the country.

Although I do not believe we can place the brunt of the responsibility on any one person or entity in the chain of events leading to the current shortages, I can only ask myself one question. What ever happened to the promised consistent and coherent energy policy that was to be developed by the Department of Energy? When the Congress agreed to establish the DOE, there was a very clear message about what it was to accomplish. To date, I have not seen a coordination of effort among energy suppliers and the Government. Instead it seems to be a hit and miss operation. It is absolutely mandatory that leadership be provided to pull us from the present situation which will only continue to worsen if something is not done immediately.

We will all have to face constituents who are angry that they do not have ever increasing mobility. However, we must work on the very difficult task of equalizing the pain of gasoline shortages. The gas shortage is with us now. It will continue to challenge us for some time to come.●

Mr. DEVINE. Mr. Speaker, I think this debate generally has been on a high plane and I think we all recognize the issues.

I think the gentleman from Texas (Mr. GRAMM) is a valued and helpful member of the committee but I feel he used an unfortunate term when he suggested that demagoguery has been in this debate or that the American people have been demagogued on this issue. I think if the gentleman really knows what the facts are, a lot of us do not, and he should make those facts available, if, in fact, that is what he intended to infer.

Mr. Speaker, let me say this: The reason the motion to lay on the table failed—there was hardly a vote for it—was because none of us can go out there and tell our constituents when we go home this weekend that we voted against a motion of inquiry to tell them where their gasoline is. I think the issue is clear. I believe we should vote for this.

I do, therefore, move the previous question, on the resolution, Mr. Speaker.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the resolution.

Mr. CONTE. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 340, nays 4, not voting 90, as follows:

[Roll No. 245]

YEAS—340

Abdnor
Akaka
Albosta
Alexander
Ambro
Anderson, Calif.
Anderson, Ill.
Andrews, N. Dak.
Annunzio
Applegate
Archer
Ashbrook
Aspin
Atkinson
AuCoin
Badham
Bailey
Baldus
Barnard
Barnes
Bauman
Beard, R.I.
Beard, Tenn.
Bedell
Benjamin
Bennett
Bereuter
Bethune
Bevill
Biaggi
Bingham
Boggs
Boland
Boner
Bonker
Bouquard
Bowen
Brademas
Brinkley
Brodhead
Broomfield
Brown, Calif.
Broyhill
Buchanan
Burgener
Burlison
Burton, John
Burton, Phillip
Butler
Byron
Campbell
Carney
Carter
Cavanaugh
Chappell
Cheney
Clausen
Clinger
Coelho
Coleman
Collins, Ill.
Collins, Tex.
Conable
Conte
Corcoran
Corman
Coughlin
Crane, Daniel
D'Amours
Daniel, Dan
Daniel, R. W.
Danielson
Dannemeyer
Daschle
Davis, Mich.
Davis, S.C.
Deckard
Dellums
Derwinski
Devine
Dickinson
Dicks
Diggs
Dingell
Dixon
Dodd
Donnelly
Dornan
Dougherty
Duncan, Oreg.
Duncan, Tenn.
Edgar
Edwards, Ala.
Edwards, Calif.
Edwards, Okla.
Emery
English
Erlenborn
Evans, Del.
Evans, Ga.
Evans, Ind.
Fary
Fascell
Fazio
Fenwick
Ferraro
Findley
Fish
Fisher
Fithian
Foley
Ford, Tenn.
Fountain
Frenzel
Fuqua
Gaydos
Gephardt
Gilman
Gingrich
Ginn
Glickman
Gonzalez
Goodling
Gore
Gradison
Grassley
Gray
Green
Grisham
Guarini
Guyer
Hagedorn
Hall, Ohio
Hall, Tex.
Hamilton
Hammerschmidt
Hanley
Hansen
Harkin
Harris
Harsha
Hawkins
Heckler
Hefner
Heftel
Hightower
Hillis
Holland
Hollenbeck
Holt
Holtzman
Hopkins
Horton
Howard
Hubbard
Huckaby
Hughes
Hutto
Hyde
Ichord
Ireland
Jeffries
Jenkins
Jenrette
Johnson, Colo.
Jones, N.C.
Jones, Tenn.
Kastenmeier
Kazen
Kemp
Kildee
Kindness
Kogovsek
Kostmayer
LaFalce
Lagomarsino
Latta
Leach, Iowa
Leach, La.
Leath, Tex.
Lederer
Lee
Leland
Lent
Levitas
Lewis
Livingston
Lloyd
Loeffler
Long, La.
Long, Md.
Lott
Lowry
Lujan
Luken
Lungren
McCloskey
McCormack
McDade
McDonald
McHugh
Madigan
Maguire
Markey
Marks
Martin
Mattox
Mazzoli
Mica
Michel
Mikulski
Miller, Calif.
Miller, Ohio
Mineta
Minish
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Montgomery
Moore
Moorhead, Calif.
Moorhead, Pa.
Mottl
Murphy, Ill.
Murphy, N.Y.
Murphy, Pa.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nedzi
Nelson
Nichols
Nolan
Nowak
O'Brien
Oakar
Oberstar
Obey
Ottinger
Panetta
Patterson
Pease
Petri
Peyser
Pickle
Preyer
Price
Quillen
Rahall
Railsback
Ratchford
Regula
Reuss
Rhodes
Rinaldo
Ritter
Roberts
Robinson
Roe
Rose
Rosenthal
Roth
Rousselot
Roybal
Rudd
Runnels
Russo
Sabo
Satterfield
Scheuer
Schroeder
Schulze
Sebelius
Sensenbrenner
Sharp
Shelby
Shumway
Shuster
Skelton
Slack
Smith, Nebr.
Snowe
Snyder
Solarz
Solomon
Spellman
Spence
Stack
Stangeland
Stanton
Stark
Steed
Stenholm
Stockman
Stokes
Stratton
Studds
Stump
Swift
Symms
Synar
Tauke
Taylor
Thompson
Traxler
Van Deerlin
Vander Jagt
Vanik
Vento
Volkmer
Walgren
Walker
Wampler
Watkins
Waxman
Weaver
Weiss
White
Whitehurst
Whitley
Whittaker
Whitten
Williams, Mont.
Wilson, C. H.
Wolff
Wolpe
Wright
Wyatt
Wydler
Wylie
Yates
Yatron
Young, Alaska
Young, Fla.
Young, Mo.
Zablocki

NAYS—4

Beilenson
Gramm
Patten
Paul

NOT VOTING—90

Addabbo
Andrews, N.C.
Anthony
Ashley
Bafalis
Blanchard
Bolling
Bonior
Breaux
Brooks
Brown, Ohio
Carr
Chisholm
Clay
Cleveland
Conyers
Cotter
Courter
Crane, Philip
de la Garza
Derrick
Downey
Drinan
Early
Eckhardt
Erdahl
Ertel
Flippo
Flood
Florio
Ford, Mich.
Forsythe
Fowler
Frost
Garcia
Giaimo
Gibbons
Goldwater
Gudger
Hance
Hinson
Jacobs
Jeffords
Johnson, Calif.
Jones, Okla.
Kelly
Kramer
Lehman
Lundine
McClory
McEwen
McKay
McKinney
Marlenee
Marriott
Mathis
Matsui
Mavroules
Mikva
Pashayan
Pepper
Perkins
Pritchard
Pursell
Quayle
Rangel
Richmond
Rodino
Rostenkowski
Royer
Santini
Sawyer
Seiberling
Shannon
Simon
Smith, Iowa
St Germain
Staggers
Stewart
Thomas
Treen
Trible
Udall
Ullman
Williams, Ohio
Wilson, Bob
Wilson, Tex.
Winn
Wirth
Zeferetti

□ 1220

Mr. THOMPSON changed his vote from "nay" to "yea."

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

ETHICS IN GOVERNMENT ACT

Mr. DANIELSON. Madam Speaker, I ask unanimous consent to take from the Speaker's desk the Senate bill (S. 869) to amend section 207 of title 18, United States Code, with a Senate amendment to House amendment No. 1 thereto, concur in the Senate amendment to House amendment No. 1, and recede from House amendment No. 2.

The Clerk read the title of the Senate bill.

The SPEAKER pro tempore (Ms. Holtzman). The Clerk will report the Senate amendment to House amendment No. 1.

The Clerk read the Senate amendment to House amendment No. 1, as follows:

In lieu of the matter proposed to be inserted by House amendment numbered (1), insert:

Sec. 2. Subsection (d) of section 207 of title 18, United States Code, is amended to read as follows:

"(d)(1) Subsection (c) of this section shall apply to a person employed—

"(A) at a rate of pay specified in or fixed according to subchapter II of chapter 53 of title 5, United States Code, or a comparable or greater rate of pay under other authority;

"(B) on active duty as a commissioned officer of a uniformed service assigned to pay grade of O–9 or above as described in section 201 of title 37, United States Code; or

"(C) in a position which involves significant decision-making or supervisory responsibility, as designated under this subparagraph by the Director of the Office of Government Ethics, in consultation with the department or agency concerned. Only positions which are not covered by subparagraphs (A) and (B) above, and for which the basic rate of pay is equal to or greater than the basic rate of pay for GS–17 of the General Schedule prescribed by section 5332 of title 5, United States Code, or positions which are established within the Senior Executive Service pursuant to the Civil Service Reform Act of 1978, or positions of active duty commissioned officers of the uniformed services assigned to pay O–7 or O–8, as described in section 201 of title 37, United States Code, may be designated. As to persons in positions designated under this subparagraph, the Director may limit the restrictions of subsection (c) to permit a former officer or employee, who served in a separate agency or bureau within a department or agency, to make appearances before or communications to persons in an unrelated agency or bureau, within the same department or agency, having separate and distinct subject matter jurisdiction, upon a determination by the Director that there exists no potential for use of undue influence or unfair advantage based on past government service. On an annual basis, the Director of the Office of Government Ethics shall review the designations and determinations made under this subparagraph and, in consultation with the department or agency concerned, make such additions and deletions as are necessary. Departments and agencies shall cooperate to the fullest extent with the Director of the Office of Government Ethics in the exercise of his responsibilities under this paragraph.

"(2) The prohibition of subsection (c) shall not apply to appearances, communications, or representation by a former officer or employee, who is—

"(A) an elected offiical of a state or local government, or

"(B) whose principal occupation or employment is with (i) an agency or instrumentality of a state or local government, (ii) an accredited, degree-granting institution of higher education, as defined in section 1201(a) of the Higher Education Act of 1965, or (iii) a hospital or medical research organization, exempted and defined under section 501(c)(3) of the Internal Revenue Code of 1954, and the appearance, communication, or representation is on behalf of such government, institution, hospital, or organization."

Mr. DANIELSON (during the reading). Madam Speaker, I ask unanimous consent that the Senate amendment to House amendment No. 1 be considered as read and printed in the Record.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

Mr. KINDNESS. Madam Speaker, reserving the right to object—and I do not intend to object—I would like to ask the gentleman from California, under my reservation of the right to object, to explain the actions that have been taken with the Senate with respect to the bill.

Mr. DANIELSON. Madam Speaker, will the gentleman yield?

Mr. KINDNESS. I yield to the gentleman from California.

Mr. DANIELSON. Madam Speaker, first of all, the reason I asked for dispensing with the reading is that the item has already been printed in the Record. It was printed in yesterday's Record at page 14820.

Madam Speaker, the Members will recall that on May 24 the House did pass the bill, S. 869, with House amendments thereto. Those House amendments were not worded precisely the same as the language that the Senate wished to add to the bill.

During the intervening time Senate personnel, including Senator Ribicoff's office and others from his committee, have been in frequent contact with myself, with the gentleman from Ohio (Mr. Kindness), and with members of our staff, and an agreement has been reached in which there are no changes in substance from the language which the House passed. There are several changes in syntax, in grammar, and in structure of the provisions within the Senate amendments to the House amendments.

Mr. KINDNESS. Madam Speaker, further reserving the right to object, I would ask the gentleman this question: Is it not correct that through this agreement with the Senate there has been preserved the basis of the action taken in the House of Representatives with respect to S. 869, as I believe the gentleman has indicated?

Mr. DANIELSON. The gentleman is correct. In response to one of the Members who inquired, these are the amendments to the ethics law which we passed on May 24. The Senate has made some amendments to the House amendments which do not change the substance of the House amendments but do change the structure of the House provisions involved.

Mr. KINDNESS. Madam Speaker, further reserving the right to object, it is my understanding, under the terms of the language that is agreed on, the 1-year, no-contact ban would not apply to individuals who leave Federal service and go to work for State or local governments in the capacity of an elected or appointed official, and would not apply to an accredited, degree-granting institution of higher education or a hospital or medical research organization, and while the Senate was troubled about positive interpretations of the term, "full-time employee," in our original amendment, that has also been worked out so that as regards nonelected officials of States and localities and those who go to work for exempted colleges and hospitals or medical research organizations, the former Federal employee must have that job as his principal occupation or employment, rather than using the term "full-time employee."

Mr. DANIELSON. That is correct. The way the House passed it, it read: "elected official or full-time employee of a State or local government," and the way the other body passed it, it reads:

elected official or employee of a State or local government whose principal occupation or employment is with the State or local government.

Madam Speaker, these are not changes in substance; they are changes in the structure of the provision.

Mr. KINDNESS. Madam Speaker, further reserving the right to object, I would like to commend the chairman of our subcommittee, the gentleman from California (Mr. Danielson), and his staff for their very good work and for their cooperation in the effort to work this matter out on something that does indeed need timely action.

The minority was involved and consulted at each stage of negotiations with the Senate in dealing with this matter.

Similarly, I thank Senator Ribicoff and his staff for their work in working out this arrangement of the language, which I think is superior to what we had supplied in the House, but which maintains the substance of what was done as a result of the House working its will with S. 869.

Madam Speaker, further reserving the right to object, I would ask the gentleman from California if there is any other part of the matter he would seek to clarify at this point.

Mr. DANIELSON. Madam Speaker, if the gentleman will yield, I do not believe there is anything else of significance here.

We recede from one of our amendments, and that is House amendment No. 2. But all that amounts to is that instead of having the amendment No. 2, the same language is incorporated in a different portion of the bill. It is really a better structure of the code provision.

In order that there be a record to explain the purpose of and need for the amendments which are contained in the bill S. 869, I wish to point out the history of this legislation.

In January and February of 1979, as chairman of the Subcommittee on Administrative Law and Governmental Relations, I received a substantial number of expressions of concern from high level Government employees and from departmental secretaries and the heads of Government agencies as to the effect of the amendments to section 207 of title 18 United States Code which had been enacted into law with the passage of the Ethics in Government Act of 1978, Public Law 95-521. Title V of that law was the portion causing the problem.

The net concern expressed by those people was that the provisions of title V were so stringent that many Government employees in key positions felt that they must leave the Government before July 1, 1979, or be barred thereafter from pursuing their own professions and skills after they left Government employ. The danger was that a large number of important, highly skilled people would leave the Government causing an unacceptable "brain drain." By letter dated March 12, 1979, I wrote to President Carter and informed him of my concern and of my belief that a crisis in Government employment was imminent and that action must be taken forthwith to avoid it. I also informed him that I was about to introduce a bill which could serve as a vehicle for committee hearings and which could be amended in order to provide a solution to the problems.

On March 13, 1979, I introduced the bill, H.R. 2843, along with Mr. MOORHEAD of California and Chairman RODINO of the Judiciary Committee for the purpose of providing the vehicle for further legislative action.

At the same time, Mr. MOORHEAD and I introduced H.R. 2805 making a number of technical and clarifying changes in the Ethics in Government Act. The latter bill, H.R. 2805, was subsequently amended in some particulars, was passed by the House and the Senate, and was signed by the President on June 13, 1979, Public Law 96-19.

Meanwhile, my Subcommittee on Administrative Law solicited comments from the heads of many governmental departments and agencies on the problems which they had experienced and anticipated experiencing due to the aforementioned stringencies of section 207, title 18. On receipt of those comments I and Chairman RODINO introduced the bill, H.R. 3325, on March 29, 1979 in order to meet the problems of section 207 in keeping with the information we had received from executive branch agencies.

The Subcommittee on Administrative Law and Governmental Relations held hearings on H.R. 3325 on April 2 and April 6, 1979. The following witnesses testified:

Hon. Alan Campbell, Director of the Office of Personnel Management;

Hon. Charles Duncan, Deputy Secretary of Defense, Department of Defense; accompanied by Ms. Deanne Siemer, General Counsel;

Hon. Harold Williams, chairman, Securities and Exchange Commission;

Hon. Joseph A. Califano, Secretary, Department of Health, Education, and Welfare;

Hon. Charles Curtis, Chairman, Federal Energy Regulatory Commission;

Hon. Bob Eckhardt, M.C., of Texas;

Sheldon Elliott Steinbach, General Counsel, American Council on Education;

Alfred Sumberg, American Association of University Professors;

Pete McCloskey, president, Electronics Industry Association;

Harvey Pitt, Esq., Fried, Frank, Harris, Shriver & Kampleman.

At the conclusion of the hearing on April 6, H.R. 3325 was reported with an amendment to the full committee.

On April 4, 1979, the bill S. 869 was introduced in the Senate and on April 6, 1979 the Subcommittee on Administrative Law completed its markup on the bill H.R. 3325 and reported the same to the full Judiciary Committee.

The full committee considered H.R. 3325 on April 24 and 25, 1979. S. 869, which had been introduced by Senator RIBICOFF on April 4 and which was similar to H.R. 3325, had already passed the Senate on April 9, 1979. For this reason, S. 869 was substituted for H.R. 3325 and the Judiciary Committee reported S. 869 favorably to the House on April 25, 1979.

The House considered S. 869 on May 16 and May 24, 1979. On May 24, S. 869 was passed by the House with amendments.

Since its passage with amendments by the House on May 24, 1979, there have been discussions to obtain a compromise between the House and Senate versions of S. 869. Agreement was finally reached on June 14, 1979, and on that same date the Senate adopted the agreed-upon changes as amendments to the House version of S. 869. These amendments reflect the compromise reached by Senator RIBICOFF, Mr. KINDNESS, and myself.

In reading the amendments to S. 869 as passed by the Senate on June 14, 1979, I have noted that in the last portion of part (B) of subparagraph (2) the following language appears: "and the appearance, communication, or representation is on behalf of such government, institution, hospital, or organization." As such, it appears that the quoted language modifies only the classes of persons who are described in part (B) of subparagraph (2).

In truth and in fact, it was intended by both Senate and House personnel, in working out the compromise language, that the quoted language was to be modified to the classes of persons described in part (A) as well as those decribed in part (B). That is, the quoted language was to limit the type of activities which would be permitted by elected officials of State or local governments as well as by persons whose principal occupation or employment is with agencies or instrumentalities of a State or local government, and of the other persons described in part (B).

The error is one of the structure of the Senate amendments resulting from the time pressure under which the personnel of the Senate and the House were compelled to put this legislation into shape for immediate passage in order to avoid the July 1, 1979 deadline.

Since the time that I noted the abovedescribed error, members of the staff of the Subcommittee on Administrative Law have discussed the matter with the corresponding personnel of Senator RIBICOFF's Committee on Governmental Affairs; I have also personally discussed the matter with my colleague, the Honorable TOM KINDNESS of Ohio, who has carried the laboring oar in this matter for the minority party. All of us are in agreement that said language, "and the appearance, communication, or representation is on behalf of such government, institution, hospital or organization", is properly a modifier of both categories of former Government personnel.

The language of the amendment is intended to clarify what I am sure was the intent of the House in providing specific exemptions as to coverage under subsection (c) of section 207. This reform to the exemption which is provided for former officers or employees who serve as elected officials or employees of State and local governments, or agencies and accredited, degree-granting institutions of higher education, and not-for-profit hospitals and medical research organizations. Under the amendment, in addition to being an elected public official, or having a principal occupation with an exempt group, in order to come within the exemption, the former officer or employee would have to make the appearance, communication or representation on behalf of State or local government or the exempt group.

Mr. KINDNESS. Madam Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

Mr. SENSENBRENNER. Madam Speaker, reserving the right to object, will the gentleman from California (Mr. DANIELSON) inform the House if there is any difference in the Senate amendment from that provision passed by this House that prohibits the Office of Government Ethics from making section 207(c) apply to officials below GS-17 and below O-7?

Mr. DANIELSON. Madam Speaker, there is no change. That aspect of the bill which the House passed on May 24 has not been changed; it is the same.

Mr. SENSENBRENNER. Madam Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

The SPEAKER pro tempore. Is there objection to the initial request of the gentleman from California (Mr. DANIELSON)?

There was no objection.

A motion to reconsider was laid on the table.

☐ 1230

ENERGY AND WATER DEVELOPMENT APPROPRIATIONS, 1980

Mr. BEVILL. Madam Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 4388) making appropriations for energy and water development for the fiscal year ending September 30, 1980, and for other purposes.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Alabama (Mr. Bevill).

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. WYDLER. Madam Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 319, nays 2, not voting 113, as follows:

[Roll No. 246]

YEAS—319

Abdnor
Akaka
Albosta
Alexander
Ambro
Anderson, Calif.
Andrews, N. Dak.
Annunzio
Applegate
Archer
Ashbrook
Aspin
Atkinson
AuCoin
Badham
Bailey
Baldus
Bauman
Beard, R.I.
Beard, Tenn.
Bedell
Beilenson
Benjamin
Bennett
Bereuter
Bethune
Bevill
Biaggi
Boland
Boner
Bonker
Bouquard
Brademas
Brinkley
Brodhead
Brown, Calif.
Broyhill
Burgener
Burlison
Burton, John
Burton, Phillip
Butler
Byron
Campbell
Carney
Carter
Cavanaugh
Chappell
Cheney
Clausen
Clinger
Coleman
Collins, Ill.
Collins, Tex.
Conable
Conte
Corcoran
Corman
Coughlin
Crane, Daniel
D'Amours
Daniel, Dan
Daniel, R. W.
Danielson
Dannemeyer
Daschle
Davis, Mich.
Deckard
Dellums
Derwinski
Devine
Dickinson
Dicks
Dingell
Dodd
Donnelly
Dornan
Duncan, Oreg.
Duncan, Tenn.
Edgar
Edwards, Ala.
Edwards, Calif.
Edwards, Okla.
Emery
English
Erlenborn
Evans, Del.
Evans, Ga.
Evans, Ind.
Fary
Fascell
Fazio
Fenwick
Ferraro
Findley
Fish
Fisher
Fithian
Foley
Ford, Tenn.
Fountain
Frenzel
Fuqua
Gaydos
Gephardt
Gilman
Gingrich
Ginn
Glickman
Gonzalez
Goodling
Gore
Gradison
Gramm
Grassley
Green
Grisham
Guarini
Guyer
Hall, Ohio
Hall, Tex.
Hamilton
Hammerschmidt
Hance
Hanley
Hansen
Harkin
Harris
Harsha
Hawkins
Heckler
Hefner
Heftel
Hillis
Holland
Hollenbeck
Holt
Holtzman
Hopkins
Horton
Howard
Hubbard
Huckaby
Hughes
Hutto
Hyde
Ichord
Ireland
Jeffries
Jenrette
Johnson, Colo.
Jones, N.C.
Jones, Tenn.
Kastenmeier
Kazen
Kemp
Kildee
Kindness
Kogovsek
Kostmayer
LaFalce
Lagomarsino
Latta
Leach, Iowa
Leach, La.
Leath, Tex.
Lederer
Lee
Leland
Lent
Levitas
Lewis
Livingston
Lloyd
Loeffler
Long, La.
Long, Md.
Lott
Lowry
Lujan
Luken
Lungren
McCloskey
McCormack
McDade
McDonald
McHugh
Madigan
Maguire
Markey
Martin
Mattox
Mazzoli
Mica
Mikulski
Miller, Calif.
Miller, Ohio
Mineta
Minish
Mitchell, N.Y.
Moffett
Mollohan
Montgomery
Moore
Moorhead, Calif.
Moorhead, Pa.
Mottl
Murphy, Ill.
Murphy, N.Y.
Murphy, Pa.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nedzi
Nelson
Nichols
Nolan
Nowak
O'Brien
Oakar
Oberstar
Obey
Ottinger
Panetta
Patten
Patterson
Paul
Pease
Petri
Peyser
Pickle
Preyer
Price
Quillen
Rahall
Railsback
Rangel
Ratchford
Regula
Reuss
Rhodes
Rinaldo
Ritter
Roberts
Robinson
Roe
Rose
Roth
Roybal
Rudd
Runnels
Russo
Sabo
Satterfield
Scheuer
Schulze
Sebelius
Sensenbrenner
Sharp
Shelby
Shumway
Shuster
Slack
Smith, Nebr.
Snowe
Snyder
Solomon
Spellman
Spence
Stack
Stangeland
Stanton
Stark
Steed
Stenholm
Stockman
Stokes
Stratton
Studds
Stump
Swift
Symms
Synar
Tauke
Taylor
Thompson
Traxler
Van Deerlin
Vander Jagt
Vanik
Vento
Volkmer
Walgren
Walker
Wampler
Watkins
Weaver
Weiss
White
Whitehurst
Whitley
Whittaker
Whitten
Williams, Mont.
Wilson, C. H.
Wolff
Wolpe
Wright
Wyatt
Wydler
Wylie
Yates
Yatron
Young, Alaska
Young, Fla.
Young, Mo.
Zablocki

NAYS—2

Broomfield
Mitchell, Md.

NOT VOTING—113

Addabbo
Anderson, Ill.
Andrews, N.C.
Anthony
Ashley
Bafalis
Barnard
Barnes
Bingham
Blanchard
Boggs
Bolling
Bonior
Bowen
Breaux
Brooks
Brown, Ohio
Buchanan
Carr
Chisholm
Clay
Cleveland
Coelho
Conyers
Cotter
Courter
Crane, Philip
Davis, S.C.
de la Garza
Derrick
Diggs
Dixon
Dougherty
Downey
Drinan
Early
Eckhardt
Erdahl
Ertel
Flippo
Flood
Florio
Ford, Mich.
Forsythe
Fowler
Frost
Garcia
Giaimo
Gibbons
Goldwater
Gray
Gudger
Hagedorn
Hightower
Hinson
Jacobs
Jeffords
Jenkins
Johnson, Calif.
Jones, Okla.
Kelly
Kramer
Lehman
Lundine
McClory
McEwen
McKay
McKinney
Marks
Marlenee
Marriott
Mathis
Matsui
Mavroules
Michel
Mikva
Moakley
Pashayan
Pepper
Perkins
Pritchard
Pursell
Quayle
Richmond
Rodino
Rosenthal
Rostenkowski
Rousselot
Royer
Santini
Sawyer
Schroeder
Seiberling
Shannon
Simon
Skelton
Smith, Iowa
Solarz
St Germain
Staggers
Stewart
Thomas
Treen
Trible
Udall
Ullman
Waxman
Williams, Ohio
Wilson, Bob
Wilson, Tex.
Winn
Wirth
Zeferetti

☐ 1240

So the motion was agreed to.

The result of the vote was announced as above recorded.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole on the State of the Union for the further consideration of the bill, H.R. 4388, with Mr. Sharp in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee of the Whole rose on Thursday, June 14, the Clerk had read through line 6 on page 18, and pending was an amendment offered by the gentleman from Nebraska (Mr. Cavanaugh).

The Chair recognizes the gentleman from Nebraska (Mr. Cavanaugh) for 5 minutes in support of his amendment.

Mr. CAVANAUGH. Mr. Chairman, the amendment which I offer today would delete from H.R. 4388 the sum of $6 million appropriated for construction of the proposed O'Neill unit of the Pick-Sloan Missouri Basin project on the Niobrara River in northern Nebraska. This is the most difficult legislative endeavor in which I have participated as a Member of the House of Representatives, for I find myself in a position of opposition to my colleague, the gentlewoman from Nebraska (Mrs. Smith). Because we are a small State and enjoy only three Representatives, we have always made every effort to work together on those legislative proposals and projects which would directly benefit our State. Today, however, we find ourselves in disagreement on a matter of direct concern to the people of Nebraska and I find that condition unfortunate and unpleasant.

I hope both my colleague from Nebraska, Mrs. Smith, and my colleagues in the House will realize that I would not rise in opposition to this project unless I had become firmly convinced that the O'Neill unit is not a justifiable expenditure of $200 million of the Federal taxpayer's dollars.

The distinguished chairman of the subcommittee spoke effectively in his opening remarks on this legislation about the major contribution which the many water projects contained in this legislation will make to our Nation by providing new sources of electrical energy generation, adding to the country's navigational transportation system, and by providing flood protection and new recreational opportunities for our citizens. The O'Neill unit, however, is not one of the projects contained in H.R. 4388 which will add to our energy production or significantly contribute to our navigational transportation system, flood protection, or recreational opportunities.

The O'Neill unit is to be used almost exclusively for agricultural irrigation and is designed to deliver water to an area of 77,000 acres.

Of the total project cost of $200,259,000—$190,162,000 is allotted to the benefit of irrigation. No power generation will result, $3,901,000 is allotted to recreation, $2,609,000 to fish and wildlife, and a mere $640,000 to flood control.

The agricultural production of our Nation is unquestionably our greatest asset and becomes increasingly important as we seek to expand our markets in an effort to meet the nutritional needs of the world as well as improve our balance of trade. In addition, we are looking for opportunities for an increasing role for feed grains in making a direct contribution to the energy shortage which now grips us through the continued development of the technology of gasohol.

The accomplishment of all these goals will hopefully require increased production capacity from our farms. We must continue to develop our agricultural production technology to meet these needs economically and effectively.

The basic question presented by my amendment is will the $200,000,000 proposed to be expended on the O'Neill project result in an increase in the agricultural production of the 77,000 acres directly benefited by the new irrigational opportunities sufficient to justify the expenditure, the risk and the damage to the environment of the region which construction of this unit will entail.

After exhaustive review of the mountains of material which the debate on the O'Neill unit has generated over the past 10 years, I have concluded the expenditure is not justified.

This proposal has been besieged by controversy and conflict since its inception and that debate continues today.

Since March 4, 1977, the Federal District Court in Nebraska has permanently enjoined all further progress on the project. As a result, the project is only 2 percent completed although authorized in 1972. To date no land acquisition has taken place and no progress has been initiated on actual construction of the dam.

On April 16, of this year the Federal District Court in Nebraska, after 11 days of trial continued the injunction. The court concluded that on the issues of geological instability or dam safety and the assessment of alternatives to dam construction which could result in improving livestock and crop production without diminishing ground water levels by irrigation, the Secretary of the Interior and the Bureau of Reclamation have failed "to develop adequate information to enable decisionmakers to reasonably make a decision on the environmental effects of the project."

On the critical issue of the safety of the dam site, the court stated:

> The risk, according to the evidence at the hearing, is more than a possibility of a rebound or an erosional remnant, which are the only conditions mentioned in the Final Environmental Statement Supplement. The upward bulge of the Pierre Shale in the river channel at the dam site may be an erosional remnant or a rebound. It may also be an incipient diapir or a combination of squeeze deformation and rebound. If it is an erosional remnant, it apparently is relatively stable because of its age—fifty to sixty million years old—but if it is a rebound or a diapir or a combination of squeeze deformation and rebound, its potential for instability is dramatically increased because of its recency—perhaps seven to seventeen thousand years—and the likelihood of its having caused fracturing and faulting in the overlying formations. Impressive expert testimony at the hearing supported the view that this kind of instability is a reasonable hypothesis from the data recovered by Bureau explorations and described in the Final Environmental Statement Supplement. A weakness of the Final Environmental Statement Supplement is that such a hypothesis is not addressed. It needs to be, based upon further scientific tests. If such tests yield no further reliable data, then at the very least there must be in a supplement to the Final Environmental Statement Supplement an acknowledgement that respected scientists disagree about the nature of the risk and a statement of their differing views and how the conditions, assuming the correctness of each view, can reasonably be dealt with. With less than that, a decision-maker cannot responsibly decide whether to proceed with the project."

Clearly, major questions concerning the safety of the dam site exist and the project should never be allowed to proceed without their satisfactory resolution. But as late as April of this year after 7 years of authorization the Bureau of Reclamation is still unable to resolve the issue of the safety and stability of the dam site.

In addition, the court found the Bureau of Reclamation has never adequately assessed alternatives to the proposed dam construction which could result in improving livestock and crop production through the use of improved technology by the farmers and ranchers of the region.

The only justification for the $200,000,000 expenditure for this project is the resulting increased agricultural production. The Bureau of Reclamation currently claims the O'Neill unit will generate $2.70 for each dollar invested. It should be pointed out, however, that the cost-benefit ratio on the O'Neill unit has fluctuated wildly throughout the life of the project. The premises upon which these benefits have been calculated are clearly erroneous. Of the $2.70 claimed as benefit $.90 is attributed to increases in production of fed beef cattle resulting from the greater availability of feed grain production on the irrigated acreage. The Bureau claims that each of the farms benefited by the irrigation will engage in the feeding of a minimum of 180 beef cattle. This contention is wholly fictitious. The decision to engage in the feeding of beef cattle is one based primarily on factors other than the availability of irrigation. In fact, in Holt County in 1973 there were 132,000 acres under irrigation and there were 66,200 cattle being feed. By 1977 Holt County had increased its irrigated acreage to 215,000 acres and yet the number of cattle being fed had declined by more than 50 percent to 30,700. Clearly, this major premise of the alleged cost-benefit ratio is false.

In addition, since 1972 when the project was originally authorized 35,000 acres of the 77,000 acres proposed to benefit from the irrigation have already been irrigated through the installation of private irrigation systems. The Bureau cost-benefit ratio, however, continues to claim the increased production projection for the total 77,000 acres as a benefit directly from the project in spite of the fact that half of that projected benefit has already occurred without the project and the expenditure of $200,000,000 of tax money. The fact that 35,000 acres in the project area have been irrigated by private investment now means the 30,000 acres to be condemned for use in the project will be used to provide irrigation to the approximately 32,000 acres which remain to be irrigated and attempt to supplement the water table of 35,000 acres already irrigated in the 77,000-acre project area. This simply does not make sense.

The direct beneficiaries of this $200 million project will also be very few. Not more than 1,420 individuals and 480 farms will enjoy the benefit of this expenditure. This means the taxpayer will be providing each farm with a direct assistance of somewhere between $400,000 to more than one and a half million dollars. And the Bureau of Reclamation put the direct cost of irrigating 77,000 acres at $2,470 per acre.

This is not a reasonable, efficient, or economic way to increase agricultural production.

These beneficiaries will be obligated to pay only less than 25 percent and be prepared to repay only $45 million of the $200 million over the next 100 years.

Mr. Chairman this project has serious unresolved questions regarding the safety of the site, the economic benefits to be derived from the expenditure of this $200 million, are of a most speculative nature and the construction will cause a major destruction to an expanse of beautiful waterway in Nebraska. For this reason I urge you to save this $200 million for the American taxpayer and save this river for the people of the State of Nebraska.

☐ 1250

Mrs. SMITH of Nebraska. Mr. Chairman, I rise in opposition to the amendment.

(By unanimous consent Mrs. SMITH of Nebraska was allowed to proceed for 5 additional minutes.)

Mr. RHODES. Mr. Chairman, will the gentlewoman yield?

Mrs. SMITH of Nebraska. I am happy to yield to the distinguished gentleman from Arizona.

Mr. RHODES. Mr. Chairman, I thank the gentlewoman from Nebraska for yielding to me. I wish to rise in opposition to this amendment.

I am well aware of the project which the amendment seeks to strike. I was a former member, as I think most of my colleagues know, of the Public Works Subcommittee of the Appropriations Committee. I am completely sold on the concept of reclamation. That may surprise some Members since I come from Arizona, which is the granddaddy of all reclamation States, but nevertheless I am not only for it, because of the regional capabilities or the regional situation, but because I know it works. It produces wealth, fiber, and goods for the United States of America, and for the whole of the United States. The amounts are repaid with interest.

It seems to me that this is a good investment, and I hope the project will be built and that the amendment will not be agreed to.

Mrs. SMITH of Nebraska. I thank the gentleman.

Mr. Chairman, I rise in opposition to the gentleman's amendment, which I perceive as aimed at destroying or blighting the economic future of thousands of workers, farmers, businessmen, and other people across our State and making it impossible for our young people to stay there and work and prosper.

This project is in my congressional district. This district has been my home since I was a teenage bride. It is 300 miles from my colleague's district.

This is a very, very unfair amendment; unfair to Nebraska and unfair to the people of the 10 North Central States that are a part of the Pick-Sloan Missouri River basin concept passed by the Congress in 1944 to develop these Midwestern and Western States for the purposes of flood control, irrigation, power generation, and navigation. The program includes the Missouri River channel which serves, benefits, and in flood times, has brought devastation upon my colleague's district and also all the other districts that border on the Missouri River.

The project under consideration right now is not a separate project, it is an integral unit of the Pick-Sloan plan.

It is a part of the overall program to strengthen the Upper Midwest. Some areas needed flood control. Some needed irrigation. Not all areas get all the benefits, but all, including the gentleman's own district, share in the benefits of developing the entire area.

☐ 1300

I want to say that few districts in that whole 10-State area have benefited as much as has the district from which my good friend and colleague, the gentleman from Nebraska, comes.

I can remember when the Missouri River was raging in torrent floods, and we watched on television as the good citizens of Omaha worked day and night building dikes trying to save their city, as volunteers got out and sandbagged 24 hours a day to save their industrial center.

And I visited Sioux City shortly after a flood, and I saw the weeds hanging from the tops of the telephone poles. And I was there when they were pumping the water out of the main street of Sioux City. And I saw the hundreds of thousands of acres of beautiful farmland flooded by the Missouri River.

Two years ago the level of water in the Missouri River reached the second highest level in history. The gentleman's district would have suffered another devastating flood had it not been that 3 million acres of farmland in North and South Dakota and Montana had been taken away for use as reservoirs to protect this area from floods on the Missouri River, and other similar districts, and to generate electricity. These three States moved their farmers and their ranchers off of their farms for flood control and for the cheapest electricity that any part of the country enjoys.

In fact, the gentleman's district has been spared inestimable loss because $1 billion has been invested in flood control along that section of the Missouri River. Additionally, the channel of the Missouri River has been deepened under the Pick-Sloan plan at a total cost of $430 million to the taxpayers so that the grain and other products from my colleague's district and other districts along western Iowa and eastern Nebraska can be shipped by barge to the Gulf of Mexico—the cheapest form of transportation in the world. I am gratified that the district of my good friend and colleague has all of these benefits.

Mr. Chairman, how were they paid for? They were paid for by the citizens not only of Nebraska, not only of the other nine States under the Pick-Sloan plan, but by all of the citizens of the United States. Moreover, because flood control and deepening of channels is nonreimbursable, it was all done at the public cost.

Mr. Chairman, in direct contrast, in the O'Neill unit and similar projects, at least 96 percent of the Federal dollars invested will be paid back to the Federal Treasury from users' fees and from the sale of power from power dams throughout the vast Pick-Sloan area, all in accordance with the decades-old congressional policy.

I am sure that my distinguished colleague and good friend does not mean to be saying in effect, I have gotten everything my district needs, so now let us stop the development of the whole area; these projects out West do not benefit my people.

Mr. CAVANAUGH. Mr. Chairman, will the gentlewoman yield?

Mrs. SMITH of Nebraska. I will not yield at this time.

Mr. CAVANAUGH. The gentlewoman makes reference to me.

Mrs. SMITH of Nebraska. I did not make reference to the gentleman by name. I said the gentleman is a distinguished gentleman, and I know that he does not feel that way, and he just does not really understand the problem, and I want to present it.

Across the 10-State area there are about 150 units like the O'Neill project that are either operating or under construction. In that context, O'Neill is a midsized project. It is soundly conceived; it is carefully studied and carefully reviewed.

The project is supported by the President of the United States. It is not on anybody's hit list. The Secretary of the Interior has visited our project. In hearings before our Appropriations Committee this spring he said:

> The project has come through the clearance process all the way. We support it, yes, ma'am.

The senior Senator from Nebraska, with whom I have recently conferred, says:

> I voted to fund this project last year, and I will vote to fund it again.

Most interestingly, the Omaha Chamber of Commerce, from which my distinguished colleague comes, has passed a resolution endorsing the O'Neill project. And just yesterday I received a telegram from the Omaha Central Labor Union, with 60,000 workers, pointing out that the project would generate more than $400 million in construction and jobs.

The project is also supported by the Congress, by the distinguished members of the Appropriations Committee, by the Governor of Nebraska, by the natural resources districts of Nebraska, by chambers of commerce, city boards, county commissioners, mayors, news media, and, most importantly, by the people of the area themselves who have just voted overwhelmingly by a margin of 76 percent that they want the project.

O'Neill has one of the highest cost-benefit ratios, 2.7 to 1, of any project in the country. The O'Neill project will be paid for exactly as all the other Pick-Sloan development projects are paid for: in part by the electric fees paid for power generated through the Pick-Sloan plant, by user fees, and by recreation. This project will pay rich dividends.

My colleague made much of two minor points in the environmental impact statement which the judge did not think had been adequately dealt with. The information is being prepared for him, and it will be independently evaluated.

The CHAIRMAN. The time of the gentlewoman has expired.

(By unanimous consent, Mrs. SMITH of Nebraska was allowed to proceed for 2 additional minutes.)

Mrs. SMITH of Nebraska. We need funds to proceed with the project this year because construction costs are going up 17 percent a year. Many projects have faced similar problems.

Mr. Chairman, if this soundly conceived, vital project is jeopardized by unnecessary delay for lack of funding then no public-works project, regardless of its merit, will be safe from similar assaults. I urge my colleagues to reject this amendment.

Mr. JOHNSON of Colorado. Mr. Chairman, will the gentlewoman yield?

Mrs. SMITH of Nebraska. I yield to the gentleman from Colorado.

Mr. JOHNSON of Colorado. I thank the gentlewoman for yielding. I would like to commend the gentlewoman on her vigorous statement, and I would like to join her in her opposition to the Cavanaugh amendment.

It seems to me the Pick-Sloan project has been an outstanding combination of those flood control and irrigation projects we have in the United States. We have had one of the Pick-Sloan projects in Colorado that was eliminated because of the President's hit list. We felt that was an excellent project, and there was no doubt in our minds but what it was necessary.

The gentlewoman's project is one that has one of the highest cost-benefit ratios in the country.

The CHAIRMAN. The time of the gentlewoman has expired.

(At the request of Mr. JOHNSON of Colorado, and by unanimous consent, Mrs. SMITH of Nebraska was allowed to proceed for 2 additional minutes.)

Mr. JOHNSON of Colorado. If the gentlewoman would yield further, this is one of the more meritorious projects in the country on a cost-benefit ratio basis, and I think those of us in the western part of the United States who are so aware of the necessity of water development—and the only way we can do that is through these Government water projects—should all be indebted to the gentlewoman. I want to congratulate her.

Mrs. SMITH of Nebraska. I thank the gentleman from Colorado (Mr. JOHNSON).

Mr. YOUNG of Florida. Mr. Chairman, will the gentlewoman yield?

Mrs. SMITH of Nebraska. I yield to the gentleman from Florida.

Mr. YOUNG of Florida. I thank the gentlewoman for yielding. She is a very valuable and important member of the Appropriations Committee and serves in a unique capacity, especially for this debate today. Not only is she a member of the Subcommittee on Energy and Water Development, she also serves as a member of the Subcommittee on Foreign Operations. One might wonder how that relates to the arguments that we are having today.

One of the arguments put forth by the sponsor of the amendment is—and as a matter of fact let me read the quotation. He said:

> This is not a justifiable expenditure of the taxpayers' dollars.

I want to point out, as the gentlewoman from Nebraska (Mrs. SMITH) knows so well, just last year alone, using mostly U.S. dollars, we have financed through the World Bank water projects and irrigation projects as follows: Afghanistan, $22 million; Cameroon, $14.5 million; India, $126 million; Indonesia, $140 million; Pakistan, $35 million; the Philippines, $150 million; Colombia, $126 million; Guatemala, $72 million; India, $200 million; Yugoslavia, $73 million.

□ 1310

As far as the cost-benefit ratio is concerned, what will come back to us, because of these worldwide water projects? We are not going to get anything back. As a matter of fact, we are going to get a request this year for an even larger contribution to the World Bank and its soft-loan programs.

One final point on the question of environmental impact statements: There are none for all these projects that I mentioned.

The CHAIRMAN. The time of the gentlewoman has expired.

(On request of Mr. YOUNG of Alaska, and by unanimous consent, Mrs. SMITH of Nebraska was allowed to proceed for 2 additional minutes.)

Mr. YOUNG of Florida. Will the gentlewoman yield further?

Mrs. SMITH of Nebraska. I am happy to yield.

Mr. YOUNG of Florida. Thank you very much.

I would like to make just one further comment on that same subject. As the gentlewoman well knows, that same World Bank approved a $60 million loan for Vietnam for water projects, irrigation, and the building of dams and dikes, and I am sure because of our hearings this year the gentlewoman also knows there are two more loans for Vietnam pending before the World Bank using American tax dollars for water projects, inland waterway projects, dams, and dikes.

I thank the gentlewoman for yielding.

Mrs. SMITH of Nebraska, I thank the gentleman from Florida.

Mr. LAGOMARSINO. Mr. Chairman, will the gentlewoman yield to me?

Mrs. SMITH of Nebraska. I thank the gentleman from California.

Mr. LAGOMARSINO. I thank the gentlewoman for yielding.

I want to congratulate the gentlewoman for one of the best explanations and defenses of a project I have heard since I have been in Congress. I think that the meritorious project as outlined by the gentlewoman, in whose district it is located, should make it clear beyond any doubt that this is a good project. Certainly the President and the Secretary of the Interior have not been exactly easy on projects. They have opposed many of them. They have been successful in knocking some out.

I would think any project upon which they agree and upon which the Committee on Appropriations agrees should receive the unanimous consent of this House.

Mrs. SMITH of Nebraska. I thank the gentleman from California.

Mr. BURGENER. Mr. Chairman, I move to strike the requisite number of words and will speak in opposition to the amendment.

I want to commend the gentlewoman for an excellent defense of an excellent project. It is one which our committee has studied carefully. It has given its unanimous support to it.

Mr. SEBELIUS. Mr. Chairman, will the gentleman yield?

Mr. BURGENER. I yield to the gentleman from Kansas.

Mr. SEBELIUS. I thank the gentleman for yielding.

The district of the gentlewoman from Nebraska and my district have a common border of over 200 miles. We both have units in the Pick-Sloan plan. They have not all been constructed. The gentlewoman represents 61 counties in Nebraska. While I only have 57. However, either district is larger than the State of Ohio and the State of Pennsylvania. The State of Ohio has 23 Congressmen. The State of Pennsylvania has 25 Congressman. Nebraska has but three and Kansas has five.

My basic point there is, I believe we should try to stick together out on the prairie. And it is the fact that the water table in this area, as it is in my area and all other areas, is dropping very drastically and very dramatically. If we do not take some steps in the West right now to start preserving the water table instead of pumping it all out as they are doing in the O'Neill area right now, we are going to have another desert out there much larger than the Sahara Desert if we keep it up. We need these projects. We need to keep the water where it falls and not let it run off.

I certainly thank the gentlewoman from Nebraska. It is a meritorius project with a high benefit-cost ratio. We should all be behind it.

Mr. Chairman, as a next door neighbor to the South and one who is well acquainted with the important benefits these water projects provide our agricultural areas in the West, I urge my colleagues to reject this amendment and vote to retain funds for the North Loup and O'Neill units of the Pick-Sloan Missouri Basin plan in Nebraska.

A central concern in any project of this type is their cost efficiency. I believe the North Loup and O'Neill projects have already proven themselves in this respect. These projects which will provide irrigation, recreation, power, fish and wildlife management, and flood control have a cost-benefit ratio of 2.1 and 2.7 to 1. A cost-benefit ratio considerably above that of most projects of this kind.

The most obvious and important of the benefits to be derived from these projects is in water resource management. It is expected these projects will take a major step in helping end the serious decline in the area's groundwater, a problem which many of our districts throughout the West are experiencing at an alarming rate.

Less obvious but no less important benefits provided to the citizens of Nebraska through these projects are stabilization of the area s farm economy as well as in providing additional jobs, increased land values, and numerous other commercial and agricultural developments that accompany such projects.

These projects have solid support in the State of Nebraska and particularly by the citizens of the O'Neill area. Also, the administration through a personal visit by Secretary Andrus and before the committees of the House have continued to voice their support of these projects.

My own district, including the Almena project near my hometown has several completed units of the Pick-Sloan Missouri Basin plan. The Pick-Sloan plan is an overall program which provides mutual benefits among the States included in the plan and to single out these two particular units for extinction would be most unfortunate for the Nation as well as for the people of this area who have worked long and hard to see this project completed. Thus, I urge my colleagues to support continuance of these most important projects by defeating this amendment.

Mr. EDWARDS of Oklahoma. Mr. Chairman, will the gentleman yield?

Mr. BURGENER. I yield to the gentleman from Oklahoma.

Mr. EDWARDS of Oklahoma. I thank the gentleman for yielding.

I want to say the gentlewoman from Nebraska has given one of the best speeches I have heard in a very long time in defense of this Nation's water policy.

In the West these projects are vital. I have studied the project in the district of the gentlewoman. I find it to be a good project. I feel we should support it. I feel we should resoundingly reject this amendment.

Mr. REGULA. Mr. Chairman, will the gentleman yield?

Mr. BURGENER. I yield to the gentleman from Ohio.

Mr. REGULA. I thank the gentleman for yielding.

I just want to support the gentlewoman from Nebraska in her effort to oppose this amendment.

I am not from the West. I am from

the State of Ohio where we are rich in soil and rich in water. These are two great assets of all America.

In this day and age when we are concerned about oil being a valuable resource, we sometimes overlook the fact that in these United States the great wealth we have in our soil, a renewable resource in production of food and in the water resources that make that soil productive are priceless assets.

Here we have an opportunity to invest in the future of this Nation, to do a project that will not only enhance the productivity of some valuable soil in the breadbasket of America, but, likewise, provide the water resources that are so valuable for our future. We little know what our needs will be in the years to come in terms of water. Here we have a chance to conserve water, to use that water in a useful purpose in the production of food and probably, eventually, in providing the cities of this part of the United States with the water resources they need.

Also, it adds an additional recreational dimension to the State of Nebraska, any way you look at it, the use of tax dollars in this project as seed money, if you will, ultimately will pay for itself many times over in benefits not only to the people who produce on this soil, but also will pay for itself in the lower costs of food for all of us.

The CHAIRMAN. The time of the gentleman from California (Mr. BURGENER) has expired.

(On request of Mr. YOUNG of Alaska, and by unanimous consent, Mr. BURGENER was allowed to proceed for 2 additional minutes.)

Mr. YOUNG of Alaska. Mr. Chairman, will the gentleman yield?

Mr. BURGENER. I yield to the gentleman from Alaska.

Mr. YOUNG of Alaska. I want to thank the gentleman for yielding.

Mr. Chairman, I would like to compliment the gentlewoman from Nebraska. The gentlewoman has done an excellent job.

I would again like to restate my comments of yesterday. It is her district.

Mr. Chairman, you all have heard of the Golden Fleece Award established by the distinguished gentleman from Wisconsin.

Mr. Chairman, I have just developed a new award. It is called the Pinocchio Award. I am going to be issuing that award to those individuals who keep putting their nose in other people's districts when it does not concern them. You have now just heard of the original award, the Pinocchio Award, which will be issued each week or each month to that individual who I think interferes in the affairs of someone else's district where there is little or no justification for such interference.

Mr. BURGENER. Mr. Chairman, I yield back the balance of my time.

Mr. BEDELL. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment.

Mr. Chairman, it is not easy to take the well to oppose a project that is in the area of a good friend of mine, or to oppose a project which is in the Midwest. However, Mr. Chairman, I happen to be one of those who believes that this is an issue about which we should all be concerned. We are discussing the expenditure of taxpayer money. It is the money of my taxpayers, and it is the money of taxpayers all across the land. We must recognize this fact when we vote on this project or any other project.

We can argue about the benefits of this project but our time is short.

I will read from a report from the University of Nebraska. The report says that in order to be eligible for funding proposed projects should meet the standard of yielding benefits at least equal to cost. Yet, the foregoing analysis suggests that the O'Neill unit does not (underlined) meet this required standard. In the light of the issues raised in this paper the proposed O'Neill unit should be reevaluated prior to the commitment of additional tax moneys.

I am not going to get into the details of how estimated benefits from this project are computed by the Bureau of Reclamation. Benefits such as cattle feeding in an area where there is irrigation as compared to cattle feeding in an area where there is no irrigation, and all those details, but let us look at the O'Neill project as a businessman would look at it.

□ 1320

I believe we should look at the project in terms of what it costs and how much the project is likely to increase the value of the land that would be improved by irrigation. If we would do that, we would find that the cost per acre for the irrigation is $2,470. This is for land, dry land, which is worth from $514 an acre, and which after irrigation is worth from $775 to $800, for an increase of $300 per acre at an expense of $2,470.

Remember that half of the land in the project area is already irrigated, so that we have a cost of somewhere from $8 to $16 of taxpayers' money for every $1 that we increase the value of the land.

The project is intended to help 481 farmers, as my colleague has already pointed out, at a cost of $400,000 to $1.5 million per farm.

Previous speakers have mentioned repayment by the landowner. The landowners will pay back $19.10 per acre. If we take the $200 million value of this project, and consider that right now the Government is paying more than 9 percent interest on the money that we are borrowing, we will pay $18 million per year of interest on this investment. If we take the $19.10 per acre times 77,000 acres, we find that the benefactors will repay less than $1.5 million, less than 10 percent of the interest cost on this investment; but let us not just argue about the issue. Let us look at what we are doing as a society when we do fund this type of project.

We are saying that we are going to take $200 million of taxpayers' money to build a dam to irrigate land to use water which we are short of, to use energy which we are short of, to pump that water to grow more crops which we now have too much of, and which we are paying farmers not to produce; so that as we add water to the bucket with the one hand, we are punching holes in the bucket with the other.

I think that this is an issue that we should debate. I think that this is an issue that should be important to all of us. I hope that we will have the courage in this House to say that we are concerned about where we spend our money regardless of where the money may be spent.

Mr. CAVANAUGH. Mr. Chairman, will the gentleman yield?

Mr. BEDELL. I yield to the gentleman from Nebraska.

Mr. CAVANAUGH. Mr. Chairman, I thank the gentleman for yielding. I appreciate the opportunity to address some of the remarks of my good friend, the gentlewoman from Nebraska, because I think that the gentlewoman did unintentionally through the vigor of her argument misrepresent my position. I think it is unfortunate that the gentlewoman would not allow me to address them while the gentlewoman was in the well. Clearly, I have never been an opponent of the Pick-Sloan program. I feel its benefits have greatly enriched our region of the country. The flood control that the gentlewoman refers to, the navigational improvements on our waterways and the creation of electrical generation have resulted in great benefits to the midwestern region of the country; but that does not relieve us of the obligation and the responsibility to scrutinize this project as it continues through a very long span of time.

The CHAIRMAN. The time of the gentleman from Iowa (Mr. BEDELL) has expired.

(At the request of Mr. CAVANAUGH and by unanimous consent, Mr. BEDELL was allowed to proceed for 2 additional minutes.)

Mr. CAVANAUGH. Mr. Chairman, if the gentleman will yield further, it is our obligation to continue to reanalyze each segment of every project and to reanalyze every expenditure of the Federal tax dollar. Clearly, this $200 million, when we begin to look at the justifications upon which it is premised, is simply not justified.

I would point out to the Members of the House that my good friend and colleague, the gentlewoman from Nebraska, did not address herself to the intricacies of the cost to benefit ratio, because as soon as you begin to address this equation, this project's viability and justification begins to crumble. It simply is not there.

We are not going to establish cattle feeding operations by providing irrigation to 77,000 acres in that region of the State, and that is a major portion of the justification; 90 cents of the $2.70 alleged to be benefited. Thirty-five thousand acres of the 77,000 acres have already been irrigated in the intervening time between the authorization in 1972 and 1977 by private investment, by private development, which clearly demonstrates that the economic attractive-ness of engaging in irrigation in that region of the study takes care of itself and that half of the justification alleged by the Bureau of Reclamation does not exist to support the expenditure of this $200 million.

Finally, I would say to my friend, the gentleman from Kansas, who argues for unanimity among us in the midwest in supporting all projects and all infusions of funds, that that unanimity does not exist in Nebraska. My colleague and I saw the great lineup on the other side of the aisle, but I am supported in this by our fellow colleague in Nebraska, the Republican Member from the First District, the gentleman from Nebraska (Mr. BEREUTER), who does not support this project and realizes that it is not a justifiable expenditure of funds and that it does entail those expenditures.

The CHAIRMAN. The time of the gentleman from Iowa (Mr. BEDELL) has again expired.

(At the request of Mr. EDGAR, and by unanimous consent, Mr. BEDELL was allowed to proceed for 2 additional minutes.)

Mr. BEDELL. Mr. Chairman, I yield further to the gentleman from Nebraska.

Mr. CAVANAUGH. And so of the three Members from the State of Nebraska, two of us do not believe that this project can any longer be justified. It is an excessive expenditure of funds for the benefits that will be derived. It is seriously imperiled by questions of the safety of the dam site, whether or not that dam site would be able to sustain a dam of this magnitude in a safe fashion.

In addition to that, it poses severe threats to the environment and the free flow of the river.

I thank the gentleman for his courtesy.

Mr. EDGAR. Mr. Chairman, will the gentleman yield?

Mr. BEDELL. I yield to the gentleman from Pennsylvania.

Mr. EDGAR. Mr. Chairman, I would just like briefly to commend the gentleman in the well and the author of the amendment for this concern in this amendment.

I would like to say that I think it makes a lot of sense for us as a nation to have a water policy that is based on merit. I think each of us from every congressional district across the country have the right and the obligation to look at water projects critically on their merits.

I think the gentleman in the well has a history of having looked at these projects in a positive way. I commend the gentleman for his actions today.

Mr. BEVILL. Mr. Chairman, I move to strike the requisite number of words. I rise in opposition to the amendment.

Mr. Chairman, this project has been considered by the House Appropriations Subcommittee, of which the distinguished gentlewoman from Nebraska is a member. As the gentlewoman has pointed out, the gentleman did not appear before the subcommittee, none of the people speaking in opposition today appeared to testify.

This project pays $2.70 back for every dollar that is invested. The budget request from the Bureau indicates only $7.9 million of the total cost is nonreimbursable. There is nothing wrong with this project.

The distinguished gentlewoman in whose district the project is located wants it. The people voted on it June 1 and over 76 percent of the people voted for it.

The Bureau has studied the project. They keep these benefit-cost ratios updated and they are very conservative in their estimates of benefits.

The gentleman referred to a letter from a university. I do not know what that means, but I do know that the Bureau develops good, reliable estimates. The whole Appropriations Committee has approved it and the subcommittee has approved it.

The distinguished gentleman here is a businessman. The gentleman says it is a poor investment. Well, the gentleman is a very successful businessman. I will tell you, if he can invest a dollar and get back $2.70, I think he would accept it.

Mr. BEDELL. Mr. Chairman, will the gentleman yield?

Mr. BEVILL. Yes, I yield.

Mr. BEDELL. Mr. Chairman, I thank the gentleman for his statement. I think it is well taken. I can assure the gentleman I will be there next year to talk about this project before the committee; but I am sure the gentleman would not want to mislead the House in any way.

☐ 1330

Ninety-six percent, I am sure the gentleman realizes, does not come back from the irrigators who are benefited by this project.

Mr. Chairman, I am sure the House will want to know that, and I want the Members to understand that very clearly.

Mr. BEVILL. Mr. Chairman, most of that money will be paid back. The bottom line is that $2.70 will be returned for every dollar invested.

Mr. Chairman, we have been on this matter now for 45 minutes, and we are trying to complete the bill. Many Members have reservations on planes.

Mr. Chairman, I move that all debate on the pending amendment and all amendments thereto conclude in 5 minutes.

The motion was agreed to.

The CHAIRMAN. Members standing at the time the motion was agreed to will be recognized for 45 seconds each.

The Chair recognizes the gentleman from North Dakota (Mr. ANDREWS).

Mr. ANDREWS of North Dakota. Mr. Chairman, in this limited time I would like to make just two brief points.

The comment has been made that we should take a look at these projects and base our judgment on the merits. We have a uniform yardstick. It is called the cost benefit ratio, and it is applied by our good friends on this subcommittee. They applied it uniformally over the country.

This project meets the criteria by 2.7 to 1, and I would rather take that judgment than the judgment of other people who come in here like a will-o-the-wisp out of the night.

Second, I would like to point out to my friend, the gentleman from Iowa, that he gets great benefits from this Pick-Sloan project. From the Pick-Sloan plan he gets power generation, he gets flood control, and I might point out to the gentleman that if we do not have the irrigation benefits from the Pick-Sloan project, the power costs to his consumers will appreciate considerably. They will be paying more if this does not go into effect.

The CHAIRMAN. The Chair recognizes the gentleman from California (Mr. CLAUSEN).

Mr. CLAUSEN. Mr. Chairman, in the brief time I have allotted to me I want to relate to the membership that I was among the members of the committee who actually went out to the O'Neill unit area and had a chance to evaluate the project in the field itself.

I can testify to the fact that this project does, in fact, meet all of the criteria, engineering, economic, and environmental, consistent with the established criteria as set by the Senate documents.

Mr. Chairman, I rise in opposition to the amendment to delete funding for the O'Neill unit and to support the brilliant defense of this project by the gentlewoman from Nebraska (Mrs. SMITH).

Those of us involved in evaluating this project have come to the conclusion that the development, conservation, and efficient use of western water cannot be accomplished on a project-by-project basis. It requires long-range planning of comprehensive programs for entire river basins.

The amendment knocks out an important unit of a large, well-planned, comprehensive development plan for the water resources in the entire Missouri River basin. Removing this unit would severely disrupt the plan leaving the Missouri basin with an incomplete, inadequate plan for the conservation, control, and use of the water resources in 10 States.

I suggest to my colleagues that we have a responsibility to move ahead on projects that have been fully studied, fully justified, well planned, and systematically presented to us for authorization.

I was among the Members of Congress who went out to Nebraska to see the project sites firsthand and participated in the hearings. I can assure my colleagues that this unit stood every test of every established criteria, based on proven needs in the area or region involved. And in this case, the needs of the Missouri River basin for flood control, water conservation, hydroenergy, and reclamation are well documented.

People are relying upon this project going forward without inhibiting amendments such as the one which has been offered. Constant assaults such as this are extremely disruptive and disturbing for the project managers and the people who have so much at stake. We should resoundingly defeat this amendment as a signal to these people that we stand behind our previous commitments and will not arbitrarily reverse ourselves.

The project will eventually be built because they are needed and because the people demand that they be built. The longer we wait, the more costly they will become. It would be fiscally irresponsible to vote for any delay. Water is wealth. This is an investment in America and the future food-producing capacity for our country, to address the trade imbalance problems associated with our oil imports.

I urge my colleagues to join me in voting against this amendment.

(By unanimons consent, Mr. BEDELL yielded his time to Mr. CAVANAUGH.)

The CHAIRMAN. The Chair recognizes the gentleman from Nebraska (Mr. CAVANAUGH).

Mr. CAVANAUGH. Mr. Chairman, I would just briefly make response to the comments that have been made.

This project does not meet all the criteria. This project has been under injunction issued by the Federal District Court for the District of Nebraska since March 1977 because it does not meet the established criteria, specifically because it does not meet the criteria for safety.

Of the 96 percent that is going to be paid back, less than 25 percent of that will be paid back by the direct beneficiaries, and we will have 77,000 acres benefited to the extent of $200 million in expenditures of Federal tax moneys. Those expenditures are not justified on the basis of the benefits to be derived.

Mr. Chairman, once we go in and look at the project and scrutinize its benefits, we will find they are ephemeral and fictitious, and this project is not justified.

The CHAIRMAN. The Chair recognizes the gentleman from Arizona (Mr. RUDD).

Mr. RUDD. Mr. Chairman, I think the chairman of the subcommittee, the gentleman from Alabama (Mr. BEVILL), has properly put this whole subject matter in its best perspective. The people want it. The committee inquired into it very thoroughly, as is its responsibility to do, decided favorably and I urge rejection of the amendment.

The CHAIRMAN. The Chair recognizes the gentleman from South Dakota (Mr. ABDNOR).

Mr. ABDNOR. Mr. Chairman, I rise in vehement opposition to the amendment offered by Mr. CAVANAUGH.

It has been argued that this is not an antiwater development amendment but merely an attack on an individual project. I submit, however, that such is not the case.

If the proponents of the Cavanaugh amendment do not support the O'Neill unit, which ranks among the very best of all proposed projects, can they expect us to believe they will support others?

No, their attack on this project is not confined to the interests of Mrs. SMITH's district alone. It is an attack on the entire system by which water projects are evaluated, and it is clear they mean to stop irrigation projects in general.

Their efforts are misguided. Water development projects are subjected to rigorous analysis of their benefits and costs. On the basis of its benefit-cost ratio and other criteria, even the President, who is certainly no advocate of boondoggle water projects, supports the O'Neill unit.

Water development projects are among few Federal expenditures which represent an investment and actually return more to the national economy than they cost. The O'Neill unit in particular will return $2.70 for every dollar spent.

Mr. Chairman, the position of my colleague from Iowa (Mr. BEDELL) is especially distressing to me. According to information furnished by the Corps of Engineers, development of the Pick-Sloan Missouri River Basin program has generated the following benefits to Iowans:

First. Recreation: 250,000 visitor days annually and $400,000 average annual benefits;

Second. Bank stabilization: Cumulative benefits at 1979 prices total $88 million to agriculture and $35 million to municipalities;

Third. Navigation: The corps could not break out benefits to Iowa alone, but the system moves 3.1 million tons per year. With over 200 miles of navigable river, Iowa gets a proportionate share and pays nothing for the privilege. I might ask my colleague what he would think about extending navigation into South Dakota. I am sure he would consider it to be a "boondoggle."

Fourth. Flood control: This is the primary cause of and moving force behind the authorization of the P–SMRBP back in 1944. Benefits through 1978 total $1.4 billion from flood waters stored in the reservoirs; $250,000,000 of these benefits have accrued to Iowa. In addition, the levy system has benefited Iowa in the amount of $290,000,000. Thus, flood benefits to Iowa have totalled $540 million. These benefits, like navigation, are totally nonreimbursable, which is to say, they are free of cost to Iowans.

Fifth. Hydropower: Despite making no contribution of land for the reservoirs which make hydrogeneration possible, Iowa receives Missouri Basin hydropower for 40 cities and towns and 2 co-ops serving rural consumers.

Information furnished by the Western Area Power Administration on hydropower allocations from 1969–78 further demonstrate the hypocrisy of my colleague's position. WAPA's figures show that in 8 out of the last 10 years Iowa has received more of the power generated at our reservoirs than we have. Only in 1974 and 1975 did South Dakota receive more than Iowa. In fiscal year 1976, for example, Iowa received nearly 18 percent, and South Dakota got less than 12 percent. In that year Minnesota, Iowa, and Nebraska received over 70 percent of the hydropower generated in South and North Dakota and Montana. The latter three States gave up nearly 2 million acres for Missouri Basin program facilities; yet, they have received a minimal proportion of the hydropower and none of the navigation benefits. The primary flood control impact in these States is permanent flooding, and now my colleague would deny the primary benefit authorized in the Flood Control Act of 1944 to compensate these States for their losses.

My colleague has argued the so-called mistakes of the past should not be used to justify boondoggles of the present and future, but he fails to recognize that the Missouri Basin program was and is an integrated program of development. Indeed, it used to be known as the Pick-Sloan Missouri River Basin project. Does he really believe that the Dakotas and Montana are and ought to be so noble, generous, self-effacing, and even masochistic as to accept the costs of the program to them and forget the major benefit they are to receive in return?

According to my correspondence of last year with the Bureau of Reclamation, Missouri Basin program, facilities have taken the following acreages off the tax roles:

Montana	723,174
North Dakota	648,869
South Dakota	536,875
Nebraska	83,869

In return each of these States was to receive substantial acreages of irrigation development to offset their losses. South Dakota, for example, was to have received 570,600 acres of full irrigation water service development and supplemental irrigation water service to 66,100 acres. It is important to note that these projects were actually authorized for development in the 1944 act, along with the hydropower, navigation, and flood control. Irrigation is the sole major undeveloped feature of the program, and Public Law 88–442 provided that further specific congressional authorization would be required before any of the irrigation units authorized in the 1944 act could be constructed. To date, we have achieved such specific authorization of the Oahe and Pollock-Herreid units; but we have yet to realize actual development of even one single acre of federally assisted irrigation out of the Missouri River, pursuant to the Pick-Sloan plan. If my colleague has his way, it is doubtful we ever will.

Contrast that reality with the promise characterized by President Kennedy's August 1962 remarks at the dedication of Oahe Dam. The President said:

> This dam alone will supply enough irrigation to serve an area larger than the Nation of Luxembourg.

Contrast reality also with the legislative history written by Senator Mundt, when on May 8, 1944, as a Congressman, he rose on the floor of the House in support of enactment of the Flood Control Act of 1944. The Congressman said:

> Finally, and most emphatically, South Dakotans are interested in irrigation. Growing out of the river-development program outlined in House document 475 and the May 1 report of the Bureau of Reclamation there now beckons to us one of the greatest and most profitable irrigation opportunities in this country. A proposed irrigation project near Huron, South Dakota, is one of the largest ever engineered by the Bureau of Reclamation. It encompasses some of the richest soil in this Republic. It envisages making available a regulated and consistent supply of moisture which will add greatly to the farm products available to this country and to the world. From the water impounded behind dams erected for flood control can come the source supply needed to fill irrigation ditches and bring moisture to hundreds of thousands of parched acres.

The Congressman spoke, of course, of the 495,000-acre Oahe unit, which constituted the major portion of the irrigation authorized for development in South Dakota under the 1944 act.

Finally, contrast reality with the remarks of Congressman Berry, as published in the Rapid City Journal. The Congressman is quoted as follows:

> In 1941 when the Missouri River States Committee, the forerunner of the interagency committee, was organized, Gov. Harlan Bushfield appointed me to serve with him as our State's representatives in the promotion of irrigation and river development.
>
> I then served on the committee with Gov. Sharpe. He and I met with representatives of all the Mssouri River States in Omaha during the devastating flood of 1943 when the river south of Sioux City was 10 miles wide. The downstream states that were losing millions of dollars every few years from floods, wanted the upstream States to permit large mainstream dams to be built in order to protect them from future high waters.
>
> Gov. Sharpe and I joined the delegates from Montana and North Dakota in demanding that if we gave up some two million acres of our best lands and tax base to be flooded forever with these great reservoirs that our States would be compensated by the use of that stored water for irrigation, thus replacing the land and tax loss.
>
> We received the unanimous pledge from the representatives of all the States, as well as the federal officials who were participating, that if we would give up our lands and tax base for flood control purposes, that such loss would be replaced elsewhere by greatly increased production through irrigation.

It is obvious my colleague pays little heed and less respect to the pledge of which Congressman Berry spoke. Perhaps if we opened the floodgates at the dams and allowed the river again to flood his district 10 miles wide, he would have a little better sense of history. Perhaps if the Energy and Water Development Appropriations were amended to prohibit the expenditure of funds for the delivery of P-SMRBP hydropower to Iowa, my colleague would pay more attention to the solemn obligation to our State, as well as to the gratuitous benefits to his own.

These arguments may seem a bit extreme, but how else are we to make our point? How can we ignore the study which shows an annual loss of over $90 million in business activity and over $30 million in personal income as a result of the reservoirs in North Dakota? South Dakota's losses would be similar, and that's every blasted year. The population of our State is stagnant, and little wonder since South Dakota consistently ranks among the lowest of all States in per capita income—over $1,000 less than Iowa in 1978.

How can we tolerate the hypocrisy of my colleague from Iowa when his State gets all of the benefits and none of the costs of the P-SMRBP? Since I opposed the high dams in the first place, I believe I am more than justified in being indignant at his attitude. In effect, we have been raped of our land to store flood waters which would have inundated Iowa and which allow Iowans to float barges. The barges compete with rail transportation, and we are losing our railroads in South Dakota. Iowa is pillaging our hydropower; and, to add insult to injury, my colleague now tells us we are the ones who need to get the religion of fiscal responsibility and forego the irrigation we are supposed to receive to offset our losses. Could it be his constituents have become addicted to the hydropower they have received as a result of the lack of irrigation development in our State?

"Boondoggle" may be a dirty word; but in my book "hypocrisy," "doublecross," "thievery," and "betrayal" are worse.

Again, the Pick-Sloan Missouri River Basin program, authorized by the Flood Control Act of 1944, was an integrated plan of development. In effect, it was a single project with many facets. The Oahe unit in my district and the O'Neill unit in Mrs. SMITH's district are two such facets. That is why they are called "units"—they are units of the Missouri Basin project. To argue that they should not be developed is to attempt to change the terms of the agreement. For those who have benefited most from other terms of the agreement and other facets of the project to try at this time to block facets of the project which would be of benefit to my constituents is sheer hypocrisy, purely and simply.

I implore my colleagues to defeat the Cavanaugh amendment and to reject the attitude that the sacrifices of the States of the Upper Missouri River Basin can be ignored and forgotten. As the President has pointed out, life is not always fair; but I plead with you not to contribute to one of the grossest injustices which could possibly be perpetrated upon my constituents.

The CHAIRMAN. The Chair recognizes the gentleman from Indiana (Mr. MYERS).

Mr. MYERS of Indiana. Mr. Chairman, the impression has been left this afternoon that the injunction now against the project that stopped construction was due to the merits of the project. That is not true. Rather, the final environmental statement was not complete, as the committee found.

A second environmental statement was filed. It was found again that the statement was not complete in two instances. The Bureau of Reclamation is currently gathering additional information for compliance.

Now, as for the repayment schedule, there is $45,245,000 already under contract to be repaid to the U.S. Treasury by the irrigators. There is also over $144 million that is to be repaid under existing power structures in the Pick-Sloan Missouri River Basin system. Those will be actual dollars coming back into the Treasury, not just benefits accruing to the Nation.

Mr. Chairman, this amendment should be defeated.

(By unanimous consent, Mr. KOSTMAYER yielded his time to Mr. BEDELL.)

The CHAIRMAN. The Chair recognizes the gentleman from Iowa (Mr. BEDELL).

Mr. BEDELL. Mr. Chairman, our time is short, but I would simply like to point out that this is a separate project just as the new Senate Office Building is a separate project. We can say that our office buildings are one project, and we can say all of the Pick-Sloan area is one project, but the fact is that we looked at that Senate Office Building, and many of us here thought it was wrong.

Mr. Chairman, I think we have an obligation to look at every project individually and make a judgment as to whether or not it is in itself a justifiable expenditure.

● Mr. KAZEN. Mr. Chairman, I rise in opposition to the amendment of the gentleman from Nebraska. The amendment seeks to kill the O'Neill unit of the Pick-Sloan Missouri Basin program.

The O'Neill unit is a multipurpose project. It will serve the functions of irrigation, recreation, fish and wildlife, and flood control.

Over the life of the project, 96 percent of the Federal investment will be repaid.

The project has one of the highest cost-benefit ratios of any project in the Nation.

This project was authorized in 1972. It had been carefully examined by the appropriate legislative committees of both Houses and recommended for approval.

The project has had the full support of two administrations, including the present administration. Also, just 14 days ago, it received the overwhelming support of the citizens of the area who voted approval by a margin of more than 3 to 1.

Mr. Chairman, the gentleman's amendment seeks to undo in this bill that which the responsible committees of the Congress and the Congress itself did in 1972. It seeks to reverse the decision of two administrations which have supported the project. And, finally, it seeks to reverse the decision of the people most directly affected by the project who have overwhelmingly approved it.

Mr. Chairman, if this project is a bad project—and I do not believe that it is—then, those who oppose it should have come forth long ago with a bill to deauthorize it so that the proper legislative committees could make a decision after full hearings. This was not done, and this is not the place to do it.

Mr. Chairman, I urge defeat of the amendment.●

The CHAIRMAN. All time has expired.

The question is on the amendment offered by the gentleman from Nebraska (Mr. CAVANAUGH).

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. CAVANAUGH. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 106, noes 210, answered "present" 1, not voting 117, as follows:

[Roll No. 247]

AYES—106

Ambro
Anderson, Calif.
Applegate
Aspin
Bailey
Bedell
Beilenson
Bereuter
Bingham
Brademas
Brodhead
Brown, Calif.
Burton, John
Burton, Phillip
Byron
Cavanaugh
Collins, Ill.
Collins, Tex.
Conte
Corcoran
Coughlin
Danielson
Dellums
Dodd
Dougherty
Edgar
Edwards, Calif.
Emery
Evans, Ind.
Fenwick
Findley
Fish
Fisher
Fithian
Ford, Tenn.
Gephardt
Gingrich
Gradison
Gray
Green
Hall, Ohio
Hamilton
Harkin
Harris
Hawkins
Heftel
Holtzman
Huckaby
Kastenmeier
Kildee
Kostmayer
LaFalce
Lederer
Leland
Levitas
Lowry
McCloskey
McDonald
Maguire
Markey
Mattox
Mica
Mikulski
Miller, Calif.
Mineta
Minish
Mitchell, Md.
Moffett
Mottl
Murphy, N.Y.
Murphy, Pa.
Myers, Pa.
Neal
Nelson
Nolan
Oberstar
Ottinger
Patten
Patterson
Paul
Pease
Petri
Rangel
Ratchford
Reuss
Rinaldo
Ritter
Rosenthal
Sabo
Scheuer
Seiberling
Sharp
Solomon
Stark
Stockman
Studds
Tauke
Vander Jagt
Vanik
Vento
Volkmer
Walgren
Weaver
Weiss
Wolpe
Yates

NOES—210

Abdnor
Akaka
Albosta
Alexander
Andrews, N. Dak.
Annunzio
Archer
Ashbrook
Atkinson
AuCoin
Badham
Baldus
Barnard
Bauman
Beard, R.I.
Beard, Tenn.
Benjamin
Bennett
Bethune
Bevill
Biaggi
Boggs
Boner
Bonker
Bouquard
Brinkley
Broomfield
Broyhill
Buchanan
Burgener
Burlison
Butler
Carney
Carter
Cheney
Clausen
Clinger
Coelho
Coleman
Conable
Corman
Crane, Daniel
Daniel, Dan
Daniel, R. W.
Dannemeyer
Daschle
Davis, Mich.
Deckard
Derwinski
Devine
Dickinson
Dicks
Dingell
Dixon
Donnelly
Dornan
Duncan, Oreg.
Duncan, Tenn.
Edwards, Ala.
Edwards, Okla.
English
Erlenborn
Evans, Del.
Evans, Ga.
Fary
Fascell
Fazio
Ferraro
Foley
Fountain
Frenzel
Fuqua
Gaydos
Gilman
Ginn
Glickman
Goodling
Gore
Gramm
Grassley
Grisham
Guarini
Guyer
Hagedorn
Hall, Tex.
Hammerschmidt
Hance
Hanley
Hansen
Heckler
Hefner
Holland
Hollenbeck
Holt
Hopkins
Howard
Hubbard
Hughes
Hutto
Hyde
Ichord
Ireland
Jenkins
Jenrette
Johnson, Colo.
Jones, N.C.
Jones, Tenn.
Kazen
Kemp
Kindness
Kogovsek
Lagomarsino
Latta
Leach, Iowa
Leach, La.
Leath, Tex.
Lee
Lent
Lewis
Livingston
Lloyd
Loeffler
Long, La.
Long, Md.
Lott
Lujan
Lungren
McCormack
McHugh
Marks
Martin
Mazzoli
Miller, Ohio
Mitchell, N.Y.
Moakley
Mollohan
Montgomery
Moore
Moorhead, Calif.
Moorhead, Pa.
Murphy, Ill.
Murtha
Myers, Ind.
Natcher
Nedzi
Nichols
Nowak
O'Brien
Oakar
Panetta
Peyser
Preyer
Price
Rahall
Regula
Rhodes
Roberts
Robinson
Roe
Rose
Roth
Roybal
Rudd
Runnels
Satterfield
Schulze
Sebelius
Sensenbrenner
Shelby
Shumway
Shuster
Slack
Smith, Nebr.
Snowe
Snyder
Spellman
Spence
Stack
Stangeland
Stanton
Steed
Stenholm
Stokes
Stratton
Stump
Swift
Symms
Synar
Taylor
Thompson
Traxler
Van Deerlin
Walker
Wampler
Watkins
White
Whitehurst
Whitley
Whittaker
Whitten
Williams, Mont.
Wolff
Wright
Wydler
Wylie
Yatron
Young, Alaska
Young, Fla.
Young, Mo.
Zablocki

ANSWERED "PRESENT"—1

Gonzalez

NOT VOTING—117

Addabbo
Anderson, Ill.
Andrews, N.C.
Anthony
Ashley
Bafalis
Barnes
Blanchard
Boland
Bolling
Bonior
Bowen
Breaux
Brooks
Brown, Ohio
Campbell
Carr
Chappell
Chisholm
Clay
Cleveland
Conyers
Cotter
Courter
Crane, Philip
D'Amours
Davis, S.C.
de la Garza
Derrick
Diggs
Downey
Drinan
Early
Eckhardt
Erdahl
Ertel
Flippo
Flood
Florio
Ford, Mich.
Forsythe
Fowler
Frost
Garcia
Giaimo
Gibbons
Goldwater
Gudger
Harsha
Hightower
Hillis
Hinson
Horton
Jacobs
Jeffords
Jeffries
Johnson, Calif.
Jones, Okla.
Kelly
Kramer
Lehman
Luken
Lundine
McClory
McDade
McEwen
McKay
McKinney
Madigan
Marlenee
Marriott
Mathis
Matsui
Mavroules
Michel
Mikva
Obey
Pashayan
Pepper
Perkins
Pickle
Pritchard
Pursell
Quayle
Quillen
Railsback
Richmond
Rodino
Rostenkowski
Rousselot
Royer
Russo
Santini
Sawyer
Schroeder
Shannon
Simon
Skelton
Smith, Iowa
Solarz
St Germain
Staggers
Stewart
Thomas
Treen
Trible
Udall
Ullman
Waxman
Williams, Ohio
Wilson, Bob
Wilson, C. H.
Wilson, Tex.
Winn
Wirth
Wyatt
Zeferetti

☐ 1350

The Clerk announced the following pairs:

Mr. Solarz for, with Mr. Johnson of California against.

Mr. Drinan for, with Mr. Santini against.

Mr. Garcia for, with Mr. Boland against.

Mr. Bonior of Michigan for, with Mr. Staggers against.

Mrs. Chisholm for, with Mr. Chappell against.

Mr. Conyers for, with Mr. McKay against.

Mr. Diggs for, with Mr. Pepper against.

Mr. Richmond for, with Mr. Matsui against.

Mr. Williams of Ohio for, with Mr. Breaux against.

Mr. Clay for, with Mr. Anthony against.

So the amendment was rejected.

The result of the vote was announced as above recorded.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

COLORADO RIVER BASIN SALINITY CONTROL PROJECTS

For construction of projects authorized by the Act of June 24, 1974 (Public Law 93-320), to remain available until expended, $38,194,000.

AMENDMENT OFFERED BY MR. BROWN OF CALIFORNIA

Mr. BROWN of California. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Brown of California: On page 19, line 6, delete "$38,194,000" and insert in lieu thereof "$32,886,000".

(By unanimous consent, Mr. Brown of California was allowed to proceed for 5 additional minutes.)

Mr. BROWN of California. Mr. Chairman, the Members will recall that I have voted in opposition to the rule on this bill as a way of calling attention to the problem that there are a number of items in the bill which have not yet been subject to authorization, and this is one of those items.

I want to apologize to the committee for the necessity of bringing up in this form a subject which really should be debated in connection with the authorization legislation, which will be coming before the House in the relatively near future.

I think that we should devote at least a small amount of time to looking at the policy issues involved in this item and to take the action which my amendment proposes.

We are dealing here with the Colorado River Basin salinization program, which is contained in the bill on page 19, Colorado River Basin salinity control projects, and is very briefly described in the report on page 132. I hope the Members would look at that.

Basically, what we have here is a series of projects, a complex of projects, aimed at meeting the requirements of the United States-Mexico Colorado River Treaty of 1944, which requires the delivery of a certain amount of Colorado River water to Mexico; and then in a series of amendments, called minutes, to this treaty, in 1972 it was agreed between the United States and Mexico that the delivery of this water really meant the delivery of water of a certain usability, a certain level of salinity.

In order to meet that salinity requirement, a number of projects have been undertaken to reduce the level of salt in the Colorado River.

☐ 1400

The specific project that my amendment deals with is a desalinization plant near Yuma, Ariz. That plant is a very large plant.

I am not attempting at this point to eliminate that plant, nor am I attempting to abrogate our treaty requirements to Mexico for maintaining a proper salinity of Colorado River water.

Many of the projects deal with matters, such as irrigation improvement, which I consider vitally necessary and which I support. The desalinization plant itself, however, is the most expensive part of the project and my amendment does only one thing. It removes approximately $6 million from the appropriation which would be used to let construction contracts in the next fiscal year.

Despite the fact that this plant was originally authorized in 1972, no construction has been done, nor is the design completed, nor will it be completed for approximately a year. The reason that there is another authorization bill coming through for this project is because the cost estimates on this desalting plant, which is a first of a kind, 100 times bigger than any other similar plant, has been subject to huge cost escalations. The original figure authorized was in the order of $164 million. The new bill will be in the order of $339 million. A new estimate, which has been submitted to the Secretary, indicates that even this is at least $80 million short of the cost they now estimate, and these estimates have been based upon assumptions with regard to inflation which are completely unrealistic. They are based on estimates of 4 to 5 percent inflation where the actual rate will probably be at least twice that. What we see here is a massive new plant on which the costs are now estimated at $339 million, plus the $80 million, or $420 million. By the time of construction it will probably be half a billion dollars. The operating costs over its lifetime will range from $15 to $25 million a year probably amounting to at least another billion dollars, perhaps more.

So, we are talking about a total Federal outlay of $1½ billion, or more.

This is worthy of your attention for a few moments. It will not be contended by anyone that this plant is cost effective. It was never intended to be cost effective. It was intended to meet a treaty requirement.

There are some who will say we must go ahead because of the treaty requirement, that the treaty requires it. The treaty does not require it. There is no mention of a desalinization plant in the treaty. It is my contention that this is the least effective, the least economical and the least desirable way of meeting our treaty commitment, which I thoroughly subscribe to.

This situation has been studied at length. I was aware of these studies. I have talked to the professional and technical people involved in making them. I was sufficiently aware of the results that I appeared before the Committee on Interior and Insular Affairs and testified as to some of that information and recommendations. The committee, by a divided vote, finally reported out the authorization bill anyway. But we have not yet seen the recommendations based upon the new technical studies that have been made.

The General Accounting Office, making an unsolicited audit of this project, had this to say, and I would like to quote just a few lines.

> The Colorado River Basin is in trouble.

Then, it goes on to discuss this saline problem:

> In 1974, the Congress authorized a salinity control program. In a departure from normal legislation, the Congress did not require the projects to meet standard cost/benefit criteria . . .

And they do not.

> The program was intended to maintain the salinity at 1972 levels through 1990. However, recent studies indicate that some of the projects are not reducing the salinity level as much as anticipated, and there are no firm plans for controlling salinity after 1990—

Which will be when the central Arizona projects come onstream and increase tremendously the volume of salts going into the Colorado—

> Construction costs for the major desalinization plant to meet the United States commitment to Mexico have almost tripled. GAO recommends that the Congress temporarily defer funding for this plant until the bureau—

That is the Bureau of Reclamation—

> reevaluates its feasibility as well as alternatives which may provide a more economical solution.

The purpose of my amendment is merely to delay any precipitous action in letting contracts until that review can be made. Now, that review is before the Secretary now. I have been able to secure—and I might say not from the Secretary—a copy of the report by the Technical Field Committee to the Technical Advisory Committee, which will advise the Secretary. The Technical Field Committee, which is composed of the professionals who have studied this, representing all the Government agencies, state as follows, and this is a memo transmitting their findings to the Technical Advisory Committee:

> We are all agreed that we should suggest considering a postponement.

That is the third point in the memo.

> 4. All but the United States Bureau of Reclamation prefer to depend wholly on option one.

Which is increased water efficiency.

Option one calls for increased efficiency of water use.

I recommend that personally rather than the desalinization plant. All but the Bureau of Reclamation agreed on that.

The CHAIRMAN. The time of the gentleman from California has expired.

(By unanimous consent Mr. BROWN of California was allowed to proceed for 2 additional minutes.)

Mr. BROWN of California. Finally, the Technical Advisory Committee said:

> It was finally agreed that we had not looked effectively at institutional opportunities . . .

By which they mean ways of encouraging the farmers to use better water practices. Now. I think we ought to have the benefit of that study before we say to the Bureau. "Go ahead and spend that one and one-half billion dollars." I think that if we take out the money for the letting of contracts for the next year, they will get the signal and will hold up briefly while we review this and debate it on the authorizing bill when it comes up.

Let me give the Members the staggering facts. There are 150 farms, and 65,000 acres under irrigation in the Wellton-Mohawk district. The cost of this plant would amount to a cost of more than a million dollars per farmer in this irrigation district. and an annual cost of about $100,000 per farmer to operate the plant. That is in an irrigation district half of whose crops are subsidized and will be subject to some additional subsidy. This is wheat, cotton, sorghum, and some other things of that sort. I do not think that we can justify that. The operating costs alone are as much as the total net income of all the farmers—the operating cost of this plant.

The cost of buying out every farmer is cheaper than building this plant. There are political reasons why we do not want to do that, and I agree with that. But the facts are that we can meet our treaty obligations better, we can protect the salinity of the Colorado beyond the life of this plant, and certainly beyond the 1990's, by far less costly strategies, and we need to look at this. This amendment involves the entire Colorado River Basin and the total national water policy, and deserves the most serious consideration of every Member.

Mr. LUJAN. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, the need for this project arises because the United States entered into an agreement with the Republic of Mexico to deliver water of a quality not more than 115 parts per million, plus or minus some 20 or 30, of less quality than the water at Imperial Dam. It is true that the project is expensive. There is no question about it. But there are several alternatives that have been talked about.

As a matter of fact, Mr. Chairman, I started off on the side of the gentleman from California (Mr. BROWN) thinking that this was a very expensive project and perhaps we ought to take a look at some of those other alternatives, and I did. I took a look at them, looked at all the various alternatives because it did not please me to embark on a project that maybe did not have to be built at a cost of some $300 million. These are the alternatives.

No. 1, we can leave it as it is. After all, we are meeting the commitment to Mexico at the present time. The quality of the water is within the guidelines set forth in the agreement. But what is the problem? We are meeting those commitments by letting 200,000 acre-feet of river run down the Colorado River into Mexico. The problem with that is that it is not the water of the Federal Government who made the agreement. The water belongs to the States, and in reaching this agreement with the Republic of Mexico, we guaranteed the States that we would not infringe upon the rights of the various States for their water.

There are some very serious—serious—policy implications when we say that we are going to take 200,000 acre-feet of water away from the rights of the States and use them for a Federal purpose. So that alternative is not open to us.

The second alternative: We might review the agreement with the Republic of Mexico. How far do you think we are going to get talking to Mexico and telling them, "Listen, why don't you be good guys and let us send you worse water than we are sending you now?" How far do you think we are going to get with that alternative?

Third, we could ignore the agreement completely. We could say, We are the great big United States, and we are sorry but if you want to enforce that agreement, go to it. That is not a very practical alternative.

It has been pointed out that we could buy the Welton-Mohawk Irrigation District. I have here a letter to the chairman of the committee, and the report, that points out that just to buy the Welton-Mohawk Irrigation District would be $330 million. That is the cost of the plant, and if you want to compare the cost of the plant with buying out the Welton-Mohawk District, you are probably correct that it is a washout. But there are other things in this legislation besides just the desalting plant. There are some pumping units involved here.

I might say also that we would still need a desalting plant, perhaps not as big. There is other reclamation work to stop the further salting of the river. Anyway, these other things would cost some $200 million, so we are not talking just about the cost of the plant. There are other considerations such as the lining of the canal to carry the water that is left that is very concentrated. So that alternative is not a very good alternative.

We have been talking about reusing the drainage water, and I think we should look into that. I think we should continue to look into that because that is possible. But even if we do that, we still are looking at building a desalting plant, maybe a smaller one, but we are still looking at using that and still looking at perhaps running through these additional 200,000 acre-feet.

One other alternative is, let us improve the quality of the water above Imperial Dam.

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent, Mr. LUJAN was allowed to proceed for 2 additional minutes.)

Mr. LUJAN. So we are looking at improving the quality of the water above Imperial Dam. That will just make it worse, because the quality of water going into Mexico is tied to the quality of the water at Imperial Dam, so the cleaner we make the water, worthy as it may be, the cleaner we make the water, the cleaner it has to be, and the bigger the desalting plant that we will have to build.

So, Mr. Chairman, the committee studied this question very closely, because no one is eager to run out and build a $330 million plant. But after a very dedicated study by the committee, the committee vote was 25 to 5 to go ahead with the project because all of the other alternatives, as worthy as they may be, were just not feasible.

Mr. LAGOMARSINO. Mr. Chairman, will the gentleman yield?

Mr. LUJAN. I yield to the gentleman from California.

Mr. LAGOMARSINO. I thank the gentleman for yielding. I want to compliment him on his statement and say that I think there are—at least to me there are—two very good reasons why this amendment should not be adopted. No. 1 is the agreement with Mexico. I recently attended an Interparliamentary Union meeting with Mexico, the nineteenth such meeting. The Mexicans were—I do not think it is an overstatement to say cool, and they accused us of all kinds of nefarious things. Whether they believe them or not is something else. Our delegates and the heads of our delegation, the Senator from Texas, Mr. BENTSEN, and the gentleman from Texas, Mr. DE LA GARZA, in particular—all of us to some extent, but they in particular—pointed out to the Mexicans how wrong they were, and pointed out to them a number of things in which we have been of great help to them and in which we have been cooperative. One of the specific things was this project.

At the present time we are engaging in all kinds of negotiations, very important ones, with the Republic of Mexico.

The CHAIRMAN. The time of the gentleman has expired.

(At the request of Mr. LAGOMARSINO, and by unanimous consent, Mr. LUJAN was allowed to proceed for 2 additional minutes.)

Mr. LAGOMARSINO. If the gentleman will yield further, these negotiations involve agricultural problems, tomatoes, all kinds of things. But the most important one, and the one the people of this country are talking about right now, is petroleum, oil and gas. We are at the present time engaged in ongoing negotiations about that, and I can tell the Members that what we heard in Mexico was not very encouraging. They are not eager to sell us oil and gas. They may do it, but it will undoubtedly very severely complicate those negotiations if we were to take the action that the gentleman is asking us to take this afternoon.

The second reason is that, as I understand it, many of the contracts have already been let, and those are legal obligations. We are going to have to pay those in any event, so I think we should get on with this. It is a good project and not only that, failure of the project or even delays of the project would adversely affect our ongoing negotiations with the Republic of Mexico and would not be helpful to us at this time on energy negotiations.

Mr. LUJAN. I thank the gentleman. He is absolutely correct. We cannot possibly ignore the agreement we made with the Republic of Mexico.

Mr. RUDD. Mr. Chairman, will the gentleman yield?

Mr. LUJAN. I yield to the gentleman from Arizona.

Mr. RUDD. I thank the gentleman for yielding.

During the last three interparliamentary conferences, in which I was privileged to participate with the gentleman who just spoke, these people in Mexico have indicated a great resentment as to what has been going on in that particular area, and I would like to join the gentleman in the well and the gentleman from California (Mr. LAGOMARSINO) in stating the importance of this project for the benefit of our future relations with Mexico, especially in view of the energy crisis which we are going through right now.

I thank the gentleman for yielding.

☐ 1420

Mr. BURGENER. Mr. Chairman, I move to strike the requisite number of words and shall speak in opposition to the amendment.

Mr. Chairman, I rise reluctantly, not because of the amendment, with which I strongly disagree, but because of the affection and respect I hold for my neighboring Member of Congress, the gentleman from California (Mr. BROWN), with whom it is a real pleasure and and privilege to work. Our districts abut each other in Riverside County. I am privileged to represent about 200 miles of the Mexican-American border and I represent the County of Imperial, Calif., well known to my distinguished colleague, the gentleman from California (Mr. BROWN) because he was born there.

Let me tell you what this would do to my constituency in my opinion, were it to be adopted. The timing from my point of view and our constituents' could not be worse. We have committed ourselves to do this, to deliver the water in a certain condition, of a certain quality, at a certain time. But let me describe the situation very briefly that is of great danger to my constituents.

The city of Calexico is in the United States and Mexicali is in Mexico. They used to be called twin cities because they were of about 10,000 population each. Today our city on the American side is about 15,000 and the city on the Mexican side is 600,000 people. The gravity flow from Mexicali northward into California is downhill. The gravity flows from south to north. We have raw, untreated sewage flowing from Mexico through my district and emptying into the Salton Sea. This is a very, very serious health hazard and it is going to cost many millions of dollars to correct and is probably the responsibility of the Republic of Mexico.

We have gone to great lengths in our meetings with the Mexican people and their representatives to arrive at a solution. We think we have made progress. President Carter and President Lopez Portillo in their recent meetings had this on the agenda, due to the pressure from this House of Representatives. The Federal Government of Mexico has recognized the problem. I believe and I hope and I pray they are about to take permanent steps. Undoubtedly it will be at great expense to correct it.

Should we send this signal now to them, I am most fearful it would be misinterpreted and would cause severe damage to this other problem which desperately needs solving.

Mr. LAGOMARSINO. Mr. Chairman, will the gentleman yield?

Mr. BURGENER. I will be very happy to yield to my friend from California.

Mr. LAGOMARSINO. I thank the gentleman for yielding.

Mr. Chairman, I neglected to mention one thing which I think is very important. That is that at the present time the Mexicans are engaged in an election campaign. The election will take place sometime in July. For the first time, at least in many, many years, all of the political parties in Mexico are eligible to run candidates and are doing that, including the Communist Party and I can think of nothing which would be more grist for the mill of those who do not like the Yankee Americans than something like this at this particular time. That is unfortunate but it is a fact.

I think if we were to take the action that my good friend from California has suggested we do, it would only add fuel to a fire that I think we ought to be trying to put out, not to increase.

Mr. BURGENER. Mr. Chairman, in spite of the high caliber of the author, I ask this amendment be rejected.

I yield back the balance of my time.

Mr. RHODES. Mr. Chairman, I move to strike the requisite number of words.

I think it might be well to tell a little bit of the history of this desalinization plant.

The treaty between the United States and Mexico regarding the waters of the Colorado River actually said absolutely nothing about the quality of the water. It did provide that 1.5 million acre-feet of water from the main stream of the river would cross the boundary every calendar year but, as people have said, all it had to be was thin enough to drink and not so thick that you could walk on it. That is about how it became after awhile.

As development occurred along the Colorado River, the salinity of the water crossing the international border did increase. The water was not unusable; nevertheless, many people in Mexico felt that the United States was taking advantage of Mexico by not assuring that the water quality did not deteriorate.

After much negotiation, it was finally agreed that the situation would be taken care of by the construction of this desalinization plant which was then felt to be, and I think properly so, within the state of the art insofar as the removal of particulate matters and impurities from the water was concerned. So the water as it crossed into Mexico would be usable, not to drink but certainly for irrigation purposes.

We felt it was necessary to include that minute to the treaty of the United States with Mexico concerning the waters of the Colorado River.

Now, I regard that as having been an agreement between two governments. It is not in the strict legal sense an amendment to the treaty involving the United States and Mexico. It was completed because of the threat at that time—and it was a threat which I think would have been carried out—that Mexico would sue the United States in the Court of International Justice and that very possibly the Court of International Justice would instruct the United States to do something about the salinity of the river. They might, in other words, have construed that treaty in a way which I think would have been unreasonable but still would have been possible. When you have a lawsuit you never know who is going to win it. We did not want a lawsuit so we completed the minute of the treaty and, as a result, this project came into being. I personally feel it is absolutely necessary that we retain it.

Mr. BROWN of California. Mr. Chairman, will the gentleman yield?

Mr. RHODES. I yield to my friend from California.

Mr. BROWN of California. I am sure the gentleman would not want to leave the impression there is anything in the treaty or in minute 242 with regard to the quality of the water that requires the construction of the desalinization plant.

Mr. RHODES. The gentleman is exactly correct. I hope I made it clear, as far as the legalities of the situation are concerned, that the reverse is true. I was merely trying to say you might have to go to the Court of International Justice to prove that it is true, and I am not sure that is in the best interests of our relationship with the Republic of Mexico even if we won the case.

To me the construction of this installation is absolutely necessary if we are to once again build good relations with the Republic of Mexico.

I for one have been appalled at the deterioration of those relations through the last several months, and I hope that we will be able to do something to cause those relations once again to become warm and friendly.

Mrs. FENWICK. Will the gentleman yield to me, Mr. Chairman?

Mr. RHODES. Yes, I yield.

Mrs. FENWICK. I was confused by something that was said earlier about the benefit of $1 million for every individual. From what the gentleman from Arizona has been saying, the benefit would accrue to the benefit of the people of Mexico and would be in compliance with the agreement. Where is the benefit going to accrue to the individual at $1 million each?

Mr. RHODES. I did not say that and I have never heard the figure so I guess I am the wrong person to ask.

Mrs. FENWICK. Mr. Chairman, I believe someone speaking in favor of the amendment mentioned that it would be $1 million each. I wonder if we could have a little explanation of that.

Mr. RHODES. I will yield to the gentleman from California (Mr. BROWN).

Mr. BROWN of California. The figure of $1 million per farm is the figure I used. There are 150 farmers and this is a $300 million project.

Mrs. FENWICK. Mr. Chairman, is it not the country of Mexico who desires the desalinization?

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent, Mr. RHODES was allowed to proceed for 1 additional minute.)

Mr. RHODES. Certainly the gentleman is accurate if you just consider it as a benefit to the farmers of the Wellton-Mohawk project, but I deny that you can do that. I think there is a much larger issue involved here and it would be my hope that we not agree to this amendment. I think it would be disastrous to our relations with Mexico if we did.

□ 1430

Mr. KAZEN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from California.

The amendment seeks to delete funding for a desalting plant to be constructed near Yuma, Ariz.

In 1944, the United States entered into a treaty with Mexico to supply Mexico with 1.5 million acre-feet of water annually from the Colorado River. The quality of the water supplied to Mexico became an issue in 1961. In response to repeated expressions of concern from the Mexican Government, the President of the United States appointed a task force to examine the problem and report its findings to him in 1973. The task force was headed by a distinguished American, Herbert Brownell. The task force met with many experts and also with representatives of the Government of Mexico and the Colorado River Basin States.

Mr. Brownell reported to the President that the United States would have to provide better quality water to Mexico, but that the water should not be provided to the prejudice of the river basin States. He examined all of the alternatives which had been suggested to him, and concluded that the commitment to Mexico could not be met without the construction of a desalting plant. Subsequently, a further agreement, pursuant to the 1944 treaty, was entered into which committed the United States to furnish a specific quality of water to Mexico. The Colorado River Basin Salinity Control Act was enacted in 1974 to implement this agreement and provides for the construction of the desalting plant near Yuma.

Mr. Brownell examined all of the alternatives which were advanced in 1973—alternatives which are today being advanced—and rejected them all.

It has been pointed out that the United States is now meeting its commitment to Mexico and that is true. However, we are meeting this commitment by supplying to Mexico 200,000 acre-feet of water per year from the mainstream of the Colorado River—water which does not belong to the United States. Under the decree of the Supreme Court in Arizona against California, the water in the mainstream of the Colorado River belongs to the river basin States. The water the United States is supplying to Mexico is being borrowed from those States and must eventually be repaid. Furthermore, as those States require water, there will no longer be water available for borrowing by the United States.

It has been suggested that the waters of Colorado could somehow be augmented in order that the commitment to Mexico be met without a desalting plant. I ask, augmented from where? I also ask, at what cost? Do the States of the Northwest want to divert water to the Colorado? And, even if that could be done, what would the cost be? No one seems to know, but you do not divert water from one region to another except at tremendous expense.

The suggestion has been made that the commitment could be met by using ground water. The argument overlooks the fact that ground water is not available for such purposes in the Southwest.

Another solution suggested is the buy-out of the Wellton-Mohawk Irrigation District in Arizona. Admittedly, drainage from this district is one of the biggest contributors to the salinity problem. However, every expert who testified on this matter before the Subcommittee on

Water and Power Resources at hearings we held in March agreed that the buy-out would not solve the problem and that some sort of desalting plant would still be necessary.

The fact is that the buy-out of the Wellton-Mohawk would be even more expensive than the construction of the desalting plant. The Department of the Interior estimates that the buy-out would cost $530 million, $330 million for the actual buy-out plus $200 million in construction costs for other mitigation measures which would be needed in addition to the buy-out.

In addition to those costs, if Wellton-Mohawk is bought out, 9,000 people in that area would be displaced. Annual crop production amounting to $40 million would be lost. This crop production has an annual economic impact in the surrounding area of $200 million. All of this would be lost by a buy-out of the Wellton-Mohawk.

Contrasted to these figures is the total estimated cost of all of the measures authorized by title I of the 1974 Act, including the desalting plant, of $333 million. The cost of the plant is $178 million.

On this point, I would conclude by advising the Members that on May 11, a technical field committee consisting of representatives of a number of Federal agencies, including representatives of the Bureau of Reclamation, Soil Conservation Service, Environmental Protection Agency and the International Boundary and Water Commission, recommended that no further consideration be given to the option of buying out the Wellton-Mohawk. The committee stated:

> The buy-out does not warrant consideration from an economic standpoint alone.

The Chairman, the United States has a commitment to Mexico and should meet that commitment now. The gentleman's amendment would put us back on square 1, it would delay us in meeting our commitment to Mexico on a permanent basis, and jeopardize our relationship with that nation. I urge the rejection of the amendment.

The CHAIRMAN. The time of the gentleman from California (Mr. BROWN) has expired.

(By unanimous consent, Mr. BROWN of California was allowed to proceed for 4 additional minutes.)

Mr. BROWN of California. Mr. Chairman, will the gentleman yield?

Mr. KAZEN. Certainly, I yield to my friend, the gentleman from California.

Mr. BROWN of California. Mr. Chairman, I note the gentleman's reference to the report of the Technical Advisory Committee, which I also quoted from. The gentleman is absolutely correct. They recommended against the buy-out option; but since the gentleman is lending such great weight to that, would the gentleman not also agree that they all agreed to suggest postponing the construction of the project?

Mr. KAZEN. Mr. Chairman, if the gentleman will read further, the gentleman will note that they do not recommend the elimination of the desalting plant.

Mr. BROWN of California. Of one-tenth the size.

Mr. KAZEN. I do not see that. The gentleman will notice, too, that it was only an advisory committee and that the department will continue to encourage the building of this desalting plant.

Mr. MILLER of California. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I think that my colleague, the gentleman from California, by presenting his amendment here today raises some issues that the Congress is going to have to come to grips with. I am not sure that we want to do it on the appropriations bill, because I am not sure that we necessarily should ask the Appropriations Committee to do that which the Authorizing Committee and this Congress should do in that legislation; but we have heard a lot of remarks here about our relationships with Mexico. I personally was also involved in the Interparliamentary Discussions with Mexico. I dare say that relations are tenuous; but I also think that we have an obligation to undertake a reevaluation of how we are going to meet that commitment. Nobody will deny that commitment, but the question is, do you have to do it in this fashion? We will have an opportunity to do that when the authorizing legislation that has been reported from our subcommittee and from the full Interior Committee comes before the House.

I think if you read the GAO studies and read the field reports on this proposal, it may be that there are other ways, one, either to reduce the cost of meeting that commitment or, two, to change the manner in which we meet it; but I am not sure that that ought to be done here on the appropriations bill when we have a chance to meet it head on with the authorizing legislation that I assume will come to the floor sometime next month.

□ 1440

Mr. WEAVER. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment.

Mr. Chairman, as a member of the authorizing committee and the subcommittee, when this issue came to the committee, I had no personal involvement in it, my State had no involvement in it, and I wondered what role a member of the committee and a Member of Congress should take in an issue such as this. But I felt, when I saw this massive amount of money, $300 million or $400 million, since I had just come from an election in which I had promised my constituents I would do everything I could to cut Federal spending, that I had to play a role in this.

I agree with the gentleman from California (Mr. BROWN) when he says the real test on this should come in the authorizing legislation, and I tell the Committee on Appropriations that I agree this is where the test should be made. Nevertheless, this is the issue that is now before us, and I think this is the proper place now to debate it.

I simply say that we are talking about 200,000 acre-feet at a cost of over $300 an acre-foot. This is astronomical. We are talking about water, 200,000 feet, that will go to certain irrigators in these States.

It is not needed to meet the treaty commitment with Mexico, as the State Department informed me. The distinguished gentleman from New Mexico (Mr. LUJAN) said it was not necessary to meet the commitment to Mexico, and that commitment is being met now.

I also wonder what is going to happen when we want to convert shale and coal to oil and gas and where the water is going to come from when we do that if we do not even have this kind of water to run down the Colorado River.

So what I did, Mr. Chairman, was to offer an amendment in the committee which would simply ask for a brief study to come up with various alternatives to meet the water problem. I simply asked: Is this the cheapest way to do it? Is this the cheapest way?

This is $300 million or $400 million, plus the fact that we are going to have to spend another $100 million building generating capacity for the 50 megawatts this plant is going to require in electricity. So I said that we certainly should not let this just breeze through. I said that we should question it and check the alternatives.

Mr. Chairman, my amendment was not agreed to in committee, and I suggest now that we should send a go-slow signal, a signal that says we should look at the alternatives. Therefore, I say to the Members that we should support the amendment offered by the gentleman from California (Mr. BROWN).

The CHAIRMAN. The question is on the amendment offered by the gentleman from California (Mr. BROWN).

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. BROWN of California. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 34, noes 253, answered "present" 1, not voting 146, as follows:

[Roll No. 248]

AYES—34

Applegate
Bedell
Beilenson
Brodhead
Brown, Calif.
Burton, Phillip
Danielson
Daschle
Dellums
Dingell
Dodd
Edgar
Edwards, Calif.
Gradison
Heckler
Holtzman
Kostmayer
Maguire
Markey
Miller, Ohio
Mitchell, Md.
Moffett
Mottl
Nolan
Roybal
Scheuer
Solomon
Stark
Thompson
Vento
Waxman
Weaver
Weiss
Wolpe

NOES—253

Abdnor
Akaka
Alexander
Ambro
Anderson, Calif.
Andrews, N. Dak.
Annunzio
Archer
Ashbrook
Aspin
Atkinson
AuCoin
Badham
Bailey
Baldus
Barnard
Barnes
Bauman
Beard, R.I.
Beard, Tenn.
Benjamin
Bennett
Bereuter
Bethune
Bevill
Biaggi
Bingham
Boggs
Boner
Bonker
Bouquard
Brademas
Broomfield
Burgener
Burlison
Byron
Carney
Carter
Cavanaugh
Cheney
Clausen
Clinger
Coelho
Coleman
Collins, Ill.
Collins, Tex.
Conable
Conte
Corcoran
Corman
Coughlin
Crane, Daniel

Daniel, Dan
Daniel, R. W.
Dannemeyer
Davis, Mich.
Deckard
Derwinski
Devine
Dickinson
Dicks
Dixon
Donnelly
Dornan
Dougherty
Duncan, Oreg.
Duncan, Tenn.
Edwards, Ala.
Edwards, Okla.
Emery
English
Evans, Ga.
Fary
Fascell
Fazio
Fenwick
Ferraro
Findley
Fisher
Fithian
Foley
Ford, Tenn.
Frenzel
Fuqua
Gaydos
Gephardt
Ginn
Glickman
Gonzalez
Goodling
Gore
Gramm
Grassley
Gray
Green
Grisham
Guarini
Guyer
Hagedorn
Hall, Ohio
Hall, Tex.
Hamilton
Hammerschmidt
Hance
Hansen
Harkin
Hawkins
Hefner
Heftel
Holland
Holt
Hopkins
Howard
Hubbard
Huckaby
Hughes
Hutto
Hyde
Ichord
Jenkins
Jenrette
Johnson, Colo.
Jones, N.C.
Jones, Tenn.
Kastenmeier
Kazen
Kemp
Kildee
Kindness
Kogovsek
LaFalce
Lagomarsino
Latta
Leach, Iowa
Leach, La.
Leath, Tex.
Lederer
Leland
Lent
Lewis
Livingston
Lloyd
Loeffler
Long, La.
Long, Md.
Lowry
Lujan
Lungren
McCormack
McHugh
Marks
Martin
Mattox
Mazzoli
Mica
Mikulski
Miller, Calif.
Mineta
Minish
Moakley
Mollohan
Montgomery
Moore
Moorhead, Calif.
Moorhead, Pa.
Murphy, Ill.
Murphy, N.Y.
Murphy, Pa.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nedzi
Nelson
Nichols
Nowak
O'Brien
Oakar
Oberstar
Panetta
Patten
Patterson
Pease
Petri
Preyer
Price
Rahall
Rangel
Regula
Reuss
Rhodes
Rinaldo
Roberts
Robinson
Roe
Rose
Roth
Rudd
Runnels
Sabo
Satterfield
Schulze
Seiberling
Sensenbrenner
Sharp
Shelby
Shumway
Shuster
Slack
Smith, Nebr.
Snowe
Snyder
Spellman
Spence
Stack
Stangeland
Stanton
Steed
Stockman
Stokes
Stratton
Studds
Stump
Swift
Symms
Synar
Tauke
Taylor
Van Deerlin
Vander Jagt
Vanik
Volkmer
Walgren
Walker
Watkins
White
Whitehurst
Whitley
Whittaker
Whitten
Williams, Mont.
Wilson, C. H.
Wolff
Wright
Wydler
Wylie
Yates
Yatron
Young, Alaska
Young, Fla.
Young, Mo.
Zablocki

ANSWERED "PRESENT"—1

McCloskey

NOT VOTING—146

Addabbo
Albosta
Anderson, Ill.
Andrews, N.C.
Anthony
Ashley
Bafalis
Blanchard
Boland
Bolling
Bonior
Bowen
Breaux
Brinkley
Brooks
Brown, Ohio
Broyhill
Buchanan
Burton, John
Butler
Campbell
Carr
Chappell
Chisholm
Clay
Cleveland
Conyers
Cotter
Courter
Crane, Philip
D'Amours
Davis, S.C.
de la Garza
Derrick
Diggs
Downey
Drinan
Early
Eckhardt
Erdahl
Erlenborn
Ertel
Evans, Del.
Evans, Ind.
Fish
Flippo
Flood
Florio
Ford, Mich.
Forsythe
Fountain
Fowler
Frost
Garcia
Giaimo
Gibbons
Gilman
Gingrich
Goldwater
Gudger
Hanley
Harris
Harsha
Hightower
Hillis
Hinson
Hollenbeck
Horton
Ireland
Jacobs
Jeffords
Jeffries
Johnson, Calif.
Jones, Okla.
Kelly
Kramer
Lee
Lehman
Levitas
Lott
Luken
Lundine
McClory
McDade
McDonald
McEwen
McKay
McKinney
Madigan
Marlenee
Marriott
Mathis
Matsui
Mavroules
Michel
Mikva
Mitchell, N.Y.
Obey
Ottinger
Pashayan
Paul
Pepper
Perkins
Peyser
Pickle
Pritchard
Pursell
Quayle
Quillen
Railsback
Ratchford
Richmond
Ritter
Rodino
Rosenthal
Rostenkowski
Rousselot
Royer
Russo
Santini
Sawyer
Schroeder
Sebelius
Shannon
Simon
Skelton
Smith, Iowa
Solarz
St Germain
Staggers
Stenholm
Stewart
Thomas
Traxler
Treen
Trible
Udall
Ullman
Wampler
Williams, Ohio
Wilson, Bob
Wilson, Tex.
Winn
Wirth
Wyatt
Zeferetti

☐ 1450

Mr. DORNAN changed his vote from "aye" to "no."

So the amendment was rejected.

The result of the vote was announced as above recorded.

☐ 1500

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

NUCLEAR REGULATORY COMMISSION

SALARIES AND EXPENSES

For necessary expenses of the Commission in carrying out the purposes of the Energy Reorganization Act of 1974, as amended, including the employment of aliens; services authorized by 5 U.S.C. 3109; publication and dissemination of atomic information; purchase, repair, and cleaning of uniforms; official entertainment expenses (not to exceed $12,500); reimbursement of the General Services Administration for security guard services; hire of passenger motor vehicles and aircraft; $353,340,000, to remain available until expended: *Provided*, That from this appropriation, transfer of sums may be made to other agencies of the Government for the performance of the work for which this appropriation is made, and in such cases the sums so transferred may be merged with the appropriation to which transferred: *Provided further*, That moneys received by the Commission for the cooperative nuclear safety research programs may be retained and used for salaries and expenses associated with those programs, notwithstanding the provisions of 31 U.S.C. 484, and shall remain available until expended.

AMENDMENT OFFERED BY MR. GLICKMAN

Mr. GLICKMAN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. GLICKMAN: On page 27, line 13, strike "353,340,000" and insert therein "358,340,000".

Mr. ALEXANDER. Mr. Chairman, in reference to page 13 of the pending bill, line 11, and the following, "Flood Control, Mississippi River and Tributaries," the committee report at page 102 contains the following language; to wit,

Cache Basin, Ark.—The unobligated amounts previously appropriated for use on the Cache Basin, Arkansas, project shall remain available until expended for concurrent construction and mitigation land acquisition on this project.

All over the Nation, it has become popular to make the U.S. Army Corps of Engineers the scapegoat for a variety of environmental problems, real, imagined, or anticipated. Nowhere is that more true than in Arkansas.

Despite the fact that the corps has provided more outdoor recreation in Arkansas than any other single Federal Agency and more than all State agencies combined, they stand accused of lacking concern for the needs of the environment and engaging in gratuitous make-work projects with little purpose other than to spend money.

Little account is taken of the fact that flood control projects accomplished by the corps have promoted economic growth, provided electrical power and made it possible for many small towns and rural communities to grow strong and healthy when, without protection from recurring floods, they would long since have been abandoned.

Perhaps because I have been an outspoken defender of the corps and because I know better than most how devastating and demoralizing floods can be to stricken communities, the Arkansas Gazette, the State's oldest newspaper, has sought to make me a symbol of their sterotypical view of the corps and its role in the public works process. Without commenting further on what the Gazette may think of my position on flood protection projects, I believe it is time someone called its editors to account for the disservice its incomplete and often inaccurate reportage of corps activities is doing to all the citizens of Arkansas.

Although there are instances galore, the most prominent example of the Gazette's sharply biased reporting is probably its coverage of the Cache Basin controversy.

The Cache Basin project is a flood protection and fish and wildlife enhancement project which was first authorized 29 years ago. For nearly three decades, the project has been studied and revised, with work proceeding at a glacial pace.

For nearly three decades, community growth in the affected area has been impeded. For three decades, crops have been lost, land has been damaged, schools disrupted and transportation and communications interrupted.

Then, a few months ago, as the tiny little town of Grubbs, Ark., was up to its municipal ears in Cache River floodwater, the Gazette reported that the tragedy could have been avoided if only Bill Alexander had signed a compromise proposal put forward last fall by former U.S. Senator Kaneaster Hodges. The proposal, the Gazette repeatedly asserted, had been eagerly accepted by the State's senior Senator and represented the "best possible compromise" attainable. All that was lacking to put the "compromise" proposal in force, the Gazette said, was my signature.

To use a currently popular response, the Gazette's assertions were baloney!

Early last year at my initiation, staff members from my office and those of both Arkansas Senators, joined in an effort to hammer out a compromise proposal on the Cache. When the Senate staff people were satisfied with the proposal, it was forwarded to seven interested agencies for review and comment.

I said then, as I had many times before, that I would agree to any proposal which the reviewing agencies all found to be within the law, to be based on accepted engineering principles, good environmental practices and sound economic policy.

When the responses came back from

the reviewing agencies, it was clear that the proposal had met none of my criteria for acceptance.

The chairman of the House Public Works and Transportation Committee, which had authorized the original legislation, said that new and/or modified legislation would be needed since the proposal called for a decrease in the level of flood protection presently authorized and provided for reforestation activities not included in the existing law.

Mrs. Adelene Harrison, Region VI Administrator for the Environmental Protection Agency, said she could not concur in the proposed by-pass channel and called for further study of the project. Assistant Secretary of Interior David Hales, said he could not agree to any additional channelization and reserved the right of his agency to review the results of any further study.

The local sponsors concluded the project would not provide enough flood protection to make their continued sponsorship worthwhile.

So much for the so-called compromise.

Yet when the Cache rose over its banks in March, the Gazette scrambled for high ground from which it delivered a sermon about my stubbornness in not signing the compromise that never was.

The problems with the Cache Basin project are merely reflections of the kind of problems that exist all over the Nation. The trend in the Congress and among recent Presidential administrations has been to downgrade the importance of public works in general and water projects in particular.

For example, in early 1977, President Carter directed that all existing or proposed water resource projects be reviewed. His objective: to cut as much as possible from the public works budget. The President believed, that many such projects were unneeded or had only marginal utility. In addition to seeking economies, it was his concern that all the projects be assessed for their impacts on the environment. It is worth noting that the Cache project was included when he sent his next budget requests to Congress.

In addition to the Presidential intention with regard to water projects, it has become popular and politically prudent for politicians who represent urban interests to attack public works as pork-barrel, make-busy activities destructive of our ecosystem.

Overlooked in the debate are the people whose personal safety and livelihoods are dependent upon flood protection.

The Cache Basin aside, the central issue has become one of production versus preservation.

Those who favor production reason that public works projects provide economic benefits beyond their costs. Those who represent the forces of preservation espouse the notion that the environment must not be disturbed unless and until all the consequences can be discerned.

There is merit to both sides of the argument.

There remains, despite recent opposition, substantial mandate for the provision of water resource projects. Their economic validity has been well tested and they have contributed significantly to the growth of our Nation.

The U.S. public works policy is the envy of most underdeveloped nations, many of which strive to emulate our achievements in this area. One of the top People's Republic of Chania priorities was to request that the U.S. Army Corps of Engineers come to help them with their water resource problems.

Our people's rising affluence has given students and adults alike more freedom from the grind of earning their daily bread and permitted the leisure class to embrace neo-environmentalism as their cause celebre.

In too many instances, the question of production versus preservation has been used as the basis for choosing up sides, as though conflict, rather than cooperation, were the best means of meeting all salient concerns.

Presently there is a national stalemate that has resulted from the conflict between the production of food and energy and the preservation of the environment. I supported and voted for the National Environmental Policy Act of 1969. This act and subsequent environmental laws, working in conjunction with public works water resource laws too often result in nothing being done to resolve problems like the Cache Basin controversy. What we do not have and must develop is a way to solve the impasse and get worthwhile work moving again.

In too many instances issues have become polarized and action paralyzed by press distillation of complex problems down to simplistic, adversarial positions. In too many instances, politicians, mistaking editorial opinion for public opinion, have latched on to one side of the issue or the other to achieve momentary political advantage, then found themselves locked in for the long term.

In Arkansas, the controversy over production versus preservation has centered on the Cache Basin project. The press history of the project stands as a not-too-shiny example of what can happen when editorial policy becomes the main basis for public policy.

In 1968, during my initial campaign for Congress, I pledged to work for completion of the Cache Basin project. As initially authorized in 1950, the project would have provided relief from flooding through the channelization of the stream bed at selected points. Objections were registered by sportsmen and wildlife experts. Channelization, they alleged, would result in significant loss of wildlife habitat. Following the passage of the National Environmental Policy Act of 1969, the Corps of Engineers halted the project in 1970 for assessment of its impact on the environment under NEPA.

That assessment recognized the need for achieving a balance between flood protection and environmental concerns. When the Corps of Engineers filed its environmental impact statement (EIS) it called for the acquisition of 30,000 acres of mitigation land to be used as wildlife habitat. This acquisition would preserve for posterity much of the remaining, privately-owned wet lands and flood plain forest. In September 1971, the White House OK'd resumption of the project. Less than a month later, opponents of the project filed a complaint in the U.S. district court challenging the validity of the EIS. The court upheld the EIS and work was undertaken which resulted in completion of 4 miles of construction work by the end of summer, 1972. Then opponent groups appealed the district court's decision and the Eighth Circut Court of Appeals reversed the lower court.

Construction was again halted. This time the halt was for 3½ years while the battle over the project's environmental effects continued. The final decision upheld the validity of the EIS.

During this period Congress, at my request, authorized acquisition of 70,000 acres of mitigation land, and initial purchases were begun.

By mid-summer 1977, the issue had become so acrimonious and clouded by misunderstanding that communications broke down among interested Federal and State governmental agencies.

In an effort to resolve the differences, I initiated a series of meetings with representatives of the interested agencies.

One result was that the agencies and interested private groups agreed to establish a new taskforce, chaired by the U.S. Environmental Protection Agency and excluding the corps from membership, to study alternative project designs. In February, 1978, the resulting proposal, nicknamed plan V, was released by the taskforce. Plan V was debated publicly and it soon became clear that there were as many objections to the new plan as there had been to earlier project design proposals.

In early 1978, based on a revised project design the corps had developed, the President requested and I sought appropriation of $2.8 million to be used for land acquisition and construction in the Cache Basin. My request received favorable consideration in the House. The Senate concurred in the amount but limited the use of the money to land acquisition.

It is critical to this issue to understand that already the moneys spent on land acquisition for fish and wildlife purposes have exceeded dollars spent for construction by more than 200 percent. Therefore the action by the Senate was obstructive. It resulted in a complete shutdown of the project. No construction is going on. No mitigation lands are being purchased. Everybody loses.

In my continuing effort to gain approval by the Senate, I sought the good offices of former Senator Kaneaster Hodges, who agreed to try to develop a plan which would be acceptable to all parties. The drafts involved in this plan proposal are what has been popularly designated "the compromise."

On August 30, 1978, I met with Senator Hodges and the local sponsors of the project in Newport where the Senator discussed a plan which he believed might prove satisfactory to all contending agencies. For a few optimistic weeks it appeared that compromise might at last be within reach. It was during this time that the interested agencies registered their objections. Although the Senate side continued to embrace the proposal, it was evident that the project was, as I said at that time, "90 percent dead."

But when the Cache floodwaters spilled into the streets of Grubbs last March, the issue was revived. It ought to have been clear to anyone who witnessed the damage and disruptions in that tiny community that flood control still had a place in national policy.

It was at that time that I revived the long struggle to gain relief for the residents of stricken communities like Grubbs. As a first step, I inserted language in the House report on the energy and water development appropriation bill, 1980, which states:

> The unobligated amounts previously appropriated for use on the Cache Basin, Arkansas, project shall remain available until expended for concurrent construction and mitigation land acquisition on this project.

What all this means is that the $3.4 million that has not been spent out of the $11 million appropriated for the project since 1970 is reserved for use when the project's problems are resolved.

If this language is accepted in the Senate it will revive hope that, maybe, someday the impass that has resulted from the Cache Basin controversy can be truly compromised and the issue resolved.

Why do I continue to fight for the Cache Basin project? Certainly not for political benefit, for there is little benefit in risking continued characterization in the State's oldest newspaper as a despoiler of the environment. Rather, my determination arises from the conviction that Government can resolve, to the benefit of all, the conflicts between production and preservation. A "do-nothing" policy will ultimately result in a destruction of the wetlands and compounding of flooding problems that presently exist in the basin.

If known, the facts would lead to reason.

During the last century, a pattern of land clearance that persists today was begun in the Cache Basin. The basin compromise 694,300 acres, yet by 1969, there remained only about 140,000 acres of forest and wetlands. Today, no more than 100,000 (and possibly fewer than 85,000) privately owned wooded acres remain.

Acquisition of the mitigation land authorized by the project could save up to 70,000 acres, which are, at present, privately owned and many of which will surely be cleared and drained. Since the project was resumed in 1977, about 74 percent of all the money expended has been devoted to the purchase of more than 9,000 acres of mitigation land. I have consistently urged the corps to proceed as rapidly as possible in their negotiations for the land acquisition.

In the Cache Basin there are more than 6,000 individual landownerships. About 96 percent of all the privately owned parcels of land are in tracts of 640 acres or less. Thus whatever flood protection advantages that will accrue if the project is ultimately completed will not redound to the benefit of a few large landowners. Rather, small individual farmers and communities like Grubbs which experience an estimated annual loss of $6 million to flooding will benefit most. That translates into about $1,000 per family per year throughout the basin. That is a very high price to pay to indulge the editorial preference of a daily newspaper.

The fact is that failure to continue the Cache River project is a no-win situation.

Farmers lose because they are deprived of protection from crop-destroying, land-damaging floods.

Local communities lose because they lack protection from flood-caused disruptions of schools and businesses.

Sportsmen lose because the forests and wetlands which would be acquired for public use under the project are not available.

The environment will be forever altered, not necessarily for the better, because much of the privately owned land in the basin has been or will be cleared and drained for cultivation or other purposes.

The long-term economic and developmental benefits of the project to the State will be lost.

As a freshman Member of Congress in 1969, I discussed this issue with Arkansas' then senior Senator, the late John L. McClellan, advising him of my commitment to help the people of the Cache basin. I recall that I was concerned because then President Nixon had signed an Executive order preventing new construction starts on water resource projects. At the end of our conversation, Senator McClellan told me, "Son, you get the project through the House and I'll get it through the Senate."

Every year since, I have been successful in obtaining House approval for funding for the Cache basin. This year is no exception in the House. The only thing that stands between ongoing congressional support of providing flood protection for the Cache basin residents and between the acquisition of fish and wildlife lands for the benefit of present and future generations is Senate approval.

While the action taken does not resolve the issue it should revive the hope of the good people living in the Cache River basin.

● Mr. EVANS of Delaware. Mr. Chairman, I rise in support of H.R. 4388, the Energy and Water Development Appropriations bill.

The projects included in this legislation will be of great benefit to many communities around the country by providing jobs and needed public works projects for irrigation, recreation, and energy.

The bill includes several projects of importance to my State of Delaware, including Wilmington Harbor, Murderkill River and the Intercoastal Waterway along the Delmarva Peninsula. These projects were included in the President's budget request and I am pleased that the Appropriations Committee agreed to their inclusion in this legislation.

However, the President, unfortunately, did not request the funds for an extremely important project in Delaware, the deepening of the Lewes Harbor of Refuge. This project is needed to deepen the harbor at Lewes from 9 to 15 feet and will tremendously increase the economic potential of southern Delaware.

On April 5, I testified before the Appropriations Subcommittee on Energy and Water Development on this matter. I pointed out to them that this project has a benefit-to-cost ratio of at least 8 to 1. I might point out to my colleagues that the Congress generally funds projects which have benefit-cost ratios for only 2- or 3-to-1.

I am pleased, therefore, that the committee decided to add this project to its list of recommended programs for the coming fiscal year. Thus, H.R. 4388 now includes $700,000 for the Lewes Harbor of Refuge.

Coupled with its rail service and good road network, Lewes can become a major port for fishing fleets, commodity distribution, recreational boating, and many other industries. I want to commend the chairman of the subcommittee, the gentleman from Alabama (Mr. BEVILL), and the ranking minority member, the gentleman from Indiana (Mr. MYERS), for their help in this matter and I hope that the Senate will act as expeditiously on the funding for Lewes Harbor as has the House today.●

Mr. BEVILL. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker pro tempore (Mr. FOLEY) having assumed the chair, Mr. SHARP, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 4388) making appropriations for energy and water development for the fiscal year ending September 30, 1980, and for other purposes, had come to no resolution thereon.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 2795, INTERNATIONAL TRAVEL ACT AUTHORIZATION, 1980

Mr. BEILENSON, from the Committee on Rules, submitted a privileged report (Rept. No. 96–274) on the resolution (H. Res. 318) providing for the consideration of the bill (H.R. 2795) to amend the International Travel Act of 1961 to authorize additional appropriations, and for other purposes, which was referred to the House Calendar and ordered to be printed.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 3303, JUSTICE DEPARTMENT APPROPRIATION AUTHORIZATION ACT, 1980

Mr. BEILENSON, from the Committee on Rules, submitted a privileged report (Rept. No. 96–275) on the resolution (H. Res. 319) providing for the consideration of the bill (H.R. 3303) to authorize appropriations for the purpose of carrying out the activities of the Department of Justice for fiscal year 1980, and for other purposes, which was referred to the House Calendar and ordered to be printed.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 2585, NATIONAL TRAFFIC AND MOTOR VEHICLE INFORMATION AND COST SAVINGS AUTHORIZATION ACT

Mr. BEILENSON, from the Committee on Rules, submitted a privileged report (Rept. No. 96-276) on the resolution (H. Res. 320) providing for the consideration of the bill (H.R. 2585) to amend the National Traffic and Motor Vehicle Safety Act of 1966 and the Motor Vehicle Information and Cost Savings Act to authorize appropriations for fiscal years 1980 and 1981, which was referred to the House Calendar and ordered to be printed.

HOUSE RESTAURANT TO BE OPEN MONDAY

(Mr. JONES of Tennessee asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. JONES of Tennessee. Mr. Speaker, I would like to announce that the Congressional restaurant will be open at 11 a.m. on Monday at 100 percent capacity.

I want to thank the Members for their patience and understanding during the inconvenience that they have been plagued with, and I want to say that the Architect and the Clerk have performed above and beyond the call of duty in getting the restaurant back in business.

PERMISSION FOR SUBCOMMITTEE ON CONSUMER PROTECTION AND FINANCE OF COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE TO SIT ON MONDAY NEXT FROM 11 A.M. to 12:30 P.M. WHILE THE HOUSE IS IN SESSION

Mr. SCHEUER. Mr. Speaker, I ask unanimous consent that the Subcommittee on Consumer Protection and Finance of the Committee on Interstate and Foreign Commerce may be permitted to meet on Monday, June 18, 1979, from 11:00 a.m. to 12:30 p.m., while the House is in session, on a hearing on the Consumer Dispute Resolution Act. This request has the wholehearted support of the minority.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

Mr. RHODES. Mr. Speaker, reserving the right to object, would the gentleman from New York (Mr. SCHEUER) assure the House there would be no markup or any plenary action? This is only for a hearing?

Mr. SCHEUER. Exactly.

Mr. RHODES. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

LEGISLATIVE PROGRAM

(Mr. RHODES asked and was given permission to address the House for 1 minute.)

Mr. RHODES. Mr. Speaker, I take this time to ask of the distinguished acting majority leader as to the program for the balance of the week and next week.

Mr. BEVILL. If the gentleman would yield, on Monday, June 18, the House will meet at noon. There will be the call of the Consent Calendar and there are no bills under suspension.

On H.R. 4388, the energy and water appropriations for fiscal year 1980, we will complete consideration.

Then we will go to H.R. 4394, HUD/independent agencies appropriations for fiscal year 1980, and H.R. 3821, intelligence and intelligence-related activities authorizations, fiscal year 1980, under an open rule, with 1 hour of debate.

On Monday night, the President will address a joint session of Congress at 9 p.m.

On Tuesday, June 19, the House will meet at noon. The Private Calendar will be called, and there are no bills under suspension.

We will take up H.R. 4387, agricultural appropriations for fiscal year 1980 and then H.R. 2444, Department of Education Organization Act. We will complete consideration of that legislation at that time.

On Wednesday, June 20, the House will meet at 11 o'clock.

We will consider H.R. 111, to provide for the implementation of the Panama Canal Treaty of 1977. There will be votes on amendments, and we will complete consideration of the bill.

On Thursday, June 21, the House will meet at 10 a.m., at which time we will take up H.R. 4440, transportation appropriations for fiscal year 1980, subject to a rule being granted;

H.R. 3236, Disability Insurance Amendments of 1979, under a modified rule, with 1 hour of debate;

H.R. 3917, Health Planning and Resources Development Amendments of 1979, under an open rule, with 1 hour of debate; and

H.R. 2462, maritime authorizations, fiscal year 1980, under an open rule, with 1 hour of debate.

On Friday, June 22, the House will meet at 10 a.m.

We will start off with H.R. 4391, Military construction appropriations for fiscal year 1980 and then—

H.R. 4439, referring to sanctions on Zimbabwe Rhodesia; and

H.R. 3829, International Development Banks, under an open rule, with 1 hour of debate.

The House will adjourn by 3 p.m. on Friday and by 5:30 on all other days except Wednesday.

□ 1510

Mr. RHODES. May I inquire as to whether or not the Private Calendar will be called on Tuesday?

Mr. BEVILL. Yes, sir, it will be.

Mr. RHODES. I thank the gentleman.

The program for Friday seems rather full with three bills, at least one of which would create quite a bit of controversy. Is the hour of adjournment on Friday at 3 p.m. a firm hour regardless of the program?

Mr. BEVILL. As of now, it is firm at 3 p.m., just as today.

Mr. MYERS of Indiana. If the gentleman will yield, I see H.R. 2444 on the program again, the Department of Education Organization Act. We have argued that and debated it for about 3 or 4 days. What happens if we do not finish consideration that day? When is that reprogram scheduled again?

Mr. BEVILL. Well, this is obviously an ambitious program and we just hope to finish it. We like to be optimistic.

Mr. RHODES. It is sort of a hope and not necessarily a fact?

Mr. BEVILL. It is our wishes and hopes.

Mr. MYERS of Indiana. If the gentleman will yield further, we only passed one bill this week, if I recollect correctly, and that was today.

Mr. BEVILL. I share the gentleman's feeling and I hope we do better next week.

Mr. MYERS of Indiana. So do I.

DISPENSING WITH CALENDAR WEDNESDAY BUSINESS ON WEDNESDAY NEXT

Mr. BEVILL. Mr. Speaker, I ask unanimous consent that the business in order under the Calendar Wednesday rule be dispensed with on Wednesday next.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Alabama?

There was no objection.

ADJOURNMENT TO MONDAY, JUNE 18, 1979

Mr. BEVILL. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at noon on Monday next.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Alabama?

There was no objection.

OIL FROM COAL—IN A HURRY

(Mr. RAHALL asked and was given permission to address the House for 1 minute and to revise and extend his remarks and to include extraneous matter.)

Mr. RAHALL. Mr. Speaker, yesterday I brought to the attention of my colleagues the report of the Secretary of Energy to the President on how to increase coal production and utilization. That report is sitting on the President's desk awaiting his hoped-for affirmative action.

I would like to draw to the attention of my colleagues an excellent editorial that appeared in this morning's Washington Post, entitled "Oil from Coal—In a Hurry." It follows in line with recommendations that were made by the Secretary of Energy in regard to expansion of new coal technologies for the 1980's. I draw the attention of this editorial to my colleagues. The recommendations made will enhance the abilities of this country to further develop synthetic fuels from coal.

The article follows:

OIL FROM COAL—IN A HURRY

With the latest surge in oil prices, the case for a large-scale effort to make oil and gas out of coal has become overwhelming. Nobody knows exactly what it would cost to make gasoline from coal. But the country needs to find out—and quickly. It's obvious that the only real limit on the price of oil is the cost of substitute fuels. The only plausible substitute is synthetic oil manufactured from coal.

The country's most readily available defenses against steadily rising oil prices are conservation, of course, and solar energy. But it is evident that they cannot reduce the need for oil fast enough to avoid the need for synthetics. That will be true even if all of the oil-exporting nations continue their present production. But the Iranian revolution is a warning not to count on stability, peace and harmony in the Persian Gulf.

The technology is already available to make oil and gas from coal. One argument against proceeding with it is the cost. The plants would be extremely expensive. The Carter administration is reluctant to speed up federal spending at a time when it's trying to balance the budget. Private industry thinks that the risks are too great. But past experience with joint public-private enterprises suggests many possible solutions. The most promising would require private investment, with federal price guarantees.

As for the environmental dangers, they are real but no greater than those incurred by any large mining or industrial operation. These plants would contribute to public health protection by removing from coal the pollutants that make its smoke toxic.

The Carter administration has several coal-oil and coal-gas projects in one stage or another of development. It is now imperative to force the pace, make decisions and greatly expand the plans for construction. Even with the greatest pressure for speed, it takes four or five years to move a plant from blueprint into operation.

The risks in the present slow progress are not entirely economic. The indecision at the White House on energy policy, and the incessant wrangling with Congress, are fueling the presidential campaigns of candidates who promise the opposite extreme—the most dramatic of whom is John B. Connally. It is easy to imagine the possibility next winter of a severe recession caused by high oil prices, plus continuing lines at the filling stations, plus more quarreling and uncertainty over energy policy, all adding up to victories for Mr. Connally in one party's primaries and defeats for Mr. Carter in the other's.

What are Mr. Carter and his administration to do? They are going to have to respond, and show that they are responding, to a deepening oil shortage. One endeavor on which they can embark immediately, visibly and most usefully, is to demonstrate the promise of coal technology.

SMALL BUSINESS UNDERSTANDS THAT STRONG ECONOMIC GROWTH AND INCREASED PRODUCTION IS ESSENTIAL IN REDUCING INFLATION—LET US RESTORE THEIR INCENTIVE AND REWARD IN THE INTEREST OF A STRONG AMERICA

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. KEMP) is recognized for 10 minutes.

● Mr. KEMP. Mr. Speaker, someone I once knew often caused problems and confusion for those around him. He explained that he was really creating challenges for them. By this token, Federal economic policy right now is truly challenging, or rather taxing, the resourcefulness of the American people, particularly the small business community.

These policies, based on theories which claim we must always have either economic stagnation or high inflation, have succeeded beyond all expectation in causing both at the same time.

Small businessmen and women, I have found, tend to understand better than Government economists that we can once again have strong economic growth without inflation. It may be because small, growing businesses have always provided most new jobs in this country, most of the technological breakthroughs which result in improved productivity and, therefore, most real economic growth. But I think the real reason for their intuitive grasp of America's central economic issue is that the cause of economic growth is not to be found in statistics or even in Government policy; it is to be found in the individual workers and businessmen who aspire to improve their own and their families' condition through their efforts. When economic growth falters, we invariably find it is because of unnecessary discouragement of their aspirations and their efforts.

I had the refreshing pleasure of attending the National Federation of Independent Business yesterday to discuss with its members how they can influence Federal economic policy for the better. I would like to share those thoughts with my colleagues and thank a former colleague of ours, Mike McKevitt for his tremendous leadership on behalf of the small business community of America:

REMARKS OF CONGRESSMAN JACK KEMP

"It was the best of times, it was the worst of times." That was Charles Dickens' way of saying, I have some good news and some bad news, and it applies today. The bad news, to put it scientifically, is that the economy is a complete mess. Productivity is dropping at a rate of 4.6 percent, and with it, our standard of living. Inflation is more than thirteen percent, the highest rate since the beginning of the last recession. Real economic growth has reached zero, and unemployment has begun to increase.

Now, normally, you would expect Congress, the administration, editorialists and major business leaders to be thinking about ways to get us out of this mess. But you find instead they're actually welcoming the bad news and calmoring for more.

I met a top banking executive the other day after he came out of a briefing with Barry Bosworth, head of the council on wage and price stability. He was ecstatic "That Barry Bosworth really tells it like it is," he said. How is it? I asked. "Bad," he said. "Real bad, Bosworth says we have three choices on inflation: going along wth President Carter's wage and price guidelines; mandatory wage and price controls; or a recession."

That choice just about summarizes the range of alternatives being offered by the best and the brightest here in Washington: any color so long as it's bleak. Whatever happens, says Alfred Kahn, "There's no way we can avoid a decline in our standard of living. All we can do is adapt to it." Let me give you a couple of examples.

The New York Times says in an editorial: "It would take a slowdown or recession of long duration—and the loss of millions of jobs and billions of dollars of income—to bring inflation to an acceptable rate of, say, 5 or 6 percent." The Times says Congress should give President Carter more mandatory wage and price authority to prevent people from outraging the public by keeping up with the cost of living. "He alone can speak for the national interest and punish those who defy it," said the Times.

The Washington Post editorializes: "The only really effective way to control the price of beef is to switch to chicken—if not to macaroni. The best hope for slowing gasoline prices is to stay home." The Post says inflation-caused tax increases should be allowed to permit unemployment to rise to an "acceptable" level of "perhaps 7 percent." That would mean losing about one and one half million jobs.

Barry Bosworth is doing his part. According to a story in yesterday's Wall Street Journal, "As he begins drafting the second-year guidelines for President Carter's anti-inflation program, Barry Bosworth says his goal is to prevent workers and companies from 'catching up' with soaring prices on food and fuel."

Schemes for lowering our standard of living are not confined to the administration. Congress is asked to consider thermostat decrees to set the temperature of every home and business. There is a proposal to hire a team of Federal inspectors to search and destroy decorative lighting uses of natural gas. One colleague of mine has a plan to ban every car in America from the roads at least one day every week. Under his plan, each car would be required to display a sticker identifying the days of the week on which the car is outlawed. This same Congressman is pushing a plan to tax away 85 percent of the 40 percent which is left after Federal taxes on additional energy production. It reminds me of a MacNelly cartoon in which a soldier at Valley Forge comes in to tell George Washington that the men are running out of firewood. "Quick!" says Washington. "Tax the firewood!"

But the main proposal for stopping inflation among our Washington theorists is a good old-fashioned recession. The chief economist of the National Association of Manufacturers, George Hagedorn, calls it the only cure for inflation. Congress is already going ahead with this project. The first concurrent budget resolution, just approved by Congress, would increase the number of unemployed, according to original estimates, by about 1 million workers by next year. Now the Congressional Budget Office estimates the budget will put 2 million, not 1 million workers out of their jobs.

During debate on the budget resolution, some of us ventured the notion that when goods get scarce, their price tends to go up rather than down. We also pointed out that unless there is an immediate tax cut to prevent the planned increase in unemployment, every one percentage point that unemployment rose would cost the budget deficit $20 billion in lost revenue and increased spending on unemployment and other transfer payments. We learned that this was "irresponsible."

The only responsible thing, apparently, is a comprehensive blame-sharing program. The scapegoat has become the official mascot of the Carter Administration. President Carter and his advisors have blamed inflation, at one time or another, on doctors, farmers, lawyers, hospitals, big business, small business, consumers, oil producers, middlemen, foreign countries, skilled workers, unskilled workers, people who don't vote, people who vote the wrong way, and the weather.

If we can put two million people out of work for several years, we are told, and cut the real wages of those who still have jobs, stay off the roads on weekends, eat macaroni, shiver in the winter and swelter in the summer, inflation may go away. Assuming the weather holds.

If this strategy sounds familiar, it's because we tried it in 1969–71 and 1974–75 and it didn't work. Economists around the country have concluded that the policies which led to the last two recessions did not succeed in stopping inflation. The president's council of economic advisors looked at the same two recessions, agreed they didn't reduce inflation, and then decided it was because the recessions weren't severe enough. No kidding: Last year's report of the council of economic advisors said that because of the two recessions, "estimates of the size and duration of the demand restraint and output loss that it takes to slow inflation have been revised sharply upward." They now estimate that it is necessary to put two million workers out of jobs for two years to lower inflation by one percentage point.

Not that there is any more confidence in this approach. It's just that one thing we have learned we can do is stop the economy, and, says the Washington Post, "nobody really has any alternative strategy to offer," Barry Bosworth puts it succinctly: "We seem to have run out of ideas." So much for the bad news.

The good news is that there are alternatives, there are better ideas, and many of them are represented in this room, many in and around Congress are beginning to realize that inflation is not caused, as professor Leland Yeager of the University of Virginia puts it, by "a sudden worldwide spurt in the pushiness of unions or the greed of businessmen." Inflation is not caused by workers working, business doing business, producers producing, or consumers consuming.

Inflation is a decline in the value of currency. Only the government can cause inflation, by creating money faster than goods are produced. Only the government can stop inflation, not only by printing fewer dollars, but by reducing the tax and regulatory barriers to the production of goods. The solution is not to produce fewer goods, but more. Slowing down the economy, increasing unemployment and precipitating recessions do not reduce inflation: they worsen it.

I think members of the NFIB and small business in general understand the issue of economic growth better than most. Real economic growth means increases in employment and increases in the productivity of those employed. As recently as 1969, the growth of small business provided 71 percent of all new jobs in this country. That share has declined to 43 percent during the economic shocks of the last decade—not because big businesses are producing more jobs, but because small businesses are producing less due to excessive regulations and taxes.

Small businesses provide most of the technological innovations which contribute to productivity and improve our real standard of living. The health of small business was largely responsible for the steady average annual productivity increase of 3.2 percent from 1947–1967. Since then, improvements have dwindled almost to zero, and as I mentioned earlier, productivity has dropped sharply during the first months of 1979.

The reason is not mysterious. In the last twelve years, inflation has more than doubled the real marginal tax rates on income. An individual earning $15,000 today is in the 30 percent federal tax bracket: at 1967 levels of taxation, he wouldn't hit that level until $32,000. On top of inflation, capital gains tax rates were doubled beginning in 1969. In that year, 548 small companies raised $1.5 billion with public offerings of securities. By 1975, just four companies raised $16.2 million by public offering.

In the tax and regulatory climate of the past decade, the only way to run a successful small business has been to start out with a successful large business. And yet, under the leadership of the late Bill Steiger, and on the strength of the fact that we were right, we succeeded against considerable opposition in passing a reduction of capital gains tax rates in Congress. The public subscription of 37 small firms last year, mostly on the prospect of the reduction, totaled $205 million. It is estimated that more than $300 million in venture capital will be raised this year.

Small businessmen and women are close enough to their employees to realize that owners and workers are allies. Economic growth is an issue which unites. Without investment in capital, there are fewer jobs and lower living standards. Without strong employment, there is less saving, investment and talent to draw upon. Nor is the issue rich versus poor. The way to help the poor, as Margaret Bush Wilson of the NAACP points out, is not to make America poorer.

I think the biggest single barrier to strong economic growth—more employment, saving, investment and enterprise—is the excessive taxation of income. All income is earned by individuals, whether from wages and salaries, interest, dividends, royalties, capital gains or pensions. Even the corporate tax rate only goes as high as 46 percent, while personal income is taxed as high as 50 and 70 percent.

This country needs immediate relief from tax rates which discourage economic growth. It doesn't need more special gimmicks and loopholes which distort investment decisions, or tax rebates which merely spend back at people the money they have already earned. To encourage more enterprise, our tax policy should be more entrepreneurial—an investment in the future. By 1985, the maximum tax rate on personal income should be no more than 35 percent. The capital gains tax should be no more than 15 percent.

But cutting individual income tax rates is not the only way we can promote the forgotten side of our economy. We must roll back the excessive payroll tax increase. We can index both personal and capital gains rates for inflation. Inventories and capital depreciation should also be accelerated and adjusted for inflation. We can reduce disincentives for hiring the hard-core unemployed. We must repeal the carryover basis on capital gains. This is the cutting edge of tax reform being pioneered by Barber Conable, Bill Archer, Bill Gradison, Bud Brown, Dave Stockman and others. They are among the growing number in Congress who have concluded that unemployment does not cure inflation, and that free markets are more fair and efficient than Government rationing. The Joint Economic Committee has strongly endorsed the idea that we can produce our way out of inflation.

The objection to cutting tax rates is that it delays balancing the budget. The administration's strategy for balancing the budget is to let inflation push everyone into higher tax brackets for another two years without any relief. The irony is that we will never balance the Federal budget if this tax increase causes another recession, as tax rate increases led to the last two recessions. So far this year, the economy is behaving exactly as it did as those recessions began, with prices increasing more quickly as the economy slows down.

If the Congressional Budget Office is correct in its forecast of higher unemployment, the increase in joblessness will widen the deficit by $30 to $40 billion in the next two years because of lost revenue and increased spending on transfer payments. The higher inflation will further increase spending by at least $5 billion a year.

There is no question in my mind that there will be a tax cut in 1980, a presidential election year. The problem is that if we wait until the recession has already developed, we will have lost that $40 to $50 billion with nothing to show for it but misery. A tax cut now is an investment on which we can expect some return immediately, by preventing unemployment from increasing, economic democracy. Whenever elections are frequent, political leaders can be called to account for their policies. The dismal performance of the economy right now is largely a function of the fact that 1979 is not an election year, and those in power don't think much of the very sound advice which voters gave last year at every opportunity; cut tax rates, restrain spending and reduce inflation and unemployment at the same time.

The examples of the Mellon and Kennedy tax cuts in the 1920s and 1960s in this country, and recent events in the United Kingdom, Canada, West Germany, Japan, even Egypt, India and Puerto Rico, are re-teaching us that good economics is good politics. It is no longer enough to oppose the party in power, but, offer a positive and better idea, such as economic growth without inflation, and soon you will be the party in power. The tide is turning, and when it begins to rise, as President Kennedy said, it will lift all the boats. I think we can learn from our mistakes and our past successes in economic policy. The question is whether we will learn in time to prevent another unnecessary recession.

The business of America is not business; the business of America is incentive, hope, freedom of opportunity and rewards for human effort. Small business is the best hope we have of restoring the American dream, of restoring full employment without inflation for all Americans. I consider this to be the No. 1 priority on the agenda of this Congress and of our Nation.●

KING CRIME

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. GONZALEZ) is recognized for 15 minutes.

Mr. GONZALEZ. Mr. Speaker, with respect to this subject which I have labeled "King Crime" for a period of time and have taken this forum to address myself to what I consider to be the most insidious problem confronting the United States and its body politic for several years, but more particularly and acutely since 1970. The yet unresolved murder of Federal District Judge John W. Wood and the preceding attack and attempted murder of the Federal Assistant District Attorney James Kerr last autumn, are ultimate manifestations of the thing I have been talking about.

I consider them to be a direct challenge to the established law enforcing agencies and agents of our country on all levels, from the national to the State, local, and municipal. But, these crimes which have agitated at least certain sections of the country, but which really should have the required interest, unremitting concern, of every American as if the attempt had been made on the President himself, and every Member of this body as concerned as if it were an attempt on him or her, because ultimately this is where the violence will ultimately occur. But, even in the case of such grievous murders as the case of Federal District Judge John Wood, the origins go back because we look the other way when it involves the deaths of lesser Americans, if you want to call them that. I always believe everybody is important all the time, and that there is no such thing as lesser or bigger. But in our scale of social values two unknown, relatively humble, Mexican-American citizens in San Antonio were murdered in the southern part of the county last summer, almost a year ago.

Their cases are unresolved. It was my reading about those murders and the method which the newspaper reports indicated had been used that led to my speaking out in my discussion at the time, because it was clear to me from the evidence that they were related to a reconstruction of a very well-organized gang, even though it was a subsidiary gang—it was nevertheless well organized—that had finally erupted in what we in Texas have known as the violence of the Carrasco Gang.

I am referring to an individual by that name who headed a very successful and rewarding drug trafficking enterprise. The trouble is, as in many other cases like it throughout the country, the law enforcement officers, either because they do not know or because they are unable to accurately diagnose the evidence and the manifestations and the pattern of this activity, consider them to be a prime activity. As a matter of fact, it was just a subsidiary. The interesting thing about it, and the important thing about it, was that it was a link-up for the first time of this type of localized activity with the most sophisticated forms of crime for accomplishing the syndicate—not the Mafia, which the newspapers unfortunately used at the time and which the law enforcement agencies, since J. Edgar Hoover's day, have been very prone to concentrate on, because either they did not want to or they are not aware of the real—the real organization known as the syndicate, of which the Mafia is really a sort of a branch operation or a subordinate operation.

The link-up of such individuals as Carrasco with the components of the syndicate in recent years was not minor, and was the important thing. These things jelled in 1970 in the Southwest United States.

□ 1520

When the two men were murdered last summer, the police reported through the newspapers that they were puzzled because the men had no established criminal record of apprehension whatsoever. I pointed out that they did have one thing in common. Even though the two men probably did not know each other, they were murdered in the same fashion as two others had been on March 8, 1973, by the Carrasco Gang, and almost in the same locale in the southern portion of the country.

But I said the one thing in common is that they are both in the automobile business, a used-car lot, used-car salesmen. I then pointed out for the first time the local newspapers carried it well, but nowhere else, and that now, within a year and a half, the traffic in stolen automobile vehicles and stolen automobile parts had grown into a billion dollar-plus enterprise.

I pointed out the three streams of this practice, rather four, which I described in yesterday's special order and which I will not repeat now.

What I want to bring out is that after the murder of these two men, nothing, of course, was done to follow through because the local officials are absolutely powerless to even know the pattern of activity of a hit man who can get into a car, cross the border, 3 hours later make the hit, and then 3 hours later find himself back across the border. It takes the concentrated effort of the national and interstate law enforcement agencies, plus the help of international law enforcement agencies. So for that reason in the summer after the deaths I cried out aloud for some attention.

I wrote a letter to the Chief Assistant to the President for Domestic Affairs, Mr. Eizenstat. I addressed myself to the Attorney General and others. But, of course, they considered these local matters at the time. At the time I said, You are going to wait until an agent of the law or the judiciary is attacked or eliminated before you will concentrate on it.

Sure enough, less than 4 weeks later came the attempted murder or assault on the Assistant Federal District Attorney, James Kerr. The police seemed to be baffled by it. It stirred up interest. I then again appealed on the highest level. This time I wrote the President. I asked for, and about a month and a half later obtained, a personal interview with the Assistant to the President for Domestic Affairs. I wrote the Department of Justice but did not really receive an answer from the Attorney General. And again the case was relegated to the back burners, even though it was plain that had the people who made the assault on James Kerr wanted to, they could have killed him.

They just riddled the hood of his car clear up to the dashboard where he had ducked and miraculously escaped injury. The only thing he received was a scratch on the finger. It was obvious to me then and it is obvious to me now that the attempt was more an intimidation ploy, more then an attempt to actually eliminate Kerr. After all, Kerr would not make the decisions as to whom to prosecute, how to prosecute, what priority to give cases, whether to emphasize the cases in the San Antonio area of the western judicial district, or the far-reaching outlying area of El Paso where actually Kerr was prosecuting.

To make a long story short, on the heels of that, I took the floor here and spoke about it, tried to cry out for some national attention, and received none.

Then in December came the interesting case of Sante Bario, who had been an agent in the Mexico office of the Drug Enforcement Administration. Mr. Bario, a very interesting individual, had been a policeman in Italy, had come to the United States after he had met an American girl and married her. She works in the White House, as a matter of fact.

He then came to the United States, found employment, in fact here on the Hill for awhile. He worked for a committee. He finally ended up working with the drug enforcement agencies, and he made his reputation there by the work he did, mostly because of his ability to infiltrate the informers—what I call the high-level informers—and breaking the cases, which brought him prominence in New York.

He then went to the Drug Enforcement Administration and was the agent behind the scene in the uncovering of the French Connection, again through his brilliant ability to infiltrate the trade and the criminal and make very adroit use of the highest level of informer.

He was then promoted and sent to Mexico City. Shortly after the DEA was informed by the principal informer, an interesting character, a highly sophisticated criminal himself who has intimate association with the highest rungs of the international trade in illicit drugs, Bario was reported to have asked for a kickback from the moneys paid the informer as I have said, since 1970 our drug enforcement capabilities are so limited, we are like the CIA in its inability to penetrate the Iron Curtain in Russia and really find out what is going on. The same thing is happening back home with the law enforcement agencies' inability to penetrate the underworld. So they have to go cheek by jowl with the criminals themselves and work with them and pay them money, and it places them at the mercy of the criminal who is adroit enough to be a double agent and work both sides at his convenience.

When Bario returned to Mexico City, the agent or the informer contacted the agency again and said, "Bario is asking for more money," this time in San Antonio, my district. They met in the middle of my district in a hotel. Again the DEA bugged the room, but this time, while in the middle of the transaction, the agents busted into the room and apprehended Bario. The agent? The informer? The informer is loose. He travels at will. He is at home in Mexico City, Paris, Brussels, New York, Montreal.

Mr. Bario was apprehended and charged with bribery. Because of his connections in the drug busting business, he was placed in custody in a small jail about 80 miles northwest of San Antonio rather than in the Bexar County jail, with proper safeguards. That was proper. The Bexar County jail has a sorry history. It was here that Carrasco had been held in custody and while there received cavalier treatment to the point where he used a telephone to continue to conduct his drug business out of his jail cell, privileged.

The agency was correct in having

Bario removed, but it made it difficult for his attorney to communicate with him, so they requested that he be brought to San Antonio last December, and he went there for the convenience of interviewing with his defense attorney.

□ 1530

He had not been there a few days before he was given a peanut and apple jelly sandwich, choked on it, went into a coma because of the cutoff of oxygen to his brain. He lay in a coma from December until about 6 weeks ago when he died.

The **SPEAKER** pro tempore. The time of the gentleman has expired.

WHAT IS GOOD FOR THE GOOSE SHOULD BE GOOD FOR THE GANDER OR HOW JAPAN STOPS COMPETITION AT HOME WHILE PREPARING A SALES OFFENSIVE ABROAD

The **SPEAKER** pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. VANIK) is recognized for 5 minutes.

● **Mr. VANIK.** Mr. Speaker, it has long been suspected that Japanese companies are able to sell abroad at extremely low prices (either low profit margins or actually dumping; that is, sales below the cost of production), and finance the costs of breaking into the foreign markets by protecting their home market—keeping prices high domestically and limiting the entry of competing foreign goods.

I have long heard about these suspicions, but I had never encountered a specific example. But the latest available issue of Nihon Keizai (Japan Economic Journal), dated June 5, 1979, contains a classic report of the problem listed above. What is especially revealing about the article is the last paragraph:

> The (MITI) warning (against excessive price competition) is also believed to have been motivated by a fear that if Japanese computer builders continue to resort to price cutting tactics, it would only be their foreign counterparts who would last.

As I reported in a speech in the House on May 24, Japan has a major national research program underway to become No. 1 in computers during the 1980's. It is planning to develop a new generation of computers that will outdistance competitors, such as IBM. This Japanese research effort is being carried out through the use of state funds and the encouragement of "monopolisitic" cooperation and coordination among the big Japanese electronic firms.

Ironically on the same page that the article I am citing appears, there is also an article entitled, "Amdahl Corporation gets over 100 Fujitsu computers" for sale in the United States.

Japan wants to export computers—but block tough competition it its domestic market. If this type of one-way action is allowed to continue, our bilateral trade problems with Japan will only worsen in the years to come.

The article follows:

[From the Japan Economic Journal, June 5, 1979]

MITI ASKS ALL COMPUTER FIRMS TO STOP EXCESSIVE PRICE SLASH RACE

The Ministry of International Trade and Industry has warned Japanese and foreign computer manufacturers against a fierce price-cutting competition being waged on the Japanese market.

This warning has been issued in the wake of reports that both Japanese and foreign manufacturers are offering abnormally high discounts to potential users.

It is said the price war is being fought to expand the market in the belief that shares of individual manufacturers to be established in the next couple of years will be strategically important for the next decade or longer.

Japanese industry sources say that a trigger for the current was provided by IBM Japan, Ltd. and some other foreign companies which reduced prices in Japan parallel with the steep appreciation of the yen since last year.

However, they also say that Japanese computer firms as well have cut prices by abnormal rates.

In a keen competition to sell large-scale systems to Hokkaido University, both Hitachi, Ltd. and Fujitsu, Ltd. are said to have offered 80 percent discounts, and practically all computer firms are offering substantial price reductions for sales to educational institutions.

One source disclosed that it is "rather usual" for computer manufacturers to offer 50 percent discounts to schools and universities.

The MITI warning is regarded as an extremely unusual step because the principle of free competition has been more strictly observed on the computer market than on Japanese markets for most other industrial manufacturers.

However, an official of the MITI Machinery and Information Industries Bureau says, "the present state of competition is far from normal, and it is not desirable for Japanese computer builders to cut prices for equipment developed with heavy government subsidies."

The warning is also believed to have been motivated by a fear that if Japanese computer builders continue to resort to price cutting tactics. it would only be their foreign counterparts who would last.●

BANKS AND MUNICIPAL REVENUE BOND DO NOT MIX

The **SPEAKER** pro tempore. Under a previous order of the House, the gentleman from Nebraska (Mr. CAVANAUGH) is recognized for 30 minutes.

● **Mr. CAVANAUGH.** Mr. Speaker, recently all Members' cosponsorship has been solicited for legislation to repeal the longstanding prohibition against commercial banks underwriting of municipal revenue bonds. Today I was joined by Congressman JAMES M. HANLEY, Congressman CHALMERS P. WYLIE, and Congressman JIM LEACH in a "Dear Colleague" letter designed to bring to Members' attention additional information which we believe justifies a continuation of the longstanding congressional policy separating commercial and investment banking. Unlike the proponents of H.R. 1359, introduced by Congresswoman SPELLMAN, we believe that the bill would, among other things:

First. Result in a significant concentration of economic power in the largest banks;

Second. Reduce the ability of smaller communities to secure the sound assistance of an underwriter at reasonable cost (thus, inhibiting their ability to utilize the municipal revenue bond as a method of raising funds for public projects);

Third. Pose potentially serious conflict of interest problems when a bank plays the multiple roles of underwriter, investor, trustee, and pay agent for public funds; and

Fourth. Not result in cost savings alleged by its supporters.

Below is a more detailed outline describing our analysis and concern about the impact of this most complex legislation. The Financial Institutions Subcommittee of the House Banking Committee will begin hearings on this proposal on June 26 and 27. We believe that the material below and a review of the hearings will persuade Members that allowing commercial banks to underwrite municipal revenue bonds remains an unwise and potentially dangerous idea.

ERRONEOUS ASSUMPTIONS OF SUPPORTERS OF H.R. 1539

Arguments of supporters of H.R. 1539 are based upon the following mistaken premises:

Allowing banks to underwrite revenue bonds will increase competition;

Increased competition will result in lower costs for revenue bond issuers;

Local taxes will be reduced without cost to the Federal Treasury;

No harm to consumers will result if revenue bonds become bank eligible.

(1) Competition will be decreased, not increased, by the entry of banks into revenue bond underwriting.—

The Glass-Steagall Act does not restrict competition in investment banking; it merely prohibits the combination of most investment banking activities with those of commercial banking.

Revenue bond underwriting is already highly competitive.

More than 500 securities firms currently compete for the underwriting of municipal bonds. Entry into the revenue bond underwriting business is relatively easy and essentially unrestricted. Unlike commercial banking, a government charter is not required to underwrite such bonds. Revenue bond underwriting has a low concentration ratio in comparison with many other industries, and the turnover rate among top underwriters is high. This strong competition encourages maximum efficiency and limits underwriting profits to the level required to compensate underwriters for their risk and skill.

Banks already compete in the tax-exempt market.

Expansion of bank underwriting authority is not likely to increase competition in the tax-exempt market. Banks already participate in most tax-exempt bond issues.

During the first half of this year, banks were eligible to underwrite 65 percent of the revenue bonds issued. Even so, the misperception that banks cannot now participate in any revenue issue persists. One supporter has stated that banks cannot underwrite New York State revenue bonds, when in fact over the last five years 75 percent of such bonds were bank eligible.

Special advantages will allow banks to compete unfairly.

Allowing banks to underwrite revenue bonds will simply result in the substitution of a few large commercial banks for many smaller securities firms. Banks would be able to dominate revenue bond underwriting as they would be able to dominate any nonbanking activity (from selling groceries to publishing newspapers) because of the special privileges and subsidies.

Banks can borrow money through the Federal Reserve at lower interest costs than securities firms which must borrow from commercial banks.

Banks can deduct the interest cost of loans used to carry tax-exempt bonds. Participation in the secondary market is an essential activity if a securities firm is to operate effectively in the primary market. Commercial banks have the advantage of being allowed to deduct interest costs on loans used to carry an inventory of tax-exempt bonds. This 50 to 100 percent cost savings allows them to compete unfairly in the primary issue market.

Banks are able to purchase for their own portfolio. If a bank, as an underwriter, is having difficulty selling newly issued bonds, it can make the issue a "success" by purchasing a substantial portion for the bank's own portfolio, without recognizing an underwriting loss. On the other hand, when an issue is undervalued by underwriters, commercial banks, when also underwriters, have an opportunity to purchase bonds for their own portfolios at especially attractive prices. Thus, Commercial banks, as both underwriters and investors, will be in an advantageous position relative to both nonbank underwriters and nonbank investors.

(2) There is no evidence that an extension of bank eligibility to underwrite all types of revenue bonds would result in any significant savings for bond issuers.—

Proponents of H.R. 1539 suggest that substantial interest savings will result if commercial banks are allowed to underwrite revenue bonds. They attribute such savings primarily to the banks' claimed ability to sell bonds at higher prices, secondarily from switching from negotiated to advertised sale and only marginally to decreasing underwriting profits achieved by increased competition.

Bank entry would not reduce "spreads." Even the Dealer Bank Association admits that competition will not significantly reduce underwriting profits in an already highly competitive industry. Only 2 percent of the DBA's claimed savings estimate is attributed to competition.

Significant savings can be achieved only at the expense of investors because banks purchase the securities which they underwrite, it is difficult to comprehend how much harder they would fight for lower yields for issuers at the expense of their own portfolio, trust accounts and other clients. It is also implausible that banks can sell bonds to other investors at lower yields. Yet that is the claimed source for most of the purported savings.

Savings cannot be expected from issuers choosing to switch from negotiated to advertised sale. Proponents of H.R. 1539 assume that if commercial banks were allowed to underwrite revenue bonds, issuers of revenue bonds would sell bonds through advertised sale rather than negotiation. Yet all evidence contradicts this premise.

The assumption that an advertised sale is more competitive than a negotiated sale for a particular issue is not supportable. Negotiated sales are already highly competitive. An underwriter is usually selected only after a rigorous presentation process. When negotiated offers are presented to issuers, the issuer may reject the offer without any liability and choose a different underwriter.

If selling bonds on a bid basis were more competitive and thus less costly, all rational issuers would sell bonds through this method now. Yet both corporate and municipal borrowers select negotiated underwriting regularly. If bond issuers are not taking advantage of this claimed cost reduction at present, there is no reason to believe that extending bank eligibility would motivate them to do so.

Commercial banks have been eligible to underwrite housing and university revenue bonds for ten years. Yet there has been no tendency for issuers to switch to advertised sales.

Issuers, such as public utilities, which currently have the choice of financing method, issue bonds through negotiation.

Many issuers of general obligation bonds finance through advertised sale because state or local law prohibits negotiated bond sales. (In Pennsylvania localities have recently been given the option to choose a method of financing. Most issuers are now selling bonds through negotiation.)

Private companies, whose sole concern is cost economics, overwhelmingly sell bonds through negotiation.

(3) Bank entry will not reduce local taxes and will cost the Treasury tax revenues.—

Proponents of H.R. 1539 claim that allowing the banks to underwrite revenue bonds will lower their constituents' taxes while costing the Treasury nothing.

Revenue bonds do not result in higher taxes as the debt is repaid with user fees. It is argued that projects previously financed by general obligation bonds will now be financed with revenue bonds as a result of Proposition 13. Certainly we have not as yet seen a rush to revenue bonds to finance projects previously funded by general obligation bonds. The growth in revenue bonds is primarily the result of tax-exempt financing of projects which were previously privately financed. Further, it is difficult to believe that local services such as schools and police protection would ever be provided on the fee basis required to support revenue bonds.

It has also been argued by proponents of the bill that increased liquidity might cause reoffering yields to be reduced. It should be made very clear that any special ability of banks to provide additional liquidity rests entirely on the fact that, unlike dealers, banks, for tax purposes, can deduct tax-exempt bond inventory carrying costs. The expense of any increased liquidity would be borne entirely by federal taxpayers.

(4) Allowing commercial banks to underwrite revenue bonds will harm, not benefit, citizens.—

It is argued that the problems which motivated the legal separation of investment banking from commercial banking were the problems of the 1920s and 1930s and are no longer relevant.

Yet, restriction of commercial bank participation in investment banking is not an antiquated and arbitrary restriction designed to serve the interest of securities firms. Rather, it is one manifestation of the generally accepted principle that commercial banks should not participate in activities outside the essential functions of commercial banking. This principle has been repeatedly affirmed by Congressional action from the National Banking Act of 1863 through the bank holding company legislation of 1970. This legislation recognizes the fundamental principle that since commercial banks have special privileges and special responsibilities that distinguish them from nonbanks, a line must be drawn between those activities that are legitimate and appropriate functions for commercial banks and those activities in which commercial banks should not participate.

Capital market will be impaired. With large future capital needs projected, the strength of the country depends upon our ability to raise capital. Securities firms have supported the tax-exempt financing of such projects, in good markets and bad. If securities firms are forced out of the industry, the stable services which issuers have come to expect from the dealer community will no longer be provided.

The entry of commercial banks will mean the exit of many securities firms. There are over 40,000 brokers across the country whose jobs will be threatened. Commercial banks have special privileges which allow them to dominate the market. These privileges must be removed from commercial banks if competition is to be equal.

Some proponents of bank expansion even admit that revenue bond underwriting is only one stop on the road to complete bank participation in the securities business. With the size and economic advantages enjoyed by the dealer banks it would appear only a matter of time before any claim of increased competition would have vanished before the reality of bank domination of the securities industry.

The high degree of concentration which characterizes the commercial banking industry will be increased.

Banks wield enormous economic power. The aggregate capital of the ten largest securities firms is only half the capital of Citibank alone. Proposed legislation will allow the largest banks to monopolize another financial service, revenue bond underwriting.

This bill is principally in the interest of the Dealer Bank Association, which is made up of approximately 150 of the nation's largest and most powerful banks. The small banks may be hurt. The Independent Bankers Association of America, composed of over half the nation's banks, represents the smallest of the nation's 14,000 banks, 90% of which are in communities with populations of 30,000 or less. The Independent Bankers Association opposes this bill.

Conflicts of interest still exist.

The role of the banks in REIT's, the New York City financial crisis and syndicated loans to foreign governments indicate that hazards and financial dangers exist even in the limited range of investment banking activities in which commercial banks have been permitted to engage. A line must continue to be drawn between those activities that are legitimate and appropriate functions for commercial banks and those activities in which commercial banks should not participate.

There are many ramifications to H.R. 1539 which require detailed study. This is not a simple issue. H.R. 1539 is an important part of the problem of commercial bank expansion. The savings claims are problematic, but the threats of concentration of financial power in the nation's largest banks and damage to the securities industry and to the functioning of the capital markets are real. The entire question of the role of large commercial banks in the American economy should be studied before any consideration is given to changing the limitations imposed by Congress in the Glass-Steagall Act on a piece-meal basis.

EDUCATION AMENDMENTS OF 1979

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan (Mr. Ford) is recognized for 10 minutes.

● Mr. FORD of Michigan. Mr. Speaker, yesterday, June 14, I introduced H.R.

4476, the Education Amendments of 1979, with the cosponsorship of Mr. Biaggi of New York and Mr. Buchanan of Alabama. These amendments make some urgently needed technical changes in the student financial assistance programs as well as providing for a 1-year extension of those programs which expire at the end of fiscal year 1980.

Of special significance is the need to change the ceiling on the special allowance paid to lenders under the guaranteed student loan program. Mr. Biaggi introduced H.R. 3554 for this purpose, and H.R. 4476 adopts his provision.

Unless this action is taken this month, there is a very strong possibility that there will be a substantial decline in loans available to students for financing their postsecondary education this fall. The waiver of the limitation on the carryover of surplus basic grant funds is also needed immediately to provide nearly 700,000 independent students with the full basic grant for which they are eligible.

An explanation of the purpose and the need for these amendments as well as the other provisions of the bill follows.

Modification of the limitation on the guaranteed student loan special allowance: While student borrowers are in school, lenders under the guaranteed student loan program are paid the student's 7 percent interest by the Federal Government. In addition, lenders are paid a special allowance to make the yield on student loans comparable to other lending opportunities. Under current law, the amount of the special allowance for each quarter is calculated by subtracting 3.5 percent from the average of the bond equivalent rates of the 91-day Treasury bills auctioned for that quarter. However, the law also specifies that the special allowance may not exceed an average of 5 percent for any four successive quarters.

The soaring interest rates, which are visible in the economy generally, have been reflected in the rates for Treasury bills. In the third quarter of 1978, the Treasury bill rate was 7⅝ percent yielding a special allowance of 4⅛ percent. It rose to 9⅛ percent in the fourth quarter of 1978, yielding a special allowance of 5⅝ percent. And in the first quarter of 1979, the Treasury bill rate continued to increase to 9¾ percent, yielding a special allowance of 6¼ percent.

Given that the special allowance may not exceed an average of 5 percent for a 12-month period, the maximum special allowance that can be paid for the second quarter of 1979 (April–June) is 4 percent. If the formula in the law were allowed to work without the 5-percent limitation, the special allowance for the second quarter of 1979 would be 6¼ percent rather than 4 percent. Thus, lenders will receive 2¼ percent less than the state of the money market, as reflected in the Treasury bill rate, would justify. Projections of the Treasury bill rate by both the Congressional Budget Office and Data Resources, Inc., indicate that this rate will be about 10 percent in the third quarter (July–September) of this year. This would justify a special allowance of 6½ percent. However, current law will permit payment of only 4⅛ percent for that period. Thus lenders will receive 2⅜ percent less than the state of the money market is likely to justify for that period.

It is important to note that the participation of lenders in this program is voluntary and that their return on student loans will be substantially curtailed during the peak lending season (April–September) when students are preparing to finance their expenses for the 1979–80 academic year.

In a hearing before the subcommittee on May 30, Mr. Alfred Fitt testifying on behalf of the Congressional Budget Office predicted:

> If the present ceiling formula is retained, there will be strong downward pressures on the inclination of banks to make new student loans, just when there seem to be extraordinary upward pressures in the demand for such loans.

Testifying at the same hearing, Ms. Eileen D. Dickinson, president of the New York State Higher Education Services Corporation, argued that if the rate of return to lenders is sharply curtailed through the operation of current law, banks "may well prefer other investments to student loans and may precipitate a student loan capital crisis." She urged that "legislation should be passed as soon as possible to insure that students have access to loans to pay for fall 1979 educational costs." Also at the same hearing this problem was called to the attention of the subcommittee by Mrs. Carol Wennerdahl, chairman, legislative committee, National Council of Higher Education Loan Programs, and Mr. John D. Wickert testifying on behalf of the American Bankers Association. Both of these witnesses also urged that the Congress act immediately to correct this problem.

Section 5(c) of the bill simply removes the 5-percent limitation for a 12-month period on the interest subsidy. This change in the special allowance is made effective for the second quarter of 1979 and for succeeding quarters.

The bill delays the payment to lenders of a special allowance in excess of what they would receive under current law until after October 1, 1979. This is done so that the budgetary impact of this change in the special allowance will occur in fiscal year 1980 rather than fiscal year 1979 in order to avoid potential problems under the Budget Act.

This provision of the bill incorporates H.R. 3554 introduced by Congressman Biaggi on April 10, 1979. Congressman Biaggi has been in the forefront of recognizing the urgent need for this legislation. His statement in the Record of May 16, further elucidates the importance of making this change in the law at the earliest possible date.

Clarification of the Commissioner's regulatory authority under the basic grant program: Section 5(a)(2)(A) of the bill makes it clear that the basic grant family contribution schedule issued by the Commissioner for the 1979–80 academic year governs the expenditure of funds appropriated in fiscal year 1979 as well as funds carried over from fiscal year 1978. This family contribution schedule implements the broadening of the basic grant program to students from middle-income families and the more equitable treatment of independent students as provided for by the Middle Income Student Assistance Act—MISAA. This amendment was requested by the administration in a letter to the Speaker of May 7, 1979.

Waiver of the limitation on basic grant carryover amounts: Current law (sections 411(b)(3)(ii) and 411(b)(4)(B) of the Higher Education Act) requires that when the appropriations for the basic grant program exceed the amount expended for basic grants in a given year by more than 15 percent the excess appropriations may not be carried over to the next year. Instead they must be allocated to students in that year if all students have not received the full amount of their entitlement. The appropriation for basic grants in fiscal year 1978 was $2.14 billion to be expended in the just concluded 1978–79 academic year.

In large part because of the tighter administration of the basic grant program last year, $700 million of the fiscal year 1978 appropriation remains unexpended. Also, during the 1978–79 academic year appropriations were geared to a maximum grant of $1,600 rather than the $1,800 maximum in the law. Since the unexpended $700 million exceeds 15 percent of the fiscal year 1978 appropriation and since students did not receive the full amount of their entitlement in academic year 1978–79, the law prohibits the $700 million from being carried over for use in subsequent years and requires that this money be allocated to students who participated in the program in 1978–79. This would require, in practice, that the basic grant awards to the 1.8 million students who received basic grants in 1978–79 be recalculated based on a $1,800 maximum grant rather than a $1,600 maximum grant and that these students be given any additional amount for which they are eligible. It obviously would be an administrative nightmare to recalculate the awards of 1.8 million students for the past academic year. Students would also receive, in effect, a windfall—an additional basic grant award after the academic year is over.

The administration's fiscal year 1980 budget recommendations, the first concurrent resolution on the fiscal year 1980 budget, and the fiscal year 1980 Labor-HEW appropriations bill as reported by the Appropriations Committee all anticipate that excess fiscal year 1978 basic grant funds be carried over to subsequent fiscal years.

In particular, funds carried over from fiscal year 1978 are anticipated for use with the fiscal year 1979 appropriation for the basic grant program to implement the Middle Income Student Assistance Act in the academic year 1979–80. Without these carryover funds the more equitable treatment of independent students provided for by MISSA cannot be accomplished. That would mean that 70,000 independent, self-supporting students would be ineligible for basic grants in the 1979–80 school year and 612,000 independent students would receive smaller grants than provided for MISAA. This amendment, section 5(a) (2) (B) of the bill, was requested by the administration in a letter to the Speaker of May 7, 1979.

Correction of error in the Middle Income Student Assistance Act: Section 16 of the bill modifies the periods of enrollment covered by the changes in the basic grant program made by the Middle Income Student Assistance Act from "periods of enrollment beginning on or after August 1, 1979" to "periods of enrollment beginning on or after July 1, 1979." This change corrects a drafting error in the Middle Income Student Assistance Act and conforms it to the current administrative practice of the basic grant program. Failure to enact this amendment would cause administrative difficulties and delays in the awarding of basic grants to students for the 1979–80 academic year. This amendment was requested by the administration in a letter to the Speaker on April 11, 1979.

Implementation of interest subsidy and special allowance payments on multiply disbursed loans: Section 428(a) (8) of the Higher Education Act, enacted by the Education Amendments of 1976, permits commercial lenders to provide guaranteed student loans to students in multiple disbursements. It also provides that these lenders can collect the interest subsidy and the special allowance on the entire amount of the loan, not only on the portion actually disbursed.

This provision was intended to provide a strong incentive for experienced commercial lenders to make loans available to students in multiple disbursements. Multiple disbursement of student loans would help to reduce loan defaults since students who drop out during the school year would not yet have received all of the loan and would owe a smaller amount for repayment.

In a May 30 hearing before the Subcommittee on Postsecondary Education, a representative of the U.S. Student Association called to the attention of the subcommittee the failure of the Commissioner to implement this provision of the Education Amendments of 1976. Joel Packer noted that implementation of section 428(a) (8) would "help increase lender participation in the program * * * (and) capital availability, reduce amounts of default, and probably reduce the probability of default."

Improved collection of national direct student loans: Current law (section 463(a) (5) of the Higher Education Act) permits the Commissioner to collect defaulted national direct student loans only after they have been in default for at least 2 years and also requires that the institution "assign" the loan to the Commissioner and that any money which the Commissioner recovers be returned to the Treasury. This provision is a deterrent to the effective collection of defaulted national direct student loans for several reasons:

First. The Commissioner can only assist an institution in NDSL collections if a loan has been in default for at least 2 years. After a loan has been in default for 2 years or more, it is generally very difficult to locate the borrower or initiate an effective collection effort. Assistance from the Commissioner in collecting defaulted national direct student loans would be much more effective if it could occur sooner than 2 years after a loan has gone into default.

Second. The requirement that national direct student loans be "assigned" to the Commissioner bars some public institutions from allowing the Commissioner to collect defaulted loans. Some States have laws prohibiting the assignment of State assets to another party. In the case of NDSL programs at public institutions, the 10-percent institutional matching required under the program is State money. In States with such laws these loans may not be assigned to the Commissioner for collection.

Third. Since institutions cannot receive any of the money collected by the Commissioner, not even their 10-percent match, there is no incentive for them to assign them to the Commissioner even if there is not a State law barring such action in the case of public institutions.

The bill includes a new provision (section 5(d) (3)) allowing the Commissioner to collect defaulted national direct student loans which avoids these problems. Under this provision, the Commissioner could collect defaulted loans "on behalf of" the institution. Thus the loans need not be "assigned" to the Commissioner, and the problem of State laws barring the assignment of State assets is avoided. In addition, the Commissioner would return to the institutions any amounts he collects less any expenses of collection he incurrs. Therefore institutions would have a much greater incentive to seek the assistance of the Commissioner in collecting these loans. Finally, the loans would not be required to have been in default for 2 years.

Testifying on behalf of the National Association of Student Financial Aid Administrators on May 30, Mr. Arthur Fritz urged that the committee adopt legislative changes to deal with the problems in NDSL collections presented by current law.

Providing equal treatment for students at nonprofit postsecondary vocational schools: The new general regulations governing the basic grant program, which were published earlier this year, require that in order to be eligible for Federal student assistance students attending nonprofit postsecondary vocational schools must be enrolled in programs of at least 1 year's duration. On the other hand, to be eligible for Federal student aid students attending proprietary vocational schools need only be enrolled in programs of at least 6 months' duration. This disparity in the treatment of students in identical programs stems from the definition of these programs in section 491 of the Higher Education Act. An analysis of this situation prepared for the Subcommittee by the Congressional Research Service indicates that there is no policy purpose for his disparity to be found in the legislative history of the Higher Education Act. It appears to be simply an oversight in legislative drafting. The unfairness of this situation has been most forcefully brought to the attention of the Subcommittee by Congressman **Abdnor** of South Dakota.

Section 5(e) of the bill simply conforms the treatment of nonprofit postsecondary vocational schools to that accorded to proprietary schools, requiring that they both offer programs of at least 6 months' duration.

One year extension of higher education programs expiring in fiscal year 1980: The authorizations for most of the programs in the Higher Education Act, as well as title VI of the National Defense Education Act and the fund for the improvement of postsecondary education, expire at the end of fiscal year 1980. Final action reauthorizing these programs will probably not be completed until the middle of next year by which time action on the fiscal year 1981 appropriations will be well advanced. Since it is now the practice of the Appropriations Committee not to consider appropriations for any program for which authorizing action is not completed, the orderly process of providing appropriations for these programs could be severely disrupted. Appropriations for these programs would have to be provided in a supplemental appropriations bill when action on the reauthorization has been completed. The student assistance programs are forward funded and require a long lead time for the development and congressional review of the basic grant family contribution schedule as well as for the allocation of campus-based program funds to permit the orderly packaging of financial aid for students. Many of the nonstudent aid programs involve an extensive application and review process in making discretionary grants. A delay in providing appropriations for fiscal year 1981 would dislocate the smooth operation of these programs. Millions of students and thousands of postsecondary institutions would be unable to effectively plan for the efficient use of available Federal support.

The bill extends the programs which expire at the end of fiscal year 1980 for 1 year at the same level of authorization as fiscal year 1980. It makes no substantive changes in the programs other than those noted above in the description of the various technical amendments.

I would like to stress in the strongest possible terms that this 1-year extension is being done solely for the procedural purpose of maintaining the normal and orderly process of appropriations for these programs. It is not meant to prejudge the reauthorization recommendations for these programs which I fully expect will be brought before the House before the end of this session. Those recommendations could well include basic changes or even the termination of some programs for which a 1-year extension is being sought now.

I would also note that the Subcommittee on Postsecondary Education has completed 20 days of hearings on the reauthorization of the Higher Education Act and related measures. I am strongly committed to completing action on the reauthorization in this Congress.

It is my hope to bring H.R. 4476 to the floor for House action in the near future.●

LITHUANIAN INDEPENDENCE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. HANLEY) is recognized for 5 minutes.

● Mr. HANLEY. Mr. Speaker, today, Lithuanians throughout the free world, including 1 million in the United States, are commemorating the tragic anniversary of the forcible annexation of Lithuania by the Soviet Union in 1940. At that time the Soviet Government carried out mass deportations of thousands of Lithuanians to Siberian concentration camps and certain death. Presently, the people of Lithuania are denied their basic human rights, including the right to national self-determination.

But despite these tremendous hardships, the Lithuanian culture, heritage and national identity survives, and the struggle for freedom and independence continues.

The United States, as a nation, was founded on the principles of personal liberty and human rights. In keeping with these principles the U.S. Government has maintained a policy of nonrecognition of the forcible seizure of Lithuania. We must continue this support of the Lithuanian people, in order that they may regain their political freedom, and individual rights.

On this day it is more than appropriate for us to pay tribute to the countless thousands of Lithuanians who have suffered the loss of their liberties, rights, and even their lives, under Soviet domination of their country. It is more than appropriate for us to salute the efforts and determination of those who continue the fight to regain what is rightfully theirs.●

LOOKING TOWARD A 2-YEAR BUDGET AUTHORIZATION FOR FEDERAL RESEARCH AND DEVELOPMENT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida (Mr. FUQUA) is recognized for 10 minutes.

● Mr. FUQUA. Mr. Speaker, I am introducing today a bill—the Research and Development Authorization Estimates Act—which is designed to inspire further thought and consideration of moving the Federal Government toward a 2-year budget cycle.

Let me emphasize that this bill, which is directed only to the authorization process for research and development, is not the answer to all growing concerns over the complex, burdensome budget procedures which face the Congress and the Executive. Very likely it is not the answer to research authorization difficulties themselves, at least as things now stand.

But it is a start. And if it promotes some genuine, sustained effort to improve the budget process in any degree, it will have served its purpose.

This is not to say that the bill is merely a conversation piece; it is my hope and intent to see that hearings take place later, in this session if possible, so that the Committee on Science and Technology will have a basis for putting together a more refined legislative version which will warrant reporting to the House.

Mr. Speaker, the bill is not extensive, but, I believe, its provisions could have wide ranging effect. Essentially, the bill amends the Science Policy Act of 1976 and the National Science Foundation Act of 1950 to do three things:

First. It places a statutory duty on the Director of the Office of Science and Technology Policy to provide second-year estimates of the R. & D. needs of the Federal agencies in time for inclusion in the budget sent to Congress by the President in each odd-numbered year. The estimates would be made with the help of the executive departments and agencies and submitted to the Office of Management and Budget in December of each even-numbered year.

Second. It removes the requirement for an annual R. & D. report by OSTP, but requires reports from time to time as appropriate.

Third. It places a statutory duty on the National Science Foundation to produce an annual report on Federal R. & D. expenditures, by function, for recent years—including the fiscal year most recently ended. Such report is to be submitted to OMB in time for inclusion in the budget sent to Congress by the President each year.

Why do we need legislation of this sort?

Since the Budget Act of 1974, the law has required the administration to submit authorization requests for 2 fiscal years at a time. However, this requirement is complied with only to the extent of submitting specific, detailed reports for the first fiscal year—then, for the second year, requesting merely "such sums as may be necessary." That procedure, of course, is useless inasmuch as Congress is not likely to make open ended authorizations for every other year.

Having estimates available for the second year of each Congress on some official basis would provide guidance, at least, for those committees which may wish to consider a 2-year authorization, even though amending legislation might become necessary for the second year. Committee time thus released for oversight, future research, and other activities would be very valuable.

OSTP is selected to compile the estimates because its charter gives it the responsibility for assisting OMB in preparing the R. & D. portion of the budget and undertaking forecasts of future needs and costs of science and technology.

Such an additional responsibility, however, warrants relief for the hardworking but undermanned OSTP in some other area. Elimination of the annual report, I think, remedies this problem. The Science Policy Act, as it passed the House, did not contain this requirement. Moreover, the OSTP annual report, as things are now, is farmed out to NSF which itself has few resources and even less inclination to do the job—and is already producing two annual reports of its own. My bill would reinstate the original concept of "reporting as needed." It would seem logical for OSTP to have an input to or join with one of the NSF annual reports, that of the National Science Board, except on those occasions when circumstances dictate the need for a separate report of its own.

The requirement for an annual R. & D. "by function" report by NSF merely speeds up an activity in which the Foundation is already engaged. It now produces annual reports on the actual use of all Federal R. & D. funding on a cross-cutting basis which are of good quality; but they are produced too late in the year to assist Congress as it endeavors to handle the R. & D. portion of the budget. If this information can be included in the Federal budget when submitted, it would be a sizable assist to all of us on the Hill.

Mr. Speaker, I have not tried here to address myself to the substantive pros and cons of multiyear budgeting; clearly, there are many of each. Nor have I tried to encompass the budget as a whole, but rather the research and development part of it.

I believe, however, that it makes sense to follow such a route for these reasons:

First, research and development in the Federal budget can be more easily identified and singled out than many other functional phases. It can serve as a good pilot program.

Second, research and development is an area which is traditionally in need of stable funding patterns and relatively long-term support commitments—if it is going to prove productive.

Third, research and development comprises a far more significant portion of the total budget than most of us realize. When we look at this year's total budget request of $531 billion, the $32 billion R. & D. portion does not seem particularly high. But most of the budget is already committed; social security, medicare, veteran's benefits, welfare payments, interest on the debt, and so forth—$404 billion worth. OMB calls this the "relatively uncontrollable" part of the budget. There is only $133 billion in the "relatively controllable" category and R. & D. lies mostly in that area.

This year for the first time, the total R. & D. portion of the Federal budget request was extracted, studied and reviewed by the Science and Technology Committee. Hearings taught us a great deal about how the budget materializes and what the forces are which shape it. We have a great deal more to learn, and we plan to keep on with such oversight reviews annually.

But one important fact which was elicited from OMB witnesses was that R. & D. actually represents 22 percent of the total "controllable" part of the Federal budget of 1980.

Since this is the part of the budget on which all Federal departments and agencies must depend for new or renewed programs and activities, the crucial, intrinsic nature of the R. & D. effort becomes self-evident. Even allowing for the large part of "R. & D." which is attributable to costly demonstration, test and evaluation conducted by DOD (perhaps a fifth of all Federal R. & D.)—the balance "ain't hay."

Mr. Speaker, we know there are many here in Congress, in the executive branch, and in the private sector who are interested in the possibilities inherent in multiyear budgeting—but who are having trouble coming to grips with the issues involved. I hope this bill will be an experimental vehicle of real utility for them.

In conclusion, let me add that our committee is seeking the assistance of both the Office of Technology Assessment and the General Accounting Office in accumulating substantiating information which will help us in evaluating future R. & D. budget requests.

I have asked OTA for an assessment to assist in evaluation of how and to what extent inflation affects the research process. Our R. & D. budget hearings this year produced conflicting views of the best way to apply inflationary factors to research. We hope OTA will help resolve this question, which is of no mean significance.

We are also reqeusting GAO, which has a longstanding interest in budget cycles, for an evaluation of the merits of multiyear authorizations—including zero-based budgeting and the pragmatic aspects of so-called sunset methods of determining budgets for different types of federally supported R. & D. programs.●

CRIME SUBCOMMITTEE TO HOLD HEARINGS ON THE PARENTAL KIDNAPING PREVENTION ACT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan (Mr. Conyers) is recognized for 5 minutes.

● Mr. CONYERS. Mr. Speaker, the Subcommittee on Crime of the House Committee on the Judiciary, which I chair, will hold a hearing on June 27, 1979. The subject of this hearing will be several bills which have been introduced and which would remove from the Federal kidnaping statute the exemption for parents who kidnap their own children. Several of these bills also include noncriminal procedures for locating children and for enforcing custody decrees of State courts. The hearing will commence at 9:30 a.m. and will be held in room 2226 Rayburn House Office Building on June 27.

Individuals wishing to testify or submit a statement for the Record should address their requests to the Subcommittee on Crime, House Committee on the Judiciary, 207E Cannon House Office Building, Washington, D.C. 20515.●

PATENT SEARCHES FOR ENERGY-SAVING DEVICES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida (Mr. Mica) is recognized for 5 minutes.

Mr. MICA. Mr. Speaker, I would just like to take a few moments to bring to the attention of my colleagues legislation I introduced in the past week with regard to our energy crisis and the situation facing us in this Nation.

I dare say there is not one among us who has not heard of a device to save energy; a carburetor that gets more miles per gallon or some insulation that does a better job in our homes or some new automobile.

For the last dozen years I have personally seen reams of information presented to this Congress on devices that have been patented and put on the shelf and apparently nothing done with them.

Rumors continue and the problem continues with energy.

I have introduced legislation which I think is a rather easy approach to trying: First, to find out what there is to these devices; and second, if we find something perhaps make a few changes, perhaps do a little something about this energy situation.

We talked to the Department of Energy. Not one single individual could we find who ever goes over to the Patent Office to see if any device is on file that can be used in this energy crunch. In the Patent Office no one checks devices to see if they will do anything to help us.

This is before my time but I am told that during the war patents were regularly checked to see if they could help in our war effort. Why does not someone in our Government go through the patents as they are filed for energy-saving devices and see if they can help.

My legislation simply is a resolution directing that the Office of Technology Assessment, which we created to do this type of job, be directed to conduct a logical search of our patents existing of energy devices. Maybe that carburetor we have all heard about is there. It does not have to be a science fiction device. It does not have to be something that defies science or logic. All it has to be to solve this crisis right now is something that would get 5 or 10 miles to the gallon more on the average American car, an add-on device.

I personally witnessed a transaction where documents were presented from an inventor some years ago after the 1973 embargo where he had invented such a device to increase just 20 miles to the gallon—he was claiming around 50 miles to the gallon—a device that would get extra mileage. The reason he could not patent the device was because it had already been patented 20 years ago and sold to a major oil company.

I do not check, condemn or question anybody's reason for not producing these devices but I think it is time maybe we just look and make some judgments.

The Patent Office, incidentally, makes no judgment. You file for a patent and they simply say it has or has not been patented before and it does or does not do what you claim for it.

They make no judgment as to whether it is technically feasible, whether it is reasonably priced or can be used. Then it goes on the shelf.

I ask my colleagues to take a look at this legislation. I might indicate we have had tremendous response from all over the Nation. This was picked up by UPI. The response indicates that maybe this is something we have overlooked and perhaps we should just direct someone in our Government to come back to us and we would give them 1 year to come back and give us a list of devices; 10 or 15 or 20 devices that have potential, that are technically feasible, that are economical, that can be used by the general population either in their home or on their automobile, things which would result in energy savings.

I am not saying the Government should take over the production. They can recommend tax incentives so that a device if one is found can be produced or they could recommend that it be put in the public domain, or let the Government try to purchase the patent. There are a number of ways it could be done without Government interference if that is a concern. We are in the moral equivalent of war. It might be that the Government could then take action to make sure the device is produced.

ANNOUNCEMENT AS TO VOTES

(Mr. DANIELSON asked and was given permission to extend his remarks at this point in the Record.)

Mr. DANIELSON. Mr. Speaker, I was unable to return from my district until the afternoon of Monday, June 11, 1979, and was, therefore, compelled to miss the first seven rollcall votes that day. I would like to announce how I would have voted had I been present.

Rollcall No. 199. The House, by a vote of 305 yeas to 8 nays, voted to approve the Journal of Friday, June 8. I would have voted "aye."

Rollcall No. 200. The House, by a vote of 308 yeas to 28 nays, agreed to resolve itself into the Committee of the Whole. I would have voted "aye."

Rollcall No. 201. The House, by a vote of 52 ayes to 310 noes, rejected an amendment to H.R. 2444, Department of Education Organization Act, that sought to change the name of the proposed department to the Department of Public Education. I would have vote "no."

Rollcall No. 202. The House, by a vote of 114 ayes to 257 noes, rejected an amendment to H.R. 2444, that sought to create an independent Office of Education rather than a Department of Education. I would have voted "no."

Rollcall No. 203. The House, by a vote of 255 ayes to 122 noes, agreed to an amendment, as amended, to H.R. 2444, that make it a purpose of the department to permit daily opportunity for voluntary prayer or meditation in public elementary and secondary schools. I would have voted "no."

Rollcall No. 204. The House, by a vote of 184 ayes to 187 noes, rejected an amendment to H.R. 2444, that sought to declare that it was the intent of Congress to limit future budget authority to the level set in the bill plus yearly cost-of-living increases. I would have voted "no."

Rollcall No. 205. The House, by a vote of 227 ayes to 135 noes, agreed to an amendment to H.R. 2444 that provides that no provision of law shall be construed to authorize the Secretary to require busing of students or teachers to carry out desegregation as a condition of eligibility for Federal assistance. I would have voted "aye."

RAOUL BERGER URGES PROTECTION OF VITAL HOUSE CONSTITUTIONAL POWER TO TRANSFER PROPERTY

(Mr. MURPHY of New York asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

● Mr. MURPHY of New York. Mr. Speaker, it is clear that the Members of this House have not forgotten the necessity of preserving the vital constitutional role of the Congress in the disposition of Panama Canal property under the Treaty of 1977. During the impending consideration of amendments of H.R. 111, the concern over the House's article IV, section 3, clause 2 powers will be evident, even though H.R. 111, as reported, already protects the substance of those powers without violating our treaty obligations with Panama.

Raoul Berger is one of the leading constitutional scholars in the United States. His comments before the Committee on Merchant Marine and Fisheries and other committees on the vital issue of property transfer were incisive, well researched, and influential. Like Members of this body, Mr. Berger has not forgotten the issue because this is a matter that has impact well beyond the treaties and even canal management legislation. Acordingly, he has written an article for the Cornell Law Review entitled, "Must the House Consent to Cession of the Panama Canal?" Mr. Berger's conclusion is that a treaty disposition of U.S. territory or property is subject to the assent of Congress, including the House. Mr. Berger points out that recognition of this power of the Congress is not destructive of the treatymaking power properly construed and legitimately exercised, and that it is consistent with the legal precedents and uniform practice of this Government. H.R. 111 recognizes that vital power of the Congress in a way that fully complies with the obligation assumed by the United States under the treaty.

The wisest cause of action for the House in this matter is to protect its power while allowing a workable treaty relationship. H.R. 111 does that.

The article follows:

MUST THE HOUSE CONSENT TO CESSION OF THE PANAMA CANAL?

(By Raoul Berger†)

INTRODUCTION

It is truly remarkable that for 189 years the courts had not squarely faced an important constitutional accommodation between the treaty power and the article IV provision "Congress shall have Power to dispose of . . . Territory or other Property belonging to the United States."[1] Now the Court of Appeals for the District of Columbia Circuit, splitting two to one with Judge George MacKinnon vigorously dissenting, has concluded in *Edwards* v. *Carter*,[2] that disposition of the Panama Canal by treaty did not require assent by the House of Representatives, a joint branch of "Congress."

The issue, clouded by political passions during the Senate debates on ratification, is indeed momentous. A "national treasure beyond compare," to borrow from Judge MacKinnon,[3] is being given to Panama over the opposition of the majority of the people.[4] Because *Edwards* sets a precedent that tremendously diminishes the role of the House in preserving the national domain, and, by its reasoning, also invites the President to displace congressional article I, section 8 powers heretofore deemed exclusive, it demands the closest scrutiny. The majority draws comfort from the testimony of an array of administration and former State Department officials,[5] but matters of such fundamental, far-reaching importance must be settled by resort to first principles, not by a count of noses.[6] Judicial authority, Chief Justice Taney declared, should "depend altogether on the force of the reasoning by which it is supported."[7] So tested, the certitude of the majority opinion is in inverse proportion to its reasoning.

My thesis is not, as the *Edwards* majority imputed to me, "that the President and Senate cannot exercise under the treaty power any power granted to Congress,"[8] but rather that a treaty disposing of United States territory or property is subject to the assent of Congress, including the House.[9] In other words, the President and Senate are authorized to enter into such treaties, but the treaties should be made subject to the consent of Congress, as has often been the case. This, as will appear, was the view of Madison and the House from the beginning. Preliminarily, it needs to be noted that the issue of "sovereignty" over the Canal Zone may be put aside because article IV applies to "property" of the United States as well as "territory." The right "in perpetuity [of] the use, occupation and control" of the Canal Zone, conferred by the Treaty of 1903,[10] is itself "property" akin to a 99-year lease. It was not disputed that the recent Panama Treaty would convey "property belonging to the United States,"[11] and, with Judge MacKinnon,[12] I consider that it is beyond serious argument.

The *Edwards* majority begins its interpretive analysis with the statement that article IV recites "that 'The Congress shall have Power . . .' not that only the Congress shall have power."[13] The "only" is implicit under established rules of construction. The Supreme Court has often held that "[w]hen a statute limits a thing to be done in a particular mode, it includes the negative of any other mode."[14] And it has held that "[g]eneral language of a statutory provision, although broad enough to include it, will not be held to apply to a matter specifically dealt with in another part of the same enactment."[15] The specific power to "dispose" prevails over the general treatymaking power. The majority's omission to notice such traditional canons of construction smacks of disdain, whereas the Supreme Court had concluded that article IV *"implies an exclusion* of all other authority over the property which could interfere with this right."[16]

In the absence of evidence of the Framers' intent, a matter to which I shall recur, such rules are the established index of construction, and are constantly applied by the courts. They were among the presuppositions of the Founders,[17] reflecting a profound distrust for judicial discretion.[18] Hamilton averred: "To avoid an arbitrary discretion in the courts, it is indispensable that they should be bound down by strict rules and precedents, which serve to define and point out their duty in every particular case that comes before them."[19] In the First Congress, which contained numerous Framers and Ratifiers, Representatives Egbert Benson and Alexander White invoked the *"expressio unius"* rule.[20] Other relevant canons of construction were cited in the 1796 debate on the Jay Treaty.[21] Justice Story emphasized that such rules provide a "fixed standard" for interpretation,[22] without which the "fixed Constitution," so dear to the Founders,[23] would be forever unfixed. A further guide to construction is furnished by *Pierson* v. *Ray*.[24] There the Court declared with respect to the common-law immunity of judges from suits arising from acts performed in their official capacity: "We do not believe that this settled principle of law was abolished by § 1983, which makes liable 'every person' who under color of law deprives another person of his civil rights. . . . [W]e presume that Congress would have specifically so provided had it wished to abolish the doctrine."[25] Thus the all-inclusive phrase "every person" was held inapplicable to a judge's common-law immunity in the absence of a specific provision. That unwritten immunity stands no higher than the express "Congress shall have power" in the absence of specific provision in the treaty power for depriving Congress of the disposal power.

I. THE LEGISLATIVE HISTORY

"The debates over the treaty clause . . ." in the several conventions, *Edwards* v. *Carter* holds, "directly demonstrate the Framers' intent to permit the disposition of United States property by treaty without House approval."[26] That was not the view of one of the leading advocates of the Panama Treaty, who was cited by the majority.[27] Professor John Norton Moore, formerly a high State Department official, stated in the Senate hearings that proponents of an "exclusive" reading of article IV have shown "the lack of definitive evidence as to the framers' intent."[28] In fact, the evidence cuts against the majority's view.

All that was under discussion in the Federal Convention treaty-clause debates was performance of the Senate's "advice and consent" function, without a hint of desire to curtail the powers of the House under article IV. The proceedings in the Convention have been well summarized by Judge MacKinnon.[29] When the provision under discussion on September 7 was that "no Treaty shall be made without the consent of two thirds of the Members percent,"[30] the words "(except Treaties of Peace)" were added on Madison's motion.[31] The exception would have enabled a majority of those present to ratify a peace treaty. Thereupon, a motion was made to add, "But no Treaty of peace shall be entered into, whereby the United States shall be deprived of any of their present territory or rights without the concurrence of two thirds of the members of the Senate present."[32] As Judge MacKinnon points out, this amendment came to naught by virtue of adjournment, and was not offered again.[33] Elbridge Gerry urged "that in treaties of peace a greater rather than less proportion of votes was necessary, than in other treaties. In Treaties of peace the dearest interests will be at stake, as the fisheries, territories &c. In treaties of peace also there is more danger to the extremities of the Continent, of being sacrificed, than on any other occasions."[34]

Manifestly, the "extremities" refer to areas subject to "boundary disputes" which, as will appear, are sui generis, and do not really involve cessions of territory belonging to the United States.[35] Notwithstanding, Madison's "exception" was again approved by a vote of eight to three.[36] Williamson and Spaight then "moved 'that no Treaty of Peace affecting Territorial rights be made without the concurrence of two thirds of the (members of the Senate present).'"[37] seeking thereby to exclude treaties of peace "affecting territorial rights" from Madison's majority-vote "exception." A note added to Madison's records recites: "The subject was then debated, but the motion does not appear to have been made."[38] On the following day, Roger Sherman spoke against "leaving the rights, established by the Treaty of Peace, to the Senate, & moved to annex a 'proviso that no such rights be ceded without the sanction of

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Footnotes at end of article.

the Legislature,' "[39]—again a reference to boundary disputes. Neither Williamson, Spaight, nor Sherman took notice of the article IV "Congress shall . . . dispose," and it is a strained construction that would read their abortive motions and remarks as evidence of a legislative intent to block House participation in a cession. Then too, the Convention's overnight reversal of its approval of Madison's "exception"[40] testifies to the fluidity of its views and argues against giving the foregoing remarks undue significance.

The narrow compass of such remarks is illustrated by one of Attorney General Bell's references in the Senate hearings—a letter from the aforesaid Hugh Williamson, written to Madison some nine months after the close of the Convention, to recall "a Proviso in the new Sistem which was inserted for the express purpose of preventing a *majority* of the Senate . . . from giving up the Mississippi. It is provided that two thirds of the Members present in the senate shall be required to concur in making Treaties."[41] Williamson feared that General Wilkinson might be led to give up "the Navigation of the Mississippi,"[42] and observed that "the Navigation of the Mississippi . . . was not to be risqued in the Hands of a mere Majority."[43] This letter indicates that Williamson and Spaight were concerned with *claims* to rights of navigation rather than a cession of territory.[44] Nor was that issue the sole motivation for insistence on a two-thirds requirement. George Mason explained in the Virginia Ratification Convention that, because of their concern about the Newfoundland fisheries, "[t]he eastern states . . . agreed at length, that treaties should require the consent of two-thirds of the members present in the senate."[45] Such diverse motives counsel against reading the several "two-thirds" remarks as evidence of an intention to diminish the role of the House under article IV. It needs also to be borne in mind that references to territorial cessions in the Federal Convention were in the context of treaties of peace,[46] which, as Hamilton later stated, were commonly concerned with "restitutions or cessions of territory,"[47] possibly under force majeure. It may well be asked whether any thought was given to cessions under any other circumstances.

From the final, independent clause of article IV, section 3, clause 2—"nothing in this Constitution shall be so construed as to Prejudice any Claims of the United States, or of any particular State"—the *Edwards* majority deduces that "the property clause was intended to delineate the role to be played by the central government in the disposition of Western lands . . . to preserve both federal claims and conflicting state claims to certain portions of the Western lands."[48] That clause has no reference to unilateral disposition by Congress but rather to *judicial* settlement of those claims.[49] Hamilton wrote that article IV extends to property of the United States "where the title is not disputed by a foreign power,"[50] obviously a formulation more comprehensive than the majority's. The all-inclusive language of article IV is not to be limited to Western lands in the absence of a clear intent to do so. In any event, the Supreme Court has not acted on the majority's narrow view but, for example, has invoked article IV to sustain Congress' cession of submerged coastal lands to Texas,[51] and to decide that the *President* may not dispose of the federal domain without congressional authorization.[52]

The *Edwards* majority seeks confirmation in remarks by William Grayson in the Virginia Ratification Convention, rejecting Governor Randolph's assurance that article IV protected against "dismemberment" of the United States.[53] Article IV, Grayson insisted, related solely to the back lands claimed by the United States, and different states. This clause was inserted for the purpose of enabling congress to dispose of and make all needful rules and regulations respecting the territory, or other property, belonging to the United States, and to ascertain clearly that the claims of particular states respecting territory, should not be prejudiced by the alteration of government; but be on the same footing as before. That it could not be constructed to be a limitation of the power of making treaties. Its sole intention was to obviate all the doubts and disputes which existed under the confederation concerning the western territory, and other places in controversy in the United States.[54]

On Grayson's view, Congress has no power to dispose of property which does not concern "the western territory and other places in controversy in the United States"—such as surplus military materiel in the far Pacific after World War II—thus elevating the treaty power, which the administration at most claims is a "concurrent power," to a post of exclusive preeminence! The majority overlooked that Grayson was an *opponent* who sought throughout to block adoption of the Constitution by a parade of horribles—such as an unlimited treaty power—and that, from Jefferson onwards, such utterances have been given no weight in ascertaining the legislative intention.[55]

Grayson insisted that "[i]t ought to be expressly provided, that no dismemberment should take place without the consent of the legislature," that is "three-fourths of the members of both houses of congress."[56] But Madison, the chief architect of the Constitution and leader in the fight for its adoption in the Virginia Convention, had earlier stated that "[t]he power of making treaties does not involve a right of dismembering the union,"[57] and he later added, "I do not think the whole legislative authority have this power."[58] Were the Canal Zone a territory of the United States instead of an area occupied under a grant of use and occupancy in perpetuity—which some might view as a technical distinction[59]—Madison's statement indicates that an amendment would be required to cede the Canal Zone to Panama. For present purposes, it suffices that Francis Corbin, an advocate of the Constitution responding to Grayson's charge that Congress could "give the Mississippi also by treaty"[60] (at that time there was no more than a shadowy claim to navigational rights), said that for a surrender of the Mississippi "the consent of the House of Representatives would be requisite."[61] He did not tie this to article IV, but Governor Randolph had done so, adding that "[w]hen the constitution marks out the powers to be exercised by particular departments, I say no innovation can take place."[62]

The *Edwards* majority correctly states "[t]hat the two-thirds voting requirement did not affect the scope of the treaty power, but only made ratification of treaties more difficult,"[63] as might with equal justice be said of its effect on article IV. But the majority cites, as evidence of "the broad interpretation given Article II, § 2 at the time of its inception,"[64] an amendment proposed by the Virginia Convention:

> [N]o treaty, ceding . . . the territorial rights or claims of the United States . . . shall be made, but in cases of the most urgent and extreme necessity, nor shall any such treaty be *ratified* without the concurrence of three-fourths of the whole number of the members of both houses respectively.[65]

This drastically upped the requisite two-thirds of Senate members present to three-fourths of the members of both Houses, and to my mind it represents a renewal of the struggle for House participation in the *ratification* of such treaties. To go beyond this to infer that the House could, by use of treaties, be excluded from an article IV disposition of property is to overlook that the Virginia Convention likewise recommended that "the legislative, executive, and judicial powers of government should be separate and distinct,"[66] and that the right to challenge jurors should not be restrained.[67] The Virginia Convention had been assured by John Marshall, Edmund Pendleton and Governor Randolph that the words "trial by jury" embraced all its attributes, such as the right to challenge jurors.[68] Obviously, these abortive recommendations do not prove that separation of powers therefore is not a fundamental principle of the Constitution, or that the Constitution does not guarantee the right to challenge jurors. Rather, they should be regarded, as Luther Martin explained his rejected insistence on a specific provision for judicial arbitrament of conflicting federal-state territorial claims,[69] as attempts "to remove all doubts on [these points]"[70] When *implicit* rights are not thus negatived, how much stronger is the case for giving to the *express* article IV grant to Congress despite such proposals.

It needs also to be borne in mind that the House was excluded from treatymaking because, as Roger Sherman stated in the Convention, "the necessity of secrecy in the case of treaties forbade a reference of them to the whole Legislature"[71]—large bodies being thought incapable of preserving secrecy. This circumstance, said James Wilson, "formed the only objection"[72] to inclusion of the House, and a similar explanation was made in the several ratification conventions.[73] Once, however, a treaty is debated and ratified by the Senate, the necessity for secrecy, and therefore, the reason for further exclusion of the House, is at an end. At that point, James Wilson's assurance to the Pennsylvania Ratification Convention has special significance: "[T]he house of representatives possess no active part in making treaties, yet their legislative authority will be found to have strong restraining influence upon both president and senate."[74] As said by James Iredell in the North Carolina Convention, "it would be very improper if the senate had authority to prevent the house of representatives from protecting the people."[75] To the contrary, he stated: "Our representatives may at any time compel the senate to agree to a reasonable measure, by withholding supplies [money] till the measure is consented to."[76] In sum, it was one thing to insist that, in the performance of its own function, the Senate should act by a two-thirds vote, and something else again to court the wrath of those who placed their faith in the more democratic House and were already displeased with the exclusion of the House from treatymaking by further reducing its role under article IV. There is not the faintest intimation in the constitutional history of an intention to do so.

When the *Edwards* majority relies on the failure of "effort at the Constitutional Convention to introduce House *participation* in *ratification* of treaties,"[77] it fails to distinguish between the treatymaking process, from which the House is excluded, and the necessity of subsequent action by the House, which takes a treaty out of the self-executing category. That distinction was drawn in 1796 by the House during the debate on the Jay Treaty, in the shape of a resolution adopted by a vote of fifty-seven to thirty-five:[78]

> [T]he House of Representatives do not claim any agency in making Treaties; but, that when a Treaty stipulates regulations on any of the subjects submitted by the Constitution to the power of Congress, it must depend, for its execution, as to such stipulations, on a law or laws to be passed by Congress.[79]

As Madison expained, such construction "left with the President and Senate the power of making Treaties, but required at the same time the Legislative sanction and cooperation, in those cases where the Constitution had given *express and specific powers* to the Legislature."[80] That distinction was also drawn by John Marshall, who had

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been a member of the Virginia Ratification Convention, then engaged in defending the Jay Treaty. The question raised, wrote his biographer, Albert Beveridge, was whether "an international compact requiring an appropriation of money . . . could be made without the concurrence of the House as well as the Senate." [81] Marshall argued that it was "'more in the spirit of the Constitution' for the National House to refuse support after ratification than to have a treaty 'stifled in embryo' by the House passing upon it before ratification." [82]

The debate on the Jay Treaty, as Madison stated, "was the first time the Treaty-making power had come under formal and accurate discussion." [83] It was wide-ranging and acute, and, in the end, proponents of the House function prevailed by a thumping majority. So far as the House is entitled to construe its own powers, their views represent the legislative history.

Washington had kept the Jay Treaty under wraps for four months "before he could bring himself to submit it to the Senate"; [84] it blew up a "storm of popular protest." [85] Jefferson called it "an execrable thing." [86] and, like the Panama Treaty, it was embroiled in heated controversy. The issue was whether the House was entitled to certain documents at the ratification stage. Washington refused to supply them on the ground that the House was not a party to treaty-making, and stated in passing that when it was proposed in the Convention "'that no treaty should be binding on the United States which was not ratified by law,'" the "proposition was explicitly rejected." [87] Madison politely remarked that "he had no recollection of it";[88] and, in fact, Washington was mistaken. The Journal of the Convention to which he cited contains no such entry; [89] perhaps he had reference to Roger Sherman's above-quoted remark.[90] But Sherman made no formal motion and, therefore, it did not come to a vote; what was approved immediately thereafter was the deletion of Madison's "exception" of peace treaties from a two-thirds vote. Madison, not Washington, was the architect of the Constitution; he and the decided majority of the House stood fast for their role "where Legislative objects are embraced by Treaties." [91] Madison justly maintained that "if the Treaty power alone could perform any one act for which the authority of Congress is required by the Constitution, it may perform every act for which the authority of that part of the Government is required. Congress have power to regulate trade, to declare war, to raise armies, to levy, to borrow, and appropriate money, &c. If, by Treaty, therefore, as paramount to the Legislative power, the President and Senate can regulate trade, they can also declare war, they can raise armies to carry on war, and they can procure money to support armies. These powers, however different in their nature or importance, are on the same footing in the Constitution, and must share the same fate." [92]

By the same token, the President may by treaty "constitute Tribunals inferior to the supreme Court," [93] "provide and maintain a Navy," [94] and "provide for calling forth the Militia to execute the Laws of the Union." [95] All are subsumed in article I, section 8 under "The Congress shall have power." The Framers, I suggest, would have been aghast at the notion that a foreign power could participate in the ordering of such internal matters.

Madison likewise pointed out that "[t]he specific powers, as vested in Congress by the Constitution, are qualified by sundry exceptions, deemed of great importance to the safe exercise of them. . . . Now, if the Legislative powers, specifically vested in Congress, are to be no limitation or check to the Treaty power, it was evident that the exceptions to those powers, could be no limitation or check to the Treaty power." [96]

As Abraham Baldwin, who also had been a delegate to the Constitutional Convention, stated, the treatymaking branch would "stand distinguished as an indefinite, uncontrolled branch of the Government, the extent of whose powers was to be known only by its own acts." [97] He "believed he might say with safety that it was at least a mode of taking away the Legislative powers of the Federal Government that had not before been much contemplated." [98] Albert Gallatin, who was to become a brilliant Secretary of the Treasury, chimed in that this "truly novel doctrine" [99] could prostrate "the sacred principle that the people could not be bound without the consent of their immediate Representatives," [100] a breach spectacularly illustrated by the transfer of the Panama Canal without the participation of the House.

For the opposition, Chauncey Goodrich retorted that, on the Madison principle, "[a]ll the objects so often alluded to are entirely withdrawn from the jurisdiction of the Executive. If we adopt the principle we cannot restrain its full operation. There is no middle ground." [101] That is equally true of the sweeping claims on behalf of the treaty power, as Madison noted. It is difficult to conclude, however, that the Framers, after carefully enumerating the legislative powers—conferred on the one body that had enjoyed their confidence in the colonial and 1776–1787 periods [102]—would grant unbridled treaty power to the President and Senate to take over those powers by a compact with a foreign nation.

Whether it be a declaration of war or the creation of inferior courts, surely the Framers did not intend to share such powers with a foreign nation to the exclusion of the popularly-elected House, the darling of the people. Were the American people constrained to choose between an unlimited treaty power in derogation of the powers of Congress and a comprehensive legislative check on the treaty power, they would, it may confidently be asserted, place their trust in Congress. Like Madison, they would conclude that "that construction ought to be favored which would preserve the mutual control between the Senate and the House of Representatives, rather than that which gave powers to the Senate not controllable by, and paramount over those of the House of Representatives." [103]

Certainly the cession by treaty of territory or property belonging to the United States was beyond the pale. For this we have the unequivocal authority of Hamilton, exponent of the broadest treaty power. In his "Letters of Camillus," written in defense of the Jay Treaty, he commented on article IV:

"As to the disposal & regulation of the territory and property of the U States, this will be naturally understood of dispositions and regulations purely domestic and where *the title is not disputed by a foreign power*. Where there are interfering claims of foreign powers, as neither will acknowledge the right of the other to decide, TREATY must directly or indirectly adjust the dispute." [104]

Title of the United States to the millions upon millions of dollars of property in the Canal Zone that it acquired by purchase is beyond dispute, and its right "in perpetuity [of] the use, occupation and control" of the Canal Zone was expressly conferred by the 1903 Panama Treaty. Some may urge that such "use" was procured by undue influence upon a fledging nation, but Panama owed its very existence to that grant. As well unravel the sale of Manhattan by the Indians for "sixty guilders' worth of trading truck." [105]

II. LEGISLATIVE CONSTRUCTIONS

Down the years, the Madisonian view has won the sanction of the Senate itself. A report in 1816 by the managers for the House on a conference with managers for the Senate concerning a convention to regulate commerce between Great Britain and the United States stated:

"[I]t is by no means the intention of the Senate to assert the treaty-making power to be in all cases independent of the legislative authority. So far from it, that they are believed to acknowledge the necessity of legislative enactment to carry into execution all treaties which contain stipulations requiring appropriations, or which might bind the nation to lay taxes, to raise armies, to support navies, to grant subsidies . . . or *to cede territory*; if indeed this power exists in the Government at all. In some or all of these cases, and probably in many others, it is conceived to be admitted, that the legislative body must act, in order to give effect and operation to a treaty . . ." [106]

In 1844, the Senate adopted the position that the constitutional method of *regulating duties* was by legislation rather than by treaty. A report of the Senate Foreign Relations Committee recommended rejection of a treaty (the treaty was then laid on the table by a vote of twenty-six to eighteen) on the ground that the Legislature is the department of Government by which commerce should be regulated and the laws of revenue be passed. The Constitution, in terms, communicates the power to regulate commerce and to impose duties to that department. It communicates it, in terms, to no other. . . . [T]he general rule of our system is indisputably that the control of trade and the function of taxing belong, without abridgment or participation, to Congress. . . . [A]s the general rule, the representatives of the people sitting in their legislative capacity . . . may exercise this power more intelligently, more discreetly . . . and may better discern what true policy prescribes and rejects, than is within the competence of the executive department of the Government.[107]

In December 1942, Senator Tom Connally, chairman of the Foreign Relations Committee, addressing the argument that the disposition of waterworks and some property of the Panama Railroad should be by treaty, said:

"The Constitution itself confers on Congress specific authority to transfer territory or lands belonging to the United States . . . [I]f we had a formal treaty before us and if it should be ratified, it still would be necessary for the Congress to pass an act vesting in the Republic of Panama the title to the particular tracts of land; because "the Congress" means both bodies. The House of Representatives has a right to a voice as to whether any transfer of real estate or other property shall be made either under treaty or other." [108]

A little later he added: "[I]t would be necessary to have congressional action even though there were a treaty . . . congressional action parting with title to these properties." [109] The position was upheld by a vote of forty to twenty-nine.[110]

"To hold that enumerated powers [of Congress] are by implication excluded from the treaty power," the 1978 report of the Senate Foreign Relations Committee stated, "would be to hold that hundreds of self-executing treaties dealing with such subjects as foreign commerce, copyrights, patents, and postal services are invalid." [111] But arrangements by the executive department for the reciprocal receipt and delivery of mail were authorized by the Act of February 20, 1792.[112] Under later legislation, executive agreements were authorized by which American copyrights and trademarks secured protection abroad in return for protection by the United States of similar rights of foreign origin.[113] When, in 1883, the President entered into an international convention for the reciprocal protection of industrial property.[114] Attorney General Miller advised the Secretary of the Interior that this stipulation is "not self-executing, but requires legislation to render it effective." [115] His opinion was approved by

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Footnotes at end of article.

the Court of Appeals for the District of Columbia Circuit in *Rousseau v. Brown*.[116] As the Supreme Court stated in *United States v. Leslie Salt Co.*,[117] "against . . . [a] prior longstanding and consistent administrative interpretation . . . [a] more recent *ad hoc* contention as to how the statute should be construed cannot stand."[118]

The majority in *Edwards v. Carter* draws distinctions where the founders saw none. Thus it explains that the article I, section 7, clause 1 language—"All Bills for raising Revenue shall originate in the House of Representatives"—is "restrictive" and prohibits "the use of the treaty power to impose taxes."[119] "All Bills . . . shall originate" is no more "restrictive" than "Congress shall have Power to dispose." Attorney General Griffin Bell conceded that the Senate and President may not "bypass the power of Congress and in particular the House of Representatives over the pursestrings,"[120] Why may not one-hundred thousand dollars be "expended" by treaty while a "national treasure beyond compare" may be given away? The Framers were not so irrational as to insist that the President could not purchase property without congressional assent, but that once purchased he could give it away. To the contrary, Hamilton conceded that property to which the United States had undisputed title could not be disposed of by treaty.[121] Again, the majority finds in article I, section 9, clause 7—"No Money shall be drawn from the Treasury but in Consequence of Appropriations made by Law"—an example of a grant of authority that is by its "very terms, exclusive."[122] Suppose it read "Money shall be drawn from the Treasury by Appropriations made by Law." Would this be less "restrictive" than "All Bills for raising Revenue shall originate in the House of Representatives"? The majority grudgingly concedes that "[t]he *sui generis* nature of a declaration of war and the unique history indicating the Framers' desire to have both Houses of Congress concur in such a declaration, *may* place it apart from the other congressional powers enumerated in Art. I, § 8 and in Art. IV, § 3, cl. 2."[123] To the Founders, who revolted against "taxation without representation," taxation was no less sui generis than a declaration of war. And the "unique history" avouched by the majority refers to the "Congress," not to the House; it was not suggested that "both Houses . . . [must] concur in such a declaration" for it was assumed that "Congress" referred to both Houses, as the Constitution provides. The war power, declared James Wilson and Hamilton, was vested in Congress, exactly as are all the other powers conferred by article I, section 8 and article IV, section 2.[124] The implausibility of the majority's distinctions underlines Madison's statement that if "the President and Senate can regulate trade, they can also declare war, they can raise armies to carry on war, and they can procure money to support armies. These powers, however different in their nature or importance, are all on the same footing in the Constitution, and must share the same fate."[125]

III. THE CASES

As the majority in *Edwards* v. *Carter* noted, "none of the actual holdings in these cases addressed the precise issue before us—whether the property clause prohibits the transfer of United States property to foreign nations through self-executing treaties."[126] But there is a line of cases that categorically declares the power conferred by article IV to be "exclusive." So *Sioux Tribe of Indians* v. *United States*[127] holds that "the Constitution places the authority to dispose of public lands exclusively in Congress";[128] and *Wisconsin Central Railroad* v. *Price County*[129] declares that article IV "implies an exclusion of all other authority over the property which could interfere with this right."[130] Such utterances are thrust aside by the majority as "dicta."[131] Dicta, however, are statements not necessary to the decision,[132] whereas in *Wisconsin Central Railroad*, for example, the "implied exclusion" was the basis of the decision that state authority over federal lands is subordinate to that of Congress.[133] Next, the majority argues that such "dicta" are confined to showing "a lack of any constitutional basis for exercise of authority by individual states over United States property."[134] But by the majority's own version, *Sioux Tribe* "held that the *President* could not by *Executive Order* dispose of public lands without congressional authorization,"[135] thus negating the majority's confinement" of article IV to state-federal relations and laying down that the power of Congress is "exclusive" as *against the President*, thereby formulating a *principle* that can embrace his treaty power. Such decisions are consistent with the general principle earlier expressed by Justice Story: "The power of congress over the public territory is clearly exclusive and universal; and their legislation is subject to no control; but is absolute, and unlimited, unless so far as it is affected by stipulations in the cessions. . . ."[136] By "cessions" I take it that Story had reference to cessions to the United States since he had earlier written of foreign cessions by treaty.[137] For him, therefore, the treaty power in no way limited the "absolute and unlimited" power of Congress to "dispose" unless a particular treaty so stipulated with respect to territory ceded to the United States, as did an earlier Spanish treaty[138] by "reserving" individual parcels from the cession. Story was the only Justice in our history to examine every portion of the Constitution with great care and to publish a massive commentary that stands as a landmark of constitutional exegesis. His studied conclusion carries great weight and, in truth, reflects traditional canons of construction.

A. The Indian Treaty cases

Faithfully following in the path of the administration's arguments, the *Edwards* majority employs a double standard—dismissing unfavorable pronouncements that were necessary for decision while reading undeniable dicta as Holy Writ. What it regards as the "leading case on the power to convey such [government] land by self-executing treaty"[139] is *Holden v. Joy*,[140] the sheerest dictum, for the Court itself, as Attorney General Bell noted, "conceded that the question was immaterial in the case at bar because Congress had actually implemented and ratified that particular treaty."[141] "[Subsequent ratification," it needs to be remembered, "is equivalent to original authority."[142] *Holden* involved one of a series of Indian treaties which arose out of the national policy of opening up Indian lands for settlement by exchanging for them territory farther west. Thus Congress, by the Act of May 28, 1830,[143] authorized the exchange of western lands for the Indians eastern lands in connection with their removal to lands west of the Mississippi.[144] The Treaty of December 29, 1835,[145] which made such an exchange, somewhat exceeded the statutory authorization,[146] but Congress soon appropriated $4,500,000 to carry out the treaty,[147] and thereby, as Judge MacKinnon noted, "had in effect ratified" the ultra vires transfer to the Indians.[148] It is against this background that the *Holden* Court stated:

> [S]till it is insisted that the President and Senate, in concluding [a treaty for the transfer of property], could not lawfully covenant that a patent should issue to convey lands which belonged to the United States. . . . On the contrary, there are many authorities where it is held a treaty may convey to a grantee good title to such lands without an act of Congress conferring it . . . ."[149]

Seldom in the annals of the Court have citations to "authorities" been so far afield, as I discovered when I examined them,[150] and as Judge MacKinnon more abundantly demonstrates.[151] Half of the citations are wholly irrelevant and the other half involve "reserves" from the cessions made by the Indians to which title did not, therefore, pass to the United States. And the *Holden* Court itself added that "it is not necessary to decide the question in this case" as the provisons of the treaty "have been repeatedly recognized by Congress as valid."[152] Such is the dictum that the majority exalts to the status of a "principle." With Chief Judge Cardoza, one exclaims, "I own that it is a good deal of a mystery to me how judges, of all persons in the world, should put their faith in dicta."[153]

Next the majority invokes *Jones* v. *Meehan*,[154] where the treaty provided: "[T]here shall be set apart from the tract hereby ceded [to the United States by the Indians] a reservation of (640) six hundred and forty acres near the mouth of Thief River for the chief Moose Dung . . ."[155] The issue was what kind of title he took. Light on the nature of that title had been cast by Chief Justice Marshall: "It has never been contended that the Indian title amounted to nothing. Their right of possession has never been questioned. The claim of government extends to the complete ultimate title, *charged* with this right of possession, and to the exclusive power of *acquiring* that right"[156]—what Marshall at another point described as "the exclusive right to purchase from the Indians."[157] As *Holden* v. *Joy* later held, discovery "gave the exclusive right to purchase, but did not found that right on a denial of the right of the possessor to sell."[158] A word about the mechanics of these "reserves." The Supreme Court noted that the Indian tribes "held their respective lands and territories each in common, the individuals of each tribe . . . holding . . . in common with each other, and there being among them no separate property in the soil."[159] Consequently, "the usual mode adopted by the Indians for granting lands to individuals, has been to reserve them in a treaty . . ."[160] In an Opinion of the Attorney General, Roger Taney held that "[t]hese reservations are excepted out of the grant made by the treaty, and did not therefore pass by it: consequently, the title remains as it was before the treaty; that is to say, the lands reserved are still held under the original Indian title."[161]

The *Edwards* majority states that "*Jones* v. *Meehan* discussed and rejected as irreconcilable with later Supreme Court opinions the contrary views expresed by Attorney General Taney."[162] This is only partially true. The Court in *Meehan* quoted from *Doe* v. *Wilson*:[163]

> "The reserves took by the treaty, directly from the nation, the Indian title . . . The treaty itself converted the reserved sections into individual property. . . . [A]s *a part of the consideration* for the cession, certain individuals of the nation had conferred on them [by the tribe] portions of the land, to which the *United States title was* either *added* or promised to be added . . . [I]t is manifest that sales of reserved sections were contemplated, as the lands ceded were forthwith to be surveyed, sold and inhabited by a white population, among whom the Indians could not remain."[164]

It is against this background that the Court stated: "Taney's opinion . . . that the treaty rather confirmed the Indian right than granted a new title, can hardly be reconciled with the later judgments of the court"[165] the reason being that the United States had "added" its "right of purchase" to the Indians' right of occupancy in order to insure that white purchasers from Indians would obtain title, not merely the Indians' right of possession. Without such title, the government's purpose to displace the Indians by white settlers would have been aborted.

Footnotes at end of article.

This "addition" leads the *Edwards* majority to conclude that the treaties "clearly disposed of United States property interests,"[166] and to rely on the *Meehan* statement that "good title to parts of the lands of an Indian tribe may be granted to individuals . . . without any act of Congress."[167] No act of Congress was needed, in my judgment, because Congress, within a year after Taney's opinion, had departed from its prohibition of "purchases or leases from 'any Indian' " and adopted the Act of June 30, 1834,[168] from which *Meehan* inferred that thenceforth there would not be "any general restriction upon the alienation by individual Indians of sections of land reserved to them respectively by a treaty with the United States."[169] This statutory permission to alienate Indian lands may be read as a tacit consent to the addition by the United States of its "right of purchase" to the Indians' right to possess in order not to perpetrate a fraud on white purchasers. It was an implementation of the settled policy to move the Indians westward; such "additions" are hardly to be compared to the disposal of the Panama Canal.

B. Miscellaneous citations

No discussion of the cases would be complete without reference to two cited on behalf of the administration but discreetly jettisoned by the majority, presumably because their irrelevance was too obvious. Their transparent irrelevance should have cautioned the majority that argumentation which grasps at such straws betrays a shaky scaffolding. Herbert J. Hansell, Legal Advisor to the State Department, cited *Missouri* v. *Holland*[170] in support of "[t]he power to dispose of public land . . . by treaty."[171] That case arose out of a challenge by Missouri to legislation executing a convention with Great Britain for the protection of migratory birds that annually traversed parts of the United States and Canada.[172] Justice Holmes, addressing the argument that the convention infringed powers reserved to the states by the tenth amendment, stated: "Wild birds are not in possession of anyone; and possession is the beginning of ownership. The whole foundation of the State's rights is the presence within their jurisdiction of birds that yesterday had not arrived, tomorrow may be in another State and in a week a thousand miles away."[173] Consequently, the state could assert no "title" in migratory birds, nor, on the same reasoning, could the United States. The case is therefore utterly irrelevant to the power by treaty to dispose of property belonging to the United States.

Geofroy v. *Riggs*[174] was cited by Dean Louis Pollak,[175] whom the majority in *Edwards* v. *Carter* included in its list of "authorities in agreement" with the conclusion of the Senate Foreign Relations Committee.[176] *Geofroy* held that a Frenchman could inherit property in the District of Columbia under a convention providing for reciprocal rights of inheritance by citizens of the signators.[177] Dean Pollak considers that "*Geofroy* v. *Riggs* is a particularly strong illustration of the capacity of treaties to regulate matters delegated to Congress: That case applied a treaty to rights of inheritance in the District of Columbia, notwithstanding that Article I, section 8(17) confers on Congress the power of "exclusive legislation in all cases whatsoever" relating to the District.[178]

Inheritance of *private* property sheds no light on the power to dispose of government property by treaty. Moreover, the 1853 convention conferred the right only in states "whose existing laws permit it"[179] (the Court held the District of Columbia a state for purposes of the treaty)[180], and although the Act of March 3, 1887[181] forbade ownership of land in the District to aliens, it excepted the disposition of lands "secured by existing treaties,"[182] which the Court held included realty "acquired by inheritance."[183] Thus the convention did not pretend to override local law to the contrary: in fact, Congress had consented to application of the convention.

IV. TREATY "PRECEDENTS"

The "precedents" cited by the administration and adopted by the *Edwards* majority should be measured by Lord Chief Justice Denman's observation that "[t]he practice of a ruling power in the State is but a feeble proof of its legality."[184] One need only to recall the "precedents" summoned by the State Department to justify presidential warmaking in Korea and in Vietnam to be skeptical of such self-serving actions.[185] The "vast majority" of those precedents, said Edward Corwin, "involved fights with pirates, landings of small naval contingents on barbarous or semi-barbarous coasts" to protect stranded Americans, and the like.[186] From these the State Department conjured a presidential power single-handed to commit the nation to war. The cited treaties are little better precedents for the disposition by treaty of undeniable property of the United States.

A. The boundary treaties

The majority dismisses as irrelevant the fact that "many previous treaties couched in self-executing terms . . . [dealt] with boundary issues."[187] It finds it "exceedingly difficult to understand why the constitutionality of utilization of the treaty process should depend on whether the nation to which the land is conveyed has previously 'claimed' such land."[188] The "difficulty" arises from the assumption that "land is conveyed"—from a failure to distinguish between a "claim" and ownership. One can "claim" the moon. When two nations lay claim to the same territory, neither may unilaterally "dispose" of it. The conflicting claims must be settled by a compromise—a treaty for mutual surrender of inflated claims in return for undisputed title to a lesser area. Only then is it possible to determine who has what. A happy example—the Spanish claim to the Far West—is instanced by Judge MacKinnon, who draws the proper conclusion:

"Since . . . Spain claimed the western lands to the 42d parallel, the fact of their claim, based as it was on the recognized right of discovery, some minimal exploration in the most far reaching regions and very minor settlement, when that claim is recognized in a treaty by the United States it is almost impossible to conclude in view of our negligible exploration or settlement of the fringes of the Spanish claim that the United States was actually disposing of territory or property belonging to it. What rights we did possess in the eastern area flowed from the Louisiana Purchase from France of what had originally been territory claimed by Spain."[189]

Another example is the dispute relating to the boundary between Maine and Canada, finally settled by the Webster-Ashburton Treaty of 1842.[190] Samuel Eliot Morison recounts that "[o]nly a scant 200 miles of the easternmost section, from the Bay of Fundy north, had been determined."[191] A joint commission "was unable to discover what the treaty of 1783 meant by the 'highlands between the St. Lawrence and the Atlantic Ocean,' "[192]—a boundary landmark—and when the matter was referred to the King of the Netherlands for arbitrament, he too pleaded "inability to locate non-existent highlands."[193] This was a dispute about unknown boundaries in a vast uncharted wilderness.

What mystifies the *Edwards* majority was clear enough to Hamilton, Justice Story and others. Hamilton drew the line between dispositions where "the title is not disputed" and which therefore constitute "property" governed by article IV, and cases where a dispute necessitates adjustment by treaty.[194] Recognition of that distinction is exhibited by the correspondence between Governor Edward Everett of Massachusetts and Justice Story respecting the Northeastern boundary that, in Everett's words, presented "a question not of ceding an admitted portion of the territory of Maine, but of ascertaining the boundary between the British territory and our."[195] Story concurred, writing that "in a case of contested boundary there is no pretence to say that an ascertainment of the true boundary involves the question of cession."[196] Others have since joined in that opinion.[197]

B. Treaties cited by Edwards v. *Carter*

A number of treaties are cited by the *Edwards* majority "which cede land or other property assertedly owned by the United States."[198] They are drawn from a list contained in the report of the Senate Foreign Relations Committee, and "supplied by the Department of State," of instances "in which property belonging to the United States Government has, according to the Executive Branch, been transferred by treaty."[199] The Committee was betrayed by its reliance on the executive branch, as its citiation to the 1971 treaty with Honduras respecting the Swan Islands[200] speedily discloses in its 1972 report on this treaty the Committee stated.

The Swan Islands are rock keys located in the Caribbean about 98 miles off the coast of Honduras. The islands have no intrinsic value and the largest of the two islands is only two miles long and one-half mile wide. The only U.S. interest in these islands is the operation and maintenance of a meteorological observation and telecommunications facility and an air navigation beacon. The islands are populated by approximately six Americans . . ."[201]

Some precedent for the multibillion dollar Panama transfer! To do the *Edwards* majority justice, it made no mention of the Swan Island Treaty. But the four treaties it does cite[202] stand little better.

1. *The Webster-Ashburton Treaty of 1842*[203]

The Treaty of 1842 requires no further discussion.[204] The Treaty of 1846[205] itself recited that there was "doubt and uncertainty . . . respecting the sovereignty and government of . . . the northwest coast of America, lying westward of the Rocky or Stony Mountains,"[206] a classic settlement of a boundary dispute.

2. *The Spanish Treaty of February 22, 1819*[207]

This treaty, ratified on February 19, 1821, had congressional consent on the heels of ratification in the form of the Act of March 3, 1821[208]—legislation to execute the treaty—so that it is reasonable to infer that they were simultaneously prepared. The parties "determined to settle and terminate all their differences and *pretensions*, by a Treaty . . . [to] designate, with precision, the limits of their respective bordering territories in North America."[209] They agreed upon a boundary west of the Mississippi and reciprocally ceded their "claims and pretensions" on either side of the boundary to each other.[210] A portion of the boundary referred to the source of the Arkansas River, and, as Judge MacKinnon points out, "[t]he treaty indicated that the parties did not know the precise source of the Arkansas River and, particularly in the mountain areas, neither nation was sufficiently familiar with much of the areas traversed by the newly drawn boundary lines to know precisely what was accomplished."[211] Again grandiose "claims" to a primeval terra incognita which, to borrow from Governor Edward Everett, presented "a question not of ceding an admitted portion" of the United States, "but of ascertaining the boundary between the [Spanish] territory and ours."[212]

3. *The Japanese Treaty of June 17, 1971*[213]

This treaty provided for the "reversion" of the Ryukyu and Daito Islands to Japan, that is, "the return to Japan of administrative

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rights over these islands."[214] By article III of the 1951 Treaty of Peace with Japan.[215] the United States, pending its proposal "to the United Nations to place [the islands] under its trusteeship system,"[216] received the right to exercise "all and any powers of administration, legislation and jurisdiction over the territory and inhabitants of these islands."[217] And it was these rights that were relinquished by the 1971 treaty.[218] While Japan renounced in article II of the 1951 treaty "all right, title and claim" to various territories,[219] it made no such renunciation with respect to the Ryukyu and Daito Islands, confirming that the United States obtained only powers of "administration and legislation." Quoting the Legal Advisor of the State Department that "'sovereignty over the Ryukyu . . . Islands remains in Japan,'"[220] a district court held that there had been no cession.[221] The Fourth Circuit quoted a statement by Ambassador John Foster Dulles, a delegate to the Japanese Peace Conference, that the 1951 Treaty of Peace sought "to permit Japan to retain residual sovereignty"[222] over these islands, and it held that the treaty did not make "the island a part of the United States."[223] No support for a cession of United States property by self-executing treaty can be derived from this citation.

4. *The Panama Treaty of January 24, 1955*[224]

The *Edwards* majority states that the Panama Treaty of 1955 transferred certain property (a strip of water and other sites within the Canal Zone) to Panama without concurring legislation by the Congress, while transfer of other property (owned by the United States but within the jurisdiction of Panama) was, under the terms of the treaty itself, dependent upon concurring legislation by the Congress. The decision to cast some but not all of the articles of conveyance in non-self-executing form was a policy choice; it was not required by the Constitution.[225]

The majority's "policy choice" removes into the realm of discretion what hitherto has been considered by the Senate itself as a constitutional requirement, as when it endorsed Senator Tom Connally's insistence in 1942 that "it would be necessary to have congressional action even though there were a treaty."[226] Consider a prior "policy choice." In 1932 the State Department sought an authorization from Congress to transfer some realty in the Canal Zone to Panama so that the United States might build a legation thereon in compliance with international law.[227] As Judge MacKinnon points out, the administration "considered it to be necessary to obtain prior specific congressional authorization even for a *minor* disposition."[228]

To recur to the 1955 treaty, article V repeatedly provides that the several agreements are "subject to the enactment of legislation by the Congress."[229] No such provision is contained in articles VI and VII, but these, as Judge MacKinnon stressed, only related to minor boundary matters: "[R]ectification of boundaries is a distinct matter from the disposition of the staggering amount of property in question here."[230] "[T]here comes a point," said Alexander Bickel, "when a difference of degree achieves the magnitude of a difference in kind."[231] Rather than to view the applicability of article IV of the Constitution to be subject to the State Department's whimsical "policy choice,"[232] it is preferable to consider that the Department correctly conformed in article V of the 1955 Treaty to the prior practice of 1932 and 1942, and properly treated the minor boundary rectification as requiring no consent because it did not constitute a cession.[233] Let congressional acquiescence in de minimis dispositions be assumed, even so Congress may not abdicate its powers,[234] and a fortiori. it cannot lose them by disuse.[235] Finally, whatever the scope of presidential practice to establish the meaning of amorphous grants to *him*, he cannot go so far as to curtail by his practice express grants of power to Congress. As said by Justice Frankfurter. even "[d]eeply imbedded traditional ways of conducting government cannot supplant the Constitution";[236] they cannot supplant "very specific provisions."[237]

CONCLUSION

The exclusion of the House from the disposition of the Panama Canal constitutes a serious breach of constitutional boundaries in response to political pressures—fear that the treaty would be blocked in the House.[238] It is the essence of constitutional government and of our constitutional system that no agent of the people may overlap the bounds of delegated power nor encroach on powers granted to another branch. Those boundaries are not to be warped on pleas of political necessity.[239] One recalls Justice Holmes' aphorism that "[g]reat cases like hard cases make law law," and arise because "some accident of immediate overwhelming interest . . . appeals to the feelings and distorts the judgment."[240]

At best, the scope of the treaty power is ambiguous whereas "Congress shall have power to dispose" is unequivocal. The burden of proving that those plain terms mean something other than they say, that is, that they must be read as "The President and Senate shall have power to dispose," rests on proponents of that reading, not the less because they would read those words into the treatymaking power.[241] They have not sustained that burden; in fact, the proof runs against them as is confirmed by the fact that the Supreme Court, in keeping with established canons of construction, repeatedly has laid down as a *principle* that article IV confers an *exclusive* power on Congress, a principle not vitiated by the few loose dicta upon which the *Edwards* majority relies. It is confirmed by Hamilton's recognition, in the midst of the Jay Treaty struggle, that the disposition of property to which title is not disputed by a foreign country is governed by article IV. It is confirmed by the Senate's own constructions in 1816, 1844, and 1942.

Let it be assumed that estabilshed cannons of construction have no place on constitutional interpretation,[242] and that the Supreme Court's reiterated holdings that the article IV power is "exclusive" do not represent considered judgments. Nevertheless grave considerations of policy urge that article IV be given "exclusive" effect. The grant of article IV echoes the "Congress shall have power" of article I, section 8, which is followed by a lengthy string of enumerated powers. As Madison pointed out, "[t]hese powers, however, different in their nature or importance, are on the same footing in the Constitution, and must share the same fate."[243] The reasoning of the *Edwards* majority in this respect is even worse than the result, for, with the exception of the war power (*dubitante*), the power to originate revenue bills, and the appropriation power, it invites the President by treaty to exercise all the rest. That invitation collides with the basic considerations that underlie the distribution of powers.

The House of Commons was the cradle of Anglo-American liberties, and, like the English, the Founders put their trust in the popularly-elected branch.[244] One need only recall their rejection of Hamiltons' proposal for a Senate modelled on the hereditary House of Lords: "Nothing but a permanent [life-tenured] body can check the imprudence of democracy."[245] They opted instead for what Albert Gallatin described as "the sacred principle that the people could not be bound without the consent of their immediate Representatives,"[246] the House of Representatives. To them, for example, was given the exclusive power of originating revenue bills. The Senate, James Iredell declared, was not authorized "to prevent the house of representatives from protecting the people."[247] And the Senate Committee on Foreign Relations acknowledged in 1844 with respect to a treaty *regulating duties*, that the representatives of the people sitting in their legislative capacity . . . may exercise this power more intelligently, more discreetly . . . and may better discern what true policy prescribes and rejects, than is within the competence of the executive department of the Government.[248]

Over the years the treatymaking power, whether it be with respect to trademarks, patents, postal matters, or tariffs and the like, has been exercised under congressional authorization. To argue that the result of an "exclusive" reading of article IV would be that the treatymaking power "would shrink to nothing."[249] overlooks that, despite those longtime practices, it has flourished lustily; it overlooks that the President's own power is subject to Senate "consent" and is no more "shrunk" thereby than is the joint President-Senate power subject to the consent of Congress. The Constitution, said Madison, "left with the President and Senate the power of making Treaties, but required at the same time the Legislative sanction and cooperation, in those cases where the Constitution had given express and specific powers to the Legislature."[250] For 175 years or more the President has pretty consistently acted on that view and obtained consent of Congress for acts that lie within the congressional province, and the treaty power gives no sign that it has been "shrunk" thereby. In fact, grasping for uncontrolled power, the President has displaced the treaty power by resort to executive agreements which evade even the consent of the Senate.[251]

On the President's construction, adopted by the *Edwards* majority, the treatymaking power, as Abraham Baldwin declared, is "an indefinite, uncontrolled branch of the Government, the extent of whose powers was to be known only by its own acts."[252] That construction is at war with the Framers' design to give the President few and limited powers.[253] in Madison's words, "to fix the extent of the Executive authority."[254] adding that the Executive power "shd. be confined and defined."[255] If we are to make a choice between unlimited presidential power and a fear of "shrinking" the treaty power, let us with Madison choose a construction that "would preserve the mutual control between the Senate and House of Representatives"[256] rather than further to aggrandize a presidency that, as Justice Jackson said, is "already so potent . . . at the expense of Congress"[257]

APPENDIX

Holden v. Joy[258] cited the following cases in support of the proposition that a treaty may convey good title to land owned by the United States without an act of Congress.[259]

A. "*Reserve*" *Cases*

1. *United States v. Brooks*[260]

In 1835, the Caddo Indians ceded land to the United States by treaty. A supplement to the treaty provided that Grappe's legal representatives and his three sons "shall have their right to the said four leagues of land reserved for them * * * for ever."[261] The Court held that the treaty, ratified by the Senate, "gave to the Grappes a fee-simple title to all the rights which the Caddoes had in these lands."[262]

2. *Doe v. Wilson*[263]

The Pottawatomie Nation ceded land to the United States, making reservations to individual Indians as part of the consideration for the cession. "As to these, the Indian title remained as it stood before the treaty was made; and to complete the title to the

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reserved lands, the United States agreed that they would issue patents to the respective owners."[264]

3. *Crews v. Burcham*[265]

This was a cession by an Indian tribe with reserves. "The main and controlling questions involved in this case were before this court in the case of *Doe et al. v. Wilson* * * *, which arose under a reservation in this treaty * * *."[266]

4. *Mitchell v. United States*[267]

Prior to the Spanish cession of Florida to the United States, certain Indian tribes had made a cession to Spain, "reserving to themselves full right and property" in specified lands.[268] Examining the title to reserved land of a purchaser from the Indians, the Court held that "by the treaty with Spain the United States acquired no lands in Florida to which any person had lawfully obtained such a right [of property]"[269]

5. *The Kansas Indians*[270]

Under a treaty exchange of lands, certain Indian tribes reserved lands for individual Indians.[271] The issue, whether such reserved lands were taxable by Kansas, has no bearing on the disposition of property, by the United States.

B. Irrelevant Cases

1. *Meigs v. M'Clung's Lessee*[272]

An Indian tribe made a cession to the United States, and, in order to accommodate a United States garrison, provided that "three other square miles are reserved for the particular disposal of the United States on the north bank of the Tennessee, opposite to and *below* the mouth of Highwassee."[273] The issue was whether those three miles were to lay below or above the mouth of the Highwassee.[274] The Court gave literal effect to the word "below";[275] no disposition of United States property was involved.

2. *Wilson v. Wall*[276]

A treaty with the Choctaw Indians provided that heads of certain Indian families would receive 640 acres each, with additional acres for each child.[277] The issue was whether an Indian held the land in trust for his children. One who purchased without notice of the trust resisted the children's claim of constructive trust. Congress had enacted a statute to clarify a part of the treaty; the Court refused to give retroactive effect to the statute, saying "Congress has no constitutional power to settle the rights under treaties except in cases purely political."[278] The reason, the Court explained, was that "[t]he construction of them is the peculiar province of the judiciary."[279] In other words, interpretation of treaties is for the courts.

3. *American Insurance Co. v. Canter*[280]

Insurer brought a libel in the District Court of South Carolina to obtain restitution of 356 bales of cotton carried by a ship that was wrecked on the Florida Coast. A Florida territorial court had earlier awarded seventy-six percent salvage to salvors, who sold to Canter.[281] The issue was whether the territorial court had admiralty jurisdiction; no territorial grant by the United States figures in the case.[282]

4. *Worcester v. Georgia*[283]

Georgia convicted Worcester, a white missionary, of residing within Indian territory without a state license. The Court held that the Georgia statute was without force in Indian territory.[284] The Indian treaty had placed them under the protection of the United States,[285] and gave the United States the sole right of "managing all their affairs."[286]

5. *Foster v. Neilson*[287]

The case involved grants made in the ceded territory by Spain prior to the treaty, which provided that "those grants shall be ratified and confirmed." The Court held that "the ratification and confirmation which are promised must be the act of the legislature,"[288] *i.e.*, Congress.

FOOTNOTES

† Member, Illinois and District of Columbia bars. A.B. 1932, University of Cincinnati; J.D. 1935, Northwestern University; L.L.M. 1938, Harvard University; L.L.D. 1975, University of Cincinnati; L.L.D. 1978 University of Michigan.

[1] U.S. Const. art. IV, § 3, cl. 2.

[2] 580 F.2d 1055 (D.C. Cir), *cert denied*, 436 U.S. 907 (1978). An earlier decision by the same court, Rousseau v. Brown, 21 App. D.C. 73 (1903), with implications to the contrary, is discussed in note 116 and accompanying text *infra*.

The *Edwards* majority stated:

> The District Court did not reach the merits of this controversy; rather it dismissed the complaint for lack of jurisdiction after concluding that appellants [sixty members of the House of Representatives] lacked standing because they had failed to demonstrate injury in fact from the President's invocation of the treaty process.

580 F.2d at 1056. *See* Edwards v. Carter, 445 F. Supp. 1279 (D.D.C.), *aff'd* 580 F.2d 1055 (D.C. Cir.), *cert denied*, 436 US.. 907 (1978). The majority skipped over the jurisdictional issue because remand would have been the likely result, they reached the merits largely because "this controversy present[s] a pure question of law, with no need of a hearing for fact development, because these merits are so clearly against the parties asserting jurisdiction." 580 F.2d at 1056–57.

Justice Frankfurter rooted the standing doctrine in constitutional compulsions. *See* Joint Anti-Fascist Refugee Comm. v. McGrath, 341 U.S. 123, 150–59 (1951) (concurring opinion); Coleman v. Miller, 307 U.S. 433, 460–70 (1939) (dissenting opinion). Although I differ with that view (*see* Berger, *Standing to Sue in Public Actions: Is it a Constitutional Requirement*. 78 Yale L.J. 816 (1969), the Court, in Flast v. Cohen, 392 U.S. 83 (1968), derived its emphasis on "a personal stake in the outcome" (*id.* at 101) from the "Article III limitations on federal court jurisdiction" (*id.*). Apparently that remains the law; the federal courts "have consistently held that Article III of the Constitution prevents judicial determination of any case in which the plaintiff has no interest at stake." K.C. Davis, Administrative Law of the Seventies 524 (1976). *See* Simon v. Eastern Ky. Welfare Rights Org., 426 U.S. 26, 37–46 (1976); United States v. Richardson, 418 U.S. 166, 171–75 (1974). If "standing" goes to the jurisdiction (*see* United States v. Storer Broadcasting Co., 351 U.S. 192, 197 (1956)), *quaere* whether it may be waived for a "pure question of law."

[3] Edwards v. Carter, 580 F.2d at 1100 (dissenting opinion).

[4] Hedrick Smith referred to "the lopsided antitreaty sentiment in public opinion polls last fall." N.Y. Times, Apr. 20, 1978, at 1, col. 1 *See id.*, Apr 14, 1978, at 10, col. 6, Recently, Smith reported that five democratic-liberal Senators who "had supported the administration on the Panama Canal Treaties" were defeated. *Id.*, Nov. 9, 1978, at 1, col. 5.

[5] *See* 580 F.2d at 1057 n.4. The majority also relies on the Senate Foreign Relations Committee Report (*see* Senate Comm. on Foreign Relations, Panama Canal Treaties, S. Exec. Rep. No. 95–12, 95th Cong., 2d Sess. (1978) [hereinafter cited as Senate Foreign Relations Report]), which swallowed the party line hook, line, and sinker. As Judge MacKinnon observed, "[i]t is not surprising that those promoting the present treaty also decide that they have power to accomplish the result they seek. It is ever thus with usurped authority." 580 F.2d at 1069 n.10 (dissenting opinion). See the remark of Lord Chief Justice Denman quoted in text accompanying note 184 *infra*.

[6] A great British scholar, W. S. McKechine, faced by contrary opinions of respected scholars, declared: "[T]he truth of historical questions does not depend on the counting of votes or the weight of authority" but on the historical record. W.S. McKechnie, Magna Carta 135 (1905).

In Thorlow v. Massachusetts (License Cases), 46 U.S. (5 How.) 504 (1847), Justice Daniel stated: "[I]n matters involving the meaning and integrity of the constitution, I never can consent that the text of that instrument shall be overlaid and smothered by the glosses of essay-writers, lecturers, and commentators. Nor will I abide the decisions of judges, believed by me to be invasions of the great *lex legum*." *Id.* at 612 (separate opinion). For citations to similar expressions by Chief Justice Burger, Justice Douglas, and Justice Frankfurter, see R. Berger, Government by Judiciary: The Transformation of the Fourteenth Amendment 297 n.57 (1977).

[7] Smith v. Turner (Passenger Cases), 48 U.S. (7 How.) 283, 470 (1849) (dissenting opinion).

[8] 580 F.2d at 1057 n.4.

[9] Dean Louis Pollak, who is among the "authorities" cited by the majority to buttress its views (*see id.*), had written: The thrust of Mr. Berger's statement was that the cession to the Republic of Panama . . . cannot constitutionally be effectuated by treaty, but only by statute . . . ." (124 Cong. Rec. p. 1333 (Jan. 30, 1978)). In my reply, I "disclaim[ed] the version of the issue that had been attributed to me, namely that the Panama cession 'cannot be effectuated by treaty, but only by statute.' My objection is to a 'self-executing' treaty because article IV of the Constitution requires Congress' consent to the disposition.' *Id.* at p. 2301 (Feb. 1978).

[10] Isthmian Canal Convention, Nov. 18, 1903, United States-Panama, art. II, 33 Stat. 2234, T.S. No. 431 *Id.* An itemized breakdown of the United States property interests and their costs is set forth in Staff of the Subcomm. on the Panama Canal of the House Comm. on Merchant Marine and Fisheries, 95th Cong., 2d. Sess., Report on the Constitutional Role of the Congress in the Disposal of U.S. Property in the Canal Zone 4–5 (Comm. Print 1978). The purchased lands total 647 square miles. *Id.* at 4.

[11] *See* 580 F.2d at 1057 n.3; *id* at 1080 (dissenting opinion). Professor John Norton Moore, formerly Counselor on International Law to the Department of State, Chairman of the National Security Council Interagency Task Force on the Law of the Sea, and United States Ambassador to the Third United Nations Conference on the Law of the Sea, stated that the "core" of the "dispute" between the United States and Panama "has been the question of residual or 'titular' sovereignty over the Zone left in doubt by the language of Article III of the 1903 treaty." *Panama Canal Treaties: Hearings Before the Senate Comm. on Foreign Relations*, 95th Cong., 1st & 2d Sess., pt. 4, at 90 (1977–78) [hereinafter cited as *Senate Foreign Relations Hearings*]. *See* Moore, *Perspective*, 30 Va. L., Weekly, Feb. 17, 1978, at 2, Col. 3.

[12] *See* 580 F.2d at 1080 n.17 (dissenting opinion). Judge MacKinnon notes that the transfer of real property "includes the entire Panama Railroad, which the United States purchased as authorized by Congress . . . and all the other real property that the United States purchased from the individual owners of the land, including the property and other interests of the French Canal Company for which the U.S. paid $40 million."

[13] 580 F.2d at 1057. Judge MacKinnon points out that article IV evidences an intent "to restrict the power to dispose of territory or property and this was the only place such intent is addressed. Had the convention intended to authorize the disposition of property as an incident of the treaty power, it would have been very easy to do so by merely inserting before the semi-colon in Art. IV,

§ 3, cl. 2.: '(which may also be disposed of by treaty).' " *Id.* at 1078 (dissenting opinion).

[14] Botany Worsted Mills v. United States, 278 U.S. 282, 289 (1929). *See* T.I.M.E. Inc. v. United States, 359 U.S. 464, 471 (1959).

[15] D. Ginsberg & Sons, Inc. v. Popkin, 285 U.S. 204, 208 (1932). *See* City of Tulsa v. Southwestern Bell Tel. Co., 75 F.2d 343, 351 (10th Cir. 1935). The point was made during the debate on the Jay Treaty in 1796 by Brent: "[T]he Treaty-making power is delegated as a general power, while to Congress specific powers are granted. The rational and admitted rule of construction in these cases is, that specific power restrains general powers; and here, then, the general Treaty power must be restrained by the specific powers of Congress." 5 Annals of Cong. 576 (1796).

Judge MacKinnon calls attention to the recent opinion of his court in Lodge 1858, Am. Fed'n of Gov't Employees v. Webb, 580 F.2d 496 (D.C. Cir. 1978), which stated: "The established rule is that if there exists a conflict in the provisions of the same act, the last provision in point of arrangement must control." *Id.* at 510, *quoted in* Edwards v. Carter, 580 F.2d 1055, 1079 n. 16 (D.C. Cir.) (dissenting opinion), *cert. denied,* 436 U.S. 907 (1978). And the Court of Appeals for the Second Circuit has held that "a construction which leaves to each element of the statute a function in some way different from the others" is preferable to one which causes one section to overlap with another. United States v. Dinerstein, 362, F.2d, 852, 855–56 (2d Cir. 1966). Such rules were not designed to be applied at judicial whim.

[16] Wisconsin Cent. R.R. v. Price County, 133 U.S. 496, 504 (1890) (emphasis added).

[17] Judge Edmund Pendleton of the Virginia Court of Appeals and presiding officer of the Virginia Ratification Convention, had "recourse to the old English canons of statutory construction. . . . The resort to the accepted rules of statutory interpretation to settle the intent and meaning of constitutional provisions was . . . a method used by courts elsewhere in the Confederation." J. Goebel, Jr., 1 History of the Supreme Court of the United States: Antecedents and Beginnings to 1801, at 128 (P. Freund ed. 1971).

[18] *See* R. Berger, *supra* note 6, at 306–08. In the 1796 debate on the Jay Treaty. Chauncey Goodrich observed "how attentively Judges, in construing written instruments and statutes, regarded the expressions, and how little latitude they allowed to their inventive faculties, or their own fancies about policy or expediency." 5 Annals of Cong. 719 (1849). The judiciary, it was said in Trustees of Univ. of N.C. v. Foy, 5 N.C. (1 Mur.) 58, 88 (1805), "have no discretionary powers enabling them to judge of the propriety or impropriety of laws."

[19] The Federalist No. 78, at 510 (Mod Lib. ed. 1937).

[20] Benson observed: "[I]t cannot be rationally intended that all offices should be held during good behaviour, because the Constitution has declared one office [the judicial] to be held by this tenure." 1 Annals of Cong. 505 (Gales & Seaton eds. 1796) (print bearing running title "History of Congress"). For White, see *id.* at 517.

[21] Albert Gallatin stated: "The different clauses of the Constitution must be so construed as to be rendered consistent, and to be reconciled one with the other; and that construction must be rejected which would destroy any of them." 5 Annals of Cong. 738 (1796). For similar expressions by Page, see *id.* at 561. The influential *Federal Farmer* was later quoted to the same effect. *Id.* at 581 (remarks of Rep. Brent). For a similar expression by Jefferson in 1791, see 3 M. Farrand, Records of the Federal Convention of 1787, at 363 (1911).

[22] 1 J. Story, Commentaries on the Constitution of the United States § 399, at 383 (Boston 1833).

[23] Samuel Adams, writing under the pseudonym "Candidus," stated: "Vatel tells us plainly and without hesitation, that 'the supreme legislative cannot change the constitution,' . . . 'that they ought to consider the *fundamental* laws as sacred . . .' And he gives a reason for it solid and weighty; for, says he, 'the constitution of the state ought to be *fixed*.' " Letter from Candidus (S. Adams) to Boston Gazette (Jan. 25, 1772) (emphasis in original), *reprinted in* 2 Writings of Samuel Adams 322, 325 (H. Cushing ed. 1906). "[T]he constitution is fixed . . . [the legislative] cannot change the constitution without destroying its own foundation." Letter from the Massachusetts House to the Earl of Shelburne (Jan. 15, 1768), *reprinted* ital 1 H. Commager, Documents of American History 65, 65 (8th ed. 1968).

"The concept of the written constitution is that it defines the authority of government and its limits, that government is the creature of the constitution and cannot do what it does not authorize and must not do what it forbids. *A priori,* such a constitution could have only a fixed and unchanging meaning, if it were to fulfill its function. For changed conditions, the instrument itself made provision for amendment which, in accordance with the concept of a written constitution, was expected to be the only form of change . . ." P. Kurland, Watergate and the Constitution 7 (1978).

[24] 386 U.S. 547 (1967).

[25] *Id.* at 554–55.

[26] 580 F.2d at 1059–60. At another point, the majority states that history "clearly demonstrates the Framer's intention to allow disposition of the United States property though self-executing treaty." *Id.* at 1058–59 n.7.

[27] *Id.* at 1057 n.4.

[28] *Senate Foreign Relations Hearings, supra* note 11, pt. 4, at 94.

[29] *See* 580 F.2d at 1089–90 (dissenting opinion).

[30] 2 M. Farrand, *supra* note 21, at 495.

[31] *Id.* at 533, 540.

[32] *Id.* at 534.

[33] 580 F.2d at 1089 (dissenting opinion).

[34] 2 M. Farrand, *supra* note 21, at 541.

[35] *See* notes 188–97 and accompanying text *infra.*

[36] 2 M. Farrand, *supra* note 21, at 541.

[37] *Id.* at 543.

[38] 4 *id.* at 58 (rev. ed. 1937).

[39] 2 *Id.* at 548.

[40] Id. at 548–49.

[41] 3 *id.* at 306–07 (emphasis added), *quoted in Senate Foreign Relations Hearings, supra* note 11, pt. 1, at 210 (statement of Att'y Gen. Bell).

[42] *Id. at* 306.

[43] *Id.* at 307.

[44] The Supreme Court has explained that the Louisiana Purchase (later in time) "arose primarily from the fixed policy of Spain to exclude all foreign commerce from the Mississippi. This restriction became intolerable to the large number of immigrants who were leaving the Eastern States to settle in the fertile valley." Downes v. Bidwell, 182 U.S. 244, 251–52 (1901).

[45] 3 M. Farrand, *supra* note 21, at 335. Gerry, too, had adverted to protection of the fisheries. *See* text accompanying note 34 *supra.*

[46] *See* text accompanying notes 34, 37 & 39 *supra.*

[47] Hamilton, *The Defence No. XXXVII* (Camillus) (New York Jan. 6, 1796), *reprinted in* 20 Papers of Alexander Hamilton 13, 18 (H. Syrett ed. 1974). Letters of Camillus were written in defense of the Jay Treaty.

[48] 580 F.2d at 1059.

[49] When Luther Martin moved to amend the clause by adding, "But all such claims may be examined into & decided upon by the supreme Court of the U— States" (2 M. Farrand, *supra* note 20, at 466), Gouverneur Morris replied: "[T]his is unnecessary, as all suits to which the U.S.—are parties—are already to be decided by the Supreme Court" (*id.*).

[50] Hamilton, *The Defence No. XXXVII* (Camillus) (New York Jan. 6, 1796), *reprinted in* 20 Papers of Alexander Hamilton, *supra* note 47, at 13, 21.

[51] *See* Alabama v. Texas, 347 U.S. 272 (1954).

[52] Wisconsin Cent. R.R. v. Price County, 133 U.S. 496 (1890).

[53] 580 F.2d at 1059 n.9.

[54] 3 J. Elliot, Debates in the Several State Conventions on the Adoption of the Federal Constitution 462 (2d ed. Washington, D.C. (1836), *quoted in part in* Edwards v. Carter, 580 F.2d 1055, 1059 n.9 (D.C. Cir.) *cert. denied,* 436 U.S. 907 (1978).

[55] Jefferson looked for the "meaning" of the Constitution to the "explanations of those who advocated, not those who opposed it" 4 J. Elliot, *supra* note 54, at 460 (remarks of Mr. Ruledge). For similar remarks of Gallatin, see *id.* at 446. In the Jay Treaty debate, Edward Livingston said: "[T]he framers and friends to the Constitution construed it in the manner that we do; whilst its enemies endeavored to render it odious and unpopular, by endeavoring to fix on it the contrary construction." 5 Annals of Cong. 635 (1796). As said by the Supreme Court, "[a]n unsuccessful minority cannot put words into the mouths of the majority." Mastro Plastics Corp. v. NLRB, 350 U.S. 270, 288 (1956). *See* Ernst & Ernst 1. Hochfelder, 485 U.S. 185, 204 n.24 (1976); NLRB v. Thompson Prods., Inc., 141 F.2d 794, 798 (9th Cir. 1944).

[56] 3 J. Elliot, *supra* note 54, at 554.

[57] *Id.* at 458.

[58] *Id.* at 470. In the Jay Treaty debates, Gallatin stated:

> [I]t was agreed by all the writers on the subject, (and he quoted *Vattel,* book 1, ch. 21), that even where the Legislative and Treaty-making powers were united in the same hands, it did not follow that the conductor of the nation had a power to dismember or alienate the territory of the nation, unless he had received from them not only the power of making Treaties, not only general Legislaitve powers, but also either the express power of alienating, or . . . an . . . unlimited, and despotic authority over the nation." 5 Annals of Cong. 727 (1796).

[59] With reference to the Canal Zone, the Court declared: "It is hypercritical to contend that the title of the United States is imperfect, and that the territory described does no belong to this Nation, because of the omission of some of the technical terms used in ordinary conveyances of real estate." Wilson v. Shaw, 204 U.S. 24, 33 (1907).

[60] 3 J. Elliot, *supra* note 54, at 462.

[61] *Id.* at 467.

[62] *Id.* at 461.

[63] 580 F.2d at 1060.

[64] *Id.*

[65] 3 J. Elliott, *supra* note 54, at 594–95 (emphasis added), *quoted in* Edwards v. Carter, 580 F.2d 1055, 1060 (D.C. Cir.), *cert, denied,* 436 U.S. 907 (1978). Several states proposed amendments to the Constitution.

"In no state was there any considerable discussion of these amendments by its convention, they were usually prepared by a committee, the report of which was subsequently adopted in a perfunctory manner; for it was recognized that it was only a recommendation." R. Mott, Due Process of Law 152–55 (1926) (footnote omitted).

[66] *Id.* at 592.

[67] *Id.* at 595.

[68] *Id.* at 507 (Marshall), 497 (Pendleton). 431, 545 (Randolph).

[69] *See* note 49 *supra.*

[70] 2 M. Farrand, *supra* note 21, at 466.

[71] *Id.* at 538.

[72] *Id.*

[73] In the South Carolina Convention, Pierce Butler and C. C. Pinckney, delegates to the Federal Convention, so explained (*see* 4 J.

Elliott, *supra* note 54, at 272); in the Virginia Convention, Francis Corbin (3 *id.* at 466).

[74] 2 *id.* at 469. This remark was cited with approval in the Jay Treaty debates by William Findley (5 Annals of Cong. 592 (1796), Albert Gallatin (*id.* at 737), and Madison (*id* at 775).

[75] 4 J. Elliott, *supra* note 54, at 145.

[76] *Id.* at 142.

[77] 580 F.2d at 1060 (emphasis added).

[78] 5 Annals of Cong. 782 (1796).

[79] *Id.* at 771.

[80] *Id.* at 493 (emphasis added). *See id.* at 774. As Albert Gallatin stated: The power of the House "was not an active and operative power of making and repealing Treaties . . . it was only a negative, a restraining power on those subjects over which Congress had the right to legislate." *Id.* at 745.

[81] 2 A. Beveridge, The Life of John Marshall 134 (1916).

[82] *Id.* at 135. Robert Goodloe Harper, with Marshall, a protagonist of the Jay Treaty, said: "We all admitted here that Congress may refuse to execute a Treaty, but we contend that it has nothing to do with making the Treaty." 5 Annals of Cong. 752 (1849).

[83] *Id.* at 781.

[84] S. Bemis, Jay's Treaty at xiii (1923).

[85] 2 P. Smith, John Adams 874 (1962).

[86] Letter from Thomas Jefferson to Edward Rutledge (Nov. 30, 1795), *reprinted in* 7 Writings of Thomas Jefferson 39, 40 (P. Ford ed. 1898).

[87] 5 Annals of Cong. 761 (1796).

[88] *Id.* at 776.

[89] *See id.* at 533–34, 544.

[90] *See* text accompanying note 39 *supra.*

[91] 3 M. Farrand, *supra* note 21, at 548.

[92] 5 Annals of Cong. 490 (1796).

[93] U.S. Const. art 1, § 8, cl. 9.

[94] *Id.* cl. 13.

[95] *Id.* cl. 15.

[96] 5 Annals of Cong. 491 (1796). See also the remarks of Samuel Smith, *id.* at 623.

[97] *Id.* at 536.

[98] *Id.* at 537. Gallatin said: "The power of making Treaties being granted in an undefined manner, may, if it is understood not to be restrained by the specific Legislative powers of Congress, embrace and supersede every one of them . . . [and thus] restrain the future exercise of legislation upon any subject whatever." *Id.* at 738–39.

[99] *Id.* at 738.

[100] *Id.*

[101] *Id.* at 723–24.

[102] R. Berger, Executive Privilege: A Constitutional Myth 49–50 (1974). In 1791, James Wilson found it necessary to admonish the American people that it was time to regard the Executive and judges equally with the Legislature as representatives of the people. 1 Works of James Wilson 293 (R. McCloskey ed. 1967).

[103] 3 M. Farrand, *supra* note 21, at 374.

[104] Hamilton, *The Defence No. XXXVII* (Camillus) (New York Jan. 6, 1796) (emphasis added), *reprinted in* 20 Papers of Alexander Hamilton, *supra* note 47, at 13, 21. His remarks were addressed to the contention that the Constitution "is . . . violated in that part, which empowers Congress to dispose of and make all needful rules and regulations respecting the *territory* or other property of the U States, by those provisions of the Treaty which respect the adjustment boundary in the case of the Rivers St. Croix & Mississippi." *Id.* at 14.

Another remark by Hamilton calls for notice: "Our treaties with several Indian Nations regulate and change the boundaries between them & the U States." Hamilton, *The Defence No. XXXVIII* (Camillus) (New York Jan. 9, 1796), *reprinted in* 20 Papers of Alexander Hamilton, *supra* note 47, at 22, 31. He cites the treaty with the Northwestern Indians, which relinquishes to the Indians a large tract of land which they had, by preceding treaties, ceded to the United States. *Id.* at 31. Syrett identifies the Treaty of August 3, 1795, 7 Stat. 49, which is reproduced in 2 U.S. Dep't of State, Territorial Papers of the United States 525 (C.E. Carter ed. 1934). No cession of property held by the United States is revealed by that treaty. Article 3 recites that the Indians "cede & relinguish forever" all their claims to described lands, and they further "cede to the United States" certain parcels. Article 4 recites that in consideration "of the cessions and relinquishments of lands made in the preceding Article . . . the United States relinquish their claims to all other [described] Indian lands . . . But from this relinquishment by the United States, the following tracts of land, are explicitly excepted. . . . To which several parcels of land so excepted, the said tribes relinquish all the title and claim which they . . . may have."

Thus, the treaty makes a studied distinction between the cessions by the Indians, and the relinquishment of claims by the United States. As Hamilton said in respect to the Jay Treaty, "[t]his treaty contains the establishment of a boundary line between the parties which, in part, is arbitrary and could not have been predicated upon precise antecedent right." Hamilton, *The Defence No. XXXVIII* (Camillus) (New York Jan. 9, 1796), *reprinted in* 20 Papers of Alexander Hamilton, *supra* note 47, at 22, 29.

[105] S. Morison, Oxford History of the American People 57 (1965).

[106] 29 Annals of Cong. 1019 (1816) (emphasis added). Madison and Gallatin denied the existence of such a power. *See* note 58 and accompanying text *supra.*

[107] 6 S. Exec. J. 334 (1887), *reprinted in* 2 A. Hinds, Precedents of the House of Representatives 939 (1907).

[108] 88 Cong. Rec. 9267 (1942).

[109] *Id.* at 9269. The next day, Senator Tunnell stated: "There is no other method or authority to dispose of property of the Nation than that which is reposed in the Congress." *Id.* at 9322. For an example of a State Department submission of a picayune transfer to Panama for authorization by Congress, see note 227 and accompanying text *infra.*

[110] 88 Cong. Rec. 9329 (1942).

[111] Senate Foreign Relations Report, *supra* note 5, at 66. If the conduct was wrong *ab initio,* it cannot be legitimized by repetition. *See* Powell v. McCormack, 395 U.S. 486, 546–47 (1969).

[112] Ch. 7, 1 Stat. 239.

[113] S. Crandall, Treaties: Their Making and Enforcement §§ 63–64 (2d ed. 1916).

[114] Convention for the Protection of Industrial Property, Mar. 20, 1883, 25 Stat. 1372, T.S. No. 379.

[115] 19 Op. Att'y Gen. 273, 279 (1889).

[116] 21 App. D.C. 73, 76–77 (1903). Two decades later, a patent controversy drew into issue the effect of a provision of the 1921 treaty of peace between the United States and Germany (Treaty of Berlin, Aug. 25, 1921, United States-Germany, art. 2, § 5, 42 Stat. 1939, T.S. No. 658); the courts followed *Rousseau* and the opinion of Attorney General Miller in finding the provision not to be self-executing. *See* Robertson v. General Elec. Co., 32 F.2d. 495, 499–502 (4th Cir., *cert. denied,* 280 U.S. 571 (1929); *In re* Stoffregen, 56 D.C. App. 23, 23–24, *cert. denied,* 269 U.S. 569 (1925). *See also* Cameron Septic Tank Co. v. City of Knoxville, 227 U.S. 39 (1913).

[117] 350 U.S. 383 (1956).

[118] Id. at 396. In General Elec. Co. v. Robertson, 21 F.2d 214 (D. Md. 1927), *rev'd,* 32 F.2d 495 (4th Cir.), *cert. denied,* 280 U.S. 571 (1929) where the government strongly urged the view "that a treaty affecting patents is not intended to go into effect until ratified by Congress" (*id.* at 220), the court plaintively commented on the "varying attitude which the government from time to time has assumed" on this issue (*id.* at 221).

[119] 580 F.2d at 1058.

[120] *Senate Foreign Relations Hearings, supra* note 11, pt. I, at 209 (statement of Att'y Gen. Bell).

[121] *See* note 104 and accompanying text *supra.*

[122] 580 F.2d at 1058.

[123] *Id.* at 1058 n.7 (emphasis added).

[124] R. Berger, *supra* note 102, at 61, 67. And despite the "unique history" of the "declaration of war clause," a succession of Presidents and the State Department have insisted that 125 self-serving presidential "precedents" authorized the President to commit the nation to war without a congressional declaration of war, first in Korea, then in Vietnam. *See id.* at 75–88. Why should the State Department's "cession" precedents enjoy a higher status than the now discredited presidential warmaking "precedents"?

[125] 5 Annals of Cong. 490 (1796).

[126] 580 F.2d at 1061.

[127] 316 U.S. 317 (1942).

[128] *Id.* at 326.

[129] 133 U.S. 496 (1890).

[130] *Id.* at 504.

[131] 580 F.2d at 1061.

[132] Where a matter was "not really in question . . . what was said of it cannot control here where the very point is presented for decision." Union Tank Line co. v. Wright, 249 U.S. 275, 286 (1919).

[133] *Wisconsin Central Railroad,* the *Edwards* majority states, decided that "United States property is not subject to state taxation since enforcement of such a tax might result in states, instead of Congress, controlling the disposition of federal property contrary to Art. IV, § 3, cl. 2." 580 F.2d at 1061 n.18. A later and similar utterance by the Court—"The power of Congress to dispose of any kind of property belonging to the United States 'is vested in Congress without limitation' " (Alabama v. Texas, 347 U.S. 272, 273 (1954) (quoting United States v. Mideast Oil Co., 236 U.S. 459, 474 (1915)))—is thrust aside by the majority because the "salient" question "was whether Congress could grant to individual states indefeasible title to and ownership of certain resources under submerged marginal ocean lands" (580 F.2d at 1061 n.18). That these cases do not examine the treaty power does not impeach the "exclusivity" principle on which the decisions are grounded.

[134] 580 F.2d at 1061.

[135] *Id.* at 1061 n.18 (first emphasis added).

[136] 3 J. Story, *supra* note 22, § 1322, at 198.

[137] *Id* §§ 1277–83.

[138] *See* Treaty of Amity, Settlement, and Limits, Feb. 22, 1819, United States-Spain, art. VIII, 8 Stat. 252 T.S. No. 327, *construed* in United States v. Percheman, 32 U.S. (7 Pet.) 51 (1833). The Supreme Court also addressed such a "reservation" (*see* Treaty with the Chippewa Indians, Oct. 2, 1863, art IX, 13 Stat. 667) in Jones v. Meehan, 175 U.S. 1 (1899). *See* notes 154-55 and accompanying text *infra.*

[139] 580 F.2d at 1062.

[140] 84 U.S. (17 Wall.) 211 (1872).

[141] *Senate Foreign Relations Hearings, supra* note 11, pt. 1, at 207. *See* Holden v. Joy, 84 U.S. (17 Wall.) 211, 247 (1872). The *Edwards* majority agrees that "the Court found it unnecessary to rest its decision on this constitutional basis." 580 F.2d at 1062.

[142] Wilson v. Shaw, 204 U.S. 24, 32 (1907).

[143] Ch. 148, 4 Stat. 411.

[144] *See* 84 U.S. (17 Wall.) at 237–38.

[145] Treaty with the Cherokee Indians, Dec. 29, 1835, 7 Stat. 478.

[146] 84 U.S. (17 Wall.) at 239–40. *See* Act of May 28, 1830, ch. 148, 4 Stat. 411.

[147] 84 U.S. (17 Wall.) at 247. *See* Act of July 2, 1836, ch. 267, 5 Stat. 73.

[148] 580 F.2d at 1092 (dissenting opinion).

[149] 84 U.S. (17 Wall.) at 247.

[150] *See* Appendix.

[151] 580 F.2d at 1092–94 & n.37 (dissenting opinion).

[152] 84 U.S. (17 Wall.) at 247.

[153] B. Cardozo, Nature of the Judicial Process 29 (1921).

[154] 175 U.S. 1 (1889), *discussed in* Edwards v. Carter, 580 F.2d 1055, 1062 (D.C. Cir.), *cert. denied,* 436 U.S. 907 (1978).

[155] Treaty with the Chippewa Indians, Oct. 2, 1863, art. IX, 13 Stat. 667, *quoted in* Jones v. Meehan, 175 U.S. 1, 4 (1899).

[156] Johnson v. M'Intosh, 21 U.S. (8 Wheat.) 543, 603 (1823) (emphasis added).

[157] *Id.*, at 585.

[158] 84 U.S. (17 Wall.) at 244. Compare the view of the Supreme Court that use and occupation of the Panama Canal amounted to title, set out note 59 *supra.*

[159] Johnson v. M'Intosh, 21 U.S. (8 Wheat.) 543, 549–50 (1823).

[160] *Id.* at 598.

[161] 2 Op. Att'y. Gen. 587, 588 (1833), *quoted in* Jones v. Meehan, 175 U.S. 1, 12 (1899).

[162] 580 F.2d at 1062 n.19.

[163] 64 U.S. (23 How.) 457 (1860).

[164] 175 U.S. at 15–16 (quoting Doe v. Wilson, 64 U.S. (23 How.) 457, 463–64 (1860) (emphasis added)). The continued validity of Taney's statement that land "reserved" to individual Indians does not pass to the United States may be gathered from Francis v. Francis, 203 U.S. 233 (1906), which quotes *Jones* v. *Meehan* for the proposition that when a treaty makes "'a reservation . . . of a specified number of sections of land . . . the treaty itself converts the reserved land into individual property.'" *Id.* at 238 (quoting Jones v. Meehan, 175 U.S. 1, 21 (1899).

[165] 175 U.S. at 13–14.

[166] 580 F.2d at 1062.

[167] 175 U.S. at 10, *quoted in* Edwards v. Carter, 580 F.2d 1055, 1062 (D.C. Cir), *cert. denied,* 436 U.S. 907 (1978).

[168] Ch. 161, § 12, 4 Stat. 729.

[169] 175 U.S. at 13.

[170] 252 U.S. 416 (1920).

[171] *Panama Canal Treaty: Hearings Before the Subcomm. on Separation of Powers of the Senate Comm. on the Judiciary,* 95th Cong., 1st Sess., pt. 2, at 5 (1977) (testimony of Herbert J. Hansell) [hereinafter cited as *Senate Judiciary Hearings*].

[172] *See* Migratory Bird Treaty Act, ch. 128, 40 Stat. 755 (1918). The convention called for such legislation. *See* Convention on Migratory Birds, Dec. 8, 1916, United States-Great Britain, art. VIII, 39 Stat. 1702, T.S. No. 628.

[173] 252 U.S. at 434.

[174] 133 U.S. 258 (1890).

[175] 124 Cong. Rec., S729 (daily ed. Jan. 30, 1978).

[176] 580 F.2d at 1057 n.4.

[177] Consular Convention with France, Feb. 23, 1853, United States-France, 10 Stat. 992, T.S. No. 92, *quoted in* Geofroy v Riggs, 133 U.S. 258, 268 (1890).

[178] 124 Cong. Rec. S732 n.6 (daily ed. Jan. 30, 1978).

[179] Consular Convention with France, Feb. 23, 1853, United States-France, art. VII 10 Stat. 992. T.S. No. 92.

[180] 133 U.S. at 268–69.

[181] Ch. 340, 24 Stat. 476, *cited in* Geofroy v. Riggs, 133 U.S. 258, 272 (1890).

[182] The Act prohibited alien ownership of land in the District of Columbia, *"Provided,* That the prohibition of this section shall not apply to cases in which the right to hold or dispose of lands in the United States is secured by existing treaties to the citizens or subjects of foreign countries." *Id.* § 1.

[183] 133 U.S. at 272.

[184] Stockade v. Hansard, 112 Eng. Rep. 1112, 1171 (Q.B. 1839).

[185] *See* Wormuth, *The Vietnam war: The President versus the Constitution,* in 2 The Vietnam War and International Law 711 (R. Falk ed. 1969).

[186] Corwin, *The President's Powers,* 124 New Republic, Jan. 29, 1951, at 15, 16, *reprinted in* The President: Roles and Powers 360, 361 (D. Haight & L. Johnston eds. 1965). *See* R. Berger, *supra* note 102, at 75–86.

[187] 580 F.2d at 1063.

[188] *Id.* at 1064 n.23.

[189] *Id.* at 1083 n.23 (dissenting opinion).

[190] Aug. 9, 1842, United States-Great Britain, 8 Stat. 572, T.S. No. 119.

[191] *See* S. Morrison, *supra* note 105, at 407.

[192] *Id.*

[193] *Id.*

[194] *See* note 104 and accompanying text *supra.*

[195] Letter from Governor Everett to Justice Story (Apr. 14, 1838), *reprinted in* 2 Life and Letters of Joseph Story 286, 287 (W. Story ed. 1851).

[196] Letter from Justice Story to Governor Everett (Apr. 17, 1838), *reprinted in* 2 Life and Letters of Joseph Story, *supra* note 195, at 287, 288.

[197]) "A treaty for the determination of a disputed line operates not as a treaty of cession, but of recognition." S. Crandall, *supra* note 113, § 99, at 226, Willoughby states:

"In several treaties in settlement of boundary disputes areas previously claimed by the United States as its own have been surrendered to foreign powers. These, however, can scarcely be considered as instances of the alienation of portions of its own territory, for the fact that the treaties were assented to by the United States is in itself evidence that it was conceded that the claim that the areas in question belonged to the United States was unfounded. There has been no instance in which territory, indisputably belonging to the United States, has been alienated to another power.". 1 W. Willoughby, The Constitutional Law of the United States § 317, at 572 (2d ed. 1929).

[198] 580 F.2d at 1063.

[199] Senate Foreign Relations Report, *supra* note 5, at 68.

[200] Treaty on the Swan Islands, Nov. 22, 1971, United States-Honduras, 23 U.S.T. 2630. T.I.A.S. No. 7453.

[201] S. Exec. Rep. No. 92–94, 92d Cong., 2d Sess. 1 (1972).

[202] 580 F.2d at 1063 & n.21.

[203] Aug. 9, 1842, United States-Great Britain, 8 Stat. 572, T.S. No. 119.

[204] *See* notes 190–93 and accompanying text *supra.*

[205] July 17, 1864, United States-Great Britain, 9 Stat. 869, T.S. No. 120.

[206] *Id.* Preamble.

[207] Treaty of Amity, Settlement, and Limits, Feb. 22, 1819, United States-Spain, 8 Stat. 252, T.S. No. 327. *See* note 189 and accompanying text *supra.* The Supreme Court addressed this treaty in United States v. Percheman, 32 U.S. (7 Pet.) 51 (1833).

[208] Ch. 39, 3 Stat. 637.

[209] Treaty of Amity. Settlement, and Limits, Feb. 22, 1819, United States-Spain. Preamble, 8 Stat. 252 T.S. No. 327 (emphasis added).

[210] *Id.* art. III.

[211] 580 F.2d at 1097 (dissenting opinion). Compare Hamilton's reference to "the establishment of a boundary line . . . which, in part, is arbitrary and could not have been predicated upon precise antecedent right." Hamilton, *The Defence No. XXXVIII* (Camillus) (New York Jan. 9, 1796), *reprinted in* 20 Papers of Alexander Hamilton, *supra* note 47, at 22, 29.

[212] Letter from Governor Everett to Justice Story (Apr. 14, 1838), *reprinted in* 2 Life and Letters of Joseph Story, *supra* note 195, at 286, 287, *quoted in* text accompanying note 195 *supra.*

[213] Agreement Concerning the Ryukyu Islands, and Daito Islands, June 17, 1971, United States-Japan, 23 U.S.T. 446. T.I.A.S. No. 7314.

[214] Presidential Proclamation, May 4, 1972, 23 U.S.T. 446, T.I.A.S. No. 7314.

[215] Treaty of Peace with Japan, Sept. 8, 1951, 3 U.S.T. 3169, T.I.A.S. No. 2490, 136 U.N.T.S. 45.

[216] *Id.* art. III.

[217] *Id.*

[218] Agreement Concerning the Ryukyu Islands and Daito Islands, June 17, 1971, United States-Japan, art. I, 23 U.S.T. 446, T.I.A.S. No. 7314.

[219] Treaty of Peace with Japan, Sept. 8, 1951, art. II, 3 U.S.T. 3169, T.I.A.S. No. 2490, 136 U.N.T.S. 45.

[220] United States v. Ushi Shiroma, 123 F. Supp. 145, 149 (D. Hawaii 1954).

[221] *Id.* at 148.

[222] Burna v. United States, 240 F.2d 720, 721 (4th Cir. 1957).

[223] *Id.* Judge MacKinnon observed that some surplus property may have been transferred under enactments authorizing disposition of foreign excess property (*see, e.g.,* 40 U.S.C. §§ 511–512 (1976)), 580 F.2d at 1098 (dissenting opinion).

[224] Treaty of Mutual Understanding and Cooperation, Jan. 25, 1955, United States-Panama, 6 U.S.T. 2273, T.I.A.S. No. 3297.

[225] 580 F.2d at 1063.

[226] 88 Cong. Rec. 9269 (1942). *See* notes 108–10 and accompanying text *supra.*

[227] In the course of the debate in the House on a bill "to authorize the modification of the boundary line between Panama Canal Zone and the Republic of Panama" (75 Cong. Rec. 4652 (1932) (remarks of Rep. Linthicum)). Representative West remarked: "[T]here is a site within the Panama Canal Zone that is desirable as a site for the American legation. It is difficult, however, to have an American legation built upon territory that is technically within the jurisdiction of the United States. The purpose of this bill, therefore, is to take this parcel of land . . . and transfer it, technically, to the jurisdiction of the Republic of Panama. We regain jurisdiction because of the building there of an American legation" (*id* at 4653). The authorization is contained in the Act of May 3, 1932, ch. 162, 47 Stat. 145.

[228] 580 F.2d at 1084 (dissenting opinion) (emphasis in original). Such "policy choices" recall the bitter remark of Senator J. William Fulbright, Chairman of the Senate Foreign Relations Committee, that the State Department "submit[s] many agreements dealing with the most trivial matters as treaties" but considers that "something that is as important as the stationing of troops and the payment of millions of dollars . . . is proper for an executive agreement." *War Powers Legislation: Hearings Before the Senate Comm. on Foreign Relations,* 92d Cong., 1st Sess. 529 (1971) [hereinafter cited as *War Powers Hearings*].

[229] Treaty of Mutual Understanding and Cooperation, Jan. 25, 1955. United States-Panama, art. V, 6 U.S.T. 2273. T.I.A.S. No. 3297.

[230] 580 F.2d at 1083 (dissenting opinion).

[231] *War Powers Hearings, supra* note 228, at 552 (statement of Alexander B. Bickel, Professor of Law, Yale University).

[232] *See* note 225 and accompanying text *supra.*

[233] There is no need to dissect the other treaties cited by the majority on the maxim *falsus in uno, falsus in omnibus. See* Santissima Trinidad, 20 U.S. (7 Wheat.) 283, 339 (1822) (Story, J.).

[234] Panama Ref. Co. v. Ryan, 293 U.S. 388, 421 (1935).

[235] *Cf.* United States v. Morton Salt Co., 338 U.S. 632, 647 (1950) investigatory powers of FTC not lost by disuse). In the Jay Treaty debates of 1796. Representatives Havens "laid it down as an incontrovertible maxim, that neither of the branches of the Government could, rightfully or constitutionally, divest itself of any powers . . . by a neglect to exercise those powers that were granted to it by the Constitution." 5 Annals of Cong. 486 (1796).

[236] Youngstown Sheet & Tube Co. v. Sawyer, 343 U.S. 579, 610 (1952) (concurring opinion).

[237] United States v. Lovett. 328 U.S. 303, 321 (1946) (concurring opinion, Frankfurter, J.).

[238] Senator Orrin Hatch remarked: "I believe if you came to the House of Representatives right now and asked the Members to approve legislation authorizing the giveaway of the Panama Canal, you would not get a

majority vote right now. That may be the reason for the approach that is being taken by the administration." *Senate Judiciary Hearings, supra* note 171, pt. 2, at 10. Logrolling and arm-twisting by the administration in the Senate was reported in the press, *See Canal Pact Support Still Short of Goal*, N.Y. Times, March 15, 1978, at A6, col. 1; Reston, *The Voting Trade-Offs*, N.Y. Times, Sept. 21, 1977, at A19, col. 1.

In an article written for the *Virginia Law Weekly* following a symposium on the Panama Canal Treaty held at the University of Virginia, Professor John Norton Moore, moderator of a panel on article IV, directed attention to the fact that "constitutional law and practice permits international agreements to be constitutionally approved pursuant to Executive-Congressional agreement procedures as well as the treaty power. . . . In this case the dispute concerning whether such a procedure is constitutionally required at least adds further support to a *majority vote of both Houses* as a constitutionally permissible modality."

Moore, *supra* note 11, at 4, col. 6 (emphasis added). During the same panel, his fellow ex-State Department official, Professor Covey Oliver, "expressed his hope that *in the future* more use would be made of 'Congressional-Executive Agreements' and less of treaties." *Symposium Considers Treaties: Speakers Weigh Pros, Cons*, 30 Va. L. Weekly, Feb. 17, 1978, at 4, col. 1 (emphasis added) [hereinafter cited as *Symposium*]. That concept was floated by Professor Myres McDougal in 1944 to forestall a repetition of obstruction to world union by a "willful," "undemocratic" Senate minority—such as blocked our adherence to the League of Nations under the leadership of Henry Cabot Lodge—by substituting approval by a "majority" of both Houses. McDougal & Lans, *Treaties and Congressional-Executive Agreements or Executive Agreements Interchangeable Instruments of National Policy* (pts. 1–2), 54 Yale L.J. 181, 534 (1945). Oliver prudently commended such agreements "in the future."

Why not for the Panama Treaty? If a "majority" of both Houses is so admirable, on what ground was one House altogether excluded in the teeth of article IV? The answer is that the State Department veers with the political winds; it is the particular result that dictates the choice. The State Department has circumvented the constitutional requirement of Senate consent to a treaty by casting international agreements in the form of executive agreements, as if "the obligation to secure Senate approval is dissolved" by "calling an agreement an executive agreement rather than a treaty," Kurland, *The Impotence of Reticence*, 1968 Duke L.J. 619, 626. For discussion of the illegitimacy of executive agreements, see R. Berger, *supra* note 102, at 140–62. Now the State Department has made the Senate an accomplice in circumventing the exercise by the House of its powers.

[239] Chief Justice Marshall cautioned that "[t]he peculiar circumstances of the moment may render a measure more or less wise, but cannot render it more or less constitutional." Letter from "A Friend of the Constitution" (J. Marshall) to Alexandria Gazette (July 5, 1819), *reprinted in* John Marshall's Defense of *McCulloch v. Maryland* 184, 190–91 (G. Gunther ed. 1969).

[240] Northern Sec. Co. v. United States, 193 U.S. 197, 400 (1904) (dissenting opinion).

[241] Moore argues the contrary: "The proponents of the 'exclusive' interpretation have a large burden of persuasion as to why the treaty power is unavailable." Moore, *supra* note 11, at 4 col. 6. This is a bare assertion, unaccompanied by proof of any kind.

[242] Judge MacKinnon notes that "[T]he rules applicable to the construction of a statute also apply to the construction of a Constitution. Badger v. Hoidale, 88 F.2d 208, 211 (8th Cir. 1937). . . . Davis v. Synhorst, 225 F.Supp. 689, 691 (S.D. Iowa 1964)." 580 F.2d at 1079 n.16 (dissenting opinion). So they were applied by the Founders from the beginning. *See* notes 17–21 and accompanying text *supra*.

[243] 5 Annals of Cong. 490 (1796), *quoted in* text accompanying note 92 *supra*.

[244] Justice Brandeis referred to the deep-seated conviction of the English and American people that they "must look to representative assemblies for the protection of their liberties." Myers v. United States, 272 U.S. 52, 294–95 (1926) (dissenting opinion).

[245] I. M. Farrand, *supra* note 21, at 299. *See id.* at 288–89.

[246] 5 Annals of Cong. 738 (1796), *quoted in* text accompanying note 100 *supra*.

[247] 4 J. Elliot, *supra* note 54, at 145, *quoted* in text accompanying note 75 *supra*.

[248] 6 S. Exec. J. 334 (1887), *reprinted in* 2 A. Hinds, Precedents of the House of Representatives 999, *quoted in* text accompanying note 107 *supra*.

[249] Professor Stefan Riesenfeld insisted that "if Berger's analytic framework were correct then the commerce clause would restrict the treaty making power also. Such a result would mean that the treaty-making power 'would shrink to nothing.'" *Symposium, supra note* 238, at 3, col. 6, to 4, col. 1. Riesenfeld was in the employ of the State Department during 1977–1978, chiefly engaged on the article IV problem. One may prefer Madison to Riesenfeld. Compare Justice Jackson's dismissal of "the Commander in Chief thesis as a 'loose appellation' unjustifiably advanced as support for any presidential action, internal or external, involving the use of force, 'the idea being that it vests power to do anything, anywhere, that can be done with an army or navy.'" A Schlesinger, Jr., The Imperial Presidency 144 (1973) (quoting Youngstown Sheet & Tube Co. v. Sawyer, 343 U.S. 579, 641–42 (1952) (concurring opinion)). Jackson added: "No penance would ever expiate the sin against free government of holding that a President can escape control of executive powers by law through assuming his military role." Youngstown Sheet & Tube Co. v. Sawyer, 343 U.S. 579, 646 (1952) (concurring opinion).

[251] *See* R. Berger, *supra* note 102, at 140–62.

[252] 5 Annals of Cong. 536 (1796), *quoted in* text accompanying note 97 *supra*.

[253] *See* R. Berger, *supra* note 102, at 49-59.

[254] 1 M. Farrand, *supra* note 21, at 66.

[255] *Id.* at 70. Another delegate to the Federal Convention. Charles Pinckney, reported to South Carolina: "[W]e have defined his powers, and bound them to such limits as will effectually prevent his usurping authorities dangerous to the general welfare . . ." 4 J. Elliott, *supra* note 54, at 314-15.

[256] 3 M. Farrand, *supra* note 21, at 374, *quoted in* text accompanying note 103 *supra*.

[257] Youngstown Sheet & Tube Co. v. Sawyer, 343 U.S. 579, 654 (1952) (concurring opinion) (footnote omitted).

[258] 84 U.S. (17 Wall.) 211 (1872), *discussed in* notes 140–53 and accompanying text *supra*.

[259] *Id.* at 247.

[260] 51 U.S. (10 How.) 442 (1850).

[261] *Id.* at 451.

[262] *Id.* at 460.

[263] 64 U.S. (23 How.) 457 (1860).

[264] *Id.* at 461–62.

[265] 66 U.S. (1 Black) 352 (1862).

[266] *Id.* at 356 (citation omitted).

[267] 34 U.S. (9 Pet.) 711 (1835).

[268] *Id.* at 749.

[269] *Id.* at 733.

[270] 72 U.S. (5 Wall.) 737 (1867).

[271] *Id.* at 739, 741.

[272] 13 U.S. (9 Cranch) 11 (1815).

[273] *Id.* at 17 (emphasis added).

[274] *Id.*

[275] *Id.* at 18.

[276] 73 U.S. (6 Wall.) 83 (1867).

[277] *Id.* at 84.

[278] *Id.* at 89.

[279] *Id.*

[280] 26 U.S. (1 Pct.) 511 (1828).

[281] *Id.* at 541.

[282] *Id.* at 545–46.

[283] 31 U.S. (6 Pct.) 515 (1832).

[284] *Id.* at 561.

[285] *Id.* at 551.

[286] *Id.* at 553.

[287] 27 U.S. (2 Pct.) 253 (1829).

[288] *Id.* at 315. Subsequently, Percheman v. United States, 32 U.S. (7 Pct.) 51 (1833), held that no ratification was required because the Court discovered that the Spanish counterpart version of the treaty dispensed with all ratification, a fact not known to the *Foster* Court (*id.* at 89). This does not repudiate the *Foster* holding that if ratification *is* required, it falls to Congress.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows to:

Mr. Anthony (at the request of Mr. Wright), for June 15 and 18, on account of official business.

Mr. Erdahl (at the request of Mr. Rhodes), for June 15, on account of official business.

Mr. Fountain (at the request of Mr. Wright), after 2 p.m., on account of official business.

Mr. Horton (at the request of Mr. Rhodes), after 1 p.m. today, on account of official business.

Mr. Jeffries, after 1:30 p.m., today, on account of official business.

Mr. Lehman (at the request of Mr. Wright), for today, on account of official business.

Mr. Petri (at the request of Mr. Rhodes), on June 18, on account of official business.

Mr. Stewart (at the request of Mr. Wright), for today, on account of official business.

Mr. Williams of Ohio (at the request of Mr. Rhodes), for June 15 and June 18, on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Member (at the request of Mr. Bethune) and to revise and extend his remarks and include extraneous matter:)

Mr. Kemp, for 10 minutes, today.

(The following Members (at the request of Mr. Mica) to revise and extend their remarks and include extraneous material:)

Mr. Weaver, for 10 minutes, today.

Mr. Gonzalez, for 15 minutes, today.

Mr. Annunzio, for 5 minutes, today.

Mr. Vanik, for 5 minutes, today.

Mr. Cavanaugh, for 30 minutes, today.

Mr. Ford of Michigan, for 10 minutes, today.

Mr. Hanley, for 5 minutes, today.

Mr. Fuqua, for 10 minutes, today.

Ms. Holtzman, for 5 minutes, today.

Mr. Conyers, for 5 minutes, today.

Mr. Mica, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. Murphy of New York, and to include extraneous matter, notwithstanding the fact that it exceeds two pages of the Congressional Record and is estimated by the Public Printer to cost $5,211.

Mr. Kazen, immediately prior to the vote on the Cavanaugh amendment to H.R. 4388, in the Committee of the Whole, today.

(The following Members (at the request of Mr. Bethune), and to include extraneous matter:)

Mr. Paul in two instances.
Mr. Goodling in two instances.
Mr. Kemp.
Mr. McKinney.
Mr. Philip M. Crane.
Mr. Rudd.
Mr. Lee.
Mr. Hollenbeck.
Mr. Clausen.
Mr. Evans of Delaware in two instances.
Mr. Lujan.
Mr. McCloskey.
Mr. Dougherty in two instances.
Mr. Symms.
Mr. Marriott.

(The following Members (at the request of Mr. Mica) and to include extraneous matter:)

Mr. AuCoin.
Mr. McHugh.
Mr. Brown of California in five instances.
Mr. Stokes in two instances.
Mr. Bailey.
Mr. Kastenmeier.
Mr. Wolff.
Mr. Roe in two instances.
Mr. Florio.
Mrs. Schroeder in three instances.
Mr. McDonald.
Mr. Pepper.
Mr. Vento.
Mr. Minish.
Mr. Shelby in two instances.
Mr. Edgar.
Mr. Waxman.
Mr. White.
Mr. LaFalce.

CONCURRENT RESOLUTION REFERRED

A concurrent resolution of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows;

S. Con. Res. 20. Concurrent resolution commending the city of Rockville, Md.; to the Committee on Post Office and Civil Service.

ADJOURNMENT

Mr. MICA. Mr. Speaker, I move the House do now adjourn.

The motion was agreed to; accordingly (at 3 o'clock and 36 minutes p.m.), under its previous order, the House adjourned until Monday, June 18, 1979, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1819. A letter from the Acting Administrator of General Services, transmitting reports on records management and records disposition activities of the Federal Government during fiscal year 1978, pursuant to 44 U.S.C. 2904(10) and 3303a(f); to the Committee on Government Operations.

1820. A letter from the Under Secretary of State for Security Assistance, Science and Technology, transmitting part V of the annual report on military assistance and military exports presenting statistical data for fiscal year 1978 relating to exports of arms, ammunition and implements of war, pursuant to section 657 of the Foreign Assistance Act of 1961, as amended; to the Committee on Foreign Affairs.

1821. A letter from the Assistant Secretary of State for Congressional Relations, transmitting notice of the proposed issuance of an export license for major defense equipment sold commercially to the Yemen Arab Republic (transmittal No. MC-22-79), pursuant to section 36(c) of the Arms Export Control Act; to the Committee on Foreign Affairs.

1822. A letter from the Assistant Secretary of State for Congressional Relations, transmitting a report on political contributions made by Anne C. Martindell, Ambassador-designate to New Zealand, and by members of her family, pursuant to section 6 of Public Law 93-126; to the Committee on Foreign Affairs.

1823. A letter from the General Counsel of the Department of Energy, transmitting notice of meetings related to the International Energy Program to be held June 25 and 26 in Paris, France; to the Committee on Interstate and Foreign Commerce.

1824. A letter from the Comptroller General of the United States, transmitting a report on the examination of financial statements of the Inter-American Foundation for fiscal years 1977 and 1978, pursuant to section 401(t) of Public Law 91-175, as amended (ID-79-29A, June 14, 1979) (H. Doc. No. 96-150); jointly, to the Committees on Government Operations, and Foreign Affairs, and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. MURPHY of New York: Committee on Merchant Marine and Fisheries, H.R. 2975. A bill to establish the Channel Islands Marine National Park in the State of California, and for other purposes; with amendment (Rept. No. 96-182, Pt. II). Referred to the Committee of the Whole House of the State of the Union.

Mr. MURPHY of Illinois: Committee on Rules. House Resolution 318. Resolution providing for the consideration of H.R. 2795. A bill to amend the International Travel Act of 1961 to authorize additional appropriations, and for other purposes (Rept. No. 96-274). Referred to the House Calendar.

Mr. ZEFERETTI: Committee on Rules. House Resolution 319. Resolution providing for the consideration of H.R. 3303. A bill to authorize appropriations for the purpose of carrying out the activities of the Department of Justice for fiscal year 1980, and for other purposes. (Rept. No. 96-275). Referred to the House Calendar.

Mr. DERRICK: Committee on Rules. House Resolution 320. Resolution providing for the consideration of H.R. 2585. A bill to amend the National Traffic and Motor Vehicle Safety Act of 1966 and the Motor Vehicle Information and Cost Savings Act to authorize appropriations for fiscal years 1980 and 1981. (Rept. No. 96-276). Referred to the House Calendar.

Mr. FOLEY: Committee on Agriculture. S. 41. An act to require the Secretary of Agriculture to convey any interest held by the United States in certain lands located in Bell County, Ky., to the Board of Education, Bell County, Ky.; with amendment (Rept. No. 96-277). Referred to the Committee of the Whole House on the State of the Union.

Mr. FOLEY: Committee on Agriculture. H.R. 4167. A bill to amend section 201 of the Agricultural Act of 1949, as amended, to extend until September 30, 1981, the requirement that the price of milk be supported at not less than 80 percent of the parity price therefor (Rept. No. 96-278). Referred to the Committee of the Whole House on the State of the Union.

SUBSEQUENT ACTION ON BILLS INITIALLY REFERRED UNDER TIME LIMITATIONS

Under clause 5 of rule X,

Referral of H.R. 51. A bill to amend the Natural Gas Pipeline Safety Act of 1968 to provide for the safe operation of pipelines transporting natural gas and liquefied petroleum gas, to provide standards with respect to the siting, construction, and operation of liquefied natural gas facilities, and for other purposes; which was referred to the Committee on Public Works and Transportation, extended for an additional period ending not later than June 22, 1979.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BAILEY:

H.R. 4484. A bill to impose a duty on imported crude oil and to use the proceeds of such duty to make loans for the construction of facilities for the production of synthetic fossil fuels; jointly, to the Committees on Ways and Means, Banking, Finance and Urban Affairs, Interstate and Foreign Commerce.

By Mr. BRODHEAD (for himself and Mr. Rangel):

H.R. 4485. A bill to amend part A of title XXIV of the Social Security Act to encourage States to improve their AFDC programs by increasing Federal payments to those States which take (or have taken) specified steps to broaden coverage, raise benefits, and reduce error rates under such programs; to the Committee on Ways and Means.

By Mr. BUTLER:

H.R. 4486. A bill to amend the Internal Revenue Code of 1954 to provide that there will be no advance payment of the earned income credit; to the Committee on Ways and Means.

By Mr. EVANS of Indiana:

H.R. 4487. A bill to provide that any increase in the rate of pay for Members of Congress proposed during any Congress shall not take effect earlier than the beginning of the next Congress; to the Committee on Post Office and Civil Service.

By Mr. FOLEY:

H.R. 4488. A bill to amend the Public Utility Regulatory Policies Act of 1978 (92 Stat. 3117) to revise the limitation on size of small hydroelectric power projects; to the Committee on Interstate and Foreign Commerce.

By Mr. FOLEY (for himself and Mr. Zablocki) (by request):

H.R. 4489. A bill to authorize the establishment of a food security reserve of wheat, and for other related purposes; jointly, to the Committees on Agriculture and Foreign Affairs.

By Mr. FUQUA:

H.R. 4490. A bill to amend the Presidential Science and Technology Advisory Organization Act of 1976 and to amend the National Science Foundation Act of 1950 to provide additional information to the Congress as a basis for implementing biennial research and development authorizations; to the Committee on Science and Technology.

By Mr. GEPHARDT:

H.R. 4491. A bill to amend the Internal Revenue Code of 1954 to treat amounts paid for classes designed primarily to help individuals stop smoking cigarettes as amounts paid for medical care; to the Committee on Ways and Means.

H.R. 4492. A bill to amend the Internal Revenue Code of 1954 relating to the amortization of certain water quality facilities, and for other purposes; to the Committee on Ways and Means.

By Mr. GONZALEZ:

H.R. 4493. A bill to amend title 10, United States Code, to provide separation pay for regular enlisted members of the U.S. Armed Forces; to the Committee on Armed Services.

By Mr. MINISH:

H.R. 4494. A bill to assist cities, counties, and States by amending section 5136 of the Revised Statutes, as amended, with respect to the authority of national banks to underwrite and deal in securities issued by State and local governments, and for other purposes; to the Committee on Banking, Finance and Urban Affairs.

By Mr. MOTTL:

H.R. 4495. A bill to amend the Age Discrimination in Employment Act of 1967 to eliminate the upper age limitation of 70 years of age established in section 12(a) of such act; jointly, to the Committees on Education and Labor, and Post Office and Civil Service.

By Mr. SATTERFIELD:

H.R. 4496. A bill to repeal the carryover basis provisions added by the Tax Reform Act of 1976; to the Committee on Ways and Means.

By Mr. SOLOMON:

H.R. 4497. A bill to exempt States from the requirement of filing environmental impact statements with respect to certain actions taken under fish and wildlife restoration programs; to the Committee on Merchant Marine and Fisheries.

By Mr. WEAVER:

H.R. 4498. A bill to change certain requirements applicable to purchasers of timber from national forests, and for other purposes; jointly, to the Committees on Agriculture and Ways and Means.

By Mr. DINGELL:

H.R. 4499. A bill to set forth a national program for the full development of energy supply, and for other purposes; jointly, to the Committees on Interstate and Foreign Commerce and Interior and Insular Affairs.

H.R. 4500. A bill to set forth a national program for the full development of energy supply, and for other purposes; jointly, to the Committees on Armed Services, Banking, Finance and Urban Affairs, Government Operations, Interior and Insular Affairs, Interstate and Foreign Commerce, Public Works and Transportation, Science and Technology, and Ways and Means.

By Mr. BONKER (for himself, Mr. AUCOIN, and Mr. JEFFORDS):

H. Con. Res. 141. Concurrent resolution expressing the sense of the House of Representatives that the President should call upon the Secretary General of the United Nations to convene immediately an emergency session of the General Assembly to deal with the refugee crisis in Southeast Asia; to the Committee on Foreign Affairs.

By Mr. MYERS of Indiana:

H. Con. Res. 142. Concurrent resolution to collect overdue foreign debts; to the Committee on Foreign Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. LUJAN:

H.R. 4501. A bill for the relief of the lessee and sublessees of land which was the subject of a lease disapproved by the United States, and for the relief of certain suppliers of materials or labor for improvements on such land; to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 96: Mr. LEACH of Louisiana, Mr. BETHUNE, and Mr. CORCORAN.

H.R. 605: Mr. FISHER, Mr. WYLIE, Mr. FROST, Mr. ROE, Mr. DODD, Mr. AUCOIN, and Mr. GONZALEZ.

H.R. 1008: Mr. ROE.

H.R. 1644: Mr. HANCE and Mr. TRIBLE.

H.R. 2020: Mr. WEAVER and Mr. LOWRY.

H.R. 2152: Mr. PATTERSON.

H.R. 2369: Mr. WAXMAN.

H.R. 2441: Mr. PRITCHARD.

H.R. 2459: Mr. PICKLE, Mr. HOLLAND, and Mr. DUNCAN of Tennessee.

H.R. 2777: Mr. BADHAM, Mr. WYLIE, Mr. BROWN of Ohio, and Mr. YOUNG of Florida.

H.R. 3101: Mr. COUGHLIN.

H.R. 3102: Mr. OBERSTAR, Mr. MARKEY, Mr. LEACH of Iowa, Mr. BUCHANAN, Mr. ADDABBO, Mr. BRODHEAD, Mr. BLANCHARD, Mr. GUDGER, Mr. WYATT, Mr. SCHEUER, Mr. AUCOIN, Mr. GRAY, and Mr. MATSUI.

H.R. 3545: Mr. MCDADE, Mr. DOUGHERTY, and Mr. CLEVELAND.

H.R. 4142: Mr. HEFTEL, Mr. LEE, and Mr. GRISHAM.

H.R. 4262: Mr. BLANCHARD, Mr. HUGHES, and Mr. MITCHELL of Maryland.

H.R. 4265: Mr. MOAKLEY, Mr. LAFALCE, Ms. FERRARO, Mr. MURPHY of Pennsylvania, Mr. PEPPER, Mr. HOLLENBECK, Mr. BURGENER, Mr. VENTO, Mr. ROE, Mr. STEWART, Mr. STACK, Mr. WALGREN, Mr. MOTTL, Mr. FLOOD, Mr. MITCHELL of Maryland, Mr. GINGRICH, Mr. MAVROULES, Mr. OTTINGER, Mr. DOUGHERTY, Mr. HUGHES, Mr. GRAY, Mrs. FENWICK, Mr. LUNGREN, and Mr. WYATT.

H.R. 4343: Mr. DERWINSKI, Mr. ERTEL, Mr. LAGOMARSINO, Mr. CARTER, and Mr. FLOOD.

H.R. 4345: Mr. THOMPSON, Mr. BEREUTER, Mr. ERTEL, Mr. CHARLES WILSON of Texas, Mr. MCKINNEY, Mr. HUGHES, Mr. TRAXLER, Mr. WOLPE, and Mr. BLANCHARD.

H.J. Res. 213: Mr. LUNGREN.

H. Con. Res. 59: Mr. PATTERSON.

PETITIONS, ETC.

Under clause 1 of rule XXII,

151. The SPEAKER: Presented a petition of the Borough Council, National Park, N.J., relative to an income tax check-off for contributions to the U.S. Olympic Committee, which was referred jointly, to the Committees on Ways and Means and the Judiciary.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 2444

By Mr. WALKER:

—On page 77, in line 6, after "(b)(1)", insert "(A)"; and after line 14, insert the following:

"(b)(1)(B) Notwithstand subparagraph (A) of this paragraph, the number of positions in the Department—

(i) in grade level GS-16 shall not exceed 44;

(ii) in grade level GS-17 shall not exceed 17; and

(iii) in grade level GS-18 shall not exceed 9.".

—On page 77, in line 15, after "(2)", insert "(a)"; and after line 24, insert the following:

"(b) Notwithstanding subparagraph (a) of this paragraph, the number of scientific, professional, and technical positions shall not exceed 50.".

—On page 78, in line 19, strike out "112" and insert in its place "25".

—On page 78, in line 19, strike out "112" and insert in its place "50".

—On page 78, in line 19, strike out "112" and insert in its place "75".

—On page 79, in line 6, strike out "15" and insert in its place "5".

—On page 79, in line 6, strike out "15" and insert in its place "10".

—On page 79, in line 10, strike out "of three years" and insert in its place "of one year"; and

in line 10, strike out "or three years" and insert in its place "or one year".

—On page 79, in line 10, strike out "of three years" and insert in its place "of two years"; and

In line 10, strike out "or three years" and insert in its place "or two years".

—On page 79, strike out lines 15 through 20, inclusive; and

In line 21, strike out "(f)" and insert in its place "(e)".

—On page 80, strike out all in lines 1 through 6, inclusive;

In line 8, strike out "SEC. 403." and insert in its place "SEC. 402.";

In line 17, strike out "SEC. 404." and insert in its place "SEC. 403.";

In line 18, strike out "403" and insert in its place "402"; and

On page 52, in the table of contents, strike out—

"Sec. 402. Experts and consultants.

And renumber sections 403 through 404 as sections 402 through 403, respectively.

—On page 80, strike out all in line 12 after "450";

Strike out lines 13 and 14, inclusive; and In line 12, after "450" insert a period.

—On page 80, in line 17, after "Sec. 404.", insert "(a); and

After line 20, insert the following:

"(b) Congress shall authorize the end strength as of the end of each fiscal year for personnel employed pursuant to section 209 of this Act."

—On page 82, strike out lines 1 through 9, inclusive, and insert in their place the following:

"(b) Except to the extend inconsistent with subsection (c)—

"(1) the Secretary, in promulgating rules and regulations as authorized by statute, shall prescribe such rules and regulations in accordance with chapter 5 of title 5, United States Code; and

"(2) section 431 of the General Education Provisions Act also shall apply to such rules and regulations to the extent applicable immediately prior to the effective date of this Act, and to rules and regulations promulgated with respect to programs transferred under section 301(a) (1) and (2), 302, 303, 305, and 306 of this Act.

"(c) In promulgating such rules and regulations, the Secretary shall make all reasonable effort to alert the appropriate officials of the local education authorities as to the purpose and content of a proposed rule or regulation."

—On page 88, in line 22, strike out "10 per centum." and insert in its place "5 per centum.".

—On page 89, strike out lines 10 through 21, inclusive, and insert in their place the following:

"Such report shall—

"(a) include a statement of goals, priorities, and plans for the Department which are consistent with the purposes of the Department as specified in section 102;

"(b) contain an assessment of the progress made during that fiscal year and anticipated future progress toward the attainment of—

"(1) the goals, priorities, and plans for the Department specified pursuant to paragraph (a);

"(2) the effective, efficient and economical management of the Department; and

"(3) the coordination of the functions of the Department; and

"(c) include an estimate of the extent of the non-Federal personnel employed pursuant to contracts entered into by the Department under section 425 or under any other authority (including any subcontract thereunder), the number of such contracts and subcontracts pursuant to which non-Federal personnel are employed, and the total cost of those contracts and subcontracts.".

—On page 89, in line 21, after the period, insert: "Such report shall also include a description of any actions taken by the Secretary pursuant to section 423 of this Act, and an explanation of why each such action was taken.".

—On page 89, in line 21, after the period, insert: "Such report shall also include a description of any actions taken by the Secretary pursuant to section 429 of this Act, and an explanation of why each such action was taken.".

—On page 105, in line 14, after "SEC. 510.", insert "(a)"; and

After line 21, insert the following:

"(b) The authority provided to the Secretary in subsection (a) of this section shall expire on the 180th day after the effective date of this Act.".

—On page 106, in line 25, strike out "one hundred eighty days" and insert in its place "ninety days".

—In the following places, strike the word "Services" and insert in its place "Resources":

On page 98, in lines 14 and 22;
On page 99, in line 16;
On page 100, in lines 8, 14, and 19;
On page 101, in lines 6, 9, 16 and 17, and 24;
On page 102, in lines 4 and 5, and 8 and 9;
On page 103, in line 17;
On page 104, in lines 18 and 22; and
On page 105, in lines 2, 9, and 10.

H.R. 2462

By Mr. SNYDER:

—On page 3, line 4, after "Defense" insert: ": *Provided further*, That an operator receiving funds under this paragraph may elect, for all or a portion of its ships, to suspend its operating differential subsidy contract with all attendant statutory and contractual restrictions, except as to those pertaining to the domestic intercoastal or coastwise service, including any agreement providing for the replacement of vessels, if:

"(a) the vessel is less than ten years of age,

"(b) the suspension period is not less than twelve months, and

"(c) the operator's financial condition is maintained at a level acceptable to the Secretary of Commerce.

Any operator making such an election is entitled to full reinstatement of the suspended contract on request until October 1, 1984. The Secretary of Commerce may prescribe rules and regulations consistent with the purpose of this provision".

—On page 4, after line 5, insert:

SEC. 5. Section 27 of the Merchant Marine Act, 1920, as amended, 46 U.S.C. §883, is hereby further amended by adding the following new clause at the end thereof: ": *Provided further*, That until October 1, 1984, and notwithstanding any other provisions of this section, any vessel documented under the laws of the United States and owned by persons who are citizens of the United States may, when operated upon a voyage in foreign trade, transport merchandise in cargo vans, lift vans, and shipping tanks between points embraced within the coastwise laws for transfer to or when transferred from another vessel or vessels, so documented and owned, of the same operator when the merchandise movement has either a foreign origin or a foreign destination."

H.R. 4388

By Mr. KOSTMAYER:

—On page 27, line 23, strike the period and insert: ": *Provided further*, That 731 personnel positions shall be allocated exclusively to the Office of Nuclear Reactor Regulation to carry out those responsibilities authorized by law.".

EXTENSIONS OF REMARKS

LAYING THE BLAME

HON. JOHN D. DINGELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 14, 1979

● Mr. DINGELL. Mr. Speaker, I was asked today to provide to the Membership of the House an explanation of the fuel shortages which are currently plaguing this country. I regret to say that this is not possible to do without consuming far more time than would be available to me.

In the course of the debate, I referred to an excellent article appearing in the Wall Street Journal, explaining some of the problems, and the reactions to these problems on the part of the public. In the belief that this article will be of interest and value to my colleagues, I insert the article to be reprinted at this time.

The article follows:

[From the Wall Street Journal, June 13, 1979]

LAYING THE BLAME—WHY A GAS SHORTAGE? IRAN, OIL-FIRM ERRORS, FEDERAL BUNGLING CITED

(By Walter S. Mossberg and Rich Jaroslovsky)

WASHINGTON.—Comedian Johnny Carson claims he recently spotted a sign in front of a California gasoline station. "Temporarily out of phony excuses," it read.

The gag amused Mr. Carson's television audience. But it also reflects a serious side of the gasoline shortage: Nobody can quite agree on why it's happening, and the public doesn't believe the official explanations.

Theories abound. Everybody puts some blame on the closing of Iran's oil fields early this year. But the Energy Department also faults wasteful American motorists. Oil companies blast the Energy Department and its complicated regulations. And the public, according to opinion surveys, suspects an oil-industry plot.

"There is an abundance of fault in this thing," declares Rep. John Dingell, a Michigan Democrat who heads a House energy subcommittee.

BASIC REASONS

But a close look at reasons for the shortage clarifies the picture a bit. While Iran's revolution served as the immediate trigger, the chief underlying cause seems to have been the oil companies' miscalculation of the near-term prospects for supply and demand. Ranking close behind as a cause of trouble was the government's uncertain and contradictory energy policy.

Interviews with private and government analysts indicate that the oil companies last year followed a risky strategy of draining inventories and thus left the country with uncomfortably low supplies of crude oil and gasoline. At the same time, slow-moving and confusing federal policies were discouraging fuel production and distorting markets, while failing to curb rising prices.

As a result, the U.S. couldn't cope with three unexpected events. First came a surge in driving last fall, then a particularly cold winter, and finally the Ayatollah Khomeini's revolution, which interrupted Iranian oil exports and pushed up world oil prices.

When these problems arose, the industry was gripped with uncertainty, and the government unleashed a flurry of policy changes that added to their confusion. Companies husbanded their reserves of crude oil, and U.S. refineries continued to produce only limited amounts of gasoline well into 1979, despite growing shortages.

CRITICS' CHARGES

Critics contend that the industry deliberately withheld crude oil from its refineries to worsen the crisis for economic and political reasons. But the industry and the Energy Department reject those charges: they say conserving crude oil in the face of turmoil was only prudent.

To understand how the U.S. got into its present fix, it's necessary to go back to late 1977. At the time, world oil production was outrunning demand, but the Organization of Petroleum Exporting Countries—the price-fixing cartel—was nonetheless considering a new price rise for January 1978. And Saudi Arabia, OPEC's biggest producer, was talking about cutting production to ensure that such a rise would stick.

To beat the increase, U.S. oil companies in late 1977 built their stocks of crude oil and petroleum products, such as gasoline, to unusually high levels. By January 1978, U.S. crude-oil inventories stood at 340 million barrels, up from 294 million a year earlier. Gasoline stocks were 7.8 percent above 1977 levels.

But the expected price increase didn't come that January, nor at another OPEC meeting in May. So oil companies, uncomfortable with their bulging inventories, began reducing them. Imports of crude fell sharply in early 1978 as the industry used stocks on hand. And to hold down big inventories of refined products, U.S. refineries were run for much of the year at rates below the 1976 and 1977 levels.

CUT IN INVENTORIES

In 1978, the industry "went from a position of abnormally high inventories to normal inventories," explains Theodore Eck, chief economist for Standard Oil Co. (Indiana). Actually, government figures show stocks of crude oil and gasoline below normal by year-end.

Then came the crunch. Spurred by mild autumn weather, motorists continued to burn up large amounts of gasoline even after Labor Day, in defiance of normal driving patterns. When the weather finally turned wintry, it did so with a vengeance; the un-

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

usual cold boosted the need for heating oil. "Demand in 1978 was a big surprise to all of us," says Annon Card, a Texaco Inc. vice president.

Meanwhile, Iran was sinking into chaos. Revolutionaries began disrupting oil production in October; by Dec. 26, exports were halted. When resumed in March, they were at about half the prerevolutionary rate.

"In retrospect, we screwed up," Indiana Standard's Mr. Eck says. "If we'd seen the Iranian situation coming, we should have kept abnormally high inventories all year."

The Iranian shutoff hurt the U.S. in two ways. First, after Iran's oil stopped flowing, U.S. supplies fell 500,000 barrels a day below projected demand. Light crude oil, best suited to make gasoline, was especially scarce. Such oil already had been thrown into tight supply by an earlier move in Saudi Arabia to restrict production of its lighter grades.

And perhaps just as serious as the actual shortage was the uncertainty spawned by the crisis. In the oil industry, "nobody knew when Iran was coming back," a top U.S. energy official says. The uncertainty, along with another pending OPEC price increase, spurred a world-wide grab for crude oil and a spurt in U.S. imports, starting late last year.

But instead of refining all the oil they could get, the skittish oil companies have carefully conserved their crude stocks. Besides feeling uncertain about future supplies of crude, the companies have been unsure which refined products would be needed most. In the first four months of 1979, U.S. refineries ran at only about 85% of capacity, close to the low 1978 pace. Gasoline and heating-oil production fell.

Similar fears for the future, government officials believe, have prompted many businesses and plain speculators to buy up and hoard fuel. Similarly, drivers in auto-dependent California began a panicky rush to fill their tanks.

Despite a glut of oil from Alaska, California was hardest hit for several reasons. Many of California's refineries aren't equipped to handle the heavy crude produced in Alaska. Oil companies complain that lack of capital and tough environmental rules have discouraged them from expanding their West Coast operations; so, much of the Alaskan crude is shipped to Gulf Coast refineries. And it's difficult to supply California from the East or South because of a lack of major East-West pipelines.

While the refiners' gasoline supplies were drying up, government policies seemed to make things worse. They "were a disaster from beginning to end," contends Jack Blum, who represents independent gasoline stations and frequently criticizes the big oil companies and the government.

GOVERNMENT'S ACTIONS

Among other things, the government:

—Hinted it would decontrol gasoline prices but never did for fear of a congressional backlash. Refiners, waiting for higher prices, held off expanding their production capacity.

—In effect, rewarded refiners for holding down gasoline production. By creating a sellers' market in 1978, the companies were able to impose certain price-rises approved in earlier years by federal price controllers; the government had let companies defer the increases until market conditions allowed higher prices.

—Pressed efforts to get the lead out of gasoline, and at the same time, banned the use of MMT, an octane-boosting substitute. These moves meant refiners were forced to use more crude oil, on average, for each gallon of gasoline.

This year, as the fuel situation worsened, the government tried to ease it with a rapid-fire series of new moves that seemed only to increase confusion in the industry.

PRICES INCREASED

In January, the Energy Department sought to spur gasoline production by loosening its price controls to let quotas rise further. But while consumers griped, refiners complained that the higher prices weren't adequate to encourage more gasoline-making.

In February, the department updated its rules under which companies divide gasoline supplies among dealers in order to reflect regional changes in population and fuel consumption. But the change was made with just a week's notice and caused unexpected disruptions in supplies. Two months later, the agency found it necessary to change the rules yet again.

In March, despite the beginnings of shortages in the U.S., the department quietly told refiners to stay out of the high-priced world spot market for crude oil and refined products. But last month, after the gasoline crunch hit California, the department reversed itself.

In April, the department began urging refiners to build up heating-oil stocks for next winter, even at the cost of gasoline shortages this summer. But a month later, after gas-station lines began sprouting, the agency lowered its heating-oil targets to allow greater gasoline production.

ANOTHER CHANGE SLATED

Just lately, the department has been preparing still another major change: It wants to scrap the existing gasoline price-control system in favor of a new, completely different formula.

Says Mr. Blum of the gasoline-dealers group: "The very act of trying to solve the crisis has only made the crisis worse."

Deputy Energy Secretary John O'Leary rejects such arguments. He concedes that some government actions have created market "distortions," but he says he would repeat most of them anyway. The updating of allocation rules, Mr. O'Leary asserts, was long overdue. The ban on spot-market purchases, he says, may have cut world prices by $2 a barrel. And he insists that heating oil must take precedence over gasoline.

But many others don't put the blame solely on government actions. Indeed, some analysts—and 77% of the public, according to a recent Gallup Poll—believe that the gasoline shortage springs not from bungling or bad luck but from a plot by the oil industry.

CRITICS' REPORT

In a 15-page, statistics-studded report, a Washington-based anti-oil-industry group called Energy Action argues that in running down inventories last year, the companies left the U.S. "extremely vulnerable" to foreign shortages. Then, the group contends, the companies deliberately kept production low early this year by unnecessarily withholding oil from their refineries.

The report asserts that, despite Iran's cutbacks, world oil supplies actually exceeded 1978 levels because of increased production elsewhere. Thus, the group contends, the oil companies could have produced adequate supplies of gasoline, but didn't. The industry's major motive, Energy Action argues, was to exaggerate the Iranian shortage and scare President Carter into decontrolling oil prices in hopes of raising domestic production.

The group's report contends that the government, eager to encourage fuel conservation, helped contrive the shortage. Energy Action argues that the Energy Department overstated the amount and importance of the loss of Iranian oil and the growth in U.S. demand and that it let industry inventories dwindle so that stiff conservation measures would be needed.

"Rationing by inconvenience is one way of bludgeoning the public into cutting back on automobile usage," the group says.

Some congressional analysts agree with the Energy Action view. And a high official of the Federal Trade Commission has publicly suggested that certain statistics show "the current gasoline shortage may be contrived."

EXXON OFFICIAL'S REPLY

Oil executives naturally bristle at such charges. "What's happened is that we've lost all that oil; we can't make it up," insists C. C. Garvin Jr., chairman of Exxon Corp. "We're running the refineries with all of the crude that we have."

Analyzing the situation, the American Petroleum Institute, the main industry group, says companies are merely being prudent by conserving their oil stocks to avoid costly stopping and restarting of refineries. The institute adds that government controls have interfered with even distribution of supplies and have deprived companies of the capital needed to expand unleaded-gasoline capacity; it takes more crude oil and special equipment to produce unleaded.

But the companies say they lately have been running their refineries at much higher rates than earlier in the year. Energy Secretary James Schlesinger says that under federal prodding average refinery operating rates have climbed to about 87 percent of capacity in recent weeks. Even if a company makes about as much gasoline as last year, however, shortages persist at the pump because demand this year is stronger and because federal rules require big chunks of fuel to be set aside for priority users, such as farmers. The result: Less than 100 percent of 1978 supplies are left for general sale.

Both industry executives and federal officials insist that there is a real world oil shortage. "It's as plain as mashed potatoes," says Mr. Schlesinger, who estimates world oil supplies are running about 1.5 million barrels daily below demand. Government and industry men say comparisons with 1978, such as those offered by Energy Action, indicate little because production in 1978 was abnormally low.

RISING DEMAND STRESSED

But government analysts put much more stress than industry officials on rising demand as a cause of the problem. Mr. O'Leary says gasoline consumption grew 4 percent nationally, and 7 percent in California during this year's first quarter. "There isn't a gasoline shortage," he cracks. "There's a driving surplus."

Mr. Schlesinger conceded recently that the oil companies may have been "unduly conservative" in holding onto crude-oil stocks early this year. But he says their behavior is "understandable, perhaps, in light of the uncertainty regarding crude-oil supplies." And Deputy Secretary O'Leary says this conservatism doesn't "add up to a conspiracy either to create an artificial shortage of gasoline or roust the price up."

However, Mr. Schlesinger says the oil industry's conduct isn't "necessarily a reflection of the best national policy." Another federal energy expert puts it this way: "What the companies have done is perfectly rational, even sensible from a business point of view. It isn't sinister or evil. But that doesn't mean it's in the national interest.●

TRIBUTE TO ARTHUR FIEDLER

HON. SILVIO O. CONTE

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 14, 1979

● Mr. CONTE. Mr. Speaker, I would like to enter into the CONGRESSIONAL RECORD the fact that Arthur Fiedler, the magnificent maestro of the Boston Pops, has been hospitalized after a mild heart attack. It is my feeling that Fiedler brings classical music to a large audience because he continues to play the most popular pieces.

Fiedler decided music was in his blood at a very early age, by the time he was 17 he had led a concert. Later Fiedler became the second fiddle in the Boston Orchestra, fulfilling an earlier prophesy that "a Fiedler is a fiddler." In 1930 he became the conductor of the Boston Pops, and a few years later he gave the first open-air concert in Boston.

Fiedler, who is now 84, had just begun his 50th year as a conductor of the Boston Pops. Now, it seems, he will be unable to return to the podium at least for the remainder of the year because of his illness. This is a great loss to the State of Massachusetts as well as the Nation.

I know my colleagues will support me in wishing a speedy recovery of this magnificent conductor.●

INTRODUCTION OF YOUTH EMPLOYMENT ACT OF 1979

HON. AUGUSTUS F. HAWKINS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 14, 1979

● Mr. HAWKINS. Mr. Speaker, the Youth Employment and Demonstration Projects Act was enacted in the 94th Congress to test a variety of approaches to alleviate high youth unemployment, a problem which is both chronic and acute in nature. Although this effort has impacted on over two hundred thousand youth, the sheer magnitude of the problem, the increased labor market entry of young people, and the present alarming downturn in the economy have maintained unconscionably high levels of unemployment among a generation of young people who must assume the positions in industry, science, education, commerce, and government in the next decade.

The disproportionate rate of unemployment, especially among minority youth, has been festering for over three decades. Youth unemployment adversely affects our productivity, fuels inflation, and poses a major threat to our society. Crime, alcohol and drug abuse, mental illness, increased transfer payments, and other costly results of unemployment combined to produce a $15 to $20 billion price tag for every 1 percent of unemployment. Youth account for nearly half of the unemployed.

Based on the experience of the Youth Employment and Demonstration Projects Act, which expires next year, I have proposed a major initiative which combines immediate remedies and long term systemic and structural changes in the institutions and programs serving youth.

The bill I am introducing today provides an expansion of the youth incentive entitlement program to all poverty areas. This program guarantees part-time employment to impoverished youth on the condition that they return to or remain in school.

The bill also doubles the number of opportunities in the comprehensive youth employment and training program which provides a broad variety of services to both in-school and out-of-school youth.

The initiative includes the expansion of opportunities in nonresidential, institutional skill centers in areas of high unemployment, providing not only skill development but basic education, counseling and supportive services. These activities could be sponsored by schools, community organizations, or private corporations.

The authorization for title VII private sector opportunities for the economically disadvantaged is extended for 2 years with a provision to coordinate title VII activities with youth programs under title VII.

The bill further expands opportunities for disadvantaged youth in the private sector by coordinating on-the-job training programs with the targeted jobs tax credit.

The proposal establishes a special fund to increase employment and training opportunities for young welfare mothers under the WIN program, improves the delivery of services to youth by the U.S. Employment Service, expands apprenticeship programs to emerging and nontraditional trades such as service industries, and authorizes the employment of youth in Federal agencies and special Federal projects.

The bill would also establish an interagency committee to reduce institutional barriers and to promote coordination at the Federal level.

The Subcommittee on Employment Opportunities has begun hearings this week on the program experience under the Youth Employment and Demonstration Projects Act and will continue hearings on June 20, 26, 27, and July 19 on the current programs and on the initiative which I am introducing today.

I commend the administration's efforts, through the Vice President's task force on youth employment, to assess our current efforts and determine approaches which hold out the promise of increasing employment opportunities for youth. I will be working closely with the Department of Labor and the Vice President's task force in the coming months to promote strategies to reduce the alarmingly high rate of youth unemployment.

The initiatives that I propose will implement provisions of the Full Employment and Balanced Growth Act of 1978, which require the improvement and expansion of youth employment programs to reach full employment among our Nation's youth. The Full Employment Act mandates reduction of unemployment to 4 percent by 1983 and a reduction of the differential between youth and adult unemployment. A reduction of this differential is necessary if we are to reach that goal.

This problem, however, cannot be dealt with in piecemeal fashion. Structural programs alone cannot be effective unless macroeconomic policies are coordinated to promote balanced growth. Economic expansion is required if youth are to be assimilated into the labor force. Temporary, federally funded employment is a means to improve employability. Basic education and skills training are needed and must be provided, but there must be jobs available in the economy for these young people after completion of such programs. We cannot afford to train youth if there will be no jobs for them after completion of training.

In April, the index of economic indicators fell 3.3 percent, the greatest drop on record. We are moving into a recession which will put currently employed people out of work. Unemployment may very well reach 8 percent before this time next year. The Congressional Budget Office recently updated its forecasts to reflect recent changes in the economy. CBO's predictions in July may be even more pessimistic. Our fiscal and monetary policies, in fact even our congressional budget process, are pushing us into an economic downturn. In the face of these trends, can we expect the private economy to place the hundreds of thousands of unskilled, disadvantaged youth when older, skilled workers are on layoff?

Robert Kennedy once said that "Our Nation's youth are our last best hope." As we fail them, we fail their future and our own. As we leave them unprepared, we leave our Nation unprepared, and we leave a generation in despair due to our unwillingness to make an investment in our Nation's future.

If you look into our inner cities, America's heart of darkness, you will find them: Young people becoming even more deeply estranged from a society which seems to ignore their needs. You will also find them in our Nation's towns and suburbs, roving aimlessly through shopping centers and residential areas. They also languish in the vast remote rural areas of our Nation.

They may have failed in school, or perhaps school failed them. Whatever their past or present problems, we must provide them with ample opportunities to become productive members of society.

A summary of the provisions of the Youth Employment Act of 1979 follows:

SUMMARY OF THE PROVISIONS OF THE YOUTH EMPLOYMENT ACT OF 1979

TITLE I—AMENDMENTS TO TITLE IV OF CETA

The Youth Incentive Entitlement Program would be expanded to guarantee part-time employment or part-time employment and training to economically disadvantaged youth residing in urban or rural poverty areas who resume or maintain attendance in secondary schools or in a high school equivalency program. Such sums as may be necessary are authorized for fiscal year 1981 and for each of the three succeeding fiscal years. It is estimated that this expansion would serve approximately 300,000 eligible youth.

The Youth Employment and Training Program, which provides a broad variety of comprehensive youth employment, training and support service programs, would be doubled in size to provide approximately 200,000 additional opportunities for both in-school and out-of-school youth. A personalized employability development plan would be required for each youth served and as assessment of the appropriate services to be provided would be made for each youth upon entrance to the program. Income eligibility would be reduced from 85 percent to 70 percent of the BLS lower family income standard, but 20 percent of the funds could be utilized for youth who do not meet that criteria but face other barriers to employment. There would be authorized for appropriation $2,400,000,000 for fiscal year 1981 and such sums as may be necessary for each of three succeeding fiscal years.

The Job Corps program under part B of title IV is amended to authorize additional funds to provide opportunities for youth residing in areas of high unemployment in non-residential institutional skill centers. There would be authorized to be appropriated $80,000,000 for fiscal year 1981 and such sums as may be necessary thereafter. It is estimated that this would provide an additional 10,000 opportunities. These centers would provide basic education, skill development, and support services as presently provided in the Job Corps.

A new part D to title IV would be established to provide employment opportunities for disadvantaged youth in federal agencies to accomplish presently authorized agency activities. Additionally, funds would be provided to federal agencies sponsoring special youth employment projects. The present provisions applicable to public service employment under CETA would apply to this program.

TITLE II—AMENDMENTS TO TITLE VII OF CETA

The bill would reauthorize the Private Sector Initiative Program under title VII of CETA for fiscal years 1981 and 1982 and establish better linkages between this program and the youth programs under title IV. The Private Industry Councils would be directed to develop specific employment and training programs in the private sector for youth. Assistance would also be made available through demonstration grants to private employers to hire disadvantaged youth on special employment projects of benefit to the community with any profits derived to be contributed to the continuation or expansion of the project. $50,000,000 would be authorized for each year for the demonstration community service projects.

The bill would expand opportunities for disadvantaged youth in the private sector by coordinating the on-the-job training provisions of CETA with the Targeted Jobs Tax Credit program, thus allowing private employers to take advantage of both programs and ensuring an incentive for private sector employers to hire and train disadvantaged youth.

TITLE III—AMENDMENTS TO TITLE IV OF THE SOCIAL SECURITY ACT, THE WORK INCENTIVE PROGRAM (WIN)

The bill would authorize a special fund to provide additional work and training opportunities to welfare parents under 22 who volunteer to participate without regard to present non-federal matching requirements. There are authorized to be appropriated $400,000,000 for fiscal year 1981 and such sums as may be necessary for each of the succeeding fiscal years. It is estimated that this could provide up to 50,000 new opportunities for these clients.

TITLE IV—THE ESTABLISHMENT OF AN INTERAGENCY COORDINATING COMMITTEE FOR YOUTH EMPLOYMENT AND PROGRAMS OF COOPERATIVE PROJECTS BETWEEN FEDERAL AGENCIES

The legislation would establish an Interagency Coordinating Committee for youth employment to coordinate the policies and programs of federal agencies involved in youth education, training and employment. The Committee would be composed of the following officials or their designees: the Secretaries of Agriculture, Defense, Health, Education and Welfare, the Interior, Labor, the Attorney General, and the Directors of ACTION, the Community Services Administration and the Office of Management and Budget who shall chair the meetings. The Committee would have an Executive Director appointed by the President with the advice and consent of the Senate who shall review proposed rules, regulations and guidelines which affect or impair coordination of programs, consult with State and local governments and private groups, report and make recommendations to the Committee and the Congress on obstacles to proper coordination.

The Director would also administer a grant program which would provide additional funds to cooperative projects between agencies. There would be authorized to be appropriated $10,000,000 for fiscal year 1981 and such sums as may be necessary for each of the two succeeding fiscal years for the cooperative grant program, but in no event would the incentive funds for any project exceed 20% of the federal funds involved or 10% of the total estimated project cost whichever is less.

TITLE V—AMENDMENTS TO THE WAGNER-PEYSER ACT (U.S. EMPLOYMENT SERVICE)

The bill would establish a youth employment component within the Employment Service to orient youth to labor market conditions and requirements, including job search workshops; provide referral to support services; promote the Targeted Jobs Tax Credit; and provide on-the-job training and placement services. The bill also authorizes in-school services including the dissemination of labor market information, vocational aptitude testing and the promotion of the consultation of school systems with private employers in the development of curricula. There would be authorized to be appropriated $50,000,000 for fiscal year 1981 and such sums as may be necessary thereafter. These funds would be allocated among the States as follows: 50% on the basis of the number of youth age 16–21 inclusive residing in the State, 25% on the basis of such youth who are unemployed and 25% on the basis of such youth who are economically disadvantaged.

TITLE VI—EXPANSION OF APPRENTICESHIP PROGRAMS

The National Apprenticeship Act would be amended by requiring the Secretary of Labor, in consultation with representatives of labor and management and the general public to designate shortage occupations that are suitable for apprenticeship and occupations in which apprenticeship is underutilized. Upon designation of such occupations, the Secretary shall provide for reimbursement for the costs of training of any apprentice in a registered program for such occupation. There would be authorized for appropriation $60,000,000 for fiscal year 1981 and such sums as may be necessary thereafter.

The bill would also require any contract for the procurement of personal property or non-personal services or both with the federal government to include a provision requiring that the party contracting with the federal government shall employ a certain ratio of apprentices to craft persons.

The Secretary shall also, in consultation with the Office of Personnel Management, promote the establishment of apprenticeship in federal agencies.●

IN COMMEMORATION OF LITHUANIA

HON. JOSEPH P. ADDABBO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 14, 1979

● Mr. ADDABBO. Mr. Speaker, the date June 15 marks a tragic anniversary in the history of the Lithuanian people. On June 15, 1940, the Soviet Union forcibly invaded the country of Lithuania marking the beginning of a, thus far, 39-year reign of oppression. Conscientious efforts to obtain their rightful liberty have resulted in hardships of undue proportion. The situation, not unfamiliar to many parts of our troubled world, draws outrage in the mind of the rational individual.

In this era of delicate diplomacy, attempts at action in the struggle for human rights are frowned upon as threatening to the tranquillity of the world which seems to sit on a precarious balance. In the midst of consequent apathy, Lithuanian-Americans here in the United States have spent much time and effort in attempting to aid their oppressed brethren in the fatherland.

I am taking this opportunity to recognize and commend the efforts of the Lithuanian people in their struggle for human rights in their homeland. Their diligent efforts can be admired as exemplary. The age-old struggle for human rights cannot end with the attainment of those rights by a select few. The Lithuanian people who have immigrated and escaped the tyranny of the reigning Communist government have not forgotten those they have left behind. They seek support from the United States in our leadership role in the free world. Our moral obligation to that role requires that we answer that call for assistance.

In fulfilling this obligation we denounce Soviet repression and recognize key dissidents. It is the very least we can do to take part in this people's quest for freedom—a quest which we have so long advocated achievement of for all peoples.

Highly deserving of recognition for their tireless efforts are Balys Gajauskas and Viktoras Petkus; they have suffered much for their cause at the hands of the Soviet KGB. Both men have been nominated for the Nobel Peace Prize by the congressional Members of the Commission on Security and Cooperation in Europe. They have also been designated as "Prisoners of Conscience" by Amnesty International. Viktor Petkus today shares a prison cell with Anatoly Shcharansky, another victim of the Soviet system. Baly Gajausky, meanwhile, will celebrate, on July 28, his first wedding anniversary in the prison where he was married. I think that you, my colleagues, will agree that these men cannot be forgotten.

On this note I will close with a request for sympathetic support of Lithuanian self-determination. I hope that you will join with me in advocacy of liberation for any and all nations deprived of the basic human rights inherent to man's nature.●

RIP-OFFS IN MEDICARE AND MEDICAID

HON. CLARENCE D. LONG

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 14, 1979

● Mr. LONG of Maryland. Mr. Speaker, it is with great pleasure that I share with my colleagues the following report by Herman Spector of Baltimore, Md. Mr. Spector writes vividly of the rip-offs perpetrated in our medicare and medicaid programs.

The report follows:

WHO IS REALLY RIPPING OFF MEDICARE AND MEDICAID?

Most people would instinctively say, "Doctors!"

Further, there are many people who still think that those doctors who do, are the only ones who are cheating. Unfortunately, these notions are misconceptions. The myth that doctors—as a group—are frauds, started around 1965, and continued over the years to develop into what many people view today as an accepted truth.

Congress deliberated long and hard before it passed the Medicare and Medicaid laws in 1965. Leaders in the medical community opposed the concept of federally financed heatlh care, warning that such laws would lead to socialized medicine. The American Medical Association launched one of its most intensive and costly lobbying campaigns to block the passage of the health insurance bills. Notwithstanding, Congress enacted them into law.

With regard to Medicare, the government, in compliance with the law, adopted the third party payor system to avoid having direct contact with any person or facility involved in providing medical or health services to Medicare beneficiaries. Since that system (operated primarily by Blue Cross and Blue Shield and to a less extent by other insurance companies) had already been in existence in this country for a number of years, the federal government contracted with those carriers to administer the Medicare program. Through an arrangement of letters of credit, the government reimburses them for the money they pay out on behalf of Medicare beneficiaries, as well as for their administrative costs.

These companies had been in the same business covering their own subscribers for generations prior to Medicare; therefore, little concern was expressed over the possibilities of fraud or abuse in that new program.

But, soon, complaints were registered and patterns were observed. It became clear that unscrupulous individuals were deliberately circumventing the law to exploit Medicare for personal gain. Most of the complaints were against doctors. There was a reason why doctors acquired this type of prominence. From the beginning, the public had a convenient device to detect Medicare irregularities involving doctors. Every month, Medicare beneficiaries receive a form called EOMB (Explanation of Medicare Benefits), showing the type of service performed by the doctor, the date, the amount billed, and other pertinent data. Thus, the beneficiaries can report discrepancies if they detect them. Once reported, the situations are investigated, and if the discrepancies are the result of error or misunderstanding, they are discreetly closed out. But, if there is evidence of fraud or abuse, the investigators probe deeper, and when appropriate, refer cases to the Department of Justice for prosecution.

Publicity on an indictment is the first communication to the public that a particular doctor is involved in Medicare fraud. Then, when the doctor is arraigned before the court to enter his plea, another press release usually goes out. When the trial begins, another, and if any significant developments occur during the trial, yet another. Of course, when the jury retires to deliberate, another press release is in order, and when the jury returns with a verdict, which usually is "guilty", a more elaborate one is issued. And, ultimately, when the convicted doctor appears before the court for sentencing, that bit of news is of headline dimension.

The national wire services frequently pick up all such releases. The stories often find themselves as sensational news items in newspapers and magazines throughout the country. That is the pattern of publicity on one doctor, in one case. All that, compounded with the many hundreds of Medicare convictions against doctors since 1969, makes it clear how the public has been inundated with a negative image of doctors. That image stuck.

But, the truth is that among the hundreds of thousands of doctors in the United States, the vast majority of them are honest, and conduct themselves with the highest degree of integrity. However, as in other professions or groups, there is a certain percentage of dishonest individuals in the medical profession who deliberately abuse, exploit, or defraud the health care programs.

Specifically, how do they rip off Medicare and Medicaid? Their methods vary. Generally, they bill for services they never rendered. And, they perform services that are not necessary. For example, one doctor billed for treatment he claimed he gave his patients on the same days that evidence proved he was out of the country. Another submitted bills for X-rays and medical treatments to his patient's feet, but an investigation revealed that the patient's legs had been amputated years before. Another doctor prescribed laboratory tests and various X-rays on all his patients, routinely, at practically every visit. A review by the Medical Society disclosed that most of the procedures were unnecessary, and were performed only to fatten the doctor's wallet.

While the public was thus stereotyping doctors as a group, there were other classifications of rip off artists who also were ripping off Medicare and Medicaid.

But they never attained notoriety as a group. For example, the vendors and suppliers of medical equipment and services, do a tremendous business through Medicare and Medicaid. So do druggists, laboratories, nursing home owners, home health agencies, and others. A certain percentage of them also are unscrupulous. In fact, throughout the same years, they have been the subjects of thousands of investigations. Some of the investigations led to prosecutions and convictions. And there were opportunities for repeated press releases on them, as well. But, they just don't make the headlines the way doctors do. They lack "sex appeal". (A term in the prosecutive world to indicate a case with exciting characteristics that would capture the imagination of a jury).

Although Congress passed the Medicare and Medicaid laws at the same time—as for Medicaid, Congress instructed the states, each to administer its own program in the manner it saw fit. The states, in varying degrees, already were allocating sums of money to provide health care for their poor. But, as an aid to the states, the Medicaid law provides for federal funding to match the states' costs. The amounts are based on a per capita formula and other criteria, for each state. Each is autonomous. Each determines its own extent of coverage, like medical services, hospitals, nursing homes, prosthetic equipment, drugs, and others. However, in contrast, Medicaire is a federal program. Medicare is uniform in coverage, policy, and procedures throughout the country.

Now, most states did not show much concern over fraud or abuse in Medicaid. Some claimed that such activities were non-existent within their borders. Many were lax, and didn't implement any kind of detecting or investigating mechanism. A few, however, did, and showed good results from the outset.

Because the controls in Medicaid were so loose, and in many cases altogether absent, the cheaters became bolder. They were milking Medicaid to the tune of millions, and some say, even billions.

Among the crooks, are Medicaid recipients themselves. Ironically, they are the very people for whose benefit the program was initiated. Sometimes, they sell or lease their Medicaid cards to other people who are not entitled to Medicaid, but contrive to get free medical treatment. Then, there are those who falsify material facts, like not having any income when, in fact, they do. Or, if they tell the truth initially that they are penniless, and subsequently acquire income or resources, a fact they are legally obligated to report, but don't, they can thus continue to receive medical care, illegally. This type of fraud—recipient fraud—is so prevalent that Secretary Califano has declared war on it.

While the administrators of Medicare and Medicaid continued with their missions in the health care industry, the investigators and prosecutors continued with theirs, in bringing the perpetrators to justice. The investigators handled many thousands of cases. They referred many hundreds to the U.S. Attorneys for prosecution. The government recovered many millions of dollars from the frauds and the abusers.

As the years went by the confrontations between the government and the exploiters seemed to settle into a state of routine combat within a continuous war. The climate became relatively tranquil. That is, until 1975.

That year proved to be a milestone in health care in the United States. Stunning incidents occurred that revealed to the public there was yet another dimension to cheating in Medicare and Medicaid.

Nursing Homes. The scandals in New York shocked the people. The government was indignant. The entire country was outraged in realizing that the exposures of the past were only nibbles at the tip of a very deep iceberg.

Investigations revealed that corruption in the nursing home industry had been flourishing all along, unharnessed. The media columnists like Jack Anderson, and presentations like 60-Minutes sensationalized the unholy mess. The public outcry was so great, Congress had to act.

At that time, Senator Frank Moss was the chairman of the Sub-committee on Long Term Care. Senator Moss was not satisfied with reading reports, or just listening to witnesses testifying before his committee. He and members of his staff posed as Medicaid recipients, making over 200 visits to clinics located in New York, California, Michigan and New Jersey. The purpose of these visits was to gather firsthand information about the quality of care, and possible abuses in "Medicaid mills".

The Senate issued a news release on Senator Moss' report. It said, in part:

"After having examined fraud and abuse among (with more than 27 hearings) clinical laboratories, some home health agencies, a few hospitals that specialize in welfare patients, and now having taken an extensive look at Medicaid mills, Senator Moss and the committee staff concluded Medicaid fraud is massive. 'The 8 percent estimate given by HEW is too low. Fraud is at least 10 percent ($1.5 billion out of $15 billion total): more likely it is about 12 percent ($1.8 billion)', said Senator Moss. 'Adding overutilization, we may be talking about 25 percent on the entire program.'"

In the wake of the Moss investigations, the government flexed its muscles, and acted. Three events took place in quick succession.

Congress gave to the Department of Health, Education and Welfare its own Inspector General, with the mandate to curb crime in all the Department's programs. They include Medicare and Medicaid.

Then, HEW was partially reorganized. A new agency was created, the Health Care Financing Administration. It became the parent organization of both Medicare and Medicaid. This arrangement was designed to reduce fraud, abuse, and waste in the two programs.

And, Congress passed a new law designated as H.R. 3. Its title is "Medicare-Medicaid Anti-Fraud and Abuse Amendments". Among the 23 sections of H.R. 3 are provisions elevating fraud in Medicare and Medicaid from misdemeanors to felonies. Each count is now punishable by a $25,000 fine, 5-year imprisonment, or both. Also, health care facilities are required to disclose ownership information, and physicians who repeatedly charge patients in excess of their assignment agreements are now guilty of misdemeanors, punishable by a $2,000 fine, 6-month imprisonment, or both. Previously, such acts were not even prosecutable.

But, Congress's big thrust in the H.R. 3 legislation, is Section 17. There, the federal government offers to each state a funding arrangement to cover 90 percent of the state's costs to develop and maintain an ongoing Medicaid Fraud Control Unit. The Fraud Unit, to be formed independently by each state, consists usually of lawyers, investigators, accountants, and support staff and equipment—all geared to attack the criminals who are ripping off Medicaid. About 25 states already have been certified by the federal government for their Fraud Control Units. More applications are being processed. As the Units become operational, the Administration, Congress, and the public will be scrutinizing their progress very closely.

A pause, at this point. Many changes are noted. Changes that evolved with the passage of time. Actions and reactions had their impacts.

The rip off artists were becoming more cunning. The doctor who billed for services on patients he never saw, or for treatment to feet that were previously amputated, although those types of fraud are still being perpetrated—in today's climate, such techniques seem primitive.

A new generation of manipulators emerged. They are sophisticated and elusive.

The new generation of the public is more knowledgeable. Yet, paradoxically, more apathetic in not sharing some responsibility with the investigators.

The new generation of investigators and prosecutors seem more determined than ever. They are frustrated in not having kept pace with their adversaries.

Evidence of these changes can be found in the types of cases that are handled today. They are quite different from some of those that were investigated in previous years.

For example, a carrier reported that the "X" company was overpaid $98,000 for accelerated depreciation. The president of a Family and Children Services company pleased guilty to defrauding Medicaid for $750,000. A nursing home proprietor was caught running expenses of his tavern through his nursing home Medicaid reimbursement process. Investigations disclosed the operation of chain rental schemes involving a banker who collected, illegally, more than $100,000 through Medicaid.

A recent report said that "Health Care is one of the fastest growing industries in the United States." . . . "It is now the nation's third largest."

Medicare and Medicaid have arrived. They are now—Big Business.

Fantastic discoveries of cheating are being made in all parts of the country. The discoveries are related to one of the latest innovations in the American economy. Diversification. For example, a food company buys a real estate company, and a few nursing homes. That group then could be bought by a different conglomerate which already had diversified interests in entirely different fields, owning perhaps a construction company, a computer company, and a few banks. All the subsidiaries pyramid up to a home office which, at any time, could merge its entire empire with yet another chain . . . But, what has all this to do with ripping off Medicare and Medicaid?

Here is what is happening in the chain organizations. The owners know that the law requires the government to reimburse facilities like nursing homes, hospitals, and home health agencies, the costs they incur to provide "patient care" to Medicare beneficiaries and Medicaid recipients. Reimbursement for patient care includes not only room, board, and medical attention in a facility, but also the costs to maintain that facility, like utilities, management, interest on loans, expansion costs, administrative services, and others. So that, if a hospital shows that Medicaid patients occupied, for example, 40% of its beds during a fiscal year, the government will reimburse that facility 40% of the costs to maintain the entire facility during the year.

Now, if that hospital is a subsidiary organization within a chain, and the home office decides to add a new wing to that hospital, the government will pay 40% of the expansion costs, assuming the 40% ratio continues. At the market rate, it would have cost, say, about $1 million to build that wing. But, the chain awarded the contract to the "Y" Construction Company to build it for $3 million. The difference between 40% of $1 million and $3 million is $800,000, a sum used in the formula for reimbursement from the government. The hidden fact here is the "Y" Construction Company is also a subsidiary, within the same chain. It is a related organization. Costs resulting from transactions between related organizations are not reimbursable.

Although all nursing homes, hospitals, home health agencies, and others are required to prepare Cost Reports to claim reimbursements from Medicare and Medicaid—within the mazes of line items on the numerous pages of the Cost Report forms, there are varieties of opportunities for manipulators to reap lucrative benefits. Some may be abusive but within the law, while others may be deliberate in violation of the law. In either case, the actions result in excess moneys having been paid out. They should be recovered and returned to the government. And where there is intent to defraud, the perpetrators should be criminally prosecuted. But, rhetoric alone is not an effective deterrent. Manipulators quickly identify areas in which they can flourish.

For example, all facilities that provide Medicare and Medicaid patient care are required to follow the prudent buyer concept. That is, the costs they report for purchases of material, supplies, equipment, services, etc., must conform to the fair market prices prevailing at the time. Now, if the auditors don't probe deeply enough, no one will ever know the extent of excessive amounts of money the government is paying for drugs, food, and for all the other reimbursable items.

True, Cost Reports are reviewed by auditors to verify the costs. But, the reviews range from perfunctory to extensive audits. The more extensive the audit the greater the yield, but also the greater the cost to the government. However, experience has shown that the savings ratio in Cost Report auditing is about 3 to 1.

Unfortunately, though, the government is not at this time allocating the time, nor the money, to investigate the multitude of transactions that constantly take place within the bowels of the chain organizations. Only those situations that the auditors stumble across, are reported and investigated. But, the bulk of the fraud and abuse continues, silently, undetected. The extent is unknown. The operators go about their scheming business, unrestrained.

They are advised by experts, among them the smartest brains in law, accounting, and business. Complex matters such as good will, historical and current bases for depreciation, allocations of equity capital, transactions between related organizations—all these and other sophisticated machinations can mean millions, and some reports claim even billions of dollars of excess costs flowing from Medicare and Medicaid into the coffers of those who are ripping off those two programs.

Although the passage of time has brought about many changes, the government's posture and policy regarding Cost Report auditing has undergone little change and are as placid today as they were when they were first initiated 15 years ago; however, studies and appraisals are being conducted in that area. And no doubt, recommendations will be forthcoming. But implementing recommendations in government always cost money. And to obtain money to do a job in government is not easy. Those forces which have the responsibility of authorizing such expenditures are "cost effective" oriented. The other forces which are responsible to ferret out crime and impropriety in their programs, insist that although they are willing and able to do their job, they are rendered impotent because of inadequate manpower and resources. An impasse ensues.

In the meantime, the thieves gleefully take note of the bureaucratic internal conflicts, and become even more defiant. The situation is tantamount to the government extending invitations to steal—to the many individuals who are crooked, unscrupulous, unethical, fraudulent, abusive, and who happen to be in positions to capitalize on the weaknesses of the government.

So, now then, back to the original question: Who is really ripping off Medicare and Medicaid?

Doctors? Yes, the unscrupulous, the crooked doctors.

But, they have lots of company: druggists, therapists, laboratories, patients, relatives of patients, corporation officers, medical equipment vendors, hospital administrators, accountants, ambulance companies, executives, lawyers, nursing home proprietors, clerks, nurses, secretaries, government employees, computer operators, insurance company employees . . .

. . . and the yet unmasked ones.

Mr. Herman Spector wishes to note that no official support or endorsement by the Health Care Financing Administration or the Department of Health, Education, and Welfare is intended or should be inferred by him.●

LITHUANIAN INDEPENDENCE

HON. ABNER J. MIKVA

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 14, 1979

● Mr. MIKVA. Mr. Speaker, this month marks the 38th anniversary of a tragic event: the deportation of countless thousands of innocent Lithuanians by the Soviets to certain death in Siberia. This is a fitting occasion to call attention once again to the valiant, heroic, and constantly continuing struggle of the Lithuanian people to regain their historic independence.

The Lithuanians have a history as a free people which dates back more than 700 years and their ceaseless struggle to maintain that freedom is a model to all people who cherish the right of self-determination and dignity.

I wish to express my admiration, Mr. Speaker, to all Lithuanians and their descendants for their courage in the face of such tragedies as we observe today. Also, I congratulate all Americans of Lithuanian origin for the invaluable contributions that they have made to America. Let us hope and pray that the events we recall today may never recur and that the Lithuanian people's struggle for freedom and independence may one day culminate in their joining the American people in enjoying the well-earned blessings of human liberty.●

HONOR AMERICA DAY MERITS NATIONAL SUPPORT

HON. RONNIE G. FLIPPO

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 14, 1979

● Mr. FLIPPO. Mr. Speaker, the people of Huntsville, Ala. have initiated an event which merits adoption in every community throughout the country. To encourage the observance of Honor America Day representatives from each of the 50 States have been invited to Huntsville to observe this unique celebration on the Wednesday before Thanksgiving.

People from all parts of the Nation, from all walks of life, regardless of their background are asked to share in the celebration of Honor America Day. This day can express the commitment of every man, woman, and child in every State to freedom, liberty, and justice in our great land. Many events commemorate past deeds, Honor America Day looks to the future. Americans young and old can share in a belief in American ideals and a love for this country.

Honor America Day is not a holiday, rather it is an active day devoted to expressions by individuals and groups in our community. Honor America Day emerged from the plans of a high school to do something special to celebrate the American Revolution Bicentennial. It did turn into something special. This 200th national birthday party by students in American history at Grissom High School in Huntsville, Ala. was the beginning of this Honor America Day observance. Their actions were encouraged by their teacher George Newby and believed in by Superintendent D. Shelby Counce and members of the Huntsville City Board of Education.

Honor America Day is truly a grass-roots celebration with its genesis in a Huntsville, Ala. classroom among students who wanted to make a contribution to the positive aspects of our Nation. This celebration has grown beyond a classroom or a Bicentennial year. Honor America Day is an ongoing program which has meaning for all Alabamians and for all Americans.

The Governor of Alabama has proclaimed Wednesday, November 21, 1979, and the Wednesday before Thanksgiving in every year thereafter as Honor America Day in Alabama. Gov. Fob James has joined in inviting students, parents, teachers, public officials, and concerned Americans from across the Nation to participate in the activities in Huntsville or to sponsor and participate in observance in their own community or State.

Americans are a people who celebrate both their shared heritage and diverse backgrounds; Americans join together to commemorate the important events of a proud history. Combining this pride in the past with a commitment to the future of our great Nation, based on the democratic principles of liberty and justice for all, is the celebration of Honor America Day. This is a day on which Americans can look back on great accomplishments of the past, but can join together in honoring the promise this Nation has for the future of all Americans.

As the Representative from the Fifth Congressional District, I add my voice to those of officials in Alabama and students in the Huntsville schools in asking all Americans to join with the citizens of Huntsville and the State of Alabama in this celebration to honor America.●

MANIPULATING OIL PRICES

HON. BENJAMIN S. ROSENTHAL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 14, 1979

● Mr. ROSENTHAL. Mr. Speaker, recently it was reported in the U.S. press and media that OPEC chairman and oil minister for Abu Dhabi and the United Arab Emirates Mani ibn Said al-Utaybah had been interviewed by the Hamburg publication Die Zeit and stated that he will suggest at the forthcoming June 26 OPEC meeting in Geneva, Switzerland, that OPEC return to a unitary—standard—base price and that OPEC increase this price from the present $14.54 to $20 per barrel or roughly a 37-percent increase. The interview was in the form of questions and answers. I believe the following questions and answers in this interview story are also meaningful in what they disclose.

In the oil glut period of late 1977 through most of 1978 Abu Dhabi cut its production and exports by 200,000 barrels a day, from 2 million to 1.8 million barrels. In refusing to contract spot market sales at a rate of $40 per barrel Abu Dhabi's oil minister stated "unfortunately, it is not the final consumers who profit from their moderation but the intermediaries, the oil companies and refineries." The national oil company of the United Arab Emirates sold only to refineries which must refine, not store, crude and made direct sales to nations such as India, Pakistan, Bangladesh and others at the official OPEC price. Saudi Arabia, too, has now increased its oil extraction by roughly 1 million barrels to nearly 10 million a day so as "to cool down the feverishly hot oil market."

By manipulating the spot market prices to $40 and over a barrel, the multinational companies have effectively barred independent refiners from utilizing this market as a source of obtaining crude oil. It further forces the independents to obtain their crude from the multinational who may or may not provide them with any. The disclosure also shows the increasing tendency of oil producing nations to sell their oil on a nation-to-nation sales basis.

I believe these facts and trends further disclose the need for a Federal nonprofit corporation to purchase all imported petroleum and petroleum products as provided for by H.R. 3604. It will help assure that small and medium sized independent domestic refiners will be assured of obtaining crude in sufficient quantity and at reasonable prices to help meet distillate shortages due to marketing dislocation.

The facts and trend also point out the obsolescence of the disguised foreign tax credit—royalty—claimed by U.S. petroleum companies operating abroad. This so-called credit does not help the U.S. consumer, does not assure a continued supply, inhibits domestic exploration and essentially provides a rip-off of billions per year from the U.S. Treasury.

The questions and answers follow:

Zeit: Does current OPEC strategy not boil down to a harmful, systematic oil shortage and price increase? You in Abu Dhabi, too, in 1978 decreased your production and your exports by nearly 10 percent.

Al-Utaybah: By 200,000 barrels a day, from 2 million to 1.8 million barrels, that is correct. We thereby intend to make our oil reserves last longer. After all, the problem of how we are to survive without oil some day is more important than the question of how the Western industrial states can get by with slightly less oil. We are planning to refine and process a large portion of our oil by building industries of our own. We in the United Arab Emirates are adapting to another 50 oil years at the present output level, to be followed by 50 gas years. The West and the rest of the world may reckon with a supply of 1.5 million barrels of oil a day for at least 50 years. Even more, if necessary. For 1979, at any rate, no further reductions have been envisaged. Saudi Arabia, too, has now increased its oil extraction by roughly 1 million barrels to nearly 10 million a day so as to cool down the feverishly hot oil market. After all, this is no destructive attitude.

Zeit: But even the formerly moderate OPEC state such as Saudi Arabia or the United Arab Emirates helped fan the oil-price fever and upped their prices through special surcharges.

Al-Utaybah: Our oil is very light and, consequently, the demand is very large. The market analyses justify high bonuses for our light oils. And Abu Dhabi still is over $2 per barrel lower than the $21 prices of Algeria, Libya, Nigeria and the North-Sea producers, who surely are not modest. We continue to decelerate and endeavor to stick to a reasonable price, above all else to the official OPEC price. This is why I refused to contract sales at a rate of $40 per barrel on the spectacular "spot" market. Unfortunately, it is not the final consumers who profit from our moderation but the intermediaries, the oil companies and the refineries.

Zeit: What do you suggest be done to eliminate the existing oil-price chaos?

Al-Utaybah: The whole profiteering of extra prices, surcharges or special quality bonuses must be abolished as quickly as possible. I do not think much of the introduction of two, three or four different oil-price categories. There should be only one price for each kind of oil, and if we want to increase it, then we should not seek excuses and nicely sounding forms of camouflage but call the price hikes what they are.

Zeit: The national oil companies of the different OPEC member states are putting aside increasing quantities of oil to market them on their own. Does this not promote the speculative individual transactions which foul up the whole OPEC structure?

Al-Utaybah: This does not apply to the United Arab Emirates. Our national oil company is selling only to refineries which use up everything they receive, and to a constantly growing degree to developing countries such as India, Pakistan, Bangladesh at the official OPEC rate. I am selling my oil on a free market, and I shall submit to the market forces alone. Any interventionism will lead to distorted, artificial price structures, to the deplorable state of affairs which are now too much for us in OPEC. With all determination, I am against transactions on the "spot" market.

Yet the Western industrial states, their governments and mineral oil companies likewise must cease going along with such hectic hoarding actions at record rates and for the sake of replenishing their oil reserves.●

NUTRITION: A RIGHT OR A LUXURY?

HON. FREDERICK W. RICHMOND

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 14, 1979

● Mr. RICHMOND. Mr. Speaker, during the past 10 years, our Nation has taken a giant step forward in assuring that no one—regardless of income or social status—goes hungry.

While one decade ago, it was a fact of life that 10 to 15 million Americans were suffering from hunger or malnutrition, today we can see the positive results of the many food assistance programs which have been initiated during the past 10 years.

The food stamp program, the women, infants and children (WIC) program, the Commodity supplemental food program, and school feeding programs—all can be hailed as successful contributors toward our national goal of a healthy America.

Yet, despite the documented success of these and other programs, the budget-cutting atmosphere sweeping this country threatens the survival of many important programs, and indeed threatens the very livelihood of millions of Americans.

Mr. Speaker, I would like to share with my colleagues an outstanding, concise article summarizing the current status of food assistance programs, which was written by Barbara Bode, president of our Nation's oldest antihunger advocacy organization, the Children's Foundation.

Earlier this month, the foundation brought together more than 1,000 people to participate in its second annual WIC symposium in Washington, D.C. WIC program participants, program administrators, community advocates, government leaders, administration officials, health officials and others were afforded the opportunity to discuss and analyze the many perplexing food and hunger-related issues facing our Nation today.

Ms. Bode's article, "Nutrition: A Right or a Luxury?" should serve as a reminder to every Member of Congress as we consider the future funding of our many vital food assistance programs.

The article follows:

NUTRITION A RIGHT OR A LUXURY?

(By Barbara Bode)

Popular mythology has it that every welfare family is fat and happy, every food stamp recipient eats steaks and drives a Cadillac, every child who receives a free lunch throws it in the trash and eats ice cream.

The reality is that 17½ million children under the age of 18 live in dire poverty in the United States.

We are ranked 12th in international infant mortality tables.

Over eight million children go to school inadequately fed each day.

Infants and young children of eight million low-income and pregnant women face the danger of brain damage and death from malnutrition.

Someone once said the only reason Thomas Jefferson did not include food as an inalienable right in the Bill of Rights was that food was so plentiful in his lifetime, he could not foresee the need. It is time the United States decides food is indeed a "right," not a privilege, for all humans. It is time we give formal recognition, not just in our words but in our hearts, to hunger in America. It is time for a national commitment to the poor, not just when our economy is booming and we have some extra cash on hand, but when money is tight. It is time that we were proud of our food programs, not ashamed and resentful.

The years 1978 and 1979 conjure countless comparisons with 1968 and 1969. We are replete with retrospectives, satiated by correlations, numb from analogies, stark with contrasts. But we are still haunted by the unanswered questions raised a decade ago.

As we approach the tenth anniversary of Richard Nixon's White House Conference on Hunger, Americans still must ask, "Is food a right or a luxury?" Ten years later, we still refuse to admit there is hunger in America. Ten years later, the nation's first major cut in social welfare legislation—a reduction in food stamp benefits—is close to becoming a reality. The years since 1969 have seen progress—despite attempts by Nixon, and later by Ford, to cut social welfare programs. Federal food assistance programs, authorized by Congress and administered by the Department of Agriculture, have expanded until today they number seven:

In the last decade, the WIC Program was created to supplement the diets of malnourished pregnant women, infants and children. The School Breakfast Program was made a permanent, entitled program in 1975. The Child Care Food Program (CCFP) was developed to provide food to children in day care. The reforms of the 1977 Food Stamp Act made that program newly responsive to the needs of the poor.

The federal food assistance programs have also grown in effectiveness. In a special Senate hearing on April 30 of this year, "Hunger in America—Ten Years Later," testimony from a follow-up study by the Field Foundation, which conducted its first study in 1977, indicated:

Food Stamps are going where they are needed and practically all go to the people who need them the most;

Annual food aid expenditures per person in the "hunger counties" have increased from $26 per person to $127;

There are far fewer grossly malnourished people in this country today than there were ten years ago. Malnutrition has become a subtler problem;

"There was a sharp contrast between the bright-eyed, happy and alert little ones we see in Head Start Centers (where the children benefit from CCFP) and the dull, listless infants and children who did not participate;"

The WIC Program was called one of the "most dramatic" successes. Several studies indicate that this program is reducing the proportion of low birth-weight babies born to low-income women, hence lowering the infant mortality rates.

Ironically, as the hearing on hunger is convened, the Food Stamp Program, our major food assistance program, faces debilitating cutbacks at the hands of a Proposition 13-happy Congress. It seems to make sense to many on Capitol Hill, on the one hand, to make food stamps available to those who are too poor to buy them by eliminating the purchase requirement. On the other hand, they wish to put a ceiling on the food stamp appropriation.

The elimination of the purchase requirement (EPR), fought for by antihunger advocates for many years and effected by January 1, 1979, in all states, has brought millions of new participants into the Food Stamp Program—mostly elderly poor and rural poor.

But all Food Stamp Program participants face a severe reduction of benefits this summer if the 96th Congress refuses to lift the $6.159 billion ceiling for FY 79 placed on the program by the 95th Congress. While House and Senate Budget Committees and the Administration have recommended that the top be raised to at least $7.1 billion for FY 80, a bitter floor fight is promised when the issue hits the House and Senate this spring or summer.

Unfortunately, congressional staffers report very little pro-food stamp mail to date. Anti-hunger advocates appear to be focusing on local implementation problems instead of generating the mail which is needed to save the program.

Not only is the Food Stamp Program in danger. The Carter Administration has recommended several substantial cuts in the Child Nutrition Program appropriations. Among the recommended cuts is a proposal to reduce the National School Lunch Program expenditure by approximately $300 million. As many as four million children would lose program eligibility if these cuts were implemented. It is hard to believe that Congress would curtail benefits to so many children in order to effect a savings that amounts to a mere 18 hours of military spending in 1980. Yet they seem well on their way to doing so.

The progress that we have made is being by a national mind-set, the push/pull of our desire to cover up hunger and simultaneously do something about it. We'll give the poor and hungry some social welfare programs, but we will not respect them if they use the benefits. It's un-American to be hungry.

As Congress debates the food stamp cap, Congress debates our commitment to food assistance for the next decade. In this, a country to which the Chair of the White House Conference said ten years ago, "We will feed the hungry children and it will cost what it will cost," Americans cannot afford to respond today, "poor people need not apply." ●

LETTER FROM JIMMY ANTONIO

HON. JULIAN C. DIXON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 14, 1979

● Mr. DIXON. Mr. Speaker, among the mounds of mail normally received in congressional offices, certain letters inevitably stand out for their unique warmth, sincerity, and genuine concern for segments of our society. This week I received such a letter from Jimmy Antonio, a 13-year-old, 7th-grade constituent of mine, who is a Star Scout in Boy Scout Troop 54 in Los Angeles. Jimmy's concern is about senior citizens, and particularly the problems they face in food, income, and housing. He writes with unusual concern and compassion, and his letter does much to reverse the notion of apathy among our Nation's young.

I hope each of my colleagues will read Jimmy's letter, and will, during the course of our deliberations this session, keep his concerns in mind.

The text of the letter follows:

JUNE 6, 1979.

Hon. JULIAN DIXON,
U.S. House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN JULIAN DIXON: Please let me introduce myself. I am Jimmy Antonio, age 13 years, and I will be finishing seventh grade this month. Although I am not yet a registered voter I am writing to you as one of your constituents.

Presently energy problems and inflation are in the limelight projected by the news media affecting the life of every American. There is another problem though not important as other people and the news media think that must merit the attention of our Federal Legislative Body. The problem is one affecting the lives of our elderly.

I have seen old people past their retirement age working to supplement their social security pensions in order to live decently as possible. If you could see old people talk to each other in the super market how they wish they could afford to buy the prime meat they wanted your feelings will surely be touched. In their eyes I can see feeling of want and in their faces the expression of resignation.

Food prices are high as well as rent. Something must be done to help our older citizens. They have contributed so much of their time and efforts to make United States a better place to live in. Perhaps the government can build more low rental units for the elderly and special programs where they can buy good, adequate and nourishing food they can afford be made available to them.

I will pray that your office with great determination will exert efforts along these endeavors to give our elderly the best of life they deserved.

Very truly yours,
JIMMY M. ANTONIO.●

DISTRICT OF COLUMBIA NATIONAL GUARD OFFICER CANDIDATE SCHOOL GRADUATES 18

HON. WALTER E. FAUNTROY

OF THE DISTRICT OF COLUMBIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 14, 1979

● Mr. FAUNTROY. Mr. Speaker, I am pleased to note that on Sunday, June 3, 1979, the District of Columbia National Guard commissioned as second lieutenants, the graduates of Officer Candidate School Class XXII.

The District of Columbia Army National Guard Officer Candidate School commanded by Lt. Col. M. Michael Berger was founded in March of 1958 by Cunningham C. Bryant, who is now the commanding general of the District of Columbia National Guard. This graduation marks the successful completion of a rigorous 14-month program of training in leadership and advanced military skills.

I know you will join me in welcoming the graduates of Class XXII as commissioned officers serving our Nation and the District of Columbia in the Army National Guard and the Army Reserves:

The Distinguished Graduate: Anthony R. Garrett, 2LT, Infantry.

The Graduates of Class XXII:

William M. Bailey, 2LT, Military Police Corps.

Colin E. Baird, 2LT, Ordnance Corps.

Dennis A. Baird, 2LT, Military Police Corps.

Eugene Bowers, 2LT, Transportation Corps.

Patricia A. Campbell, 2LT, Adjutant General's Corps.

Hattie P. Cox, 2LT, Adjutant General's Corps.

George H. Day, 2LT, Ordnance Corps.

Robert A. Faulkner, 2LT, Military Police Corps.

Charles M. Forbes, 2LT, Military Police Corps.

Kevin R. Glenn, 2LT, Transportation Corps.

Eric M. Hediger, 2LT, Corps of Engineers.

Michael E. Holland, 2LT, Military Police Corps.

Samuel J. Howard, 2LT, Military Police Corps.

Melvin S. Philips, 2LT, Military Police Corps.

Dorothy A. Roberts, 2LT, Finance Corps.

Errol R. Schwartz, 2LT, Ordnance Corps.

Gregory F. Tyler, 2LT, Transportation Corps.●

THE SMITH-MASON GALLERY OF ART IN WASHINGTON, D.C., A CENTER FOR BLACK AMERICAN ART

HON. JOHN CONYERS, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 14, 1979

● Mr. CONYERS. Mr. Speaker, the Smith-Mason Gallery of Art, located at 1207 Rhode Island Avenue, N.W. in the city of Washington, D.C., was the first gallery of fine art in the capital established to exhibit and advance the works of black artists. In its 12 years the gallery has distinguished itself not only as a leading center of black American art but also as a major community institution for communication, study, and development among black artists.

When the gallery opened in April 1967, black artists in the Nation's capital had no public space in which to exhibit their works. Because creative expression cannot be stilled, Washington's black artists found private homes and churches to show their works. They lacked, however, the public space and a meetingplace that are so vital to the full flowering of the arts. The Smith-Mason Gallery transformed this artistic isolation into a creative community, and made available the support, the resources, and the broader contacts within the art world that helped launch the careers of many fine artists.

One of the high-points in the gallery's life came in 1971 when it organized, along with the Smithsonian Institution, the National Bank of Washington, and Washington's artistic community the most extensive exhibition of black artists that had been assembled up to that time. The National Exhibition of Black Artists attracted artists from more than 40 States. It was a major creative event that gave tremendous impetus to black American artists. Throughout its career the gallery has arranged for the exhibition of black art in America's embassies throughout the world, in the White House and at the Library of Congress, and in leading universities such as Harvard, Boston University, and Howard University. It has made possible the purchase by, and placing of art works in, distinguished private collections and galleries throughout the Nation.

The Smith-Mason Gallery of Art could not have come into existence without the loving care and commitment of two wonderful human beings, Helen Smith Mason and James Mason. They have written that their purpose in founding the gallery was "to bring to the community the beauty and joy of art" that had so long been denied to it. They have succeeded beyond what they dreamed could happen. Having labored for years to build and then to strengthen this center of black American art, without any compensation, they have made possible a flowering of the arts in Washington. In the Smith-Mason Gallery of Art. Helen and James Mason built an environment of beauty for the community, a center for the recognition and development of black artists, and a place where young people can learn and broaden their lives.

I urge my colleagues and the public to take advantage of the experience the Smith-Mason Gallery offers inthe four story Victorian house at 1207 Rhode Island Avenue, N.W. The following article on the gallery, written by Jo Ann Lewis in the Washington Post, April 28, 1979, furnishes an excellent historical account of the gallery. The article follows.

GALLERIES

(By Jo Ann Lewis)

"When we opened in 1967 there was nowhere for black artists to show except in private homes or churches or on the White House fence. We were racially aware, and felt that something needed to be done, so we did it."

Now 74, James Mason stands proudly among the paintings and sculpture that cover every inch of wall space in the four-story Victorian house at 1207 Rhode Island Ave. N.W. It was here, not far from Logan Circle, that he and his wife of 40 years, artist Helen Smith Mason, opened the nonprofit Smith-Mason Gallery 12 years ago, and have lovingly kept it going ever since.

"There had been one gallery for black artists, called Barnett-Aden," recalls Helen Mason. "Art had been my whole life, and I thought, how sad that there is nothing in the capital city. I hate these differentiations—an artist is an artist after all—but you know how people are. So we began having shows and classes and trying to help striving artists along. We had no children, you see, so this was our way of perpetuating the name Smith-Mason."

Before opening the gallery, Helen Mason had taught in the D.C. public schools, while her husband, who has a degree in theology from American University, went into real estate. Together, they started a magazine in the '40s called "Pulse," designed as a national general-interest publication concerned with blacks. "But we started about the same time as Ebony, and they were smarter than we were," he recalls with a chuckle. "In any case, I did well, sold some property in Anacostia and bought this building for the gallery."

Since then there have been dozens of shows, the most important of which was a national Exhibition of Black Artists in 1971, a show which later traveled to the New Jersey State Museum in Trenton.

The current 12th Anniversary Show seems to have been chosen more out of love than out of any tough, objective criteria. There are some highly professional works, foremost among them a joyful new print in the entranceway by Washington artist James L. Wells, and several abstract marble sculptures by Edna Koonce. Bill Taylor has made a charming sleeping cat in metal, curled up in front of one of seven carved marble mantles, and Baltimore illustrator Jerry Prettyman is showing several good drawings.

The best paintings are the semiabstract landscapes by Delilah Pierce and portraits by LeRoy Gaskin. At the other end of the spectrum is a painting of Amy Carter doing a dance routine with her former classmates at the Stevens School, their tutus made of real seashells which have been glued to the canvas.

Given the changes that have taken place in the art world, as well as American society in general over the past decade, the question of whether such a gallery is still needed must inevitably be asked. "We feel there is still a need," says Helen Mason. "We have requests from black artists all over the world, from the Caribbean and as far away as Africa. When people find out there's a gallery for black artists they come."

The Masons are now setting up a foundation to perpetuate the Smith-Mason Gallery, the oldest of a group of Washington galleries devoted to black art. It has a house, but no major permanent collection.

Smith-Mason hours are Tuesday through Friday, 12:30 to 4, Saturdays 10 to 4 and Sundays 2 to 5. The exhibition continues through mid-May.●

COMMUNITY CONTROL AND SELF-DETERMINATION: KEYS TO SUCCESS IN INDIAN EDUCATION

HON. MICHAEL E. LOWRY

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 14, 1979

● Mr. LOWRY. Mr. Speaker, I want to speak today in support of an amendment which will be offered to the Department of Education bill. This amendment, sponsored by Congressman Foley and Congressman Kildee, would delete the transfer of Bureau of Indian Affairs programs from the proposed Department of Education bill.

There is a unique relationship between Indian tribes and the Federal Government; a relationship which has long been recognized by the Congress and the Court. In 1974, the Congress reevaluated that relationship, and pronounced, through the Indian Self-Determination Act, that self-determination and community control by the Indian tribes over Federal programs would be the best course of action. The history of Indian affairs has shown that Federal domination over Indian matters has served to retard, rather than enhance, the progress of Indian people and their communities. At that time, the Congress declared its commitment to the maintenance of the Federal Government's unique and continuing relationship with and responsibility to the Indian people, and stated that effective and meaningful participation by the tribes was necessary. This participation was to extend to the planning and administration of those programs and services.

Since that act was passed, Indian tribes have contracted to operate over 30 schools which were previously operated by the Bureau. Indian parent committees have been formed to work with public school boards when Indian children are attending the public schools. Indian parents now recognize that they can make an impact on their child's education by becoming involved in the decisionmaking process of his school. For the Indian people, control over the education of their children means assuring that Indian culture will be encouraged within the school system; that the Indian language and instruction will be available to the child; and that the school administration will recognize the special needs and sensitivities of Indian youth.

The tribes feel, with some justification, that the control which they are currently exercising would be lost, and that the academic progress being made by their children would be lost should the BIA education program become a part of the proposed Department of Education.

I will vote for the Foley-Kildee amendment, and hope that my colleagues will do likewise.●

WORKPLACE FACILITIES

HON. JOSEPH M. GAYDOS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 14, 1979

● Mr. GAYDOS. Mr. Speaker, milling or grain storage operations are responsible for death or injury to many workers in this Nation. These fatalities occur primarily as the result of suffocation of workers who have fallen into the storage bins or through fires and explosions of the highly combustible material surrounding these operations. At this point, I would like to give some examples that demonstrate the need for continuation and expansion of the monitoring of these hazardous industries and the use of frequent and strict inspections to pinpoint and remove the most serious hazards.

First. On February 14, 1979, a 26-year-old Cincinatti, Ohio, man suffocated when he fell into a silo of corn at a grain company.

Second. On March 28, 1979, a 20-year-old Waconia, Minn., man died of suffocation after falling into a grain storage bin. OSHA regulations require that workers in these types of operations wear safety harnesses. But frequently this regulation is not complied with.

Third. On April 10, 1979, a grain dust explosion and flash fire injured six workers, three critically, at a milling company in North Kansas City, Mo. The accident was the third grain dust explosion in 15 months in the Kansas City area. In one of these earlier explosions on January 19, 1978, at a nearby milling company, 2 workers were killed and 34 others injured.

Must we wait for more serious explosions as occurred in late 1977 and early 1978, which claimed the lives of 63 persons and injured 55 others, before we realize the need for closer adherence to safety regulations in these industries? Following these 1977–78 explosions, OSHA substantially increased its inspection activities in these industries. But recently, due to manpower constraints, OSHA has been forced to cut back in the number of these inspections. This cutback places greater responsibility on the employer to closely monitor the work environment in order to guard against similar catastrophes.●

THE CASE FOR VOLUNTARY SERVICE

HON. RON PAUL

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 14, 1979

● Mr. PAUL. Mr. Speaker, who owns the lives of American citizens? The Federal Government or the individuals themselves? When we strip away all the rhetoric for reinstituting the military draft or establishing compulsory national service, this is the bedrock issue.

The 13th amendment to the Constitution states:

> Neither slavery nor involuntary servitude . . . shall exist within the United Staes, or in any place subject to their jurisdiction.

But we have approved the enslavement of society's producers to the nonproducers and to the special-interest groups who look for and receive Government favoritism for their economic activities. We have allowed the enslavement of minorities and the poor through dependency on the welfare state. And we have sought protection through the draft.

INVOLUNTARY SERVITUDE

Through regulation and forced redistribution of private property, Government answers the demands of certain segments of big business and traditional welfare recipients for the services and wealth of others. The producers become the slaves of the nonproducers and the pseudo-producers, those skilled in using Government to their own economic benefit.

The poor and the middle class—despite the promises that they will share in the bounty—are brutalized by the inflation brought on to finance the special-interest Government programs.

THE NEW SLAVERY

The false promises to the poor have created a new enslavement, a dependency on Government not wholly different, economically, or psychologically, from the old slavery. Legal restraints on free movement may have been removed, but the chains of economic limitations prevent free, upward movement for minority group members.

Self-respect and self-reliance—the characteristics of free people—cannot be achieved under any form of slavery, including today's policies of interventionism. They remain an elusive dream for many Americans, especially those who belong to racial and ethnic minorities. The Government interference in the lives of its citizens for the past half century, no matter how well intended, has only hindered these sought-after goals.

CONSCRIPTION

Since we have created an economic system based on one group involuntarily serving another, despite the clear mandate of our Constitution, we are doomed to chaos in economic and foreign affairs, characterized by a fierce battle as every special interest group fights to steal more for itself. The personal unhappiness we see all around us today is an inevitable result of this conflict. So perhaps it is not surprising that many of our leaders are willing to resort to one more form of involuntary servitude—conscription, with prison sentences for those who do not comply, in an attempt to "preserve the Nation."

These leaders not only ignore the moral question—by what right does Government enslave its citizens? and the constitutional question—is the 13th amendment obsolete? but they ignore the pragmatic issue as well—Can a free society be preserved by the use of force if its citizens are not willing to defend it voluntarily? I believe that any degree of involuntary servitude, whether it is the draft, social enslavement through the welfare state, or wealth confiscation by Government inflation or direct taxation, inevitably establishes the foundation on which tyranny can be built.

In reality, the voluntary method is the only ethical way to provide for the national defense. And it has an added benefit; it gives the people veto power over illicit military adventures. Senseless no-win wars like Korea and Vietnam probably could not have been fought without the draft.

Minus the "leadership" that drew us into Korea and Vietnam, we are now being asked to entrust the lives of our young men and women to Carter, Vance, Brzezinski, and Andrew Young. How could Congress even think of permitting these men to decide the futures of our young people? Some of our leaders are even promoting compulsory national service, with a choice of serving a civilian bureaucracy instead of the Armed Forces. Says the Committee for the Study of National Service—

> * * * need to have their "apathy or self-centeredness" cured by working in a "socially desirable" area.

Is it Government's right to cure "apathy or self-centeredness" through involuntary servitude? Who knows what the Government's definition might be? By what authority does the Government reject or respect any psychological attitude? This is a power unknown to the Constitution and a frightening one for the future of our country. Once we grant the Government the authority to take 2 years of our lives for what it sees as socially desirable reasons, why not 3 or 30? Even 1 day is too much. The lives of our people do not belong to Washington. I trust our young men and women to exercise their God-given free will and serve their country in times of need. The draft is a reflection of a morally weak nation, not a strong one, as some have suggested.

Is it any coincidence that marihuana and heroin use first became widespread in an Army of unhappy draftees?

In very practical terms, the draft would be a disaster. After Vietnam, the lawbreakers were rewarded with amnesty. Many law abiders had been killed or crippled.

This has led to an untenable situation. Our no-win wars and foolish foreign policy have created an atmosphere of no-confidence in our Government. If the draft were reinstituted, defiance would run rampant. Draftees might abide by the rules until war errupted; but if our security were not really threatened, patriotic motives would not apply. If the war were to suppress Rhodesia or South Africa, the Right would rebel; if it were to prevent a Communist takeover of Taiwan, the Left would protest.

In principle, regardless of seemingly noble reasons, all military adventures other than to protect our national security should be rejected. Without the draft, senseless interventions into the affairs of other nations would be much more difficult.

THE SOLUTION

Our defenses do need to be strengthened and Government spending also needs to be cut. These goals can be achieved without slave labor. First, we should stop paying for the defense of other countries. Japan and West Germany, for instance, with economies far stronger than ours, are well able to pay their own military bills.

Second, we should transfer military bases to the United States from overseas to strengthen our own defenses and aid the balance of payments. We have progressed technologically to the point where we can know what the Soviets are doing without sitting on their borders. Recent State Department reports have indicated that even our Iranian listening stations—now overrun by Marxist guerrillas—were unnecessary in today's world—unlike the 1950's.

Third, we should promote the weapons of the future—nuclear submarines, ICBM's, laser ABM's, and cruise missiles—instead of archaic bombers, tanks, and infantry. Fourth, with the money saved from the above, we should dramatically raise the salaries of the highly qualified military technicians who would make up our smaller, voluntary Armed Forces.

The draft and its blood brother, national service, are wrong morally, pragmatically, economically, militarily, and constitutionally. Congress must not give them its approval.

* * * * *

Milton Friedman, "An Economist Protests"—"A military draft is undesirable and unnecessary. We can and should man our Armed Forces with volunteers—as the United States has traditionally done except in major wars.

"My interest (in the draft) has been on two grounds. First, and most obvious, because conscription is such a blatant and serious restriction on individual freedom, the most extreme form of compulsory servitude now practiced in the United States. Second, because public acceptance of a strong armed force seems to me essential to maintain the freedom of the United States. Conscription undermines that acceptance and has played a major role in bringing the military into the low public estate to which it has fallen.

"In the course of my involvement in this issue, I have come into contact with many other persons concerned with the draft—both in favor of it and opposed to it. I have observed many persons initially in favor of the draft change their opinions as they have looked into the arguments and studied the evidence. I have *never* observed anyone who was initially in favor of a volunteer force reverse his position on the basis of further study. This greatly enhances my confidence in the validity of the position I have taken."●

TRIBUTE TO LEO D'OR

HON. NORMAN D. SHUMWAY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 14, 1979

● Mr. SHUMWAY. Mr. Speaker, today I ask that my colleagues join with me in paying tribute to an individual who has truly devoted his life to tireless service for his neighbors, his community, his State and our Nation. Mr. Leo d'Or, my friend and constituent, is the man in question and, on June 21, the San Joaquin, Calif., chapter of the American Red Cross will honor Leo at its annual meeting and awards dinner. He is assuredly more than worthy of this recognition.

Leo d'Or exemplifies the selfless and devoted citizen whose voluntary efforts have made the Red Cross the valuable and effective organization which it is. For 32 years he has enhanced the San Joaquin County chapter's efforts with his able endeavor, and 20 of those years have seen his guidance as a member of the board of directors. Over the years, he has demonstrated his leadership and capability by taking on numerous chairmanships; surely he is most deserving of the recognition he is about to receive.

Mr. d'Or's civic service has not been limited to the Red Cross, however. His sincere concern for the field of education has prompted him to assume various voluntary roles, including trustees and board clerk of the Waverly School District. An original member of the first elected San Joaquin County board of education, he served as that organization's chairman for 5 years, and also offered his services as treasurer of the San Joaquin County School Boards Association. Leo's gifts to education have earned him the prestigious Golden Apple Award from the San Joaquin CTA Coordinating Council, as well as the Golden Apple Certificate from the California

Elementary School Administrator's Association in 1961.

A founder of the Waterloo-Morada Fire Protection District, he also served as trustee and secretary for 12 years.

The awards and honors accorded to Mr. d'Or are many and varied, and considered together they provide a graphic dramatization of his diverse contributions: a commendation resolution from the California State Assembly for community involvement and education; another such resolution from the board of supervisors for his service on the San Joaquin Board of Education; and the American Advertising Federation Silver Medal Award for achievements in advertising and civic betterment.

This latter award was duly earned: Leo headed the advertising department of the Stockton Record for many years, having commenced his career at the newspaper as a salesman. He rose to the post of advertising manager, and then to advertising director, retiring from the newspaper in 1969.

Leo also found time to be instrumental with the committee which formed the new San Joaquin Delta College District, and was elected to serve on its first board of trustees.

Mr. d'Or has just recently retired from his role with the Red Cross board of director; however, he has hardly retired from civic contribution. He serves presently as chairman of the board of trustees of St. Joseph's Hospital; as a member of the board of Delta-Stockton Humane Society; as a member of the San Joaquin County Board of Retirement; as an associate member of the Stockton Chamber of Commerce, and as an honorary member of the Stockton Rotary Club. Additionally, he has just completed two terms on the board of directors of Catholic Charities.

Virtually no area of endeavor has been ignored by Leo d'Or's civic-minded eye and giving spirit. He represents the type of citizen involvement, commitment, and caring which I for one wish many, many others would emulate. I am both pleased and proud to recognize his many accomplishments today, and I am also very honored to have him as my friend and constituent.

I know that my colleagues will share my admiration for this outstanding American.●

LEGISLATION TO MAKE IMPROVEMENTS IN MEDICARE AND MEDICAID PROGRAMS

HON. HENRY A. WAXMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 14, 1979

● Mr. WAXMAN. Mr. Speaker, today I am joining my colleague, the Honorable CHARLES RANGEL, chairman of the Subcommittee on Health of the Ways and Means Committee to introduce legislation proposed by the administration to make certain changes and improvements in medicare and medicaid.

Many of the proposals contained in this legislation were included in the President's budget. The administration estimates they could result in savings of as much as $181 million in fiscal year 1980. Clearly these are provisions which are worthy of the serious consideration of the Congress.

I would say frankly, however, that I do not support all of the changes suggested in this bill. I have particular concern with several of the provisions relating to PSRO's for example, and I could not support them. Further, I am disappointed that several legislative changes which I believe have administration support, such as the so-called swing-bed provision which allows hospitals to use empty beds for long-term care without designating a wing of the building as a skilled nursing facility, are not included in this bill. I am confident, however, they will be included when we report legislation to the Congress.●

THE NEED TO RESPOND TO JAPAN'S TECHNOLOGY DRIVE NO. 2

HON. CHARLES A. VANIK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 14, 1979

● Mr. VANIK. Mr. Speaker, it is likely that our recent trade problems with Japan will appear minor compared to the trade problems of the future. The reason is that Japan has a long-range plan for the improvement of its industries and the application of new technologies. The United States, on the other hand, has no such plan, no such vision, no such commitment to industrial technological progress. We continue to talk about the need to invigorate our research, development, and innovation procedures—but there is no action. For a year, the Department of Commerce worked on plans on ways to improve U.S. corporate innovativeness—but to date, nothing seems to be coming of that report.

In the interim, the Japanese continue to work for major breakthroughs (technological superiority) in fields such as aircraft, computers, advanced electronics and industrial processes. I have commented on the future trade problems being created by America's failure to respond to Japanese technological initiatives in a statement in the RECORD on May 24. Today, I would like to include another article from the Japan Economic Journal (Nihon Keizai) of June 5, 1979. The article, entitled, "New Drive Is Planned for New Basic Industry Technology," should make sobering reading for Americans concerned about the international competitiveness of our economy.

The article follows:

NEW DRIVE IS PLANNED FOR NEW BASIC INDUSTRY TECH

The Ministry of International Trade & Industry (MITI) recently disclosed that it is planning to break a long-standing stalemate in new technology development in Japan's key industries, including steel, aluminum producing, petrochemical, chemical and nonferrous metal mining-smelting.

To attain its new aim, MITI intends to make the most of the Large-scale Industrial Technology Research & Development System to promote important industrial technological studies through governmental financial and research cooperation by MITI's Agency of Industrial Science & Technology, inaugurated in 1966, and MITI's Moonlight Project, an energy-saving counterpart of its 1974–2000 Sunshine Project to develop various non-oil energy sources by the start of the next century.

MITI's forthcoming Operation Breakthrough has been motivated by the fact that compared with many international level technological achievements seen among other Japanese industries including electronic and communications equipment, little really innovational technology has been developed in recent years in the domestic basic or primary industries.

The situation has been worrying MITI because such a stalemate in Japan's most important industrial areas would discourage growth of new full-fledged industrial capital expenditure drives in such industries and make their managerial policies defensive. That leads to Japan's lag in strong international competitiveness in such vital industries.

According to MITI, the current new direct pig iron-making and new olefin producing research in the steel and petrochemical industries, already being governmentally aided under the Large-scale Industrial Technology Research & Development System will be accelerated by the new drive.

In addition, at least three other kinds of industrial research will be placed under the system to quicken their development. They are the chemical industry's development of functionally innovational types of plastic materials, the steel industry's super-high temperature resistant metal material development and the nonferrous metal mining-smelting industry's super-high temperature resistant alloy material development. MITI plans to name such studies for subsidization, and, if necessary, also governmental technological cooperation.●

FLAG DAY

HON. IKE SKELTON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 14, 1979

● Mr. SKELTON. Mr. Speaker, today is the anniversary of the adoption of the American flag. We Americans have a need, in these times of economic uncertainty and energy shortages, to display our pride for this great Nation. Mr. Speaker, what better means to honor our country than to take time to praise the symbol of the United States of America, the Stars and Stripes?

In 1895 it was decided that June 14 would become a day each year when American citizens would take time to reaffirm their pride in the flag and the country. Let us then raise our voice as one and, as a Nation, pledge allegiance to the flag. Our flag has flown over a country which has changed much since January 1, 1777, when the first flag of the United States was raised by George Washington at Somerville, Mass. Let us, today, honor our Nation's past and pledge our duty and responsibility to our country's future, a future when the Stars and Stripes will continue to be raised over a free and glorious land.●

NORMAN W. BULLY IS HONORED UPON HIS RETIREMENT FROM THE UAW

HON. DALE E. KILDEE

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 14, 1979

● Mr. KILDEE. Mr. Speaker, I am pleased to bring to the attention of my colleagues in the Congress the recent retirement of Norman W. Bully from the United Auto Workers Union. I was honored to be able to attend a retirement dinner for him recently in Flint, Mich., and to be among those extending tributes to him for his long record of service to the UAW and the rest of the labor movement. His retirement will mark the first time in 42 years that he has not held an official position within the UAW.

I would like to share the brief description of his career that appeared in the program issued for the dinner honoring him that was held May 26 in the hall of UAW Local 599, of which he has been a member since 1937.

The tribute reads:

Norman William Bully started work at the Buick Motor Division in 1929 at the youthful age of 16 years. He worked several months, then returned to school and continued working periodically until seniority was established on June 9, 1930.

The first record of his union affiliation was with Buick Federal Local No. 12, which preceded Buick Local No. 156, AFL–CIO. Union meetings were announced by a member standing on a table in the aisle of the old Buick Heat Treat and calling out the time and date! The Union Hall was a one room, ramshackle building on Industrial Avenue.

Norm relates with laughter a time when the members bought black cloth hats and with white print stamped the word union on the front. They paid a nickle for the hats, sold them for a dime and kept their five cent profit to defray expenses. The leaky roof, and the next rain soon ended their business venture!

In 1939 when Local No. 599 was chartered, Norm was elected to the Seven Man Board (as Shop Committee or Top Committee) was then called. (He held every bargaining position in his local: Deputy Steward, Chief Steward, Committeeman, Shop Committeeman, then Chairman of Shop Committee). He joined the International Union, GM Department, and spent two years on the National Negotiating Committee, then was elected President of the Greater Flint CIO Council.

In conjunction with these positions, he served on numerous community agency boards but his greatest pride comes from having served his local union on standing committees and the other offices mentioned. He also states proudly that his name appears on the first Pension Agreement negotiated by the UAW.

His unionism is family oriented . . . his Father, Norman W. Bully, Sr. worked at Buick in 1906 for its predecessor, the Patterson Carriage Company. His Mother, Mary Bully, was a staunch advocate of unionism and women's rights long before "Lib" was fashionable . . . she just never thought there was another way except equal pay for equal work performed!

Brothers Earl and Leo were also Buick Committeemen, and to this day, the family name carries on the tradition of Bully's building Buicks, with nephew Doug (Earl's son) who is a Buick employee.

Norm's wife, Millie, is affectionately remembered as the secretary to the Shop Committee at Local No. 599 from 1941 until retirement fifteen years later.

Norman Bully can indeed be called "Mr. Union". His jovial laughter resounds as he fondly recalls incidents with people who (many of them gone) helped build the foundation of our great union.

As Norm is honored this day, he shares the tributes with his family and his many union brothers and sisters whose foresightedness and courage made Unionism a way of life for their community and for our nation.●

SOCIAL ENGINEERING FAILS AGAIN

HON. JOHN H. ROUSSELOT

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 14, 1979

● Mr. ROUSSELOT. Mr. Speaker, for 40 years the Federal Government has been engaged in social engineering, attempting—through large-scale centralized programs and massive infusions of funds—to change the social and economic face of America. For 40 years, the programs and the spending have repeatedly failed.

There are several reasons for this failure. One is that the people and the problems are out in the States and localities, not in Washington where the social planners and regulators dwell. Another reason is that social change often cannot be forced. It will not happen until the public is willing to accept it.

Someone once said that in every cliche there is a germ of truth. A couple of appropriate ones come to mind. "You can lead a horse to water, but you can't make him drink," for instance. Or, "You can't legislate the way a person thinks." There is more truth to these statements than the social planners would care to admit. They have their own vision of America, and America will conform to that vision whether it likes it or not.

Unfortunately for the social planners, the real world does not operate that way. The big programs and the big spending, for the reasons I have mentioned and others, often not only fail to correct problems or achieve goals, but frequently they make matters worse.

A good example of this was described in a Washington Star column by Richard Reeves on June 11. In it, Mr. Reeves describes the debacle inflicted upon the city of Detroit by the Department of Housing and Urban Development and the Housing Act of 1968. An attempt to turn deteriorating neighborhoods into modern urban housing for the poor, not only failed, but also literally and figuratively destroyed much of the city's available housing. No thanks to the Federal Government, Detroit is now beginning to recover.

I would like to share Mr. Reeve's column with my colleagues. I hope it will be food for thought as Congress considers expansion of the food stamp program, the welfare program, national health insurance, and a host of other programs to facilitate continued Federal social planning.

The article follows:

[From the Washington Star, June 11, 1979]

Liberal Blunders and Kennedy's Hesitance

(By Richard Reeves)

Detroit.—Douglas Fraser, president of the United Automobile Workers (UAW), is a proudly unreconstructed New Deal liberal who would very much like to see Edward Kennedy run for president in 1980. But he doubts that will happen—and the reason may be down the street from Fraser's office on Jefferson Avenue.

If you go three miles east along Jefferson, you come to Chalmers Street. There are 29 boarded-up houses and 20 vacant lots along the six blocks on either side of Jefferson—on Chalmers, Marlborough, Philip, Manistique, Ashland and Alter Streets. They were once good houses, solid two-story brick buildings on tree-lined streets a few hundred yards from the wealthy gentility of Grosse Pointe Park.

Those 49 houses and more than 16,000 others like them were destroyed by the United States government—by well-meaning liberals. Around here it's known as "The HUD Scandal." In its way, the scandal is far worse than Watergate—it robbed the taxpayers of almost $1 billion and damn near destroyed the city of Detroit.

This is, very briefly, what happened:

The Housing Act of 1968, one of the last achievements of the Johnson administration, established programs under which poor people could buy inner-city homes with down payments as low as $200. The Department of Housing and Urban Development, through the Federal Housing Administration, guaranteed the mortgages.

In 1969, the former governor of Michigan, liberal Republican George Romney, became secretary of HUD and he decided to use the program to rebuild his hometown. HUD acquired thousands and thousands of homes in changing neighborhoods, hired local contractors and agencies to fix them up and sold them with the FHA mortgages.

The troubles began when contractors began bribing HUD inspectors and faking the repair of many of the houses—there have been more than 200 convictions and indictments in the scandal over the past eight years. Then it turned out that the new owners were unwilling or unable to maintain the houses or pay the mortgages.

Banks began foreclosing—with HUD paying the bills and getting the houses back. The government then tried new owners and the same thing happened again. Finally, in embarrassment, HUD began razing the houses by the thousands.

Today, 11 per cent of Detroit's former housing stock is vacant lots—and the 29 houses I saw in Jefferson-Chalmers—some of them had to be worth $75,000—are boarded up, waiting for the wreckers.

"We were wrong about a lot of things and we're paying a price," says Doug Fraser, of American liberalism. "The HUD scandal is an example. We just were wrong about government's capability and the ability of poor people to adjust to a modern urban environment even when they were given good homes."

Part of the price that liberals are paying is the reluctance of Ted Kennedy who could be their savior, to run in 1980.

The senator from Massachusetts may hesitate because it wouldn't be nice to bump Jimmy Carter or because he's afraid of new public exposure of his tattered personal life, but there is a more compelling reason: Given liberalism's recent failures, it may be impossible for a real liberal to govern the nation in the early 1980s.

The rise of conservatism, or "the swing to the right," in American politics, is essentially a reaction to the grand mistakes of liberalism—busing, opposing "law and order," blundering attempts to elevate the poor. Detroit has survived—the city is surprisingly vital these days—but the evidence of what happened to it is still visible on Chalmers Street.

But some time may have to pass before America is ready to try more New Deal government. That's why Kennedy wants to wait until 1984—after conservatives have had a few failures of their own.●

SAWYER URGES DAVIS-BACON REPEAL

HON. HAROLD S. SAWYER

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 14, 1979

● Mr. SAWYER. Mr. Speaker, today I had the privilege to testify before the distinguished Subcommittee on Labor Standards of the House Committee on Education and Labor, chaired by the very able gentleman from Rhode Island, Congressman EDWARD BEARD, during its oversight hearing on the Davis-Bacon Act. As I indicated in my testimony, this should not be considered a prolabor or probusiness issue, but pro-Government efficiency and elimination of laws that have outlived their usefulness to the point they have become counterproductive.

My bill, H.R. 3116, would repeal the Davis-Bacon Act as it exists today. Believe me, however, I would be the first to support an effort to reinstate this act if it in any way brought about severe repercussions to the working people of this country.

I commend the subcommittee for its attempt to shed light on this important issue and I include a copy of my remarks before the subcommittee for the attention of my colleagues:

STATEMENT OF CONGRESSMAN HAROLD S. SAWYER

I am pleased to have this opportunity to appear before this distinguished Subcommittee during its review of the Federal prevailing wage law, known as the Davis-Bacon Act.

At the outset, let me commend this Subcommittee for taking a fair and responsible approach to this difficult and important issue. I certainly share the Chairman's desire to ensure fair treatment for individuals engaged in construction work on federal projects. I firmly believe we must encourage workers, through collective bargaining, to obtain improvements in wages, hours and working conditions. I am committed to this goal, and it is in this spirit that I come before you today.

The Davis-Bacon Act is little known to the general public, yet it has sparked heated controversy in recent years. As we all know, the Act was born in 1931 and establishes wage rates for workers on federal and federally assisted construction contracts in excess of $2,000. The original purpose of the law was to prevent itinerant contractors from underbidding local contractors through the use of low cost imported labor.

A necessary part of the legislative process requires that the Congress conduct a systematic oversight procedure in an effort to increase government accountability and determine if the merits of a program or law justify its continuation rather than termination. This year, when we have been dubbed the "oversight Congress", I feel it is even more imperative that Congressional Committees undertake a comprehensive review of the Davis-Bacon Act and carefully scrutinize its efficiency and effectiveness.

After having completed my own study of this issue, I believe there have been significant changes in economic conditions since 1931 and the enactment of other wage protection laws that make the Davis-Bacon Act wasteful, counterproductive and generally unnecessary today.

This Committee is very familiar with the comprehensive report submitted to the Congress by the distinguished Comptroller General of the United States Elmer B. Staats on April 29, 1979. In my opinion, the GAO report is one of the most thorough evaluations of the Davis-Bacon Act done in recent years. The GAO is an independent arm of the Congress and makes its recommendations without the expected bias that has often surrounded this issue on both sides. We would be fools not to heed our own counsel. Therefore, it is especially noteworthy that in its recommendation to the Congress Davis-Bacon is described as "obsolete", "inflationary", and "it should be repealed."

Rather than outline all of the reasons which the GAO has clearly identified that support repeal of Davis-Bacon, I want to take this opportunity to make this Committee aware of some of the serious deficiencies that exist in the Davis-Bacon Act today.

By requiring payment of the "prevailing wage" on federally funded projects of $2,000 or more, we are spending $715 million in unnecessary public construction and administrative costs. What this means is that taxpayers are shortchanged in what Uncle Sam buys with their tax dollars.

The use of prevailing wage has been particularly wasteful in my home area of Grand Rapids where nearly 90 percent of all construction is nonunion. Additional problems have been encountered because workers expect a higher wage after completing a federal project. Often, a small subcontractor is required to rotate his employees to give all workers the benefit of the higher federal prevailing wage. Not only does this breed discontent among workers, but you lose continuity in completion of a project and productivity is lost in shifting employees between jobs. Employees are even less happy when they must return to a lower pay scale after completing a federal job because they are doing the identical work for less pay. This spillover impact on local construction wages paid on private work is perhaps the most serious effect of the Davis-Bacon Act, and it indicates to me something is drastically wrong with the system.

Other problems exist. I am appalled at the cost to administer Davis-Bacon. A tremendous amount of time, which is money, is spent by the Federal government. In 1977, the Labor Department determined high on about 40% of the projects, increasing wages by $500 million and adding another $215 million in administrative costs to the Federal government's expenditures for construction.

In a practical sense, Davis-Bacon has forced many cost-conscious communities to turn down the use of federal funds for important local projects. In one instance, at the Bellrocton Community Center in Belding, Michigan, local officials wanted to use federal revenue sharing monies to repair a badly leaking roof. Local contractors estimated the job could be done for $7,500.

But federal money triggered Davis-Bacon, and the construction workers were required to be paid "prevailing wage." As a result, the lowest bid, and the only bid, was for $14,900, nearly double the expected amount. Consequently, the project was aborted, and the roof still leaks. In another instance, a project to erect a small concession stand and restrooms at a local park, a simple concrete building, cost $28,000 with Davis-Bacon, when without the cost would be $18,000.

The effects of "prevailing wage" are even more widespread. A school district in my Congressional District took bids on a complex to store and repair school buses. When the bids were opened, costs were escalated from 12-16 percent. Even more serious according to one school board member, "the number of bidders was limited simply because most contractors stated they could not pay one wage to one crew and another hourly rate to crews on non-prevailing wage jobs. This simply would cause an employee relations problem they could not handle."

Throughout these examples, I am afraid the federal government has effectively eliminated the incentive work ethic. This argument is especially true for all piece workers in the construction industry. For example, drywall installers are paid by the square foot installed, throughout the construction industry. Prior to drywall installation, the workmen must stock the units. This labor cost is covered by their square footage rate which will be paid after the installation of materials. The Davis-Bacon Act requires that these workmen be paid an hourly wage for this labor, duplicating the cost of installation.

The same overage occurs at the end of the drywall installation when workers must clean up.

Also, carpet layers are paid by the square yard. Typically, they prefer to work 10-12 hour work days, allowing them additional free time at the end of the work week. The high wages required by the Davis-Bacon Act and the overtime requirements make it impossible for an employer to allow anything but a regular eight hour work day. Many employees submit false time cards so that they may work the hours of their choice.

Permit me just one more flagrant example of why we need to reform Davis-Bacon. Take a look at the A. J. Nydam Company, a small company located in Grand Rapids, Michigan. It has been around for a long time and has no desire to get much larger than twelve to eighteen men and six trucks. They do some boiler work, but their strong point is air—air for heating, cooling and/or ventilating. They are a proud company, and rightly so. Few of their competitors can offer a better place to work and few, if any, pay as well. Normally, they work with two-man crews, a mechanic, and a helper. Qualified men are hard to find, so the sooner a helper grows into a mechanic the better off they are. Their current mechanics has been with them an average of 19 years and have never been laid off.

A. J. Nydam recently completed a job at the new Eaton County Courthouse, located in Charlotte, Michigan. It is a two story courthouse with a connecting single story county office. The two total 60,000 square feet, requiring 200 tons of cooling. The figures below show the impact of Davis-Bacon on the project cost.

Normal rate merit shop	$50, 390. 76
Department of Labor interpretation	81, 736. 48

An intolerable 62 percent increase because of the controversial Davis-Bacon Act.

Mr. Chairman, I could go on. The important point is that we have an opportunity to correct this situation in a way which would save taxpayer money, and reduce inflationary pressure without sacrificing the rights of workers who at one time were in great need of the protection which Davis-Bacon was created for. I suggest, however, in light of the facts and the GAO report, we have our heads in the sand if we fail to eliminate this artificial wage-support legislation.

I urge this Committee to take prompt action in repealing this totally useless and wasteful law.

Thank you. ●

ANIMAL CRUELTY BILL

HON. TED WEISS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 14, 1979

● Mr. WEISS. Mr. Speaker, I am today introducing legislation aimed at protecting animals from the needless cruelty and suffering they experience in laboratory research and testing. Millions of animals are subjected annually to inhumane suffering either because research facilities are not aware of, or do not have access to, alternative methods to the use of live animals in their research, or because laboratories duplicate experiments and thereby expose more animals to pain. Accordingly, my bill would establish a Commission to Protect Animals in Research and I believe it would aid in eliminating the senseless pain animals experience in the laboratory. This bill, in conjunction with legislation which has been introduced by Representative Drinan, which I am pleased to cosponsor, would further secure the welfare of animals used in laboratory research.

The legislation introduced today would create a Commission responsible for studying and recommending viable alternatives to current research procedures that use live animals and to evaluate the effectiveness of developing alternative methods. Inherent in this responsibility would be the Commission's duties to investigate and evaluate what adequate substitutes to live animals are available for laboratory experiments and to research and recommend ways to halt the duplication of experiments whose effectiveness rely totally on the utilization of live animals. I believe this bill would successfully supplement other pending legislation by offering researchers much of the information necessary to develop and use alternative research, consequently ending the pain and suffering of animals in research.

I urge my colleagues to join me in this animal protection measure.

A copy of the bill is printed below:

H.R. —

A bill to establish a commission to study alternative methods to the use of live animals in laboratory research and testing

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

Section 1. This Act may be cited as the "Protection of Animals in Research Act".

ESTABLISHMENT

Sec. 2. There is established a commission to be known as the Commission for the Protection of Animals in Research (hereinafter in this Act referred to as the "Commission").

DUTIES OF COMMISSION

Sec. 3. The Commission shall study and recommend alternatives to current procedures in which live animals are used experimentally in laboratory research and testing and shall evaluate the effectiveness of laboratory research and testing using such alternatives.

MEMBERSHIP

Sec. 4. (a) Number and Appointment.—The Commission shall be composed of 11 members as follows:

(1) 6 individuals appointed by the Speaker of the House of Representatives.

(2) 5 individuals appointed by the President, by and with the advice and consent of the Senate.

Appointments made under this subsection shall be from among individuals who are not officers or employees of any government and who will represent the views of animal welfare and humane societies, of medical schools, of individuals engaged in professions involving zoology or wildlife biology, of individuals engaged in the practice of veterinary medicine, and of individuals who have demonstrated administrative or judicial abilities. Appointments shall be made no later than 90 days after the date of enactment of this Act. A vacancy in the Commission shall be filled in the manner in which the original appointment was made.

(b) Terms.—Members shall be appointed for the life of the Commission.

(c) Basic Pay.—Members of the Commission shall each be paid at a rate not to exceed the maximum rate of basic pay payable for GS–18 of the General Schedule.

(d) Quorum.—Six members of the Commission shall constitute a quorum but a lesser number may hold hearings.

(e) Chairperson.—The Chairperson of the Commission shall be elected by the members of the Commission. The term of office of the Chairperson shall be for the life of the Commission.

(f) Meetings.—The Commission shall meet at the call of the Chairperson or a majority of its members.

STAFF OF COMMISSION; EXPERTS AND CONSULTANTS

Sec. 5. (a) Staff.—The Commission may appoint and fix the pay of such personnel as it considers appropriate.

(b) Applicability of Certain Civil Service Laws.—The staff of the Commission shall be appointed subject to the provisions of title 5, United States Code, governing appointments in the competitive service, and shall be paid in accordance with the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates.

(c) Experts and Consultants.—The Commission may procure temporary and intermittent services under section 3109(b) of title 5 of the United States Code, but at rates for individuals not to exceed the daily equivalent of the maximum annual rate of basic pay payable for GS–18 of the General Schedule.

(d) Staff of Federal Agencies.—Upon request of the Commission, the head of any Federal agency is authorized to detail, on a reimbursable basis, any of the personnel of such agency to the Commission to assist the Commission in carrying out its duties under this Act.

POWERS OF COMMISSION

Sec. 6. (a) Hearings and Sessions.—The Commission may, for the purpose of carrying out this Act, hold such hearings, sit and act at such times and places, take such testimony, and receive such evidence, as the Commission considers appropriate. The Commission may administer oaths or affirmations to witnesses appearing before it.

(b) Powers of Members and Agents.—Any member or agent of the Commission may, if so authorized by the Commission, take any action which the Commission is authorized to take by this section.

(c) Obtaining Official Data.—The Commission may secure directly from any department or agency of the United States information necessary to enable it to carry out this Act. Upon request of the Chairperson of the Commission, the head of such department or agency shall furnish such information to the Commission.

(d) Gifts.—The Commission may accept, use, and dispose of gifts or donations or services or property.

(e) Mails.—The Commission may use the United States mails in the same manner and under the same conditions as other departments and agencies of the United States.

(f) Administrative Support Services.—The Administrator of General Services shall provide to the Commission on a reimbursable basis such administrative support services as the Commission may request.

REPORT

Sec. 7. The Commission shall transmit to the President and to each House of the Congress reports at least annually and shall transmit a final report to the President and to each House of the Congress before the termination of the Commission under section 8. Such reports shall contain a detailed statement of the activities, findings, and conclusions of the Commission, together with its recommendations for such legislation and administrative actions as it considers appropriate.

TERMINATION

Sec. 8. The Commission shall cease to exist 5 years after the date of enactment of this Act.

AUTHORIZATION OF APPROPRIATIONS

Sec. 9. There is authorized to be appropriated to carry out this Act not to exceed $750,000 for each of the fiscal years ending on September 30, 1981, September 30, 1982, September 30, 1983, September 30, 1984, and September 30, 1985.●

THE 38TH ANNIVERSARY OF LITHUANIAN GENOCIDE

HON. JAMES J. FLORIO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 14, 1979

● Mr. FLORIO. Mr. Speaker, I come before the House today to raise to attention that this month marks the 38th anniversary when the Soviet Union brutally deported thousands of Lithuanians to certain death in Russian labor camps. As our Nation approaches its 203d year of national independence, I believe that we should pause to reflect on the courageous people of Lithuania who have been denied both freedom and self-determination at the hands of Soviet military and Communist party machinery.

The deportation of thousands of Lithuanians 38 years ago began a continuing Soviet oppression of this once independent and prosperous Baltic State and its industrious people. The nearly four decades of Soviet occupation of Lithuania have resulted in the unrelenting oppression of basic human rights in that nation. With the introduction of the Soviet economic system, Lithuania's once growing economy is now dependent upon raw material sources and markets controlled by Moscow government bureaus. The Soviet directed disposition of all private property in Lithuania and the collectivization of all Lithuanian farms have now reduced the standard of living in that nation to the level imposed throughout the Soviet Union.

Today Lithuanians see their children educated in Russian and their native tongue rebuffed by Soviet policy decisions. Most positions of prominence and influence are barred from Lithuanians and held in reserve for non-nationals. Lithuanians who attempt to practice their religious beliefs or who speak in nationalist tones are made examples of through "show" trials and harsh sentences.

Kazys Jankunas, chairman of the Lithuanian American Community, Inc., of New Jersey, recently wrote to me pointing out that while such Lithuanian "prisoners of conscience" number in the thousands, very few of their names ever reach the West.

However, Viktoras Petkus and Balys Gajauskas, two Lithuanian patriots now serving severe prison terms for protesting human rights violations, are known to Members of this House. I urge my colleagues to join me in writing to Soviet officials and request their immediate release.

Mr. Speaker, the United States must continue to protest in the strongest possible terms the illegal annexation of Lithuania and the deprivation of basic human rights to the Lithuanian people. This small Baltic State has kept alive a spark of freedom in the very face of Soviet oppression. Our Nation must morally commit its strength to assist the Lithuanian people in this struggle.●

MOTHERS' AID 75TH ANNIVERSARY

HON. BENNETT M. STEWART

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 14, 1979

● Mr. STEWART. Mr. Speaker, the following remarks were delivered by Mrs. Roslyn S. Simon, president of Mothers' Aid of Chicago Lying-In Hospital. The Mothers' Aid Hospital celebrated its 75th anniversary during the month of May.

Many institutions are not as long lived as this one, and I am particularly proud to have the Mothers' Aid Hospital, at its grand old age, located within the congressional district which I represent.

The remarks follow:

Remarks by Roslyn S. Simon

Sevently-five years of help to mothers and babies is an impressive record. Chicago in 1904, then as it is now, was a city of contrasts. Great mansions and wealth along the lakefront contrasted painfully with teeming tenements filled with new immigrants, especially on the crowded near-west side. That is where Dr. Joseph Bolivar De Lee established his first clinic at Maxwell and Newberry Streets. The needs of that dispensary and the first Lying-In Hospital on Ashland Boulevard brought Mothers' Aid into the world.

The years from 1904 to 1979 are a long survival span for a service organization in this city where human needs are constantly shifting. Many groups vie for attention and each, representing a good cause, is deserving of compassion. Why we survived is perhaps explained by some aspects of our history.

Our 75-year history has been illustrious. We have supported the progress and expanded research in obstetrics and gynecology pioneered by the world-famous Joseph Bolivar De Lee, and especially his regard for childbirth as a human event which calls for the application of the highest skills of the medical profession.

Our 75-year history has been a humanitarian one. Our work is dedicated to life and the continuity of life.

Our 75-year history has fostered warm friendships and family participation. In our membership over the years we have had mothers, daughters, granddaughters, and even great granddaughters.

Our 75-year history is unique. We have contributed large sums to the Hospital—without the traditional fund-raising methods of benefits, ad books, raffles, fund-raising dinners, or major charitable solicitations. How have we done it? Primarily through the three businesses our volunteers operate—the exciting shop at the Hospital, the fabulous gift shop in Glencoe, and our famous and best-selling baby record book, "Our Baby's First Seven Years." They provide most of our funds.

Our 75-year history is rich in significant accomplishments. They are described in the program you found at your table. But, on our Diamond Anniversary, we look to the future as well as our past. We are proud to commit ourselves to the largest pledge Mothers' Aid has ever made to Lying-In Hospital, a pledge to be used for the Mothers' Aid Research Center in the recently announced new University of Chicago Lying-In Hospital. This pledge is to be completed by 1986 and the amount we pledge is One Million Dollars.

Not only do we pledge this amount, but we mark our Diamond Jubilee by making the first payment on this commitment. This contribution is made possible by one year's earnings from the Hospital shop amounting to $22,000, from the Glencoe shop $40,000 and $59,000 from the baby book. These impressive earnings are supplemented by interest on our invested capital and donations to the special charitable funds we maintain.

In proof to all that Mothers' Aid, like the diamond in our anniversary, never loses its luster or value, the first installment of our million dollar pledge is the largest amount that Mothers' Aid has ever contributed to the Hospital in one year. The amount is $140,000.

It gives me great honor to present this check for $140,000 and introduce the head of Chicago Lying-In Hospital, the Joseph Bolivar De Lee Professor of Gynecology and Obstetrics at the University of Chicago and chairman of that department in its Medical School, our friend and leader, Dr. Arthur Lee Herbst.●

FREEDOM FOR SOVIET JEWS A VITAL ISSUE—V

HON. MORRIS K. UDALL

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 14, 1979

● Mr. UDALL. Mr. Speaker, on the eve of the Vienna summit, when both Russians and Americans look forward to a future of increasing international cooperation, we must not forget those unfortunate citizens of the U.S.S.R. who continue to be denied fundamental human rights. Three months ago I called the attention of the House of Representatives to the plight of Dr. Gregory and Natasha Rosenstein, and their two sons. Today, I remind you of their sufferings, and of the continuing obduracy of the Soviet authorities.

The Rosensteins are among more than 2,000 Soviet "refusniks," who have been denied exit visas for 5 years or more. Although I am encouraged by the apparent easing of emigration restrictions in recent months, we must not allow progress on one front to obscure the unrelenting persecution of those who still are denied permission to leave. It is appalling that the relaxation of restrictions on emigration has been accompanied by a stepped-up anti-Semitic campaign on the part of Soviet authorities. Increasing numbers of anti-Semitic articles are appearing in the official press, and frequent acts of intimidation are performed against "refusniks." Many more Jewish families are being compelled now to leave their homeland, because they feel that "there is no future for our children" in Russia. The "refusniks" endure such persecution bravely, and they dare to practice the Jewish faith openly, in defiance of strict religious restrictions.

Those of us in the United States who take freedom of conscience and freedom of movement for granted should not forget the courageous efforts of individuals who must struggle for basic human dignity. Secretary of State Vance presented the Soviets with a list of 200 "refusniks" in Moscow last year, including the Rosensteins, but little progress has been forthcoming. We must keep up a constant pressure on the Russians to live up to their pledges in the Helsinki Accords and the Universal Declaration of Human Rights.

Five years ago the Rosensteins applied for exit visas to Israel, and Dr. Rosenstein was subsequently fired from his position at a medical institute. The Soviets have denied Dr. Rosenstein a visa, because they claim that 14 years ago he was shown a classified document, and thus he poses a security risk to the country. This wearisome pretext is absurd, since Dr. Rosenstein has devoted his career to the study of epilepsy, and the results of his research have been published in scientific journals here and in the U.S.S.R.

Dr. Rosenstein is now forced to do menial work to support his family, and even that is sometimes unavailable. Representations to Soviet authorities on his behalf have resulted only in an intensified level of harassment against the man and his family. Stock charges of "parasitism" have been leveled against them, and they have been warned not to persist in their religious activities.

I will close by inserting a letter to me from Dr. Rosenstein which was passed on to me by my friend and colleague Congressman Wirth, who recently visited the Soviet Union. There follows a letter from Mrs. Rosenstein's mother in Israel:

Dear Sir: Thank you very much for your letter dated March 15, 1979. It gave my family and me a new hope on our long way to Israel.

Let me inform you about our latest news. On Feb. 13, 1979 officials revealed to me the reason why I've been refused during all these long years: In 1965 (14 years ago) I had a look at a classified document (I was not said and I cannot recall myself which document particularly) still considered classified and I'll be a refusenik during an unpredictable long period of time until (if ever) the document is declassified. The information came to me after my wife and my son Efraim (9) demonstrated on Jan. 9, 1979 in front of the Research Institute where I was employed more than 7 years ago. As I understand, now, dear Sir, your appeal to Soviet officials on my behalf was an important part of the struggle for that very important though cruel revelation. It's the first case, when we can learn the real way of how the authorities make decisions on a refusenik's destiny.

The concrete reason of the refusal given now to me is absurd, because the classified document mentioned above may deal with computing and computers only. But it is well known that two new generations of computers were born and died in last 15 years. It means that nothing in the field could remain unchanged up till now. I'm sure that it may be proved in a short time for each concrete point in the field. However the additional feature of my situation giving to it some salt is that I don't remember even the fact of looking through the document to which the destiny of my family and me is attached now by the officials. And the officials refuse to give me the concrete information about the document so to say "known" to me because as they claim it is a secret too. It's important to underline that I've never signed security commitments.

Seems only Kafka may think such collision out.

As you know, all of my scientific articles deal with the problem of modeling of brain disorders, they were published openly in this country and abroad having nothing to do with state secrets.

To crown it all, last month my wife and I were "promised" to be killed "as Jews and Zionists" (loco zitato) by plainclothesmen in the street at our house. On June 3, 1979 (it was our Saint Shabat) a 20-meter long slogan "Jews into coffins" was written on the sideway in front of our windows.

I ask you to inform me about what could be done by you in my case. Your support is of the highest value in the current situation.

Yours,

GREGORY ROSENSTEIN.

DEAR SIR: My friends in the U.S. kindly sent me copies of your letters to Secretary Vance and to Colonel Obidin (U.S.S.R.) concerning the difficulties Dr. Gregory Rosenstein and his family are having emigrating from the Soviet Union.

I am Natasha Rosenstein's mother. I should like to thank you for your constant concern for their struggle and would be grateful if you passed on my deep and sincere gratitude to Secretary Vance. I know that Mr. Vance was in Moscow in September 1978. He presented the Soviet authorities a list of 200 families of "refusniks," among them my family. I am sure that the presentation of such long list of "refusniks" is not effective because it gives the Soviet authorities a good opportunity of avoiding the discussing of specific families who have been waiting for visas for many years like the Rosenstein family. I believe it is necessary to concentrate all our efforts to include this family in a list of "refusniks" like the list Senator Kennedy personally presented to Mr. Brezhnev not long ago. I do hope you might help us to put the Rosenstein family on a list like this. The fact is Dr. Rosenstein's oldest son Mikhail will turn 18 in January 1980 and be eligible for the draft. If that happens the Soviet authorities will have a good reason for many future refusals. Awaiting your reply and with many thanks,

Yours sincerely,

ASYA PLOSCHANSKAYA.●

HONOR AMERICA

HON. NORMAN D. SHUMWAY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 14, 1979

● Mr. SHUMWAY. Mr. Speaker, as I am sure my colleagues realize, the period beginning with Flag Day and ending with our Independence Day celebration on July 4th is set aside as a 21-day salute to our great Nation; it is a period during which we are called upon to honor America. At this time, I would like to ask my colleagues to share with me as I commence this observance, and also to commend the American Historic and Cultural Society for publicizing this patriotic celebration.

I trust that all those whom I am privileged to represent in the Congress, as well as all Americans, will take a few moments to reflect on the many aspects of our rich heritage during this period of time: Our cultural inheritance, our proud history, our cooperative national effort, and our goals as a Nation. Additionally, I believe we should each attempt to learn just a little more about the American constitutional Government, and to share our knowledge and concern with our neighbors and friends.

Being an American is not just a privilege—it carries obligation. I believe that it is insufficient to sit quietly back and reap the benefits of our many freedoms; we must recognize that responsibility accompanies opportunity. Perhaps no form of government requires greater citizen responsibility than one as free as ours, for freedom must be understood, defended, and protected; it must also be cherished and revered.

During this 21-day span, let us truly honor America, her greatness, her potential, her past achievement, and her many freedoms which are ours to defend. Let us also make a commitment to carry that spirit of honor over into the following months, and to insure that we pass it along to younger generations as a major part of their legacy.●

NATIONAL PRIORITIES: A NEED FOR A NONFUEL MINERALS POLICY

HON. JIM SANTINI

OF NEVADA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 14, 1979

● Mr. SANTINI. Mr. Speaker, an editorial that appeared in the June 6, 1979, edition of the Denver Post provides some food for thought as it relates to real world economics and the national need for a nonfuel minerals policy.

The molybdenum deposit referred to in the editorial was discovered in Colorado, but the broader implication is one of national interest.

The editorial takes issue with the environmental lobby that asked whether the molybdenum to be mined is a national priority or whether it is for "corporate profit"—something, I suppose, that is other than honorable. It cites an environmental report that charges that Colorado molybdenum is exported to Germany and Japan, "and some even finds its way to Czechoslovakia."

The editorial does not say that molybdenum is an important alloying metal used to improve the hardening ability, strength, toughness, and corrosion resistance in the production of iron castings, steel, tool steel, and other alloys required for the manufacture of agriculture, mining, and electrical machinery and tools. It is used in a variety of ways in oil refining, food processing, and electrical power generation.

The editorial also does not say that the United States is the largest exporter of molybdenum, supplying 50 to 60 percent of the industrial needs of the rest of the world. Annually, these exports are now returning to the United States about $350 to $400 million on the plus side against the ever-enlarging minus side of our export-import scales. It is a major mineral by which we can benefit through exports, and other industrialized countries are vitally concerned that we maintain our shipments.

I believe my colleagues will enjoy this commonsense editorial:

PROFIT AND HYPOCRISY

The environmental lobby appears to be spawning its own international economic theories. From what we've seen so far, however, Milton Friedman and Walter Heller need not fear the competition.

At first, we though it was a mistake. After a recent Denver hearing on the proposed AMAX molybdenum mine near Crested Butte, this sentence appeared in a press account:

"Questions from the audience centered on whether the molybdenum to be mined is a national priority, or is being developed for corporate profit."

Wow! What is a national priority? Apparently it is good—and profit is bad. Is it a national priority to create more jobs? Is it in the national interest to export so we may import?

To abandon the concept of profit is, quite simply, either pie-in-the-sky socialism or a return to primitive barter, with recession in between. So maybe the environmentalists were misquoted. After all, the country operates on the profit system.

No such luck. The latest Wilderness Society publication arrived from Washington and it, too, is not sure a corporation should expand.

In echoing the Denver attack on AMAX, the national society charges that: ". . . 60 percent of the Colorado (molybdenum) supply is exported to Germany and Japan, and some even finds its way to Czechoslovakia."

Ah, those sneaky Czechs. The society then goes on to say that AMAX has no reason to open a new mine other than to "expand its operation."

Evidently the environmental economic ethic now requires that natural resource development be subjected to a test of the "national interest." Wouldn't you hate to see these environmental brain-trusters standing between your car and the gas pump?

The trouble arises in defending "national interest." A machine-tool maker who knows that large mines take a decade to develop may thing AMAX is planning its expansion none too soon.

A minority college graduate planning a career with AMAX next month may think corporate growth is pretty good, maybe even in the national interest.

An engine-maker in Tokyo may see the national interests of both the United States and Japan served by growth and "corporate profit." If there isn't going to be corporate profit then why have international trade? Many might even ask: why go to work tomorrow morning?

We are, frankly, baffled by a world without economics. Possibly our readers will join us in awaiting clarification. If the millennium has arrived we should be informed.

The Wilderness Society is just the agency for such research. Leafing through its publication one discovers a list of some 60 individuals and foundations which have contributed more than $1,000 each to the society. We'll place a small bet that a few of those donors got their money from that horrid source called "corporate profit." ●

YOU GET WHAT YOU ASK FOR

HON. STEVEN D. SYMMS

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 14, 1979

● Mr. SYMMS. Mr. Speaker, Mr. Lyle W. Talbott, manager, Delamar Silver Mine, gave a speech entitled "You Get What You Ask For," to the Malheur County Livestock Association's spring meeting in Jordan Valley, Oreg. It has some timely comments about our bureaucratic lawmakers that are worth noting:

Close your eyes and let your minds take leave of your present world. Disconnect yourself from the press and care of today, escape with me from the frantic hassle through the pages of Mike Hanley's book "Owyhee Trails" to the year 1867.

"We are just north of the settlement of Hollis, Oklahoma. It is early spring to us, but already summer has set in, in this hot dry prairie country. We are glad to be drifting North and here on the Texas border we sigh a relief to be out of Texas. Around us are bellering, bawling critters; spotted, brindled, nearly solid colors, but lots of white on them; raw boned with ribs darned near through their hides and horns; you never saw such horns, some six feet spreads. Longhorns they called them, turned loose to run the country by Spaniards about 200 to 300 years ago. Hell, I hope those damned gophers can eat them up at Silver City cause we're sure eating a lot of dust, and you can't hold them, just drift them. Con Shea has got to be a wild man, we won't get half of them to Idaho. Oh, well, its been fun, boy did we get to see some real fights. Hey, Con, we ought to back and help kick hell out of those sod busters. You're right, its their fight. I sure like that little song: "I'm Going to Leave Old Texas Now, They Got No Use for the Longhorn Cow." They've plowed my grass and they've fenced my range, and the people there are all so strange. You're right Con, there's no chance they'll bother us."

This was five years before my Great-Granddad's brother made the first silver strike in Nevada near Austin. West of the Rockies was wild, free and unsettled, but an era was closing as the sea of civilization called "sod busters" with barbed wire, cities and factories slowly flowed over the land. In that rising sea the "forgotten corner" was left somewhat like an island, because you couldn't plow it.

A few years things remained pretty constant, "good" land was farmed, then irrigation cut out more, what was left was grazed. In the sea began a process of evaluation called names like "progress," "sophistication," and "public trust." Creatures called bureaucrats crawled out of the sea onto the islands and since they wanted to grow, get fat, and multiply, they began to nibble at the islands. Now these were just little creatures who wanted to get away from the big ones in the sea, they really didn't do much damage, what the heck, BLM's they called them, and USFS. Thus began the close of another era, and you and I stood on this island with the waves lapping closer to our feet, our hands in our pocket, eyes closed and mute.

One third of the 2.2 billion acres of this "Land of the Free" is Federal land. It belongs to the people, the people are the landlord. There are 755 million acres under the U.S. Forest Service and U.S. Department of Interior jurisdiction. These vast acreages have been withdrawn by administrative fiat or executive order from uses to which it might be put by reasonable tax producing people.

The Wilderness Act of 1964, but translations of the law by the bureaucrats made it into something not intended in the original bill. Wilderness doesn't mean the same thing today as it did when the act was written in 1964. A longtime friend of mine, Wayne Aspenall of Colorado, who was for a number of years Chairman of the House Insular Affairs Committee, has pointed this out many times.

The present problems that business has with government is not so much with legislators as with the bureaucrats. Elected officials aren't restricting business with laws, but bureaucrats are with rules. These creatures out of the sea are just as sincere as anyone. They gain security by empire building and are convinced they know what is best for the country. Like most humans they must have some feeling of accomplishment through activity. Since they lack the incentive provided by an income generating business to make a decision on judgment they simply respond to the loudest outcry, lest they get canned. There is no profit motive to force responsible decison making, they can't go broke. Do not deceive yourself, these are intelligent, sincere people who react to their own human needs.

Congress passes general laws, wide sweeping, ambigious, general laws, then the bureaucrats sit down, interpret, and reinterpret the general laws into regulations which become the "law of the land."

In the past eight years as many rules and regulations have been made as there were passed between 1899 and 1970, a period of 81 years. Bureaucrats make the decisions you and I must live by.

This brings me to the real message. You get what you ask for. Under our democratic process there are only two ways to get what you want done. 1. Elect someone to represent you who shares your philosophies, and, 2. Petition your elected officials to cut off funds to the agencies who do not respond to you or act against your best interest. Our opposition knows and uses these techniques.

You and I are getting what we ask for, we get what we deserve. Here we stand, the sea nearly to our boot tops. My friends, it is too late, we will not stem this tide of wilderness withdrawal in the "Forgotten Corner." How many letters have you written to your elected representatives so he knew your position? How many elections have you voted in? Do you know your officials? Did you ever attend a precinct meeting? A political convention? Even a town meeting? How many dollars have you given to get responsible government? Is your politics like your religion, some concept you cannot really remember? Covered with cobwebs. Are you just a freeloader?

You and I have stood here basking in ignorance and inaction while a small very active minority has taken the reins and drivers' seat by positive support of their belief. Will we continue as we have, or shall we try to salvage what is left?

Let us stop blaming others, stop cursing the bureaucrats, and recognize them for what they are and how they respond. Let's take a leaf out of the oppositions book and get busy. Let's get off our ass and get something done. Let's be honest with ourselves, put the blame where it belongs—we have done nothing, we've dropped the ball. We are getting what we deserve, we are getting just what we asked for. We have spent our energy complaining and even fighting those with a common interest. We have abdicated our voice in government in preference to beer drinking, Sunday afternoon ball games, and the trash of TV. We have left it all up to someone else and THEY, sure as hell, have done it. Now we don't like it. You get what you ask for!

Only you as an individual can seam the tide, it requires individual effort as a part of a total program. There is absolutely no substitute. You can not leave it to the association or someone else—you must participate. This is no place for lazy people, because the opposition works hard. Become informed, read your trade papers, learn what is happening, ask questions. Give a little of your time and money. Become active in politics, learn the issues and what officials stand for. Inform them of your views. Sit down tomorrow and write a letter, send it to your Governor, your Congressman and Senators. Next, have your wife, children and hired hands do the same, help them express themselves. In this game it is numbers, not common sense that counts.

Let us put aside our differences spawned by a lack of understanding and poor communications. Miners and Cattlemen have a great deal in common, they were early comers. We are one half of those who produce new wealth; fisheries, timber, agriculture, and mining. We both are natural resource developers. You and I have no control over our markets as we do not interface the consumer, yet without us those markets will decline and die. We have much in common. We have been, and are the backbone of America. Become active in your association, and through that great Association of Cattlemen, join with us, the Mining Association, that together we may develop programs for positive action for the national good which will bring results. Let us tell our story that people are informed, and give their support.

It isn't easy, you really have to work at it, and you'll get what you ask for.●

TRIBUTE TO JOHN WAYNE

HON. SILVIO O. CONTE

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 14, 1979

● Mr. CONTE. Mr. Speaker, Tuesday morning we received very sad news of the passing of the great actor, John Wayne. I would like to share my comments with my colleagues in the House in tribute to this fine American.

The Duke, as he came to be known, was a very special type of person. He was a large man, tall in stature, with a slow humble voice, an outdoorsman, rugged with a kind heart, seeming boyish at times, but always tough and proud to be a man. Even in his last days he seemed powerful in his cancer diminishing frame. It must have to do with the way we remember him in "True Grit" and "The Green Beret" as a hero who always rises again after he falls.

This year during the Academy Awards the Duke received a standing ovation as he plodded out to announce the best movie of the year. One could almost see him blush as he shifted from foot to foot as the crowd applauded him. After the crowd settled into their seats again, the Duke responded in his old familiar voice that—

> I'll beat this thing . . . I'll slug it out.

You could feel and appreciate his courage and almost felt like he could do it through some type of miracle, but still you knew the inevitability of his death.

The Duke was surely a great man. The enthusiasm he brought to the screen will always be remembered. You could feel his self-content and strength of discipline. There are not many men like him—there never will be. He reached the hearts of many, both young and old, giving us the feeling that we can rise and meet this world's problems face to face. Truly this was a great man and I know all Americans grieve as I do over the death of the Duke.●

CATHERINE CALVO—SENIOR OUTSTANDING STUDENT ON GUAM

HON. ANTONIO BORJA WON PAT

OF GUAM

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 14, 1979

● Mr. WON PAT. Mr. Speaker, I am extremely proud to announce that Miss Catherine Calvo has been named as the Senior Outstanding Student on Guam for the 1979 Youth Week in the territory.

The daughter of Mr. and Mrs. Felix V. Calvo, Jr., of Agana Heights, Guam, Ms. Calvo is an outstanding student by any standards. Her record of accomplishments are as long as they are impressive. And she has won the hearts and respect of her peers and her elders in Guam because of her dedication to the excellent principles of scholastic achievement.

Recently, Ms. Calvo became the recipient of the 1979 annual Youth Week award as the Senior Outstanding Student and was feted by the 15th Guam Legislature for her accomplishments.

The award was granted only after a rigid island-wide competition in which Catherine was chosen on the basis of her scholastic achievements, active participation in her many school activities, her citizenship and on the merits of an essay she wrote.

In this day and age when so many question the motivation of our young people, it is truly refreshing to see the pride that Ms. Calvo takes in her work. She deserves the acclaim she is now receiving, and quite frankly, so do her parents who can be truly proud of their daughter and the outstanding job they did in raising a beautiful and charming young woman who is a living tribute to their love and affection as parents.

In the area of scholastic achievements, Catherine is truly without peers as the following list of her record shows:

SCHOLARSHIPS, HONORS, AWARDS

Honor roll student—all through grade school and up to the present time (12th grade).

Hugh O'Brien Seminar Representative for outstanding sophomore (Cathy was chosen by faculty and principal for Notre Dame High School—first quarter).

Scholastic Achievement Award of Excellence, 1974.

Governor's Award for Outstanding Student—7th grade

National Junior Honor Society—7th, 8th and 9th grades.

National Honor Society—10th, 11th and 12th grades.

1979 Outstanding Youth Islandwide—senior division.

Fifteenth Guam Legislature Resolution No. 143 relative to commending Catherine Calvo for being named Senior Outstanding Student For Youth Week 1979.

Gifted and Exceptional Children, 1978.

Scholarship award in recognition of outstanding academic achievement and leadership by the administration and faculty of Notre Dame High School, 1977 and 1979.

Certificate of award for academic achievement, 1978.

Yearbook Excellence Award, 1979.

1979 Outstanding Student from Notre Dame High School.

Who's Who Among American High School Students, 1979.

Catherine is more than a first-rate student, however. She is a well rounded young person who apparently achieves at anything she sets her heart on.

Not content with the highest scholastic honors, Catherine is the holder of the Presidential Physical Fitness Award, has played varsity tennis in her high school, and is an avid golf player. I understand that Catherine is also a wonderful pianist, having participated in recitals at the Guam Academy of Music and Arts, and a composer of the class song which won second place during her sophomore year at Notre Dame High School.

Catherine's activities have also embraced a wide number of civic and community minded functions and she is active in her local church affairs as well.

As noted earlier, to win the coveted Outstanding Senior Award for Guam, Catherine was required to submit an essay titled "What I Think an Outstanding Student Should Be." I would like to request that the text of her essay now be included in the RECORD in the thought that it is a wonderful reflection on her character and dedication to excellence.

The essay follows:

WHAT I THINK AN OUTSTANDING STUDENT SHOULD BE

(By Catherine Calvo)

Every individual on this earth, from the Proconsul and Ramapitheus (possible ancestors of men), to the baby born this second, has been or will be the product of some type of learning experience. As a result, we can safely say that each person (even the dumbest fool) from the past, present, or even future, can be called a student.

A student is not one who studies, but rather one who learns. She is like a sponge—always ready for the complete absorption of a liquid. Her total environment serves as this liquid and, because of the never-ending cycle of life, is constantly replenished, constantly ready for absorption.

The early stages of learning are the most important ones. It is at these stages that one adopts life-time habits that eventually form one's character.

A student soon discovers that learning means making choices. She must either accept or reject the new experiences she encounters. The choice she makes, whatever it may be will help mold her into the person she is to be in the future. (The sponge once soaked, should be either squeezed out to be reabsorbed later or left soaked.)

The problem of being a student lies within this system of choice-making. It is not easy for a student to make the right choice—one that will lead her to develop a better life for herself and eventually, for others. Students who have learned to make the right choice are considered outstanding by the society.

It is the outstanding student who paves the harsh and rocky road of life so that others may follow more smoothly behind. An outstanding student therefore, should possess, first of all, the initiative to want to choose for herself; character to respect herself; service to help her fellow students; common sense to make the right choice; determination to see that her correct choice is thorough and finally, and most importantly, leadership to guide others in the right direction.

Learning for the outstanding student not only means reading or studying the essential subjects needed for a good education, it also means meeting, working, and living with people. It is important that the outstanding student learn how to relate to people, for it is basically people who provide the choices to be made in life. Once she has acquired some knowledge of, or from, people she uses that knowledge to help herself. She knows that this self-help will eventually lead her to help others help themselves—which is primarily the meaning of every individual's existence.

A student is one who learns. An outstanding student is one who learns how to learn.●

TRIBUTE TO MRS. S. M. (MAE) TAYLOR

HON. JOHN T. MYERS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 14, 1979

● Mr. MYERS of Indiana. Mr. Speaker, Mrs. S. M. (Mae) Taylor of Tompkinsville gave this address at the Tompkinsville Elementary Kindergarten graduation on the evening of May 18, 1979. Mrs. Taylor is a retired teacher. Her enjoyment of teaching, her love for children, and her taste for literature are quite well known throughout the area.

She happens to be the sister of Representative TIM LEE CARTER.

The address follows:

COMMENCEMENT ADDRESS

(By Mrs. S. M. (Mae) Taylor)

"In this, 'The Year of the Child' I wish to state that children are a blessing and that I heartily approve of kindergarten for the prechildren. The word kindergarten is German in origin and means children's garden. It was designed as an educational supplement to elementary schools intended to accommodate children between the ages of four and six years. Leaders in this movement were Robert Owen of Great Britain, J. R. Pestalozzi in Switerland and Marie Montessori in Italy. First known as infant schools, the name kindergarten was first applied by Froebel who wished to convey the idea that because of proper environment children grew freely like plants, in a garden. The Montessori method of teaching stressed the spiritual and emotional nature of the child encouraging self understanding through play activities and greater freedom rather than restriction. Do rather than don't.

"Sad to say, to many youngsters, the first day of elementary school is a frightening experience if they have not had previous kindergarten training. To illustrate: A friend and connection of my family was getting his son ready for his first day in elementary school when to his dismay the little boy started crying loudly and saying that he did not want to go to school. This upset the father and he asked, 'Why don't you want to go to school?' 'because', the little boy sobbed, 'the teacher will whip me, and I don't know nary thing!'

"If this bright child had had previous kindergarten training this scene might well have been avoided. He would have approached the first day of school with eagerness and confidence.

"So many things are learned in kindergarten, in the friendly, relaxed homelike, atmosphere, such as acceptable patterns of behavior, how to get along with others, the little courtesies like, thank you, may I, please, beg your pardon, I'm sorry. Very important is the fact that they learn to listen to Bible stories, fairy stories and stories with a moral. These stories when dramatized help children to overcome shyness, increases their vocabularies, and makes them more able to communicate with others. Children having difficulty counting to 10 can be aided by counting rhymes as 1, 2, 3, 4, 5, I caught a hare alive, 6, 7, 8, 9, 10, I let him go again. The alphabet may be learned by singing the Alphabet along with the record player. Color recognition is important and since traffic safety is a must children learn that Red is for Stop. Yellow means Slow. Wait for the Green. Then we go.

"Most enjoyable to the children is the 'Show and Tell' program where each child on different occasions brings something to show and tell about. It may be a piece of coral from the seashore or a sea shell that when you hold it to your ear you can hear the sea roar, or a parrot or parakeet, an Indian head dress, or tomahawk, or anything out of the ordinary.

"Children love color and here they learn to use crayons, finger paint, cut & paste pictures and work with modeling clay. An activity that I have found that children like is to place one hand on a large piece of white paper, then take a pencil and carefully trace round the fingers. Next cut out and paste on a large sheet of construction paper with this printed verse on it. 'Here is my hand, So tiny So small, For you to hang, Upon the wall, For you to watch, As years go by, How we grow. My hand and I.'

"In conclusion I will say that if you train up a child in the way he should go when he is old he will not depart from it.

"I am truly thankful for the competent, compassionate, and dedicated kindergarten teachers that we have in Monroe County and strongly advocate the inclusion of kindergarten in our Elementary Schools."●

PERSECUTION OF BALKAN NATIONS

HON. JOHN J. RHODES

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 14, 1979

● Mr. RHODES. Mr. Speaker, the quest for decency in the treatment of human beings around the world is a never-ending task. Particularly is this the case in the persecution of citizens of the Balkan nations by the forces of Soviet Communism.

The Lithuanian-American community has called to the world's attention the harsh treatment of Viktoras Petkus and Balys Gajauskas, who are languishing in Soviet prisons after being charged with political activity. Their plight emphasizes that communism is not communal living, sharing, or a joint venture in government, it is rule by terror and force. It is injustice personified.

The people of Lithuanian descent in America have seen their homeland destroyed by Soviet terrorism and forced migration. They are pleading for world attention, for the rights of human beings to express themselves.

Incarceration of dissidents is the Soviet answer to free speech, an example to the world that communism cannot tolerate discussion, or examination of its totalitarian operations.

I join my colleagues in expressing our sympathies to these men who have been victimized by Soviet communism, and our backing for their supporters in this Nation who seek justice in the only forum available, the court of world opinion.●

"THE DECLINE-AND-FALL MOOD," AN ESSAY BY ARTHUR SCHLESINGER, JR.

HON. JOHN BRADEMAS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 14, 1979

● Mr. BRADEMAS. Mr. Speaker, I ask unanimous consent to insert in the RECORD a most thoughtful essay by the distinguished historian, Arthur Schlesinger, Jr.

Mr. Schlesinger's article, "The Decline-and-Fall Mood," was published in the Wall Street Journal of June 5, 1979.

Mr. Schlesinger is Albert Schweitzer professor of the humanities at the City University of New York, winner of Pulitzer Prizes in history and biography and a member of the Board of Contributors of the Wall Street Journal.

His essay follows:

THE DECLINE-AND-FALL MOOD

(By Arthur Schlesinger, Jr.)

Spring finds the American periodical press in one of its decline-and-fall moods. "Americans have drifted into a condition of spoiled purposelessness," Lance Morrow, the house philosopher, tells us in Time. ". . . A damaging slackness, a widespread fecklessness have grown evident not only in American leadership and corporations but in U.S. society at large." The American people, according to Margaret Chase Smith in U.S. News & World Report, "have lost their will." "INNOVATION," Newsweek asks on its cover: "HAS AMERICA LOST ITS EDGE?" Inside Meg Greenfield solemnly concludes a column on the Carter presidency: "Last week in Washington, the whole thing seemed about to go under." The President himself talks gloomily about "a failure of will and the political process."

Now things are bad, but honestly they are not that bad. Adam Smith used to say, "There is a lot of ruin in a country." We have been through much rougher times than this over the last half century and have emerged safely on the other side. The onset of the age of high-cost energy, the persistence of inflation, the decline in productivity—these are tough problems. But, for all their long-range implications, they are not really as urgently tough as the Great Depression or Pearl Harbor or even the Vietnam war. So let us not get unduly rattled at a moment when we need a certain coolness and detachment to prepare ourselves for the long haul.

Our basic trouble is plain enough: we have the problems, but we don't have the solutions. Or rather the solutions at hand don't work. In his new book "The Nature of Mass Poverty," John Kenneth Galbraith propounds a very important law of social policy—a law that may be summarized as: *remedy prescribes diagnosis*. Faced with a difficult question and a need for action, we tend, Professor Galbraith persuasively suggests, to shape our diagnosis according to the weapons that are easiest to use. "Diagnosis proceeds from the available remedy."

HOOVER'S REMEDY

This was our approach in the early years of the Great Depression. No one knew what caused the economic collapse or what would cure it But Herbert Hoover, constrained to apply the most convenient remedy, persuaded himself that, if he could only reduce government spending and protect the private market against mandatory government intervention, he could solve the depression. His intellectual heirs today suppose for the same reasons of convenience that cutting government spending and protecting the private market against mandatory government controls will now solve inflation.

Allowing the availability of remedy to dictate diagnosis results in the gross oversimplification of deeply-rooted problems. Does any one really believe that federal deficits are the single cause of inflation? As Herbert Stein has reminded us in this space, "Deficits don't cause inflation all the time. We have had deficits almost all the time since 1929, and haven't had inflation all that time." Or that decontrol of oil is not going to make inflation worse? Or that decontrol will relieve the oil shortage? Robert Baldwin of Gulf said the other day that "there's no way, for any amount of money, that you can reverse the decline curves on crude oil production in the United States." Or that cutting the capital gains tax will end the decline in productivity? Thoughtful students of the problem, like Professor F. M. Scherer, wonder whether the postwar technological boom is not coming to its natural end and speculate that we may be entering a Schumpeterian phase of technological maturity, from which we can be rescued only by a new cluster of technological innovations.

No doubt we will continue for a time, given the devotion of both the administration and the opposition to hallowed dogma, to act as if the private market can solve our perplexities. We will continue to try and fight inflation by inducing an economic slowdown and throwing millions of people out of work—a policy that places the burden of the war against inflation on those least equipped to bear it. We will continue to try and fight the gasoline shortage by discouraging consumption through decontrol and price increases—a policy that places the burden of the energy war on those least equipped to bear it. If supply falls so far short of demand that rationing becomes inevitable, then rationing by price is surely the most unfair form a ration system can possibly take. These every-man-for-himself, devil-take-the-hindmost solutions exact a fearful social and political price and won't work in the end.

The current gloom may well be due to the gradual, perhaps still unconscious, realization that the problems we face are not amenable to the remedies conveniently at hand. Our political and our business leaders are really quite devoid of ideas but cannot afford to admit it; so when the private market fails to solve their problems for them, they blame the failure, not on the intellectual inadequacy of their remedies, but on the moral delinquency of their fellow citizens. In fact, the crisis is considerably more intellectual and analytical than it is moral and spiritual. The people are looking for a leader. Their so-called leaders have nothing convincing to say to them.

When existing theory fails, the older American way was experimentation. The Republic began as an experiment. It has grown and prospered through its capacity for invention and innovation. "No facts are to me sacred," said Emerson; "none are profane; I simply experiment, an endless seeker, with no Past at my back." Franklin Roosevelt's great contribution lay not in theory but in audacity. "The country needs," he said in 1932, " . . . bold persistent experimentation. It is common sense to take a method and try it: If it fails, admit it frankly and try another. But, above all, try something."

Except for the part about admitting failure frankly, this is pretty much what the New Deal was all about. Eventually experiment led to new theory; but that is after all not a bad way to arrive at theory.

PERSISTENT EXPERIMENTATION NEEDED

Our country is once again confronted by problems that baffle the conventional wisdom, and bold, persistent experimentation is what we need today. Now I know that the appeal for experiment may seem hollow at a time when, we are authoritatively assured, the national mood is one of conservatism. Yet, as I have noted in this space before, history records an inherent cyclical rhythm in our public affairs. In the periodic swing between activism and exhaustion, we are for the moment in the quiescent phase of the cycle. We will not be in that phase forever.

The issue is evidently not so much conservatism vs. liberalism as it is fatigue vs vitality. When the dam breaks again in the 1980s, as it has broken every thirty years or so during this century, we will stop proclaiming our inability to do anything about our problems and stop luxuriating in our conviction of public impotence. Our current idea that the private market can take care of problems like spiralling prices and dwindling energy sources is escapism into fantasy—a fantasy that serves to rationalize a condition of intellectual bankruptcy. What we need today is not sanctimonious exhortation but detailed investigation and hard thought. For, when the new age of experimentation comes, it would be useful if we had some good experiments to try.●

THE BOSTON HARBOR NATIONAL RECREATION AREA

HON. JOE MOAKLEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 14, 1979

● Mr. MOAKLEY. Mr. Speaker, it has been said that "the only means of conservation is innovation"; and conservation is today a somber synonym for survival. It was with this in mind that I recently introduced a bill to establish Boston Harbor as a National Recreation Area. This legislation, which has been introduced in the Senate by EDWARD M. KENNEDY, seeks to preserve the unique scenic, historic, and recreational values and resources of Boston Harbor for present and future generations.

There is a definite and pronounced need for such legislation. Pollution of the harbor is as bad as ever, always threatening to close the few existing beaches, endangering expanded boating activity, and continuing to be an aesthetic nuisance. Access to the harbor islands and public ferry services is limited and confusing; the terminals are in deplorable condition. Moreover, high rents and restrictions on pedestrian access threaten to exclude the general public from large segments of the waterfront.

Present State, regional, and local authority and funding capabilities have proven inadequate to solve these problems and to insure the preservation and enhancement of this area. Thus, the key to more effective use and conservation of the singular resources of the Boston Harbor area, including the Boston Harbor Islands, is a program which would coordinate action by Federal and State governments to assist the local units of government in the administration, management, and development of the area. I am confident that this legislation will provide such a program.

Within 1 year after enactment, the Secretary of the Interior would establish a commission for the purpose of preparing a plan for development and management of the area. This commission would be composed of not more than 27 members, appointed by the Secretary with the Governor of Massachusetts' recommendations, and the chief executive officers of local units of government which have jurisdiction over the area. Upon approval of the commission's plan, the Secretary would make grants to the State or local units of government identified as having responsibility for implementing its provisions.

I cannot emphasize enough the necessity of this legislation, not merely for the people of Boston, or the residents of the Commonwealth of Massachusetts, but for all citizens of the Republic. Boston Harbor is a precious national asset which requires preservation. Through our efforts, this great natural and economic resource can be protected, and the Boston Harbor Islands can be reclaimed from over 30 years of abuse and neglect.

The public deserves a harbor whose natural assets are well managed, developed to meet a variety of economic, social, and recreational needs, and secured for the years to come. Let it not be said of us what T. S. Eliot said of his fictional society:

> Those were a decent people. Their only monument: the asphalt road and a thousand lost golf balls.

A text of the bill follows:

H.R. —

A bill to establish the Boston Harbor National Recreation Area, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

FINDINGS AND STATEMENT OF POLICY

SECTION 1. The Congress finds and declares that—

(1) the Boston Harbor area, including the Boston Harbor Islands, in the Commonwealth of Massachusetts, possesses unique scenic, natural, cultural, historic, and recreational values and resources;

(2) there is a national interest in preserving and enhancing these unique values and resources for the present and future well-being of the Nation and for present and future generations;

(3) the present State, regional, and local authority and funding capabilities are inadequate to insure the preservation and enhancement of the values and resources of the Boston Harbor area, and it is in the national interest to establish a new system to assist the Commonwealth of Massachusetts, regional agencies, and local governments to preserve and manage the values and resources of the area;

(4) the key to more effective recreation and conservation of the unique resources and values of the Boston Harbor area, including the Boston Harbor Islands, is a program encouraging coordinated action by the Federal and State Governments to assist local governments to administer sound management policies regulating and guiding development in the Boston Harbor area and on the Boston Harbor Islands;

(5) such a new system for the protection and management of the values and resources of the Boston Harbor area requires the establishment by the Commonwealth of Massachusetts of a Boston Harbor Commission to give effect to the trust relationship; and

(6) because expanded access to the Boston Harbor Islands is crucial to the development of the Boston Harbor area as a recreational area for the Nation, any plan for the development of the Boston Harbor National Recreation Area must include provisions for expanded access to and between the Boston Harbor Islands, including such shoreline, island, and water facilities as are needed to encourage public visitation of the Islands.

SEC. 2. The purposes of this Act are (1) to provide for the preservation of the outstanding natural, historic, aesthetic, and cultural features and the land and water resources of the Boston Harbor area including the Boston Harbor Islands, and (2) to provide adequate recreation facilities for the people of the Commonwealth of Massachusetts and the Nation.

SEC. 3. There is hereby established the Boston Harbor National Recreation Area (hereinafter in this Act referred to as the "recreation area"). The boundaries of the recreation area shall be Boston Harbor to the mean low water line, from Winthrop to Hull, Massachusetts and the Harbor Islands.

SEC. 4. (a) Within one year after the enactment of this Act, the Secretary of the Interior (hereinafter in this Act referred to as the "Secretary") shall establish a Commission for the purpose of preparing a plan for the development, maintenance, and management of the recreation area (hereinafter in this Act referred to as "Commission").

(b) There is authorized to be appropriated a sum not to exceed $200,000 for each fiscal year to prepare a plan for the development, maintenance, and management of the Boston Harbor Recreation Area.

(c) The Commission shall be composed of not more than twenty-seven members appointed by the Secretary from recommendations of the Governor of the Commonwealth of Massachusetts (hereinafter in this Act referred to as the "Governor") and the chief executive officers of such local units of government, including counties and municipalities which have jurisdiction over the recreation area. The Commission shall consist of the following persons or their designees:

(1) Three members of the Massachusetts House of Representatives recommended by the Speaker;

(2) Two Massachusetts State Senators recommended by the President of the Senate;

(3) One representative from each of the following cities: Chelsea, Quincy, Everett, and Revere who shall be recommended by the mayor of each city;

(4) One representative each from the towns of Winthrop, Weymouth, Hingham, and Hull who shall be recommended by the board of selectmen of each town named;

(5) Three representatives from the City of Boston who shall be recommended by the Mayor of the City of Boston. At least one of these persons shall represent the neighborhoods bordering the Boston Harbor;

(6) The executive director of Massachusetts Port Authority;

(7) The commissioner of the Metropolitan District Commission;

(8) The Secretary of the Massachusetts Department of Environmental Affairs;

(9) The Secretary of the Massachusetts Executive Office of Transportation and Construction;

(10) The Director of the Massachusetts Office of Coastal Zone Management;

(11) Six persons recommended by the Governor. The Governor shall designate a member of the Commission to serve as Chairman.

(d) The Governor shall recommend for membership on the Commission at least three persons from recognized groups or organizations whose primary purpose is in the areas of conservation and historic preservation. All persons recommended shall have interests consistent with Section 2 of this Act.

(e) The function of the Commission shall be to prepare a plan for the development, maintenance, and management of the Boston Harbor National Recreation Area (hereinafter in this Act referred to as "the plan").

(f) The plan shall include, but need not be limited to:

(1) recommendations for the development of public recreational facilities, including but not limited to visitor centers, picnic, beach, swimming, and camping facilities;

(2) provision for the preservation, conservation, and interpretation of significant natural and historic resource areas;

(3) provision for expanded water access to and between the Boston Harbor Islands for the public, including plans for such shoreline, islands, and water facilities as may be necessary to provide frequent and inexpensive access to the Islands; and

(4) identification of the units of State or local government which will be responsible for implementing the plan.

This plan may not propose an expenditure of Federal funds greater than $20,000.00 (exclusive of funds available under any existing Federal programs) to implement the plan.

(g) The Secretary and the heads of other Federal agencies shall cooperate with the Commission in the formulation of the plan upon the request of the Commission and to the extent of available funds.

(h)(1) Members of the Commission who are employees of government shall serve without additional compensation as such. All other members may, if the Commission so votes, receive $50 per diem when actually engaged in the performance of the duties of the Commission.

(2) The Secretary shall allow the reimbursement of all Commission members for necessary travel and subsistence expenses incurred by them in the performance of the duties of the Commission.

(i) Financial and administrative services (including those related to payment of compensation, budgeting, accounting, financial reporting, personnel, and procurement) shall be provided by the Secretary from the funds appropriated to carry out the provisions of this Act.

(j) The Commission shall have the power to appoint and fix the compensation of such additional personnel, including experts and professional, and for such temporary and intermittent services as may be necessary to carry out their duties, without regard to the provisions of the civil service laws and the Classification Act of 1949, and they shall have the power to hold hearings and administer oaths.

(k) The Commission shall act by affirmative vote of a majority thereof. Vacancies shall be filed in the same manner as the original appointment.

(l) The Commission, within 1 year of the date on which it is established, shall submit its plan to the Secretary.

SEC. 5. (a) The Secretary shall within one hundred and twenty days of the date the plan is received by him either approve or disapprove the plan.

(b) The Secretary shall approve the plan if he finds that—

(1) the Commission has afforded adequate opportunity for public comment on the plan, and such comment was received and considered in the plan or revision as presented to him;

(2) State and local units of government identified in the plan as responsible for implementing any portion of its provisions have the necessary legislative authority to do so, and the chief executive officers of the State and local units of government have indicated their commitment to utilize such authority in accordance with the program established by the Commission;

(3) the plan will preserve the unique scenic, natural, cultural, historic, and recreational values of the Boston Harbor area including the Boston Harbor Islands; and

(4) the plan includes adequate provisions for expanded and sufficient public access to and between the Boston Harbor Islands.

(c) If the Secretary disapproves the plan, he shall advise the Commission of the reasons therefor and convey his recommendations for revision. The revision may be resubmitted to the Secretary for his approval.

(d) Upon approval of the plan, the Secretary shall publish a notice thereof in the Federal Register and shall transmit copies of the plan together with his comments to the President of the Senate and the Speaker of the House of Representatives.

(e) No substantial revision to the plan may be made without the approval of the Secretary.

SEC. 6. Upon approval of the plan, the Secretary shall make grants to the State or local units of government identified in the approved plan for the recreation area as having responsibility for implementing its provisions. Such grants shall be made upon application of such State or local units of government, shall be supplemental to any other Federal financial assistance for any purpose, and shall be subject to such reasonable terms and conditions as the Secretary deems necessary to effectuate the purposes of this Act.

SEC. 7. There is hereby established a special account in the Treasury of the United States for the purpose of holding moneys to be used for grants, pursuant to section 6 of this Act, to the State or local units of government. There shall be covered into such special account $20,000,000 from revenues due and payable to the United States under the Outer Continental Shelf Lands Act or under the Act of June 4, 1920 (41 Stat. 813), or under both such Acts, which would be otherwise credited to miscellaneous receipts of the Treasury. Moneys covered into the account shall be used only for grants made pursuant to section 6 of this Act and shall be available for expenditure only when appropriated therefor.●

BLANCA M. HERMOSILLO—ONE OF LULAC'S FINEST

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 14, 1979

● Mr. ANDERSON of California. Mr. Speaker, this week the League of United Latin American Citizens (LULAC) will be holding their annual convention in Houston, Tex. As part of the regular conference program, LULAC will be presenting its annual Woman of the Year Award. I am proud to announce that the California nominee for the honor is a resident of my home district, the widely respected resident of San Pedro, Mrs. Blanca M. Hermosillo. Her constant and dedicated concern for those who are less fortunate and her total commitment to the ideals of the LULAC organization make her a perfect candidate for the award.

At this time, I would like to share with you a brief review of her many civic associations and past and current good works. They clearly illustrate why she is truly one of LULAC's finest.

This woman began in earnest her lifelong devotion to her cause at an early age. At 17 she was already interpreting and explaining legal documents for those who had not yet learned how to read and write English. Without her help many of these people could have been easy targets for consumer fraud.

Later, her proficiency in translation allowed her to become one of the first English-Spanish interpreters and translators for the Los Angeles County Superior Court.

Mrs. Hermosillo's heavy involvement in government is also especially noteworthy. For many years, she has urged responsible citizenship through more active participation. She has personally made Latin-American citizens more familiar with the electoral process so that they could more fully participate in our democratic society.

She has been active in the Mexican American Political Association and numerous election campaigns. Many know her as someone always willing to provide a ride to the voting polls for those without transportation.

Her familiarity with government and ability to work with people has made her a highly sought after community leader. Los Angeles Mayor Tom Bradley asked her to serve on the city's Zoning Commission, however, Mrs. Hermosillo's commitment to other concerns forced her to respectfully decline. Local elected officials were fortunate enough to have her join their San Pedro Area Community Endeavors, Inc.

Mrs. Hermosillo was instrumental in reactivating LULAC's No. 37 Council in San Pedro. The respect and admiration she instilled in her peers, led to her election as the organization's president. To this day she remains a dedicated member and participant in all major LULAC events.

My wife, Lee, and I have always been impressed by the personal commitment of this woman. Like few others in our local community, she has been a positive force and inspiration for the benefit of all. We congratulate her on being named Woman of the Year by the California LULAC organization and hope she wins the similar national recognition.

We would also like to send to her and her son and daughter, Xavier and Laura, our best wishes for many future years of success and happiness.●

305th "CAN DO" AIR REFUELING WING

HON. ELWOOD HILLIS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 14, 1979

● Mr. HILLIS. Mr. Speaker, on Friday, June 8, I had the opportunity to visit

Grissom Air Force Base located within my district in Indiana. Grissom is the home of the 305th "Can Do" Air Refueling Wing. The 305th AREFW is the largest air refueling wing in the Strategic Air Command (SAC) today. Using the KC-135 tanker, the wing provides support for SAC and other military units on a worldwide basis.

Although the KC-135 was originally designed to support the U.S. nuclear bomber force in reaching targets located deep within the Soviet Union, its role has expanded over the years. The KC-135 can now be used to also refuel tactical fighter aircraft. This refueling capability enables the United States to station forces here in the United States and still respond to nonnuclear confrontations anywhere in the world.

Over the last several years, U.S. military overseas forces have been reduced. However, our military capabilities have not been reduced because through use of the KC-135, U.S.-based forces can readily respond to any contingency. If it were not for the KC-135, we would have to increase our military forces in order to cover all potential areas of conflict.

The KC-135 has proved to be an excellent tanker and should continue to serve our Air Force for a number of years. However, new engines need to be added to the aircraft if we are to realize its full potential. New engines will give the tanker increased strategic, tactical, and airlift capabilities. Further, new engines will allow the tanker to take off with a much greater gross weight. The combination of these two factors will increase our ability to meet our logistic requirements.

We are presently short of tankers. Should the United States be forced into a major NATO/Warsaw conflict, our refueling capabilities will determine our ability to adequately respond. While reengining will not eliminate the shortage, it is one of the most economical methods of reducing it. Through reengining, a single KC-135 will be able to refuel more planes, thus increasing our response capabilities.

With new engines, the KC-135 will be able to operate from shorter runways thus increasing and dispersing the bases where it can be stationed. Many European bases have shorter runways than U.S. bases. Consequently, the KC-135's role in NATO is severely limited with the present J-57 engines. With reengining, the KC-135 will be capable of using almost all civil and military airfields in Europe. By using the additional airfields which are only available through reengining, the KC-135 will give strategic and tactical aircraft much greater range.

Col. Richard S. Wallace is the 305th's wing commander. Although he only recently took over the wing, he has already established the goal of training every KC-135 crew to both off-load and receive fuel. The receiver-tanker KC-135 is capable of receiving as well as off-loading fuel.

This capability allows these aircrafts to extend their range tremendously. Further, it allows the aircraft to avoid having to land and refuel on ground which is extremely energy inefficient due to the additional fuel necessary to get the aircraft off the ground and back with a fleet of receiver aircraft.

Later, I had the opportunity to fly with Colonel Wallace on a typical peacetime KC-135 mission. However, our flight was delayed due to a hydraulic line failure in one of the aircraft's engines. I witnessed several young and highly qualified airmen repair the engine while the plane remained on the runway. The efficiency of the repair operation was very impressive and the delay was only about a half an hour. This situation illustrated the age of the engines. Fortunately, the weather was warm and the repair job was not hampered. However, there are times when the airmen are forced to work in subdegree weather to repair the J-57 engines.

During the flight our aircraft both received and off-loaded fuel. The perfection involved in these maneuvers can only be truly appreciated when witnessed first hand. The aircrafts must fly within only a few feet of each other and in perfect coordination if the refueling is to be successful.

It was obvious to me that the men of the 305th AREFW were well trained and dedicated professionals. The entire crew of our plane demonstrated the highest degree of professionalism and flying skills in performing the mission. I believe the quality of our military personnel is second to none in the world and allows the United States to remain the world superpower that it is today.

Grissom is also the home of the 931st Air Refueling Group Air Force Reserve which is composed of the 72d Air Refueling Squadron and supporting elements. The 931st would be placed under the command of the 305th AREFW in cases of national emergency. The abilities of the 931st were highly praised by Colonel Wallace.

In closing, I would like to publicly thank everyone involved at Grissom for the opportunity to visit with them. Colonel Wallace presented me a plaque in commemoration of our flight. On the plaque are the words Peace is our Profession. It is through men such as those with the 305th AREFW that the United States can preserve world peace and protect the idealisms of freedom wherever they are threatened.●

WITH THE MX, WHO NEEDS SALT?

HON. JOHN CONYERS, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 14, 1979

● Mr. CONYERS. Mr. Speaker, the President has announced his decision to build the MX-missile system. It will be the most powerful weapon in America's arsenal, planted in 20-mile long trenches, deep in the ground in the Southwest, and the missiles will be moved along tracks so that the Russians, presumably, will have a hard time discovering their location. The MX will cost, according to official estimates, $30 billion. Recognizing the built-in tendency of the Department of Defense to underestimate the cost of the weapons it buys, I consulted a leading independent defense analyst, Dr. Earl Ravenal of the Institute for Policy Studies, who told me the more likely cost will be in the range of $60 billion.

Even accepting the official estimate of $30 billion, the MX will cost as much as the total budget of the Federal Government in 1980 for education, job, and vocational training, employment programs, social and community service programs, and social services for senior citizens. And $30 billion would also be enough to raise the incomes of all Americans who now earn less than $6,700, the so-called "poverty line," or finance a full employment program, or a comprehensive national health insurance system.

The President's decision to build the MX was made, it should be recalled, in the name of slowing down the nuclear arms race. Its immediate impact was to win support from reluctant, conservative Senators who have had reservations about the SALT II Treaty. The decision was tantamount to ransom, or to put it more charitably, an insurance policy to improve chances of Senate ratification of SALT II. One wonders when the day will come when a President announces a decision to spend $30 billion to create full employment or to rebuild the cities, and as a means of winning over conservative opposition, throws in an additional few billion as sweeteners in the form of home-town projects, that will be too irresistible for these Members to reject.

The MX system will accelerate, rather than slow down, the nuclear arms race. It will force the Russians to follow suit, and since the Salt II Treaty places no ceiling on the number of nuclear warheads, merely on the number of delivery systems, it will encourage both sides to arm existing bombs and missiles with an even greater number of warheads. Like most other decisions involving the Defense Department, this one also had a touch of humor, if not absurdity, the Pentagon announced that it will not make a final decision on whether to leave open or enclose the missile trenches until it has consulted with local officials and environmentalists in New Mexico, Utah, and Nevada to get their opinions on ways to minimize environmental hazards. Apparently, it has not occurred to the Pentagon that the mere presence of these weapons poses the most extreme risk and hazard to the citizens and communities surrounding the missile sites.

Tom Wicker of the New York Times (June 12, 1979) presents a reasonable case for the rejection of the MX. I urge my colleagues to read his commentary, "Who Needs the MX," that follows:

[From the New York Times, June 12, 1979]

WHO NEEDS THE MX?

(By Tom Wicker)

After telling the National Security Council the other day that he would approve full-scale development of the MX mobile intercontinental ballistic missile, President Carter is reported to have said, "I feel confident with this decision."

Not everyone will. As Mr. Carter had just been told in a letter from several nuclear arms authorities: "$30 billion seems an exorbitant price to pay for a system that adds so little to American security and promises to end by decreasing it."

And for the same money over the same years, Mr. Carter could underwrite a Manhattan Project to cope with an energy crisis far more threatening to American security than the likelihood of a Soviet nuclear attack.

The case for the MX is weak enough, in fact, to arouse suspicion that Mr. Carter is approving its development only to win the ratification votes of senators who now fear that the SALT II treaty would weaken American security, and to keep the Joint Chiefs of Staff from denouncing the treaty.

But if Mr. Carter's decision is taken at face value—as at the moment it must be—supporting the MX still requires several dubious leaps of faith. First among them is a conviction that the Soviet Union does indeed pose and intend a threat to the United States' nuclear deterrent.

It appears to be true that by the mid-1980's, Soviet missilery will have been so improved in accuracy and equipped with multiple, independently targeted warheads (MIRV's) that its use in a surprise attack might wipe out the present American land-based missile force. Is such an attack conceivable?

To consider it so, you have to believe the Soviets would make the attack knowing that even if it also took out the two-thirds of the American bomber force not kept on alert, the United States still would have 800 nuclear warheads aloft in one-third of its bombers and 3,000 nuclear warheads afloat in two-thirds of its submarines (the number normally kept at sea).

These figures do not include the more than 2,000 nuclear warheads to be installed in the 10 new Trident submarines already approved (one already launched). A Soviet attack in the teeth of such an assured second-strike force seems suicidal—particularly for nothing more than the destruction of an ICBM force that contains only about 25 percent of American nuclear warheads.

The Soviets seem far more vulnerable to *us*. All their 1,400 land-based missiles, all their 150 bombers and 85 percent of their submarines (the number normally in port) would be at least theoretically vulnerable to an American attack, leaving them only about 200 submarine-based warheads with which to retaliate. If 200 Soviet warheads are a sufficient second-strike capacity to deter the United States from a first strike, why aren't 3,800 American second-strike warheads sufficient to deter the Soviets?

But if you nevertheless accept the Soviet threat as real, you still have to convince yourself that the MX mobile missile is the right response. The Carter Administration, for example, apparently narrowed the options to two—a landbased MX and further submarine missile development. Then Mr. Carter chose the MX, which on the face of if seems more expensive and less secure from attack. It will entail more development risks and costs than the submarine weaponry already in being or in the works, and it's bound to encounter severe environmental and political resistance.

What state is going to want a huge number of MX missiles, each in a 20-mile trench studded with protective shelters and lined with railroad track, over which a single missile with the destructive power of 200 Hiroshima-type bombs will be shunted back and forth in an effort to keep the Soviets from knowing where it is? How can this clumsy, costly, environmentally destructive apparatus, eating up the landscape over several states, be preferable to swift and silent submarines?

But even if you accept the threat and the MX as the best response, you must further convince yourself that the mobile missile will not be destabilizing to the balance of nuclear deterrents. The history of the strategic arms race is that if one side leaps momentarily ahead, the other follows. The American decision to deploy MIRV's, for example, prevented the possibility of agreeing with the Soviets to ban such weapons; now the inevitable development of Soviet MIRV's has largely produced that very threat to American ICBM's cited as the necessity for building the MX.

Won't MX development cause the Soviets to see their land-based missile force (on which they rely far more heavily than we do on ours) as inferior? Won't that cause them to develop their own MX, hence making their land-based force less vulnerable to attack from us? And won't that lead both sides to target more warheads on more different sites where the other might possibly have hidden a missile?

If strategic weapons history has any relevance, that is exactly what will happen, thus raising costs and lowering security on both sides. And what about verification, a vital component of deterrence? More on this and other questions in another article.●

SOVIET ECONOMIC THREAT

HON. RON PAUL

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 14, 1979

● Mr. PAUL. Mr. Speaker, the administration is seeking to add Red China and Soviet Russia to the "non-market" economies that are subsidized by the American people. My bill, H.R. 3408, would halt all such taxpayer subsidies to our enemies.

Recently, strategic analyst Brian Crozier wrote about the Soviet threat in National Review. Since what he has to say is relevant to H.R. 3408, I would like to draw it to my colleagues' attention.

ROLLBACK, MARK II—THE PROTRACTED CONFLICT

(By Brian Crozier)

I shall resist the temptation to cover the British elections all over again, but I cannot refrain from indicating some areas in which Margaret Thatcher's famous victory is directly relevant to this space. The master area, if I may so put it, is of course the Soviet Union and what it is up to the world over. The sub-areas are therefore numerous, and include Europe, SALT II, Africa, the Far East, and all the seas and oceans. They also comprise technology and the capitalist system, including international banking credit. Is there, indeed, anything anywhere that is not a "sub-area"?

In office, as distinct from opposition, even the most glowing of conservative hopes faces sobering pressures—from more timid colleagues, from the nasties of the trade unions, from the immobilizing hand of the Civil Service. Still, there can be no harm in stating some of the expectations legitimately aroused by the presence in 10 Downing Street of the holder of an Order not, to my knowledge, previously awarded by the USSR: the Order of the "Iron Lady," holder the Rt. Hon. Mrs. Margaret Thatcher, MP.

To live up to that title in the fullest sense, Britain's Prime Minister will have to act on the awareness that the strengthening of her country's run-down defenses, although a necessary first commitment, is not in itself enough for an Iron Lady. In addition (and since she alone among Western leaders has publicly manifested a true perception of the Soviet threat), she will have to take major initiatives and set an international example in dealing with the whole range of hostile activities which collectively constitute World War III: terrorism, subversion (including propaganda and agitation, disinformation and psychological warfare), the use of surrogate forces, the global marine threat to supplies of energy and vital raw materials, and of course espionage and the recruiting of agents of influence.

Even if the Thatcher administration took defensive action in all these fields, it still would not be enough to protect us adequately against an ultimate Soviet take-over. Ahead of all these measures in priority is a fundamental decision and irrevocable commitment (not necessarily, of course, to be publicly announced) to turn the tables of "peaceful co-existence" and carry the fight into the enemy's camp.

A NEW FORWARD POLICY

Containment having yielded (as James Burnham foresaw) to appeasement, the logic of survival in World War III is a New Forward Policy, the ultimate aim of which can be nothing less than the destabilization and, in time, the collapse of the Soviet empire, including the system itself: a kind of Rollback, Mark II.

In one of the first of these interim columns (*NR*, January 5, 1979), I looked critically at the Shulman-Vance brand of inertia politics. If the mere enumeration of the inherent weaknesses of the Soviet empire is held to justify a policy of passivity and inaction, then there is nothing more to be said. But if it is perceived that the weaknesses themselves act as a powerful spur to the U.S.S.R.'s drive for world hegemony (to use Peking's favorite word), then it is evident that the weaknesses, contradictions, and tensions in the last surviving empire will have to be exploited and exacerbated for all we are worth if the crumbling giant is to crumble before we have all gone under.

In one sense, I am deeply in the debt of Professor Marshall Shulman, for it was his exposition of these weaknesses and of the superfluity of action on our side that impelled me to convene an international conference on this theme. The conference, held near Oxford and jointly sponsored by the Institute for the Study of Conflict (London) and the National Strategy Information Center (New York), brought together leading Western strategists and Sovietologists and will yield (but not until the late summer) a major report, the findings of which I sketchily anticipate here.

There was broad agreement on the propositions that:

The Soviet empire is now perilously extended: it includes not just Eastern Europe, but Afghanistan, Ethiopia, Angola, Mozambique, and Cuba.

China is a thorn of growing dimensions, not to be ignored.

Eurocommunism is a fraud, but also constitutes a problem for the Soviets.

Although Marxism-Leninism permeates all aspects of Soviet life and provides the only legitimization of the regime and all its works, it is dead as an inspiring force.

Religious and ethnic dissent are real problems, as are the exploding demographic pressure of the Muslim areas and unrest in Eastern Europe.

The Soviet economic system is a spectacular failure; it cannot feed its people without grain from America and other Western countries.

So weak is the system's international earning capacity that it needs Western credits to buy the grain and technology without which the system itself, and its fearsome armory, would be endangered.

SQUEEZING THEIR CREDIT

It will be seen that, quite apart from defense budgets, the Western powers and Japan already have the means readily at hand to face the Soviet leaders with the starkest of choices: either depress living standards still further, or drop out of the arms race.

This is the situation. And now comes the rub: how does one make the voters aware of it, and how does one make the elected governments act upon that awareness? The difficulties are formidable. For years, the great capitalist institutions have been encouraged by their governments to "sell" technology to the U.S.S.R. (The quotation marks are necessary, for the Soviets don't actually *buy* anything. They undertake to repay loans or credits—without which the transactions could not occur in the first place—at low rates of interest, which, at a time when the inflation rate exceeds them, amount to a partial giveaway; or in the form of products, including oil and gas, which Western or Japanese know-how has made it possible to extract. This "payment in kind" assumes Soviet good will, which can hardly be taken for granted.) Who will make the first move in this fraught situation? Could it be the "Iron Lady"? ●

INTERVENTIONIST PHILOSOPHY OF ENERGY DEPARTMENT COMPOUNDING ENERGY CRISIS

HON. ELDON RUDD

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 14, 1979

● Mr. RUDD. Mr. Speaker, there is a definite tendency in Washington to overreact to difficult circumstances.

The President, the bureaucrats and many liberal Members of Congress are forever seeking to "initiate new policies," "move forward aggressively," and "consolidate programs"—all under the auspices of reorganizing Government to become more efficient and responsive to the American people. Action, no matter how misplaced, is inevitably preferred to inaction. Yet sadly this speedy activist philosophy encourages premature decisions, many of which turn out to be terribly regrettable.

In my view, one such ill-advised decision was made 2 years ago when Congress passed legislation establishing a new Cabinet-level Department of Energy. The rhetoric flowed fast and furious in both the House and Senate on the merits of consolidating the scattered Federal regulatory agencies which dealt with energy-related matters.

Congress succumbed to the temptation to demonstrate symbolic concern, as if the public is deceived by such shenanigans, and established with great fanfare a Department of Energy, complete with an energy czar, to lord over us all and regulate energy.

Little attention was given, and rarely is, to the possibility that less, rather than more, Government was the real answer to some of our problems.

Congress was somehow convinced that if we could just spend enough money and hire enough regulators our problems would be solved. Experience has shown on more than one occasion that the more likely consequences of such policies are increased problems.

While this result is usually unintentional, it is almost always the inevitable consequence of Government intervention.

GOVERNMENT-INDUCED CRISIS

The Department of Energy has made absolutely no progress in improving our energy situation. Its principal distinction thus far has been the unprecedented speed with which it has mushroomed as a bureaucracy—today employing close to 20,000 people at an annual cost to the taxpayers of $10.8 billion.

Yet those 20,000 employees have not produced, nor been responsible for producing, one barrel of oil, not one gallon of gasoline, not one unit of energy of any kind.

Indeed, if anything should have become obvious since 1977, it is that rather than being the answer to our energy problems, the new Department of Energy is compounding our energy problems.

The DOE's consistent intervention in the free enterprise system has been perhaps the major cause for the deteriorating supply of energy, and especially of domestically produced energy.

Of course, such intervention was almost inherent once the Department was established. For the direction in which our national policy needed to move in 1977, and needs to move in 1979, is toward more concentration on the production of energy which can and will be achieved only through the mechanics—the invisible hand, if you will—of the free enterprise system.

Nobel prize winning economist Milton Friedman recently summarized quite accurately that our Nation is enduring an energy crisis "because the government has decreed that there shall be one."

Decontrol and deregulation are badly needed in all areas of energy production. Only then can we really hope to have adequate supplies at fair market values to meet the needs of our people.

Yet the demogogic rhetoric of the Department of Energy attempts to persuade the American people that the real villains of the energy crisis are either the oil and gas companies or the "overly consumptive" American people themselves. No interpretation could be more inconsistent with the facts.

ADMINISTERING A SHORTAGE

The Department of Energy repeatedly develops rules, regulations, guidelines, and a plethora of other requirements that invariably impede the production of energy and thereby raise the price to the consumer. OPEC, while a serious problem indeed, has been inadvertently aided by the regulators at DOE whose policies have caused, and will continue to cause, both high energy prices and short supplies.

The regulators at the Department of Energy are more interested in managing the energy crisis than in solving it. For after all, if there were plenty of oil and gas, there would be no need for a Department of Energy, its $10.8 billion annual budget, or its 20,000 employees.

The Department's programs are geared toward allocating shortages and planning contingencies, not for improved circumstances, but for worse ones complete with mammoth bureaucratic plans for energy rationing, coupons, enforcement, and so forth. Thus the incentives at work in the Department of Energy are in the direction of continued shortages and high prices which will perpetuate the bureaucracy.

THE TRUE COST OF ENERGY

To be sure, the Department of Energy does not reveal its indirect complicity in these higher prices. Dr. Friedman points out, however, that in addition to the price of gasoline at the pump, the "true" cost of a fill-up should include the $10.8 billion annual budget of the Department of Energy which he calculates to be around 9 cents per gallon of gasoline. That charge is collected every April 15 through the Federal income tax and daily through the inflation which is the result of such big spending programs.

When the Department of Energy was considered by the House, my distinguished friend from North Carolina (Mr. BROYHILL) offered an amendment to "sunset" the Department of Energy for 5 years and thereby force a congressional review before the department could be extended.

While the House wisely adopted that amendment 202 to 126, it was subsequently eliminated during the conference with the Senate and replaced by lukewarm language requiring Presidential review of the Department.

I am pleased to join with my colleague from Virginia (Mr. WHITEHURST) in supporting legislation which would reinstitute the "sunset" provision which was eliminated from the 1977 bill.

It has become obvious to me that Congress needs to thoroughly reevaluate not only the Department of Energy, but also the larger, antifree market philosophy on which it was established. Indeed, a 5-year review, given the rapidly deteriorating energy situation, may well be too long of a wait.

I maintain that a Federal Department of Energy is not the answer to our problems, and I am pleased to say that I do not regret having opposed the Department from its inception in 1977. Fundamentally, it is the wrong approach.

I would like to call to my colleagues' attention Milton Friedman's excellent critique of the present energy crisis, and the DOE's complicity in it, from the June 4 issue of Newsweek magazine. I request that the article, "Blaming the Obstetrician," be printed at this point in the RECORD:

BLAMING THE OBSTETRICIAN

(By Milton Friedman)

The explanations of the energy crisis and gasoline shortage that gush forth from government officials, newspaper reporters and TV commentators are tantamount to blaming the obstetrician for the baby.

A rapacious oil industry did not produce the gasoline shortage. Wasteful consumers did not produce the gasoline shortage. Hard winter did not produce the gasoline shortage. Not even Arab sheiks produced the gasoline shortage.

After all, the oil industry has been around for a long time—and has always been rapacious. Consumers have not suddenly become wasteful. We have had hard winters before. Arab sheiks have desired wealth as far back as human memory runs.

Why now? The subtle and sophisticated people who fill the newspaper columns and the airwaves with such silly explanations of the gasoline shortage seem never to have asked themselves the obvious question: why is it that for a century and more before 1971, there were no energy crises, no gasoline shortages, no problems about fuel oil—except during World War II?

There is an energy crisis, there are gasoline lines, for one reason and one reason only. Because government has decreed that there shall be. Of course, government has not done so openly. The President never sent a message to Congress asking it to legislate an energy crisis and long gasoline lines. But he who says A must say B. The government, beginning with President Nixon on Aug. 15, 1971, imposed maximum prices on crude oil, gasoline at retail and other petroleum products. And, unfortunately, the quadrupling of crude-oil prices by the OPEC cartel in 1973 prevented those maximum prices from being abolished when all others were. Maximum legal prices for petroleum products—that is the key element common both to World War II and the period since 1971.

Economists may not know much. But we know one thing very well; how to produce surpluses and shortages.

Do you want a surplus? Have the government legislate a *minimum* price that is *above* the price that would otherwise prevail. That is what we have done at one time or another to produce surpluses of wheat, of sugar, of butter, of many other commodities, and, most tragically, of teen-age labor. The minimum wage is a legislated price above the price that would otherwise prevail for the labor of many teen-agers. Like every minimum price, it enhances the amount supplied and reduces the amount demanded, and so produces a surplus, in this case of unemployed teen-agers.

Do you want a shortage? Have the government legislate a *maximum* price that is *below* the price that would otherwise prevail. That is what New York City and, more recently, other cities have done for rental dwellings, and that is why they all suffer or will soon suffer from housing shortages. That is why there were so many shortages during World War II. That is why there is an energy crisis and a gasoline shortage.

There is one simple way to end the energy crisis and the gasoline shortage tomorrow—and I mean tomorrow and not six months from now, not six years from now. Eliminate all controls on the prices of crude oil and other petroleum products. The gasoline lines would melt faster than the snows of winter.

Other misguided policies of government and the monopolistic behavior of the OPEC cartel might keep petroleum products expensive, but they would not produce the disorganization, chaos and confusion that we now confront.

Gas Would Cost Less: And, perhaps surprisingly, this solution would reduce the cost of gasoline to the consumer—the *true* cost. Prices at the pump might go up a few cents a gallon, but the cost of gasoline today includes the time and gasoline wasted standing in line, and hunting for a gas station with gas, *plus* the $10.8 billion annual budget of the Department of Energy, which amounts to around 9 cents per gallon of gasoline.

Why has this simple and foolproof solution not been adopted? So far as I can see, for two basic reasons—one, general, the other, specific. To the despair of every economist, it seems almost impossible for most people other than trained economists to comprehend how a price system works. Reporters and TV commentators seem especially resistant to the elementary principles they supposedly imbibed in freshman economics. Second, removing price controls would reveal that the emperor is naked—it would show how useless, indeed harmful, are the activities of James Schlesinger and his 20,000 employees. It might even occur to someone how much better off we were before we had a Department of Energy.●

PANAMA CANAL SUBCOMMITTEE QUESTIONS STABILITY OF REPUBLIC OF PANAMA

HON. GEORGE HANSEN

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 14, 1979

● Mr. HANSEN. Mr. Speaker, the Members of this body have once again witnessed the reluctance of the administration in bringing the Panama Canal Implementing Legislation to the House floor for a vote. The bill has been delayed for over 2½ months now. Such delaying tactics speak for themselves—the American public remains overwhelmingly opposed to the Panama Canal treaties and a majority of their representatives in Congress are upholding their wishes.

Mr. Speaker, on Monday of this week our colleagues CARROLL HUBBARD and ROBERT BAUMAN distributed a letter announcing the findings of last week's hearings into Panamanian gunrunning to Sandinista guerrillas in Nicaragua. For the benefit of interested Americans everywhere I include that letter for the RECORD:

DEAR COLLEAGUE: Last week, the Panama Canal Subcommittee concluded hearings to investigate charges that the Government of Panama is actively supporting guerilla operations directed against the Government of Nicaragua, a fellow Member of the Organization of American States (OAS) and a long standing ally of the United States. Specifically, it was charged that the Panamanian Government was, in effect, acting as a conduit, or middleman, in a gun smuggling operation that began in the United States and ended in the hills of Nicaragua 60 meters north of the Costa Rican border.

Reasonable men can conclude on the basis of the facts adduced at our hearings—the salient points of which follow—that the Government of Panama has knowingly and systematically undertaken to authorize and underwrite provocative acts of indirect aggression against the Government of Nicaragua. As the OAS Charter indicates, this is clearly a violation of international law and calls into question the political judgment and reliability of the Panamanian Government.

Further, in our judgment such acts have already violated the letter if not the spirit of the neutrality treaty recently signed between the United States and Panama.

The evidence at last week's hearings was both shocking and compelling. Among the findings and admissions elicited at the proceedings were the following:

U.S. Treasury enforcement officials in Miami have concluded a detailed investigation which has resulted in the indictment of several individual including one Antonio Alverez, the air cargo manager of Air Panama;

—An affidavit filed in the Federal District Court of Miami by Agent Kimbler with the Bureau of Alcohol, Tobacco and Firearms states that the former Panamanian Consul in Miami, Edgardo Lopez, was also involved in the conspiracy to purchase weapons and illegally export them.

—Air Panama allegedly involved in the transshipment of the smuggled guns, has been determined to be 70 percent owned by Bank Cofina, the Panamanian Central Bank. The remaining 30 percent is owned by five individuals, one of whom was recently assassinated under mysterious circumstances and another of whom was the former Charge d'Affaires of the Panamanian Embassy in Washington;

—According to the Kimbler affidavit, Edgardo Lopez admitted that he was acting on orders of Panamanian intelligence in carrying out his part in the conspiracy. After making these admissions, Lopez has disappeared.

—According to documents provided by human rights groups in Panama, past payrolls of the Panamanian G2, or intelligence apparatus, indicate that in 1975 Edgardo Lopez was an employee of Panamanian G2;

—As at least one of the shipments to Panama was made pursuant to a duly issued export license from the State Department's Office of Munitions Control, which was recorded as it left the country by U.S. Customs Officials, it is possible to trace many of the weapons forwarded from Miami. A serial number cross check has revealed that weapons shipped from Miami, have, in fact, found their way to the Sandinista guerillas;

—Nicaragua Customs authorities seized M1 Carbines being clandestinely smuggled from Costa Rica into Nicaragua soon after the shipment of carbines from Miami to Panama. Found under false floors in two small vans, the weapons were the very ones purchased by Panamanian citizens in Miami.

—According to the testimony of two senior retired military officers—Lt. Gen. Gordon Sumner, former Chairman of the Inter-American Defense Board (USA Retired) and Colonel Joseph Thomas (USAF Retired), both of whom held senior posts concerned with Latin American affairs in the Defense Department—Panamanian systematic involvement in gun smuggling is a well known reality.

General Sumner had personal conversations with Panamanian strong man Omar Torrijos, in which Torrijos admitted to him his intent to aid and abet the Sandinista movement with military arms. Furthermore, Colonel Thomas testified that intelligence reports were available within the Administration on a daily basis chronicling the involvement of the Government of Cuba and Panama in international arms smuggling;

When asked to confirm the complicity of Panamanian and Cuban gunrunning in the Sumner-Thomas testimony, Lt. Gen. Dennis P. McAuliffe, presently the Commander of the U.S. Southern Command, affirmed the existence of such reports and indicated that although they are classified, "I have seen intelligence reports about . . . pertaining to members of the government, . . ."

We would point out to members that under Article 15 of the OAS Charter,

"No State or group of States has the right to intervene, directly or indirectly, for any reason whatever, in the internal or external affairs of any other State. The foregoing principle prohibits not only armed force but also any other form of interference or attempted threat against the personality of the State or against its political, economic and cultural elements." (Emphasis added.)

In view of the above, we ask that members take into account the question of the stability and motives of the Government of Panama when it invites military retaliation by supporting subversion and insurrection in neighboring nations.

Sincerely,

CARROLL HUBBARD,
Chairman,
Panama Canal Subcommittee.
ROBERT BAUMAN,
Ranking Minority Member,
Panama Canal Subcommittee.●

AMENDMENTS TO AGE DISCRIMINATION IN EMPLOYMENT ACT

HON. TED WEISS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 14, 1979

● Mr. WEISS. Mr. Speaker, I am introducing with my colleague from California, Mr. WAXMAN, two amendments today to the Age Discrimination in Employment Act. I believe that this legislation is necessary to clarify ambiguities left by the 1978 amendments (P.L. 95-256) and a recent Supreme Court interpretation that runs contrary to congressional intent.

The first amendment, to section 15 would insure that Federal employees who are covered by the act have the same right to a jury trial as nonfederal employees. While it was never our intent to exclude Government workers in the 1978 amendments, Federal defendants have argued that Congress withheld this right. Although no Federal employee has, as of now, been denied a jury trial, I believe that the intent of the act must be clarified to preclude such a possibility.

The second amendment permits individual complainants to bypass State remedies and file directly in Federal court. The Supreme Court ruled last month in Oscar Mayer & Co. against Evans that in States where such remedies are available, resort to them is mandatory and not optional. Now after an individual files charges with a State agency, a 60-day waiting period must be observed before Federal action can be commenced.

At the very least, complainants will be delayed 60 days. And there is of course the possibility that plaintiffs who are unfamiliar with this requirement could jeopardize their entire suit. I believe that complainants should not have to defer their Federal action in favor of State procedures unless they voluntarily choose to do so. Such a process is contrary to the purpose of the act which provides that disputes be rapidly adjudicated. By restating our intent more clearly we can insure that older workers will at least have their complaints heard on the merits quickly and not sidetracked or dismissed on procedural technicality.

Mr. Speaker, I believe that these amendments will successfully address any ambiguities in the 1978 amendments which are a result of drafting language, rather than congressional intent. I hope that our colleagues will join Mr. WAXMAN and me in support of this legislation.

A copy of the bill is printed below:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the first sentence of section 14(b) of the Age Discrimination in Employment Act of 1967 (29 U.S.C. 633(b)) is amended by striking out "no suit may be" and all that follows through "*Provided,* That such" and inserting in lieu thereof the following: "any person who desires to bring a suit under section 7 of this Act may bring such suit without regard to whether any proceedings have been commenced by or on behalf of such person under the State law. If such person commences any proceeding under the State law before bringing a suit under section 7 of this Act, then such person may not bring any such suit under section 7 of this Act before the end of the period of sixty days following the commencement of proceedings under the State law, unless such proceedings have been earlier terminated. Such".

SEC. 2. Section 15(c) of the Age Discrimination in Employment Act of 1967 (29 U.S.C. 633a(c)) is amended by adding at the end thereof the following new sentence: "The provisions of section 7(c)(2) of this Act shall apply in the case of any action brought under this subsection.".●

ENERGY CRISIS AND THE DRAFT

HON. RON PAUL

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 14, 1979

● Mr. PAUL. Mr. Speaker, I would like to place in the RECORD a copy of a recent column by Paul Harvey that appeared in the Colorado Springs Sun on May 23. Perhaps there is some connection between the energy crisis and the draft after all.

AMERICAN TROOPS TO THE MIDEAST?

Is this why there is agitation in the Pentagon to start drafting American youth again? Defense Secretary says that it might call for U.S. military force if the Egyptian-Israeli peace treaty breaks down.

Brown and Secretary of State Cyrus Vance talk of the "possibility" of American supplies and ships and planes;—they do not mention American troops yet. However, Brown has gone ahead and ordered $10 billion worth of $10 million dollar tanks so apparently the Pentagon still intends to fight the next war with the weapons which lost the last two.

Prime Minister Menachem Begin and Israel's Defense Minister Moshe Dayan have insisted that they neither want nor need U.S. troops. But that prospect is still being used by infantry-oriented American generals as leverage for more foot soldier mobilization.

Begin told our Congress, "Israel will never ask America boys to fight its wars."

Yet Press Secretary Jody Powell confirms that President Carter on at least one instance has considered stationing American troops on the West Bank.

Now our House Foreign Affairs Committee hears that there is a "memorandum of understanding" between the United States and Israel which promises that in a shootout we will supply weapons and that we will "show" our ships and planes in the area. Nobody imagines that we could go that far without getting in the way of some bullets.

What troubles pragmatic military strategists is the evidence that we seem to learn nothing from our past wars. Contrast the tedious one-man-at-a-time invasion of Europe with the way President Truman ended the Pacific war with two big bangs. . . and it is inconceivable that we would revert to fighting future wars with bayonets.

Yet in Korea and in Vietnam we did and we lost. And here we go again! Today we have big weapons—loaded for bear—and we can't wait to sign an agreement with Soviets not to use them! Little wonder the Soviets celebrate the SALT II agreement. If we will agree to fight future wars with manpower, they have more of that than anybody.

In mid-March our secretary of state and our defense secretary were also promising to use U.S. armed forces if necessary to protect the oil fields of Saudi Arabia. Though now they say they are having second thoughts about that.●

ANNIVERSARY OF BALTIC STATES' GENOCIDE DAY

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 14, 1979

● Mr. DERWINSKI. Mr. Speaker, on the eve of the first meeting of President Carter and Soviet leader Brezhnev at the Vienna summit on SALT, I believe it is especially important for us to keep in mind the history of the Soviet's political and strategic intentions. Thirty-eight years ago today, on June 14, 1941, the Soviet Union began to execute its policy of genocide in the Baltic States of Estonia, Latvia, and Lithuania.

This forcible occupation and incorporation of the Baltic States into the U.S.S.R., and the subsequent deportation of hundreds of thousands of Lithuanians, Latvians, and Estonians to Siberian concentration camps, remains a constant reminder of the true attitude of the Soviet Union toward basic human rights.

Before the conquest of these three nations, there was a short yet great moment of free government in these lands. After World War I, Latvia, Lithuania, and Estonia all declared their independence and enjoyed democratic governments until 1949. With the advent of the Second World War, Estonia, Latvia, and Lithuania lost their freedom when they were, in accord with a Nazi-Soviet pact, allocated to the U.S.S.R.

Tens of thousands of the Baltic peoples were killed and over a million were deported to slave labor camps. Many others were removed from their homelands because of their resistance to the subjugation or because of their political and religious views. As the Estonians, Latvians, and Lithuanians were deported, they were replaced by peoples from other areas of the Soviet empire. This exchange of population has substantially altered the ethnic composition of the Baltic nations. In this way, the Russian rulers hope to destroy the national identity of the Baltic people.

Throughout the free world, the peoples of Estonian, Latvian, and Lithuanian origin have maintained their traditional civic, cultural, and church organizations and bravely continued their efforts on behalf of their enslaved compatriots held captive within the U.S.S.R.

The Soviet Union has blatently ignored the human rights provisions of its own constitution; the provisions of human rights in the United Nations Charter; and most recently, it has ignored the implementation of the provisions of the Final Act of the Helsinki Accords and the Belgrade Conference.

As a nation, we stand for freedom and the right of self-determination. I believe that this is a universal principle and not one that should be applied selectively. As this is not the case for those held captive of communism, it is important for us to bring global attention to their plight.

In past Congresses, we have recorded our denunciation of the Soviet annexation of the Baltic areas in the passage of resolutions expressing the sense of the House of Representatives in nonrecognition of the Soviet Union's forcible annexation of the Baltic nations. Therefore, it is necessary for the policy of the United States to continue to be that of nonrecognition; and further to demand the release of political prisoners of Estonian, Latvian, and Lithuanian nationality from Soviet incarceration; and return the right of self-determination and territorial integrity to the Baltic nations.

As we draw attention to this tragic anniversary, we must recognize that it is the duty of the United States to support the cause of freedom for these Baltic peoples. Only with the end of political repression, religious persecution and cultural genocide in these nations, the legitimate aspirations of the Baltic peoples will be fulfilled.●

THE 38TH ANNIVERSARY OF LITHUANIAN CAPTIVITY

HON. WM. S. BROOMFIELD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 14, 1979

● Mr. BROOMFIELD. Mr. Speaker, today marks the tragic anniversary when 38 years ago, thousands of innocent Lithuanians were deported by the Soviets to certain death in Siberia. Since the military forces of the Soviet Union moved swiftly and brutally in their illegal occupation of Lithuania, the issues of Russification and human rights have been at the heart of the "captive cause" in that Baltic nation.

Throughout modern history, we have been reminded of the tyranny of Russification in Lithuania. We have witnessed the terror of the Soviet's extermination practices and the grim exile of Lithuanian people to Siberia. More recently, we have followed the arrest and the "trial" of the Lithuanian dissident, Viktoras Petkus, who was sentenced to a prison term of 15 years. His crime was that he was a member of a Lithuanian citizen group to monitor violations of the Helsinki Accords. These kinds of Soviet activities are but a few examples of the continuing Communist policy of outrageous persecution and humiliating harassment of the Lithuanian people.

Despite the decades of Soviet suppression, however, the people of Lithuania have persevered in their struggle for freedom and self-determination. Entrapped by communism, they have continued to fight for the most important human values in life including the freedoms of speech and worship.

Although conditions in Lithuania remain disturbing—they are not without hope. The captive people of Lithuania continue their struggle against oppression while Lithuanian Americans nourish and maintain the spirit of a free and democratic Lithuania. Knowing full well that there is not struggle without sacrifice, I hope that all Lithuanian people will continue the fight for their individual rights until, as the Lithuanian poet Maironis stated: "The painful chains will fall away and a bright new sky will dawn for our children." ●

TIME TO PREVENT MID-AIR COLLISIONS

HON. ROBERT K. DORNAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 14, 1979

● Mr. DORNAN. Mr. Speaker, I know that by now our colleagues in the House are alarmed by the continuing plague of aircraft near misses in the skies over America. These unsafe conditions were dramatically illustrated in some recent tragedies.

In the widely remembered September 1978 mid-air collision in San Diego, Calif., 135 passengers and crew flying aboard a Boeing 727 went to their deaths after colliding with a Cessna just before its scheduled landing at Lindbergh Field. Two died aboard the Cessna and 7 more on the ground. In March, the pilot of a supersonic Concorde jetliner carrying 66 passengers was required to take evasive action suddenly over Long Island, N.Y., avoiding a mid-air collision with yet another Cessna 172. Both airplanes were shown on the traffic controller's radar on the ground at the time of their "close encounter of the worst kind."

If we, the Congress, can within our power guarantee airline passengers better safety and protection from deadly mid-air collisions and terrifying near misses, then there is an immediate need to investigate, analyze and correct the problem as fast as is humanly possible.

The need for an improved system of collision avoidance has been made clearly evident. I know it would please the flying public of your district, Mr. Speaker, and of our colleagues' districts, if the House were to scrutinize the Federal Aviation Administrations' current collision avoidance program more closely than it has. I firmly believe that technology already exists which, if installed aboard civil and military aircraft, would greatly reduce the instances of mid-air collisions at a reasonable cost to the airlines and to general aviation pilots.

To this very important end, Mr. FASCELL and I have introduced H.R. 3004, directing the Secretary of Transportation to promulgate a national aviation standard for adoption of an airborne collision avoidance system (ACAS) aboard both civil and military aircraft in the United States. Keep in mind that the FAA has promised Congress on a number of occasions that it would develop such an ACAS system for use aboard aircraft, but as of this late date, we have seen only words and little or no action.

A recent Time magazine edition noted the dangerous situation in the skies around our Nation's airports by quoting in part from a NASA document currently being circulated in industry and government circles for comment. The draft report said:

> A way must be found to resolve this (near misses) very real dilemma.

Mr. Speaker, I certainly have no argument with that statement of warning which should be heeded by every man and women who serves in this Chamber.

Responding to the San Diego collision, the FAA has decided to proceed toward the implementation of a beacon-based collision avoidance system (BCAS). Serious allegations have been made that BCAS, the knee-jerk reaction to San Diego, will be prohibitively expensive and, at most only 50 percent effective—averaged over all reasonable encounter situations. One of my grave concerns, Mr. Speaker, is that it has been suggested that the FAA has indeed conducted flight testing for which a report has been published showing, for example, antenna shielding which would have precluded a BCAS equipped air carrier from "seeing"—electronically—the Cessna at San Diego.

I do not understand why we allow the FAA's questionable judgment in this matter to go unchallenged. Sufficient evidence exists which casts a dark light on the BCAS concept of air collision avoidance. And yet, it seems that this system is bound for implementation, a system which will impose a heavy burden on pilots and which will not provide the greatest amount of protection.

I would like our colleagues in the House to pay particular attention to the scholarly comments of Mr. David H. Scott, writing for the June 1979 edition of Sport Aviation magazine. As a member of the Experimental Aircraft Association, his words, which follow, will help put in perspective a very complex, technical matter for the benefit of each Member. I hope all Members, Mr. Speaker, will take the time to involve themselves in the issue of air safety, and will pay particular attention to the advantages of an Airborne Collision Avoidance System (ACAS) for use aboard civil and military aircraft.

Here is what Mr. Scott has to say:

COLLISION AVOIDANCE SYSTEMS

(By David H. Scott)

It has been five years since this column covered the subject of Collision Avoidance Systems (CAS). The reason for this omission was the FAA's decision to adopt a Beacon Collision Avoidance System (BCAS) which made any discussion of alternative systems academic.

Nevertheless two things have happened during the last few months that has stimulated the debate in Washington as to whether the BCAS system was the best after all. The San Diego collision pointed to the fact that a back up system for air traffic separation was essential. The second factor initiating further debate was the FAA announcement that BCAS, if it could be developed, would be only a temporary expedient until the Discreet Address Beacons System (DABS) with Automated Traffic Advisory and Resolution Service (ATARS) could be put in operation around 1985.

With these two developments experts in air traffic control have decided to have another look at a promising alternative to BCAS which is an Airborne Collision Avoidance System (ACAS). Various forms of ACAS were worked on by McDonnell Douglas, TCA and Honeywell starting in the 1960's. Of the three systems Honeywell's AVOID II as originally developed for the Army at Ft. Rucker in Alabama in 1971 and 1972 is the most promising of the three and this is the system that will be discussed here as an alternative to BCAS.

How do BCAS and ACAS differ?

BCAS operates on radar interrogations from conventional transponders with automatic Mode C altitude reporting capability. Ground stations or airborne stations with BCAS interrogation capability can pick up altitude, range and heading from any other aircraft that has a Mode C transponder. A display on the instrument panel warns a pilot of an impending collision. A BCAS airborne interrogator can be either "Passive" or "active" or a combination of both. In the passive mode it does not interrogate other transponders but only listens in on them. In the active mode it interrogates other transponders.

BCAS operates on the same radar frequencies used for air traffic control. In a sense it is a back up to the present ATC system but not an independent system because it depends upon the same radars and computers as the present ATC system.

Another feature of BCAS is that an aircraft that is BCAS equipped will warn its pilot of other intruding aircraft even if they are equipped with only a Mode C transponder. Since all airline and most executive aircraft would be expected to install BCAS systems they would be given protection from each other. But general aviation aircraft with no airborne BCAS equipment would get no protection from each other.

ACAS is a cooperative system and works only with other aircraft that have compatible equipment. It operates on frequencies different from those used by the ATC system and thereby is a truly independent system. It was fully developed in 1971–1972, for collision problems in busy terminal areas where it is most needed. About five years ago when ACAS was being considered a general aviation unit was expected to sell for about $1,100. This would include a Mode C altitude reporting capability that could be hooked in to any conventional transponder. This compares with an estimate at the same time of $25,000 for the least expensive BCAS system for general aviation while a BCAS unit for airlines might run up to as much as $75,000 per unit. Inflation, of course, has changed these price estimates but ACAS is definitely less expensive than BCAS.

FAA favored BCAS because they say it can use the existing airborne transponders. But remember that any general aviation aircraft without a BCAS unit receives no protection from other non BCAS aircraft. Also the onus for avoidance is on the aircraft that has a BCAS unit even though it may be the heavier and less maneuverable aircraft.

BCAS development has been long and costly mostly due to the problem of synchronous garble or overlapping radar signals in busy terminal areas. To illustrate this problem we all remember the situation a few years ago when pilots were told to turn their transponders to "stand by". The FAA worked out a partial fix for this problem by surveying the 600 ground radars in use and reducing the power of those to avoid synchronous garble. One can imagine the radar interference problem if the number of radars in the system is increased by some 50,000 units. One possible solution for this problem with BCAS is to turn it off in busy terminal areas but this is where it is most needed.

The arguments in favor of ACAS are impressive. It was developed over 7 years ago and needs no further funding. If it had been adopted by the FAA as the standard CAS system and both aircraft in the San Diego collision had been equipped with ACAS no doubt the collision would never have occurred. After exhaustive tests ACAS showed no false alarms in busy traffic areas and this is borne out by its success at Ft. Rucker with Army helicopters. ACAS is less expensive than BCAS not only from the standpoint of unit cost but when the whole system to support BCAS is included it works out to some five times the cost of ACAS.

One strong reason for FAA's opposition to ACAS is that it would make DABS unnecessary at least for the rest of the century. FAA is committed to DABS as it is a ground based controller system and perpetuates the existing manpower and system set up.

ACAS could initially be introduced on a voluntary basis with perhaps a follow up requirement for entry into Group 1 TCAS. Obviously such operations as agricultural flying, soaring, aerobatics, pipeline patrol and fish spotting would not need a CAS system. Like the transponder, it should be made available and those who want it would determine the market. No doubt airline aircraft, executive aircraft, business aircraft and those used for personal flying would choose ACAS especially if they operated in busy terminal areas.

It is probably that the debate over ACAS and BCAS will be stimulated during the coming months. Legislation (H.R. 3004) has been introduced in the House of Representatives that would direct the FAA to write a national standard for an airborne collision avoidance system within one year.●

DISTINGUISHED PRESIDENT OF WHITTIER COLLEGE RETIRES

HON. WAYNE GRISHAM

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 14, 1979

● Mr. GRISHAM. Mr. Speaker, this summer will mark the end of an era to a small college in my district in southern California. Dr. W. Roy Newsom, President of Whittier College, is to retire from his post after 40 years of service to my alma mater.

Dr. Newsom, himself an alumnus of Whittier College, finished his graduate work in chemistry at the University of Southern California. He returned to Whittier to become a member of the faculty, then Dean, Vice President, and finally President of the college.

In his years at Whittier, Dr. Newsom emphasized the interaction between faculty and students as the key to education. His efforts were honored at commencement this year with an honorary degree and the establishment of a Chemistry Scholarship Fund in his and his wife's name, by the trustees, alumni, and friends who had raised $120,000 for the endowment.

This show of affection is typical of the feelings shared by all who have come to know W. Roy Newsom and is a tribute to his leadership and perseverance as a teacher and administrator.●

BOAT PEOPLE

HON. STEPHEN J. SOLARZ

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 14, 1979

● Mr. SOLARZ. Mr. Speaker, the outflow of refugees in Indochina has now reached crisis proportions, with 60,000 Vietnamese men, women, and children arriving by small boat in the month of May to the countries of first asylum in South East Asia.

The tragedy is of course that many more thousands have lost their lives at sea in their desperate attempts to flee Vietnam.

In Thailand, a government overwhelmed by the influx of over 80,000 Cambodian refugees, has now begun the forcible repatriation of those refugees back into war-torn Cambodia. It is widely feared that thousands of these Khmer refugees will die—either at the hands of Pol Pot's forces or from hunger and starvation.

Two poignant articles depicting the horrors of the refugee situation in South East Asia appeared in Tuesday's New York Times. Mr. Speaker, I insert these articles into the RECORD, so that Members, who might not have seen them, would have the opportunity to read them:

THAIS DEPORT 30,000 CAMBODIANS WHILE OTHERS CONTINUE TO ARRIVE

(By Henry Kamm)

BANGKOK, THAILAND.—Thirty thousand Cambodian refugees have been forcibly returned to their homeland by Thai military authorities in the past four days, and 50,000 more will be sent back to Cambodia as soon as possible, according to Government and United Nations refugees sources in Thailand.

"There is no question we are going to ship them all out," said a well-placed Thai military source. He indicated that the 50,000 still to be forced back had been encamped for several weeks around Aranyaprathet in Thailand.

In addition to the 80,000 that are being forced back, 30,000 other Cambodians largely under the control of the heavily armed troops of former Prime Minister Pol Pot are encamped on the Thai side of the border south of Aranyaprathet. The Thais hope that the monsoon rains, which have begun, will bring a retrenchment of Vietnamese forces, leaving some border areas free, and that the Pol Pot forces will return to Cambodia on their own, taking the largely unwilling civilians with them.

For the fourth day today, a long column of buses was moving along the Thai side of the Cambodian border from the area of Aranyaprathet northeast to the spot where the temple of Preah Vihear dominates the landscape on the Cambodian side.

The buses were crammed with Cambodians who had been told they were being moved to another refugee camp. They assembled at a spot near the border until darkness had fallen over the deserted region, which is flat and rocky on the Thai side and rises sharply into the Dangrek Mountains in Cambodia.

Then the passengers, far more of them women and children than men, were ordered to alight. They were surrounded by Thai soldiers and trooped into a narrow mountain pass. On the border they were ordered to keep walking. Those who stalled or wanted to turn back were threatened with being shot.

A United Nations official said many of the refugees were seriously ill. "If they have to walk for days, many will die," he said. He reported that Thai soldiers were distributing small amounts of food before forcing the Cambodians across the border.

Bus drivers who are ferrying the refugees are reported to have said they have heard shots from the Cambodian side after groups of refugees walked into the dark.

MORE REFUGEES ARRIVING

While the forced repatriation is under way, the flow of Cambodians seeking safety, food and medical attention outside their devastated country continues. About 1,200 who made their way across the border at one place yesterday were put on buses back to Cambodia today. At another place, 854 who arrived this morning were instantly loaded on the buses.

A number of foreign and international organizations, notably the American Embassy, are trying to persuade Thailand not to repatriate the Cambodians. The United Nations refugee agency and a number of embassies are receiving anguished cables and telephone calls from relatives of the Cambodians, who, after getting the first word in more than four years that their relatives were still alive and had managed to escape, now learn that they are being pushed back. A number of relatives have arrived here, mainly from France, to plead to no avail for their parents, children, brothers and sisters.

The American Embassy gathered about 25,000 names of refugees and information on their relatives in other countries. It has, together with France, given Thai authorities a number of lists of refugees who would be admitted for immigration. About 1,500 were sent to refugee transit centers before the forced return began. American and French officials here and the United Nations agency have learned, however, that most of the people on the lists have been returned to Cambodia anyway.

The Thai military officer said Thailand was repatriating the Cambodians because the Western countries had shown by their relative inaction that they were not prepared to accept enough Cambodians quickly enough to relieve Thailand of what it sees as a serious threat to its security.

DANGERS IN FORCED RETURN

The officer said the refugees were being returned to Preah Vihear Province because it offered the best chance for their survival. He conceded that mines and booby traps would cause casualties among the refugees.

During the four years the Pol Pot regime was in power, Cambodia's borders were studded not only with explosive devices but also with masses of pointed bamboo sticks. In the absence of medicine, the painful wounds caused when people step on them lead to infections, gangrene and death, particularly in the present rainy season.

The Thai military source said that Preah Vihear was under the control of Vietnamese troops, although he said there were not a lot of them. It is generally conceded that Vietnamese troops are less likely than Pol Pot's soldiers to kill the refugees as traitors for having fled. On the other hand, the majority of the refugees are ethnic Chinese who not only strove hard to escape but also found themselves urged by the Vietnamese to leave.

The expectation of both Thai and foreign officials is that the refugees who survive their re-entry into Cambodia will attempt as soon as possible to make their way through dangerous terrain back into Thailand.

"If they do, we will look for another area to push them back out," the Thai officer said.

HANOI REGIME REPORTED RESOLVED TO OUST NEARLY ALL ETHNIC CHINESE

(By Fox Butterfield)

HONG KONG.—Vietnam appears determined to expel virtually all the members of its ethnic Chinese minority and is exactly hundreds of millions of dollars from them before their departure, much of it to repay refugees and intelligence sources here.

Despite denials by Vietnamese officials, there is growing evidence that the exodus is being organized by the Government. The regime regards the Chinese as of doubtful loyalty and as unproductive city dwellers who are an obstacle to plans for rural development.

A Vietnamese official who is in charge of emigration in Ho Chin Minh City recently told the representative of a foreign relief agency that the Government wanted to expel the Chinese as quickly as possible and asked for his help. The Vietnamese officials, Vu Hoang, the head of the consular department of the Foreign Ministry, said there were still 800,000 to 1.2 million Chinese in southern Vietnam following the departure of 300,000 Chinese during the last year.

Roughly 200,000 others have been expelled or have fled from northern Vietnam in the last 12 months, leaving 50,000 there, by the count of a Western diplomat in Hanoi. Since Vietnam's border war with China in February, the number of departures has speeded up, with 3,000 a day leaving from north and south in the last few weeks, refugee officials say.

SUBJECTED TO HARASSMENT

To encourage the Chinese to depart, they have been subjected to harassment, including loss of jobs, closure of schools, curfews, intimidation by the police and the creation of detention camps.

An International Red Cross official who has worked in Vietnam believes that, as more refugees are putting out to sea, the likelihood of their reaching a foreign shore has been declining. From talks with leaders of the Chinese community in Ho Chi Minh City, the official calculates that the number who are drowning or dying of exposure, hunger and thirst at sea has risen to 70 percent, from 50 percent. The reason, he believes, is that fewer seaworthy boats are being used.

The traffic in human beings has a double advantage for the Vietnamese Government since the police have been collecting 10 taels of gold, or over $3,000, from each adult leaving southern Vietnam. The diplomat in Hanoi estimates that these funds make up the largest single export commodity of Vietnam's threadbare economy, replacing its traditional leading export, coal.

An intelligence report reaching here contends that the Vietnamese have used some of this gold to make a down payment of $100 million to the Soviet Union for its aid and arms sales. Soviet aid to Vietnam runs $1 million to $2 million a day this year, the diplomat says.

The gold collected from the refugees is melted down in the Bank of Vietnam in Ho Chi Minh City and shipped to the Bank of Foreign Trade in Hanoi before transport to Moscow, refugees report. Some gold still bearing Vietnamese Government marketings has shown up in Soviet gold sales in Europe, according to the intelligence report.

In addition, international banking sources here say, overseas Chinese eager to help their relatives in Vietnam remitted $242 million to the Bank of Vietnam in Ho Chi Minh City in April, the last month for which figures are available. Most of the money is thought to be designed to pay for boat passages.

Such an amount, in one month, is more than half of Vietnam's total estimated exports for all of 1978, $416 million. This year, because of the disruption caused by Vietnam's incursion into Cambodia in support of the new government there and because of the border war with China, regular exports are expected to be lower.

CHANGE IN COMPOSITION OF EXODUS

The refugees leaving now differ from the earlier small groups of boat people who escaped after the Indochina war ended in 1975. The earlier refugees were largely ethnic Vietnamese leaving clandestinely. About 80 percent of the present flow consists of ethnic Chinese and is arranged by the Vietnamese Government.

According to refugees arriving here, the Government is so eager to keep control of the flow, and evidently wring all possible profit from it, that some refugees planning to leave surreptitiously are being approached by police officials and are urged to arrange their departure openly through them.

In another case, according to refugees who arrived here on the freighter Sen On, Vietnamese security forces opened fire last Christmas on a boatload of 220 people who tried to leave without clearance. Only 18 people were said to have survived.

The descriptions by refugees of their experiences differ only in slight detail whether they are from north or south.

Tran Van Hong is a 44-year-old former printer from Haiphong, the port city. Last winter he was dismissed from his job without cause, he said in an interview here. He said he was repeatedly detained and interrogated by the security police and threatened with death if he did not either leave the country or report to one of the new rural resettlement zones.

Then his two children's Chinese school was closed and they were forbidden to attend regular Vietnamese schools, he said. His wife lost her job in a garage, and a curfew during hours of darkness was imposed an entire Chinese neighborhood. Vietnamese friends came to say that they could no longer remain in contact. The rice ration, a little over two pounds a month, was cut off, Mr. Hong said.

Finally, a policeman put him in touch with the captain of a fishing boat that was to leave for Hong Kong. For the equivalent of $650 a person, which he paid to the policeman, passage was arranged. "We had to sell all of our furniture and our clothes," Mr. Hong said. "When we got aboard the boat, the police searched us and took the little jewelry we had hidden."

To insure that the emigration plan works, the Vietnamese have reportedly set up two camps in the north for Chinese who balk at the choice of risking their lives at sea or of moving to a resettlement zone. The camps, described by refugees as concentration camps, are at Vinh Boa, near Haiphong, and at Nghe An.

In the south, the authorities have set up two transit camps near the port of Vung Tau to process the refugees, according to some people who arrived on the Sen On. The refugees are brought to the camps by bus from Ho Chi Minh City and are then taken to their boats on other buses.

CHINESE CONNECTIONS ARE CRUCIAL

Evidently few people with Chinese connections are exempt. Nguyen Van Minh, 31 years old, a Soviet-trained civil engineer from Hanoi and a party member. Two months ago, he says, he was called in by the police and questioned.

"You have always been a loyal Communist, but isn't your grandmother a Chinese?" the police were said to have asked. When Mr. Minh said she was, he was given the choice of a boat ride or a resettlement area.

In like fashion, Nguyen Van Tri, a 30-year-old postal clerk from Haiphong, was called in by the police. He is an ethnic Vietnamese, and his wife is Chinese. "Either you divorce her or you leave with her," he was told.

Even a former Vietcong provincial propaganda official from the Mekong Delta found himself condemned because one of his ancestors was Chinese. "I expected more, after 11 years of fighting for the motherland," he remarked in his new refugee camp home. He declined to give his name, having left his family behind.

Other refugees reported a new development in the Vietnamese Government's involvement. They said that after the police had put them aboard their boat and confiscated their belongings, they were ordered to sign the following declaration:

"I am very happy to give all this property to the Vietnamese Government. This government is very good to give us the opportunity to see our families again."●

RECALLING LITHUANIAN OCCUPATION

HON. CLAUDE PEPPER

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Friday, June 15, 1979

● Mr. PEPPER. Mr. Speaker, 39 years ago today, Lithuania was forcibly invaded by the Soviet Union, and over 300,000 Lithuanians were deported to Siberia. Since that terrible event 39 years ago, the people of Lithuania have been denied certain basic human rights. The people of Lithuania, however, continue to struggle for freedom from the oppression they face. In order to recognize these brave human beings, I would like to draw the attention of my colleagues to an abbreviated translation of an article which appeared in the underground Lithuanian press. I include this article in the text at this point:

THE FREE LITHUANIANS IN A SUBJUGATED FATHERLAND

Is it not a new paradox in our controversial and peculiar world, where quarrels, litigations and murders occur for the most negligible causes, that the fight for the most important human values: freedom, integrity and well-being is avoided?

However, this should not be considered as a paradox. Free people exist not only in the free world, protected by democratic constitutions, but also in countries where any desire for freedom is squelched with bullets, jails, psychiatric hospitals. A slave is only he who accepts his servitude, who does not feel the chains which bind him. A man who is afraid is already defeated. He easily succumbs to the economic and political exploitation of the enslaver. Self-respecting man has to overcome innate fear, to rise above natural inclinations, to prove that there are aspirations which are more valuable than life itself.

Free is everyone who resists the efforts of the enslaver to make him godless, to dehumanize, to denationalize him. This rule can also be applied to entire nations. Every nation which struggles against the oppressor is free, notwithstanding the fact that its territory may be occupied. Such a nation even though it has lost its external freedom, has preserved its internal, spiritual independence. The history of the Lithuanian nation during the last decades (not speaking about the entire period from the loss of its independence) has proven this very convincingly.

After the rebellion of 1863 which was cruelly crushed, for several decades there was no active resistance in Lithuania. However, underground newspapers "Ausra" (The Dawn), "Varpas" (The Bell) came to being announcing the spiritual rebirth of the Lithuanian nation. The 1944 rebellion, which lasted for 10 years, was even more ruthlessly suppressed. It seemed as if it would be necessary to wait a few more decades until new resistance forces matured. However, before the guns of the freedom fighters were silenced, on All Souls Day, 1956, in the cemetery of Kaunas, the tricolor flag of free Lithuania was raised. Students, intelligentsia, former prisoners who had returned from concentration camps in the Soviet Union, with tears in their eyes sang the Lithuanian national anthem and the religious hymn, "Mary, Mary lighten our servitude. . . ." The crowd repeatedly shouted, "Freedom for Lithuania," "Begone Russian intruders". Stones were hurled at the members of the NKGB. In Vilnius, that same evening, masses of young people poured out of the Rasos cemetery singing patriotic songs. They flooded the streets and stopped traffic for several hours.

After that demonstration hundreds of young people, students and former prisoners, were taken in steel-barred trains to the same concentration camps where more than one thousand Lithuanian freedom fighters, underground resisters, were still being tortured. Great numbers of young Lithuanians were drafted into the Soviet army.

In the autumn of 1970, Pranas and Algirdas Brazinskas; father and son, escaped to the West, informing the entire world about the desire for freedom burning in the hearts of Lithuanians. One month later, Simas Kudirka who was turned over to the Soviets, beaten, reminded the Western world about the indifference of the westerners to their self-asserted moral ideals.

In March, 1972, "The Chronicle of the Catholic Church in Lithuania" began to inform the world about the persecution of believers and their priests in Lithuania. On May 14th of that same year, in the garden of the Drama Theatre in Kaunas, where 32 years earlier a disgusting mockery of the independence of Lithuania and the free state system had been perpetrated, the self-immolation of Romas Kalanta (who died shouting "Freedom for Lithuania") took place. His body perished but his spirit remains alive forever in the hearts of the nation, continuously rapping at our conscience and fostering the desire for freedom.

Romas Kalanta, born in slavery, became free. His sacrifice dispelled the myth of the oppressors that the younger generation, continually brainwashed by a stream of beautiful words and promises, will obey their coercion and will melt into the flood of colonization, forgetting the spirit of the Lithuanian nation. Today the younger generation has already taken up the banner of the fight for freedom. Although born in slavery, they have inherited the yearning for freedom from their parents.

Let these pages speak out about the inextinguishable yearning for freedom, about the efforts of those people who under the most impossible conditions continue the traditions of the free Lithuanians.

FREE LITHUANIANS.●

IMPACT (?) AID

HON. WILLIAM F. GOODLING

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Friday, June 15, 1979

● Mr. GOODLING. Mr. Speaker, initiated in 1950, impact aid was the first major Federal elementary and secondary education program. The impact aid program provides funds to compensate school districts for the cost of educating children when enrollment and availability of revenues from local sources are adversely affected by Federal activities. Over the years the impact aid program has been the object of much debate, several major studies, and numerous legislative proposals and amendments.

Even the strongest critics of impact aid acknowledge that "A" children whose parents live and work on nontaxable Federal property are associated with a clear tax loss to the school districts. However, no such consensus exists regarding "B" payments for children whose parents live or work on Federal property.

Since much of the rhetoric on Capitol Hill lately has focused on fiscal responsibility, I thought it might be useful to explore the justification for a certain category of impact aid payments.

Mr. Speaker, it might be useful to recall that in 1974, Congress eliminated or reduced entitlements for some "B" children. For example, "B" children whose parents work outside the State in which the local education agency is located were eliminated as eligible federally connected children, although the 90 percent hold harmless provision effectively limited this reform. Similarly, entitlements were lowered for "B" children whose parents work outside the county in which the local education agency is located. These changes were based on the argument that because the parents of these children pay residential property taxes, and because the tax loss from the nonresidential property occurs outside the county or State of the local education agency receiving the impact aid money, there is little or no burden on the local school district. In many instances, the Federal presence has stimulated more economic activity and has led to the creation of more taxable property than otherwise would have existed. The argument has been made that in a majority of cases, the Federal presence resulted in an expansion of commercial activities, employment, and the local private residential tax base.

Another longstanding criticism of the impact aid "B" payments is that it results in the distribution of large payments to affluent school districts which may have actually benefited from Federal activity and which could easily support a high level of educational expenditure without impact aid. If one agrees that a major purpose of the impact aid program is to provide an "in-lieu-of tax" payment for school districts which have suffered some tax revenue loss through Federal presence, logic alone leads one to question the appropriateness of providing payments for "B" children whose parents work outside the jurisdiction of the school system in which the child attends school. This is especially true in light of the fact that residential property values are often inflated as a result of the demand for property created by the Federal presence. Those people who argue that the tax loss created by the nontaxable status of the Federal installation in their area usually display their ambivalence when anyone threatens to remove that Federal activity to another area of the Nation.

We must have the courage to recognize that there is absolutely no way to accomplish meaningful reform and simultaneously maintain these open-ended payments. We should not lose sight of the fact that the impact aid "Federal payment" is, in reality, a euphemism for the redistribution of citizens' tax dollars from one geographic area to another. The irony is that in many instances, money is taken from poorer areas and redistributed to wealthier ones. How can this be justified?

I am planning to introduce legislation similar to that which I offered for consideration during the last Congress. This legislation offers a reasonable approach to phasing in more justifiable and equitable system of impact aid distribution. The President's proposal to eliminate all "B" payments, regardless of its intrinsic merits, is too drastic and would create havoc within many of our Nation's schools.

As a former school administrator, I recognize the need for reasonable continuity for effective planning and budgeting. Therefore, I intend to offer a reasonable reform which would permit Congress to eliminate certain aspects of the current inequitable distribution formula. This could be done without unduly penalizing those districts in which elimination of Federal impact aid would create an undue hardship. Specifically, I am proposing a gradual 6-year phaseout of the "B" payments—one-sixth per year until complete—to school districts in which "B" category children represent less than 25 percent of the total student population. This compromise solution permits heavily impacted school districts—where "B" students constitute 25 percent or more of the student body—to receive funding. In addition, the gradual one-sixth per year "absorption" of "B" students by the lightly impacted school districts will permit us to phaseout the inequitable portion of this program without undue disruption for local administrators.

As the Battelle study concluded some years ago, "there is no feasible way to design a perfect procedure for impact aid that accurately measures the net burden of Federal installations." However imperfect our attempts, we must have the courage to cut money that flows into our congressional districts if the rationale underpinning that process is no longer valid.●

FRED WEATHERS TRIBUTE

HON. LOUIS STOKES

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Friday, June 15, 1979

● Mr. STOKES. Mr. Speaker, recently, an event was held in the St. Louis community to pay tribute to an outstanding St. Louisan, the Honorable Frederick N. Weathers, for nearly 50 years of distinguished civic, business, civil rights, and political leadership to his community. One of our colleagues from St. Louis, BILL CLAY, had the privilege of hosting the tribute to honor Mr. Weathers for his dedicated, courageous, and tireless service to the St. Louis community. I would like to take this opportunity to share with all of my colleagues the text of Congressman CLAY's toast to Mrs. Frederick N. Weathers in honor of this occasion.

REMARKS OF CONGRESSMAN WILLIAM L. CLAY

If you read the program, you know that at this point, I am to present a special tribute. According to Webster's International Dictionary, "special" is defined as possessing a quality, character or identity out of the ordinary or conspicuously unusual. My privilege, therefore is special, inasmuch as the honor has been bestowed upon me to present a tribute to a person who truly possesses quality, character and identity unique in any society.

Each of us present tonight knows Fred Weathers in his or her own way. Of course and perhaps the whole story of his life will never be told in concert by all of us. But if anyone knows the whole story, it would have to be a person who lived and breathed and experienced the totality of that story. Such a person we pay tribute to tonight.

Frederick N. Weathers has held center-stage in this community for 40 odd years. The spotlight never left him. Doris Weathers, the other half of the team never sought the limelight, but because of her understanding, her generosity, her charity, made it possible for Fred to be a harbor light in a community beset by storms and raging waters.

Doris Weathers has shared the great memories in the life of the man we honor tonight. The joys, the pleasures, the satisfactions are all hers. But no life is totally void of pain, suffering, struggle and setbacks. And surely during those times, Doris was there to comfort, to encourage, to inspire, to advise. In a sense Doris Weathers made it possible for this community to benefit from the talents of Fred Weathers.

Doris, we in the community know you and know your contributions, we know you through the media of art. Constantly songwriters are dedicating their artistic abilities to portray your life in music. Even if Fred's life had not been filled with so many milestones, he would not have to look back anxiously for something to justify the time spent. He had a woman with both dignity and depth; charm and charisma; devotion and dedication, sincerity and strength. He had a woman all those glorious years who possessed a special dimension and told her own story with a message and a viewpoint. That story is entitled beauty and even the greats have not been able to define beauty, so I won't attempt. What I will do is to use the music of some of the greats and describe what they thought of you, Doris Weathers. Dinah Washington said in a song—"What a Difference a Doris Made;" the Temptations said, "She's My Girl;" Mahalia Jackson said, Fred's Got the Whole World in His Hands;" Duke Ellington called you the Sophisticated Lady—but perhaps your greatest tribute was paid by the Commodores when they said, Doris Weathers, "You are Once, Twice, Three Times a Lady."●

PROMOTING NATIONAL ECONOMIC DEVELOPMENT

HON. ROBERT W. EDGAR

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Friday, June 15, 1979

● Mr. EDGAR. Mr. Speaker, I wish to submit to the RECORD a letter written by Mr. James Howell, chief economist and senior vice president of the National Bank of Boston and addressed to Representative WILLIAM S. MOORHEAD, chairman of the Subcommittee on Economic Stabilization of the House Banking, Finance, and Urban Affairs Committee. The letter concerns pending legislation to reauthorize the Economic Development Administration.

My colleagues will no doubt encounter conflicting viewpoints on aspects of this legislation in the coming weeks. I should like to refer them to Mr. Howell's letter, which provides a strong case for the use of various development finance tools to assist local economic development efforts in distressed areas of the Nation.

The letter offers an excellent summary of issues which are of concern to all of us, including the targeting of economic development funds, the need to provide equity financing to small firms, and the need for increased leveraging of public funds to stimulate private sector economic development.

The letter follows:

THE FIRST NATIONAL BANK OF BOSTON,
Boston, Mass., May 22, 1979.

Hon. WILLIAM S. MOORHEAD,
Rayburn House Office Building,
Washington, D.C.

DEAR CONGRESSMAN MOORHEAD: I am writing to express my views on the EDA reauthorization legislation, HR 4099 and 4100, now before the Subcommittee on Economic Stabilization. This legislation is of particular concern to me in my capacity as Chief Economist of the First National Bank of Boston, the largest bank in New England. From this special vantage, I have witnessed first-hand—and documented through numerous empirical surveys—the economic problems of our older industrialized cities, specifically the sharp decline in manufacturing capital spending. Moreover, during the past five years, I have taken part in several task forces which have examined business development financing in the context of local economic development and regional capital market needs.

In my view, the issues raised in the legislation under consideration by your subcommittee are national, not regional in scope. Let me briefly explain why. A study entitled *Urban Fiscal Stress,* released by the Bank and Touche Ross and Co. in March, showed quite dramatically that older industrially aged cities are most likely to be fiscally stressed. The root cause appears to be stagnation in the local economy.

The study further revealed that industrially maturing cities are found in significant numbers in all regions, and that the potential for economic stagnation is not a unique feature of one region. I emphasize this point because the need for improved business development financing tools to strengthen stagnating local economies—the heart of the debate over this year's EDA reauthorization legislation—should not be seen exclusively, or even largely, as a regional issue.

Before turning to my specific comments on the legislation, I would like to state emphatically that, in my view, EDA is the appropriate agency to administer the new financing provisions set forth in both bills. The legislation provides for a consolidation and better coordination of existing programs with which EDA has had considerable experience, while avoiding the government layering and likelihood of greater inefficiency in capital markets that would arise from the creation of a National Development Bank. I might add that EDA loan programs are well known among businessmen in the Northeast as having the fastest turn around time among Federal loan programs and the least cumbersome regulations.

In the remainder of this letter I want to raise five points of special concern pertaining to the EDA reauthorization legislation.

First, geographic targeting is of paramount importance if the array of business financing tools in H.R. 4099 and 4100 are to benefit areas experiencing decline as a result of disinvestment. Ironically, legislation which seeks to hasten economic growth could be detrimental to distressed areas if the eligibility net is spread too broadly. For example, if 90 percent of the country were deemed eligible for assistance—as in the version of the bill voted by the House Public Works Committee, H.R. 2063—businesses might well make use of the loans, loan guarantees and other financing provisions of the legislation to locate out of older cities in favor of those growing areas which are also eligible. Similarly, there would be little incentive for start-ups to take place in areas encountering long-term distress if the new capital development tool could be utilized elsewhere.

In short, I am arguing for refinements in the spatial targeting under the legislation. I support the EDA statutory criteria which would encompass roughly 60 percent of the country, and am hopeful that refinements via administrative guidelines would provide further adjustments in targeting to distressed urban areas. To be sure, a politically appealing program is often one which maximizes eligibility. Nonetheless, in terms of program effectiveness the more targeted criteria are clearly preferable.

Second, there is another dimension to the concept of targeting which goes beyond the spatial allocation of capital. Namely, new business development financing mechanisms must also respond to identifiable gaps in capital markets. HR 4099 and 4100 meet one of two distinct capital gaps identified by our research at the Bank: the nonavailability of long-term debt financing for small- to medium-sized business firms. These are firms that do not have access to the bond market because of a lack of recognition and shorter track record. Traditional sources of financing, such as insurance companies, show little interest in financing these firms because of the costs involved in packaging and servicing their smaller capital needs. Moreover, banks often view these firms as nonbankable because of a banker's preference for short-term lending.

The EDA reauthorization legislation would make long-term financing more readily available to these firms. The direct loans will help meet the financing needs of small- and medium-sized firms, while the loan guarantees will encourage lending facilities to give longer-term loans to less established business firms.

Third, HR 4099 and 4100 only indirectly recognize what we have identified as a second important capital gap: the shortage of equity funds for new business start-ups. In the past decade, there has been a prolonged weakness in the equity market which has all but closed off the new issue market for small firms. As a result, venture capitalists have been frozen into their start-ups, unable to recycle their money and engage in new start-ups.

Congressman Robert Edgar has sought to require EDA to use a portion of the R&D money authorized in the legislation for experiments in equity financing. The EDA reauthorization legislation passed by the House Public Works Committee, HR 2063, as you know, allows but does not require EDA to engage in such experimentation. Whether through statutory language or administrative action, I would strongly encourage EDA to use a sizeable portion of its R&D funds for innovative uses of equity financing. I personally believe that the payoff for small- and medium-sized businesses would be substantial.

Fourth, this legislation would be particularly helpful to small businesses, the very firms which have proven to be the greatest source of job growth in the central cities during the '70's. Recent studies have shown that fast-growing small firms are more likely to be influenced by capital incentive in their location decisions than other kinds of firms.

These new small firms initially undergo a difficult survival period and the rate of failure is remarkably high. Their need for capital is great and while all firms look for the same advantages in locational decisions, these rapidly growing firms cannot afford to scatter production facilities. Consequently, they depend heavily on supporting infrastructure and services already in place, typically found in the more highly-agglomerated cities.

Both HR 4099 and 4100 are far more geared to the needs of these small businesses than was the National Development Bank legislation introduced during the 95th Congress. In particular, the sums authorized for direct loans, the higher loan guarantees, and direct technical assistance are especially attractive to small, less well established firms.

Moreover, working capital is provided in both bills, another improvement over earlier development banking legislation which included only capital for fixed assets. HR 4100 is more closely targeted to small businesses, although its substantially lower funding levels would make less capital available in the aggregate to these firms than would HR 4099.

Finally, I would like to call special attention to those components of the legislation which facilitate the leveraging of public capital to increase private investment. The provision of development grants to localities to help defray the cost of a private investment project—through land acquisition, site preparation, development of commercial or industrial facilities, or infrastructure improvements— necessitates a close working relationship between the private and public sectors.

My recent experience studying the economic development process in eleven older industrialized New England cities—and the role of the commercial banker in particular—demonstrates that in those communities where revitalization efforts have been successful, there is a strong public-private sector partnership. This partnership has effectively exploited opportunities to maximize private capital investment through leveraging governmental funds and packaging a variety of loan and grant programs available to both municipalities and businesses. The opportunities for leveraging and packaging funds in the program design of the business development financing provisions are a unique strength of this legislation.

A number of additional issues and proposed changes have been raised during the deliberations of the Senate Banking Committee and The House Public Works Committee. I hope, however, that timely enactment of the EDA reauthorization legislation, largely along the lines of the Administration bill, will be the outcome. In this connection, I am well aware of the concern voiced over the needs for more information on the capital requirements of small-to-medium-sized businesses, as well as the importance of capital as a factor in business locational decisions.

To this end, the Economics Department of The First National Bank of Boston in conjunction with The First National Bank of Minneapolis and Continental Bank of Chicago, has launched a mail-out/mail-back survey of approximately 20,000 manufacturing and non-manufacturing firms in the Northeast and Midwest. The survey results will yield new insights into the pattern of spatial location, capital availability and the asset structure and financing needs of businesses throughout the country. This information could be used by EDA in implementing the new business development financing provisions of the reauthorization legislation.

Nonetheless, the compelling issue today is the passage of this legislation. Distressed areas, especially older central cities, in all parts of the country, sorely need fresh business investment. Small- to medium-sized businesses have a clear need for the kinds of incentives provided in this legislation, and we should not overlook the possibility that passage of this legislation will help to restore the momentum towards a national urban policy.

In closing, I look forward to furnishing you and members of your Subcommittee with additional information, as your deliberations on this important legislation continue.

Sincerely,

JAMES HOWELL.●

A GRIM REMINDER

HON. HAROLD C. HOLLENBECK

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Friday, June 15, 1979

● Mr. HOLLENBECK. Mr. Speaker, June 15 marked a day of sober reflection for Lithuanians throughout the world. On this day in 1940, in the midst of a world conflagration, Lithuania ceded its independence. Oppressed for centuries, because of their vulnerable geographic location, Lithuanian's have suffered invasions from the East by the Russians and from the West by the Teutonic knights. They have demonstrated incredible spiritual and ethnic fortitude by surviving these repeated onslaughts.

Ever since this gallant Baltic country was forcibly incorporated into the Soviet Union by the Russians, the Lithuanian's have struggled to cast off the chains of their oppressors. Thousands of these freedom fighters have sacrificed their lives in an attempt to secure freedom and liberty for their beleaguered country. From 1944 to 1952 alone, some 50,000 Lithuanian freedom fighters gave their lives as part of a grassroots resistance movement. However, the cessation of armed guerrilla warfare has not resulted in the end of resistance against Soviet domination. Rather it has fostered the introduction of nonviolent protest on a massive scale.

Even today, Lithuanians are risking their lives in outright defiance of the Communist regime. The protests of the Lithuanian people against the denial of their right to national self-determination and religious and political freedom continues despite Soviet oppression. With this in mind, we must attempt to match the courage of Lithuania by redoubling our efforts to secure self-determination and human rights for all.

The yearly followup conference of the 1975 Helsinki Accords represents the perfect setting for the implementation of this goal. It is our duty to confront the Soviet Government with the fact that despite being cosigners of the accords, they have willfully ignored many of the provisions guaranteeing basic human rights. We must continue to speak out against the infringement of human rights and not succumb to any temptation to condone the inhumane treatment of those less fortunate throughout the world. Instead, we should continue to fight vigorously for the inalienable rights of all mankind.

June 15 marked a grim reminder for all of us that there are people in the world who do not possess even the most basic of human rights. We must extend whatever support we can to the people of Lithuania and their dreams of freedom. Let us hope for the day when our Lithuanian friends can celebrate their renewed independence, rather than commemorate the day of their homeland's invasion.●

WINDFALL PROFITS TAX

HON. MARC L. MARKS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Friday, June 15, 1979

● Mr. MARKS. Mr. Speaker, although I do not necessarily agree with all that he states, Ira G. Corn has in his statement on windfall profits tax, published by the New York Times on May 11, 1979, given us food for thought. Ira Corn is a concerned patriotic citizen whose views, though sometimes controversial are worth considering. I therefore ask to include his remarks in the RECORD:

[From the New York Times, May 11, 1979]

NO TAX ON WINDFALL PROFITS, PLEASE . . .

(By Ira G. Corn)

DALLAS.—A few years ago, then-President Ford proposed taxation of so-called "excess profits" by the nation's oil companies. Despite a change in Administration from Republican to Democratic, politicians still are demanding that oil producers be punished for "windfall profits."

At the time of President Ford's proposal it was obvious that businessmen were not speaking out against it. As the current Administration continues the "anti-profit" campaign, it is even more important to be aware of the damage that the current proposed tax would cause.

Our entire economic system could be harmed if the principle of levying a special peacetime "profit-removal tax" on a single industry is approved.

The oil companies did not invent the phenomenon of windfall profits. In the past, however, opinion-makers and politicians have never descended with vengeance upon the beneficiaries of unexpected fortune.

Farmers who have struck oil have found themselves enjoying windfall profits. City residents who obtained rural land that was later crossed by an expressway have also found profit in a windfall.

One can see the similarity between these experiences and those of the oil industry.

Oilmen who saw their industry decline from the 1950's found themselves benefiting from the 1973 energy crisis, an event over which they had little control. The energy crisis reversed a long-term downward trend of manpower, profits and potential for domestic petroleum producers.

The recovery was dampened, however, by a hodgepodge of controls and regulations on American petroleum producers and refiners. These hampered attempts by the industry to make a maximum contribution toward making the nation less dependent upon foreign oil. Further, no one mentions that depletion as an oil-industry tax reduction was lowered in 1969 and virtually eliminated in 1975. All the so-called excess profits could not equal 50 percent of the incentive advantage of the depletion allowance. Should the excess-profits tax pass, the depletion allowances should be restored to provide greater incentive to private investors.

Profits come and go in cycles in all business ventures and must be evaluated in proportion to risk and size of investment. This reasoning is ignored when the oil industry is discussed because facts are not allowed to hinder the search for political advantage.

If Congress sets a precedent and taxes so-called windfall profits of the oil industry, it will be beseiged with similar demands. Who decides what is a windfall profit and what is not? If such a profit is wrong in one area of the economy, would it not be just as punishable in another?

If Congress removes windfall profits from equity owners, should it not also remove windfall losses? This would open the way for countless claims because losses far exceed profits. Who will determine how windfall profits and losses are calculated? As night follows day, the next step would be a campaign for "reasonable" profits for all industry. What a nightmare of administrative folly and how destructive that would be to our independent economic system!

During the 1973–74 energy crisis, which benefited the oil industry, there were thousands of examples of windfall losses. Over 100 manufacturers in the recreational-vehicle industry alone closed their doors because they received no orders. Resort operators and vacation-oriented businesses also sustained severe losses. Thousands of service stations went out of business.

If Congress passes a windfall-profits tax on oil, a clamor will arise for legislation providing for a hedge against other windfall losses or profits. That would then eliminate the rigid market discipline imposed on individuals who risk loss when they make economic investment decisions, both good and bad.

Windfall profits for the oil industry will be temporary. They are always cut by competition, accelerated capital-reinvestment requirements, and the high-risk factor inherent to the oil industry. But any windfall tax will hang on forever.

Just as the risk belongs to the investor, any gain is legally and morally his. It makes no difference how much gain or how much loss, and it should make no difference if it is the oil industry.

If we who are not part of the oil industry allow Congress to crucify the oil industry, we should only whimper softly when it is our turn to feel Big Daddy's stick. We will have gotten what we deserve.●

COMMEMORATIVE SALUTE TO THE VALIANT PEOPLE OF LITHUANIA, ESTONIA, AND LATVIA ON THE 39TH ANNIVERSARY OF THE SOVIET ANNEXATION OF THE BALTIC STATES

HON. ROBERT A. ROE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Friday, June 15, 1979

● Mr. ROE. Mr. Speaker, I wish to participate in today's commemorative salute to the oppressed people of Lithuania, Estonia, and Latvia and join with all Americans, and particularly the Lithuanian, Latvian, and Estonian communities throughout our Nation, in observance of a most solemn occasion, the 39th anniversary of the forcible occupation and incorporation of the Baltic States into the U.S.S.R. and the subsequent deportation of hundreds of thousands of Lithuanians, Latvians, and Estonians to Siberian concentration camps.

Mr. Speaker, I along with many of our colleagues have received several communications requesting our participation in today's congressional commemoration in observance of this most dispicable act of tyranny.

As you know, the Congress has recorded our denunciation of the Soviet annexation of tht Baltic area in the adoption of House resolutions over these many years. The unanimous vote on December 2, 1975, of 407 members of the House with no one dissenting strongly affirmed our agreement for the adoption of this resolution on behalf of the just cause of the Lithuanians, Estonians, and Latvians in the U.S.S.R.

The enactment into Public Law 94-304 on June 3, 1975, of the legislative measure which I also sponsored establishing a Commission on Security and Cooperation in Europe to monitor international compliance with the Helsinki accord also reaffirms our fullest dedication to seeking international communion and international understanding of the plight of these oppressed people to help restore their basic human rights to freedom of thought, conscience, and religion.

Many of us have joined in an exchange of communications with the Soviet leaders for the safety and release of dissidents in the U.S.S.R. We have made some strides in our search for remedial action but there is still much to be done.

Hopefully, the viable force of world opinion that we are attempting to muster in achieving global agreement on basic human rights principles will eliminate government controls that dominate the personal freedoms of the individual to live and worship in the land of his or her choice. I trust that our congressional recognition of the seriousness of their plight will help to provide human justice essential to the solution that will remove governmental domination, unjust treatment, discrimination and oppression of the human rights of the individual and achieve national sovereignty for the states of these courageous people and insure their rightful place in international communion with all nations and all peoples throughout the world.●

COUPLE CELEBRATE 50TH ANNIVERSARY

HON. JAMES J. FLORIO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Friday, June 15, 1979

● Mr. FLORIO. Mr. Speaker, today, Friday, June 15, 1979, two fine residents of New Jersey's First Congressional District will be celebrating their 50th wedding anniversary, and I am happy to join in congratulating Mr. and Mrs. Allie Eaise.

A native of Beirut, Lebanon, Mr. Eaise married the Philadelphia-born Mary McKenna in Media, Pa., in 1929. The two moved to Audubon, N.J., in 1949 and have lived at 345 West Graisbury Avenue for more than 30 years.

They are the parents of five sons, Edward A., James, Norman, Donald, and Kenneth. Edward, Norman, and Donald all reside in their parents' hometown of Audubon, while James lives in Youngsville, Pa., and Kenneth makes his home in Birmingham, Ala.

In addition to their sons, the Eaise's are the proud grandparents of 19, and have four great-grandchildren.

Prior to his retirement, Mr. Eaise was a government employee working as a general superintendent in the Federal Court House Building at Ninth and Market Streets in Philadelphia. A veteran of the U.S. Navy, Mr. Eaise also served for several years as the Borough of Audubon's zoning enforcement officer from 1973 to 1979.

Mr. and Mrs. Eaise's family is hosting a party to mark this golden wedding anniversary on Friday evening at the home of their son, Donald. Many of their friends and relatives have been invited to join them in honoring their parents. I and all who have come to know Allie and Mary Eaise give them sincere congratulations on this wonderful occasion, with best wishes for many more anniversaries to come.●

NON-NONFUEL MINERALS POLICY REVIEW

HON. STEVEN D. SYMMS

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Friday, June 15, 1979

● Mr. SYMMS. Mr. Speaker, the following statement by Chairman JAMES D. SANTINI will provide my colleagues some insight into an apparent total lack of interest by the Department of the Interior in carrying out President Carter's Cabinet-level Nonfuel Minerals Policy Review. To be brutally frank, it should be called "Non-Nonfuel Minerals Policy Review."

I believe that Chairman SANTINI's opening statement at the June 12, 1979, hearing of the Subcommittee on Mines and Mining explains why so many members of the subcommittee are so exasperated by what has gone on, or really what has not gone on, in this Presidential review.

The Mining and Minerals Policy Act of 1970 placed squarely on the shoulders of the Secretary of the Interior the responsibility to examine the very problems that we are now having so much difficulty in getting the Department to at least acknowledge. I honestly question if the Department has the foresight to understand their significance.

The statement follows:

NONFUEL MINERALS POLICY REVIEW

This morning we would like to first discuss a recent General Accounting Office report that relates directly to the subject of this hearing, the Nonfuel Minerals Policy Review. The title of GAO's report, like its subject, is grim: "The Declining U.S. Mining and Minerals Processing Industry: An Analysis of Trends, Causes and Implications".

GAO's report will document the consequences of Government's apparent total lack of appreciation of how the minerals industry functions in the real world of domestic and international minerals markets.

We will learn this morning how actions by our Government, piece by piece, are whittling away at the strength of our industry, and its very ability to stay in business. It sometimes looks like there is almost a deliberate attempt to weaken this vital segment of our economy.

Maybe this generalization is too strong, but when an objective observer considers that nothing is being done to correct some of the overzealous regulations, and then compares the U.S.A. with the other governments in the world that are doing all they reasonably can to assist their industries or to assure long term foreign mineral supplies, while we are still proceeding in the opposite direction, I, like the title to GAO's report, become grim. I think it's time that all interested agencies and persons recognize our self-distractive governmental course and do whatever they can to reverse the deterioration of our national minerals posture.

What disturbs me most is that Congress in its deliberations preceding the enactment of the Mining and Minerals Policy Act of 1970, saw the problems developing. We have only to read the Congressional reports that relate to that Act. Members of Congress and others in Government, as well as the private sector, pointed out in testimony *what* the Executive Branch must watch for down the road to carry out the Act's broad directives. The Senate report that accompanied the Act recognized how the problems and solutions crosscut Federal agencies. It stated, and I quote:

"The functions of a number of agencies of the Federal Government affect minerals and mining directly or indirectly, including international relations, foreign trade, taxation, and air and water pollution, to name a few. Yet there is no stated policy or overall set of guidelines by which their actions can be coordinated."

Built into the 1970 Act, therefore, was the recognition that many Federal actions, then and later, forewarned a worsening cumulative impact on the domestic industry. So Congress provided unmistakably for coordination by Federal agencies with respect to other laws. The report goes on and I quote:

"There are myriad Federal laws that affect the mining and minerals industry, but each was passed to meet a particular problem or purpose, and usually, the overview of the direction of the minerals industry was not considered. As a result, some of the actions taken were counterproductive of the objectives of this measure. (This Act) would give clear direction to the executive branch of Government in its implementation and coordination of these laws."

This, to me, says unmistakably that Congress directed that implementation of other Federal laws are to be balanced to a reasonable degree with the purpose intended in the 1970 Act. I want to cite a little more from this report where it says, and I quote:

"A national mining and minerals policy would serve as a statement of fundamental principles or objectives against which the executive branch can measure proposed action and against which the Congress can measure legislation."

The intent here is clear. Congress provided the flexibility to achieve balance by executive or legislative action to carry out this intention.

The report then lists a number of proposed action areas that are of "critical importance" to the mining industry like environmental quality, public lands, stockpiling, tax policy, mine finance, and foreign trade. This too is clear. With the responsibility placed on the shoulders of the Secretary of the Interior, the report reads that in his annual report to the Congress, the Secretary will make:

". . . recommendations for legislative action necessary to make effective the policy of the act."

What could be clearer? How could it be better said? Why wasn't this understood?

We have come a long way from the explicit instructions that are embodied in the purpose of the 1970 Law. We have come a long way—but its all been downhill. I want the record to show unequivocably that the Department of the Interior, with almost no exception, has never carried out the intent of the law, and, from what I can learn, has never given it serious consideration.

GAO in its 1976 report, "Need to Develop a National Nonfuel Mineral Policy," recommended that the Secretary of the Interior:

Identify and evaluate laws and agency programs that affect maintaining and developing a sound and stable domestic mining and minerals industry.

Weigh trade-offs between the purposes of such laws and the Mining and Minerals Policy Act, and

Advise the National Commission on Supplies and Shortages, the Administration and the Congress, of changes in the regulations and/or pertinent legislation believed needed to strengthen development of a coherent national minerals policy.

To me, it is manifestly evident that Congress in the late 1960's foresaw the effects of what is happening now in the decline of the U.S. industry. Congress provided the warning and a way for remedy. It legislated a broad legal foundation from which to work. It directed the Executive Branch, with the lead responsibility squarely in the Office of the Secretary of the Interior, to analyze the problems, to coordinate their solutions, and to respond by action. If Congressional attention was needed, it provided for that. Everything was there in one neat package.

But Congress at that time assumed incorrectly that we would have reasonable men, men who cared and were willing to make hard decisions, in the Office of the Secretary.

Congress assumed that the Secretary of the Interior would at least be interested in the national good of a strong economy, a healthy, functioning domestic minerals industry, and secure sources of mineral raw materials for national security.

Congress did not tell the Secretary of the Treasury that he had a responsibility under the 1970 Act relative to the tax code. Nor did it tell the Secretary of State that he had responsibilities relative to trade policies and international commodity stockpiles. This was left to the Secretary of the Interior. It is his responsibility to look at the total picture and together with other agencies to work out reasonable solutions keeping in mind the very brief but declarative language in the Act.

Let me quote a few sentences from the July 9, 1969, letter from the Secretary of the Interior to the Chairman of the Senate Committee on Interior and Insular Affairs urging enactment of the Mining and Minerals Policy Act. I quote:

"This legislation does not provide any new authority. We believe, however, it is desirable to establish such a national policy and to carry it out."

". . . the Government has a variety of obligations and a significant supporting role as our security and overall economic well-being depend upon the continued availability and an adequate and dependable flow of mineral raw materials."

"No overall single solution applies to the national problem of mineral supply, but generally accepted positions exist on essentially every facet of this complex subject. . . . The principal and most important element is recognition of minerals as being critical and essential to the nation's economy and security . . . It seems safe to assume that this position will continue to prevail and to gain in significance."

The Secretary of the Interior did not tell the Congress the job couldn't be done. He said that it is desirable to establish such a national policy and to carry it out. He said that a national position on minerals being critical and essential to our economy and security will continue to prevail. Then why haven't we at least tried to implement that policy if it is of such importance to the U.S.?

This is why I find it so inexcusable when in spite of numerous other blue-ribbon commissions having identified the problems facing the minerals industry, in spite of the directives of Congress in the 1970 Act, the Department of the Interior after 18 months has yet to come up with the Phase I Problem Analysis for the Nonfuel Minerals Policy Review.

On several different occasions we have gone along with extensions of deadlines. The last extension was on April 9 when the Secretary promised us five times in open hearing that the Problem Analysis would be out in no more than 6–8 weeks. Nine weeks have elapsed, and we understand now that the Department of the Interior is just starting its 50-page rewrite ("synthesis" as described by Assistant Secretary Davenport on May 8, 1979) of the 250-page preliminary draft. But, the Assistant Secretary on May 8 promised us that if the Department went the 50-page route, the 250-page report, after extensive revision, would be sent to Congress by mid-June. We are now only three days away from that deadline. Will this deadline be missed too?

But, my concerns go deeper than the failure of the Department of the Interior to keep its own time table. A fundamental question is raised by all of the delays and the deficient content of the 250-page preliminary draft. Does the Department of the Interior have the professional capability or disposition to accurately and honestly identify the problems. The basic question will be answered in part by the quality and content of the Phase I report.

Regardless, I want to make it clear that we cannot wait another 10 years as we have since Congress last deliberated on the Mining and Minerals Policy Act. The problems in our minerals industry and their national impacts are too eminent to excuse the delinquence in time and content that we have experienced with the Phase I report. This country has got to wake up to the grim realities of our deteriorating minerals posture.

President Carter's Nonfuel Minerals Policy Review affords a tangible opportunity to redirect and refocus this nation's mineral course and future. With the mandate of Chairman Udall, it will remain the paramount commitment of this Committee to insure that at this critical juncture in America's materials future this review is not turned into a government whitewash. We must not allow the Nonfuel Minerals Policy Review to be interred in the bureaucratic burial ground of the past.

It is a sizable challenge. I believe our nation's future economic stability and national security hinge in part on a substantive and honest response to that challenge.●

SALT II: A BAD DEAL FOR AMERICA

HON. RON PAUL

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Friday, June 15, 1979

● Mr. PAUL. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following:

SALT II: A BAD DEAL FOR AMERICA

Over the past decade, the Soviet Union has engaged in the greatest military build-up in history, while American preparedness has declined.

All this was made possible by the first Strategic Arms Limitation Treaty, SALT I, negotiated by Nixon and Kissinger. Now Carter and Brzezinski have presented us with SALT II, a treaty that would give the U.S.S.R. permanent military superiority.

Salt II allows the Soviets 308 heavy missiles; the U.S. gets zero.

Even our aging B–52s in mothballs are counted in our bomber totals; the powerful, new Soviet Backfire bomber is not counted in theirs.

Cruise missiles, our last area of substantial technological advantage, are limited to a range of 373 miles, so they pose no threat to the Soviet homeland.

If SALT II is ratified by the Senate—and these disadvantages I've listed only scratch the surface of this complicated treaty—our country could be vulnerable to Soviet aggression.

Some sober military experts say that by 1981, given the power and accuracy of Soviet missiles, our land-based Minutemen missiles could be wiped out in a first strike that would still leave the U.S.S.R. with two-thirds of its missiles.

That would give an American president the choice of destroying Soviet cities, which would already have been evacuated, and having ours destroyed in turn, or negotiating a semi-satellite role for the United States in a world ruled by the Communists.

The SALT II treaty is anchored on Soviet promises. In other words, it is based on nothing.

There is no way we can verify the range of their cruise missiles, how many warheads they have on their heavy missiles, and how many missiles they have in storage for each silo our satellites can see.

And even if we could trust the Russians, the SALT treaty would still put us in second place.

The Senate should defeat SALT II, and we should immediately undertake a defense build-up to ensure that the American people can never be subjected to nuclear blackmail.

Attack and defense satellites, cruise missiles, nuclear submarines, anti-missile weapons, lasers: the technological superiority of our system should be exploited to the hilt, not bargained away.

To avoid more taxes and inflation for our people, we should evaluate the need for massive numbers of ground troops in the 1980s, and whether we should be spending billions defending Japan's trade routes in the Pacific. In my recent survey, 96 percent of the people of the 22nd District said well-to-do allies should pay for their own national defense.

The United States must never be less than number one; the world is too dangerous for anything else.●

SALE ON NEW SHIPS: THREE FOR THE PRICE OF ONE

HON. PAUL N. McCLOSKEY, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, June 15, 1979

● Mr. McCLOSKEY. Mr. Speaker, when the House considers the maritime authorization bill, H.R. 2462, we will begin what I hope will be a great and wide-ranging debate on the direction of maritime policy in the United States for the coming decades. As background for this opening debate, I wish to insert into the RECORD the following background memorandum, which was prepared by the minority staff of the House Merchant Marine and Fisheries Committee:

SALE ON NEW SHIPS: THREE FOR THE PRICE OF ONE

That's right: for what it costs to buy one American-built commercial ship today, you could buy three similar ships built abroad. This single fact explains why the U.S. shipbuilding subsidy program does not work and should be ended.

Foreign ships are such a bargain mainly because there is now a huge surplus of shipyards in the world, building more ships than anyone wants to buy. (It's also because, unfortunately, most U.S. shipyards are not efficient or productive enough to match foreign competition.) Because of this glut, foreign ship prices are being cut drastically, usually with the builders looking to their governments to make up the resulting losses.

One outcome of this situation is that a smart shipbuyer can build a merchant fleet very cheaply. China, for instance, has done just that: in the last eighteen months, it has purchased 228 ships, totalling millions of tons of cargo capacity, for a mere one billion dollars (an amount that would buy no more than 20 U.S. ships). That makes its merchant fleet suddenly bigger than ours; and because of its lower costs, China will likely soon become a strong competitor on the world's sealanes.

You'd think that the capitalist U.S. merchant marine would be taking advantage of these bargains too. Certainly we need new merchant ships; much of our fleet is old, slow and small. And a few U.S. shipowners are: Malcom McLean, a pioneer in the field, recently ordered twelve big new ships from South Korea, at $33 million apiece. Business Week, reporting on the deal, quoted a shipping expert as saying that "At the top of the market, people paid two and one-half times that for ships with one-third less capacity." That's a shrewd buy even the socialist Chinese would appreciate!

But McLean is an exception among U.S.-flag shipowners. That's because he does not receive (or seek) any federal subsidies. Most U.S. shipping companies do receive such aid, both directly as operating subsidies, and indirectly, as a result of protectionist policies which require that certain cargoes (i.e., food aid shipments, military supplies) be carried on U.S.-flag ships at higher rates. With these subsidies, naturally, have come federal regulations; the most onerous of which is that these subsidized shipowners must buy U.S.-built ships.

That, in a nutshell, is why the U.S. merchant marine is not able to compete effectively with other fleets. When a U.S.-flag shipowner must pay at least two and one-half times as much for a ship one-third smaller than Malcom McLean's, and wait an extra year or two for it to be delivered to boot, the subsidized owner is saddled with such high fixed capital costs that he can't compete, either with McLean, or with foreign fleets such as the Chinese. Even substantial recent increases in the productivity of U.S. seamen aren't enough to make up the difference.

As a result, it's not surprising to learn that last year two of the ten subsidized U.S. shipping companies went bankrupt. House Merchant Marine and Fisheries Committee Chairman John Murphy predicts three more could go broke this year. And the profit margins of the other five are nothing for Peking to worry about.

Actually it isn't news that U.S. shipbuilding is more expensive than foreign; nor, unfortunately, that the American merchant marine is in decline. Both have been in bad shape ever since the Civil War, except for brief periods after the World Wars, when the government built huge fleets and then sold them as surplus to civilian operators for peanuts, while much of the competition had been sunk in combat. Both times, however, the U.S. merchant marine soon fell steadily behind as foreign fleets were rebuilt and upgraded.

Because of these war experiences, our shipbuilding base has been considered an important national defense resource, and Congress has tried to bridge this longstanding cost gap through the shipbuilding subsidy program. This program was supposed to make U.S.-built ships competitive in price with foreign ships, by paying the difference in cost between U.S.-built and foreign-built to the U.S. shipyards. The theory was, if the cost to U.S. shipbuyers was equalized, our fleet could expand and compete, and the shipyards would be preserved and their efficiency upgraded.

But the program hasn't worked. U.S. shipyards, by and large, are less efficient than their foreign competitors and are plagued by production delays that add to costs. Furthermore, the voluminous federal regulations that the program has made necessary have further increased costs and sapped the shipowners' flexibility and initiative. If that weren't enough, the subsidies, which are limited by law to no more than 50 percent of the purchase price, are simply inadequate in today's market. That is because the actual cost differential between U.S. and foreign shipyards is now closer to 65 percent.

We have spent over $3 billion on shipbuilding subsidies since 1936—half of that since 1970—but the share of America's foreign trade that is carried in U.S.-flag ships has been steadily decreasing, to the point where it is currently an embarrassing, dismal four percent of the total.

These subsidies should be ended, as should the associated "build U.S." requirement for subsidized U.S. shipowners. The subsidy program just has not worked: it is poorly planned and executed; in its place, naval construction plus other civilian shipbuilding and repair work can support as many shipyards as are necessary for national defense purposes. Perhaps the most important consideration, however, is that subsidized U.S. shipowners could expand their fleet rapidly and cheaply, if they were not tied to a policy of protecting inefficient U.S. shipyards and could instead get in on the bargains now available on the world market, as the Chinese have so astutely done. A bigger, leaner U.S. merchant fleet could make a real contribution to the U.S. economy, and would also be a genuine national defense resource.●

PHILANTHROPIC SUPPORT ACT

HON. MANUEL LUJAN, JR.

OF NEW MEXICO

IN THE HOUSE OF REPRESENTATIVES

Friday, June 15, 1979

● Mr. LUJAN. Mr. Speaker, our colleague from Kentucky, Dr. Tim Lee Carter, has long been an advocate of improved programs for the health of our people.

Recently he has begun an ancillary campaign, the protection, and encouragement of voluntarism and philanthropy in the hospitals of the Nation.

Dr. Carter recently introduced the Voluntary Hospital Philanthropic Support Act which will give added strength to this important segment of our society. The intent of the act is to see that voluntarism and philanthropy are encouraged, rather than discouraged, by Government actions.

Recently Dr. Carter was honored by two organizations for this work. The National Association for Hospital Development awarded him its Outstanding Achievement Award, and the Kentucky Hospital Association granted its Special Appreciation Award. In order that my colleagues can become better aware of his efforts, and these symbols of appreciation, I ask that the awards statements be printed at this point in the Record.

The statement of I. Brewster Terry, past president of the National Association for Hospital Development and director of development of the Washington Hospital Center, follows:

STATEMENTS BY I. BREWSTER TERRY AND EUGENE J. HUNCKLER

Congressman Carter, thank you for attending this opening reception of the National Association for Hospital Development's Second Annual Government Affairs Conference. I also wish to welcome Mrs. Carter.

All of us in tonight's audience, including myself, work on behalf of hospitals, medical centers and medical schools across the Nation. Therefore, Sir—with no demeaning of your high public office—for the balance of this ceremony, I would like to address you by the title you earned as a graduate physician and which draws us even closer to you.

It is my privilege, Dr. Carter, to present to you the Association's 1978 Achievement Award. Since the award was officially announced during my term as president of the NAHD, I thank my successor President Jack Herman for allowing me this distinction.

Doctor, we were indeed sorry Mrs. Carter and you could not be with us at our Annual Conference in San Diego last November. However, we readily understood via your thoughtful telegram your explanation that President Carter had accorded you the high honor of leading a special delegation to Mainland China to observe health care measures and procedures in that country.

Hence, we are gathered this evening to personally thank you and express our deep appreciation for your awareness, sensitivity and leadership on behalf of a cause. The cause is the reason for which we earn our daily bread but above and beyond it is a cause about which we are deeply concerned.

I refer to the vital importance of philanthropic giving to further and improve the quality of patient care in this Nation by the several thousand voluntary non-profit health care facilities who benefit from philanthropic gifts.

We thank you, Doctor, for having introduced yesterday (February 27th) in the House of Representatives H.R. 2445 "The Voluntary Hospital Philanthropic Support Act."

As you know only too well, Doctor Carter, the medical profession is noted for its jargon by using initials, abbreviations and so forth. We hospital development officers also have our special phrases. The one which is most significant and meaningful to us is made up of two words—Donor Recognition.

It is exactly in that context we determined last year to honor you. We are recognizing you as a donor. Your gift to all hospitals is your demonstrated concern for preserving a climate that will enhance health care by making certain individuals and organizations can continue to provide support through philanthropic giving.

Accordingly, Doctor on behalf of the more than 1,000 women and men hospital development officers, I present you with this plaque symbolizing our Achievement Award.

I would like to read the text—

"The 1978 National Association for Hospital Development outstanding achievement award to the Honorable Tim Lee Carter of Kentucky for his awareness and constant vigil in the Federal Congress protecting the American way of life and its foundations—voluntarism and philanthropy—for the hospitals of the Nation. San Diego, California, November 13, 1978."

Doctor Carter thank you so very much for your support and leadership.

Also, Mr. Eugene J. Hunckler, Director of Medical Center Development at the University of Kentucky delivered the following greetings to the Congressman from Kentucky, Dr. Tim Lee Carter, on the occasion of his receiving the National Association of Hospital Development's Legislative Service Award.

Congressman and Mrs. Carter, Mr. Chairman and Fellow members of the National Association of Hospital Development—as a fellow Kentuckian it is a three-fold honor for me today to congratulate you on this meaningful occasion. From the University of Kentucky Medical Center and on behalf of the Kentucky Hospital Development Officers and the Kentucky Hospital Association we extend grateful recognition for your continuing years of devoted and untiring service to the health and well being of the people of the Nation in general and the citizens of our Commonwealth, in particular. It is also with great pride that we present the Kentucky Hospital Association Special Appreciation Award along with our heartfelt congratulations and unending gratitude for your congressional leadership for legislation in support of philanthropic giving to hospitals and medical centers.

REJECTION OF HEW HOME HEALTH SERVICES REPORT

HON. HENRY A. WAXMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, June 15, 1979

● Mr. WAXMAN. Mr. Speaker, the absence of a comprehensive home health care system is a subject of increasing concern to our elderly and homebound citizens, and thus to the Congress. Gaps and inadequacies in services are glaring. Equally alarming are the myriad of confusing and overlapping jurisdictions, regulations, and entitlements governing in-home programs. These deficiencies seriously thwart efforts to improve and expand such services. In view of the critical nature of these problems, and the importance of finding enforceable and appropriate solutions, Congress turned to the Department of Health, Education, and Welfare. In an amendment to the Medicare/Medicaid Fraud and Abuse Act of 1977, I requested that the Department submit a report. ". . . analyzing, evaluating, and making recommendations with respect to . . . the delivery of in-home services."

That report was just delivered. After reading it, Congressman CLAUDE PEPPER, chairman of the House Select Committee on Aging and I introduced a resolution, H.R. 280, to reject that report. I am annoyed that a document submitted to Congress half a year after the requested date, costing the taxpayer many thousands of dollars, could include this statement, "The Department makes no legislative recommendations in this report, primarily because of budget considerations . . .".

In my view, this report is nothing more than a compendium of existing in-home programs, coupled with Department musings. It shows cavalier disregard for the intent of Congress by not addressing itself to the specific guidance Congress had requested.

Countless hours of testimony have been devoted to describing the difficulties with home health programs; many people have personally brought witness to the suffering caused by lacks in the community. We are not in need of any more such documentation. What we do need, what we requested, are proposals from the Department for legislative and administrative changes in home health programs.

H.R. 280 which we are now advocating rejects this inadequate and unresponsive document, returns it to its author and demands it be resubmitted to comply with congressional intent by September 1 of this year. I intend to bring this matter before the entire Interstate and Foreign Commerce Committee so the Congress can forcefully convey its deep concern to the Department about home health care, and its insistence upon receiving an adequate response to its longstanding, legitimate request.

Until the Congress refuses to accept work ordered by it which does not meet the minimum standards of acceptability, we will not be taken seriously when we request reports of this importance.●

COMMEMORATING THE 38TH ANNIVERSARY OF THE FORCED DEPORTATION OF LITHUANIANS

HON. JOHN J. CAVANAUGH

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 14, 1979

● Mr. CAVANAUGH. Mr. Speaker, it is 38 years, this week, since the Soviet authorities initiated a vast and brutal campaign of deporting Lithuanians to Siberia, aimed at destroying their continuing resistance to the previous year's forced annexation of Lithuania into the Soviet Union. In the years since that first blatant attempt to uproot tens of thousands of Lithuanians from their homeland, Soviet policy has remained—at times more subtly, but often with typical Soviet heavy-handedness—targeted on destroying all that is Western, Catholic, and non-Russian in Lithuania. It is clear that they have failed.

It is particularly timely to pay tribute to the Lithuanians' determination to preserve their values, religion, language and culture in the face of the overwhelming power of the Soviet state. We have just witnessed in Poland that tenacity of religious spirit which permits a nation and a church to resist a generation of hostile propaganda, intimidation and repression and not only to survive, but to flourish. I have every reason to believe that the Lithuanian people are also firmly—if quietly—resisting Soviet attempts to strip them of their spiritual and national values. I want them to know that we have not forgotten the tragic events of June 1941, and that we are aware of their continuing struggle to preserve their national identity.●

JOHN WAYNE—THE PASSING OF AN AMERICAN HERO

HON. ELDON RUDD

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Friday, June 15, 1979

● Mr. RUDD. Mr. Speaker, this past Monday, our country lost a truly great American—John Wayne—known to his friends as "the Duke," whose extraordinary film career spanned more than 50 years.

John Wayne's films served as an inspiration to millions of people, for the heroes he portrayed on the screen embodied the genuine strength, singular determination, and fundamental goodness that served to make this country great.

More importantly, this was the real John Wayne as well, not just a fictional character, who stood out as a singular hero and leader during a period of our Nation's history when such stature among American public figures was most needed.

John Wayne contributed greatly to our national character, and as such, deserved to become a permanent part of the fabric of our national heritage.

His life serves as a reminder that courage, patriotism, and loyalty to one's country and its heritage are not forgotten virtues in America, for he nobly embodied those characteristics in both his film career and his private life.

In the days prior to his death, he displayed the same courage and fight as the heroes he played on the screen. America will miss him greatly, as will those of us in Arizona's Fourth Congressional District, where he owned a cattle ranch at Stanfield that produces some of the finest livestock in the Southwest and was the site of his famous annual cattle auction.

A good tribute to John Wayne appeared this week in the Wall Street Journal, and I would like to include it at this point in the RECORD:

JOHN WAYNE: THE PASSING OF AN AMERICAN HERO

(By Bruce Cook)

John Wayne was for so long a large and important figure in American mythology that it was hard to think of him as having a life apart from the grand one he lived projected 30 feet high on the nation's movie screens. That's why it came as such a shock when his life away from the movies—that of the flesh-and-blood man—came to an end. Not that we hadn't been given fair warning. There was the grueling nine-hour "gall bladder operation" earlier this year that ended only after surgery on his cancerous stomach and the discovery of cancer in his lymph nodes. With anybody else, death would then have seemed certain, but hadn't John Wayne beaten cancer once before? Hadn't he had a lung removed in 1965 and announced boldly to the world, "I licked the big C"? He then came back to appear in more movies, including "True Grit." It brought him his only Academy Award in 1969.

There seemed something utterly indestructible about the man. After all, he had made nearly 200 motion pictures beginning back in 1930. Fresh from the Rose Bowl, where he had played tackle for the University of Southern California, he got a job in the prop department of 20th Century-Fox and caught the attention of director Raoul Walsh. Walsh liked the young fellow's looks and asked to use him in his coming film, "The Big Trail." It was all right with the studio, but they said he would have to have a new name; the one he was born with back in Winterset, Iowa, in 1907—Marion Morrison—simply wouldn't do. Walsh had been reading a book about Mad Anthony Wayne, the Revolutionary War hero, and suggested they call him that, dropping the adjective, of course. Fox met Walsh halfway, and John Wayne he became.

It is more than slightly significant that Wayne's first film was a Western, for he was to become, along with Gary Cooper, the Western hero par excellence—big broad-shouldered, slow-talking, menacing in what he didn't say rather than in what he did. Cooper may have had greater box-office impact while he was around (he died in 1961), but it was John Wayne who played in the classics of the Western genre. For John Ford, who directed him in the original 1939 production of "Stagecoach," and for Howard Hawks, who starred him in what may well have been the definitive Western of all time, "Red River," Wayne embodied something basic, something essential about the American West. And Howard Hawks always insisted that the Duke (as he was known to Hawks and the rest of his friends) could really act: "I think that unless he is working with a damn good actor, he's going to blow them right off the screen. Not intentionally, just because he—he does it." Wayne himself was modest in that regard: "I play John Wayne in every part regardless of the character, and I've been doing okay, haven't I?"

But it was not, strictly speaking, as an actor that he will be remembered—nor should he be. He was one of America's great mythological heroes. It was not only true that his audience saw him in this way. He himself accepted this status as his rightful one. That surely was why he took on the role of superpatriot in the 1960s: He knew who he was and what he stood for, and he must have felt it his duty, as a hero, to provide leadership at that hour—to show America's young people the value of those old-fashioned virtues of patriotism and bravery and moral toughness that his movies had always extolled. He let everybody know where he stood on Vietnam, and he defended the military's mission there in "The Green Berets." People said he was out of touch. What people said about him never bothered John Wayne.

Not even now, when he is being eulogized and elegized left and right, would Wayne be much moved by these tributes. For in a way, he left his own most eloquent elegy in a movie, one of his last, "The Shootist," which was released in 1976. Appropriately, it was a Western. He was an aging gunfighter, dying of cancer, gone back to the old hometown to settle accounts. This film did not end with him striding off into the sunset with that famous "Hondo" walk of his, but rather dying suddenly on a barroom floor, the victim of a sneak shot. Better to die that way than from the death sentence the movie's doctor had handed him. It was the way out that the flesh-and-blood John Wayne would have preferred.●

SHATTER THE SILENCE VIGIL

HON. PATRICIA SCHROEDER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Friday, June 15, 1979

● Mrs. SCHROEDER. Mr. Speaker, I would like to take this moment and turn our attention to the persecution of a courageous Soviet dissident, Ida Nudel, the only woman dissident in exile.

I met Ida Nudel in Moscow last year and was moved by her courageous struggle on behalf of prisoners of Soviet labor camps and in exile. For 7 years, Ida brought the plight of many prisoners to the attention of the outside world, people who had simply vanished from friends and relatives. There are many prisoners who quite literally owe her their lives.

Ida would collect information about such cases, contact families of prisoners, "adopt" the victims, and do everything possible to lift their spirits. One former prisoner, David Chernoglaz, who was nursed back to health by Ida after years of imprisonment, writes:

> There is no person in this world who has done more for Jewish prisoners. Her constant care and attention is the only factor which kept their morale high. It is for her efforts on their behalf that she is lovingly referred to as "The Guardian Angel of Prisoners of Conscience."

On June 2, 1978, while protesting the incarceration of fellow activist Vladimir Slepak, who is now free in this country, Ida was arrested and accused of "malicious hooliganism." Three weeks later she was sentenced to 4 years of exile in Siberia. During her sentencing, Ida proclaimed:

> I am being tried for the previous seven years. The most beautiful years of my life. . . . During these years I learned to hold my head high with pride, as a human being and as a Jewess, and every time I succeeded in saving the life of another victim, my head was filled with an incomparable uplifting feeling. Even if all the rest of my life will be gray and monotonous, these seven years will warm my soul vouchsafe that my life was not in vain.

Today Ida Nudel is deteriorating in the filth of a Siberian labor camp. Ida has a very weak heart and her health is failing. The ultimate tragedy is that this tiny woman who has saved so many prisoners before her now finds herself alone and brutally treated.

Three months ago, Ida had a rare chance to speak to the outside world and humbly pleaded:

> I so want to believe that sometime I will rise up the board of an El Al aircraft, and my suffering and tears will remain in my memory only, and my heart will be full of triumph and victory. And God grant that it will be soon!

As I was about to say goodbye to Ida, she looked at me one last time and said:

> Please don't forget us . . . Please.

We must keep her dream alive. To forget Ida's plea is to ignore her plight. We cannot forget.●

WHITHER CONNECTICUT'S GAS?

HON. STEWART B. McKINNEY

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Friday, June 15, 1979

● Mr. McKINNEY. Mr. Speaker, we New Englanders are getting used to being at the dry end of this Nation's energy distribution system. For example, I have been trying for 3 years to lure some of Alaska's North Slope oil eastward and still we have no West-to-East pipelines and no additional refinery capacity to handle that higher sulphur crude. But now Connecticut is suffering what I consider more than our share of the current gasoline shortfall, and the lack of adequate information to explain the situation only feeds public fear and scepticism. For this reason, I have joined my colleague BILL NELSON, Democrat of Florida, in calling for an independent audit of crude oil and refined product stock levels. Without this information, conservation efforts will be badly undermined by a public numb to the Department of Energy's obsolete data and equivocation.

Today, Connecticut motorists are the unfortunate victims of DOE's failure to collect, analyze, and disseminate relevant energy data. For the past 2 weeks I have been trying to determine why the State's projected May volume of gasoline, 87 percent of 1978 sales, was the lowest in New England. DOE projected deliveries would total 96 percent of 1978 volume in Maine, 97 percent in Massachusetts, 95 percent in New Hampshire, 95 percent in Rhode Island, and 93 percent in Vermont. After speaking with DOE officials in Washington and Boston, as well as State energy representatives, I had only contradictory information and bare guesses to explain the shortage.

First, I was told the volume projections in some cases had to be "best guesstimates" due to a lack of company data. Then I was told that the shortfall was only about 5 percent anyway, and that is too little to worry the Department. Finally, I was told that the closing of a major independent chain of gas retailers, Gasland, representing 75 outlets and 5 percent of total sales last year, might account for the closed stations and long lines appearing throughout the State. However, other DOE officials claimed that Gasland's gas was still coming to the State, but no one knew where it was, who had it or whether or not it was finding its way into the retail market.

Most recently, it was explained to me that an unfortunate combination of circumstances explained the situation and there was really nothing anyone could do. I was told that the significant portion of Connecticut's gas market served by independent wholesalers and jobbers was, of course, hard-hit by the supply shortfall. Also, the major companies serving our market happened to be especially short. So, three or four of those major retailers, who account for 35 to 40 percent of gasoline sales in 1978, were all on allocation fractions of 75 percent or less. This was small consolation given the previous claims of inaccurate data, for on the heels of persistent promises that better data and better days were coming in June, even lower allocations were announced for this month. Connecticut's June allocation is 82 percent, again the lowest in New England.

From all this it is clear to me, Mr. Speaker, that the Department of Energy is not equipped to manage even this "limited crisis." Still, we must have the hard information to convince people of the need to conserve and to persuade them that the world oil shortage is very real and extremely dangerous. Believe me, I do not raise this issue lightly, nor do I wish to join in the politically popular howls against the Department of Energy. However, heating oil stocks for next winter are precariously low and that is a situation which must be managed well, for the lives of the poor and elderly will be at stake. With adequate information concerning primary, secondary, and end-use storage levels, constrained demand through insulation and conservation and a public confident in the effectiveness of both, we can survive the winter of 1979 while avoiding $1 per gallon heating oil. Without those tools, today's gas lines will be joined by tomorrow's winter energy nightmare.

Finally, I endorse Connecticut Gov. Ella Grasso's appeal to the Department of Energy to exercise its statutory authority to equalize gasoline supplies. The Department's allocation growth adjustments do not sufficiently reflect the loss of Gasland. In addition, I suggest that Department officials continue their investigation into the legal entitlement to Gasland product which might permit a DOE order redistributing those supplies throughout the State.

The text of Governor Grasso's letter to Energy Secretary Schlesinger follows:

JUNE 7, 1979.

Hon. JAMES R. SCHLESINGER,
Secretary for Energy,
U.S. Department of Energy,
Washington, D.C.

DEAR SECRETARY SCHLESINGER: This is to request that the Department of Energy redirect motor gasoline supply to the State of Connecticut under the authority of Section 211.14 (a) of the Mandatory Petroleum Allocation Regulations to eliminate the supply imbalance for the month of June which exists between the State of Connecticut and other states and regions of the country.

Our data, and data supplied by the Department of Energy indicate that available supplies for Connecticut for the month of June are approximately 82 percent of the actual deliveries received in June for 1978, while data supplied by your department indicates that the national ratio is expected to be 89 percent. We believe the above difference results in an unreasonable portion of the burden of the current gasoline shortage being borne by Connecticut citizens.

This situation may be influenced by such factors as:

Withdrawal of Good Hope Industries (Gasland) from the Connecticut retail market.

The limited ability of the Department of Energy's growth adjustment procedure to accommodate a relatively dispersed redistribution of the demand previously met by Gasland, and;

Yet explained, but significant reductions in the supply obligations of some companies when compared to actual deliveries in 1978.

Attached is a list of Gasland Stations—the vicinity of which was checked to establish neighboring and competing gasoline retailers. The 13 locations yielded 33 competing stations, checks with the management at these stations reveal that only two stations received adjustment in base period under the Department of Energy's growth adjustment. We believe the situation is indicative of Gasland's entire market area, and of the fact that the Gasland volume will not be reflected in June adjustments.

Also attached is data indicating that normal seasonal variations result in the months of May, June and July exceeding the average of the five months used in the Department of Energy's adjustment procedure by about 5 percent.

This represents an impediment to the successful adjustment of retail station volumes that would be necessary to reflect the redistribution of the Gasland served demand. An additional impediment is found in the fact that Gasland showed fairly strong sales until their shutdown on November 15, 1978, more than one-fourth of the way through the period used for adjustment purposes.

On the basis of the above, I respectfully request that you use one or more of the mechanisms available to you to increase the gasoline supply to the State of Connecticut for the month of June to a level approximately that being experienced by the nation as a whole.

With best wishes,
Cordially,

ELLA GRASSO,
Governor.●

A TRIBUTE TO JOHN WAYNE

HON. THOMAS B. EVANS, JR.

OF DELAWARE

IN THE HOUSE OF REPRESENTATIVES

Friday, June 15, 1979

Mr. EVANS of Delaware. Mr. Speaker, it is with a great deal of loss and sadness that I rise to comment on the death of John Wayne who was truly a legend in his lifetime.

"Good men must die, but death cannot kill their names," is a proverbial statement that could not be more apropos in this instance, for John Wayne the hero will live in our hearts forever.

John Wayne dedicated his life to America and she embraced him wholeheartedly. He was admired by people from all walks of life regardless of political persuasion. His career included more than 200 films, spanning four decades of filmmaking, during which time his popularity never waned.

His feet were planted in America, but his heart went out to all people as he was known and respected throughout the world. John Wayne had a universal appeal. He was tough, self-reliant, fair, and concerned—a rather unique combination of qualities that lent a sense of rugged individualism to all of his movies.

On the screen he won all of his battles without falling back on senseless brutality and everyone found themselves rallying behind his great fighting spirit.

In real life John Wayne's personal courage, pride, and drive uplifted all of us and he will continue to share a special place in our hearts.

The name "John Wayne" connotes "patriotism." That is, a patriotism that comes from deep within us and a feeling that mere words could never describe. All who believe in America and what she represents, found John Wayne, the man, the actor, to be the personification of that American spirit and those ideals which have gone to make our country great.

Samuel Johnson once said:

> He who praises everybody, praises nobody.

Thus all countries find the need for very special types of praise. Recognizing this, Congress recently chose to honor John Wayne by authorizing the President of the United States to present to John Wayne, on behalf of the Congress, a specially struck gold medal. The gold medal is the highest honor that the United States can bestow on a private citizen. By honoring John Wayne with such a tribute, Congress honors a great country.

We will be able to share in this commemoration since Congress also authorized the Department of the Treasury to produce bronze replicas of the John Wayne gold medal for sale to the public.

MS. GLENDA LEE PROVINCE WINS KATHY WHITE ACHIEVEMENT AWARD

HON. RICHARD C. WHITE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Friday, June 15, 1979

● Mr. WHITE. Mr. Speaker, when my beloved wife Katherine Huffman White was taken from me and my family in 1972 in a tragic accident, many friends joined me in establishing an educational trust in her memory. This trust each year bestows the Kathy White Achievement Award—a cash award intended to help defray the costs of higher education—on a graduating senior of one of the high schools in El Paso County in my district in west Texas. The award is competitive and the winner is selected by an independent panel on the basis of overall academic excellence throughout his or her high school career and an assigned essay. All of the past winners have been exceptionally accomplished young people, and this year's winner continues that tradition. She is Ms. Glenda Lee Province who has just graduated at the head of her class from Clint High School in Clint, Tex. Her essay on "What Kind of America Do I Expect in the 1980's" reflects a maturity and wisdom not often found in persons of her few years, and I should like to share her fine concepts and encouraging conclusions with my colleagues:

What Kind of America Do I Expect In the 1980's

(By Glenda Lee Province)

America is on the threshold of a new decade. The country is like a young child growing, exploring, learning, and hopefully facing a bright future. What changes will she see in the next 10 years? What problems will she face and solve? There is a growing concern in the United States about what will happen to the traditional American family. Another major concern is that of the energy crisis and its effects on society. In the 1980's, the family will probably suffer from various affecting factors, and an unsolved energy crisis will play a major role in the decay of the American family.

America was built around the family; however, if the high inflation and divorce rates continue throughout the next decade, the traditional family will experience some very serious problems. Inflation will force the famly to curtail vacations, recreation, and the expenses of everyday living. However, while it is possible to reduce vacation and recreational expenses, living expenses continue. This constant concern over money will have a dangerous mental effect on the family to curtail vacations, recreation, and a breakdown of family unity and divorce. In fact, to avoid these problems, the attitude of many people toward marriage seems to be one of "just living together." In Dear Abby recently, a woman suggested the marriage vows should be changed to "till something better comes along" from "till death do us part." Something must be done in the next decade to help lower the inflation and divorce rates in an attempt to save the family.

Energy is a major problem facing America and her families. Fossil fuels are running out, and even though these fuels will be available in the 1980's, they must be conserved. The OPEC nations will continue to raise their prices for oil; this country cannot pay exorbitant prices forever. The only solution is to develop alternate energy sources. As in the past, using American ingenuity, Americans will develop alternate energy sources. Solar energy will begin to be used commonly throughout the United States. Wind power is another potential energy producer which can be utilized in numerous areas of the country. Even nuclear power will be used in the 1980's. America has many energy alternatives to fossil fuels which she can and will use to help solve the energy crisis.

Yes—America can have just as bright a future as her heritage; however, her people will have to unite together to solve their problems. This country will see a myriad of changes in the next decade not only in the family and energy, but in hundreds of fields. There will be new crises and problems arising; nevertheless, America will rise above these problems and emerge again as an important world figure. I see no reason why America cannot remain throughout the next decade the "land of the free and home of the brave."●

MSGR. BASIL SEREDOWYCH

HON. GARY A. LEE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, June 15, 1979

● Mr. LEE. Mr. Speaker, I am pleased and privileged to call to your attention, and to that of my distinguished colleagues, a significant and holy event which will take place in Syracuse, N.Y., on Sunday, June 24, when members of St. John the Baptist Ukrainian Catholic Church will celebrate the investiture of their pastor, Msgr. Basil Seredowych, as Mitrat Archpriest. His elevation to this rank of eminence comes after 27 years of service to his parish, and to the Ukrainian-Americans of Syracuse and Central New York.

The investiture ceremony, one of solemn beauty and traditional majesty, will be conducted at the church by His Excellency, Most Rev. Basil Losten, Bishop of Stamford. It is to be followed by a banquet and dance of joyous celebration at Hotel Syracuse.

I am honored to share with you, and with members of the St. John the Baptist Ukrainian Catholic Church family, their pride and congratulations to Monsignor Seredowych.●

BLAMING THE OBSTETRICIAN

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, June 15, 1979

● Mr. PHILIP M. CRANE. Mr. Speaker, yesterday, I got some hot scoop that a gasoline station up on Pennsylvania Avenue was going to be open at certain hours. Being invited or at least being told when a certain gasoline station was going to open was like receiving an invitation to visit the Queen of England. Rest assured that I thought that this was a great chance to beat the stations at there own game, and everybody else for that matter. I would arrive at the station in advance of the time they were to open, in fact, I left 45 minutes before they were to open. Well when I arrived at the station it seemed everyone else had the same idea and apparently I was not privy to special information. Needless to say I waited in line for over an hour and a half. Then just as I could smell gas fumes—I was only four cars away—they closed the pumps. Frustration came bursting forth. I conjured up pictures of officials at the Department of Energy watching out of their windows, laughing and enjoying other people's misery. Suddenly, I felt the wheel take hold of my body, my car advanced to the Department of Energy building—why? Because the Government is responsible for this gasoline situation.

My good friend, Milton Friedman, has explained the situation in an interesting way:

Blaming the Obstetrician

(By Milton Friedman)

The explanations of the energy crisis and gasoline shortage that gush forth from government officials, newspaper reporters and TV comentators are tantamount to blaming the obstetrician for the baby.

A rapacious oil industry did not produce the gasoline shortage. Wasteful consumers did not produce the gasoline shortage. Hard winter did not produce the gasoline shortage. Not even Arab sheiks produced the gasoline shortage.

After all, the oil industry has been around for a long time—and has always been rapacious. Consumers have not suddenly become wasteful. We have had hard winters before. Arab sheiks have desired wealth as far back as human memory runs.

Why now? The subtle and sophisticated people who fill the newspaper columns and the airwaves with such silly explanations of the gasoline shortage seem never to have asked themselves the obvious question: why is it that for a century and more before 1971, there were no energy crises, no gasoline shortages, no problems about fuel oil—except during World War II?

There is an energy crisis, there are gasoline lines, for one reason and one reason only. Because government has decreed that there shall be. Of course, government has not done so openly. The President never sent a message to Congress asking it to legislate an energy crisis and long gasoline lines. But he who says A must say B. The government, beginning with President Nixon on Aug. 15, 1971, imposed maximum prices on crude oil, gasoline at retail and other petroleum products. And, unfortunately, the quadrupling of crude-oil prices by the OPEC cartel in 1973 prevented those maximum prices from being abolished when all others were. Maximum legal prices for petroleum products—that is the key element common both to World War II and the period since 1971.

Economists may not know much. But we know one thing very well: how to produce surpluses and shortages.

Do you want a surplus? Have the government legislate a minimum price that is above the price that would otherwise prevail. That is what we have done at one time or another to produce surpluses of wheat, of sugar, of butter, of many other commodities, and, most tragically, of teen-age labor. The minimum wage is a legislated price above the price that would otherwise prevail for the labor of many teen-agers. Like every minimum price, it enhances the amount supplied and reduces the amount demanded, and so produces a surplus, in this case of unemployed teen-agers.

Do you want a shortage? Have the government legislate a maximum price that is below the price that would otherwise prevail. That is what New York City and, more recently, other cities have done for rental dwellings, and that is why they all suffer or will soon suffer from housing shortages. That is why there were so many shortages during World War II. That is why there is an energy crisis and a gasoline shortage.

There is one simple way to end the energy crisis and the gasoline shortage tomorrow—and I mean tomorrow and not six months from now, not six years from now. Eliminate all controls on the prices of crude oil and other petroleum products. The gasoline lines would melt faster than the snows of winter.

Other misguided policies of government and the monopolistic behavior of the OPEC cartel might keep petroleum products expensive, but they would not produce the disorganization, chaos and confusion that we now confront.

Gas would cost less: And, perhaps surprisingly, this solution would reduce the cost of gasoline to the consumer—the true cost. Prices at the pump might go up a few cents a gallon, but the cost of gasoline today includes the time and gasoline wasted standing in line, and hunting for a gas station with gas, plus the $10.8 billion annual budget of the Department of Energy, which amounts to around 9 cents per gallon of gasoline.

Why has this simple and foolproof solution not been adopted? So far as I can see, for two basic reasons—one, general, the other, specific. To the despair of every economist, it seems almost impossible for most people other than trained economists to comprehend how a price system works.

Reporters and TV commentators seem especially resistant to the elementary principles they supposedly imbibed in freshman economics. Second, removing price controls would reveal that the emperor is naked—it would show how useless, indeed harmful, are the activities of James Schlesinger and his 20,000 employees. It might even occur to someone how much better off we were before we had a Department of Energy.●

IT IS TIME TO BLOW THE WHISTLE

HON. DON H. CLAUSEN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, June 15, 1979

Mr. CLAUSEN. Mr. Speaker, I recently had the honor of being invited to address the Santa Rosa Stock and Bond Club in Santa Rosa, Calif. My remarks centered on an issue of much concern to all of us, the current energy crisis. So that my colleagues may have the opportunity to review my comments on this very serious subject, I am submitting for the Record a copy of my remarks:

It Is Time To Blow the Whistle

Someone once said that the time to repair the roof is when the sun shines. I believe even with the present storm clouds, that the time to get our energy house in order is NOW. I have always been a confirmed optimist. I do not agree with those who would liken such energy action to rearranging the deck chairs on the Titanic. Rather, it can best be described as a short term energy shortage but, in the long term, we have a great energy potential.

Many of you as well as other Americans seriously question what one hears today about a so-called energy crisis. There are many Congressmen like myself in that number. It is for this reason we are closely monitoring the efforts of the Department of Energy. They have the responsibility to monitor refineries, the oil industry and the inventory factors associated with our overall energy programs.

It now appears that President Carter is moving in the direction of lifting price controls on domestic oil production. It is regretable that he didn't take this action two years ago when many of us urged him to do so. Had he taken action at that time, the price of gasoline was expected to rise only about two or three cents a gallon. The plain facts are that the tug of war between the President and the Congress has cost us two years. We are paying a stiff price for the President's intransigence, ambivalence and lack of understanding of both our total energy situation and the legislative process and people of the Congress.

The June 11th issue of Business Week featured an editorial entitled "Where the Blame Belongs" which comments on the Administration's assertion that the American people refuse to accept the fact that "we have an energy crisis and an oil shortage." The editorial states:

"While the level of energy consumption is higher in the U.S. than in the rest of the world, that is largely attributable to the predominance of single-family housing and the low population density that makes for longer-distance driving.

"If the President wants to distribute blame, he can reserve a substantial portion for himself and his advisers. They have not only fumbled on the development of a long-term energy program, but they also have complicated the simple matter of decontrolling oil prices. Phasing out controls instead of ending them now has kept new oil from coming to market. In the meantime, the Administration told U.S. companies not to buy crude in the open market. As a result, foreign users have grabbed up all available oil, and the U.S. is absorbing most of the current world shortage."

There is much concern that the so-called energy shortage may be contrived by the oil companies. The Departments of Energy and Justice have identified 109 cases of possible fraud in the oil industry. These cases include possible "daisy chaining", illegal price manipulations and false reporting to our Federal Government. The FBI has assured Congress there is no coverup within DOE per se. It simply points out the need for enormous specialization and training to review oil industry actions.

The Department of Energy is developing an investigative and monitoring capability within our domestic energy industry, but is still pretty dependent on outside sources to collect and evaluate data about oil production in foreign countries. And while many are critical of DOE's track record to date we must keep in mind that traditionally Americans have felt that government should not be needlessly poking into every business transaction in the private sector.

What really should be the subject of our concern is the Organization of Petroleum Exporting Countries, better known as "OPEC". As you are aware, OPEC has scheduled a meeting later this month in Geneva, Switzerland to review its pricing structure. It appears OPEC will increase their price by at least 15%. If domestic and world consumption continues to increase prior to the OPEC meeting, we may see an even greater price increase. Sheik Yamani, the Oil Minister of Saudi Arabia, believes it is time the United States increases oil production of Alaska's North Slope and establish a domestic energy distribution network. Until such time as these events occur, he believes there is a signal the United States will accept a rise in the price of foreign crude. Until recently, Saudi Arabia has attempted to hold OPEC prices down. However, last week, Saudi Arabia joined Iran in raising the price of oil.

The situation in Iran and the so-called "peace agreement" in the Middle East is anything but settled. It appears that, as in 1973, Saudi Arabia feels compelled to join with her more radical Arab neighbors to penalize the United States for its involvement in the Egyptian-Israeli talks. This action is being taken to avoid incurring the resentment of her neighbors.

The present Administration through Treasury Secretary Blumenthal has indicated how essential it is for the world's industrial Nations to work together with OPEC "to get their cooperation to keep up production and to help us get some order into this chaotic price situation." What many people do not understand is with the exception of Saudi Arabia, Iran and Kuwait, all OPEC members have reached production capacity. Therefore, they are maximizing their return on an exhaustible resource.

Presently, the world shortfall of oil is fluctuating between 1.5 and 2 million bpd. World oil stocks need to be rebuilt at approximately 3 million barrels per day. Presently, world oil stocks are being rebuilt on the order of 1½ to 2 million barrels per day. OPEC oil or "contract oil" has been priced at between $14.50 and $17.00 a barrel. Last week, spot prices (non-contract oil) reached $36.00 a barrel. Given this event, OPEC in all probability will raise the price of contract oil substantially.

Having mentioned Sheik Yamani's observations on the need for a U.S. domestic energy distribution network, I'd like to say how disappointed many of us in the Congress were with the SOHIO decision to cancel attempts to build a pipeline from Long Beach to Midland, Texas. While we'd never believe it from the lines at the filling stations, the West Coast has technically been awash in a "glut" of sour crude oil. The problem is that we have insufficient refining capability on the West Coast to remove the large amount of sulfur from the Alaska crude oil. As a result, we're shipping Alaskan oil to Gulf and East Coast ports via the Panama Canal, a pretty expensive proposition.

The beauty of the SOHIO pipeline project was that it would use a large amount of existing pipeline thereby lowering costs and shortening the construction timetable. From an area point of view it would have meant that Kaiser Steel employees in Napa would have benefited by way of increased steel production.

Just recently I learned that efforts are underway to construct a refinery in Valdez, Alaska which would process the State of Alaska's share of the crude oil, approximately 150,000 barrels a day. The principal market for the lead-free gasoline and jet fuel derived from this operation is California.

ENERGY ALTERNATIVES

Before coming to Congress, I used to referee basketball games. There's one basic lesson I learned from this experience. How well the game was played and how honest were the players often was determined by how fast or slow the Ref blew the whistle.

I believe it's time to blow the whistle! The message from the Iranian oil situation was loud and clear. The present domestic situation in Iran is volatile and tenuous. How much more do we Americans need to see a foul? We must immediately take steps to decrease our dependence upon foreign source of energy. We must increase production of the Alaska North Slope, establish better seaports and domestic energy distribution networks, develop our potential reserves and move toward conversion in areas such as coal, natural gas, geothermal and oil shale. At the same time, we must embark upon a program to develop our solar and wind technology as well as the synthetic fuels industry.

America has always pulled together in a crunch and we certainly have one NOW. Americans have always allocated resources toward goals and programs which would make our country strong and secure and to achieve goals often times thought to be impossible. Two projects come to mind when thinking of vast sums of human and economic resources—the Manhattan Project and NASA. The first helped us gain independence and security. The latter helped us place a man on the moon and return him safely to Earth. With this event, great technological innovations were achieved which have been translated into everyday use by all citizens of these United States.

To put this all in perspective, I am told by DOE officials that if we could come up with a funding mechanism that would yield revenues in an amount of 10 to 15 billion dollars a year, the United States could be energy self-sufficient by 1990.

Some are suggesting a government sponsored corporation, to involve the private sector, for synthetic fuels development comparable to that which was required during World War II when we had a shortage of natural rubber for tires, aluminum and other shortages.

Personally, I prefer a tax incentive equivalency with a clear directive to industry to accelerate the energy production business to move us toward self-sufficiency. We have the technology, we must break down the barriers for the rapid development of synthetic fuels from coal.

GEOTHERMAL

On another front, my Interior Committee is holding hearings on our legislation to increase the amount of Federal land an individual or company may lease from the Federal Government for geothermal development. Beneath the lands owned by the citizens of this country there are pools of geothermal heat with an energy equivalent of 1.2 trillion barrels of oil or about 162 years of current oil use.

OIL SHALE

Not far from here lies a region known as the Overthrust Belt. It runs from Utah through Wyoming, Idaho and Montana. It is a region now estimated to contain 800 billion barrels of oil and 20 to 100 trillion cubic feet of natural gas. The oil is primarily found in rock shale. Up to this time there has never been too much interest in it because extraction was not economically feasible. However, as the price of oil on the world market increases, this disadvantage becomes reduced. Some experts predict that if the price of crude rises to $24 to $26 a barrel, shale oil will be cost effective and able to compete in the marketplace. We should review a balanced research and development program of this region keeping in mind appropriate environmental concerns.

I believe an active energy independence program will also serve as a stimulus to our domestic capital markets. Capital will be attracted to new technological approaches of energy development and management. The more energy efficient goals established by the United States government should see capital intensive opportunities in energy related technologies.

Arthur D. Bond, Jr., a managing partner of Massachusetts Financial Services, Inc. has expressed an interest in the areas as follows:

"A broad area of interest for us could be categorized as problem solving companies. These include producers and savers of energy, firs that can increase production and relieve bottlenecks and the general category of companies that increase productivity."

With respect to decontrol of oil prices and the impact on oil company investment, the Washington Analysis Corp. has said:

". . . Despite the higher cost of leases, decontrol will raise the after-tax return on investment in the U.S. drilling to more than 19 percent, from the present level of approximately 13 percent."

This would attract investment capital.

Recently, we have seen a particular group of stocks yielding nearly as much as some bonds. This yield is naturally related to risks and is directed toward electric utilities who have placed much of their investment in nuclear power. Government regulatory practices, spiralling construction costs and the recent Three Mile Island event have in many ways dampened investor interests. However, many American investors are often positioned to tolerate risks. Electric utilities may be an area for such an investor.

NUCLEAR

Let me share a few thoughts with you on the subject of nuclear power.

In 1978, nuclear power plants produced 13 percent of all electricity consumed in the United States. This same energy production by fossil energy sources would have required 470 million barrels of residual crude oil or 135 million tons of coal.

To put these figures into perspective, total coal production last year was 691 million tons and current oil imports are at a level of 8 million barrels per day. To import the annual nuclear energy production in equivalent barrels of oil at mid-May OPEC prices would add more than 6 billion dollars to our trade deficit.

A 1,000 megawatt nuclear power plant at full power can supply the electrical energy needs of one million people. This represents an energy equivalent of 10,000 tons per day of coal or 40,000 barrels per day of oil.

Since its birth, the growth of commercial nuclear power has been influenced by safety considerations. Over the past twenty-five years there has been a large number of studies directed toward assessing the probability of mishaps and their associated consequences. The incident at Three Mile Island nuclear plant presents a serious challenge to the previous safety record of operating nuclear power plants. We must have guaranteed safeguards and an assured ability to handle the nuclear waste if nuclear energy is to remain as a viable energy alternative.

I believe this must be proven in the next three years.

INFLATION AND TAX REFORM

Inflation also continues to be a major problem. Inflationary monetary policy devalues the real income of all Americans, especially those on fixed incomes and those who cannot keep up with the cost of living. Progressive tax codes increase taxes on those who do receive cost-of-living adjustments, by pushing them into higher tax brackets. Higher and higher spending for federal programs results in higher taxes and more inflation. One of the primary causes of rising taxes and inflation is the rapid growth rate of Federal spending over the past two decades. This "spend and tax" approach has given the American people a shrinking tax base with higher and higher tax rates and galloping inflation. Inflation is the most insidious of all taxes because it not only reduces the purchasing power of working people, but also pushes them into higher tax brackets. The primary beneficiary of inflation is Government. The real losers are the taxpayers.

I believe this continual tax-rate increase caused by the devaluation of the dollar and our outdated tax laws has contributed directly to the decline in American productivity. This drop in productivity means a lower standard of living for all Americans. Rising tax rates have also contributed directly to increasing unemployment and the demand for social welfare programs, while reducing the economy's ability to pay for them.

The increasing tax burden on Americans has become counter-productive, creating disincentives for work, saving, investment and production. It is time to enact across-the-board permanent reductions in tax rates to broaden the tax base and permit gradual reform of the tax system.

I have co-sponsored the Kemp-Roth Tax Reduction and Spending Limitation Acts which will return taxpayers to tax rate levels which are fair and compensate them for inflation caused tax increases. The Kemp-Roth proposals would cut individual income taxes by 10% annually over a 3-year period, beginning January 1, 1980, by adjusting the marginal tax rates on which individuals are taxed. Tax rates would be reduced from the current range of 14 to 70%, to 10 to 50%. The Kemp-Roth bills would combine these across-the-board tax rate reductions with a limitation on federal spending to a declining percentage of the gross national product (GNP).

We must subject all governments to some measure of expenditure control and budget discipline in order to break the "inflation psychology" that is so prevalent today.

Government spending as a share of GNP has been above 22% for the past five years—a historically unprecedented peacetime level.

The spending limitation we would impose would be linked to our gross national product. We would suggest a phasing down of 1% per year—FY 80-21%, FY 81-20%, FY 82-19%, FY 83-18%—and level at 10% thereafter.

If the tax laws remain unchanged inflation and real growth will push individuals into higher tax brackets. In other words, the burden of taxation automatically rises. Our tax laws should be amended to insure that inflation will not cause taxes to rise automatically in the future. The Kemp-Roth bill contains an "indexing" provision which ties individual income tax rates to the consumer price index. This feature would provide equity for taxpayers during periods of inflation with no resulting loss of real income. It would end the unlegislated tax windfall to the U.S. Treasury and release the inflationary tax back into the economy.

In closing, let me reiterate, I have always been a confirmed optimist. Granted there are rough times ahead, but Americans have always been known to group in the face of adversity and move ahead triumphantly. A challenge for energy independence and controll of inflation is at hand. It is time for us to move forward together.

LEGISLATION INTRODUCED FOR UNRESOLVED ISSUES IN THE CALIFORNIA-NEVADA DESERT

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 21, 1979

● Mr. BROWN of California. Mr. Speaker, today I am introducing two bills, by request, which deal with important unresolved issues in the desert of California and Nevada. They are legislation to create a Mojave National Park, and legislation to establish the Desert Pupfish National Monument. While these bills are not strictly related to each other, and each has been introduced before. I find some similarity between them. The main similarity is that neither bill would be necessary if the Department of the Interior practiced the type of stewardship of our Nation's natural resources that they should. I have not been totally convinced by the numerous groups and individuals which support this legislation that only new legislation will accomplish the goals of this legislation. I have been convinced that only the threat of new legislation will move the Department of the Interior in the direction this legislation requires.

The bill to create a Mojave National Park was introduced in the last Congress by myself at the request of numerous conservation and environmental groups which are concerned with the California desert. Since that legislation was introduced, it has helped focus the discussion on the California desert plan, which was required to be prepared by the Federal Land Policy and Management Act of 1976. I am reintroducing this legislation to make it clear to all parties involved that I want this discussion and process to evaluate the California desert conservation area to include park values, and a Mojave National Park in particular. A more thorough discussion of this bill can be found in the June 26, 1978 issue of the Congressional Record on page 19041.

Briefly, the Mojave National Park bill would create a park in the eastern Mojave Desert. It would encompass an area rich in natural, archeological, and historical features. In addition, there are botanical and zoological resources that further enhance this area. Among the highlights are 32 volcanic cinder cones, the second highest sand dune system in North America, outstanding and irreplaceable petroglyphs, remains of 19th century military and mining outposts, as well as hundreds of plant and animal species, including several endangered species.

The Desert Pupfish National Monument legislation is a companion measure to a bill Senator ALAN CRANSTON has been supporting for some time. Needless to say, the Desert Pupfish is an endangered species, which lives in a very fragile habitat. While the Endangered Species Act and other powers at the disposal of the administration could be used to protect the Desert Pupfish in the Ash Meadows area, I am concerned that this is not being done. The area where this species is most in danger is at Ash Meadows, Nev. For a variety of reasons, it appears that this legislation by Senator CRANSTON is both prudent and necessary to provide a comprehensive solution to the crisis now facing the pupfish.

Mr. Speaker, I urge my colleagues to carefully consider both of these bills, and the situation which makes their introduction necessary.●

LIVABLE CITIES

HON. LOUIS STOKES

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Friday, June 15, 1979

● Mr. STOKES. Mr. Speaker, on June 5, 1979 the House Appropriations marked up the fiscal year 1980 HUD-Independent Agencies appropriations bill. Based on a serious misunderstanding of the distinct roles of both the Department of Housing and Urban Development (HUD) and the National Endowment for the Arts (NEA), this committee provided no funding for the livable cities program. HUD requested a meager $5 million for this activity which was authorized at $10 million for fiscal year 1980 by the Livable Cities Act of 1978.

According to the authorizing legislation, the primary purpose of the livable cities program is to:

> assist the efforts of States, local governments, neighborhood and other organizations to provide a more suitable living environment, expand cultural opportunities, and to the extent practicable, stimulate economic opportunities, primarily for the low and moderate income residents of communities and neighborhoods in need of conservation and revitalization, design or development of artistic, cultural, or historic resources.

The legislation provides that eligible projects must be related to a conservation or revitalization strategy and must directly benefit the residents of low- or moderate-income neighborhoods.

The unique feature of the livable cities program is that it proposes to use the arts as a tool to stimulate economic and community revitalization efforts. Livable cities is designed to fund specific projects that develop artistic, cultural and historical resources that contribute to the revitalization of cities and neighborhoods. This program would serve as a catalyst for community identity, spirit and pride, and would bring within the reach of the disadvantaged, minorities and the elderly, opportunities to develop and enjoy the artistic and cultural resources of their own communities. Revitalization is the end and the arts are a means to achieve that end.

The major point of contention at subcommittee markup concerned the issues of which is the appropriate agency to administer the livable cities program (HUD or NEA) and whether similar activities are already being funded at NEA, HUD, or other Federal agencies. The subcommittee report states that programs now administered by NEA should be—

> * * * expanded or modified to promote the livable cities concept rather than establish a new program within the Department of Housing and Urban Development.

While nearly everyone agrees about the need for an innovative program like livable cities as a means to breathe life into some of our most bleak and blighted urban communities, there is considerable confusion over what the distinct roles of both HUD and NEA would be (and should be) in administering this program. In my reading of the authorizing legislation, it is clear that the Congress intended that the livable cities program be jointly administered by HUD and NEA. Indeed, neither HUD nor NEA functioning alone is an appropriate mechanism to administer the livable cities program. While a primary focus of HUD is to stimulate the development and revitalization of urban communities, HUD has traditionally emphasized the buildings in cities, not the people who live in them. The livable cities program is not simply a bricks and mortar program but involves certain intangible elements that give some meaning to those buildings.

On the other hand, NEA is competent to judge artistic matters but its major goal is to advance professionalism in the arts by supporting professional opera and dance companies and other groups which are trying to establish themselves as professional arts organizations. Livable cities is a community development program; its intent is to reach out and strengthen neighborhood groups and activities in low- and moderate-income areas. NEA lacks the expertise to advance community development, should not be in the business of revitalizing neighborhoods, and is not interested in administering these activities.

The second issue raised at markup concerned whether NEA and HUD are currently involved in activities similar to those that would be undertaken under the livable cities program, and whether these activities could be funded under other existing Federal programs such as HUD's community development block grant (CDBG) program. NEA has two small-scale programs that reach the community level, expansion arts and a program also named "Livable Cities." These programs focus, however, on experimental projects and the application of innovative design techniques in neighborhoods and communities. Hundreds of applications are turned down that could be funded under the livable cities program.

In addition, the array of activities eligible for funding under the livable cities program is much broader than those that could be funded under existing programs, such as the CDBG program. Moreover, competition for CDBG funding is so keen that small cultural and artistic proposals frequently are squeezed out.

In conclusion, the Congress intended that the livable cities program be a joint endeavor between HUD and NEA that brings together the resources of both agencies for the purpose of reaching out to and including in the redevelopment process neighborhood groups whose views have too often been overlooked. I believe, therefore, that due to HUD's commitment to neighborhood revitalization—the primary focus of livable cities—and because of the organizational arrangement necessary to implement this innovative approach to community development, it is entirely appropriate that the livable cities program be funded under HUD, with input from NEA on artistic matters.●

MESSAGE TO THE PRESIDENT

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Friday, June 15, 1979

● Mr. McDONALD. Mr. Speaker, as the situation in Central America takes an ever more serious turn, it is well to note that the administration's attitude of cold hostility toward the friendly Government of Nicaragua does not reflect the views of a very large portion of this Congress. The following letter has been sent to President Carter, signed by 125 Members:

WASHINGTON, D.C.,
June 13 1979.

The PRESIDENT,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: You can end the hardship and suffering being inflicted on the Nicaraguan people by your action now. Your continued inaction and lack of support for the Nicaraguan people and their legal government headed by President Somoza would condemn them to the same systematic totalitarianism which has denied the Cuban people their basic human rights for two decades.

The United States Government's silence and lack of support for its traditional ally, Nicaragua, has been interpreted by the Soviet and Cuban Communist leaders as American indifference toward the fate of the peoples of Latin America and the Caribbean. The result has been greatly increased terrorist activities in Central America and disturbing political developments in a number of Caribbean nations.

As the Nicaraguan revolutionaires have themselves pointed out, Nicaragua is the strategic keystone to Central America. If the United States takes no action to thwart encroachment by Soviet surrogates in Central America, we will shortly find that the Soviet Union will control an area bordering on two oceans stretching from Panama to the vast oil reserves of Mexico. And at that point this nation will bitterly regret the day it lacked the resolve and forcefulness to take proper action in support of President Somoza.

Therefore we urge you to:

Stop the influx of weapons and logistical support to the Nicaraguan revolutionaries from Cuba and Panama;

Stop the use of Costa Rican territory as a staging area for Nicaraguan revolutionary terrorists; and

As a signal to the Free World that the United States continues to support its allies against Soviet-backed aggression, restore U.S. military aid programs to Nicaragua.

Sincerely,

John M. Murphy, Kent Hance, Clair W. Burgener, Charles Wilson, Bill Chappell, Chuck Grassley, Robert J. Lagomarsino, Ron Paul, Dan Marriott, Gerald B. H. Solomon, Philip M. Crane, Robert K. Dornan, Bill Nichols, David E. Satterfield, Larry P. McDonald, Bob Bauman, John Ashbrook, Richard Kelly, J. K. Robinson, L. H. Fountain, Jerry Lewis, G. V. Montgomery, Daniel B. Crane, Dan Daniel, William Dickinson, Richard Ichord, Hal Sawyer, John Paul Hammerschmidt, Eldon Rudd, Bob Stump, Carroll Hubbard, Gene Taylor, Don Young, Marjorie Holt, Jim Jeffries, Marvin Leath, Sam Devine, Mickey Edwards, James Collins, John Rousselot, Ed Derwinski, and Sam B. Hall.

Manuel Lujan, Richard Shelby, George Hansen, Earl Hutto, Bo Ginn, Donald Mitchell, Carroll Campbell, Bill Goodling, Robin Beard, Floyd Spence, Dan Quayle, Charles H. Wilson, Jim Martin, Carlos Moorhead, Larry Winn, Jr., James H. Quillen, James Abdnor, Gene Snyder, John J. Duncan, Sam Stratton, Tom Bevill, Benjamin Gilman, Steve Symms, Bob Walker, Paul S. Trible, Jr., William Carney, Richard T. Schulze, Robert W. Daniel, Jr., Keith G. Sebelius, Jim Sensenbrenner, John Breaux, John Myers, Dan Lungren, M. Caldwell Butler, Delbert Latta, Bud Hillis, William Whitehurst, Harold Runnels, Bill Young, Bob Livingston, Norman Shumway, Tennyson Guyer, George O'Brien, Tim Lee Carter, Billy Evans, Bob Badham, Bill Wampler, Newt Gingrich, Walter B. Jones, Barry Goldwater, Jr., Bob McEwen, Buddy Leach, William E. Dannemeyer, Thomas N. Kindness, Doug Barnard, Trent Lott, and Virginia Smith.

Marilyn L. Bouquard, Tom Hagedorn, Ron Mottl, Jack E. Edwards, Don Clausen, Ralph Regula, John Buchanan, Gary A. Lee, Tom Loeffler, Bud Shuster, Phil Gramm, W. G. Hefner, Mendel Davis, Jack Kemp, Edward R. Madigan, Ed Bethune, Joel Deckard, Toby Roth, Arlan vice Alan Stangeland, Larry D. Hopkins, Mark Andrews, David F. Emery, Doug Bereuter, Clarence Miller, Wayne Grisham, and Joe Wyatt, Jr.

Some of our colleagues on the Senate side have also taken time from a busy schedule to join the House in this effort. The following letter expresses their concern about the course of American policy in the Caribbean:

WASHINGTON, D.C.
June 13, 1979.

THE PRESIDENT,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: We find it difficult to understand the attitude of this administration toward the deteriorating situation in Nicaragua.

That the armed invaders identify themselves as "Marxist-Leninists" and seek to impose a Cuban-style regime in Nicaragua is beyond question. That the present government of Nicaragua has been unfailingly friendly and cooperative toward the United States is also beyond question.

Surely it cannot be considered in the national interest to acquiesce in the imposition of Communist dictatorships in Nicaragua and the neighboring states under similar intense pressure.

Yet we find that the attitude of our government is one of cold hostility toward our friends. Our government has, for example, worked for many months to obstruct normal financial transactions between the government of Nicaragua and the International Monetary Fund. Since this activity has no other effect than to weaken the Nicaraguan people, it amounts to an indirect support of the guerrillas.

Is this in fact the policy of our government? And if so why?

Sincerely,

GORDON HUMPHREY,
STROM THURMOND,
JESSE HELMS,
ORRIN G. HATCH,
ROGER W. JEPSEN.●

THE CUP: A GOOD INVESTMENT

HON. DAN MARRIOTT

OF UTAH

IN THE HOUSE OF REPRESENTATIVES

Friday, June 15, 1979

● Mr. MARRIOTT. Mr. Speaker, not much water falls from the sky during the summer months in Utah. And it cannot be squeezed from the rocks. Fortunately, however, Utah receives a fairly significant snowfall in its mountains during the winter months. The melting runoff during the spring and summer provides the State with many streams and a few significant rivers. Since 1847, when the pioneers entered the area, Utahans have learned to capture and store that runoff water in dams and reservoirs. The Central Utah project is a continuation of Utah's ingenuity in maximizing the use of its precious but limited resources of water.

I. DESCRIPTION

The Central Utah Project (CUP) is a farsighted plan to construct: first, new dams; second, reservoirs; third, aqueducts; fourth, pumps; and fifth, tunnels—to distribute Colorado River Basin water from eastern Utah into the dry and arid Great Basin, where the majority of Utah's 1.1 million people reside along the front of the Wasatch Mountains.

To make planning easier, the Central Utah project is spoken of in terms of six separate units—each representing a series of construction projects in a specific geographic area within Utah. The units are: first, Bonneville unit; second, Jensen unit; third, Upalco unit; fourth, Vernal unit; fifth, Uintah unit; and sixth, Ute Indian unit.

The Bonneville unit is by far the major unit within the CUP project. It accounts for 83 percent of the total CUP funding. It will serve the major Salt Lake City urban area and other populated areas, as well as the Provo-Orem area. It involves the construction of 10 new reservoirs; 140 miles of aqueducts, tunnels, and canals; 9 pumping plants; 200 miles of pipe drains; and 3 new hydroelectric powerplants.

The Bonneville unit will deliver about 99,000 acre-feet of municipal and industrial water, and 207,500 acre-feet of irrigation water to the majority of Utah's population.

II. HISTORY

By act of Congress and subsequent signature of the President on April 11, 1956 (70 Stat. 105), the Secretary of the Interior was authorized to construct, operate, and maintain the Colorado River storage project and its subprojects, including the first four units of the Central Utah project: first, the Bonneville unit; second, the Jensen unit; third, the Upalco unit; and fourth, the Vernal unit.

A fifth unit, Uintah unit, was authorized in 1968. A sixth unit, Ute Indian unit, has actually not yet been authorized, but a feasibility study was approved in 1968.

III. FISCAL YEAR 1980 AUTHORIZATION

H.R. 4388, the energy and water appropriations bill, fiscal year 1980, provides funding for the Central Utah project as follows:

CUP unit and subproject	Appropriated amount	Purpose
(1) Bonneville:		
Strawberry collection system	$16,232,000	(1)
Jordan Aqueduct (complete section 3 from 5800 South Street to 2100 South Street, Salt Lake City, and continue construction of section 4 from Utah County Treatment Plant to Point of the Mountain at the edge of Salt Lake County)	13,322,000	(1)
Upper Stillwater Dam	6,320,000	(1)
Jordanelle Reservoir	4,956,000	(1)
Duchesne Canal	1,297,000	(1)
Miscellaneous	2,337,000	(1)
Subtotal for Bonneville unit	44,464,000	
(2) Jensen	6,002,000	(1)
(3) Upalco	2,200,000	(1)
(4) Uintah	2,000,000	(2)
Total	54,666,000	

[1] Construction.
[2] Planning.

Thus H.R. 4388 calls for a total of $54,666,000 for CUP units. An additional $6,340,000 is provided for federally owned facilities related to recreation, fish and wildlife, and highways associated with CUP construction. That brings the total appropriation for CUP-related activities in H.R. 4388 to $61,600,000.

IV. CENTRAL UTAH PROJECT VS. ALTERNATIVES

Opponents of the Central Utah project have said that it is unnecessary, considering what they call some other viable alternatives. They claim those alternatives are:

Use of ground water: Opponents of the Central Utah project, and specifically the Bonneville unit, have contended that an additional 74,000 acre-feet of ground water can be developed in Salt Lake County. But they are ignoring the environmental impacts demonstrated by a U.S. Geological Survey study. That study shows that only 150,000 acre-feet of high quality ground water can be taken from the aquifers of Salt Lake County without significant environmental impact. Current withdrawals from the aquifers in Salt Lake County have been as follows:

	Acre-feet
1973	128,000
1974	130,000
1975	125,000
1976	135,000

Adding 74,000 acre-feet to the figures for any one of the years listed above demonstrates a significant overwithdrawal beyond the 150,000 acre-feet recommended by the U.S. geological study. This analysis hardly leaves much room for enthusiasm concerning withdrawal of ground water related to project population growth.

The U.S. geological study shows that overwithdrawal would have the following adverse effects: First, depletion of the base flow of the Jordan River to the amount of 50,000 acre-feet per year; second, reduction in ground water supplies for wildlife areas to the amount of 40,000 acre-feet per year; third, reduction in present flowing wells to the amount of 15,000 acre-feet per year; and fourth, deterioration of the quality of water in existing wells due to increased mineral content inflow through reduced aquifer pressures.

Use of other surface water: Alternative surface water sources to service the urban areas (mainly Salt Lake County) along the Wasatch Front would be limited primarily to the Bear River. Only about 37,800 acre-feet of smaller streams in Salt Lake County are not presently used. But most of that 37,800 acre-feet is in the form of high spring flood flows and cannot be economically captured—and additionally should be left in the stream beds to recharge the underground water supplies.

The Bear River, through construction of transfer facilities, could produce about 100,000 acre-feet of water annually to the Wasatch Front. But transfer of such water would merely be a tradeoff for the transfer of water through the Bonneville unit of the Central Utah project. The two alternatives would accomplish the same thing with about the same difficulty and cost. At this point, development of the Bear River water is not feasible because of the time requirements to meet the expanding population—and the legal problems that would be related to ultimate clearance of the project. In effect, we would be starting over.

Desalting brackish water: This is no alternative because of the extreme cost. A desalting plant would be required to make the waters of the Bear, Weber, and Jordan Rivers as they enter the Great Salt Lake suitable for municipal use. Such a process would include the necessity of screening, flocculation, sedimentation, filtration, ozonation, carbon filtration, desalinization, and chlorination. The process would involve large uses of energy. The estimated cost would be $300 per acre-foot. That is simply not competitive with the use of quality surface water or ground water.

V. BENEFITS DERIVED FROM THE CUP

1. IRRIGATION

The Bonneville unit will provide a full water supply for 29,400 new acres of irrigated lands. In addition, the Bonneville unit will supplement to the desired level 213,100 acres of present underirrigated lands.

Thirty-five hundred farm operators will receive irrigation water from the Bonneville unit. This represents a total farm population of about 14,000 people. The increased production of food will provide for an additional 51,000 off-farm people. Including those serving the farmers, some 163,000 people will benefit directly and indirectly from the irrigation made possible by the Bonneville unit.

The lands to be served by the Bonneville unit water are among the highest developed and most productive in Utah, but hold even greater potential if water needs are met. A large part of the Bonneville unit area has suffered from a shortage of irrigation water during the late months of the growing season. This has meant that only hay and grain could be raised, whereas sugar beets, canning crops, and fruit would be produced if there were sufficient water in the late growing season.

2. ELECTRICAL POWER GENERATION

The Bonneville unit will include the construction of the Diamond Fork power system. This system will be made up of the Syar, Sixth Water, and Dyne powerplants, with a total installed capacity of 133,500 kilowatts—estimated to generate an average of 320 million kilowatt hours of energy annually. The total installed generating capacity could be increased to 400,000 kilowatts or a total energy output of 630 million kilowatt hours annually. Considering pumping requirements for the Bonneville unit facilities, 118 million kilowatt hours of energy would be left over for sale on the commercial market. Studies show that sales of that generated power will result in an annual income of about $31,500,000.

It should be added that this is clean hydropower. These three powerplants of the Bonneville unit will be a valuable asset in producing clean energy for Utah's expanding population.

3. MUNICIPAL AND INDUSTRIAL WATER

The Bonneville unit will deliver about 99,000 acre-feet of municipal and industrial water to the Wasatch Front. It will deliver 207,500 acre-feet of irrigation water to the Wasatch Front.

By the year 2000, population along the Wasatch Front will double to 1.2 million people. Utah water authorities tell us that even with the CUP, Utah's water needs will only be satisfied a little beyond the year 2000.

The new Jordanelle Reservoir will be a key part of the Bonneville unit. It will provide water for West Salt Lake Valley, where the greatest Salt Lake County growth is taking place.

But looking at Salt Lake City alone, and not looking beyond its borders into Salt Lake County, the city has approximately 130,000 acre-feet of available water in a normal year. It is estimated that the population served by the Salt Lake City Department of Water will reach 550,000 people by the year 2000. Assuming that the current water use pattern in Salt Lake City will continue (each person consumes 0.26 acre-feet per year), then Salt Lake City alone will use all of its annual average supply, including Deer Creek Reservoir water, by the year 2000. This leaves no water for expanding Salt Lake County—and it is estimated that by the year 2000, nearly three-quarters of a million persons will reside in Salt Lake County outside the Salt Lake City borders.

4. ECONOMIC BENEFIT

Housing, industrial, and other construction for expanding Salt Lake County will be impossible without Bonneville unit water. Future jobs will depend upon the availability of water in Salt Lake County. The necessity of adequate supplies of water for municipal and industrial use speaks for itself. Where there is no water, there will be no economic expansion. The economic benefit to agriculture in the State of Utah will be impressive. A recent study made by the University of Nebraska measured the impact of irrigation water upon the economy of the State. Their findings showed that for each $1 increase in crop production due to irrigation, a total of $6.68 in new business activity was generated in nonagricultural areas of the State. Studies show that Bonneville unit water will increase gross crop output on irrigated lands to the level of $26 per acre. Using the multiplier of $6.68 for each $1 increase, the per acre effect upon lands receiving Bonneville unit water would be $175. With an estimated 242,500 acres receiving Bonneville unit water, the total influence upon the economy of the State would be about $42 million dollars per year.

5. FLOOD CONTROL, FISHERIES AND WILDLIFE, AND RECREATION FACILITIES

Flood control is an important design factor in all of the CUP units. The advantages to municipalities as well as agricultural areas through these reclamation projects are proven fact.

In regard to fisheries, either stream inundation or stream depletion through construction of the CUP will result in an estimated loss of about 108,000 man-days of stream fishing per year. However, construction of reservoirs will provide about 234,000 man-days of fishing—this means a net gain of 126,000 man-days of fishing per year in the State.

In regard to recreation, these projects are much needed for the expanding Utah population. Present recreation facilities related to water skiing, boating, swimming, and reservoir fishing are becoming crowded and showing signs of overuse.

As to wildlife, construction of the Bonneville unit will cause unavoidable habitat losses as follows:

Mule deer: 4,400 acres of winter range and 13,000 acres of summer range;

Moose: 810 acres;

Beaver: 810 acres;

Sage growse: 15,500 acres; and

Pheasant: 8,000 acres:

It should be noted, however, that loss of acreage for this wildlife is negligible when considered with the total of 3,200,000 acres of similar habitat available in the State of Utah to the same wildlife species.

6. FEDERAL REIMBURSEMENT

The Central Utah project is being built by the Bureau of Reclamation. Eighty-six percent of the total costs of building the Central Utah Project will be paid back to the Federal Government. The 14 percent that will not be paid back represents the costs of Federal highways, Federal fish and wildlife facilities, and Federal recreation facilities constructed on Federal lands related to the Central Utah project.

Eighty-six percent of the total cost of constructing the Central Utah project will be paid back to the Federal Government in the following manner:

CUP construction cost to deliver irrigation water

	Percent
Sale of generated power	11
Ad valorem tax	11
Water user fees	78
Total	100

CUP construction cost to deliver municipal and industrial water

	Percent
Ad valorem tax	34
Water user fees	66
Total	100

Studies of the cost-benefit ratio for the Central Utah project have shown that taking into account only direct benefits, the cost-benefit ratio for the CUP is 1.3 to 1. This means that each year the benefits exceed the costs by about one-third. Many businesses in Utah would be pleased to have an annual profit of 30 percent. This cost-benefit ratio is figured upon an interest rate of 3.125 percent.

Opponents of the Central Utah project have argued that the cost-benefit ratio must be figured with an interest rate of 6⅜ percent. Even using that figure, the cost-benefit ratio of the Central Utah project is still 1.09 to 1.00. This represents a profit margin of 9 percent.

VI. INFLATION AND ACCELERATION

Inflation has had a significant impact upon the cost of the Central Utah project. (Nevertheless, the cost-benefit ratio as discussed above was determined using the inflated costs of construction.) The impact of inflation has been as follows:

CUP unit	Original projected cost	Cost due to inflation	Funds expended thus far
Bonneville	$325, 000, 000	$902, 606, 000	$197, 206, 60
Uintah	44, 000, 000	108, 768, 000	2, 238, 221
Upalco	19, 000, 000	49, 544, 000	2, 782, 562
Jensen	11, 000, 000	40, 299, 000	22, 569, 494
Vernal	9, 000, 000	10, 302, 695	(1)
Ute Indian	(2)	(2)	(2)

[1] Completed.

[2] Not yet authorized.

If construction were accelerated and the Central Utah project were completed in the next 8 to 9 years, rather than over the next 22 years, studies show that more than $700 million would be saved from inflated construction costs.

Such a plan to nullify the effects of inflation would require that we appropriate $100 million for the Bonneville unit (and proportionate sums for the other units) for each of the fiscal years 1981 through 1986. Our final 1987 funding level would then be about $80 million—and the project would be complete—saving at least $700 million in inflated construction costs.

CONCLUSION

Water is the lifeblood of Utah. Utah is an arid State. We have no alternative but to be farsighted and plan for our future water needs—not only for present Utahans but for our children—and their children.

The Central Utah project has been studied, restudied, evaluated, reevaluated, and scrutinized by a multitude of experts—and found to be a good investment under any criteria.●

THE SPECIAL OLYMPICS: SPECIAL EFFORTS FOR VERY SPECIAL PEOPLE

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, June 15, 1979

● Mr. KEMP. Mr. Speaker, the special Olympic games, to be held in mid-August in Brockport, N.Y., is an example of true athletic achievement on behalf of a very special cause.

Over 1 million gifted individuals have overcome serious physical handicaps to excel in areas demanding the ultimate in athletic performance. The courage and determination displayed by these athletes should serve as examples for all of us.

The overall success of this unparalleled event is attributed to the proficiency and tireless effort of Eunice Kennedy Shriver. Her unselfish devotion to less fortunate individuals has created a new dimension of self-esteem and pride for these athletes and their families. However, to have the opportunity to be a member of the Eunice Kennedy Shriver team, these competitors should hardly be considered less fortunate.

I would like to share with you an article which appeared in the May 23, 1979 issue of the Washington Post. This article by Colman McCarthy commends the accomplishments not only of the mentally retarded children and adults who compete in the special Olympic games, but also the coordinators and volunteers behind the scenes.

I have participated in the western New York special Olympics effort in the past, and as the father of four children I want to say how proud I am of the tremendous competitive nature of all children when given the opportunity. All of us should do more to enhance this aspect of young American lives.

The article follows:

SPECIAL OLYMPICS: "A SPIRIT OF PLAYFULNESS"

(By Colman McCarthy)

As with most other males who were conditioned early to believe that success in sports meant playing for big money in big arenas, I learned only slowly that that was false. My teachers in the lessons of true athletics have been some mentally retarded youngsters, children who are part of the Special Olympics program.

This month and the next is the height of their summer season. More than a million retarded children, with a mix of adults too, are particiapting in one or more of the 14 sports offered in the Special Olympic games in every state and nearly every county of the country. Over 250,000 volunteers are involved. Winter games are held in 42 states, with international games held every four years in mid-August, 3,500 competitors from the United States and 20 countries will turn Brockport, N.Y., into the center of the sports world.

Thanks to the bustle of Eunice Kennedy Shriver, who herself is a one-woman track meet of sprinting energy and high-hurdle push, what began in 1968 as a modest effort to fill the time of a few children for whom time and a lot else hung heavily, has become a stirring success story. More than any other movement in American sports in the past decade, Special Olympics has gone into communities, neighborhoods and families to spread a spirit of playfulness that is, or should be, the essential vibrancy of sports.

I have been to enough of the meets to know exactly what in American sports is worth celebrating and what isn't. If given a choice of watching a World Series Game or a Special Olympics competition, I would take the latter. If I could have an hour to spend talking with Elvin Hayes of the Washington Bullets or a Special Olympian who takes two minutes for the 100-yard dash, I would go with the young sprinter. Last year, I ran a few miles with Bill Rodgers, the distance man who has won three Boston marathons; but I had more of a thrill when I did a lap with a retarded child.

I call him retarded, which is the label most of us use, only because his limitations are conveniently definable. The IQ scores and reports of "the child experts" categorize the flaws and so let us, the seemingly healthy, go on about our business of normalcy.

But if the poet Wallace Stevens is right, that "We are all hot with the imperfect," then what has been happening through the Special Olympics is unique: The mentally retarded are helping the intellectually retarded.

The latter are those of us whose minds build shelves for the handicapped and then stash them away like undusted bric-a-brac to be forgotten. Or those who hire zoning lawyers to defend the purity of the neighborhood when the retarded dare move into a half-way house. Or those who read the latest newspaper exposé about the filthy conditions in the state home for the retarded and murmur that "Something should be done." By someone else.

One of the beauties of the Special Olympics is that it has attracted the someone elses in amazingly large numbers—the quarter of a million volunteers. Few national programs are receiving the unsalaried energies of more groups, from amateurs like the American Legion and the Road Runners Club of America to the National Basketball Association.

As for those volunteers who do more for the retarded than any outsider can imagine—the fathers and mothers of the children—they report that Special Olympics can enhance family life in the most uplifting of ways.

I have seen this in my own neighborhood, in Angela Mann, a 15-year-old who has Down's syndrome and who won two medals in the District of Columbia Special Olympics earlier this month.

Her father, Dr. Jesse Mann, a professor of philosophy at Georgetown University and the only person I know who can discuss Heidegger while mowing his lawn, tells of Angela's new sense of her abilities. Now that she has seen herself excel in the 50-yard dash, she has become open to finding more occasions to excel.

Other families around the country report the same, according to Mrs. Shriver: "Special Olympics, through its teaching clinics and the Let's Play To Grow Program, is helping parents gain knowledge and confidence in working with their retarded children."

Not every retarded child is in Special Olympics and not all parents are blessed with the spiritual strength to keep nurturing their child despite the seemingly slow progress.

But in only a decade, Special Olympics has become a world-class example of what can be done if a few people put their minds and their bodies—to it.●

OIL FROM COAL—IN A HURRY

HON. RICHARD C. SHELBY

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Friday, June 15, 1979

● Mr. SHELBY. Mr. Speaker, I would like to insert into the RECORD an editorial from today's Washington Post entitled "Oil From Coal—in a Hurry."

It is imperative that we seek alternative sources of making oil and gas available in order to combat the latest surge in oil prices and to reduce our dependence on foreign oil. I welcome the Post editorial and submit it for printing in the RECORD.

The editorial follows:

OIL FROM COAL—IN A HURRY

With the latest surge in oil prices, the case for a large-scale effort to make oil and gas out of coal has become overwhelming. Nobody knows exactly what it would cost to make gasoline from coal. But the country needs to find out—and quickly. It's obvious that the only real limit on the price of oil is the cost of substitute fuels. The only plausible substitute is synthetic oil manufactured from coal.

The country's most readily available defenses against steadily rising oil prices are conservation, of course, and solar energy. But it is evident that they cannot reduce the need for oil fast enough to avoid the need for synthetics. That will be true even if all of the oil-exporting nations continue their present production. But the Iranian revolution is a warning not to count on stability, peace and harmony in the Persian Gulf.

The technology is already available to make oil and gas from coal. One argument against proceeding with it is the cost. The plants would be extremely expensive. The Carter administration is reluctant to speed up federal spending at a time when it's trying to balance the budget. Private industry thinks that the risks are too great. But past experience with joint public-private enterprises suggests many possible solutions. The most promising would require private investment, with federal price guarantees.

As for the environmental dangers, they are real but no greater than those incurred by any large mining or industrial operation. These plans would contribute to public health protection by removing from coal the pollutants that make its smoke toxic.

The Carter administration has several coal-oil and coal-gas projects in one stage or another of development. It is now imperative to force the pace, make decisions and greatly expand the plans for construction. Even with the greatest pressure for speed, it takes four or five years to move a plant from blueprint into operation.

The risks in the present slow progress are not entirely economic. The indecision at the White House on energy policy, and the incessant wrangling with Congress, are fueling the presidential campaigns of candidates who promise the opposite extreme—the most dramatic of whom is John B. Connally. It is easy to imagine the possibility next winter of a severe recession caused by high oil prices, plus continuing lines at the filling stations, plus more quarreling and uncertainty over energy policy, all adding up to victories for Mr. Connally in one party's primaries and defeats for Mr. Carter in the other's.

What are Mr. Carter and his administration to do? They are going to have to respond, and show that they are responding, to a deepening oil shortage. One endeavor on which they can embark immediately, visibly and most usefully, is to demonstrate the promise of coal technology.●

FREE LITHUANIANS IN A SUBJUGATED FATHERLAND

HON. JOSEPH G. MINISH

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Friday, June 15, 1979

● Mr. MINISH. Mr. Speaker, this week marks the 38th anniversary of an event which surely is one of the most tragic occurrences in modern history.

On June 15, 1940, the Soviet Communists forcibly invaded Lithuania and subsequently deported more than 300,000 Lithuanians to Siberia. To this day, the people of Lithuania have been denied the basic freedoms that we in America so often take for granted.

Mr. Speaker, I ask that all my colleagues pause for a moment to reflect on the following statement, which is translated from an underground Lithuanian newspaper.

THE FREE LITHUANIANS IN A SUBJUGATED FATHERLAND

(This article is taken from the underground paper "Ausrele" (Young Dawn) circulated in occupied Lithuania on February 16, 1978.)

It is not a new paradox in our controversial and peculiar world, where quarrels, litigations and murders occur for the most negligable causes, that the fight for the most important human values: freedom, integrity and well-being is avoided?

However, this should not be considered as a paradox. Free people exist not only in the free world, protected by democratic constitutions, but also in countries where any desire for freedom is squelched with bullets, jails, psychiatric hospitals. A slave is only he who accepts his servitude, who does not feel the chains which bind him. A man who is afraid is already defeated. He easily succumbs to the economic and political exploitation of the enslaver. Self-respecting man has to overcome innate fear, to rise above natural inclinations, to prove that there are aspirations which are more valuable than life itself.

Free is everyone who resists the efforts of the enslaver to make him godless, to dehumanize, to denationalize him. This rule can also be applied to entire nations. Every nation which struggles against the oppressor is free, notwithstanding the fact that its territory may be occupied. Such a nation even though it has lost its external freedom, has preserved its internal, spiritual independence. The history of the Lithuanian nation during the last decades (not speaking about the entire period from the loss of its independence) has proven this very convincingly.

After the rebellion of 1863 which was cruelly crushed, for several decades there was no active resistance in Lithuania. However, underground newspapers "Aušra" (The Dawn), "Varpas" (The Bell) came to being announcing the spiritual rebirth of the Lithuanian nation. The 1944 rebellion, which lasted for 10 years, was even more ruthlessly suppressed. It seemed as if it would be necessary to wait a few more decades until new resistance forces matured.

However, before the guns of the freedom fighters were silenced, on All Souls Day, 1956, in the cemetery of Kaunas, the tricolor flag of free Lithuania was raised. Students, intelligentsia, former prisoners who had returned from concentration camps in the Soviet Union, with tears in their eyes sang the Lithuanian national anthem and the religious hymn, "Mary, Mary lighten our servitude . . ." The crowd repeatedly shouted, "Freedom for Lithuania", "Begone Russian intruders".

Stones were hurled at the members of the NKGB. In Vilnius, that same evening, masses of young people poured out of the Rasos cemetery singing patriotic songs. They flooded the streets and stopped traffic for several hours.

After that demonstration hundreds of young people, students and former prisoners, were taken in steel-barred trains to the same concentration camps where more than one thousand Lithuanian freedom fighters, underground resisters, were still being tortured. Great numbers of young Lithuanians were drafted into the Soviet army.

In the autumn of 1970, Pranas and Algirdas Brazinskas, father and son, escaped to the West, informing the entire world about the desire for freedom burning in the hearts of Lithuanians. One month later, Simas Kudirka who was turned over to the Soviets, beaten, reminded the Western world about the indifference of the westerners to their self-asserted moral ideals.

In March, 1972, "The Chronicle of the Catholic Church in Lithuania" began to inform the world about the persecution of believers and their priests in Lithuania. On May 14th of that same year, in the garden of the Drama Theatre in Kaunas, where 32 years earlier a disgusting mockery of the independence of Lithuania and the free state system had been perpetrated, the self-immolation of Romas Kalanta (who died shouting "Freedom for Lithuania") took place. His body perished but his spirit remains alive forever in the hearts of the nation, continuously rapping at our conscience and fostering the desire for freedom.

Romas Kalanta, born in slavery, became free. His sacrifice dispelled the myth of the oppressors that the younger generation, continually brainwashed by a stream of beautiful words and promises, will obey their coercion and will melt into the flood of colonization, forgetting the spirit of the Lithuanian nation. Today the younger generation has already taken up the banner of the fight for freedom. Although born in slavery, they have inherited the yearning for freedom from their parents.

Thirty-seven years ago as a result of a secret pact between brutal dictators, Lithuania lost its independence. For a paltry sum the red Eastern feudal lord bought Lithuania from the Western plunderer. The Lithuanian nation, left to its fate by the democratic nations, did not bow its head. The Eastern tyrant required several years to achieve physical conquest, but he will never achieve spiritual conquest!

Knowing that there is no struggle without sacrifice, we believe that no sacrifice, especially a sacrifice of blood and suffering will be in vain, but will encourage and obligate us to fight until, as the poet Maironis stated, "the painful chains will fall away and a bright new sky will dawn for our children."

Therefore, we, together with free Lithuanians are publishing "Lietuviu Kataliku

Baznycios Kronika" (Chronicle of the Catholic Church in Lithuania), "Ausra" (The Dawn), "Dievas ir Tevyne" (God and Country), "Varpas" (The Bell), "Lietuvos Balsas" (The Voice of Lithuania) and other underground papers. We bid defiance to the only colonial empire left in the world (the Soviet Union), before whose military power almost the entire world trembles. We are once again appealing to the democracies of the noncommunistic world, to those who declare the principles of freedom but who are deaf to the laments of the subjugated nations.

Let these pages speak out about the inextinguishable yearning for freedom, about the efforts of those people who under the most impossible conditions continue the traditions of the free Lithuanians.●

RETIREMENT OF PROF. KENNETH RAPER FROM THE UNIVERSITY OF WISCONSIN

HON. ROBERT W. KASTENMEIER

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Friday, June 15, 1979

● Mr. KASTENMEIER. Mr. Speaker, on Sunday, June 17, the Departments of Bacteriology and Botany of the University of Wisconsin will honor Prof. and Mrs. Kenneth B. Raper on the occasion of his retirement. I am happy to join Professor and Mrs. Raper's academic colleagues; present and former undergraduate, graduate and postdoctoral students; and the residents of the State of Wisconsin in congratulating them. Dr. and Mrs. Raper have contributed substantially to the Madison, Wis. community through both academic and volunteer activities since they moved to Madison in 1953.

I commend Professor Raper's contributions to the advancement of scientific knowledge. Professor Raper has an international reputation for his pioneering taxonomic research and publications on the aspergilli, penicillia, and dictyostelia. At the University of Wisconsin, Professor Raper has developed a unique bridge between the botanical and microbiological sciences through his formal teaching and research endeavors. His continuing research on the cellular slime molds has demonstrated a simple, yet elegant tool for advancing our knowledge in developmental biology.

In Dr. Raper's research from 1929 through 1953 with the U.S. Department of Agriculture, he elucidated fascinating morphological and cultural characteristics and the intricate taxonomic relationships of many fungi, particularly the aspergilli and the penicillia. His basic research on the penicillia at the Northern Regional Research Laboratory contributed significantly to the national and international development of the antibiotic penicillin—cooperative efforts so crucial to saving lives during and after World War II. Dr. Raper is now working on a monograph, "The Biology of the Dictyostedlids."

Mr. Speaker, I wish the Rapers the best in their third career in research at a more leisurely pace.●

MEMORIAL DAY CEREMONY

HON. LESTER L. WOLFF

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, June 15, 1979

● Mr. WOLFF. Mr. Speaker, on Memorial Day of this year I had the pleasure of participating in the traditional ceremony in the town of East Williston, N.Y. The fine program was an inspiration to everyone present, and I would like to commend the efforts of the members of the East Williston Memorial Day Committee—Mayor Ronald G. McKay, Joseph P. Leary, and Nicholas S. Siciliano. Because of their careful planning, this ceremony was a huge success I offer the text of my address for the RECORD.

This is not the first time I've been with you on Memorial Day. It means a lot to me to be able to share this day with you when together we honor those who have given their lives in our country's wars, so that we may live in freedom. No greater love can we tender those who have given their lives for us than to preserve those ideals they died to protect. Throughout this nation, this week, Americans pause in remembrance of men and women who made the supreme sacrifice.

Let us pause, let our thoughts go back, far into our history, to those who fought in our initial war—the American Revolution. In our prayers today, let us remember them and the great gift of freedom they passed on to us. Sometimes, we take this gift for granted. All too often, we fail to appreciate the concept of democracy and its implementation until it is threatened. Then, unfailingly, this nation unites in a great cause—the cause of freedom.

Let us remember today the veterans of our Civil War, of World War I, of World War II, of the Korean War, and finally, those gallant boys who fought an unpopular war in Vietnam.

Again, today, this nation is threatened. It is threatened just as seriously as it was in the past. We are, in fact, a nation under attack. Today, however, it's an economic war whose results could be just as disastrous as any military attack. By the OPEC nations—the oil barons—you see the results every single day at gas lines throughout our country, and in dwindling paychecks caused by energy based inflation.

Well, it's time long since past that we respond to this attack. Those desert sands produce no food, no grain, no agricultural products. They and others need our food.

Six years ago a bushel of wheat cost about $3.00 and a barrel of oil cost $3.00. This month our wheat is still about $3.00 but oil is $17 to $30 a barrel. I say, we should impose export taxes on our wheat sold to OPEC and others—our adversaries, Russia, China—just as we pay taxes on their oil. We should take this money and pass it on to you to reduce your increased costs of energy and the taxes now paid by us on gasoline.

Let's unite again in this cause—the cause of the survival of our nation. Let those nations of the world who threaten us be reminded there exists in this nation men and women who will still lay down their lives to preserve the ideal of America. Let us remember too our unknown dead whose bodies lie in hallowed ground with the simple marker "unknown".

Let us renew our pledges to our veterans who survived our wars, made to them by a grateful nation: Earned by them, by their service, by their courage, by the years of their youth, and in many instances, by their blood.

It distresses me today as the only New York state member of the Veterans Affairs Committee, to tell you that serious attacks are being made on our veterans programs under the guise of "economy". Veterans preference is under attack in the guise of "equality". There are those who would emasculate our entire veterans programs—but not while I'm around.

I have no intention of making this a long speech, but on this Memorial Day, I want to solemnly reaffirm to you my recognition of our obligation—my dedication to our veterans is unabated, continuing now and will continue in the future.

In our Memorial Day ceremony, let us not forget our Missing in Action. The tragic war in Vietnam has left us the terrible doubts as to the fate of many American boys. I have the honor to chair the Viet Nam MIA Committee in the Congress. Last year we passed a resolution designating July 18, 1979 as National POW-MIA Recognition Day. The President issued the Proclamation mandated by the Resolution.

A few weeks ago, I discovered that no federal level ceremony was planned to commemorate the spirit of that proclamation. I wrote to the President asking him to lead a Commemorative Service on July 18 at the National Cathedral in Washington.

We must rededicate ourselves to the continuing effort to account for each and every prisoner of war and missing in action American. Until everyone is accounted for, I, as chairman of the Committee on Asian Affairs, will do everything in my power to block normal relations with Vietnam. I want to commend the village fathers, the clergy, our veteran organizations and each and every one of you who is participating in these ceremonies.

I want to thank you for letting me share in this Memorial Service. And to you young people, you are a credit to your family, to your church, to your school and your country. You are this nation's greatest asset. As you grow older, the honor will be yours to continue this ceremony.

I know you will do it well, so that the honored dead of our country will never be forgotten.

I would like to once again thank the town of East Williston for allowing me to participate in their moving program. I would like to take this opportunity to commend East Williston Mayor Ronald G. McKay, and village trustees Anthony J. Casella, Kenneth G. Adgate, Donald W. Smith, and Rita M. Doyle for their leadership in supporting this fine Memorial Day ceremony.●

McDONALD HUGHES HONORED

HON. RICHARD C. SHELBY

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Friday, June 15, 1979

● Mr. SHELBY. Mr. Speaker, fellow Members of Congress, I would like to take a moment to pay homage to McDonald Hughes, an educator from my hometown of Tuscaloosa, Ala., who was recently honored there by the dedication of a community center in his name.

Joining in the dedication of the "McDonald Hughes Community Center" were many local officials, including Mayor

Ernest "Rainy" Collins, director of the City Community Planning Department Al DuPont; Tuscaloosa County Park and Recreation Department chairman, Dr. William F. Clipson; and city commissioner Dave Adnres.

I would have also been there to pay tribute to my friend Mr. Hughes had I not had a previous commitment elsewhere in the Seventh District.

Mr. Hughes is a Wetumpka native who was principal at Druid High School for 32 years and was chairman of the committee that worked so tirelessly for so long to make the community center a reality.

Mr. Hughes has long been a leader in both the educational and community life of our center and it makes me proud to honor him today.●

EDITORIAL SUPPORT FOR SYNTHETIC FUELS

HON. WILLIAM S. MOORHEAD

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Friday, June 15, 1979

● Mr. MOORHEAD of Pennsylvania. Mr. Speaker, the Washington Post, in its lead editorial today, strongly supports the development of a domestic synthetic fuel industry as contemplated in my legislation H.R. 3930.

I welcome the support of the Post and I am very pleased to report that Secretary Schlesinger, speaking for the Carter administration, communicated his support yesterday for the legislation.

A "Dear Colleague" letter seeking adcosponsors of the synthetic fuel legislation has been sent to all House Members.

I wish to point out to my colleagues that this legislation, which already has been approved by the House Banking Committee by a vote of 39 to 1, need only be considered by one committee in the Senate before it can be sent to the President for his signature. This type of prompt, efficient consideration not only will be a strong sign of assurance to the American people but it will be a signal to the OPEC ministers, meeting later this month, that this Nation is determined to recover control of its energy destiny.

I urge all Members to consider adding their name to the growing list of cosponsors who view this bill as I do, that is, as the very important first step in assuring a steady supply of synthetic petroleum products to our Nation, supply that is not subject to the whim and fancy of a foreign oil cartel.

In addition the Posts very positive comments the Washington Star came out for the bill earlier this week, as did the Scripps-Howard chain, in an editorial appearing in the Pittsburgh Press.

I would like to put all three editorials into the RECORD at this time.

[From the Washington Post, June 15, 1979]

OIL FROM COAL—IN A HURRY

With the latest surge in oil prices, the case for a large-scale effort to make oil and gas out of coal has become overwhelming. Nobody knows exactly what it would cost to make gasoline from coal. But the country needs to find out—and quickly. It's obvious that the only real limit on the price of oil is the cost of substitute fuels. The only plausible substitute is synthetic oil manufactured from coal.

The country's most readily available defenses against steadily rising oil prices are conservation, of course, and solar energy. But it is evident that they cannot reduce the need for oil fast enough to avoid the need for synthetics. That will be true even if all of the oil-exporting nations continue their present production. But the Iranian revolution is a warning not to count on stability, peace and harmony in the Persian Gulf.

The technology is already available to make oil and gas from coal. One argument against proceeding with it is the cost. The plants would be extremely expensive. The Carter administration is reluctant to speed up federal spending at a time when it's trying to balance the budget. Private industry thinks that the risks are too great. But past experience with joint public-private enterprises suggests many possible solutions. The most promising would require private investment, with federal price guarantees.

As for the environmental dangers, they are real but not greater than those incurred by any large mining or industrial operation. These plants would contribute to public health protection by removing from coal the pollutants that make its smoke toxic.

The Carter administration has several coal-oil and coal-gas projects in one stage or another of development. It is now imperative to force the pace, make decisions and greatly expand the plans for construction. Even with the greatest pressure for speed, it takes four or five years to make a plant from blueprint into operation.

The risks in the present slow progress are not entirely economic. The indecision at the White House on energy policy, and the incessant wrangling with Congress, are fueling the presidential campaigns of candidates who promise the opposite extreme—the most dramatic of whom is John B. Connally. It is easy to imagine the possibility next winter of a severe recession caused by high oil prices, plus continuing lines at the filling stations, plus more quarreling and uncertainty over energy policy, all adding up to victories for Mr. Connally in one party's primaries and defeats for Mr. Carter in the other's.

What are Mr. Carter and his administration to do? They are going to have to respond, and show that they are responding, to a deepening oil shortage. One endeavor on which they can embark immediately, visibly and most usefully, is to demonstrate the promise of coal technology.

[From the Washington Star, June 13, 1979]

A SYNTHETIC SOLUTION?

Proposals for meeting the energy crisis are focusing on the idea of a massive national commitment to synthetic fuel production. This is not routine stuff. There are major bills along these lines, with important backing, in both chambers of Congress. After the endless months of inaction and quibbling over details of President Carter's energy program, the legislators are at last moving swiftly.

The House leadership is behind a package of measures to devote billions in federal guarantees and subsidies to spur the creation of plants to produce fuel from plentiful resources like coal. Because of high costs and the uncertainties of competition with petroleum, the government would assume risks in the effort. A market would be assured by a requirement that the Defense Department buy 500,000 barrels a day by 1984.

In the Senate, a bipartisan group led by Chairman Jackson of the Energy Committee is pushing a new energy development program aimed at reducing the need for energy imports by as much as 6.2 million barrels a day by 1990. (We now import about eight million barrels.) One section of the measure would authorize nearly $5 billion for 15 synthetic fuel demonstration projects. The bill would force a speedup of Energy Department plans for promoting alternative energy sources, including solar and geothermal, power, coal gasification and waste conversion.

A well-publicized chorus outside the government is making the case for a crash program to produce synthetic fuels quickly and in huge quantities to end the stranglehold on the nation's economy by the Organization of Petroleum Exporting Countries. These appeals evoke the successes of the Manhattan Project, the Apollo missions to the moon, and the World War II conversion to synthetic rubber when the Japanese seized almost all natural supplies. Though the development of alternative sources has been a regular part of the energy litany for years, mostly in viewing a distant and hazy future, the present talk is urgent, and responsible commentators are taking its seriously.

There are reasons for this. The reappearance of the gasoline queues has made everyone ponder the future more soberly. A half-hour wait at the pump is worth 100 presidential admonitions. The international petroleum supply seems ever more precarious, subject to the ayatollah's whim, the next Mideast flare-up and such blackmail as Nigeria's warning about U.S. Rhodesian policy. A bit of scarcity brings out the greediest instincts of the OPEC hawks—the cartel price is headed for the clouds.

OPEC pricing, though, is the best friend the synthetic-fuel drive could have. The expensive conversion processes gain in economic feasibility with each boost in the price of ordinary crude.

It is possible to be skeptical of the sudden upsurge in congressional interest. The congressmen collectively have shown little courage in the past in making hard decisions on energy. They as well as the administration are under fire now by a public worried about where the next gallon of gasoline or heating oil is coming from, and what it will cost. The Hill is under great pressure to act.

There are dangers, of course, in doing something on as large a scale as is now contemplated. A great deal of taxpayers' money could be wasted. The pork barrel will be passed around—so much for West Virginia, so much for Kentucky coal conversion projects. But the ultimate test is the extent to which the drive for synthetic fuels can free the nation from the debilitating dependence on foreign oil. At the moment it appears to be one of the brighter hopes in a dismal energy picture.

What's needed mostly is President Carter's leadership in this area. A House delegation led by Speaker O'Neill and Majority Leader Wright met with him on it last week, and found him sympathetic but non-committal. The administration's plans on synthetics and other alternative sources of energy are more modest and of longer range. The president is thinking about the budget impact, and proposals for energy cooperation at the upcoming Western economic summit in Tokyo.

The congressmen, though, have their eyes on the people in the gas queues. The plan to stress new production using American ingenuity has undeniable political appeal.

If Mr. Carter wishes to be the nation's leader in energy policy, he needs to take a fresh look at this aspect of the game.

[From the Pittsburgh Press, June 10, 1979]

RX: SYNTHETIC OIL

After Japan cut off America's supply of natural rubber in World War II, the U.S. government and private industry went into partnership to build synthetic-rubber plants. The first rubber flowed from factories 287 days after that decision was made.

During the Korean War, the government gave price guarantees to induce the building of new aluminum, copper and nickel facilities. It soon received the metals critically needed for the war effort.

In both cases the job got done—and at little real cost to the public.

The synthetic-rubber plants later were sold to private owners at fair market prices. The metals that the government stored to prop up prices eventually were resold for more than it had paid.

Contrast those two examples of meeting a challenge head on with the weak, confused, stumbling and ineffective way the Carter administration (as well as the previous one) has met the OPEC oil cartel's price gouging and its power to cripple our economy by shutting off our oil.

It can be argued that the first two examples came during wartime, when decisive action is possible, and now we are at peace.

But that argument doesn't hold water. Since 1973 the actions of the Organization of Petroleum Exporting Countries on the pricing and supply fronts have verged on economic warfare, which can be as dangerous as most military threats.

Last year alone the United States had to pay out $43 billion for imported oil. As OPEC members merrily play leapfrog with their prices, our financial hemorrhage this year is due to add up to $65 billion—pushing the nation toward recession and even worse inflation.

How much will the gouge be next year? $80 billion? $100 billion?

Can we afford it?

No.

Are we doing anything effective to protect ourselves?

No.

While the White House appears paralyzed, some lawyers, historians, businessmen and congressmen have pointed to the best and surest way for our country to go—the massive development of synthetic oil from coal, shale, tar sands, heavy oils and farm crops.

Of all the methods, synthetic oil and gas from coal would be the fastest to bring on stream. We already have the technology, resources, manpower and money to start turning out coal-based synthetic plants. All we lack is leadership.

It has been suggested that the goal should be synthetic plants capable of producing the equivalent of five-million barrels of oil a day. The cost would be about $100 billion, but the taxpayers themselves would pay far less.

Private industry cannot risk building such plants. They would be vulnerable to price cuts by OPEC, which could put the synthetic industry out of business.

However, with government loan guarantees and tax incentives, private capital could be raised for synthetic plants—and a new strategic industry developed at relatively little cost to the public.

We now import about eight billion barrels of crude a day, giving OPEC a stranglehold on America's economy and diplomacy.

If we increased our own oil production by five million barrels a day through synthetics, we could crack OPEC's pricing monopoly and regain control of our own destiny.

A bill to start a synthetic-oil industry has been introduced by Rep. William Moorhead of Pittsburgh, and it has been approved by the House Banking Committee by a vote of 39 to 1.

But it is stalled for lack of sufficient support from the White House. What appalling shortsightedness and timidity.

Let's get going! ●

ERA HONOR ROLL

HON. PATRICIA SCHROEDER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Friday, June 15, 1979

● Mrs. SCHROEDER. Mr. Speaker, on August 15, 1978, 233 of my House colleagues voted to extend the time limit for the ratification of the equal rights amendment (ERA)—219 of those colleagues were men. In honor of Father's Day, I would like to thank the 219 men who cast a "yea" vote in favor of the ERA time extension—a vote their daughters, mothers, and sisters will long remember. Now if we can get the 219 who are on the ERA honor roll to channel their energy into getting the ERA ratified in three more States, we will be in great shape.

These are the names of the men that voted for ERA:

Messrs. Addabbo, Akaka, Ambro, Ammerman, Anderson of California, Anderson of Illinois, Annunzio, Ashley, Aspin, AuCoin, Baldus, Baucus, Beard of Rhode Island, Bedell, Beilenson, Benjamin, Biaggi.

Messrs. Bingham, Blanchard, Blouin, Boland, Bolling, Bonior, Bonker, Brademas, Brodhead, Broomfield, Brown of California, Buchanan, Burke of Massachusetts, John Burton, Phillip Burton, Byron.

Messrs. Carney, Carr, Carter, Cavanaugh, Don H. Clausen, Clay, Cohen, Conable, Conte, Conyers, Corman, Cornell, Cornwell, Cotter, Coughlin, D'Amours, Danielson, Dellums, Dent, Derrick.

Messrs. Dicks, Diggs, Dodd, Downey, Drinan, Early, Edgar, Edwards of California, Eilberg, Emery, Ertel, Evans of Colorado, Evans of Indiana, Fary, Fascell, Findley, Fish, Fisher, Flood, Florio, Foley, Ford of Michigan, Ford of Tennessee, Forsythe, Fowler, Fraser, Frenzel, Gammage.

Messrs. Garcia, Gaydos, Giaimo, Gilman, Glickman, Gonzalez, Goodling, Green, Gudger, Hanley, Hannaford, Harkin, Harrington, Harris, Hawkins, Heftel, Hollenbeck, Howard, Hughes, Jacobs, Jeffords, Jenrette, Johnson of Colorado, Kastenmeier, Kildee.

Messrs. Kostmayer, Krebs, Krueger, Leach, Lederer, Leggett, Lehman, Levitas, Lloyd of California, Long of Louisiana, Lundine, McCloskey, McCormack, McFall, McKinney, Maguire, Markey, Marks, Mattox, Meeds, Metcalfe, Mikva, Milford, Miller of California, Mineta, Minish.

Messrs. Mitchell of Maryland, Moakley, Moffett, Mollohan, Moorhead of Pennsylvania, Moss, Murphy of Illinois, Murphy of New York, Murphy of Pennsylvania, Michael Myers, Natcher, Neal, Nix, Nolan, Nowak, Oberstar, Ottinger, Panetta, Patten, Patterson, Pattison, Pease, Pepper, Perkins, Pettis, Pressler, Preyer, Price, Pritchard, Pursell.

Messrs. Rahall, Rangel, Reuss, Richmond, Rinaldo, Rodino, Roe, Rogers, Roncalio, Rooney, Rose, Rosenthal, Rostenkowski, Roybal, Ruppe, Russo, Ryan, Sarasin, Sawyer, Scheuer.

Messrs. Seiberling, Sharp, Simon, Smith of Iowa, Solarz, Stark, Steers, Stockman, Stokes, Stratton, Studds, Thompson, Thornton, Traxler, Tsongas, Udall, Ullman.

Messrs. Vander Jagt, Vanik, Vento, Walgren, Waxman, Weaver, Weiss, Whalen, White, Bob Wilson, C. H. Wilson, Wilson of Texas, Wirth, Wolff, Wright, Yates, Yatron, Young of Texas. ●

ROSEVILLE COMMUNITY BAND

HON. BRUCE F. VENTO

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Friday, June 15, 1979

● Mr. VENTO. Mr. Speaker, when talking to my constituents about their visits to our Nation's Capital, many tell me how much they enjoyed the concerts given by the military bands on the steps of the Capitol. For many it is reminiscent of the summers long ago when community bands would perform at the local park on Sunday afternoons. Unfortunately, due to the development of alternative entertainment and recreational opportunities, the popularity of these concerts has declined and community bands nearly became extinct. This decline meant the loss of a unique American experience.

Recent years have witnessed a revival in this important segment of American culture and music. Americans are taking a renewed interest in their local community and the community band is making a resurgence. My district is fortunate enough to have such a band, the Roseville Community Band.

This group, composed of 70 members, aged 18 through 70, have spread the joy of music throughout the St. Paul-Minneapolis metropolitan area and the State. Under the direction of Robert Lancette, this band has performed in public concerts and in small ensembles in nursing homes and other shut-in facilities.

The music of the Roseville Community Band is the type of cultural achievement of which we should be most proud. This band has made a positive contribution to the people of Roseville and that community has responded to the band through their continued support. I applaud this successful band-community relationship and am certain that the band will provide Minnesotans with many more hours of listening pleasure.

Today the band is leaving for an international community band festival in Dublin. Soon the Roseville Community Band will be entertaining Dubliners with the stirring music of John Philip Sousa. I wish them a safe and successful journey. I am certain that their efforts will be warmly appreciated and that the Roseville Community Band will win many new supporters.

Mr. Chairman, the members of the Roseville Community Band have spent many long hours and have sacrificed much to make this band so successful. At this time, I would like to draw my colleagues attention to those dedicated members of the Roseville Community Band:

THE ROSEVILLE COMMUNITY TOUR BAND

Robert W. Lancette, Director.

Flutes: Alice Marks, Pat Lancaster, Ruth Rose, Janice Anthony, Gayle Lancette, Sue Gabel, and Sandy Zoerb.

Oboes: Horace Davis and Bob Pearson.

Clarinets: Mary Leonard, Carol Rosdahl, Marian Milbridge, Leon Titus, Linda Rasmussen, Wallace Wells, Rita Potratz, Jim Poppe, Paul Husby, Bonnie Jamieson, Dale Hively, and Sam Harvey.

Bass clarinet: Marty Johnson.

Alto clarinet. Laura Youngren.

Alto saxophone: Darlene Rask, Jan Phinney, Neil Yaeger, and Jan Savelkoul.

Tenor saxophone: Richard Leisen and Gerry Gulbranson.

Baritone saxophone: Kay Pearson and Jim Ruff.

Bassoon: Jim Foster.

French horns: Sam Marks, Terry Scott, Helene Johnson, and Steve Nelson.

Trumpets: Ed Hemauer, Bob Jones, Marty Marentic, Sister Janis Haustein, Reynold Christensen, Polly Peterson, Carolyn Bayerkohler, Steve Youlan, Dan Lozinski, Don Becker, Ralph Searles, and Al Pesha.

Tubas: Dick Tedrow, Bob Sjolund, and Warren Mitchell.

Baritones: John Thorsell, David Hanson, Barry Bridges, Paul Warner, and Gloria Peterson.

Trombones: Larry Perry, Harlan Hohenstein, Tom Martin, Roger Lundberg, Phil Florine, and Ray Wirth.

Percussion: Carol Caunders, Carol Hansen, Carol Ann Zell, Connie Erickson, Glenn Schuler, Roxanne Grilz, and Joan Ashton.●

PETITION BY NERVE GAS TASK FORCE

HON. LES AuCOIN

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Friday, June 15, 1979

● Mr. AuCOIN. Mr. Speaker, an extremely important but oft-overlooked issue is the storage and disposal of our nerve gas and binary weapons stockpiles. I am taking the liberty of calling the attention of my colleagues to a petition to President Carter by the Nerve Gas Task Force in Oregon, calling for a Presidential unilateral ban on all forms of gas. This petition, which I endorse, follows:

> DEAR MR. PRESIDENT: Whereas gas weaponry is inimical to the continued evolution of a humane and civilized world and our country has ratified an International Protocol promising never to be the first to use poison gas in time of war, yet in thirteen depots, eleven in this country, one in West Germany and one on Johnston Island, we are storing many million pounds of deadly nerve and other gases whose sole purpose is genocide.
>
> Many of these munitions have already deteriorated and some have leaked. Any movement for any purpose could inflict unspeakable harm.
>
> Our NATO allies have destroyed their own stocks and refuse to store ours. Stockpiles of nerve and war gas increase international tension, thereby threatening our national security.
>
> We urge you to declare a Presidential Unilateral Ban, prohibiting production, instruction, stockpiling, and use of all forms of gas, including the Binary Weapon, as was done with Germ Warfare in 1969, instituting steps for immediate detoxification and destruction on site, using methods monitored and approved by the Environmental Protection Agency; destruction should be witnessed and continuously inspected by a verification team of United Nations origin.

I would hope my colleagues will join me in supporting the spirit of this resolution.●

GEORGE SHIRLEY HONORED

HON. RICHARD C. SHELBY

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Friday, June 15, 1979

○ Mr. SHELBY. Mr. Speaker, fellow Members of the U.S. House of Representatives, I rise today to pay special tribute to my good friend and fellow Tuscaloosan, George S. Shirley.

Mr. Shirley, president of the First National Bank of Tuscaloosa, was elected last month President of the Alabama Bankers Association at the concluding session of that organization's 86th annual convention in Hilton Head, S.C.

The honor was richly deserved and continued the distinguished service Tuscaloosa residents and presidents of the First National have provided the Alabama bankers. Indeed, Mr. Shirley was the seventh Tuscaloosan so honored by his peers in the State organization.

Other ABA presidents from Tuscaloosa were:

Frank H. Fitts (1890), Frank Sims Moody (1895), Frank Maxwell Moody (1911), Gordon Palmer (1945), Frank McCorkle Moody (1967), and George A. LeMaistre (1971).

Mr. Shirley was the fifth chief executive officer of the First National Bank to become ABA president since the association was organized in 1890.

A native of Tuscaloosa and graduate of the University of Alabama, Shirley has been president of First National since 1970. He has been active in ABA affairs for a number of years and has served on various committees and as an officer since 1977.

He is also active in the American Bankers Association, currently serving as regional director and is a member of the board of the Birmingham Branch of the Federal Reserve Board of Atlanta.

Active in Tuscaloosa civic affairs, Shirley has served as president of the United Way, Junior Chamber of Commerce, Tuscaloosa Exchange Club, the Young Men's Christian Association of Metropolitan Tuscaloosa, and the Greater Tuscaloosa Chamber of Commerce.

He was named "Citizen of the Year" in Tuscaloosa in 1971.

The Alabama Bankers Association, which so honored Mr. Shirley, is the trade association of the State's banking industry and includes 312 of the State's 314 full-service commercial banks in its membership. The banks have combined assets of more than $15 billion.

The 86th annual convention in Hilton Head was attended by 740 bankers and associates and I would like to take this opportunity to join them in honoring my good friend, George Shirley.●

STRUGGLE FOR BALTIC STATES' INDEPENDENCE

HON. MARTY RUSSO

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 14, 1979

● Mr. RUSSO. Mr. Speaker, this week marks the tragic anniversary of the forced incorporation of the independent States of Lithuania, Latvia, and Estonia into the Soviet Union on June 14–15, 1940, and the deportation of 100,000 Baltic nationals to Siberia a year later. Americans commemorate this sad occasion not only to honor our many citizens of Lithuanian, Latvian, and Estonian descent, but also, as a reminder that our national endowment of liberty and independence should not be taken for granted.

Since 1940, the Soviet Union has not been content merely to exercise military and political control over the Baltic nations. Successive Soviet Governments have waged a ruthless campaign to deprive the people not only of their sovereignty, but also of their national, cultural, and religious identity. With the apparent aim of turning the Baltic people into minorities in their own countries, Soviet authorities deported hundreds of thousands of Baltic nationals between 1941 and 1949. At the same time, they colonized the Baltic homelands with Russians. Today, even after the Helsinki and Belgrade conferences, show trials and harsh sentences are used to intimidate and silence the widespread nationalistic and religious movements in those Baltic nations.

Although officially the church in Lithuania has been separated from the state, the authorities indulge in wholesale interference in church affairs. The government declared in a 1976 decree that it seeks to "paralyze completely" religious activity. An effort is underway to take over the finances of the church, religious press is forbidden, and over 600 Lithuanian priests have served time in the Soviet Union's prisons and camps.

The Soviet Union, however, has not been successful, nor will it ever be, in extinguishing the desire for freedom among the Lithuanian people. Despite Soviet efforts, approximately 70 to 75 percent of the population—90 percent in the countryside—still believe in the Catholic Church. Certainly, Pope John Paul's recent visit to Poland has shown has strong the religious sentiment can remain under the repressive Soviet regime. The power of an idea—like faith or freedom—is always greater than repressive force.

I ask my fellow colleagues and Americans today to reaffirm their support of the Baltic nations' right to self-determination as independent national entities, and to call upon the Soviet Union to abide by the terms of the Helsinki Accord of 1975. I would like to cite a short passage from the final act of that agreement:

The participating states will respect human rights and fundamental freedoms, including the freedom of thought, conscience, religion or belief, without distinction as to race, sex, or religion.

The struggle for Lithuanian independence goes on, and will continue as long as the Soviet Union continues to deprive Lithuanians of their fundamental human rights as guaranteed in the Helsinki Accord. Let us proclaim again our support of the Lithuanian people in their struggle for the very freedoms we enjoy in the United States. Only in this way can we remain true to our American political ideals.●

IMPACT OF NAZI HOLOCAUST BROUGHT TO TORRANCE YOUTH

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, June 15, 1979

● Mr. ANDERSON of California. Mr. Speaker, it seems hard to believe that mankind could ever forget the terrible holocaust that marked the brief rise of the Nazis to power in the 1930's and 1940's. I have long maintained that if anything positive could ever grow out of those terrible years, it was simply that we would be spared from having to live through anything remotely similar ever again.

The presupposition was that we would learn from experience, and that those events would somehow be branded into the subconscious of our species, just as concentration camp numbers were tattooed into the flesh of their inhabitants; indelibly and never to be removed.

But today we are seeing the growth of an entire generation that is unfamiliar, or entirely unknowing of those catastrophic horrors. How this can be, I do not really know. I only know that we must not let it be.

The Simon Wiesenthal Center for Holocaust Studies opened its doors recently in Los Angeles. One of its aims is to make sure that mankind will have learned something from the brutal deaths of 11 million of its people. To make any sense of their deaths, we must know, we must, be certain, that others will not die similarly in the future. The Wiesenthal Center wants to assure us of this, and so has prepared a program that is brought to area schools to show our young people what can happen when men and women stray from the basic humanity that should be the ruling force in our lives.

Rabbi Cooper and all the people at the Wiesenthal Center are to be commended for their work on this needed program.

Mr. Speaker, I would like to submit for the RECORD an article that appeared in the Los Angeles Jewish Community Bulletin, so that our colleagues might learn more about the program.

The article follows:

IMPACT OF NAZI HOLOCAUST BROUGHT TO TORRANCE YOUTH

Some of the 16- and 17-year-old students let out a sigh of relief. Some murmured to each other. Some continued to stare at the blank screen after the auditorium lights went on.

"I can't believe such a horrible thing happened," remarked a girl from Torrance High School to her classmate, wiping away the tears from her face. "I mean, I've heard that a lot of people were murdered by the Nazis, including a lot of Jewish people—but not like this! So many, so horrible . . . those scenes in that film . . . that part where skeletons are being thrown into a pit. Those were *human beings!*" Another student, with a trace of a southern California Chicano accent, mentioned to his friend, "How come we never heard anything about this in classes? Don't our teachers know about it?" At Torrance's North High, a 14- or 15-year-old Japanese-American girl whispered to another, "I wonder if my mom and dad (who were sent to "relocation" camps in California) faced any of that." "Let's go up afterward and talk to the lady," responded the friend referring to the concentration-camp survivor who spoke following the film showing.

The response of these young people was to the 1½ hour presentation of the award-winning, 30-minute, classic French documentary film, *Night and Fog* as part of a program on the Holocaust at three Torrance High Schools by Rabbi Abraham Cooper of the Simon Wisenthal Center for Holocaust Studies. Rabbi Cooper was accompanied by a concentration camp survivor.

"I've brought this presentation to many high schools in the Los Angeles area," Rabbi Cooper said, "some public, some Catholic, but mostly in non-Jewish communities. The impact is always strong."

All three programs were after school and voluntary and were brought to them in their own language so they feel it, he continued. They must know, too, that "it didn't just happen to Jews. Eleven million were killed—five million were not Jewish."

Rabbi Cooper was able to bring home to the students the essence of the Holocaust on a meaningful, personalized level they could relate to. He drew parallels between the "boat people" being refused by countries in Asia and drowning by the hundreds, and Jewish refugees being turned away by the Allies. He talked about the Japanese relocation camps, racist attacks on blacks, etc., and that of the eleven million murdered by the Nazis, five million were not Jews.

When Rabbi Cooper introduced Mrs. Bass, a survivor, "She lived through that?" gasped one young girl in the back of the room. The questions came, one after the other. They held her 30 minutes after the program. They want to know more. For most of them, anything was more than they had known before.

"There's hardly a line in our kids' history books about the genocide of six million Jews," noted Judy Gralnik, chairwoman of the School's Committee, a subcommittee of the Community Relations Committee and Southern Area Council. "Are the teachers saying anything about this? Are they discussing the moral questions raised by the Holocaust? Are they drawing parallels to the massacres in Cambodia and Uganda, where the world looked the other way, again, as it did like 35 years ago?"

"It was a cooperative enterprise," said Southern Area CRC director Jerry Friedman-Habush. "The Wiesenthal Center did the program and the CRC's Torrance Schools Committee set it up with the schools, convinced them it was educationally sound and that it raised vital moral issues for the students."

Friedman-Habush and Southern Area CRC Chairman Irwin Levin—both former teachers themselves—helped the schools with curriculum suggestions for the teachers. The Committee has offered to arrange tours of the Martyrs' Memorial exhibit at 6505 Wilshire or the Wiesenthal Center's new Holocaust exhibit at their Yeshiva University facility.●

REPRESENTATIVE DINGELL INTRODUCES ENERGY SUPPLY BILLS

HON. JOHN D. DINGELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 14, 1979

● Mr. DINGELL. Mr. Speaker, today I have introduced two comprehensive energy supply bills to deal with matters of synthetic fuels acceleration and coordination of licenses, and so forth, for energy projects, the development of a gasohol industry in the United States, proposals providing for wheeling of electric power for conservation and other purposes, proposals for solar information and wind energy programs, as well as a number of other proposals. These bills are essentially the same package of provisions that Senator JACKSON and other Senators introduced this week to improve energy supplies. I have added to the package provisions concerning synthetic fuels which is identical to H.R. 4474 which I introduced yesterday. I have made a number of technical changes in the proposals to raise additional issues and to eliminate provisions that I have concern about. There are other such provisions that I question but I have not tried to correct them at this time.

I introduce these bills in order to begin a dialog in the House aimed at developing a comprehensive energy supply package for enactment in this Congress. I do not necessarily support all of the proposals or even some of the provisions in the proposals I tend to favor. I introduced them only to get them before the House. I commend Senator JACKSON for taking the time and effort to get together this package.

I specifically excluded from this package proposals for fuel switching from petroleum to natural gas or coal. Congress enacted in 1978 the coal conversion legislation as part of the National Energy Act. The whole objective of that legislation is to encourage and require in some cases the switching of oil and natural gas to coal. I cannot now endorse the switching of oil to natural gas, particularly when the proposal would appear to amend, indirectly at least, a number of provisions of the Natural Gas Policy Act of 1978 and the Natural Gas Act. Those amendments would be quite contrary to the policy adopted by the Congress last year. It would also amend the Coal Conversion Act of last year and the Clean Air Act in such a way as would be objectionable to me and I am sure to many of my colleagues on the Interstate and Foreign Commerce Committee who labored many days to develop this legislation.

I have already announced hearings on the synthetic fuels portions of the package which is quite similar to the purchase authority proposed by my distinguished colleague, Congressman Moorhead of Pennsylvania who deserves great credit for his imaginative approach to developing this industry. These hearings which will complement his effort will be on June 22 and 25, 1979. I plan additional hearings on the other features of the bill later. I might add that I have divided the package in recognition of the jurisdictional claims of other committees and because I believe it would be too unwieldy to consider all of the proposals as one legislative package. Again, I want to commend Senator JACKSON for his leadership in introducing these bills. While I do not necessarily support them all, I believe they should be before the House for consideration in the forthcoming weeks and months.

A REMEDY FOR SEVERANCE PAY

HON. HENRY B. GONZALEZ

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Friday, June 15, 1979

● Mr. GONZALEZ. Mr. Speaker, I was very disturbed to recently discover that severance pay is not available to enlisted members of our Armed Forces, but only to officers, and I am introducing legislation to remedy this situation.

Unlike civil service employees, members of the U.S. Armed Forces are not vested in a retirement system until completion of 20 years of active duty, and we all know that the majority of those who serve in the military do not remain in long enough to become vested. In fact, the statistics show that only 11 percent of the enlisted men and 29 percent of the officers stay until retirement.

The obvious inequity of treatment between the enlisted man and the officer in regards to severance pay is quite disturbing. For example, regular Navy ensigns and Marine Corps second lieutenants who are in the O-1 pay grade failing promotion to the next higher grade because of a lack of professional qualifications are entitled to severance pay. Their service at the time would be no more than 3 years. On the other hand, enlisted members may be promoted to as high a grade as E-9, having 5, 10, 15 or even 19 years of active duty and not be entitled to any remuneration if discharged for any reason.

Severance pay is generally given to all employees in many lines of work when they are involuntarily terminated from their jobs. This severance pay is provided to the employee as compensation for their past service to the employer as well as to ease the burden of their finding new employment and the disruption this termination has in their life and that of their family. Yet in our Armed Forces we do not offer this compensation to those enlisted personnel who have served the Government, many almost long enough to qualify for retirement.

Mr. Speaker, this is inequitable and unfair and Congress should take immediate action to remedy this situation. The 1978 GAO report on severance pay programs in the Federal Government argues for severance pay for enlisted personnel. The report states—

> Military nondisability severance pay is available only to officers, not to enlisted members.

Enlisted members are rarely separated involuntarily. However, since they are subject to such separation it would seem appropriate to provide them with the same benefits accorded officers separated for the same reasons.

The GAO study is not the only one to support severance pay for enlisted personnel. The President's Commission on Military Compensation reported that severance pay should be extended to enlisted personnel, as well as the 1976 report from the Defense Manpower Commission.

We currently have a situation where a civil service employee whose position was abolished after 12 years of service would receive severance pay, but an enlisted man serving the same length of time and denied reenlistment would not be eligible for any type of special payment.

Not only do we have reports that indicate the system is not fair and should be changed, but a number of prominent people are urging that the system be amended. Among those are U.S. Army Chief of Staff, General Bernard W. Rogers and Air Force Secretary Stetson both support severance pay for enlisted personnel.

Mr. Speaker, I believe that everyone who reviews this situation would agree that it is unfair and inequitable and that we are treating enlisted military personnel unjustly. On the one hand the Department of Defense supports severance pay for its many civilian employees as well as its indirect hire and associated foreign national employees plus its uniformed commissioned officers, but denies this pay to those enlisted.

I urge my colleagues to support my efforts and I would hope that immediate action could be taken to resolve this injustice.●

THE 38TH ANNIVERSARY OF LITHUANIAN INVASION

HON. CHARLES F. DOUGHERTY

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Friday, June 15, 1979

Mr. DOUGHERTY. Mr. Speaker, beginning on June 14, 1941, Soviet authorities began the deportation of over 45,000 Lithuanians to Siberia in the face of a massive invasion by Nazi forces.

This action was not intended as a humanitarian act. Of those 45,000 persons, 5,000 were executed. This week marks the 38th anniversary of that tragic event in which thousands of others died in Siberia or became separated from their families.

The Lithuanian people have a long history of rebellion against both Czarist and Soviet attempts to subjugate and denationalize them. Today, Lithuanians desire their independence, cultural, and human rights. I support them in their desires and call for the withdrawal of all Soviet occupation forces in Lithuania.

I hope that their aspirations for freedom will soon be realized.●

THE ADMINISTRATION'S SUPERFUND: NEEDS IMPROVEMENT BUT A POSITIVE STEP FORWARD

HON. JOHN J. LaFALCE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, June 15, 1979

● Mr. LAFALCE. Mr. Speaker, on April 30, I introduced in the House of Representatives two bills, the Toxic Waste and Tort Act and the Hazardous Materials and Compensation Act. Both of these bills attempt to provide a national comprehensive policy and program to protect the public and the environment from the deleterious effects of improper disposal of hazardous wastes.

On Wednesday, June 13, the Carter administration unveiled its version of a comprehensive policy for dealing with the hazardous waste disposal problems. Although the administration's bill and mine have many similarities such as a "superfund" funding mechanism there are differences between the administration's proposal and mine.

Two basic differences entail the composition and the "superfund" and the types of assistance to be offered under the superfund. My bills offer a financing mechanism which include a fee system based on volume and the toxicity of hazardous wastes to be disposed as well as fees to be imposed on the production of oil and natural gas—two materials which serve as the feedstocks of most hazardous wastes. The administration bases its fees on the amount of oil and gas produced as well as the amount of these two materials used as feedstock for the production of chemicals.

This difference between our bills I believe to be negotiable. However, one item which I do not believe to be negotiable is the compensation of innocent victims—such as the residents of the Love Canal area in my congressional district—for personal injury due to exposure to toxic wastes. The administration's bill provides no program of this sort.

I am inserting in the RECORD a copy of an editorial from today's Buffalo Evening News which I want to share with my colleagues. The tragedy which has occurred in Niagara Falls as a result of indiscriminate dumping of hazardous waste is not only environmental in nature. People have suffered ill health effects and it was for this reason that the Commissioner of Health for the State of New York issued his order last August which led to the President's declaring the area an emergency. It is the human horror story which has caused the Federal Government to act and put forth its superfund bill. To not include compensation for victims for personal injury is irresponsible.

I laud the administration's efforts to come up with a comprehensive bill. However, as the editorial states, it does not go far enough. Congress will be holding hearings on this bill in the weeks and months ahead. I hope that my colleagues will actively participate in the debate, give this bill their full consideration, and work with me and the administration to come up with the best possible program to prevent future Love Canals and its effects on the public's health and welfare from ever occurring again.

The editorial follows:

Strengthen Waste-Aid Fund

The "superfund" proposed by President Carter for preventing future Love Canals represents an important step in reducing the risks of toxic waste deposits to public health and the environment.

It is disappointing, however, that in significant respects it falls substantially short of the comprehensive approach needed in dealing with the threat from the nation's many abandoned waste sites. The task of correcting the defects in the administration's bill now falls to Congress.

Under the White House plan, a $1.6 billion fund would be accumulated over four years, in part from fees levied on oil and raw materials used to produce hazardous chemicals. These would provide 80 percent of the fund, with the remainder contributed by the federal and state governments.

In principle, the fund would provide the means for prompt emergency assistance in cleaning up oil spills and poisonous waste eruptions. Key provisions would strengthen federal standards for the handling of hazardous substances.

Although the financing mechanism and pollution restrictions are good as far as they go, they fail to provide adequate funds for either the victims of hazardous waste loses or for costly remedial cleanup of existing or further abandoned waste sites.

Thus it is ironic that the president cites Love Canal as an example of the need for a huge cleanup effort, since the legislation would provide neither retroactive reimbursement for state remedial costs incurred at Love Canal before the bill became law nor compensation for the victims of hazardous waste exposure.

Once enacted, the measure would ensure some federal emergency assistance for further drainage work that might be required at Love Canal beyond the limited federal aid now authorized for remedial expenses incurred by the state. But neither Love Canal nor any other abandoned dump site would be eligible for more than $300,000 for emergency cleanup. This is a grossly inadequate amount, in contrast with the cost of the Love Canal cleanup operations.

A fundamental defect in the administration's package is its omission of any provision for compensating individuals for personal injuries and economic damages. The approach provided in the Toxic Waste and Tort Act, co-sponsored by Rep. John J. LaFalce and Senator Daniel Patrick Moynihan, is clearly superior in this respect. It would help innocent victims of toxic exposure to cope with the present legal hurdles in proving liabilities and establishing damages.

Moreover, the LaFalce-Moynihan financing mechanism offers a sounder allocation of fees; these would be levied, not on the overall production of oil or chemicals, but rather on the volume and taxicity of waste deposits as an effective incentive for conservation safeguards.

Despite these shortcomings, the government has taken a welcome initiative. While this is a complex area that will need careful legal defining to ensure effective solutions for waste hazards, any prolonged delay by Congress in giving these effect would risk foot-dragging by states or localities ineligible for recovery of emergency outlays made before the bill becomes a law.●

FARMERS, ALCOHOL AND ENERGY SELF-SUFFICIENCY

HON. RICHARD NOLAN

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 14, 1979

● Mr. NOLAN. Mr. Speaker, I would like to alert my colleagues to an article appearing in the Wall Street Journal which demonstrates how small, decentralized energy systems can facilitate energy self-sufficiency on the farm.

The article concerns a Minnesota farmer, Alan Zeithamer who, through ingenuity and hard work, has built an alcohol still on his farm which converts corn to alcohol. The alcohol is mixed with gasoline and provides Mr. Zeithamer with all his fuel requirements and leaves him with some corn as feed.

Clearly, the time has come to reevaluate our historic reliance on huge energy production and transportation systems and focus on systems which are less expensive, more reliable, and which utilize renewable energy sources.

Once again our family farm system is a leader in providing solutions to the difficult problems our Nation faces. I commend this article to my colleagues.

The article follows:

Some Farmers Find New Source of Fuel To Plant Their Corn

(By Lawrence Rout)

ALEXANDRIA, MINN.—Alan Zeithamer has a backyard still, but he isn't your typical country moonshiner.

You won't hear him touting the mind-numbing qualities of his 160-proof spirits. What gets fired up on Mr. Zeithamer's alcohol is his tractor, along with his combine, trucks and other farm vehicles. And next winter the alcohol distilled from corn he and his father, Archie, grow on their farm, will be warming Mr. Zeithamer's home.

"We want to be completely energy self-sufficient," the 25-year-old farmer explains, "and not have to rely on OPEC, oil companies or anybody else."

Mr. Zeithamer's still has created a stir in farm country. He has been besieged by thousands of visits and countless calls and letters from people who also want to know how to grow their own energy. So many, in fact, that he has begun charging $100 a visit to hold down the traffic.

But he may not remain an anomaly for long. The current shortage of diesel fuel and uncertainty over future prices and supplies are worrying farmers all across the plains states. So far this year the Bureau of Alcohol, Tobacco and Firearms has given out some 800 permits for alcohol-fuel plants, mostly to individual farmers. Last year it issued 18.

MIXING IT UP

Farmers, of course, aren't the only ones interested in alcohol fuels. Gasohol, a mixture of 90% gasoline and 10% ethyl alcohol, has been getting a lot of attention lately. The federal government has waived the four-cent-a-gallon federal excise tax on the blend, and motorists are filling up with it in a dozen states. "It's highly accepted in urban areas as well as among the farm population," says Mary Holz-Clause of the Iowa Development Commission.

But farmers are less interested in buying gasohol than in making fuel at home. "Farmers just have to have some control over their own fuel supply," says William Scheller, professor of chemical engineering at the University of Nebraska at Lincoln. "When you need the fuel in farming, it has to be there. If it comes two weeks later, it may be too late."

Mr. Zeithamer feels the same way, so two years ago he decided he needed a still. It had to be larger than the typical bootlegger's version, but smaller than industrial models. It also had to be cheap and, therefore, homemade.

His initial efforts were discouraging. "We went to the university people and the industry people, and they all said it couldn't be done," he recalls. But after spending weeks with an old Alabama bootlegger and poring over books in the Library of Congress in Washington, Mr. Zeithamer began putting his still together in a barn.

TANKS AND PIPES

The contraption doesn't give the impression of being a technological marvel. In the middle of the barn, which is littered with old tires, hoses and shovels, stands a black, 4,000-gallon cooker. Corn, water and enzymes are mixed here and heated by a furnace that burns wood and cornstalks. Three smaller tanks surround the cooker, with a cinder-block chimney and a steel distilling column rising 22 feet in back of it. Besides a few valves, gauges and electric pumps, that's about all there is to it.

So far, Mr. Zeithamer has been mixing the alcohol he produces with gasoline or diesel fuel. But when he gets the still up to its capacity of 750 gallons a week this fall, he plans to burn the alcohol straight in farm machines, after making a few engine adjustments. "Alcohol burns more efficiently than gasoline or diesel fuel; it burns cleaner and cooler," he says.

In addition, burning straight alcohol eliminates the need to redistill it several times to remove the last of the water, as is necessary if the alcohol is to be blended with gasoline.

What is left of the corn put through the still is a high-protein, nonalcoholic slush known as distiller's grain. Mr. Zeithamer's 100 head of cattle gobble it up. "A lot of that corn was going to feed the cattle anyway," he says. "Now we can get an extra use out of it."

Mr. Zeithamer says he gets about 2½ gallons of alcohol from a bushel of corn and also distills some potatoes. Considering that he has no transportation costs and can use what is left over of the corn as feed, he figures he can produce a gallon of fuel for less than 50 cents. Diesel fuel, by contrast, runs about 87 cents a gallon in his area. Mr. Zeithamer expects to recoup his $16,000 investment in the still in 2½ years.

The Agriculture Department is a good deal more cautious about such projects. "The homework hasn't been done," says Donald Fink, energy-policy analyst for Secretary Bob Bergland. "We don't know what the various technological options are, what the minimum capital requirements are. We don't want to see a lot of farmers, who are already in debt up to their eyeballs, getting in farther for something that may not work for them."

The department is studying alcohol fuel, Mr. Fink says, and by the end of the summer it should be ready to make policy recommendations on such matters as research grants and tax incentives.

One reason for the caution is the cost of stills. Most observers doubt that many farmers could build one as cheaply as Mr. Zeithamer did, suggesting $40,000 as a more likely price. Indeed, Donald Smith, of Colby, Kans., has formed a company called Alternative Energy Ltd. that plans to sell stills for up to $50,000. But as one farm-state Congressman, Democrat Berkley Bedell of Iowa, notes, nowadays "that's just a little more than a tractor's cost."

For farmers without livestock, the protein byproduct also could be a problem. Distiller's grain rots in about five days unless it is dried out, but "drying could easily double the production costs," says Dennis Vander Griend, a South Dakota State University engineering student who has built an experimental still as a school project.

Whether energy is saved by the process is a matter of debate. "If you're using grain, you have to fertilize, plant, collect, separate and prepare it," all processes that consume energy, notes S. M. Harris, chief of the Energy Department's "biomass energy systems" branch. As a result, he says, making alcohol on the farm probably uses either a little or a lot more energy than it yields, "depending on what expert you talk to." But he concedes that when alcohol is burned straight and isn't redistilled, the energy balance "could be a little positive."

Proponents of the stills like to point out that the grain distilled in them is, in a way, a solar-energy collector. In addition, many farmers say those who claim that stills are uneconomical have their figures wrong.

"They're looking at plants that make drinkable booze, where everything has to be ultra-fine, pure and redistilled again and again," say Lance Crombie, a Webster, Minn., farmer who holds a Ph.D. in microbiology and has built his own still. "With fuel, you can use it cheap and dirty," he adds.

Mr. Crombie contends that he can make alcohol fuel for as little as 30 cents a gallon, a proposition so attractive it has caught the eye of some backwoods veterans of the technology. "They're interested in switching to making fuel; there isn't that kind of profit in moonshining," Mr. Crombie says.

Meanwhile, at the Bureau of Alcohol, Tobacco and Firearms, officials doubt that all of their new permit-holders are pouring 100 percent of their output into tractors. "I'm sure that some are drinking it," says William Foster, a tax specialist at the bureau. But given the rudimentary stills that most farmers have, he sees little cause for concern. "We don't feel they are getting something very many would want to drink," Mr. Foster says. "It just would taste pretty raunchy."●

GUISEPPE LUCCHETTI, 1896–1979

HON. DON BAILEY

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Friday, June 15, 1979

● Mr. BAILEY. Mr. Speaker, it was with great sadness that I learned of the death on Friday, June 8, of Guiseppe Lucchetti, a resident of New Kensington, Pa., in my district, for more than 66 years.

Mr. Lucchetti, who was 83, is survived by 6 children, 17 grandchildren, and 13 great grandchildren.

Mr. Lucchetti, who was well known in the Italian-American community of New Kensington, emigrated to the United States from his birthplace, Ceccano, Italy, in 1913.

He married, raised a large family and was employed for more than 20 years by the American Window Glass Co., Arnold, Pa. Guiseppe Lucchetti was a life-long member of Mount St. Peter's Roman Catholic Church.

I wish to extend my sincere condolences to Mr. Lucchetti's family.●

SYNTHETIC FUELS AND DEFENSE: DISSENTING VIEWS ON H.R. 3930

HON. RON PAUL

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Friday, June 15, 1979

● Mr. PAUL. Mr. Speaker, a blatant attempt to scare Congress into funding a massive synthetic fuels program is underway. Synfuel bills have been before this House in years past, but they all have failed. Now, however, the catchwords "defense" and "national security" are being used to pressure and frighten Members into supporting this foolish and unnecessary legislation.

Because the issue is of more than passing significance, I would like to place my dissenting views on H.R. 3930 in the RECORD for all Members to read:

DISSENTING VIEWS OF RON PAUL ON H.R. 3930

I am opposed to this bill for many reasons, each of which I will take up in order.

THE RED HERRING OF DEFENSE

The Congress has been attempting to enact a synthetic fuels bill for years, and it has repeatedly failed. When I was a member of the Banking Committee in 1976, we reported H.R. 12112, to amend the Federal Non-Nuclear Energy Research and Development Act of 1974, That bill failed, as did a similar bill in December of 1975. This year, however, the proponents of synthetic fuels apparently believe that if a synthetic fuels bill can't be sold under its own name, it will surely sell as a defense bill. So this year, a synthetic fuels program becomes the "Defense Production Act Amendments of 1979."

Merely calling a bill a defense bill does not make it so, however. The fact that this bill was reported by the Committee on Banking, Finance and Urban Affairs and not the Committee on the Armed Services indicates the non-defense nature and purposes of this bill. The fact that H.R. 3930 was handled by the Economic Stabilization Subcommittee of the Banking Committee should alert one to the fact that its purposes are economic, not military, in nature.

This shift in strategy (from calling the synthetic fuels bill by its own name to calling it by the name of defense production) by the proponents of a government-subsidized synthetic fuels industry concerns me for several reasons. First, it blurs the distinction between defense and non-defense issues. People, both liberals and conservatives, are more inclined to support a measure if it is labeled "necessary for defense." The temptation to mislabel legislation in order to win support must be stubbornly resisted, for it will lead to our being unable to distinguish between defense and non-defense programs, policies, and legislation. This blurring has already occurred in the Department of Energy, which already handles a number of "defense-related" programs. Unless we can keep the distinction clear, eventually every bill that goes through this House, from highway funds to education for the handicapped, will become a "defense" or "security" measure.

Second, the blurring of the distinction between military and non-military legislation seems to indicate a growing garrison state mentality in the federal government and in this Congress. There is, need I point out, growing interest both within and without Congress in a revival of conscription, registration, and national service. This interest in using war power during peacetime is a corollary of the blurring of the distinction between military and non-military matters.

The confusion of war and peace, military and non-military, defense and non-defense, indicates to me that we are well on our way toward the confusion of thought so vividly portrayed in George Orwell's 1984. As a devotee of logic and a strong military, I vigorously object to the selling of synthetic fuel programs in the name of defense.

Saying this, however, does not exhaust the issue. H.R. 3930, by extending the Defense Production Act for one year, incorporates by reference the language of the 1950 Act. I quote from it for the benefit of those who may not have read it:

> In view of the present international situation and in order to provide for the national defense and national security, our mobilization effort continues to require some diversion of certain materials and facilities from civilian use to military and related purposes.

This language may have been appropriate in September of 1950 when the nation was involved in a war in Korea; it is not appropriate during peacetime.

THE POWERS EXTENDED BY H.R. 3930

Passage of this bill will extend for 1 year the following powers originally granted to the President in 1950 during the Korean War and for the purpose of promoting the "mobilization effort":

1. To require that performance under contracts or orders (other than contracts of employment) which the President deems necessary or appropriate to promote the national defense shall take priority over performance under any other contract or order.

2. To require acceptance and performance of such contracts or orders in preference to other contracts or orders by any person the President finds to be capable of their performance.

3. To allocate materials and facilities in such manner, upon such conditions, and to such extent as the President shall deem necessary or appropriate to promote the national defense.

4. To control the general distribution of any material in the civilian market if the President finds that such material is a scarce and critical material essential to the national defense and that the requirements for defense cannot otherwise be met.

5. To require the allocation of, or the priority performance under contracts or orders (other than contracts of employment) relating to, supplies of materials and equipment in order to maximize domestic energy supplies, if the President finds that such supplies be scarce, critical, and essential to maintain or further exploration, production, refining, transportation, or conservation of such supplies, or for the construction and maintenance of energy facilities.

6. To prohibit, under penalty of imprisonment and fine, the accumulation by any person of any materials which have been designated by the President as scarce materials or materials the supply of which would be threatened by such accumulation.

7. To authorize any government agency the President may designate to guarantee in whole or in part any public or private financing institution (including any Federal Reserve Bank), by commitment to purchase agreement to share losses or otherwise against loss of principal or interest on any loan, discount, or advance, or on any commitment in connection therewith, which may be made by such financing institution for the purpose of financing any contractor, subcontractor or other person in connection with the performance of any contract or other operation deemed by the guaranteeing agency to be necessary.

8. To extend unlimited funds ("all such funds as may be necessary") to enable any fiscal agent designated by the President to carry out any loan guarantee.

9. To make loans unlimited in the aggregate to private business enterprises for the expansion of capacity, the development of technological processes, or the production of essential materials, including the explora-

tion, development, and mining of strategic and critical metals and minerals, and manufacture of newsprint, subject to a one-House veto by the Congress.

10. To purchase or make commitments to purchase metals, minerals, and other materials for Government use or resale.

11. To "encourage" exploration, development, and mining of critical and strategic minerals and metals.

12. To subsidize the production of any such domestically produced material other than an agricultural commodity in such amounts and in such manner and on such terms and conditions as the President determines to be necessary.

13. To transport, store, and have processed and refined any materials procured.

14. To install additional equipment, facilities, processes, or improvements to plants, factories, and other industrial facilities owned by the United States Government, and to install Government-owned equipment in plants, factories, and other industrial facilities owned by private persons.

15. To make provision for the development of substitutes for such strategic and critical materials.

This list of powers granted to the President is extraordinary. Nowhere in the Act is the President required to declare a national emergency. In certain isolated cases, the Congress may veto specific actions of the President, but there is no necessity to seek any prior permission from the Congress at all. By extending this Act for another year, the House will be approving (1) standby rationing authority (number 4 above), which it overwhelmingly rejected on May 10; (2) standby allocation authority (numbers 3 and 5 above); (3) assumption of the risks taken by banks and other lending institutions (numbers 7 and 8 above); (4) unlimited loans to private corporations (number 9 above); (5) the prohibition, with criminal penalties, of "hoarding," whatever that means (number 6 above); (7) forcing private persons to accept contracts and then to perform them (numbers 1 and 2 above); (8) making subsidy payments to corporations (numbers 11 and 12 above); (9) operating transportation, storage, processing, and refining (number 13 above); (10) installing government-owned equipment in privately-owned business (number 14 above); and (11) developing ersatz materials (number 15 above).

Whatever the worth of these powers during wartime, they are not necessary during peacetime. They create far too great a concentration of power in the imperial presidency. All of them should be allowed to expire this year before they are used to transform the economy into a total corporate state.

THE NEW POWERS ADDED BY H.R. 3930

In addition to the powers extended by the bill, H.R. 3930 grants more powers to the President. Among these are the following:

1. To make individual loan guarantees up to $38,000,000 to banking and financial institutions, subject to a one-House veto. (The present limit is $20,000,000; the aggregate amount is unlimited.)

2. To make loans and guarantees of loans to private business enterprises for the production of energy. (The present $25,000,000 individual loan limit is increased to $48,000,000; no aggregate limit is imposed.)

3. To "encourage" production of critical and strategic materials.

4. To purchase and make commitments to purchase metals, minerals, and materials without regard to the limitations of existing law in such quantities, and on such terms and conditions as the President may decide, until September 30, 1995 (presently 1985).

5. To develop ersatz materials based upon his own judgment. (Present law requires certification by the Secretary of Agriculture or the Secretary of the Interior that a particular material is likely to be in short supply in time of war or other national emergency.)

6. To achieve a "national production goal" of at least 500,000 barrels a day crude oil equivalent of synthetic fuels and synthetic chemical feedstocks by October 1, 1984.

7. To require fuel and chemical feedstock suppliers to provide synthetic fuels and chemicals feedstocks if the President deems its practicable and necessary.

8. To purchase or make commitments to purchase synthetic fuels and chemical feedstocks "without regard to the limitations of existing law."

9. To "encourage" the development and production of snythetic fuels and chemical feedstocks.

10. To transport, store, process, and refine synthetic fuels and chemical feedstocks.

11. To install additional equipment, facilities, processes, or improvements to plants, factories, and other industrial facilities owned by the United States Government, or to install Government-owned equipment in plants, factories, and other industrial facilities owned by private persons.

12. To organize corporations, subject to a one-House veto, for purposes of achieving the goal of producing 500,000 barrels per day crude oil equivalent of synthetic fuels and chemical feedstocks.

The major new powers all relate to the crash synthetic fuels program this bill compels the President to undertake. This program, as we shall see, promises to be as well thought out and operated as the Strategic Petroleum Reserve Program mandated by Congress in the Energy Policy and Conservation Act of 1975.

THE COSTS OF H.R. 3930

The only specific sum mentioned in the bill (aside from increases in the loan guarantee levels) is the $2,000,000,000 authorization in section 4. This authorization is merely the tip of the iceberg, however, for the bill mandates a crash synthetic fuels program to achieve a goal of 500,000 barrels per day in crude oil equivalence. Section 305 (d)(4) prevents the President, however, from contracting for or purchasing synthetic fuels or feedstocks in an amount in excess of 100,000 barrels per day crude oil equivalent from any one person. This means that there will need to be at least five synthetic fuel producers and at least five synthetic fuel plants. The costs—which will be borne by the government, that is, the taxpayers—of developing this capacity has been estimated to be from $1,000,000,000 to $2,000,000,000 per plant. Assuming in these inflationary times that the higher figure is more nearly correct, the total authorization amounts to at least $12,000,000,000.

Even that is not the whole story. H.R. 3930 continues the open-ended authorizations contained in the 1950 Act. The unavoidable conclusion is that this is a multibillion dollar crash program whose economic benefits are unknown and perhaps nonexistent. Even the unlimited loan guarantee authority is costly, perhaps not so much to the government, but to the economy as a whole. Professor Henry Jacoby of the Massachusetts Institute of Technology testified on loan guarantees before the House Committee on Science and Technology on April 6, 1976.

The problem with loan guarantees is that they tend to hide the true cost of the technology that is being demonstrated. Loan guarantees give the illusion of bearing no cost, since no immediate budgetary expense is involved, and it is often assumed—we don't know correctly—that the costs of default will not arise. In fact, loan guarantees do involve a cost to the economy as a whole, for they subsidize the flow of capital into the guaranteed investment. . . . Thus the guarantee carries a hidden subsidy which masks the real economic cost of the energy produced—or saved—and clouds the issue of what the "commercial" status of the technology would be without the guarantee.

The defaults on such loan guarantees could add billions to the cost of this bill. It is impossible to know the true cost of H.R. 3930, for it opens the public purse to unlimited raids by the banks and corporations.

THE CORPORATE STATE

As a proponent of free enterprise capitalism, I find it quite disturbing that we are continuing on a course of subsidizing private corporations and creating government corporations to achieve the goals of the Defense Production Act. In view of the fact that the government, that is, the American taxpayer, is assuming the risks of both the lending institutions and the corporations themselves, this bill might better be called the "Corporation Welfare Rights Act of 1979." Not only loan guarantees, but outright subsidies and installations of equipment are promised by the bill. Beside H.R. 3930, the bailouts of Lockheed and the Penn Central pale into insignificance. What we see in H.R. 3930 is a blueprint for the combination and collusion of big government and big business to exploit the American middle class, the American taxpayers. This is antiethical to the limited, Constitutional government established in this country in 1788. It is a type of collectivism, not capitalism. Its emergence and unchecked growth will mean the end of capitalism and of individual freedom. If that occurs, then there will be nothing left to defend, thanks in part to the Defense Production Act. I do not believe the forced subsidy of large corporations by the American people to be either wise, necessary, or moral.

Those who hope to make profits on synthetic fuels should assume the risks involved. That is the nature of free enterprise capitalism: self-responsibility. The forced assumption of these risks by the taxpayers is unwarranted and unjustifiable. In times past, as well as in this bill, Congress has assumed that it can favorably affect the marketplace so as to achieve a result efficiently that free men could not have achieved. Why government believes it has this godlike ability, I do not know. I do know that it is mistaken in its belief, for its attempts to manipulate the market merely distort the market, and its attempts to control the market destroy the market. H.R. 3930 will wreak havoc if it is enacted into law. It will be a giant step forward for government, and a giant step backward for mankind.

WHAT IS TO BE DONE?

Some of the reasons that prompted the Banking Committee to report this bill undoubtedly involved the notion that we must "Do something!" to prepare for another interruption in our supply of imported oil. I entirely agree that we should do something, but deciding upon the proper thing to do involves analyzing the reasons for our present dependence.

The OPEC nations are not forcing us to buy their oil. This Congress—through the laws it has passed, the agencies and departments it has created, and the regulations they in turn have decreed—is forcing us to buy OPEC oil. Before Project Independence, before the Federal Energy Office and the Federal Energy Administration, before the Environmental Protection Agency, and before the Department of Energy, we were much less dependent on imported oil than we are now. The cause of our oil dependency is this Congress own actions. The way to remove that dependency is to reverse those actions, not to institute a program of corporate welfare. Indeed, we must "do something!" We must deregulate, decontrol, and de-tax our domestic fuel producers. Nothing more is needed. Nothing less will do. The costs involved, if there are any at all, will be far less than those that will be incurred as a result of this crash synthetic fuels programs.

A Final Word About Defense

Not only would the crash synthetic fuels programs mandated by H.R. 3930 be economically disastrous, it would be militarily debilitating. Far from strengthening our potential for mounting an adequate defense, it would weaken our military capabilities if Congress enacts it rather than providing for deregulation and decontrol of domestic oil producers. From a military point of view, it is folly to hamper the production of fuels needed for an adequate defense with one hand while creating a crash program to produce costly synthetic fuels with the other, when we are not even sure that the engines used by our defense forces can operate properly and efficiently on the hypothetical synthetic fuels that would be produced under this program. Those engines were not designed to use synthetic fuels, and their performance using synthetic fuels is unknown at this time.

The only conclusion to be reached is that this is an economic, not a military bill, and that conclusion is reinforced by the definition of "national defense" as it is rewritten by H.R. 3930:

The term "national defense" means, programs for military and energy production or construction, military assistance to any foreign nation, stockpiling, space, and directly related activity.

National defense, in pursuit of which the President is granted authority to straitjacket the economy, is so broadly defined as to include energy production, military foreign aid, space activities, and "directly related" activities. In the name of defense, the President will receive powers that would, if he chooses to exercise them (and the decision is entirely his), destroy the free society for which the defense is needed. I do not trust any man with power of this magnitude, especially when its purpose is less for reasons of defense than it is for economic reasons.

Synthetic Fuels and Defense: Are Synthetic Fuels Necessary?

It has been claimed by some of the proponents of a massive government-subsidized synthetic fuels program that these costly fuels are needed for our national defense and security. I wish to quote a statement made by Dale W. Church, Deputy Under Secretary of Defense for Research and Engineering before the Banking Subcommittee on Economic Stabilization, March 13:

"At the present time, and in the projected future, if we examined Defense Department needs from a direct defense standpoint, there is a domestic base that is adequate to fulfill the needs of defense."

Mr. Church was speaking of a domestic base of natural, not synthetic, fuel (since there is no domestic base of synthetic fuel, anyway) as is made clear from the context, particularly from the reply of the Committee member who queried him:

"But it seems to me that somehow we have to reconcile the fact that synfuels have an 8-year leadtime in order to be developed. They are not developed now, and do they have a role, I guess, with regards to our defense posture. And the answer I seem to be getting back from you is no, we are going to fill those through other means."

One can only conclude from this exchange that the present natural fuels are adequate for our defense.

Synthetic Fuels and Defense: Is H.R. 3930 Realistic?

H.R. 3930 requires the President to create a synthetic fuels industry capable of producing within five years the equivalent of 500,000 barrels of crude oil per day, more than the entire amount consumed by the Defense Department in 1978. Is that goal realistic? The Defense Department's own witnesses testified: No.

Commander Larry Lukers on March 13 stated:

"I would only add, Dr. Davis, that to reach a production goal of 500,000 barrels a day in 5 years would be an extremely ambitious program, one that might likely be hampered, not so much in terms of technological developments, but in terms of the availability of the necessary resources, in terms of the capital equipment items, pressure vessels, mining engineers, things of this nature, and the transportation sector. That might make it quite difficult to reach that level."

Dr. Ruth M. Davis, Deputy Under Secretary of Defense for Research and Advanced Technology, testified on the same day:

"Chairman Moorhead. I gathered your testimony, Dr. Davis, supported by Lieutenant Commander Lukens, is that our proposed schedule of trying to get the 500,000 barrels of synthetic fuels per day is too ambitious; is that your testimony Dr. Davis?

"Dr. Davis. In terms of quantity, yes. . . . Getting on line 5,000 barrels-a-day pilot plants, is certainly quite feasible within that time frame."

Unfortunately, H.R. 3930 does not contemplate 5,000 barrels per day pilot plants, but 100,000 barrels per day commercial size plants. These plants as the Department of Defense witnesses stated, are unrealistic.●

MRS. JULIA EPSEY HONORED

HON. RICHARD C. SHELBY

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Friday, June 15, 1979

● Mr. SHELBY. Mr. Speaker, my fellow House colleagues, I want to take this opportunity to pay homage to a very special lady in my hometown of Tuscaloosa, Ala.

The lady's name is Mrs. Julia Epsey and last month she received the highest honor given by the Tuscaloosa Veterans' Administration Medical Center for her untiring and unstinting service to the patients at the institution.

One hundred and forty individuals and 60 organizations were honored at the annual volunteer recognition ceremony, but there was something special about Mrs. Epsey's honor.

Mrs. Epsey received a silver bowl from the institution in recognition of 10,000 hours of devoted volunteer service to our veterans.

Ladies and gentlemen of the House, I ask you to contemplate the enormity of her service. Ten thousand hours represents a full 250 weeks—or nearly 5 full years—of strictly voluntary service to her fellow man.

Why would someone give of themself so unselfishly? Obviously, because she loves it and is a great and kind woman.

Mrs. Epsey is an 84-years-young volunteer who comes to the center 3 days a week. She has been active in the volunteer program at the institution since 1950.

Presently Mrs. Epsey serves in occupational therapy in the nursing home care unit and at the intermediate care unit. For many years she has been on the Voluntary Service Advisory Committee representing the American Legion Auxiliary.

I think Robert Dawson, Jr., the director of the Medical Center, perhaps put it best when he said of Mrs. Epsey that she "is an inspiration to patients, staff, and other volunteers. Needless to say, she is a great asset to this center."

To that I can only add my own congratulations and thanks to this remarkable woman.●

THE POPE RETURNS TO HIS NATIVE POLAND

HON. JOHN G. FARY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 14, 1979

● Mr. FARY. Mr. Speaker, distinguished colleagues, one of the last things Pope John Paul II saw as his helicopter lifted off from Victory Square in Warsaw, was a sea of crosses. The Pope had just met with a group of young people who sang, "We want God in our schools and in our books," and who waved crosses to be blessed instead of flags that would have identified them with a particular nation or political party.

A Western observer noted that Stalin would not have believed his eyes had he seen the crowds and heard them greeting the Pope with the words of another song, a traditional hymn: "We are a choir of knights under Mary's standard. Bless us, Christ, as we prepare for battle." Stalin had derisively dismissed the papacy as a world power during the Second World War when he asked Churchill, "How many divisions does the Pope have?" During the past 2 weeks, Stalin's successors to power in Moscow saw that this Pope has many. The millions of Poles who walked, drove, and rode for miles to see John Paul II came as knights had in ancient times, to offer their services to their ruler. Today, their Queen is Mary, the Madonna of Czestochowa who the Poles call their Mother and Queen. John Paul is her general and, thus, the moral and spiritual leader of her people.

As we all know, the Pope used his influence to advocate a personal, internal, spiritual rebirth in each of his countrymen and women. He is not interested in fomenting outright rebellion against the government or Moscow. The Pope and Cardinal Wyszynski, the primate of Poland, believe that moral force is stronger than physical force; that the spiritual strength of a people will allow them to overcome the physical constraints that any temporal, earthly regime can impose.

During his visit to Poland, the Pope repeatedly asked that respect for human rights should be the first and foremost concern of both the government and the people. Through foreign media coverage of the last 2 weeks, the whole world has been able to see and know that the rights of Polish people are not respected by the present government. Although about one-fifth of the entire population of the country probably saw the Pope in person, those who were unable to take some time off from work or to find transportation to one of the cities where he stopped, were unable to see very much on the television. Coverage by the Polish media was limited to short flashes of the day's events on the evening news. Many Western journalists remarked that the vast, enthusiastic crowds were not shown on local TV. Even this limited coverage could be seen only in areas where the Pope actually stopped and not in outlying regions where the people would have been most interested in such coverage. The people were forced to rely on radio transmissions by the Voice of America, Radio Free Europe, and the BBC for news of the Pope's activities.

Several minor incidents occurred that only hinted at the suppression of free speech that is the usual state of affairs in Poland. A police van with loudspeakers drove down the streets of Warsaw that were lined with people waiting for the Pope's motorcade to drive by. From it, a voice blared out:

> Do not sing nationalistic songs. Only religious hymns are allowed.

The police did not reckon with the fact that proclaiming oneself part of Mary, the Mother of God's army, can be an even more forceful rejection of the officially atheistic government than an outright protest. Such opposition is affirmative rather than just a call to anarchy.

In Czestochowa, many people who had driven for miles were forced to turn back by the police who claimed that parking permits were necessary. The police did not reckon with people so determined to see the Pope that they left their cars in nearby fields and walked for 5 or 10 miles to reach the city.

The worst violation of human rights that took place during the papel visit occurred when Jacek Kuron and Adam Michnik, two leaders of the movement for human rights, were detained by the police on the eve of the Pope's arrival in his homeland. These two had been severely beaten earlier this year for their championship of human rights and participation in the underground university. It was obvious that the government took this most recent action in order to prevent them from causing any trouble. However, the Poles had no difficulty maintaining order and the only demonstration of force was that of the moral and spiritual strength of the church in Poland.

Outside Poland herself, Czechoslovakians, Ukrainians, Hungarians, and other Slavs, were unable to participate in the festivities surrounding the Polish Pope's return home. The borders were closed and only a few managed to make their way into Poland although many gathered at the borders hoping to make the pilgrimage or at least see Polish television's coverage of the events. There was almost no media coverage in any of the other Eastern European countries.

I had the pleasure and distinction of meeting his holiness several years ago when he visited Chicago. Even then, he had a celestial aura of deep spirituality. The tremendous crowds of people who cheered the pontiff when he returned home were also aware of this quality. The Italians greeted him in St. Peter's square upon his return to Rome, because of this spiritual quality that attracts all who see him.

Whether we feel associated with these events or not, we are inevitably in the minds of the people who greeted the Pope last week. Just as he represents the great spiritual power that is inherent in the church, for the people of Eastern Europe, we represent the freedom that is democracy. As a result, there is a moral burden on all of us to defend freedom and liberty here in the United States and to do all that we can to serve as a constant reminder to Moscow that we have not forgotten those who depend on us to insure that human rights are valued everywhere. We should always remember the tremendous crowds that cheered John Paul II as a spiritual leader and a defender of man's basic rights and aspire to always work towards those same goals.●

BARTLEY'S COGENT EXPOSITION ON THE ASPECTS OF SALT II

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, June 15, 1979

● Mr. KEMP. Mr. Speaker, as a member of the Congressional Delegation to the SALT II negotiations and the Appropriations' Subcommittee on Defense, I wish to bring to the attention of my colleagues in both bodies of the Congress an exceptional article which appeared today in the Wall Street Journal. It comes at a most appropriate time because President Carter is now in Vienna to conclude a SALT II agreement with Soviet President Leonid I. Brezhnev.

Written by Mr. Robert L. Bartley, the editor of the Journal and a veteran observer and chronicler of strategic affairs, I find this article most cogent. It speaks for itself.

At this time, I insert Mr. Bartley's exposition into the RECORD.

The article follows:

SALT: A BANKRUPT PROCESS

(By Robert L. Bartley)

In the strategic arms negotiations, the present moment is heavy with deja vu. Isn't this where I came in ten years ago?

Just before winging off for today's summit with Soviet Chairman Brezhnev, President Carter approved development of the MX missile. The new $30 billion system is intended to solve the problem of "Minuteman vulnerability." With high yields and improving accuracies, by about 1982 Soviet missiles will be able to conduct a first strike destroying all of our land-based Minuteman missiles.

As Defense Secretary Brown puts it, "The Soviets continue with a policy of building forces that could be used in a preemptive counterforce mode." The new MX missiles are to be based in a 20-mile trench so the Soviets won't know precisely where to attack, and the administration believes they will lick the "Minuteman vulnerability" problem when they are deployed in 1989.

Back in 1969, the big concern of strategic planners was something then called "Minuteman vulnerability." The huge size of Soviet missiles suggested that Minuteman would eventually become vulnerable. As Defense Secretary Laird put it in a then-controversial statement, "With their large tonnage warheads, they are going for a first-strike capability—there is no question about that." As a response President Nixon proposed the $10.3 billion Safeguard system, an anti-missile system designed to shoot down incoming ballistic missiles around Minuteman sites.

Intended for deployment in 1977 or 1978, Safeguard squeaked through the Senate by a 50–50 tie vote in August 1969. That November American and Soviet diplomats clinked champagne glasses in Helsinki at the first Strategic Arms Limitations Talks, opening an era of negotiation President Nixon proclaimed "most momentous."

Ten years of SALT, then, have done nothing to solve our most pressing strategic weapons concern. Indeed, SALT has prevented the response that was approved and funded back in 1969 and that would have been available today. While not emerging quite as soon as some pessimists predicted, the Minuteman vulnerability problem was correctly identified by ABM proponents ten years ago. Now the administration proposes to solve it with a system that—if you choose to believe Mr. Carter's MX, unlike Mr. Nixon's Safeguard, will in the end actually be built—will be available in 1989, ten years from now and seven or so years after Minuteman becomes vulnerable.

PERIOD OF ARMS BUILD-UPS

On the Soviet side, meanwhile, the SALT era has become one of history's great arms build-ups. Between 1969 and 1978, U.S. strategic force levels were static at 1,054 land-based missiles and 656 submarine-launched missiles—though more multiple warheads were installed on these launchers. Over the same time, the Soviets increased their land-based force to 1,400 from 1,028, and their sea-based launchers to 1,015 from 196. In conventional arms, U.S. manpower shrank, while the Soviets expanded their armies and supplied them with large numbers of tanks, artillery tubes and other arms.

This increased military clout already seems to be casting a political shadow. The Czech coup took place in 1948 and the Nationalist Chinese collapsed in 1949; until the fall of Saigon in 1975, the only successful Communist expansion were the victories of Ho Chi Minh in North Vietnam and Fidel Castro in Cuba. In the last four years, Soviet-allied Marxist governments have been established by force of arms in seven nations: South Vietnam, Laos, Cambodia, Angola, Ethiopia, Afghanistan and South Yemen.

Little wonder that new skepticism abounds about both SALT and detente; Tuesday night Senator Henry Jackson went so far as to charge a policy of "appeasement." Some caveats of course have to be made: American strategic forces have been improved by both the multiple warheads and the new Trident submarine. And the military and diplomatic weaknesses of the last decade can be traced to the general post-Vietnam disillusionment.

Clearly, though, the high hopes of SALT have been dashed. The agreements have not slowed the Soviet build-up in any perceptible way; certainly we have not been able to find a negotiated solution to Minuteman vulnerability. By contrast, there is plenty of reason to believe that the SALT process has subtly but effectively curtailed American strategic programs. The dynamic is this: arms control mutilates the best options, and the Budget Bureau moves in to kill off the cripples.

This can perhaps be best grasped through the Minuteman vulnerability issue. In military history there are a limited number of ways to deal with vulnerabilities. You can plan an active defense—in this case an ABM. You can fortify—but missile silos have already been hardened about as much as they can be. Or you can conceal—as in the MX trench.

Active defense of missile sites should not in theory interfere with disarmament efforts; by reducing the advantages of a first-strike it promotes "strategic stability" and reduces the likelihood of war. But the ABM was an anathema to arms control advocates because they feared it would be expanded to defend cities as well as missiles. This would interfere with mutual assured destruction (MAD), a doctrine that holds that war can be prevented by making sure that if it happens both societies would be destroyed.

Between the influence of the MAD doctrine on the U.S. side and the understandable Soviet desire to curtail American advantages in anti-missile technology, SALT I sharply restricted ABMs. It did bow to the logic of active defense of missiles by allowing each side one ABM site for missile defense. However, to prevent expansion, this system was limited to 100 interceptor missiles. So American budget guardians asked what was the sense of spending a lot of money on a system that could be defeated simply by sending 101 Soviet warheads. The U.S. ABM site in Grand Forks, N. Dak., was opened in 1975 and closed one month later.

Perhaps worse, U.S. research on active defense has slowed drastically; SALT I bans not-yet invented ABMs based on "exotic physical principles." Ironically, information-processing technology now makes it possible to envision ABMs without nuclear warheads. A proposed Porcupine system, for example, would attack incoming missiles with a shotgun burst of one-pound metal darts. But no one pushes this system vigorously, because while it does not clearly violate the disarmament treaty someone will charge that it does.

With active defense ruled out by the interaction of arms control and the Budget Bureau, and with the possibilities of hardening about exhausted, you are left with concealment. But easily concealed mobile missiles are an arms control problem; the other side can't count them to check for cheating, or "verify" the treaty. Indeed, this concern led the U.S. to issue a "unilateral declaration" against deployment of mobile missiles when SALT I was signed. This did not stop Soviet development of the mobile SS–16, but it did inhibit U.S. thinking about mobility. It also guaranteed Soviet planners the U.S. would have neither active defense nor concealment, making a sure thing out of heavy investment in first-strike missiles.

With such Soviet missiles coming on line, U.S. planners are trying to square the circle with a mobile missile that (1) can be concealed to avoid attack, (2) can be seen to permit verification and (3) will pass budget muster. Not surprisingly, the options look like something from Rube Goldberg.

The Air Force wanted the "shell game," a series of vertical shelters with one real missile and several dummies, which had to have the same shape, weight and radiation characteristics as the real one. This was deemed unverifiable.

So Mr. Carter opted for the MX in the "trench." The notion was to move the missile up and down a trench; the Soviets could see there was only one, but would not know where it was at any minute. Unhappily, it was discovered that a trench is an excellent conductor of blast waves, so that a hit anywhere on a 20 mile trench would get the missile wherever it was.

SERIES OF SHELTERS

So the MX trench will have a series of shelters, or hard points, with the missile shuffled among them. But will shelters work if they're uncovered? And if you cover them how do you allow verification? This issue has been "deferred" in Mr. Carter's "decision" to proceed with "development." Also, the MX will weigh 95 tons, and moving it will create significant seismic effects theoretically subject to detection.

In all, Mr. Carter's MX proposal does not look like the kind of a system that will withstand the cost-effectiveness scrutiny that killed the one-site Safeguard, the B–1 bomber, the B–70 before it, and earlier versions of the MX that would have been available sooner. And despite the SALT–II provision explicitly allowing one new missile on each side, the Soviets have already started a propaganda campaign against the MX like the one against the neutron bomb.

The arms control-Budget Bureau dynamic is certain to continue as SALT–III is negotiated. Any money spent on MX may be "wasted" if SALT–III terms ban mobile missiles in an extension of the three-year protocol in SALT–II. Even more importantly, the same ambiguity will cloud the U.S. cruise missile, where the U.S. holds a technological lead comparable to its ABM lead in 1969.

In fact, the dynamic has already delayed deployment of ground and sea launched versions of the cruise missile by two years. President Carter killed funds to buy these weapons in fiscal 1979 after reading Budget Bureau advice: "Defer 1979 procurement of both the anti-ship and land-attack sea-launched cruise missile in view of (a) uncertainty as to how SALT protocol provision affecting these systems will be reflected in future agreements. . . ." Also, provisions of the treaty Mr. Carter signs Monday will effectively preclude air-based cruise missiles on short take-off and landing aircraft, a promising basing mode in Europe.

From the Soviet viewpoint, SALT must seem an excellent way to delay, grind down and eventually kill the most promising U.S. weapons developments. It has kept the U.S. from exploiting its strong card of technology, while the Soviets have rolled along with their strong card of churning out masses of weapons. It has been a lever through which they have manipulated our procurement decisions.

Few people, of course, would want to give up even exploring the possibilities of sound arms agreements. But it should be clear by now that we are in a dynamic never contemplated back in 1969. Experience suggests that it is not easy, and may not ultimately be possible, to arrive at sound agreements with a nation that is totalitarian, a closed society and interested enough in armies to spend a seventh of its entire output on them. Without some kind of new start to break the current dynamic, the SALT process seems to result in one-sided restraint.

Anyone who thinks that the current process reduces the chance of war ought to think a bit about what will in the end probably be done about Minuteman vulnerability. Within the past few weeks, Secretary Brown said that in any attack on Minuteman the Russians "would face a considerable risk that we could launch all or part of our ICBMs before they could be destroyed." Secretary of State Vance echoed the idea: "One should not make the assumption that if such an attack were coming in, and we could pick that up very clearly, that we would leave the missile in the hole."

'LAUNCH ON WARNING'

In strategic jargon this is called "launch on warning." We have 15 to 30 minutes warning of incoming missiles, and systems could be built to fire the Minuteman in that interval. It does not take much reflection to see that such a doctrine would vastly increase the chances of a nuclear exchange by accident or misunderstanding, and most analysts have envisioned it as the ultimate in unstable strategic environments. Yet to judge by the latest statements, it is probably where we are headed after 1982.

We would not be talking about launch on warning if Safeguard or some evolutionary descendant of it were now being deployed. Without the guarantees of American vulnerability in SALT–I, it is even conceivable that the Soviets would have concluded that a big fleet of first-strike missiles was not worth the money. Without SALT the Minuteman vulnerability problem would not exist, and we would not be headed toward a hairtrigger nuclear environment by 1982. If the champagne glasses had never clinked at Helsinki, the world would be a safer place.●

TRIBUTE TO MRS. JOY WOODRUFF

HON. CHARLES F. DOUGHERTY

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Friday, June 15, 1979

● Mr. DOUGHERTY. Mr. Speaker, I believe that from time to time it is important to recognize positive contributions made by men and women in our society. One of these women is Mrs. Joy Woodruff. Mrs. Woodruff has been teaching in the Philadelphia Public School System for the past 21 years. She has taught at the Crossan Elementary School in the Fourth Congressional District of Pennsylvania for 20 years. Mrs. Woodruff has taught more than 760 students during her career in education. These students have been given a firm education background to get them started on the road to life through her influence. It should also be noted that Mrs. Woodruff also wrote the words and music to the Crossan School song.

Mrs. Woodruff has made a significant contribution to her community and Nation by preparing these young people to eventually enter the working world with a strong academic background. Mrs. Woodruff retires from her years of teaching this month and so I offer this tribute to her for a job well done.●

CONGRATULATIONS, BUT . . .

HON. PATRICIA SCHROEDER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Friday, June 15, 1979

● Mrs. SCHROEDER. Mr. Speaker, yesterday Lenny Wilkens, the coach of the new world champion Seattle Supersonics, was honored in festivities on Capitol Hill for his achievements and contributions in major league sports. Last season, Wilkens took over as coach of the Supersonics when their record was 5 and 17 (5 wins, 17 losses) and some were writing them off as serious contenders. Wilkens transformed the team into winners by leading them to two consecutive Western Conference Championships, the NBA finals twice and the NBA Championship this year.

At yesterday's press conference, Wilkens was cited as "an example of leadership for young people." However, in the March 1979, issue of Ebony magazine, he was described as "anti-ERA and says equalizing pay for men and women is a step toward socialism." I think the public deserves clarification of these remarks regarding women because I would hate to assume that such an attitude is reflective of any kind of leadership, be it black or white.

This is the kind of sentiment which our leaders should be dispelling, not advocating.●

SENATE—*Monday, June 18, 1979*

(Legislative day of Monday, May 21, 1979)

The Senate met at 10 a.m., on the expiration of the recess, and was called to order by Hon. J. JAMES EXON, a Senator from the State of Nebraska.

PRAYER

The Reverend Dr. William W. Slider, minister, Christ Church, United Methodist Church, Louisville, Ky., offered the following prayer:

Our Father God:

Make us aware that we are Thine, for only as we acknowledge our responsibility to Thee do we realize the true mission of our lives. When we most devoutly serve Thee we most surely carry out our mission to humankind and most certainly fulfill our own lives.

Therefore, let our prayer be one of humility, of waiting upon Thy word to our heart. May we be awed by the thought that we are addressing the Creator of all things; the absolute truth, beauty, morality. Cause us to do all things with the knowledge that we stand in Thy sight and must measure ourselves, not by the weaknesses of humanity about us, but by the holy perfection which is God.

Cause such ideals, fixed upon that which is without blemish, to challenge us always to reach higher than ever before and to strive toward the good which may seem impossible.

Bring to this Nation, its leaders, officials, and people a sense of their glorious opportunities to serve Thee and open for us the way to fulfill Thy purpose.

We pray not only for challenge and inspiration in our lives, but for Thy love that it may permeate our actions, fill our relationships, inhabit our homes. Bring us to peace, O God, in our world, our Nation, and our hearts. Whatever comes in the uncertainties of life may we so walk that it can be said of us as of some in ancient times: "And God was not ashamed to be called their God."

This is our prayer in our Redeemer's name. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. MAGNUSON).

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., June 18, 1979.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable J. JAMES EXON, a Senator from the State of Nebraska, to perform the duties of the Chair.

WARREN G. MAGNUSON,
President pro tempore.

Mr. EXON thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF THE ACTING MAJORITY LEADER

The ACTING PRESIDENT pro tempore. Under the previous order, the acting majority leader is recognized.

THE JOURNAL

Mr. BAUCUS. Mr. President, I ask unanimous consent that the Journal of the proceedings of Thursday, June 14, 1979, be approved.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. BAUCUS. Mr. President, I reserve the remainder of the time allotted to the majority leader.

RECOGNITION OF THE ACTING MINORITY LEADER

The ACTING PRESIDENT pro tempore. Under the previous order, the acting minority leader is recognized.

UNITED STATES-CANADIAN RELATIONS

Mr. STEVENS. Mr. President, we in the United States are entering a new era of relations with Canada. Pierre Trudeau was a friend of this country. With the new government of Prime Minister Clark, I believe we will find continued and perhaps expanded working relationships with our closest neighbor.

Much attention has been given to our large-scale economic relationships with Canada, due, in part, to the proposed construction of the natural gas pipeline. One of the largest construction projects ever proposed is being jointly undertaken by American and Canadian companies. The building of this line would not only transport North Slope gas to market, but also provide thousands of jobs for workers in both countries.

But beyond the international trade agreements and the large construction projects, I want to remind my colleagues of the great personal and small-scale economic interdependence the peoples of our countries share.

The people in my State have always felt bound together with the peoples of western Canada. Because of our remoteness, our harsh climate, and our economies, we have always had to depend on one another.

I am reminded of this because I recently read an article written by James Kilpatrick, in which he describes the beauty of my State and the Canadian north coast. Everyone who has been there can attest that Mr. Kilpatrick's words are true, indeed, the experience overwhelms.

But I have also read in this article that the pride of the Canadian fleet, the *Princess Patricia* may soon be grounded because of U.S. environmental regulations. We refer to her as the *Princess Pat*. If not exempted from the regulations, the owners of the 30-year-old ship will be required to spend hundreds of thousands of dollars to contain a small trickle of natural waste that is currently being discharged over 2,000 miles of ocean.

This small trickle of residue will not harm the marine environment, but the grounding of old *Princess Pat* will have a dramatic economic impact on the small Canadian and American communities along the coast, whose livelihoods are so closely intertwined.

I urge the U.S. Government to take a fresh, positive approach to expanded relations with our North American neighbors, and to consider the similarities of our peoples when dealing with both the matters of international and community importance.

In just a few weeks, the Canadian-United States Interparlimentary Conference will take place in western Canada and in my home State of Alaska. This trip will give many of us in Congress a chance to welcome and discuss common issues with the new members of the Canadian Parliament. I look forward to this meeting and would urge all of you who can to attend.

Mr. President, I ask unanimous consent that the following article by James Kilpatrick be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

ALASKA BY STEAMSHIP

(By James J. Kilpatrick)

SKAGWAY, ALASKA.—Visiting Alaska for the first time is like visiting the great Southwest for the first time. The experience overwhelms. A visitor returns to the lower 48 pretty well numbered by two impressions—of nature's fecundity, and of man's will to survive.

I pass along those impressions diffidently, out of respect for old-timers who truly know this incredible state. To spend a few hours in Ketchikan, Juneau and Skagway, and then to write grandly of "Alaska," is to spend a few hours in Key West, Miami and Daytona Beach, and then to discourse learnedly upon the whole United States.

Alaska lives by superlatives: the smallest population, the largest area, the highest mountain, the fewest people per square mile. This state is 810 miles wide and nearly 1,500 miles long. It is almost as large as four Californias. Many states share the Missouri and Mississippi Rivers; Alaska alone embraces the mightly Yukon. The state flag carries the seven stars of the Big Dipper; Alaska seems almost as far away.

Mine is a steamship view of this vastness. The Princess Patricia, pride of the Canadian Pacific, is not the most sophisticated cruise ship that ever set sail. She weighs in at barely 6,000 tons, carries only 320 passengers and boasts neither swimming pool nor gambling casino. She began life in 1948 as a ferry plying between Vancouver and Victoria; in 1963 she was born again as a cruise ship. Now she makes 18 sailings each summer by way of the inland passage from Vancouver to Skagway and return.

This may be the "Pat's" last summer. Under U.S. environmental regulations, the owners must install holding tanks for sanitary sewage by Jan. 1 or go out of business. The requirement seems ridiculous. The infinitesimal trickle of sewage, discharged over 2,000 miles of fast-moving waters, could not conceivably wreak significant damage upon marine life, but unless a requested exemption is granted, the owners will face a $750,000 capital investment in a ship already more than 30 years old. To take the old girl out of service would constitute a disaster for the Alaskan and Canadian ports of call that rely heavily upon tourists for economic survival.

I mentioned an impression of overwhelming fecundity. When God created the forests of Alaska, God lost sight of the off switch. Mile after mile, as far as the eye can see, the forests roll over the mountains—pine, spruce, hemlock, fir—millions upon millions of trees, packed as closely together as the bristles on a bear's back. An official estimate places Alaska's forest reserves at 120 million acres, an unimaginable area. One is reminded of sea shells or desert sands. Nature does nothing by halves.

North of Skagway, a narrow-gauge railway creeps to Bennett and Whitehorse, through alpine vistas as beautiful as Switzerland might offer. This is not a gentle beauty. The mountains are as remote, as regal, as imperially untouchable as crowned heads. Eighty years ago this was Gold Rush country. The town of Skagway is a grubby little place today, but in its prime it welcomed thousands of miners, trappers, victualers, boat-builders, gamblers and ladies of the evening. It is a testimony to the art of sheer survival that the prospectors of that day managed to exist through the bitter winters. These are unforgiving mountains, indifferent to man's travails. Range upon range, capped in clouds and snow, they raise their tonsured heads in cold disdain. Conquer me if you can! Not many men have mastered the challenge.

There are softer elements also. The wildflowers of Juneau and Skagway are as numerous as those of Capetown: columbine, gay as a jester's cap; saxifrage on stems as straight as drinking straws. The forest floor, closely examined, is a mass of ferns, lichens, mosses.

Let me add a third impression—the impression of time suspended. The Princess Pat has no telephones, no TV sets or radios, no newspapers brought on board. From the decks one cannot see a power line, a light at night, a billboard, a human habitation. Only a handful of other ships and boats share the narrow channels. In the vastness of Alaska our tiny vessel is the merest speck, floating on dark waters through mists as fragile as a dream.

Mr. BAUCUS. Mr. President, I yield 5 minutes to the Senator from Wisconsin.

WICHITA, KANS., BEACON CALLS FOR SENATE TO RATIFY THE GENOCIDE CONVENTION

Mr. PROXMIRE. Mr. President, last Saturday night I spoke in Wichita, Kans., before a crowd of 900 happy, healthy, wholesome Kansans. It is always a great experience for an out-of-State Senator to go to Kansas. Kansas is the geographic center of the continental United States and in many ways it represents the political center. It has spawned some marvelous Americans over the years including William Allen White, Alf Landon, Dwight Eisenhower, and many others.

It also has some of the most thoughtful and perceptive newspapers in the country. I was vividly reminded of this Sunday morning when I took an early plane from Wichita back to Washington and bought a copy of the Wichita Eagle and Beacon.

The lead editorial in that outstanding paper was entitled the Genocide Convention. The editorial is one of the most thoughtful and persuasive arguments I have read for the Genocide Convention, and in the more than 11 years I have been rising daily on the floor of the Senate to plead for the ratification of the Genocide Convention I have read and commented on literally hundreds of them.

Mr. President, I happily call to the attention of my colleagues this morning a warm and fervent call for the Senate to ratify the Genocide Convention from the heartland of America—Wichita, Kans.

I ask unanimous consent that the editorial be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE GENOCIDE CONVENTION

Genocide, the methodical, malicious destruction of entire groups of people, is an act so horrible that there is a tendency to block it out of human consciousness, and pretend that it doesn't exist.

But it does exist, and has existed down the checkered path of human history: the Turkish massacre of the Armenians before and after the turn of this century; the Nazi annihilation of 11 million Jews, gypsies, Slavs, Jehovah's Witnesses and other minorities in World War II; the mass butchery in Cambodia and Uganda that only recently has ended; and the ongoing slaughter in Equatorial Guinea.

Genocide is so alien to American ideals of justice and freedom that it would seem any move to prevent it would be met with almost unanimous acclaim. And yet the International Convention on the Prevention and Punishment of the Crime of Genocide has languished in the Senate while 84 nations around the world have ratified the document.

It was 30 years ago this weekend that President Truman signed the convention, after its unanimous adoption by the U.N. General Assembly. Every U.S. President since then has spoken in its support, and the American Bar Association has reversed its original opposing stand and endorsed the convention overwhelmingly.

Ironically, it was under U.S. leadership that the Genocide Convention came into being. Ratifying nations confirmed that genocide, "whether committed in time of peace or in time of war, is a crime under international law which they undertake to prevent and to punish."

It was as simple and as direct as that. But opponents soon raised the question of sovereign rights, and whether U.S. citizens could be extradited abroad to answer to foreign courts for alleged misdeeds. "Genocide," however, was narrowly defined by the convention, which made clear that persons charged with the crime were to be tried by a court of the nation in which the alleged act was committed, and that trial by an international tribunal would be possible only for citizens of those nations that had accepted such jurisdiction.

In fact, the greatest value of the Genocide Convention is its moral effect, and what it says to the next Adolf Hitler or Idi Amin who may attempt to arise over the corpses of his people. Senate ratification would remove from the United States the stigma of being the only major power not to have endorsed the convention, an embarrassing fact that has been thrown in the face of American diplomats by despotic regimes for the past three decades.

It is time, past time, for the leader of the Free World to end its strange reluctance to embrace this simple statement on the bounds of human decency, and for the Senate to ratify its provisions. House Resolution 146, co-sponsored by Rep. Dan Glickman, D-Kan., asks the Senate to do just that; Sens. Bob Dole and Nancy Kassebaum, both R-Kan., now should add their voices to the effort.

As Rabbi Arthur Abrams of Wichita's Temple Emanu-el recently wrote Mr. Glickman: "Unfortunately, 30 years have passed since the United Nations enacted this important human rights act. We hope that your resolution will effectively encourage the Senate to finally ratify it."

We do too. It is a small thing to ask of a nation that prides itself on its concern for the human rights of all peoples, and on the moral example it historically has set for the rest of the world.

S. 1353—LIMOUSINE LIMITATION ACT OF 1979

Mr. PROXMIRE. Mr. President, on behalf of myself and the Senator from North Carolina (Mr. HELMS), I am today introducing the Limousine Limitation Act of 1979.

At the present time, according to a detailed survey I made earlier this year, some 175 officials by title in the Government are driven to and from home, either regularly or on an occasional or ad hoc basis. The cost of chauffeurs averages about $25,000 per car where the practice is on a regular basis and operating costs are another $2,800.

For most of these officials this is clearly against the law. Title 31, section 638a of the United States Code states that automobiles can be used only for "official purposes" and that the term "official purposes" does not include being driven to and from home.

In addition to the 175 officials reported to me by the agencies themselves who are regularly or on an ad hoc basis driven to and from home, ambassadors serving abroad are exempt from the law. In practice, the ambassador, the political officer, the ranking military official, the aid official, the CIA chief of station, and others routinely are provided a car and chauffeur and are driven to and from home. Further, we all know that on almost any military base the commanding officer and the executive officer are driven to and from their homes and have the exclusive use of automobiles provided by the Government. Therefore, my estimate of 175 officials is extremely conservative and the cost figures I have estimated based on them are therefore very conservative.

While not all of the 175 officials have a car and driver assigned to them, there are at least that many persons among the 175 and among the diplomatic and other officials abroad and military officers at home and abroad who do. My estimate of the cost of this practice of about $4.865 million is therefore a conservative one.

What the bill would do is to limit the officials in the Government in this country who could be driven to and from home and who could be assigned the exclusive use of an automobile to a total of 22.

They would be: The President, the Vice President, the Chief Justice, the heads of each of the 12 executive departments; that is, the Secretaries of State, Treasury, Defense, Interior, Agriculture, Commerce, Labor, HEW, HUD, DOT, DOE, and the Attorney General, the Ambassador to the United Nations, and three elected officials of each of the House and Senate. No nonelected congressional officials would retain the privilege. No Under Secretaries, Assistant Secretaries, agency heads, and so forth, would have the privilege.

I am introducing this bill, in part, because of the failure of the Justice Department to enforce the law. At various times, including their letter to me early this year, they have interpreted a law which says that official business does not include being driven to and from home to mean that this is a matter of "administrative discretion" or that it can be done if some official determines it is in the interest of the Government. Of course, they routinely decide that their perquisite is in the interest of the Government.

I have written to the President to urge that he call upon his chief law enforcement officer to enforce the law. I hope that will be done forthwith.

I ask unanimous consent that the text of the bill, a statement I made on March 17, detailing the results of my most recent survey, and a statement of April 16 in which I released my letter to the President, be printed in the Record at the end of my remarks.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

(See exhibit 1.)

Mr. PROXMIRE. Mr. President, this practice wastes gasoline. It requires two round trips a day instead of one. Further, it encourages an arrogance and a sense of privilege among a host of officials which has no place in the American democracy and which is befitting public officials.

For these reasons I am introducing the bill today, and I hope very much that its provisions can be put into effect either by the passage of the bill or by the stroke of a pen by the President or the Attorney General.

EXHIBIT 1

S. 1353

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled.

SHORT TITLE

Sec. 1. This act may be cited as the "Limousine Limitation Act of 1979".

DEFINITIONS

Sec. 2. As used in this Act—

(1) "motor vehicle" means any vehicle, selfpropelled or drawn by mechanical power, designed and operated principally for highway transportation of passengers, except (A) a vehicle primarily designed for military field training, combat, or tractical purposes; (B) a vehicle regularly used by a Government agency in the performance of investigative law enforcement or intelligence duties, if the head of such agency determines that exclusive control of such vehicle is essential to the effective performance of such duties; or (C) a vehicle used for the transportation of Ambassadors stationed or conducting business abroad, or in the case of a country where no Ambassador is credited, a vehicle used for the transportation of the highest ranking official of the Department of State stationed in such country; and

(2) "Government agency" means any department, agency instrumentality, or authority of the executive, legislation, or judicial branch of the Federal Government.

LIMITATION OF ACQUISITION AND USE OF MOTOR VEHICLES

Sec. 3. (a) Except as provided in subsection (b), a Government agency may not—

(1) purchase, hire, lease, operate, or maintain motor vehicles, other than motor vehicles of the type generally available, on the date of the enactment of this Act, in motorpools of the Federal Government;

(2) employ or procure the services of chauffeurs; or

(3) purchase, hire, lease, operate, or maintain motor vehicles for the transportation of any elected or appointed officer or employee of a Government agency between his dwelling and his place of employment, except in the case of (A) a medical officer on outpatient medical service, or (B) an officer or employee engaged in fieldwork in remote areas, the character of whose duties make such transportation necessary, and in either such case, only when such exception is approved by the head of the Government agency concerned.

(b) The provisions of subsection (a) do not apply to (1) the purchase, hire, lease, operation, or maintenance of motor vehicles for the personal use by the President, and one each for use by the Vice President of the United States, the head of each executive department, the Chief Justice of the United States, the President pro tempore of the Senate, the Speaker of the House of Representatives, the majority and minority leaders of the Senate and of the House of Representatives, and the United States Representatives to the United Nations, or (2) the employment or procurement of services of chauffeurs for such motor vehicles.

(c) No elected or appointed officer or employee of a Government agency, other than those referred to in subsection (b), may be furnished a motor vehicle for his exclusive use.

Officials by Title Who Are Driven to and From Home

Senator William Proxmire (D-Wis) said late Saturday that "Despite President Carter's example of denying most members of the White House staff the privilege of being driven to and from home in chaffeured government cars, the number of high ranking government officials who enjoy the privilege has grown from 148 to 175 in the last two years.

"The results of my most recent survey of every government agency, identical to that made during the first months of the Carter Administration two years ago, show that the total cost has gone up from $3.33 million to $4.86 million a year. The cost of chauffeurs and drivers has risen from $20,000 to over $25,000 per car, and operating costs have increased from $2,500 to $2,800. It is on this basis (175 x $27,800) that the $4,865,000 estimate is made."

The survey was made by Proxmire as chairman of the Subcommittee on Priorities and Economy in Government of the Joint Economic Committee. The Senator is also chairman of the Senate Banking, Housing and Urban Affairs Committee and a member of the Senate Appropriations Committee.

"Title 31, Section 638a, of the U.S. Code states that government automobiles may be used only for 'official purposes' and that 'official purposes' do NOT include being driven to and from home. The law applies only to the Executive Branch and domestically excludes only the President, the Secretary of a department (but not Under Secretaries, heads of agencies, boards, etc.), doctors on outpatient duty, and individuals on field service great distances from their homes.

"Recently I wrote to every department, agency, office, regulatory commission, and court in the United States government asking what officials by title in the agency are driven to and from home. I further asked for the cost of chauffeurs as well as the cost of buying or leasing, depreciation, maintenance, gas and oil, etc., for the cars. Among the key results are:

(1) Of the 175 officials being driven to and from home, only 22—the President, Vice President, 13 Cabinet officers, the Chief Justice, and six Congressional officials—are clearly entitled to the privilege by a direct provision of the law.

(2) The increase in total costs of 45 percent is three times the 15 percent increase in consumer prices over the last two years and more than triple the increase in prices allowed under the President's wage and price guidelines.

(3) The worst offender, as was true two years ago, is the Pentagon, where 61 officials—12 routinely driven to and from home and 49 others when ' . . . *they* determine it to be essential to the successful accomplishment of their duties for a given day . . . .' are given the privilege.

(4) The cost of the chauffeurs for seven officials exceeded $30,000 a year. These are the Secretary of HEW ($38,406), the Secretary of the Treasury ($35,569), three top Justice officials ($91,295), the Secretary of Agriculture ($30,039), and the Secretary of Commerce ($33,778).

(5) The major increases occurred in the regulatory commissions, where 53 officials are driven to and from home compared with 22 officials two years ago.

(6) The Justice Department, whose failure to enforce the clear language of Title 31, Section 638a, is a primary reason for the size and growth of the practice, wrote that it does not violate the law where the practice '. . . is deemed to be in the interest of the government' and that the '. . . control over the use of Government vehicle is primarily a matter of administrative discretion.'

(7) Of the three branches of the government, the best record once again is that of the Judiciary, where only the Chief Justice of the United States, among the hundreds of Supreme Court, District, and Appellate judges, has the privilege.

(8) The figure of 175 is conservative, for it does NOT include Ambassadors, Consuls, First Secretaries, military attaches, Chiefs of Station, and AID officials abroad and some domestic officials provided portal to portal transportation for security reasons.

A list of the agencies and officials who have the privilege follows. All figures are based on the practice as stated at the time of the reply. Cars used, in the majority of cases, are not luxury vehicles.

CABINET

Department of Defense (61):

Regular basis (12): Secretary of Defense, Deputy Secretary of Defense, Secretary of the

Army, Secretary of the Navy, Secretary of the Air Force, Chairman, Joint Chiefs of Staff, Army Chief of Staff, Air Force Chief of Staff, Chief of Naval Operations, Commandant of the Marine Corps, Under Secretary of Defense for Research & Engineering, Under Secretary of Defense for Policy.

Exception basis—"when they determine it to be essential to the successful accomplishment of their duties for a given day" (49): 9 Assistant Secretaries of Defense, General Counsel, DOD, Under Secretary of the Army, Under Secretary of the Navy, Under Secretary of the Air Force, Vice Chief of Staff, Army, Vice Chief of Staff, Air Force, Vice Chief of Naval Operations, Assistant Commandant of Marine Corps, 4 Assistant Secretaries of the Army, 3 Assistant Secretaries of the Navy, 3 Assistant Secretaries of Air Force, Commander, Army Materiel Development & Readiness Command, Chief, Naval Material, Commander, Air Force Systems Command, Director, Joint Staff, 18 Four Star Generals outside the national capital region.

Department of Health, Education and Welfare (2):

Secretary of HEW, and Commissioner of Social Security.

Department of Energy (1):

Secretary of Energy.

Department of Agriculture (1):

Secretary of Agriculture (1):

Department of Commerce (3):

Secretary of Commerce, Acting Secretary of Commerce, and Director, Environmental Data Service.

Department of the Interior (1):

Secretary of the Interior.

Department of State (7).*

Secretary of State, Deputy Secretary of State, U.S. Representative to the U.N., Deputy U.S. Representative to the U.N., Deputy U.S. Representative to the Security Council, U.S. Representative on the U.N. Economic and Social Council, Alternate U.S. Representatives for Special Political Affairs.

Department of the Treasury (1):

Secretary of the Treasury.

Department of Labor (1):

Secretary of Labor.

Department of Justice (3):

Attorney General, Director, FBI, Assistant Attorney General, Office for Improvements in Administration of Justice.

Department of Housing and Urban Development (1):

Secretary of HUD.

Department of Transportation (14):

Secretary of Transportation, Commandant of the U.S. Coast Guard, 12 Coast Guard District Commanders.

White House (4):

President, Vice President, Assistant to the President for Security Affairs, and Director, Office of Management and Budget.[1]

Judicial Branch (1):

Chief Justice.

Congress (10):

House of Representatives: Speaker of the House, Majority Leader, and Minority Leader.

Senate: President Pro Tempore, Majority Leader, and Minority Leader.

Other Congressional Offices: Architect of the Capitol, Acting Architect of the Capitol, Comptroller General, and Deputy Comptroller General.

Agencies and Institutions (11):

President, Amtrak, Postmaster General, Deputy Postmaster General, Secretary, Smithsonian Institution, Editor, Smithsonian Magazine,[2] Administrator, U.S. Small Business Administration[1] Deputy Administrator, U.S. Small Business Administration[1] Deputy Director, Community Services Administration,[1] Director, Federal Mediation and Conciliation Service,[1] Deputy Director, Federal Mediation and Conciliation Service.[1]

Regulatory Commissions and Boards (53):

Chairman, Federal Reserve System; Administrator, Agency for International Development; Chairman, Federal Communications Commission; Chairman, Federal Deposit Insurance Corporation; Appointive Director, FDIC; Comptroller of the Currency, FDIC; Deputy Chairman, FDIC; Assistant to the Director, FDIC; Chairman, Securities and Exchange Commission; [1] Chairman, Commodities Futures Trading Commission (vacant); [1] 4 Commissioners, CFTC; [1] 5 Commissioners, Federal Trade Commission [1]; Chairman, Civil Aeronautics Board [1] (Chairman normally takes public transit); 3 Members, CAB; [1] Officials, National Labor Relations Board [1] (There are 5 Board members, including the chairman, and the General Counsel, appointed by the President); Commissioners and Commission officials, Interstate Commerce Commission [1] (There are 11 Commissioners as well as 13 bureau and office heads.

LETTER TO PRESIDENT CARTER

APRIL 16, 1979.

Sen. WILLIAM PROXMIRE (D-Wis.) Monday released a letter to President Carter calling on him ". . . in connection with your proposal to conserve gasoline . . . to wipe out the practice" of providing transportation to and from home in chauffeur driven cars to more than 150 ineligible government big shots.

Proxmire is Chairman of the Senate Banking, Housing and Urban Affairs Committee and a member of the Senate Appropriations and Congressional Joint Economic Committees.

In his letter Proxmire pointed out that "the practice wastes gasoline. It means two trips a day back and forth for each official rather than one. It also encourages a sense of privilege and arrogance which is unbefitting public officials."

In addition the Senator said: "Title 31, Section 638a of the U.S. Code provides that government cars may be used only for official purposes and that 'official purposes' does not include being driven to and from home.

"All Executive Branch officials except the President, his Cabinet (but not Under Secretaries, Assistant Secretaries or Agency or Commission heads), doctors on outpatient duties, officials on field service, and certain diplomats abroad, come under the law. The Chief Justice and certain Congressional leaders are exempt by statute.

"Recently I wrote to every agency in the government asking what 'officials by title' are given the privilege either regularly or on an *ad hoc* basis. The total came to 175 plus a number of security officials and multitudes of officials abroad.

"With the exception of about 22 officials this is clearly illegal. But the Justice Department refuses to enforce the law. In fact they wrote that the law could be disregarded where the practice '. . . is deemed to be (apparently by the official breaking it) in the interest of the government' and that it was a matter '. . . primarily of administrative discretion.' "

In his letter Proxmire also said:

"This practice could be stopped by a word from either you or the Attorney General.

"I hope very much that you will ask the Attorney General to enforce the law.

"Failing that you could wipe out the practice by stating that the policy of your Administration prohibits it."

In his statement Proxmire said that "Some agencies, like the Smithsonian Institution, claim they are exempt because their chauffeur driven travel is paid from non-governmental funds. But as the Smithsonian has asked for $169 million in taxpayers money for the new fiscal year, it does not seem appropriate that they should continue otherwise illegal activities on grounds they are using private funds when 90% or more of their outlays are from taxpayer's contributions. If they are in such a lucrative financial position in this year of tightened budgets, they offer themselves as a prime target for reductions in appropriated funds." The text of Proxmire's letter to the President is given below.

APRIL 6, 1979.

Hon. JIMMY CARTER,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: In connection with your proposals to conserve gasoline may I make the following suggestion.

Title 31, Section 638a of the U.S. Code provides that government cars may be used for official purposes and that "official purposes" does NOT include being driven to and from home.

There are only a few exceptions in the law, the President, Cabinet Officers (but not Under Secretaries, agency heads, etc.), doctors on outpatient duty, officials on field service long distances from their offices, and certain diplomats abroad.

All other Executive Branch officers are prohibited from being driven to and from home.

Recently I wrote to every agency in the government asking what "officials by title" are given the privilege, either regularly or on an *ad hoc* basis. The total came to 175 plus a number of security officials and multitudes of officials abroad.

With the exception of about 22 officials, this is clearly illegal. But the Justice Department refuses to enforce the law. In fact they wrote me that the law could be disregarded where the practice ". . . is deemed to be (apparently by the official breaking it) in the interest of the government" that it was a matter ". . . primarily of administrative discretion."

The practice wastes gasoline. It means two trips a day back and forth for each official rather than one.

It also encourages a sense of privilege and arrogance which is unbefitting public officials.

This practice could be stopped by a word from either you or the Attorney General.

In view of your strong views on saving energy, quite apart from your own example of prohibiting it for White House personnel, I believe the time to act has come.

I hope very much that you will ask the Attorney General to enforce the law.

Failing that, you could wipe out the practice by stating that the policy of your Administration prohibits it.

With best wishes.

Sincerely,

WILLIAM PROXMIRE,
U.S. Senator.

Mr. BAUCUS. I thank the Senator from Wisconsin.

Mr. President, I yield back the remainder of my time.

Mr. STEVENS. Mr. President, I yield any further time I have to the Senator from North Carolina.

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*Does not include Ambassadors, First Secretaries, Military Attaches, Consular officers, Chiefs of Station, AID officials, etc.

[1] Performed by discretion of the officials when they decide travel or after hours work suggests it.

[2] While the Editor states the service is provided from non-appropriated funds, the Smithsonian is requesting $169,153,000 in Budget Authority for fiscal year 1980 (up from $133,580,000 in fiscal year 1979) and clearly receives its overwhelming support from tax funds.

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from North Carolina is recognized for not to exceed 15 minutes.

Mr. HELMS. Mr. President, I thank my friend from Alaska.

The ACTING PRESIDENT pro tempore. That is in addition to 6 minutes that the minority leader has just yielded him.

Mr. HELMS. I thank my friend from Wisconsin for his leadership in the matter of the ego trips that are being taken around this town by far too many officials of this Government.

Mr. President, I am delighted to join Senator Proxmire in the cosponsorship of a piece of legislation designed to put and absolute end to a great many "ego trips" that are presently going on in Washington.

For a number of years, dating back almost to the first week I was in the Senate, I have been dismayed to note the number of big, black, sleek Government limousines, complete with full-time chauffeurs on the Federal payroll, that are constantly seen cruising the streets of this city.

These are gas guzzlers, and tax guzzlers—and an affront to the American taxpayers. Statistics have been developed shown that this royal limousine service for Federal officials is costing the taxpayers a minimum of nearly $5 million a year.

This is ridiculous, Mr. President, and it should be stopped. The legislation proposed by Senator PROXMIRE and this Senator from North Carolina will go far in stopping it by limiting such service to 22 top officials—the President, the Vice President, 13 Cabinet officers, the Chief Justice, and six officials of Congress. And some of those 22, Mr. President, ought to give serious consideration to voluntarily giving up this special privilege.

Mr. President, my time is limited, so I will not at this time discuss in detail the scope of this very clear waste of the taxpayers' money. Suffice it to say that the practice of having full-time chauffeurs, driving big, sleek limousines to haul Federal officials to and from their homes, and for other purely personal purposes, is a practice that should and must be abandoned.

I note, for example, that the full-time chauffeur for HEW Secretary Califano is paid $38,406 a year. A number of other chauffeurs are paid nearly as much. The average salary of the 175 chauffeurs that I know about—and there may be others whom I do not know about—is about $25,000 a year.

I offer these remarks to compliment my friend from Wisconsin for his work on this matter, and to say to him again that it has been my privilege over a period of years to be associated with him in this effort.

Mr. PROXMIRE. Will the Senator from North Carolina yield briefly?

Mr. HELMS. Yes.

Mr. PROXMIRE. I thank my friend from North Carolina. It is on his initiative that I introduced this bill. It is the law now. The Senator from North Carolina, as he has so often shown this year and in the past, too, has demonstrated the courage and initiative that too many of us in the Senate lack, getting on top of these matters and expressing what I think is the outrage of the majority of people in this country. We are wasting gas and wasting money for no purpose, as he says, but to satisfy the egos of a few officials.

Mr. HELMS. I thank my friend for his comments. He has taken the leadership in this matter almost since the first day I was in the Senate. He may recall my coming to him as a very freshman Senator, in January 1973, the morning after an evening when this Senator had been invited to a function at Blair House.

That evening, I got in my car and drove down Pennsylvania Avenue, attempting to go to that meeting, I found that Pennsylvania Avenue was virtually blocked by big, black, sleek limousines, each of which had a chauffer inside, smoking a cigar and listening to the radio, with the heater running, while first- and second-level bureaucrats were going into the Blair House to attend the very same meeting I was to attend.

Finally, I parked about 3 blocks away and attend the function at Blair House. The next morning, I came to my office and asked my staff to get busy and find out for me just how many Government limousines, paid for by the taxpayers of America were cruising the streets of Washington. That same day I mentioned the matter to the Senator from Wisconsin and he immediately began to assemble a great deal of information. That is when my admiration for the Senator's diligence began. It is a pleasure always to work with him and I commend him again for his leadership in this matter.

Mr. PROXMIRE. I thank the Senator.

SENATE RESOLUTION 184—SUBMISSION OF A RESOLUTION WITH RESPECT TO THE MATTER OF JOSEF MENGELE

Mr. HELMS submitted the following resolution, which was referred to the Committee on Foreign Relations:

S. RES. 184

Whereas Josef Mengele, known as the "Angel of Death", while resident doctor of the Auschwitz concentration camp was responsible for the torture and death of more than 200,000 children; and

Whereas Josef Mengele conducted cruel and inhuman surgery and expirements upon children to develop ways to manipulate the genetic structure of human beings; and

Whereas Josef Mengele worked to develop new methods of sterilization to promote acts of genocide against Jews, Slavs and other European peoples; and

Whereas in 1959, authorities of the Federal Republic of Germany issued a warrant for the arrest of Josef Mengele and have repeatedly requested his extradition to stand trial in the Federal Republic of Germany for murder; and

Whereas evidence indicates that "Jose Mengele" was granted Paraguayan citizenship on November 27, 1959; and

Whereas Paraguay signed the International Convention on the Prevention and Punishment of the Crime of Genocide on December 11, 1948: Now, therefore, be it

Resolved, That it is the sense of the Senate that the President of the United States should immediately call upon Paraguay to apprehend and extradite Josef Mengele to stand trial in the Federal Republic of Germany.

IS IT NOT TIME TO REQUITE "ANGEL OF DEATH" TO FACE ACCUSERS?

Mr. HELMS. Mr. President, this morning, I offer a sense-of-the-Senate resolution calling upon the U.S. Government to promote the apprehension and extradition of one of the most infamous Nazi war criminals still being sought—Dr. Josef Mengele, known to the inmates of the Auschwitz concentration camp as the "Angel of Death."

By 1945, there were in Germany and the occupied countries more than a thousand concentration camps. It is usual to think of these camps as a few isolated buildings surrounded by barbed wire. In reality, they were much more than that. They included large industrial installations, factories, railway stations, warehouses, and research laboratories.

Of the millions of people who died in these camps, it is estimated that more than 1,500,000 were children. Many of these children, including infants, were asphyxiated in gas ovens—a procedure which the Nazis referred to as "chasing the children up the chimney." Often, the most painful and inhuman medical experiments were carried out on these children and thousands of them died as a result of the operations and injections.

The list of the camps and the terrors endured within them seem endless. None offers fuller testimony of the suffering and agonies of these condemned people than those in the camp at Auschwitz. The very word "Auschwitz" has become a symbol of the holocaust. At Auschwitz, the figure of the camp doctor, Josef Mengele, in his black SS uniform, meeting each new group of inmates on their arrival and decreeing life or death to each by a flick of his finger, has become one of the lasting symbols of the holocaust.

Dr. Mengele, described by Anne Frank before her death as the "angel of extermination," would walk through the children's barracks each day to point out those children to be brought to his laboratory for surgery and experimentation. Mengele was obsessed with the possibility of creating a master race of supermen for the Third Reich. Thousands died as a result of his operations and injections. Mengele's work in genetic engineering was, indeed, the Frankenstein project of the century.

Last week, Anne Frank would have been 50 years old had she not died at age 16 of typhoid fever in the concentration camp at Bergen-Belsen. Dr. Mengele had his own solution for typhoid fever. When an inmate contracted the disease, Dr. Mengele ordered all the people living in that particular barrack to the gas chambers. That is how he solved the problem.

The fact that Josef Mengele should remain today in freedom, never having been brought to trial, makes him a living symbol of the holocaust we cannot continue to tolerate.

At Auschwitz, we confront the awesome reality of how far man's descent into cruelty, destruction, and death may go. Too often, we think solely of the threat to mankind posed by weapons of mass destruction and the arms race. The crimes of Dr. Mengele reveal that threat to mankind when men of philosophy, medicine, science, and law turn from their obligations to protect the sanctity of human life.

Josef Mengele did not live in a vacuum of either time or space. The slippery slide toward Auschwitz began when, during the Weimar Republic, prominent German scientists and jurists such as Alfred Hoche and Karl Binding defended the "destruction of life devoid of value," as they put it. The acceptance of their views led to thousands of mental patients and children being put to death in hospitals, psychiatric institutions, and pediatric clinics. Hospitals such as Hadamar became training schools for the mass-killing techniques applied later to Jewish and other civilian populations.

The chief architect of the German compulsory sterilization law of 1933 was not a Nazi, but Ernst Ruedin, a distinguished professor at the University of Munich, where Josef Mengele studied and first read the racial philosophy of Alfred Rosenberg. Later, Professor Ruedin left the Kaiser Wilhelm Institute for Anthropology, Human Heredity Teaching, and Genetics with his colleagues Edwin Baur and Eugene Fischer to join Dr. Otmar Freiherr von Verschuer at the Institute for Heredity, Biology, and Racial Research at Frankfurt University. Dr. Verschuer's assistant was—you guessed it—Dr. Josef Mengele.

It seems inevitable, perhaps, that the nihilism of Nazism, its militant insistence that the new supermen of the Third Reich were beyond the constraints of law and of morality, should lead the spiritual persecution by the Nazis to focus upon the sons and daughters of Abraham, whose historical meaning is expressed by their very adherence to the law and their faithfulness to its author.

The demands of the Nazis that all personal moral principles should be overridden by the needs of the State put them in unalterable opposition to all men who profess the existence in each person of an independent conscience answerable only to God.

The testimonial inscriptions to the victims of the holocaust at the Auschwitz memorial today bear stark witness in the language of the victims: Hebrew, Yiddish, Polish, Bulgarian, Romany, Czechoslovak, Danish, French, Greek, Spanish, English, Flemish, Serbo-Croat, German, Norwegian, Russian, Romanian, Hungarian, and Italian.

Eleven million civilians dead in the camps.

Simon Wiesenthal, the courageous man who has brought more than 1,100 Nazi war criminals to trial, says "I am not dividing the victims."

In unity, let us demand justice in their memory.

Mr. President, it is nearly 35 years since the end of World War II and the time when these acts were committed. There are those who would say that it is time to forgive and forget. But who has that right? Each of us has the right, and may even have the moral obligation, to forgive crimes against ourselves. But none of us has the right to forgive the crime committed against another.

In the Talmud it is written that "the very world rests on the breath of children."

Can we hope to protect the future children of the world, if we fail to preserve our obligation to the children of this anguished past?

To forgive or forget the crimes of Josef Mengele would require the amputation of our conscience and the dismemberment of our memory.

Mr. President, I ask unanimous consent that letters written by Rabbi Marvin Hier and Simon Wiesenthal and the text of my resolution be printed in the RECORD at this point.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

JUNE 6, 1979.

Re Dr. Josef Mengele, Citizen of Paraguay.
Hon. JESSE HELMS,
U.S. Senate,
Dirksen Senate Office Building,
Washington, D.C.

DEAR SENATOR: In this International Year of the Child, the Simon Wiesenthal Center wishes to bring to your attention the case of Dr. Josef Mengele, the infamous Doctor of Auschwitz responsible for the torture and death of 200,000 children, who today lives freely as a citizen of Paraguay.

This bizarre fact (which is elaborated upon in the enclosed letter that was sent by Simon Wiesenthal to the Secretary General of the United Nations) is in violation of the charter and principles of the international community.

In this year, when we honor the children of the world, we must not allow a man who committed such unspeakable crimes against children, to desecrate their memory by not being held accountable before the bar of justice.

We urge you to use your influence in the Senate and State Department to request of Paraguay that this doctor of medicine, the murderer of 200,000 children, be extradited to Frankfurt to stand trial for his crimes.

Enclosed, please find Mengele's Paraguayan naturalization certificate (copy) and a document relating to his experiments in Auschwitz (copy), as well as Mr. Wiesenthal's above mentioned letter.

We look forward to your cooperation in this matter.

Sincerely,

Rabbi MARVIN HIER,
Dean, Simon Wiesenthal Center, Member, Advisory Committee, President's Commission on the Holocaust.

MAY 17, 1979.

Re Dr. Josef Mengele, citizen of Paraguay.
Hon. Dr. KURT WALDHEIM,
Secretary General,
United Nations Building,
New York, N.Y., U.S.A.

DEAR MR. SECRETARY GENERAL: The United Nations, under your leadership, have chosen this current year as the Year of the Child. I believe that we should not only reflect how we could improve the lives of the children living on this earth. We should also remember the tragic fate of millions of children during the time of the Nazi persecution.

Dr. Josef Mengele, SS-Doctor in the concentration camp of Auschwitz (Poland), SS-Hauptsturmführer (captain), born March 16, 1911 in Guenzburg (Germany), in the course of 1944 selected at least 200,000 children to be killed in the gas chambers, plus again the same number of adults. Not only that, he performed the most horrible experiments with children, to change the color of their eyes and hair, in pursuance of his dream to breed a blond, blue-eyed race; innumerable children died as a result of these experiments, suffering the most terrible agonies. Among his pseudo-scientific endeavors, Dr. Mengele also wanted to find out how one could bring about the birth of twins; after the war would have been won by Germany, he intended to make up for the German losses by mass births of twins. Hundreds of twin children from all the occupied countries were brought to Mengele in Auschwitz; they did not survive his experiments either.

Against the unfortunate inmates of Auschwitz, Dr. Mengele would always have recourse to the most radical methods; when typhoid fever broke out in one of the baracks, Megele sent all inmates, the healthy as well as the sick, to the gas chambers.

These are just a few examples of the huge number of crimes of which Dr. Mengele is accused; these crimes are the basis for the warrants for his arrest issued by the public prosecutors of Freiburg im Beisgau and Frankfurt, substantiated by many statements from survivors and court findings from previous Auschwitz trials.

After the war, Dr. Mengele fled to Argentina. Later, when he felt that the authorities were on his trail, he changed into Paraguay, where he was naturalized in 1959. All demands for his extradition to his native Germany were to no avail so far, although the authorities in Paraguay are keeping track of his frequently changing places of residence within the country.

Paragauy, as a member of the United Nations, has agreed to abide by their charter, and to honor the universally accepted principles of law and the rights of man; it must not tolerate such a criminal living free within its borders.

Mr. Secretary General, I appeal to you, in this International Year of the Child, to use all your influence so that the murder of hundreds of thousands of children, committed by a doctor of medicine, who is enjoying his liberty within a member country of the United Nations, will not remain unpunished, and this man will be extradited to face the court in Frankfurt.

This would be a warning to all people that crimes, especially crimes committed against children, will be punished regardless of the geographical and the time distance the criminal may have put between himself and his deeds.

In the hope that this appeal to you, Mr. Secretary General, will bring about positive results in the interest of justice, I remain

Yours sincerely

SIMON WIESENTHAL.

Mr. HELMS. Mr. President, how much time do I have remaining?

The ACTING PRESIDENT pro tempore. The Senator has 8½ minutes remaining.

Mr. HELMS. I thank the Chair. Mr. President, a parliamentary inquiry.

The ACTING PRESIDENT pro tempore. The Senator will state it.

Mr. HELMS. With reference to the resolution which I have just introduced, may I ask the Chair and the Parliamentarian to which committee it would be referred?

The ACTING PRESIDENT pro tempore. The Chair is of the opinion that it would be referred to the Foreign Relations Committee.

Mr. HELMS. That is fine. Mr. President, I ask for a referral to the Foreign Relations Committee, which would be automatic, I presume.

The ACTING PRESIDENT pro tempore. The resolution will be appropriately referred.

Mr. HELMS. I thank the Chair.

ALAN GREENSPAN ON THE CREDIT CONTROL ACT

Mr. HELMS. Mr. President, recently the Senate Banking Committee held hearings on the Credit Control Act and various bills to repeal or drastically modify this onerous law.

One of the key witnesses was Dr. Alan Greenspan, president of Townsend-Greenspan Co. and former Chairman of the Council of Economic Advisers.

Dr. Greenspan put in eloquent and intelligent words the economic rationale for repeal of this act.

I believe that the Senate should move quickly to repeal the Credit Control Act and I hope every Member will heed Dr. Greenspan's counsel.

I ask unanimous consent that his testimony be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

STATEMENT OF ALAN GREENSPAN, PRESIDENT, TOWNSEND-GREENSPAN CO.

Thank you very much, Mr. Chairman. I came here to support the initiatives to repeal the Credit Control Act of 1969.

Curbing the growth of credit expansion is, in my view, the key to defusing the strong underlying inflationary forces which threaten the stability of our economy. However, rationing credit through statute or regulation is unlikely to be successful and to the extent that it is, would probably allocate credit in an undesirable manner.

Depending upon what type of controls were involved, it would cause distortions which would beget more distortions. It would also take our eye off the major explosion in credit coming directly from the Federal Government itself.

I have no doubt that should the Federal Reserve Board under the authority of the 1969 legislation choose, for example, to curb or prohibit raising the needed funds in the Euro-currency market at negligible additional expense.

The only groups in this country who would be effectively constrained from borrowing and spending would be those with limited credit standing, largely consumers and small businessmen who have few, if any, alternate sources of credit. Certainly, restrictions on auto installment credit will reduce the funds available to middle- and lower-income groups and limit their purchases of new and used cars. Similarly, restrictions on inventory loans to small business would curb their ability to expand.

The overall impact on credit expansion of such restrictions is likely, however, to be slight. It serves no useful purpose to have credit control standby authority on the books. It can only lead to mischief and should be repealed.

Credit restraint is an essential anti-inflation tool, but it has to be implemented in a balanced manner. Mismanagement of our fiscal affairs has led us to the point where there is currently no simple alternative to monetary tightness.

Even with the best of monetary policies at this state, however, it would be a mistake to presume that the Federal Reserve alone can contain inflation or confront the more difficult fundamentals of the inflation bias in the American economy. Interest rates are high because credit demand exceeds savings flows, and money supply growth in recent years has been excessive (and inflationary) because the Fed feels politically compelled to suppress interest rates by at least partially accommodating the excess credit requirements.

The only viable solution is to slow the monetary aggregates for a protracted period without engendering excessively high interest rates, and that can be done only by reducing the demand for funds pressing on our financial system. It has been the exceptional pressures from the credit markets that have placed the Federal Reserve in its recent unenviable situation.

The marked increase in aggregate capital market borrowing has not only driven interest rates higher but, in the process, diverted an ever-increasing amount of borrowing from the capital markets (by those who were "crowded out") to the commercial banks. In an endeavor to accommodate the loan requirements of their customers, commercial banks attempted to obtain the reserves required to back up loans by borrowing in the federal funds market.

The accompanying rise in the federal funds rate place the Fed in its typical "no win" position. It had to determine whether to stand aside, allowing the Fed funds rate to rise, thwarting some of the prospective commercial bank borrowing or, by supplying reserves to the market, temporarily hold the federal funds rate below what it would otherwise be, thereby accommodating the expanding loan demand.

That latter path, however, enlarges the monetary base, inducing an acceleration in money supply growth with inflationary consequences. The Fed as usual straddled the issue, only partially accommodating the demand for funds. As a result, in recent years, both money supply growth and interest rates rose, but the increases in each were less than might otherwise have prevailed, at least in the short run.

Curbing the growth in federal spending and deficits is a necessary, but not a sufficient condition to restore balance to the financial markets. If we focus wholly on the budget deficit, however, we are missing what may well be a far more inflationary set of credit-preempting policies fostered by the Federal Government.

Off-budget borrowing has risen sharply in recent years—so have mandated capital investment by business (pollution, safety equipment, etc.) which must be financed; and matching grants, which have induced increased spending and borrowing by state and local governments. These demands have added heavily to capital market pressures, but in total have been small compared with the extraordinary expansion in mortgage credit.

Prior to the 1970s, an increase in mortgage credit on one- to four-family homes rarely exceeded $15 billion. During the past year, the increase has approached $100 billion. This veritable explosion of mortgage credit growth is a consequence of the increasing political concern that emerged in the 1950s and 1960s. Whenever short-term interest rates rose, thrift institutions withdraw from the mortgage markets, sharply contracting housing starts.

Changes in institutional strucutres and subsidy programs sponsored by the Federal Government from mortgage-backed bonds to the newest six-month certificates tied to the Treasury bill rate, have apparently successfully insulated mortgage credit availability from periodic credit crunches.

The political exercise worked all too well with the not atypical effect of overkill. The consequences of "solving the mortgage problem" has, not unexpectedly, created a different problem whose consequence may be far more profound to the structure of the American economy. It has clearly been a significant contributing factor to the excessive money supply growth and, hence, the high base rate of inflation which the United States has experienced in recent years.

By significantly increasing the financial system's capacity to supply mortgage credit in the face of rising short-term interest rates, the adjustment process of the financial markets has been markedly altered in recent years.

For the past year, households have been diverted from other forms of savings into the savings and loan's new six-month certificates, the proceeds of which have until recently been invested in mortgages. Inducing indirect mortgage purchases by financial institutions through mortgage-backed bonds has come at the expense of their ability to purchase corporate issues, state and local securities, and federal obligations. If the Federal Reserve had not created additional reserves to support the broadened credit demand, the total volume of investable resources would have been fixed, and the increase in the demand for mortgages by financial institutions have correspondingly reduced the demand for other securities.

In the past, the drying up of mortgage funds because of Federal Home Loan Bank Board limits on interest rates the S&Ls could pay to attract funds, rapidly squeezed prospective home purchasers (and mortgage borrowers) out of the market. As a result, the excess of demand for funds for the financial system as a whole was largely eliminated by squeezing out the demand for mortgage debt. When interest rates rose in the process of bringing balance to the debt markets, a relatively small increase in interest rates was adequate to "crowd out" the amount of mortgage borrowing required to bring the overall demand for funds back into balance with the supply.

In the new mortgage-dominated financial markets, interest rates must now rise much further than they would have under comparable conditions a decade ago in order to crowd out the excess demand for funds. Because mortgage credit is becoming increasingly insulated against such pressure, the pressure must now move to other instruments as well: Business borrowing, real estate financing, municipal borrowing, foreign loans, et cetera.

And because larger interest rate increases are required to curb the demand for such credit, the supply and demand for funds can come into balance only at much higher interest rates than previously. Mortgage credit may still have to bear much, if not most, of the reduction in credit demand—only this must now occur at significantly higher interest rates than earlier.

Hence, the net effect of improving the availability of mortgages in the face of rising interest rates is to decrease, at the margin, the responsiveness of credit demand to a rise in interest rates. It means that at any given underlying demand for funds, higher rates are required than, say, 10 years ago to equate the supply and demand for funds. This would be true even in a noninflationary environment in which there was no perceptible inflation premium embodied in interest rate levels.

The institutional changes that have expanded the mortgage market explain the extreme difficulty the Fed has had in attempting to simultaneously dampen monetary growth while keeping interest rates at moderate levels. Shoring up the mortgage market clearly contributed to the underlying inflation bias in the economy. While it may have sustained the home-building boom, this has probably been accomplished at a significant cost to the economy's overall stability.

It is probably too late in this business cycle to undo the new mortgage-based inflation bias that has been added to our financial system. The Fed has little choice but to hold a tight rein on credit availability until mortgage (and other credit) demand subsides. In fact, economic policy is unlikely to be able to significantly alter the path of an inflation-caused recession over the next couple of years.

It is not, however, too late to reset our economic priorities and policies for the 1980s. If we wish to defuse the current underlying inflationary bias which pervades our economy, we still have to reverse the Federal Government's increasing direct and indirect preemption of the nation's available credit. Only then can we expect the Federal Reserve to be able (during the next economic expansion) to hold inflationary money supply growth in check, without driving interest rates to extreme heights.

In the interim, we can do little more than hold the fiscal and monetary reins tight as the credit (and presumably the economic) expansion comes to a halt. Mandatory credit controls have no role to play.

They will merely fight the symptoms of this problem. They will not come to grips with what is required, mainly a reduction in the Federal Government support for the mortgage market and other credit-creating activities.

Mr. HELMS. Mr. President, while I do not anticipate further need for time, I am going to reserve the remainder of it and suggest the absence of a quorum while I check.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. HELMS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. HELMS. Mr. President, I yield back the remainder of my time.

The ACTING PRESIDENT pro tempore. The Chair recognizes the Senator from Montana.

Mr. BAUCUS. Mr. President, it is my understanding that I have yielded back all the time allotted to the acting majority leader.

The ACTING PRESIDENT pro tempore. The Senator is correct.

VETERANS' ADMINISTRATION HEALTH RESOURCES AND PROGRAMS EXTENSION ACT OF 1979

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will now proceed to the consideration of S. 1039 which the clerk will state by title.

The legislative clerk read as follows:

A bill (S. 1039) to amend title 38, United States Code, to extend and revise a program of grants to State homes for veterans and to extend a program of exchange of medical information, and for other purposes.

The Senate proceeded to consider the bill which had been reported from the Committee on Veterans' Affairs with an amendment to strike all after the enacting clause and insert the following:

That (a) this Act may be cited as the "Veterans' Administration Health Resources and Programs Extension Act of 1979".

(b) Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of title 38, United States Code.

TITLE I—EXTENSION AND IMPROVEMENT OF CERTAIN VETERANS' ADMINISTRATION HEALTH PROGRAMS

Sec. 101 (a) Section 5033(a) is amended by striking out "the succeeding fiscal year" and inserting in lieu thereof "each of the four succeeding fiscal years".

(b) Section 5035(d)(2) is amended by inserting before the period at the end thereof "or $3,000,000, whichever is greater".

Sec. 102. (a) Section 5054 is amended by adding at the end thereof the following new subsection:

"(c) The Administrator is authorized to enter into agreements with public or nonprofit private institutions, organizations, corporations, or entities in order to participate in cooperative health-care personnel education programs within the geographical areas of Veterans' Administration health-care facilities located in areas remote from major academic health centers.".

(b) Section 5055(c)(1) is amended by inserting "and for each of the three succeeding fiscal years" after "fiscal year 1979".

Sec. 103 (a) Section 641(a) is amended by striking out "$5.50", "$10.50", and "$11.50" and inserting in lieu thereof "$6.35", "$12.10", and "$13.25", respectively.

(b) The amendments made by subsection (a) of this section shall take effect on October 1, 1979.

TITLE II—REALINEMENT OF VETERANS HEALTH CARE AND RELATED BENEFITS

Sec. 201. (a) Section 111(e)(2) is amended to read as follows:

"(2)(A) Except with respect to a person receiving benefits for or in connection with a service-connected disability under this title, no payment shall be provided under this section except—

"(i) for travel by a special vehicular mode of transportation that (I) is required for medical reasons, and (II) has been authorized by the Administrator prior to such travel except to the extent that the Administrator provides, under regulations which the Administrator shall prescribe, for reimbursement for the costs of travel by such mode in a medical emergency of such nature that the delay incident to obtaining prior authorization would have been hazardous to life or health; or

"(ii) when the person claiming reimbursement is a person receiving or eligible to receive pension under section 521 of this title and, in each such case, payments under this section shall be limited in each fiscal year so that—

"(I) no payment shall be provided for the first $25 for which payment is otherwise authorized, and

"(II) with respect to any claim for any part or all of the next $150 for which payment is otherwise authorized, payment shall be provided for only one-half of the otherwise payable amount.

For the purposes of this subparagraph, a person shall be considered to be a person receiving pension under section 521 of this title if such person would be eligible to receive such pension except for the fact that such person does not meet eligibility requirements with respect to disability, age, or service during a period of war.

"(B) In no event shall payment be provided under this section—

"(i) to reimburse for the cost of travel by privately owned vehicle in any amount in excess of the cost of such travel by public transportation, unless (I) public transportation is not reasonably accessible or would be medically inadvisable, or (II) the cost of such travel is not greater than the cost of public transportation; and

"(ii) in excess of the actual expense incurred by such person as certified in writing by such person.".

(b) Section 601 is amended by—

(1) striking out "transportation" in subclause (ii) of paragraph (5)(A) and inserting in lieu thereof "travel";

(2) striking out subclause (ii) of paragraph (5)(C) and inserting in lieu thereof "(ii) travel and incidental expenses for such dependent or survivor under the terms and conditions set forth in section 111 of this title. "; and

(3) striking out "necessary expenses of travel and subsistence" in the parenthetical phrase in clause (B) of paragraph (6) and inserting in lieu thereof "travel and incidental expenses".

(c) Section 614 is amended by—

(1) striking out "necessary travel expenses" in subsection (a) and inserting in lieu thereof "travel and incidental expenses, pursuant to the provisions of section 111 of this title, "; and

(2) striking out "all necessary travel expenses" in subsection (b) and inserting in lieu thereof "travel and incidental expenses, pursuant to the provisions of section 111 of this title, ".

(d) Section 628(a) is amended by striking out "the necessary travel" and inserting in lieu thereof "travel and incidental expenses pursuant to the provisions of section 111 of this title".

Sec. 202. (a) Section 601 is amended by adding at the end thereof the following new paragraph:

"(9) The term 'chiropractic service' means the manual manipulation of the spine performed by a chiropractor (who is licensed as such by the State in which he or she performs such services and who meets the uniform minimum standards promulgated for chiropractors under section 1861(r)(5) of the Social Security Act (42 U.S.C. 1395x(r)(5))) to correct a subluxation of the spine. For the purposes of this paragraph, such term does not include physical examinations, laboratory tests, radiologic services, or other tests or services determined by the Administrator to be excluded.".

(b)(1) Subchapter III of chapter 17 is amended by adding at the end thereof the following new section:

"§ 629. Chiropractic services

"(a) The Administrator may, under regulations which the Administrator shall prescribe, reimburse a veteran eligible for medical services under this chapter for the reasonable charge for chiropractic services, for which such veteran has made payment, if—

"(1) such chiropractic services were for the treatment of a service-connected neuromusculoskeletal condition of the spine,

"(2) the veteran is a veteran who has been furnished hospital care by the Veterans' Administration for a neuromusculoskeletal condition of the spine within a twelve-month period prior to the provision of such chiropractic services, or

"(3) the veteran is a veteran described in section 612(f)(2) of this title who has been furnished hospital care or medical services by the Veterans' Administration for a neuromusculoskeletal condition of the spine, to the extent that such veteran is not entitled to such chiropractic services or reimbursement for the expenses of such services under an insurance policy or contract, medical or hospital service agreement, membership or subscription contract, or similar arrangement for the purpose of providing, paying for, or reimbursing expenses for such services.

"(b) In any case in which reimbursement may be made under this section, the Administrator may, in lieu of reimbursing such veteran, make payment of the reasonable charge for such chiropractic services directly to the chiropractor.

"(c)(1) In determining the reasonable charge for chiropractic services under this section, the Administrator shall, in consultation with appropriate public and nonprofit private organizations and other Federal departments and agencies that provide reimbursement for chiropractic services, establish a schedule of allowances for such services, which schedule shall be consistent with the reasonable charges allowed under title XVIII of the Social Security Act (42 U.S.C. ch. 7).

"(2) The amount payable by the Administrator for chiropractic services furnished under this section shall not exceed $200 in any twelve-month period in the case of any veteran.

"(d) Notwithstanding any other provision of this title, total expenditures for chiropractic services reimbursed under this section shall not exceed $4 million in any fiscal year and no reimbursement or payment may be made under this section for chiropractic services furnished after September 30, 1983.".

(2) The table of sections at the beginning of chapter 17 is amended by inserting after the item relating to section 628 the following new item:

"629. Chiropractic services.".

(c) Not later than December 31, 1980, and not later than December 31 of each of the next three years, the Administrator shall prepare and submit to the Committee on Veterans' Affairs of the House of Representatives and the Committee on Veterans' Affairs of the Senate reports on the use made of the authorities provided for in the amendments made by subsection (b)(1) of this section. Each such report shall include—

(1) the number of requests by eligible veterans for reimbursement or payment for chiropractic services in the most recent fiscal year under section 629 (as added by subsection (b)(1) of this section) and the number of such veterans who made such requests;

(2) the number of reimbursements or payments made by the Administrator under such section is such fiscal year and the number of veterans to or for whom such reimbursements or payments were made; and

(3) the total amounts of expenditures by the Administrator for such reimbursements and payments under such section in such fiscal year.

SEC. 203. Section 612(b) is amended by—

(1) amending clause (2) by—

(A) striking out "active military, naval, or air service and" in subclause (A) and inserting in lieu thereof "a period of active military, naval, or air service of not less than 180 days,";

(B) striking out "within one year" in subclause (B) both places it appears and inserting in lieu thereof "within six months"; and

(C) inserting before the semicolon at the end thereof a comma and "and (C) if the Secretary concerned has not certified, in writing, that the veteran was provided by such Secretary, during the ninety days immediately prior to such veteran's discharge or release from such service, a complete dental examination (including X-rays) and all appropriate dental services and treatment indicated by such examination"; and

(2) inserting at the end thereof below the last clause the following new sentence:

"The Administrator may not furnish outpatient dental services, treatment, or related dental appliances, under this section through private facilities for which the Administrator contracts pursuant to the provisions of section 601(4)(C)(i), (ii), or (v) of this title to a veteran at a cost to the Veterans' Administration of more than $500 during any twelve-month period, unless the Administrator has determined, prior to the furnishing of such services, treatment, or appliances, based on an examination by a dentist employed by the Veterans' Administration, that the furnishing of such services, treatment, or appliances at such cost is reasonably necessary.".

SEC. 204. Section 612(f) is amended by inserting before the semicolon at the end of clause (1) a comma and "but any such veteran being furnished services under this clause shall not be furnished drugs, medicines, or medical supplies which may be purchased without a physician's prescription, unless (i) such veteran is a veteran receiving or eligible to receive pension under section 521 of this title (including a veteran who would be eligible to receive such pension except for the fact that such veteran does not meet eligibility requirements with respect to disability, age, or service during a period of war), or (ii) the Administrator, under regulations which the Administrator shall prescribe, authorizes the furnishing to such veteran of such drugs, medicines, or medical supplies in order to avoid substantial hardship that would otherwise result from the extraordinary cost thereof to a veteran".

SEC. 205. Section 612(g) is amended by inserting at the end thereof the following new sentence: "The Administrator may also furnish to any such veteran home health services under the terms and conditions set forth in subsection (f) of this section.".

SEC. 206. Section 613 is amended by—

(1) amending subsection (a) by—

(A) striking out "and" at the end of clause (1);

(B) inserting "and" after the comma at the end of clause (2);

(C) inserting immediately below clause (2) the following new clause:

"(3) the surviving spouse or child of a person who dies in the active military, naval, or air service in the line of duty and not due to misconduct,"; and

(D) adding at the end thereof the following new sentence: "The term 'person' as used in clause (3) of this subsection shall mean 'veteran' for the purposes of section 103(d) of this title."; and

(2) adding at the end thereof the following new subsection:

"(c) For the purposes of this section, any child described in subsection (a) of this section who, while pursing a full-time course of instruction (including any period between terms, semesters, or quarters, or during vacation or holiday periods) at an approved educational institution, becomes unable to continue such child's chosen program of education because of a mental or physical disability which was not the result of such child's own willful misconduct shall remain eligible for benefits under this section until six months after the disability is removed, until two years after the date of onset of such disability, or until such child's twenty-third birthday, whichever occurs first.".

SEC. 207. (a) Except as provided in subsections (b) and (c) of this section, the amendments made by this title shall take effect on October 1, 1979.

(b)(1) The amendments made by sections 201(a), 203, and 204 of this title shall take effect on October 1, 1979, only if, prior to such date, the Director of the Office of Management and Budget has certified in writing to the appropriate committees of the Congress that the Director has allocated to the Veterans' Administration for its Department of Medicine and Surgery (hereinafter in this section referred to as "the Department") a sufficient personnel ceiling, for which appropriate funding is available, for employment during the first three months of the fiscal year ending September 30, 1980, in the Department of at least 187,968 full-time equivalent employees for the employment of whom funding is provided under the appropriation accounts for medical care, medical and prosthetic research, and medical administration and miscellaneous expenses.

(2) If the amendments made by this title become effective on October 1, 1979, pursuant to subsection (a) of this section, such amendments shall thereafter continue in effect during any succeeding three-month period (hereinafter in this section referred to as a "quarter") of the fiscal year ending September 30, 1980, and any quarter of any succeeding fiscal year only if, not later than the first day of each consecutive quarter, the Director certifies in writing to such committees that the Director has allocated to the Veterans' Administration for the Department a sufficient personnel ceiling, for which appropriate funding is available, for employment during such quarter in such Department of at least 187,968 full-time equivalent employees.

(3) In the event that the Director fails prior to the first day of any quarter of fiscal year 1980 beginning after October 1, 1979, or prior to the first day of any succeeding quarter of any subsequent fiscal year to have made the certification described in paragraphs (1) and (2) of this subsection, on such first day the amendments made by sections 201(a), 203, and 204 of this title shall become ineffective as though repealed by an Act of Congress.

(4) In determining the numbers of full-time equivalent employees provided for in paragraphs (1) and (2) of this subsection, there shall be included not more than eight hundred and twenty full-time equivalent employees for the employment of whom funding is provided under the medical administration and miscellaneous operating expenses appropriation account or who are assigned to carry out functions assigned to employees for whom such funding was provided in fiscal year 1978.

(c) The amendments made by section 203(1)(B) of this Act shall not apply in the case of any veteran whose discharge or release from active military, naval, or air service occurred during the twelve months immediately prior to the date of the enactment of this Act.

TITLE III—VETERANS' ADMINISTRATION MEDICAL PERSONNEL AND MISCELLANEOUS AMENDMENTS

SEC. 301. (a) Section 4104(2) is amended by inserting "psychologists," after "Pharmacists,".

(b) Section 4105 is amended by—

(1)(A) striking out the period at the end of clause (9) and inserting in lieu thereof a semicolon; and

(B) adding at the end of subsection (a) the following new clause:

"(10) Psychologist—

"hold a doctoral degree in psychology from a college or university approved by the Administrator, have completed study for such degree in a specialty area of psychology and an internship which are satisfactory to the Administrator, and be licensed or certified as a psychologist in a State, except that the Administrator may waive the requirement of licensure or certification for an individual psychologist for a period not to exceed two years on the condition that such psychologist provide patient care only under the direct supervision of a psychologist who is so licensed or certified."; and

(2) inserting "podiatrist, optometrist," in subsection (b) after "dentist,".

(c) The amendment made by subsection (b)(1) of this section to require that a psychologist appointed to a position in the Department of Medicine and Surgery of the Veterans' Administration be licensed or certified as a psychologist in a State shall not apply to any person employed as a psychologist by the Veterans' Administration on or before May 1, 1979.

SEC. 302. Section 4106(b) is amended by striking out "three" and inserting in lieu thereof "two".

SEC. 303. Section 5053(a) is amended by inserting a comma and "or organ banks, blood banks, or similar institutions" after "facilities".

The ACTING PRESIDENT pro tempore. Time for debate on this bill is limited to 1 hour, to be equally divided and controlled between the Senator from California (Mr. CRANSTON) and the Senator from Wyoming (Mr. SIMPSON), with 30 minutes on any amendment in the first degree, except an amendment by the Senator from New Hampshire (Mr. HUMPHREY) on which there shall be 2 hours, and with 20 minutes on any amendment in the second degree, debatable motion, appeal, or point of order.

The Chair recognizes the Senator from California.

Mr. CRANSTON. Mr. President, S. 1039, as reported, the proposed Veterans' Administration Health Resources and Programs Extension Act of 1979, is designed to maintain and improve the quality, scope, and efficiency of health care services provided the Nation's veterans through the Veterans' Administration health care system. It does this, in part, by rechanneling some resources from areas of low priority to high-priority areas where the need is greatest.

The bill would accomplish this purpose by placing on selected health care benefits certain limitations—designed so as not to place a hardship on needy veterans or deprive any veteran of necessary care—and applying most of the resulting cost savings to badly needed health care staffing. Thus, it would condition entry into effect and continuing legal effect of the three cost-savings provisions—that is, first, tightening non-service-connected beneficiary travel reimbursements; second, the furnishing of nonprescription drugs, medicines, and supplies as part of non-service-connected outpatient care; and third, eligibility for outpatient dental care for certain non-compensable service-connected conditions—on certification on October 1, 1979, and quarterly thereafter, by the Director of OMB that a sufficient personnel ceiling has been allocated to the VA's Department of Medicine and Surgery to carry out its statutory mission of providing patient care to veteran beneficiaries as well as to staff fully new facility and program activations in fiscal year 1980.

S. 1039 would also extend authorization of appropriations for the program of grant assistance to State extended-care facilities for veterans and increase the rates of per diem payments to these facilities for care provided veterans; extend the authorization of appropriations for the exchange of medical information program; provide for the reimbursement or payment for chiropractic services for certain eligible veterans; make other minor changes in VA health care benefits; and make various revisions in the VA health care personnel system and medical administration authorities.

Mr. President, in these times of fiscal austerity, even programs of the high priority traditionally and properly afforded to those for veterans must be subject to some belt tightening to squeeze out unnecessary spending and to assign priorities in the use of scarce resources. The provisions of S. 1039 have been carefully designed so that abuses and unnecessary costs can be curbed while at the same time no truly needy veteran would be denied necessary health care or access to such care. It would apply the cost savings resulting from these economies to restore badly needed staffing to VA health care facilities.

Mr. President, I want to express my particular appreciation to the ranking minority member of the committee, the Senator from Wyoming (Mr. SIMPSON), for his excellent contributions and spirit of cooperation in the development of this measure. I also want to express my appreciation to the other members of the committee who have been so helpful—Senators TALMADGE, RANDOLPH, MATSUNAGA, THURMOND, and STAFFORD.

Mr. President, the committee bill has three titles: Extension and improvement of certain Veterans' Administration health programs; realinement of veterans health care and related benefits; and Veterans' Administration medical personnel and miscellaneous amendments, as follows:

Title I: Extension and improvement of certain Veterans' Administration health programs.—This title would revise and extend the authorizations of appropriations in title 38, United States Code, for the program of matching-fund construction grants for State veterans home facilities and for exchange of medical information—EMI—program and increase per diem rates for State veterans' home care. Included in title I are provisions that would:

First, extend the authorization of annual appropriations—at the present $15 million level—for the program of matching grants to the States for the construction, remodeling, and renovation of State veterans' home hospital, nursing, and domiciliary facilities through fiscal years 1980, 1981, and 1982.

Second, provide that, under the program of matching grants for State home construction projects, no State could receive in any fiscal year more than one-third of the amount appropriated for such fiscal year or $3 million, whichever is greater.

Third, extend the authorization of annual appropriations—at the present $4 million level—for the exchange of medical information program through fiscal years 1980, 1981, and 1982.

Fourth, authorize the Administrator of Veterans' Affairs to enter into agreements under the EMI program with public or nonprofit private institutions, organizations, corporations, or entities in order to participate in cooperative health-care personnel education programs within the geographical areas of VA health-care facilities located in areas remote from major academic health centers.

Fifth, increase the rates of per diem payments to State veterans' homes to $6.35 for domiciliary care, $12.10 for nursing home care, and $13.25 for hospital care.

Title II: Veterans health care and related benefits.—This title would amend title 38, United States Code, to revise, clarify, limit, and expand various health care benefits for veterans, and would assure that savings provided under certain revisions of health care benefits are used to maintain adequate staffing within the VA's Department of Medicine and Surgery. Included in title II are provisions that would:

First, provide that—except with respect to a person receiving benefits for or in connection with a service-connected disability—payment for allowable travel expenses incurred going to and from a VA facility would be provided only for travel by special vehicular mode of transportation that is required for medical reasons and either has been authorized in advance or, to the extent that the Administrator provides by regulation, has been undertaken in a medical emergency of such a nature that the delay incident to obtaining prior authorization would have been hazardous to life or health; or when the person claiming reimbursement is receiving or eligible to receive pension—or meets the applicable income standard for receipt of pension—under section 521 of title 38 and then, in any fiscal year, only after such person has paid the first $25 in such expenses and, with respect to the next $150 in expenses only for one-half of any such expenses.

Second, provide for the reimbursement—or direct payment—of reasonable charges for chiropractic services, not otherwise covered by available health insurance or other reimbursement, provided to certain veterans with neuromusculoskeletal conditions of the spine; limit the amount payable for authorized chiropractic services furnished an individual veteran to $200 per year and the total VA expenditures for chiropractic services to $4 million in any fiscal year; establish a September 30, 1983, cutoff date for the provision of chiropractic services for which reimbursement or payment may be made; and require the Administrator to submit an annual report on the utilization of chiropractic services under the new authority.

Third, limit the furnishing of outpatient dental services, dental treatment, and related dental appliances to a veteran with a service-connected, noncompensable—zero-rated—dental condition or disability to only those veterans who have served on active duty for a period of at least 180 days and made application for such treatment within 6 months after discharge and as to whom the Department of Defense has not certified, in writing, that the veteran was provided, during the 90 days immediately prior to such veteran's discharge, a complete dental examination—including X-rays—and all appropriate dental services and treatment indicated by such examination.

Fourth, require, prior to the furnishing of fee-basis dental care to a veteran at a cost of more than $500 in any 12-month period, a determination by the Administrator, based on the results of an examination by a VA dentist, that the furnishing of such treatment at such cost is reasonably necessary.

Fifth, limit the furnishing of nonprescription drugs, medicines, and medical supplies in connection with non-service-connected outpatient care generally to those veterans who are receiving or eligible to receive pension—or who meet the income standard for receipt of pension—under section 521 of title 38; and require the Administrator to promulgate regulations authorizing the furnishing of nonprescription drugs, medicines, and supplies as part of non-service-connected outpatient care in order to avoid substantial hardship that would result from the extraordinary cost to the veteran of obtaining such products commercially.

Sixth, clarify that veterans who, as a result of non-service-connected disability, are in need of regular aid and attendance or are housebound are eligible for home health services.

Seventh, provide that the surviving spouse of a person whose death during active duty service was the result of service-connected causes would be eligible for benefits under the civilian health and medical program of the Veterans' Administration—CHAMPVA— if such surviving spouse had remarried and the subsequent marriage had been terminated by death, divorce, or annulment.

Eighth, provide that a CHAMPVA-eligible child between the ages of 18 and 23 who is pursuing full-time study at an approved educational institution and who suffers a mental or physical disability that prevents the child from continuing his or her studies would remain eligible for benefits until 6 months after the mental or physical condition is no longer so disabling, until 2 years after the date of onset of the disability; or until the student's 23d birthday, whichever comes first.

Ninth, provide that, except for the amendments relating to beneficiary travel reimbursement, dental benefits, and the provision of nonprescription drugs, medicines, and supplies, the effective date of the amendments made by title II of the committee bill is October 1, 1979.

Tenth, provide that the cost-savings amendments limiting beneficiary travel reimbursement for non-service-connected travel, outpatient dental care for certain noncompensable service-connected dental conditions, and the provision of nonprescription drugs, medicines, and supplies in connection with non-service-connected outpatient care shall take effect on October 1, 1979, but only if, prior to that date, the Director of the Office of Management and Budget (OMB) has certified in writing to the appropriate committees of the Congress that the VA has been allocated for its Department of Medicine and Surgery (D.M. & S.) a specific personnel ceiling for the first quarter of fiscal year 1980, for which appropriate funding is available. Thereafter, the cost-savings amendments would remain in effect only as long as the Director of OMB provides that same kind of certification on the first day of each succeeding quarter. In the event of any failure to make such certification, the legislation would permanently lose effect.

Title III: Veterans' Administration medical personnel and miscellaneous amendments.—This title would revise certain requirements pertaining to D.M. & S. personnel and expand the Administrator's authority to enter into sharing agreements. Included in title III are provisions that would:

First, specify that psychologists are among those health professionals who may be appointed to Civil Service positions in D.M. & S. and establish qualification standards, including a general requirement for licensure or certification by a State, for psychologists eligible for such appointment.

Second, add a U.S. citizenship requirement for appointment of podiatrists and optometrists in D.M. & S.

Third, shorten from 3 years to 2 years the probationary period of D.M. & S. professional employees.

Fourth, expand the Administrator's authority to enter into sharing agreements to include agreements between VA facilities and blood banks, organ banks, and similar institutions.

Mr. President, in order that all Senators and the public may have a full understanding of the various provisions of S. 1039 as reported, I ask unanimous consent that there be printed in the RECORD at this point pertinent excerpts from Senate Report No. 90–177 accompanying this bill.

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

DISCUSSION

TITLE I: EXTENSION AND IMPROVEMENT OF CERTAIN VETERANS' ADMINISTRATION HEALTH PROGRAMS

Title I of the Committee bill would revise and extend the program of matching grants to the States for the construction, remodeling. or renovation of State veterans' home hospital, nursing home, and domiciliary care facilities, increase the rates of per diem payments to State veterans' homes for the care of eligible veterans, and revise and extend the program of exchange of medical information.

State veterans' homes programs

Included in title 38, United States Code, are two programs of assistance to State veterans' home extended-care facilities providing care to veterans who are eligible for VA care—a program of per diem payments for care provided to veterans in such facilities and a program of matching grants for the construction, remodeling or renovation of State veterans' homes.

Increase in per diem

Payments to State Homes

The program of assistance to State homes for veterans began on August 27, 1888, with the enactment of an Act to provide aid to State or territorial homes for the support of disabled soldiers and sailors of the United States. The act made provision for annual per capita contributions to the 11 States which at that time provided domiciliary care for disabled veterans in State homes. The program was subsequently amended in 1939 to extend such assistance to State home hospitals and in 1964 to include State nursing homes and to establish separate per diem rates for domiciliary care and nursing home care. Enactments in 1968, 1969, and 1973, increased those per diem rates; and the 1969 enactment also authorized a separate per diem rate for hospital care. The last increase, provided in 1976 by Public Law 94–417, established the existing per diem rates for the care of eligible veterans in State home facilities as follows: $5.50 for domiciliary care, $10.50 for nursing home care, and $11.50 for hospital care.

The Committee believes that an increase in these rates is fully justified by the inflation that has been experienced since the 1976 law.

According to the Congressional Budget Office, the Consumer Price Index inflation factor for the 3-year period fiscal year 1977 through fiscal year 1979 is 23.4 percent. However, in recognition and support of the desire to contain Federal expenditures, section 103 of the Committee bill would provide for a 15-percent increase. Thus, effective October 1, 1979, the per diem payment for domiciliary care would be increased to $6.35, for nursing home care to $12.10, and for hospital care to $13.25.

Grants for the Construction of State Homes

The program of assistance to States for the construction, remodeling, and renovation of State home facilities began on August 19, 1964, with the enactment of Public Law 88–450, which authorized annual appropriations of $5 million for the making of State home grants by the Veterans' Administration to pay 50 percent of the costs of constructing new nursing-care facilities, expanding or remodeling buildings for use as nursing-care facilities, and initially equipping such facilities. Public Law 91–178, enacted on December 30, 1969, established a separate grant-assistance program providing 50-percent Federal funding for the remodeling of existing State home hospital and domiciliary care facilities and authorized an annual appropriation of $5 million for such grants. Subsequently, the enactment of Public Law 93–82 on August 2, 1973, raised the maximum amount of VA participation in the construction of individual projects in both the nursing home and the domiciliary and hospital facility programs from 50 percent to 65 percent.

The last substantive amendments to the State home construction authorities were made by Public Law 95–62, enacted on July 5, 1977, which consolidated the two programs into a single grant authority under subchapter III of chapter 81 of title 38 (including authority with respect to construction of State nursing-home-care facilities), increased the annual authorization of appropriations for the consolidated program to $15 million, and increased the aggregate amount of the sums appropriated under the program that any one State could receive in any given fiscal year from 20 percent to one-third. A total of $94,700,000 has been appropriated under the State home construction grant program since fiscal year 1966.

The VA proposed, in S. 1039, to extend the authorization of annual appropriations for State home construction grants at $5 million for fiscal year 1980 and such sums as may be necessary in subsequent fiscal years. In the Administrator's April 20, 1979, letter of transmittal accompanying the draft bill, the VA provided the following justification for extension of the program:

> Present VA facilities are not adequate to cope with the special needs of today's elderly veterans. The VA's 88 nursing homes are filled to capacity * * * [and there are] long waiting lists for admission to most of them. Some State nursing homes and domiciliaries are also running at near capacity. It is clear that much needs to be done to prepare for the increasing number of elderly veterans (about threefold in 15 years) who will require extended care before the next decade has passed.

The committee shares the view of the VA that much needs to be done to prepare for the rapidly growing numbers of elderly veterans and believes that the State home program represents a proven and cost-effective means of providing care, especially nursing home and domiciliary care, to substantial numbers of elderly veterans, and, in some cases, family members of veterans. The VA proposal to cut the authorization level for construction of State homes from $15 million to $5 million, an amount which is $5 million less than the fiscal year 1979 appropriation of $10 million, is inconsistent with the VA's own assertion that we need to expand existing facilities to accommodate the increasing numbers of elderly veterans who will soon require nursing home and domiciliary care and with the demand by the States for such construction assistance. According to information supplied to the Committee by the VA, 17 approved but unfunded applications for State home construction funds are presently pending before the agency at a total amount requested of $18.6 million. In addition, according to the VA, the States have indicated that they will submit an additional 22 applications requesting a total of $29.9 million over the next 12-month period.

In the committee's view, the need to expand the State home program and the demonstrated willingness of the States to participate by providing the 35-percent match clearly warrant a future level of appropriations substantially higher than the current fiscal year appropriation of $10 million and provide assurance that a higher amount would be fully utilized. Thus, section 101 of the committee bill would authorize annual appropriations for this important program of $15 million for fiscal years 1980, 1981, and 1982.

As discussed above, under current law no State may receive in any fiscal year more than one-third of the total amount appropriated for such fiscal year for State home construction. The VA proposed repealing this restriction in its entirety on the ground that the limitation on the amount of funds which could be obligated so limits the scope of a project that, in many instances, it would not be feasible or cost effective to undertake the project, particularly where new construction is contemplated.

Although the committee shares, to some extent, the concerns of the VA that, as construction costs increase and appropriations do not, the initiation of some vitally needed new projects may not be feasible, the committee is not willing to repeal the restriction altogether. Without some limitation a few States could receive inequitably large grants while equally deserving projects in other States would remain unfunded. Thus, section 101 of the committee bill would provide that no State may, in any fiscal year, receive more than one-third of the amount appropriated or $3 million, whichever is greater. Thus, if $15 million were appropriated in a single fiscal year, a single State could receive up to $5 million; and, if only $5 million were appropriated, a single State would be eligible to receive up to $3 million. In the committee's view, this modification would equitably resolve the concerns of both the VA and the committee.

Planned Review of State Homes Programs

The committee is well aware of the growing number of elderly veterans who will require extended care services in the near future and recognizes the fact as does the VA itself (as discussed earlier) that, since VA facilities will not be able to accommodate all of the elderly veterans in need of such services, State veterans' homes will play an increasingly important role in the provision of care to veterans. Thus, the committee intends to examine in detail the issues surrounding the provision of care in State veterans' homes with a view toward making whatever changes may be needed to achieve the programs' full potential for furnishing appropriate extended care to eligible elderly veterans and, in this regard, will ask the General Accounting Office to undertake a review of State veterans' homes programs, including the adequacy of present and proposed levels of Federal support.

Exchange of medical information program

The exchange of medical information (EMI) program, first authorized in 1966 (Public Law 89–785), is designed to strengthen medical programs at VA hospitals that are not affiliated with medical schools or are in locations remote from medical teaching centers, and to foster the widest possible cooperation and consultation among members of the medical profession by bringing modern medical and communications technology to bear on the quality of services available to veterans in such hospitals.

Since its inception, the EMI program has acted as the funding vehicle for approximately 50 projects either through grants to medical schools or other eligible institutions or by means of direct funding of appropriate VA hospital projects. The scope of EMI projects has varied from those in which but one VA facility has participated to those benefiting more than 170 VA hospitals. The following are typical of the projects funded under the EMI program:

(1) The Nuclear Medicine Network has provided the Marion, Illinois, and Poplar Bluff, Missouri, VA hospitals with nuclear medicine diagnostic capability while improving those hospitals' working relationships with the VA hospital in St. Louis.

(2) The Center for Continuing Health Education has provided various medical and dental improvements to eight remote VA hospitals in Colorado, Idaho, Montana, Nevada, and Wyoming, while directly strengthening educational ties between these hospitals and the Salt Lake City VA hospital/University of Utah medical complex.

(3) The Interactive Telecommunications System for Central Maine, a two-way television network permitting communication between medical and educational facilities, involves physicians in geographically remote sites in continuing education activities.

(4) The Dental Training Center, located in the VA Medical Center in Washington, D.C., has as its mission improving the quality of dental services rendered in the VA and increasing the productive capacity of its personnel. In support of its mission, the Dental Training Center conducts continuing education courses for dentists and dental auxiliaries, produces films on various dental subjects, provides co-axial cable television support for dental courses, and exchanges dental information with State dental associations.

The Committee believes that the EMI program is cost effective and has played a valuable role in enhancing the quality of services provided in VA facilities, particularly unaffiliated and geographically remote facilities, and in heightening the morale of personnel located in such facilities. Thus, the Committee believes that the EMI program authority should be continued and expanded, and, section 102 of the Committee bill could continue for fiscal years 1980, 1981, and 1982 the present annual appropriation authorization of $4 million for the EMI program. n addition, the Committee bill would clarify the authority of the Administrator to enter into agreements with public and non-profit private organizations for cooperative health-care personnel education programs within the geographic areas served by VA health-care personnel facilities located in areas remote from major academic medical centers. This authority, which was requested by the VA, is intended to facilitate training opportunities in unaffiliated VA medical facilities located in remote areas and, according to the VA, would enhance both the quality and quantity of health care personnel resources available to such facilities.

TITLE II: REALIGNMENT OF VETERANS HEALTH CARE AND RELATED BENEFITS

Title II of the Committee bill would revise the eligibility requirements for receipt of certain travel reimbursement, dental benefits and nonprescription drugs, medicines, and supplies by certain veterans and condition the effectiveness of such revisions on certain actions by the Director of the Office of Management and Budget; provide authority for reimbursements to certain veterans for chiropractic services; clarify the eligibility for home health services of veterans who are in need of regular aid and attendance or who are housebound; and expand eligibility for receipt of CHAMPVA benefits.

Background

S. 741, the Administration's proposed "Veterans Medical Amendments of 1979", included three provisions designed to effect cost savings. First, it would have eliminated totally reimbursement for travel expenses of non-service-connected veterans going to and from VA health facilities except for situations in which such veterans required special vehicular modes of transportation for medical reasons and such transportation was authorized in advance. Second, it would have eliminated totally the provision of outpatient dental treatment for a service-connected noncompensable (zero-rated) dental condition, that is neither attributable to service trauma nor the dental condition of a veteran who had been a prisoner of war for more than 6 months. Finally, it would have eliminated totally the provision of oupatient nonprescription drugs, medicines, and medical supplies to non-service-connected veterans except for veterans who were 65 years of age or older, in receipt of pension, permanently housebound or in need of regular aid and attendance, receiving hospital-based home health care.

In its transmittal letter dated March 12, 1979, accompanying the draft bill, the VA stated that the cost savings that would result from enactment of the limitation on travel reimbursement would enable "limited VA resources * * * [to] be more effectively utilized"; the cost savings realized by eliminating the provision of dental treatment to certain veterans would allow the VA to "refocus our resources to provide more extended and faster outpatient dental care"; and the cost savings realized by limiting the provision of nonprescription drugs, medicines, and supplies would permit the VA to "reallocate scarce VA resources * * * to areas where the need is more acute".

In point of fact, according to the VA budget documents for fiscal year 1980, the nearly $100 million that the VA estimated would be saved if the cost-savings provisions were enacted, would be subtracted from the already strained VA budget and not "more effectively utilized", "refocused", or "reallocated" by the VA.

At the same time, stringent limitations have been placed in fiscal year 1979 on personnel ceilings in the VA's Department of Medicine and Surgery (DM&S) resulting in cutbacks in the provision of needed health services which can only be expected to worsen under the Administration's proposed budget for fiscal year 1980.

The Committee's concerns in this regard were articulated by the Chairman in his March 13, 1979, letter to the President regarding VA health-care personnel issues:

> In order to stay within current Administration limitations for VA programs for fiscal year 1979, the VA indicates that it will employ 3,273 staff (full-time equivalent employees (FTEE's)) fewer under the medical care account (180,919 FTEE's in fiscal year 1979) than contemplated by the [fiscal year 1979] appropriations measure and will further reduce the number of VA medical care employees by 433 FTEE's in fiscal year 1980, to 180,476 FTEE's.
>
> These reductions are proposed and, in fact, being implemented despite the fact that new activations in fiscal year 1979 will require approximately 1,500 FTEE's in fiscal year 1979. New activations in fiscal year 1980 will require approximately 1,600 FTEE's in fiscal year 1980. Under your budget for fiscal year 1980, the personnel resources for these previously approved and initiated activations are to be acquired from existing facilities. Thus, the VA's fiscal year 1980 budget documents state:
>
> Activation of new facilities in FY 1980 or in the future will require staffing that, in effect, will be derived from the managed reduction of employment within existing facilities * * * The reductions of employment thus estimated for existing facilities amount to 1,650 FTEE's in fiscal year 1980.
>
> * * * [I]t seems clear to me that the VA health-care system is growing in size and in personnel requirements—through new activations—but its health-care personnel are being spread progressively thinner and that there is cause for genuine concern both for the quality of VA care and for the capacity of the system to provide the services which are projected for fiscal years 1979 and 1980.

* * * * *

This committee is very much aware of the pressing need to exercise fiscal constraint in considering the overall Federal budget and fully appreciates that difficult choices must be made among various competing, legitimate demands. The committee, in its deliberations, has thus kept fully in mind the need to contain expenditures and minimize increases in spending for new programs.

However, in the committee's view, the level of the overall VA health care program should not be reduced but rather maintained in such a way as to assure that the health care needs of veterans will be adequately met. Thus, the committee proposes, not to increase the overall level of the care provided in the VA health-care system, but rather, to rechannel resources from areas within the system which are of relatively low priority to respond to the very highest priority—the need to help restore and maintain adequate health-care staffing levels within the DM&S.

Obviously, in examining existing programs to determine where savings could appropriately be realized, the committee was confronted with difficult choices. Although the committee agrees, to some extent, with the VA that reimbursement of non-service-connected travel expenses, automatically furnishing dental care to certain veterans, and providing routine nonprescription drugs, medicines, and supplies for non-service-connected care in all instances are activities of comparatively low priority, the committee does not believe that it is in the best interests of veterans or necessary to wipe out most of the travel reimbursement benefit, dental care for certain veterans, and most nonprescription drugs, medicines, and supplies for veterans unable to defray the expenses of health care services. Instead, after careful deliberation, the committee determined that substantial cost-savings could be realized by refining and tightening the eligibility criteria for receipt of travel benefits, dental benefits, and nonprescription drugs, medicines, and supplies without imposing hardships on needy veterans or depriving them of necessary care and that the savings could be put to better use in order to assure a more adequate level of staffing in VA health-care facilities.

Limitation on travel expenses reimbursement

Under current law (section 111 of title 38, United States Code), a person traveling to and from a VA health-care facility in connection with a non-service-connected disability is entitled to reimbursement for travel and related expenses only if he or she has been determined, based on his or her annual declaration and certification, to be unable to defray the expenses of such travel. In addition, reimbursement for travel expenses generally may not exceed the actual cost of such travel by public transportation unless public transportation is not reasonably accessible or would be medically inadvisable or the cost of such travel is not greater than the cost of public transportation.

These restrictions on travel reimbursement were added to section 111 of title 38 by Public Law 94-581, the Veterans Omnibus Health Care Act of 1976, because of the rapid increase in the cost of the beneficiary travel reimbursement program that had occurred over the preceding several years coupled with a decision by the Office of Management and Budget (reflected in the VA's fiscal year 1977 budget request) that further increases in the utilization of travel benefits would have to be absorbed within the VA's already strained medical program budget. According to this committee's report (S. Rept. No. 94-1206, page 77) accompanying S. 2908, subsequently enacted as Public Law 94-581, the annual declaration and certification by a veteran of inability to defray expenses "would permit the VA to investigate the financial circumstances of veteran applicants, and would subject veterans who make untruthful statements concerning their finances to criminal sanctions (under 18 U.S.C. 1001)"—unlike the situation with respect to veterans swearing or affirming to the conclusive oath of inability to defray the expenses of hospital care under present section 622 of title 38.

S. 741, the Veterans' Administration Medical Amendments Act of 1979, proposed to eliminate travel benefits for non-service-connected disabled veterans unless the veteran required a special vehicular mode of transportation for medical reasons and such transportation were authorized in advance. During the April 10, 1979, hearing on the provisions of S. 741, VA witnesses were asked to comment on the implementation of existing law as it related to the annual declaration and certification of inability to defray travel expenses. The VA witnesses stated that, to their knowledge, the VA had not investigated the financial circumstances—even on a sample basis—of any veteran who had certified his or her inability to defray the costs of travel expenses. They also pointed out the great difficulty in enforcing provisions requiring advance annual certifications of inability to defray the cost of various unknown, often minor, travel expenses, such as occasional taxi fares, and stressed that U.S. attorneys had indicated their unwillingness to prosecute cases of alleged fraudulent certification.

The fact is that the 1976 law changes have not operated as a major factor to restrain beneficiary travel costs. Expenditures to this purpose were $54 million in fiscal year 1977, $61.8 million for fiscal year 1978, and are estimated to be $65.2 million for fiscal year 1979 and, under the President's budget request, would be capped at $65.2 million for fiscal year 1980. The committee acknowledges the problems inherent in the approach taken in current law to limit non-service-connected travel reimbursements to VA beneficiaries who are truly unable to defray the cost of such travel expenses.

As an alternative approach, the Committee bill would generally limit the eligibility for reimbursement of beneficiary travel expenses for non-service-connected disabled veterans to those veterans who are receiving or are eligible to receive pension under section 521 of title 38 or who meet the applicable income standard for receipt of such pension but not the requirements respecting age, disability, or service during a period of war. This would establish a financial need test—far more generous than under any Federal or State income maintenance program—of $3,550 per year for a single person and $4,651 for a couple. Reimbursement by the VA to such a veteran in a fiscal year would be limited under the committee bill so that no payment would be made for the first $25 in expenses, and payment would be limited to one-half of any part or all of the next $150 in expenses. Thus, after paying the first $25 in travel expenses, the individual would copay the next $150 and would receive full reimbursement for all expenses over $175—that is, after the individual had incurred $100 in out-of-pocket expenses in such fiscal year. The committee intends that this provision be administered in such a manner that a minimum national recordkeeping system would be established by the VA so as to provide that primary responsibility for maintaining a record of a veteran's travel expenses would fall on the veteran. Under this provision, substantial savings to the Government would be realized while at the same time, the Committee believes, no truly needy veteran would be denied access to medical care.

The Committee bill would also provide that travel expenses incurred by non-service-connected disabled veterans going to and from VA facilities would be fully reimbursed—without any copayment or deductible requirements—for the expenses of travel by special vehicular mode of transportation (such as an ambulance or an air ambulance) required for medical reasons if such travel either is authorized in advance or, to the extent that the Administrator provides under regulations which the Administrator must prescribe, is undertaken in a medical emergency in which the delay incident to obtaining prior authorization would have been hazardous to life or health.

The Congressional Budget Office estimates that enactment of the provisions of section 201 of the committee bill would result in a cost savings of $30.8 million in fiscal year 1980.

Dental benefits

Outpatient Eligibility for Certain Service-Connected Non-Compensable Conditions

As recently stated by the committee in its report accompanying S. 7, the proposed "Veterans' Health Care Amendments of 1979" (S. Rept. No. 96-100, pages 22-23):

> Under present law, the basic authority for dental care is set forth in subsections (a) and (f) of section 612 of title 38, United States Code. Subsection (a) authorizes the Administrator of Veterans' Affairs, within the limits of VA facilities, to furnish medical

services to a veteran for a service-connected disability. Subsection (f) authorizes the Administrator, within the limits of VA facilities, to furnish medical services for any disability on an outpatient or ambulatory basis in certain limited cases. By statutory definition, as set forth in section 601(b)(A)(i), "medical services" include dental services. (Under section 610(a) of title 38, relating to VA hospital care eligibility, veterans who are eligible for hospital care are also eligible for dental care on an inpatient basis during a hospital stay because the term "hospital care", by statutory definition set forth in section 601(5)(A)(i), includes medical services rendered in the course of hospitalization.) Subsection (b) of section 612 imposes specific limitations on the provision of dental care as authorized by subsections (a) and (f) by providing that only the categories of care specified in subsection (b) may be provided on an outpatient basis. . . .

Under section 612(b), veterans may receive outpatient dental care for a service-connected dental condition or disability only if the condition or disability is (1) compensable in degree; (2) noncompensable but shown to have been in existence at the time of discharge or release from active military service and application for treatment is made within 1 year of discharge or release or correction of disqualifying discharge or release, whichever is later; (3) due to combat wounds or other service traumas; or (4) a condition or disability of a former prisoner of war.

Thus, those veterans with "service-connected noncompensable" (zero-rated) dental conditions (so-called "Class II" dental beneficiaries in the implementing regulation, 38 CFR 17.123(b)), which are unrelated to service trauma or prisoner of war status, are eligible for VA outpatient dental treatment for those conditions if application to the VA is made within 1 year after discharge or the upgrading of a disqualifying discharge. In fact, these conditions are often, as a practical matter, classifiable as "service-connected" at some point in the veterans' first 12 months after discharge.

The VA, in its draft bill, introduced as S. 741, proposed the total repeal of section 612(b)(2) of title 38. In the March 12, letter of transmittal accompanying the draft bill, the VA estimated that under current law more than 66,000 veterans will present themselves during fiscal year 1979 for outpatient treatment of dental conditions which existed during active duty but for which those veterans either did not seek or receive any treatment during service or who began but did not complete treatment during service. The VA letter of transmittal justifies eliminating the eligibility of such veterans for automatic post-service dental treatment as follows:

We believe that it is properly the responsibility of the dental services of the Department of Defense to correct these generally minor dental conditions which, for example, include, but are not limited to treatable carious teeth and replaceable missing teeth. We do not believe that it is appropriate for the VA to provide this dental care which was not provided or completed by the Department of Defense. Elimination of such eligibility will allow us to refocus our resources to provide more extended and faster outpatient dental care for veterans with more serious service-connected dental conditions, those resulting from direct service trauma or prisoner-of-war status, those whose dental conditions are associated with and are aggravating disease or injury incurred or aggravated by military service, those whose dental care was initiated but not completed during a period of hospitalization and those elderly veterans of the Spanish American and Indian Wars.

Although the committee would concur in the VA's argument that the provision of dental treatment to Class II beneficiaries is more properly the responsibility of the Department of Defense, there is no evidence whatsoever that the Department of Defense has any intention of assuming this responsibility. On the contrary, the Department of Defense budget documents for fiscal year 1980 do not show a transfer of this activity from the VA to the Department of Defense. Furthermore, information available to the committee indicates that the dental services of the Department of Defense are currently operating at two-thirds strength while, at the same time, the Department has discontinued the award of scholarships to dental students under the Armed Forces Health Professions Scholarship program. Finally, during questioning at the April 10 hearing, VA witnesses admitted that their military colleagues had indicated, informally, that Department of Defense dental resources "would not permit them to take care of all of these dental needs".

The committee believes strongly that the Federal Government would be totally unfair if it abandoned its obligation to care for the dental health of service persons, as the Administration seems to be proposing. The committee does believe, however, that the VA eligibility requirements under section 612(b) of title 38 can be tightened. Current law provides the benefit to any veterans, regardless of the duration of active-duty service. It seems improbable that an individual whose service was limited to only a few days' or months' duration could develop dental conditions of a nontraumatic nature such that the VA should assume responsibility for providing comprehensive dental care services (which the VA has determined to cost $660 per beneficiary). Likewise, providing the potential beneficiary with 12 months in which to apply to receive dental treatment appears overly generous, not only because of the constraints on the VA budget but because dental conditions unrelated to active duty could develop and exacerbate, resulting in increased costs, during that period of time.

Thus, section 203 of the Committee bill would authorize the furnishing of dental services, treatment, and related dental appliances to a Class II beneficiary only if such veteran had served on active duty for at least 180 days (which conforms to other provisions of title 38 setting forth length of service criteria, that is, section 1652 (180 days for GI bill benefits) and section 2011(1) (180 days for certain employment rights) and a 6-month minimum period of internment in section 312(b) for purposes of the presumption of service connection with respect to certain diseases from which a former prisoner of war is suffering) and, in the case of such a veteran who is discharged or released from active duty on or after the date of enactment of the Committee bill, makes application for treatment within 6 months after discharge and the Department of Defense has not certified, in writing, that the veteran was provided, during the 90 days immediately prior to such veteran's discharge, a complete dental examination, including X-rays, and all appropriate dental services and treatment indicated by such examination. The Committee is aware of the fact that any such certification would be included in a veteran's official medical records, which are often unobtainable for several months after discharge since they must be sent to the Department of Defense record center after final processing. Therefore, it is the Committee's intent that the VA consider the requirement respecting Department of Defense certification to be satisfied if the veteran's Department of Defense form 214 (a discharge document) contains a notation to the effect that the veteran's official medical record contains the requisite certification. Alternatively, it would seem to be a workable arrangement for the armed service concerned to transmit a copy of such certification to the VA directly.

Finally, section 203 of the Committee bill would amend section 612(b) of title 38 to require, prior to the authorization of fee-basis outpatient dental treatment to a veteran at a cost of more than $500 in any 12-month period, that a determination be made, based on the results of an examination of a VA dentist, that the furnishing of the treatment at the proposed cost is reasonably necessary. It is the Committee's intent in adopting this limitation that, by requiring VA dental personnel to examine veterans prior to the initiation of costly fee-basis dental care, VA dentists will undertake to provide some, if not all, of the indicated care that otherwise would be furnished on a fee basis at considerably greater expense. Indeed, application of the new dental care priorities and fee-basis dental-care cap which would be added to present section 612(b) by section 102(b)(4) of S. 7 as reported by this Committee on April 27, 1979, would require that this be undertaken in many, if not most, such cases. In any event, the independent VA examination is intended to provide a "second opinion" of the extent of the need of a veteran for dental treatment and the reasonableness of the proposed cost.

The Congressional Budget Office estimates that enactment of the provisions of section 203 of the Committee bill will result in cost savings of $3.4 million in fiscal year 1980.

Limitation on the Provision of Nonprescription Drugs, Medicines, and Supplies

Under current law, veterans who receive care in a VA facility on an outpatient basis are provided nonprescription drugs, medicines, and medical supplies on the authorization of a VA physician. The VA, in S. 741, proposed amending section 612(f)(1)(B) of title 38 to limit the provision of nonprescription drugs, medicines, and medical supplies to veterans receiving outpatient treatment of non-service-connected disabilities to those veterans who are in receipt of pension, 65 years of age or over, permanently housebound or in need of regular aid and attendance, or receiving hospital-based home care. The effect of the proposed amendment would be to prohibit VA pharmacies from providing nonprescription drugs, medicines, and supplies to veterans whose eligibility for the receipt of outpatient services is based on their inability to defray expenses and who are not in one of the excepted categories.

The VA, in its transmittal letter accompanying the draft bill, justified its inclusion of the proposed amendment as follows:

The cost of providing such drugs, medicines and supplies is constantly increasing. We believe that the savings resulting from enactment of this proposal would allow us to redirect these funds to other areas of medical care where the need is more acute. We believe that eliminating entitlement to over-the-counter drugs, medicines and supplies for some non-service-connected veterans is the most logical step in redirecting the limited resources of the VA to provide the most effective health care.

Enactment of this proposal will also result in providing faster service to those who remain entitled since the total number of drug, medicine and medical supplies transactions provided by the same number of VA pharmacy personnel will be reduced.

Those whose entitlement will be withdrawn by this proposal will generally be those non-service-connected veterans with less severe disabilities or whose income levels or net worth disqualify them for pension benefits. We, therefore, believe that enactment will not cause hardships. We estimate that the average cost of drugs or medicines and supplies to these veterans to be $3.46 and $6.69, respectively, per prescription. We also believe that if eligibility for such over-the-counter drugs, medicines and supplies is eliminated, such veterans will become more self-reliant and less dependent on the VA. We believe this will tend to be therapeutic.

The committee agrees that, in many instances, the routine provision of nonprescription products is unnecessary; but the committee believes that enactment of the VA's proposed amendment without substantial modification would be inequitable and harsh in its application to needy veterans. It would, for example, establish a presumption—for which the committee is aware of no factual basis—that any veteran 65 years of age or older is more in need than a veteran under 65 years of age. Furthermore, it would completely disregard the plight of a catastrophically-disabled non-service-connected veteran not receiving pension who requires nonprescription products on a regular basis. The Paralyzed Veterans of America, during their testimony at the April 10 hearing, advised the committee that the monthly cost to the VA of supplies used by a typical spinal cord injured veteran total $56.14 and that such a veteran would have to pay three to five times the VA cost to purchase such products in the private sector. In responding to questions at the April 10 hearing, the VA witnesses conceded that the provision as proposed in S. 741 was deficient in a number of respects and needed to be rethought and revised.

Accordingly, section 204 of the committee bill would establish new criteria for the provision of outpatient nonprescription drugs, medicines, and supplies for the treatment of non-service-connected disabilities pursuant to section 612(f)(1). It would limit the provision of such products for non-service-connected veterans to those veterans who are receiving or eligible to receive pension under section 521 of title 38 or who meet the applicable income standard for receipt of pension but not the requirements respecting age, disability, or period of service. This is the same financial-need criterion that would be applied by the amendment made by section 201 of the committee bill relating to eligibility for beneficiary travel reimbursement of non-service-connected veterans. Thus, a veteran qualifying for one benefit would automatically qualify for the other.

In addition, the committee bill would require the Administrator to prescribe by regulation conditions under which nonprescription drugs, medicines, and supplies would be provided to any non-service-connected veteran in order to avoid substantial hardship that would result from the extraodinary cost to a veteran of obtaining such products commercially. Examples of such hardship sought to be avoided by the committee are the paraplegic veteran's continuing need cited above, a veteran who has had colostomy surgery and requires colostomy bags and related supplies which could cost as much as $300 a month, and a veteran with acute ulcer disease who would spend as much as $30 a month for antacid preparations.

The Congressional Budget Office estimates that enactment of the provisions of section 204 of the committee bill would result in a cost savings of $3.4 million in fiscal year 1980.

Tying of cost-savings to maintenance of adequate VA health-care personnel levels

As pointed out above, under the VA's fiscal year 1980 budget documents, savings which would be effected by the proposals to limit beneficiary travel reimbursement, eliminate dental treatment for Class II beneficiaries, and limit eligibility for nonprescription medicines and supplies would simply be subtracted from the overall fiscal year 1980 VA budget. In light of the present, very strigent limitations that have been placed on DM&S personnel ceilings and resulting cutbacks in services that are being experienced now and would worsen if the Administration's proposed budget for fiscal year 1980 is agreed to, it is the committee's view that the major portion of such savings should be used to maintain the quality and quantity of health-care services provided to veterans eligible for such care.

Thus, the committee bill would tie the effective date of the modified cost-savings proposals to a requirement that the number of full-time equivalent employees authorized for DM&S by the administration be increased substantially over the number which is presently proposed for fiscal year 1980 and thereafter. This would achieve the administration's avowed purpose of refocusing spending on veterans health care items of higher priority, while at the same time achieving some cost savings—the committee bill would provide that the entry into effect of the three cost-savings provisions is contingent upon the achievement of adequate VA health staffing. Thus, before the cost-savings provisions could become effective (beginning October 1, 1979) and in order for them to remain in effect, the Director of the Office of Management and Budget would be required to certify prior to October 1 and the day before the beginning of each succeeding quarter that OMB has allocated to DM&S a sufficient personnel ceiling (FTEE) (and funding) to operate at the level proposed by the President for fiscal year 1980 (186,368 FTEE's) plus 1,600 FTEE's, the total number of employees being required to be diverted from existing facilities in fiscal year 1980 to meet the manpower requirements of new activations scheduled for that year.

Thus, the committee bill would require certification for fiscal year 1980 (beginning on October 1, 1979) that sufficient ceilings had been allocated from the medical care, medical and prosthetic research, and medical administration and miscellaneous and prosthetic research, and medical administration and miscellaneous operating expenses appropriation accounts to DM&S for the annual equivalent of 187,968 FTEE's for the first quarter of fiscal year 1980 of which not more than 820 could be allocated for DM&S central office personnel. Upon delivery of that certification on or before September 30, 1979, the cost savings provisions would go into effect and would then remain in effect only as long as the Director of OMB continued to certify on a quarterly basis that the requisite FTEE allocation had been made.

In the event that certification were not made on the first day of any subsequent quarter of fiscal year 1980 or of a later fiscal year, the three provisions would lapse and the restrictions imposed by the legislation on beneficiary travel, nonprescription products for non-service-connected care, and Class II dental beneficiaries, would permanently lose effect. Thus, on that same day the benefit eligiblities in those areas that were in effect on the day before the effective date of this legislation would be restored.

The cost of the additional 1,600 FTEE's would be approximately $31.5 million in fiscal year 1980. According to CBO, the total cost savings resulting from enactment of the three provisions for fiscal year 1980 would be $37.6 million, thus providing a net cost savings of $6.1 million as an incentive for the Director of OMB to make the necessary certifications.

With respect to future years after fiscal year 1980, the committee notes that the CBO estimated cost-savings are larger than the projected costs of maintaining the specified staffing level. Thus, the net cost-savings inducement for providing DM&S with the required personnel ceilings would continue to be available.

In taking this approach of requiring certification of a mandatory minimum level of personnel support in DM&S, the Committee is fully aware that it is departing markedly from the ordinary process of making adequate appropriations in order to achieve needed staffing levels. However, as evidenced by the experience with respect to fiscal year 1979 funding and staffing in DM&S, these are extraordinary times.

The fiscal year 1979 HUD-Independent Agencies Appropriations Act (Public Law 95–392) included an appropriation of $54.675 million more for the VA's medical care account than the Administration had requested in its fiscal year 1979 budget. Included within that increase was an amount, $32.3 million, which was intended to forestall the need to divert VA medical care staff from existing facilities to staff the activation of previously approved facilities which were to come on line in fiscal year 1979. VA witnesses at the January 25, 1979, hearing on S. 7 testified that instead of allowing those funds to be used for the purpose intended, the Administration has required that the funds be used to defray the costs of the October 1978 pay raise for VA employees paid under the medical care account. In fact, the VA was required to absorb $98.329 million of the costs of the October 1978 pay raise by means of reductions in the operations of VA health-care programs, reductions which have exacerbated the difficulties that VA health-care programs are experiencing in attempting to accommodate themselves to stringent personnel resource limitations.

In the Chairman's March 13, 1979, letter to the President, he stated,

> This proposed disposition of the $55 million congressional add-on * * * is a matter of major controversy and is viewed by many as a "back door" rescission, inconsistent with the Impoundment Control Act of 1974 * * *.

In the absence of a new way of achieving congressional intent to increase staffing, it seems clear that there will always be available to the executive branch the device of requiring funds previously appropriated for a specific personnel level to be applied to annual pay-raise costs for employees paid from that appropriation account in order to effect a program reduction below the congressionally intended level. To forestall this possibility for fiscal year 1980 and subsequent years, the committee bill would establish a specific floor below which DM&S personnel allocations may not fall if the cost-savings measures are to remain in effect.

Chiropractic services

S. 196, as introduced by committee member Senator Strom Thurmond on January 23, 1979, would have amended title 38 to authorize the provision of chiropractic treatment when requested for veterans eligible for outpatient medical care and provided that a doctor of chiropractic determines that chiropractic care is needed. In his introductory remarks, Senator Thurmond discussed the need for including chiropractic services as a title 38 health care benefit, in the following terms:

> Chiropractic services have been recognized under a variety of State and Federal health care programs. In addition to the medicare program, reimbursement for chiropractic services is also currently provided for under the Federal Employees Compensation Act. Additionally, a number of States include chiropractic services under their medical assistance programs.
>
> The lack of readily available chiropractic care within the VA health care system stands in sharp contrast to that under the medicare program, which is administered by HEW. Under the medicare program, it is typical for eligible persons in need of chiropractic care to seek and obtain the services of a doctor of chiropractic. That person is then reimbursed for the cost of such services.

The VA, in its testimony before the committee at the April 10 hearing stated that the agency employs no chiropractors and, at this time, would have no intention of employing chiropractors absent specific Congressional directive. Furthermore, no VA witness was able to testify that, despite having the authority to do so, a VA physician had ever referred a veteran to a chiropractor for retreatment at VA expense.

In a letter to the chairman dated April 12, 1979, setting forth the agency's view on S. 196 as introduced, the VA offered the following objections to the authority proposed to be provided under S. 196:

The bill proposes, in effect, that the veteran patient would determine the type of treatment he needs since, if he requested chiropractic care, we apparently would have no choice but to refer the veteran to a doctor of chiropractic for a determination of the necessity for chiropractic care without regard to the condition requiring treatment or the type of care medically indicated. This, of course, would not serve the best interests of the veteran or be professionally acceptable because a fully licensed physician cannot delegate to a chiropractic practitioner a determination as to the appropriate type of medical treatment.

We seek to make available to veterans medical care and treatment of the highest caliber whether the service is furnished within the agency or under contracts with private organizations and individuals. When sound medical findings and judgments determine that active manipulation and adjustment or indicated, such treatment is most frequently administered by rehabilitation medicine specialists or psychiatrists. When such treatment is prescribed, it is considered essential to the total rehabilitation of the patient and is closely supervised by the patient's direct care physician.

* * * * *

In summary, we believe that increased availability of chiropractic services within the Veterans Administration is not justified, and that we can provide the veteran with all necessary quality care under current authority. We are, therefore, opposed to the enactment of S. 196.

Although the committee agrees that S. 196 as introduced would provide too broad an authority for the provision of chiropractic services by fee arrangement, the committee believes that, in some circumstances, the provision of chiropractic services is both appropriate and desirable. Thus, the committee bill includes. at section 202, a new authority under title 38 for the fee-basis provision of chiropractic services. The proposed new authority would more tightly define the term "chiropractic services"; describe those veterans who would be eligible to be furnished such services; minimize as much as possible, given the VA's very strong opposition to providing any chiropractic services, VA discretion in its implementation; because of the committee's commitment to conserving resources, place a ceiling on expenditures made under the authority; and limit the program to 4 fiscal years.

Section 202 of the committee bill would add a new section 629 to title 38, to authorize reimbursement (or payment) for the reasonable charges, within certain prescribed limitations, for chiropractic services furnished certain eligible veterans.

Under the committee bill, the term "chiropractic services" is defined, under a proposed clause (9) to be added to section 601, as "the manual manipulation of the spine performed by a chiropractor (who is licensed as such by the State in which he or she performs such services and who meets the uniform minimal standards promulgated for chiropractors under section 1861(r) (5) of the Social Security Act (42 U.S.C. 1395x(r) (5))) to correct a subluxation of the spine"; for the purposes of the new authority, such term does not include physical examinations, laboratory tests, radiologic services, or other tests or services determined by the Administrator to be excluded. Hence, the only service for which reimbursement or payment is authorized would be spinal manipulation as treatment for a neuromusculoskeletal condition.

New section 629 would provide for the reimbursement for the reasonable charge for chiropractic services for which a veteran has made payment or for the direct payment of a chiropractor for such services if (1) such services were for the treatment of a service-connected neuromusculoskeletal condition of the spine, or (2) the veteran is a veteran who has been furnished hospital care by the VA for a neuromusculoskeletal condition of the spine within a 12-month period prior to the provision of chiropractic services or (3) the veteran has a 50-percent or greater service-connected disability and has been furnished hospital care or medical services by the VA for a neuromusculoskeletal condition of the spine. Such reimbursement would be provided only to the extent that the veteran is not entitled to such chiropractic services or reimbursement or payment for the expenses of such services under health insurance or other form of third-party health-care coverage. Thus under the Committee bill a veteran must have been determined by the VA to have a neuromusculoskeletal condition of the spine and in all likelihood been given an X-ray examination by the VA at some time prior to such veteran's being eligible for reimbursement or payment for chiropractic services under proposed new section 629.

In determining the reasonable charge for chiropractic services the Administrator would be required in consultation with appropriate public and nonprofit private organization (such as the International Chiropractors Association) and other Federal departments and agencies that provide reimbursement for chiropractic services (such as the Social Security Administration in the Department of Health, Education, and Welfare, and the Office of Workers' Compensation Programs in the Department of Labor) to establish a schedule of allowances for such services consistent with the reasonable charges allowed under title XVIII of the Social Security Act (42 U.S.C. ch. 7). Annual reimbursements or payments on behalf of an individual veteran would be limited to $200. Total expenditures in any fiscal year for chiropractic services could not exceed $4 million and no reimbursement would be authorized for any chiropractic services furnished after September 30, 1983.

Finally to enable the committee to make an informed judgment as to the need to continue or amend the authority for furnishing chiropractic services beyond the proposed statutory termination date of September 30, 1983, the committee bill would require the Administrator to submit to the House and Senate Committees on Veterans' Affairs, beginning on December 31, 1980, an annual report regarding the utilization of chiropractic services under the new authority.

Home health services home modifications

Under the home health services program authorized by section 612(a) (as to service-connected disabilities) and section 612(f) (as to non-service-connected disabilities), the VA is authorized to make certain necessary improvements in homes of veterans in order to make it possible for a disabled veteran to live at home while receiving care and thus avoid the necessity for prolonged or permanent institutionalization in a hospital or nursing home. Examples of such home improvements include the widening of doorways and provision of ramps to permit access to the home by wheelchair, and electrical adjustments to permit the operation of dialysis equipment.

In the Veterans Omnibus Health Care Act of 1976 (Public Law 94–581), Congress sought to refocus existing VA resources toward veterans suffering from service-connected disabilities. To accomplish this, changes were made to assure that the highest priority for care was applied to the treatment of service-connected disabilities. Included among those changes were amendments to chapter 17 of title 38 to establish two separate authorities for home health services—one in section 612(a) with a maximum limitation of $2,500 for home health services in connection with the treatment of service-connected disabilities, and the other in section 612(f) with a maximum limitation of $600 for such services in connection with the treatment of non-service-connected disabilities.

Prior to this change, the home health services authority was contained in the definition of "medical services" in section 601(6) of title 38. As a result of the deletion of the authority from section 601, the VA has advised that its authority to provide home health services under section 612(g), which authorizes the provision of only "medical services" to veterans who are in need of regular aid and attendance or are housebound as the result of non-service-connected disabilities, has become clouded.

Such a result was not intended by Congress in enacting the 1976 law. Rather, in the committee's view, the provision of home health services to those severely non-service-connected disabled veterans is fully justified on the grounds of both cost effectiveness and compassion; and the authority to provide such services should be made free of all doubt. Therefore, section 205 of the committee bill would amend section 612(g) to make express the authority to furnish home health services to veterans who, as a result of non-service-connected disability, are in need of regular aid and attendance or are housebound and to do so under the same terms and conditions as are set forth in section 612(f), including the $600 limit.

It is not anticipated that any additional costs would be incurred as the result of the enactment of this section of the Committee bill.

CHAMPVA amendments

The Veterans Health Care Expansion Act of 1973 (Public Law 93–82) added a new section 613 to title 38 to provide medical care for survivors and dependents of certain veterans (the Civilian Health and Medical Program of the Veterans' Administration (CHAMPVA)). Under the provisions of section 613, the Administrator is authorized to provide medical care to the spouse and children of a veteran who has a total and permanent service-connected disability and to the surviving spouse and children of a veteran who died as a result of a service-connected disability or who at the time of death had a total and permanent service-connected disability. Section 613 expressly limits CHAMPVA benefits to persons who are not eligible for medical care under the Civilian Health and Medical Program of the Uniformed Services (CHAMPUS) under chapter 55 of title 10, United States Code.

Surviving Spouses

Pursuant to section 103(d) of title 38, a deceased veteran's surviving spouse who remarries and whose subsequent marriage is terminated (by death, divorce, or annulment) regains his or her general eligibility for benefits under title 38, including benefits under chapter 13 (dependency and indemnity compensation (DIC) as well as CHAMPVA benefits under section 613.

The surviving spouse of a person who dies in the active military, naval, or air service in the line of duty and not due to misconduct is eligible to receive DIC benefits under chapter 13 of title 38 and CHAMPUS medical care under chapter 55 of title 10. Upon subsequent remarriage, such a surviving spouse is no longer eligible for either title 38 DIC benefits or title 10 CHAMPUS benefits. However, upon termination of the remarriage, DIC eligibility under chapter 13 of title 38 is restored because a person who dies during active-duty service is considered a veteran for the purposes of the survivors' eligibility for such benefits; however, under title 10, CHAMPUS eligibility is not restored.

Thus, following termination of a remarriage, the surviving spouse of a veteran who died as a result of service-connected causes or had a total and permanent service-connected disability at the time of death regains both DIC and CHAMPVA eligibility, but the surviving spouse of a person who died as a result of service-connected causes *during* active-duty service regains only DIC eligibility and no Federal health-care benefits under either CHAMPVA and CHAMPUS.

In the Committee's view, there is no rational basis for this anomaly whereby disparate treatment is afforded equally deserving classes of surviving spouses. Thus, section 206 of the Committee bill would provide CHAMPVA eligibility to the remarried surviving spouse of a person who died during active service (in line of duty and not due to misconduct) when the surviving spouse's remarriage has terminated.

Children Pursuing Full-Time Studies

Under current law, a CHAMPVA-eligible child between the ages of 18 and 23 retains such eligibility only if he or she is pursuing full-time study at an approved educational institution. If the child discontinues such pursuit for any reasons, including a physical or mental disability, he or she loses CHAMPVA eligibility. Under the CHAMPUS program, however, when a CHAMPUS-eligible child pursuing higher education suffers a mental or physical disability that prevents such child from continuing his or her education, such child continues to be eligible for CHAMPUS benefits until 6 months after the disability is removed or until the child's 23d birthday, whichever comes first.

The Committee believes that the CHAMPUS provisions continuing the child's health-care eligiblity under those circumstances reflect a sound, humane consideration and that, as proposed by the Administration in section 103 of S. 741, this disparity in health-care benefits should be eliminated.

Thus, section 206 of the Committee bill would also amend section 613 of title 38 to provide that a CHAMPVA-eligible child between the ages of 18 and 23 who is pursuing full-time study at an approved educational institution and who suffers a mental or physical disability that prevents the child from continuing his or her studies would remain eligible for benefits until 6 months after recovery from the disability until 2 years after the date of onset of the disability, or until the child's 23d birthday, whichever comes first. The 2-year continuation limit, also proposed by the Administration. is in recognition of the fact that under the CHAMPVA program a child not pursuing full-time study loses eligibility for CHAMPVA benefits on his or her 18th birthday, but, under CHAMPUS, eligibility of such a child for CHAMPUS benefits continues until such child's 21st birthday; thus, the maximum disability tolling period for both CHAMPVA and CHAMPUS would be the same—2 years.

TITLE III: VETERANS' ADMINISTRATION MEDICAL PERSONNEL AND MISCELLANEOUS AMENDMENTS

Title III of the Committee bill would make certain changes in title 38, United States Code, with respect to health-care personnel matters and the Administrator's authority to enter into sharing agreements.

Personnel qualifications for psychologists

Currently, all 50 States and the District of Columbia require licensing or certification of psychologists providing direct professional services. In order to be eligible for licensure or certification, a psychologist must have obtained a doctoral degree in psychology in a specialty area from an approved educational institution and must have completed a 1- to 2-year postdoctoral internship under the direct supervision of a licensed or certified psychologist. In addition, most, if not all, such laws include a form of "grandfather" provision exempting certain psychologists—those who had been engaged in the provision of direct professional services before the effective date of the law—from meeting some or all of the new State licensure or certification requirements.

As of December 31, 1978, the VA's Department of Medicine and Surgery (DM&S) employed, under civil service appointments authorized by title 5 of the United States Code, 1,323 full-time and 96 part-time doctoral-level psychologists. Existing DM&S qualification standards for psychologists require completion of a doctoral degree from an accredited college or university with major emphasis in the field of psychology appropriate to a particular specialty area and a period of internship. For positions above the GS–11 entry level, additional years of postdoctoral professional experience in a program concerned with health, rehabilitation, or vocational restoration are required. Although licensure or certification by a State is not a requirement for employment under existing DM&S standards, the VA has advised the Committee that 80 percent of the psychologists currently employed by DM&S are licensed or certified by a State.

The VA proposed in S. 741 the establishment of qualification standards for psychologists employed by DM&S, including a requirement for licensure or certification by a State. The Administration-requested legislation, however, proposed to authorize the Administrator to waive the licensure or certification requirement under such conditions as the Administrator prescribes and to exempt from meeting the new qualification standards all psychologists employed by the VA before the effective date of the proposed standards.

According to the VA's letter of transmittal accompanying the draft bill introduced as S. 741, the need to adopt qualification standards for VA psychologists at least as stringent as those which prevail in the States is predicated on three considerations: First, it is important to the quality of care provided by the VA health-care system that psychologists employed to care for veterans meet ethical and qualification standards at least as high as those for psychologists treating the general population. Second, because many State laws require that psychologists seeking licensure or certification be trained under licensed or certified psychologists and because recognition of training programs by the American Psychological Association requires that training be conducted by licensed or certified psychologists, if the VA did not clearly maintain high standards for its psychologists the VA could face an erosion of training relationships with major universities and resultant lack of acceptance by the States of VA internship training programs. Third, the VA's ability to recruit and retain well-qualified psychologists could be adversely affected by failure to conform to general profession-wide standards in the employment of VA psychologists.

The Committee concurs in the VA's view that psychologists employed by the VA should meet the same standards as those imposed on psychologists engaged in private practice. Thus, section 301 of the Committee bill would prescribe qualification standards for VA psychologists along the lines proposed in S. 741. However, the Committee does not believe that it is in the best interests of veterans to provide the Administrator with totally discretionary waiver authority. Thus, the committee bill would instead authorize the Administrator to waive the applicability of the licensure or certification requirement to an individual psychologist for a period not to exceed 2 years on the condition that such psychologist provide patient care only under the direct supervision of a licensed or certified psychologist. This authority is intended by the committee to be used for recently-graduated psychologists who, in order to be eligible to be licensed or certified, must undergo a period of postdoctoral training.

Finally, the committee bill would exempt psychologists employed by the VA on May 1, 1979, from the application of the licensure or certification requirement of the new qualification standards. In light of information from the VA that all presently employed psychologists meet the qualification standards proposed in the committee bill except for the approximately 250 who meet all the new statutory requirements other than the licensure or certification requirement, and the fact that virtually all State laws included a "grandfather" provision (which generally was available only for several years and which VA psychologists might well not have applied for), the Committee believes that this limited exemption represents an appropriate response to the situation of currently-employed VA psychologists. The Committee would note, however, that the exemption would apply only to psychologists employed by the VA on May 1, 1979; the VA should assure that psychologists employed after that date either meet the proposed new qualifications or be advised that, under the proposed waiver authority, they would be required to be licensed or certified within a 2-year period.

Citizenship requirements for podiatrists and optometrists

The Veterans Omnibus Health Care Act of 1976 (Public Law 94–581), in recognition of the demand for optometric and podiatric services in the VA health care system and the need to enhance the recruitment and retention of optometrists and podiatrists in the DM&S, removed VA optometrists and podiatrists from the Federal civil service system under title 5, United States Code, and placed such professionals in the title 38 pay and personnel system where their salaries would be more in line with comparable private sector incomes of such health professionals. Thus, podiatrists and optometrists joined physicians, dentists, nurses, physician assistants, and expanded function dental auxiliaries in the title 38 pay and personnel system. Through an oversight in 1976, podiatrists and optometrists were not then made subject to the appointment requirement that they be citizens of the United States, a requirement that applies to all other health-care professionals eligible for appointment in the DM&S title 38 pay and personnel system. The committee bill would correct this omission by amending section 4105(b) of title 38 to include podiatrists and optometrists among the DM&S title 38 health-care personnel who must be citizens of the United States before being eligible for appointment in the DM&S.

Probationary employees

There is almost universal agreement that some period of probationary service is necessary in order to allow employer and employee to evaluate the suitability of the employment relationship. Civil service regulations (5 CFR, §§ 315.801, 351.802(a)) prescribe a probationary period of 1 year for career or career-conditional appointments to the competitive service, and the Federal Personnel Manual justifies the necessity for a period of probationary service in these terms:

> [The probationary period is] a final and highly significant step in the examining process. It provides the final indispensable

test, that of actual performance on the job, which no preliminary testing methods can approach in validity. During the probationary period, the employee's conduct and performance in the actual duties of his position may be observed, and he may be separated from the service without undue formality if circumstances warrant * * *.

Properly used, the probationary period affords an opportunity for fostering the interest of the probationer as well as of the service. The probationary period is for most appointees the first contact with the Federal service. Intelligent and considerate treatment during the probationary period will often have a lasting effect on the career of the employee and will often save for useful and efficient Federal service employees who would otherwise be separated, or retained in positions in which they had little prospect of success. (F.P.M., chapter 315, subchapter 8, § 8-1.)

In contrast to the 1-year probationary period served by civil service employees, title 38 employees are required by law to serve in probationary status for three years (section 4106(b)). This longer period of probationary service has usually been justified by reference to the unique nature of the health-care setting. Professional performance by a physician, dentist, or nurse requires the ability to work closely with other members of the health-care team and to make correct and rapid decisions under extraordinary pressure in situations where a patient's life hangs in the balance; these are personal and professional attributes which, it is argued, cannot adequately be evaluated in a single year's time. A recent analysis (in a related context) of the distinction between hospital service and other forms of employment is found in an opinion by the United States Court of Appeals for the Ninth Circuit:

> . . . A hospital staff is highly interdependent, both in the sense that one doctor depends upon the professional skill of the other doctors and in the sense that the collegial nature of the body makes tolerable working relationships an absolute prerequisite to effective staff performance. The necessity for a healthy working relationship is a function of the nature of the work to be done. Incompatible workers on farms, ranches, or in certain types of factories can function reasonably well.
>
> . . . Effective performance by physicians on the staff of a hospital, whose tasks require a high degree of cooperation, concentration, creativity, and the constant exercise of professional judgment, requires a greater degree of compatibility. The hospital must recognize this necessity. (*Stretten* v. *Wadsworth Veterans Hospital*, 537 F. 2d 361 (9th Cir. 1976); footnotes deleted.)

The committee agrees that, given the distinctive personal and professional qualifications that a title 38 employee must possess, a period of initial evaluation longer than 1 year continues to be reasonable at this time. The committee believes, however, that the 3-year probationary period provided under current law is longer than necessary and results in needless apprehension and uncertainty

The committee bill, therefore, would shorten the period of probationary service for title 38 employees to 2 years. This is long enough to permit careful and effective evaluation of title 38 employees, yet short enough to reduce substantially the sense of apprehension and uncertainty that frequently accompanies an extended period of conditional employment.

Sharing agreements

The authority for the VA to enter into agreements for the sharing of specialized medical resources with community hospitals and clinics was enacted by the Congress in 1966 (Public Law 89-785). Under this authority, VA medical centers are permited to share specialized medical resources which, because of cost, limited availability, or unusual nature are either unique in the medical community or are subject to maximum utilization only through mutual use. During fiscal year 1978, 93 VA health-care facilities entered into 224 sharing agreements with community health-care centers for the exchange of such medical services as cardiac surgery, renal transplantation, nuclear medicine, pulmonary function testing, and angiography, at at total value of more than $19 million.

Although some progress has been made by the VA in implementing effective sharing agreements between VA facilities and private sector facilities, the committee believes that much more can and should be done as has been suggested in numerous General Accounting Office reports. Such agreements represent a cost-effective mechanism for providing veterans with needed medical services and, as a corollary benefit, for assisting in the national effort to control health care cost. Thus, the committee would encourage the VA to expand its efforts in this area, particularly in light of the growing costliness of advances in medical technology and the need to develop maximum utilization through mutual use in order to make these advances cost-effective and to help contain the rapidly escalating cost of health care in the country as a whole. Thus, section 303 of the committee bill would expand the authority of the VA to enter into sharing agreements, beyond such agreements with hospitals, medical schools and clinics, to include blood banks, organ banks, and similar institutions.

The committee, however, is concerned about the lack of progress in promoting and achieving sharing activities among Federal agencies. The major obstacles in the way of expanding such sharing activities appear to be a lack of formal enforcement authority and, more importantly, an apparent lack of standardized reimbursement mechanisms to assure actual cost compensation to the providing medical center. These obstacles were clearly described by the General Accounting Office in its June 14, 1978, report entitled "Legislation Needed To Encourage Better Use of Federal Medical Resources and Remove Obstacles to Interagency Sharing."

The committee intends to continue to monitor the activities of the Federal Health Resources Sharing Committee, which is charged with the task of enhancing sharing opportunities among Federal agencies, to determine whether or not significant progress is being made in addressing existing problems and to determine the necessity for and appropriate form of any remedial legislation.

COST ESTIMATE

In accordance with section 252(a) of the Legislative Reorganization Act of 1970 (Public Law 91-150, 91st Congress), the Committee, based on information supplied by the Congressional Budget Office, estimates that the 5-year cost resulting from the enactment of the Committee bill would be $24.8 million in fiscal year 1980; $24.8 million in fiscal year 1981; $24.8 million in fiscal year 1982; $6.3 million in fiscal year 1983; and $2.1 million in fiscal year 1984. A detailed breakdown of the costs, as estimated by CBO, over the 5-year period follows:

CONGRESSIONAL BUDGET OFFICE—COST ESTIMATE—MAY 15, 1979

1. Bill number: S. 1039.

2. Bill title: Veterans' Administration Health Resources and Program Extension Act of 1979.

To amend title 38, U.S.C., to extend and revise a program of grants to State homes for veterans and to expand a program of exchange of medical information, and for other purposes.

3. Bill status: As ordered reported by the Senate Committee on Veterans' Affairs May 3, 1979.

4. Bill purpose:

Title I

Section 101: Would extend the authorization of the program of matching grants to State homes through fiscal year 1982. The existing level of $15 million per year is authorized to be appropriated for each fiscal year 1980 through 1982 to carry out the program.

Section 102: Would extend the authorization of appropriations for the exchange of medical information program at the existing level of $4 million for each fiscal years 1980, 1981, and 1982.

Section 103: Would increase the per diem rates for State Veterans' homes by an average of 15 percent.

Title II

Section 201: Would place limits on payments for travel expenses incurred going to and from a VA facility to certain veterans with non-service-connected disabilities.

Section 202: Would allow the VA to reimburse an approved chiropractor for chiropractic services provided to veterans with certain disabilities or conditions of the spine. The bill limits the total amount the VA could expend for such services to $4 million for each fiscal year 1980 through 1983.

Section 203: Would limit outpatient dental services for service-connected, noncompensable dental (Clause II) conditions to veterans who have served at least 180 days on active duty.

Section 204: Would place limits on the provision of nonprescription drugs, medicines, and supplies to certain non-service-connected veterans.

Section 205: Would clarify the eligibility of veterans who are in need of regular aid and attendance or are housebound for hospital-based home health services.

Section 206: Would provide that the surviving spouse or child of a person who dies on active duty is eligible for CHAMPVA benefits if such a person is not otherwise eligible for CHAMPUS. The effect would be to extend CHAMPVA eligibility to a remarried surviving spouse and child when the disqualifying remarriage is ended.

Would also provide that CHAMPVA-eligible children who are full-time students between the ages of 18 and 23 will remain eligible for benefits for a certain period of time if a disability prevents them from continuing their studies.

Section 207: Would provide that the effective date of the cost savings amendments made by sections 201(a), 203 and 204 would be October 1, 1979, only if on such date, and quarterly thereafter, the Director of the Office of Management and Budget had certified that the VA had been allocated a specified personnel ceiling for certain VA health appropriation accounts. The specified ceiling would be 187,968 full-time equivalent employees (FTEE's), or 1,600 FTEE's above the President's fiscal year 1980 budget request.

Title III: Would specify certain qualifications and requirements for Veterans' Administration (VA) medical staff, and authorize the VA to enter into sharing agreements with blood banks, organ banks, and similar institutions.

5. Cost estimate:

[By fiscal years, in millions of dollars]

	1980	1981	1982	1983	1984
Sec 101:					
Authorization level	15.0	15.0	15.0		
Estimated outlays	.9	8.3	14.0	14.1	6.7
Sec 102:					
Authorization level	4.0	4.0	4.0		
Estimated outlays	3.1	4.0	4.0	.9	
Sec 103: Estimated authorization/Estimated outlays	5.7	5.7	5.7	5.7	5.7
Sec 201: Estimated authorization/Estimated outlays	—30.8	—33.1	—35.4	—37.7	—40.0
Sec 202: Estimated authorization/Estimated outlays	4.0	4.0	4.0	4.0	
Sec 203: Estimated authorization/Estimated outlays	—3.4	—3.5	—3.7	—3.9	—4.1
Sec 204: Estimated authorization/Estimated outlays	—3.4	—3.7	—4.1	—4.4	—4.8
Sec 206: Estimated authorization/Estimated outlays	2.2	2.4	2.5	2.6	2.7
Sec 207: Estimated authorization/Estimated outlays	31.5	34.0	36.8	40.0	42.5
Total:					
Estimated authorization	24.8	24.8	24.8	6.3	2.1
Estimated outlays	9.8	18.1	23.8	21.3	8.8

The costs of this bill fall within budget function 700.

6. Basis of estimate:

Sections 101, 102: CBO assumes full appropriation of the authorization levels stated in the bill. The estimated outlays reflect the spend-out pattern that has been shown by the existing program.

Section 103: The increase in costs was estimated by applying the new per diem rates to the expected caseload in State veterans' homes in fiscal year 1980, as reported in the fiscal year 1980 budget justification document.

Section 201: Section 201 would limit travel reimbursement for non-service-connected beneficiaries to only those cases in which the veteran requires emergency transportation for medical reasons or meets the income standard for receipt of pension. In the latter cases, the VA will pay half of the incurred expenses in a year up to $175 after a $25 deductible is met, and all expenses over $175.

According to the VA, about $65 million will be spent in fiscal year 1979 for travel expenses for veterans visiting VA medical facilities. A 1976 VA study indicates that about 60 percent of these funds represent expenditures for nonemergency transportation of non-service-connected veterans. Based on a 1977 study conducted by the National Research Council and VA data on the compensation and pension status of veterans using VA facilities, CBO assumes that 28 percent of the non-service-connected veterans currently receiving travel reimbursement would be ineligible for reimbursement under the bill because of incomes exceeding the pension income standard.

Of the remaining 72 percent non-service-connected veterans, CBO calculates that the deductible and coinsurance plan would decrease the VA travel payment for this group by an average of 68 percent.

CBO further estimates that elimination or reduction of travel reimbursement for certain veterans would reduce outpatient utilization by an average of 12 percent for this group. Savings resulting from this decreased utilization is estimated to be about $2 million per year.

Out-year savings estimates reflect CBO's assumptions of inflation in the general economy.

Section 202: Based on VA data concerning the number of veterans treated in 1977 for musculoskeletal disorders and average treatment cost information from the American Chiropractic Association, CBO assumes that the $4 million limit for chiropractic services allowed under the bill will be met.

Section 203: According to the VA, about 12 percent of current gross separations from active duty are veterans with less than 6 months of service. Assuming that these veterans apply for Class II dental care at approximately the same rate as all discharging veterans, CBO estimates savings of $3.4 million in fee visits in fiscal year 1980, and 5 year savings of about $19 million. Savings from decreased staff visits is estimated to be insignificant.

CBO does not estimate savings to result from the other provisions included in the bill to limit eligibility and control costs. Because this bill does not provide any explicit incentives to change current practice, CBO assumes that the DOD certification clause would not result in significant savings. The provision to require VA staff review of fee cases estimated to exceed $500 is also unlikely to result in savings. Because there is no evidence of widespread provision of needless care in the VA fee program, presumably in most cases the VA staff would agree to the proposed care after examination. CBO estimates the average Class II case to cost about $425, which implies that a large number of cases are likely to exceed $500. CBO assumes that the extra cost of VA staff time to review fee cases and beneficiary travel costs would offset any savings resulting from such review.

Finally, CBO assumes that reducing the period after discharge during which a veteran may apply for benefits to 6 months will not result in savings. Based on information from the VA which indicates that almost all Class II dental problems developed before discharge from the military and not during the following year, CBO assumes that veterans desiring care from the VA will apply within 6 months.

Section 204: Section 204 would allow the VA to supply nonprescription drugs and supplies to veterans with non-service-connected conditions only if the veteran's income was less than the income standard for pension or if the veteran would experience substantial economic hardship in the event the drugs and supplies were not provided by the VA.

According to the VA, a total of $158 million was spent for drugs and patient supplies in 1977, of which 9.6 percent, or about $15 million, represented expenditures for nonprescription drugs and supplies. Based on information in the 1977 VA annual report, CBO estimates that about 45 percent of veterans receiving VA care have non-service-connected disabilities and are not in receipt of pension. Furthermore, based on a 1977 study conducted by the National Research Council, CBO estimates that about 50 percent of this latter group of veterans have incomes less than the pension standard. Taken together, the bill reduces the expenditures for nonprescription drugs by about 20 percent.

The outyear savings estimates reflect CBO's assumptions about inflation in the general economy.

Section 205: The VA indicates that this provision would not change current practices for providing home health services to veterans, but would only clarify the VA's authority to provide such care to certain veterans. CBO therefore estimates no additional costs or savings to be associated with enactment.

Section 206: According to the VA, 588,000 persons have been killed or died in service since World War II. CBO assumes an average of 0.5 dependents per service death, and based on Census data for females aged 14 to 44, estimates that 40 percent of the widowed spouses have lost CHAMPUS eligibility through remarriage. Information published in the 1977 VA annual report suggests that another 8 percent are no longer eligible for CHAMPVA because of Medicare eligibility.

CBO assumes that 20 percent of these remarriages have ended due to death of the second spouse, divorce, or annulment. CBO further assumes that 50 percent of those eligible will apply for CHAMPVA benefits, based on participation rates in the current program. According to information contained in the VA budget justification document, the average cost per beneficiary is expected to be about $200 in fiscal year 1980.

The outyear estimates reflect CBO's assumptions about inflation in the general economy, and a 4 percent decline in the eligible population due to aging.

The costs of extending CHAMPVA benefits to disabled students are estimated to be insignificant.

Section 207: In fiscal year 1980, the specified personnel ceiling would be 187,968 full-time equivalent employees (FTEE's), or 1,600 FTEE's above the President's fiscal year 1980 budget request. The average cost per FTE is estimated by the VA to be $19,708 and is assumed to increase at CBO's projected rate of increase for Federal pay raises.

Title III: (Section 301–303) CBO estimates that passage of these provisions would not involve significant costs or savings.

7. Estimate comparison: None.

8. Previous CBO estimate: None.

9. Estimate prepared by: Steven Crane (225–7766).

10. Estimate approved by:

JAMES L. BLUM,
Assistant Director for Budget Analysis.

SECTION-BY-SECTION ANALYSIS OF S. 1039 AS REPORTED

Section 1

Subsection (a) of section 1 provides that this Act may be cited as the "Veterans' Administration Health Resources and Programs Extension Act of 1979".

Subsection (b) of section 1 provides that, except when otherwise expressly provided, reference to a section or other provision shall be considered to be made to a section or other provision of title 38, United States Code, relating to veterans' benefits.

TITLE I—EXTENSION AND IMPROVEMENT OF CERTAIN VETERANS' ADMINISTRATION HEALTH PROGRAMS

Section 101

Subsection (a) of section 101 would amend present section 5033(a) of title 38, relating to the authorization of appropriations for the program of matching grants to States of up to 65 percent of the costs of the construction, remodeling, or renovation of State veterans' home hospital, nursing home, and domiciliary facilities, to authorize annual appropriations of $15 million in fiscal years 1980, 1981, and 1982 for this program.

Subsection (b) of section 101 would amend present section 5035(d)(2) of title 38, relating to the aggregate amount of State home assistance grants that any one State may receive in any fiscal year, to provide that, of the amount appropriated for any fiscal year for grants for the construction of State veterans' home facilities, no State may receive in that fiscal year more than one-third of such amount of $3 million, whichever is the greater.

Section 101—Cost: Enactment of the provisions of section 101 of the committee bill is estimated to cost $15 million in fiscal year 1980.

Section 102

Subsection (a) of section 102 would amend present section 5054 of title 38, relating to the Exchange of Medical Information program, by adding a new subsection (c) to authorize the Administrator of Veterans' Affairs to enter into agreements with public or nonprofit private institutions, organizations, corporations, or entities in order to participate in cooperative health-care personnel education programs within the geographical areas of VA health-care facilities located in areas remote from major academic health centers.

Subsection (b) of section 102 would amend present section 5055(c)(1), relating to the authorization of appropriations for the Exchange of Medical Information program, to authorize annual appropriations of $4 million for fiscal years 1980, 1981, and 1982.

Section 102—Cost: Enactment of the provisions of section 102 of the Committee bill is estimated to cost $4 million in fiscal year 1980.

Section 103

Would amend present section 641(a) of title 38, relating to per diem payments to the States for providing care in State home facilities to veterans who are eligible for care in VA facilities, to increase, effective October 1, 1979, the rates of per diem payments—for domiciliary care from $5.50 to $6.35, for nursing home care from $10.50 to $12.10, and for hospital care from $11.50 to $13.25.

Section 103—Cost: Enactment of the provisions of section 103 is estimated to cost $5.7 million in fiscal year 1980.

TITLE II—REALIGNMENT OF VETERANS HEALTH CARE AND RELATED BENEFITS

Section 201

Subsection (a) of section 201 would amend present section 111(e)(2) of title 38, relating to limitations on the payment and reimbursement for the travel expenses of VA beneficiaries, to provide that no payment for travel expenses incurred going to and from a VA facility (except with respect to a person receiving benefits for or in connection with a service-connected disability) may be made except (1) for travel by special vehicular mode of transportation that is required for medical reasons and either has been authorized by the Administrator prior to such travel or, to the extent that the Administrator provides under regulations which the Administrator shall prescribe, was accomplished in a medical emergency of such a nature that the delay incident to obtaining prior authorization would have been hazardous to life or health; or (2) when the person claiming reimbursement is receiving or eligible to receive pension under section 521 or title 38 (or meets the applicable income standard for receipt of such pension but not necessarily the eligibility requirements respecting disability, age, or period of service). In the latter case, payment to a beneficiary in any fiscal year is limited so that no payment would be made for the first $25 in expenses, and payment of any part or all of the next $150 in expenses would be limited to one-half thereof; in the former case, the allowable cost of travel would be fully reimbursed or paid for by the VA. These new limitations on travel expense reimbursement (for travel other than travel with respect to a person receiving benefits in connection with a service-connected disability) would replace the current-law provision limiting the making of payments to persons who have been determined, on the basis of an annual declaration and certification, to be unable to defray the expenses of travel. Thus, this subsection would provide more objective standards of need for reimbursement and would exclude travel by special mode from the need-based criteria.

Subsection (b) of section 201 would amend present section 601, relating to definitions, to make technical amendments substituting a standard phrase, "travel and incidental expense", for various forms of references in paragraphs (5)(A)(ii), (5)(C)(ii), and (6)(B) of present section 601 to beneficiary travel benefits.

Subsection (c) of section 201 would amend present section 614, relating to fitting and training in the use of prosthetic devices and the provision of seeing-eye dogs, to make technical amendments substituting a standard phrase, "travel and incidental expenses", for the varying forms of the references to beneficiary travel benefits, and making expressly applicable the provisions of present section 111 of title 38, relating to the terms and conditions for receipt of travel-expense reimbursement.

Section 201—Cost: According to the Congressional Budget Office (CBO), enactment of this provision would result in cost-savings of $30.8 million in fiscal year 1980.

The effectiveness of section 201 is tied to the achievement of certain personnel levels in the Department of Medicine and Surgery as provided for in section 207.

Section 202

Would amend chapter 17 of title 38 to authorize reimbursement or direct payment for chiropractic services to certain eligible veterans, as follows:

Subsection (a) of section 202 would amend section 601 of title 38, relating to definitions, to add a new paragraph (9), as follows:

New paragraph (9): Would define the term "chiropractic services" to mean the manual manipulation of the spine to correct a subluxation of the spine, as performed by a licensed chiropractor who meets the minimum national standards for chiropractors promulgated under section 1861(r)(5) of the Social Security Act (42 U.S.C. 1395x(r)(5)), and not to include physical examinations, laboratory tests, radiologic services, or other tests or services determined by the Administrator to be excluded.

Subsection (b)(1) of section 202 would add a new section 629 to subchapter III of chapter 17, as follows:

New section 629.—Chiropractic services: Subsection (a) would provide for the reimbursement of reasonable charges for chiropractic services not otherwise covered by health insurance or other reimbursement or payment available to a veteran if (1) such services were for the treatment of a service-connected neuromusculoskeletal condition of the spine, or (2) the veteran had been furnished hospital care by the VA for a neuromusculoskeletal condition of the spine within a 12-month period prior to the provision of chiropractic services, or (3) the veteran is a veteran who has a 50-percent or greater service-connected disability and has been furnished hospital care or medical services by the VA for a neuromusculoskeletal condition of the spine.

Subsection (b) would authorize, in lieu of reimbursement to a veteran, direct payment to the chiropractor of reasonable charges for chiropractic services provided the veteran.

Paragraph (1) of subsection (c) would require the Administrator, in determining the reasonable charge for chiropractic services and in consultation with appropriate public and non-profit private organizations and other Federal departments and agencies that provide reimbursement for chiropractic services, to establish a schedule of allowances for such services consistent with the reasonable charges allowed under title XVIII of the Social Security Act (42 U.S.C. ch. 7).

Paragraph (2) of subsection (c) would limit the amount payable by the VA for chiropractic services provided any veteran to not more than $200 in any 12-month period.

Subsection (d) would provide that notwithstanding any other provision of title 38, total expenditures for chiropractic services reimbursed under this new section may not exceed $4 million in any fiscal year and no reimbursement or payment may be made for chiropractic services furnished after September 30, 1978.

Subsection (b)(2) of section 202 would amend the table of sections at the beginning of chapter 17 to reflect the addition of the new section 629 proposed to be added by the amendment made by subsection (b)(1) of this section of the Committee bill.

Subsection (c) of section 202 would require the Administrator, not later than December 31, 1980, and not later than December 31 of each of the next 3 years, to submit reports to the Committee on Veterans' Affairs of the House of Representatives and the Senate on the use made of the authorities provided for in the amendments made by subsection (b)(1) of this section of the committee bill. Each such report shall include—

(1) the number of requests by eligible veterans for reimbursement or payment for chiropractic services in the most recent fiscal year under new section 629 (as proposed to be added by subsection (b)(2) of this section) and the number of such veterans who made such requests.

(2) the number of reimbursements or payments made by the Administrator under such new section in such fiscal year and the number of veterans for whom such reimbursements or payments were made, and

(3) the total amount of expenditures by the Administrator for such reimbursements and payments under such new section in such fiscal year.

Section 202—Cost: Enactment of the provisions of section 202 is estimated to cost $4 million fiscal year 1980.

Section 203

Would amend subsection (b) of present section 612 of title 38, which limits the provision of outpatient dental services, treatment, and related appliances otherwise authorized for veterans eligible for outpatient "medical services" (a term defined in present section 601(b) to include dental services and appliances) to only those circumstances described in such subsection (b).

Subclauses (A) and (B) of clause (1) of section 203 would amend present section 612(b)(2) of title 38, relating to eligibility for outpatient dental care for veterans with service-connected, noncompensable dental conditions or disabilities, to provide that a veteran with a service-connected, noncompensable dental condition, in order to be eligible for such outpatient dental benefits, must have served on active duty for at least 180 days and must make application for dental treatment within 6 months after discharge or release from active duty. Under current law, there is no minimum period of service required and eligible veterans may apply at any time within 1 year after discharge or release. (Under section 207(c) of the Committee bill, the reduced period for application would apply only to persons discharged or released on or after the date of enactment of the bill.)

Subclause (C) of clause (1) of section 203 would further amend present section 612(b)(2) of title 38 by adding a new subclause (C) to provide that a veteran with a service-connected noncompensable dental condition would be eligible for outpatient dental treatment only if the Department of Defense has not certified, in writing, that the veteran was provided, during the 90 days immediately prior to such veteran's discharge, a complete dental examination (including X-rays) and all appropriate dental services and treatment indicated by that examination. There is no comparable provision in current law.

Clause (2) of section 203 would further

amend subsection (b) of present section 612 of title 38 by adding a new sentence at the end thereof to require that, before outpatient dental care may be furnished to a veteran through a contract with a private facility at a cost exceeding $500 in any 12-month period, the Administrator must determine, based on the results of an examination by a VA dentist, that the furnishing of the care at such cost is reasonably necessary.

Section 203—Cost: The Congressional Budget Office (CBO) estimates that enactment of this provision would result in cost-savings of $3.4 million in fiscal year 1980. The effectiveness of section 203 is contingent on the achievement of certain personnel levels in DM&S as provided for in section 207 of the committee bill.

Section 204

Would amend clause (1) of subsection (f) of present section 612 of title 38, relating to the authority to furnish outpatient medical services, to provide that nonprescription drugs, medicines, or medical supplies may not be provided to veterans receiving outpatient treatment under such clause (1)—which authorizes such treatment for non-service-connected disabilities in limited circumstances—unless (1) such a veteran is receiving or eligible to receive pension under present section 521 of title 38 (or meets the applicable income standard for receipt of pension but not necessarily the eligibility requirements respecting disability, age, or period of service), or (2) the Administrator, under regulations the Administrator must prescribe, authorize the furnishing to such a veteran of such drugs, medicines or supplies in order to avoid substantial hardship that could result from the extraordinary cost to a veteran of obtaining such products commercially. Under present law, such drugs, medicines, and supplies are authorized pursuant to section 612(f) by virtue of the phrase "supplies or services" in the definition of "medical services" in section 601(6) of title 38.

Section 204—Cost: The Congressional Budget Office estimates that enactment of this provision would result in cost-savings of $3.4 million in fiscal year 1980.

The effectiveness of section 204 is contingent on the achievement of certain personnel levels in the Department of Medicine and Surgery as provided for in section 207 of the committee bill.

Section 205

Would amend pesent section 612(g) of title 38, relating to the authority to furnish outpatient medical services for the non-service-connected disability of a veteran who is in need of regular aid and attendance or is housebound, to authorize the furnishing to such a veteran of home health services under the terms and conditions set forth in present section 612(f), which places a $600 limit on VA expenditures for such services for a non-service-connected disability of a veteran.

Section 205—Cost: Enactment of this provision is estimated to entail no additional cost.

Section 206

Would amend present section 613 of title 38, relating to the Civilian Health and Medical Program of the Veterans' Administration (CHAMPVA), a program for providing medical care to the spouses and children of veterans with total service-connected disabilities and the survivors of a veteran who dies from service-connected causes or who at the time of death had a total and permanent service-connected disability, to align in certain respects the Federal health-care benefits available to twò similar classes of beneficiaries—CHAMPVA beneficiaries and the survivors of persons who die during active-duty service (who generally receive health-care benefits under the Civilian Health and Medical Program of the Uniformed Services (CHAMPUS) under 10 U.S.C., chapter 55).

Clause (1) of section 206 would amend present section 613(a) of title 38, relating to eligibility for benefits under CHAMPVA, to provide that the surviving spouse or child of a person who dies while on active duty (in the line of duty and not due to misconduct) would be eligible for benefits under CHAMPVA if he or she were not otherwise eligible for medical care under CHAMPUS and to provide that the term "person" shall mean "veteran" for the purposes of present section 103(d) of title 38, relating to the eligibility for benefits under title 38 of a remarried surviving spouse. The effect of this amendment is to extend CHAMPVA eligibility to the surviving spouse of a person who died on active duty (in the line of duty and not due to misconduct) if the surviving spouse subsequently remarried (thus losing eligibility for benefits under CHAMPUS) and the subsequent remarriage has been terminated.

Under present section 103(d), the remarriage of a veteran's surviving spouse is considered to be terminated when it is void or annulled, or when it has been terminated by death or divorce, and, if the surviving spouse is considered (pursuant to present section 101 (3), defining "surviving spouse" for purposes of title 38) to have remarried by reason of cohabitation, when the surviving spouse ceases such cohabitation.

Clause (2) of section 206 would amend present section 613 of title 38, relating to the CHAMPVA program, by adding a new subsection (c), as follows:

New subsection (c): Would provide that a CHAMPVA-eligible child between the ages of 18 and 23 who, while pursuing full-time study at an approved educational institution, suffers a mental or physical disability that prevents the child from continuing his or her studies would remain eligible for benefits until (1) 6 months after the disability is no longer so disabled, (2) 2 years after the date of onset of the disability, or (3) that student's 23d birthday, whichever comes first. This amendment makes the CHAMPVA eligibility of a child comparable to CHAMPUS eligibility under 10 U.S.C. 1072.

Section 206—Cost: Enactment of the provisions of section 206 is estimated to cost $2.2 million in fiscal year 1980.

Section 207

Subsection (a) of section 207 would provide that, except as provided in subsections (b) and (c) of section 207, the amendments made by title II of the Committee bill shall take effect on October 1, 1979.

Paragraph (1) of subsection (b) of section 207 would provide that the amendments made by subsection 201(a), relating to limitations on non-service-connected travel reimbursement; section 203, relating to limitations on certain outpatient dental benefits; and section 204, relating to limitations on receipt of nonprescription drugs, medicine and supplies in connection with non-service-connected outpatient care, of the Committee bill would take effect on October 1, 1979, only if, prior to that date, the Director of the Office of Management and Budget (OMB) has certified in writing, to the appropriate committees of the Congress, that the Director has allocated to the VA for the Department of Medicine and Surgery (DM&S) a sufficient personnel ceiling, for which appropriate funding is available, for employment during the first 3 months of fiscal year 1980 of at least 187,968 full-time equivalent employees (FTEE's) for the employment of whom funding is provided under the appropriation accounts for medical care, medical and prosthetic research, and medical administration and miscellaneous operating expenses.

Paragraph (2) of subsection (b) of section 207 would provide that, if the amendments made by sections 201(a), 203, and 204 of the Committee bill become effective on October 2, 1979, such amendments shall continue in effect during any succeeding 3-month period (quarter) of fiscal year 1980 and of each subsequent fiscal year only if, no later than the first day of each consecutive quarter, the Director certifies, in writing, that a sufficient personnel ceiling, for which appropriate funding is available, has been allocated to the VA for DM&S for employment of at least 187,968 FTEE's.

Paragraph (3) of subsection (b) of section 207 would provide that, in the event the Director fails prior to the first day of any quarter of fiscal year 1980 beginning after October 1, 1979, or prior to the first day of any succeeding fiscal year quarter to make the certification described in section 207(b)(2) of the committee bill, on the first such day the amendments made by sections 201(a), 203, and 204 of the committee bill shall become ineffective as though repealed by an act of Congress.

Paragraph (4) of subsection (b) of section 207 would provide that, in determining the number of FTEE's provided for in paragraphs (1) and (2) of section 207(b) of the Committee bill, there shall be included not more than 820 FTEE's for the employment of whom funding is provided under the medical administration and miscellaneous operating expenses appropriation account or who are assigned to carry out functions assigned to employees for whom such funding was provided in fiscal year 1978.

Subsection (c) of section 207 would provide that the amendments made by section 203(1)(B) of the Committee bill reducing, from 12 months to 6 months following discharge or release from active duty, the period during which application for outpatient treatment for a noncompensable service-connected dental condition may be made would not apply to a veteran whose discharge or release occurred during the 12-month period preceding the date of enactment of the bill.

Section 207—Cost: Enactment of the provisions of section 207 is estimated to cost $31.5 million in fiscal year 1980.

TITLE III—VETERANS' ADMINISTRATION MEDICAL PERSONNEL AND MISCELLANEOUS AMENDMENTS

Section 301

Subsection (a) of section 301 would amend present section 4104(2) of title 38, relating to the appointment of personnel to the Department of Medicine and Surgery (DM&S) for the medical care of veterans, to specify that psychologists are among those who may be so appointed.

Clause (1) of subsection (b) of section 301 would amend present section 4105(a) of title 38, relating to qualifications of persons eligible for appointment to positions in DM&S, to add a new clause (10), as follows:

New clause (10): Would require that, to be eligible for appointment as a psychologist in DM&S, an individual must hold a doctoral degree in psychology from a college or university approved in a specialty area and completed an internship satisfactory to the Administrator, and must be licensed or certified as a psychologist in a State; but would authorize the Administrator to waive the requirement of licensure or certifications for an individual psychologist for a period not to exceed 2 years on the condition that such psychologist provide patient care only under the direct supervision of a psychologist who is licensed or certified.

Clause (2) of subsection (b) of section 301 would amend present section 4105(b) of title 38, relating to the requirement that certain appointees to positions in DM&S be citizens of the United States, to include podiatrists and optometrists among the categories of health-care personnel who must be U.S. citizens to be eligible for appointment to positions in the title 38 DM&S personnel system.

Subsection (c) of section 301 would provide that the requirement of new clause (10) of section 4105(a) that a psychologist be licensed or certified in a State before being appointed to a position within DM&S would not apply to any psychologist employed by the VA on or before May 1, 1979.

Section 301—Costs: Enactment of the provisions of section 301 is estimated to entail no additional cost.

Section 302

Would amend present section 4106(b) of title 38, relating to probationary appointments to positions in the title 38 DM&S personnel system, to shorten the probationary period of appointees from 3 years to 2 years. This probationary period is applicable to physicians, dentists, nurses, podiatrists, and optometrists appointed to positions within DM&S.

Section 302—Costs: Enactment of this provision is estimated to entail no additional cost.

Section 303

Would amend present section 5053(a) of title 38, relating to authority of the Administrator to enter into sharing agreements between VA hospitals and other hospitals, medical schools, and clinics, to expand that authority to include sharing agreements between VA hospitals and blood banks, organ banks, and similar institutions.

Section 303—Costs: Enactment of this provision is estimated to entail no additional cost.

CONCLUSION

Mr. CRANSTON. Mr. President, in closing, I want to express my particular appreciation to the ranking minority member of the committee, the Senator from Wyoming (Mr. Simpson), for his excellent contributions and spirit of cooperation in the development of this measure. I also want to express my appreciation to the other members of the committee who have been so helpful—Senators Talmadge, Randolph, Matsunaga, Thurmond, and Stafford. I would also like to extend thanks for their diligent efforts to committee minority staff members Garner Shriver, Gary Crawford, and John Pressly, and to Ken Bergquist of Senator Simpson's staff, and for their hard and effective work on this bill and the committee report, to committee staff members Ed Scott, JoAnne Glisson, Jon Steinberg, and Harold Carter. They were extremely ably assisted by Molly Milligan, Janice Orr, Terri Morgan, Becky Walker, Mikki Day, Jim MacRae, and Walter Klingner.

Mr. President, I urge my colleagues to support this very important measure.

UP AMENDMENT NO. 262

(Purpose: To modify certain limitations on certain benefits relating to travel expense reimbursement of and the furnishing of nonprescription medical items to VA beneficiaries who are not receiving benefits for or in connection with a service-connected disability)

Mr. CRANSTON. Mr. President, I now send to the desk amendments to the committee substitute that I offer on behalf of Senator Simpson, Senator Randolph, and myself, and ask unanimous consent that the amendments be considered en bloc.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The amendment will be stated.

The legislative clerk read as follows:

The Senator from California (Mr. Cranston) for himself, Mr. Simpson, and Mr. Randolph, proposes an unprinted amendment numbered 262.

Mr. CRANSTON. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The amendment is as follows:

On page 5, beginning with line 11, strike out all down through line 7 on page 6 and insert in lieu thereof the following:

"(i) when travel is by a special vehicular mode of transportation that (I) is required for medical reasons, and (II) has been authorized by the Administrator prior to such travel except to the extent that the Administrator provides, under regulations which the Administrator shall prescribe, for reimbursement for the costs of travel by such mode in a medical emergency of such nature that the delay incident to obtaining prior authorization would have been hazardous to life or health; or

"(ii) when the person claiming reimbursement is a person receiving or eligible to receive pension under section 521 of this title and, with respect to any trip to or from a facility or place described in subsection (a) of this section, only in the amount by which the payment otherwise authorized by this section for such trip exceeds four dollars unless such person, in any fiscal year, has already incurred $100 in travel expenses otherwise allowable under this section for which payment has not been provided pursuant to this subparagraph.

On page 12, strike out line 21 and insert in lieu thereof the following:

"but any such veteran (other than a veteran receiving or eligible to receive compensation under chapter 11 of this title) being furnished services under this

On Page 14, beginning with line 23, strike out all down through line 17 on page 16 and insert in lieu thereof the following:

(b) (1) Except as otherwise provided in paragraph (5) of this subsection and in subsection (c) of this section, the amendments made by sections 201(a), 203, and 204 of this Act shall take effect at such time as there are provided to the Veterans' Administration for fiscal year 1980 the required personnel ceiling defined in the second sentence of this paragraph. For purposes of this paragraph, "the required personnel ceiling" means the authorization by the Director of the Office of Management and Budget to employ, under the appropriation accounts for medical care, medical and prosthetic research, and medical administration and miscellaneous operating expenses, not less than the number of employees for the employment of which appropriations have been made for fiscal year 1980 and for which funding is provided under such accounts.

(2)(A) Not later than thirty days after the date of enactment of the first law making appropriations for the Veterans' Administration for fiscal year 1980, the Administrator of Veterans' Affairs shall submit to the appropriate Committees of the Congress and to the Comptroller General of the United States a report providing complete information on the personnel ceiling that the Office of Management and Budget has provided to the Veterans' Administration for the employees described in the second sentence of paragraph (1) of this subsection.

(B) Not later than forty-five days after the date of the enactment of the law described in subparagraph (A) of this paragraph, the Comptroller General shall submit to the appropriate Committees of Congress a report stating the Comptroller General's opinion as to whether, pursuant to the provisions of paragraph (1) of this subsection, the amendments made by sections 201 (a), 203, and 204 of this Act have entered into effect.'

(3)(A) If, pursuant to the provisions of paragraph (1) of this subsection, the amendments made by sections 201(a), 203, and 204 of this Act become effective, such amendments shall continue to have effect, on and after the thirtieth day after the date of the enactment of each law making appropriations for the Veterans' Administration that is enacted subsequent to the law described in subparagraph (A) of paragraph (2) of this subsection and that includes appropriations for employees described in the second sentence of paragraph (1) of this subsection, only if, by each such day, the required personnel ceiling defined in the second sentence of this subparagraph has been provided to the Veterans' Administration. For the purposes of this subparagraph, "the required personnel ceiling" means the authorization by the Director of the Office of Management and Budget to employ under the appropriation accounts described in the second sentence of paragraph (1) of this subsection not less than the number of employees for the employment of which appropriations have been made by the applicable law described in the first sentence of this subparagraph and for which funding is provided under such appropriation accounts.

(B) Not later than thirty days after the date of the enactment of any law described in subparagraph (A) of this paragraph, the Administrator of Veterans' Affairs shall submit to the appropriate Committees of the Congress and to the Comptroller General of the United States a report providing complete information on the personnel ceiling that the Office of Management and Budget has provided to the Veterans' Administration for the employees described in the second sentence of paragraph (1) of this subsection.

(C) Not later than forty-five days after the date of the enactment of each law described in subparagraph (A) of this paragraph, the Comptroller General shall submit to the appropriate committees of the Congress a report stating the Comptroller General's opinion as to whether, pursuant to the provisions of this paragraph, such amendments remained in effect on the thirtieth day following the date of the enactment of such law.

(4) If, pursuant to the provisions of this paragraph, the amendments made by sections 201(a), 203, and 204 of this Act lose effect at any time, such loss of effect shall be permanent.

(5) Notwithstanding any other provision of this subsection, the amendments made by sections 201(a), 203, and 204 of this Act and the provisions of this subsection shall cease to be effective on and after October 1, 1983.

Mr. CRANSTON. Mr. President, this amendment, I believe, meets some of the concerns that have been expressed by veterans organizations and other Senators. It consists of three parts, which I shall describe briefly.

The first part of the amendment concerns the cost savings provision respecting beneficiary travel reimbursement, in order to avoid an unnecessarily burdensome feature of that provision.

Mr. President, under the bill as reported, reimbursement in any one fiscal year would be limited so that no payment would be made for the first $25 in expenses and payment would be limited to one-half of the next $150 in expenses. These deductible and copayment requirements would, over the course of a year, result in the veteran bearing a reasonable share of the total cost of otherwise free VA medical care. However, in the case of a veteran who must make a long trip to a VA hospital—for example, from Alaska to Seattle or from a remote, rural or mountainous area—the veteran may be required to bear up to $100 of the expenses for the first one or two trips in a particular year; and that could be too much of a burden all at once. Therefore, in order to avoid this potential hardship and spread out the costs over a much longer period, this amendment would delete the $25 deductible and the copayment requirements and substitute a provision limiting reimbursement for any one trip to or from a VA facility to the excess over $4. Thus, regardless of the cost of any particular trip, the veteran would be required to bear no more than the first $4 of the cost. The $100 maximum on the total costs during the year to the veteran would be maintained. As so amended, this provision would require a minimal, fair expenditure for otherwise free VA care by veterans who have no service-connected disabilities.

Mr. President, with this amendment the travel reimbursement provision would result in cost savings in fiscal year 1980 of $28 million according to the Congressional Budget Office, and $21.3 million according to the Veterans' Administration.

Second, Mr. President, this amendment modifies the provision of the committee bill respecting eligibility for receipt of nonprescription drugs, medicines, and supplies in connection with non-service-connected outpatient care to make it clear that any veteran receiving benefits for or in connection with a service-connected disability would continue to be furnished nonprescription drugs, medicines, and supplies in connection with outpatient care regardless of whether or not the condition for which the veteran is receiving such care is service connected.

Mr. President, with this amendment, the non-prescription-drug provision would result in cost savings of $3.4 million according to CBO, and $17.4 million according to the VA. Thus, the two cost savings provisions as we would modify them would save in the vicinity of $31.4 to $38.7 million.

Third, Mr. President, this amendment modifies the provision of the committee bill—section 207(b)—that ties the effective date of the cost-savings measures to the provision of more adequate staffing for VA medical facilities. This part of the amendment, which I have worked out with the administration in the interest of making even more adequate provision for staffing in VA medical facilities, serves the same purpose as the provision in the bill as reported. The amended provision would require that, before the cost-savings provisions take effect, the VA must be provided by OMB with the staffing levels for which appropriations are made; and provides that the three cost-savings measures would remain in effect after each law appropriating funds for VA medical staff is enacted only if the VA is provided personnel ceilings at the level contemplated in the appropriations act. The level so contemplated would, of course, be determined from the legislative history, including the committee report.

Mr. President, this approach would resolve the problem at which the provision in the committee bill was aimed—the failure of the administration to provide for the hiring of VA medical staff as expressly intended by the Congress in the appropriations process—and, I believe, would resolve that problem in an even more satisfactory manner.

Mr. President, I am extremely pleased to state that I have received a letter from the Administrator of Veterans' Affairs, Max Cleland, on this matter. In his letter to me, Mr. Cleland states:

> The director of the Office of Management and Budget, by authority of the President, has approved my request for submission of a budget amendment to add an additional 2,000 full-time-equivalent employees for the Veterans' Administration's medical care account, subject to the enactment of [the cost-savings provisions in the committee bill—as modified by this amendment]. It is understood that this 2,000 staffing increment will be over and above the 356 additional FTEE's contemplated in the President's budget in connection with the enactment of S. 7.

Mr. President, I ask unanimous consent that the full text of the Administrator's letter, which is dated June 15, 1979, be inserted in the RECORD at this point.

The letter follows:

VETERANS' ADMINISTRATION,
Washington, D.C., June 15, 1979.

Hon. ALAN CRANSTON,
Chairman, Committee on Veterans' Affairs, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: I am pleased to advise you that the Director of the Office of Management and Budget, by authority of the President, has approved my request for submission of a budget amendment for fiscal year 1980 to add an additional 2,000 full-time-equivalent-employees (FTEE's) for the Veterans Administration's medical care account, subject to the enactment of certain cost-savings legislation which I will outline later. It is understood that this 2,000 staffing increment will be over and above the 356 additional FTEE's contemplated in the President's budget in connection with the enactment of S. 7.

The Director has likewise agreed, again subject to the enactment of the cost-savings legislation, to my request that this staffing add-on would be annualized in fiscal year 1981 for the purpose of maintaining the existing program level and that staffing needed for such new activations as may be proposed later would be considered separately from this employment base.

The request for additional staffing, however, is expressly contingent upon the enactment of the cost-savings provisions initially proposed by the Administration as they are included as part of S. 1039 as reported (and proposed to be further modified in your floor amendment) regarding beneficiary travel reimbursement, nonprescription drugs, medicines, and supplies, and dental benefits pertaining to the care of veterans without compensable service-connected disabilities.

We therefore strongly support the provisions in sections 201(a), 203, 204, and 207 of S. 1039 as reported and with the modifications which we have developed together to be presented when the bill is considered on the Senate floor.

Enactment of these provisions will free up resources to make possible additional VA medical facility staffing to assure a more adequate level of health care services for our Nation's veterans. The Administration is committed to a comprehensive budgeting effort to reassess existing programs in light of changing circumstances and economic constraints.

We appreciate your cooperation in working closely with us to develop this compromise which we believe will apply available resources in the most effective manner to strengthen the VA health care program.

Sincerely,

MAX CLELAND,
Adminstrator.

Mr. CRANSTON. Mr. President, with this assurance—which is given "by the authority of the President"—the enactment of this legislation, with the cost-savings provisions intact, will mark a major milestone in helping to assure the quality of care in VA facilities. Whereas the bill as reported would have provided assurance of 1,600 FTEE's more than the President had requested for fiscal year 1980 for VA medical programs, the enactment of this legislation with the pending amendment would mean that the President's fiscal year 1980 budget request would be increased by 2,356 FTEE's—which is 756 FTEE's more than the committee bill as reported would assure, and this is only the minimum that would happen.

For let me reiterate at this point, Mr. President, that this modification of the committee bill would require—as a condition of the effectiveness of the cost-savings provisions—that the VA actually be provided the staffing levels contemplated by appropriations acts.

The House Appropriations Committee has already added 3,800 FTEE's to the VA medical care account for fiscal year 1980. Thus, if more FTEE's than 2,356 are contemplated to be added in appropriations acts for fiscal year 1980 then that ceiling will be provided or the cost-savings provisions will not take or continue in effect.

Mr. President, under this amendment, the tie-in provisions regarding VA health care staffing would become ineffective at the end of fiscal year 1983, thus requiring congressional review and reconsideration before they would be further extended.

Mr. President, with this amendment the bill as reported would serve, in a most effective way, the vitally important purpose of tightening expenditures where that can be done appropriately in order to assure that adequate staffing is provided VA medical facilities.

Mr. President, I am now delighted to yield to my friend and colleague from Wyoming, Mr. SIMPSON, the ranking minority member of the Veterans' Affairs Committee, who has done such outstanding work on this amendment.

Mr. SIMPSON. Mr. President, I thank very much my distinguished colleague.

I address my remarks to the amendment and wish that the time be so credited.

S. 1039 is designed to maintain and improve the purposes and effectiveness of health care services provided for our Nation's veterans. In the committee-approved bill are provisions from several bills that were carefully considered by the committee—including the original S. 1039 which, as introduced, would extend and revise the program of grants to State homes for veterans and extend and expand the exchange of medical information program.

Also included in the bill before the Senate today are provisions of S. 196, introduced by Senator THURMOND, to provide chiropractic treatment when requested for veterans eligible for outpatient care, and certain provisions of S. 741, which was introduced by my colleague, the distinguished committee chairman, Senator CRANSTON, for whom I might add I have tremendous personal regard as I have worked closely with him in my brief tenure here in the Senate. This bill, submitted at the request of the administration, provides for cost savings in certain travel reimbursements, dental benefits and nonprescription drugs, together with various personnel and administrative amendments.

The Federal Government has participated in a program of assistance to State veterans' homes since 1888 when Congress passed legislation to provide aid to State or territorial homes for the support of our Nation's soldiers and sailors. That program has been continually amended and extended.

The 1964 act included State nursing homes and provided per diem rates for domiciliary care and nursing home care with increases made on several occasions with the last increase authorized by the 1976 law.

The Consumer Price Index inflation figure for the 3-year period since the effective date of the 1976 law, according to the Congressional Budget Office, is 23.4 percent. Our committee believes an increase in the per diem rates for the care of eligible veterans in State home facilities should be increased not by 23.4 percent but by 15 percent, and our bill provides for an increase from $5.50 per day to $16.35 per day for domiciliary care; from $10.50 now to $12.10 per day for nursing home care; and from $11.50 per day to $13.25 for hospital care.

In S. 1039, provision is made to extend annual appropriations for State home construction grants. This program to assist States in construction, remodeling, and renovation of State home facilities began in 1964 with authorized annual appropriations of $5 million for the making of State home grants by the Veterans' Administration—to pay 50 percent of the costs of constructing new nursing care facilities, expanding or remodeling buildings for use as nursing care facilities, and equipping such facilities.

The last change in the authorizing legislation for State home construction and nursing home care facilities program occurred in 1977 and increased the annual authorization to $15 million and increased the aggregate amount any one State could receive in any fiscal year from 20 percent to one-third. Since 1966, approximately $95 million has been appropriated.

The Veterans' Administration reports to our committee that VA facilities are just not adequate to cope with the special needs of today's elderly veterans. The Veterans' Administration's 88 nursing homes are filled to capacity with long waiting lists for admission to most of them. Some State nursing homes and domiciliaries are at near capacity. Much must be done to prepare for the rapidly growing number of elderly veterans.

It is the view of the committee that the State home program is a proven and cost-effective means of providing care, especially nursing home and domiciliary care, to our older veterans and family members of veterans. We need to expand existing facilities to accommodate the increasing numbers of elderly veterans soon to require nursing and domiciliary care. According to our information, there are 17 approved but unfunded applications for State home construction funds pending—with a total request of over $18 million.

It should be noted that the States have definitely demonstrated a real willingness to participate by providing the 35 percent match, and clearly the need exists, so we are recommending annual appropriations of $15 million for fiscal year 1980, and also for 1981 and 1982. Also provided in the committee bill is the provision that no State may, in any one fiscal year, receive more than one-third of the amount appropriated, or $3 million, whichever is greater. It is felt that without some limitation a few States might receive disproportionately large grants while equally deserving projects in other States might remain unfunded.

Our committee intends to request the General Accounting Office to undertake a review of State veterans' homes and their programs, including issues as to the levels of Federal support.

Our committee believes that the exchange of medical information program first authorized in 1966 to strengthen medical programs in VA hospitals has been successful, and cost effective, and should be extended and expanded. S. 1039 would continue for fiscal years 1980, 1981, and 1982 the present annual appropriation authorization of $4 million for this worthwhile program. It has been especially valuable in enhancing the quality of services provided in VA facilities, particularly unaffiliated and geographically remote facilities—and it has improved the morale of personnel located in such facilities. The program has strengthened medical programs in VA hospitals not connected with medical schools and programs in locations remote from medical teaching centers.

Much of the content of S. 196, introduced by committee member Senator STROM THURMOND, is included in the bill before us. Those provisions would authorize chiropractic treatment when requested—for veterans eligible for outpatient medical care—under certain defined conditions. The committee believes that, in some circumstances, the provision of chiropractic service is appropriate and desirable.

Chiropractic services have been recognized under several State and Federal health care programs. It is also recognized under the Federal medicare program. Reimbursement for chiropractic services is provided for under the Federal Employees Compensation Act. A number of States—including my own—include chiropractic services under their medical assistance programs. The Veterans' Administration employs no chiropractors and according to the testimony before the committee, no VA referrals have been made of a veteran to a chiropractor for treatment at VA expense.

S. 1039 includes authority for chiropractic services on a fee basis; for reimbursement or payment for reasonable charges; and defines very restrictively "chiropractic services." Total expenditures in any one fiscal year could not exceed $4 million and the authority granted under this bill expires September 30, 1983. The bill requires the VA Administrator to submit to the House and Senate Committees on Veterans' Affairs, beginning December 31, 1980, an annual report regarding the use of chiropractic services under the new authority.

Many members of the Committee on Veterans' Affairs recognize that inclusion of use of chiropractic services—even in the limited way as proposed in this bill—is not acceptable or desired by certain organizations and groups, but members of the committee also feel in all fairness and at the request of countless veterans, such additional and very limited use of this form of health care should not be continue to be denied to the veterans of our Nation.

The committee bill also makes some technical and clarifying amendments at the request of the Veterans' Administration, and those are fully discussed in the committee report on S. 1039.

For example, through previous oversight, podiatrists and optometrists were not made subject to the appointment requirement that they be citizens of the United States, a requirement that applies to all health care professionals eligible for appointment in the Department of Medicine and Surgery pay and personnel system of VA. The committee bill does correct this omission and will include podiatrists and optometrists among the health care personnel who must be citizens of the United States before being eligible for appointment in the DM&S.

An additional item in the bill would shorten the period of probationary service for certain VA employees to 2 years. The committee believes this is adequate time to permit a careful and effective evaluation of title 38 employees and a brief enough period to assist in reducing the feeling of uncertainty which accompanies an extended period of conditional employment.

S. 1039 would expand the authority of the Veterans' Administration to enter into "sharing agreements" of specialized medical resources with community hospitals, clinics, and medical schools to include blood banks, organ banks, and similar institutions. During 1978, 93 VA health care facilities entered into 224 sharing agreements with community health care centers for the exchange of such medical services as cardiac surgery, renal transplantation, nuclear medicine, pulmonary function, and other items. Our committee encourages the VA to expand its efforts for the best interests of the best possible health care for veterans and all citizens of the Nation.

Three administration-requested provisions within S. 1039 have apparently caused some concern. These are the limitations on reimbursement for travel expenses, certain dental benefits, and certain over-the-counter drugs. I am confident that those concerns and fears will be fully addressed and debated today. They are not sinister in origin.

In a VA letter to our committee, the VA stated that the cost savings that would result from enactment of the limitation on travel reimbursement would enable "VA resources to be more effectively utilized"; the cost savings realized by eliminating the provision of dental treatment to certain defined veterans would allow the VA to "refocus our resources to provide more extended and faster outpatient dental care"; and the cost savings realized by "limiting the provision of nonprescription drugs, medicines, and supplies would permit the VA to reallocate scarce VA resources to areas where the need is more acute."

Our committee acknowledges the pressing need to exercise fiscal restraint in considering this year's Federal budget. Our citizens demand it. Our congressional stewardship in fiscal matters is on the line. Difficult and painful choices will be made among various competing and very real demands. In the committee's view, the overall VA health care program levels should not be reduced but should be maintained in order to assure that the health care needs of veterans will be adequately met. In examining existing programs to determine where savings could appropriately be realized, the committee was faced with difficult choices. The three cost-saving items finally selected will not adversely affect health care offered to our veterans, and the committee fully anticipates such savings will be used to actually better veterans' health care. I will now briefly discuss the three cost-savings provisions in S. 1039.

Let me clearly emphasize that these cost savings affect only the veteran receiving outpatient treatment for a non-service-connected disability. This Nation affords every reasonable benefit to the service-disabled veteran and will continue to do so.

Current law provides that a person traveling to and from a VA health care facility in connection with a non-service-connected disability is entitled to reimbursement for travel expenses provided the veteran declares, in writing, that he cannot defray such costs. In contrast, a veteran traveling to a VA facility for treatment of a service-connected condition may be reimbursed regardless of whether he or she is able to defray the costs.

The initial VA legislation requested the complete elimination of beneficiary travel reimbursement for non-service-connected veterans unless a special mode of transportation was needed and authorized; that is, air ambulance or ambulance. The VA estimated a fiscal year 1980 cost savings of $39 million while CBO estimated $62 million. Two major concerns which the VA testified to in support of this legislation were the need to conserve scarce resources during these times of a tight budget—and the prior practical experiences and problems associated with the making a determination as to whether the veteran is unable to defray the costs of traveling to the VA facility.

The committee bill modified this initial legislation to provide that those non-service-connected veterans who were eligible for pension, using the income standard, would continue to be reimbursed. But, these veterans would pay for the first $25 and one-half of the next $150 in annual travel expenses.

And, of course, the amendment just presented by the chairman, in which I have joined, corrects that. The provision regarding a special mode of transportation would be retained and without any copayment by the veteran. Cost savings of this provision would be $30 million for 1980.

Current law establishes a presumption of service connection for dental benefits during the veterans' first 12 months after discharge. Also, this treatment is provided to any veteran regardless of the duration of active duty service, even 1 day.

The initial legislation provided for the elimination of this benefit altogether. Citing budget restraints and the treatment experiences of private dentists under this provision, the VA recommended that the Department of Defense undertake the complete dental treatment of active duty personnel. Should a service-connected condition then exist after discharge, the VA would undertake its care. VA estimated a cost saving of $44 million in fiscal year 1980 on enactment of this initial legislation.

In an effort to partially accommodate dental needs of the recently discharged service man or woman, the committee bill provides VA dental treatment only if the veteran has served on active duty for at least 180 days, and if such veteran makes application for treatment within 180 days after discharge. Also, VA treatment would not be provided if DOD has provided a complete dental examination and treatment 90 days prior to discharge. The cost savings under the committee bill would be $3.4 million for fiscal year 1980.

The PRESIDING OFFICER (Mr. PRYOR). The time of the Senator from Wyoming on his amendment has expired.

Mr. SIMPSON. I ask unanimous consent that I be allocated further time against the bill.

The PRESIDING OFFICER. The Senator may make that request.

Mr. SIMPSON. I do make that request, that the further time be allocated against my time on the bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SIMPSON. Under current law, veterans who receive care in a VA facility on an outpatient basis are provided nonprescription drugs on the authorization of a VA physician.

The initial legislation would have eliminated this provision as it applies to non-service-connected veterans who were not receiving pension, were not permanently housebound or were not in need of aid and attendance. Cost savings for this provision if enacted would have been $15.5 million for fiscal year 1980.

The committee bill modifies the initial legislation by providing that those non-service-connected veterans who are eligible for pension, using the income standard, would continue to receive their medications.

I think that is an important point to bear in mind. In addition, the Administrator would prescribe by regulation conditions under which nonprescription drugs would be provided to any non-service-connected veteran in order to avoid substantial hardship. Cost savings under the committee bill would be $3.4 million for 1980.

The committee bill has a unique provision which would "tie" the effective date of these cost-saving proposals to a requirement that the number of full-time employees in VA hospitals be increased to its authorized level during 1980 and thereafter. And now the chairman has effectively addressed that with an amendment. In effect, the bill as amended by the pending amendment, assures the veteran that veterans' hospitals will be adequately staffed. This would achieve the purpose of refocusing VA spending to the high priority areas while at the same time achieving some cost savings. Thus, before the cost-saving provisions could become effective, and in order to remain in effect, sufficient personnel and funding must have been allocated to the Department of Medicine and Surgery.

The primary reason for this "tying" process is to avoid the effect of having approximately 2,000 full-time employees diverted from manpower requirements in presently existing VA facilities in fiscal year 1980 in order to meet the manpower needs of new VA activations scheduled for that year. That is an important point to consider in this legislation, that we have manpower needs that must be met in new medical facility activations.

I would assure Senators that the members of our Committee on Veterans' Affairs continue to believe deeply in the adequate staffing in our VA medical facilities. We desire the most complete health care for this country's veterans who have performed military service to our Nation. Support of S. 1039 will assure the continuation of a long history of congressional recognition of those who gave much when this Nation demanded much of them.

Mr. President, I have concluded my remarks.

The PRESIDING OFFICER. Who yields time?

Mr. THURMOND. Mr. President, will someone yield me some time?

Mr. CRANSTON. I yield 5 minutes to the Senator from South Carolina.

Mr. THURMOND. Mr. President, I must rise in support of the pending amendment to S. 1039, the Veterans' Administration Health Resources and Programs Extension Act of 1979.

At the markup of S. 1039, May 3, by way of proxy, I voted against the Humphrey amendment and to support the position of the committee with respect to the three administration-proposed cost-savings measures, which were made to tie in to additional VA health care personnel resources.

In supporting the position of the committee, I am inclined to say that my heart is with the position taken in the Humphrey amendment, which, I understand, has the full support of the veterans' organizations. I have always tried to support the position of the veterans' organizations and the position which the committee finds itself in with respect to this issue is indeed a difficult one. I am persuaded in this matter, however, by two important considerations. The first consideration is that the money saved by the three cost-saving provisions adopted by the committee will be diverted into additional health care resources within the VA health care system. In other words, the money saved by the committee proposal will go where it is needed most. The second consideration is an overwhelming mandate by the electorate for the Congress to save money in every reasonable and rational way. I think the committee has acted reasonably and rationally with respect to the position it has taken on these three measures.

Mr. President, I commend the able and distinguished chairman for having a deep and abiding interest in our veterans. I share his feeling that we ought to do everything we can to help our veterans.

As a result of his work on this matter, however, the administration has now made certain concessions which I think will be satisfactory. In view of that, I intend to support the pending amendment.

I would like to question the distinguished Senator from California, the chairman of the committee, on this point:

As I understand, you stated that you recently received information and assurances from OMB that there will be adequate staffing and funding for VA hospitals. Would you explain exactly how this new agreement will work?

Mr. CRANSTON. Mr. President, I believe I can best explain by reading from a letter dated June 15 from Max Cleland, who states:

> I am pleased to advise you that the Director of the Office of Management and Budget, by authority of the President, has approved my request for submission of a budget amendment for fiscal year 1980 to add an additional 2,000 full-time-equivalent-employees (FTEE's) for the Veterans Administration's medical care account, subject to the enactment of certain cost-savings legislation which I will outline later. It is understood that this 2,000 staffing increment will be over and above the 356 additional FTEE's contemplated in the President's budget in connection with the enactment of S. 7.
>
> The Director has likewise agreed, again subject to the enactment of the cost-savings legislation, to my request that this staffing add-on would be annualized in fiscal year 1981 for the purpose of maintaining the existing program level and that staffing needed for such new activations as may be proposed later would be considered separately from this employment base.

The letter goes on, but that gives the main intentions.

Mr. THURMOND. In other words, according to this letter, then, it is understood that the 2,000 staffing increment will be over and above the 356 additional FTEE's contemplated in the President's budget?

Mr. CRANSTON. That is correct.

Mr. THURMOND. So this is a very favorable concession, as I understand, to the veterans' hospitals, and will provide a more adequate health service and give the veterans an improved institutional situation over that existing heretofore?

Mr. CRANSTON. It most certainly is, and it is conditioned on the cost-savings provisions remaining in the bill, which the Senator has indicated he will support.

Mr. THURMOND. In view of that concession by the administration, and the modification now being made by the administration, Mr. President, I will support the pending amendment.

Mr. CRANSTON. I am delighted that the Senator will support the pending amendment.

Mr. STONE. Will the floor manager of the bill yield me 5 minutes?

Mr. CRANSTON. I do not know if I have 5 minutes.

Mr. President, how much time have I remaining?

The PRESIDING OFFICER. There are 5 minutes remaining.

Mr. STONE. Can I take 5 minutes on the bill, by unanimous consent?

Mr. CRANSTON. I will yield 3 minutes on the amendment and 2 minutes on the bill.

Mr. STONE. I thank the distinguished chairman. I shall be able to make my statement within that time.

The PRESIDING OFFICER. The Senator is recognized for 5 minutes.

Mr. CRANSTON. If the Senator will withhold, I would like to get the yeas and nays. Mr. President, I ask for the yeas and nays on the amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. STONE. Mr. President, since joining the Senate Veterans' Affairs Committee, I have been cooperative with its efforts on behalf of our Nation's veterans, and I would like to commend our distinguished chairman, Senator ALAN CRANSTON, for all of his work in this area. Today, however, I have to disagree with Senator CRANSTON and a majority of members of the committee in their approach to saving costs that are contained in S. 1039, the Veterans' Administration Health Resources and Programs Extension Act of 1979.

While there are several provisions of S. 1039 which lend support to the needs of veterans, they are combined in the same package with three proposals that erode support for veterans that I am unable to support. So, I am joining Senator HUMPHREY in his efforts to delete these sections.

First, S. 1039 proposes to eliminate reimbursements for travel expenses to VA hospitals for non-service-connected disabled veterans except those receiving VA pension benefits. Even then, the bill proposes that the veteran pay the first $25 and then share half the remaining costs up to $150 a year.

Mr. President, we are talking about eliminating benefits to a group of veterans who are, according to current law, unable to defray the expense of such travel. In addition, travel reimbursements have already been limited by Congress in 1976 to the actual cost by public transportation. I do not think we should limit reimbursements again.

Senator CRANSTON has now proposed a modification of S. 1039 as reported by the committee. Under its provisions, the veterans would pay the first $4 of each trip to a VA facility up to an annual total cost of $100. While this will benefit those veterans who take a few long trips, I believe it will still place a financial burden on many veterans.

The second feature of S. 1039 that I find unacceptable is the elimination of over-the-counter drugs, medicines, and medical supplies. All non-service-connected disabled veterans except those receiving VA pensions (the same group that would no longer be eligible for travel benefits) would also be denied this assistance from the VA, some of which is needed for their survival. Although the second part of Senator CRANSTON's amendment to allow service-connected disabled veterans with ratings of 50 percent or less to continue to receive these drugs is an improvement, I still do not believe it goes far enough.

The third section of S. 1039 that troubles me is the limitation on outpatient dental services to recently discharged veterans who do not have service-related, compensable dental conditions. The bill would reduce the eligibility period for dental care from 1 year to 6 months from the date they left the service. According to the committee report and the Veterans' Administration, this benefit should be the responsibility of the Department of Defense. However, rather than seeking to assign the responsibility for these services to the proper department, S. 1039 seeks to reduce its availability in order to cut VA costs.

Finally, S. 1039 seeks to tie these cost-savings proposals to the receipt of assurances by OMB that there are sufficient personnel levels at VA medical facilities. I do not think that veterans' benefits should be used as a bargaining tool for VA personnel.

Mr. President, when I add these proposed cutbacks with others that have occurred and are occurring—for example, the 3,100 hospital bed cuts, personnel reductions, and the rejection of veterans with non-service-related injuries for treatment at VA hospitals—I detect a progressively destructive incrementalism of reductions that are becoming too big an accumulating bite out of our expressed commitments to serving the best interests of veterans. I view S. 1039 as a bit-by-bit, but escalating attack on a tradition of high commitment to those men and women who fought our wars.

Senator HUMPHREY's amendment has the support of the Disabled American Veterans, the American Legion, the Veterans of Foreign Wars, and the Paralyzed Veterans Association.

I, therefore, urge my colleagues to join me in supporting Senator HUMPHREY's amendment and voting no on the Cranston amendment.

I think procedurally there can be and probably will be an amendment offered to substitute the existing provisions of law for this Cranston amendment. In that case, I would urge my colleagues to vote with me for the Humphrey substitute which should be forthcoming shortly.

Mr. President, I thank the distinguished chairman and ranking member for letting me make these remarks.

The PRESIDING OFFICER. Who yields time?

Mr. CRANSTON. Mr. President, I ask unanimous consent that Senator Strom Thurmond be added as a cosponsor of my amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CRANSTON. How much time do we have remaining on the amendment?

The PRESIDING OFFICER. There are 2 minutes remaining on the amendment.

Mr. CRANSTON. Is there any other Senator who wishes to speak on the amendment? If not, I am prepared to yield back——

Mr. HUMPHREY. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The Senator from California has the floor at this time.

Mr. CRANSTON. I am prepared to yield to the Senator for that purpose. The time comes out of the time on the amendment, and there are only a couple of minutes left.

I yield to the Senator from New Hampshire.

I yield the floor.

The PRESIDING OFFICER. Does the Senator yield back the remainder of his time on the amendment?

Mr. CRANSTON. I yield the floor.

The PRESIDING OFFICER. The Chair will recognize the Senator from New Hampshire.

Mr. STONE. Mr. President, I ask for recognition for 1 minute.

The PRESIDING OFFICER. Who yields time?

Mr. CRANSTON. I yield 1 minute.

Mr. STONE. Mr. President, in the event that Senator Humphrey chooses to offer an amendment to a later section of the bill to restore the existing provisions of law in lieu of the Cranston amendment, then I would urge my colleagues to vote "no" on the pending amendment and vote "yes" on the Humphrey amendment which will be forthcoming at the conclusion of the consideration of the pending amendment.

The PRESIDING OFFICER. Who yields time?

Mr. HUMPHREY. Mr. President——

The PRESIDING OFFICER. The manager of the bill has 40 seconds remaining.

Mr. CRANSTON. I yield 40 seconds to the Senator from New Hampshire.

Mr. HUMPHREY. I thank the Senator. I would like to suggest to my colleagues very quickly that the essence of what is going on here today is the cutting of existing benefits. The administration has promised to properly staff VA hospitals if Senators will agree to cutting existing benefits. That is the essence of what is going on here. I contend that hospitals ought to be properly staffed to begin with, and that we ought not to be cutting existing benefits. It is a very bad precedent to set, and one which will be very upsetting to the veterans groups and citizens of our country.

The PRESIDING OFFICER. All time on the amendment has expired.

Mr. PRESSLER. Mr. President——

The PRESIDING OFFICER. Senators may yield time on the bill if they wish.

Mr. PRESSLER. Will the Senator yield?

Mr. CRANSTON. If I yield 2 minutes from the bill, is that adequate?

Mr. PRESSLER. Yes.

I rise in strong support of Senator Humphrey's remarks and on his amendment to be offered. It does seem to me that we are very quietly cutting benefits. I have felt rather strongly, particularly in regard to Vietnam veterans, that never before in our history have we been so willing to quietly cut benefits which we have not done before in our Nation's history. This is an investment in our veterans. It is also a right. It has been a tradition in this country to recognize military service and to properly care for our veterans.

I felt badly that the effort to give veterans the options of where to go for psychological training was a mistake. I feel that the administration is making a mistake in its current efforts to cut back.

I applaud the efforts of the Senator from New Hampshire.

Mr. CRANSTON. Mr. President, Senator Jennings Randolph is necessarily absent today to attend the funeral in Charleston, W. Va., of his former administrative assistant and employee of over 15 years, James W. Harris.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from California. The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Delaware (Mr. Biden), the Senator from West Virginia (Mr. Robert C. Byrd), the Senator from Missouri (Mr. Eagleton), the Senator from Kentucky (Mr. Ford), the Senator from Vermont (Mr. Leahy), the Senator from Hawaii (Mr. Matsunaga), the Senator from South Dakota (Mr. McGovern), the Senator from New York (Mr. Moynihan), the Senator from Georgia (Mr. Nunn), the Senator from Rhode Island (Mr. Pell), the Senator from Connecticut (Mr. Ribicoff), and the Senator from Mississippi (Mr. Stennis) are necessarily absent.

I further announce that the Senator from Alaska (Mr. Gravel) is absent on official business.

I also announce that the Senator from West Virginia (Mr. Randolph) is absent attending the funeral of his former aide, James W. Harris.

I further announce that, if present and voting, the Senator from West Virginia (Mr. Randolph) and the Senator from Rhode Island (Mr. Pell) would each vote "yea."

Mr. STEVENS. I announce that the Senator from Tennessee (Mr. Baker), the Senator from Rhode Island (Mr. Chafee), the Senator from Mississippi (Mr. Cochran), the Senator from Maine (Mr. Cohen), the Senator from New York (Mr. Javits), the Senator from Kansas (Mrs. Kassebaum), the Senator from New Mexico (Mr. Schmitt), and the Senator from Pennsylvania (Mr. Schweiker) are necessarily absent.

The PRESIDING OFFICER. Have all Senators voted?

The result was announced—yeas 73, nays 5, as follows:

[Rollcall Vote No. 132 Leg.]

YEAS—73

Armstrong
Baucus
Bellmon
Bentsen
Boren
Boschwitz
Bradley
Bumpers
Burdick
Byrd,
  Harry F., Jr.
Cannon
Church
Cranston
Culver
Danforth
DeConcini
Dole
Domenici
Durenberger
Durkin
Exon
Garn
Glenn
Goldwater
Hart
Hatch
Hatfield
Hayakawa
Heflin
Heinz
Helms
Huddleston
Inouye
Jackson
Jepsen
Johnston
Kennedy
Laxalt
Levin
Long
Lugar
Magnuson
Mathias
McClure
Melcher
Metzenbaum
Morgan
Muskie
Nelson
Packwood
Percy
Pressler
Proxmire
Pryor
Riegle
Roth
Sarbanes
Sasser
Simpson
Stafford
Stevens
Stevenson
Stewart
Talmadge
Thurmond
Tower
Tsongas
Wallop
Warner
Weicker
Williams
Young
Zorinsky

NAYS—5

Bayh
Chiles
Hollings
Humphrey
Stone

NOT VOTING—22

Baker
Biden
Byrd, Robert C.
Chafee
Cochran
Cohen
Eagleton
Ford
Gravel
Javits
Kassebaum
Leahy
Matsunaga
McGovern
Moynihan
Nunn
Pell
Randolph
Ribicoff
Schmitt
Schweiker
Stennis

So Mr. Cranston's amendment (UP No. 262) was agreed to.

Mr. CRANSTON. Mr. President I move to reconsider the vote by which the amendment was agreed to.

Mr. SIMPSON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

● Mrs. KASSEBAUM. Mr. President, I was unavoidably detained in my return to Washington this morning while the Senate was debating the Cranston amendment to S. 1039, the veterans' grants program bill. Had I been present, as intended, I would have voted for Senator Cranston's amendment. I ask that this statement appear in the Record immediately following the vote on that amendment.●

Mr. CRANSTON. Mr. President, I yield 5 minutes to the distinguished Senator from Maine.

The PRESIDING OFFICER. Will the Senator suspend momentarily, until the Senate comes to order, The Senate will be in order.

The Senator from Maine is recognized.

Mr. MUSKIE. Mr. President, I rise to take a few minutes at the outset to indicate my support of the Veterans' Affairs Committee and its distinguished chairman, Senator Cranston, against the Humphrey amendment, which I understand will be offered today.

Unfortunately, I cannot be in the Senate Chamber immediately after 12 o'clock, and the Senator from California has been good enough to yield me a few minutes now.

First of all, Mr. President, I emphasize that no member of this party is more committed or more devoted to the interests and welfare of our Nation's veterans than is the distinguished Senator from California (Mr. CRANSTON).

As chairman of the Budget Committee, on which he served until he was forced to leave because of our rules with respect to multiple committee membership, I was in a position to observe his performance as chairman of the Veterans' Committee. Within the Budget Committee and on the Senate floor, he always placed the highest priority alongside the needs of our Nation's veterans.

I emphasize that at the outset, because there is great temptation, with respect to issues involving veterans and other groups which are organized across the country, to conclude that all their needs are of the same priority levels.

Mr. President, as the Senate has made clear in its official actions this year, we live and serve in a time when budget austerity across the board is a high priority. However, true budget austerity requires not only that we eliminate waste from the budget but also that we apply a discriminating test against priorities of varying importance.

If we are truly to achieve a balanced budget in 1981—and that is a commitment of this Senate and of this Congress—we must be willing to distinguish between high-priority needs and low-priority needs; and that is precisely what the Veterans' Committee has sought to do with respect to those provisions of the pending bill to which the Humphrey amendment will address itself.

It is for that reason I am more than happy to support the Veterans' Committee and its distinguished chairman in this effort to insure that high-priority needs of the veterans are protected and that low-priority needs are reduced in order to meet them.

It is for that reason, Mr. President, that I rise in opposition to the amendment to be offered by the distinguished Senator from New Hampshire, my neighbor, Senator HUMPHREY.

In brief, the Humphrey amendment, as I understand it, proposes to delete provisions in the reported bill which would achieve approximately $38 million in savings from non-service-connected benefits and provide additional health-care personnel for VA hospitals. These savings were recommended by the President as well as the Veterans' Affairs Committee.

As every Senator knows, Congress last month adopted a very tight budget plan which will reduce the deficit sharply in fiscal year 1980 in order to make possible the balanced budget in fiscal year 1981.

As chairman of the Budget Committee I can attest to the long and difficult road to be traveled between that initial budget plan and the reality of the balanced budget. There are still many hurdles to clear.

The economy must slow down but not too much or too fast.

The public must accept some belt tightening if inflation is to be brought under control and if we are to weather our current energy problems without serious disruptions.

But above all, Congress must demonstrate leadership of the kind demonstrated by Senator CRANSTON and his committee through its willingness to curb Federal spending.

It must work hard to eliminate unnecessary spending—spending that no longer serves a useful purpose.

But it must work even harder to eliminate spending that does serve a useful purpose, but which is of a lower priority than other spending.

The PRESIDING OFFICER. The 5 minutes yielded to the Senator from Maine have expired.

Mr. CRANSTON. I yield an additional 2 minutes to the Senator from Maine.

The PRESIDING OFFICER. The Senator from Maine is recognized for an additional 2 minutes.

Mr. MUSKIE. Mr. President, such spending reductions are painful, but sacrifices have to be made in all areas of the Federal Government in order to get the budget under control.

The Veterans' Affairs Committee has demonstrated this willingness. In this bill, the committee proposes a reduction in certain veterans' health benefits which the committee, as well as the President, has found to be of lower priority than other benefits. The committee has not said that these benefits do not serve a useful purpose. It is simply taking the position that in times of tight budgetary resources, these benefits are of a lower priority and can be eliminated without destroying the essential character of any Federal program.

I applaud the Veterans' Affairs Committee for its courage and responsibility. It is setting an example for all other committees of the Senate. It is showing the American people—especially those in States which would mandate a balanced Federal budget—that Congress can make hard choices to reduce spending.

Mr. President, here is a test for all of us in the Senate as well as the members of the committee. It is not easy to take the leadership in establishing this kind of policy, this kind of budgetary prudence. It is much easier to say yes to all those who press us for increases in Federal spending.

Mr. President, unless we as a body are willing to follow the leadership of committees which make such discriminating and prudent decisions as the Veterans' Affairs Committee has in this case, unless we are willing to follow them in these situations where we are pressured hard by constituents back home to go a different course, we will never achieve a balanced budget.

You and I can identify many, many groups in this country that are organized to bring pressure upon Congress. But if we cannot set an example of willingness to say we can go just so far with respect to the Federal Treasury and no further, we will never achieve a balance budget.

We set the balanced budget goal this spring, Mr. President, and I urge the Senate to begin demonstrating today its commitment to that goal in the only way that counts: by voting to hold spending down in an intelligent, priority-oriented way.

Again I congratulate my friend from California, Senator CRANSTON, for his devotion to the real interests of the veteran as well as his devotion to the economic needs of the country.

The PRESIDING OFFICER. The time of the Senator from Maine has expired. The Senator from California.

Mr. CRANSTON. Mr. President, I thank the Senator from Maine very much for his very strong and very helpful statement.

No support could mean more to these efforts to provide priorities in meeting the needs of the veterans. We have many needs for those who have service-connected and non-service-connected disbilities but priority should certainly go to those who have service-connected needs, some of them very great, and the effort underway now by the committee is to insure that those needs are the ones that are met first.

I thank the Senator very much.

I thank him also for coming to the floor at this time to speak briefly. I know he has to leave Capitol Hill briefly now and will not be present at a more appropriate time when the Humphrey amendment is being debated, presuming it will be offered. I thank him very much for coming to the floor at this time and making a statement.

AMENDMENT NO. 206

(Purpose: To delete provisions in title II amending existing law with respect to travel expenses, dental care, and reimbursement for drugs, medicines, and medical supplies)

Mr. HUMPHREY. Mr. President, I have a printed amendment at the desk which I call up and ask that the clerk state.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from New Hampshire (Mr. HUMPHREY) proposed amendment numbered 206.

Mr. HUMPHREY. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 5, beginning with line 5, strike out all down through line 25 on page 7.

On page 8, line 1, strike out "SEC. 202" and insert in lieu thereof "SEC. 201."

strike out all down through line 9 on page

On page 11, beginning with line 13, strike out all down through line 9 page 13.

On page 13, line 10, strike out "SEC. 205" and insert in lieu thereof "SEC. 202".

On page 13, line 15, strike out "SEC. 206" and insert in lieu thereof "SEC. 203".

On page 14, beginning with line 20, strike out all down through line 22 on page 16 and insert in lieu thereof the following:

"SEC. 204. The amendments made by this title shall take effect on October 1, 1979.".

Mr. HUMPHREY. Mr. President, I ask unanimous consent that the following Members of the Senate be added as cosponsors of my amendment, the distinguished Senator from Florida (Mr. STONE), the distinguished Senator from Arizona (Mr. GOLDWATER), the distinguished Senator from South Dakota (Mr. PRESSLER), and the distinguished Senator from New Hampshire (Mr. DURKIN).

The PRESIDING OFFICER. Without objection, it is so ordered.

The Chair at this time asks the Senator from New Hampshire: Is this the amendment on which the Senator plans to utilize 2 hours of his time?

Mr. HUMPHREY. That is correct.

The PRESIDING OFFICER. The Senator may proceed.

Mr. HUMPHREY. Thank you, Mr. President.

Mr. President, I begin by commending the chairman of the Veterans' Affairs Committee and its members for making a sincere effort to mandate proper staffing levels in our veterans' hospitals. Nothing could be more commendable. I certainly support them in that effort. I am not opposed to that at all.

I think it is a shame that the administration—and let us face it, this is an administration effort in here today—in past years has shifted funds around, funds that were intended to provide for adequate staffing levels in VA hospitals but which were used for other purposes. I think that is very unfortunate indeed.

But, as I said earlier, Mr. President, the essence of what is going on here, the essence of this administration's move, is to cut existing veterans' benefits and benefits which are highly valued, I might say, as evidenced by the very strong support of the major veterans' organizations for my amendment.

Mr. President, the Senate today is considering an important measure, one which will affect veterans all over this country. Many of the provisions in S. 1039 are commendable and will work to the better health of our Nation's veterans. I refer specifically to the chiropractory section, which will provide an essential service to veterans.

However, S. 1039 also contains three sections which will have a detrimental effect on veterans' health. These three provisions reduce existing benefits. My amendment simply deletes these benefit-cutting sections.

The veterans' organizations are strongly supporting my amendment. The American Legion, the Disabled American Veterans, and the Veterans of Foreign Wars, all oppose the benefit-cutting provisions of S. 1039. Clearly, veterans oppose this proposed reduction in existing veterans' benefits.

Let me explain what these three provisions are, and why they will be damaging to the health of veterans.

The first cut proposed is that in the area of travel reimbursement. Currently, a needy veteran who files a certificate of need showing that he or she is unable to defray the cost is eligible for travel reimbursement from the VA for travel to VA facilities.

The amendment which Senator CRANSTON succeeded in passing a moment ago somewhat softens the harsh cuts in the bill as it was reported out of the committee. To be sure that is the case. Nevertheless, my amendment would restore these benefits entirely.

To return once again to the issue of travel reimbursement, the cuts mean that a needy veteran who may be a frequent user of VA facilities would have to pay out up to $100 a year. The administration has a special provision for those who are especially needy—that is, those single veterans making approximately $3,900 a year or less will still receive those benefits—but those veterans who have an income greater than that, those who have the princely income of $4,000, will see existing benefits cut.

The figure for a married veteran is approximately $5,100. The administration is saying, "You are making so much money you are one who falls under what Senator MUSKIE called a moment ago a low-category priority. And we are going to do away with the existing benefits."

I suggest it is very unfair and a bad precedent to set.

A second cut proposed by S. 1039 is in the area of over-the-counter drugs. Currently, the veteran who files a certificate of need showing that he or she is unable to defray the cost is eligible for free nonprescription drugs at the VA pharmacy. S. 1039 limits this important benefit to pensioned veterans only. I feel that this provision will deny this benefit unfairly to veterans who are financially needy, yet slightly above the pension level of $3,900 for a single veteran. This denial of an existing benefit is wrong, and will be an unfair burden on many needy veterans. My amendment deletes this provision from S. 1039.

A third area where S. 1039 proposes a cut is in the area of dental care. Currently, a serviceman who is discharged honorably or generally has 1 year in which to apply for free dental care at an outpatient facility. S. 1039 cuts this period to 6 months.

Now, this is a symbolic cut, not a substantive cut. It will save very little money. Veterans will simply use this benefit early rather than late. The cut is symbolic, then, because it is demonstrative of an attitude of "let's start cutting back on veterans' benefits." My amendment deletes this section, keeping this dental benefit at its current status.

I would say to my colleagues that veterans have earned these benefits. Veterans deserve these benefits, and I ask my colleagues not to betray the trust that veterans have placed in our hands.

I am a strong battler for a balanced budget. Mr. President, I ran on the pledge that I would be the toughest skinflint in the U.S. Senate, doing my utmost to take away that honor from Senator HARRY F. BYRD, JR., who held it last year. As a matter of fact, in the Veterans' Affairs Committee I voted against new benefits saying that this is not the time, because of our precarious financial situation, for new benefits.

But I maintain staunchly, Mr. President, that if we order our priorities properly, we can afford to maintain existing benefits. How can you argue against that? We spend $11 billion or $12 billion for CETA. If we can spend tens of thousands of dollars in Lorton Reformatory to train criminals to be plumbers when they are not eligible for parole until the year 2000, if we have money for that, but somehow we do not have money to keep our pledge to veterans, that is wrong.

If we can spend hundreds of millions of dollars overseas to foreign nations in the way of foreign assistance, much of it very ungratefully received, then we can spend this money for the veterans. We have got money to do that. But we do not have enough money to keep the faith, keep our pledges to veterans.

It does not make sense to me, Mr. President, and I will not be accused of being a spendthrift. I intend to be the toughest skinflint in the U.S. Senate or I will die trying, but I believe veterans' benefits are not the place to make the cut. Heaven knows there are much better places, and places much more deserving, and I certainly appreciate very highly the support of my colleagues on this amendment.

Mr. President, the managers of this bill sent each of the Members a "Dear Colleague" letter that stated that my amendment would undercut efforts to "reorder VA health care priorities." Indeed, this letter states that the benefit-cutting provisions of S. 1039 are in the best interests of the Nation's veterans.

I ask, then, why does the American Legion support my amendment? The American Legion, which represents several million veterans nationwide, even goes so far as to state that if the Humphrey amendment is defeated here today, the Legion must oppose S. 1039.

If the benefit-cutting provisions of S. 1039 are in the best interests of the Nation's veterans, why would the Veterans of Foreign Wars support my amendment to delete these provisions?

If the benefit-cutting provisions of S. 1039 are in the best interests of the Nation's veterans, why does the Disabled American Veterans organization support the Humphrey amendment?

If the benefit-cutting provisions of S. 1039 are in the best interests of the Nation's veterans, why does the Paralyzed Veterans of America organization support my amendment?

I think it is clear that these fine, distinguished organizations have the best interests of the Nation's veterans in mind when they support my amendment to delete these benefit-cutting provisions.

I think it is a matter of more than passing interest that they have taken a great deal of interest in this bill, a great deal of interest in my amendment, and are watching closely.

It comes down to a question of whether we are going to cut existing benefits, whether we are going to honor our pledges.

In effect, the administration has stated that if we will accede to these cuts in existing benefits, then the administration will agree to properly staff VA hospitals. That is called giving with one hand and taking away with the other, and it is a pretty bad deal.

In the first place, VA hospitals ought to be staffed properly without any conditions, without any deals, good or bad. That is just the way it ought to be, and that is the way I feel.

I think this is a bad deal to trade-off existing benefits on the promise that we will get something, the veterans will get something they deserve in the first place.

I reserve the remainder of my time, Mr. President.

The **PRESIDING OFFICER** (Mr. Baucus). Who yields time?

Mr. **CRANSTON**. Mr. President, I yield to the Senator from Oklahoma such time as he may need on this amendment.

Mr. **BELLMON**. Mr. President, it is with some reluctance that I rise in opposition to the amendment by the distinguished Senator from New Hampshire, and I do it primarily on budgetary grounds.

This year, as every Member of the Senate knows, we are facing a very tight budget, and it is essential that we pursue all reasonable and equitable savings that we can find. The Veterans' Committee, which is quite aware of this need, has reviewed its priorities and reported a bill which has cost-savings in areas of low priority, and where abuses are often found. In my opinion, they have been very judicious in the savings they have recommended. They certainly have not taken a meat-ax approach, and this is a savings measure which I believe the full Senate should support.

The limitations on travel, drug, and dental benefits found in this bill affect only—and I want to emphasize the point, affect only—non-service-connected or noncompensable disabilities. The veterans with service-connected disabilities will still receive full benefits, as under current law. The veteran on a pension, or who meets the income standards, will be required to pay a maximum of $100 per year in travel costs and will still receive, free of charge, any over-the-counter, nonprescription drugs he or she might need.

In addition, this bill grants the Administrator flexibility to deal with the unusual nonprescription drug needs of any veteran, regardless of income. Thus, the savings from this bill will come from pruning benefits to the nonneedy veterans.

Mr. President, I intend to support S. 1039, but I would like to make clear a few reservations I have on the VA staffing issue raised by this bill. I am concerned about the increase in VA health care staff in light of a 1977 National Academy of Sciences study which found, nationwide, there are adequate VA health care personnel for the patients being treated.

I ask unanimous consent that excerpts from this study be included at the conclusion of my remarks.

The **PRESIDING OFFICER**. Without objection, it is so ordered.

(See exhibit 1.)

Mr. **BELLMON**. This NAS study found uneven workloads between and within hospitals, inappropriate criteria for allocating staff, and inadequate utilization of allied health professionals, such as nurse practitioners, physicians' assistants, and dental hygienists. Before we grant increases in health care staff, we should make sure the existing staffing levels are being used efficiently. I urge the Veterans' Affairs Committee to review carefully the present allocations of VA health care staff and the VA's procedures for managing these staff resources in light of the National Academy of Sciences report. As a member of the Appropriations Committee, I will also seek to assure careful attention to this matter.

Again, Mr. President, I must say that I oppose the amendment by Senator Humphrey because I feel the savings which are possible in the bill as it has come from the committee make good sense. They do not in any way diminish the benefits to veterans with service-connected disabilities, nor do they diminish benefits to veterans who can meet the income test. The small savings that will result from this bill are going to come by pruning benefits to the nonneedy veterans who can very well pay the small additional cost that this bill would anticipate.

Exhibit 1

Excerpt From Study of Health Care for American Veterans

A report prepared by the National Academy of Sciences National Research Council, submitted to the Committee on Veterans' Affairs, U.S. Senate, July 7, 1977, pgs. 272–273.

STAFF

Systemwide, the numbers of nurses and supporting patient-care personnel on acute medical and surgical bed sections in VA hospitals are adequate for the patients being treated. But there is uneven distribution of such staff in relation to workload, both among hospitals and within individual hospitals (Chapter 5). Nurses are particularly affected by this problem: some units are understaffed, others overstaffed. The uneven distribution apparently stems mainly from the criteria used in allocating staff, which assume that patient-care requirements in all acute-medical and surgical bed sections are similar. In fact, the Committees found very large differences in patient-care requirements among and within hospitals in the same type of units. The variation is due to differences in admission and retention practices. But the differences in numbers of staff among patient-care units are not correlated with these differences in requirements.

More staff is provided for patient care in the psychiatric units of general hospitals than in psychiatric hospitals. As a result, on the average, about 5 times as much planned treatment time per week is provided by professionals (psychiatrists, psychologists, social workers, registered nurses to psychiatric patients in general hospitals as is provided by the staff in psychiatric hospitals is sufficient to provide only custodial care (Chapter 5).

The VA depends heavily on part-time attending staff physicians and on residents for its physician services in hospitals that provide three-fourths of the medical and surgical care and half the psychiatric care (as measured by numbers of patients treated per year). These categories of physicians are available as a result of affiliations with medical schools. (Chapter 16.)

Physician-to-patient ratios vary greatly: in the hospitals studied by the Committee, there was a range in the number of staff physicians (FTEE) per 100 patients of 6–20, and of total physicians (including housestaff), of 6–59. The professional judgments of the Committee's site-visitors indicate that the quality of care and the adequacy of physician staffing are not well correlated. Thus, in the sample of 21 general hospitals, six clinical services were rated as providing care of inadequate quality, but only two of these were considered to be inadequately staffed with physicians. Among 38 services deemed to be adequate in quality of care, 18 were thought to have inadequate numbers of physicians. Three of 11 services judged to be providing care of outstanding quality were rated inadequate in physician staffing. (Chapter 9.)

In the long-term nursing-care-units—both nursing homes and intermediate-care units—staffing of nursing personnel was found to vary considerably. In general, the intermediate-care units are less adequately staffed than the nursing homes. The Committee found that the amounts of nursing staff available were not well correlated with differences in workload. As was found to be the case in the acute-care units, the staffing allocation criteria used for the long-term nursing-care units are not adequately sensitive to differences in staffing requirements among units (Chapter 14). Compared with staffing found in an illustrative good-quality private nursing home, the VA nursing home units on the average appear to be adequately staffed.

VA dental staffing is clearly inadequate to treat all eligible veterans who require dental treatment, but the productivity of VA dentists could be improved if more hygienists and dental assistants were employed. (Chapter 13.)

Mr. **CRANSTON**. Mr. President, I am delighted to yield to the Senator from Nebraska.

Mr. **EXON**. Mr. President, I rise to oppose the amendment by our distinguished colleague from New Hampshire. I do so for several reasons, but without hesitation at all.

I recognize that there are some veterans organizations which might well be supporting the amendment offered in good conscience by the Senator from New Hampshire. However, I am also a member of the Budget Committee, and I follow my majority leader and the ranking minority member of the Budget Committee in opposing the amendment that has been proposed.

I might well have supported the amendment of the Senator from New Hampshire had it not been for the so-called Cranston compromise that was offered and passed here a few moments ago, by a substantial majority.

Mr. President, I am a veteran. I am a member of the American Legion. I am a lifetime member of the Veterans of Foreign Wars. I am an honorary member of the Pearl Harbor Survivors Association; and I am known as a defender of veterans' rights. But I also recognize and realize, as all veterans must realize and recognize, that we are in a pinch.

I would suggest that the compromise amendment that was just passed here, which I referred to a moment ago, is one that assures that service-connected disabilities will be properly and fully cared for. I would suggest that in times like these, where indeed, in some of the veterans hospitals, we are having difficulty in getting the professionals to be there to care for, particularly, those with service-connected disabilities, we must consider that the first priority at this time. I am not saying that therefore the veterans hospitals forever in the future should not recognize the needs of needy veterans who have disabilities that were not directly connected with their service to their country. Nevertheless, I think the compromise that we passed here this morning has addressed the matter very effectively as the Senate votes on this matter today.

You know, one of the things I have learned in my few short months here as a Member of the U.S. Senate is that oftentimes there is a great deal of inconsistency in the votes on the floor of this body. When this vote is taken—and I suspect that there will be rollcall vote—I will be very much interested to check back and see who supports the amendment of the Senator from New Hampshire, and to compare that vote with a vote on this floor a few weeks ago for those who wanted to make a meat-ax $29 billion reduction in the budget for the next fiscal year.

Somewhere along the line, we all have to recognize and face up to the realities of today; and I would suggest that those of us who, in good conscience, say that one of the things we must do now is balance the Federal budget as quickly and as responsibly as we can, must resist the temptation to support every good sounding piece of legislation that comes down the pike, regardless of the pressures that might be brought to bear on us to support such legislation.

The fact of the matter is that I have had some contacts from constituents back home in Nebraska who would like me to support this amendment. But I honestly believe that I am discharging my duties to our veterans, for whom I am very compassionate, by voting for the earlier Cranston amendment, and I would urge my colleagues to support basically the Budget Committee of the Senate and basically the Veterans' Affairs Committee of Senate by voting down the Humphrey amendment, recognizing that it does have some appeal in representing certain segments of our society.

Everything we do in this body is a matter of balance and legitimate and honest compromise. I believe the Cranston amendment addresses this matter as well it can be addressed for this particular session.

I thank the Chair, and I thank the Senator from California.

Mr. CRANSTON. Mr. President, I thank the Senator from Nebraska very much for his very heartful contribution to this discussion. I am very grateful to him, as I am also to the Senator from Oklahoma (Mr. BELLMON), whose statements, in concert with that of the chairman of the Budget Committee (Mr. MUSKIE), have been most helpful as indicating the necessity not only to balance the budget, but also to establish some priorities.

Mr. HUMPHREY. Mr. President, the distinguished ranking minority member of the Budget Committee (Mr. BELLMON) used a term I have heard used several times in this discussion: The term "nonneedy veterans."

Perhaps that term deserves definition. Under the administration's budget-cutting proposal, "nonneedy" is essentially defined, in the case of single veterans, as anyone making $3,900 or more, or, in the case of anyone with a dependent, a married man, $5,100. Anyone making above those princely salaries is designated by the administration as nonneedy.

I disagree with that definition, and I do not think we ought to be taking benefits away from individuals who need them so much. We are not talking about highly successful businessmen making $30,000 or $40,000 a year. They do not go to veterans' hospitals. We are talking about some of those who may be less fortunate.

Two or three weeks ago we commemorated Memorial Day. We recently commemorated the Vietnam veterans, who have not been held in such high regard as they may deserve. Probably 90 percent of the Members of the Senate made speeches during those periods, using lofty words and thoughts to evoke sentiment and patriotism.

Well, here is the nitty-gritty: Here is our chance to keep the faith. Speaking of keeping the faith, I recall from one of my own Memorial Day speeches a few lines from John McCrae's beautiful poem "In Flanders Field." The lines are these:

> To you from falling hands we throw
> The torch; be yours to hold it high.
> If you break faith with us who die
> We shall not sleep. . . .

Are we going to break the faith with those who gave up their lives in the defense of their freedom? What do they mean by "faith?" They mean, of course, keeping the country free, so that their sacrifice will not have been in vain; but they also mean honoring not only themselves, but those veterans whom God spared, those who are still with us today.

"Keep the faith." Do we do that by cutting benefits when we do not have to, when cuts could easily be made in much more wasteful areas? Not in my opinion.

The distinguished chairman of the Veterans' Affairs Committee and his able assistant, the ranking minority member of Veterans' Affairs Committee, have circulated several "Dear Colleague" letters. In one of them, on page 2, they contend that the provisions of the bill were carefully designed by the committee so that abusive and unnecessary costs would be curbed.

Well, no doubt there are abuses. There are always a few bad apples in every barrel. But are we going to punish everyone for the sins of the few? If there are abuses, it is an administration problem, and it ought to be handled on that basis.

As to the terms "unnecessary costs," in whose view are these costs unnecessary? Certainly not in the view of the veterans. Not in my view. These are necessary costs; these are honorable costs; these are just costs. I regret very much the negativism of the administration's attempt to portray these benefits as unnecessary, unneeded, and deserving of elimination.

Mr. President, I reserve the remainder of my time.

Mr. CRANSTON. Mr. President, we on the Committee on Veterans' Affairs and in the Congress have, in the past, been frustrated in our efforts to meet one of our top priorities—assuring adequate staffing of VA health care facilities. The fiscal year 1979 HUD-Independent Agencies Appropriations Act, Public Law 95-392, included an appropriation of $54.7 million more for the VA's medical care account than the administration had requested in its fiscal year 1979 budget. Included within that increase was an amount, $32.3 million, intended to forestall the need to divert VA medical care staff from existing facilities to staff the activation of previously approved facilities which were to come on line in fiscal year 1979. VA witnesses at a January 25, 1979, hearing on other legislation testified that, instead of allowing those funds to be used for the purpose intended, the administration had required that the funds be used to defray the costs of the October 1978 pay raise for VA employees paid under the medical care account. In fact, the VA was required to absorb $98.3 million of the costs of the October 1978 pay raise by means of reductions in the operations of VA health care programs, reductions which have exacerbated the difficulties that VA health care programs are now experiencing in trying to accommodate themselves to stringent personnel resource limitations.

That choice of using money appropriated by Congress for more staff to give more adequate medical aid to veterans in our hospitals, using that money instead for pay raises, lies at the heart of the problem we are wrestling with today on the Senate floor.

That disposition of the $55 million congressional add-on, is, as I have repeatedly stressed to the administration, a matter of major controversy and is viewed by many as a "back door" rescission, inconsistent with the Impoundment Control Act of 1974.

At the same time, the administration has placed other stringent limitations in fiscal year 1979 on personnel ceilings in the VA's Department of Medicine and Surgery, resulting in cutbacks in the provision of needed health services. This situation will almost certainly grow substantially worse under the administration's proposed budget for fiscal year 1980.

In order to stay within current administration limitations for VA programs for fiscal year 1979, the VA indicates that it will employ 3,273 full-time-equivalent employees—FTEE's—fewer under the medical care account than contemplated by the fiscal year 1979 appropriations measure and will further reduce the number of VA medical care employees by 443 FTEE's in fiscal year 1980. These reductions are being implemented despite the fact that new activations in fiscal year 1979 will require approximately 1,500 more FTEE's in fiscal year 1979.

In fiscal year 1980, additional new activations will require approximately 1,600 more FTEE's. Under the administration's budget for fiscal year 1980, the personnel resources for these previously approved and initiated activations are to be acquired from existing facilities. Thus, the VA's fiscal year 1980 budget documents state:

> Activation of new facilities in fiscal year 1980 or in the future will require staffing that, in effect, will be derived from the managed reduction of employment within existing facilities. * * * The reductions of employment thus estimated for existing facilities amount to 1,650 FTEE's in fiscal year 1980.

Thus, Mr. President, despite the very clear, express congressional intent to the contrary, VA health care personnel are being spread progressively thinner, and there is cause for genuine concern both for the quality of VA care and for the capacity of the system to provide the services which are projected for fiscal years 1979 and 1980.

We strongly believe that this process of "robbing Peter to pay Paul" is unacceptable and has already begun to impair the quality and availability of VA health care. Since merely appropriating the funds to provide the needed staff has not worked, the pending measure proposes another way to deal with the staffing problem—by shifting funds from low-priority programs to the high-priority staffing need for new VA health care activations. This approach also serves our national goals of restraining Federal spending and helping to balance the budget as part of the effort to fight inflation by assuring that, to the extent possible, adequate staffing is achieved in a way that does not involve an increase in overall spending levels.

To accomplish this, the pending measure would do two things: First, it would place limitations on certain expenditures for purposes which are not central to the VA health-care mission. These limitations tightening up on eligibility for non-service-connected travel reimbursements, nonprescription drugs, medicines, and supplies for outpatient care of non-service-connected veterans, and free postservice outpatient dental care for noncompensable dental conditions—have been carefully designed so that abuses and unnecessary costs would be curbed and that no truly needy veteran would be denied necessary health care or access to such care. Second, the bill would apply the cost savings resulting from these economies to restore badly needed staffing to VA health care facilities. The mechanism for achieving this realinement is to condition the entry into actual effect, and the continuing legal effect, of the three cost-savings provisions the VA being provided the authority to employ in its health care system not less than the number of employees contemplated by appropriation acts.

The amendment of the Senator from New Hampshire (Mr. HUMPHREY), however, would totally strike the provisions for increased VA hospital staffing and cost-savings and thus completely undercut our efforts to reorder VA health care priorities so as to make economies where indicated and to provide more adequate staffing for VA health care facilities.

Mr. President, as indicated previously, we believe strongly that in these times of fiscal austerity even programs of the high priority traditionally and properly afforded for veterans should be subject to some belt tightening to squeeze out unnecessary spending and to assign priorities in the use of scarce VA resources. And we firmly believe that the reordering of priorities that this bill would achieve is truly in the best interests of our Nation's veterans.

Mr. President, I would like briefly to explain the purposes and effects of the cost-savings provisions now in the bill that the pending amendment proposes to strike. First, with respect to the proposed limitations on beneficiary travel reimbursement, under current law as amended in 1976 by legislation that originated in this body, a veteran with no service-connected disability is generally entitled to reimbursement for travel and related expenses in traveling to and from a VA health care facility only if he or she has been determined, based on his or her annual declaration and certification, to be unable to defray the expenses of such travel.

That restriction on travel reismbursement was added because of the rapid increase in beneficiary travel that had occurred over the preceding several years and the decision by OMB that further increases in the use of travel benefits would have to be absorbed within the VA's already strained medical program budget.

For various reasons, however, the 1976 law changes have not operated as a major factor to restrain beneficiary travel costs. Expenditures for this purpose were $54 million in fiscal year 1977, $61.8 million for fiscal year 1978, and are estimated to be $65.2 million for the current fiscal year. Let me stress, Mr. President, that this is not money being paid for health care. It is for traveling.

The committee thus saw existing law as not adequate to carry out the 1976 purpose of limiting travel reimbursements to non-service-connected VA beneficiaries who are truly unable to defray the cost of such travel expenses.

Mr. President, as an alternative approach, therefore, S. 1039 would provide a fixed, workable standard of need for purposes of eligibility for reimbursement of beneficiary travel expenses for non-service-connected disabled veterans by limiting eligibility to those veterans who are receiving a VA pension under section 521 of title 38 or who meet the applicable income standard for receipt of such a pension. The applicable financial need test—far more generous than under any other Federal or State need-based income maintenance program—would be $3,902 per year for a single veteran and $5,112 for a veteran with one dependent—plus $660 for each additional dependent—and $6,243 for a single veteran in need of aid and attendance, with similar increases for dependents. Reimbursement by the VA to such a veteran in a fiscal year would be limited under the pending measure in such a way as to require only that the veteran who has no service-connected disability bear a reasonable portion of the total costs in order to receive free medical care from the VA.

Mr. President, I wish to emphasize two critical aspects of this provision. First, the limitations on reimbursement would not apply to any veteran who has a compensable service-connected disability—even when the care that he or she is receiving is for a non-service-connected disability; and, second, the committee bill would provide that even non-service-connected veterans would be fully reimbursed, as under current law, for the expenses of travel that, for medical reasons, is undertaken by ambulance, other emergency vehicle, or other special vehicular mode.

Mr. President, the amendment already adopted today on this issue is designed to overcome some difficulties that have come to light since the bill was reported. We have now amended the bill to take into account the problems that might have been encountered under the $25 deductible and $75 copayment provision in the reported bill by veterans having to travel substantial distances between their homes and VA hospitals. The pending measure thus now provides that once the veteran pays $4 for a particular trip, the VA will pay the rest of the cost of that trip, and that, if any veteran pays out $100 in a particular year under this system, the VA will pay all the rest of the costs of beneficiary travel.

With respect to the provision concerning care for service-connected, noncompensable—that is, zero-rated—dental conditions that are unrelated to service trauma, recently discharged veterans are now eligible for VA outpatient dental treatment for those conditions if they apply at any time within 1 year after discharge from active duty, regardless of the duration of active duty service.

However, it seems highly improbable that an individual whose service was limited to only a few days' or months' duration could develop dental conditions of a nontraumatic nature—generally cavities—such that the VA should assume responsibility for providing comprehensive dental care services, which average $660 per beneficiary. Let me repeat that, $660 for each veteran patient. Moreover, the full year given the potential beneficiary to apply clearly seems too long because dental conditions totally unrelated to military service could well develop during that post-service period and the substantial, additional costs of treatment for such conditions are not properly the responsibility of the Federal Government.

Thus, Mr. President, the pending measure would authorize dental care for such a veteran only if he or she had served on active duty for at least 180 days and then makes application for treatment within 6 months after discharge.

The amendment of the Senator from New Hampshire (Mr. HUMPHREY) proposes the deletion of this provision on the grounds that a veteran who has served his country should not be denied an existing benefit.

Mr. President, the Senator's opposition is ill-founded. This provision is prospective in effect and would not deny a benefit to any existing veteran. All—I repeat, all—veterans who were discharged during the year prior to the enactment date of this legislation would retain eligibility for this benefit and would have the full year from date of discharge in which to apply.

With respect to those discharged after the date of enactment, I submit that this provision treats those persons fairly and would make adequate provision for the care of dental conditions that can rationally be considered to have resulted from service without allowing VA health resources to be spent unwisely. I am convinced that we just cannot affort to refuse to make fully justified economies in this area when the funds that could be saved are so badly needed to provide more adequate staffing for sick and disabled veterans—for veterans with service-connected disabilities who will suffer due to inadequate staffing in VA hospitals if the Humphrey amendment is adopted.

Finally, Mr. President, with respect to the provision regarding the furnishing of nonprescription drugs, medicines, and supplies in connection with outpatient care for non-service-connected disabilities, VA witnesses testified before our committee that the routine provision of such products as aspirin, cough syrups, and antacids for minor symptoms represented a considerable expense to the VA health-care system. For example, nonprescription analgesics—primarily aspirin—account for approximately 12.4 percent—nearly $2 million annually—of the nonprescription products presently being provided to veterans receiving outpatient care.

The committee bill would establish new criteria for the provision of outpatient nonprescription drugs, medicines, and supplies for the treatment of non-service-connected disabilities. It would limit the provision of such products for non-service-connected disabilities to veterans who are receiving a pension under section 521 of title 38 or who meet the applicable income standard for receipt of a pension. This is the same financial need criterion that would be applied by the provision in the bill proposing to limit eligibility for beneficiary travel reimbursement of non-service-connected veterans. Thus, a veteran qualifying for one benefit would automatically qualify for the other.

In addition, the committee bill would require the Administrator to establish by regulation the conditions under which nonprescription drugs, medicines, and supplies would be provided to any non-service-connected veteran in order to avoid substantial hardship that would otherwise result from the extraordinary cost to a veteran of obtaining such products commercially.

Mr. President, the Senator from New Hampshire, in the statement made in the CONGRESSIONAL RECORD when he first submitted his amendment on May 22, characterized this provision as a "cruel betrayal" and a "callous action." In making these remarks, the Senator has either forgotten or ignored the fact that, under regulations required by the committee bill, nonprescription products would be provided to any veteran in order to avoid economic hardship. Thus, no veteran would suffer economic hardship as a result of a condition that would require expensive nonprescription products or nonprescription products over an extended period of time. In light of the pressing need to increase staffing levels in the VA health-care system, the moneys presently expended to supply pharmacy items such as aspirin and cough syrup on a routine basis to non-service-connected veterans, could more effectively be used to increase staffing with no reduction in the quality of VA health care; in fact, we believe that the VA's ability to provide quality care would be enhanced.

Mr. President, in closing, let me stress that the Committee on Veterans' Affairs has been receiving increasing numbers of complaints from veterans' organizations, individual veterans, and health professionals employed by the VA regarding serious staffing shortages in VA health-care facilities and the threat posed by such shortages to the quality of care provided by VA facilities. Both the complaints and the threat to the integrity of the VA health-care system are genuine and must be addressed as our highest priority. Our recent effort to assure adequate staffing of VA hospitals through the appropriations process has been an exercise in futility, and I know of no reason to believe—in fact, all indications are to the contrary—that, in the absence of this legislation, any future effort to increase the size of the overall VA budget to accommodate additional staffing needs would be successful.

Thus, I firmly believe that it is essential to take this opportunity to pass a measure that provides a workable solution to the problem of assuring that the staffing needs of the VA health-care system are met.

Mr. President, the Humphrey amendment seems to be based on the premise that Congress has, in the past, been infallible in enacting laws creating veterans' benefits and that, therefore, those laws should never be re-examined, the priorities that they reflect should never be questioned, and that no benefit—no matter how unessential or peripheral to the actual needs of veterans—should be evaluated to determine whether the moneys being spent for it could be put to better use to meet more compelling needs. Mr. President, I reject that premise. In the pending measure, the Committee on Veterans' Affairs and our floor amendment have done precisely what my colleague's premise suggests that it cannot or should not do, it has carefully and clearly identified low priority areas where scarce moneys can be saved and put to far better use to meet a presently critical need.

Therefore, Mr. President, for all those reasons, I urge my colleagues to reject the amendment of the Senator from New Hampshire.

Mr. HUMPHREY addressed the Chair.

The PRESIDING OFFICER. The Senator from New Hampshire.

Mr. CRANSTON. Mr. President, before the Senator proceeds, may I ask a question?

A number of Senators asked as to the time when there might be a vote. This morning, some were asking why we voted as early as we did on the earlier amendment. Would the Senator agree by unanimous consent that we set a time of 2:30 for a vote on this amendment?

Mr. HUMPHREY. Certainly. I need, perhaps, another 10 minutes. Unless the distinguished chairman of the Veterans' Affairs Committee intends to proceed further, I will be ready at that point to yield back the remainder of my time.

Mr. CRANSTON. Mr. President, I ask unanimous consent that a vote be held at 2:30 on the pending amendment.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. CRANSTON. I thank the Senator.

Mr. HUMPHREY. Mr. President, the distinguished Senator from California brought up the point that with regard to the dental benefits which the administration would cut, that this is a prospective provision.

That is quite true. But it is prospective only—only—with regard to the dental provisions. It is retroactive with regard to the transportation provisions and the over-the-counter drugs provision. That is, existing benefits—I repeat, existing benefits—will be taken away.

We are going to be asking those who vote against my amendment, those who vote to uphold the administration to ask needy veterans to tighten their belts. I submit that these needy veterans should be the last group to be asked that.

Again, we are talking about veterans, not about veterans who are fabulously wealthy, not about veterans who have high salaries, but the veterans who use the VA hospital and facilities, who generally speaking, are not that well-to-do. Then can hardly be described as nonneedy.

Once again, the definition of needy is any single veteran making over $3,900; any married couple, any veterans, married or with one dependent, making over $5,100, are defined by the administration as nonneedy.

I certainly reject that definition.

It was mentioned earlier in the discussion that it is a bad principle to rob Peter to pay Paul. I could not agree more. That is why I am opposed to making a deal with the administration, such that if we cut existing benefits they will get something they should have anyway, namely, adequately staffed hospitals.

I am opposed to robbing Peter to pay Paul. I think it is a bad provision. If we do it this year, what request will they have next year, what existing benefits will they want to cut in the name of some other lofty suggestion?

When we begin to make bad deals, we can only expect to be pressed to make other bad deals.

I say by the way of summary, Mr. President, that this is an administration proposal. It was not offered by any Senator on his own. It was offered on behalf of the administration, and administration which, in my opinion at least, and in the opinion of most veterans groups, has clearly established itself as an antiveteran administration.

This bill as it stands now, unless my amendment passes, cuts existing benefits, cuts existing existing travel benefits, cuts existing dental benefits, cuts existing benefits that provide over-the-counter drugs to our veterans.

I suggest it is a very bad precedent to make this kind of a bad deal. The burden of these cuts will fall, basically, on the needy, despite the administration's description of them as being non-needy.

I point out once again that every major veterans organization is alarmed at and opposed to this administration proposal and is fully supporting my amendment to restore the benefits that will be cut if my amendment fails.

I think these veterans, Mr. President, see the danger expressed a moment ago in making a bad deal. I think it is only rational to expect next year the administration will be back with another deal, cut these benefits and we will do something else for you, that they ought to do in the first place.

If the distinguished chairman of the Veterans' Affairs Committee is willing, I would like to pose, without losing my right to the floor, two questions to him.

First, I ask the Senator from California, is it not true that a veteran with one dependent, making, say, $6,000, will be losing certain existing transportation benefits?

Mr. CRANSTON. If he had no service-connected disability and was not receiving aid and attendance for a non-service-connected disability, he would then be required simply to pay $4 per trip.

Mr. HUMPHREY. Yes. He would be losing a benefit that presently exists.

Is that not correct?

Mr. CRANSTON. I did not hear that.

Mr. HUMPHREY. A veteran in that category would be losing a transportation reimbursement benefit that presently exists.

Mr. CRANSTON. As to a veteran with a non-service-connected disability, he would be receiving less assistance.

Mr. HUMPHREY. Yes.

Mr. CRANSTON. But the effort here is to insure that veterans with service-connected disabilities do not experience a decline in the quality of their medical care.

The consequence of the Senator's amendment would be exactly that.

So he is choosing to preserve travel subsidies, of a sort, for non-service-connected veterans, with the situation then being that veterans, many of them with serious service-connected disabilities, will not receive the care they need because there would be inadequate staffing in veterans hospitals.

Mr. HUMPHREY. Yes. But——

Mr. CRANSTON. I am glad the Senator said "yes" because that is the consequence.

Mr. HUMPHREY. Yes. The answer, essentially, disregarding the staffing provision, is "yes" the veteran will be losing existing transportation reimbursement provisions.

Not wanting to give my temporary adversary the opportunity to make another speech, I think I will not ask him the second question I had in mind.

Let me state simply, in conclusion, that originally the committee version would have saved approximately $36 million. It will save less now under the amendment adopted some time ago. It will save less than $35 million. I do not know what, but it will save less than $35 million.

That is a lot of money, to be sure. But measured against the budget next year, of what?—$532 billion?—it strikes me we are cutting in the wrong place, that there are tremendous opportunities to limit waste elsewhere.

This is not waste. These are justifiably accorded benefits that ought to be upheld today.

I hope my colleagues will do so by supporting me on my amendment.

If the chairman of the Veterans' Affairs Committee is prepared to yield back his time at this point, I am, also.

Mr. CRANSTON. We are not prepared to yield back our time. We will use the time we have. There are two other amendments before 2:30.

Mr. HUMPHREY. I reserve the remainder of my time.

Mr. President, do I correctly understand that Senator CRANSTON. does not intend to address this amendment further?

Mr. CRANSTON. I do intend to address this amendment further. Senator SIMPSON is about to do so, as will others. When there is nothing more to be said on this amendment, when those favoring it and those opposed to it have said what they wish to say, we can take up other amendments and return to this amendment at 2:30 for the vote.

Mr. HUMPHREY. I yield back the remainder of my time.

Mr. CRANSTON. Mr. President, I yield such time as he may need to the Senator from Wyoming (Mr. SIMPSON).

Mr. SIMPSON. Mr. President, I inform my good colleague from New Hampshire that I am his temporary adversary in this matter, and that I must certainly enter the fray at this particular time.

Let me summarize some of the things I have listened to in the debate and make a comment or two.

I preface these remarks with the statement that I am a veteran and a lifetime member of the VFW. My home post is in the wilds of Cody, Wyo., and I am proud to serve as a member of that body.

I have followed very closely the proposed legislation since it has been presented to the Veterans' Affairs Committee early in my term. I have followed closely the hearings. I have followed closely the memoranda presented, the testimony of veterans, and the testimony of witnesses from the Veterans' Administration. So when I hear the statement that things have been afoot here which would "quietly cut" veterans' benefits, undercut the position of veterans in America, and turn our backs on the veterans of America—those assertions are entirely unfounded.

In the brief review that Senator CRANSTON has so ably provided, we have learned exactly what happened. Very simply staffing funds were diverted from VA hospitals and health care facilities and used to defray costs of pay raises for VA medical personnel. That is what happened—nothing more strange than that, which was bizarre enough.

The adoption of the amendment of the Senator from New Hampshire would be injurious to the service-connected disabled veteran. There is no question about that.

In America, we are blessed with relative wealth, but no unlimited wealth. The thing that is most important and which should not be forgotten is that veterans received more than their share of such wealth and have been given extraordinary consideration by Congress, both past and present, and obviously in the future.

If you were to look at legislation which came out of the 95th Congress, you would have to refer to it as the Congress of the veteran in America. We met every reasonable need expressed by veterans' organizations collectively and by veterans individually.

However, one of the problems that we must now address is the staffing of new Veterans' Administration activations within the constraints of budget necessities. Staffing, for new activations are not now being funded, and that is the issue that we are considering in this bill.

The amendment just adopted provides for reasonable travel benefits for non-service-connected veterans receiving outpatient treatment. There is no question whatever that we take care of our veterans in America. We do that with appropriate medical and allied professional skill. We do it with counseling and employment assistance. And we do it with compassion and with generosity.

All the cost savings provisions that are in this bill, referred to as limitations, would not apply in any way to a veteran who has a compensable service-connected disability. It seems that this consideration is being ignored continually—even, of course, when the care they are receiving is for non-service-connected disabilities.

We come now to the issue of nonprescription drugs. If we observe the testimony of witnesses at the hearings, we find extensive provisions of analgesics, aspirin, antacids, cough syrups, Ace bandages to non-service-connected veterans in an outpatient capacity. It was never intended that the VA provide such a service, and it is at a tremendous cost to this Government.

Look briefly at the issue of dental care. It certainly cannot be said that we do not provide dental care for our veterans in VA facilities. We have more than 1,000 dentists on the payroll of the Federal Government who are employed in Veterans' Administration facilities. We meet every need of the veteran with regard to dental care, up through 12 months after discharge.

In the committee proposal we are reasonably imposing a 180-day minimum service before such treatment will be provided. Additionally we reasonably require that the veteran apply for such dental treatment within 180 days of discharge. These are not unreasonable limitations. Those who need and require such care will still receive it.

The 180-day active service requirement is consistent with length-of-service criteria for various other types of veterans' care to include GI bill benefits and employment assistance.

Then, of course, we have another requirement that will deny such dental services where the Department of Defense provides such services within 90 days of discharge. In such a situation VA dental care would not be necessary.

It seems to me, as I observe the arena about me, that legislation seems to be a reaction to problems and never a response. There is quite a difference in these two terms. There are always those who will take advantage of a system or a program. There are those who will gimmick the system. That happens in America with great regularity. There is always fraud afoot.

The age of the ripoff is here on every level. Veterans do it. Those in my profession—lawyers—do it. You name the group, and there always will be some who are attempting to take unfair advantage of the system.

The problem is that when we discover such actions, we usually react with punitive legislation. Fortunately, we have not done that in this instance. I think we have compassionately made amendments to correct some abuses in the system. There have been abuses, and we are attempting to correct those abuses and at the same time provide for better health care for our Nation's veterans.

So when we are accused of turning our backs on the plight of the needy veteran in an attempt to generate unwarranted pressures, I think we in America suffer from a disease which I refer to as "compassion fatigue." We all feel compassion, but the pressures of those who would use our compassion to thwart genuine reform serve only to make it more difficult to discern the true needs of our veterans.

However, that is not what has occurred in this bill. We have not turned our backs on the needy veteran, the poor veteran, the veteran below the poverty level. Nor have we turned our back on the service disabled veteran. Such an accusation has a hollow ring when we observe the level of attention that always has been given to our veterans over the course of many, many years in this country, and often with a strain on our financial resources.

So I certainly challenge any statement that would raise a specter of anti-veteran feeling in this body, because I believe that serves only to obscure a debate on the merits of our proposals.

Mr. HUMPHREY. Mr. President, my friend from Wyoming stated in his remarks that the bill as it now stands, absent my amendment, would not be injurious to disabled veterans.

One of the groups most acutely interested in disabled veterans, the Disabled American Veterans organization, as well as the Paralyzed Veterans Organization, disagree.

As a matter of fact, the American Legion disagrees; the VFW disagrees.

The American Legion in a letter to me states:

> We are strongly supporting the Humphrey amendment.

The VFW in a letter to me says:

> However, in the event the Humphrey amendment fails, I urge each and every one of you not to pass this legislation but to return it to the Senate Veterans' Affairs Committee for further study.

In other words, they consider it flawed in its present form, as do I.

Once again, I am not opposed to properly staffing veterans' hospitals. I am very much in favor of it. I think it is dastardly when the administration is refusing to do so and playing tricks with appropriations for this purpose.

But what it comes down to is whether we are willing to make a deal. Are we willing to cut existing veterans' benefits that will in fact impact on needy veterans in order to get something in the way of staffing that the veterans' hospitals should have in the first place?

I feel and the veterans organizations feel that this is a bad precedent to set, that if we accept it in this case, if we accede to it, the administration will be back with similar proposals next year.

So I hope I can conclude by pointing out that the critical issue is whether or not we are going to cut existing veterans' benefits. That is the administration's proposal. They would cut travel benefits to any veteran making, let us say, $6,000 or more. They would cut over-the-counter drug benefits to any veteran making that same princely salary. And they would cut in certain ways an existing dental benefit.

I urge my colleagues and I hope very much they will support me in this. I feel these are unjust cuts. I feel there are much better places to cut Heaven knows, there are much better places. Let us not cut existing benefits to veterans. They deserve them. They earned them. They are better than first-class citizens, in my opinion.

Let me point out once again that I have opposed new programs proposed by veteran organizations. I have voted against them and was one of the few Senators on the Veterans' Affairs Committee to vote against new programs, because I do not think we can afford anything new now for anyone unless we want to go bankrupt.

But I state once again that if we order our priorities properly we can afford to fund existing veteran benefits, and I remind my colleagues once again that these cuts, which are so greatly resented and which would be a bad precedent, will amount in dollars to something less than $35 million.

There are better places to make cuts. These are important benefits, and I urge my colleagues to uphold them.

I reserve the remainder of my time.

Mr. CRANSTON. Mr. President, the Senator from New Hampshire, in arguments in support of his amendment, has, in several respects, inaccurately described the cost-savings provisions of the committee bill as amended by my amendment. I believe it is in my colleagues' interest to explain these provisions in order to correct those inaccuracies so that my colleagues will have a clear understanding of the real issues in this debate.

TRAVEL REIMBURSEMENT

In discussing this provision of the committee bill, as amended earlier today, the Senator from New Hampshire makes the statement that even the poorest veteran would be required to pay the costs of travel to and from VA facilities. However, the Senator ignores the fact that the proposed limitation applies only to veterans who have no service-connected disability. Any service-connected veteran would continue to be eligible for reimbursement of all allowable travel expenses regardless of the status of the condition for which he or she seeks care—that is, even if he or she is seeking care for a non-service-connected disability. All we are proposing is that a veteran with no service-conected disability whatsoever seeking free care in a VA facility pay a fair proportion of the travel costs associated with obtaining free health care. We are not proposing a reduction in a health care benefit for any veteran. In fact, by tying the effectiveness of this proposed limitation on travel expenses reimbursement—a benefit that, by the way, is enjoyed by no other segment of our society, rich or poor—to a substantial increase in the staffing level of the VA health care system, we are enhancing the quality and quantity of health care benefits for all veterans eligible for VA health care.

I also note that, in the Senator's May 30, 1979, "Dear Colleague" letter and May 22, 1979, statement in the RECORD, he stated that the income standard for the financial need test applicable to this provision is $3,550. That simply is not true and the Senator was so advised specifically during the committee's markup of this legislation. As of July 1, the income standard under the current VA pension program will be increased by 9.9 percent. This increase will thus occur 3 months before the earliest date—October 1, 1979—that this provision could go into effect.

I have difficulty understanding why the Senator from New Hampshire made such a misleading statement. Although he used a correct figure today, I have difficulty understanding why the Senator failed to note that the applicable income standards are substantially higher for, among others, veterans with dependents and for those eligible for aid and attendance. Thus, I wish to clarify once again for my colleagues the fact that the income standards would be, for example, $3,902 for a single veteran, and $5,112 for a veteran with one dependent plus $660 more for each additional dependent and that the standard for a single veteran in need of aid and attendance would be $6,243, with similar increases for dependents.

These financial-need tests of the VA pension program are, as I have indicated previously, far more generous than under any other Federal or State need-based income maintenance program.

Based on these explanations of how this provision would operate I very much hope my colleagues will understand that this beneficiary travel provision is fair and reasonable and will not place an undue burden on any veteran, and that it is far wiser to eliminate unnecessary spending in this area in order to assure more adequate staffing in VA medical facilities.

NONPRESCRIPTION DRUGS

Mr. President, the Senator from New Hampshire (Mr. HUMPHREY) in his "Dear Colleague" letter and May 22, 1979, statement in the RECORD has characterized the provision of the committee bill limiting eligibility for the provision of nonprescription drugs, medicines, and supplies as a "cruel betrayal" and a "callous action."

I wish to say to the Senator from New Hampshire that I resent that language. I have served in this Senate now for over 10 years doing my utmost to see to it that veterans' needs are met in the health care area, where I have had primary responsibility for these more than 10 years, and I am not about to betray cruelly or in any other way the needs of veterans, and I do not believe I have ever advocated any action that is callous to veterans.

I do not believe that the Senator from West Virginia, Senator RANDOLPH, who came to Congress before Franklin Roosevelt entered the White House and who has been a dedicated supporter of veterans through all these years he has been in Congress, has ever been involved in any cruel betrayal of veterans.

I do not believe that Senator STROM THURMOND and I do not believe that Senator ALAN SIMPSON would engage in any cruel betrayal of the true needs of the American veterans. They are their staunchest supporters.

The Senator also referred to a betrayal of trust. I believe that the betrayal of trust is to those wounded veterans from Vietnam and elsewhere, to those with service-connected disabilities lying helpless in veterans' hospitals whose care will be less adequate, and less efficient, whose needs will be less regularly and carefully attended to if we do not have adequate staffing in VA hospitals. They will be the victims of any betrayal if the betrayal exists.

The Senator spoke of breaking faith with those who gave their lives. I do not see the connection between that remark and the fact that we are dealing with aspirin, cough syrup, and travel expenses for non-service-connected veterans. That is the only topic that we were discussing in terms of a cutback unless the Senator's amendment is adopted, in which case there will be a serious cutback in the quality of medical care for service-connected veterans.

The Senator said that he came here intending to be a skinflint in regard to expenditures. Well, I think in that regard it is a matter of establishing priorities, of determining where needs are great and seeing to it that those needs are met first, and the effort by the committee on this legislation is to do exactly that.

I would like to point out again that the Humphrey amendment seems to be based on the premise that the Congress has in the past been infallible in enacting laws creating veterans' benefits.

I have been engaged in the process for 10 years now, and I do not believe we have been infallible. I do not believe that those laws should never be reexamined, that the priorities they reflect should never be questioned.

I do not believe that no benefit, no matter how unessential or peripheral to the actual needs of veterans or how secondary to higher needs, should be reevaluated to determine whether the money being spent for it could be put to better use to meet more compelling needs. I reject that premise. I believe we have a responsibility, as Senator MUSKIE and Senator BELLMON and others have made plain, to be very careful in spending taxpayers' money and in regard to veterans to make sure we meet their priority needs and their service-connected needs first when choices need to be made, and we do have to make a choice at the present time.

In regard to the nonprescription drugs provision, let me say that this provision is designed to continue the provision of any nonprescription product to a veteran with a service-connected disability and to any non-service-connected veteran whose income does not exceed the VA pension income standard—the same financial need test that I have just described. In addition, this provision would require the Administrator to establish by regulation conditions under which nonprescription products would be provided to any other non-service-connected veteran in order to avoid substantial hardship that would otherwise result from the cost to the veteran of purchasing such products commercially. Thus, the only real effect the committee bill as previously modified today would have on the provision of nonprescription products would be that the routine provision of inexpensive nonprescription products for the treatment of minor conditions would be continued just for those veterans with service-connected disabilities and truly needy veterans. Frankly, I cannot see how the failure to provide a non-service-connected veteran whose income exceeds the liberal income standard we have established with an occasional bottle of aspirin or cough syrup could in any way be characterized as a "cruel betrayal" or a "callous action", and I just do not understand that characterization of what we are seeking to accomplish.

The Senator, in his May 30, 1979, letter, and May 22, 1979, CONGRESSIONAL RECORD statement failed to note that this provision has no applicability whatsoever to service-connected care. I do not understand why that point has been ignored.

DENTAL PROVISION

In his CONGRESSIONAL RECORD statement of May 22, 1979, the Senator from New Hampshire characterized as "unfair" the provision of the committee bill limiting eligibility for dental benefits of certain veterans. In describing the provision, the Senator states that it would limit this dental care to 6 months rather than 1 year after a veteran's discharge.

I regret to say that apparently the Senator has badly misinterpreted this provision. It would make little change in the current practice of the VA. In providing dental care to these veterans, under current regulations, such a veteran has 3 years from the date he or she makes application to the VA in which to obtain all dental care that is indicated at the time of application. All that this provision of the committee bill would do is establish as eligibility criteria a minimum period of active-duty service—180 days—and a requirement that the veteran make application within 6 months after the date of discharge. If we are providing expensive dental care for a veteran's service-connected dental conditions—and the VA estimates that the average cost of providing outpatient dental care is $660 per beneficiary—it seems eminently logical to me that we establish parameters within which we can fairly confidently assume that the conditions are, in fact, service-connected; that is, that the veteran's dental conditions quite likely developed or at least were measurably aggravated by his or her active duty service and that we are not providing extensive dental care for conditions that developed after discharge.

Also, as I have previously indicated, this provision would not limit any existing veteran's eligibility for the care involved. It would be applicable only prospectively.

PERSONNEL NEEDS

Further, Mr. President, the Senator from New Hampshire, in his May 22, 1979, CONGRESSIONAL RECORD statement and in his May 30, 1979, Dear Colleague letter, states that the approach taken in the committee bill of tying cost-savings to increased staffing in VA facilities is paradoxical, taking away with one hand and giving with the other, and that we can afford to maintain existing programs even in an era of tight budgets if we order our priorities properly.

Frankly, I find the Senator's statements on this legislation and his actions in committee paradoxical. As the Senator should know, the Committee on Veterans' Affairs and the Congress have attempted to increase staffing levels in VA health-care facilities in order to maintain the quality and quantity of health care delivered in such facilities and we have been frustrated. Faced with the conflicting needs of staying within a tight budget framework and of increasing the staffing ceiling of the VA Department of Medicine and Surgery, the committee determined, as the Senator from New Hampshire has recommended, that we had to try to work within the existing budget level and reorder our priorities by trimming the fat away from some low priority programs in order to find the necessary moneys to support additional personnel. I would stress that under our approach all veterans who use VA facilities would profit from the enhanced quality and quantity of care which would be available in such facilities.

The Senator has alleged that there is clearcut evidence that non-service-connected veterans are being turned away from VA hospitals. To the extent that this is the case, I would submit that, in large measure, it is because VA hospitals do not have the staff to handle the patient demand. The Senator from New Hampshire tells us this morning that he supports additional VA hospital staffing. Yet, if the Senator would recall, he voted against including a recommendation in our March 15, 1979, report to the Budget Committee that funds—$31.5 million—for additional staffing be included in the first concurrent budget resolution. That being the case, I am anxious to learn from the Senator how he recommends that the Congress should address the staffing needs of VA facilities within the current budget framework and, at the same time, maintain existing programs.

In sum, Mr. President, I believe that, if my colleagues understand the equitable nature of the cost-saving provisions of this legislation and appreciate the great importance of providing strong assurance of more adequate staffing in VA health-care programs, they will enthusiastically support the committee bill as earlier modified. For I am convinced, Mr. President, that we in this body can make an important contribution to the VA health-care system today and that we can make that contribution—not by blindly opposing any reasonable efforts to eliminate unnecessary spending in low priority areas—but by rejecting the Humphrey amendment and thus supporting this legislation to protect the integrity of the VA hospital system and to assure its ability to provide quality care.

• Mr. DOLE. Mr. President, I rise in support of Senator HUMPHREY's amendment to delete benefit cutting sections in S. 1039, the Veterans' Administration Health Resources and Programs Extension Act of 1979.

Mr. President, the committee's action to reduce health care benefits is intended to focus on non-service-connected veterans. However, I strongly suspect these cuts will eventually affect all veterans.

These cuts will affect, for example, the catastrophically disabled veterans who might be paralyzed from battle wounds. Yet this veteran might wish to go to the hospital for a non-service-connected ailment such as pneumonia—and this veteran would be affected by these cuts. Yes, both service and non-service-connected veterans will be harmed by these cuts—these cuts hit hardest at the needy veteran.

Veterans have earned these benefits by their courageous duty to our country. We must not, at this date, start taking these benefits away. Cutting these benefits will work a real hardship on veterans all across this country. Cutting these benefits will have a harmful effect on the health of veterans all across the country.

While these cuts will harm veterans across the board, I want to point out that they will have the additional disastrous consequence of cutting back on non-service-connected care at VA hospitals. Already, we have seen evidence of cutbacks of non-service-connected care. Indeed, many veterans with non-service-connected ailments have been illegally turned away from VA hospitals for necessary and important care. This is plain and simply wrong. The non-service-connected veterans, in many cases, needs the VA hospital system. He does not want to go to the charity ward.

Mr. President, the non-service-connected veterans needs the VA hospitals. This veterans earned VA hospital care. And, I submit, the VA hospital needs the non-service-connected veteran too. As much as 40 to 50 percent of the care given in VA hospitals is given to the non-service-connected veteran. If we start cutting back on these benefits, it will be the first step down the road of eliminating the non-service-connected care from the VA hospitals. And this would be the beginning of the end of the VA hospitals.

Non-service-connected care is essential to the maintenance of a good VA health care system. In order to attract good doctors and nurses, the VA hospitals must provide a variety of health care. The non-service-connected veteran contributes to a well-rounded type of health care facility, a facility which is able to offer many different methods of treatment.

Mr. President, we simply must not start the process of cutting back our non-service-connected veterans benefits. That approach is too dangerous for the veteran and for the VA system.

Reducing benefits on one hand in order to maintain adequate health care on the other does not make sense. Mr. President, this is no way to treat veterans who have given so much to this great country. Veterans have earned both these benefits and a good health care system.•

Mr. MORGAN. Mr. President, I rise in support of S. 1039 as reported by the Veterans' Affairs Committee and in opposition to the amendment offered by the Senator from New Hampshire.

Mr. President, this was not an easy decision, but I believe it is a necessary one if we are to ensure that adequate staffing is restored and maintained in VA health-care facilities.

Mr. President, as the veterans back in North Carolina know, I have long recognized their right to certain benefits and compensation because of the sacrifices they have made in the service of their country, and I have consistently supported their legislative goals. And, although I realize that some of the Washington-based veterans' organizations disagree with me, I believe that by voting against Senator HUMPHREY's amendment, I am again voting in the best interests of the veterans back home.

Title II of the bill, as reported by the committee, would put some limits on reimbursement for health care services to veterans with non-service-connected disabilities, and apply the money saved to improving staff levels at VA health care facilities. In short, what it would do is to divert limited resources from lower priority services to the crucial need of making sure that we have enough doctors and nurses in the VA hospitals.

To understand why this is necessary one has to review our recent, unsuccessful efforts that VA facilities would have adequate staff. For fiscal year 1979, the Congress appropriated $54.7 million more for VA health care services than the administration asked for. Of this amount, we clearly stated that $32.3 million should be used for additional personnel. This budget increase was needed because new hospitals and clinics had been opened, and the administration was intending to transfer people from existing facilities rather than hiring more.

In December, I became aware of rumors that the administration was going to ask the Congress for permission not to spend the extra health care funds we had appropriated. I immediately wrote the President to express my concern about this. Shortly thereafter I received a response which said that while they had considered asking the Congress for permission not to spend the money, this idea had been rejected.

I thought that was the end of this matter, but I was wrong. On January 25 of this year, VA witnesses testified that the administration intended to use the extra health care funds to pay for the October 1978 pay increase, rather than to hire additional personnel. In fact, they not only used the extra $32.3 million we had given them for additional personnel for pay raises, but also another $65 or so million out of the health care account.

I and a number of other Senators have expressed our concern over this, but to no avail. Meanwhile, the entire VA health care system is in great turmoil, staffing levels are getting dangerously low, and there have been cutbacks in the provision of needed health care services. Right now, the VA is employing 3,273 medical personnel less than is needed. This shortfall will grow to over 6,000 in the next 1½ years if no additional personnel are hired, as the VA intends.

Faced with a deteriorating VA health care system, the Senate had to take some action. Some people suggested that we simply pass a law mandating that the administration hire the additional staff. This was the simplest option, but it ignored the fact that the country is presently undergoing inflation in excess of 10 percent, and that one of the reasons for this is too much Federal spending. The taxpayers of this country are demanding that Federal spending be tightly controlled, and it would be difficult, if not impossible, to pass a bill that would have simply increased the demands on the budget.

So, the Veterans' Affairs Committee decided to try another approach. They undertook a serious review of the VA health care system in order to see if there was any waste that could be eliminated, or if there were services which were clearly of lower priority than making sure the hospitals had enough doctors and nurses. This review led the committee to propose title II of this bill. Title II would tighten up on reimbursement for travel expenses for veterans with non-service-connected disabilities, limit the present practice of providing free nonprescription drugs, such as aspirin, to non-service-connected veterans receiving outpatient care, and end free outpatient dental care for dental problems that cannot be attributed to the veterans' service in the military. However, the VA is prohibited from enforcing the cost savings unless it also hires the extra medical personnel that are crucially needed.

S. 1039 may not be the perfect solution to the problems facing the VA health care system. But, it is the only reasonable solution that we can enact quickly enough to insure that the VA is still capable of providing needed medical services. By voting for Senator HUMPHREY's amendment we would, in effect, be saying that nothing should be done, that we should allow the VA to continue to provide lower priority services while denying needed treatment to those who have been injured in combat.

Mr. President, in conclusion, I can only say that I am voting against Senator HUMPHREY's amendment because I do not believe it is in the best interests of the veterans of this country.

The PRESIDING OFFICER (Mr. BRADLEY). Who yields time?

Mr. CRANSTON. If there is nothing more to be said on this amendment, I suggest that we proceed to the other amendments.

The PRESIDING OFFICER. Is the Senator asking unanimous consent to set this amendment aside?

Mr. HUMPHREY. I object. I object, Mr. President, for the time being.

How much time do I have remaining?

The PRESIDING OFFICER. The Senator has 34 minutes and 10 seconds remaining.

Mr. HUMPHREY. Mr. President, am I recognized?

The PRESIDING OFFICER. The Senator from New Hampshire.

Mr. HUMPHREY. I regret very much, Mr. President, that the distinguished chairman of the Veterans' Affairs Committee seems to have been offended by the language of my letter. In fact, I do regard these cuts as callous and cruel, but I have no doubt he feels otherwise. I have no doubt that he feels these cuts are justifiable, that we are not breaking our faith.

I am not trying to impugn the character of Senator CRANSTON or any member of the committee, but I do personally regard these cuts as a callous and a cruel betrayal because in fact when you come down to the final analysis we are cutting existing veterans' benefits, and the major veterans' organizations, who are not disinterested in this and spend a great deal of time studying issues such as this, weighing the pros and cons, happen in this case to disagree with the administration and the distinguished chairman of the Veterans' Affairs Committee. They think these benefits ought not to be cut, that we ought not to agree to this deal under which if we cut benefits the administration will do what it should do anyway, namely, properly staff VA hospitals.

I am attempting to ascertain the wishes of the chairman of the Veterans' Affairs Committee, Mr. President, so that we in turn can make some disposition of this amendment.

Mr. CRANSTON. We can either yield back the time we have remaining on this amendment, or we can temporarily lay it aside and take up two other amendments.

The PRESIDING OFFICER. There is an order that this amendment shall not be voted upon until 2:30.

Mr. CRANSTON. Right.

Mr. HUMPHREY. A parliamentary inquiry, Mr. President.

The PRESIDING OFFICER. The Senator will state it.

Mr. HUMPHREY. If we go on to other amendments, will there be a vote on this amendment at 2:30 sharp?

The PRESIDING OFFICER. Unless the Senate is in a quorum call or voting on another amendment, the vote will be at 2:30 promptly.

Mr. HUMPHREY. Fine. I am willing to yield back the remainder of my time if Senator CRANSTON is.

Mr. CRANSTON. I yield back the remainder of my time.

Mr. HUMPHREY. I yield back the remainder of my time.

The PRESIDING OFFICER. Does the Senator from California request that this amendment be temporarily laid aside?

Mr. CRANSTON. No; we will just yield back our time and then go on to other matters.

UP AMENDMENT NO. 263

(Purpose: Directs the Secretary of HEW to perform an epidemiological study of the long-term health effects of exposure to chemicals called "dioxins")

Mr. CRANSTON. Mr. President, on behalf of the Senators from New York (Mr. JAVITS and Mr. MOYNIHAN) and myself, as well as the Senator from Illinois (Mr. PERCY), I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from California (Mr. CRANSTON), for himself and others, proposes an unprinted amendment numbered 263.

Mr. CRANSTON. I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Add at the end of the bill the following new action:

SEC. 304. (a) The Secretary of Health, Education, and Welfare, in consultation with the heads of other appropriate Federal departments and agencies, shall conduct a scientific, epidemiological study of various populations to determine if there may be long-term health effects in humans from exposure to the class of chemicals known as "the dioxins", especially those dioxins produced during the manufacture of the various phenoxy herbicides including those used during the period of the Vietnam conflict.

(b) The report of the study shall include (1) a comprehensive review and professional analysis of the literature covering other such studies conducted or underway of such long-term health effects, and (2) a description of the results of epidemiological studies conducted by the Secretary of populations of chemical workers, agricultural workers, Service personnel and veterans, and others exposed in connection with the production or use of such phenoxy herbicides. Such report, together with such comments and recommendations as the Secretary and such department and agency heads may deem appropriate, shall be submitted to the appropriate Committees of the Congress not later than 30 months after the date of the enactment of this Act.

Mr. CRANSTON. Mr. President, I am happy to join with the Senators from New York and the Senator from Illinois in offering this amendment. I think that the question of possible long-term health effects from human exposure to dioxin needs to be addressed as quickly as possible. As Chairman of the Committee on Veterans' Affairs, I have had an intense interest in the health effects of dioxin exposure, because of the presence of dioxin as a contaminant in "agent orange" and other herbicides used in the Vietnam conflict. Vietnam veterans have made me aware of their concerns about ill health following their exposure to dioxin.

Mr. President, Agent Orange was the military name for an herbicide or defoliant used in Vietnam from 1962 to 1971. It was 50–50 mixture of chemicals "2,4-D" and "2,4,5-T". When 2,4,5-T was manufactured, an unavoidable contaminant called "dioxin" was present. Dioxin is called one of the most toxic materials produced by man. The 2,4,5-T produced during 1965 and 1968, 2 years of heavy Agent Orange use, had high concentrations of dioxin contamination according to a report prepared by the Office of Science and Technology Policy of the White House.

Agent Orange was sprayed from aircraft, helicopters, and on the ground to defoliate areas in Vietnam. When sprayed from aircraft and helicopters ("Operation Ranch Hand"), it was for the purpose of denying jungle cover to the enemy and occasionally for destroying food crops that might be used by the Vietcong. When sprayed by hand, it was used to clear vegetation around bases, and encampments to improve visibility.

Mr. President, 2,4-D and 2,4,5-T have been used alone or in mixtures in this country since the late 1940's to control weeds in lawns and agricultural crops, to control vegetation along rights of way and highways, and, by the Forest Service, to control unwanted plants in national Forests. The levels of dioxin in the 2,4,5-T produced for domestic use in the 25 years of use in this country are not known with any degree of accuracy, and so forth, by the Forest Service for vegetation control and commercially on pasturelands and rice crops. On March 1, 1979, the Environmental Protection Agency announced the first emergency ban in the agency's history—against further domestic use of 2,4,5-T. This action followed an apparent increase in miscarriages among women in an Oregon town after nearby forests were sprayed with 2,4,5-T.

Although massive doses of 2,4-D and 2,4,5-T can produce acute illness, they have generally been considered to be quite safe when used in appropriate amounts. When the contaminant dioxin was present in significant quantities, however, the possibility of acute toxic effects was increased. Long-term toxic effects from dioxin are poorly understood. Because dioxin has been shown to cause birth defects, cancers, and various other disorders in laboratory animals, there is understandable concern that these same problems might be found in humans. The studies needed to answer these questions, however, have either only recently been started or have not been done at all. The limited epidemiologic studies that have been started—Seveso, Italy, and the EPA study in Oregon that led to the recent ban of 2,4,5-T—are not far enough along to provide reliable information about long-term effects of dioxin exposure. These studies should not be duplicated by the study called for by the amendment.

Concern about the effects of agent orange in Vietnam veterans surfaced 1½ years ago through media focus in Chicago and Portland on the possibility of long-term effects in humans. Approximately 500 claims for service-connected disability have been filed with the VA for such problems as cancer, nervousness, birth defects, and miscarriages. Only those claims for the one proven long-term dioxin effect—a skin condition called "chloracne"—have been allowed. The denial of almost all agent orange claims by the VA is viewed by some Vietnam veterans as suggestions that a deliberate "coverup" of irresponsible action by the Federal Government is being carried out in much the same way as information about adverse health effects from radiation was withheld from nuclear weapons test participants in the 1950's and 1960's—a subject on which the Veterans' Affairs Committee is holding hearings this Wednesday.

In view of these concerns and events on February 7, 1979, I urged the President to begin the larger-scale epidemiologic studies necessary to define the long-term effects of human exposure to dioxin (copy of letter attached). On April 30, 1979, I issued a press release characterizing the VA's efforts to deal with the agent orange question as insufficient, and spelled out the steps I considered necessary to answer the serious questions raised about agent orange exposure. Since then I have been following closely the progress of the Advisory Committee on Health-Related Effects of Herbicides which has been charged by the White House with the responsibility of organizing the epidemiologic studies required to try to answer these difficult questions.

Mr. President, I ask unanimous consent that my February. 7, 1979, letter to the President, the March 2, 1979, response from Presidential Assistant Stuart Eizenstat, and my April 30, 1979, press release be printed in the Record at this point.

There being on objection, the material was ordered to be printed in the Record, as follows:

Washington, D.C.,
February 7, 1979.

Hon. Jimmy Carter,
The White House,
Washington, D.C.

Dear Mr. President: I know you share my concern that the chemicals we use may have serious, long-term effects on our health that are unknown. The issue of the long-term effects on humans of the use of herbicides both in this country since the late 1940's and in the Indochina Conflict during the 1960's is of great concern to me. I am writing to you because I believe that a coordinated Federal interagency effort is badly needed to deal with this issue.

I believe that it would be tragic if exposure to herbicides in general and to the herbicide contaminant dioxin in particular had long-term health effects which we permitted to remain unrecognized, thus allowing additional persons to be harmed because of continuing exposure to a toxic substance. There is, as the Veterans' Administration has acknowledged, special cause for concern for the welfare of veterans who were exposed to dioxin, due to its presence in "Agent Orange" and other heribicides, during their service in the conflict in Vietnam; and it would be inexcusable if any resulting harm to them was not discovered because the issue was inadequately studied.

The toxicology of dioxin is not well enough understood at this time to answer questions about the long-term health consequences of exposure to this chemical agent. For example, we do not know whether the finding of long-term toxic effects in animals also applies to humans. We also do not know whether publicity surrounding the "Agent Orange" issue has created needless anxiety and contributed to a number of complaints of psychological origin or whether the publicity has prompted individuals to seek medical care with complaints that are related to dioxin exposure.

I understand there is one long-term study of a group of persons exposed to dioxin in Seveso, Italy, in 1976. I think it critical that additional groups and individuals exposed to dioxin be studied in such a way as to answer some of the questions raised above. There are numbers of persons in the United States who have been exposed to dioxin who should logically be included in such a study. One group, as stressed previously, consists of those service personnel who were exposed to dioxin in the Indochina Conflict in the 1960's. I've been unable to learn of any comprehensive, long-term epidemiological studies underway in this country to follow that group.

Although the Veterans' Administration has established written policies and procedures to start a "registry" of veterans who present themselves to VA medical facilities with complaints which the veteran feels might relate to herbicide exposure. I am concerned that this registry will be far from adequate for purposes of developing scientifically valid and definitive information about the effects of dioxin on our Vietnam veterans. Sound epidemiologic methods certainly require a much more broad-based method of sampling than waiting for those who happen to use VA health-care services to seek care at VA facilities.

Likewise, the VA's recently announced research program to search for traces of dioxin in the body fat of veterans exposed to dioxin in Indochina is not capable of providing complete answers to the questions that are raised. Although I agree that this study may supply "another piece" of the total puzzle, it certainly cannot be considered to be a comprehensive investigation into all the significant, relevant issues.

Thus, I strongly urge that serious consideration be given to starting a major, long-term epidemiologic study of individuals exposed to dioxin. Appropriate epidemiologic methods should be used to select both individuals exposed to dioxin in the Indochina Conflict in the 1960's and persons exposed to dioxin in this country since the 1940's to be followed by such a study. Other federal agencies with some involvement in the issues—the Department of Defense, the Department of Health, Education, and Welfare, the Department of Agriculture, and the Environmental Protection Agency—should participate. The study should span sufficient time to obtain solid background data for determining the long-term health effects of the chemical on humans and the validity of claims against the government relating to dioxin exposure. The study should also look at the effects of publicity on the presentation of complaints relating to possible health problems arising from dioxin exposure.

As Chairman of the Committee on Veterans' Affairs and a member of the Health Subcommittee of the Human Resources Committee, I strongly believe that these issues are of such importance to the people of the United States in general and to Vietnam veterans in particular as to warrant the major, long-term study that I have suggested. I respectfully urge that you give these suggestions your most serious consideration.

With warmest personal regards,

Cordially,

Alan Cranston,
Chairman.

Washington, D.C.,
March 2, 1979.

Hon. Alan Cranston,
U.S. Senate,
Washington, D.C.

Dear Senator Cranston: On behalf of the President, I would like to thank you for your recent letter regarding the long-term health effects of the herbicide dioxin.

The Administration, and particularly the Veterans Administration, have been aware of the growing anxiety and concern of many Vietnam veterans and others exposed to dioxin. We also share with you the concern over any unnecessary apprehension by the public as well as the need for a greater understanding by the medical community of dioxin's toxicology. I am sure that you are aware of VA's current policy and practice on Agent Orange disability claims. The VA has been working for some time with other appropriate agencies, including the Departments of Defense and Agriculture, the National Academy of Sciences, the Environmental Protection Agency, the National Cancer Institute, the Food and Drug Administration, and the Institute of Environmental Health Sciences, on the dioxin issue.

Recently, the VA Administrator has submitted a formal request for the establishment of an advisory committee on herbicides to the Administrator of the General Services Administration. The advisory committee has been approved and will be established very soon. We expect that during its twelve month mandate the advisory committee will advance recommendations to resolve the complex and compelling questions involved with this issue. Furthermore, we will request that the advisory committee consider, as soon as possible, the need for and feasibility of a major long-term epidemiological study of individuals exposed to dioxin as you have suggested. I will ask my staff to monitor the deliberations of the committee as well as seek the guidance of other appropriate White House staff on the question of undertaking such a study. My staff will be reporting back to you on this matter.

We appreciate your taking the time to share with us your concern over this issue and for forwarding your thoughtful recommendation.

Sincerely yours,

Stuart E. Eizenstat,
Assistant to the President for Domestic Affairs and Policy.

SENATE COMMITTEE ON VETERANS' AFFAIRS

Senator Alan Cranston (D., Calif.) said today "bureaucratic delay" by the Veterans' Administration is "needlessly adding to the fear and uncertainty" of Vietnam veterans who were exposed to the jungle defoliant called Agent Orange.

Cranston, who is Chairman of the Senate Veterans' Affairs Committee, called on the VA to "move more aggressively to learn the truth about Agent Orange and determine if veterans have legitimate reason for their anxiety."

The defoliant, which was used by U.S. forces in Vietnam in the 1960's, was a mixture of two herbicides, one of which contained a toxic contaminant called dioxin. Dioxin is known to cause birth defects, cancer and various other disorders in laboratory animals.

Cranston noted that the Federal Environmental Protection Agency has ordered a temporary ban on domestic uses of the herbicide 2,4,5-T, which is the dioxin-tainted ingredient in Agent Orange.

The E.P.A. took the action following an increase in miscarriages among women in an Oregon town after nearby forests were sprayed with the weed-killer. Herbicide 2,4,5-T has been used in the U.S. since the 1940's to clear weeds and unwanted foliage from forests and pastures, along rights-of-way and on some home lawns.

"It may be that Vietnam veterans are no more threatened with serious health hazards from dioxin than are some civilians," Cranston said. "The problem is we just don't know for sure."

Meanwhile the Veterans' Administration "is not sending out clear signals," he said.

The VA has announced plans to advise Vietnam veterans of potential dangers from dioxin exposure, Cranston noted. At the same time, because the long-term health effects of exposure to dioxin are unclear, the agency has turned down nearly all of some 500 claims for disability compensation on dioxin-related grounds.

Last February Cranston urged President Carter to initiate a multi-agency, long-range epidemiologic study of the effects of dioxin exposure on veterans and certain civilians. For example, he said valuable information might be obtained from follow-up studies on Forest Service employees who carried out herbicide spraying on federal lands years ago.

"The VA has been given the responsibility to lead this kind of investigation, but the matter has been relegated to an advisory committee," Cranston said. "It could be many more months before committee members are chosen and before they hold their first meeting."

Cranston said the VA has taken some useful action on the Agent Orange question. A registry is being kept of veterans who enter VA health care facilities complaining of what the veteran believes is a dioxin-related ailment. "But the agency is proceeding at too limited and too leisurely a pace," he said. For example, the VA announced, approximately 3 months ago, that it will conduct tests on certain volunteers to determine if dioxin can be stored in body fat.

"This tissue sample study should have been completed months ago—there were plenty of volunteers." "The VA has shown an inexcusable lack of priority for this study," Cranston said.

Mr. CRANSTON. I agree completely with the Senators from New York and the Senator from Illinois that the resources of the Department of Health, Education, and Welfare are the most appropriate ones available for conducting the authoritative epidemiologic study required. I congratulate the senior Senator from New York on his thoughtful treatment of this important question in sponsoring this amendment, thank him for his cooperation with me in developing its provisions, and, as its principal cosponsor, I urge its adoption.

CRANSTON/JAVITS/PERCY AMENDMENTS TO S. 1039

● Mr. JAVITS. Mr. President, I strongly support this amendment to S. 1039 to empower the Secretary of HEW to conduct an epidemiologic study of the health effects of herbicides containing the toxic chemical compound dioxin on populations which may have been at risk of exposure, and to report to the Congress the findings of the study within 2½ years.

There has been much recent furor over the possible health hazards of dioxin contamination. During the period of the Vietnam conflict, until 1970, the U.S. forces in Vietnam used the herbicide commonly known as agent orange containing 2,4,5-T in its defoliation program. In 1969, the U.S. Bionetics Research Laboratory found the dioxin contaminant of agent orange to be teratogenic—causing fetal abnormalities. The U.S. Government withdrew agent orange from Vietnam in 1970, and restricted 2,4,5-T use in the United States to commercial forestry and clearing for right-of-way use. Since the introduction of agent orange, numerous medical complaints have been heard from individuals exposed to dioxins. In 1978 alone, approximately 1,100 persons entered VA hospitals with possible dioxin related ailments, including various forms of cancer, birth defects in children, stillbirths, impotency, psychological, and dermatological disorders.

Such medical complaints have not been heard solely from veterans or their dependents. Earlier this year, the Environmental Protection Agency banned the use of 2,4,5-T for most commercial purposes, after the reports from an EPA-commissioned study produced evidence linking the herbicide with a high incidence of miscarriages in an area of heavy use. Yet, to date, there have been no comprehensive, retrospective studies of the health conditions of human populations which may have been exposed to dioxins. Although the evidence certainly points to a potential hazard to human health of dioxin exposure—the 1976 chemical plant explosion in Seveso, Italy, which contaminated the area and the resultant abnormally high rate of birth defects and skin lesions is but the most recent powerful example—there has been no direct scientific linkage made.

Mr. President, these issues have not gone unnoticed by the Senate. Earlier this year Senator CRANSTON, chairman of the Veterans' Affairs Committee, wrote to Max Cleland, Veterans' Administrator, expressing his deep concern over the medical complaints of veterans exposed to agent orange. So, too, has my friend, senior Senator from Illinois, Senator PERCY, voiced his concern for these veterans and expressed strongly his belief that the Federal Government should make a concerned effort to address the issue of dioxin exposure. The VA has responded by establishing an Advisory Committee on the health-related effects of herbicides, including representatives from the Federal bureaucracy, veterans groups, and the medical and scientific professions. Although the establishment of this Advisory Committee is an important first step, it can only be complementary to a study providing us with evidence of the extent of the exposure problem and the health condition of those exposed to dioxins. Our amendment will mandate such a study to be conducted in the proper context, and its results will enable us to proceed further in developing Federal policy respecting dioxins. I urge approval of this amendment.●

Mr. CRANSTON. Mr. President, I am delighted to ask unanimous consent that the name of the distinguished Senator from Wyoming (Mr. SIMPSON), the ranking Repulican member of the Veterans' Affairs Committee, be added as a cosponsor of the pending amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CRANSTON. If there is nothing more to be said on the amendment, I believe we should proceed to its adoption.

The PRESIDING OFFICER. Does the Senator from Wyoming yield back the remainder of his time?

Mr. SIMPSON. Yes, I would, Mr. President.

The PRESIDING OFFICER. The Senator has some time in opposition.

Mr. SIMPSON. I am a cosponsor of the amendment, Mr. President.

Mr. CRANSTON. It would be ill-becoming the Senator to oppose the amendment under the circumstances.

I yield back the remainder of my time.

The PRESIDING OFFICER. All remaining time having been yielded back, the question is on agreeing to the amendment (UP No. 263) of the Senator from California (Mr. CRANSTON).

The amendment was agreed to.

Mr. CRANSTON. Mr. President, pending the arrival of the senior Senator from New Hampshire (Mr. DURKIN), who has an amendment, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

AUTHORIZATION FOR VICE PRESIDENT TO APPOINT COMMITTEE FOR JOINT SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Vice President of the United States be authorized to appoint a committee of the Senate to join a similar committee on the part of the House to escort the President into the Chamber of the House of Representatives later today for the joint session.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. DURKIN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

VETERANS' ADMINISTRATION HEALTH RESOURCES AND PROGRAMS EXTENSION ACT OF 1979

The Senate continued with the consideration of S. 1039.

UP AMENDMENT NO. 264

(Purpose: To provide for priority in outpatient VA treatment for veterans of World War I)

Mr. DURKIN. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from New Hampshire (Mr. DURKIN), for himself and Mr. STONE, proposes an unprinted amendment numbered 264.

Mr. DURKIN. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place in the bill insert the following:

SEC. . Section 612(i) is amended by inserting at the end thereof the following new clause:

"(5) To any veteran of World War I."

Mr. DURKIN. Mr. President, the amendment which I have sent to the desk will increase medical care to veterans of the First World War by granting them special priority for Veterans' Administration outpatient services and treatment. This move is long overdue.

This amendment offers tremendous benefits to World War I veterans and promises significant cost savings to the Federal Government. Under my amendment, World War I veterans are provided outpatient medical services at $22.90 per day, when appropriate, instead of admitting them to hospitals on an inpatient status, for which they are all eligible under current law, at a cost of $133.68 per day to treat their disabilities as though the medical illness is service connected.

During the last Congress, I worked hard with my colleagues to insure congressional approval of the $800 annual rate increase for World War I veterans under the Pension Improvement Act. The amendment I am offering now is aimed at helping all veterans of the First World War, many of whom receive no pension whatsoever from the Veterans' Administration.

These men, who currently number about 600,000, were never offered many of the advantages which have been available to veterans of subsequent wars, such as employment counseling, readjustment benefits, and GI educational benefits.

The average age of our World War I veterans is 80 years old. These people have earned our help, and need it now.

Specifically, my amendment gives every World War I veteran priority status for receiving Veterans' Administration outpatient treatment and medical care. Its passage will signify a renewed commitment by this Congress to those veterans who served during such a difficult war, and who have too long been neglected. We must take actions on behalf of the health needs of World War I veterans, because these actions are deserved.

It is my understanding the amendment has been cleared on both sides.

I ask that Senator STONE be added as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CRANSTON. Mr. President, I appreciate the concerns of the Senator from New Hampshire that in many instances it might be more appropriate and cost-effective to provide outpatient care to veterans of World War I in lieu of more costly inpatient care. In my view, his amendment, which would include needy veterans of World War I as the fifth priority for receipt of non-service-connected outpatient care, after care of veterans for service-connected disabilities, veterans who are at least 50-percent disabled, veterans with service-connected disabilities, and veterans with severe non-service-connected disabilities, represents a reasonable approach to addressing the needs of World War I veterans. Although the amendment is not entirely without problems, I think we can resolve any difficulties I might have with the amendment during conference, and, thus, I am willing to accept the Senator's amendment.

The PRESIDING OFFICER. The Senator from Wyoming.

Mr. SIMPSON. Mr. President, I also appreciate the concerns of the Senator from New Hampshire for the health care of the veterans of World War I. This distinguished group of our Nation's veterans are faced with the special health problems associated with the every increasing passage of time alone. They are a group whose diminishing numbers require the dedication of greater health care and domicilliary assets. The health care problems faced by these veterans must be carefully considered by the Veterans' Affairs Committee of the Senate to insure that the entire problem is addressed.

While I believe that this amendment is an appropriate step in providing better health care for the veterans of World War I, I will accept it—and do accept it—with the understanding that it will receive further review during conference consideration.

I thank the Chair.

The PRESIDING OFFICER. Do Senators yield back their time?

Mr. CRANSTON. I yield back my time.

Mr. DURKIN. I yield back my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. DURKIN. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. CRANSTON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. DURKIN. I thank the chairman and the ranking minority member of the committee.

Mr. CRANSTON. I thank the Senator from New Hampshire.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. CRANSTON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CRANSTON. Mr. President, I ask unanimous consent that immediately following the rollcall vote on the Humphrey amendment, we go to a third reading.

The PRESIDING OFFICER. The Chair reminds the Senator from California that the committee substitute must be disposed of prior to third reading.

Mr. CRANSTON. I ask unanimous consent that we dispose of the committee substitute and then go to third reading immediately upon the conclusion of the vote on the Humphrey amendment.

The PRESIDING OFFICER. After the committee substitute is disposed of, if it is agreed to, we will automatically go to third reading.

Mr. CRANSTON. I ask unanimous consent that upon the conclusion of the vote on the Humphrey amendment we go immediately to the committee substitute and then third reading.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CRANSTON. Mr. President, do we still have time pending on the bill?

The PRESIDING OFFICER. The Senator from California has 6 minutes, and the Senator from Wyoming has 27 minutes.

Mr. CRANSTON. I yield back all time except any that may be consumed by quorum calls.

The PRESIDING OFFICER. The Chair points out to the Senator from California that under the precedents, 6 minutes is not enough time to suggest the absence of a quorum. The Senator may yield back the time and then suggest the absence of a quorum.

Mr. CRANSTON. I yield back all my time.

Mr. SIMPSON. Mr. President, I yield back my time.

Mr. CRANSTON. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

DEPARTMENT OF ENERGY NATIONAL SECURITY AND MILITARY APPLICATIONS OF NUCLEAR ENERGY AUTHORIZATIONS, 1980

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed temporarily to the consideration of Calendar No. 208. That measure is scheduled for consideration following the pending measure and vote will not occur on the Humphrey amendment until 2:30 p.m. So there are 15 minutes that the Senate could utilize in perhaps getting some opening statements out on the Department of Energy bill.

The PRESIDING OFFICER. The bill will be stated by title.

The legislative clerk read as follows:

A bill (S. 673) to authorize appropriations for the Department of Energy for national security programs for fiscal year 1980 and fiscal year 1981, and for other purposes,

There being no objection, the Senate proceeded to the consideration of the bill, which had been reported from the Committee on Armed Services with an amendment, and from the Committee on Energy and Natural Resources with amendments.

The amendment of the Committee on Armed Services is to strike all after the enacting clause and insert the following:

That this Act may be cited as the "Department of Energy National Security and Military Applications of Nuclear Energy Authorization Act of 1980".

TITLE I—NATIONAL SECURITY PROGRAMS

OPERATING EXPENSES

SEC. 101. Funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 1980 for operating expenses incurred in carrying out national security programs, including scientific research and development in support of the armed services, strategic and critical materials necessary for the common defense, and military applications of nuclear energy, and related management and support activities, as follows:

(1) For Weapons Activities, $1,428,741,000.

(2) For Verification and Control Technology, $36,800,000.

(3) For Materials Production, $343,848,000.

(4) For Defense Waste Management, $196,501,000.

PLANT AND CAPITAL EQUIPMENT

SEC. 102. Funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 1980 for plant and capital equipment, including planning, construction, acquisition, or modification of facilities (including land acquisition), and fabrication of capital equipment not related to construction, and related management and support activities, necessary for national security programs, as follows:

(1) For weapons activities:

Project 80–AE–4, Addition to computer facility, Sandia Laboratories, Livermore, California, $2,800,000.

Project 80–AE–5, Ground launched cruise missile (GLCM) warhead production facilities, various locations, $4,000,000.

Project 80–AE–6, Utilities and equipment restoration, replacement and upgrade, various locations, $39,400,000.

Project 80–AE–7, Relocate water towers, Mound Facility, Miamisburg, Ohio, $1,400,000.

Project 80–AE–8, Advanced size reduction facility, Rock Flats Plant, Golden, Colorado, $10,000,000.

Project 80–AE–9, New polymer production facility, Bendix Plant, Kansas City, Missouri, $1,400,000.

Project 80–AE–10, Additional loading facilities, Savannah River Plant, Aiken, South Carolina, $3,500,000.

Project 80–GPP–1, General plant projects, $25,400,000.

Project 80–PE&D–1, Plant engineering and design, $16,700,000.

Project 71–9, Fire, safety, and adequacy of operating conditions projects, various locations, an additional sum of $7,000,000, for a total project authorization of $287,000,000.

Project 77–11–c, 8" Artillery Fired Atomic Projectile (AFAP) production facilities, various locations, an additional sum of $4,600,000, for a total project authorization of $27,200,000.

Project 78–16–d, Weapons safeguards, various locations, an additional sum of $2,000,000, for a total project authorization of $28,000,000.

Project 78–16–g, Radioactive liquid waste improvement, Los Alamos Scientific Laboratory, New Mexico, an additional sum of $6,200,000, for a total project authorization of $12,500,000.

Project 79–7–b, Fire protection improvements, Los Alamos Scientific Laboratory, New Mexico, an additional sum of $2,500,000, for a total project authorization of $4,500,000.

Project 79–7–c, Proton storage ring, Los Alamos Scientific Laboratory, New Mexico, an additional sum of $16,100,000, for a total project authorization of $21,100,000.

Project 79–7–l, System research and development laboratory, Sandia Laboratories, Albuquerque, New Mexico, an additional sum of $12,000,000, for a total project authorization of $13,000,000.

Project 79–7–n, Utility system restoration, Y–12 plant, Oak Ridge, Tennessee, an additional sum of $15,800,000, for a total project authorization of $18,000,000.

Project 79–7–o, Universal pilot plant, Pantex Plant, Amarillo, Texas, an additional sum of $3,900,000, for a total project authorization of $7,400,000.

Capital equipment not related to construction, $104,164,000.

(2) For verification and control technology for capital equipment not related to construction, $1,060,000.

(3) For materials production:

Project 80–AE–2, Replace obsolete processing facilities, HB Line, Savannah River, South Carolina, $19,000,000.

Project 80–AE–3, Steam generation facilities, Idaho Chemical Processing Plant, Idaho, $23,500,000.

Project 80–GPP–1, General plant projects, $15,000,000.

Project 80–PE&D–1, Plant engineering and design, $7,000,000.

Project 77–13–a, Fluorinel dissolution process and fuel receiving improvements, Idaho Chemical Processing Plant, Idaho National Engineering Laboratory, Idaho, an additional sum of $50,400,000, for a total project authorization of $115,400,000.

Project 78–18–e, Environmental, safety and security improvements to waste management and materials processing facilities, Richland, Washington, an additional sum of $11,500,000, for a total project authorization of $40,000,000.

Project 79–7–i, Transmission and distribution systems upgrading, Richland, Washington, an additional sum of $7,000,000, for a total project authorization of $14,000,000.

Capital equipment not related to construction, $35,000,000.

(4) For defense waste management.

Project 80–GPP–1, General plant projects, $8,880,000.

Project 80–PE&D–1, Plant engineering and design, $21,320,000.

Project 77–13–f, Waste Isolation Pilot Plant, Delaware Basin, southeast New Mexico (A–E, land lease acquisition and long-lead procurement), an additional sum of $26,500,000, for a total project authorization of $94,500,000.

Capital equipment not related to construction, $12,000,000.

TITLE II—MISCELLANEOUS PROGRAMS

OPERATING EXPENSES

SEC. 201. Funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 1980 for operating expenses, including related management and support activities, incurred in carrying out the following programs:

(1) For Inertial Confinement Fusion, $108,890,000.

(2) For Naval Reactors Development, $241,367,000.

(3) For Nuclear Materials Security and Safeguards Development, $43,227,000.

PLANT AND CAPITAL EQUIPMENT

SEC. 202. Funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 1980 for plant and capital equipment, including planning, construction, acquisition, or modification of facilities (including land acquisition), and fabrication of capital equipment not related to construction, and related to management and support activities as follows:

(1) For inertial confinement fusion activities:

Project 80–PE&D–1, Plant engineering and design, $3,500,000.

Capital equipment not related to construction, $8,500,000.

(2) For naval reactors development:

Project 80–AE–1, Fluids and corrosion test facilities upgrading, various locations, $17,900,000.

Project 80–GPP–1, General plant projects, $3,300,000.

Capital equipment not related to construction $15,800,000.

(3) For nuclear materials security and safeguards for capital equipment not related to construction, $3,400,000.

TITLE III—GENERAL PROVISIONS

REPROGRAMMING

SEC. 301. Except as otherwise provided in this Act—

(1) no amount appropriated pursuant to this Act may be used for any program in excess of 105 percent of the amount authorized for that program by this Act or $10,000,000 more than the amount authorized for that program by this Act, whichever is the lesser, and

(2) no amount appropriated pursuant to this Act may be used for any program which has not been presented to, or requested of, the Congress,

unless (A) a period of 30 calendar days (not including any day in which either House of Congress is not in session because of adjournment of more than three calendar days to a day certain) has passed after receipt by the appropriate committees of Congress of notice from the Secretary of Energy (hereinafter in this title referred to as the "Secretary") containing a full and complete statement of the action proposed to be taken and the facts and circumstances relied upon in support of such proposed action, or (B) each such committee before the expiration of such period has transmitted to the Secretary written notice to the effect that such committee has no objection to the proposed action. In no event may the total amount of funds obligated pursuant to this Act exceed the total amount of appropriations authorized by this Act.

LIMITS ON GENERAL PLANT PROJECTS

SEC. 302. (a) The Secretary is authorized to carry out any construction project under the general plant projects provisions authorized by this Act if the total estimated cost of such construction project does not exceed $1,000,000.

(b) If at any time during the construction of any general plant project, the estimated cost of such project is revised to exceed $1,000,000 due to unforeseen cost variations, the Secretary shall immediately furnish a complete report to the appropriate committees of Congress explaining the reasons for the cost variation.

(c) In no event may the total cost of all general plant projects carried out under this Act exceed the total amount authorized to be appropriated for such projects under this Act.

LIMITS ON CONSTRUCTION PROJECTS

SEC. 303. (a) Whenever the current estimated cost of a construction project authorized by section 102 or 202 exceeds by more than 25 percent the amount authorized for such project, such project may not be started or additional obligations incurred in connection with such project, as the case may be, unless (1) a period of 30 calendar days (not including any day in which either House of Congress is not in session because of adjournment of more than three days to a day certain) has passed after receipt by the appropriate committees of Congress of written notice from the Secretary containing a full and complete statement of the action proposed to be taken and the facts and circumstances relied upon in support of such action, or (2) each such committee before the expiration of such period has notified the Secretary that such committee has no objection to the proposed action.

(b) Subsection (a) shall not apply to any construction project which has a current estimated cost of less than $5,000,000.

FUND TRANSFER AUTHORITY

SEC. 304. To the extent specified in appropriation Acts, funds appropriated pursuant to this Act may be transferred to other agencies of the Government for the performance of the work for which such funds were appropriated, and funds so transferred may be merged with the appropriations of the agency to which such funds are transferred.

AUTHORITY FOR CONSTRUCTION DESIGN

SEC. 305. (a) Within the amounts authorized by this Act for plant engineering and design, the Secretary may carry out advance planning and construction design and may obtain architectual and engineering services in connection with construction projects not authorized by law.

(b) In any case in which the estimated design cost for any construction project is in excess of $300,000, the Secretary shall notify the appropriate committees of Congress in writing of the details of such project at least 30 days before any funds are obligated for design services for such project.

ADJUSTMENTS FOR PAY INCREASES

SEC. 306. Appropriations authorized by this Act for salary, pay, retirement or other benefits for Federal employees may be increased by such amounts as may be necessary for increases in such benefits authorized by law.

LIMITS ON THE WASTE ISOLATION PILOT PLANT PROJECT

SEC. 307. (a) With respect to the Waste Isolation Pilot Plant construction project, 77-13-f, none of the funds authorized to be appropriated in this or any other Act may be used for purposes other than the pursuit of a demonstration project for the long term storage of nuclear wastes generated by the nuclear weapons research, development, and production complex.

(b) The Secretary shall continue the pursuit of consultation and concurrence begun with the State of New Mexico regarding its legitimate concerns in this project.

WEST VALLEY WASTE DEMONSTRATION PROJECT

SEC. 308. (a) The Secretary shall carry out a nuclear waste management demonstration project at the Western New York Nuclear Service Center, West Valley, New York. Such project shall include (1) solidification of the high level liquid nuclear wastes which are present there, (2) transportation of such solidified waste to an appropriate Federal repository, and (3) decontamination and decommissioning of the facilities, materials, and hardware used in connection with such project.

(b) In carrying out such project, the Secretary shall consult with the Nuclear Regulatory Commission, the Environmental Protection Agency, the United States Geological Survey, the State of New York, and the commercial operator of the service center.

(c) The Secretary shall seek to complete such project within a ten-year period beginning on the date of enactment of this Act.

(d) While such project is being carried out, the Secretary shall furnish to the appropriate committees of Congress on February 1 of each year a progress report on such project. Such report shall include a detailed description of the activities carried out by the Secretary under this section and information on activities planned for future years.

(e) All costs associated with such project during the first year shall be borne by the Secretary from amounts authorized to be appropriated for defense waste management.

(f) Nothing in this section shall be construed as effecting any of the rights, obligations, or liabilities of the commercial operator of the service center, the State of New York, or any person arising under the Atomic Energy Act of 1954 or under any other law, contractor agreement for the operation, maintenance, or decontamination of any facilities or property not used in connection with such project. The Attorney General of the United States may file suit in any court of competent jurisdiction to recover appropriate costs.

The amendments of the Committee on Energy and Natural Resources are as follows:

On page 18, line 16, strike "$108,890,000" and insert "$114,890,000";

On page 18, line 20, insert the following:

(4) For Naval Petroleum Reserves, $78,200,000.

On page 19, line 8, strike "$8,500,000" and insert "$15,500,000";

On page 19, beginning with line 9, insert the following:

Project 75-3-b High energy laser facility, Los Alamos Scientific Laboratory, New Mexico, an additional sum of $8,000,000, for a total project authorization of $62,500,000.

The amendment of the Committee on Energy and Natural Resources are as follows:

That this Act may be cited as the "Department of Energy National Security and Military Applications of Nuclear Energy Authorization Act of 1980".

TITLE I—NATIONAL SECURITY PROGRAMS

OPERATION EXPENSES

SEC. 101. Funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 1980 for operating expenses incurred in carrying out national security programs, including scientific research and development in support of the armed services, strategic and critical materials necessary for the common defense, and military applications of nuclear energy, and related management and support activities, as follows:

(1) For Weapons Activities, $1,428,741,000.

(2) For Verification and Control Technology, $36,800,000.

(3) For Materials Production, $343,848,000.

(4) For Defense Waste Management, $196,501,000.

PLANT AND CAPITAL EQUIPMENT

SEC. 102. Funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 1980 for plant and capital equipment, including planning, construction, acquisition, or modification of facilities (including land acquisition), and fabrication of capital equipment not related to construction, and related management and support activities, necessary for national security programs, as follows:

(1) For weapons activities:

Project 80-AE-4, Addition to computer facilities, Sandia Laboratories, Livermore, California, $2,800,000.

Project 80-AE-5, Ground launched cruise missile (GLCM) warhead production facilities, various locations, $4,000,000.

Project 80-AE-6, Utilities and equipment restoration, replacement and upgrade, various locations, $39,400,000.

Project 80-AE-7, Relocate water towers, Mound Facility, Miamisburg, Ohio, $1,400,000.

Project 80-AE-8, Advanced size reduction facility, Rocky Flats Plant, Golden, Colorado, $10,000,000.

Project 80-AE-9, New polymer production facility, Bendix Plant, Kansas City, Missouri, $1,400,000.

Project 80-AE-10, Additional loading facilities, Savannah River Plant, Aiken, South Carolina, $3,500,000.

Project 80-GPP-1, General plant projects, $25,400,000.

Project 80-PE&D-1, Plant engineering and design, $16,700,000.

Project 71-9, Fire, safety, and adequacy of operating conditions projects, various locations, an additional sum of $7,000,000, for a total project authorization of $287,000,000.

Project 77-11-c, 8" Artillery Fired Atomic Projectile (AFAP) production facilities, various locations, an additional sum of $4,600,000, for a total project authorization of $27,200,000.

Project 78-16-d, Weapons safeguards, various locations, an additional sum of $2,000,000, for a total project authorization of $28,000,000.

Project 78-16-g, Radioactive liquid waste improvement, Los Alamos Scientific Laboratory, New Mexico, an additional sum of $6,200,000, for a total project authorization of $12,500,000.

Project 79-7-b, Fire protection improvements, Los Alamos Scientific Laboratory, New Mexico, an additional sum of $2,500,000, for a total project authorization of $4,500,000.

Project 79-7-c, Proton storage ring, Los Alamos Scientific Laboratory, New Mexico, an additional sum of $16,100,000, for a total project authorization of $21,100,000.

Project 79-7-l, System research and development laboratory, Sandia Laboratories, Albuquerque, New Mexico, an additional sum of $12,000,000, for a total project authorization of $13,000,000.

Project 79-7-n, Utility system restoration, Y-12 plant, Oak Ridge, Tennessee, an additional sum of $15,800,000, for a total project authorization of $18,000,000.

Project 79-7-o, Universal pilot plant, Pantex Plant, Amarillo, Texas, an additional sum of $3,900,000, for a total project authorization of $7,400,000.

Capital equipment not related to construction, $104,164,000.

(2) For verification and control technology for capital equipment not related to construction, $1,060,000.

(3) For materials production:

Project 80-AE-2, Replace obsolete processing facilities, HB Line, Savannah River, South Carolina, $19,000,000.

Project 80-AE-3, Steam generation facilities, Idaho Chemical Processing Plant, Idaho, $23,500,000.

Project 80-GPP-1, General plant projects, $15,000,000.

Project 80-PE&D-1, Plant engineering and design, $7,000,000.

Project 77-13-a, Fluorinel dissolution process and fuel receiving improvements, Idaho Chemical Processing Plant, Idaho National Engineering Laboratory, Idaho, an additional sum of $50,400,000, for a total project authorization of $115,400,000.

Project 78–18–e, Environmental, safety and security improvements to waste management and materials processing facilities, Richland, Washington, an additional sum of $11,500,000, for a total project authorization of $40,000,000.

Project 79–7–i, Transmission and distribution systems upgrading, Richland, Washington, an additional sum of $7,000,000, for a total project authorization of $14,000,000.

Capital equipment not related to construction, $35,000,000.

(4) For defense waste management:

Project 80–GPP–1, General plant projects, $8,880,000.

Project 80–PE&D–1, Plant engineering and design, $21,320,000.

Project 77–13–f, Waste Isolation Pilot Plant, Delaware Basin, southeast New Mexico (A–E, land lease acquisition and long-lead procurement), an additional sum of $26,500,000, for a total project authorization of $94,500,000.

Capital equipment not related to construction, $12,000,000.

TITLE II—MISCELLANEOUS PROGRAMS

OPERATING EXPENSES

SEC. 201. Funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 1980 for operating expenses, including related management and support activities, incurred in carrying out the following programs:

(1) For Inertial Confinement Fusion, $114,890,000.

(2) For Naval Reactors Development, $241,367,000.

(3) For Nuclear Materials Security and Safeguards Development, $43,227,000.

(4) For Naval Petroleum Reserves, $78,200,000.

PLANT AND CAPITAL EQUIPMENT

SEC. 202. Funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 1980 for plant and capital equipment, including planning, construction, acquisition, or modification of facilities (including land acquisition), and fabrication of capital equipment, not related to construction, and related management and support activities as follows:

(1) For inertial confinement fusion activities:

Project 80–PE&D–1, Plant engineering and design, $3,500,000.

Capital equipment not related to construction, $15,500,000.

Project 75–3–b, High energy laser facility, Los Alamos Scientific Laboratory, New Mexico, an additional sum of $8,000,000, for a total project authorization of $62,500,000.

(2) For naval reactors development:

Project 80–AE–1, Fluids and corrosion test facilities upgrading, various locations, $17,900,000.

Project 80–GPP–1, General plant projects, $3,300,000.

Capital equipment not related to construction, $15,800,000.

(3) For nuclear materials security and safeguards for capital equipment not related to construction, $3,400,000.

TITLE III—GENERAL PROVISIONS

REPROGRAMMING

SEC. 301. Except as otherwise provided in this Act—

(1) no amount appropriated pursuant to this Act may be used for any program in excess of 105 percent of the amount authorized for that program by this Act or $10,000,000 more than the amount authorized for that program by this Act, whichever is the lesser, and

(2) no amount appropriated pursuant to this Act may be used for any program which has not been presented to, or requested of, the Congress,

unless (A) a period of 30 calendar days (not including any day in which either House of Congress is not in session because of adjournment of more than three calendar days to a day certain) has passed after receipt by the appropriate committees of Congress of notice from the Secretary of Energy (hereinafter in this title referred to as the "Secretary") containing a full and complete statement of the action proposed to be taken and the facts and circumstances relied upon in support of such proposed action, or (B) each such committee before the expiration of such period has transmitted to the Secretary written notice to the effect that such committee has no objection to the proposed action. In no event may the total amount of funds obligated pursuant to this Act exceed the total amount of appropriations authorized by this Act.

LIMITS ON GENERAL PLANT PROJECTS

SEC. 302. (a) The Secretary is authorized to carry out any construction project under the general plant projects provisions authorized by this Act if the total estimated cost of such construction project does not exceed $1,000,000.

(b) If at any time during the construction of any general plant project, the estimated cost of such project is revised to exceed $1,000,000 due to unforeseen cost variations, the Secretary shall immediately furnish a complete report to the appropriate committees of Congress explaining the reasons for the cost variation.

(c) In no event may the total cost of all general plant projects carried out under this Act exceed the total amount authorized to be appropriated for such projects under this Act.

LIMITS ON CONSTRUCTION PROJECTS

SEC. 303. (a) Whenever the current estimated cost of a construction project authorized by section 102 or 202 exceeds by more than 25 percent the amount authorized for such project, such project may not be started or additional obligations incurred in connection with such project, as the case may be, unless (1) a period of 30 calendar days (not including any day in which either House of Congress is not in session because of adjournment of more than three days to a day certain) has passed after receipt by the appropriate committees of Congress of written notice from the Secretary containing a full and complete statement of the action proposed to be taken and the facts and circumstances relied upon in support of such action, or (2) each such committee before the expiration of such period has notified the Secretary that such committee has no objection to the proposed action.

(b) Subsection (a) shall not apply to any construction project which has a current estimated cost of less than $5,000,000.

FUND TRANSFER AUTHORITY

SEC. 304. To the extent specified in appropriation Acts, funds appropriated pursuant to this Act may be transferred to other agencies of the Government for the performance of the work for which such funds were appropriated, and funds so transferred may be merged with the appropriations of the agency to which such funds are transferred.

AUTHORITY FOR CONSTRUCTION DESIGN

SEC 305. (a) Within the amounts authorized by this Act for plant engineering and design, the Secretary may carry out advance planning and construction design and may obtain architectual and engineering services in connection with construction projects not authorized by law.

(b) In any case in which the estimated design cost for any construction project is in excess of $300,000, the Secretary shall notify the appropriate committees of Congress in writing of the details of such project at least 30 days before any funds are obligated for design services for such project.

ADJUSTMENTS FOR PAY INCREASES

SEC. 306. Appropriations authorized by this Act for salary, pay, retirement or other benefits for Federal employees may be increased by such amounts as may be necessary for increases in such benefits authorized by law.

LIMITS ON THE WASTE ISOLATION PILOT PLANT PROJECT

SEC. 307. (a) With respect to the Waste Isolation Pilot Plant construction project, 77–13–f, none of the funds authorized to be appropriated in this or any other Act may be used for purposes other than the pursuit of a demonstration project for the long term storage of nuclear wastes generated by the nuclear weapons research, development, and production complex.

(b) The Secretary shall continue the pursuit of consultation and concurrence begun with the State of New Mexico regarding its legitimate concerns in this project.

WEST VALLEY WASTE DEMONSTRATION PROJECT

SEC. 308. (a) The Secretary shall carry out a nuclear waste management demonstration project at the Western New York Nuclear Service Center, West Valley, New York. Such project shall include (1) solidification of the high level liquid nuclear wastes which are present there, (2) transportation of such solidified waste to an appropriate Federal repository, and (3) decontamination and decommissioning of the facilities, materials, and hardware used in connection with such project.

(b) In carrying out such project, the Secretary shall consult with the Nuclear Regulatory Commission, the Environmental Protection Agency, the United States Geological Survey, the State of New York, and the commerical operator of the service center.

(c) The Secretary shall seek to complete such project within a ten-year period beginning on the date of enactment of this Act.

(d) While such project is being carried out, the Secretary shall furnish to the appropriate committees of Congress on February 1 of each year a progress report on such project. Such report shall include a detailed description of the activities carried out by the Secretary under this section and information on activities planned for future years.

(e) All costs associated with such project during the first year shall be borne by the Secretary from amounts authorized to be appropriated for defense waste management.

(f) Nothing in this section shall be construed as affecting any of the rights, obligations, or liabilities of the commercial operator of the service center, the State of New York, or any person arising under the Atomic Energy Act of 1954 or under any other law, contractor agreement for the operation, maintenance, or decontamination of any facilities or property not used in connection with such project. The Attorney General of the United States may file suit in any court of competent jurisdiction to recover appropriate costs.

The PRESIDING OFFICER. The Senator from Washington.

Mr. JACKSON. Mr. President, the bill before the Senate, S. 673, authorizes appropriations for the research, development, production, maintenance, and retirement of nuclear weapons. Allied programs, involving inertial confinement fusion, naval reactors development, and security and safeguards, are also included.

The majority of the programs included in this bill are under the jurisdiction of the Committee on Armed Services; however, several programs have potential civilian application and are, therefore, jointly reviewed by the Committees on Armed Services and Energy and Natural Resources.

I should emphasize that in the development and production of nuclear weapons, the Department of Energy acts as a "contractor" for the Defense Department. The Defense Department defines its nuclear weapons requirements—necessary scheduling as well as weapon characteristics—and the Energy Department produces the nuclear weapons to meet those requirements. The bill before us authorizes the appropriations necessary to meet those production schedules.

The administration requested new budget authority for these programs in the amount of $3,053,988,000. Recommendations by the Armed Services Committee reduced that request by about $85,000,000 to $2,968,798,000. Recommendations by the Committee on Energy and Natural Resources would increase the Armed Services Committee total by $18,300,000. The resultant figure for new authority is well below the President's request.

Never has the production of nuclear weapons been more important. On the eve of the debate on the SALT II Treaty, it is painfully obvious that we must maintain a credible, reliable nuclear deterrent. Only such a deterrent force can forestall the unthinkable prospect of nuclear war. Notwithstanding the necessity to maintain a credible nuclear deterrent, there are a few impressions held by the general public that need to be corrected:

First, the number of nuclear weapons in the inventory is not increasing significantly—basically we are bringing new weapons into the inventory at about the same rate that we are decommissioning and dismantling old, obsolete weapons.

Second, the total yield in our stockpile is going down; as accuracy improves, equivalent damage can be assured at lower yield levels.

Finally, the weapons that are being produced today are being optimized for reliability and safety. These nuclear weapons are more capable and, therefore, more effective as deterrents. Furthermore, improved protective features being designed and built into today's weapons virtually eliminate the danger of accidental or unauthorized detonations.

The committee report highlights several areas of special concern. Let me elaborate on two of those concerns.

One of the unique national assets available to this country is the system of three research and development laboratories that do the developmental work on nuclear weapons. Since the early 1950's Los Alamos, Lawrence Livermore, and Sandia Laboratories have kept this country well out in front of its potential adversaries in nuclear weapons technology. I often reflect on the foresight and good judgment of the creators of these laboratories who perceived the desirability of friendly competition that exists and has existed between Los Alamos and Livermore

After all, where else would you find a knowledgeable, qualified expert to critically assess a nuclear weapon R. & D. effort if you did not have a competing laboratory? Unfortunately, these laboratories (which, by the way, contribute heavily in research areas other than nuclear weapons) are coming under increasing pressure from antinuclear interests. The contractural arrangements between Los Alamos and Livermore and the University of California, that have functioned so effectively since the laboratories were founded, seem to be coming apart—largely the result of antinuclear pressures and California politics. I am disturbed to see this situation develop—but one thing should be made absolutely clear. These laboratories are a national asset—they do not "belong" to a university, a State, or a region.

If the contractural arrangement with the University of California proves to be unsatisfactory, then the Energy Department and the administration should act rapidly to find a new contractor or set up a new procedure for administering the laboratories. Should it become necessary, the Congress will have to legislate another arrangement for these laboratories. The capability provided by these labs is the cornerstone on which our national security is built. We cannot let that capability be diluted.

My second concern involves the recent rash of attempts to print nuclear weapons secrets in open publications. I cannot comprehend the rationale that leads some to suggest that making public nuclear secrets is in the national interest. I am specifically referring to the Moreland article that the Progressive magazine is seeking to print. According to knowledgeable people in the nuclear business, the information in that article could reduce by up to 5 years the time necessary for a potential nuclear state to produce a fusion weapon. I do not know how accurate that assessment is, but if, by its publication, the article contributes to nuclear proliferation, it would violate the provisions of the Atomic Energy Act. I applaud the action of the administration and the courts to date on this issue. I sincerely hope that the provisions of the Atomic Energy Act will be strictly enforced.

Mr. President, I am confident that we bring to the Senate a good bill and I urge its favorable consideration.

Mr. President, there is agreement on both sides. The action here by the committee was unanimous.

I yield to my distinguished friend from Texas, Mr. TOWER.

Mr. TOWER. Mr. President, I thank my distinguished colleague from Washington.

Mr. President, when the Joint Committee on Atomic Energy was abolished on February 4, 1977, in accordance with Senate Resolution 4, its responsibilities were divided between the Armed Services Committee and the Energy Committee. This legislation, S. 673, dealing with the military applications of atomic energy has been referred jointly to these two committees. A companion bill, S. 688, deals with the civilian use of atomic energy and was referred only to the Energy Committee.

Title I of S. 673 deals with weapons activities, verification and control technology, materials production, and defense waste management. For these purposes the committee recommended $2.5 billion, or about $80 million less than the President requested.

Title II of the bill deals with inertial confinement fusion, naval reactor development, security and safeguards, and naval petroleum reserves, and was jointly referred. The combined recommendations for these items totaled $540 million.

Recognizing the importance of our nuclear weapons programs, in this age of the Soviet strategic arms buildup, and efforts at strategic arms limitations, the committee took a particularly close look at the weapons activities of the Department of Energy.

The recommendation of the committee includes authorization for the delivery of five nuclear weapons—the W–78 Minuteman III, the W–7 Trident, and the W–20–3 Lance missile warheads and two bombs—the B–61–3 and B–61–4. Predelivery production expenditures are also authorized for the W–80–1 air-launched cruise missile, the W–84 ground-launched cruise missile, the W–79 8-inch artillery projectile, and the B–83 modern strategic bomb.

The committee also examined the development of new or modified warheads for follow-on strategic and tactical nuclear weapons systems anticipated in the 1980's. For example, the fiscal year 1980 recommendation will include research and development programs related to the W–79 8-inch artillery round, the W–80 air-launched cruise missile warhead, the W–84 ground-launched cruise missile warhead, and the B–83 strategic bomb, along with other programs.

Also, requirements related to the MX missile, the Trident II SLBM, the advanced strategic air-launched missile, and the Pershing II missile are anticipated.

Over the last several years, this committee has carefully examined the development of enhanced radiation (ER)/neutron warheads for the W–70–3 Lance missile and the W–79 8-inch artillery projectile. In last year's fiscal year 1979 report, the committee recommended that enhanced radiation components for these warheads "be procured and made ready for contingency deployment." The committee made this recommendation based on the assumption supported by testimony that procurement of these components would permit rapid deployment of ER weapons to Europe if required.

However, in this year's hearings, the committee has learned that ER components being produced will not be ready for contingency deployment. Because of the lengthy delay involved, the committee wonders if production of ER components is providing us with any timely ER capability at all. For that reason, the committee has requested the Department of Defense and the Department of Energy to review this situation and provide a joint report on deployment schedules under various production options.

Because of its belief in the need for an ER capability, the committee requested a report from the Department of Defense last year on the timing of a final decision on production and deployment of ER weapons. The report received was considered by this committee to be unresponsive. Speaking for the administration, Deputy Secretary of Defense Duncan reiterated the remarks by the President on April 7, 1978, I quote:

> The ultimate decision regarding the incorporation of enhanced radiation features into our modernized battlefield weapons will be made later and will be influenced by the degree to which the Soviet Union shows restraint in its arms programs and force deployments affecting the security of the United States and western Europe.

Duncan concluded:

> The Administration has not yet reached a judgment regarding Soviet restraint nor is there a specific timetable for doing so.

Because this response gives the committee no better information than it had a year ago, on the timing and criteria for an "ultimate decision," the committee has renewed its request of the Secretary of Defense for a responsive report on that subject.

The committee remains committed to weapons design and deployment philosophies which stress effectiveness, reliability, safety and security. Our budget recommendations provide funding for the surveillance and maintenance of existing stockpile weapons for the development of fail-safe systems to prevent accidental detonation or tampering and upgrading equipment associated with the nuclear weapons complex. Overall, the committee recommended $1.7 billion for weapons activities, about $20 million more than the budget request.

In recent years, the United States has conducted a restrained but steady nuclear weapons testing program. However, the authorization request for fiscal year 1980 is significantly lower than the request for fiscal year 1979. This reduction is the result of budgetary constraints and the assumption that a comprehensive test ban treaty is near and would cut short any programs underway. The committee believes that certain warhead options being considered for M-X and Trident should not yet be foreclosed. It believes that nuclear weapons testing should continue at a sustained level until such testing is limited by actual international agreement. For that reason, the committee restored funding for the fiscal year 1980 nuclear weapons testing program back to the fiscal year 1979 level.

The committee's decision to maintain the level of nuclear weapons testing should not be viewed as a premature judgment on the merits of a comprehensive test ban treaty. However, the committee has sought, in its recommendations, to address two of the problems associated with a comprehensive test ban treaty; namely, verification and the reliability of the nuclear weapons stockpile. The fiscal year 1980 verification program includes the demonstration of the technical feasibility of a regional seismic detection system and includes the production of certain "National Seismic Stations" which might be deployed in conjunction with a comprehensive test ban treaty.

Satellite sensors designed to detect nuclear explosions in the atmosphere are also being funded. Thus, the committee recommends taking the first steps toward producing the actual hardware which would be necessary to help detect Soviet nuclear tests which might be limited or banned under possible test ban treaties. I should note that in its fiscal year 1979 supplemental authorization bill, the committee also gave its support to research in this area by the Defense Advanced Research Projects Agency.

With respect to maintaining the reliability of the nuclear weapons stockpile, conducting a sustained level of nuclear weapons testing now should assist in evaluating and maintaining the reliability of our nuclear weapons stockpile under a comprehensive test ban. Also, it should help to maintain the expertise necessary to evaluate and correct reliability problems in our nuclear weapons during a comprehensive test ban.

The committee believes that a strong technological base related to nuclear weapons physics and related technologies is vital to our national security. The committee is concerned about the declining emphasis on defense programs at our Nation's nuclear weapons laboratories. Since 1970, funding for defense R. & D. has been reduced by about 20 percent in real terms and manpower has been reduced nearly 25 percent.

At Lawrence Livermore Laboratory and Los Alamos Laboratory, only about half of the workload is for defense programs. The committee has taken no action to redirect the nondefense activities at the nuclear weapons labs, but it has served notice that it will watch this development carefully. The committee did, however, add $7.5 million to increase, by 50 man-years at each laboratory, the amount of effort being devoted to basic nuclear weapons research. The committee was concerned that budget restraints were impinging too severely on the vital intellectual center of our nuclear weapons sciences.

The DOE military applications authorization bill provides not only for the design and procurement of nuclear weapons but also for the security and safeguard of those weapons and for the disposal of nuclear wastes created by defense programs. This bill, S. 673, provides funding for physical security technologies and nuclear materials management technologies which will prevent the unauthorized acquisition and use of nuclear materials. This program also provides technical data for international safeguard programs.

Inevitably, defense nuclear programs produce transuranic and other high-level radioactive wastes for which safe disposal is required. Acceleration of the transfer of existing high-level wastes to new facilities will be accelerated under the fiscal year 1980 budget.

In particular, the committee supports the original objective of the Waste Isolation Pilot Plant (WIPP) program in New Mexico. WIPP began as a demonstration project to store nuclear wastes created by defense nuclear weapons programs. More recently, the program was expanded to include storage of civilian reactor wastes, a proposal which has generated much local controversy.

The committee believes that the Department of Energy should take into account the legitimate concerns of the State of New Mexico. Nevertheless, the committee has recommended that the WIPP project be redirected to its original objectives, and that the focus should be on the long-term storage of defense nuclear waste only. This should reduce many of the concerns of the people of New Mexico, while at the same time facilitating this project so important to our national security.

In S. 673, the committee continued its support for the inertial confinement fusion programs which provide some important spinoff for nuclear weapons technology, even as it offers future energy production possibilities. In S. 673, the committee also continued its strong support for our naval reactor development program. The amount requested for that program was approved.

On a related issue, I would like to insert the following remarks from my colleague, Senator WILLIAM COHEN of Maine:

> I would like to express my continued concern over the progress of the government's efforts to fully investigate the problem of low-level radiation for federal workers. My constitutents working at the Portsmouth Naval Shipyard and workers at other installations across the country have heard reports that the radiation exposure may constitute a health hazard and they have patiently been awaiting definitive information based on thorough research. As I have said in various hearings at which this situation has been discussed, I am not satisfied that the government is doing all it can, as expeditiously as at can, to provide the real answers that are needed. It is critical that the workers at Portsmouth and their counterparts be given the facts, so that unnecessary fears can be allayed and so that they know just where they stand. DOE has, I know, undertaken the study through Johns Hopkins University which appears to be perhaps the most complete to be initiated to date. With plans for combining various research efforts under one umbrella, I continue to seek assurances that there will be no delays and that quality research efforts will provide some answers at the earliest point possible under the highest scientific standards and controls.

I simply want to associate myself with the remarks of my distinguished colleague, Senator JACKSON, and note that, in summary, the committee recommended $2.9 billion for the Department of Energy military application authorization or $85 million less than the President requested. However, our recommendations were based upon careful policy and management judgments and I believe our overall recommendations enhance and strengthen our defense nuclear programs. I urge all of my colleagues to join in support of S. 673 as reported by the Senate Armed Services Committee.

Mr. JACKSON. Mr. President, as previously mentioned, the Committee on Energy and Natural Resources had joint referral of title II, which includes four defense-related programs with potential civilian applications—the Nuclear Materials Security and Safeguards, Inertial Confinement Fusion, Naval Reactor Development programs, and Naval Petroleum Reserves.

The Committee on Energy and Natural Resources held hearings on the budget request for these programs, and recommended four amendments to the amendment in the nature of a substitute reported by the Senate Armed Services Committee. The Energy Committee recommended amendments were as follows:

On page 18, line 22, strike the figure "$108,980,000," and insert "$114,890,000."

On page 19, line 1, insert "(D) For Naval Petroleum Reserves, $78,200,000."

On page 19, line 13, strike the figure "$8,500,000" and insert "$15,500,000."

On page 19, lines 14 through 17, insert the following:

Project 75-3-b, High Energy laser facility, Los Alamos Scientific Laboratory, New Mexico, an additional sum of $8,000,000 for a total project authorization of $62,500,000;

The first amendment pertains to the initial confinement fusion program funds for operating expenses. The Committee on Energy and Natural Resources recommended an increase in the authorization for operating expenses by $6 million for activities which may lead to the perfection of laser fusion as an energy source. Of this amount $5.5 million is intended for additional expenses associated with operating a 12 terawatt National Laser Users Facility. The remaining $0.5 million is for increased operating funds for industrial activities involving upgrading an existing laser to the 4 terawatt level.

By adopting the third amendment, the committee increased the authorization for capital equipment not related to construction by $7 million for laser fusion activities. Of the increase $2.5 million is for equipment needed to improve diagnostic and data collection capabilities at the 12 terawatt National Laser Users Facility. An additional $4.5 million is intended for capital equipment procurement needed to upgrade an existing industrial laser system to the 4 terawatt level and to procure additional diagnostic equipment necessary to interpret experiments.

The committee also expressed its continued support for the on-going activities in the initial confinement fusion program at the national laboratories and other research centers as provided for in the President's budget. By its action to increase the funding for energy-related activities, the committee is not suggesting that a reallocation of funds within the program should be made if additional funds are not appropriated for these purposes.

The committee in its fourth amendment merely approved the additional authorization of $8,000,000 requested in the budget submitted to the Congress for project 75-3-b, high energy laser facility, Los Alamos Scientific Laboratory, N. Mex. The increased authorization would provide for the current total estimated cost of $62.5 million even though the appropriations for the Project including the fiscal year 1980 request do not exceed the existing statutory authorization level.

Because the existing authorization is sufficient to provide for the additional appropriation in the fiscal year 1980 request, the Committee on Energy and Natural Resources is willing to accede to the Armed Services Committee position that no increased authorization is necessary this fiscal year. However, this agreement is not to be construed as a lack of commitment to completion of project 75-3-b. When additional authorization is requested, then the committee expects to approve it.

In its second amendment the committee approved an increase of $5,300,000 for the authorization for the Naval Petroleum Reserves. This increase from $72,900,000 to $78,200,000 will allow continuation of the hydrocarbon exploration program at Naval Petroleum Reserves No. 1 and No. 2 in both the Stevens and Carneros zones. The committee wishes to point out that the exploratory drilling has added, to date, 25,000,000 barrels of additional oil reserves. By adopting this amendment the Committee rejected the idea inherent in the budget request that the search for oil and gas on the Naval Petroleum Reserves (NPR) be terminated. However, the Senate Armed Services Committee deleted funding for the NPR program with the explicit objective of enacting legislation, H.R. 3354 to provide direction to the NPR program.

As chairman of the Committee on Energy and Natural Resources, I have written to the chairman of the Committee on Armed Services and asked for rereferral of H.R. 3354 when it is reported from that committee. With the prospect of enacting separate legislation, the Committee on Energy and Natural Resources will accede to the recommendation to delete the NPR program funding from this bill.

While the committee did not recommend changes in the budget request for the naval reactor development or nuclear materials security and safeguards program, the committee noted that last year it had recommended initiation of a program for training foreign nationals in safeguards techniques using existing facilities, such as the Barnwell Nuclear Fuel Plant to carry out section 202 of Public Law 95-242. To date, the DOE has not followed that committee directive. The committee strongly reiterated its intent that the DOE implement a pilot project at the Barnwell Plant in safeguards training, utilizing the safeguards systems developed with the fiscal year 1979 program funding. In fact, such a training program could still be initiated with available funding in fiscal year 1979 to lay the groundwork for a fiscal year 1980 program.

Mr. JACKSON. Mr. President, I yield to the distinguished senior Senator from Idaho to offer an amendment.

The PRESIDING OFFICER. Floor amendments are not in order.

Mr. JACKSON. Mr. President, I ask unanimous consent that the amendment of the Committee on Armed Services in the nature of a substitute, and the two amendments of the Committee on Energy and Natural Resources on page 18, line 16, and on page 19, line 8, be agreed to and that the amendments as agreed to be considered as original text of the bill for purposes of further amendment, and that the other amendments of the Committee on Energy and Natural Resources be rejected.

The PRESIDING OFFICER (Mr. MOYNIHAN). Is there objection? The Chair hears none, and it is so ordered.

Mr. JACKSON. Mr. President, I yield to the senior Senator from Idaho.

UP AMENDMENT NO. 265

Mr. CHURCH. Mr. President, I thank my good friend, the Senator from Washington, very much for yielding.

I send to the desk an unprinted amendment and ask that it be reported.

The PRESIDING OFFICER. The clerk will report.

The second assistant legislative clerk read as follows:

The Senator from Idaho (Mr. CHURCH) proposes an unprinted amendment numbered 265:

On page 13, line 22, strike "$196,501,000" and insert in lieu thereof "$216,501,000".

Mr. CHURCH. Mr. President, this amendment deals with the defense waste management program, which is an area of great importance to those States in which nuclear waste from the defense programs are currently stored. These wastes have been stored in temporary and interim facilities since the beginning of the defense nuclear programs. We still today do not have permanent solutions in hand for disposing of these hazardous materials. For instance, in Idaho we have stored vast amounts of transuranic waste from the nuclear weapons program over the largest aquifer in the State. The waters from this aquifer are used for irrigation purposes and actually feed the waters of the Snake River which is so important to the overall economy of the State of Idaho. For more than 10 years, the Atomic Energy Commission, the Energy Research and Development Administration, and now the Department of Energy have made promises to the people of the State of Idaho that these wastes would be removed. It is crucial to fulfilling this promise that the nuclear waste activities for defense programs be maintained at an adequate level.

There are also activities at the Hanford Reservation in the State of Washington and at the Savannah River Reservation in South Carolina which, as I am sure the senior Senator from Washington fully agrees, need immediate and on-going attention. There is an opportunity, with additional funds in the defense waste management program, to improve the status of existing waste storage and move toward permanent waste storage repositories.

I certainly do not mean by this amendment to be critical of the Senate Armed Services Committee for the reductions in the budget request which they have recommended to the Senate. In this year of tight budgets and the need to reign in excessive government spending, I heartily concur in the need for economy and strong justification for the use of funds where programs are growing. However, the urgency of the nuclear waste management problem in the mind of the American public is such that if we are in err in funding for the defense waste management program, then I would hope that we would err on the side of being too aggressive. We must solve problems in the interim-storage, long-term storage, and transportation areas which cannot be achieved without adequate funding. In particular, if we succeed in convincing the House of Representatives to continue the waste isolation pilot project (WIPP) in New Mexico, then we need to accelerate activities such as the Slagging Pyrolysis Incinerator Facility at the Idaho National Engineering Laboratory and to develop the transportation system for moving the wastes from Idaho to WIPP.

For these reasons, I am offering an amendment to restore $20 million of the $53.3 million reduction in the administration's request to Congress for operating expenses associated with the defense waste management program.

Mr. JACKSON. Mr. President, I support this amendment. The original budget submission for defense waste management was $347 million. That has been cut substantially in the Senate Armed Services Committee and even more in action taken by the House Armed Services Committee. This increase offered by Senator CHURCH will give us a better posture in conference. It is needed, and I support it.

Mr. CHURCH. I thank the Senator very much, and I move the adoption of the amendment, Mr. President.

The PRESIDING OFFICER. Do the Senators yield back their time?

Mr. JACKSON. I yield back my time.

Mr. CHURCH. I yield back my time.

Mr. TOWER. I associate myself with the Senator from Washington in accepting the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Idaho.

The amendment was agreed to.

Mr. CHURCH. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. JACKSON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

UP AMENDMENT NO. 266

(Purpose: To increase the authorization for funds for weapons activities testing by $12,800,000 and authorization for funds for steam plant improvements at Oak Ridge, Tennessee, by $15,500,000)

The PRESIDING OFFICER. The Senator from Washington.

Mr. JACKSON. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Washington (Mr. JACKSON) proposes an unprinted amendment numbered 266.

Mr. JACKSON. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 13, line 18, strike out "$1,428,741,000" and insert in lieu thereof "$1,441,541,000".

On page 15, between lines 19 and 20, insert the following:

Project 78–18–d, steam plant improvements, Y–12 Plant, Oak Ridge, Tennessee, an additional sum of $15,500,000, for a total project authorization of $25,500,000.

Mr. JACKSON. Mr. President, after the Committee on Armed Services had ordered this bill reported, a request was received from the administration for supplemental authorization for two items in the fiscal year 1979 Department of Energy National Defense Programs Act. I ask unanimous consent that a copy of that request be placed in the RECORD at the conclusion of my statement on this amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. JACKSON. On June 6, 1979, the Armed Services Committee discussed this proposed fiscal year 1979 supplemental request and unanimously voted to add the items as a committee amendment to the pending measure.

As I mentioned, the request involves two items. First, there is an increase of $12.8 million to permit the Department of Energy to do two additional nuclear weapons tests. Second, there is an increase of $15.5 million to install air pollution equipment at the central steam plant in Oak Ridge, Tenn. Details of the request are in the administration's letter which I have made a part of the RECORD. The total addition of $28.3 million still leaves the bill about $44 million under the President's request.

Mr. President, I move the adoption of the amendment.

EXHIBIT 1

DEPARTMENT OF ENERGY,
Washington, D.C., May 17, 1979.

Hon. WALTER F. MONDALE,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: I am transmitting herewith a draft bill prepared by the Department of Energy (DOE). Also enclosed is a section-by-section analysis of the draft bill.

The bill would amend Public Law 95–509, the FY1979 authorization for appropriations for DOE's national security programs, in two respects. Section 101 would amend section 101 of Public Law 95–509 to increase the authorization for appropriations for Weapons Activities testing by $12.8 million, as requested in the President's letter to you dated March 27, 1979. Section 102 would amend section 103(13) of Public Law 95–509 to increase by $15.5 million the funding authorization for steam plant improvements at DOE's Y–12 Plant in Oak Ridge, Tennessee. $8.5 million of this item was included in the Department's FY 1979 Supplemental Request to the Congress, January 1979, at pages 0003–0010 under the hearing of Project 78–17–d. An additional $7 million is required in future years. Further details on the amendments are provided in the section-by-section analysis.

The Office of Management and Budget has advised that this legislative proposal is in accord with the program of the President.

Sincerely,

JAMES R. SCHLESINGER,
Secretary.

Enclosures.

DEPARTMENT OF ENERGY NATIONAL SECURITY AND MILITARY APPLICATIONS OF NUCLEAR ENERGY SUPPLEMENTAL AUTHORIZATION ACT OF 1979

A bill to amend Public Law 95–509 to increase the authorization for appropriations for the Department of Energy for national security programs for fiscal year 1979, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States in Congress assembled, That this Act may be cited as the "Department of Energy National Security and Military Applications of Nuclear Energy Supplemental Authorization Act of 1979."

TITLE I—NATIONAL SECURITY PROGRAMS

SEC. 101. Section 101 of Public Law 95–509 is amended by the revision of subsection (1) as follows:

"(1) For Weapons Activities, $1,249,994,000;".

ADDITIONAL AUTHORIZATIONS FOR PREVIOUSLY AUTHORIZED PROJECTS

SEC. 102. Section 103 of Public Law 95–509 is amended by the revision of subsection (13), as it first appears in section 103, as follows:

"(13) For project 78–17–d, steam plant improvements, Y–12 Plant, Oak Ridge, Tennessee, $22,500,000; for a total authorization of $25,500,000."

FISCAL YEAR 1979 DOE SUPPLEMENTAL AUTHORIZATION FOR NATIONAL SECURITY AND MILITARY APPLICATIONS OF NUCLEAR ENERGY

SECTION-BY-SECTION ANALYSIS

SEC. 101. This provision would increase the Fiscal Year 1979 authorization for appropriations for operating expenses for Weapons Activities by $12,800,000 for additional testing, as shown in the following table:

	Current authorization	Amended authorization	Amendment
WEAPONS ACTIVITIES			
Research and development	$374,694,000	$374,694,000	
Testing	210,000,000	222,800,000	+$12,800,000
Production and surveillance	652,500,000	652,500,000	
Total	1,237,194,000	1,249,994,000	+12,800,000

Early in FY 1979 special studies were initiated by both the Department of Defense and the Department of Energy on the adequacy of nuclear stockpile performance testing in view of a possible near-term comprehensive test ban. These studies have resulted in the identification of an additional requirement for weapons testing activities totaling $12.8 million. More specifically, this would provide for underground tests of the Minuteman III (W–78) warhead and the Poseidon (W–68) warhead to be proof tested as soon as possible in light of the importance of maintaining a high credibility for strategic systems during a test ban period and the possibility of a long period during which problems with these weapons could not be resolved by testing.

SEC. 102. This provision would authorize additional appropriations of $15,500,000 for project 78–17–d, Steam Plant Improvements, Y–12 Plant, Oak Ridge, Tennessee. The scope of the project would be increased in order to meet particulate emission standards in accordance with Public Law 95–95, the Clean Air Act Amendments of 1977. The total estimated cost of this project is increased from $10,000,000 to $25,000,000 to provide for the procurement and installation of emisison control devices to meet the aforementioned standards.

Public Law 95–95 established a mandatory date of July 1, 1979, for compliance with the

Clean Air Act requirements and provides for fines up to $25,000 per day for noncompliant facilities. Tests on the Y-12 steam plant boilers have documented that the boilers are noncompliant and the Oak Ridge Operations Office has been cited by the Environmental Protection Agency for noncompliance. It is impossible to achieve compliance by July 1, 1979. However, the requested amended authorization and supplemental appropriation will permit the Department of Energy to proceed on a schedule that will bring the plant into compliance.

The PRESIDING OFFICER. The hour of 2:30 having arrived——

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the time for the vote be delayed, if it is agreeable to the manager, Mr. CRANSTON, that the vote be delayed 5 minutes. The managers of the now-pending measures say they can complete action thereon in 5 minutes.

Mr. CRANSTON. I have no objection.

ORDER FOR YEAS AND NAYS ON UP AMENDMENT NO. 206 TO S. 1039

Mr. HUMPHREY. Mr. President, reserving the right to object, I will not object, but I would like to be assured that I will have the opportunity to ask for the yeas and nays, and that I do not have to do it now.

The PRESIDING OFFICER. The Senator will have that right.

Mr. HUMPHREY. Shall I do that now?

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senator from New Hampshire may request the yeas and nays on his amendment at this point.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HUMPHREY. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The Senator from Washington.

Mr. JACKSON. Mr. President, I yield back the remainder of my time on the amendment.

Mr. TOWER. Mr. President, I yield back my time.

The PRESIDING OFFICER. All remaining time having been yielded back, the question is on agreeing to the amendment of the Senator from Washington.

The amendment (No. UP 266) was agreed to.

Mr. JACKSON. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. TOWER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. JACKSON. Mr. President, I know of no further amendments. I think we can go to third reading.

Mr. TOWER. Mr. President, let us go to third reading; then I have another comment I would like to make.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendments to be proposed, the question is on the engrossment and third reading of the bill.

The bill (S. 673) was ordered to be engrossed for a third reading, and was read the third time.

Mr. TOWER. Mr. President, I think this is an appropriate time, while the Senator from Washington is on the floor, for me to say that I think he has made a very constructive contribution to the SALT debate in the things that he has said in recent days. Some have labeled his comments as being somewhat strident; however, I do not find them so.

The SALT debate is an adversary proceeding; the proponents of the Strategic Arms Limitation Treaty have made it an adversary proceeding by suggesting that those who oppose it might be warmongers, or might be somewhat less than concerned with keeping the peace in this world.

If in fact we have made important concessions, if we have either wittingly or unwittingly engaged in appeasement, we may very well have created a situation in which SALT II war would be more likely and not less likely. It occurs to me that history is replete with examples of instances when nations have appeased potential aggressors only to find themselves at war later on. If indeed the United States should wind up in a position of measurability conferred to the Soviet Union as a result of this tradeoff, I suggest that the Soviets might find the risks somewhat more acceptable than otherwise, and there might be even more imminent danger of war.

I thank the Senator from Washington (Mr. JACKSON) for putting this debate in the proper perspective.

Mr. JACKSON. Mr. President, I thank my friend from Texas for his very fine comments.

I think we can go to a vote.

The PRESIDING OFFICER. Do the Senators yield back the remainder of their time?

Mr. JACKSON. I yield back my time.

Mr. THURMOND. Mr. President, I support the Department of Energy National Security and Military Application of Nuclear Energy Authorization Act of 1980.

This bill recommends total expenditures of $2.9 billion, a decrease of $85 million below that requested by the administration. The bulk of these reductions came in the waste management account.

The action of the committee is centered in three areas. First, nuclear weapon testing; second, nuclear material production; and third, waste management.

NUCLEAR TESTING

First, the administration has requested a significantly lower level of testing for fiscal year 1980. These reductions are a cause for concern, especially in view of the high level of Soviet testing and lagging U.S. weapons development.

Since the need for further testing is obvious, it appears the request is an attempt to move the United States toward a comprehensive test ban treaty. Once again we are asked to take unilateral steps without Soviet concessions.

Recognizing our needs in this area, the committee has increased this request by $33 million. Combined with $12.8 million in the fiscal year 1979 defense supplemental, this will permit testing in fiscal year 1980 at the modest fiscal year 1979 level.

MATERIALS PRODUCTION

In the area of materials production the committee added $17.8 million to the bill to permit the three production reactors at the Savannah River Plant near Aiken, S.C. to operate at the same level as last year. Had the administration request been approved, the reactors would have been operating at two-thirds capacity, an inefficient rate and one which would not meet our weapon needs. Such a low rate could also threaten one of the three reactors to the extent it might be shut down.

WASTE MANAGEMENT

Mr. President, the committee made $53 million in reductions in the waste management account, although this cut leaves the program up 17 percent over that of last year.

The committee made it clear in its report that these reductions were not to affect funds planned for on-going programs. The largest program is at Savannah River where defense wastes are being transferred to new tanks. The committee intends that the $39 million requested for this work be provided out of the funds allowed.

It should also be made clear that the initial efforts to plan for the waste solidification plant at Savannah River has the full support of the committee. This is an important program now moving into the design stage.

These positions are consistent with the report language which states:

> The reductions made by the committee are not to affect the ongoing interim waste management operations or long term waste management concept studies, but will require the judicious selection of new initiatives under long term waste management technology.

HEAVY WATER FUNDS

Mr. President, one other matter deserves attention. In this bill, the President's request provided that full funding of the Nation's only heavy water plant be dependent upon foreign sales.

This is a risky approach. If for some reason foreign sales do not materialize, this facility could be threatened. Because of corrosion this facility cannot be restarted and construction of a new plant could run as high as $600 million.

If assurances on these sales cannot be verified by the time of the House-Senate conference, I will support the House approach whereby $4 million was added in this account.

In closing, I wish to commend the able subcommittee chairman, the junior Senator from Washington, Mr. JACKSON, for his usual outstanding work in this area. He brings to nuclear energy matters a great deal of experience and expertise. We were also ably assisted by the subcommittee staff director, Mr. Jim Smith and his assistant, Ms. Marie Fabrizio Dickinson.

Mr. President, I urge the Senate act promptly and favorably on S. 673.

• Mr. McGOVERN. Mr. President, I feel a strong sense of irony as we consider this authorization bill today for the Department of Energy's military programs.

Several hours ago, the SALT II Treaty was signed at the summit meeting in Vienna.

According to the text of SALT II, both the United States and the Soviet Union are conscious that nuclear war would have devastating consequences for all mankind. Both countries reaffirmed their desire to reduce nuclear arms and, according to the text, are keeping in mind the goal of achieving general and complete disarmament. Both sides pledged to exercise restraint in the development of new types of offensive strategic arms.

Yet we have just voted on a bill which will provide one of the largest increases in the budget for nuclear weapons activities in recent years.

This bill will increase weapons activities funding for the Department of Energy by $209,000,000 above fiscal year 1979 levels, a 14 percent overall increase or a 7 percent real increase. In the year of SALT II and the year of austerity budgets, this is a phenomenal increase.

A large portion of the real growth will fund new weapons production under SALT II, including the W78 Minuteman III warhead and the W76 Trident I warhead. Research and development for strategic weapons covered by the SALT II Treaty include the W80 air-launched cruise missile, the B83 modern strategic bomb, the W84 ground launched cruise missile, the MX ICBM and the Trident II submarine-launched ballistic missile.

This bill illustrates the dilemma which I feel about SALT. On the one hand, I am encouraged by the summit meeting and by the conclusion of the treaty. On the other hand, I find that despite the treaty we are moving ahead with an expansion of nuclear weapons production which is allowed under the treaty.

It is obvious that the treaty is not putting much of a dent in weapons production—and in fact it may even be accelerating it as each side seeks to build up to the maximum extent allowed under the treaty ceilings.

But there is another disturbing feature in this bill. The Armed Services Committee has added funds for additional nuclear weapons testing not requested by the Department of Energy in what seems to me to be an attempt to use its influence in the bureaucratic war being waged against the Comprehensive Test Ban Treaty. Once again the lesson seems to be: use an impending arms control treaty as a kind of deadline to speed up testing programs. We are witnessing here a reversal of the wise arms control policy of President Kennedy when he instituted a "we won't test if you don't" policy for atmospheric nuclear testing. Today the policy seems to be "We must expand testing if we want to negotiate an end to testing."

Mr. President, I have been speaking out in recent weeks about the difficult time I will have supporting a continuation of our current arms control strategies which accomplish the illusion but not the reality of arms control and arms reduction. The juxtaposition of this bill with the SALT II Treaty signing reconfirms my extreme unease over this situation.●

Mr. DOMENICI. Mr. President, I would like to address a question to the distinguished Senator from Washington who is managing this bill today. As the Senator from Washington knows, the Department of Energy, the Nuclear Regulatory Commission, the Interagency Review Group on Nuclear Waste Management, and the National Governors Conference have all supported the concept of "consultation and concurrence" between State and Federal authorities in the ultimate disposal of radioactive wastes. In the legislation we are about to pass the Secretary of Energy is directed to pursue this concept with the State of New Mexico regarding its legitimate interest in the waste isolation pilot project. My question is, is it the intent of this language that the Secretary of Energy be authorized to establish a process of consultation and concurrence with New Mexico?

Mr. JACKSON. In response to my good friend, let me say that the language in this provision, which he so graciously helped to draft, is quite clear. I would expect that the first step in this "consultation and concurrence" requirement would be for the Secretary of Energy and the State concerned to jointly agree on a means—a process—for accomplishing the consultation and concurrence required by the law. Such a process may be subject to change by both parties as the project proceeds, but I see no way to accomplish the consultation and concurrence that this provision requires without some formalized, jointly acceptable review procedures.

Mr. JAVITS. Mr. President, I wish to extend my appreciative thanks to the Senate Armed Services Committee for its responsiveness to the needs of the hundreds of thousands of New Yorkers who live near the nuclear waste disposal site at West Valley, N.Y. S. 673, the authorization measure before the Senate today, contains tangible proof of the Congress concern for the problems of the high level waste disposal which have arisen as storage sites at the now inoperative reprocessing plant owned by Nuclear Fuel Services have begun to deteriorate. The passage of this authorization marks the Federal Government's assumption of its proper responsibility for helping New York pay the cost of the cleanup.

The committee's report earmarks $5 million for the Department of Energy to carry on a nuclear waste management demonstration program to solidify the wastes now at West Valley, and to transport the wastes to an appropriate Federal repository. This authorization also contains a provision for the Department of Energy to decontaminate and decommission the facilities used for the project.

The entire project will eventually cost around $200 million and will take 10 years to complete. Today's authorization takes us the first crucial step along the road. Both houses of Congress have now approved similar authorizations to begin the urgently needed cleanup of the West Valley reprocessing wastes. An amendment, offered by my colleague in the House, Representative STAN LUNDINE, is contained in the civilian portion of the DOE authorization and the differences will have to be resolved in a House-Senate conference after passage of this bill by both Houses.

I express my deep appreciation to the distinguished Senator from Washington, Senator HENRY JACKSON and his staff, who have been of immense help in drafting and passing this measure—to Chairman STENNIS, and the committee's ranking minority member Senator TOWER.

Of course this is a first step. Some of the further issues to be resolved are contained in a letter dated June 7, 1979, from Secretary of Energy James Schlesinger to New York's Governor Hugh Carey, and I ask unanimous consent that the text be printed in the RECORD following my remarks. However, there is no question that Senate passage of this bill is an important milestone in the West Valley cleanup.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

DEPARTMENT OF ENERGY,
Washington, D.C. June 7, 1979.

Hon. HUGH L. CAREY,
Governor of New York, Executive Chamber, State Capitol, Albany, N.Y.

DEAR GOVERNOR CAREY: The U.S. Department of Energy, on behalf of the Administration, is strongly committed to assisting the State of New York in the development of a program for disposition of the nuclear waste located at the Western New York Nuclear Services Center, West Valley, New York. We believe such a program is required in the national interest, in the interest of the State of New York, and in the interest of the local communities involved. It is our hope that such a program can proceed in the earliest possible time frame, consistent with sound planning and appropriate acceptance of responsibilities.

Our commitment to the development of a program for West Valley is part of a larger effort of this Administration to develop and implement a comprehensive national program for the responsible management and safe isolation of nuclear wastes from the environment. Heightened sensitivity to energy supply issues in general, and to nuclear power specifically, has resulted in a strong and impressive public response to the recently issued "Report of the Interagency Review Group (IRG) on Nuclear Waste Management." It is in the context of dealing with the many national issues involved in nuclear waste management, as identified in the IRG report, that we assign a high priority to resolving the West Valley situation.

We are pleased with the status of discussions between Commissioner Larocca for the State, and Messrs. Deutch and Bateman for the Administration, in advancing a solution for West Valley. Substantial progress has been made in defining mutual concerns, actions, and responsibilities. We are hopeful that a comprehensive program for the site can be developed and agreed to in the near future, permitting action by the Congress in the current budget cycle. In this regard, an amendment by Mr. Lundine and Senator Moynihan, providing start-up funding for a program of solidification of the high-level liquid wastes, is presently under review by the Administration.

The Department of Energy is prepared to accept overall management responsibility and bear a portion of the costs of a program of high-level liquid waste solidification storage, transfer to a Federal repository of the solidified wastes, and decontamination and decommissioning of all facilities associated with these activities. We would look to the State and to the commercial operator, Nuclear Fuel Services, Inc. (NFS), to take certain positive actions and to bear certain financial and other responsibilities. Because of the relationships existing between the State and NFS, we would look to the State to establish the respective roles of each party for non-Federal responsibilities.

With regard to the high-level burial area (the NRC licensed burial area), we would support an effort by the NRC to determine whether any further action is needed in the interest of public health and safety.

Careful consideration should be given to resumption of operations under State license of the low-level burial area (the State-licensed burial area) for disposal of low-level wastes from nuclear power, medicine, research, and industrial programs operating in New York and the Northeast. In the course of our discussions we have considered the possibility of the spent fuel storage pool at West Valley serving as a candidate site in a National Away From Reactor (AFR) Storage program. This site, as well as others, was identified as a candidate by the IRG and in our discussions of the "Spent Nuclear Fuel Act of 1979" that was transmitted to the Congress earlier this year.

In the absence of an AFR program nationally, and the absence of interim storage capacity to serve the states and regions, New York, like many other states, will begin to exhaust storage capacity at operating reactor sites in the not-too-distant future. The Department continues to believe that consideration of West Valley as an AFR site should proceed. However, Congress has not acted to establish a National AFR program and Congressional action as well as compliance with both the process required by the National Environmental Policy Act and NRC technical criteria would be necessary prior to the selection of an AFR site. We recognize that failure to meet present NRC seismic criteria would make the existing spent fuel pool an unsuitable candidate for an AFR. In any event, we would expect to consult with you as discussed in the IRG report prior to proposing the location of such a facility in New York.

During the same period in which we have been discussing with New York a program for West Valley, the Department is developing an active program to establish a permanent waste repository for nuclear wastes in our Nuclear Waste Terminal Storage (NWTS) program. The Salina formation in the Finger Lakes area of New York has been identified by the NWTS Task Force as a possible site for such a repository. However, at the request of the State of New York, we have discontinued Federal investigation of the site as a candidate site for a permanent geologic repository. Deputy Secretary O'Leary has stated to you in a letter dated March 22, 1978, that the Department is committed to proceed only with State concurrence in such site investigation. This continues to be our position.

With your cooperation, I am confident that a program can go forward in the near future, and I look forward to working with you, the State, and the communities involved.

Sincerely,

James R. Schlesinger, *Secretary*.

● Mr. MOYNIHAN. Mr. President, I rise in praise of the Senate's acceptance of S. 673, the Department of Energy authorization for national security programs. This bill contains a provision of great importance for the country and for my State; it authorizes the Department of Energy to begin a program designed to solidify and remove highly radioactive liquid reprocessing wastes now stored in buried steel tanks at West Valley, N.Y. I wish to thank my distinguished colleague, the Senator from Washington, who quickly and characteristically understood the national significance and importance of this issue and who unhesitatingly responded to our proposal.

The project to be undertaken at West Valley will be an important and intergal part of this country's nuclear waste management program. I commend my colleagues for their vision in recognizing the national benefit of this program.●

Mr. TOWER. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. The question is, Shall the bill pass?

The bill (S. 673), as amended, was passed, as follows:

S. 673

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Department of Energy National Security and Military Applications of Nuclear Energy Authorization Act of 1980".

TITLE I—NATIONAL SECURITY PROGRAMS

OPERATING EXPENSES

Sec. 101. Funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 1980 for operating expenses incurred in carrying out national security programs, including scientific research and development in support of the armed services, strategic and critical materials necessary for the common defense, and military applications of nuclear energy, and related management and support activities, as follows:

(1) For Weapons Activities, $1,441,541,000.

(2) For Verification and Control Technology, $36,800,000.

(3) For Materials Production, $343,848,000.

(4) For Defense Waste Management, $216,501,000.

PLANT AND CAPITAL EQUIPMENT

Sec. 102. Funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 1980 for plant and capital equipment, including planning, construction, acquisition, or modification of facilities (including land acquisition), and fabrication of capital equipment not related to construction, and related management and support activities, necessary for national security programs, as follows:

(1) For weapons activities:

Project 80-AE-4, Addition to computer facility, Sandia Laboratories, Livermore, California, $2,800,000.

Project 80-AE-5, Ground launched cruise missile (GLCM) warhead production facilities, various locations, $4,000,000.

Project 80-AE-6, Utilities and equipment restoration, replacement and upgrade, various locations, $39,400,000.

Project 80-AE-7, Relocate water towers, Mound Facility, Miamisburg, Ohio, $1,400,000.

Project 80-AE-8, Advanced size reduction facility, Rocky Flats Plant, Golden, Colorado, $10,000,000.

Project 80-AE-9, New polymer production facility, Bendix Plant, Kansas City, Missouri, $1,400,000.

Project 80-AE-10, Additional loading facilities, Savannah River Plant, Aiken, South Carolina, $3,500,000.

Project 80-GPP-1, General plant projects, $25,400,000.

Project 80-PE&D-1, Plant engineering and design, $16,700,000.

Project 71-9, Fire, safety, and adequacy of operating conditions projects, various locations, an additional sum of $7,000,000, for a total project authorization of $287,000,000.

Project 77-11-c, 8-inch Artillery Fired Atomic Projectile (AFAP) production facilities, various locations, an additional sum of $4,600,000, for a total project authorization of $27,200,000.

Project 78-16-d, Weapons safeguards, various locations, an additional sum of $2,000,000, for a total project authorization of $28,000,000.

Project 78-16-g, Radioactive liquid waste improvement, Los Alamos Scientific Laboratory, New Mexico, an additional sum of $6,200,000, for a total project authorization of $12,500,000.

Project 78-18-d, Steam plant improvements, Y-12 Plant, Oak Ridge, Tennessee, an additional sum of $15,500,000, for a total project authorization of $25,500,000.

Project 79-7-b, Fire protection improvements, Los Alamos Scientific Laboratory, New Mexico, an additional sum of $2,500,000, for a total project authorization of $4,500,000.

Project 79-7-c, Proton storage ring, Los Alamos Scientific Laboratory, New Mexico, an additional sum of $16,100,000, for a total project authorization of $21,100,000.

Project 79-7-1, System research and development laboratory, Sandia Laboratories, Albuquerque, New Mexico, an additional sum of $12,000,000, for a total project authorization of $13,000,000.

Project 79-7-n, Utility system restoration, Y-12 plant, Oak Ridge, Tennessee, an additional sum of $15,800,000, for a total project authorization of $18,000,000.

Project 79-7-o, Universal pilot plant, Pantex Plant, Amarillo, Texas, an additional sum of $3,900,000, for a total project authorization of $7,400,000.

Capital equipment not related to construction, $104,164,000.

(2) For verification and control technology for capital equipment not related to construction, $1,060,000.

(3) For materials production:

Project 80-AE-2, Replace obsolete processing facilities, HB Line, Savannah River, South Carolina, $19,000,000.

Project 80-AE-3, Steam generation facilities, Idaho Chemical Processing Plant, Idaho, $23,500,000.

Project 80-GPP-1, General plant projects, $15,000,000.

Project 80-PE&D-1, Plant engineering and design, $7,000,000.

Project 77-13-a, Fluorinel dissolution process and fuel receiving improvements, Idaho Chemical Processing Plant, Idaho National Engineering Laboratory, Idaho, an additional sum of $50,400,000, for a total project authorization of $115,400,000.

Project 78-18-e, Environmental, safety and security improvements to waste management and materials processing facilities, Richland, Washington, an additional sum of $11,500,000, for a total project authorization of $40,000,000.

Project 79-7-1, Transmission and distribution systems upgrading, Richland, Washington, an additional sum of $7,000,000, for a total project authorization of $14,000,000.

Capital equipment not related to construction, $35,000,000.

(4) For defense waste management:

Project 80-GPP-1, General plant projects, $8,880,000.

Project 80-PE&D-1, Plant engineering and design, $21,320,000.

Project 77-13-f, Waste Isolation Pilot Plant, Delaware Basin, southeast New Mexico (A-E, land lease acquisition and long-lead procurement), an additional sum of $26,500,000, for a total project authorization of $94,500,000.

Capital equipment not related to construction, $12,000,000.

TITLE II—MISCELLANEOUS PROGRAMS

OPERATING EXPENSES

Sec. 201. Funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 1980 for operating expenses, including related management and support activities, incurred in carrying out the following programs:

(1) For Inertial Confinement Fusion, $114,890,000.

(2) For Naval Reactors Development, $241,367,000.

(3) For Nuclear Materials Security and Safeguards Development, $43,227,000.

PLANT AND CAPITAL EQUIPMENT

Sec. 202. Funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 1980 for plant and capital equipment, including planning, construction, acquisition, or modification of facilities (including land acquisition), and fabrication of capital equipment not related to construction, and related management and support activities as follows:

(1) For inertial confinement fusion activities:

Project 80–PE&D–1, Plant engineering and design, $3,500,000.

Capital equipment not related to construction, $15,500,000.

(2) For naval reactors development:

Project 80–AE–1, Fluids and corrosion test facilities upgrading, various locations, $17,900,000.

Project 80–GPP–1, General plant projects, $3,300,000.

Capital equipment not related to construction, $15,800,000.

(3) For nuclear materials security and safeguards for capital equipment not related to construction, $3,400,000.

TITLE III—GENERAL PROVISIONS

REPROGRAMMING

Sec. 301. Except as otherwise provided in this Act—

(1) no amount appropriated pursuant to this Act may be used for any program in excess of 105 percent of the amount authorized for that program by this Act or $10,000,000 more than the amount authorized for that program by this Act, whichever is the lesser, and

(2) no amount appropriated pursuant to this Act may be used for any program which has not been presented to, or requested of, the Congress,

unless (A) a period of 30 calendar days (not including any day in which either House of Congress is not in session because of adjournment of more than three calendar days to a day certain) has passed after receipt by the appropriate committees of Congress of notice from the Secretary of Energy (hereinafter in this title referred to as the "Secretary") containing a full and complete statement of the action proposed to be taken and the facts and circumstances relied upon in support of such proposed action, or (B) each such committee before the expiration of such period has transmitted to the Secretary written notice to the effect that such committee has no objecion to the proposed action. In no event may the total amount of funds obligated pursuant to this Act exceed the total amount of appropriations authorized by this Act.

LIMITS ON GENERAL PLANT PROJECTS

Sec. 302. (a) The Secretary is authorized to carry out any construction project under the general plant projects provisions authorized by this Act if the total estimated cost of such construction project does not exceed $1,000,000.

(b) If at any time during the construction of any general plant project, the estimated cost of such project is revised to exceed $1,000,000 due to unforeseen cost variations, the Secretary shall immediately furnish a complete report to the appropriate committees of Congress explaining the reasons for the cost variation.

(c) In no event may the total cost of all general plant project carried out under this Act exceed the total amount authorized to be appropriated for such projects under this Act.

LIMITS ON CONSTRUCTION PROJECTS

Sec. 303. (a) Whenever the current estimated cost of a construction project authorized by section 102 or 202 exceeds by more than 25 percent the amount authorized for such project, such project may not be started or additional obligations incurred in connection with such project, as the case may be, unless (1) a period of 30 calendar days (not including any day in which either House of Congress is not in session because of adjournment of more than three days to a day certain) has passed after receipt by the appropriate committees of Congress of written notice from the Secretary containing a full and complete statement of the action proposed to be taken and the facts and circumstances relied upon in support of such action, or (2) each such committee before the expiration of such period has notified the Secretary that such committee has no objection to the proposed action.

(b) Subsection (a) shall not apply to any construction project which has a current estimated cost of less than $5,000,000.

FUND TRANSFER AUTHORITY

Sec. 304. To the extent specified in appropriation Acts, funds appropriated pursuant to this Act may be transferred to other agencies of the Government for the performance of the work for which such funds were appropriated, and funds so transferred may be merged with the appropriations of the agency to which such funds are transferred.

AUTHORITY FOR CONSTRUCTION DESIGN

Sec. 305. (a) Within the amounts authorized by this Act for plant engineering and design, the Secretary may carry out advance planning and construction design and may obtain architectural and engineering services in connection with construction projects not authorized by law.

(b) In any case in which the estimated design cost for any construction project is in excess of $300,000, the Secretary shall notify the appropriate committees of Congress in writing of the details of such project at least 30 days before any funds are obligated for design services for such project.

ADJUSTMENTS FOR PAY INCREASES

Sec. 306. Appropriations authorized by this Act for salary, pay, retirement or other benefits for Federal employees may be increased by such amounts as may be necessary for increases in such benefits authorized by law.

LIMITS ON THE WASTE ISOLATION PILOT PLANT PROJECT

Sec. 307. (a) With respect to the Waste Isolation Pilot Plant construction project, 77–13–f, none of the funds authorized to be appropriated in this or any other Act may be used for purposes other than the pursuit of a demonstration project for the long term storage of nuclear wastes generated by the nuclear weapons research, development, and production complex.

(b) The Secretary shall continue the pursuit of consultation and concurrence begun with the State of New Mexico regarding its legitimate concerns in this project.

WEST VALLEY WASTE DEMONSTRATION PROJECT

Sec. 308. (a) The Secretary shall carry out a nuclear waste management demonstration project at the Western New York Nuclear Service Center, West Valley, New York. Such project shall include (1) solidification of the high level liquid nuclear wastes which are present there, (2) transportation of such solidified waste to an appropriate Federal repository, and (3) decontamination and decommissioning of the facilities, materials, and hardware used in connection with such project.

(b) In carrying out such project, the Secretary shall consult with the Nuclear Regulatory Commission, the Environmental Protection Agency, the United States Geological Survey, the State of New York, and the commercial operator of the service center.

(c) The Secretary shall seek to complete such project within a ten-year period beginning on the date of enactment of this Act.

(d) While such project is being carried out, the Secretary shall furnish to the appropriate committees of Congress on February 1 of each year a progress report on such project. Such report shall include a detailed description of the activities carried out by the Secretary under this section and information on activities planned for future years.

(e) All costs associated with such project during the first year shall be borne by the Secretary from amounts authorized to be appropriated for defense waste management.

(f) Nothing in this section shall be construed as affecting any of the rights, obligations, or liabilities of the commercial operator of the service center, the State of New York, or any person arising under the Atomic Energy Act of 1954 or under any other law, contractor agreement for the operation, maintenance, or decontamination of any facilities or property not used in connection with such project. The Attorney General of the United States may file suit in any court of competent jurisdiction to recover appropriate costs.

Mr. JACKSON. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. TOWER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. If there be no objection, the title of the bill will be appropriately amended.

There being no objection, the title was amended so as to read:

> A bill to authorize appropriations for the Department of Energy for national security programs for fiscal year 1980.

Mr. JACKSON. Mr. President, I ask unanimous consent that the Secretary of the Senate be authorized to make technical and clerical corrections in the engrossment of the Senate amendments to S. 673.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JACKSON. Mr. President, I ask unanimous consent that the bill as passed be printed in full, with amendments.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield?

Mr. JACKSON. I yield.

Mr. ROBERT C. BYRD. Mr. President, I wish to express my thanks to Mr. Jackson and Mr. Tower for stepping into the breach here and utilizing time that would otherwise have been wasted in enacting a piece of legislation that was scheduled to follow the veterans' bill.

I also express my appreciation to Mr. Cranston and Mr. Humphrey for their willingness to delay final action on the Veterans' Administration measure so as to permit action on the Department of Energy.

VETERANS' ADMINISTRATION HEALTH RESOURCES AND PROGRAMS EXTENSION ACT OF 1979

The PRESIDING OFFICER. The Senate will now resume the consideration of S. 1039. The pending question is on agreeing to the amendment of the Senator from New Hampshire (Mr. Hum-

PHREY). The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Oklahoma (Mr. BOREN), the Senator from Kentucky (Mr. FORD), the Senator from Hawaii (Mr. MATSUNAGA), and the Senator from Georgia (Mr. NUNN), are necessarily absent.

I further announce that the Senator from Alaska (Mr. GRAVEL) is absent on official business.

I also announce that the Senator from West Virginia (Mr. RANDOLPH) is absent attending the funeral of his former aide James W. Harris.

I further announce that, if present and voting, the Senator from West Virginia (Mr. RANDOLPH) would vote "nay."

Mr. STEVENS. I announce that the Senator from Maine (Mr. COHEN), and the Senator from Pennsylvania (Mr. SCHWEICKER), are necessarily absent.

The PRESIDING OFFICER. Have all the Senators in the Chamber voted?

The result was announced—yeas 40, nays 52, as follows:

[Rollcall Vote No. 133 Leg.]

YEAS—40

Armstrong
Baker
Bayh
Boschwitz
Burdick
Byrd, Robert C.
Chiles
Church
Cochran
Culver
DeConcini
Dole
Durkin
Garn
Glenn
Goldwater
Hatch
Hatfield
Heflin
Heinz
Helms
Hollings
Humphrey
Jepsen
Laxalt
Long
McClure
Mathias
Nelson
Pressler
Pryor
Roth
Sarbanes
Sasser
Stennis
Stevens
Stewart
Stone
Tower
Warner

NAYS—52

Baucus
Bellmon
Bentsen
Biden
Bradley
Bumpers
Byrd, Harry F., Jr.
Cannon
Chafee
Cranston
Danforth
Domenici
Durenberger
Eagleton
Exon
Hart
Hayakawa
Huddleston
Inouye
Jackson
Javits
Johnston
Kassebaum
Kennedy
Leahy
Levin
Lugar
Magnuson
McGovern
Melcher
Metzenbaum
Morgan
Moynihan
Muskie
Packwood
Pell
Percy
Proxmire
Ribicoff
Riegle
Schmitt
Simpson
Stafford
Stevenson
Talmadge
Thurmond
Tsongas
Wallop
Weicker
Williams
Young
Zorinsky

NOT VOTING—8

Boren
Cohen
Ford
Gravel
Matsunaga
Nunn
Randolph
Schweiker

So Mr. HUMPHREY's amendment (No. 206) was rejected.

Mr. CRANSTON. I move to reconsider the vote by which the amendment was rejected.

Mr. SIMPSON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. HUMPHREY. Mr. President, I move to recommit S. 1039 to the Senate Committee on Veterans' Affairs for further consideration.

Mr. SIMPSON addressed the Chair.

The PRESIDING OFFICER. Will the Senators have a moment's patience? The parliamentary question is being resolved.

The Chair is advised that a motion to recommit will be in order after the committee amendment is disposed of because of the prior agreement to go to the committee amendment immediately after the last vote.

The question is on agreeing to the committee amendment.

The committee amendment, as amended, was agreed to.

Mr. CRANSTON. I move to reconsider.

Mr. HUMPHREY. Mr. President——

The PRESIDING OFFICER. Will the Senator kindly desist?

The Senate is not in order. There is a technical situation which must be followed closely. Will the Senate be in order?

The Senator from New Hampshire.

Mr. HUMPHREY. Mr. President, I move that S. 1039 be recommitted to the Senate Committee on Veterans' Affairs for further consideration. I ask for the yeas and nays.

Mr. SIMPSON. Mr. President, I move to lay the Humphrey motion on the table.

The PRESIDING OFFICER. Is there——

Mr. HUMPHREY. I ask for the yeas and nays on the motion.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. SIMPSON. I move to lay the Humphrey motion on the table. I think it is neither appropriate nor——

The PRESIDING OFFICER. The matter is not to be debated.

The Chair is advised that until the time on the motion to recommit has been used or yielded back, a motion to lay on the table is not in order. There are 20 minutes on the motion.

Do the sponsors wish to yield back their time?

Mr. HUMPHREY. Mr. President, assuming the other side will agree to yield back theirs, I yield back my time.

Mr. CRANSTON. Yes, we yield back.

The PRESIDING OFFICER. All time has been yielded back.

Mr. SIMPSON. Mr. President, I move to table the pending motion.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Wyoming.

Mr. HUMPHREY. I ask for the yeas and nays.

The PRESIDING OFFICER. The yeas and nays have been requested. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Oklahoma (Mr. BOREN), the Senator from Kentucky (Mr. FORD), the Senator from Hawaii (Mr. MATSUNAGA), and the Senator from Georgia (Mr. NUNN) are necessarily absent.

I further announce that the Senator from Alaska (Mr. GRAVEL) is absent on official business.

I also announce that the Senator from West Virginia (Mr. RANDOLPH) is absent attending the funeral of his former aide James W. Harris.

I further announce that, if present and voting, the Senator from West Virginia (Mr. RANDOLPH) would vote "yea."

Mr. STEVENS. I announce that the Senator from Maine (Mr. COHEN) and the Senator from Pennsylvania (Mr. SCHWEIKER) are necessarily absent.

The PRESIDING OFFICER (Mr. HEFLIN). If there is anybody in the Chamber who has not voted, let him come forward.

The result was announced—yeas 73, nays 19, as follows:

[Rollcall Vote No. 134 Leg.]

YEAS—73

Armstrong
Baucus
Bellmon
Bentsen
Biden
Boschwitz
Bradley
Bumpers
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Chafee
Church
Cochran
Cranston
Danforth
DeConcini
Dole
Domenici
Durenberger
Eagleton
Exon
Garn
Glenn
Hart
Hayakawa
Heinz
Hollings
Huddleston
Inouye
Jackson
Javits
Johnston
Kassebaum
Kennedy
Leahy
Levin
Long
Lugar
Magnuson
Mathias
McGovern
Melcher
Metzenbaum
Morgan
Moynihan
Muskie
Nelson
Packwood
Pell
Percy
Pressler
Proxmire
Pryor
Ribicoff
Riegle
Sarbanes
Sasser
Schmitt
Simpson
Stafford
Stennis
Stevenson
Talmadge
Thurmond
Tower
Tsongas
Wallop
Warner
Weicker
Williams
Young
Zorinsky

NAYS—19

Baker
Bayh
Burdick
Chiles
Culver
Durkin
Goldwater
Hatch
Hatfield
Heflin
Helms
Humphrey
Jepsen
Laxalt
McClure
Roth
Stevens
Stewart
Stone

NOT VOTING—8

Boren
Cohen
Ford
Gravel
Matsunaga
Nunn
Randolph
Schweiker

So the motion to lay on the table the motion to recommit was agreed to.

● Mr. DOMENICI. Mr. President, I am extremely pleased to see the Veterans' Affairs Committee addressing the most disturbing issue of reduced staffing at our veterans' health care facilities.

In particular, our veterans hospital in Albuquerque, N. Mex., already suffering overcrowding conditions and strained staff levels, is confronted with the possibility of losing as many as 15 full-time employees. Without a doubt, such a reduction in staff is catastrophic and will have severe repercussions on the important health care services offered the veteran recipient.

I have contacted Administrator Cleland expressing my very deep concern over such cutbacks in full-time employees at our veterans facilities. Such reductions affect the hospitals' ability to maintain adequate standards of patient care. It is essential that the services our hospitals provide are maintained, and I urged the Administrator to defer such reductions until the full consequences of implementation can be determined.

At this time of rising inflation and costs, it is imperative we make every possible attempt to stay within our budget guidelines. Unfortunately, difficult decisions must be made in order to stretch our dollars as far as possible. I recognize the committee has made some controversial choices. They have determined it is best to maintain health care services at existing facilities. In order to accommodate this decision, they have increased the President's request for health-care personnel to meet anticipated requirements at new veterans facilities. In effect, Mr. President, our present facilities, such as those located in Albuquerque will not undergo personnel cuts in order to staff new hospitals. I wholeheartedly endorse this decision.

I wish it were possible to do more for this Nation's veterans. But, considering important budget limitations, I am extremely pleased the committee is meeting health care requirements by increasing the health care staffing issue.●

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading and was read the third time.

Mr. CRANSTON. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of H.R. 3892, the House-passed measure.

The PRESIDING OFFICER. Without objection, it is so ordered.

The bill will be stated by title.

The assistant legislative clerk read as follows:

A bill (H.R. 3892) to amend title 38, United States Code, to authorize the Administrator of Veterans' Affairs to contract for the furnishing of private health care to veterans when such health care is authorized by a Veterans' Administration physician as necessary for the treatment of medical emergency, to authorize the Administrator of Veterans' Affairs to provide outpatient medical services for any disability of a veteran of World War I as if such disability were service-connected, to extend the authorization for certain expiring health care programs of the Veterans' Administration, and for other purposes.

The PRESIDING OFFICER. Without objection, the Senate will proceed immediately to the consideration of the bill.

Mr. CRANSTON. Mr. President, I move that H.R. 3892 be amended by striking all after the enacting clause and inserting in lieu thereof the text of S. 1039 as amended.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from California.

The motion was agreed to.

The PRESIDING OFFICER. The question is on the engrossment of the amendment and the third reading of the bill.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time.

Mr. THURMOND. Mr. President, I support S. 1039, as amended. The basic purpose of this bill is to maintain and improve the quality of care within the health care delivery system of the Veterans' Administration.

The Senate Committee on Veterans' Affairs held hearings on April 10, 1979, and considered much of the legislative proposals that are before us today. Such proposal included issues of whether the authorizations of appropriations for the program of grants for the construction of State veterans' homes, and for the exchange of medical information program should be extended, and whether the rates of per diem payments to State veterans' home should be increased. The realinement of certain health care benefits was discussed. These included the limitation on travel expense reimbursement, dental benefits, and nonprescription drugs, medicines, and supplies. Also, the mechanism of tying the cost savings realized by these limitations to insure the maintenance of adequate personnel levels at VA hospital was discussed at great length. In addition, certain miscellaneous issues were heard which concerned the personnel qualification for psychologists, and a citizenship requirement for podiatrists and optometrists.

Mr. President, the committee considered an additional issue which I believe to be of extreme importance. S. 196 which has 11 cosponsors—6 are members of the committee—authorizes chiropractic treatment to veterans on an outpatient basis. This would be a 4-year pilot program with annual reimbursements on behalf of the veteran limited to $200. Total expenditures in any fiscal year for chiropractic services under this program could not exceed $4 million.

Chiropractic services have been recognized under a variety of State and Federal health care programs. In addition to the medicare program, reimbursement for chiropractic services is also currently provided for under the Federal Employees Compensation Act. Additionally a number of States include these services under their medical assistance programs.

During hearings on S. 196, the chiropractic services bill, the committee heard excellent testimony from Dr. James E. Reese, Jr., Dr. J. F. McAndrews, and Dr. Bruce Nordstrom, all of whom represented the International Chiropractic Association. These witnesses testified that during fiscal year 1979 it is estimated that the 24,000 doctors of chiropractic practicing in the United States will see 1.4 million patients, many of whom are veterans. I believe this method of health care is desired and beneficial to many, and it should be included in the VA health care system. I also would like to express my appreciation to Dr. Bruce Ehlich of Chesnee, S.C. for his inestimable assistance with this legislation. Dr. Ehlich is the legislative chairman of the Committee on Veteran Services for the International Chiropractic Association, and I am pleased that he and I are both South Carolinians.

Testimony was also heard from the Veterans of Foreign Wars—who represent 1.85 million veterans—in support of S. 196. I have the VFW Resolution No. 646, "Authorizing Chiropractic Service," which was adopted by the 79th national convention of the VFW during August 1978. For the benefit of my colleagues, I ask unanimous consent that it be inserted in the Record at the conclusion of my remarks.

Mr. President, I believe that S. 1039, as amended, is in the best interest of the veteran, and I urge my colleagues to support this measure.

There being no objection, the resolution was ordered to be printed in the Record, as follows:

Resolution No. 646: Authorizing Chiropractic Service

Whereas, Chiropractic health care is not available under present Veterans Administration Federal status; and

Whereas, the Veterans Administrator presently has the legal power to "furnish hospital care he determines is needed" for the Armed Service Veteran; and

Whereas, the Veterans Administrator has neglected or refrained from providing Chiropractic care to these Veterans who request said care; and

Whereas, a hardship is subjected upon the veteran as such Chiropractic services are denied and the veteran must pay for same from his own pocket; and

Whereas, Chiropractic care is recognized by Health, Education and Welfare (HEW) as a complementary health care system available to the senior citizen; and

Whereas, all Chiropractic health care administered to senior citizens is being paid in part by the state and federal Medicare agencies; now, therefore be it

Resolved, by the 79th National Convention of the Veterans of Foreign Wars of the United States, that we petition the United States Congress to amend the Veterans Benefit law, Title 38, whereby Chiropractic services are made available to the veteran who so requests same; and be it further

Resolved, That the following amendments to Title 38, Veterans Benefits, be implemented to carry out the directive of this resolution:

Section 601—Part (6), include "Chiropractic Services" after the words "surgical services."

Section 4105—add part (E)—In a state such chiropractic services be provided when recommended by the Veteran's physician.

Mr. STAFFORD. Mr. President, I should like to take a very short time to congratulate the managers of the bill for the majority and the minority, Mr. Cranston and Mr. Simpson, who have done an outstanding job of getting this important piece of legislation to this point in the Senate. They have done a fine job, and I am very proud of both of them and of the way they and their staffs have handled this matter for the committee and for the Senate.

Mr. CRANSTON. I thank the Senator for his very generous remarks and for his fine work on the committee on this matter and many other matters.

Mr. THURMOND. Mr. President, will the Senator yield?

Mr. CRANSTON. I yield.

Mr. THURMOND. Mr. President, I commend the able and distinguished chairman of the Veterans' Affairs Committee for the fine job he has done on this bill. I also commend the able and distinguished ranking minority member, who also has done an excellent job.

The Senator from Wyoming (Mr. Simpson), the ranking minority member, is a new Member here, but he acts like a professional. He has done an outstanding job. I congratulate both Senators on the job they have done.

Mr. CRANSTON. I thank the Senator from South Carolina very much for his remarks and for his effective work on this measure. His help has been indispensable in its passage. I thank him for all his work on the Veterans' Affairs Committee.

Mr. BAKER. Mr. President, I express my appreciation to the distinguished ranking Republican member on the committee for his expert handling of this matter. I believe this is the first piece of major legislation he has been called upon to manage on our side, on the floor. I commend him for a job extraordinarily well done, and I express my personal appreciation for his efforts.

Also, Mr. President, I congratulate the Senator from California for his usual good job in managing a matter which obviously is very close to this heart.

Mr. CRANSTON. I thank the minority leader very much for his generous remarks and for his constant help.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass?

The bill (H.R. 3892) was passed, as follows:

That (a) this Act may be cited as the "Veterans' Administration Health Resources and Programs Extension Act of 1979".

(b) Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision, the reference shall be considered to be made to a section or other provision of title 38, United States Code.

TITLE I—EXTENSION AND IMPROVEMENT OF CERTAIN VETERANS' ADMINISTRATION HEALTH PROGRAMS

SEC. 101. (a) Section 5033(a) is amended by striking out "the succeeding fiscal year" and inserting in lieu thereof "each of the four succeeding fiscal years".

(b) Section 5035(d)(2) is amended by inserting before the period at the end thereof "or $3,000,000, whichever is greater".

SEC. 102. (a) Section 5054 is amended by adding at the end thereof the following new subsection:

"(c) The Administrator is authorized to enter into agreements with public or nonprofit private institutions, organizations, corporations, or entities in order to participate in cooperative health-care personnel education programs within the geographical areas of Veterans' Administration health-care facilities located in areas remote from major academic health centers.".

(b) Section 5055(c)(1) is amended by inserting "and for each of the three succeeding fiscal years" after "fiscal year 1979".

SEC. 103. (a) Section 641(a) is amended by striking out "$5.50", "$10.50" and "$11.50" and inserting in lieu thereof "$6.35", "$12.10", and "$13.25", respectively.

(b) The amendments made by subsection (a) of this section shall take effect on October 1, 1979.

TITLE II—REALINEMENT OF VETERANS HEALTH CARE AND RELATED BENEFITS

SEC. 201. (a) Section 111(e)(2) is amended to read as follows:

"(2)(A) Except with respect to a person receiving benefits for or in connection with a service-connected disability under this title, no payment shall be provided under this section except—

"(i) when travel is by a special vehicular mode of transportation that (I) is required for medical reasons, and (II) has been authorized by the Administrator prior to such travel except to the extent that the Administrator provides, under regulations which the Administrator shall prescribe, for reimbursement for the costs of travel by such mode in a medical emergency of such nature that the delay incident to obtaining prior authorization would have been hazardous to life or health; or

"(ii) when the person claiming reimbursement is a person receiving or eligible to receive pension under section 521 of this title and, with respect to any trip to or from a facility or place described in subsection (a) of this section, only in the amount by which the payment otherwise authorized by this section for such trip exceeds $4 unless such person, in any fiscal year, has already incurred $100 in travel expenses otherwise allowable under this section for which payment has not been provided pursuant to this subparagraph.

For the purposes of this subparagraph, a person shall be considered to be a person receiving pension under section 521 of this title if such person would be eligible to receive such pension except for the fact that such person does not meet eligibility requirements with respect to disability, age, or service during a period of war.

"(B) In no event shall payment be provided under this section—

"(i) to reimburse for the cost of travel by privately owned vehicle in any amount in excess of the cost of such travel by public transportation, unless (I) public transportation is not reasonably accessible or would be medically inadvisable, or (II) the cost of such travel is not greater than the cost of public transportation; and

"(ii) in excess of the actual expense incurred by such person as certified in writing by such person.".

(b) Section 601 is amended by—

(1) striking out "transportation" in subclause (ii) of paragraph (5)(A) and inserting in lieu thereof "travel";

(2) striking out subclause (ii) of paragraph (5)(C) and inserting in lieu thereof "(ii) travel and incidental expenses for such dependent or survivor under the terms and conditions set forth in section 111 of this title."; and

(3) striking out "necessary expenses of travel and subsistence" in the parenthetical phrase in clause (B) of paragraph (6) and inserting in lieu thereof "travel and incidental expenses".

(c) Section 614 is amended by—

(1) striking out "necessary travel expenses" in subsection (a) and inserting in lieu thereof "travel and incidental expenses, pursuant to the provisions of section 111 of this title,"; and

(2) striking out "all necessary travel expenses" in subsection (b) and inserting in lieu thereof "travel and incidental expenses, pursuant to the provisions of section 111 of this title,".

(d) Section 628(a) is amended by striking out "the necessary travel" and inserting in lieu thereof "travel and incidental expenses pursuant to the provisions of section 111 of this title".

SEC. 202. (a) Section 601 is amended by adding at the end thereof the following new paragraph:

"(9) The term 'chiropractic services' means the manual manipulation of the spine performed by a chiropractor (who is licensed as such by the State in which he or she performs such services and who meets the uniform minimum standards promulgated for chiropractors under section 1861(r)(5) of the Social Security Act (42 U.S.C. 1395x(r)(5))) to correct a subluxation of the spine. For the purposes of this paragraph, such term does not include physical examinations, laboratory tests, radiologic services, or other tests or services determined by the Administrator to be excluded.".

(b)(1) Subchapter III of chapter 17 is amended by adding at the end thereof the following new section:

"§ 629. Chiropractic services

"(a) The Administrator may, under regulations which the Administrator shall prescribe, reimburse a veteran eligible for medical services under this chapter for the reasonable charge for chiropractic services, for which such veteran has made payment, if—

"(1) such chiropractic services were for the treatment of a service-connected neuromusculoskeletal condition of the spine.

"(2) the veteran is a veteran who has been furnished hospital care by the Veterans' Administration for a neuromusculoskeletal condition of the spine within a twelve-month period prior to the provision of such chiropractic services, or

"(3) the veteran is a veteran described in section 612(f)(2) of this title who has been furnished hospital care or medical services by the Veterans' Administration for a neuromusculoskeletal condition of the spine, to the extent that such veteran is not entitled to such chiropractic services or reimbursement for the expenses of such services under an insurance policy or contract, medical or hospital service agreement, membership or subscription contract, or similar arrangement for the purpose of providing, paying for, or reimbursing expenses for such services.

"(b) In any case in which reimbursement may be made under this section, the Administrator may, in lieu of reimbursing such veteran, make payment of the reasonable charge for such chiropractic services directly to the chiropractor.

"(c)(1) In determining the reasonable charge for chiropractic services under this section the Administrator shall, in consultation with appropriate public and nonprofit private organizations and other Federal departments and agencies that provide reimbursement for chiropractic services, establish a schedule of allowances for such services, which scheduled shall be consistent with the reasonable charges allowed under title XVIII of the Social Security Act (42 U.S.C. ch. 7).

"(2) The amount payable by the Administrator for chiropractic services furnished under this section shall not exceed $200 in any twelve-month period in the case of any veteran.

"(d) Notwithstanding any other provision of this title, total expenditures for chiropractic services reimbursed under this section shall not exceed $4 million in any fiscal year and no reimbursement or payment may be made under this section for chiropractic services furnished after September 30, 1983.".

(2) The table of sections at the beginning of chapter 17 is amended by inserting after the item relating to section 628 the following new item:

"629. Chiropractic services.".

(c) Not later than December 31, 1980, and not later than December 31 of each of the next three years, the Administrator shall prepare and submit to the Committee on Veterans' Affairs of the House of Representatives and the Committee on Veterans' Affairs of the Senate reports on the use made of the authorities provided for in the amendments made by subsection (b)(1) of this section. Each such report shall include—

(1) the number of requests by eligible veterans for reimbursement or payment for chiropractic services in the most recent fiscal year under section 629 (as added by subsection (b)(1) of this section) and the number of such veterans who made such requests;

(2) the number of reimbursements or payments made by the Administrator under such section in such fiscal year and the number of veterans to or for whom such reimbursements or payments were made; and

(3) the total amounts of expenditures by the Administrator for such reimbursements

and payments under such section in such fiscal year.

SEC. 203. Section 612(b) is amended by—

(1) amending clause (2) by—

(A) striking out "active military, naval, or air service and" in subclause (A) and inserting in lieu thereof "a period of active military, naval, or air service of not less than 180 days,";

(B) striking out "within one year" in subclause (B) both places it appears and inserting in lieu thereof "within six months"; and

(C) inserting before the semicolon at the end thereof a comma and "and (C) if the Secretary concerned has not certified, in writing, that the veteran was provided by such Secretary, during the ninety days immediately prior to such veteran's discharge or release from such service, a complete dental examination (including X-rays) and all appropriate dental services and treatment indicated by such examination"; and

(2) inserting at the end thereof below the last clause the following new sentence: "The Administrator may not furnish outpatient dental services, treatment, or related dental appliances, under this section through private facilities for which the Administrator contracts pursuant to the provisions of section 601(4)(C)(i), (ii), or (v) of this title to a veteran at a cost to the Veterans' Administration of more than $500 during any twelve-month period, unless the Administrator has determined, prior to the furnishing of such services, treatment, or appliances, based on an examination by a dentist employed by the Veterans' Administration, that the furnishing of such services, treatment, or appliances at such cost is reasonably necessary.".

SEC. 204. Section 612(f) is amended by inserting before the semicolon at the end of clause (1) a comma and "but any such veteran (other than a veteran receiving or eligible to receive compensation under chapter 11 of this title) being furnished services under this clause shall not be furnished drugs, medicines, or medical supplies which may be purchased without a physician's prescription, unless (i) such veteran is a veteran receiving or eligible to receive pension under section 521 of this title (including a veteran who would be eligible to receive such pension except for the fact that such veteran does not meet eligibility requirements with respect to disability, age, or service during a period of war), or (ii) the Administrator, under regulations which the Administrator shall prescribe, authorizes the furnishing to such veteran of such drugs, medicines, or medical supplies in order to avoid substantial hardship that would otherwise result from the extraordinary cost thereof to a veteran".

SEC. 205. Section 612(g) is amended by inserting at the end thereof the following new sentence: "The Administrator may also furnish to any such veteran home health services under the terms and conditions set forth in subsection (f) of this section.".

SEC. 206. Section 613 is amended by—

(1) amending subsection (a) by—

(A) striking out "and" at the end of clause (1);

(B) inserting "and" after the comma at the end of clause (2);

(C) inserting immediately below clause (2) the following new clause:

"(3) the surviving spouse or child of a person who dies in the active military, naval, or air service in the line of duty and not due to misconduct,"; and

(D) adding at the end thereof the following new sentence: "The term 'person' as used in clause (3) of this subsection shall mean 'veteran' for the purposes of section 103(d) of this title."; and

(2) adding at the end thereof the following new subsection:

"(c) For the purposes of this section, any child described in subsection (a) of this section who, while pursuing a full-time course of instruction (including any period between terms, semesters, or quarters, or during vacation or holiday periods) at an approved educational institution, becomes unable to continue such child's chosen program of education because of a mental or physical disability which was not the result of such child's own willful misconduct shall remain eligible for benefits under this section until six months after the disability is removed, until two years after the date of onset of such disability, or until such child's twenty-third birthday, whichever occurs first.".

SEC. 207. (a) Except as provided in subsections (b) and (c) of this section, the amendments made by this title shall take effect on October 1, 1979.

(b)(1) Except as otherwise provided in paragraph (5) of this subsection and in subsection (c) of this section, the amendments made by sections 201(a), 203 and 204 of this Act shall take effect at such time as there are provided to the Veterans' Administration for fiscal year 1980 the required personnel ceiling defined in the second sentence of this paragraph. For purposes of this paragraph, "the required personnel ceiling" means the authorization by the Director of the Office of Management and Budget to employ, under the appropriation accounts for medical care, medical and prosthetic research, and medical administration and miscellaneous operating expenses, not less than the number of employees for the employment of which appropriations have been made for fiscal year 1980 and for which funding is provided under such accounts.

(2)(A) Not later than thirty days after the date of enactment of the first law making appropriations for the Veterans' Administration for fiscal year 1980, the Administrator of Veterans' Affairs shall submit to the appropriate committees of the Congress and to the Comptroller General of the United States a report providing complete information on the personnel ceiling that the Office of Management and Budget has provided to the Veterans' Administration for the employees described in the second sentence of paragraph (1) of this subsection.

(B) Not later than forty-five days after the date of the enactment of the law described in subparagraph (A) of this paragraph, the Comptroller General shall submit to the appropriate committees of Congress a report stating the Comptroller General's opinion as to whether, pursuant to the provisions of paragraph (1) of this subsection, the amendments made by sections 201(a), 203, and 204 of this Act have entered into effect.

(3)(A) If, pursuant to the provisions of paragraph (1) of this subsection, the amendments made by sections 201(a), 203, and 204 of this Act become effective, such amendments shall continue to have effect, on and after the thirtieth day after the date of the enactment of each law making appropriations for the Veterans' Administration that is enacted subsequent to the law described in subparagraph (A) of paragraph (2) of this subsection and that includes appropriations for employees described in the second sentence of paragraph (1) of this subsection, only if, by each such day, the required personnel ceiling defined in the second sentence of this subparagraph has been provided to the Veterans' Administration. For the purposes of this subparagraph, "the required personnel ceiling" means the authorization by the Director of the Office of Management and Budget to employ under the appropriation accounts described in the second sentence of paragraph (1) of this subsection not less than the number of employees for the employment of which appropriations have been made by the applicable law described in the first sentence of this subparagraph and for which funding is provided under such appropriation accounts.

(B) Not later than thirty days after the date of the enactment of any law described in subparagraph (A) of this paragraph, the Administrator of Veterans' Affairs shall submit to the appropriate committees of the Congress and to the Comptroller General of the United States a report providing complete information on the personnel ceiling that the Office of Management and Budget has provided to the Veterans' Administration for the employees described in the second sentence of paragraph (1) of this subsection.

(C) Not later than forty-five days after the date of the enactment of each law described in subparagraph (A) of this paragraph, the Comptroller General shall submit to the appropriate committees of the Congress a report stating the Comptroller General's opinion as to whether, pursuant to the provisions of this paragraph, such amendment remained in effect on the thirtieth day following the date of the enactment of such law.

(4) If, pursuant to the provisions of this paragraph, the amendments made by sections 201(a), 203, and 204 of this Act lose effect at any time, such loss of effect shall be permanent.

(5) Notwithstanding any other provision of this subsection, the amendments made by sections 201(a), 203, and 204 of this Act and the provisions of this subsection shall cease to be effective on and after October 1, 1983.

(c) The amendments made by section 203 (1)(B) of this Act shall not apply in the case of any veteran whose discharge or release from active military, naval, or air service occurred during the twelve months immediately prior to the date of the enactment of this Act.

SEC. 208. Section 612(i) is amended by inserting at the end thereof the following new clause:

"(5) To any veteran of World War I.".

TITLE III—VETERANS' ADMINISTRATION MEDICAL PERSONNEL AND MISCELLANEOUS AMENDMENTS

SEC. 301. (a) Section 4104(2) is amended by inserting "psychologists," after "Pharmacists,".

(b) Section 4105 is amended by—

(1)(A) striking out the period at the end of clause (9) and inserting in lieu thereof a semicolon; and

(B) adding at the end of subsection (a) the following new clause:

"(10) Psychologist—

"hold a doctoral degree in psychology from a college or university approved by the Administrator, have completed study for such degree in a specialty area of psychology and an internship which are satisfactory to the Administrator, and be licensed or certified as a psychologist in the State, except that the Administrator may waive the requirement of licensure or certification for an individual psychologist for a period not to exceed two years on the condition that such psychologist provide patient care only under the direct supervision of a psychologist who is so licensed or certified."; and

(2) inserting "podiatrist, optometrist," in subsection (b) after "dentist,".

(c) The amendment made by subsection (b)(1) of this section to require that a psychologist appointed to a position in the Department of Medicine and Surgery of the Veterans' Administration be licensed or certified as a psychologist in a State shall not apply to any person employed as a psychologist by the Veterans' Administration on or before May 1, 1979.

SEC. 302. Section 4106(b) is amended by striking out "three" and inserting in lieu thereof "two".

SEC. 303. Section 5053(a) is amended by inserting a comma and "or organ banks, blood banks, or similar institutions" after "facilities".

SEC. 304. (a) The Secretary of Health, Education, and Welfare, in consultation with the heads of other appropriate Federal departments and agencies, shall conduct a scientific, epidemiological study of various populations to determine if there may be long-term health effects in humans from exposure to the class of chemicals known as "the dioxins", especially those dioxins produced during the manufacture of the various phenoxy herbicides including those used during the period of the Vietnam conflict.

(b) The report of the study shall include (1) a comprehensive review and professional analysis of the literature covering other such studies conducted or underway of such long-term health effects, and (2) a description of the results of epidemiological studies conducted by the Secretary of populations of chemical workers, agricultural workers, Service personnel and veterans, and others exposed in connection with the production or use of such phenoxy herbicides. Such report, together with such comments and recommendations as the Secretary and such department and agency heads may deem appropriate, shall be submitted to the appropriate Committees of the Congress not later than 30 months after the date of the enactment of this Act.

Amend the title so as to read: "An act to amend title 38, United States Code, to extend the authorizations of appropriations for the program of grants to State homes for veterans and the program of exchange of medical information and to revise certain provisions regarding such programs, to revise and clarify eligibility for certain health-care benefits, to provide for the payment for chiropractic services for certain veterans, and to revise certain provisions relating to the personnel system of the Department of Medicine and Surgery; and to assure that savings realized from certain revisions of health-care benefits are used to maintain adequate staffing within such Department; and for other purposes.".

Mr. CRANSTON. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. SIMPSON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. CRANSTON. Mr. President, I move that the title of H.R. 3892 be amended with the title amendment of S. 1039 as reported.

The motion was agreed to.

The title was amended so as to read:

A bill to amend title 38, United States Code, to extend the authorizations of appropriations for the program of grants to State homes for veterans and the program of exchange of medical information and to revise certain provisions regarding such programs, to revise and clarify eligibility for certain health-care benefits, to provide for the payment for chiropractic services for certain veterans, and to revise certain provisions relating to the personnel system of the Department of Medicine and Surgery; and to assure that savings realized from certain revisions of health-care benefits are used to maintain adequate staffing within such Department; and for other purposes.

Mr. CRANSTON. Mr. President, I ask unanimous consent that S. 1039 be indefinitely postponed.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CRANSTON. Mr. President, I ask unanimous consent that the Secretary of the Senate be authorized to make technical and clerical corrections in the engrossment of the Senate amendments to H.R. 3892.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CRANSTON. Mr. President, I thank the distinguished Senator from Wyoming for his truly marvelous help on this measure in the Chamber and in committee and in between.

I thank all the other members of the committee for their work in bringing to the Chamber a bill that we were able to handle in this way and pass in this fashion.

I thank each and all of them.

Mr. SIMPSON. Mr. President, just let me say very briefly that I am sure that none of the Senators in this body have forgotten the early days of their first term here.

As a floor manager on this and one prior committee bill here in the Senate, let me express my deepest appreciation to the chairman of this committee for his counsel and his kindness to me, a little bit above and beyond the call of duty, I might add; and to my senior members of my committee, Senator THURMOND and Senator STAFFORD, who have been most courteous and most patient with me in my first few months here in the Senate. And I wish to commend Senator HUMPHREY, who is a spirited and capable adversary, with whom I have enjoyed working in the committee. I have the greatest of admiration for him; and as a fellow freshman perhaps a little bit more empathy and appreciation for his efforts. He undertakes his causes with great intensity and sincerity, and I admire that.

So I thank Senators very much for their comments and for their courtesies to this new Member.

Thank you so much.

DEPARTMENT OF DEFENSE SUPPLEMENTAL AUTHORIZATIONS, 1979—CONFERENCE REPORT

Mr. STENNIS. Mr. President, I submit a report of the committee of conference on S. 429 and ask for its immediate consideration.

The PRESIDING OFFICER. The report will be stated.

The assistant legislative clerk read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 429) to authorize appropriations for fiscal year 1979, in addition to amounts previously authorized for procurement of aircraft, missiles, naval vessels, and other weapons, and for research, development, test, and evaluation for the Armed Forces and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by all of the conferees.

The PRESIDING OFFICER. Without objection, the Senate will proceed to the consideration of the conference report.

(The conference report will be printed in the proceedings of the House of Representatives.)

Mr. STENNIS. Mr. President, if I may have attention of the body, if this takes over 2 or 3 minutes I wish unanimous consent to yield to the Senator from Massachusetts who has a matter here concerning a late Member of this body.

Mr. President, this conference report——

Mr. TOWER. May we have order?

The PRESIDING OFFICER. The Senator is correct. The Senate is not in order. Come to order.

Mr. STENNIS. May we have quiet? The only way to transact business I ever found was to let those speaking be heard.

I am going to yield to the Senator from Delaware. I hope he is in the Chamber.

Mr. President, this conference report now is signed by all the conferees of the House of Representatives and all of the conferees of the Senate. It is within the figures of limitations so far as the two Houses are concerned. It is within the requirements, as I understand, of our legislative Budget Committee.

The Senator from Texas (Mr. TOWER), is the ranking minority member of our committee, and a highly valuable member and he is in the Chamber. I hope he will say a word. I yield to the Senator.

Mr. TOWER. Mr. President, I thank my colleague from Mississippi who did a masterful job in guiding this bill through the committee, through the deliberations in the Chamber, and again through the conference where I believe the Senate fared fairly well.

The House Members are always tough to negotiate with in these conference committees. Their views are usually strongly held and they generally speak with expertise in the matters on which they raise issues with the Senate.

But I think the Senate position fared very well in this year's conference. I attribute that largely to the skill of our chairman. I urge my colleagues to adopt the conference report in an expeditious manner so we can get on with the business of getting the money appropriated to implement that bill.

Mr. STENNIS. I thank the Senator very much.

Mr. President, I am glad to yield to the Senator from Maine who is chairman of our legislative Budget Committee.

Mr. MUSKIE. Mr. President, I thank my good friend from Mississippi and I congratulate him and the Senate conferees for holding the conference report within the limits of the budget resolution.

Mr. President, I comment on the Department of Defense supplemental authorization conference agreement for weapons programs for fiscal year 1979. The conference agreement provides for $2 billion in budget authority and $1 billion in fiscal year 1979 outlays for function 050, national defense. The conference agreement also impacts on function 150, international affairs, because of transactions associated with the foreign military sales trust fund and the Iranian Government's cancellation of several weapons programs. The impact on function 150 provides for an offsetting deduction of $1 billion in budget authority and $800 million in outlays for fiscal year 1979. Thus, the net budget cost of the conference agreement for fiscal year 1979 is $1 billion in budget authority and $200 million in outlays.

These totals are consistent with the budget resolution assumptions regarding the fiscal year 1979 weapons supplemental. I congratulate Senator Stennis for his efforts regarding this legislative measure and I support the conference agreement.

Mr. STENNIS. We thank the Senator from Maine and his cohorts for their assistance.

Mr. President, the Senator from Delaware, as I understood, had a colloquy he wanted to make. We have already discussed this. I am not putting any time limit on it. But he understands the situation.

Mr. BIDEN. Mr. President, I shall be very brief. I thank the chairman for yielding to me.

I just wish to thank the chairman and compliment him and the rest of his committee for defending the Senate position as taken on three separate votes on the SLEP program, the *Saratoga*, in particular, and acknowledge that because of technical reasons the House could not accept the Senate language in section 302 of the bill as affirmed by the Senate on May 3. I also thank the chairman for supporting the Senate position in the conference despite the fact that he personally opposed that position. I respect him for upholding the will of the Senate, and thank him for it. The language that does appear as the statement of managers in the report relating to the program states that it is the intention of the conferees that the SLEP program must now proceed as determined by the Secretary of Defense, who will continue to proceed with that determination, taking into account considerations of cost, national security, and such other factors as he considers appropriate, recognizing the need to move expeditiously on this particular program.

I understand from the chairman that the last paragraph in this section indicates that the chairman and the committee will exercise their usual diligent oversight on this program as they do on all others.

I compliment the chairman for his work, his commitment, and the entire committee for the manner in which they handled this legislation.

Mr. STENNIS. Mr. President, we certainly thank the Senator from Delaware. That matter was fully debated here in the Senate and was voted on by the membership. This is the aircraft carrier *Saratoga* overhaul, and it is one of several. This relates to where this work is going to be done.

The Senate conferees moved with vigor, I think, and with as much logic as we could muster. The House position, though, was that they had a ruling from their Parliamentarian that this matter was nongermane. Under those circumstances they had no discretion in the matter. They could have bodily taken it back to the House of Representatives, but it would have put the entire matter in jeopardy, even on motion of one Member under their rule.

So we had to yield for that reason and for that reason only, but we did cover this matter in the language. The reference there is the surveillance. We were not trying to take a lick at anything. We give such surveillance as we can and we have time on all the projects that we have under our jurisdiction. This being a continuing one it would certainly fall within that classification.

I commend Senators who had special interest in this matter on both sides. We have really seen a good many fights here on this open basis.

Mr. BIDEN. I thank the Senator.

Mr. STENNIS. Mr. President, if there be no other remarks I hope this will pass.

Mr. WARNER. Mr. President, will the Senator yield for a moment?

Mr. STENNIS. I am glad to yield to the Senator from Virginia.

Mr. WARNER. Mr. President, I wish to express appreciation to the Senator from Delaware for his comments with respect to the fairness of the debate here in the Senate. He mentioned the last paragraph as stating that the Senate could expect that the Senate Armed Services Committee would continue, and I believe I quote him correctly "their usual oversight."

I remind the Senator that the language of the report is not "usual," but that the Senate Armed Services Committee expresses the desire to continue "close" oversight.

This is a matter of great seriousness to not only the committee but to the Senate as a whole. It is anticipated that three more ships will be included in this program and there will always be present the question that the American taxpayer is particularly interested in, namely, the cost implications between the various yards that are competent to perform this type of overhaul.

I thank the Senator.

Mr. STENNIS. I thank the Senator from Virginia.

Mr. President, if there is no other one to address the Chair——

The PRESIDING OFFICER. I believe the Senator from Massachusetts desires to be recognized.

Mr. KENNEDY. I will seek recognition after the disposal of this matter.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The conference report was agreed to.

Mr. STENNIS. Mr. President, I move to reconsider the vote by which the conference report was agreed to.

Mr. BAKER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. STENNIS. I thank the Chair.

DEATH OF SENATOR LEVERETT SALTONSTALL OF MASSACHUSETTS

Mr. KENNEDY. Mr. President, on behalf of Senator Tsongas and myself I send to the desk a resolution expressing the sadness of the Senate over the death yesterday at the age of 86 of our former colleague and outstanding Senator for the people of Massachusetts and the Nation, Senator Leverett Saltonstall.

Mr. STENNIS. Mr. President, may we have quiet?

The PRESIDING OFFICER. The clerk will report the resolution.

The assistant legislative clerk read as follows:

S. Res. 186

Resolved, That the Senate has heard with profound sorrow and deep regret the announcement of the death of the Honorable Leverett Saltonstall, late a Senator from the State of Massachusetts.

Resolved, That a committee be appointed by the President of the Senate to attend the funeral of Senator Saltonstall.

Resolved, That the Secretary of the Senate communicate these resolutions to the House of Representatives and transmit an enrolled copy thereof to the family of the Senator.

Resolved, That, when the Senate stands in recess at the conclusion of its business today, it do so as a further mark of respect to the memory of Senator Saltonstall.

The Senate proceeded to consider the resolution.

Mr. GOLDWATER. Mr. President, will the Senator yield?

Mr. KENNEDY. I would be glad to.

Mr GOLDWATER. Will the Senator include me as a cosponsor?

Mr. TOWER. Will the Senator include me?

Mr. BAKER. Will the Senator include me?

Mr. HARRY F. BYRD, JR. Will the Senator include the Senator from Virginia?

Mr. JAVITS. Will the Senator include the Senator from New York?

Mr. KENNEDY. Mr. President, I ask unanimous consent that Mr. Goldwater, Mr. Tower, Mr. Baker, Mr. Byrd of Virginia, and Mr. Javits be included as cosponsors to this resolution.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KENNEDY. Mr. President, I ask unanimous consent that other Senators may have the privilege of introducing statements into the Record expressing their feelings toward Senator Saltonstall.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KENNEDY. Mr. President, Senator Saltonstall, like many of us from Massachusetts and New England, loved the sea. It was somehow extremely fitting and appropriate that for 22 years, from 1945 until his retirement in 1967, the Commonwealth of Massachusetts was brilliantly represented in this Chamber by a well-loved Senator named "Salty."

In a sense, he was born to history. He was the great-grandson and namesake of the first mayor of Salem, Mass., a well-known early historical figure in our State who also served in the House of Representatives in the early 19th century.

Senator Saltonstall himself decided early to pursue a career in public service. He graduated from Harvard University in 1914 and from Harvard Law School in 1917. After his service with the U.S. Army field artillery in France in the first World War, he returned to law practice and public service in our Commonwealth. For 13 years, he served in the Massachusetts House of Representatives; for the last 7 of those years he was Speaker of the House. From 1939 until his election to the U.S. Senate in 1944, he served with great distinction as the Governor of our State.

He was re-elected three times to the Senate—in 1948, 1954 and 1960. He was perhaps the most widely loved and respected Massachusetts public figure of his day, and it was common knowledge that his Senate seat was his for as long as he chose to hold it.

Senator Saltonstall's extraordinary career in the Senate made him an influential national leader on major issues of both foreign and domestic policy, ranging from the Marshall Plan to civil rights to child health care and the National Science Foundation.

His prestige and influence transcended all boundaries of partisan or philosophical division. I remember very clearly the kindness he showed my brother Jack when they served together in the Senate, and the respect and affection in which my brother always held him.

I also recall the generous and warm counsel he so willingly gave to me when I first arrived in the Senate in 1962 at the height of his great career. Few if any junior Senators coming to the Capitol ever had a wiser or more willing senior colleague.

For nearly half a century, Senator Saltonstall served the people of Massachusetts with extraordinary skill and dedication. He worked tirelessly for his constituents. Because of his special concern and achievements in behalf of the vitality of the New England fishing industry, he was affectionately known as "Mr. Fish."

In 1954, along with my brother Jack, Senator Saltonstall led the Senate effort to create a special fund to revitalize the American fishing industry. That fund, which became known as the "Saltonstall-Kennedy Fund," continues to provide assistance to the fishing industry throughout the country. Currently, it is helping the industry to regain its strength in the face of recent years of foreign fishing that has depleted the resources off our shores.

In addition, Senator Saltonstall and my brother sponsored the landmark legislation creating the Cape Cod National Seashore Park, which has done so much to protect the beauty of Cape Cod.

To a generation of Americans, Senator Leverett Saltonstall symbolized the best in the New England character. The qualities he displayed—his integrity and understanding and dedication to the common good—have always been the bedrock of democracy in America and they remain so today.

The Kennedy family joins the millions of others in Massachusetts and across the Nation as we mourn the passing of our colleague and express our sympathy to the members of his family.

Mr. President, I ask unanimous consent there be printed in the RECORD the articles on Senator Saltonstall from the Boston Globe and the Boston Herald American today, and I urge the Senate to approve the resolution that my colleague and I have offered in tribute to Senator Saltonstall.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the Boston Globe, June 18, 1979]

"SALTY" IS DEAD AT 86

(By Edgar J. Driscoll, Jr.)

The Grand Old Man of Massachusetts politics is dead.

Leverett Saltonstall of Lone Oak Farm, Dover, former U.S. Senator, governor, state representative and speaker of the Massachusetts House, died yesterday at his home about 10 a.m. He was 86. Sen. Saltonstall died of heart failure, according to his son, William. His wife of 62 years, Alice, and his daughter, Susan, were with him at the time of his death. Sen. Saltonstall was released June 9 from Jamaica Plain's Faulkner Hospital, where he had been confined for three weeks because of respiratory difficulties.

A man to whom public office was a public trust, he had served the common weal with great distinction and great devotion for more than 46 years.

When he stepped down from the Senate at the age of 74 in January 1967 to become a gentleman farmer on his Dover estate and to work in civic, charitable and cultural endeavors, he said:

"I wanted to quit when I was still doing the job rather than just fade away in the Senate . . . Too many of my Senate colleagues overdid it. They stayed on too long—napping through committee hearings when they should have packed up and gone home."

If "Salty" or "Lev," as he was affectionately known to countless friends, admirers and constituents, had chosen to run for re-election, there was little doubt that victory would have been his. But he didn't, since he wasn't sure he could give his best for six more years.

Before retiring after 22 years in what has been called the world's most select club, the Republican leader had held the ranking minority role in no fewer than seven Senate committee posts. They included the most powerful in Congress: Appropriations, Defense, Legislative, Armed Services, Preparedness, Small Business and Government Procurement, as well as assignments on nine others.

When he was elected to the Senate after three highly successful two-year terms as governor of the commonwealth, 1939–44, a newspaper characterized the patrician Proper Bostonian as "reflecting in his bearing and character much of the thing that in bygone years won for Boston the title of the 'Athens of America'; he is what men call 'a scholar and a gentleman,' sort of survivor of the people who moved through the pages of the 'Flowering of New England.'"

Sen. Saltonstall was first elected to the Senate in 1944 to fill the unexpired term of Sen. Henry Cabot Lodge, who had resigned to join the Armed Forces of World War II.

He won by a majority of 561,000 votes over his Democratic opponent, Mayor John Corcoran of Cambridge. At the time it was the largest margin ever given a candidate for statewide office. He was reelected in 1948, 1954 and 1960.

In the Senate, he was known as "a senator's senator," possessing the Yankee traits of tidiness, unfailing courtesy and caution, coupled with integrity, modesty, thoroughness, tenacity and a shrewd grasp of political realities.

One of the most prompt and faithful of senators attending committee hearings and Senate sessions, he usually preferred to work through the amendment of bills rather than direct sponsorship. His hand touched thousands of pieces of legislation.

As a leading senator, he was closely associated with such national legislation as Internal Affairs and Aid, Selective Service, Unification of Armed Services, Veterans Benefits, the Marshall Plan, the National Act Against Discrimination in Employment, the National Science Foundation, Child Health, Displaced Persons, Anti-Fillibuster, the Cape Cod National Park, NASA, the Atomic Commission and the Nuclear Control Treaty with Russia.

Known on Capitol Hill as "the gentlemanly gentleman from Massachusetts," the senator was noted for his modus operandi.

At a hearing on a highly controversial issue he would courteously listen to every witness, apply the principles of his cautious New England heritage, then search for the middle ground. As a dogged rounder-upper of facts and a careful weigher of them in order to get the full picture, he had a reputation for fairness and integrity.

As one columnist put it, when the Republican leader retired: "He will not be remembered as an imaginative, brilliant, aggressive leader. Fair, cautious, decent are more descriptive."

Not one of the visibly powerful or flashy men of the Senate, despite his seniority, he made his mark instead as a modest, quiet gentleman with the personal quality of simplicity. People would do things for him they wouldn't do for a sharper, abrasive colleague.

No orator—just a good, common, garden variety of speaker who spoke little on the Senate floor—he did his work in committee, where the basic decisions are made.

He would sit for hours in the mark-up sessions for bills or on the conference committees between the House and Senate to work out differenees in a bill. While others argued and shouted, he would sit silent, writing slowly on a scratch pad and finally say in that broad-A accent of his: "How about this?" for compromise language.

In addition to the influence and respect he held in Washington in his day, the senator and three-term governor had another distinction. His tall, lean figure, which he carried ramrod straight, was topped by what has been called "the most distinctive face in United States public life," "a well-worn American antique," "The Mayflower Compact" and "a face that hasn't changed in 300 years."

It was a kindly, honest-looking, craggy face with its heavy-lidded blue eyes, long nose, wide spaced teeth, lean cheeks and jutting jaw all capped by a full head of hair.

Some of his admirers regarded his physiognomy as a cross between two other American stalwarts, Presidents Andrew Jackson and Abraham Lincoln. "Oh, God love him, he looks just like a farmer," we remember overhearing one woman say to another at one of his political rallies.

On occasion the senator would quote one of the favorite limericks of still another President, Woodrow Wilson:

"For beauty I am not a star.
There are others more handsome by far,
But my face, I don't mind it,
For I am behind it,
It's the people in front that I jar."

In 1938, when they were running for governor, James Michael Curley disparagingly commented that his Republican opponent was "a man with a Harvard accent and a South Boston face." He wished he hadn't.

Sen. Saltonstall quickly turned the remark to political advantage, rejoining he was proud of his "South Boston face. It is not a double face. It's the only one I have and it will be the same after election as it is now," he said, early and often.

He had a good sense of humor. Once asked by a Washington reporter for his opinion on an issue, he quipped: "No comment. And that's off the record." Nor was he averse to telling jokes on himself. As a fledgling senator he wrote:

"Incidentally, the Senate Office Building is known everywhere in Washington as S.O.B., so I find there is one thing that all senators have in common: Their mail is often addressed like mine—Senator Saltonstall, S.O.B., Washington, D.C."

He also liked to recall the time Gen. Al-Gruenther, commander of NATO, was being questioned at a meeting of the Armed Services Committee and one of the senators got off on another long-winded track.

Leaning forward to ask him if he would yield, the Bay State senator absentmindedly put his hand smack on the knee of Sen. Margaret Chase Smith (R–Maine).

"She didn't say a word," he recalled with dry delight. "Just picked up my hand and put it back on my knee."

Her reproof was seen by everyone and the silent byplay completely broke up the meeting—and the questioning: When I got back to my office there was a bottle of Scotch on my desk with a note of thanks from the general," he chuckled.

In the Senate, Sen. Saltonstall avoided the party squabbles and usually voted with the GOP on sticky political measures. But on post-war measures and foreign affairs he was independent and an internationalist. He was one of the first Republicans to recognize American's obligation to the rest of the non-Communist world.

In 1945 as our troops advanced far into Germany, he was one of a committee from Congress flown there to see the just-discovered atrocities at Buchenwald and Dachau. "It was a picture one does not ever forget," he said. The following year he served on the committee established by President Harry Truman to report on the atomic bomb tests at Bikini Lagoon in the Pacific.

After the war, the sentor was one of the earliest and most vigorous supporters of Gen. Dwight Eisenhower for the presidency and became one of the Eisenhower Administration's most dependable spokesmen, consistently supporting its programs.

For eight years he was one of a select group of Republican leaders in Congress who sat down with the President in the Cabinet Room on Tuesday mornings when Congress was in session to talk over pending legislation with the Chief Executive and his advisers.

He also had a warm relationship with John F. Kennedy, both as the junior senator from Massachusetts and as President. It was a relationship that other Democrats and Republicans in Massachusetts could never crack.

"He always called me 'Senator,' even when he was President, and I called him—John—not Jack as he was known to his friends and neighbors—and, of course, 'Mr. President,' Sen. Saltonstall said, "I was told that the only other person who called him John was his mother. If this is so, I was in good company."

Only rarely did they vote differently in the Senate, such as on the St. Lawrence Seaway, which he fought and the junior senator supported. Together they sponsored various bills in the New England—and Massachusetts—interest.

"The most sensitive and perhaps the most worthwhile project that John Kennedy and I sponsored was the Cape Cod National Seashore Park," he was later to say, adding: "I think it was the first time that the government has ever gone and bought land for park purposes."

Sen. Saltonstall, who had sailed the Maine Coast since boyhood from the family summer compound at North Haven, Maine, loved all things nautical, from ships to shells and fish flour. On Capitol Hill he was also known as "Mr. Fish" for all his legislative activity in support of New England fishermen. And he loved the seafood Saltonstall-sponsored "shore dinners" were a special feature of the Senate restaurant, complete with lobsters and New England fish or clam chowder—NEVER with tomatoes!

He worked diligently also for antidiscrimination legislation and was cosponsor of the first civil rights bill to pass Congress in more than 80 years. He was especially proud of his role through the years in the unification of the armed services, which, under the National Security Act, brought together the Army, Navy and Air Force under the Department of Defense. His unremitting efforts were a major factor in bringing this about.

Of his career in Washington, the senator wrote in his book, "Salty: Recollections of a Yankee in Politics," published by The Boston Globe in 1976:

"Perhaps the most satisfactory recollection as a senator was my bringing together in conference opposite points of view for a compromise agreement, a timing and a method which my friends on the Appropriations Committee dubbed 'The Saltonstall Package.' "

Asked what advice he'd give his successor (Sen. Edward Brooke), he said: "Be conscientious. Attend committee hearings. Know your staff, but stick to your knitting. Don't try to spread your butter all over the Senate."

When Henry Cabot Lodge resigned from the Senate to join the Army, "he made me promise not to tell anyone he was leaving until he was over the ocean," Sen. Saltonstall said. "I didn't even tell Mrs. Saltonstall." This ability to keep his mouth shut served him well during his long political career—a career that usually saw him the only Republican elected to statewide office in great Democratic sweeps.

When Mr. Lodge resigned, Sen. Saltonstill, as governor, appointed Sinclair Weeks to fill the vacancy. But Weeks said he did not wish to run for election, so Mr. Saltonstall decided to give it a whirl. But after being elected, he insisted on serving out his full term as governor, even though it made him a day late to his swearing in at the Senate. "That cost me five places (of seniority) and I never got them back," he later said.

In his three gubernatorial victories, he defeated Curley in 1938; Paul A. Dever in 1940, when President Franklin D. Roosevelt carried the state by 137,000 votes; and Roger Putnam in 1942.

In fact the only defeat at the polls in his long political career came in 1936 when he ran for lieutenant governor and lost to his Democratic opponent, Francis E. Kelly.

In his gubernatorial campaign, he promised he would give the commonwealth a clean, honest, efficient administration and did.

When he took office, Sen. Saltonstall inherited the then largest debt in the history of the state—a deficit of $1 million. His administration was noted for efficiency and economy and was highlighted by all-out participation in the World War II effort. The state excelled in the preparation of military and naval equipment and received the second largest number of E, for excellence, awards in the nation.

"We kept a sound government and did the best we could. I take some—a little credit—in keeping things sound," he said.

During his administration he created the Massachusetts Commission Against Discrimination. "Massachusetts took the lead in supporting human dignity and I was proud that I was able to play a part in that action," the Boston Brahmin said.

In his final year as governor he also set in motion an extensive program for post-war reconversion. When he took the traditional long walk down the State House steps to leave the Beacon Hill for Capitol Hill he left the state with its lowest debt since 1900.

Sen. Saltonstall was an unpretentious, easy mannered, kindly man always easy to approach. When he went into the governor's office, he dispensed with uniformed guards, motorcycles and a private State House elevator. Instead, he took a plainclothed State Police sergeant with him as chauffeur on official trips, riding up front with him.

When he became governor of the commonwealth he became the ninth on the family tree to do so. And he was the 10th in line of direct descent from the Saltonstalls who first landed on these shores with Gov. Winthrop in the sloop Arbella in 1630.

One of them was Sir Richard Saltonstall, one of the original patentees of the Massachusetts Colony under a Charter of King Charles I. He and his son, also Richard, helped found Watertown and Ipswich, the latter serving in the first Massachusetts General Court.

Other illustrious ancestors included an Ipswich judge who refused to preside at the infamous Salem witchcraft trials, the chairman of the commission that settled the boundary of Massachusetts and New Hampshire, the first commodore in our navies and a founder of Yale of University.

The Senator's great-grandfather, Leverett Saltonstall, was president of the Massachusetts Senate, a member of Congress and the first mayor of Salem. He was Senate president in 1830, the year of the state's bicentennial. His great-grandson was proud of the fact that he carried on the tradition, so to speak, by serving as Speaker of the House in 1930, the tercentenary year.

The senator's grandfather, also Leverett Saltonstall, was a wealthy lawyer and collector of customs for the City of Boston, a high federal government post. Both men were from a long line of Democrats.

But the senator's father, Richard Middlecott Saltonstall, also a successful lawyer, was, as the senator put it, "a mugwump." He was a Harvard classmate and close friend of Theodore Roosevelt and became a Republican. His son followed suit.

So involved are the blue-blood ties of the Saltonstall clan to other founding fathers' stock that when an uncle, Endicott Peabody Saltonstall, was made district attorney of Middlesex County some years ago James Michael Curley, on hearing the news, cracked:

"What! All three of 'em!"

The future governor and senator was born in Chestnut Hill on Sept. 1, 1892, the son of Richard Middlecott Saltonstall and Eleanor (Brooks) Saltonstall, a descendant of Peter Chardon Brooks, an early 19th century New England merchant prince. Boston College now stands on land belonging to her grandfather, Amos Lawrence, whose cows used to graze on what is now the old football field.

Sen. Saltonstall attended Noble and Greenough School and it was at dancing school as a boy of 11 that he first met the girl who was to become his wife of more than 60 years. She was Alice Wesselhoeft, a student at the Winsor School and daughter of a prominent Boston physician. They were married June 27, 1916.

After graduation from Noble and Greenough, Sen. Saltonstall followed family tradition and enrolled at Harvard, the 10th generation of his family to do so. (An ancestor was in its first graduating class.) There in 1914, at the end of his senior year, he was captain of the second varsity crew to a ringing victory in the Henley Grand Challenge Race at Henley, England.

In 1964, on the 50th anniversary of their victory, every member of the old crew rowed again on the Thames after the regatta finals, to the roar of the crowd and the applause of Queen Elizabeth, the Queen Mother, and Princess Margaret.

In his senior year at Harvard, Sen. Saltonstall also became one of the college's hockey immortals. The varsity game with Princeton, with by the great Hobey Baker, as captain, was tied at the end of regular time. The overtime period had gone 38 minutes when young "Lev", a substitute, ripped down the ice as forward and plunked in the goal that brought victory to the Crimson.

Graduated from Harvard in 1914 with an AB degree, he went on to Harvard Law School, graduating in 1917. In 1942, while serving as governor of the commonwealth, he was awarded an honorary degree from his alma mater for "his high integrity and courageous public service." He also held 27 other honorary degrees from other colleges and universities.

Mr. Saltonstall had served three six-year terms on Harvard's Board of Overseers, was president of the board in 1943; and had served as treasurer of the Harvard Alumni Assn. For more than 60 years he never willingly missed a Harvard commencement.

Once John Gunther, author of "Inside U.S.A.," asked him what were the most important things in his life. Without hesitation the senator replied: "My family and Harvard."

During World War I Sen. Saltonstall was a first lieutenant in the army, serving six months in France with the 301st Field Artillery. On return to the states in 1919, he was admitted to the bar and began practicing law in his father's firm, Gaston, Snow, Saltonstall and Hunt.

The following year his long political career began when his "Uncle Cotty"—Endicott Peabody Saltonstall—and Judge James Lowell, Ward 6 political bosses in Newton asked him to run for alderman-at-large. They said it would only take "about one night every other week," he related. "Baloney. It took a lot more than that." But in the doing he was hooked.

In 1922, while serving "Uncle Cotty," the D.A., as second assistant district attorney for Middlesex County, he ran for the state Legislature as representative from Newton and won. He served seven terms, from 1923 to 1937. For eight of those 14 years, he was Speaker of the House. "The speakership," he later said, "gave me a great opportunity to gain an understanding of government and the motives of members of a legislative body and the influence of political partisanship."

As speaker he won a reputation for being eminently fair, honest and impartial. That reputation continued after his election as governor. Sen. Saltonstall, incidentally, was the last of the party leaders to climb the traditional Republican ladder—from local office to the Legislature, then legislative leadership and a candidacy for lieutenant governor before even considering a run for major office.

When he retired from the Senate in 1967, "Mr. Republican" as he was sometimes called, said: "I started in politics because they told me it wouldn't take much time and I wouldn't have any opposition. They were wrong on both counts, but somehow I grew to love it. Politics is people. I leave office as one who still loves people and therefore still loves politics."

On retiring, the senator gave his collected papers going back to the 79th Congress and numbering some 840 cartons in all to the Massachusetts Historical Society; his volumes of statutes passed while he was in Washington to Harvard Law School; and, his file of treaties to Brandeis University.

Said Pennie Gouzoule, his personal secretary on Capitol Hill for 18 years: "I'll never find anyone as fine as the senator to work for again. He is always a gentleman. In all these years, I've never seen him lose his temper, and that's something in a place like this. He is one of the most highly organized, self-disciplined and hard-working men I know."

In retirement, the ever-trim, agile veteran senator did many of the chores himself on his 150-acre Dover farm overlooking a pond and the Charles River.

Although he had long since given up riding to the hounds, as he used to do in his younger days with the Norfolk Hunt Club, the Dover aristocrat would trot out his old derby and leather gloves and ride in horse shows with his daughter, Susan, who lives on the farm and raises Welsh ponies. At meets he was her gentleman-escort-passenger in a four-in-hand.

Until May, Sen. Saltonstall went to his Devonshire street office in downtown Boston three times a week for a halfday, and presided over various family trusts, according to his son William.

He also continued to involve himself with various charities, and was active in planning his 65th Harvard reunion this spring.

"Unfortunately, he wasn't able to attend the reunion, William said. "That, and missing his Henely crew reunion were perhaps his greatest disappointments. They both were held last week.

The senator and his wife, whom he referred to as "My Missus," were a deeply devoted couple and patriarch and matriach of a tightly knit, close and loving family. They had six children, three sons and three daughters, three of whom preceded him in death.

A daughter, Rosalie, died in 1920 when she was a year old. A son Peter, 24, a Marine Corps sergeant who left Harvard to enlist in World War II, was killed in action on Guam in the South Pacific in the summer of 1944. And his eldest son, Leverett Jr., died of cancer at the age of 49 in 1966.

The story is legendary how he, as governor, insisted on driving from Beacon Hill to Dover himself when he got the news that Peter had been killed, composing on the way how he would break the tragic news to his Alice.

Less than 24 hours later, he stood unwavering at a memorial service on Boston Common at which a Naval officer pinned a medal on the mother of another Marine, who was missing in action. The governor paid tribute to the boy and extended his condolences to the mother, never mentioning his own loss.

While life on the farm had its own great reward, Sen. Saltonstall was never one to vegetate and came into Boston several days a week to his office at Saltonstall & Co., 82 Devonshire St. There, behind his father's old carved desk, surrounded by ancestral portraits, he managed family affairs; accepted occasional speaking engagements; and kept busy answering mail from admirers and former colleagues.

"I try to keep informed as to what's going on in the country. After all those years of dealing with the state's and the nation's problems, it's natural for me to be concerned. And I am concerned," he said.

In 1972, aged 79, he attended the Republican National Convention, his 10th. He was reported to be the oldest delegate. "But I don't know about that," said he. "There are others who look in a lot worse shape." In his last years he was forced to wear a hearing aid. "Damned nuisance," he complained.

Sen. Saltonstall also became chairman of Project Minuteman, a program to attract tourists and industries to Massachusetts in cooperation with the Massachusetts Department of Commerce and Development. And, in 1975, he was president of Boston's Freedom Trail Foundation.

"Perhaps the most emotional experience I ever enjoyed in a life of public service," came, he said, in 1970 when Gov. Francis Sargent asked him to represent Massachusetts at the 350th anniversary of the sailing of the Mayflower from Plymouth, England, to Plymouth in 1620. The Queen Mother asked him to lunch and in a cutaway and top hat he and the Lord Mayor of Plymouth reviewed a colorful parade watched by 70,000 people.

Equally at home in a cutaway, old tweeds or farm work clothes, he loved parades. From his first year as a Newton alderman he never missed one if he could help it, striding along in cutaway, astride a white horse, or marching through South Boston in the annual St. Patrick's Day parade, grinning from ear to ear as the crowds shouted, "Hi, Salty!" to the ever-popular man with the "South Boston face."

Trim and spry well into advanced age, Sen. Saltonstall still took to scull and shell on the Charles River when in his 70s and in 1963 was elected to the Rowing Hall of Fame.

In 1968 he won the National Collegiate Athletic Assn.'s annual Theodore Roosevelt Award for athletic accomplishments and attention to physical well-being

In addition to his honorary degree from Harvard, the longtime senator and governor held honorary degrees from Northeastern, Boston, De Pauw, Clark, Toledo, Northwestern, Norwich, Brandeis, Suffolk, and Tufts Universities; the University of Massachusetts; Bates, Bowdoin, Amherst, Williams, Kenyon, Colby, Holy Cross, Franklin and Marshall, William and Mary, Curry and Merrimack Colleges; Worcester Polytech Institute; New Bedford Institute of Textiles and Technology; Portia Law School; Babson Institute and Lowell Technological Institute.

He had served as vice chairman of the Massachusetts Bay Fund; as a trustee of IVEST; and as a director of the National Shawmut Bank of Boston, the Boston Safe Deposit and Trust Co. and the Boston and Albany Railroad.

He also had been a founder of Newton Post No. 48, American Legion; and was a member of the Boston, Middlesex County and Massachusetts Bay associations, Masons, Elks, the Clover Club of Boston, and the Charitable Irish Society.

Sen. Saltonstall was eligible for membership in the Charitable Irish Society by reason of an Irish grandmother named Sullivan seven generations back. Democratic polls, however, liked to say he was only "Irish on his chauffeur's side."

In addition he was a member of the Ancient and Honorable Artillery Co., the Veterans of Foreign Wars, and was an honorary member of Phi Beta Kappa, the Rotary and Kiwanis clubs. Other clubs included Porcellian, the Somerset Club, the Tavern Club, the Harvard Club of Boston and the Alfalfa Club, Washington.

A familiar figure on Boston streets, walking to and from his office to his bus stop, the ditinguished political leader seemed a spare, shy representative of the old Puritan stock that could point with just pride to Daniel Webster's defiiant boast: "Massachusetts, there she stands."

In his autobiography he wrote, in his modest fashion:

"One of the greatest personal satisfactions of being a senator is the opportunity to help constituents with their personal problems . . . Now when people stop me on the street to shake my hand, often they thank me for something I did for them as a senator or as governor years ago.

"I have no idea of what I did to help them with their problems, but it pleases me, and I always say, 'I am glad if I was of a little help and hope all goes well with you now . . ."

Once asked the reason for his political durability, this grand old man of Massachusetts said quitely and proudly: "Well my father left a good name, my uncle left a good name, my grandfather . . . my great-grandfather . . .

And so did he . . . And so did he.

Senator Saltonstall leaves his wife, Alice; a son, state Sen. William Saltonstall of Mancester; two daughters, Emily Salton Byrd of Chestnut Hill and Susan Saltonstall of Dover, and 10 grandchildren.

[From The Boston Globe, June 18, 1979]

Nice, Wise, Astute, He did Politics Honor

(By Elliot Richardson)

In 50 years of public life Everett Saltonstall showed what politics at its best can mean. For him it was an honorable calling, and he did it honor.

As the first three-term governor of the commonwealth, as assistant majority Leader of the United States, as chairman and ranking member of the Senate Committee on Armed Services, and as chairman of the Republic Conference, Sen. Saltonstall dealt with presidents and potentates on terms of familiarity and friendship.

But this did not in the least change him. He was just as friendly, just as courteous and considerate, to the humblest among us. He had no "side," no condescension.

Among the countless individuals touched by his long and active life, it is impossible to imagine that there can have been a single one who did not think kindly of him. As John Gunther once wrote, Leverett Saltonstall is "just about the nicest man anyone ever met."

He was nice. He was also wise. And he was astute. I remember a House committee chairman who told me once that he had learned (to his cost) to be wary of Leverett Saltonstall's skill as a negotiator. "The first few times," he said, "it wasn't until I got out of the conference and felt under my armpits that I realized I'd lost my shirt."

Sen. Saltonstall's public speeches had the art that conceals art. Even while you were rooting for him to come up with the right word, you knew that he would say exactly what he wanted to say. His listeners seldom said, "What a great speech!" But they left saying to each other, "Salty is a good man. He has sense. I like him." What more could you ask of a speech?

People not only liked Salty. They trusted him. For two—nearly three—generations of Massachusetts citizens, his long jaw, his ruddy cheeks, his silver hair came to symbolize integrity.

And yet his was not the brittle moralism so characteristic of the post-Watergate era. It was rooted in conscience and sustained by instinctive decency. He was not afraid of politics because he knew that he could play the game without playing dirty or being dirtied by it. He could blush with modesty, but he could slug it out with the toughest.

His kindness, his humor, his capacity for friendship were a joy and a solace to his friends, as indeed at times of personal tragedy they must have been even to himself.

We loved him. We love him still. We shall miss him sorely.

[From the Boston Herald American, June 18, 1979]

The Man Called "Salty"

By birth and breeding, Leverett Saltonstall was a Yankee, a Brahmin—but more than any other man of his generation he was able to bridge the wide social chasm that separated his caste from the immigrant blood of Boston in the first quarter of this century.

By political belief he was a Republican—but more than any other candidate of the Massachusetts branch of that party he was able to claim the affection, and the votes, of Democrats in every corner of the state.

He was a patrician with the common touch, who was as welcome in South Boston as he was in the Back Bay, and who was "at home" equally as much in Maverick Square as in Louisburg Square.

That was not because he was a handshaker or a snake oil salesman in the style of some politicians of both his time and ours, but because he was recognized as being intelligent enough to see things as they really were and enlightened enough to see how they could be made better.

And in his 40 years of public life as state legislator, governor, and U.S. Senator, that was what the man called "Salty" invariably sought to do.

He tried to make things better.

The liberalization of Social Security benefits in years past, the easing of immigration laws, and the advances in civil rights made during his tenure in Congress were causes he espoused and worked for. He helped push federal aid for construction of schools and colleges, secured defense contracts for the commonwealth, and incessantly promoted and improved the business climate he felt would bring more industry—and more jobs—to this state.

He was a proud man but—unlike others—he had reason to be. For half his long lifetime he was a presence, a powerful force for good in his state and nation; but he was honest and humble enough to relinquish his place in Congress when he felt his presence was no longer needed and a young man could do the job better.

In his own time Lev Saltonstall was, every bit as much as Oliver Wendell Holmes Jr., the Brahamin predecessor with whom the title is usually associated, a truly magnificent Yankee.

[From the Boston Herald American, June 18, 1979]

Political Figure

(By Jim Morse)

Leverett Saltonstall, 86, one of the last of the old Boston Brahmins and a power in Massachusetts politics for more than four decades, died yesterday morning at his Dover home.

The former U.S. senator and Massachusetts governor died of heart failure, according to his son, William.

"My mother and I were with him," his daughter Susan said. "He was resting comfortably until his heart just stopped beating.

"He had been sick. He was sent home from the hospital last weekend. I think he knew where he was. He died where he wanted to die—at home."

Saltonstall had recently been hospitalized for several weeks at Faulkner Hospital in Boston where he was treated for fluid in his lungs. Doctors were able to remove the fluid, and after a period of recuperation Saltonstall returned home one week ago.

Known as the "Republican with a South Boston face," Saltonstall retired in 1967 after 22 years in the U.S. Senate. He served as governor of Massachusetts for six years and for eight years was Speaker of the Massachusetts House of Representatives.

Saltonstall, affectionately known as "Salty," and whose craggy features, Yankee twang and reputation for "horse sense" were his trademarks, was born in Newton on Sept. 1, 1892, to a family with ties that went back to colonial days.

His great-grandfather, Leverett Saltonstall, was president of the Massachuetts Senate, a member of Congress, and the first mayor of Salem. His grandfather, also Leverett Saltonstall, was appointed Collector of the Port of Boston by President Grover Cleveland.

The lean, soft-spoken politician numbered among his friends and confidantes many of the world's leaders. And although a staunch Republican, Saltonstall could always count on some Democratic support.

While he said little publicly, the late President John F. Kennedy was twice helpful to Saltonstall by withholding full support to Democratic challengers.

He was a graduate of Noble & Greenough School, Harvard College and Harvard Law School, where he obtained his degree in 1917.

Saltonstall first entered politics in 1920, as a Newton alderman. He was also an assistant district attorney in Middlesex County and became a member of the Massachusetts House in 1923, rising to speaker in 1929.

His only defeat, an upset, was for lieutenant governor when he lost in 1938 to Francis E. "Sweepstakes" Kelly.

However, Saltonstall came back two years later to win the first of three terms as Governor.

He defeated the legendary James Michael Curley initially. Curley had served one term as governor and opted for an unsuccessful Senate run against Henry Cabot Lodge, Jr., but came back to wrest the Democratic gubernatorial nomination from his successor, Gov. Charles F. Hurley.

Curley's campaign remark about Saltonstall's "South Boston face" was quickly turned into a political asset. Saltonstall became a frequent participant in South Boston's traditional St. Patrick's Day political roasts.

Saltonstall's re-election against Paul A. Dever, later to serve two terms as governor, was the closest on record.

In 1944 Saltonstall won a special election to succeed Senator Lodge, who had retired to enter military service, by more than 560,000 votes—at that time the widest margin ever given a statewide candidate, despite the fact he was a Republican running in a heavily Democratic state.

He won re-election to the Senate in 1948, 1954 and 1960.

His closest re-election was in 1954 against Treasurer Foster Furcolo, later a two-term governor. Saltonstall defeated Springfield Mayor Thomas O'Connor, who had beaten Furcolo in the Democratic primary, in his 1960 re-election.

When he retired in 1967 at the age of 75, Saltonstall was the ranking minority member of the Armed Services Committee and the Defense Subcommittee of the Appropriations Committee.

At a dinner marking Saltonstall's retirement, then Lt. Gov. Elliott L. Richardson, who later held several cabinet posts and the ambassadorship to Great Britain, said, "Irrespective of party, he has always sought to find the right answers in a spirit of humility and candor."

Saltonstall retired to the life of a gentleman farmer on his Dover estate, but made occasional appearances on behalf of the Republican Party.

Most recently, he was among the elder statesmen who endorsed Francis W. Hatch, the Republican standard-bearer in last November's gubernatorial election.

Despite generations of Yankee Brahmin background, Salstonstall never forgot the working class people who put him in office.

One day in 1944, during his last term as governor, Salstonstall was informed his son, Peter, a Marine sergeant, had been killed in action fighting the Japanese on Guam in the South Pacific.

Despite his grief, Saltonstall insisted on keeping an appointment the next day to present the Congressional Medal of Honor to a Newton woman whose son was also killed in action.

Salstonstall served as an Army first lieutenant in France during World War I, then began practicing law.

The patriarch of Massachusetts Republican politics loved the simple life. Even while in Washington he tried to come home every weekend to his Dover farm or to his summer home in North Haven, Maine, where he liked to sail and play golf and tennis.

"Alice and I lived in a house my father gave me in Chestnut Hill until we went to Washington," Saltonstall once said. "Then we moved out to our farm in Dover which we love and where we spend all possible spare time. North Haven, Maine, has been our vacation headquarters since I was 10 years old.

"I love people and you see plenty of them in politics and government. No job is more satisfactory than one of working out problems that affect us all."

Saltonstall married Alice Wesselhoeft of Jaffrey, N.H., in 1916 and the couple had six children, including William L. Saltonstall, of

Manchester who retired last year as a member of the Massachusetts Senate.

The Republican leader gained much of his political strength through a common touch and simple candor which won him bipartisan support. Typical of the candor was a remark he made during a campaign speech in South Boston.

Referring to a supporter of an opponent who had called him "old horse face," Saltonstall retorted: "It's the only face I have and it will be the same face after the election as it was before it."

During his college days, he captained a Harvard crew which won the Royal Regatta at Henley, England, in 1914. He also played football and baseball.

As Massachusetts governor he often walked part of the way to the Statehouse, after riding on a commuter train and chatting with passengers. He refused to have a bodyguard or motorcycle escorts.

He burned a wood fire regularly in his office fireplace, and often had breakfast conferences at his 89-acre farm, personally serving eggs, sausage, ham and honey.

In addition to his political activities, Saltonstall participated in civic, charitable and cultural affairs.

In 1937, he was chairman of the first Greater Boston Community Campaign. He was a corporator and trustee of many Massachusetts charitable and civic institutions.

He served on the Board of Overseers of Harvard for 18 years, and was a member of the Board of Regents of the Smithsonian Institution in Washington, and of the Board of Trustees of the John F. Kennedy Center for the Performing Arts and the U.S.S. Constitution Museum.

His autobiography, "Salty: Recollections of a Yankee in Politics," was published in 1976.

In addition to his wife, Alice; son, William; and daughter, Susan, he leaves another daughter, Mrs. Emily S. Byrd of Chestnut Hill, a sister, Mrs. George Lewis, and a brother, Richard, both of Sherborn.

He also leaves 10 grandchildren.

A memorial service will be held Wednesday at 2 in the Memorial Church, Harvard University, Cambridge.

[From the Boston Herald American, June 18, 1979]

THE BELOVED FATHER

(This is a tribute to his father written by William L. Saltonstall, former Massachusetts state senator.)

Father was a strong man, strong in body—he loved athletics and working on his farm. Strong in mind—firm in his convictions as to right and wrong.

He was always a leader. We knew him as such in our close family. Others acknowledged him first as a captain in sports, later as a leader in his state and nation. He liked to lead and to do his best at whatever he did.

Happily married for 62 years, he adored our mother. He loved his family and liked to surround himself with them at family gatherings and holiday celebrations. He loved his university and the leadership it stood for. He loved his country and all the people in it.

For years he carried in his pockets small quotes about what a great country it is.

He loved his God. Each morning he read from a volume of Bible quotes and thoughts of religious leaders that his uncle, Bishop Lawrence, gave him, until he wore out two books.

He loved and was loved. We shall miss him deeply and we are grateful that he went in peace.

As he said himself in the hospital, his work is done.

[From the Boston Herald American, June 18, 1979]

THE VALUED FRIEND

(This article was written for The Herald American yesterday by former House Speaker John W. McCormack after he learned of Leverett Saltonstall's death.)

I was shocked when a phone call informed me that Leverett Saltonstall was dead. I knew he had been ill, but it is always shocking when you lose a friend—especially a friend as close as Salty was to me.

I'm 87, a year older than Salty.

We'd known each other since the early 1920s when we began serving together in the Massachusetts Legislature, he as a Republican and I as a Democrat. We later served together for many years in Washington. He was in the Senate, of course, while I was in the House of Representatives.

Although we belonged to different political parties, that never had a bearing on our friendship. There was never an unpleasant word between us. That's the way it should be. Friendship should always be above party considerations.

Salty was one of the most dedicated and one of the fairest legislators I've met in the more than a half century I've been in politics.

He was always a gentleman.

And make no mistake about it, he had a great deal of Democratic support. The reason for that is although he was a Republican, he had an independent mind. He would vote for Democratic measures if he believed in them.

His death will be a great loss to Massachusetts and to the country.

Salty was a man who was able to relate to people in all walks of life. He'll be missed as much in South Boston as on Beacon Hill.

The last time I saw him was when we met on Congress Street in early May, before he went into the hospital. We talked in front of the building that is named after me—the building that houses the main Post Office.

I don't recall that we talked politics. It was mostly an exchange of pleasantries.

We were two old friends who accidentally happened to meet on the street. I was happy to see Salty, and I told him so.

I'm glad I had that opportunity because it was the last time I was to see him.

He'll be remembered by everyone for being a gentleman. And I'll remember him as a friend.

Mr. KENNEDY. I yield to my junior colleague, Senator TSONGAS.

Mr. TSONGAS. I thank the Senator for yielding.

Mr. President, I hold the seat that Senator Saltonstall held for so many years. When he first came to this body I was 4 years old. Clearly he was not only an institution here in Washington but particularly back in Massachusetts. I think it is fair to say that he was a beloved institution.

I would simply add to what the senior Senator has said, that coming from an immigrant family who also happened to be Republican, Senator Saltonstall was beloved not only in the traditional Republican circles but even to those families, like my own, who came to this country from overseas and who had respect for his personality, for his courage, for his honor, and for what he stood in the American political system.

Mr. President, with the passing yesterday, at the age of 86, of Senator Leverett Saltonstall of Massachusetts, an era has ended. My State of Massachusetts, the U.S. Senate, and the Nation will profoundly miss the white-haired grand old man the people called "Salty."

In his 40 years in public life, including 22 years in the Senate and three terms as Governor of Massachusetts, he built an unparalleled record. There are not many figures about whom it can be truly said that they were universally beloved—he was one of them.

I met him only once. I was 4 years old when he was first elected to the Senate. But growing up in Lowell, Mass., I well remember the esteem in which Democrats and Republicans, rich and poor alike, held this man. He was an enlightened leader who never feared to stand firmly on his principles. Although widely known as "Mr. Republican" in Massachusetts, he was respected by his constituents of all political views, for his honesty and dedication.

On the great issues of our times, he stood in that rare group of men who have given such distinction to the body in this Chamber by their ability to rise above partisan politics to serve the best interests of the Nation.

His son, former Massachusetts State Senator William Saltonstall has reported that among his father's last words in the hospital were, "My work is done." While those of us left behind to struggle with the issues of the day are poorer for the loss of his counsel and guidance, we can be thankful for the example which he has given us. In this sense, and in the hearts of the people who loved him, his work will always go on.

Mr. BAKER. Mr. President, we mourn the loss today of one of the most distinguished men ever to have served in the U.S. Senate, Leverett Saltonstall of Massachusetts.

I regret that I did not have the pleasure of serving with Senator Saltonstall. He was leaving just as I was arriving in 1967. But I know by reputation, as some of my colleagues here know first-hand, that Leverett Saltonstall represented many of the Senate's finest and most cherished traditions: Independent judgment, unfailing courtesy, and a fervent commitment to the service of his country.

As the Washington Post observed some years ago, Senator Saltonstall was "neither a fighting liberal nor a reactionary, but his voice and his vote have usually been on the side of common sense."

All of these traits made this self-effacing scion of one of America's first families a towering figure in his beloved Commonwealth of Massachusetts, in the Republican Party he represented so well, and in the Nation he served with such distinction.

I know my colleagues join me in expressing our sympathy to Senator Saltonstall's family in this time of sorrow, but we are all fortunate that he lived so long among us.

Mr. President, I ask unanimous consent that appreciations of Senator Saltonstall from today's editions of the Washington Post and the New York

Times be inserted in the RECORD at this point.

There being no objection, the articles was ordered to be printed in the RECORD as follows:

[From the Washington Post, Monday, June 18, 1979]

LEVERETT SALTONSTALL, EX-SENATOR FROM MASSACHUSETTS, DIES

(By Richard Pearson)

Former Sen. Leverett Saltonstall (R-Mass.), the reserved and genteel patrician who represented his state in the Senate for 22 years before retiring in 1967, died of congestive heart failure yesterday in his home in Dover, Mass. He was 86.

At the time of his retirement, he was the ranking Republican member of two of the most powerful committees in the Senate—Appropriations and Armed Services—and exerted a strong influence on national policy.

He spoke little on the Senate floor, but was at his best in conference committees, where his compromise language on controversial bills often carried the day. Elected to the Senate in 1944, Sen. Saltonstall was perceived as an Eastern liberal during his early career, but perhaps with rising age, seemed to grow more conservative.

In a 1965 editorial, The Post said that he was "neither a fighting liberal nor a reactionary, but his voice and his vote have usually been on the side of common sense."

During his early years in the Senate, Sen. Saltonstall favored the Bretton Woods agreement, the United Nations charter, and American participation in the international organization. He voted for the European recovery bill in 1948, and the North Atlantic security pact in 1949.

Sen. Saltonstall opposed American involvement in Southeast Asia in 1953, but voted in favor of administration appropriations bills for Vietnam expenditures during the Johnson years.

In domestic legislation, he voted against the expansion of the Tennessee Valley Authority in the 1940s, favored cuts in nondefense spending in 1950, and helped lead the unsuccessful fight against the St. Lawrence Seaway bill in 1954.

Sen. Saltonstall sat in on White House consultations during the Cuban missile crisis and was a member of the American party that went to Moscow to sign the limited nuclear test ban treaty in 1963.

During the mid-1960s, he helped write and lead the fight for a GOP alternative to the Democrats' medicare program.

For eight of the years he served as Massachusetts' senior senator, the state's junior senator was John F. Kennedy. When Kennedy entered the Senate in 1953, Sen. Saltonstall was a committee chairman in a Republican administration. For long periods in those early days, Kennedy was in bed with a back injury.

"I put his name on everything I did for Massachusetts while he was sick," Sen. Saltonstall once said, meaning that he saw to it that his junior colleague got equal billing for federal funds going to Massachusetts.

Kennedy gave only mild support to Sen. Saltonstall's 1954 and 1960 opponent, Foster Furcolo, and seemed to limit his opposition to the patrician senator to mild ribbing.

In a speech in Boston on Oct. 19, 1963, Kennedy evoked a roar of laughter when he mentioned the appearance of Sen. Barry Goldwater (R–Ariz.) earlier that week, when Goldwater was introduced at a Boston GOP rally by Sen. Saltonstall with the words: "He and I have differed on many problems, but we respect one another."

"Why," Kennedy exclaimed, "I used to get a better introduction from Sen. Saltonstall when I was in the Senate than that."

Sen. Saltonstall had a lantern jaw and long Yankee face, "a face that hasn't changed in 300 years," according to one writer.

He was descended from Sir Richard Saltonstall, who came to America in 1630. Gov. John Leverett became in the 1600s the first of eight forebears to serve as governors of Massachusetts.

In the 1920s, an uncle was appointed to clean up a Boston scandal. When Mayor James Michael Curley called anxiously to find out who the new man was to be, he was told it was Endicott Peabody Saltonstall.

"Oh my gosh, not all three of them!" screamed the Irish boss.

Sen. Saltonstall was born in Chestnut Hill, Mass., and earned bachelor's and law degrees at Harvard University.

After serving as an Army artillery officer in France during World War I, he practiced law in Boston.

He served on the board of aldermen of Newton and as an assistant district attorney of Middlesex County before winning election to the Massachusetts House of Representatives in 1922.

He served in the state house for 13 years, the last five as speaker. In 1938, Sen. Saltonstall defeated James Michael Curley for the Massachusetts governorship, and won reelection in 1940 and 1942.

From 1939 to 1944, he was chairman of the New England Governors' Conference and was chairman of the National Governors' Conference in 1944.

In 1944, Sen. Saltonstall ran for the Senate seat vacated by Sen. Henry Cabot Lodge (R.-Mass.), who had resigned from Congress that year to serve in the Army. Sen. Saltonstall defeated Democrat John H. Corcoran by more than 400,000 votes, and was reelected in 1948 over John I. Fitzgerald.

After retiring from the Senate, Sen. Saltonstall became a gentleman farmer on his Dover estate. He returned to the public eve last November when he endorsed Francis W Hatch, the Republican's unsuccessful gubernatorial candidate.

Sen. Saltonstall is survived by his wife, the former Alice Wesselhoeft, two daughters, a son, and 10 grandchildren.

[From the New York Times, June 18, 1979]

LEVERETT SALTONSTALL IS DEAD AT 86; REVIVED THE MASSACHUSETTS G.O.P.

(By George Goodman Jr.)

Leverett Saltonstall, the former Republican United States Senator and Governor of Massachusetts, died yesterday at his farm in Dover, South of Boston, the city where his descendants were among the first English settlers to arrive in 1630. He was 86 years old.

Because of his stunning victory for Governor in 1938 over James Michael Curley, the Mayor of Boston, a defeat that ended 40 years of Democratic Party "Beacon Hill machine" rule, Mr. Saltonstall was frequently suggested by Republican leaders as a possibility for the highest national offices. But in the low-keyed, manner of his patrician upbringing, the Senator, a gaunt figure noted for his long face and protruding chin, simply ignored his supporters.

After nearly 22 years in the Senate he retired in 1967 and returned to operate his 89-acre farm on the banks of the Charles River. Recently a patient at Faulkner Hospital in Boston, he was allowed to spend his last week in Dover despite his failing condition.

"His heart couldn't keep up with what he wanted to do—he wanted to come home," said his daughter Susan, one of three surviving children.

TRIBUTE FROM VOLPE

John A. Volpe, a former Secretary of Transportation and onetime Governor, said: "He was one of those men I admired most in public life. The thing I remember most was his integrity."

John W. McCormack, former Democratic Speaker of the House whose career in office paralleled Mr. Saltonstall's, said, "He was a great friend, an outstanding American and a gentleman."

While most often described as a staunch member of the party's liberal wing "Salty" was not considered liberal enough by labor leaders, who asserted during the 1950's that he voted against their interests on 23 of 30 critical issues, including aid to education, taxes, rent control, defense production controls and military aid.

But Senator Saltonstall was credited by others with liberal policies that involved increased public services, modernization of Congress and flexible farm supports.

Despite a record of support for civil liberties as Governor, Mr. Saltonstall was criticized for failing to take action during the 1940's when Boston was the scene of violent outbreaks of anti-Semitism. After articles in New York newspapers documenting incidents and demanding action, the Governor was angered. He later conceded having had a "rude awakening" and called for an investigation by an interfaith commission. An immediate result was a new police commissioner for the city.

LAUDED FOR FISCAL POLICY

In other matters, he was praised for efficient fiscal policies and proudly proclaimed his successes. At the completion of his term as Governor in 1944, state revenues showed a surplus of $19,000,000 and debts had been reduced to $4,000,000.

Leverett Saltonstall, born in the Boston suburb of Chestnut Hill in 1892, was a descendant of Sir Richard Saltonstall, a colleague of John Winthrop, the colony's first administrator. Both men came from Boston in Lincolnshire, England.

He was the 10th Saltonstall to attend Harvard College. He earned his undergraduate degree with Phi Beta Kappa honors in 1914. His law degree was granted by Harvard Law School in 1917.

In World War I, Mr. Saltonstall was a first lieutenant in the Army. He returned to work in the law firm of his uncle, Endicott Saltonstall, before his association with Gaston, Snow, Saltonstall & Hunt, in 1921.

In that year he became District Attorney for Middlesex County and served for two years. In 1923 he began a 13-year tenure in the Legislature, of which he was Speaker from 1929 until 1936.

ONLY ONE DEFEAT

His only political defeat came in 1936 when he failed to become Lieutenant Governor. Two years later he returned for his gubernatorial victory.

When Henry Cabot Lodge resigned from the Senate in 1944, Mr. Saltonstall announced his candidacy for the post, which he won with a 400,000-vote plurality.

Mr. Saltonstall was frequently taunted by his opponents because of his physiognomy. It was a mark of his political acumen that he learned to turn such taunts toward his own advantage. Described by a columnist as "Back Bay manners and a South Boston face," he campaigned hard in South Boston, where he scooped up Democratic votes.

"I'm proud of my South Boston face. It may be an old horse face, too, but it's the only one I've got and it doesn't change after the elections," he told cheering crowds.

He is survived by his wife, the former Alice Wesselhoeft. The couple had six children, of whom three survive, Susan, Emily S. Byrd and William L. Saltonstall.

Mr. STEVENS. Mr. President, I wish to express the great sadness I felt upon learning of the loss of one of America's greatest Senators, Leverett Saltonstall. A good friend, Salty will be remembered for his gentleness of nature and his strong influence on Republican and national policies. He fathered a milestone piece of legislation, the Saltonstall-Kennedy Act that is the single most influential source of money for the development of underutilized species of fish. To his tribute and far-sightedness the act is still working today, some 20 years later. Since its passage the ensuing rapid revitalization of the U.S. fishing industry and the passage of the 200-mile limit is truly the fulfillment of his vision.

I extend my heartfelt sympathy to the members of his family and support the passage of the Senate resolution in his honor.

Mr. STENNIS. Mr. President, along with many of our colleagues, I am saddened to learn of the passing of former Senator Leverett Saltonstall on June 17, at his home in Massacusetts. He was an admirable gentleman, a fine Senator, and I greatly valued him as a friend.

When I first came to the Senate, he had been here for about 2 years, and we were here together as colleagues for 20 years, until he retired in 1967. Our friend and former colleague had a long life of public service. He was a county district attorney, and then served 13 years in the Massachusetts legislature, of which he was the Speaker from 1929 to 1936. He served with distinction as Governor, and then he was elected and reelected twice to the Senate.

We served together on the Appropritions Committee and on the Armed Services Committee, where he was, at one time chairman and later he was the ranking minority member at the time he retired. He was a man of high standards and complete integrity. He came from a long established family in New England, and he had the patrician manner and bearing of his training, but he was blessed with much commonsense and an appreciation for humor.

Leverett Saltonstall had a full life. He served his country as a lieutenant in World War I. He was a proficient practicing lawyer. He was an outstanding Senator who faithfully served the people of Massachusetts and the Nation. He was an accomplished and effective legislator, a statesman, and a friend, and we will miss him.

On behalf of Mrs. Stennis and myself, I extend my deep sympathy to his dear and wonderful wife Alice, and to their three surviving children in the loss of this wonderful person who was husband, and father to them.

Mr. President, I do not know of anyone whose word was more highly esteemed, whose manners were as admired, and whose consideration was appreciated here more than this truly great man's. With others who knew him, I mourn his passing.

Mr. JAVITS. Will the Senator yield?

Mr. STENNIS. Yes, I am glad to yield.

Mr. JAVITS. Mr. President, I hope that my remarks—and perhaps Senator STENNIS wishes the same—will be placed in the context of other similar remarks as a memorial to Senator Saltonstall later today.

Mr. STENNIS. Yes.

Mr. JAVITS. I just want to say that Lev was a man with whom we had very close relations here, in the Senate. He was a wonderful human being, full of integrity, and marvelous motivation for our country. For myself, I wish to emphasize the intense devotion he had to the civil rights question. I was struck that a veteran of the Senate—even when I came here, already a veteran of the Senate—a Member of what was then the Senate club, nonetheless took up the cudgel when civil rights was considered a near revolution in this Chamber. He actually sponsored, as a member of a group of Senators, civil rights measures himself, stood up for it and had a press conference. It was one of the most impressive demonstrations of the best of New England. Lev Saltonstall was the best.

Whatever Members may feel or not feel about the issue, it was so illustrative of the indomitable character and quality of the man that, to me, it stands as his finest memorial.

Mrs. Javits and I join Senator STENNIS and other Senators in expressing our profound sympathy and condolence to Mrs. Saltonstall.

Lev lived a rich, full, highly useful, and also very rewarding life. We mourn his passing.

Mr. CHURCH. Mr. President, I want to join in the tributes that are being paid today to the memory of Leverett Saltonstall.

Had this gentleman lived in the days of King Arthur, he surely would have been a member of the Round Table.

In fact, when I first came to the Senate and met Leverett Saltonstall for the first time, such was his demeanor and his bearing that I thought he ought to have been in armor. He was truly a knight in the best sense of that word, an aristocrat, a principled man whose veracity was always beyond question. He had great strength of character and possessed all of those qualities of nobility that every person recognized who was privileged to know him.

These qualities, however, in no sense limited his sense of justice for all of the people. Many were those who said that Leverett Saltonstall was a blueblood. But his compassion for the needy, his service in the Senate for people in all walks of life, made him a genuine Senator of the people.

As I look back over the years, there were very few Senators who stand out so vividly in my memory as Leverett Saltonstall.

I think that the Senators who knew him, who served with him, will not only honor his memory, but will feel a personal sense of loss in the knowledge that he has now passed on.

So, Mr. President, I wish to join with my colleagues in expressing my own sympathy and that of my wife, Bethine, who was also privileged to know the Saltonstalls, to the surviving members of his family. They all should be comforted in the knowledge that he was so highly respected by fellow Members of the Senate and that the mark he made in public service will be long cherished and remembered.

Mr. MATHIAS. Mr. President, the Senate has been very much saddened today by the news of the death of our late colleague Leverett Saltonstall, of Massachusetts.

When I first came to Congress, Senator Saltonstall was one of the most respected Members of the Senate. His word was his bond. He gave an air of stability to this institution which increased the confidence of Americans in the Senate. His character was such that he lent strength to this institution, and I think that was the record throughout his life.

As Governor of the Commonwealth of Massachusetts, his personal qualities were such that he strengthened the State, and this certainly is one of the most important contributions that any individual can make.

I thought a number of times over the years about those personal qualities which gave him the ability to provide a sense of stability and confidence and trust. I think his total integrity, his candor, his obvious patriotism were all elements which enabled him to make the unique contribution he made.

I recall an occasion about 6 years ago when I visited Senator Saltonstall and Mrs. Saltonstall on his 80th birthday. It was a great joy to me to see the serenity with which he was enjoying the years of his retirement, the positive outlook he had, on a sunny day in North Haven, Maine, which was a spot he loved dearly, surrounded by many members of his family.

It was the kind of reward that all of us might one day hope to find—a few years of that kind of life. He will be missed.

I join the other Members of the Senate in expressing my sympathy and that of Mrs. Mathias—who is a native of Massachusetts and a lifelong friend of Senator Saltonstall—to Mrs. Saltonstall and to all their family.

Mr. KENNEDY. Mr. President, I move approval of the resolution.

The PRESIDING OFFICER. The question is an agreeing to the resolution.

The resolution (S. Res. 186) was agreed to.

Mr. KENNEDY. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. KENNEDY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE SAVOR OF SALT

Mr. KENNEDY. Mr. President, the conclusion of the SALT II Treaty is leading to an intensive debate on the contribution of SALT II to our national security.

In a recent op-ed article in the New York Times, Anthony Lewis analyzes the important verification issues related to SALT. I agree with him that since there is no such thing as absolute knowledge of strategic deployments, the real question is whether uncertainty and stability would be greater with the new SALT Treaty or without it. I share Mr. Lewis' confidence that the SALT debate will make clear to the American Congress and people that SALT II is in our national interest.

Mr. President, I ask unanimous consent that Mr. Lewis' thoughtful and important article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE SAVOR OF SALT

(By Anthony Lewis)

WASHINGTON.—The instinctive American skepticism toward absolute claims should serve the country well as it debates the second strategic arms limitation agreement in the months ahead. For what is at issue is not perfection but the balance of advantage: whether ratification of the treaty would on balance make us more or less secure.

The point is well illustrated by the question of verification, which will play a crucial part in the debate. American experts know in extraordinary detail the mechanics and the performance of the Soviet Union's present strategic weapons. They say they are confident that we will be able to monitor changes in or additions to that armory.

But there is no such thing as absolute knowledge of what the Russians are up to, in this or any area. There will always be a band of uncertainty. The question, rather, is whether the uncertainty would be greater with the treaty or without it.

When the verification issue is viewed in those terms, I think the case for SALT II is strong. In three fundamental ways the treaty enhances our ability to monitor Soviet activity. If the treaty were to fail, the band of uncertainty would be greatly broadened.

First, the treaty binds the two parties not to interfere with "national technical means" of checking compliance with its terms. That includes not only satellites but trawlers, planes and stationary electronic equipment.

The idea of technical spying does not seem surprising to us nowadays; the concept has become accepted under SALT I. But back in the 1960's there was real American concern that the Soviets would not accept it—that they would denounce satellite surveillance, for example, as a violation of national sovereignty. And without agreement on the point they could still jam our apparatus or even shoot down satellites.

Second, the parties agree not to conceal anything in a way that would prevent effective monitoring of compliance with the treaty. The importance of this provision is that it allows either side to raise questions way short of any actual evidence of cheating—if missiles are hidden by new structures, for example.

There is a philosophical as well as a technical point in these aspects of the treaty. They legitimize the idea that strategic weapons developments are not exclusive national secrets—that there is a larger interest in letting the other superpower know. Because the United States is an open society, in which new weapons systems always involve public debate, it is an enormous advantage for us to have the Soviets accept this principle.

Third, the treaty would continue and broaden the arrangement made under SALT I for immediate discussion of any questions about compliance. The earlier treaty created a Standing Consultative Commission for this purpose, and it has actually worked as an effective device to explore suspicions of violation.

For example, American experts became concerned a few years ago about the possibility that a Soviet antiaircraft missile was being converted to an antiballistic missile system. What made them suspicious was the use of a certain type of radar with the missile. When the U.S. raised the issue the radar was withdrawn from that use, giving assurance that the missiles were not in fact being converted.

In another episode, the Soviets came to the Standing Consultative Commission and said they were running behind schedule on some dismantling of old devices under SALT I. They sought an extension and got it in return for delay in installing new devices. Because the U.S. was informed, fear and tension were avoided.

In short, the two SALT agreements institutionalize consultation on these matters. Without a treaty in operation, the forum for raising such concerns would simply not exist—and there would be a significant, a destabilizing, loss of confidence.

Of course the Senate must be satisfied that American officials will vigorously raise any suspicions within the SALT compliance framework. But it is extremely important to appreciate the benefits to this country of having a recognized forum for serious, technical discussion with the Soviets in knowledge and assurance and stability.

Genuine belief in the comparative advantages of SALT II, on verification and other issues, must explain why Administration officials are going into this battle with more sense of confidence than in many others. Secretary of State Vance put it the other day:

"The issue is really a simple one: Does the treaty enhance our security and our allies? Are we better off with it or without it? I think the facts will show that we are infinitely better off with it. I have faith that we can convince the Senate and the American people."

Mr. KENNEDY. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. HARRY F. BYRD, JR. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE U.N. BANKROLL

Mr. HARRY F. BYRD, JR. Mr. President, this week the Senate will be considering S. 588, the foreign assistance appropriation for fiscal year 1980.

S. 588, as reported by the Committee on Foreign Relations, would authorize substantial appropriations for the United Nations and related U.N. agencies.

Mr. President, I ask unanimous consent that an article entitled "U.N. System, Claiming Deficits, Has $1.4 Billion in Bank," from the Washington Post of June 17, be printed in the RECORD. I further ask unanimous consent that a followup article entitled "U.N. Accounts Lose Millions in Interest," from the Washington Post of today, also be printed in the RECORD.

These two articles will, I believe, be useful to Senators in considering the provisions of the foreign assistance legislation.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

U.N. SYSTEM, CLAIMING DEFICITS, HAS $1.4 BILLION IN BANK

(By Ronald Kessler)

UNITED NATIONS, June 16.—The United Nations and its affiliates, while claiming to be plagued with deficits, have been running a surplus of as much as $350 million a year and have $1.4 billion in excess funds in bank accounts, audited financial statements show.

The organizations that make up the U.N. system have managed to create the impression that they are in difficult financial straits by distributing funds among a number of special accounts and placing vast sums in special reserves, the statements disclose.

In some cases, the U.N. organizations have obscured the fact that they actually have amassed considerable wealth by depicting their finances in ways that accountants say are highly questionable.

The audited financial statements have been publicly available for years, but apparently no one has ever totaled the figures to obtain a complete picture of the finances of the U.N. system.

The United Nations Children's Fund (UNICEF), one of the organizations in the U.N. system, alone has $100 million to $140 million in its bank accounts, the audited statements show. In recent years the organization that helps starving children has run an annual surplus ranging from $8 million to more than $20 million.

The excess money, enough to run UNICEF for at least six months and possible almost a year, is equivalent to the amount that children would collect in UNICEF Halloween trick-or-treat campaigns over 70 years.

U.S. and U.N. officials acknowledged they did not know exactly how much the U.N. system takes in or spends each year. A State Department compilation shows the organizations in 1977 received income of $2.4 billion, a commonly accepted figure. But this does not include all the U.N. organizations.

Totaling each organization's financial statements collected over a period of months shows they had total income in 1977 of $2.7 billion—$300 million above the widely accepted figure.

Far from running deficits, the U.N. organizations in 1977 retained 13 percent of their total income as a surplus, the figures show.

By comparison, CARE, the nonprofit organization that distributes food overseas and has no connection with the United Nations, had a surplus last year of 1.2 percent.

In 1977, the latest year for which full figures are available, U.N. organizations had enough money in their bank accounts to cover operating expenses for an average of seven months and, in some cases, as much as two years.

CARE, by contrast, had enough in the bank and other investments to cover operations for about a month.

The U.N. organizations place their excess funds in banks throughout the world. Details will be covered in a second article.

U.N. officials say the excess funds are needed to insure that commitments to fund projects in the future will be met.

"UNICEF needs an operational capital to maintain liquidity during the year and to absorb differences between revenue and expenditure for future years," Henry R. Labouisse, executive director of UNICEF, said in this year's financial statements.

After reviewing the figures on U.N. system finances, the State Department confirmed last week that they were accurate but objected to any attempt to lump together the the finances of all U.N. organizations.

Charles W. Maynes, Jr., the assistant secretary of State for international organizations, said, "Each organization is completely autonomous, and money cannot be shifted from one to the other."

In a 14-page statement, he said large portions of the excess funds are in special funds for particular purposes or in reserves that should not be counted.

For example, a $150 million "reserve" of the United Nations Development Program (UNDP) should be deducted before reporting on the UNDP's accumulated cash, Maynes said.

To present U.N. system finances in proper accounting terms, Maynes said in the statement, the bank balances should be reduced further by deducting the accounts payable—bills owed by each organization.

Maynes singled out the United Nations itself, which is less well off than most of the affiliate organizations in the U.N. system, as an entity, with particular problems.

He said it has a "deficit" because some countries have refused to pay their assessed contributions. If this "deficit" is considered, and the amounts owed by the United Nations are taken into account, it will be shown to be "on the verge of bankruptcy," Maynes said.

In addition, Maynes said an article on the overall financial situation of the U.N. system would be used unfairly by political critics of the United Nations.

When first asked about the bank accounts of U.N. organizations, Maynes said a story on the subject "will do tremendous damage to the U.N. . . . The damage will be incredible. It will be devastating."

Accountants disagreed with Maynes' view of how U.N. system finances should be presented. They said, for example, that reserves of an organization should be included when assessing its wealth.

Paul Rosenfield, director of the American Institute of Certified Public Accountants, accounting standards division, disagrees with the United Nations definition of "deficit." A deficit is an excess of expenses over receipts he said, not the failure to collect a contribution.

"A deficit would have nothing to do with that," he said.

Deducting various items from bank balances, as suggested by the State Department, without offsetting them by adding in amounts owed to the organizations would produce a "very misleading piece of information," Rosenfield said.

"It would look like an organization is going out of business when it is highly profitable," Rosenfield said.

Officials of U.N. organizations generally refused to permit inspection of records that would show how the United States spends its money.

"It's not in the public domain," William Goodkind, deputy U.N. controller, said when asked about the terms of bank deposits. "We only show that to the auditors. I'm not going to show it to anyone who walks in off the street."

"There's no reason why you should have access to the files of the U.N.," George F. Davidson, undersecretary general for administration and management, said when asked for a list of companies that receive contracts from the United Nations.

Although the U.S. government gave the largest single contribution to the United Nations, $600 million to the U.N. system in 1977, or $4.60 for each taxpayer, the General Accounting Office, the audit arm of Congress, also has been refused access to financial records of U.N. organizations.

"We can only ask questions," said George F. Saddler, the counselor for financial matters at the U.S. Mission to the United Nations. "To look at records gets into a fundamental policy question. We [the State Department] have never considered there was any need to look at those records."

This year, the United States is temporarily withholding contributions to some U.N. organizations in a disagreement over how assessments are made. So far, $139 million has been withheld and $172 million paid.

Those who are allowed to see the United Nation's books—the U.N. board of auditors—have severely criticized nearly every facet of the United Nation's financial operations.

In little-noticed reports published by the United Nations, the board, composed of audit staffs from three countries, has repeatedly "qualified" its opinion on the soundness of U.N. finances.

This means the board refused to certify that the books as presented were accurate.

The auditors have pointed specifically to deficiencies in the way the organization handles its checks, assets, invoices, purchases, contributions and books. They also have questioned the effectiveness of the U.N. internal auditors and the qualifications of its financial officers.

"The reporting system is inconsistent, and it's almost impossible to get a handle on the total activities of the system," said G. Peter Wilson, director-general of the U.N. external audit committee.

"The system doesn't provide the assurance that the final information is accurate and, in many cases, that there are adequate controls to ensure proper use of financial resources," Wilson said.

He said the auditors have not addressed the reasons U.N. organizations generate excess funds, since this is a question of policy rather than accounting.

"Why is the U.N. raising all these funds? Why does the U.N. act as a bank in the first place? These are not audit questions," he said.

The U.N. system encompasses nearly 30 organizations with acronyms like WHO, ILO, WIPO, UNITAR and ITU, besides the United Nations itself. It includes lending institutions like the World Bank and International Monetary Fund, whose figures are not included here. It also includes hundreds of trust funds established for various purposes.

Each organization and trust fund has its own member countries, governing body, books, employes and offices. No one person or body supervises the entire U.N. system.

However, the U.N. General Assembly, through various councils and committees, coordinates the work of each of the organizations and reviews their budgets. It also creates some organizations and appoints their chief executives.

Financial data on each organization is not available at any one location. Although it spends $16.3 million a year, the U.N.'s office of public information is of little help.

Its publication, "Basic Facts about the U.N.," tells visitors the United Nation's budget in a recent two-year period was $784 million, or an average of $392 million a year. This was only 16 percent of the expenditures of the U.N. organizations described in the booklet.

The organization with the biggest bank accounts and surplus is the United Nations Development Program (UNDP), an umbrella agency that funds other U.N. organizations so they can improve health, education and nutrition in developing countries.

At the end of 1977, the UNDP had $286.1 million in its bank accounts. This was enough to run the organization for two-thirds of a year. Twelve trust funds administered by the UNDP had another $89.9 million in the bank.

In 1977, the UNDP ran a surplus of $168 million. The U.S. government contributed $100 million to the organization in that year.

G. Arthur Brown, deputy administrator of the UNDP, said the organization had financial difficulties in 1975 and 1976 and wanted to ensure that commitments to fund future projects would be met. In those years, according to UNDP financial statements, the organization had to dip into its reserves but had higher expenditures than it does today.

"We're trying to increase the rate of expenditures," Brown said.

The World Food Program (WFP), a U.N. organization that distributes food in impoverished countries, had $132.1 million in its bank accounts. This was enough to run the Rome-based organization (exclusive of food contributed by countries) for nearly two years.

The organization had a surplus in 1977 of $29.5 million, in that year, it received $77.4 million from the United States.

The Food and Agriculture Organization of the United Nations (FAO), which helps developing countries upgrade their own food supplies, had $116.4 million in its bank accounts. This was enough to run the Rome-based agency for nearly two-thirds of a year. Even if the portion of this money that the FAO had put into trust funds was excluded, there was still enough in the bank to run the agency for nearly half a year.

The FAO had an average annual surplus during its most recent two-year financial period of $29.4 million. It received $18.5 million in U.S. contributions in 1977.

The World Health Organization (WHO), which promotes health programs, had $116.5 million in the bank, or enough to run the Geneva-based organization for more than a third of a year.

Despite a claim in its financial statements that it had a "cash deficit" in one fund, WHO took in $7.4 million more than it spent in 1977. It received $43.3 million from the United States that year.

A WHO official in Geneva said that some of its money is committed for future expenditures.

The United Nations Educational, Scientific, and Cultural Organization (UNESCO), which funds projects in varied fields, had $69.2 million in the bank. This was enough to run the Paris-based agency for about three-quarters of a year. Another $13.9 million was kept in banks by UNESCO trust funds.

UNESCO took in $15.8 million more than it spent in 1977. The United States contribution to the organization that year was $27 million.

A UNESCO spokesman in Paris said the organization's bank balances were unusually high because it had just received a $23 million loan from some countries. He said the loan was needed because the organization's primary fund was about to run out of money.

The United Nations itself, which includes the General Assembly, Secretariat, Security Council, and International Court of Justice, had $69.4 million in the bank, or enough to run the organization for nearly two months. The United Nations' 77 trust funds had another $80 million in the bank.

During its most recent two-year financial period, the United Nations took in an average each year of $12.8 million more than it spent. The U.S. contribution to the United Nations in 1977 was $99.4 million.

UNICEF, which improves children's health, education and nutrition in developing countries, had bank balances that ranged during the past two years from a low of $100 million to a high of more than $140 million. If money earmarked for particular purposes is excluded from the balances, UNICEF had enough in the bank at the end of 1977 to operate for almost a year.

In 1977, UNICEF had a surplus of $23.3 million. It received $20 million in U.S. contributions in that year and another $250,000 earmarked for the International Year of the Child, a program focusing this year on the needs of poor children.

U.N. Accounts Lose Millions in Interest

(By Ronald Kessler)

United Nations, June 17.—More than $100 million of excess funds amassed by the United Nations and its affiliates is being kept in U.S. and foreign bank accounts that pay little or no interest, audited financial statements show.

The U.N. system thus would appear to be forfeiting millions of dollars it might collect each year in interest at a time when it is complaining of deficits and difficulties in collecting assessments from member countries.

The United Nations Children's Fund (UNICEF), one of the organizations that make up what is known as the U.N. system, keeps an average of $10 million in interest-free checking accounts.

The United Nations itself, along with the United Nations Development Program (UNDP), keeps an average of $20 million in interest-free checking accounts.

At current interest rates of more than 9 percent for overnight investment of large funds, these sums alone represent a loss of interest of nearly $3 million a year.

In addition, at the end of 1977, U.N. system organizations had these amounts in banks:

More than $11 million of the United Nations Fund for Population Activities (UNFPA) earning interest of 1.75 percent a year in Japanese banks.

More than $17 million of the United Nations Educational, Scientific and Cultural Organization (UNESCO) in various accounts paying little or no interest.

More than $24 million of the UNDP in Japanese banks earning interest of 3.25 percent a year.

More than $2 million of the UNDP funds in Netherlands banks earning interest of 1.5 percent a year.

More than $7 million of the United Nations funds in a 5 percent savings account in Chemical Bank in New York.

More than $4 million of UNDP money in a 5 percent savings account.

More than $1 million of United Nations University funds in a 5 percent savings account at Chemical Bank in New York.

The deposits are part of $1.4 billion in excess funds kept by U.N. system organizations in various bank accounts throughout the world. A story in The Washington Post yesterday reported that U.N. organizations have been amassing a surplus of as much as $350 million a year.

Officials of UNICEF and other U.N. organizations said much of their interest-free money is in hundreds of accounts in foreign countries where it may be difficult to transfer money readily or obtain interest on deposits.

They said savings accounts may be used to hold money temporarily until it is needed to cover checks. On other deposits, they said, they obtain quotes from several banks to get the best interest rates.

While interest rates at some foreign banks may seem low, they said, the deposits may bring a higher rate of return than if the money were invested in the United States because of foreign exchange fluctuations.

U.N. organizations declined to allow access to records that would show the full terms of their deposits. "Unless you have the logic behind the transaction, you could not form a rational opinion on it," G. Arthur Brown, deputy administrator of the UNDP, said in declining to make available UNDP banking records.

Giovanni Cavaglia, comptroller of UNICEF, said disclosing interest rates on the organization's bank deposits of more than $100 million would give a competitive advantage to banks that bid for UNICEF's business.

The United Nations' board of auditors, which has access to the banking records, has criticized the way the United Nations manages its excess cash.

Referring to the hundreds of millions of dollars available for investment, the board, composed of auditing staffs from three countries, has called for forecasting cash needs based on when checks are presented for payment, closer monitoring of cash needs in overseas accountants, and an integrated system for investing funds from all U.N. offices.

Asked why the UNDP was earning interest of only 3.25 percent a year on deposits of more than $24 million in Japan, Deputy Administrator Brown said Japan is one of the countries that imposes restrictions on money it contributes to the organization.

"Seven or eight countries (including Japan) require us to keep money until needed in their countries and designate the banks where it will be held," Brown said. "The rate is set by the bank."

Brown said he did not believe the UNDP got a lower rate in Japan as a result. But data published by the International Monetary Fund, which tracks foreign money transactions, show that overnight bank deposits of as little as $100,000 were earning annual interest in Japan at the time of more than 5 percent.

Asked what it recommended for overnight investment of $1 million, American Security Bank, one of Washington's major banks, said it offers a return of 9.9 percent a year through purchases of government securities.

G. Peter Wilson, director-general of the U.N. external audit committee, said the auditors are concerned about the United Nations' cash management practices.

"When we see a lot of (excess) money, we ask if it is adequately protected and invested in the best manner," he said, "What we have found is they (the U.N.) don't have systems for doing that adequately. There isn't much incentive for not leaving the money uninvested."

Mr. HARRY F. BYRD, JR. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

BUDGET ACT WAIVER

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed, for not to exceed 1 minute, to the consideration of Calendar Order No. 231, Senate Resolution 182.

Mr. BAKER. Mr. President, reserving the right to object, and I will not object, we have no objection to proceeding to the consideration of this item, a Budget Act waiver, which is on the calendar.

The PRESIDING OFFICER. The resolution will be stated by title.

The assistant legislative clerk read as follows:

A resolution (S. Res. 182) waiving section 402(a) of the Congressional Budget Act of 1974 with respect to the consideration of S. 1319.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The Resolution (S. Res. 182) was agreed to, as follows:

Resolved, That pursuant to section 402(c) of the Congressional Budget Act of 1974, the provisions of section 402(a) of such Act are waived with respect to the consideration of S. 1319, a bill to authorize appropriations to the Department of Defense for military construction programs for fiscal year 1980, and for other purposes.

Such waiver is necessary to permit the consideration of legislation authorizing new budget authority for fiscal year 1980 for military construction programs of the Department of Defense. The Committee on Armed Services was unable to consider and dispose of the proposed legislation prior to May 15, 1979, because of the unusually heavy legislative workload of the committee early in the session coupled with the uncertainty over the National Defense functional target levels established in the First Budget Resolution, which was not enacted until May 24, 1979.

For the foregoing reasons, pursuant to section 402(c) of the Congressional Budget Act of 1974, the provisions of section 402(a) of such Act are waived with respect to S. 1319 as reported by the Committee on Armed Services.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. BAKER. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to speak for not to exceed 1 minute in morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

CONVERTING TO COAL

Mr. ROBERT C. BYRD. Mr. President, for many years those of us from coal-producting States have stressed the advisability of making greater use of this Nation's most abundant energy resource. Coal is one of our most available defenses against rising fuel prices and threatened oil shortages. Not only can coal be burned in place of oil or natural gas in utilities and industrial plants, but it can also be used to make synthetic fuels. Coal gasification and liquefaction projects will be a reality if we make the necessary financial commitment to move full speed ahead.

I am pleased to see that, in the face of the current energy crisis, others are now discovering the potential of coal. On Friday, June 15, the Washington Post wisely pointed out the need to demonstrate the promise of coal technology.

I ask unanimous consent that the Washington Post editorial entitled "Oil From Coal—in a Hurry" be inserted in the RECORD at this point.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

OIL FROM COAL—IN A HURRY

With the latest surge in oil prices, the case for a large-scale effort to make oil and gas out of coal has become overwhelming. Nobody knows exactly what it would cost to make gasoline from coal. But the country needs to find out—and quickly. It's obvious that the only real limit on the price of oil is the cost of substitute fuels. The only plausible substitute is synthetic oil manufactured from coal.

The country's most readily available defenses against steadily rising oil prices are conservation, of course, and solar energy. But it is evident that they cannot reduce the need for oil fast enough to avoid the need for synthetics. That will be true even if all of the oil-exporting nations continue their present production. But the Iranian revolution is a warning not to count on stability, peace and harmony in the Persian Gulf.

The technology is already available to make oil and gas from coal. One argument against proceeding with it is the cost. The plants would be extremely expensive. The Carter administration is reluctant to speed up federal spending at a time when it's trying to balance the budget. Private industry thinks the risks are too great. But past experience with joint public-private enterprises suggests many possible solutions. The most promising would require private investment, with federal price guarantees.

As for the environmental dangers, they are real but no greater than those incurred by any large mining or industrial operation. These plants would contribute to public health protection by removing from coal the pollutants that make its smoke toxic.

The Carter administration has several coal-oil and coal-gas projects in one stage or another of development. It is now imperative to force the pace, make decisions and greatly expand the plans for construction. Even with the greatest pressure for speed, it takes four or five years to move a plant from blueprint into operation.

The risks in the present slow progress are not entirely economic. The indecision at the White House on energy policy, and the incessant wrangling with Congress, are fueling the presidential campaigns of candidates who promise the opposite extreme—the most dramatic of whom is John B. Connally. It is easy to imagine the possibility next winter of a severe recession caused by high oil prices, plus continuing lines at the filling stations, plus more quarreling and uncertainty over energy policy, all adding up to victories for Mr. Connally in one party's primaries and defeats for Mr. Carter in the other's.

What are Mr. Carter and his administration to do? They are going to have to respond, and show that they are responding, to a deepening oil shortage. One endeavor on which they can embark immediately, visibly and most usefully, is to demonstrate the promise of coal technology.

Mr. GOLDWATER. Mr. President, will the Senator yield?

Mr. ROBERT C. BYRD. Yes.

Mr. GOLDWATER. Mr. President, I am very glad that the distinguished leader has made mention of coal, and also mentioned the subject of making energy out of coal that can be used in our vehicles. It just so happens that we have about one-third of all the remaining shale coal in the United States in my State, and for years we have been trying to get our Government to start doing something in this field.

I might say, although mention of the word might not be tasteful, South Africa has for years and years and years been making fuel out of coal for their vehicles.

They buy the equipment in the United States and they have offered time and again to come to the United States and show us how to put this stuff together to make fuel out of coal.

I do not think it is something that need take a long number of years. I think it is something that can be done in a relatively short time. The Senator from Virginia represents a State which is literally full of coal. I believe we in this country could produce enough fuel for our engines to last us for many, many years, probably hundreds of years.

I am so happy that the Senator has called the attention of our Government once again to this factor.

Mr. ROBERT C. BYRD. Mr. President, I thank the distinguished Senator.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. GOLDWATER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. GLENN). Without objection, it is so ordered.

RESOLUTION CONCERNING MUTUAL DEFENSE TREATIES

Mr. GOLDWATER. A parliamentary inquiry, Mr. President.

The PRESIDING OFFICER. The Senator will state it.

Mr. GOLDWATER. Mr. President, now that the quorum call has been dispensed with, would Senate Joint Resolution 15 become the business?

The PRESIDING OFFICER. The clerk will state the pending business.

The legislative clerk read as follows:

A resolution (S. Res. 15) concerning mutual defense treaties.

The Senate resumed the consideration of the resolution.

Mr. GOLDWATER. Mr. President, I do not want to take——

The PRESIDING OFFICER. If the Senator will withhold for just a moment, the pending question is amendment No. 221.

Mr. GOLDWATER. Yes. That is right. The Church amendment?

The PRESIDING OFFICER. The Church amendment.

Mr. CHURCH. Church-Javits.

Mr. GOLDWATER. Pardon me. Church-Javits.

Mr. President, I do not want to take any prerogative away from the majority leader, and I will not. I just want to make it abundantly clear that I have been ready to take action on this ever since it came up last week, or the week before.

I was prepared for other things this afternoon, gladly canceled them, hoping that we could get this matter up and dispose of it.

I do not want the court, I do not want the people, to think that I have been sitting here in the Senate trying to block action on this particular piece of legislation.

The majority leader very wisely told me to draw up some different language and submit it to the chairman of the Foreign Relations Committee, which I have done, and which I have already agreed to make some changes in and to which I will not agree to make further changes.

Now, I do not know what the pleasure of the majority leader will be, but I am ready, have been ready, and am ready to submit this matter to a vote, whether it is done this afternoon, I would rather do it right now, but if that is not the pleasure of my friend from West Virginia, and he is the boss man around here, I just want to make it perfectly clear that this is not being held up by dilatory tactics from my group that represent my feelings.

That is all I have to say.

Mr. ROBERT C. BYRD. Mr. President, I did suggest to the distinguished Senator from Arizona that he propose some language and present it to Mr. CHURCH and Mr. JAVITS. He has done that, and they, for reasons which they can best express, feel that the language does not comport with the requirements of the situation, if I can put it in such a general way of phrasing it.

I think that for the time being, at least, perhaps it would be advisable if the Senate proceeded to the consideration of the Foreign Assistance Act, which is the business before the Senate tomorrow. It is under a time agreement, and Mr. CHURCH and Mr. JAVITS, the managers of that bill, have indicated that they are willing to proceed with the bill and get the opening statements disposed of today.

The Senate will not be in longer than 6 o'clock this afternoon, perhaps not that late. If the Senate then can proceed to the consideration of that measure, if the Senator from Arizona would have no objection, I would like shortly to request that the Senate do so.

The Senate will be recessing after a little while until 8:30 p.m. tonight and Senators will gather in a body to begin proceeding to the House of Representatives at 20 minutes till 9 this evening to hear the President's joint address.

Mr. President, I withhold my request for the moment.

Mr. GOLDWATER. Will the Senator yield?

Mr. ROBERT C. BYRD. Yes.

Mr. GOLDWATER. Mr. President, when we get on this matter, Senate Resolution 15, on which the Parliamentarian tells me now the pending business would be the Church amendment, I would like to have my substitute amendment to the Church amendment be recognized now as the pending business.

Mr. ROBERT C. BYRD. I yield to the Senator from Idaho without losing my right to the floor.

Mr. CHURCH. It is my understanding, having had the benefit of a conversation with the distinguished Senator from Arizona, that he does propose to offer a substitute in a modified form, and I am perfectly amenable to making that the pending business.

Mr. GOLDWATER. I thank the Senator.

Mr. ROBERT C. BYRD. I yield to the Senator from Arizona, if he wishes to do that, at the moment, for that purpose.

Mr. GOLDWATER. What is that?

Mr. ROBERT C. BYRD. I yield for that purpose, without losing my right to the floor, if the Senator wishes to do so at this time.

AMENDMENT NO. 234 (AS MODIFIED)

Mr. GOLDWATER. Mr. President, I ask unanimous consent that my amendment with modifications be made the pending business.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment will be stated.

The legislative clerk read as follows:

The Senator from Arizona (Mr. GOLDWATER) proposes an amendment numbered 234 in the nature of a substitute to Amendment No. 221.

The amendment is as follows:

On page 1, line 4, after "nation." insert the following: "(1) The provisions of this resolution shall not be construed to approve or disapprove of the termination of the Mutual Defense Treaty with the Republic of China, such proposed termination not having been submitted to the Senate or Congress for approval prior to the date of adoption of this resolution, and (2) nor shall anything in this resolution be construed to reduce or prejudice any of the constitutional powers of the Senate.".

Mr. GOLDWATER. I might say, Mr. President, I would strike the word "proposed" in the two places that it appears in the amendment.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. JAVITS. Will the Senator yield?

Mr. ROBERT C. BYRD. Yes, I yield.

Mr. JAVITS. Mr. President, I do not think we ought to pass on this matter now.

It is my judgment that if we adopted this particular substitute which Senator GOLDWATER had proposed, it would have enormous dangerous, adverse repurcussions on the foreign policy of our country.

I say that only for this reason: I hope that Members will realize what is at stake and will give us their attention when the opportunity is presented for debate, because the issue is a very serious one.

We are not here to, in any way, avoid doing something which a colleague wants done, especially one for whom we have so much affection.

But it really is a matter of great import to us in terms of relations among the United States, Taiwan, and the People's Republic of China. I say that to emphasize the hope that Members will give it serious and considered attention. It certainly deserves it.

Mr. ROBERT C. BYRD. I thank the Senator.

Mr. CHURCH. Mr. President, will the Senator yield?

Mr. ROBERT C. BYRD. I yield.

Mr. CHURCH. Mr. President, the reason why I, too, wish to underscore the importance of the issue before us is that the wording that the Senate adopts may have a bearing upon the court action which challenges the constitutional validity of President Carter's termination of the Taiwan Mutual Defense Treaty.

As matters now stand, the Senate has not completed its action on the so-called Byrd resolution. Until the Senate, by a final vote, either approves or rejects that resolution, the Senate has not acted. I think we are all in agreement on that proposition.

The one vote that has been taken on the Byrd resolution leaves open the very important question of whether the Byrd sense of the Senate resolution is meant to apply prospectively—whether it is intended to state the Senate's opinion, in the form of a sense of the Senate resolution, that the President should not attempt in the future to terminate a mutual defense treaty without the concurrence of the Senate. It is my view that most Senators wish to address the future, and I have no quarrel with the fact that the Senate, by a substantial majority, wishes to make it plain to the President that, in the future, it does not wish the President to attempt to terminate a mutual defense treaty without the concurrence of the Senate.

The future, however, is one matter; the past is quite another. For the first 2 months of this session, we wrestled with the many questions relating to the new American position in Asia. It involved our recognition of the People's Republic, it involved a commitment on the part of the President of the United States to terminate the mutual defense treaty with the people on Taiwan, and it involved the passage of this body—and the enactment into law—of special legislation by which we sought to do right by the people on Taiwan and to maintain our cultural and commercial ties with them on an official basis. That law contains a unilateral declaration of assurances to the people on Taiwan with respect to their security in the future.

Mr. President, I think it would be an act of grave irresponsibility for the Senate to reach back and attempt to undo, or at least to throw into serious question, the actions we have taken previously relating to Taiwan and to mainland China.

Those countries themselves have adjusted to the new American position. It is one which clearly serves our interests in Asia. The authorities on Taiwan have expressed their gratitude for the provisions written into the Taiwan Enabling Act. I have a letter from the Premier of the Republic of China, addressed to me, which makes clear that the authorities on Taiwan are pleased with the action the Senate took in making certain that the legitimate interests of the people on Taiwan were protected fully. The letter reads:

DEAR SENATOR CHURCH: I am pleased to learn the passage of the Taiwan relations act by your Congress. The act is a result of careful and judicious deliberations which hopefully will provide a new basis for the relationship between our two nations. I am grateful for what you have done to make this bill possible and wish to express to you my deepest appreciation. It is our sincere hope that through our joint efforts the traditional cordial relations of friendship and cooperation which have long existed between our two peoples will continue to grow and flourish.

With highest consideration,

Y. S. SUN,
Premier of the Republic of China.

The letter is dated April 2, 1979.

So, Mr. President, why should the Senate, at this late date, refuse to make it clear that this sense-of-the-Senate resolution is addressed to the future and not the past? I think most Senators will wish to make that plain.

I do not believe they will accept the amendment proposed in the form of a substitute, which is now the pending business, by the distinguished Senator from Arizona (Mr. GOLDWATER). It clearly would give new legitimacy to a lawsuit which has been rejected in the district court—rejected on the ground that the Senate had not taken sufficient action for the court to take jurisdiction over the issue of whether the President possessed constitutional power to terminate the Taiwan mutual defense treaty with the United States.

The last words of the judge's opinion must be underscored if Senators are to understand what is really at stake here. The words of the opinion pertinent to this issue are as follows:

If the Congress approves the President's action, the issue presently before the court would be moot. If the Senate or the Congress takes action, the result of which falls short of approving the President's termination effort, then the controversy will be ripe for a judicial declaration respecting the President's authority to act unilaterally. Until then, the complaint is dismissed, without prejudice.

If the Senate adopts the substitute proposed by the able Senator from Arizona (Mr. GOLDWATER), it will be completing an action in which it states that the provisions of this resolution "shall not be construed to approve or disapprove of the termination of the mutual defense treaty with the Republic of China."

I submit, Mr. President, that the adoption of that language dovetails exactly with the language used by the judge; for, clearly, we will have taken an action which falls short of approving the President's termination effort. We might as well know what the result will be. If the judge follows his own written decision, the result will be that the court will seize jurisdiction of this case, and from then on the American position in Asia will be subject to judicial determination.

And those countries that have come to rely upon us will be given notice by the judicial action that our assurances are subject to reversal if the courts so decide. In other words, we will have kicked the props out from under the American position in Asia.

I say that would be an irresponsible action. I am perfectly will to accept the decision of the Senate. I do not quarrel with it. The Committee on Foreign Relations adopted a broader sense of the Senate Resolution relating to all treaties, but the Senate saw fit to reject that broader recommendation in favor of the short and limited language offered by the distinguished Senator from Virginia, Mr. BYRD.

The Senate has made its decision on that score. I accept it gladly, and I am happy to join with those who want to put the President on notice that in the future no mutual security pact involving the United States should be terminated without the concurrence of the Senate.

But this is quite a different issue. When the Senate votes on the proposed substitute offered by the able Senator from Arizona, it will be voting on whether to reopen the past. That is an action fraught with mischief, and one that could redound against our best interests in the most serious way.

For these reasons, Mr. President, I hope that Senators will examine this matter closely before voting, so that they will be fully aware of the ramifications of their vote.

I think that we would all be well served to give the Senate an opportunity to reflect upon this before pressing it to a vote.

For that reason, Mr. President, I am happy to oblige the majority leader in his decision to ask the Senate to proceed to a consideration of the Economic Assistance Act, which can now be called up. But that of course is the prerogative of the majority leader, and in order that he may have an opportunity to return to the Chamber I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. MELCHER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

NUCLEAR ENERGY GETTING 40 PERCENT FEDERAL SUBSIDY

Mr. MELCHER. Mr. President, It is costing the industry 1.5 cents per kilowatt hour to generate electric power at the nation's nuclear plants, but there is another 40 percent of that amount—0.62 cents per kilowatt hour—being paid by taxpayers, on the basis of a General Accounting Office (GAO) report just submitted to me.

The GAO report, responding to a letter of inquiry that I sent to them in October 1978, covers Federal costs for nonmilitary nuclear research and development, enrichment of uranium for fuel use, and licensing and regulation based on current expenditures. It does not allocate any of earlier years' uranium mining, research and development costs to the government to current year costs, nor any costs for Federal indemnity insurance provided the industry since no Federal indemnity payments have yet been made.

The report shows that Federal subsidy costs have been going up while the average generating costs paid by the industry have stabilized during 1977 and 1978.

The GAO listed the costs for each category in 1978, and calculated the federal subsidy, as follows:

	Million
Research and development costs	$1, 196
Enrichment	220
Regulation	240
Total	1, 656
Billion kilowatt hours generated	265
Cents per kilowatt hour	0. 62

Nuclear electric generation in the future will cost much more; just how much will not be known until we know what added safety precautions will be necessary for safe operation of the plants and how much safe storage of radioactive wastes is going to cost. If we are comparing nonnuclear electrical generation costs, methods and technologies, we must include these substantial additional federal costs, as well as any subsidies the Government may be providing the non-nuclear generating methods such as water, wind and coal research, strip mining regulations, and so forth.

It comes through very clearly, however, that substantial Federal investment in research and development of alternative sources of energy for electric power generation are abundantly justified in comparison to nuclear costs.

The $71 million requested by the President for research in magnetohydrodynamics (MHD), a clean technology which promises a 50-percent increase in electric energy that can be recovered from coal, which is still the energy source for the generation of several times more power than our nuuclear plants, is a pittance compared to our ongoing subsidies to nuclear energy.

Nuclear regulatory costs alone, which the GAO puts at $240 million in 1978, will advance more than the total requested for MHD research, to $373 million requested for 1980, or $133 million more. Surely MHD work is worth that amount or more.

Mr. President, I ask unanimous consent that the text of the GAO report be printed in the RECORD.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

GAO REPORT

CHAPTER 1

Introduction

Whether nuclear powerplants should be relied on as a significant future energy source is one of the most controversial energy issues in the United States. The issue is highly complex.

One of the most complex facets of this controversy relates to the cost of nuclear power. Nuclear power proponents often maintain that the electricity generated at nuclear powerplants is significantly less costly than alternative energy sources, such as coal and oil. On the other hand, nuclear power opponents often contend that this advantage is the result of various Federal incentives. like the cost of the Department of Energy's (DOE's) nuclear-related research and development. Accordingly, the opponents contend that eliminating these incentives would place nuclear power in an uneconomic position.

On October 23, 1978, Senator John Melcher asked GAO to help resolve this issue. Senator Melcher asked GAO a number of questions about nuclear power costs. Taken together, these questions were aimed at determining—to the extent possible—the "full" cost of nuclear-generated electricity. Such cost would include not only those electric utility costs which are passed on to the consumers in their electric bills, but would also include those borne by the Federal Government. The Federal costs, many of which could be considered as subsidies or incentives to the nuclear power industry, would not be passed on to the consumer through the utility, but would generally be paid for through tax revenues. The two costs together could roughly be considered the "full" cost of nuclear power.

In response to Senator Melcher's request, this report primarily addresses.

The current and projected costs of nuclear-generated electricity borne directly by the Nation's electric utilities (see ch. 2) and

The past and current Federal costs and financial incentives attributable to the Government's interest in promoting and regulating nuclear power (see ch. 3.)

Other questions asked by Senator Melcher are also discussed in the report. A copy of Senator Melcher's request is included as appendix I of this report.

Scope of review

We obtained the information contained in this report by reviewing key documents, studies, reports, correspondence, and other records. We also interviewed officials at the:

Atomic Industrial Forum, Inc., Washington, D.C.;

Commonwealth Edison Company, Chicago, Illinois;

DOE headquarters, Washington, D.C., and Germantown, Maryland;

Edison Electric Institute, New York, New York;

National Economic Research Associates, New York, New York;

Nuclear Regulatory Commission (NRC) headquarters, Bethesda, Maryland;

Philadelphia Electric Company, Philadelphia, Pennsylvania; and

United Engineers and Constructors, Inc., Philadelphia, Pennsylvania.

It is important to note that, while this report addresses only the costs—both apparent and hidden—of nuclear power, other energy sources receive Federal subsidies. Therefore, before one can compare the full cost of nuclear power to other energy sources, such as coal or oil, the full cost of other sources should also be calculated. Such a comparison is beyond the scope of this report.

Agency comments

We submitted this report for comment to DOE and NRC. DOE officials indicated that they generally agreed with the report except where it (1) includes Federal expenditures for the liquid metal fast breeder reactor as a cost of nuclear power and (2) shows the Federal cost of nuclear power in terms of cents per kilowatt-hour. These officials believe that fast breeder reactor expenditures are not directly related to the present generation of nuclear power, and that the cents per kilowatt-hour calculation is misleading because it allocates all Federal costs and subsidies in a given year to the total kilowatt-hour generation of nuclear plants during that year. We believe that the fast breeder reactor is widely regarded as a nuclear fission technology, and although it has not been commercialized, expenditures for its research and development should be included in the total Federal cost of nuclear energy. We also recognize that our method of calculating the Federal cost of nuclear energy per kilowatt-hour has a disadvantage as noted by the officials. While we noted this disadvantage, we left the calculation in the report, however, to be responsive to Senator Melcher's request.

The NRC staff also commented on a draft of this report. Their comments which were generally similar to DOE's are reflected, where appropriate, in the body of this report.

CHAPTER 2

The commercial costs of nuclear power

The generation of electricity is a process whereby a primary energy source (such as coal, oil, gas, or uranium) is converted into another form—electriicty—which is generally more convenient to use. While fossil fuels can be converted directly to other sources of energy, nuclear fuel is currently used in the private sector mainly for conversion to electricity. This conversion takes place at nuclear powerplants.

The first civilian nuclear powerplant began operation in 1957 in Shippingport, Pennsylvania. This 60-megawatt prototype reactor was Government-owned, but contractor-operated by the Duquesne Light Company under a cooperative agreement with the former Atomic Energy Commission.[1]

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[1] In October 1974 the Energy Reorganization Act of 1974 (Public Law 93-438) abolished the Atomic Energy Commission and created NRC and the Energy Research and Development Administration. On October 1, 1977, pursuant to the Department of Energy Organization Act (Public Law 95-91), the Energy Research and Development Administration's responsibilities were transferred to DOE.

As of January 31, 1979, 70 nuclear powerplants were licensed to operate by NRC. These 70 plants, having a capacity of about 50,000 megawatts, provided about 13 percent of the Nation's electricity. In addition, DOE operates two reactors with a capacity of 940 megawatts, which are not licensed by NRC. NRC recently reported that an additional 126 powerplants, representing almost 140,000 megawatts, are either under construction or planned.

Current costs of nuclear power generation

Before a utility decides to construct a powerplant—usually coal or nuclear—it will compare the costs of one to the other. This comparison is usually based on three major factors:

Capital costs.

Fuel costs.

Operation and maintenance costs.

Together, these equal the cost—often called the "bus-bar" cost—to produce electricity at the powerplant and do not include transmission, distribution, and overhead charges common to all sources of electricity. In discussing costs in this chapter, we will be concerned mainly with the bus-bar costs to generate electricity.

Capital costs

Capital costs, the largest of the three factors, can be viewed as either the actual dollar investment in the facility or the fixed charges associated with this investment. In developing bus-bar electric production costs, utilities use the fixed-charge rate.

The annual fixed-charge rate consists of (1) depreciation, (2) property insurance, (3) property taxes, (4) an interim replacement allowance, and (5) return on investment. The fixed rate will vary from utility to utility with the major variable being the utility's capitalization structure.

The capitalization structure of a utility determines the cost of money for new generating capacity. For publicly owned (municipal) utilities, this cost equals the interest rate on new bond issues. Investor-owned utilities, however, have an established allowable rate of return based, in part, on their capital structure, i.e., a combination of common stock, preferred stock, and bonds. Other variables among utilities include different credit ratings, various rates of return, and State and local taxes.

Fuel costs

A utility's fuel cost includes the cost of the present nuclear fuel cycle, namely, uranium mining and milling, production, enrichment, fuel fabrication, and interim storage of the used fuel assemblies.[2] All of these steps, except uranium enrichment, which is run by the Federal Government on a cost recovery basis, are handled by industry.

Fuel costs vary from utility to utility due mainly to two factors—the cost of uranium ore and the price paid for enriching services. For example, one utility owns a mining and milling company which may allow it to acquire uranium at a lower cost than the current price of the ore. Further, DOE provides enriching services under three types of contracts: (1) requirements contracts, (2) long-term fixed-commitment contracts, and (3) adjustable fixed-commitment contracts. (See page 15.) The contract price for the enriching service may vary, depending on the type of contract negotiated.

Operation and maintenance costs

Operation and maintenance costs consist mainly of salaries and benefits for the powerplant's operation and maintenance staff, fixed and variable costs for maintenance materials, insurance and licensing costs, and the cost of administration. These costs vary, of course, depending on the requirements for staff and the size and age of the plant.

Total bus-bar costs

The preceding discussion of the three types of costs leads to the question—what does nuclear-generated electricity cost at the bus-bar?

In June 1978 DOE estimated the actual cost at the bus-bar for the years 1976 and 1977. This estimate was based on the annual reports of both privately owned and publicly owned utilities submitted to DOE's Energy Information Administration. These estimates are shown in the following table.

Estimated actual cost at the Bus-bar 1976–77

[cents/kilowatt-hour]

Cost factor	Average unit costs 1976	1977
Fuel (actual)	0.27	0.28
Operation and maintenance (actual)	0.23	0.25
Capital (estimated) [a]	0.96	[b] 0.92
Generation cost (estimated)	1.46	1.45

[a] Capital costs are based on an estimated constant fixed-charge rate of 17 percent. Actual fixed-charge rates are not submitted and vary from utility to utility based on tax rates, return on equity, etc.

[b] Reduction due to averaging prior years capital investments.

DOE's estimates were very close to those kept by the nuclear industry. For example, each year the Atomic Industrial Forum—an international association of more than 600 organizations interested in the peaceful uses of nuclear energy—requests that all utilities with nuclear powerplants, as well as those purchasing substantial amounts of nuclear power, compute the total actual cost of producing a kilowatt-hour via the nuclear option. The Forum then accumulates this data and develops a weighted average cost. For both 1976 and 1977, the Forum reported that the weighted average cost of electricity from the Nation's nuclear powerplants was 1.5 cents per kilowatt-hour.

While figures for 1978 were not available from DOE at the time of this report, the Atomic Industrial Forum reported that 1978 generating costs were 1.5 cents per kilowatt-hour, about the same as they were in 1977 and 1976. A list of the Nation's nuclear utilities showing their reported costs for 1976 through 1978 is included as appendix III.

Future costs of nuclear power generation

This report concentrates on the most recent historical costs of generating electrical power via the nuclear option. However, in the future these costs will likely change in two ways. First, the existing cost factors may increase and second, other currently noncritical cost factors will receive more emphasis.

Projection of costs of current factors

Many estimates are available for the future cost of nuclear-generated electricity. For example, DOE projected that the cost of nuclear power beginning operation in 1985 will be:

	Cents/kilowatt-hour [1]
Capital costs	1.6
Fuel costs	0.7
Operation and maintenance costs [2]	0.1
Total costs	2.4

[1] Based on GAO escalation of 1975 dollars at 6.5 percent per annum.

[2] Minimal operating and maintenance costs during initial operating year.

Another example is the following NRC October 1978 cost projection of nuclear power coming on line in 1990 for various regions of the country.

PROJECTED COSTS FOR 1990 INITIAL YEAR OPERATION [1]

[In cents, per kilowatt-hour]

Region	Capital	Fuel	Operation and maintenance	Total
New England	4.4	1.5	0.3	6.2
New York/New Jersey	4.6	1.5	.3	6.4
Middle Atlantic	4.0	1.5	.3	5.8
South Atlantic	4.0	1.5	.3	5.8
Midwest	4.4	1.5	.3	6.2
Southwest	3.9	1.5	.3	5.7
Central	4.3	1.5	.3	6.1
North Central	4.2	1.5	.3	6.0
West	4.5	1.5	.3	6.3
Northwest	4.4	1.5	.3	6.2
National average	4.3	1.5	.3	6.1

[1] All estimates are in 1990 dollars to account for inflation.

Other cost factors

While much of the increased cost shown in the previous projections can be attributed to inflation, two new costs will be for waste management and decommissioning. Because actual procedures for both waste management and decommissioning are not known, the costs for these activities can only be estimated. While these costs will generally be added as factors to the bus-bar cost of producing electricity via the nuclear option, some utilities already include components for these activities.

Waste management

The Nation's nuclear waste management policies are constantly evolving. Today DOE expects that, in general, nuclear fuel—once discharged from the reactor—will pass from the utility to a temporary storage facility, often called an "away from reactor" storage facility. If a final decision is made to discard the fuel, it could then be transported to a geologic repository where it will be permanently disposed. Considerable Federal research and development will be necessary however, before these disposal facilities will be available to take the utilities' used fuel.

The Federal Government proposes to eventually offer to take title to and store spent nuclear fuel from privately owned power reactors. In keeping with this policy, DOE expects that there will be a one-time charge for the storage and disposal services provided by the Government. DOE also expects this charge to recover all Government costs. In July 1978 DOE published a report titled "Preliminary Estimates of the Charge for Spent-Fuel Storage and Disposal Services," which estimates that the one-time charge for storage and disposal would be approximately 0.1 cents per kilowatt-hour. It should be pointed out that this is only an estimate and it could change significantly if the procedures change.

As mentioned, the 0.1 cents per kilowatt-hour charge is based on estimates of full cost recovery by the Government. The following schedule shows all of the costs which DOE believes will need to be recovered in the one-time charge.

Facility or service	*Costs to be recovered* [a] *(millions)*
Away from reactor storage	$275
Transportation to repository	100
Encapsulation facility	1,325
Geologic repository	1,141
Research and development	560
Government overhead	234
Total	$4,635

[a] 1978 dollars.

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[2] A brief description of the nuclear fuel cycle is included as app. II of this report.

Decommissioning

Decommissioning can be defined as all of the measures taken at the end of a nuclear facility's operating life to assure the continued protection of the public from any residual radioactivity or other potential hazards present in the facility. In a 1978 study prepared for NRC by Battelle Pacific Northwest Laboratory, two approaches to nuclear powerplant decommissioning were considered—immediate dismantlement and safe storage with deferred dismantlement.

Immediate dismantlement is the removal of radioactive materials with disassembly and decontamination during a 4-year period following final operation of a powerplant. The process known as safe storage with deferred dismantlement involves two steps. First, radioactive materials and contaminated areas are controlled to assure that the public is protected from residual radioactivity. Second, dismantlement is delayed until radioactivity has decayed to considerably lower levels.

The Battelle study estimated these methods to cost $42.1 million and $50.2 million, respectively, for a 1,175-megawatt powerplant. The costs of decommissioning are expected to be borne by the utility. Commonwealth Edison Company, the largest generator of nuclear power in the United States, estimated that these expenses translate into 0.02 cents per kilowatt-hour.

CHAPTER 3

The Federal costs of nuclear power

All commercial nuclear power technology can be traced directly or indirectly to the Federal Government's military program, namely the development of nuclear weapons and reactors. The Atomic Energy Act of 1946 (Public Law 79-585) transferred these military nuclear programs to civilian control and charged the Atomic Energy Commission to develop the non-military aspects of nuclear energy. Later, the Atomic Energy Act of 1954 (Public Law 83-703) paved the way for industrial participation in the nuclear power development program. This law provided for declassification of considerable amounts of restricted information and permitted private ownership and operation of civilian nuclear powerplants.

Developing commercial nuclear power required large financial resources. Financial risks of this nature required Federal Government and industry cooperation which resulted in the Nation's first Power Reactor Demonstration Program in 1955. Under this program, the Atomic Energy Commission offered large financial incentives, such as research and development technology, fuel-lease waivers, fuel fabrication, and training to cooperating electric utilities.

The Government's objective was to eventually transfer all federally developed commercial reactor and fuel-cycle technology to a self-sustaining private industry. All steps in the fuel cycle—except uranium enrichment and waste management—are now handled by private industry. (See app. II.) Through 1978, Federal participation[1] in developing the Nation's commercial nuclear power industry has cost the taxpayer as estimated $12.1 billion since 1950. This represents research, development, and demonstration incentives totaling $9.7 billion; regulatory costs of $1.2 billion; and enriching incentives totaling $1.2 billion.

While the Federal Government has been active in a large number of nuclear areas, its major support to the nuclear industry has been in the following areas:

Nuclear research, development, and demonstration.

Nuclear regulation to protect the public's health and safety.

Enriching uranium so that it is usable in commercial nuclear powerplants.

Stimulating mining of domestic uranium.

Indemnifying powerplant owners and others in the industry against nuclear accidents.

Nuclear research, development, and demonstration

From its inception, the Atomic Energy Commission supported a large nuclear reactor research, development, and demonstration program through contracts with national laboratories, industrial concerns, and private and public institutions. This program—perhaps the most visible of the Federal Government's nuclear efforts—was subsequently carried out by the Energy Research and Development Administration and then by DOE. These programs were aimed at promoting basic research and development and, with industry support, building demonstration plants.

According to DOE, the cost of Federal nuclear research, development, and demonstration totaled $8.6 billion. This represents program funds expended from fiscal years 1950 through 1978 on one or more of the following programs:

Nuclear materials.

Civilian reactor development.

Advanced isotope separations.

Waste management.

Reactor safety research.

Uranium resource assessment.

A table of the Federal Government's expenditures from 1950 through 1978 for each of these programs is included as appendix IV of this report.

Eighty-one percent, or $7.0 billion, of these Federal research and development funds were spent for the so-called civilian reactor development program, including $4.4 billion for the Liquid Metal Fast Breeder Reactor—once the Nation's highest priority energy research and development program. In the early 1950s, the Atomic Energy Commission contributed only about 1 percent of its budget to commercial nuclear power research and development. In 1978 that contribution represented 17 percent of the DOE budget.

A 1978 analysis by the Battelle Memorial Institute indicated that DOE's cost figures for research, development, and demonstration excluded nuclear-oriented costs for such efforts as the Biology and Environmental Sciences Program, and the Education Information and Training Program. These programs were related to many programs, not only the civilian nuclear power program. Battelle estimated that the portion of these programs attributable to commercial nuclear energy cost about $0.6 billion.

Battelle also estimated the portion of the Government's program management, or administrative costs attributable to nuclear power programs, by assuming that in any one year, program management costs allocated to nuclear power should be the same as the total percentage spent in that area. Thus, an additional $0.5 billion could be included as a cost of commercial nuclear power development.

The total Federal commercial contribution for nuclear-related research, development, and demonstration—including DOE's "mixed" program contributions and administrative costs—totaled $9.7 billion through fiscal year 1978.

Nuclear regulation

The Atomic Energy Commission was solely responsible for regulating the nuclear industry to protect the public's health and safety from 1946 through 1974. The Energy Reorganization Act of 1974 (Public Law 93-438) separated nuclear power development and promotional functions from regulatory functions and created NRC. Today NRC regulates the design, construction, and operation of commercial nuclear powerplants and associated facilities and plays a major role in regulating all commercial fuel cycle phases except mining and enrichment.[2]

The NRC regulatory program's basic purpose is to carry out the Commission's statutory responsibilities to assure that the possession, use, and disposal of radioactive facilities and materials are conducted not only in a manner consistent with the public's health and safety and the Nation's defense and security, but also with the proper regard for environmental quality. Regulatory control was relatively simple when all nuclear materials were Government-owned, but became more difficult with the passage of the 1964 Private Ownership of Special Nuclear Materials Act (Public Law 88-489). This act allowed many private organizations to own nuclear materials.

The Federal Government has spent $1.2 billion from fiscal years 1960 through 1978 regulating the commercial nuclear power industry. Offsetting these costs, NRC collects various fees from its licensees. According to an NRC official, the fees represent only 20 percent of the actual licensing costs. Through fiscal year 1978, these fees have produced $74.3 million in revenues for NRC.

A table of yearly expenditures for nuclear regulation is found in appendix V.

Uranium enrichment

Uranium enrichment is a process which prepares uranium for use as a nuclear reactor fuel. Basically, it converts natural uranium into a mixture with enough of the isotope uranium-235 to sustain a nuclear reaction.

The Federal Government has built three large enrichment plants at Oak Ridge, Tennessee; Paducah, Kentucky; and Portsmouth, Ohio. These facilities, representing the major source of free world enriched uranium, are currently capable of annually servicing about 200 large nuclear powerplants.

Originally these enrichment plants were used to produce enriched uranium for the Nation's nuclear weapons program. Today, they provide enrichment services mainly for sale to domestic and foreign utilities. These domestic and foreign customers are supplied under:

Requirements contracts where DOE agrees to supply the enriched uranium needed to fuel a specific reactor;

Long-term, fixed-commitment contracts where DOE agrees to provide fixed amounts of enriched uranium for a certain time period; or

Adjustable fixed-commitment contracts which allow the purchasers more flexibility than with the long-term, fixed-commitment contract.

The adjustable fixed-commitment contract became available in 1978 and is the only type of contract available to new customers.

The Atomic Energy Act of 1954, subsection 161B, (Public Law 83-703, as amended, requires DOE to price its uranium enrichment services provided under the above contracts to recover all Federal costs over a reasonable period of time. However, the Federal Government has incurred costs, or provided apparent subsidies to the nuclear power industry that have not yet been paid for by industry. The Federal incentives provided the commercial nuclear power industry in the enrichment area include:

A price difference between the Government's current enriching charge and what it would cost if a commercial enriching facility provided the services.

Imputed interest on the Government's investment in uranium feed.

Fair value pricing

Three times in the past 5 years, DOE has submitted a proposal to the Congress to revise the current uranium enrichment price structure. The proposed legislation would have established a "fair value" for pricing services by eliminating or reducing the difference between lower Government charges and those of potential domestic private enrichment projects.

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[1] Defined to include direct or indirect payments, economic concessions, and privileges or benefits provided to any enterprise by the Government to promote its nuclear policies.

[2] Mining is controlled by individual States; enrichment is regulated by DOE.

DOE's current price, by law, excludes a return on equity, insurance, and taxes which a commercial supplier would pass on to the customer. This difference represented $220 million from fiscal year 1976 through fiscal year 1978. In a recent report [3] addressing proposed legislation, we stated that a fair value pricing policy would generate additional revenues to the Federal Government of $1.5 billion for fiscal years 1979 through 1983.

This proposed legislation did not gain congressional approval, and DOE does not intend, at least in the near future, to resubmit a fair value pricing proposal.

Imputed interest

Another cost of enrichment not charged to utilities is the imputed interest on the Government's investment in uranium feed stock—the uranium material that will eventually be processed through the enrichment plants. DOE's enriching prices must, by law, reflect the Government's enriching services cost.

Excluding imputed interest on feed stock represents a loss to the Government. If such funds are not so disbursed, they could repay or reduce Government borrowings and, therefore, reduce interest charges.

DOE recognizes imputed interest on uranium needed to provide enrichment services as a recoverable cost. However, it is our understanding that although DOE plans to initiate recovery of this lost interest in fiscal year 1979, the Department does not intend to recover this cost for fiscal years 1969–1978, which we estimate to be $1 billion.

DOE officials told us that they believe that the failure to recover the imputed interest is a Federal cost of nuclear power. However, they tentatively believe that it should not be called a cost of enrichment. They believe that it might be more appropriate to include it in the section of this report on uranium mining. At the time of this report, both DOE and GAO were studying this issue in more detail. On March 8, 1979, we sent a letter of inquiry to DOE addressing various aspects of this issue. As of the date of this report, however, DOE had not responded to this inquiry.

Federal costs in terms of cents per kilowatt-hour

In his request, Senator Melcher asked us to show, in cents per kilowatt-hour, the Federal nuclear costs exceeding those incurred by private utility companies. The following table shows this by allocating the various Federal costs and incentives in a given year—1976, 1977, and 1978—to the total kilowatt-hours generated by nuclear plants in that year.

[Dollar amounts in millions]

Fiscal year	R. & D.[1]	Enrichment	Regulation	Total	Billion kilowatt-hours generated	Cents/kilowatt-hour
1976 [2]	$936	$120	$221	$1, 277	228	0. 51
1977	989	180	213	1, 382	243	. 57
1978	1, 196	220	240	1, 656	265	. 62

[1] Includes $81,200,000 for uranium resource assessment discussed on p. 18.

[2] 1976 figures include the 3-mo transition quarter.

It is important to note that, in making this calculation, we had to assume that the costs in each year were to be "matched" with the kilowatt-hours generated during that year. Unfortunately, our method has a disadvantage in that the costs incurred in any one year—1976, 1977, or 1978—may benefit the nuclear industry during future years. This is particularly true for research and development costs. On the other hand, costs incurred prior to 1976 may benefit the industry during the 1976–1978 period. It should be noted that some sizable Federal contributions to the nuclear power program are not easily quantifiable. These contributions are discussed below.

Uranium mining

The U.S. war effort needs for uranium prior to the mid-1940s were supplied from a Belgian Congo mine, a Canadian mine, and a few scattered U.S. deposits. Eventually, the former Atomic Energy Commission recognized the Nation's dependence on foreign ore and established a uranium ore procurement program to stimulate domestic production. As a result, the Commission entered into long-term contracts with the following incentives:

A 10-year guaranteed minimum price for certain high grade ore.

A $10,000 discovery and production bonus.

A guaranteed 3-year minimum price for Colorado Plateau ores.

The program's success required the eventual elimination of these benefits to avoid an excessive stockpile of uranium ore. The only benefits remaining, following the 1971 Federal termination of the uranium purchase program, are a restriction on foreign ore imports and DOE's National Uranium Resource Evaluation program.

The 1964 Private Ownership of Special Nuclear Materials Act in lieu therefore, directed that, to the extent possible these enrichment plants should not enrich foreign ores intended for use in the United States. This provision, which is not quantifiable, protected the domestic uranium industry from less expensive foreign uranium. A Notice of Modification of Restriction on Enrichment of Foreign Uranium for Domestic Use was published in the Federal Register and became effective on October 25, 1974. Under this plan, in 1977 up to 10 percent of the uranium furnished for enrichment by a domestic customer may come from a foreign source. The amount allowed would increase until 1984 when there will be no restriction on enrichment of foreign uranium for use in domestic reactors.

DOE's National Uranium Resource Evaluation program researches and estimates the potential domestic uranium reserves at various mining and milling costs. Program data, based on topographic and geological analysis, provides input to our national energy policy. According to DOE estimates, $116.2 million has been spent on this program through fiscal year 1978. This will provide information to both the Federal Government and the commercial nuclear industry. (See app. IV.)

Nuclear Indemnification

The 1954 Atomic Energy Act permitted private ownership and operation of nuclear powerplants. Private ownership, however, raised an important question—who was to be financially liable in the event of a catastrophic nuclear accident? Nuclear facility suppliers and operators were generally unwilling to risk solvency on a budding industry. Further, the insurance industry was unwilling to fully insure these plants because no loss experience existed. The solution, a 1957 amendment to the Atomic Energy Act of 1954, provided the public, AEC licensees, and contractors financial protection against a nuclear accident.

This amendment—often called the Price-Anderson Act—effectively limited liability for any nuclear incident to $560 million and was to remain in effect for 10 years. The liability amount represented a maximum $500-million Government indemnity for each nuclear incident in addition to the maximum private liability insurance available in 1957—$60 million. The act was amended in 1965 by extending Federal indemnity for an additional 10 years, as well as specifically limiting the $560 million for each accident.

In 1966 it was again amended to provide for a "no-fault" clause, meaning that proof of negligence was not a requirement for compensating the injured party.

In 1975, the act was amended once again. This last amendment will eventually phase out Government indemnification for commercial reactors. It will not, however, phase out the $500-million indemnification for non-profit educational reactors.

The phase-out legislation will eventually eliminate Federal liability. The legislation shifts the financial risk from the Government to the nuclear industry. Insurance companies are currently providing $140 million of insurance and each commercial reactor must pay a retrospective premium or deferred premium of $5 million per reactor per incident. As a result, the Government indemnification stands at $70 million. The indemnification will be phased out as more private insurance becomes available and the number of operating reactors increase. To date no claims have been filed against the Federal Government.

The Price-Anderson Act provided an impetus needed to develop the nuclear industry without jeopardizing the industry's financial stability. However, quantifying that impetus was not feasible.

In a 1975 report,[4] we estimated an annual indemnity subsidy for a utility with one or two on-site reactors. Applying these figures annually to each operating reactor does not reflect the coverage provided fuel fabricators, suppliers, engineers, valve producers, and the general public. To our knowledge, no one has attempted to quantify this portion of the subsidy.

Mr. MELCHER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

INTERNATIONAL DEVELOPMENT ASSISTANCE ACT OF 1979

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate now proceed to the consideration of Calendar Order No. 211, which is at the desk, S. 588, the bill on which the Senate will proceed tomorrow when the Senate again convenes.

The PRESIDING OFFICER. The bill will be stated by title.

The legislative clerk read as follows:

> A bill (S. 588) to amend the Foreign Assistance Act of 1961 to authorize development assistance programs for fiscal years 1980 and 1981, to make certain changes in the authorities of that Act, to authorize the establishment of an institute for technological cooperation, and for other purposes.

There being no objection, the Senate proceeded to the consideration of the bill, which had been reported from the Committee on Foreign Relations with an amendment, and from the Committee on Governmental Affairs with amendments.

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[3] "Fair Value Enrichment Pricing: Is It Fair?" (EMD–78–66, Apr. 19, 1978).

[4] "Selected Aspects of Nuclear Powerplant Reliability and Economics" (RED–76–7, Aug. 15, 1975).

Mr. ROBERT C. BYRD. Mr. President, both Mr. JAVITS and Mr. CHURCH, I think, are prepared to open with statements.

I understood that Mr. BAKER had an amendment to another measure, which I will now proceed with.

ANADROMOUS FISH CONSERVATION ACT AUTHORIZATION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the action which was taken last Wednesday on S. 838, in connection with which a technical amendment has to be taken up and which Mr. Baker will propound, be vitiated and that the bill be returned to its second reading for not to exceed 5 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

The bill will be stated by title.

The legislative clerk read as follows:

A bill (S. 838) to amend the Anadromous Fish Conservation Act in order to extend the authorization for appropriations to carry out the purposes of the Act, and to initiate an emergency investigation on the striped bass in Atlantic coastal waters.

The Senate proceeded to consider the bill.

UP AMENDMENT NO. 267

Mr. BAKER. Mr. President, I send to the desk an amendment and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Tennessee (Mr. BAKER) for himself and Mr. CHAFEE proposes an unprinted amendment numbered 267.

On page 2, line 18, strike "October 1" and insert in lieu thereof "September 30".

On page 2, line 19 strike "October 1" and insert in lieu thereof "September 30".

On page 2, line 20 strike "October 1" and insert in lieu thereof "September 30".

On page 2, line 22 strike "October 1" and insert in lieu thereof "September 30".

Mr. ROBERT C. BYRD. Mr. President, let me say on behalf of Mr. RANDOLPH, who is the chairman of the Public Works Committee, that this amendment is not only acceptable but it is necessary and so, therefore, there is no opposition to the amendment on this side of the aisle.

Mr. BAKER. Mr. President, I thank the majority leader.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Tennessee.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, was read the third time, and passed.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. ROBERT C. BYRD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

INTERNATIONAL DEVELOPMENT ASSISTANCE ACT OF 1979

The Senate continued with the consideration of S. 588.

Mr. ROBERT C. BYRD. Mr. President, the pending measure before the Senate I believe is the Foreign Assistance Act, is it not?

The PRESIDING OFFICER. The Senator is correct.

Mr. ROBERT C. BYRD. I thank the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. JAVITS. Mr. President, may we know the time situation on this bill?

The PRESIDING OFFICER. There are 2 hours on the bill, to be equally divided between the Senator from Idaho (Mr. CHURCH) and the Senator from New York (Mr. JAVITS), and 1 hour on amendments in the first degree, except 2 hours on an amendment by Senator DECONCINI and six other amendments exempted from the germaneness requirement, 30 minutes on secondary amendments and 28 minutes on debatable motions and appeals.

Mr. JAVITS. I thank the Chair.

I yield to the majority leader.

Mr. ROBERT C. BYRD. Mr. President, I thank the distinguished Senator from New York.

ORDER FOR RECESS FROM CONCLUSION OF BUSINESS TODAY UNTIL 8:30 P.M. AND FOR RECESS FOLLOWING THE JOINT SESSION OF CONGRESS UNTIL 9:30 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that at no later than 5:30 p.m. today the Senate stand in recess until 8:30 p.m. this evening at which time Senators will gather to proceed in a body to the Hall of the House of Representatives to receive a message from the President of the United States in joint session and that upon the dissolution of that joint session the Senate then stand in recess until the hour of 9:30 a.m. tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECOGNITION OF SENATOR DOMENICI TOMORROW AND RESUMPTION OF CONSIDERATION OF S. 588 ON TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that after the two leaders or their designees have been recognized tomorrow morning Mr. DOMENICI be recognized for not to exceed 15 minutes, after which the Senate resume consideration of the now pending measure, S. 588, Calendar Order No. 211.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. This would mean that at about 10 o'clock tomorrow morning the Senate would resume consideration of the amendment.

I thank the distinguished Senator from New York.

INTERNATIONAL DEVELOPENT ASSISTANCE ACT OF 1979

The Senate continued with the consideration of the bill.

Mr. CHURCH. Mr. President, the International Development Assistance Act authorizes fiscal year 1980 appropriations for bilateral development assistance and our voluntary contributions to various international organizations. In addition, this year's bill authorizes the establishment of, and funding for, the new Institute for Technological Cooperation.

In recent years, the principal issue associated with this legislation has been to what degree Congress would increase funding for these programs over the previous fiscal year. Each year, the executive branch has requested ever increasing authorizations for these programs, and each year the Congress has approved these authorizations increases in some degree. Yet, I believe we became so preoccupied with increasing the size of the foreign aid program that we lost sight of what should have been our central concern: How effectively are these resources being used to assist poor people in poor countries?

During a year in which domestic programs are either being cut back or held at last year's level, it is imperative that we also hold the line on foreign aid. Our times require that we make difficult choices concerning spending priorities at home and abroad. We cannot reduce Federal spending and we cannot balance our Federal budget if each program is allowed to grow with little concern given to the quality of the program. The committee's recommendations on this bill reflect both these goals. It recognizes the need to control Federal spending and the need to improve the quality of bilateral aid efforts.

Mr. President, the committee recommends substantial reductions in the authorizations contained in this bill. As reported, title I of the bill is $212.2 million below the President's request, which represents a reduction of 10 percent; $155.9 million below the level approved by the House earlier this year; and $44.1 million below fiscal year 1979 appropriations.

Taking title I and title II together, the total appropriations authorized in this bill are $19.1 million below last year's appropriated levels. This includes $25 million for a new program, the Institute for Technological Cooperation.

Not only did the committee recommend reductions in these programs, but we also carefully reviewed the President's proposals and demonstrated on a country-by-country, project-by-project basis how and where the reductions could be made.

In some cases, the committee followed the lead of the executive branch and recommended the total elimination of programs in such countries as Pakistan and Ethiopia. In the case of Pakistan, the program termination stems from a violation of the nuclear nonproliferation provisions of the Foreign Assistance Act. Ethiopia is in violation of the provisions prohibiting aid to countries which expropriate American property without adequate compensation.

In other cases, the committee reviewed the internal conditions in countries for which aid was proposed and determined that, under current circumstances, our bilateral aid programs could not reach the poor people for whom they are intended to help.

The committee also reviewed certain proposed activities and projects and recommended program reductions or delay in project implementation. Specifically, the committee recommends a 40-percent reduction in AID research and studies. In a year when AID programs must be reduced, assistance which directly benefits poor people in poor countries should have priority over research whose benefits to the poor are all too often questionable.

Mr. President, the committee report on S. 588 provides detailed information concerning the recommended reductions. However, I want to emphasize that the committee has not tied the hands of the President. With the single exception of Afghanistan, we did not include statutory prohibitions on the activities for which reductions were recommended. If circumstances change in these countries, the President has authority to provide assistance to them.

In our concern over the spending amounts authorized in S. 588, we must not lose sight of its central purpose. Pursuant to congressional initiative in 1973, these funds are intended to directly benefit poor people in poor countries. These are not giveaway programs. These are programs designed to help people help themselves. These programs help small farmers to increase their productivity which, hopefully, will lead to food self-sufficiency in these countries. These programs provide the resources and expertise required to promote private entrepeneurship. The funds in this bill are used to help curb the population growth threatening to overwhelm many developing countries.

The programs funded by this bill not only benefit poor people abroad; they constitute an important investment in our own future as well. Every day, we see more clearly how events abroad affect our lives at home. We sell more American goods and services to developing countries than to Europe and Japan combined. Without these markets, our balance-of-trade deficit would be much greater and unemployment much higher. Many of the most vital raw materials required for our own factories come from these developing countries as well. Therefore, we have a definite stake in both the pace and orderly nature of development in these countries.

Mr. President, this bill has received strong bipartisan support in the Committee on Foreign Relations, which ordered it reported with a favorable recommendation by a vote of 13 to 1. Title II of the bill has the support of both the Committee on Foreign Relations and the Committee on Governmental Affairs. I urge the Senate to adopt the International Development Assistance Act of 1979.

Mr. President, I ask unanimous consent that the following persons from the staff of the Committee on Foreign Relations have the privilege of the floor during the consideration and voting on S. 588: Richard McCall, Rudolph Rousseau, Gerald Decker, William Bader, and Patrick Shea.

The **PRESIDING OFFICER**. Without objection, it is so ordered.

Mr. **CHURCH**. Mr. President, I ask unanimous consent that the amendments of both committees to S. 588 be agreed to en bloc, and that the bill as thus amended be considered as original text for the purpose of further amendment.

The **PRESIDING OFFICER**. Without objection, it is so ordered.

The amendments agreed to en bloc are as follows:

The amendment of the Committee on Foreign Relations is to strike all after the enacting clause and insert the following:

That this Act may be cited as the "International Development Assistance Act of 1979".

TITLE I—DEVELOPMENT ASSISTANCE

AGRICULTURE, RURAL DEVELOPMENT, AND NUTRITION

SEC. 101. (a) Section 103(a)(2) of the Foreign Assistance Act of 1961 is amended by amending the first sentence to read as follows: "There are authorized to be appropriated to the President for purposes of this section, in addition to funds otherwise available for such purposes, $583,548,000 for the fiscal year 1980.".

(b) Section 103(b) of such Act is amended by adding at the end thereof the following:

"(3) The Congress recognizes that the accelerating loss of forests and tree cover in developing countries undermines and offsets efforts to improve agricultural production and nutrition and otherwise to meet the basic human needs of the poor. Deforestation results in increased flooding, reduction in water supply for agricultural capacity, loss of firewood and needed wood products, and loss of valuable plants and animals. In order to maintain and increase forest resources, the President is authorized to provide assistance under this section for forestry projects which are essential to fulfill the fundamental purposes of this section. Emphasis shall be given to community woodlots, agroforestry, reforestation, protection of watershed forests, and more effective forest management.".

POPULATION AND HEALTH

SEC. 102. The first sentence of section 104 (q) of the Foreign Assistance Act of 1961 is amended to read as follows: "There are authorized to be appropriated to the President, in addition to funds otherwise available for such purposes—

"(1) $193,630,000 for the fiscal year 1980 to carry out subsection (b) of this section; and

"(2) $124,731,000 for the fiscal year 1980 to carry out subsection (c) of this section.".

EDUCATION AND HUMAN RESOURCES DEVELOPMENT

SEC. 103. Section 105 of the Foreign Assistance Act of 1961 is amended—

(1) by amending the second sentence of subsection (a) to read as follows: "There are authorized to be appropriated to the President for purposes of this section, in addition to funds otherwise available for such purposes, $87,646,000 for the fiscal year 1980, which are authorized to remain available until expended.";

(2) in subsection (b), by inserting "(1)" after "(b)"; and

(3) by adding at the end of subsection (b)(1) the following:

"(2) Assistance under this section shall also be provided for advanced education and training of people of developing countries in such disciplines as are required for planning and implementation of public and private development activities.".

DEVEOPMENT OF INDIGENOUS ENERGY RESOURCES

SEC. 104. (a) Section 102(b) of the Foreign Assistance Act of 1961 is amended—

(1) in paragraph (5) by striking out "and" immediately after the last semicolon and by inserting "; and energy development and production" immediately before the period; and

(2) in paragraph (7) by inserting "the development, production, and" immediately after "promotes".

(b) Section 106 of such Act is amended—

(1) in subsection (a)—

(A) by striking out paragraph (2), and

(B) by redesignating paragraphs (3) through (6) as paragraphs (2) through (5), respectively;

(2) by redesignating subsections (a) and (b), as amended by paragraph (1) of this subsection, as subsections (c) and (d), respectively; and

(3) by inserting the following new subsections (a) and (b) immediately after the section caption:

"(a)(1) The Congress finds that energy development and production are vital elements in the development process, that energy shortages in developing countries severely limit the development process in such countries, that two-thirds of the developing countries which import oil depend on it for at least 90 percent of the energy which their economies require, and that the dramatic increase in world oil prices since 1973 has resulted in considerable economic hardship for many developing countries. The Congress is concerned that the value and purpose of much of the assistance provided to developing countries under section 103, 104, and 105 are undermined by the inability of many developing countries to satisfy their energy requirements. Unless the energy deficit of the developing countries can be narrowed by more fully exploiting indigenous sources of energy such as oil, natural gas, and coal, scarce foreign exchange will increasingly have to be diverted to oil imports primarily to the detriment of long-term development and economic growth.

"(2) The Congress recognizes that many developing countries lack access to the necessary technology to locate, explore, and develop indigenous energy resources and the financing to develop such resources.

"(3) The Congress declares that there is potential for at least a moderate increase by 1990 in the production of energy for commercial use in the developing countries which are not members of the Organization of Petroleum Exporting Countries. In addition, there is a compelling need for vigorous efforts to improve the available data on the location, scale, and commercial exploitability of potential oil, natural gas, and coal reserves in developing countries, especially those which are not members of the Organization of Petroleum Exporting Countries. The Congress further declares that there are many benefits to be gained by the developing countries and by the United States and other developed countries through expanded efforts to expedite the location, exploration, and development of potential sources of energy in developing countries. These benefits include, but are not limited to, the following:

"(A) The world's energy supply would be increased and the fear of abrupt depletion would be lessened. This could have a positive impact upon energy prices in international markets and, thus, a positive effect upon the balance-of-payments problems of many developing countries.

"(B) Diversification of the world's supplies of energy from fossil fuels would make all countries, developing and developed, less susceptible to supply interruptions and arbitrary production and pricing policies.

"(C) Even a moderate increase in energy production in the developing countries would improve their ability to expand commercial trade, foreign investment, and technology transfer possibilities with the United States and other developed countries.

"(4) Assistance for the production of energy from indigenous resources, as authorized by subsection (b) of this section, would be of direct benefit to the poor in developing countries because of the overwhelming impact of imported energy costs upon the lives of the poor and their ability to participate in development.

"(b)(1) In order to help developing countries alleviate their energy problems by improving their ability to use indigenous energy resources for commercial purposes, the President is authorized to furnish assistance, on such terms and conditions as he may determine, to enable such countries to prepare for and undertake development of their energy resources. Such assistance may include data collection and analysis and the training of skilled personnel.

"(2) Of the funds made available to carry out this section, up to $5,000,000 for the fiscal year 1980 may be used for the purposes of paragraph (1) in developing countries which are not members of the Organization of Petroleum Exporting Countries.".

TECHNICAL ASSISTANCE, ENERGY, RESEARCH, RECONSTRUCTION, AND SELECTED DEVELOPMENT PROBLEMS

SEC. 105. Section 106(d) of the Foreign Assistance Act of 1961, as so redesignated by section 104(b)(2) of this Act, is amended to read as follows:

"(d) There are authorized to be appropriated to the President for purposes of this section, in addition to funds otherwise available for such purposes, $119,747,000 for the fiscal year 1980, which are authorized to remain available until expended.".

ENERGY PROGRAMS

SEC. 106. (a) Section 119 of the Foreign Assistance Act of 1961 is amended by amending the section caption to read "ENERGY PROGRAMS".

(b) Such section is further amended by redesignating existing subsection (a) as subsection (b) and by inserting the following new subsection (a) immediately after the section caption:

"(a) The Congress finds that energy production and conservation are vital elements in the development process and that energy shortages in developing countries severely limit the development progress of such countries. Inadequate access by the poor to energy sources as well as the prospect of depleted fossil fuel reserves and higher energy prices require an enhanced effort to expand the energy resources of developing countries, primarily through greater emphasis on renewable sources. Renewable and decentralized energy technologies have particular applicability for the poor, especially in rural areas.".

(c) Such section is further amended by redesignating existing subsection (b) as subsection (d) and by inserting the following new subsection (c) between subsections (b) and (d), as so redesignated by this subsection and subsection (b) of this section:

"(c) Such programs may include research, development, demonstration, and application of suitable energy technologies (including use of wood); analysis of energy uses, needs, and resources; training and institutional development; and scientific interchange.".

SAHEL DEVELOPMENT PROGRAM—IMPLEMENTATION

SEC. 107. Section 121(c) of the Foreign Assistance Act of 1961 is amended by inserting the following sentence immediately after the first sentence: "In addition to the amount authorized in the preceding sentence, and funds otherwise available for such purposes, there is authorized to be appropriated to the President for purposes of this section $30,000,000.".

RELATIVELY LEAST DEVELOPED COUNTRIES

SEC. 108. Section 124(c)(2) of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new sentence: "Amounts due and payable during fiscal year 1980 to the United States from relatively least developed countries on loans made under this part (or any predecessor legislation) are authorized to be used, in accordance with the provisions of paragraph (1) of this subsection, in an amount not to exceed $18,800,000 for fiscal year 1980.".

ACCELERATED LOAN REPAYMENTS

SEC. 109. At the end of chapter 1 of part I of the Foreign Assistance Act of 1961, add the following:

"SEC. 126. ACCELERATED LOAN REPAYMENTS.—The Administrator of the agency primarily responsible for administering this part is directed to conduct an annual review of bilateral concessional loan balances and shall determine and identify those countries whose financial resources make possible accelerated loan repayments. In particular, European countries that were recipients of concessional loans by predecessor agencies to the agency primarily responsible for administering this part shall be contacted to negotiate accelerated repayments. The criteria used by the Administrator in making these determinations shall be established in conjunction with the Committee on Foreign Affairs of the House of Representatives and the Committee on Foreign Relations of the Senate. An annual report of the status of such accelerated loan repayments shall be made to such Committees.".

AMERICAN SCHOOLS AND HOSPITALS ABROAD

SEC. 110. Section 214(c) of the Foreign Assistance Act of 1961 is amended to read as follows:

"(c) To carry out the purposes of this section, there are authorized to be appropriated to the President $25,000,000 for the fiscal year 1980, which are authorized to remain available until expended.".

HOUSING AND OTHER CREDIT GUARANTY PROGRAMS

SEC. 111. (a) Section 222(a) of the Foreign Assistance Act of 1961 is amended—

(1) in the second sentence by striking out "$1,180,000,000" and inserting in lieu thereof "$1,555,000,000"; and

(2) in the third sentence by striking out "1980" and inserting in lieu thereof "1982".

(b) Section 222A(h) of such Act is amended by striking out "until September 30, 1979" and inserting in lieu thereof "through September 30, 1982".

(c) Section 223(f) of such Act is amended—

(1) by striking out everything after "not" in the first sentence through "exceeds" in the second sentence and by inserting in lieu thereof "exceed"; and

(2) by striking out "such Department" in the second sentence and inserting in lieu thereof "the Department of Housing and Urban Development".

(d) Section 223(j) of such Act is amended—

(1) in the first sentence, by striking out "(1)" and all that follows through "(3)" and inserting in lieu thereof, "are coordinated with and complementary to any development assistance being furnished under chapter 1 of this part and which"; and

(2) by striking out the last sentence and inserting in lieu thereof the following: "Of the total amount of housing guaranties authorized to be issued through September 30, 1982, under section 222, not less than a face amount of $25,000,000 shall be issued for projects in Israel and not less than a face amount of $25,000,000 shall be issued for projects in Egypt.".

GENERAL AUTHORITY

SEC. 112. Section 297 of the Foreign Assistance Act of 1961 is amended—

(1) in subsection (a)(3), by inserting after "university research" the following: "in the developing countries themselves;"; and

(2) subsection (c) is amended to read as follows:

"(c) to the maximum extent practicable, activities under this section shall—

"(1) be directly related to the food and agricultural needs of developing countries;

"(2) be carried out within the developing countries;

"(3) be adapted to local circumstances;

"(4) provide for the most effective interrelationship between research, education, and extension in promoting agricultural development in developing countries; and

"(5) emphasize the improvement of local systems for delivering the best available knowledge to the small farmers of such countries.".

INTERNATIONAL ORGANIZATIONS AND PROGRAMS

SEC. 113. (a) Section 302(a)(1) of the Foreign Assistance Act of 1961 is amended to read as follows:

"(a)(1) There are authorized to be appropriated to the President for grants to carry out the purposes of this chapter, in addition to funds available under any other Acts for such purposes, $279,590,000 for the fiscal year 1980. Of the funds authorized to be appropriated under this subsection for the fiscal year 1980, not to exceed $52,000,000 shall be available for voluntary contributions to the United Nations Relief and Works Agency for Palestine Refugees, except that not more than $42,500,000 of this amount may be obligated unless the President certifies to the Congress that any contributions above this level have been matched by equivalent contributions by members of the Organization of Petroleum Exporting Countries.".

INTERNATIONAL DISASTER ASSISTANCE

SEC. 114. Section 492 of the Foreign Assistance Act of 1961 is amended by striking out "$25,000,000 for the fiscal year 1979" and inserting in lieu thereof "$25,000,000 for the fiscal year 1980".

COMPLETION OF PLANS AND COST ESTIMATES

SEC. 115. Section 611(b) of the Foreign Assistance Act of 1961 is amended by striking out "Memorandum of the President dated May 15, 1962" and inserting in lieu thereof "Principles and Standards for Planning Water and Related Land Resources, dated October 25, 1973".

PROHIBITION ON ASSISTANCE TO AFGHANISTAN

SEC. 116. At the end of chapter 1 of part III of the Foreign Assistance Act of 1961, insert the following:

"SEC. 620D. PROHIBITION ON ASSISTANCE TO AFGHANISTAN.—(a) None of the funds authorized to be appropriated under this Act may be used to furnish assistance to Afghanistan nor may funds authorized to be appropriated under this Act before October 1, 1979, be expended for assistance to Afghanistan until the President certifies to the Congress that—

"(1) the Government of Afghanistan has apologized officially and assumes responsibility for the death of Ambassador Adolph Dubs; and

"(2) The Government of Afghanistan agrees to provide adequate protection for all personnel of the United States Government in Afghanistan.

"(b) The provisions of subsection (a) shall not apply if the President determines that it is in the national interest of the United States because of substantially changed circumstances in Afghanistan.".

REIMBURSABLE DEVELOPMENT PROGRAMS

SEC. 117. Section 661 of the Foreign Assistance Act of 1961 is amended in the first sentence by striking out "$3,000,000 of the funds made available for the purposes of this Act for the fiscal year 1979" and inserting in lieu thereof "$3,800,000 of the funds made available for the purposes of this Act for the fiscal year 1980".

OPERATING EXPENSES

SEC. 118. Section 667(a) of the Foreign Assistance Act of 1961 is amended—

(1) by striking out "fiscal year 1979" and inserting in lieu thereof "fiscal year 1980"; and

(2) in paragraph (1) by striking out "$261,000,000" and inserting in lieu thereof "$268,000,000".

REGISTRATION OF PRIVATE VOLUNTARY AGENCIES

SEC. 119. Sections 123(b), 607(a), and 635 (c) of the Foreign Assistance Act of 1961 and sections 104(f) and 202(a) of the Agricultural Trade Development and Assistance Act of 1954 are amended by striking out "Advisory Committee on Voluntary Foreign Aid" and "Advisory Committee" wherever they appear and inserting in lieu thereof "Agency for International Development".

MISCELLANEOUS REPEALS

SEC. 120. Section 105(c), the last sentence of section 111, sections 113 (b) and (c), section 118(c), and section 620(o) of the Foreign Assistance Act of 1961 are repealed. Subsection (d) of section 113 of such Act is redesignated as subsection (b).

TITLE II—INSTITUTE FOR TECHNOLOGICAL COOPERATION

STATEMENT OF POLICY

SEC. 201. As declared by the Congress in the Foreign Assistance Act of 1961, a principal objective of the foreign policy of the United States is the encouragement and sustained support of the people of developing countries in their efforts to acquire the knowledge and resources essential to development and to build the economic, political, and social institutions which will improve the quality of their lives. The Congress reaffirms the profound humanitarian and foreign policy concerns of the United States in the economic and social progress of the developing countries and in the alleviation of the worst physical manifestations of poverty in these countries.

In furtherance of that objective, the Congress recognizes that developing countries require extensive scientific and technological capacity in order to deal effectively with their development problems, relate to the industrialized nations, and constructively participate in the shaping of a mature world order.

It is therefore in the mutual interest of the United States and the developing countries to increase scientific and technological cooperation and jointly to support long-term research on those critical problems that impede development and limit efficient use of the world's human, natural, and capital resources.

INSTITUTE FOR TECHNOLOGICAL COOPERATION

SEC. 202. To strengthen the capacity of the people of developing countries to solve their development problems through scientific and technological innovation, to foster research on problems of development, and to facilitate scientific and technological cooperation with developing countries, the President is authorized to establish an Institute for Technological Cooperation (hereafter in this title referred to as the "Institute"), which shall be subject to the foreign policy guidance of the Secretary of State.

FUNCTIONS OF THE INSTITUTE

SEC. 203. (a) In carrying out its purposes, the Institute shall have the following functions:

(1) assist developing countries to strengthen their own capacity to generate, adapt, utilize, and disseminate knowledge and technologies necessary for their development;

(2) support research, in the United States and in developing countries, on critical development problems, with emphasis on those problems which affect the lives of the majority of the people in developing countries;

(3) foster the exchange of scientists and other technical experts with developing countries, and other forms of exchange and communication to promote the joint solution of problems of mutual concern to the United States and developing countries;

(4) advise and assist other agencies of the United States Government in planning and executing policies and programs of scientific and technological cooperation with developing countries;

(5) facilitate the participation of private United States institutions, businesses, and individuals in research, training, and other forms of cooperation with developing countries; and

(6) gather, analyze, and disseminate information relevant to the scientific and technological needs of developing countries.

(b) For purposes of carrying out the functions of the Institute, the President may utilize, in addition to authorities conferred herein, such authority contained in the Foreign Assistance Act of 1961, the Foreign Service Act of 1946, title V of the Foreign Relations Authorization Act, Fiscal Year 1979, and title IV of the International Development and Food Assistance Act of 1978, as the President deems necessary.

(c) The Institute shall carry out its functions in consultation and cooperation with the agencies of the United States Government, international organizations, and agencies of other governments engaged in promoting economic, social, and technological development in developing countries.

(d) The President shall prescribe appropriate procedures to assure coordination of the activities of the Institute with other activities of the United States Government in furthering the use of science and technology in the cause of development.

GENERAL AUTHORITIES

SEC. 204. (a) To carry out the purposes and functions of the Institute, the President may—

(1) make and perform contracts and other agreements with any individual, institution, corporation, or other body of persons however designated, within or without the United States, and with governments or government agencies, domestic or foreign;

(2) make advances, grants, and loans to any individual, institution, corporation, or other body of persons however designated, within or without the United States, and to governments or government agencies, domestic or foreign;

(3) employ such personnel as necessary and fix their compensation;

(4) make provision for compensation, transportation, housing, subsistence (or per diem in lieu thereof), and health care or health and accident insurance for foreign nationals engaged in activities authorized by this title while they are away from their homes, without regard to the provisions of any other law;

(5) accept and use money, funds, property, and services of any kind by gift, devise, bequest, grant, or otherwise in furtherance of the purposes of the Institute;

(6) acquire by purchase, lease, loan, bequest, or gift and hold and dispose of by sale, lease, loan, or grant, real and personal property of all kinds;

(7) prescribe, amend, and repeal such rules and regulations as may be necessary to the conduct of the business of the Institute;

(8) utilize information, services, facilities, officers, and employees of any agency of the United States Government;

(9) establish a principal office in the United States and such other offices within or without the United States, as may be necessary;

(10) make such expenditures as may be necessary for administering the provisions of this title;

(11) adopt, alter, and use an official seal for the Institute, which shall be judicially noticed; and

(12) take such other actions as may be necessary and incident to carrying out the functions of the Institute.

(b) Any authority provided for under this section involving the expenditure of appropriated funds shall be effective for a fiscal year only to such extent or in such amounts as are provided in appropriation Acts.

DIRECTOR OF THE INSTITUTE

SEC. 205. (a) There shall be a Director of the Institute (hereafter in this title referred to as the "Director") who shall be the chief executive officer of the Institute. The Director shall be appointed by the President by and with the advice and consent of the Senate, and shall receive compensation at the rate payable for level III of the Executive Schedule under section 5314 of title 5 of the United States Code.

(b) The President may exercise any authorities conferred upon him by this title through the Director or any other agency or officer of the United States Government as he shall direct. The Director or head of any such agency or any such officer may delegate to any of his subordinates authority to perform any of such functions.

DEPUTY DIRECTOR AND OTHER STATUTORY OFFICERS

SEC. 206. (a) A Deputy Director of the Institute shall be appointed by the President by and with the advice and consent of the Senate. The Deputy Director shall receive compensation at the rate payable for level IV of the Executive Schedule under section 5315 of title 5 of the United States Code;

(b) The Deputy Director shall perform such duties and exercise such powers as the Director may prescribe.

(c) The President may establish up to two additional positions in the Institute to be compensated at the rate payable for level V of the Executive Schedule under section 5316 of title 5 of the United States Code.

COUNCIL ON INTERNATIONAL TECHNOLOGICAL COOPERATION

SEC. 207. (a) In order to further the purposes of the Institute, the President, is authorized to establish a Council on International Technological Cooperation (hereafter in this title referred to as the "Council").

(b) The Council shall—

(1) advise the Director with respect to the policies, programs, and procedures of the Institute;

(2) make recommendations to the Director on the use of the resources available to the Institute;

(3) advise the Director on matters involving the activities of the Institute outside the United States and appropriate relationships with the private sector, within and without the United States; and

(4) make recommendations on all the foregoing, and the Director shall not approve or disapprove a new program or initiative until he has received within a reasonable period of time the recommendation of the Council.

(c) The Council shall consist of up to twenty-five members selected by the President, one of whom the President shall designate as Chairman. The members of the Council shall be selected from among—

(1) citizens of the United States who are widely recognized for their broad knowledge of, or expertise in, science and technology, or their interest in the scientific and technological problems of developing countries;

(2) citizens of foreign countries who by

their knowledge and expertise are capable of providing advice and guidance to the Institute on the application of science and technology to the problems of developing countries, except that not more than one-third of the membership of the Council shall consist of members who are citizens of foreign countries; and

(3) up to five members of the Council may be officials of the United States Government, one of whom shall be the Secretary of State or his designee.

(d) Members of the Council who are not officials of the United States Government shall be entitled to compensation, not to exceed the daily equivalent of the highest rate which may be paid to an employee under the General Schedule established by section 5332 of title 5 of the United States Code, while in the performance of their duties under this title, and to reimbursement for expenses and per diem in lieu of subsistence while away from their homes, or regular places of business, in accordance with the provisions of section 5703 of title 5 of the United States Code for persons in government service employed intermittently. Members of the Council who are not officials of the United States Government shall not be deemed officers, employees, or otherwise in the service or employment of the United States Government for any purpose, except that members of the Council who are United States citizens shall be deemed Government employees for the purposes of sections 202, 203, 205, 207, 208, and 209 of title 18 of the United States Code.

INSTITUTE FELLOWSHIPS

SEC. 208. (a) The President is authorized annually to award up to twenty fellowships for periods up to two years, such awards to be renewable for an additional period not to exceed two years, to individuals, who have demonstrated exceptional competence and ability in the fields of scientific, technological, economic, or social endeavor selected by the Institute for Concentration. The awards shall be made so as to encompass a wide diversity of disciplines and backgrounds, and shall be made on the basis of criteria established by the President upon the advice of the Council. Up to ten of the awards in any year may be made to citizens of countries other than the United States. Individuals awarded fellowships shall be designated as Institute Fellows.

(b) The President may assign Institute Fellows to undertake such activities, in the United States or abroad, as will further the purposes of the Institute.

(c) The amount of the awards made pursuant to this section shall be established by the President, but shall not in any case exceed the highest rate which may be paid to an employee under the General Schedule established by section 5332 of title 5 of the United States Code. In addition, where appropriate, the President may make provision outside country of residence), subsistence for transportation, housing (when assigned (or per diem in lieu thereof), and health care or health or accident insurance for Institute Fellows and their dependents while engaged in activities authorized by this title.

(d) Except as provided otherwise in this section, Institute Fellows shall not be deemed employees or otherwise in the service or employment of the United States Government. Institute Fellows shall be considered employees for purposes of compensation of injuries under chapter 81 of title 5 of the United States Code and the tort claim provisions of chapter 171 of title 28 of the United States Code. In addition, Institute Fellows who are United States citizens shall be considered Government employees for purposes of sections 202, 203, 205, 207, 208, and 209 of title 18 of the United States Code.

(e) Alien participants in any program of the Institute, including Institute Fellows and their dependents, may be admitted to the United States if otherwise qualified as nonimmigrants under section 101(a)(15) of the Immigration and Nationality Act, as amended, for such time and under such conditions as may be prescribed by regulations promulgated by the Secretary of State and the Attorney General.

CONFLICT OF INTEREST

SEC. 209. Members of the Council and Institute Fellows shall avoid any action which might result in, or create the appearance of, a conflict of interest, including but not limited to:

(1) using their office or position for private gain;

(2) giving preferential treatment to any person;

(3) making recommendations or decisions relating to any activity authorized by this title in other than an impartial and independent manner;

(4) misusing Government property or official information obtained through their office or position which has not been made available to the general public; or

(5) affecting adversely the confidence of the public in the integrity of the Institute.

AUTHORIZATION OF APPROPRIATIONS

SEC. 210. There are hereby authorized to be appropriated to the President to carry out the provisions of this title, in addition to funds otherwise available for such purposes, $25,000,000 for the fiscal year 1980. Funds appropriated under this section are authorized to remain available until expended.

EVALUATIONS AND ANNUAL REPORT

SEC. 211. (a)(1) Not later than six months after the establishment of the Institute, the Director, in consultation with the Council, shall establish procedures for the evaluation of the programs of the Institute. Such procedures shall be reviewed annually and may be modified at such time. Evaluations performed pursuant to such procedures shall be made annually and submitted to the President and to the Congress not later than sixty days after the close of each preceding fiscal year.

(2) Whenever there is established, pursuant to Reorganization Plan numbered 2, transmitted to the Congress by the President on April 10, 1979, an International Development Cooperation Agency, then the Director shall consult with the Director of the International Development Cooperation Agency in establishing or modifying, as the case may be, such procedures and shall submit such evaluations to the Director of the International Development Corporation Agency for submittal to the President and Congress as provided for under paragraph (1).

(b) Not later than ninety days after the close of each preceding fiscal year, the President shall submit to the Congress a complete and detailed report of the operations of the Institute during such fiscal year, together with a report on the evaluations required by subsection (a) and on proposed actions to be taken, if necessary, pursuant to consideration of the evaluations.

(c) The General Accounting Office shall undertake a critical evalaution of the Institute to ascertain the effectiveness of its management and programs and shall submit such evaluation to the Congress not later than sixty days after the close of the fiscal year 1988.

MISCELLANEOUS PROVISIONS

SEC. 212. (a) Section 5314 of title 5 of the United States Code, relating to level III of the Executive Schedule, is amended by adding at the end thereof the following:

"(70) Director, Institute for Technological Cooperation.".

(b) Section 5315 of title 5 of the United States Code, relating to level IV of the Executive Schedule, is amended by adding at the end thereof the following:

"(128) Deputy Director, Institute for Technological Cooperation.".

(c) Section 5316 of title 5 of the United States Code, relating to level V of the Executive Schedule, is amended by adding at the end theerof the following:

"(152) Additional officers, Institute for Technological Cooperation (2).".

(d) The number of positions published pursuant to section 5311(b)(1) of title 5 of the United States Code is hereby increased by four.

EFFECTIVE DATE

SEC. 213. The provisions of this Act and the amendments made by such provisions shall take effect on October 1, 1979.

The amendments of the Committee on Governmental Affairs are as follows:

On page 37, line 21, strike "is authorized to" and insert "shall";

One page 42, line 2, strike "III" and insert "II";

On page 42, line 3, strike "5314" and insert "5313";

On page 42, line 14, strike "IV" and insert "III";

On page 42, line 15, strike "5315" and insert "5314";

On page 42, line 21, strike "V" and insert "IV";

On page 42, line 22, strike "5316" and insert "5315";

On page 43, line 4, strike "is authorized to" and insert "shall";

On page 44, line 3, strike "interest in" and insert "knowledge of";

On page 49, line 11, strike "5314" and insert "5313";

On page 49, line 12, strike "III" and insert "II";

On page 49, line 15, strike "(70)" and insert "(25)";

On page 49, line 17, strike "5315" and insert "5314";

On Page 49, line 18, strike "IV" and insert "III";

On page 49, line 22, strike "5316" and insert "5315";

On page 49, line 23, strike "V" and insert "IV";

On page 50, line 1, strike "(152)" and insert "(128)";

On page 50, beginning with line 6, insert the following :

TERMINATION OF PROVISIONS

SEC. 213. The provisions of this title shall terminate on September 30, 1989.

On page 50, line 10, strike "213" and insert "214".

So as to make the bill read:

That this Act may be cited as the "International Development Assistance Act of 1979".

TITLE I—DEVELOPMENT ASSISTANCE

AGRICULTURE, RURAL DEVELOPMENT, AND NUTRITION

SEC. 101. (a) Section 103(a)(2) of the Foreign Assistance Act of 1961 is amended by amending the first sentence to read as follows: "There are authorized to be appropriated to the President for purposes of this section, in addition to funds otherwise available for such purposes, $583,548,000 for the fiscal year 1980.".

(b) Section 103(b) of such Act is amended by adding at the end thereof the following:

"(3) The Congress recognizes that the accelerating loss of forests and tree cover in developing countries undermines and offsets efforts to improve agricultural production and nutrition and otherwise to meet the basic human needs of the poor. Deforestation results in increased flooding, reduction in water supply for agricultural capacity, loss of firewood and needed wood products, and loss of valuable plants and animals. In order to maintain and increase forest resources, the President is authoried to provide assistance under this section for forestry projects which are essential to fulfill the fundamental purposes of this section. Emphasis shall be given to community woodlots, agroforestry, reforestation, protection of watershed forests, and more effective forest management.".

POPULATION AND HEALTH

SEC. 102. The first sentence of section 104 (q) of the Foreign Assistance Act of 1961 is amended to read as follows: "There are authorized to be appropriated to the President, in addition to funds otherwise available for such purposes—

"(1) $193,630,000 for the fiscal year 1980 to carry out subsection (b) of this section; and

(2) $125,731,000 for the fiscal year 1980 to carry out subsection (c) of this section.".

EDUCATION AND HUMAN RESOURCES DEVELOPMENT

SEC. 103. Section 105 of the Foreign Assistance Act of 1961 is amended—

(1) by amending the second sentence of subsection (a) to read as follows: "There are authorized to be appropriated to the President for purposes of this section, in addition to funds otherwise available for such purposes, $87,646,000 for the fiscal year 1980, which are authorized to remain available until expended.";

(2) in subsection (b), by inserting "(1)" after "(b)"; and

(3) by adding at the end of subsection (b)(1) the following:

"(2) Assistance under this section shall also be provided for advanced education and training of people of developing countries in such disciplines as are required for planning and implementation of public and private development activities.".

DEVELOPMENT OF INDIGENOUS ENERGY RESOURCES

SEC. 104. (a) Section 102(b) of the Foreign Assistance Act of 1961 is amended—

(1) in paragraph (5) by striking out "and" immediately after the last semicolon and by inserting "; and energy development and production" immediately before the period; and

(2) in paragraph (7) by inserting "the development, production, and" immediately after "promotes".

(b) Section 106 of such Act is amended—

(1) in subsection (a)—

(A) by striking out paragraph (2), and

(B) by redesignating paragraphs (3) through (6) as paragraphs (2) through (5), respectively;

(2) by redesignating subsections (a) and (b), as amended by paragraph (1) of this subsection, as subsections (c) and (d), respectively; and

(3) by inserting the following new subsections (a) and (b) immediately after the section caption:

"(a)(1) The Congress finds that energy development and production are vital elements in the development process, that energy shortages in developing countries severely limit the development process in such countries, that two-thirds of the developing countries which import oil depend on it for at least 90 percent of the energy which their economies require, and that the dramatic increase in world oil prices since 1973 has resulted in considerable economic hardship for many developing countries. The Congress is concerned that the value and purpose of much of the assistance provided to developing countries under sections 103, 104, and 105 are undermined by the inability of many developing countries to satisfy their energy requirements. Unless the energy deficit of the developing countries can be narrowed by more fully exploiting indigenous sources of energy such as oil, natural gas, and coal, scarce foreign exchange will increasingly have to be diverted to oil imports primarily to the detriment of long-term development and economic growth.

"(2) The Congress recognizes that many developing countries lack access to the necessary technology to locate, explore, and develop such resources.

"(3) The Congress declares that there is potential for at least a moderate increase by 1990 in the production of energy for commercial use in the developing countries which are not members of the Organization of Petroleum Exporting Countries. In addition, there is a compelling need for vigorous efforts to improve the available data on the location, scale, and commercial exploitability of potential oil, natural gas, and coal reserves in developing countries, especially those which are not members of the Organization of Petroleum Exporting Countries. The Congress further declares that there are many benefits to be gained by the developing countries and by the United States and other developed countries through expanded efforts to expedite the location, exploration, and development of potential sources of energy in developing countries. These benefits include, but are not limited to, the following:

"(A) The world's energy supply would be increased and the fear of abrupt depletion would be lessened. This could have a positive impact upon energy prices in international markets and, thus, a positive effect upon the balance-of-payments problems of many developing countries.

"(B) Diversification of the world's supplies of energy from fossil fuels would make all countries, developing and developed, less susceptible to supply interruptions and arbitrary production and pricing policies.

"(C) Even a moderate increase in energy production in the developing countries would improve their ability to expand commercial trade, foreign investment, and technology transfer possibilities with the United States and other developed countries.

"(4) Assistance for the production of energy from indigenous resources, as authorized by subsection (b) of this section, would be of direct benefit to the poor in developing countries because of the overwhelming impact of imported energy costs upon the lives of the poor and their ability to participate in development.

"(b)(1) In order to help developing countries alleviate their energy problems by improving their ability to use indigenous energy resources for commercial purposes, the President is authorized to furnish assistance, on such terms and conditions as he may determine, to enable such countries to prepare for and undertake development of their energy resources. Such assistance may include data collection and analysis and the training of skilled personnel.

"(2) Of the funds made available to carry out this section, up to $5,000,000 for the fiscal year 1980 may be used for the purposes of paragraph (1) in developing countries which are not members of the Organization of Petroleum Exporting Countries.".

TECHNICAL ASSISTANCE, ENERGY, RESEARCH, RECONSTRUCTION, AND SELECTED DEVELOPMENT PROBLEMS

SEC. 105. Section 106(d) of the Foreign Assistance Act of 1961, as so redesignated by section 104(b)(2) of this Act, is amended to read as follows:

"(d) There are authorized to be appropriated to the President for purposes of this section, in addition to funds otherwise available for such purposes, $119,747,000 for the fiscal year 1980, which are authorized to remain available until expended.".

ENERGY PROGRAMS

SEC. 106. (a) Section 119 of the Foreign Assistance Act of 1961 is amended by amending the section caption to read "ENERGY PROGRAMS".

(b) Such section is further amended by redesignating existing subsection (a) as subsection (b) and by inserting the following new subsection (a) immediately after the section caption:

"(a) The Congress finds that energy production and conservation are vital elements in the development process and that energy shortages in developing countries severely limit the development progress of such countries. Inadequate access by the poor to energy sources as well as the prospect of depleted fossil fuel reserves and higher energy prices require an enhanced effort to expand the energy resources of developing countries, primarily through greater emphasis on renewable sources. Renewable and decentralized energy technologies have particular applicability for the poor, especially in rural areas.".

(c) Such section is further amended by redesignating existing subsection (b) as subsection (d) and by inserting the following new subsection (c) between subsections (b) and (d), as so redesignated by this subsection and subsection (b) of this section:

"(c) Such programs may include research, development, demonstration, and application of suitable energy technologies (including use of wood); analysis of energy uses, needs, and resources; training and institutional development; and scientific interchange.".

SAHEL DEVELOPMENT PROGRAM—IMPLEMENTATION

SEC. 107. Section 121(c) of the Foreign Assistance Act of 1961 is amended by inserting the following sentence immediately after the first sentence: "In addition to the amount authorized in the preceding sentence, and funds otherwise available for such purposes, there is authorized to be appropriated to the President for purposes of this section $30,000,000.".

RELATIVELY LEAST DEVELOPED COUNTRIES

SEC. 108. Section 124(c)(2) of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new sentence: "Amounts due and payable during fiscal year 1980 to the United States from relatively least developed countries on loans made under this part (or any predecessor legislation) are authorized to be used, in accordance with the provisions of paragraph (1) of this subsection, in an amount not to exceed $18,800,000 for fiscal year 1980.".

ACCELERATED LOAN REPAYMENTS

SEC. 109. At the end of chapter 1 of part I of the Foreign Assistance Act of 1961, add the following:

"SEC. 126. ACCELERATED LOAN REPAYMENTS.—The Administrator of the agency primarily responsible for administering this part is directed to conduct an annual review of bilateral concessional loan balances and shall determine and identify those countries whose financial resources make possible accelerated loan repayments. In particular, European countries that were recipients of concessional loans by predecessor agencies to the agency primarily responsible for administering this part shall be contacted to negotiate accelerated repayments. The criteria used by the Administrator in making these determinations shall be established in conjunction with the Committee on Foreign Affairs of the House of Representatives and the Committee on Foreign Relations of the Senate. An annual report of the status of such accelerated loan repayments shall be made to such Committees.".

AMERICAN SCHOOLS AND HOSPITALS ABROAD

SEC. 110. Section 214(c) of the Foreign Assistance Act of 1961 is amended to read as follows:

"(c) To carry out the purposes of this section, there are authorized to be appropriated to the President $25,000,000 for the fiscal year 1980, which are authorized to remain available until expended.".

HOUSING AND OTHER CREDIT GUARANTY PROGRAMS

SEC. 111. (a) Section 222(a) of the Foreign Assistance Act of 1961 is amended—

(1) in the second sentence by striking out "$1,180,000,000" and inserting in lieu thereof "$1,555,000,000"; and

(2) in the third sentence by striking out "1980" and inserting in lieu thereof "1982".

(b) Section 222A(h) of such Act is amended by striking out "until September 30, 1979" and inserting in lieu thereof "through September 30, 1982".

(c) Section 223(f) of such Act is amended—

(1) by striking out everything after "not" in the first sentence through "exceeds" in the second sentence and by inserting in lieu thereof "exceed"; and

(2) by striking out "such Department" in the second sentence and inserting in lieu thereof "the Department of Housing and Urban Development".

(d) Section 223(j) of such Act is amended—

(1) in the first sentence, by striking out "(1)" and all that follows through "(3)" and inserting in lieu thereof, "are coordinated with and complementary to any development assistance being furnished under chapter 1 of this part and which"; and

(2) by striking out the last sentence and inserting in lieu thereof the following: "Of the total amount of housing guaranties authorized to be issued through September 30, 1982, under section 222, not less than a face amount of $25,000,000 shall be issued for projects in Israel and not less than a face amount of $25,000,000 shall be issued for projects in Egypt.".

GENERAL AUTHORITY

SEC. 112. Section 297 of the Foreign Assistance Act of 1961 is amended—

(1) in subsection (a)(3), by inserting after "university research" the following: "in the developing countries themselves;"; and

(2) subsection (c) is amended to read as follows:

"(c) to the maximum extent practicable, acivities under this section shall—

"(1) be directly related to the food and agricultural needs of developing countries;

"(2) be carried out within the developing countries;

"(3) be adapted to local circumstances;

"(4) provide for the most effective interrelationship between research, education, and extension in promoting agricultural development in developing countries; and

"(5) emphasize the improvement of local systems for delivering the best available knowledge to the small farmers of such countries.".

INTERNATIONAL ORGANIZATIONS AND PROGRAMS

SEC. 113. (a) Section 302(a)(1) of the Foreign Assistance Act of 1961 is amended to read as follows:

"(a)(1) There are authorized to be appropriated to the President for grants to carry out the purposes of this chapter, in addition to funds available under any other Acts for such purposes, $279,590,000 for the fiscal year 1980. Of the funds authorized to be appropriated under this subsection for the fiscal year 1980, not to exceed $52,000,000 shall be available for voluntary contributions to the United Nations Relief and Works Agency for Palestine Refugees, except that not more than $42,500,000 of this amount may be obligated unless the President certifies to the Congress that any contributions above this level have been matched by equivalent contributions by members of the Organization of Petroleum Exporting Countries.".

INTERNATIONAL DISASTER ASSISTANCE

SEC. 114. Section 492 of Foreign Assistance Act of 1961 is amended by striking out "$25,000,000 for the fiscal year 1979" and inserting in lieu thereof "$25,000,000 for the fiscal year 1980".

COMPLETION OF PLANS AND COST ESTIMATES

SEC. 115. Section 611(b) of the Foreign Assistance Act of 1961 is amended by striking out "Memorandum of the President dated May 15, 1962" and inserting in lieu thereof "Principles and Standards for Planning Water and Related Land Resources, dated October 25, 1973".

PROHIBITION ON ASSISTANCE TO AFGHANISTAN

SEC. 116. At the end of chapter 1 of part III of the Foreign Assistance Act of 1961, insert the following:

"SEC. 620D. PROHIBITION ON ASSISTANCE TO AFGHANISTAN.—(a) None of the funds authorized to be appropriated under this Act may be used to furnish assistance to Afghanistan nor may funds authorized to be appropriated under this Act before October 1, 1979, be expended for assistance to Afghanistan until the President certifies to the Congress that—

"(1) the Government of Afghanistan has apologized officially and assumes responsibility for the death of Ambassador Adolph Dubs; and

"(2) The Government of Afghanistan agrees to provide adequate protection for all personnel of the United States Government in Afghanistan.

"(b) The provisions of subsection (a) shall not apply if the President determines that it is in the national interest of the United States because of substantially changed circumstances in Afghanistan.".

REIMBURSABLE DEVELOPMENT PROGRAMS

SEC. 117. Section 661 of the Foreign Assistance Act of 1961 is amended in the first sentence by striking out "$3,000,000 of the funds made available for the purposes of this Act for the fiscal year 1979" and inserting in lieu thereof "$3,800,000 of the funds made available for the purposes of this Act for the fiscal year 1980".

OPERATING EXPENSES

SEC. 118. Section 667(a) of the Foreign Assistance Act of 1961 is amended—

(1) by striking out "fiscal year 1979" and inserting in lieu thereof "fiscal year 1980"; and

(2) in paragraph (1) by striking out "$261,000,000" and inserting in lieu thereof "$268,000,000".

REGISTRATION OF PRIVATE VOLUNTARY AGENCIES

SEC. 119. Sections 123(b), 607(a), and 635(c) of the Foreign Assistance Act of 1961 and sections 104(f) and 202(a) of the Agricultural Trade Development and Assistance Act of 1954 are amended by striking out "Advisory Committee on Voluntary Foreign Aid" and "Advisory Committee" wherever they appear and inserting in lieu thereof "Agency for International Development".

MISCELLANEOUS REPEALS

SEC. 120. Section 105(c), the last sentence of section 111, sections 113 (b) and (c), section 118(c), and section 620(o) of the Foreign Assistance Act of 1961 are repealed. Subsection (d) of section 113 of such Act is redesignated as subsection (b).

TITLE II—INSTITUTE FOR TECHNOLOGICAL COOPERATION

STATEMENT OF POLICY

SEC. 201. As declared by Congress in the Foreign Assistance Act of 1961, a principal objective of the foreign policy of the United States is the encouragement and sustained support of the people of developing countries in their efforts to acquire the knowledge and resources essential to development and to build the economic, political, and social institutions which will improve the quality of their lives. The Congress reaffirms the profound humantarian and foreign policy concerns of the United States in the economic and social progress of the developing countries and in the alleviation of the worst physical manifestations of poverty in these countries.

In furtherance of that objective, the Congress recognizes that developing countries require extensive scientific and technological capacity in order to deal effectively with their development problems, relate to the industrialized nations, and constructively participate in the shaping of a mature world order.

It is therefore in the mutual interest of the United States and the developing countries to increase scientific and technological cooperation and jointly to support long-term research on those critical problems that impede development and limit efficient use of the world's human, natural, and capital resources.

INSTITUTE FOR TECHNOLOGICAL COOPERATION

SEC. 202. To strengthen the capacity of the people of developing countries to solve their development problems through scientific and technological innovation, to foster research on problems of development, and to facilitate scientific and technological cooperation with developing countries, the President shall establish an Institute for Technological Cooperation (hereafter in this title referred to as the "Institute"), which shall be subject to the foreign policy guidance of the Secretary of State.

FUNCTIONS OF THE INSTITUTE

SEC. 203. (a) In carrying out its purposes, the Institute shall have the following functions:

(1) assist developing countries to strengthen their own capacity to generate, adapt, utilize, and disseminate knowledge and technologies necessary for their development;

(2) support research, in the United States and in developing countries, on critical development problems, with emphasis on those problems which affect the lives of the majority of the people in developing countries;

(3) foster the exchange of scientists and other technical experts with developing countries, and other forms of exchange and communication to promote the joint solution of problems of mutual concern to the United States and developing countries;

(4) advise and assist other agencies of the United States Government in planning and executing policies and programs of scientific and technological cooperation with developing countries;

(5) facilitate the participation of private United States institutions, businesses, and individuals in research, training, and other forms of cooperation with developing countries; and

(6) gather, analyze, and disseminate information relevant to the scientific and technological needs of developing countries.

(b) For purposes of carrying out the functions of the Institute, the President may utilize, in addition to authorities conferred herein, such authority contained in the Foreign Assistance Act of 1961, the Foreign Service Act of 1946, title V of the Foreign Relations Authorization Act, Fiscal Year 1979, and title IV of the International Development and Food Assistance Act of 1978, as the President deems necessary.

(c) The Institute shall carry out its functions in consultation and cooperation with the agencies of the United States Government, international organizations, and agencies of other governments engaged in promoting economic, social, and technological development in developing countries.

(d) The President shall prescribe appropriate procedures to assure coordination of the activities of the Institute with other activities of the United States Government in furthering the use of science and technology in the cause of development.

GENERAL AUTHORITIES

SEC. 204. (a) To carry out the purposes and functions of the Institute, the President may—

(1) make and perform contracts and other agreements with any individual, institution, corporation, or other body of persons however designated, within or without the United States, and with governments or government agencies, domestic or foreign;

(2) make advances, grants, and loans to any individual, institution, corporation, or other body of persons however designated, within or without the United States, and to governments or government agencies, domestic or foreign;

(3) employ such personnel as necessary and fix their compensation;

(4) make provision for compensation, transportation, housing, subsistence (or per diem in lieu thereof), and health care or health and accident insurance for foreign nationals engaged in activities authorized by this title while they are away from their homes, without regard to the provisions of any other law;

(5) accept and use money, funds, property, and services of any kind by gift, devise, bequest, grant, or otherwise in furtherance of the purposes of the Institute;

(6) acquire by purchase, lease, loan, bequest, or gift and hold and dispose of by sale, lease, loan, or grant, real and personal property of all kinds;

(7) prescribe, amend, and repeal such rules and regulations as may be necessary to the conduct of the business of the Institute;

(8) utilize information, services, facilities, officers, and employees of any agency of the United States Government;

(9) establish a principal office in the United States and such other offices within or without the United States, as may be necessary;

(10) make such expenditures as may be necessary for administering the provisions of this title;

(11) adopt, alter, and use an official seal for the Institute, which shall be judicially noticed; and

(12) take such other actions as may be necessary and incident to carrying out the functions of the Institute.

(b) Any authority provided for under this section involving the expenditure of appropriated funds shall be effective for a fiscal year only to such extent or in such amounts as are provided in appropriation Acts.

DIRECTOR OF THE INSTITUTE

SEC. 205. (a) There shall be a Director of the Institute (hereafter in this title referred to as the "Director") who shall be the chief executive officer of the Institute. The Director shall be appointed by the President by and with the advice and consent of the Senate, and shall receive compensation at the rate payable for level II of the Executive Schedule under section 5313 of title 5 of the United States Code.

(b) The President may exercise any authorities conferred upon him by this title through the Director or any other agency or officer of the United States Government as he shall direct. The Director or head of any such agency or any such officer may delegate to any of his subordinates authority to perform any of such functions.

DEPUTY DIRECTOR AND OTHER STATUTORY OFFICERS

SEC. 206. (a) A Deputy Director of the Institute shall be appointed by the President by and with the advice and consent of the Senate. The Deputy Director shall receive compensation at the rate payable for level III of the Executive Schedule under section 5314 of title 5 of the United States Code;

(b) The Deputy Director shall perform such duties and exercise such powers as the Director may prescribe.

(c) The President may establish up to two additional positions in the Institute to be compensated at the rate payable for level IV of the Executive Schedule under section 5315 of title 5 of the United States Code.

COUNCIL ON INTERNATIONAL TECHNOLOGICAL COOPERATION

SEC. 207. (a) In order to further the purposes of the Institute, the President shall establish a Council on International Technological Cooperation (hereafter in this title referred to as the "Council").

(b) The Council shall—

(1) advise the Director with respect to the policies, programs, and procedures of the Institute;

(2) make recommendations to the Director on the use of the resources available to the Institute;

(3) advise the Director on matters involving the activities of the Institute outside the United States and appropriate relationships with the private sector, within and without the United States; and

(4) make recommendations on all the foregoing, and the Director shall not approve or disapprove a new program or initiative until he has received within a reasonable period of time the recommendation of the Council.

(c) The Council shall consist of up to twenty-five members selected by the President, one of whom the President shall designate as Chairman. The members of the Council shall be selected from among—

(1) citizens of the United States who are widely recognized for their broad knowledge of, or expertise in, science and technology, or their knowledge of the scientific and technological problems of developing countries;

(2) citizens of foreign countries who by their knowledge and expertise are capable of providing advice and guidance to the Institute on the application of science and technology to the problems of developing countries, except that not more than one-third of the membership of the Council shall consist of members who are citizens of foreign countries; and

(3) up to five members of the Council may be officials of the United States Government, one of whom shall be the Secretary of State or his designee.

(d) Members of the Council who are not officials of the United States Government shall be entitled to compensation, not to exceed the daily equivalent of the highest rate which may be paid to an employee under the General Schedule established by section 5332 of title 5 of the United States Code, while in the performance of their duties under this title, and to reimbursement for expenses and per diem in lieu of subsistence while away from their homes, or regular places of business, in accordance with the provisions of section 5703 of title 5 of the United States Code for persons in Government service employed intermittently. Members of the Council who are not officials of the United States Government shall not be deemed officers, employees, or otherwise in the service or employment of the United States Government for any purpose, except that members of the Council who are United States citizens shall be deemed Government employees for the purposes of sections 202, 203, 205, 207, 208, and 209 of title 18 of the United States Code.

INSTITUTE FELLOWSHIPS

SEC. 208. (a) The President is authorized annually to award up to twenty fellowships for periods up to two years, such awards to be renewable for an additional period not to exceed two years, to individuals, who have demonstrated exceptional competence and ability in the fields of scientific, technological, economic, or social endeavor selected by the Institute for concentration. The awards shall be made so as to encompass a wide diversity of disciplines and backgrounds, and shall be made on the basis of criteria established by the President upon the advice of the Council. Up to ten of the awards in any year may be made to citizens of countries other than the United States. Individuals awarded fellowships shall be designated as Institute Fellows.

(b) The President may assign Institute Fellows to undertake such activities, in the United States or abroad, as will further the purposes of the Institute.

(c) The amount of the awards made pursuant to this section shall be established by the President, but shall not in any case exceed the highest rate which may be paid to an employee under the General Schedule established by section 5332 of title 5 of the United States Code. In addition, where appropriate, the President may make provision for transportation, housing (when assigned outside country of residence), subsistence (or per diem in lieu thereof), and health care or health or accident insurance for Institute Fellows and their dependents while engaged in activities authorized by this title.

(d) Except as provided otherwise in this section, Institute Fellows shall not be deemed employees or otherwise in the service or employment of the United States Government. Institute Fellows shall be considered employees for purposes of compensation of injuries under chapter 81 of title 5 of the United States Code and the tort claim provisions of chapter 171 of title 28 of the United States Code. In addition, Institute Fellows who are United States Citizens shall be considered Government employees for purposes of sections 202, 203, 205, 207, 208, and 209 of title 18 of the United States Code.

(e) Alien participants in any program of the Institute, including Institute Fellows and their dependents, may be admitted to the United States if otherwise qualified as nonimmigrants under section 101(a)(15) of the Immigration and Nationality Act, as amended, for such time and under such conditions as may be prescribed by regulations promulgated by the Secretary of State and the Attorney General.

CONFLICT OF INTEREST

SEC. 209. Members of the Council and Institute Fellows shall avoid any action which might result in, or create the appearance of, a conflict of interest, including but not limited to:

(1) using their office or position for private gain;

(2) giving preferential treatment to any person;

(3) making recommendations or decisions relating to any activity authorized by this title in other than an impartial and independent manner;

(4) misusing Government property or official information obtained through their office or position which has not been made available to the general public; or

(5) affecting adversely the confidence of the public in the integrity of the Institute.

AUTHORIZATION OF APPROPRIATIONS

SEC. 210. There are hereby authorized to be appropriated to the President to carry out the provisions of this title, in addition to funds otherwise available for such purposes, $25,000,000 for the fiscal year 1980. Funds appropriated under this section are authorized to remain available until expended.

EVALUATIONS AND ANNUAL REPORT

SEC. 212. (a)(1) Not later than six months after the establishment of the Institute, the Director, in consultation with the Council, shall establish procedures for the evaluation of the programs of the Institute. Such procedures shall be reviewed annually and may be modified at such time. Evaluations performed pursuant to such procedures shall be made annually and submitted to the President and to the Congress not later than sixty days after the close of each preceding fiscal year.

(2) Whenever there is established, pursuant to Reorganization Plan numbered 2, transmitted to the Congress by the President on April 10, 1979, an International Development Cooperation Agency, then the Director shall consult with the Director of the International Development Cooperation Agency in establishing or modifying, as the case may be, such producers and shall submit such evaluations to the Director of the International Development Cooperation Agency for submittal to the President and Congress as provided for under paragraph (1).

(b) Not later than ninety days after the close of each preceding fiscal year, the President shall submit to the Congress a complete and detailed report of the operations of the Institute during such fiscal year, together with a report on the evaluations required by subsection (a) and on proposed actions to be taken, if necessary, pursuant to consideration of the evaluations.

(c) The General Accounting Office shall undertake a critical evaluation of the Institute to ascertain the effectiveness of its management and programs and shall submit such evaluation to the Congress not later than sixty days after the close of the fiscal year 1988.

MISCELLANEOUS PROVISIONS

SEC. 212. (a) Section 5313 of title 5 of the United States Code, relating to level II of the Executive Schedule, is amended by adding at the end thereof the following:

(25) Director, Institute for Technological Cooperation.".

(b) Section 5314 of title 5 of the United States Code, relating to level III of the Executive Schedule, is amended by adding at the end thereof the following:

(70) Deputy Director, Institute for Technological Cooperation.".

(c) Section 5315 of title 5 of the United States Code, relating to level IV of the Executive Schedule, is amended by adding at the end thereof the following:

(128) Additional officers, Institute for Technological Cooperation (2).".

(d) The number of positions published pursuant to section 5311(b)(1) of title 5 of the United States Code is hereby increased by four.

TERMINATION OF PROVISIONS

SEC. 213. The provisions of this title shall terminate on September 30, 1989.

EFFECTIVE DATE

SEC. 214. The provisions of this Act and the amendments made by such provisions shall take effect on October 1, 1979.

Mr. CHURCH. Mr. President, on behalf of Senator JAVITS, I also ask unanimous consent that the privileges of the floor be granted to Jacques Gorlin during the consideration and voting on S. 588.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CHURCH. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. JAVITS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JAVITS. Mr. President, I rise to join my colleague from Idaho, the chairman of the Foreign Relations Committee, in urging my colleagues to approve S. 588, the International Development Assistance Act of 1979. The bill represents the culmination of an intensive analysis and thorough review of the administration's fiscal year 1980 foreign assistance request by the committee at a time when we are all under intense pressure to limit budgetary expenditures.

Foreign assistance is important not only for its contribution to economic growth in the developing countries but also for its direct economic impact on the economy of the United States. The importance of the developing countries to the U.S. economy should not be underestimated. The recession of 1975 would have been far worse had we not been able to continue to find markets in the developing countries for our exports. At present, developing countries purchase about 40 percent of our exports and represent the greatest potential for expansion of our overseas markets. In addition, developing countries already provide the United States with more than 25 percent of the raw materials we require. Jobs in the United States are becoming increasingly dependent upon these export markets and upon access to critical raw materials which we import from developing countries. Given the rapidly increasing trade and financial ties between the United States and the developing countries, I urge my colleagues to look at this foreign aid bill as a wise investment in the continued economic health of the United States.

I have just returned from a visit to the Sudan where, as the special envoy of the President, I met with President Nemeiri. Both in the Sudan and in Morocco, where I had extensive discussions with King Hassan, I found a great need for the types of economic development programs funded under the bilateral development assistance bill that we are considering today. The administration has earmarked $30.2 million in economic assistance to the Sudan for fiscal year 1980, double the $15 million figure of fiscal year 1979. More than $6.5 million is contemplated for Morocco in fiscal year 1980. Both these countries not only continue to be very important forces for moderation in the Middle East but face serious developmental problems which we can help to alleviate through strong bilateral economic assistance effort.

Title I of this bill authorizes appropriations totaling $1,736,829,000 for fiscal year 1980 for bilateral assistance, international disaster assistance programs, AID operating expenses, and voluntary U.S. contributions to international organizations. This represents a reduction of $212 million below the executive branch request for fiscal year 1980 and $44.1 million below comparable fiscal year 1979 authorizations.

The $1,736 million in authorizations for bilateral economic assistance represents 20 percent of the total foreign assistance authorization levels—bilateral and multilateral economic assistance, international security assistance, and Peace Corps—of $8,749 million requested in this session of the Congress. The budget authority requested for fiscal year 1980 for foreign economic and financial assistance represents .33 percent of our total GNP and less than 2 percent—1.36 percent—of the total budget. The cost of such programs even when fully funded is small when compared to the significant impact that such assistance can have on the economies of the recipient countries.

The committee carefully considered the executive branch request for a $202 million increase for the AID functional developmental assistance programs in fiscal year 1980. Admittedly, the developing countries could use greater levels of foreign assistance—and many countries, such as the Sudan and countries in the rest of the African continent and Asia, are programed to receive greater aid in fiscal year 1980—nevertheless, I join the chairman of the Foreign Relations Committee in recommending to my colleagues the reductions made by the committee in the administration's request. Any increase in the overall foreign aid budget at a time when the budgets for important domestic programs—especially those helping the urban poor—are being reduced or held to last year's levels must be carefully considered and thoroughly justified.

Despite the necessity of a reduction in AID authorizations and the responsible manner in which they were made, we must recognize that the United States must maintain a strong commitment to the developing world. In the past, the United States has agreed in principle to several summits and other international fora that sustained and increased aid to LDC's is an extremely important element for improving relations between the North and South. We must insure that these commitments are not empty rhetoric, or we run the risk of losing credibility with these economically and politically important countries.

In making a 16.8 percent reduction in the executive branch request for the AID functional programs, the committee did not engage in an indiscriminate broad brush cut. In the report accompanying the bill, the committee has pinpointed specific country programs and projects which it recommends to the executive branch for cuts. In no way are these recommendations legislatively mandated, and the executive branch has the necessary flexibility required to use effectively the resources that we are authorizing today. I understand that in many of the countries on our indicative list the administration plans to continue some economic aid. We have provided the administration with the flexibility to continue these programs if it believes that the concerns of the Congress for human rights, nuclear nonproliferation, and other matters have been safeguarded and that the programs will meet our economic assistance objectives for these countries. I hope the administration to make use of this flexibility within the overall funding limits set by the Congress.

While the major thrust of title I of this bill is generally aimed at the poorest countries, many of the so-called middle-income countries face serious developmental problems, especially among the the poorest elements of their population. Many of these countries continue to require concessional assistance while others have graduated and are able to pay for the technical assistance that they receive. It is especially critical that innovative development cooperation programs be worked out for these countries, especially for the countries of Latin America and the Caribbean. Once the new International Development Cooperation Administration (IDCA) is established, extension of development programs specifically suited to these countries and their ability to pay should be one of its primary objectives.

Furthermore, the U.S. private sector should be brought into the development process for these middle-income countries through such programs as OPIC. In addition, more use should be made of AID's reimbursable development programs which help those developing countries able to pay for their own development. I wish to make note of a new program which AID has undertaken with funds authorized under section 661 of the Foreign Assistance Act to promote reimbursable development programs overseas consistent with the objectives of the U.S. foreign assistance program and that result in procurement of goods and services from the U.S. private sector. This program is an important step in the promotion of U.S. private sector participation in overseas development activities in friendly countries.

Mr. President, I ask unanimous consent that the following table provided by AID and describing the approved reimbursable developing programs by country be inserted at this point in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

APPROVED REIMBURSABLE DEVELOPMENT PROGRAMS BY COUNTRY

Country and U.S. agency	Approved	Purpose	Estimated value
Algeria: USGS	1974	Satellite photo interpretation	$1,116,000
Argentina: FHWA	1969	Highway planning/engineering	608,420
Australia:			
FAA	1977	Navigation equipment	100,000
USCG	1977	Search and rescue training	620
Bermuda:			
USCG	1974	Oil spill assistance	
USCG	1979	Coast Guard training	4,000
Bolivia: FAA	1976	Navigation equipment	50,000
Brazil:			
COE	1975	Waterways project	8,400
FAA	1973	Air navigational equipment	150,000
USGS	1976	Earth science activities	200,000
EPA	1979	Environmental training	55,000
Canada:			
FAA	1977	Spare parts and technical services	100,000
FAA	1977	Electronic tubes	21,684
Chile:			
FAA	1973	Calibration/repair work	200,000
USGS	1977	Petroleum exploration consultant	4,422
China, Republic of: FAA	1972	Navigational equipment	50,000
Colombia: USCG	1976	Oil spill assistance	
Costa Rica: FAA	1977	ATC training and equipment	200,000
Dominican Republic: AID	1975	Housing assistance	55,000
Ecuador: USCG	1976	Oil spill assistance	
Germany: FAA	1976	Cathode tubes	5,024
Guatemala: AID	1977	Participant training	2,000,000
Honduras: COE	1977	Flood control study reference teams	6,000
Hong Kong: USCG	1977	Aids to navigation training	940
India: USGS	1976	Moving boat equipment	9,222
Iran:			
DOL/HEW	1975	Manpower program development	240,345
EPA	1976	Environmental technical/economic studies.	250,000
FAA	1973	Air navigation/communication equipment.	100,000
FAA	1975	Improve air traffic control	47,500,000
FHWA	1975	Highway improvement program	1,750,000
GSA	1976	Civil defense plan (humanitarian)	350,000
USDA	1975	Development of agriculture potential	125,250,000
USGS	1975	Mineral surveys	287,000
Korea:			
USVA	1977	Medical assistance/treatment	
COE	1979	Han River development technical studies.	650,000
Kuwait: FHWA	1968	Highway assistance	264,000
Libya: USGS	1976	Water resources investigation	5,000
Malaysia:			
BuRec	1975	Kuala Lumpur flood control	$1,111,000
USGS	1977	Advisory services to Petronas	25,000
Micronesia (Trust Territory): IRS	1977	Tax administration advisor services	201,000
New Zealand: FAA	1976	Spare parts and equipment	200,000
Nicaragua:			
BuRec	1976	Assist water resources plan	55,000
BuRec	1977	Tipitapa-Tamarindo project (feasibility).	625,000
Nigeria:			
AID	1977	Nigerian manpower training program	50,000,000
USGS	1976	Geological services for new capital	200,000
BuCen	1978	Installation/training data processing systems.	21,717
Norway: USCG	1977	Goods and services (oil well leakage)	
Oman: FAA	1975	Civil aviation safety procedures	396,640
Pakistan: FAA	1976	Spare parts and technical services	200,000
Peru:			
BuRec	1977	Irrigation project technical assistance	650,000
USGS	1975	Geology investigations	64,790
Philippines: FAA	1969	Communication/navigation spares	50,000
Qatar:			
AID	1975	Housing assistance	105,000
COE	1979	Dredging studies—Ports af Doha and Umm Said.	32,050
Saipan (Trust Territory): IRS	1977	Tax administration advisory services	142,000
Saudi Arabia:			
Treasury	1975	Blanket/joint commission	636,100,000
Treasury	1975	Electrification commodities	57,600,000
Treasury	1977	Highway transportation	6,336,086
USCG	1976	Survey of S. A. Coast Guard	
USGS	1963	Mineral resource survey	23,000,000
FHWA	1977	Highway/bridge assistance	
Spain: FAA	1977	Air traffic control system	996,000
Switzerland: FAA	1977	Spare parts	35,000
Trinidad/Tobago: IRS	1968	Tax assistance	141,335
Tunisia: FAA	1973	Air navigation equipment	100,000
UAE:			
AID	1976	Town planning	63,000
BuRec	1976	Water runoff program	308,000
Customs	1975	Customs assistance	375,330
Venezuela:			
AID	1977	Market research Fundaconstruction	100,000
DOL	1977	National consumer price indexing system.	21,000
FAA	1976	Air navigation control	799,300
USGS	1975	Remote sensing material	20,000
USGS	1977	Seminar on ground water	3,142
Zaire: BuRec	1973	Hydroelectric project study	1,290,000

Mr. JAVITS. Section 104 of the bill deals with development of indigenous energy resources and is designed to strengthen the policy guidelines in energy programs in developing countries. This section is intended to indicate that oil, gas, and coal development are legitimate parts of development programs, as is the development of small scale renewable resources.

The committee found that the development of indigenous energy resources for commercial purposes may be of significant value to the economies of the developing nations and has accordingly amended section 102(b) of the Foreign Assistance Act of 1961 to enable expenditure of funds made available for energy programs related to the analysis and development of such resources. In its report, the committee has directed the administrator of AID to submit a report to the committee, no later than 4 months from date of enactment, assessing those forms of data collection and analysis and other technical assistance most needed to permit energy development for commercial purposes in developing countries which are not members of the Organization of Petroleum Exporting Countries.

Section 111 of the bill raises the ceiling for the housing guaranty program by $375 million. In addition, it permits housing guaranty programs in the middle-income countries, which will facilitate the funding of adequate housing for the poor. In addition, $50 million is earmarked for housing programs in Israel and Egypt provided that they meet the development criteria presently enumerated in section 222 of the Foreign Assistance Act. Both Israel and Egypt are faced with serious housing problems specifically among the poorest elements of their populations; and by providing guarantees, resources would be provided for such programs at the least cost to the United States.

The committee has once again included in the $52 million authorization for UNWRA the provision that $9.5 million will be disbursed only when matched by equivalent contributions by OPEC members. We found that OPEC responded to a similar provision in last year's bill by providing the matching funds and should be encouraged by this provision to do so again this year.

I believe that the Institute for Technological Cooperation (ITC), which would be established by title II of the bill, provides a great potential for meeting in an innovative manner the generic development problems faced by the developing countries. The program is designed to strengthen the capacity of people in the LDC's to solve their own development problems through scientific and technological innovation, to foster research on problems of development, and to facilitate such scientific and technological cooperation between the United States and these developing countries. Both the Foreign Relations Committee and the Governmental Affairs Committee have reviewed the administration's ITC request and have reported it favorably with amendments of their own to the Senate.

The Foreign Relations Committee has sought to strengthen the role of the advisory council, which, as proposed by the administration, would not have brought the council into the mainstream of the operations and policymaking of the Institute. This would have defeated the Institute's original intent. The committee has strengthened the role of the advisory council by requiring the director to consider the recommendations of the council before approving or disapproving any new programs or initiatives. The additional language proposed by the committee is intended to provide the council, which includes representatives of developing countries, with a substantial role in the Institute. The provision is also intended to require the director to solicit the views of the council on any transfers of projects or programs from other agencies particularly the transfer of centrally funded projects from AID. The provision provides adequate flexibility for the director while strengthening the role of the council.

In conclusion, Mr. President, the bill before us represents a workable compromise between the foreign policy requirements of the United States and the budgetary realities that we are facing today.

Mr. CHURCH. Mr. President, there does not seem to be an overwhelming urge on the part of Senators to plunge into the debate on this bill. I think that Senators who may be interested in offering amendments will do so tomorrow. Since the opening statements on the bill have been completed, I think that we are now prepared to recess.

ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there now be a period for the transaction of routine morning business and that Senators may speak therein up to 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

Is there morning business?

HUMAN RIGHTS IN LITHUANIA

Mr. HEINZ. Mr. President, 40 years ago this October, after the outbreak of World War II, the Soviet Union obtained the right to station troops in Lithuania. In June, 1940, 39 years ago this week, the Soviet Government used this military alliance to demand that Lithuania form a government acceptable to Moscow. At the same time, Soviet forces entered Lithuania and began to harass her citizens.

Since then, Communist propaganda claims great accomplishments for Lithuania. However, those who have been able to escape report a lack of freedom and the imposition of totalitarian methods which exist throughout the Communist world.

That the Soviets have caused Lithuanians to suffer because of their national and religious beliefs has been demonstrated no better than during Pope John Paul II's visit this month to neighboring Poland. Lithuanian clergy were reportedly forbidden to go to Poland during the Pope's visit. The government refused to allow coverage of the Pope's addresses, which advocated respect for human rights.

Nonetheless, the Pope sparked an uncontrollable outburst of emotion in Lithuania and all of Eastern Europe. Because of beamed radio coverage provided by Radio Free Europe, the BBC, and the Voice of America, he was able to talk directly to the other Communist nations. The Pope proclaimed:

> He (the Pope) comes here to speak before the whole church, before Europe and the world, of those often forgotten nations and peoples. He comes here to cry "with a loud voice." He comes here to embrace all these peoples, together with his own nation. * * * These languages cannot fail to be heard, especially by the first Slav Pope in the history of the church.

Mr. President, two Lithuanians, Viktoras Petkus and Balys Gajauska, are prominent among "forgotten peoples" mentioned by Pope John Paul. Last year, when I brought their plights to the attention of this Chamber, they each had been sentenced to 10 years of imprisonment followed by 5 years of exile for organizing against Soviet oppression. This year they were both nominated for the Nobel Peace Prize, but their conditions only are getting worse. Viktoras Petkus has no family to plead his case, and Balys Gajaukus is in poor health. Unless their release and freedom can be secured by the Western World, both men will likely spend the rest of their lives in their cells.

There are thousands more "prisoners of conscience" like Petkus and Gajaukus rotting in Soviet concentration camps, but few of these names ever reach the West; their voices are rarely heard. Yet we who are free need not remain silent. The United States has always had a deep concern for human rights. The same rights denied to Lithuanians—to worship freedom, freedom of speech, and freedom of thought—are cherished realities in our land. And we offer hope to all who seek to realize the rights and dignity of man.

Therefore, Mr. President, we must speak out "with a loud voice" against violations of human rights, as the Pope did in Poland. President Carter must make it clear to the Soviet Union that America stands fully behind its policy on human rights, specifically by demanding the release of Petkus and Gajaukus and the other brave men and women being persecuted by the Soviet Union. If we do nothing about denials of human rights abroad, we are denying the basic principles on which this country was founded. Thus, if on this anniversary of the Soviet appropriation of Lithuania we wish to encourage the spread of freedom, then primary reliance must be on the force of our own example.

MESSAGES FROM THE HOUSE

At 10:40 a.m., a message from the House of Representatives delivered by Mr. Berry, one of its reading clerks, announced that the House agrees to the amendment of the Senate to the amendment of the House numbered 1 to the bill (S. 869) to amend section 207 of title 18, United States Code; and that the House recedes from its amendment numbered 2 to the bill.

ENROLLED BILLS SIGNED

At 12:17 p.m., a message from the House of Representatives delivered by Mr. Gregory, one of its reading clerks, announced that the Speaker has signed the following enrolled bills:

H.R. 3577. An act to amend section 8 of the National Advisory Committee on Oceans and Atmosphere Act of 1977 to authorize appropriations to carry out the provisions of such act for fiscal year 1980, and for other purposes; and

H.R. 3879. An act to authorize additional appropriations for the Temporary Commission on Financial Oversight of the District of Columbia, and for other purposes.

The enrolled bills were subsequently signed by the President pro tempore (Mr. MAGNUSON).

COMMUNICATIONS

The PRESIDING OFFICER laid before the Senate the following communications, together with accompanying reports, documents, and papers, which were referred as indicated:

EC-1611. A communication from the Secretary of Agriculture, transmitting, for the information of the Senate, corrections in the Department's May 21, 1979, food stamp bill submission; to the Committee on Agriculture, Nutrition, and Forestry.

EC-1612. A communication from the Assistant Attorney General, Antitrust Division, Department of Justice, transmitting, pursuant to law, a report of the results of a study of the various agreements between Government and private industry that have been developed under the terms of the Defense Production Act of 1950, as amended; to the Committee on Banking, Housing, and Urban Affairs.

EC-1613. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Factors Influencing the Size of the U.S. Strategic Petroleum Reserve," June 15, 1979; to the Committee on Energy and Natural Resources.

EC-1614. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Policy Needed to Guide Natural Gas Regulation on Federal Lands," June 15, 1979; to the Committee on Energy and Natural Resources.

EC-1615. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Natural Gas Reserves Estimates: A Good Federal Program Emerging, But Problems and Duplications Persist," June 15, 1979; to the Committee on Energy and Natural Resources.

EC-1616. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Water Supply for Urban Areas: Problems in Meeting Future Demand," June 15, 1979; to the Committee on Environment and Public Works.

EC-1617. A communication from the Secretary of Health, Education, and Welfare, transmitting a draft of proposed legislation to make improvements in the Medicare and Medicaid programs; to the Committee on Finance.

EC-1618. A communication from the Acting Administration, General Services Administration, transmitting, pursuant to law, a report of recommendations on the Federal Council on the Aging report to the President in January 1978 entitled "Annual Report to the President—1977"; to the Committee on Governmental Affairs.

EC-1619. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Examination of Financial Statements of the Inter-American Foundation for Fiscal Years Ended September 30, 1978 and 1977," June 14, 1979; to the Committee on Governmental Affairs.

EC-1620. A communication from the Acting Administrator, General Services Administration, transmitting, pursuant to law, a report on Records Management Activities in Fiscal Year 1978; to the Committee on Governmental Affairs.

EC-1621. A communication from the Secretary of Health, Education, and Welfare, transmitting, pursuant to law, a report entitled "The Status of Handicapped Children in Head Start Programs," February 1979; to the Committee on Labor and Human Resources.

PETITIONS

The **PRESIDING OFFICER** laid before the Senate the following petitions and memorials, which were referred as indicated:

POM-296. A concurrent resolution adopted by the Legislature of the State of Texas; to the Committee on the Judiciary:

"SENATE CONCURRENT RESOLUTION 29

"Whereas, In the McCarran-Ferguson Act enacted in 1945 (15 U.S.C. Section 1011–1015), Congress determined "that the continued regulation and taxation by the several States of the business of insurance is in the public interest"; and

"Whereas, Federal government officials have publicly, although unofficially, recommended amending the McCarran-Ferguson Act to limit state regulation of the insurance industry; and

"Whereas, It is becoming increasingly clear the establishment of federal regulation is not a panacea but increases the cost of government, adds confusion and delay, and often increases the cost of products and services without providing any offsetting benefits to the consumer; and

"Whereas, It is often necessary, subject to state regulations, to combine the resources of several insurance companies in order to provide effective insurance coverage in an efficient manner at a reasonable cost and to provote innovation whereby new products and services are made available; and

"Whereas, There has been no evdience that individual states cannot continue to effectively regulate the insurance industry or that federal regulation of the industry and application of federal antitrust laws will have a favorable effect upon the insurance industry or benefit the public; now, therefore, be it

"Resolved by the Senate of the State of Texas, the House of Representatives concurring. That the 66th Legislature hereby memorialize the Congress of the United States to reject any legislation amending the McCarran-Ferguson Act (15 U.S.C. Sections 1011–1015) which would limit state regulation or increase federal regulation of the business of insurance; and, be it further

"Resolved, That official copies of this resolution be prepared and forwarded to the President of the United States, to the President of the Senate and the Speaker of the House of Representatives of the United States Congress, and to all members of the Texas delegation to the Congress with the request that this resolution be officially entered in the Congressional Record as a memorial to the Congress of the United States of America."

POM-297. A resolution adopted by the Legislature of the State of Pennsylvania; to the Committee on Armed Services:

"RESOLUTION

"Whereas, On November 1, 1942, while heroically resisting a determined enemy onslaught near the Matanikau River on Guadalcanal, United States Marine Corps Corporal Anthony Casamento was seriously and grievously wounded by 14 bullets and innumerable grenade fragments; and

"Whereas, Anthony Casamento's singlehanded action prevented his position from being overrun, protected his wounded comrades from a murderous bayonet slaughter, and kept the enemy forces from gaining a commanding ridge position from which to unleash a withering fire on the rest of the battalion; and

"Whereas, By any reasonable standard, such valiant efforts would more than qualify Anthony Casamento for the Medal of Honor; and

"Whereas, In 1965 the Board of Decorations and Medals of the Department of the Navy recognized the heroism of Anthony Casamento and unanimously recommended that he receive the Medal of Honor; and

"Whereas, In spite of this recommendation by the Board, the testimony of eyewitnesses and the obvious merit and justification of awarding the Medal of Honor to Anthony Casamento, the Department of the Navy has inexplicably refused to give its necessary endorsement to such award; and

"Whereas, Members of the House of Representatives, the United States Senate, countless veterans from the Armed Forces of the United States, and many concerned American citizens are requesting that this matter be reopened and consideration again be given to awarding Anthony Casamento the Medal of Honor; and

"Whereas, This effort is being spearheaded in Pennsylvania by the Order of Sons of Italy Lodge 1776, in Morristown, which has brought this matter to the attention of the General Assembly of the Commonwealth of Pennsylvania; and

"Whereas, The General Assembly of the Commonwealth of Pennsylvania wishes to add its collective voice to those already raised in requesting that the case of Anthony Casamento be reopened and consideration again be given to awarding him the Medal of Honor; therefore be it

"Resolved, (the House of Representatives concurring), That the General Assembly of the Commonwealth of Pennsylvania does hereby memorialize the President of the United States and the Congress of the United States to do everything within their power to have the case of Anthony Casamento reexamined and that serious consideration be made on awarding him the Medal of Honor; and be it further

"Resolved, That duly authenticated copies of this resolution be forwarded to the President of the United States, the Vice President of the United States, the President pro tempore of the United States Senate, the Speaker of the House of Representatives, the Chairman of the House of Representative Committee on Armed Forces, the Chairman of the Senate Committee on Armed Forces, each member of Congress elected from the Commonwealth of Pennsylvania, the Order of Sons of Italy Lodge, No. 1776, Morristown, Pennsylvania, and Anthony Casamento."

POM-298. A resolution adopted by the Legislature of the Territory of Guam; to the Committee on the Judiciary:

"RESOLUTION No. 8

"Whereas, the territory of Guam has been represented in the United States Congress by a non-voting member of the House of Representatives; and

"Whereas, the District of Columbia, the Virgin Islands of the United States and the Commonwealth of Puerto Rico are represented by a non-voting member and a non-voting Resident Commissioner respectively; and

"Whereas, each of the several states of the United States is represented by at least one voting member to the House of Representatives; and

"Whereas, Article I, Section 2 of the United States Constitution effectively provides that only states of the United States shall have voting representatives in Congress; and

"Whereas, pursuant to Article V of the United States Constitution, the Congress could propose an amendment to the Constitution allowing for voting rights in the House of Representatives for the off-shore territories; now, therefore, be it

"Resolved, that the Fifteenth Guam Legislature respectfully requests the United States Congress to propose a Constitutional amendment which would allow the off-shore territories of the United States voting representation in the House of Representatives; and be it further

"Resolved, that the Speaker certify to and the Legislative Secretary attest the adoption hereof and that copies of the same be thereafter transmitted to the Speaker, House of Representatives; to the Vice President of the United States; to tthe President Pro Tempore of the Senate; to Representative A. B. Won Pat and to the Governor of Guam."

POM-299. A resolution adopted by the Legislature of the Territory of Guam; to the Committee on the Judiciary:

"RESOLUTION No. 9

"Whereas, the Twelfth and Twenty-Third Amendments to the United States Constitution effectively limit the right to vote for President of the United States to citizens of the United States living in the several states and the District of Columbia; and

"Whereas, pursuant to Article V of the United States Constitution the Congress can, when two-thirds of its members deem it necessary, propose amendments to the Constitution of the United States; and

"Whereas, only by means of a Constitutional amendment could the citizens of the United States residing in the several territories be permitted to vote in the United States Presidential elections; and

"Whereas, citizens residing in the territories ought to be accorded the same elective franchise as citizens residing in other parts of the United States; and

"Whereas, a Constitutional amendment allowing said citizens residing in territories to vote in United States Presidential elections would remove a manifest inequity from the great American political system; now, therefore, be it

"Resolved, that the Fifteenth Guam Legislature respectfully requests the United States Congress to propose an amendment to the United States Constitution which would permit the United States citizen who is a resident of one of the territories to vote in Presidential elections; and be it further

"Resolved, that the Speaker certify to and the Legislative Secretary attest to the adoption hereof and that copies of the same be thereafter transmitted to the Speaker, House of Representatives; to the Vice President of the United States; to the President Pro Tempore of the Senate; to each state and territorial legislature; to the American Civil Liberties Union; to the National Legislative Conference; to the American Bar Association; to the Federal Bar Association; to Representative Antonio B. Won Pat; and to the Governor of Guam."

POM-300. A joint resolution adopted by the Legislature of the State of North Carolina; to the Committee on Environment and Public Works:

"HOUSE JOINT RESOLUTION 1477

"Whereas, the Federal Clean Air Act of 1970 established mandatory automobile emission standards and time schedules for their implementation by automobile manufacturers; and

"Whereas, in response to the stringent emission control requirements of the Clean Air Act, automobile manufacturers have installed catalytic converters to reduce harmful pollutants on most cars built after 1974; and

"Whereas, catalytic converters are muffler-type devices intended to chemically alter harmful carbon monoxide, hydrocrabons, and nitrous oxides in automobile exhausts into harmless emissions; and

"Whereas, while the catalytic converters have enabled automobile manufacturers to comply with the mandates of the Clean Air Act, a serious question has arisen as to whether these devices are in the best interests of the nation's drivers and the general public as well; and

"Whereas, for example, the installation of catalytic converters on new vehicles reportedly increases the initial selling price of vehicles so equipped by an estimated average cost of up to four hundred dollars ($400.00) per vehicle; and

"Whereas, in addition, it is an established fact that minimal amounts of lead, a common ingredient in regular and premium gasolines, will seriously impair, if not totally negate the intended cleaning function of the catalytic converters; and

"Whereas, as a result, vehicles flitted with catalytic converters must, out of practical necessity, use only unleaded gasoline to assure the effective functioning of the emission control systems and to contain the emission of harmful pollutants within acceptable limits; and

"Whereas, unleaded gasoline is more expensive than conventional gasolines because of the extra costs associated with the production of unleaded gasoline; and

"Whereas, efforts of the federal government to assure adequate supplies of unleaded gasoline have not been entirely successful due in large part to circumstances of an international nature beyond the control of the federal government with the resultant shortage of unleaded fuel in several regions of the United States; and

"Whereas, experience has demonstrated that frequent repairs and engine service work are required for vehicles equipped with catalytic converters to assure maximum fuel efficiency and effective functioning of the emission control system with the resultant obvious additional costs which must be borne by owners of such vehicles; and

"Whereas, informed sources point to the additional cost of manufacturing unleaded gasoline coupled with the expected increase in price when and if gasoline is deregulated; and

"Whereas, the cost of replacing a defective catalytic converter with a new one is upwards of three hundred dollars ($300.00) per installation; and

"Whereas, effective alternative technologies have been developed to reduce the emission of harmful pollutants; and

"Whereas, the questionable effectiveness, fuel efficiency, high repair and maintenance cost, and other problems associated with the catalytic converter give rise to the firm conviction that the elimination of the catalytic converter and its replacement with alternate technologies may better serve the intended purposes of the catalytic converter is a matter of compelling national interest;

"Now, therefore, be it resolved by the House of Representatives, the Senate concurring:

"Section 1. That the President of the United States, the United States Congress, the Department of Energy, the Department of Transportation, the Environmental Protection Agency, and all other State Legislatures are respectfully urged to join in a concerted national effort to do away with the reliance on the use of catalytic converters in view of the concerns expressed in this resolution.

"Sec. 2. Upon ratification, copies of this resolution shall be sent to the Clerk of the United States House of Representatives, the Secretary of the United States Senate, and the President of the United States.

"Sec. 3. This resolution is effective upon ratification.

"In the General Assembly read three times and ratified, this the 8th day of June, 1979."

POM-301. A joint resolution adopted by the Legislature of the State of Iowa; to the Committee on the Judiciary:

"SENATE JOINT RESOLUTION 1

"Whereas, with each passing year this nation becomes more deeply in debt as its expenditures grossly and repeatedly exceed available revenues, so that the public debt now exceeds hundreds of billions of dollars; and

"Whereas, the annual federal budget continually demonstrates an unwillingness or inability of both the legislative and executive branches of the federal government to curtail spending to conform to available revenues; and

"Whereas, unified budgets do not reflect actual spending because of the exclusion of special outlays which are not included in the budget nor subject to the legal public debt limit; and

"Whereas, knowledgeable planning, fiscal prudence, and plain good sense require that the budget reflect all federal spending and be in balance; and

"Whereas, believing that fiscal irresponsibility at the federal level, with the inflation which results from this policy, is one of the greatest threats which faces our nation, we firmly believe that constitutional restraint is necessary to bring the fiscal discipline needed to restore financial responsibility; and

"Whereas, under Article five (V) of the Constitution of the United States, amendments to the federal Constitution may be proposed by the congress whenever two-thirds of both houses deem it necessary, or on the application of the legislatures of two-thirds of the several states the congress shall call a constitutional convention for the purpose of proposing amendments which shall be valid to all intents and purposes when ratified by three-fourths of the several states, and we believe such action is vital; Now therefore,

"Be it resolved by the General Assembly of the State of Iowa:

"Section 1. The Iowa general assembly proposes to the congress of the United States that procedures be instituted in the congress to propose and submit to the several states before July 1, 1980, an amendment to the Constitution of the United States requiring that the federal budget be balanced in the absence of a national emergency.

"Sec. 2. Alternatively, effective July 1, 1980, if the Congress of the United States has not proposed and submitted to the several states an amendment as provided in section one (1) of this resolution, the Iowa general assembly respectfully makes application to and petitions the congress of the United States to call a convention for the specific and exclusive purpose of proposing an amendment to the Constitution of the United States to require a balanced federal budget and to make certain exceptions with respect thereto.

"Sec. 3. Effective July 1, 1980, this application by the Iowa general assembly constitutes a continuing application in accordance with Article five (V) of the Constitution of the United States until the legislatures of at least two-thirds of the several states have made similar applications pursuant to Article five (V), but if the congress proposes an amendment to the Constitution identical in subject matter to that contained in this resolution, or if before July 1, 1980, the general assembly repeals this application to call a constitutional convention, then this application and petition for a constitutional convention shall no longer be of any force or effect.

"Sec. 4. This application and petition shall be deemed null and void, rescinded, and of no effect in the event that such convention not be limited to such specific and exclusive purpose.

"Sec. 5. The Iowa general assembly also proposes that the legislatures of each of the several states comprising the United States apply to the congress requesting the enactment of an appropriate amendment to the federal Constitution, or requiring the congress to call a constitutional convention for proposing such an amendment to the federal Constitution if the Congress of the United States has not proposed and submitted to the several states an amendment as provided in section one (1) of this resolution before July 1, 1980.

"Sec. 6. The secretary of state of Iowa is directed to send copies of this resolution to the secretary of state and presiding officers of both houses of the legislatures of each of the several states in the union, the speaker and the clerk of the United States house of representatives, the president and the secretary of the United States senate, and each member of the Iowa congressional delegation."

POM-302. A petition from a private citizen, relating to SALT II; to the Committee on Foreign Relations.

REPORTS OF COMMITTEES SUBMITTED DURING THE RECESS

Pursuant to the authority of the order of June 14, 1979, the following reports of committees were submitted on June 15, 1979:

By Mr. NELSON, from the Select Committee on Small Business:

Special report relating to Section 392(b) of the Congressional Budget Act of 1974 (Rept. No. 96-222).

REPORTS OF COMMITTEES

The following reports of committees were submitted:

Mr. STENNIS, from the committee of conference, submitted a report on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 429) to authorize appropriations for fiscal year 1979, in addition to amounts previously authorized for procurement of aircraft, missiles, naval vessels, and other weapons, and for research, development, test, and evaluation for the Armed Forces, and for other purposes (Rept. No. 96–223).

By Mr. MAGNUSON, from the Committee on Appropriations, with amendments:

H.R. 4289. A bill making supplemental appropriations for the fiscal year ending September 30, 1979, and for other purposes (Rept. No. 96–224).

EXECUTIVE REPORTS OF COMMITTEES SUBMITTED DURING THE RECESS

Pursuant to the authority of the order of June 14, 1979, the following executive reports of committees were submitted on June 15, 1979:

By Mr. CHURCH, from the Committee on Foreign Relations:

Ex. J (96th Congress, 1st Session), Estate and Gift Tax Treaty with the French Republic (Ex. Rept. No. 96–3).

Ex. K (96th Congress, 1st Session), Protocol to the Income Tax Convention with the French Republic (Ex. Rept. No. 96–4).

Ex. Q (96th Congress, 1st Session), Third Protocol to the 1975 Tax Convention with the United Kingdom of Great Britain and Northern Ireland, as amended (Ex. Rept. No. 96–5).

Ex. R (96th Congress, 1st Session), Estate and Gift Tax Treaty with the United Kingdom of Great Britain and Northern Ireland (Ex. Rept. No. 96–6).

Ex. P (94th Congress, 2nd Session), Tax Convention with the Republic of Korea (Ex. Rept. No. 96–7).

Ex. X (96th Congress, 1st Session), Tax Convention with the Hungarian People's Republic (Ex. Rept. No. 96–8).

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. PROXMIRE (for himself and Mr. HELMS):

S. 1353. A bill to limit the acquisition and use of motor vehicles; to the Committee on Governmental Affairs.

By Mr. DOLE (for himself, Mr. COHEN, Mr. MCGOVERN, and Mr. PROXMIRE):

S. 1354. A bill to require the President to submit a report on the manpower needs of the Armed Forces; to the Committee on Armed Services.

By Mr. BAUCUS:

S. 1355. A bill for the relief of Ernest C. Brace; to the Committee on the Judiciary.

S. 1356. A bill for the relief of Ernest C. Brace; to the Committee on the Judiciary.

By Mr. CRANSTON (for himself and Mr. HAYAKAWA):

S. 1357. A bill to provide for a cooperative agreement between the Secretary of the Interior and the State of California to improve and manage the Suisun Marsh in California; to the Committee on Environment and Public Works.

By Mr. HUDDLESTON:

S. 1358. A bill to provide that major stationary sources complying with all applicable emission limitations and standards of performance established pursuant to the Clean Air Act shall not be subject to any more stringent limitations or standards for a period of ten years; to the Committee on Environment and Public Works.

By Mr. THURMOND:

S. 1359. A bill to permit the surviving spouse and unmarried children of a person interred in a cemetery located on a military installation to be interred in such cemetery; to the Committee on Armed Services.

By Mr. DOMENICI:

S. 1360. A bill to amend the Atomic Energy Act of 1954, as amended, to authorize and direct the Secretary of Energy to enter into formal arrangements with a State to provide for State concurrence in the planning, siting, development, construction and operation of specified radioactive waste storage and disposal facilities, and for other purposes; to the Committee on Environment and Public Works.

By Mr. CRANSTON (for himself and Mr. HAYAKAWA):

S. 1361. A bill to authorize the Secretary of the Interior to engage in feasibility studies of the enlargement of Shasta Dam and Reservoir, Central Valley project, California, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. THURMOND:

S. 1362. A bill to amend title 18, United States Code, with respect to exemption of certain fireworks from registration, and for other purposes; to the Committee on the Judiciary.

By Mr. JACKSON (by request):

S. 1363. A bill to provide certain authorities for the Department of Energy; to the Committee on Energy and Natural Resources.

By Mr. TALMADGE (for himself, Mr. NUNN, Mr. SASSER, Mr. STEWART, and Mr. THURMOND):

S. 1364. A bill to amend the Federal Property and Administrative Services Act of 1949 to permit State and county extension services, and any State agricultural experiment station, to obtain excess property from the United States; to the Committee on Governmental Affairs.

By Mr. INOUYE:

S. 1365. A bill to direct the Secretary of the department in which the United States Coast Guard is operating to cause the vessel Independence to be documented as a vessel of the United States so as to be entitled to engage in the coastwise trade; to the Committee on Commerce, Science, and Transportation.

S. 1366. A bill for the relief of Gregory Ernest Pritchard; to the Committee on the Judiciary.

By Mr. MCGOVERN (for himself, Mr. MELCHER, Mr. YOUNG, Mr. PRYOR, Mr. BOREN, Mr. COCHRAN, Mr. STEWART, and Mr. DOLE):

S. 1367. A bill to amend the Agricultural Act of 1949 to extend the applicability of the prevented planting and disaster provisions of such Act to the 1980 and 1981 crops of rice, cotton, feed grains, and wheat; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. ZORINSKY:

S. 1368. A bill to permit the importation of a leopard skin; to the Committee on Finance.

By Mr. HATFIELD:

S. 1369. A bill to designate certain National Forest System lands in the State of Oregon for inclusion in the National Wilderness Preservation System; to the Committee on Energy and Natural Resources.

By Mr. SARBANES (for himself and Mr. MATHIAS):

S. 1370. A bill to amend the Railroad Retirement Act of 1974 to provide that a current connection with the railroad industry is not lost by reason of certain employment with the Department of Energy; to the Committee on Labor and Human Resources.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. PROXMIRE (for himself and Mr. HELMS):

S. 1353. A bill to limit the acquisition and use of motor vehicles; to the Committee on Governmental Affairs.

(The remarks of Mr. PROXMIRE when he introduced the bill appear elsewhere in today's proceedings.)

By Mr. DOLE (for himself, Mr. COHEN, Mr. MCGOVERN, and Mr. PROXMIRE):

S. 1354. A bill to require the President to submit a report on the manpower needs of the Armed Forces; to the Committee on Armed Services.

REGISTRATION FOR THE DRAFT

● Mr. DOLE. Mr. President, I am pleased to be joined today by Senators COHEN, MCGOVERN, and PROXMIRE, in introducing a bill that would direct the President to conduct a comprehensive study on the current capability of the Armed Forces of the United States to meet the equipment, clothing, living quarters and training personnel needed in the event of a total or partial mobilization. It would also provide an assessment of the ability of the Selective Service System to meet the military manpower requirements of the United States in the event of a national emergency; recommendations for legislation, as the President may deem necessary in providing an effective and equitable military mobilization capability.

The President would be required to submit the results of this study together with his recommendations for needed legislation to the Committees on Armed Services of the Senate and the House of Representatives no later than 120 days after the date of enactment of this act.

CONTRADICTIONS ON OUR MOBILIZATION CAPABILITY

Mr. President, in recent months we have heard much about the problems we face related to our inadequate military manpower levels. We have heard from both House and Senate Armed Services Committees that our Nation's mobilization capability is woefully inadequate. We are told that if we went to war tomorrow, it would take 110 days before the first inductee or draftee reported for the first day's basic training. Yet, when we hear from the Director of the Selective Service System, Mr. Robert E. Shuck, we learn that the System can, given the appropriate funds, deliver inductees within 30 days.

We are told that the Secretary of the Army is in favor of some form of registration, the Joint Chiefs unanimously in favor of it, while the Secretary of Defense opposes it. Ironically, it seems we have heard everyone's opinion on this issue, as confusing and conflicting as it may be, except the President's.

WHERE IS THE PRESIDENT WHEN WE NEED HIM?

Mr. President, the President of the United States now has the authority, as well as the responsibility, to commence registration, subsequent classification, and the eventual draft. To date he has not done this, he has not so much as even commented on the issue.

The President of the United States, who also serves as the Commander in Chief of the Armed Forces of the United States, has not found the issue of draft registration of enough urgency or importance, as others have, to warrant his comments and/or recommendations. Yet, Mr. President, we are being asked to accept the fact that this country is at the brink of war and that the only way to address this perceivable danger is to commence what could eventually end up as a peacetime draft. Regardless of whether we need to commence draft registration or not, the President of the United States must face up to his responsibilities in this matter by offering to the American people, his administration, and the Congress, direction and leadership and, most importantly, providing clear and adequate information on whether or not we need to reinstate the registration of our young people for the military draft.

IMPROVEMENTS IN THE SELECTIVE SERVICE SYSTEM OR REGISTRATION FOR THE DRAFT?

Mr. President, there is very little doubt in my mind that we face serious problems because of our less than adequate manpower levels in our armed services. Members of this body have long been aware of these and related problems, that is why over the past several years I, along with many of my colleagues, have fought the proposed cutbacks in military manpower, such as the Naval Reserve. We have fought the proposed cutbacks of military benefits, and, in general, have opposed the kinds of cutbacks that are primarily responsible for the problems we are now experiencing in recruitment and retention of young people in our armed services.

Last year during the consideration of the fiscal year 1979 HUD-independent agencies appropriation bill, I offered an amendment that would have increased funding for the Selective Service System. This increase would have enabled the System to provide adequate manpower in the time of a national emergency. Even though the Senate has offered this amendment as a means to address our mobilization problems, the amendment was, unfortunately, eliminated in conference.

Mr. President, I am still inclined to believe that the best way to address our manpower and mobilization needs is to improve the readiness capability of the Selective Service System to deliver inductees as soon as possible.

We have recently heard the Director of the Selective Service System state that "the preliminary findings" of a test of computers to register young people who had previously not signed up "indicate that such a system is quite feasible for accomplishing the input of registrant data quickly and efficiently in an emergency situation as well as during continuous registration." The Director has further stated that if the $9.8 million requested for fiscal year 1980 is approved by Congress, the System would be able to process draftees and into training camps within 30 days.

LET'S NOT PUSH THE PANIC BUTTON

Mr. President, the obvious truth is that the use of conscription is contrary to the entire past history of this country. It has no place in our system, except as a temporary expedient, that is, in time of war.

There is a basic and fundamental reason for this practice. In a free society the highest importance is placed on human freedom. And what greater freedom is there than the right of each individual to lead his own life, in the way he may choose, and free of dictate by the Central Government.

When a law is used to tell a person how he shall spend several years of his life, and where he shall live it, this constitutes a grave oppression against his liberty. This is why I believe our Nation has traditionally rejected a standing policy of compulsory military service. As we address this very serious issue in the days and weeks ahead, we should call to mind the words of the late Senator Robert A. Taft, Sr., "the draft is far more typical of totalitarian nations than of democratic nations. The theory behind it leads directly to totalitarianism. It is absolutely opposed to the principles of individual liberty which have always been considered a part of American democracy . . . the principle of a compulsory draft is basically wrong."

Mr. President, I do not want to return to mandatory registration, classification, and eventual draft, if we don't absolutely need it. I, for one, due to confusing and conflicting information on this issue, have found it very difficult to make a determination on the need to reinstate draft registration.

Mr. President, the report required in this bill may provide the kind of facts that prove the immediate need of reinstituting the draft registration as proposed by Senator Nunn and others. We must be prepared to accept those facts as well as those that may prove we have no need for such drastic measures.●

By Mr. CRANSTON (for himself and Mr. Hayakawa):

S. 1357. A bill to provide for a cooperative agreement between the Secretary of the Interior and the State of California to improve and manage the Suisun Marsh in California; to the Committee on Environment and Public Works.

● Mr. CRANSTON. Mr. President, I introduce for appropriate reference a bill to provide for a cooperative agreement between the Secretary of the Interior and the State of California to improve and manage the Suisun Marsh in California. This legislation is identical to H.R. 4084 introduced in the House by Congressman Vic Fazio and 20 other members of the California delegation.

The Suisun Marsh comprises 55,000 acres in the Sacramento-San Joaquin Delta estuarine system. It is the largest remaining brackish water wetland in California, and a significant wintering ground for migratory waterfowl. Millions of birds and migrant ducks visit the Suisun Marsh each year.

In addition, the Suisun Marsh is prime breeding ground for striped bass. These resources have long made the marsh important for hunting, fishing, and other recreational activities.

However, because of diversions of fresh water from the Delta by the California water project and the Federal Central Valley project, salinity intrusion has become a problem, threatening to alter the environment of the marsh that support specific plants which attract and feed the migratory waterfowl. To remedy this situation, the California Department of Water Resources is constructing facilities to make better use of what water remains in the marsh after the project diversions. The facilities were recommended in the May 1978 report on the Suisun Marsh interim facilities prepared by the State of California, the Bureau of Reclamation, and the Fish and Wildlife Service.

This legislation provides that the Federal Government participate in the mitigation effort and pay 50 percent of the costs of the facilities, or $2.5 million. The bill calls for equal funding since both the State and Federal projects are responsible for the water quality problem in the Suisun Marsh and divert roughly the same amount of water from the Delta.

Mr. President, I ask unanimous consent that the text of the bill be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 1357

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Suisun Marsh Preservation and Restoration Act of 1979".

Sec. 2. It is the purpose of this Act to—

(1) provide for partial mitigation of the adverse effects on the fish and wildlife resources of the Suisun Marsh in Solano County, California of the Central Valley project; and

(2) assist in the preservation and restoration of the fish and wildlife resources of the Marsh by authorizing the Secretary of the Interior to enter into a cooperative agreement with the State of California for the planning, design, construction, operation and maintenance of certain facilities for the Marsh which will not materially enhance the overall resources of the Marsh; and

(3) to provide for such facilities as part of the more extensive system of preservation and restoration facilities to be developed for the Solano County region by the State of California, the Secretary of the Interior, or both.

Sec. 3. The Secretary of the Interior, acting through the Commissioner of the Bureau of Reclamation, shall enter into a cooperative agreement with the State of California (hereinafter in this Act referred to as the "State") to provide for mitigation of the adverse effects of the Central Valley project on the fish and wildlife resources of the Suisun Marsh, Solano County, California, and for the preservation and restoration of these resources. The cooperation agreement shall include the following provisions:

(1) The State shall design, construct, operate and maintain certain channels, levees, and control structures in the Marsh in a manner which substantially conforms to the provisions of the development plan contained in the Report on the Suisun Marsh Interim Facilities (dated May 1978), prepared by the State of California wtih the assistance of the Bureau of Reclamation and the Fish and Wildlife Service. The State may

enter into contracts with appropriate non-Federal public agencies within the State for the operation and maintenance of such facilities.

(2) The Secretary of the Interior shall pay to the State the Federal share of the costs of the activities described in paragraph (1), whether such costs are incurred before or after the date the cooperative agreement is entered into, upon a determination that such activities are in substantial conformity with the development plan referred to in such paragraph.

(3) A study shall be conducted by the State, the Secretary of the Interior, or both parties, for the purpose of identifying management techniques which could result in more efficient water use on the managed wetlands of the Marsh.

(4) Appropriate arrangements shall be made by the Secretary of the Interior and the State to provide for the monitoring of the salinity levels in the Marsh.

(5) The Federal share of the costs of the activities referred to in paragraphs (1) through (4) shall be 50 per centum.

SEC. 4. The authority to enter into cooperative agreements under this Act shall be effective only to the extent or in such amounts as are provided in advance in appropriation Acts.

SEC. 5. There are authorized to be appropriated $2,500,000 for the fiscal year ending September 30, 1980 for the Federal share of the costs of the construction and the initial operation and maintenance of the facilities described in section 3(1) of this Act. Sums appropriated under this section shall remain available until expended.●

By Mr. HUDDLESTON:

S. 1358. A bill to provide that major stationary sources complying with all applicable emission limitations and standards of performance established pursuant to the Clean Air Act shall not be subject to any more stringent limitations or standards for a period of 10 years; to the Committee on Environment and Public Works.

● Mr. HUDDLESTON. Mr. President, the bill I am introducing today is intended to encourage and facilitate the increased use of coal by adding some reason and certainty to Government regulation.

One of the constraints on coal use mentioned most frequently in hearings which I chaired last month on the effect of Government regulations on the production and use of coal, and in recent hearings by the President's Commission on Coal, was the lack of any regulatory certainty.

Compliance with environmental laws and regulations often is a costly undertaking. Once expenditures are made, and a source is in compliance, the source owner should have assurance that his investment will not be jeopardized by adoption of more stringent requirements for a reasonable period of time unless there is a bona fide threat to public health. While it may, and probably will, be necessary to tighten emission limitations and standards from time to time, owners who in good faith comply should be given the opportunity and time to amortize their pollution control costs.

Changing groundrules and moving targets are extremely worrisome to those who must comply with environmental requirements. Each incremental control requirement becomes more difficult and costly. The uncertainty associated with potential rule changes renders corporate decisionmaking precarious and may cause delays in constructing or modifying new sources or in retrofitting controls on existing sources. While compliance at the time of construction of a new source may be accomplished with reasonable certainty at a given cost, compliance with more stringent control measures adopted subsequent to construction may be difficult, or physically impossible, and may be considerably more expensive than the original compliance measure.

The principle is recognized in section 306(d) of the Clean Water Act, which provides that any source constructed as to meet all applicable standards of performance shall not be subject to any more stringent standard of performance during a 10-year period, or until the equipment is depreciated or amortized, whichever comes first. The bill I am introducing today would add a provision to the Clean Air Act to provide a comparable period of assurance for all complying existing, modified, or new sources against the application of more stringent standards unless an imminent threat to public health can be attributed to the source.

I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1358

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Clean Air Act is amended by inserting at the end thereof the following new section:

"COMPLIANCE PERIOD FOR CERTAIN STATIONARY SOURCES

"SEC. 328. Notwithstanding any other provision of this Act, any existing major stationary source which comes into compliance with all emission limitations in the applicable implementation plan, or any new or modified major stationary source the construction or modification of which meets all applicable emission limitations and standards of performance, shall not be subject to any more stringent emission limitation or standard of performance during a ten-year period beginning on the date of completion of such compliance, construction, or modification, or during the period of depreciation or amortization of such facility for the purposes of section 167 or 169 (or both) of the Internal Revenue Code of 1954, whichever period ends first; except that this section shall not apply in the case of a source to which a substantial imminent threat to public health can be attributed (as determined by the Administrator).".●

By Mr. THURMOND:

S. 1359. A bill to permit the surviving spouse and unmarried children of a person interred in a cemetery located on a military installation to be interred in such cemetery; to the Committee on Armed Services.

Mr. THURMOND. Mr. President, today, I am introducing legislation which would provide assistance to certain persons who wish to have the right to be buried beside a deceased family member who is buried within the boundary of a military installation.

In the past, I have been contacted by several constituents concerning this somewhat unusual situation. One such case concerned one of my constituent's request to be buried next to her husband in a cemetery located within the boundary of the Fort Jackson military installation near Columbia, S.C. The husband had died in 1940 and was buried in a church cemetery. Since that time, Fort Jackson annexed this property and made it a post cemetery.

Since this cemetery is now a military cemetery, the lady could not be buried next to her husband because she did not meet the requirements spelled out in the provisions of an act entitled "An act to establish eligibility for burial in national cemeteries, and for other purposes" (62 Stat. 234, 24 U.S.C. 281). A private relief bill had to be passed to allow this lady the right to be buried next to her husband.

I am sure there are other individuals in the same situation at Fort Jackson and other areas across the country. I do not believe a private relief bill should have to be passed in each such instance. For this reason, I am introducing this bill which would allow the family of a person buried in a cemetery within the boundaries of a military installation located within the United States to be buried in the same cemetery.

I urge my colleagues to support this worthwhile and meritorious legislation.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1359

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) in any case in which a military department has acquired lands in the United States on which there is a cemetery at the time such lands were acquired by such military department, the Secretary of such military department may authorize the interment in such cemetery of the surviving spouse and unmarried children of any person who was interred in such cemetery at the time such lands were acquired by such military department.

(b) The Secretary of a military department may also authorize the interment of the surviving spouse and unmarried children of any person interred in a post cemetery located on any lands in the United States under the jurisdiction of such Secretary.

SEC. 2. As used in this Act—

(1) The term "cemetery" includes any lands in which there is one or more burial plots.

(2) The term "United States" means the several States, the District of Columbia, the Commonwealth of Puerto Rico, and any territory or possession of the United States.

By Mr. DOMENICI :

S. 1360. A bill to amend the Atomic Energy Act of 1954, as amended, to authorize and direct the Secretary of Energy to enter into formal arrangements with a State to provide for State concurrence in the planning, siting, development, construction and operation of specified radioactive waste storage and disposal facilities, and for other purposes; to the Committee on Environment and Public Works.

● Mr. DOMENICI. Mr. President, I am

today introducing legislation to address the critical issue of State concurrence in the planning, siting, development, construction and operation of nuclear waste storage and disposal facilities. Legislation in this area is essential, both to protect the legitimate interests of the States and to promote an effective solution to the nuclear waste problem. I hope that my colleagues will give this matter their prompt and careful attention.

Mr. President, the need to assure an effective and workable system for State concurrence in the decisionmaking process for nuclear waste storage and disposal facilities has long been a concern to me. Last year I introduced S. 2761, which would have established beyond any doubt the right of a State to say "no" to the location within its boundaries of facilities intended for the long-term storage of readioactive nuclear waste materials.

At that time, I pointed out that under current law the final decision regarding siting of many of these nuclear waste disposal facilities is made by Federal officials who in truth may be more interested in solving a problem quickly and with minimum fuss, than in locating the best site and developing the most effective design for the facility. As I noted, the ability of the States to directly influence Federal actions in this area is particularly limited when the proposed facility is to be located on Federal land.

There have been a number of significant developments since I introduced S. 2761 last year. The March 1979 report to the President by the Interagency Review Group on Nuclear Waste Management, noting the growing concern over State acceptance of locating a federally proposed nuclear repository site within the State, has recommended a process of State consultation and concurrence beginning with the planning stage and continuing through the entire period of repository operation and decommissioning.

The Department of Energy has begun to implement this policy of consultation and concurrence by entering into negotiations with the State of New Mexico to establish formal arrangements for the exercise of State concurrence for the proposed waste isolation pilot plant, the first geologic repository for nuclear waste in this country. The State has begun efforts to negotiate these arrangements with the Federal Government. At the same time, the General Accounting Office has issued a report stating that:

> In the absence of statutory authority permitting such action, we believe that any agreement by the Secretary of Energy, or any of his subordinates, with a State to make DOE's choice of a nuclear waste repository subject to rejection or disapproval by the State, is legally unenforceable.

Mr. President, I believe the approach of Federal/State negotiation to establish the formal arrangements for the State's exercise of its right of concurrence is sound. But that approach will be meaningless exercise unless the Secretary of Energy has the authority to enter into binding commitments on behalf of the Federal Government. My bill would give the Secretary of Energy that authority. Negotiations would begin, at the request of the State, as soon as the Department of Energy began site exploration within the State for the purpose of developing a geologic repository for nuclear wastes. The Secretary of Energy would have the authority to enter into commitments, binding on the Federal Government, establishing formal arrangements under which the State will have the right to concur or not concur in all stages in planning, siting, development, construction and operation of the repository. Construction of the repository could not begin until these arrangements have been agreed upon by the State and the Secretary of Energy.

Mr. President, the past record of handling nuclear wastes in this country is not a good one. Too often there have been shortcuts, poor planning, unforeseen problems, and false starts. There is little margin for error as we plan for the geologic repositories needed to solve this critical problem. Those States which are now the candidates for future nuclear waste facilities must be assured that our past record will not be repeated in the future. My legislation would provide that assurance by establishing a workable framework for Federal/State cooperation in the various stages of development of the repository—a framework providing for direct State participation under terms acceptable to both the State and the Federal Government.

Mr. President, I ask unanimous consent that the text of my bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1360

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Chapter 19 of the Atomic Energy Act of 1954, as amended, is amended by adding the following new section after section 241:

"SEC. 242. STATE CONCURRENCE FOR FACILITIES FOR THE GEOLOGIC STORAGE OR DISPOSAL OF RADIOACTIVE WASTES

"a. The Secretary of Energy shall notify the Governor, the State Legislature, and where applicable, the Tribal Council of any affected Indian tribe of its intent to explore a site in such State, or within an Indian reservation, for the purpose of establishing, evaluating, or contracting for the construction of a facility for the geologic storage or disposal, including test disposal, of high-level radioactive wastes, non-high level radioactive wastes including transuranium contaminated wastes, or irradiated nuclear reactor fuel.

"b. Upon receiving a request from the Governor of any State notified in accordance with subsection a., the Secretary of Energy is authorized and directed to enter into negotiations with the State for the purpose of establishing formal arrangements under which the State will have the right to concur or not concur in all stages in the planning, siting, development, construction, and operation of the proposed facility. Any such arrangements entered into by the Secretary of Energy shall be binding on all agencies of the Federal government.

"c. The Secretary of Energy shall not commence or contract for any construction work for a facility for the geologic storage or disposal, including test disposal, of high-level radioactive wastes, non-high level radioactive wastes including transuranium contaminated wastes, or irradiated nuclear reactor fuel, until the Secretary of Energy and the State in which the facility is proposed to be located have entered into formal arrangements under which the State will have the right to concur or not concur in all stages in the planning, siting, development, construction, and operation of the proposed facility.".●

By Mr. CRANSTON (for himself and Mr. HAYAKAWA):

S. 1361. A bill to authorize the Secretary of the Interior to engage in feasibility studies of the enlargement of Shasta Dam and Reservoir, Central Valley project, California, and for other purposes; to the Committee on Energy and Natural Resources.

● Mr. CRANSTON. Mr. President, on behalf of Senator HAYAKAWA and myself, I introduce for appropriate reference a bill to authorize the Secretary of Interior to engage in feasibility studies of the enlargement of Shasta Dam and Reservoir in California. The legislation is identical to H.R. 4097 introduced in the House by Congressman HAROLD JOHNSON.

While energy issues are now in the forefront and gasoline is the commodity in shortest supply, water could be our scarcest commodity in the future—at least in California. There are current overdrafts on ground water in the San Joaquin Valley, a shortage of water in the State water project to meet contract commitments, problems of maintaining water quality in the Sacramento-San Joaquin Delta, and water-related fish resource problems from Shasta through the Delta.

I firmly believe that we must place a greater emphasis on water conservation and wastewater reuse. But water conservation and recycling are unlikely to make up for the anticipated shortfall. We must look at other alternatives now—and one of the most promising opportunities for augmenting California's water supplies is enlarging Shasta Dam.

The enlargement of Shasta Dam not only could help meet California's future water needs, it also could provide a substantial increase in hydroelectric power. Increasing the height of the dam by 200 feet would triple the capacity of the reservoir, and yield an additional 1.4 million acre feet of water.

However, as an essential first step the Bureau of Reclamation must conduct feasibility studies. The bill I am introducing today authorizes $5 million for this purpose and requires the State of California to participate in the studies and their costs.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1361

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Interior is hereby authorized to engage in feasibility studies relating to enlarging Shasta Dam and Reservoir, Central Valley project, California, or to the construction of a larger dam on the Sacramento River, California, to replace the present structure.

The Secretary of the Interior is further authorized to engage in feasibility studies for the purposes of determining the potential costs, benefits, environmental impacts, and feasibility of using the Sacramento River for conveying water from the enlarged Shasta Dam and Reservoir or the larger dam to points of use downstream from the dam.

There is authorized to be appropriated for the purposes of this Act not more than $5,000,000: *Provided*, That, before funds are expended for the feasibility studies, the State of California shall agree to participate in the studies and to participate in the costs of the studies. The State's share of the costs may be partly or wholly in the form of services directly related to the conduct of the studies.●

By Mr. THURMOND:

S. 1362. A bill to amend title 18, United States Code, with respect to exemption of certain fireworks from registration, and for other purposes; to the Committee on the Judiciary.

Mr. THURMOND. Mr. President, under current law, there exists a redundancy which requires persons and organizations to obtain, in many cases, both a State as well as a Federal permit to purchase fireworks for use in public displays. Federal law classifies and regulates fireworks as "explosives," and purchasers are therefore subject to Federal regulations for purchases and storage of fireworks.

Regulations presently exempt class "C" or "common" fireworks from the Federal permit requirement, but a church, veterans group, civic association or other purchasers cannot buy class "B" fireworks for use in a public display without a Federal permit. This is true even though the organization may have already obtained a State or local permit to acquire the fireworks or to conduct the display.

I am, therefore, proposing a bill which would amend the present law for the limited purpose of removing the current redundancy in permits. This bill would remove the requirement of obtaining a Federal permit where the purchaser has acquired a valid State or local permit for the fireworks. If no State or local permit is obtained, then the current Federal permit requirements would remain applicable. The bill I am proposing would not further affect provisions of the law regarding licensing or storage.

Mr. President, it would appear to me, as I am sure it must to a majority of my colleagues, that State and local governments are quite capable of regulating the sale and distribution of fireworks without the aid of the Federal Government's guiding hand. I, therefore, urge passage of this bill which would eliminate this needless Government supervision over an area in which the present Federal law creates both redundancy as well as an unnecessary Government expense.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1362

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 846 of title 18, United States Code, is amended by adding after the end of section (a) (6) the following:

(7) (A) The importation and distribution of fireworks which are Class C explosives, generally known as "Common Fireworks" as described by regulations of the United States Department of Transportation.

(B) The distribution of fireworks in a finished state which are Class B explosives, generally known as "Special Fireworks" as described by regulations of the United States Department of Transportation, for use in a public firworks display, provided the person acquiring the fireworks possesses a State or local permit authorizing such acquisition or display. Fireworks which are Class B explosives (Special Fireworks) are not exempt, however, from any storage provisions which the Secretary may by regulations prescribe.

By Mr. JACKSON (by request):

S. 1363. A bill to provide certain authorities for the Department of Energy; to the Committee on Energy and Natural Resources.

DEPARTMENT OF ENERGY HOUSEKEEPING ACT OF 1979

● Mr. JACKSON. Mr. President, by request, I send to the desk for appropriate reference a bill to provide certain authorities for the Department of Energy.

Mr. President, this draft legislation was submitted and recommended by the Department of Energy, and I ask unanimous consent that the bill, the executive communication, and a section-by-section analysis which accompanied the proposal from the Secretary of Energy be printed in the RECORD.

There being no objection, the bill and material were ordered to be printed in the RECORD, as follows:

S. 1363

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as "The Department of Energy Housekeeping Act of 1979".

TITLE I—ENERGY INFORMATION ADMINISTRATION AMENDMENTS

SEC. 101. Chapter 13 of Title 44, United States Code, "Public Printing and Documents" is amended by adding at the end thereof the following new section:

"§ 1345. ENERGY INFORMATION ADMINISTRATION: PUBLICATIONS

The publications of the Energy Information Administration shall be published in editions recommended by the Administrator of the Energy Information Administration, but not to exceed ten thousand copies for the first edition. In addition to the usual number of the annual report of the Energy Information Administration, three thousand copies shall be printed: one thousand for the Senate and two thousand for the House of Representatives. When the edition of a publication of the Energy Information Administration is exhausted and the demand for it continues, there may be published, on the requisition of the Administrator of the Energy Information Administration, as many additional copies as he deems necessary to meet the demand.".

SEC. 102. (a) Section 58(a) of the Federal Energy Administration Act of 1974 is amended by inserting "to the Administrator" after the word "which", the first time it appears, in paragraph (2).

(b) Section 58 of the Federal Energy Administration Act of 1974 is amended as follows:

(1) by striking out "(b)" in subsection (b) and inserting in lieu thereof "(c)"; and

(2) by inserting a new subsection (b) after subsection (a) to read as follows: "(b) The Administrator, or the Director, is authorized to make binding assurances of non-disclosure in exchange for energy information in the possession of another Federal agency, if such agency determines that the discharge of authorities and responsibilities which have been delegated to, or vested by law in, such agency would be significantly impaired, not by disclosure to the Director or the Administrator, but by subsequent disclosure of such information as required pursuant to section 205 (f) of the Department of Energy Organization Act of 1977.".

(c) Section 205 of the Department of Energy Organization Act of 1977 is amended by striking out the period at the end of subsection (f) and inserting in lieu thereof a semicolon, and by adding at the end of subsection (f) the following:

"except that the Administrator shall not be required to disclose to such administration, commission or office any energy information or analysis which has been obtained in exchange for a commitment of non-disclosure pursuant to section 58(b) of the Federal Energy Administration Act of 1974.".

SEC. 103. (a) Section 11(c) (3) of the Energy Supply and Environmental Coordination Act of 1974 is amended as follows:

(1) by striking out "quarterly" wherever it appears and inserting in lieu thereof "annual";

(2) by striking out "quarter" wherever it appears and inserting in lieu thereof "year"; and

(3) by striking out "6 months after the date on" in the last sentence of paragraph (3) and inserting in lieu thereof "with the first year for".

(b) Section 505(b) of the Energy Policy and Conservation Act of 1957 is amended by striking out "quarter" and inserting in lieu thereof "year".

TITLE II—INTERNATIONAL VOLUNTARY AGREEMENT EXTENSION

SEC. 201. Section 252(j) of the Energy Policy and Conservation Act of 1975 is amended by striking out "June 30, 1979" and inserting "January 19, 1986".

TITLE III—AMENDMENTS TO THE NATIONAL ENERGY CONSERVATION POLICY ACT

AUTHORIZATION OF APPROPRIATIONS

SEC. 301. (a) Subsection (b) of section 397 of the Energy Policy and Conservation Act, as added by section 302 the National Energy Conservation Policy Act is amended to read as follows:

"(b) For the purpose of making energy conservation project grants pursuant to section 396, there is authorized to be appropriated not to exceed $180,000,000 for the fiscal year ending September 30. 1978, $95,000,000 for the fiscal year ending September 30, 1979, $300,000,000 for the fiscal year ending September 30, 1981, and $300,000,000 for the fiscal year ending September 30, 1982, such funds to remain available until expended. Of the amounts appropriated under this subsection for each of the following fiscal years not more than the following percentage may be used for purposes of technical assistance:

"Fiscal Year Ending:	percentage
"September 30, 1978	30
"September 30, 1979	30
"September 30, 1981	12.5
"September 30, 1982	0".

(b) Subsection (c) of section 397 of the Energy Policy and Conservation Act, as added by Section 302 of the National Energy Conservation Policy Act is amended to read as follows:

"(c) For the expenses of the Secretary in administering the provisions of this part, there are hereby authorized to be appropriated such sums as may be necessary for each fiscal year in the six consecutive fiscal year periods ending September 30, 1983, such funds to remain available until expended.".

TITLE IV—AWARDS

SEC. 401. (a) Part C of Title VI of the Department of Energy Organization Act is amended by adding at the end thereof the following new section:

"AWARDS

"SEC. 661. The Secretary may, with the approval of the President, grant an award for any especially meritorius contribution to the development, use, or control of energy.".

(b) The table of contents for Part C of Title VI of the Department of Energy Organization Act is amended by inserting at the end thereof the following:

"Sec. 661. Awards.".

(c) The last sentence of section 157(b)(3) of the Atomic Energy Act of 1954, as amended, is repealed.

(d) The amendments made by this section shall take effect on the date of enactment.

TITLE V—NAVAL PETROLEUM RESERVES

SEC. 501. Section 7422(c) of Title 10, United States Code, is amended by deleting the last sentence of paragraph (1).

SEC. 502. Section 7432 of Title 10, United States Code, is amended to read as follows:

"7432. Authorization for Appropriations

"(a) There are authorized to be appropriated such sums as may be necessary, to remain available until expended, for the expenses of—

"(1) exploration, prospecting, conservation, development, use, operations, and production of the naval petroleum reserves as authorized by this chapter;

"(2) production (including preparation for production) as authorized by this chapter, or as may hereafter be authorized; and

"(3) the construction and operation of facilities both within and outside the naval petroleum reserves incident to the production and the delivery of petroleum, including pipelines and shipping terminals.

"(b) Contracts under this chapter providing for the obligation of funds may be entered into for a period of five years, renewable for an additional five-year period; however, such contracts may obligate funds only to the extent that such funds are made available in annual appropriations.".

SEC. 503. Unappropriated balances of receipts in the "naval petroleum reserves special account" on the date of enactment of this section, and all other moneys accruing to the United States thereafter under chapter 641 of Title 10, United States Code, shall be deposited into miscellaneous receipts of the Treasury.

SEC. 504. The table of sections at the beginning of chapter 641 of Title 10, United States Code, is amended by striking out "7432. Naval petroleum reserve special account." and inserting in lieu thereof the following:

"7432. Authorization for appropriations.".

TITLE VI—GEOTHERMAL LOAN COMPANY PROGRAM AMENDMENTS

SEC. 601. Section 201 of the Geothermal Energy Research, Development, and Demonstration Act of 1974 (88 Stat. 1079) is amended by striking subsection (g) and substituting therefor the following new subsection:

"(g) With respect to any obligation which is issued after the enactment of this subsection by, or in behalf of, any State, political subdivision, or Indian tribe and which is either guaranteed under this title, or supported by taxes levied by said issuer which are guaranteed under this title, the interest paid on such obligation and received by the purchaser thereof (or the purchaser's successor in interest) shall be included in the gross income of such purchaser for the purpose of chapter 1 of the Internal Revenue Code of 1954, as amended: *Provided*, That the Administrator, in accordance with terms and conditions established by the Administrator, shall pay to said issuer out of the funds established by this title that portion of the interest on said obligation, as determined by the Administrator, in consultation with the Secretary of the Treasury, to be appropriate after taking into account current market yields (1) on obligations of said issuer, if any, and (2) on other obligations with similar terms and conditions which pay interest not included in gross income for purposes of chapter 1 of said Code.".

SEC. 602. Section 203 of the Geothermal Energy Research, Development, and Demonstration Act of 1974 (88 Stat. 1079) is amended by striking out ", or interest assistance contracts entered into,".

TITLE VII—ELECTRIC AND HYBRID VEHICLE LOAN GUARANTEE AMENDMENTS

SEC. 701. Section 10(e) of the Electric and Hybrid Vehicle Research, Development, and Demonstration Act of 1976 (15 U.S.C. 2509 (e)), as amended, is further amended by adding at the end of subsection (3)(A) the following:

"The borrower of each loan which is guaranteed under this Act shall be assessed a guarantee fee equal to one percent per annum of the outstanding indebtedness covered by the guarantee, or such lesser amount as the Administrator shall deem appropriate, giving due consideration to the objective of recovering applicable administrative costs and probable losses on guaranteed obligations. All loan guarantee fees shall be collected by the Administrator and paid into the fund.".

SEC. 702. Section 10(h) of the Electric and Hybrid Vehicle Research, Development, and Demonstration Act of 1976 (15 U.S.C. 2509 (h)), as amended, is further amended by striking out ", or interest assistance contracts entered into,".

TITLE VIII—PRESIDENTIAL REPORT

SEC. 801. Section 403(c) of the Powerplant and Industrial Fuel Use Act of 1978 is repealed.

TITLE IX—CONSOLIDATION OF REPORTS

SEC. 901. The second sentence of section 657 of the Department of Energy Organization Act is amended by inserting immediately after the words "Such report" the following: ", which may be consolidated at the discretion of the President with the proposed National Energy Policy Plan and the accompanying report described in section 801 of this Act,".

DEPARTMENT OF ENERGY,
Washington, D.C., June 5, 1979.

Hon. WALTER F. MONDALE,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: I am transmitting herewith a draft bill prepared by the Department of Energy (DOE). Also enclosed is a section-by-section analysis of the draft bill.

The bill is a collection of remedial, or "housekeeping", modifications of existing authorities. DOE has now been in existence for approximately twenty months, during which time a number of legislative changes necessary for the effective performance of DOE's functions have been identified. The draft bill is divided into nine titles to reflect the different subject matter addressed by each.

TITLE I—ENERGY INFORMATION ADMINISTRATION AMENDMENTS

Section 101 amends Chapter 13 of Title 44, United States Code, to provide to the Energy Information Administration (EIA) the same privileges with respect to the printing of public documents as are enjoyed by other government agencies having major publications responsibilities. This proposal would remove existing impediments to the timely publication and dissemination of a significant volume of EIA reports, while insuring that EIA is fully responsible for the format and content of such documents.

Proposed section 102 amends section 58 of the Federal Energy Administration Act of 1974 (FEA Act) and section 205 of the Department of Energy Organization Act (DOE Act) to authorize the Administrator of EIA to make binding assurances of non-disclosure to other Federal agencies in exchange for energy information in the possession of such agencies. The Administrator has previously been denied energy information on the basis that subsequent disclosure of the information by the Administrator, pursuant to his duty to disclose such information to other offices within DOE under section 205(f) of the DOE Act, would significantly impair the ability of the Federal agency supplying the information to discharge the responsibilities vested by law in such agency (section 58(a) of the FEA Act). This proposal would permit the Administrator to make the necessary assurances in order to obtain the desired information.

Section 103 amends section 11(c)(3) of the Energy Supply and Environmental Coordination Act of 1974 (ESECA) and section 505(b) of the Energy Policy and Conservation Act (EPCA) to permit the Administrator of EIA to file annual rather than quarterly reports compiled from accounts kept in accordance with section 503 of EPCA. This proposal is intended to reduce the administrative burden imposed upon EIA by section 11(c)(3) of ESECA, and to reduce the reporting burden of those individuals subject to the requirement of section 503 of EPCA. If enacted, the proposal would result in an estimated cost savings to the Federal government of between $2.5 to $5 million annually.

TITLE II—INTERNATIONAL VOLUNTARY AGREEMENTS EXTENSION

Section 201 would amend section 252(j) of EPCA by changing the expiration date of that section from June 30, 1979 to January 19, 1986. The main purposes of this proposal are:

(1) To extend until the later date the antitrust defense afforded by section 252(f) of EPCA to U.S. oil companies participating in the Agreement on an International Energy Program (IEP); and

(2) To match the duration of section 252 with that of the IEP, which can be terminated 10 years after January 19, 1976, the date upon which it became definitely effective, if the parties so choose.

This extension of section 252 will permit the continued essential participation of U.S. oil companies in the IEP.

There are presently 20 signatories to the IEP, consisting of most of the principal industrialized oil consuming nations. The agreement requires each country to establish an emergency petroleum storage program, and to have a means for restraining demand for petroleum products in the event of an interruption of petroleum supplies to the IEP countries in an amount which exceeds 7 percent of normal consumption during a defined base period.

Section 252 of the Energy Policy and Conservation Act (EPCA) sets out procedures applicable to the development or carrying out of voluntary agreements to implement the allocation and information provisions of the international energy program. Pursuant to this authority, effective March 21, 1976, U.S. oil companies entered into the Voluntary Agreement and Plan of Action to Implement the International Energy Program (41 F.R. 13998, April 1, 1976) (the Voluntary

Agreement). At present, 21 U.S. oil companies, including both major international oil companies and independent oil companies, are participants in the Voluntary Agreement. The procedures provided in Section 252 are the only means by which a defense to the antitrust laws can be made available with respect to U.S. oil company participation in the development or carrying out of voluntary agreements.

The antitrust defense made available by Section 252(f) is essential to the participation of U.S. oil companies in the Voluntary Agreement and, through it, in the IEP. The IEP, in turn, can effectively function only with participation by U.S. and foreign oil companies which are primary sources of information about conditions in the international oil market and would be the primary actors in redistributing oil if the IEP's emergency sharing provisions were activated. The Department of Energy, the Department of Justice and the Federal Trade Commission have closely monitored industry participation in the IEP. In their reports to Congress the Justice Department and the Federal Trade Commission have concluded that no anticompetitive activities have been carried out and no anticompetitive effects have been incurred by reason of industry activity under the Voluntary Agreement.

The utility of the IEP and the necessity of oil industry participation in the IEP have been graphically demonstrated in the past several months, when curtailment of exports from Iran has created dislocations in the international oil market. In this period, the IEA's Standing Group on Emergency Questions (SEQ) and Standing Group on the Oil Market (SOM) have held frequent consultations with the Industry Advisory Board (IAB) to the IEA and the Industry Working Party (IWP) to discuss the nature, extent and effects of the shortfall in world oil supplies. These consultations (which were monitored by U.S. Government observers from the Departments of Energy and Justice and from the Federal Trade Commission) have enabled the IEA and its member governments to take concerted action to reduce dislocations.

If the antitrust defense provided for in Section 252(f) were no longer available for U.S. oil company activities in connection with the IEP, those companies would cease their membership on the IAB and IWP and their subcommittees and as Reporting Companies in the IEA data system. Without U.S. oil company cooperation, the IEA information and emergency allocation systems would be ineffective and the IEP's purpose would be frustrated.

The bill does no more than extend the time Section 252 is effective. All of the other conditions and safeguards presently incorporated in that Section, and which have proven to be effective, including reports to Congress by the antitrust enforcement agencies, public notice of industry meetings, attendance at industry meetings by U.S. Government representatives and taking of verbatim transcripts or full and complete minutes, will remain unchanged.

TITLE III—AMENDMENTS TO THE NATIONAL ENERGY CONSERVATION POLICY ACT

Title III would amend section 302 of the National Energy Conservation Policy Act (NECPA), Public Law 95-619, by extending the time period during which appropriations are authorized for grants to schools and hospitals to conduct energy conservation programs. This amendment does not increase the total funds originally authorized for this program. It merely allows the Congress to appropriate all of the funds originally authorized for this grant program. Because of the delay in enactment of NECPA, establishment of the program according to the original schedule was not possible. DOE remains committed to full implementation of this program and believes that the $900 million authorized for energy conservation programs in schools and hospitals accurately reflects the level of funding required to carry out this program.

With one minor exception, this amendment simply extends the authorization to allow Congress to fund this program at the level and in the manner originally envisioned. The minor change occurs in the level of funding available for technical assistance to energy conservation programs for schools and hospitals. Section 302 NECPA amends EPCA by adding sections 391 to 400. Subsection (b) of new section 397, using percentages of annual authorizations, establishes a ceiling of $118.25 million for technical assistance over the life of the program. The new percentages provided in this amendment would raise that ceiling to $120 million. We believe that these new percentages more accurately reflect the funding necessary for technical assistance under this program.

Finally, this amendment extends the authorization for funds that the Secretary will use to administer this program. To ensure that funds are available for close-out costs, the authorizations for administrative expenses extend one year beyond the authorizations for the grant programs.

TITLE IV—AWARDS

The purpose of Title IV is (1) to clarify the present authority of the Secretary of Energy to make awards for especially meritorious contributions to the development, use, or control of atomic energy, and (2) to permit the Secretary, with the approval of the President, to make awards for especially meritorious contributions to the development, use, or control of non-nuclear energy.

The Secretary's authority to recognize achievements in the field of atomic (nuclear) energy derives from the last sentence of section 157(b)(3) of the Atomic Energy Act of 1954, as amended, which states that an award may be granted "after consultation with the General Advisory Committee". The statutory provision establishing the General Advisory Committee has recently been repealed. Accordingly, the section 157(b)(3) requirement for consultation with this nonexistent committee must be deemed to have been eliminated, albeit impliedly. The first purpose of Title IV is to convert this implied repeal into an express repeal by deleting the reference to the General Advisory Committee.

The second purpose of Title IV is to allow the Secretary to recognize contributions to non-nuclear energy fields on an equal basis with contributions to the nuclear energy field. This alteration in the law would remove a bias in favor of nuclear energy which arose in the first instance as a consequence of the historical circumstance that the Atomic Energy Commission's jurisdiction did not embrace the non-nuclear energy field.

TITLE V—NAVAL PETROLEUM RESERVES

Title V of this Act would demand the Naval Petroleum Reserves Production Act of 1976 (Public Law 94-258). The Act amended Chapter 641 of Title 10, United States Code, the law which governs the administration of the Naval Petroleum and Oil Shale Reserves.

As you may recall, Public Law No. 94-248 directs the Secretary of Energy to provide pipeline capacity capable of carrying not less than 350,000 barrels of oil per day (BOPD) out of Naval Petroleum Reserve No. 1 (Elk Hills, California) by April 5, 1979.

In order to comply with this mandate, numerous West Coast oil companies were contacted in an attempt to utilize their existing oil pipelines, as well as to discuss the possibility of such companies' constructing new pipeline facilities out of Elk Hills to potential sales points. These meetings resulted in arrangements for approximately 140,000 BOPD to be transported through existing pipelines owned by Chevron U.S.A., Inc. (a wholly owned subsidiary of Standard Oil Company of California), and Atlantic Richfield Company (ARCO). The amount of existing spare pipeline capacity in the vicinity of Elk Hills was subsequently revised to 160,000 BOPD. Plans for transporting the remaining required statutory amount envisioned the construction of a Government-owned pipeline.

On April 6, 1978, the decision was made to begin final design on a Government pipeline going from Elk Hills to the Redlands, California, area where it would connect with the proposed SOHIO (PACTEX) pipeline from Long Beach, California to Midland, Texas. Because of lack of progress by SOHIO in securing the necessary permits, it became apparent that SOHIO's pipeline would not be completed in time for the Government to meet the April 5, 1979 deadline. In view of these facts, the decision was made to suspend temporarily the work on the Government pipeline in order to allow for a reassessment of the Department of Energy's position and Congressional review of this matter. Notification of the decision to suspend work in the pipeline was provided to the Chairmen of the House and Senate Armed Services Committees on August 16, 1978, pursuant to Section 7431(b)(1) of Title 10, United States Code.

In January 1979, after additional production history had been obtained on the Elk Hills pools, the estimated maximum efficient rate of production was revised. While the amount of recoverable crude oil had not changed, our calculations indicated that the maximum efficient rate of production lay between 200,000 and 220,000 BOPD.

The Department of Energy has recently learned that an additional 50,000 BOPD spare pipeline capacity now exists in the vicinity of Elk Hills. Therefore, a total of approximately 210,000 BOPD pipeline capacity is available to transport Elk Hills crude.

The proposed amendment would leave the Secretary sufficient flexibility to determine whether it is necessary for the Government to construct its own pipeline if existing pipeline capacity proves to be inadequate. It would further allow the Secretary to determine the size of the Government pipeline if one is constructed. Finally, the proposed amendment would tie the pipeline capacity more closely to the maximum efficient rate of production from Elk Hills.

The Chairmen of the Senate and House Committees on Armed Services have received notification of the foregoing in a letter dated April 5, 1979.

For the reason noted above, we are proposing that 10 U.S.C., 7422(c)(1) be amended by:

1. Deleting the 350,000 BOPD requirement; and

2. Deleting the April 5, 1979, completion date requirement. The foregoing recommendations would be accomplished by deleting the last sentence of 10 U.S.C. 7422(c)(1).

In addition, we are proposing that the Naval Petroleum Reserves Special Account established by Section 201(13) of Public Law 94-258 (Title 10, United States Code 7432) be abolished. The original purpose of the fund was to set aside revenues from the sale of petroleum from the Naval Petroleum Reserves for the purpose of funding exploration, development, and production at the Reserves; activities at the National Petroleum Reserve in Alaska; and activities relating to the Strategic Petroleum Reserve established by the Energy Policy and Conservation Act. In light of the fund requirements of these various programs, especially the Strategic Petroleum Reserve, it has become evident that revenues from the Naval Petroleum Reserves cannot be utilized as originally envisioned by Congress. It should be noted that, since its creation three years ago, the Special Account has been utilized on only one occasion, and that provided for the transfer of funds to the Strategic Petroleum Reserve.

Since the Special Account is no longer necessary to carry out is original purpose, its continued existence only complicates the Treasury's system of accounts. The proposed amendment to Title 10, United States Code 7432 would provide that all revenues from the Naval Petroleum Reserve be placed in the general fund and that there be authorized for appropriation from this fund such sums as may be necessary, without time limitation, for exploration, development, and production of the Naval Petroleum and Oil Shale Reserve and for construction and operation of transportation facilities from the Naval Petroleum Reserves. In addition, the Secretary of Energy continues to have the authority to enter into contracts for a period of five years, renewable at the option of the Secretary for an additional five-year period, provided that the necessary funds are made available in annual appropriations. Authorization for appropriations for the Strategic Petroleum Reserve is contained in separate legislation. Authorization for appropriations to the Secretary of the Interior for the National Petroleum Reserve in Alaska is provided for in Section 107(a) of Public Law 94–258.

TITLE VI—GEOTHERMAL LOAN GUARANTEE PROGRAM AMENDMENTS

Title VI consists of two amendments to the Geothermal Energy Research, Development and Demonstration Act of 1974. Section 601 is intended to conform the tax treatment of DOE-guaranteed geothermal loans with the treatment accorded DOE-guaranteed loans for municipal waste facilities. This alteration in the law, which has been suggested by the Treasury Department, will insure that interest paid on DOE-guaranteed geothermal loans is included in the gross income of the receiving party. In addition, Section 601 corrects an apparent error in the Act. Near the end of section 201(g), the statute requires the Administrator to pay an issuer out of a fund established by this title an amount determined "to be appropriated" after taking account of market yields, etc. The phrase should read: "to be appropriate".

Section 602 is intended to remove an unnecessary and undesirable restriction upon the Secretary's authority, beginning in 1984, to avert default of a guaranteed obligation by making interest payments on behalf of the borrower. As the legislation now reads, the Secretary may make such interest payments prior to September 4, 1984, if he finds, among other things, (1) that it is in the public interest to permit the borrower to continue to pursue the project, and (2) that the probable net benefit to the Federal government will be greater than that which would result in the event of a default. Since the government's contingent liability on guaranteed obligations will not expire until well after 1984, the Secretary should be permitted to safeguard the public's investment by making interest payments whenever the conditions referred to above are found to exist, whether prior to September 4, 1984, or after that date.

TITLE VII—ELECTRIC AND HYBRID VEHICLE LOAN GUARANTEE AMENDMENTS

The Electric and Hybrid Vehicle Research, Development, and Demonstration Act of 1976 provides incentives for the commercial production of electric and hybrid vehicles. One of these incentives, the Federal loan guarantee program, is designed to insure that qualified concerns, including small business concerns, are not precluded from participation in this area of commerce due to the lack of adequate capital. In 1978, the Congress established an Electric and Hybrid Vehicle Development Fund in the Treasury for use by the Administrator in servicing the loan guarantee program. In thus moving to provide a firm fiscal foundation for the guarantee program, the Congress failed to include a provision for the collection of guarantee fees which might be employed to offset administrative expenses and other losses experienced by the fund. Such guarantee fees have traditionally been authorized with respect to such funds in order to preclude unnecessary recourse to general tax revenues. Inasmuch as the Electric and Hybrid Vehicle Demonstration Fund owes its establishment to the same fiscal goals which motivated the establishment of similar funds in the Treasury each of which provides for the collection of guarantee fees, it appears that the failure to provide for guarantee fees in this case was inadvertent. We propose to remedy this omission, and to restore parity with other loan-guarantee programs, by authorizing the collection of guarantee fees up to a maximum amount of one percent per annum of the outstanding indebtedness covered by the guarantee.

A second deficiency in the existing legislation concerns the inability of the Administrator, beginning in September 1983, to avert default of a guaranteed obligation by making interest payments on behalf of the borrower from monies contained in the fund. Guarantors of commercial loans generally insist on the right to make principal and interest payments on behalf of their insured borrowers. This right constitutes a significant authority for a guarantor by which he may postpone, and hopefully avoid altogether, the triggering of an accelerated payments clause in the loan agreement. Inasmuch as the government's contingent liability on guaranteed obligations will not expire until 1998, it would be imprudent to curtail the Administrator's ability to protect the government's financial interest in the period from 1983 to 1998. We propose, therefore, that the 7-year limitation upon the Administrator's authority to enter into interest assistance contracts be deleted.

TITLE VIII—PRESIDENTIAL REPORT

Section 403(c) of the Powerplant and Industrial Fuel Use Act of 1978 requires the President to submit an annual report to the Congress on the action taken by the Executive Branch to implement that portion of the Act (Section 403) entitled "Conservation in Federal Facilities, Contracts and Financial Assistance Programs."

In addition to this specific report regarding a single section of the Act, there exists a comprehensive reporting requirement regarding the Act as a whole. The comprehensive reporting requirement is contained in section 806 which instructs the Secretary of Energy to file an annual report on actions taken and to be taken under the Act. This comprehensive report must also include data on the effectiveness of the Act in achieving its purposes. Inasmuch as full compliance with the comprehensive reporting requirement of Section 806 will of necessity involve a substantive duplication of the specific report required by Section 403(c), repeal of the latter provision would result in significant administrative savings without reducing the scope of the material being supplied to the Congress.

TITLE IX—CONSOLIDATION OF REPORTS

Section 801 of the Department of Energy Organization Act requires the President to submit to the Congress every two years a proposed National Energy Policy Plan, together with an accompanying report. In discharging his obligations under this section, the President has assigned to the Department of Energy the major responsibility for developing preliminary versions of both documents.

The Department of Energy Organization Act also requires the Secretary of Energy to transmit an annual report to the President for submission to the Congress. The scope of this annual report, as set forth in section 657 of the Act, overlaps the scope of the section 801 documents in numerous respects, with the result that unnecessary expense is incurred, and unnecessary effort expended, during those alternate years when both the annual report and the proposed Plan must be submitted to the Congress. In order to avoid this waste of resources, without reducing the scope of the information being supplied to the Congress or to the public, we propose that the President be permitted, at his discretion, to consolidate the annual report of the Department's activities with the proposed National Energy Policy Plan and its associated report.

The Office of Management and Budget has advised that enactment of this proposed legislation would be in accord with the program of the President.

Sincerely,

James R. Schlesinger,
Secretary.

Section-by-Section Analysis

TITLE I—ENERGY INFORMATION ADMINISTRATION AMENDMENTS

Section 101 would amend Chapter 13 of Title 44, United States Code, to provide to the Energy Information Administration (EIA) the same privileges with respect to the printing of public documents as are enjoyed by other government agencies having major publication responsibilities. Although EIA publishes approximately 470 separate reports per year, it is currently subject to the Government Printing Office regulations of general applicability, which:

(1) limit the quantity of each report the EIA may have printed;

(2) place EIA in a low priority printing category, leading to publication delays;

(3) complicate the procedures necessary to have an EIA publication printed; and

(4) allow modification of EIA publications without prior EIA review and approval.

This proposal would eliminate these impediments to the timely publication and dissemination of EIA reports, while insuring that EIA is fully responsible for the format and content of such documents.

Proposed section 102 would amend section 58 of the Federal Energy Administration Act of 1974 (FEA Act) and section 205 of the Department of Energy Organization Act of 1977 (DOE Act) to authorize the Administrator of EIA to make binding assurances of non-disclosure to other Federal agencies in exchange for energy information in the possession of such agencies.

Currently, section 205(f) of the DOE Act requires the Administrator to provide promptly any relevant energy information in its possession to any office within DOE upon request. Under section 58(a) of the FEA Act, the Administrator is unable to obtain from other federal agencies any information the disclosure of which would, in the judgment of the possessing agency, impair the agency's ability to discharge its responsibilities. Several agencies which have declined to supply information to EIA on these grounds have indicated that their ability to discharge their responsibilities would not be impaired if the Administrator could offer binding assurances of non-disclosure to other DOE offices. Since such assurances cannot currently be made, the Administrator must either seek the desired information from the original or suitable alternate sources, at considerable expense, or forego acquisition of the information entirely.

Section 102 would permit the Administrator to obtain such information by authorizing assurances of non-disclosure and by creating a limited exception to the mandato disclosure rule for that information acquired by means of such an assurance.

Section 103 would amend section 11(c)(3) of the Energy Supply and Environmental Coordination Act of 1974 (ESECA) and section 505(b) of the Energy Policy and Conservation Act (EPCA) to permit the Administrator of EIA to file annual reports compiled from accounts kept in accordance with section 503 of EPCA. Such reports are currently required to be filed quarterly by the Administrator of EIA pursuant to the transfer of functions contained in section 205(b) of the DOE Act.

The purpose of this proposal is to reduce the administrative burden imposed by section 11(c)(3) of ESECA upon EIA. It would also indirectly serve to reduce the burden upon those persons engaged in the production of crude oil and natural gas who are required to follow the accounting practices established by section 503 of EPCA. Annual rather than quarterly reporting is also consistent with section 205(h)(4) of the DOE Act relating to required annual reporting by energy-producing companies. The estimated budget impact of this proposal is an approximate cost savings of between $2.5 to $5 million annually.

TITLE II—INTERNATIONAL VOLUNTARY AGREEMENTS EXTENSION

Section 201 would amend section 252(j) of the Energy Policy and Conservation Act (EPCA) by changing the expiration date of that section from June 30, 1979 to January 19, 1986. The main purposes of this proposal are: (1) to extend until the later date the antiitrust defense afforded by Section 252(f) to U.S. oil companies participating in the Agreement on an International Energy Program (IEP); and (2) to match the duration of section 252 with that of the IEP, which can be terminated by the parties 10 years after January 19, 1976, the date upon which it became effective.

The IEP is a multilateral international agreement whereby the United States and 19 other major oil consuming nations have joined efforts to provide, among other things, for: (1) an emergency allocation system which would be activated in the event of a significant oil supply interruption; and (2) a continuing surveillance of the international oil market and a general information system to support that oil surveillance. The continued ability to utilize the technical expertise of the U.S. oil companies is necessary to accomplish these objectives.

This proposal would extend the antitrust defense contained in section 252 to permit the continued essential participation of the U.S. oil companies involved, and would make the duration of section 252 coextensive with that of the IEP.

TITLE III—AMENDMENTS TO THE NATIONAL ENERGY CONSERVATION POLICY ACT

Section 301. Authorization of Appropriations.

Section 302 of the National Energy Conservation Policy Act (NECPA) amends the Energy Policy and Conservation Act (EPCA) by adding sections 391 through 400 to provide authority for the creation of energy conservation programs for schools and hospitals. New section 397 authorizes a total of $900 million to be appropriated in fiscal years 1978 through 1980 to conduct these energy conservation programs. Congress has appropriated $300 million of this amount for fiscal years 1978 and 1979. In fiscal year 1980, the Department of Energy (DOE) is requesting no additional funding for this program. This means that total appropriations through fiscal year 1980 fall $600 million short of the original authorization. DOE is committed to this program and believes that the $900 million authorized under NECPA is necessary for full implementation of this program. Because of the delay in enactment of NECPA, additional time beyond that originally contemplated is required to allocate prudently all of these funds. Therefore, this amendment to subsection (b) of new section 397 extends the authorization for grants for energy conservation projects in schools and hospitals through fiscal years 1981 and 1982, providing $300 million in each fiscal year. This amendment will allow the Congress to appropriate all of the $900 million originally authorized for this program in fiscal years in which DOE will be able to use the funds.

Subsection (c) of new section 397 is amended to extend through fiscal year 1983 the authorization for funds to administer this program. This extension will insure that funds are available to administer and close out the program.

TITLE IV—AWARDS

Section 401(a) adds a new section 661 to the Department of Energy Organization Act (DOE Act). The new section authorizes the Secretary of Energy to confer monetary or other types of awards upon an individual or upon an institution in recognition of an especially meritorious contribution by that individual or institution to the development, use, or control of energy. Before such an award may be made, however, the Secretary must obtain the approval of the President. In the case of monetary awards, the Secretary's authority is contingent upon the availability of a suitable appropriation.

The language of the new section 661 is patterned upon, and is intended to be a replacement for, the last sentence of section 157(b)(3) of the Atomic Energy Act of 1954, as amended. Two features of the section 157(b)(3) language are, however, omitted in the new section 661. The first of these is the requirement that the Secretary consult with the "General Advisory Committee" before granting an award. This committee no longer exists; it was established by section 26 of the Atomic Energy Act of 1954, which section was repealed by section 709(c)(1) of the DOE Act.

The second feature of the section 157(b)(3) language which is not incorporated in the new section 661 is the requirement that awards be confined to the recognition of contributions in the field of atomic energy. The effect of deleting the adjective "atomic" from the text of the new section 661 is to permit the Secretary to make awards for contributions to the development, use, or control of both nuclear and non-nuclear energy, without discrimination.

Section 401(b) amends the Table of Contents of the DOE Act to reflect the addition of the new section 661.

Section 401(c) repeals the last sentence of section 157(b)(3) of the Atomic Energy Act of 1954, as amended. Since all of the authority previously vested in the Secretary by the last sentence of section 157(b)(3) (as transferred by section 301(a) of the DOE Act) is vested anew by section 661, together with additional authorities, the last sentence of section 157(b)(3) may be repealed without diminishing the Secretary's authority in any respect.

Section 401(c) establishes the effective date of its enactment.

TITLE V—NAVAL PETROLEUM RESERVES

Section 501 amends the Naval Petroleum Reserve Production Act of 1976 to delete the requirement that the Secretary of Energy provide adequate pipeline capacity to carry not less than 350,000 barrels of oil per day (b/d) out of Naval Petroleum Reserve No. 1 (Elks Hills, California) by April 5, 1979.

The proposed amendment would leave the Secretary sufficient flexibility to determine whether it is necessary for the Federal government to construct its own pipeline if insufficient pipeline capacity is available in private lines. It would further allow the Secretary to determine the size of a Government pipeline if one is constructed.

Section 502 amends Section 201(13) of Public Law 94-258 (Title 10, United States Code 7432) and abolishes the naval petroleum reserves special account. The proposed amendment authorizes the appropriation of such sums as may be necessary for the operation, development, exploration, and production of the naval petroleum reserves. Such sums appropriated are to remain available until expended.

Section 503 proposes to transfer all funds in the naval petroleum reserves special account into the miscellaneous receipts of the Treasury on the date of enactment of this section.

Section 504 amends the table of sections, at the beginning of chapter 641 of Title 10, United States Code, to delete reference to the "Naval petroleum reserve special account" and substitute therefor "Authorization for appropriations".

TITLE VI—GEOTHERMAL LOAN GUARANTEE PROGRAM AMENDMENTS

Section 601 would amend section 201(g) of the Geothermal Energy Research, Development, and Demonstration Act of 1974 (88 Stat. 1079) regarding interest payments of geothermal loan guarantees. Specifically, it would require all interest payments on government-guaranteed geothermal loans to be included in the gross income of the recipient for Federal income tax purposes. The purpose of this amendment is to bring the interest payment provisions of the geothermal program into general conformity with those governing other loan guarantee programs administered by the Department of Energy.

Section 602 would remove the 10-year limitation upon the Secretary's authority to enter into interest assistance contracts.

TITLE VII—ELECTRIC AND HYBRID VEHICLE LOAN GUARANTEE AMENDMENTS

Section 701 would amend the Electric and Hybrid Vehicle Research, Development, and Demonstration Act of 1976 to provide that a loan guarantee fee shall be collected from the borrower of each loan guaranteed by the Administrator. The amount of the fee shall be fixed by the Administrator but cannot exceed one percent per annum of the outstanding indebtedness covered by the guarantee. In fixing the amount of the fee, the Administrator must give due consideration to the objective of recovering the administrative costs associated with the particular guarantee involved, as well as to the objective of guarding the fund against depletion by those losses which may reasonably be anticipated. The fees which are collected must be deposited into the fund.

Section 702 would remove the 7-year limitation upon the Administrator's authority to enter into interest assistance contracts.

TITLE VIII—PRESIDENTIAL REPORT

Section 801 would repeal section 403(c) of the Powerplant and Industrial Fuel Use Act of 1978, which requires the President to submit annually to the Congress a detailed report on actions taken to implement section 403 of that Act. Repeal of section 403(c) would leave unchanged the responsibility of the Secretary of Energy to report annually to the Congress on actions taken under the Act as a whole, including those taken under section 403.

TITLE IX—CONSOLIDATION OF REPORTS

Section 901 would permit the consolidated submission to the Congress of the annual report of the Department of Energy and two documents dealing with the proposed National Energy Policy Plan. Inasmuch as the latter documents are supplied on a biennial basis, the consolidation could be effected only during alternate years, and then only at the discretion of the President. The purpose of this amendment is to permit administrative savings without reducing the information being supplied to the Congress.●

By Mr. TALMADGE (for himself, Mr. NUNN, Mr. SASSER, Mr. STEWART, and Mr. THURMOND):

S. 1364. A bill to amend the Federal Property and Administrative Services Act of 1949 to permit State and county extension services, and any State agricultural experiment station, to obtain excess property from the United States; to the Committee on Governmental Affairs.

● Mr. TALMADGE. Mr. President, today, with Senator NUNN, Senator SASSER, Senator STEWART, and Senator THURMOND, I am introducing a bill that would grant the Agricultural Extension Service the right to acquire Federal excess personal property. This is a right the Extension Service has had in the past, but one taken from them in the 94th Congress.

As you know, during the 94th, legislation was introduced and ultimately passed "to establish an orderly, efficient, and fair system for distributing by donation Federal surplus personal property to public or nonprofit institutions for uses of a public character." This measure became Public Law 94–519 in October 1977.

Congress felt that the abuse-ridden Government property program deserved revamping and restructuring. For the most part, I believe that our efforts were successful. The General Services Administration now has the excess and State surplus property program under efficient and effective control.

However, those who joined with me in proposing this bill do not believe that it was the expressed actual intent of the 94th Congress to exclude the Agricultural Extension Service from acquiring excess property. We found no clear evidence that would support a specific intention by Congress to deny the Extension Service the right to acquire excess property.

Public Law 94–519, as it is currently interpreted, mandates that only a Federal agency, or its grantee, may procure excess property. The grantee must, however, pay into the U.S. Treasury a 25-percent fee based on the initial acquisition value of that property. The Extension Service was ultimately denied the right to excess property only after the General Services Administration found, by definition, that the Extension Service was neither a Federal agency, nor a grantee.

We agree that in the strictest sense the Agricultural Extension Service is not a Federal agency, nor should it be considered as a grantee. In fact, the Extension Service is the educational agency of the U.S. Department of Agriculture and serves as the national office for the U.S. Cooperative Extension Service system.

The national system includes a Cooperative Extension Service by that name, or "Agricultural Extension Service," at each of 52 land-grant universities, and staffs in nearly all U.S. counties. The name "cooperative extension" derives from financial and administrative arrangements involving three levels of government—Federal, State, and county.

Through this unique network of Federal-State-county relationships the Agricultural Extension Service conducts educational programs of significance in achieving local, State, and national goals. Within the nationwide system, research results of the land-grant universities, agricultural experiment stations, and USDA research agencies are directed toward solving problems of the American people.

As it is presently written, Public Law 94–519 does not recognize the unique relationship the Agricultural Extension Service has with the U.S. Department of Agriculture. Excess property as it was once used by the Cooperative Extension Service, was used in virtually the same manner as excess personal property acquired by the Forest Service in connection with its cooperative forest fire control program.

The net effect of the omission from the Federal excess property program has been to deny continued access by the Extension Service offices to federally owned property for use in approved programs of the USDA. Instead, such property is being donated to the State agencies for surplus property where it is subsequently given to State and local agencies and certain nonprofit organizations.

This is, of course, a meritorious use. However, commonsense says that the Federal Government should award itself, its agencies, departments, and their programs, the first shot at Federal property. This being at the "excess" level.

Although the Extension Service is eligible to compete for surplus property at the State level, by no means can it acquire property in the same quantity, or of the same quality, as it did before the enactment of Public Law 94–519.

If sufficient property cannot be awarded to the Agricultural Extension Service through the State surplus property program, and since the General Services Administration declared the Extension Service ineligible to receive excess property as a Federal agency, or grantee, the only avenue left for property acquisition is via the open market where the full price must be paid.

In this day and age of fiscal responsibility and accountability, we are seeking a "no-cost" remedy for an unfortunate congressional oversight.

I wish to point out that I have also included the agricultural experiment stations in this bill as desirable participants in the Federal excess property program.

The experiment stations, pursuant to the Hatch Act of 1887, conducts field research into agricultural crop and soil problems, as well as aiding in the development of new, hybrid crops.

The research findings of the experiment stations are disseminated to the public through the Extension Service. As such, the programs of the Extension Service, and the experiment stations, have become an intrinsic and valuable part of the life of rural America.

The desire to acquire Federal excess property by the Agricultural Extension Service, and the agricultural experiment stations, is an important concern. To help assure the ongoing successes of these two fine programs I ask for your support of the bill I have introduced today.

By Mr. INOUYE:

S. 1365. A bill to direct the Secretary of the Department in which the U.S. Coast Guard is operating to cause the vessel *Independence* to be documented as a vessel of the United States so as to be entitled to engage in the coastwise trade; to the Committee on Commerce, Science, and Transportation.

● Mr. INOUYE. Mr. President, recently I introduced legislation, S. 1281, which is intended to be a first step in the revitalization of our U.S. passenger fleet. My subcommittee has scheduled hearings on that measure for June 28, at 2 p.m.

Today, I am introducing another proposal for the same purpose. It relates to the SS *Independence*.

While the issues involved in S. 1281, and the instant proposal differ, they have a common objective.

At this point, I ask unanimous consent that a letter from Mr. Conrad H. C. Everhard, chairman of the Board of American Hawaiian Cruising Line Inc., the corporation which has contracted to purchase the SS *Independence*, be printed in the RECORD. In it he explains why legislation is necessary, and requests that it be introduced.

My subcommittee therefore intends to consider this bill along with S. 1281, at our hearings on S. 1281 on June 28.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

AMERICAN HAWAIIAN
CRUISING LINE, INC.,
New York, N.Y., June 18, 1979.

Hon. DANIEL K. INOUYE,
Chairman, Merchant Marine and Tourism Subcommittee of the Senate Commerce, Science and Transportation Committee, Washington, D.C.

DEAR MR. CHAIRMAN: Our American-flag merchant marine has been in a state of decline far too long. Few opportunities have arisen to improve the situation. However, I am pleased to write you in my capacity as Chairman of the Board of American Hawaiian Cruising Line, Inc., to ask respectfully for your assistance with legislation which will advance the objectives of our national maritime policy by revitalizing the once-great American-flag passenger service.

The passenger vessel, the S.S. *Independence*, was constructed in Quincy, Massachusetts, for American Export Lines, Inc., and flew the U.S. flag for many years. Following approval by the Congress, the ship was transferred to the Panamanian flag in 1974. For the past several years, the vessel has been laid-up in Hong Kong. But now this proud vessel stands on the verge of becoming once again an economically viable component of our U.S. shipping fleet.

Last year, my Company contracted to purchase the *Independence* from the Atlantic Far East Lines, Inc., a Liberian corporation, with the intention of extensively renovating the vessel and operating it strictly as a cruise ship among the Hawaiian Islands on voyages to various ports, beginning early next year. On-board services would include lodging, entertainment, and various meal plans. At each port of call, guided motorcoach shore excursions, moped/bicycle rentals, and shuttle beach transportation would be offered.

Because the *Independence* was partially constructed with MARAD subsidy funds, the Administration was requested to approve the transfer of the vessel to U.S. registry and flag. On February 6, 1979, MARAD cleared the transfer of the *Independence*, subject to the further approval of the Coast Guard. Full disclosure was made to MARAD regarding the qualification of American Hawaiian as a U.S. citizen within the meaning of the shipping acts. We are enclosing herewith information regarding American Hawaiian's officers, directors and shareholders that was furnished MARAD.

The legislation in question would allow the *Independence* to be redocumented as a United States vessel with full privileges of engaging in the coastwise trade. This legislation appears to be required because the Department of Transportation has interpreted section 27 of the Merchant Marine Act of 1920 (46 U.S.C. 883) as preventing this ship from entering the coastwise trade after its return to U.S. registry. American Hawaiian has initiated the procedures to obtain a certificate of registration from the Coast Guard. However, the Coast Guard has held that the *Independence* cannot engage in the coastwise trade under the first proviso in section 27 because it was sold foreign, and, therefore, legislation is required to authorize the inter-Hawaiian cruise venture my Company plans. An additional possible impediment to coastwise trade is that in the Coast Guard's view, the installation of a bow thruster in a shipyard in Taiwan might constitute "rebuilding" of the vessel under the second proviso of section 27.

The benefits that would accrue from enactment of this legislation to the State of Hawaii and to the nation in these difficult economic times are manifold:

1. Hundreds of jobs would be created in the American seafaring and related maritime industries and services.

2. Maintenance and repairs to the vessel, after its return to U.S. registry, will be made in U.S. shipyards, thus providing a much-needed boost to our nation's sagging shipyard industry.

3. The cruise trade will require the purchase of goods and services from virtually every other sector of our economy.

4. The ship will keep tourist dollars in the U.S. and stimulate the flow of tourists, particularly from Japan and Europe, thereby boosting our balance of payments. In view of the present state of our economy, we must begin now to encourage utilization of every possible resource in developing new initiatives in foreign trade and tourism.

5. The United States as a leading maritime power is now noticeably deficient in shipping capacity under its own flag, and is virtually completely dependent on the vessels of other nations, including the Russians and other Communist countries, for cruise and passenger ship service. The new inter-Hawaiian Island operation would be a major step to restoring the American presence in this very important area of trade.

6. The restoration of this important ship to active status will also strengthen our nation's military preparedness posture. By law, the *Independence* must be made available to the United States for purchase or charter as a naval auxiliary in time of emergency. These national defense objectives would be clearly enhanced if the ship was restored to active condition and operated in Hawaiian waters.

7. My Company presently has on option to purchase the former S.S. *Constitution*, which is laid-up in Hong Kong. We intend to enter this vessel also in the inter-Hawaiian cruise trade following the passage of the necessary legislation and the successful debut of the *Independence*, thus doubling the benefits discussed above.

The entry of these two great ships—the *Independence* and the *Constitution*—into the domestic Hawaiian Island service would be among the most innovative and constructive developments for the U.S. Merchant Marine in recent years. It is absolutely essential to understand and to take advantage of the fact that the return of these vessels to the American flag and their use in the American trades will be accomplished entirely with private capital. Public or government funds will not be involved in any way whatsoever. On the contrary, the *Independence* and *Constitution* will be a source of increased tax revenue for our federal and state treasuries.

Because you have championed the rejuvenation of the American-flag domestic cruise trade, we sincerely hope that you will be amenable to sponsoring the bill to permit the *Independence* to carry passengers among the Hawaiian Islands and that you will hold early hearings on the legislation in your Subcommittee.

We are taking the liberty of enclosing a draft of a bill which might be of assistance to you and the Subcommittee staff. If there is any further information we can provide, please contact me or George Carneal at our Washington attorneys, Hogan & Hartson.

With kind regards,

Sincerely,

CONRAD H. C. EVERHARD,
Chairman of the Board.

AMERICAN HAWAIIAN CRUISING LINE INC.,
WALL STREET PLAZA, SUITE 1840, NEW York, N.Y. 10005

(Incorporated in the State of Delaware, December 5, 1978.)

OFFICERS AND CITIZENSHIP

Conrad H. C. Everhard, Chairman of the Board, U.S.
Robert Suan, Treasurer, U.S.
Daisy Woo, Secretary, U.S.

DIRECTORS

Conrad H. C. Everhard, U.S.
Robert Suan, U.S.
C. C. Yin, U.S.
Alice King, U.S.
Mary Liu, U.S.
Daisy Woo, U.S.

SHAREHOLDERS

Universal Development Corporation, chartered in 1960 under the laws of the State of California; 79 percent of UDC's stock is owned by citizens of the United States. 150 shares.

George Tong, a U.S. citizen. 10 shares.
Conrad H. C. Everhard, a U.S. citizen. 10 shares.
Alice King, a U.S. citizen. 10 shares.
Mary Liu, a U.S. citizen. 10 shares.
Robert Suan, a U.S. citizen. 8 shares.
Daisy Woo, a U.S. citizen. 2 shares.●

By Mr. McGOVERN (for himself, Mr. MELCHER, Mr. YOUNG, Mr. PRYOR, Mr. BOREN, Mr. COCHRAN, Mr. STEWART, and Mr. DOLE):

S. 1367. A bill to amend the Agricultural Act of 1949 to extend the applicability of the prevented planting and disaster provisions of such act to the 1980 and 1981 crops of rice, cotton, feed grains, and wheat; to the Committee on Agriculture, Nutrition, and Forestry.

Mr. McGOVERN. Mr. President, on behalf of myself and Senators MELCHER, YOUNG, PRYOR, BOREN, COCHRAN, STEWART, and DOLE, I introduce a bill to amend the Agricultural Act of 1949, to extend the applicability of the preventive planning and disaster payments of that act to the 1980 and 1981 crops of rice, cotton, feed grains, and wheat.

I send the bill to the desk and ask that it be appropriately referred, and I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1367

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That subparagraphs (B) and (C) of paragraph (4) of section 101 (h) of the Agricultural Act of 1949 (7 U.S.C. 1441 (h) (4) (B) and (C) are amended by striking out "1978 and 1979 crops" and inserting in lieu thereof "1978 through 1981 crops".

SEC. 2. Subparagraphs (A) and (B) of paragraph (5) of section 103 (f) of the Agricultural Act of 1949 (7 U.S.C. 1444 (f) (5) (A) and (B)) are amended by striking out "1978 and 1979 crops" and inserting in lieu thereof "1978 through 1981 crops".

SEC. 3. Subparagraphs (A) and (B) of paragraph (2) of section 105A (b) of the Agricultural Act of 1949 (7 U.S.C. 1444c (b) (2) (A) and (B)) are amended by striking out "1978 and 1979 crops" and inserting in lieu thereof "1978 through 1981 crops".

SEC. 4. Subparagraphs (A) and (B). of paragraph (2) of section 107A (b) of the Agricultural Act of 1949 (7 U.S.C. 1445 (b) (2) (A) and (B)) are amended by striking out "1978 and 1979 crops" and inserting in lieu thereof "1978 through 1981 crops".

By Mr. HATFIELD:

S. 1369. A bill to designate certain National Forest System lands in the State of Oregon for inclusion in the national wilderness preservation system; to the Committee on Energy and Natural Resources.

OREGON WILDERNESS ACT OF 1979

● Mr. HATFIELD. Mr. President, I am today introducing legislation which reflects the President's recommendations on perhaps one of the most significant natural resource questions facing my State. After a comprehensive wilderness study on all roadless areas, conducted by the Forest Service under RARE II, the President made his recommendations for those lands he wishes Congress to designate as wilderness.

In order that a variety of points of view may be considered on a matter of this importance, I add this proposal to the one introduced on March 28 of this year, which reflects the recommendations of Oregon's Governor.

While the President's recommendations included additions to the wilderness preservation system on a national basis, I have included only those pertaining to my State. Having this legislative proposal before Congress will help bring a focus to the field hearings which I have scheduled in Oregon early in July. In addition, I am hopeful that it can help bring to a speedy resolution the issue of wilderness designation, in order that those lands recommended for nonwilderness may be returned for their designated purposes under the local forest's land management planning process.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1369

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Oregon Wilderness Act of 1979."

FINDINGS AND POLICY

SEC. 2. (a) The Congress finds that—

(1) many areas of undeveloped public lands possess and exhibit outstanding natural characteristics giving them high values as wilderness and will, if properly preserved, contribute as an enduring resource of wilderness for the benefit of the American people; and

(2) review and evaluation of roadless and undeveloped lands on the National Forest System lands in Oregon have identified those areas which, on the basis of their landform, ecosystem, associated wildlife, and location will help to fulfill the National Forest System's share of a quality National Wilderness Preservation System.

(b) Therefore, the Congress declares that it is in the national interest that these identified areas be promptly designated as components of the National Wilderness Preservation System in order to promote, perpetuate and preserve the wilderness character of the land and its specific multiple values for protection of watersheds and wildlife habitat, scenic and historic preservation, scientific research and educational use, primitive recreation, solitude and physical and mental challenge, and inspiration for the benefit of all the American people of present and future generations.

DESIGNATION OF WILDERNESS AREAS

SEC. 3. In furtherance of the purpose of the Wilderness Act and in accord with the Forest and Rangeland Renewable Resources Planning Act of 1974, as amended by the National Forest Management Act of 1976, the following National Forest System lands in Oregon listed herein as New Wilderness or as Wilderness Additions totalling about 415330 acres and as generally depicted on maps appropriately referenced, dated 1979, on file in the office of Chief, Forest Service, U.S. Department of Agriculture, are hereby designated as components of the National Wilderness Preservation System:

(a) New Wildernesses—

(1) Salmon Butte Wilderness, 8,300 acres, Mt. Hood National Forest.

(2) Bull-of-the-Woods Wilderness, 26,700 acres Mt. Hood and Willamette National Forests.

(3) Columbia Wilderness, 40,900 acres, Mt. Hood National Forest.

(4) Black Canyons Wilderness, 13,400 acres, Ochoco National Forest.

(5) Sky Lakes Wilderness, 113,000 acres, Rogue River and Winema National Forests.

(6) Maamza Flats Wilderness, 9,200 acres, Rogue River and Umpqua National Forests.

(7) Sphagnum Bog Wilderness, 6,800 acres, Rogue River National Forest.

(8) Red Blanket Wilderness, 5,100 acres, Rogue River National Forest.

(9) Oregon Coast Wilderness, 6,500 acres, Siuslaw National Forest.

(10) Umpqua Spit Wilderness, 2,370 acres, Siuslaw National Forest.

(11) Limpy Rock Wilderness, 6,700 acres, Umpqua National Forest.

(12) Park Winema Wilderness, 5,400 acres, Umpqua and Winema National Forests.

(13) Panhandle North Wilderness, 2,700 acres, Winema National Forest.

(14) Panhandle South Wilderness, 1,330 acres, Winema National Forest.

(15) Windigo-Thielson Wilderness, 55,000 acres, Winema, Deschutes, and Umpqua National Forests.

(b) Wilderness Additions—

(1) Mt. Washington Wilderness Additions, 6,300 acres, Deschutes and Willamette National Forests.

(2) Diamond Peak Wilderness Addition, 8,200 acres, Deschutes National Forest.

(3) Three Sisters Wilderness Addition, 27,300 acres, Deschutes National Forest.

(4) Gearhart Mountain Wilderness Addition, 3,730 acres, Fremont National Forest.

(5) Strawberry Mountain Wilderness Addition, 35,100 acres, Malheur National Forest.

(6) Eagle Cap Wilderness Addition, 31,300 acres, Wallowa-Whitman National Forest. This fulfills the requirement of Sec. 4 of the Act of October 21, 1972 (86 Stat. 1026), concerning the Lower Minam Wilderness Study Area.

FILING OF MAPS AND DESCRIPTIONS

SEC. 4. As soon as practicable after this act takes effect, the Secretary of Agriculture shall file a map and a legal description of each Wilderness with the Energy and Natural Resources Committee, United States Senate, and the Interior and Insular Affairs Committee, House of Representatives, and such description shall have the same force and effect as if included in this act: *Provided, however,* That correction of clerical and typographical errors in such legal description and map may be made.

ADMINISTRATION OF WILDERNESS

SEC. 5. Each Wilderness designated by this act shall be administered by the Secretary of Agriculture in accordance with the provisions of the Wilderness Act of 1964 governing areas designated by that act as wilderness areas, except that any reference in such provisions to the effective date of the Wilderness Act shall with regard to the areas designated by this act be deemed to be a reference to the effective date of this act.●

ADDITIONAL COSPONSORS

S. 222

At the request of Mr. Durkin, the Senator from Rhode Island (Mr. Chafee) was added as a cosponsor of S. 222, the Alaska National Interest Lands Conservation Act of 1979.

S. 446

At the request of Mr. Williams, the Senator from Indiana (Mr. Bayh) was added as a cosponsor of S. 446, the Equal Employment Opportunity for the Handicapped Act of 1979.

S. 464

At the request of Mr. Inouye, the Senator from Nebraska (Mr. Zorinsky) was added as a cosponsor of S. 464, a bill to amend the Internal Revenue Code of 1954 to expand the category of targeted groups, for whom new employee credit is available, to include displaced homemakers.

S. 471

At the request of Mr. Inouye, the Senator from Connecticut (Mr. Ribicoff) was added as a cosponsor of S. 471, a bill to amend title 10, United States Code, to authorize former members of the Armed Forces who are totally disabled, as a result of service-connected disability, to travel on military aircraft in the same manner and to the same extent as retired members of Armed Forces are permitted to travel on such aircraft.

S. 474

At the request of Mr. Inouye, the Senator from Alaska (Mr. Stevens) was added as a cosponsor of S. 474, a bill to amend chapter 34 of title 38, United States Code, to authorize the Administrator of the Veterans' Administration to extend, under certain circumstances, the period within which veterans must complete a program of eduaction under such chapter.

S. 753

At the request of Mr. Inouye, the Senator from South Dakota (Mr. Pressler), the Senator from Connecticut (Mr. Weicker), and the Senator from Massachusetts (Mr. Tsongas) were added as cosponsors of S. 753, a bill to amend the Internal Revenue Code of 1954 to increase the amount of the credit for the elderly and to adjust the adjusted gross income limitation.

S. 1008

At the request of Mr. Inouye, the Senator from Maryland (Mr. Sarbanes) was added as a cosponsor of S. 1008, a bill to amend the Social Security Act to provide for the inclusion of services of licensed registered nurses under medicare and medicaid.

S. 1112

At the request of Mr. Leahy, the Senator from Ohio (Mr. Metzenbaum) was added as a cosponsor of S. 1112, a bill to eliminate the exemption for Congress or for the United States from the application of certain provisions of Federal law relating to employment, privacy, and social security, and for other purposes.

S. 1125

At the request of Mr. Huddleston, the Senator from Georgia (Mr. Talmadge), the Senator from South Carolina (Mr. Hollings), the Senator from Indiana (Mr. Bayh), the Senator from Georgia (Mr. Nunn), the Senator from North Carolina (Mr. Morgan), and the Senator from North Dakota (Mr. Young) were added as cosponsors of S. 1125, a bill to improve and expand the Federal crop insurance program, and for other purposes.

S. 1163

At the request of Mr. Dole, the Senator from South Carolina (Mr. Hollings) was added as a cosponsor of S. 1163, a bill to repeal the carryover basis provisions.

S. 1176

At the request of Mr. Stevens, the Senator from Texas (Mr. Tower), the Senator from Utah (Mr. Garn), the Senator from Utah (Mr. Hatch), the Senator from Wyoming (Mr. Simpson), the Senator from Nevada (Mr. Laxalt), the Senator from Oklahoma (Mr. Bellmon), the Senator from California (Mr. Hayakawa), and the Senator from Arizona (Mr. Goldwater) were added as cosponsors of S. 1176, a bill to amend the act entitled "An Act for the Preservation of American Antiquities," and to amend the act entitled "Federal Land Policy and Management Act of 1976."

S. 1268

At the request of Mr. Bayh, the Senator from Kentucky (Mr. Ford) was added as a cosponsor of S. 1268, the Gasohol Marketing Freedom Act.

S. 1287

At the request of Mr. Goldwater, the Senator from Utah (Mr. Garn) was added as a cosponsor of S. 1287, a bill to repeal the earnings ceiling of the Social Security Act for all beneficiaries age 65 or older.

S. 1313

At the request of Mr. MOYNIHAN, the Senator from New York (Mr. JAVITS) was added as a cosponsor of S. 1313, a bill to amend the Federal Water Pollution Control Act, as amended.

SENATE RESOLUTION 184—SUBMISSION OF A RESOLUTION WITH RESPECT TO THE MATTER OF JOSEF MENGELE

Mr. HELMS submitted the following resolution, which was referred to the Committee on Foreign Relations:

S. RES. 184

Whereas Josef Mengele, known as the "Angel of Death", while resident doctor of the Auschwitz concentration camp was responsible for the torture and death of more than 200,000 children; and

Whereas Josef Mengele conducted cruel and inhuman surgery and experiments upon children to develop ways to manipulate the genetic structure of human beings; and

Whereas Josef Mengele worked to develop new methods of sterilization to promote acts of genocide against Jews, Slavs, and other European peoples; and

Whereas in 1959, authorities of the Federal Republic of Germany issued a warrant for the arrest of Josef Mengele and have repeatedly requested his extradition to stand trial in the Federal Republic of Germany for murder; and

Whereas evidence indicates that "Josef Mengele" was granted Paraguayan citizenship on November 27, 1959; and

Whereas Paraguay signed the International Convention on the Prevention and Punishment of the Crime of Genocide on December 11, 1948: Now, therefore, be it

Resolved, That it is the sense of the Senate that the President of the United States should immediately call upon Paraguay to apprehend and extradite Josef Mengele to stand trial in the Federal Republic of Germany.

SENATE RESOLUTION 185—SUBMISSION OF A RESOLUTION TO COMMEND THE CITY OF LAMOURE, N. DAK.

Mr. YOUNG submitted the following resolution, which was referred to the Committee on the Judiciary:

S. RES. 185

Whereas the City of LaMoure, North Dakota, has been named an All American city of 1978–79; and

Whereas the All American City designation recognizes special achievement in community action through citizen participation; and

Whereas LaMoure was honored for its improved health care service and the creation of an economic development program to sustain the vitality of the city; Now, therefore, be it

Resolved, That the Senate recognizes the City of LaMoure and its residents for their outstanding efforts in making their city an "All American City."

● Mr. YOUNG. Mr. President, today I am submitting a resolution commending my home town of LaMoure, N. Dak., for their achievement in being designated an All American City for 1978–79, by the National Municipal League.

LaMoure was one of only 11 cities in the United States to win this recognition. This achievement is due to a city that is totally committed to improving their community in every way posssible. The honor accorded them was based largely upon the improved health care services they made possible in a small, rural community. This is something that is only achieved by a city that has outstanding leaders greatly interested in the improvement of their community.

Mr. President, LaMoure was also recognized for their economic development program. In the past 8 years, the residents of LaMoure have taken great strides in making this community a much better and more pleasant place to live. In this short time, this community has built a new high school, nursing home, low income elderly housing project, a civic center, the LaMoure Dam and Lake, and the Omega City Plaza, a shopping mall currently housing 13 businesses. This could not have been accomplished without the dedication and hard work of LaMoure's 1,100 residents and I am very proud of these outstanding accomplishments in my home town of LaMoure.●

SENATE RESOLUTION 187—SUBMISSION OF A RESOLUTION CONCERNING THE SALE OF SAN CLEMENTE

Mr. HART submitted the following resolution, which was referred to the Committee on Governmental Affairs:

S. RES. 187

Whereas, it is the policy of the United States that no present or former Federal official should derive personal gain from the use of public funds in connection with construction, renovation, landscaping or improvements on the property of such official or the acquisition of equipment or articles for use on such property, and

Whereas, the Presidential Protection Assistance Act of 1976 (18 U.S.C. 3056) provides the statutory basis for reclamation of public funds used for construction, renovation, landscaping, improvements, equipment or articles on the property of such officials: Now, therefore, be it

Resolved, That it is the sense of the Senate that the Director of the Secret Service and the Administrator of General Services shall take such actions as may be necessary to obtain reimbursement in an amount by which any construction, renovation, improvements, equipment or articles paid for by the Federal Government of the United States have increased the fair market value of the estate known as San Clemente located in the State of California at the time of and upon its sale by former President Richard M. Nixon.

● Mr. HART. Mr. President, today I am submitting a resolution to put the Senate on record in support of prohibiting personal gain by employees and officials of the Federal Government at public expense. The resolution specifically seeks reimbursement to the Treasury of any gain made in the sale of former President Nixon's residence at San Clemente which resulted from improvements made to that property from Federal funds.

Mr. President, the American public is shocked, outraged and saddened by the steady stream of Federal officials accused, and in some cases convicted, of using their official positions to personally profit at taxpayer expense. People rightfully see these actions as an abuse of their trust in their Government. As a result, that trust has been jeopardized and the public confidence and credibility of Government eroded.

The sale by former President Nixon of his residence at San Clemente presents a test of our dedication to good Government ethics. Substantial public expense was incurred to improve San Clemente, most of which was necessary at the time for purposes of security and official function. However, the sale of the residence precludes its further use in the public interest. The public's financial investment should be returned to the Treasury.

My resolution calls for the pertinent Federal agencies, in this case the Secret Service and the General Services Administration, to insure that any gain realized upon the sale of San Clemente, which resulted from those publicly-financed improvements, is repaid. Those agencies already have the necessary statutory authority. This resolution merely seeks the prompt and fair administration of that authority.

Mr. President, this resolution is not intended to single out or discriminate against Mr. Nixon. Its intent is to support a policy which should be applied to all Federal employees and officials, past, present and future. I urge my colleagues to join me in support of this policy now and in the future. I ask them to help keep the trust, confidence, and credibility of the American public in their Government officials.●

AMENDMENTS SUBMITTED FOR PRINTING

NUCLEAR REGULATORY COMMISSION AUTHORIZATIONS ACT—S. 562

AMENDMENT NO. 235

(Ordered to be printed and to lie on the table.)

Mr. McGOVERN submitted an amendment intended to be proposed by him to S. 562, a bill to authorize appropriations to the Nuclear Regulatory Commission in accordance with section 261 of the Atomic Energy Act of 1954, as amended, and section 305 of the Energy Reorganization Act of 1974, as amended, and for other purposes.

Mr. McGOVERN. Mr. President, today I am pleased to submit an amendment I plan to offer to S. 562, the Nuclear Regulatory Commission authorization which is tentatively scheduled for floor action next week. I offer this amendment on behalf of myself and Senators RIEGLE, LAXALT, BUMPERS, GRAVEL, BAUCUS, HATFIELD, LEAHY, MATSUNAGA, CANNON, METZENBAUM, and EAGLETON.

This amendment comes to grips with the important issue of State rights regarding site selection for the disposal of nuclear waste. Specifically, this amendment would allow any State under consideration for a nuclear waste disposal site to request the convening of a task force comprised of appropriate Federal officials, the Governor of the affected State, and appropriate local representatives. The purpose of this task force would be to allow considerable input and interaction with the Federal Government in the site selection process.

The State role of waste facility siting has been overlooked since the beginning of the Federal nuclear waste management program. In 1975, ERDA inherited the responsibility of recommending and carrying out the Nation's waste management policy. This responsibility is overwhelming because, without success, the potential for major development of nuclear energy comes to a halt, or even worse, it means that the long list of disposal failures will continue. It is apparent that this effort must be a united effort by both Federal and State Governments.

Initial Federal efforts at waste facility siting responded only to a State's need to be notified of its consideration as a possible site. But the final regulation directed at the last phase of the siting process simply states that "ERDA will make all decisions regarding the location of a repository."

We have made little progress since that time in terms of firm policy and legislative commitments to States that their rights are affirmed. However, the Interagency Review Group, established by the President in 1977, published its report in March 1979, establishing the basis for administration policy on long-term nuclear waste management programs. This report stated:

> The IRG does not believe that a policy preference for either exclusive Federal Supremacy or State veto is appropriate at this time. The IRG, does believe, however, and recommends that the consultation and concurrence approach should be adopted . . . Under this approach the State has a continuing ability to participate in activities at all points throughout the course of activity and if it deems it appropriate to prevent the continuance of federal activities.

This amendment is entirely consistent with the policy objectives stressed by the IRG report. The Department of Energy has already gone on record that they are pursuing this policy. However, given the previous breakdowns in Federal-State relations on this important issue, I believe we must legislatively recognize the rights of our State governments.

This amendment, would guarantee States a voice in the councils of Federal energy decisionmaking. It does nothing more and nothing less than allow the people most directly affected to exert minimal control over decisions made affecting their lives.

Mr. President, I am introducing the amendment today because I want to give Senators an opportunity to familiarize themselves with it before we consider the Nuclear Regulatory Commission authorization, which I understand is tentatively scheduled for floor action next week.

Mr. ROBERT C. BYRD. It may be this week.

Mr. President, I ask unanimous consent that the text of this amendment be printed in the RECORD.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

AMENDMENT No. 235

On page 19, insert the following after line 16:

SEC. 208. Chapter 19 of the Atomic Energy Act of 1954 is amended by inserting the following new section after section 241:

"SEC. 242. Notice to States With Regard to Disposal of Nuclear Waste.—

"a. Except as may otherwise be provided, the Chairman shall notify (and publish such notice in the Federal Register) the Governor, the presiding officers of the various chambers, where applicable, of a State legislature, and where applicable, the Tribal Council of any affected Indian tribe, of its intent to explore a site in such State, or within an Indian reservation, for the purpose of establishing, evaluating, or contracting for construction of facilities intended for the storage or disposal of radioactive materials.

"b. Except as may otherwise be provided, the Chairman shall, after making the notification required by subsection a., and upon the request of the Governor of an affected State or an affected Tribal Council, establish a Federal and State Radioactive Materials Management Commission (hereinafter in this section referred to as the 'Commission') for the purpose of achieving, in an expeditious manner, substantial concurrence between the State, the affected Indian tribe, and the Department of Energy for each proposal made by the Department of Energy regarding site selection, evaluation, contracting, or construction of facilities intended for the management and storage of radioactive materials including high-level defense waste, spent fuel reactor assemblies, transuranic materials and other mid- and high-level radioactive materials.

"c. The Commission shall consist of—

"(1) the appropriate officials from the Nuclear Regulatory Commission designated by the Chairman,

"(2) a representative from the Department of Energy designated by the Secretary,

"(3) a representative from the United States Geological Survey,

"(4) the Governor of each affected State, or his designated representative,

"(5) a representative of any affected Tribal Council,

"(6) not to exceed six State or local officials, or interested citizens from the affected State designated by the Governor, in consultation with the leadership of the State legislature,

"(7) such other individuals to be selected at the discretion of the Chairman or the Governor of the affected State.

"d. The Commission shall meet to examine all proposed actions to be taken under subsection a., with the objective of achieving substantial concurrence on each and any socioeconomic, institutional, technical, environmental, health, and safety issues associated with such action.

"e. In the event that the Commission representatives of the affected State determine that concurrence cannot be achieved with regard to any proposed action, the Governor, in consultation with the other Commission members from the affected State, shall file a report stating his objections and identify acceptable alternatives.

"f. The State legislature of any affected State may by joint or concurrent resolution or by law, or in those States with a unicameral legislature by single resolution, or by other powers subject to each State's constitution concur or issue nonconcurrence with the decision of the Commission.

"g. No Federal agency or its representative shall proceed with any project for storage or disposal of radioactive materials unless the State has determined that its objections have been resolved.".

DIRECT ELECTION OF THE PRESIDENT AND VICE PRESIDENT—SENATE JOINT RESOLUTION 28

AMENDMENT NO. 236

Mr. WEICKER submitted an amendment intended to be proposed by him to Senate Joint Resolution 28, a joint resolution proposing an amendment to the Constitution to provide for the direct popular election of the President and Vice President of the United States.

● Mr. WEICKER. Mr. President, I am today submitting a substitute amendment to Senate Joint Resolution 28 (the direct election resolution) to abolish the office of Presidential elector and require that all of each State's electoral votes would be awarded to the Presidential ticket carrying the popular vote in that State.

The amendment I propose has been referred to as the "automatic plan" and represents a reasoned alternative to other plans for reform of the electoral college system for the election of the President. Fundamentally, the automatic plan would work like the present procedure except that the possibility of an elector voting for someone other than his or her party's nominee would be eliminated.

Thus, my amendment seeks to cure a major defect of, rather than scrap, the electoral vote system. The possibility of the so-called "faithless elector" is very real, if infrequent; a brief survey of recent elections turns up a number of faithless or unpledged electors who have voted their whims and prejudices. The potential of such actions dictating the outcome of a presidential election cannot be discounted.

As the Senate Report (95–609) on Senate Joint Resolution 1, the predecessor of Senate Joint Resolution 28 in the 95th Congress, states:

> . . . In nearly all of the states, according to state laws, the party electoral slate that wins a statewide or popular vote plurality is awarded all of the state electoral votes. Four States—Alaska, Florida, Oklahoma, and Oregon—require electors to pledge themselves, or swear an oath, to vote for their party nominees. In approximately one-third of the states there are statutory provisions requiring electors to vote for the candidates of their party. The constitutionality of these pledges and the statutory requirements, however, are very doubtful. See *Ray* v. *Blair*, 343 U.S. 214 (1952).
>
> . . . A Senate report published in 1806 caustically noted that the free and independent electors had "degenerated into mere agents in a case which requires no agency and where the agent must be useless if he is faithful and dangerous if he is not." More than 145 years later, however, the elector still retains this constitutionally guaranteed independence. In January 1969, Congress confirmed this 18th century prerogative by accepting the vote of a popularly chosen Republican elector from North Carolina who had cast his vote in the Electoral College for George Wallace, the American Independent Party candidate. Again in 1973, a Republican elector from Virginia was allowed to cast his vote for one Dr. John Hospers of the Liberation Party. An elector from Washington, Mike Padden, cast his vote for his personal choice, Ronald Reagan in 1976.

Mr. President, the debate on reform or replacement of the electoral college system has produced often conflicting conclusions as to the relative advantages or disadvantages of alternative systems of presidential election.

It is my considered opinion that our current system requires candidates to achieve broadbased support for election, whereas, a direct election system might allow a candidate with overwhelming appeal in one region to take office. The electoral college, therefore, forces candidates to speak to issues and regions they might otherwise ignore.

I am aware of the contrary arguments of my colleagues on the other side of this issue and respect their conclusions. Proponents and opponents of the direct election amendment offer various quantitative analyses to buttress their positions. However, I submit that the various interpretations of the raw data, "independent biases," and methodologies of comparative analysis, all serve to confuse more than to clarify what is fundamentally a constitutional issue.

After all the debating points are scored, the Senate might well heed the words of then Senator John F. Kennedy, who in 1956 forcefully argued against radical departure from our traditional system of electing the President, concluding:

> Today we have an electoral vote system which gives both large States and small States certain advantages and disadvantages that offset each other.

I am not convinced that a compelling argument for replacing the electoral vote system has been made. Therefore, I propose eliminating not the system but a major flaw in that system.

Mr. President, I ask unanimous consent that the text of the amendment be printed at this point in the RECORD.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

AMENDMENT NO. 236

Beginning with page 2, line 3, strike out all through page 4, line 6, and insert in lieu thereof the following:

"ARTICLE—

"SECTION 1. The President and the Vice President shall be elected as provided in this article. No person constitutionally ineligible for the office of President shall be eligible for that of Vice President.

"SEC. 2. On the Tuesday next after the first Monday in November of the year preceding the year in which the regular term of the President is to begin, unless the Congress shall by law appoint a different day, there shall be held in each State and in the District of Columbia an election in which the people thereof shall cast their votes for President and for Vice President. In such election, each voter shall cast a single vote for two persons, one a candidate for President and the other a candidate for Vice President, who shall have consented to the joining of their names on the ballot. No candidate shall consent to the joinder of his name with that of more than one other person. The places and manner of holding the election shall be prescribed in each State by the legislature thereof but shall be subject to regulation by the Congress. The voters in each State shall have the qualifications requisite for persons voting for members of the most numerous branch of the State legislature. The voters in the District of Columbia shall have the qualifications prescribed by the Congress.

"SEC. 3. Each State shall have a number of electoral votes equal to the whole number of Senators and Representatives to which that State may be entitled in the Congress. The District of Columbia shall have a number of electoral votes equal to the whole number of Senators and Representatives to which the District would be entitled in the Congress if it were a State, but in no event more than the number of electoral votes of the least populous State.

"The electoral votes of each State and the District of Columbia shall be cast for the persons receiving the greatest number of votes for President and for Vice President in that State or District in the election provided for in section 2.

"Within forty-five days after the election, or at such other times as the Congress may direct, the official custodian of the election returns of each State and of the District of Columbia shall prepare, sign, certify, and transmit sealed to the seat of the Government of the United States, directed to the President of the Senate, a list of all persons for whom votes were cast for President and a separate list of all persons for whom votes were cast for Vice President. Upon each such list there shall be entered the number of votes cast for each person whose name appears thereon, the total number of votes cast for all such persons, and the name of the person for whom the electoral votes of such State or District are cast.

"SEC. 4. On the 6th day of January following the election, unless the Congress shall by law appoint a different day not earlier than the 4th day of January and not later than the 10th day of January, the President of the Senate shall, in the presence of the Senate and the House of Representatives, open all the certificates, and the electoral votes shall then be counted. The person having the greatest number of votes for President shall be the President, and the person having the greatest number of votes for Vice President shall be the Vice President, if such number be at least 40 percent of the whole number of electoral votes. If no person has at least 40 percent of the whole number of electoral votes for President or for Vice President, then from the two persons receiving the highest number of electoral votes for such office the Senate and the House of Representatives sitting in joint session shall immediately choose such officer by ballot. A quorum for this purpose shall consist of three-fourths of the whole number of the Senators and Representatives. The vote of each Member of each House shall be publicly announced and recorded. The person receiving the greatest number of votes shall be chosen.

"SEC. 5. The Congress shall have power to enforce this article by appropriate legislation.".●

NOTICES OF HEARINGS

COMMITTEE ON GOVERNMENTAL AFFAIRS

● Mr. CHILES. Mr. President, I would like to announce that the Committee on Governmental Affairs will be holding 1 day of hearings on the nomination of Mr. Thomas F. McBride to be the Inspector General for the Department of Agriculture. The hearing will be held in room 3302, Dirksen Senate Office Building, at 10 a.m. on Tuesday, June 19, 1979.●

COMMITTEE ON GOVERNMENTAL AFFAIRS

● Mr. RIBICOFF. Mr. President, on July 12 the Committee on Governmental Affairs will hold hearings on S. 2, "The Sunset Act of 1979."

Witnesses on that day will be Elmer Staats, Comptroller General of the United States; Commissioner Philip A. Loomis, Jr., of the Securities and Exchange Commission; Mark Green and Frances Zwenig of Congress Watch; and Peter Bloch of the American Bar Association.

Other persons wishing to provide testimony for the record of the hearing on S. 2 should contact the Committee on Governmental Affairs, room 3308, Dirksen Senate Office Building, Washington, D.C. 20510.●

COMMITTEE ON ENERGY AND NATURAL RESOURCES

● Mr. JACKSON. Mr. President, I wish to announce that the Committee on Energy and Natural Resources will continue its public hearings on title II of S. 1308, the proposed Energy Supply Act on July 9 and July 13, 1979. Title II is a proposed Priority Energy Project Act to expedite Federal actions on nationally significant energy projects and facilities. The hearings will begin at 8 a.m. in room 3110 of the Dirksen Senate Office Building.

Questions concerning these hearings should be directed to Mr. Jim Pugash and Mr. Owen Malone of the committee staff at 224-0611 and 224-7141.●

SUBCOMMITTEE ON ENVIRONMENT, SOIL CONSERVATION AND FORESTRY

● Mr. MELCHER. Mr. President, at 9 a.m., Friday, June 22, the Subcommittee on Environment, Soil Conservation and Forestry of the Committee on Agriculture, Nutrition, and Forestry will hold a hearing on supplies of timber in the Nation, and the impact of those supplies on inflation. The hearing will be held in room 324 of the Russell Senate Office Building.

Invited witnesses will be the Chief of the Forest Service and the Chairman of the Council on Wage and Price Stability. Public witnesses may submit statements for the hearing record.●

SUBCOMMITTEE ON ANTITRUST, MONOPOLY AND BUSINESS RIGHTS

● Mr. METZENBAUM. Mr. President, the Judiciary Subcommittee on Antitrust, Monopoly and Business Rights will hold 2 additional days of hearings on S. 1246, the Energy Antimonopoly Act of 1979.

On June 25, the hearing will begin at 9:30 a.m. in room 1318 Dirksen Senate Office Building and on June 26, the hearing will begin at 10:30 a.m. in room 6226, Dirksen Senate Office Building.●

COMMITTEE ON ENERGY AND NATURAL RESOURCES

● Mr. JACKSON. Mr. President, On Friday, June 22, the Committee on Energy and Natural Resources will hold a hearing on the President's nomination of John T. Rhett to be Federal Inspector for the Alaska Natural Gas Transportation System. The hearing will begin at 9 a.m. in room S206 of the Capitol.

The administration has submitted the following biographical information about Mr. Rhett:

BIOGRAPHICAL INFORMATION ON JOHN T. RHETT

John T. Rhett joined the Environmental Protection Agency in March 1973 as the Deputy Assistant Administrator for Water

Program Operations following his retirement as a Colonel in the U.S. Army Corps of Engineers. He is responsible for administering EPA's major operating programs in the water pollution control field: specifically, the multi-billion dollar grant program for Construction of Municipal Wastewater Treatment Facilities; the National Operator Training and Maintenance Program for Municipal Wastewater Treatment Facilities, the Federal National Response Program (in conjunction with the U.S. Coast Guard) for Oil and Hazardous Materials Spills into Waters of the United States; the National Ocean Dumping and Discharge Programs; and the Environmental Emergencies.

A commissioned officer with the Corps of Engineers since 1945, Colonel Rhett served at posts both here and abroad. His assignments included two years with SHAPE; Chief of the Engineering Division of the U.S. Army Construction Agency in Vietnam; District Engineer of the Louisville Engineering District; and Resident Member, Board of Engineers for Rivers and Harbors.

Receiving his B.S. degree from the U.S. Military Academy, Colonel Rhett also has a Master's degree in Engineering from the University of California and a Master's in International Relations from George Washington University. He is a member of Chi Epsilon Honorary Engineering Fraternity; (Fellow) American Society of Civil Engineers; (Diplomate) American Academy of Environmental Engineers; (Member) Society of American Military Engineers; (Member) Water Pollution Control Federation; and a Registered Professional Engineer in both Florida and the District of Columbia. He has received EPA's highest award, the Gold Medal for Exceptional Service (1976), as well as Outstanding Performance awards—1978 and 1979.

Born in 1925, Colonel Rhett and his wife Helen reside in Arlington, Virginia.●

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON THE JUDICIARY

Mr. CRANSTON. Mr. President, I ask unanimous consent that the Committee on the Judiciary be authorized to meet during the session of the Senate today beginning at 2 p.m. to hold a hearing on a judicial nomination.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON THE JUDICIARY

Mr. CRANSTON. Mr. President, I ask unanimous consent that the Committee on the Judiciary be authorized to meet during the session of the Senate on Wednesday, June 20, 1979, beginning at 1 p.m. to hold a hearing on S. 330, the Veterans' Adjudication and Judicial Review bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON REGULATIONS

Mr. CRANSTON. Mr. President, I ask unanimous consent that the Subcommittee on Regulations of the Committee on Energy and Natural Resources be authorized to meet during the session of the Senate today to consider mandatory price and allocation controls legislation.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY

Mr. CRANSTON. Mr. President, I ask unanimous consent that the Committee on Agriculture, Nutrition, and Forestry be authorized to meet during the session of the Senate on Thursday, June 21, 1979, beginning at 2 p.m. in order to hold a markup session on crop insurance legislation in addition to food stamp legislation.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON WATER RESOURCES

Mr. CRANSTON. Mr. President, I ask unanimous consent that the Subcommittee on Water Resources of the Committee on Environment and Public Works be authorized to meet during the session of the Senate today, beginning at 5:30 p.m., to consider the Water Resources Development Act.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMUNICATIONS SUBCOMMITTEE

Mr. CHURCH. Mr. President, I ask unanimous consent that the Communications Subcommittee of the Committee on Commerce, Science, and Transportation be authorized to meet during the session of the Senate on Tuesday, June 19, 1979, to hold a hearing on S. 611 and S. 622, the Communication Act amendments.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION

Mr. CHURCH. Mr. President, I ask unanimous consent that the Committee on Commerce, Science, and Transportation be authorized to meet during the session of the Senate on Tuesday, June 19, 1979, to hold an oversight hearing on household goods moving industry.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON FOREIGN RELATIONS

Mr. JAVITS. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate on Tuesday, June 19, 1979, beginning at 2 p.m., to discuss the SALT II Treaty.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

EDITORIAL BY THE HONORABLE ROBERT C. BYRD

● Mr. CHURCH. Mr. President, on June 15, 1979, an editorial appeared in the Washington Post by the distinguished majority leader. The editorial is entitled "SALT: How We Should Think About It." The majority leader, in his usual manner, describes with evenhanded clarity, the need for calm and deliberate reflection on the important SALT II Treaty.

The type of leadership has served the Senate and the Senate Foreign Relations Committee well. I commend the article to my colleagues and hope that they will heed its advice. I ask that the editorial be printed in the Record.

The editorial follows:

SALT: How We Should Think About It

It may be impossible to evaluate and reach a decision on a strategic arms limitation agreement in a purely objective atmosphere, free from the slightest hint of emotionalism, and stripped of political considerations.

However, there are certain arguments that have been made that tend to evaporate under cursory examination and that are not worthy of the task before the U.S. Senate. It is my purpose here to state what I believe should be the foundational tone of the deliberations.

With the signing of the treaty imminent, I first hope the prevailing mood will be one of objective, independent judgment—not prejudgment—and that the climate for the discussions will be nonpartisan. I consider this decision on SALT II to be as momentous and potentially vital as any in my three decades in Congress.

Because I consider the stakes so high, I am concerned that the peripheral and extraneous issues may come to overshadow the meritorious arguments for or against the treaty and could distract senators from a studied process of decision-making. I do not deny that much of the discussion is healthy, or that it will contribute to a national understanding and awareness of SALT II. However, our ultimate purpose must be kept in focus at all times.

Recently, the president of the United States told a group of assembled reporters that our peace-loving nation would be seen as a "warmonger" if the U.S. Senate rejected the proposed SALT agreement. In my opinion, such an argument is not a creditable one, and it neither pricks the conscience nor challenges the intellect. It serves merely to cast a cloud over the preamble of our deliberations.

While no one should worry about this false imagery, neither should the present debate be pervaded by chauvinistic and hard-nosed assertions of "must" amendments, reservations or understandings. By doing so, we stand in danger of placing ourselves in concrete positions before our eyes have even fallen on the actual treaty text.

The fact is that the treaty has taken three administrations and seven years to negotiate. After it is signed and submitted to the U.S. Senate, the Foreign Relations Committee will begin hearings the second week in July. Thereafter, the Armed Services Committee will hold hearings and the Select Committee on Intelligence will also examine aspects of the treaty. The documents deserve the opportunity of careful scrutiny by these committees, free from premature discussions of possible changes while the signatures are still drying.

Perhaps some of the concerns that have been expressed may diminish as the final text is made available. In addition, other problems may be satisfactorily resolved during the committee hearings. Put simply, there is no need to rush to judgment when there is ample time to proceed in a serious and deliberate manner. It could well be that, after careful consideration, the Senate may deem it necessary to make changes in the treaty or in the resolution of ratification. I may or may not eventually favor such an action, but that kind of decision, which could carry far-reaching consequences, should be made only after the most thoughtful scrutiny and analysis.

There has also been the suggestion that the U.S. Senate, if it rejects the treaty, will have pulled the trigger on an arms race between the United States and the Soviet Union. In my opinion, the Senate is well aware of the dangers of a renewed arms buildup, but any decision must be made against the backdrop of reality.

It may be in the interest of the United States to approve the SALT II agreement; or, the compelling national interest may dictate that we reject the treaty. At this moment, I have taken no position on SALT II, nor do I expect to do so in the immediate future.

At present, I consider my education to

be still in the relatively early stages on this vastly complicated issue. This is true even though I have had briefings pro and con on the subject for weeks, both from administration officials and civilian experts on strategic arms. I know that a number of the other senators have also been meeting on and studying these issues.

When I do decide, my judgment will be centered on this basic evaluation: Will the United States be better off with this treaty than without it? In seeking the answer to that question, I am confronted with at least two other queries:

First, what will be the net effect of the treaty on the strategic balance and the United States' national security?

Second, can the agreement be adequately verified, not only to my satisfaction, but also to that of experts in this field?

Finally, I would hope that any decision on SALT II would be free from partisan politics. This is one of the most important reasons for the U.S. Senate moving ahead to complete, if possible, its consideration of the treaty this year. The matter of a SALT treaty is too vital to the national interests for it to become entangled in presidential politics, by any candidate of any party—including my own.

The president believes the administration has an agreement that is sound and merits the confidence of the U.S. Senate and the American people. It will be the Senate's responsibility to determine whether, in its judgment, that is the case.

In my own mind, I am convinced that the American people want the U.S. Senate to ratify a sound SALT agreement. They want to feel that the potential for nuclear destruction has been diminished, and that our world is a more secure and safer place.

At the same time, though, I have no doubt that the people of our nation would not want the U.S. Senate to give its endorsement to a treaty that was contrary to the best interests of the United States.

The people want a good treaty.●

THE CAPITAL FORMATION PROBLEM

● Mr. WEICKER. Mr. President, last year I joined many of my colleagues in urging the reduction of the capital gains tax rate. It was my opinion that this change was needed to enable smaller companies to raise the equity capital they so desperately need. By reducing the capital gains tax, the risk-to-reward ratio is improved for a potential investor. Congress did cut the capital gains tax from 49 to 28 percent, thereby enabling an investor to retain 72 cents on the dollar for a successful investment, instead of only 51 cents.

I am pleased to report to my colleagues that the capital gains tax reduction has indeed resulted in increased investment in our Nation's smaller businesses. Last year, there were 46 initial public offerings which raised $250 million, an increase of 63 percent over 1977. The situation appears to be even better this year, as in the first quarter 15 companies went public and raised $68 million, which represents a staggering 1,000-percent increase in capital raised compared to the same period last year. In addition to supplying these companies with capital, the rejuvenation of the new issues market will help other businesses, as investors in the corporations which have gone public have a market in which to sell their stock and then reinvest in other new ventures.

Last Friday, the Wall Street Journal published an article entitled "Venture Capital Is Plentiful Once More, Partly Due to Change in Capital Gains Tax." It was observed in that article that—

> New small companies, rather than established large ones have been responsible for such technological wonders as the light bulb, instant photography, the minicomputer and the plain-paper copier.

The resurgence of venture capital will help these companies grow and develop new technologies.

Likewise, an article entitled "Comeback for the Dream Merchants," which appears in the June 25 edition of Forbes, estimates that $1 billion in new industry will be invested "in the next Xerox." This is an amount 10 times that available 2 years ago. Much of this money will be invested in high-technology computer and electronics firms, thereby helping America to retain its leadership in the field of technology.

Mr. President, credit must also be given to the Securities and Exchange Commission, which has taken many steps to help small businesses raise capital. Perhaps most importantly, the SEC has eased its regulations on selling restricted securities that were first purchased without the filing of a full prospectus. This enables large investors to sell their stock in companies more quickly, thereby permitting them to reinvest in other promising ventures. Likewise, the Labor Department has assisted by clarifying its position on the fiduciary responsibilities of pension fund trustees, thereby allowing them to invest in new ventures.

A word of caution must however be expressed. As noted in the Forbes article, "many of the excesses that caused the venture market to collapse in the late sixties are already beginning to reappear." Although the Federal securities laws afford protections to investors and the SEC's Enforcement Division does an excellent job of maintaining the integrity of the marketplace, abuses will surface. I strongly urge potential investors to carefully study each intended investment.

Mr. President, I am encouraged by what I have read in these articles, and I think that my colleagues should also be enthused. However, we cannot rest on our laurels. Deserving small businesses still do not have easy access to the capital they need for growth. I am presently studying numerous legislative proposals designed to help small businesses raise capital. Shortly after the Fourth of July break I expect to introduce legislation creating a "small business participating debenture." As Arthur Andersen & Co. related when they suggested this idea on testimony presented at a Small Business Committee hearing that I chaired, the vast majority of small businesses want to remain privately owned. My legislation is designed to help these privately held companies raise the capital necessary for continued growth. I hope that my colleagues will give their careful attention to this, and other, proposals to alleviate the capital formation problem confronting our Nation's smaller businesses.

Mr. President, I ask that the two articles referred to be printed in the RECORD.

The articles follow:

RETURN OF THE RISK-TAKERS: VENTURE CAPITAL IS PLENTIFUL ONCE MORE, PARTLY DUE TO CHANGE IN CAPITAL-GAINS TAX

(By William M. Bulkeley and Lindley B. Richert)

Bernard J. O'Keefe is well-acquainted with risk. As a young scientist engaged in weapons research in the mid-1940s, he once climbed a 300-foot tower in the Nevada desert to disarm a nuclear device that had failed to detonate.

Today, at age 59, he is still taking chances. Mr. O'Keefe is chairman and chief executive of EG&G Inc., a scientific instrumentation and testing concern based in Wellesley, Mass. Recently he put $1 million of his company's money into a limited-partnership fund. He could lose it all in risky investments in new high-technology companies. But Mr. O'Keefe is betting that his money will finance firms that will return as much on capital as the 52 percent that EG&G returns before taxes. If he wins his bet, he believes, he will get "a better window on new-product developments" and be performing a social service by aiding entrepreneurs as well.

Decisions like Mr. O'Keefe's are increasingly common because venture capital is suddenly fashionable again. After languishing for years, the venture-capital market is booming. Among the reasons: recent spectacular successes by some companies financed by venture capital, increasing corporate acquisitions, and changes in the capital-gains tax and in some securities laws. Some new companies are even turning away funds, and observers are beginning to worry that there is more money chasing deals than there are good deals to be had.

"MORE ACTIVE AND VIGOROUS"

"The industry is more active and more vigorous than at any time since 1969," says Reid W. Dennis, a West Coast venture capitalist. He is also chairman of the National Venture Capital Association, a trade group.

He says managers of venture-capital funds raised $215 million last year and have already raised $69 million this year on the way to a goal of as much as $300 million. Those figures don't include money available from many big banks and such industrial concerns as General Electric Co. and Textron Inc., which have their own venture-capital arms. In all 1977, he says, only $20 million was raised.

The current boom reverses a five-year trend that began in the second half of 1973 when the depressed stock market and subsequent recession caused a drought in venture capital. Investors refused to buy new stock issues, making it heard to take private companies public. That made venture-capital investments undesirable because it meant it would be difficult for investors to realize profits by selling stock to a wider group.

The resurgence of venture capital is important because it is a key to the development and survival of new companies and because new companies are vital to the economy. Some of these firms develop new technologies, compete successfully with older, stodgier firms and even spawn new industires.

New small companies, rather than established large ones, have been responsible for such technological wonders as the light bulb, instant photography, the minicomputer and the plain-paper copier. "The lifeblood of this economy has been in backing new ideas and a lot of the best have come from individuals who couldn't sell them within their own organizations," says William Donaldson, dean of the Yale Graduate School of Organization and Management.

When these firms are starting, many don't have the money to get off the ground. Entrepreneurs without any assets other than their ideas can't hope to repay investors for five or even 10 years. "In a start-up situation, you're investing a payroll. And when you invest in payroll, you're investing in losses," says E. F. Heizer, chairman of Chicago-based Heizer Corp., one of the nation's biggest and most successful venture-capital firms.

"PORTFOLIO APPROACH"

In the past, venture capital has generally come from private investors who were willing to back an inventor or innovator. But in the past 30 years, such financing has come increasingly from firms set up specifically to help a number of entrepreneurs in return for equity in the fledgling businesses. That's good from the viewpoint of investors in the venture-capital firms; the investors don't have to keep as close an eye on their investments. "This new portfolio approach permits us to better leverage our time as well as our money," says Mr. O'Keefe, who put EG&G's $1 million in a new fund that was organized by two former executives of Citicorp's venture unit and is known as Welsh, Carson, Anderson & Co.

Despite the nature of their investments, venture-capital firms have increasingly found ways to limit their overall risk. More and more big investments are handled by several firms, one or two of which will monitor the new company's progress. In the past, it was common to have one venture-capital firm supply all the money for a small venture.

"Generally now we're part of a syndication rather than a sole investor," says Larry J. Lawrence, president of Citicorp Venture Capital. "We're seeing a lot more chances to participate from the private funds" than five years ago, he adds.

Venture-capital firms also are increasingly involved with less risky small companies that already have established products but need an injection of capital for rapid expansion.

REASONS FOR RESURGENCE

Observers trace the resurgence of venture capital to a number of factors, the most important of which is the track record established by many venture firms over the past five years.

Several young companies backed by venture capital have recently emerged as spectacular successes. For instance, there is Amdahl Corp., a West Coast computer maker that successfully challenged International Busines Machines Corp. in the large-computer field. Heizer, the venture-capital firm that backed Amdahl from the time its founder was still working for IBM, now holds four million shares, or 23% of the company's stock, valued at $160 million.

Although Heizer has been unusually successsful, other firms can also cite impressive results. It is that kind of success that may hold the seeds of trouble, venture capitalists concede. "There haven't been any real disasters. In recent years, the business was highly selective because so little money was available," says the trade-group president, Mr. Dennis, who is himself a managing partner of Institutional Venture Associates of Menlo Park, Calif. With more money looking for good deals, there is more danger that some venture capitalists will get burned making investments that a year ago might have been dismissed as too risky. But that, he notes, is the way venture capital is supposed to work. "The business really became more selective than was good for the country," he says.

The growing penchant for corporate acquisitions has strengthened the venture-capital business because it gives investors a chance to sell their interest in a company. "You can't look at the (stock) market as a prime way out of an investment any more," says Jeffrey W. Wilson, an investment officer with First Venture Capital Corp., an arm of First National Bank of Boston. "You ask, 'Would this fit in as a product line for a major company?' "

In the past few years, the government has taken a hand as well. The most important action, according to many venture-capital firms, was the passage last fall of a reduction to 28 percent from 49 percent in the maximum capital-gains tax for investments held over a year.

The Securities and Exchange Commission also helped when it eased its regulations on selling restricted securities that were first purchased without the filing of a full prospectus. Under the change, Business Development Services Inc., GE's venture-capital unit, calculates that it now can sell all its stock in one investment while under the old rule it couldn't have sold out for 14 years.

Even the Labor Department has increased the availability of capital for venture firms. It recently issued a proposal clarifying its position on the fiduciary responsibilities of pension-fund trustees. The proposed regulation makes it clear that "investments other than stocks and bonds would be reasonable," says Stewart Greenfield, a managing partner of Oak Investment Partners, a new fund that just raised $25 million, including $3 million from pension funds.

For the entrepreneur, the swelling venture-capital market can be good news indeed. Take Magnuson Systems Corp., a firm founded three years ago to make IBM-type big computers. Last year, Fairchild Camera & Instrument Corp. invested $4 million to expand development and marketing at the audacious little Santa Clara, Calif., company. Early this year, Magnuson began to raise money from venture capitalists for building manufacturing and sales operations. Joseph L. Hitt, president and chief executive, says Magnuson planned to raise $5 million. But it was offered more than $10 million, Mr. Hitt says, and it decided to take $10 million, fulfilling its capital needs for the foreseeable future. "We had an awful lot of interest," he notes.

"There's a lot of money out there, and there's a willingness to invest it," he concludes.

COMEBACK FOR THE DREAM MERCHANTS

(By Nick Galluccio)

Dust off that dream. After a near-dormant decade, the venture capital business is booming again. This year alone an estimated $1 billion in new money will be put into financing "the next Xerox," more than ten times the amount available only two years ago. A lot of the money is chasing after high-technology computer and electronics companies, many of which are nestled among the electronic giants operating out of northern California's Silicon Valley. But money is also pouring into such diverse fields as medical research and heavy manufacturing. Other beneficiaries of all this largesse include established dealmakers such as New York's Patrick Welsh and Russell Carson, the San Francisco firm of Hambrecht & Quist as well as scores of new dream merchants who are sprouting up around the country to assist in channeling the new money.

They are backing some real long shots these days. Here's Magnuson Systems Corp., a capital-starved upstart that hopes to take on IBM. Magnuson was started in 1977 by three California entrepreneurs. Although the firm has only recently built its first medium-size mainframe computers, it was able to raise $10 million in the last three months by giving an investor group a scant 26% of its equity. Is $10 million, equal to $7 a share, too much to pay for little more than a dream? Says Bill Hambrecht, senior partner in Hambrecht & Quist, "The risks are horrendous," and if the company actually gets off the ground "they will be even greater" when it tries to take on IBM. Yet Hambrecht's firm has put $1.5 million into Magnuson.

Why? Sutter Hill Ventures' William Draper, who invested $300,000 in Magnuson, says: "The worst feeing is when you turn down something that becomes a real great winner and then you ask yourself, 'Why was I so picky?' Nobody will probably make very much on that company, but they all felt they needed to be in it."

Magnuson's recent experience contrasts sharply with that of Amdahl Corp., another computer maker which, only six years ago, had to go outside the U.S. to get much of the money it needed to finance a high-stakes gamble against IBM's top-end computers. Amdahl was able to tap Chicago's Heizer Corp. for $6 million, but "no one else in the States wanted to touch us," says Clifford Madden, Amdahl's vice president-finance.

The change in the climate can be traced directly to Congress, which last November cut the capital gains tax from 49% to 28%. While it isn't yet clear whether that cut has made much of a difference to the stock market, it certainly helped open the floodgates for venture capital. Wealthy individuals and families like New York attorney Frederick Adler, Raychem founder Paul Cook, the Hillmans of Pittsburgh and the Rockefellers. Big corporations like Ford Motor, Continental Group, EG&G, Fairchild Camera and American Express, to name a few. Insurance companies and banks like Aetna Life & Casualty and Connecticut General, Bank of America, Citibank and Security Pacific National. Even Harvard University, through its endowment fund. They're all getting into the act. Predictably, venture capitalists are themselves becoming entrepreneurs. Citibank lost six of its nine venture group members in the last year, all of whom have started their own funds; BofA's number-two man, Kirk Bowman, recently defected to San Francisco's VestVen. "A period like this tends to make investors say 'Yes' more often than 'No'," says Sutter Hill's Draper.

The dreamers, of course, have always been there. The American air seems to breed them. But the potential backers had gone elsewhere. By reducing the capital gains tax, Congress improved the odds for the backer. Instead of getting to keep 51 cents on the dollar of their winnings, the backers now get to keep 72 cents. The result is that the odds have improved by almost 50%. Without a chance at big winnings, venture capital is a loser's game, as there are inevitably more losses than gains. Los Angeles' Brentwood Associates, for example, estimates that over the next five years the aftertax gain on its present $8 million fund will be $3 million more than it would have been under the old law.

Other factors are behind the boom besides more favorable tax treatment. The Labor Department has told pension fund managers they can invest in new ventures without violating their fiduciary responsibilities. In the last six months over $50 million of pension money has flowed into venture funds, compared with under $5 million for the previous three years, according to *Venture Capital Journal.*

The venture capitalists are happiest when there is a flourishing new-issue market. That way they have someone to sell their winners to, so they can turn around and back additional ventures. Without the new-issue market, the venture capitalists tend to become stockholders, even with relatively successful ventures. The new-issue market may be meager in comparison with the bull market of 1969 when 698 initial public offerings were made, but it is showing signs of revival. Last year there were 46 public offerings in which $250 million was raised, up 63% from 1977. Compare this with only 9 offerings at $16 million in 1974. This year is even better: in the first quarter alone, 15 new companies bankrolled at $68 million—1,000% more money than at the same time in 1978.

Finally, investors are obviously impressed by the heady performance of these few successful venture capital deals, such as Amdahl, Federal Express and Intel, which did get started during the past decade or so. Many venture funds have shown 30% to 40% annual compound rates of return for that period. Take the case of venture capitalist Arthur Rock. His $300,000 investment in Intel, made back in 1969, is worth over $20 million in today's market. Citibank and First Capital Corp. of Chicago each put $1.6 million into Federal Express in 1973 and each has returned about $11 million. Investors have made millions on smaller deals as well. A $1 million investment in Tandem Computers made in 1974 by the San Francisco venture firm now known as Kleiner Perkins Caufield & Byers is worth $32 million.

The bulk of the money is flowing into the hands of venture capitalists who, like Draper, set up limited partnerships for their investors and decide where to put the money. Each fund is diversified among a number of investments to minimize the risk. Magnuson, for example, was financed by a group of investors including the Rockefellers, Bessemer Securities, Time Inc., Brentwood Associates and Fairchild Camera.

With so much money chasing him, the entrepreneur today can call the shots and demand a bigger piece of the equity in the new company. Case in point: Chicago-based GST Laboratories, Inc., a company started three years ago that is developing an instrument to detect breast cancer. Desperately needing financing, inventor David Phillips and three founders, Richard Reilly, James Kelly and James Ryan, recently sought out San Francisco's Montgomery Securities. Montgomery offered to raise $3 million in return for 51% of GST's equity. The offer was turned down by the entrepreneurs, who have since found a sweeter offer. The Chicago investment banking firm of John H. Altorfer & Co. has promised to raise $2.5 million (in tax-shelter money), demanding in return a mere 20% of GST's equity.

Says Gib Myers, a partner in Menlo Park's Mayfield Fund: "It used to be that you would spend a month and a half doing homework on a prospective deal. No more. Today decisions are made in a week because investors can't wait to get in." In less than a week, for example, Kleiner Perkins Caufield & Byers closed their deal with Keith Swanson, who left Measurex last year to start Econics, a maker of computerized control systems for boilers. The firm bankrolled Swanson to the tune of $1.5 million for 55% of Econics' equity. The management team got 45% without putting up a dime.

With so much money available for these deals, many of the excesses that caused the venture market to collapse in the late Sixties are already beginning to reappear—high valuations, hasty decisions, entry into furiously competitive markets with second-rate products and novices putting deals together. "There are going to be some absolute horror stories down the road," says Timothy Hay, president of Security Pacific National Bank's venture capital group.

Another factor that is pushing money into venture capital is the dearth of good alternatives. At a time of double-digit inflation, even high-yielding fixed-income investments show negative yields. The stock market as a whole is not going anywhere. Gold is for the constipated. And real estate is getting almost ridiculously overpriced (FORBES, June 11). What's left? Venture capital.

Noel Atkinson, 62, is a California real estate consultant who has for 20 years been putting together limited real estate partnerships as tax shelters for doctors, lawyers and other wealthy individuals. Says Atkinson: "Real estate prices are getting bid so high that people are buying break-even properties. To hell with it, I'm going to get into venture capital; I just have to call my investors and they will write me out a check."

For his first foray into the venture market Atkinson is raising $1 million to bankroll an electronic graphic-plotting machine developed by a man who has been unable to get backers for five years.

Many newcomers to the field are mesmerized by the Amdahls, Federal Expresses and Tandem Computers. They forget that these fat successes were spawned when money was scarce and very choosy. With money less choosy, the failure rate is inevitably higher. Moreover, if the recession proves a bad one, many of these fledgling ventures are going to die for lack of fresh capital; today's eager backer can easily become tomorrow's hard-hearted no-sayer.

Says Morton Collins of Princeton's DSV Associates, a 12-year veteran of the business: "I don't think this is a particularly attractive time to invest. I would rather be countercyclical. Two years from now many of these deals will look disappointing to their investors—I look forward to refinancing them at bargain prices." He may be right. Yet nobody seems to care. It's kind of like going to the races. You don't really expect to win, but look at the fun you can have if even one of your nags turns out to be a longshot winner.●

THE ENERGY ANTIMONOPOLY ACT OF 1979

● Mr. BAYH. Mr. President, tomorrow the Senate Antitrust Subcommittee, on which I serve, will begin a set of hearings that I believe are as important as any that will be held by a Senate committee this year: Hearings on S. 1246, the Energy Antimonopoly Act, which I joined in cosponsoring with 12 of my colleagues late last month. Several days of hearings will be held on this bill this month, and I hope the Judiciary Committee will act quickly to report this critically important legislation to the Senate for early floor action.

The Energy Antimonopoly Act will prohibit the country's largest 16 oil companies from acquiring any company with assets greater than $100 million. Its purpose is very simple—to prevent the major, multinational oil companies from investing their money in department stores, circuses, or insurance companies and to restrain them from buying up all competing sources of energy. This is strong medicine, Mr. President, but it is necessary if we are to reduce their already pervasive political influence, break our dependence on OPEC and insist that the majors use their considerable resources to produce more oil and gas, which this country desperately needs, instead of using their capital to make nonproductive purchases of enterprises which are totally unrelated to the oil industry.

Mr. President, on the first of this month, the administration set in motion the initial steps for lifting ceilings on domestic crude oil prices. I am still hopeful that Congress will reverse this decision, which I do not believe is necessary to provide adequate incentives for additional oil and gas production.

The fact is that the major oil companies are cash rich and profit heavy and are the only one of our domestic institutions which has benefited from several rounds of OPEC price increases, which have sent the rest of our economy into a tailspin.

Last year, the industry earned $12.7 billion in profits. This year, first quarter profits have been even larger, with an industrywide increase which is 56.9 percent higher than last year, and about 20 percent better than that of the average manufacturing company.

Last September, Business Week compared the cash holdings of 35 major industries, showing that the fuel industry, with $16 billion, had easily twice the assets of any other industry, including the steel, automotive, chemical, aerospace, and utility industries. The eight largest oil companies—Exxon, Mobil, Texaco, Socal, Gulf, Standard Oil of Indiana, Atlantic Richfield, and Shell—accounted for 72 percent of the $16 billion. The combined cash flow of the 16 largest oil companies over $25 billion per year is sufficient to acquire a 50-percent controlling interest in 48 of the top 100 Fortune 500 corporations. I cannot believe that this is not sufficient to keep those rigs drilling.

Should the administration be successful in moving ahead with decontrol of oil prices, the oil companies, according to the administration's own figures—which many believe to be conservative—will add another $22 billion to their cash reserves over the next 6 years, even assuming the Congress passed the President's proposed windfall profits tax. Should no tax pass, oil company coffers will be enlarged by over $50 billion.

Should this come to pass, Mr. President, the sums available to these companies for corporate acquisitions will be staggering. The Congress must act to prevent them from using the public's money to invest in assets that do nothing to add to our energy independence. Without passage of S. 1246, I am not sanguine that much of this money will be used to produce more energy for a justifiably frustrated, angry and bewildered public. A look at the past behavior of America's oil companies in this regard is not comforting.

NON-ENERGY-RELATED INVESTMENTS

Last year, in response to a request by my distinguished colleague from Massachusetts, Senator KENNEDY, the Federal Trade Commission prepared a list of post-1972 acquisitions by the 20 largest American oil companies. I shall submit this list for the RECORD at the conclusion of my remarks. I pick out a few entries for my colleagues, to illustrate what is likely to happen with the bloated profits that will flow from crude oil decontrol if we do not pass this bill:

A 1974 acquisition by Mobil of Marcor, a holding company for Container Corporation, one of the Nation's largest packaging firms, and Montgomery Ward, the Nation's seventh largest retailer, for $1.8 million; and

Mobil's pending bid for the Irvine Company, a land developer and agricultural company, made in 1976, for $336 million;

A 1977 acquisition by ARCO of Anaconda, a major copper producer, for $784 billion; of the Observor, a British newspaper, in 1976; and of Continental Cables and Conduits of Canada in 1977, an aluminum electrical conduit manufacturer;

A 1977 acquisition by Tenneco of L.D. Properties, Inc., an almond orchard, as well as of Philadelphia Life Insurance Co., for $170 million; of Monroe Auto Equipment, a firm that manufactures and distributes shock absorbers, for $190 million; and of ETS R. Bellanger in France in 1976, and Harmo Industries in Britain in 1975, both auto exhaust system manufacturers;

The 1976 acquisition by Sun Oil of Stop-N-Go Foods, Inc., Walter Norris Corp. (industrial machinery and equipment), and Audio Magnetics Corp. (electronic comporents), as well as more recent purchases of Applied Financial Systems (data processing for banks and trusts), Kat Products, Inc. (wholesale fasteners, industrial supplies, automotive equipment), and Unibrazze Corp. (welding alloys and supplies).

Recently proposed or completed mergers indicate more of the same in the future. Just a few weeks ago, Exxon offered $1.16 billion for Reliance Electric Co., an electric motor manufacturer; Standard Oil of Indiana proposed to acquire Cyprus Mines, a processor and marketer of nonferrous and industrial metals, worth about $450 million; and Sun Oil acquired one-third of the shares of Becton-Dickinson, a manufacturer of medical equipment, for $293 million.

Mr. President, investments in almond orchards, life insurance companies, electronic and medical equipment firms, British newspapers, copper mines, and automotive parts companies do not produce more petroleum products for American citizens sitting in gas lines. We must send the oil companies a clear message that they should be concentrating their resources on exploration of oil and gas, and not using the vast riches they are amassing, at the expense of the American consumer, to purchase existing companies that in no way contribute toward solving our energy problems.

Last year, Exxon had well over twice as many undeveloped acres of oil and gas reserves as developed ones, and Standard of Indiana has less than 10 percent of its 34 million net acres of oil exploration and development rights under production. I would prefer to see Exxon use its cash reserves to develop these assets than to produce electric motors.

I would likewise prefer to see Standard of Indiana develop its hydrocarbon reserves instead of dumping half a million dollars into Cyprus Mines. And I find it ironic and profoundly disturbing, Mr. President, that Gulf Oil, which tried to acquire the Ringling Brothers Circus a few years ago, just recently decided not to develop an extremely promising process for converting municipal, agricultural, and pulp and paper wastes into alcohol for use as a petroleum extender, while last year it acquired a Union Carbide polystyrene plant in Ohio and bought up Silver King Mines.

INVESTMENTS IN COMPETING ENERGY SOURCES

Equally as troubling to me, Mr. President, as the continued investment of oil dollars in nonenergy industries, is the continued acquisition by the major oil companies of their competitors in the oil, coal, and uranium businesses. Since Gulf's purchase of Pittsburgh and Midway Coal in 1963, the majors have continued to buy up vast coal and uranium reserves, with no apparent boost to energy production.

Oil companies own, in whole or part, three of the top four coal producers and now control almost half of all coal reserves leased or owned by private companies.

Three of the top four producers of uranium are controlled by oil companies, and over 60 percent of milling capacity is in the hands of the oil giants.

The lion's share of Federal research and development funds for synthetic fuels have also gone to the majors, resulting in their control over almost all patents awarded for coal-based synthetic fuel processes.

Yet, Mr. President, these acquisitions have not resulted in any apparent surge in energy production. Acquisition of coal reserves by the majors has been followed by either a static rate of production, or actual declines. At its present production rate, it would take Exxon 1,900 years to develop its vast coal reserves. And despite all those patents, there is still not one synthetic fuels plant in operation in the United States.

It seems to me, Mr. President, that the oil companies are hedging their bets by these investments. By buying up future sources of energy, the majors are assuring themselves that once we exhaust our supplies of oil and gas, there will always be an Exxon, a Gulf, or a Mobil. Every time that OPEC raises its prices, the value of Exxon's coal and uranium increases. Further acquisition of competing energy sources does not augur well for our future. It produces no new jobs. It produces no new assets. It adds nothing to the economy and, if anything, it appears to detract from energy production rather than stimulating it. Selling a coal mine to an oil company is like letting the foxes guard the hens.

GROWING POLITICAL INFLUENCE OF THE MAJORS

Finally, Mr. President, I call my colleagues' attention to what I perceive to be perhaps the most serious repercussion of continued conglomerate mergers by the energy giants—their ever-growing political influence and clear willingness to skirt the national interest when it is in their financial interest to do so.

Few of us will forget the refusal of the majors to supply fuel for the U.S. Navy during the Arab-Israeli war in 1973. Many of us feel that the majors do nothing to resist OPEC price increases, which greatly enhance the value of their domestic holdings. Many of us believe that the majors have repeatedly manipulated supplies to drive independent refiners and retailers out of business, and raise prices to consumers.

Few of us have not been awed and angered by the resources the majors continually bring to bear on the Congress, and the executive branch of the Government, when their interests are at stake.

Through their sheer size and control of vital natural resources, the major oil companies of this Nation already control our destiny far more than we like to admit. Permitting them to use their vast accumulated wealth to further their stranglehold over all sources of energy, and further acquire other corporate holdings, is ceding still more power and influence to a handful of corporate executives out to make a profit at any cost to the Nation.

Mr. President, it is the business of corporate executives to maximize their companies' profits and I have no quarrel with that. It is what keeps our economy and society ticking. But we here in Congress have a different responsibility—we are here to safeguard the public's interest and not vested private interests. We must prevent the oil octopus from reaching out any further and expanding their social, economic, and political power.

In his energy speech to the Nation early in April, the President said he would demand that the oil companies use their new income from oil decontrol to develop energy for America, and not to buy department stores and hotels. I believe the Congress should deliver on this pledge by quickly passing S. 1246. I look forward to working with my committee chairman, Senator KENNEDY, and the chairman of the Antitrust Subcommittee, Senator METZENBAUM, to report this bill out of committee for early consideration by the Senate.

The list follows:

Acquiring company	Amount acquired 1 whole; 2 sub.; 3 div.	Year of acquisition	Assets	Year of assets	SIC No.	1 stock; 2 cash; 3 both (C. & S.)	Industry acquired
Exxon Corp.: Compania Minera Disputads de Las Conde, S.A. (Chile).[1]	1	[2] 1977			7621	2	State-owned copper mines.
Texaco Inc.:							
Polycarbona Chemie (West Germany)[1]	1	1972			28	2	Makes phthalic anhydride, maleic anhydride and plasticizers.
Jefferson Chemicals (England)[1]	1	[2] 1974			28	2	Specialty production of chemicals used for veterinary medicines.
Jefferson Chemicals (Canada)[1]	1	[2] 1974			51	2	Markets chemicals.
Tricentrol Ltd./Oil Gas (Triniduel)[1]	3	[2] 1975			13		Oil and gas retail merchandising enterprise.

Footnotes at end of table.

Acquiring company	Amount acquired 1 whole; 2 sub.; 3 div.	Year of acquisition	Assets	Year of assets	SIC No.	1 stock; 2 cash; 3 both (C. & S.)	Industry acquired
Mobil Oil Corp.:							
Lesire Properties	2	[2] 1973					
Marcor Inc	1	1974	2,847.5	1974	5311		Merchandising and packaging other substances.
Irvine Co	1	[2] 1976	520.0	1976	6552	1	Land developer and agriculture.
Pastucol (Italy)	1	1972			26		Manufacturers of plastic grocery bags and polyethylene film products.
Mount Olive & Stauton Coal Co	1	1977			1213	2	Mines coal.
Gulf Oil Corp.:							
Schiavons Inc	1	1973				1	
Kewanee Brands	1	1977	389.0	1976	2819		Manufacturers of industrial chemicals and pigments (dyes).
Chevron Oil AG (Switezerland)[1]	2	[2] 1977					
Propane Co. Ltd. (Canada)[1]	1	[2] 1976			51		
Trinity Gas Co. Ltd. (Canada)[1]	1	[2] 1976			51		
Petroleum Marketing Corp	2	[2] 1977					Petroleum.
Standard Oil (Indiana):							
P.T. Pacific Nikkel Indonesia	1	[2] 1977					A consortium develops high-grade nickel laterite deposits.
Analaz Devices, Inc	1	1977	28.6	1976	3662	2	Manufacturers of operational amplifiers, digital anologs, etc.
Cetus Corp	1	1977					
Shell Oil Co.: Witco Chemical Corp./Polybutylene Business.	3	1977				2	Manufacture and wholesale wide ranges of chemical and petroproducts.
Atlantic Richfield:							
Parsons Cos	1	1973	1.1	1973	5172	1	Distributes gas & distillery fuels.
Sinclair-Koppers	1	1974			2821	1	Manufacturers of plastic materials, cyclid crude dyes (organic pigment).
Benson-Goss Fuels, Inc	1	[2] 1976	.8	1976	5983	2	Fuels.
Polyropylene	3				5161	2	Chemicals and allied products.
Anaconda Co	1	1977	2,050.9	1976	1021	3	Nonferrous metal mining and processing, manufacturers of metals.
George Y. Brubaker, Inc	1	[2] 1977	.9	1977	5983	1	Sale of fuel oil and heating equipment.
I/C Engineering Corp	1	1977			3662		Uses time division multiplex techniques in the process control industry.
Solar Technology International, Inc	1	1977			3674		Develops and processes photovoltaic cells.
William C. Pullen, Inc	1	[2] 1977	.7	1976	5993	1	Sells fuel oil and heating equipment.
Nielsons, Inc	1	1977	20.1	1977	1611		Heavy and highway construction.
Enbrook Oil & Gas Co. Inc	1	1977					Fuel.
The Observor (U.K.) (England)[1]	1	1976			27	2	British newspaper.
Continental Cables & Conduits (Canada)[1]	1	[2] 1977			36		Makes liquid tight and flexible aluminum electrical conduits.
Continental Oil:							
Ancon Chemical Corp	1	1972			2818		Chemical corporation.
Oasis Petroleum	1	1973			1311		Petroleum.
Tenneco Inc.:							
L. D. Properties Inc	2	1977			0173	2	Almond orchards.
Philadelphia Life Ins. Co	1	[2] 1977	644.8	1976		1	Insurance concern.
Monroe Auto Equipment Co	1	1977	190.3	1976	3714	1	Designs and manufactures and distributes hydraulic shock absorbers.
Le-Terre Co	1	1974			6552	2	Closely held company engaged in oil and gas exploration and development.
Palmetto Corp	1	1972	193	1971	6513		Operators of apartment buildings.
Holiday Inns Inc./Foam	3	1976				2	
Lorneterm Lgn Ltd. (Canada)	2	1977					Operates liquid natural gas terminal.
Starta-Werken A.B. (Sweden)[1]	1	1975			37	2	
Wilhelm Weller GMBH (West Germany)[1]	1	[2] 1972			35		Supplies medium size vibratory compaction equipment in Germany.
ETS R. Bellanger S.A. (France)[1]	1	[2] 1976			37	2	Manufacturers of automotive exhaust systems.
Harmo Industries, Ltd. (United Kingdom)	1	[2] 1975			37	1	Replacement parts (auto muffler, tail pipes, filters and accessories).
Phillips Petroleum:							
Cardinal Petroleum	1	1974	13.9	1973	1311	2	Petroleum.
Phillips Imperial Chemicals Ltd. (Division Australia).[1]	3	[2] 1973			28		Synthetic rubber and carbon black business.
Occidental Petroleum:							
Adtek, Inc	2	1975					
Barlo of New England, Inc	1	1973			5033		Coated fabrics business (urethane footwear).
Squamish Chemicals Ltd. (Canada)[1]	1	[2] 1975					
Zoecon Corp	1	1977	20.7	1976	7391		Research development for animals and plant pests.
Sun Company, Inc.:							
Bray Oil Co	1	[2] 1972			2992		Fuel.
Calvert Exploration	1	1974	11.5	1974	1311	1	Petroleum exploration.
H.P. International	1	1975			5086	1	Professional equipment and supplies.
Process Systems	1	[2] 1973	1.7	1972	3573	1	Manufacturers digital control valves.
Beamco Co	1	1974	2.2	1973	3533	1	Oil field machinery and equipment.
Residex Corp	1	1974	18.7	1973	1623		Community development construction and industrial services.
Applied Financial Systems, Inc	1	1977				2	Provides data processing for bank and trusts.
Kat Products, Inc	1	1977			5085	2	Wholesale fasteners industrial supplies, automotive equipment.
Unibrazze Corp	1	[2] 1977	13.6	1977	3362	1	Manufacturers and distributors of welding brazing alloys and welding supplies.
Stop-N-Go Foods, Inc	1	1976	10.3	1976	5411	1	Holding company—convenience food operations and self-service gas station.
Walter Norris Corp	1	1976	3.8	1975	5084	1	Industrial machinery and equipment.
Audio Magnetics Corp	1	1976			3679	2	Electronic components.
Union Oil of California: Molycorp, Inc	1	1977	163.6	1976	1061		Mining—rare earth mining, ferroalloy processing chemicals.
Ashland Oil Inc.:							
Anchor Construction	1	1974	2.3	1974	1611	1	Construction business.
Empire State Oil	2	1972	38.9	1971	1311	2	Petroleum.
Franklin Stone Co	1	1972	.5	1972	3295		Mineral products.
Harrison Inc	1	1972	2.8	1972	1611		Highway construction grading and paving.
Lehigh Valley Chemical Co	1	1975	2.6	1974	2899		Sale of industrial chemicals and solvents and electrical chemicals.
Levingston Shipbuilding Co	1	1975	27.2	1975	3731	1	Builders of offshore drilling rigs.
Macs Super Gloss	1	1972	1.5	1972	2842	1	Cleaning, polishing preparations.
McClinton Bros. Co	1	[2] 1974	4.3	1974	1422	1	Engaged in manufacturers sale and of asphatic and limestone products.
North Western Arkansas Asphalt Co	1	1974	.1	1974		1	Asphalt company.
Reno Construction	1	1972	8.2	1972	1611	1	Heavy highway and street construction and produces construction sand and gravel.
Seaboard Construction	1	1973			1611	1	Construction and paving of streets, sidewalks, and sewer construction.
Star Construction	1	1972	.4	1972	1621	1	Construction business.
AB & H Processing, Inc	1	1976	(3)	1976		1	
Addington Bros. Mining Inc	1	1976	16.7	1975	1211	1	Mining coal.

Acquiring company	Amount acquired 1 whole; 2 sub.; 3 div.	Year of acquisition	Assets	Year of assets	SIC No.	1 stock; 2 cash; 3 both (C. & S.)	Industry acquired
Coastal Chemical Co.	1	[2] 1976	2.6	1975	2899		Markets various household and industrial chemical products.
Commonwealth Equipment Inc.	1	1976	3.2	1976		1	
General Oils Inc.	1	[2] 1976	8.1	1976	5983		Retailing fuel oil and wholesale of warm air heating and air conditioning equipment.
Highland Tractor Service Supplies	1	1976	1.3	1976		1	
Hodges & Co.	1	[2] 1976	1.7	1976	1629	1	General contractor of heavy construction and manufacturers of crushed limestone and asphalt mix.
Kentucky Highland River Coal	1	1976	1.3	1976		1	Mining, transports, processes and markets coal in eastern Kentucky.
Twin Bridges Transport (Canada)[1]	1	1973	.1	1973		3	Company hires truckers and operates vehicles.
Twin Bridges Gravel (Canada)[1]	1	1973	2.0	1973	29	3	Does gravel crushing and supplying gravel to airports.
Blue Crown Petroleums[1]	2	1973			13		Petroleum.
Frank O'Sullivan Petrol (Canada)[1]	1	1973				1	Do.
Dibblee Construction (Canada)[1]	1	1973					Construction business.
Deschenes Structures (Canada)[1]	1	1973					
Clover Braland Co., Ltd. (Canada)[1]	1	1973	.5	1973	65	3	Company acquires and holds land containing gravel.
Carlyle Holdings, Ltd. (Canada)[1]	1	1973				1	
Otilub S.A. Industrial (Brazil)[1]	1	1974			28		
Marathon Oil: Pan Ocean Oil Corp.	1	1976	13.74	1975	1311	1	Exploration and development of crude petro natural gas and minerals.
Getty Oil: Petrotomics Co.	2	1975					

[1] Foreign acquired company.
[2] Pending (not completed).
[3] Less than $100,000 in assets.

Note: Leadered columns denote no information. ●

ADDRESS BEFORE THE IOWA BROADCASTERS ASSOCIATION

● Mr. PRESSLER. Mr. President, as a member of the Senate Commerce Subcommittee on Communications, it has been my honor to participate in the debate concerning many difficult issues affecting our communications industries. In revising the Communications Act of 1934, the decisions we take will guide the development of broadcast and telecommunications media serving the communications needs of our public.

And yet, even as we consider the current structures of these industries, the advance of new technologies could well render our discussions obsolete. For broadcasting and telecommunications are among our most dynamic industries today, experiencing record growth and innovation. Developing technologies hold great benefits in services to rural areas and to the whole nation and promise to transform the structure of our communications media.

For these reasons, the deliberations on the Communications Act take on grave importance.

We may soon be transmitting newspapers as well as broadcast signals directly from satellites to receiving stations on the top of each citizen's home. Finer techniques in telecommunications will replace cable wires with fiber optics and laser beams, promising a whole spate of new services in news reporting, interpersonal exchange, entertainment, and medical services.

With the development of satellite transmission in broadcasting and other new technologies, the challenging question becomes who will control these vital media.

While anticipating these developments, we must also consider the broadcaster who serves the public today. As never before, small and independent businessmen are speaking out against the government requirements that burden them. In the broadest industry, we must remove unnecessary and inefficient regulation. I support deregulation of the industry in those areas where there is adequate competition.

I discussed many of these issues recently before the Iowa Broadcasters Association. Their concerns are of great importance to every Member of this body, Mr. President.

Therefore, I submit for the RECORD my comments to the Iowa Broadcasters Association.

The address follows:

ADDRESS BY SENATOR LARRY PRESSLER

Thank you, Paul Olson, for that kind introduction. And thank you for the honor of addressing such a distinguished and large gathering of Iowa broadcasters and their wives. Bill Turner of Sioux City is a great friend of mine—and he has introduced me to many of you during the cocktail hour. I hope to meet more of you personally later.

And congratulations to your new officers. You all are to be commended on a fine year.

Upon coming to the United States Senate, I was assigned to the Commerce Committee, of which one of the subcommittees is the Communications Subcommittee. And as a freshman member of the United States Senate, it was an honor to be assigned to the Communications Subcommittee because we are rewriting the Telecommunications Act of 1934, a very important piece of legislation. The more I look into it and the more I learn, the more I'm convinced that it's one of the most important pieces of legislation before the Congress, although certainly it's not a very salable piece of legislation in terms of political marketing. But in the four months I've served on that committee and participated in the hearings, I've been fascinated by some of the issues that you face and must face as broadcasters and as disseminators of entertainment and news. It's a very difficult and challenging business that you are in.

I might say before going very briefly into some of the issues that are facing the Communications Subcommittee that this has been a delightful trip for me. Thank you again for having me here. I had a great tour of your city this evening from Mike, the son of your outgoing President, Phil Kelly, who showed me around town for about forty-five minutes. I got to see Lock and Dam No. 11. I voted for Lock and Dam No. 26, for which environmentalists condemned me and I still don't understand why. That down in Alton, Illinois for those of you who follow some of the issues. And I understand Dubuque was chosen as a site for the movie, "F.I.S.T.," in part because it has much cable TV—and sections of town without TV antennae—which was required to portray a town before the age of television. I don't know if that is entirely true, but I was fascinated with the tour Mike Kelly gave me. It's been a very educational visit for me.

But let me discuss very briefly such grim terms as retransmission consent and spectrum fees, etc. That's what we're wrestling with on the Communications Committee, so I'll just march through five or six issues that I have listed here, and I won't pain you too long. Incidentally, I'm famous for giving a short graduation speech in South Dakota—I gave an eight-minute graduation speech, and I had 31 invitations this year. There must be a message in that for my fellow politicians!

In any event, there are three bills before Congress: the Van Deerlin bill in the House, which you've heard about; a bill introduced by Senator Hollings, the Chairman of the Senate Communications Subcommittee; the Goldwater-Schmitt-Pressler bill, which I have cosponsored. You've probably heard a great deal about the Van Deerlin bill, which, incidentally, I think is the least desirable of the three.

As I have said, the Chairman of the Subcommittee on Communications is Senator Hollings of South Carolina; the ranking minority member is Senator Goldwater, who is very interested in these matters and very knowledgeable and respected. There are also Senator Schmitt, Senator Warner, and I on the minority side. And there are four or five on the majority side.

Senators are spread very thin—I served in the House of Representatives before and we had one major committee there, but in the Senate I have four major committees and nine subcommittees. So when you go to a Senate hearing, there's usually one or two Senators there asking questions of everybody, and it's a situation with which I don't feel fully comfortable yet. Nevertheless, I do try to attend the hearings, and they've been just absolutely fascinating.

Some of the conceptual problems are among the most challenging I have ever heard. At the beginning of this year, I didn't know anything about any of these terms. In fact, when Senator Goldwater first came and asked me to sponsor his bill, he asked if I was for spectrum fees or against spectrum fees, and I said, "What are they?" That's where I started in January, so I certainly don't present myself as an expert.

Also, I have had some education in the paperwork you, as broadcasters, must fill out. Once I was driving my old "D" John Deere in a parade in South Dakota. At the end of the parade, the local radio station manager came up to me with a form he was filling out—it was an ascertainment thing or something—and he humorously said, "Congressman Pressler, I want to interview you about what's been going on in our town the last two years. You're usually here about one day every year, and perhaps you can tell us some of the issues that are important to our town!"

Well, that shows the ridiculousness of some of the federal forms and some of the regulations we have imposed, not only on radio stations but on some of our other small business as well.

Generally I tend to be on the side of deregulation wherever possible, although riding Mississippi Valley Airlines today from Chicago to Dubuque and some of the airlines we're getting in South Dakota as a result of deregulation certainly make me wonder. Mississippi Valley is a fine airline; I don't mean anything derogatory. The point is that in some of our small communities in South Dakota, deregulation is not such a good word.

I think any deregulation we can have in an industry that has competition is very important. For this reason, I'm a cosponsor of the Goldwater bill, which has deregulation of the fairness doctrine, deregulation of many of the licensing procedures, and deregulation of the ascertainments in radio. We feel strongly that there's enough competition in radio, and we feel that the limitations on ownership have been good. But across the country, it's our strong feeling that we're burdening a lot of people with a lot of paperwork, and our bill provides for a deregulation in that area.

I also might say that our bill does not have spectrum fees in it—the Van Deerlin bill does, and the Hollings bill does—but it's our feeling that if we're going to raise more money, it should be through the regular tax structure rather than a special tax on the airwaves. Maybe that will change—I don't know. But that is not true of the Van Deerlin bill and it's not true of the Hollings bill. As a matter of fact, that's why there are two Senate bills. All of the House members have agreed on the Van Deerlin bill which has spectrum fees in it. The Hollings bill does, but the bill of which I'm a cosponsor bases fees only on the cost of regulation.

As far as retransmission consent is concerned, I must say that I am undecided about this issue. In rural areas such as South Dakota and Iowa, it would be great to be able to take off all the signals from all the national ballgames and all the national copyrights without paying for them. And with satellite and some of the other new technologies we have, the possibilities are even greater. On the other hand, we also need local weather reporting, tornado warnings, blizzard warnings, and local news. With the advance of new technologies, our debates may be obsolete.

We may have to reach some kind of compromise eventually between the copyright tribunal and the concept that there be total and automatic retransmission consent required in terms of cable television. I would predict that the Congress will not change the present rules but will let the FCC decide this. In fact, I am going to predict later in this speech that Congress will not report out a final bill. But, certainly, South Dakota could not get very much major league baseball if it weren't for cable TV. Indeed, we wouldn't be able to watch the Twins unless they got into major games or the World Series.

I think cable TV is here to stay. With fiber optics and the other new technologies coming, and the satellite transmission developing, I don't think we can stop or inhibit cable TV. I'm afraid that retransmission consent would mean that there would be no further development in cable, and we cannot accept that alternative. Thus, the bill of which I am a cosponsor does not have retransmission consent in it.

There is the issue of longer license term. In our bill we provide that radio license terms be deregulated and television terms lengthened. Unless there's a problem found in a community or a substantial group that is complaining, we could go much longer without going through the license renewal procedure.

In terms of the cross-ownership provisions, there's a great deal of variance in the bill. And let me say that I do support the concept of prohibiting cross-ownership in many instances. I'm against so-called "media monopolies." I don't think we have a problem in Iowa or South Dakota, but we do have one in some of our bigger cities and I think it's a healthy thing to have some diversity. You can carry that too far, I suppose.

Local coverage and public responsibility—I've spoken strongly on my position. We have a great problem in Iowa and South Dakota to protect the rural areas and small town interests. With the weather warning needed out here. with tornado warnings, blizzard warnings, and stockman's warnings for livestock, our local broadcasters and our local radio stations play a special role. And that is something that's sometimes hard to explain to the Ted Turners and others, although they can certainly provide this too with a certain amount of extra effort.

There are a number of other areas. One area that concerns me, as I have noted, is the need for diversity of media ownership. I've spoken out very strongly about the growing concentration of media monopolies in our country and in our society. The press has always treated me wonderfully—I don't have any axes to grind—but we've had Small Business Committee hearings on ways to preserve the independent publisher and the independent broadcaster.

In broadcasting, there is some protection because of the limitation. But more and more in newspaper publishing, we're seeing a situation where by 1984, 85 per cent of all the daily papers in the United States will be owned by five major groups. That's not necessary. and it's not right. It's not healthy for the dissemination of news and entertainment. And it's a very difficult problem because of the First Amendment.

I say that as a defendent of the First Amendment. I cosponsored and helped draft when I was in the House a shield law that dealt with due process and search and seizures to protect reporters' papers.

I'm not at all saying that the national media is bad. But I foresee a time, with the development of the satellite and some of the communications media, that 20 or 30 people in our country will be making directional decisions in terms of national news and national entertainment. That probably won't affect most of you—no one will tell people how to write news stories in news rooms or radio stations. I'm talking about the kind of national news and some of the national entertainment. That's a very touchy subject. There are going to be additional hearings in the Judiciary Committee and in the Commerce Committee on which I serve, because it's a siutation that's becoming very complex.

For example, Time, Inc.—we think of it as *Time* Magazine—is now also listed as a forest products company. It owns everything from pulp mills to forests to polling organizations to television stations to newspapers to book publishing. That is a dangerous situation. We need diversity of views. Everyone in this room would write a news story differently, and they should. We need a lot of different people reporting the news and a lot of different people overseeing them.

Some of the newspaper chains also seek to have the maximum number of television and radio stations in big markets. Some own the big polling organizations. Some own book publishing groups. It just isn't necessary or good for the publishing and broadcasting industry to have that kind of concentration in power. I believe the Congress is going to be very hesitant to move in this area—the Justice Department is. I am sponsoring S. 600, which would prevent certain types of mergers—not only in large media organizations, but in other conglomerates as well.

I would hope that broadcasters and publishers would take initiative in adopting resolutions and making it known that they're concerned about this. Because it could, ultimately, harm the industry in terms of credibility of national news and national entertainment. There is concern and there is a feeling in this area. And I sense in South Dakota maybe more so, maybe we have more of a populist feeling.

As a final point, let me say that our Communications Subcommittee went up to the Bell Laboratories in New Jersey for a briefing on the technologies of the next ten years. The day I spent at Bell Labs made me think that maybe a lot of the issues we are debating are obsolete. The whole concept of broadcasting and communications will be changing over the next decades.

We may one day be receiving our newspapers over a telecopier. The time is not far away when broadcast signals will be transmitted directly from satellites to a "dish" receiver on the top of each person's home. The challenging question in this area will concern who will control those satellites. In telecommunications, coaxial cable is being replaced by fiber optics and laser beams, promising great benefits to rural areas in special news, entertainment, weather reporting, and even medical services.

It is possible that our rewrite of the Communications Act of 1934 could be obsolete by the time it is completed.

And there's a lot of controversy. Some feel that we're having all these hearings and maybe we won't have a rewrite because we can't seem to agree on anything.

On the Senate side, Senator Goldwater is very respected in this area and could probably block anything that he wanted to. Senator Hollings is very respected. Van Deerlin seems to have the thing together on the House side, although he said recently he might peel off the retransmission consent part of the bill. Maybe in the end we'll keep the present law. But I do hope we move towards major deregulation in those markets where we have competition, and certainly radio is one, if we're really sincere.

Also, there is an interesting difference between the House and Senate Committees. The House Committee is made up largely of urban, big city Congressmen. The Senate Committee is made up of Senators from rural and small town states. I don't know how this happened but, as a result, the House Committee favors the retransmission consent because most broadcasters in big cities don't see the need for cable quite so much, while Hollings of South Carolina, Pressler of South Dakota, Goldwater of Arizona, Cannon of Nevada, etc. are all very interested in seeing cable develop in small towns and rural areas. That's an intresting difference between the House and Senate Committees, and probably one of the reasons we won't have any bill at all.

So those are my positions on these basic issues. I had intended to take about ten minminutes of questions. I've been given a clock; I've got time for about five minutes of questions, or better yet, advice and comments. This is kind of sudden to be asking for questions, but I see Bill Turner and he's getting ready to take me to the airport to catch the Ozark.

I always ask my constituents for their questions and advice, and I get plenty of advice. I should—that's what I'm getting paid for. But I'll be glad to take questions on anything on the Communications Subcommittee, or SALT. I'm on the Budget Committee, the Environment and Public Works Committee, the Small Business Committee, the Republican Senatorial Campaign Committee. I'll take a question on anything.

Q. Would you discuss for us the likelihood of a Communications rewrite going through this session?

A. I can't speak with a great deal of authority, but I would say that I'm doubtful that one will go through. We're having a lot of hearings and I think we'll probably have some amendments, but we're having a vary hard time getting agreement. And it could be that the House will pass a bill.

I know Senator Goldwater adamantly opposses the spectrum fees, and our bill does not include that. There was an effort to reach agreement on one bill in the Senate between Hollings and Goldwater. Let me say that the Senate is the sort of a place where someone who is very respected in an area can block a bill. Senator Goldwater, as you know, has been a ham radio person and is an expert in this field. I think that if he felt strongly enough, he could block the bill.

If I were to make a prediction, I'd predict we'd keep going with what we've got, with some amendments, when it's all said and done. But I'm certainly no great authority and I could be wrong. Hollings expressed hope at the national meeting for a markup in July, but having a markup doesn't mean you've got a bill. So I would predict that we won't have a lot of basic changes, although there are many areas that should be changed.

But I think we're going to reach a deadlock on things like spectrum fees; retransmission consent; the deregulation of the fairness doctrine and ascertainment. The longer license term or elimination of license term is another area of great difference. When it's all said and done, I think we're going to be fillibustered or deadlocked. But maybe I'm wrong.

Q. If you think the Congress is going to deadlock, would you guess that the FCC will move toward deregulation, or would they wait for Congress?

A. Well, I certainly hope that they do, although a lot of things the FCC is doing now are in anticipation that Congress is going to either affirm it or deny these activites. They think we're up to bat, and we should be. In Washington, Congress always likes to pass everything over to the bureaucracy if they can. Once in a while the bureaucracy will pass something back to Congress. All members of the Senate and House would like to go out and blame OSHA and blame the Department of Agriculture. Of course, we fund them every year—we don't explain that. But members of Congress love to blame the bureaucracy about everything. Of course we've got control over them theoretically.

Right now, it's fascinating to me as a newcomer, because the FCC is doing some things it hasn't done in years. I think part of the reason the Commission is moving is because they feel we're going to have a markup, we're going to come out with a bill, and we're going to affirm or deny what they do. But I support many of the moves towards deregulation—less paperwork, less licenses, and less requirements are part of my general theme when I run for office. So I hope that this will at least provide the FCC with some guidance as to what Congess is thinking.

But the House bill, I think, it worse than the present bill, if I may say so. Maybe you know more about it than I do. I think the Van Deerlin bill is worse than the present Act in many ways, but maybe I'm wrong.

Q: You expressed concern about the conglomerates owning more and more newspapers. Do you see more of a danger in that—media specialists—as opposed to other conglomerates that know nothing about media buying media to spread their word?

A: Well, you've raised exactly a point that concerns me. Our whole economy is turning to conglomerates. It's just a matter of time before an oil company or food chain store buys a media conglomerate.

Indeed, the hearings we've held indicate that the great nationwide media conglomerates make an after-tax equity earning of 22.2 per cent, which is twice what the oil companies make and three times what most industry makes. They're a very good investment.

These great conglomerates are discrediting hardworking broadcasters, hardworking reporters, and independent newspaper publishers. I'm of the opinion that this is a very serious problem. But the problem is that they're using the First Amendment and they're exempt from the anti-trust laws, the fair trade practices, etc.

I don't know what the solution is. I suggested anti-trust legislation, and Gannett's Chairman and President has come into South Dakota and said I'm trying to destroy the First Amendment. I think he cares a great deal about journalism but he's a businessman in a very conglomerate sense. I do hope that broadcasters, publishers, and reporters will speak out about this situation. If a Member of Congress does it, it sounds like he's trying to control the press.

I also complain about the conglomerates in oil, in food chain stores, and in other industries. Our whole economy is changing from the free enterprise system, where a young person could own a farm or business, to where we now look forward to working for someone else for our careers.●

RHODESIA

● **Mr. McGOVERN.** Mr. President, two articles have appeared in the May 24 New York Times that put the current Rhodesian situation into perspective. Stanley Macebuh, a well-known Nigerian journalist, describes the African view of the Rhodesia vote in the U.S. Senate on May 15. Anthony Lewis assesses the consequences in Africa of a precipitous move to lift sanctions against Salisbury and comments on the dangers that lie ahead for the United States. I ask that these two articles be printed in the RECORD and that the Members of this body seriously weigh the arguments that these thoughtful observers present.

The articles follow:

[From the New York Times, May 24, 1979]

INTO THE QUAGMIRE?

(By Anthony Lewis)

BOSTON, May 23.—In the next three weeks President Carter has to make one of his most difficult foreign-policy decisions whether to end sanctions against Rhodesia. Why is it so hard? Why should he not simply follow the Senate's advice and welcome the new Salisbury Government about to be formed under a first black Prime Minister, Bishop Abel Muzorewa?

The concern is over practical consequences. American policy on Rhodesia has to change now, has to take account of Bishop Muzorewas' showing in the internal election. But too abrupt a change might do real damage to American interests.

The basic danger lies in identifying the United States with the white minority in southern Africa. The new Rhodesian Constitution leaves most effective power in the hands of the white 3 percent of the population—control of the army, for example, and the civil service and the courts. For that reason Bishop Muzorewa is widely regarded in Africa as a front for white Rhodesia and more significantly, South Africa. The United States could expect a deeply hostile reaction if it embraced the Bishop.

But why should we care about angry words from Africa? Wouldn't they come mainly from radical governments that attack the United States anyway? Senator S. I. Hayakawa, a prime mover in the campaign to end sanctions, said the other day that the criticism was just "rhetoric," and he "wouldn't pay that much attention."

Of course African governments, like others, utter a good many empty words. But, if they see the United States as joining the white redoubt in southern Africa, their reaction might matter.

The chairman of the House African Affairs subcommittee, Representative Stephen J. Solarz, recently wrote African leaders asking their views on American policy in Rhodesia. President Tolbert of Liberia cabled back that to end sanctions and recognize the Muzorewa Government would erode "the good will that the United States now enjoys among many African states." He foresaw specific damaging results, among them this:

"The action would adversely affect whatever support the United States may hope to garner among African states in respect of its initiatives in the Middle East."

Liberia is one of the least radical of African governments, historically closest to the United States, and it is worried about the consequences. The reaction would be equally strong from the most important country in black Africa, Nigeria. Its leaders have acted before now against Western firms that did business with Rhodesia.

Nigeria's oil is important to the West. So are its financial deposits, especially in Britain. A threat to withdraw those balances worried the British Government at an earlier stage of the Rhodesian tangle. And concern about economic consequences is one reason the new Conservative Government, though ideologically inclined to end sanctions, is moving so slowly.

There is another danger, potentially even more serious, that I believe is on the mind of the new British Foreign Secretary, Lord Carrington, as well as of American officials. That is the risk of being drawn into responsibility for the survival of the Muzorewa Government: the risk of finding ourselves in a southern African quagmire.

If the United States were now to move all the way toward the Muzorewa Government, it would lose the influence it has had with the front-line black states nearby. It could not play a mediating role in an attempt to end what is a major guerrilla war: one that has cost 20,000 lives so far, the equivalent of 500,000 in the U.S.

The Soviets might well step up their arms shipments to the Patriotic Front guerrillas. Zambia, now helpless before Rhodesian attacks, might seek Soviet aid for the first time. If the war then turns against the Salisbury Government, the Carter Administration would be under heavy pressure from the right to do something—not to "let a free Government go under." Would we send military aid? Advisers?

In short, there is a danger of finding ourselves coupled with South Africa in a escalating, internationalized war. That would be a formula for isolating the United States in the world. It would be a disastrous historical mistake.

There is also an internal American reason for caution in embracing Salisbury. To an extent not yet generally understood, leading American blacks identify with the blacks of southern Africa—and suspect that white America is prepared to sell them out. The black Mayor of Atlanta, Maynard Jackson, has lately raised money for the Patriotic Front blacks know that Bishop Muzorewa's' friends here include men who have been for white minority rule all along, such as Senator Jesse Helms.

All these factors suggest that the United States should change its policy with deliberate speed—and not get out in front of Britain. What influence we have, including the possibility of lifting anctions, should be used for the next few months to encourage peace talks and move the Salisbury Government toward real black political responsibility. And President Carter has an obligation to do what he has not done so far: explain the American interests that may be at stake in Rhodesia.

RHODESIA'S U.S. SENATE

(By Stanley Macebuh)

To many Africans it was always clear that the Senate never did have much stomach for the radical shifts that the Administration sought to bring to American policy on southern Africa. Both Rhodesia's outgoing Prime Minister, Ian D. Smith, and the South African Government knew this and have consistently exploited this knowledge to the full.

The recent Senate resolution asking President Carter to lift the economic sanctions imposed on Rhodesia in 1966 and 1968 was predictable. What was surprising was the lopsided pattern of the 75-to-19 vote and the casualness with which many Senators glossed over the basic issues. All but the 19 Senators appear to have bought the argument that the recent elections in Rhodesia had been "free and fair" and that Mr. Smith and Bishop Abel T. Muzorewa can't be such devils if they could command the support of 65 percent of their country's electorate. But elections were neither free nor fair and merely ratified a number of principles that Americans in particular ought to have little difficulty rejecting as totally racist.

Rhodesia has a population of almost seven million people, 85 percent of them black, 15 percent of them white. But the Constitution that the newly elected Government is supposed to enforce grants almost 30 percent of the seats in Parliament to whites, thus enshrining the manifestly racist doctrine that white Rhodesians have an interest in the state altogether out of proportion to their numerical strength. The Constitution insists that the new Cabinet will consist of 20 ministers, 14 of them black and six of them white. But it leaves the personnel structure of the white-dominated armed forces, the police, judiciary and civil service virtually unchanged, thus insuring that white Rhodesians, despite their being a minority, will retain their control of all the major institutions of the state.

White Rhodesians were given an opportunity to ratify or reject the Constitution in a referendum and Mr. Smith saw to it that they gave it their overwhelming support. Black Rhodesians were never allowed to vote on it, presumably because they were too dumb to understand its complexities. But that did not stop their being marched to the polls to elect a Government that would implement the very Constitution that they were too unintelligent to comprheend.

Much has been made of the fact that over 60 percent of the registered voters went to the polls, thus demonstrating their overwhelming support for the deal which Mr. Smith struck with Bishop Muzorewa. But no independent observers of the elections took much trouble to determine the validity of the voting lists or to examine the subtler forms of coercion the Government used to influence the outcome.

Of the approximately 1.8 million people who voted, at least 350,000 were migrant workers from neighboring countries who did not need to be reminded how hazardous it was to stay home on election day. One hundred thousand were members of Rhodesia's auxiliary defense forces who both voted and saw to it that those under their charge went to the polls. The turnout in the "protected villages" where nearly 500,000 black Rhodesians had camped was reported to have been very high, obviously because the blacks had very little option. Add to these figures the more than 100,000 white Rhodesians who most certainly could not afford to stay home on election day and it becomes clear that there was nothing remarkable in the much-vaunted turnout. Fifty percent of those who voted did so not in spite of the threats from the Patriotic Front but because of subtle coercion from Government functionaries. Even if we took the cynical view that the Government outsmarted the Patriotic Front in the game of coercion, that would still make nonsense of the claim that so many blacks voted because they approved of the future being offered.

Both on the grounds of constitutional principle and electoral ethics the elections were utterly farcical. They were held to validate the doctrine of racial superiority. They denied the merits of majority rule. And they conferred on the organizers a contrived legitimacy that they did not deserve.

All this should have been obvious to the Senators who voted to lift sanctions. That they did not act in accordance with what they knew, and ordinarily believe in, suggests that their real concerns had very little to do either with democratic ideals or with free and fair elections. They were far more agitated by the prospect that black Marxist "terrorists" were threatening to overwhelm and destroy a white pro-Western regime and they appear to have concluded that backing Mr. Smith was the best possible way to keep southern Africa safe from communism if not for democracy.

The irony is that they did not really need Ian Smith's elections to justify this position and that future events will almost certainly prove them wrong. For the Rhodesians, particularly those who have been kept away from the current arrangements, will get justice one way or the other. And if Western nations, particularly the United States, refuse to help them in their just cause, they and many moderate African nations will seek help from elsewhere. That includes Cuba and the Soviet Union.

INTERIOR'S PHONY AUDIT

● **Mr. YOUNG.** Mr. President, the U.S. Department of the Interior has become an empire unto itself, with little regard or even consideration of the position taken by the Congress of the United States on many important matters.

It has become a haven not for sensible environmentalists but for environmental extremists and they have effectively accomplished their goal of stopping many badly needed projects of all kinds, especially water projects which are the lifeblood of Western States. Their decisions are also contributing in large number to our failure to develop new and badly needed sources of energy.

In the June 14 issue of the Minot Daily News published at Minot, N. Dak., there was an editorial which very ably and pointedly points up the inaccurate reports and propaganda they are constantly spewing forth. I submit for the RECORD the editorial entitled "Interior's Phony Audit."

The editorial follows:

[From the Minot Daily News, June 14, 1979]

INTERIOR'S PHONY AUDIT

An Interior Department audit asserts that money is not coming in fast enough to justify the $2.5-billion outlay the federal government has made to date in the Pick-Sloan water development program. But a newsletter published by the Upper Missouri Water Users Association, representing the states of North Dakota, South Dakota, Montana and Wyoming, calls the audit "fiction" which leaves the informed reader "stunned at the apparent lack of knowledge" of those preparing it.

Only the return from power revenues was counted in making the economic analysis, and while that already amounts to $1.35 billion, it is just the beginning of the yield from Pick-Sloan investments. More than $800 million in power "profit" has been returned to the federal treasury, and this fiscal year alone will bring in another $73.4 million.

The obviously distorted audit—probably manipulated by Interior's environmentalists to discredit water development—carefully overlooked the $1.4 billion in flood damages that the project has prevented. And it made no effort to put the lives saved by stopping major floods on the economic scale.

It chose to list no economic plusses for the millions of tons of shipping that move on the now-controlled waters of the once-uncontrolled Missouri River. It saw no asset in the $5 5 in crops grown under irrigation in the river basin. And that figure would be many times higher under the full 4.5 million acres of irrigation envisioned in Pick-Sloan.

To date only 525,000 acres have been provided with a full or supplemental water supply. But even that limited acreage generates an estimated $2.2 million annually in federal, state and local taxes.

What's the value of the many new recreational facilities? Or the municipal water? Or new wildlife habitat?

It is a sad day when a department of our federal government stoops to such shocking distortions in a so-called audit.●

PIECEMEAL IMMIGRATION POLICY

● **Mr. HUDDLESTON.** Mr. President, the American Legion is an organization which has always supported and defended the basic values of America. It has consistently been concerned with protecting the best interests of the United States and speaks for large numbers of Americans who have given outstanding service to our country. Needless to say, the Legion's position on important issues is one that should be given a great deal of serious consideration.

The American Legion has demonstrated a longstanding concern about the increasing flow of illegal aliens into the United States and has spoken forcefully on the issue. In a recent letter to me, they reiterated this concern and also questioned the present efforts to pass a major refugee admissions bill without looking at the whole immigration picture. It is stated in the letter that:

> Refugees, despite their special reasons for entering the U.S., present the same problems as any other immigrants after their arrival and any decision to consider the proposals of S. 643 without simultaneously seeking so-

lutions to the nation's deteriorating immigration picture would be unwise.

I request that the complete letter be printed in the RECORD.

The letter follows:

THE AMERICAN LEGION,
Washington, D.C., June 14, 1979.
Hon. WALTER D. HUDDLESTON,
U.S. Senate, Dirksen Senate Office Building, Washington, D.C.

DEAR SENATOR HUDDLESTON: The American Legion, recognizing the inadequacies of our nation's refugee program, can certainly appreciate the efforts of those who support pending legislation (S. 643) to formalize the existing system. However, we believe it to be a mistake to consider such legislation without evaluating its impact on our overall immigration policy.

The admission of refugees to the U.S. has consistently been one of our greatest humanitarian gestures but our enthusiasm to welcome the world's persecuted must be tempered by a recognition of the difficulties associated with assimilating these people into American society. Refugees, despite their special reasons for entering the U.S., present the same problems as any other immigrants after their arrival and any decision to consider the proposals of S. 643 without simultaneously seeking solutions to the nation's deteriorating immigration picture would be unwise. Futher, an across-the-board evaluation would be incomplete without examining illegal immigration.

We can no longer afford to advertise the U.S. as "the land of plenty" and extend an open invitation to everyone in the world who believe they would improve their lives by being here. Thousands of temporary visa immigrants are going underground to remain in this country while millions of others are blatantly disregarding immigration laws by entering the U.S. illegally. Admittedly, these people are motivated by economic conditions in their native countries and, as such, they enter the U.S. for different reasons than refugees but illegal immigrants and refugees alike continue to exert tremendous pressure on our already-extended resources. It, therefore, is unrealistic to consider revamping our refugee admission procedures in isolation.

There are those who would argue that the immediate adoption of effective legislation to control illegal immigration would be premature since we don't have enough definitive information on the matter. This is simply not true since data accumulated over the past several years have conclusively demonstrated the need for remedial legislation. Expressions of public concern over illegal immigration and private sector proposals to address the issue are contained in hearing records of both the Senate and House.

Again, we urge you and your colleagues to seriously evaluate our nation's total immigration program when considering the pending refugee bill.

Sincerely,

MYLIO S. KRAJA,
Director, National Legislative Commission.●

S. 344—BILLBOARD LAW NOW A MESS

● Mr. STAFFORD. Mr. President, the Houston Chronicle recently ran an editorial entitled: "Billboard Law Now a Mess." This editorial shows how ineffectively the current billboard control program has been, frustrating most everyone except the owners of the billboards. The editorial expresses support for my bill, S. 344, which would grant greater flexibility to the States to operate billboard removal programs.

In addition, Mr. President, the publication Preservation News recently included an article entitled: "How Come There Are Still So Many Billboards?" Notes Preservation News about the present Federal law:

> Despite its lofty intentions, the bill has been an almost total failure.

I ask that both the editorial and the article be printed in the RECORD.

The material follows:

[From the Houston Chronicle, May 5, 1979]

BILLBOARD LAW NOW A MESS

The federal Highway Beautification Act of 1965, dealing with removal of billboards and screening of junkyards along certain highways, has become costly to taxpayers and largely ineffective as a means of visually improving roadsides.

Fewer than 100,000 non-complying signs have been removed along highways since the act became effective. Critics say changes made in the law mean another 100 years might be required to finally get all the signs down—at a cost of perhaps $1 billion to the taxpayers. Even allowing for a little prejudice, the statistics are cause for concern.

Determining which signs were to come down and how sign owners were to be compensated seemed to be fairly clear when the law was passed, but federal interpretation and subsequent amendments have changed that. Changes approved last year so altered the rules regarding compensation and noncompliance that lumped together they were tagged, apparently with some justification, the Billboard Promotion Act of 1978.

To further complicate matters, Congress has been hesitant to appropriate funds for the program even though changes have put more and more of a financial load on the federal government. The result has been a virtual halt to the program as originally visualized.

A move is under way in Congress to end the confusion by shifting the burden of highway beautification to the states, with federal aid available, under certain conditions, to help pay for billboard removal. By and large, the states would determine what sort of beautification program they want and the federal role would be minimized.

The present law is confusing, misleading and potentially costly. A review is certainly in order. Giving the states the primary role in determining how strong a program they want would seem to be a logical move.

[From Preservation News, June 1979]

HOW COME THERE ARE STILL SO MANY BILLBOARDS?

(By Edward T. McMahon)

Have you ever driven down a cluttered, billboard-strewn highway and wondered what happened to the Highway Beautification Act?

During the 1950s and early 1960s few issues evoked more discussion or debate among both preservationists and environmentalists than aesthetics and sign control.

Prodded by concern for the visual quality of the environment and with the backing of President and Mrs. Lyndon Johnson, Congress passed the Federal Highway Beautification Act of 1965. Sometimes called the "Lady Bird Bill," it was intended to screen junkyards and remove billboards along the 43,000 miles of federally financed interstate highways.

Although backers considered the bill weak from the start it did make billboard control mandatory: States that did not comply with the act could lose up to 10 percent of their federal highway funds.

However, despite its lofty intentions, the bill has been an almost total failure. Designed as a highway beautification law, it has been subverted to such an extent that former backers now call it a billboard protection law. Things have gotten so bad that Sen. Robert Stafford (R-Vt.), a strong supporter of preservation and environmental aesthetics, has introduced legislation to repeal the act. Senator Stafford explains that "the purposes this Act was intended to achieve have been to a large degree perverted. The Act has become more a protection for billboards than the cause for their removal."

What went wrong and what if anything can be done about it are two questions being asked by preservationists throughout the country. Those familiar with the act answer the first question by pointing to "crippling amendments, loopholes in the act and ineffective enforcement."

One of the act's biggest loopholes is that it permits billboards in any area zoned commercial or industrial. In practice this has meant that many local communities and county governments have designated narrow strips along the entire length of rural highways as commercial or industrial zones, thus permitting billboards in areas otherwise totally rural in character. Wyoming, for example, zoned all lands outside of municipalities within 600 feet of the highway right-of-way as commercial.

Charles Floyd, a professor at the University of Georgia and a staunch advocate of billboard controls, says that "perhaps the ultimate perversion of the beautification law has been its use as justification for the legalized vandalism of tree-cutting in front of billboards." Several states, including Georgia, South Carolina, Michigan and California, are now allowing sign companies to destroy trees on the public right-of-way in front of billboards. The monies for this action are ironically provided by the Highway Beautification Act.

The list of loopholes and crippling amendments is a long one. Anyone interested in a detailed discussion of the act's inadequacies should consult the April 1979 issue of Planning, the journal of the American Planning Association.

Chances that the act can be redeemed are slim, but the Federal Highway Administration has announced that a series of nationwide hearings will be held in June and July to assess the public's feelings about the act. Preservationists, particularly those interested in conserving the historic, cultural and rural landscape should recognize that effective billboard control is essential to the success of their efforts.●

WHO NEEEDS THE MX?—II

● Mr. CRANSTON. Mr. President, the decision of the administration to proceed with the MX missile has raised many serious questions, particularly now that we are about to begin the advice and consent process on SALT II. Last week I made a comprehensive statement concerning some of these questions and stated that the administration has a heavy burden of justifying the need and feasibility of the MX missile system.

Although there is no question that the development of the MX is permitted under SALT II, the mobile basing mode for the MX has yet to be determined and must be consistent with verification rerequirements of the SALT process. There are obviously complex technical and engineering problems involved in designing a survivable and verifiable mobile basing mode for the MX. In addition, the MX missile system appears to be designed not only to survive the threat of a Soviet first-strike capacity but to provide the United States with a devastating first-strike or counterforce capacity of its own.

It is questionable whether the SALT process was served by the decision of the

United States to deploy—rather than ban—MIRV's. Indeed, it is the subsequent Soviet development and deployment of MIRV's which creates the perceived and serious threat to our ICBM's. If we proceed with the development and then the deployment of the MX as a mobile missile system, we must anticipate that the Soviets will develop and deploy their own land-based mobile missile system.

Assuming adequate verification of such mobile missile systems—a very large and questionable assumption for me to make as to our ability to verify a Soviet system—there are those who maintain that the strategic forces will be more balanced and strategic deterrence will be better maintained if both the Americans and Soviets have essentially invulnerable mobile ICBM's.

But others maintain that strategic balance and deterrence are better maintained by not proceeding with a mobile MX, thereby inviting—if not requiring—Soviet response, as in the case of MIRV's. One of the leading proponents of this position, Mr. President, is columnist Tom Wicker of the New York Times.

Last week I placed in the RECORD a thoughtful article by Mr. Wicker entitled "Who Needs the MX?—I." Now Mr. Wicker has written a second piece on the MX. Because of the importance of this issue, I request that this second article be printed in the RECORD.

The article by Tom Wicker, "Who Needs the MX?—II" from the New York Times, Friday, June 15, 1979, follows:

WHO NEEDS THE MX?—II

(By Tom Wicker)

American predictions of Soviet strategic weapons intentions and capacity have been consistently wrong. The "missile gap" of the 1950's that would lead to Soviet nuclear superiority in the 60's; the ABM defense system Moscow was building a decade ago; the "first-strike capacity" the Nixon Administration feared the Soviets sought from their SS–9 missile—all proved in the long run better at boosting Pentagon appropriations than blasting American security.

That need not be the case with today's perceived threat, of course, but this is useful history to keep in mind as the Carter Administration goes forward with its dubious plan to develop and deploy the MX mobile missile system at a cost of at least $30 billion. Equally vital to remember is that throughout the strategic arms race, when one side has leaped momentarily ahead (usually the United States), the other inevitably has moved to catch up.

Thus, when the United States deployed MIRV's—missiles with numerous warheads that could be independently targeted—the Soviets developed their own MIRV. By the mid-1980's, it is now believed, Soviet MIRV's with greatly improved accuracy will threaten the American land-based missile system. The MX, a 95-ton monster carrying 10 MIRV's, each with the explosive power of 20 Hiroshima-size bombs, is the Carter Administration's expensive answer, it can be shifted along a 20-mile protected trench on a railroad track and presumably hidden from Soviet attackers.

The most obvious question about this idea is whether the Soviets won't then build their own mobile missile system, presenting both sides with the necessity to target more warheads on more possible hiding places, at greater cost for less security. Perhaps as important is the problem of verification, which is essential to both arms control and deterrence. For either concept to work, each side has to be confident of the strength and deployment of the other.

Shuttling missiles around obviously makes verification chancier, even if both sides play fair. Hence, the possibility of fatal miscalculation may be increased. And if Americans fear Soviet cheating now—as, in the SALT debate, numerous senators say they do—they would have even more to fear if the Soviets develop a mobile missile of their own. American security would be better served by negotiating a ban on mobile missiles of intercontinental range—as it would have been better served by a ban on MIRV's.

So far, however, the Soviet reaction to Mr. Carter's MX decision has been relatively mild (imagine the response of say, John Tower of Texas had the Soviets gone first with a mobile missile). That may indicate that Moscow believes, as do some American observers, that Mr. Carter really is trying to "buy" support for SALT II from the Joint Chiefs of Staff and conservative senators. They may think that once the treaty is ratified, the President will reverse himself and cancel the MX at a cost of the $1 billion already in the fiscal 1979 and 1980 budgets.

If that is Mr. Carter's game, it might prove harder to play than he thinks—particularly if SALT votes and the Joint Chiefs' support really were predicated on the development of the MX. If on the other hand the President actually is planning to build the mobile missile system as the $30-billion price of a short-term SALT treaty, he mocks the whole idea of strategic arms limitation—which in any world outside that of the generals and the think tanks means lowering the costs and the risks of the nuclear arms race.

Besides, it's not clear that the MX can buy a SALT treaty. The new missile would not answer all the questions senators have raised, nor would it necessarily eliminate proposed amendments or the Presidential maneuverings of Senator Howard Baker, the minority leader. But such an expensive and risky arms investment might well cause a number of otherwise sympathetic senators to vote against SALT, considering the MX far too high a price and one that might vitiate the treaty anyway.

In justification of MX development, an unnamed "official" was quoted in The New York Times as believing that without it, American land-based missiles would have to be phased out. This, the official said, would leave the Soviet Union as the only nation with land-based strategic forces and would therefore be "unacceptable."

Is it? The MX can't be fully deployed for a decade, even if no technical, political or environmental problems delay it; and in that period there could be a further shift—perhaps at less cost, less risk and less environmental damage—toward reliance on sea- and air-based missiles and manned bombers.

If there is no military need to maintain land-based ICBM's, keeping them just because the Soviets have them would be keeping up with the Joneses at ridiculously high cost. On the other hand, phasing out these nuclear-tipped dinosaurs in favor of cruise missiles and submarine-based missiles and submarine-based missiles might indeed be "unacceptable" to generals who think hardware is security and defense contractors who need $30 billion.●

DEVELOPMENT OF ENERGY RESOURCES WITHOUT HARMING THE ENVIRONMENT

● Mr. STEVENS. Mr. President, as the energy crisis worsens and the need for the development of domestic sources of energy becomes more and more apparent, there has been much talk of the ability of this country to reconcile the various needs to develop its domestic energy resources with the need to protect the environment. I am one who believes that it is possible to reconcile the two in a meaningful manner and to promote the development of domestic resources without harming the environment. One of the best examples of this proposition is the ongoing development of Alaska's resources, particularly its energy potential. In Alaska, we are daily confronting the difficult question of how to develop energy resources without harming the environment. That question is being addressed in a responsible manner in Alaska as a recent article in the Alaska Construction and Oil magazine indicates. This article entitled, "Environmental Concern Brings New Knowledge of Alaska Back Country," details just some of the specific provisions made by industry to insure that development of Alaska's natural resources does not destroy the environment. I commend this article to my colleagues and ask that it be printed in the RECORD.

The article follows:

ENVIRONMENTAL CONCERN BRINGS NEW KNOWLEDGE OF ALASKA BACK COUNTRY

Industry has come a long way since the world awoke to the fact that Earth's resources are not unlimited. Private industry has responded to stricter governmental regulations by developing new methods and products that keep environmental impact to a minimum. No longer are profit and convenience the major factors in operating decisions. Environmental considerations often determine the where, when and how of drilling an oil well, constructing a bridge, mining an ore body or harvesting a timber stand.

As a direct result of the petroleum industry's activities in Alaska, much has been learned about the state's vast physical features, vegetation and wildlife. Whatever concerns there may be about the adverse effects of drilling a well on arctic tundra, constructing a pipeline that bisects the state or establishing oil production facilities within a wildlife refuge, one must admit that these actions have generated positive effects—some of which probably would not have occurred.

For Alaska's petroleum industry, environmental assessment has become an integral part of doing business since most of its activities take place on closely regulated state or federal land.

"As industrial engineering methods become more sophisticated, it is increasingly difficult to separate out what is done to protect the environment and what is just good engineering practice," notes Ben Hilliker, a former deputy commissioner for the Alaska Department of Fish and Game, who is now a member of the environmental department at Alyeska Pipeline Service Co.

The engineers and environmentalists employed by Husky Oil NPR, the U.S. Geological Survey's contractor who oversees the exploratory drilling program on the National Petroleum Reserve-Alaska, work in close cooperation throughout the whole program from preliminary planning through cleanup. "It usually works out that the most economical and the best-engineered plan is also the best for the environment," John Schindler, Husky's environmental program director, observes.

On the Kenai Peninsula, Alaska's oldest producing oil field, Swanson River, has become more compatible with its location within the Kenai Moose Range as modern technology develops ways to lessen environmental impact.

From the North Slope to the Kenai Peninsula, the petroleum industry has learned how to construct a haul road that can bear the weight of heavy loads, and then be picked up or melted and revegetated so successfully that in a few years it will be indistinguishable.

Schlindler proudly tells about the 37-mile ice road over which 175,000 tons of gravel was hauled last season. Now the only trace that a road ever existed is one place where tops of some willows are broken.

Trucks logged a total of 260,000 miles hauling gravel mined from a large river bar on the Kiklakrorak River. Removal of gravel was restricted to above water level so the bar would still serve as a falcon feeding area. Two known peregrine falcon nests and one identified archaeological site were carefully avoided. Mining was done when the birds were not in the area to avoid disturbance of nesting habits. The gravel was needed to construct a permanent airstrip at Inigok where a deep exploratory well was being drilled. The work was estimated to take 11 months. But, the drilling hit poisonous hydrogen-sulfide gas and elemental sulfur in liquid form and had to be shut down for 2½ months early this year.

The haul road was constructed in the usual manner of pushing up snow to four-feet thicknesses. As added protection, a topping layer of ice varying from six to 18 in. was placed. At streams, up to an additional 15-ft. of snow met the built-up road. Water trucks using over 35 million gallons of water completed road repairs in a two-hour period each day between the two 10-hour hauling shifts.

Water supply is carefully chosen on the reserve. Daily domestic uses require approximately 75 barrels of water at each well site. Drilling accounts for 600 barrels per day for mixing drilling mud and cement and for washing down the rig floor and equipment. Where possible, water is obtained from nearby lakes that do not freeze to the bottom. Water is not taken from potential overwintering fisheries lakes with very little depth between the ice's and the lake's bottoms. No water is drawn from rivers, streams or springs during the ice-covered period when flows are low.

Fresh water lakes usually freeze to an average annual maximum thickness of between 65 and 75 in. Therefore, a lake must be eight-ft. or deeper to support a fish population of any magnitude. Before Husky considers it a water source, a lake must be at least eight ft. deep with a deep water basin in excess of 50 acres. Most lakes selected are much larger. In areas where there are no sizeable deep lakes or where the haul distances are over eight miles, snow melters are used to provide water. Water for ice roads and related construction activities is extracted from shallow ponds and lakes less than six ft. deep early in the season before they freeze to the bottom. These shallow lakes do not support over-wintering fish populations so fishery resources remain unaffected.

With 37,000 square miles in the reserve, there is room to avoid critical areas, such as peregrine falcon nesting areas along the Colville River bluffs and the Western Arctic caribou herd's Utukok River calving grounds, Schindler says.

Each year, Husky prepares a preliminary plan of operations which is open to public comment. After the U.S.G.S. chooses the drilling sites from seismic data, Husky's soils engineers and surveyors move in to locate gravel and water supplies. Usually they try to find more sources than they need. This permits selecting the ones with the least environmental impact. Next Husky's biologists, environmentalists and archaeologists examine the well and gravel sites and water sources to catalog rare or endangered plant and animal species, critical habitat locations, archaeological values and fishery resources. A review lists each for priority of use, and some may be rejected because of special archaeological significance or biological impact.

While this natural resource inventory is being complied and evaluated, a construction plan is developed with the design constraints provided by the engineers and the operational constraints provided by the environmentalists. Decisions are made whether to construct ice or gravel roads or use all-terrain vehicles; whether to construct thick pads or thin pads, and whether to dig deep reserve pits, shallow ones or none at all.

Husky Oil has been conducting the reserve's exploratory program since the fall of 1975. Much has been learned about how to minimize arctic tundra impact, Schindler says. "We have found that by traveling in swampy areas which freeze up earlier, we can cross the land earlier and extend our season."

A thin-pad design has been used most often in recent years to eliminate borrow sites and ice-road construction. Material excavated from the reserve pit is used to construct the drilling pad. During drilling, all drill cuttings and unreclaimed drilling muds are deposited in the reserve pit. Containment dikes are constructed around the reserve pits as an added safety factor. When the well is completed, the pad material is returned to the pit, burying the mud. The dikes are spread out, and the whole area is contoured naturally. Schindler estimates that about one-fifth of the sites will be undetectable in 20 years. Where gravel sources are limited, the plentiful dune sand is used in construction pads and roads, with only a thin gravel topping required to stabilize the surface. However, when sand is used, it takes much longer to get natural vegetation back, Schindler says. He adds, though, that experience suggests these roads, unlike gravel ones, eventually will erode from wind action and will tend to fade into the landscape.

Huskys revegetation program is based on Alyeska's pipeline reseeding research and information obtained during fertilization experiments on naturally occurring vegetation near Barrow. Alyeska collected 15,000 random soil samples along the pipeline route in developing its revegetation program. Scientists tested over 450 varieties and strains of seeds generically similar to Alaska grasses. Four different seed formulations for the different regions and three custom-blended fertilizer formulas were developed. The imported grasses are expected to survive a maximum of five to seven years and are only intended to control erosion until the more winter-hardy native grasses return.

Frank Fisher, Alyeska's environmental protection manager, believes such controls have become excessive. "There is no doubt in my mind that many of what I now consider to be excessive controls have resulted from too little damage in the past to environmental damage by industry, government and Joe Blow, the citizen. . . . The pendulum has swung to the extent that we now want proof positive that the environment will be protected—frequently to the extent that we underestimate Mother Nature's vast powers to adjust to change."

Alyeska recently received the first Industry Conservation Award ever presented by the Alaska Wildlife Federation and Sportsman's Council. In making the award, state Fish and Game Commissioner Ron Skoog said recognition was due Alyeska for "exceeding the stipulations set out for construction of the trans-Alaska oil pipeline, for setting an industry performance standard for others to follow and for numerous benefits to Alaska fish and wildlife resources as a result of the many research projects supported and funded by Alyeska."

"It was appalling in September 1972 when we sat down and tried to find out what the resources were," Hilliker remembers. "South of the Yukon there was data available, but north of the Yukon there was an exceptionally meager amount of existing data. In many cases we had to go out there and see for ourselves what was there.

"We bisected the pipeline literally mile by mile to determine what resources were in each area," he explains. "We pulled together every bit of data that was available. A lot of knowledge and expertise was generated by the project. As a result there exists today a tremendous amount of information about the state's resources, its fisheries, its wildlife. "We spent a lot of time trying to meet the stringent requirements of some who believed that the pipeline should not do any damage at all. And of course, that is impossible. But we minimized disturbance. For instance, on all water systems, we scheduled excavation for the time prior to when the adult salmon were in the stream and after the young fish went out. That was also the time when stream flows were the lowest—when it was easiest to dig the ditches, bury the line and get out with the least amount of siltation."

"I think that the next big project will have the benefit of individuals that have gone through a major construction effort," Hilliker adds. "The next project will have a little easier time because those individuals will recognize where they were unreasonable."

Fisher points out that one of the greatest fears associated with the trans-Alaska pipeline was that caribou might be trapped by the elevated pipe. In areas where the pipeline was elevated, 451 designated big-game animal crossings were designed into the pipeline. In these places, the pipeline is 10 ft. high from the bottom of the pipe to the top of the gravel work pad for a distance of 60 ft. In 23 other places, the elevated pipe is taken underground especially to allow animal crossing. These special, short buried crossings were located where the line bisected major migration routes—at Sourdough in the Nelchina Range, near Paxson Lake and on the North Slope.

Alyeska and the state of Alaska's Fish and Game office in Glennallen have been monitoring the special crossings to determine their effectiveness. Although not enough data has been collected for a complete computer analysis, certain patterns are emerging, according to Hilliker. Almost 5,000 observations indicate the animals are not selective as to the height of the pipeline where they cross, he said. The majority of the crossings are where the pipeline is from 5 ft. to 8 ft. in elevation—the majority of the pipeline's height. "We are beginning to see that the animals don't select high or low sections but cross where they encounter the line no matter what the height," he says adding that in many instances the caribou walk along the pad for some distance, eating the high, protein-enriched, highly concentrated grass Alyeska planted. Especially on the North Slope, the caribou seem to prefer to walk on the pad rather than the swampy, insect-infested low-land areas, he says.

The Kenai moose population has been sharing its habitat with the petroleum industry since 1958 when oil and gas leasing was opened in about half of the wildlife refuge. At that time, the refuge was under protection of the U.S. Department of Interior's Fish and Wildlife Service for 17 years. Some low-land areas were reclassified to allow leasing shortly after Atlantic Richfield, then called Richfield Oil, struck oil in 1957 according to assistant refuge manager, Bob Richey.

"The two extremes can meet in the middle, and we can have both. But we must zone use to keep a balance of use," Richey says. "It is going to cost us. We have to be willing to pay the cost."

He says it costs oil companies much more to drill a well on the refuge than it would outside the boundary—for one thing, a $50,000 bond is required to assure that the area will be cleaned up after operations are completed. And when an area is no longer of use, it must be restored to natural contour.

He cites the example of one oil company who constructed a two-mile road and a three-acre pad. After drilling beyond 16,000 ft. and not hiting oil or gas, the company wanted to abandon the site. Richey required that the company return all the gravel to the pit and replace the top soil, at considerable extra cost to the company. "You can't even find where it was now," he says with some pride. He adds that gravel is recycled many times on the refuge—some of the gravel involved in construction today is 20 years old.

"Oil and the refuge are compatible on the Kenai because of the rules and regulations that govern the relationship," Richey believes.

Another reason for the compatibility is that the refuge is large enough that not much habitat is lost in the development, he points out. In the 1.74-million acre range, the petroleum industry has disturbed 34 square miles of habitat over the years, including 1,500 miles of seismic trails made in the late '50s and early '60s. In those days, the oil companies had to bulldoze a straight line through the trees to obtain accurate seismic readings, he says. Today, the state-of-the-art for recording has improved so that trails can now meander to follow the natural lay of the land, lessening their unsightly appearance, he notes. However, an active seismic program has not been supported in the refuge during the past four years.

A total of 90 holes have been drilled with 40 becoming producing wells and 11 injection wells. Production from the Swanson River field, 49 percent owned by the field operator Chevron U.S.A., 49 percent by Atlantic Richfield and one percent each by Union Oil and Marathon Oil, is transported through the Kenai Pipe Line Co.'s pipeline to two refineries at Nikiski north of Kenai, or to the Nikiski marine terminal where it is loaded on tankers.

In addition to Swanson River, there is a developing field called Beaver Creek which Marathon Oil operates. It has two producing wells and three capped gas wells. Crude is trucked out of the refuge since no pipeline has been constructed into the area.

The Kenai Gas Field, which supplies all of Anchorage's natural gas was once inside the refuge but was excluded in 1964 when the coast boundary was moved back to allow for industry and population growth on the coast.

The refuge has an extremely vast ecosystem which supports 40 to 50 percent of the Cook Inlet commercial fishery, Richey notes.

The refuge is typical of most of Alaska with a mountain system, glacier areas and low lands. It contains 2,850 lakes, including one of the largest fresh water lakes in Alaska, the Tustemena. Development of oil and gas is allowed in the low lands only and not in the treeline or higher elevations.

As a result of the 1964 Wilderness Act, the Andy Simons natural area, an 840,000-acres roadless area within the refuge, was submitted as a possible wilderness unit. It was signed by President Gerald Ford and went to Congress where it is holding, pending settlement of the land questions under the Alaska Native Claims Settlement Act. It has been managed as a natural area since 1957.

"While the technology is here to develop energy sources with minimum impact, the point is that key areas have been set aside for the public as part of the national heritage and that purpose has priority," Richey says. "Until we can show a particular need for that area's development, we should protect the natural environment. You've only got so much habitat left in the world and in Alaska. You can crowd wildlife to a certain degree, but they will tolerate only so much. That is why the federal government has identified the choicest habitat to save. When protecting habitat, you must protect the drainages that feed the low lands, or else you have defeated your purposes. You must protect the habitat or lose the animals."

"There is no parallel between the moose population increase and oil and gas," he says with some irritability. He explains that more accurate methods for counting have developed and an extensive fire in 1947 burned off all the mature growth encouraging young hardwood growth which is prime moose browse. He is also quick to point out that just because it works on the Kenai is no proof that a similar coexistence would work in another area of the state. "On the Arctic Wildlife Range, oil and gas exploration on the caribou calving grounds could be disastrous," he emphasizes. "Each area's ecosystem is completely different. It is compatible here on the Kenai because of parameters the oil companies have had to operate under. The spinoffs have been pretty favorable."

One favorable spinoff is access, he notes. Industry-constructed roads have provided access to two major canoe trails in the refuge. The Swanson River canoe route links 40 lakes with 46 miles of the Swanson River, and the Swan Lake route links 30 lakes with forks of the Moose River.

From the North Slope to the Kenai Peninsula, the petroleum industry has been a leader in environmental responsibility, showing that energy resources can be developed while protecting Earth's other natural resources. Husky Oil's exploratory program, Alyeska Pipeline's construction project, and the Kenai Moose Range's tolerance of the Swanson River oil field are three examples of where industry and the environment appear compatible. While zero impact is impossible, a common sense approach can help to fuel the modern world's energy demand and save Alaska's critical habitat areas.●

NO-TILL FARMING: SAVING ENERGY AND THE SOIL

● Mr. HUDDLESTON. Mr. President, there is little doubt that one of the most significant soil conservation practices developed in recent years is no-till farming. One of the principal promoters of this practice has been Mr. Harry Young Jr. of Christian County, Ky. On Friday, May 25, the Wall Street Journal ran an article on Mr. Young, and on the savings in energy and soil that are gained through no-till farming. I ask that the article be printed in the Record.

The article follows:

Some Farmers Stop Tilling Their Ground To Save Fuel, Labor, Water and Topsoil

(By Meg Cox)

Christian County, Ky.—The first time Harry Young Jr.'s neighbors drove by and saw him planting his corn, they almost ran off the road.

Instead of driving his tractor across a clean, brown plowed field, he was planting right on top of the trashy stubble of the previous year's corp.

Despite widespread predictions to the contrary, Mr. Young's corn came up. The neighbors called it "wild corn." But when he picked it, the yield was as good as anyone's.

That was 17 years ago. The sight that dumbfounded Harry Young's neighbors then wouldn't shock many now. With tractor fuel costly, skilled labor scarce and farmers trying to handle more and more land, thousands are cutting back on their traditional heavy tilling of the soil. And many, concerned especially with conserving topsoil and water, are even abondoning the time-honored symbol of their calling: the plow.

This year the pressure to reduce tillage is greater than ever. A wet spring has left many Midwestern farmers behind in their work during the critical planting season. And, besides having to pay more for diesel fuel, farmers aren't sure they can buy all they need at any price.

MINIMUM TILLAGE

Grain farmers traditionally have crisscrossed their fields many times each year, not only with the standard moldboard plow, which burries the stubble and turns up bare earth, but with such implements as disc harrows, drags and cultivators, which level the ground and kill weeds. Most have been gradually reducing these operations for years. "Nobody tills their ground as much as they used to," says a manager at an Indiana grain elevator.

Those who go so far as to eliminate plowing, though still loosening the soil somewhat with other machines, practice what is known in agriculture as minimum tillage. It has been growing rapidly. The land handled this way has almost tripled since 1972 to an estimated 72 million acres this year—26% of U.S. farmland.

But there is a kind of tillage even more minimal than this. It is "no till" farming, in which, like Mr. Young, the farmer plants without preparing his ground at all. Last year eight million acres of corn, soybeans and other crops were grown with no-till farming.

Although Mr. Young is one of the chief boosters of the practice—he is coauthor of a how-to book on it and lectures frequently—he didn't invent no-till farming. A few farmers tried it as early as the 1940's, seeking to show that plowing was not only unnecessary but harmful. They were uniformly treated as blasphemous crackpots.

BETTER HERBICIDES

It wasn't until the early 1960s that a sizable number of farmers began cutting back on tillage. What persuaded them was the combination of truly effective herbicides, which could take over much of the plow's weed-killing action, and hard evidence that plowing contributes to erosion. They began to hitch their tractors to such machines as the chisel plow, whose long, narrow arms claw deep into the soil to let in air and rainwater but leave a protective covering of plant residue.

The major farm-equipment makers, led by Allis-Chalmers Inc., began making no-till planters about the mid-1960s. Basically, they cut a narrow furrow through the rubble of the old crop, drop in seeds and fertilizer and then close the trench, disturbing in all a band of soil less than four inches deep and two inches wide. A regular planter doesn't disturb much soil either, and can be converted for use on ground that hasn't been loosened with a plow or disc. The farmer also can apply herbicides on the same trip across the field.

Such planting uses about one gallon of diesel fuel an acre, university studies show. Minimum tillage, which might involve an extra trip or two across the ground with a disc or cultivator, uses two or three times that much. But giving the soil the full treatment can take five to seven gallons of fuel per acre.

DOUBLE CROPPING

The time this saves is important to almost all farmers, but especially to those who double crop, or squeeze two crops off the land each year. Thus, while Mr. Young in Kentucky is harvesting winter wheat next month, his son, John, may be just a few rows away planting soybeans right on the wheat stubble. The time it would take to plow and disc the ground before planting might make the difference in whether the soybeans could mature before the first fall freeze.

For Stephen Smith, who farms in central Ohio, the reduced labor of no-till makes it possible to manage 1,100 acres singlehanded. And the method has had another advantage for the 31-year-old Mr. Smith. When he started farming in 1975 he couldn't afford flat land that sold for as much as $2,000 an acre, so he paid $400 to $500 an acre for some land so hilly it hadn't been farmed for 40 years. Although plowing the steep ground would cause severe erosion, crops can be grown on it safely with no-till farming.

Advocates of the practice also say that, because the soil isn't exposed, it doesn't dry out as much, an important advantage during rain-short summer months.

PLOW "ALIVE AND WELL"

One might ask, if no-till is so great, why does a drive through the country reveal mile after mile of tidy plowed fields? Part of the answer seems to be that farmers, not unlike homeowners with big lawns, find satisfaction in the neatness of their fields. Until the new crop is tall enough to cover the rubble of the old, they complain, no-till fields are downright ugly.

R. I. Throckmorton, International Harvestor Co.'s tillage expert, sounds positively patriotic in a speech he often gives extolling the "consistently dependable" moldboard board plow, which he declares to be "alive and well," despite detractors who are "well-meaning but misinformed."

Also, while no-till planting may sound like the lazy man's way, it is much trickier than even minimum tillage. "More things have to be done right" with no-till, says John Reese, who has used the method for some of his 700 acres near Alexandria, Ohio, for 10 years. Because the practice doesn't kill weeds and insects by burying them, "you've got to be more aware of what kind you've got and what (pesticide)it will take to kill them."

An Ohio farmer adds, "If you don't no-till according to the doctor's prescription, the patient will die."

In any case, no-till farming isn't always possible. For instance, a farmer who plans to raise grain in a field previously sown to alfalfa must plow to kill the alfalfa and dislodge its tough roots.

In addition, yield is the bottom line for most farmers, and without a guaranteed yield bonus many won't change engrained habits. Although Mr. Young says he averages nine more bushels of corn an acre with no-till practices, many farmers say their yields fall slightly when they stop tilling. Agronomists say that's partly because plant residue left on top keeps the soil cool and slows germination, as well as because of weed and insect problems.

No-till farmers often use more herbicides to cope with weeds. It might seem this would worsen pollution, but soil scientists say that, because untilled ground stays put, so do the chemicals.

This means the chemicals are less likely to end up in the country's lakes and streams, which Congress has said, in the Clean Water Act, must be cleaned up by 1984. Frank Lessiter, editor of a newsletter called "No Till Farmer," thinks the law will spur this form of farming. He argues that most farmers would rather whip the pollution problem themselves if they have to, before the government has cause to tell them how.

ENERGY COSTS

Fuel prices and supplies also increasingly outweigh differences in crop yields. Farmers currently must pay three or four times the price that diesel fuel cost 15 years ago. Says Max Naylor, a Jefferson, Iowa, grain farmer, "The price of energy is so high, you just have to find a way of going across the ground no more times than necessary."

And while officials from President Carter on down promise agriculture all the fuel it needs, the farmers themselves aren't so confident. Fuel dealers in the Plains states are getting just over three-quarters of the diesel fuel they used last May. Farmland Industries Inc., a large cooperative based in Kansas City, says it may be able to provide its farmer members with only 60 percent of their requests next month.

Finally, Mr. Naylor notes, "Farmers are more and more cognizant that they're losing land." Nearly two billion tons wash away every year, an average of five tons an acre, according to the Soil Conservation Service. This is down one ton an acre from the rate 12 year ago but still well above the four tons an acre per year that the agency considers tolerable.

That plowing is at least partly responsible for the soil loss seems credible after a trip to Christian County, Ky. The spring runoff from Mr. Young's sloping fields is nearly clear, while that from a nearby plowed field is opaque, the color of reddish soil.

In Iowa, where nearly 10 tons of soil vanish from each acre every year, a startling solution has been proposed. Carroll Perkins, a farmer who sits in the state legislature, has introduced a bill to bar farmers from plowing soybean ground in the fall. Soybeans leave the soil especially loose, and plowing such land in the fall exposes it to wind and water erosion all winter. Although the bill is given little chance of passing, Rep. Perkins feels it has helped "raise the consciousness" of his fellow farmers.●

THE VIENNA SUMMIT

● **Mr. DOLE.** Mr. President, the symbolic signing of the SALT II accords is an important milestone in our continuing dialogue with the Soviet Union. Future relations between the two superpowers will be measured from this new benchmark, just as they have in the past been measured against the genesis of detente with SALT I. I agree with those who believe the strategic arms limitation talks are an essential element in our broader and continuing attempts to bridge the gap between our two differing systems, with often opposing interests. It is my belief, however, that while the SALT process itself is vital to our future, it remains to be seen if this SALT II Treaty is the standard against which our relations with Russia ought to be based in the coming decade.

PEACE BETWEEN EQUALS

The United States refrained for 25 years from creating a world empire based on our nuclear superiority. We were a nation that desired peace, tempered only by our love of freedom and self-determination which saw us drawn into Asian conflicts in Korea and Vietnam. By devoting vast resources to military and strategic arms and by greatly outspending the United States, Russia reached a situation of nuclear parity. Now the U.S.S.R. is striving for strategic superiority. We now seek restraint in this arms race and a peace between equals.

We must examine this treaty carefully in the coming months of Senate hearings and debates to make sure America does not fall into the same trap that befell England before World War II, such that Prime Minister Chamberlain was forced to confess after the Munich summit, "Our past experience has shown us only too clearly that weakness in armed strength means weakness in diplomacy." There are many in the Senate who have already decided to support this treaty. I have heard the argument that this treaty is better than no treaty at all. I want to make sure this treaty does not just represent diplomatic weakness because we have failed to maintain sufficient military strength. If this treaty cannot stand on its own merits then it should not be approved by the Senate—it is not better for the United States to have a bad treaty than none at all.

RESERVATIONS ABOUT SALT II

After much study and discussion with strategic experts, including General Haig, NATO Commander, Dr. Kissinger, former Secretary of State, Dr. Fritz Kraemer, former Pentagon Strategic Affairs Adviser, Dr. Fred Ikle, former head of the Arms Control and Disarmament Agency, and Lord Chalfont, Defense Adviser to Prime Minister Thatcher, several colleagues and I joined in writing an open letter expressing our concerns over the drift the SALT negotiations had taken since Brezhnev rejected President Carter's March 1977 proposals. From the indications I have received from Vienna so far, I believe our reservations about this treaty are still justified. Over the next several months, when the Senate holds hearings and begins debate, it is the hope of the Senator from Kansas that these issues we have raised will be properly addressed and evaluated in the context of the actual treaty language we now have at hand. I ask that the text of our open letter be printed in the Record.

The material follows:

U.S. Senate,
Washington, D.C., April 5, 1979.

An open letter to our colleagues:

In recent months, we have been meeting frequently to discuss strategic affairs with eminent authorities from here and abroad. We have learned a great deal during this process of intensive study and analysis and will continue to do so in the coming months. At this time, however, we believe it might be helpful to share some of the conclusions of our study with you.

We all share the hope that equitable and verifiable nuclear arms limitations agreements can be negotiated with the Soviet Union now and into the future. If done properly, we have concluded that such arms limitations agreements can complement—though never supplant—our other efforts to assure national security, through balanced reductions of nuclear forces.

The United States Senate, however, will not be asked to give its advice and consent to arms control as a principle. Rather it will have to judge the merits of specific treaty language. Just as the President has nearly fulfilled his responsibilities of negotiating a draft treaty, so the Senate must soon fulfill its constitutional obligations of giving its advice and consent.

We are confident that the Administration and the American people appreciate the full partnership established by the Constitution between Congress and the Executive Branch in the making of momentous foreign policy commitments. The Senate role in treaties is of course not merely to "take it or leave it" but to advise in a constructive spirit and to introduce improvements where necessary.

During our study sessions, we gained considerable insight into both the many assets and liabilities of provisions thought to be included in the treaty. Until the document formally comes before the United States Senate, all of us will reserve judgment and remain open-minded.

Nonetheless, our sessions have led us to conclude that for a SALT II treaty to be acceptable, certain concerns must be satisfied in the treaty provisions.

1. VERIFICATION

The Administration has stated that the agreement will be "adequately" and "satisfactorily" verifiable. These terms are highly subjective. What may be considered "adequate" by those who negotiated the treaty may be considered dangerously inadequate by those charged with its implementation during the year to come. While our technical methods of vertification are excellent in some respects, they fall short in others. While silos may be reliably counted, for example, numbers of warheads and stockpiled missiles cannot. While the range of ballistic missiles may be reliably estimated, that of cruise missiles cannot. Some of the limits envisioned for SALT II would require cooperative verification measures. If we cannot obtain them, the limits will have to be dropped from the agreements.

2. TREATY AMBIGUITIES

It is important that the interpretations each side assign to each important provision of SALT II be the same. If SALT is to further Soviet-American relations, treaty language that is interpreted in contradictory ways must be eliminated.

3. ICBM SURVIVABILITY

Although the control and reduction of nuclear troops is our goal, we cannot accept the increasing vulnerability of those weapons retained for our ultimate defense. The agreement must specifically protect promising options for survivable ICBM basing like the multiple protective shelter system. It must not prohibit the flight testing and deployment of such systems.

4. BACKFIRE

The agreement must come to grips with the Backfire bomber problem. If the Senate concludes, as a result of its inquiry, that the Backfire has the capability to make strategic strikes against the United States, it must be limited in the treaty. It would not be enough to depend on pledges of good intentions from the Soviet Union or meaningless and unverifiable collateral constraints on its deployment and training, which could be brushed aside in time of crisis.

5. INTERMEDIATE RANGE MISSILES

The treaty must not provide range limitations for American medium range cruise missiles below the agreed intercontinental range limits of 5500 km, while at the same time, permitting without limitation, deployment of more threatening medium range ballistic missiles by the Soviets. It would not be acceptable, for instance, to accept a 600 km. restriction on American ground launched cruise missiles while allowing the Soviet SS–20 with its 4000–5000 km. range limit to go unrestricted.

SALT must not prohibit the development of the conventional and nuclear options for submarine surface and ground launched cruise missiles of medium range.

6. ALLIANCE CONSIDERATIONS

The SALT treaty must assure that the interests of our Allies are fully protected. There must be specific recognition that there will be no obstacles to the sharing of U.S. cruise missiles and other technologies with our Allies for the purpose of modernizing their nuclear forces.

7. PROTOCOL

We are convinced that provisions contained in the three-year protocol are without long-term effect, as the Administration has argued. The Soviets have made clear they view the protocol limits as permanent. The historic record confirms such measures are rarely if ever repealed.

8. PRINCIPLE OF EQUALITY

The SALT treaty must be perceived as providing and must actually provide for real equality in such essential strategic measures as throw-weight. The U.S. must have the equal right to deploy such important strategic systems as "heavy ICBMs" (MLBMs). Whether or not this Administration or a successor chooses to deploy such heavy missiles, unilaterally accepting a prohibition on such an option would needlessly prejudice the possibility of negotiating the eventual elimination of these formidable counterforce weapons.

In addition to these specific concerns, there are two broader considerations that will heavily influence our deliberations. The first of these is the geopolitical context in which our relations with the Soviet Union take place. SALT must be assessed within the total strategic and international framework. It would be imprudent for the Senate to consider the important limitations contained in the treaty in isolation from the changes in the overall military balance between the United States and the Soviet Union during the past decade. We believe that expanding Soviet military power is having real geopolitical consequences which are directly affecting the lives and interests of everyone in the free world.

The second broad consideration is the effect that ten years of negotiations have had on U.S. Government policy and on Soviet defense policy. We cannot escape the conclusion that Soviet defense planning and programming has molded and determined their SALT negotiating positions while the opposite has been true in the United States. While the SALT process does not seem to have interfered with any important Soviet programs, time and again we have seen American systems, like MX missile and the cruise missile, delayed and deferred in anticipation of SALT limitations. Years of United States restraint stand in marked contrast to steady increases by the Soviet Union in its strategic spending to the point where it is now triple our own.

The Administration has reminded us that we cannot expect SALT to solve our strategic problems for us. That is, of course, true, but we must not permit the SALT process to interfere with solutions to our strategic problems as has been the case in recent years.

The American people have a right to expect no less than a SALT II treaty that satisfies the concerns we have identified and does in fact enhance American security.

Sincerely yours,

Bob Dole, John W. Warner, Alan K. Simpson, Roger W. Jepsen, Gordon J. Humphrey, William L. Armstrong, Pete V. Domenici, Henry Bellmon, Richard S. Schweiker, Strom Thurmond, Malcolm Wallop, Harrison H. Schmitt.●

THE FAMILY FARM

● Mr. McGOVERN. Mr. President, it is no surprise to learn that South Dakotans are concerned about the future of the family farm, but it is unusual to learn of a special South Dakotan who has spent many years researching the real story behind the type of farm that can be classified as "family" operated. Maxine McKeown, of Bushnell, S. Dak., started her research in 1955, and discusses what she has discovered in an interview with the Sioux Falls Argus Leader.

I believe my colleagues will be interested in Mrs. McKeown's conclusions about the family farm, and I ask that the article be printed in the RECORD.

The article follows:

ANGER DRIVES THIS RESEARCHER

(By Kim Ode)

BUSHNELL, S. DAK.—A conversation with Maxine McKeown leaves you slightly breathless, grasping for a mental hook on which to hang your thoughts while you rest for a bit.

Whether it's the banter she bandies with the farmers as she bustles behind the lunch counter at the Brookings Livestock Barn, or the kitchen table soliloquys she delivers at home, she makes her point with a sense of unrestrained enthusiasm—and restrained anger.

"I hope I'm not jumping too many rivers" she says often, well aware of the tangents that tempt when explaining 20 years of research.

That research, seeming at first to be a mish-mash of everything, eventually funnels toward one strong conviction: "The family farm as we have grown to know it is a myth. We're becoming homogenized, rural and urban blending together into one big suburb.

"And you know what happens to homogenized milk after awhile—it rots."

Now 58, she realizes she sacrificed watching her children grow up. Piles of rag rugs lie around her home, the result of a need for a physical release from the mental labor. Her dream is to be locked in libraries overnight.

Personal anger brought her to this point.

"My research started back in 1955. We had a baby that year and that was our only crop. There was a drought for 73 days and I had to watch my poor, dear husband sell cows for $55 and $60. A few months later, they had tripled in price. I felt such anger at the whole system."

A local priest got her started researching for him as an outlet for her frustration. It grew from there into the boxes of documents and stacks of books that have taken over the McKeown home near Bushnell, 10 miles east of Brookings, and spilled into the trailerhouse in the backyard.

What is contained in that waylaid trailerhouse is akin to the Library of Congress. But you'd never guess.

Boxes heaped haphazardly on other boxes spill across the floor. Books line shelves the length of the trailer. A few choice clippings are taped to the wall, some pinned to the curtains. A fraction are filed away but literally thousands await classification.

The not-so-subtle smell of mouse hangs in the air.

Uncannily, she can lay her hands on the exact book she wants or knows just where to find a clipping. And if she can't find it, she knows who wrote it and what it says.

"My children began to despise me when they were growing up, wondering why I couldn't worry about their hair and things other mothers worried about. And it seemed like I was always gone to some conference. They had to work very hard."

Her forehead, rimmed by a coil of brown hair laced with gray, furrows slightly with the memory. "But now, I think, after they've seen what I'm doing, they love me . . . and that's very wonderful."

The theory that all this time has led to is that the family farm, defined as a farm in which the family provides more than half the capital, management and labor, is just one of four separate farm groups.

The others are the slave plantation heritage of the South; the corporate farming employing migrant workers of the West, and the subsistence agriculture in the Appalachian mining country.

In each of these cultures, the workers do not control the land. The traditional family farm has that quality, but will lose it if something isn't done soon.

"The family farm is becoming industrialized, and in that lies its death. We have to decentralize, pull in a little." She predicts a major social upheaval when industrialization that comes with the "bigger is better" philosophy eliminates jobs now done by hand.

"That's when you'll start hearing talk of a revolution—when too damn many hands are doing nothing."

But how to get this gospel across to everyone? "Each one, teach one," she says, confident it's not too late, despite the excuses offered.

"You hear all this talk about corporations taking over the farm; well, that's a lot of crap. And more important, our kids aren't buying that. They're asking some damn intelligent questions.

"And this energy crunch is going to force us to pull in; we've reached the point of diminishing returns. It's just getting too expensive to do things the same old way."

The weakest part of her contention, however, is the farmer himself and his famous independence.

Farmers are the only group of people I know who use 'they' when they're talking about other farmers. And it's no wonder. We've got such a splintering of farm groups—pork producers, cattlemen, wheat growers, you name it—that it's impossible to present a united front.

"'Economically, it's a jungle. But if it comes down to making it on guts, I think we can work it out intelligently.

"The enemy is complacence.

"I know some people would just as soon be on the other side of the street when I come around because I start getting too profound. I'm not liked, but I don't mind. When you're a little ahead of your time, it's much more exciting.

"If I can just share the joy, the lousy joy of what we've got here with someone, then I've done something."

OUR ICBM'S ARE IN DANGER

● Mr. SCHMITT. Mr. President, an issue of grave concern to me and to many Americans is the vulnerability of our intercontinental ballistic missile (ICBM) force during the early and mid-1980's. In his fiscal year 1980 annual report, Secretary of Defense Harold Brown stated:

> It is quite conceivable, at some point in the early to mid-1980's, that the Soviets—with a first strike—could eliminate the bulk of our ICBM silos and still retain a large number of warheads in reserve.

During Senate consideration of the fiscal year 1980 Department of Defense authorization bill last week, I spoke about this threat. I had intended to offer a series of amendments addressing this problem. Instead, the chairman and the ranking minority member of the Senate Armed Services Committee assured me that their committee would study this issue.

Today, the President signed the Strategic Arms Limitation Treaty (SALT II). In the coming months, the Senate Foreign Relations Committee, Armed Services Committee, and Intelligence Committee will carefully review this treaty. I hope that all these committees consider the increasing short-term vulnerability of our land-based ballistic missiles in the context of SALT II and our projected defense budget.

Mr. President, the issue is one of the most important and most challenging issues facing the Congress today. SALT II does not address the vulnerability of our Minuteman force directly and possibly prevents us from taking necessary action to protect this important leg of our triad defense system. MX will not provide the solution in the short run. The threat to our ICBM's begins in the early 1980's and the MX, which will be survivable, will not begin to be deployed until 1986 at the earliest.

The years between the beginning of the threat to our land-based missiles and the deployment of our MX system will be dangerous years. The President, during those years, will be limited in the options available to him in his conduct of foreign and defense policy. I, for one, do not want to tie any President's hands in this manner even if he does.

It is imperative that the Congress immediately study and implement plans for meeting this threat. In addition to the proposals which I submitted last week, there are many possible "quick fixes" which could be implemented, often at minimal cost, almost immediately. More attention must be given to these proposals by the Congress and the American people must be made aware of the seriousness of the situation.

The most recent issue of Fortune, dated July 2, 1979, carries as one of its cover stories, an article entitled "Our ICBM's Are in Danger." Mr. President, I ask that the article appear in the RECORD.

The article follows:

OUR ICBM'S ARE IN DANGER

President Carter's recent decision to develop a major new land-based missile—the so-called MX—represents an effort to deal with the largest strategic problem now facing this country. The problem is that, in the next few years, our present force of land-based intercontinental ballistic missiles (ICBM's) will be increasingly vulnerable to a Soviet first strike. The Minuteman force will have this problem whether or not we sign the new SALT II treaty. The treaty could have some negative effects on our ability to deal with the threat, depending on U.S. and Soviet responses to the new situation and on the interpretation of certain clauses. On the other hand, the treaty—by imposing ceilings on the size of the Russian missile forces—at least puts some limits on the threat.

SALT as a whole is bigger than the Minuteman problem: it involves political, diplomatic, and strategic questions that go far beyond this issue. But the threat to our ICBM's will be part of the SALT debate and must be understood if a proper conclusion on SALT is to be reached.

The fact that the ICBM's will be physically vulnerable is not in much controversy. Nor is our perception of the problem a new one. Indeed, the problem was being worried about a decade ago, when the Nixon Administration was still negotiating the SALT I treaty and trying to persuade the Russians to stop building up their missile forces—especially their heavy missiles. The Russians chose not to stop until they had more than 300 of the heavies (which they have been allowed to keep under both SALT agreements, largely because the U.S. did not have the leverage to get such weapons ruled out). More recently, the annual "posture statements" issued by Secretary of Defense Harold Brown and his two predecessors, James R. Schlesinger and Donald Rumsfeld, have warned regularly of an emerging threat to our Minuteman forces.

The threat reflects the fact that the number and accuracy of Soviet warheads have been rising rapidly while the number of our hardened ICBM silos has been fixed. (The U.S. today deploys 1,000 Minuteman missiles and fifty-four Titans, precisely the figures that obtained in 1967.) In the years just ahead, the number of land-based MIRV's (multiple independently targeted re-entry vehicles) deployed by the Russians will rise above 6,000, about half of them on heavy missiles, and these vehicles will acquire median accuracies approaching 0.1 nautical mile (i.e., half the vehicles would land within about 600 feet of the target). In the not-too-distant future, the Russians could have a high level of confidence that an attack utilizing only a small fraction of their forces would take out the great bulk of our land-based ICBM's. The chart on page 52, reproduced from Secretary Brown's fiscal 1980 posture statement, represents an "official" view of the problem. Some of the non-official views are even more pessimistic.

While everyone agrees that the ICBM's will be physically vulnerable in the early 1980's—the particular date mentioned in the latest posture statement is 1982—there is some controversy about the import of this situation. Some members of the Carter Administration, including the President himself, have sounded at times as though our security would continue to be guaranteed by the logic of what defense analysts call "minimum deterrence." The central idea underlying this phrase is that the Russians would never dare to attack us, and could not credibly threaten to, so long as we had surviving strategic forces capable of annihilating their society. Minimum-deterrence advocates hold that the relative sizes and capabilities of the two sides' strategic forces are not significant; in principle, it would not matter if we were inferior—provided only that we could count on our surviving forces being able to wreak massive damage on the Russians. Needless to say, no one in the Carter Administration is advocating that the U.S. accept overall strategic inferiority; "essential equivalence" is proclaimed by all to be necessary (and to be a fact). Nevertheless, some of the arguments floating around the capital these days imply that minimum deterrence is all we need.

Leslie H. Gelb, who heads the Bureau of Politico-Military Affairs in the Department of State (and who was a major participant in shaping our SALT II negotiating positions), argues that those mathematical calculations about attacks on the Minutemen are unreal. He observed recently that an early-1980's attack on them could not be a surgically precise operation. It would cause 10 million or 20 million American deaths, he argued, and "the Soviets would have to assume retaliation against their cities."

Barry Blechman, a defense analyst from the Brookings Institution who now serves as assistant director of the U.S. Arms Control and Disarmanent Agency, is also among those who believe that the whole Minuteman problem is a bit unreal. "I don't take the scenarios literally," he remarked in a recent interview. Blechman agreed that the Russians could, "if they threw enough warheads at it, destroy a large portion of Minuteman," but nevertheless insisted: "They wouldn't do it because there's just such enormous destructive power left in the submarines and bombers and even in the Minutemen that they'd have to figure some would survive. They wouldn't get every one."

However, Blechman does not believe that the Minuteman problem can be ignored just because it is "unreal." He observed that perceptions as well as realities could make a critical difference, and added that "this perception of an asymmetry" could be dangerous. "In the proverbial 'extreme crisis,' it'd just make them a little gutsier and us a little more timid. It does have this political result, and that means we have to react."

Secretary Brown also believes that we have to react. Says the latest posture statement: "The capability of the Soviets to threaten the prompt destruction of a major portion of our retaliatory force, while that segment of their own force is not subject to such a threat, will be a serious matter in military terms . . . A solution must be found to the problem of increasing vulnerability of land-based ICBM's." Yet even our Secretary of Defense seems to have found this judgment something of a close call. There is a kind of Hamlet-like passage elsewhere in the posture statement in which Brown considers, and then finally comes down against, the option of just abandoning the land-based ICBM's to their fate. He frames the alternatives this way: "Given the past importance of our ICBM force and the traditional emphasis of the Soviets (and of many military observers throughout the world) on ICBM's, it can be argued that a decision not to modernize the ICBM force would be perceived by the Soviets, and perhaps by others, as demonstrating U.S. willingness to accept inferiority, or at least as evidence that we were not competitive in a major (indeed, what the Soviets have chosen as the major) area of strategic power. Others could argue, however, that such a decision could be viewed as playing to U.S. strengths in SLBM's [submarine-launched ballistic missiles] and cruise missiles rather than investing in an inherently less survivable element of our strategic forces. My own judgment lies between these alternatives, but closer to the former view."

Many educated Americans do not quite see what's wrong with the logic of minimum deterrence. They tell themselves that, even if our land-based ICBM's were wiped out, we would still retain the other, formidable two legs of the so-called triad: our submarine forces, hidden in the ocean depths, and our sizable intercontinental bomber force. Right now, the U.S. has forty-one submarines, carrying some 7,500 warheads, in its strategic forces, along with about 350 intercontinental B–52 bombers.

However, there are some large problems about both the submarine and bomber forces. One problem has to do with the fact that only about half of the submarines are actually at sea at any given time—the rest must be in port—and less than 30 percent of the B–52's are ordinarily on alert. So very high proportions of both forces would be essentially defenseless against a surprise ICBM attack. And even the alert portion of the bomber forces, which presumably would get off the ground before the ICBM's arrived, would then have a "survivability" problem with their bases under attack.

There are still other difficulties about these two legs of the triad. Neither of them can deliver nuclear weapons with the land-based ICBM's combination of speed and precision. The SLBM's lack the accuracy to hit enemy silos; the B–52's, which are extremely accurate, may have trouble penetrating Soviet air defenses in the 1980's. While both the submarines and bombers have awesome abilities to hit troop concentrations, airfields, and certain other fixed military targets, their threat is heavily focused on the enemy's cities. In his State of the Union speech this year, President Carter referred to the fact that one Poseidon submarine could "destroy every large and medium-sized city in the Soviet Union."

That threat is less than credible. For an American President actually to send scores of nuclear warheads flying off toward Soviet cities might well be viewed as an act of monumental immorality. Beyond that, it would be self-destructive, for it would surely imply the reciprocal annihilation of American cities. To call on the submarine forces to attack civilians would be to initiate an exercise in mutual national suicide.

Throughout the past decade, we have come to think of the ICBM's as the heart of our strategic forces. Powerful, accurate, "survivable," capable of responding either immediately or after a delay, usable against a wide range of targets, they have been the ideal strategic weapons. So our strategic response to the merging threat to the Minuteman would seem to be a rather important matter.

One way to get a handle on the strategic issues involved is to look closely, not only at the MX decision, but at some alternatives to it that have been considered—and that, in some cases at least, are still viewed as live options for the future. One option for defending the Minuteman forces has been talked about for years and there is no reason to suppose that the talk will now cease. It involves a strategy called "launch-on-warning."

The idea is that, once our radars told us that Soviet ICBM's were beginning their thirty-minute journey over the polar ice caps—the radars would presumably begin getting this message at about the five-minute mark—we would immediately launch our own ICBM's, instead of leaving them in their silos, waiting to be hit. In a recent *Meet the Press* appearance devoted entirely to SALT, Secretary of State Cyrus R. Vance at one point responded to a question about Minuteman's vulnerability by turning to the cameras and stating, in the manner of an emphatic warning, that "no one should assume those missles wouldn't be launched before they were struck by incoming missiles."

A variant of launch-on-warning is "launch-under-attack." In this case, the launch would still be essentially "automatic," but it would presumably not begin until there was confirmation that an attack had taken place and the U.S. was at war. Just what might constitute confirmation is a question that proponents of this strategy are endlessly restudying. However, the latest posture statement has several passages that can be read as evidence of our continued interest in some such strategy, e.g., "Very low survivability of ICBM's in the early 1980's will leave us with very little effective quick-response hard-target kill capability unless we were to adopt a launch-under-attack policy . . ."

A strategy calling for an essentially automatic launch has several obvious selling points. One is that it doesn't require us to spend any real money; with certain minor modifications, we could embrace the policy with our present hardware. And if we could convince the Russians that we'd go to some such strategy in a crisis, or even if we got them to wondering about the possibility, the danger of a calculated Soviet attack on Minuteman would be reduced.

However, the strategy also presents some stunning difficulties. Defense analysts who have studied the idea closely tend to be horrified by the hair-trigger mechanism it implies and by the near-abandonment of any possibility of discrimination in our retaliation. In his testimony before the House Armed Services Committee earlier this year, Paul H. Nitze, a former Assistant Secretary of Defense, observed: "An important issue surrounding the launch-under-attack option is 'launch what against what Soviet targets—upon what degree of evidence that an attack of what size is under way against U.S. targets?' Extremely difficult considerations are involved in answering that complex question. Should the President be asked to resolve them in the few minutes which may be available to him, or should the answers be preprogrammed into a computer? Neither alternative is without immense dangers." Fred Charles Iklé, former director of the U.S. Arms Control Agency, has also dwelt heavily on the dangers of any automatic launch. Iklé observed recently: "The more you lean on any such system, the more you're driven to make it taut and rapidly responding, which means that you're increasing the risk of some kind of short circuit. Making the system taut could also mean putting incredible responsibilities on some tech sergeant in the innards of the system. The more quick and automatic it is, the more you're turning over decisions—the most fateful decisions in the nation's history—to people far removed from the President and the Joint Chiefs."

The Administration's position toward launch-under-attack is somewhat ambiguous—deliberately so, it would appear. Harold Brown's posture statement, which at one point asserts that the Russians should worry about our adopting the strategy, acknowledges at another point that it would be a difficult one for us to adopt. The evidence suggests that the Administration is trying to have it both ways with launch-under-attack: it plans to avoid the strategy as dangerously destabilizing, but it would still like to leave the Russians worrying about it, at least a little.

Over the past five years or so, as the clock ticked away on the Minuteman, the Defense Department has considered scores of proposals for new kinds of missiles deployed in new ways. As recently as late May, there were four proposals that seemed to have some chance of being accepted, and Carter was being asked to choose among them.

One proposal was to hasten the development and deployment of the Trident II SLBM. This missile, unlike any now launched from submarines, would have the accuracy to hit silos anywhere in the Soviet Union. The Trident II would carry as many as fourteen re-entry vehicles, and with only minor modifications the missile could be deployed on land as well as at sea. The land-based missiles would, however, be essentially as vulnerable as the Minuteman force, and some critics of the Trident II concept therefore viewed it as an essential bowing out of the ICBM race. They also argued that the Trident II strategy would leave the U.S. with a larger vulnerability problem than ever if the Russians made certain major breakthrough in antisubmarine warfare.

All three of the other proposals involved the MX missile. All assumed that, if our land-based forces were to remain invulnerable in the 1980's, the missiles would require a new "basing mode"—one that was harder to attack than the present mode, in which 1,054 missiles are sitting in 1,054 hardened silos. One basing mode that was studied attentively involved a "survivable air mobile system." In this system the MX missiles would be protected not by tons of concrete around silos but by their extreme mobility. Each missile would come with a cargo aircraft capable of taking off and landing at relatively small airfields. They would all be based somewhere in the North Central U.S. (where warning times against incoming SLBM's would be maximized) but could be rapidly redeployed to hundreds of municipal airfields all around the U.S. The retaliatory strike would then presumably be launched from these airfields or—with somewhat less accuracy—while the missiles were aloft in the cargo planes.

The system had some real promise and plently of enthusatic advocates in the Air Force. However there were some serious difficulties here too. One was the limited time during which the missile force would be survivable. While it was designed to escape a surprise first strike, it could not last many days or perhaps even many hours, in an actual wartime situation; with the country's airfields presumably coming under steady attack, to which there would essentially be no defense the air-mobile system would have to be used fairly soon or not at all.

But the main discouragement about the air-mobile system was that it would cost a ton. Estimates for a ten-year acquisition and operating program were recently running over $40 billion—far more than any of the competing options. The program's partisans in the Air Force labored to the end to bring the cost figures down, but it seems fair to say that, even if the other difficulties associated with the program could have been solved, it would still have been in trouble on the ground of cost alone.

Another of the MX proposals that was before Carter became extremely controversial. It involved what the Defense Department refers to as multiple protective structures (MPS); what others have termed multiple aim points (MAP); and what newspaper reporters increasingly call the "shell game." The basic idea is that each ICBM would not be confined to a single silo but would instead be moved around in some random way, among ten or twenty or twenty-five silos. Thus the Russians, if they were contemplating a first strike, would have many more targets to cope with.

Until quite recently, it seemed highly probable that the Carter Administration would finally decide to solve the problem of Minuteman vulnerability by opting for an MX missile in an MPS basing mode. Says the current posture statement: "Recent studies indicate that a multiple protective structure (MPS) would provide a highly survivable base for a new ICBM . . ."

It is true that MPS also had its problems, and some of these were mentioned in the posture statement, right after the words quoted above. First, the Russians might simply overwhelm the system by using more warheads in a first strike. Clearly, they could have done that if only a small portion of our ICBM forces were deployed in an MPS mode. But there was no doubt about our ability to put enough holes in the ground to offset the thousands of land-based MIRV's allowed by SALT II. Indeed, the proposed treaty was defended by many precisely on the ground that it would make the shell game possible. Their argument was that, by providing a ceiling, however high, on those land-based Soviet MIRV's, SALT II gives us a "limit" that we can elect to exceed just by digging more holes in the ground. President Carter made this point in his April 25 speech to the American Newspaper Publishers Association in New York.

Another problem about MPS was that the system might not be allowed under the terms of the SALT II agreement. It may seem odd that there should have been a question about the allowability of the shell game under SALT II, since throughout the past couple of years, MPS was clearly among the more favored solutions to the problem of Minuteman vulnerability. Yet it really does appear that there has been a question about the allowability of the solution.

Under the terms of SALT II, mobile missile systems are banned during the life of a "protocol"—a sort of side agreement—but allowed after it expires on December 31, 1981. The U.S. negotiators evidently assumed all during 1977 and part of 1978 that MPS was a mobile system and was therefore permitted after 1981.

However, when our negotiators made an effort last year to confirm that the shell game was allowed, they were told that in the Soviet view it was highly suspect. More precisely, the Russians argued that (a) the system was not truly mobile, since the missiles involved could be fired only from fixed positions; and (b) every one of those holes we dug in the ground should be viewed as a "launcher" and, therefore, applied against the overall ceiling on launchers. This second proposition, of course, attacked the central idea of MPS, which requires that we have multiple and redundant holes in the ground. In further exchanges, the U.S. repeatedly insisted that it had every right to go to a "mobile" MPS system and that there was no valid reason to count every hole as a launcher. It may be ovserved that this disagreement was made possible by the fact that "launcher"—the word on which so much strategic bargaining has turned in the past decade—has never been defined, either in SALT I or SALT II.

In any case, we never did reach a clear agreement with the Russians on this issue. It is possible that we could have got one by pushing harder; the evidence suggests that we preferred not to push too hard, fearing to provoke a flat and final Soviet rejection and assuming, meanwhile, that we could preserve our options by asserting unilaterally a right to deploy an MPS. (The argument was that Soviet willingness to sign the treaty in the face of these assertions could be viewed as a tacit acceptance of our position.) Whether this lingering ambiguity played any part in Carter's final decision not to go for the MX in an MPS basing mode is a matter about which there has been a certain amount of suspicious conjecture in Washington. It is at least clear that the decision spared the Administration the embarrassment that would have been entailed in simultaneously asking the Senate to buy the shell game and also to buy an arms-control agreement in which the shell game's allowability was in question.

On balance, however, the evidence suggests that different considerations were pushing the Administration away from the shell game and toward still another basing mode—the fourth option on Carter's desk. It involves missiles that would shuttle around in long underground trenches, each of which would have a removable roof. The missile could be fired from any of various hardened stations along the way: There would be perhaps twenty stations in each trench. (Exactly how the roof would be removed, and how often, and under what circumstances, are all questions that are still being studied.) In another variant, the missile would be deployed aboveground but moved around steadily from one hardened "garage" to another. On either basis, the trench system would apparently cost several billion dollars more than the MPS; however, there seems to be no disagreement about its being a truly mobile system and no real doubt that the Russians would agree to its allowability.

The relative merits of MPS and the trench concept have been endlessly debated inside the Pentagon, but it is clear enough why the Carter Administration finally went for the latter: the trench presents fewer verification problems. If the object is to keep track of numbers of missiles, while obscuring the location of missiles, the trench is easier to work with. It is relatively simple, using "national technical means" (principally satellite photography), to verify that an uncovered trench contains only one missile; it is much harder to demonstrate that twenty-five silos contain only one. If we went to the shell game, of course, we could institute various cooperative measures to help the Russians keep track of the number of missiles in our silos. But—the Administration kept telling itself—suppose the Russians followed our precedent and went to the shell game. They would presumably be less cooperative, and then we would have a severe verification problem. As Harold Brown put the case on *Meet the Press:* "We know we are going to abide by the treaty. But we have to ask ourselves [about] any of the various mobile systems we are considering . . . how would we feel about its verifiability if the Soviets were to deploy it? We are going to judge what we do by that standard."

The Administration's strong preference for verifiable systems is understandable: verification is at the heart of the whole SALT idea. Without verifiable systems, there couldn't be arms control and without arms control, the world could be a much more dangerous place. Yet the Administration may be running some risk that its concern about verifiability will not be reciprocated by the Russians. There is, in fact, no guarantee that the Russians will forswear the shell game just because we have. They don't, after all, need our precedent to start digging their own holes in the ground; they have something just as good already—our repeated unilateral assertions that, despite the verification problems it presents, MPS is allowed under SALT II. Leslie Gelb was asked recently what we would do if we backed away from MPS and the Russians went for it anyway. His answer: "Then we've got a problem!" (It could be argued, of course, that the Russians would not dare go to an unverifiable version of the shell game because the resulting outcry in this country might jeopardize the entire SALT process.)

Inevitably, *all* of those options on Carter's desk were flawed in one rather important respect. None of them responded fully to the problem as it has been defined in all those past posture statements. For if the central question is the vulnerability of the Minuteman forces in the early 1980's—which is what the Defense Department says is the question—then any answer involving the MX turns out to be a bit of a non sequitur. The MX cannot possibly be deployed in any significant numbers until the *late* 1980's—by 1986 at the very earliest. In putting forward the MX as its answer, the Administration is implicitly conceding the Russians a period of four or five years in which the ICBM forces will be vulnerable.

Not everyone agrees that it's necessary to give the Russians those years of supremacy. A fair number of defense analysts have been looking for some "quick fixes" that might bail us out before 1982. About a year ago, a group of analysts critical of the Administration's thinking was brought together by the National Strategy Information Center a think tank based in New York City, and exchanged ideas about some possible quick fixes. Professors William F. Van Cleave of the University of Southern California and W. Scott Thompson of Tufts's Fletcher School of Law and Diplomacy were the main organizers of the event, but scholarly papers were prepared for it by many other well-known analysts, including Paul Nitze; William R. Graham, a Defense Department consultant; M. R. Gustavson of Lawrence Livermore Laboratory and the University of California; and Benjamin Plymale, now of Boeing but formerly a senior research and engineering official in the Defense Department

One of the main ideas to come out of the session was a proposal, put forward by Nitze and Graham, for a version of MPS based, not on the MX, but on the existing Minuteman III. The scheme envisioned a missile encased in a canister that would also contain the basic power sources needed for a launch; also envisioned were a sizable number of dummy cansisters that would be moved randomly among the holes along with the real missiles. The investment cost of the scheme would range upward from around $15 billion, depending on the number of missiles involved. The authors of the proposal had done a lot of work on the engineering and accounting problems associated with the proposal, and made two remarkable claims for it.

First, work on the project could begin within a year, and a significant MPS force could be in place, and still growing rapidly, by around 1982. Second, the incremental cost to the U.S. of adding holes to the system would be on the order of $500,000 to $1.5 million apiece—the latter figure being substantially lower than the cost to the Russians of adding warheads to their land-based forces. Thus the U.S. would have a built-in advantage if any "race" developed between Soviet warheads and U.S. holes.

Nitze, like many other proponents of the "Minuteman shell game," believes that the U.S. also needs an MX. The quick fix is seen as no more than that—as a scheme that would, in effect, get us through the early

1980's, until the MX is deployed in a secure mode.

The Carter Administration has shown no interest in the quick-fix proopsition. Some of its spokesmen, when asked about the apparent "mismatch" between our early-1980's problem and the proposed late-1980's solutions, seem to consider the problem exaggerated. Asked about the mismatch, Barry Blechman of the Arms Control Agency returned to the theme that the whole problem of U.S. inferiority is somewhat unreal. But what, he was asked, about those "perceptions" of our inferiority—wouldn't they make a difference in a crisis? No, Blechman answered, because the perceptions in the early 1980's would be shaped by the prospective strengthening of our forces via the MX. When he was then asked why perceptions would be shaped by future capabilities, rather than by the forces in being during a crisis, Blechman insisted that the direction of events was what mattered. "It's like the inflation issue," he suggested gamely. "What matters to most people is not the level of inflation but whether the rate is rising or falling."

One difficulty about the proposed quick fix is that lingering dispute with the Russians about the allowability of the shell game under SALT II. Presumably, however, the dispute can be settled. Another difficulty is that the quickness of the fix would be reduced by the SALT II protocol, which limits the extent to which we can deploy or flight-test an MPS (or any other system deemed mobile) before 1982. However, William Graham estimates that, if we worked hard at the design and engineering problems during the period of the protocol, we could deploy a sizable "Minuteman MPS" system within about two years of its expiration—significantly earlier than any MX system is due.

The Administration obviously feels that the "quick fix" isn't really worth it. Administration spokesmen argue that, in part because of the limitations imposed on Soviet strategic forces by SALT II, the dimensions of the Minuteman-vulnerability problem have been reduced to levels at which we can get by until the MX is deployed. They question whether it would be necessary, wise—or politically possible—to spend billions on an interim system while also bracing ourselves to spend far more on our long-term solution, the MX. The alternative view, of course, is that those billions have to be weighed against the possible threat to national security. Judgments about these trade-offs may become an important subtheme in the larger struggle over SALT ratification.●

A FINE CELEBRATION IN BARNEGAT LIGHT

● Mr. **WILLIAMS.** Mr. President, there are few people who are not acquainted with the charm and beauty of New Jersey's coastal areas and very soon now, one of the loveliest spots on the Garden State's shore will be celebrating its 75th anniversary.

The Borough of Barnegat Light, N.J. will mark its diamond anniversary with a series of special events and ceremonies beginning on June 30. A week of celebrating will conclude on July 7 with a parade and special program at Borough Hall.

Mr. President, the entire borough is justifiably proud of its rich history as one of our State's leading commercial fishing villages and its service as a summer resort spot for thousands of east coast residents.

Barnegat Light is located on Long Beach Island, just across from magnificent Island Beach State Park. The Barnegat Lighthouse, which marks the entrance to the important coastal inlet of the same name, is the second oldest lighthouse in the United States and has been duly recognized by being declared a State park itself.

Over the years, the families which have lived in Barnegat Light and the many visitors who have passed an enjoyable stay in the community, have seen many changes and much progress in the borough. But the traditions and the history of the community still play an important role in making it one of our State's most-enjoyed spots.

Mr. Sidney Rothman, who has been coordinating the anniversary celebration, recently sent me a copy of the minutes of the first borough meeting back in July 1904 and the record reflects the authentic pride and confidence the residents had in their fledgling community. On a lighter note, I also noticed that their first official act was to appoint a finance committee and determine how much money they would be receiving from their parent community, so the inclination for prudent fiscal management was present at the creation.

Mr. President, I just wanted to take a moment here in the official Record of Congress to mark this special occasion for our State and for the Borough of Barnegat Light and extend to Mayor Lloyd W. Behmke, the borough council, and all 850-plus residents of Barnegat Light our heartiest congratulations on this important anniversary.●

LEVERETT SALTONSTALL
(1892–1979)

● Mr. **DOLE.** Mr. President, this morning carries with it news of the passing of a great American, who graced this Chamber for more than 2 decades. Leverett Saltonstall has died, and with him an era in our history.

Bearer of a proud name, perhaps the greatest tribute we can pay Salty was the fact that he lived up to, indeed, furthered, the reputation for public service associated with 10 generations of Saltonstalls. He was a man uniquely able to bridge social, political, and economic gaps. Born to wealth, he cared deeply about the lives of the poor. As Governor of Massachusetts, he combined liberal social policies with fiscal conservatism—and America paid attention.

In a State where ethnic tensions had all too often polarized along political lines, Mr. Saltonstall was described as having "Back Bay manners and a South Boston face." His response was typical of the man:

> "Im proud of my South Boston face," he told campaign audiences. "It may be an old horseface too, but it's the only one I've got and it doesn't change after the elections."

To the end of his life, Lev Saltonstall held fast to the ideals of Yankee New England: to integrity as hard and fast as the granite beneath his Dover farm; to honesty and self-depreciation, which led him to retire from this body in 1966 after an active career spanning 55 years; finally, to the old and cherished pursuit of excellence, which motivated his veneration of and service to Harvard University and all the people of Massachusetts.

It is fashionable to proclaim the passing of eras upon the death of a notable. It is even more common to announce that one's like will not soon be seen again. But in the case of Leverett Saltonstall—upholder of a great lineage, selfless in his service to the people of his State and Nation, and a character of singular color and attraction—the customary regrets are intensified.

I extend my deepest sympathy to the Senator's wife, Alice, as to his children, Susan, Emily, and William. In sharing a remarkable career, they, too, have made their mark. May they be comforted by the knowledge that their sorrow is shared by anyone who ever knew—or knew of—Leverett Saltonstall.●

S. 1112—BILL TO ELIMINATE CONGRESSIONAL EXEMPTION FROM MAJOR CIVIL RIGHTS LEGISLATION AND OTHER REFORM LAWS

● Mr. **LEAHY.** Mr. President, I would like to commend my distinguished colleague from Ohio, Mr. METZENBAUM, for his support of my bill to eliminate Congress' exemption from the major civil rights legislation and other reform laws. He joins Senator ARMSTRONG, Senator DECONCINI, and me as cosponsors of this legislation.

We can no longer ignore the Civil Rights Act of 1964 in our hiring practices. We can no longer ignore the Equal Pay Act, the Equal Employment Opportunity Act, the National Labor Relations Act, and the other pieces of legislation which we have mandated for the rest of the Nation, but sadly, not for ourselves.

The recent Supreme Court decision on Davis against Passman is highly instructive. I find it intolerable that the thousands of men and women who work on our staffs and in the numerous support capacities have no recourse under the law when they feel they have been the subject of discrimination. And I am heartened that the courts are protecting them where we have failed.

Mr. President, we are facing a crisis of confidence. As elected leaders, we can hardly expect the Nation's businessmen to comply with the regulations of the Occupational Safety and Health Act, for example, when we do not. This is an insidious double standard that promotes a justified skepticism in our power to legislate.

What laws we enact for the rest of the country, we ourselves must obey.●

TRYING TO TAKE THE TAX OUT OF MARRIAGE

● **Mr. DURENBERGER.** Mr. President, there are numerous and complex tax issues confronting the Congress. Two problems seem to predominate in terms of constituent concern. One problem is the inflation tax—basically, the fact that whenever inflation increases income, taxpayers move up into higher tax brackets. Consequently, tax burdens increase at a faster rate than inflation or any gain in real income. There is a simple and efficient solution. It is to index the tax code.

The second issue, the marriage tax, does not lend itself to a similar effective solution. The problem is that marriage can create a higher tax obligation for a two wage-earner family than occurs for two single taxpayers with the same income. Another side of the issue is that a single person with the same income as a family (either one or two wage earners) has a higher tax burden than the family.

Various studies have attempted to develop a solution for these inequities. Despite all the studies, we have not found a simple, efficient and equitable answer. A recent article in Tax Notes describes the history of the problem, and mentions one possible solution. I ask that the article be printed in the RECORD.

There is no magic solution.

What we can do is adopt the most equitable procedure for taxing the different groups of taxpayers. A first step would be hearings by the Senate Finance Committee to explore various alternatives. Despite our busy schedule, I hope we can begin addressing this problem this year.

The article follows:

[From Tax Notes, June 11, 1979]

FEDERAL INCOME TAX TREATMENT OF MARRIED AND SINGLE TAXPAYERS

(By Walter Stromquist)

The problem of determining the relative tax burdens of married couples and single individuals has been a subject of debate in the United States since the income tax was established in 1913. There has been controversy over what is the proper unit of taxation, individuals or families. There has also been debate over how to recognize the different situations of families with one earner, families with two earners, and single persons.

The controversy revolves around four principles of taxation, each of which is widely accepted in the United States:

1. Progressivity. The higher the income, the higher should be the rate of tax. For example, more tax should be collected from a single person earning $20,000 than would be collected from two single persons earning $10,000 each.

2. Aggregation. A married couple's income should be aggregated for computing their tax, and no distinctions should be made among married couples according to how much of their income is earned by one spouse or the other. For example, all married couples with total incomes of $20,000 should pay the same tax, regardless of whether one spouse earns all of the income or each spouse earns half.

3. No penalty for marriage. Two people who marry should not pay a higher tax as a result. For example, a man and woman earning $10,000 each should pay the same tax whether they are married or single.

4. No penalty for remaining single. A single person should not pay more tax than he would pay if he were married to a person with no income. This means that a single person earning $20,000 should not pay more tax than a married couple earning $20,000, if all of the couple's income is earned by one spouse.

Each of these principles may seem sound at first. The problem for tax policy is that they are in conflict. The conflict is illustrated by Figure 1. Therefore, every system of progressive income taxation must violate one or more of the principles.

The first section of this paper contains a brief history of the Federal income tax as it relates to these four priniciples. The second section describes the current (1979) tax law, including the way in which it violates the last two principles. A final section mentions some proposals for change.

HISTORICAL DEVELOPMENT

Each of the principles listed above, except the first, has been violated at one time or another in the history of the Federal income tax.

Prior to the 1948, the Federal income tax conformed to all of the principles except the second. People were taxed as individuals, and there was only one rate schedule for both married and single persons. A married couple could file a joint return if they wished, but if both spouses had income, they could reduce their tax by filing separate returns. Because the rate schedule was progressive, the combined tax on two incomes of, say, $10,000 was less than the tax on one $20,000 income. Since one-earner couples could not benefit from separate returns, couples with the same total income paid different amounts of tax.

The difference in tax depended not only on the share of income earned by each spouse, but also on the states in which the couples lived. This curious result was caused by the community property laws of some states. In 1930, the Supreme Court ruled that in states with community property laws, a husband and wife could file separate returns with half of the combined income on each return, regardless of which spouse had actually earned the income. This automatic "income splitting" was unavailable in other states.

1948: INCOME SPLITTING

In 1948, the law was revised to embrace the income splitting principle for married taxpayers in all states. Married couples were encouraged to file joint returns, and a separate rate schedule was designed for these returns. This "joint schedule" was derived from the "single schedule" by doubling the size of each bracket, without changing the rates. The effect was the same as income splitting: a couple——even a one-earner couple—paid the same tax as two single persons, each with half the combined income.

This represented no change for spouses who lived in community-property states or whose incomes actually were evenly divided; they simply received the same benefit on their joint returns as was already theirs if they filed separately. But for other couples, the automatic income splitting resulted in substantial savings. For example, consider a couple in which the husband's taxable income was $32,000 and the wife had no income. If they filed a joint return in 1970 (the last year of income splitting), their tax was $8,660. But if the husband had paid tax as a single person on the same taxable income, his tax would not have been $12.210. In this case, income splitting saved $3.550.

This was the state of the income tax for the period 1948–1970. The second principle was completely satisfied, since a couple paid the same tax whether both spouses or only one spouse had income. However, to make the tax law conform to the second principle, one of the other principles had to be sacrificed. In 1948, it was the fourth: after the 1948 Act, a single taxpayer generally paid substantially more tax than a married couple with the same income. If a single taxpayer had the same taxable income as the couple in the above example, he paid $3,550, or 41 percent more tax than the couple.

1951–1954: SPECIAL CASES

This "single penalty" was especially conspicuous in the case of single taxpayers with children—typically, widowed or divorced parents. Such taxpayers are hard to classify fairly as single individuals or as married couples. Congress recognized the special status of this group in 1951 by classifying them as "unmarried heads of households" and allowing them half of the benefits of income splitting. A special rate schedule is provided which puts the tax for a qualifying taxpayer about halfway between the amounts paid by a single person and a married couple with the same taxable income.

Even more conspicuous was the case of a person made single by the death of a spouse. Even if the widow (or widower) was able to maintain the income previously received by the couple, he or she lost the benefit of income splitting and thus paid a higher tax. To ease this burden—at least for taxpayers with children—Congress provided in 1954 that a surviving spouse who maintains a household for a dependent child may continue to use the joint rate schedule for two full years after the death of her spouse. This provision is still in effect; it is the only circumstance in which an unmarried taxpayer may use the joint rates.

There are many more "heads of households" than "certain surviving spouses." In 1977, the former group filed 5.8 million tax returns; the latter, only 147 thousand. Both groups were small, compared with the total of over 86 million returns filed.

1971: NEW SINGLE RATES

In spite of the special provisions for these small groups, most single taxpayers still faced a large tax penalty. Until 1971, the tax burden for a single taxpayer without dependents remained up to 41 percent higher than for a married couple with the same taxable income. Because Congress considered the difference to be too large, it enacted a new, lower rate schedule for single taxpayers as part of the Tax Reform Act of 1969. Under the new schedule, which became effective in 1971, a single person's tax on a given taxable income was at most 20 percent higher than a married couple's tax on the same taxable income. For example, in 1971 a single person's tax on a taxable income of $32,000 was reduced from $12,210 to $10,290, which was 18.8 percent more than a couple would pay on the same taxable income.

To prevent two-earner married couples from taking advantage of the new single rates, they were required to use the pre-1971 schedule if they filed separate returns.

THE END OF INCOME SPLITTING

Although the rate schedule for joint returns was not changed in 1971, it could no longer be described as an "income splitting" schedule. A married couple paid a smaller tax than a single taxpayer with the same taxable income. However, the couples' tax was not as small as it would be if they could split their income equally and use the new single schedule. The joint schedule could not be constructed from the new single schedule by widening the brackets, or by any other simple algebraic rule. Following changes in 1977 and 1979, these two rate schedules still have no exact relationship, although they retain the approximate relationship established in 1971.

Reducing the single penalty was an improvement according to one of the four principles, but it could not be obtained without a price in terms of one of the other principles. The 1969 Act sacrificed the third principle—by introducing, for the first time, a substantial marriage penalty into the tax law.

1970–1979: STRIKING A BALANCE

Since the 1969 Act, Congress has attempted to strike a balance between the single penalty and the marriage penalty. As long as the first two principles are honored—as long as the tax remains progressive and no distinction is made betwen one-earner and two-earner couples—it is mathematically impossible to abolish both penalties. Instead, the tax law has sought a compromise between them.

In this decade the compromise has found expression in several other tax provisions, as well as the rate schedules. The most important of these was the standard deduction, which was a feature of the tax law until 1977. Any taxpayer could elect to give up most of his personal deductions, such as medical expenses or charitable contributions, and claim the standard deduction instead. Most low-and midle-income taxpayers did so. The amount of the standard deduction depended on income, but was limited to a fairly narrow range by minimum and maximum amounts. In 1976, the standard deduction for single returns could range from $1,700 to $2,400, and for joint returns, from $2,100 to $2,800.

The minimum standard deduction was greatly increased by the Tax Reform Act of 1969, to remove tax burdens from most persons below the poverty line. At that time, the minimum was the same for single and joint returns. This added to the marriage penalty, since two single persons could claim two minimum standard deductions, but if they married, they could claim only one. Increases in the standard deduction after 1974, however, were twice as large for married couples as for single persons, so that these increases in themselves did not add to the marriage penalty.

A temporary contributor to the marriage penalty in 1976–78 was the general tax credit. Based on income and family size, the credit was limited to $180 for most tax returns, single or joint. Single persons could each qualify for a $180 credit; a married couple had to share one.

In 1977 Congress repealed the standard deduction. At the same time, "zero brackets" were added to each of the several rate schedules, providing that a certain amount of taxable income is subject to a tax rate of zero percent. In 1979 the zero bracket amounts were increased to $2,300 for single taxpayers, and $3,400 for joint returns. The zero bracket amount presents the same problems as the standard deduction: as long as joint returns receive a higher amount than singles, there is a single penalty, but if the joint amount is less than twice the single amount, there is also a marriage penalty. The present structure, therefore, represents a compromise.

When the standard deduction was repealed, a "floor" was imposed on itemized deductions. This means that a taxpayer may not subtract all of his deductible expenses from income, but only the excess of these expenses over the "floor." The amount of the floor is $2,300 for singles or $3,400 for joint returns—that is, the amount is the same as the zero bracket. Taken together, the floors and the zero brackets have nearly the same effect as the standard deduction—in fact, the repeal of the standard deduction has generally been regarded as a mere change in form.

In all of these actions, Congress has taken the first two principles—progressivity and aggregation—as given, and has attempted to strike a balance between the marriage penalty and the single penalty. We now review the state of the tax law as it is in 1979, with an emphasis on the way these penalties affect typical taxpayers.

THE INCOME TAX IN 1979

In 1979, the income tax continues to reflect the compromise among the principles that was struck in 1971. The tax is progressive, and no distinction is made between one-earner and two-earner married couples. The last two principles are violated, however. A single person generally pays more tax than a married couple with the same income, and two wage earners who are married usually pay more tax than they would if they were single.

The Internal Revenue Code contains four different rate schedules applicable to individuals. One is for single persons, one is for married couples filing joint returns, one is for married persons filing separate returns, and one is for single persons with dependents who qualify as heads of households. Each schedule contains a "zero bracket" and positive rates ranging from 14 to 70 percent. Some facts about the rate schedules are summarized in table 1.

The rate schedules are based on "taxable income," not "total income." For taxpayers who do not itemize their deductions, taxable income is equal to total income minus exemptions, which are now $1000 per person for both taxpayers and dependents. (Actually, most taxpayers never calculate their taxable incomes. Instead, they use the published "tax tables," which have the exemptions "built in." The figures in the tax tables, of course, are calculated from the rate schedules described here.)

For taxpayers who do itemize, there is one more step on computing taxable income. They may subtract their deductible expenses, but only to the extent that they exceed the "floor," which is the same as the zero bracket amount in the appropriate rate schedule. For example, suppose a family of four has earnings of $25,600 and deductible expenses of $5,000. Then their taxable income is $20,000:

$25,600—total income.
−4,000—four exemptions.
−1,600—$5,000 deductions minus $3,400 floor.

$20,000—taxable income.

From schedule Y (for joint returns) we can calculate their tax, which is $3,225.

THE MARRIAGE PENALTY

If two persons with independent incomes marry, they usually have to pay a higher tax.

For example, assume two persons each have taxable incomes of $15,000 (after subtracting their exemptions) and assume they do not itemize their deductions. If they file as single individuals, they each must pay $2,605 in tax. Their combined tax is therefore $5,210. If they marry and file a joint return, their taxable income is $30,000, and their tax (from schedule Y) is $6,238. Their marriage penalty is $1,028.

Table 2 shows marriage penalties for various levels of taxable income, under the assumptions that the income is evenly divided between the spouses and the couples do not itemize their deductions. Table 3 shows the marriage penalty (and marriage bonus) in cases in which income is not evenly divided between the spouses.

TABLE 1.—SUMMARY OF THE RATE SCHEDULES

Name of schedule	Taxpayers covered	Number of 1977 returns [1] (millions)	1979 zero bracket amount
Schedule X	Single persons other than heads of households.	35. 3	$2, 300
Schedule Y (pt. 1)	Joint returns of married couples and certain surviving spouses.	44. 1	3, 400
Schedule Y (pt. 2)	Separate returns of married persons.	1. 3	1, 700
Schedule Z	Unmarried heads of households.	5. 8	2, 300

[1] Total individual returns 86,500,000.

Source: Office of the Secretary of the Treasury, Office of Tax Analysis.

TABLE 2.—MARRIAGE PENALTIES IN 1979 WHEN INCOME IS EVENLY DIVIDED

If 2 single people, each with adjusted gross incomes of—	Marry, to give a combined adjusted gross income of—	Their combined tax increases from—	To—	For a marriage penalty of—
$5, 000	$10, 000	$500	$702	$202
$10, 000	20, 000	2, 354	2, 745	391
$15, 000	30, 000	4, 690	5, 593	903
$20, 000	40, 000	7, 674	9, 366	1, 692
$30, 000	60, 000	15, 308	18, 698	3, 390

Note: These calculations assume that the taxpayers claim 1 exemption each and do not itemize their deductions.

TABLE 3.—MARRIAGE PENALTIES (AND BONUSES) IN 1979 WHEN INCOME IS UNEVENLY DIVIDED

[A negative marriage penalty indicates a marriage bonus for 2 single persons who marry]

Adjusted gross income	Share of lesser-earning spouse					
	Zero	10 percent	20 percent	30 percent	40 percent	50 percent
$3,000	0	0	0	0	0	0
$5,000	−250	−170	−98	−28	0	0
$7,000	−378	−252	−126	−10	98	168
$10,000	−475	−275	−85	100	182	202
$15,000	−710	−328	32	183	236	251
$20,000	−1, 092	−460	42	238	355	391
$25,000	−1, 505	−630	−30	310	535	611
$30,000	−1, 929	−749	−26	439	785	903
$40,000	−2, 801	−939	177	1, 031	1, 564	1, 692
$50,000	−3, 269	−1, 069	454	1, 731	2, 439	2, 674
$100,000	−3, 269	454	2, 694	3, 909	4, 164	4, 164

Note: Accounts for maximum tax. These calculations assume that the taxpayers claim 1 exemption each and do not itemize their deductions.

It is not necessary that the two individual incomes be equal in order for a marriage penalty to arise. Suppose that the two persons have taxable incomes of $22,000 and $8,000, giving the same combined taxable income of $30,000. Filing as single persons, their respective taxes are $4,857 and $977, for a total of $5,834. If they marry and file jointly, their tax is again $6,238, for a marriage penalty of $404. If the income is divided even more unevenly, the marriage penalty will be smaller, or the couple may even save tax by marriage. Roughly speaking, the marriage penalty affects couples where the spouse with the lower earnings contributes at least 20 percent of the combined income.

For taxpayers who itemize, the situation is more complicated, since marriage may change their combined taxable income as well as their tax rates. Two single itemizers, for example, are each subject to $2,300 floor on their deductions, for a combined floor of $4,600. If they marry, they are subject to a floor of only $3,400. In other words, as a married couple, they can use $1,200 more of their itemized deductions than if they were single. This reduces, but does not eliminate, their marriage penalty. This example is an extreme case; at the opposite extreme, when only one spouse has deductible expenses, the effect of the floors is to increase their marriage penalty.

Married persons may file separately if they wish, but they must use the highest of the four rate schedules, and other special provisions occur throughout the tax code to prevent them from saving tax in this way. Allowing such savings would violate the principle of aggregation, since it would create an advantage for two-earner couples. Therefore separate returns are not a defense against the marriage penalty.

THE SINGLE PENALTY

A single taxpayer usually pays more tax than a married couple with the same income. For example, a single person with a taxable income of $15,000 pays $2,605 tax. But if a married couple has the same taxable income, even if it is all earned by one spouse, their tax is $2,055. In this case the single persons pays 27 percent more tax.

It can be argued that the comparison in this example is not entirely fair, since a couple may have less ability to pay than a single person with the same income. This difference is taken into account by the fact that a couple has two personal exemptions. It may be, however, that the second exemption is too much recognition—or too little—of the couple's different situation.

PROPOSALS FOR CHANGE

The compromise between single penalties and marriage penalties has always been an uneasy one. The marriage penalty, in particular, is one of the most widely criticized weaknesses in our income tax, and it is difficult to find anyone who regards it as good policy. But as long as the first two principles—progressivity and aggregation—are adhered to, the marriage penalty cannot be reduced without making the situation for single taxpayers even worse.

Consideration has turned, therefore, to these first two principles. It is unlikely that progessivity will be abandoned. Therefore, any proposal which alleviates both the marriage penalty and the single penalty must violate the aggregation principle: that is, there must be some distinction in the tax law between one-earner and two-earner married couples.

Opponents of the aggregation principle argue that there is an economic difference to support such a distinction: one-earner couples have the benefit of a full-time homemaker. Although the homemaker's services in the home are not measured in dollars, they do increase a couple's economic well-being and able to pay. Two-earner couples have no such advantage, and, arguably, this should result in a lower tax liability. Among respondents to a recent O.E.C.D. survey, every major democratic nation with an income tax, except the United States, distinguishes between one-earner and two-earner couples.

It is one thing, of course, to support such a distinction and quite another to decide what form it should take. One proposal is to abandon joint returns, requiring separate returns from married persons with no income splitting. Most experts agree that Congress can require that each married person pay tax on his or her own income, determined without regard to state community property laws. Such legislation would eliminate both the marriage penalty and the single penalty. Only the aggregation principle would be violated, as was the case before 1930. The administrative convenience of joint returns could be retained by allowing married couples to file their "separate" returns on two parts of the same standard form, as is now done in some state income tax systems.

An alternative is to allow couples the option of filing jointly under present law, or filing separate returns as *single persons*. This is the simplest and most straightforward way to eliminate the marriage penalty, but it would not affect the single penalty. In any system in which married couples are encouraged to file separately, there is a significant technical problem of deciding how a husband and wife will be allowed to divide their deductions and non-wage income (such as interest or business profits).

If joint returns are retained in their present form, it would still be possible to distinguish between one-earner and two-earner couples, by allowing a special deduction or credit based on the wages of the second earner.

Selecting the best of these proposals will require an extensive public debate. Then, if a reform is enacted, it remains to be seen whether it will provide any more lasting satisfaction than did the reforms of earlier eras.●

SOFT DRINK INTERBRAND COMPETITION ACT

● Mr. **HELMS**. Mr. President, I am pleased to cosponsor S. 598, a bill to preserve a unique and competitive industry practice—the manufacture, bottling, and distribution of trademarked soft drinks by local companies operating under territorial licenses. The Soft Drink Interbrand Competition Act allows local manufacturers to maintain their territorial licenses as long as there is substantial and effective interbrand competition.

The Federal Trade Commission's decision to bar as unlawful territorial restrictions in soft drink trademark licensing—like most misguided bureaucratic actions—does more harm than good. In the long run, the FTC decision would prove to be anticompetitive. If territorial licenses are prohibited, it is most likely that many of the small bottlers will be absorbed by larger ones. Such a restructuring of the industry would be inconsistent with the purposes of the antitrust laws.

Mr. James A. Hackney, III, president of Hackney & Sons, Inc., a North Caroline-based truck body and trailer manufacturing company, has prepared an economic impact statement examining the effect on the beverage truck body and trailer industry of the FTC's decision barring territorial restrictions.

Mr. Hackney has clearly demonstrated how the FTC decision would prove to be anticompetitive—even among peripheral industries. His study provides a compelling argument for passage of S. 598. I encourage my colleagues to study this report.

Mr. President, I submit the economic impact statement prepared by Mr. James A. Hackney, III, be printed in the RECORD.

The statement follows:

ECONOMIC IMPACT STATEMENT: SOFT DRINK DELIVERY BODY AND TRAILER INDUSTRY

Assuming S. 598/H.R. 3567 is not enacted and appellate courts do not overturn FTC decision outlawing franchise territories for soft drinks in nonreturnable containers.

IMPACT ON PATTERN OF DISTRIBUTION IN THE SOFT DRINK INDUSTRY

At the present time, most packaged soft drinks are delivered by route delivery vehicles of local bottlers, driven by local employees These driver-salesmen fill vending machines, stock supermarket shelves, and arrange special merchandising displays to increase sales. In 1977, 72.1 percent of all packaged soft drink container units (cans, bottles, etc.) were sold through food stores. Nonreturnable containers of all types accounted for 68.0 percent of food store soft drink unit sales. Expressed differently, 49.0 percent of all packaged soft drink sales were nonreturnable type containers sold in food stores.

If the exclusive territory granted the local soft drink bottler by his franchiser is eliminated, major changes are anticipated in the pattern of distribution of soft drinks to food stores and other chain outlets. Instead of buying brand-name soft drinks from each local bottler, as is the case with the present territorial limitation, a chain food store's central purchasing department would be able to negotiate directly with large regional bottlers to furnish soft drinks in nonreturnable containers, delivered in bulk to the central distribution warehouse of the food store chain. The food store chain would then deliver these soft drinks in bulk on its own vehicles, along with other canned goods, from its central warehouse to its retail stores. Food store employees would stock the shelves with soft drinks as they stock other items.

The need for conventional route delivery equipment by local bottlers (and the employees to operate it) to service outlets such as food stores would be greatly reduced once warehouse delivery is established. The type of transportation equipment used in the warehouse distribution method by food store chains is the 40-foot van trailer, produced primarily by large trailer manufacturers such as Fruehauf and Trailmobile.

It would be unrealistic to expect a local bottler to lose the entire 49 percent of his total packaged soft drink sales presently represented by food stores' purchases of nonreturnable containers. However, 30 percent sales loss is not an unrealistic estimate, meaning that local bottlers could face a substantial loss in sales to the larger bottlers who are able to sell in bulk. The resultant weakened financial condition of small bottlers would make them vulnerable take-over targets for acquistion by larger bottlers. As large bottlers become larger and small bottlers disappear, less, rather than more, competition will result.

IMPACT ON THE BEVERAGE TRUCK BODY AND TRAILER INDUSTRY

Route delivery beverage truck bodies and trailers are currently supplied by several dozen small manufacturers throughout the United States. Hackney & Sons, Inc., is the largest of these, but still only had total beverage body and trailer sales in 1978 of $24 million and employed a total of 600 persons in three manufacturing plants located in Washington, North Carolina; Fountain Inn, South Carolina; and Independence, Kansas. By comparison, Fruehauf Corporation had trailer operations sales in 1978 of $1.25 billion, with Trailmobile's sales at about half of Fruehauf's.

If the franchise territory system for soft drinks in nonreturnable containers is eliminated, it is anticipated that all companies in the beverage truck body and trailer industry will experience an immediate decrease in soft-drink delivery body and trailer sales of approximately 70 percent (the new level of sales will be 30 percent of previous levels), and that the severity of this decline will last for approximately five years. After that, sales might return to approximately 70 percent of previous levels. It is doubtful whether many of the present manufacturers of soft drink delivery bodies and trailers could survive five years of such declines. It is probable that some will be forced into bankruptcy; others will be forced into acquisition by a larger company. In the face of such a decline, Hackney & Sons, Inc. anticipates an immediate loss of at least 350 jobs and cannot make any prediction as to its ability to survive five years of such economic trauma. The chief beneficiary from this decline will be very large truck/trailer manufacturers, such as Fruehauf and Trailmobile, whose equipment is presently not used in the local delivery of soft drinks.

The reason for the severity of the anticipated decline in beverage body sales is not obvious without some explanation of the buying and operating habits of soft-drink fleet owners. Most soft-drink fleets operate with 90 percent of their fleet on the routes each day and 10 percent as "spares," either held in reserve for peak demand or withheld from duty for normal maintenance. Historically, bottlers have dramatically reduced buying of new delivery equipment in difficult years and simply used up spares.

Assume, as an example, a hypothetical fleet of 100 soft-drink route trucks. This is considerably larger than average, but makes arithmetic simpler for illustrative purposes. Presently, such a fleet would typically have 90 trucks on the route each day and 10 units in reserve. If this bottler's sales are reduced by 30 percent, he would then need only 70 percent of his 90 trucks on the route each day, or 63 units. An active fleet of 63 units would require approximately 7 spares, for a total fleet size of 70 units. Typically, one-tenth of the total fleet is replaced each year, so that the annual replacement requirement would then be 7 units, down from the previous 10. With 30 extra liberated units over and above normal operating and spare requirements, this bottler can simply use up his extra units for 4.3 years before being down to his new required fleet size of 70 units. Thereafter, it would be assumed that he might order 7 units each year to maintain his 70-unit-fleet.

To illustrate this situation more graphically, the present and anticipated phaseover buying pattern is shown in tabular form.

Present route delivery method (assume a fleet of 100 vehicles)

Units on daily route	90
Spares	10
Total fleet size	100

TYPICAL PROJECTED BUYING PATTERN (ASSUMING NO GROWTH)

Year	Units retired	New units needed	Total fleet size
1980	10	10	100
1981	10	10	100
1982	10	10	100
1983	10	10	100
1984	10	10	100
1985	10	10	100

Revised fleet requirements with warehouse food-store delivery accounting for 30 percent of sales (local bottler's sales are 70 percent of prior sales) (initial fleet size 100 units)

Units on daily route	63
Required spares	7
Total new required fleet size	70
Extra trucks liberated by sales decrease	30
Total fleet size	100

Year	Units retired	New units needed	Total fleet size
1980	7	0	93
1981	7	0	86
1982	7	0	79
1983	7	0	72
1984	7	5	70
1985	7	7	70

It is not anticipated that every bottler would stop ordering new route delivery equipment for more than four years. However, it is reasonably projected that at least 60 percent would do so, with the remaining 40 percent ordering at the new reduced annual level of requirements. The net impact would be a 70 percent reduction in sales to the beverage body and trailer industry. This is similar to the percent decline of orders during the period from August, 1974 through February, 1975, when bottlers were worried about sales declines resulting from sharply higher sugar prices. Fortunately, sugar prices declined, soft drink sales returned to previous levels, and strong spring and summer delivery-equipment orders kept Fiscal Year 1975 from being a disaster in the beverage body and trailer industry. Nonetheless, soft-drink route bodies and trailers delivered in 1975 were still down by 20 percent from the previous year. A softening of sales is now being felt in the beverage body and trailer industry because of anxiety over a possible unfavorable outcome in the FTC case.

SUMMARY

The present system of route delivery of soft drinks evolved over many years of trial and error as the most efficient and economical means of delivering the greatest volume of soft drinks to the consuming public. It evolved without any government interference and in full public view. The system resulted in a great number of independent local industries—the local soft drink bottlers. Many of these are now third-generation family businesses.

The system also gave birth to a great number of small peripheral industries, such as the beverage truck body and trailer industry, which specialized in serving the local bottler. Neither the soft drink industry nor the truck body and trailer industry have enjoyed special favorable tax treatment; in fact, the reverse is true. Soft drinks have been singled out for discriminatory taxes in several states, and the truck body and trailer industry is almost the last industry in America subject to the Federal Manufacturer's Excise Tax.

The Federal Trade Commission proposes, by the stroke of a pen, to totally restructure the soft drink industry. This restructuring would greatly favor the large bottlers and virtually eliminate many small bottlers. The new structure would have less competition which, in the long run, would lead to higher soft drink prices to the average consumer.

The peripheral industries which have developed to serve the soft drink industry, such as the beverage truck body and trailer industry, would be far more adversely affected by the restructuring. It is probable that most companies in this industry will be driven out of business. These companies are, for the most part, small, independent family businesses. Here again, the beneficiaries will be a few large trailer manufacturers. The level of competition in the truck body and trailer industry will be reduced, with eventual higher prices in that industry also.

The Federal Trade Commission apparently believed that its action would enhance competition in the soft drink industry. Not only do we believe the reverse will be true, but it is clear that competition will also be reduced in the peripheral industries, such as the beverage truck body and trailer industry.

A decision of this magnitude, affecting several industries, should not be made by a Federal Commission but, instead, should be made by the Congress.●

HARASSMENT OF CZECH DISSIDENTS

● Mr. ZORINSKY. Mr. President, I would like to address an issue today which should be of great concern to free people everywhere: harassment of Czech dissidents. The Czechoslovakian Government recently arrested 10 members of the Committee for the Defense of the Unjustly Persecuted, which was formed to monitor Czech compliance with the Helsinki accords.

All 10 of those arrested have been charged with subversion, and could face prison terms of up to 10 years. Among those arrested is Vaclav Havel, a prominent playwright and one of the main authors of 77 Charter, which is the manifesto of the Committee. Another prominent signer of the charter, Mrs. Zdena Tominova, was beaten as she entered her home by men wearing masks.

Most of the nearly 1,000 Czech citizens who signed the charter have been subjected to government harassment. Nearly 40 are in prison, where many receive inadequate medical care, about 16 have been forced to emigrate, and countless others have been fired from their jobs or have had difficulties finding apartments.

Mr. President, I commend the administration for taking steps to protect the Czech Government's actions. Mr. George Vest, Assistant Secretary of State for European Affairs, and Mr. Frank Meehan, our ambassador to Czechoslovakia, officially protested the Czech Government's actions in the name of the Helsinki accords and in the interest of improved bilateral relations between Czechoslovakia and the United States.

I hope that Czechoslovakia will take steps to improve its position as one of the most repressive regimes in Eastern Europe, and begin to treat with seriousness its international and humanitarian obligations.●

A 120-DAY STUDY OF MOBILIZATION CAPABILITY

● **Mr. COHEN.** Mr. President, the legislation we are introducing today provides the most positive, responsible course of action we can take as we seek to insure that our Nation will have the most effective possible mobilization capability in time of emergency.

It is imperative that we in Congress get a full accounting in this critical area before we make the important decisions that need to be made. Our proposal would direct the President to report to the Armed Services Committees of the House and Senate, within 120 days of enactment of this measure, on the Nation's manpower needs and mobilization capability. The report would include:

First. An assessment of the ability of the Selective Service System to meet the military manpower requirements of the United States in the event of national emergency.

Second. An evaluation of the current capability of the armed forces of the United States to meet the equipment, clothing, living quarters and training personnel needs that would be required in the event of a total or partial mobilization of the armed forces.

Third. Such recommendations for legislation as the President considers necessary to provide an effective and equitable military manpower mobilization capability.

As the question of selective service registration is debated, I am deeply concerned about the many unanswered questions that remain on this issue. Throughout the hearings of the Armed Services Committee's Manpower and Personnel Subcommittee, I have pressed witnesses on their evaluation of our defense capability and of the Nation's capability to mobilize quickly in time of emergency. Responses have been conflicting, and they have lacked any firm information which would lead to the conclusion that registration would in any way speed the delivery of battlefield replacements if war were to break out.

I wrote both the Secretary of Defense and the director of the Selective Service System to ask their position on registration. Both told me they neither need nor want registration at this point. Both said Selective Service can meet DOD's most accelerated mobilization schedule with only a minor increase in funding and through improved computerization. Both recommended that step be taken before Congress moves toward registration.

Yet, the Joint Chiefs of Staff, the majority of the Armed Services Committee and others say registration is needed. In light of that sentiment, the unanswered questions, and the conflicting administration statements, it is my strong belief that the approach embodied in the legislation I am introducing with Senators Dole, McGovern, and Proxmire is the most responsible one we can take.

Before we can make a reasoned decision, we need to find out just what the facts are. The kind of report required in this legislation will provide the answers that are so essential if we are to make an informed decision based on a full understanding of our mobilization needs and the ability of Selective Service and DOD's training base to meet the Nation's needs in time of emergency. It is the single best step we can take at this point.●

A PLEA FOR HUBER MATOS

● **Mr. MOYNIHAN.** Mr. President, just 2 months ago today I joined with 40 other Members of the Senate—among whom were leaders of both parties and representatives of a full range of political views—in writing to President Carter to ask him to make a "clear public statement" of the concern of the U.S. Government for the well-being of Mr. Huber Matos, a distinguished Cuban democrat held prisoner by the Castro government. The administration has yet to make such a statement. Meanwhile, fear for Mr. Matos' well-being continues to grow. Today the Washington Post carried a moving plea by Mr. Matos' wife, Maria Luisa Matos, for support from the American public for the cause of her husband and the other Cuban patriots and dissenters who now endure political imprisonment in the jails of the Castro dictatorship. I ask that Mrs. Matos' statement be printed in the Record.

The statement follows:

A Plea for Huber Matos

(By Maria Luisa Matos)

My husband, Huber Matos, has been a political prisoner in Cuba since 1959. He was sentenced to 20 years in prison merely because he resigned his post as military governor of Camaguey province and in an open letter cautioned Fidel Castro about the growing number of Communist cadres in the Rebel Army.

Huber has been the victim of countless abuses and humiliations. During the last 19 years, he was kept in solitary confinement for periods of more than one year in the dungeons of the Cabana Fortress prison. Because he refused to accept the government's "reeducation" indoctrination program for political prisoners, he was forced to live completely nude for two years. In February 1970 he was isolated in a dark cell with a small window covered with a heavy cloth, sewn to the bars. He was not allowed visitors during seven years, until 1977.

During that period, whenever he would ask about family visits he was told that no one had come. To his old and ailing father who several times made the long journey from Oriente province to try to see him, there has always been the same answer: "The prisoner does not wish to see anyone."

Last September, Cuba's President Fidel Castro announced he was going to release 3,600 political prisoners. Later Mr. Castro criticized the United States because the Justice Department was dragging its feet in accepting the prisoners he wanted to release. Months ago, the Costa Rican government offered political asylum to 138 Cuban political prisoners. Costa Rica has announced it is willing to send an airplane to Havana to pick them up. My husband is in this group, but until now the Cuban government has ignored the offer.

Late in 1975, in a letter smuggled out of prison my husband told me that he was "practically convinced that he was to spend his last days in prison."

Journalists who repeatedly ask to see him have always been told that a meeting with him cannot be arranged. A letter signed by 47 American senators in December 1977, asking for his release has not as yet been acknowledged.

My son, Huber, Jr., lives in Costa Rica. He has been active in requesting many Latin Americans visiting Cuba to ask about his father. After receiving several threats telling him to keep quiet, he was wounded in an attempt against his life in December 1976.

My husband has difficulty moving his left arm, as a result of severe beatings several years ago. After denying him medical attention during 19 years, the Cuban government now let him know that there is "something wrong" with his kidneys and his lungs. I do not want him to have any type of operation while in Cuba.

In letters written in October and November 1978, that reached the United States through clandestine channels, Huber writes: "I am convinced that Castro does not plan to let me go . . . Castro is attached to the idea that something will happen to me before I can leave Cuba. . . . The hate that Castro feels for me . . . can be measured by what he has been doing and continues to do to my aged father and my poor sister. Both of them are ill and helpless creatures who for years needed to leave, who are alone here, lacking medicine, food and care, and yet he keeps them as hostages here."

The revolution, it is said, is consolidated. Castro says that the revolution is a process determined by historical forces, not by men.

If the revolution is consolidated and men cannot deflect the course of history, then no useful purpose is served by continuing to detain prisoners who have spent one third of their lives behind bars.

My husband's case is not unique. Many other revolutionary leaders who fought against the Batista dictatorship are in similar situations. There are also labor leaders, writers and young people who refuse to serve in Africa.

In their name, in the name of their families, in the name of my children and in my own name as wife, I plead with those in Congress, the international organizations, the business and the academic communities who have friendly ties with Havana—to help me protect their lives and obtain their release without further delay.●

NICARAGUA

● **Mr. ZORINSKY.** Mr. President, a report carried in this morning's Washington Post signals two dramatic diplomatic developments with respect to the ongoing crisis in Nicaragua.

First, the Andean Pact nations—Bolivia, Colombia, Ecuador, Peru, and Venezuela—have apparently issued a formal declaration recognizing a state of belligerency in Nicaragua and placing the Sandinista-led opposition forces on a diplomatic par with government troops. According to the Post report, this "opens the way for eventual recognition should the guerrillas emerge as probable victors in the Nicaraguan civil war."

Second, opposition forces announced yesterday the establishment of a representative five-member provisional governmental council. According to the Post article, the members include: Violeta Chamorro, widow of slain publisher and long-time Somoza foe Pedro Joaquin Chamorro; Alfonso Robelo, a businessman leader of the moderate Broad Opposition Front; Sergio Ramirez, an author and professor who is a member of the Sandinista-allied Group 12; Moises Hasan Morales, a teachers' union leader who represents the National Patriotic Front, a left-wing alternative to the Broad Front; and Daniel Ortega Saavedra, one of the original Sandinista leaders and a member of the nine-man guerrilla directorate.

Mr. President, these developments are as dramatic as they are significant. I hope the Carter administration will recognize the importance of them and do what is necessary to support the initiatives of our friends in Latin America who are determined to eliminate the dictatorial rule imposed by the Somoza government. These initiatives can help pave the way for a democratic solution to the present Nicaraguan crisis. As I have said previously further delays can only enhance the chances for an extremist political solution. The only real hope for avoiding this kind of solution is to make it abundantly clear to Somoza that it is all over and that he must depart the scene. In this regard, we must not find ourselves once again in the disastrous position of "being a day late and a dollar short."

Mr. President, I ask that the Washington Post article of June 18 entitled, "Andean Nations Provide Sandinistas a Diplomatic Opening," be printed in the Record.

The article follows:

ANDEAN NATIONS PROVIDE SANDINISTAS A DIPLOMATIC OPENING

(By Karen DeYoung)

Managua, Nicaragua, June 17—President Anastasio Somoza's beleaguered government suffered a serious diplomatic setback this weekend when five South American nations recognized Sandinista guerrillas as members of a legitimate army eligible for "treatment and prerogatives" as a belligerent under international law.

The statement issued by the foreign ministers of Ecuador, Venezuela, Colombia, Bolivia and Peru, all members of the Andean Pact economic group, essentially rejects Somoza's contention that the rebel forces are "international terrorists" and opens the way for eventual recognition should the guerrillas emerge as probable victors in the Nicaraguan civil war.

Today one of the pact members, Ecuador, broke relations with Somoza's government. Costa Rica severed diplomatic ties last fall, followed by Mexico last month.

Coinciding with the past statement yesterday, a 400-strong Sandinista column crossed the Costa Rican border into Nicaragua and joined 300 guerrillas who invaded there Friday.

The joint Sandinista force is the largest yet assembled. National Guard troops defending the southern front reportedly have called for heavy reinforcements and additional air support.

The Sandinista force reportedly is led by Eden Pastora, the guerrilla chief of military operations who staged a successful raid on Managua's National Palace last August after which more than 1,000 hostages were exchanged for jailed Sandinistas.

A Costa Rican radio station quoted Pastora as vowing the rebel column would reach the departmental capital of Rivas within 48 hours. In Rivas, 25 miles from the border, the Sandinistas hope to establish a provisional government.

Yesterday, Radio Sandino, the clandestine guerrilla station, announced the names of a five-member "provisional governmental council." They include Violeta Chamorro, widow of slain publisher and long-time Somoza foe Pedro Jaoquin Chamorro; Alfonso Robelo, a businessman leader of the moderate Broad Opposition Front; Sergio Ramirez, an author and professor who is a member of the Sandinista-allied Group of 12; Moises Hasan Morales, a teachers union leader who represents the National Patriotic Front, a left-wing alternative to the Broad Front; and Daniel Ortega Saavedra, one of the original Sandinista leaders and a member of the nine-man guerrilla directorate.

The list is notable for its exclusion of the more doctrinaire Marxist Sandinista leaders and the inclusion of Robelo, a U.S.-favored left-centrist who has denounced the guerrillas in the past.

The Sandinistas, by announcing their potential government, clearly seek to build on the diplomatic initiative provided by such actions as that of the Andean Pact nations.

In recognizing a "state of belligerency" in Nicaragua, the pact nations recognize the Sandinistas-led "popular forces" as diplomatically equal to the government's National Guard. The statement opens the way for possible aid to the opposition government in an attempt to force Somoza into a political solution.

The move also complicates the position of the United States, which has praised previous Andean initiatives in the crisis but has consistently opposed a Sandinista government. The statement calls on "all countries of the continent" to join in facilitating "the installation of a truly representative, democratic regime, justice and liberty in Nicaragua."

Nicaragua has called for an emergency meeting of the Organization of American States, scheduled for Wednesday, to seek action against the Sandinista border crossings. It is uncertain whether the Andean nations can persuade a majority of the 25-nation body—which has rebuffed Nicaragua previously—to support its initiative. Up to now, the OAS has also shown reluctance to sympathize openly with the left-wing revolutionaries and hence has been paralyzed.

It also is uncertain whether the guerrillas can move north to Rivas and manage to hold on to territory they take. Repeated past attempts at a southern stronghold, including an unsuccessful invasion late last month, have been blocked by the National Guard, with guerrilla forces consistently driven back to their camps in Costa Rica.

Reports from the south today indicated the Sandinista force, which the government says is armed with heavy weapons including mortars bazookas and .50 caliber machine guns, have been at least temporarily stopped at Sapoa, barely four miles north of the border.

This time, however, the rebels hope to gain an advantage as continuing battles in Managua and in Nicaragua's northern cities have spread government forces thin.

The government today announced the National Guard evacuation of its garrison in Leon, the second largest city, 54 miles north of here. Although the Sandinistas have controlled the city for more than two weeks, government troops surrounded in the garrison in the city's center had managed to hold the rebels at bay.

Late in the week, the government failed in an attempt to helicopter supplies to the besieged troops and the commanding general, Gonzalo Evertz, reportedly was wounded. A government communique did not detail how the remaining troops were evacuated.

Government rocket and ground force attacks on guerrilla strongholds in Managua barrios continued today, as the toll in civilian lives and property mounted.

The guerrillas now control much of the eastern part of Managua, including the main airport access road. Despite far superior National Guard firepower, the Sandinistas have been aided by strong civilian support that enables them quickly to reconstruct barricades and easily retreat from National Guard onslaughts.

In western barrios, where heavy fighting took place last week, Sandinistra forces have now apparently evacuated to aid rebels in the eastern zone. Civilian bodies littering the streets in the western part of the capital were gathered today by residents and burned in street-corner pyres.●

A CRIME AGAINST HUMANITY

● Mr. MOYNIHAN. Mr. President, in the past year or more we have been witness to the unfolding of one of the largest human tragedies of our era. The enormity of the suffering, despite the abundance of facts and figures we have to document it, strains our ability to comprehend it some 10,000 miles away. I refer, of course, to the plight of those Southeast Asian refugees who have been forced out of their countries, and now, we learn, out of those camps where they have heretofore found temporary asylum. I am compelled to speak now because the suffering has grown to the point where, if we have so far resisted the term "genocide" to describe the phenomenon, we have nonetheless come to grasp that this involves the deliberate and systematic destruction of an entire group of people. Those who previously found sufficient reason to either ignore or condone the violence now seem to concede the brutality of the forced expulsion of tens, even hundreds, of thousands into the seas and unreceptive neighboring lands, with the certain knowledge that only half of them, if that many, will survive.

The press as lately come to draw the comparison between what is going on now in Southeast Asia and the enormous suffering of the Nazi holocaust. And yet I would argue that this comparison does not capture one particular quality of this current terror. For, while the campaign against the Jewish people of Europe relied chiefly on the propagation of a racial or ethnic hatred and intolerance, the savagery practiced by the present Vietnamese leadership, and by their proxies and puppets in Cambodia, has radically expanded the grounds for persecution to the realm of ideas and political preferences. It is not just the ethnic Chinese who are being forced to flee; thousands who are not willing to give up their professions, their beliefs, their traditions and families, who are not willing to be marched off, mute, to the so-called re-education camps are forced to risk death rather than surrender.

Now systematic murder for the crime of intellectual heterodoxy is not something unheard of to those who have studied the Stalinist purges and the course of "socialist construction" in those countries which have loyalty employed the mechanisms of totalitarian rule. The spread and consequences of such ideology in the twentieth century has been treated at length and with great intelligence in numerous other places. It comes to me to make but one further point. Totalitarian ideologies have masked and bred campaigns of mass suffering in the past. It is time we recognized that such is the case presently in Southeast Asia and that we have an obligation to speak out against it in the strongest terms. Further, we have an obligation, as we did some 40 years ago, to do something real to relieve the suffering of the victims of this repression.

I ask that Anthony Lewis' column in the New York Times of June 14 be printed in the RECORD. Mr. Lewis manages, as he so frequently does, to convey vividly the magnitude and substance of this tragedy. I also ask that two related pieces, by Christopher Dickey of the Washington Post and Henry Kamm of the New York Times, be included, together with related material.

The material follows:

[From the New York Times, June 14, 1979]

A CRIME AGAINST HUMANITY

(By Anthony Lewis)

BOSTON, June 13.—"It is the greatest moral-political problem in the world today, and nearly everyone wants to look the other way." A high United States official was talking about the developing human disaster in Southeast Asia: the tidal wave of refugees from Communist Vietnam.

The figures are staggering and getting worse. In March about 16,000 refugees from Vietnam made it to other nearby countries, mostly on overloaded boats. In April the total was 26,000; in May 46,000. In the last week as many as 3,000 have reached Hong Kong alone on a single day.

Those are the people who made it. By some estimates, 100,000 who left Vietnam on boats did not; they drowned, or died of hunger or thirst or exposure. An International Red Cross official was reported this week to believe that 50 percent of the boat people have died at sea—and that the figure has gone up to 70 percent as more and more unsafe boats are used.

Worse yet is the reason for the mass exodus, clear now from overwhelming evidence. The Vietnamese Government is calculatedly forcing out of the country those it thinks may be unreliable, may resist the remolding of society because of their middle-class outlook. And 80 percent of them at this point are from a single racial group: people of Chinese extraction.

"It is systematic persecution of people because they are Chinese and economically suspect," says former Senator Dick Clark of Iowa, who as ambassador at large now coordinates refugee affairs in the State Department. Persecution is a fair word for the tactics described by refugees in interviews with, among others, Henry Kamm and Fox Butterfield of The New York Times.

Tran Van Hong was a printer in Haiphong. This past winter, he said, he was dismissed from his job, detained by the security police and finally told that he must either move to one of Vietnam's new rural resettlement zones or leave the country. In either event he would forsake his trade, his property and his community. Ambassador Clark said this was the choice put generally to those who left.

There was more pressure on Mr. Hong. The Chinese school his children attended was closed, and they were forbidden to go to a Vietnamese school. His wife lost her job in a garage. His Chinese neighborhood had a curfew imposed on it. The family was deprived of its official ration of rice.

In the end Mr. Hong decided he had to leave. The police arranged his passage on a fishing boat heading for Hong Kong. He paid the equivalent of $650 to a policeman for each member of his family. On the boat the police searched everyone for jewelry or other belongings.

The last stage of Mr. Hong's story reflects perhaps the ugliest aspect of the Vietnamese expulsion campaign: that it is run for profit. The Hanoi authorities demand substantial payments from those they force to leace, in gold or in foreign currency balances sent by overseas Chinese in Hong Kong or elsewhere so relatives in Vietnam can leave. The total reportedly remitted in April alone was $242 million.

The prospect for the refugees who live through their voyage is appalling. Already 325,000 including refugees from Laos, are lodged in dismal camps. There are still thought to be a million ethnic Chinese in Vietnam, and Hanoi may well intend to force them all out. Where can such numbers go?

In terms of permanent resettlement, the United States has taken by far the largest number: 210,000 to date, and now at the record rate of 7,000 a month. Secretary of State Vance and Attorney General Bell together persuaded Congress to accept increasing numbers and to vote the necessary money. It is an honorable record, two-thirds of all those resettled, but it does not nearly match the need.

The only other countries to have taken large numbers as permanent residents are France, with 50,000; Australia 20,000, and Canada 13,000. And the tiny colony of Hong Kong has let 15,000 settle. Countries with the ability to help that have done little or nothing include Brazil, Japan, Taiwan, South Korea. Britain, West Germany and others in Europe could do much more.

But before settlement comes initial asylum, and that now presents heartbreaking difficulties. This week the foreign ministers of Indonesia and Malaysia said their countries would allow no Vietnamese even temporary asylum: would let no boats land. Thailand has a similar policy. In the last week it has forced 30,000 Cambodian refugees, some of them weeping and pleading, back across the border to their starving, war-swept land.

Decency cries out for every country to do what it can. But humanitarianism is not enough. The time has come for the opinion of mankind to focus on the principal source of the misery: the Government of Vietnam. Hanoi just might care if its neighbors in Southeast Asia and the friends it prizes elsewhere—the Scandinavian countries, for example—condemned the racism and cruelty of a policy that sends hundreds of thousands of its citizens to rootless exile or death.

[From the Washington Post, June 14, 1979]

BOAT PEOPLE'S PLIGHT COMPARED TO NAZI PURGE OF JEWS

(By Christopher Dickey)

Likening the current Indochinese refugee crisis to Germany's expulsion of Jews in the 1930s, a congressional subcommittee yesterday called for an immediate emergency session of the U.N. General Assembly to deal with the problem.

At a hearing of the House Foreign Affairs subcommittee on Asia and the Pacific, subcommittee chairman Lester L. Wolff (D-N.Y.) called the present situation "a disaster which . . . threatens to explode in death for perhaps 500,000 men, women and children."

Assistant Secretary of State for Pacific Affairs Richard C. Holbrooke, who testified before the subcommittee, said he agreed with the German analogy, and squarely placed the blame for the crisis on the Hanoi regime.

"The Vietnamese government has embarked on a deliberate effort to rid itself of those elements of society which it considers undesirable," Holbrooke said in a prepared statement.

Holbrooke told the committee that in 1978 the average monthly number of Indochinese who reached safe havens after fleeing their homelands by boat was 7,500. During the first quarter of 1979 that average rose to 11,000 a month, he said.

In April, according to Holbrooke, 34,000 "boat people" reached temporary asylum, in Southeast Asia and in May the figure rose to 54,912. These figures do not include, Holbrooke said, scores of thousands of Cambodians and Laotians who have fled to Thailand, large numbers of refugees who are believed to have fled to China, or between 30 and 60 percent of the boat people who are believed to have died in their efforts to escape Vietnam.

There are now 330,000 Indochinese in Thailand, Malaysia, Indonesia, Hong Kong, Singapore and the Philippines, waiting for permanent resettlement in the West, according to the State Department. By September that number is expected to reach more than half a million. But Thailand, the major recipient of refugees thus far, has refused to let any more boat people land, and has reportedly begun forcing some 80,000 Cambodian refugees back across the border.

Malaysia and Indonesia both announced this week that they would not accept any more refugees. If they hold to this position, refugees fleeing the communist countries of Indochina will have virtually no place to go.

Vietnam has reportedly made clear its intention to force out as many as 1.2 million ethnic Chinese, who are considered by the Hanoi regime a dangerous "fifth column" sympathetic to its enemies in Peking, according to State Department officials.

Holbrooke, who was in China last week, said the Peking government informed him it had accepted 230,000 Vietnamese-Chinese refugees so far, amounting to about 10,000 a month during the last five months. But he said there is no independent confirmation of these numbers, and some of the refugees may be sent to Hong Kong.

Holbrooke strongly criticized Vietnam for its incursion into Cambodia, the source of many new refugees, and the related risk that the war there will spill into Thailand. Holbrooke deplored, as well, the increasing Soviet presence in Vietnam.

The refugee crisis remains the most pressing concern however. Secretary of State Cyrus Vance announced at a news conference yesterday that it will be discussed with the Soviet Union at this weekend's Vienna summit. British Prime Minister Margaret Thatcher has called for an international conference on the issue.

"Thirty thousand refugees may have died already in the month of May," said one State Department official after the hearing. "Only 10,000 refugees are being resettled by all the permanent asylum countries each month." (The United States takes 7,000.)

"That means that each month about three days worth of arrivals in the first asylum countries are being taken off their hands," the official said. "Right now the situation is beyond the grasp of the international community to cope."

[From the New York Times, June 14, 1979]

AT THAI CAMP, AN EXILE'S JOY TURNS TO GRIEF

(By Henry Kamm)

BANGKOK, THAILAND, June 13.—The first good news that Kim Kok Hoai had received in more than four years reached him at his home in Paris last month. A Cambodian of Chinese origin, like himself, had discovered Mr. Kim's 18-year-old sister in a Thai border camp, where she had found refuge.

On hearing the news, Mr. Kim flew to Bangkok on the first plane and reached the Nongchan camp, an open field three hours' drive from here, the following morning. It was not easy to find his sister among the 30,000 refugees huddled under low tents, but he did.

Today, however, Mr. Kim, a frail 26-year-old employee in an import concern, is shattered and constantly on the edge of tears. His sister, whom he had left in Phnom Penh in 1970 when he was 17 years old and she 9, is one of more than 40,000 Cambodian refugees whom the Thai military authorities have forced at gunpoint to return to a country in which death may be a greater likelihood than survival. She was one of many hundreds, perhaps thousands, whose acceptance by a third country was a certainty and whom Thailand did not allow to wait.

Since Friday, the Cambodians have been taken from the camps in columns of buses to be pushed across the border in an area studded with mines and booby traps and empty of food.

In a last act Monday, anguished refugee officials from the United States, France and Australia made a selection that reminded them of the harrowing scenes of the arrival of victims in German extermination camps in World War II.

With about 5,500 Cambodian men, women and children assembled before them, the officials called off names on a list they had compiled of refugees with family or other links in one of their three countries. Those on the list were put in 22 buses and taken to a transit camp on their way to a new life.

About 4,000 had waited in vain; their names were on no list. Immediately after the departure of the last bus, a new column of buses, this time belonging to the Thai military, drew up. Without the calling of a roll, all who remained were herded aboard by armed soldiers and taken on the long drive back to Cambodia.

QUESTION ALL DREAD TO ASK

When Mr. Kim and his sister met at the camp, he recalled yesterday, they were both virtually in a state of shock. The sister almost fainted. "There was a terrible coldness in her eyes, and they were deep, very deep," he said.

Another sister, who had come from Hong Kong, could not release her from her embrace or else she would have fallen.

Then Mr. Kim and his sister from Hong Kong asked the question they dreaded to ask: "Where are our parents, and where is our other sister?" All Cambodians in exile have been asking similar questions since the Communist victory in April 1975 cut off communications with Cambodia.

Mr. Kim's sister hesitated before replying. "Our father died in December, 1975, a few months after we stopped walking," she said. Like all Cambodians, the members of the Kim family were driven from their home and marched into the countryside to join working communes.

"He died of diarrhea," Mr. Kim continued. "My sister told us she washed his body, rolled it into a mat and buried him by herself. He was as thin as a sheet of paper from hunger and illness. She said he cried in pain for hours before he died."

"Then my mother's mother died," Mr. Kim continued, "and my sister buried her. She was old and very sick."

In September 1976 their mother died, also of diarrhea, the woman told her brother and sister. Many reports of cholera and typhoid epidemics came from Cambodia during those years, and diarrhea was the symptoms noted in countless accounts by refugees.

"My mother was a strong woman physically, but my sister said at her death she weighed about 30 kilograms," Mr. Kim said, his voice flat. Thirty kilograms is about 66 pounds.

"She died on the floor, in a straw hut," Mr. Kim went on. "Her last words to my sister were: 'You must survive and try to rejoin our family.'

"Two months later, at the end of November, my smallest sister, less than a year younger than the other, died and for the fourth time, my sister had to bury one of our family.

"The two youngest sisters were always the best in their class at the Lycee Descartes. The girls were so hungry that the younger one went into the fields to look for crickets. She ate them. She got the same illness at home when we used to play with crickets.

"Then my sister was all alone in northwestern Cambodia. She was 15 years old and indescribably sad."

BEFRIENDED BY CHINESE FAMILY

Mr. Kim went on to tell how the sister was befriended by a family of ethnic Chinese. She was ill and hungry. The mother asked her to stay with them and marry her son, who was three years older. The sister asked her first to find medicines to cure her. The family exchanged some of their remaining valuables for traditional medicines, and the sister recovered. The two young people were married without sanction.

When the Vietnamese invasion earlier this year brought down the regime of Prime Minister Pol Pot, the family gathered what savings in gold they had left and bribed Vietnamese soldiers to let the couple walk to the Thai border.

The young people reached the Nongchan camp on May 15, and the woman's brother and sister met her on June 1. Mr. Kim rushed back to Bangkok and obtained the agreement of the French Embassy to accept the couple as refugees. The office of the United Nations High Commissioner for Refugees here added their names to a list of refugees submitted to the Thai authorities for release to a transit camp in Bangkok to await departure for France.

"I thought all had been done," Mr. Kim said. "It was my joy."

He left with his other sister for Hong King to visit his father's 80-year-old mother, who arrived a month ago in a small boat that had escaped from Vietnam. On Monday he returned and called the United Nations office for news of his sister only to find that she had been forced back into Cambodia with thousands of other refugees.

The Nongchan camp stands empty now, and so do almost all the other spots in which Cambodian refugees were encamped. However, south of the camp, thousands of heavily armed soldiers of the fallen Pol Pot regime squat on the Thai side of the border, keeping under their harsh control about 30,000 of their dependents and unwilling civilians. Thailand has not yet found a way of making them return.

The protests, cries and sobs of the refugees forced to return to Cambodia remain in the ears of those who could no longer help.

[From the New York Times, June 17, 1979]

U.S. Asks if Peking Will Take Refugees; Its Reaction Is Cool

(By Bernard Gwertzman)

WASHINGTON, June 16.—China, contending that it has already accepted more than 200,000 refugees, has reacted cooly to an American appeal that it play a larger role for providing safe haven for the new wave of ethnic Chinese who have recently been forced to flee Vietnam, according to Administration officials.

Because of the magnitude of the problem, the Carter Administration turned to China in an effort to cope with the flow. More than 60,000 refugees arrived in Southeast Asian countries last month alone.

The issue has been aggravated by the recent actions of Malaysia, Indonesia and Thailand in announcing that they would take no more refugees. The United States has been accepting about 7,000 a month from Indochina, but officials said that this was just a small part of the total flow.

The principal United Nations refugee official in Malaysia said today that he had been assured that Malaysia did not actually intend to shoot newly arriving Vietnamese refugees or push those already in the country back out to sea, as the country's Deputy Prime Minister threatened yesterday to do.

MORAL OUTRAGE AND FRUSTRATION

Officials dealing with refugee affairs speak these days with a mixture of moral outrage and frustration at the unwillingness of most countries to take many refugees, and at their own inability to come up with a program to ease the crisis. Japan, for instance, is repeatedly criticized within the Administration for refusing to accept more than 500 refugees.

Because of China's size, and the fact that about 90 percent of the "boat people" are ethnic Chinese being forced to leave Vietnam, several officials in the Administration drafted recommendations urging that Peking be called on to join the international effort and absorb most of the refugees.

Moreover, these officials contended privately that Vietnam was probably expelling the Chinese because of the recent Chinese invasion of Vietnam, an action taken by China to teach Vietnam a "lesson" for its attack on Cambodia. Therefore, they assert, even though Vietnam should be condemned for driving the Chinese out of the country and forcing them to pay bribes to leave, the Chinese should be asked to share the responsibility.

Richard C. Holbrooke, Assistant Secretary of State for East Asian and Pacific Affairs, raised the question with Chinese officials during a recent visit and was told that China had already taken more than 200,000 refugees and was continuing to take as many as 10,000 a month.

However, almost all the refugees to which the Chinese were believed to be referring were given sanctuary last year, after Vietnam confiscated the property of ethnic Chinese in that country, prompting them to flee across the border into Chinese territory. The Chinese assertions cannot be verified because China has refused to take part in the United Nations refugee efforts, and boycotted a major meeting last year in Geneva.

Deputy Secretary of State Warren M. Christopher forcefully raised the matter with Ambassador Chai Zemin of China late last month, but received no satisfaction. According to officials, Ambassador Chai said that the climate in China was "too cold" for the refugees, and he proposed that more efforts be made by the United States to find homes for them in Southeast Asia.

Officials were uncertain why the Chinese, after taking many refugees last year, have since declined to become involved with the grave human crisis in the region. American officials estimate that for every refugee who reaches safe haven, another drowns.

CHINESE SPEAK OF OVERCROWDING

Chinese authorities have suggested that China was already overcrowded and could not absorb the one million ethnic Chinese still in Vietnam. Some American officials said that the Chinese may feel uncomfortable with a large influx of southerns, who have no direct roots in China and many of whom would prefer to live in capitalist societies such as existed in the former South Vietnam.

Besides being annoyed at China's apparent indifference to the plight of the ethnic Chinese, American officials also declared that China was at least partially responsible for the sharp increase of refugees in Hong Kong. Last month alone, 21,000 arrived there by boat, more than have landed anywhere else in the region.

Until now, the major United States concern has been to get financing for an increase in the number of refugees allowed into the United States, and to house them in camps in Asia. Because of the decision by the key Southeast Asian countries to curtail the admission of refugees, an urgent effort has emerged here to come up with a new solution.

[From the New York Times, June 17, 1979]

Growing Refugee Problem Straining Receiving Nations

(By B. Drummond Ayers, Jr.)

Washington, June 16.—So many refugees are now fleeing Indochina that the exodus has become one of the most serious and tragic since World War II, a human and logistical problem that is severely straining the patience and resources of sympathetic nations.

Within the last month, according to some State Department calculations, the number of people fleeing Vietnam, Cambodia and Laos has increased to almost 10 times what it was a year ago. By these calculations, the situation has reached a point where there are about 300,000 men, women and children jammed into crude, makeshift camps in Thailand, Malaysia, Indochina, Hong Kong and other countries of Southeast Asia.

Many of the refugees are ethnic Chinese, the majority of them shopkeepers and businessmen who had dim futures in a Communist society. Refugees in Hong Kong have said pressure had been applied on them to leave, and many said they had bought their way out.

But for others, the only way to leave is by clandestine means. No one knows how many such attempts have ended in death or imprisonment. The figure appears to be high, particularly for those who have tried to get away by boat.

REFUGEES ALSO ESCAPE ON FOOT

When they cannot find enough flimsy boats to brave the South China Sea and the Gulf of Siam, they leave by foot, working their way across paddies and through mountain passes, slipping past mines and patrols, all in the hope that at the end of the trek they will find food and shelter in a rude camp and, eventually, a permanent home in another country.

Thailand, overwhelmed by this growing influx, has begun turning away the refugees and even shipping thousands back, particularly recent arrivals from Cambodia. There were reports yesterday that Malaysia would accept no more refugees, would shoot those who tried to land without permission and would expel those already in its camps. Although it appeared today that the reports were exaggerate, the Malaysians have made their point. In addition, Indonesia says it can take no more, and Hong Kong is beginning to balk.

"The scope of what's happening is so immense that people just can't seem to grasp it," said Patricia M. Derian, Assistant Secretary of State for Human Rights and Humanitarian Affairs. "The flow is tremendous, at least a million people in five years. The tragedy is even bigger; people starving, drowning, being shot, people without hope and without a future. Something has got to be done."

CARTER TO RAISE ISSUE IN VIENNA

President Carter plans to discuss the problem with Leonid I. Brezhnev, the Soviet leader, during their meeting this weekend in Vienna. Some members of Congress, as well as Margaret Thatcher, the British Prime Minister, want to convene another international conference on the refugees. Representatives Lester L. Wolff of New York, the chairman of the House Foreign Affairs Subcommittee on Asia and the Pacific, said this week that the current refugee situation was "a disaster that threatens to explode in death for perhaps half a million men, women and children."

The United States has also made diplomatic approaches to some European and Latin American countries, which with few exceptions have so far accepted only small numbers of the refugees. Pope John Paul II has been urged through indirect diplomatic channels to take part in efforts to find homes for them.

It is difficult to say how much influence the United States can bring to bear on the problem. Most refugee camps and resettlement programs are run by the United Nations, but the United States contributes about half the money used to operate the camps and programs, and is the leading resettlement country.

In the last five years, about 500,000 Indochinese refugees have found permanent homes around the world. Besides the 200,000 China says it has taken in, the United States has accepted about 200,000, at the rate of 7,000 a month. France, Australia, Canada and Hong Kong account for most of the remaining 100,000.

While United States officials are disturbed about the recent expulsions from Thailand and Indochina, they express some understanding of the frustrations of those nations. "These countries have been very good about this up to now," a State Department official said privately today.

There are about 160,000 refugees in Thailand, 75,000 in Malaysia and 36,000 in Indonesia. Hong Kong, the most experienced refugee center in Asia, has about 43,000.●

S. 1331—EMERGENCY FUEL ASSISTANCE ACT OF 1979

● Mr. BIDEN. Mr. President, last week I introduced the Emergency Fuel Assistance Act of 1979. Unfortunately, a copy of the text of this bill was not printed in the Record.

Mr. President, I ask that the floor statement and the text of the bill be printed in the Record.

The statement and bill follow:

The Emergency Fuel Assistance Act of 1979

Mr. President, today I am introducing legislation to make changes in the federally-funded fuel assistance programs for the elderly.

For the past three years, Congress has appropriated funds to help senior citizens and other low-income families pay for unusually high home heating bills. The purpose of this program is to ensure that senior citizens and families would not have their electricity or home heating fuel shut off because they could not raise the money to pay for basic utilities. In many areas of the country, severe winters and rapidly rising utility and fuel prices have driven fuel bills up to high that it is impossible for senior citizens to pay these bills. With the recent increases in OPEC oil prices this trend seems likely to continue.

Unfortunately, the existing programs set up to aid these households have not achieved their goals. In each of the three years that the Community Services Administration has administered the program, the program has been operated differently. The result has been confusion among state and local agencies and inequitable treatment of recipients.

Mr. President, I call to the attention of my colleagues a study which the General Accounting Office released on April 26, 1979 on the operation of federal fuel assistance programs.

GAO found serious deficiencies in the operation of the fuel assistance program in many states.

State plans for identifying priorities and methods of payment to recipients could not be effectively reviewed and approved by the Community Services Administration. Although it was the intent of Congress that funds allocated under the fuel assistance program be targeted to the elderly and families of greatest need, many states did not develop effective plans for targeting assistance to these groups.

Eight states had no priority plans for distributing assistance to recipients. Some states distributed assistance to elderly only; other states distributed assistance on a first-come, first-serve basis, regardless of age; and still other states placed specific exclusions of limitations on payments to recipients. Some states only paid households who had outstanding, unpaid fuel bills while denying aid to persons who at great personal sacrifice and expense paid their bills.

Of the $200 million appropriated by Congress for the Special Crisis Intervention Program during fiscal year 1977 over $36 million had to be returned to the federal government because it could not be used. However, on September 27, 1978 a U.S. District Court ruled that CSA's administrative procedures had excluded certain eligible program participants and ordered CSA to reallocate any remaining funds to the states for distribution. Now as we enter the third year of operation of this program, there are still major problems remaining in the administration of this program.

In their report, the GAO made the following recommendations:

(1) That the type of energy emergencies treated under this program be better identified.

(2) Development of criteria for state and local programs to use in directing funds to individuals in the greatest need.

(3) A requirement that local projects priorities individual applications by the criteria identified above.

(4) Established specific procedures for regions to follow in assuring the program integrity within each state.

(5) Provide guidance for uniform review and approval of all State plans and programs.

President Carter proposed moving the fuel assistance programs from CSA to the Department of Health, Education and Welfare's program of emergency assistance to needy families. However, because of defects in the HEW program, GAO recommended that Congress not transfer this program until these problems are resolved.

Mr. President, I believe the legislation which I am introducing today makes progress towards solving the problems identified by GAO in existing fuel assistance programs.

My legislation would:

Transfer administrative responsibility for this program from CSA to the Federal Emergency Management Agency.

Target fuel assistance to elderly households who are eligible for food stamp assistance and who directly purchase their home heating fuel.

Require that the program be operated by State Food Stamp Agencies. Assistance to households would be administered in the form of energy stamps which could be used to pay outstanding, unpaid fuel bills or could be used as a credit against future fuel bills if the person has already paid their fuel bills.

Improves program integrity by requiring recipients to submit documentation to the administering agency at the time of food stamp recertification. Program checks and individual audits would be conducted in the same manner as the food stamp program is presently operated.

Provide criminal penalties for persons who abuse the program.

By reorganizing this program I believe that it will be possible to correct many of the administrative problems which have plagued the program in the past. The legislation that I am offering today will tighten eligibility criteria, improve program integrity and deliver assistance to eligible households in a fair and efficient manner.

The President has proposed a substantial expansion of the federal fuel assistance program as part of his proposed gasoline decontrol plan. I support aiding our senior citizens in meeting legitimate fuel assistance needs. But we must also assure that the program works in a fair and efficient manner. I hope that my colleagues will give serious consideration to this legislation and I look forward to working with them on it.

S. 1331

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Emergency Fuel Assistance Act of 1979".

FINDINGS AND PURPOSE

Sec. 2. (a) The Congress finds and declares that—

(1) unusually severe winters and the actions of foreign governments have created energy emergencies in many American communities by raising the cost of, and creating a shortage of home heating fuels, and

(2) senior citizens living on fixed incomes experience substantial economic hardships which may significantly affect their health and well-being.

(b) It is the purpose of this Act to establish a program to alleviate energy emergencies by providing assistance to senior citizens in the form of energy coupons.

DEFINITIONS

Sec. 3. As used in this Act the terms—

(1) "heating fuel" means electricity, oil, gas, coal, or any other fuel if used by a household as the primary source for heating a dwelling;

(2) "Director" means the Director of the Federal Emergency Management Agency;

(3) "State agency" means the unit of State government which was established for the purpose of administering assistance under the Food Stamp Act of 1964;

(4) "household" means (a) any group of related individuals who are living together as one economic unit for whom heating fuel is customarily purchased in common, and that the head of such a unit is aged 65 years or older, (b) any individual living alone aged 65 years or older who purchases heating fuel directly;

(5) "coupon" and "stamp" means any coupon, stamp or certificate issued pursuant to provisions of this Act;

(6) "retail heating fuel outlet" means any establishment, including a recognized department thereof, which sells heating fuel for consumption by households;

(7) "wholesale heating fuel outlet" means any establishment including a recognized department thereof, which sells heating fuel to retail heating fuel outlets for resale for consumption by households;

(8) "sub-state area" means any county or group of counties which comprise part of a State;

(9) "State" means any State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, and the Virgin Islands;

(10) "bank" means any member or nonmember bank of the Federal reserve system; and

(11) "vendor" means any person, partnership, corporation, organization, political subdivision, or other entity with which a State agency has contracted for, or to which it has delegated administrative responsibility in connection with the issuance of coupons to households.

DECLARATION OF AN ENERGY EMERGENCY

Sec. 4. (a) Funds shall be made available to State agencies to provide assistance under this Act when the Director finds that an energy emergency exists in any State or substate area. For the purposes of this Act an "energy emergency" means that—

(1) there is within a State a shortage or unavailability of normal heating fuels on a temporary or permanent basic to low-income households, causing extraordinary expense;

(2) there has been within the State of a sub-state area an increase of 20 percent or more in the price of a major fuel or utility service since May 1 of the previous year;

(3) the State or area within the State is experiencing excessively cold weather that represents both a cumulative total of population-weighted heating degree days higher than the normal cumulative total for that date, and at least 600 heating degree days for the month or the 4-week period for which assistance is requested; or

(4) a specified area within a State is experiencing daily temperatures for 14 consecutive days which compute to any average of 25 degrees Fahrenheit or less.

(b) Where the Governor declares that a winter-related energy emergency exists and that substantial State funds are made available to provide emergency fuel assistance to fixed-income households.

ALLOCATION OF FUNDS

Sec. 5. (a) Upon finding than an energy emergency exists in any State or sub-state area, the Director shall make available (to the extent that funds are available under appropriations authorized by this Act) to the State agency all or any portion of the funds allocated to the State.

(b) The Director shall allocate funds to each State by determining the—

(1) population-weighted heating degrees days based on historical heating degree day trends; and

(2) numbers of households in each State or sub-State area who are eligible for assistance under this Act.

ELIGIBILITY STANDARDS

Sec. 6. (a) Participation in the program shall be limited to households as defined in this Act and which are eligible for benefits under the Food Stamp Act of 1964.

(b) Households applying for benefits under this Act have been eligible for assistance under the Food Stamp Act of 1964 for at least 1 month prior to application for emergency fuel assistance benefits under this Act.

(c) Each household participating in the program shall submit to the State agency proof that the household does purchase heating fuels.

(d) Coupons received by eligible households shall be used to purchase heating fuel only from a retail heating fuel outlet participating in the fuel assistance program.

(e) The value of any fuel assistance provided to an eligible household under this Act shall not be considered income or resources for any purpose under any Federal or State law, including any law relating to taxation public assistance or welfare program.

ADMINISTRATION OF FUNDS

Sec. 7. (a) The Director of the Federal Emergency Management Agency shall contract with each State agency to administer and distribute fuel assistance to low-income, elderly households who meet eligibility standards under section 6.

(b) The Director shall establish criteria to determine the level of and the manner in which assistance may be delivered to eligible households. Fuel assistance shall be made available to eligible households for repayment of outstanding unpaid fuel bills or may be used as a credit against future fuel bills.

(c) If any funds appropriated pursuant to authorizations under this Act are unallocated after May 31 of any calendar year because a State was not eligible for assistance under this Act, or if a State agency has not distributed all funds allocated to it by such date, the Director may reallocate such funds to eligible States or sub-state areas in accordance with the formula described in section 5.

(d) (1) Any State agency wishing to participate in the fuel assistance program shall notify the Director of their desire to do so and shall submit a plan of operation to the Director for approval.

(2) The Director shall approve any State agency plan which provides—

(A) the number of eligible households participating in the Food Stamp Act of 1964 during the preceding 12-month period;

(B) a plan to inform eligible households and heating fuel outlets as to the availability, rules, regulations and benefits of the fuel assistance program; and

(C) that the State agency keep a strict and accurate accounting of all transactions made pursuant to this Act.

(3) If the Director determines that in the administration of the program there is substantial failure by a State agency to comply with provisions of this Act or with the operation plan submitted by such agency, the Director shall inform such State agency and provide a reasonable period of time for the correction of such failure. Upon the expiration of such period the Director shall order that further distribution of fuel assistance in the area serviced by such agency shall cease until such time as satisfactory corrective action has been taken.

(4) The Director shall reimburse a State agency for reasonable costs it incurs in administering the fuel assistance program. Such reimbursement shall be made upon terms and conditions prescribed by rule of the Director.

(5) The Treasury of the United States—

(A) shall finance the printing of fuel assistance stamps or coupons and the issuing of such stamps or coupons to State agencies; and

(B) shall be obliged for payment at face value of fuel assistance coupons to persons redeeming such coupons in accordance with the provisions of this Act.

PRINTING AND REDEMPTION OF COUPONS

Sec. 8. (a) Fuel assistance coupons shall be printed in denominations as determined by the Director and shall be issued by a State agency only to households which have been certified as eligible to participate in the fuel assistance programs.

(b) The Director shall by regulation develop appropriate procedures for determining the issuance, distribution and redemption of fuel assistance coupons to households and vendors. To the maximum extent practicable procedures described in the preceding sentence shall be similar to procedures under the Food Stamp Act of 1964.

(c) The Director shall by regulation prescribe appropriate procedures for delivery of fuel assistance coupons to vendors for the custody, handling and storage of fuel assistance coupons in the possession of vendors in order to secure such coupons against theft, embezzlement, fraud, misuse, loss or destruction.

(d) (1) Coupons accepted by any retail heating fuel outlet shall be redeemed through wholesale heating fuel outlets or banks with the cooperation of the Department of Treasury.

(2) Coupons issued and used in accordance with the provisions of this Act shall be redeemable at face value by the Director through the facilities of the Department of Treasury.

CRIMINAL PENALTIES

Sec. 9. (a) Whoever violates provisions of this Act or who knowingly provides false information in any report required under this Act shall be fined not more than $10,000 or imprisoned not more than 5 years or both.

(b) Whoever knowingly uses, transfers, acquires, alters, or possesses fuel assistance stamps in any manner not authorized by this Act—

(1) shall if the total value of such coupons is $100 or more, be fined not more than $10,000 or imprisoned for not more than 5 years or both; or

(2) shall if the total value of such coupons is less than $100, be fined not more than $5,000 or imprisoned for not more than 1 year, or both.

REGULATIONS

SEC. 10. (a) The Director shall issue such regulations as necessary or appropriate for carrying out the provisions of this Act.

(b) The Director shall coordinate with the Secretary of Agriculture methods by which to implement provisions of this Act in conjunction with existing procedural requirements under the Food Stamp Act of 1964.

AUTHORIZATION OF APPROPRIATIONS

SEC. 11. (a) For the purpose of carrying out the provisions of this Act there are authorized to be appropriated $150,000,000 for the fiscal year ending September 30, 1980, $150,000,000 for the fiscal year ending September 30, 1981, and $150,000,000 for the fiscal year ending September 30, 1982.

(b) Allocations under section 5 of this Act shall be made only to the extent that appropriations under this section are available.●

DIRECT ELECTIONS

● Mr. BAYH. Mr. President, as the constitutional amendment to abolish the electoral college and establish direct popular election nears the floor of the Senate, it seem appropriate that a statement be inserted in the RECORD which exemplifies what many of us have thought about this issue for a long time. Just such a statement was made by John R. Lewis before the Judiciary Committee in April of this year.

Mr. Lewis, presently the Associate Director of Domestic and Anti-Poverty Programs of ACTION, has spent most of his life in the effort to bring all American citizens into the political process, beginning with the civil rights movement in 1960. In part due to his efforts during the Selma march and other events in the civil rights movement, the Voting Rights Act of 1965 passed the U.S. Congress. As head of the Student Nonviolent Coordinating Committee for 5 years, Lewis worked to facilitate the implementation of that act. During this period, at the height of the voting rights struggle, he was arrested over 40 times.

John Lewis sees direct election as a way to increase voting participation—an integral part of the constitutional principle of one-man, one-vote that cannot be comprised by considerations of self-advantage. Mr. President, I ask that Mr. Lewis' statement be printed in the RECORD.

The statement follows:

STATEMENT OF JOHN LEWIS

Mr. Chairman, I am John Lewis, Associate Director of the Office of Domestic and Anti-Poverty Operations for ACTION, the Federal agency for voluntarism whose purpose is to strengthen the impact and appeal of citizen participation in programs providing personalized services to people whose needs are compelling, both at home and abroad.

I am pleased that this Administration has endorsed the constitutional amendment to establish direct popular election of the President and Vice President. From my own personal experience, I am convinced that direct election is the right way for Americans to elect their national leader, and that it is in the interest of all of us as citizens, now and for generations yet unborn.

Perhaps I should give something in the way of my own background to explain my perspective on direct election. As a participant in the civil rights movement for the past twenty years, I am fortunate to have participated in a great movement for human rights—a movement which has removed many racial barriers in the South and throughout the country.

I served from 1963 through 1966 as chairman of the Student Nonviolent Coordinating Committee. During that period, it was a great honor for me to participate with approximately 600 courageous human beings, mostly women and young children, in an attempt to march from Selma to Montgomery in 1965 to dramatize the denial of the right to vote. It was a dark day for humanity when the Alabama Highway Patrol and Sheriff Jim Clark's posse set upon our orderly, peaceful march and viciously attacked us with horses, clubs, whips, cattle prodders, and tear gas. It was that single event, more than any other, which dramatized the necessity for the long-awaited and overdue Voting Rights Act.

In 1970, I became the Director of the nonpartisan Voter Education Project, a Southwide organization based in Atlanta, Georgia, where we devoted our time and energy to educate and assist millions of minority voters to become registered under the protection of the Voting Rights Act. I devoted my time to this work until after the 1976 election, when southern black voters, for the first time in history, were able to claim a major role in the election of a United States President.

Mr. Chairman, it is important to realize that there has been a peaceful political revolution in the South, and that black voters now are active participants in our national political process. In 1960, there were only about a million registered to vote in the 11 states of the Deep South; there are now four million. In 1960, there were fewer than 50 black elected officials, now there are 2,733. In 1960, any attempt by large numbers of blacks to register to vote, or to organize politically in any effective way, was met with violent resistance by whites; today, black political participation is an accepted reality.

A few days before the 1963 March on Washington, I saw a picture of Africans carrying a sign with the words, "One Man, One Vote." I used those words in my speech to over a quarter of a million people at that great March for Jobs and Freedom, when I said, "One Man, One Vote" is the African cry, it is ours too; it must be ours." These words became the slogan of the Student Nonviolent Coordinating Committee. "One man, one vote" was the fundamental principle which was later guaranteed by the Voting Rights Act.

It is based on the fundamental principle of "one man, one vote" that I view the direct election of the President. Its value is self evident: every person's vote counts, and every vote must count the same. It was on this principle that we suffered abuse, attack, and even death in the struggle for the right to vote for minorities.

We have yet to realize our goal of extending citizenship rights to all minorities, for many are still unregistered to vote and still unrepresented, but we now have an opportunity to take another great stride toward that great principle of American democracy. Direct popular election is a logical next-step, following the Voting Rights Act as a vehicle for increasing the participation of all Americans in the election process.

There is one kind of major disfranchisement that remains in our country and that is in the Electoral College system—which we still have for the election of the President. With the Electoral College and the "winner-take-all" rule, you can be part of a minority—whether 5% or 49%—in a state and have your vote thrown away, or really, recast for the winner.

On the other hand, you can be part of a huge plurality in a state like Georgia—1976 for example—and the result will be the same number of electoral votes as if you hadn't bothered to vote at all. In the South in 1968, as another example, blacks voted around 90% for Mr. Humphrey, but none of the Southern states' electoral votes except those of Texas went for him. The same thing happened in 1972 when 92% of the black vote was Democratic, but all the Southern states and their electoral votes went Republican. How much more sense it would have made if all the votes of those newly registered voters had counted. How much easier it would have been to register new people if the presidential candidates and their committees paid any attention to getting out those new voters.

The same disfranchisement effect works in the North as well. I've heard some of my friends in the black community maintain that they are in favor of the Electoral College because they believe it works to the advantage of blacks in the cities in the larger northern states. I have trouble understanding how they justify that belief—how can anyone explain to blacks in Chicago or Detroit or New York City that, although they've turned out over 90% for one candidate, their state's electoral votes all go for another. The issue is the same in California, Indiana, New Jersey, or any other state.

There are those who would cite a temporary advantage of the current Electoral College for partisan political purposes, but we must expand our vision. When we are talking about basic, fundamental, Constitutionally-guaranteed rights, we cannot be sidetracked by the temptation of temporary advantage or the pettiness of partisanship. This is a nonpartisan issue in which we must work to establish a principle which is not only good for our own time, but for all the times to come.

That every person's vote should count the same is one of the fundamental principles which is bedrock in this country. Having won the long and difficult and dangerous struggle to win the right to vote, we cannot now accept the proposition that any one person's vote can count more than another.

The most popular poster of the Voter Education Project is one which reads "Hands that once picked cotton now can pick our public officials." The principle of equality was basic to our struggle and is not one that we can deny as we now seek to become more democratic, more humane, and more respectful of human rights at home and abroad.

Mr. Chairman, I respectfully submit that the direct popular election of the President and Vice President is an idea whose time has not only come, but is long overdue.●

AUTHORIZATION TO VITIATE ORDER TO RECESS THE SENATE AT 5:30 P.M.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the previous order providing for the recess of the Senate at 5:30 p.m. be vitiated.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE SALT II TREATY

Mr. McGOVERN. Mr. President, the SALT II Treaty signed yesterday in Vienna proclaims that both the United States and the Soviet Union will keep in mind the goal of general and complete disarmament as they take measures in the future to limit and reduce nuclear weapons. Thus far, however, the SALT process may have impeded real progress toward this goal, as Senator MARK HATFIELD points out in his recent interview on SALT. I agree with Senator HATFIELD when he said:

> I think we are avoiding the real issue of disarmament which is the ultimate goal. By kidding ourselves that we are getting limitations, I think we are making the goal less attainable by postponing the hard decisions.

The interview with Senator HATFIELD was conducted by Alan Geyer of the Church Center for Theology and Public Policy and was printed in the Coalition Close-Up published by the Coalition for a New Foreign and Military Policy. I urge my colleagues to give close consideration to the important insights raised by Senator HATFIELD.

I ask unanimous consent to have the interview printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

INTERVIEW

ALAN GEYER. Senator, you've indicated recently that you are leaning toward the negative on SALT II. What are your principle objections to SALT II at this time?

Senator HATFIELD. I think that the experience of SALT I has proven to be more arms acceleration and arms development than it has been a real lid or restriction. One need only to go back to a warhead count to see that since SALT I both the Soviet Union and the United States have roughly doubled their warheads. Now, SALT II tends to perpetrate this illusion that somehow we have achieved true arms limitation—when in fact we have not.

It seems to me that the President has been looking at the problem from the domestic political scene and has been willing to compromise and trade off, for the support of many hard-liners. These tradeoffs could fuel a further build-up through development and deployment of new weapons systems and further movement toward a war fighting or counterforce strategic doctrine on both sides. It seems to me that we are developing complexities which will block meaningful arms reduction under SALT III.

ALAN GEYER. Do you think that if SALT II is defeated there will be less likelihood that the U.S. will go ahead with these new weapons—Cruise missiles, Trident II, MX and so on?

Senator HATFIELD. No, but even with SALT II we can develop these weapons. The MX, the land, air and water cruise missiles, Trident; all these weapons systems are not restricted under SALT II. We can develop these programs to the tune of about $60 billion. The President talked about saving $30 billion. It sounds to me that what he is really saying is instead of costing us $90 billion it is only going to cost us $60 billion. But actually, it is not the money alone but the complexity of these new counterforce weapons systems that will be more difficult than the existing nuclear arsenal to control once we begin development. I would speculate that this was done to acquire the votes of the so-called hard liners. What seems to be happening is that we are abandoning our position as a deterrent power. By developing more and more accurate weopons we raise the possibility of a pre-emptive nuclear strike. These developments make the question more complicated than simply money.

ALAN GEYER. You don't subscribe to the view that the U.S. has been standing still while the Soviets have been pushing ahead?

Senator HATFIELD. Absolutely not. At the time of the signing of SALT I we had 4,500 warheads, and today we have 9,000. Under SALT II we will be allowed over 10,000. Before SALT I the Soviets had a little over 2,000 warheads. Today they have over 4,000 and will be allowed over 8,000 under SALT II. There is the acceleration, there is the arms race. We must remind ourselves that we were the first to have the atomic bomb. From bombers to ballistic missiles to MIRV's, we were the first to develop sophisticated weaponry. But this development did not go unanswered. The Soviet Union responded with new military programs each time we gained superiority. And qualitatively, we are not slowing down.

ALAN GEYER. What is the alternative to the existing SALT II treaty?

Senator HATFIELD. I propose that we force both nations to adopt stricter limits both within the context of SALT II and in future negotiations. These stricter limits aimed at stopping the movement toward nuclear warfighting capability on both sides could be added to the protocol of the SALT II treaty which deals with future negotiations under SALT III. These new conditions to the treaty would replace the vague promises in the protocol related to future limits with specific demands, possibly linked to stricter timetables, that would have the effect of forcing both nations to real limits on arsenals before the next explosive phase of weaponry deployment occurs.

ALAN GEYER. Another international dimension of this concerns the consistent pressure on the superpowers by the U.N. in recent years to conclude a SALT II treaty. The final document of the Special Session on Disarmament last year urged approval of SALT II without delay. The General Assembly also urged completion of SALT II. How would you respond to this kind of expression of concern on the part of the international community?

Senator HATFIELD. Yes, I think it is much the same in this country where many liberal, progressive, peace forces, and church groups have publicly endorsed SALT II. It is characteristic of our age. We are in a period of short-hand, labels, the brief, the digest. We have adopted the Goebels idea that if we call something by a certain label enough times, after a while people will believe it—regardless of what the content may be. When you say strategic arms limitation treaty, that immediately conveys the idea of arms control, building toward arms reduction. But, like a lot of other things, SALT has lost its meaning. As I began studying the situation, I had to raise the question, is SALT II truly arms limitation? I think we are avoiding the real issue of disarmament which is the ultimate goal. By kidding ourselves that we are getting limitations, I think we are making the goal less attainable by postponing the hard decisions.

ALAN GEYER. Do you think superiority and inferiority have become meaningless terms?

Senator HATFIELD. Meaningless terms, yes. Just as talk of "winning and losing" is meaningless in the nuclear context.

First of all they are meaningless because who is going to use nuclear weapons? Except for the possibility of misjudgment during crises or of an accident, both of which are increased under counterforce strategic doctrine, we have no use for the arsenal. We found that in Vietnam and other confrontations, that unless we committed ourselves to the end of the world, we cannot use these weapons systems. So we are locked into our own power—that makes them meaningless.

Secondly, every time we speak of the "Russion build-up" we are assuming that it is all aimed against us, when actually the Soviets must also worry about the massive border they share with China.

Thirdly, how much is enough for superiority? For security? By 1985, when SALT II expires, we will have the equivalent in our arsenal of 2 million Hiroshima bombs. I cannot even begin to get a feeling for how much fire power that is. So, I just cannot understand those who keep saying that in order to gain security or superiority we must accelerate arms programs. We had more security when we had less.

ALAN GEYER. Do you think President Carter is sincerely committed to nuclear arms reduction and if so is he misguided or confused about how to get there? He is obviously fervently committed to SALT II.

Senator HATFIELD. Well, first we have seen an exemption of the military budget from this year's mood of budget austerity. He has committed the U.S. to a yearly 3% real growth in military spending. Now why? I really feel that there is something about the Presidency that as much as Mr. Carter has tried to keep in touch with the people, there is an isolation that becomes totally absorbed by the military, the Pentagon budget, the National Security Council, the maps, the secret information, the red telephone. Just look at the erosion of the State Department's role in defining foreign policy. The National Security Council, first under Mr. Kissinger and now under Mr. Brzezinski, has gained ascendency in terms of policy making. So instead of our military posture being created to implement foreign policy, our foreign policy is almost reversed, playing the role of implementing our military policy.

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, the Senate will recess shortly, but for the time being, commitments provide that when the Senate does recess it will reconvene at 8:30 p.m. this evening and at about 8:40 p.m. Senators will proceed in a body to the Hall of the House of Representatives where the President of the United States will deliver a message to a joint session of the two Houses.

Upon the dissolution of that assembly, the Senate will then stand in recess until the hour of 9:30 a.m. tomorrow.

Am I correct about the convening hour of tomorrow?

The PRESIDING OFFICER. The Senator from West Virginia is correct.

Mr. ROBERT C. BYRD. I thank the Chair.

Mr. President, on tomorrow, after the two leaders have been recognized under the standing order, Mr. DOMENICI will be recognized for not to exceed 15 minutes, after which the Senate will resume its consideration of the business that has been before the Senate for the last hour or so, and which, according to the order entered previously, was to be before the Senate on tomorrow, the foreign assistance legislation, Calendar Order No. 211, S. 588.

There is a time agreement on that bill. Rollcall votes will occur in connection with the bill, on motions and/or amendments in relation to the bill tomorrow. So Senators are, therefore, made aware of the fact that there will be rollcalls tomorrow.

RECESS TO 8:30 P.M.

Mr. ROBERT C. BYRD. Mr. President, I am about to move to recess until 8:30 p.m. tonight. Senators will gather at that time to proceed in a body to the Hall of the House of Representatives for the joint session.

Upon the completion of the address there and the dissolution of the session, the Senate, in accordance with the order previously entered, and as a further mark of respect to the memory of our late, departed colleague Leverett Saltonstall, will stand in recess until tomorrow morning at 9:30.

Mr. President, I move, in accordance with the order previously entered, that the Senate stand in recess until 8:30 p.m. today.

The motion was agreed to; and at 5:39 p.m. the Senate recessed until 8:30 p.m.

The Senate reassembled at 8:30 p.m., when called to order by the Presiding Officer (Mr. MORGAN).

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

JOINT SESSION OF THE TWO HOUSES—ADDRESS BY THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 96-152)

The Senate, at 8:40 p.m., preceded by the Sergeant at Arms, F. Nordy Hoffmann; the Secretary of the Senate, J. Stanley Kimmitt; and the Vice President, proceeded to the Hall of the House of Representatives to hear the address by the President of the United States, Jimmy Carter.

(The address delivered by the President of the United States to the joint session of the two Houses of Congress is printed in the proceedings of the House of Representatives in today's RECORD.)

RECESS UNTIL 9:30 A.M. TOMORROW

At the conclusion of the joint session of the two Houses, in accordance with the order previously entered into and pursuant to Senate Resolution 186, as a further mark of respect to the memory of the deceased Honorable Leverett Saltonstall, late a Senator from the State of Massachusetts, at 9:44 p.m. the Senate recessed until tomorrow, Tuesday, June 19, 1979, at 9:30 a.m.

HOUSE OF REPRESENTATIVES—*Monday, June 18, 1979*

The House met at 12 o'clock noon.

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

We earnestly pray, O Lord, for the health and safety of our Nation and the world. We give thanks for occasions when people of good will have spoken and acted to defend those who were weak or alone. We praise you for those noble men and women who have sacrificed their means and their lives, so that others could live in peace.

We pray, O God, that You would lead us in the paths of peace. Show us how we may contribute to justice and righteousness in this world, that our children and our children's children may know and enjoy the beauty and majesty of Your creation.

In the name of the Lord, we pray, Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate had passed with an amendment in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 1786. An act to authorize appropriations to the National Aeronautics and Space Administration for research and development, construction of facilities, and research and program management, and for other purposes.

The message also announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

S. 670. An act to require the Secretary of Agriculture to establish and maintain a rural development policy management process, and for other purposes;

S. 802. An act to further amend the Peace Corps Act;

S. 892. An act to extend the authorization of appropriations for carrying out rural development research, rural development extension, small farm research, and small farm extension programs, and for other purposes;

S. 901. An act to extend the time limits contained in the industrial cost recovery moratorium provision of the Clean Water Act of 1977 (91 Stat. 1610);

S. 948. An act to amend the Public Utility Regulatory Policies Act of 1978 (92 Stat. 3117) to revise the limitation on size of small hydroelectric power projects; and

S. 1144. An act to authorize appropriations for the Quiet Communities Act for the fiscal years 1980 and 1981.

CONSERVATION PRACTICES SEEN AS WEAPON AGAINST INFLATION AND GAS PRICES

(Mr. WEAVER asked and was given permission to address the House for 1 minute.)

Mr. WEAVER. Mr. Speaker, we are told that there is a gasoline shortage. The lines at service stations seem to be proof of this.

The actual fact is that we use too much energy. We are presently using 20 million barrels of oil a day. When I first came to the Congress 5 years ago, we were using 12 million barrels a day.

Curtailing our use is the way to solve our energy problem today. Curtailing our use of petroleum products will break OPEC, and drive the price of oil down. It will cut inflation rates in half and force Detroit to make smaller fuel-efficient cars. As a result, we will live more cheaply and accomplish just as much.

Mr. Speaker, three-fifths of all Americans say that they prefer gas rationing to higher prices and they prefer gas rationing to the lines at service stations. We should listen to them.

A TRIBUTE TO THE LATE HONORABLE LEVERETT SALTONSTALL

(Mr. CONTE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CONTE. Mr. Speaker, I bring the House the very sad news of the death yesterday of our former colleague in the Senate, my very good friend and a good friend of the Commonwealth of Massachusetts and the country, the Honorable Leverett Saltonstall.

A member of a prominent Massachusetts political family, his long career in politics began on the local level, as a member of the board of alderman of Newton, Mass., from 1920 to 1922. On the county level, he served as an assistant district attorney of Middlesex County in 1921 and 1922. He was elected to State office in 1922 and served in the Massachusetts House of Representatives from 1923 to 1936, the last 5 years as speaker of the House. In 1939, he was elected Governor of the Commonwealth of Massachusetts and served in that capacity until 1944, when he was elected to the U.S. Senate. He served with great distinction in that body until 1967.

Active also in party circles, he was a delegate to the 1932 Republican National Convention, as well as every convention between 1949 and 1968.

That tells in the sparest terms the chronology of his public service.

Those of us who served with him in the Congress will note his actions as a legislator, others will remark upon his achievements as Governor, or as a party standard bearer. But all of us who knew him will remember his human side. Lev Saltonstall was possessed of a keen intellect and unquestioned integrity. His statesmanlike demeanor, his reserved manner, and his gentlemanly bearing hid a wry wit. My relations with him—as a junior Republican Congressman working with a senior Republican Senator—were marked with great warmth. I will always be grateful for his kindness to me,

☐ This symbol represents the time of day during the House Proceedings, e.g., ☐ 1407 is 2:07 p.m.
● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

especially in my early days as a Member of the Congress. In all of our work together, he exhibited a deep concern for the people of Massachusetts and the highest regard for the public trust he held in their behalf.

In his later years, he returned to Massachusetts, where he fulfilled the role of elder statesman. He remained interested in the political arena, the stage on which his life's work was played, until his death yesterday at his home in Dover, Mass.

At this time, I extend my deepest condolences to Mrs. Saltonstall and the Saltonstall family on the passing of this great American.

● Mr. EARLY. Mr. Speaker, I wish to join with my colleagues on both sides of the aisle in paying tribute to our former U.S. Senator from Massachusetts, Leverett Saltonstall, who died yesterday at his home there. His passing has brought a deep sense of sorrow and loss to all the people of our State.

The greater part of his adult life was devoted to the service of his country and our Commonwealth. He was a member of the Massachusetts State House of Representatives for 14 years during 6 of which he served as speaker. He was Governor of Massachusetts for 6 years and represented our people in the U.S. Senate for 22 years, retiring voluntarily in 1967. In his earlier life he had served as an Army artillery officer in France during World War I and his town and county government as alderman and assistant district attorney.

Few individuals can match Leverett Saltonstall's number of years in public service; no person can surpass the integrity of his character nor the quality of his service. He was a knowledgable, tolerant, firm but friendly, quietly persuasive legislator and administrator. His record shows he very deeply believed that if the true facts were placed before any disputing parties, commonsense and compromise would accomplish an equitable solution. His experienced wisdom and sympathetic counsel were widely sought and followed by his fellow Senators. His individual and cooperative contributions toward a nonpartisan solution of very difficult national legislative challenges are a legend in the Senate.

However, Leverett Saltonstall will be most lastingly esteemed and remembered by our people for his warm friendliness, his willingness to be helpful, his compassionate understanding, his humble manner and his genuine interest in and concern for the progress of his State and Nation. He was a great, good, and gentle man who put the whole of his energy and competence into whatever he did and who strengthened, by personal example, the national confidence in the effective operation of our representative form of government. His passing is a national loss but his legacy of unblemished personal honor and courageously nonpartisan legislative leadership in Massachusetts and the U.S. Senate will remain forever as an inspiration for all who enter public service either here or in their home areas.

I am sure that the heartfelt sympathy of every Member of Congress goes out to his gracious wife Alice and his bereaved children and grandchildren.●

GENERAL LEAVE

Mr. CONTE. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks on the subject of the life, character, and public service of the late Honorable Leverett Saltonstall.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

A BLACKMAIL THREAT FROM CHAIRMAN BREZHNEV

(Mr. RUDD asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RUDD. Mr. Speaker, Soviet Chairman Brezhnev has threatened the United States with "grave and even dangerous consequences" if the SALT treaty is not ratified by the Senate without change.

This blackmail threat is apparently based on Brezhnev's belief that provisions of the SALT treaty benefit the Soviet Union at the expense of U.S. and free world security.

It is my deep hope that the U.S. Senate and House of Representatives will not bow to these intimidations from the Communist dictator.

The American people expect Members of Congress to stand behind our moral duty to protect, defend, and uphold the Constitution of the United States, and our Nation's freedom, from all enemies, foreign and domestic.

A deficient SALT treaty from the perspective of our own national security must be adequately modified to safeguard our country and the world from Communist imperialism—or it must be defeated.

The world must know that the United States will not be ruled by blackmail threats from any foreign Communist dictator.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. The Chair desires to make an announcement. After consultation with the majority and minority leaders, and with their consent and approval, the Chair announces that this evening when the two Houses meet for the joint session to hear an address by the President of the United States, only the doors immediately opposite the Speaker and those on his left and right will be open. No one will be allowed on the floor of the House who does not have the privileges of the floor of the House.

The Chair feels that the rule regarding the privilege of the floor must be strictly adhered to.

Children of Members will not be permitted on the floor and the cooperation of all the Members is requested.

EXPRESSING THE SENSE OF THE HOUSE THAT THE PRESIDENT SHOULD TAKE ACTION TO DEAL WITH REFUGEE CRISIS IN SOUTHEAST ASIA

Mr. WOLFF. Mr. Speaker, I send to the desk a resolution (H. Res. 321) expressing the sense of the House of Representatives that the President should call upon the Secretary General of the United Nations to convene immediately an emergency session of the General Assembly, or should use other appropriate forums, to deal with the refugee crisis in Southeast Asia and ask unanimous consent for its immediate consideration.

The Clerk read the title of the resolution.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

The Clerk read the resolution, as follows:

H. Res. 321

Whereas the refugee crisis in Indochina is unfolding as one of the great human tragedies of our time; and

Whereas at least 750,000 human beings have fled Vietnam, Kampuchea, and Laos since the spring of 1975; and

Whereas approximately 300,000 human beings currently remain in refugee camps throughout Southeast Asia; and

Whereas as many as 250,000 human beings may have perished in their attempts to reach freedom and many thousands more face death should the present situation continue; and

Whereas the international borders are closing to the refugees fleeing from Indochina; and

Whereas the international community has failed to respond adequately to the crisis, despite the existence of adequate mechanisms to respond: Now, therefore, be it

Resolved, That it is the sense of the House of Representatives that the President should call upon the Secretary General of the United Nations to convene immediately an emergency session of the General Assembly, or should use other appropriate fora, to deal with the refugee crisis in Southeast Asia.

The SPEAKER. The gentleman from New York (Mr. Wolff) is recognized for 1 hour.

Mr. WOLFF. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise today to urge House support of legislation calling on the United Nations General Assembly to immediately convene an emergency session on the refugee tragedy in Southeast Asia.

Mr. Speaker, now is the time for action—strong, organized, and effective action—on Indochinese refugees. We do not have the luxury of time for more planning sessions, or more studies, or more debates.

There is a bloodbath going on right now in Indochina, to a lesser extent this has been going on for the past 4 years. But because the victims in their leaky boats disappeared over the horizon we have been oblivious of their passing—we have seen only the tattered survivors of the refugee exodus from Vietnam, Cambodia, and Laos since 1975.

The facts are horrifying, and compel action.

We know that half a million refugees have successfully reached asylum in Indochina or permanently resettled in third countries. But in our focus on these survivors, we overlook the fact that, as our intelligence estimates show, some 50 percent—perhaps even 70 percent—of the refugees who leave Vietnam, Cambodia, and Laos die on the way.

This means that the bloodbath we feared as the aftermath of the Vietnam war has really been taking place. Some say a quarter million people have already died.

We must act now because we face an even more devastating disaster than the tragedy which has already taken place. The Government of Vietnam has announced it plans to expel more than 1.2 million ethnic Chinese.

At the present time, there are some 300,000 refugees in camps in Thailand, Malaysia, Hong Kong, Indonesia, and the Philippines, and look at the results—in recent days, Malaysia and Indonesia have banned all further refugees, and Malaysia says it will even expell some 80,000 refugees she has sheltered to date.

Hong Kong is already strained beyond its limit—at least some 60,000 refugees are now packed into the Crown Colony. Not surprisingly, Hong Kong is now speaking in terms of restraint to keep more refugees out.

I read to you now a letter from Ms. Margaret Thatcher, Prime Minister of England, which she recently sent to Kurt Waldheim, Secretary General of the United Nations, outlining the predicament of Hong Kong and the general situation in Southeast Asia.

The text of the Prime Minister's letter of May 31 to Dr. Waldheim follows:

> MY DEAR SECRETARY-GENERAL: Thank you for your message about your recent visit to South East Asia and the problem of the Indo-Chinese refugees. I agree the situation is desperate. The British people are appalled at the human misery being caused.
>
> Many refugees are arriving in Hong Kong, where there are now 40,000 awaiting resettlement. We have ourselves been asking help from other governments in sharing this burden, so far without success.
>
> I believe urgent international attention must now be given to the question of the resettlement of refugees not only in Hong Kong but elsewhere. At present only a few countries are carrying the burden. The High Commissioner for Refugees deserves the greatest praise for his efforts. Regrettably the majority of member states of the United Nations are doing little to help him, although many have the capacity to resettle and give new hope to these unhappy people from Indo-China.
>
> The situation arising from Vietnam's inhuman actions is so grave that I am convinced that a further conference of member states of the United Nations should now be called under the authority of your own high office. This matter is urgent. The international community must now be brought to a proper realization of its responsibilities. I therefore welcome the appeal that you have made to governments throughout the world. This should now be translated into action. The special conference will have our full support.
>
> Yours sincerely,
>
> MARGARET THATCHER.

Mr. Speaker, if the Vietnamese are allowed to expel another 1.2 million refugees into the present crisis in Southeast Asia there can be only one result—death on a scale which we must equate with the holocaust of Hitler. A holocaust, we might have averted if only people had acted.

We must face the fact that today, boats have replaced ovens, and that even the lucky few who escape drowning or death from exposure on the high seas now face the bullets and clubs in nations which see no option in the face of the world's failure to provide permanent haven.

I have been assured by the Malaysian Ambassador that press reports of refugees being shot as they attempt to wade through the surf are not true, and that reports that the order to shoot has gone out are also not true.

What a sorry comment on the entire situation that these reassurances—such as they are—must be offered. To what level has humankind fallen that a concession is that people will not be shot for merely trying to live.

The central fact remains, and that is what we are attempting to address today—the fact is that the United Nations is the best possible mechanism for promptly and efficiently addressing the twin problems of the refugee situation. The U.N. is best equipped to resettle those refugees who have escaped, and help to systematize and slow down the flow of those who would become refugees in the future.

Our legislation, which has been approved by the Subcommittee on Asian and Pacific Affairs, and the Committee on Foreign Affairs, puts the United Nations squarely on notice that the U.N.'s responsibilities must be carried out forthwith.

Mr. Speaker, there is an "SOS" resounding throughout the globe from the people of Southeast Asia, and so far, the world community has not come to the rescue. But surely, if we were talking about a hurricane, or a flood, the world would react with the humanitarian concern usual in such cases. Surely, if we heard an "SOS" from a merchant ship, the navies of the nearby countries would rush to save even the few sailors who might be threatened.

Now we are talking about saving the lives of hundreds of thousands of people in the near future, and we are talking about saving the lives of thousands who are even now adrift on the high seas.

We are concerned today with the U.N. But I would like to make it clear that all of us should take every opportunity to raise the refugee issue in every possible forum throughout our country, and the world. The Asian Affairs Subcommittee has met with the Directors of the Asian Development Bank urging help in resettlement projects, for example.

But as I said, Mr. Speaker, we have not got time to further plan and debate. The mechanisms for handling the refugee crisis exist within the United Nations, and, with the support of the United States, the United Nations can succeed—if only it will act.

A vote for this resolution today can help all persons and nations of good will avert the tragedy facing tomorrow's refugees. A vote for this resolution can serve as a step in the right direction, and I urge its adoption by the House.

Mr. ZABLOCKI. Mr. Speaker, will the gentleman yield?

Mr. WOLFF. I yield to the distinguished chairman of the Committee on Foreign Affairs.

Mr. ZABLOCKI. Mr. Speaker, I thank the chairman of the Subcommittee on Asian and Pacific Affairs for yielding.

At the very outset I wish to commend the gentleman from New York (Mr. WOLFF) for bringing this very important resolution to the attention of the full House.

Mr. Speaker, I rise in strong support of House Resolution 316, a resolution calling for an emergency session of the United Nations General Assembly and calling upon the President to use all other appropriate fora to deal with the refugee crisis in Southeast Asia. This resolution was reported unanimously by the Foreign Affairs Committee, and it is my hope that it will receive a similar indication of strong, bipartisan support from the full House.

There is no way to describe adequately the suffering of thousands of people in Southeast Asia today. We have some statistics—over 300,000 refugees in camps; 40,000 Cambodians forced to leave Thailand; threats that Malaysia may push its 76,000 refugees back to sea; 65,000 new refugees arriving in countries of first asylum in May alone; and perhaps an equal number drowned before they could reach shore. What these numbers do not tell us, and what we cannot begin to comprehend, is the human suffering which these figures represent.

The countries of first asylum—principally Thailand, Malaysia, Hong Kong, and Indonesia, have borne a great share of the burden over the last several years. While we certainly cannot condone the recent reports that these countries may not accept additional refugees and are even turning back refugees from their camps, we do sympathize with the dilemma these countries face. If refugees continue to pour out of Vietnam and Cambodia at present rates, the refugee camps will have more than a million people in them a year from now.

Obviously, this is an intolerable situation.

The record of the United States to date in dealing with the flow of refugees is a responsible one, I believe. We have accepted over 200,000 Indochinese refugees since 1975, many of whom are already productive, contributing members of our communities, and we have provided a major portion of the funds necessary to support the refugee camps in Southeast Asia. Many other nations, espousing the same democratic ideals that we do, cannot point with pride to their record on this matter.

The escalating refugee crisis in Southeast Asia now requires that the rest of the world community accept its fair share of responsibility. We must act now on many fronts to alleviate the misery and suffering of more than a quarter of a million people.

The resolution before us urges the President to call for an emergency Geneneral Assembly session and to use all other appropriate fora to deal with the crisis.

I urge my colleagues to support this resolution.

□ 1210

Mr. BROOMFIELD. Mr. Speaker, will the gentleman yield?

Mr. WOLFF. I yield to the ranking Member, the gentleman from Michigan.

Mr. BROOMFIELD. Mr. Speaker, I, too, wish to join the chairman of our committee in commending the chairman of our subcommittee for bringing this important resolution to the Congress. I hope it does bring results. It has been a very tragic situation involving these refugees.

I urge the House to join in support of this resolution.

Mr. ASHBROOK. Mr. Speaker, will the gentleman yield?

Mr. WOLFF. I would be happy to yield to the gentleman from Ohio.

Mr. ASHBROOK. Mr. Speaker, I would like my colleague to indicate what the gentleman feels the United Nations may be equipped to do or may do in a situation like this. I think many of us might feel honestly that it is a meaningless gesture, based on the past history of the United Nations. I just wonder what my colleague thinks the United Nations will do.

Mr. WOLFF. Well, in response to the gentleman's question, let me say that I do not know what the United Nations can ultimately accomplish. At least they could do more than they are doing at the present time.

This is one of the basic reasons why we want to refer this matter not only to the United Nations, but also to any other appropriate forum. We have requested the President to raise this matter in Vienna; but wherever it is possible to raise that critical question, of the life and death of hundreds of thousands of these refugees, we as Members of the House would like to have it raised.

Mr. ASHBROOK. Mr. Speaker, if my colleague would further yield, has the Ambassador to the United Nations, Mr. Young, indicated his position on this?

I know many of us wish he would turn his attention to important matters like this and move away from his long standing policy of never attacking a Communist state, and rather attacking us and our friends. Maybe he could help focus some attention on this problem. I do not think I have ever heard him say anything on this particular matter. Of course, as he has said the Communists never threatened him. I might add he is probably right. They only threaten their enemies and those who espouse freedom.

Mr. WOLFF. Well, let me assure the gentleman that our Ambassador to the United Nations has directed attention to this, plus the fact that the resolution before us is supported by the State Department and the administration at this point.

Mr. ASHBROOK. Mr. Speaker, I thank my colleague for yielding and for his response.

Mr. GOODLING. Mr. Speaker, will the gentleman yield?

Mr. WOLFF. I would be glad to yield to the gentleman from Pennsylvania.

Mr. GOODLING. Mr. Speaker, first of all, I want to compliment my chairman for bringing this resolution before the House.

As I said in committee, it is sad that we were not more successful in Southeast Asia, but what is even sadder at the present time is that everything everyone ever said was going to happen in Southeast Asia if we were not totally successful is now happening; so we see hundreds of thousands of Cambodians being marched to death, slaughtered, starved. Now some of them are being returned from Thailand back to their homeland. I do not know what their fate will be, we also see hundreds of thousands of Vietnamese leaving in any manner that they can, getting on boats. We do not know how many ever get to land. We know that many do not get there; so everything that was predicted, is now happening. I understand Joan Baez may realize that perhaps she was supporting the wrong side in this conflict; but now that we're not more successful, we certainly have a tremendous responsibility to make the world understand what is going on in that area and get them to participate and to help us help those people who are suffering tremendously at this time.

I thank the gentleman for yielding.

Mr. WOLFF. Mr. Speaker, I thank the gentleman for his contribution.

Mr. DORNAN. Mr. Chairman, will the gentleman yield?

Mr. WOLFF. Yes, I would be glad to yield to the gentleman from California.

Mr. DORNAN. Mr. Speaker, I want to commend the distinguished gentleman for bringing this critical resolution to the floor. I cannot think of any more important resolution that we have thus far considered, including all of the complex problems with energy. I am sickened at seeing innocent human beings pushed off those beaches in Malaysia with the threat that they will be shot if they try to return.

We can recall, Mr. Speaker, the excellent meeting we had with the Chief of State of Malaysia earlier in January and the solemn assurances they made to us that they would do everything they possibly could to take in more refugees, if only we would fulfill our humanitarian obligations.

For my part, I want to go on record and say that, as far as I am concerned, the policies of Thailand, Malaysia, the Philippines, or any other country are quite irrelevant to our own moral position. Because of our close bond of friendship with the Vietnamese people over a 10-year period, consecrated in blood in the name of liberty, I am for taking every single mortally endangered refugee off every ship, raft, and river skiff in the South China Seas. I favor rescuing from death every person we can. I would rescue them from all of the Indochina area, and bring them into our great and bountiful country. I say this knowing that that it is not politically popular. But the "boat people" are a living legacy. If we are an honorable country, we will recognize that legacy.

Mr. GUYER. Mr. Speaker, will the gentleman yield?

Mr. WOLFF. I yield to the ranking member for a brief comment.

Mr. GUYER. Mr. Speaker, I rise on behalf of this resolution. Seldom have we been confronted by so huge a problem with so little ability to do anything about it. I am grieved at the prospect that thousands of persons may be dying on the South China Sea, and may be dehydrating and starving on countless desert beaches on the edge of Indonesia and Malaysia. We are witnessing a latter day holocaust, the bloodbath we all feared when the Republic of Vietnam fell to the North. Already some 200,000 Vietnamese and others have found new homes in this country because they were unable to continue to live in the countries of their birth. Additional hundreds of thousands are crammed into refugee camps in Hong Kong, Philippines, Thailand, Indonesia, and Malaysia. These countries face such great numbers of regugees that their governments have been seriously inconvenienced and in the case of some brought close to instability over the issue of refugees. For this sort of reason Malaysia has gone so far, apparently, as to threaten mass expulsion of 70,000 boat people. We have heard that some boats have been turned away and towed back to sea. Thailand has decided to forcibly repatriate tens of thousands of Khmers, some of whom will meet death at the hands of one Khmer faction or another. Thai humanitarianism will henceforth consist, we are told, of making sure that the ill are given medicine, and that the hungry are given food, before pushing them back into Cambodia or out to sea. Meanwhile we have done a major part of this task. We have been helped by France, Canada, and Australia, almost exclusively. It is time that we moved to obtain genuine international cooperation in dealing with this problem.

International attention focused on Hanoi can perhaps make the Vietnamese reconsider their policy of forced expatriation. It can certainly mobilize other Western governments to do more in terms of material support and resettlement opportunities. Let me give an example which should shame the world. Taiwan has agreed to take 10,000 ethnic Chinese, on a tiny island with serious security problems. I want to commend them, and to call on other nations to do likewise. This resolution may speed that action, and I urge its support.

Mr. GILMAN. Mr. Speaker, will the gentleman yield?

Mr. WOLFF. I yield briefly to the gentleman from New York (Mr. GILMAN).

Mr. GILMAN. Mr. Speaker, I thank the gentleman for yielding. I want to commend the distinguished chairman of the Subcommittee on Asian and Pacific Affairs, the gentleman from New York (Mr. WOLFF) for introducing this extremely important resolution and for bringing it to the floor so expeditiously.

The massive outpouring of refugees from Indochina presents the world with one of its greatest tragedies and challenges. The tragedy increases daily as area nations adopt restrictive policies that threaten to expel these homeless victims of generations of political turmoil and war. The challenge is in recognizing the responsibility that the world community must accept in receiving these castaways.

House Resolution 321 expresses the sense of the House of Representatives that the President should call upon the Secretary General of the United Nations to convene immediately an emergency session of the General Asembly to deal with the refugee crisis in Southeast Asia. It recognizes that more than 750,000 human beings have fled Vietnam, Kampuchea, and Laos since the spring of 1975. Of this number, as many as one-third have perished in their courageous attempt to reach freedom, with the prospect of many thousands more facing death should present conditions persist.

Clearly, the international community has failed to respond adequately to this crisis. Despite our substantive efforts, the United States alone cannot solve the problem. The world community must be encouraged to respond through its existing mechanisms in the U.N. and accept its responsibility to humanity.

Accordingly, Mr. Speaker, I urge my colleagues to join in support of this resolution.

GENERAL LEAVE

Mr. WOLFF. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the resolution under consideration, House Resolution 321.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. WOLFF. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. SNYDER. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 336, nays 0, not voting 98, as follows:

[Roll No. 249]

YEAS—336

Abdnor
Addabbo
Akaka
Albosta
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Applegate
Archer
Ashbrook
AuCoin
Badham
Bafalis
Bailey
Baldus
Barnard
Barnes
Bauman
Beard, R.I.
Bedell
Beilenson
Benjamin
Bennett
Bereuter
Bethune
Bevill
Biaggi
Bingham
Blanchard
Boggs
Boland
Bonior
Bonker
Bouquard
Bowen
Brademas
Brinkley
Brodhead
Brooks
Broomfield
Brown, Calif.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burlison
Burton, Phillip
Byron
Carney
Carter
Cavanaugh
Clausen
Cleveland
Clinger
Coelho
Coleman
Collins, Ill.
Collins, Tex.
Conte
Corman
Cotter
Coughlin
Courter
D'Amours
Daniel, Dan
Daniel, R. W.
Danielson
Dannemeyer
Davis, Mich.
Davis, S.C.
Dellums
Derwinski
Devine
Dickinson
Dicks
Dixon
Donnelly
Dornan
Drinan
Duncan, Oreg.
Duncan, Tenn.
Edwards, Ala.
Edwards, Calif.
Edwards, Okla.
Emery
English
Erlenborn
Evans, Del.
Evans, Ga.
Evans, Ind.
Fary
Fascell
Fazio
Fenwick
Ferraro
Fish
Fisher
Fithian
Flippo
Florio
Foley
Ford, Mich.
Ford, Tenn.
Fountain
Fowler
Frenzel
Frost
Fuqua
Gaydos
Gephardt
Gibbons
Gilman
Gingrich
Ginn
Glickman
Goldwater
Goodling
Gore
Gradison
Gramm
Grassley
Gray
Green
Grisham
Gudger
Guyer
Hagedorn
Hall, Ohio
Hall, Tex.
Hamilton
Hammerschmidt
Hance
Hanley
Hansen
Harkin
Harris
Harsha
Hawkins
Heckler
Hefner
Heftel
Hightower
Hollenbeck
Holt
Hopkins
Horton
Howard
Hubbard
Hyde
Jacobs
Jeffries
Jenkins
Jenrette
Johnson, Calif.
Johnson, Colo.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kastenmeier
Kazen
Kemp
Kildee
Kindness
Kogovsek
Kostmayer
Kramer
LaFalce
Lagomarsino
Latta
Leach, Iowa
Leach, La.
Leath, Tex.
Lederer
Lee
Leland
Lent
Levitas
Lewis
Lloyd
Loeffler
Long, La.
Long, Md.
Lott
Lowry
Lujan
Luken
Lungren
McClory
McCloskey
McCormack
McDade
McDonald
McEwen
McHugh
McKinney
Madigan
Maguire
Markey
Marlenee
Marriott
Mathis
Matsui
Mattox
Mavroules
Mazzoli
Mica
Michel
Mikulski
Mikva
Miller, Calif.
Miller, Ohio
Mineta
Minish
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Montgomery
Moore
Moorhead, Calif.
Mottl
Murphy, Ill.
Murphy, N.Y.
Murphy, Pa.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nedzi
Nelson
Nichols
Nowak
O'Brien
Oakar
Oberstar
Obey
Ottinger
Panetta
Patten
Pease
Perkins
Peyser
Pickle
Preyer
Price
Quillen
Rahall
Railsback
Ratchford
Regula
Reuss
Rinaldo
Ritter
Roberts
Robinson
Rostenkowski
Roth
Roybal
Royer
Rudd
Runnels
Russo
Sabo
Satterfield
Scheuer
Schroeder
Schulze
Sebelius
Seiberling
Shannon
Sharp
Shelby
Shumway
Simon
Skelton
Slack
Smith, Iowa
Smith, Nebr.
Snowe
Snyder
Solarz
Solomon
Spence
St Germain
Staggers
Stangeland
Stanton
Stark
Steed
Stewart
Stockman
Stratton
Studds
Stump
Swift
Symms
Synar
Thomas
Thompson
Treen
Trible
Van Deerlin
Vanik
Vento
Volkmer
Walgren
Walker
Wampler
Waxman
Weaver
Weiss
White
Whitehurst
Whitley
Whittaker
Whitten
Williams, Mont.
Wilson, Bob
Wilson, C. H.
Winn
Wirth
Wolff
Wolpe
Wright
Wyatt
Wydler
Wylie
Yates
Yatron
Young, Alaska
Young, Fla.
Young, Mo.
Zablocki
Zeferetti

NAYS—0

NOT VOTING—98

Alexander
Ambro
Anderson, Ill.
Anthony
Ashley
Aspin
Atkinson
Beard, Tenn.
Bolling
Boner
Breaux
Burton, John
Butler
Campbell
Carr
Chappell
Cheney
Chisholm
Clay
Conable
Conyers
Corcoran
Crane, Daniel
Crane, Philip
Daschle
de la Garza
Deckard
Derrick
Diggs
Dingell
Dodd
Dougherty
Downey
Early
Eckhardt
Edgar
Erdahl
Ertel
Findley
Flood
Forsythe
Garcia
Giaimo
Gonzalez
Guarini
Hillis
Hinson
Holland
Holtzman
Huckaby
Hughes
Hutto
Ichord
Ireland
Jeffords
Kelly
Lehman
Livingston
Lundine
McKay
Marks
Martin
Mollohan
Moorhead, Pa.
Nolan
Pashayan
Patterson
Paul
Pepper
Petri
Pritchard
Pursell
Quayle
Rangel
Rhodes
Richmond
Rodino
Roe
Rose
Rosenthal
Rousselot
Santini
Sawyer
Sensenbrenner
Shuster
Spellman
Stack
Stenholm
Stokes
Tauke
Taylor
Traxler
Udall
Ullman
Vander Jagt
Watkins
Williams, Ohio
Wilson, Tex.

☐ 1230

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A moton to reconsder was laid on the table.

MEMBERS SHOULD STUDY CAREFULLY GENERAL DEBATE ON PANAMA CANAL LEGISLATION

(Mr. BINGHAM asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BINGHAM. Mr. Speaker, over the weekend, I actually took the time to read the transcript of the general debate on the Panama Canal legislation and the various "Dear Colleague" letters on the subject.

It is startling that in the statements of those who oppose the committee bill, there is virtually no mention of the national interests of the United States.

What appears instead is anger—anger at what is perceived to be the administration's attempt to deceive the Congress on the cost of the Panama treaties, and anger at the Government of Panama for providing assistance to Somoza's opponents in Nicaragua.

There is literally no discussion whatever of how we keep the canal operating after October 1, when the treaties go into effect.

By contrast, I was greatly impressed by the constructive statements of various Members who were opposed to the treaties but who now recognize there is no way to repeal them and that if the canal is to be kept operating, the committee bill is a necessity.

I urge all Members who, because of constituent pressures, are tempted to vote against the bill for the Hansen amendments, to read what is in their files. If they do not have time to read it all, I would submit they owe it to themselves and to the country at least to read what the gentleman from Mississippi (Mr. BOWEN) had to say in the debate—CONGRESSIONAL RECORD, May 21, 1979, pages 11960 and 11971—and in his "Dear Colleague" letter.

PERSONAL EXPLANATION

(Mr. SEIBERLING asked and was given permission to address the House for 1 minute.)

Mr. SEIBERLING. Mr. Speaker, on rollcall No. 248, which was the vote on the Brown amendment to H.R. 4388, the energy and water appropriations bill, I am recorded as voting "no." While this is somewhat inexplicable because I intended to vote "aye," I just want to make it clear in the record that I intended to vote "aye" for the Brown amendment.

I think that the half-billion-dollar-desalinization project in southwest Arizona is an egregious waste of the taxpayer's money for something that could be accomplished much less expensively in other ways. We do have an obligation to clean up the Colorado River salinity problem, but not in ways that benefit a few landowners at the expense of the taxpayers at large.

BUSINESS AS USUAL IN CAPITOL RESTAURANT

(Mr. JONES of Tennessee asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. JONES of Tennessee. Mr. Speaker, and my colleagues of the House. On Wednesday, June 13, I stood before you to report that a noontime fire had damaged the Capitol restaurant. At that time, I did not honestly know when we might be able to provide food service to the Members and their guests. The House dining rooms were covered with soot and several pieces of equipment appeared to have been damaged or destroyed in the kitchen. A window facing the east front had been knocked out and our operation was beset by normal confusion that follows such a mishap.

Thank goodness we were able to keep this fire in the mishap category. Damage could have been far greater had it not been for the quick thinking of the House restaurant manager, Jack Waltman, who held the blaze in check with fire extinguishers located in the pantry for just such emergencies. We would also like to commend the District of Columbia Fire Department under the direction of Chief Jefferson Lewis who had the fire apparatus on the scene a scant 3 minutes after the first alarm was sounded and whose men performed their jobs with dispatch and efficiency. Thanks also, to Chief James M. Powell, Inspector Herb Price, and the Capitol Police Department who cleared the way for the fire trucks, maintained the security of the damaged area, and provided assistance whenever and wherever requested.

These dedicated professionals made it possible for us to quell the fire without death or injury and held the damage to a minimum.

In the aftermath of the fire, I heard someone say, "They will be lucky to get that mess cleaned up in 2 weeks." Frankly, they did not reckon with the caliber of support we have in the U.S. Capitol. Through the coordinated efforts of the Architect of the Capitol, Mr. George White, and his able assistants, Mr. Ward and Mr. Hayes, the Clerk of the House, Mr. Ted Henshaw, and his assistants, Mr. Colley and Mr. Kelleher, the many workmen and the staff of the Capitol restaurant, they have reduced the time we will have to stay closed from 2 weeks to 4 days.

Mr. Speaker, it is due to the efforts of the many people who rose to the occasion that I am able to announce that we were able to open for "business as usual" at 11 a.m. this morning. As chairman of the Services Subcommittee, I thank you for your patience and cooperation during this unfortunate interruption.

ENERGY AND WATER DEVELOPMENT APPROPRIATIONS, 1980

Mr. BEVILL. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 4388) making appropriations for energy and water development for the fiscal year ending September 30, 1980, and for other purposes.

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill, H.R. 4388, with Mr. SHARP in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee of the Whole House rose on Friday, June 15, 1979, the Clerk had read through line 23 on page 27, and pending was an amendment offered by the gentleman from Kansas (Mr. GLICKMAN).

The Chair recognizes the gentleman from Kansas (Mr. GLICKMAN) for 5 minutes in support of his amendment.

Mr. GLICKMAN. Mr. Chairman, the amendment my colleague from Washington (Mr. DICKS) and I are offering today will add $5 million to the NRC's enforcement and inspection division budget to allow that division to move ahead with a program to put unit inspectors on site at all nuclear powerplants in operation and in the final stages of construction across the United States. Some time ago the President called for Federal inspectors at nuclear plant sites, and the NRC has a goal of having the inspectors on site by the end of fiscal year 1981. It should be noted that the Three Mile Island plant did not have such a full time inspector.

Without this amendment, that goal will not be able to be met. It takes nearly 2 years to complete the training necessary to get these people ready to handle an onsite job accurately. That training is obviously essential; the alternative is that the Government would be creating a sense of false security by locating these people onsite. And the training needs to start now if the fiscal year 1981 goal is to be met. Inclusion in a fiscal year 1980 supplemental or in the fiscal year 1981 budget would push the target back by at least a year. I, for one, am not willing to ask my constituents to wait for this modest increase in precaution.

It has traditionally been the NRC's practice to place responsibility for maintaining quality assurance of plant operations on the operating utility and to spot check the utilities' quality assurance activities to see that they are adequate. In short, the NRC has been auditing the utilities operations.

Ideally, that should have done the trick. But recent events make it all too clear that the present approach has not been enough. Recently, the Commission has been locating some of its audit-type inspectors onsite to reduce personnel hours needed for the function and to minimize travel costs. Having those people onsite has given them an opportunity to do a small amount of monitoring of actual plant operations. That small degree of monitoring has led to the recognition that it would be beneficial to do a lot more of that kind of "birddogging," of monitoring actual operations rather than relying solely on checking logs and so forth. The absence of any Federal onsite inspector at the time of the Three Mile Island incident reenforced the need for some meaningful Federal check of operations.

Our amendment would allow the NRC to fund 146 new staff positions; 100 would actually be new inspectors, the other 46 would provide support and training help. By 1981, there will be 108 nuclear plants nearing completion or in operation. By shifting other Commission staff, this amendment would provide adequate personnel to have one unit inspector at each site. That is not enough to monitor every action taken by the utilities, but it would provide a reasonable—and I would add very legitimate—Federal presence at each site. By being immersed in the operations, these unit inspectors would develop a "feel" for the way maintenance is conducted and precautions are maintained by utility employees. It would also encourage more careful handling of those vital functions by utility employees because of frequent Federal review.

There is sentiment in this country that we need to move cautiously, if at all, as we pursue the nuclear energy option. Many of us are not convinced as to where this should all be headed. But there are plants out there operating today that the Federal Government—which licensed them—has an obligation to see are not posing an undue risk to the American population. This amendment would provide the NRC with the resources it needs to move ahead in meeting that obligation.

Mr. BEVILL. Mr. Chairman, will the gentleman yield?

Mr. GLICKMAN. I yield to the gentleman from Alabama.

Mr. BEVILL. Mr. Chairman, I have no objection to this amendment. It is a good amendment. It emphasizes safety. We could accept it.

Mr. MYERS of Indiana. Mr. Chairman, will the gentleman yield?

Mr. GLICKMAN. I yield to the gentleman from Indiana.

Mr. MYERS of Indiana. Mr. Chairman, the minority accepts the amendment. Actually, the committee initiated the resident inspector program nearly a year and a half ago. The Commission has had some difficulty in securing and training qualified individuals for these positions. We agree with the principle of this amendment and are willing to accept the gentleman's amendment.

Mr. DICKS. Mr. Chairman, will the gentleman yield?

Mr. GLICKMAN. I yield to the gentleman from Washington.

Mr. DICKS. I would like to say this amendment provides us with preventive medicine. Had we had resident inspectors at Three Mile Island, there is a very good chance that NRC regulations would not have been violated and we would not have had this crisis.

I think by adding $5 million to add these additional inspectors to cover each of these operating reactors and powerplants in this country, we are doing the Nation a great service.

I want to commend my colleague for offering this amendment with me.

I strongly recommend that my colleagues pass this amendment, for I do not think we can have an acceptable nuclear option without it.

It seems obvious to me that one of the most appropriate Federal responses to the kinds of problems we experienced at Three Mile Island, and units in New Jersey and Arkansas recently is to provide a fully implemented Nuclear Regulatory Commission resident inspectors program.

Mr. Chairman, the NRC now maintains resident inspectors in 22 plants. They cover only a fraction of the 108 operating reactors and plants in late construction stages.

With the $5 million provided in this amendment, by 1981, the NRC would be able to place 187 inspectors in the field, one for each plant site and an inspector for each reactor unit on that site.

Without the amendment, the NRC would be restricted to 87 new inspectors in the field. Each operating site and plant in late construction stages would be covered, but there would be much less flexibility, much less effective inspection in the resident inspectors program.

The amendment also allows the NRC to hire people to train new inspectors and to accelerate the training of the inspectors themselves.

The chain of events at Three Mile Island, barely skirting a tragedy, may have been prevented if we had had the kinds of independent review and procedural verifications an onsite resident inspector provides. We need an inspector at each unit, Mr. Chairman.

From time to time over the 20 years commercial plants have been operating, we have survived the small, isolated failures licensees discovered themselves. Plant operations have gotten past the sealing fractures, the locked pumps, the incorrectly positioned and maintained safety backup systems—the small patterns of failure that can occur in any technology.

But Three Mile Island taught us that a licensee caught up in the hundreds of tasks required to keep a reactor going every day may not be able to stop that one-in-a-million sequence of events that can lead to a breach of containment, a venting of radioactive steam, or a partial meltdown.

The NRC resident inspection program is designed to accomplish one essential thing: Detect the little slips, the unnoticed shortcuts in operator procedures that might—just might snowball into a major problem.

You need the onsite, independent inspector to do this. Anything less than this kind of onsite inspection removes a critical layer of review.

In the past, for lack of adequate inspection and enforcement personnel, the NRC was forced to rely on time-consuming reviews of licensee documentation of events after they occurred. As one inspector told me, the burden of inspection was placed on the licensee who does not have time to do it adequately.

The inspector explained:

> It is our job to detect as early as possible any deterioration in a licensee's performance. We play a preventive role. We make sure that plant operators and support workmen live up to their qualifications in running a nuclear plant. We see things and do things before a situation becomes critical and threatens to get out of control.

Another inspector told me that:

> We look over shoulders . . . and this has a very positive effect on the licensee. It plants the idea in the operator's mind that he must adhere strictly to NRC procedural requirements. If we know a licensee is going to do something requiring oversight, that licensee knows we plan to be there.

When a powerplant is working, not much really goes on, this inspector points out, "but we literally make sure the operators stay awake."

Mr. Chairman, the NRC's 5-year-old resident inspectors program vastly improves the NRC's review and instant response capabilities. It enables this agency to go from snapshot inspection review after events have taken place to a continuous, balanced procedural oversight.

A resident inspector in Michigan sums up this program for me. He said:

> I used to be a regionally based inspection. I would look at a unit every three months or so. But in the resident inspectors program, I've developed much greater confidence in what I know about a particular plant. I get to know the licensee. The operators and workmen open up to me. A rapport is developed, and I get an excellent exchange of information. The licensee knows that he has a much better access to the NRC. Best of all, I get a very good feel for the way things ought to be by simply being there. There's no doubt in my mind, that this program is the way to go.

Mr. Chairman, if this Congress really means to do something to boost public confidence in the nuclear option, I urge my colleagues to pass this amendment.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. GLICKMAN. I yield to the gentleman from Washington.

Mr. McCORMACK. Mr. Chairman, I thank the gentleman for yielding.

I rise in support of the amendment and congratulate the gentleman from Kansas (Mr. GLICKMAN) and the gentleman from Washington (Mr. DICKS) for cosponsoring it. It is quite obvious from the hearings on nuclear powerplant safety that have been conducted by the Subcommittee on Energy Research and Production and especially on the Three Mile Island accident that the greatest weakness at the present time in the system is the interface between the machines and the operators. The primary contributing fact to the seriousness of the Three Mile Island accident was operator error.

I think it is quite obvious that much of this operator error could have been avoided if we had had inspectors on site and if they had insisted on a routine that would have eliminated some of the problems that existed there at the time.

Accordingly, I think the proposal made in this amendment is a good one. I think it is important that we have the inspectors on site at the earliest reasonable moment and they be trained and given the authority to handle situations involving anomalous activity and anomalous situations in nuclear powerplant operations.

□ 1240

Mr. CLAUSEN. Mr. Chairman, would the gentleman yield?

Mr. GLICKMAN. I yield to the gentleman from California.

Mr. CLAUSEN. I want to associate myself with the remarks of the gentleman and commend him for his amendment, and also the committee for accepting the amendment. I, too, am involved in this Three Mile Island inspection in my capacity with the Committee on the Interior and I want to commend the gentleman.

Mr. RITTER. Would the gentleman yield?

Mr. GLICKMAN. I yield to the gentleman from Pennsylvania.

Mr. RITTER. Mr. Chairman, I rise in support of this amendment.

Perhaps the single most pointed issue that arose out of the Three Mile Island incident was the lack of a coordinated decision process and the lack of an effective overview of the procedures at Three Mile Island. So, I believe that the gentleman's amendment, my colleague on the Committee on Science and Technology and my distinguished colleague from Washington (Mr. DICKS), is a good amendment and I rise in support of it.

The CHAIRMAN. The time of the gentleman from Kansas has expired.

(At the request of Mr. VOLKMER and by unanimous consent Mr. GLICKMAN was allowed to proceed for 2 additional minutes.)

Mr. VOLKMER. Would the gentleman yield?

Mr. GLICKMAN. I yield to my distinguished colleague from Missouri.

Mr. VOLKMER. I, too, wish to commend the gentleman from Kansas and the gentleman from Washington for sponsoring this amendment. It is of particular concern to me because as one who has a nuclear powerplant ongoing and under construction to go on line in 1981, I would like to advise the gentleman that I was just there this last Saturday while out in my district and talked to the company officials and discussed this type of procedure. They do not disagree with it. I think it is a wise thing to do.

They also feel there should be additional training for people who operate these plants, more so than there has been in the past. They concur in that, too.

They also feel and have ongoing with others a model for training for incidents similar to what occurred at Three Mile Island. This is a different type of construction. It is a Westinghouse-type operation and different from the operation in Pennsylvania at Three Mile Island. They are setting up a model now to try to develop a process for a safety system that will work. I would say to the gentleman that I believe this will help and not only provide the safety but also help people know that we are being safe.

Mr. GLICKMAN. I think the gentleman makes a good point. That is, regardless of our views on nuclear power, I think the public needs to believe that operating plants have a reasonable modicum of safety. I think this will help them have confidence that existing, working plants are safe.

Mr. WEISS. Mr. Chairman, will the gentleman yield?

Mr. GLICKMAN. I yield to the gentleman from New York.

Mr. WEISS. I, too, want to commend the gentleman from Kansas, as well as the gentleman from Washington (Mr. Dicks), for their efforts in this regard. I think it is long overdue and they are to be commended for having the capacity to persuade the committee to accept this amendment.

I only want to exercise one word of caution. I know that the sponsors of the amendment are fully aware of the fact that this is not the end-all and be-all, that there are other steps that must be taken, including perhaps termination of nuclear power down the line. I just want to be sure that those who are now supporting this amendment and are in support of the gentleman's efforts do not latch into this as being the final answer in guaranteeing nuclear power safety.

Mr. GLICKMAN. I appreciate the gentleman's comments.

Mr. BEREUTER. Mr. Chairman, I move to strike the requisite number of words and rise in support of the amendment.

Mr. Chairman, I rise to speak on this particular amendment based upon job experience and a special interest in this type of activity, personnel and physical security investigations.

I would like to review, first of all, a few details about what is involved currently in inspection of nuclear plants. Right now we do have a few onsite inspectors, but for the most part we have people coming in from time to time to make inspections on our nulcear powerplants. They are involved in investigating quality analysis, maintenance, actual onsite job safety and operation procedures.

I would like to point out there are some benefits in the current system of nonresident inspectors. First of all, experience has proven that observation powers are sharpened, when you have a nonresident inspector. Second, the personal relationships, either positive or negative, will often have a minimal effect upon the impact or the course of such an inspection. As a third point, it should be noted that the diverse specialists, which might be involed in an investigatory task force, have the opportunity to provide specific and specialized insight through the inspection processes. Fourth, the quality of the inspection process should be more uniform, due to checks and balances provided through the involvement of diverse personnel.

There are disadvantages. Another way to say it, here are, for example, some disadvantages of an exclusive reliance on resident or onsite inspectors. First, they could be a hindrance to the proper operating of the plant; the inspector who is present on a continuous onsite inspection may be a distraction to the plants' operators.

Second, the continuous presence onsite by an inspector may cause the inspector to be blinded to ongoing plant problems.

Third, the inspector will be isolated from appropriate, personalized contact with other components and counterparts in the nuclear regulatory commissions.

Now, despite what I have just said, I am speaking in support of the amendment offered by the gentleman from Kansas. The point I would like to make is this: I believe that we need onsight inspection and we need special, on-the-spot, unannounced task force and single-person inspections.

I would ask the gentleman from Kansas if he would engage in answering a series of questions?

Mr. GLICKMAN. I would be glad to.

Mr. BEREUTER. I understand from the intent of your amendment that you are not proposing that an onsite inspection process would negate or eliminate the possibility and the actual practice of unannounced inspections made by task forces or by individual inspectors from the NRC. Is that correct?

Mr. GLICKMAN. That is correct. In fact, without the kind of spot auditing unannounced inspections, having permanent inspectors does not have a great deal of value. We must have that auditing function. It would be my intention that that would clearly continue and it is my understanding that it is the NRC's intention also.

Mr. BEREUTER. I thank the gentleman.

Further, based upon some recent information brought to the attention of the Energy and Environment Subcommittee of the Committee on Interior and Insular Affairs, it is quite clear that we have a very inadequate personnel security investigation process. Would it be your thought that the additional type of manpower provided to the NRC could also be addressed to personnel security questions as well as actual site and operational procedures?

Mr. GLICKMAN. I would say that, to the best of my knowledge, yes. I have not gone into great detail with the NRC of how specifically they propose to utilize these people, but I would say that the security problem is a serious one. What the amendment actually does is provide an additional 100 actual inspector people and an additional 46 support and training people. I would assume that the gentleman's point is a good one.

Mr. BEREUTER. Finally, just to confirm what the gentleman has already indicated, is it correct that the gentleman's amendment does nothing to distract or supplant the unannounced individual or task force inspection process. It is our understanding that such unannounced inspection would go on even though we would have onsight inspectors through the appropriation you are now proposing. Is that correct?

Mr. GLICKMAN. That is absolutely correct. Not only that, in my judgment, the resident inspectors or unit inspectors probably should be rotated themselves and should not be forever located on a particular plant. I think that is to a large extent what the U.S. Department of Agriculture does now.

Not only would I insist upon the auditing, but also retention and beefing up of the on-the-spot auditing function.

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent, Mr. Bereuter was allowed to proceed for 2 additional minutes.)

Mr. GLICKMAN. If the gentleman will yield further, I would also insist on the fact that the NRC make a diligent effort to rotate permanent inspectors and resident inspectors, and I believe they have that in mind right now.

Mr. BEREUTER. I thank the gentleman from Kansas for his general observations. I think they are important and it is important we convey them to the NRC. I am particularly pleased that the gentleman made the point about the need for continued rotation of the onsite inspectors. I thank that is the crucial point and I would hope this would be interpreted as the intent of the House of Representatives in adopting this amendment.

I commend the gentleman for his amendment and foresight in recognizing the need for this kind of supplemental assistance to the NRC. It has been brought to our attention, of course, by recent events. I rise in support of the gentleman's amendment with this understanding we have established in the foregoing discussion between the gentleman from Kansas and me.

Mr. GLICKMAN. Thank you.

☐ 1250

Mr. ALBOSTA. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment.

Mr. Chairman, I too rise in support of the amendment offered by our distinguished colleague, the gentleman from Kansas (Mr. Glickman). I think his amendment speaks to a need that is very obvious when one makes a tour of a nuclear plant, or observes what has been going on.

On June 6, the Investigative Subcommittee of the Committee on Post Office and Civil Service, on which I serve, held a hearing on the subject of NRC's personnel. In that hearing, it was brought out by the Director of NRC's Inspection and Enforcement Division John Davis, that his office is preparing a recommendation for teams of resident inspectors in nuclear plants, rotating teams of inspectors. I believe that is a reasonable approach to this problem.

The public itself does not fully believe that nuclear power is safe, and I do not think that anyone can convince them expect the Federal Government and the NRC. To do that, they need the proper type of inspectors, not only on site during construction and operation, but additional teams of inspectors which would drop in unannounced at these plants while they are in operation. I also believe, from the hearings that we had, that Mr. GLICKMAN'S amendment does not fo far enough, and it ought to go further.

We will see, as this training program goes on and as this money, this additional $5 million, is spent, whether or not it will produce the proper, trained officials, but I believe it is going to require, in order to reach the NRC's goal of teams of inspectors on site, it is going to take another $3 million to $5 million for the following year or a supplemental to this year's appropriation.

For that reason, I was going to offer an amendment to the Glickman amendment, but I believe we should try the $5 million first these are times when we are trying not to spend more money, but I think it is necessary to assure the public that nuclear power is safe. I have a plant that is being built in my district, and I think the NRC has not properly overseen the operation during construction, or the safety during construction. In fact, there has even been vandalism at that plant site. It is essential that the NRC have the staff to detect and correct this kind of damage early on.

I think it is necessary that we have inspectors there during the period when these plants are under construction, at least 3 years prior to their being licensed to operate.

Assigning teams of resident inspectors to each site, an inspector for each reactor plus a site inspection supervisor, for example, would allow better inspection of the work of the more than 4,000 persons at many construction sites. It would also allow for the alternating rotation of individual inspectors which will keep a seasoned professional who is familiar with each site on the job at all times.

For those who consider this a large expense let me add that this appropriation is extremely small compared to the tremendous expense of an accident like the one at Three Mile Island, or the terrible cost that would result from an accident that might get out of control completely.

We are directly accountable to the people as elected officials, the utility companies and the NRC staff and commissioners are not directly accountable to the people. Therefore, we bear the greatest responsibility. We cannot allow the Congress to be blamed for not providing the appropriations to do the job of insuring public safety in the area of nuclear power. We cannot allow it to be said that the Congress arrived with too little, too late.

Therefore, I expect the Congress to be prepared to increase the appropriation, if necessary, for the full inspection staff and program required to do the job.

Mr. CLAUSEN. Mr. Chairman, I am pleased to join with the gentleman from Kansas (Mr. GLICKMAN) and the gentleman from Washington (Mr. DICKS) in supporting this amendment to authorize additional onsite inspectors to permit more rigorous and thorough monitoring of U.S. nuclear reactors by the Nuclear Regulatory Commission.

In recent months, even prior to the Three Mile Island accident, I have been in touch regularly with the Nuclear Regulatory Commission at the request of a constituent of mine who has pointed out some of the problems and limitations with the existing NRC inspection program.

There is every reason to give the highest degree of attention to safety and construction inspections on nuclear reactors and for this reason alone the pending amendment should be approved by the House of Representatives.

We must keep in mind, of course, the need for the NRC to give to its inspectors sufficient latitude and authority so that their onsite determinations can quickly be evaluated and responded to. We have already attempted to convey this position to the NRC, but I am taking this opportunity for another reminder.

Whatever reasonable means we can take to insure the continued safety of nuclear plants must be taken in as prompt and effective a method as possible. This amendment will move us in this direction.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Kansas (Mr. GLICKMAN).

The question was taken; and the Chairman announced that the ayes appeared to have it.

RECORDED VOTE

Mr. McCORMACK. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 350, noes 10, not voting 74, as follows:

[Roll No. 250]

AYES—350

Abdnor
Addabbo
Akaka
Albosta
Alexander
Ambro
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Archer
Ashbrook
AuCoin
Badham
Bafalis
Bailey
Baldus
Barnard
Barnes
Bauman
Beard, R.I.
Bedell
Beilenson
Benjamin
Bennett
Bereuter
Bethune
Bevill
Biaggi
Bingham
Blanchard
Boggs
Boland
Boner
Bonior
Bonker
Bouquard
Bowen
Brademas
Brinkley
Brodhead
Brooks
Brown, Calif.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burlison
Burton, John
Burton, Phillip
Butler
Byron
Carney
Carter
Cavanaugh
Clausen
Clay
Cleveland
Clinger
Coelho
Coleman
Collins, Ill.
Conte
Conyers
Corman
Cotter
Coughlin
Courter
D'Amours
Daniel, Dan
Daniel, R. W.
Danielson
Davis, Mich.
Deckard
Dellums
Derwinski
Devine
Dickinson
Dicks
Diggs
Dingell
Dixon
Donnelly
Dornan
Drinan
Duncan, Oreg.
Duncan, Tenn.
Early
Edwards, Ala.
Edwards, Okla.
Emery
English
Erdahl
Erlenborn
Ertel
Evans, Del.
Evans, Ga.
Evans, Ind.
Fary
Fascell
Fazio
Fenwick
Ferraro
Fish
Fisher
Fithian
Flippo
Florio
Foley
Ford, Mich.
Ford, Tenn.
Fountain
Fowler
Frenzel
Frost
Fuqua
Gaydos
Gephardt
Gibbons
Gilman
Gingrich
Ginn
Glickman
Goldwater
Goodling
Gore
Gradison
Gramm
Grassley
Gray
Green
Grisham
Guarini
Gudger
Guyer
Hagedorn
Hall, Tex.
Hamilton
Hammerschmidt
Hance
Hanley
Harris
Harsha
Hawkins
Heckler
Hefner
Heftel
Hightower
Hillis
Hinson
Hollenbeck
Holt
Hopkins
Horton
Howard
Hubbard
Hughes
Hyde
Jeffords
Jeffries
Jenkins
Jenrette
Johnson, Calif.
Johnson, Colo.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kastenmeier
Kazen
Kemp
Kildee
Kindness
Kogovsek
Kostmayer
Kramer
LaFalce
Lagomarsino
Latta
Leach, Iowa
Leach, La.
Leath, Tex.
Lederer
Lee
Leland
Lent
Levitas
Lloyd
Loeffler
Long, La.
Long, Md.
Lott
Lowry
Lujan
Luken
Lungren
McClory
McCloskey
McCormack
McDade
McEwen
McHugh
McKay
McKinney
Madigan
Maguire
Markey
Marks
Marlenee
Marriott
Martin
Matsui
Mattox
Mavroules
Mazzoli
Mica
Michel
Mikulski
Mikva
Miller, Calif.
Miller, Ohio
Mineta
Minish
Mitchell, N.Y.
Moakley
Moffett
Montgomery
Moore
Moorhead, Calif.
Moorhead, Pa.
Mottl
Murphy, Ill.
Murphy, N.Y.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nedzi
Nelson
Nichols
Nowak
Oakar
Oberstar
Obey
Ottinger
Panetta
Patten
Patterson
Pease
Perkins
Peyser
Pickle
Preyer
Price
Pursell
Quayle
Quillen
Rahall
Railsback
Rangel
Ratchford
Regula
Reuss
Rinaldo
Ritter
Roberts
Robinson
Roe
Rostenkowski
Roth
Roybal
Royer
Rudd
Runnels
Russo
Sabo
Satterfield
Schroeder
Schulze
Sebelius
Seiberling
Sensenbrenner
Shannon
Sharp
Shelby
Shumway
Simon
Skelton
Slack
Smith, Iowa
Smith, Nebr.
Snowe
Snyder
Solarz
Solomon
Spellman
Spence
St Germain
Staggers
Stangeland
Stanton
Stark
Steed
Stenholm
Stewart
Stockman
Stokes
Stratton
Studds
Stump
Swift
Synar
Tauke
Thomas
Thompson
Treen
Trible
Van Deerlin
Vanik
Vento
Volkmer
Walgren
Walker
Wampler
Watkins
Waxman
Weaver
Weiss
White
Whitehurst
Whitley
Whittaker
Whitten
Williams, Mont.
Wilson, Bob
Wilson, C. H.
Winn
Wirth
Wolff
Wolpe
Wright
Wyatt
Wydler
Wylie
Yates
Yatron
Young, Fla.
Young, Mo.
Zablocki
Zeferetti

NOES—10

Applegate
Collins, Tex.
Dannemeyer
Hansen
Jacobs
Lewis
McDonald
Paul
Symms
Young, Alaska

NOT VOTING—74

Anderson, Ill.
Anthony
Ashley
Aspin
Atkinson
Beard, Tenn.
Bolling
Breaux
Broomfield
Campbell
Carr
Chappell
Cheney
Chisholm
Conable
Corcoran
Crane, Daniel
Crane, Philip
Daschle
Davis, S.C.
de la Garza
Derrick
Dodd
Dougherty
Downey
Eckhardt
Edgar
Edwards, Calif.
Findley
Flood
Forsythe
Garcia
Giaimo
Gonzalez
Hall, Ohio
Harkin

Holland
Holtzman
Huckaby
Hutto
Ichord
Ireland
Kelly
Lehman
Livingston
Lundine
Mathis
Mitchell, Md.
Mollohan
Murphy, Pa.
Nolan
O'Brien
Pashayan
Pepper
Petri
Pritchard
Rhodes
Richmond
Rodino
Rose
Rosenthal
Rousselot
Santini
Sawyer
Scheuer
Shuster
Stack
Taylor
Traxler
Udall
Ullman
Vander Jagt
Williams, Ohio
Wilson, Tex.

☐ 1300

So the amendment was agreed to.

The result of the vote was announced as above recorded.

☐ 1310

AMENDMENT OFFERED BY MR. KOSTMAYER

Mr. KOSTMAYER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. KOSTMAYER: On page 27, line 23, strike the period and insert: ": *Provided further*, that 731 personnel positions shall be allocated exclusively to the Office of Nuclear Reactor Regulation to carry out those responsibilities authorized by law.".

Mr. KOSTMAYER (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. KOSTMAYER. Mr. Chairman, on May 9 last, the Committee on Interior and Insular Affairs, on which I serve, authorized 85 additional personnel for the Nuclear Regulatory Commission. When that authorization made its way to the Committee on Appropriations, 15 additional employees were added and, in addition, the following stipulation was added by the subcommittee:

The committee's recommendation for 1980 includes the 100 additional positions for the Nuclear Reactor Regulatory Program with the stipulation that these be available solely for the purpose of continuing to license nuclear plant construction.

Mr. MYERS of Indiana. Mr. Chairman, will the gentleman yield?

Mr. KOSTMAYER. I yield to the gentleman from Indiana.

Mr. MYERS of Indiana. Is this the amendment that you had printed in the RECORD of June 15?

Mr. KOSTMAYER. No, this is a substitute amendment.

I ask unanimous consent for the Clerk to read it.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The Clerk read as follows:

Amendment to H.R. 4388 offered by Mr. KOSTMAYER: On page 27, line 23, strike the period and insert: "*Provided further*, That 731 personnel positions shall be allocated exclusively to the Office of Nuclear Reactor Regulation to carry out those responsibilities authorized by law.".

Mr. KOSTMAYER. Mr. Chairman, these personnel were requested for a number of reasons including environmental and safety and also licensing. Of the 85 individuals requested only 17 were asked for, for purposes of licensing nuclear plants. Nevetheless, the Subcommittee on Appropriations added the stipulation that they all be used for licensing.

I have letters with three of the five members of the Nuclear Regulatory Commission. The Chairman of the Commision, Mr. Hendrie, has written to me asking for some flexibility in the stipulation and Commissioner Gilinsky wrote and said:

I am uncertain of the Appropriation Committee's intent and I would like to see this question clarified. If the intent of the clause with the stipulation that these be available solely for the purpose of continuing to license nuclear plant construction is to limit the added personnel's employment to the review of applications for construction permits, and that is certainly a permissible reading, then it would hobble effective use of the new staff and the restrictions should be relaxed.

Finally, Commissioner Bradford wrote in a letter of June 12 to me:

The NRC's previous request for 85 new people was, as the Commission's letter implies, not just for work on reactor licensing but included people to work on the licensing amendment backlog and on unresolved safety issues among other things. Any condition timed to propose 100 new professionals narrowly to the issuing of new licenses will result in further slippage in these other vital areas.

Indeed, if my amendment is not agreed to, the 100 additional new employees could do nothing else but license nuclear plants and I think in the light of the accident at Three Mile Island that the NRC should have the flexibility to use these employees for other purposes including safety. Under my amendment all would be used within the Office of Nuclear Reactor Regulation. They would not be restricted to licensing alone, but would be involved in other functions including the safety and environmental aspects of nuclear energy.

Finally, the amendment recognizes the concerns of Mr. Harold Denton, who heads the Office of Nuclear Reactor Regulation, and in a memo of his of May 19 last, he points out that offices priorities. There are six of them in number. Mr. Chairman, and the last priority is the licensing of nuclear plants.

This amendment makes it clear that these employees, the majority of them, should not be used for the licensing of nuclear plants, but should be used for a number of other functions so long as they are used within the Office of Nuclear Reactor Regulation.

Mr. BEVILL. Mr. Chairman, will the gentleman yield to me?

Mr. KOSTMAYER. I yield to the gentleman from Alabama.

Mr. BEVILL. We can accept this amendment. As a matter of fact, the committee intended to provide 100 additional people for the Nuclear Reactor Regulatory program. I think the gentleman's amendment does improve on our language. The committee provided these personnel for continuing the licensing operations of the NRC. The amendment does confine it to what they should be used for, the regulation program in NRC, so we can accept the gentleman's amendment and commend the gentleman for improving upon the wording that was in the bill.

Mr. KOSTMAYER. I thank the gentleman.

Mr. MARKEY. Mr. Chairman, will the gentleman yield to me?

Mr. KOSTMAYER. I yield to the gentleman from Massachusetts.

Mr. MARKEY. I think the amendment which the gentleman from Pennsylvania has offered is one which very wisely further clarifies the intention of the language that the gentleman from the Committee on Appropriations just indicated. It is not a good policy for the newest people, the newest personnel, the people who are going to be hired under this measure, to be working on the most significant aspect of the nuclear process which is licensing whether or not plants go on line.

We believe, and I believe the gentleman from Pennsylvania does, that the proper focus at this point in time is on safety and that is where the emphasis should be given and that is where the emphasis should be.

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent Mr. KOSTMAYER was allowed to proceed for 2 additional minutes.)

Mr. MARKEY. Will the gentleman yield further, Mr. Chairman?

Mr. KOSTMAYER. I yield to the gentleman from Massachusetts.

Mr. MARKEY. I think, in the light of Three Mile Island, the regulatory process has come under such "tight scrutiny" that the American people will not be satisfied until we place the most trained personnel at the Nuclear Regulatory Commission on a total reevaluation of their licensing practices. The amendment of the gentleman from Pennsylvania is very timely and is well drafted. It is not an obstructive or shortsighted policy which he is trying to implement.

Mr. WEAVER. Mr. Chairman, will the gentleman yield?

Mr. KOSTMAYER. I yield to the gentleman from Oregon.

Mr. WEAVER. I wish to commend the gentleman in the well for his excellent leadership on this issue, as well as the gentleman from Massachusetts, both members of the Three Mile Island task force. We saw there so clearly that there are potential design failures in nuclear plants that should be attended to. That should be the first order of business of the Nuclear Regulatory Commission, to to make sure such a thing is not iterated through the country in other nuclear plants.

I thank the gentleman for his amendment.

Mr. CLAUSEN. Mr. Chairman, will the gentleman yield?

Mr. KOSTMAYER. I yield to the gentleman from California.

Mr. CLAUSEN. Mr. Chairman, does the amendment coincide with the action taken by the Committee on Interior and Insular Affairs?

Mr. KOSTMAYER. Yes, it does, and the amendment is absolutely contrary to the language in the report and I think it corrects the language in the report which restricted these additional personnel for licensing only. They will now be permitted to be involved in licensing as well as other functions.

Mr. BEVILL. Mr. Chairman, will the gentleman yield?

Mr. KOSTMAYER. I yield to the gentleman from Alabama.

Mr. BEVILL. As the gentleman knows, Thursday I pointed this out on the floor there was a printing error in the committee report. It should have stated that the additional personnel would be available for the purpose of continuing to license nuclear plant construction and operation. I do not want anyone to be misled. The gentleman's amendment does clarify the intent of the Committee on Appropriations in providing these additional positions.

Mr. KOSTMAYER. Mr. Chairman, for the sake of the record, I would point out that the subcommittee's initial discussion with me that we were merely correcting a typographical error did not go far enough. I think we have gone further in this amendment than merely the correcting of the typographical error.

Mr. CLAUSEN. Mr. Chairman, will the gentleman yield further?

Mr. KOSTMAYER. I yield to the gentleman from California.

Mr. CLAUSEN. I understand this is in line with Mr. Denton's recommendation.

The CHAIRMAN. The time of the gentleman has expired.

Mr. MYERS of Indiana. Mr. Chairman, I move to strike the last word and speak in support of the amendment.

As the chairman said, it is the intent of this commitee that the licensing and related activities of the Commission be continued in an orderly fashion. It should be remembered that the 100 additional personnel that have been mentioned were actually provided in the 1979 Supplemental Appropriation bill which was considered and passed earlier this month. In the commitee report, we made it very clear that that 100 additional personnel for the office of reactor regulation were to be used for "the purpose of continuing to license nuclear plant construction and operation. . ." We are merely providing for continuing authorization for these personnel. The gentleman's amendment is consistent with the legislative history in this regard.

The minority accepts the amendment, Mr. Chairman.

Mr. McCORMACK. Mr. Chairman, would the gentleman yield?

Mr. MYERS of Indiana. I yield to my colleague.

Mr. McCORMACK. I wish to rise to support he remarks of the gentleman. I support the amendment but it should be understood what the amendment says. It is in agreement with many of us who were involved in discussions before the amendment was put to the floor and we agreed on this compromise language, to carry out those responsibilities authorized by law.

There is nothing we can say here which says these people cannot be used for licensing. That is what the report says and that is what my vote represents, that these people can be used both for licensing or any other responsibilities under the Office of Nuclear Reactor Regulation to carry out those responsibilities authorized by law.

□ 1220

Testifying before our Committee on Science and Technology on the Three Mile accident, Mr. Denton pointed out that if they pick up all of their licenses on schedule they will have about 75 plants operating at the end of the year; but there are a large number of plants that are awaiting operating permits and construction permits; so that during the next 12 to 24 months there will be a large number of plants coming on the line.

Now, the one thing that we do not want to do is to do anything on this floor which would inhibit the operation of the Nuclear Regulatory Commission getting those plants on the line.

As a matter of fact, there are 28 plants that could be on the line by the end of 1982 and a 6-months' delay on them even would be equivalent to 149 million barrels of oil electric energy production; so let us get this point completely straight, that although the person who submitted the amendment may have said that these men cannot be used for licensing, that does not bind the Nuclear Regulatory Commission, because that is not what the amendment says.

Further than that, these men who go on may be replacing men who are now working for the Nuclear Regulatory Commission who could be shifted over to licensing.

The spirit of this amendment should be that while we do everything we can to provide the NRC with the members it needs, the staff it needs, to provide safety and studies and emergency planning, that we should be getting our plants on the line at the same time, and that is the function of the office, according to the way the amendment is written.

Mr. WEAVER. Mr. Chairman, I move to strike the requisite number of words. I rise in support of the amendment.

Mr. Chairman, I yield to the gentleman from Pennsylvania (Mr. KOSTMAYER).

Mr. KOSTMAYER. Mr. Chairman, I should like to correct my friend, the gentleman from Washington, by saying that I did not indicate at any time that this would place any restrictions on licensing. What it does is correct the action the committee took in its report.

This amendment states that the licensing of nuclear plants in this country will not continue at the pace at which the committee would like it to continue.

It says that the personnel requested by the NRC, authorized and approriated by the committees shall be used for those purposes for which they were authorized and shall be used for those purposes only. Those purposes in my opinion were altered by the appropriations subcommittee.

We are now restoring, by adopting this amendment, the original intent of the authorizing committee. Indeed, only 18 of these staff were requested for licensing. Eighteen may continue to be used for licensing. More than 18 may be used for licensing; but the Nuclear Regulatory Commission will now have the discretion to use them for safety and environmental standards as well.

I think it is clear that the meaning of this amendment and the author of this amendment intends that we shall not proceed with business as usual. We shall not proceed full speed ahead with nuclear energy. This is a change in the action of the Appropriation Committee.

If the gentleman from Washington disagrees with me, then I would gladly withdraw this amendment and offer the original amendment and abandon the compromise.

Mr. WEAVER. Mr. Chairman, what the gentleman from Pennsylvania has just said is my complete understanding also of the amendment of the appropriation and authorization process. We felt and felt very strongly that Three Mile Island showed serious design deficiencies in plants, serious operating deficiencies in nuclear plants, and that it was the first function of the Nuclear Regulatory Commission today to go out and investigate every plant in this country to make sure that the lessons learned from Three Mile Island are not lying dangerously latent in other nuclear plants.

Now that there will be licensing of other nuclear plants, that remains for further debate; but the amendment of the gentleman from Pennsylvania states very clearly and its intent is very clear that the first order of our country in the nuclear field is to make sure these plants are safe and if we have the personnel both to make sure they are safe and to license, then the amendment says all right; but the first order is safety.

I thank the gentleman.

Mr. McCORMACK. Mr. Chairman, I move to strike the requisite number of words. I rise in support of the amendment.

Mr. Chairman, I remind the Members that the amendment reads that 731 positions shall be allocated exclusively to the office of nuclear reactor regulations to carry out those responsibilities authorized by law. Those responsibilities include licensing.

The NRC has pulled out 70 of its staff on special projects for reviewing operating plants, for putting out bulletins and orders in respect to them, for handling unresolved safety issues and the Special Lessons Learned Committee. These are 70 people that have been taken out of licensing work now because of the Three Mile Island accident. They are not doing casework on the various plants that should presently being considered for licensing.

This amendment would provide extra staff for the NRC. According to the wording of the amendment, the NRC shall carry out its activities according to the provision of law, which include licensing; both for construction and operation.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania (Mr. KOSTMAYER).

The question was taken; and the chairman announced that the ayes appeared to have it.

RECORDED VOTE

Mr. McCORMACK. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 350, noes 12, not voting 72, as follows:

[Roll No. 251]

AYES—350

Abdnor
Addabbo
Akaka
Alexander
Ambro
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Applegate
Archer
Ashbrook
AuCoin
Badham
Bafalis
Bailey
Baldus
Barnard
Barnes
Bauman
Beard, R.I.
Bedell
Beilenson
Benjamin
Bennett
Bereuter
Bethune
Bevill
Biaggi
Bingham
Blanchard
Boggs
Boland
Boner
Bonior
Bonker
Bouquard
Bowen
Brademas
Brinkley
Brodhead
Brooks
Broomfield
Brown, Calif.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burlison
Burton, John
Burton, Phillip
Butler
Byron
Campbell
Carney
Carter
Cavanaugh
Clausen
Clay
Cleveland
Clinger
Coelho
Coleman
Collins, Ill.
Collins, Tex.
Conte
Corman
Cotter
Coughlin
Courter
D'Amours
Daniel, Dan
Daniel, R. W.
Danielson
Dannemeyer
Davis, Mich.
Deckard
Dellums
Derrick
Derwinski
Devine
Dickinson
Dicks
Dingell
Dixon
Donnelly
Dornan
Dougherty
Drinan
Duncan, Tenn.
Early
Edwards, Ala.
Edwards, Calif.
Edwards, Okla.
Emery
English
Erdahl
Erlenborn
Ertel
Evans, Del.
Evans, Ga.
Evans, Ind.
Fary
Fascell
Fazio
Fenwick
Ferraro
Fish
Fithian
Flippo
Florio
Foley
Ford, Mich.
Ford, Tenn.
Fountain
Fowler
Frenzel
Frost
Fuqua
Gaydos
Gephardt
Gibbons
Gilman
Gingrich
Ginn
Glickman
Goldwater
Gonzalez
Goodling
Gore
Gradison
Grassley
Gray
Green
Grisham
Guarini
Gudger
Guyer
Hagedorn
Hall, Ohio
Hall, Tex.
Hamilton
Hammerschmidt
Hance
Hanley
Hansen
Harris
Harsha
Hawkins
Heckler
Hefner
Heftel
Hightower
Hillis
Hinson
Hollenbeck
Holt
Holtzman
Hopkins
Howard
Hubbard
Hughes
Hyde
Jacobs
Jeffords
Jeffries
Jenkins
Jenrette
Johnson, Calif.
Johnson, Colo.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kastenmeier
Kazen
Kemp
Kildee
Kindness
Kogovsek
Kostmayer
Kramer
LaFalce
Lagomarsino
Latta
Leach, Iowa
Leach, La.
Lederer
Lee
Leland
Lent
Levitas
Lewis
Lloyd
Loeffler
Long, La.
Long, Md.
Lott
Lowry
Lujan
Luken
Lungren
McClory
McCloskey
McCormack
McDade
McEwen
McHugh
McKay
McKinney
Madigan
Maguire
Markey
Marks
Marlenee
Marriott
Matsui
Mattox
Mavroules
Mazzoli
Mica
Michel
Mikulski
Mikva
Miller, Calif.
Miller, Ohio
Mineta
Minish
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Moore
Moorhead, Calif.
Moorhead, Pa.
Mottl
Murphy, Ill.
Murphy, Pa.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nedzi
Nelson
Nichols
Nowak
O'Brien
Oakar
Oberstar
Obey
Ottinger
Panetta
Patten
Patterson
Pease
Perkins
Peyser
Pickle
Preyer
Price
Pursell
Quayle
Quillen
Rahall
Railsback
Rangel
Ratchford
Regula
Reuss
Rinaldo
Ritter
Roberts
Robinson
Roe
Rostenkowski
Roth
Roybal
Royer
Runnels
Russo
Sabo
Satterfield
Scheuer
Schroeder
Schulze
Sebelius
Seiberling
Sensenbrenner
Shannon
Sharp
Shelby
Shumway
Simon
Skelton
Slack
Smith, Iowa
Smith, Nebr.
Snowe
Snyder
Solarz
Spellman
Spence
St Germain
Staggers
Stangeland
Stanton
Stark
Steed
Stenholm
Stewart
Studds
Swift
Synar
Tauke
Thomas
Thompson
Traxler
Treen
Trible
Van Deerlin
Vanik
Vento
Volkmer
Walgren
Walker
Wampler
Watkins
Waxman
Weaver
Weiss
White
Whitehurst
Whitley
Whittaker
Whitten
Williams, Mont.
Wilson, Bob
Winn
Wirth
Wolff
Wolpe
Wright
Wydler
Wylie
Yates
Yatron
Young, Fla.
Young, Mo.
Zablocki
Zeferetti

NOES—12

Albosta
Gramm
Leath, Tex.
McDonald
Paul
Rudd
Solomon
Stratton
Stump
Symms
Wyatt
Young, Alaska

NOT VOTING—72

Anderson, Ill.
Anthony
Ashley
Aspin
Atkinson
Beard, Tenn.
Bolling
Breaux
Carr
Chappell
Cheney
Chisholm
Conable
Conyers
Corcoran
Crane, Daniel
Crane, Philip
Daschle
Davis, S.C.
de la Garza
Diggs
Dodd
Downey
Duncan, Oreg.
Eckhardt
Edgar
Findley
Fisher
Flood
Forsythe
Garcia
Giaimo
Harkin
Holland
Horton
Huckaby
Hutto
Ichord
Ireland
Kelly
Lehman
Livingston
Lundine
Martin
Mathis
Mollohan
Montgomery
Murphy, N.Y.
Nolan
Pashayan
Pepper
Petri
Pritchard
Rhodes
Richmond
Rodino
Rose
Rosenthal
Rousselot
Santini
Sawyer
Shuster
Stack
Stockman
Stokes
Taylor
Udall
Ullman
Vander Jagt
Williams, Ohio
Wilson, C. H.
Wilson, Tex.

□ 1340

So the amendment was agreed to.

The result of the vote was announced as above recorded.

AMENDMENT OFFERED BY MR. WEAVER

Mr. WEAVER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. WEAVER: On page 27 after line 23, add:
>
> "No monies appropriated in this paragraph may be expended by the Nuclear Regulatory Commission for the issuance of an operating license for a nuclear powerplant located in a state which does not have an emergency evacuation plan which has been tested, and submitted to the Commission pursuant to law.".

Mr. MYERS of Indiana. Mr. Chairman, I reserve a point of order on that amendment.

The CHAIRMAN. The gentleman from Indiana reserves a point of order on the amendment.

Does the gentleman wish to proceed on his point of order at this time?

Mr. MYERS of Indiana. No, Mr. Chairman.

The CHAIRMAN. The Chair recognizes the gentleman from Oregon (Mr. WEAVER) for 5 minutes in support of his amendment.

Mr. WEAVER. Mr. Chairman, the purpose of my amendment is simply to say that when a nuclear powerplant that has been constructed comes up for an operating license—this is a new plant—when it requests an operating license, my amendment says that for the next fiscal year the State in which the nuclear plant is situated have an emergency evacuation plan that has been tested and has submitted it to the Nuclear Regulatory Commission pursuant to law. It is a very simple amendment.

At this time the NRC requires a utility applicant to submit a site emergency plan for the plant itself. Its approval is a condition of license for the site plan. However, these emergency plans do not include evacuation plans for the surrounding population.

In response to questions submitted by the gentleman from Arizona (Mr. UDALL), the NRC stated:

> The NRC does not require explicit evacuation plans as a condition for issuing a license.

The General Accounting Office, in a March 30, 1979, report on this issue, which report came into our hands almost on the day the Three Mile Island accident began, stated that "deficiencies in planning and preparedness cast some doubt on whether effective actions would be taken to protect the public should a nuclear release extend outside facility boundaries" in 43 States. The primary recommendation to the Chairman of the NRC was that he should "allow nuclear powerplants to begin operation only where State and local emergency response plans contain all the Commission's essential planning elements."

The NRC has been identified as the lead Federal agency and it is charged with reviewing and approving the State plans. It has issued guidelines, standards and procedures for formulation, review, and concurrence. The only factor missing is one that makes the States take evacuation planning seriously.

Mr. OTTINGER. Mr. Chairman, will the gentleman yield?

Mr. WEAVER. I yield to the gentleman from New York.

Mr. OTTINGER. Mr. Chairman, I would like to congratulate the gentleman on his amendment.

The gentleman from Connecticut (Mr. MOFFETT) recently conducted a hearing in my district on the adequacy of emergency plans for the nuclear facilities just outside of New York City. This hearing demonstrated that no adequate plans exist for Westchester County, the New York City area nor the State.

Indeed no plans exist to carry out an evacuation that would be required if the same kind of incident occurred as happened at Three Mile Island. There must be a plan for evacuating areas near nuclear facilities. To put new nuclear plants in an area where there is no evacuation plan seems to be the height of folly. This amendment focuses in on such plans. I think it is a very constructive and essential plan.

Mr. WEAVER. I thank the gentleman.

Mr. WYDLER. Mr. Chairman, will the gentleman yield?

Mr. WEAVER. I yield to the gentleman from New York.

Mr. WYDLER. Mr. Chairman, the gentleman's amendment, among other things, requires that the evacuation plan be tested. Is it the gentleman's intention, by the use of that word, to require something like a fire drill, where everybody in the area is going to have to be evacuated once or more times to qualify under the words that the gentleman put in this amendment?

Mr. WEAVER. I put the word in the amendment specifically because the General Accounting Office report says that the plans that have not been tested are ineffective and most likely will not work. The testing is one of the key ingredients.

Mr. WYDLER. The gentleman's amendment, if the gentleman will yield further, uses the word "tested." The word "tested," to me, means that you evacuate people and test it. Is that what the gentleman has in mind, that you have a couple of practice evacuations before the plant can be licensed?

Mr. WEAVER. There are many ways to test.

Mr. MARKEY. Mr. Chairman, will the gentleman yield?

Mr. WEAVER. I yield to the gentleman from Massachusetts.

Mr. MARKEY. Mr. Chairman, it is my belief that the intention of this amendment is that the evacuation plan shall be tested by officials in the State, not an actual evacuation of civilian personnel would have to occur; rather, that the officials in the State would have responsibility should it be necessary to go through the evacuation plan.

POINT OF ORDER

Does the gentleman from Indiana (Mr. Myers) wish to press his point of order?

Mr. MYERS of Indiana. I do, Mr. Chairman.

The CHAIRMAN. The gentleman is recognized on his point of order.

Mr. MYERS of Indiana. Mr. Chairman, the proposed amendment offered by the gentleman from Oregon (Mr. Weaver) is a violation of rule XXI, clause 2. The requirement that a State must adopt and issue an evacuation plan I think is suspect, but the words "which has been tested" clearly make it a violation of rule XXI, clause 2, in that it is clearly legislation on an appropriation bill. It requires a duty not now required by law.

I cite the precedents from Deschler's Procedure, chapter 26, 11.3, which reads:

> It is not in order, in an appropriation bill, to impose additional duties on an executive officer or to make the appropriation contingent on the performance of such duties. May 28, 1968 . . . where, to a bill making appropriations for the Department of State, including an item for the U.S. contribution to various international organizations, an amendment providing that none of the funds might be expended until all other members of such organizations have met their financial obligations, was ruled out as legislation which imposed a duty on a Federal official to determine the extent of such obligations.

In the same chapter, paragraph 11.24:

> To a bill making supplemental appropriations to various agencies, including an additional amount for assistance to refugees in the United States, an amendment specifying that no part of this particular appropriation shall be used until adequate screening procedures are established to prohibit the infiltration of communists posing as Cuban refugees, imposed additional duties and was ruled out as legislation.

I think that chapter 18.1 is probably more in point of issue. This was a foreign aid program.

> To a general appropriation bill making appropriations for foreign assistance, an amendment prohibiting the use of any funds carried in the bill for certain capital projects costing in excess of $1 million 'until the head of the agency involved has received and considered a report, prepared by officials within the agency, on the justification and feasibility of such project' was held to impose additional duties and was ruled out as legislation.

☐ 1350

Mr. Chairman, it is very clear in the rules where an amendment to language in a general appropriations bill implicitly places new duties on officers of the Government or implicitly requires them to make investigations, compile evidence, or make judgments and determinations not required of them by law, such as a judge, was conceded to the legislation and subject to a point of order.

Mr. Chairman, this clearly places some responsibility of testing on someone, rather vague, but not now required by law, who is to conduct the test, how it is to be conducted, and what criterion. There is no evidence of any so-called laws or rules today. It is clearly a violation of rule XXI, clause 2.

The CHAIRMAN. Does the gentleman from Oregon (Mr. Weaver) wish to respond?

Mr. WEAVER. I thank the Chairman.

The amendment reads very factually, and it reads pursuant to law. It makes no new law, Mr. Chairman.

As a matter of fact, the law is already there in the Atomic Energy Act, chapter 10, atomic energy licenses, and under section 103 (a) and (b), it gives the Nuclear Regulatory Commission complete authority for the public health and safety to do the kind of licensing that is now being done.

What the amendment does is not like the examples shown by the gentleman from Indiana (Mr. Myers), such as screening or imposing new duties on any Government, any Federal Government official at all. It simply says that if a plant has an emergency evacuation plan that has been tested and submitted to the NRC, pursuant to law; it imposes no new duties on the Federal official. It does not require them to go out implicitly or explicitly and make any investigation of any kind, and just simply go on doing the duties they have been doing under the law that they now act upon. So it is the normal course of duty.

It just simply says that no new operating license will be granted a plant if this factual situation has not been met.

Mr. MYERS of Indiana. In a colloquy a moment ago, the author of this amendment, in a dialog with the gentleman from New York (Mr. Wydler), conceded that the basis for his including this testing was not from law, but from a report from the General Accounting Office.

It appears to me that concession was made there that the basis was not from law but from a report.

The CHAIRMAN. The amendment offered by the gentleman from Oregon (Mr. Weaver) would prohibit the expenditures of funds by the NRC by issuance of an operating license by nuclear power industries in any State which is to have emergency evacuation plans has been tested and submitted to the NRC pursuant to law.

The Chair has examined the law with respect to the authority of the NRC to request submission of State emergency evacuation plans, in determining whether to issue an operating license. Under 42 U.S.C. 2133 and 2137, the NRC has virtually total discretionary authority to request or require the submission of any information by a prospective licensee which relates to the public health and safety aspects of the operation of nuclear power plants in any State.

The language of the amendment, however, imposes additional duties on the NRC to determine if a State plan has been tested by the State.

Consequently, the amendment constitutes legislation on an appropriation bill, and the point of order made by the gentleman from Indiana (Mr. Myers) is sustained.

AMENDMENT OFFERED BY MR. WEAVER

Mr. WEAVER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. Weaver: On page 27 after line 23, add: "No moneys appropriated in this paragraph may be expended by the Nuclear Regulatory Commission for the issuance of an operating license for a nuclear powerplant located in a State which does not have an emergency evacuation plan which has been submitted to the Commission pursuant to law.".

Mr. WEAVER. Mr. Chairman, I shall not burden the House with the remarks I have made on the preceding amendment. I will say that this amendment, while not quite as strong, as the General Accounting Office does say that in order to make emergency evacuation plans effective, they must be tested. I would hope if this amendment passes this House, that the Nuclear Regulatory Commission would see in that the fact that this House is interested in getting an effective emergency evacuation plan and therefore would require, as they now have the authority to do, that that plan be tested.

So this amendment again is just as important as the original one that I offered, but now we must make the point in floor debate that we expect—I certainly expect, as the author of this amendment—that the Nuclear Regulatory Commission will make these emergency evacuation plans as effective as they could possibly be, and that would include testing.

Mr. WEISS. Mr. Chairman, will the gentleman yield?

Mr. WEAVER. I yield to the gentleman from New York.

Mr. WEISS. Mr. Chairman, I want to commend the gentleman for his efforts in this regard.

We can think back only to some 6 or 7 weeks ago when the Three Mile incident was occurring and reaching the panicky heights which it reached, and we saw the Nuclear Regulatory Commission members scurrying around, trying to find out who, if anybody, was the person responsible for evacuation plans in the Harrisburg area in Pennsylvania.

The first big problem they had was of locating somebody who knew anything about evacuation plans.

Then, of course, it turned out there was really nothing approximating any effective evacuation plan at all. Nor did the problem only affect just the people in the immediate area.

My constituents in New York City were from day to day subjected to reports which told them what they could expect if in fact the worst occurred and there was a large leak of emission of radiation. The radiation effects would clearly have hit the New York City area. They would clearly have hit the Washington, D.C., area.

It seems to me that those who think that nuclear power is something which ought to be relied on by this country have the obligation to guarantee to the people of this country that they are not being callously disregarded should anything go wrong. In the wake of Three Mile Island, it is no longer possible for any ardent advocate of nuclear power to suggest that the worst could not happen.

Again, I want to commend the gentleman for his efforts.

Mr. Chairman, the amendment being offered by the gentleman from Oregon (Mr. WEAVER) would establish a reasonable and essential precondition to the issuance of operating licenses for nuclear powerplants.

It seems to me to be entirely appropriate—in fact indispensable—that a State in which in an atomic reactor is to be located have in place an emergency evacuation plan approved by the Nuclear Regulatory Commission.

Such a requirement should have been part of the NRC licensing procedure from the very beginning. We need only think back to the frightening confusion as State and Federal officials tried desperately to devise a last-minute plan for evacuating the area around Three Mile Island. Had a carefully designed evacuation scenario been developed prior to the accident, at least this aspect of the crisis could have been avoided.

The gentleman's amendment today would remedy this grievous omission from the licensing process. Its cost would be quite negligible—especially when we consider that this provision might save hundreds or thousands of lives.

The General Accounting Office, after surveying all 50 States and finding only 10 with adequate evacuation plans, recommended that nuclear plant licensing be made contingent on development of such plans. Likewise, Mr. Chairman, the Interior Committee adopted an amendment to H.R. 4388 identical to the one being proposed by Mr. WEAVER.

I urge my colleagues to support this proposal which would add a measure of desperately needed protection for the hundreds of thousands of Americans living near nuclear facilities.

Mr. WEAVER. I want to thank the gentleman from New York (Mr. WEISS), because he has come upon one of the most important points in this whole affair. That is, we do not really know how large an area we are going to have to have an evacuation plan for. We do not know if those 36,000 rods of nuclear fuel in Three Mile Island had hit the ground at the Susquehanna River at 5,000 degrees Fahrenheit, what would have ensued from then on, whether the Chesapeake Bay would have been a Dead Sea for 1,0000 years or how many people or what city would have had to have been evacuated. We do not know these things.

Dr. Hendrie, the chairman of the Nuclear Regulatory Commission, said during the Three Mile Island incident:

> We are operating in the blind. We do not know what is happening.

The plant was out of control. No one knew what was happening at Three Mile Island, and no one knows what would have happened if there had been—and it came this close, within inches of melt down—no one knows what would have happened.

Mr. GONZALEZ. Mr. Chairman, will the gentleman yield?

Mr. WEAVER. I yield to the gentleman from Texas.

Mr. GONZALEZ. Mr. Chairman, I rise in support of the gentleman's amendment and again compliment the gentleman for his efforts in this respect.

I think it is something that too long the Congress has overlooked. I believe that it is a very serious, very much needed amendment. I support the gentleman in his efforts to have it approved.

Mr. WEAVER. I thank the gentleman.

Mr. BROWN of Ohio. Mr. Chairman, will the gentleman yield?

Mr. WEAVER. I yield to the gentleman from Ohio.

Mr. BROWN of Ohio. Let me ask if I understand the rest of this amendment. It is that the nuclear powerplant would not be licensed; that is, the utility would be punished for something the State does or does not do; is that correct?

Mr. WEAVER. The contrary, of course, is that the people of that State would be punished for something the utility company did not think about.

□ 1400

Mr. BROWN of Ohio. Presumably, if the gentleman will yield further, presumably the utility company and the State which has the responsibility for the plan both are serving the same people.

The CHAIRMAN. The time of the gentleman has expired.

(At the request of Mr. BROWN of Ohio and by unanimous consent Mr. WEAVER was allowed to proceed for 7 additional minutes.)

Mr. BROWN of Ohio. The thing I have a little trouble with is the equity. If we were punishing the utility for not having the safety plan that the utility has the authority to set up, or punishing the State for not having a plan that it was authorized to set up, it seems to me to be logical. But to punish one entity for something that another entity does not do, it seems to me, may not have equity in it.

Could the gentleman explain to me the equity of that situation?

Mr. WEAVER. The gentleman from Ohio is raising a most interesting point.

My amendment says this: That we do not want to punish the pregnant women and the children who are so susceptible to radioactivity in the event that there is another accident such as Three Mile Island. We do not want to punish the people in the surrounding area, we want at least, if we must have nuclear energy, at least to have a plan ready to get those people out of there as soon as possible so that future generations as people may live in safety. We are not trying to punish any particular State or utility, we just say do your business and protect the people you serve.

Mr. BROWN of Ohio. If the gentleman will yield further, it seems to me it punishes the pregnant women and the little children, and even the people who work for a living if there is no power. The question I am trying to get at is how, by refusing a power company a license for something that the State fails to do, how are we achieving anything? We have a situation wherein the person who is punished has control over making the determination on whether or not they are to be punished.

Mr. WEAVER. My dear friend from Ohio, I think anyway, is arguing for my amendment. If the utility and State cannot do this simple, fundamental thing of having an emergency evacuation plan, something is terribly wrong.

Mr. LUJAN. Mr. Chairman, would the gentleman yield?

Mr. WEAVER. I yield to my dear and distinguished colleague from New Mexico.

Mr. LUJAN. Is it your intent that if a State legislature decides not to pass some kind of an evacuation plan that then no license can be issued in that State? If that is, the gentleman is putting the State legislature in a really untenable position because there is not a State legislature in this country that is going to take the bull by the horns and say that is all right, we want you to come over here and build a nuclear power plant, particularly in the type of atmosphere the gentleman is creating.

Mr. WEAVER. I would say to my dear friend, State legislatures are usually staffed officially by elected officials, they are elected by the people. Can my colleague imagine not voting for an emergency evacuation plan? I am sure that the State legislatures and the governors, who have a great deal of interest in making sure that there is an emergency evacuation plan, would not in any way try to defeat this.

Mr. LUJAN. The gentleman knows very well what he is doing in this particular case. A State legislature may refuse to take up the issue, and in many cases that will happen. If they do not take it up, there will be no operating license.

Mr. WYDLER. Would the gentleman yield?

Mr. WEAVER. I would yield to my friend from New York.

Mr. WYDLER. I thank the gentleman for yielding and appreciate it. I want to go to the words of the gentleman's amendment if we may for a moment to see if I fully understand it. The amendment says that not a nickel may be spent in 1980, fiscal year 1980 for the issuance of an operating license, and the gentleman goes on to explain for nuclear powerplants and so on and so forth. Obviously I think the gentleman knows the issuance of an operating license is a proceeding that goes on for many years, as a practical matter. There are many hearings, lots of evidence is taken, many steps have to be initiated, and so on.

If I understand the amendment, this would not allow the first step to be taken toward this end until such time as the State has a full evacuation plan for the plant.

Mr. WEAVER. I will be delighted to clarify.

Mr. WYDLER. In effect, for 1 year at least, this fiscal year when this amendment would be in effect, all proceedings would be stopped.

Mr. WEAVER. I would like to reclaim my time if I might. I would like to clarify that for the distinguished gentleman from New York. He has raised a good issue, a good question.

It is very clear that the intent of the author and the language itself says that the actual issuance of the license is the only thing. I want them to do all of the work they can possibly to make sure the plants are safe. They must go over the plan, get it ready for issuance of the license. But I do not want them to do that one last thing, the actual issuance of the license, until there is an emergency evacuation plan.

Mr. MOFFETT. Mr. Chairman, would the gentleman yield?

Mr. WEAVER. I yield to the gentleman from Connecticut.

Mr. MOFFETT. I think it is important to respond to the question raised by the gentleman from New Mexico. The State legislatures have not been significantly involved in the approval and the creation, approval of these plans. Many Governors have taken it upon themselves and gone ahead with plans and I think that is important. It has not exactly been a monumental task to put a plan together.

I think this is one of the reasons, and I will speak to this more on my own time, that the plans are essentially paper plans at this point.

Mr. WEAVER. Yes; I am going to conclude in the minute I have left by saying that the investigation of the Three Mile Island showed one thing conclusively. Those in charge of our nuclear technology, the designers of the plants, the operators of the plants and the nuclear regulators themselves did not thing it could happen. Our investigation showed that the gages, the measurements, the devices to determine what was going on in the plant did not even measure the kinds of readings, the temperature readings, the pressure readings that occurred in the Three Mile Island accident. They were not even supposed to measure such readings simply because their designers did not believe such an accident could happen.

The computer, when it was working, printed out question marks. So we now know that it can happen. We now know that it was not a very unlikely thing that it happened.

Only two simple things occurred. A pump failed and a valve stuck open. That was it, and it brought that plant to its knees and put it out of control.

The Governor of Pennsylvania was faced with an agonizing decision. It appeared he did the right thing. But we must arm future Governors, we must arm them and be sure they are armed with an emergency evacuation plan for the safety of the people who live near nuclear plants.

Mr. WYDLER. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, we are faced here today with a very serious decision that has to be made. This amendment is probably the opening salvo in a campaign whose ultimate purpose is nothing more nor less than to bring nuclear energy and power in our Nation to a standstill. I think everybody here knows that the sponsor of this amendment has that very much as his goal and desire. He has expressed it on many occasions. He has not expressed it on the floor here today, but that is his ultimate goal and his drive. That is what he wants to bring about.

It is these kinds of amendments that we are going to have to face which are going to determine whether our country does, in fact, have nuclear power in the years to come. Yes, you can talk about the risks and dangers of nuclear power, and there are some, indeed there are. But there is no form of power in our Nation which does not have risks and dangers, and some of them much greater than those that are inherent in the production of power by a nuclear source, including even some of the ones that are being proposed now, like solar energy and wind energy; all of them, if analyzed, have risks involved in them. There is no way we can get power without taking some risks. It happens to be true also about nuclear power as well.

If we are going to have power, however, in our Nation, we are going to have to act sensibly. I ask my colleagues to look at the people that are waiting on the gasoline lines up my district in New York, down here in Washington, D.C., to understand that our Nation desperately needs and wants energy. All of the talk we have heard for the past few years about the fact we can get along without energy, we really do not need it, we are wasting energy, people do not have to have as much energy as they are using now, I say to those who talked that way to get on one of those gas lines and tell it to a person that is sitting in his car and waiting to get some gasoline.

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We desperately need energy and we want it. One of the greatest sources of power known to mankind is nuclear energy—properly handled, properly managed, properly produced. Our Nation can be the one nation in the world, I suppose, that will, through such mischievous amendments as the one we have before us today, be the one nation that will end up without this resource. The rest of the world, including France, which has just announced an increase in their need and production of nuclear power, and England, which is moving in the same direction because they are short of oil, realize that they want to help themselves. Our Nation is being told to turn inward and take away from itself this very necessary and reasonable power source.

I am going to just tell the Members what I think this amendment does, if they read it. It sounds good; we should have an evacuation plan, and have it pursuant to law. I can tell the Members I do not know what that means. We could spend a good 2 hours today trying to figure out what the words, "pursuant to law" mean in connection with this particular amendment. But this is no place, for this House to consider an amendment of the importance of this amendment in the appropriation procedure. For example, this amendment, if adopted, would only be effective for 1 year, the fiscal year it is addressed to. What kind of a silly way of trying to legislate on an important matter is it to bring this up in an appropriation bill and say that for the fiscal year 1980 we cannot spend a nickel for the issuance of an operating license for a nuclear plant unless certain conditions are met? How do we possibly administer that? The gentleman from Oregon tells me that he only means the last step. I presume that means the art of signing the license. But that is not what it says.

This says, the issuance of an operating license. That is a procedure that starts off in a small way and goes on for years; hearings are held, thousands of documents must be filed. All of this would be brought to a stop in the NRC while they tried to understand if a certain State, a particuar State, is going to pass an evacuation plan.

The CHAIRMAN. The time of the gentleman from New York has expired.

(By unanimous consent Mr. WYDLER was allowed to proceed for 3 additional minutes.)

Mr. WYDLER. Mr. Chairman, I say that is not the way to legislate in any sensible manner whatsoever. I think that we would be making the most serious blunder and error if we allowed ourselves to be stampeded into some idea that this is going to help somebody. It is not going to help anybody. It is not going to stop anything as a practical matter, but it is going to cause a great deal of difficulty and confusion to those who have to try to carry out their responsibilities under the law.

So, I would hope that this committee today and the House in general would wait until the proper authorization bills come to the floor, where we can write a sound and sensible law and consider matters such as this in a way that will result, if we think it is wise, in permanent provisions of the law, and not try to go into a matter of this magnitude and this importance in the appropriations bill today, striking out in a very blind manner and doing great damage to the future of our Nation.

Mr. LUJAN. Mr. Chairman, will the gentleman yield?

Mr. WYDLER. I yield to the gentleman from New Mexico.

Mr. LUJAN. Mr. Chairman, let me agree with the gentleman. We all think that all production of power ought to be as safe as possible, but this amendment is really an obstructionist kind of amendment. That is part of the problem we are facing today in the gasoline lines that exist, the shortages that exist. They came about because of well-meaning, perhaps, actions on the part of legislators.

Let me say, for example, I think that today's energy shortage, today's gasoline shortages, the lines right outside here, are caused because, first of all, there was a plan to bring the Alaskan oil to California, out into midland, and be distributed out into the rest of the country. California objected to that, and much of the blame can be laid on California for objecting to that, so that we could not get the proper amount of gasoline. We also have in the State of California no nuclear activities until the waste problem can be solved. That is ridiculous. When can anything happen? There are no new refineries, and we all complain every day because we have to stand in line for a couple of hours to get gasoline. It is this kind—this kind of legislation that leads to those shortages in this country.

Mr. WYDLER. I thank the gentleman.

Mr. CARNEY. Mr. Chairman, will the gentleman yield?

Mr. WYDLER. I yield to my colleague from New York.

Mr. CARNEY. Mr. Chairman, I would just like to talk about the safety aspect of nuclear power. I believe the score is 3 to 0. If we look at what has happened in New York City in the last month on gasoline lines, we see that three people have been murdered waiting for gasoline. I do not believe anybody lost his life at Three Mile Island, and I do not believe anybody has lost his life in the history of nuclear power generation for electricity.

The CHAIRMAN. The time of the gentleman from New York has again expired.

(By unanimous consent Mr. WYDLER was allowed to proceed for 1 additional minute.)

Mr. WEAVER. Mr. Chairman, will the gentleman yield?

Mr. WYDLER. I yield to the gentleman from Oregon.

Mr. WEAVER. I take the point of the gentleman from New York about the authorizing bill. I have put the amendment in the authorizing bill, but I can say to my colleague that it is absolutely no fault of the distinguished chairman of the subcommittee, who has done a marvelous job and has sat there very patiently, I can say, waiting for us on this debate, there is no guarantee that the authorizing bill, which should have come up before the appropriation bill, will ever reach the floor. The DOE authorization bill has not come up for 2 years now. So, therefore, I think it is essential, in light of Three Mile Island, that we put this in the appropriation bill.

Mr. WYDLER. The gentleman's point is well taken, except that I can assure him that a great deal of effort is going into bringing the DOE bill to the floor, and I think it will come to the floor soon, so we can safely wait.

Mr. HUGHES. Mr. Chairman, will the gentleman yield?

Mr. WYDLER. I yield to the gentleman from New Jersey.

Mr. HUGHES. Mr. Chairman, I am not sure I am going to support the amendment; I have some basic problems with it. I am just amazed at some of the statements I hear, such as problems that were caused by California because of the pipeline.

The CHAIRMAN. The time of the gentleman from New York has again expired.

(At the request of Mr. HUGHES and by unanimous consent, Mr. WYDLER was allowed to proceed for 2 additional minutes.)

Mr. HUGHES. Also, that California has a law that requires us to address the waste storage problem. One of the reasons why we are in the box we are in is because we have not been doing any planning. I have in place right now six nuclear powerplants, either in place or under development. I have helped the nuclear industry in my State gain the permits. Right now, the utilities are trying to extend the spent fuel capacity because they do not know what they are going to do with the waste storage, nor does the administration have any idea where it proposes to go in providing for the next step we are going to take. That does not make sense to me, and that is one of the reasons why the nuclear issue is elevated, because we do not face up to the hard choices we have to make.

Mr. WYDLER. I thank the gentleman, and I agree with him on what he is saying. It is the administration's problem, it is the waste storage problem, where to process the spent waste, but that is not our problem.

Let me say this: I think there is validity in the point that is being raised, because I have raised this in the State of New York about the position taken by some States. We are not going to go ahead with any development until such time as this waste disposal problem is taken care of—I do not know what they mean by that. I wrote a letter to the Governor of my State and asked him if he would tell me what he means when he uses those words. What does that mean? I have never received the courtesy of a reply from him. I do not know, really, if he can tell me what he means, because I do not think he knows himself. That is the problem we face in the development program.

The CHAIRMAN. The time of the gentleman from New York has again expired.

(At the request of Mr. MCCORMACK and by unanimous consent, Mr. WYDLER was allowed to proceed for 2 additional minutes.)

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Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. WYDLER. I yield to the gentleman from Washington.

Mr. McCORMACK. I thank the gentleman for yielding.

My comments are directed to the points made by the gentleman from New Jersey. I think the frustration that he expressed is extremely well taken, and I have shared it with him for lo these many years. One of the most frustrating experiences that we have had is with the Department of Energy not coming forward with programs to accelerate energy production from domestic sources—not just nuclear energy, but coal and solar energy and geothermal energy, and most anything else. The administration has literally shut down the programs that are already in existence for nuclear fuel reprocessing at the Barnwell, S.C. plant. Having this plant in operation would have established a routine program in which the nuclear fuel elements would be taken from New Jersey, for instance, to a reprocessing plant. In spite of the insistance of the Congress, the administration has not taken action to even set up spent-fuel-storage facilities.

I think the gentleman's point is extremely well taken, and this is one of the reasons why we in Congress have attempted to take leadership in moving forward with policies and programs in reprocessing, and in our waste management and our spent-fuel storage. I regret we are not able to move faster. Part of it is the authorization bill for the Department of Energy. I assure the gentleman that we are doing our very best to bring the bill to the floor of the House. I only wish the Administration would move forward with these critically important programs that the gentleman has mentioned.

Mr. HUGHES. Mr. Chairman, will the gentleman yield?

Mr. WYDLER. I yield to the gentleman from New Jersey.

Mr. HUGHES. I thank the distinguished chairman for that, and I am somewhat reassured. I have always been a reluctant supporter of nuclear power, mainly because I feel in the near term it certainly does provide 13 percent of our energy needs. I am not really sure what role it is going to have to play in the long-term energy needs of this country. I know that until we begin realistically to address the problem as far as the transportation of nuclear fuel, and until we begin to develop our nuclear waste storage capability, and until we address all of these other nagging issues that hover above the nuclear issue, we are not going to move on to bigger and better things, and that is what concerns me.

The CHAIRMAN. The time of the gentleman has expired.

(At the request of Mrs. FENWICK, and by unanimous consent, Mr. WYDLER was allowed to proceed for 1 additional minute.)

Mrs. FENWICK. Mr. Chairman, will the gentleman yield?

Mr. WYDLER. I yield to the gentlewoman from New Jersey.

Mrs. FENWICK. I thank the gentleman for yielding.

I entirely join in the sentiments of the gentlemen who are speaking, my colleague, the gentleman from New

Jersey (Mr. Hughes) and the distinguished gentleman from New York (Mr. Wydler). But I would like to ask the chairman, listen, the other night at the National Association of Science's dinner I spoke about the disposal and transportation and storage of nuclear waste as being one of our terribly unsolved and difficult problems. The answer from this eminent scientist—and I can give you his name, but I do not think it is quite fair in public—was that we have six good ways of storing nuclear waste, and we simply cannot make up our minds which one to use.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. WYDLER. I yield to the gentleman from Washington.

Mr. McCORMACK. I thank the gentleman for yielding.

The gentlewoman from New Jersey (Mrs. Fenwick) is completely correct. The problems associated with nuclear waste are not technical. We have six different ways to take all high-level wastes out of the biosphere forever. The only problems are political.

Mr. MARKEY. Mr. Chairman, will the gentleman yield?

Mr. WYDLER. I yield to the gentleman from Massachusetts.

Mr. MARKEY. I thank the gentleman for yielding.

The statement just made by the gentleman from Washington, (Mr. McCormack) is not accurate at all. There is a significant scientific difference of opinion on the subject of nuclear waste. There have been evaluations made recently by Penn State University and by the Federal Interagency Review Group on Waste Management that dispute the words that he just made that the waste solution is only a political one and not also a technical one.

The CHAIRMAN. The time of the gentleman has expired.

(At the request of Mr. McCormack, and by unanimous consent, Mr. Wydler was allowed to proceed for 1 additional minute.)

Mr. McCORMACK. Mr. Chairman, if the gentleman would yield, I will inform the gentleman from Massachusetts (Mr. Markey) that we have just completed 3 days of hearings on high-level nuclear wastes, and one of the witnesses was the gentleman to whom he is referring from Penn State University. He not only said that we do have all six ways for the safe permanent storage of nuclear wastes, but that every one of them is overkill, and I quote him, "Every one of them is overkill," as far as handling nuclear waste is concerned. He happens to prefer his technology over the others, but he agrees that every one of them is overkill and that we do have the technology to totally remove all of the high-level waste from the biosphere forever.

Mr. RITTER. Mr. Chairman, will the gentleman yield?

Mr. MARKEY. I yield to the gentleman from Pennsylvania.

Mr. RITTER. I thank the gentleman for yielding.

I would like to reiterate the remarks of the distinguished Chairman while the gentleman from Massachusetts (Mr. Markey) has the opportunity to listen. The gentleman from Penn State did testify before the chairman's committee. The gentleman from Penn State has his own unique technology that he would like to see in place, put before the subcommittee, before all of us and before the press, he very definitely stated that there were a number of different ways to handle the nuclear waste, all of which were far, far more beneficial than the leaving of these wastes on the shelves or in liquid storage tanks. Everyone involved in the technology side of the storage of nuclear waste considers the present handling technology far, far more positive than the technical ramifications of doing nothing, leaving it alone, leaving it in the tanks. In addition, we are faced with proportionally far more wastes generated by the nuclear weapons program which also must be disposed of. The acceptable technologies are here. We owe it to the people of the country to start using them.

I get letters from some strongly antinuclear individuals who say to me, do not go ahead with any form of nuclear waste disposal that would make it politically feasible to produce more waste. Do the Members know what that means? That means there are people in this country who do not wish to go ahead with the technology at hand because they see it as a potential solution to a problem which they do not wish solved. They see the mounting pressures coming from nuclear waste accumulation as a weapon in their arsenal to stop nuclear power in its tracks. I wonder if they're considering the cold of next winter, the gaslines across the country, or the thousands of foreshortened lives and respiratory ailments caused by burning coal.

The CHAIRMAN. The time of the gentleman has expired.

Mr. BURGENER. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, we have a serious potential energy crisis in our State of California. One speaker alluded to that earlier. We have issued no power license of any kind in over 5 years in spite of our growing population. We are now going to export jobs by purchasing power from Arizona, possibly next from Mexico.

We have a large nuclear plant finished which cannot be licensed, and this amendment may very well affect it. I think no one, or at least very few, would advocate that nuclear power ever become a majority of our energy production but, indeed, it ought to be a part. No one would deny that safety is vitally important, and I hope that we all can learn some very valuable lessons from the Three Mile Island incident and tighten up on procedures—design perhaps, operation perhaps, and so on. But the facts are that 13 percent of our electrical generation is produced by nuclear power at the present time, and without that 13 percent we probably would have very heavy unemployment, and that is most serious. I am one of those who believes that along with the air we breathe and the water we drink, and our safety, that the quality of life is also portrayed well by a paycheck and the ability to support one's family. Adequate power means a stable economy.

There are 92 licenses issued for construction at the present time and with 28, an earlier speaker said, in final stages within the next couple of years to go on line for the actual production of nuclear power. The safety record of nuclear power is good. There have been no deaths in some 25 to 30 years in the actual commercial production of nuclear power. And yet, in this century alone, we have tragically and accidentally killed 100,000 coal miners. More than 100,000 coal miners have lost their lives. So, in spite of the fact that deep coal mining is a dirty and dangerous business, we still must use coal, but we want to use it as safely as we know how.

We have been steaming around the world for some 27 years with nuclear-powered ships and boats without incident, without accident, in ports of the whole world. The record is good. That does not mean we should relax; it means we should make it even better. But this legislation should be carefully crafted by the authorizing committee of jurisdiction. I think it would be a serious mistake to adopt legislation like this which would be a most serious roadblock in the way of the production of power which we so desperately need.

Mr. MOFFETT. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment.

Mr. Chairman, I think the debate we have had on energy today has been most interesting, but it has not really been directed toward the gentleman's amendment very much except that those who have spoken against the amendment have managed in the last 10 seconds of their speech to mention that they are against the amendment. But it has been a debate more about nuclear power and the overall energy situation. Let us talk about the amendment for a moment. I am speaking in support of the amendment because I think it is reasonable to ask that States have some sort of evacuation plan. But I am also here to say as one who has just finished fairly substantial hearings on evacuation plans, that we should not be deceived about what an evacuation plan really means in the current form. We took a look at the 12 States that have evacuation plans on paper, plans which are concurred in by the Nuclear Regulatory Commission. And we decided to look at those States to see whether it means something to have a plan. So we went, for example, to South Carolina where they have three plants—and as I am sure most of you know, three plants that are very close together—and about 70,000 people within about 15 or 20 miles of those plants. We asked, "Who is in charge of evacuation?" We found this very nice guy named Bill Evett, who happens to be a tool and die maker by day, and he has a little one-room shack for his operation. He gets $910 a year as a civil defense volunteer. We asked, "What happens when you get a call from Duke Power Co. at 3 a.m.?"

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He said, "Well, I have this list of volunteers that I then go to the phone and call."

These are the people that he calls for a fire or a problem with a flood or something.

We said, "Well, how many people would show up if you called them and what would you do with them?"

He said, "Well, we have a Paul Revere-style system where we go from door to door and knock on people's doors."

Now, do not forget we are talking about a State which has one of the model plans. South Carolina has a plan that has been submitted, tested and concurred in by the Nuclear Regulatory Commission. As it turned out, Mr. Evett, who I thought was a civic-minded person, said that he really did not know how many people he could count on if, in fact, they knew there had been an accident up the road at a nuclear plant, that people were not really that anxious to leave their families.

Then we found out the relationship between Duke Power and this nice fellow who was in charge of evacuation was not all that solid, they did not really know each other all that well.

Then we found out that the neighboring counties had no plan at all. And so on and so forth.

Then we went to Indian Point. I was glad to hear the two gentlemen from New York involved in the debate; neither of the gentlemen who have spoken are too far from Indian Point.

Indian Point is, again, within a State that has a plan, submitted, tested and concurred in by the Nuclear Regulatory Commission. Three of the four counties within 4 or 5 miles of Indian Point have no plan, nothing, no evacuation procedure, no emergency provision, absolutely nothing.

I think we need to look very closely at what it means to have a plan. I think if you really stop and think about what currently the plans mean and what NRC concurrence means, I think those of you who are upset about this amendment will not be upset for long.

Those of us who think the NRC concurrence should be more meaningful would think the amendment is a little weak and it should, in fact, go a bit further.

Mr. WYDLER. Mr. Chairman, will the gentleman yield?

Mr. MOFFETT. I yield to the gentleman from New York.

Mr. WYDLER. I think the gentleman's point is a good one. I think what the gentleman really points out is a fact of life in most things with which we concern ourselves in Government: having an evacuation plan of this type is probably very much like trying to run a civil defense program for our country in the event of a nuclear war. That certainly is a much more important thing. Bombs would actually be raining down. We would have tremendous amounts of atomic explosions to deal with and what have you. The gentleman knows what difficulty we have putting together a civil defense program and sustaining it year after year after year to deal with this kind of an emergency.

Mr. MOFFETT. If the gentleman will allow me to regain my time, the gentleman is correct in the case of Indian Point and perhaps the Zion Plant in Chicago. They are so close. How do you evacuate 17 million people within 40 miles of Indian Point? You really cannot do it.

There is validity in having a plan, I would say to my friend from New York, in the case of the South Carolina plants and some Connecticut plants and some others, but what I am saying is we ought to at least be for having an emergency plan before going ahead.

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent Mr. MOFFETT was allowed to proceed for 3 additional minutes.)

Mr. MOFFETT. We ought to, at least through legislative history, say we would like the NRC to make those plans more meaningful.

Mr. WYDLER. Mr. Chairman, will the gentleman yield?

Mr. MOFFETT. I yield to the gentleman from New York.

Mr. WYDLER. I think it would be a very constructive thing if we did have such plans. However, I would not demean the fact, as the gentleman seems to do, that these plans are going to have to respond by a great deal to civilian effort. That is what we are depending on in our civil defense programs and it is probably true, we are going to have to depend on those for any types of evacuation we have.

I would not put down the fact that the local man has to get together with a group or organizations.

Mr. MOFFETT. I would not want the record to stand at that point and indicate in any way that I am putting down the importance of volunteerism and civic action. I think it is important, however, that subcommittees like ours look at what it means to have a plan. All I am saying is, we should not perpetuate the myth that if you are living in the shadow of a nuclear plant and relying on that plan to help you out if you need to get out, that it is an awful lot of help. I think we should have something in place, I think the plan should be strengthened, I acknowledge the need for volunteerism and civic action.

Mr. WEAVER. Mr. Chairman, will the gentleman yield?

Mr. MOFFETT. I yield to the gentleman from Oregon.

Mr. WEAVER. I would like to thank the gentleman from Connecticut who chaired these hearings, for his excellent, excellent debate here on this floor and the facts he has brought out. I want to say to the gentleman from Connecticut that even though my amendment does not mandate what he knows and I know is needed, surely if this House passes this amendment as overwhelmingly as it should, the Nuclear Regulatory Commission, which has the authority to put in such plans as the gentleman says should be required, might get the message and might say: the Congress is very, very concerned, and we will put in a true and effective, or try to get the most effective, plan.

Mr. MOFFETT. And conversely it would be unthinkable for the House to reject an amendment that said we ought to have these modest plans in place.

Mr. WEAVER. I cannot thank the gentleman enough.

Mr. MILLER of California. Mr. Chairman, will the gentleman yield?

Mr. MOFFETT. I yield to the gentleman from California.

Mr. MILLER of California. I appreciate the discussion about the people who are civic minded but I think already this amendment has served a very useful purpose because I am not sure that the American people understand when we talk about nuclear technology and we talk about all the wonderful things we are going to do inside these plants and how many feet of concrete and stainless steel vessels and backup systems we will have, I am not sure they really understand that the people who are promoting this have yet to tell them that they are relying basically upon a horse-and-buggy theory of civil defense. To suggest somehow people are going to call, other people are going to knock on their doors and that passes muster in dealing with the potential hazard of an accident is very inadequate and I think as a minimum that is what this Congress ought to address.

The CHAIRMAN. The time of the gentleman has expired.

Mrs. BOGGS. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I would like to commend the gentleman who has just been in the well for his hearings. I would like to commend the members of the President's task force who are in the process of hearings and I would also like to commend the members of this subcommittee who held hearings, of course, on the budget proposals for the Nuclear Regulatory Commission and in very many specific ways went into the problems of the Lewis report on the Rasmussen report, on the LOFT testing, on all sorts of safeguards research, on the health of the people within the plants, on the evacuation plans for the plant workers in the nearby areas and so on.

I would also like to commend the gentleman who has brought this debate to the floor. I would like to express to all of those who have been talking about the Office of Civil Defense that you will, indeed, in the next day or two be voting on the appropriate kind of program that we had in the reorganization plan of last year. We have within the HUD-Independent Agencies appropriation bill the appropriations for the new Federal Emergency Management Agency which, indeed, pulls together civil defense, the Federal Disaster and Assistance Administration in the Department of Housing and Urban Development; the Civil Preparedness Agency of the Department of Defense; the Federal Preparedness Agency of the General Services Administration; the U.S. Fire Administration, and the Federal Flood Insurance Program. All of these are brought together from the various agencies and departments of the Government including the coordination of natural and nuclear disaster warning systems and various other nuclear disaster types of consideration. Only the Fire Administration and the Flood Insurance Administration are presently operating in FEMA. The other agencies go on board on the first of October. Hopefully, by that time the task force and the other committees investigating the difficulties at Three Mile Island and who are making recommendations will also be on board and I think we should consider all of these evacuation plans in a comprehensive manner under the new Federal Emergency Management Administration.

□ 1440

Mr. AuCOIN. Mr. Chairman, I move to strike the requisite number of words. I rise in support of the amendment.

Mr. Chairman, I would like to compliment my colleague, the gentleman from Oregon, for the concern the gentleman has shown in offering this amendment because I think the gentleman has shown he can care about this issue, even though he has no plants of his own in his district.

In my own congressional district in Oregon this issue is not an abstraction in any sense of the word. This issue is not a parlor game. This issue is not something that we talk about in idle conversation. It is not a theoretical concern.

My district is the only district in Oregon with a nuclear generating plant. It happens to be the largest generating plant in the country. Shortly after the Three Mile Island incident, I took the time to investigate the emergency plan in the county in which this plant is located. Through no fault of any kind on the part of local officials in this rural county, I discovered that the plan was hardly worth its name. There are on paper in Columbia County plans for evacuating people within a two and a half mile radius of the plant in the event of a major accident; but the interesting thing is in my investigations throughout the length and breadth of Columbia County, I found that hardly anyone knows of the existence of such a plan.

I dare say if an emergency should strike, the people of Columbia County would not know what to do.

Someone said that the intention of the author of this amendment is to bring the entire nuclear program to a standstill. Do my colleagues really mean to say that the requirement of an evacuation plan would bring this vaunted industry, this vaunted program with such vaunted safety to a standstill? I do not think that is what the opponents of this amendment are really trying to say.

Someone else said that we are all supportive of safe power, but we do not need "obstructions" of this kind.

I ask my colleagues, how do we get safe power if we do not provide a minimal degree of safety in the implementation of these plants?

And further, is safety an "obstruction?" Is it an obstruction to simply require a minimal amount of protection and planning for the evacuation of men, women and children, in the case of a major catastrophe or the possibility of one?

Mr. WYDLER. Mr. Chairman, will the gentleman yield?

Mr. AuCOIN. I will try to yield in a moment, as soon as I am done with my statement.

Furthermore, does it really make sense to anyone in this body, does it really make sense to anyone in this body that the NRC on the one hand requires that there be an emergency plan onsite, but that there is no requirement that the area around the plants, around the site, be covered by a plan?

I would suggest that the danger to the residents in the immediate area of such a plant is at least as great as those onsite and those people deserve the kind of protection that the gentleman provides in his amendment.

This amendment would insure that there is such a plan. It strikes me as a minimal first crucial step to providing the kind of safety we ought to exercise as Representatives of this body in preparing for a danger that we may meet again, because there may, indeed, be future Three Mile Islands.

It should be pointed out that of the 28 States which have operating nuclear plants within their borders, only a dozen have emergency plans that are approved today by the NRC. Only a dozen.

My friend, the gentleman from Connecticut, indicates how strong some of those dozen actually are.

I think that ought to be kept in mind as my colleagues consider the amendment by my colleague, the gentleman from the State of Oregon.

Mr. WYDLER. Mr. Chairman, will the gentleman yield?

Mr. AuCOIN. I will yield in a moment. I want to complete my statement.

Mr. Chairman, it just seems to me that the bottom line is this, my friends. To continue the licensing of these plants before an approved emergency evacuation plan is in place is to sit on our hands in the face of real potential for human danger, human tragedy and human disaster involving people that you and I represent.

I urge my colleagues to support this amendment, not because it is chic, not because it happens to make for interesting conversation.

The CHAIRMAN. The time of the gentleman from Oregon (Mr. AuCoin) has expired.

(By unanimous consent, Mr. AuCoin was allowed to proceed for 1 additional minute.)

Mr. AuCOIN. I urge you to support the amendment not because it happens to make for interesting conversation in fashionable college towns, not because it makes abstract sense in elite liberal parlors of this country, but fundamentally because working men and women and children need the protection provided by this amendment.

I urge your support.

Mr. WEAVER. Mr. Chairman, will the gentleman yield?

Mr. AuCOIN. I yield to my colleague, the gentleman from Oregon.

Mr. WEAVER. Mr. Chairman, I want to thank and commend my distinguished colleague for his valuable testimony. I appreciate it very much.

I want to say that the gentleman is only too correct when the gentleman says the nuclear plant in Oregon is in the gentleman's district, but I would like to point out that the wind blows down the valley from the gentleman's district to mine.

Mr. AuCOIN. The "wind" blows south to north at times, as well.

Mr. BROWN of Ohio. Mr. Chairman, I move to strike the requisite number of words. I rise to oppose the amendment.

Mr. WYDLER. Mr. Chairman, will the gentleman yield?

Mr. BROWN of Ohio. I will be happy to yield to the gentleman, providing that I will be able to use my full 5 minutes.

Mr. WYDLER. I will get the gentleman additional time if the gentleman needs it.

It just strikes me that what we heard from the last speaker indicates more clearly than anything else the futility of this amendment. The gentleman talked about the nuclear plant in the gentleman's district. I do not know what type of problem there might be, but obviously this amendment will not have any effect on that plant whatsoever; it will not make anybody safer; it will not affect the plant's operation one iota.

The only thing this amendment could possibly do, and that is why I say it is an improper amendment, because it does not deal with any issue really. It is just thrown in for some other purpose.

The only thing this can do is affect a plant that was brought on line in the next fiscal year and then only insofar as its operating license is concerned; so this amendment would have no effect on any currently operating existing nuclear plant and everybody in the committee should know that.

Mr. BROWN of Ohio. Mr. Chairman, let me continue if I may. I did not take the well so that I could be the backstop against the previous speaker's discussion. I would like to have a few remarks of my own and then assuming that I have the time, I will be more than happy to yield for a continuation of the debate on the previous speech, if there is anything in my speech that is worthy of debate at that point; but I would like to sort of calm down the passion on this thing by throwing in a few facts and perhaps giving my own interpretation of those facts.

First, let us make one point. I think the gentleman from New York is quite right. This amendment will have no bearing on any plant now on line and operating; but it will have an impact on the licensing of additional powerplants in 38 of the States of the Union, because there are only 12 of the States of the Union that now have approved plans.

It has been suggested by my colleague, the gentleman from Connecticut (Mr. MOFFETT) that those plans are not adequate and I suppose they could be challenged and the NRC could be taken to court and the approval could be withdrawn.

Now, what is the NRC, the Nuclear Regulatory Commission, which has the responsibility of establishing guidelines for these plans, doing at this point? I think we ought to ask that question and try to answer it. They are at this point trying to expedite the rulemaking procedure for establishing guidelines for plans, as the gentlewoman from Louisiana pointed out. They do not have as a result quite yet put together from the Three Mile Island experience a full and complete grasp of precisely what ought to be in an evacuation plan, a safety plan; so what the amendment of the gentleman from Oregon says is that, well, all right, then we are just going to stop all nuclear licensing until they make that decision.

I would submit to you, I think that is a good way to stop nuclear power and if that is the objective, then the amendment makes a lot of sense; but in the meantime it makes a little more sense, it seems to me, to let the Nuclear Regulatory Commission, which is doing a study on Three Mile Island, have its rulemaking procedure, the opportunity for discussion with those people who are impacted, take a little time and look the thing over and see what it can do to come up with a proposal for what a plan should contain.

Now, once we have done that, let us look at what the other choices are in terms of disasters. You know, there are disasters and disasters. In my State of Ohio we came very close to having a disaster that the one nuclear powerplant in our area that provided power kept us from having—that was when we had the coal strike a winter ago that got us down within 20 days of shutting down in the dead of winter all the electric generation in our part of the country. I am referring to Davis-Besse, up around Toledo, between Toledo and Detroit. The company kept going during that period of time, but if it had shut down, we would have had homes, schools, hospitals, and, of course, industry affected—but who worries about that? Industry is only what keeps people working—and we would have had all those things shut down with that kind of a situation that resulted from the coal strike.

☐ 1450

One 1,000-megawatt nuclear powerplant, on average, supplies enough power to support a community of 500,000 people. That is a congressional district.

The CHAIRMAN. The time of the gentleman from Ohio (Mr. Brown) has expired.

(By unanimous consent, Mr. Brown of Ohio was allowed to proceed for 4 additional minutes.)

Mr. BROWN of Ohio. Mr. Chairman, if we want to prevent nuclear powerplants that are finally built from servicing roughly the number of people each one of us represents, 500,000 people, we can simply delay their licensing until such time as we get these plans approved. But I would point out to the Members one other thing that ought to be put into their thinking, and that is a nuclear powerplant of 1,000 megawatts, serving 500,000 people, substitutes for 40,000 barrels of oil a day.

Now, that is a rather significant amount. That is about half or perhaps about a third of all the oil the nation of Israel uses. That is a significant amount of oil that would help us if we had it available to meet the crisis of these gas lines and other things.

The only thing we are doing by this amendment is saying, "We can't license the plant." We say "You can't substitute nuclear power for that Arab oil."

I think that is rather important. I also think it is rather important that that nuclear powerplant costs about $1 billion, and each day that we delay that powerplant coming on line, we cost the users of the power from that plant $1 million in interest and in purchasing replacement power to meet its commitments.

It is just the little people who pay the utility bills, of course, but I think we ought to think of them as we consider this amendment.

The uncertainty which this measure is going to cause will certainly impact on the utilities which now want to go primarily to nuclear power. It is going to exacerbate the licensing times, which in this country are now running about 10 to 12 years.

In France, to get a powerplant on line, it takes 6 years, and the French, I might point out, are using less oil now than they used before the embargo. We, of course, use more because we do not move very rapidly in such things as developing the use of nuclear power.

I raised the question with the author of the amendment as to whether the person who is guilty of not getting the necessary plans approved is not the one who should be punished. He said, "That doesn't make any difference" and suggested it had something to do with pregnant women. But I would hasten to say to the Members that I think the amendment violates the due process clause of the Constitution; that is, the utility and the rate payer are punished by this amendment if the State does not have an approved plan. I do not understand that.

Why do we punish one group for something that another group does not do? It seems to me that is clearly a violation of due process.

A Governor who wants to kill nuclear power in his State can simply not submit a plan to the NRC, and so no new plants will be built in that State, regardless of the public's requirement for that power.

The Interstate and Foreign Commerce Committee, on which I serve, rejected the opportunity to include this amendment in the NRC authorization bill, which we recently reported out of the committee. Instead, we instructed the NRC to establish rules and standards for State plans for emergency evacuation. We said that they should review those plans that have already been made by States. That would sort of square with what the gentleman from Connecticut (Mr. Moffett) said, that we should review those plans already submitted to be assured they are adequate. We should assess their adequacy, and then we should also assess the adequacy of something else that has not really been mentioned thus far, and that is simply the ability of the plan to work, the ability of the State to actually address evacuation in case of a nuclear accident.

The CHAIRMAN. The time of the gentleman from Ohio (Mr. Brown) has again expired.

(By unanimous consent, Mr. Brown of Ohio was allowed to proceed for 1 additional minute.)

Mr. BROWN of Ohio. And Mr. Chairman, to continue we would then identify the States that are or are not ready with an evacuation plan, and advise them that they are not and urge them to get started on it. That is not quite an hysterical approach, I do not think. It seems to me it is quite logical, and I would say it seems to me also that it squares with what the Nuclear Regulatory Commission now has underway, and that is an effort to expedite the rulemaking procedure to get these plans.

Mr. Chairman, I think that is the approach we ought to take, not the approach of punishing the utility people and the people who need utilities by charging the ratepayers and the utilities for something the State fails to do.

Mr. Chairman, it seems to me the amendment on its face is not a very good amendment.

Mr. SYMMS. Mr. Chairman, will the gentleman yield?

Mr. BROWN of Ohio. I yield to the gentleman from Idaho.

Mr. SYMMS. Mr. Chairman, I thank the gentleman for yielding very much. I would like to commend the gentleman on the points he has been making, and I would say that I share the gentleman's point of view entirely on these last remarks he made in the well.

The States that are going to be affected immediately by this amendment are Virginia, Tennessee, North Carolina, Ohio, and Illinois.

The CHAIRMAN. The time of the gentleman from Ohio (Mr. Brown) has again expired.

(On request of Mr. Symms, and by unanimous consent, Mr. Brown of Ohio was allowed to proceed for 2 additional minutes.)

Mr. SYMMS. Mr. Chairman, will the gentleman continue to yield?

Mr. BROWN of Ohio. I will be glad to yield to the gentleman from Idaho.

Mr. SYMMS. Mr. Chairman, I think it is interesting to note that the NRC places its emphasis on stress and design features. That is where they put their emphasis, and they have relinquished this authority to the States.

There might be a reason why a Governor would not need to have an evacuation plan. For example, the plant might be in a very sparsely populated area. There could be other reasons. But those reasons, I think, might properly be assessed by the States with respect to these evacuation plans.

But these immediate States, as I say, Virginia, Tennessee, North Carolina, Ohio, and Illinois, are coming up for the granting of their licenses, and they are going to be affected.

Mr. BROWN of Ohio. Mr. Chairman, we have nuclear powerplants, I might say to the gentleman, on line for approval in my State of Ohio, and if it takes a little time for the plant to be approved, that is where the $1 million comes in, and it is the ratepayers who wind up paying. I think it is patently unfair for that to continue.

There is one other thing I would like to point out. People get very mad, angry, and ready to do something about the Congress when they are told they will not have power. What are they going to say when they find they do not have enough electric power?

When we see Iran going down or perhaps Saudi Arabia and we do not have enough oil to meet our needs in this society, will we then say to them, "We stopped nuclear power; we put it off awhile. Just wait 6 or 7 years, and we will have power again and you can get your jobs back."

Mr. SYMMS. Mr. Chairman, will the gentleman yield further?

Mr. BROWN of Ohio. I yield to the gentleman from Idaho.

Mr. SYMMS. Mr. Chairman, I think the gentleman from Ohio (Mr. BROWN) is to be commended for bringing some clarification to what really happened at Three Mile Island.

I have a letter here from James H. Rust, professor of nuclear engineering at the Georgia Institute of Technology, and he makes some good points in the letter.

The CHAIRMAN. The time of the gentleman from Ohio (Mr. BROWN) has again expired.

(On request of Mr. SYMMS, and by unanimous consent, Mr. BROWN of Ohio was allowed to proceed for 1 additional minute.)

Mr. SYMMS. Mr. Chairman, if the gentleman will yield further, Professor Rust makes the point that really after 48 hours at Three Mile Island all the engineers, the scientists, and everybody realized that the risk and danger and the hazard was over.

Mr. Chairman, I include at this point the text of the letter from Professor Rust, as follows:

> The Enquirer asked me to be a consultant for them and reconstruct the accident from the information available as of April 4, 1979. My assessment was that after 48 hours from initiation of the accident the reactor no longer posed a threat to the public. At that time the reactor was being cooled by normal processes with all emergency backup systems still being functional. The decay heat from the reactor was 10 megawatts as opposed to 2,770 megawatts normal operating power level. A core meltdown at this time was impossible. Yet, local and national media were publishing scare stories up to a week after the accident alluding to a core meltdown and the possibility of the so-called "China Syndrome."
>
> The NRC started publishing through their public information rooms technical reports about the accident which were initially forthcoming 24 hours after the accident initiation. The media chose to ignore this information. Any qualified engineer could have analyzed these reports and concluded that after 48 hours had elapsed the reactor was under control and the possibility for public danger had passed.
>
> Details on Three Mile Island are available to the public and I suspect the press will not publish this information because it will make copy by many so-called "science writers" look very foolish.
>
> Sincerely yours,
>
> JAMES H. RUST,
> *Professor, Nuclear Engineering.*

Mr. Chairman, I have never seen so much trauma created over an incident where there were no emergencies or no hazards to anyone. Those people who flew to Colorado, I understand, got an equal amount of radiation to those who stayed in Harrisburg. Yet the news reports read as though the red lights on the cooling towers indicated they were radiating some kind of a dangerous hazard to the public. It is being treated, therefore, as an effort to stop nuclear power, and it is really a continuation of the no-growth lobby.

Mr. MARKEY. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment.

Mr. Chairman, I am glad to have this opportunity to speak in support of the amendment offered by the gentleman from Oregon (Mr. WEAVER). This amendment simply states that the Nuclear Regulatory Commission only will allow a nuclear plant to begin operation where States and local emergency response plans contain the NRC's essential planning elements. The Federal Government evacuation plan must be a prerequisite to the issuance of an operating license.

Many of us have operating nuclear facilities in our own States which potentially jeopardize the safety of our constituents. Their safety must be made uppermost in all our minds as we consider this amendment.

Any accident which occurs without the preparation for a radiological emergency is an unnecessary risk to the public for which we must bear the responsibility.

□ 1500

I say to the Members that a safe evacuation plan is mandatory for all operating plants.

Out of 43 States with current or proposed nuclear plants, only 12 presently meet NRC guidelines for effective response to nuclear accidents. Of the 26 States with nuclear plants already licensed to operate, there are still 16 States with no approved evacuation plans.

In addition, three States have operating nuclear plants near their borders, but they do not have adequate public protection.

Furthermore, there are 10 States with nuclear plants under construction with no approved emergency plans.

The way we choose to vote on this amendment could determine the ability of public officials in the near vicinity of nuclear powerplants to respond swiftly and effectively in the wake of any nuclear threat.

At Three Mile Island, the NRC and GPU authorities were unaware of the severity of the situation at the time. But they have admitted in testimony to the Three Mile Island Task Force, of which I am a member, that had they known how serious was the potential threat of a meltdown during the first several days, they might have recommended an evacuation by State officials. But no real evacuation plan was available. Havoc would have ensued. And this is precisely what we are trying to avoid in offering this amendment.

What has happened here is that red herrings have been brought into this argument. The question of the nuclear waste problem has not been resolved. I still think a solution to waste disposal is problematical. But it is not at issue here. Should we build nuclear powerplants in this country? It is a question which should be debated, but this is not the place to debate it. What we are talking about here is not a pro-nuclear and not an antinuclear amendment. We are talking about a pro-safety amendment. We are not talking about putting a moratorium on new nuclear powerplants in this country. We are not talking about closing down existing powerplants in this country. What we are saying is that an accident can happen, has happened, and may happen again in the future. All we are saying here is that before any new operating licenses be granted, that that State submit—not even test; we are not even saying that they have to test the plan, but just submit the plan—to the Nuclear Regulatory Commission. We just want the State to say that they have a plan in place that will be able to protect the public—and we do not want an accident to happen—in case an accident does occur.

This is a modest amendment. It is a reasonable amendment. I have not heard anyone address the question of why evacuation plans cannot and should not be submitted—just submitted—before an operating license goes into existence. It has been stated that the Nuclear Regulatory Commission says that they do not even have any knowledge as to how an evacuation plan should be put in place. What does that reveal about their ability to tell us about cooling systems, about how the reactors operate, about what happened at Three Mile Island? If they cannot even tell us about how an evacuation plan can be put in place, what does that tell us about their ability to tell us about the rest of the inherent dangers of nuclear power?

I think, at a minimum, we should demand that evacuation plans be submitted—not even tested, but just submitted—so that if an accident, God forbid, does occur, the public would have this minimal protection.

I would hope that the modest, reasonable amendment offered by the gentleman from Oregon not be looked at as an obstructionist amendment, but rather one that is submitted only with the intention of protecting the public interest.

Mr. GOODLING. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I would merely call upon my colleagues in the committee to think very carefully about any kind of legislation that they may propose that has anything to do with nuclear power and, particularly, in reference to Three Mile Island.

As many of the Members may know, just this past week, my second plant went down. I share Three Mile Island with the gentleman from Pennsylvania (Mr. ERTEL) and the gentleman from Pennsylvania (Mr. WALKER). The Peach Bottom plan went down at the end of last week, which I do not share with anybody. "It is my own."

The reason I say we want to be very careful in whatever we do is the fact that the psychological scars in that 5-mile area around Three Mile Island are scars that may or may not—I have a feeling may not—ever be healed by time.

How do those scars come about? I spent 5 days at the plant and in my community surrounding the plant immediately after the accident, and during that entire time we heard nothing but "hydrogen bubble, hydrogen bubble," morning, noon, and night. You could not even turn on the radio without hearing it. Also, "5-mile evacuation."

About 2 weeks ago, NRC, as I read their report, indicated that they paid too much attention to the hydrogen bubble. In fact, the hydrogen bubble was on its way down before they ever got concerned about it. This is what the company tried to tell me on Thursday, Friday, Saturday, Sunday, and Monday after the accident. But they were not allowed to publish that. So all of the news that came to my residence close by was "the hydrogen bubble."

The second thing was the evacuation, the 5-mile evacuation. About a week after the last statement that I just attributed to NRC, NRC said that we really should not have encouraged an evacuation.

The scar is primarily due to the two factors, the hydrogen bubble and that evacuation of a 5-mile area. I have had 5 town meetings with about 1,500 people in that area since that accident, one for 4 hours, which was just about a mile away from the plant. It was those two particular things that happened that now we are told should never have been a part of the whole situation, that have caused the real problem in my area. That is why I say we want to make very sure that we think through carefully any legislation that we may propose or any amendments that we may offer.

As to evacuation plans, I am not sure what is in the best interest. During that entire 5 days, we knew that we had all the time in the world to evacuate. We knew that the people could almost evacuate themselves without any kind of plan. On the other hand, had we had an hour, or 2 hours, whether it was a dam that broke or a fire that was out of control, or whatever it might have been, and plans were drawn as they were—I do not know how you draw them in any other manner—we would have had problems in that there were many one-way routes, that is fine, if everybody is at home, but most of the people may be at work and they want to collect their families. It would have been suicide trying to buck that one-way traffic, first to get home, to get your family, and then leave. So we want to think carefully whatever plan we introduce. And may I just stay in closing—and this is just a little push that has nothing to do with this piece of legislation—since my people and the people of the gentlemen from Pennsylvania (Mr. ERTEL) and Mr. WALKER were the guinea pigs for this country and for the world, and probably untold good will come from the fact that we were those guinea pigs, I would only ask that you look at the legislation which I introduced which would indicate that the Members are willing to help us not become an economic disaster in our area, because the Members are willing to consider the fact that the amount that it costs to secure energy above what it would normally cost if the plant were in operation would be something that everyone would be willing to share, not taking any burden off of the companies themselves, but just the difference between the cost before and the cost now because it is being purchased rather than produced. If the Members do not consider that, then the psychological scar will just be exacerbated by the economic scar, and then I would not think the Members would be really legislating for the entire United States.

Mr. MYERS of Indiana. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, it is unfortunate that some have attempted to give the impression that a vote on this amendment is either a vote for or against safety. It is even more distressing to hear some say that a community's evacuation plan is somehow dependent on the passage of this amendment. That simply is not the case. A licensee today must develop a site specific emergency plan or, in some cases, a more comprehensive plan as a condition of the license. State and local officials are free to develop emergency plans, and in the wake of the Three Mile Island incident, are moving forward aggressively to do so.

It has been suggested that if we should adopt this amendment, the issuance of operating licenses during the next fiscal year would be delayed in the six States that have nuclear reactors scheduled to come on line. These plans, which are much needed for electric power generation, are in the advanced stages of construction.

In early June of this year, the Nuclear Regulatory Commission established a task force on emergency planning. That task force is currently looking into the issue we are discussing. Is a plan necessary? If so, what does it include? Who shall be responsible for it? Questions like this should be answered rationally and carefully.

□ 1510

The task force report is due on June 27, a little over a week from now. If we should pass this amendment today, we would preempt any recommendations this task force will make. Therefore, this is not the time nor the place for this particular amendment.

The gentleman's amendment is another example of the Federal Government coming to local communities and telling them, "We are wiser than you and we know what you need." The Federal Government must recognize the problems of the local communities and allow those closest to the problems the opportunity to deal with them.

Who is going to be responsible for administering any evacuation plan? If there should be another incident similar to that at Three Mile Island, are we going to wait for officials from Washington to invoke the evacuation plan? Mr. Chairman, nothing inhibits local communities from formulating an evacuation plan at this time. I think it would be a good idea.

The gentleman from Connecticut (Mr. MOFFETT) mentioned the 12 States that have plans concurred in by the Commission and he was critical of one State's plan, that of South Carolina. He said the plan was inadequate. And yet, we are told, the only way to assure that an area has a good evacuation plan is to require Federal approval.

The issue today is not prosafety or antisafety. A vote for or against this amendment does not mean that we are for or aganst safety; of course not. Every Member here is for safety, my goodness, yes. The question is who shall write the evacuation plan. The same people who write the evacuation plan should be responsible for administering and carrying out the plan.

The author of this amendment, the gentleman from Oregon (Mr. WEAVER), has already conceded that this amendment will not insure that a good, effective plan will be developed by this State-Federal arrangement.

This is not the place or time for this amendment. I strongly suggest that we allow the States and local communities to retain responsibility for writing and administering any evacuation plan.

Mr. WEAVER. Mr. Chairman, will the gentleman yield?

Mr. MYERS of Indiana. I yield to the gentleman from Oregon.

Mr. WEAVER. I thank the distinguished ranking minority member of the committee.

I just wanted to clear up one thing. This is, only a site plan is required by the Nuclear Regulatory Commission.

I have a letter here from the Nuclear Regulatory Commission staff saying that the NRC does not require explicit evacuation plans as a condition of issuing a license; it is the site plan around the plant itself.

The CHAIRMAN. The time of the gentleman from Indiana (Mr. MYERS) has expired.

(By unanimous consent, Mr. MYERS of Indiana was allowed to proceed for 2 additional minutes.)

Mr. MYERS of Indiana. The gentleman is correct. The only requirement currently in effect concerning evacuations is the plant site emergency plan. However, in some cases, the Commission has required local evacuation procedures to be in place as a condition of the license. Obviously, that has required local cooperation. But even if it is not required, there is nothing in the law that inhibits a local community from developing its own plan.

Mr. SYMMS. Mr. Chairman, will the gentleman yield.

Mr. MYERS of Indiana. I yield to the gentleman from Idaho.

Mr. SYMMS. I thank the gentleman for yielding.

I think the NRC currently requires all utility applicants for an operating license to submit an emergency response plan, but the reason they do not make them have a plan in every case is in most of the cases these plants are out where it is a very sparsely populated area. I think the gentleman makes a good point.

In some of the testimony we have received since the accident, or the incident, I should say, at Three Mile Island, the people who are operating the plant said that they had had young wives with young children who never even thought about taking their children out, because they knew there was no risk and no hazard that was taking place for anybody outside the area of the plant.

So here we have the experts who were there, and we are trying to create some kind of a scare tactic here to deny American people down the road from adequate supplies of energy at some level in the future.

Mr. MYERS of Indiana. The gentleman is correct. To put it more specifically, if we adopt this amendment, who is going to write the plan? I suggest it will not be the local community. It is going to be a bureaucrat here in Washington, who does not know the transportation, industrial, residential and other specific problems that may need to be addressed.

Mr. SYMMS. If the gentleman will yield further, I can just imagine what kind of plan the bureaucracy in Washington would come up with to evacuate say the greater Los Angeles area.

Mr. MYERS of Indiana. We can have evacuation plans today. Our committee certainly encourages them. However, it is not required that the Federal Government write and administer them.

Mr. McCORMACK. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, this amendment has all the appearances and appeal of a harmless "motherhood-and-God" addition to this bill. It has been advertised as a safety amendment. If you are for safety, the sponsors say, you are for the amendment; and if you are not for the amendment, you are against safety.

Unfortunately, this is not the case. The amendment is, in the first place, unnecessary. The Nuclear Regulatory Commission has a program underway, working with each State on emergency evacuation. Its report is due within the next 10 days. It will, I believe present a feasible and logical approach on the question of emergency evacuation plans within each State.

Second, the amendment is truly mischiefmaking. With all due respect to the sponsor, I think we should recognize he is publicly committed to killing the nuclear energy industry.

So this is what we are dealing with in this time of energy crisis. We have another mischiefmaking amendment that would probably place obstacles in the way of our getting adequate energy on the line for our people before cold weather comes this year.

Third, the amendment is potentially dangerous. It is dangerous to our efforts to produce energy from domestic sources and reduce our vulnerability to OPEC and provide adequate energy for the people of this country.

As has been previously stated, there are seven States where the operation of plants could be endagered by this amendment.

Certainly no one objects to the States preparing emergency evacuation plans. I think this is a good idea. I think States should make emergency evacuation plans for nuclear plants but indeed also for other much more dangerous facilities such as oil refineries.

If I read the news correctly, a petroleum fire in Yipsilanti, Mich., caused 4,000 persons to be evacuated during this past weekend. We all know of dozens of instances involving the evacuation of populations from the real and imminent danger of death, not just the hypothetical threat of an unknown amount of radiation, but real, immediate death.

Should we not have evacuation plans for railroad yards where tank cars of flammable materials or industrial poisons such as chlorine and phosphine or explosives can routinely be found?

Not so long ago in my district a railroad car full of theoretically nonexplosive material blew up and blew pieces of rail 2 miles across the Columbia River.

What about railroad lines themselves or buildings that stand on earthquake faults? Should we have emergency evacuation plans for them? What about certain chemical plants?

On the same day as the Three Mile Island accident, there were two people killed in an explosion in the chemical plant in New Jersey and about 15 more people were injured.

What about gasoline storage facilities or even flour mills? How many people have been killed in explosions of flour mills in recent months? Should we have evacuation plans for population living downstream from dams, or near LNG storage tanks?

Yes, we probably should be considering evacuation plans from these sorts of hazards. One can easily make a good and rational case that each is more dangerous than a nuclear power plant. In each case we must consider logically what is realistic, and what we should and can do.

We should not be using the vague language of this amendment in an appropriations bill to attempt to force States into ill-defined action, the completeness of which may be challenged in some court.

□ 1520

Several of the gentleman have said, "well, this just says they have to submit a plan." But, we have seen over and over again instances wherein someone has intervened and taken such simple language into court, and some court has said, "Oh, you have not done it completely enough, go back and spend 3 to 6 months more examining all of the potential ramifications one can dream up." The gentleman from Oregon (Mr. AuCoin) asked: "Is it obstruction," and I think that is a fair question. The answer is: In this form, at this time, it may be.

Let us suppose, for instance, that the legislature of a given State has not approved any money for a civil defense program in a State where one of these plants is due to go online this summer, and let us suppose the legislature is not due to go back into session. What is going to happen? How is that State suddenly going to authorize, finance, and submit a State evacuation plan?

These are questions we have to ask when we are dealing in this sort of a "meat-ax" approach.

As has already been stated, there are 12 States that have evacuation plans for nuclear plants. Perhaps they are not good enough. However we established a complete civil defense program a number of years ago to protect ourselves from nuclear attack. Over a period of years it became obvious that the plan simply was not going to work, and it has been slowly abandoned.

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent, Mr. McCormack was allowed to proceed for 2 additional minutes.)

Mr. McCORMACK. We now have 12 States with evacuation plans. We have in addition, 12 other States working with the Nuclear Regulatory Commission to establish evacuation plans. Today, licensees, that is, utilities that want to have their nuclear plants licensed to operate, must obtain NRC approval for a nuclear emergency plan which includes arrangements with local officials for emergency response capability in the offsite area adjacent to the facility. That is, the utility must do what it has the authority to do. But, under present law, utilities are not asked to do what they cannot do. A utility is not a State government, and nothing that we can do can make a utility into a State government.

I have a memorandum prepared by Commissioner John Ahearne of the Nuclear Regulatory Commission commenting on the NRC's program for working with States to develop emergency evacuation plans. I submit to the Members that it is a rational plan that responds to all realistic needs. Mr. Chairman, I recognize how difficult it is to deal with an emotional situation such as has been created by the accident at Three Mile Island. This is the time, however, that requires calm and steady leadership and statesmanship.

More than 2,000 years ago Euripides said "whom God would destroy, he first makes angry." We might paraphrase that by saying, "The nation that the gods would destroy they first make hysterical." Today we need rational thought.

The Nuclear Regulatory Commission is working out a rational plan with the States. That is what we need. We do not need this amendment.

Mr. BEVILL. Mr. Chairman, I move to strike the last word and rise in opposition to the amendment.

Mr. Chairman, with all of the weeks of testimony we have received, about our energy problems in this Nation, and there are many differences of opinion, there is one thing that everybody agrees on. This Nation is going to have to become more energy self-sufficient. We must get away from the heavy dependence on OPEC oil nations that are blackmailing this Nation. The only way we can do it is with two sources of energy. From now until the year of 2000 we have only two sources of energy, coal and nuclear energy that we can move to in order to reduce dependence on oil.

We have to face that fact. It would be beautiful if we had other options. Then maybe we could decide to slow down construction of nuclear plants. But this Nation has to have safe nuclear energy. We have to put all the safety measures we can in place to make them safe. That is exactly why the President appointed a commission that is working on Three Mile Island now. That is exactly why they are going to be making recommendations to the Congress.

The Nuclear Regulatory Commission also has a task force that is going to report at the end of this month. They are going to make recommendations.

I urge my colleagues to vote against this amendment. It sounds like, as we say, a motherhood amendment. I am sure the intentions of the author are good, there is no question about that. The distinguished gentleman from Oregon's intentions are good, he is interested in improving safety. This Congress is interested in safety, everybody is interested in safety. We just voted to add 100 more inspectors for nuclear power plants, to have at least one at each plant. We did that this afternoon, as my colleagues know. We have provided 100 people for the nuclear reactor regulatory program to replace personnel diverted as a result of the Three Mile Island incident and to support the ongoing work resulting from that matter. We are all interested in safety. Nobody has a monopoly on concern for safety because we all feel that way.

But now we need to give the various people who are investigating this very thing a chance to make their recommendations. This amendment is going to create more problems. The intentions are good, but it is going to create more problems than it is going to solve. And I am quoting the concern of personnel in the Nuclear Regulatory Commission. They say this is going to create problems. They do not need any more problems.

Let me tell my colleagues how many nuclear powerplants were licensed in 1978. Three. If we just keep putting up roadblocks, legal entanglements, what are we going to do? The gentleman's amendment requires the States to submit a plan, so we are mandating that the States, your State, my State, will have to submit a safety program and an evacuation program to a Federal agency. In north Alabama, we have one of the biggest plants in the world, Brown's Ferry, right up on the Alabama line. It is in a rather remote section of Alabama. Let us say there is a city right across the line in Tennessee. The Governor, under this amendment, is not going to have to submit an evacuation plan for Tennessee, but that is where they would have to evacuate. That is an example of some of the things I am talking about.

In the first place, this matter should be handled by the authorizing committees. The authorizing committees know this. This measure just puts a limitation in simply for the purpose of making it germane. But we know who ought to be handling this.

It will create more problems and we do not need any more problems. Let us just not be premature.

I urge you to vote no because this amendment is not right for this bill at this time. Let us get the report of these people that are working on the matter right now. They know what they are doing. This amendment will not solve the problem. It sounds good, but we are going to create problems if we pass it. Let us vote this amendment down.

Mr. FISH. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment.

Mr. Chairman, I rise in support of the amendment offered by my colleague from Oregon. I do this not because I feel this will solve all of our nuclear problems, but because it does address a major flaw in our nuclear program. We are talking safety this afternoon and not energy supply.

After the accident at Three Mile Island generating plant it should now be obvious to everyone that nuclear accidents can and will happen. Therefore, it seems to me that the very least we should insist upon is that before any additional licenses to operate nuclear powerplants are issued, reasonable evacuation plans for the innocent public be in place.

Also I do not share the confidence expressed by some of my colleagues this afternoon in the NRC. In fact, I am concerned that responsibility for approving these plans is placed with the Nuclear Regulatory Commission. Where have their rational plans been for these several years? The Commission has broad powers to protect the public health. Today, in effect, we are saying to the Commission use the authority we have already given you. Our people deserve no less.

This debate has generated a great deal of opposition to States having to prepare evacuation plans, yet, in my judgment, under the broad language presently in the statute books, with the authority vested in it by the Congress, the Nuclear Regulatory Commission today could demand these very same emergency evacuation plans.

□ 1530

It has been said that the debate has gone far beyond the scope of the amendment. This may well be to the good. We have been told that over 90 additional nuclear plants are under construction. Mr. Chairman, that would bring our present 71 operating plants to over 160. If this is so—and I have no reason not to believe it—it is all the more important that we adopt this amendment. Surely, we will never need, as a country, more than 160 plants. This, then, is the time to act. In fairness to the utility companies that are building these plants, evacuation plan requirements should be in place now, and not be news to them at some future time. Now is time for the States to act.

My State of New York, is one of the 12 States with a plan that the Nuclear Regulatory Commission has concurred in. What does this mean? Within 24 miles of New York City we have two nuclear plants, Indian Point 1 and 2. The so-called plan concurred in, one of the 12 in the Nation, does not concern these 20 million people. The plan involves evacuation of only about 500 people less than half a mile from the plant, and those people would only be moved to locations within a 10-mile radius of the plant.

I took the occasion to telephone the administrator of the Franklin Roosevelt Veterans Hospital, an enormous complex in Montrose, N.Y., just a few miles—maybe a half dozen miles—from Indian Points 1 and 2, and asked him how he fitted in with the evacuation plan for his thousands of patients and VA personnel. He had never heard a single word, and had never been consulted.

Mr. Chairman, in a democracy the Government is supposed to carry out the will of the people. I am convinced that the large majorty of our people are concerned over their safety, and they want responsible evacuation plans, if they want nuclear power at all. I know that we all know that there are other industries, not even energy-related, that cause death, but that is no excuse for us to fail to act today when the measure before us limits us to be responsive to this potential hazard.

Mr. WEAVER. Mr. Chairman, will the gentleman yield?

Mr. FISH. I yield to the gentleman from Oregon.

Mr. WEAVER. Mr. Chairman, I had hoped to take a minute to sum up, but the gentleman from New York has got to the very point of this amendment so well, that we have not been prepared in this country. We have not used the laws that are on the books today to make us prepared in this field of nuclear energy, its problems, and the emergency evacuation plans. I want to thank the gentleman for his statement.

Mr. FISH. I thank the gentleman.

Mr. WYDLER. Mr. Chairman, will the gentleman yield?

Mr. FISH. I will be happy to yield to my colleague from New York.

Mr. WYDLER. If I heard the last part of the gentleman's statement, he in effect was saying that even though we in our State of New York have a plan, and it is a limited plan, like what would be called for under this amendment if it were agreed to, the gentleman said the plan is no good. So, actually this kind of amendment does not really meet the problem that exists.

Mr. RITTER. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

My distinguished colleagues, we have heard today an extensive debate on the question of emergency evacuation plans for nuclear powerplants to have before they can be licensed before they can come on line. I believe in the need for evacuation plans—but this amendment is not the way to get them. This singles out a nuclear powerplant from, for example, a nuclear weapons production facility. We all know that a nuclear energy plant cannot achieve critical mass for an explosion, but we do know that a nuclear bomb can go off. So, I think we should be doubly and triply concerned about a nuclear weapons facility.

In addition, the gentleman from New Jersey (Mr. HUGHES) spoke, and I would like to ask Mr. HUGHES whether he knows of an evacuation plan for the gunpowder plant at Tom's River. There are explosives plants all over the United States which can blow like bombs, like small A-bombs, if they go at once. There are chlorine gas manufacturing facilities which are highly dangerous. There are toxic chemical facilities, sulfuric acid facilities. We do live in the 20th century, and there are a whole host of risks that we face.

To single out in this way, in an appropriations bill, the nuclear power which would come on line in the upcoming year has got to be classified as a mischievous attempt to shut down all new nuclear powerplants. This amendment will not get us good evacuation plans—it will only shut off a huge amount of vitally needed energy.

I think one thing that this debate has shown very clearly, is that there is no large amount of difference on the issue; that there is a great need to consider this issue carefully. It is by the appropriate study of the Nuclear Energy Commission's upcoming recommendations that appropriate and wise action can be taken, in a calm setting, in subcommittees that are relevant to this question. I support the creation of effective evacuation plans. We will get to the bottom of this question of setting up good evacuation plans. But this amendment is not the best way to do it. I urge my colleagues to defeat this amendment.

Mr. BONIOR of Michigan. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I was reluctant to rise on this issue because it is not one in which I participate in in the committees that have jurisdiction, but I think I might have something to lend to this, I think, very good debate we have had this afternoon. I will try to be as brief as possible.

In 1973 I chaired a committee in the State Legislature in Michigan that looked into the whole issue of nuclear power in that State. To give the Members an idea of the situation which we had in Michigan, let me, if I can for just a second, review the three plants we looked at, the three plants that were on line. We had the Fermi Plant in Monroe, which was not on line, not operational at the time we did the investigation. As most Members know, the Fermi Plant is the authoritative location where we almost had a meltdown. There has been a book written about it, "The Day We Almost Lost Detroit."

If the added focus on nuclear power was as great as to that on the Fermi Plant in Monroe, Mich., we would have seen the same interest that was given to the Three Mile Island incident.

We had another plant in the western part of the State of Michigan, the Palisades Plant, that was supposed to be the promise of electrical energy in the State of Michigan. That plant ran far below efficiency, and caused severe ecological damage to Lake Michigan, and I suspect that within a few years will be phased out because of its inefficient operation.

In northern Michigan we have a third plant, the Big Rock Plant. This plant now is down because of leaks. It is considered so bad that the Northern Michigan Medical Society sent a resolution to my committee and the legislature suggesting that because of the high leukemia rates around the plant, there should be a moratorium on construction of nuclear powerplants.

So, that is the background in which I came to deal with the issue. We proposed some solutions. We proposed in the legislature to deal with the waste disposal problem, and we were told that we could not deal with the problem because it is a Federal issue; it had not been resolved and we could not do anything about it. Yet, they wanted to bury waste in salt caverns in Alpena, Mich., similar to the proposal in Kansas where they wanted to bury the spent fuel in caverns which they later found had holes in them which may have caused serious problems in that State.

We wanted to deal with the transportation question because we found through our studies that there were vehicles traveling the roads in the State of Michigan at excessive speeds and in unsafe conditions; men who are operating these vehicles, not knowing they were even carrying spent fuel in some instances, leaving trucks unguarded at coffee stops, and passing through high population density areas. We tried to pass a law, and we were told that it was a Federal matter, that we had not the jurisdiction on that issue.

□ 1540

Now we have before us today a very modest plan, a very modest plan offered by the gentleman from Oregon (Mr. WEAVER), which would require evacuations before licenses, and we are told again by fellow Members of this Congress that there is a commission studying it, a report is going to be coming forth very soon, and we ought to wait. I would suggest to the Members that the people of this country do not want to wait any longer, that they want action on safety in this Congress, and that we should move forward and adopt the proposal by the gentleman from Oregon.

Mrs. FENWICK. Mr. Chairman, will the gentleman yield?

Mr. BONIOR of Michigan. I yield to the gentlewoman from New Jersey.

Mrs. FENWICK. I thank the gentleman for yielding.

I would like to speak to the transportation problem because, like the gentleman from Michigan, I have been concerned. The gentleman from Vermont (Mr. JEFFORDS) has a bill for resolving the difficulty of storage and transportation, but it is now required, according to my understanding, that all nuclear wastes be carried in great big drums, and they are dumped from 6-story heights, and they are dumped flat, and they are dumped on their ends, and they are dumped on their angles. So within these tremendous things, whether one knows what is in them or not, there is not much one can do from the height of a truck.

Really, things are bad enough, but I do not like to hear these things where reassurance can be given to the public that something is being done intelligently and concretely, and it is. I do not know how I am going to vote on this amendment.

The CHAIRMAN. The time of the gentleman has expired.

(At the request of Mr. MARKEY, and by unanimous consent, Mr. BONIOR of Michigan was allowed to proceed for 2 additional minutes.)

Mr. MARKEY. Mr. Chairman, will the gentleman yield?

Mr. BONIOR of Michigan. I yield to the gentleman from Massachusetts.

Mr. MARKEY. I thank the gentleman for yielding.

I think that the gentleman has quite clearly and accurately stated the best case, which is that we are not asking for the closing down of the nuclear plant industry. We are not asking for a termination of research into nuclear power. This is not a mischievous amendment which has the intention of putting some kind of moratorium on new nuclear power construction. If the nuclear power industry in this country is not able to put together evacuation plans that will be able to protect the public safety in case an accident occurs, then what can we say about Chairman Hendrie's statement talking about the actual operation of the plant the day after the accident at Three Mile Island. I quote his statement at the private meeting of the Nuclear Regulatory Commission:

> Governor Thornburgh's information was terrible; mine was almost nonexistent. We were like two blind men walking around in the dark.

All we are asking for is that while an accident is occurring, at least we have the nuclear industry guarantee that the public safety has been properly taken into account, and in that way I hope that the gentleman from Michigan's statement and the amendment offered by the gentleman from Oregon are accepted.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. BONIOR of Michigan. I yield to the gentleman from Washington.

Mr. McCORMACK. I thank the gentleman for yielding.

I just want to comment that the amendment does not say that the industry shall prepare evacuation programs. The nuclear power plants cannot possibly prepare evacuation programs. This must be done by local States, and that is the flaw in the amendment.

● Mr. BINGHAM. Mr. Chairman, I intend to vote for the pending amendment because I feel it is crucial that we have in place plans to deal with potential nuclear site emergencies. This should certainly be a central consideration in any licensing deliberations, and has been pinpointed by all five Nuclear Regulatory Commissioners as a key area for reform.

But it is not simply a matter of forestalling issuance of some new operating licenses. We have to find ways of improving the process which has failed to assure that necessary planning has been done, and deal with the immediate needs for plans at existing reactor sites. And we are seeking those answers through the various investigations of nuclear policy matters currently underway. Therefore, while I embrace the objective of the Weaver amendment, I would state that some alternative and perhaps more encompassing language may be more appropriate, and should be considered in the coming weeks and months as we grapple with these issues.●

The CHAIRMAN. The question is on the amendment offered by the gentleman from Oregon (Mr. WEAVER).

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. WEAVER. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 147, noes 235, not voting 52, as follows:

[Roll No. 252]

AYES—147

Albosta
Ambro
Applegate
Aspin
Atkinson
AuCoin
Barnes
Beard, R.I.
Bedell
Beilenson
Biaggi
Bingham
Blanchard
Boland
Boner
Bonior
Bonker
Brademas
Brodhead
Brown, Calif.
Burton, Phillip
Cavanaugh
Clay
Coelho
Collins, Ill.
Conte
Corman
Cotter
Coughlin
D'Amours
Danielson
Deckard
Dellums
Derrick
Donnelly
Dornan
Dougherty
Drinan
Early
Edwards, Calif.
Edwards, Okla.
Emery
English
Ertel
Evans, Ind.
Fazio
Fenwick
Ferraro
Fish
Fisher
Fithian
Florio
Ford, Tenn.
Garcia
Gaydos
Gilman
Glickman
Gonzalez
Goodling
Gore
Gradison
Gray
Guarini
Hall, Ohio
Hamilton
Harkin
Hawkins
Heckler
Hollenbeck
Holtzman
Hopkins
Howard
Hughes
Jeffords
Jones, Okla.
Kastenmeier
Kildee
Kogovsek
Kostmayer
LaFalce
Leach, Iowa
Lederer
Leland
Levitas
Long, Md.
McDade
McHugh
Maguire
Markey
Matsui
Mattox
Mavroules
Mikulski
Mikva
Miller, Calif.
Minish
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Mottl
Murphy, Pa.
Neal
Nedzi
Nowak
Oakar
Oberstar
Obey
Ottinger
Panetta
Pease
Rahall
Railsback
Rangel
Ratchford
Richmond
Sabo
Schroeder
Seiberling
Sensenbrenner
Shannon
Sharp
Simon
Snowe
Solarz
Spellman
St Germain
Stark
Stokes
Studds
Synar
Tauke
Thompson
Treen
Vanik
Vento
Walgren
Walker
Watkins
Waxman
Weaver
Weiss
Wirth
Wolff
Wolpe
Yates
Yatron

NOES—235

Abdnor
Addabbo
Akaka
Alexander
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Archer
Ashbrook
Ashley
Badham
Bafalis
Bailey
Baldus
Barnard
Bauman
Benjamin
Bennett
Bereuter
Bethune
Bevill
Boggs
Bouquard
Bowen
Brinkley
Brooks
Broomfield
Brown, Ohio
Broyhill
Buchanan
Burgener
Burlison
Butler
Byron
Campbell
Carney
Carter
Clausen
Cleveland
Clinger
Coleman
Collins, Tex.
Courter
Daniel, Dan
Daniel, R. W.
Dannemeyer
Davis, Mich.
Davis, S.C.
Derwinski
Devine
Dickinson
Dicks
Diggs
Dingell
Duncan, Oreg.
Duncan, Tenn.
Edwards, Ala.
Erdahl
Erlenborn
Evans, Del.
Evans, Ga.
Fary
Fascell
Findley
Flippo
Foley
Fountain
Fowler
Frenzel
Frost
Fuqua
Gephardt
Gibbons
Gingrich
Ginn
Goldwater
Gramm
Grassley
Green
Grisham
Gudger
Guyer
Hagedorn
Hall, Tex.
Hammerschmidt
Hance
Hanley
Hansen
Harris
Harsha
Hefner
Heftel
Hightower
Hillis
Hinson
Holt
Horton
Hubbard
Hutto
Hyde
Jacobs
Jeffries
Jenkins
Jenrette
Johnson, Calif.
Johnson, Colo.
Jones, N.C.
Jones, Tenn.
Kazen
Kelly
Kemp
Kindness
Kramer
Lagomarsino
Latta
Leach, La.
Leath, Tex.
Lee
Lehman
Lent
Lewis
Lloyd
Loeffler
Long, La.
Lott
Lowry
Lujan
Luken
Lundine
Lungren
McClory
McCloskey
McCormack
McDonald
McEwen
McKay
McKinney
Madigan
Marlenee
Marriott
Martin
Mathis
Mazzoli
Mica
Michel
Miller, Ohio
Mineta
Montgomery
Moore
Moorhead, Calif.
Moorhead, Pa.
Murphy, Ill.
Murphy, N.Y.
Murtha
Myers, Ind.
Natcher
Nelson
Nichols
O'Brien
Patten
Patterson
Paul
Perkins
Peyser
Pickle
Preyer
Price
Pursell
Quayle
Quillen
Regula
Reuss
Rinaldo
Ritter
Roberts
Robinson
Roe
Rose
Rostenkowski
Roth
Roybal
Royer
Rudd
Runnels
Russo
Satterfield
Scheuer
Schulze
Sebelius
Shelby
Shumway
Skelton
Slack
Smith, Iowa
Smith, Nebr.
Snyder
Solomon
Spence
Stack
Staggers
Stangeland
Stanton
Steed
Stenholm
Stockman
Stratton
Stump
Swift
Symms
Thomas
Traxler
Trible
Van Deerlin
Vander Jagt
Volkmer
Wampler
White
Whitehurst
Whitley
Whittaker
Whitten
Williams, Mont.
Wilson, Bob
Wilson, C. H.
Winn
Wright
Wyatt
Wydler
Wylie
Young, Alaska
Young, Fla.
Young, Mo.
Zablocki
Zeferetti

NOT VOTING—52

Anderson, Ill.
Anthony
Beard, Tenn.
Bolling
Breaux
Burton, John
Carr
Chappell
Cheney
Chisholm
Conable
Conyers
Corcoran
Crane, Daniel
Crane, Philip
Daschle
de la Garza
Dixon
Dodd
Downey
Eckhardt
Edgar
Flood
Ford, Mich.
Forsythe
Giaimo
Holland
Huckaby
Ichord
Ireland
Livingston
Marks
Mollohan
Myers, Pa.
Nolan
Pashayan
Pepper
Petri
Pritchard
Rhodes
Rodino
Rosenthal
Rousselot
Santini
Sawyer
Shuster
Stewart
Taylor
Udall
Ullman
Williams, Ohio
Wilson, Tex.

☐ 1600

The Clerk announced the following pairs:

On this vote:

Mr. Rodino for, with Mr. Santini against.

Mrs. Chisholm for, with Mr. Breaux against.

Mr. Conyers for, with Mr. Mollohan against.

Mr. Ford of Michigan for, with Mr. Pepper against.

Mr. Williams of Ohio for, with Mr. Corcoran against.

Mr. Marks for, with Mr. Livingston against.

Mr. Petri for, with Mr. Beard of Tennessee against.

Mr. ENGLISH, Mr. LELAND, and Mrs. SNOWE changed their vote from "no" to "aye."

So the amendment was rejected.

The result of the vote was announced as above recorded.

Mr. WEISS. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, after the last vote, the people of the United States, I think, have the right to conclude that by a vote of 235 to 147 the House of Representatives really does not care whether in case of an atomic accident they and their families have the chance to find a safe haven from radioactive emissions.

For the last 35 years we have allowed ourselves as a nation to be seduced by the prospect of the peaceful atom.

Mr. LUJAN. Mr. Chairman, will the gentleman yield?

Mr. WEISS. Not at this time.

Mr. McDONALD. Mr. Chairman, will the gentleman yield?

Mr. WEISS. I would be pleased to yield to the gentleman from Georgia.

Mr. McDONALD. Mr. Chairman, I thank the gentleman for yielding.

I appreciate the gentleman's concern about the spread of radioactive wastes and so forth in the event of an accident.

I just would like to ask the gentleman in the well, does the gentleman also favor a national evacuation plan in the event of a military atomic attack from a hostile power?

Mr. WEISS. Mr. Chairman, if the gentleman will hear my statement, perhaps I will respond to some of that, too.

Mr. Chairman, when the Three Mile incident was in process, the distinguished chairman of the Committee on the Interior, the gentleman from Arizona, (Mr. UDALL) said on national television that assuming that a catastrophe did not occur something valuable will have emerged from the Three Mile Island incident. He pointed out that right now we as a nation receive about 3 percent of our total energy from nuclear power and about 12 percent of our electricity and that therefore we are still in a position where we can take stock and determine whether it is worth going forward with nuclear power. We have something like 70 plants on line. What most people do not understand is that that is not 70 permanent plants. All 70 of those plants now on line must, by the laws of nature and science after 30 or 40 years be decontaminated and decommissioned and permanently put to rest and put out of existence. That is an extremely sensitive process for which the technology does not exist. It is also estimated to cost as much as $1 billion per plant.

It is obvious that even if the 90 plants that are now in the process of construction and awaiting licensing of various kinds were to be built that would not provide us with 90 on top of the 70. They would simply be replacements over a period of time.

For this and other reasons, most utilities and most of those who are involved in producing electrical energy have concluded that the economic problems and costs alone are so great that nuclear power is not competitive with other modes of power generation.

Mr. Chairman, while the Three Mile Island incident is still fresh in our consciousness, the Subcommittee on Appropriations and then the Committee on Appropriations on this matter has reported a measure which provides $719,955,000 for the further development of nuclear fission. Of that, perhaps $187 million is justifiable because it deals with waste management and spent fuel storage.

For the rest, what this committee is saying and what the House will be saying if we vote for this measure is that regardless of the inherent danger of nuclear power, not just to ourselves, not just to our children who are alive, but countless generations to come, running into the tens of thousands of years, we are going ahead full speed, the devil take the hindmost.

I have heard people talk about how nuclear power is no more dangerous than coal. That just happens not to be true and the people who make those statements know it is not true, because what nuclear power does that coal does not do is to take the generations upon generations in the future and subject them to genetic damage, which coal does not do.

It seems to me that the American people have the right to expect that their Congress, the people whom they have elected to office, demonstrate as much concern as they themselves have about their future.

The CHAIRMAN. The time of the gentleman from New York (Mr. WEISS) has expired.

(By unanimous consent, Mr. WEISS was allowed to proceed for 2 additional minutes.)

Mr. WEISS. Mr. Chairman, I think the people of this country are being badly served by us. I think we have so brainwashed ourselves and have allowed ourselves to be so brainwashed by the nuclear advocates that we do not care any more whether the facts prove that nuclear power is worthless and worse than worthless, harmful to us as a Nation.

It seems to me that if we really were concerned about the facts, we would recognize that Three Mile Island was a warning. We have no guarantee that the next time we will not have a melt down.

Someone said perhaps if we lost Harrisburg, if we lost Detroit, maybe this House would wake up. I hope it does not take that.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

TENNESSEE VALLEY AUTHORITY

PAYMENT TO TENNESSEE VALLEY AUTHORITY FUND

For the purpose of carrying out the provisions of the Tennessee Valley Authority Act of 1933, as amended (16 U.S.C., ch. 12A), including purchase, hire, maintenance, and operation of aircraft, and purchase and hire of passenger motor vehicles $146,177,000, to remain available until expended.

AMENDMENT OFFERED BY MR. DUNCAN OF TENNESSEE

Mr. DUNCAN of Tennessee. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. DUNCAN of Tennessee: On page 28, line 18, strike the period and insert: ": *Provided*, That notwithstanding the provisions of 16 U.S.C., chapter 35 or any other law, the Corporation is authorized and directed to complete construction, operate and maintain the Tellico Dam and Reservoir project for navigation, flood control, electric power generation and other purposes, including the maintenance of a normal summer reservoir pool of 813 feet above sea level.".

Mr. DUNCAN of Tennessee (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. DUNCAN of Tennessee. Mr. Chairman, I wish to offer this amendment to the bill now before us. The purpose of my amendment is to establish in law the Congress desire to see that the Tellico Dam and Reservoir is completed and used as designed. It does not call for additional funds in this for the TVA.

My amendment would provide in legislature, what we in the Congress intend as far as the status of the project is concerned. The project is 99 percent complete, and over $100 million has previously been appropriated by the Congress and spent on the project. My amendment would make it clear that the Congress intends for this project to be 100 percent complete and used as designed.

Mr. MYERS of Indiana. Mr. Chairman, if the gentleman will yield, the minority has reviewed the amendment and accepts it.

Mr. BEVILL. Mr. Chairman, if the gentleman will yield further, we have no objection to the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Tennessee (Mr. DUNCAN).

The amendment was agreed to.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

WATER RESOURCES COUNCIL

WATER RESOURCES PLANNING

For the Water Resources Council for expenses necessary in carrying out the provisions of the Water Resources Planning Act of 1965 (42 U.S.C. 1962–1962d–3), as amended, including services as authorized by 5 U.S.C. 3109 and 42 U.S.C. 1962a–4(5), and hire of passenger motor vehicles (42 U.S.C. 1962a–4 (6)), $37,556,000, including $4,330,000, for expenses in administering the Act (42 U.S.C. 1962d(b)), $3,112,000 for preparation of assessments and plans (42 U.S.C. 1962d(c)), $580,000 for preparation of plans (33 U.S.C. 1289), $3,134,000 for expenses of river basin commissions under title II of the Act (42 U.S.C. 1962d(a)), $21,000,000 for grants to States under title III of the Act (42 U.S.C. 1962c(a)), and $5,400,000 for Upper Mississippi Comprehensive Management Plan (42 U.S.C. b–3).

☐ 1610

AMENDMENT OFFERED BY MR. ROBERTS

Mr. ROBERTS. Mr. Chairman, I offer an amendment.

The Clerk will read as follows:

Amendment offered by Mr. ROBERTS: Page 29, after the period on line 9, insert the following new sentence: "None of the funds appropriated under this paragraph may be expended by the Water Resources Council for the review of—

"(1) any preauthorization report or proposal, or

"(2) any preconstruction plan,

for a Federal or federally assisted water resources project or program or a related land resources project or program unless funds for these purposes are authorized to be appropriated by Congress in a statute enacted after the date of enactment of this Act.".

Mr. ROBERTS (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. ROBERTS. Mr. Chairman, I have an amendment at the desk numbered 3. This amendment provides that none of the funds appropriated for the Water Resources Council may be expended by the Council for the review of any preauthorization report or proposal or any preconstruction plan for a Federal or federally assisted water resources or related land resources plan or program unless funds for such review are authorized to be appropriated by Congress in a statute enacted after the date of enactment of this appropriations bill. Our committee is presently considering H.R. 2610, a bill to authorize the Water Resources Council for fiscal year 1980. I feel that it is necessary that Congress have an opportunity to consider this legislation and pass on it prior to the implementation of a new review function by the council. I therefore urge adoption of the amendment.

Mr. MYERS of Indiana. Mr. Chairman, will the gentleman yield?

Mr. ROBERTS. I yield to the gentleman from Indiana.

Mr. MYERS of Indiana. Mr. Chairman, the minority has reviewed this amendment, and we accept the amendment.

Mr. BEVILL. Mr. Chairman, will the gentleman yield?

Mr. ROBERTS. I yield to the chairman of the committee.

Mr. BEVILL. Mr. Chairman, we accept the amendment as is and have no objection to it. Certainly until the gentleman's committee has had time to act on it, the funds should not be expended.

Mr. WEAVER. Mr. Chairman, will the gentleman yield?

Mr. ROBERTS. I yield to the gentleman from Oregon.

Mr. WEAVER. Mr. Chairman, would the gentleman state what the amendment is again, please?

Mr. ROBERTS. Mr. Chairman, let me read the amendment for the benefit of the gentleman.

This amendment would provide that "none of the funds appropriated under this paragraph may be expended by the Water Resources Council" until such time as there is authorization for it.

There is no existing authorization. We now have the matter before the committee, and we ought to have it out in another 2 or 3 weeks.

Mr. WEAVER. This would not have any effect, then, on the Water Resources Council?

Mr. ROBERTS. None whatsoever, if it is passed out of this Congress.

Mr. CLAUSEN. Mr. Chairman, will the gentleman yield?

Mr. ROBERTS. I yield to the gentleman from California.

Mr. CLAUSEN. Mr. Chairman, as the gentleman knows, both the Committee on Interior and Insular Affairs and the Committee on Public Works and Transportation have been in the process of advancing legislation with regard to the authorization dealing with the Water Resources Council, and this amendment coincides with what we are doing.

Mr. ROBERTS. Mr. Chairman, I ask for adoption of the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas (Mr. Roberts).

The amendment was agreed to.

● Mr. JOHNSON of California. Mr. Chairman, in preparing this important legislation, the energy and water development appropriation bill for fiscal year 1980, the Appropriations Subcommittee on Energy and Water Development has done a careful job and come up with sound program decisions. It well deserves to be complimented for its work.

There is no more difficult task, nowadays, than the balancing of competing needs for Federal fiscal restraint and for energy and water development to serve the Nation's basic requirements. National concern about energy is every bit as great as national concern about Government spending. Particularly in the Western States, public concern about water resource development is equally strong.

Under the leadership of Chairman Tom Bevill, the subcommittee has tackled the problem and produced a first rate balance of appropriations against needs. He has again, as he has in previous years, demonstrated how to find reasonable solutions to difficult problems. Along with Chairman Bevill, the ranking minority member, John T. Myers, and all of the hard working members of the subcommittee are to be commended.

In California, we have continued to be hurt by droughts and then floods. We suffer power shortages and hikes in power costs. We have been the first to be hit by gasoline shortages and price increases. Agriculture, industry, business, and communities—both large and small—bear the consequences. And our population continues to grow.

Californians depend on reclamation projects for essential water supplies, for hydroelectric power, for flood control, and for a variety of recreational benefits. At the same time, Californians realize the need for balanced energy development. We have interest in solar technology, utilization of our geothermal resources, use of forest and other biomass to produce fuel, as well as safe development of conventional energy.

These needs and concerns are recognized in the bill the subcommittee has produced. Everyone cannot ever be satisfied with every item in legislation of this type, but in the overall this is a good bill. I am pleased to express our thanks to the subcommittee for a job well done.●

● Mr. MONTGOMERY. Mr. Chairman, I take this opportunity to express appreciation to the gentleman from Alabama (Mr. Bevill) and the gentleman from Mississippi (Mr. Whitten) for including in this bill needed study funds to determine ways to prevent future disastrous floods along the Pearl River in Mississippi.

The bill contains $500,000 for the Corps of Engineers to initiate a study of all the possible alternatives to prevent reocurrence of the flooding in the Pearl River Basin. The corps has been directed to complete the study as soon as possible. They will also be required to review the alternatives with local interests to insure a viable and locally supported project of flood control.

Mr. Chairman, I also understand that the Soil Conservation Service has been directed to cooperate in this study.

The recent flooding along the Pearl River resulted in some $1 billion in damage to homes, businesses, and public facilities. Hopefully, this $500,000 allocation will provide the answers we all seek to prevent another serious flood in the Pearl River Basin. I just want to thank the chairmen of the subcommittee and full committee for their help and concern in this regard.●

Mr. WHITTEN. Mr. Chairman. In connection with my remarks in the first paragraph on page 14960 of the Congressional Record of June 14, 1979 I insert the following remarks to clarify the position of the committee.

The project "Streambank Erosion Control Evaluation and Demonstration," appearing under "Yazoo Basin," page 100 of the report, shall be carried out and the work done in accordance with the provisions of the bill, page 16, except for the amount, which reads as follows:

Provided, That such funds shall be available for bank stabilization measures as determined by the Chief of Engineers to be advisable for the control of bank erosion of streams in the Yazoo Basin, including the foothill area, and where necessary such measures shall complement similar works planned and constructed by the Soil Conservation Service and be limited to the areas of responsibility mutually agreeable to the District engineer and the State Conservationist:

This was the intent of the committee.

The CHAIRMAN. The Clerk will read.

The Clerk concluded the reading of the bill.

Mr. BEVILL. Mr. Chairman, I move that the Committee do now rise and report the bill back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill, as amended, do pass.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker pro tempore (Mr. Rostenkowski) having assumed the chair, Mr. Sharp, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 4388) making appropriations for energy and water development for the fiscal year ending September 30, 1980, and for other purposes, had directed him to report the bill back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill, as amended, do pass.

The SPEAKER pro tempore. Without objection, the previous question is ordered.

There was no objection.

The SPEAKER pro tempore. Is a separate vote demanded on any amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

MOTION TO RECOMMIT OFFERED BY MR. MILLER OF OHIO

Mr. MILLER of Ohio. Mr. Speaker, I offer a motion to recommit.

The SPEAKER pro tempore. Is the gentleman opposed to the bill?

Mr. MILLER of Ohio. I am, Mr. Speaker, in its present form.

The SPEAKER pro tempore. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. Miller of Ohio moves to recommit the bill, H.R. 4388, to the Committee on Appropriations.

The SPEAKER pro tempore. Without objection, the previous question is ordered on the motion to recommit.

There was no objection.

The SPEAKER pro tempore. The question is on the motion to recommit.

The motion to recommit was rejected.

The SPEAKER pro tempore. The question is on the passage of the bill.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. MILLER of Ohio. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 359, nays 29, not voting 46, as follows:

[Roll No. 253]

YEAS—359

Abdnor
Addabbo
Akaka
Albosta
Alexander
Ambro
Anderson, Calif.
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Archer
Ashbrook
Ashley
Aspin
Atkinson
AuCoin
Badham
Bafalis
Bailey
Baldus
Barnard
Barnes
Bauman
Beard, R.I.
Benjamin
Bennett
Bereuter
Bethune
Bevill
Biaggi
Bingham
Blanchard
Boggs
Boland
Boner
Bonker
Bouquard
Bowen
Brademas
Brinkley
Brooks
Broomfield

Brown, Calif.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burlison
Burton, Phillip
Butler
Byron
Campbell
Carney
Carter
Clausen
Cleveland
Clinger
Coelho
Coleman
Collins, Ill.
Conte
Corman
Cotter
Coughlin
Courter
D'Amours
Daniel, Dan
Daniel, R. W.
Danielson
Dannemeyer
Davis, Mich.
Davis, S.C.
Derwinski
Devine
Dickinson
Dicks
Diggs
Dingell
Dixon
Donnelly
Dornan
Dougherty
Drinan
Duncan, Oreg.
Duncan, Tenn.
Early
Edwards, Ala.
Edwards, Calif.
Edwards, Okla.
Emery
English
Erdahl
Erlenborn
Ertel
Evans, Del.
Evans, Ga.
Evans, Ind.
Fary
Fascell
Fazio
Ferraro
Findley
Fish
Fisher
Fithian
Flippo
Florio
Foley
Ford, Mich.
Ford, Tenn.
Fountain
Fowler
Frenzel
Frost
Fuqua
Garcia
Gaydos
Gibbons
Gilman
Gingrich
Ginn
Glickman
Goldwater
Gonzalez
Goodling
Gore
Gradison
Gramm
Grassley
Gray
Green
Grisham
Guarini
Gudger
Guyer
Hagedorn
Hall, Ohio
Hall, Tex.
Hamilton
Hammerschmidt
Hance
Hanley
Hansen
Harris
Harsha
Hawkins
Heckler
Hefner
Heftel
Hightower
Hillis
Hinson
Hollenbeck
Holt
Hopkins
Horton
Howard
Hubbard
Hughes
Hutto
Hyde
Jeffries
Jenkins
Jenrette
Johnson, Calif.
Johnson, Colo.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kastenmeier
Kazen
Kemp
Kildee
Kindness
Kogovsek
Kostmayer
Kramer
LaFalce
Lagomarsino
Latta
Leach, Iowa
Leach, La.
Leath, Tex.
Lederer
Lee
Lehman
Leland
Lent
Levitas
Lewis
Lloyd
Loeffler
Long, La.
Long, Md.
Lott
Lowry
Lujan
Luken
Lundine
Lungren
McClory
McCloskey
McCormack
McDade
McEwen
McHugh
McKay
McKinney
Madigan
Markey
Marks
Marlenee
Marriott
Martin
Mathis
Matsui
Mattox
Mavroules
Mazzoli
Mica
Michel
Mikulski
Miller, Calif.
Mineta
Minish
Mitchell, N.Y.
Moakley
Montgomery
Moore
Moorhead, Calif.
Moorhead, Pa.
Mottl
Murphy, Ill.
Murphy, N.Y.
Murphy, Pa.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nedzi
Nelson
Nichols
Nowak
O'Brien
Oakar
Oberstar
Ottinger
Panetta
Patten
Patterson
Pease
Perkins
Peyser
Pickle
Preyer
Price
Pursell
Quayle
Quillen
Rahall
Railsback
Rangel
Ratchford
Regula
Reuss
Richmond
Rinaldo
Ritter
Roberts
Robinson
Roe
Rose
Rostenkowski
Roth
Roybal
Royer
Rudd
Runnels
Russo
Sabo
Satterfield
Scheuer
Schroeder
Schulze
Sebelius
Seiberling
Sensenbrenner
Shannon
Sharp
Shelby
Shumway
Simon
Skelton
Slack
Smith, Iowa
Smith, Nebr.
Snowe
Snyder
Solarz
Solomon
Spellman
Spence
St Germain
Stack
Staggers
Stangeland
Stanton
Stark
Steed
Stenholm
Stewart
Stockman
Stokes
Stratton
Studds
Stump
Swift
Symms
Synar
Thomas
Thompson
Traxler
Treen
Trible
Van Deerlin
Vander Jagt
Vanik
Vento
Volkmer
Walgren
Walker
Wampler
Watkins
Waxman
White
Whitehurst
Whitley
Whittaker
Whitten
Williams, Mont.
Wilson, Bob
Wilson, C. H.
Winn
Wirth
Wolff
Wolpe
Wright
Wyatt
Wydler
Wylie
Yates
Yatron
Young, Alaska
Young, Fla.
Young, Mo.
Zablocki
Zeferetti

NAYS—29

Applegate
Bedell
Beilenson
Bonior
Brodhead
Cavanaugh
Clay
Collins, Tex.
Conyers
Deckard
Dellums
Derrick
Fenwick
Gephardt
Harkin
Holtzman
Jacobs
Jeffords
Kelly
McDonald
Maguire
Mikva
Miller, Ohio
Mitchell, Md.
Moffett
Obey
Paul
Weaver
Weiss

NOT VOTING—46

Anthony
Beard, Tenn.
Bolling
Breaux
Burton, John
Carr
Chappell
Cheney
Chisholm
Conable
Corcoran
Crane, Daniel
Crane, Philip
Daschle
de la Garza
Dodd
Downey
Eckhardt
Edgar
Flood
Forsythe
Giaimo
Holland
Huckaby
Ichord
Ireland
Livingston
Mollohan
Nolan
Pashayan
Pepper
Petri
Pritchard
Rhodes
Rodino
Rosenthal
Rousselot
Santini
Sawyer
Shuster
Tauke
Taylor
Udall
Ullman
Williams, Ohio
Wilson, Tex.

☐ 1630

The Clerk announced the following pairs:

Mr. Santini with Mr. Beard of Tennessee.
Mr. Rosenthal with Mr. Cheney.
Mr. Chappell with Mr. Forsythe.
Mr. Anthony with Mr. Williams of Ohio.
Mrs. Chisholm with Mr. Pritchard.
Mr. de la Garza with Mr. Livingston.
Mr. Giaimo with Mr. Pashayan.
Mr. Ireland with Mr. Daschle.
Mr. Mollohan with Mr. Daniel B. Crane.
Mr. Rodino with Mr. Petri.
Mr. Pepper with Mr. Taylor.
Mr. John L. Burton with Mr. Shuster.
Mr. Dodd with Mr. Conable.
Mr. Downey with Philip M. Crane.
Mr. Breaux with Mr. Tauke.
Mr. Nolan with Mr. Corcoran.
Mr. Carr with Mr. Edgar.
Mr. Eckhardt with Mr. Flood.
Mr. Ichord with Mr. Huckaby.
Mr. Holland with Mr. Scheuer.
Mr. Udall with Mr. Rousselot.
Mr. Ullman with Mr. Charles Wilson of Texas.

Mr. FASCELL changed his vote from "nay" to "yea."

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. BEVILL. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill, H.R. 4388, just passed.

The SPEAKER pro tempore (Mr. FARY). Is there objection to the request of the gentleman from Alabama?

There was no objection.

PERSONAL EXPLANATION

Mr. TAUKE. Mr. Speaker, during the vote on final passage of H.R. 4388, I was necessarily absent from the Chamber to attend a meeting with the Iowa Community Development Fund and missed the vote. Had I been present, I would have voted "yea" on rollcall No. 253, final passage of H.R. 4388, energy and water development appropriations.

DECISION IN THE CASE OF UNITED STATES AGAINST HELSTOSKI

(Mr. THOMPSON asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. THOMPSON. Mr. Speaker, I would like to inform the House that today the U.S. Supreme Court decided the case of United States against Helstoski, involving a former Member of this House. Speaker O'NEILL, Congressman DICKINSON, and I appeared as amici curiae in the Supreme Court in this case—not on behalf of Mr. Helstoski, but on behalf of the speech-or-debate clause of the U.S. Constitution and the independence it protects for all Members of Congress. The Helstoski decision was not entirely favorable to Mr. Helstoski, was not entirely favorable to the Department of Justice of the executive branch—but was totally favorable to the position which Speaker O'NEILL, Congressman DICKINSON, and I urged upon the Court. It strengthens the speech-and-debate clause to achieve its fundamental purpose of insuring the independence of this legislative branch from intimidation or improper influence by the executive branch. This decision makes it even more imperative that we in the House utilize our constitutional authority to devise fair and effective processes to sanction offending Members. And I ask unanimous consent that a copy of the Court's opinion in this significant and vital area be made a part of the CONGRESSIONAL RECORD.

[Supreme Court of the United States]

Syllabus

HELSTOSKI *v.* MEANOR, UNITED STATES DISTRICT JUDGE, ET AL.

CERTIORARI TO THE U.S. COURT OF APPEALS FOR THE THIRD CIRCUIT

No. 78–546. Argued March 27, 1979—
Decided June 18, 1979

Petitioner, then a Member of Congress, was indicted in 1976 for conspiring to solicit and accept, and for soliciting and accepting, bribes in return for being influenced in the performance of official acts, namely the introduction of certain private bills in the House of Representatives. He moved in District Court to dismiss the indictment on the ground, *inter alia,* that the indictment violated the Speech or Debate Clause of the Constitution because the grand jury had heard evidence of legislative acts, but the motion was denied. Thereafter, he petitioned the Court of Appeals for the Third Circuit for a writ of mandamus directing the District Court to dismiss the indictment. The court declined to issue the writ, holding that the indictment did not violate the Speech or Debate Clause.

Held: Mandamus was not the appropriate means of challenging the validity of the indictment on the ground that it violated the Speech or Debate Clause. Direct appeal to the Court of Appeals was available and was the proper course. Pp. 5–8.

(a) Once the motion to dismiss the indictment was denied, there was nothing further petitioner could do under the Speech or

Debate Clause in the trial court to prevent the trial, and an appeal of the ruling was clearly available. Cf. *Abney* v. *United States*, 431 U.S. 651. P. 6.

(b) The Speech or Debate Clause was designed to protect Congressmen "not only from the consequences of litigation's results but also from the burden of defending themselves." *Dombrowski* v. *Eastland*, 387 U.S. 82, 85. P. 7.

(c) If a Member of Congress "is to avoid *exposure* to [being questioned for acts done in either House] and thereby enjoy the full protection of the [Speech or Debate] Clause his . . . challenge to the indictment must be reviewable before . . . exposure [to trial] occurs." *Abney, supra*, at 662. Pp. 7–8.

(d) Petitioner cannot be viewed as being penalized for failing to anticipate the decision in *Abney*, since the controlling law of the Third Circuit was announced at the time of the District Court's order denying dismissal of the indictment, see *United States* v. *DiSilvio*, 520 F. 2d 247, and the holding in *Abney* did no more than affirm the correctness of that holding. P. 8.

576 F. 2d 511, affirmed.

Burger, C. J., delivered the opinion of the Court, in which Stewart, White, Marshall, Blackmun, Rehnquist, and Stevens, J.J., joined. Brennan, J., filed a dissenting opinion. Powell, J., took no part in the consideration or decision of the case.

[Supreme Court of the United States, No. 78-546]

HENRY HELSTOSKI, PETITIONER, *v.* H. CURTIS MEANOR, UNITED STATES DISTRICT JUDGE, ET AL., ON WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE THIRD CIRCUIT

(June 18, 1979)

Mr. Chief Justice Burger delivered the opinion of the Court.

The question in this case is whether mandamus is an appropriate means of challenging the validity of an indictment of a Member of Congress on the ground that it violates the Speech or Debate Clause of the Constitution.[1] The Court of Appeals declined to issue the writ. We affirm.

I

Petitioner Helstoski served in the United States Congress from 1965 through 1976 as a Representative from New Jersey. In 1974 the Department of Justice began investigating reported political corruption, including allegations that aliens had paid money for the introduction and processing of private bills which would suspend the application of the immigration laws so as to allow them to remain in this country.

This case was argued together with No. 78-349, *United States* v. *Helstoski*, which concerns the restrictions the Speech or Debate Clause places on the admissibility of evidence at a trial on charges that a former Member of the House accepted money in return for promising to introduce and introducing private bills.

In June 1976, a grand jury returned a 12-count indictment charging Helstoski and others with various criminal acts. Only the first four counts are involved in this case. The first count charged that Helstoski and others had conspired to violate 18 U.S.C. § 201(c)(1) "by accepting money in return for Helstoski's 'being influenced in the performance of official acts, to wit: the introduction of private bills in the United States House of Representatives." The charge recited 16 overt acts, four of which referred to the actual introduction of private bills; a fifth referred to an agreement to introduce a private bill. The entire conspiracy was charged as a violation of the general conspiracy statute, 18 U.S.C. § 371.

Counts II, III, and IV were substantive counts charging violations of 18 U.S.C. §§ 201 (c)(1) and (2):

"Whoever, being a public official . . . directly or indirectly, corruptly *asks, demands, exacts, solicits, seeks, accepts, reeives, or agrees to receive* anything of value for himself or for any other person or entity, in return for:

"(1) being influenced in his performance of any official act; or

"(2) being influenced to commit or aid in committing, or to collude in, or allow, any fraud, or make opportunity for the commission of any fraud on the United States;

"Shall be [fined or imprisoned]." (Emphasis added.)

"Public official" and "official act" are defined in 18 U.S.C. § 201:

"(a) For the purpose of this section:

"'public official' means Member of Congress . . .; and 'official act' means any decision or action on any question, matter, cause, suit, proceeding or controversy, which may at any time be pending, or which may by law be brought before any public official, in his official capacity, or in his place of trust or profit."

Each count charged that Helstoski, acting through his legislative aide, had solicited money from aliens in return for "being influenced in the performance of official acts, to wit: the introduction of private bills in the United States House of Representatives on behalf of" the aliens. Essentially the charges against Helstoski parallel those dealt within *United States* v. *Johnson*, 383 U.S. 169 (1966), and *United States* v. *Brewster*, 408 U.S. 501 (1972).

Each count also charged that Helstoski, again acting through his aide, had accepted a bribe, "in return for his being influenced in the performance of official acts, to wit: the introduction of private bills in the United States House of Representatives on behalf of" the aliens. Finally, each count charged that a private bill had been introduced on a particular date.

Helstoski neither appeared before nor submitted material to the particular grand jury that returned the indictment. The prosecutor provided that grand jury with transcripts of most, but not all, of the testimony of witnesses, including Helstoski, before eight other grand juries.[2] The United States Attorney explained that to avoid any possible prejudice to Helstoski he had not told the ninth grand jury of Helstoski's invocation of his privilege under the Fifth Amendment. Moreover, he sought to avoid any challenge resulting from the fact that the District Judge had appeared before one grand jury to rule on Helstoski's claim of that privilege.

Helstoski moved to dismiss the indictment, contending that the grand jury process had been abused and that the indictment violated the Speech or Debate Cause. He supported his allegation of abuse of the grand jury by characterizing the eight grand juries as "discovery tools." The effect, he contended, was to permit the prosecutor to select the information presented to the indicting grand jury and to deprive that grand jury of evidence of the demeanor of witnesses, especially that of Helstoski himself.

District Judge Meanor denied the motion after examining a transcript of the evidence presented to the indicting grand jury. He held that there had been no such abuse to justify invalidating the indictment. He found that most of the material not submitted to the indicating grand jury "was either prejudicial to the defendants, or neither inculpating nor exculpating in nature." He also found that the testimony of two grand jury witnesses should have been presented to the indicting grand jury and concluded that *Brady* v. *Maryland*, 373 U.S. 83 (1963), required that the Government provide Helstoski with transcripts of their testimony. Judge Meanor also held that the Speech or Debate Clause did not require dismissal.

Approximately three months later, in June 1977, Helstoski petitioned the Court of Appeals for a writ of mandamus directing the District Court to dismiss the indictment.

The Court of Appeals declined to issue the whit of mandamus. 576 F. 2d 511 (CA3 1978). It concluded that the indictment in this case was indistinguishable from that in *United Staets* v. *Brewster, supra*, where an indictment was held not to violate the Speech or Debate Clause even though it contained references to legislative acts. The Court of Appeals rejected Helstoski's argument that the indictment was invalid because the grand jury had heard evidence of legislative acts, which he argued was in violation of the Speech or Debate Clause. The court declined to go behind the indictment holding that it was valid on its face.

In seeking reversal here of the Court of Appeals holding, Helstoski argues that the extraordinary remedy of mandamus is appropriate in this case to protect the constitutional command of separation of powers. He contends that the Speech or Debate Clause assigns exclusive jurisdiction over all legislative acts to Congress. The indictment itself, he urges, is a violation of that Clause because it represents an impermissible assertion of jurisdiction over the legislative function by the grand jury and the federal courts. He challenges the validity of the indictment on two grounds. First, the indictment itself refers to legisltaive acts. Any attempt at restricting the proof at trial, as approved by the Court of Appeals, will amount to an amendment of the indictment, thereby violating a Fifth Amendment right to be tried only on an indictment in precisely the form issued by a grand jury. Second, he contends the Speech or Debate Clause was violated when the grand jury was allowed to consider evidence of his legislative acts notwithstanding that such evidence and testimony was presented by him.

II

Almost a hundred years ago this Court explained, "The general principle which governs proceedings by *mandamus* is, that whatever can be done without the employment of that extraordinary writ, *may not be done with it*. It lies only when there is practically *no other remedy*." *Ex parte Rowland*, 104 U. S. 604, 617 (1882) (emphasis added). More recently we summarized certain considerations for determining whether the writ should issue:

"Among these are that the party seeking issuance of the writ have no other adequate means to attain the relief he desires, and that he satisfy 'the burden of showing that [his] right to issuance of the writ is "clear and indisputable."' Moreover, it is important to remember that issuance of the writ is in large part a matter of discretion with the court to which the petition is addressed." *Kerr* v. *United States District Court*, 426 U. S. 394, 403 (1976) (citations omitted).

Helstoski contends that his petition for a writ of mandamus should not be governed by the rules which we have developed for assessing mandamus petitions generally. He argues that the writ is especially appropriate for enforcing the commands of the Speech or Debate Clause. We agree that the guarantees of that Clause are vitally important to our system of government and therefore are entitled to be treated by the courts with the sensitivity that such important values require. We are unwilling, however, to accept the contention that mandamus is the appropriate vehicle for assuring protection of the Clause in the circumstances shown here. Helstoski could readily have secured review of the ruling complained of and all objectives now sought, by direct appeal to the Court of Appeals from the District Court order denying his motion to dismiss the indictment.

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[1] The Speech or Debate Clause provides that "for any Speech or Debate in either House, they [the Senators and Representatives] shall not be questioned in any other Place." Art. I, § 6.

[2] The proceedings before the various grand juries are described in No. 78-349, *United States* v. *Helstoski*.

Only recently in *Abney* v. *United States,* 431 U. S. 651 (1977), we held that "pretrial orders rejecting claims of former jeopardy . . . constitute 'final decisions' and thus satisfy the jurisdictional prerequisites of [28 U.S.C.] § 1291." *Id.*, at 662. The reasoning undergirding that holding applies with particular force here. The language of the *Abney* opinion is particularly apt, even though the context was the Double Jeopardy Clause:

> "[T]here can be no doubt that such orders constitute a complete, formal and, in the trial court, a final rejection of a criminal defendant's double jeopardy claim. There are simply no further steps that can be taken in the District Court to avoid the trial the defendant maintains is barred by the Fifth Amendment's guarantee." *Id.*, at 659.

This is equally true for a claim that an indictment violates the fundamental guarantees of the Speech or Debate Clause. Once a motion to dismiss is denied there is nothing the Member can do under that Clause in the trial court to prevent the trial; but it is equally clear an appeal of the District Court ruling was available.

Second, we noted:

> "[T]he very nature of a double jeopardy claim is such that it is collateral to, and separable from, the principal issue at the accused's impending criminal trial, *i.e.*, whether or not the accused is guilty of the offense charged. In arguing that the Double Jeopardy Clause of the Fifth Amendment bars his prosecution, the defendant makes no challenge whatsoever to the merits of the charge against him. Nor does he seek suppression of evidence which the Government plans to use in obtaining a conviction. Rather, he is contesting *the very authority of the Government to hale him into court to face trial on the charge against him.*"[3] *Ibid*. (Emphasis added; citations omitted.)

Abney concludes:

> "[T]he rights conferred on a criminal accused by the Double Jeopardy Clause would be significantly undermined if appellate review of double jeopardy claims were postponed until after conviction and sentence. . . . [T]his Court has long recognized that the Double Jeopardy Clause protects an individual against more than being subjected to double punishments. It is a guarantee against being twice put to trial for the same offense." *Id.*, at 660–661.

That characterization of the purpose of the Double Jeopardy Clause echoed this Court's statement in *Dombrowski* v. *Eastland*, 387 U.S. 82, 85 (1967), that the Speech or Debate Clause was designed to protect Congressmen "not only from the consequences of litigation's results but also from the burden of defending themselves."

Here the holding of *Abney* becomes highly relevant; by analogy, if a Member "is to avoid *exposure* to [being questioned for acts done in either House] and thereby enjoy the full protection of the Clause, his . . . challenge to the indictment must be reviewable before . . . exposure [to trial] occurs." *Abney, supra*, at 662.

Helstoski argues that he should not be penalized for failing to predict our decision in *Abney*. But he cannot be viewed as being penalized since the controlling law of the Third Circuit was announced at the time of the District Court order denying dismissal of the indictment, and our holding did no more than affirm the correctness of the law of that Circuit. See *United States* v. *DiSilvio,* 520 F. 2d 247, 248 n. 2a (CA3), cert. denied, 423 U.S. 1015 (1975). The relevance of the *Abney-DeSilvio* holdings, read in light of *Dombrowski* v. *Eastland, supra,* was predictable. We hold that if Helstoski wished to challenge the District Court's denial of his motion to dismiss the indictment, direct appeal to the Court of Appeals was the proper course under *DeSilvio, supra.*[4]

Affirmed.

Mr. Justice Powell took no part in the consideration or decision of this case.

[Supreme Court of the United States, No. 78–546]

HENRY HELSTOSKI, PETITIONER, v. H. CURTIS MEANOR, UNITED STATES DISTRICT JUDGE, ET AL., ON WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE THIRD CIRCUIT

(June 18, 1979)

Mr. Justice Brennan, dissenting.

In today's decision, the Court professes to "agree that the guarantees of [the Speech or Debate] Clause are vitally important to our system of government and therefore are entitled to be treated by the courts with the sensitivity that such important values require." *Ante*, at 6. Nonetheless, it refuses to hold mandamus an appropriate vehicle for assuring the protections of the Clause because "Helstoski could readily have secured review of the ruling complained of and all objectives now sought, by direct appeal to the Court of Appeals from the District Court order denying his motion to dismiss the indictment." *Ibid.*

Mr. Helstoski may well be excused if he views the Court's holding as if it were a line out of Joseph Heller's Catch–22. He cannot utilize mandamus because he should have sought a direct appeal. But he cannot seek a direct appeal, because that avenue is time-barred. *Ante*, at 8 n. 4. Of course, the dilemma could have been short-circuited had Helstoski brought an immediate appeal at the time his motion for dismissal of the indictment was denied. Unfortunately, he could not have known that avenue of relief was available until today—for we have never before held that the denial of a claim that an indictment violates the Speech or Debate Clause is an exception to the longstanding rule forbidding interlocutory appeals.*

And, as the Court holds, today it is too late. Values as "vitally important" as those guaranteed by the Speech or Debate Clause are entitled to more sensitive treatment.

[Supreme Court of the United States]

Syllabus

UNITED STATES v. HELSTOSKI

CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE THIRD CIRCUIT

No. 78–349. Argued March 27, 1979—Decided June 18, 1979

During an investigation by several federal grand juries of reported political corruption, including allegations that aliens had paid money for the introduction of private bills in Congress to suspend the application of the immigration laws to allow the aliens to remain in the United States, respondent, then a Member of the House of Representatives, appeared voluntarily before the grand juries on 10 occasions. He testified as to his practices in introducing private immigration bills, voluntarily produced his files on numerous private bills, and provided copies of many such bills introduced on behalf of various aliens. Initially, respondent made no claim of privilege under the Fifth Amendment but eventually invoked that privilege as well as alluding to his privilege under the Speech or Debate Clause. Subsequently, respondent was indicted on charges of accepting money in return for being influenced in the performance of official acts, in violation of 18 U.S.C. § 201. He moved in District Court to dismiss the indictment on the ground, *inter alia,* that it violated the Speech or Debate Clause. The District Court denied the motion, holding that the Clause did not require dismissal, but that the Government was precluded from introducing evidence of past legislative acts in any form. The Court of Appeals affirmed this evidentiary ruling, holding, contrary to the Government's arguments, that legislative acts could not be introduced to show motive, since otherwise the protection of the Speech or Debate Clause would be negated, and that respondent had not waived the protection of that Clause by testifying before the grand juries.

Held: Under the Speech or Debate Clause, evidence of a legislative act of a Member of Congress may not be introduced by the Government in a prosecution under 18 U.S.C. § 201. *United States* v. *Brewster,* 408 U.S. 501; *United States* v. *Johnson,* 383 U.S. 169. Pp. 9–16.

(a) While the exclusion of evidence of past legislative acts undoubtedly will make prosecutions more difficult, nevertheless, the Speech or Debate Clause was designed to preclude prosecution of Members for legislative acts. References to legislative acts of a Member cannot be admitted without undermining the values protected by that Clause. Pp. 10–11.

(b) As to what restrictions the Clause places on the admission of evidence, the concern is with whether there is evidence of a legislative act; the protection of the Clause extends only to an act that has already been performed. A promise to deliver a speech, to vote, or to solicit other votes is not "speech or debate" within the meaning of the Clause, nor is a promise to introduce a bill at some future date a legislative act. Pp. 11–12.

(c) Respondent did not waive the protection of the Clause by testifying before the grand jury and voluntarily producing documentary evidence of legislative acts. Assuming, without deciding, that a Member of Congress may waive the Clause's protection against being prosecuted for a legislative act, such waiver could be found only after explicit and unequivocal renunciation of the protection. On this record, respondent's words and conduct did not constitute such a waiver; his exchanges with the attorneys for the United States indicating at most a willingness to waive the protection of the Fifth Amendment. Pp. 12–14.

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[3] It is true that Helstoski challenges the admissibility of evidence at his trial; that challenge, however, is raised only if the indictment is allowed to stand.

[4] If the petition for a writ of mandamus were treated as an appeal it would, of course, have been jurisdictionally out of time. Fed. Rule App. Proc. 4.

*The Court makes the surprising assertion that Helstoski should have anticipated today's holding on the basis of a footnote in a 1975 Third Circuit opinion dealing with a different issue. (That opinion, like this Court's decision in *Abney,* was limited to the double jeopardy issue. *Abney* was announced far too late to have helped the defendant.) Although I agree with the Court's extension of the *Abney* principle from double jeopardy claims to those based upon the Speech or Debate Clause, I do not regard the extension as obvious. Nor, apparently, does the Government, as it carefully refrains from endorsing that view. See Brief for the United States 92. I certainly would not use it as a basis for penalizing a former Congressman in his assertion of a principle so "vitally important to our system of government." *Ante*, at 6.

(d) Nor does 18 U.S.C. § 201 amount to a congressional waiver of the protection of the Speech or Debate Clause. Assuming, *arguendo*, that Congress could constitutionally waive the protection of the Clause for individual Members, such waiver could be shown only by an explicit and unequivocal legislative expression, and there is no evidence of such a waiver. Pp. 14–16.

576 F. 2d 511, affirmed.

Burger, C. J., delivered the opinion of the Court, in which White, Marshall, Blackmun, and Rehnquist, JJ., joined. Stevens, J., filed an opinion concurring in part and dissenting in part, in which Stewart, J., joined. Brennan, J., filed a dissenting opinion. Powell, J., took no part in the consideration or decision of the case.

[Supreme Court of the United States,
No. 78-349]

United States, Petitioner, *v.* Henry Helstoski, on Writ of Certiorari to the United States Court of Appeals for the Third Circuit

(June 18, 1979)

Mr. Chief Justice Burger delivered the opinion of the Court.

We granted certiorari in this case to resolve important questions concerning the restrictions the Speech or Debate Clause[1] places on the admissibility of evidence at a trial on charges that a former Member of the House had, while a Member, accepted money in return for promising to introduce and introducing private bills.[2]

I

Respondent Helstoski is a former Member of the United States House of Representatives from New Jersey. In 1974, while Helstoski was a Member of the House, the Department of Justice began investigating reported political corruption, including allegations that aliens had paid money for the introduction of private bills which would suspend the application of the immigration laws so as to allow them to remain in this country.

The investigation was carried on before nine grand juries. The grand juries were called according to the regular practice in the District of New Jersey, which was to have a different grand jury sitting on each of six days during the week; on two days there was a second grand jury. When the United States Attorney was ready to present evidence he presented it to whichever grand jury was sitting that day. There was therefore no assurance that any grand jury which voted an indictment would see and hear all of the witnesses or see all of the documentary evidence. It was contemplated that the grand jury that was asked to return an indictment would review transcripts of relevant testimony presented to other grand juries.

Helstoksi appeared voluntarily before grand juries on 10 occasions between April 1974 and May 1976. Each time he appeared he was told that he had certain constitutional rights. Different terms were used by different attorneys for the United States, but the following exchange, which occurred at Helstoski's first appearance before a grand jury, fairly represents the several exchanges:

"Q. You were told at that time [at the office of the United States attorney earlier]—and just to repeat them today—before we begin you were told that you did not have to give any testimony to the Grand Jury or make any statements to any officer of the United States. You understand that, do you not?

"A. I come with full and unlimited cooperation.

"Q. I understand that. . . .

* * * * *

"Q. And that you also know that anything that you may say to any agent of the United States or to this Grand Jury may later be used in a court of law against you; you understand that as well?

[Affirmative response given.]

"A. Whatever is in my possession, in my files, in its original form, will be turned over. Those files which I have—some of them are very, very old. I've been in Congress since 1965. We mentioned this.

* * * * *

"Q. The Grand Jury wants from you simply the records that are in your possession, whether it be in your office in East Rutherford, New Jersey, Washington, D.C., your home, wherever they may be, the Grand Jury would like you to present those documents. Of course, you understand if you wish not to present those documents you do not have to and that anything you do present may also, as I have told you about your personal testimony, may be used against you later in a court of law?

"A. I understand that. Whatever I have will be turned over to you with full cooperation of [*sic*] this Grand Jury and with yourself, sir.

"A. I understand that. I promise full cooperation with your office, with the FBI, this Grand Jury.

"Q. The Grand Jury is appreciative of that fact. They also want to make certain that when you are giving this cooperation that you understand, as with anyone else that might be called before a United States Grand Jury, exactly what their constitutional rights are. And that is why I have gone through this step by step carefully so there will be no question and there will be no doubt in anybody's mind.

"A. As I indicated, I come with no request for immunity and you can be assured there won't be any plea of the Fifth Amendment under any circumstances."

Helstoski testified as to his practices in introducing private immigration bills and he produced his files on numerous private bills. Included in the files were correspondence with a former legislative aide and with individuals for whom bills were introduced. He also provided copies of 169 bills introduced on behalf of various aliens.

Beginning with his fourth appearance before a grand jury, in October 1975, Helstoski objected to the burden imposed by the requests for information. The requests, he claimed, violated his own right of privacy and that of his constituents. In that appearance he also stated that there were "some serious Constitutional questions" raised by the failure of the United States Attorney to return tax records which Helstoski had voluntarily delivered. He did not, however, assert a privilege against producing documents until the seventh appearance, on December 12, 1975. Then he declined to answer questions, complaining that the United States Attorney had stated to the District Court that the grand jury had concluded that Helstoski had misapplied campaign funds. He asserted a general invocation of rights under the Constitution and specifically listed the Fourth, Fifth, Sixth, Ninth, and Fourteenth Amendments.

At the next, and eighth, appearance on December 29, 1975, he repeated his objections to the conduct of the United States Attorney. After answering questions about campaign financing, personal loans, and other topics, he declined to answer questions about the receipt of a sum of money. That action was based upon his privilege under the Fifth Amendment "and on further grounds that to answer that question would violate my rights under the Constitution."

Because the grand jury considered that Helstoski's invocation of constitutional privileges was too general to be acceptable it adjourned and reconvened before the District Judge to seek a ruling on Helstoski's claim of privilege "under the Constitution." After questioning Helstoski, the judge stated that the privilege against compulsory self-incrimination was the only privilege available to Helstoski. The judge assisted Helstoski in wording a statement invoking the privilege that was satisfactory to the grand jury. Thereafter, Helstoski invoked his Fifth Amendment privilege in refusing to answer further questions, including a series of questions about private immigration bills.

Not until his ninth, and penultimate, appearance before a grand jury did Helstoski assert any privilege under the Speech or Debate Clause. On May 7, 1976, Helstoski asked if he was a target of the investigation. The prosecutor declined to answer the question, stating, "[I]t would be inappropriate for this Grand Jury or indeed for me to say that you are a target." Helstoski then invoked his privilege against compulsory self-incrimination and declined to answer further questions or to produce documents.[3] He also declined to produce a copy of an insert from the Congressional Record, saying "I consulted with my attorneys and based on the statement that was made on the floor, I don't have any right to be questioned at any other time or place as reference to statements made on the floor of Congress."

Although that was the first instance which can even remotely be characterized as reliance upon the Speech or Debate Clause, Helstoski earlier had indicated an awareness of another aspect of the constitutional privileges afforded Congressman.[4] During his fourth appearance before a grand jury, in October 1975, Helstoski complained that he had been served with a subpoena directing him to appear before a grand jury on a day that Congress was in session.[5]

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[1] The Speech or Debate Clause provides that "for any Speech or Debate in either House, they [the Senators and Representatives] shall not be questioned in any other Place." Article 1, § 6.

[2] This case was argued together with No. 78-546, *Helstoski* v. *Meanor*, which involves the question of whether mandamus is an appropriate means of challenging the validity of an indictment on the ground that it violates the Speech or Debate Clause of the Constitution.

[3] That Helstoski may not have had the extent of his privilege clearly in mind is indicated by the following exchange between him and an Assistant United States Attorney during Helstoski's ninth appearance before a grand jury:

"A [Helstoski] I stand on my Constitutional privilege regarding the Fifth Amendment.

"Q. And that privilege is against self incrimination?

"A. Whatever the Fifth Amendment is."

[4] The District Court found "that Helstoski was aware of the Speech or Debate Clause at the time he made his first grand jury appearance. He had recently concluded litigation involving his franking privilege in which he had relied upon the Speech or Debate Clause. *Schiaffo* v. *Helstoski*, 350 F. Supp. 1076 (D. N.J. 1972), rev'd in part, aff'd in part and remanded 492 F. 2d 413 (3d Cir. 1974). In that litigation, Helstoski was represented by the same attorney who represented his throughout his grand jury appearance."

[5] He offered this explanation to an Assistant United States Attorney:

"A. [Helstoski] Do you want to get into the Constitutional question of whether or not you could serve a member of Congress while Congress is in session?

"You know very well that can't be done. . . .

"Q. Congressman, you've used the term 'illegal subpoena.' Who told you it was legal?

"A. That's my own judgment based on the Constitution and the Rules of Procedure of the House of Representatives."

At his 10th and final appearance before a grand jury Helstoski invoked his Fifth Amendment privilege. But he also referred repeatedly to "other constitutional privileges which prevail." Nevertheless, he contained to promise to produce campaign and personal financial records as requested by the grand jury and directed by the District Judge.

II

In June 1976, a grand jury returned a multiple-count indictment charging Helstoski and others with various criminal acts. Helstoski moved to dismiss the indictment, contending that the grand jury process had been abused and that the indictment violated the Speech or Debate Clause.

The District Judge denied the motion after examining a transcript of the evidence presented to the indicting grand jury. He held that the Speech or Debate Clause did not require dismissal. He also ruled that the Government would not be allowed to offer evidence of the actual performance of any legislative acts. That ruling prompted the Government to file a motion requesting that the judge pass on the admissibility of twenty-three categories of evidence. The Government urged that a ruling was necessary to avoid the possibility of a mistrial. Helstoski opposed the motion, arguing that the witnesses would not testify as the Government indicated in its proffer.

The District Judge declined to rule separately on each of the categories. Instead, he ordered that

"The United States may not, during the presentation of its case-in-chief at the trial of [this] Indictment, introduce evidence of the *performance of a past legislative act* on the part of the defendant, Henry Helstoski, derived from any source and for any purpose." (Emphasis added.)

The Government filed a timely appeal from the evidentiary ruling, relying upon 18 U.S.C. § 3731:

"An appeal by the United States shall lie to a court of appeals from a decision or order of a district court suppressing or excluding evidence . . . not made after the defendant has been put in jeopardy and before the verdict or finding on an indictment or information, if the United States attorney certifies to the district court that the appeal is not taken for purpose of delay and that the evidence is a susbtantial proof of a fact material in the proceeding.

"The appeal in all such cases shall be taken within thirty days after the decision, judgment or order has been rendered and shall be diligently prosecuted.

* * * * *

"The provisions of this section shall be liberally construed to effectuate its purpose."

The Court of Appeals affirmed the District Court's evidentiary ruling. 576 F. 2d 511 (CA3 1978). It first concluded that an appeal was proper under § 3731, relying primarily upon its earlier decision in *United States* v. *Beck*, 483 F. 2d 203 (1973), cert. denied, 414 U.S. 1132 (1974), and upon the language in the section mandating that it be "liberally construed."

Turning to the merits of the Government's appeal, the Court of Appeals rejected both of the Government's arguments: (a) that legislative acts could be introduced to show motive; and (b) that legislative acts could be introduced because Helstoski had waived his privilege by testifying before the grand juries. The court relied upon language in *United States* v. *Brewster*, 408 U.S. 501, 527 (1972), prohibiting the introduction of evidence as to how a Congressman acted on, voted on, or resolved, a legislative issue. The court reasoned that to permit evidence of such acts under the guise of showing motive would negate the protection afforded by the Speech or Debate Clause.

In holding Helstoski had not waived the protection of the Speech or Debate Clause, the Court of Appeals did not decide whether the protection could be waived. Rather, it assumed that a Member of Congress could waive the privilege, but held that any waiver must be "express and for the specific purpose for which the evidence of legislative acts is sought to be used against the member." 576 F. 2d, at 523–524. Any lesser standard, the court reasoned, would frustrate the purpose of the Clause. Having found on the record before it that no waiver was shown, it affirmed the District Court order under which the Government is precluded from introducing evidence of past legislative acts in any form.

In seeking review of the judgment of the Court of Appeals, the Government contends that the Speech or Debate Clause does not bar the introduction of all evidence referring to legislative acts. It concedes that, absent a waiver, it may not introduce the bills themselves. But the Government argues that the Clause does not prohibit it from introducing evidence of discussions and correspondence which describe and refer to legislative acts if the discussions and correspondence did not occur during the legislative process. The Government contends that it seeks to introduce such evidence to show Helstoski's motive for taking money, not to show his motive for introducing the bills. Alternatively, the Government contends that Helstoski waived his protection under the Speech or Debate Clause when he voluntarily presented evidence to the grand juries. Volunteered evidence, the Government argues, is admissible at trial regardless of its content.

Finally, the Government argues, by enacting 18 U.S.C. § 201, Congress has shared its authority with the Executive and the Judiciary by express delegation authorizing the indictment and trial of Members who violate that section—in short an institutional decision to waive the privilege of the Clause.

III

The Court's holdings in *United States* v. *Johnson*, 383 U.S. 169 (1966), and *United States* v. *Brewster, supra*, leave no doubt that evidence of a legislative act of a Member may not be introduced by the Government in a prosecution under § 201.[6] In *Johnson* there had been extensive questioning of both Johnson, a former Congressman, and others about a speech which Johnson had delivered in the House of Representatives and the motive for the speech. The Court's conclusion was unequivocal:

"We see no escape from the conclusion that such an intensive judicial inquiry, made in the course of a prosecution by the Executive Branch under a general conspiracy statute, violates the express language of the Constitution and the policies which underlie it." 383 U.S., at 177.

In *Brewster*, we explained the holding of *Johnson* in this way:

"*Johnson* thus stands as a unanimous holding that a Member of Congress may be prosecuted under a criminal statute provided that the Government's case does not rely on legislative acts or the motivation for legislative acts. A legislative act has consistently been defined as an act generally done in Congress in relation to the business before it. In sum, the Speech or Debate Clause prohibits inquiry only into those things generally said or done in the House or the Senate in the performance of official duties and into the motivation for those acts." 408 U.S., at 512.

The Government, however, argues that exclusion of references to past legislative acts will make prosecutions more difficult because such references are essential to show the motive for taking money. In addition, the Government argues that the exclusion of references to past acts is not logically consistent. In its view, if jurors are told of promises to perform legislative acts they will infer that the acts were performed, thereby calling the acts themselves into question.

We do not accept the Government's arguments; without doubt the exclusion of such evidence will make prosecutions more difficult. Indeed, the Speech or Debate Clause was designed to preclude prosecution of Members for legislative acts.[7] The Clause protects "against inquiry into acts that occur in the regular course of the legislative process and into the motivation for those acts." *Id.*, at 525. It "precludes any showing of how [a legislator] acted, voted, or decided." *Id.*, at 527. Promises by a Member to perform an act in the future are not legislative acts. Brewster makes clear that the "compact" may be shown without impinging on the legislative function. *Id.*, at 526.

We therefore agree with the Court of Appeals that references to past legislative acts of a Member cannot be admitted without undermining the values protected by the Clause. We implied as much in *Brewster* when we explained, "To make a prima facie case under [the] indictment, the Government need not show any act of [Brewster] *subsequent* to the corrupt promise for payment, for it is taking the bribe, not performance of the illicit compact, that is a criminal act." *Ibid.* (Emphasis altered.) A similar inference is appropriate from *Johnson* where we held that the Clause was violated by questions about motive addressed to others than Johnson himself. That holding would have been necessary if the Clause did not afford protection beyond legislative acts themselves.

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[6] We agree with the Court of Appeals that 18 U.S.C. § 3731 authorized the Government to appeal the District Court order restricting the evidence that could be used at trial. All of the requisites of § 3731 were met. There was an order of a district court excluding evidence; a United States attorney filed the proper certification; and the appeal was taken within thirty days. In *United States* v. *Wilson*, 420 U.S. 332, 337 (1975), we concluded that the purpose of the section was "to remove all statutory barriers to Government appeals and to allow appeals whenever the Constitution would permit." See also *United States* v. *Scott*, 437 U.S. 82, 84–85 (1978); H.R. Conf. Rep. No. 91–1768, p. 21, reprinted in 1970 U.S. Cong. Code & Admin. News 5842, 5848; S. Rep. No. 91–1296, pp. 2–3 (1970); 116 Cong. Rec. 35659 (1970) (remarks of Sen. Hruska). There are no constitutional barriers to this appeal and we conclude that the appeal was authorized by § 3731.

[7] Mr. Justice Stevens suggests that our holding is broader than the Speech or Debate Clause requires. In his view, "it is illogical to adopt rules of evidence that will allow a Member of Congress effectively to immunize himself from conviction [for bribery] simply by inserting references to past legislative acts in all communications thus rendering all such evidence inadmissible." *Post*, at 5. Nothing in our opinion, by any conceivable reading, prohibits excising references to legislative acts, so that the remainder of the evidence would be admissible. This is a familiar process in the admission of documentary evidence. Of course a Member can use the Speech or Debate Clause as a shield against prosecution by the Executive Branch, but only for utterances within the scope of legislative acts as defined in our holdings. That is the clear purpose of the Clause. The Clause is also a shield for libel and beyond doubt it "has enabled reckless men to slander and even destroy others with impunity, but that was the conscious choice of the Framers." *United States* v. *Brewster*, 408 U.S. 501, 516 (1972). Nothing in our holding today, however, immunizes a Member from punishment by the House or the Senate by disciplinary action including exclusion from the Member's seat.

Mr. Justice Stevens misconstrues our holdings on the Speech or Debate Clause in urging, "The admissibility line should be based on the purpose of the offer rather than the specificity of the reference." *Post*, at 3. The Speech or Debate Clause does not refer to the prosecutor's purpose in offering evidence. The Clause does not simply state, "No proof of a legislative act shall be *offered*"; the prohibition of the Clause is far broader. It provides that Members "shall not be *questioned* in any other place." Indeed, as Mr. Justice Stevens recognizes, the admission of evidence of legislative acts "may reveal [to the jury] some information about the performance of legislative acts and the legislator's motivation in conducting official duties." *Post*, at 3. Revealing information as to a legislative act—speaking or debating—to a jury would subject a Member to being "questioned" in a place other than the House or Senate, thereby violating the explicit prohibition of the Speech or Debate Clause.

As to what restrictions the Clause places on the admission of evidence, our concern is not with the "specificity" of the reference. Instead, our concern is whether there is mention of a legislative act. To effectuate the intent of the Clause, the Court has construed it to protect other "legislative acts" such as utterances in committee hearings and reports. *E.g., Doe* v. *McMillan*, 412 U.S. 306 (1973). But it is clear from the language of the Clause that protection extends only to an act that has already been performed. A promise to deliver a speech, to vote, or to solicit other votes at some future date is not "speech or debate." Likewise, a *promise* to introduce a bill is not a legislative act. Thus, in light of the strictures of *Johnson* and *Brewster*, the District Court order prohibiting the introduction of evidence "of the performance of a *past* legislative act" was redundant.

The Government argues that the prohibition of the introduction of evidence should not apply in this case because the protections of the Clause have been waived. The Government suggests two sources of waiver, (a) Helstoski's conduct and utterances, and (b) the enactment of § 201 by Congress. The Government argues that Helstoski waived the protection of the Clause by testifying before the grand juries and voluntarily producing documentary evidence of legislative acts. The Government contends that Helstoski's conduct is sufficient to meet whatever standard is required for a waiver of that protection. We cannot agree.

Like the District Court and the Court of Appeals, we perceive no reason to decide whether an individual Member may waive the Speech or Debate Clause's protection against being prosecuted for a legislative act. Assuming that is possible, we hold that waiver can be found only after explicit and unequivocal renunciation of the protection. The ordinary rules for determining the appropriate standard of waiver do not apply in this setting. See generally *Johnson* v. *Zerbst*, 304 U. S. 458, 464 (1938) ("international relinquishment or abandonment of a known right or privilege"); *Garner* v. *United States*, 424 U. S. 648, 654 n. 9, 657 (1976).

The Speech or Debate Clause was designed neither to assure fair trials nor to avoid coercion. Rather, its purpose was to preserve the constitutional structure of separate, coequal, and independent branches of government. The English and American history of the privilege suggest that any lesser standard would risk intrusion by the executive and the judiciary into the sphere of protected legislative activities. The importance of the principle was recognized as early as 1808 in *Coffin* v. *Coffin*, 4 Mass. 1, 27, where the court said that the purpose of the principle was to secure to every member "exemption from prosecution, for every thing said or done by him, as a representative, in the exercise of the functions of that office." (Emphasis added.)

This Court has reiterated the central importance of the Clause for preventing intrusion by executive and judiciary into the legislative sphere.

"[I]t is apparent from the history of the clause that the privilege was not born primarily of a desire to avoid private suits . . . but rather to prevent intimidation by the executive and accountability before a possibly hostile judiciary.

"There is little doubt that the instigation of criminal charges against critical or disfavored legislators by the executive in a judicial forum was the chief fear prompting the long struggle for parliamentary privilege in England and, in the context of the American system of separation of powers, is the predominate thrust of the Speech or Debate Clause." *United States* v. *Johnson*, 383 U.S., at 180–181, 182.

We reaffirmed that principle in *Gravel* v. *United States*, 408 U.S. 606, 618 (1972), when we noted that the "fundamental purpose" of the Clause was to free "the legislator from executive and judicial oversight that realistically threatens to control his conduct as a legislator."

On the record before us, Helstoski's words and conduct cannot be seen as an explicit and unequivocal waiver of his immunity from prosecution for legislative acts—assuming such a waiver can be made. The exchanges between Helstoski and the various United States Attorneys indeed indicate a willingness to waive the protection of the Fifth Amendment; but the Speech or Debate Clause provides a separate, and distinct, protection which calls for at least as clear and unambiguous an expression of waiver. No such showing appears on this record.

The Government also argues that there has been a sort of institutional waiver by Congress in enacting § 201. According to the Government, § 201 represents a collective decision to enlist the aid of the Executive Branch and the courts in the exercise of Congress' powers under Art. I, § 5, to discipline its Members. This Court has twice declined to decide whether a Congressman could, consistent with the Clause, be prosecuted for a legislative act as such, provided the prosecution were "founded upon a narrowly drawn statute passed by Congress in the exercise of its legislative power to regulate the conduct of its members." *Johnson*, *supra*, at 185. *United States* v. *Brewster*, 408 U.S., at 529 n. 18. We see no occasion to resolve that important question. We hold only that § 201 does not amount to a congressional waiver of the protection of the Clause for individual Members.

We recognize that an argument can be made from precedent and history that Congress, as a body, should not be free to strip individual Members of the protection guaranteed by the Clause from being "questioned" by the executive in the courts. The controversy over the Alien and Sedition Acts reminds us how one political party in control of both the Legislative and the Executive Branches sought to use the courts to destroy political opponents.

The Supreme Judicial Court of Massachusetts noted in *Coffin*, "the privilege secured . . . is not so much the privilege of the House as an organized body, as of each individual member composing it, who is entitled to this privilege, *even against the declared will of the house*." 4 Mass., at 27 (emphasis added). In a similar vein in *Brewster* we stated:

"The immunities of the Speech or Debate Clause were not written into the Constitution simply for the personal or private benefit of Members of Congress, but to protect the integrity of the legislative process by *insuring the independence of individual legislators*." 408 U.S., at 507 (emphasis added).

See also *id.*, at 524. We perceive no reason to undertake, in this case, consideration of the Clause in terms of separating the Members' rights from the rights of the body.

Assuming, *arguendo*, that the Congress could constitutionally waive the protection of the Clause for individual Members, such waiver could be shown only by an explicit and unequivocal expression. There is no evidence of such a waiver in the language or the legislative history of § 201 or any of its predecessors.[8]

We conclude that there was neither individual nor institutional waiver and that the evidentiary barriers erected by the Speech or Debate Clause must stand. Accordingly, the judgment of the Court of Appeals is affirmed.

Affirmed.

Mr. Justice Powell took no part in the consideration or decision of this case.

[Supreme Court of the United States, No. 78–349]

UNITED STATES, PETITIONER, *v.* HENRY HELSTOSKI, ON WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE THIRD CIRCUIT

(June 18, 1979)

Mr. Justice Stevens, with whom Mr. Justice Stewart joins, concurring in part and dissenting in part.

The Court holds that *United States* v. *Brewster*, 408 U.S. 501, and *United States* v. *Johnson*, 383 U.S. 169, preclude the Government from introducing evidence of a legislative act by a Member of Congress. I agree that those cases do prevent the prosecution from attempting to prove that a legislative act was performed. I do not believe, however, that they require rejection of evidence that merely refers to legislative acts when that evidence is not offered for the purpose of proving the legislative, act itself.

In *Johnson*, the Court held that a Member of Congress could not be prosecuted for conspiracy against the United States based on his preparation and delivery of an improperly motivated speech in the House of Representatives. After noting that the attention given to the speech was not merely "an incidental part of the Government's case," but rather was "an intensive judicial inquiry" into the speech's substance and motivation, *id.*, at 176–177, the Court held that the prosecution violated the express language of the Speech or Debate Clause and the policies that underlie it. The Court carefully emphasized, however, that its decision was limited to a case of that character and "does not touch a prosecution which . . . does not draw in question the legislative acts of the defendant member of Congress or his motives for performing them." *Id.*, at 185.

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[8] Section 201 was enacted in 1962, Pub. L. 87–849, 76 Stat. 1119. It replaced a section that had remained unchanged since its original enactment in 1862. Ch. 180, 12 Stat. 577. See Rev. Stat. § 1781; 18 U.S.C. § 205 (1958 ed.). The debates on the 1862 act reveal no discussion of the Speech or Debate Privilege. See, *e. g.*, Cong. Globe, 37th Cong., 2d Sess., 3260 (1862). As explained in the House Report accompanying the 1962 act, the purpose of the act was "to render uniform the law describing a bribe and prescribing the intent or purpose which makes its transfer unlawful." H. R. Rep. No. 748, 87th Cong., 1st Sess., 15 (1961). The Senate Report expanded the explanation and said that a purpose of the act was the "substitution of a single comprehensive section of the Criminal Code for a number of existing statutes concerned with bribery. This consolidation would make no significant changes of substance and, more particularly, would not restrict the broad scope of the present bribery statutes as construed by the courts." S. Rep. No. 2213, 87th Cong., 2d Sess., 4 (1962).

In *Brewster*, the Court held that the Speech or Debate Clause did not bar prosecution of a former Senator for receiving money in return for being influenced in the performance of a legislative act. The Court read *Johnson* as allowing a prosecution of a Member of Congress so long as the Government's case does not rely on legislative acts or the motivation for such acts. It reasoned that Brewster was not being prosecuted for the performance of a legislative act, but rather for soliciting or agreeing to take money with knowledge that the donor intended to compensate him for an official act. Whether the Senator ever performed the official act was irrelevant.

As as practical matter, of course, it is clear that evidence relating to a legislator's motivation for accepting a bribe will also be probative of his intent in committing the official act for which the bribe was solicited or paid. Nonetheless, the Court made clear in *Brewster* that inquiries into the legislator's motivation in accepting payments are not barred by *Johnson's* proscription against inquiry into legislative motivation. "[A]n inquiry into the purpose of a bribe," the *Brewster* Court held, "'does not draw in question the legislative acts of the defendant Member of Congress or his motives for performing them.'" 408 U. S., at 526, quoting *Johnson, supra,* 383 U. S., at 185. Thus, so long as the Government's case does not depend upon the legislator's motivation in committing an official act, inquiries into his motivation in accepting a bribe—which obviously may be revealing as to both the existence of legislative acts and the motivation for them—are permissible under the Speech or Debate Clause, as interpreted in *Brewster*.

Brewster's recognition of this distinction, in my judgment, provides strong support for the Government's argument in this case. Here, the Government is seeking to introduce written and testimonial evidence as to Helstoski's motivation in soliciting and accepting bribes. Some of this evidence makes reference to past or future legislative acts for which payment is being sought or given. Obviously, this evidence, to the extent it is probative of Helstoski's intent in accepting payment, is an important and legitimate part of the Government's case against the former Congressman. Whether or not he ever committed the legislative acts is wholly irrelevant to the Government's proof, and inquiry into that subject is prohibited by *Johnson* and *Brewster*. But the mere fact that legislative acts are mentioned does not, in my view, require that otherwise relevant and admissible evidence be excluded. The acts may or may not have been performed; the statement in the letters may be true or false. The existence of the statements does not establish that legislative acts were performed; nor does it constitute inquiry into those acts. To be sure, such statements may reveal some information about the performance of legislative acts and the legislator's motivation in conducting official duties. But that is also true of other evidence making no reference to specific past legislative acts, but rather dealing only with promises of future performance or less specific commitments to legislative action. *Brewster* establishes that such evidence is admissible in bribery prosecutions because it does not draw in question the legislative act itself or its motivation. The admissibility line should be based on the purpose of the offer rather than the specificity of the reference. So long as the jury is instructed that it should not consider the references as proof of legislative acts, and so long as no inquiry is made with respect to the motivations for such acts, *Brewster* does not bar the introduction of evidence simply because reference is made to legislative acts.*

Indeed, I think it important to emphasize that the majority today does not read *Brewster* to foreclose the introduction of any evidence making reference to legislative acts. The Court holds that evidence referring only to acts to be performed in the future may be admitted into evidence. *Ante*, at 10–11. The Court explains this holding by noting that a promise to perform a legislative act in the future is not itself a legislative act. But it is equally true that the solicitation of a bribe which contains a self-laudatory reference to past performance is not itself a legislative act. Whether the legislator refers to past or to future performance, his statement will be probative of his intent in accepting payment and, in either event, may incidentally shed light on the performance and motivation of legislative acts. The proper remedy, in my judgement, is not automatic inadmissibility for past references and automatic admissibility for future references. Rather, drawing on the language of the Constitution itself, the test should require the trial court to analyze the purpose of the prosecutor's questioning. If the evidentiary references to legislative acts are merely incidental to a proper purpose, the judge should admit the evidence and instruct the jury as to its limited relevance. The Constitution mandates that legislative acts "shall not be questioned"; it does not say they shall not be mentioned.

The Court properly notes that the Government has no valid complaint simply because application of the Speech or Debate Clause renders some prosecution of Members of Congress "difficult." *Ante,* at 10. But I do not believe the Clause was intended to make such prosecution virtually impossible. In light of the Court's holding in *Brewster* that bribery prosecutions are permissible, it is illogical to adopt rules of evidence that will allow a Member of Congress effectively to immunize himself from conviction simply by inserting references to past legislative acts in all communications, thus rendering all such evidence inadmissible. Because I believe the exclusionary rule the Court applies today affords greater protection than is necessary to fulfill the mission of the Speech or Debate Clause, I respectfully dissent to the limited extent indicated above.

[Supreme Court of the United States,
No. 78-349]

UNITED STATES, PETITIONER, *v.* HENRY HELSTOSKI, ON WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE THIRD CIRCUIT

(June 18, 1979)

Mr. Justice Brennan, dissenting.

While I have no quarrel with the Court's decision to limit the evidence which the Government may introduce at Helstoski's trial, I would go much further and order the dismissal of Helstoski's indictment altogether. "[P]roof of an agreement to be 'influenced' in the performance of legislative acts is by definition an inquiry into their motives, whether or not the acts themselves or the circumstances surrounding them are questioned at trial." *United States* v. *Brewster,* 408 U.S. 501, 536 (1972) (Brennan J., dissenting). I continue to adhere to the view expressed in my dissent in *Brewster,* and would hold that "a corrupt agreement to perform legislative acts, even if provable without reference to the acts themselves, may not be the subject of a general conspiracy prosecution." *Id.,* at 539.

CONFERENCE REPORT ON S. 429, DEPARTMENT OF DEFENSE SUPPLEMENTAL APPROPRIATION AUTHORIZATION ACT, 1979

Mr. PRICE submitted the following conference report and statement on the Senate bill (S. 429) to authorize appropriations for fiscal year 1979, in addition to amounts previously authorized for procurement of aircraft, missiles, naval vessels, and other weapons, and for research, development, test, and evaluation for the Armed Forces, and for other purposes:

CONFERENCE REPORT (H. REPT. No. 96–282)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 429) to authorize appropriations for fiscal year 1979, in addition to amounts previously authorized for procurement of aircraft, missiles, naval vessels, and other weapons, and for research, development, test, and evaluation for the Armed Forces, and for other purposes, having met, after full and free purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House to the text of the bill and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the House amendment insert the following:

That this Act may be cited as the "Department of Defense Supplemental Appropriation Authorization Act, 1979".

TITLE I—PROCUREMENT

SEC. 101. In addition to the funds authorized to be appropriated under title I of the Department of Defense Appropriation Authorization Act, 1979, funds are hereby authorized to be appropriated for fiscal year 1979 for the use of the Air Force and the Navy for procurement of aircraft, missiles. and naval vessels, as authorized by law, in amounts as follows:

(1) For aircraft: for the Air Force, $45,000,000.

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*In reaching this conclusion, I have not overlooked the language in *Brewster*, relied upon by respondent, that "*Johnson* precludes any showing of how [Brewster] acted, voted, or decided." 408 U.S., at 527. Taken out of context, that language would appear to support Helstoski's claim that all references to legislative action are inadmissible. When placed in its proper context, however, it clearly does not.

The quoted statement was made with respect to the dissent's argument that criminal prosecution should not be permitted since the indictment charged the offense as being in part linked to Brewster's "action, vote and decision on postage rate legislation." In response, the Court pointed out that while this was true, "[t]he Government, as we have noted, need not *prove* any specific act, speech, debate, or decision to establish a violation of the statute under which appellee was indicted. To accept the arguments of the dissent would be to retreat from the Court's position in *Johnson* that a Member may be convicted if no showing of a legislative act is *required.*" *Id.*, at 528 (emphasis added). When placed in this context, I think it clear that the statement relied upon by respondent should be read only as establishing—as *Johnson* itself held, and as the *Brewster* Court read *Johnson*—that a Member of Congress may not be prosecuted if proof of a specific legislative act would be required as an element of the Government's case. The recognition by the Court today that evidence referring to future legislative actions *is* admissible, see *ante,* at 10–11 itself is a rejection of the broad reading respondent attaches to "any showing."

(2) For missiles: for the Navy, $143,700,000.

(3) For naval vessels: for the Navy, $1,450,700,000.

SEC. 102. There is authorized to be appropriated for fiscal year 1979 the sum of $80,100,000 to be available only for contribution by the United States of its share of the cost for such fiscal year of the acquisition by the North Atlantic Treaty Organization of the Airborne Early Warning and Control System (AWACS).

SEC. 103. (a) During fiscal year 1979, the Secretary of Defense, in carrying out the Multilateral Memorandum of Understanding Between the North Atlantic Treaty Organization (NATO) Ministers of Defence on the NATO E-3A Cooperative Programme, signed by the Secretary of Defense on December 6, 1978, may—

(1) waive reimbursement for the cost of the following functions performed by personnel other than personnel employed in the United States Air Force Airborne Warning and Control System (AWACS) program office:

(A) auditing;

(B) quality assurance;

(C) codification;

(D) inspection;

(E) contract administration;

(F) acceptance testing;

(G) certification services; and

(H) planning, programming, and management services;

(2) waive any surcharge for administrative services otherwise chargeable; and

(3) in connection with the NATO E-3A Cooperative Programme for fiscal year 1979, assume contingent liability for—

(A) program losses resulting from the gross negligence of any contracting officer of the United States;

(B) identifiable taxes, customs duties, and other charges levied within the United States on the program; and

(C) the United States share of the unfunded termination liability.

(b) Authority under this section to enter into contracts shall be effective for any fiscal year only to such extent or in such amounts as are provided in appropriation Acts.

TITLE II—RESEARCH, DEVELOPMENT, TEST, AND EVALUATION

SEC. 201. In addition to the funds authorized to be appropriated under title II of the Department of Defense Appropriation Authorization Act, 1979, funds are hereby authorized to be appropriated for fiscal year 1979 for the use of the Armed Forces for research, development, test, and evaluation, as authorized by law, in amounts as follows:

(1) For the Army, $43,700,000.

(2) For the Navy, $3,000,000.

(3) For the Air Force, $253,800,000.

SEC. 202. (a) It is the sense of the Congress that maintaining a survivable land-based intercontinental ballistic missile system is vital to the security of the United States and that development of a new basing mode for land-based intercontinental ballistic missiles is necessary to assure the survivability of the land-based system. To this end, the development of the MX missile, together with a new basing mode for such missile, should proceed so as to achieve Initial Operational Capability (IOC) for both such missile and such basing mode at the earliest practicable date.

(b) In addition, it is the sense of the Congress that the basing mode for the MX missile should be restricted to location on the least productive land available that is suitable for such purpose.

(c) In accordance with the sense of Congress expressed in subsection (a), the Secretary of Defense shall proceed immediately with full scale engineering development of the missile basing mode known as the Multiple Protective Structure (MPS) system concurrently with full scale engineering development of the MX missile, unless and until the Secretary of Defense certifies to the Congress that an alternative basing mode is militarily or technologically superior to, and is more cost effective than, the MPS system or the President informs the Congress that in his view the MPS system is not consistent with United States national security interests.

(d) Nothing in this section shall be construed to prohibit or restrict the study of alternative basing modes for land-based intercontinental ballistic missiles.

And the House agree to the same.

That the Senate recede from its disagreement to the amendment of the House to the title of the bill and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the House amendment to the title of the bill insert the following: "An Act to authorize supplemental appropriations for fiscal year 1979 for procurement of aircraft, missiles, and naval vessels and for research, development, test, and evaluation for the Armed Forces, and for other purposes.".

And the House agree to the same.

MELVIN PRICE,
CHARLES E. BENNETT,
SAMUEL S. STRATTON,
RICHARD H. ICHORD,
LUCIEN N. NEDZI,
CHAS. H. WILSON,
RICHARD S. WHITE,
BILL NICHOLS,
WILLIAM L. DICKINSON,
G. WILLIAM WHITEHURST,
FLOYD SPENCE,
R. L. BEARD,
DONALD J. MITCHELL,
Managers on the Part of the House.

JOHN C. STENNIS,
HENRY M. JACKSON,
HOWARD W. CANNON,
HARRY F. BYRD, JR.,
SAM NUNN,
JOHN CULVER,
JOHN TOWER,
STROM THURMOND,
BARRY GOLDWATER,
JOHN W. WARNER,
Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 429) to authorize appropriations for fiscal year 1979, in addition to amounts previously authorized for procurement of aircraft, missiles, naval vessels, and other weapons, and for research, development, test, and evaluation for the Armed Forces and for other purposes, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

The House amendment to the text of the bill struck out all of the Senate bill after the enacting clause and inserting a substitute text.

The Senate recedes from its disagreement to the amendment of the House with an amendment which is a susbtitute for the Senate bill and the House amendment. The differences between the Senate bill, the House amendment, and the substitute agreed to in conference are noted below, except for clerical corrections, conforming changes made necessary by agreements reached by the conferees, and minor drafting and clarifying changes.

TITLE I—PROCUREMENT

Eight money and two language differences contained in Title I, Procurement, were resolved by the conference, as follows:

AIR FORCE

B-52 ODS/FRODS

The Senate authorized $10 million requested by the Administration for initial procurement of modification kits for equipping the B-52G with an air inlet that will serve as a functionally-related observable difference for arms control verification purposes. The House amendment did not contain this authorization and the House also had deleted the request for $22 million for this program under Title II, Research and Development.

Senate conferees insisted that the program should be initiated because it is related to SALT. House conferees agreed to include $5 million for this procurement.

The House recedes with an amendment.

F-100 engine modules

In its concern for the readiness posture of the F-15 aircraft program, the Senate authorized $42 million for procurement of F-100 modules. This amount was originally requested in the earlier version of the supplemental authorization submitted by the Department of Defense in January. However, the program was subsequently deleted when the Defense Department submitted an amended version of the supplemental request to the Congress later in this session. The House-passed bill did not contain procurement authorization for this item.

Senate conferees were convinced that these spare engine modules could be effectively and efficiently utilized to improve the readiness posture of the Air Force. The conferees agreed to authorize $20 million for fiscal year 1979.

The House recedes with an amendment.

ALQ-131 ECM pods

Although the Defense Department supplemental request did not contain a procurement request for the ALQ-131 electronic countermeasure (ECM) pods, the House-passed bill authorized $40 million for procurement of this item based on Air Force testimony that revealed a high-priority requirement for this equipment. The Senate-passed bill did not contain authorization for the ALQ-131.

House conferees pointed out that testimony before the House committee was to the effect these ECM pods were one of the Air Force's highest priorities and that additional procurement in fiscal year 1979 would result in a considerable reduction in total program costs. The conferees agreed to authorize $20 million for fiscal year 1979.

The Senate recedes with an amendment.

NATO AWACS (special authority for Secretary of Defense)

In addition to the Defense Department request for authorization of $85.1 million designated for NATO AWACS, the Department also requested legislation authorizing the Secretary of Defense to take necessary actions to implement the Multilateral Memorandum of Understanding, signed in December, 1978. The Senate bill and House amendment differed in the following respects as to the legislation approved. The Senate bill authorized the Secretary of Defense to assume contingent liability for losses resulting from the gross negligence of U.S. contracting officers. The House amendment provided that the authority granted the Secretary in this section be limited to the extent provided in appropriations acts as required by the Congressional Budget Act of 1974. The conferees agreed to accept the additional authority provided in the Senate bill and also to accept the rquirement for implementing appropriations legislation contained in the House amendment.

The Senate recedes with an amendment.

NATO AWACS (authorization of funds)

The Defense Department requested $85.1 million for contribution to the NATO Airborne Warning and Control System (AWACS) program.

The Senate bill authorized, as a portion of Air Force aircraft procurement, $80.1 million to be used only for the United States fiscal year 1979 share of the program. The House amendment contained a separate section, in the procurement title of the bill, authorizing $85.1 million. The conferees agreed to authorize, in a separate section, $80.1 million to be used only for the Untied States contribution to the NATO AWACS program.

The House recedes with an amendment.

MISSILES

NAVY

Phoenix

The House amendment provided $58.8 million for the procurement of 150 Phoenix missiles. The Senate bill provided no authorization for this purpose. After discussion, the conferees agreed that the procurement of these missiles, originally ordered and cancelled by the Government of Iran, could make an immediate improvement in the Navy's readiness.

The Senate recedes.

Harpoon

The supplemental budget request contained $116.9 million for 208 Harpoon missiles previously ordered by the Government of Iran and cancelled. The House amendment provided the entire amount requested. The Senate bill provided $59.0 million for the procurement of an unspecified number of missiles which have been manufactured.

The House recedes.

NAVAL VESSELS

Navy destroyers (DDG–993)

The Senate bill authorized $1,353.0 million for four DDG–993 destroyers recently cancelled by the Government of Iran. The House amendment authorized $628 million for two of the four destroyers.

The conferees agreed that because of the potential cost savings of some $200 million per ship, the capability and quality of these ships, and the clear need for these guided missile destroyers by the Navy, authorization for four destroyers in this bill is the most sensible and practical approach. The purchase of these destroyers will enhance fleet air defense in the near term and partially offset declining surface ship force levels in the future.

The House recedes.

TITLE II—RESEARCH, DEVELOPMENT, TEST, AND EVALUATION

There were 13 money items in disagreement in Title II of the bill, three in the Army, two in the Navy, six in the Air Force and one in the Defense Agencies, and one language difference. These issues were resolved by the conference as follows:

ARMY

NATO antitank cooperative development

The House amendment authorized $18.7 million to initiate improvements to the Tube-launched, Optically-tracked, Wire-guided (TOW) antitank missile and to begin development of a new antitank weapon.

The Senate bill authorized $13.7 million for the TOW improvement program but deleted the $5 million requested for the new antitank weapon.

The House recedes.

Pershing II

The House amendment authorized $42.0 million to accelerate full scale engineering development of the extended range version of the Pershing II missile system but transferred program responsibility from the Army to the Air Force.

The Senate bill authorized the $42.0 million for the Army as requested.

The conferees agreed to an authorization of $30.0 million for Army RDT&E for the full scale engineering development of the Pershing II Theater Nuclear Ballistic Missile system.

During the Joint Conference on H.R. 10929, the Fiscal Year 1979 Department of Defense Appropriation Authorization Act, the conferees expressed concern over the lack of centralized management in the Department of Defense in the Tactical Nuclear Forces program. This lack of centralized control was resulting in an uncoordinated development of new tactical nuclear weapons, and in some cases, the programs were not receiving adequate support due to funding and other constraints. Consequently, the conferees directed that certain surface-to-surface Theater Nuclear Development programs be consolidated and that an integrated development and deployment plan be submitted to the Congress not later than the fiscal year 1980 budget submission. Additionally, the conferees directed that the Pershing II program be transferred to the Air Force with accompanying guidance that permitted the Secretary of Defense to transfer program management back to the Army only after he advised the Congress that it was in the program's best interest to do so.

The Secretary of Defense did not comply in a timely manner with the guidance provided by the conference. While it is understood the delay was not intentional, the conferees wish to reiterate their belief that Congressional guidance must be properly complied with if the Congress and the Defense Department are to work in a mutually cooperative manner on defense problems.

In view of the urgent requirement to modernize our Theater Nuclear Missile forces, the conferees agreed to the authorization of $30 million for Pershing II in the Army's Research and Development program.

The House recedes with an amendment.

Chemical/biological defense

The Senate bill added $4.5 million for development of protective equipment for chemical defense. This authorization was requested in the Administration's original supplemental request but was deleted in favor of other items in the amended request.

The House amendment did not contain authorization for this program.

The Senate recedes.

NAVY

Trident II

The House amendment deleted the $20 million requested for the Trident II missile program.

The Senate bill authorized the $20 million as requested.

The Senate recedes.

Small waterplane area twin hull (SWATH) ship

The House amendment deleted the $3 million requested for the SWATH ship program.

The Senate bill authorized $3 million to continue feasibility studies and exploration of various propulsion concepts for the SWATH ship.

The House recedes.

AIR FORCE

MX basing options study

The House amendment deleted the $75 million requested to support further study of an Air Mobile basing system for the MX missile.

The Senate bill authorized the full request. The information available to the conferees is that subsequent to Senate action, further study of the Air Mobile concept was not being pursued.

The Senate recedes.

The bill contains $190 million for development of the MX missile, which includes the multiple protective structure MPS basing mode. This authorization was approved by both Houses and was not in dispute in conference.

Air launched cruise missile/B–52 integration

The Senate bill authorized the $33 million requested to cover cost growth and the expanded scope of work associated with the integration of the air launched cruise missile with the B–52.

The House amendment authorized only $10 million for this program.

The House recedes.

B–52 (SRAM/ALCM test set)

The House amendment deleted the $19 million requested to support development efforts on test equipment for the Short Range Attack Missiles (SRAM) and Air Launched Cruise Missiles (ALCM) to be carried on the B–52s.

The Senate bill authorized the full request.

The conferees agreed to an authorization of $10 million.

The House recedes.

B–52 ODS/FRODS

The House amendment deleted the $22 million requested to support the research and development of Observable Differences (ODS) and Functionally Related Observable Differences (FROD) for arms control verification purposes.

The Senate bill authorized $12 million in ODS/FRODS related work in the Research and Development account. The remaining $10 million was transferred to the Air Force procurement account for initial procurement of modification kits for equipping the B–52G with a unique air inlet.

The conferees agreed to authorize $12 million in research and development and $5 million in procurement for ODS/FRODS related work.

MEECN VLF improvements

The House amendment authorized $8.8 million to accelerate improvements to the VLF communications channels that are a part of the Minimum Essential Emergency Communications Network (MEECN).

The Senate bill deleted authorization for this program.

The Senate recedes.

DEFENSE AGENCIES

Comprehensive test ban treaty

The House amendment deleted the $24 million requested for support of a research effort related to the Comprehensive Test Ban Treaty (CTBT).

The Senate bill authorized the $24 million requested for this effort.

The Senate recedes.

Section 202—MX basing mode

The conferees agree to accept Section 202 of the House bill on the importance of a survivable land-based ICBM system and the necessity for a decision on the basing mode for the new MX missile.

The House report accompanying the House language defined Multiple Protective Structure (MPS) as the vertical protective structure system. In accepting the proposed House language, the Senate conferees wish to state their understanding that the MPS system includes both vertical and horizontal modes, as defined in testimony before the Senate Armed Services Committee. Testimony before the House Armed Services Committee clearly demonstrated, however, that the vertical MPS system is the most cost effective basing mode. In the event a non-vertical MPS mode is selected for full scale engineering development, the Secretary of Defense shall submit to the Congress at such time a full justification of the mode selected, together with full data on the several versions of an MPS system available.

OTHER LANGUAGE DIFFERENCES

CV service life extension program

Section 302 of the Senate bill contained provisions that no funds authorized by this or any other act may be used for the purpose of carrying out the service life extension program for the aircraft carrier *Saratoga* unless such a program is conducted on the basis of costs as determined by the Comptroller General of the United States in his report to the Congress or as determined in such an analysis as the Secretary of Defense considers appropriate.

The House amendment contained no such provision.

While the House, for technical reasons, could not accept Section 302, the Conferees of both the House and Senate acknowledge that the *Saratoga* SLEP program, debated for over two years, will now proceed as determined by the Secretary of Defense.

It is the intention of the Conferees that the Secretary of Defense will continue to proceed with that determination, taking into account considerations of cost, national security, and such other factors as he considers appropriate.

The committees, as a proper exercise of Congressional oversight and in the interest of insuring prudent management of the limited DoD dollar and manpower resources, intend to continue their close oversight and review of the carrier SLEP program.

The Senate recedes.

Extending the life of the Polaris fleet

Section 303 of the Senate bill contained provisions for a study to determine the feasibility of extending the service life of the Polaris, ballistic missile submarine fleet.

The House amendment contained no such provision.

The conferees agreed to delete section 303 without prejudice, since the subject can be addressed in the FY-1980 Defense authorization bill.

The Senate recedes.

DEPARTMENT OF DEFENSE SUPPLEMENTAL APPROPRIATION AUTHORIZATION ACT, FISCAL YEAR 1979, CONFERENCE ACTION

[In millions of dollars]

Program	Budget request	House	Senate	Conference
PROCUREMENT				
Air Force aircraft:				
B-52 (ODS, FRODS)			10.0	5.0
F-100 engine modules			42.0	20.0
ALQ-131 ECM pods		40.0		20.0
NATO AWACS	85.1		80.1	
Programs not in dispute	481.0			
Subtotal, Air Force aircraft	566.1	40.0	132.1	45.0
NATO AWACS (sec 102)		85.1		80.1
Army missile: Hawk spares (not in dispute)	25.0			
Navy missiles:				
Phoenix A	77.1	58.8		58.8
Harpoon	166.9	116.9	59.0	59.0
Standard (not in dispute)	25.9	25.9	25.9	25.9
Subtotal, Navy missiles	219.9	201.6	84.9	143.7
Navy ships:				
DDG-993 destroyers	628.0	628.0	1,353.0	1,353.0
Cost growth/claims (not in dispute)	97.7	97.7	97.7	97.7
Subtotal, Navy ships	725.7	725.7	1,450.7	1,450.7
Total procurement	1,536.7	1,052.4	1,667.7	1,719.5
RESEARCH, DEVELOPMENT, TEST, AND EVALUATION				
Army:				
NATO antitank cooperative development	18.7	18.7	13.7	13.7
Chemical biological/defense			4.5	
Pershing II	42.0		42.0	30.0
Subtotal, Army R.D.T. & E.	60.7	18.7	60.2	
Navy:				
Trident II	20.0		20.0	
SWATH (experimental ship design)	3.0		3.0	3.0
Subtotal, Navy R.D.T. & E.	23.0		23.0	3.0
Air Force:				
M-X basing options	75.0		75.0	
Air launched cruise missile (B-52 integration)	33.0	10.0	33.0	33.0
B-52 (SRAM/ALCM test set)	19.0		19.0	10.0
B-52 (ODS/FROD)	22.0		12.0	12.0
Command and control VLF improvement	8.8	8.8		8.8
Pershing II		42.0		
Programs not in dispute	200.0	190.0	190.0	190.0
Subtotal, Air Force R.D.T. & E.	357.8	250.8	329.0	253.8
Defense agencies: Comprehensive test ban (DARPA)	24.0		24.0	
Total, research, development, test, and evaluation	465.5	269.5	436.2	300.5
Total, authorization	2,002.2	1,321.9	2,103.9	2,020.0

Melvin Price,
Charles E. Bennett,
Samuel S. Stratton,
Richard H. Ichord,
Lucien N. Nedzi,
Chas. H. Wilson,
Richard C. White,
Bill Nichols,
William L. Dickinson,
G. William Whitehurst,
Floyd Spence,
R. L. Beard,
Donald J. Mitchell,
Managers on the Part of the House.
John C. Stennis,
Henry M. Jackson,
Howard W. Cannon,
Harry F. Byrd, Jr.,
Sam Nunn,
John Culver,
John Tower,
Strom Thurmond,
Barry Goldwater,
John W. Warner,
Managers on the Part of the Senate.

MILITARY CONSTRUCTION APPROPRIATIONS, 1980

Mr. BEILENSON. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 313 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. Res. 313

Resolved, That during the consideration of the bill (H.R. 4391) making appropriations for military construction for the Department of Defense for the fiscal year ending September 30, 1980, and for other purposes, all points of order against the following provisions in said bill for failure to comply with the provisions of clauses 2 and 6, rule XXI, are hereby waived; beginning on page 2, line 3 through page 8, line 6.

The SPEAKER. The gentleman from California (Mr. Beilenson) is recognized for 1 hour.

Mr. BEILENSON. Mr. Speaker, for purposes of debate only I yield the customary 30 minutes to the gentleman from Ohio (Mr. Latta), pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 313 provides for the consideration of H.R. 4391, the military construction appropriations bill for fiscal year 1980.

The rule grants waivers of points of order against portions of H.R. 4391 for failure to comply with clauses 2 and 6 of rule XXI. The waivers are for all paragraphs of the bill except those items in the General Provisions section.

Clause 2 of rule XXI requires that all appropriations must have an authorization and prohibits the inclusion of legislation in an appropriations bill. This waiver is necessary because the Military Construction Authorization Act for 1980 has not yet been signed into law. That bill, H.R. 3947, has been reported from the Committee on Armed Services, but it has not been scheduled for floor consideration. Several of the paragraphs in the bill also contain provisions which technically might be considered legislation.

Clause 6 of rule XXI prohibits the inclusion in appropriations bills of reappropriations of unexpended balances of appropriated funds. The bill includes a transfer of funds from military departments to the overall DOD construction account. Such a transfer of funds is technically classified as a reappropriation, and, thus, the waiver is necessary.

Mr. Speaker, H.R. 4391 contains some $3.5 billion for fiscal year 1980 for appropriations for military construction for the military services, the defense agencies, the Reserve and Guard Forces, and family housing. This amount is $398.9 million under the fiscal year 1979 appropriation and some $390.1 million less than the amount requested by the administration.

Mr. Speaker, the military construction appropriation bill provides vital support for American military services both in this country and abroad. It is an important bill, and I urge my colleagues to adopt House Resolution 313 so that we might proceed to the consideration of H.R. 4391.

Mr. LATTA. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, this rule waives points of order against specified sections of H.R. 4391, the military construction appropriation bill for fiscal year 1980.

Points of order are waived for failure to comply with clauses 2 and 6 of rule XXI.

Clause 2 prohibits unauthorized appropriations and legislation on general appropriation bills.

The bill includes appropriations for which annual authorizing legislation has not yet been enacted. The necessary authorization, H.R. 3947, Military Construction Authorization Act, 1980, was reported from the Committee on Armed Services May 15, 1979, but has not yet been scheduled for floor consideration. It will be before the Committee on Rules tomorrow. The appropriations bill does not exceed any amounts in the bill recommended by the House authorizing committee.

Clause 6 of rule XXI prohibits reappropriations. The waiver is necessary because the bill transfers funds, and technically this constitutes a reappropriation.

Mr. Speaker, the appropriation bill protected by this rule appropriates $3,481,991,000 for military construction for fiscal year 1980. This is under the amount targeted in the first budget resolution by $251,209,000.

Mr. Speaker, one item of special interest in the bill is the appropriation of funds for the Panama Canal. The bill provides $29,875,000 for military construction to relocate U.S. military personnel within the Canal Zone. These relocations are mandated under the terms of the Panama Canal treaties.

Mr. Speaker, I have no further requests for time.

Mr. BEILENSON. Mr. Speaker, I have no further requests for time, and I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

Mr. McKAY. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 4391) making appropriations for military construction for the Department of Defense for the fiscal year ending September 30, 1980, and for other purposes; and pending that motion, Mr. Speaker, I ask unanimous consent that general debate on the bill be limited not to exceed 1 hour, the time to be equally divided and controlled by the gentleman from New York (Mr. McEWEN) and myself.

The SPEAKER. Is there objection to the request of the gentleman from Utah?

There was no objection.

The SPEAKER. The question is on the motion offered by the gentleman from Utah (Mr. McKAY).

The motion was agreed to.

The SPEAKER. The Chair designates the gentleman from Missouri (Mr. GEPHARDT) as chairman of the Committee of the Whole and requests the gentleman from Kansas (Mr. GLICKMAN) to assume the chair temporarily.

□ 1640

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 4391, with Mr. GLICKMAN (Chairman pro tempore) in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN pro tempore. Under the unanimous consent agreement, the gentleman from Utah (Mr. McKAY) will be recognized for 30 minutes, and the gentleman from New York (Mr. McEWEN) will be recognized for 30 minutes.

The Chair recognizes the gentleman from Utah (Mr. McKAY).

Mr. McKAY. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I would like to first highlight the contents of the bill, after which I will yield to other Members to discuss various aspects of the bill. Before I do that, I want to recognize the diligent work of the members of the subcommittee and particularly the cooperation we have had from the minority due to the efforts of the gentleman from New York (Mr. McEWEN). Our mutual cooperation has enabled us to recommend a bill that is prudent and reasonable.

The subcommittee is recommending appropriations totaling $3,481,991,000 for the highest priority military construction projects, energy conservation, and pollution abatement efforts of the Defense Department and for military family housing.

This recommendation is $390,070,000 lower than the President's request of $3,872,061,000, and is $398,872,000 below last year's appropriation. This is a reduction of 10.3 percent in the total.

After hearings on the fiscal year 1979 supplemental request of $148 million, the committee was unconvinced of the requirement for these funds or the urgency for them and considered the supplemental as part of the fiscal year 1980 request.

The committee conducted a thorough and comprehensive review of the request this year—compiling over 3,000 pages of hearings that focused on specific issues in addition to the normal review of individual projects.

The areas we focused on involved the most significant issues facing the committee today—NATO, the Pacific, medical care, supporting of U.S. troops and dependents abroad, energy conservation, pollution abatement, base closures, security of nuclear and chemical weapons, and safety. The committee carefully reviewed family housing, the role of the Reserve components in the total force, the space shuttle—in conjunction with the Defense and HUD-Independent Agencies Appropriations Subcommittees—and shipyard modernization. I will highlight a number of the major recommendations that are explained in more detail in the committee report.

HOST NATION SUPPORT

The United States has over 500,000 military personnel stationed in foreign nations. The costs of maintaining these troops abroad are, for the most part, paid by the American taxpayer. This is because they contribute to the security of the United States and are an extension of our foreign policies.

At the same time, however, the fact that the United States maintains troops in a foreign country means that that country does not have to have as large a military establishment as it otherwise would have to. Its military are lowered by the U.S. presence. There are other economic benefits that a country gets from having U.S. military benefits.

Because of these reasons, the committee is directing that the Department of Defense make efforts to increase the support provided by foreign nations to U.S troops stationed abroad. The committee recommendation would delete funds for construction of facilities that should, in our view, be paid by the host nation that benefits from the presence of U.S. troops. These funds are for overseas pollution abatement, property taxes on family housing abroad, and additional barracks. The total reduction is $52,882,000.

DEPENDENTS POLICY ABROAD

The committee has recommended deletion of $100 million in specific projects for dependents overseas. The number of dependents overseas has now reached a figure of almost 400,000. Of this number, approximately 300,000 are in Europe, and the number appears to be increasing. The committee has recommended deletion of funds in the areas of leasing, furniture, and dependents schools, because of its concern over the problems with the number of dependents overseas and the high cost of supporting dependents accompanying military personnel overseas.

The problem of the number of dependents overseas becomes very acute in the event of the need to evacuate noncombat personnel overseas. Both the time and risk involved in relocating 300,000 dependents in Europe and the potential for dependents being used as hostages are of continuing concern to the committee.

The committee is also particularly aware of the tremendous cost in the military construction area for supporting dependents overseas. The family housing, dependents schools, recreational and community support facilities, PX's, commissaries, and medical, dental, and other facilities required are drawing resources away from necessary operational facilities.

The committee feels that the Department of Defense should review the possibility of shorter unaccompanied overseas tours of 12 to 18 months, instead of the current policy of 3-year accompanied tours.

NATO CONSTRUCTION PROGRAM

The committee recommendation includes $305,870,000 for NATO-related construction and the NATO infrastructure program. This is $104,095,000 below the amount requested and roughly $54 million less than was appropriated in fiscal year 1979.

The committee has deleted several items from the NATO request because of the policy view that the NATO allies should be carrying more of the responsibility for funding facilities that are operational in nature or are jointly used. This "fair share" philosophy has been applied by the committee in previous years, and we reemphasize it this year by reducing the direct U.S. funding for NATO projects and increasing our contribution to the NATO infrastructure program, which jointly funds NATO construction.

Several factors were considered in the committee's review of this request. First among these was the belief that the United States and the NATO allies must operate on a "fair share" basis which does not impose an undue or unfair burden on any individual member. Second, the current status of the U.S. budget, with its substantial deficit, and the value of the dollar and strength of our economy must be measured against the relative value of NATO currencies and their economies. Third, the ability of each ally to contribute to common defense must be considered in the context of per capita income and per capita defense expenditures. In such a comparison, the United States ranks highest on both counts. Finally, the committee heard testimony and considered the apparent growth in Warsaw Pact capabilities as a factor in deliberating on the requested appropriations. However, the committee also considered that the NATO alliance represents a formidable opponent with tremendous assets and versatility which cannot be underestimated in any comparison.

PACIFIC

The committee has continued its efforts to determine if adequate attention is being paid to maintaining and improving our facilities in the Pacific. We again held hearings to specifically address the reasons for requesting five times as much for military construction improvements in Europe as in the Pacific. The committee has recommended $116 million in construction for the Pacific, which is a slight increase over fiscal year 1979.

The committee feels that both Japan and Korea should increase their participation in military construction programing. Although initial participation by both countries in providing host nation support has been positive, the committee wants the Defense Department to continue to take an aggressive role in obtaining host nation funding.

CURRENCY FLUCTUATIONS

The committee, during the past 2 fiscal years, has received approximately $200 million in requests to supplement military construction and family housing programs overseas. These increases have been a result of foreign currency fluctuations. The committee foresees a continuing problem in this area and recommends that a new appropriation account be established in order for the Secretary of Defense to be able to offset any shortfalls that may occur due to decreases in the value of the dollar. The committee has recommended $100 million in new appropriations for the foreign currency fluctuation account and an additional $25 million to be derived from unobligated balances available in the family housing account.

The committee has placed restrictions on the use of the currency fluctuation fund relating to the use of the fund only for currency fluctuations, the method of determining the exchange rate, and the use of the fund for the NATO infrastructure program. Each of these restrictions are explained in the committee report.

The committee intends that the fund be used for all future departmental currency devaluation requirements.

PANAMA CANAL

The committee is recommending $29,875,000 for military construction necessary to relocate U.S. military personnel in the Canal Zone in Panama. These relocations are required by the Panama Canal treaties and will provide facilities only for the support of U.S. forces. This is a reduction of $6,145,000 below the President's request. Under the terms of the treaties, the United States is obligated to defend the Panama Canal, and in order to do this, it is necessary to have U.S. troops stationed in Panama just as we have in many other parts of the world. A U.S. military presence is assured under the treaties until the year 2000, so the facilities to be provided with these military construction funds will have exhausted their useful life by the time the treaties expire.

Furthermore, the expenses proposed here for consolidation of U.S. forces in Panama will have the effect of improving military effectiveness and readiness. It will also help to reduce the costs of maintaining U.S. forces abroad by reducing the number of bases we must operate. Expenditures such as these for rehabilitation and modernization of facilities would need to be made regardless of whether the treaties existed or not.

The issue before us today is not the rightness or wrongness of the treaties that have already been approved by the Senate, but what must be done now to protect the interests of our country.

In the view of the committee, the funds recommended in this bill for facilities for our military forces in Panama are essential to the defense of the canal and to the vital interests of the United States. By refusing to provide funds for this construction, the only ones to be hurt will be U.S. military personnel and their dependents. Failure to fund this military construction will not change our obligations under the treaties that have already been ratified by the Senate. Support of these funds is in the best interest of the United States.

BASE CLOSURES AND REALINEMENTS

The Department of Defense has proposed again this year the realinement or closure of a number of military installations in the United States. During extensive hearings on these proposals, the committee identified a variety of procedural deficiencies and inconsistencies in the way the Department examines and recommends the realinement of the military base structure. These deficiencies have led the committee to direct that the Department comply with the following additional requirements during the realinement process:

First. The Secretary of Defense is to certify to the Congress that all pertinent statutes, regulations, and directives have been fully complied with prior to implementation of any proposed closure or realinement.

Second. The Department is to include with all future case study justification folders on all realinements and closures both a present-value and cost/benefit analysis employing accepted analytical techniques and the inflation rates used by the administration in proposing public works projects to the Congress.

Third. The Department is to include the one-time social costs to the Government—such as unemployment payments, mortgage foreclosures, costs to State and local governments, revenue losses, other indirect costs defined in OMB Circular A-116, and startup costs for layaway facilities—as an integral part of its analysis of proposed impacts or realinements.

Fourth. To reduce the budgetary uncertainty generated by the possibility of realinements and closures, the Department is to submit such proposals to the Congress with the submission of the President's annual budget request.

The committee noted that it is inconsistent to be establishing new military bases overseas while closing bases in the United States. The Department was cautioned that additional statutory requirements may result if future proposed realinements did not meet these stipulations of the committee.

COMPETITIVE PROCUREMENT OF STEEL

During hearings this year, the committee noted that the Department of Defense has not made sufficient efforts to assure that U.S. steel manufacturers, producers, and fabricators were afforded the opportunity to compete for overseas steel sales for military construction or NATO infrastructure projects. Because of this, and because the Department has failed to comply with previous report direction in this regard, the committee has recommended a general provision prohibiting the use of military construction funds for procurement of steel where U.S. steel firms have not been permitted to compete. This is not a strict "Buy American" provision, but it is intended to assure that competition for steel procurement takes place in every place where U.S. taxpayers funds are used for military construction.

POLLUTION ABATEMENT

The committee has recommended pollution abatement projects totaling $238 million. The Department of Defense has made great improvements in the past several years in addressing its pollution abatement needs, and the committee continues its support for eliminating outstanding pollution violations.

The committee has recommended all of the pollution abatement projects requested in the United States, but denied projects overseas. The committee feels that there is a need for DOD to reduce its $1 billion domestic pollution abatement backlog and that overseas pollution projects should be host nation financed.

ENERGY CONSERVATION

The committee has recommended $115 million for energy conservation projects. The Department of Defense annually uses 170 million barrels of oil, which is approximately 2 percent of all the energy consumed in the United States. The committee has been supportive of efforts by the Department to reduce energy consumption and is pleased to learn that the estimate for fiscal year 1980 is approximately 20 million barrels below the amount consumed 5 years ago.

Unfortunately, not all energy conservation measures initiated through the military construction program have proven to be economically feasible, and the committee has recommended a thorough feasibility testing of energy projects prior to initiating large construction programs.

MEDICAL

The committee recommends a Defense Department medical construction program of $59 million. This is less than in past years due to the fact that no major hospital replacement projects were requested in fiscal year 1980. The Department has more than $1 billion in hospital replacements planned, and the committee is concerned that, because of the small fiscal year 1980 program, the replacement program is not proceeding on an orderly course.

The committee has continued its efforts to encourage the Defense Department to develop more programs to share facilities. This policy saves both operating and military construction dollars. In order to test the effectiveness of sharing of specialized services, the committee has directed the Department of Defense to develop and implement a program in three separate geographical locations.

The committee, following the submission of a GAO statement of fact on military dental facilities, has recommended that new dental clinics be deferred from fiscal year 1980. The committee feels that a revised and uniform methodology for sizing dental clinics should be developed in order to avoid constructing facilities that cannot be staffed.

SAFETY IMPROVEMENTS

The committee has continued its efforts to examine safety problems at military facilities. The committee recommends approximately $30 million for this purpose in fiscal year 1980. Following last year's hearings, the committee asked the General Accounting Office to review how the Defense Department is proceeding in the area of correcting safety violations. Although this report will not be completed in time to affect the fiscal year 1980 budget, the committee has put the Department of Defense on notice that it plans to use this report during the fiscal year 1981 budget review. The committee feels that the $30 million requested and approved in fiscal year 1980 may be a very small contribution toward correcting safety problems.

MILITARY CONSTRUCTION, ARMY

The committee is recommending appropriations totaling $668,808,000 for military construction, Army. This is $123,826,000 less than the amount requested and $42,701,000 under the fiscal year 1979 appropriation. The major reductions fall in the proposed overseas and NATO programs, where the committee felt that greater reliance on the NATO infrastructure program was preferable to increased U.S. funding and that more support should be obtained from the various host nations. The committee also deferred projects in the United States which were not ready to be constructed or for which alternatives were available.

MILITARY CONSTRUCTION, NAVY

The total recommended for Navy military construction is $527,305,000. This amount is $25,648,000 below the budget estimate for 1980 and the fiscal year 1979 supplemental, and it is $232,840,000 below the amount appropriated in fiscal year 1979.

The Navy's fiscal year 1980 military construction request was 30 percent lower than its fiscal year 1979 request, and the committee has concern over the amount of funding included for shipyard construction, Marine Corps facility construction, and other postponed projects.

The committee has approved a Navy construction program that includes funds for shipyard improvements, the Marine Corps, operational facilities, and major improvements for the new submarine support facility at Kings Bay, Ga.; oil spill prevention projects; and additional funding for the Trident support facility at Bangor, Wash.

MILITARY CONSTRUCTION, AIR FORCE

The recommendation of $439,786,000 for the Air Force fiscal year 1980 military construction program is $107,481,000 below the requested amount and $43,478,000 less than the amount appropriated for fiscal year 1979.

The principal reductions in the Air Force request concern the Space Shuttle and NATO-related projects in Europe. The committee deferred $78,200,000 for the Shuttle construction program at Vandenberg Air Force Base, Calif., and the Johnson Space Center in Texas, because of the many construction changes that have occurred and because of developmental problems in the engines and orbiter program. However, the committee endorses the need for a western launch facility for the Space Shuttle at Vandenberg when the construction requirements have been definitized. The committee also deleted funding for several projects which were not adequately justified or were not designed.

MILITARY CONSTRUCTION, RESERVE COMPONENTS

The recommendation for all reserve component construction in fiscal 1980 is $100 million, which is the amount requested and $68,900,000 less than the amount provided in fiscal year 1979.

The committee is also requiring that the Reserve components continue to construct what is justified in the President's budget to the Congress and that any changes to the budget originally presented to the Congress must be done through the customary reprograming procedures. The Reserve components are also to construct first the projects justified in fiscal years 1978 and 1979 but deferred before beginning construction of the fiscal year 1980 program.

DEFENSE AGENCIES

The committee recommends a total of $175,695,000 for defense agencies. This amount is $77,982,000 below the fiscal year 1980 estimate, including the fiscal year 1979 supplemental, and $19,185,000 below the amount recommended in fiscal year 1979. The major reductions made under defense agencies include dependent schools in Europe, emergency construction funding, and the Wake Island petroleum storage facility. The committee also has recommended that the additional funding for the high energy laser facility be deferred until planning is complete. The committee has recommended the purchase of several fuel terminals that have been leased with an option to buy.

FAMILY HOUSING

The committee recommends $1,593,822,000 for family housing in fiscal year 1980, which is $150,133,000 below the budget estimate and $86,043,000 below the fiscal year 1979 appropriation.

The committee spent considerable time this year examining each element of the family housing program. We found that it is now costing, annually, more than $4,000 simply to operate and maintain every family housing unit. The committee feels that these costs are excessive and has begun a process of reducing the funds available for operating family housing units.

The committee report goes into considerable detail on many of the issues that have been surfaced by the committee. Although I will not discuss them here, the following areas are of concern to the committee: First, the need for DOD and HUD to develop a workable program for stimulating off-base housing construction by the private sector; second, the lack of uniform costs among the services for operating and maintaining family housing units; third, the large amount of unobligated and unexpended family housing construction funds; and fourth, the 12,670 surplus family housing units that need to be disposed of quickly.

HOMEOWNERS ASSISTANCE

The committee does not recommend the $5 million requested for homeowners assistance. The committee feels that the $14 million available under this account will be sufficient for fiscal year 1980.

Mr. LAGOMARSINO. Mr. Chairman, will the gentleman yield?

Mr. McKAY. I yield to the gentleman from California.

Mr. LAGOMARSINO. I thank the gentleman for yielding.

As the gentleman knows, I have discussed the question of the Vandenberg Air Force Base Space Shuttle program with him on several occasions. The bill, as I understand it, does not go along with the request for $65,800,000 as requested by the Air Force for military construction for the Space Shuttle program at Vandenberg Air Force Base. Is that correct?

Mr. McKAY. The gentleman is correct.

Mr. LAGOMARSINO. Would the

chairman of the subcommittee briefly advise me why the decision was made?

Mr. McKAY. Yes. The committee reviewed this during extensive hearings. It became evident to the committee that the NASA program has slipped, and we have noted in recent days that they have had some additional slippage with engine problems and a number of other things which we have enumerated in the report. We are not exactly sure what the construction program will be or what is going to be in it when it is finalized. We have indicated in our report that we have no intention of holding up the shuttle and we do not think this action will delay it. We want it to be on time. We are committed to it. But until we find out exactly what it is that the Air Force wants to build so we do not have to tear it down and rebuild it, until they tell us that and deliver to us the engineering designs, at that time we will be ready to fund it.

Mr. LAGOMARSINO. I thank the gentleman. The report confirms the viewpoint that a Western launch facility is needed, is that correct?

Mr. McKAY. No question about it. We agree and we believe that a Western launch site has to be a part of our overall Shuttle program and the committee is ready to provide it as soon as we get the data and facts that support the actual construction requirements.

Mr. LAGOMARSINO. I thank the gentleman.

Mr. McEWEN. Mr. Chairman, I yield myself such time as I may consume.

The report which accompanies this bill has mentioned the committee's concern over procedural deficiencies in what we believe are inconsistencies in the way the military departments examine and recommend realinement of our military base structure. I would like to emphasize the importance of this matter in light of the long-term effect realinements have on our Nation.

It is becoming more and more evident that there is an overgrowing concentration of defense activities in a few regional areas of the country. This, I submit, is not healthy. It is being done under the purported intent of cost savings, but when we question the long-term costs, and the cost to the taxpayers resultant from the dislocations occasioned by these realinements, and many other monetary factors which have not been fully considered, I am not sure true cost savings result from these alinements.

When we look at the Department of Defense military construction requests contained in this bill, we see that three States of this country receive almost one-half a billion dollars in military construction. Then when we look at the small amounts that go to many other States, it becomes apparent that there is a growing regional imbalance in defense spending.

Let me say this concern is by no means just because of the effect on the economy of these regions which are, or are becoming, devoid of military presence. There are real concerns over the defense of our Nation when training is concentrated in climates, weather and terrain which does not approximate that, for example, of the central NATO sector where we face our greatest threat; when young soldiers are not received and given initial training in regions which provide potential for a large number of recruits; when our reserve components in some regions have little or no close association with the active military; and when service personnel can never expect to serve in the regions of their country near their homes.

So I say to you that it is highly important.

□ 1650

So, I say to the Members that it is highly important that we fully examine all realinement proposals to determine that they do in fact lead to significant monetary savings, and equally as important, that they are in the best interests of the Nation.

Having said that, Mr. Chairman, let me say that that is a subject that this committee can address with some difficulty. It is larger than just the decisions contained in this bill. I do want to say that this bill is one, on balance, which I can support, and feel the members of this committee can support.

Finally, I want to pay my compliments to the gentleman from Utah (Mr. McKay) for his very able leadership; to the professional staff which has assisted us; and to all the members of this committee.

Mr. WHITEHURST. Mr. Chairman, will the gentleman yield?

Mr. McEWEN. I yield to the gentleman from Virginia.

Mr. WHITEHURST. Mr. Chairman, I wish to take this occasion to compliment both the chairman and the ranking minority member on producing a very fine bill, and in particular for an item which I have requested, which was not in the budget, the submarine support facility in the Norfolk Naval Shipyard in Portsmouth, Va. This is an item critically needed for fleet support, but I think more important is the fact that it has a payback feature, that it will pay for itself in about 2½ years. That indicates good economics, and also fleet readiness.

Mr. Chairman, I want to thank the ranking minority member, the gentleman from New York (Mr. McEwen), and the chairman, the gentleman from Utah (Mr. McKay) for heeding my request. I think it is a wise move.

Mr. McEWEN. May I say to the gentleman that we were delighted to see this add-on and to approve it, and we believe as he does that it is very sound, not only for the military need but for the economic feasibility of it.

Mr. Chairman, I yield 5 minutes to the gentleman from Idaho (Mr. Hansen).

Mr. HANSEN. Mr. Chairman, I would like to ask the chairman of the committee, the gentleman from Utah, a few questions, if I might engage in colloquy for a moment, regarding the Panama Canal aspects of this particular bill.

Mr. McKAY. I would be delighted.

Mr. HANSEN. I thank the chairman. As I understand, the gentleman from Utah sent a pretty strong letter of protest to the Defense Department for what was considered to be an inappropriate expenditure of funds to begin the construction of transition of military property because of the Panama Canal treaties late last year; is this correct?

Mr. McKAY That is correct. It was in conjunction with the contingency fund, which we had no knowledge of what funds would be expended for, what the actual costs were to be and those kinds of things. We requested that the administration not expend those funds until that could be heard before the committee

Mr. HANSEN. And these funds were, I think, $10.9 million for the transfer of intelligence, headquarters, and aircraft facilities, is that correct?

Mr. McKAY. It was. Basically, that is correct.

Mr. HANSEN. Does the gentleman still feel that these funds were inappropriately expended based on the instructions that the Defense Department received in this body?

Mr. McKAY. In that they ignored the committee's request that we get the facts before they proceed, yes. It was in that respect, although they did have authority in the contingency fund. To attempt to send them a message, we have deleted the $20 million requested for contingency funds.

Mr. HANSEN. I feel it is proper to advise the gentleman, the chairman of the committee, that those of us who have reservations about the Panama Canal treaties and the implementation legislation which is before the House on Wednesday of this week, have been most concerned about the cavalier attitude of the administration on these matters. However, we feel that since this expenditure, even though it was inappropriate, is already ongoing, and since it is for the convenience of our own troops, that we would not make a point against the money which is included in this bill today. How much is that, by the way, Mr. Chairman?

Mr. McKAY. The sum of $29,875,000, which, as the gentleman indicates, is for the accommodation of our troops, to take care of our interests.

Mr. HANSEN. I would like to further advise the gentleman that the reason there is no effort being made today to strike these funds, despite the controversy on the Panama Canal treaties and implementing legislation before us, is because there will be an amendment called "the honesty amendment" which will be before this body during the consideration of that implementation legislation, which will insist that Panama pay for all of these charges which are treaty-related, such as the moving of American bases or other facilities for realinement. Therefore, rather than make our point here and our stand here, we felt that the appropriate time for this to be done was when implementing legislation is before this body.

So, we will not inconvenience American troops, but we will certainly insist that the Government of Panama, who will receive certain windfall benefits from the treaties, if they are implemented, will be the cne to pay for the transfer charges, and not the taxpayers of the United States who were promised they would not be assessed for any costs of these treaties.

Mr. MONTGOMERY. Mr. Chairman, will the gentleman yield?

Mr. HANSEN. I yield to the gentleman from Mississippi.

Mr. MONTGOMERY. Mr. Chairman, I think it should be pointed out, it is my understanding that this almost $29 million that will be spent under this bill, after 20 years these facilities also would be turned over to the Government of Panama. Is that correct?

Mr. HANSEN. I think the chairman of the committee would rather answer that. I will yield to him.

Mr. McKAY. As I understand the treaties, in fact, at the end of the year 2000 these will all revert to Panamanian control.

Mr. MONTGOMERY. It certainly seems like a waste of taxpayers' money to take this $29 million and build other facilities when we have facilities down there now. I appreciate the gentleman pointing that out.

Mr. HANSEN. I think the gentleman from Mississippi makes a good point, because that is why we feel that if Panama is going to receive the benefit of all this transfer construction, they should be the ones to pay for it. That is why the honesty amendment will be offered.

Mr. McKAY. The money involved here is for those military facilities which we already have used previously, when we had more troops there than we have presently. It is an upgrading of those existing facilities. It is true that some will be moved from the base at Amador; for example, the headquarters company will be moved to Clayton. Those will be moved from one American base to another American base, and the money we are putting in here is going on those bases which are not being fully utilized at the present time.

The CHAIRMAN. The time of the gentleman from Idaho has expired.

Mr. McEWEN. Mr. Chairman, I yield 2 additional minutes to the gentleman from Idaho (Mr. HANSEN).

Mr. MONTGOMERY. If the gentleman will yield further, I would like to ask the chairman of the subcommittee, does he feel that actually, as we reduce troops—I believe under this treaty we will reduce American troops in the Panama Canal—can we actually defend the canal, in his opinion, if we had to with the American troops that we have there now? As I understand it, if the Panamanians want to take over the canal, they could take it over. If we ever wanted to get it back, we would have to send a land force, we would have to take marines and have them come in from the sea and take the canal back. The few Americans that will be there cannot defend the canal.

Mr. McKAY. According to General McAuliffe, who is the commanding general of Southern Command, they have contingency plans to back up the existing forces as we have in most places around the world. As I understand it, they have plans should there be an attack or attempted takeover. There are contingency plans to fly in troops to Howard or Clayton and other places where we have troop bases to launch from. According to General Read, realinement to Fort Clayton militarily is really putting us in a better posture as far as the strategic location of our forces is concerned.

Mr. HANSEN. If I may reclaim my time, I would like to say that it is most important, and particularly because of this bill and others like it, that the honesty amendment be passed; because while these installations will be used by us for a time, they will eventually go to Panama. Certainly, Panama ought to pay the charges, and I will urge the adoption amendment on Wednesday.

Mr. McEWEN. Mr. Chairman, will the gentleman yield?

Mr. HANSEN. I yield to the gentleman from New York.

Mr. McEWEN. First, I want to commend the gentleman for that decision. I think he is absolutely right.

The CHAIRMAN. The time of the gentleman from Idaho has again expired.

Mr. McEWEN. Mr. Chairman, I yield 2 additional minutes to the gentleman from Idaho (Mr. HANSEN).

I think the gentleman is absolutely right, that this is not the place for that because the question is, as the gentleman from Idaho has pointed out, who should be paying for the facilities. Here, we are addressing the need for these facilities, and I would say to the gentleman from Mississippi that we are a bit between a rock and a hard place.

□ 1700

I spent 5 days in Panama earlier this year. I visited all of these facilities. I talked to the military and their dependents. The fact is that under the terms of the treaty we give up a large part of Fort Amador. We have to relocate to Clayton. We cannot relocate from there under suitable conditions without this type of construction being done—the same at Howard with the Air Force. There is going to be greater utilization of that base. So we are faced with that, and I appreciate what the gentleman said about leaving some additional property in Panama.

The witnesses before the committee indicated that these facilities would have a 20-year life. I personally think they may go beyond that period. So I think the gentleman in the well may be right that we may be leaving some additional facilities there in Panama, but for two decades our people and their dependents, the military and their dependents, are going to be in there as we see the plans now. Therefore, we are going ahead and recommending this to the House.

I would say to the gentleman that I do share his feeling about looking at possibly lessening our presence in Panama. At some point we will probably have to phase out. Do we reintroduce ourselves in there if there is trouble? We will have to meet that at some point in the future through a presence not within the area. I would hope that would be something that our military would address.

Mr. BAUMAN. Mr. Chairman, will the gentleman yield?

Mr. McEWEN. I yield 2 minutes to the gentleman from Maryland.

Mr. BAUMAN. I thank the gentleman for yielding.

I would just say to the members of the committee that I have an additional concern regarding this money, although this is for fixed military construction in the various facilities, including Howard Air Force Base. My concern is that the evidence adduced before the Panama Canal Subcommittee in the last 2 weeks at 2 days of hearings indicates that military facilities which we have already ceded back to Panama, including the Rio Hato Air Base which is to the north of Panama City on the Pacific side, are now being used actively by the Panamanian Government to assist in the insurgency against the Nicaraguan Government. There is some evidence that perhaps the assistance we have given, military assistance to the Nicaraguan National Army in Panama, has been used to arm and assist the Sandinista guerrillas against the Government of Nicaragua.

Although the subcommittee is not directly involved in that kind of appropriation, I can see the possibility that facilities we are now contributing to the American taxpayers will be used to serve as a base of operations for fomenting revolution throughout Central America. I would hope the gentleman's subcommittee would keep in mind in future deliberations a request for precisely what the political climate is, because I have no confidence whatsoever that Gen. Omar Torrijos, once he emerges again once the October date of enforcement passes, may decide not to nationalize or take over these facilities within months, if not years. That situation there is so unstable, and in Latin America as a whole. So we may think we are investing $29 million for a 20-year period for American forces, but it may be diverted to far different uses in the final analysis.

I thank the gentleman for yielding.

The CHAIRMAN. The time of the gentleman has expired.

The Chair recognizes the gentleman from Utah (Mr. McKAY).

Mr. CHARLES H. WILSON of California. Mr. Chairman, will the gentleman yield for a question or two?

Mr. McKAY. I yield to the gentleman from California.

Mr. CHARLES H. WILSON of California. I thank the gentleman for yielding.

First, I would like to know why this bill is being moved ahead of the authorization bill. The authorization bill was in before the deadline, and it makes it a very peculiar situation when we have an appropriation bill running ahead of an authorization bill, particularly when the Committee on Armed Services did not delay and has not been lax in their duties in bringing their legislation before the the Committee on Rules or the House.

Mr. McKAY. As far as this gentleman is concerned, I have no desire to move ahead of the authorization committee. We have deadlines we must meet so far as appropriations are concerned. All the appropriations bills went for a rule, anticipating the fact that the authorization would not be completed. We have taken particular concern to conform with the authorization bill to make sure we have not funded anything which has not been authorized by the gentleman's committee. So we have tried to cooperate in every way with the authorization committee, and I hope that we have succeeded.

Mr. WHITTEN. Mr. Chairman, will the gentleman yield?

Mr. McKAY. I yield to the gentleman from Mississippi.

Mr. WHITTEN. I thank the gentleman for yielding.

In working under the Budget Act, the Legislative Committees are called upon to have the authorizations reported by May 15. But even if they meet this deadline it does not solve our problem with the rules of the House because the authorization bills must be signed into law for us to proceed. What is necessary is to have enacted authorization by about May 15. Nobody seems to do that. Then we, under the schedule of the Budget Act, are supposed to begin to pass all the appropriations bills no later than June 15, so it left us in an impossible position both in the Appropriations Committee and the Legislative Committees. So we had to go before the Committee on Rules and ask for authority to bring this and other bills before the House. We do it every year.

Now we have discussed it among ourselves, and in order to try to be together on this thing—neither one can do what they asked—we checked with the legislative committee to be sure we were in the limits of what they had in mind. It was the best we could do under the circumstances. We regret that we continue to find ourselves in this position.

Mr. CHARLES H. WILSON of California. Mr. Chairman, will the gentleman yield?

Mr. McKAY. I yield to the gentleman from California.

Mr. CHARLES H. WILSON of California. I thank the gentleman for yielding.

This is June 18, so we have missed the June 15 target date for appropriations. It is my understanding that the gentleman from New York (Mr. ADDABBO), the chairman of the Defense Appropriations Committee is holding his bill up until after the armed services authorization bill on procurement comes before the House or before the committee. On this very subject of the Panama Canal, there may be some changes made in the authorization bill when it comes before us. There are some who may have different ideas from the gentleman from Idaho, Mr. HANSEN'S, that the action should be taken in the bill itself rather than in the gentleman from Idaho, Mr. HANSEN'S honesty bill. What will be the situation then if we change the authorization bill?

Mr. McKAY. As the committee has done in prior times, when we go to conference we drop it out if it has not been authorized.

Mr. CHARLES H. WILSON of California. That is the procedure?

Mr. McKAY. That is the way we have operated.

Mr. CHARLES H. WILSON of California. Anything that is not authorized will automatically be dropped out of the appropriations bill in conference?

Mr. McKAY. In conference, that is right.

Mr. CHARLES H. WILSON of California. I thank the gentleman.

Mr. PANETTA. Mr. Chairman, will the gentleman yield?

Mr. McKAY. I yield to the gentleman from California.

Mr. PANETTA. I thank the gentleman for yielding.

First of all, I want to take the time to commend the chairman and the committee and subcommittee for their work in the military construction area and for the bill that has been presented here to the Congress. Those of us who have military facilities in our districts appreciate the work of the Military Construction Subcommittee, because it is important not only for the support for the mission that is involved with these facilities, but the morale of the troops themselves.

Mr. Chairman, I would like to make some comments and then engage in a colloquy with the distinguished chairman of the subcommittee, the gentleman from Utah, regarding a medical facility project at Fort Hunter-Liggett, Calif., which the committee has not included in its bill.

This $1.35 million Army construction program at Hunter-Liggett was deleted by the Appropriations Committee, although the same program has received the support of the House Armed Services Committee. In its report, the Appropriations Committee said very briefly that the reason for this deletion is that: First, Fort Ord, located some 70 miles from Hunter-Liggett, has a major medical facility, and second, Hunter-Liggett has only 75 personnel stationed on base.

I have received, however, a very persuasive and useful summary from the Department of the Army on this proposed facility, which makes several extremely important points:

First, that the Army's Combat Developments Experimentation Command (CDEC) operates a Field Experimentation Laboratory which currently has 2,450 military personnel based at Hunter-Liggett.

Second, the current medical facility at Hunter-Liggett is a World War II vintage, worn out and antiquated building, which is basically unsanitary and unworthy of remodeling.

Third, a medical and dental facility is required where the field experimentation force works, not only for emergencies, but to support routine medical and dental care. To send experimentation soldiers to Fort Ord—82 road miles away—for a routine appointment requires 1 to 2 days of duty time.

Fourth, experimentation and training with simulated and live explosives and other equipment, poses a serious hazard and a potential for emergency requirements.

Fifth, Hunter-Liggett is an isolated post and is considered a hardship tour which has an impact of reenlistment and acceptance of the Army as a way of life.

In recognition of these additional facts, I had intended to offer an amendment restoring this funding. However, I would prefer that the subcommittee take the time to consider these additional factors and consider restoring this funding for this project if the Senate acts favorably on it.

What I am seeking is some assurance that the distinguished chairman may be flexible on this question in light of this additional evidence on the project's importance to the health and welfare of those personnel stationed at Fort Hunter-Liggett.

Mr. McKAY. I appreciate the diligence of the gentleman from California in taking care of those people under his jurisdiction, and who are his constituents. I can assure the gentleman that the committee has asked the Department of Defense to come up with some additional facts and perhaps a different design of reduced scope. We felt at the time maybe it was a little larger than need be. As time goes on and the evidence is presented we will consider this.

☐ 1710

Mr. PANETTA. Mr. Chairman, will the gentleman yield?

Mr. McKAY. I yield to the gentleman from California.

Mr. PANETTA. The gentleman has always been most gracious and considerate about the needs of that area and I would hope he would continue to be so with regard to this particular project.

I thank the gentleman.

Mr. McKAY. I thank the gentleman.

Mr. Chairman, I have no further request for time and yield back the balance of my time.

Mr. McEWEN. Mr. Chairman, I yield 3 minutes to the gentleman from Ohio (Mr. REGULA).

Mr. REGULA. I want to commend the chairman and the ranking member of the subcommittee for their excellent work. The fact this appropriation is $390 million under the budget is evidence of the care with which all the members of the committee approached the responsibility for funding military construction.

Mr. Chairman, there are a couple of things I might highlight. One is that the bill puts pressure on our allies to pick up a greater share of the cost of funding the military effort in the host nations. I have been troubled by the fact, in the face of the balances of payment problem that we have, that, for example, in Japan, about 1 percent of their gross national product is committed to the security of that part of the world, whereas the United States has committed something in the neighborhood of 5 to 6 percent of free world security. We need to continue to put pressure on our allies to carry a larger share of the cost of security of the free world. In this bill we have attempted to do that by reducing the funding for some of our participation and funding that portion of NATO where we are receiving assistance in developing the necessary programs for the NATO alliance in Europe.

I would also point out that the bill emphasizes the uses of American steel. I know that the members of the Steel Caucus have been concerned about the fact that we often times do not bring enough pressure on the Federal portion of steel purchases to insure that the American products are being used. While we have not designed protectionist language here, we have emphasized that wherever possible the American steel producers should have every opportunity to bid on the military construction contracts involved.

One last thing, I think we have recognized the need to make housing attractive to our American forces who are in foreign lands and we have tried to upgrade wherever possible the support for housing for American troops and personnel who are outside the United States.

We have highlighted in this bill the need to take a look at the problem arising from dependents in the areas outside of the United States, that this could be a great hindrance to the rapid deployment of troops. In the bill we have suggested our policies on the length of stay in host nations be reexamined so that we can get away from too many dependents being stationed in areas that might well be involved in some type of conflict and therefore could be a real problem in getting an effective use of our own forces.

On balance, I certainly urge the Members to support this legislation. It is designed to be very responsible in meeting the needs of military construction.

Mr. McEWEN. Mr. Chairman, I yield 2 minutes to the gentleman from New York (Mr. Gilman).

Mr. Chairman, will the gentleman yield?

Mr. GILMAN. I will be pleased to yield to the gentleman from New York.

Mr. McEWEN. I would like to express my appreciation to the gentleman from Ohio (Mr. Regula), not only for the contribution he has made in this debate here but in the work he has done this year in the Military Construction Appropriation Subcommittee. The gentleman is quite right on the points he makes. I think we cannot give enough emphasis to greater support from host nations, nations whose security is on the front line, who are contributing away less of their gross national product than we.

Mr. Chairman, I thank the gentleman for yielding.

Mr. GILMAN. Mr. Chairman, I am pleased to rise in support of this legislation, the military appropriations bill of 1979, H.R. 4391, and wish to commend the distinguished chairman from Utah, Mr. McKay and the ranking minority member, Mr. McEwen and the Members of their subcommittee and the Full Committee for keeping intact the administration's request for $13.5 million to begin and complete the sorely needed construction at the U.S. Military Academy at West Point.

$1,150,000 of this appropriation is earmarked for badly needed sewer systems at West Point. The current systems are antiquated. Breaks in that system have resulted in ruptures which are discharging raw waste into the storm system, which is then discharged into the Hudson. There can be no question that such a situation must be rectified.

Another $12,200,000 of the appropriation would provide for the construction of an ice hockey arena and other athletic facilities.

The ice hockey arena in use now, constructed in 1931, is antiquated and contains substantial structural deficiencies. There are many serious violations of safety codes in the current structure, including: Inadequate and insufficient fire aisles, excessive distances to fire exists, and the location of the ammonia brine refrigeration system and the boilers in the same room. The seating is woefully inadequate and has not kept up either with the substantial increase in class size since the early sixties, nor the increase in the public's interest in hockey as a sport in the seventies.

The remainder of the appropriation, $210,000, would expand the mailroom, which has not undergone expansion or renovation since the increase in student body size in the sixties and to construct improvements to the arms room, to bring that storage area for ammunition and armaments up to modern security needs.

The committee is to be commended for its diligent review of the hundreds of proposed construction projects and for having pared down these requests by some $390 million, reducing the military construction budget by 10 percent.

Mr. McKAY. Mr. Chairman, I have no further requests for time, and I yield back the balance of my time.

Mr. McEWEN. Mr. Chairman, I have no further requests for time and I yield back the balance of my time.

The CHAIRMAN. The Clerk will read.

The Clerk proceeded to read the bill.

Mr. McKAY (during the reading). Mr. Chairman, I ask unanimous consent that the bill be considered as read and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Utah?

There was no objection.

The CHAIRMAN. Are there any points of order to be posited?

Are there any amendments to be offered?

Mr. McKAY. Mr. Chairman, I move the Committee do now rise and report the bill back to the House with the recommendation that the bill do pass.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. Gephardt, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 4391) making appropriations for military construction for the Department of Defense for the fiscal year ending September 30, 1980, and for other purposes, had directed him to report the bill back to the House. with the recommendation that the bill do pass.

The SPEAKER. Without objection, the previous question is ordered.

There was no objection.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read a third time.

The SPEAKER. The question is on the passage of the bill.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. McEWEN. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 366, nays 21, not voting 47, as follows:

[Roll No. 254]

YEAS—366

Abdnor
Addabbo
Akaka
Albosta
Alexander
Ambro
Anderson, Calif.
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Applegate
Archer
Ashbrook
Ashley
Aspin
Atkinson
Badham
Bafalis
Bailey
Baldus
Barnard
Bauman
Beard, R.I.
Beilenson
Benjamin
Bennett
Bereuter
Bethune
Bevill
Biaggi
Bingham
Blanchard
Boggs
Boland
Boner
Bonior
Bonker
Bouquard
Bowen
Brademas
Brinkley
Brodhead
Brooks
Broomfield
Brown, Calif.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burlison
Burton, Phillip
Butler
Byron
Campbell
Carney
Carter
Cavanaugh
Clausen
Clay
Cleveland
Clinger
Coelho
Coleman
Collins, Tex.
Conte
Corman
Cotter
Coughlin
Courter
Crane, Daniel
D'Amours
Daniel, Dan
Daniel, R. W.
Danielson
Dannemeyer
Davis, Mich.
Davis, S.C.
Deckard
Derrick
Derwinski
Devine
Dickinson
Dicks
Dingell
Dixon
Donnelly
Dornan
Dougherty
Drinan
Duncan, Oreg.
Duncan, Tenn.
Early
Edwards, Ala.
Edwards, Okla.
Emery
English
Erdahl
Erlenborn
Ertel
Evans, Del.
Evans, Ga.
Evans, Ind.
Fary
Fascell
Fazio
Fenwick
Ferraro
Findley
Fish
Fisher
Fithian
Flippo
Florio
Foley
Ford, Mich.
Fountain
Fowler
Frenzel
Frost
Fuqua
Garcia
Gaydos
Gephardt
Gibbons
Gilman
Gingrich
Ginn
Glickman
Goldwater
Gonzalez
Goodling
Gore
Gradison
Gramm
Grassley
Gray
Green
Grisham
Guarini
Gudger
Guyer
Hagedorn
Hall, Ohio
Hall, Tex.
Hamilton
Hammerschmidt
Hance
Hanley
Hansen
Harkin
Harris
Harsha
Hawkins
Heckler
Hefner
Heftel
Hightower
Hillis
Hinson
Hollenbeck
Holt
Hopkins
Horton
Howard
Hubbard
Hughes
Hutto
Hyde
Jacobs
Jeffords
Jeffries
Jenkins
Jenrette
Johnson, Calif.
Johnson, Colo.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kazen
Kemp
Kildee
Kindness
Kogovsek
Kostmayer
Kramer
LaFalce
Lagomarsino
Latta
Leach, Iowa
Leach, La.
Leath, Tex.
Lederer
Lee
Lehman
Lent
Levitas
Lewis
Lloyd
Loeffler
Long, La.
Long, Md.
Lott
Lowry
Lujan
Luken
Lundine
Lungren
McClory
McCloskey
McCormack
McDade
McDonald
McEwen
McHugh
McKay
McKinney
Madigan
Markey
Marks
Marriott
Martin
Mathis
Matsui
Mattox
Mavroules
Mazzoli
Mica
Michel
Mikulski
Mikva
Miller, Calif.
Mineta
Minish
Mitchell, N.Y.
Moakley
Moffett
Montgomery
Moore
Moorhead, Calif.
Moorhead, Pa.
Murphy, Ill.
Murphy, N.Y.
Murphy, Pa.
Murtha

Myers, Ind.
Myers, Pa.
Natcher
Neal
Nedzi
Nelson
Nichols
Nowak
O'Brien
Oakar
Oberstar
Obey
Ottinger
Panetta
Patten
Patterson
Pease
Perkins
Peyser
Pickle
Preyer
Price
Pursell
Quayle
Quillen
Rahall
Railsback
Ratchford
Regula
Reuss
Rinaldo
Ritter
Roberts
Robinson
Roe
Rose
Rosenthal
Rostenkowski
Roth
Roybal
Royer
Rudd
Runnels
Russo
Sabo
Satterfield
Scheuer
Schroeder
Schulze
Sebelius
Seiberling
Sensenbrenner
Shannon
Sharp
Shelby
Shumway
Simon
Skelton
Slack
Smith, Iowa
Smith, Nebr.
Snowe
Snyder
Solarz
Solomon
Spellman
Spence
St Germain
Stack
Staggers
Stangeland
Stanton
Steed
Stenholm
Stewart
Stockman
Stokes
Stratton
Studds
Swift
Symms
Synar
Tauke
Thomas
Thompson
Traxler
Treen
Trible
Van Deerlin
Vander Jagt
Vanik
Vento
Walgren
Walker
Wampler
Watkins
Waxman
Weiss
White
Whitehurst
Whitley
Whittaker
Whitten
Williams, Mont.
Wilson, Bob
Wilson, C. H.
Winn
Wirth
Wolff
Wolpe
Wright
Wyatt
Wydler
Wylie
Yates
Yatron
Young, Alaska
Young, Fla.
Young, Mo.
Zablocki
Zeferetti

NAYS—21

AuCoin
Bedell
Collins, Ill.
Conyers
Dellums
Edwards, Calif.
Holtzman
Kastenmeier
Kelly
Leland
Maguire
Miller, Ohio
Mitchell, Md.
Mottl
Paul
Rangel
Richmond
Stark
Stump
Volkmer
Weaver

NOT VOTING—47

Anthony
Barnes
Beard, Tenn.
Bolling
Breaux
Burton, John
Carr
Chappell
Cheney
Chisholm
Conable
Corcoran
Crane, Philip
Daschle
de la Garza
Diggs
Dodd
Downey
Eckhardt
Edgar
Flood
Ford, Tenn.
Forsythe
Giaimo
Holland
Huckaby
Ichord
Ireland
Livingston
Marlenee
Mollohan
Nolan
Pashayan
Pepper
Petri
Pritchard
Rhodes
Rodino
Rousselot
Santini
Sawyer
Shuster
Taylor
Udall
Ullman
Williams, Ohio
Wilson, Tex.

□ 1730

The Clerk announced the following pairs:

Mr. Rodino with Mr. Forsythe.
Mr. Pepper with Mr. Conable.
Mr. Mollohan with Mr. Taylor.
Mrs. Chisholm with Mr. Williams of Ohio.
Mr. Barnes with Mr. Philip M. Crane.
Mr. Giaimo with Mr. Rousselot.
Mr. Udall with Mr. Pritchard.
Mr. Eckhardt with Mr. Marlenee.
Mr. Ullman with Mr. Corcoran.
Mr. Dodd with Mr. Livingston.
Mr. Chappell with Mr. Cheney.
Mr. Breaux with Mr. Beard of Tennessee.
Mr. Ichord with Mr. Pashayan.
Mr. Huckaby with Mr. Shuster.
Mr. Ireland with Mr. Petri.
Mr. Nolan with Mr. Sawyer.
Mr. Santini with Mr. Holland.
Mr. Edgar with Mr. Flood.
Mr. Ford of Tennessee with Mr. John L. Burton.
Mr. de la Garza with Mr. Carr.
Mr. Anthony with Mr. Diggs.
Mr. Daschle with Mr. Downey.

Mr. GRAMM changed his vote from "nay" to "yea."

Mr. AuCOIN and Mr. KELLY changed their vote from "yea" to "nay."

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. McKAY. Mr. Speaker, I ask unanimous consent that I may have permission to revise and extend my remarks, and that all Members may have 5 legislative days in which to revise and extend their remarks on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from Utah?

There was no objection.

MAKING IN ORDER CONSIDERATION OF H.R. 4394, HUD/INDEPENDENT AGENCIES APPROPRIATIONS, 1980

Mr. MOAKLEY. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 315 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. Res. 315

Resolved, That during the consideration of the bill (H.R. 4394) making appropriations for the Department of Housing and Urban Development, and for sundry independent agencies, boards, commissions, corporations, and offices for the fiscal year ending September 30, 1980, and for other purposes, all points of order against the following provisions in said bill for failure to comply with the provisions of clauses 2 and 6, rule XXI, are hereby waived: beginning on page 2, line 8 through page 3, line 5; beginning on page 3, line 17 through page 5, line 5; beginning on page 7, line 18 through page 8, line 4; beginning on page 9, lines 1 through 10; beginning on page 12, lines 5 through 22; beginning on page 15, line 10 through page 16, line 12; beginning on page 17, line 14 through page 19, line 16; beginning on page 21, line 10 through page 23, line 25; and beginning on page 29, lines 8 through 15.

The SPEAKER. The gentleman from Massachusetts (Mr. MOAKLEY) is recognized for 1 hour.

Mr. MOAKLEY. Mr. Speaker, I yield the usual 30 minutes to the gentleman from Maryland (Mr. BAUMAN), and pending that, I yield myself such time as I may use.

Mr. Speaker, House Resolution 315 waives points of order against certain specified sections of this bill, which provides appropriations for the Department of Housing and Urban Development and for about 20 independent agencies.

The resolution waives points of order under clause 2 and clause 6 of rule XXI. Clause 2 prohibits unauthorized appropriations and, since some of the authorizing legislation for these appropriations—like the Housing and Community Development Act the House recently passed—is not law, certain parts of this appropriation are technically not authorized. The rule waives points of order against the affected sections.

In addition, the rule waives points of order under clause 6 of rule XXI, which prohibits the reappropriation of funds that have already been appropriate. The waiver is necessary to continue the availability of funds provided in prior appropriations.

Mr. Speaker, this appropriation bill includes funding for the Department of Housing and Urban Development for fiscal year 1980. It also provides money for the Veterans' Administration, the Office of Consumer Affairs, the Selective Service System, NASA, and several other independent agencies.

The bill will be fully debated and will be open to any germane amendments; this rule from the Rules Committee is necessary simply to provide for the orderly consideration of the bill.

Mr. Speaker, I support this important appropriation and I urge the adoption of the resolution so that we may proceed to consider the bill in a timely fashion.

Mr. BAUMAN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the gentleman from Massachusetts has done an excellent job of describing the provisions of the rule we have before us. I congratulate the gentleman because so much of the bill is protected from points of order by waivers of clauses 2 and 6 of rule XXI that I am sure it is difficult to explain to the House what is and what is not protected in the bill.

Mr. Speaker, I do not want to engage in a discussion of what committee or committees are at fault concerning this matter of appropriating taxpayer dollars that have not been authorized to be expended. In my opinion the fault does not lie with any committee. The fault lies with the entire authorization-appropriation process. It simply does not work and needs to be reformed.

A further problem with what is being done today is that this action will come back to haunt us in the future. In a few months the fact that this money has been appropriated will be used as justification for passing the authorizing legislation. The use of such a justification will inhibit reasoned and responsible consideration of this future legislation. The Members of the House will be asked to vote for bills to the cry of "the money has already been appropriated!" which is to say, "the money has been spent, now let's justify it."

Finally a word is in order concerning the substance of the appropriation bill itself. H.R. 4394 appropriates $72,215,975,000. I think it is important for my colleagues to note that this is $40,766,000 over the target set in the first concurrent resolution on the budget. The House spent days on careful consideration of the budget resolution before establishing this target. Even so, we are faced with a bill which exceeds that target by more than $40 million. Mr. Speaker, I suggest this body make drastic cuts in this legislation, and failing that I urge defeat of the bill.

Mr. MOAKLEY. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

PROVIDING FOR CONSIDERATION OF H.R. 3821, INTELLIGENCE AND INTELLIGENCE-RELATED ACTIVITIES AUTHORIZATION ACT, 1980

Mr. MURPHY of Illinois. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 309 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 309

Resolved, That upon the adoption of this resolution it shall be in order to move, section 402(a) of the Congressional Budget Act of 1974 (Public Law 93–344) to the contrary notwithstanding, that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 3821) to authorize appropriations for fiscal year 1980 for intelligence and intelligence-related activities of the United States Government, the Intelligence Community Staff, and the Central Intelligence Agency Retirement and Disability System, to authorize supplemental appropriations for fiscal year 1979 for the intelligence and intelligence-related activities of the United States Government, and for other purposes, and the first reading of the bill shall be dispensed with. After general debate, which shall be confined to the bill and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Permanent Select Committee on Intelligence, the bill shall be read for amendment under the five-minute rule by titles instead of by sections. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

☐ 1740

The SPEAKER. The gentleman from Illinois (Mr. MURPHY) is recognized for 1 hour.

Mr. MURPHY of Illinois. Mr. Speaker, I yield the usual 30 minutes for the minority to the distinguished gentleman from Tennessee (Mr. QUILLEN), pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 309 provides for the consideration of H.R. 3821, Intelligence and Intelligence-Related Activities Authorization Act for fiscal year 1980. The resolution provides for an open rule with 1 hour of general debate to be equally divided between the chairman and the ranking minority member of the Permanent Select Committee on Intelligence. As was the case during consideration of the fiscal year 1979 authorization, time will be yielded to members of the Committee on Armed Services for purposes of debate if desired.

The rule provides for a waiver of section 402(a) of the Congressional Budget Act which prohibits new budget authority for a fiscal year unless reported by May 15 of the previous year. Title IV of the bill contains a supplemental authorization for fiscal year 1979. However, the Budget Committee has indicated that it has no objection to this waiver.

The rule further provides that the bill be read by titles instead of by sections and provides for one motion to recommit.

H.R. 3821 authorizes appropriations for programs and activities of our national intelligence community. The committee is prohibited from disclosing budgetary information on U.S. intelligence activities, pursuant to House Resolution 658. Thus, a classified annex to its report containing this information has been available to members since May 23 in the committee room and will remain available until floor action is completed.

The committee did consider a proposal to disclose the fiscal year 1980 appropriation for the national intelligence community. However, the proposal was rejected by a vote of 7–2. The House will have an opportunity to vote on this matter during consideration of this legislation.

This bill also authorizes $11.5 million for fiscal year 1980 for the intelligence community staff and sets a personnel ceiling of 245. It further authorizes $51.6 million for fiscal year 1980 for the CIA retirement and disability fund and $13.4 million for FBI counter terrorism activities, a $1.8 million increase over the administration's request.

Mr. Speaker, this bill was reported out unanimously by the Permanent Select Committee on Intelligence. It was then sequentially referred to the Committee on Armed Services which reported it out without amendment. I believe that both committees worked hard and responsibly on this legislation. I know of no opposition to the rule. I urge the adoption of House Resolution 309 in order that H.R. 3821 might be considered.

Mr. QUILLEN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the gentleman from Illinois (Mr. MURPHY) has ably explained the provisions of the resolution.

Mr. Speaker, this committee does a great job. There is no objection to the rule.

Mr. Speaker, I reserve the balance of my time.

Mr. MURPHY of Illinois. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. The Chair announces that when the House recesses it will stand in recess until the hour of 8:40 p.m. The President of the United States will address a joint session of Congress this evening.

NORTHEAST CHAPTER OF POLICE ATHLETIC LEAGUE OF PHILADELPHIA HONORS THOMAS J. MAGRANN ON JUNE 21, 1979.

(Mr. LEDERER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LEDERER. Mr. Speaker, I ask that we pause in the business of the House today to honor a great American from my hometown

On Thursday, June 21, 1979, the Northeast Chapter of the Police Athletic League of Philadelphia will be honoring Thomas J. Magrann as the Northeast Pal Man of the Year for 1979. I can think of no finer individual to honor representing the ideals of hard work and dedication to the community than Tom. For this reason, it is especially appropriate that the Police Athletic League chose him in keeping with their ideals and training of our youth.

I believe the example of Tom Magrann serves as inspiration to all our young men and women today. Therefore, I take this opportunity to tell a little about him.

Tom Magrann was born and raised in the Mayfair-Rhawnhurst section of Philadelphia. In his early youth, Tom competed in several sports but his favorite turned out to be boxing and he fought in the golden gloves representing the 24th boxing division of the Police Athletic League. Tom later boxed as a professional but gave up the sport to attend night school at the Dobbins Vocational School where he completed a plumbing work course, completing his apprenticeship, obtaining the distinction of journeyman plumber in 1955.

The same drive and determination that led him through this career would see him become the president and business manager of his 60,000-member Philadelphia and Pennsylvania Building & Construction Trades Council, AFL–CIO, in 1970, a position he was elected to by acclamation after moving up through the ranks as political education director, finance committee member, and business agent of Plumbers' Union Local 690.

With all the many things involved in pursuing his own position, Tom always found time to be of service to the community. Some examples are as follows: Division chairman of the Heart Association, southeastern Pennsylvania, Citizens Committee on Alcoholism and Drug Addiction, member of the Citizens Committee for the Improvement of Justice, board of directors, Police Athletic League, member of the board of directors of Philadelphia 1976 Bicentennial Commission, member of Philadelphia Urban Coalition, and the Cardinal's Commission of the Laity for Catholic Charities, just to name a few.

He has also been an adviser to political and government leaders, treasurer of Democratic City Committee of Philadelphia and more recently was appointed to Governor Thornburgh's board for the Coalition of Northeast Governors that will play an important part in retaining and increasing jobs in Philadelphia.

Tom has always been there when his friends and community needed him. He has been a special friend of the Police Athletic League ever since his boxing days. His wife, Alberta, his father, Howard, and his daughter, Kathleen, have been as kind and helpful as he making it a family affair for PAL projects.

It is completely appropriate that the Northeast PAL honor Tom Magrann and I join them in paying homage to this great American.

TOM BETHELL EXPLAINS WHY REGULATING ENERGY MAKES IT SCARCER AND MORE EXPENSIVE

The SPEAKER. Under a previous order of the House, the gentleman from New York (Mr. KEMP) is recognized for 5 minutes.

● Mr. KEMP. Mr. Speaker, with his usual incisiveness, Tom Bethell recently outlined in a Harper's magazine article what happens when Congress involves itself in making decisions beyond its competence. In the article, which was reprinted yesterday in the Washington Star, Mr. Bethell examines the history of natural gas regulation and reminds us why free markets function fairest and most efficiently. It is because they are democratic, supplying the amount of goods people demand at the price they are willing to pay.

Regulating a free market can only impair its efficiency, and therefore raise the real cost of goods; at most, policymakers attempt to disguise or redistribute the increased cost according to their biases. Yet in the end, both supplier and consumer pay the price in terms of distorted prices and misallocated goods. I hope my colleagues will consider the obvious implications for the debate over decontrolling the price of domestic crude oil.

The article follows:

[From the Washington Star, June 17, 1979]

THE NATURAL-GAS PRICE FIXERS HAVE FIXED US GOOD

(By Tom Bethell)

From time to time American politicians assume the responsibilities of businessmen by adjudicating the price at which this or that commodity shall be sold. We can be grateful that this does not happen more often. When politicians decide to wrest control of the market, they are inclined to discover in themselves great funds of virtue and compassion in consequence of which they decide to set a "fair" price, a "just" price, which usually turns out to be a low price. This is because the consumers of a given commodity will always heavily outnumber the producers of it while all alike have one vote. The resulting low price tends to discourage the producers, who may well go into a new line of business—preferably one that has been overlooked by the politicians. A shortage of the original commodity results.

The foregoing is a brief history of natural-gas production in the United States in the past quarter-century. At first sight an arid topic, natural-gas pricing turns out upon examination to be among the most ideological issues of our time. Its history offers an unrivaled glimpse of the way good legislative intentions can turn into a nearly insoluble bureaucratic muddle. It is the regulatory case history *par excellence*.

It is instructive that no one knows exactly how many natural-gas producers there are in the United States—there are so many of them. It is estimated that in the 1950s, however, before the wellhead price was effectively regulated, there were 20,000 independent producers. With price regulation, this number dropped to about 10,000 in the early 1970s; today the number is up again to perhaps 12,000 independents (defined as companies that produce less than 10 billion cubic feet annually).

The industry is highly competitive with an entry cost that is low compared with that of many industries—$4 or $5 million, according to David Foster, president of the Natural Gas Supply Association. The 22 largest sellers in 1961 sold 55 per cent of interstate gas, which is a lower level of concentration than is found in the average manufacturing industry. Sales by the largest producer have never exceeded 9.2 per cent of the market (achieved by the Humble Oil Company in 1971).

Despite these facts, the Federal Power Commission in the 1950s (following orders from the Supreme Court) set about the task of regulating the wellhead price of gas and was so successful that the price of new gas contracts actually was somewhat lower in 1968 than it had been in 1960. The inevitable result of rigid place controls was soon felt.

By September 1968, Robert B. Helms noted, in a booklet entitled *Natural Gas Regulation: An Evaluation of FPC Price Controls*, that "the commission was slowly becoming aware of a looming shortage of natural gas. In fact, 1968 was the first year the American Gas Association reserve data showed annual consumption to be larger than additions to reserves . . . By 1971 the FPC had gone to great lengths to document the shortage situation brought about by declining exploratory drilling and growing demand."

But there was another element to the story, and it is what has made natural gas a favorite topic for students of government regulation. As long as the gas did not leave the state in which it came out of the ground, it was not subject to federal price controls. This was called intrastate gas: produced, for example, in Morgan City, La., and sold in Baton Rouge, La. Thus by the late 1960s a dual market had developed a market for gas that crossed state lines (regulated) and a free market for gas that did not. Until the mid-1960s the interstate price of gas was about two cents per 1,000 cubic feet (Mcf) higher than the intrastate price (16 cents and 14 cents per Mcf respectively). This ensured that new gas discoveries were constantly committed to the interstate market—i.e. were "signed up" for delivery to the big consuming areas of the Northeast.

The critically important changeover occurred in about 1970 when because of growing demand in the producer states (especially the movement of many petrochemical companies to Texas and Louisiana), the free-market price of gas (by then about 20 cents) moved above the regulated price (18 cents). At that point new gas was rarely committed to the interstate market. It was kept in its home state whenever possible. That was really the beginning of the "energy crisis."

This dual market is of particular interest because it has in addition had the unintended effect of creating a "controlled experiment" in the realm of governmental regulation. The effect of price regulation in the interstate market could be compared with the behavior of a free market in the same commodity.

The threatening energy crisis of the early 1970s was hastened along because many of the long-term contracts that interstate pipeline companies had signed with the gas producers in the 1950s were beginning to expire as the 1970s progressed. The dual market meant that the pipeline companies began to encounter considerable difficulty in buying new gas to replace the old—not because it wasn't there to be had but because the gas producers did not want to sell it to the interstate pipelines at a low price when they could sell it within the state at a high price. By 1974, for example, the disparity between the two markets was equivalent to a factor of four: 26 cents per Mcf interstate; more than $1 in the free market. Less gas began to flow through the interstate pipelines, therefore, and shortages developed. Demand for the fuel nevertheless remained high because of its artificially low price.

In the realm of natural gas, then, this dual market and its inevitable economic effect simply became the "energy crisis." That was all there was to it. But this was rarely understood because whenever someone began to suggest that the energy crisis was not "real"—as in a way it was not; or it was merely the product of governmental folly—then many people would interpret this to mean that the crisis was unreal in the sense that the gas producers were "withholding" the fuel from markets. This was perfectly true, of course, but not in quite the way that the skeptics imagined.

Oil and natural gas "in place" are owned by a combination of landowners and those who own mineral rights to these lands. Many of these rights are indeed leases owned by "big oil." But many are not. It is estimated that as many as 1.2 million Americans are "royalty owners" of oil and gas; people who own the geologically appropriate land or have leased such land.

Government policy seriously skewed natural-gas production in favor of the free rather than the regulated market. Leaseholders and landowners who wanted to sell their wares were quite happy to do so—as long as the pipeline to which the well was connected did not cross a state line. For example, in 1973 Gov. Edwin Edwards announced that a large natural-gas field had been discovered in Plaquemines Parish in southern Louisiana. It contained enough gas to fill all of New Orleans's energy needs for 50 years. The problem was that the only pipeline anywhere near the field went heading straight off to Washington and New York. The governor announced that the field would not, therefore, be developed until it could be reached by an intrastate pipeline. Why send the gas to the very people who were ordering that it be sold at a fraction of its value?

One might interpolate here the basic point that the energy crisis has often not been understood because people find it hard to believe that quite ordinary economic incentives (sometimes disparaged as "lemonade-stand economics") apply on the large scale of the natural gas industry just as much and in precisely the same way as on the small scale of the individual. The problem has been that the advocate of regulation—and this includes a number of quite influential people—is inclined to say that things *ought* to be different. Perhaps he is right, but in reality they are not different. Nor will they be until the day comes when the government passes laws *compelling* the landowners to sell gas on the interstate market and so on. Perhaps then the problem has been that some lawmakers have not fully appreciated how much the economic system depends on—and is at the mercy of—voluntary behavior.

Confusion arises because the companies have denied (truthfully, as far as anyone has been able to show) that any *illegal* withholding of gas resulted—that is to say, "shutting in" wells that were already delivering gas under contract. But there was another sense in which, of course, withholding occurred in which newly discovered gas was committed to the intrastate market (as nearly all new gas was) or simply was never taken out of the ground at all. Gas industry spokesmen call this "economic withholding," and it has been widely practiced ever since the disparity between the two prices opened up in the early 1970s.

The moral here seems to be that as long as government has only a tenuous or partial grip over an industry (as was the case, of course, with the FPC's control over the natural gas industry) the result is likely to be chaotic. Better to have a complete grip (which in this case would involve the power to order people to take oil and gas out of the ground) or no grip at all (which would have entailed deregulation of the wellhead price).

The deregulation "option" was continually resisted, however, by many congressmen and consumerists, who had by this time become falsely persuaded that we were "running out" of natural gas (in which case rationing, not the free market, became the moral imperative).

To many people the conclusion that we were running out of fossil fuel has always seemed reasonable because it is based on a premise that is self-evident although misleading. Natural gas is "finite" and "nonrenewable" (so the argument runs), therefore we are running out of it. No one seems to have pointed out what a coincidence it was that we should find ourselves to be "running out" of natural gas just at the time when a large gap opened up between the regulated and the freemarket price.

As the cost of drilling a gas well is now more than a quarter of a million dollars on average as with any given bore there is only a one-in-ten chance of finding gas, it does not come as a surprise to learn that the vast majority of potential gas-bearing sediments have not been drilled at all.

The point is that as with any other commodity, producers and sellers do not need to keep more than a certain amount of "inventory" on hand. It is not economical to do so. Reserve figures, therefore, tell us not so much about what is underground as about what projected future demand will be; this results in the producers' drilling only enough to have a sufficient supply "in reserve" just as A&P managers must decide how large a supply of Yuban or Maxwell House they shall have "in reserve." When all of this is taken into account, and especially when the incentive provided by market prices is included, the *Wall Street Journal's* 1977 estimate of "1001 years of natural gas" seems closer to the mark than those familiar press warnings that we only have five or 10 years of "proved" reserves remaining.

This then was the situation when the Carter administration came to Washington: a lot of natural gas available—at a price—in the producing states; a growing scarcity in the consuming states. Carter smote the oil companies hip and thigh; denounced the special interests and vowed to veto anything resembling a deregulation bill that might come out of Congress.

He brandished a National Energy Plan in which the intention was to do away with the dual natural gas market by extending price controls to the intrastate market.

There were, it was true, one or two clouds on the horizon of Carter's approach: such as the director of the U.S. Geological Survey, Dr. Vincent McElvay, who did a naughty thing, giving a speech in Boston in which he said that domestic natural gas reserves were huge ("about 10 times the energy value of all [previous] oil, gas and coal reserves of the United States combined"). He was fired shortly after that (they implied he was too old) as was Dr. Christian Knudsen, the author of a study released by the Energy Research and Development Administration concluding that at $2.25 per Mcf the nation would be "awash" with natural gas.

With such annoyances pushed under the rug, Carters' only remaining problems were to get Congress to pass a bill extending price controls to the intrastate market.

The transcript of the natural-gas debate in the 95th Congress covers hundreds of pages of the *Congressional Record*. But one frequently heard argument deserves to be rescued from the archives and examined before it is entirely lost from view. This is the claim by those who opposed deregulation—and Sen. Kennedy was typical in this respect—that they were looking out for the interests of "consumers" by preventing the price from climbing.

The significant point is that when a customer in Massachusetts, for example, buys natural gas, only 20 percent of his bill pays for gas; the rest helps to pay for the pipeline that brought the gas almost 2,000 miles to his home. Thus an increase in the wellhead price of gas adds only a small fraction to domestic gas bills. But—because the pipeline must be amortized anyway—if gas supplies are interrupted or reduced as they were in the 1970s (because of the diversion of new supplies to the intrastate market), then the consumer's bill will rise considerably because the constant pipeline costs must be "loaded" onto a diminished number of customers. Therefore, regulated prices have hurt the consumer, not helped him.

This was pointed out by Warren T. Brookes in a column in the Boston Herald-American. He described a case in which "the total price of gas to the consumers rose in two years from $1.72 to $3.38, while the price of the raw fuel went up only 20 cents. Of the $1.66 increase, $1.44 was in the rising cost of the pipeline service. The main reason for this rise was the decline in the flow of natural gas through the nation's major pipeline. . . . This is why a study done for Brooklyn Union Gas Co. in 1975 showed that if new natural gas were deregulated and the pipelines were kept full by new gas costing $2.50, Brooklyn Union's cost to the consumer would be $3.98; but if regulation remained and the downward trend in natural gas production from the West continued, the consumer price would be $4.45."

Despite uncontroverted arguments such as this, Sen. Kennedy persisted in his denunciation of higher wellhead prices, saying that they have been "burdening consumers directly and indirectly with billions of dollars in higher costs. I could not vote to saddle them with additional billions of dollars in still higher costs." A typical statement by someone favoring regulation with the dollar-and-cents reality obscured by the rhetoric of billions.

Similar arguments were made by Sen. Kennedy's former aide James Flug (who runs a well-financed antioil company operation out of Washington), Ralph Nader, Reps. Toby Moffett and Rev. Robert Drinan and many others, all of whom alleged that they had the consumers at heart. This may legitimately be doubted, however, in view of the facts about pipeline costs. If only these men had taken more interest in the price paid by the consumers rather than the price charged at the wellhead, it would be so much easier to believe their consumerist rhetoric. As it is, one is left with the distinct impression that they are more interested in making life difficult for the producers than easy for the consumers.

In any event, President Carter signed the Natural Gas Policy Act into law on November 9, 1978. It extended price controls to the intrastate market with the distant promise of deregulation in 1985—but, of course, by then a new Congress would be in Washington, and one in no way bound by the actions of its predecessors.

Earl Turner, executive vice president of the Texas Independent Producers and Royalty Owners Association, says that as of March 1979 the new gas act has been "a little short of disastrous." There has been a 15 percent decline in drilling, he said, "because of confusion in meeting requirement obligations," i.e., red tape. He said that there were 300 unused drilling rigs "stacked up" with "about 250 new rigs coming on line from the manufacturers." Before the bill was passed, of course, rigs had been hard to find.

Meanwhile, there is still another provision of the new act that seriously disturbs the gas industry. This is the so-called incremental-pricing requirement, which is a plan to charge large industrial users of gas more than domestic users. A few years ago, of course, this seemed like a good idea. We were then still mesmerized by the Club of Rome and "the era of limits." But after the inter- and intrastate markets were unified, a "bubble" of one trillion cubic feet of excess supply was discovered in the intrastate market. At that point, Energy Secretary Schlesinger tried to get the industrial market back. "Schlesinger Urges Shift to Gas Use" was the surprising New York Times headline in January this year. But the act was passed by this time, the damage was done, and plans go ahead to charge industries using natural gas a higher price.

The fear is that many industries may already have turned to oil—fed up as they are with interrupted gas supplies, low priority if it is short, and now the threat of higher prices. Rush Moody, a former FPC commissioner, spoke before the Gas Men's Roundtable of Washington in November 1978 and he said: "I have an intuitive feeling that a substantial portion of the traditional natural-gas industrial market has already disappeared and is not likely to return even though more gas has now become available." He attributed the surplus gas "bubble" to a fall-off in demand resulting from this "pressure against the industrial gas user."

The result of this policy has been to force the industrial user into the market for imported crude oil. Petroleum has moved from 21.9 per cent of the industrial market in 1973 to a 26.7 per cent share in 1977. "How ironic," Moody concluded, "that a government avowedly dedicated to reducing U.S. dependence on imported fuels is engaged in policies which have had as their only result a greater U.S. dependence on imported fuels."

The worst effect of a continued shift of industrial users away from natural gas, however, will be once again to force domestic consumers to pay greatly increased prices for the diminished quantities of gas traveling in the pipeline. (At present, only one-third of the natural gas consumed is put to domestic use.) In effect, then, households rather than industries will be compelled to amortize the enormous cost of pipeline construction.

It may seem, then, that government involvement in natural gas pricing has been a disaster. It is particularly discouraging to consider how much larger the natural gas market might have grown as a percentage of U.S. energy needs if the rigid price controls of the 1960s had not been in place, resulting frequently in the shunning of new gas customers. And if the market had grown, we would now be much less dependent on foreign oil.

When one reads the protracted legislative debate on natural gas pricing, it becomes apparent that the main reason legislators are unable to do anything useful in this realm is that they do not know what they are talking about. They do not have enough information at their disposal; they do not understand the business they are attempting to regulate.

They believe in their hearts that a monopoly indeed is a good thing; a government monopoly. They don't know as much as the oil and gas men, they may concede, but they are possessed of purer motives and therefore deserve to prevail. They are concerned about consumers, not profits. They have good intentions, they know, and characteristically they find it very, very hard to believe that good intentions can produce aything but excellent results. And so they vote themselves the power to intefere—just enough to keep supply, and demand out of whack.

The evidence is by now overwhelming that self-interested producers competing with one another end up serving the customer far more handsomely than idealistic legislators ever can, but unfortunately it has been difficult to persuade voters of the truth of this in recent years—especially voters with a college education. This really is the "crisis of capitalism"; until we can perceive that the independent driller whose goal in life is to become a millionaire works to our advantage more effectively than the selfless "consumer advocate" in Washington, whose true goal surely is the attainment of personal power (even if he does call it "fairness"), then we will always have an energy crisis on our hand.●

CONGRESSMAN PAUL TRIBLE INTRODUCES HEALTH INSURANCE TAX CREDIT BILL

The SPEAKER. Under a previous order of the House, the gentleman from Virginia (Mr. TRIBLE) is recognized for 15 minutes.

● Mr. TRIBLE. Mr. Speaker, America is engaged in a great debate over how to improve health care services to the citizens of our country. Today I have introduced legislation that would give 36 million Americans an opportunity to have more affordable and comprehensive health care.

The majority of Americans today are protected against the oftentimes crippling financial losses resulting from health care costs by private health insurance. Eighty percent of those who have private health insurance have acquired that protection as members of a group either through their employer or, to a far lesser extent, through an association. These group policies offer the best health insurance now available in the United States. Consider these two important facts: First, those persons with group policies receive the most comprehensive coverage at the least cost; and second, over 90 percent of the employees under group coverage receive total or partial employer contributions for the cost of their health insurance premiums. Under our Federal tax system, these employer contributions are nontaxable to the employees and deductible to the employer.

Yet, approximately 20 million policyholders—well over 36 million Americans when dependents are included as well as the actual policyholders—the remaining 20 percent of the private health insurance population—are not eligible for group coverage and rely instead on individual, or nongroup, policies. These persons, about 60 percent of whom have incomes of less than $15,000, must personally bear the financial burden of remarkably higher premium costs for less comprehensive coverage than is available under group policies.

At the same time, while recognizing that a tax deduction is available to all itemizing taxpayers for certain amounts of premiums which they paid for both individual and group health insurance, the fact is that these Americans with individual policies do not receive nearly the amount of Federal assistance through our tax laws that is currently extended to those who are in group health insurance plans.

Congress has long recognized the national benefit derived from encouraging citizens to gain their own protection from the financial burdens of health care costs by providing Federal tax assistance for the purchase of private health insurance. And, Congress did not even stop there, but sought to provide greater assistance for certain especially needful segments of our society by establishing and maintaining various public health insurance programs, like medicare and medicaid.

Our efforts must not end now—not when our very assistance currently discriminates against the approximately 20 million policyholders who, in having to purchase individual protection against rising medical costs for themselves and their families, must personally bear the highest cost of private health insurance in our country today.

Therefore, I have today introduced a bill which will substantially end this discrimination against holders of individual health insurance policies by permitting these policyholders to choose to take a tax credit for a portion of the cost of their health insurance.

What exactly will the Trible bill do to alleviate the financial burdens now borne by those persons who have no access to group health insurance but must rely instead on individual policies? My bill would allow individuals to choose a nonrefundable credit in an amount equal to 15 percent of the health insurance premiums which they paid under an individual health insurance policy instead of taking the present itemized deduction for such premiums. The bill has the following basic elements:

First. The credit is available only to those taxpayers who pay for the cost of individual, non-group health insurance policies;

Second. The credit is limited to 15 percent of the annual amount of premiums paid for such policies;

Third. The credit is available to taxpayers who do not itemize as well as to those who do;

Fourth. The credit is optional and hence must be made at the election of the taxpayer;

Fifth. Once the credit election is made for that year, the taxpayer is not permitted to claim an itemized deduction for any amounts of premiums paid—including even the amount in excess of the credit—for that particular individual policy; and

Sixth. As a nonrefundable credit, this credit is limited to the taxpayer's amount of tax liability.

Keeping in mind that benefits under individual policies are always inferior to those provided in group coverage, let us look at a few examples (using 1978 tax law) of how my bill would typically work.

Jack Adams is a self-employed, 50-year-old waterman with a yearly income of $9,520, and since Jack is self-employed, he is not eligible to participate in a group health insurance plan. Jack does not have enough expenses to make it worthwhile for him to claim itemized deductions on his tax return.

Since he is deeply concerned that any health care expenses would bring personal financial ruin, Jack has purchased an individual, nongroup policy for himself and his wife at an annual premium cost of $750. Unfortunately, Jack—unlike his rich neighbor—John Buchner—cannot lower his premium cost by claiming the health insurance/medical expense deduction since he cannot itemize. Thus, Jack receives no tax savings, no cost reduction for this marginal health insurance protection, which consumes almost 8 percent of his yearly income.

No Government tax assistance is now available to Jack Adams. However, under my bill, Jack would receive Federal tax relief lowering the actual cost of his nongroup health insurance protection. By electing the Trible credit, Jack Adams would subtract $112.50; that is, 15 percent of $750, the annual premium paid by Jack for his nongroup policy from his total Federal tax liability. Thus, if Jack's tax liability was originally $680, his liability after application of this credit would be reduced to $567.50, and consequently, the cost of his health insurance policy has been reduced from $750 to $637.50 or *x* percent.

On occasion, even itemizing taxpayers with individual policies will receive tax relief from my bill. For example, Bob Weeks is a warehouse supervisor with the Barksdale Lumber Co. Unfortunately, Barksdale Lumber does not have a group health insurance plan for its employees. Instead, each of them must buy their own coverage.

Since Bob earns only $14,225 to support his wife and two children, it is difficult for Bob to pay $1,200 every year for health insurance for himself and his family. Bob itemizes his tax deductions. However, because his medical expenses do not exceed 3 percent of his adjusted gross income, Bob can only claim a deduction for $150 of his health insurance premiums totaling $1,200.

Since Bob's marginal tax rate is 17 percent, the $150 itemized deduction for his nongroup health insurance premiums saves him only $25.50 in Federal taxes. However, by electing the Trible credit instead of the deduction, Bob could subtract $180 (15 percent of his $1,200 premium) from his total tax liability of $1,054. Hence, Bob's $1,200 insurance policy would actually cost him only $1,020.

Higher income taxpayers with nongroup policies who either do not itemize or whose medical expenses for a particular year do not exceed 3 percent of adjusted gross income will also receive more of a tax benefit under this bill than under current law.

However, their benefit from the Trible credit will always be proportionately less than that provided middle and lower income taxpayers. Since the Trible credit is limited to 15 percent, the value of that credit decreases as the taxpayer's marginal tax rate increases.

For example, in the previous situation, Bob Weeks would receive $154.50 more from the Trible credit than he would receive with the present deduction ($180 − $25.50 = $154.50). However, Bob's brother Allen, who has the same policy and number of dependents would benefit proportionately less because he makes much more money. Allen is in the 36 percent tax bracket. Allen's net gain from electing the Trible credit ($180 tax savings) over claiming the insurance premium deductions ($54 tax savings) would only be $126.

These are just a few examples of how the Trible credit would operate to confer more equitable benefits upon those persons who now bear the greatest burden in paying for the cost of private nongroup health insurance coverage. Tax benefits from the Trible credit would also be available to all nongroup policyholders—like a widow who retired last year at age 60 and lost her group coverage, like a senior citizen who purchased an individual policy to supplement medicare/medicaid, like a sole proprietor who is unable to get group coverage through an association, like a widowed mother supporting herself and family on survivor benefits, like an employee of a small business that does not have group health insurance, or like a worker who lost his job, and was unable to continue his coverage under the employer's group health insurance.

Currently, under our Federal tax system, the purchase of protection against medical expenses is subsidized in two ways: First, payments by employers for health insurance for employees are deductible as a cost of doing business, and are excludable from the gross income of the employees (the so-called employer exclusion), and second, individuals are permitted itemized deductions for 50 percent of the amount they pay for health insurance (up to a maximum of $150) and for other medical care expenses, including the remaining amount of the health insurance premiums, which exceed 3 percent of the taxpayers adjusted gross income.

Most employees today benefit from group health insurance and the "employer exclusion." According to the latest data available from the Health Insurance Institute, 59 percent of all employees in group health insurance plans have the total cost of this insurance paid for by their employers, while another 38 percent share the premium costs with their employers.

Thus, only 3 percent of the workers who are covered by group policies pay the total premium costs themselves. When the extensive use of employer contributions is considered together with the fact that most persons with private health insurance are under group protection, which provides better coverage than is available for a comparable price under any individual policy, the significance of the "employer exclusion" tax subsidy is readily apparent.

In comparison, few persons actually benefit from the health insurance premium deduction, which in effect reduces the cost of health insurance. This deduction is only available to itemizing taxpayers, and only about 30 percent of all taxpayers can now benefit from itemizing.

Thus, 70 percent of these taxpayers get no price reduction through this tax benefit for the cost of their health insurance. The identical situation exists with the remaining deduction for medical expenses, which includes the balance of the health insurance premiums.

The Treasury Department estimates that the full medical expense deduction (including health insurance premiums) results in an average tax savings of about $144 per household claiming the deduction. Moreover, since the rate of tax subsidy for an itemized deduction, as here, increases as taxable income increases, taxpayers in the higher-income brackets who take the full health insurance/medical expense deduction receive a tax savings which substantially exceeds the average amount of $144.

In fact, recent Treasury models show that the largest percentage of tax savings from this deduction go to those taxpayers whose income exceeds $15,000.

The majority of persons with nongroup health insurance are lower-income persons with incomes of less than $15,000—and those are the very taxpayers who are more likely to be unable to itemize and thus cannot take advantage of the health insurance/medical expense deduction. Instead, those taxpayers must personally bear, with no aid through a Federal tax subsidy, the higher premium costs of individual health insurance policies which do not provide the extent of protection as do comparably priced group policies.

Moreover, while some of these persons might be employed by employers that contribute to individual policies, these employees still do not receive an equal benefit vis-a-vis group health insurance when it comes to both cost and coverage.

More specifically, a March 1979 Congressional Budget Office report on health care coverage indicates that the lowest rates of group health coverage are found in the retail trade, construction, agriculture, personal services, fisheries, and forestry industries. The report goes on to state generally that small firms, those with less than 25 employees, are less likely to provide employment benefits such as group health insurance.

Further, as might be expected, most self-employed persons, as well as part-time workers, who decide to bear the cost of protection against financial losses occasioned by health care expenses, are only able to obtain individual health insurance policies for themselves and their families. Even more distressing is the fact that these people also have the lowest incidence of health insurance coverage in our country today.

Two additional types of people are also significantly affected by the burdens of individual health insurance policies. First, employees with employer-provided group health insurance often lose their group coverage when they lose or change employment. These employees, therefore, may be faced with increased health insurance costs at the very time they can least afford it. Second, over 5 million of the approximately 20 million holders of individual policies are persons over age 65. These persons, living on reduced, fixed retirement income and having substantial health needs, purchase supplemental individual policies for protection against medical care costs not covered by medicare and medicaid.

Figures provided by the Health Insurance Institute show that in 1977, these 20 million policyholders paid premium costs for individual health insurance policies which totalled $3,583,000,000. In response to the growing dialog on national health insurance, the Health Insurance Association of America (HIAA) developed a model of a reasonable, broad nongroup policy. HIAA calculated that the premium is $600 for such a single adult individual policy, and $1,200 for a family of four individual policy. Of course, these premium rates can vary due to such factors as age and medical conditions.

The health insurance industry agrees that the premium costs for an individual health insurance policy generally run from 15 to 50 percent higher than the costs for a group plan with similar coverage—although benefits under individual plans are never truly as good as the benefits provided under group plans.

This imbalance between relative costs and benefits for individual and group plans is attributable to the nature of individual health insurance plans.

Individual policies are more costly due to the existence of an individualized risk feature and greater operational costs, and to the vulnerability of individual policies to the impact of inflation. The insurance industry claims that these factors add so much to the cost of individual plans that an individual policy designed to be comparable to a comprehensive group plan would cost more than anyone would be willing to pay.

Consequently, individual policies with benefits equal to those offered in average group plans are not even offered for sale by the health insurance industry.

For example, according to CBO, 90 percent of the workers in group plans reported to the Labor Department in 1976 had comprehensive or supplemental major medical benefits; however, few individual policies include major medical coverage. Further disparity of treatment can best be illustrated by the following: If you are a member of an association or employer work force, you can enroll in a group plan regardless of age or medical condition—usually without undergoing a medical examination.

The premium rate for this coverage would be comparatively low since it is based upon the group as an entity. On the other hand, if only an individual policy were available to you, you may not even be eligible because of age-limit restrictions and preexisting medical conditions. If you, indeed, qualify for an individual policy, you would still be faced with long waiting periods, benefit levels far below those provided in group coverage, oftentimes actual termination of benefits once stated maximums, such as age, are reached, and high premium rates which are assigned individually on the basis of health, sex, and age.

In summary, individuals have less access to health insurance than do groups. Those with nongroup policies do contribute more of their disposable income for the protection of health insurance than do those in group plans containing better benefits. In our country today, a person who does not have access to a group plan does not have comparable coverage available at any price under an individual policy.

Many persons not eligible for group coverage carry multiple individual policies at high costs in order to obtain greater economic protection against the cost of illness or health-related care. Yet, that very cost of individual health insurance leads others to the decision not to purchase health insurance at all or to purchase only limited coverage.

In conclusion, I urge the House to take speedy action on this bill. This legislation goes far to equalize the tax treatment afforded all private health insurance policyholders—individual as well as group. As a flat-rate tax credit, it would make the Federal assistance rates more equitable for all taxpayers and would enable those taxpayers who do not itemize to receive a Federal tax benefit for the cost of private health insurance for the first time ever.

My credit would ease the financial plight of those persons who have long had to bear the burden of less comprehensive coverage provided in an individual policy for higher cost, while those persons with less expensive and more comprehensive group coverage receive substantial Federal tax assistance. And, more often than not, these very persons who bear such a financial burden for health insurance are those who can least afford it and who most need the protection of health insurance. As an elective credit, my bill permits the taxpayer to make the decision personally of whether the credit or the medical expense deduction would be more beneficial for any particular year.

It is also my hope that this new credit, by lowering the cost of individual policies, would provide an incentive for those uninsured persons to purchase the protection of health insurance, and also may encourage the health insurance companies, recognizing a better, more accessible market, to develop and offer more comprehensive types of individual policies.

Mr. Speaker, Congress long ago recognized that the national public interest is well served by encouraging retirement savings for all citizens through the development of a system of private pension plans. Toward that end, laws were passed to provide tax benefits for employers who establish and maintain so-called qualified pension plans, as well as for employees covered by these plans. Yet, Congress did not stop there, realizing that persons not covered by corporate plans also needed the security of some type of qualified retirement savings arrangement. And so, Congress enacted laws establishing similar retirement programs uniquely designed for the self-employed and individuals not otherwise covered by a qualified retirement plan. Similar preferential tax treatment is also afforded these programs. In that very same spirit, we in Congress, should broaden our commitment to defraying a portion of the cost of private health insurance protection by extending tax benefits to the self-employed and other individuals who have nongroup policies—tax benefits which would be more equitable relative to those benefits now given both to employers, who contribute to their employees' group health insurance, as well as to the employees themselves. As our first step toward that goal, I urge the House to move expeditiously and pass the Trible health insurance tax relief bill.●

CAN OUR NATION AFFORD THE SALT II TREATY?

The SPEAKER. Under a previous order of the House, the gentleman from New York (Mr. SOLOMON) is recognized for 15 minutes.

● Mr. SOLOMON. Mr. Speaker, I rise today to speak on an issue which affects the security—indeed, the very existence of our country, and the peace of the world: The SALT II treaty.

I am concerned about the treaty for several reasons: I am concerned about the range limitations of the cruise missiles; I am concerned that the Backfire bomber and the SS–20 ballistic missile do not fall under the restraints of the new treaty; our inability to adequately monitor the agreement concerns me; having our administration locked into a strategically inflexible position while dealing with the Russians concerns me; but beyond all else I am concerned, because I believe our Nation and our President have not learned the lesson of SALT I.

Today, the day President Carter signs the SALT II treaty, I am going to speak on the violations committed by the Soviet Union with respect to the SALT I treaty.

I believe the Soviets violated both the letter and the spirit of the SALT I agreements on a number of occasions. According to the State Department, the Soviets deliberately concealed strategic weapons activity, deployed ICBM's significantly larger in volume than the largest light ICBM's as replacements for light ICBM's and carried out more than 50 flight tests of an air defense interceptor in an antiballistic mode, in violation of the ABM Treaty of 1972.

During the SALT I negotiations the United States had to demand that the Soviet Union dismantle SS–7 ICBM launchers to compensate for submarines armed with ballistic missiles. Intelligence sources confirmed that the Soviets have 64 subs at sea, yet in 1972 Secretary of Defense Laird stated, and I quote:

> I would consider it a violation of the intent of the treaty to go beyond 62 submarines.

It is the view of Fred C. Ikle—pronounced Eklay—former Director of the U.S. Arms Control and Disarmament Agency, that we have learned from bitter experience that the Russians exploit ambiguous language to stretch what they are permitted to do way beyond our understanding of the agreement. This results in a one-sided advantage for the Soviet Union.

Let us take a close look at how the Soviet Union has exploited ambiguous language in the SALT I Treaty and see what affect it has had—when the Senate ratified SALT I, the impression was given that the Soviet Union would not develop a missile system which posed a threat to our ICBM's. It was thought the Soviets would stay within a certain light category not thought to be sufficient to destroy American silos. However, in 1975 it was revealed the Soviets were deploying so called "light" ICBM's with a throw weight over 7,500 pounds, far in excess of the 2,000 pounds Congress had expected. Missiles with a throw weight of 7,500 pounds are large enough to destroy our silos and because of this our ICBM system will be obsolete by the early eighties, if it is not already.

Our ICBM's are the most powerful, accurate, and easily dispatched arm of our strategic triad defense system, but because of Soviet violations they face the prospect of complete obsolescence within a few years.

The announced purpose of the strategic arms limitation talks was to halt the growth in the strategic arsenals of the Soviet Union and the United States, and to do so in accordance with a formula that would prevent either side from gaining a sufficient margin of superiority, such that it could threaten the other or exert diplomatic coercion. The SALT process was conceived as involving basically two steps: The first, arms limitation; the second, arms reduction.

Beyond the violations of the SALT I agreement let us examine the military growth of the Soviet Union compared to the United States since the SALT I agreement. Since SALT I, the United States has not completed or deployed one single major new strategic offensive or defensive weapons system. We have terminated production of Minuteman III and Poseidon missiles, but follow-on weapons have not been forthcoming. The B–1 bomber has been canceled; the MX–ICBM has been delayed and the only ABM system deployed since that time has been dismantled.

Conversely, during the same period, the Soviet Union has developed an entire new family of four ICBM's, three of which are MIRVed; a new class of missile carrying submarines; a new submarine launched ballistic missile; and a new supersonic bomber, the Backfire.

Since the SALT talks began in 1969, Soviet defense expenditures have increased more than 50 percent. Evidence shows that from 1972 to 1977, the period of SALT I, the Soviet Union spent more on arms than in the 5 previous years and despite a GNP that is only about half as large as ours, the Soviet Union now outspends the United States on defense by up to 45 percent.

The purpose of the strategic arms limitation talks was to halt the growth in the strategic arsenals, yet the Soviet Union has developed nuclear weapons beyond their defensive needs. They are evolving these weapons as a tool to extend their political power around the globe, consistent with the Communist doctrine of world domination.

Tonight, as the President delivers the treaty to a joint session of Congress I ask you to reflect upon the treaty we made in 1972, and ask yourself—"Can our Nation afford this SALT II Treaty?"●

□ 1750

BOGUS CREDIT CARDS: A NEW WEAPON FOR BANK ROBBERS

The SPEAKER. Under a previous order of the House, the gentleman from

Illinois (Mr. Annunzio) is recognized for 5 minutes.

● **Mr. ANNUNZIO.** Mr. Speaker, all successes have their imitators, and in this age of plastic, credit cards are no exception. The ready access to goods, services, and cash provided by the 600 million cards circulating in the United States could not long go unnoticed by those ready to bilk banks and their customers out of millions of dollars. Today, the talents of counterfeiters are being used across the country to manufacture fake credit cards, whose use has already led to financial losses for several banks. The threat posed by these phony cards grows with the increasing use of debit cards, which directly access consumers' checking or savings accounts. Even if consumers bear no liability if counterfeit cards are used, consumers could end up without funds for days while their losses are investigated.

Several counterfeiting operations have been discovered in recent months, but doubtlessly others continue their lucrative business undetected. Last March, law enforcement officials uncovered a major counterfeiting ring during a raid for drugs in New York. As well as finding over 50 stolen credit cards, police discovered a sufficient amount of high quality materials to manufacture thousands of phoney credit cards. Had it not been stopped in time, this venture could have led to multimillion-dollar losses for New York's Chemical Bank, and countless problems for consumers receiving mysterious charges on their monthly billing statements.

Across the country in California, a similar operation was unfolding after someone obtained the names and account numbers of cardholders and joined forces with the thieves of blank cards and labeling machines. Fortunately, this plan was also foiled before it could be implemented, and several of the individuals involved were later convicted on conspiracy and counterfeiting charges.

In two other instances, banks were not as lucky, as criminals succeeded in using cards before their plot was discovered. Crocker Bank in California recently announced that the account numbers of some customers were stolen and used to make fake credit cards. So far, the bank has refused to divulge how much money was lost or how many of its accounts were affected.

Most recently, a man was arrested last week for manufacturing and using phony credit cards with the names and account numbers of First National Bank of Maryland customers. Another individual involved in the scheme, who has allegedly obtained over $300,000 with the bogus cards, is still at large.

Fearful of alarming consumers, banks have done their best to avoid publicizing the extent of the problem, and the ease with which cards can be duplicated. Financial institutions must take concerted steps to combat this problem, before hundreds of other criminal minds become attracted to these profitable counterfeiting schemes. Law enforcement officials must also give these crimes a high priority. As credit card expert, Spencer Nilson, has observed, credit card fraud is much more lucrative and much less risky than ordinary bank robberies.

The problem of credit card fraud extends beyond the financial losses incurred by banks and their customers. The access of these counterfeiting rings to the names and account numbers of consumers raises serious questions about the activities of almost every American. A strong computer crime statute is necessary to dissuade individuals tempted to tap data banks for illegal purposes.

Credit card fraud is not a crime which consumers can stop by keeping a tight hold on their pieces of plastic. It is the responsibility of financial institutions and card manufacturers to improve the technology and the security procedures involved so that this illegal activity can finally be put to a stop.●

RESPONSE TO JAPANESE TECHNOLOGY DRIVE

The SPEAKER. Under a previous order of the House, the gentleman from Ohio (Mr. Vanik) is recognized for 5 minutes.

● **Mr. VANIK.** Mr. Speaker, today, I am introducing a joint resolution relating to Japan-United States trade problems. This resolution is designed to prompt discussion and further ideas on the steps we can take in the months and years ahead to improve our trade with Japan and to avoid future more serious tensions over commercial issues. When the Subcommittee on Trade, of which I am chairman, has the opportunity, we will hold hearings on this issue.

Many of us in the Congress have long been concerned about our Nation's enormous trade deficit with Japan, a deficit which in 1978 totaled some $11.6 billion. In the past half year, the monthly trade statistics have shown a narrowing of the trade imbalance.

But I am concerned that the trend of reduced imbalances may not last very long. This trade gap may again start to widen due to the dramatic depreciation of the yen—appreciation of the dollar—since last October and because the rate of the Japanese economy may not be enough to stimulate sufficient imports.

And even more serious, are the seeds of future trade problems that are being sown today by Japan's drive to become technologically No. 1. The Japanese Government, through direct subsidies, through Government planning, through what in the United States would be considered "trust-building" has committed the Japanese nation and people to achieving technological superiority in electronics, information-gathering, and other industrial processes of the future. The rapid gains that the Japanese are making in these fields, thanks to government subsidies and the pooling of corporate resources, threatens to destroy American export leadership in fields such as computers, aircraft, and advanced industrial equipment. The future results of the Japanese Government's efforts will make the trade problems of today seem like child's play—unless the United States responds, immediately. I have described the technological challenge being presented by Japan in a speech in the House on May 24, 1979 (Congressional Record, p. 12602). The examples cited in that speech, taken from Japanese sources, present clearly the need for the United States to respond to Japan's initiatives, either through bilateral discussions, or unilaterally through various forms of research initiatives, industrial encouragement, and enforcement of countervailing duty laws.

The joint resolution I am introducing today seeks to call attention to the future trade problems which are developing between the United States and Japan and calls on the administration to develop a comprehensive, planned response.

Let me elaborate on the need for a plan. Frankly, I do not think that we have had a comprehensive approach to dealing with the problems of the past several years. We seem to be nibbling on one issue after another, on both important issues and trivial ones. As the Japanese themselves complain, as soon as one issue is resolved, the United States raises another one. I am not sure that this is the wisest approach. A long-range goal and ways to achieve it, jointly discussed and jointly implemented, will remove much of the confrontation nature of our recent discussions.

It is particularly important that America respond to the challenges raised by Japan's dramatic moves into the very high-technology industries of the future: Computers, advanced electronics, aircraft, robots, information systems. In many of these fields, in which the United States used to be preeminent, the Japanese have moved ahead of us or soon will. How should the United States respond? There are many possible responses, which I do not need to go into today. What is needed is an immediate decision by the administration about what to do and how to do it. Unless we prepare now to meet the challenges posed by Japan in these high technology-information areas, we are likely to face ever-more serious trade disputes and imbalances with Japan.

A long-range plan is also important, because Japan, through its Economic Planning Agency and Ministry of International Trade and Industry, has a plan which presents us with long-range, exciting challenges for the decades ahead. The Japenese have goals, whereas our concern with Japan trade, export, and industrial policy ebbs and flows with the monthly trade statistics.

Finally, a plan for increasing U.S. competitiveness and exports and responding to Japanese competition may help us learn how the Japanese have managed their economy so successfully. Prof. Ezra Vogel, chairman of the Harvard Council on East Asian Studies, has just written a provocative new book entitled "Japan as No. 1: Lessons for America," in which he notes:

> It is more comfortable to overlook Japan's continued modernization decades after rebuilding from World War II, its effective organization, its genius in adapting technology, its patience in marketing, its disciplined work force. It is more comfortable not to ask how businessmen could remain

> so zealous in selling goods to America if they were basically selling below cost. It is disquieting to admit that the Japanese have beaten us in economic competition because of their superior planning, organization, and effort. . . . One wonders at our lack of interest in profiting from Japanese successes.

The plan I am talking about will not only address our bilateral commercial problems with Japan, it will more fundamentally address America's lagging competitiveness and failure to export. The challenge being presented by Japan offers the United States a creative opportunity to develop a better, more innovative domestic economy.●

FEDERAL ASSISTANCE PAPERWORK AND REGULATION REDUCTION ACT

The SPEAKER. Under a previous order of the House, the gentleman from Oregon (Mr. AuCoin) is recognized for 10 minutes.

● Mr. AuCOIN. Mr. Speaker, earlier this year, Congressman Hamilton and I introduced legislation to simplify and streamline Federal assistance programs. Since that time we have received a number of suggestions for improving this legislation. These suggestions have been incorporated into a revised version of that bill which we are introducing today. We are being joined in sponsoring this new bill by Congressmen Brown of Ohio and Corcoran.

In the last 20 years the volume of Federal grants to State and local governments has burgeoned. In 1960, only $7 billion in aid was funneled to State and local governments. In fiscal 1980, the total will be approximately $83 billion.

Along with an increase in the budget for Federal grant programs, there has been a corresponding increase in the number of programs and the number of agencies administering these programs. Grant programs are offered by more than 70 bureaus within 28 Federal agencies and departments. Each of these bureaus may have a multitude of Federal programs. For example, the Office of Education within the Department of Health, Education, and Welfare has 85 separate assistance programs.

The sheer volume and rapid growth of Federal assistance programs has led to increased paperwork and redtape for applicants and numerous delays in processing. In addition, there has been an increasing tendency to attach Federal conditions to assistance programs. These conditions are aimed at achieving a variety of national objectives, but they also add a considerable amount of redtape and result in the application of often conflicting requirements. There are now at least 33 broad requirements in such areas as environmental protection and equal opportunity that are routinely attached to Federal aid programs.

The legislation I am introducing today is aimed at streamlining the Federal assistance system and reducing paperwork. The improvements we make in the management of Federal assistance programs can be translated into improved productivity and lower tax rates at the State and local levels.

The bill provides for greater uniformity of program requirements that must be fulfilled by grant recipients. Across-the-board requirements such as citizen participation, equal opportunity, planning and environmental quality would be standardized so that a recipient would not be asked to comply with different regulations for each administering agency.

The bill also establishes a process by which recipient governments may certify that they are in compliance with State and local requirements that are at least equivalent to the standard rules and regulations. Once certified, a State or local government would be exempt from the paperwork and redtape required by the Federal Government. The certification would in no way allow the State or local governmental units to escape their responsibility to fulfill the requirements of law; it would merely cut the redtape and paperwork.

Another major objective of the bill is to encourage and expedite the consolidation of many categorical programs. The bill establishes a procedure for considering consolidation proposals submitted by the President. Congress would consider each consolidation plan in a manner similar to the procedure used to consider reorganization plans.

Finally, the bill revises the Joint Funding Simplification Act. The changes would enable State, local, and nonprofit groups to use Federal assistance more effectively by administratively packaging Federal assistance programs. The revised procedures would allow assistance recipients to deal with one agency and one set of rules rather than a maze of bureaucracies and redtape.

Mr. Speaker, Federal, State, and local governments are finding their budgets stretched to the limits. It is therefore particularly important that we cut down on waste and duplication whenever possible. By doing so, we not only save money at the local level, but use hard-pressed Federal dollars most efficiently.

I include a section-by-section summary of the bill in the Record at this point:

Federal Assistance Paperwork and Regulation Reduction Act of 1979—Section-by-Section Analysis

TITLE I—ADMINISTRATION OF GENERALLY APPLICABLE FEDERAL ASSISTANCE REQUIREMENTS

Sec. 101. Amends the Intergovernmental Cooperation Act of 1968 by adding a new Title VII—ADMINISTRATION OF GENERALLY APPLICABLE FEDERAL ASSISTANCE REQUIREMENTS.

Sec. 701.—Statement of Purpose indicates that it is the intention of this title to encourage simplification, standardization and more uniform compliance in the administration of national policy requirements which have become generally applicable to federal assistance programs.

Sec. 701.—The Definitions cover (a) "generally applicable requirements," (b) "designated agency," and (c) "assistant recipient."

Sec. 703.—Assignment of Designated Agencies lists ten types of generally applicable requirements, and directs the President to designate a single rule-making agency to establish standard rules and regulations in each of the ten areas. Provides for the designation of rule-making agencies in new subject areas, either through authorizing legislation or Presidential assignment.

Sec. 704.—Issuance Of Standard Rules And Regulations establishes procedures and timing for issuance of standard rules and regulations by the designated agencies. Directs each such agency to prepare amendments to its rules and regulations to reflect new legislation and changing conditions. Sets a one-year time limit for development by the designated agencies of standard rules and regulations. Provides that standard rules and regulations will be binding upon agencies administering grant programs and mandates that all administering agencies will conform to the standard rules and regulations unless the designated agency, in light of statutory prohibitions, grants a variation. Allows applicants with pending grant applications to request that adopted standard rules and regulations apply to their applications.

Sec. 705.—Role of Federal Agencies In Achieving Compliance assigns the federal department administering assistance programs to which approved rules and regulations apply the responsibility for securing compliance with the respective rules and regulations. Permits the designated agencies to render assistance to the administering agencies as they carry out their compliance responsibilities. Establishes a process by which recipient governments may certify that they are in compliance with State and local requirements that are at least equivalent to the standard rules and regulations. Allows administering agencies to withdraw certifications after notice and a hearing and permits grantees to appeal such decisions to the responsible designated agency for an advisory opinion.

Sec. 706.—Legislation To Remove Impediments To Implementation provides a procedure, somewhat similar to that by which Congress expeditiously approves or disapproves legislation, designed to remove impediments to the formulation of standard rules and regulations. Permits the designated agency to study the standard rules and regulations for which they are responsible and eliminate or revise those regulations which are costly, unmanageable or ineffective. Establishes a procedure for drafting legislative remedies subject to the approval of the President where such outmoded rules and regulations are required by law.

Sec. 707.—General Oversight provides that the President designate the Office of Management and Budget to oversee the implementation of this Title. Provides that OMB should monitor the activities undertaken by the agencies to comply with this Title and convene interagency meetings to eliminate conflicts.

TITLE II—CONSOLIDATION OF FEDERAL ASSISTANCE PROGRAMS

Sec. 201.—Amends Title 5, United States Code, by inserting a new Chapter 10 comprised of Sections 1001 through 1007.

Sec. 1001.—Purpose, specifies that the bill seeks to promote economy and efficiency in the planning, administration and oversight of federal assistance programs.

Sec. 1003.—Federal Assistance Program Consolidation Plans, authorizes the President to submit federal assistance program consolidation plans to Congress when he determines that such consolidations will realize one or more of the bill's purposes. The President must name the single agency which will receive responsibility for administering the consolidated programs. The plan must stipulate the terms and conditions of the consolidation and compare them with those to be merged. The President must deliver his plan to both Houses of Congress on the same day while they are in session. There is a 30-day grace period between the delivery of plans dealing with one or more of the same programs.

SEC. 1004.—Limitations On Powers, prohibits the consolidation of programs which are not functionally related and the assignment of administrative responsibility to an agency which did not have responsibility for one or more of the affected programs prior to the consolidation. Each consolidation plan is limited to two or more federal assistance programs. In order to take effect the consolidation plan must be transmitted to Congress before December 31, 1984.

SEC. 1005.—Method Of Taking Effect, provides that a consolidation will take effect when the President approves a resolution supporting the consolidation plan passed by the House and Senate within 90 calendar days of continuous session after the plan was transmitted to the Congress. The appropriate committees in the House and Senate must consider a consolidation plan for 30 days of continuous session of Congress after submission of the plan. During this 30-day period the President may make modifications or revisions in the plan. The committees considering the plan must report their recommendations to the full House or Senate within 60 days following the date of the plan's introduction. If a committee reviewing a resolution has not reported at the end of 60 days of continuous session of Congress, it is discharged from further consideration of the resolution and the resolution is placed on the calendar of the House involved. Postponement of the consideration of a consolidation plan is prohibited.

SEC. 1006.—Effect On Other Laws and Regulations, provides that when a consolidation plan so specifies, it may supercede a portion or all of a previously enacted statute with which it is in conflict.

SEC. 1007.—Rules of the Senate And House Of Representatives On Consolidation Plans, assures that all Congressional action on consolidation plans will be carried out in accord with the rules of the respective Houses of Congress.

SEC. 1008.—Reporting Requirement stipulates that the President shall report to the Congress annually on the contents of consolidation packages proposed and their implementation status. If the consolidation authority is not exercised in any calendar year, the reason for such inaction shall be cited in the report for that year.

TITLE III—INTEGRATED GRANT DEVELOPMENT

SEC. 301.—Amends the Joint Funding Simplification Act of 1974 by striking out the existing provisions and substituting a new Act entitled the "Integrated Grant Development Act of 1979". Indicates the Act is intended to create a management process for federal assistance administration which will permit the more effective and efficient realization of program goals.

SEC. 2.—Purpose indicates that the Act is intended to improve federal assistance program performance by allowing State, local and non-profit organizations to more effectively meet their needs by administratively packaging certain federal assistance programs.

SEC. 3.—Basic Responsibilities Of The President And Heads Of Federal Agencies provides that the President shall issue regulations to carry out the intent of this Act. Provides that most federal agencies must identify related programs which could be funded jointly, must issue guidelines to facilitate joint funding, and review and modify administrative requirements which might prevent joint funding of related programs. Provides that any agencies which participate in integrated grant projects must contribute proportionately to the lead agency's administrative costs. Directs agency heads to take any actions, within the scope of their statutory powers, to further the purposes of the Act. Directs the President to designate the OMB to assume the overall guidance and implementation of this Act.

SEC. 4.—Application Processing directs that all agency heads participating in integrated grant management projects shall assure, as far as possible, that reviews and approvals for projects are handled without delays, that applicants are required to deal with a minimum of federal officials and that applicants are informed promptly of all agency decisions.

SEC. 5.—Special Authorities—Basic Conditions. Provides that the authorities described in Sections 6, 7 and 8 shall only be used when the individual problems of a particular integrated grant project cannot be addressed using the procedures set forth in other sections of this title.

SEC. 6.—Establishment of Uniform Technical Or Administrative Requirements provides that when a particular project would otherwise be subject to conflicting administrative rules, agency heads shall adopt and adhere to uniform requirements with respect to financial management, timing of the release of grant funds, the criteria for choosing between grants or contracts and procedures relating to the disposition of/or accountability for records or property acquired with federal assistance. Permits the formation of a single panel or board to review integrated grant project proposals. Permits federal agency heads, upon the application of the head of a general government or with the agreement of several State or local agency heads, to waive their single agency or specific organizational unit requirements attached to various grants programs.

SEC. 7.—Delegation Of Powers permits agencies to delegate powers or functions to fulfill the purposes of this Act.

SEC. 8.—Funding Arrangements And Procedures to facilitate assistance recipient use of integrated grants, permits the establishment of integrated management funds which will account for funds as though derived from a single federal assistance program. Directs that any project covered by an integrated management fund should have a single, nonfederal matching share where such matching shares are attached to several grants.

SEC. 9.—Auxiliary Provision permits funds available for technical assistance to be used for such assistance in connection with proposed or approved integrated grant projects.

SEC. 10.—Federal-State Assistance And Agreements permits federal agencies to enter into agreements with States to extend the benefits of the Act to local recipients.

SEC. 11.—Requires President to report to the Congress on the activities taken under the Act. Requires the report to include estimations of the costs and benefits of the Act to Federal, State, and local governments and non-profit organizations and requires the report to be submitted one year before the expiration of the Act.

SEC. 12.—Definitions.

SEC. 13.—Effective Date And Expiration. The Act is effective 120 days following enactment and expires five years following the date upon which it becomes effective.

TITLE IV—ADVANCE APPROPRIATIONS

SEC. 401. Provides that the Intergovernmental Cooperation Act of 1968 is amended by adding a new Title VIII compromised of Sections 801 through 803. These sections require the Congressional Appropriations Committees, in consultation with the authorizing committees and the Congressional Budget Office, to consider whether spending authority for federal financial assistance should be provided at least one fiscal year in advance of the fiscal year in progress, and by requiring that such Committees should periodically report to their respective Houses their recommendations concerning changes in the provisions governing spending authority or budget authority.

SEC. 402.—Amends Section 201 of the Budget and Accounting Act of 1921 by providing that the budget may include requests for new budget authority for advance appropriation programs and their estimated outlays for the next succeeding year. If new budget authority is authorized for an advanced appropriation program for any following year, it may include a request for new budget authority for advance appropriation programs and their estimated outlays for any such following year.

SEC. 403.—Amends Section 301(d)(7) of the Congressional Budget Act of 1974 to include five-year projections of new budget authority and outlays for each program of federal financial assistance and a statement of any significant changes in the proposed levels of federal financial assistance, as defined in the Intergovernmental Cooperation Act of 1968.

SEC. 404.—Clarifies the relationship of Sections 401 and 403 with respect to the rules of the House and Senate.

TITLE V—MISCELLANEOUS

SEC. 501.—Amends Section 201 of the Intergovernmental Cooperation Act of 1968 by authorizing pertinent officials of recipient local governments to request information on grant funds coming into their respective jurisdictions. OMB is required to oversee compliance with this provision.

Amends Section 204 of the Intergovernmental Cooperation Act of 1968 to extend its single department or agency waiver authorization to any single State or local government department, agency, multimember board or commission, or a single bureau, division, other organizational unit, or specific officer within a department, agency, or multimember board or commission of State or local government; appropriate local as well as State officials are authorized to request such a waiver.

Amends Title II of the Intergovernmental Cooperation Act of 1968 by adding a new section which standardizes statutory maintenance of effort provisions: the State and local recipient's expenditures will be no less than the average spent for the previous two years for the aided activities. Provides that the minimum may be waived by the federal agency head in certain hardship cases (in accordance with criteria established by the OMB).●

HOUSE BUDGET COMMITTEE EARLY WARNING REPORT, WEEK OF JUNE 18, 1979

The SPEAKER. Under a previous order of the House, the gentleman from Missouri (Mr. GEPHARDT) is recognized for 10 minutes.

● Mr. GEPHARDT. Mr. Speaker, in order to inform the House of the relationship of appropriations and other spending bills to amounts targeted in the first budget resolution for fiscal year 1980, the Budget Committee places in the Monday RECORD materials on the spending bills anticipated for floor action during the upcoming week. This week's package includes summaries of the Agriculture appropriations bill; HUD-Independent Agencies appropriations bill; Disability Insurance Amendments of 1979; Transportation appropriations bill; Energy and Water Development appropriations bill; and Military Construction appropriations bill.

H.R. 4387, AGRICULTURE, RURAL DEVELOPMENT AND RELATED AGENCIES APPROPRIATIONS, FY 1980 (H. REPT. 96-242)

Committee: Appropriations.

Subcommittee: Agriculture.

Chairman: Mr. Whitten (Mississippi).

Ranking Minority Member: Mr. Andrews (North Dakota).

Scheduled: Tuesday, June 19, 1979.

I. DESCRIPTION OF BILL

This bill covers eight functional categories and provides Fiscal Year 1980 appropriations for all Department of Agriculture programs (except those of the Forest Service), the Food and Drug Administration, the Commodity Futures Trading Commission, and the Farm Credit Administration. In total, the bill provides $16,700 million in budget authority and $12,723 million in outlays.

II. COMPARISON WITH SPENDING TARGETS

The bill as reported is below the subcommittee targets of $19,137 million in budget authority and $15,297 million in outlays (line 6 below). There is no problem with this bill as reported. However, there is a problem when the amounts provided in this bill are combined with action to date and amounts assumed in the Resolution but not yet reported. The total of these items (line 9 below) is projected to exceed the subcommittee target by $273 million in budget authority and $305 million in outlays.

Explanation of problem

It appears that the primary factor which causes the projected totals to exceed the subcommittee targets is the fact that the Appropriations Committee allocated $677 million in budget authority and $499 million in outlays less to this subcommittee than assumed in the Resolution. A potential problem is the fact that the allocation to the Appropriations Committee assumes legislative savings of $459 million in budget authority and outlays in certain appropriated entitlement programs under the jurisdiction of the Agriculture Subcommittee. Although these legislative savings, related to child nutrition programs, are included in the allocation to the Appropriations Committee, prior legislative action is required by the House Education & Labor Committee before these savings can be effected. If these savings are not enacted, the subcommittee targets will be exceeded by an additional $459 million.

III. SUMMARY TABLE

[Dollar amounts in millions]

	Budget authority	Outlays
1. Amount in bill	$16,700	$12,723
2. Prior action	2,026	2,228
3. Action to date	18,726	14,951
4. Target	19,137	15,297
5. Over		
6. Under	411	346
7. Action to date	18,726	14,951
8. Amount assumed but not yet reported	684	651
9. Possible total	19,410	15,602
10. Target	19,137	15,297
11. Over	273	305
12. Under		

a. Explanation of Difference From Target (line 11 above)

The amounts provided in this bill as reported, combined with amounts associated with action to date are within the subcommittee target by $411 million in budget authority and $346 million in outlays (line 6 above). However, the projected totals, including items assumed in the Resolution but not yet reported, exceed the targets by $273 million in budget authority and $305 million in outlays (line 11 above). This projected overage is primarily attributable to the lower subcommittee target than assumed in the Resolution.

b. Amounts Assumed in Budget Resolution But Not Yet Considered

Amounts assumed in the Resolution but not yet considered total $684 million in budget authority and $651 million in outlays (line 8 above). These totals assume $1,143 million in budget authority and $1,110 million in outlays for additional funding in the Food Stamp Program. This additional funding requires authorizing legislation by the House Agriculture Committee. In addition, the totals assume $459 million in budget authority and outlays for legislative savings in child nutrition programs. These legislative savings require authorizing legislation by the Education and Labor Committee. To date, no legislation related to either of these Resolution assumptions has been reported.

IV. KEY BUDGETARY AMENDMENTS

None known at this time.

V. COMPARISON WITH PRESIDENT

This bill is $1,654 million in budget authority below the President's budget request of $18,354 million. This difference is primarily attributable to lower funding for the Food Stamp Program and no funding for the Home Ownership Assistance Program.

H.R. 4394—HUD-INDEPENDENT AGENCIES APPROPRIATIONS, FISCAL YEAR 1980 (H. REPT. 96–249)

Committee: Appropriations.

Subcommittee: HUD-Independent Agencies.

Chairman: Mr. Boland (Massachusetts).

Ranking Minority Member: Mr. Coughlin (Pennsylvania).

Scheduled: Monday, June 18, 1979.

I. DESCRIPTION OF BILL

This bill funds the Department of Housing and Urban Development, the Veterans Administration, the Office of State and Local Assistance in the Department of Treasury, and 19 other independent agencies. It provides $72,216 million in budget authority and $31,116 million in outlays.

II. COMPARISON WITH SPENDING TARGET

This bill, combined with spendouts from prior appropriations and amounts assigned to the subcommittee but not yet considered, exceeds the Subcommittee targets by $556 million in budget authority and $790 million in outlays.

Explanation of problem

This bill exceeds its target for two reasons. First, the bill provides $6,855 in budget authority and outlays, the full amount authorized, for the General Revenue Sharing program. The House assumptions behind the First Budget Resolution contain a reduction of $684 million, a legislative savings that will require action by the Government Operations Committee to be effected. Second, the bill redirects funds from long-lead-time programs such as EPA construction grants, towards items with faster spendouts. This results in higher FY 1980 outlays, and lower outlays in the outyears.

III. SUMMARY TABLE

[Dollar amounts in millions]

	Budget authority	Outlays
1. Amount in bill	$72,216	$31,116
2. Prior action		17,581
3. Action to date	72,216	48,698
4. Target	72,175	48,377
5. Over	41	320
6. Under		
7. Action to date	72,216	48,698
8. Amount assumed but not yet reported	+515	+469
9. Possible total	72,731	49,167
10. Target	72,175	48,377
11. Over	556	790
12. Under		

a. Explanation of Difference From Target

The bill provides $684 million above the House assumptions for Revenue Sharing. The bill provides $469 million in budget authority below amounts assumed in the Resolution for Environmental Protection Agency programs, primarily EPA Construction grants ($400 million). The bill also provides amounts above those assumed in the Resolution for NASA programs ($122 million), and assisted housing programs ($193 million).

b. Amounts Assumed in Budget Resolution but Not Yet Considered

Amounts assumed in the Budget Resolution but not yet considered total $517 million in budget authority and $471 million in outlays. These amounts are for the proposed targeted fiscal assistance program and for a number of Veterans Administration initiatives and savings for which legislation has not yet been enacted.

IV. BUDGETARY FLOOR AMENDMENTS

None known at this time.

V. COMPARISON WITH PRESIDENT

This bill provides budget authority of $72,216 million, $507 million below the total requested in the President's budget. Major reductions occur in funds available for the National Credit Union Administration central liquidity facility (−$200 million) and the EPA (−$468 million). Significant additions would be provided for housing programs (+$195 million) and Veterans programs (+$71 million).

H.R. 3236—DISABILITY INSURANCE AMENDMENTS OF 1979 (H. REPT. 96–100)

Committee: Ways and Means.

Subcommittee: Social Security.

Chairman: Mr. Pickle (Texas).

Ranking Minority Member: Mr. Archer (Texas).

Scheduled: Thursday, June 21, 1979.

I. DESCRIPTION OF BILL

This bill amends the Social Security Act to provide better work incentives and improved accountability in the Disability Insurance (DI) program. Fiscal year 1980 benefit savings are estimated by CBO to be $80 million in outlays but administrative costs and the impact on other programs in the first year of implementation will be $104 million. Total annual savings in fiscal year 1984 on a unified budget basis will be $1.1 billion.

II. COMPARISON WITH FIRST BUDGET RESOLUTION SPENDING TARGET

The Resolution assumed legislative savings of $62 million in the Disability Insurance programs, as recommended by the Committee on Ways and Means in the March 15 report. Primarily because of reestimates by the Social Services Administration of the administrative costs associated with the bill, the first year savings to the Disability Insurance Trust Fund will be $17 million.

III. SUMMARY TABLE

Impact on disability insurance trust fund—outlays

[In millions of dollars]

1. Amount in bill	−17
2. Action to date	----
3. Amount assumed but not yet reported	----
4. Possible total	−17
5. Target (legislative savings)	−62
4. Possible total	−17
5. Target (legislative savings)	−62
6. Over	+45
7. Under	----

(a) Explanation of Difference From Target (line 6. above)

The bill exceeds the target primarily because of a reestimate by the Social Security Administration of the administrative costs associated with the bill.

(b) Amounts assumed in Budget Resolution but not yet Considered

No additional legislation pertaining to Social Security is assumed in the Resolution.

IV. BUDGETARY FLOOR AMENDMENTS

Mr. Simon may offer an amendment to delay the implementation of section 13 of the bill by one year. That section would reimburse state vocational rehabilitation agencies for having rehabilitated a disabled recipient only if that recipient has successfully returned to work. This provision would become effective in fiscal year 1981 under the reported bill.

V. COMPARISON WITH PRESIDENT

The President proposed to save $34 million through changes to the Disability Insurance program and $508 million through changes to the Old Age and Survivors Insurance reprogram.

Principal Analyst: James Rotherham, telephone: 55792.

H.R. 111, Panama Canal Act of 1979 (Federal Employee Retirement Provisions) (H. Rept. 96-98)

Committee: Joint referral to four committees.

Subcommittee: Merchant Marine and Fisheries.

Chairman: Mr. Murphy (New York).

Ranking Minority Member: Mr. McCloskey, Jr. (California).

Scheduled: Wednesday, June 20, 1979.

I. DESCRIPTION OF BILL

The entitlement provisions in this bill would provide $9 million for liberalized early retirement benefits to certain Federal employees affected by the Panama Canal Treaty.

II. COMPARISON WITH FIRST BUDGET RESOLUTION SPENDING TARGET

This bill is consistent with the Budget Resolution and the NEA target of the Post Office and Civil Service Committee. The House Report on the Resolution noted that funds were included for the retirement provisions "in order to preserve legislative flexibility on the implementation of the Panama Canal Treaty."

Budget problem.—There is no major budgetary problem with this bill as reported.

Explanation of Potential Problem

The Budget Resolution assumed savings of $254 million resulting from legislation to annualize the cost-of-living increases in the Civil Service Retirement program (−$119 million), wage board reform (−$105 million) and dual compensation reform (−$30 million). These savings are partially offset by $81 million for various program increases, for a net NEA allocation of −$173 million under section 302(a). If these legislative savings are not eventually enacted, the target of −$173 million will be exceeded.

III. SUMMARY TABLE

New entitlement—Authority

[In millions of dollars]

1. Amount in bill	9
2. Prior action	---
3. Action to date	9
4. Target	−173
5. Over	182
6. Under	---
7. Action to date	9
8. Amount assumed but not yet reported	−182
9. Possible total	−173
10. Target	−173
11. Over	---
12. Under	---

(a) Explanation of Difference from Target—No difference

(b) Amounts Assumed in Budget Resolution but not yet Considered: (line 8. above)

The Post Office and Civil Service Committee has not yet reported its other NEA bills: legislative savings of −$119 million for annualizing cost-of-living increases for federal retirees; −$105 million for wage board reform; and −$20 million for dual compensation reform. These savings are partly offset by $81 million in initiatives.

IV. KEY BUDGETARY FLOOR AMENDMENTS

Mr. Hanley is expected to offer a substitute approved by the Post Office and Civil Service Committee which would have a new entitlement authority and outlay impact of $6 million in Civil Service Retirement Program. This substitute would restrict the more liberal annuity computation to essential employees and would not waive for Federal workers covered by this bill the requirement under current law that retirees under age 55 receive a reduced annuity.

V. COMPARISON WITH PRESIDENT

This President's budget did not include the budgetary impact of this legislation.

Principal Analyst: James Rotherham, telephone: 55792

H.R. 4440—Transportation and Related Agencies Appropriations, FY 1980 (H. Rept. 96-272)

Committee: Appropriations.

Subcommittee: Transportation.

Chairman: Mr. Duncan (Oregon).

Ranking Minority Member: Mr. Conte (Massachusetts).

Scheduled: Thursday, June 21, 1979.

Description of bill

This bill funds the Department of Transportation and related agencies. It provides $9,523 million in budget authority (of which $425 million is advance appropriations for urban mass transit in 1981 and $9,098 million for fiscal year 1980) and $5,846 million in outlays.

Comparison with first budget resolution spending target

This appropriations bill, combined with spendouts from prior appropriations and amounts assigned to the subcommittee but not yet considered, is below the subcommittee targets by $490 million in budget authority and $2 million in outlays.

Explanation of Problem.—No problem.

III. SUMMARY TABLE

[Dollar amounts in millions]

	Budget authority	Outlays
1. Amount in bill	$9, 098	$5, 846
2. Prior action		11, 655
3. Action to date	9, 098	17, 501
4. Target	9, 771	17, 677
5. Over		
6. Under	673	176
7. Action to date	9, 098	17, 501
8. Amount assumed but not yet reported	183	174
9. Possible total	9, 281	17, 675
10. Target	9, 771	17, 677
11. Over		
12. Under	490	2

a. Explanation of Difference from Target (line 12 above)

The possible total is under the target by $490 million in budget authority. Of that, $98 million represents real program reductions. The remainder results from a financing approach which affects budget authority, but which is consistent with the program level and outlays assumed in the Resolution. It is explained as follows: The President's Budget and the Budget Resolution both assume a funding level of $700 million for the Interstate Transfer Grant program. That $700 million consists of $320 million in new budget authority and $380 million in unobligated balances of contract authority. However, the Transportation bill proposes the direct appropriation of the requested $700 million, offset by the rescission of all carryover balances of contract authority (totaling $713 million). By rescinding $713 million of unobligated balances of contract authority, the reported bill permits funding of a $700 million interstate program with a net reduction of $13 million in budget authority and makes unnecessary utilization of $380 million provided in the budget resolution.

b. Amounts Assumed in Budget Resolution but not yet Considered (line 8 above)

The bill provides for the Panama Canal Commission on a 6-month basis and is $157 million in budget authority and $149 million in outlays below the amounts assumed in the Resolution for full-year operation of the Commission. The bill does not reflect $25 million in budget authority and outlays for proposed legislation involving establishment of an oil pollution liability and compensation fund.

IV. BUDGETARY FLOOR AMENDMENTS

Specific amendments have not been announced as yet. Amendments were offered in Subcommittee regarding mass transit and highways. Floor amendments are anticipated on Amtrak, highways, and mass transit (including additional operating aid and bus subsidy programs).

V. COMPARISON WITH PRESIDENT

This bill provides budget authority of $9,098 million, $170 million below the total requested in the President's budget. It provides $280 million more in budget authority for the Panama Canal, $347 million less for mass transportation, $150 million less for rail rehabilitation initiatives and miscellaneous increases of $47 million. The prior and new outlays associated with the bill total $17,501 million, $337 million above the President's budget. Additional outlays of $249 million are projected for the Panama Canal, $80 million for urban mass transportation programs and $8 million miscellaneous.

Principal Analyst: Ken Leventhal, telephone: 58797.

H.R. 4388—Energy and Water Development Appropriations, Fiscal Year 1980 (H. Rept. 96-243)

Committee: Appropriations.

Subcommittee: Energy and Water Development.

Chairman: Mr. Bevill (Alabama).

Ranking Minority Member: Mr. Myers (Indiana).

Scheduled: Monday, June 18, 1979.

I. DESCRIPTION OF BILL

This bill provides FY 1980 appropriations for all Department of Energy programs except those related to fossil fuels research and energy conservation; for water resources programs of the Corps of Engineers and the Bureau of Reclamation; and for a variety of independent agencies and commissions. In total, the bill provides $10,680 million in budget authority and $5,812 in estimated outlays.

II. COMPARISON WITH FIRST BUDGET RESOLUTION SPENDING TARGET

This bill is substantially below the subcommittee targets of $11,583 in budget authority and $9,913 million in outlays.

Explanation of Problem.—No problem.

III. SUMMARY TABLE

[Dollar amounts in millions]

	Budget authority	Outlays
1. Amount in bill	$10, 680	$5, 812
2. Prior action		4, 058
3. Action to date	10, 680	9, 870
4. Target	11, 583	9, 913
5. Over		
6. Under	903	43
7. Action to date	10, 680	9, 870
8. Amount assumed but not yet reported	300	−100
9. Possible total	10, 980	9, 770
10. Target	11, 583	9, 913
11. Over		
21. Under	603	143

(a) Explanation of Difference from Target (line 12 above)

The difference between the possible total and the subcommittee target consists of: $229 million attributable to energy programs because of program reductions, the use of unobligated balances, and deferral of funding for the Clinch River Breeder; $252 million attributable to water resources programs because of incremental funding as opposed to full funding for new water project construction starts; and $123 million related to the Department of Energy's atomic energy defense activities.

(b) Amounts Assumed in Budget Resolution but not yet Reported (line 8 above)

With respect to items assumed but not yet reported, $300 million in budget authority was assumed for the Spent Fuel Storage Fund. Funding of this item was deferred pending enactment of authorizing legislation. Funding for continuation or termination of the Clinch River Breeder Project was not specifically assumed in the Resolution nor funded in this bill pending the outcome of the Department of Energy Authorization Bill for FY 1980. The specific provisions in the authorization bill will dictate the amount of funding required for the project.

IV. KEY BUDGETARY FLOOR AMENDMENTS

None known at this time.

V. COMPARISON WITH PRESIDENT

This bill is $779 million in budget authority below the President's request of $11,459 million.

Principal Analyst: Charles Thomas, telephone 55745.

H.R. 4391—MILITARY CONSTRUCTION APPROPRIATION BILL, 1980 (H. REPT. 96–246)

Committee: Appropriations.
Subcommittee: Military Construction.
Chairman: Mr. McKay (Utah).
Ranking Minority Member: Mr. McEwen (New York).
Scheduled: Friday, June 22, 1979.

I. DESCRIPTION OF BILL

This bill makes appropriations for military construction and family housing for the Department of Defense. The bill provides $3,482 million in budget authority and $1,101 million in outlays.

II. COMPARISON WITH FIRST BUDGET RESOLUTION SPENDING TARGET

This bill is consistent with the amounts assumed in the 1st Budget Resolution and presents no budget problems.

Explanation of Problem.—No problem.

III. SUMMARY TABLE

[Dollar amounts in millions]

	Budget authority	Outlays
1. Amount in bill	$3, 482	$1, 101
2. Action to date		2, 332
3. Amount assumed but not yet reported		
4. Possible total	3, 482	3, 433
5. Target	3, 733	3, 436
6. Over		
7. Under	251	3

(a) Explanation of Difference From Target (line 7. above)

The target is identical to the President's request. The committee made numerous changes, both increases and decreases to individual line items. The committee expressed concern about current policies which result in large numbers of dependents abroad. Reductions totaling $90 million were made with the objective that the number of overseas dependents be greatly reduced.

(b) Amounts Assumed in Budget Resolution But not yet Considered

None.

IV. KEY BUDGETARY FLOOR AMENDMENTS

None known at this time.

V. COMPARISON WITH PRESIDENT

The Appropriations Committee considered both the fiscal year 1980 request ($3,733 million) and a request for fiscal year 1979 supplemental appropriations ($139 million), or a total of $3,872 million. The bill provides $3,482 million in budget authority, $251 million in budget authority, $251 million below the President's fiscal year 1980 request and $390 million less than the amount considered.

Principal Analyst: John Cove, telephone: 58505.

FLOOR LEGISLATION CONTAINING BUDGET ACT PROBLEMS, WEEK OF JUNE 18, 1979

The following outlines those bills scheduled for consideration during this week for which letters have been sent to the Rules Committee regarding waivers of the Budget Act. Four bills will be considered under rules waiving some provisions of the Budget Act.

(1) H. R. 3821, the Intelligence and Intelligence-Related Activities Authorizations, FY 1980, scheduled for consideration Monday.

Section 401 of the bill would authorize the enactment of additional new budget authority for Fiscal Year 1979. Since the bill was not reported by May 15, 1978, it would be subject to a point of order under section 402(a) of the Budget Act.

A poll of the members of the Budget Committee showed that a majority support a waiver of section 402(a) based primarily on the fact that this supplemental authorization satisfies the emergency standards embodied in section 402 of the Budget Act since the additional funding for Fiscal Year 1979 would be necessary to reactivate a key intelligence facility in Turkey in light of recent losses of intelligence collection capability in the Middle East. In addition, the Committee noted that H. R. 3821 is an authorization bill only and does not provide actual spending. Accordingly, the Budget Committee support of this waiver did not indicate that there will necessarily be room to accommodate appropriations pursuant to this authorization under the Fiscal Year 1979 budget ceilings.

(2) H.R. 2444, the Department of Education Organization Act, scheduled for consideration Tuesday.

Various provisions of the bill would appear to provide new contract authority. Since these sections fail to limit the availability of such authority, the bill would be subject to points of order under section 401(a) of the Budget Act.

In addition, certain provisions of the bill would provide new entitlements. Since these could become effective before October 1, 1979, the bill would be subject to points of order under section 401(b)(1) of the Budget Act.

Further, various provisions of the bill would authorize appropriations. Since these would become effective upon enactment, and since the bill was not reported on or before May 15, 1978, the bill would be subject to points of order under section 402(a) of the Budget Act.

However, since the Committee on Government Operations agreed to offer floor amendments making all contract authority provided in the bill subject to the appropriations process, and providing that the bill shall not become effective before October 1, 1979, thereby curing the existing Budget Act violations, technical waivers of sections 401(a), 401(b)(1) and 402(a) were supported.

Also, technical waivers of sections 401(b)(1) and 402(a) were supported with respect to consideration by the House of S. 210, a Senate-passed companion bill, for the purpose of striking everything after the enacting clause and inserting in lieu thereof, as an amendment, the text of H.R. 2444.

(3) H.R. 111, a bil to provide for the implementation of the Panama Canal Treaty of 1977, scheduled for consideration Wednesday.

Various provisions of the bill would violate sections 311(a), 401(b)(1), and 401(a) of the Budget Act with respect to new entitlement and new contract authorities. However, since the respective committees agreed to offer floor amendments to cure these defects, technical waivers were supported.

In addition, section 506 of the bill contains a Fiscal Year 1979 authorization for the disinterment, transportation, and reinterment of remains of U.S. citizens in Panama. Since the bill was not reported on or before May 15, 1978, it would be subject to a point of order under section 402(a) of the Budget Act.

However, on the basis of documentation provided us, and our own Committee inquiry, an emergency waiver of section 402(a) was supported based on the fact that funding for Fiscal Year 1979 would be necessary since the Treaty explicitly directs that the disinterment activities be completed by September 30, 1979, and since the upcoming rainy season in Panama dictated that this matter be resolved with a certain degree of urgency.

Further, various amendments to the bill would provide new entitlement authority. Since these would become effective for Fiscal Year 1980, and since at the time of our consideration of this bill the first concurrent resolution on the budget for that fiscal year had not as yet been adopted, the amendments would have been subject to points of order under section 303(a)(4) of the Budget Act.

The respective committees twice asked for an emergency waiver of section 303(a)(4) on the grounds that implementing legislation should be considered and adopted as soon as possible in order to make for the most efficient and least costly transition to arrangements under the new Treaty.

On both occasions, the Budget Committee decided not to support the request on the grounds that the factors pertaining to consideration of H.R. 111 prior to adoption of the First Budget Resolution for Fiscal Year 1980 were not, in the Committee's opinion, of a real emergency nature.

In the first instance, the Rules Committee adhered to our recommendation; in the latter, a waiver of section 303(a)(4) was granted.

It should be noted that section 303(a)(4) is no longer at issue since the First Budget Resolution for Fiscal Year 1980 has been adopted. Accordingly, it is now in order to consider spending bills effective for that fiscal year.

(4) H.R. 3917, the Health Planning and Resources Development Amendments of 1979, scheduled for consideration Thursday.

Sections 101(a) and 106(a) of the bill would indirectly authorize the enactment of new budget authority to support various health planning activities. Since these sections would become effective upon enactment, and since the bill was not reported on or before May 15, 1978, the bill would be subject to points of order under section 402(a) of the Budget Act.

However, since the Committee on Interstate and Foreign Commerce agreed to offer a floor amendment making these sections effective for Fiscal Year 1980, thereby curing the existing Budget Act violation, a technical waiver of section 402(a) of the Budget Act was supported.

In addition, a technical waiver of section 402(a) was supported with respect to S. 544, as cured by H.R. 3917, to make it in order for the purpose of striking everything after the enacting clause and inserting in lieu thereof, as an amendment, the text of H.R. 3917.

Wendell Belew, Counsel's Office—Phone: 225–7233.●

EXPORT TASK FORCE ARTICLE NO. 10: AGC CHAIRMAN STRESSES NEED FOR COHERENT U.S. EXPORT POLICY

The SPEAKER. Under a previous order of the House, the gentleman from Arkansas (Mr. ALEXANDER) is recognized for 30 minutes.

● Mr. ALEXANDER. Mr. Speaker, construction services offered abroad are an important component of the U.S. effort to balance our current trade deficit.

In 1976, U.S. contractors won 15 percent of all construction contracts overseas, more than any other country. By 1977, the United States had dropped from first to fourth place after West Germany, Italy, and Japan; and in 1978, awards to U.S. contractors fell to an estimated 7.9 percent of new contracts, placing us fifth in the world.

The experiences of the construction service industry are not alien to American exporters. We need a comprehensive export policy to meet the challenges of our competitors. The following speech was delivered May 16 by the Associated General Contractors' Chairman Johnie H. Jones before the 15th Annual Wisconsin International Trade Conference in Milwaukee. Mr. Jones presents a comprehensive overview of our current trade problems and suggests several constructive remedies. His speech follows:

Let me begin by pointing out some of the sad realities about the present American foreign trade situation. We have a massive trade imbalance which, in 1978, reached a record high level of nearly $30 billion. This is an intolerable situation for several important reasons:

it puts added inflationary pressure on an already inflationary economy

it seriously weakens the dollar as the leading currency in international markets

it means fewer jobs for Americans, who are already experiencing one of the highest unemployment rates in the industrialized world.

IMPORT REDUCTION OR EXPORT EXPANSION?

We face two options in dealing with this problem: we must either reduce our imports or expand our exports. Some government officials and private economists optimistically predict a significant improvement in the 1979 trade balance. Trade figures for the first two months of 1979 confirm that a narrowing of the trade gap is in fact taking place as a delayed reaction to the decline of the dollar in 1977 and 1978. The gradual shift towards trade equilibrium could, however, be wiped out by an excessive inflation rate driving up our export prices and offsetting the positive effect of the relatively low value of the dollar. As you may know, overly optimistic inflation figures for 1979 are now being revised upward and the latest prediction is 8.5%, a figure which could rise even higher as we get further into the year.

A significant improvement in the trade balance, in addition to assuming low inflation rates, also is dependent on slow U.S. GNP growth depressing the relative value of the dollar, which in turn cuts the value of imports and makes our goods and services more competitive abroad. However, a trade adjustment which is dependent on a recession caused by a considerable slowdown in the U.S. economy is not a desirable long-term solution to our trade dilemma.

To repeat, we must increase exports or reduce imports. I feel that prospects for correcting the trade imbalance through a sizable cut in imports are severely limited. The fact is that U.S. dependence on foreign merchandise has steadily grown in recent years. Merchandise imports, as a proportion of our GNP, more than doubled between 1970 and 1978, from 4.1 percent to 8.4 percent. At least three developments have combined to create this increased import dependence.

One: We have come to rely, to a significant degree [some would say to an unhealthy degree], upon foreign energy resources. Price increases on foreign oil [which in 1979 are expected to amount to somewhere between 15–30 percent on OPEC products depending on the surcharge imposed by individual producers] have immediate repercussions on our trade figures and inflation rate. And Americans continue to be as oil thirsty as ever, and relatively unresponsive to energy conservation efforts. Measures to stimulate the development of alternative and domestic energy sources, such as the recently proposed deregulation of domestic oil prices, will not bring significant relief in the short run. The U.S. can expect to continue to rely heavily on foreign oil. Petrochemical imports, last year amounting to some $40 billion, have thus become a nearly fixed component in our trade account.

Two: Imports of merchandise other than petrochemical products have, unfortunately, also become very inelastic and difficult to reduce. The American economy is undergoing a gradual structural change towards become a service economy, with a decreasing proportion of the labor force employed in industrial production. The relatively easy access to American markets has allowed countries such as Japan and Taiwan, with aggressive marketing methods and competitive prices, to successfully penetrate our markets and meet growing U.S. demands for consumer goods. A reversal of the trend towards a service oriented society is not likely, and we can expect imports of manufactured products to play an increased rather than decreased role in the future.

Three: There are those who feel that our trade deficit could be easily corrected by simply keeping out foreign competition from our home markets through various forms of protectionism. I do not believe in resorting to trade barriers, other than as a temporary means to allow selected industries to adjust to a new competitive reality. Barriers to the free flow of goods and services across the borders result in trade distortion, inefficient resource allocation and, ultimately, greater costs for the consumer. The U.S., in the postwar period, has traditionally supported free trade and fair international trading practices. We must continue to do so. However, we must also insist that our major trading partners and competitors in the export markets refrain from policies designed to give an unfair competitive edge to domestic export industries—an issue that I will address in greater detail in a few minutes.

Let me conclude at this point that curing our trade problems by a sizable cut in import volume is not a realistic option in view of our heavy reliance on foreign raw materials and manufactured goods and our commitment to open world trade. The U.S. determination to eliminate trade barriers is being expressed in the ongoing Multilateral Trade Negotiations. We are about to conclude a comprehensive new international trade agreement which includes across-the-board tariff cuts of 35 percent and 20 new codes intended to promote fair conduct in international trade. Having thus eliminated import reduction as a viable means of reducing the trade deficit, we can now turn to examining the other side of the coin—American exports and American export policy in particular.

THE BENEFITS OF EXPORTS

I believe that export expansion is the best solution to our trade dilemma for the following reasons.

One: The necessary revenues to cover our foreign oil bill and imported consumer goods can be obtained and inflationary pressures can more easily be contained.

Two: Additional exports have an immediate beneficial effect on the value of the dollar which, in turn, helps to restore the confidence of the rest of the world in our currency and strengthen the U.S. role in the world economy.

Three: In terms of jobs, a recent Senate report on international trade estimated that every $1 billion of U.S. exports creates an additional 40,000 jobs. An elimination of our $30 billion trade deficit through export sales would thus translate into 1.2 million new jobs for American workers.

As a representative of the American international construction industry, let me illustrate the situation by giving you some examples of the job-generating effect of exports of U.S. engineering and construction services. Depending on the nature of the work and the project location, construction contracts typically result in the expenditure of 40 to 60 percent of the total contract volume on U.S. goods and services, or what we count as direct exports. Translated into jobs for the three year period 1975 to 1977, when U.S. contractors were awarded projects for some $50 billion overseas, this equals between 800,000 and 1.2 million Americans employed, using our earlier calculations of the job-creating effect of exports. Thus, the benefits to the economy from construction exports are considerable in terms of exports of U.S. merchandise as well as in terms of employment. Additionally, the design and construction of industrial plants and commercial facilities by U.S. contractors abroad ensures a spare parts market for years to come.

DIMINISHING U.S. EXPORT MARKET SHARES

Now to the bad news. While all these factors combine to make exporting desirable and necessary for the economy, the fact is that the U.S. share of world exports is steadily declining, and our export industries are experiencing an eroding competitiveness abroad. The American share of the world export market dropped from 18 percent in 1970 to 11.8 percent in 1977, and exports of manufactured goods have fallen nearly 30 percent since the late 1950's.

The Middle East market, which has traditionally been the most lucrative outlet for U.S. engineering and construction services, is an excellent example of our diminishing market shares overseas. The top 400 U.S. contractors registered less than $4 billion in Mideast contracts in 1978, 61 percent less than the previous year, according to a recent survey by *Engineering News-Record*. Furthermore, only 25 American companies reported new Mideast business last year, as opposed to 70 companies in 1977. The current American share of the U.S. Corps of Engineers projects in Saudi Arabia amounts to a modest 5 percent, and a survey of the 15 Corps jobs awarded between July 1976 and January 1979 shows that the Koreans have won 8 of these awards, and every single award, that is six in a row, since February 1978.

The competition is no less fierce for construction machinery and equipment manufacturers. The Japanese are particularly successful in the equipment field, supplying more than half of the construction equipment purchased by the Saudi-controlled Aramco. There are no signs that the Asians will loosen their grip on this market.

These figures speak for themselves. In many instances, U.S. contractors fail to even submit bids for the simple reason that they are not price competitive. There is general consensus that Americans remain competitive in terms of quality and the real problem is price. We are squeezed out of some traditional American markets by European and Asian contractors submitting bids that are significantly lower than ours.

NEW COMPETITORS

Our current competitive problems can be directly attributed to two different sets of reasons. One consists of factors over which we have limited control, such as the emergence of new competitors in world markets; the other is composed of factors which we are capable of directly influencing ourselves— I refer here to American export policy and export controls.

Let us look at the first set of factors first:

American competitiveness has suffered from the sudden emergence in world markets of countries which, only a few years ago, were considered hopelessly backward. South Korea, Taiwan, and the Philippines, combining aggressive marketing methods with inexpensive labor, are now penetrating international markets for maximum gain. Korea is indeed rivaling Japan as the postwar economic miracle, and has become perhaps the single most serious threat to U.S. contractors abroad. Korea, due to the lack of a sufficient home market, has been forced to concentrate its efforts abroad, and has orchestrated a single national export exertion, which is jokingly called "Korea, Inc." Korean labor, formerly utilized by U.S. contractors in the overseas markets, has now become restricted to Korean contractors only, thus drying up a source of competitively priced labor for U.S. firms. Several other countries which are leading sources for third country labor are presently following the Korean example. U.S. contractors must now enter into joint ventures with contractors of the labor source country or subcontract substantial parts of the work to these contractors in order to utilize their labor.

In addition to the increased competition caused by the rapid industrial development of former LDC's and the greater spread of technological know-how, it appears that our most serious Asian and European competitors have access to more substantial government support than is available to American exporting industries. In many countries, it is standard practice to combine private business initiative with government resources into a form of semi-public exporting. Government subsidies can take the form of financing on more favorable terms than normal commercial rates, more comprehensive guarantees and risk insurance policies than those available to U.S. corporations, and so on. Furthermore, Europeans and Asians often face more lenient antitrust legislation than their American counterparts; consider, for example, the Japanese trading houses, and contrast them to the Webb-Pomerene associations that U.S. corporations are allowed to form for export purposes, but which are grossly underutilized, primarily for fear of antitrust litigation and because they presently exclude services. Actually, most American exporters have probably never even heard about the Webb-Pomerene associations, which only testifies to their limited practical utility in promoting U.S. exports.

Identifying and eliminating the entire range of these predatory export subsidies must be pursued with more vigilance by the U.S. government in a multilateral context. If the removal of these practices cannot be accomplished to a significant degree, the U.S. government must provide the equivalent amount of support to American exporters, if we are to maintain any degree of competitiveness.

TRADE DISINCENTIVES

Let me now turn to the other set of factors influencing our export performance: U.S. export policy and its export control component.

If I were to single out what I consider to be the most troublesome aspect of the current U.S. trade situation, it would be the striking absence of a determined and coherent export policy by the U.S. government. Perhaps never before has the need been so great as it is now to formulate and implement effective export strategies.

However, unfortunately, instead of directing itself towards creating a more favorable export climate, the government seems more occupied with introducing new disincentives. No other industrialized country in the world imposes as many restrictions on their exporters as the U.S. This must come to an end. There is a conspicuous inconsistency between professed intentions and actual policy. Exporters are told to pursue business abroad more vigorously while, at the same time, new export controls are introduced making this effort more difficult.

Present controls of American exports are too stringent and often do not accomplish their stated purposes. We cannot afford controls that accomplish nothing. Disincentives to exports are particularly inappropriate at a time when maximum efforts should be directed towards innovation of new export opportunities. Instead, export controls have come to cover a growing number of issues— taxes, anti-boycott, human rights, environmental reviews for exports, anti-bribery, antitrust, and rigid licensing procedures just to mention a few. These restrictions have mostly become the exclusive responsibility of American exporters, placing them at a competitive disadvantage in relation to our competitors.

Oftentimes, the regulatory language is such that the business community is left to do the guesswork about the intended meaning. And, much of the time, regulations are applied inconsistently, creating confusion and distrust among exporters. Foreign trade has become a tool for foreign policy purposes. And policies are turned on and off without much concern for the damage done to our trading interests. Or as George P. Shultz, President of Bechtel Corporation and former Secretary of the Treasury, has put it in a recent article on this problem entitled "Lightswitch Diplomacy," and I quote: "There is apparently a perception in our government that individual trades can be turned on and off like a lightswitch to induce changes in domestic and foreign policies of a host government."

Mr. Shultz, who is supremely qualified to comment on these matters, having combined a distinguished career in academia, government and private industry, goes on to show how the absence of definite and predictable rules regulating trade has eroded the U.S. image as a reliable supplier and thus damaged our trading interests without any measurable political return. Let me give you a few examples:

On Taxes: The primary factor contributing to the noncompetitiveness of U.S. construction and engineering companies overseas is our system of taxation of foreign earned income. The U.S. is the only industrialized country in the world taxing the income of its citizens working abroad. While our competitors pay no taxes, Americans working overseas continue to be taxed at rates that make them the most expensive source of labor in the world. Three British engineers can be employed for the price of one American.

The Foreign Earned Income Act of 1978, which has been touted as tax relief for Americans working abroad, is, in fact, the most complicated set of filing procedures ever enacted into law. So complex are the filing procedures under the Act that overseas workers must engage professional tax assistance in preparing their annual tax return. The Act also creates substantial administrative costs for the companies employing American labor, due to the fact that day-to-day cost of living expenses must be documented for withholding purposes.

In its consideration of the Foreign Earned Income Act, the Congress labored too long with images of mink-clad Americans jetsetting around the world, and gave far too little consideration to the realities and the sacrifices inherent in overseas employment and the benefits accruing to the domestic economy. A leading proponent of this misconstrued analysis was none other than the distinguished Senator from the State of Wisconsin, William Proxmire. In fact, the Senator went so far as to bestow personal distinction upon the issue by awarding the U.S. Department of the Treasury his 1978 Golden Fleece of the Year Award.

On Boycotts: Following the enactment of the antiboycotting provisions of the Export Administration Act in 1977, President Carter noted an outstanding feature of the new statute to be: "its reasonable balance between the need for stringent controls over the undesirable impact on Americans of foreign boycotts and the need to allow continuation of American business relations with countries engaging in such boycotts." This vital balance which was so carefully constructed by the Congress is, however, in danger of being disrupted. The problem is that the EAA, as administered by the U.S. Department of Commerce, is not the only antiboycotting law with which U.S. exporters must comply. Commerce is joined by both the Treasury and Justice Departments in the enforcement of anti-boycotting regulations. In several areas, the agencies disagree in their interpretations of what is permitted and prohibited. In certain cases, U.S. exporters could be in compliance with the Commerce Department rules and be in violation of the Treasury and Justice interpretations. These conflicts and inconsistencies have contributed to an environment of uncertainty and have, in fact, discouraged American exporters in pursuing business opportunities in boycotting nations.

On Human Rights: No matter how distasteful we find the political system in a country, we can force no changes in the internal political processes of this country, unless we are the sole supplier of a commodity considered vital to that nation. The U.S. is gradually losing its technological advantage in more and more areas, and we will find that other nations, placing greater emphasis on exports and realizing the futility of accomplishing political change through trade policy, will be more than happy to take over whatever business we are denying ourselves.

The on again, off again aspect of government policy, by which an export deal is approved one day and disapproved the next and perhaps approved again a few days later depending on the action of different government agencies, is extremely frustrating to the exporting community and shows an ignorance about the basic nature of how export business is conducted in practice and the highly competitive environment in which we try to succeed. Relationships between buyer and supplier take years to develop and must not be jeopardized through fruitless government regulations.

On Environmental Reviews: Many nations view it as an inappropriate intrusion into their domestic affairs when we attempt to impose our own environmental standards on their jurisdiction, as requested in the President's January 1979 Executive Order on Environmental Effects Abroad. While lengthy environmental impact statements are required only for major federal actions involving the global commons, such as the oceans and Antarctica, lesser forms of environmental assessments are mandatory for a broad range of exports. As a result, bids by U.S. contractors may be pushed up, reflecting the extra costs from complying with stricter American environmental standards.

One can only hope that nations will have the foresight to select environmentally superior bids, despite their higher cost. However, this is by no means certain, and the net result could be the opposite of the legislative intent in cases where bids are won by non-American contractors with considerably less concern for environmental effects than U.S. companies. There is, in other words, a certain danger that regulations which are meant to improve the environment beyond our borders will have the reverse impact. We believe that international environmental standards should be negotiated on a multinational level and apply globally, and we question the unilateral imposition of U.S. environmental policies which are likely to damage our trading interests.

On the Foreign Corrupt Practices Act: Here we have another example of legal restraints that the U.S. is alone to impose on its businesses operating overseas. The problem with this anti-bribery legislation is that the business community is left largely in the open as far as interpretation of the provisions is concerned. In the absence of clarification of the Act, U.S. firms, for fear of inadvertently violating the law, may refrain from business transactions which might be perfectly permissible. This loss of business represents the balance of payments cost of these regulations. Again, we are dealing with an area which needs to be addressed in a multinational context so that the rules of the game would be the same for all international businesses regardless of their home country. In the highly competitive international business environment, it is unlikely that non-U.S. firms would be sufficiently impressed by U.S. higher ethical business standards to follow in our footsteps. More likely, our foreign competitors will simply seize the opportunity to take over more of our business.

THE NEED FOR A COHERENT U.S. EXPORT POLICY

Having mentioned all these regulatory obstacles to expanding our exports, let me now suggest some remedies to deal with our trade dilemma and our declining competitiveness abroad. I believe that the public and private sectors together share the responsibility for our export performance. As far as U.S. government activity in international trade is concerned, two important goals must be achieved immediately:

One: We need to formulate a coherent U.S. export policy, consisting of a set of comprehensive and internally consistent government policies designed to promote our export performance; and

Two: We need to reexamine the present system of dispersed government authority over international trade issues, and to find the organizational arrangement best suited to implement our export policy.

Let me just mention a few reforms that must be part of the badly needed export policy package:

We need a complete revision of our tax laws for overseas business, with the objective to place American firms on equal footing in relation to our major competitors. We do not stand a chance to compete successfully in the years to come unless we rewrite our tax laws to better reflect the competitive realities of the future.

The U.S. must take a stronger negotiating posture to eliminate unfair trading practices, especially predatory export financing by competing nations.

Export Impact Statements should be required prior to the imposition of export controls. The purpose of these reviews is to determine as accurately as possible the extent of damage to our trading interests caused by a particular regulation, and to weigh these costs against the foreign policy considerations. I believe that if the trade costs are revealed through these advance assessments, the number of disincentives to trade could be reduced and limited to the most necessary area of national security.

The realization of the differences between doing business abroad and at home must be appreciated and result in a reexamination of our antitrust laws to allow more cooperation and pooling of company resources for export purposes.

It is time to extend Most-Favored-Nation privileges to the Soviet Union, China and other socialist countries—further delay can only result in these markets being penetrated by European and Asian business interests. Already, our competitors are far ahead of us in many of these markets.

On the reorganization of government authority over foreign economic policy, the creation of a new Department of International Trade, as proposed recently in two Senate bills, should be given serious consideration. The Roth/Ribicoff bill and the bill by the Senate Majority Leader, Robert Byrd, would incorporate the international trade functions of the Departments of Commerce, Treasury and State, and the Office of the Special Trade Representative into one department. The Overseas Private Investment Corporation and the U.S. Export-Import Bank would get semi-autonomous status within this new organization. The unification of fragmented bureaucratic units under one roof appears to offer greater chances for more vigorous pursuit of international trade issues than the present patchwork. More aggressive trade promotion would hopefully be possible, and trade negotiations as well as enforcement of agreements could be done more effectively by an international trade department.

A COMMUNITY OF INTEREST

I have, so far, identified a few areas where I feel that the government must lend more support to the private export community. But, we as private businessmen share with the public sector the responsibility for our export performance. The fact is that only 200 U.S. firms stand for 80% of our exports. More companies must come to realize the potential for selling their goods and services abroad.

We cannot brush aside the allegation that U.S. businesses have traditionally relied too heavily on an easily accessible and lucrative home market which has become a disincentive in itself to venture into foreign markets. We need a change in attitudes, for in the final analysis, it is we, the private corporations, that must go overseas to seek new markets and to secure new contracts. We, as businessmen, must also respond to the new challenges of an increasingly interdependent world economy, where trade between nations plays an evergrowing role.

We cannot afford, as a nation aspiring to even higher levels of prosperity, or as individual businesses sharing that goal, to fail in this new environment. The Associated General Contractors of America has pledged its commitment to work on all levels of government, in Congress, as well as in the Executive Branch, to promote exports and to present our views wherever and whenever decisions are made that affect our interests. Today is the time to set policies for tomorrow. I call on all of you to join A.G.C. in this effort, We will all, whether we represent a contractor, an engineering firm or a manufacturer, become more dependent on foreign markets in the future. We have a community of interest. We face the same problems, and it is imperative that we work together to reach a favorable resolution to the issues that I have outlined here. We must think ahead and prepare ourselves for the competitive realities of the 1980's. We have the capabilities to respond to future demands, but we must create the incentives—together.

I believe that trade promotion on the state level, such as this international trade conference, represents an extremely worthwhile part of the overall effort to stimulate export trade.●

TRIBUTE TO SENATOR LEVERETT SALTONSTALL

The SPEAKER. Under a previous order of the House, the gentleman from Massachusetts (Mr. MOAKLEY) is recognized for 5 minutes.

Mr. MOAKLEY. Mr. Speaker, it is with a profound sense of regret that last night I learned of the death of one of Massachusetts' greatest political luminaries, Senator Leverett Saltonstall. Senator Saltonstall's political career literally spanned the greater part of this decade, some 46 years, from its earliest beginnings in the Massachusetts State House to its culmination in the U.S. Senate.

Senator Saltonstall was the very embodiment of what much of the Nation has come to look on as the Massachusetts "Yankee." The 10th generation of Saltonstalls, Leverett Saltonstall was descended directly from Sir Richard Saltonstall who arrived on these shores in 1630, departing from the ship *Arbella* with the colony's first Governor, Governor Winthrop. Sir Richard Saltonstall was one of the original patentees of the Massachusetts Colony under a grant from King Charles I. He and his son Richard founded Watertown and Ipswich. The Saltonstall's commitment to public service and political office holdings can be traced back nine generations and incorporates virtually every conceivable office within the Commonwealth from State representative to Governor and U.S. Senator.

The tradition of public service and commitment to principle was continued in the personage of Leverett Saltonstall. Elected to the Senate in 1944 to fill the unexpired term of Senator Henry Cabot Lodge, Leverett Saltonstall quickly became known for his honesty, independence, thoroughness, integrity, modesty, and almost every other laudatory adjective one could envision in describing an exemplary public servant.

As both the junior Senator, and later on as the senior Senator, from the Commonwealth of Massachusetts, Senator Saltonstall was closely associated with international assistance programs such as European wartime recovery, and the Marshall Plan, the National Act Against Discrimination in Employment, the National Science Foundation, the Child Health Act, displaced persons, the Cape Cod National Park, NASA, and détente with the Soviet Union.

Perhaps the accomplishment that I view as being the most representative of a lifetime in public service, is the legacy that is the Cape Cod National Park. Every succeeding generation will be able to avail themselves of the magnificent and unique beauty that is Cape Cod, due, in large measure, to the continuing efforts of Leverett Saltonstall. Working closely with then-Senator John F. Kennedy, Saltonstall was able to deftly sell the idea of a national park site on the cape to his colleagues in the Senate, some of whom barely knew where Cape Cod was.

Senator Saltonstall was also closely alined with the cause of working women and minorities, working to create legislation to give both groups entry to jobs, education, health services, and opportunities so long lacking for those in American society who were unfortunate enough to have been born poor. He was one of the original cosponsors of the first civil rights bill to pass Congress in more than 80 years.

It is very seldom that a man the caliber of Senator Leverett Saltonstall passes through this existence. We in Massachusetts and in the U.S. Congress must count ourselves as being particularly lucky to have known him, worked with him, lived side by side with him. Let us hope, moreover, that we can profit by the example that he left for all of us. Born to wealth, power, and lineage, Leverett was as close to a member of American royalty as there might ever have been. However, this birthright never once affected his genuine affection for all people, his concern that all elements in society be treated justly and fairly, his sense of compassion for those far less fortunate in society than himself, and his ability to recognize the best in those around him. I am one of perhaps millions in this Nation that will sincerely miss one of my most beloved constituents, Senator Leverett Saltonstall.

□ 1800

PERSONAL EXPLANATION

The SPEAKER. Under a previous order of the House, the gentlewoman from New York (Ms. HOLTZMAN) is recognized for 5 minutes.

● Ms. HOLTZMAN. Mr. Speaker, I was unable to be present for the following votes. Had I been present, I would have voted as indicated:

JUNE 14

Rollcall No. 199, "yes";
Rollcall No. 200, "yes"; and
Rollcall No. 206, "yes." ●

LEGISLATION TO IMPLEMENT A NATIONWIDE PROGRAM OF UNIFORM WEIGHT AND LENGTH LIMITS FOR TRUCKS

The SPEAKER. Under a previous order of the House, the gentleman from Iowa (Mr. BEDELL) is recognized for 5 minutes.

● Mr. BEDELL. Mr. Speaker, today, joined by a number of colleagues who are also alarmed about the current difficulties confronting the independent trucking industry, Congressman GRASSLEY and I are introducing legislation that would implement a nationwide program of uniform weight and length limits for trucks on an emergency basis.

In 1975, the Congress enacted a law which gave the States discretionary authority to allow maximum overall weights of up to 80,000 pounds. Since then, all but 10 States have brought their limits up to or near the Federal ceiling. The absence of these remaining States has become especially noticeable with the recent fuel supply crisis, and has caused serious problems for independent truckers who are strapped by rapidly rising fuel costs.

The current problems in diesel fuel supply and pricing demand some immediate action if the crisis is to be met successfully. The uniformity requirement we propose would be in place only for as long as the critical shortages of diesel fuel exist. The legislation provides that the States would be free to return to enforcing their own weight limits on the Interstate Highway System after the diesel fuel shortage is resolved. Specifically, the Secretary of Energy would first have to certify to the Congress that there are adequate amounts of middle distillate fuel available in reserve and in the marketplace to meet national needs for home heating, agricultural production, transportation and industrial use, including trucking.

While it would appear that there are strong arguments in favor of a permanent extension of uniform limits, that is not the objective of this legislation. The bill we are introducing here is an emergency measure, and I believe that it is clearly warranted.

The independent trucking industry is experiencing an economic squeeze that could very well adversely affect all sectors of our economy. The ICC has estimated that the attrition rate among independent truckers in terms of business solvency has risen to nearly double its normal rate. While a variety of factors have been cited as the causes for this alarming development, it is clear that one of the most prominent is the drastic increase in price and the decline in availability of diesel fuel. The legislation we are introducing here today would help to mitigate the latter problem.

Currently, we see significantly increased fuel consumption as a result of the few States which still do not allow the 80,000 pounds and 60-foot limits recognized by the other 40 States. Truckers going cross country, for example, encounter a "barrier" when they reach the borders of Iowa, Missouri, Arkansas, and Mississippi, because those States do not permit the larger loads into their States. Tennessee, Illinois, Indiana, Pennsylvania, Maryland, and Connecticut likewise do not recognize the heavier standards. Consequently, truckers face the choice of either hauling around these States, which obviously requires more fuel and time, or unloading or reducing their capacity to conform to the weight limitations. For this reason, proponents of the uniform weight and length standards point to significant benefits both from fuel efficiency and inflation-damping perspectives.

The fact that diesel fuel could be saved by the higher weight standards seems to be recognized by nearly everyone. In my own State of Iowa, where the Governor has now declared a state of emergency and allowed the 80,000-pound limit to go into effect on a temporary basis, the Department of Transportation has estimated that the allowance of 80,000-pound loads would save 7.8 million gallons of fuel annually in Iowa alone. The Federal Energy Administration acknowledged this fuel savings potential, and urged all States to adopt the heavier limits.

As far as the anti-inflationary impact such a move would have, while the documentation is less precise, it is claimed by the independent operators that savings would be passed on to the shippers, and thus the public.

Opposition to our proposed increase in load and length limits on interstate highways stems mainly from the perceived threats they might pose to the condition of the highways, and to other safety considerations. I have checked with the Associate Administrator for Safety of the Federal Highway Administration just today, and he indicated that as far as the Federal Interstate System was concerned, the 80,000-pound load limit would cause only a slight acceleration in highway wear and tear. The primary interstate highway system was designed to enable it to carry heavy defense equipment that is often far in excess of 80,000 pounds. Consequently, the legislation we are introducing today is designed to affect only the Federal Interstate Highway System which is capable of sustaining such loads without undue deterioration.

Mr. Speaker, as chairman of the Antitrust Subcommittee of the Committee on Small Business, I have spent much of the last several weeks delving into the exact causes of the present fuel crisis. One fact is as clear as it is disturbing: The demand for diesel fuel, shared by surface carriers such as railroads and barges as well as our truckers, must be balanced with the demand for home heating oil and diesel for agricultural producers. The tradeoffs involved pose some formidable public policy demands.

A variety of measures have been discussed, ranging from tilting refinery runs to their maximum potential to produce middle distillates, to allowing entitlements for middle distillate product imports from offshore. Perhaps no one action is going to be sufficient to allow all sectors their needed allocation, but that is all the more reason that steps must be taken wherever possible to stretch the available supplies.

That is why, Mr. Speaker, I believe that this bill calling for an emergency national weight and length limits for trucks operating on interstate highways is worthy of support. The Nation's independent truckers are desperately waiting for an indication from the Federal Government that their demands are being heard and acted on in a resasonable and expeditious fashion. I strongly urge my colleagues to support this measure in an effort to keep our highways open and the commerce that is so vital to the national economic well-being running smoothly.

The text of the bill follows:

H.R. 4505

A bill to make it unlawful for a vehicle with an overall gross weight of more than 80,000 pounds or overall length of more than 60 feet to use the National System of Interstate and Defense Highways, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, during the period beginning on the date of enactment of this Act and ending on the date the Secretary of Energy transmits to each House of the Congress a written certification under section 2 of this Act, it shall be unlawful for any vehicle with an overall gross weight of more than 80,000 pounds or an overall length of more than 60 feet to use the National System of Interstate and Defense Highways.

SEC. 2. Within 10 days after the Secretary of Energy determines that there are adequate amounts of middle distillate fuel both in reserve and in commerce to meet national requirements for home heating, agricultural production, transportation, and industrial uses, the Secretary shall transmit to each House of the Congress a written certification of that determination.

SEC. 3. During the period referred to in the first section of this Act, no State or political subdivision thereof shall enact or enforce any law, rule, regulation, standard, or other provision which is contrary to the provisions of the first section of this Act.

SEC. 4. As used in this Act, the term "State" means any one of the fifty States, the District of Columbia, or the Commonwealth of Puerto Rico.●

RECESS

The SPEAKER. Pursuant to the order of the House of Thursday, June 14, 1979, th Chair declares a recess subject to the call of the Chair, until the approximate hour of 8:40 p.m.

(Accordingly, at 6 o'clock and 1 minute p.m.) the House stood in recess subject to the call of the Chair.)

AFTER RECESS

The recess having expired, the House was called to order by the Speaker at 8 o'clock and 45 minutes p.m.

JOINT SESSION OF THE HOUSE AND SENATE HELD PURSUANT TO THE PROVISIONS OF HOUSE CONCURRENT RESOLUTION 140 TO HEAR AN ADDRESS BY THE PRESIDENT OF THE UNITED STATES

The SPEAKER of the House presided. The Doorkeeper, the Honorable James T. Molloy, announced the Vice President and Members of the U.S. Senate who entered the Hall of the House of Representatives, the Vice President taking the chair at the right of the Speaker, and Members of the Senate the seats reserved for them.

The SPEAKER. The Chair appoints as members of the committee on the part of the House to escort the President of the United States into the Chamber the gentleman from Texas (Mr. WRIGHT), the gentleman from Indiana (Mr. BRADEMAS), the gentleman from Washington (Mr. FOLEY), the gentleman from Illinois (Mr. ROSTENKOWSKI), the gentleman from Georgia (Mr. BRINKLEY), the gentleman from Georgia (Mr. MATHIS), the gentleman from Georgia (Mr. GINN), the gentleman from Georgia (Mr. LEVITAS), the gentleman from Georgia (Mr. MCDONALD), the gentleman from Georgia (Mr. BARNARD), the gentleman from Georgia (Mr. EVANS), the gentleman from Georgia (Mr. JENKINS), the gentleman from Georgia (Mr. FOWLER), the gentleman from Arizona (Mr. RHODES), the gentleman from Illinois (Mr. MICHEL), and the gentleman from Georgia (Mr. GINGRICH).

The VICE PRESIDENT. On behalf of the Senate, the following Senators are appointed to escort the President of the United States into the House Chamber: The Senator from Washington (Mr. MAGNUSON), the Senator from West Virginia (Mr. BYRD), the Senator from California (Mr. CRANSTON), the Senator from Idaho (Mr. CHURCH), the Senator from Mississippi (Mr. STENNIS), the Senator from North Dakota (Mr. YOUNG), the Senator from Tennessee (Mr. BAKER), the Senator from Alaska (Mr. STEVENS), the Senator from New York (Mr. JAVITS), and the Senator from Texas (Mr. TOWER).

The Doorkeeper announced the Ambassadors, Ministers, and Chargés d'Affaires of foreign governments.

The Ambassadors, Ministers, and Chargés d'Affairs of foreign governments entered the Hall of the House of Representatives and took the seats reserved for them.

The Doorkeeper announced the Cabinet of the President of the United States.

The members of the Cabinet of the United States entered the Hall of the House of Representatives and took the seats reserved for them in front of the Speaker's rostrum.

At 9 o'clock and 2 minutes p.m., the Doorkeeper announced the President of the United States.

The President of the United States, escorted by the committee of Senators and Representatives, entered the Hall of the House of Representatives, and stood at the Clerk's desk.

[Applause, the Members rising.]

The SPEAKER. Members of the Congress, I have the high privilege and the distinct personal honor of presenting to you the President of the United States.

[Applause, the Members rising.]

STRATEGIC ARMS LIMITATION AGREEMENT, SALT II—ADDRESS BY THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 96-152)

The PRESIDENT. Mr. President, Mr. Speaker, Members of the Congress of the United States of America, and my fellow citizens:

The truth of the nuclear age is that the United States and the Soviet Union must live in peace—or we may not live at all.

From the beginning of history the fortunes of men and nations were made and unmade in unending cycles of war and peace. Combat was often the measure of human courage. Willingness to risk war was the mark of statecraft.

My fellow Americans, that pattern of war must now be broken forever.

[Applause.]

Between nations armed with thousands of thermonuclear weapons—each one capable of causing unimaginable destruction—there can be no more cycles of both war and peace. There can only be peace.

About 2 hours ago I returned from three days of intensive talks with President Leonid Brezhnev of the Soviet Union. I come here tonight to meet with you in a spirit of patience, of hope, and of reason and responsibility.

Patience—because the way is long and hard, and the obstacles ahead are at least as great as those that have been overcome in the last thirty years of diligent and dedicated work.

Hope—because I am thankful to be able to report to you tonight that real progress has been made.

Reason and responsibility—because both will be needed in full measure if the promise which has been awakened in Vienna is to be fulfilled, and the way is to be opened for the next phase in the struggle for a safe and a sane earth.

Nothing will more strongly affect the outcome of that struggle than the relationship between the two predominant military powers in the world, the United States of America and the Soviet Union.

The talks in Vienna were important in themselves, but their truest significance was as a part of a process that as you well know began long before I became President.

This is the tenth time since the end of World War II when the leader of the United States and the leader of the Soviet Union have met at a summit conference. During these past three days we have moved closer to a goal of stability and security in Soviet-American relationships.

That has been the purpose of American policy ever since the rivalry between the United States and the Soviet Union became a central fact in international relations more than a generation ago at the end of World War II.

With the support of the Congress of the United States and with the support of the people of this nation, every President throughout this period has sought to reduce the most dangerous elements of the Soviet-American competition.

While the United States still had an absolute nuclear monopoly, President Truman sought to place control of the atomic bomb under international authority. President Eisenhower made the first efforts to control nuclear testing. President Kennedy negotiated with the Soviet Union prohibition against atmospheric testing of nuclear explosives. President Johnson broadened the area of negotiations for the first time to include atomic weapons themselves. President Nixon concluded the first Strategic Arms Limitation Agreement, SALT I. President Ford negotiated the Vladivostok accords. You can see that this is a vital and a continuing process.

Later this week I will deliver to the United States Senate the complete and signed text of the second Strategic Arms Limitation Agreement, SALT II.

This treaty is a product of seven long years of tough, painstaking negotiation under the leadership of three different Presidents. When ratified, it will be a truly national achievement—an achievement of the Executive and of the Congress, an achievement of civilians and of our military leaders, of liberals and conservatives, of Democrats and Republicans.

Of course, SALT II will not end the competition between the United States and the Soviet Union.

That competition is based on fundamentally different visions of human society and human destiny. As long as that basic difference persists, there will always be some degree of tension in the relationship between our two countries. The United States has no fear of this rivalry. But we want it to be peaceful.

In any age, such rivalry risks degeneration into war, but our age is unique, for the terrible power of nuclear weapons has created an incentive that never existed before for avoiding war. This tendency transcends even the very deep differences of politics and philosophy. In the age of the hydrogen bomb, there is no longer any meaningful distinction between global war and global suicide.

Our shared understanding of these realities has given the world an interval of peace—a kind of a strange peace, marked by tension, marked by danger, marked even sometimes by regional conflict, but a kind of peace nonetheless. In the twenty-seven years before Hiroshima, the leading powers of the world were twice engulfed in total war. In the 34 years since Hiroshima, humanity has by no means been free of armed conflict, but at least we have avoided a world war.

Yet this kind of twilight peace carries the ever-present danger of a catastrophic nuclear war, a war that in horror and destruction and massive death would dwarf all the combined wars of man's long and bloody history.

We must prevent such a war—we absolutely must prevent such a war.

To keep the peace, to prevent the war, we must have strong military forces, we must have strong alliances, we must have a strong national resolve—so strong that no potential adversary would dare be tempted to attack our country. We have that strength—and the strength of the United States is not diminishing, the strength of our great country is growing and I thank God for it.

Yet for these same reasons in order to keep the peace we must prevent an uncontrolled and pointless nuclear arms race that would damage the security of all countries, including our own, by exposing the world to an ever greater risk of war through instability and through tension and through uncertainty about the future.

That is why the new Strategic Arms Limitation Treaty is so important.

SALT II will undoubtedly become the most exhaustively discussed and debated treaty of our time, perhaps of all time. The Secretary of State, the Secretary of Defense, the members of the Joint Chiefs of Staff, the Director of the Arms Control and Disarmament Agency, and many others who hammered out this treaty will testify for it before the Senate, in detail and in public. As President of our country I will explain it throughout our nation to every American who will listen. This treaty will withstand the most severe scrutiny because it is so clearly in the interest of American security and of world peace.

SALT II is the most detailed, far-reaching comprehensive treaty in the history of arms control. Its provisions are interwoven by the give and take of the long negotiating process. Neither side obtained everything it sought. But the package that did emerge is a carefully balanced whole, and it will make the world a safer place for both sides.

The restrictions on strategic nuclear weapons are complex, because these weapons represent the highest development of the complicated technical skills of two great nations.

But the basic realities underlying this treaty and the thrust of the treaty itself are not so complex. When all is said and done, SALT II is a matter of common sense.

The SALT II Treaty reduces the danger of nuclear war. For the first time, for the first time it places equal ceilings on the strategic arsenals of both sides, ending a previous numerical imbalance in favor of the Soviet Union. SALT II preserves our options to build the forces we need to maintain that strategic balance. The treaty enhances our own ability to monitor what the Soviet Union is doing. And it leads directly to the next step in more effectively controlling nuclear weapons.

Again, SALT II does not end the arms competition, but it does make that competition safer and more predictable, with clear rules and verifiable limits where otherwise there would be no rules and there would be no limits.

It is in our interest because it slows down—it even reverses—the momentum of the Soviet arms buildup that has been of such great concern to all of us.

Under this new treaty, the Soviet Union will be held to a third fewer strategic missile launchers and bombers by 1985 than they would have—simply by continuing to build at their present rate.

With SALT II, the numbers of warheads on missiles, their throw weight, and the qualitative development of new missiles will all be limited. The Soviet Union will have to destroy or dismantle some 250 strategic missile systems, systems such as nuclear submarines armed with relatively new missiles built in the early 1970's, and aircraft will have to be destroyed by the Soviet Union carrying their largest multi-megaton bombs. Once dismantled, under the provisions of SALT II, these systems cannot be replaced. By contrast, no operational United States forces will have to be reduced. For one Soviet missile alone—the SS-18—the SALT II limits will mean that some six thousand fewer Soviet nuclear warheads can be built and aimed at our country.

SALT II limits severely for the first time the number of warheads that can be mounted on these very large missiles of the Soviet Union, cutting down their actual potential by six thousand.

With or without SALT II we must modernize and strengthen our own strategic forces, and we are doing so. But SALT II will make this task easier, surer and less expensive.

The agreement constrains none of the reasonable programs we have planned to improve our own defenses. Moreover, it helps us to respond more effectively to our most pressing strategic problem—the prospective vulnerability in the 1980's of our land-based silo missiles. The MX missile which has been so highly publicized is permitted under SALT II; yet its verifiable mobile development system will enhance stability as it deprives an attacker of the confidence that a successful first strike could be launched against the United States ICBM's, or Intercontinental Ballistic Missiles. Without the SALT II limits, the Soviet Union could build so many warheads that any land-based system, fixed or mobile, could be jeopardized.

With SALT II we can concentrate more effort on preserving the balance in our own conventional and NATO forces. Without the SALT II treaty, we would be forced to spend extra billions and billions of dollars each year in a dangerous, destabilizing, unnecessary nuclear arms race.

As I have said many times, SALT II is not based on trust. Compliance will be assured by our own nation's means of verification, including extremely sophisticated satellites, powerful electronic systems, and a vast intelligence network. Were the Soviet Union to take the enormous risk of trying to violate this treaty in any way that might affect the strategic balance, there is no doubt that we would discover it in time to respond fully and effectively.

It is the SALT II agreement itself which forbids concealment measures, many of them for the first time, forbids interference with our monitoring, and forbids the encryption or encoding of crucial missile-test information. A violation of this part of the agreement—which we would quickly detect—would be just as serious as a violation of the limits on strategic weapons themselves.

Consider these prospects for a moment: Suppose the Soviet leaders build a thousand additional missiles, above and beyond the ones they have now, many new advanced and of a formidable design. This can happen only if the SALT II Treaty is defeated.

Suppose the Soviet leaders want to double the number of warheads on all their existing missiles, suppose they want to triple the annual production rate of the backfire bomber and greatly improve its characteristics in range and payload. These kinds of things can happen only if the SALT II Treaty is defeated.

Suppose the Soviet Union leaders encrypt all data on their missile tests, suppose they conceal their nuclear launcher deployment rate and hide all their existing missile systems. Those things can happen only if the SALT II Treaty is defeated.

SALT II is very important, but it is more than a single arms control agreement. It is part of a long historical process of gradually reducing the danger of nuclear war—a process that we in this room must not undermine.

The SALT II Treaty must be judged on its own merits—and on its own merits it is a substantial gain for national security, for us and the people whom we represent, and it is a gain for international stability. But it would be the height of irresponsibility to ignore other possible consequences of a failure to ratify this treaty.

These consequences would include:

Greatly increased spending for strategic nuclear arms which we do not need;

Greater uncertainty about the strategic balance between ourselves and the Soviet Union;

Vastly increased danger of nuclear proliferations among other nations of the world who do not presently have nuclear explosives;

Increased political tensions between the East and the West, with greater likelihood that other inevitable problems would escalate into serious superpower confrontations.

Rejection would also be a damaging blow to the Western alliance. All of our European and other allies, including especially those who are most directly and courageously facing Soviet power, all of them strongly support SALT II. If the Senate were to reject the treaty, America's leadership of this alliance would be compromised, and the alliance itself would be severely shaken.

In short, SALT II is not a favor we are doing for the Soviet Union. It is a deliberate, calculated move that we are making as a matter of self-interest for the United States—a move that happens to serve the goals of both security and survival, that strengthens both the military position of our own country and the cause of world peace.

And of course SALT II is the absolutely indispensable precondition for moving on to much deeper and more significant cuts under SALT III.

Although we will not begin negotiations on SALT III until SALT II goes into effect, I discussed other nuclear control issues with President Brezhnev, such as much deeper mutual reductions in nuclear weapon inventories, stricter limits on the production of nuclear warheads and launchers, enhanced survivability and stability of missile systems that are authorized under existing SALT agreements; pre-notification about missile tests and mass use or exercises of strategic bombers and limits and controls on types of missiles which are not presently covered under any SALT agreement.

Though SALT is the most important single part of the complex relationship between the United States and the Soviet Union, it is only a part.

The U.S.-Soviet relationship covers a broad range of issues, some of which bear directly on our joint responsibility to reduce the possibility of war. President Brezhnev and I discussed these issues in Vienna this morning in a long private session with only the interpreters present.

I undertook all these discussions with a firm confidence in the strength of America.

Militarily, our power is second to none. I am determined that it will remain so. We will continue to have military power to deter any possible aggression, to maintain security of our country, and to permit the continuing search for peace and for the control of arms from a position of strength.

[Applause.]

We must have that strength so that we will never be afraid to negotiate for peace.

Economically, despite serious problems of energy and inflation, we are by far the most productive nation on Earth. Along with our allies, our economic strength is three times greater than that of the Soviet Union and all its allies.

Diplomatically, we have strengthened our friendships with Western Europe and Japan, with China and India, with Israel and Egypt and with the countries of the Third World. Our alliances are stronger because they are based not on force, but on common interest and often on common values.

Politically, our democratic system is an enormous advantage—not only to each of us as individuals who enjoy freedom, but to all of us together because our nation is stronger. Our support of human rights, backed by the concrete example of the American society, has aligned us with people all over the world who yearn for freedom.

These strengths are such that we need fear no other country. This confidence in our nation helped me in Vienna as we discussed specific areas of potential either direct or indirect confrontation around the world, including places like Southern Africa or the Middle East.

For instance, I made it clear to President Brezhnev that Cuban military activities in Africa, sponsored by or supported by the Soviet Union, and also the growing Cuban involvement in the problems of Central America and the Caribbean, can only have a negative impact on U.S.-Soviet relations.

[Applause.]

Our strength, our resolve, our determination, our willingness to protect our own interests, our willingness to discuss these problems with others, are the best means by which we could resolve these differences and alleviate these tests successfully for our people.

Despite disagreements our exchange in Vienna was useful because it enabled us to clarify our positions directly to each other face to face, and thus to reduce the chances of future miscalculations on both sides.

And finally, I would like to say to you that President Brezhnev and I developed a better sense of each other as leaders and as men. The responsibility for many decisions involving the very future of the world rests on me as the leader of this great country, and it is vital that my judgments be based on as much firsthand knowledge and experience as possible. In these conversations I was careful to leave no doubt about either my desire for peace or my determination to defend the interests of the United States and of our allies.

[Applause.]

I believe that together we laid a foundation on which we can build a more stable relationship between our two countries.

We will seek to broaden the areas of cooperation, and we will compete where and when we must. We know how determined the Soviet leaders are to secure their interests and we are equally determined to protect and to advance our own.

We look to the future, all of us Americans look to the future, with anticipation and with confidence, not only because of the vast material power of our nation, but because of the power of our nation's ideas and ideals and principles. The ultimate future of the human race lies not with tyranny but with freedom, not with war but with peace.

[Applause.]

With that kind of vision to sustain us, we must now complete the work of ratifying this treaty, a major step in the limitation of nuclear weapons and a major step toward world peace. And then we may turn our energies not only to further progress along that path, but also more urgently to our own domestic agenda—in the knowledge that we have strengthened the security of the nation which we love and also strengthened peace for all the world. Thank you very much.

[Applause, the Members rising.]

At 9 o'clock and 40 minutes p.m., the President of the United States, accompanied by the committee of escort, retired from the Hall of the House of Representatives.

The Doorkeeper escorted the invited guests from the Chamber in the following order:

The Members of the President's Cabinet.

The ambassadors, ministers, and charges d'affaires of foreign governments.

JOINT SESSION DISSOLVED

The SPEAKER. The Chair declares the joint session of the two Houses now dissolved.

Accordingly, at 9 o'clock and 44 minutes p.m., the joint session of the two Houses was dissolved.

The Members of the Senate retired to their Chamber.

REFERENCE OF PRESIDENT'S MESSAGE

Mr. BRINKLEY. Mr. Speaker, I move that the message of the President be referred to the Committee of the Whole

House on the State of the Union and ordered to be printed.

The motion was agreed to.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. Hutto (at the request of Mr. Wright), for today on account of district business.

Mr. Rodino (at the request of Mr. Wright), for today on account of illness in the family.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. Carney) to revise and extend their remarks and include extraneous material:)

Mr. Kemp, for 5 minutes, today.

Mr. Clausen, for 10 minutes, today.

Mr. Trible, for 15 minutes, today.

Mr. Solomon, for 15 minutes, today.

(The following Members (at the request of Mr. Boner of Tennessee) to revise and extend their remarks and include extraneous material:)

Mr. Weaver, for 10 minutes, today.

Mr. Annunzio, for 5 minutes, today.

Mr. Gonzalez, for 5 minutes, today.

Mr. Vanik, for 5 minutes, today.

Mr. AuCoin, for 10 minutes, today.

Mr. Gephardt, for 10 minutes, today.

Mr. Alexander, for 30 minutes, today.

Mr. Moakley, for 5 minutes, today.

Mr. Johnson of California, for 5 minutes, today.

Ms. Holtzman, for 5 minutes, today.

Mr. Bedell, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. Bingham, to revise and extend his remarks just prior to the last vote on the Weaver amendment.

Mr. Whitten, in the Committee of the Whole today, on H.R. 4388.

(The following Members (at the request of Mr. Carney) and to include extraneous matter:)

Mrs. Fenwick.

Mr. Carter.

Mr. Wampler.

Mr. Collins of Texas in three instances.

Mr. McClory.

Mr. Abdnor in two instances.

Mr. Green.

Mr. Dannemeyer in two instances.

Mr. Kemp.

Mr. Bethune.

Mr. Ashbrook in three instances.

Mr. Roth.

(The following Members (at the request of Mr. Boner of Tennessee) and to include extraneous material:)

Mr. Annunzio in six instances.

Mr. Gonzalez in 10 instances.

Mr. Anderson of California in 10 instances.

Mr. Minish.

Mr. Ratchford.

Mr. Reuss.

Mr. Rodino in two instances.

Mr. Stokes.

Mr. Murphy of Illinois.

Mr. Mazzoli.

Mr. Aspin.

Mr. Applegate.

Mr. McDonald.

Mr. Blanchard.

Mr. Fuqua.

Mr. Florio.

Mr. Ottinger.

Mr. Brown of California in 10 instances.

Mr. Boner of Tennessee in five instances.

Ms. Holtzman in 10 instances.

Mr. Jones of Tennessee in 10 instances.

SENATE BILLS REFERRED

Bills of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 802. An act to further amend the Peace Corps Act; to the Committee on Foreign Affairs;

S. 892. An act to extend the authorization of appropriations for carrying out rural development research, rural development extension, small farm research, and small farm extension programs, and for other purposes; to the Committee on Agriculture; and

S. 948. An act to amend the Public Utility Regulatory Policies Act of 1978 (92 Stat. 3117) to revise the limitation on size of small hydroelectric power projects; to the Committee on Interstate and Foreign Commerce.

ENROLLED BILLS SIGNED

Mr. THOMPSON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 3577. An act to amend section 8 of the National Advisory Committee on Oceans and Atmosphere Act of 1977 to authorize appropriations to carry out the provisions of such act for fiscal year 1980, and for other purposes; and

H.R. 3879. An act to authorize additional appropriations for the Temporary Commission on Financial Oversight of the District of Columbia, and for other purposes.

SENATE ENROLLED BILL SIGNED

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 869. An act to amend section 207 of title 18, United States Code.

ADJOURNMENT

Mr. BRINKLEY. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 9 o'clock and 45 minutes p.m.), the House adjourned until tomorrow, Tuesday, June 19, 1979, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1825. A letter from the Assistant Attorney General (Antitrust Division), transmitting the annual report on studies of voluntary agreements between the Government and private industry developed under section 708 of the Defense Production Act of 1950, pursuant to section 708(k) of the act, as amended (89 Stat. 810); to the Committee on Banking, Finance and Urban Affairs.

1826. A letter from the Assistant Secretary of Health, Education, and Welfare for Management and Budget, transmitting notice of a proposed new records system, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

1827. A letter from the Assistant Secretary of Transportation for Administration, transmitting notice of a proposed new records system, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

1828. A letter from the Chairman, Occupational Safety and Health Review Commission, transmitting an amended report on the Commission's activities under the Government in the Sunshine Act during calendar year 1978, pursuant to 5 U.S.C. 552b(j); to the Committee on Government Operations.

1829. A letter from the Clerk, U.S. House of Representative, transmitting the annual compilation of personal financial disclosure statements filed with the Clerk of the House of Representatives pursuant to the Ethics in Government Act of 1978 (H. Doc. No. 151); to the Committee on Standards of Official Conduct and ordered to be printed.

1830. A letter from the Chairman, Agricultural Technical Advisory Committee for Trade Negotiations on Cotton, transmitting the Committee's report on the Multilateral Trade Negotiations agreements initialed in Geneva on April 12, 1979, pursuant to section 135(e)(1) of the Trade Act of 1974; to the Committee on Ways and Means.

1831. A letter from the Comptroller General of the United States, transmitting a report on urban water supply problems (CED-79-56, June 15, 1979); jointly, to the Committees on Government Operations, Interior and Insular Affairs, and Public Works and Transportation.

1832. A letter from the Comptroller General of the United States, transmitting a report on the planned size of the U.S. strategic petroleum reserve (ID-79-8, June 15, 1979); jointly, to the Committees on Government Operations, and Interstate and Foreign Commerce.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. BROOKS: Committee on Government Operations. Report on failure of Government departments and agencies to follow up and resolve audit findings (Rept. No. 96-279). Referred to the Committee of the Whole House on the State of the Union.

Mr. BROOKS: Committee on Government Operations. Report on Justice Department handling of cases involving classified data and claims of national security (Rept. No. 96-280). Referred to the Committee of the Whole House on the State of the Union.

Mr. UDALL: Committee on Post Office and Civil Service. H.R. 3777. A bill to amend the provisions of title 39, United States Code, relating to the use of the frank, and for other purposes; with amendment (Rept. No. 96-281). Referred to the Committee of the Whole House on the State of the Union.

Mr. PRICE: Committee of Conference. Conference Report on S. 429 (Rept. No. 96-282). Ordered to be printed.

Mr. SOLARZ: Committee on Foreign Affairs. H.R. 4439. A bill relating to sanctions against Zimbabwe-Rhodesia with amendment (Rept. No. 96-283). Referred to the Committee of the Whole House on the State of the Union.

Mr. BROOKS: Committee on Government Operations: House Resolution 231. Resolution to disapprove Reorganization Plan No. 2 transmitted by the President on April 10, 1979 (Rept. No. 96-284). Referred to the Committee of the Whole House on the State of the Union

Mr. BROOKS: Committee on Government Operations. Report on administration of the AFDC program (Rept. No. 96-285). Referred to the Committee of the Whole House on the State of the Union.

SUBSEQUENT ACTION ON BILLS SEQUENTIALLY REFERRED

Under clause 5 of rule X,

Referral of H.R. 3942, a bill to provide assistance to airport operators to prepare and carry out noise comparability programs, to provide assistance to assure continued safety in aviation, and for other purposes, which was referred to the Committee on Interstate and Foreign Commerce, extended for an additional period ending not later than July 13, 1979.

Referral of H.R. 3995, a bill to authorize appropriations for the Noise Control Act of 1972 for the fiscal years 1980 and 1981, which was referred to the Committee on Public Works and Transportation, extended for an additional period ending not later than July 13, 1979.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ABDNOR:

H.R. 4502. A bill to authorize modernization and improvement of the Belle Fourche project and to integrate the project into the Pick-Sloan Missouri Basin program; to the Committee on Interior and Insular Affairs.

By Mr. AuCOIN:

H.R. 4503. A bill to provide that certain indebtedness incurred before 1965 will not be treated as acquisition indebtedness for purposes of applying section 514 of the Internal Revenue Code of 1954 to certain sales during 1976; to the Committee on Ways and Means.

By Mr. AuCOIN (for himself, Mr. Brown of Ohio, Mr. Corcoran, and Mr. Hamilton):

H.R. 4504. A bill to streamline and simplify the generally applicable requirements attached to Federal assistance programs and their implementation; to facilitate the consolidation of assistance programs; to provide for multiyear funding of certain grant programs; to expedite the processing of applications for Federal assistance involving more than one grant; to extend and amend the law relating to intergovernmental cooperation; and for other purposes; jointly, to the Committees on Government Operations and Rules.

By Mr. BEDELL (for himself and Mr. Grassley):

H.R. 4505. A bill to make it unlawful for a vehicle with an overall gross weight of more than 80,000 pounds or overall length of more than 60 feet to use the National System of Interstate and Defense Highways, and for other purposes; to the Committee on Public Works and Transportation.

By Mr. CARTER:

H.R. 4506. A bill to amend section 602 of the Federal Aviation Act of 1958 to prohibit any Federal officer or employee from imposing certain age restrictions on individuals seeking to serve as pilots of aircraft, and for other purposes; to the Committee on Public Works and Transportation.

By Mrs. FENWICK:

H.R. 4507. A bill to amend title IV of the Higher Education Act of 1965 to provide for the exchange of information concerning defaulting student borrowers with credit bureau organizations to promote responsible repayment of Federal student loans; to the Committee on Education and Labor.

H.R. 4508. A bill to provide that rates of pay for Members of Congress shall not be subject to adjustment under the Federal Salary Act of 1967 or subject to any other automatic adjustment; to the Committee on Post Office and Civil Service.

By Mr. GRAMM:

H.R. 4509. A bill to amend the Safe Drinking Water Act, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. GUYER (for himself and Mr. Latta):

H.R. 4510. A bill to amend the Internal Revenue Code of 1954 to allow individuals to designate $10 or less of their income tax liability to be used for purposes of reducing the public debt of the United States; to the Committee on Ways and Means.

By Mr. MINETA:

H.R. 4511. A bill to amend the Internal Revenue Code of 1954 to provide that the taxable income of a homeowners association shall be subject to the same graduated rates of tax as a corporation; to the Committee on Ways and Means.

By Mr. OTTINGER:

H.R. 4512. A bill to provide for an increase in oil refinery operations; to the Committee on Interstate and Foreign Commerce.

By Mr. PATTERSON (for himself, Mr. Badham, and Mr. Synar):

H.R. 4513. A bill to amend the Trademark Act of 1946 to clarify and specify the intent of such act regarding certain protections afforded registered marks; to the Committee on the Judiciary.

By Mr. PERKINS (for himself, Mr. Thompson, Mr. Hawkins, Mr. Ford of Michigan, Mr. Clay, Mr. Biaggi, Mr. Andrews of North Carolina, Mr. Simon, Mr. Beard of Rhode Island, Mr. Myers of Pennsylvania, Mr. Murphy of Pennsylvania, Mr. Weiss, Mr. Corrada, Mr. Kildee, Mr. Peyser, Mr. Stack, Mr. Kogovsek, Mr. Ashbrook, Mr. Buchanan, Mr. Jeffords, Mr. Goodling, Mr. Petri, Mr. Kramer, Mr. Coleman, and Mr. Gaydos):

H.R. 4514. A bill to amend title II of the Comprehensive Employment and Training Act to provide for the assessment of manpower needs for the full development of domestic energy resources; to the Committee on Education and Labor.

By Mr. PRICE (for himself and Mr. Bob Wilson) (by request):

H.R. 4515. A bill to amend title 10, United States Code, to provide that U.S. Navy Regulations may be issued by the Secretary of the Navy without the approval of the President and to provide express statutory authority for the Secretary of the Navy to issue other regulations; to the Committee on Armed Services.

By Mr. ROTH:

H.R. 4516. A bill to amend the Internal Revenue Code of 1954 to exempt certain farm property from the estate tax; to the Committee on Ways and Means.

By Mr. TRIBLE:

H.R. 4517. A bill to amend the Internal Revenue Code of 1954 to allow individuals to elect a nonrefundable credit for health insurance premiums paid under an individual policy in lieu of the deduction for such premiums; to the Committee on Ways and Means.

By Mr. VANDER JAGT:

H.R. 4518. A bill to amend the Internal Revenue Code of 1954 to exclude obligations issued to finance beverage container facilities from the restrictions imposed upon industrial development bonds; to the Committee on Ways and Means.

By Mr. WEAVER:

H.R. 4519. A bill to amend title 5, United States Code, to extend certain benefits to former employees of county committees established pursuant to section 8(b) of the Soil Conservation and Domestic Allotment Act, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. WON PAT (for himself, Mr. Evans of the Virgin Islands, Mr. Gray, Mr. Patten, and Mr. Simon):

H.R. 4520. A bill to amend title 5 of the United States Code to extend travel and transportation expenses for vacation leave before a new tour of duty to certain Federal employees whose places of residence are outside the continental United States; to the Committee on Government Operations.

By Mr. GRADISON:

H.J. Res. 360. Joint resolution to authorize and request the President to issue a proclamation designating October 21 through 27, 1979, "National Energy Conservation Week"; to the Committee on Post Office and Civil Service.

By Mr. BONKER:

H. Con. Res. 143. Concurrent resolution calling upon the President to urge a moratorium on the commercial killing of whales; to the Committee on Foreign Affairs.

By Mr. ASHBROOK:

H. Con Res. 144. Concurrent resolution expressing the sense of the Congress with respect to the Baltic States; to the Committee on Foreign Affairs.

MEMORIALS

Under clause 4 of XXII, memorials were presented and referred as follows:

226. By the SPEAKER: A memorial of the Legislature of the State of California, relative to peace between Israel and Egypt; to the Committee on Foreign Affairs.

227. Also, memorial of the Legislature of the State of Nevada, relative to allowing each State the option of administering Federal programs; to the Committee on Government Operations.

228. Also, memorial of the Legislature of the State of Nevada, relative to the need for independent examinations of gasoline inventories; to the Committee on Interstate and Foreign Commerce.

229. Also, memorial of the Legislature of the State of Nevada, relative to urging the Congress to pass a constitutional amendment permitting voluntary, nondenominational prayer in public schools; to the Committee on the Judiciary.

230. Also memorial of the Legislature of the State of Texas, relative to proposed amendments to the McCarran-Ferguson Act; to the Committee on the Judiciary.

231. Also, memorial of the Legislature of the State of Nevada, relative to increasing controls on the number of wild horses and burros; jointly, to the Committees on Interior and Insular Affairs and Merchant Marine and Fisheries.

232. Also, memorial of the Senate of the Commonwealth of Massachusetts, relative to the Alaska Highway Natural Gas Pipeline; jointly, to the Committees on Interstate and Foreign Commerce and Interior and Insular Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. APPLEGATE:

H.R. 4521. A bill for the relief of Shu Hsuan Lin; to the Committee on the Judiciary.

By Mr. MARKEY:

H.R. 4522. A bill for the relief of Annette Jutta Wohrle; to the Committee on the Judiciary.

By Mr. QUILLEN:

H.R. 4523. A bill directing the President to award a medal of honor to Jordan M. Robinson; to the Committee on Armed Services.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 1836: Mr. Matsui.

H.R. 1850: Mr. Abdnor, Mr. Ashbrook, Mr. Bafalis, Mr. Beard of Rhode Island, Mr. Cleveland, Mr. Courter, Mr. Daniel B. Crane, Mr. Davis of Michigan, Mr. Davis of South Carolina, Mr. Edwards of Alabama, Mr. Emery, Mr. Erdahl, Mr. Gingrich, Mr. Hansen, Mr. Harsha, Mr. Holland, Mr. Hubbard, Mr. Ichord, Mr. Johnson of Colorado, Mr. Jones of North Carolina, Mr. Kildee, Mr. Kostmayer, Mr. LaFalce, Mr. Lujan, Mr. McHugh, Mr. Mitchell of New York, Mr. Mitchell of Maryland, Mr. Murphy of Pennsylvania, Mr. Murphy of Illinois, Mr. Myers of Indiana, Mr. Nichols, Mr. Perkins, Mr. Pursell, Mr. Railsback, Mr. Stenholm, Mr. Taylor, Mr. Thompson, Mr. Traxler, Mr. Vander Jagt, Mr. Vento, Mr. Weaver, Mr. Williams of Ohio, and Mr. Winn.

H.R. 2461: Mr. Patterson.

H.R. 3169: Mr. Garcia, and Mr. Wolpe.

H.R. 3685: Mr. Roe, and Mr. Pease.

H.R. 3786: Mr. Cotter, Mr. Dodd, Mr. Giaimo, Mr. McKinney, Mr. Moffett, Mr. Ratchford, Mr. Emery, Mrs. Snowe, Mr. Boland, Mr. Conte, Mr. Donnelly, Mr. Drinan, Mrs. Heckler, Mr. Markey, Mr. Mavroules, Mr. Moakley, Mr. Shannon, Mr. Studds, Mr. D'Amours, Mr. St Germain, and Mr. Jeffords.

H.R. 3854: Mr. Gudger.

H.R. 3855: Mr. Gudger.

H.R. 4024: Mr. Brown of California, Mr. Kildee, Mr. Edgar, Ms. Holtzman, Mr. Glickman, Mr. Yatron, Mr. Dixon, Mr. Tauke, Ms. Ferraro, Mr. Courter, Mr. Peyser, and Mr. Bonior of Michigan.

H.R. 4156: Mr. Shelby.

H.R. 4157: Mr. Coelho, Mr. Lagomarsino, Mr. Panetta, and Mr. Lungren.

H.R. 4158: Mr. Mitchell of Maryland, Mr. Symms, Mr. Grisham, Mr. Whitehurst, Mr. Holland, Mr. Winn, Mr. McKinney, Mr. Neal, Mr. Bafalis, Mr. Edwards of California, Mr. Frenzel, Mr. Lagomarsino, Mr. Ambro, Mr. Mineta, Mr. Chappell, Mr. Dornan, Mr. Edgar, Mr. Burgener, Mr. Weiss, Mr. McHugh, Mr. Akaka, Mr. Hopkins, and Mr. Courter.

H.R. 4443: Mr. Solarz, Mr. Murphy of Pennsylvania, and Mr. St Germain.

H. Con. Res. 59: Mr. Cheney.

H. Con. Res. 124: Mr. Anderson of Illinois, Mr. Anthony, Mr. Badham, Mr. Bauman, Mr. Bafalis, Mr. Bereuter, Mr. Breaux, Mr. Brinkley, Mr. Brown of Ohio, Mr. Burgener, Mr. Butler, Mr. Carney, Mr. Carter, Mr. Cleveland, Mr. Coelho, Mr. Derwinski, Mr. Devine, Mr. Dornan, Mr. Erdahl, Mr. Flood, Mr. Frenzel, Mr. Ginn, Mr. Goodling, Mr. Gradison, Mr. Grassley, Mr. Hagedorn, Mr. Hanley, Mr. Hightower, Mr. Hughes, Mr. Kemp, Mr. Lagomarsino, Mr. Leach of Iowa, Mr. Levitas, Mr. Lewis, Mr. Livingston, Mr. McCormack, Mr. Marriott, Mr. Mazzoli, Mr. Miller of California, Mr. Montgomery, Mr. Nichols, Mr. Nolan, Mr. Pashayan, Mr. Patterson, Mr. Railsback, Mr. Rinaldo, Mr. Roe, Mr. Rousselot, Mr. Runnels, Mr. Scheuer, Mr. Sebelius, Mr. Snyder, Mr. Solomon, Mr. Stockman, Mr. Stump, Mr. Symms, Mr. Walker, Mr. Whitehurst, Mr. Whittaker, Mr. Winn, Mr. Wydler, and Mr. Young of Alaska.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

152. By the SPEAKER: Petition of the New Jersey State Federation of Women's Clubs, New Brunswick, N.J., relative to placing phencyclidine in schedule 1 of the Controlled Substance Act; to the Committee on Interstate and Foreign Commerce.

153. Also, petition of the city council, Thousand Oaks, Calif., relative to construction grant funding for water reclamation projects; to the Committee on Public Works and Transportation.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 4057

By Mr. KELLY:

—On page 1, line 8, insert the following new section 3:

Sec. 3. Section 5(e) of the Food Stamp Act of 1977 is amended by inserting the following new sentence: "Any individual is entitled to claim a deduction from his household income, above the standard deduction, for his medical and dental expenses, to the extent such expenses exceed $10 a month."

H.R. 4387

By Mr. BROWN of California:

—Page 9, line 4, after the period insert the following: "Special Grants: For research authorized by the Native Latex Commercialization and Economic Development Act of 1978, $2,500,000."

By Mr. MOORE:

—Page 47, line 12, insert the following new Section:

"Sec. 612. None of the funds herein appropriated shall be available to pay the expenses of parties intervening in any regulatory proceeding or of any person acting as a witness, an expert, or an advisor, for or upon behalf of any organization appearing before the United States Department of Agriculture, Food and Drug Administration, Commodity Futures Trading Commission or Farm Credit Administration."

H.R. 4394

By Mr. LaFALCE:

—On page 8, line 23, before the "$10,000,000," add the following: "and for contracts, grants, and other assistance to states, local governments and nonprofit organizations as authorized by the Liveable Cities Act of 1978 (42 U.S.C. 8141–8146),".

—Page 12, line 18, strike "$233,568,000" and substitute in lieu thereof "$243,568,000".

—Page 12, line 22, before the period insert: ", and for carrying out section 504 of the Federal Water Pollution Control Act, $10,000,000, to remain available until September 30, 1981".

EXTENSIONS OF REMARKS

AN APPEAL TO CONGRESSIONAL CONSCIENCE

HON. LOUIS STOKES

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, June 18, 1979

● Mr. STOKES. Mr. Speaker, today I had the pleasure of meeting with 12 highly respected members of the clergy who are representative of many of the major denominations in the United States. They share a deep concern over the direction this Congress has taken in legislation affecting the right of a woman to choose a safe and legal abortion according to her own religious beliefs. They believe that antiabortion legislation defies one of the most basic principles on which our Nation was founded—the separation of the church and state——and that this legislation denies a very precious freedom of religion to the individuals that are affected by it. They also decried the continuing discrimination taking place in this country by which more affluent women are able to secure superior quality health care not available to poorer women who, by virtue of their poverty, are dependent upon the Government for health services.

Today these religious leaders led a large number of their colleagues and an even greater number of committed lay people in an interfaith service on the Capitol Grounds. In solemn ceremony they committed themselves to protect diligently the freedom of religious conscience in abortion for all, and especially for the poor who suffer most tragically. The service was sponsored by the Religious Coalition for Abortion Rights, an organization composed of 27 national religious groups.

Following the service these men and women of faith presented to me an "Appeal to Congressional Conscience." They requested that I convey their message to the House and urge this body to consider carefully the full impact of restrictions on funding abortions, the cost in human tragedy of such restrictions and their effect of diminishing freedom of religion and freedom of conscience.

Mr. Speaker, I would like to insert at this point in the Record a copy of the "Appeal to Congressional Conscience" as it was presented to me by the Religious Coalition for Abortion Rights.

An Appeal to Congressional Conscience

We—clergy of many diverse faiths—petition our Congress to restore full funding for abortion services. This matter goes to the heart of our First Amendment rights of religious liberty and our country's commitment to principles of social justice and equality.

We have been both saddened and angered by the callous disregard of many members of Congress for the right of economically disadvantaged families to make decisions about abortion in light of their

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

own consciences and religious beliefs. By depriving these women of access to this necessary medical procedure, Congress has effectively deprived them of their constitutional rights of privacy, choice and conscience.

AS PASTORS AND RELIGIOUS LEADERS

We declare our concern and support for all women, rich or poor, and their right to choose the act of childbearing. We view with deep regret the use of women as pawns in a religious controversy in which there is no clear, indisputable truth and no apparent social and moral consensus, yet which has resulted in a public policy that denies their freedom of conscience because of their economic circumstances.

We call upon members of this Congress to recognize that access to health services should not be dependent upon economic circumstances. Furthermore, we call upon these lawmakers to refrain from legislating their own beliefs on the matter of abortion, but urge them to ensure true government neutrality by supporting legislation which would allow every individual to seek health services consistent with his or her own moral and religious conscience.

We declare our belief in the right of conscience that lies deep at the heart of our faith. Persons of goodwill and earnest belief standing before the threshold of moral decision take different courses, as informed by their own beliefs and consciences before God.

We call upon the members of this Congress to represent all the people of this nation, and protect each individual's right to exercise his or her religious conscience in the matter of abortion.

We declare our belief in the freedom of religion and the freedom from religion. We believe diverse religious groups can and must live together in a pluralistic society without imposing their doctrines on each other. The state is obligated to ensure that all religions are respected equally before the law.

We declare our belief in the American experience of church/state relations as being the most valuable and tolerable political arrangement.

We call upon the members of this Congress to uphold the principles of freedom of religion and separation of church and state, and refrain from enacting legislation which advances one particular theological belief about abortion.

MEMBERS OF THE RELIGIOUS COALITION FOR ABORTION RIGHTS

Division of Social Ministries-American Baptist Church.

American Ethical Union.

National Women's Conference of the American Ethical Union.

American Humanist Association.

American Jewish Congress-Women's Division.

B'nai B'rith Women.

Catholics for a Free Choice.

Washington Office-Church of the Brethren.

National Council of Jewish Women.

National Federation of Temple Sisterhoods.

General Executive Board-Presbyterian Church in the U.S.

Commission on Women's Concerns-Presbyterian Church in the U.S.

Union of American Hebrew Congregations.

Unitarian Universalist Association.

Unitarian Universalist Women's Federation.

Board of Homeland Ministries-United Church of Christ.

Center for Social Action-United Church of Christ.

Board of Church and Society-United Methodist Church.

Women's Division-Board of Global Ministries, United Methodist Church.

Church and Society Unit-United Presbyterian Church, USA.

Washington Office-United Presbyterian Church, USA.

Women's Program Unit-United Presbyterian Church, USA.

Women's League for Conservative Judaism.

Young Women's Christian Association.●

DEPARTMENT OF EDUCATION

HON. JOSEPH G. MINISH

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, June 18, 1979

● Mr. MINISH. Mr. Speaker, the House will soon take final action on H.R. 2444, the bill to create a separate, cabinet-level Department of Education.

The question of establishing an education department on the Federal level is a most difficult one. I would like to call to my colleagues' attention the lead editorial in this morning's Newark Star-Ledger. The arguments contained in the editorial clearly and concisely illustrate several important facets of our approaching decision.

The editorial follows:

INHERENT DANGER

The House of Representatives is considering the removal of educational responsibility from the Department of Health, Education and Welfare and the creation of a separate Cabinet level department to deal with school problems.

The action, which was approved by a wide margin in the Senate, is offered with the best of intentions. However, Congress should resist the temptation to meet what is inherently a local problem by creating a national office.

Proponents of the measure, led by the National Education Association, argue a separate Cabinet position would focus national attention on education, enhance federal funding and remove education from the problems of health and social services.

Opponents, a broad coalition led by Albert Shanker, the president of the American Federation of Teachers, AFL-CIO, contend the problems of education cannot be removed from other social problems. They also contend the Cabinet office would inevitably lead to harmful federal intrusion into either local affairs or academic areas that should remain as distant as possible from the political arena.

T. Edward Hollander, New Jersey's chancellor of higher education, has been a vocal opponent of the separate education department. He has expressed the fear that centralization would lead ultimately to direction from afar—not simply increased assistance.

There is validity to that fear. The dangers inherent in a centralized educational bureaucracy outweigh whatever advantages would accrue from increased federal attention. The public schools thrive when they are responsive to local conditions. The freedom of American universities depends on distance from, not proximity to government.

The public schools of this nation already suffer from too much uniformity that would be aggravated by closer national attention. To contend a separate Cabinet office would enhance aid while protecting local autonomy ignores history, control always follows money. To hope that a federal bureaucracy would be sufficiently flexible to generate rules, policy guidelines and aid requirements that would meet the needs of rural, suburban and urban schools is to hope what never was and what never will be.

The schools of this or any other state need the opportunity to experiment in order to find innovative approaches to chronic problems of illiteracy, disruption, desegregation and staff training. Despite the best intentions of federal bureaucrats, differences never have been enhanced, nor can they be, by centralized control.

Indeed, there is a special danger inherent in the latest attempt to create a U.S. Department of Education. President Carter has pressed the legislation at least in part, to repay a political debt he owes to the NEA for its unprecedented endorsement of his candidacy in 1976. The NEA has distinct views on the operation of the public schools which almost certainly will permeate at least the early critical years of the new office.

As in the public schools, perhaps more so, institutions and systems of higher education need room to respond to conditions in their state and region. While federal support of student assistance has been helpful, the strings that have been attached have shaped the policies of colleges and universities. Those strings can only become stronger and more entangled by a large federal bureaucracy.

The problems of learning are resolved in the most intimate and smallest unit of the schools—the work between a teacher and his or her student. The farther the focus of attention travels from that relationship, the less effective are the most well-intentioned solutions proferred. Washington is simply too far from the problem.●

LITHUANIANS STILL FIGHT FOR FREEDOM

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 18, 1979

● Mr. ANDERSON of California. Mr. Speaker, 39 years ago, Soviet forces invaded the nation of Lithuania to force onto its citizens a long era of enslavement. Though the new generation of Lithuanians have never experienced the joys of living in a democratic society, the yearning to regain their independence still persists as strong as ever.

Consider the following statement on freedom published in a recent edition of Young Dawn, a Lithuanian newspaper.

A slave is only he who accepts his servitude. A man who is afraid is already defeated. He easily succumbs to the economic and political exploitation of the enslaver. Self-respecting man has to overcome innate fear, to rise above natural inclinations, to prove that there are aspirations which are more valuable than life itself. Free is everyone who resists the efforts of the enslaver to make him godless, to dehumanize, to denationalize him.

These words of courage illustrate a strength which will carry the Lithuanians through whatever more they must endure to overcome those who deny them the basic human rights of freedom and integrity.

We of the Western democracies must not let these words fall on deaf ears. We must carry this message through all appropriate forums so that the world will know that the Lithuanian fight for freedom continues on. I offer this message to my colleagues of this great body as my contribution to this noble cause.●

WILLIAM M. DU CHESSI

HON. PETER W. RODINO, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, June 18, 1979

● Mr. RODINO. Mr. Speaker, over 200 people gathered at the AFL-CIO headquarters in downtown Washington last Thursday to honor the memory of a man who contributed tremendously to the American legislative process and to the labor movement for the past 40 years. Bill Du Chessi, who died last month, was the executive vice president of the Amalgamated Clothing and Textile Workers Union. He was a very special person to those of us who knew him, because of his integrity and outstanding professional ability.

Mr. Speaker, I was privileged to have an enduring friendship with Bill. His life is truly an inspiration, and that may be the key to his wealth of friends. He was drawn to the labor movement when he was 14 years old and working in a carpet firm. At 22, he became a charter member of the Textile Workers Organizing Committee, and he quickly moved up to organize textile workers in his home State of New York and in other States.

When he moved to Washington in 1967, he became the legislative director of the Amalgamated Clothing and Textile Workers Union, where he served with dedication and wisdom until his death, working with Congress to look after the needs and uphold the aspirations of America's working men and women.

The role that Bill played in the legislative process is a tribute to our representative democracy.

Mr. Speaker, the memorial service for Bill clearly showed the extent to which he was beloved and respected by his colleagues. Msgr. George Higgins of the U.S. Catholic Conference gave the invocation. Among those who spoke about Bill were: Murray Finley, president of the Amalgamated Clothing and Textile Workers Union; Vice President Walter Mondale; Tom Donahue, assistant to AFL-CIO President George Meany; House Speaker Thomas P. O'Neill; Sol Stetin, senior executive vice president of ACTWU; Senator Edward Kennedy; Congressman Sam Stratton; and Jacob Sheinkman, secretary-treasurer of the ACTWU. The Right Reverend Bishop Papken, the legate of the Armenian Church, gave the benediction.

Mr. Speaker, Bill's wife, Shirley, his son, Mariano, and his grandchildren should be comforted by this great outpouring of affection for the man we appreciated so much.●

A PROFESSIONAL'S CONCERNS FOR THE COOPERATIVE EXTENSION SERVICE

HON. WILLIAM C. WAMPLER

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 18, 1979

● Mr. WAMPLER. Mr. Speaker, in September of 1977 the Congress passed and the President signed Public Law 95-113, the Food and Agricultural Act of 1977. Among the titles to the act was title XIV, the National Agricultural Research, Extension and Teaching Policy Act of 1977. The Congress in passing this law reinforced traditional extension programs and established a number of new initiatives for the Cooperative Extension Service of the Department of Agriculture.

Recently Dean W. R. VanDresser of the Virginia Cooperative Extension Service at Virginia Polytechnic Institute and State University at Blacksburg, Va., forwarded me a copy of a speech presented by Dr. Daniel C. Phannsteil, director, the Texas Agricultural Extension Service, at the Extension Conference, Blacksburg, Va., on May 23, 1979. This speech by one of the foremost extension professionals in the United States, is particularly important as a critique of the implementation of title XIV of Public Law 95-113 by USDA.

Dr. Phannsteil expressed specific concerns in his speech regarding some of the recent developments in the administration of the cooperative extension program, particularly at the national level. That portion of his speech follows:

EXCERPT OF SPEECH BY DR. DANIEL C. PHANNSTEIL

Permit me now to digress a bit from my assigned topic to express my concerns about some developments, particularly those at the National level. In reality this may not be a digression but something quite germane to the maintenance of the effectiveness of Extension programs in the future.

That the Cooperative Extension Service has been an extremely effective instrument for bringing about economic and social improvement can simply not be disputed. Perhaps one of the problems of the Extension Service has been that it has been so successful, too successful perhaps. Success has put us in the public eye and many other groups, in Government especially, view us with concern just because we have been so effective. Many attempt to emulate us, some would do away with us in order to use our resources for other purposes, and others simply are seeking ways of controlling us more effectively.

Let's look at the Washington scene, for this is where the situation is clearly the most disturbing. Within the Federal establishment, within the Office of Management and Budget, and within the U.S. Department of Agriculture itself, there has been, as I see it, a fruition of long-term efforts designed to gain greater control of the Extension Service, or failing in this, to render it ineffective.

Increasingly, I am becoming dismayed and frustrated at what I interpret on the part of some of the top leadership in the Federal establishment to be a conscious and deliberate disavowal of the special and unique partnership which has existed between the U.S. Department of Agriculture and this Nation's land-grant universities for so many years. The evidence that this is happening is simply so overwhelming that it can no longer be ignored. This special relationship has existed, as you know, for well over 100 years beginning with the passage of the original Morrill Act of 1862 and has been reconfirmed on numerous occasions by subsequent laws passed by the Congress of which the Hatch Act of 1887, setting up the State Agricultural Experiment Stations, and the Smith-Lever Act of 1914, setting of the State Cooperative Extension Services, are but two of many examples.

Apparently this shift has resulted from the nonland-grant universities agitating to get a bigger piece of the action. Even some of the private universities are getting into the act because some recent research grants from the Department of Agriculture have gone to such institutions.

The disavowal of this special relationship is clearly evident in comments made by many of the top administrators of USDA. The appointment of many of the top personnel in the Department who do not have a land-grant commitment is additional evidence.

The most disturbing development has been the complete reorganization of the elements of the U.S. Department of Agriculture which relate to Extension and Research. This reorganization is virtually completed now, and what it has done is to amalgamate into one agency the previous agencies of the Extension Service of the USDA, the Cooperative States Research Service, the Agricultural Research Service, and the National Agricultural Library. This new unit, as you know, is labeled the Science and Education Administration (SEA), and it is being headed by a director, Dr. Anson Bertrand, former Dean of Agriculture at Texas Tech University.

The SEA Director reports to the Assistant Secretary for Conservation, Research, and Education, who is Dr. Rupert Cutler.

In this new organizational setup, the Deputy Director for Extension of SEA is Dr. W. Neill Schaller, and as such, Dr. Schaller reports to the Director of SEA. Previously, as Administrator of the Extension Service, Dr. Schaller reported directly to the Assistant Secretary for Conservation, Research, and Education.

So it is correct to conclude that Extension is located one notch lower in the hierarchy of the department. The most deplorable aspect of this is that Extension no longer exists as an entity in Washington. Even more disturbing, Extension does not even appear in the name of the new agency.

The vast majority of the staff of the new agency has come from the Agricultural Research Service, probably some 80 to 90 percent of it. I think we will see a considerable reflection of this in future happenings. Straight-line Federal agency staff seem to have a top-down mentality that differs from those who operate in the Cooperative State and Federal programs such as ours and such as those of the Experiment Station where the objectives and program plans are by law supposed to be mutually determined and agreed to.

The new organization is very complex, and the consequences of eliminating the Extension Service as an entity at the National level can only serve to weaken the position of this greatest of all our adult education systems in the future. Could this have possibly been the intent? I wonder, and I know that you must wonder also.

If that were not enough, there has also been a rather drastic restructuring of the program units of what is left of Extension in this new setup. Previously the programs units of the Extension office in Washington were similar to the program units in which many states have; namely, agriculture, home economics, 4-H, and community resource development. Now the agriculture and natural resources unit in Washington has been divided into two new units—one for agriculture and one for natural resources.

A more controversial reorganization involved home economics where the existing home economics unit was fragmented into two units—one for family education and the other for foods and nutrition. The vast majority of state Extension directors as well as state home economics leaders felt that this was an extremely unwise move, and this was clearly communicated to those in authority on numerous occasions, but they saw fit to proceed with the reorganization anyway.

I might also point out that the total number of professional staff members of what is left of the Extension Service in the Department of Agriculture is less than half of what it was several years ago. This has primarily come about because of personnel ceilings established in the Federal Government.

Another piece of evidence that suggests where the priorities lie in Washington is that for the second year in a row the current Administration recommended an actual cut in the Extension budget. Fortunately last year, Congress ignored this recommendation, and not only restored the recommended cuts, but added some additional funds. We fervently hope that this will happen again this year.

There is much frustration in all of this because when you look at the total Federal establishment, the Extension and Research budgets hardly represent a rounding off for the billions of dollars which are still being targeted for new and unproven programs. It is difficult to understand why there are cuts being considered for programs such as Extension and Research which have so clearly demonstrated their effectiveness in the past. These programs, in contrast to some of the new programs, have been managed responsibly and have certainly proven their payoff in terms of increased income and higher quality of living for the people who are the recipients of these programs.

There has been other chipping away at the unique Federal, State, and County partnership. For example, the Extension Services have lost the privilege of acquiring Federal excess property. This program helped many states get equipment such as office furniture and related items from closed-down military bases, and much of this equipment was in good and usable condition. Also Extension has lost within the last few years the privilege of purchasing through the General Services Administration.

There is something else difficult to understand. Many of you recall that after the passage of the Civil Rights Act of 1964, the Extension Services of the 1862 institutions and the 1890 institutions were required to organizationally amalgamate. As a result, throughout the 15 southern states affected, offices at the local level were consolidated, staff colocated, and all placed under a common line of supervision.

Since the early 1970's, Congress has provided some earmarked funds for the conduct of Extension programs in collaboration with the so-called 1890 institutions; that is, the predominately black land-grant colleges in those states which have them. This caused no special problem as we continued to operate as intended as one Extension Service.

Last fall Congress passed the Food and Agriculture Act of 1977 which included many provisions; one being the provision of the separate funding for Extension programs operated out of the 1890 institutions. Now the funds will go directly to those institutions, so we face the real and dismaying prospect in many states of again having two separate Extension Services aligned somewhat along racial lines. This to me clearly violates both the letter and the spirit of the 1964 Civil Rights Act.

The establishment of separate Extension Services within a state seems to me to present some dangerous precedents. We have some nonland-grant universities in Texas, and I am sure the same is true for many other states, which indicate that they could do all of the necessary teaching, research, and Extension within their perceived geographical spheres of influence. As I pointed out earlier, some of the research funds are already going to some of these nonland-grant universities. How long will it be before there is agitation for some of the Extension funds to go to these other institutions for the conduct of Extension work? Are we facing the prospect of having multiple Extension Services operating within the state? Is this in the interest of efficiency and effectiveness? I think not.

I trust I am not getting too paranoid about all of this, but I can't help but wonder if some of what's happening in Washington isn't related to efforts to chastise Extension for its alleged intransigence in Civil Rights. Back in the 1960's investigators for the Civil Rights Commission visited a few places in the deep South and wrote a scathing report about the separate but highly unequal services the Extension Service was providing to White and Black citizens in those locations. They only visited two or three states. They did not visit, to my knowledge, either Virginia or Texas.

This report was widely circulated and has been, and continues to be, frequently cited as gospel. I am not questioning what the investigators reported, but I resent that the entire Extension Service was considered to have a bad Civil Rights track record because of what was found in two or three instances. In the context of that time, and in those locations, I am sure things were not all that different from other agencies, but apparently they were presumed to be.

Anyway, the report gets quoted over and over again, and no recognition whatever is given to the progress made since then or to the fact that the sites investigated did not represent a sample of the whole.

This past August, Dr. Anson Bertrand, Director of SEA, in delivering remarks for Dr. Rupert Cutler, Assistant Secretary for Conservation, Research, and Education, said this at the annual meeting of the National County Agricultural Agents Association meeting held in Idaho:

> For the Federal Government's arm of Extension, I am chagrined when my co-Assistant Secretary of Agriculture, Joan Wallace, writes: "Prior to the 1964 Civil Rights Act, the administration of Extension work in the South was segregated by race. When the separate administration structures were merged, black Extension workers were almost universally subordinated to white Extension workers. To a large extent, the years since 1964 have been ones of agonizingly slow adjustment marked by repeated noncompliance and very little action to correct the situation. In the meantime, a generation of rural minority farmers, homemakers, and youth have passed with only the slightest indication that change from pre-1964 days is occurring."

Dr. Cutler, in these prepared remarks, gave no evidence that he himself believed otherwise. It appalls me that this rhetoric never seems to be challenged. No credit whatsoever is given for the tremendous progress that has been made in the meantime.

It's a bum rap, and I for one am fed up with being singled out as the bad egg on this issue, especially when I look around among the other USDA agencies and other units of the University. My observation is that they employ precious few minorities when compared to Extension, and I firmly believe that Extension is doing far more than all of these other groups put together in meeting the real needs of minorities.

What has all of this to do with how one views an effective Extension program? A great deal really. We must conduct effective programs, but it is becoming increasingly important that the effectiveness of these programs be communicated to the right people. Our clientele must be aroused as they have never been aroused before. I don't believe that many of them are fully aware of the chipping away of Extension that is taking place today, particularly at the National level. All of us must help them understand that unless that they speak up and speak loudly and clearly, they stand to lose something that has been so very important to their well being. Dean Van Dresser can't do this by himself; I can't do it; but together all of us can make sure that the people who believe in us know the truth.

The concept of Extension is basically sound. Its efficacy as an instrument of positive change in our economy and society has been demonstrated time and time again. Surely the people of this Nation and of our states will continue to support that which has been of so much help to them. Extension is simply too great an idea for it not to continue to be given a vital role in bringing about even greater progress in the future.

It has been so very good to be with you here today, and I can't tell you how very much I appreciate having been given this opportunity to visit with you. My best wishes to you for continued success with your educational endeavors and may your accomplishments in the future exceed your most optimistic aspirations.●

LEGISLATION INTRODUCED FOR UNRESOLVED ISSUES IN THE CALIFORNIA-NEVADA DESERT

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 14, 1979

● Mr. BROWN of California. Mr. Speaker, today I am introducing two bills, by request, which deal with important, unresolved issues in the desert of California and Nevada. They are legislation to create a Mojave National Park, and legislation to establish the Desert Pupfish National Monument. While these bills are not strictly related to each other, and each has been introduced before. I find some similarity between them. The main similarity is that neither bill would be necessary if the Department of the Interior practiced the type of stewardship of our Nation's natural resources that they should. I have not been totally convinced by the numerous groups and individuals which support this legislation that only new legislation will accomplish the goals of this legislation. I have been convinced that only the threat of new legislation will move the Department of the Interior in the direction this legislation requires.

The bill to create a Mojave National Park was introduced in the last Congress by myself at the request of numerous conservation and environmental groups which are concerned with the California desert. Since that legislation was introduced, it has helped focus the discussion on the California desert plan, which was required to be prepared by the Federal Land Policy and Management Act of 1976. I am reintroducing this legislation to make it clear to all parties involved that I want this discussion and process to evaluate the California desert conservation area to include park values, and a Mojave National Park in particular. A more thorough discussion of this bill can be found in the June 26, 1978 issue of the CONGRESSIONAL RECORD on page 19041.

Briefly, the Mojave National Park bill would create a park in the eastern Mojave Desert. It would encompass an area rich in natural, archeological, and historical features. In addition, there are botanical and zoological resources that further enhance this area. Among the highlights are 32 volcanic cinder cones, the second highest sand dune system in North America, outstanding and irreplaceable petroglyphs, remains of 19th century military and mining outposts, as well as hundreds of plant and animal species, including several endangered species.

The Desert Pupfish National Monument legislation is a companion measure to a bill Senator ALAN CRANSTON has been supporting for some time. Needless to say, the Desert Pupfish is an endangered species, which lives in a very fragile habitat. While the Endangered Species Act and other powers at the disposal of the administration could be used to protect the Desert Pupfish in the Ash Meadows area, I am concerned that this is not being done. The area where this species is most in danger is at Ash Meadows, Nev. For a variety of reasons, it appears that this legislation by Senator CRANSTON is both prudent and necessary to provide a comprehensive solution to the crisis now facing the pupfish.

Mr. Speaker, I urge my colleagues to carefully consider both of these bills, and the situation which makes their introduction necessary.●

AMENDMENT TO S. 1039

HON. DOUGLAS APPLEGATE

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, June 18, 1979

● Mr. APPLEGATE. Mr. Speaker, I would like to take this opportunity to express my support for Senator GORDON HUMPHREY's amendment to S. 1039 which would delete the section of the bill limiting the travel expenses, over-the-counter drug benefits, and dental benefits to our veterans.

The House version of this bill did not contain restrictions on these benefits. Furthermore, Federal reduction in employees and beds in our veteran's health facilities have already jeopardized the quality of care and services to this deserving segment of our society. We cannot justify nor permit further adverse action affecting the treatment and quality of health care services to our Nation's veteran's population.●

LITHUANIAN INDEPENDENCE

HON. JAMES J. BLANCHARD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, June 18, 1979

● Mr. BLANCHARD. Mr. Speaker, this June marks the tragic anniversary when, 38 years ago on June 14 and 15, countless thousands of innocent Lithuanian citizens were deported by Soviet authorities to certain death in Siberia. It is yet another sad historical note in the history of this small Baltic State which still strives valiantly today to recapture its independence and democratic way of life.

We should especially take note at this time of the plight of many Lithuanian citizens who have been denied their most basic human rights and who today languish in Soviet prisons. Two such individuals are Viktoras Petkus and Balys Gajauskas. As prisoners of conscience, they symbolize the struggle of the Lithuanian people. I urge the administration to do everything it can to help secure the release of these brave men.

As an indication of the people of Lithuania's undaunted spirit and commitment to continue the struggle for freedom, I want to bring to the attention of my colleagues an article which appeared in the underground Lithuanian press earlier this year. The article, which has been translated into English, is entitled "The Free Lithuanians in a Subjugated Fatherland." I hope that the leaders of the free world will pause on this sad anniversary to remember the sentiments expressed in this article, and to reassert support for bringing back freedom and independence to Lithuania and the other Baltic States, Latvia, and Estonia.

The article follows:

THE FREE LITHUANIANS IN A SUBJUGATED FATHERLAND

(This article is taken from the underground paper "Ausrele" (Young Dawn) circulated in occupied Lithuania on February 16, 1978.)

Is it not a new paradox in our controversial and peculiar world, where quarrels, litigations and murders occur for the most negligible causes, that the fight for the most important human values: freedom, integrity and well-being is avoided?

However, this should not be considered as a paradox. Free people exist not only in the free world, protected by democratic constitutions, but also in countries where any desire for freedom is squelched with bullets, jails, psychiatric hospitals. A slave is only he who accepts his servitude, who does not feel the chains which bind him. A man who is afraid is already defeated. He easily succumbs to the economic and political exploitation of the enslaver. Self-respecting man has to overcome innate fear, to rise above natural inclinations, to prove that there are aspirations which are more valuable than life itself.

Free is everyone who resists the efforts of the enslaver to make him godless, to dehumanize, to denationalize him. This rule can also be applied to entire nations. Every nation which struggles against the oppressor is free, notwithstanding the fact that its territory may be occupied. Such a nation even though it has lost its external freedom, has preserved its internal, spiritual independence. The history of the Lithuanian nation during the last decades (not speaking about the entire period from the loss of its independence) has proven this very convincingly.

After the rebellion of 1863 which was cruelly crushed, for several decades there was no active resistance in Lithuania. However, underground newspapers "Ausra" (The Dawn, "Varpas" (The Bell) came to being announcing the spiritual rebirth of the Lithuanian nation. The 1944 rebellion, which lasted for 10 years, was even more ruthlessly suppressed. It seemed as if it would be necessary to wait a few more decades until new resistance forces matured. However, before the guns of the freedom fighters were silenced, on All Souls Day, 1956, in the cemetery of Kaunas, the tricolor flag of free Lithuania was raised. Students, intelligentsia, former prisoners who had returned from concentration camps in the Soviet Union, with tears in their eyes sang the Lithuanian national anthem and the religious hymn, "Mary, Mary lighten our servitude . . ." The crowd repeatedly shouted, "Freedom for Lithuania", "Begone Russian intruders". Stones were hurled at the members of the NKGB. In Vilnius, that same evening, masses of young people poured out of the Rasos cemetery singing patriotic songs. They flooded the streets and stopped traffic for several hours.

After that demonstration hundreds of young people, students and former prisoners, were taken in steel-barred trains to the same concentration camps where more than one thousand Lithuanian freedom fighters, underground resisters, were still being tortured. Great number of young Lithuanians were drafted into the Soviet army.

In the autumn of 1970 Pranas and Algirdas Brazinskas; father and son, escaped to the West, informing the entire world about the desire for freedom burning in the hearts of Lithuanians. One month later, Simas Kudirka who was turned over to the Soviets, beaten, reminded the Western world about the indifference of the westerners to their self-asserted moral ideals.

In March, 1972, "The Chronicle of the Catholic Church in Lithuania" began to inform the world about the persecution of believers and their priests in Lithuania. On May 14th of that same year, in the garden of the Drama Theatre in Kaunas, where 32 years earlier a disgusting mockery of the independence of Lithuania and the free state system had been perpetrated, the self-immolation of Romas Kalanta (who died shouting "Freedom for Lithuania") took place. His body perished but his spirit remains alive forever in the hearts of the nation, continuously rapping at our conscience and fostering the desire for freedom.

Romas Kalanta, born in slavery, became free. His sacrifice dispelled the myth of the oppressors that the younger generation, continually brainwashed by a stream of beautiful words and promises, will obey their coercion and will melt into the flood of colonization, forgetting the spirit of the Lithuanian nation. Today the younger generation has already taken up the banner of the fight for freedom. Although born in slavery, they have inherited the yearning for freedom from their parents.

Thirty-seven years ago as a result of a secret pact between brutal dictators, Lithuania lost its independence. For a paltry sum the red Eastern feudal lord bought Lithuania from the Western plunderer. The Lithuanian nation, left to its fate by the democratic nations, did not bow its head. The Eastern tyrant required several years to achieve physical conquest, but he will never achieve spiritual conquest!

Knowing that there is no struggle without sacrifice, we believe that no sacrifice, especially a sacrifice of blood and suffering will be in vain, but will encourage and obligate us to fight until, as the poet Maironis stated, "the painful chains will fall away and a bright new sky will dawn for our children".

Therefore, we, together with free Lithuanians are publishing "Lietuviu Kataliku Baznycios Kronika" (Chronicle of the Catholic Church in Lithuania), "Ausra" (the Dawn), "Dievas ir Tevyne" (God and Country), "Varpas" (The Bell), "Lietuvos Balsas" (The Voice of Lithuania) and other underground papers. We bid defiance to the only colonial empire left in the world (the Soviet Union), before whose military power almost the entire world trembles. We are once again appealing to the democracies of the noncommunistic world, to those who declare the principles of the subjugated nations.

Let these pages speak out about the inextinguishable yearning for freedom, about the efforts of those people who under the most impossible conditions continue the traditions of the free Lithuanians.

FREE LITHUANIANS.●

THE 150TH ANNIVERSARY OF THE FOUNTAIN RUN BAPTIST CHURCH

HON. TIM LEE CARTER

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Monday, June 18, 1979

● Mr. CARTER. Mr. Speaker, the Fifth District of Kentucky, which I am pleased to represent, goes from Kingdom Come in Harlan County on the east to Fountain Run in Monroe County on the west, and from Clay's Ferry in Madison County on the north to Jellico on the Tennessee-Kentucky line on the south. In 1827, the Fountain Run Missionary Baptist Church was erected. Since that time it has been a place of worship for the people of Fountain Run and its environs. Mrs. Lucy Albright records in the Glasgow Republican how the 150th anniversary was observed. I enclose her article for the RECORD:

THE 150TH ANNIVERSARY OF THE FOUNTAIN RUN BAPTIST CHURCH

(By Lucy Albright)

Fountain Run Missionary Baptist Church erected 1827. Three churches have been erected on the same grounds given by John Jacob Good in 1829 for the purpose of building a church. The other churches were the first, built of logs and the second a large frame building.

"Behold, I build an house to the name of the Lord, my God, to dedicate to him . . . and the house which I build is great, for great is our God above all gods (words of Solomon)", was the subject of the message delivered by Bro. Melvin Stinson, the pastor, at the 150th Anniversary service at the Fountain Run Missionary Baptist Church, Sunday, May 27, to a church filled to capacity with people from different states and different places in Kentucky. The service was held for the purpose to glorify God, and to pay tribute to the memory of all who helped to organize the church and to keep it active for a century and a half. With your indulgence, please, may I say the entire service from the ringing of the bell at the beginning, to the closing prayer was sweet, impressive and joyful, and many eyes were moist as precious memories flooded their soul. In fact, a lady visitor, a teacher, was heard to remark that she began to cry at the first song, and continued to cry throughout the service.

The Fountain Run Missionary Baptist Church was organized, the first Saturday in July, 1829, in the two story log home of Naysa Simmons, Fountain Run. Thomas Scrivenor, 54, a Baptist preacher, was the moderator, aided by two other Baptist preachers, Levy Roark, and John H. Baker and the church was constituted with 12 members. Charter members were James Campbell, 77, who fought in the Revolutionary War, Harden Celsor, 44, K. D. Dossey, John Jacob Goodman, 45, who gave the land for the building of the church, Naysa Simmons, 55, and Isaac Garmon. Descendants of each of the charter members who were present were given an opportunity to stand. Descendants of Jacob Goodman was the largest representation, approximately 40. Among these Dr. Dero Downing, Bowling Green, his brother George and two sisters are descendants of three charter members, James Campbell, Harden Celsor, and John Jacob Goodman. Marilee, Ann Porter, and Robert Goodman Lexington, who attended with their father Dr. Robert Porter Goodman, and grandfather Charles A. Goodman, are the 7th generation from Jacob Goodman. Cindy Arterburn who attended with her father Wallace Arterburn and grandmother Fanny C. Goodman Arterburn is the 8th generation from James Campbell. Others in the Goodman family, Glasgow, whose names have not appeared in this paper, who attended were Mrs. Will Goodman (Lucy), her son Jack Goodman, Henry Goodman, Mallie Goodman Downing and husband Luther Downing and also Mrs. Dero Downing.

Franye Goad, who attended the service with her parents Mr. and Mrs. Fred Goad Jr., Nashville and her grandfather, Fred Goad Sr., Birmingham is the 8th generation from James Campbell. Mark Cherry and Scott Turner, who attended Sunday School at the Fountain Run Baptist Church have the distinction of being the 9th generation from James Campbell and also descendants of Harden Celsor and R. D. Dossey. There are other children, young people and adults who attend this church who are the 8th, 7th. and 6th generation from charter members of the church. As the program unfolded, it seemed that all present were in accord in fellowship and spirit. It was the supreme desire that the service would be acceptable to the Lord, and that the visitors would take home with them warm uplifted hearts, and that the church would be strengthened in faith, and each one present would profit from the glorious experience of the occasion. May we hold fast to the Christian heritage of our forefathers, and may it continue to sustain us through the years.●

IDEAS OF GOVERNOR DREYFUS OF WISCONSIN

HON. TOBY ROTH

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Friday, June 15, 1979

● Mr. ROTH. A new political personality is always of interest to us in this House and throughout the Nation. Wisconsin, which has produced many glamorous and flamboyant politicians in the past, elected a new Governor 5 months ago who gained nationwide attention and reputation.

The June 18 issue of Time has an excellent article about Governor Dreyfus of Wisconsin. He has some far-reaching new ideas and I recommend them to my colleagues:

A SELF-STYLED "REPUBLICRAT"; HE CUTS TAXES AND WINS FRIENDS

The first thing that Lee Sherman Dreyfus did after taking office last January as Wisconsin's 41st Governor was to hold three separate inaugural balls and invite everyone in the state to attend. He stocked the closets of the Governor's mansion with two dozen apple-red vests, his personal trademark, and ordered a deluxe blue Chevy van to replace the official limousine. Not long after that, he signed a $946-million tax cut, the biggest in the state's history, which gave delighted Wisconsinites a reprieve from state income taxes in their May and June paychecks. "It's kind of a hard act to follow," jokes Dreyfus, 52, a pudgy, mustachioed man. "I think we may have peaked a little early for a four-year term."

If this sounds unconventional, so is the avuncular Dreyfus, whose wife Joyce refers to him affectionately as "Flannel Mouth." After his upset victory over Democratic Incumbent Governor Martin Schreiber, he is emerging as a bright new Republican figure.

A former professor of mass communications who became chancellor of the University of Wisconsin's Stevens Point campus at 41, Dreyfus is a self-styled "Republicrat." He only joined the G.O.P. in December of 1977. "If you're going to take 'em over, the least you can do is join 'em," he says. An accomplished orator, he challenged and beat Congressman Robert Kasten, the official party choice, in the 1978 primary. He then went on to defeat Schrieber on a platform of open government, curtailed spending and tax relief. It was quite a feat for a political neophyte—polls a year ago showed that only 3 percent of Wisoncsinites recognized his name.

Dreyfus carried out his pledges. Before even proposing a budget, he got the Democratic-controlled legislature to pass a tax-cut bill, which in effect returned the state's huge tax surplus to the people without cutting services. "First you decide how much money there is, and then you decide what you're going to spend it on," he argued. He opened off-limits meetings to journalists, and he announced that there would be a new fiscal restraint. Although he has proposed a budget that is 20 percent higher than the previous one, Dreyfus maintains that "my key program is no more new programs."

Dreyfus' real feat to date, though, has been his rejuvenation of the state Republican Party, all but moribund since 1970. Preaching that the party must become more progressive to survive, he has crisscrossed the state, drawing crowds of 500 and 600 at rallies that once attracted only 50 to 60. His efforts to court new party members, particularly among the independents who helped elect him, have paid off. G.O.P. membership is up about 1,500 in the first five months of 1979, and party contributions are expected to increase $100,000 over previously projected figures for the year. "Dreyfus has brought in a large number of independents where were dissatisfied with the old tweedledum and tweedledee routine," says Milwaukee Sociologist Wayne Woungquist.

His shrewed party building has earned Dreyfus the attention of national Republican leaders, including presidential hopefuls. John Connally breakfasted not long ago at the Governor's mansion with Dreyfus, and Howard Baker flew him in a leased Learjet to a party meeting in Indianapolis. Dreyfus has even been mentioned as a vice-presidential prospect, but he scoffs at that notion.

At the very least, the novice Governor, who nibbles on raisins and unsalted peanuts for lunch and often plays jazzy tunes late at night on the stately grand piano in his official mansion, is off to an impressive start. "The electorate is angry with the political process," says one Wisconsin Democrat, "and Dreyfus is just as much a product of that attitude as Proposition 13." A recent statewide poll gave Dreyfus a 75 percent rating on competence and integrity—and a whopping 70 percent of Democrats gave him their vote of confidence.●

PROMOTING RESPONSIBLE REPAYMENT OF STUDENT LOANS

HON. MILLICENT FENWICK

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, June 18, 1979

● Mrs. FENWICK. Mr. Speaker, the steady rise in defaulted student loans is a matter of concern to all of us. A recent report by the Comptroller General indicates that fully one-fourth of the $4 billion in receivables due the Office of Education is currently in default. The report further asserts that the adoption of some practices used routinely in the private sector—such as reporting of debtor information to credit bureaus—could prove extremely beneficial to the Government in debt collection. Statutory authority already exists for the Office of Education to do this, but despite a recent call for vigorous action to collect on defaulted loans, the Office of Education has taken no action up to now.

I am introducing legislation today which would require the Commissioner of Education to report to private credit bureaus when a loan enters a default, after a reasonable effort has been made to collect the debt and verify the accuracy and completeness of the information. The Commissioner would be directed to report the date of disbursement and the amount of the loan, information concerning delinquency of the repayment of the loan, and the date of cancellation of the note upon completion of repayment by the borrower. Cooperating credit bureaus would be required to record promptly any errors or objections raised by the borrower. Another section of the bill, permissive rather than mandatory, would allow the Commissioner to obtain from the credit bureaus information about the location of defaulters.

The adoption of these practices has been recommended strongly by the General Accounting Office, which has recently compared debt collection practices in the private and public sectors, and found the Government's procedures generally slow and ineffective. GAO further maintains that the Office of Education may exchange this information with private credit bureaus without violating any provisions of the Privacy Act.

The potential benefits of sharing information in this way have been demonstrated effectively in my home State of New Jersey. Since December of 1975, when New Jersey began to report information about its guaranteed student loans to a private credit agency, fewer loans have entered default, and there has been a marked increase in the number of students making payments on previously defaulted loans. New Jersey has brought its default rate on guaranteed student loans well below the national average. State Higher Education Education Assistance Authority Director William C. Nester has pointed out that this practice is beneficial not only to the Government, but to the individual borrower as well. "Failure to include educational loans as part of a person's credit history creates a distorted financial picture," Nester maintains; and as a result a person can easily become overindebted—

> When you allow an individual to become so heavily indebted that he must . . . declare bankruptcy, you have performed no service for that individual.

When Government fails to collect its debts, some people are given benefits to which they are not entitled, and others are cheated. The tax burden is increased and the budget deficit grows ever larger. We cannot afford bad management of this magnitude. My legislation would help to correct this situation by requiring the Office of Education to adopt a proven strategy which will promote repayment of debts owed the government. This beautifully simple and sensible program not only provides an incentive for those who have defaulted to repay their debts, but also acts as a deterrent for those who might otherwise have been lax about repaying. If this proposal is adopted, the money which will be collected from former students, much of which would otherwise simply be written off as uncollectable, will be available to help defray the costs of education for students of tomorrow.●

AN INDEPENDENT OWNER SPEAKS OUT

HON. W. G. (BILL) HEFNER

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 18, 1979

● Mr. HEFNER. Mr. Speaker, Mr. James F. Hurley III, publisher of the Salisbury Post, is a distinguished member of a well-known and widely respected family which has owned and operated the newspaper in Salisbury, N.C., since 1912. I am proud that Mr. Hurley and his family are members of my constituency, because they have for 67 years devoted their lives to informing, educating, entertaining, and, yes, chiding the people of Salisbury and Rowan County. Their generous donations to charitable and civic projects are well known throughout the city and county.

Mr. Hurley recently appeared before the Senate Select Committee on Small Business to testify on the alarming and rapidly growing trend of newspapers of all sizes being bought by communications chains. Mr. Hurley spoke in favor of H.R. 2770 to amend the tax laws of the United States to encourage the preservation of independent local newspapers.

I am including a copy of an article based on Mr. Hurley's remarks, which appeared in Publishers' Auxiliary, in the CONGRESSIONAL RECORD.

OPTIONS FOR FAMILY-OWNED PAPERS FEW

The Salisbury Post has been operated by a member of the Hurley family for three generations since 1912. Although the 25,000-circulation Post is the only daily newspaper in our county, there are 15 other dailies within a 50-mile radius. We are not exactly what one would call a growth situation.

Why has the Post remained a family-owned newspaper? What are our options? What are the chances of its remaining a family operation?

Let me explain our options by telling you the story of two newspapers. One was retained in the family. The other was sold to a group. (This story is not factual but is based on fact).

Newspaper A—we'll call it the Family Times—has a circulation of 25,000 and does a business of $3 million a year. Its advertising rate is $2 an inch, and its subscription price is $4 a month. Each of those figures is very low for such a circulation, especially the advertising rate.

Out of its $3 million in revenues, Family Times earns 20 percent, or $600,000 on its operations before taxes. Being a community newspaper, whose owners live and work in the town of publication, the Family Times elects to put 10 percent of its pretax profits into a profit-sharing plan for its employes and 5 percent into such community endeavors as United Way, YMCA, Little League, the two local colleges and other community activities.

Thus, the Family Times' revenue for tax purposes is about $500,000. Of this amount, about 50 percent goes to pay state taxes and federal corporate income taxes, leaving Family Times with an after-tax profit of $250,000.

The Internal Revenue Service, having checked Family Times' books in the past, has "strongly recommended" that the company pay out half its earnings in dividends because it can't prove a need for retaining much more than the allowable $150,000 in earnings. Family Times, IRS says, is not using its retained earnings to buy into other newspapers, so it can't justify more than $1 million in retailed earnings.

Thus, Family Times uses one-half its after-tax profits to pay its owners as a dividend: $125,000. Let's say the operators of Family Times have been thrifty and have saved and invested wisely outside the business and find themselves in the 60-percent tax bracket. Then, $75,000 of the dividends to owners goes to pay federal income taxes, leaving an after-tax profit of $50,000.

With five members of the family, each owner, then, receives $10,000 as his share of Family Times' profit. Meanwhile, the $125,000 set aside as retained earnings is earmarked to replace the company's press. The current press, purchased 10 years ago, cost $500,000. The $500,000 depreciation allowed on that press won't pay the $2 million bill for a new press with virtually the same capacity and same speed. Thus, owners of the Family Times must set aside all undistributed profits for 12 years merely to replace the press.

Meanwhile, Newspaper B—which we shall call the Family News—is located 20 miles down the road. It also has a circulation of 25,000, an ad rate of $3 an inch, a subscription price of $4 a month and annual revenues of $3 million.

Instead of five owners, the Family News has 20 owners—all descendants of the newspaper's founder. Ten still live in town, but 10 have scattered across the country.

Disgusted with their return of $2,500 in after-tax dividends ($50,000 divided by 20), the out-of-town nieces, nephews and cousins demand more money. Family News has its annual stockholder meeting and faces three options:

It can operate as it always has, paying some dividends and investing the remainder in new equipment, its employees and its community.

It can tighten up by eliminating investments in employee benefits such as profit sharing, in community programs or in savings for reinvestment and, thus, pay out all after-tax earnings in dividends.

It can sell the paper for $20 million to Group Communications Inc.

After much heated debate, the stockholders choose option 2; fewer benefits to employees, little community involvement, no money set aside to replace equipment.

Soon, Family News realizes it has made a disastrous choice. Employes, not having the advancement opportunities on a single paper they would have on a group-owned newspaper, demand more money and job security. The community feels the newspaper no longer helps with worthwhile causes, and, thus, the paper loses some key support. Most importantly, Family News' press begins breaking down more and more often. As production equipment becomes more outmoded, profits start to dip. Because no money was set aside to replace the equipment, Aunt Susie in San Francisco must come up with an investment of $200,000 or sign on a note of that amount as her share of the investment needed to keep the paper profitable. Other stockholders must provide an equal amount.

Thus, the Family News, whether it chooses option 3 immediately, or delays sale by taking option 2, sooner or later gets around to selling out to Group Communications, Inc.

How can Group Communications Inc. profit by paying $20 million for the Family News?

Group Communications Inc. borrows $20 million to pay Family News stockholders, at a yearly interest cost of $2 million. Therefore, if Group Communications can make a before-tax profit of $2 million on Family News—which we now shall call Group News—the profit is tax deductible.

Group Communications, noting the advertising and circulation rates are extremely low, raises the ad rate 50 percent to $3 an inch and the subscription rate by 50 percent to $6 a month. Then, Group News has an income of $4.5 million, versus the old Family News' income of $3 million. (Some customers quit initially because of the increases, but Group Communications finds some operating efficiencies, so the changes balance out.)

Since Group Communications does not improve the paper materially, expenses of Group News remain the same. As a result, Group News earns $600,000, plus all the increase in revenues from the rate increases. Income becomes $2.1 million before taxes, not $600,000. Group Communications, the parent company, will pay off the principal either out of its 50 other profitable newspapers or the profits over and above the $2 million interest—or with inflation that is bound to come in years ahead. Taxes, because of the interest expense deduction, are zero.

Meanwhile, what has happened to the 20 owners?

Each received $1 million from the sale. Let's say capital gains cost 25 percent, or $250,000 to each stockholder. Thus, each stockholder receives $750,000 after tax. He invests the money in tax-free bonds at 6 percent interest. Aunt Sally's income now is $45,000 after taxes each year, instead of $2,500.

Why shouldn't she sell?

REALITIES

James F. Hurley III is publisher of the Salisbury Post, a small daily newspaper in North Carolina's beautiful Piedmont. The newspaper is a family affair, indeed, it's been a family owned enterprise for three generations, since 1912, in fact.

There is little doubt Mr. Hurley would like to keep the Post in the family. But if you were to ask him what the chances are of the newspaper remaining a family owned business, he'll tell you without hesitation they aren't very good.

To be sure, Mr. Hurley simply says he has "no doubt it will some day be sold—to a newspaper group."

In testimony recently before the Senate Select Committee on Small Business, which held two days of hearings on the effects and potentials of newspaper ownership concentration, Mr. Hurley pointed a vivid and perhaps the most accurate picture yet of the dilemma in which he and many other independent newspaper publishers now find themselves in what has become known as the Era of the Chain.

Among other things, Mr. Hurley correctly suggested that no small newspaper can remain independent "if a majority of owners is trying to live off the paper without producing . . . A family newspaper deserves to go broke or be sold to a group if its owners are parasites instead of producers."

Then there is the problem of management expertise, or, more accurately, the great likelihood of a lack of it. Not every generation of a newspaper family, Mr. Hurley points out, "will have a member who is capable or willing to operate a small, independent community newspaper."

And there is the necessity of having to reinvest sizable amounts of profits to remain efficient, a fact of life Mr. Hurley ranks behind only parasitic owners and incapable or unwilling managers as a major reason most independent newspapers sell out to chains.

Then there is the problem of an independent newspaper's vulnerability—to natural catastrophes such as fires, to law suits and severe economic recessions.

But even if a family somehow is able to overcome—or at least coexist with—these problems, it at some point will come face to face with even greater problems. Foremost among them, of course, are the nation's estate tax laws.

If the family newspaper is to be preserved, suggests Mr. Hurley, the newspaper, like the family farm, "must be evaluated for estate purposes in line with its operating profits—not at the price a group would pay."

Such is not the case today. As Mr. Hurley told the Senate committee, " I have no doubt that the Salisbury Post would bring $15 million or perhaps even $20 million if it were sold today . . ." And there is no way, he insisted, that the Post could be operated to generate enough money to pay the estate tax obligations of such a valuation.

More than anything else, Mr. Hurley's comments make a very strong and legitimate case for finding ways to give independent businessmen who want their businesses to stay independent an alternative to having to sell out. In short, we must find a way to preserve the Salisbury Post—and the corner drug stores and family farms—of this country.

Changing the nation's estate tax laws to reflect realities would be a step in the right direction.●

SHUR REGULATIONS

HON. JAMES M. COLLINS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, June 18, 1979

● Mr. COLLINS of Texas. Mr. Speaker, I have expressed my opposition to growing Federal regulations in all fields. I am especially concerned with increased Federal controls over the health care industry. Certainly, one of the major factors in increasing health care costs has been the additional regulations imposed by the Federal Government on the private health care industry.

One of the outstanding examples of this additional regulation can be found in the proposed SHUR (system for hospital uniform reporting) promoted by the Department of Health, Education, and Welfare. This proposal was presented as HEW's attempt to carry out section 19 of the Medicare-Medicaid Antifraud and Abuse Amendments which required the reporting of cost-related information in a prescribed uniform manner.

According to the SHUR program, we find this method will not reduce fraud. In fact, it will be a means to add more regulations for hospitals and will greatly increase hospital costs in order to meet these regulations. These additional costs will be passed on to patient. These major administrative costs will be added to hospital budgets at the very time the Carter administration is attempting to push through the Congress a cost containment measure to reduce the increase of health care costs via hospital care. The SHUR proposal will not be a part of a solution; it will only add to the problem of increasing health care costs.

I would like to call to the attention of my colleagues some excerpts from an analysis of the SHUR proposal by Dr. Donald J. Senese of the House Republican Study Committee. It points out some of the leading weaknesses of this SHUR proposal:

THE SHUR (SYSTEM FOR HOSPITAL UNIFORM REPORTING) PROPOSAL

(By Donald J. Senese)

EVALUATION

Although this proposal rule by HEW is being promoted as a means to cut down abuse and fraud in the Medicare-Medicaid program, strong opposition has been surfacing to the proposal. Opponents have focused on a number of major themes regarding these proposed regulations: (1) they go beyond the intent of Congress; (2) they will add more federal regulation for a hospital industry already heavily burdened with government regulation; (3) they will increase expenses for hospitals for compliance at the same time the Carter Administration is attempting to force on hospitals so-called cost containment legislation; (4) they will not be an effective tool against fraud and abuse in the Medicare-Medicaid program; and (5) they will add unnecessarily to the administrative burdens of hospitals diverting attention and resources from their health care function.

The Hospital Association of New York State (HANYS) concluded after a two-year study of hospitals in New York State that twenty-five percent of hospital costs were attributable to meeting government regulatory requirements. The annual cost to hospitals (and patients!) ran over $1.1 billion a year with 24 percent of all man hours spent on regulatory matters. About 115 million man hours are spent annually to meet these regulatory requirements.

Even proponents of a uniform reporting by health care facilities believe the HEW requirements go far beyond a uniform reporting system. It would require over 6,000 hospitals to adopt a major replacement of the existing hospital accounting procedures. Thus hospitals may have to convert to the recommended accounting system by HEW or decide to support two entirely separate accounting systems.

The American Hospital Association has expressed objections to HEW imposing a uniform system of accounting on the hospital industry. The AHA has based its opposition on the practical reasons of implementing the system, the belief that such a system is an attempt by HEW to exceed the statutory authority provided in Section 19 of Public Law 95–142, the tremendous costs to implement a system especially when intended countervailing benefits are unproven and undisclosed. In addition, AHA views that by combining uniform reporting with Medicare or Medicaid reimbursement it essentially combines two systems, reporting and reimbursement, which represents incompatible principles.

In a more detailed analysis, AHA has stated that the SHUR proposal has been improperly developed with a premature release, HEW has failed to conduct an economic impact analysis, HEW has failed to identify how the great amount of hospital data required under SHUR will be used, the SHUR proposal will impose tremendous costs with no compensatory benefits, and the SHUR proposal will result in an imposed system of uniform accounting. The AHA has urged HEW to conduct a study in which SHUR is actually implemented in a sample of hospitals and the results are studied so any necessary modifications can be made before any attempt at full implementation.

In a letter to HEW Secretary Joseph Califano (November 24, 1978) the firm of Ernst and Ernst, the well-known international accounting firm, has urged repeal of Section 19 of Public Law 95–142. It expresses opposition because the proposed SHUR regulation will not detect fraud and abuse (supposedly the primary purpose of the act), would result in substantially increased costs to providers and to the government (a result inconsistent with the national battle against inflation) and would continue the trend toward total regulation in the hospital (health care) industry. The letter recommended an alternative system to the SHUR proposal.

Albert A. Cardone, Chairman of the Subcommittee on Health Care Matters of the American Institute of Certified Public Accountants, wrote a letter to the Health Care Financing Administration (January 24, 1979) expressing the conclusion of a study of the SHUR manual:

"As a result, we are concerned that SHUR will be neither an effective method of curbing fraud and abuse nor an efficient method of attaining uniform reporting. We believe that SHUR, if implemented, will result in an unnecessarily costly burden upon the health care industry and the Medicare and Medicaid programs. Although we support the concept of uniform reporting, for the reasons set forth below, we are opposed to the use of SHUR as the method to attain uniform reporting and to achieve the stated objectives of P.L. 95–142.

"SHUR should not attempt to fulfill the informational needs of management and the informational needs for reimbursement, since these needs are not necessarily compatible. Further, it should not attempt to provide the day-to-day accounting system for hospitals. It should define the information needed for specified purposes and permit hospitals to meet those needs in the most economical and expeditious manner. Imposition of a detailed function accounting system such as this will destroy hospitals responsibility accounting systems, which have been encouraged and developed over the years. Responsibility accounting is the foundation for the meaningful budgeting process essential for the effective control of costs by management and trustees."

The SHUR manual contains a massive amount of reporting requirements to implement the proposals. There are at least 170 pages of reporting requirements in a manual that is almost one and three-quarters inches thick.●

AMERICAN BUSINESSES DROWNING IN PAPERWORK

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, June 18, 1979

● Mr. ASHBROOK. Mr. Speaker, last fall, the General Accounting Office, in response to a request from the Joint Economic Committee, provided the Congress with a fragmentary glimpse of the paperwork burden Washington is placing on American businesses. Relying solely on information contained in its own files and those of the Office of Management and Budget—which probably grossly understated the extent of this burden—GAO found that official Federal requests for information create at least 69 million extra man-hours of work every year for our business firms. The Commission on Federal Paperwork has estimated that it costs the average firm $15 per hour to respond to these requests, so the annual cost of the reporting burdens known to GAO comes to more than $1 billion.

As GAO observed, these requirements:

> Represent only the tip of the iceberg. About 78 percent of all Federal reporting requirements are exempt from either GAO or OMB clearance. Thus, the most pervasive, burdensome, and probably most irritating requirements were not addressed.

GAO isolated the 50 Federal reporting requirements with the largest burdens in terms of hours per response. Among them were the Federal Communications Commission's "Standard Broadcast and FM Stations Program Logging Rules," 4,380 hours per response; the Civil Aeronautics Board's "Financial and Operating Statistics for Certificated Air Carrier's," 1,717 hours per response; the Interstate Commerce Commission's "Freight Commodity Statistics—Class I Motor Property Carriers," 470 hours per response; and the Federal Trade Commission's "Life Insurance Questionnaire," 336 hours per response.

These and other Federal reporting requirements act as a brake on our entire economy—not just by increasing the prices consumers must pay for over-regulated goods and services, but by discouraging imagination and creativity throughout the private sector. By its very nature, the technique of seeking information through standardized forms provides a rear view image: It tells the would-be "planners" in Washington only what has happened, not what is going to happen. It rewards large firms, which can hire specialized lawyers and accountants to cope with the regulatory burden, and penalizes the smaller firms which so often are the major sources of new ideas.

The multitude of Federal reporting requirements is perfectly consistent with liberal, zero-growth economics, with its emphasis on redistributing existing resources and its fear of private initiative and inventiveness. The American people sense that this mentality represents a direct threat to some of their most cherished traditions: that is why we are seeing a revolt against Washington, and that is why this revolt will win.●

ESTATE TAX RELIEF FOR FARM FAMILIES

HON. TOBY ROTH

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Monday, June 18, 1979

● Mr. ROTH. Mr. Speaker, I want to address an issue of utmost importance to the farming community and ultimately—to the entire country: the plight of the small farmer in holding on to the family farm. To remedy this problem, I am introducing legislation that will grant a partial or full exemption from estate taxes on farm properties for families who continue to run their farm for a generation beyond the decedent's death.

The estate tax has been the most potent threat against family farm ownership. Since 1950, farms have been folding at a clip of 2,000 per week, causing a 50-percent decline in the number of farms in our country. Competition from enormous corporate interests has spurred the trend toward "agribusiness."

In addition, skyrocketing land prices and escalating costs of production have made it increasingly difficult for a family to earn a decent living from farming.

However, the pivotal decision on whether to keep a family farm for succeeding generations hinges on the family's ability to pay the estate tax on the farm property. Because most of the farmer's wealth is in his land, many are unable to raise the cash to pay these taxes. The result is that the family is forced to sell a portion, if not all, to satisfy the tax burden.

My bill would grant a full exemption to farm property valued at up to $400,000. Farm property with a value of up to $1.2 million would be granted a partial graduated exemption. The exemption would apply only to farm property that represents at least 50 percent of a decedent's estate.

This legislation in no way can be called a giveaway to huge farm interests, because it is designed to benefit only small- and moderate-sized farms. This measure would not grant benefits to those who do not require them.

Finally, the bill addresses family farmers by insuring that the heirs who benefit from its provisions remain on the farm and materially participate in its operation. My bill addresses the needs of smaller family farmers, not absentee landlords.

I urge my colleagues to join me in cosponsoring this legislation to save the American small farmer.●

BROOKS STEVENS, DAVID STEVENS HONORED BY MILWAUKEE SCHOOL OF ENGINEERING

HON. HENRY S. REUSS

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Monday, June 18, 1979

● Mr. REUSS. Mr. Speaker, two distinguished residents of Wisconsin received special honors at the May 12 commencement ceremonies at the Milwaukee School of Engineering. Brooks Stevens, a nationally recognized leader in industrial design, was awarded an honorary degree as doctor of engineering, and his son, David B. Stevens, was awarded the schools prestigious Pioneer Award.

These awards bestow great honor on their recipients, and it is doubly significant for two members of the same family to receive them. I submit for the Record an article about each man and his accomplishments, as printed in the May 1979, issue of the "President's Newsletter" published by the Milwaukee School of Engineering:

Brooks Stevens Receives Honorary Doctorate at May 12 Commencement

Brooks Stevens, a pioneer industrial designer and one of the ten Charter Fellows in the Industrial Design Society of America, received the honorary Doctor of Engineering degree at the May 12 commencement of the Milwaukee School of Engineering.

"You can imagine how proud this makes me feel," he wrote to Dr. Spitzer, President, "because of my total affection for the School, its previous and present principals, and the fact that I have always stressed that two of my stalwart sons began their educational careers in this School and have progressed to commendable heights, undoubtedly as a result of this academic training."

"From the earliest days when I attended the German-English Academy in one of your present buildings with Karl Werwath, and my friendship with members of his family, I have watched the progress of this enterprising trade school emerge into the seat of excellence in engineering that it now represents within the United States."

Brooks Stevens was born in Milwaukee in 1911. At the age of seven he was stricken with polio. As a therapeutic measure his father, the late William Clifford Stevens, Vice-president of Cutler-Hammer, Inc., brought home sketching materials with which the young Stevens began making drawings of trains, planes, boats and skyscrapers.

In 1929, he entered the Cornell University School of Architecture. While there watching a regatta with other students one day, he was startled when a foreign-made sports car drove by with a young man in a fur coat at the wheel with a blonde at his side. Neither the blonde nor the fur coat fascinated Stevens but the car caught his eye.

Since graduation in 1933 and the start of his own firm in 1935, he has contributed significantly to the design of 44 different automobiles from the classic Excalibur to the sturdy Jeepster. He has achieved major break-throughs in the design of outboard motor boats, garden equipment, lawn mowers, tractors, electric clothes dryers, kitchen utensils and, in one instance, the design of everything within a company image-corporate identity, building and plants, and the entire product line.

Since 1935, he has counselled over 300 clients in varied fields of industry and has had his designing hands on over $6 million worth of products in the United States, England, France, Germany, Italy, Costa Rica and Brazil.

MSOE Pioneer Award to Alumnus David Stevens '61

David B. Stevens '61, President of the Excalibur Automobile Corporation, and Past President of the MSOE Alumni Association, received the Pioneer Award at the commencement.

Originated by the MSOE 75th Anniversary Committee, the award is presented to individuals "who best demonstrate the true pioneering qualities of innovation, determination, and dedication, and cause real progress in the fields of education, the arts, business and industry."

Since his high school days, Stevens has been involved in automobile product development work. Six years after graduation from MSOE, he started his own firm, a specialty company manufacturing a limited volume luxury sports car, the Excalibur.

In 1970, he received an award for applications of aluminum in automotive design with Federal safety standards. In 1972 he received the Outstanding Young Man of America Award. He is a member of the Board of Directors for three corporations.

The Pioneer Award had previously been presented to an educator, an astronaut, radio, corporation and foundation executives.●

STATE DEPARTMENT DISPLAYS ARROGANCE IN THEIR REACTION TO CONGRESSIONAL CONCERN ABOUT GUN SALES TO NORTHERN IRELAND

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, June 18, 1979

● Mr. BIAGGI. Mr. Speaker, a justifiable outcry has been registered about the approval by the Department of State of an application for a license to export 3,500 weapons to the main police authorities in Northern Ireland. As chairman of the 129-Member Ad Hoc Congressional Committee for Irish Affairs I dispatched a letter to Matthew Nimetz, counsel to the Department of State. I wish to insert into the Record the response to this letter which frankly does very little to obviate my concerns about this being a most unfortunate decision.

My primary concern about this action is how it makes our human rights policy susceptible to charges of being selective. It is a matter of record that the Royal Ulster Constabulary has been cited by Amnesty International as well the British Government appointed Bennett Commission for human rights violations. Notwithstanding this documented record, this decision was made. In what I can only interpret as arrogance, Mr. Nimetz in his letter specifially states—

> In accordance with our policy and the requirements of Section 502 B of the Foreign Assistance Act of 1961, as amended, the possible human rights impact of the proposed export is one of principal foreign policy factors taken into consideration in evaluating a license application.

Apparently when it comes to Northern Ireland—human rights is an expendable consideration.

I consider the State Department culpable in this matter. They have on repeated occasion stated the "neutrality" of the United States in Ireland. Yet this action does insert the United States into the dispute in clearly less than a neutral manner.

I intend to offer an amendment to the upcoming 1980 appropriations bill for the Department of State. My amendment would bar the use of funds for the approval or sale of defense articles to Great Britain for use in Northern Ireland or to Northern Ireland police authorities. I believe we must send a message to the administration that if we are, indeed, to inject ourselves into the Irish question—we do so on the side of peace not the perpetuation of the status quo. We continue to condemn all violence—institutional or otherwise. We actively oppose U.S. activities which lend support to civilian violence—we should be equally as vigilant in denying American funds for the means of advancing violence in Northern Ireland.

At this point in the RECORD I wish to insert first my letter to Mr. Nimetz cosigned by 29 of my House colleagues, followed by his response:

WASHINGTON, D.C.
June 6, 1979.

Hon. MATTHEW NIMETZ,
Counselor of the Department of State,
Washington, D.C.

DEAR MR. NIMETZ: We the undersigned members of the Ad Hoc Congressional Committee for Irish Affairs wish to register our strong protest of the decision made by the State Department approving the sale of more than 3500 pieces of ammunition to police authorities in Northern Ireland.

We oppose this action on several grounds. The first relates to the oft-stated claim by the Department that it is neutral concerning the issue of Ireland. This decision clearly challenges this claim and in fact, interjects the United States clearly on one side of the dispute.

Our second, and perhaps more fundamental concern relates to the inconsistency between this decision and our advocacy and concern for human rights. The arms are being sent to police authorities who have been cited on several occasions for human rights violations by such respected international organizations such an Amnesty International, the European Commission and Court of Human Rights as well as the Bennett Commission in Great Britain itself. Despite human rights being the "cornerstone" of our nation's foreign policy, the Administration has been silent with respect to Ireland. Further, to approve the shipment of arms to an offending party lends credence to the contention that human rights is a selective concern which does not include Ireland.

If the United States is to become involved in the Irish question, it should be on the side of advancing peace in a balanced fashion. We request a full explanation of the actions which lead to the Department's decision with special attention to the provision of the law which sanctioned this action. We seek this information in advance of consideration by the House of the appropriations bill for the Department of State. We would like a reply either in written form or at a meeting which can be arranged.

Sincerely,

Mario Biaggi, Chairman; Leo C. Zeferetti, Geraldine A. Ferraro, Frank J. Guarini, Gerald B. H. Solomon, Frank Annunzio, Ronald M. Mottl, Doug Walgren, Tennyson Guyer, William R. Ratchford, Nicholas Maroules, Lester L. Wolff, Pat Williams, Herbert E. Harris II, Edward J. Stack, Frederick W. Richmond, Benjamin A. Gilman, Hamilton Fish, Jr., and William S. Moorhead, Members of Congress.

JUNE 7, 1979.

Hon. MATTHEW NIMETZ,
Counselor of the Department of State,
Washington, D.C.

DEAR MR. NIMETZ: As Chairman of the Ad Hoc Congressional Committee for Irish Affairs, I am writing to inform you that the following additional Members of the Committee have joined as co-signers to the letter which I recently sent to you protesting the decision by your department to authorize the sale of arms to British police authorities in Northern Ireland:

James J. Howard, William R. Cotter, Michael O. Myers, Bruce F. Vento, Eugene V. Atkinson, William Carney, Gary A. Lee, Mary Rose Oakar, Benjamin S. Rosenthal, Raymond F. Lederer, James M. Collins, and Charles B. Rangel, Members of Congress.

I would greatly appreciate an expeditious reply on this matter as the State Department appropriations bill will be under consideration by the House on June 19.

With kindest regards, I remain,

Sincerely,

MARIO BIAGGI,
Member of Congress.

WASHINGTON, D.C.,
June 15, 1979.

Hon. MARIO BIAGGI,
House of Representatives,
Washington, D.C.

DEAR MR. BIAGGI: Thank you for your letters of June 6 and 7, also signed by a number of other Members of Congress, regarding the sale of weapons to the police in Northern Ireland.

The Royal Ulster Constabulary is the legally constituted police force in Northern Ireland. As such, it has the responsibility for protecting all of the people there against crime and terrorism. Therefore, we believe that the recent commercial export sale of arms to this police force in no way reflects any U.S. partiality with regard to the tragic communal differences in Northern Ireland. In this connection I would note that Irish Foreign Minister O'Kennedy, in a May 31 foreign policy speech to the Dail, pledged the continued cooperation of the Irish police and army with the Royal Ulster Constabulary in the fight against violence in Northern Ireland.

We of course deplore any maltreatment of individuals in police custody. Following the issuance in March of the Bennett Committee report cited in your letter, the British Government announced immediate acceptance of its findings and promised immediate steps to avoid a recurrence of the abuse which the report had revealed. The new British Government formed after the May 3 election made a similar statement in Parliament on May 24, and also announced that the medical evidence in cases of possible maltreatment identified by the Bennett Committee will be referred to the Director of Public Prosecutions for Northern Ireland, who will decide whether any prosecutions should be brought against members of the Royal Ulster Constabulary.

President Carter articulated United States policy toward the Northern Ireland situation in his statement of August 30, 1977 as follows:

"The United States wholeheartedly supports peaceful means for finding a just solution that involves both parts of the community of Northern Ireland, protects human rights and guarantees freedom from discrimination—a solution that the people in Northern Ireland, as well as the governments of Great Britain and Ireland can support."

I can assure you that we shall continue to follow closely the human rights situation in Northern Ireland, including possible abuses by police or military authorities there.

Insofar as the legal framework for this decision is concerned, Section 38 of the Arms Export Control Act empowers the President to control the export of defense articles and defense services on the United States Munitions List "[i]n furtherance of world peace and the security and foreign policy of the United States." This authority is implemented through the International Traffic in Arms Regulations (the ITAR), 22 C.F.R. parts 121 *et seq.*, administered by the Office of Munitions Control of the Department of State. Each application for a license to export commercially-sold Munitions List articles is reviewed by the Department from the standpoint of the compatibility of the proposed export with the security and foreign policy of the United States. In accordance with our policy and the requirements of Section 502B of the Foreign Assistance Act of 1961, as amended, the possile human rights impact of the proposed export is one of the principal foreign policy factors taken into consideration in evaluating a license application.

I hope you find this reply responsive to your questions and concerns. I am sending copies of this reply to the other Members of Congress who signed your letter.

Sincerely,

MATTHEW NIMETZ.●

THE CONGRESS MUST ACT ON SYNFUEL PRODUCTION AND PASS H.R. 3930

HON. S. WILLIAM GREEN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, June 18, 1979

● Mr. GREEN. Mr. Speaker, inflation, a dismal balance of trade, and increasingly common gas shortages are all factors resulting from the United States' dependence on foreign oil. As we know all too well, this foreign supply is not stable, and we may soon be faced with the prospect that our Armed Forces will suffer from the fuel shortages that are presently hurting so many private citizens and businesses.

In recent testimony before the Economic Stabilization Subcommittee, Dr. Ruth M. Davis, Deputy Under Secretary of Defense for Research and Advanced Technology, stated that—

> The sense of urgency which now prevails within DOD . . . which has sharpened markedly by the events of the past few months, has increased our awareness of and our concern for the vulnerability and capricious nature of imported oil and the attendant impact these unreliable sources have on our ability to guarantee essential military and defense industrial base energy needs.

How much longer can the United States afford to neglect the development of a domestically controlled fuel source, synthetic fuel? South Africa, Brazil, Canada, and other countries have made substantial progress in this regard; yet, to date, the United States has virtually no capacity to produce synfuels. I suggest that we cannot afford to wait much longer, and that we must recognize that liquid fuels are essential to our national defense.

A recent study done by the Census Bureau for the National Science Foundation indicates private spending in this country in 1978 to research and develop synfuel production was a little over $200 million. In the previous year, $7.8 billion of private money was spent exploring for conventional sources of oil and gas in the United States. The nature of the technology and risk involved makes it difficult for private concerns to raise the necessary capital for synfuel production.

H.R. 3930 is a bill that amends the Defense Production Act of 1950 to extend its authority to provide for the purchase of synthetic fuels. The legislation sets a production goal of 500,000 barrels a day (approximately the Department of Defense peacetime fuel requirements) by establishing incentives for industry to reduce the immediate risk involved in building commercial-sized synfuel plants. The bill does not choose which technology should be used, nor does it amend any of our environmental protections already in the law.

If we wait longer to develop a domestically controlled source of synthetic fuel, it will be more expensive to produce, our dependence on foreign oil will be greater, and the potential harm to our defense posture will increase. H.R. 3930, which I am cosponsoring, has received extensive hearings before the Economic Stabilization Subcommittee under the able bipartisan leadership of our chairman, William Moorhead, and our ranking minority member, Stewart McKinney. The hearings have been printed, and I urge my colleagues to review them.

H.R. 3930 passed the full Banking Committee by a vote of 39 to 1. It now has the support of the administration, and the House leadership supports it. When this bill reaches the floor, you should vote for it. This vote will help defuse a potential timebomb that could greatly hinder this country's ability to defend itself.●

BELLE FOURCHE IRRIGATION PROJECT

HON. JAMES ABDNOR

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 18, 1979

● Mr. ABDNOR. Mr. Speaker, necessity once again has required me to introduce legislation authorizing the rehabilitation and modernization of the Belle Fourche irrigation project in western South Dakota. This project was first authorized in 1903 and at the time of its completion provided water for some 81,870 acres of farmland. Presently, however, the system is serving only 57,096 acres, primarily due to the fact that the present system has served its useful life and is rapidly deteriorating.

This extensive deterioration and almost complete absence of safety features along the project have been direct causes of four deaths in the past 8 years.

Agriculture is of vital importance to the social and economic well being of Belle Fourche and the surrounding area. The strain put on the land and economy of the Belle Fourche area as a result of the gradual failure of the irrigation system is being felt more and more each year.

Modernization and improvement of the system is needed for several reasons, some of which have just been noted. Others include the restoration of design capacity to avoid overloading and conservation of irrigation water through the reduction of seepage and waste. With these improvements, a reduction in annual maintenance and operational costs would result.

Financing of this project could be accomplished by integrating the Belle Fourche project into the Pick-Sloan Missouri basin program. My bill authorizes expenditures of $31 million to rehabilitate and modernize the project, with repayment by the users according to their capability. The amount exceeding water users' capability to repay would be repaid by future power revenes of the P–S MBP.

I urge enactment of this timely and needed measure.●

LAUREL SPRINGS, N.J., HONORS WALT WHITMAN

HON. JAMES J. FLORIO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, June 18, 1979

● Mr. FLORIO. Mr. Speaker, this past May 19, I had the pleasure to join the citizens of Laurel Springs, N.J., in dedicating a frequent home of the late poet, Walt Whitman, as a historical site.

The Laurel Springs farmhouse, described in the following New York Times article of May 20, often served as a quiet retreat for the aging and stroke-impaired poet. It is reported that Walt Whitman personally claimed the summer climate and quality of water at Laurel Springs helped relieve his paralysis.

Residents and municipal officials of Laurel Springs had long sought the authority and resources to restore the Whitman house. Through State and Federal aid their efforts were rewarded last year. Dedication of the house as a historical site will preserve its artifacts for the enjoyment of future generations.

I urge my colleagues to join with the Laurel Springs community in remembrance of its former resident. Walt Whitman's "Leaves of Grass" and other prose earned him the title "poet of democracy" and admiration throughout the world. Whitman's poetic artistry has astounded and inspired his readers throughout the years, and continues to do so today.

The article follows:

Laurel Springs Honors Whitman

(By Carlo M. Sardella)

Laurel Springs.—In the early summer of 1876, a prosperous local farmer was disturbed because his poet-friend, Walt Whitman, who lived in nearby Camden, was despairing over a paralytic condition brought on three years before by a mild stroke.

The farmer, Harry Stafford, whose family landholding encompassed all of what is now this half-square-mile Camden County borough, invited the poet to be his house guest. Nearby were the Crystal Springs, with reported healing powers, and the cooling waters of Laurel Lake. Mr. Stafford believed that the poet might find a cure.

Whitman not only accepted the invitation, but also stayed the entire summer and kept coming back for the next six years when the weather grew warm.

Soon he became a familiar figure in the sparsely populated farm area, walking to the springs and the lake and collecting material for special mud baths, which, he claimed, healed his ailing limbs.

The poet also left another impression, one that the local people dismissed as an eccentricity: he took those mud baths in the open, while naked.

As could be expected, Whitman's sojourns here placed Laurel Springs, then known as Laurel Mills, on the historical and literary map. The village then was part of Clementonia Township, which in the early 1900's was divided into several boroughs, Laurel Springs among them.

Yesterday (May 19) the local populace, now numbering about 3,000, marked Whitman's 160th birthday—which falls on May 31—with ceremonies dedicating the restored Stafford farmhouse on Maple Street as a historical cite. The restoration, and furnishing of the house with appropriate period items, is nearing completion.

The enthusiasm goes even further. A 30-member Whitman-Stafford Committee has been organized to maintain the house after the dedication. Councilman Richard W. Zimmerman Jr., one of the leaders in the effort, said that the state was preparing to turn over to the committee a deed to the farmhouse and that funds would be sought to maintain a program of events designed to continue interest in the project.

May Reilly, the last private owner, deeded the farmhouse to the state in 1965 as a monument to the poet. The state accepted when she died two years later.

The house had fallen into disrepair, its clapboard frame beginning to disintegrate. Vandals added to the problem, and, Mayor Jack Hagen recalls, keeping the grass trimmed became a borough responsibility.

But local interest in maintaining the farmhouse was ignited and, in fits and starts over the last several years, civic leaders pressed their requests to take over from the state.

"The state had grandiose plans," Mr. Zimmerman said, "but they never materialized."

A little more than a year ago, the local committee's request bore fruit. The Federal Comprehensive Employment and Training Act (CETA) committed $10,000 in labor and the state provided $49,100 in cash.

On the occasion of the poet's 159th birthday last May, Mayor Hagen; William Simon, director of the Camden County Board of Chosen Freeholders, and local community leaders gathered in City Hall to formally accept the financing.

"I still don't really believe it," Frederick Lynch, one of the people who had fought for restoration since 1963, said at the time.

The Stafford farmhouse has long been a visiting place for professors and students of poetry and history buffs. Publicity surrounding the restoration—"It was actually a rescue," says Mr. Zimmerman—has resulted in an upsurge of interest.

Warren Stafford erected the farmhouse some time after the Revolutionary War, although Mr. Zimmerman says there is evidence that construction may have begun in 1776. The building stands on a beautiful street shaded by giant oaks and maples.

Whitman referred to the area in "Specimen Days," in which he wrote of "the prettiest lake in either America or Europe."

Laurel Springs' pride in the poet's memory is reflected among local schoolchildren, who eagerly point out the home to inquiring visitors. "We know a lot about him," said Eleanor Foley, a pert sixth-grader. "After all, he used to visit here."

Whitman's Camden home, at Fourth Street and Mickle Boulevard, is also a shrine, but his local memory is perhaps best implanted by the towering Walt Whitman Bridge over the Delaware. It is just about eight miles from the Stafford farmhouse.●

ENERGY BRINGS NATION TO CRITICAL CROSSROAD

HON. ED BETHUNE

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Monday, June 18, 1979

● Mr. BETHUNE. Mr. Speaker, last week we passed a very important resolution of inquiry that, hopefully, will lead to a better knowledge of facts related to the energy situation. The resolution calls upon the President to provide detailed information about the status of crude oil domestically and throughout the world.

As we await the arrival of this information, it may be helpful if we review an aspect of our governmental challenge in meeting the energy crisis. For the purpose of stimulating thought, a copy of an article I wrote this spring is provided below:

ENERGY BRINGS NATION TO CRITICAL CROSSROAD

The House, the Senate and the White House have allowed the energy crisis to bring the nation to the most serious philosophical crossroad we've had to face since the founding fathers debated the great questions that helped create our government.

The specifics have dealt with rationing of gasoline and decontrol of oil, but the real issue is whether this nation should put more reliance on government control or on economic freedom.

This philosophical debate is being waged by three distinct groups in Congress. One favors economic freedom, the second favors government control, and the third has a tendency to place political expediency above everything else!

The group pushing government control argues that consumers would best be served if government continues to control energy. They don't want the private sector to act unless specifically dictated by the government. They acknowledge that regulation has not solved the energy crisis to date but they contend that we should try additional regulation. Essentially they want to tell energy producers how to produce, what to produce, when to produce, where to produce, where to sell, what price to sell for, and to whom and under what circumstances the product should be sold. Their idea comes very close to socialism because if it doesn't work there will be nothing left to try but complete nationalization of the entitre energy business.

The group favoring economic freedom argues that the simple fact that major problems still exist after so many years of heavy government regulation proves that the government lacks the capacity to solve the complex energy shortage. They argue that the government's inconsistent actions alone have created such confusion that most people still don't believe we have a real energy problem. This group prefers to rely on the free enterprise system to take us out of the energy crisis. They do not want more government. They believe we are already in a regulatory crisis that has given us too much bureaucracy and too much tax.

The last group in the debate is the swing group, because they are the weaklings who will decide the issue, not on the merits of debate—not on principle—but on political expediency. In other words, they are the politicians who think their parochial interests are more important than the welfare of the entire country. They are the ones who believe it is better to tell the people they can have cheap fuel when, in reality, they know that cheap fuel cannot continue to be available in a world where scarcity is real.

Recently, I joined in cosponsoring an unusual Congressional tool, known as the Resolution of Inquiry, to try to get the Administration to give Congress and the American people the facts about energy. This device was last used by the Congress in the early '70's to seek answers about U.S. troops in Cambodia.

It is my hope that we will take that information and use it to immediately develop a realistic, honest energy approach that is based on economic freedom rather than more government control. The decision—in a way—is very much like the one we made July 4, 1776.●

JOHN D. MURCHISON OF TEXAS

HON. JAMES M. COLLINS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, June 18, 1979

● Mr. COLLINS of Texas. Mr. Speaker, John D. Murchison, one of America's great business leaders, died June 14, 1979, in Dallas, Tex.

He was the president of the Boy Scouts of America. He served 4 years as president of the Dallas Museum of Fine Arts. He was a graduate of Yale University.

Business leadership included president of Investment Management Corp., partner in Murchison Bros., director of Chicago Milwaukee Corp., and First International Bancshare. He was a large rancher in Texas and Mexico.

John Murchison was a great civic leader and a successful business developer. We join all of Texas in our sympathy to his wife, Mrs. Lucille Gannon Murchison, their four children and to all of their family.

When America lost John Murchison, we lost one of our warmest and finest citizens who gave so much of himself toward making this a greater country.●

INCOME TAX

HON. J. J. PICKLE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, June 18, 1979

● Mr. PICKLE. Mr. Speaker, the problem of the so-called marriage tax is one that members of the Ways and Means Committee have struggled with, but there does not seem to be a easy solution. The attached article by Dr. Walter Stromquist formerly with U.S. Treasury office of tax analysis discusses the principles applicable to the relative tax burden of single individuals and married individuals as well as proposed answers. This article appeared in Tax Notes on June 11, 1979:

FEDERAL INCOME TAX TREATMENT OF MARRIED AND SINGLE TAXPAYERS

(By Walter Stromquist)

(Dr. Stromquist is an employee of Daniel H. Wagner, Associates, Paoli, Pennsylvania. From 1973 through 1977, he was employed by the U.S. Treasury's Office of Tax Analysis where he worked on a variety of projects, including the tax treatment of married and single individuals. From 1977 to 1979, he was an independent consultant doing contract research for the Treasury and others.

(In this article, Stromquist discusses the principles applicable to determination of the relative tax burdens of married and single individuals, the history of attempts to solve married-single tax problems, the current state of the tax law, and possible changes to ameliorate the "marriage penalty.")

The problem of determining the relative tax burdens of married couples and single individuals has been a subject of debate in the United States since the income tax was established in 1913. There has been controversy over what is the proper unit of taxation, individuals or families. There has also been debate over how to recognize the different situations of families with one earner, families with two earners, and single persons.

The controversy revolves around four principles of taxation, each of which is widely accepted in the United States:

1. Progressivity. The higher the income, the higher should be the rate of tax. For example, more tax should be collected from a single person earning $20,000 than would be collected from two single persons earning $10,000 each.

2. Aggregation. A married couple's income should be aggregated for computing their tax, and no distinctions should be made among married couples according to how much of their income is earned by one spouse or the other. For example, all married couples with total incomes of $20,000 should pay the same tax, regardless of whether one spouse earns all of the income or each spouse earns half.

3. No penalty for marriage. Two people who marry should not pay a higher tax as a result. For example, a man and woman earning $10,000 each should pay the same tax whether they are married or single.

4. No penalty for remaining single. A single person should not pay more tax than he would pay if he were married to a person with no income. This means that a single person earning $20,000 should not pay more tax than a married couple earning $20,000,

if all of the couple's income is earned by one spouse.

Each of these principles may seem sound at first. The problem for tax policy is that they are in conflict. The conflict is illustrated by Figure 1. Therefore, *every system of progressive income taxation must violate one or more of the principles.*

The first section of this paper contains a brief history of the Federal income tax as it relates to these four principles. The second section describes the current (1979) tax law, including the way in which it violates the last two principles. A final section mentions some proposals for change.

HISTORICAL DEVELOPMENT

Each of the principles listed above, except the first, has been violated at one time or another in the history of the Federal income tax.

Prior to 1948, the Federal income tax conformed to all of the principles except the second. People were taxed as individuals, and there was only one rate schedule for both married and single persons. A married couple could file a joint return if they wished, but if both spouses had income, they could reduce their tax by filing separate returns. Because the rate schedule was progressive, the combined tax on two incomes of, say, $10,000 was less than the tax on one $20,000 income. Since one-earner couples could not benefit from separate returns, couples with the same total income paid different amounts of tax.

The difference in tax depended not only on the share of income earned by each spouse, but also on the states in which the couples lived. This curious result was caused by the community property laws of some states. In 1930, the Supreme Court ruled that in states with community property laws, a husband and wife could file separate returns with half of the combined income on each return, regardless of which spouse had actually earned the income. This automatic "income splitting" was unavailable in other states.

1948: INCOME SPLITTING

In 1948, the law was revised to embrace the income splitting principle for married taxpayers in all states. Married couples were encouraged to file joint returns, and a separate rate schedule was designed for these returns. This "joint schedule" was derived from the "single schedule" by doubling the size of each bracket, without changing the rates. The effect was the same as income splitting: a couple—even a one-earner couple—paid the same tax as two single persons, each with half the combined income.

This represented no change for spouses who lived in community-property states or whose incomes actually were evenly divided; they simply received the same benefit on their joint returns as was already theirs if they filed separately. But for other couples, the automatic income splitting resulted in substantial savings. For example, consider a couple in which the husband's income was $32,000 and the wife had no income. If they filed a joint return in 1970 (the last year of income splitting), their tax was $8,660. But if the husband had paid tax as a single person on the same taxing income, his tax would have been $12,210. In this case, income splitting saver $3,550.

This was the state of the income tax for the period 1948–1970. The second principle was completely satisfied, since a couple paid the same tax whether both spouses or only one spouse had income. However, to make the tax law conform to the second principle, one of the other principles had to be sacrificed. In 1948, it was the fourth: after the 1948 Act, a single taxpayer generally paid substantially more tax than a married couple with the same income. If a single taxpayer had the same taxable income as the couple in the above example, he paid $3,550, or 41 percent more tax than the couple.

1951–1954: SPECIAL CASES

The "single penalty" was especially conspicuous in the case of single taxpayers with children—typically, widowed or divorced parents. Such taxpayers are hard to classify fairly as single individuals or as married couples. Congress recognized the special status of this group in 1951 by classifying them as "unmarried heads of households" and allowing them half of the benefits of income splitting. A special rate schedule is provided which puts the tax for a qualifying taxpayer about halfway between the amounts paid by a single person and a married couple with the same taxable income.

Even more conspicuous was the case of a person made single by the death of a spouse. Even if the widow (or widower) was able to maintain the income previously received by the couple, he or she lost the benefit of income splitting and thus paid a higher tax. To ease this burden—at least for taxpayers with children—Congress provided in 1954 that a surviving spouse who maintains a household for a dependent child may continue to use the joint rate schedule for two full years after the death of her spouse. This provision is still in effect; it is the only circumstance in which an unmarried taxpayer may use the joint rates.

There are many more "heads of households" than "certain surviving spouses." In 1977, the former group filed 5.8 million tax returns; the latter, only 147 thousand. Both groups were small, compared with the total of over 86 million returns filed.

1971: NEW SINGLE RATES

In spite of the special provisions for these small groups, most single taxpayers still faced a large tax penalty. Until 1971, the tax burden for a single taxpayer without dependents remained up to 41 percent higher than for a married couple with the same taxable income. Because Congress considered the difference to be too large, it enacted a new, lower rate schedule for single taxpayers as part of the Tax Reform Act of 1969. Under the new schedule, which became effective in 1971, a single person's tax on a given taxable income was at most 20 percent higher than a married couple's tax on the same taxable income. For example, in 1971 a single person's tax on a taxable income of $32,000 was reduced from $12,210 to $10,290, which was 18.8 percent more than a couple would pay on the same taxable income.

To prevent two-earner married couples from taking advantage of the new single rates, they were required to use the pre-1971 schedule if they filed separate returns.

THE END OF INCOME SPLITTING

Although the rate schedule for joint returns was not changed in 1971, it could no longer be described as an "income splitting" schedule. A married couple paid a smaller tax than a single taxpayer with the same taxable income. However, the couples' tax was not as small as it would be if they could split their income equally and use the new single schedule. The joint schedule could not be constructed from the new single schedule by widening the brackets, or by any other simple algebraic rule. Following changes in 1977 and 1979, these two rate schedules still have no exact relationship, although they retain the approximate relationship established in 1971.

Reducing the single penalty was an improvement according to one of the four principles, but it could not be obtained without a price in terms of one of the other principles. The 1969 Act sacrificed the third principle—by introducing, for the first time, a substantial marriage penalty into the tax law.

1970–79: STRIKING A BALANCE

Since the 1969 Act, Congress has attempted to strike a balance between the single penalty and the marriage penalty. As long as the first two principles are honored—as long as the tax remains progressive and no distinction is made between one-earner and two-earner couples—it is mathematically impossible to abolish both penalties. Instead, the tax law has sought a compromise between them.

In this decade the compromise has found expression in several other tax provisions, as well as the rate schedules. The most important of these was the standard deduction, which was a feature of the tax law until 1977. Any taxpayer could elect to give up most of his personal deductions, such as medical expenses or charitable contributions, and claim the standard deduction instead. Most low-and middle-income taxpayers did so. The amount of the standard deduction depended on income, but was limited to a fairly narrow range by minimum and maximum amounts. In 1976, the standard deduction for single returns could range from $1,700 to $2,400, and for joint returns, from $2,100 to $2,800.

The minimum standard deduction was greatly increased by the Tax Reform Act of 1969, to remove tax burdens from most persons below the poverty line. At that time, the minimum was the same for single and joint returns. This added to the marriage penalty, since two single persons could claim two minimum standard deductions; but if they married, they could claim only one. Increases in the standard deduction after 1974, however, were twice as large for married couples as for single persons, so that these increases in themselves did not add to the marriage penalty.

A temporary contributor to the marriage penalty in 1976–78 was the general tax credit. Based on income and family size, the credit was limited to $180 for most tax returns, single or joint. Single persons could each qualify for a $180 credit; a married couple had to share one.

In 1977 Congress repealed the standard deduction. At the same time, "zero brackets" were added to each of the several rate schedules, providing that a certain amount of taxable income is subject to a tax rate of zero percent. In 1979 the zero bracket amounts were increased to $2,300 for single taxpayers, and $3,400 for joint returns. The zero bracket amount presents the same problems as the standard deduction: as long as joint returns receive a higher amount than singles, there is a single penalty; but if the joint amount is less than twice the single amount, there is also a marriage penalty. The present structure, therefore, represents a compromise.

When the standard deduction was repealed, a "floor" was imposed on itemized deductions. This means that a taxpayer may not substract all of his deductible expenses from income, but only the excess of these expenses over the "floor." The amount of the floor is $2,300 for singles or $3,400 for joint returns—that is, the amount is the same as the zero bracket. Taken together, the floors and the zero brackets have nearly the same effect as the standard deduction—in fact, the repeal of the standard deduction has generally been regarded as a mere change in form.

In all these actions, Congress has taken the first two principles—progressivity and aggregation—as given, and has attempted to strike a balance between the marriage penalty and the single penalty. We now review the state of the tax law as it is in 1979, with an emphasis on the way these penalties affect typical taxpayers.

THE INCOME TAX IN 1979

In 1979, the income tax continues to reflect the compromise among the principles that was struck in 1971. The tax is progressive, and no distinction is made between one-earner and two-earner married couples. The last two principles are violated, however. A single person generally pays more tax than a married couple with the same income, and two wage earners who are married usually pay more tax than they would if they were single.

The Internal Revenue Code contains four different rate schedules applicable to individuals. One is for single persons, one is for married couples filing joint returns, one is for married persons filing separate returns, and one is for single persons with dependents who qualify as heads of households. Each schedule contains a "zero bracket" and positive rates ranging from 14 to 70 percent. Some facts about the rate schedules are summarized in table 1.

The rate schedules are based on "taxable income," not "total income." For taxpayers who do not itemize their deductions, taxable income is equal to total income minus exemptions, which are now $1000 per person for both taxpayers and dependents. (Actually, most taxpayers never calculate their taxable incomes. Instead, they use the published "tax tables," which have the exemptions "built in." The figures in the tax tables, of course, are calculated from the rate schedules described here.)

For taxpayers who do itemize, there is one more step on computing taxable income. They may subtract their deductible expenses, but only to the extent that they exceed the "floor," which is the same as the zero bracket amount in the appropriate rate schedule. For example, suppose a family of four has earnings of $25,600 and deductible expenses of $5,000. Then their taxable income is $20,000:

Total income	$25,600
Four exemptions	—4,000
$5,000 deductions minus $3,400 floor	1,600
taxable income	20,000

From schedule Y (for joint returns) we can calculate their tax, which is $3,225.

THE MARRIAGE PENALTY

If two persons with independent incomes marry, they usually have to pay a higher tax.

For example, assume two persons each have taxable incomes of $15,000 (after subtracting their exemptions) and assume they do not itemize their deductions. If they file as single individuals, they each must pay $2,605 in tax. Their combined tax is therefore $5,210. If they marry and file a joint return, their taxable income is $30,000, and their tax (from schedule Y) is $6,238. Their marriage penalty is $1,028.

Table 2 shows marriage penalties for various levels of taxable income, under the assumptions that the income is evenly divided between the spouses and the couples do not itemize their deductions. Table 3 shows the marriage penalty (and marriage bonus) in cases in which income is not evenly divided between the spouses.

TABLE 1.—SUMMARY OF THE RATE SCHEDULES

Name of schedule	Taxpayers covered	Number of 1977 returns (millions)	1979 zero bracket amount
Schedule X	Single persons other than heads of households.	35.3	$2,300
Schedule Y (pt. 1)	Joint returns of married couples and certain surviving spouses.	44.1	3,400
Schedule Y (pt. 2)	Separate returns of married persons.	1.3	1,700
Schedule Z	Unmarried heads of households.	5.8	2,300

[1] Total Individual Returns 86,500,000.

Source: Office of the Secretary of the Treasury, Office of Tax Analysis.

TABLE 2.—MARRIAGE PENALTIES IN 1979 WHEN INCOME IS EVENLY DIVIDED

If 2 single people, each with adjusted gross incomes of—	Marry, to give a combined adjusted gross income of—	Their combined tax increases from—	to —	For a marriage penalty of—
$5,000	$10,000	$500	$702	$202
$10,000	20,000	2,354	2,745	391
$15,000	30,000	4,690	5,593	903
$20,000	40,000	7,674	9,366	1,692
$30,000	60,000	15,308	18,698	3,390

Note: These calculations assume that the taxpayers claim 1 exemption each and do not itemize their deductions.

TABLE 3.—MARRIAGE PENALTIES (AND BONUSES) IN 1979 WHEN INCOME IS UNEVENLY DIVIDED

[A negative marriage penalty indicates a marriage bonus for two single persons who marry]

Adjusted gross income	Share of lesser-earning spouse					
	Zero	10 percent	20 percent	30 percent	40 percent	50 percent
$3,000	0	0	0	0	0	0
$5,000	—250	—170	—98	—28	0	0
$7,000	—378	—252	—126	—10	98	168
$10,000	—475	—275	—85	100	182	202
$15,000	—710	—328	32	183	236	125
$20,000	—1,092	—460	42	238	355	391
$25,000	—1,505	—630	—30	310	535	611
$30.000	—1,929	—749	—26	439	785	903
$40,000	—2,801	—939	177	1,031	1,564	1,692
$50.000	—3,269	—1,069	454	1,731	2,439	2,674
$100,000	—3,269	454	2,694	3,909	4,164	4,164

Note: Accounts for maximum tax These calculations assume that the taxpayers claim 1 exemption each and do not itemize their deductions.

It is not necessary that the two individual incomes be equal in order for a marriage penalty to arise. Suppose that the two persons have taxable incomes of $22,000 and $8,000, giving the same combined taxable income of $30,000. Filing as single persons, their respective taxes are $4,857 and $977, for a total of $5,834. If they marry and file jointly, their tax is again $6,238, for a marriage penalty of $404. If the income is divided even more unevenly, the marriage penalty will be smaller, or the couple may even save tax by marriage. Roughly speaking, the marriage penalty affects couples where the spouse with the lower earnings contributes at least 20 percent of the combined income.

For taxpayers who itemize, the situation is more complicated, since marriage may change their combined taxable income as well as their tax rates. Two single itemizers, for example, are each subject to a $2,300 floor on their deductions, for a combined floor of $4,600. If they marry, they are subject to a floor of only $3,400. In other words, as a married couple, they can use $1,200 more of their itemized deductions than if they were single. This reduces, but does not eliminate, their marriage penalty. This example is an extreme case; at the opposite extreme, when only one spouse has deductible expenses, the effect of the floors is to increase their marriage penalty.

Married persons may file separately if they wish, but they must use the highest of the four rate schedules, and other special provisions occur throughout the tax code to prevent them from saving tax in this way. Allowing such savings would violate the principal of aggregation, since it would create an advantage for two-earner couples. Therefore separate returns are not a defense against the marriage penalty.

THE SINGLE PENALTY

A single taxpayer usually pays more tax than a married couple with the same income. For example, a single person with a taxable income of $15,000 pays $2,605 tax. But if a married couple has the same taxable income, even if it is all earned by one spouse, their tax is $2,055. In this case the single person pays 27 percent more tax.

It can be argued that the comparison in this example is not entirely fair, since a couple may have less ability to pay than a single person with the same income. This difference is taken into account by the fact that a couple has two personal exemptions. It may be, however, that the second exemption is too much recognition—or too little—of the couple's different situation.

PROPOSALS FOR CHANGE

The compromise between single penalties and marriage penalties has always been an uneasy one. The marriage penalty, in particular, is one of the most widely criticized weaknesses in our income tax, and it is difficult to find anyone who regards it as good policy. But as long as the first two principles—progressivity and aggregation—are adhered to, the marriage penalty cannot be reduced without making the situation for single taxpayers even worse.

Consideration has turned, therefore, to these first two principles. It is unlikely that progressivity will be abandoned. Therefore, any proposal which alleviates both the marriage penalty and the single penalty must violate the aggregation principle: that is, there must be some distinction in the tax law between one-earner and two-earner married couples.

Opponents of the aggregation principle argue that there is an economic difference to support such a distinction: one-earner couples have the benefit of a full-time homemaker. Although the homemaker's services in the home are not measured in dollars, they do increase a couple's economic well-being and ability to pay. Two-earner couples have no such advantage, and, arguably, this should result in a lower tax liability. Among respondents to a recent O.E.C.D. survey, every major democratic nation with an income tax, except the United States, distinguishes between one-earner and two-earner couples.

It is one thing, of course, to support such a distinction and quite another to decide what form it should take. One proposal is to abandon joint returns, requiring separate returns from married persons with no income splitting. Most experts agree that Congress can require that each married person pay tax on his or her own income, determined without regard to state community property laws. Such legislation would eliminate both the marriage penalty and the single penalty. Only the aggregation principle would be violated, as was the case before 1930. The administrative convenience of joint returns could be retained by allowing married couples to file their "separate" returns on two parts of the same standard form, as is now done in some state income tax systems.

An alternative is to allow couples the option of filing jointly under present law, or filing separate returns as single persons. This is the simplest and most straightforward way to eliminate the marriage penalty, but it would not affect the single penalty. In any system in which married couples are encouraged to file separately, there is a significant technical problem of deciding how a husband and wife will be allowed to divide their deductions and nonwage income (such as interest or business profits).

If joint returns are retained in their present form, it would still be possible to distinguish between one-earner and two-earner couples, by allowing a special deduction or credit based on the wages of the second earner.

Selecting the best of these proposals will require an extensive public debate. Then, if a reform is enacted, it remains to be seen whether it will provide any more lasting satisfaction than did the reforms of earlier eras.●

BAH HUMBUG

HON. JAMES ABDNOR

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 18, 1979

● Mr. ABDNOR. Mr. Speaker, the following editorial from the Moody County Enterprise in Flandreau, S. Dak., expresses the concern of many South Dakotans over proposals for national health insurance advocates by the Carter administration and some Members of Congress:

Bah Humbug!

We're amazed at listening to the promoters of the National Health Insurance Program that is coming up for a decision in Congress. In a recent talk show, Senator Edward Kennedy expounded on the virtues of National Health Insurance, pointing out that it won't cost the taxpayer a cent. Now, has anyone seen a program that the government has adopted that hasn't cost the taxpayer money? He avoided the subject of who would finance this massive program—namely business.

How naive does Senator Edward Kennedy think we are? Joseph A. Califano Jr., secretary of HEW (Health, Education and Welfare) complains that the American health care system is a vast, sprawling, highly-expensive and virtually non-competitive industry commanding an ever-larger share of our nation's resources. Thus, it becomes logical to nationalize?

No one can deny that the cost of medical service has increased. So what hasn't? The present Medicare and Medicaid program under the governmental direction is already having problems of inequity. Turn national health insurance over to the government and wait five years and we'll have a more massive problem than we do with Social Security—another socialistic program that cost the taxpayer more and more every time we turn around.

Congressmen should look at other countries that have nationalized health programs and they would quickly walk away from it. Canada, England, and Norway are just a few that have a national program. Ask them how much it costs and you'll get a quick, honest answer. We have a hard time trying to figure out why the government wants to step in on the act when private enterprise is already doing an effective job.

Hopefully, people are sick and tired of all the government programs and will avoid this recent effort for National Health Insurance.

If Senator Edward Kennedy and President Carter (another promoter of this program) can show us one federal program that has saved the taxpayers money, we'd be delighted to swallow the National Health Insurance pill.●

PUBLIC OFFICIALS' FINANCIAL DISCLOSURE COUNTERPRODUCTIVE

HON. ROBERT McCLORY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, June 18, 1979

● Mr. McCLORY. Mr. Speaker, in recent years the legitimate public concern about the honesty of Government officials has sometimes taken the form of an undue cynicism about the motivations of those who devote a portion of their lives to public service. This public attitude has resulted in the enactment of public disclosure laws for Government officials which—however well intentioned—run the risk of making public service unattractive to many talented, public-spirited men and women who we particularly need to bring into the Government. These are men and women who can readily find jobs in the private sector which will not subject them to the sort of detailed public exposure of their private affairs which Government service now requires.

Mr. Speaker, I am glad to note that on Monday, June 4, the Washington Post published an editorial entitled "One Man's Disclosure" which accurately and persuasively sets forth the concerns which many people have about the disclosure requirements for public officials. Since the Post has often been in the lead in investigating official misconduct, it speaks with particular authority when it suggests that some ethics and disclose laws provide the public with little real benefit in the way of information while they may discourage talented men and women from seeking careers in public service.

Mr. Speaker, I would like to enter the Post's editorial into the RECORD for the consideration of my colleagues or anyone else who contemplates further changes in the laws governing the ethics of public officials.

One Man's Disclosure

When you're for it, it's called "disclosure"; when you're against it, "invasion of privacy." What would you call your own adventure in poking and prying last week? When you were reading all those dimly titillating accounts of Hamilton Jordan's modest holdings and Jody Powell's income and the rest, how did you feel about it? Was it disclosure or was it invasion of privacy or was it, in some unrelated sense, just a kind of naughty, guilty fun? Do you feel the republic is any safer or stronger because this material is available to all? Do you think that because we now have an Ethics in Government Act, crookedness in government is on the downturn?

All right—the questions are loaded; they presume fixed answers. But surely last week's posting of the intimate, if sometimes pitiful and often irrelevant, financial details of the lives of the mighty and near-mighty in government is worth reflecting on. Disclosure, as a technique for discouraging corruption in public affairs, has its virtues; among these is that it can preempt the need to take other steps that are much more meddlesome and destructive of the liberties and dignity of people serving in government. But such rules are undiscriminating, and unavoidably so. It would be farcical to ask officials to report only the stock holdings and debts that do cause problems. And so we tell them to tell all while in public life and more or less to forswear all on coming out of it.

But at some point that obligation becomes little more than a burden or an embarrassment to the effected officials—one that doesn't save the taxpayer a single cent or a single scandal and that may end up costing him the service of good officials who have had it.

Last week it seemed as though this point had been reached. The papers and the airwaves were full of tales of corruption and woe that had befallen the good old U.S. government in recent times: Lockheed, GSA, Minchew v. Talmadge; and names like John Dean and San Clemente were back in the news, evocative and nostalgic as ever, recalling a whole other range of scandals. How much of the elaborate new statutory and regulatory system that has been put in place as a kind of "never again" hedge against repetition of all those shortcuts, bribes, heists and general enrichments is really relevant and equal to the job? How much of it is just an imposing new layer of bureaucratic busywork that can strip an honest official of his privacy, and limit his future without doing much of anything to prevent unethical people from behaving unethically?

Although there has been plenty of grumbling about them, the case has not been made that these "ethics" strictures now coming into force are misguided and wholly useless as prospective crime-stoppers. But you could get the impression last week of parallel lines going merrily along in no danger of ever crossing: the line of compelling ever more lavish revelations of officials' unofficial business—and the line of corner-cutting and dissembling and occasional outright theft that has long been a feature of government-private sector relations. At a minimum the situation could use some inspection. When the moralists in Congress and the executive branch get through filling out all those forms and taking all those vows that the post-Watergate laws and rules they created require, they could do worse than to consider whether some of that stuff isn't worthless, falsely reassuring and, in its ultimate effect on government, bad. ●

UNQUIET ON THE EASTERN FRONT

HON. LIONEL VAN DEERLIN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 18, 1979

● Mr. VAN DEERLIN. Mr. Speaker, as a Californian, I am frankly disappointed at the inflexible response of the people of the East to the present gas shortage. In my neighborhood here last week, lines at stations were blocks long as people topped off their tanks. And tanks they are, Mr. Speaker. While Westerners prefer smaller cars, those in the East seem to buy only Detroit's Brobdingnagian products—similar in size, weight, and shape to the halftracks of World War II.

It is not so much that I object esthetically to these gigantic Dutch ovens on wheels—with phony chihuahuas bobbing in the back window—it is just that they use up so much of our limited fuel.

Further, Mr. Speaker, Easterners have turned against friend and neighbor to supply their voracious petroleum habit. It seems that Easterners just can not seem to get along without their cars. They think nothing of driving from Washington to New York or Boston for the weekend. They will drive 45 minutes across town to Bloomingdales to avoid falling behind fashion even a day. And they will beg, borrow, or steal gas if it is necessary to look at some newly available piece of real estate.

What is the answer, Mr. Speaker?●

RESOLVING THE ENERGY CRISIS

HON. WILLIAM E. DANNEMEYER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 18, 1979

● Mr. DANNEMEYER. Mr. Speaker, while to some Californians the advent of long gas lines in and around the Nation's Capital may seem like poetic justice, this Californian is distressed not just by the inconvenience suffered in each case but also by the failure to properly identify the principal cause of the shortages. While the oil companies, the Arabs, the weather, and the American love affair with the automobile have all undoubtedly contributed, none can alter the law of supply and demand or the course of world history to the same extent as the U.S. Government. And it is the law of supply and demand, coupled with the historical record, which tells us the most about our current energy difficulties.

Writing in Newsweek magazine earlier this month, the distinguished Nobel Prize winning economist, Dr. Milton Friedman, points out that the oil industry, the Arabs, the automobile, and the weather have all been around for a long time now, yet during all their years on the scene we have faced shortages on only three occasions—in the midst of World War II, during the 1973 Arab oil embargo, and at present. If, as logic would indicate, rapaciousness is not a new phenomenon with any of those groups, why shortages in just those three periods? Why not all through the 1950's and 1960's? Or to put it another way, what is it about those three periods that set them apart from the years between?

One answer, as Dr. Friedman notes in his own inimitable way, is so simple that many Americans overlook it—the existence of Government-mandated price controls on crude oil. As a consequence of these controls, which set the allowable sale price at a level below what the product is worth or, in some instances, what it costs to produce, the companies and people that could produce have no incentive to do so. To argue that the oil companies and/or the Arabs have gotten together and decreed that there be "shortages" so as to boost their profits is to put the cart before the horse, or as Dr. Friedman puts it, to blame the obstetrician for the baby. What we really have been seeing is the Government discouraging the oil companies from producing enough to keep up with demand, thereby creating a shortage.

To try to summarize the rest of Dr. Friedman's eloquent and thought-provoking article would be to do an injustice to the author. Suffice it to say, it should be top priority reading for all of us in a position to make energy policy. For those who may have missed it, I insert Dr. Friedman's article of June 4, "Blaming the Obstetrician," in the RECORD at this time:

BLAMING THE OBSTETRICIAN

(By Milton Friedman)

The explanations of the energy crisis and gasoline shortage that gush forth from government officials, newspaper reporters and TV commentators are tantamount to blaming the obstetrician for the baby.

A rapacious oil industry did not produce the gasoline shortage. Wasteful consumers did not produce the gasoline shortage. Hard winter did not produce the gasoline shortage. Not even Arab sheiks produced the gasoline shortage.

After all, the oil industry has been around for a long time—and has always been rapacious. Consumers have not suddenly become wasteful. We have had hard winters before. Arab sheiks have desired wealth as far back as human memory runs.

Why now? The subtle and sophisticated people who fill the newspaper columns and the airwaves with such silly explanations of the gasoline shortage seem never to have asked themselves the obvious question: why is it that for a century and more before 1971, there were no energy crises, no gasoline shortages, no problems about fuel oil—except during World War II?

There is an energy crisis, there are gasoline lines, for one reason and one reason only. Because government has decreed that there shall be. Of course, government has not done so openly. The President never sent a message to Congress asking it to legislate an energy crisis and long gasoline lines. But he who says A must say B. The government, beginning with President Nixon on Aug. 15, 1971, imposed maximum prices on crude oil, gasoline at retail and other petroleum products. And, unfortunately, the quadrupling of crude-oil prices by the OPEC cartel in 1973 prevented those maximum prices from being abolished when all others were. Maximum legal prices for petroleum products—that is the key element common both to World War II and the period since 1971.

Economists may not know much. But we know one thing very well: how to produce surpluses and shortages.

Do you want a surplus? Have the government legislate a minimum price that is above the price that would otherwise prevail. That is what we have done at one time or another to produce surpluses of wheat, of sugar, of butter, of many other commodities, and, most tragically, of teen-age labor. The minimum wage is a legislated price above the price that would otherwise prevail for the labor of many teen-agers. Like every minimum price, it enhances the amount supplied and reduces the amount demanded, and so produces a surplus, in this case of unemployed teen-agers.

Do you want a shortage? Have the government legislate a maximum price that is below the price that would otherwise prevail. That is what New York City and, more recently, other cities have done for rental dwellings, and that is why they all suffer or will soon suffer from housing shortages. That is why there were so many shortages during World War II. That is why there is an energy crisis and a gasoline shortage.

There is one simple way to end the energy crisis and the gasoline shortage tomorrow—and I mean tomorrow and not six months from now, not six years from now. Eliminate all controls on the prices of crude oil and other petroleum products. The gasoline lines would melt faster than the snows of winter.

Other misguided policies of government and the monopolistic behavior of the OPEC cartel might keep petroleum products expensive, but they would not produce the disorganization, chaos and confusion that we now confront.

Gas would cost less: And, perhaps surprisingly, this solution would reduce the cost of gasoline to the consumer—the true cost. Prices at the pump might go up a few cents a gallon, but the cost of gasoline today includes the time and gasoline wasted standing in line, and hunting for a gas station with gas, plus the $10.8 billion annual budget of the Department of Energy, which amounts to around 9 cents per gallon of gasoline.

Why has this simple and foolproof solution not been adopted? So far as I can see, for two basic reasons—one, general, the other, specific. To the despair of every economist, it seems almost impossible for most people other than trained economists to comprehend how a price system works. Reporters and TV commentators seem especially resistant to the elementary principles they supposedly imbibed in freshman economics. Second, removing price controls would reveal that the emperor is naked—it would show how useless, indeed, harmful, are the activities of James Schlesinger and his 20,000 employees. It might even occur to someone how much better off we were before we had a Department of Energy.●

PEACETIME REGISTRATION

HON. LES ASPIN

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Monday, June 18, 1979

● Mr. ASPIN. Mr. Speaker, the debate this year over whether to resume peacetime registration for the draft has been more confused than most of our national debates. Reading speeches and newspaper accounts, I sometimes get the feeling we are debating the contents of a sack without first even opening the sack to find out what is inside.

I have seen, for example, stories that praise a general for supporting a return to the peacetime draft when that general has actually opposed the peacetime draft and argued only for a resumption of registration in peacetime so that the draft could be resumed quickly if it were needed in wartime.

I would like in this report to strip away some of the rhetoric, to open the sack and look around at what we are really doing.

LINKING REGISTRATION AND THE AVF

The 1970 Gates Commission report, which laid the groundwork for the all-volunteer system, made three specific recommendations: first, double the pay of recruits; second, improve recruiting and the conditions of military service; and, third, maintain a stand-by draft system to be activated in times of emergency. The Gates Commission said:

> The rationale for providing a standby draft is the possible urgent need for the nation to act quickly." (p. 120)

The standby system was defined as including—

> A register of all males who might be conscripted when essential for national security. (p. 119)

The all-volunteer system was designed as a peacetime force. There was never any suggestion that a major war could be fought without recourse to conscription.

Conscription is the least pleasant means for gathering military personnel because it is wholly coercive. But in utmost danger we know we will resort to it in what James Madison termed "the impulse of self-preservation." No plan for mobilizing for a major war can fail to provide for implementing conscription. Our plans today assume conscription will be resumed in wartime but do not provide the resources, such as registration, to permit callups to begin for many months.

The last American was drafted on December 27, 1972. But the requirement that every male register on turning 18 remained in force. On March 29, 1975, President Ford ended registration-at-18 with an announcement that the Nation would change to a new annual registration system, in which all males turning 18 in that year would be registered during a short period of a week or so. But the plan was never put into effect. Like the proverbial old soldier, registration did not die, it just faded away.

Registration is not inconsistent with the All-Volunteer concept. On the contrary, those who brought the AVF to reality favored registration and for the first few years under the AVF, we continued registration without suggestions that it was unfair.

THE NEED FOR REGISTRATION

The Defense Department plans call for the first draftee to be in basic training 30 days after mobilization day (M+30). The program calls for 100,000 conscripts by M+60 and 650,000 by M+180. These numbers are based on the capacity of the training camps. There is some thought now that the training camps could be made to process more men. If that holds, the mobilization call will be raised.

One argument against the need for registration is that any war will be over too quickly to make mobilization necessary. That may turn out to be true. But the generals told us in 1914 and 1939 that those wars would be short, and they turned out to be wrong.

A second argument says that the Selective Service System already has the capability to start on M-Day, the day that mobilization is ordered, to register millions of citizens and deliver hundreds of thousands of them to the armed services in the short space of time required by the military. The citation for this is a letter written by Robert E. Shuck, acting director of the Selective Service System, to Representative MELVIN PRICE, chairman of the House Armed Services Committee. In this letter, dated December 14, 1978, Mr. Shuck said that with about $2 million more a year his agency would be able to move from about 150 employees on M-Day to a nationwide system able to register 12 million persons on a single day within 2 weeks of M-Day.

All of this seems very unlikely. Can anyone who has had any experience organizing anything—a banquet, a rally, a political campaign—seriously believe that all the administrative and clerical staff needed for such a job can be put together so quickly? And can you imagine the error rate once such a patchwork system began operations? Each week every Member of Congress receives requests for help from dozens of constituents whose social security or VA documents have gotten mixed up. And these are long-established, functioning bureaucracies.

The best argument against the need for registration is that we will have enough volunteers and will not need it. Almost certainly, if we do go into another war, it will only be with broad public support. No war can be fought without that support—and we sometimes forget that the Johnson administration had such backing for its entry into Vietnam in 1965. Faced with a Soviet attack, we can expect plenty of volunteers to swamp the services in the opening days of the war. This happened in both World Wars. In fact, in World War I the flood of eager volunteers continued for so long and at such a high level that it was disrupting war production. In 1918, a year into that war, voluntary enlistments were actually banned and conscription became the sole access to the Armed Forces.

There is, however, no way to forecast the number of volunteers or the rate at which they would appear. With a conscription system in place, any shortage of volunteers can be filled. What is more, if we enter a war with vast popular support, we many need the Selective Service System more to screen essential workers out, as in World War I, than to pull people into the military.

VARIOUS TYPES OF REGISTRATION

The House Armed Services Committee has proposed that we simply return to the familiar system of the 1940's, 1950's, and 1960's with thousands of offices around the country to which 18-year-olds would repair to register. This is face-to-face registration and it is what people usually think of when registration is mentioned.

There is, however, another real alternative: computer registration. Under this system, a registration list would be compiled from other, preexisting lists—high school records, drivers licenses, Internal Revenue Service filings, social security records. The individual being registered need do nothing. Such a system could not be used in decades past, but with the computer capabilities available today, it can be.

These lists could be compiled on a regular continuing basis, or they could be put together only after M–day.

Let us look at these alternatives.

FACE-TO-FACE REGISTRATION

Face-to-face registration in peacetime would supply us with a list of eligibles all ready on the day a war begins without any need to wait at all. A return to this system would also allow those who seek conscientious objector status or hardship deferments—just about the only deferments left—to make their case in the calm atmosphere of peacetime when they can expect a more careful hearing.

On the other hand, with face-to-face registration we can expect some kind of rebellion from our Nation's youth. Although the scope of that rebellion and the magnitude of refusals to register cannot be adequately measured in advance, face-to-face registration invites a return to the generational friction of a decade ago, something we neither need nor want. It also means that our registration lists would be punctured with holes on M-day. Enforcement also raises the prospect of dragging tens of thousands of youths into courts.

Besides those who refused to register under face-to-face registration, many would fail to register out of sheer ignorance or laziness. When inductions ended in 1973, the number of such registration no-shows rose markedly, and there was no rebellion involved.

The no-show problem could be obviated to some extent by having a highly publicized annual week in which everyone turning 18 that year would be called on to register, rather than the old system where a youth was simply supposed to learn by word of mouth that he should register when he turned 18. Even in the decades of the draft, there were many who never got the word.

But even assuming we get a good percentage registered, many of those youths will move repeatedly in the next few years. The Census Bureau says that 30 percent of all males move in the 12-month period between their 20th and 21st birthdays. In peacetime, in a no-draft situation, it is going to be especially hard to keep all those addresses up to date.

For all of these reasons and more, a face-to-face registration system will not provide anything like a 100 percent valid list of eligible draftees on M-day. While estimates naturally vary, we could probably expect to have an 80-odd percent valid list with a well-organized and fully staffed Selective Service System utilizing a face-to-face registration system.

COMPUTER REGISTRATION

There are two advantages to computer registration. In the first place the cost would be minimal, since we would not require the expensive structure of local boards; we would need only to upgrade the Selective Service's computer capability.

Second, and most important, we would avoid generational frictions. Face-to-face registration demands that every youth take a stand by either complying or defying. Computer registration avoids forcing an issue that does not need to be forced.

On the other hand, with computer registration we would not be classifying youths so that conscientious objectors and others would have to face a lightning swift classification system when mobilization was declared. That system might not get high marks for fairness. Defense planners who have looked at this computer registration approach have talked about putting aside the file of anyone who merely applies for a deferment, and then dealing with those files later. That means that anyone with a brain wishing to avoid service would simply apply for a deferment and load up the system. Before long the general public would realize this and demand that Selective Service get rid of the backlog. CO's could find themselves being given short shrift in such an atmosphere.

Computer registration also raises privacy questions. The simplest method of obtaining a computer registration list would be to have the Internal Revenue Service and the Social Security Administration run their record tapes against one another. From social security would come the sex and birthdate; from IRS would come the address. The mere thought of Selective Service or any other agency pawing through the IRS records necessarily sends chills up our spines. However, there is no need for Selective Service to have access to anyone's income tax returns. All Selective Service would get would be a new tape with the limited information just listed. With regards to the privacy question, IRS already makes runs against social security tapes, apparently to track down persons who have neglected to file income tax returns.

Such a list would not be perfection. Many individuals would have moved since filing a tax return, so their addresses would be out of date. Some of the social security numbers will have been put in wrong so that names and addresses won't match. But the list should be something on the order of 80-odd percent valid, according to the Congressional Budget Office. In other words, neither the computer nor the face-to-face registration systems would produce a list that would be an order of magnitude more accurate than the other.

There are two other rather interesting objections to computer registration.

Proponents think face-to-face registration is important for American youth to demonstrate their commitment to the Nation or their patriotism. The opponents of any registration system say that computer registration is a sneaky, backhanded way to drag young men into uniform.

With regard to the former, there are far better ways to demonstrate patriotism or commitment than by filling out Government forms. Million of males over the age of 21 have registered with Selective Service during peacetime. Did they have a memorable and patriotic 15 minutes in the Selective Service office? Many rushed off to register on the very day they turned 18. Was it patriotism that motivated that speed? It might have been, but many frankly say the urgency was motivated by the need for a draft card so they could be served in the local tavern.

The other side argues that computer registration is sneaky and backhanded, that young persons should not be registered behind their backs. This suggests that the old system, which said all must register, and then threatened to fine and jail those who forgot, is somehow preferable. The face-to-face system relies on informers to turn in many who evade registration. What is to be preferrred—computer registration or reliance on informers.

What is more, if the balloon really does go up someday, the millions who willingly register will soon insist that checks be made of computerized Government records to track down those trying to evade the system.

The Privacy Act already provides that the records of any Government agency can be given to any other agency "for a civil or criminal law enforcement activity" (5 U.S.C. 552a(b)(7)). Therefore, if face-to-face registration is enacted for either peacetime or wartime, the Selective Service System will automatically have the legal authority to use IRS records—not simply to compile a list but to pinpoint violators and drag them into the courts. Again, what is better: to use the IRS records in neutral fashion to compile addresses or as a club to inflict penalties.

During the 95th Congress I was a member of the subcommittee that oversees the Privacy Act. One of the key philosophical underpinnings of that legislation is that information gathered by the Government should not be used for purposes other than those stated. It would violate that principle if in a future war Congress decided that records in hand would be used to track down nonregistrants. It would not violate that principle to declare today that records collected in future years can be used to compile lists of registrants.

WILL COMPUTER REGISTRATION REALLY WORK?

The weight of evidence indicates that a computer registration system is feasible.

The Congressional Budget Office reviewed various approaches and concluded:

> Selective Service could rely on existing computerized lists to form a registration data base. For example, it appears technically feasible to merge Social Security and IRS taxpayer files to produce a current address list for up to 85 percent of all 20-year-old males. (This would be the first age group Selective Service intends to induct upon mobilization.) The Social Security Administration and Internal Revenue Service already have a major tape exchange program in effect, and they estimate it would take about three to five days to merge the files to obtain a registrant list with the necessary personal data, such as birthdate and sex from the Social Security Administration and current addresses from IRS. (CBO Budget Issue Paper, "The Selective Service System Mobilization Capabilities and Options for Improvement," November 1978, page 42.)

The General Accounting Office has also reviewed the alternatives and reported:

> (I)t appears most critical that a list of draft eligible people exist. Several types of data exist that could be used to make lists of eligible individuals, such as information on Social Security account number holders, drivers license holders, high school graduates, and registered voters. We were advised that Selective Service System had considered various sources for designing a temporary list but had been denied access to the data by the agencies who cited the Privacy Act as the basis for their denial. In our opinion, the Service should have pursued the matter and formally requested access to the data. If again denied, the Service should then request a waiver of the statute since having a list from which to begin the process is so critical to the service's capability to meet DOD's manpower needs. (GAO, "What are the capabilities of the Selective Service System?" FPCD-79-4, December 14, 1978, page 11.)

COMPUTER REGISTRATION: CONTINUING OR LAST MINUTE

Computer registration can be handled in two ways.

A continuing computer registration system could be provided. The IRS and social security lists could be merged each year; that list could also be updated and double checked by running it quarterly or even monthly against State drivers license records or other records.

The IRS and social security lists could be merged beginning on M-day with no action taken before, apart from providing Selective Service with sufficient computer capacity to handle the list provided by IRS and social security.

The advantage of gearing up only on M-day is simplicity. The disadvantage is oversimplicity. As anyone who has worked with computers knows, there is more to operating a system than pushing a button. It is difficult to have confidence in a system that is put together as a grand theory to be implemented by mortal men in an emergency on short notice. To work effectively in time of need, the system needs to be exercised, exercised frequently and exercised in the most relistic manner possible.

IS AN 80 PERCENT VALID LIST GOOD ENOUGH?

Both the face-to-face registration system and the computer registration system would provide lists that would be only 80-odd percent accurate. In both cases, a postmobilization followup registration would be required to fill in the many gaps. But in both cases, the pool of available manpower on M-day would be immense and quite sufficient to start mobilization. A 100-percent clean registration list would be nice to have on mobilization day. But such perfection is impossible and near-perfection would be an expensive luxury that is not militarily necessary.

It is estimated that the computer registration system could deliver the first draft notices a mere week after M-day. With inductees having 10 days after notification before they must report, Selective Service could actually deliver its first draftee to the Army in about 17 days or long before the Army's current requirement for the first induction 30 days after M-day.

The biggest delay is actually the time given the draftee to clear up his personal affairs. It used to be 30 days, but has now been shaved to 10 days. It is to be hoped that as a practical matter, young men in any future emergency could be given more than 10 days notice. But the fact remains that delivery time could be speeded up even further by cutting the notice time back more.

COSTS

The Congressional Budget Office estimates that to go back to a system of face-to-face registration and classification would cost an additional $13 million a year—over and above the current $7 million to $8 million a year for a Selective Service System in the deep freeze.

CBO estimates the cost of going to a computer registration system at an additional $2 million a year, the cost of additional ADP equipment and trained personnel. The CBO has not estimated the cost of an annual test run of the system, but that cost should be insignificant.

Neither system is costly when compared to most military programs that come before Congress. Both programs give the Nation essentially the same capabilities on M-Day.

Below is a table showing the budgets and employment of the Selective Service System in recent years. The House Appropriations Committee recently reduced the fiscal year 1980 request by $2 million. This action deleted funds for increasing the number of field offices but left in money for beginning to upgrade ADP capabilities.

SELECTIVE SERVICE SYSTEM BUDGET AND EMPLOYMENT

Fiscal year	1973	1974	1975	1976	1977	1978	1979	1980 request
Budget authority (millions)	$83.5	$54.2	$45.0	$37.5	$7.1	$6.6	$7.3	$9.8
Permanent employment	5,200	3,100	2,200	173	80	72	84	124

CONSCIENTIOUS OBJECTORS

One of the problems with a computer system is the handling of conscientious objectors, since there would be no peacetime classification. In fact, even under a face-to-face registration system we might not classify registrants since it is widely accepted that peacetime classification is expensive and would not speed up deliveries in wartime.

I would suggest that there is a fair and painless compromise. We need no longer classify all registrants, but we can permit those who so chose to apply for classification in peacetime. The interviewing and processing of CO applicants could then be handled slowly and deliberately without the emotional pressures that are certain to accompany the opening months of a conflict when casualty lists are running long.

MALES ONLY OR BOTH SEXES

A lot of time has been consumed discussing whether registration should apply to men alone or to both sexes.

Registering women in no way implies a requirement to draft them in the event of war. It simply offers the choice. Furthermore, should women be drafted, that does not require that they be used in a combat role. If someone really wanted to be sexist about it, we could draft women exclusively to be clerk-typists and nurses.

At the beginning of World War II there were very few women in the work force. Men were drafted into the military and women poured into the factories to replace them. But almost half of all our women over the age of 16 are in the work force today—49 percent for women compared to 77 percent for men. In any future, long-term, major war, we would not enjoy the same untapped pool of labor. Work force management will be a more pressing problem. Female conscription may be a means of man- and womanpower management that we will need to resort to.

We do not have to compile lists of women today for this purpose. It is unlikely that any pressures on the workforce requiring conscription of women would materialize for many months into a war and there would be lots of time to put together a female registration list.

Those who oppose the registration of women seem to think they are saving womanhood from the gore of the next war. In fact, all they are doing is postponing any discussion of what role women would play in national mobilization. To repeat, registering women does not mean they have to be drafted in wartime, but registering them could lead to some rational discussion of women's role in a future conflict.

THE POLITICAL ANGLES

As with most issues that come before Congress, there are a number of political angles.

(a) The camel's nose: The major opposition to registration stems from the impression among AVF supporters that it is the camel's nose under the tent; if registration gets in, then the draft is sure to follow. The argument is fueled by the fact that most of those strongly pushing for registration have also been pushing for the draft. In this case, the camel's nose argument is specious, however. This argument is relevant only when one is talking about a program that can grow incrementally, as for example, Medicare, which has grown a little each year. Or take disability insurance, which has grown from $3.5 billion to $18 bilion in just a decade without any public debate or specific expansions voted by Congress. But that is not true of the draft. With or without registration, the draft can only be resumed after rollcall votes in both House and Senate. There is no way to slip discretely into a draft from the the base of a registration system.

(b) War made easier: It has also been argued that registration will make it easier for an unscrupulous administration to take us into war. In the early 1970s the easy-war argument was used by liberals who opposed the AVF and saw draftees as a levening that would keep an all-professional military from being a tool of the president. We can't use the argument both ways. More to the point, the War Powers Act limits the President's ability to take either a volunteer or draft force off to war.

(c) Straw man: Most of the active support for the resumption of registration comes from strong opponents of the all-volunteer system, as noted above. There is a good chance that the registration proposal will go down to defeat. Many of the proponents, in fact, anticipate that it will be defeated. They will then argue that the loss of registration is just one more example of the inability of the all-volunteer system to defend the Nation and will argue even more strenuously for the resumption of the draft.

Of course, this argument will have no effect on the committed opponents of the draft. But that does not matter. The constituency everyone is aiming at is the vast uncommitted middle—the majority of the population that is willing to spend billions and willing to draft young men if they are absolutely convinced that such programs are really needed for our defense. They are not now convinced that this draft is needed. But they are disturbed by reports of insufficient volunteers and declining intelligence levels in the armed services. The defeat of a registration system will be used by proponents of the draft as they lobby the uncommitted middle and argue: "The volunteer military is too small and dumb, and now with the defeat of registration we will not be able to expand our Armed Forces fast enough in an emergency—so we have to go back to the draft."

(d) Growth of awareness: There is a positive note to this whole debate. Since the all-volunteer system began, few voices have risen to explain its problems and its successes. AVF opponents have had a field day making all sorts of allegations. The old coalition that brought about the birth of the AVF was quiescent. The late Congressman Bill Steiger took the lead in trying to awaken that constituency—but with little success. The registration debate has now jolted the old AVF constituency out of its lethargy. People who accepted unsubstantiated criticisms of the AVF are now listening to the other side. More people now understand that the average intelligence score of recruits has not declined under the volunteer system, but actually increased, albeit marginally. More understand that although the services fell about 7,000 men and women short of their recruiting goals at the end of last year, that really did not mean very much since the services ended up with 2,000 more persons in uniform than they wanted because they surpassed their reenlistment expectations.

CONCLUSIONS

If we need a peacetime registration system to meet anticipated wartime mobilization requirements, we ought to have it. It would be irrational to spend billions for weaponry and not to spend a few millions to assure there is manpower to handle all the weapons. Although some now assert that it is an infringement of personal rights to require registration, it is certainly a much lesser infringement than the requirement that you register with social security before you can get a job.

But if we do not need face-to-face registration, why should we spend the extra money and invite social turmoil and youth rebellion?—especially since we end up with the same quality list on M-day whether we use face-to-face or computer registration. Government bureaucracies are unable to walk and chew gum at the same time unless they get a great deal of practice. Therefore, it will be necessary to exercize a computer registration system constantly; we cannot just design such a system, stick it in the freezer and ever expect it to work on a few days' notice.

There are indeed privacy implications to a computer registration system. But we meet the main concerns by saying in advance in the statutes that certain government records compiled in the future will be used to produce selective service listings. And we are certainly more in tune with the privacy philosophy by so declaring now, rather than waiting until the outbreak of war and then resorting to already assembled lists.

We ought not to forget the conscientious objector. A system that fails to provide for CO's to gain such classification in peacetime threatens to open a hornet's nest of social conflict in wartime. Without at least computer registration we cannot provide this protection to CO's.

In sum, the best approach for the least money includes:

Computer registration on a continuing basis;

Regular exercizing of the system;

Provision for CO's to be so classified in peacetime; and

Inclusion of females as well as males.

Registration in peacetime is a small price to pay—either in dollars or imposition—for the added measure of deterrence to war and capability in the event of war that it will give us.●

THE STRUGGLE FOR LITHUANIA'S INDEPENDENCE

HON. MORGAN F. MURPHY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, June 18, 1979

○ Mr. MURPHY of Illinois. Mr. Speaker, 38 years ago this month many thousands of Lithuanians were deported by the Soviet Union to certain death in Siberia. Despite the Soviets' cruel act of oppression and continued acts of repression against the Lithuanian people, the struggle for Lithuanian independence goes on.

I want to call my colleagues' attention to an article that appeared in the underground newspaper "Ausrele" (Young Dawns), which depicts both the plight and the inspirationl fight for freedom being waged by Lithuanians against Soviet domination. The article circulated in Lithuania on February 16, 1978:

LITHUANIAN AMERICAN COUNCIL. INC.,
Chicago, Ill.

THE FREE LITHUANIANS IN A SUBJUGATED FATHERLAND

(This article is taken from the underground paper "Ausrele" (Young Dawn) circulated in occupied Lithuania on February 16, 1978.)

Is it not a new paradox in our controversial and peculiar world, where quarrels, litigations and murders occur for the most negligible causes, that the fight for the most important human values: freedom, integrity and well-being is avoided?

However, this should not be considered as a paradox. Free people exist not only in the free world, protected by democratic constitutions, but also in countries where any desire for freedom is squelched with bullets, jails, psychiatric hospitals. A slave is only he who accepts his servitude, who does not feel the chains which bind him. A man who is afraid is already defeated. He easily succumbs to the economic and political exploitation of the enslaver. Self-respecting man has to overcome innate fear, to rise above natural inclinations, to prove that there are aspirations which are more valuable than life itself.

Free is everyone who resists the efforts of the enslaver to make him godless, to dehumanize, to denationalize him. This rule can also be applied to entire nations. Every nation which struggles against the oppressor is free, notwithstanding the fact that its territory may be occupied. Such a nation even though it has lost its external freedom, has preserved its internal, spiritual independence. The history of the Lithuanian nation during the last decades (not speaking about the entire period from the loss of its independence) has proven this very convincingly.

After the rebellion of 1863 which was cruelly crushed, for several decades there was no active resistance in Lithuania. However, underground newspapers "Auŏra" (The Dawn), "Varpas" (The Bell) came to being announcing the spiritual rebirth of the Lithuanian nation. The 1944 rebellion, which lasted for 10 years, was even more ruthlessly suppressed. It seemed as if it would be necessary to wait a few more decades until new resistance forces matured. However, before the guns of the freedom fighters were silenced, on All Souls Day, 1956, in the cemetery of Kaunas, the tricolor flag of free Lithuania was raised. Students, intelligentsia, former prisoners who had returned from concentration camps in the Soviet Union, with tears in their eyes sang the Lithuanian national anthem and the religious hymn, "Mary, Mary lighten our servitude . . ." The crowd repeatedly shouted, "Freedom for Lithuania", "Begone Russian intruders". Stones were hurled at the members of the NKGB. In Vilnius, that same evening, masses of young people poured out of the Rasos cemetery singing patriotic songs. They flooded the streets and stopped traffic for several hours.

After that demonstration hundreds of young people, students and former prisoners, were taken in steel-barred trains to the same concentration camps where more than one thousand Lithuanian freedom fighters underground resisters, were still being tortured. Great numbers of young Lithuanians were drafted into the Soviet army.

In the autumn of 1970, Pranas and Algirdas Brazinskas, father and son, escaped to the West, informing the entire world about the desire for freedom burning in the hearts of Lithuanians. One month later, Simas Kudirka who was turned over to the Soviets, beaten, reminded the Western world about the indifference of the westerners to their self-asserted moral ideals.

In March, 1972, "The Chronicle of the Catholic Church in Lithuania" began to inform the world about the persecution of believers and their priests in Lithuania. On May 14th of that same year, in the garden of the Drama Theatre in Kaunas, where 32 years earlier a disgusting mockery of the independence of Lithuania and the free state system had been perpetrated, the self-immolation of Romas Kalanta (who died shouting "Freedom for Lithuania") took place. His body perished but his spirit remains alive forever in the hearts of the nation, continuously rapping at our conscience and fostering the desire for freedom.

Romas Kalanta, born in slavery, became free. His sacrifice dispelled the myth of the oppressors that the younger generation continually brainwashed by a stream of beautiful words and promises, will obey their coercion and will melt into the flood of colonization, forgetting the spirit of the Lithuanian nation. Today the younger generation has already taken up the banner of the fight for freedom. Although born in slavery, they have inherited the yearning for freedom from their parents.

Thirty-seven years ago as a result of a secret pact between brutal dictators, Lithuania lost its independence. For a paltry sum the red Eastern feudal lord bought Lithuania from the Western plunderer. The Lithuanian nation, left to its fate by the democratic nations, did not bow its head. The Eastern tyrant required several years to achieve physical conquest, but he will never achieve spiritual conquest!

Knowing that there is no struggle without sacrifice, we believe that no sacrifice, especially a sacrifice of blood and suffering will bo in vain, but will encourage and obligate us to fight until, as the poet Maironis stated, "the painful chains will fall away and a bright new sky will dawn for our children".

Therefore, we, together with free Lithuanians are publishing "Lietuviu Kataliku Baznycios Kronika" (Chronicle of the Catholic Church in Lithuania), "Ausra" (The Dawn), "Dievas ir Tevyne" (God and Country), "Varpas" (The Bell), "Lietuvos Balsas" (The Voice of Lithuania) and other underground papers. We bid defiance to the only colonial empire left in the world (the Soviet Union), before whose military power almost the entire world trembles. We are once again appealing to the democracies of the non-communistic world, to those who declare the principles of freedom but are are deaf to the laments of the subjugated nations.

Let these pages speak out about the inextinguishable yearning for freedom, about the efforts of those people who under the most impossible conditions continue the traditions of the free Lithuanians.—FREE LITHUANIANS.●

IT IS GOOD FOR CONGRESSMEN TO TRAVEL

HON. ROMANO L. MAZZOLI

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Monday, June 18, 1979

● Mr. MAZZOLI. Mr. Speaker, I wish to commend to the attention of my colleagues an article by J. Robert Schaetzel which appeared in the June 5 issue of the Christian Science Monitor.

Criticism of "foreign junkets" is familiar to most Members of Congress, and in some cases it is warranted.

However, as Mr. Schaetzel points out, many congressional trips to other countries are constructive.

The article follows:

IT'S GOOD FOR CONGRESSMEN TO TRAVEL

(By J. Robert Schaetzel)

As surely as spring brings daffodils, travel abroad by the congressmen brings the cheap media shot: an image of skies dark with junketing legislators, vacations at government expense, contrived investigations best done at home, if at all. In point of fact, constituents and the press should urge not less but more overseas travel.

By every measure the country is becoming each year not so much isolationist as anti-internationalist. Not only do domestic issues preoccupy members of Congress, responding as they must to the heavy pressure of interest groups, but the role of ombudsman further tightens the bonds of the legislator to his constituency. The system weighs against a reasonable balance of congressional attention between domestic and foreign issues.

One argument for foreign travel is the opportunity it provides the congressman or senator to think and reflect away from the Capitol Hill pressure cooker. But foreign travel's overriding value is to counteract congressional insularism.

The center of gravity of international relations shifts steadily toward economic issues—energy supply, the plight of the dollar, foreign markets and import competition, foreign aid. An inner-oriented Congress—whose work is conducted primarily through a battery of functional House and Senate committees, each with a preeminently domestic orientation—can casually and even without conscious intent create by its actions immediate and far-ranging international waves.

Foreign travel introduces a new dimension. Members of Congress hear criticism, learn of alternative approaches to similar problems, and discover that other countries struggle with an equally difficult agenda of issues—and are subject to the same array of domestic political pressures.

As congressional life, its pace and distraction, puts a premium on ear-learning, it is this direct contact which can deal with what the theologian describes as "vincible ignorance." This is the state of mind of those who withhold their attention from readily available data that would enable them to make an informed choice. As ambassador to the European Community I saw this educational process at work firsthand when several years ago two-thirds of the members of the Ways and Means Committee made their first trip overseas. Three days of intensive discussion in Brussels informed the committee about the European scene, had a lasting effect on the congressmen, and made an equally positive and enduring impact on the Europeans.

This and other contacts with the European Community provided, for example, a perspective assuring a more sophisticated treatment of the Tokyo trade package now before the Congress than would otherwise have been the case.

A strong argument is the effect of congressional travel on foreigners. Our political system with its separation of powers mystifies a world accustomed to parliamentary democracy; there is even despair that the American political system can work at all.

The Europeans, for instance, see a President consigned to idle proposing and a Congress mindlessly disposing—or more likely, failing to act at all. Exposure to American legislators won't dispel this apprehension. But it can lead to a more mature, balanced assessment of a different political structure, the virtues of which include the committee hearing process, the congressional oversight function, and the new budget procedure.

The essence of the case for overseas travel, however, is to open the minds and broaden the vistas of a Congress, half of whose members have been elected for the first time since 1974, of men and women whose youth denied them exposure to the conditioning experience of World War II, the Marshall Plan, the design and launching of the postwar system of international institutions—even the trauma of the Korean war is no more than a vague historical footnote. And these are tomorrow's leaders.

This is not a lament for the "good old days." Indeed, a maelstrom of change suggests the need for a basic assessment of the relevance of inherited policies and institutions, of ideas for change and innovation. A young and more assertive Congress holds a place at the center of the world stage. It can play an irresponsible or a constructive role. Travel, exposure to foreign situations, problems, and ideas enhance the prospect that this role will be responsible.●

CONSERVATION AT WORK

HON. DON FUQUA

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 18, 1979

● Mr. FUQUA. Mr. Speaker, on Wednesday, June 13, 1979, a waste heat recovery system, authorized by the Committee on Science and Technology in 1978, was officially commissioned in Easton, Md., as part of their municipal utility. This is a splendid example of energy conservation which has considerable nationwide potential.

The waste heat recovery system uses hot exhaust gas from the utility's two diesel generators to produce a supplemental source of electricity. Up to 3.5 million kilowatt-hours of additional power can be produced each year without additional fuel.

The Easton demonstration is one of five planned by the Department of Energy which is spending $4.75 million on this project. Sunstrand Energy Systems of Illinois is the manufacturer of the system and is sharing $2.4 million of the cost.

Mr. Speaker, I commend the following remarks, made by Mr. George Fumich, program director of fossil energy to the Science Committee delegation and assembled representatives from the community and industry:

EASTON, MD., WASTE HEAT RECOVERY SYSTEM COMMISSIONING

I am pleased to be here today to help celebrate with you the commissioning of this most promising and energy conserving powerplant—and also to congratulate the people of Easton on their vision and pioneering spirit in being one of the first customers for this technology.

We've had a very good overall description by our hosts today on how this system operates and its technical capabilities. What I would like to discuss with you are the ways in which this technology—and the city of Easton—fit into the context of the nation's energy challenge. Specifically, I hope to show that the kind of technology we have seen today marks an important advance in meeting our energy needs and that what happens in Communities such as Easton can indeed have positive national implications.

Now, for all the controversy and debate aroused by the energy crisis, there are a few facts beyond dispute.

First—as the President stated in his address to the nation, the United States is faced with a real energy crisis. It is a crisis brought on by our growing dependence on foreign oil; by lagging domestic oil production; and by overconsumption of nonrenewable energy resources.

Secondly—Two years ago, President Carter proposed a national energy policy and warned that if we defer action on our energy problems, they would only worsen. Now, because of the temporary cut-off of Iranian oil, those problems have worsened, and they must be dealt with; and,

Thirdly—The goal of the President's energy policy remains the same, to reduce our dependence on the foreign oil cartel by: increasing domestic production; encouraging greater energy conservation; and stimulating the use of our vast technological resources to speed the development of alternative energy resources.

The DOE Fossil Energy program has as its primary mission the task of speeding the development of technology for the production of alternate fuels from coal and unconventional domestic fossil resources. There is an important relationship between Conservation and the development of these alternate fuels. Conservation must be counted on to help stretch our supplies of critical petroleum and natural gas in order to buy time for development of a synthetic fuels industry and for these fuels to enter the market in significant quantities.

Now what exactly do we mean by the term "Conservation"? Perhaps the most popular definition of Conservation is that it involves cutting back on energy use by changing our thermostat settings, using lower wattage lights, carpooling, and in general, using energy more sparingly than in the past. These are really only good housekeeping measures which are easily acheivable by curtailing what are now essentially wasteful practices.

There is another side to Conservation, however, which we view as a particularly important element of the Fossile Energy program. It is called "Improved Conversion Efficiency" and it means developing technology for converting fuel more efficiently into useful work, or basically doing the same work for less fuel. Besides helping us extend diminishing oil and gas fuels by this more efficient use, technologies featuring improved Conversion efficiencies are extremely important to the economic success of future alternative fueled systems. These alternate fuels are expected to be somewhat more costly per Btu than oil and gas is now so higher conversion efficiencies which minimize fuel consumption can significantly reduce the overall fuel/power system operating costs, thus helping considerably with the entry of these new fuels into commercial use.

The Organic Rankine Bottoming Cycle System (ORC) now operating in Easton is part of an overall plan by the DOE to provide technology for recovering waste heat and putting it back to work in lieu of burning additional fuel. This particular unit is designed to capture heat ordinarily wasted by diesel powerplants such as yours and put it to use generating additional electricity. It is intended to produce about 10 percent more power and use no more fuel to do so. We estimate that the national energy savings of these systems in utility sites such as yours could amount to over 300,000 barrels per day equivalent.

Incidentally, this figure corresponds to about one-half of the shortfall we incurred as a result of the Iranian cutoff.

Let me say a few words about the financial arrangements for this project and also place them in a national context.

First, the cost for this project is shared by DOE, Easton and Sunstrand Energy Systems. It is a perfect example of the kind of cooperation between the federal government, local government and the private sector without which we will not resolve our energy problems. For Easton, the project offers an energy-efficient and therefore more economical energy system. DOE has worked out a contracting arrangement with Sunstrand known as a cooperative agreement whereby as these ORC systems become commercial and are sold to produce net profits, the federal government could eventually recover its R&D investment. And for Sunstrand, the project offers an important first step toward the commercialization of a technology which is important from the national energy savings perspective, but is of higher risk than totally private ventures would be willing to assume.

This matter of commercialization is extremely important. Our energy technology development strategy rests on the assumption that the success or failure of any energy device or system will be determined in the marketplace. DOE can—and does—help to accerate the development of energy-efficient systems, but the ultimate consumer is the nation at large and not the Department of Energy.

So, in joining government and the private sector and in advancing the crucially important element of commercialization, the Easton project is clearly a step in the right direction.

And if we take a close look at the city of Easton itself and the nature of its utility system we can also see that this project has an importance transcending the specific size of the city and the utility.

The nation's smaller cities and municipal utilities occupy a strategic place in the energy equation. Consider, for example, the importance of communities with a population of 50,000 or less. According to the latest census—effective July 1, 1976—there are 18,616 incorporated areas in the country with a population of 50,000 or less. What this means is that 65 million people—or some thirty percent of the entire population—reside in communities such as yours. Clearly, then, the energy-consumption habits of our smaller communities do matter a great deal.

And this is equally true of the municipal utilities that supply the energy needs of these communities. DOE has sometimes been criticized—and I think fairly—for favoring projects in large power systems. Our involvement with, and the publicity associated with large coal-fired and nuclear powerplant technology projects has often been interpreted as lack of interest in smaller systems. However, I believe the agency is learning that small can be beautiful. We are certainly sensitive to the fact that the nation's 2,235 municipal utilities generate fifteen percent of the country's total electrical output and that they serve 34 million people. And we are also very much aware of the fact that the municipal utility system offers us a splendid network for demonstrating technologies such as this that offer improved conversion efficiencies.

It is my understanding that Easton, which is the largest municipal in the State-of-Maryland, is involved with a variety of energy saving technologies. Certainly your investment in this bottoming cycle system illustrates a continuation of the innovativeness which began with the founding of the original Edison system here. I am confident that all of the other Maryland municipals will hear about the Easton project. I am equally confident that the American Public Power Association (APPA) will see to it that all of its members outside of Maryland are also informed about what you have done.

We still have a great deal to learn about how new technologies find widespread acceptance. But we do know that the spread of technological innovation depends on key actors. Sometimes the actors are a group of individuals; at times its a company; at other times, it can be an entire community. Getting an entire community—along with its utility system—to embark on technological innovation may be the most effective approach of all. All the more reason why what we have seen today is such an important step in conserving our energy resources.

Now I hope that, in these few minutes today, I've given you a little better perspective as to how new technology and communities such as yours here in Easton fit into the overall solution to our energy crisis. Specifically, I hope I've reinforced the message from our hosts here, Sunstrand and Easton Mun. Utility that the kind of technology we have seen today really can work as an important advance in meeting our energy needs.

Thank you for your attention and, again, my congratulations.●

SYNFUELS, BUT WITH CAUTION

HON. RICHARD L. OTTINGER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, June 18, 1979

● Mr. OTTINGER. Mr. Speaker, the House Committee on Banking, Finance and Urban Affairs has reported to the House a bill (H.R. 3930) to encourage the development of synthetic fuels for defense needs.

This bill contains many new and innovative ideas. There also, however, are some problems that need to be addressed.

My good friend and colleague, JOHN DINGELL, Democrat of Michigan, chairman of the Energy and Power Subcommittee has circulated a copy of an excellent and insightful memo on this subject which his staff has prepared for him. I want to take this opportunity to share this memo with my colleagues.

I commend this analysis to my colleagues as we prepare to grapple with the complex issues of encouraging the development of synthetic fuels.

The text of the memo follows:

HOUSE OF REPRESENTATIVES,
Washington, D.C., June 13, 1979.

MEMORANDUM

To: JOHN D. DINGELL, Chairman.
From: Subcommittee Staff.
Subject: Summary and Discussion of H.R. 3930.

H.R. 3930 as reported on May 3, 1979 by the House Committee on Banking, Finance and Urban Affairs seeks to establish a program to encourage the development of synthetic fuels for defense needs. The Committee report (H. Rept. No. 96–165) states:

"Based on present information offered by numerous witnesses testifying on H.R. 3930, the Committee has concluded that, in the absence of Federal financial incentives with regard to synthetic fuels or other policies intended to create a stable and favorable synthetic fuels investment climate, achievement of a national production goal for National Defense of at least 500,000 barrels per day crude oil equivalent of synthetic fuels and synthetic chemical feedstocks is not likely by 1985.

"This conclusion stems from the fact that the anticipated cost of synthetic fuels and chemical feedstocks poses an almost insurmountable barrier to industry and investors, especially in light of the uncertainty of future world oil prices.

"Financial incentives examined by your committee include loans and loan guarantees; purchase agreements and price supports, tax changes including investment tax credit, construction expensing and accelerated depreciation; construction grants or subsidies; government-financed and owned plants; and selected combinations of each of the above."

In addition the Committee report stressed that the bill "does not favor any particular fuel technology or feedstock over any other" and that it is not "designed to deal with research and development."

The following is a brief discussion of some of the provisions of, and problems with, the bill.

General—In general, the bill adds a number of new provisions to the Defense Production Act of 1950 which already provides very broad powers to the President in such matters as priority of contracts, hoarding of designated materials, loan guarantees, loans, purchase of raw materials, and other matters. It also extends certain titles of the 1950 Act from September 1979 to September 1980.

In providing new financial incentives for energy or expanding such incentives, the bill does not preclude a combination of such incentives for any project.

Definition—The 1950 Act now defines the term "national defense" which is used throughout the Act to mean "programs for military and *atomic energy* production or construction, military assistance to any foreign nation, stockpiling, space, and directly related activity" (Italics supplied.)

H.R. 3930 changes the definition by striking the word "atomic" so that the term "national defense" also means "energy production or construction" and it is not limited by the world "military'.

Comment—This definition change further broadens an already broad law. Under this definition, the President could utilize his powers under the Act to affect all types of energy production without regard to whether it is for military purposes or not. For example, section 101 of the Act authorizes the President to "allocate materials and facilities" to promote the national defense. The section states that this authority cannot be used to control the "general distribution of any material in the civilian market unless" the material is "scarce and critical material essential to national defense" and the requirement for national defense cannot otherwise be met "without creating a significant dislocation of the normal distribution of such material in the civilian market."

H.R. 3930 also amends section 2 of the Act to make it clear that "materials" include "petroleum".

Under these amended authorities, it is possible for the President to conclude that he could institute a rationing program. This argument is not farfetched. Only last month the President issued Executive Order 12140 (44 F.R. 31159) under the Emergency Petroleum Allocation Act of 1973 delegating "the authority to establish a system of end user allocation for motor gasoline." In support of that Order, the Justice Department, in a May 25, 1979 memorandum to the DOE, noted that the DOE has previously issued end user allocation regulators under the EPAA, and thus concluded:

". . . we believe that the prior interpretations of the EPAA as permitting the President to regulate the distribution of petroleum products to end-users would be viewed as correct interpretations of the EPAA and clearly within the scope of the EPAA."

The Justice Department correctly notes that DOE regulations apply to end users. However, those end users are all bulk users. The Executive Order would apply to individual end users. Thus, Justice took some liberty in its interpretation of the EPAA. It would not have to take a similar liberty under the 1950 Act, as amended by H.R. 3930, because the new provisions are quite specific.

We also note that if H.R. 3930 is enacted, and if the 1950 law is further extended, the President would continue to have petroleum allocation authority even after the expiration of the EPAA.

Declaration of Policy—The bill amends the Act's policy statement to declare that in order to insure national defense preparedness, there must be "greater independence in domestic energy supplies." As already noted, it also makes it clear that "materials" include petroleum.

Comment—This statement broadens the purposes of the Act and, in effect, adds a greater basis for the President taking actions pursuant to the Act in the name of energy.

Loan Guarantees—The Act now authorizes the Defense and Commerce Departments to make loan guarantees to expedite production and deliveries or services under Government contracts for the national defense. The bill extends this authority to the DOE and TVA.

Comment—The DOE already has loan guarantee authority with some carefully developed limitations on its use, including a requirement for congressional authorization and appropriation.

H.R. 3930 would give DOE *new* loan guarantee authority. Under the 1950 Act, with this amendment, the DOE can use any funds available to it under any authorization and appropriation to make such guarantees. This includes funds appropriated to DOE for enforcement, research and development, solar and conservation, power marketing, nuclear the operations of the Federal Energy Regulatory Commission, etc. (see sec. 301(d)). Also, because the bill changes the definition of the term "national defense" to include any program for "energy production or construction," the DOE could use this authority to guarantee any energy commercialization project without any review or approval by our Committee or the Appropriations Committees.

The bill extends this same broad authority to TVA, but not to other power marketing agencies. It is not clear why TVA is included.

It would also let the Defense Department and the Commerce Department finance energy projects with loan guarantees.

Funding for Loan Guarantees—The 1950 Act now establishes a maximum loan guarantee obligation under any loan, etc., for any agency of $20 million, except where Congress approves a higher figure by statute. The bill raises the dollar amount to $38 million to account for inflation, according to the Committee's report.

The bill also deletes this Congressional approval requirement now in the law which prohibits raising the limit, except with Congressional approval. Instead, it would authorize an agency like DOE, TVA, or Defense to raise the guarantee limit to any amount over $38 million after (a) notice to the Senate and House Armed Services Committees and (b) a waiting period of 60 days during which either House could veto the proposal.

Comment—While raising the dollar limit may be appropriate, the deletion of the Congressional approval does not appear sound. Under this provision, the DOE and TVA could seek to raise the guarantee limit to $1 billion or more and would not have to notify this Committee or the Committee with jurisdiction over TVA. DOE would only need to notify the Armed Services Committees.

The one-House veto provision, which is identical to the one in the 1950 Act for loans, does not provide procedures, such as those in the Energy Policy and Conservation Act, for discharging the Committees if they try to bottle up the disapproval resolution or for expediting consideration of it on the Floor. In short, such a disapproval does not provide the safeguard of effective Congressional review.

Loans—The 1950 Act authorizes the President to make loans, in the same manner as loan guarantees, for various purposes. The bill expands the purposes to include the production of energy. It also increases the loan amount from $25 million to $48 million. Under the Act, only the Armed Services Committees get notice of the loans. Either House can veto them as in the case of guarantees.

Comment—Since the President could delegate this loan authority to the DOE, it means DOE could use this loan authority, again without any review or approval by this Committee.

Goals—The bill adds a new section to the Act, which is aimed at synthetic fuels. The section establishes a "national production goal" of at least 500,000 barrels a day of the crude oil equivalent of synthetic fuels and synthetic chemical feedstocks. The bill expects that the goal should be achieved within five years.

It also directs that the President require fuel and chemical feedstock suppliers to provide synthetic fuels and chemicals feedstocks if the President deems it practicable and necessary to meet national defense needs.

Comment—The goal is really a moving target because 500,000 barrels per day is a floor. There is no upper limit. Thus no one will ever know if the goal has been achieved.

The second directive concerning suppliers is puzzling. It appears to be unrelated to the purchase authority. It could be broadly interpreted to include condemnation authority subject only to the constitutional requirement of payment. It is not subject to any appropriation or authorization process. The term "suppliers" is not defined. There are no criteria or guidelines for utilizing this authority other than national defense—which, of course, includes energy production and construction.

Purchase Authority—The new section authorizes the President:

To purchase or make commitments to purchase synthetic fuels and chemical feedstocks, "without regard to the limitations of existing law," for "Government use or resale."

To "encourage" the development and production of synthetic fuels and chemical feedstocks.

To transport, store, process, and refine synthetic fuels and chemical feedstocks.

To install additional equipment, facilities, processes, or improvements to plants, factories, and other industrial facilities owned by the United States Government, or to install Government-owned equipment in plants, factories, and other industrial facilities owned by private persons.

To organize corporations, subject to a one-House veto, for purposes of achieving the goal of producing at least 500,000 barrels per day crude oil equivalent of synthetic fuels and chemical feedstocks.

The bill defines "synthetic fuels" to include liquid fuels and gasification. The President would conduct this program, but he could delegate it to DOE or other agencies. The bill authorizes $2 billion for the purchase of synthetic fuels. The contracts for purchase are not subject to the appropriation process.

Comment—There are a number of technical problems in this provision. For example, the bill limits the purchases to ceiling prices, but if none exists, the sky is the limit. It is not clear what ceiling price it has reference to.

Reportedly the authority to purchase "without regard to the limitations of existing law" has reference to procurement actions. Thus, the purchase would not be subject to current procurement laws. We do not know why this exemption is needed. However, the provision is broader. It could exempt such actions from NEPA, Davis-Bacon, antitrust laws, air and water pollution laws, strip mining laws, civil rights laws, etc.

There is also a question why this purchase authority, which is very broad, should apply to gasification projects. If liquid fuels are the problem, as we believe to be the case, then the purchase authority should be so restricted.

Purchasing for the "Government" gives the President authority to purchase for any Federal agency, not just for defense agencies.

In commenting on this purchase authority, the CBO said:

If the government purchases synthetic fuels, then the cost would esentially be the difference between the price of crude oil and that of synthetic fuel during the period from initial plant operation to the end of the authorization period, that is, 1995. There is great uncertainty regarding the future price path of these two alternative fuels and therefore, the total cost would be between zero and five to ten billion dollars. If synthetic fuels were approximately $5.00 per barrel above crude oil for the period 1984–1995, then the total cost could approximate 9 billion dollars. This assumed 50,000 barrels per day which is 165 million barrels per year times $5.00 per barrel times 11 years. The price differential assumption is, of course, key and has a large amount of uncertainty. The future crude oil price depends primarily on the policies of the Organization of Petroleum Exporting Countries which in turn depend upon a number of political as well as economic factors. Such prices are however, expected to increase over the next decade between zero and several percent in real terms. With respect to the cost of synthetic fuels production, the key uncertainty is the rate at which construction costs increase in the future since capital costs represent over 50 percent of the total cost to produce synthetic fuels. Construction costs for large capital projects have been escalating quite rapidly over the last few years and this trend is expected to continue in the future. Technology unknowns, on the other hand, are not expected to increase the costs substantially.

If the federal government chooses to build plants that have a capacity for 500,000 barrels per day crude oil equivalent, that would require an initial capital investment of 18–22 billion dollars in 1979 prices. However, if the plant is either leased to the private sector or is run by the federal government and the production is sold, then there would be offsetting revenues over the period the plant is in operation. Whether or not the revenues would pay back the investment would again depend upon the cost differential between crude oil and the synthetic production. Based on present cost expectations through the mid-1990's it is doubtful that such revenues would offset the initial investment.

One should further note that a recent CBO analysis (Fall 1978) indicates that loan guarantees are an inappropriate mechanism for large synthetic fuel plant promotion.

General Comment—While the concept of a federal energy subsidy through government purchases or a guaranteed price may be valid (and may even be the best way to go about providing such incentives, once the decision has been made that subsidies are desirable) the bill appears to be too broadly drafted and provides a blank check. It may require some major surgery, particularly by deleting the loan guarantee authority for TVA and by the DOE and taking the Defense Department out of the energy business. It also may require provisions that financial aid canot be multiplied to insure that industry has some risk.

Incidentally, the bill permits the purchase authority to apply to any "person". Under the 1950 law, a person includes foreign entities like OPEC. Thus, it is possible that a foreign government, corporation or cartel could receive the benefits of a loan guarantee or purchase authority. Presumably that was not intended and it should be corrected.

Also, if the objective is to develop a domestic synthetic industry, it would appear wise to require that purchase contracts require that the fuels be produced in the United States and that the plants be located in the U.S.

Finally, the bill appears to give DOE duties, but no funds or personnel to perform them. Given the broad duties of DOE today and their problems concerning personnel and our Subcommittee's concerns about DOE's overuse of contract services, this should be of concern to the Subcommittee.●

WAKING UP TO THE HORRORS OF COMMUNISM

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, June 18, 1979

● Mr. ASHBROOK. Mr. Speaker, I call my colleagues attention to the ad on page A17 of the Washington Post for May 30, 1979. Joan Baez led a whole list of people, most of them entertainers and others of the "chic" crowd in an open letter to the Communist regime in Vietnam condemning their human rights violations.

Most of the signers were active in the anti-Vietnam war movement. I remember in June of 1972 when Ms. Baez led a group of 2,000 women who marched around the Capitol to protest American involvement in Vietnam. She even withheld part of her income tax during the 1960's, because the money was used for military purposes. In 1967, she filed suit seeking the refund money seized from her bank account by IRS. Staughton Lind, another signer of the Post had also withheld part of his taxes.

During the heyday of the anti-Vietnam demonstrations we were continually assured that the North Vietnamese Communists would not persecute the South Vietnamese after the conquest. Now Ms. Baez and company admit that—

> Thousands of innocent Vietnamese, many whose only crimes are those of conscience, are being arrested, detained and tortured in prisons and re-education camps.

According to the open letter:

> People are used as human mine detectors, clearing live mine fields with their hands and feet.

That is the reality of communism. Oppression, slave labor, executions for political "crimes." All Communist regimes are alike in this regard. The "moderate" Communist government of Tito's Yugoslavia is different only in degree from the "extremist Communist government of Pol Pot's Cambodia. In this context "moderate" and "extremist" and differences in the quantity not the quality of the repression.

While millions of Cambodians were murdered by Pol Pot, the Tito dictatorship jails dissidents and uses its secret police to murder political opponents outside of Yugoslavia. The slave labor camps of the Soviet Union, Red China, and Cuba make those regimes less oppressive than Pol Pot and more repressive than Tito—at this time. The apparatus of mass murder remains in place in every Communist state.

It is late for Ms. Baez and her friends to wake up. Too late for the Vietnamese victims. But, perhaps it is not too late for other potential victims. The next time the radical chic opinion moulders assure us of Communist benevolence we should remind them of the late awakening of Joan Baez and her fellow travelers.

The text of the open letter and list of the signers follow:

WAKING UP TO THE HORRORS OF COMMUNISM

Four years ago, the United States ended its 20-year presence in Vietnam. An anniversary that should be cause for celebration is, instead, a time for grieving.

With tragic irony, the cruelty, violence and oppression practiced by foreign powers in your country for more than a century continue today under the present regime.

Thousands of innocent Vietnamese, many whose only "crimes" are those of conscience, are being arrested, detained and tortured in prisons and re-education camps. Instead of bringing hope and reconciliation to war-torn Vietnam, your government has created a painful nightmare that overshadows significant progress achieved in many areas of Vietnamese society.

Your government stated in February 1977 that some 50,000 people were then incarcerated. Journalists, independent observers and refugees estimate the current number of political prisoners between 150,000 and 200,000.

Whatever the exact figure, the facts form a grim mosaic. Verified reports have appeared in the press around the globe, from *Le Monde* and *The Observer* to the *Washington Post* and *Newsweek*. We have heard the horror stories from the people of Vietnam—from workers and peasants, Catholic nuns and Buddhist priests, from the boat people, the artists and professionals and those who fought alongside the NLF.

The jails are overflowing with thousands upon thousands of "detainees."

People disappear and never return.

People are shipped to re-education centers, fed a starvation diet of stale rice, forced to squat bound wrist to ankle, suffocated in "connex" boxes.

People are used as human mine detectors, clearing live mine fields with their hands and feet.

For many, life is hell and death is prayed for.

Many victims are men, women and children who supported and fought for the causes of reunification and self-determination; those who as pacifists, members of religious groups, or on moral and philosophic grounds opposed the authoritarian policies of Thieu and Ky; artists and intellectuals whose commitment to creative expression is anathema to the totalitarian policies of your government.

Requests by Amnesty International and others for impartial investigations of prison conditions remain unanswered. Families who inquire about husbands, wives, daughters or sons are ignored.

It was an abiding commitment to fundamental principles of human dignity, freedom and self-determination that motivated so many Americans to oppose the government of South Vietnam and our country's participation in the war. It is that same commitment that compels us to speak out against your brutal disregard of human rights. As in the 60s, we raise our voices now so that your people may live.

We appeal to you to end the imprisonment and torture—to allow an international team of neutral observers to inspect your prisons and re-education centers.

We urge you to follow the tenets of the Universal Declaration of Human Rights and the International Covenant for Civil and Political Rights which, as a member of the United Nations, your country is pledged to uphold.

We urge you to reaffirm your stated commitment to the basic principles of freedom and human dignity . . . to establish real peace in Vietnam.

COSIGNERS

Ansel Adams, photographer.
Edward Asner, actor.
Albert V. Baez, ph.d.
Joan C. Baez.
Peter S. Beagle, writer.
Hugo Adam Bedau, professor of philosophy, Tufts University.
Barton J. Bernstein, Professor of History, Stanford University.
Daniel Berrigan.
Robert Bly, poet
Ken Botto, artist/photographer.
Kay Boyle, professor, San Francisco State University.
John Brodie, broadcaster.
Edmund G. "Pat" Brown, former governor, State of California.
Yvonne Braithwaite Burke, former U.S. Congresswoman.
Henry B. Burnett, Jr., editorial chairman, Politics Today.
Herb Caen, journalist.
David Carliner, general counsel, American Civil Liberties Union.
Cesar Chavez, union leader.
Richard Pierre Claude, editor, Universal Human Rights.
Bert Coffey, immediate past chairman, California Democratic Party.
Norman Cousins.
E. L. Doctorow, writer.
Benjamin Dreyfus, attorney.
Ecumenical Peace Institute Staff.
Mimi Farina, entertainer, executive director, Bread and Roses.
Lawrence Ferlinghetti, poet.
Douglas A. Fraser, international president, United Auto Workers Union.
Dr. Lawrence Zelic Freedman, Foundations Fund Research Professor in Psychiatry, University of Chicago.
Joe Fury, producer.
Allen Ginsberg, poet.
Herbert Gold, writer.
David B. Goodstein, publisher.
Sanford Gottlieb.
Richard J. Gouggenhime.
Denis Goulet, Sr. Fellow, Overseas Development Council.
Bill Graham, producer.
Lee Grant, actress.
Peter Grosslight.
Thomas J. Gumbleton, bishop, Archdiocese of Detroit.
Terence Hallinan, attorney.
Francis Heisler, attorney.
Nat Hentoff, writer.
Rev. T. M. Hesburgh, C.J.C., president, Notre Dame University.
John T. Hitchcock, professor of anthropology, University of Wisconsin.
Art Hoppe, Journalist.
Dr. Irving L. Horowitz, President, Transaction/SOCIETY.
Henry S. Kaplan, M.D., Stanford Medical Center.
R. Scott Kennedy, Resource Center for Nonviolence.
Roy C. Kepler, Member, War Resisters League
Seymour S. Kety, Professor of Psychiatry, Harvard University.
Peter Klotz-Chamberlin, Resource Center for Nonviolence.
Jeri Laber, Executive Director, Fund for Free Expression.
Norman Lear, Producer.
Philip R. Lee, M.D., Professor of Social Medicine, University of Calif. at San Francisco.
Alice Lynd.
Staughton Lynd.
Bradford Lyttle.
Frank Mankiewicz.
Bob T. Martin, News Editor, The Country Almanac.
James A. Michener, Writer.
Marc Miller, Director, Fund for Free Expression.
Edward A. Morris, Attorney.
Mike Nichols, Producer.
Peter Orlovsky, Poet.
Michael R. Peevey, President, California Council for Environmental and Economic Balance.

Geoffrey Cobb Ryan, Director, Fund for Free Expression.

Ginetta Sagan, Director, Humanitas/I.H.R.C.

Leonard Sagan, M.D., F.A.C.P.

Charles M. Schulz, Cartoonist.

Ernest L. Scott, Publisher.

Jack Sheinkman, Secretary-Treasurer, A.C.T.W.U.

Jerome J. Shestack, President, International League for Human Rights.

Gary Snyder, Poet.

I. F. Stone.

Rose Styron, Writer.

William Styron, Writer.

Lily Tomlin, Actress/Comedienne.

Peter H. Voulkos, Professor of Art, University of Calif. at Berkeley.

Grace Kennan Warnecke, Protographer.

Lina Wertmuller, Film Director.

Morris L. West, Writer.

Dr. Jerome P. Wiesner, President, Massachusetts Institute of Technology.

Jamie Wyeth, Artist.

Peter Yarrow Entertainer.

Charles W. Yost, Special Advisor, Aspen Institute.●

CONGRESSMAN DANNEMEYER'S REMARKS CRITIQUING THE PROPOSED DEPARTMENT OF EDUCATION

HON. WILLIAM E. DANNEMEYER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 18, 1979

● Mr. DANNEMEYER. Mr. Speaker, last week, the House of Representatives spent 3 long days debating the wisdom of creating a new, Cabinet-level Department of Education. If anything, the failure to reach a consensus, the tremendous number of amendments offered and the passions generated on both sides of the issue, suggest the best wisdom may be to do nothing. After all, education in America has traditionally been a local matter, noted for its diversity as well as for its achievements. Thanks in good measure to a combination of public, parochial, and private education, Americans have developed the highest standard of living on Earth and, up until 1965 at least, they did it with a minimum of help from the Federal Government in the field of education.

Since 1965, of course, Federal aid to, and Federal involvement in, education has grown by leaps and bounds. But, as educational test scores indicate, and as most parents are only too well aware, more Federal money has not necessarily meant better education. What it has meant, in all too many cases, is an increasing number of rules, regulations, and guidelines that are driving parents, teachers, and administrators alike to the verge of despair.

Mr. Speaker, proponents of H.R. 2444 would have us believe that a Cabinet-level Department of Education would help relieve those problems. However, as the opposition of the American Federation of Teachers indicates, not all teachers feel that way. And, as my correspondence indicates, many other distinguished educators do not feel that way either. In fact, not long ago, David S. Saxon, president of the nine-campus University of California system wrote me eloquently expressing this opposition, and that of his chancellors, to the creation of a new Department of Education. That the compelling nature of the points he raised might be made available to other Members of the House, I insert his letter of May 18 in the RECORD at this time:

MAY 18, 1979.

Hon. WILLIAM DANNEMEYER,
House of Representatives,
House Office Building, Washington, D.C.

DEAR CONGRESSMAN DANNEMEYER: As you know, legislation to create a Cabinet-level Department of Education (S. 210 and H.R. 2444) recently passed the Senate and on May 2, 1979, passed the House Government Operations Committee by a margin of only one vote. The Chancellors of our nine campuses and I strongly oppose the creation of a Department of Education. With their support, I am seeking your help to defeat this proposal when it reaches the House floor. President Lyman of Stanford University has also expressed his opposition to you.

I oppose this legislation for the following reasons:

First, I believe that a Department of Education would result in increased centralization and in increased Federal control over policies and decisions covering a broad spectrum of educational activities. Because education plays such a critically important part in the development of the capacities of all of our citizens, I very much fear any extension of Federal influence over education. Further influence is already too extensive, all too often substituting itself for the localized, diverse, and pluralistic influences that should be characteristic of this enormous and diverse nation.

Otherwise stated, I am worried that we will end up diminishing, rather than enhancing, the vital independence and variety of our educational institutions. The problem of maintaining strong and effective local responsibility for education is already difficult enough without the creation of a Department of Education. The spectre of the new Department becoming a European-style Ministry of Education is perhaps the most vivid illustration of the nature of my concern about centralization.

Second, I am most doubtful that the diverse and very complex needs of higher educational institutions would be well served by a single agency. however enlightened. The concept of a Federal Department of Education, as applied to higher education, is based upon a vastly oversimplified assessment of the functions and interest of higher education. Colleges and universities are at the hub of American cultural life. Science, technology, international affairs, health, art, agricultural studies, and so on and so on—ranging from the most academic to the most highly professional and applied—all of these lie within our purposes and are fundamental to them. Our campuses share in a lively way in this wonderful and dynamic diversity. Although education is our central function, it overlaps broadly with many other learned activities, not least among these that very research the President has described as essential to our national welfare.

I believe it would actually be destructive to lump everything together within the single, all-encompassing rubric: Education. There is much to learn from experience with the Department of Energy, where the basis for creating a new department was much clearer, much more widely accepted, and where the matter should have caused much less trouble. And yet, despite those facts, despite a national emergency and an urgent sense of purpose, the establishment of a Department of Energy has been a disturbing and difficult process. How much more disturbing and difficult would be the establishment of a Department of Education, without similar consensus and without a similar sense of urgency?

Contrary to what some have said, fear of domination by primary and secondary education is not the issue. Indeed within the Department of Health, Education and Welfare, we already live with these groups, as well as those whose dominant interests are quite outside education, but rather in welfare and health. In short, the risk of domination by others in a Department of Education seems no greater, perhaps it is even less, than under our present arrangement. It is overcentralization of educational policy and concern about inadequate recognition of the essential diversity of higher education that lead me to oppose so strongly the creation of a new department and to suggest instead examination of ways to improve the Office of Education in Health, Education and Welfare.

Although I have written with obvious intensity about this subject, I am not unmindful of the strong support the administration has given to education and to research, and thus it is not easy for me to oppose a proposal which this administration so strongly supports. I write, however, because I am persuaded that the creation of such a department would not be in the best interests of education. Neither would it be in the best interests of the nation.

I hope we can count on your support of our position.

Sincerely,

DAVID S. SAXON,
President.●

JASON KINGSLEY—A REMARKABLE LITTLE BOY

HON. RICHARD L. OTTINGER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, June 18, 1979

● Mr. OTTINGER. Mr. Speaker, I am privileged to have among my constituents the Kingsley family—Emily and Charles and their son, Jason.

Jason was born with Down's syndrome 4½ years ago and since that time has made remarkable developmental progress. Many of you may recognize Jason as he recently appeared on NBC's "Weekend" program and has made numerous appearances across the country.

I am pleased to include at this time an article from "The Patent Trader" (a Westchester County newspaper) and hope that this will provide incentive and hope to families everywhere who are faced with the decision of placing or keeping a developmentally disabled child:

A DECISION OF A LIFETIME

(By Marian Kisch)

CHAPPAQUA.—It was a nice summer day and Jason Kingsley took advantage of the weather, just like any 4½ year old boy would do. He played on the swings and ran around the yard.

Then he came in for awhile and did some reading and math and drank a glass of chocolate milk. Not unusual activities.

But Jason is not an ordinary boy, in the strict medical sense. He suffers from Down's Syndrome, a genetic disorder caused by the presence of an additional chromosome in each cell of the body. This results in some mental retardation and specific physical characteristics. It was formerly called mongolism.

When Jason was born, Emily and Charles Kingsley had to make a decision, a decision that would affect the rest of their lives—and those of Charles' two older sons by a previous marriage. Should they take Jason home with them or should they place him in an institution for the rest of his life?

The pressure from the outside was decidedly in favor of keeping Jason out of the Kingsley home. Doctors, nurses, psychiatrists and well-meaning friends talked to the Kingsleys of how it would destroy their lives and break up their marriage. The doctors urged Emily to refrain from seeing her new son and tried to keep the two apart as much as possible.

On the other side of the fence, a few social workers in the hospital told the Kingsleys that some of the children can develop a lot further than previously thought, especially through a program called early infant stimulation.

The Kingsleys opted to take Jason home.

"The only commitment we made was to give it a try," Mrs. Kingsley said. "We didn't know what was going to happen, but we knew we couldn't sleep without seeing what we could do."

This family had been working with deaf children for awhile and originally intended to have one biological child and then adopt an "unadoptable" child, such as one who was deaf. Then Jason came along.

Once the Kingsleys decided to keep Jason, they embarked on a program to give him every chance available. When he was 10 days old, Jason started in the infant stimulation program at the Mental Retardation Institute in Valhalla. He went three times a week for an hour at a time. In the beginning, physical therapy was important to increase the muscle tone. All kinds of sensory stimulation was provided "to get him awake to what was going on around him."

When Jason was three months old, Mrs. Kingsley made a big vat of Jello and put Jason in so he could feel, smell and taste the stuff. Similar experiences were provided using spaghetti and rice.

"It's a process of showing him the world, by singing or taking him places," Mrs. Kingsley said. "We do the same things you would with a nonretarded child but a little more so."

Jason stayed at MRI until he could walk, which was at approximately 19 months old. Then he went to a preschool in White Plains run by Westchester Association for Retarded Citizens. This class was housed in a public elementary school, so the children had a lot of exposure to non-retarded children.

This year, the Kingsleys, after much searching, placed Jason in a Montessori school in Ardsley. Many area nursery schools refused to take Jason into their programs. But the Alcott School looked upon Jason "as an opportunity." It was treated as an experiment and the school personnel were nervous about the outcome. But, happily, it has been a success. Where Jason will go next year is unknown. The Kingsleys want to place him in as normal a situation as possible.

Since Jason's birth, the Kingsleys have gone all over the country to spread the word about the joys of raising a Down's Syndrome child. They were featured on a television special, have written articles and spoken on various panels.

On April 30, Mr. and Mrs. Kingsley were keynote speakers at a seminar on adopting hard-to-place children, at Maryknoll, in Ossining. On May 12, they gave a workshop on Parenting the Handicapped Child for Board of Cooperative Educational Services at the Quaker Ridge School in Scarsdale.

One of the most effective ways of spreading the word has been to take Jason to schoolroom. He is a regularly scheduled guest at Jay Cohen's health class at the Robert E. Bell School in Chappaqua. Through television and in-person appearances, Mrs. Kingsley estimated that 10,000,000 persons have "met" Jason.

Both parents have absolutely no regrets about their initial decision.

"Mental retardation is not the end of the world," Kingsley said, "Jason is the joy of our lives."

And that is very apparent. Jason moves about the house, alternately playing by himself or climbing on someone's knee. He read a book called "I Can Read" as well as several lists of words. He knows simple arithmetic, some by memory and some he figures out by using his fingers. He also knows a second language, that of the deaf.

Mrs. Kingsley, who is an advocate of abortion, said, "If I was told through amniocentesis that I was carrying a Down's Syndrome child, I would not abort."

In fact, the Kingsleys are in the process of seeking another Down's Syndrome child to adopt.

"It has been such fun," Mrs. Kingsley said. "We would love to have another one and see what we could do. We are also looking for long range companionship for Jason. A normal child would provide only temporary companionship because he would go on to other things. Also, we can't always rely on the neighborhood kids to provide a deep meaningful relationship."

The Kingsleys give their talks and support "to show the other side, that it is a joy."

"A child like this enhances a family relationship," Mrs. Kingsley said. "He has a lovely, humanizing effect."

"Down's Syndrome seems to be a self fulfilling prophecy," she said, "when these kids get little stimulation. They need extra attention." Just being in a home environment can raise the intelligence level 20 to 30 points. Mrs. Kingsley said that Jason's IQ is somewhere in the 80s.

Down's Syndrome is one of the less severe forms of mental retardation. These children go through all the normal developmental processes, but on a different timetable.

The Kingsleys found out that "the myth of niceness" often attributed to those with Down's Syndrome is indeed true. Jason is very cooperative and affectionate.

"This kid comes to people with pure love and no malice," Mrs. Kingsley said. "There is no hostility in him. They have so many guaranteed things. They come with an extra measure of deliciousness, sweetness and gentleness."

Jason's future is not a certainty at this time. His mother said the early infant stimulation program has not been around long enough to see its effects in adults. So there is no way of knowing for sure how far these kids can go. Nothing can be taken for granted.

His father sees Jason as working, living in a minimally protected environment and, hopefully, being accepted by the community. Jason will continue to learn, but will probably not be able to understand abstract problems.

"Jason is not a kid who should have been junked at birth," Mrs. Kingsley said. "I don't feel cheated or shortchanged one bit."●

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of all meetings, when scheduled, and any cancellations or changes in the meetings as they occur.

As an interim procedure until the computerization of this information becomes operational the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Any changes in committee scheduling will be indicated by placement of an asterisk to the left of the name of the unit conducting such meetings.

Meetings scheduled for Tuesday, June 19, 1979, may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

JUNE 20

7:00 a.m.

*Energy and Natural Resources
To hold hearings on title 2 of S. 1308, proposed Priority Energy Project Act.
318 Russell Building

9:00 a.m.

Finance
To continue consideration of S. 505, proposing reform of the administrative and reimbursement procedures currently employed under the Medicare and Medicaid programs, and other pending calendar business.
2221 Dirksen Building

Veterans' Affairs
To hold hearings on veterans' claims for disabilities resulting from the effects of nuclear weapons testing.
6226 Dirksen Building

Governmental Affairs
To resume hearings on S. 262, 445, 755, and 93, to require that all Federal agencies conduct a regulatory analysis before issuing regulations and to require the use of less time-consuming procedures to decide cases.
457 Russell Building

Judiciary
To hold hearings on the nomination of Bailey Brown, Tennessee, to be a U.S. Circuit Judge for the Sixth Circuit, and Francis D. Murnaghan, Jr., of Maryland, to be U.S. Circuit Judge for the Fourth Circuit.
2228 Dirksen Building

Labor and Human Resources
To hold hearings on S. 446, proposed Equal Employment Opportunity for the Handicapped Act.
4232 Dirksen Building

10:00 a.m.

Banking, Housing, and Urban Affairs Economic Stabilization Subcommittee
To resume oversight hearings on the implications of the petroleum shortage with emphasis on the development and financing of synthetic fuels.
5302 Dirksen Building

Commerce, Science, and Transportation Surface Transportation Subcommittee
To resume hearings on S. 796, proposed Railroad Deregulation Act.
235 Russell Building

Energy and Natural Resources
Business meeting on pending calendar business.
3110 Dirksen Building

Environment and Public Works
Environmental Pollution Subcommittee
To hold joint hearings with the Subcommittee on Resource Protection on S. 1325, to provide for adequate and safe treatment of hazardous substances being released into the environment.
4200 Dirksen Building

Governmental Affairs
To hold hearings on S. 596, to reform the process by which congressional districts are created.
3302 Dirksen Building

10:30 a.m.
Judiciary
Antitrust, Monopoly, and Business Rights Subcommittee
To hold hearings on the recent milk industry's action to avoid antitrust provisions.
2228 Dirksen Building

1:00 p.m.
Judiciary
To hold hearings on S. 330, to provide for a judicial review of the administrative actions of the Veterans' Administration, and for veterans' attorneys fees before the VA or the courts.
2228 Dirksen Building

2:00 p.m.
Agriculture, Nutrition, and Forestry
Business meeting, to consider (1) the nomination of Daniel Marcus, of Maryland, to be General Counsel of the Department of Agriculture; (2) S. 1125, 713, and 399, bills to revise the Federal Crop Insurance Program; and (3) S. 1309, authorizing supplemental funds for fiscal year 1979 for the food stamp program.
322 Russell Building

3:30 p.m.
Technology Assessment Board
Business meeting.
EF-100, Capitol

JUNE 21

9:00 a.m.
Finance
To continue consideration of S. 505, proposing reform of the administrative and reimbursement procedures currently employed under the Medicare and Medicaid programs, and other pending calendar business.
2221 Dirksen Building

9:30 a.m.
Banking, Housing, and Urban Affairs
Financial Institutions Subcommittee
To hold hearings on S. 1347, to provide for the improvement of consumer services and to strengthen the ability of financial institutions to adjust to changing economic conditions.
5302 Dirksen Building

Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To hold hearings on S. 1250, to develop techniques for analyzing and stimulating technological and industrial innovation by the Federal Government.
6226 Dirksen Building

Energy and Natural Resources
To resume oversight hearings on the activities of programs administered by the Surface Mining Control and Reclamation Act of 1977.
3110 Dirksen Building

*Environment and Public Works
Business meeting, to consider the nomination of Victor Gilinsky, of Maryland, to be a Member of the Nuclear Regulatory Commission.
4200 Dirksen Building

Judiciary
*Administrative Practice and Procedure Subcommittee
To resume hearings on S. 299, to coordinate and oversee Federal regulatory policy, to promote competition in the regulated industries, and to increase public participation in rulemaking procedures.
424 Russell Building

Judiciary
Antitrust, Monopoly, and Business Rights Subcommittee
To resume hearings on S. 1246, to prohibit the growth of a monopoly power forming among major petroleum companies, and to encourage oil companies to put profits back into oil exploration, research, and development.
5110 Dirksen Building

Labor and Human Resources
To continue hearings on S. 446, proposed Equal Employment Opportunity for the Handicapped Act.
4232 Dirksen Building

10:00 a.m.
Commerce, Science, and Transportation
Surface Transportation Subcommittee
To continue hearings on S. 796, proposed Railroad Deregulation Act.
235 Russell Building

*Environment and Public Works
Regional and Community Development Subcommittee
To hold hearings on S. 269, to extend the service area of the Tennessee Valley Authority to include West Memphis, Arkansas.
1114 Dirksen Building

Environment and Public Works
Environmental Pollution Subcommittee
To continue joint hearings with the Subcommittee on Resource Protection on S. 1325, to provide for adequate and safe treatment of hazardous substances being released into the environment.
4200 Dirksen Building

Foreign Relations
To continue hearings on the proposed ratification of the new International Sugar Agreement.
4221 Dirksen Building

Governmental Affairs
To continue hearings on S. 596, to reform the process by which congressional districts are created.
3302 Dirksen Building

10:30 a.m.
Judiciary
To resume hearings on S. 25, to designate the birthday of Martin Luther King, Jr., a legal public holiday.
2228 Dirksen Building

1:30 p.m.
Finance
Oversight of the Internal Revenue Service Subcommittee
To hold hearings on the applicability of the Internal Revenue Code relating to employee stock ownership plans to railroads.
2221 Dirksen Building

2:00 p.m.
Governmental Affairs
To hold hearings on the nomination of Rowland G. Freeman, III, of California, to be Administrator of General Services.
3302 Dirksen Building

JUNE 22

8:30 a.m.
Energy and Natural Resources
Parks, Recreation, and Renewable Resources Subcommittee
To hold hearings on S. 95, 96, and 97, bills to provide for the protection of the wildlands comprising the River of No Return and the Salmon River in the State of Idaho.
3110 Dirksen Building

9:00 a.m.
Finance
To continue consideration of S. 505, proposing reform of the administrative and reimbursement procedures currently employed under the Medicare and Medicaid programs, and other pending calendar business.
2221 Dirksen Building

9:30 a.m.
Governmental Affairs
Energy, Nuclear Proliferation and Federal Services Subcommittee
To hold hearings on S. 742, to provide for an increase in the development of nuclear waste management programs by the Federal Government.
6226 Dirksen Building

10:00 a.m.
Agriculture, Nutrition, and Forestry
Environment, Soil Conservation, and Forestry Subcommittee
To hold hearings on timber harvesting in the National forests.
322 Russell Building

10:30 a.m.
Commerce, Science, and Transportation
To hold hearings to investigate whaling activities that take place beyond the jurisdiction of the International Whaling Commission.
235 Russell Building

2:00 p.m.
Finance
*Taxation and Debt Management Generally Subcommittee
To hold hearings on S. 1063 and 1062, bills to provide for the structural simplification of the Internal Revenue Code.
2221 Dirksen Building

JUNE 25

9:30 a.m.
Finance
Taxation and Debt Management Subcommittee
To hold hearings on S. 192 and 208, bills to provide for the tax treatment of foreign investors for property located in the United States.
2221 Dirksen Building

Judiciary
Antitrust, Monopoly, and Business Rights Subcommittee
To resume hearings on S. 1246, to prohibit the growth of a monopoly power forming among major petroleum companies, and to encourage oil companies to put profits back into oil exploration, research, and development.
1318 Dirksen Building

Judiciary
Improvements in Judiciary Machinery Subcommittee
To resume joint hearings with the Subcommittee on Constitution on S. 678, to reform and restructure the Federal judicial system, S. 295, to establish within the Judicial branch a system for investigating and resolving allegations that the condition or conduct of Federal judges is or has been inconsistent with good behavior required by the Constitution, and S. 522, to clarify the authority of the judicial councils to deal with instances of judicial misconduct.
6226 Dirksen Building

10:00 a.m.

Energy and Natural Resources

To receive a briefing by Administration officials on location, life style, and the future outlook of certain islands under the jurisdiction of the United States.

3110 Dirksen Building

Judiciary

To hold hearings on the nominations of R. Lanier Anderson III, and Albert J. Henderson, both of Georgia; Reynaldo G. Garza, Carolyn D. Randall, and Thomas M. Reavley, all of Texas; Joseph W. Hatchett, of Florida; and Henry A. Politz, of Louisiana; each to be a U.S. Circuit Judge for the Fifth Circuit; and Alan A. Parker, of California, and Maurice Rosenberg, of New York, each to be an Assistant Attorney General.

2228 Dirksen Building

10:30 a.m.

*Labor and Human Resources

Health and Scientific Research Subcommittee

To resume markup of S. 1075, to require drug companies to conduct postmarketing and scientific investigations of approved drugs, to transmit drug information to patients and health professionals regarding the use of approved drugs.

4232 Dirksen Building

2:00 p.m.

Finance

Energy and Foundations Subcommittee

To resume oversight hearings on the implementation of the energy taxation policy for tax proposals relating to energy production.

1224 Dirksen Building

Finance

Health Subcommittee

To hold hearings on S. 1204, to expand Federal health assistance to children of low income families.

2221 Dirksen Building

Labor and Human Resources

Health and Scientific Research Subcommittee

To resume markup of S. 772–787, S. 1045, and S. 1075, bills to require drug companies to conduct postmarketing and scientific investigations of approved drugs, to transmit drug information to patients and health professionals regarding the use of approved drugs.

EF–100, Capitol

JUNE 26

9:00 a.m.

Labor and Human Resources

To hold hearings on S. 1076, proposed Multiemployer Pension Plan Amendments Act.

4232 Dirksen Building

9:30 a.m.

Commerce, Science, and Transportation

To resume oversight hearings on the trucking industry's economic regulation by the Federal Government.

235 Russell Building

Judiciary

Business meeting, to mark up a proposed amendment which would make a defendant liable only for damages caused by his sales and proportionate portion of damages attributable to sales by a nonconspirator to S. 390, to expedite and reduce the cost of enforcing existing antitrust laws; S. 25, to designate the birthday of Martin Luther King, Jr., a legal public holiday; and S. 330, to provide for a judicial review of the administrative actions of the Veterans' Administration, and for veterans' attorneys fees before the VA or the courts.

2228 Dirksen Building

10:00 a.m.

Energy and Natural Resources

Energy Conservation and Supply Subcommittee

To hold hearings on S. 734, proposed Federal Power Marketing Revolving Fund Act.

3110 Dirksen Building

Environment and Public Works

Water Resources Subcommittee

To hold hearngs on proposed cost sharing factors for water resources projects.

4200 Dirksen Building

Finance

International Trade Subcommittee

To hold hearings on the implementation of the United States-Hungarian trade agreement relating to industrial property rights.

2221 Dirksen Building

Labor and Human Resources

Education, Arts, and the Humanities Subcommittee

To hold hearings on proposed authorizations through fiscal year 1964 for the National Endowment for the Arts, the National Endowment for the Humanities, and the Institute of Museum Services.

1114 Dirksen Building

10:30 a.m.

Judiciary

Antitrust, Monopoly, and Business Rights Subcommittee

To continue hearings on S. 1246, to prohibit the growth of a monopoly power forming among major petroleum companies, and to encourage oil companies to put profits back into oil exploration, research, and development.

6226 Dirksen Building

2:00 p.m.

Environment and Public Works

To hold hearings on the nomination of Robert N. Clement, of Tennessee, to be a Member of the Board of Directors of the Tennessee Valley Authority.

4200 Dirksen Building

JUNE 27

9:00 a.m.

Labor and Human Resources

To continue hearings on S. 1076, proposed Multiemployer Pension Plan Amendments Act.

4232 Dirksen Building

9:30 a.m.

Commerce, Science, and Transportation

To continue oversight hearings on the trucking industry's economic regulation by the Federal Government.

235 Russell Building

Commerce, Science, and Transportation

Science, Technology, and Space Subcommittee

To resume hearings on S. 1250, to develop techniques for analyzing and stimulating technological and industrial innovation by the Federal Government.

6226 Dirksen Building

10:00 a.m.

Energy and Natural Resources

Business meeting on pending calendar business.

3110 Dirksen Building

Environment and Public Works

Business meeting, to resume markup of S. 914, authorizing funds through fiscal year 1985, for public works and economic development programs of the Economic Development Administration, and to consider the nomination of Robert N. Clement, of Tennessee, to be a member of the Board of Directors of the Tennessee Valley Authority.

4200 Dirksen Building

Labor and Human Resources

Education, Arts, and the Humanities Subcommittee

To continue hearings on proposed authorizations through fiscal year 1984 for the National Endowment for the Arts, the National Endowment for the Humanities, and the Institute of Museum Services.

1318 Dirksen Building

JUNE 28

9:30 a.m.

Judiciary

*Administrative Practice and Procedure Subcommittee

To resume hearings on S. 1291, 755, 262, 299, and 104, bills to coordinate and oversee Federal regulatory policy, to promote competition in the regulated industries, and to increase public participation in rulemaking procedures.

424 Russell Building

10:00 a.m.

Energy and Natural Resources

Energy Conservation and Supply Subcommittee

To resume hearings on S. 734, proposed Federal Power Marketing Revolving Fund Act.

3110 Dirksen Building

Environment and Public Works

Environmental Pollution Subcommittee

To resume joint hearings with the Subcommittee on Resource Protection on S. 1325, to provide for adequate and safe treatment of hazardous substances being released into the environment.

4200 Dirksen Building

Labor and Human Resources

Education, Arts, and the Humanities Subcommittee

To continue hearings on proposed authorizations through fiscal year 1984 for the National Endowment for the Arts, the National Endowment for the Humanities, and the Institute of Museum Services.

4232 Dirksen Building

2:00 p.m.

Commerce, Science, and Transportation

Merchant Marine and Tourism

To hold hearings on S. 1281, to provide for the operation of the S.S. *United States* in domestic and/or foreign commerce of the United States, primarily in cruise trade between the Hawaiian Islands and the mainland.

235 Russell Building

JULY 10

10:00 a.m.

Commerce, Science, and Transportation

To hold hearings on the Federal Trade Commission's study of the life insurance industry's cost disclosure policy.

235 Russell Building

Energy and Natural Resources

Energy Resources and Materials Production Subcommittee

To hold oversight hearings on the implementation of the Outer Continental Shelf leasing program.

3110 Dirksen Building

JULY 11

9:30 a.m.

Labor and Human Resources

To hold hearings on the workplace, employment and training and their perspectives for the coming decade, and will focus on the Federal role in public sector employment and training policies and programs.

4232 Dirksen Building

10:00 a.m.

Commerce, Science, and Transportation
Aviation Subcommittee

To hold hearings on the certification and inspection procedures of the DC-10 and other types of aircraft.

235 Russell Building

Governmental Affairs

To hold hearings on S. 377 and 891, bills to provide for the reorganization of the Federal Government's international trade functions.

3302 Dirksen Building

JULY 12

9:30 a.m.

Labor and Human Resources

To continue hearings on the workplace, employment and training and their perspectives for the coming decade, and will focus on the Federal role in public sector employment and training policies and programs.

4232 Dirksen Building

Veterans' Affairs

To hold oversight hearings on the efforts made by the Veterans' Administration to provide information on benefits due incarcerated veterans.

6226 Dirksen Building

10:00 a.m.

Commerce, Science, and Transportation
Aviation Subcommittee

To continue hearings on the certification and inspection procedures of the DC-10 and other types of aircraft.

235 Russell Building

Energy and Natural Resources
Energy Resources and Materials Production Subcommittee

To resume oversight hearings on the implementation of the Outer Continental Shelf leasing program.

3110 Dirksen Building

Enivronment and Public Works

To hold hearings on proposed legislation to provide additional office space for the Department of the Judiciary.

4200 Dirksen Building

JULY 16

10:00 a.m.

Energy and Natural Resources

To hold hearings on S. 730, to provide for the establishment of the Energy Corporation of the Northeast designed to bring together the States, Federal Government, and private industry in a creative effort to deal with the energy problems of this area.

3110 Dirksen Building

JULY 17

9:30 a.m.

Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee

To hold joint hearings with the House Subcommittee on Science, Research and Technology of the Committee on Science and Technology, to examine U.S. policies and initiatives of the U.S. Conference on Science and Technology for Development.

5110 Dirksen Building

10:00 a.m.

Governmental Affairs

To resume hearings on S. 377 and 891, bills to provide for the reorganization of the Federal Government's international trade functions.

3302 Dirksen Building

JULY 18

10:00 a.m.

Energy and Natural Resources

Business meeting on pending calendar business.

3110 Dirksen Building

Environment and Public Works
Environmental Pollution Subcommittee

To resume joint hearings with the Subcommittee on Resource Protection on S. 1325, to provide for adequate and safe treatment of hazardous substances being released into the environment.

4200 Dirksen Building

10:30 a.m.

Governmental Affairs

To continue hearings on S. 377 and 891, bills to provide for the reorganization of the Federal Government's international trade functions.

3302 Dirksen Building

JULY 19

9:30 a.m.

Labor and Human Resources
Handicapped Subcommittee

To hold oversight hearings on the implementation of the Education for all Handicapped Children Act of 1975 (P.L. 94-142).

4232 Dirksen Building

10:00 a.m.

Energy and Natural Resources
Parks, Recreation, and Renewable Resources Subcommittee

To hold hearings on S. 1104, to provide for the establishment of the Channel Islands National Park.

3110 Dirksen Building

Environment and Public Works
Environmental Pollution Subcommittee

To continue joint hearings with the Subcommittee on Resource Protection on S. 1325, to provide for adequate and safe treatment of hazardous substances being released into the environment.

4200 Dirksen Building

JULY 20

9:30 a.m.

Finance

Tourism and Sugar Subcommittee

To hold hearings on S. 589, 749, and 940, bills to provide for the applicability of tax rules affecting foreign conventions.

2221 Dirksen Building

JULY 24

9:30 a.m.

Labor and Human Resources

To resume hearings on S. 446, proposed Equal Employment Opportunity for the Handicapped Act.

4232 Dirksen Building

JULY 25

9:00 a.m.

Veterans' Affairs

To hold hearings on S. 759, to provide for the right of the United States to recover the costs of hospital nursing home or outpatient medical care furnished by the Veterans' Administration to veterans for non-service-connected disabilities to the extent that they have health insurance or similar contracts.

6226 Dirksen Building

JULY 26

9:30 a.m.

Labor and Human Resources

Handicapped Subcommittee

To resume oversight hearings on the implementation of the Education for All Handicapped Children Act of 1975 (P.L. 94-142).

4232 Dirksen Building

JULY 30

10:00 a.m.

Commerce, Science, and Transportation
Aviation Subcommittee

To hold hearings on S. 1300, proposed International Air Transportation Competition Act.

235 Russell Building

JULY 31

9:30 a.m.

Labor and Human Resources
Handicapped Subcommittee

To resume oversight hearings on the implementation of the Education for All Handicapped Children Act of 1975 (P.L. 94-142).

4232 Dirksen Building

AUGUST 1

10:00 a.m.

Commerce, Science, and Transportation
Aviation Subcommittee

To resume hearings on S. 1300, proposed International Air Transportation Competition Act.

235 Russell Building

AUGUST 2

10:00 a.m.

Commerce, Science, and Transportation

Aviation Subcommittee

To continue hearings on S. 1300, proposed International Air Transportation Competition Act.

235 Russell Building

CANCELLATIONS

JUNE 20

10:00 a.m.

Environment and Public Works

To hold hearings on pending proposals for the John F. Kennedy Center relating to the payment of outstanding bonds and the issuing of free tickets.

1114 Dirksen Building

Labor and Human Resources

*Health and Scientific Research Subcommittee

To hold hearings on S. 568, to provide for the potential contribution and advancement of women in scientific, professional, and technical careers, and on proposed national health insurance programs.

457 Russell Building

JUNE 21

10:00 a.m.

*Labor and Human Resources

Health and Scientific Research Subcommittee

To continue hearings on S. 568, to provide for the potential contribution and advancement of women in scientific, professional, and technical careers, and on proposed national health insurance programs.

457 Russell Building

2:00 p.m.

Labor and Human Resources

Health and Scientific Research Subcommittee

To continue mark up of S. 772-787, S. 1045, and S. 1075, bills to require drug companies to conduct post-marketing and scientific investigations of approved drugs, to transmit drug information to patients and health professionals regarding the use of approved drugs.

EF-100, Capitol

SENATE—*Tuesday, June 19, 1979*

(Legislative day of Monday, May 21, 1979)

The Senate met at 9:30 a.m., on the expiration of the recess, and was called to order by Hon. WILLIAM PROXMIRE, a Senator from the State of Wisconsin.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

Let us pray:

Almighty God, from everlasting to everlasting Thou art the Lord of creation, redemption, and judgment. "A thousand years in Thy sight are but as yesterday when it is past, and as a watch in the night."

We thank Thee for the things which endure all time and eternity—beauty, goodness, truth, love, and the immortal soul. Help us to fashion a soul worthy of eternal survival.

We thank Thee this day for the promise of peace and the glimmer of hope that Thy kingdom may yet come and Thy will be done on Earth. We thank Thee for the economic, the military, and the political strength of our Nation. Most of all we thank Thee for human dignity, a free society, and for abiding spiritual values. We thank Thee for the efforts of the President and his predecessors in the quest for peace. Make us receptive to all the light and wisdom Thou dost impart to those who call upon Thee, who call upon Thee in spirit and in truth.

"Now unto the King eternal, immortal, invisible, the only wise God, be honor and glory for ever and ever." Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. MAGNUSON).

The assistant legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., June 19, 1979.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable WILLIAM PROXMIRE, a Senator from the State of Wisconsin, to perform the duties of the Chair.

WARREN G. MAGNUSON,
President pro tempore.

Mr. PROXMIRE thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF THE ACTING MAJORITY LEADER

The ACTING PRESIDENT pro tempore. Under the previous order, the acting majority leader is recognized. The Senator from Arizona.

THE JOURNAL

Mr. DECONCINI. Mr. President, I ask unanimous consent that the Journal of the proceedings be approved to date.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. DECONCINI. Mr. President, I reserve the remainder of the time allotted to the majority leader.

RECOGNITION OF THE ACTING MINORITY LEADER

The ACTING PRESIDENT pro tempore. Under the previous order, the acting minority leader is recognized. The Senator from New Mexico.

A VERY HISTORIC DAY

Mr. DOMENICI. Mr. President, I wish to note this very historic day in the Senate. I do not think the Senate ever will again have an acting majority leader by the name of DECONCINI and an acting minority leader by the name of DOMENICI.

It was well over 170 years before an Italian Senator was elected and now we not only have elected them but this morning those two strange names ending in "i" are here representing the two great parties. I wish the record to note that.

Mr. President, I reserve the remainder of my time.

I am sure the minority leader will not object to those comments. Is that right?

Mr. BAKER. Mr. President, will the acting Republican leader yield to me?

Mr. DOMENICI. I am delighted to yield.

Mr. BAKER. Mr. President, not only are they not objectionable, I find that a magnificently satisfying observation, and it is only by pure oversight, and I am sure I speak for the majority leader as well as for my side, that we have not celebrated this opportunity before now.

I will say as well they both comported themselves with great dignity and efficiency this morning in the discharge of their duties.

Mr. DOMENICI. I thank the minority leader and also I wish to note that it did take the Sun Belt of the United States to recognize the significant contribution of the DeConcinis and the Domenicis. While they resided for decades in eastern America, it took Arizona and New Mexico to send the two of us to the Senate. They are always out front in the Sun Belt, as I understand it.

Mr. DECONCINI. Mr. President, will the acting minority leader yield?

Mr. DOMENICI. I am pleased to yield.

Mr. DECONCINI. Mr. President, I thank the minority leader and acting minority leader.

I have to say that this sounds like more of an Irish colloquy than it does a couple of Italians talking.

I thank the Senator.

Mr. DOMENICI. All right.

I yield back the remainder of the time of the minority.

The ACTING PRESIDENT pro tempore. Does the acting majority leader yield back his time?

Mr. DECONCINI. I yield back my time.

RECOGNITION OF SENATOR DOMENICI

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from New Mexico (Mr. DOMENICI) is recognized for not to exceed 15 minutes.

Mr. DOMENICI. Mr. President, might I ask with reference to special orders, is there a special order following mine for another Senator and, if so, whom?

The ACTING PRESIDENT pro tempore. No, there is no special order following the Senator from New Mexico for any other Senator.

S. 1377—SYNTHETIC FUELS AND ALTERNATE FUELS PRODUCTION AUTHORITY

Mr. DOMENICI. Mr. President, I rise to introduce a bill to establish a synthetic fuels and alternate fuels production authority. I send the bill to the desk and ask that it be printed. I ask unanimous consent, pursuant to the agreement with the majority and minority on the Energy Committee and the Committee on Governmental Affairs, that this bill be referred after the Energy Committee to the Governmental Affairs Committee for section 25689 and that they report on the bill within 30 legislative days of the bill being reported by the Energy and Natural Resources Committee.

Mr. DECONCINI. Mr. President, reserving the right to object, and I hope that it will not be necessary, it has not been cleared on this side, and I will have to do so.

Mr. DOMENICI. The unanimous-consent request should have said 30 days, not 30 legislative days.

I state to my friend from Arizona that the leadership of the Energy Committee, both Senator JACKSON and Senator HATFIELD, had conferred on this matter, as I understand it, with the majority leader. I conferred with our leader, and there was

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

no objection to the referral as I requested it. It is to the Energy Committee with a request for certain specific action by Governmental Affairs.

Mr. DECONCINI. If the distinguished acting minority leader will just withhold the unanimous-consent agreement, we will certainly do everything we can to accommodate him forthwith.

Mr. DOMENICI. I will be pleased to do so. Nonetheless, without the unanimous consent, I send the bill to the desk and ask that it be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1377

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Synthetic Fuels Production Act of 1979."

TITLE I—FINDINGS AND PURPOSES

FINDINGS

SEC. 101. The Congress finds and declares that:

(a) The achievement of energy independence for the United States by 1990 and the long-term security of energy sources and supplies are essential to the health of the national economy, the well being of our citizens and the maintenance of national security.

(b) Attainment of energy independence by the United States in a timely manner and in a manner consistent with the protection of the environment is not likely without financial commitments beyond those likely to be forthcoming from traditional capital sources in the traditional manner.

(c) Energy independence for the United States can be accomplished by reducing imports of energy resources and increasing domestic supply of energy resources so that the political and economic vulnerability of the United States to disruptions in oil imports is reduced.

(d) Achieving the goal of energy independence in an expeditious manner which gives due regard to the need to protect the environment can be facilitated by establishing an independent entity of limited duration which will provide additional capital, where possible in conjunction with private sources of capital, to assist the development and conservation of domestic non-nuclear energy resources and by encouraging the prompt resolution of questions coming before Federal regulatory or licensing entities.

PURPOSES

SEC. 102. It is the purpose of this Act:

(a) To encourage and assure the flow of capital funds to those sectors of the national economy which are important to the development of domestic sources of non-nuclear energy or which are otherwise important to the attainment of energy independence for the United States by 1990 or the long-term security of energy sources and supplies, and to expedite and facilitate Federal regulatory and licensing decisionmaking;

(b) To provide financial assistance, where possible by the making or guaranteeing of loans in conjunction with private sector financing for those activities which show the greatest potential of contributing to the development of domestic sources or the conservation of energy in a manner which preserves economically sound and competitive industry sectors, while minimizing any economic distortion or disruption of competitive forces;

(c) To hasten the commercial operation of new non-nuclear energy technologies subsequent to the research and development phase;

(d) To develop domestic sources of energy in a manner which gives due regard to the need to protect the environment;

(e) To supplement and encourage, and not compete with, private capital investment and activities in the development of domestic sources of non-nuclear energy, recognizing that the private sector must play the primary role in such development;

(f) To set specific commercial production goals in synthetic fuels and alternate fuels for the year 1990; and

(g) To assist in carrying out the foregoing purposes through the creation of the Syn-Fuels and Alternate Fuels Authority, a self-liquidating corporate entity of limited duration formed to provide financial assistance for projects that will contribute significantly to the attainment of energy independence by the United States, and by providing for the timely and orderly liquidation of the Authority's investments and undertakings.

TITLE II—CORPORATE STATUS, GENERAL POWERS, SUBSIDIARIES AND TAX STATUS

ESTABLISHMENT

SEC. 201. (a) There is hereby created a body corporate, to be known as the Syn-Fuels and Alternate Fuels Authority (hereafter referred to as the "Authority").

(b) The principal office of the Authority shall be located in the District of Columbia, but there may be established agencies or branch offices in such other places as may be determined by the Board of Directors of the Authority.

GENERAL POWERS

SEC. 202. In carrying out the purposes of this Act, the Authority shall have the power:

(a) To adopt, alter, and rescind bylaws and to adopt and alter a corporate seal, which shall be judicially noticed;

(b) To make contracts with individuals and private or governmental entities;

(c) To lease or purchase and to dispose of such real property as may be necessary for the transaction of its business;

(d) To acquire and dispose of personal and intangible property (including money);

(e) To sue and be sued, subject to the provisions of section 707 of this Act, in its corporate name and to complain and defend in any court of competent jurisdiction, State or Federal;

(f) To represent itself or to contract for representation in all judicial and other legal proceedings notwithstanding the provisions of title 28 of the United States Code or any other provision of law;

(g) Subject to the provisions of section 502 of this Act, to select, employ, and fix the compensation of such officers, employees, attorneys, and agents as shall be necessary for the transaction of the business of the Authority and to define their authorities and duties, require bonds of them and fix the penalties thereof;

(h) To make provision for and designate such committees, and the functions thereof, as the Board of Directors may deem necessary or desirable;

(i) To determine and prescribe the manner in which obligations of the Authority shall be incurred and its expenses allowed and paid;

(j) To exercise all other lawful powers necessarily or reasonably related to the establishment and conduct of a corporate entity, to the achievement of its purposes and the exercise of its powers, purposes, functions, duties, and authorized activities.

(k) To use the United States mails on the same terms and conditions as the executive departments of the United States Government; and

(l) With the consent of any board, commission, independent establishment, or executive department of the executive branch to make use of services and facilities thereof, with or without reimbursement, in carrying out the provisions of this Act.

SUBSIDIARIES

SEC. 203. (a) In accordance with the procedure set forth in subsection (c) of this section, the Authority may create or cause to be created one or more wholly owned subsidiary corporations to carry out one or more of the functions in which the Authority is authorized to engage pursuant to this Act. Each such corporation so created is hereafter referred to as a "subsidiary".

(b) Each subsidiary shall have and enjoy the same privileges and immunities under the laws of the United States and the several States and their political subdivisions as the Authority, and shall have such functions and powers as shall be provided in its charter, provided that no charter shall grant authority for a subsidiary to engage in a function or to exercise a power which would be beyond the functions or powers of the Authority under this Act.

(c) Any provisions of this Act which limits or restricts the functions, powers or financial commitments of the Authority shall be deemed to apply to each subsidiary.

(d) For the purposes of any provisions of this Act which relates to the financial condition of the Authority, the Authority and the subsidiaries shall be treated on a consolidated basis in accordance with generally accepted accounting principles. All reports, including audits, relating to the Authority which are required under this Act shall include all subsidiaries.

(e) The functions and powers of every subsidiary shall be set out in a charter which shall be valid only when certified copies thereof are filed with the Secretary of the Senate and the Clerk of the House of Representatives and published in the Federal Register, and all amendments to such charters shall be valid only when similarly filed and published. No subsidiary shall have a term of existence beyond the authorized life of the Authority.

(f) The Directors of the Authority shall serve as the Directors of each subsidiary and the Chairman of the Board of the Authority shall serve as the Chairman of the Board of each subsidiary, and neither the Chairman nor the Directors shall be entitled to compensation for their services to a subsidiary except as provided in section 501 of this Act. The provisions of subsections (b) through (f) of section 502 of this Act shall be deemed to apply to each subsidiary, provided that any provision of such subsections which limits the number of any category of officers or employees shall be deemed to apply to the Authority and all subsidiaries taken collectively. Officers and employees of a subsidiary shall have the same rights and liabilities as officers and employees of the Authority under this Act.

(g) Nothing in this section shall be deemed to prevent the Authority from investing funds of the Authority in corporations other than subsidiaries.

TAX STATUS

SEC. 204. The Authority, its franchise, capital, reserves, surplus, and income shall be exempt from all taxation now or hereafter imposed by the United States, by any territory, dependency, or possession thereof, or by any State, county, municipality, or local taxing authority; except that: (i) any real property owned in fee by the Authority shall be subject to State, territorial, county, municipal, or other local taxation to the same extent, according to its value, as other similarly situated and used real property, without discrimination in the valuation, classification, or assessment thereof, and (ii) any entity acquired or established, or activity undertaken, by the Authority (except financial assistance as that term is defined in section 301 of this Act) which engages directly in the production, conservation, transportation, transmission, distribution, or sale of non-nuclear energy, fuels or non-nuclear energy-related commodities, facilities, or products, shall be subject to taxes imposed by the United States or any State or subdivision thereof in the same manner as if such entity or activity were not acquired, established or undertaken, by the Authority.

TITLE III—FINANCIAL ASSISTANCE

GENERAL DEFINITIONS

SEC. 301. As used in this Act: (i) the term, "business concern" shall mean any individual, corporation, company, association, firm, partnership, joint venture, society, or other private entity which is engaged, or proposes to engage, in projects involving non-nuclear energy development, production, transportation, transmission, distribution or conservation, and (ii) the term "financial assistance" shall mean any form of advance, extension of credit, investment, participation or guarantee, including, without limitation, loans, guarantees of obligations, guarantees of price, purchase and leaseback of facilities, and the purchase of convertible or equity securities, but excluding grants-in-aid.

AUTHORIZATION OF FINANCIAL ASSISTANCE

SEC. 302. Subject to the limitations set forth in this title, the Authority is authorized and empowered, in its sole discretion and upon such terms and conditions as it may determine, to provide financial assistance to any business concern which is engaged, or proposes to engage, in a project described in subsection 303(b) in order to enable such business concern to finance the ownership, construction, conversion, or expansion of productive facilites; or the acquisition of equipment, plant, machinery, supplies, or materials or the acquisition or development of land, mineral rights and services; or to provide such business concern with working capital needed to carry out the project in an efficient manner. Financial assistance, and the terms and conditions thereof, may be renewed, modified, or extended by the Board of Directors as it may determine. No provision of this Act shall be deemed or construed so as to require or obligate the Authority to provide financial assistance to any individual project or particular type of project. To the extent practicable, in the judgment of the Board of Directors, financial assistance provided under this title shall be in the form of loans and loan guarantees, rather than equity investment or guarantees of price. All contractual commitments of the Authority to provide financial assistance shall be general obligations of the United States backed by its full faith and credit.

PROJECTS TO WHICH FINANCIAL ASSISTANCE MAY BE PROVIDED

SEC. 303. (a) The Authority is empowered to provide financial assistance for any project, described in subsection (b) below, if, in the judgment of the Board of Directors, such project will make a significant contribution to the achievement of energy independence by the United States or the long term security of energy supplies for the United States and would not receive sufficient financing upon commercially reasonable terms from other sources to make the project commercially feasible: *Provided, however,* That the maximum amount of financing from sources other than the Authority, preferably private sources, shall be sought in connection with any project for which financial assistance is provided.

(b) The Authority shall provide financial assistance for only those projects which in the judgment of the Board of Directors:

(1) employ, or would stimulate the application of, technologies, processes or techniques which are essential to the development, production, transportation, transmission, or conservation of non-nuclear energy and which are not in widespread domestic commercial use at the time of the Authority's commitment of financial assistance; or

(2) employ, or would stimulate the application of, technologies, processes or techniques for the generation of electricity from fuel sources other than oil or natural gas or for the transmission of such electricity; or

(3) employ technologies, processes or techniques for the development, production, transportation or transmission of energy which at the time of the Authority's commitment of financial assistance are in widespread domestic commercial use, provided that such project is (i) either of such size or scope that it would not be undertaken without the assistance of the Authority, or (ii) involves an institutional or regulatory arrangement not in widespread domestic commercial use the success of which would lead to improvements in the development or production of energy, or individual transportation or transmission facilities related to projects described in clauses (i) or (ii); or

(4) employ, or would stimulate the application of, technologies, processes or techniques for the protection of the environment necessary in connection with activities of a type described in paragraphs (1) through (4).

LIMITATIONS ON PROVISION OF FINANCIAL ASSISTANCE

SEC. 304. (a) Financial assistance provided by the Authority shall be made upon such terms, and subject to such conditions and restrictions, as shall be deemed by the Board of Directors to be commensurate with the purposes of this Act and the needs of the recipient. Adequate provision shall be made by the Authority to insure that, when financial assistance provided by the Authority results in the profitable operation of a project, the Authority shares in such profits on a basis commensurate with the degree of risk assumed by the Authority. Financial assistance will be provided in a manner which, to the extent possible, does not enhance unduly the recipient's competitive position.

(b) The Authority shall not provide financial assistance to a project which would otherwise qualify for such financial assistance if, in the judgment of the Board of Directors: (i) such project involves technology which is in the research and development phase; or (ii) the project applicant does not display satisfactory levels of efficiency, management capacity, or similar factors which are customarily considered by private sources of financing before making an investment decision.

(c) The Authority may provide financial assistance for a project conducted by a business concern whose rates are regulated by any State or local regulatory body only if: (i) the State or local regulatory body regulating such rates has issued a certificate of necessity for the project as prescribed by the Authority and (ii) such State or local regulatory body, the business concern so regulated and the Authority have entered into a three party agreement which shall require the State or local regulatory body to permit, without prior hearing, quarterly rate adjustments on a basis such that had such adjustment been in effect for the twelve preceding months the net earnings of the business concern would have provided a minimum level of coverage of annualized interest charges. The Authority shall establish the minimum level of coverage of annualized interest charges, to be applied uniformly until changed, which shall, in the judgment of the Board of Directors, be sufficient to assure repayment of the Authority's investment and restore the credit rating of the business concern so regulated to a level capable of obtaining conventional capital at favorable interest rates without additional financial assistance from the Authority. For the purposes of this subsection: (i) the term "net earnings" shall mean actual earnings before total interest charges and taxes on income adjusted for the annualization of any rate changes during the preceding twelve months, and (ii) the term "annualized interest charges" shall mean the annualized amount of total interest charges, including interest components of leases and rents, but excluding any effect of future debt issues.

(d) No financial assistance may be provided unless an application therefor has been submitted to the Authority in such manner and containing such information as the Authority may require, and the Authority has reviewed such application, taking into account competitive alternatives to meet the same energy need. Nothing herein shall preclude the Authority from providing financial assistance to two or more similar projects if it determines such assistance is appropriate and consistent with the purposes of this Act.

(e) In no case shall the aggregate amount of financial assistance made or committed under this title to any one business concern or affiliated business concerns exceed at any one time 10 per centum of the sums of the original authorized capital stock of the Authority and the aggregate principal amount which the Authority is originally authorized to borrow, without regard to any reduction of such authorized capital stock or borrowing level pursuant to section 311.

LOANS MADE BY THE AUTHORITY

SEC. 305. Each loan made under this title shall bear interest at such rate as the Board of Directors of the Authority may determine, giving consideration to the needs and capacities of their recipient, the prevailing rates of interest (public and private) and the need of the Authority to sustain continuing operations out of returns on investment: *Provided, however,* That such rate shall not be less than the greater of:

(i) the then current estimated borrowing costs of the Authority for borrowings of comparable maturity to the loan plus a reasonable amount to cover administrative expenses, or

(ii) the interest rate paid by credit worthy borrowers to private lenders for borrowings on comparable terms (other than interest rate) for projects of a similar nature, taking into account generally available indices or credit worthiness and, where applicable, the purpose and effect of any three-party agreement as provided in section 304 (c):

Provided further, however, That in a case in which sufficient information is not available to make the computation described in clause (ii), such rate shall not be less than the rate specified in clause (i). Except as provided in section 308 of this title, all loans provided by the Authority shall, in the opinion of the Board of Directors, be made upon such terms as to reasonably assure retirement or repayment, and may be made or effected either directly or in cooperation with banks or other lending institutions. Loans may be made directly upon promissory notes or by way of discount or rediscount of obligations tendered for the purpose. Subject to the provisions of section 312 of this Act, the Authority under such conditions as it shall prescribe, may take over or provide for the administration and liquidation of my collateral accepted by it as security for such loans.

LOAN GUARANTEES MADE BY THE AUTHORITY

SEC. 306. The Authority is specifically authorized, on such terms and conditions as the Board of Directors may prescribe, to guarantee any lender against loss of principal and interest on securities, obligations, or loans (including refinancings thereof) issued to provide funds to any business concern where such funds substantially contribute to accomplishment of the purposes of this Act. All guarantees entered into by the Authority under this section shall constitute general obligations of the United States of America backed by the full faith and credit of the Government of the United States of America. Any guarantee made by the Authority under this section shall not be terminated, canceled, or otherwise revoked, except in accordance with the terms thereof; shall be conclusive evidence that such guarantee complies fully with the provisions of this Act and of the approval and legality of the principal amount, interest rate, and all other terms of the securities, obligations, or loans and of the guarantee; and shall be valid and incontestable in the hands of a holder of a guaranteed security, obligation, or loan, except for fraud or materials misrepresentation on the part of such holder. Prior to issuing any such guarantee or making any other type of committment to provide financial assistance which would have substantially the same legal effect and substantially the same effect on the market for United States Government obligations as a guarantee by the Authority, both as determined by the Secretary of the Treasury, the Authority shall obtained the concurrence of the Secretary of the Treasury as to the timing and substantial terms and conditions of such guarantee or commitment. The Authority shall be subrogated to the rights of any third party receiving payments of interest or principal out of funds provided by the Authority under a guarantee arrangement authorized hereunder.

LIMITATION ON TOTAL AMOUNT OF FINANCIAL ASSISTANCE

SEC. 307. The total amount of financial assistance by the Authority outstanding at any time, computed to include the sum of: (i) the full amount of the Authority's actual and potential liability under all guarantees, (ii) reserves for all other contingent liabilities, and (iii) all loans and other forms of financial assistance authorized under this section, all as determined under generally accepted accounting principles, shall not exceed the sum of: (i) the authorized capital of the Authority and (ii) the amount the Authority is authorized to borrow under section 402 of this Act.

LIMITATION ON CERTAIN TYPES OF FINANCIAL ASSISTANCE

SEC. 308. The Authority may make high-risk loans or direct investments, or provide product price guarantees or other direct financial assistance, which in the judgment of the Board of Directors will further the purposes of this Act. The Board of Directors shall create such reserves as may be necessary to meet contingent liabilities which may be created under this section: *Provided, however*, That notwithstanding any other provision of this Act, the Authority may not provide any financial assistance (except pursuant to previously made binding commitments) or make any further commitments for financial assistance if, after audit, the Authority is required under generally accepted accounting principles to establish a reserve or reserves for bad debts, price support commitments, contingent liabilities, or other unrealized losses, but excluding any reserve with respect to liabilities incurred pursuant to section 401 of this Act, which reserves in the aggregate exceed the sum of (i) the Authority's authorized capital stock previously paid in (whether or not then outstanding), (ii) its earned surplus, and (iii) net gains realized upon dispositions described in section 311 (whether or not the proceeds thereof have been previously applied to retirement of the Authority's obligations and capital stock), all of which shall be determined in accordance with generally accepted accounting principles.

FEES

SEC. 309. The Authority shall charge reasonable fees for issuing guarantees and for making commitments to provide other forms of financial assistance pursuant to this title.

DISPOSITION OF SECURITIES

SEC. 310. The Authority may sell in public or private transactions all or any part of the common or preferred stock, capital notes, bonds or any other evidences of indebtedness or ownership acquired by the Authority pursuant to this title.

APPLICATION OF PROCEEDS FROM RETIREMENT OF FINANCIAL ASSISTANCE

SEC. 311. (a) Upon the sale by the Authority of any stock, bond or other evidence of ownership or indebtedness or any other asset acquired by the Authority in consideration for the extension of financial asisstance or upon the repayment by any business concern of any loan or upon the cancellation of any guarantee or other contingent liability constituting financial assistance (other than cancellation of a commitment to extend financial assistance prior to the extension of such assistance), any proceeds therefrom shall, except to the extent provided in subsection (b), be immediately applied to retire all indebtedness of the Authority issued pursuant to title IV of this Act, in accordance with the terms of such indebtedness, and thereafter to redeem all outstanding capital stock of the Authority. For the purposes of section 307 of this Act, each such sale or other disposition shall automatically reduce the authorized borrowing or authorized capital stock of the Authority, as the case may be, by an amount equal to the amount of financial assistance liquidated by such sale or other disposition.

(b) Notwithstanding any provision of subsection (a), any gain realized by the Authority in connection with any transaction referred to in such subsection may be retained by the Authority to the extent of any losses theretofore realized by the Authority (with respect to which losses funds have not theretofore been retained pursuant to this subsection).

CONTROL OF OPERATING ASSETS

SEC. 312. (a) As used in this section: (i) the term "operating asset" shall mean any real or personal property used in the development, production, transportation, transmission, distribution, or conservation of fuel or electric power, and (ii) the term "control" shall mean the power to direct the use or disposition of operating assets, through direct ownership or through ownership of a majority of voting securities of a corporation or other entity owning or leasing operating assets: *Provided, however*, That "control" shall not be deemed to result from the ownership of operating assets which are leased to and in the possession of parties independent of the Authority.

(b) The Authority shall not acquire or retain control of operating assets, except—

(i) when control is acquired by foreclosure of a security interest or pursuant to a default under a lease, and such control is not retained for more than four years, or

(ii) when control is acquired prior to the commencement of commercial use of the operating assets and is retained for no more than two years after commencement of commercial use.

ACCESS TO INFORMATION

SEC. 313. Every applicant for financial assistance under this Act shall, as a condition precedent thereto, consent to such examinations as the Authority may require for the purposes of this Act, and shall further consent that any reports of examinations of the applicant by constituted authorities may be furnished by such authorities to the Authority upon request therefor. The Authority shall require such reports at it deems necessary from any business concern receiving financial assistance under this Act regarding activities carried out pursuant to this Act. The Authority is authorized to prescribe the keeping of records with respect to all financial assistance and shall have access to such records at all reasonable times for the purpose of insuring compliance with the terms and conditions upon which financial assistance was provided.

ADVISORY PANEL

SEC. 314. The President may appoint a panel, of such duration, organization, and membership as he may deem appropriate, to study and report to the President, the Congress, and the Authority concerning the effects of issuance of obligations and provision of financial assistance by the Authority on the functioning of the Nation's capital markets, including effects upon the volume and distribution of capital flows to and within the energy development sector of the economy, and such other related matters as the President may specify.

TITLE IV—CAPITALIZATION AND FINANCE

CAPITAL STOCK OF THE AUTHORITY AND DIVIDENDS

SEC. 401. The Authority shall have capital stock of $25,000,000,000, subscribed by the United States of America acting by and through the Secretary of the Treasury, payment for which shall be subject to call in whole or in part by the Board of Directors of the Authority and subject to the availability of appropriations therefor. There is hereby authorized to be appropriated to the Secretary of the Treasury $25,000,000,000 for this purpose. Not later than one hundred and eighty days after the close of each fiscal year of the Authority, the Authority shall declare and shall thereafter pay a dividend on its outstanding capital stock, in an amount determined in the discretion of the Board of Directors but not less than the amount, computed by multiplying a percentage determined by the Secretary of the Treasury, taking into account the current average annual percentage yield on marketable obligations of the United States as of the close of such fiscal year, times the paid in value of such outstanding capital stock: *Provided, however*, That the Authority may defer payment of any such dividend if the Authority has no earned surplus as of the close of such fiscal year or the Board of Directors determines that the funds otherwise available for payment of the dividend should, in furtherance of the purposes of this Act, be used to provide financial assistance pursuant to title III of this Act. Any dividend deferred pursuant to this section shall, until paid, bear interest at a rate, determined by the Secretary of the Treasury and adjusted at the commencement of each fiscal year, taking into consideration the then current average annual percentage yield on marketable obligations of the United States.

OBLIGATIONS OF THE AUTHORITY

SEC. 402. (a) The Authority is authorized to issue and to have outstanding at any one time notes, debentures, bonds, or other obligations in the aggregate principal amount of $50,000,000,000: *Provided, however*, That the Authority shall not issue any such obligation without the prior concurrence of the Secretary of the Treasury as to the method, source, interest rate, timing and other terms and conditions of such obligation. The Secretary of the Treasury may direct that any such issuance by the Authority be sold to the Department of Treasury for its own account or to the Federal Financing Bank.

(b) For purposes of purchasing the obligations of the Authority pursuant to this section 402, the Secretary of the Treasury is authorized to use as a public debt transaction the proceeds from the sale of any securities hereafter issued under the Second Liberty Bond Act, and the purposes for which securities may be issued under the Second Liberty Bond Act are extended to include such purchases. Each purchase of obligations by the Secretary of the Treasury under this section shall be upon such terms and conditions as to yield a return at a rate not less than a rate determined by the Secretary of the Treasury, taking into consideration the current average yield on outstanding marketable obligations of the United States of comparable maturity. Interest due on obligations of the Authority held by the Treasury may be deferred, at the discretion of the Secretary, but any such deferred interest shall bear interest at the rate specified in this section. The Secretary of the Treasury may sell, upon such terms and conditions and at such price or prices as he shall determine, any of the obligations acquired by him under this section. All redemptions, purchases, and sales by the Secretary of the Treasury of such obligations under this section shall be treated as public debt transactions of the United States.

(c) All obligations of the Authority issued under this section shall be fully and unconditionally guaranteed as to principal and interest and shall constitute general obligations of the United States, backed by the full faith and credit of the Government of the United States of America. Such guarantee shall be expressed on the face of all such obligations.

BUDGETARY TREATMENT

SEC. 403. The receipts and disbursements of the Secretary of the Treasury in connection with the purchase or redemption of, and income from, capital stock of the Authority shall not be included in the totals of the budget of the United States Government. The receipts and disbursements of the Authority in the discharge of its functions shall not be included in the totals of the budget of the United States Government and shall be exempt from any general limitation imposed by statute on expenditures and net lending (budget outlays) of the United States: *Provided*, That the totals of the budget of the United States Government shall be adjusted to include the net earnings or losses of the Authority, as reported in the annual audit required by section 505(c) of this Act.

LAWFUL INVESTMENT

SEC. 404. Obligations of the Authority issued pursuant to this Act shall be lawful investments, and may be accepted as security for all fiduciary, trust, and public funds the investment or deposit of which shall be under the authority or control of the United States or any officer or officers thereof.

FORMS OF NOTES, BONDS, AND OTHER OBLIGATIONS

SEC. 405. In order that the Authority may be supplied with such forms of notes, debentures, bonds, or other such obligations as it may need for issuance under this Act, the Secretary of the Treasury is authorized to prepare such forms as shall be suitable and approved by the Authority, to be held in the Treasury subject to delivery, upon order of the authority. The engraved plates, dies, bed pieces, and so forth, executed in connection therewith shall remain in the custody of the Secretary of the Treasury. The Authority shall reimburse the Secretary of the Treasury for any expenses incurred in the preparation, custody, and delivery of such notes, debentures, bonds, or other obligations.

MONEYS OF THE AUTHORITY

SEC. 406. All moneys of the Authority not otherwise employed may be—

(a) deposited with the Treasury of the United States subject to withdrawal by the Authority, by check drawn on the Treasury of the United States by a Treasury disbursing officer, or

(b) with the approval of the Secretary of the Treasury, deposited in any Federal Reserve bank, or

(c) with the approval of the Secretary of the Treasury, and by authorization of the Board of Directors of the Authority, used in the purchase for redemption and retirement of any notes, debentures, bonds, or other obligations issued by the Authority.

TITLE V—MANAGEMENT

BOARD OF DIRECTORS

SEC. 501. (a) The power of the Authority to act shall be vested in the Board of Directors, except as to those functions, powers, and duties assigned to the Chairman of the Board as provided in this Act and such matters as may be delegated to the Chairman, directors and officers of the Authority pursuant to this title. The Board of Directors shall consist of five voting members appointed by the President by and with the advice and consent of the Senate, who shall hold office at the pleasure of the President. The President shall designate one of such members as Chairman of the Board, and shall have the power at any time and from time to time to designate a new Chairman of the Board from among the members of the Board. Of the five members of the Board, not more than three shall be members of any one political party. The Chairman shall devote his full working time to the affairs of the Authority (and its subsidiaries) and shall hold no other salaried position.

(b) With respect to each Director, other than the Director who shall serve as Chairman of the Board, the President shall determine whether such Director shall serve in a full-time or part-time capacity (including service as a Director of any subsidiaries). Directors who are serving part time may hold other positions but shall devote such time to the affairs of the Authority (and its subsidiaries) as is necessary to discharge their duties. Directors who are serving full time shall devote their full working time to the affairs of the Authority (and its subsidiaries) including such responsibilities as may be assigned by the Board of Directors or the Chairman of the Board, and shall hold no other salaried position. Directors of the Authority, whether serving full time or part time, shall be compensated at an annual or daily rate to be determined by the President. Directors shall be reimbursed for reasonable expenses which are incurred in connection with their services as Directors of the Authority and its subsidiaries.

(c) Before assuming office, each Director shall take an oath faithfully to discharge the duties thereof. Whenever a vacancy shall occur on the Board of Directors, the President shall, with the advice and consent of the Senate, appoint a person to fill such vacancy. All Directors shall be citizens of the United States.

(d) The Board shall meet at any time pursuant to the call of the Chairman and as may be provided by the bylaws of the Authority. A majority of the duly appointed and serving Directors shall constitute a quorum, and any action by the Board shall be effected by majority vote of a quorum. The Board of Directors shall adopt, and from time to time amend, such bylaws as are necessary for the proper management and functioning of the Authority.

OFFICERS AND EMPLOYEES

SEC. 502. (a) The Chairman of the Board shall be the chief executive officer of the Authority, and as such shall be responsible for the management and direction of the Authority (including the making of expenditures associated with administration of the Authority). The President shall fix the compensation of the Chairman of the Board.

(b) The Chairman of the Board may appoint and fix the compensation of all such personnel as may be necessary for the transaction of the Authority's business in accordance, except as otherwise authorized in subsections (c) and (d), with the provisions of title 5 of the United States Code. Except as expressly provided in this section, title 5 of the United States Code shall apply to such personnel in the same manner and under the same conditions required for the civil service generally.

(c) In addition to the number of positions which may be placed in GS–16, 17, and 18 under existing law, not to exceed one hundred positions may be placed in GS–16, 17, and 18. The provisions of title 5 of the United States Code governing classification and appointment in the competitive service shall not apply to twenty-five of such positions, as designated by the Chairman of the Board.

(d) In addition to personnel authorized to be employed under other provisions of this section, a reasonable number of executive officers may be employed by the Authority, on terms and conditions specified by the Chairman of the Board, under employment agreements for terms not exceeding five years and without regard to the provisions of title 5 of the United States Code governing classification and appointments in the competitive service and without regard to the laws, including title 5 of the United States Code, which fix compensation for officers and employees of the United States. Without prejudice to rights under any employment agreement any person appointed by the Chairman pursuant to this subsection may be removed in the discretion of the Chairman.

(e) The Chairman shall define the duties of the officers and employees of the Authority, and provide a system of organization to fix responsibility and promote efficiency.

(f) The Chairman of the Board shall have authority to obtain the services and fix the compensation of experts and consultants in accordance with the provisions of section 3109 of title 5 of the United States Code.

(g) Under such regulations as the President may prescribe, officers and employees of the Government who are appointed, without a break-in service, to any position for carrying out functions under this Act are entitled, upon separation from such position other than for cause within three years of employment, to reemployment in the position occupied at the time of appointment or in a position of comparable grade and salary to that held with Authority.

(h) The employees of the Authority, including full-time Directors and the individuals described in subsection (d), shall be considered employees of the United States Government for purposes of eligibility for benefits related to employment.

CONFLICTS OF INTEREST

SEC. 503. The provisions of chapter 11 of title 18, United States Code, shall apply to the directors and all officers and employees of the Authority, and the Board of Directors shall have authority to promulgate regulations hereunder.

DELEGATION

SEC. 504. The Board of Directors may, by resolution, delegate to the Chairman of the Board such of its functions, powers, and duties assigned to the Board under this Act as it deems appropriate. The Chairman of the Board may, by written instrument, delegate such functions, powers, and duties as are assigned to the Chairman by or pursuant to the provisions of this Act to such other full-time directors, officers, or employees of the Authority as the Chairman deems appropriate.

FISCAL YEAR, REVIEWS AND AUDITS

SEC. 505. (a) The fiscal year of the Authority shall coincide with the fiscal year of the United States Government.

(b) On or before June 30 in any year, the Authority shall submit to the Director of the Office of Management and Budget a financial and management plan, in such detail as the Director may prescribe, for the succeeding fiscal year.

(c) The Authority shall retain a firm or firms of nationally recognized public accountants who shall prepare and report an annual audit of the accounts of the Authority including the statements identified in section 851 of title 31, United States Code. The General Accounting Office is authorized to conduct such audits of the accounts, and to report upon the same to Congress, as such Office shall deem necessary or as Congress may request. All books, accounts, financial records, reports, files, papers, and property belonging to or in use by the Authority and necessary to facilitate an audit shall be made available to the person or persons conducting the audit and facilities for verifying transactions with the balances or securities held by depositories, fiscal agents, and custodians shall be afforded to such person or persons.

REPORTS

SEC. 506. (a) The Authority shall submit a quarterly report to the Congress and the President. The report will state the aggregate sums then outstanding or committed as loans, loan guarantees, or other financial assistance and a listing of the business concerns so involved with the Authority. The quarterly report in which any expenditure or commitment to a business concern or project is first noted shall contain a brief description of the factors considered by the Board of Directors in making such expenditure or commitment. The report shall also show, on an unaudited basis, the assets and liabilities of the Authority as of the end of the Authority's fiscal quarter preceding the date of the report and the number, functions, and compensation of persons employed or under contract by the Authority at salary rates exceeding $2,500 per month.

(b) The Authority shall submit to the Congress and the President an annual report containing the audited financial statements and report prepared by the independent public accountants pursuant to section 505. The annual report shall also contain, in addition to the information required in the quarterly report, a general description of the Authority's operations during the year, a specific description of each project or activity in which the Authority is involved, a status report on each such project or activity, and an evaluation of the contribution which the project or activity has made and is expected to make in fulfilling the purposes of this Act (including, where possible, a precise statement of the amount of domestic energy produced or to be produced thereby).

(c) On or before September 30, 1986, the Authority shall submit to the Congress and the President a report evaluating the overall impact made by the Authority and describing the status of each then current activity or program of financial assistance. This report shall contain a liquidation plan. The liquidation plan shall describe in the greatest detail practicable how each activity, project, or obligation involving financial assistance, and every substantial asset or liability of the Authority will be liquidated, terminated, satisfied, sold, transferred, or otherwise disposed of. Each annual report thereafter made by the Authority will describe what progress is being made in effecting such liquidation plan.

(d) On or before January 31, 1989, the Authority shall submit to the President a report setting forth the recommendation as to whether or not the existence of the Authority should be extended for the limited period and purpose described in section 803(c).

RECORDS OF OUTSIDE CONTACTS

SEC. 507. The Authority shall develop and publish procedures for recording communications received (in writing or otherwise) from persons outside the Authority, including private individuals and public officials, expressing an opinion or viewpoint on the merits or terms of any proposal that the Authority extend financial assistance pursuant to title III of this Act. The Authority shall establish procedures for making such records available to the public upon request.

TITLE VI—PRIORITY ENERGY PROJECT ACT

SEC. 601. This title may be cited as the "Priority Energy Project Act of 1979".

PURPOSES

SEC. 602. The purposes of this title are—

(a) to provide for a coordinated, prompt, and simplified process for Federal approval of energy facilities that are determined to be in the national interest;

(b) to expedite the Federal approval process without expanding or diminishing existing substantive Federal authority over proposed energy facilities and without unduly interfering with the present statutory authorities and responsibilities of individual Federal agencies; and

(c) to foster integration of local, State, and Federal procedures for permitting, licensing, and approving energy facilities which are determined to be in the national interest.

DEFINITIONS

SEC. 603. As used in this title the term—

(a) "approval" means any permit, license, lease, right-of-way, or other grant issued by an agency of Federal, State or local government;

(b) "atomic energy" means all forms of energy released in the course of nuclear fission or nuclear transformation;

(c) "energy facility" means any physical structure, including any equipment, building, mine, well, rig, pipeline, transmission line, processing facility, transportation device, manufacturing facility, or installation which will facilitate energy conservation and invention, exploration, development, demonstration, transportation, production, or commercialization of any form of energy other than atomic energy, including, but not limited, to any facility owned or operated in whole or in part by Federal, State, or local government or any combination thereof;

(d) "Federal agency" means an executive agency as defined in section 105 of title 5 of the United States Code;

(e) "person" means any individual, cooperative, partnership, corporation, association, consortium, unincorporated organization, trust estate, or any entity organized for a common business purpose, and any instrumentality of Federal, State, or local government;

(f) "priority energy project" means a project which has been determined by the Authority and the Secretary of Energy to be in the national interest pursuant to this authority under section 604 of this title;

(g) "project" means any plan, proposal, scheme, or undertaking to build, install, or in any other way produce an energy facility;

(h) "Secretary" means the Secretary of Energy; and

(i) "State" means any of the fifty States, the District of Columbia, Puerto Rico, the Virgin Islands, Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands.

AUTHORITY TO DESIGNATE PRIORITY ENERGY PROJECTS

SEC. 604. The Authority and the Secretary of Energy are hereby authorized to designate a proposed energy facility as a priority energy project pursuant to the procedures and criteria provided in this title.

AUTHORITY TO APPLY FOR PRIORITY STATUS

SEC. 605. Any person planning or proposing an energy facility may apply to the Authority and the Secretary of Energy for an order designating such facility as a priority energy project.

(b) The Secretary shall publish notice of the filing of the designation request, together with a description thereof in the Federal Register; and interested persons shall be afforded thirty days thereafter within which to submit written comments for the Secretary's consideration.

PROCEDURE AND CRITERIA FOR DESIGNATING PRIORITY ENERGY PROJECTS

SEC. 606. Not later than forty-five days after receipt of an application authorized under the previous section, the Secretary shall determine whether the proposed energy facility is of sufficient national interest and helps meet the goals in title VII of this Act, to be designated a priority energy project and shall publish his decision in the Federal Register and shall pass his recommendation on the Authority. In making such a determination the Secretary shall consider—

(a) the extent to which the facility would reduce the Nation's dependence upon imported oil and meet the production goals of title VII of this Act;

(b) the magnitude of any adverse environmental impacts associated with the facility and the existence of alternatives that would have fewer adverse impacts;

(c) the extent to which the proposed facility would make use of renewable energy resources;

(d) the extent to which the proposed facility would promote energy conservation;

(e) the extent to which the proposed facility would contribute to the development of new production or conservation technologies and techniques;

(f) the time that would normally be required to obtain all necessary Federal approvals and the adverse impacts that would result from delay in completion of the proposed facility; and

(g) the degree of specificity in describing the proposed facility in the application.

EXTENSION OF DEADLINE

SEC. 607. The Secretary may extend the deadline for receiving public comments under section 605(b) and the time for ruling on an application for priority energy project status under section 606 if such application is complete or if more time is necessary to afford interested parties a reasonable time to comment.

RELATION TO NATIONAL ENVIRONMENTAL POLICY ACT

SEC. 608. A determination by the Authority and the Secretary under section 606 of this title is not a major Federal action within the meaning of section 102(2) of the National Environmental Policy Act of 1969.

EARLY ACTION REQUIREMENT

SEC. 609. The Secretary shall encourage prospective applicants under section 605 to contact the Office established under section 623 and to file applications for any necessary Government actions or approvals with the appropriate agencies as soon as possible in order that any eventual action or decision may be expedited. The Secretary shall consider any failure to contact the Office for Priority Energy Projects in a timely fashion in making his determination on an application under section 105.

FEDERAL AGENCIES REQUIRED TO SUBMIT INFORMATION

SEC. 610. Not later than thirty days after notice appears in the Federal Register of an order designating a proposed energy facility as a priority energy project, any Federal agency with authority to grant or deny any approval or to perform any action necessary to the completion of such project or any part thereof, shall transmit to the Authority—

(a) a compilation of all significant actions required by such agency before a final decision or any necessary approval(s) can be rendered;

(b) a compilation of all significant actions required of the applicant before a final decision by such agency can be made;

(c) a tentative schedule for completing actions listed in subsections (a) and (b) of this section; and

(d) all necessary application forms which must be completed by the priority energy project before such approval can be granted.

PROJECT DECISION SCHEDULE ESTABLISHED BY THE AUTHORITY

SEC. 611. (a) Not later than sixty days after designating a proposed energy facility as a priority energy project, the Authority, in State and local agencies, shall publish in consultation with the appropriate Federal, State and local agencies, shall publish in the Federal Register a Project Schedule containing deadlines for all Federal actions relating to such project. The Project Decision Schedule shall clearly identify the order in which licenses, permits and other Government actions must be obtained by the priority energy project before such project can be completed. The Project Decision Schedule may also suggest concurrent review of applications and joint hearings by agencies of Federal, State, and local governments.

(b) The deadlines in the Project Decision Schedule shall be consistent with the deadlines submitted to the Authority under section 610 unless the Authority determines that different deadlines are essential in order to expedite and coordinate Government review.

(c) Except as provided by section 613, all deadlines in the Project Decision Schedule shall be consistent with the statutory obligations of Federal agencies governed by such Schedule.

(d) Notwithstanding any other provision of Federal law, the deadlines imposed by the Project Decision Schedule shall constitute the lawful decisionmaking deadlines for reviewing applications filed by the priority energy project.

(e) Upon the petition of any agency with authority to approve or disapprove any application, or of any priority energy project, the Authority may revise any procedure, extend any deadline, or modify in any other way, the Project Decision Schedule at any time prior to completion of such project: *Provided*, That no extension shall be granted unless the Authority determines that such agency or priority energy project has exercised all due diligence in attempting to comply with the Schedule and that it would be impracticable for the agency to reach a decision or complete the required action within the specified time.

DELEGATION OF DECISION AUTHORITY TO THE PRESIDENT

SEC. 612. If a deadline on the Project Decision Schedule for a final decision or action by a Federal agency has elapsed and such agency has not made the decision or performed the required action, the President may make the decision or perform the action in lieu of the Federal agency. The President shall not make a decision pursuant to this section unless there has been notice and an opportunity for public comment on such decision. The decision of the President pursuant to this section shall be final.

EXCEPTIONS TO PROCEDURES REQUIRED BY OTHER LEGISLATION

SEC. 613. In circumstances of exceptional national need, the Authority may establish a deadline for Federal agency action in a Project Decision Schedule that is shorter than the minimum period required under existing legislation: *Provided*, That such deadline shall not require a final agency action or decision less than one year after the initial Project Decision Schedule has been published in the Federal Register.

CERTIFICATION OF COMPLETED FEDERAL AGENCY REVIEW

SEC. 614. (a) If the Authority determines that all Federal agency actions and approvals necessary to the completion of a priority energy project have been granted, the Authority shall certify the same to the project. Such certification shall indicate the expiration date of any Federal approvals that have been granted to the project.

(b) A certificate issued by the Authority under subsection (a) of this section shall constitute conclusive evidence in any judicial or executive proceeding that all necessary Federal permits have been granted for the duration specified on the certificate.

REQUEST FOR STATE COOPERATION AND INFORMATION

SEC. 615. (a) The Authority shall notify the Governor of any State within which any portion of a priority energy project would be located and shall request the Governor to supply—

(1) a compilation of significant actions required by the State and local governments before the priority energy project can be completed;

(2) a compilation of significant actions required of the applicant before a final decision can be made;

(3) a tentative schedule for completing the actions listed in subsection (a) of this section; and

(4) all necessary application forms which must be completed by the applicant before such approval can be granted.

(b) The authority may provide any assistance authorized by law to assist State and local authorities in complying with requests for cooperation from the authority.

DECISION SCHEDULES FOR STATE AND LOCAL AUTHORITIES

SEC. 616. (a) The authority shall transmit to the priority energy project all information received from State and local governments pursuant to requests from the authority under section 615.

(b) The authority, after consultation with State and local authorities, shall propose a voluntary decision schedule to assist State and local authorities in coordinating their activities with actions by the Federal Government.

(c) The authority shall keep apprised of the processing of applications for priority energy projects by State and local governments. If the authority determines that a priority energy project is being delayed or threatened with delay by the inability or unwillingness of any State or local government to implement a schedule for timely review and decision, the Authority shall notify the Governor of such State and transmit to the Congress a statement describing the delay, the causes thereof, and recommending actions to alleviate or prevent the delay.

(d) The Authority may participate or intervene in the proceeding of any State or local agency which permits such participation or intervention in order to request such agency to adopt procedures recommended by the Secretary.

PRECEDENCE OVER OTHER LAWS

SEC. 617. Notwithstanding any other provision of law, the actions of Federal offices or agencies pursuant to this title shall not be subject to judicial review except as provided in the title.

DECISION REGARDING PRIORITY ENERGY PROJECT STATUS

SEC. 618. A decision of the Authority granting or denying an order designating a proposed energy facility as a priority energy project or granting or denying an extension under section 607 shall not be subject to judicial review under any law except as required by the Constitution of the United States.

OTHER ACTION PURSUANT TO THIS ACT

SEC. 619. (a) Exceptions provided in section 618 claims alleging that an action taken pursuant to this title will deny rights under the Constitution of the United States, or that an action is in excess of statutory jurisdiction, authority, or limitations, or short of statutory rights may be brought not later than the sixtieth day following the date of such action, except as required by the Constitution of the United States.

(b) For the purposes of this title, any action by any Federal agency or officer relating to a priority energy project shall constitute an action pursuant to this Act.

TIME BAR; JURISDICTION OF THE COURT OF APPEALS

SEC. 620 (a) Any claim arising out of action pursuant to this title shall be barred unless a complaint is filed prior to the expiration of the time limits prescribed by this title.

(b) Any such complaint shall be filed in the United States court of appeals for the circuit in which the priority energy project or the most significant portion thereof would be located. Such court shall act as a special court and shall have exclusive original jurisdiction to determine such proceeding in accordance with procedures hereinafter provided, and no other court of the United States of any State, territory, or possession of the United States, or of the District of Columbia, shall have original jurisdiction of any such claim in any proceeding instituted prior to or on or after the date of enactment of this Act.

(c) Any such proceeding shall be assigned for hearing and completed at the earliest possible date, shall, to the greatest extent practicable, take precedence over all other matters pending on the docket of the court at that time, and shall be expedited in every way by such court and such court shall render its decision relative to any claim within ninety days from the date such claim is brought unless such court determines that a longer period of time is required to satisfy requirements of the United States Constitution.

SUPREME COURT REVIEW

SEC. 621. (a) The Supreme Court shall have exclusive authority to review any interlocutory judgment or order of the court of appeals pursuant to this title and the appellant must file a petition for certiorari or a certification as provided in section 1254 of title 28, United States Code within fifteen days after the decision of the court of appeals or his appeal shall be barred.

(b) Any review by the Supreme Court shall be assigned for hearing and completed at the earliest possible date, shall, to the greatest extent practicable take precedence over all other matters pending on the docket of the court at that time, and shall be expedited in every way by such court and the court shall render its decision relative to any claim within forty-five days from the date such claim is brought unless the court determines that a longer period of time is required to satisfy requirements of the United States Constitution.

INJUNCTIVE RELIEF

SEC. 622. No court shall have jurisdiction to grant any injunctive relief against the issuance of any right-of-way permit, lease, or other authorization pursuant to this title except in conjunction with a final judgment entered in a case involving a claim filed pursuant to this title.

OFFICE FOR PRIORITY ENERGY PROJECT WITHIN THE DEPARTMENT OF ENERGY

SEC. 623. The Secretary shall establish an Office for Priority Energy Projects within the Department of Energy which shall assist the Secretary in the performance of his duties under this title.

EFFECTIVE DATE

SEC. 624. The provisions of this title shall become effective thirty days following the signing of this title into law by the President of the United States.

TITLE VII—PRODUCTION GOALS OF THE AUTHORITY

ESTABLISHMENT OF OVERALL PRODUCTION GOALS

SEC. 701. (a) The Authority shall in accordance with this title and with such rules and regulations as it shall promulgate hereunder—

(1) establish a comprehensive set of goals of commercial production for synthetic fuels such as oil shale, coal gas, coal liquids, and such processes as urban waste re-use, geo-thermal power, solar power in its commercialable forms, bio-mass conversion and other such resources that America should meet by the year 1990 in order to move toward the goal of energy self-sufficiency;

(2) submit these goals, along with a comprehensive timetable for each technology and process, to the Congress of the United States for its approval within ninety days of the establishment of the Authority and the approval of its Board of directors in Sec. 501.

(3) coordinate with the Secretary of Energy to insure that the Secretary can adequately fulfill his responsibilities to the Authority under Sec. 604 through Sec. 609 of this Act;

(b) The Congress shall concur in the timetables and goals of the Authority or send its recommendations on changes to the Authority's timetables and goals within forty-five days, through the mechanism of a Joint Resolution passed by both Houses of Congress.

(c) The Authority shall take any such recommendations made by the Congress under Sec. 701(b) and make final publication of goals and timetables as amended by the Congress in the Federal Register within 30 days.

(d) If Congress fails to approve the timetable and goals under (b) above within 45 days, the goals established by the Authority under (a)(1) above shall become the goals of the Authority and such goals shall be published in the Federal Register within 30 days of the expiration of the period within which Congress must act under (b) above.

OWNERSHIP POWERS OF THE AUTHORITY

SEC. 702. (a) Among the powers circumscribed in Sec. 203 of this Act shall be the power of the Authority to supervise construction, management, operation, and production of fuels from an Authority-owned synthetic fuels facility to meet part of the fuels needs of the Department of Defense, if the following conditions obtain—

(1) no eligible private firm, as described under Secs. 303 (a) and (b) and 304 (a) and (b), has made application for financial aid for a synthetic fuels process that, in the judgment of the Authority, is critical to providing commercial fuels in sufficient quantity to help meet the goals of Sec. 701;

(2) that failure of any eligible private firm to make application for Authority aid be reported to the President, Department of Energy, and Congress and published in the Federal Register;

(3) that, within 60 days, the President concurs in, and that neither House of Congress through Resolution of Disapproval vitiates the judgment of the Authority that the synthetic fuels process in question is vital to meeting the goals of Sec. 701; and

(4) notwithstanding (2) and (3) above, the President may order the Authority to construct, manage, and operate a facility under (a) above if he determines that a national energy emergency exists, is likely to exist in the near future, or that such a facility is in the general national interest. *Provided that*, all fuels produced by any facility under this Section shall be purchased by the Department of Defense for its use, or for transfer to the national stockpile or purchased by the Department of Energy for transfer to the Strategic Petroleum Reserve.

(5) within 20 days of either Presidential order or the action under (a)(3) above, the Authority shall publish its intent to contract in the Federal Register.

(b) The Authority shall fulfill Section 702 of this Act by contracting with private firms for all necessary planning, architectural and engineering work, construction of facilities, management of plant and related facilities, maintenance of facilities, and distribution of production from facilities, within the following rules—

(1) firms desiring to contract with the Authority for the work described in (b) above shall make application on such forms as the Authority devises for the purpose within 90 days of publication of the Authority's intent to contract for such work in the Federal Register, as required in (a)(5) above;

(2) the Authority shall review such applications and make a final choice for all necessary planning, architectural and engineering work, construction projects, management, maintenance, distribution of production, and other necessary services within 60 days of the deadline for application for each such services: *Provided*, That (1) firms selected shall meet the appropriate standards of corporate management, demonstrated efficiency, and financial soundness and shall have had demonstrable experience in the field of work for which it shall contract with the Authority;

(3) the full list of contractors selected for the project shall be published in the Federal Register within one day of selection by the Authority.

(4) sub-contracting of part of any of planning architectural and engineering work construction of facilities, management of plant and related facilities, maintenance of facilities, distribution of production from the project, and other necessary services may occur by prime contractors only with the full written approval of the Authority: *Provided*, That such sub-contracting firms shall be listed in full in the Federal Register within one day of approval of them by the Authority.

(c) The Authority shall dispose of the facilities constructed under Sections 702 (a) and (b) above in a manner to be prescribed by the Congress under notification by the President, and concurrence by the Board of Directors of the Authority that such disposal is in the national interest and that the national emergency prompting the project has passed.

OIL SHALE PRODUCTION GOALS

SEC. 703. (a) The Authority shall, through the powers granted it in this Act, establish a timetable, and submit this timetable to Congress as mandated in Sec. 701 of this Act, to reach a goal of at least 500,000 barrels of oil equivalent a day from oil shale facilities in America by the year 1990, and shall use all powers granted to it under this Act to reach this goal.

(b) establishment of any facility under Sec. 702 of this Act shall be located on the Naval Oil Shale Reserve.

COAL GAS PRODUCTION GOALS OF THE AUTHORITY

SEC. 704. (a) The Authority shall, through the powers granted it in this Act, establish a timetable, and submit this timetable to Congress as mandated in Sec. 701 of this Act, to reach a goal of the equivalent of at least 500,000 barrels of oil a day from goal gas facilities in America by the year 1990, and shall use all power granted to it under this Act to reach this goal.

(b) The Authority shall investigate probable sources of commercial production of coal gas through all varieties of coal gasification techniques and shall give priority funding to those techniques most apt, in the judgment of the Authority and as concurred in by the Secretary of Energy, to meet the commercial goals set forth in this Section.

(c) The Authority shall facilitate achievement of the commercial coal gasification goals in this Act by giving priority consideration to applications for aid from those firms proposing to operate a facility in those States that indicate, through the State's Governor a willingness to assist in expediting all regulatory, licensing, and related Government agency activities.

(1) Willingness by a State to cooperate in expediting all regulatory, licensing, and related Government activities for siting a coal gas facility under this Section shall be expressed in the form of a letter from the Governor of the State involved and a formal Executive order to the relevant agencies within his State ordering such cooperation and making the proposed project a high State priority.

(2) The letter and Executive order in (1) above shall be transmitted by the Governor of a State to the Authority within 60 days of the application for financial aid for the project by the firm seeking the Authority's assistance.

(d) The Authority shall also, in making its decision on assistance, give equal weight to the probable availability of coal suitable for gasification in commercial quality and quantity, as determined by analysis by the United States Geological Survey, and to the willingness of a State in expediting regulatory processes as in (c)(1) and (c)(2) in this section.

(1) Upon formal written request of the Authority for an analysis of the coal quality and quantity for the location proposed for a coal gasification plant by a firm, the United States Geological Survey shall complete and transmit such analysis to the Authority within 30 days of receipt.

COAL LIQUIDS PRODUCTION GOALS OF THE AUTHORITY

SEC. 705. (a) The Authority shall, through the powers granted it in this Act, establish a timetable, and submit this timetable to Congress as mandated in Sec. 701 of this Act, to reach a goal of the equivalent of at least 500,000 barrels of oil equivalent a day from coal liquids facilities in America by the year 1990, and shall use all power granted to it under this Act to reach this goal.

(b) The Authority shall investigate probable sources of commercial production of coal liquids through all varieties of coal liquefaction techniques and shall give priority funding to those techniques most apt, in the judgment of the Authority and as concurred in by the Secretary of Energy, to meet the commercial goals set forth in this Section.

(c) The Authority shall facilitate achievement of the commercial coal liquefaction goals in this Act by giving priority consideration to applications for aid from those firms proposing to operate a facility in those States that indicate, through the State's Governor, a willingness to assist in expediting all regulatory, licensing, and related Government agency activities.

(1) Willingness to cooperate in expediting all regulatory, licensive and related government activities for siting a coal liquefaction facility under this section shall be expressed in the form of a letter from the Governor of the State involved and a formal Executive order to the relevant agencies within his State ordering such cooperation and making the proposed project a high State priority.

(2) The letter and Executive order in (1) above shall be transmitted by the Governor of the State to the Authority within 60 days of the application for financial aid for the project by the firm seeking the Authority's assistance.

PRODUCTION GOALS FOR OTHER SYN-FUELS AND ALTERNATE FUELS

Sec. 706. (a) The Authority shall, through the power granted it in this Act, establish a timetable, and submit this timetable to Congress as mandated in Sec. 701 of this Act, to reach certain other commercial goals of production for other syn-fuels processes and other alternate fuels processes that hold substantial promise of helping reach the overall goals under this Title for America by the year 1990. This submission to the Congress shall give an estimate of the total production the Authority believes can be achieved commercially by 1990.

(b) The Authority shall investigate the widest possible range of processes that hold promise for helping meet the commercial goals of this Title and shall give priority funding to those techniques most apt, in the judgment of the Authority and as concurred in by the Secretary of Energy, to meet the commercial goals set forth in this Title.

(c) The Authority will specifically exempt from processes to be considered under this Title those processes which fail hold promise for substantial commercial production in America by the year 1990 and those processes that, in the Authority's judgment, are still too experimental or limited in scope to contribute to the production goals in this Title.

REPORTS TO CONGRESS

Sec. 707. (a) The Authority shall report to Congress starting 12 months from the enactment of this Act and continuing each 12 months thereafter, on progress made toward meeting the commercial production goals under this Title. This report shall contain specific recommendations on what actions the Congress could take in order to facilitate the work of the Authority and to achieve the production goals established by the Authority.

TITLE VIII—UNLAWFUL ACTS AND PENALTIES

FALSE STATEMENTS

Sec. 801. Whoever makes any statement, knowing it to be false, or willfully overvalues any security, for the purpose of obtaining for himself or for any applicant any loan or extension thereof by renewal, deferment of action, or otherwise, or the acceptance, release, or substitution of security therefor, or for the purpose of influencing in any way the action of the Authority or a subsidiary, or for the purpose of obtaining money, property, contract rights, or anything of value, under this Act, shall be punished by a fine of not more than $5,000 or by imprisonment for not more than two years, or both.

FORGERY

Sec. 802. Whoever (1) falsely makes, forges, or counterfeits any note, debenture, bond, or other obligation, or coupon, in imitation of or purporting to be a note, debenture, bond, or other obligation, coupon, or thing of value issued by the Authority or a subsidiary, or (2) passes, utters, or publishes or attempts to pass, utter, or publish, any false, forced, or counterfeited note, debenture, bond, or other obligation, coupon, or thing of value purporting to have been issued by the authority or a subsidiary, knowing the same to be false, forged, or counterfeited, or (3) falsely alters any note, debenture, bond, or other obligation, or coupon, issued or purporting to have been issued by the Authority, or a subsidiary, or (4) passes, utters, or publishes, or attempts to pass, utter, or publish, as true any falsely altered or spurious note, debenture, bond, or other obligation, coupon, or thing of value issued or purporting to have been issued by the Authority or a subsidiary, knowing the same to be falsely altered or spurious, shall be punished by a fine of not more than $10,000 or by imprisonment for not more than five years, or both.

MISAPPROPRIATION OF FUNDS AND UNAUTHORIZED ACTIVITIES

Sec. 803. Whoever, being connected in any capacity with the Authority or a subsidiary, (1) embezzles, abstracts, purloins, or willfully misapplies any moneys, funds, securities, or other things of value, whether belonging to it or pledged or otherwise entrusted to the Authority or such subsidiary, or (2) with intent to defraud the Authority and subsidiary or any other body politic or corporate, or any individual, or to deceive any officer, auditor, or examiner of the Authority or such subsidiary, makes any false entry in any book, report, or statement of or to the Authority of such subsidiary, or, without being duly authorized, draws any order or issues, puts forth or assigns any note, debenture, bond, or other obligation, or draft, bill of exchange, mortgage, judgment, or decree thereof, or (3) with intent to defraud, participates, shares, or receives directly or indirectly any money, profit, property, or benefit through any transaction, loan, commission, contract, or any other act of the Authority or such subsidiary, or (4) gives any unauthorized information concerning any future action or plan of the Authority or such subsidiary which might affect the value of securities, or, having such knowledge, invests or speculates, directly or indirectly, in the securities or property of any company, bank, or corporation receiving loans or other assistance from the Authority or such subsidiary shall be punished by a fine of not more than $10,000 or by imprisonment for not more than five years, or both.

INFRINGEMENT ON NAME

Sec. 804. No individual, association, partnership, corporation, or business entity shall use the words "Syn-Fuels and Alternate Fuels Production Authority" or a combination of these words which a court of competent jurisdiction shall find reasonably likely to mislead or deceive, as the name or a part thereof under which he or it shall do business.

UNLAWFUL CONTRACTS

Sec. 805. The provisions of sections 431 through 433, inclusive, of title 18, United States Code, shall apply to contracts or agreements with the Authority or subsidiary pursuant to this Act. Such contracts or agreements include, but are not limited to loans, loan guarantees, purchase agreements, advances, discounts and rediscounts, acceptances, releases, and substitutions of security, together with extensions or renewals thereof.

ADDITIONAL PENALTIES

Sec. 806. In addition to any other penalties provided in this title, the defendant in any action brought pursuant thereto shall, on conviction, be liable to the Authority or Subsidiary for any loss by the Authority or such Subsidiary and any profit or gain acquired by him as a result of the conduct constituting the offense for which he was convicted.

SUITS BY THE ATTORNEY GENERAL

Sec. 807. No suit shall be brought alleging that the Authority (or any director, officer, employee, or agent thereof) has engaged in any action, practice or policy inconsistent with this Act; has violated any provision thereof has obstructed or interfered with any activities authorized thereby or has refused, failed, or neglected to discharge duties or responsibilities mandated by the Act except by the Attorney General of the United States or his delegate. The Attorney General may by petition in any Federal district court in any State where the Authority is transacting business or where any such individual resides (or in the District of Columbia), seek such equitable relief as may be necessary or appropriate to prevent or terminate such conduct. Nothing in this section shall be deemed or construed to prevent the enforcement of the other provisions of this title by appropriate officials of the United States, nor to preclude the application of the Federal Tort Claims Act against the Authority nor to prohibit suits by private parties against the Authority based on breach of contract.

TITLE IX—GENERAL PROVISIONS

COORDINATION WITH OTHER ENTITIES

Sec. 901. Prior to extending, or making any commitment to extend, financial assistance for any project, the Authority shall seek the advice and recommendations of Federal agencies as the President may by Executive order designate, to assist in determining whether the provision of financial assistance for such project will further the purposes of this Act and how such proposed financial assistance relates to other programs and national policies. Any such advice or recommendation shall be provided to the Authority within thirty days of its request.

SEVERABILITY

Sec. 902. If any provision of this Act, or the application of any such provision to any person or circumstance, shall for any reason be adjudged by any court of competent jurisdiction to be invalid, the remainder of this Act, or the application of such provision to persons or circumstances other than those to which it is held invalid, shall not be affected thereby.

TERMINATION AND LIQUIDATION OF THE AUTHORITY

Sec. 903. Notwithstanding any other provision of this Act:

(a) The Authority shall make no new commitments for financial assistance after Sept. 30, 1986, and shall furnish no new financial assistance after Sept. 30, 1989.

(b) From and after Sept. 30, 1986, the Board of Directors of the Authority shall diligently commence all practical and reasonable steps to achieve an orderly liquidation of the Authority's affairs on or prior to Sept. 30, 1989. Such steps may include the sale or transfer to any agency of the United States, or the sale directly to the public, including any business concern, of all or any portion of the Authority's assets.

(c) The Authority shall terminate on Sept.

30, 1989, or at such earlier date as the President shall determine: *Provided, however,* That if the President shall determine that the orderly liquidation of the Authority's affairs requires the continuation of the Authority beyond Sept. 30, 1989, the President may, by Executive order, extend the authorized life of the Authority.

(d) If, on the date of termination of the Authority, its Board of Directors shall not have completed the liquidation of its assets and the winding up of its affairs, the duty of completing such liquidation and winding up of its affairs shall be transferred to the Secretary of the Treasury, who for such purposes shall succeed to all the powers and duties of the Board of Directors and Chairman of the Board of the Authority under this Act, and nothing herein shall be construed to affect any right or privilege accrued, any penalty or liability incurred, any criminal or civil proceeding commenced, or any authority conferred hereunder, except as herein provided in connection with the liquidation of the remaining assets and the winding up of the affairs of the Authority. Following such transfer, the Secretary of the Treasury may assign to any officer or officers of the United States in the Treasury Department the exercise and performance, under the Secretary's general supervision and direction, of any powers and duties so transferred until the Secretary of the Treasury shall find that such liquidation will no longer be advantageous to the United States and that all of its legal obligations have been provided for, whereupon the Secretary shall retire any capital stock then outstanding, pay into the Treasury as miscellaneous receipts the unused balance of the moneys belonging to the Authority, and make the final report of the Authority to the Congress. Thereupon the Authority shall be deemed to be dissolved.

RELATIONSHIP TO OTHER LAWS

Sec. 904. (a) The provision of financial assistance for a project pursuant to title III of this Act shall be deemed to be a "major Federal action significantly affecting the quality of the human environment" for purposes of section 102(2)(C) of the National Environmental Policy Act of 1969, as amended ("NEPA"), where (i) no other agency of the Federal Government is required to prepare an environmental impact statement pursuant to section 102(2)(C) of NEPA with respect to the project, and (ii) the provision of financial assistance does, in fact, constitute a major action significantly affecting the quality of the human environment. In any instance where another agency of the Federal Government is required to prepare an environmental impact statement pursuant to section 102(2)(C) of NEPA with respect to a project to which financial assistance has been committed or extended, the Authority shall provide the agency with such information as may be reasonably requested by the agency in order to prepare such statement.

(b) Except as may be provided elsewhere in this Act, the Authority shall not for any purpose be considered an "Executive agency" as defined in section 105 of title 5, United States Code, or an "agency" as defined in section 551 of title 5 of the United States Code.

(c) The provisions of the United States Code relating to public contracts and public buildings and works, including the Federal Property and Administrative Services Act of 1949, shall not apply to the operations of the Authority: *Provided, however,* That all laborers and mechanics employed by contractors or subcontractors in any construction, alteration, or repair (including painting and decorating) of projects for which financial assistance is provided by the Authority or a subsidiary shall be paid at wages not less than those prevailing on similar construction in the locality, as determined by the Secretary of Labor in accordance with the Davis-Bacon Act, as amended (40 U.S.C. 276a through 276a–5). The Secretary of Labor shall have, with respect to such labor standards, the authority and functions set forth in Reorganization Plan Numbered 14 of 1950 (15 Fed. Reg. 3176, 64 Stat. 1267 and 40 U.S.C. 276(c)). Federal labor standards and equal employment opportunity requirements and provisions shall apply to the Authority and business concerns receiving financial assistance from the Authority.

(d) The securities laws of the United States, including but not limited to the provisions of the Securities Act of 1933, the Securities Exchange Act of 1934, the Public Utility Holding Company Act of 1935, the Federal Power Act of 1935 and the Investment Company Act of 1940, all as amended, shall not apply to the Authority. Any securities issued by the Authority (including any guarantee by the Authority, whether or not limited in scope), and any securities guaranteed by the Authority as to both principal and interest, shall be deemed to be exempted securities within the meaning of section 77c (a)(2) of title 15, United States Code and section 78c(a)(12) of title 15 of the United States Code.

(e) Nothing in this Act shall be deemed or construed to make the Government Corporation Control Act (31 U.S.C. 841, et seq.) applicable to the Authority.

(f) Nothing in this Act shall be deemed to change the Mineral Lands Leasing Act of 1920, as amended (30 U.S.C. 181 through 287), the Outer Continental Shelf Lands Act (43 U.S.C. 1331 through 1343)), nor any other law governing the ownership, management, and disposition of Federal minerals or lands: *Provided, however,* That the Authority may acquire Federal minerals or lands in accordance with such laws.

RESERVATION OF RIGHT TO AMEND OR REPEAL

Sec. 905. The right to alter, amend, or repeal this Act is expressly declared and reserved, but no such amendment of repeal shall operate to impair the obligation of any contract made by the Corporation under any power conferred by this Act.

Mr. DOMENICI. As I indicated, I rise to introduce a bill to establish a synthetic fuels and alternate fuels production authority. I am extremely pleased to have some very distinguished cosponsors. The chairman of the Governmental Affairs Committee, Mr. RIBICOFF, has not only agreed to cosponsor it, but he would be here but for the Finance Committee hearings on health care and has asked me to introduce a statement which he prepared indicating his participation and his total support and indicating a sense of urgency about a synthetic fuels production plan for this Nation.

I shall submit his statement for the RECORD.

In addition, I am extremely pleased that my good friend, Senator JOHNSTON, from Louisiana, who has been most active in energy matters and is here in the Chamber this morning, is going to be a cosponsor of this bill and is an original cosponsor. The ranking minority member of the Energy Committee, Senator HATFIELD, the Senate minority whip, Senator STEVENS, Senator STONE, of Florida, who is here in the Chamber, and Senator SASSER of Tennessee, and then my good friend, the distinguished junior Senator from New York, Senator MOYNIHAN, have agreed to become original cosponsors.

Mr. President, this bill, whose time has come, is, in brief, a bill that will make America come to its senses and begin to produce synthetic fuels in specific quantities, specific types and within a specific timeframe.

Here is what this bill will do:

It established a five-member Board of Directors for a Synthetic Fuels and Alternate Fuels Production Authority. They are not here to study anything. They are here to direct the production of synthetic fuels. This Authority operates as an independent agency of the Government with two goals:

First, to produce by 1990 5 million barrels of oil equivalent from such syn-fuels as coal gas and coal liquefaction, and oil shale; and, second, to help cut through the present regulatory thicket that has stymied this Nation's development of the billions of barrels of oil that now lie under America but have gone unused while the OPEC cartel blackmails our economy.

The Authority will have $25 billion in direct funds available from the Treasury through the sale of equity securities. It will have an additional $50 billion in obligational authority. The Authority can assist private firms in many ways but unless there are exceptional circumstances they will assist private firms who will build and cause us to reach these goals.

They might do this in the following ways:

Direct loans;

Loan and price guarantees;

Purchase of product guarantees;

Purchase of equity securities;

Construction of facilities for lease purchases; and

Innovative financing aid.

The Authority can support those technologies that, in the judgment of the Authority, Congress, and the Secretary of Energy, hold the best chance of providing substantial commercial production by the year 1990, when the Authority self-liquidates unless extended by the President.

Among the kinds of activities that the Authority can aid are those in energy supply, transportation or transmission, conservation projects which displace oil or natural gas as fuels for electric power generation, biomass, solar energy, urban waste reuse for power generation, oil shale, and oil and gas from coal.

The Authority is ordered to come up with definite production targets, including a total of 1.5 million barrels of oil equivalent a day from the three technologies in synthetic fuels, oil shale, coal gas, coal liquefaction. It must report to Congress each 6 months on the progress it is making toward meeting the 1990 commercial production goals, and it must submit to periodic audits of its books.

Mr. President, as I indicated, this is a necessity. It is authority whose time has come. We cannot for some reason produce synthetic fuels of the type we are discussing here in the normal, ordinary way. It is just not happening, and it is an absolute disgrace that these many years after the embargo that the United States is not only dependent, but more dependent, on the cartel.

We have not produced any significant synthetic fuels to displace that crude oil dependence. We have not taken any real steps to show our people, the world, and the cartel that we are indeed going to become more self-sufficient rather than less; that we understand the dilemma of a great, free Nation being so dependent, as we are, on the foreign cartel, principally rigging prices and deciding now that the higher the price the more America and the free world will buy.

We are talking about an all-out effort, a production-oriented effort that combines many of the approaches that carried this Nation through the darkest days of World War II—innovative approaches to rubber production, aluminum production, and the crash program in my home State of New Mexico that gave us the atomic bomb. In title VII of my bill, we see a type of Manhattan project initiative.

The energy is available. The talent is to find that energy is available. The need is obvious, and becoming dangerous to the Nation's national security. But, we have allowed a lengthy series of regulatory and licensing proceedings to kill some projects and delay others. We have seen too many investors simply unwilling to invest the extraordinary—amounts of money that will be needed to finance synfuels plans, because of regulatory and economic uncertainty. Our bill today will relieve much of those uncertainties.

I wish to address three general questions today. First, why does Government have to get into the energy act? Second, how vulnerable is America? And, third, why now?

First, the Government has to help in the synthetic fuels commercialization effort because private investment in large enough amounts simply does not exist in the present regulatory and economic climate. Government has been involved in other national efforts, with no harm to private enterprise. The transcontinental railroad system is an example of Government aid through land aid. Our civilian aviation industry evolved from research and development of military aircraft. We have a multibillion-dollar highway system that has contributed greatly to the country's strength. We have a uniquely productive free enterprise agricultural system because of Government assistance through the Homestead Act, land-grant colleges, the Extension Service, and the Federal agricultural credit system. Partnership between Government and private industry has worked and can work again when the national welfare is at stake.

We need Government financial aid because of certain stark facts—development of a single coal gasification plant requires a capital investment of more than $1 billion and construction time of 6 to 10 years. The risks in such projects are obvious. My bill will help ease some of those risks. New, large pipelines need to be built. Again, costs and time of construction are large.

Next comes the question that is essential to my bill, and that is, does the danger presently confronting America require such an innovative approach to produce commercial quantities of synfuels by 1990. I believe that all evidence available to us demands an unequivocal "yes" to that question. America is more than 50 percent dependent upon foreign sources for her energy needs. We spend more than $40 billion a year for foreign crude oil and crude oil products. OPEC price rises this year raise the specter that we will spend more than $50 billion a year next year for that energy and become more than 55 percent dependent on foreign oil. I fear that we may be approaching such a state of dependency that our very foreign policy may be compromised. The fall of a nation in the Middle East, the disruption of a large producing region in the Persian Gulf, or the deliberate interdiction of sea lanes could produce unprecedented chaos within this Nation's economy. We are perilously dependent and growing more so.

Third, why do we need my all-out approach now? We are already lagging, Mr. President. The technologies for many of these processes have existed in some case for literally decades. Our dependency is growing more rapidly than we had ever predicted. This summer of discontent shows just how badly the energy problem has been handled in the past decade. The American people demand action, not just more money for research or more superficial policy changes. They see the billions of barrels of oil shale in the West, and the great potential of coal, and they wonder why the Congress has not acted. My bill is the kind of action the times demand. If, and I stress that word, "if," we act now, we may be able to achieve some form of self-sufficiency in energy by 1990. Yes, we will still have to import energy. But, our import percentage will be low enough that we could absorb with minimum disruption any embargo or unforeseen event in overseas producing nations.

If we do not act, I will predict in blunt terms what the situation will be in the mid-1980's. This Nation still will not have any commercial production of synfuels. The Nation will still face grave economic, political, and national security instabilities. The Nation will still sit atop some of the richest resources of energy in the world, resources that will remain untapped. And, the American people will still wonder why the Government fails to act, while our allies in the free world will still wonder what is wrong with America. That is the optimistic scenario. On the more pessimistic side, I could foresee a hamstrung America, with her foreign policy dictated by a small group of nations overseas that produce oil I see the loss of 2 million jobs because of oil imports; inflation still running in the double digit range; and stagflation rampant. We can avoid all of this by the kind of program we advocate today.

Mr. President, I close today by noting that much of this bill results from the visionary proposal for an Energy Independence Authority that then-Vice President Rockefeller submitted to the Congress in late 1975. His vision was sound then; his forecast of the difficulties confronting the Nation with continued dependence on foreign oil sources accurate to a greater extent than even he would foresee. I have amended parts of his proposal, accepting wholesale portions in the process. I have also taken the expediting process from that proposed by Senator JACKSON last week in his Omnibus Energy Production Act, of which I am an original cosponsor. He has done a fine job in this area and I do not hesitate to borrow from him. The basic production, goals, and other notions in section VII are all mine, with full knowledge that others have worked in the field and I owe a full debt to them.

I hope that this Senate will act as soon as possible on this type of approach. My bill is a skeleton, in some respects, that needs to be fleshed out. I believe that Senator RIBICOFF's interest in this approach will help a great deal in that fleshing-out process and that the Energy Committee will also play a vital constructive role.

Suffice it to say that 4 or 5 years ago it was hard to visualize a Manhattan-type project approach in America to get on with using its technological genius, its private sector resources, and the authority of a Federal agency with goals and objectives, and with a charge from Congress. It was hard to see that. But now it is obvious that unless we do this or something substantially like it our dependency will grow, the confidence of our people will continue to diminish, and those who gouge us from a distance, because we are hooked on crude oil, will look at us with some kind of glee while our money loses its value, inflation is rampant and, as I have been predicting, the economy will soon respond extremely negatively to the ever-increasing cost and to the ever-increasing dependence on imported crude oil.

I am pleased to yield to my cosponsors.

How much time would the Senator from Tennessee like to have?

Mr. SASSER. Three or four minutes.

Mr. DOMENICI. How much time does the Senator from New Mexico have, Mr. President?

The ACTING PRESIDENT pro tempore. The Senator has 5½ minutes.

Mr. STONE. I would like 3½ minutes.

Mr. SASSER. Mr. President, I thank the distinguished Senator from New Mexico for yielding.

I wish to commend the Senator from New Mexico for his very innovative approach to solving the fuel problems of this country, and I am delighted to join him in cosponsoring this legislation which, I think, in years to come will have a very significant impact on this country's fuel problems.

As has been pointed out, we in the United States are presently very dependent on the Arab countries, and very dependent on imported oil. We are consuming today approximately 20 million barrels of oil per day. Of this 20 million barrels of oil, approximately 8 million are imported from the Middle East. This puts this country in a position to be blackmailed by the oil-producing OPEC states.

Perhaps even more dangerous is that our economy is dependent on stability in the Middle East, and any problems there can put us in an untenable economic position.

Now, the approach taken here by the Senator from New Mexico with his legislation, which I am happy to cosponsor, creating an authority to produce synthetic fuels is indeed innovative, and I think will go a long way toward solving our problems.

Hopefully by 1990, 5 million barrels of oil per day can be produced synthetically from oil shale, coal, gasification, and coal liquids which, I think, will go a long way toward helping solve the problems.

Mr. President, I would remind my colleagues of the effort made by our former enemy in World War II, Germany, where, for a period of 2 to 3 years, the German war machine was fueled entirely on synthetic fuels. The German Luftwaffe never ran out of gasoline, they simply ran out of airplanes. When they lost the oil fields in Romania to the advancing Russian Army, they simply shifted gears and started producing the fuels artificially which they needed.

So this is not a new technology. This is something that can be done. The production of synthetic fuels is something that we must move to rapidly in this country.

The American people are asking us, asking Congress, and asking this administration, "What are you doing about this oil shortage?"

I think, Mr. President, this is one positive approach that we can take, and this is one answer we can give to the American people that indeed we are concerned, indeed we are doing something about this, and so I wish to commend the distinguished Senator from New Mexico for the initiative he has shown.

Mr. DOMENICI. I am pleased to yield time to the Senator from Florida.

The ACTING PRESIDENT pro tempore. The Senator from New Mexico has 1 minute remaining.

Mr. DOMENICI. I ask unanimous consent, Mr. President, that I have an additional 2½ minutes that I may yield to the Senator from Florida.

Mr. DECONCINI. I would be more than happy to yield 4 minutes to the Senator from Florida.

The ACTING PRESIDENT pro tempore. The Senator is recognized for 4 minutes.

Mr. DECONCINI. Mr. President, I ask unanimous consent that I may reclaim the unused time of the leadership which I had yielded back.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. DECONCINI. I ask unanimous consent that 5 minutes of that time be yielded to the Senator from Florida.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. STONE. I thank the distinguished Senator from Arizona.

Mr. President, it is about time that we stopped complaining about how we are being squeezed, and did something about it. The bill of the Senator from New Mexico does something about it.

It is not enough, as necessary as it is, for us to conserve. We also have to obtain. The Senator's bill, which I am honored to cointroduce with him, seeks to obtain synthetic fuel, synthetic energy, to substitute for the curtailed imports. Nothing less than that will respond to the economic pressures we are under.

Moreover, this has every chance of being successful. I think that we can get at least as much as the target barrels per day from shale oil in the target time, and at least as much and probably a good deal more than the target barrels of oil and gas from coal, including also solid fuels from coal, to say nothing of gasohol. The country of Brazil is now driving a substantial percentage of its cars and trucks on gasohol made from sugar cane, while we do pilot projects.

Mr. President, the time has come to shift from pilot projects and demonstration projects to production and supply. Nothing less than that will show that we still are America, and that our economy still has some vibrancy in it. We are being challenged, and this is a way to meet the challenge.

I think the Senator's bill correctly gages a rising attitude in the country and in the Congress to do something about it, rather than just to sit there in the long gas lines every morning. There is no sense sitting in them in the afternoon, because then the stations have closed; they do not have enough.

No matter how careful we are in carpooling or riding public transportation, we have to have enough, or people cannot go to work and people cannot take an occasional recreational vacation; and when they do not do that, States like my State go broke.

Mr. President, I urge our colleagues to join in this bill, and to move it along very, very fast to the President's desk.

So, Mr. President, I am pleased to join today with my distinguished colleague from New Mexico, Senator DOMENICI, as an original cosponsor of the Syn-Fuels Production Act of 1979.

I have long been interested in a full-scale approach to the commercial use of the vast resources of oil shale, coal, biomass, urban waste products, geothermal energy, and similar sources of energy. I have been as frustrated as my colleagues with the Congress inability to translate its desire for energy self-sufficiency into constructive use of the billions of barrels of oil equivalent that now lies underneath America's surface. I am glad to see that we have, in Senator DOMENICI'S proposal, a production-oriented, supply-oriented approach that will get the Nation off of dead center.

A proper partnership between Government and the free enterprise system can solve this Nation's energy problems, in my judgment. We have lagged far too long, as nations such as Germany, the Soviet Union, Canada, and South Africa have used already available technology to produce hundreds of thousands of barrels of oil equivalent a day from synthetic fuels plants.

We know that almost a trillion dollars of investment will be needed in the energy field during the next 15 to 20 years in order to meet projected domestic demand. And, we know that private investors are very reluctant to commit such sums in the present uncertain regulatory and economic climate. Our proposal today will establish a Government "safety net," in which the authority we propose will make investment more attractive and the regulatory delays less burdensome. We will insulate investment, to a certain extent, from actions by the OPEC cartel that might be aimed at slowing America's progress toward energy self-sufficiency, and we will let the American people and our allies abroad know that we are, indeed, serious about protecting our economy, our security, and our way of life.

I am aware that many will be frightened by the size of the authority for spending and lending that we propose, $75 billion during the life of the authority. However, I believe that our experience in World War II in rubber and aluminum indicates that our authority in syn-fuels will in the end, cost the taxpayers not a single dime. We sold our plants from World War II and made a profit for the people. We can do the same with this approach today. In addition, if the authority works as we hope, the savings on additional fuels costs, saved jobs, balancing our trade overseas, and lower inflation will make this an investment that will repay our Nation many times over.

I believe in the free enterprise system, and I believe that it can meet the energy challenge. Therefore, we must remove Government hindrance in the form of a regulatory delay and we must remove economic disincentives imposed by Government. Our bill does both of these and sets definite production goals for this authority. The goals can be met and must be met, and I am pleased to join with my colleagues today in this critical effort to return economic control of America to American hands.

Let us get started producing synthetic fuel in commerical quantities. For us to have more than 130 billion barrels of oil from shale and produce not any of it is a crime against our economy and against our representation of our constituencies. Let us go. Let us produce. Let us obtain supplies.

SYNTHETIC FUEL PRODUCTION BILL

Mr. STEVENS. The growing scarcity of fossil fuel is a problem whose full ramifications we in America have not yet seen. The stranglehold that foreign oil producing nations have us in has only begun to tighten. We are compelled, and in fact, we must search for more viable ways to extract and produce domestic energy more efficiently. We must work toward greater energy independence.

Even though I represent a major oil-producing State, and my State's resources can go far in providing our Nation with the oil it needs, we must face the fact that naturally-occurring pools of oil are a finite resource. Consequently, it is imperative that we begin to search for additional means of increasing our domestic supply.

With this in mind, I am cosponsoring Senator DOMENICI'S bill to establish a synthetic and alternate fuels production authority and commend him for his leadership. The bill would allow the Government to form a corporate entity, to stimulate synfuel development by providing financing and economic assistance for the manufacture or extraction of fuel from substances like shale oil and coal.

I am aware of reports by business and Government alike, that the manufacture of synthetic fuel is not economic because its production costs are more expensive than a barrel of natural crude. But on the eve of another OPEC price hike, it is not inconceivable that syncrude could compete with foreign oil in the very near future.

It is my belief that the best means of dealing with the energy problems we face is to encourage exploration and development of new domestic resources while additionally researching and developing alternative sources of energy. This legislation does both, and I urge the Senate to give the proposal serious consideration.

● Mr. RIBICOFF. Mr. President, I am pleased to join my distinguished colleague from New Mexico, Senator DOMENICI, in this bold effort to develop new American fuels. I share his sense of urgency to act swiftly on this measure, and I believe it is an important and necessary addition to the present authorities of the Department of Energy.

Whenever in the past the Nation has faced an emergency materials shortage—whether it was rubber during World War II or aluminum, copper, and nickel during the Korean war—imaginative public-private arrangements were successful in making up the shortfalls.

Now is such a time and this bill can be an important part of the solution. The bill, the "Synthetic Fuels Production Act of 1979" would establish a new organizational entity to be known as the Synthetic Fuels and Alternate Fuels Production Authority, to provide loans, loan guarantees, and other forms of financial assistance for development and production of synthetic fuels. It would also grant to the newly created authority considerable power to expedite the actions of Federal regulatory agencies with respect to priority energy projects.

The new authority is action oriented. It is production oriented. It will galvanize the creative powers of American industry to produce new fuels from varied resources, both renewable and nonrenewable. By 1990 several million barrels of oil will be replaced with liquids from coal, grains, garbage, oil shale, and other resources.

The emphasis is on the private sector. Much of the technology is in existence. Some processes are in the experimental stage. Others are now on the margin of commercial feasibility—and if OPEC continues its price policies, will be economical in short order. But capital is needed. Incentives are needed. The authority will have wide latitude to seek solutions. The private sector will respond; the American people will respond to a call for action. The momentum that has recently developed to promote gasohol fuels will surely accelerate, and so will the efforts to really develop our coal resources.

This action should signal that we are finally going to commit substantial resources to husband the world's oil. It will help stabilize the world marketplace by building confidence in American production and bring new supplies of energy on line.

The instabilities in world energy are greatly effected on the margin. Remember that the current round of price and supply disruptions was triggered by only a 500,000-barrel shortfall in Iranian crude. This is less than 5 percent of our daily consumption. If we can bring a new 2 million barrels of replacement liquids on line within 10 years we will have built a vital buffer on the margin. This should be in context with a conservation program, not a signal that we can continue to be wasteful.

In supporting these bold measures, it is most important to carefully consider several areas relating directly to the structural integrity and soundness of the new organization.

First, we must be certain that the Congress provides clear direction on the intended functions and management structure of the authority. The bill in its current form contains only limited direction with respect to the appropriate division of responsibilities between the board of directors, the chairman of the board, and the staff of the organization. Accordingly, there is a need to spell out more clearly the lines along which management functions and program responsibilities should be divided.

Second, as we move to expedite regulatory processes related to priority energy projects, we should take into account what we have learned in the course of our recent hearings on regulatory reform, so that we accomplish our intended objectives of reducing complexity and speeding the development of high-priority non-nuclear energy projects. Particularly, we should assure that decisions made by independent regulatory agencies will not be carelessly swept aside. It is the goal of this legislation that those decisions should be reached expeditiously, but that the authorities they exercise under existing statutes will be preserved. Certainly, we do not intend to allow the President to substitute his decision for that of a regulatory agency charged to carry out certain functions under existing law.

Third, in regard to the creation of a new and independent organization, we have not yet reached a decision on the most appropriate relationship for such an organization to have with the Department of Energy, the Federal Energy Regulatory Commission, the Economic Regulatory Administration, and other existing Departments and agencies charged with speeding the development of our domestic fuel and energy resources.

Fourth, while structuring the authority so that highly motivated and technically skilled individuals will be attracted to serve as directors and key staff, we also must be assured that there will be no abuse of the public trust with regard to the provision of financial assistance and regulatory or licensing actions before Federal agencies. Because the bill in its present form would permit directors to serve on a part-time basis and to retain business interests during the time of their service, it is important that this issue be addressed so that the public will have full confidence in the evenhandedness of the new authority.

I am assured by Senator DOMENICI that he is most interested in seeing this organization given a sound and workable structure, and that he would welcome hearings in the Government Affairs Committee on these and other issues. Accordingly, I am confident that the bill can be substantially improved, and I heartily support it as a vital step in the right direction—one of many we must take in solving the serious energy problems we now face as a nation.●

Mr. DOMENICI. Mr. President, I ask unanimous consent that the name of the Senator from Arizona (Mr. DECONCINI) be shown as an original cosponsor of this measure.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. DECONCINI. Mr. President, how much time does the leadership have?

The ACTING PRESIDENT pro tempore. The leadership has 10 minutes.

Mr. DECONCINI. Mr. President, I yield 2 minutes to the distinguished Senator from Tennessee.

Mr. SASSER. I thank the Senator from Arizona.

FEDERAL DEBT COLLECTION EFFORTS

Mr. SASSER. Mr. President, my remarks this morning follow up on two earlier statements concerning the need for improved procedures to collect delinquent debts owed to the U.S. Government.

The distinguished Senator from Alaska (Mr. STEVENS) and I have written to our colleagues in the Senate to make them aware of the problem.

We have urged our colleagues to join us as cosponsors in a sense of the Senate resolution urging tightening up of Federal debt collection procedures.

So far, Senators BAYH, HEINZ, PROXMIRE, COHEN, HARRY F. BYRD, JR., BUMPERS, DECONCINI, DURKIN, HUDDLESTON, LUGAR, LEAHY, LEVIN, and HATCH have joined us as cosponsors.

Mr. President, I ask unanimous consent to have printed in the RECORD editorials from the June 11, 1979, issue of the Washington Star entitled "In Pursuit of Bad Debts," and from the June 18, 1979, issue of the Nashville Banner entitled "Federal Debt-Beaters."

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

IN PURSUIT OF BAD DEBTS

Here a billion, there a billion—as everybody knows, a lot of money slips between the cracks in government. There are expensive projects that should never have been undertaken. There are costly inefficiencies built into the administrative system. Add outright bungling and fraud and the list of crimes and errors that waste public funds seems endless.

Most are entangled in policy issues that make it hard to correct them, or even to sort out clear lines of right and wrong. But there's one drain on everybody's money that's unencumbered with moral ambiguities, what's more, it should be relatively easy to stop.

Defaults. The losses to the federal treasury because people don't pay the government what they owe. The amount outstanding as of now has been estimated at $3.5 billion, with the total getting bigger all the time.

More than a billion of those missing dollars are in a category particularly ripe for the reformer's broom: student loans. Some of these unpaid obligations were incurred through the Office of Education, some through the Veterans' Administration. Where there's an effort to check up, an embarrassing number of the defaulters turn out to be prosperous people with good credit ratings.

What is perhaps more embarrassing is how easy it is to get them to pay up once they're nudged. Last year, for example, when the Department of Health, Education, and Welfare set the computers to matching records on loan defaulters and its own well-paid employees, a good many coincidences were found. It took only the mildest of the many pressures available to the federal government to persuade them that there had been an oversight.

Actually, the lending agencies can be accused of encouraging defaults by their readiness to write off unpaid obligations after only perfunctory follow-ups. The argument is that it costs too much to hound people; that a cost/benefit calculation would find no net gain in heroic collection measures.

There is more at stake than the immediate dollars-and-cents return, however. Specifically, the moral climate. Integrity, of the simple truth-telling, bill-paying, promise-keeping kind, is not a social luxury—it's a necessity in running a community.

Granted that there are limits to how much inner probity can be enforced from the outside, but we have been in danger of forgetting how influential official action can be. Auditors for the General Accounting Office found that, because most agencies do not consider it worthwhile to press collection of sums under $600, many recipients of Veterans' Administration loans behave as though the last $600 owed were not really owed.

Happily, though, the Carter administration has shown signs of seriousness about the larger economics of more vigorous collections policies. But more could be done, much of it with relative ease. Making sure government loan defaults affect commercial credit ratings is an obvious persuader. So is the use of the Internal Revenue Service to cut off tax refunds from non-paying debtors.

All it takes is a certain amount of list-matching. What this country needs is a few more computers putting two and two together and drawing the right conclusions.

Federal Debt-Beaters

No question about, if you owe the U.S. Internal Revenue Service money, you'd better pay it or pay the consequences. But IRS is about the only branch of the federal government that is good at bill-collecting.

People owe various governmental branches $140 billion, says Treasury accountants, and based on past records Uncle Sam won't collect anywhere near that amount. In fiscal 1978, the government wrote $3.5 billion in "bad" debts, few of them owed by impoverished widows and orphans.

Senator Jim Sasser says government does a "simply awful job" of debt collection, that many defaulters, certainly including some who went to college on government loans, are "prosperous and affluent."

Sasser's suggestion: turn to IRS. He says tax return qualifying for rebates could be checked against delinquent federal loans and accounts. No remittance, no refund.

Could IRS' techniques help extract due-and-payable from the deadbeats? Anything the Godfather can do, IRS can outdo.

Mr. SASSER. Mr. President, these editorials recount the points that I made in previous remarks to the Senate on May 24, when I encouraged my colleagues to join me in a sense of the Senate resolution.

Mr. President, I ask unanimous consent to have printed in the Record the text of the draft resolution so as to allow my colleagues to review this matter and join me as cosponsors in the legislation.

There being no objection, the text of the draft resolution was ordered to be printed in the Record, as follows:

Resolution

Whereas, the Subcommittee on the Legislative Branch of the Committee on Appropriations held a hearing on March 20, 1979, on the subject of delinquent debts owed to the United States Government and means of improving their collection;

Whereas, at the hearing the Comptroller General of the United States reviewed efforts that have been made to improve collection of delinquent debts by the various agencies, particularly those debts under the administration of the Department of Health, Education, and Welfare and the Veterans' Administration; and

Whereas, the Comptroller General also made recommendations to improve further the collection of delinquent debts owed to the Government and to reduce the amount of delinquent debts that are written off as uncollectible: Now, therefore, be it

Resolved, That it is the sense of the Senate that—

(1) the agencies of the Government should establish procedures to identify the causes of overpayments and delinquencies and the corrective actions needed, should establish better control over receivables, should actively utilize the services of credit bureaus, and should take more aggressive collection action;

(2) the Department of the Treasury should revise its fiscal requirements manual to require interest charges on delinquent accounts and to provide for more complete reporting of data on delinquent accounts;

(3) the Office of Management and Budget should place increased emphasis on accounting system approval and emphasize collection efforts as part of the budget process;

(4) the Internal Revenue Service should implement, on a test basis, a collection system to match refunds with delinquent debts so that debtors' refunds can be retained to cover the debts owed, and the Congress, through the appropriation process, should monitor such test and provide adequate funds to conduct it and, if such test is successful, provide adequate funds to implement such a collection system on a permanent basis; and

(5) the Congress, through the appropriation process, should monitor each agency's efforts to collect delinquent debts, including amounts written off as uncollectible, and should consider the extent to which requested new budget authority may be reduced both as the result of collection of such debts and as an incentive to promote increased collection of such debts.

Sec. 2. The Secretary of the Senate shall transmit copies of this resolution to the Secretary of the Treasury and the head of each other Department in the executive branch, the Administrator of Veterans' Affairs, and the Director of the Office of Management and Budget.

Mr. SASSER. It is my intent, Mr. President, within a short time to seek unanimous consent to bring this resolution up for a vote. In the interim, those of my colleagues who wish to join as cosponsors should contact me or the subcommittee clerk, Mr. Terry Sauvain, at 224–7251.

Mr. President, I yield the floor.

Mr. DeCONCINI. Mr. President, I compliment the Senator from Tennessee on his resolution, and acknowledge my indebtedness to him for asking me and several other Senators to join him as cosponsors. I think the resolution is right in the spirit of today's mood. It is actually long overdue. The able leadership of the Senator from Tennessee is bringing before the Senate something the American public is demanding, and I compliment him for doing so.

ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there be a brief period for the transaction of routine morning business, not to extend beyond 10 minutes, and Senators may speak up to 5 minutes therein.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

THE SALT II TREATY

Mr. ROBERT C. BYRD. Mr. President, President Carter's address to the joint session of Congress last night, upon his return from the Vienna summit, was clear and forthright. He reported to Congress and the Nation on the SALT II Treaty and on his meetings with Soviet President Leonid Brezhnev.

President Carter made the case for the treaty and pointed to the danger of rejection, as he sees them. In the President's view, the treaty reduces the chances of nuclear war and strongly serves the security interests of the United States and our allies.

The President's address might be considered the introduction or the keynote address in the Senate's consideration of the treaty. Now, the Senate will begin to subject the treaty to the severe scrutiny which the President says it can withstand.

As the President said, this may well become the most exhaustively debated and discussed treaty of our time. In the coming months we will be considering every aspect, every element of the treaty which, as the President pointed out, is the result of 7 years of tough negotiating under three Presidents.

The treaty, according to the President, will be delivered to the Senate this week, and we will begin to examine the fine print of these lengthy and complex documents.

On July 9, the Committee on Foreign Relations will begin its hearings on the treaty. The Committee on Armed Services will also hold hearings and the Select Committee on Intelligence will consider aspects of the treaty. During the hearings, opponents and proponents will have a chance to present their case. The hearings will examine the evidence from all sides. Some of the issues which have been raised may be clarified as the hearings get underway and as the precise contents of the treaty become more familiar.

This is a momentous issue, deserving of the Senate's and the Nation's most thorough and careful consideration.

I am confident that the Senate will be guided by its own judgment, based on such thorough and careful consideration. That judgment, and the Senate's decision, should be based on the merits of the treaty. The Senate should not allow itself—and I do not believe it will allow itself—to be intimidated or swayed by slogans or dire warnings of catastrophe—from whatever source, in this country or elsewhere.

SALT II represents not only a challenge, but an educational opportunity for the entire Nation. I would hope that we will all endeavor to keep an open mind as we examine the treaty, as we learn, and as we move toward an informed decision on this vital issue.

THE CUSTODIAN OF A GREAT HERITAGE PASSES AWAY

Mr. ROBERT C. BYRD. Mr. President, the Senators were saddened to learn of the passing this last weekend of former Senator Leverett Saltonstall of Massachusetts. Senator Saltonstall, who was 86 years old, served in the Senate for 22 years prior to his retirement in 1967, and many of the Senators serving today remember him with warmth, admiration, and respect.

Leverett Saltonstall was a representative of a classic New England family. Among his ancestors were numbered no less than eight men who had served as Governors of Massachusetts, some during the Colonial period. Perhaps as a result of this lineage, Senator Saltonstall was a man with an acute historical sense, able to cast his decisions against the background of a rich personal and social history.

Senator Saltonstall was a native of Massachusetts, and received his baccalaureate and law degrees from Harvard University. Following service in the Army in World War I, he entered law practice in Boston. Subsequent to a career in local office and 13 years in the Massachusetts House of Representatives, he was elected Governor in 1938, and was twice reelected. In 1944, he was elected to the U.S. Senate, and continued as a Member of the Senate until his retirement.

Mr. President, the Senate is a unique and honored assemblage, and in no small measure, the reputation of this body has been earned, because of such men as Leverett Saltonstall. In his many years in this Chamber, Senator Saltonstall brought honor to himself and his colleagues in untold numbers of ways, and it was a privilege to have known him.

I am confident that I speak for all the Senators in extending to the wife and family of Senator Saltonstall our condolences on the occasion of his death, and to the people of the Commonwealth of Massachusetts our appreciation for having shared with the Nation one of her finest sons as a colleague in the U.S. Senate.

THE PRESIDENT'S SPEECH ON SALT II

Mr. PROXMIRE. Mr. President, the President's appeal to the Senate to ratify the SALT Treaty was excellent. Unfortunately, the treaty itself makes little significant progress in arms control. It permits both the United States and the Soviet Union to rechannel their nuclear buildup into the areas where they would probably move without the treaty.

Under the treaty the U.S.S.R. is free to improve the accuracy and reliability of their weapons and given the immense number and the mammoth power of their arsenal right now, accuracy and reliability would be next on their agenda in any event. The United States, on the other hand, will build a massive mobile missile—the MX—costing tens of billions of dollars. That MX will make verification in any SALT III process more difficult than ever, and will represent a set-back in eventually winning arms control that dwarfs any tangible limitations in the treaty.

Whether the treaty constitutes a sufficient symbolic move in the direction (of cooperation toward peace between our country and the other great superpower to overcome these serious shortcomings) is the issue that I have not yet decided. My position on the treaty is, as of now, an open question.

THE GENOCIDE CONVENTION: AN APPROPRIATE SUBJECT FOR INTERNATIONAL AGREEMENT

Mr. PROXMIRE. Mr. President, the power and willingness of the United States to enter into international agreements concerning the protection of living things has been well established. The Migratory Bird Treaty, the Conventions for the Regulations of Whaling, and the Geneva Convention are but three diverse examples of such protection treaties to which the United States is a party.

Indeed, it is fitting that a compassionate nation such as ours should be concerned with the rights of all living animals. Yet, upon this record of international commitment to life there exists one outstanding flaw. I speak, Mr. President, of the failure of the United States to ratify the Genocide Convention which protects the lives of threatened national, ethnical, racial, and religious groups of human beings.

That genocide is not a proper subject for treatymaking, because it is not an international crime, has been a major objection raised against ratification. Yet, as viewed in 1969 by former Supreme Court Justice Tom Clark, the validity of this objection is highly questionable. Justice Clark, as head of a special committee of lawyers appointed by the President's Commission for the Observance of Human Rights to look into the treatymaking powers of the United States, stated:

> I would like to reiterate here, however, our finding, after a thorough review of judicial, congressional, and diplomatic precedents, that human rights are matters of international concern; and that the President, with the U.S. Senate concurring, may, on behalf of the United States, under the treaty power of the Constitution, ratify or adhere to any international human rights convention that does not contravene a specific constitutional prohibition.

Mr. President, these findings, along with the intent of our other treaty commitments make it clear that genocide is indeed an appropriate subject for international agreement. Therefore, I urge my colleagues to again join in this commitment to protect the rights of man by supporting the Genocide Convention.

DEPARTMENT OF ENERGY NATIONAL SECURITY AND MILITARY APPLICATIONS OF NUCLEAR ENERGY AUTHORIZATIONS, 1980

DEPARTMENT OF ENERGY NATIONAL SECURITY ACT INCREASES NUCLEAR TESTING

Mr. PROXMIRE. Mr. President, yesterday, June 17, the Senate passed S. 673.

Mr. President, I note that the committee report accompanying S. 673 indicates that the Department of Energy National Security Act contains an increase in the amount authorized for carrying out underground nuclear tests. The justification for the increase, which is not identified in specific terms, rests on the assumption that the committee believes that a sustained level of nuclear weapons testing should be maintained until such testing is limited by international agreement. The committee has real concern that certain warhead options for MX and Trident not be foreclosed for lack of adequate resources to conduct nuclear weapons testing.

Unfortunately, Mr. President, there is very little discussion of just what this increase is for or what effect it will have. We are not told what options are now being constrained or what objectives cannot be met at the lower level of funding. The fiscal year 1979 budget authority figure for testing was $224 million, not counting the pending supplemental appropriations of $12.8 million. The fiscal year 1980 request was $220 million, and the Senate Armed Services Committee added another $33 million to the total for a grand total of $253 million.

There is an implicit assumption in the committee language that this increase is designed, in part, to deny the administration's planning request for testing of a more limited nature based on the possibility of achieving a comprehensive test ban treaty. The committee report indicates that the increase is not meant to prejudge the merits of a comprehensive test ban treaty or to forecast a schedule for implementing a reduction in testing. But it may do just that. The increase in funding required under this bill could set in motion the testing of certain programs which by their very nature would require a substantial test series—thereby putting pressure on our negotiators to resist achieving any limitations in the near future.

Furthermore, this increase in testing, as it relates to the MX, is objectionable solely on arms control grounds. Of all the weapon systems in the development stage in the U.S. arsenal, the MX poses the most ominous arms control problems. As surely as the United States progresses toward MX deployment, the Soviet Union will inexorably be forced down the same path. But there is nothing to constrain the size and deployment area of a U.S.S.R. mobile MX. There is nothing to discourage them from deploying it in substantial numbers and in ways which would create the impression, rightly or wrongly in the United States, that they are cheating on the SALT II totals. This then would create the seeds of destruction of SALT III, a treaty which will be even more complex and difficult to negotiate than SALT II.

For these reasons, therefore, I opposed this authorization bill.

Mr. President, I yield the floor.

GRAIN FOR OIL

Mr. EXON. Mr. President, while we are presently consumed with the important SALT II deliberations, a major trade development in our favor goes all but unnoticed. It is important that the Congress, the administration, and indeed, the American people, be alerted to what certainly appears to be unmistakable signals of major food shortages in the Soviet Union and their pending major grain purchase in the United States. If we have the wherewithall to act in a timely fashion, and assuming that we have not already had a repeat of the great grain robbery of 1973–74, this Nation could move aggressively now to barter grain for oil. We could supply the U.S.S.R. the grain they need and receive in return what they export and we need, petroleum products.

The June 14 edition of the Journal of Commerce reports that the Soviet Union has just chartered 28 bulk carriers to haul grain with every indication that they will charter even more. I ask unanimous consent, Mr. President, that a copy of this article be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. EXON. While the article was written in the guise of the economic benefits it would bring to the maritime industry, as under law one-third of these ships must be American-flag vessels, the underlying significance is one which signals increased exports of grains thereby impacting favorably the price of grain.

The reports that the current year's harvest in the Soviet Union will range between 190 million and 200 million tons of grain is a significant departure from the last 3 years of bumper crops enjoyed by the Soviet Union according to CIA sources. Additionally, the CIA has estimated grain usage in the Soviet Union to be at 230 million tons for the year. Even USDA reports, which are sketchy at best, indicate that the Soviet production of grain could be far less than previous estimates due to weather problems incurred this spring.

Mr. President, I believe that we have seen by this Soviet action the rearing of the "Great Bear's" Achilles heel. We have known in this country for years of the inability to predict food production in the U.S.S.R., yet we in this Nation continue to close our eyes to the potential which lies within our reach. This Nation has the opportunity to barter with the Soviet Union in need of our food. I suggest to this body and to the administration that strong consideration be given to bartering food for fuel. It seems to come down to the point of who needs who and who needs what. The Soviets need food, we need fuel.

The noted economist and syndicated columnist, Eliot Janeway, has for years been pointing out that America must use its greatest economic asset "food power" as a barter. This is a time, Mr. President, for our Government to put aside the dollar as the only instrument of exchange and deal straightforward with the Soviets on a fair exchange of so many bushels of grain for so many barrels of oil. It would benefit equally both countries. To allow them to buy our devalued grain with devalued dollars plays directly into their hands.

Indeed, Mr. President, if we move aggressively, we could possibly arrange for the Soviet Union to transfer-ship gasoline and diesel products from Japanese and Netherland stockpiles, to be replaced with Soviet crude to those countries. The message is all too clear: They need food, we have it; we need petroleum and they have it.

It is going to take far more than "dollar business as usual" to work our way out of our energy problems.

Mr. President, it is my hope that the administration will take the necessary steps forthwith and seize on this opportunity to deal with the Soviet Union. If both nations are as interested as some maintain, to improve American-Soviet relations and indeed, pave the way to a successful SALT understanding, then reasonable cooperation on fundamental trade understanding so obviously good for both could be a major breakthrough.

EXHIBIT 1

SOVIETS CHARTER 28 BULK CARRIERS TO HAUL GRAIN

(By David Ellis)

LONDON.—Soviet ship charterers were estimated to have chartered about 28 bulk carriers in the international freight markets Wednesday in efforts to cover their July North American grain import program. All the ships were believed to have been hired in one massive swoop, which will put further pressure on an already firm Atlantic shipping market.

At the same time, there were also rumors that the Sovets have bought another 5 million tons of U.S. grain, although dates of shipment were not known and there was no verification that the sale had actually taken place.

Although the 28 vessels booked Wednesday apparently have been taken only for one time charter trip each, instead of a long-term basis, the psychological boost to ship owners engaged in the freight markets will, it is thought, result in a substantial increase in rates which may last through the summer months.

Traditionally, the trans-Atlantic freight markets go into a decline during July and early August because, by that time, most of the old grain harvest has been shipped and there is a hiatus pending the arrival at Gulf ports of the new harvest.

MARKET ALREADY FIRM

However, at this time, such major Soviet chartering comes when the market was already firm because of grain demand by other countries and more recently, a revival in Japanese steel making, calling for more iron ore and coal imports, and a resurgence in old stand-by trades, such as fertilizers for India.

Although the Soviet program was quickly covered, it is not necessarily true that they were trying to pre-empt freight rate increases in the near future by snapping up ships before anybody else could, brokers said.

In recent weeks, there have been many psychological attacks on the market and brokers believe that many orders had been held back in efforts to bring freight rates down. It may be, the brokers said, that the Soviets just could not hold out any longer.

This theory tends to be supported by the fact that the Soviets have to nominate the actual ships in the July program to the Maritime Administration by next Monday at the latest, and thus need to complete their chartering program quickly. The need to nominate the ships is to ensure that Soviet grain shipments, up to one-third of the total program, are made available to American-flag vessels.

Currently, MarAd sources said, there perhaps would be only three U.S. ships available, as most others are gainfully employed carrying oil. Thus, the Soviets would need to go into the freight markets in a big way.

On average, it appears, the Soviets have been booking ships in the 50,000-ton range. Thus brokers estimate that the 28 ships so far reported would represent about 1.5 million tons, and therefore a few more ships may still be needed.

All told, the Soviets are considered to be a good source of employment in the freight markets this year. Earlier the Central Intelligence Agency estimated a need to import 25 million tons of grain, while latest figures show that: this year's harvest in the U.S.S.R., will amount to 190 million to 200 million tons.

Soviet grain usage this year has been put at 230 million tons, although short supplies and higher prices could force the Soviets to slaughter cattle in extra numbers so as to reduce consumption. In recent years, the Soviets have not been willing to take this measure, preferring rather to have a regular supply of beef at steady prices for domestic consumption.

Meanwhile, there have also been reports of a major shakeup in Soviet management for ship chartering. In the past, this has been done by two agencies, Sovinflot, covering the cargo liner trades and Sovfracht, covering the bulk cargo trades. According to the reports these have now been merged into one agency, under the command of George Maslov, former head of Sovinflot.

SOVIETS PAYING WELL

Meanwhile, the Soviets are also reported to be paying well with vessels in the 40,000-dwt ranges getting around $11,000 a day, going up to $16,000 daily for bulkers in excess of 60,000 dwt.

This sudden rush also raises the specter of possible port tie-ups in the U.S.S.R., which would further slow down vessel turnarounds and therefore decrease the available capacity in the marketplace.

One sour note, however, is that Soviet grain imports depend a great deal on the ability of American farmers to deliver the commodity to U.S. ports. But now barge lines are saying that fuel shortages up and down the Mississippi may force them to suspend operations. And, if grain cannot reach the ports, the owners' hopes of higher rates will come to nothing.

PRESIDENT CARTER

Mr. PELL. Mr. President, during recent months the President of the United States has been subjected to a steady barrage of criticism and disparaging commentary. As any elected official knows, criticism is an expected part of public service. Indeed, it is an essential part of our open democratic society. History has shown all too often that government systems or government officials that do not countenance criticism or screen themselves from it do not serve the people well. And the results can be tragic.

Public criticism of Presidents of the United States, however, tends to have a bandwagon effect. Criticism becomes fashionable instead of thoughtful and in the process becomes less constructive. Critics begin to ignore the substantive problems and address themselves to matters of style, like court gossips remarking on the king's moustache instead of debating his tax policies.

In recent months, I think we have seen something of this nature happening in public commentaries on President Carter.

At such a time I think it is useful to put aside the critical fashion of the moment and take a more serious and thoughtful look at the performance of the President.

At a time when the United States is confronting a series of major, troubling, and intractable problems, President Carter has formulated and submitted to the Congress responsible and carefully reasoned proposals and programs designed to deal with them.

Faced with an inflation of huge velocity when he took office, the President put in place a system of guidelines to restrain inflation and asked for voluntary compliance by all sectors of the economy to avoid the stifling effect and economic distortions of mandatory wage and price controls.

Regrettably, the President has had less than full cooperation and full compliance in this voluntary program.

Confronted with an energy supply problem that had developed over a period of 30 years in the lack of firm national policy, the President, in 1977, submitted to the Congress a comprehensive program of energy conservation and energy resource development.

The Congress, however, approved only a truncated and watered-down version of the comprehensive proposal.

To curb the astronomical increases in health care costs, the President submitted a hospital cost control proposal that struck at the very core of the health cost spiral.

The 95th Congress failed to enact this key proposal to control health costs, and thus far the legislation has had slow going in this Congress.

Responding to a congressional directive, the President submitted to the Congress a proposal for standby authority to ration gasoline in the event of an emergency. That proposal fell victim to competing parochial and regional interests in the Congress, leaving the Nation in danger of chaotic confusion should a serious gasoline supply emergency occur.

Not all of President Carter's proposals have been thwarted. Indeed, there are significant accomplishments that are often forgotten or overlooked in the rush to criticize.

The President had the courage to complete negotiation of the Panama Canal treaties, resolving a longstanding and potentially dangerous conflict in our relations with Latin America. Despite emotional opposition he saw those treaties through to ratification by the Senate.

Moving to curb inflation and Government spending, the President submitted to the Congress a budget which substantially slows the rate of growth in Government, curbed the inflationary Federal deficit, and reduced Federal spending as a percentage of gross national product. And, he has succeeded in persuading the Congress that this is the right policy.

Confronted with a Federal civil service bureaucracy that had lost too much of its flexibility and responsiveness, the President proposed a thoughtful overhaul of the civil service system to improve its efficiency and performance. And that proposal, with some modifications, was enacted by Congress.

Recognizing the deterioration of public trust and confidence in the integrity of Government, the President imposed new ethics, conflict of interest, and disclosure requirements on policy-level employees of the executive branch, then worked with the Congress to produce a new and strong Ethics in Government Act.

Overall, I think the record is clear that the President has responded to the major problems confronting our Nation with thoughtful, reasoned, and timely proposals. And, indeed, he has had a good measure of success in seeing these proposals through to enactment.

Furthermore, he has presented these proposals and argued for them with both vigor and an admirable respect for the opinions of those who may differ with his proposals. It is a mark of his Presidency that he has refrained from the inflammatory rhetoric, the emotional appeals, and the divisive political strategies that are so often used by political leaders determined to have their way at all costs.

The President of the United States, under our Constitution, carries a particular responsibility for the conduct of foreign affairs, and in this area President Carter's performance has been outstanding.

The President's consistent and evenhanded insistence that human rights is an essential component of our foreign policy is having a cumulative and highly beneficial impact on the way in which the United States is viewed in the world.

In a world which is in the process of rapid and tumultuous change, a world in which there are constant challenges to the influence, the economic strength, the military posture, and the leadership of the United States, President Carter has withstood the challenges without the loss of a single American life as a result of military actions around the globe.

The temptation to reinforce diplomatic strength with military might has been resisted, and no American soldiers have been dispatched to Iran, Cambodia, or the Near East.

And, at the same time, the President has provided the personal leadership that has produced a new and major agreement on international trade, a tenuous and difficult peace in the Middle East, and a new agreement on limiting the proliferation of strategic weapons.

President Carter is a man guided by compassion and reason. In a world awash with appeals to emotion, he seeks to appeal to man's good instincts and to man's rational nature.

I, as one American, have become increasingly impressed with the fine qualities—the intelligence, the integrity, the decency, and the industry—with which President Carter has conducted his office. Those steady qualities serve us well.

I wish him well and trust the perseverance in his path will be rewarding both for him and for our Nation.

DEATH OF SENATOR LEVERETT SALTONSTALL OF MASSACHUSETTS

Mr. McGOVERN. Mr. President, Leverett Saltonstall was a man who practiced economy in the use of words and of all other resources, so my eulogy to him will be brief, as he would wish.

I remember Senator Saltonstall as a man of quiet courage, commonsense ideas, and absolute personal integrity. I think there has been no more thoughtful and courteous Member of the Senate during my years in this body than Leverett Saltonstall. In that respect, he reminds me of our former colleague, now a Washington counselor at law, John Sherman Cooper.

I regret that Senator Saltonstall is no longer with us, but I rejoice in his noble life of service to the Senate, to the State of Massachusetts, and to the people of the United States.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER (Mr. Levin). Is there further morning business? If not, morning business is closed.

INTERNATIONAL DEVELOPMENT ASSISTANCE ACT OF 1979

The PRESIDING OFFICER. Under the previous order, the Senate will now resume consideration of S. 588, which the clerk will state by title.

The legislative clerk read as follows:

> A bill (S. 588) to amend the Foreign Assistance Act of 1961 to authorize development assistance programs for fiscal years 1980 and 1981, to make certain changes in the authorities of that Act, to authorize the establishment of an institute for technological cooperation, and for other purposes.

The PRESIDING OFFICER. Time for debate on this bill is limited to 2 hours to be equally divided and controlled by the Senator from Idaho (Mr. Church) and the Senator from New York (Mr. Javits), with 1 hour on any amendment in the first degree, except one amendment by the Senator from Arizona (Mr. DeConcini), on which there shall be 2 hours; six amendments by the Senator from North Carolina (Mr. HELMS) on each of which there shall be 1 hour, and two amendments by the Senator from New York (Mr. JAVITS), on each of which there shall be 1 hour, with 30 minutes on any amendment in the second degree and 20 minutes on any debatable motion, appeal, or point of order.

Mr. McGOVERN. Mr. President, the International Development Assistance Act authorizes fiscal year 1980 appropriations for bilateral development assistance and our voluntary contributions to various international organizations. In addition, this year's bill authorizes the establishment of, and funding for, the new Institute for Technological Cooperation.

The committee has recommended substantial reductions in the authorizations contained in this bill. As reported, title I of the bill is: $212.2 million below the President's request. This represents a reduction of 10 percent; $155.9 million below the level approved by the House earlier this year; and $44.1 million below fiscal year 1979 appropriations.

Taking title I and title II together, the total appropriations authorized in this bill are $19.1 million below last year's appropriated levels. This figure includes $25 million for a new program, the Institute for Technological Cooperation.

Mr. President, the committee recognized the need for holding the line on Federal expenditures during these times of budget austerity. Therefore, the reductions taken by the committee represent the absolute maximum cuts which would not jeopardize the goals of our overseas programs.

This legislation, as Senators know, traditionally has encountered difficulties in the Congress. It has always been an assumed maxim that Senators and Congressmen had nothing to gain from supporting programs directed at solving a wide range of global problems which threaten our own quality of life, problems that were distinct from the more obvious and visible problems which confront us here in our own country. However, the problems of underdevelopment and poverty are as destabilizing to the global community as an unchecked arms race between the United States and the Soviet Union.

The human statistics are staggering. For example:

Today, there are 700 million adults in the world unable to read or write.

One can only calculate the loss in productivity and, therefore, buying power that that kind of human neglect represents.

Today, there are 1.5 billion people in the world without effective health care.

Today, more than 500 million people in the world suffer from severe hunger and malnutrition.

Today, more people die in the world every day due to economic and social deprivation than they ever did from the weapons of war.

And, without a major effort by the international community, some 800 million of the world's poorest people cannot expect any improvement in their conditions for the rest of the decade.

These are some of the facts of our time—facts which are threatening to our future as is an uncontrolled arms race. These are the time bombs which threaten global peace.

I might say, Mr. President, that recently, the former Secretary of Defense, Mr. Robert McNamara, who, for a number of years, has been the president of the World Bank, delivered a brilliant and perceptive address at the University of Chicago recently, in which he made precisely that point. He said that, in his judgment, as one long charged with the military defense of the country and now looking at the problems that face the United States from a global perceptive, he says, in effect, that it would be very easy for the world to pursue security through the arms route. That is now costing the people of the world roughly $400 billion a year, according to Mr. McNamara. These estimates deal with such enormous figures, and the estimates range all the way from $300 billion to $400 billion that is being spent on arms. In any event, he makes the point that that kind of pursuit of security through arms may blind us to the fact that many of the problems that are festering around the world, that may erupt into violence, that may bring down governments friendly to us, are not from the lack of arms. Quite the contrary, they are from the lack of proper investment in education, health, agriculture, and other things that are essential to the stability of the society.

One only has to sit in one of these gas lines for 20 minutes or a half-hour to be aware that there are factors that have to do with our security and our well-being that go beyond armaments. It is important that we look at the condition of the world's economy, particularly in those parts of the world where most of the people live, the so-called developing or Third World.

Yet, last year, the developing assistance programs of the entire free world to the developing countries totaled less than $20 billion. In the same timespan, nearly $300 billion was spent in the world for guns, bombers, and missiles.

Mr. President, what happens, or fails to happen, in the United States of America has an impact on the rest of the world. And surely what happens in other parts of the world—Africa, Western Europe, Asia, Latin America, the Middle East, and Eastern Europe—does have a significant impact on our well-being and security. Few activities in our Nation, whether private or public, can be isolated from the international flow of events.

Our relations with developing countries are fast becoming a major element in our foreign policy. Our Nation sells more of its goods to developing countries than to the European Community and Japan combined.

These areas that we think about as underdeveloped and poverty-stricken areas are actually buying a larger volume of the goods we produce in this country than is true of the advanced countries in the European Community and in Japan combined. Developing countries also provide us with both critical raw materials and essential consumer goods.

With only 6 percent of the world's population, we consume nearly 40 percent of the world's available resources. By 1985, the United States will depend on imports for more than one-half of our supplies for 9 out of the 13 critical minerals necessary to maintain our industrial economy. By the year 2000, raw materials that are absolutely essential to our industrial and agricultural economy, we will be dependent primarily on foreign sources for our supply of 12 of the 13 critical raw materials.

Mr. President, little attention has been paid to the rapidly expanding growth of American exports to the nonoil producing countries of the Third World. These exports have been increasing at the rate of 15 percent a year and now constitute a full quarter of our total American exports worldwide. During the Arab oil embargo of 1974, the developing countries continued their high demand for our exports, going heavily into debt and, thereby, preventing the U.S. economy from going into double-digit unemployment, as well as double-digit inflation.

According to AID statistics, in 1977, U.S. exports to the non-OPEC developing countries came to 20 times more than what we spent on assistance to them.

In other words, for every dollar we sent into these developing countries in the form of economic assistance of one kind of another, we sold them $20 worth of American produce and, therefore, American labor from our factories and farms.

Yet, expanding export trade also means jobs for Americans. Again, citing AID statistics, the jobs of some 2 million workers and farmers in this country depend on exports to developing countries. The expansion of these export markets depends in large measure on continued economic growth in the Third World. Economists have projected that a 3-percent increase in growth rates of the less-developed countries—through trade, investment and development assistance—will increase growth rates of developed countries by 1 percent.

Mr. President, all of us in the Congress receive considerable mail from our constituents complaining about the high level of illegal immigration to this country. Can the United States literally seal off its borders to prevent illegal aliens from seeking jobs in our country? Or would the cost to the U.S. taxpayer be nearly prohibitive if this action were undertaken? As populations continue to increase in the poor countries, the number of economic refugees to the more prosperous countries increases, no matter what we do. Therefore, does it not make sense that stemming this flow of humanity is likely to depend on local job creation and helping them with family-planning efforts—which our aid programs assist—than on border security or enforcement measures in the United States.

AID is also good business for U.S. commercial interests. Last year, bilateral aid-financed exports of U.S. industrial farm commodities amounted to more than $2 billion. And we get money back on our investment. Once again, citing AID statistics, since 1972 dollar reflows to this country from old loans made by the agency have exceeded the annual amount of new development assistance loans.

Mr. President, before concluding my remarks, I would like to note that it was just a year ago that the last legislative initiative of our late friend and colleague, Hubert Humphrey, was introduced by many of us as co-sponsors on the Senate Foreign Relations Committee. I am referring to the International Development Cooperation Act of 1978. One of the last statements prepared by Senator Humphrey addressed the need for this legislation. I would like to quote from that statement, because I believe it eloquently addresses the issues in S. 558.

Senator Humphrey's thoughts are as follows:

> Development should be of priority concern to all Americans. The rate and means by which the developing countries attain their development goals are of considerable importance to the United States for three reasons:
>
> First, the American people can, in the long run, continue to enjoy the kind of society we have only if many other nations share our values regarding individual civil and economic rights. If the frustrations encountered in the development process are met by greatly increasing the power of the state and diminishing the role of the individual, then we will be faced by the emergence onto the world stage of increasing numbers of countries which do not share our respect for human rights. Our society, in turn, will be imperiled.
>
> Second, our own economic welfare depends to a large degree on an open world economy. We need to obtain raw materials from many countries. We need to continue expanding high technology industries which rely upon growing world markets—markets which depend heavily on the economic growth of developing countries. We need to export agricultural products worldwide to maintain the high-technology and large-scale agriculture at which we excel. We will not be able to do this if developing countries turn away from an open world economic system.
>
> Finally, we are concerned about the plight of developing countries because we care as human beings. The American people have always accepted the premise that with good fortune comes the responsibility to assist those less fortunate. No other nation has the extraordinary record of voluntarism and private charity than the United States possesses. The kind of poverty that still exists in this world, involving hunger, high infant mortality, illiteracy, lack of health care, and inadequate shelter offends our sensibilities and cries out for action on our part.

With so much at stake for the United States in a successful resolution of these problems, it should be pointed out that all our foreign assistance programs combined—bilateral, multilateral, and security related—represent less than 2 percent of our total Federal budget.

Mr. President, I urge the Senate to adopt S. 588 as recommended by the committee.

Mr. President, I ask unanimous consent that the text of Mr. McNamara's address to which I referred be printed at this point in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

DEVELOPMENT AND THE ARMS RACE

(By Robert S. McNamara)

President Gray, Dr. Harris, Mrs. Pick, and Ladies and Gentlemen: I am deeply honored and grateful for this award—for the sculpture which accompanies it, and for the generous cash prize of $25,000, which I will contribute to a development-oriented activity.

It seems to me that what the Directors of the Albert Pick, Jr. Fund, and this great university had in mind in establishing this award honoring international understanding was to point out that we need to think more profoundly about the new kind of world that is emerging around us.

The old order is certainly passing. Perhaps the beginning of its breakdown can be dated from that cold December day in 1942 when a few hundred yards from where we are now sitting the first nuclear chain reaction began. The consequences of that event were to transform our whole concept of international security because now Man had the capacity not merely to wage war, but to destroy civilization itself.

If I may on this occasion speak quite personally, I had of course to wrestle with the problem of the fundamental nature of international security during my tenure as U.S. Secretary of Defense, and in 1966 I spoke publicly about it in a speech to the American Society of Newspaper Editors meeting in Montreal.

My central point was that the concept of security itself had become dangerously oversimplified. There had long been an almost universal tendency to think of the security problem as being exclusively a military problem, and to think of the military problem as being primarily a weapons-system or hardware problem.

"We still tend to conceive of national security," I noted, "almost solely as a state of armed readiness: a vast, awesome arsenal of weaponry."

But, I pointed out, if one reflects on the problem more deeply it is clear that force alone does not guarantee security, and that a nation can reach a point at which it does not buy more security for itself simply by buying more military hardware.

That was my view then. It remains my view now.

Let me be precise about this point.

No nation can avoid the responsibility of providing an appropriate and reasonable level of defense for its society. In an imperfect world that is necessary. But what is just as necessary is to understand that the concept of security encompasses far more than merely military force, and that a society can reach a point at which additional military expenditure no longer provides additional security.

Indeed, to the extent that such expenditure severely reduces the resources available for other essential sectors and social services—and fuels a futile and reactive arms race—excessive military spending can erode security rather than enhance it.

Many societies today are facing that situation. Certainly the world as a whole is. And any sensible way out of the problem must begin with the realization of the dangers and disproportionate costs that extravagant military spending imposes on human welfare and social progress.

Global defense expenditures have grown so large that it is difficult to grasp their full dimensions.

The overall total is now in excess of $400 billion a year.

An estimated 36 million men are under arms in the world's active regular and paramilitary forces, with another 25 million in the reserves, and some 30 million civilians in military-related occupations.

Public expenditures on weapons research and development now approach $30 billion a year, and mobilize the talents of half a million scientists and engineers throughout the world. That is a greater research effort than is devoted to any other activity on earth, and it consumes more public research money than is spent on the problems of energy, health, education, and food combined.

The United States and the Soviet Union together account for more than half of the world's total defense bill, and for some two-thirds of the world's arms trade.

And yet it is not in the industrialized nations, but the developing countries that military budgets are rising the fastest.

On average around the world, one tax dollar in six is devoted to military expenditure, and that means that at the present levels of spending the average taxpayer can expect over his lifetime to give up three or four years of his income to the arms race.

And what will he have bought with that? Greater security?

No. At these exaggerated levels, only greater risk, greater danger, and greater delay in getting on with life's real purposes.

It is imperative that we understand this issue clearly.

The point is not that a nation's security is relatively less important than other considerations. Security is fundamental.

The point is simply that excessive military spending can reduce security rather than strengthen it.

In the matter of military force—as in many other matters in life—more is not necessarily better. Beyond a prudent limit, more can turn out to be very much worse.

And if we examine defense expenditures around the world today—and measure them realistically against the full spectrum of actions that tend to promote order and stability within and among nations—it is obvious that there is a very irrational misallocation of resources.

Is there any way, then, to moderate the mad momentum of a global arms race?

No very easy way, given the degree of suspicion and distrust involved.

But as one who participated in the initial nuclear test ban arrangements, and other arms limitation discussions, I am absolutely convinced that sound workable agreements are attainable.

These matters clearly call for realism. But realism is not a hardened, inflexible, unimaginative attitude. On the contrary, the realistic mind should be a restlessly creative mind—free of naive delusions, but full of practical alternatives.

There are many alternatives available to an arms race. There are many far better ways of contributing to global security. I suggested a number of those ways in my address in Montreal in 1966, pointing out the importance of accelerating economic and social progress in the developing countries. When, two years later, I left the Pentagon for the World Bank this was an aspect of world order with which I was particularly concerned.

Eleven years in the Bank, combined with visits to some 100 of the developing countries, have contributed immeasurably to my international understanding. They have permitted me to explore the whole new world that has come to political independence—in large part over the past quarter century.

I have met the leaders of this new world—their Jeffersons and Washingtons and Franklins—and have sensed their pride and their peoples' pride in their new national independence, and their frustrations at their economic dependence.

I have shared their sense of achievement at the remarkable rate of economic growth which many of them attained, largely by their own efforts. But I have been appalled by the desperate plight of those who did not share in this growth, and whose numbers rose relentlessly with the great tide of population expansion.

There are today more than one billion human beings in the developing countries whose incomes per head have nearly stagnated over the past decade. In statistical terms, and in constant prices, they have risen only about two dollars a year; from $130 in 1965 to $150 in 1975.

But what is beyond the power of any set of statistics to illustrate is the inhuman degeradation the vast majority of these individuals are condemned to because of poverty.

Malnutrition saps their energy, stunts their bodies, and shortens their lives. Illiteracy darkens their minds, and forecloses their futures. Preventable diseases maim and kill their children. Squalor and ugliness pollute and poison their surroundings.

The miraculous gift of life itself, and all its intrinsic potential—so promising and rewarding for us—is eroded and reduced for them to a desperate effort to survive.

The self-perpetuating plight of the absolute poor tends to cut them off from the economic progress that takes place elsewhere in their own societies. They remain largely outside the entire development effort, neither able to contribute much to it, nor benefit fairly from it.

And when we reflect on this profile of poverty in the developing world we have to remind ourselves that we are not talking about merely a tiny minority of unfortunates—a miscellaneous collection of the losers in life—a regrettable but insignificant exception to the rule. On the contrary, we are talking about hundreds of millions of human beings—40 percent of the total population of over 100 countries.

Is the problem of absolute poverty in these nations solvable at all?

It is. And unless there is visible progress towards a solution we shall not have a peaceful world. We cannot build a secure world upon a foundation of human misery.

Now how can we help lift this burden of absolute poverty from off the backs of a billion people? That is a problem we have been dealing with at the World Bank intensively for the past six or seven years.

It is clear that we in the richer countries cannot do it by our own efforts. Nor can they, the masses in the poorest countries, do it by their own efforts alone. There must be a partnership between a comparatively small contribution in money and skills from the developed world, and the developing world's determination both to increase its rate of economic growth, and to channel more of the benefits of that growth to the absolute poor.

Most of the effort must come from the developing countries' own governments. By and large they are making that effort.

In the past decade, the poor nations have financed over 80 percent of their development investments out of their own meager incomes. But it is true they must make even greater efforts. They have invested too little in agriculture, too little in population planning, and too little in essential public services. And too much of what they have invested has benefitted only a privileged few.

That calls for policy reforms, and that is, of course, always politically difficult. But when the distribution of land, income, and opportunity becomes distorted to the point of desperation, political leaders must weigh the risk of social reform against social rebellion. "Too little too late" is history's universal epitaph for political regimes that have lost their mandate to the demands of landless, jobless, disenfranchised, and desperate men.

In any event, whatever the degree of neglect the governments in the poor countries have been responsible for, it has been more than matched by the failure of the developed nations to assist them adequately in the development task.

Today, Germany, Japan, and the United States are particularly deficient in the level of their assistance.

The case of the United States is illustrative. It enjoys the largest gross national product in the world. And yet it is currently one of the poorest performers in the matter of Official Development Assistance. Among the developed nations, Sweden, the Netherlands, Norway, Australia, France, Belgium, Denmark, Canada, New Zealand, and even—with all its economic problems—the United Kingdom: all of these nations devote a greater percentage of their GNP to Official Development Assistance than does the U.S.

In 1949, at the beginning of the Marshall Plan, U.S. Official Development Assistance amounted to 2.79 percent of GNP. Today, it is less than one-tenth of that: .22 percent of GNP. And this after a quarter century during which the income of the average American, adjusted for inflation, has more than doubled.

There are, of course, many sound reasons for development assistance.

But the fundamental case is, I believe, the moral one. The whole of human history has recognized the principle that the rich and powerful have a moral obligation to assist the poor and the weak. That is what the sense of community is all about—any community: the community of the family, the community of the nation, the community of nations itself.

Moral principles, if they are really sound—and this one clearly is—are also practical ways to proceed. Social justice is not simply an abstract ideal. It is a sensible way of making life more livable for everyone.

Now it is true that the moral argument does not persuade everyone.

Very well. For those who prefer arguments that appeal to self-interest, there are some very strong ones.

Exports provide one out of every eight jobs in U.S. manufacturing, and they take the output of one out of every three acres of U.S. farm land—and roughly one-third of these exports are now going to the developing countries.

Indeed, the U.S. now exports more to the developing countries than it does to Western Europe, Eastern Europe, China, and the Soviet Union combined.

Further, the U.S. now gets increasing quantities of its raw materials from the developing world—more than 50 percent of its tin, rubber, and manganese plus very substantial amounts of tungsten and cobalt, to say nothing of its oil.

The U.S. economy, then, increasingly depends on the ability of the developing nations both to purchase its exports, and to supply it with important raw materials.

And the same sort of relationship of mutual interdependence exists between the other industrialized countries—the Common Market, and Japan—and the developing world.

Thus, for the developed nations to do more to assist the developing countries is not merely the right thing to do, it is also increasingly the economically advantageous thing to do.

What will it cost the United States and the other industrialized countries to do more?

Far less than most of us imagine.

The truth is that the developed nations would not have to reduce their already immensely high standard of living in the slightest, but only devote a minuscule proportion of the additional per capita income they will earn over the coming decade.

It is not a question of the rich nations diminishing their present wealth in order to help the poor nations. It is only a question of their being willing to share a tiny percentage—perhaps 3 percent—of their incremental income.

It is true that the developed nations, understandably preoccupied with controlling inflation, and searching for structural solutions to their own economic imbalances, may be tempted to conclude that until these problems are solved, aid considerations must simply be put aside.

But support for development is not a luxury—something desirable when times are easy, and superfluous when times become temporarily troublesome.

It is precisely the opposite. Assistance to the developing countries is a continuing social and moral responsibility, and its need now is greater than ever.

Will we live up to that responsibility?

As I look back over my own generation—a generation that in its university years thought of itself as liberal—I am astonished at the insensitivity that all of us had during those years to the injustice of racial discrimination in our own society.

Will it now take another 50 years before we fully recognize the injustice of massive poverty in the international community?

We cannot let that happen.

Nor will it happen—if we but turn our minds seriously to the fundamental issues involved.

Increasingly the old priorities and the old value judgments are being reexamined in the light of the growing interdependence between nations—and it is right that they should be.

Once they are thought through, it will be evident that international development is one of the most important movements underway in this century.

It may ultimately turn out to be the most important.

Our task, then, is to explore—to explore a turbulent world that is shifting uneasily beneath our feet even as we try to understand it. And to explore our own values and beliefs about what kind of a world we really want it to become.

It was T. S. Eliot, in one of his most pensive moods, who wrote:

> "We shall not cease from exploration
> And the end of all our exploring
> Will be to arrive where we started
> And know the place for the first time."

Thank you, and good evening.

The PRESIDING OFFICER. Who yields time?

Mr. STEWART addressed the Chair.

The PRESIDING OFFICER. The Senator from Alabama.

Does the Senator yield time to the Senator from Alabama?

Mr. McGOVERN. How much time does the Senator wish?

Mr. STEWART. Not more than 20 minutes.

Mr. McGOVERN. Mr. President, I yield such time as the Senator may require.

Mr. President, I am advised we only have a total of 2 hours, does the Senator think he can handle this in about 10 minutes?

Mr. JAVITS. He has his own time.

The PRESIDING OFFICER. The Senator has an amendment and has time on his own amendment.

Mr. McGOVERN. Then I yield the floor without any allocation of time on the bill.

The **PRESIDING OFFICER**. That is understood.

Mr. **STEWART**. Mr. President, may I inquire how much time I have on the amendment?

The **PRESIDING OFFICER**. The Senator has 1 hour, equally divided.

UP AMENDMENT NO. 268

(Purpose: To establish the John Sparkman Center for International Public Health Education)

Mr. **STEWART**. Mr. President, I send to the desk an amendment and ask for its immediate consideration.

The **PRESIDING OFFICER**. The amendment will be stated.

The second assistant legislative clerk read as follows:

The Senator from Alabama (Mr. STEWART), for himself and Mr. HEFLIN, proposes an unprinted amendment numbered 268.

Mr. **STEWART**. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The **PRESIDING OFFICER**. Without objection, it is so ordered.

The amendment is as follows:

On page 23, strike lines 9 and 10 and insert in lieu thereof the following:

"(2) $128,731,000 for the fiscal year 1980 to carry out subsection (c) of this section, of which amount not less than $4,000,000 shall be made available to assist in the development of the John Sparkman Center for International Public Health Education to be located at the University of Alabama at Birmingham.".

Mr. **STEWART**. Mr. President, on behalf of myself and my distinguished colleague from Alabama, I am pleased to offer this amendment that will establish the John Sparkman Center for International Public Health Education.

Mr. President, I can think of no better way to honor the service of the former chairman of the Senate Foreign Relations Committee than for this body to assist in the development of the Sparkman Center which would apply an innovative, and yet highly practical, public health education approach toward an ultimate goal of saving lives and improving the quality of life in the developing countries. Through the Sparkman Center, the public health experts we have in this country will share their expertise and knowledge with the public health practitioners, doctors and nurses of less developed countries so that they can in turn use this training to correct the unique problems of their homelands.

The facts are, Mr. President, that the peoples of these underdeveloped countries are meeting tragic and unnecessary deaths at the hands of cholera, typhoid fever, and other such infectious and parasitic diseases largely because the health officials in those countries lack the skills, the expertise and the manpower to attack the roots of these problems—inadequate sanitation, unsafe water supplies, and malnutrition.

We have virtually eliminated most of these kinds of diseases in our country, and I think we can, through the work of the Sparkman Center, help these countries do the same. It is essentially an international approach to help others learn to help themselves. And, I think it is important to note that it does so through the sharing of our expertise rather than the often-used, yet ineffective approach of doling out American dollars in the hope that solutions to problems can somehow be bought.

This innovative program is a fitting tribute to John Sparkman, who retired last year after 42 years of distinguished public service to Alabama and the Nation as a whole through his work in the Congress of the United States. I do not believe it is necessary to review for this body the significant contribution to our Nation made by Senator Sparkman; time certainly would not permit me to list all his many accomplishments. At any rate, I am sure that those Senators who had the honor of serving with this great man are already familiar with the broad scope of his career and his many legisltive accomplishments. I think it is appropriate, however, to point out that from the time he enlisted in the Armed Services during World War I at the age of 17, John Sparkman's entire life has reflected a rare combination of a commitment to national service, a strong native ability and intellect, a deep concern for the less fortunate, and a remarkable capacity for leadership and achievement.

Moreover, I believe there is something uniquely American about the career of this man, who began life as 1 of 11 children of a tenant farmer, who attended a 1-room, 1-teacher school, who entered college with money from a loan on a cotton crop he himself raised, and who worked his way through college in a job paying $4.25 a week. After completing his legal and graduate education at the University of Alabama, John Sparkman moved to Huntsville with his lovely young wife, Ivo, where he established his legal practice, then, in 1936, during the depths of the Great Depression, John Sparkman was elected to the U.S. House of Representatives. While in the House, he worked hard to ease the plight of tenant farmers, and became a strong and outspoken advocate of a highly controversial issue which those who shared his foresight knew would result in immeasurable improvements to the lives of many and the future progress of an at that time poor and underserved region of our country. That project, of course, was the Tennessee Valley Authority.

After 10 years in the House, John Sparkman had the opportunity to stand before the Senate to fill the unexpired term of Senator John Bankhead. That was an election year, and Sparkman, figuring he had little chance of winning the Senate post, also continued his bid for reelection to the House. But win he did, thus becoming the only person in this country to be elected to both Houses of Congress simultaneously.

John Sparkman's career was impressive. In 1950, he became the first chairman of the Senate Select Committee on Small Business, a committee I am proud to serve on now. During his 15-year tenure as chairman, Senator Sparkman was instrumental in the creation of the Small Business Administration, a vital and important advocate for the independent businessmen in this country.

Following election to a third full term in the Senate, he became chairman of the Committee on Banking, Housing and Urban Affairs, a committee which I also have the privilege of serving on now. As a result of his years as chairman of this committee, Senator Sparkman earned for himself the title of "Mr. Housing," a tribute to his work toward expanding the FHA loan program, toward the development of effective low-rent public housing programs, and toward the enactment of many other housing bills which all held as their central theme the premise that all Americans should have the opportunity to obtain decent housing at an affordable cost. It would be an impossible task to count the many millions of Americans who got that opportunity because of John Sparkman's honorable work toward this goal—a goal I plan to continue to pursue while I serve in this body.

In 1975, Senator Sparkman assumed yet a third chairmanship, this time as leader of the Senate Committee on Foreign Relations. In this post he displayed the same skills and wisdom evident in his past committee work. Always the patient guide and effective spokesman, John Sparkman brought a sage and optimistic leadership to the committee and to the foreign policy of this Nation. As an ardent advocate for aid to the poorer people of this world, he reflected a continuing concern for the unfortunate—the hungry, the homeless, the sick—everywhere, whether their home was in Alabama or Africa or Asia or wherever.

In light of Senator Sparkman's longstanding concern in this area, then, I think it is most appropriate that the Senate take this action to improve the quality of public health education in the lesser developed countries through the establishment of the Sparkman Center at the University of Alabama in Birmingham. John has had a long association with the outstanding medical center at UAB and was instrumental in its development. Today, the University of Alabama in Birmingham is one of this Nation's major research universities and its department of public health has grown to become one of the 21 accredited schools of public health in the United States.

Mr. President I am most familiar with the extensive resources and excellence of the University of Alabama in Birmingham, having worked with the UAB medical center in developing a plan to insure that poor people in rural areas of my State are provided adequate health care. On the basis of this association, I can assure the Senate that the proposed center will be operated according to the highest standards and will be a most suitable monument to this great Senator.

The Sparkman Center will focus its activities on the training of public health professionals within their native countries by sending there a rotating team of American public health experts who will offer the equivalent of a graduate level program. This program would offer training in epidemiology, environmental health, biostatistics, and health education. More intense specialization would also be offered in the areas of sanitary engineering, infectious disease control and prevention, and occupational hygiene.

The Center will offer a program to those countries requesting such assistance, following recommendations from the major multinational health agencies including the World Health Organization, the Pan American Health Organization, as well as the U.S. Public Health Service and AID. The Sparkman Center will offer a curriculum which presents all courses in 8 to 10 half-day sessions rather than the more traditional hour lecture, three times a week for 2 to 3 months. This innovation permits a student to continue to be employed nearly full time while he pursues his studies.

At all times, the Sparkman Center will emphasize practical solutions to health problems. It will face up to the needs of folks who do not have adequate accesss to public health training, and in turn cannot pass these techniques and procedures on to their countrymen. The Center will be actively involved in useful research into ways of improving health care delivery, and in that regard it will develop a public health field laboratory to test out new training techniques, new procedures in health care, and improved delivery tactics.

Mr. President, this Center is based on a principle that I find most attractive. Instead of bringing doctors and public health students to this country for training, we will be sending our teachers overseas. As we all know, there is a problem when foreign students come to this country for training because far too often when they finish that training they do not go back to their homelands to apply those sorely needed skills. This practice, which has developed over the year is a grave injustice to their countrymen who await the return of a skilled health professional. It is the essence of a "brain drain," and I do not feel that the United States should support it. Instead, how much better it is to take one teacher to the students in their own country. It is more cost effective, and the chances that the medical student will remain in his home country are enhanced.

Moreover, this is the kind of approach which will in the final analysis be much more meaningful for these foreign health care practitioners. After all, when these students come to our country for training, they do so in a setting where the equipment and the facilities are the most up to date and highly advanced known. The curriculum they study and the emphasis of their study here is placed foremost on those diseases and medical problems that are most common here. But, for those who do return home, the facilities are not the same, the advanced diagnostic tools are not available, and the problems they encounter are not the same.

Frankly, I am not sure that the young foreign graduate skilled in his mastery of medicine here is always prepared to fight the battles he faces back home with the oftentime meager facilities and equipment available to him. The Sparkman Center will recognize the special needs, and because our experts will go there to teach in the same environment that the student will later work in, I believe the educational program will be more effectively geared to addressing the problems most pressing in these underdeveloped countries.

I am convinced that the Center I am proposing today has the potential of greatness, because it is founded on logic and what Alabamians would call "commonsense." It does not call for sending millions of American dollars into these countries, it does not strive to "buy" solutions with our taxpayers' money, but it does hold forth the worthwhile and humanitarian goal of helping others find ways to solve their own problems. It does this through the sharing of knowledge and expertise.

That is the kind of sensible approach that John Sparkman always endorsed, and I believe the establishment of the Sparkman Center for International Public Health Education will be a fine tribute to this outstanding Alabamian. More important, and frankly of most importance to Senator Sparkman, this Center will provide a vital innovation in health care training in developing countries. It is an appropriate acknowledgement of his years as chairman of the Senate Foreign Relations Committee and his commitment to the poor and the needy throughout this world.

Mr. President, I ask unanimous consent to have printed in the Record a letter to Senator Heflin and me, from the University of Alabama, submitting a statement as to their intentions if the Sparkman Center is created.

There being no objection, the material was ordered to be printed in the Record, as follows:

University of Alabama
in Birmingham,
June 15, 1979.

Hon. Donald Stewart,
Hon. Howell Heflin,
U.S. Senate,
Washington, D.C.

Dear Donald and Howell: I am pleased to submit on behalf of the University of Alabama in Birmingham the attached statement on the John Sparkman Center for International Public Health Education. We at UAB believe the proposed Center will be a most fitting tribute to Senator Sparkman as well as a distinctive contribution to public health in many of the world's poorest nations. We greatly appreciate your efforts to secure its establishment.

Sincerely,
S. Richardson Hill, Jr., M.D.,
President.

Statement of the University of Alabama in Birmingham on the John Sparkman Center for International Public Health Education

The University of Alabama in Birmingham (UAB) is pleased to propose to the Congress the establishment of the John Sparkman Center for International Public Health Education in honor of the long and distinguished service to the nation of the former Chairman of the Committee on Foreign Relations. In keeping with Senator Sparkman's many efforts to assist the less fortunate, the Sparkman Center would seek to alleviate major health problems which afflict the poorest nations of the world by making available within a limited number of such countries comprehensive, graduate-level training in public health. The Department of Public Health at UAB, one of twenty-one accredited Schools of Public Health, in the United States, would offer the training to selected individuals so that they might form cadres of public health leadership wtihin their respective nations.

BACKGROUND

With the retirement of John Sparkman at the end of the 95th Congress, many of his friends in the Congress and within Alabama suggested that a way be found within his home state to honor his forty-two years of outstanding legislative service. It was thought that the UAB Medical Center, one of the world's leading academic health centers, would be an especially suitable location for this purpose and that the substance of any such effort should have an international focus given Senator Sparkman's role as Chairman of the Committee on Foreign Relations.

On November 29, 1978, the Board of Trustees of the University of Alabama endorsed the concept and authorized officials of UAB to use their best efforts in working with the Congress to see that a fitting tribute to the Senator be developed and implemented. As a result of the Board's action, the University of Alabama in Birmingham has endeavored to work closely with members of the Senate and their staffs to formulate a proposal which will be an appropriate monument to Senator Sparkman and at the same time directly responsive to the purposes of Section 104 of the Foreign Assistance Act, to the views of the Committee on Foreign Relations and to the recommendations of the Agency for International Development (AID).

Accordingly, the program of the Sparkman Center for International Public Health Education will seek to assist in developing within host countries four key elements recognized by the legislation, the Committee, and AID as necessary for reducing substantially the major health problems of the poorest nations. These elements include basic integrated health services, safe water and sanitation, disease prevention and control and related health planning and research. The view that these are critical needs emerges from a recognition of the interdependent nature of health and economic and social development. As the AID report states, "people worn down by chronic diseases, malnutrition, and frequent child bearing, can neither work nor learn."

Such conclusions are well supported by the most knowledgeable observers of the effects of poor health in less developed countries. For example, David Hamburg, President of the National Academy of Sciences-Institute of Medicine, states:

"Diseases in developing countries take such a terrible toll in human suffering and economic loss that they are at the heart of the whole problem of development in most of the world. The 'developing' countries may become the 'never-to-be-developed' countries unless the burden of illness can be greatly eased."

Because of its focus upon the fundamental prerequisites for good health in developing countries, the Sparkman Center would be responsive to the Committee view that assistance which directly benefits poor people in poor countries be given priority. Such an approach is consistent with the "basic needs strategy" for development advocated by individuals such as the late Dr. John H. Knowles formerly of the Rockefeller Foundation, Robert McNamara of the World Bank, and Dr. Halfdan Mahler of the World Health Organization. This strategy which is also termed by Dr. Knowles as "growth from below" as opposed to "growth with trickle down," emphasizes meeting the most basic needs of the poor, such as good health, thereby recognizing that people not countries, are central to the development process.

Finally, the proposal for the Sparkman Center recognizes that although public health technologies for controlling communicable diseases and improving environmental sanitation have proven remarkably successful for many years in developed countries, they continue to be unavailable today in the poorest nations. This fact underscores the significance of a basic principle stated by Dr. Mahler: "that technologies and systems cannot be adapted wholesale from richer countries but must be adapted to local conditions; indeed, emerging countries should be encouraged to work out their own solutions and become self-reliant." By focusing upon the development of public health leadership in poor countries, the work of the Sparkman Center would clearly be in keeping with Dr. Mahler's view.

THE PROGRAM OF THE SPARKMAN CENTER

The principal activity of the Sparkman Center would be to provide comprehensive, graduate-level training in public health to groups within host countries selected from among the poorest nations of the world. The groups trained would then constitute a core of badly-needed public health knowledge and leadership within their own countries. They would be capable of planning, organizing, and supervising the implementation of programs and measures such as disease prevention and control and environmental sanitation.

The strategy of providing a professional level of training within less developed countries offers several distinct advantages over the current practice where students from these countries come to U.S. institutions. First, it is more cost effective to send a few faculty for a limited time to a number of students than to have the students each spend a year or more in the United States. Second, the likelihood that these public health professionals, once trained, would actually remain and serve in their native countries is substantially increased. Presently, many do not return to their countries after completing their studies in the U.S. Third, individuals already working in health fields could, where appropriate, have their training upgraded without the disruptions created when such workers leave their positions to seek training abroad. Finally, having the training occur within the actual setting of the health problems to be addressed, should provide the faculty valuable insights into the kind of programs most likely to be effective and useful to a particular country.

The Department of Public Health at UAB is well-qualified to support the kind of educational services envisioned by the Sparkman Center. Its primary service area, the "Deep South" states, continues to experience substantial problems of illness and poverty, particularly in certain rural areas. The problems in many instances do not differ fundamentally from those in developing nations. In addition, the Department has developed a curriculum which presents all courses in eight to ten half-day sessions rather than the more traditional hour lecture three times a week for two to three months. This innovation permits students to continue to be employed nearly full time while pursuing their studies, and this will be an important advantage to health workers seeking to upgrade their training. Of particular importance, however, is a current effort by the Department to develop a remote site training program in the Deep South.

The fundamental mechanics of this program would be applicable and readily transportable to an international setting. For example, faculty members are now developing detailed lists of the required portable equipment necessary to facilitate lecture presentations, field work exercises, and laboratory demonstrations. More importantly, a "portable public health library" that will complement any existing library is being developed. This library will be a distillation of reference material needed for the core public health courses. Finally, the operational experience resulting from a remote site program will provide valuable information as to demands on faculty and various administrative requirements.

The work of the Sparkman Center would begin with the identification of poor countries with the interest and general educational resources required for new public health training programs to be successful. This process would be carefully planned and carried out in close cooperation with the major multinational health agencies including the World Health Organization and the Pan American Health Organization and with the staffs of AID and other U.S. agencies concerned with international health. Following the identification of the host countries, the staff of the Sparkman Center would develop detailed plans for the training programs based on the particular needs and interests of each. The effort involved in selection and planning should take approximately one year.

The training program would provide students with a broad understanding of public health concepts and techniques. The instruction would consist of a core of subject matter equivalent to that offered in a master's level program in public health and would cover the disciplines of epidemiology, environmental health, program planning and identification, biostatistics and health education. These subjects would be presented via a series of courses culminating in a concentration in one of the disciplines selected by the student. At the request of the host nation, additional specialized training could be offered within several areas, including environmental health occupational hygiene sanitary engineering, infectious disease control and prevention, health education, epidemiology, health policy or program planning. One or more faculty members with specialization in the required disciplines would be rotated among the host countries for two to three month periods. They would offer courses through the half-day session format so as to permit students to continue employment while studying. It is anticipated that groups of 20 to 30 students would be trained within each host country.

THE FINANCING OF THE SPARKMAN CENTER

The recommended appropriation of $4 million would provide for the permanent operations of the Sparkman Center for International Public Health Education. The monies would be used to establish an endowment fund for the Center in a manner similar to that used by the Congress in establishing the Hubert H. Humphrey Institute of Public Affairs and the Everett McKinley Dirksen Congressional Leadership Research Center. No part of the $4 million provided would be used for construction or other capital purposes. Instead, the funds will be handled by professional investment managers who will invest them with a view towards growth of the endowment over the long term. In this way, the income from the fund, which will be used exclusively for the purposes of the Sparkman Center, will grow with inflation so that a consistent level of operations may be maintained. It is planned that any investments will be in low risk securities consistent with protection of the principal amount.

Income derived from the fund will be used for the administrative expenses of the Sparkman Center and to support the travel and related expenses of faculty during their period of work within the host countries. It is anticipated that sufficient income should be realized to mount training programs for 20 to 30 students in each of two or three countries per year depending upon transportation costs and other economic conditions.

The University of Alabama in Birmingham will provide facilities and space for the Sparkman Center, which will be placed administratively within the Department of Public Health. The faculty of the Center will have their primary appointments within the Department.

Mr. STEWART. Mr. President, I yield to my distinguished colleague from Alabama.

Mr. HEFLIN. Mr. President, I am honored to add my support to this very important bill establishing the John Sparkman Center For International Public Health Education and to add my voice to the many who have honored Senator John Sparkman on the floor of this Chamber.

I am particularly honored to say a few words today about this great Alabamian and American statesman for it is his seat in the U.S. Senate that I now hold. My wife and I have had a close personal relationship with the Sparkmans over the years. He was campaign manager for my wife's grandfather, the Honorable Archie H. Carmichael, when he was elected to Congress. Senator Sparkman later succeeded him as a Member of Congress.

My distinguished predecessor first came to Washington from Alabama in 1937 and amassed a most impressive record of courage and accomplishment during his 42 years of faithful service to the people.

The confidence the people of the Nation have in John Sparkman has never been questioned, and he is held in such high esteem in his home State of Alabama that in 1946 he was elected simultaneously to the U.S. Senate and to the House of Representatives—a feat of such political magnitude that I doubt if any other person can claim a similar achievement.

John Sparkman was an Alabama farm boy who made an impact. His destiny for leadership was apparent early in his life and as a student at the University of Alabama he served as both president of the student body and editor of the school's newspaper. He has carried this drive and determination with him since, and both Alabama and the Nation have benefited.

Alabama's Senator Sparkman's record of public service reaches into almost every aspect of our lives. Many small businessmen across the Nation benefited from his productive chairmanship of the Senate Select Committee on Small Business.

As chairman of the Senate Committee on Banking, Housing and Urban Affairs, he distinguished himself as one of the Senate's leading experts on housing and financial matters.

Finally, as chairman of the prestigious Foreign Relations Committee, Senator Sparkman brought his insight, compassion and keen understanding of the state of the world to the committee.

It was his desire as chairman of the Foreign Relations Committee to alleviate the major health problems of the world for that I wish to honor him today. I might add that his close personal friendship with his Senate colleague from Alabama, Lister Hill, a cosponsor of the famed Hill-Burton bill, made him even more aware of health needs.

In keeping with Senator Sparkman's many efforts to assist the less fortunate, the Sparkman Center will seek to eliminate many of these health problems by making available to some of these countries comprehensive, graduate-level training in public health.

The University of Alabama at Birmingham Medical Center, one of the world's leading academic health centers, is exceptionally well qualified to carry on a program of this international significance.

The program to be administered by the Sparkman Center is one which blends the often opposing concepts of vision and economy and has distinct advantages over the current practice in health education of bringing a number of students to this country for health education. It is much more cost effective to send a small number of teachers abroad to serve many students in their home countries, and the training takes place in the actual setting of the health problems.

The Department of Public Health at the University of Alabama at Birmingham is well qualified to support the kind of education services envisioned by the Sparkman Center.

I urge my fellow Members of this body to join with me in honoring one of the most distinguished of our colleagues. And I urge you to pass this important and desperately needed health education legislation.

Mr. McGOVERN. Mr. President, I served on the Foreign Relations Committee, along with other Senators here in the Chamber, during the time Senator Sparkman was the chairman of this committee. So anything with his name on it obviously commands our attention.

But beyond that, I think the case made by the two Senators from Alabama is indeed a good one. The concept of trained American faculty members being available to develop health professionals in other countries on the grounds where they can actually come to terms with the kind of diseases and health problems that exist in those countries does make a great deal of sense. It is more cost effective and beyond that since you are training health professionals in their country I think it is fair to say the chances are considerably higher that they will remain there after they are trained and deal with the problems of their people. If we were to bring them here for training in this country, the experience has been that a rather high percentage of them stay on in this country where we are less in need than they are in the countries we are trying to assist.

Also by undertaking training in overseas areas it gives our own medical people an opportunity to develop valuable insight into the kinds of programs that are most troublesome in other parts of the globe.

So, for these reasons, I think the committee would want to accept this amendment offered by the Senator from Alabama.

Senator STEWART discussed it with me earlier today, and I think the proposal has a great deal of merit.

Mr. JAVITS. Mr. President, I not only find the proposal acceptable, as does Senator McGOVERN, but I also wish to tell both Senators from Alabama that I served in this body for many years with John Sparkman. Although his orientation was probably different from mine, as any one American's views on policy can be different from those of any other, Senator Sparkman had a human sympathy and sensitivity to the problems of the slums and the congested city areas, which was especially reflected during his tenure on the Banking Committee, where I served with him as well as on the Foreign Relations Committee. That sympathy and sensitivity was such as to make one stand in awe of the decency of a really first-rate American like John Sparkman.

I think this effort, which is being made by the Senators from Alabama—and I promise them that I will move heaven and earth to have it accepted in conference, and I know every member of the conference committee of the Foreign Relations Committee will do the same—is the right kind of a tribute to John Sparkman. It will provide scientific help in the health area for those who really need it, and reflects Senator Sparkman's deep interest in America's beneficient role in the world.

I might say to the Senators that I myself believe very deeply that on a cost-benefit basis there is nothing better that we can do in foreign aid than in the health field. It costs the least; it does the most, not only for the health of people, per se, but also for their ability to do an economic job, and that is what foreign aid is all about. You cannot have the self-help that we seek to engender through the foreign aid bill on an empty stomach and with a brain that has not been built up by the necessary nutrition. It is simply physiologically impossible. That is the problem in most of the developing areas of the world where people die at 50 instead of in their middle seventies as people do here.

So I am honored to be able to be at this desk and to accept on the part of my side of the aisle this amendment. I can assure the Senators that it will be a joy to pay this tribute to John Sparkman, who richly deserves it at our hands.

Mr. STEWART. I know I speak for my colleague and for all Alabamians when I say that I deeply appreciate the remarks of the Senator from New York and the Senator from South Dakota.

At this time I move the adoption of the amendment.

The PRESIDING OFFICER. Does the Senator yield back his time?

Mr. STEWART. I yield back the remainder of my time.

Mr. JAVITS. I yield back the remainder of my time.

The PRESIDING OFFICER. All time is yielded back, the question is on agreeing to the amendment of the Senator from Alabama.

The amendment was agreed to.

Mr. JAVITS. I move to reconsider the vote by which the amendment was agreed to.

Mr. McGOVERN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 215 (AS MODIFIED)

(Purpose: Amends Public Law 480 to make changes in the food for peace program designed to encourage greater participation in the operation of the program by recipient countries; direct assistance under the program toward humanitarian and developmental objectives, as well as the development and expansion of agricultural markets for the United States and recipient countries; and otherwise improve the operation of the program)

Mr. STONE. Mr. President, I send to the desk an amendment No. 215, modified to change page and line references necessitated by the referral of S. 588 to the Committee on Governmental Affairs, and I ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Florida (Mr. STONE) proposes an amendment numbered 215, as modified.

Mr. STONE. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 50, between lines 8 and 9 insert a new title III as follows:

"TITLE III—FOOD FOR PEACE

"INCREASING DEMAND FOR FOOD AND ENCOURAGING LOCAL FOOD PRODUCTION

"SEC. 301. Section 103(f) of the Agricultural Trade Development Act of 1954 is amended to read as follows:

"'(f) give consideration to the development and expansion of markets for United States agricultural commodities and local foodstuffs by increasing the effective demand for agricultural commodities through the support of measures to stimulate equitable economic growth in recipient countries, with appropriate emphasis on developing more adequate storage, handling, and food distribution facilities;'.

"SEC. 302. Section 103(n) of the Agricultural Trade Development Act of 1954 is amended by inserting '(1)' after 'not' and inserting before the semicolon at the end thereof the following: ', or (2) interfere with local food production and marketing in the purchasing country'.

"SEC. 303. Section 107(b) of the Agricultural Trade Development and Assistance Act of 1954 is amended by inserting 'the agricultural commodities of the recipient country and' immediately after 'usual marketings of'.

"SEC. 304. Section 202(a) of the Agricultural Trade Development and Assistance Act of 1954 is amended by adding at the end thereof a new sentence as follows: 'The President shall take reasonable precaution to assure that the distribution of commodities furnished under this title, both in normal times and in emergency situations, will not displace or interfere with local food production and marketing in the recipient country.'.

"ROLE OF INDIGENOUS INSTITUTIONS AND WORKERS

"SEC. 305. Section 202(b)(2) of the Agricultural Trade Development and Assistance Act of 1954 is amended to read as follows:

"'(2) In order to assure that food commodities made available under this title are used effectively and in the areas of greatest need, entities through which such commodities are distributed shall be encouraged to work with indigenous institutions and employ indigenous workers, to the extent feasible, to (A) assess nutritional and other needs of beneficiary groups, (B) help these groups design and carry out mutually acceptable projects, (C) recommend ways of making food assistance available that are most appropriate for each local setting, (D) supervise food distribution, and (E) regularly evaluate the effectiveness of each project.'.

"ALLEVIATING THE CAUSES OF THE NEED FOR TITLE II ASSISTANCE

"SEC. 306. Section 206 of the Agricultural Trade Development and Assistance Act of 1954 is amended by amending clause (3) to read as follows: '(3) such agreement provides that the currencies will be used for (A) alleviating the causes of the need for the assistance in accordance with the purposes and policies specified in section 103 of the Foreign Assistance Act of 1961, or (B) programs and projects to increase the effectiveness of food distribution and increase the availability of food commodities provided under this title to the neediest individuals in recipient countries.'.

"INCENTIVES FOR ENTERING INTO FOOD FOR DEVELOPMENT PROGRAMS

"SEC. 307. Section 301(a) of the Agricultural Trade Development and Assistance Act of 1954 is amended by—

"(1) inserting in the first sentence ', or the dollar sales value of the commodities themselves,' immediately after 'the local sale of such commodities'; and

"(2) inserting in the second sentence ', or the use of the commodities themselves,' immediately after 'participating country'.

"PARTICIPATION OF AMERICAN AGRICULTURE IN FOOD FOR DEVELOPMENT PROGRAMS

"SEC. 308. Section 302(c) of the Agricultural Trade Development and Assistance Act of 1954 is amended by adding at the end thereof a new paragraph (4) as follows:

" '(4) In developing and carrying out Food for Development Programs under this title, consideration shall be given to using the capability and expertise of American agriculture, in partnership with indigenous individuals and organizations, in furthering economic development and increased food production.'.

"REPORTS AND RECORDS UNDER TITLE III

"SEC. 309. Section 303(a) of the Agricultural Trade Development and Assistance Act of 1954 is amended by striking out in the second sentence "for each year such funds are to be disbursed'.

"SEC. 310. Section 305 of the Agricultural Trade Development and Assistance Act of 1954 is amended by—

"(1) adding at the end of subsection (a) a new sentence as follows: 'Disbursements of funds from the special account in an amount equivalent to the dollar value of the credit furnished by the Commodity Credit Corporation under section 304(a) of this Act shall be deemed to be payment of all installments of principal and interest payable thereon for the commodities purchased by the participating country for purposes of this title.'; and

"(2) adding at the end thereof a new subsection (c) as follows:

" '(c) When agricultural commodities made available under this title are used by the participating country in development projects in accordance with the applicable Food for Development Program, the dollar sales value of such commodities shall be applied, in accordance with subsections (a) and (b) of this section, against the repayment obligations of that country under this Act, with the value of the commodities so used being deemed to be disbursements made at the time of such use.'.

"SEC. 311. Section 306 of the Agricultural Trade Development and Assistance Act of 1954 is amended by inserting the first sentence 'a detailed description of how the commodities were used or' immediately before 'a specific'.

"SEC. 312. Section 307 of the Agricultural Trade Development and Assistance Act of 1954 is amended by amending subsection (a) to read as follows:

" '(a) Each year the President shall review all agreements providing for the use of (A) the proceeds from the sale of agricultural commodities or (B) the value of agricultural commodities under this title for which such funds or commodities were not fully disbursed during the preceding year. The results of such review shall be included in the annual report to Congress required under section 408(a) of this Act.'.

"AVAILABILITY OF COMMODITIES FOR DEVELOPMENTAL PURPOSES

"SEC. 313. Section 401(a) of the Agricultural Trade Development and Assistance Act of 1954 is amended by (1) inserting 'or developmental' immediately after 'humanitarian' in the second sentence, and (2) adding at the end thereof a new sentence as follows: 'In periods of short supply, as determined by the Secretary, urgent humanitarian concerns will be given priority over developmental purposes.'.

"DETERMINATION OF COMMODITY NEEDS AND PROGRAM BENEFICIARIES IN EACH COUNTRY

"SEC. 314. Section 404 of the Agricultural Trade Development and Assistance Act of 1954 is amended to read as follows:

" 'SEC. 404. (a) The programs of assistance conducted under this Act, and the types and quantities of agricultural commodities to be made available, shall be directed toward the attainment of humanitarian and developmental objectives as well as the development and expansion of United States and recipient country agricultural commodity markets. To the maximum extent possible, either the commodities themselves shall be used to improve the economic and nutritional status of the poor through effective and sustainable programs, or any proceeds generated from the sales of agricultural commodities shall be used to promote policies and programs that benefit the poor.

" '(b) Country assessments shall be carried out whenever necessary in order to determine the types and quantities of agricultural commodities needed; the conditions under which commodities should be provided and distributed; the relationship between United States food assistance and other development resources; the development plans of that country; the most suitable timing for commodity deliveries; the rate at which food assistance levels can be effectively used to meet nutritional and developmental needs; and the country's potential as a new or expanded market for both United States agricultural commodities and recipient country foodstuffs.'.

"CONTINUITY OF SUPPLY

"SEC. 315. Title IV of the Agricultural Trade Development and Assistance Act of 1954 is amended by adding at the end thereof a new section 413 as follows:

" 'SEC. 413. In order to best meet the humanitarian and developmental purposes of this Act, to the maximum extent possible there shall be a relatively constant supply of commodities provided under this Act.'.

"USING FOOD AID AND RELATED RESOURCES TO ENCOURAGE FOOD SECURITY

"SEC. 316. Section 103 of the Foreign Assistance Act of 1961 is amended by adding at the end thereof a new subsection (f) as follows:

" '(f) Congress finds that the efforts of developing countries to enhance their national food security deserves encouragement as a matter of United States development assistance policy. Measures complementary to assistance for expanding food production in developing countries are needed to help assure that food becomes increasingly available on a regular basis to the poor in such countries. Therefore, United States bilateral assistance under the Agricultural Trade Development and Assistance Act of 1954 and this Act, and United States participation in multilateral institutions, shall emphasize policies and programs that assist developing countries to increase their national food security by improving their food policies and management and strengthening national food reserves, with particular concern for the needs of the poor, through measures encouraging domestic production, building national food reserves, expanding available storage facilities, reducing postharvest food losses, and improving food distribution.' ".

On page 50, beginning with line 9, strike out all down through line 12 and insert in lieu thereof the following:

"TITLE IV—EFFECTIVE DATE

"SEC. 401. The provisions of this Act and the amendments made by such provisions shall take effect on October 1, 1979.".

Mr. STONE. Mr. President, as the distinguished chairman of the committee on foreign relations and the ranking minority member of that committee know, the Committee on Foreign Affairs in the House has legislative jurisdiction of foreign aid, including the Agricultural Trade Development and Assistance Act of 1954 (Public Law 480).

In the Senate, however, legislative jurisdiction over Public Law 480 is vested in the Committee on Agriculture, Nutrition, and Forestry.

Our two committees have worked out procedures whereby in the Senate any changes in the food-for-peace legislation are reported by the Committee on Agriculture, Nutrition, and Forestry and considered on the floor as an amendment to the foreign assistance legislation.

Mr. President, on behalf of the Committee on Agriculture, Nutrition, and Forestry, I introduced amendment No. 215 on May 24. At that time, we included in the RECORD certain explanatory materials, including the text of the amendment. It is my understanding that the managers of S. 588 have no objection to considering the amendment.

The amendment would add a new title III to the bill entitled "Food for Peace." It would make a number of changes in Public Law 480. These changes, primarily in policy, reflect the determination that our food assistance be provided in a way that will not serve as a disincentive to local food production and marketing.

The amendment would first—require that the President give consideration to the development and expansion of markets for U.S. agricultural commodities and local foodstuffs by increasing the effective demand for agricultural commodities through the support of measures to stimulate development in the recipient countries. The President also is directed to assure that credit sales under Public Law 480 will not interfere with food production and marketing in the purchasing country;

Second, direct the President to assure that commodities donated under title II of Public Law 480, both in normal times and in emergency situations, will not displace or interfere with local food production and marketing in the recipient country;

Third, urge that agencies that distribute title II food commodities shall, to the extent feasible, be encouraged to work with indigenous institutions and workers in designing and carrying out projects.

Fourth, broaden the use of currencies generated under title II sales in famine or extraordinary relief situations to include alleviating the causes of the need for the food assistance;

Fifth, require that consideration be given to using the expertise of American agriculture in developing and carrying out food for development programs under title III of Public Law 480;

Sixth, authorize the use of the commodities themselves in carrying out food for development programs. The dollar sales value of agricultural commodities used by the recipient countries under title III would be applied against the repayment obligation of that country;

Seventh, provide that food assistance may be provided during domestic short supply situations for developmental, as well as humanitarian purposes;

Eighth, provide that assistance under Public Law 480 shall be directed toward humanitarian and developmental objectives, as well as the development and expansion of agricultural markets for the United States and the recipient country, to the maximum extent possible, commodities provided are to be used to improve the status of the poor, or any proceeds from the sale of agricultural commodities used to benefit the poor.

Ninth, provide that country assessments shall be carried out whenever necessary to determine types, timing, quantities, and conditions under which commodities should be provided: the relationship between food and other development assistance; and the country's potential as a new or expanded market for United States and recipient country agricultural commodities;

Tenth, provide that, to the maximum extent possible, there shall be a relatively constant supply of commodities provided under food for peace; and

Eleventh, provide that efforts by developing countries to enhance their national food security deserve encouragement by the United States.

Mr. President, the Foreign Agricultural Subcommittee held a hearing, and a compromise bill, S. 1174, was developed and introduced which served as the vehicle for the committee's consideration. The relatively noncontroversial changes provided under this amendment were adopted by our committee without opposition. Amendment 215 was reported out of committee on May 23, and it is virtually identical to S. 1174.

The language of the amendment strengthens the commitment of the United States in using our food aid to encourage economic development in needy countries. Our committee also indicated its commitment in developing and expanding markets for American agricultural commodities, and that this could be best accomplished by helping recipient nations develop economically.

Mr. President, eight Senators joined me in sponsoring S. 1174. However, since amendment No. 215 was introduced, other Senators have joined as cosponsors. I would like the record to show that Senators Church, Cochran, Dole, Helms, Lugar, McGovern, Melcher, Morgan, Stewart, Stone, Talmadge, and Zorinsky are sponsors of amendment No. 215. I would like to express my appreciation for the support of the cosponsors of the amendment and in particular the efforts of Senators McGovern, Dole, and Helms.

Mr. President, this amendment represents a modest attempt to improve the food-for-peace program. Our Nation can be proud of the role we have played in helping needy people abroad, and I believe that the amendment would further strengthen this important program. I urge the favorable consideration of amendment No. 215.

I ask unanimous consent that a section-by-section analysis of the amendment be printed in the Record.

There being no objection, the section-by-section analysis was ordered to be printed in the Record, as follows:

Section-by-Section Analysis of Amendment No. 215

This amendment would add a new title III to S. 588 making changes in the Agricultural Trade Development and Assistance Act of 1954 (Public Law 480).

Sections 301 through 304.—Increasing Demand for Food and Encouraging Local Food Production.

Section 301 amends section 103(f) of the Agricultural Trade Development and Assistance Act of 1954 ("the Act") to require the President, in exercising his authorities under the Act, to give consideration to the development and expansion of markets for United States agricultural commodities and local foodstuffs, by increasing the effective demand for agricultural commodities through the support of measures to stimulate equitable economic growth in recipient countries, with appropriate emphasis on developing more adequate storage, handling, and food distribution facilities.

Section 302 amends section 103(n) of the Act to requre the President, in exercising his authorities under the Act, to take maximum precautions to assure that sales for dollars on credit terms shall not displace or interfere with local food production and marketing in the purchasing country.

Section 303 amends section 107(b) of the Act to require the Secretary of Agriculture to take reasonable precautions to protect the normal commodity marketing process of the recipient country.

Section 304 amends section 202(a) of the Act to require the President to take reasonable precaution to assure that commodities distributed under title II, in both normal times and in emergency situations, will not displace or interfere with local food production and marketing in the recipient country.

Section 305.—Role of Indigenous Institutions and Workers.

Section 305 amends section 202(b)(2) of the Act to provide that in order to assure both the effective use of title II commodities and their application to the areas of greatest need within the recipient country, the agencies that distribute title II commodities will be encouraged to work with indigenous institutions and employ indigenous workers, to the extent feasible to (A) assess nutritional and other needs of beneficiary groups, (B) help these groups design and carry out mutually acceptable projects, (C) recommend ways of making food assistance available that are most appropriate for each local setting, (D) supervise food distribution, and (E) regularly evaluate the effectiveness of each project.

Section 306.—Alleviating the Causes of the Need for Title II Assistance.

Section 306 amends section 206 of the Act to provide that no title II assistance will be provided under an agreement permitting generation of foreign currency proceeds unless the agreement provides that the currencies will be used for (1) alleviating the causes of the need for the assistance in accordance with the purposes and policies of section 103 of the Foreign Assistance Act, or (2) programs and projects to increase the effectiveness of food distribution and increase the availability of title II food commodities to the neediest individuals in recipient countries.

Section 307.—Incentives for Entering into Food for Development Programs.

Sections 307(1) and (2) amend section 301(a) of the Act to authorize the President to apply the dollar value of commodities provided under title III as well as the funds accruing from the local sales of such commodities, against the repayment obligation of governments receiving concessional financing under the Act. Commodities themselves could be used in title III projects in addition to local currencies generated by the sale of the commodities.

Section 308.—Participation of American Agriculture in Food for Development Programs.

Section 308 adds a new paragraph (4) to section 302(c) of the Act to require that, in developing and carrying out Food for Development Programs, consideration be given to using the capability and expertise of American agriculture, in partnership with indigenous individuals and organizations, in furthering economic development and increased food production.

Sections 309 through 311.—Reports and Records under Title III.

Section 309 amends section 303(a) of the Act to make a technical change in the language of the composition of a Food for Development Program.

Section 310(1) amends section 305(a) of the Act to provide that disbursements equivalent to the value of the credit furnished by the Commodity Credit Corporation shall be deemed to be payment of all installments of interest and principal payable for commodities purchased under this title. This new provision makes it clear that a participating country can realize total forgiveness of all principal and interest repayment obligations that arise under the credit extended for the commodities purchased under a Food for Development Program. Disbursements from the special account would be credited against the repayment obligation as they are made, and full disbursement would be deemed payment for all installments of principal and interest arising under such program. If an eligible country makes use of section 305(b) of the Act to apply disbursements (which are in excess of the repayment obligation under the Food for Development agreement for that fiscal year) to other financing agreements, full disbursement would not be deemed payment of all installments of principal and interest under the Food for Development Program.

Section 310(2) adds a new subsection (c) to section 305 of the Act to provide that when agricultural commodities made available under title III are used by the participating country in development projects in accordance with the applicable Food for Development Program, the dollar sales value of such commodities shall be applied, in accordance with subsections (a) and (b) of section 305, against the repayment obligations of that country under the Act, with the value of the commodities so used being deemed to be disbursements made at the time of such use.

Section 311 amends section 306 of the Act by requiring participating countries to include in the report required under that section a detailed description of how the commodities under title III were used.

Section 312 amends section 307 of the Act to require that the annual report under that section include information on the value of title III agreement commodities not fully disbursed during the preceding year.

Section 313.—Availability of Commodities for Development Purposes.

Section 313 amends section 401(a) of the

Act to allow the Secretary to continue commodity shipments during periods of short supply for developmental as well as humanitarian purposes. Urgent humanitarian concerns would be afforded first priority over developmental purposes in short supply circumstances.

Section 314.—Determination of Commodity Needs and Program Beneficiaries in Each Country.

Section 314 amends section 404 of the Act to specify market development and developmental objectives, as well as humanitarian objectives, as policy directions under the Act.

Section 314 also amends section 404 of the Act to add a new subsection (b) directing that assessments be made of recipient country commodity needs in order to encourage economic development and review the potential for expanded U.S. agricultural exports.

Section 315.—Continuity of Supply.

Section 315 adds a new section 413 to the Act.

New section 413 requires, to the maximum extent possible, that a relatively constant supply of commodities be provided under the Act to recipient countries.

Section 316.—Using Food Aid and Related Resources to Encourage Food Security.

Section 316 amends section 103 of the Foreign Assistance Act to encourage the use of United States food aid and development assistance to promote national food security measures in developing countries.

● Mr. HELMS. Mr. President, Public Law 480 legislation has enjoyed strong bipartisan support since its enactment. The primary reason for this broad-based support is that the Public Law 480 food for peace programs serve a number of complementary purposes. They help develop and expand export markets for U.S. agricultural commodities; they employ U.S. agricultural productivity to combat hunger and malnutrition; they encourage economic development in the Third World countries; and they assist in the promotion of U.S. foreign policy. These objectives encompass the goals of widely divergent constituencies and thus generate support across the political spectrum.

While Public Law 480 programs were initiated primarily for disposing of U.S. agricultural surpluses, humanitarian and developmental objectives have emerged to dominate Public Law 480 programs in recent years at the expense of market development objectives. This trend must not be allowed to continue unnchecked for it threatens to erode the political support for food aid. In fact, market development is one of the reasons that domestic support for food assistance has been maintained in the face of general public disdain for other forms of foreign aid.

The food for peace programs have helped produce some of our best cash-paying customers for agricultural commodities. In the early years of Public Law 480, recipient countries included 17 European nations and Japan.

By 1969, all of these countries were importing U.S. farm products on commercial terms. Today Japan—with its $4.4 billion worth of U.S. agricultural imports—is the top single-country customer for U.S. farm commodities. In 1970, about 85 percent of the $2 billion in agricultural exports to the Third World was financed mainly by Public Law 480. By 1977, only 15 percent of the $7.38 billion worth of our agricultural exports to these nations was financed by concessional programs.

Clearly, our attentiveness to the market development objectives of the Public Law 480 programs has reaped great returns for the American farmer. There is no reason why we cannot continue to help the U.S. agricultural sector while we help others to help themselves through Public Law 480 programs.

But to do so requires that we evaluate the current trend of emphasizing humanitarian and developmental objectives. We must undertake such an evaluation with an eye toward preserving the balance among the multiple objectives of Public Law 480 so that our farmers may continue to receive their well-deserved reward for producing the agricultural largesse from which the rest of the world benefits.

The language of amendment No. 215 strives for such a balance.

I hope that my colleagues on the Senate Foreign Relations Committee will accept its provisions without any modifications that would relegate market development to a secondary position of importance in Public Law 480 programs.●

● Mr. TALMADGE. Mr. President, I support amendment No. 215, which has been submitted by Senator STONE on behalf of the Committee on Agriculture, Nutrition, and Forestry.

The various provisions of the amendment would make needed alterations in the food-for-peace program. These changes will serve to insure the continued success of this important program.

The food-for-peace program has been an important factor in U.S. agricultural and foreign policy for 25 years. It has benefited Americans, as well as foreigners. The food-for-peace program has helped American farmers by boosting exports of agricultural commodities, which in turn have helped alleviate and prevent malnutrition and hunger in more than 100 countries around the world. I applaud my colleagues for designating this year as the food-for-peace year, and I hope that everyone will join in celebrating this important occasion.

Senator STONE has already elaborated on the jurisdictional situation that has prompted the inclusion of these provisions as an amendment to S. 588. The arrangement arrived at with the Committee on Foreign Relations has worked well over the years, and this year is no exception. This arrangement allows the Committee on Foreign Relations and the Committee on Agriculture, Nutrition, and Forestry to exercise independently their judgment on matters within their exclusive jurisdictions and then to bring that same expertise to conferences with the House Committee on Foreign Affairs.

Special recognition must be given to Senator STONE for his leadership, as chairman of the Subcommittee on Foreign Agricultural Policy, in bringing this amendment to the Senate floor. Senators MCGOVERN, DOLE, and LUGAR made significant contributions. The ranking minority member of the committee, Senator HELMS, was instrumental in the formulation of several of the provisions of this agreement.

Amendment No. 215 is a bipartisan effort to improve the food-for-peace program.

I urge my colleagues to join me in supporting this amendment.●

Mr. ARMSTRONG. Mr. President, I would like to join in supporting the amendment of the Senator from Florida, Mr. STONE.

Developing countries are faced with a nearly impossible situation. Their food deficits are expected to rise sharply from 36 million metric tons in 1978 to as much as 102 to 145 million tons by 1990. Their dilemma will be further aggravated if they try to meet the increased demand through expensive commercial imports and more dependence on food aid. Their efforts to increase local food production will never keep pace with hunger unless we provide incentives for more self-reliance.

Under current patterns of production, a large amount of the increase in world demand would have to be met by increased exports from the United States and Canada. North America is already on its way to becoming the breadbasket of the world, with exports increasing from 34 million tons in 1960 to 100 million tons in recent years. Realistically, our commercial exports and food aid combined could not possibly provide enough grain to meet world needs without seriously overusing our farmland and accelerating inflation. If we attempt to follow this course, the steep increase in domestic and world food prices would place an even greater burden on the world's poor. We should not attempt to provide food aid to millions of people indefinitely when there are capabilities for increasing food production in countries where food needs are the greatest.

For these reasons, I favor this amendment which will place greater emphasis on the development of more adequate storage facilities and improving the handling and distribution techniques of agricultural commodities. We will encourage the food-deficit countries to commit themselves to greater self-reliance by encouraging the use of resources provided by the congressional financing of commodities for agriculture and rural development purposes. At the same time, we are taking steps to assure that sales of food on credit terms and the distribution of food aid commodities will not displace or interfere with local food production.

By passing this amendment the Senate is focusing on the critical problem of world hunger and aiding in a global solution. I urge adoption of the amendment.

Mr. McGOVERN. Mr. President, I am very pleased to be listed as a cosponsor, along with Senator STONE, of what he has called the Food Assistance Reform Act of 1979 that comprises this package of amendments.

It is difficult to believe that we are already in the 25th anniversary of the food-for-peace program, which began in 1954.

There is. in my opinion. no better expression of what is best in this country of ideals and traditions than the food-for-peace program, and I think that explains the broad bipartisan support the program has had from the very beginning.

It was my privilege during 1961 and 1962 to be at the White House as an assistant to President Kennedy in directing this program. As it has evolved, different modifications and amendments have been in order, most, I think, for the purpose of strengthening it, and that is the spirit in which these reform amendments are brought to the floor by Senator STONE today.

They do not represent a rewrite of the program nor do they involve any new expenditures, but they recognize the importance of sharpening and, at the same time, broadening the policy thrust of Public Law 480.

Just to mention a few of the points, first, without in any way diminishing the importance of the food-for-peace program as a market development tool for the United States, these amendments would put new emphasis on the importance our sales and donations of food will have in the overall market development of the recipient country as well, which is in our interest as well as theirs.

Second, the legislative package stresses the important role that food aid can play in furthering the economic development of the countries we are trying to help. It goes beyond simply the transfer of packages of food; using food as a means of encouraging these countries to help themselves.

Finally, the bill directs that our food aid will be more consistent in supply, so you do not get these large swings of enormous quantities of food available 1 year and nothing the next.

It is impossible for any society we are trying to assist to operate in that kind of uncertainty.

So, Mr. President, this bill has the support of Senators from all political persuasions and all regions of the country. I think it is a very good, intelligent, and important policy step, and I commend the Senator from Florida (Mr. STONE) for putting before us what I think is a substantial and imaginative series of amendments in one package designed to strengthen our food assistance efforts.

Mr. JAVITS. Mr. President, first I concur with the Senator from South Dakota (Mr. MCGOVERN), and also thank the Senator from Florida (Mr. STONE) for being the voice of the committee which is putting before us a very fine reform program for food aid.

I wish to emphasize it is a no-cost measure which we are being asked to accept here in the bill, and it responds to the many criticisms of the Public Law 480 program on the ground that it is undermining local food production because we furnish the food when many of these countries could feed themselves. This is an effort to make a real reform in that regard, which is extremely helpful in terms of economic development.

So I join Senator MCGOVERN in hoping the Senate will adopt this amendment.

Mr. STONE. I thank the distinguished floor managers of the bill.

I yield back my time, and ask for a vote on the amendment.

The PRESIDING OFFICER. Is all remaining time yielded back?

Mr. MCGOVERN. Yes.

Mr. JAVITS. I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Florida (Mr. STONE).

The amendment was agreed to.

Mr. JAVITS. I move to reconsider the vote by which the amendment was agreed to.

Mr. MCGOVERN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

UP AMENDMENT NO. 269

(Purpose: To provide $1.7 million in grant military assistance to Sudan)

Mr. JAVITS. Mr. President, I send to the desk an amendment and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

> The Senator from New York (Mr. JAVITS), for himself and Mr. STONE, proposes an unprinted amendment numbered 269.

Mr. JAVITS. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

> At the end of the bill insert the following new section:
>
> SEC. . The amounts authorized to be appropriated for military assistance in the fiscal year 1980 by section 504(a)(1) of the Foreign Assistance Act of 1961 is increased by $1.7 million, which amount is authorized for Sudan for the fiscal year 1980.

Mr. JAVITS. Mr. President, the amendment provides $1,700,000 for the Sudan for fiscal 1980 for grant military assistance—what we call a MAP program. That is an addition to the total program of assistance of all kinds for the Sudan which now, based upon this and other bills, adds up to about $122 million.

Mr. President, from May 28 to 30 I visited the Sudan as a Special Presidential Emissary to Assistant Secretary of State Moose and the Acting Deputy Administrator of the AID, Alexander Shakow, as Congressman PRITCHARD, accompanied me.

The U.S. interest in Sudan is a highly strategic one. The Sudan is the largest country in Africa and, potentially, the most productive in Africa. The combination of Sudan and Egypt, in terms of peace in the Middle East, is probably the most powerful pro-peace unit that could be forged now, and it was in the light of that consideration that the President asked me to undertake my mission and look over their situation.

We all understand the problems of the poor country, rich in potential resources, looking over the border at Ethiopia, which is being armed to the teeth by the Soviet Union, with Cubans there all ready to pounce. The army of the Sudan, which is well trained, and has high morale and discipline, seriously lacks equipment and materiel. They, too, have had Soviet materiel and it is well worn out and obsolete. President Sadat recognizes the critical importance to him and to Egypt of the Sudan and there is a mutual defense arrangement between them. But Sadat has as yet not been able to replenish his own military stock, nor has the cooperation between Egypt and the Sudan militarily developed and matured as yet to a sufficient degree so that he could buttress Sudan in a sudden emergency. Moreover, Egypt is a very heavily populated country, and there is a certain amount of historical concern in Sudan that if it depends exclusively on the Egyptians, the Egyptians might never go home.

We understand all that, but the relationship is there to be forged and relations are close and cooperative.

Having looked it over very, very carefully, I came to the conclusion that the one thing we could do for them right now is to add enough money, in a little MAP program, to give them more ready access, on a grant basis, to the kind of equipment, spare parts and materiel which it is easy to get by grant if you are a MAP recipient. There are big needs in Sudan. But there are also many small ones—jeeps, bulldozers, spare parts, et cetera.

I realize that as a matter of policy we do not have many MAP programs, and that we are trying to reduce the number. But I think this is uniquely a case where, by a very small expenditure of $1.7 million, we can do a great deal. There is a lot of leverage in a very small amount. It is for that reason that I commend it to the Senate.

The other MAP countries are Portugal, where there is a $30 million program. Spain, $38 million; Jordan, $30 million; the Philippines, $35 million, and Turkey, $50 million.

While I understand the reluctance to add another one, I think in this case it is very well deserved, and the cost-benefit ratio is very high.

The Assistant Secretary of State does not necessarily agree with me, Mr. President. He wrote me, under date of June 6, 1979. As I do not have permission as yet to put his whole letter in the RECORD, I will just read the paragraph which relates to the particular matter immediately before us. He says:

> Regarding the MAP program for Sudan, I am not convinced that this is necessary to accomplish our desired goal. One distincentive would be MAP eligibility to participate in the EDA program. While MAP eligible countries receive these excess articles on a grant basis, our experience is that most of the items available under EDA—that is, excess defense articles—will be available to Sudan. Sudan could use excess credit to obtain EDA if it wishes.

The Senator from Florida (Mr. STONE), who joins me in this matter most proudly, has caused us to incorporate in the security assistance bill additions both the ESF and the military sales credits for the Sudan, a brilliant and essential job. And notwithstanding the equivocal views of the Assistant Secretary of State who was with me, I still think we ought to take this step, because I realize the value of it notwithstanding the smallness of the amount. Applied in the right places, it can do a lot, especially to see that previously approved sales are in fact consummated, despite Sudan's extreme economic and foreign exchange difficulties, which has required Sudan to accept strict conditions from the IMF.

So I hope, Mr. President, that Senator McGovern, my colleague for the majority, might consider favorably the adoption of this amendment. It could make possible the early receipt of urgently needed equipment. Sudan's security situation has been gravely jeopardized in recent months by an enormous influx of refugees from Eritrea and Uganda, which severely complicates its border security problems.

I yield to the Senator from Florida.

Mr. STONE. Mr. President, I join in sponsoring this amendment with the distinguished senior Senator from New York, who has just led a mission to the Sudan and viewed the situation in person.

We are in a series of Middle East negotiations in which one of the most important contests is between moderates and rejectionists who oppose the Sadat negotiating process, and the moderate Arab States, only a few in number, which support it. The pressure on those moderate Arab States which support the Sadat negotiating process is strong. But it is mainly psychological; and the greatest way we have of supporting the Sadat negotiating process as to the contest I have just described is to go on record tangibly and in every other way in support of those moderate states in the Arab world which are themselves standing up for the peace process so important to the goals of the United States and the Middle East in resisting Soviet penetration and in resisting radicalization of the area.

This amendment will help us do that, because it will not only reassure the leadership and the citizenship of the Sudan that the United States admires, respects, and supports their courage in standing up for the Middle East peace process, but that we do so tangibly, and not merely once, as we did a few weeks ago, but repeatedly, to insure that we, the United States, can be deemed a reliable ally of our friends and associates in the Middle East and around the world.

I therefore hope not only that the committee and the Senate will accept this amendment, but that the conference will accept this amendment. It will do a lot for the U.S. role in the Middle East, to show that we mean business and support our friends.

Mr. JAVITS. I thank my colleague very much.

Mr. President, I have just one further brief word of explanation. We figure on $1 million as covering additional equipment and $700,000 to cover transportation costs which have accrued on the $5 million in foreign military sales credits which we have provided the Sudan in fiscal 1979. Inflation and balance of payments problems for that country have eaten heavily into the $5 million credit program which we have already given. That is the composition of the $1.7 million figure. High priority should go to such items as bulldozers, jeeps, and spare parts.

Mr. President, the problems of the Sudan are enormously complicated by the fact that it has taken tens of thousands of refugees from Eritrea which is being "pacified" by Ethiopia with the aid of Cubans, and about 100,000 refugees have come over from Uganda into Sudan's already volatile southern provinces. Up until the early 1970's there was war between the north and the south in the Sudan and the refugee influx could unsettle that situation, especially if Libya, which backs Idi Amin and opposes Sudan's support of Sadat, tries to stir up trouble.

For all of these reasons, Mr. President, I hope the majority may see fit to accept this amendment.

Mr. McGOVERN. Mr. President, I agree with everything the Senator from New York and the Senator from Florida have said about the importance of us providing some modest assistance to the Sudan at this time. I only wish that our own budget pressures were not so intense so that we could do more. If there is any legitimate claimant on American understanding and support at this time in Africa, it is the Sudan. Senator Stone and Senator Javits have both drawn attention to the role the Sudan has played in supporting President Sadat's initiatives for peace in the Middle East. But beyond that, the Sudan is a vitally important country in its own right. It is the largest country in terms of land mass on the African Continent. It has one of the best records on human rights of any country in Africa. Under the leadership of President Numayri it has peacefully and successfully terminated the 17-year civil war.

It serves as a bridge between the African world on the one hand and the Arab world on the other. In that sense, it is crucial to our hopes for stability of the Middle East and also throughout Africa. Senator Javits has said it has an unstable border situation today. It has been overrun with refugees from the war in Uganda. The Chad civil war is waging next door. There is the problem with the Eritrea refugees.

All of these things, including the difficulty with Ethiopia, have placed new pressures on Sudan.

A few days ago the Foreign Minister of Sudan, Dr. Francis Deng, called in my office and urged consideration for a much larger American aid response to the needs of the Sudan.

It is my understanding that he will see Senator Javits and other Senators this week.

The Sudanese Ambassador accompanied him, and I told them that because of the budget pressures we are operating under this year and the fact that it is already late in the legislative year, it would be difficult for us at this point to look for larger economic assistance. But I think this very modest proposal that Senator Javits has made is one that the Senate and the Congress ought to accept.

I think our colleagues know that Senator Javits gave up his Memorial Day recess to make a very strenuous trip to the Sudan at the request of the Congress and with the full support of the President and the administration to look at the situation there.

What he has to say on these problems is more up to date and more current than any of the rest of us are capable of bringing to bear on the problem.

For all of these reasons, Mr. President, I not only support his amendment but I very much hope it will be adopted by the Congress.

Mr. JAVITS. I thank the Senator.

Mr. President, I yield back the remainder of my time.

Mr. McGOVERN. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER (Mr. Boren). All time has been yielded back. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. JAVITS. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. McGOVERN. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. JAVITS. Mr. President, I yield myself 5 minutes.

Mr. President, I take the benefit of the presence of the Senator from Arkansas (Mr. Pryor) in the Chamber to address a question to him. He chairs the appropriate subcommittee of the Governmental Affairs Committee that deals with the disposal of excess government property. I ask him if he will be kind enough to comment on a problem of which I have become aware which seems to me to be worthy of his and the Senate's consideration.

It appears that, in the course of the last 2 years, we have reduced greatly the capability of AID, the government agency which we are considering today, to acquire excess U.S. Government property. Its former priority vis-a-vis the States and the other units of the Federal Government was reduced by legislation passed in 1977. It now does not have that, because it is required to put up 25 percent of the original cost of this excess property in order to get it for its purposes.

I had in mind restoring that priority, but with a limit. While there are billions of dollars involved, my amendment would have put a ceiling on AID's priority of $35 million worth of U.S. Government excess property. The private voluntary organizations, the church groups, the American Red Cross, and the many other organizations supported by U.S. people who are philanthropic in their outlook, which function so effectively overseas—would have been given access to $10 million worth of excess property. I realize, as I studied the question of introducing this amendment to restore the priority of AID and the private voluntary organization that other very serious problems have arisen as a result of the 1977 law. So I thought that, perhaps, instead of resolving this AID question through the introduction of an amendment at this time we might make some progress if the Senator would provide his views on the following.

That we might accelerate the time when the GAO, which is doing a study on the overall effect of the 1977 law, may be asked to complete that portion of its study dealing with the effect the 1977 law is having on the priority of AID and the PVO's. The entire study is to be completed in April 1980. I would ask that the specific portion that I am concerned about be completed in January 1980 in order to enable the Committee on Foreign Relations to crank the findings of the GAO report into the hearings for next year's foreign assistance bill. I think that would help us very much.

I would appreciate any other comment upon this matter by Senator Pryor, because I am sure he has the same motivation that I have, that he could make in respect of this problem.

Mr. PRYOR. Mr. President, I thank the distinguished Senator from New York and share his concern that the agencies he has discussed be given the full cooperation of other agencies to the extent consistent with current law. The missions of foreign assistance agencies have the support of Congress and we must certainly review every program that affects accomplishment of those missions.

Almost 3 years ago, Congress developed a comprehensive program for the donation of Federal surplus personal property. That legislation, Public Law 94–519, was the product of the efforts of many people, but leadership was provided by the distinguished chairman of House Government Operations Committee, Mr. Brooks, and a distinguished previous chairman of the subcommittee I now chair, the junior Senator from Georgia (Mr. Nunn).

With considerable foresight, the authors of Public Law 94–519 required a careful analysis of the effects of the statute during the first 2 years of its existence, following its effective date of October 17, 1977. Both the Administrator of General Services and the Comptroller General must submit reports within the 6 months following expiration of the initial 2-year period.

I ask unanimous consent to have printed in the Record at this time the language of the act requiring such reports.

There being no objection, the language was ordered to be printed in the Record, as follows:

Sec. 10. Not later than thirty months after the effective date of this Act, and biennially thereafter, the Administrator and the Comptroller General of the United States shall each transmit to the Congress reports which cover the two-year period from such effective date and contain (1) a full and independent evaluation of the operation of this Act, (2) the extent to which the objectives of this Act have been fulfilled, (3) how the needs served by prior Federal personal property distribution programs have been met, (4) an assessment of the degree to which the distribution of surplus property has met the relative needs of the various public agencies and other eligible institutions, and (5) such recommendations as the Administrator and the Comptroller General, respectively, determine to be necessary or desirable.

Mr. PRYOR. The Senator from New York has, with his wisdom, suggested that an additional study be made by the General Accounting Office reviewing the implementation of Public Law 94–519 together with other relevant legislation as it affects agencies covered by the Foreign Assistance Act. I think this is a good sound proposal, and a prudent way to gather information on a subject of great importance to both the Foreign Relations Committee and the Governmental Affairs Committee, particularly its Subcommittee on Civil Service and General Services which I chair. I, therefore, concur in his request.

I wish to state to the Presiding Officer and to the Senate that we do want this study to be made very quickly. I concur in the thoughts and wishes of the Senator from New York.

Mr. JAVITS. Mr. President, if the Senator will allow me, I gather, then, that the Senator would be willing to join me in whatever effective way is appropriate to make this request of the GAO.

Mr. PRYOR. I should be very proud to join with the distinguished Senator from New York in the request for this additional study that we need.

Mr. JAVITS. I thank my colleague, very much.

Mr. PRYOR. I thank the distinguished Senator from New York for his suggestion.

UP AMENDMENT NO. 270

(Purpose: To provide for payment of travel expenses related to educational purposes for dependents of employees of the State Department, the International Communication Agency, and the Agency for International Development)

Mr. MATHIAS. Mr. President, I have an amendment which I send to the desk and ask that it be considered.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Maryland (Mr. Mathias) proposes unprinted amendment numbered 270.

Mr. MATHIAS. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 36, between lines 11 and 12, insert the following:

CERTAIN TRAVEL EXPENSES

Sec. 121. (a) Section 5924(4)(B) of title 5, United States Code, is amended by striking out "one annual trip each way for each dependent of an employee of the Department of State or the United States Information Agency," and inserting in lieu thereof a comma and the following: "in the case of dependents traveling to obtain secondary education, one annual trip, or in the case of dependents traveling to obtain undergraduate college education, two annual trips, each way for each dependent of an employee of the Department of State, of the International Communication Agency, or of the Agency for International Development."

(b) The amendment made by subsection (a) shall take effect on October 1, 1979.

Mr. MATHIAS. Mr. President, this amendment is a very simple one. It simply provides additional travel allowances for the college-age dependents of AID personnel. In the course of recent months Mrs. Mathias and I have been discussing the implications of the International Year of the Child and what the International Year of the Child ought to mean. It occurred to me that one of the serious questions that ought to be raised is what we are doing to our own children, the children of Americans who serve this country in various parts of the world.

Of course, the answer to that question is that we are helping to isolate children from their families; we are helping to loosen family ties, which, in a period of great change in the world, ought to be strengthened. One of the ways to strengthen family ties and to help restore the stability of families—families for whom we have a particular responsibility here, in the Senate—is to provide that these families can be reunited more often than is presently possible under existing law. We already have done this, a month ago, with respect to State Department dependents and ICA dependents, so we are merely rounding out this program in providing the additional travel for the dependents of AID families.

I hope that this amendment will be agreeable to the Senate because I think it is good policy and I think it is simple justice.

Mr. JAVITS. Mr. President, I note that this particular amendment relates to dependents of U.S. Government officials serving abroad. Considering the disruption of families which occurs and the need for getting good people, who may have children, in these top policymaking jobs, and the fact that we have to compete for talent with private business which sends people abroad and gives them privileges of this kind, the relatively small amount of money which is utilized by the United States in the process, it seems to me and to Senator McGovern, who instructed me respecting this matter just before he left the floor, that this amendment should be acceptable. At least, we certainly should take it to conference and endeavor to get the conference to approve it.

So, on behalf of both sides, Mr. President, in the absence of Senator McGovern who, as I said, instructed me before he left, I am willing to accept it for the committee.

Mr. MATHIAS. I thank the distinguished Senator from New York.

Mr. President, the Senator is right. It does deal with dependents. It involves a relatively small expenditure of funds.

Mr. JAVITS. Mr. President, I suggest to the Senator, as we are waiting for Senators to come and present their amendments, that he does not yield back his time, and I will not, but that I would rather suggest the absence of a quorum and we will adopt the Senator's amendment as soon as we get another Senator in.

Is that all right?

Mr. MATHIAS. Mr. President, I make a point of order that a quorum is not present.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. JAVITS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JAVITS. Mr. President, I yield back the time in opposition to the Mathias amendment.

Mr. MATHIAS. Mr. President, I yield back the majority's time.

Mr. STONE. Mr. President, we yield back the majority time.

The PRESIDING OFFICER. All time has been yielded back. The question is on agreeing to the amendment.

The amendment (UP No. 270) was agreed to.

Mr. MATHIAS. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. JAVITS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. CHURCH. Mr. President, I suggest the absence of a quorum, and I ask unanimous consent that the time be allocated equally to each side, under the unanimous-consent agreement.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. JAVITS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

UP AMENDMENT NO. 271

Mr. PRESSLER. Mr. President, I send to the desk a modified version of my amendment No. 271 and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from South Dakota (Mr. PRESSLER) proposes an unprinted amendment numbered 271:

Insert the following new section at the end of Title I:

In recognition of the rapidly growing economic strength and ability to contribute to international development and security efforts of the nations of Western Europe, Japan and Eastern Europe, it is the sense of the Congress that the President should take all appropriate steps to negotiate with other developed nations to increase their contributions for development assistance through multilateral programs as well as through bilateral efforts.

Mr. PRESSLER. Mr. President, this amendment has both a domestic purpose and an international purpose.

During the debate on the Middle Eastern peace agreement I made the point that certainly in my State of South Dakota and elsewhere our people feel strongly that we should call upon other industrialized nations for assistance in paying for the Middle Eastern peace agreement. There is also strong feeling at this time of the need for fiscal austerity. We should be asking other industrialized nations to assist the developing nations. 1 was pleased that my amendment to the Middle East peace agreement was adopted. It provides that the President at least attempt to form a peace fund and seek contributions from other nations.

The fact of the matter is that in some rare instances the United States is giving less aid proportionately than some other industrialized countries and that is a fact that should be known. In other instances it is giving much more.

There is great misunderstanding about aid to the developing countries. I think that a discussion of this amendment and its inclusion in the bill will help clarify that and it will also assure our people that we are requesting aid be increased by other industrialized nations, some of which are becoming quite wealthy. We should be negotiating with them and talking with them about their responsibilities as well as our responsibilities.

Indeed, as I have pointed out, I am the first to admit that, in some instances, other developed countries are giving a higher portion of aid than we are, but those instances, I believe, are fairly rare. But there is a belief in our country, and it is a growing belief, with fiscal austerity, with the deficits in Government, that we should be more aggressive in asking other nations to form development funds with us and urging them and formally requesting that they also assist developing countries. Such approaches would have to be made in a diplomatic way. But I believe that including language of this sort will continue the necessary dialog and will enhance our understanding of the entire foreign assistance program.

So for those purposes I am proposing this amendment which I believe adds much to this bill.

Mr. JAVITS. Mr. President, will the Senator yield?

Mr. PRESSLER. I yield.

Mr. JAVITS. Mr. President, I have read the amendment. I have discussed it with the Senator. It is aceptable to me.

Mr. PRESSLER. I thank the Senator very much.

The PRESIDING OFFICER. Who yields time?

Mr. CHURCH. Mr. President, I have no problem with this amendment.

I think that it is altogether proper for the President to use the influence of his office to persuade allies of this country to do more in the way of extending economic assistance to needy countries. I believe that he should do this both with respect to the bilateral aid programs that other countries extend to the Third World and to the contributions they make to multilateral programs as well.

As the distinguished Senator from South Dakota has said we should in all candor recognize there are foreign governments that are doing more than the United States in the field of economic aid to needy nations. I hesitate to cite the statistics, because I believe that the statistics are misleading.

I have before me the latest set of statistics available to the Foreign Relations Committee based upon compiled data for 1977.

The difficulty with these statistics is that they embrace only economic aid, that is to say official developmental assistance.

As the Senator from South Dakota knows the United States is also deeply involved in giving grants of aid for security and military purposes. These figures do not take into account military and security programs.

Moreover, the United States through its FMS program provides large quantities of arms for sale to foreign countries at concessional terms. That is yet a different form of aid. Once again these figures do not take into account that form of aid.

So, with this in mind, and underscoring once more the fact that these figures relate only to developmental aid, I think it should be observed that Sweden leads the world in the amount of economic developmental aid it extends to Third World countries as measured by the percentage of its gross national product.

In 1977, Sweden gave 0.99 of 1 percent of its gross national product in developmental aid to needy countries. The Netherlands gave 0.85 of 1 percent of its national product for this purpose; Norway gave 0.82 of 1 percent; France 0.63 of 1 percent; Denmark 0.61 of 1 percent; Canada 0.51 of 1 percent; Belgium 0.46 of 1 percent; Australia 0.45 of 1 percent; the United Kingdom 0.38 of 1 percent; New Zealand 0.35 of 1 percent; Germany 0.27 of 1 percent; Australia 0.24 of 1 percent; and the United States 0.22 of 1 percent. Those countries giving less than the United States that fall within the category of industrialized nations are Japan which gave 0.21 of 1 percent; Switzerland 0.19 of 1 percent; Finland 0.17 of 1 percent; and Italy 0.09 of 1 percent.

I have little doubt but what countries with such strong economies as Germany and Japan could do substantially better than they are doing today. The fact is that our own extension of foreign aid, plus the heavy deficit in our trade account due largely to the importation of foreign oil, has shaken confidence in the American dollar in the international marketplace. It is the German mark and the Japanese yen that are knocking the dollar out of the box, not the ruble. This fact should be evident to those who examine the figures of our own allies, and our so-called trading partners. They constitute our fiercest competition in the global marketplace.

For this reason, I think there are countries that could do better in shouldering the load.

I mention these figures only in an effort to put this whole question in perspective, and I caution the Senate in examining these figures to remember that they relate to one form of aid only, economic development asistance. These figures do not include other forms of aid, such as military grant aid, and the sale of weapons on concessional terms.

So, Mr. President, I am prepared to accept this amendment. I agree with its objective and I commend the distinguished Senator from South Dakota for offering it at this time.

Mr. PRESSLER. Mr. President, will the Senator yield? I want to sincerely thank Senator CHURCH for his comments. I think the statistical analysis which he gave sheds much light, although, as he pointed out, statistics, any statistics, must be taken in the context of what portion of the subject matter we are talking about.

Coming from the State of South Dakota where we depend on trade, and selling our agricultural products abroad, we are especially interested in the development of the poorer countries. Through this effort, people throughout our country will be more assured that other countries are also being asked to share the burden.

I also want to thank Senator JAVITS.

I thank Senator McGOVERN who offered an amendment in committee, which was altered slightly regarding the Middle East agreement.

I also want to thank staff members, Rudy Rousseau, Jacques Gorlin, and Doug Miller, who helped draft this amendment.

I thank the Chair.

Mr. CHURCH. Mr. President, I urge the adoption of this amendment. I am prepared to yield back the remainder of my time.

The PRESIDING OFFICER (Mr. MUSKIE). The question is on agreeing to the amendment of the Senator from South Dakota.

The amendment was agreed to.

Mr. CHURCH. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. JAVITS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

UP AMENDMENT NO. 272

(Purpose: To increase the number of countries to be the subject of certain reports relating to human rights)

Mr. HAYAKAWA. Mr. President, I wish to call up my amendment which is cosponsored by the Senator from North Carolina (Mr. HELMS).

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from California (Mr. HAYAKAWA), for himself and Mr. HELMS proposes an unprinted amendment numbered 272:

On page 36, between lines 11 and 12, insert the following:

HUMAN RIGHTS REPORTS

SEC. 121. Paragraph (1) of section 116(d) of the Foreign Assistance Act of 1961 is amended to read as follows:

"(1) the status of internationally recognized human rights, within the meaning of subsection (a)—

"(A) in countries that receive assistance under this part, and

"(B) in all countries which are members of the United Nations and which are not otherwise the subject of a human rights report under subparagraph (A) of this paragraph or under section 502B(b); and".

Mr. HAYAKAWA. Mr. President, the purpose of my amendment is to increase the number of countries reported on by the Department of State in its annual human rights report to the Congress. It would expand the reporting requirement to include all member states of the United Nations.

As we seek to determine the proper relationship between the United States and the other nations of the world, we need a more comprehensive and useful information base in order to avoid inconsistency in the implementation of our foreign policy with regard to human rights. By expanding the reporting requirements to include all member states of the United Nations, this amendment would guarantee that the Congress has access to adequate and balanced information on human rights conditions in all countries.

This would allow the administration and Congress to compare and evaluate the status of human rights in a given country against similar information on other nations of the world community. By using the framework of the United Nations and its Universal Declaration of Human Rights, we can further our policy goals of increasing adherence to internationally recognized standards of human rights.

Under existing law, only those nations that are currently receiving direct bilateral U.S. assistance are included in human rights reports. As the single largest contributor to the United Nations and its related agencies, there is a need to report on all of its member states. Such reports would allow us to better evaluate our relationship with the United Nations as a whole and its members individually who are direct or indirect recipients of U.S. assistance.

Despite an increasing interest in human rights practices around the world and increased debate about the role that human rights concerns should play in foreign policy, current State Department reports fail to include a significant number of important nations. This year's report, for example, fails to mention the Soviet Union, Red China, South Yemen, Cuba, Argentina, Brazil, Chile, and South Africa, just to mention a few. As you can see on this world map I have prepared, we receive no reports from those nations indicated by the red lines. We are now in a position where we have no reports on the human rights conditions of over half the world's population. Our current selective approach makes a mockery of this Nation's self-proposed human rights concerns in failing to consider all nations of the world.

I would also like to mention, Mr. President, that this amendment would consolidate the State Department's rights information. The Department currently has human rights information on almost every country in the world—it simply is not prepared in a systematic report to Congress. The amendment simply requires the State Department to submit a single, systematic analysis of all of the member states of the United Nations.

The publication of specific country reports can have a tremendous effect on the country involved and its international image. Unfortunately the most serious violators escape this process, due to their ineligibility for assistance and thereby avoid the reporting requirements. Several friendly nations who would otherwise be eligible for assistance have terminated our programs in order to avoid selective reports. Still others now receiving assistance are questioning the benefits they receive as a friend of the United States, when they must have their country conditions singled out in selective human rights reports. It is important, therefore, to be consistent in our reporting requirements and have the information needed to evaluate country reports by comparison with their peers.

This administration has repeatedly emphasized that human rights concerns are the very soul of our foreign policy with all nations of the world. Clearly many more nations are eligible to receive direct or indirect U.S. assistance under this legislation than those who will be subject to the current reporting requirement. In addition, we now provide assistance in one form or another to practically every nation in the world through a myriad of international devices and funding mechanisms such as the international banks, the IMF and the U.N. itself. This amendment would be a valuable aid in considering our approach to improving the human rights situation worldwide.

Mr. CHURCH. Mr. President, the amendment as presently drafted, would require the State Department to furnish a report to Congress on the state of human rights in the United States. I believe that Congress need not obtain the State Department's opinions on this subject since we are presumably better aware of conditions within our own country than the department of Government which we have organized to deal with our relations with foreign governments.

Therefore, I would hope the amendment would be corrected to eliminate the requirement that the State Department report upon the status of civil rights within our own country.

Mr. JAVITS. Mr. President, will the Senator yield?

Mr. CHURCH. Yes.

Mr. JAVITS. I think it can be so corrected if in part (B) in the first line instead of using the words "in all countries which are members of the United Nations," we say, "in other countries not receiving assistance under this part which are members of the United Nations."

UP AMENDMENT NO. 273

(Modification of UP Amendment No. 272)

Mr. CHURCH. I ask the able Senator from California if the proposed modification in his amendment would be accepted.

Mr. HAYAKAWA. I would be happy to accept that correction of the Senator from New York.

The PRESIDING OFFICER. Will the Senator send that modification to the desk?

Mr. HAYAKAWA. I do accept that modification.

The PRESIDING OFFICER. The amendment is so modified.

The amendment, as modified, is as follows:

On page 36, between lines 11 and 12, insert the following:

HUMAN RIGHTS REPORTS

SEC. 121. Paragraph (1) of section 116(d) of the Foreign Assistance Act of 1961 is amended to read as follows:

"(1) the status of internationally recognized human rights, within the meaning of subsection (a)—

"(A) in countries that receive assistance under this part, and

"(B) in other countries not receiving assistance under this part which are members of the United Nations and which are not otherwise the subject of a human rights report under subparagraph (A) of this paragraph or under section 502B(b); and".

Mr. CHURCH. Mr. President, I am not going to object to this amendment. I am going to accept it in its modified form.

However, I must say that I think we made a mistake years ago in requiring the State Department to publish a report annually on the state of human rights in so many foreign countries throughout the world.

With the acceptance of this amendment we extend that requirement to all foreign governments and thus compound, in a way, the original error. Other governments are affronted each year by this particular ritual, and I fail to see how it serves our own interests to insist upon this particular from of an affront.

We are quite able to discern for ourselves what foreign governments are engaged in the gross violation of human rights. We do not need to publish critical reports on every government in the world, or nearly every government in the world, since few observe those standards relating to human rights that we would find acceptable.

I know from personal experience how incensed other governments are at what they regard as American arrogance in giving them an annual report card. I must say I can appreciate their sensitivity.

But this is a decision that was taken by Congress years ago. We are presently engaged in requiring from the State Department these annual report cards, and they do extend to most foreign governments. That being the case, I suppose that consistency requires that we extend the same requirement and insist upon the same report card for all foreign governments.

To include some governments and exclude others raises questions concerning the purpose of this whole exercise. Therefore, for consistency's sake, I am prepared to accept the Senator's amendment.

Mr. HAYAKAWA. Mr. President, I thank the distinguished Senator from Idaho for his remarks. I am grateful to him for accepting the amendments despite his reservations. I understand his reservations.

I decided to offer this amendment because it seems to me not so much a message to other countries as a kind of memorandum to ourselves to remind us with whom we are dealing with. If other countries take umbrage at what I regard as a private memorandum to ourselves, that is too bad; but I am very grateful to the Senator for accepting the amendment.

Mr. CHURCH. Mr. President, let me say in response that if these were private communications from the State Department to the Congress, I would have no objection to them; but they are published communications, and they are available to all the world. Each government critiqued by us each year obtains a copy of our criticism.

I never have understood how this advanced our interests. It offends other governments, it creates friction, it does nothing to improve the state of human rights within the countries concerned.

This is a net loss operation, but we insist upon it. It has become a symbol of sorts, and since we do it for so many countries, I guess we might as well do it for the rest.

Mr. JAVITS. Mr. President, will the Senator yield on my time?

Mr. CHURCH. Of course.

Mr. JAVITS. Mr. President, the fact that we undertake such report for so many countries does not necessarily mean we have to do it at all. The Senator from California is right, and I support his amendment and will join in accepting it so long as we stay where we are; but I think the point made is extremely valid. We all know of one very large country, very important to the United States, whose name I will not state because we all know which country it is. The relationships between ourselves and that country are often somewhat strained. It is highly important to the interests of the United States, notwithstanding real deficiencies in human rights on the part of that country; and, while I am just as ardent an advocate of human rights as the Senator from Idaho, I cannot fail not to recognize this strain. I think human rights are being worsened, not assisted, because of that so-called report card.

However, I call to the attention of the Senate that in section 502B of the Foreign Assistance Act, there is a subsection (c) which says that upon the request of the Senate and the House of Representatives, or of the Foreign Relations Committee of the Senate or the International Relations Committee of the House of Representatives, the Department shall, within 30 days after the receipt of the request, give us a full and detailed report on the human rights situation of any country on which we want a report.

Mr. President, that is a quite broad authority. So we may not need this report card or this list.

I would like to turn to Senator HAYAKAWA and ask the Senator, what he thinks about this matter? Might he be willing to add to his amendment the fact we report on all countries or on none, and take it to conference and have a new look at this whole question?

If that is the fundamental thrust of what the Senator has in mind, I am willing to do it. If it is not, we will proceed on our own recognizance. But I would like to inquire as to the Senator's motivation in this. Does the Senator say, "If you are going to have them to report on all the countries, then report on them all," or is the Senator saying, "Whether or not you have the report on all, let us rely upon the selective practice"?

Mr. HAYAKAWA. Mr. President, in reply to the distinguished Senator from New York, first I would like to point out that the House has already accepted an amendment of this kind, under the sponsorship of Representative LAGOMARSINO. I would like to stay with the House version, not only because I agree with it, but because I do think that the idea of asking for all the reports on the part of the United States makes a certain amount of sense, as long as it is consistent. So I would prefer to leave it in the present form.

Mr. JAVITS. What does the Senator think about the proposition just made by Senator CHURCH? Are we going to wait for this reporting requirement to break down of its own weight, as such things often do, because it is impractical? Should we just wait for that, with whatever damage it causes our country? I just wonder whether Senator CHURCH and I should not sponsor an amendment to take the whole reporting requirement out, in order to get it to conference to consider whether to decide on a new policy. We would do so if there is enough sentiment for that.

I think the Senator has made a very useful point. It is not going to be changed without some special law, and that is a very important question unless we get it to conference.

Mr. HAYAKAWA. Does this involve, Senator JAVITS, a vast amount of work, and is it a vast burden upon our bureaucracy, do I understand?

Mr. JAVITS. Yes.

Mr. CHURCH. It not only involves a great deal of time, but a great deal of expense. It is just another illustration, I might say, of Pogo's famous statement: "We have met the enemy, and they is us."

Mr. HAYAKAWA. Will the Senator from New York be so kind as to restate the alternative he proposes?

Mr. JAVITS. The alternative would be to add to this amendment another provision which would say that in the absence of doing what the Senator suggests be done, section 502B (a) and (b) be repealed. In other words, we would leave the power to each of the committees and the power of the Senate and the power of the House to ask for any specific reports.

I am not trying to force the Senator to do anything, but it strikes me that one has to understand the motivation with relation to this matter in order to try to perhaps open the door to a new policy.

I am perfectly willing to take the amendment. But it strikes me that we have heard something with relation to the policy of our country which is very important. Senator CHURCH and I can take the responsibility on our own, if we feel we should. But it just struck me that by ascertaining the motivation of the author of the amendment, we might see whether that is really the motive. Sometimes if you want to change something you just load it so it breaks its back. I have done that and others have done it. It is a perfectly legitimate approach.

That is the question I asked, if it was Senator HAYAKAWA's fundamental purpose to really get a report on all of these nations. If so, he has his amendment and it will be on the bill as we take it to conference. But if his fundamental motivation is to get rid of the whole reporting requirement, we ought to know it and perhaps we will go along with that, too, in order to bring the matter to a head and then we can settle the matter with the House. That is the reason I asked the question.

If the Senator says he is going to stick with the amendment, we are going to take it.

Mr. HAYAKAWA. If the Senator from New York wishes to join with Senator CHURCH in introducing an alternative amendment, I shall be glad to consider it and weigh it.

Mr. JAVITS. We will take this one.

Mr. CHURCH. Mr. President, I am prepared to yield back the remainder of my time. If I understood the colloquy correctly between the distinguished Senators from New York and California, some consideration will be given, if this amendment is accepted, to the possibility of offering another amendment that would deal with the issue we have discussed.

Mr. JAVITS. That is correct.

Mr. CHURCH. With that understanding, Mr. President, I am prepared to yield back the remainder of my time and urge the adoption of the amendment.

Mr. HAYAKAWA. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. All time has been yielded back. The question is on agreeing to the amendment.

The amendment (UP No. 273) was agreed to.

Mr. HAYAKAWA. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. JAVITS. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

UP AMENDMENT NO. 274

(Purpose to make available funds under the bill for the benefit of any country demonstrating any significant improvement in its human rights record)

Mr. HELMS. Mr. President, I have an unprinted amendment at the desk and I ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

> The Senator from North Carolina (Mr. HELMS) proposes an unprinted amendment numbered 274.

Mr. HELMS. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

> On page 36, between lines 11 and 12, insert the following:
>
> HUMAN RIGHTS
>
> SEC. 121. Section 502B of the Foreign Assistance Act of 1961 is amended to add the following:
>
> "(e) Notwithstanding any other provision of law, funds authorized to be appropriated under this Act or the Arms Export Control Act may be made available for the furnishing of assistance to, or the extension of credits or the guarantee of loans with respect to, any country which demonstrates any significant improvement in its human rights record.".

Mr. HELMS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. HELMS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HELMS. Mr. President, I shall be very brief because this matter has been discussed on a number of occasions. A copy of the amendment has been furnished the distinguished managers of the bill.

I would say that all that the Senator from North Carolina seeks to do with this amendment is to move just a little bit further down the road in making our Nation's human rights policy more responsive to other policy needs.

This amendment, which is very similar to one added to the Security Assistance Act, S. 584, which passed the Senate several weeks ago, simply allows the President a little more flexibility in applying human rights standards.

Mr. JAVITS. Mr. President, I yield myself 3 minutes.

My objection to this amendment is that it has no criterion which is capable of any kind of a really reasoned judgment, considering what is at stake. The criterion is, "any significant improvement in its human rights." I really cannot tell what "any significant improvement" is in human rights. It seems to me that it is a standard which no court or anybody else could apply.

Second, it does not say who applies it. It is true that the amendment is permissive—that is, that funds may be available. The important point to make is that it does not define who is to make this judgment, nor set any criterion, as I say, that is definite enough to be applied by a court.

Furthermore, Mr. President, it includes arms. It would mean that if Argentina, which is specifically spelled out in the law, as a country, which is specifically prohibited from any assistance or arms program of the United States or from buying arms in the United States, makes, I would say, any significant improvement, it could get U.S. arms.

I would hardly know where to stop. With nobody to make the decision, it just seems to me we would be inviting a tremendous wrangle over whether we have opened the door wide to any country, no matter how strongly we may feel about it.

This could be extended to countries that have been named as aiding and abetting terrorists. I just do not know where we stop.

Also, the Senator referred to the fact that we had accepted a similar amendment in the security assistance bill, but that amendment is an extremely different one from this one. That says as follows:

> In allocating the funds authorized by this act and the Arms Export Control Act, the President shall take into account significant improvements in the human rights records of recipient countries, provided that such allocation of funds does not contravene any other provision of law—

As, for example, the prohibition against Argentina. That is a very different amendment from this one.

For all of those reasons, Mr. President, I cannot see what we can do about this amendment.

Also, Mr. President, if we were even going to consider this amendment, I certainly think arms ought to be excluded from it. Also, I think the judgment has to be given to somebody, and that immediately supposes the President of the United States. That poses another problem.

Right now, Congress has the judgment over whether certain countries have improved their human rights record, we would have to pass another law to take out Argentina or to take out any other country that we wanted to. I am not so sure I want to agree to take that power away from Congress and give it to the President.

Finally, right now, the President can find that a nation is no longer in gross violation. That would go for everybody but Argentina, which is expressly prohibited, and Chile, also which is expressly prohibited. Their being expressly prohibited in Congress, we should expressly permit them if that is the way we feel.

For those reasons, Mr. President, I find it extremely difficult to see how we can work our way out of this amendment.

Mr. HELMS. Mr. President, I say to my friend from New York that the criteria which he finds lacking in this amendment create no problem. We already have the human rights reports assembled by and in the State Department. I see no difficulty about that.

The Senator is concerned about Argentina. He failed to mention Chile.

Mr. JAVITS. I then did, Mr. President.

Mr. HELMS. I did not hear the Senator. Argentina and Chile are in the same boat. I confess to my friend from New York that I think it is about time to give these two countries a little light at the end of the tunnel, to encourage them. There have been a number of reports recently in which some of the most severe critics of Chile, for example, have acknowledged that great strides have been made.

I, for the life of me, do not understand a foreign policy or a foreign aid program that just keeps the thumb on two countries while overlooking conduct at least as bad or even worse by other countries with which we do business and to whom we extend aid.

For countries like Argentina and Chile, this amendment, as I say, provides just a little bit of light at the end of the tunnel. While not specifically striking the provisions of the Kennedy amendments relating to these countries, it does allow—and I acknowledge this—the President to waive those restrictions if and when the President finds that either country demonstrates that it is making significant improvements in its human rights situation. To be sure, as the Senator says, that is a subjective judgment and it is one that is given to the President, but I do not think that this President is going to lean over backward trying to be accommodating to Chile or to Argentina.

I say to my friend, what would be wrong with saying to these two countries, "There is some light down at the end of that tunnel. Keep on keeping on. We do not want to have an adversary relationship with you forever."

What is wrong with that posture by the Senate? That is all this amendment proposes. It proposes to give the President flexibility that he does not presently have in our relationship with these two countries. Maybe that is wrong. We have had a great deal of bombast from time to time in the Senate about Chile and Argentina from those who are, apparently, blind to the conduct of other Marxist nations. Maybe the trouble is that Argentina and Chile are both anti-Communist. I hope that is not the trouble, but we are being mighty selective in the way we put the thumb down on these two countries.

I have said many times on this floor that I am probably the only U.S. Senator who has visited Chile in the last 10 years. I know of no other Senator who has been there. I went there, not at Government expense. I did not take a Chilean Government tour. I went there and I visited with people in all walks of life—farm groups, school groups, teachers, businessmen and, yes, I visited with the President.

I say to the Senate, Mr. President, that these people want to be our friends. They have stood against communism. They are coming back from a Communist dictator who ran that country and just about ruined it. When he was deposed, the inflation rate in Chile was 1,000 percent. Under the present administration they have brought inflation down to something less than 100 percent now. We shiver and tremble when we get into double-digit inflation; but think about the 1,000-percent inflation that was created by that Marxist dictator down there.

I am not going to take the Senate's time for another full-blown debate over the human rights records of Chile and Argentina. The Committee on Foreign Relations has agreed to undertake a thorough review of that with hearings later this year, and I am grateful to the Senator from New York and the Senator from Idaho for agreeing to do that.

I think it is long overdue. But I would simply point out the fact that under present law there is no ability for the administration, no matter what the circumstances may be, no matter how much the administration may want to do it, there is no provision for the administration to stipulate positive incentives to either country in the event that progress in human rights is made.

Thus, there is less incentive for action on the part of either.

I think, really, that to reject this amendment would be cutting off our noses to spite our faces, because the people in those two countries will say, "Well, what's the use? What's the use; no matter how hard we try, they're not going to do anything to work with us."

I reiterate, Mr. President, that these are two anti-Communist countries which want to be our friends. Argentina, in particular, is a highly productive country and in a position to be very helpful to the United States.

Mr. President, I regret that my friend from New York objects to the amendment. I had hoped not to have a rollcall vote on it, but I am going to ask for the yeas and nays on the amendment.

Mr. JAVITS. Mr. President, may I ask the Senator a question?

Mr. HELMS. Yes.

Mr. JAVITS. I think we probably could work up the proper criteria. That does not bother me. The Senator and I have worked creatively before and we will many times again.

Mr. HELMS. With great pleasure to the Senator from North Carolina.

Mr. JAVITS. On this and many other amendments.

Mr. HELMS. Yes.

Mr. JAVITS. But it worries me that if we give the authority in this case to the President, we take it away from the Congress. What does the Senator say?

Mr. HELMS. I do not have any question on that, it just gives him a little more flexibility. He has none now and he does not have any disposition at the present time even to accord these two countries any consideration, I say to the Senator.

I would be glad to work with my friend from New York.

Mr. JAVITS. I know.

Mr. HELMS. On anything that will ameliorate the situation that now exists.

Mr. JAVITS. May I make this suggestion, and it is just a suggestion, for myself and Senator CHURCH.

Mr. HELMS. Yes.

Mr. JAVITS. I think we ought to let Senator KENNEDY know that this amendment is pending.

Mr. HELMS. Fine.

Mr. JAVITS. I think that is only fair. Does the Senator agree?

Mr. HELMS. Yes; of course, I agree.

Mr. JAVITS. And we ought to perhaps take a few soundings from other members of the committee to see if it is possible to arrive at any agreed language. I think we can work out a definition—I am sure we can. But I think the question of whether the President or Congress has the authority becomes the focus.

Another question, what does the Senator say about arms, would the Senator want to insist on having arms included?

Mr. HELMS. Yes. Not because I anticipate or even want any specific dealings, but, again, I think the President ought to have some flexibility in this regard.

Mr. JAVITS. I think Senator CHURCH would find that really impossible, if the Senator insists on that.

Mr. HELMS. Of course, we can talk about that.

Mr. JAVITS. May I make the suggestion then, that the amendment be temporarily withdrawn?

Mr. HELMS. I think that is an excellent suggestion.

Mr. JAVITS. And find another way.

Mr. HELMS. The Senator from Idaho and the Senator from New York always operate in good faith with this Senator.

Mr. President, I withdraw the amendment and will submit it at a later time, in a different form, perhaps.

The PRESIDING OFFICER. The amendment is withdrawn.

UP AMENDMENT NO. 275

(Purpose: To amend the name of the Institute to include the word "Scientific")

Mr. STEVENSON. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Illinois (Mr. STEVENSON), for himself, Mr. CANNON, Mr. SCHMITT, Mr. HATFIELD, and Mr. TSONGAS, proposes an unprinted amendment numbered 275.

Mr. STEVENSON. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Strike "Institute for Technological Cooperation" wherever it appears in the bill, and insert in lieu thereof "Institute for Scientific and Technological Cooperation."

Mr. STEVENSON. Mr. President, I ask unanimous consent that Frank Crawford and Barbara Bruns of my staff be granted privilege of the floor during consideration of S. 588.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. THURMOND. Mr. President, I ask unanimous consent that Mr. Hugh Hadden of the Judiciary staff be granted privilege of the floor during consideration of this bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STEVENSON. Mr. President, I submit an amendment which modifies the name of the Institute slightly, to make it the Institute for Scientific and Technological Cooperation.

This is a minor change, yet significant. According to the title, the purposes of this Institute are "to strengthen the capacity of the people of developing countries to solve their development problems through scientific and technological innovation, to foster research on problems of development, and to facilitate scientific and technological cooperation with developing countries."

"Scientific" and "technological" are not redundant. There is a difference in the time horizons of "scientific" and "technological" research. There is a differing degree of direct relevance to specific problems inherent in the nature of science and technology. There is a difference in the cast of mind, the institutions, and training required for basic science, as opposed to technological research and application.

Yet the institutions and competence for both science and technology are an integral part of the development process. It is true developing country governments traditionally have favored support for basic science and left engineering and applied technology weak. As these countries seek to redress the imbalance, however, the importance and greater potential of long-term inquiries should not be forgotten.

The bill which I introduced, S. 499, to

establish a Foundation for Scientific and Technological Cooperation, made this dual emphasis clear. At the suggestion of Representative FUQUA, who cosponsored my bill in the House, the change I am proposing now was adopted in the House.

The Institute would be amiss, and ineffective, were it to eschew scientific cooperation in favor of an emphasis on technological applications. The stated purposes of this title do not suggest this was the intention. The name of the Institute should make that clear, as well.

Mr. President, this amendment simply changes the name of the Institute proposed in title II of this bill. The amendment would make it the Institute for Scientific and Technological Cooperation.

The amendment recognizes that the purpose is cooperation with respect to both science and technology and makes the title more descriptive.

I would hope the distinguished managers of this bill would see fit to accept the amendment.

Mr. CHURCH. Mr. President, I do think that the proposed change in the name does more accurately reflect the function. Therefore, I have no objection to the amendment and would urge the Senate to adopt it.

Mr. JAVITS. Mr. President, the amendment is entirely acceptable to me.

The PRESIDING OFFICER. Is all time yielded back?

Mr. CHURCH. I yield back the remainder of my time.

Mr. STEVENSON. I yield back the remainder of my time.

The PRESIDING OFFICER. All time has been yielded back. The question is on agreeing to the amendment.

The amendment (UP No. 275) was agreed to.

UP AMENDMENT NO. 276

(Purpose: To direct the Institute to support research performed within the developing countries to the maximum extent practicable)

Mr. STEVENSON. Mr. President, I send another amendment to the desk and ask for its consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Illinois (Mr. STEVENSON) proposes an unprinted amendment numbered 276.

Mr. STEVENSON. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 37, line 19, insert the following: "in developing countries" immediately before "on".

On page 37, line 20, insert "and among" immediately before "developing".

On page 38, line 8, after "and", insert "to the maximum extent practicable".

On page 38, line 13, insert "and among" immediately after "with".

Mr. STEVENSON. Mr. President, this, too, is an insubstantial amendment. It simply states that, to the maximum extent feasible, the research contemplated for this institute should be conducted in the developing nations.

I have discussed it with the distinguished managers of the bill. This amendment conforms to the intention of the bill's authors and its purposes. I hope, therefore, that they will see fit to accept this amendment.

Mr. CHURCH. Mr. President, I do not have the wording of the amendment before me. I wonder if the Senator from Illinois can furnish me with the revised version of his amendment?

Mr. STEVENSON. Yes.

Mr. CHURCH. Mr. President, the amendment would direct the institute to support research performed within the developing countries to the maximum extent practicable.

I think all of us are agreed that if the institute is to have the desired effect and if we are to derive the benefit from it we hope for, the work should be done in the developing countries to the maximum extent practicable.

One of my chief reservations about the present American aid program is the extent to which we are spending funds inside the United States in the name of foreign aid.

I often think a large chunk of this program ought to be called a supplemental Federal aid program to the colleges and universities of the United States.

Therefore, I hope that in creating this institute, we will not duplicate that same tendency.

For these reasons, I think the amendment is a good one. I commend the Senator from Illinois for offering it, and I urge the Senate to approve it.

Mr. GLENN. Mr. President, will the Senator yield for a question?

Mr. CHURCH. I yield.

Mr. GLENN. The original version of this amendment, I believe, struck out "in the United States." I believe this version now leaves it so that if it is advantageous for the program to have funds spent in the United States, that still would be indicated in this amendment. Is that correct?

Mr. STEVENSON. The Senator is correct.

Mr. CHURCH. There is no exclusion from spending funds in the United States, under the modified version of the amendment.

Mr. JAVITS. Even more than that, if I may interject, when we use the word "preclude," we limit the LDC's to what is effective for the best use of the money, and I think that is what we all intend.

Mr. GLENN. The original version indicated that we really wanted to get this money out and get it overseas; and I think there might be programs in the science and technology area where the money would best be spent in the United States to the advantage of those countries. We want to make sure that would be clarified.

Mr. CHURCH. I think this amendment, as it is modified, would make the kind of spending to which the Senator refers the exception rather than the rule, and I have no quarrel with that.

Mr. JAVITS. Mr. President, the amendment is acceptable to me, and I join Senator CHURCH in suggesting to Senator STEVENSON that I think it is very constructive.

The PRESIDING OFFICER. Do Senators yield back their time?

Mr. CHURCH. I yield back the remainder of my time.

Mr. STEVENSON. Mr. President, I thank the managers for their cooperation and courtesy, and I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment as modified.

The amendment, as modified, was agreed to.

The PRESIDING OFFICER (Mr. CHILES). Who yields time?

UP AMENDMENT NO. 277

(Purpose: To provide for the establishment of a Board of Directors within the Institute)

Mr. STEVENSON. Mr. President, I send another amendment to the desk.

The PRESIDING OFFICER. The amendment will be stated. The legislative clerk read as follows:

The Senator from Illinois (Mr. STEVENSON) proposes an unprinted amendment numbered 277.

Mr. STEVENSON. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered. The amendment is as follows:

On page 37, line 20, strike "the President shall establish an" and insert in lieu thereof "there is hereby established in the Executive Branch of the Government an independent agency to be known as the".

On page 39, strike lines 4 through 11, and lines 17 through 21, and redesignate subsection (c) as subsection (b).

On page 39, line 24, strike "President" and insert in lieu thereof "Board of Directors established pursuant to section 205 of this Act".

On page 41, immediately after line 20, insert the following:

"BOARD OF DIRECTORS OF THE INSTITUTE

"SEC. 205. (a) There shall be established within the Institute a Board of Directors (hereinafter referred to as the 'Board') composed of nine members, one of whom shall be the Director of the International Development Cooperation Agency proposed to be created pursuant to a reorganization plan, who shall be Chairman, and eight of whom shall be appointed by the President by and with the advice and consent of the Senate, as follows:

"(1) three members shall be appointed from among appropriate officers or employees of agencies of the United States Government; and

"(2) five members shall be appointed from private life from among United States citizens knowledgeable about science and technology and the scientific and technological problems of developing countries, and such members shall be appointed for terms of five years, except that of any members first appointed and as designated by the President at the time of their appointment, three members shall be appointed for terms of three years, and two members shall be appointed for terms of five years. Any such member of the Board appointed to fill a vacancy occurring before the expiration of the term for which his predecessor was appointed shall be appointed only for the remainder of such term. Upon the expiration of his term of office, any member may continue to serve until his successor is appointed and shall have qualified. Such members of the Board shall be eligible for reappointment.

"(b) The President shall also appoint at least three citizens of developing countries with knowledge and expertise in the application of science and technology to the problems of development, as Advisers to the Board. Such Advisers shall each serve for a term of two years, and shall be eligible for reappointment.

"(c) The management of the Institute shall be vested in the Board of Directors. A majority of the Board shall constitute a quorum for the purpose of conducting business.

"(d) Members of the Board and Advisers who are not otherwise employed by the United States Government shall be entitled to compensation, not to exceed the daily equivalent of the highest rate which may be paid to an employee under the General Schedule established by section 5332 of title 5 of the United States Code, while in the performance of their duties under this title, and to reimbursement for expenses and per diem in lieu of subsistence while away from their homes, or regular places of business, in accordance with the provisions of section 5703 of title 5 of the United States Code for persons in government service employed intermittently. Advisers to the Board shall not be deemed officers, employees, or otherwise in the service or employment of the United States Government for any purpose."

On page 41, line 22, strike "205" and insert in lieu thereof "206".

On page 42, strike lines 4 through line 8 on page 45, and insert in lieu thereof the following:

"(b) The Director of the Institute shall be responsible for supervising the staff, developing the budget and directing the operations of the Institute, subject to overall policy guidance and review by the Board. The Director shall serve as an ex officio member of the Board.

On page 45, line 10, redesignate section 208 as section 207, and redesignate subsequent sections accordingly.

On page 45, line 10, strike "President" and insert in lieu thereof "Board".

On page 45, line 19, strike "President upon the advice of the Council" and insert in lieu thereof "Board and Advisers".

On page 45, line 23, strike "President" and insert in lieu thereof "Board and Advisers".

On page 46, line 2, strike "President" and insert in lieu thereof "Board".

On page 46, line 6, strike "President" and insert in lieu thereof "Board".

On page 47, line 6, strike "Council" and insert in lieu thereof "Board, Advisers,".

On page 47, line 23, strike "to the President".

On page 48, lines 5 through 6, strike ", in consultation with the Council,".

On page 49, strike lines 17 through line 2 on page 50.

On page 50, line 3, strike "(d)" and insert in lieu thereof "(b)", and on Page 50, on line 5, strike "four" and insert in lieu thereof "one".

Mr. STEVENSON. Mr. President, science and technology are powerful instruments of human advancement, but the world's researchers and scientific facilities are overwhelmingly concentrated in the developed countries. Less than 4 percent of world research and development is performed in developing countries on the problems of special concern to these areas. The technology which evolves in the developed world is not readily transferred by AID agencies and multinational corporations to the dissimilar conditions of the Third World.

The United States is in a position to contribute significantly to a world effort, already begun in other countries, to mobilize science and technology for development. United States scientific and technological resources are still preeminent in the world.

Science and technology could be elements of U.S. foreign assistance but existing aid strategies leave this potential virtually ignored. The Agency for International Development is ineffective in promoting research on the conditions of the poorer countries. Moreover, AID's mandates direct it to focus on assistance to the poorest countries and exclude collaboration with the middle-income LDC's where the greatest potential for R. & D. in the LDC's now lies.

Given the Agency's orientation toward large resource transfers, short-term results and bilateral relationships, effective scientific and technological cooperation has been all but impossible.

I support the President's initiative for a new Institute for Technological Cooperation. But sound intentions do not go far in a troubled and cynical world. To be successful, where AID has failed, this Institute should signal a break with the past. The Institute proposed in title II of this bill is to be a constituent part of a reorganized AID apparatus.

The Institute should be free to undertake work in countries and regions in different stages of development, and reflect the changing needs of the developing world. The Institute should address basic human needs in the poorest nations, complementing and strengthening the efforts of the Agency for International Development. It should also work on a cost-sharing basis with countries which have no need for concessionary assistance. These middle-income countries, of growing importance to the United States, have a continuing need for science and technology that will speed their development and help them strengthen their technological infrastructure. The Institute should be free to attract private sources of support, as AID is not.

Excellence in research and successful collaboration between United States and developing country scientists depends upon the credibility of the Institute. Credibility will come if the Institute develops a reputation for innovative work, scientific integrity, and professionalism rather than bureaucracy. It is not easy to square the need for credibility with the appearance of another AID agency.

The proposed transfer of programs and personnel from AID will hinder the Institute. AID has not been able to attract or keep the most talented scientific personnel. AID programs reflect an orientation and approach antithetical to objectives of the Institute. Its approach is bureaucratic; its objectives political. Yet, according to the administration proposal, over two-thirds of the Institute's budget and personnel will come from AID. The administration's rhetoric about a "new approach" for the Institute is belied by its action.

Successful research programs require that the Institute be shielded from the vagaries of politics and our proclivity to change development assistance slogans every few years. The shift over past decades from aid programs emphasizing large scale industrialization to "appropriate technology" is instructive. It suggests our preoccupation with panaceas rather than a stable commitment to the long-term process by which living standards in the developing world are improved. If nothing else, our experience over the past decades should teach us there is no one formula for development and leave scope for developing nations to identify their own priorities.

I question the extent to which an Institute for Technological Cooperation will be left to conduct its business in a fashion different from that of AID under an umbrella International Development Cooperation Agency. The Institute needs its own governing board with authority to set policy and priorities.

This amendment proposes such a board for the Institute. It proposes to organize this Institute just as the Overseas Private Investment Corporation is organized. The board would be composed of representatives from Government and the private sector. This board would be responsible for the management of the Institute much as the National Science Board is for the National Science Foundation. The board would insure some independence for the Institute within IDCA and afford a means of bringing the scientific communities to bear on the Institute's management and policy decisions. Appointment to the board of senior officials of relevant Government agencies would facilitate interagency coordination and the task of involving scientific and technological resources of the Government.

With approval of this amendment, the Institute would be more than just another development assistance agency. It would become a center for information about a wide range of U.S. and foreign research activities related to development. It would have the analytical capability to determine how U.S. strengths in science and technology can be directed to development and avoid approaches which are inappropriate. By linking U.S. scientists to counterparts abroad and directing research efforts to neglected problems of the developing areas, it will service the U.S. science and engineering communities as well as the developing countries. And with some independence, it would be able to effectively solicit financial support from the private sector.

This initiative offers an opportunity to develop mutually beneficial relations with the developing world. The Institute could move the United States beyond the patterns of past economic and technical assistance programs toward a recognition that the interests of the developing countries and this country can be advanced simultaneously. Perhaps the most important step would be to draw developing country experts into the management of the Institute. That is not likely to happen if it is another AID agency.

Mr. President, I believe the experience of other countries, including Sweden and Canada, bears me out. With this amendment, the Institute would have every chance to succeed, and that has been borne out by the experience of similar institutes in other countries.

Canada's International Development

Research Center pioneered the effort to spur technological cooperation with developing countries. The high reputation IDRC has won throughout the Third World stems directly from the sensitivity and flexibility this institute has consistently exhibited in its dealing with the poorer nations. One-third of IDRC's Board of Governors come from LDC's; over 65 percent of its staff is made up of talented, committed developing country scientists and engineers; over 85 percent of its funds have been channeled directly to developing countries, no strings attached.

This record has enabled Canada to reap fully the political and commercial good will of the countries it has helped. The contrast with U.S. experience in foreign aid is extreme. Now as we create a new agency designed to remedy some of the mistakes of the past, it is disappointing to see how little is intended to be changed. Developing country representatives will participate on an advisory council, with no management or policy authority. Sixty-five percent of the Institute's personnel will not come from developing countries, because it is already committed to some combination of "slots" and bodies from AID. Likewise, most of the Institute's activities, at least initially, will be the administration of programs from AID, hardly synonymous with the "no strings" transfer of resources.

The Institute for Technological Cooperation deserves a chance to succeed.

It deserves an organizational structure which affords the political independence necessary for flexibility and credibility: Credibility within the scientific community of the world, credibility with the lesser-developed countries, credibility also in the private sector upon which it could, with some independence, draw financial support, instead of drawing it exclusively from the Public Treasury.

Management by a board of directors is both precedented and appropriate. It is precedented with respect to OPEC, and it is appropriate—given the objectives of the institute.

There is a need in our scientific establishment for a new emphasis on international cooperation, and not only for development. International efforts to deal with the resource problems of an interdependent world have been long in coming. The United States and all nations depend on the markets and supplies of others. That dependence will be served by development that is humane and sensible; it could be led by the United States.

This Institute could intertwine objectives. At the same time it supports American scientists and generates scientific and technological knowledge. It could enhance political stability in the world and our own economic opportunity in the world. We have an opportunity here to create an institution which will advance the inseparable interests of the United States and the world.

For all those reasons, Mr. President, I hope that the managers of the bill, and I include among them my friend, the most distinguished Senator from Ohio, who has given this subject serious attention on both the Foreign Relations Committee and the Governmental Affairs Committee, will give their sympathetic consideration to this amendment.

I hope they will see fit to accept it.

Mr. SCHMITT. Mr. President, will the Senator yield?

Mr. STEVENSON. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator from Illinois has 21 minutes remaining.

Mr. STEVENSON. Mr. President, I yield to the distinguished Senator from New Mexico.

Mr. SCHMITT. Mr. President, I merely wished to associate myself completely with the remarks of the distinguished Senator from Illinois and underscore the importance of his amendment and the increased importance through that amendment of the Agency under discussion here.

Mr. President, both the administration and Senator STEVENSON should be complimented for recognizing the need to revamp our foreign aid organization in order to improve the development and utilization of technology to help less-developed countries; to employ our national strength, rather than trying to buy friends.

The security and well-being of the world depends on understanding, cooperation, mutual assistance, and trade among all its nations. Differences in standards of living and past history are the principal obstacles to good relations between the United States and the developing nations of the world. Educational, agricultural, health, and economic opportunities are the principal needs of the people of the developing world if they are to join in the benefits of the 20th century. New policies are required to solve the underlying problems reflected in distrust between nations, uncertain security, movement of illegal aliens, and other symptoms related to the gaps between the developed and developing nations. The educational and technological advancement of the U.S. institutions can provide the know-how the people of the developing world require to progress rapidly.

What is needed is a policy that would establish a new era in our relations with our neighbors; an era that remembers the lessons and inadequacies of our past policies and incorporates the strength and opportunities of our present educational, technological, and economic position in the world.

It has been obvious for decades that our de facto policy of neglect toward the developing world has steadily eroded relations between these nations and ourselves and has done little or nothing to help the people of those nations. It is obvious that foreign aid dollars have had little, if any, positive effect.

Both our foreign and domestic policies have been based on the idea that money will solve all problems. We have learned in our domestic policy that the lack of money is not always the cause of the problem and, therefore, money is not always the solution. The educational system in the United States is an example of this thinking. In the last 20 years we pumped billions of dollars into education and how we find that the quality of education has declined. It is time that we apply this lesson to our policy toward the developing world, realizing that dollars have not reduced the gap between us or advanced our relations with them.

People in Latin America, the Middle East, Africa, Southeast Asia, and elsewhere in the developing world have personally told me:

> Dollars go into the pockets of the government; know-how will go into our minds.

In this statement lies both the indictment of our past policies and a direction for our future policy.

It is not a black-and-white case of either transferring technology or not. In most cases, if we do not, somebody else will. In general, the greater good is served by being a player in the game. We also must remember that in many cases, unless we are a player, we will not be able to influence the rules. There are major needs to which technology can be applied in the developing world.

One need is gainful employment. In that the need, the greatest need, is the creation of food and fiber; the products that are necessary for internal consumption and the improvement of the quality of life and the quality and health of the populations, and the enhancement of their ability to live with each other internally. Also, there is the need for the creation of goods for export, whether it be raw or processed material or manufactured goods.

If we are going to help and stimulate manufacturing capability when we deal with certain countries such as Mexico, we carry a direct obligation to be a consumer of those goods.

The second major area of need is that of educational, health, and communications services. Technology transfer can help, for example, in the creation of communications systems without the need for developing the ground facilities already available in our own national communications system. That can be done now with one satellite and small ground receivers at the point of use. Nigeria, for example, does not have to put in the ground lines or the microwave systems or much of the physical plant to have a viable communications system, a system that could be, in fact, better than the one which we have in the United States today.

With good communications, educational, health, and other services can become rapidly and universally available.

And, thirdly, there is the use of international, joint sovereignty resources. In a global communications satellite system, we have taken a major step to do that. This is the only example where there is broad participation by the developing world in the use of an international technological resource. The Intelsat management agreements have provided one example of how a workable international agreement can be created and provide the benefits of technology to the people of the developing world.

The administration's proposal, which is contained in S. 588, reflects a sound intent to expand knowledge and increase the availability of technology to meet the needs of developing nations. The major shortcoming which I see in the administration's Institute for Technological Cooperation (ITC) is its lack of independence. The institute in S. 588 would remain subordinate to parts of the very same organization whose track record has inspired so little confidence in its ability to utilize and promote scientific research and technology for the mutual benefit of the United States and lesser-developed countries.

It is my hope that all efforts will be taken to insure that the institute is as independent as possible. Additionally, I would like to encourage the participation of the private sector in helping this institute achieve the goals for which it was conceived, for example, by contractual agreements between our private sector and governments of developing nations. Finally, I would like to stress the importance of the full involvement of the scientific and technical community at all levels of the institute's work.

The need for the high degree of independence is necessary to prevent the repetition of past failures and can better mobilize the full intellectual resources of this Nation.

Mr. President, finally, to emphasize the importance of what we are discussing here and to illustrate that, as I traveled some years ago throughout the developing world, in a different capacity, as a representative of the United States and a representative of science and technology, it was clear again and again in every country the vast respect that our technological and scientific capability has in the developing world. It is literally an untapped resource for this country in the conduct of our foreign policy and in the betterment of the condition of mankind here on Earth.

If we turn our backs on that resource at this time, or any other time, then we may well turn our back on the ability to counter the influence of others less altruistic than ourselves who are now moving with unfortunate success in these same developing countries.

So I again urge my colleagues and urge the committee to support the amendment of the Senator from Illinois.

We have worked very closely on this matter and related matters in our association over the last 2½ years, and I certainly commend the effort of the Senator from Illinois in this particular activity.

Mr. STEVENSON. Mr. President, I welcome the support of our distinguished colleague from New Mexico. He speaks not only as a Senator with some knowledge of this highly interdependent and unstable world, but also as a distinguished scientist. He speaks with some authority to the need for maintaining the credibility of this institute with the scientific community of the world.

I offer this amendment on his behalf, and on behalf of Senator CANNON, Senator HATFIELD, and Senator TSONGAS.

The PRESIDING OFFICER. Who yields time?

Mr. CHURCH. Mr. President. I yield such time as the Senator from Ohio may require.

Mr. GLENN. I thank the distinguished floor manager of the bill.

Mr. President, I think that this effort to make American technology and scientific efforts more available and to channel them more into developmental efforts around the world is a common goal all of us in the Chamber share.

I think the method of getting to that laudable end is a different matter, and I regret very much that I will not be able to support the amendment proposed by the distinguished Senator from Illinois.

I believe that S. 588, as amended and presented, already provides a strong role for the advisory council which will bring in outside advice, and it provides a balance for overall coordination of U.S. scientific and technological effort in development programs.

The introduction of a governing body, to my view, clouds the relationship of the Institute to the proposed International Development Cooperation Agency which is to be the focal point for policy, budget, and planning in the development area and thus reduces the overall coordination of these programs in the United States.

As outlined by the administration in testimony before two Senate committees, the Institute, and thus the council, will be free from day-to-day interference by the Department of State and will have responsibility for policy, planning, and program implementation.

I believe that installation of a governing body which would meet only several times a year but yet would have the responsibility for operations of the Institute upsets this desired balance and opens the Institute to considerable criticism.

I agree with the amendment's basic intent that the Institute should not be smothered under the AID bureaucracy. Policy and program decisions concerning basic research should be free from the constraints of day-to-day foreign policy considerations so that our research efforts can look to broader horizons and to the future.

The bill provides the proper balance between the need to coordinate our various aid programs and the Institute's need for some freedom from immediate foreign policy considerations.

The Council, as provided in the bill and as strengthened by the Javits amendment, will provide independent guidance concerning the Institute's policies and programs which the director is obliged to heed.

The amendment goes too far. By placing control of the Institute in the hands of the Board and making this a semiautonomous group, coordination with other development efforts will suffer.

In addition, the bill includes members from developing countries as full-fledged members of the council, a critical element in insuring that the Institute's programs address the problems of developing countries. But the amendment would relegate developing country members to a second-class citizenship as nonvoting advisers to the board. Their effectiveness would be diminished and an important element of the proposal lost.

The ISTC, under this proposal, will be run by committee action, if this separate board is established. It seems to me this might also make it more difficult to attract a top level person to the job of Director of ISTC. In my view, the success or failure of the Agency will very much depend on the caliber and abilities of the Director. We must be sure to attract the best person to the job.

Therefore, for all of these reasons, Mr. President, I oppose the establishment of the board and urge that we not approve the proposed amendment.

The PRESIDING OFFICER. Who yields time?

Mr. CHURCH. Mr. President, I stand with the Senator from Ohio (Mr. GLENN) who serves on both the Governmental Affairs Committee and the Foreign Relations Committee.

The position of the Foreign Relations Committee is, of course, supportive of the bill as the committee recommended it to the Senate.

Though I realize that there is considerable validity in the arguments that have been presented by the Senator from Illinois, the committee had the benefit of his testimony, weighed the matter, and decided in favor of the administration proposal.

I think in adopting the two amendments that the Senator from Illinois has offered this afternoon improvements have been made on the bill. But I am constrained by the action of the committee to oppose the third amendment now pending. I hope the Senate will reject it. I am prepared to yield back the remainder of my time.

The PRESIDING OFFICER. The Senator from Illinois.

Mr. STEVENSON. Mr. President, before yielding back the remainder of my time, I would just make one or two observations for the record.

I think it should be clear that the purpose of this institute is not to channel and transfer American technology to the lesser developed countries. That is what AID does. That is what multinational corporations do. That is what we are trying to break with.

The purpose is to develop technology and, in cooperation with the developing countries, to develop technology appropriate to the needs of those countries.

The purpose is also to develop the scientific and technological infrastructure in the developing countries with which they will develop their own technology. Our intent is to get away from the transfer of irrelevant technology, to areas whose conditions were never considered when the technology in question was developed.

That is one of the reasons why it is, in my mind and in the collective minds of the scientific community and the other countries which have such Institutes as this. So important that it be established as an independent agency, an agency that has some independence of the Government, and some independence of the multinationals.

It might then be capable of full cooperation with the scientific community, with the private sector, and with the LDC's themselves.

But I am a realist, and I have no illusions about the outcome of the vote on this amendment, opposed as it is by the managers of the bill representing the Committee on Foreign Relations and the Committee on Governmental Affairs. So I will not ask for a rollcall, and I will not withdraw the amendment either.

[Laughter].

The PRESIDING OFFICER. Is all time yielded back?

Mr. STEVENSON. Yes, Mr. President.

Mr. CHURCH. I notice the able Senator from Ohio is again on his feet. I would inquire of him if he wishes additional time.

Mr. GLENN. Just to reply for less than a minute before we go to a vote.

I associate myself with the purposes of the Institute exactly as the Senator from Illinois has described. I think the infrastructure we are trying to set up is a unique and different situation from that which most of our AID programs have endeavored to establish in the past.

This institute will be unique, it will be different from AID.

Specifically, the legislation as we have proposed provides for a number of important new authorities that could not be accommodated under the Foreign Assistance Act: A strong advisory council; establishment of the fellows program; inclusion of foreign nationals on the council and as fellows; establishment of executive management positions necessary to run a separate organization.

Differences from AID include: Purposeful concentration on long-term research; orientation and organization toward problems rather than countries; explicit mandate to work (on a cost-sharing basis) in middle-income countries; use of a peer review system to guarantee top quality research; inclusion of representatives from developing countries; legislative mandate to advise and assist other U.S. Government agencies operating S. & T. programs that affect developing countries.

All these are differences. I know we share a common goal, and I would like to add my congratulations to the Senator from Illinois. I know of his long interest in this area, in the field of science not only in this country but around the world and what science can do, and the fact that we are not doing nearly enough in is area.

I am hopeful that all of us working together on this can make this new Institute really work for the benefit of our country and other nations we are trying to help.

I thank the Senator.

Mr. STEVENSON. Mr. President, our purposes are the same. I certainly share the Senator's hope for this Institute. While this amendment will not be approved by the Senate, I am confident we will all join in a common effort to make it succeed. Even without amendment I believe it can.

I thank the Senator for his kind words. I do not withdraw the amendment. I yield back my time.

Mr. CHURCH. Very well. I yield back the remainder of my time.

The PRESIDING OFFICER. All time is yielded back. The question is on agreeing to the amendment of the Senator from Illinois.

The amendment was rejected.

The PRESIDING OFFICER. Are there any further amendments?

UP AMENDMENT NO. 278

(Purpose: To provide for the establishment of the Institute for Technological Cooperation within the International Development Cooperation Agency)

Mr. GLENN. Mr. President, I sent to the desk three unprinted amendments and I wish to offer them "en bloc."

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Ohio (Mr. GLENN) proposes amendments en bloc in an unprinted amendment numbered 278.

The PRESIDING OFFICER. Without objection, the amendments will be considered en bloc.

The amendment is as follows:

On page 50, between lines 5 and 6, insert the following:

ESTABLISHMENT WITHIN THE INTERNATIONAL DEVELOPMENT COOPERATION AGENCY

SEC. 213. Whenever there is established, pursuant to Reorganization Plan numbered 2, transmitted to the Congress by the President on April 10, 1979, an International Development Cooperation Agency, the Institute shall be established within such Agency.

On page 50, line 7, strike out "213" and insert in lieu thereof "214".

On page 50, line 10, strike out "214" and insert in lieu thereof "215".

On page 48, line 6, after "procedures" insert "and criteria".

On page 48, line 7, after "procedures" insert "and criteria".

On page 48, line 9, after "procedures" insert "and criteria".

On page 48, line 19, after "procedures" insert "and criteria".

On page 39, line 9, strike out "and" the first place it appears.

On page 39, line 10, after "1978," insert "and title V of the Nuclear Non-proliferation Act of 1978,".

Mr. GLENN. These amendments are basically technical in nature and include filling in an omission in a list of Presidential authorities that can be transferred by the President to the Director of ISTC, a slight change in language regarding evaluations of the ISTC, and the addition of a statement insuring that whenever the International Development Cooperation Agency is formed, the ISTC will be placed under it. The administration and the committees support these technical changes and I ask for their adoption.

INSTITUTE FOR SCIENTIFIC AND TECHNOLOGICAL COOPERATION

Mr. STONE. Mr. President, the institute offers a qualitative improvement to our approach to other countries—one not built on expanded funding, but on the use of our talent, our widely respected technological and scientific strength. It places emphasis on problems which science and technology can and should address and which are of great importance to the poor countries, the middle-income countries and to us.

I single out three important needs out of many which the ISTC can serve well. The Institute, starting fresh and energetically and with new procedures can put in place a style of operation which should truly engage and sustain the interest of our science and technology community and of our private sector. Both have been notably missing in our Government's approach to developing countries. Both have much to offer—in their own ways. In fact much of the scientific and technological talent in this country resides and produces within our private industry sector, although obviously some notable talent exists at our university and research institutions and in Government agencies. The ISTC, through seeking ways to involve the private sector, as it is intended to do, would add a tremendous qualitative improvement to our assistance program.

Second, the Institute opens a new way of working with middle-income countries. These countries are beyond concessionary aid and have much to contribute to the problem-solving in which ISTC will engage. On a cost shared, cooperative basis we should be working with them. I have in mind such countries as Mexico, South Korea, and Venezuela, but there are many others. These are important countries with growing economies and we need new means of working with them on a mutually beneficial basis.

Third, we need the ISTC to lead the way toward new cooperative arrangements in the Middle East. It could be a valuable instrument in encouraging Egypt and Israel to get together with us on scientific or technological efforts from which we might all gain, and through which the cause of peace would be served. I see the Institute encouraging cooperation on arid land agriculture research, on irrigation information and innovation, on new industrially useful crop experimentation.

In short, for these reasons and for others, in a year of financial stringency, we should be adding the types of qualitative improvement the Institute represents. The impact on our relations with the developing world should be great and our whole assistance program made more effective.

Mr. CHURCH. Mr. President, I have no objection to these technical amendments. I believe they should be incorporated in the bill.

The PRESIDING OFFICER. Is there further objection? Is there further debate? The question is on agreeing to the amendment of the Senator from Ohio.

The amendment was agreed to.

UP AMENDMENT NO. 279

(Purpose: To amend the name of the Institute to include the word "Scientific")

Mr. STEVENSON. Mr. President, I send to the desk another amendment.

The assistant legislative clerk read as follows:

The Senator from Illinois (Mr. STEVENSON) proposes an unprinted amendment numbered 279.

Mr. STEVENSON. I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Strike "Council on International Technological Cooperation" wherever it appears in the bill, and insert in lieu thereof "Council on International Scientific and Technological Cooperation".

Mr. STEVENSON. Mr. President, this is a technical amendment. The name of the Institute has been changed by amendment to read "Institute for Scientific and Technological Cooperation." This amendment would simply make the same change with respect to the Council, so that, instead of "Council On International Technological Cooperation" it would read "Council on International Scientific and Technological Cooperation."

This matter has been discussed with the managers of the bill, and I believe it is acceptable to the distinguished floor manager.

Mr. CHURCH. Mr. President, the amendment is acceptable. It will result in the bill being changed in both places to make it conform to the action already taken by the Senate in the adoption of the first amendment offered by the able Senator from Illinois. So I urge the Senate to approve this technical amendment.

The PRESIDING OFFICER. Is all remaining time yielded back?

Mr. CHURCH. I yield back the remainder of my time.

Mr. STEVENSON. I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Illinois.

The amendment (UP No. 279) was agreed to.

UP AMENDMENT NO. 274

(Purpose: To make available funds under the bill for the benefit of any country demonstrating any significant improvement in its human rights record)

Mr. HELMS. Mr. President, a few minutes ago, a brief discussion was held on an amendment which I called up at that time and later withdrew for the time being.

I now ask that that amendment again be made the pending business.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from North Carolina (Mr. HELMS) proposes an unprinted amendment numbered 274.

Mr. HELMS. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 36, between lines 11 and 12, insert the following:

HUMAN RIGHTS

SEC. 121. Section 502B of the Foreign Assistance Act of 1961 is amended to add the following:

"(e) Notwithstanding any other provision of law, funds authorized to be appropriated under this Act or the Arms Export Control Act may be made available for the furnishing of assistance to, or the extension of credits or the guarantee of loans with respect to, any country which demonstrates any significant improvement in its human rights record.".

Mr. HELMS. Mr. President, as so often happens on the Senate floor, the able Senator from New York (Mr. JAVITS) has offered a suggestion in the way of a modification, which is entirely acceptable to me. I will appreciate his stating his proposed modification.

Mr. JAVITS. Mr. President, the modification is as follows:

SEC. 121. Section 502B of the Foreign Assistance Act of 1961 is amended to add the following:

"(e) Notwithstanding any other provision of law, funds authorized to be appropriated under Title I of this Act may be made available for the furnishing of assistance to, or the extension of credits or the guarantee of loans with respect to, any country respecting which the President finds that such a significant improvement in its human rights record has occurred as to warrant lifting the prohibitions in furnishing such assistance in the national interest of the United States.

Mr. HELMS. Mr. President, if the Senator will send that to the desk, I would like to ask that the amendment be so modified.

The PRESIDING OFFICER. The amendment will be so modified.

The amendment, as modified, is as follows:

On page 36, between lines 11 and 12, insert the following:

HUMAN RIGHTS

SEC. 121. Section 502B of the Foreign Assistance Act of 1961 is amended to add the following:

"(e) Notwithstanding any other provision of law, funds authorized to be appropriated under Title I of this Act may be made available for the furnishing of assistance to, or the extension of credits or the guarantee of loans with respect to, any country respecting which the President finds that such a significant improvement in its human rights record has occurred as to warrant lifting the prohibitions in furnishing such assistance in the national interest of the United States.

Mr. JAVITS. Mr. President, if the Senator will yield further, this amendment has three effects: First, it opens the door to economic assistance and loans to such countries; second, it now provides a person or an official to decide whether the criterion has been met, to wit, the President of the United States; third, it now gives a qualitative definition: Has the improvement been significant enough to square with the national interests of the United States?

That, I think, is an adequate criterion, considering the other provisions of the foreign aid legislation which deal with establishing criteria for granting aid to many countries. Under those circumstances, Mr. President, I find the amendment acceptable.

One other thing: Of course, it does take away that limited authority from the Congress, but it retains in Congress authority respecting security supporting assistance and the sale of arms. I agree with Senator CHURCH that that is adequate for policy purposes, so the amendment is acceptable.

Mr. CHURCH. Mr. President, I join with our distinguished colleague the Senator from New York in urging the adoption of the amendment in its modified form.

I think it is noteworthy that provisions in existing law relating to prohibition of aid to governments engaged in the gross violation of human rights have two exceptions. The first is contained in section 116 of the act, and it reads:

No assistance may be provided under this part to the government of any country which engages in a consistent pattern of gross violations of internationally recognized human rights, including torture and cruel and inhuman or degrading treatment, or long punishment that is without justification, or other flagrant denials of the right to life, liberty, and the security of persons, unless such assistance will directly benefit the needy people in such countries.

So the first exception to the general rule that the United States will not extend aid to governments engaged in the gross violation of human rights has to do with assistance that will directly benefit the needy people in such countries.

There is a second exception to the general rule. That is contained in section 614 of the law under special authority, where the President is given a waiver to extend aid to a given government within the limits specified in that section, if he determines that such aid is important to the security of the United States.

So there are already two exceptions in existing law which would permit the President to extend aid to a government even though it is engaged in the gross violation of human rights.

The pending amendment simply adds one further exception, which would apply in those cases where the President finds such significant improvement in the human rights record of the foreign government concerned that it would serve the national interests of the United States to extend economic aid to that government.

This would mean, as the Senator from New York has already observed, that the President would have to make a finding that not only accords with the national interests of the United States, but which is based upon such a significant improvement as to warrant a change in policy. It would leave the Congress the right to pass upon whether or not, under such circumstances, the United States should also extend military aid to such a government.

I think that is a reasonable balance. It gives an added measure of flexibility to the President to adjust our policy to changing conditions in the world within permissible limits. Therefore I am happy to accept the amendment and to urge my colleagues to approve it.

Mr. HELMS. Mr. President, I thank the Senator from Idaho and I thank the Senator from New York.

As I said earlier during the discussion of this amendment, all I ask is that these two nations be shown a little bit of light down at the end of the tunnel. This amendment does that. It does not go very far, but it does turn on a flashlight a mile down the tunnel. It at least says to these countries, "We will no longer have our foot on your neck."

So I appreciate the cooperation of the distinguished managers of this bill, and I am prepared to yield back the remainder of my time.

Mr. CHURCH. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. All time is yielded back. The question is on agreeing to the amendment.

Without objection, the amendment (UP No. 274), as modified, is agreed to.

Mr. HELMS. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. JAVITS. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

UP AMENDMENT NO. 280

(Purpose: To prohibit the availability to funds under the bill for the benefit of any country not a party to the Treaty on the Non-Proliferation of Nuclear Weapons)

Mr. HELMS. Mr. President, I send an unprinted amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from North Carolina (Mr. HELMS) proposes an unprinted amendment numbered 280.

On page 36, between lines 11 and 12, insert the following:

NON-PROLIFERATION OF NUCLEAR WEAPONS

SEC. 121. None of the funds authorized to be appropriated under this Act may be made available to furnish assistance to any country which is not a party to the Treaty on the Non-Proliferation of Nuclear Weapons.

Mr. HELMS. Mr. President, I yield myself such time as I may require.

Mr. President, in the aftermath of the President's return from Vienna, I can think of no more relevant amendment to this piece of legislation than the one now pending. Last month, Mr. President, during the consideration of the Middle East peace package, I offered an amendment essentially identical to this one, the effect of which was to deny assistance from the United States to any country covered under that bill which was not a party to the Treaty on Non-Proliferation of Nuclear Weapons.

I submitted the amendment at that time not anticipating that it would be approved, but because I wanted to go on record as one Senator that the U.S. Government should not aid and encourage any nation engaging in the proliferation of nuclear weapons. In other words, Mr. President, I submitted the amendment last month just to make a point. Today I submit it not to make a point but in the fervent hope that the Senate will agree to it, using the leverage contained in this bill to emphasize the concern of this Nation that proliferation of nuclear weapons must stop.

This is an opportunity, to be a little blunt about it, to put up or shut up on the subject of the proliferation of nuclear weapons.

With respect to the Middle East peace package, because only Egypt and Israel were covered under that bill and because neither is a party to the Non-Proliferation Treaty, both would have been denied assistance from the United States until such time as either one became a party to the Non-Proliferation Treaty.

In the case of Egypt, that meant ratification of the treaty, since Egypt had already become a signatory.

For Israel, that meant both signing and ratifying the Non-Proliferation Treaty.

During the debate on the amendment that I offered at that time, I pointed to the growing danger of potential nuclear confrontation in the volatile Middle East, a confrontation which I feel might be avoided if all parties to that conflict were parties to the Non-Proliferation Treaty. No one can say with any degree of assurance that nuclear war in the area will or will not occur, but certainly the possibility of it would be lessened by good faith observance of the Non-Proliferation Treaty and the accompanying inspections mandated by it.

Mr. President, as the debate over my amendment neared its conclusion, the distinguished chairman of the Foreign Relations Committee (Mr. CHURCH) pointed out that there are 44 countries in the world that have not joined as parties to the Nuclear Non-Proliferation Treaty. Senator CHURCH was exactly right about that.

I want to quote from his statement, which can be found on p. 10836 of the CONGRESSIONAL RECORD of May 14:

> Mr. CHURCH. Mr. President, one final thought. There are 44 countries which have not joined as parties to the Nuclear Non-Proliferation Treaty. In all likelihood, we are probably giving aid to half of them. Why should we make it difficult for Israel and Egypt only?

Mr. President, in all candor, I could not agree more with the distinguished Senator from Idaho in that statement. I accepted then and I accept now the tone and tenor of what he had to say, and I agree with the spirit in which he said it.

All nations, Mr. President, receiving military assistance in whatever form from the United States should be parties to the Treaty on the Non-Proliferation of Nuclear Weapons. I hope that is a point on which we can agree.

This should be a bare minimum in terms of a requirement for U.S. aid, especially U.S. military aid. We place other requirements on the receipt of U.S. assistance. One which comes most readily to mind is one which I know the distinguished Senator from South Dakota (Mr. McGOVERN) strongly supports. That is the restriction on the provision of aid to countries which are gross violators of internationally recognized human rights.

I have to ask this question, Mr. President: What greater violation of any individual's human rights could there be than to involve him in the possibility of a nuclear holocaust?

That is what this amendment is about, and that is the question addressed by this amendment.

I say again, if we are serious about non-proliferation, I think it is time to insist that receipt of U.S. aid be conditioned upon the recipient or recipients being a party or parties to the Non-Proliferation Treaty. While we may not prevent nuclear war by this, Mr. President, we certainly will lessen its possibility.

Mr. President, so that Senators may be aware of the terms of the Treaty on Non-Proliferation of Nuclear Weapons, I ask unanimous consent that it be printed in the RECORD at this point in my remarks.

There being no objection, the treaty was ordered to be printed in the RECORD, as follows:

TREATY ON THE NON-PROLIFERATION OF NUCLEAR WEAPONS

Signed at Washington, London, Moscow July 1, 1968, U.S. ratification deposited March 5, 1970. Entered into force March 5, 1970.

The States concluding this Treaty, hereinafter referred to as the "Parties to the Treaty",

Considering the devastation that would be visited upon all mankind by a nuclear war and the consequent need to make every effort to avert the danger of such a war and to take measures to safeguard the security of peoples,

Believing that the proliferation of nuclear weapons would seriously enhance the danger of nuclear war,

In conformity with resolutions of the United Nations General Assembly calling for the conclusion of an agreement on the prevention of wider dissemination of nuclear weapons,

Undertaking to cooperate in facilitating the application of International Atomic Energy Agency safeguards on peaceful nuclear activities,

Expressing their support for research, development and other efforts to further the application, within the framework of the International Atomic Energy Agency safeguards system, of the principle of safeguarding effectively the flow of source and special fissionable materials by use of instruments and other techniques at certain strategic points,

Affirming the principle that the benefits of peaceful applications of nuclear technology, including any technological by-products which may be derived by nuclear weapon States from the development of nuclear explosive devices, should be available for peaceful purposes to all Parties to the Treaty, whether nuclear-weapon or non-nuclear-weapon States,

Convinced that, in furtherance of this principle, all Parties to the Treaty are entitled to participate in the fullest possible exchange of scientific information for, and to contribute alone or in cooperation with other States to, the further development of the applications of atomic energy for peaceful purposes,

Declaring their intention to achieve at the earliest possible date the cessation of the nuclear arms race and to undertake effective measures in the direction of nuclear disarmament,

Urging the cooperation of all States in the attainment of this objective,

Recalling the determination expressed by the Parties to the 1963 Treaty banning nuclear weapon tests in the atmosphere in outer space and under water in its Preamble to seek to achieve the discontinuance of all test explosions of nuclear weapons for all time and to continue negotiations to this end,

Desiring to further the easing of international tension and the strengthening of trust between States in order to facilitate the cessation of the manufacture of nuclear weapons, the liquidation of all their existing stockpiles, and the elimination from national arsenals of nuclear weapons and the means of their delivery pursuant to a treaty on general and complete disarmament under strict and effective international control,

Recalling that, in accordance with the Charter of the United Nations, States must refrain in their international relations from the threat or use of forces against the territorial integrity or political independence of any State, or in any other manner inconsistent with the Purposes of the United Nations, and that the establishment and maintenance of international peace and security are to be promoted with the least diversion for armaments of the world's human and economic resources,

Have agreed as follows:

ARTICLE I

Each nuclear-weapon State Party to the Treaty undertakes not to transfer to any recipient whatsoever nuclear weapons or other nuclear explosive devices or control over such weapons or explosive devices directly, or indirectly; and not in any way to assist, encourage, or induce any non-nuclear-weapon State to manufacture or otherwise acquire nuclear weapons or other nuclear explosive devices, or control over such weapons or explosive devices.

ARTICLE II

Each non-nuclear-weapon State Party to the Treaty undertakes not to receive the transfer from any transferor whatsoever of nuclear weapons or other nuclear explosive devices or of control over such weapons or explosive devices directly, or indirectly; not to manufacture or otherwise acquire nuclear weapons or other nuclear explosive devices; and not to seek or receive any assistance in the manufacture of nuclear weapons or other nuclear explosive devices.

ARTICLE III

1. Each non-nuclear-weapon State Party to the Treaty undertakes to accept safeguards, as set forth in an agreement to be negotiated and concluded with the International Atomic Energy Agency in accordance with the Statute of the International Atomic Energy Agency and the Agency's safeguards system, for the exclusive purpose of verification of the fulfillment of its obligations assumed under this Treaty with a view to preventing diversion of nuclear energy from peaceful uses to nuclear weapons or other nuclear explosive devices. Procedures for the safeguards required by this article shall be followed with respect to source or special fissionable material whether it is being produced, processed or used in any principal nuclear facility or is outside any such facility. The safeguards required by this article shall be applied on all source or special fissionable material in all peaceful nuclear activities within the territory of such State, under its jurisdiction, or carried out under its control anywhere.

2. Each State Party to the Treaty undertakes not to provide: (a) source or special fissionable material, or (b) equipment or material especially designed or prepared for the processing, use or production of special fissionable material, to any non-nuclear-weapon State for peaceful purposes, unless the source or special fissionable material shall be subject to the safeguards required by this article.

3. The safeguards required by this article shall be implemented in a manner designed to comply with article IV of this Treaty, and to avoid hampering the economic or technological development of the Parties or international cooperation in the field of peaceful nuclear activities, including the international exchange of nuclear material and equipment for the processing, use or production of nuclear material for peaceful purposes in accordance with the provisions of this article and the principle of safeguarding set forth in the Preamble of the Treaty.

4. Non-nuclear-weapon States Party to the Treaty shall conclude agreements with the International Atomic Energy Agency to meet the requirements of this article either individually or together with other States in accordance with the Statute of the International Atomic Energy Agency. Negotiation of such agreements shall commence within 180 days from the original entry into force of this Treaty. For States depositing their instruments of ratification or accession after the 180-day period, negotiation of such agreements shall commence not later than the date of such deposit. Such agreements shall enter into force not later than eighteen months after the date of initiation of negotiations.

ARTICLE IV

1. Nothing in this Treaty shall be interpreted as affecting the inalienable right of all the Parties to the Treaty to develop research, production and use of nuclear energy for peaceful purposes without discrimination and in conformity with articles I and II of this Treaty.

2. All the Parties to the Treaty undertake to facilitate, and have the right to participate in, the fullest possible exchange of equipment, materials and scientific and technological information for the peaceful uses of nuclear energy. Parties to the Treaty in a position to do so shall also cooperate in contributing alone or together with other States or international organizations to the further development of the applications of nuclear energy for peaceful purposes, especially in the territories of non-nuclear-weapon States Party to the Treaty, with due consideration for the needs of the developing areas of the world.

ARTICLE V

Each party to the Treaty undertakes to take appropriate measures to ensure that, in accordance with this Treaty, under appropriate international observation and through appropriate international procedures, potential benefits from any peaceful applications of nuclear explosions will be made available to non-nuclear-weapon States Party to the Treaty on a non-discriminatory basis and that the charge to such Parties for the explosive devices used will be as low as possible and exclude any charge for research and development. Non-nuclear-weapon States Party to the Treaty shall be able to obtain such benefits, pursuant to a special international agreement or agreements, through an appropriate international body with adequate representation of non-nuclear-weapon States. Negotiations on this subject shall commence as soon as possible after the Treaty enters into force. Non-nuclear-weapon States Party to the Treaty so desiring may also obtain such benefits pursuant to bilateral agreements.

ARTICLE VI

Each of the Parties to the Treaty undertakes to pursue negotiations in good faith on effective measures relating to cessation of the nuclear arms race at an early date and to nuclear disarmament, and on a treaty on general and complete disarmament under strict and effective international control.

ARTICLE VII

Nothing in this Treaty affects the right of any group of States to conclude regional treaties in order to assure the total absence of nuclear weapons in their respective territories.

ARTICLE VIII

1. Any Party to the Treaty may propose amendments to this Treaty. The text of any proposed amendment shall be submitted to the Depositary Governments which shall circulate it to all Parties to the Treaty. Thereupon, if requested to do so by one-third or more of the Parties to the Treaty, the Depositary Governments shall convene a conference, to which they shall invite all the Parties to the Treaty, to consider such an amendment.

2. Any amendment to this Treaty must be approved by a majority of the votes of all the Parties to the Treaty, including the votes of all nuclear-weapon States Party to the Treaty and all other Parties which, on the date the amendment is circulated, are members of the Board of Governors of the International Atomic Energy Agency. The amendment shall enter into force for each Party that deposits its instrument of ratification of the amendment upon the deposit of such instruments of ratification by a majority of all the Parties, including the instruments of ratification of all nuclear-weapon States Party to the Treaty and all other Parties which, on the date the amendment is circulated, are members of the Board of Governors of the International Atomic Energy Agency. Thereafter, it shall enter into force for any other Party upon the deposit of its instrument of ratification of the amendment.

3. Five years after the entry into force of this Treaty, a conference of Parties to the Treaty shall be held in Geneva, Switzerland, in order to review the operation of this Treaty with a view to assuring that the purposes of the Preamble and the provisions of the Treaty are being realized. At intervals of five years thereafter, a majority of the Parties to the Treaty may obtain, by submitting a proposal to this effect to the Depositary Governments, the convening of further conferences with the same objective of reviewing the operation of the Treaty.

ARTICLE IX

1. This Treaty shall be open to all States for signature. Any State which does not sign the Treaty before its entry into force in accordance with paragraph 3 of this article may accede to it at any time.

2. This Treaty shall be subject to ratification by signatory States. Instruments of ratification and instruments of accession shall be deposited with the Governments of the United States of America, the United Kingdom of Great Britain and Northern Ireland and the Union of Soviet Socialist Republics, which are hereby designated the Depositary Governments.

3. This Treaty shall enter into force after its ratification by the States, the Governments of which are designated Depositories of the Treaty, and forty other States signatory to this Treaty and the deposit of their instruments of ratification. For the purposes of this Treaty, a nuclear-weapon State is one which has manufactured and exploded a nuclear weapon or other nuclear explosive device prior to January 1, 1967.

4. For States whose instruments of ratification or accession are deposited subsequent to the entry into force of this Treaty, it shall enter into force on the date of the deposit of their instruments of ratification or accession.

5. The Depositary Governments shall promptly inform all signatory and acceding States of the date of each signature, the date of deposit of each instrument of ratification or of accession, the date of the entry into force of this Treaty, and the date of receipt of any requests for convening a conference or other notices.

6. This Treaty shall be registered by the Depositary Governments pursuant to article 102 of the Charter of the United Nations.

ARTICLE X

1. Each Party shall in exercising its national sovereignty have the right to withdraw from the Treaty if it decides that extraordinary events, related to the subject matter of this Treaty, have jeopardized the supreme interests of its country. It shall give notice of such withdrawal to all other Parties to the Treaty and to the United Nations Security Council three months in advance. Such notice shall include a statement of the

extraordinary events it regards as having jeopardized its supreme interests.

2. Twenty-five years after the entry into force of the Treaty, a conference shall be convened to decide whether the Treaty shall continue in force indefinitely, or shall be extended for an additional fixed period or periods. This decision shall be taken by a majority of the Parties to the Treaty.

ARTICLE XI

This Treaty, the English, Russian, French, Spanish and Chinese texts of which are equally authentic, shall be deposited in the archives of the Depositary Governments. Duly certified copies of this Treaty shall be transmitted by the Depositary Governments to the Governments of the signatory and acceding States.

NON-PROLIFERATION TREATY

Country	Date of signature	Date of deposit of ratification	Date of deposit of accession
Afghanistan	July 1, 1968	Feb. 4, 1970	
Australia	Feb. 27, 1970—(with statement).	Jan. 23, 1973	
Austria	July 1, 1968	June 27, 1969	
Bahamas, The			Aug. 11, 1976.
Barbados	July 1, 1968		
Belgium	Aug. 20, 1968	May 2, 1975	
Benin	July 1, 1968	Oct. 31, 1972	
Bolivia	do	May 26, 1970	
Botswana	do	Apr. 28, 1969	
Bulgaria	July 1, 1968	Sept. 5, 1969	
Burundi			Mar. 19, 1971.
Cambodia			June 2, 1972.
Cameroon	July 17, 1968	Jan. 8, 1969	
Canada	July 23, 1968	do	
Central African Empire			Oct. 25, 1970.
Chad	July 1, 1968	Mar. 10, 1971	
China, Republic of	do	Jan. 27, 1970	
Colombia	do		
Costa Rica	do	Mar. 3, 1970	
Cyprus	do	Feb. 10, 1970	
Czechoslovakia	do	July 22, 1969	
Denmark	do	Jan. 3, 1969	
Dominican Republic	do	July 24, 1971	
Ecuador	July 9, 1968	Mar. 7, 1969	
Egypt	July 1, 1968		
El Salvador	do	July 11, 1972	
Ethiopia	Sept. 5, 1968	Feb. 5, 1970	
Finland	July 1, 1968	Feb. 5, 1969	
Fiji			July 14, 1972.
Gabon			Feb. 19, 1974.
Gambia, The	Sept. 4, 1968	May 12, 1975	
German Democratic Republic	July 1, 1968	Oct. 31, 1969	
Germany, Federal Republic of	Nov. 28, 1969—(with statement).	May 2, 1975	
Ghana	July 1, 1968	May 4, 1970	
Greece	do	Mar. 11, 1970	
Grenada			Sept. 2, 1975.
Guatemala	July 26, 1968	Sept. 22, 1970	
Haiti	July 1, 1968	June 2, 1970	
Holy See			Feb. 25, 1971
Honduras	July 1, 1968	May 16, 1973	
Hungary	do	May 27, 1969	
Iceland	do	July 18, 1969	
Indonesia	Mar. 2, 1970 (with statement).		
Iran	July 1, 1968	Feb. 2, 1970	
Iraq	do	Oct. 29, 1969	
Ireland	do	July 1, 1968	
Italy	Jan. 28, 1969	May 2, 1975	
Ivory Coast	July 1, 1968	Mar. 6, 1973	
Jamaica	Apr. 14, 1969	Mar. 5, 1970	
Japan	Feb. 3, 1970 (with statement).	June 8, 1976	
Jordan	July 10, 1968	Feb. 11, 1970	
Kenya	July 1, 1968	June 11, 1970	
Korea	July 1, 1968 (with recognition disclaimer).	Apr. 23, 1975	
Kuwait	Aug. 15, 1968		
Laos	July 1, 1968	Feb. 20, 1970	
Lebanon	do	July 15, 1970	
Lesotho	July 9, 1968	May 20, 1970	
Liberia	July 1, 1968	Mar. 5, 1970	
Libya	July 18, 1968	May 26, 1975	
Luxembourg	Aug. 14, 1968	May 2, 1975	
Madagascar	Aug. 22, 1968	Oct. 8, 1970	
Malaysia	July 1, 1968	Mar. 5, 1970	
Maldive Islands	Sept. 11, 1968	Apr. 7, 1970	
Mali	July 14, 1969	Feb. 10, 1970	
Malta	Apr. 17, 1969	Feb. 6, 1970	
Mauritius	July 1, 1968	Apr. 8, 1969	
Mexico	July 26, 1968 (with statement).	Jan. 21, 1969	
Mongolia	July 1, 1968	May 14, 1969	
Morocco	do	Nov. 27, 1970	
Nepal	do	Jan. 5, 1970	
Netherlands	Aug. 20, 1968	May 2, 1975	
New Zealand	July 1, 1968	Sept. 10, 1969	
Nicaragua	do	Mar. 6, 1973	
Nigeria	do	Sept. 27, 1968	
Norway	do	Feb. 5, 1969	
Panama	do	Jan. 13, 1977	
Paraguay	do	Feb. 4, 1970	
Peru	do	Mar. 3, 1970	
Philippines	do	Oct. 5, 1972	
Poland	do	June 12, 1969	
Romania	do	Feb. 4, 1970	
Rwanda			May 20, 1975.
San Marino	July 1, 1968 (with recognition disclaimer).	Aug. 10, 1970	
Senegal	July 1, 1968	Dec. 17, 1970	
Sierra Leone			Feb. 26, 1975.
Singapore	Feb. 5, 1970	Mar. 10, 1976	
Somalia	July 1, 1968	Mar. 5, 1970	
Sri Lanka	do		
Sudan	Dec. 24, 1968	Oct. 31, 1973	
Surinam			June 30, 1976.
Swaziland	June 24, 1969	Dec. 11, 1969	
Sweden	Aug. 19, 1968	Jan. 9, 1970	
Switzerland	Nov. 27, 1969 (with statement).	Mar. 9, 1977	
Syrian Arab Republic	July 1, 1968	Sept. 24, 1969 (with recognition disclaimer).	
Thailand			Dec. 2, 1972.
Togo	July 1, 1968	Feb. 26, 1970	
Tonga			July 7, 1971.
Trinidad and Tobago	Aug. 20, 1968		
Tunisia	July 1, 1968	Feb. 26, 1970	
Turkey	Jan. 28, 1969		
Union of Soviet Socialist Republics	July 1, 1968	Mar. 5, 1970	
United Kingdom	do	Nov. 27, 1968 (with disclaimer).	
United States	do	Mar. 5, 1970	
Upper Volta	Nov. 25, 1968	Mar. 3, 1970	
Uruguay	July 1, 1968	Aug. 31, 1970	
Venezuela	do	Sept. 25, 1975	
Vietnam, Socialist Republic of	do	Sept. 10, 1971	
Western Samoa			Mar. 17, 1975.
Yemen Arab Republic (Sana)	Sept. 23, 1968		
Yemen (Aden)	Nov. 14, 1968		
Yugoslavia	July 10, 1968	Mar. 4, 1970 (with statement).	
Zaire	July 22, 1968	Aug. 4, 1970	
Total	99	88	14.

STATES WHICH ARE NOT PARTIES TO NPT

Nuclear-weapon states

China, France.

Nonnuclear-weapon states

Albania, Algeria, Argentina, Bahrain, Bangladesh, Bhutan, Brazil, Burma, Cape Verde, Chile, Comoros, Congo, Cuba, Democratic People's Republic of Korea.

Democratic Republic of Vietnam, Equatorial Guinea, Guinea, Guinea-Bissau, Guyana, India, Israel, Liechtenstein, Malawi, Mauritania, Monaco, Mozambique, Niger, Oman.

Pakistan, Papua New Guinea, Portugal, Qatar, Sao Tome and Principe, Saudi Arabia, South Africa, Spain, Uganda, United Arab Emirates, United Republic of Tanzania, Zambia.

STATES THAT HAVE SIGNED NPT, NOT YET RATIFIED

Barbados, Colombia, Democratic Yemen, Egypt, Indonesia, Kuwait, Sri Lanka, Trinidad & Tobago, Turkey, Yemen.

STATES OUTSIDE NPT THAT HAVE SOME, BUT NOT NECESSARILY ALL OF THEIR NUCLEAR FACILITIES UNDER SAFEGUARDS

Argentina, Brazil, Chile, Colombia, India, Indonesia, Israel, Pakistan, Portugal, South Africa, Spain, Turkey.

Mr. HELMS. Mr. President, I have placed that into the RECORD just so it will be readily available to Senators tomorrow morning when they look back on how they voted on this amendment. I want them to know what the Nuclear Non-Proliferation Treaty is all about. I recognize that in the welter of paper we accumulate around here perhaps a copy of the Nuclear Non-Proliferation Treaty is not the most accessible item available to Senators. I wanted it to be in the RECORD so they could see what it says and what it means.

Mr. President, 99 countries have signed the Nuclear Non-Proliferation Treaty; 88 countries have ratified it. If my figures are correct, another 14, I believe it is, have acceded to it. I think this raises the question, Is it not time for all countries to join in this treaty? I do not believe I will have a dissenting opinion from anybody in this Chamber. Sure, it is time. It is just a matter of how you are going to bell the cat. This amendment proposes to put the bell on the cat before the cat eats any more sustenance of the taxpayers of the United States of America.

That is all I have to say, Mr. President.

Following the return of our distinguished President from Vienna, I think we could lend a great deal of support to him in his overall argument about nuclear weapons. I want Senators to vote on this. I dislike consuming the time for a rollcall vote, but I think I am going to ask for one because I believe it ought to be a matter of record. This Senator thinks that all nations ought to be parties to the Nuclear Non-Proliferation Treaty.

The United States is; 98 other countries are. Eighty-seven other countries have ratified it; 14 have acceded to it.

That is it, Mr. President. As the saying goes down in North Carolina, let us put up or shut up.

I reserve the remainder of my time.

The **PRESIDING OFFICER**. Who yields time?

Mr. CHURCH. Mr. President, the amendment offered by the Senator from North Carolina would, if adopted, cutoff existing aid programs to dozens of countries. I have no argument with the Senator that it is and ought to be American policy to do everything within our power to persuade foreign governments that are not nuclear weapons countries to join as parties to the Non-Proliferation Treaty. This is the policy of the United States and, as time passes, more and more foreign governments have been encouraged to join the treaty. But we cannot compel them to do so. The best way that we can persuade them to do so is by the force of our example.

Those countries of the world like India, Pakistan, the Republic of South Africa, Brazil, Argentina, Taiwan, South Korea, to mention a few, that might move toward nuclear weapons are less likely to do so if the United States and the Soviet Union, the two great nuclear superpowers, demonstrate that they are serious about bringing this nuclear arms race between us under reasonable restraint and control. That is because, Mr. President, there are two sides to the Nuclear Non-Proliferation Treaty. One side, the one that we always talk about, has to do with the obligation assumed by those countries that have not developed nuclear weapons to join the treaty and promise that they will not. The other side is an obligation that we have undertaken, as nuclear weapons states, to reduce the level of danger to the rest of the world by bringing the nuclear arms race under control and taking those measures over the years that will lower the level of danger to the entire human race.

It remains to be seen how prepared the Senate is to take another step back from the brink of nuclear oblivion when the Senate takes up the SALT II Treaty. I hope that, by the force of our example, we persuade other countries that we are, indeed, serious about imposing new restraints upon the nuclear arms race and we hope to set an example in the future that will give other countries confidence which, if they refrain from building nuclear weapons themselves, they can look forward to the day the world can move from under the shadow of the mushroom cloud.

That is the only way we are going to succeed in persuading other nations to refrain from building nuclear weapons in the future. We shall not succeed by placing this amendment in the foreign aid bill, prohibiting economic aid to any country that does not join the Non-Proliferation Treaty. We have learned in the past that countries cannot be forced in that manner to make decisions which they regard as inimical to their own best interests.

So, Mr. President, I must oppose this amendment—not because I disagree with the objective sought, but because I regard the amendment as an impractical means to achieve that objective.

Mr. JAVITS. Mr. President, I yield myself 3 minutes.

In the Israel-Egypt package, Mr. President, we included the following statement:

> In accordance with the Nuclear Non-Proliferation Act of 1978, the Congress strongly encourages all nations, including Israel and Egypt, who are not a party to the Treaty on the Non-Proliferation of Nuclear Weapons, to become parties to that Treaty.

That is the law, as soon as this package gets negotiated in conference. I am confident that it will not disappear. If the Senator should wish it, I shall be perfectly willing to accept an amendment—I have no doubt that so would Senator Church—to the same effect in this bill, just to carry another bill over in conference that has the same statement about nuclear proliferation. But to include the absolute prohibition which he has moved now, does what Senator Church has just described—coercing all nations—much as I believe—as all of us do—that the non-proliferation treaty is right and that nations should enter into it. It would also cut off from our aid some of the poorest nations in the world which have not entered into the Non-Proliferation Treaty—among them Bangladesh, Mauritania, Niger, Guinea, Cape Verde Islands, and others.

Mr. President, in addition to that effect, it would have the effect of cutting off $750 million of aid to Egypt and $785 million of aid, in terms of security supporting assistance.

I think the same feeling which caused the Senator to stay his hand with respect to the Israeli-Egyptian package suddenly dictates staying our hands with respect to this amendment on this bill.

I doubt very much that is the policy which the Senate wishes to assume.

Last, it is interesting to me that the same Senator who said, "You hold the human rights rein too tight over Chile and Argentina, and other nations respecting human rights, give them a little breathing room," should here be fashioning another noose which is just as tight, if not tighter than that.

It seems to me, if we want a policy which gives people an opportunity, this is one example of where that principle should obtain.

But, be that as it may, I am sure the Senator has thought these things through.

I just cannot see how I could possibly vote for or support such an amendment. Frankly, I do not see how the great majority of Senators can, under the circumstances that I have just described.

I hope the Senate rejects this amendment because I think that is the best policy for our country.

Mr. HELMS. Mr. President, I always listen to the observations of both Senator Church and Senator Javits.

Let me thing be made clear about the two amendments that the Senator from North Carolina has submited in tandem, both are inducements, both are saying something positive to the countries involved.

It is not inconsistent at all to say to the countries which have not yet signed and ratified the Nuclear Non-Proliferation Treaty that in order to get the money from the taxpayers of the United States, they at least must become a part of this treaty.

I sat and watched the President of the United States last night talk about the horrors of nuclear war. I agree with him. But I say, Mr. President, that the adoption of this amendment now pending in the Senate will do more to deter and prevent nuclear war than SALT II, if, indeed, SALT II will do anything in that regard.

So we are not putting a noose around anybody's neck. We are simply saying, "Come along, fellows, do what you ought to have done a long time ago and become a party to the Nuclear Non-Proliferation Treaty." That is all.

We are saying that unless and until they do that, they are not going to have any entitlement to the tax money of the American people. That is a fair proposition.

If that does injury to any country around the world, I am sorry, because all they have to do is to become a party to the Nuclear Non-Proliferation Treaty.

I will state what will happen, Mr. President, if this amendment is adopted: we will see a grand rush of nations to ratify the Nuclear Non-Proliferation Treaty because they do not want to lose that money being sent to them by the taxpayers of the United States.

It will be the greatest bonanza for the folks signing up countries for the Nuclear Non-Proliferation Treaty in years. It will also show a little bit of leadership on the part of the United States of America. We posture and orate about the nuclear potential in terms of destruction, but here is an opportunity to do something positive and concrete, to offer an inducement.

I am amazed—I am amazed—that there would be any hesitation whatsoever about the adoption of this amendment. I do not want to cut off any money to anybody. I am simply saying that this is a condition that we ought to require.

The United States is a signatory to the Nuclear Non-Proliferation Treaty, so what is the big deal about saying to countries which have not yet signed it, "Come on and sign it, join us and the other 98 countries which have signed the treaty."

Mr. President, I again urge adoption of this amendment, and I reserve the remainder of my time.

The PRESIDING OFFICER. The Senator from Idaho.

Mr. CHURCH. Mr. President, there is no reason to go back over the arguments that I have already made against the amendment offered by the Senator from North Carolina.

After all is said and done, he believes it should be the policy of the United States to encourage all nations which are not a party to the treaty on nonproliferation of nuclear weapons to become parties to that treaty. I agree that this should be the policy. Indeed, it is the policy.

We have already adopted language in connection with the so-called peace package for the Middle East which reaffirms the policy, and we could adopt language once again in this bill.

The problem with the amendment is that it would be a classic exercise in cutting off our nose to spite our face.

The foreign aid program, though it lacks much of a constituency in this country, is approved by the Congress each year, because in the collective judgment of the Congress it is serving our national interest abroad.

If we were to cut this program off to a score of foreign countries where we believe it is now serving our interests simply because those countries were not members of the Nuclear Non-proliferation Treaty, we would not persuade them by such effort at compulsion to become a member of the treaty. That only can be done by persuading them that it is in their interest to join.

So we would not be accomplishing the Senator's objective, and we would be cutting off programs that serve our own interests in the process.

Mr. President, I intend to send to the desk a substitute, as soon as the time has expired, which would read as follows:

> In accordance with the Nuclear Non-proliferation Act of 1978, the Congress strongly urges all nations which are not a party to the treaty on the nonproliferation of nuclear weapons to become parties to that treaty.

This amendment would reaffirm again our national policy to do what we can to persuade all the governments of the world that presently do not possess nuclear weapons to join as members of this treaty.

I want the Senator from North Carolina to be advised that as soon as time has expired or time has been yielded back, it will be my purpose to offer this substitute amendment; and I will offer it in my name and in the name of the able Senator from New York (Mr. JAVITS).

Mr. President, I am prepared to yield back the remainder of my time.

Mr. HELMS. Mr. President, I do not want the Senator to do that yet, because I want to have a little conversation with him, if I may.

Mr. President, I suggest the absence of a quorum, to give the majority leader time to work out the situation.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. HELMS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HELMS. Mr. President, I have taken a look at the amendment of Senator CHURCH. I find no fault with it, except that it does not do anything of substance. It expresses the hope that all these nice little countries around here that have refused to sign or ratify the Nuclear Non-proliferation Treaty will be good little countries and will come along.

I say to my friend from Idaho, with all due respect, that this is a good amendment, and that is fine. I understand that he has concerns to which he must be attentive and which are not identical to my own, and I find no fault with that. He knows that, does he not?

Mr. CHURCH. I know the Senator finds no fault. [Laughter.]

Mr. HELMS. I wonder whether, in addition to his amendment in the nature of a substitute, he would agree with the Senator from North Carolina that it would be proper for the State Department to report to the Senate, and specifically to the Foreign Relations Committee, of which my friend from Idaho is chairman, say, within the next 8 weeks, 10 weeks, or whatever, concerning steps that the State Department has taken and is taking to insure that countries which are not now signatories to or have not ratified the treaty on nonproliferation of nuclear weapons get to the business of signing it.

I have a feeling that if the distinguished Senator from Idaho and the distinguished Senator from New York would use their influence to see that such a report is forthcoming and that the State Department is encouraged to seek ratification of the Non-proliferation Treaty by the nations in question, I will support the amendment in the nature of a substitute which will be offered by the Senator from Idaho. Would he be willing to join in such an effort as that, to have the State Department report to him?

Mr. CHURCH. Of course I would. I think such a report is altogether appropriate, and it would be helpful to the Senate Foreign Relations Committee. I do not know just how the Senator would propose that we do this.

Mr. HELMS. We could work that out.

Mr. CHURCH. For one thing, if the Senator would withdraw his amendment, we might rewrite the amendment to incorporate the proposed substitute, along with a provision that would lay down the requirement for the State Department to report to the committee and accomplish both objectives.

Mr. HELMS. Super.

Mr. CHURCH. The Senator from New York properly points out that we could not write the language in such a way as to ensure that other countries would become members of the Nonproliferation Treaty.

Mr. HELMS. I understand that.

Mr. CHURCH. I suggest to the Senator that he might withdraw his amendment now, and we would see if we could work out acceptable language that would address both the policy and the report that the Senator requests. Then, if we can work out that language, the Senator can resubmit the modified amendment, and we would then be in a position to accept it.

Mr. HELMS. I thank the Senator.

Let me be sure I understand him. He understands that I am talking about a country-by-country assessment in that report, not a generalized statement from the State Department, but an itemized statement as to the nations which have not yet signed or ratified the treaty.

Mr. CHURCH. I understand the Senator's objective and my suggestion to him is that we see if we can work out acceptable language. If we cannot, the Senator would not be prejudiced since he could resubmit his original amendment and we would be back where we are now.

Mr. HELMS. Mr. President, I do not think that is going to be necessary.

I accept the Senator's offer and I withdraw the amendment.

Mr. CHURCH. I thank the Senator very much.

The PRESIDING OFFICER (Mr. CULVER). Without objection, the amendment is withdrawn.

(The following proceedings occurred later in the day and are printed at this point by unanimous consent.)

UP AMENDMENT NO. 286, AS MODIFIED

(Purpose: To prohibit the availability of funds under the bill for the benefit of any country not a party to the Treaty on the Non-Proliferation of Nuclear Weapons)

Mr. HELMS subsequently said: Mr. President, earlier this afternoon I submitted an amendment. It was debated, and, in discussion with the distinguished Senator from New York and the distinguished Senator from Idaho, it was suggested that I withdraw the amendment and that we consult about it and modify it.

We have come up with an amendment which I believe is satisfactory to all parties concerned. I send that modified amendment to the desk, and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

> The Senator from North Carolina (Mr. HELMS) proposes an unprinted amendment numbered 286: on page 36, between lines——

Mr. HELMS. Mr. President, I ask unanimous consent that further reading of the amendment, as modified, be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

> On page 36, between lines 11 and 12, insert the following:
>
> "NON-PROLIFERATION OF NUCLEAR WEAPONS
>
> "In accordance with the Nuclear Non-Proliferation Act of 1979, the Congress strongly urges all nations which are not a party to the Treaty on Non-Proliferation of Nuclear Weapons to become parties to that Treaty; and the Secretary of State is directed to submit a report by September 1, 1979, to the Chairman of the Committee on Foreign Relations of the U.S. Senate and to the Chairman of the Committee on Foreign Affairs of the U.S. House of Representatives respecting what the Department is doing to implement

this provision on a country-by-country basis."

Mr. HELMS. Mr. President, I have nothing further to state except to express my appreciation to the distinguished chairman and ranking Republican member of the committee.

Mr. CHURCH. Mr. President, I thank the Senator very much. The revised amendment is perfectly acceptable to me.

My copy shows that the word "who" at the end of line 4 on page 2 of the amendment should be changed to "which," and on line 8, between the words "to" and "Chairman" the word "the" should be inserted.

Mr. HELMS. I believe I made those modifications, or at least one of them. If not I do so.

Mr. CHURCH. These are purely grammatical changes to correct the text.

Mr. HELMS. Yes.

The PRESIDING OFFICER. Does the Senator from North Carolina accept the modifications?

Mr. HELMS. Yes.

The PRESIDING OFFICER. The amendment is so modified.

Mr. CHURCH. Mr. President, we have debated this matter and come to a happy resolution of the issue, with the help of the distinguished Senator from New York. I appreciate it, and I accept the amendment as modified.

The PRESIDING OFFICER. The amendment is already before the Chair in the form suggested by the Senator from Idaho.

Mr. JAVITS. Mr. President, the amendment is satisfactorly to me. We have worked it out.

The PRESIDING OFFICER. Is all remaining time yielded back?

Mr. HELMS. Mr. President, I would ask unanimous consent that this discussion appear in the RECORD immediately following the earlier RECORD on this amendment, so there will be no discontinuity.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered. Is all remaining time yielded back?

Mr. HELMS. Yes.

Mr. CHURCH. I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment, as modified, of the Senator from North Carolina.

The amendment (UP No. 286), as modified, was agreed to.

UP AMENDMENT NO. 281

Mr. CHURCH. Mr. President, on behalf of Senator JAVITS and myself, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The second assistant legislative clerk read as follows:

The Senator from Idaho (Mr. CHURCH) for himself and Mr. JAVITS proposes an unprinted amendment numbered 281:

Add the following new section at the end of title I of the bill—"Sec. ——. The Secretary of State is directed to provide a report to the Congress on the impact on the foreign relations of the United States of reports required by the Foreign Assistance Act on the Human Rights Practices of Foreign Governments. The report is to be transmitted to the chairman of the Senate Committee on Foreign Relations and the House Committee on Foreign Affairs by September 19, 1979.

Mr. CHURCH. Mr. President, this amendment is the product of an earlier debate and it would simply call upon the State Department to report to the Senate Foreign Relations Committee and the House Committee on Foreign Affairs, its assessment of the impact the present requirement of the law, which calls upon the State Department to issue annual report cards on the status of human rights within every foreign country, has had upon the foreign policy of the United States and upon those countries to which we extend our aid.

It would, thus, permit the two committees to reexamine this policy in the light of experience.

I hope that no one will object to including it in the bill.

I think that previous debate made it clear that the time has come for the two committees to reassess this policy, and the purpose of this amendment is to provide the two committees with an assessment from the State Department based upon our experience.

Mr. JAVITS. Mr. President, will the Senator yield?

Mr. CHURCH. I am happy to yield.

Mr. JAVITS. Mr. President, I wish to emphasize that what came out of the debate on the Hayakawa amendment was not a challenge to the policy of the United States, that we should show complete fidelity to the concept of human rights and that we should not be aiding countries where there are gross violations of human rights. But we found that there may be some real deficiency in our methodology. There is the fact that we call for a report on every country, which is public and tends to offend countries. Even if the bill of health they get is relatively good, the reports quite often include some view that these countries perceive as being an affront to national dignity.

So we are not trying to repeal the human rights reporting requirement, or anything like that. What we are trying to do is to have the State Department give us its expert view on the effects of the reports and then we can decide in the committee and submit to the Senate—and so can the other body—what we think should be done about it, if anything.

But right now we know enough to know that we should have another look, and that is all that this amendment says.

But I emphasize that we are dealing with methodology, not with the substance of our policy, which we as well as everyone else are convinced remains the same.

Mr. CHURCH. Mr. President, I am prepared to yield back the remainder of my time.

Mr. JAVITS. I yield back the remainder of my time.

The PRESIDING OFFICER. All time having been yielded back, the question is on agreeing to the amendment of the Senator from Idaho.

(Putting the question.)

The PRESIDING OFFICER. The ayes have it.

The amendment was agreed to.

Mr. JAVITS. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. CHURCH. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Arizona.

AMENDMENT NO. 204

(Purpose: To eliminate the Institute for Technological Cooperation)

Mr. DECONCINI. Mr. President, at this time I call up my printed amendment No. 204 and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The second assistant legislative clerk read as follows:

The Senator from Arizona (Mr. DECONCINI) proposes an amendment numbered 204:

On page 36, strike everything beginning on line 7 through line 21 on page 49.

The PRESIDING OFFICER. Is this the amendment to which the Senator from Arizona reserves 2 hours?

Mr. DECONCINI. The Chair is correct.

Mr. President, I am submitting an amendment to eliminate title II of S. 588 which authorizes development assistance programs for fiscal year 1980 and 1981.

Title II of S. 588 creates a new agency, the Institute for Technological Cooperation with a Council on Technological Cooperation to advise the Director. I am advised that that name has been changed slightly by previous amendment this morning. Nevertheless, it remains identical in the bill with that exception.

The purpose of this new agency is to support developing countries in "their efforts to acquire the knowledge and resources essential to development and to build the economic, political, and social institutions which will improve the quality of their lives." Toward this end, the Institute would "increase scientific and technological cooperation and jointly support long-term research on those critical problems that impede development and limit efficient use of the world's human, natural, and capital resources."

I am quite sure that no Member of Congress, nor any member of the taxpaying public could possibly disagree with those sentiments and those goals. Certainly, I do not. However, I do believe that in this era of rampant inflation that the taxpayers' dollar—in this case, $25 million—might be better spent, or even saved in this instance, since the institute is not really undertaking any new function. The goals associated with the institute are essentially the same goals that AID now suffuses much effort toward. It seems to me, Mr. President, that we are creating another layer of expense, with more bureaucracy, well-paid bureaucrats, another facility to interreact with scholarly endeavors of an elite group of social and other scientists in the United States and within the undeveloped countries.

The present program seems to have a great deal in common with the United Nations University which the Senate, on three separate occasions, has soundly rejected.

While participating in hearings on this institute in the Foreign Operations Subcommittee of the Appropriations Committee, the most frequently expressed concern evoked by my colleagues was quite simply:

> What will this Institute do that is not already being done, or cannot be done, through organizations now in being?

The answer invariably given was that new programs will be undertaken which cannot now be effectuated through AID and other agencies.

In some of the numerous conversations I have had recently with the proposed institute's planners, I was informed that AID has a faltering reputation throughout the world due to its condescending attitude toward developing nations. Furthermore, it is contended that top quality research scientists cannot be attracted to work for AID, because of its short-term assistance approach.

At this juncture, I wish to insure that my colleagues are aware of the inconsistencies in these answers. First, it should be noted that although AID is "apparently" not performing satisfactorily in the field of research, when various research activities currently being performed by AID are transferred to the new institute, the individuals performing those functions for AID will be given the opportunity to transfer with them and perform them with the new institute.

Finally, I have here a document indicating the research projects and funding currently going to universities in every State in the Nation funding scientists performing AID functions. I challenge my colleagues to show me that these are not among the finest scientists this country has to offer.

The institute will concentrate 2 million on contraceptive development and an additional $5 million to enhance motivation for family planning through study of public policy.

As you may know, in the fiscal year 1980, the President has requested $72,660,000 for population research and development, including $8,874,000 for contraceptive development. In addition, AID proposes to spend $8,300,000 for items related to contraceptives.

Precisely what does the institute propose in the way of contraceptive development that has not been fully pursued by AGW or AID or the State Department?

These questions have never been answered to my satisfaction. At a time when the American people are themselves struggling to make "ends meet," because of spiraling inflation and the beginnings of what promises to be a substantial recession, we can ill afford another well-intentioned, but expensive agency to study and coordinate problems which are all too depressingly familiar. Although the funding requests associated with the Institute for Technological Cooperation are not great, they involve the creation of a new bureaucracy that, once ensconced, will devour tax dollars at an ever-accelerating rate.

During periods of fiscal stringency when we are striving to balance a Federal budget that appears to have reached a point where the electorate will tolerate no further growth, and when we are faced as a society with fundamental problems affecting our own citizenry—problems of the elderly, the poor, the unemployed, of energy production, and of decreasing productivity—we cannot and should not squander valuable resources in an area that does nothing to ameliorate those problems and which has little, if any, bearing on our national security, or our national interests.

Finally, the committee in its report language reflects my own view on foreign assistance:

> The Committee recommends that, in a year when AID programs must be reduced, assistance which directly benefits poor people in poor countries should have priority over research and studies whose benefits to the poor are delayed and, all too often, questionable.

I urge you to support my amendment to delete title II—not because the Institute for Technological Cooperation is bad, or because further studies of the problems facing the underdeveloped are totally useless, but because we must assert priorities in the disposition of the public's money and because we need to restrain the continuing growth of Government.

Mr. President, I ask unanimous consent to make technical modifications to my amendment No. 204 to account for the changes in the pages and line numbers that were made subsequent to the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment, as modified, is as follows:

> On page 36, strike everything beginning on line 12 through line 5 on page 50.

Mr. DECONCINI. Mr. President, I reserve the remainder of my time.

Mr. GLENN. Mr. President, I rise to oppose the amendment by my distinguished colleague, Senator DECONCINI. I would like to give just a little bit of background on this particular proposal for the ISTC.

The last three decades have witnessed a remarkable growth of interdependence among nations that provide both problems as well as opportunities. The problems are easily identified—for example, our dependence upon the Middle East for oil supplies. We have, however, not paid sufficient attention to the opportunities that can accompany interdependence.

For example, in 1977, of total U.S. exports, 39 percent went to developing countries, more than to the European Economic Community, Japan, and the U.S.S.R. combined. Some economists view the expanded importance of developing country economies as a trend which will continue and accelerate and make the developing countries, mainly the middle income countries, the engine which will help revive and sustain the economies of Western countries.

It should not be overlooked that one of the ways the United States can relieve the stranglehold on its economy by the Middle Eastern oil producing states is to engage in cooperative ventures with other developing countries having fossil fuel resources so as to develop those resources with obvious benefits to both parties.

In general, the United States has approached the era of interdependence in an open and cooperative spirit. We have encouraged economic growth and change since the end of World War II, and we have sought to put in place a cooperative spirit and alinements which offer a good chance for productive relations in the future.

Our development assistance programs in their various forms since the Marshall plan years demonstrate our determination—reaffirmed by successive Presidents and Congresses—to aid people of other countries attain better standards of living. This is not to say that our determination guarantees success in every case.

The shortcomings of our foreign assistance programs in the past have been well documented. Too often these programs have suffered from mismanagement, misdirection, and a philosophy of paternalism. It is time for a new departure—one that reflects the growing interdependence among nations and the increased importance of what occurs in developing countries.

It was in this spirit nearly 2 years ago that I incorporated into the Nuclear Nonproliferation Act a title on cooperation with developing countries in the area of energy development that provides for scientists in the United States and abroad to engage in cooperative projects of mutual benefit. I envision the future expansion of that program into a "scientific peace corps" based upon mutual needs and respect.

It is also in this same spirit of cooperation that one should view President Carter's proposal for a new Institute for Scientific and Technological Cooperation as contained in title II of S. 588.

The major objectives of the Institute are to focus United States and developing country scientific research on ways of addressing basic human needs and global problems, and to strengthen the scientific and technological infrastructure of developing countries so that they have the capacity to solve their own critical development problems.

I would stress that sentence again: To strengthen the scientific and technological infrastructure of the developing countries—not just to come in with outside-administered aid programs.

The ISTC will be a relatively small, highly professional agency that will encourage and support research, education and development in selected fields. It will have more autonomy in selecting and implementing its programs according to the best scientific criteria. It will be organized under the proposed new International Development Cooperation Agency (IDCA) when the latter comes into being. IDCA is proposed by the President as the coordinating body for all foreign development assistance efforts.

While it is apparent that development is a complex process involving social, cultural, and political institutions, it is also apparent that a more sustained and skilled use of science and technology to address the problems of developing countries could be of significant benefit. In the preliminary conferences and the national papers prepared for the United Nations Conference on Science and Technology for Development (UNCSTD), to take place in August of 1979, nearly all the developing nations have stated that one of their priority goals is the strengthening of their own capacity to use science and technology to meet their needs more effectively. Their desire to do this is understandable when one realizes that only 4 percent of worldwide R. & D. takes place in the developing world and only a fraction of that focuses on needs of the poor.

It is also important to understand that cooperative research is a two-way street. While the building of science and technology capacity in the developing countries is one of the primary goals of the proposed U.S. Institute, the United States will benefit from knowledge developed in those countries. For example, Brazil has pioneered in the production of energy from biomass of which the production of gasohol is an example. Other countries are doing experiments in solar energy which have applicability to the United States. The Institute will thus operate in a spirit not of traditional "foreign aid" but of mutual interest and need, a concept appreciated by the developing countries as well as by the American people.

The ISTC is to approach its mission by drawing on U.S. institutions and agencies and by building upon expertise in the developing countries themselves. It will thus be a center for policy research and knowledge about science and technology for developing countries. If the ISTC operates as envisioned it will make use of the extensive resources of the private sector in carrying out its mission.

This will be done not only through grants and contracts but also through its role as a catalyst, encouraging and organizing cooperative efforts. Its program will be selected through careful consultation with the developing countries, assuring a partnership and a shared interest in the problems being addressed. An advisory council of up to 25 persons, of which up to one-third will be representatives of foreign countries will insure continuous scrutiny of the Institute's policies and programs to insure that the objectives of the Institute are being fulfilled.

The Senate legislation requires that the ISTC establish within the first 6 months of its operation a complete system for evaluation of all its activities. This was a requirement introduced by me and approved by both the Foreign Relations Committee and the Governmental Affairs Committee. Copies of ISTC's evaluations will also be sent to the Congress each year.

Thus, from the beginning, we will be sure that there are means to evaluate the effectiveness of funds spent for this purpose and we will be in a position to measure ISTC's effectiveness over the years. Together with a "sunset" provision, which I also introduced during the Senate review of ISTC, this will enable the Congress to determine whether this new instrument should be continued after its initial years.

ISTC represents a qualitative change in our relations with the developing world. It reflects a useful shift in priorities within the President's aid budget level. I repeat—all within the President's budget level. It promises to be an important new U.S. instrument both in addressing the immediate problems of poverty and in shaping the pattern of future scientific and technological relations with an important part of our world. The hearings held by both the Foreign Relations and Governmental Affairs Committees indicated a broad range of support for this initiative from the industrial, academic, scientific, public, and private communities.

Mr. President, more specifically, I cannot support the amendment by my distinguished colleague Senator DeConcini to strike title II from S. 588. I believe the Institute is well designed and a timely departure from the general philosophy of previous foreign assistance programs. The Institute for Scientific and Technological Cooperation can be considered a realinement, a new direction of foreign assistance that will focus collaborative research efforts in the United States and the developing countries on ways of addressing basic human needs and global problems. At the same time, it will provide programs to strengthen the scientific and technological infrastructure of developing countries so that they will begin to have the capacity to solve their own critical development problems.

The Institute goes well beyond our past aid programs in providing the framework for a sustained and realistic attack on persistent problems—problems of hunger, disease, and rural productivity. It adds a new cooperative approach to such widely shared concerns as developing energy alternatives, urban technologies, and better management of global resources. As strengthened by committee amendments, the Institute puts in place a pattern of new collaborative activities—in scientific research and in mutually beneficial experimentation and exchange. The Institute does this, and yet is planned within the stated budget and personnel ceilings on foreign assistance.

One of the major comments that has been made is that the Institute is the same as AID, has the same objectives, programs, and so forth. A brief review of the differences between these two components will immediately show this not to be true.

In ISTC, the programs will consist of multilateral, long-term research to develop science and technology capacities in the developing countries and to solve global problems of mutual concern in a truly collaborative manner. The programs are aimed at all levels of developing countries and will call upon the total, coordinated scientific and technological expertise in all sectors of the United States and the developing country.

In AID, the programs consist of bilateral, short-term work based on capital need and existing knowledge to solve specific country problems. It has very little or no long-term or capacity building objectives. The programs are aimed at the poorest of developing countries and have not been successful in including all sectors of U.S. talent nor the government.

This brief comparison shows the basic differences between AID and ISTC. However, there are other points that must be stated.

First, I would like to re-emphasize that the formation of the Institute is a redirection of foreign assistance with funding and personnel that are within the overall budgetary and personnel ceilings for foreign assistance—as such, it is not a new bureaucracy. Instead, it is an effort to strengthen greatly the use of science and technology in solving genuine problems of developing countries, problems affecting the poor, and, some cases, problems which we share with them. Its purpose includes, but also goes well beyond mere "study."

The knowledge learned will be applied to those problems.

It is a fact that little research is done presently on problems that directly affect the poor. A recent report from an international conference held in Jamaica in which development and technology leaders participated states:

> Less than 1 percent of global research and development expenditures in health, agriculture, housing, and industrial technology is spent on the needs most relevant to the poorest half of the world population.

More of this is needed and the Institute will provide this opportunity.

To attain its objectives, the Institute will provide fellowships for experts who will add technical competence to the Institute programs. These experts will be chosen from a broad segment of the population—not just social scientists, but experts from the natural and physical sciences, agriculture, medicine and health.

ISTC will emphasize the U.S. commitment to foreign assistance and at the same time recognize the changing needs of this assistance. It will not squander valuable resources in areas that do nothing to help the United States. It must be remembered that many programs will address problems of mutual interest. One has only to look at the past history of our use of imported technology to realize the immense potential that programs in ISTC could provide the United States.

Examples include our development and importation of disease resistant wheat from Kenya, use of high specific gravity potatoes from the Andean Highlands, the introduction of Brahma cattle to the South and Southwest, and the present search for disease resistant soybeans in Asia.—These are specific advantages—more will be obtained by the better focus and long-term direction imparted to the program by the Institute. In addition, other benefits will accrue and include:

First. Involvement of our acknowledged strong point of science and technology in meeting developing country problems;

Second. Obtaining solutions and new or better technology to address the persistent problems of disease and hunger;

Third. Finding new approaches to solving global issues of resource management;

Fourth. Having better means of coordination and application of U.S. science and technology with the developing countries; and

Fifth. Having better exchange and

relationships with the "middle-tier" developing countries.

In general, ISR has wide support from business, scientific, and professional organizations, industry, academia, foreign countries, the press and periodicals, and strong bipartisan endorsement by the Senate Foreign Relations and Governmental Affairs Committees. We have now the opportunity to provide a new thrust for foreign assistance, to aid a broad spectrum of developing countries, and to provide new resources for the United States.

I urge my colleagues to oppose the proposal by the distinguished Senator from Arizona, and I reserve the remainder of my time.

Mr. DeCONCINI. Mr. President, I yield to the distinguished Senator from Kansas.

Mr. DOLE. Mr. President, first, I ask unanimous consent that I may be made a cosponsor of the amendment of the Senator from Arizona.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOLE. Mr. President, as I looked at this title, I thought it might be a good idea to strike the title. Just about a day ago, Senators were trying to reduce veterans' benefits by $25 million. Now it is proposed that we spend $25 million additional dollars.

If the money were to help refugees being pushed out of Cambodia and parts of Vietnam, I think perhaps it might be a matter of some urgency that should be addressed. But despite the fact that I agree with everything said by our colleague from Ohio, and with all the motivation and intent of the programs, it seems to me that we are looking for $25 million that we do not have. One way to slow down spending is to eliminate proposals such as this, because if it is $25 million this year, you can bet it will be $50 million, $75 million, $100 million, and $200 million in the years ahead.

INTERNATIONAL DEVELOPMENT ASSISTANCE

Mr. President, the purpose of S. 588, the International Development Assistance Act of 1979, is to authorize the continued U.S. funding of many worthwhile and humanitarian programs that the United States has traditionally funded, and found to be in its best, long term national interests. These programs include bilateral assistance, international disaster assistance, operating expenses for the U.S. Agency for International Development (AID) and voluntary American contributions to international organizations. These programs have often in the past come under criticism because of costs, but they have also achieved great progress in serving traditional American, humanitarian goals, helped to provide peace and stability in deprived and volatile areas of the globe, and contributed to the development of Third World nations.

The Senator from Kansas generally has no quarrel with these aspects of the bill. It is reported to the Senate with a laudable effort to hold down these funds to the minimum required, for we also have need of this money in our own country, for domestic programs and national defense. As the projects we have undertaken in the past begin to bear fruit and as more international cooperative ventures begin to address these same problems, it is to be hoped that the United States will continue to be able to reduce our taxpayers' contributions in this area.

INSTITUTE FOR TECHNOLOGICAL COOPERATION

Mr. President, I do have a serious concern about title II to this bill. There is little to argue against in the aims this section proposes, that is "the encouragement and sustained support of the peoples of developing countries in their efforts to acquire the knowledge and resources essential to development and to build the economic, political and social institutions which will improve the quality of their lives." It seems to the Senator from Kansas that to start spending additional money, above and beyond the many millions we already contribute to a multitude of programs and organizations around the world, in the present economic situation we find in this country, is foolish in the extreme.

Voters all across the land have given us a mandate to limit, whenever possible, unnecessary spending. We are striving to eliminate the national deficit and achieve a balanced budget. Yet the Senate proposes, by the passage of this measure, to create yet another new Federal agency. We can expect it to grow, as all such agencies grow. This bill even provides for the formation of a minibureaucracy, an embryonic organization that will expand and each year demand more and more from the Federal budget.

All this would not be so bad if this Institute were truly necessary. As I mentioned before, the aims of the Institute are praiseworthy, almost above reproach. But there are many ways to achieve an objective, not all of them good, not all of them cost effective, not all of them necessary. I believe we must submit this idea to much further study before we decide it should go forward in its present form.

WASTED FUNDS IN THE UNITED NATIONS

There is already a great deal being done on the international level to aid developing countries in finding and solving the root causes of their developmental problems. The United States is a very large contributor, both in funding and in personnel participation to these programs. We contribute a quarter of the funds for the United Nations under the dues system and much more in additional voluntary programs. Yesterday it was disclosed that due to poor fiscal controls and inept financial management, the United Nations wastes—in an absolutely needless way—$9 million in interest alone. Not only are funds kept in bank accounts far in excess of that normally required for operating expenses, but these funds are earning virtually no interest. It is safe to assume that at least 25 percent of this waste involves money originally assessed from American taxpayers. I believe it should be the duty, the obligation, of the President to tighten up on such misuse of our foreign assistance dollar before we start finding new ways to spend it. Mr. Ronald Kessler, a Washington Post staff writer, has detailed the waste and mismanagement of the U.N. funds in a two-part article which I believe deserves the attention of every Senator contemplating the approval of this new Institute. Mr. President, I ask unanimous consent that it be printed in the RECORD at this point in my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

U.N. SYSTEM, CLAIMING DEFICITS, HAS $1.4 BILLION IN BANK

(By Ronald Kessler)

UNITED NATIONS, June 16.—The United Nations and its affiliates, while claiming to be plagued with deficits, have been running a surplus of as much as $350 million a year and have $1.4 billion in excess funds in bank accounts, audited financial statements show.

The organizations that make up the U.N. system have managed to create the impression that they are in difficult financial straits by distributing funds among a number of special accounts and placing vast sums in special reserves, the statements disclose.

In some cases, the U.N. organizations have obscured the fact that they actually have amassed considerable wealth by depicting their finances in ways that accountants say are highly questionable.

The audited financial statements have been publicly available for years, but apparently no one has ever totaled the figures to obtain a complete picture of the finances of the U.N. system.

The United Nations Children's Fund (UNICEF), one of the organizations in the U.N. system, alone has $100 million to $140 million in its bank accounts, the audited statements show. In recent years, the organization that helps starving children has run an annual surplus ranging from $8 million to more than $20 million.

The excess money, enough to run UNICEF for at least six months and possibly almost a year, is equivalent to the amount that children would collect in UNICEF Halloween trick-or-treat campaigns over 70 years.

U.S. and U.N. officials acknowledged they did not know exactly how much the U.N. system takes in or spends each year. A State Department compilation shows the organizations in 1977 received income of $2.4 billion, a commonly accepted figure. But this does not include all the U.N. organizations.

Totaling each organization's financial statements collected over a period of months shows they had total income in 1977 of $2.7 billion—$300 million above the widely accepted figure.

Far from running deficits, the U.N. organizations in 1977 retained 13 percent of their total income as a surplus, the figures show.

By comparison, CARE, the nonprofit organization that distributes food overseas and has no connection with the United Nations had a surplus last year of 1.2 percent.

In 1977, the latest year which full figures are available, U.N. organizations had enough money in their bank accounts to cover operating expenses for an average of seven months and, in some cases, as much as two years.

CARE, by contrast, had enough in the bank and other investments to cover operations for about a month.

The U.N. organizations place their excess funds in banks throughout the world. Details will be covered in a second article.

U.N. officials say the excess funds are needed to insure that commitments to fund projects in the future will be met.

"UNICEF needs an operational capital to maintain liquidity during the year and to absorb differences between revenue and expenditure for future years," Henry R. Labouisse, executive director of UNICEF, said in this year's financial statements.

After reviewing figures on U.N. system finances, the State Department confirmed last week that they were accurate but objected to any attempt to lump together the finances of all U.N. organizations.

Charles W. Maynes Jr., the assistant secretary of State for international organizations, said, "Each organization is completely autonomous, and money cannot be shifted from one to the other."

In a 14-page statement, he said large portions of the excess funds are in special funds for particular purposes or in reserves that should not be counted.

For example, a $150 million "reserve" of the United Nations Development Program (UNDP) should be deducted before reporting on the UNDP's accumulated cash, Maynes said.

To present U.N. system finances in proper accounting terms, Maynes said in the statement, the bank balances should be reduced further by deducting the accounts payable—bills owed by each organization.

Maynes singled out the United Nations itself, which is less well off than most of the affiliate organizations in the U.N. system, as an entity with particular problems.

He said it has a "deficit" because some countries have refused to pay their assessed contribution. If this "deficit" is considered, and the amounts owed by the United Nations are taken into account, it will be shown to be "on the verge of bankruptcy," Maynes said.

In addition, Maynes said an article on the overall financial situation of the U.N. system would be used unfairly by political critics of the United Nations.

When first asked about the bank accounts of U.N. organizations, Maynes said a story on the subject "will do tremendous damage to the U.N. . . . The damage will be incredible. It will be devastating."

Accountants disagreed with Maynes' view of how U.N. system finances should be presented. They said, for example, that reserves of an organization should be included when assessing its wealth.

Paul Rosenfield, director of the American Institute of Certified Public Accountants' accounting standards division, disagrees with the United Nations definition of "deficit." A deficit is an excess of expenses over receipts he said, not the failure to collect a contribution.

"A deficit would have nothing to do with that," he said.

Deducting various items from bank balances, as suggested by the State Department, without offsetting them by adding in amounts owed to the organizations would produce a "very misleading piece of information," Rosenfield said.

"It would look like an organization is going out of business when it is highly profitable," Rosenfield said.

Officials of U.N. organizations generally refused to permit inspection of records that would show how the United Nations spends its money.

"It's not in the public domain," William Goodkind, deputy U.N. controller, said when asked about the terms of bank deposits. "We only show that to the auditors. I'm not going to show it to anyone who walks in off the street."

"There's no reason why you should have access to the files of the U.N.," George F. Davidson, undersecretary general for administration and management, said when asked for a list of companies that receive contracts from the United Nations.

Although the U.S. government gave the largest single contribution to the United Nations, $600 million to the U.N. system in 1977, or $4.60 for each taxpayer, the General Accounting Office, the audit arm of Congress, also has been refused access to financial records of U.N. organizations.

"We can only ask questions," said George F. Saddler, the counselor for financial matters at the U.S. Mission to the United Nations. "To look at records gets into a fundamental policy question. We [the State Department] have never considered there was any need to look at those records."

This year, the United States is temporarily withholding contributions to some U.N. organizations in a disagreement over how assessments are made. So far, $139 million has been withheld and $172 million paid.

Those who are allowed to see the United Nation's books—the U.N. board of auditors—have severely criticized nearly every facet of the United Nation's financial operations.

In little-noticed reports published by the United Nations, the board, composed of audit staffs from three countries, has repeatedly "qualified" its opinion on the soundness of U.N. finances.

This means the board refused to certify that the books as presented were accurate.

The auditors have pointed specifically to deficiencies in the way the organization handles its checks, assets, invoices, purchases, contributions and books. They also have questioned the effectiveness of the U.N. internal auditors and the qualifications of its financial officers.

"The reporting system is inconsistent, and it's almost impossible to get a handle on the total activities of the system," said G. Peter Wilson, director-general of the U.N. external audit committee.

"The system doesn't provide the assurance that the final information is accurate and, in many cases, that there are adequate controls to ensure proper use of financial resources," Wilson said.

He said the auditors have not addressed the reasons U.N. organizations generate excess funds, since this is a question of policy rather than accounting.

"Why is the U.N. raising all these funds? Why does the U.N. act as a bank in the first place? These are not audit questions," he said.

The U.N. system encompasses nearly 30 organizations with acronyms like WHO, ILO, WIPO, UNITAR and ITU, besides the United Nations itself. It includes lending institutions like the World Bank and International Monetary Fund, whose figures are not included here. It also includes hundreds of trust funds established for various purposes.

Each organization and trust fund has its own member countries, governing body, books, employes and offices. No one person or body supervises the entire U.N. system.

However, the U.N. General Assembly, through various councils and committees, coordinates the work of each of the organizations and reviews their budgets. It also creates some organizations and appoints their chief executives.

Financial data on each organization is not available at any one location. Although it spends $16.3 million a year, the U.N.'s office of public information is of little help.

Its publication, "Basic Facts about the U.N.," tells visitors the United Nation's budget in a recent two-year period was $784 million, or an average of $392 million a year. This was only 16 percent of the expenditures of the U.N. organizations described in the booklet.

The organization with the biggest bank accounts and surplus is the United Nations Development Program (UNDP), an umbrella agency that funds other U.N. organizations so they can improve health, education and nutrition in developing countries.

At the end of 1977, the UNDP had $286.1 million in its bank accounts. This was enough to run the organization for two-thirds of a year. Twelve trust funds administered by the UNDP had another $89.9 million in the bank.

In 1977, the UNDP ran a surplus of $166 million. The U.S. government contributed $100 million to the organization in that year.

G. Arthur Brown, deputy administrator of the UNDP, said the organization had financial difficulties in 1975 and 1976 and wanted to ensure that commitments to fund future projects would be met. In those years, according to UNDP financial statements, the organization had to dip into its reserves but had higher expenditures than it does today.

"We're trying to increase the rate of expenditures," Brown said.

The World Food Program (WFP), a U.N. organization that distributes food in impoverished countries, had $132.1 million in its bank accounts. This was enough to run the Rome-based organization (exclusive of food contributed by countries) for nearly two years.

The organization had a surplus in 1977 of $29.5 million. In that year, it received $77.4 million from the United States.

The Food and Agriculture Organization of the United Nations (FAO), which helps developing countries upgrade their own food supplies, had $116.4 million in its bank accounts. This was enough to run the Rome-based agency for nearly two-thirds of a year. Even if the portion of this money that the FAO had put into trust funds was excluded, there was still enough in the bank to run the agency for nearly half a year.

The FAO had an average annual surplus during its most recent two-year financial period of $29.4 million. It received $18.5 million in U.S. contributions in 1977.

The World Health Organization (WHO), which promotes health programs, had $116.5 million in the bank, or enough to run the Geneva-based organization for more than a third of a year.

Despite a claim in its financial statements that it had a "cash deficit" in one fund, WHO took in $7.4 million more than it spent in 1977. It received $43.3 million from the United States that year.

A WHO official in Geneva said that some of its money is committed for future expenditures.

The United Nations Educational, Scientific, and Cultural Organization (UNESCO), which funds projects in varied fields, had $59.2 million in the bank. This was enough to run the Paris-based agency for about three-quarters of a year. Another $13.9 million was kept in banks by UNESCO trust funds.

UNESCO took in $15.8 million more than it spent in 1977. The United States contribution to the organization that year was $27 million.

A UNESCO spokesman in Paris said the organization's bank balances were unusually high because it had just received a $23 million loan from some countries. He said the loan was needed because the organization's primary fund was about to run out of money.

The United Nations itself, which includes the General Assembly, Secretariat, Security Council, and International Court of Justice, had $69.4 million in the bank, or enough to run the organization for nearly two months. The United Nations' 77 trust funds had another $80 million in the bank.

During its most recent two-year financial period, the United Nations took in an average each year of $12.8 million more than it spent. The U.S. contribution to the United Nations in 1977 was $99.4 million.

UNICEF, which improves children's health, education and nutrition in developing countries, had bank balances that ranged during the past two years from a low of $100 million to a high of more than $140 million. If money earmarked for particular purposes is excluded from the balances, UNICEF had enough in the bank at the end of 1977 to operate for almost a year.

In 1977, UNICEF had a surplus of $23.3 million. It received $20 million in U.S. contributions in that year and another $250,000 earmarked for the International Year of the Child, a program focusing this year on the needs of poor children.

U.N. Accounts Lose Millions in Interest

(By Ronald Kessler)

United Nations, June 17.—More than $100 million of excess funds amassed by the United Nations and its affiliates is being kept in U.S. and foreign bank accounts that pay little or no interest, audited financial statements show.

The U.N. system thus would appear to be forfeiting millions of dollars it might collect each year in interest at a time when it is complaining of deficits and difficulties in collecting assessments from member countries.

The United Nations Children's Fund (UNICEF), one of the organizations that make up what is known as the U.N. system, keeps an average of $10 million in interest-free checking accounts.

The United Nations itself, along with the United Nations Development Program (UNDP), keeps an average of $20 million in interest-free checking accounts.

At current interest rates of more than 9 percent for overnight investment of large funds, these sums alone represent a loss of interest of nearly $3 million a year.

In addition, at the end of 1977, U.N. system organizations had these amounts in banks:

More than $11 million of the United Nations Fund for Population Activities (UNFPA) earning interest of 1.75 percent a year in Japanese banks.

More than $17 million of the United Nations Educational, Scientific and Cultural Organization (UNESCO) in various accounts paying little or no interest.

More than $24 million of the UNDP in Japanese banks earning interest of 3.25 percent a year.

More than $2 million of the UNDP funds in Netherlands banks earning interest of 1.5 percent a year.

More than $7 million of the United Nations' funds in a 5 percent savings account in Chemical Bank in New York.

More than $4 million of UNDP money in a 5 percent savings account.

More than $1 million of United Nations University funds in a 5 percent savings account at Chemical Bank in New York.

The deposits are part of $1.4 billion in excess funds kept by U.N. system organizations in various bank accounts throughout the world. A story in The Washington Post yesterday reported that U.N. organizations have been amassing a surplus of as much as $350 million a year.

Officials of UNICEF and other U.N. organizations said much of their interest-free money is in hundreds of accounts in foreign countries, where it may be difficult to transfer money readily or obtain interest on deposits.

They said savings accounts may be used to hold money temporarily until it is needed to cover checks. On other deposits, they said, they obtain quotes from several banks to get the best interest rates.

While interest rates at some foreign banks may seem low, they said, the deposits may bring a higher rate of return than if the money were invested in the United States because of foreign exchange fluctuations.

U.N. organizations declined to allow access to records that would show the full terms of their deposits. "Unless you have the logic behind the transaction, you could not form a rational opinion on it," G. Arthur Brown, deputy administrator of the UNDP, said in declining to make available UNDP banking records.

Giovanni Cavaglia, comptroller of UNICEF, said disclosing interest rates on the organization's bank deposits of more than $100 million would give a competitive advantage to banks that bid for UNICEF's business.

The United Nation's board of auditors, which has access to the banking records, has criticized the way the United Nations manages its excess cash.

Referring to the hundreds of millions of dollars available for investment, the board, composed of auditing staffs from three countries, has called for forecasting cash needs based on when checks are presented for payment, closer monitoring of cash needs in overseas accounts, and an integrated system for investing funds from all U.N. offices.

Asked why the UNDP was earning interest of only 3.25 percent a year on deposits of more than $24 million in Japan, Deputy Administrator Brown said Japan is one of the countries that imposes restrictions on money it contributes to the organization.

"Seven or eight countries (including Japan) require us to keep money until needed in their countries and designate the banks where it will be held," Brown said. "The rate is set by the bank."

Brown said he did not believe the UNDP got a lower rate in Japan as a result. But data published by the International Monetary Fund, which tracks foreign money transactions, show that overnight bank deposits of as little as $100,000 were earning annual interest in Japan at the time of more than 5 percent.

Asked what it recommended for overnight investment of $1 million, American Security Bank, one of Washington's major banks, said it offers a return of 9.9 percent a year through purchases of government securities.

G. Peter Wilson, director-general of the U.N. external audit committee, said the auditors are concerned about the United Nations' cash management practices.

"When we see a lot of (excess) money, we ask if it is adequately protected and invested in the best manner," he said. "What we have found is they (the U.N.) don't have systems for doing that adequately. There isn't much incentive for not leaving the money uninvested."

DELETE THE INSTITUTE

Mr. DOLE. Mr. President, the Senator from Kansas is of the firm belief that although this proposed Institute might contribute to some extent to the realization of its stated goals, we ought at this time to hold off until further study has shown what functions and programs are duplicated in other agencies, particularly international ones. We do not need another new program right now; we do not need another new bureaucracy; and we do not need to solve another social problem by throwing more money at it—particularly at a time when similarly destined money is presently being wasted.

Finally, Mr. President, as I indicated at the outset, the last thing that we probably need in this country is another new program, another new agency, and another new bureaucracy, however praiseworthy it may be. As the Senator from Kansas indicated, if there was some way to substitute for this title, some way to help the thousands and thousands of refugees who are trapped trying to leave Cambodia or forced out of Cambodia and forced out of Vietnam into areas of Malaysia and Thailand, which no longer accept them, then perhaps I think it would be money well spent. But because of the constraints on the budget—and I know this is in the budget so I do not quarrel with that technical aspect of it—it seems to me it is $25 million that maybe we should spend on such a program at some time but certainly not in this year when we are being told by everyone, by the President, by our colleagues in the Congress, above all, by the taxpayers of this country, that we ought to slow down.

I just hope, in all deference, the better part of wisdom would be to adopt the DeConcini amendment to strike this title and then take another look at it next year, the next year, or the next year, when we have a balanced budget, perhaps have some surplus funds, and when we can be assured that those who use America's taxpayers' dollars are spending them wisely.

I thank my distinguished colleague for yielding.

The PRESIDING OFFICER. Without objection, the request by the distinguished Senator from Kansas to cosponsor the DeConcini amendment is agreed to.

Mr. DECONCINI. I thank the distinguished Senator from Kansas and also the Senator from Ohio for fine statements.

It seems to me, Mr. President, that we have to look at this to see whether or not we are prepared in this body to step forward once again with a new program, with a new office. Just look at some of the figures. There will be approximately 141 staff people in this Institute; 100 of those would be transferred right now from AID who are working on the same programs they would be working on in the Institute.

Second, there would be some new people. There would be about $5 million of AID money transferred over for the purpose of administration of this new Institute. Further, $25 million would be new appropriated money for programs, for some of the studies, for some of the duplications which would be happening in the AID. There is between $60 million and $100 million of AID program money being transferred.

We have a problem with AID, and I think many of us will agree that we do, and the best way to approach it is to try to do something within that program. But to take out the scientific or the technological areas to create a new agency, in essence, that will only grow and grow as they always do, just does not make a lot of economic sense.

Evaluation has been mentioned as lacking under the AID program. I could not agree more. Having visited some of those programs myself, I agree with the Senator from Ohio that we have to insist that AID place more emphasis on the evaluation of the programs, whether they are scientific-technological programs or the standard programs that AID works with.

We have not insisted in oversight hearings or even in appropriations that that be accomplished. Now is the time to put our foot down and not reward an agency that has failed to evaluate and has failed to solicit and acquire the necessary talents that we are told now can be acquired under this new agency, and to have them respond. Are they going to be able to meet their duties? If the answer is no, we need to make changes within, instead of taking part of it without and creating a whole new bureaucracy.

I hope the body today will look carefully at the taxpayers' dollars. We hear a lot of rhetoric about it, but I believe everybody in this body is interested in balancing the budget. It is good commonsense, good political sense, and certainly economically would be very, very good for this country. Well, here is an opportunity without striking a deadly blow to our foreign relations, without injuring our foreign operations in any significant manner, and also which certainly sends a signal to the people of this country that this body is willing to cease the overexpanding in expenditures. Certainly, judgment of the merits of this particular new agency, the Institute, do not warrant it, and I hope the Senate will join me in taking out title II.

Mr. President, I reserve the remainder of my time.

The PRESIDING OFFICER. The Senator from New York.

Mr. JAVITS. Mr. President, I yield myself 3 minutes.

Mr. President, I have studied this particular Institute very carefully and have questioned witnesses about it both in the Foreign Relations and Governmental Affairs Committees. Based upon long experience with foreign aid, it seems to me that this Institute is exactly the way our foreign aid policy should go. It commends itself precisely at a time when we are trying to tighten up on costs.

I have always felt that foreign aid suffered from the fact that it was thought of only in terms of money and not enough in terms of brains and professional skills.

We had a little debate here a little while ago about health. Again, the cost-benefit ratio in international health programs of the United States is enormous because they deal with professional skills that enable people better to help themselves economically by improving their heath.

When we realize that in the developing countries, the average mortality comes at the age of 50, which is two-thirds of our life, and that for a good part of that, even up to 50, people are already old. Who has failed to see the women in developing countries old the minute they cross 30? And what is their labor power and their brain power in the total national resource of those countries?

We have cut the administration's foreign aid request by over 16 percent. We have really cut it to the bone. The money for the Institute is simply being shifted from one pocket to another. It will happen anyhow, except that the main focus, instead of being on aid, will be on technical and scientific assistance as a supplement to aid. By providing technical and scientific work adapted to the individual the Institute will permit the developing countries to better enable themselves to help themselves. I think this is absolutely inseparable. It is the way that our foreign aid program ought to go.

I wish to give a little example of that. Early in the foreign aid program, I was in India to look over the situation there. It was in the 1960's. I found that the biggest single thing our foreign aid had done, with all the money we had spent for food and other material —and I, myself, was the author of the first grain bill for India, which sent 2 million tons—the biggest things we did were to cement the wells in the villages and give people a cast-iron or tin-plate pipe to take the odors and the smoke out of the huts when they cooked or heated. Those were the biggest single things we did. Add to that the steel plows instead of the wooden plows, and you can see that technological innovation was the biggest United States aspect of the aid program in India.

Mr. President, another example of technological innovation was when we gave them strains of corn which revolutionized the Indian food supply.

All of that was technical. The money spent was infinitesimal compared to the brains which were applied.

I think that is the way to go. I think the economizers here, and I think these gentlemen certainly feel that way very strongly—Senator DeConcini and Senator Dole—ought to be very supportive of this Institute. This is exactly the way we ought to go with foreign aid if we want to give people the wherewithal which will help them to help themselves.

I hope very much, Mr. President, that the Senate will encourage the executive department when it does get a new idea and a good idea and a way to go that saves money. Instead of that, we are going to knock them down on some narrow ground that it is bureaucracy. It is all bureaucracy. There are 10 million workers in States and cities and the Federal Government. So we have to cut it to 9 million, we have to cut it to 8 million. It is still going to be a big bureaucracy, so we might as well do with it what it is the most effective at doing. That is just this kind of thing.

I urge the Senate, Mr. President, to reject this amendment.

Mr. GLENN. Mr. President, I yield myself such time as I might need.

The question is on whether AID can do the job. That is the question raised by Senator DeConcini. Why cannot AID do the job? Do we really need a new agency? Theoretically, AID can do the job, but practically, from the experience of some 18 years, it clearly has not been able to because of the day-to-day operating demands of country programs. This has been established by testimony or in comments solicited from four AID past or present directors: Gilligan, Parker, Hannah, and Bell—all of whom endorsed the ISTC proposal.

Six serious studies have pointed to a need for a degree of separation of research and related capacity-building from AID agency programs. Industry experience points also to advantages of shielding the research function. The university agricultural experiment station is also shielded to varying degrees and private industry experts have helped plan the ISTC.

The AID mission and the ISTC mission are different and call for different organization, types of personnel, evaluative criteria processes, relationships, and working environments. AID has not succeeded in attracting or keeping scientific talent needed for this scientific type of program. One example: There has been a decline in agricultural professionals in AID, which has been pointed out previously. ISTC will draw more nongovernmental experts from the private sector.

The distinguished Senator from New York mentioned some of the budgetary items. I would say that, overall, the Committee on Foreign Relations, in considering our development accounts for this year, has done an admirable job in cutting out money from those accounts. We have reduced the President's requests on developmental accounts by some $212 million in the legislation going through this year. We have reduced research and studies money by some $61.7 million.

There was a reduction of $36 million in research money; $25 million of which the Senator referred to is in the President's AID budget, but $66 million will come as transfers from ongoing AID project money.

As to staffing, it was correct that there will be a staff of 141, but 100 of those will be transfers from AID staff and the other 41, as I understand it, will be from fellows from outside Government who will be there on a temporary basis, for a maximum of 2 years.

So this should be a lean and hungry organization, we hope, and not grow into a bureaucratic monstrosity, which I would certainly be against, along with Senator DeConcini.

Mr. President, I reserve the remainder of my time.

Mr. MATSUNAGA. Will the Senator yield?

Mr. GLENN. Certainly. I yield such time as the Senator may need.

Mr. MATSUNAGA. I thank the Senator for yielding.

Mr. President, I rise in opposition to the amendment. I rise, in fact, in support of title II, which would create the Institute for Technological Cooperation. The Institute which this title would create is a long-overdue mechanism for encouraging the scientific and technological capacity of developing nations.

I was particularly pleased to read in the report of the Committee on Foreign Relations that the Institute is perceived as a force in shaping a "mature world order." It brought to my mind James Madison's belief that liberty could best be maintained through sufficiently balanced factions so that no one group could do serious damage to any other. Madison's idea of balance suggested a sense of well-being and security that evolved this stable governmental form with which the United States is associated.

Certainly in the light of our national experience, the goal of international well-being emerging through balanced scientific and technological advancement is worth pursuing.

The Institute focuses on long-term research and development that will be related to programs rather than to specific countries. What this means is that several countries experiencing the same need within the broad problem areas which the Institute will be initially addressing, including food production and rural income, health conditions, population, communications and information systems, energy planning and new energy supplies, environmental protection and natural resources management, and nonagricultural employment, may participate in and benefit from cooperative efforts encouraged through the resources and expertise that may be available.

Mr. President, the special ingredient proposed by the Institute is an elbow-to-elbow working relationship which will meet the foreign, scientific, and technological communities at their level. This will emphasize development at the pace of local personnel and provide them with a true sense of owning their creations. A result that will no doubt have a beneficial effect on all parties.

The Institute proposes person to person and organization to organization, rather than country to country relationships. Implied is informality and flexibility—a framework for freedom of movement among international communities that deserves encouragement.

Perhaps, in a special sense, the Institute for Technological Cooperation may be looked upon as a senior Peace Corps of highly skilled personnel working within an interdependent network of cooperating scientific and technical communities.

The East-West Center located in Hawaii, and the University of Hawaii's Institute of Tropical Agriculture are just two examples of organizations already in place that can immediately lend themselves to support of Institute objectives.

Formally known as the Center for Cultural and Technical Interchange between East and West, the East-West Center is an international education institution established by the U.S. Congress in 1960 to further the broad national goal of fostering better relations and mutual understanding between Americans and people from the Pacific Basin and Asia. Each year the Center brings nearly 2,000 degree students, mid-career professionals, and research oriented senior fellows together to exchange ideas in a variety of cooperative programs of study, training, and research. With mutual trust now inculcated, East-West Center alumni reestablished in their homelands, are in a position to facilitate the people to people and organization to organization approach of the new Institute.

The University of Hawaii's Institute of Tropical Agriculture devotes its resources exclusively to increasing food production capabilities in the tropical and subtropical regions of the world. HITA, as it is referred to in Hawaii, receives a significant part of its fundng support under the provisions of section 406 of the Agricultural Trade and Assistance Act of 1966 (Public Law 89–808, section 406).

In this regard, it may be of more than passing interest to note that the section 406 legislation was enacted as an amendment to the original food for peace legislation. I introduced it after I looked at the U.S. food production capability projections and realized that the United States could not continue to grow food surplus to its needs to compensate indefinitely for the food deficits in the developing countries.

Since the world's "hunger belt" encompasses primarily the tropical and subtropical zones, it occurred to me that more attention had to be directed at food production capabilities in these regions. I was confident, moreover, that by applying the same type of intensive experimentation and development that was so successful with sugar and pineapple in Hawaii, and wheat, corn, and beef in the mainland United States, food production in these food deficient countries could be vastly increased.

There is also a largely untapped reservoir of emeritus scientists and professionals whose services might be used to excellent advantage. They could provide the long term foreign project involvement that the Institute seeks, without the Institute being concerned for maintaining career employes and the bureaucracy that may subsequently be bred.

By careful thought to the utilization of existing resources and by promoting a sense of service, a vital program for serving the developing nations can emerge, the humane interests of the United States can be served, and the pitfalls of an entrenched bureaucracy can be avoided.

The Institute for Technological Cooperation, as a flexible organization freed of traditional bureaucratic constraints will be free to pursue scientific endeavors based upon the special regional interests and problems of the developing nations, and not on short-term U.S. interests. By so doing, it will serve to bring to realization Madison's prophetically expressed American philosophy, a "mature world order" emerging from balance and stability.

Mr. President, for the reasons stated, I urge the defeat of the pending amendment.

Mr. DeCONCINI. Mr. President, the distinguished Senator from Hawaii points out some very important points. I only reiterate that under AID now there are very large substantive contracts and consulting arrangements with universities all over the United States.

This is in existence now. One, for instance, is $225,000 with the University of Hawaii for agricultural development. There are some here even for the University of Arizona. One is for research on fertility at Cornell University.

These are in existence now and will continue to be in existence under the AID program.

There is about $40 million per year that is now being sought and awarded in contracts to universities under AID to do exactly what this institute would do.

Some think the institute is going to study our increasing agricultural productivity, health conditions in developing areas, nutrition improvements, communications and information.

Let us just look at health programs. The University of California has $5,118,000 worth right now. Colorado State University has a health service program of $3,000,161.

It goes on and on. Improving a population program, Northern California University presently—excuse me, the contract just ran out last year for $1,000,430

There is nothing to prohibit these from being refunded and continuously refunded.

I think the point is not that anyone who supports or votes for this amendment is opposed to these programs. Quite the contrary, they are good. What we need is better administration of aid and not setting aside a new, separate agency that is going to grow.

We have all heard that argument, just fund us this year and everything will be all right, it is never going to grow or expand.

I think it is very evident to anyone who has been around here for a short period of time that Government just grows and grows.

What we need to do, Mr. President, is devote our energies and resources to reorganizing, streamlining the proper administration of AID and not extract from it the technological and scientific efforts already here, and very good things have come forward from it.

Mr. President, I ask for the yeas and nays on my amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. DeCONCINI. Mr. President, I reserve the remainder of my time.

Mr. GLENN. Mr. President, considering AID's use of university contracts, AID had, in fiscal year 1978, 461 contract or grant relationships with U.S. universities totaling $271.9 million (over life of contracts). I guess we could ask the question, does this not indicate that AID has been able to mobilize the S. & T. community in the United States for the purposes of U.S. development aid programs?

I say that no one questions the fact that AID uses universities in its programs as a major source of expertise. This has been true for many years—over the same years that six studies of our aid effort have pointed out the serious difficulties encountered in the attempts to use these resources well.

AID has not been able to perform at the level it desires and with the quality the United States needs in longer term R. & D. in some important fields of science and technology. This has been identified as a problem in both internal and external studies.

AID's university contracts for overseas assistance are concentrated heavily in agriculture (29 of 52), with none in energy, environment, or other science and technology manpower development. These are fields of growing importance for the United States in our relationships with the Third World to which ISTC will direct attention while maintaining a strong program in agriculture, health, education, and population.

AID has made extensive use of U.S. university expertise abroad, but primarily for support of developing country government institutions; and so forth, a Ministry of Agriculture, and so forth. Thus, 42 of AID's 52 contracts with U.S. universities to provide technical assistance abroad are for help in government institutions. Only nine are for assistance to research institutions in developing countries, and one for a combination of government and research institution.

ISTC is planned to assist developing countries improve their own problem-solving capacities by helping them engage in research on critical development problems. This lack of their own S. & T. capacity is sorely felt by developing countries as a major factor in their inability to achieve more rapid development of technologies and systems suited to their culture and needs.

Of AID's 461 contracts and grants to U.S. universities, 136—or 30 percent—are for research. Almost all of these are direct grants or contracts to U.S. institutions. The annual amount for research in these grants or contracts is approximately $30 million or 32 percent of the total. ISTC planning documents show the intention to transfer most of the centrally funded AID research activities to ISTC and give them better focus and long-term direction. GAO recently reviewed AID's research program and recommended more coordinated direction of the research.

AID has supported some valuable research work. But six separate studies since 1964 have recommended a greater "shielding" of such research from day-to-day operational demands in order that it attract the quality of resources and have continuity of direction. Furthermore, the contemporary problems which the United States shares with developing countries—energy, environment, natural resources, which have only a tiny share of AID's research budget—demand attention and technical leadership which AID has not been able to develop. Rather than dilute AID's present program focus, these newer research needs are better examined, evaluated and developed as necessary by ISTC. ISTC will not build up long term career positions for this work, but rely heavily on noncareer experts who will be retained only as long as needed.

ISTC and AID will not have duplicating functions in using U.S. universities. By transferring the centrally funded research programs to ISTC, the research function will be consolidated in ISTC. AID will continue to draw upon university expertise for assistance in implementing operational programs.

Mr. President, I reserve the remainder of my time. If anyone else wishes to speak, I will yield time, or I will yield back the remainder of my time.

Mr. DeCONCINI. Mr. President, I am about prepared to have a vote.

I point out that the arguments that the Senator from Ohio has astutely pointed out seem to go to the argument that AID has had some effectiveness and that the problem is as I mentioned—management.

To extract this part of it, where we jeopardize the taxpayer and the Federal budget for a new bureaucracy and a new agency, does not seem to made a lot of good sense. I urge my colleagues to support the amendment.

If the Senator is ready, I am prepared to have a vote on the amendment.

Mr. GLENN. Mr. President, we have had very broad public endorsement of the ISTC concept. In the business community, we have had the fund for multinational management education as well as the U.S. Chamber of Commerce International Policy Committee.

Among civil leaders, we have had Father Theodore Hesburgh, president of Notre Dame, and head of the U.S. delegation to the U.N. Conference on Science and Technology for Development to be held August 1979; David Bell, vice president of the Ford Foundation and former Administrator of AID; Dr. D. A. Henderson, dean of Johns Hopkins University School of Hygiene and Public Health, and former World Health Organization director of the worldwide smallpox eradication program; James Grant, president, Overseas Development Council; William C. Norris, chairman of the board and chief executive officer, Control Data Corp.

In the scientific and professional associations support comes from the American Association for the Advancement of Science, the International Health Resource Consortium, the National Council for International Health, the American Society of Tropical Medicine and Hygiene, and the Board for International Food and Agricultural Development.

Among the educational associations we find support from the National Association of State University and Land Grant Colleges, the American Association of State University and Land Grant Colleges.

In addition, we have had a whole string of editorials in leading newspapers, including the New York Times and the Washington Post, strongly endorsing the idea of the Institute for Scientific and Technological Coordination.

I urge my colleagues to vote against the proposed amendment, which would strike this from the bill.

● Mr. KENNEDY. Mr. President, I strongly support the proposed Institute for Scientific and Technological Cooperation included in the 1979 International Development Assistance Act. The framers of the institute seek to harness science and technology for development with great creativity, imagination, and promise. I urge my colleagues to oppose the DeConcini amendment which seeks to delete funds for this major new initiative.

This Institute represents a major initiative in U.S. relations with the developing world. It will focus the American scientific and technological community on the problems of meeting basic human needs in the Third World. It will be a mechanism for cooperation on the scientific and technological problems facing all nations. It will mark a move away from concessional aid and a move toward high quality, self-help efforts which will exploit worldwide scientific and technological progress.

The problems of meeting basic human needs exist throughout the Third World. The Institute for Technological Cooperation will focus on these problems—problems of disease, nutrition, and food production. In key areas such as health, where the Third World faces terrible challenges, the Institute will provide an effective mechanism for mobilizing American talent and will give new hope to the millions of people in the developing world inflicted by disease.

The Institute will also collaborate with the developing countries in such areas as natural resource management and the development of alternative energy sources. Cooperation in these areas of international concern could potentially lead to programs of great consequence for all nations.

In addition, the Institute is designed to encourage the American private sector to contribute to the development process. The research and training American business, institutes, and individuals can provide will prove invaluable in strengthening the ability of the poorer nations to help themselves.

Mr. President, the Institute marks a move away from traditional aid relationships, that emphasize concessional assistance, and a move toward cooperative programs which would enhance global capabilities in science and technology. This represents a major step toward an American policy appropriate to the challenges of development.

I have recently received a letter from Dr. Jerome Frank, president of the Federation of American Scientists, strongly supporting the proposed Institute. According to Dr. Frank:

> The cost of the institute is on the order of 10¢ per citizen per year. Is this not a small price to pay to improve the conditions under which billions of our fellow human beings live?

Mr. President, I shall submit Dr. Frank's letter for the Record at the conclusion of my remarks.

This summer the United Nations Conference on Science and Technology will take place. Approval of this Institute will provide impetus for progress at this conference as well as signal continued American concern about the problems facing the developing world.

For all these reasons, I urge my colleagues to support the proposed Institute for Technological Cooperation.

The letter follows:

May 31, 1979.

Senator Edward M. Kennedy,
U.S. Senate,
Washington, D.C.

Dear Senator Kennedy: I write to relay the enthusiastic support of our Federation of American Scientists for the proposed Institute for Technological Cooperation (ITC). This Institute would represent a vital, and presently missing, link between the storehouse of scientific and technological information which America possesses in unique abundance, and the enormous, diverse, and pressing problems of the developing world.

At the moment, American science is not focused in sufficient degree on the problems of development. It should be. And the reasons go even deeper than the humane desire to improve the lives and health of billions of our fellow human beings. Over and above that impelling, and obviously sufficient, reason there is the fact that the world cannot survive half in poverty and half rich; that America cannot achieve its own goals, and maintain its influence, without allying itself with the cause of technological progress for the underdeveloped; and the simple economic fact, also, that technological advance in other countries provides the U.S. with compatible trading partners for our otherwise unaffordable and inappropriate high technology products.

One problem, heretofore, has been the special means required by scientific cooperation. This cooperation is different, in a number of regards, from foreign aid, and it requires its own mechanisms and environment. In the first place, cooperation is not a gift: even if, in a particular case, our scientists only learn about the problems and nothing about the solutions—which is most unlikely—they still get something invaluable in return, in the stimulation involved. Furthermore, the style and approach of scientific and technological exchange requires bilateral and sustained interchange consistent with the traditions of scientists. As a result, it is done most efficiently in bureaucratic contexts designed for that purpose. It seems unlikely that such scientific cooperation can be done efficiently in organizations devoted mainly to aid of a conventional kind.

The cost of the Institute is on the order of 10¢ per citizen per year and represents, as such, a token investment in the ability of science and technology to improve the lot of the developing world. How fast it can effectuate this improvement, we do not know. But one thing is certain: only infusions of technology and science can importantly ameliorate the dilemma of the developing world.

In urging enaction of this legislation, we are also conscious of the fact that the U.N. Conference on Science and Technology Applied to Development will occur this summer. The world is asking, these very months, what the developed world can do for the underdeveloped world with regard to science and technology. The creation of a new institution for this purpose is wholly appropriate to this political context and gives foreign nations some assurance of continuing U.S. concern about this problem.

Finally, we think that there is much good in drawing the attention of our younger scientists, especially, to the very real and different practical problems faced by other societies. For many of these scientists, it will infuse their scientific careers with a profound meaning and encourage them to combine, as best they can, theory with practice.

All in all, we do urge without reservation that this Institute be created and would welcome your assistance in making our views known to your colleagues in the Senate.

Sincerely,

JEROME FRANK,
Chairman.●

Mr. GLENN. I am prepared to yield back the remainder of my time.

Mr. DECONCINI. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. All time has been yielded back.

The question is on agreeing to the amendment, as modified. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. GOLDWATER. Mr. President, regular order.

The PRESIDING OFFICER. Are there Senators in the Chamber who wish to change their votes?

The result was announced—yeas 58, nays 42, as follows:

[Rollcall Vote No. 135 Leg.]

YEAS—58

Armstrong
Baker
Baucus
Bayh
Bellmon
Bentsen
Biden
Boren
Boschwitz
Bumpers
Burdick
Byrd,
Harry F., Jr.
Byrd, Robert C.
Cochran
Danforth
DeConcini
Dole
Domenici
Durkin
Exon
Ford
Garn
Goldwater
Hatch
Hayakawa
Heflin
Helms
Hollings
Humphrey
Inouye
Jepsen
Johnston
Kassebaum
Laxalt
Leahy
Long
Lugar
McClure
Melcher
Nelson
Nunn
Proxmire
Pryor
Randolph
Sasser
Schweiker
Simpson
Stafford
Stennis
Stevens
Talmadge
Thurmond
Tower
Wallop
Warner
Weicker
Young
Zorinsky

NAYS—42

Bradley
Cannon
Chafee
Chiles
Church
Cohen
Cranston
Culver
Durenberger
Eagleton
Glenn
Gravel
Hart
Hatfield
Heinz
Huddleston
Jackson
Javits
Kennedy
Levin
Magnuson
Mathias
Matsunaga
McGovern
Metzenbaum
Morgan
Moynihan
Muskie
Packwood
Pell
Percy
Pressler
Ribicoff
Riegle
Roth
Sarbanes
Schmitt
Stevenson
Stewart
Stone
Tsongas
Williams

So Mr. DECONCINI's amendment (No. 204), as modified, was agreed to.

Mr. DECONCINI. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. DOLE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. PERCY subsequently said: Mr. President, five Senators joined together, Senator GLENN, Senator JAVITS, Senator RIBICOFF, Senator KENNEDY, and I, in presenting to our colleagues a letter on behalf of the Institute for Scientific and Technological Cooperation. We had absolutely no indication that the Senate would take the action it just did take by the previous vote. I am aghast at this, I am disappointed, because I feel that those who voted for it, because they somehow had the feeling we would just eliminate another agency or, as some have termed, a bureaucracy, really missed the point. One essential purpose of the ISTC was to involve what the private community—research and scientific institutions, business enterprises, and individual initiative—is able to contribute to the development process abroad. For a sum of $25 million we felt that we would have the seed money to pull together much of what the private sector can contribute.

I commend the House of Representatives for thoroughly thinking this matter through, for researching it, discussing it, adopting it, and putting it into the bill they have sent to the Senate. I feel that the Senate has taken a backward step in the decision that has been made, one which is totally contrary to the highest purposes of development assistance.

I admit there is not much of a constituency out there for foreign aid in general, but there are people in need in this world, who require our help to help themselves. We cannot stand here and adopt overwhelmingly as we are now going to, a resolution on refugees without recognizing that there are people all over the world not necessarily persecuted by their government, but simply persecuted by pangs of hunger, lack of development, and lack of opportunities. There are a billion people out there who need some sort of helping hand.

Through the years the United States of America has been a leader, with bipartisan support, in international development. This is surely not the time to sit back and simply stay with the same old type of government-to-government programs. We are seeking a creative, new approach to problems which require it. That is why this Institute was so important. It had promise; it had that kind of a forward-looking approach.

I ask unanimous consent that the full text of my comments on the Institute be printed in the RECORD. I do hope that our colleagues will take the time to rethink this issue through and I hope we can find some other solution to it.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PERCY. Mr. President, I speak on behalf of the legislation authorizing the Institute for Scientific and Technological Cooperation. Today in the United States there is relatively little strong public support for the foreign assistance program. This is so even though the foreign assistance program represents the U.S. participation in one of the most difficult and important processes in the world today: Overcoming the worst aspects of world poverty that underlies so much of the tension and dissension in the world.

Perhaps one reason that the foreign assistance program has not maintained strong public support is that it has not reached out enough to tap the capacities in the United States—and particularly the private sector of the United States—to assist in the development process.

One aspect of the new Institute for Scientific and Technological Cooperation that I particularly like is that it is premised on the idea that there is much in the U.S. private sector, in our research and scientific capabilities, in our business institutions, and in our individual capabilities across this country, which can contribute to overcoming some of the critical development problems abroad.

Moreover, the Institute is predicated on the idea that there are many problems within the Third World in which the United States itself has a major stake. One of these is energy. Another is the development and protection of the natural resources which are vital to our economy as much as they are to the countries of the Third World. A third is environmental protection: pollution of rivers and oceans knows no national boundaries. The Institute for Scientific and Technological Cooperation will be dealing with these problems in the U.S. interest.

The Institute represents a fresh start in our relations with the Third World. It provides for a new pattern of relationships with important countries such as Mexico, Venezuela, Colombia, and others which no longer need or receive our bilateral concessional aid. These countries, whose cooperation we want and need as we deal with major world problems, would like to work with us in the fields of science and technology. Some of them are making important advances of their own which have relevance to us. The development of gasohol has proceeded much farther and faster in Brazil than it has in the United States. Solar energy experiments are going on in a number of developing countries and the exchange of knowledge on these could benefit all of us. Today we have no vehicle to work with these countries on a cost-shared basis for our mutual benefit.

For the poorer countries, the Institute emphasizes the building up of their own capacity in science and technology. One thing we have learned in three decades of foreign assistance is that merely transferring technology and procedures—things from our country to other countries and cultures is not very effective. When countries have really succeeded in solving the problems of poverty, it is because they have developed the skills and resources within their own countries to tackle major problems and to do this in ways that are compatible with their own customs and cultures. The Institute will thus focus on building up the Third World's own capacity for solving the problems of tropical disases, for improving their agriculture, for finding low-cost energy systems for their rural poor, and so on.

I think the American people will appreciate the approach toward the problems of the Third World and the developing countries taken by the institute. It can provide a forum bringing together the people of the Third World and ourselves on such critical problems as development of renewable energy resources. If the Institute will support, as I am convinced it plans to do, private efforts to solve such problems as this, it will be making a major contribution. I believe the American people will support an effort which turns some of our best scientific capacities to helping improve the protection against the terrible debilitating diseases which so hamper the development of the poor countries and in improving the food supply there. This kind of a development assistance program which maximizes the contributions of our skills in the private as well as the public sector, is one which all Americans can appreciate.

In sum, I believe that this new approach within the development assistance program is a very welcome one. It relies very little on the transfer of funds and very much on the building and uses of skills. It relies less on big bureaucracies and government-directed programs and more on tapping into and utilizing the many talents available in the private sector. It opens the opportunity for a new kind of interaction with the Third World that stresses mutual benefits for them and for us. And that is something that the American people have a right to ask and one which the Third World itself recognizes as legitimate.

We no longer live in a world where we are independent. We know only too well that the resources that exist in Third World countries have a major impact on our economy and our very way of life. We know that we cannot achieve continuous growth and harmony without coming to an understanding with people of those countries on the use of the world's resources, on their protection, and on ways in which these can be made available for the general benefit of all mankind. The developing countries, however, face very special problems: Enormous poverty, terrible diseases, deficiency in food production, and low levels of investment and production. We have talents, skills, and industries, that can help in overcoming these problems and we can do so in a way that facilitates the availability of the Third World resources for the economic benefit of all. This is one of the basic assumptions on which the institute is based and I think it is a worthy one, one that is well worth the relatively small amount of funds being proposed for it, and which if it succeeds, will repay us many times over.

Mr. President, I ask unanimous consent that a "Dear Colleague" letter dated June 14, 1979, signed by Senators RIBICOFF, KENNEDY, GLENN, JAVITS, and PERCY be printed at this point in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

WASHINGTON, D.C.,
June 14, 1979.

DEAR COLLEAGUES: The Senate will shortly be considering S. 588, the International Development Assistance Act. At that time an amendment will be offered by Senator DeConcini to delete title II of the bill which creates an Institute for Technological Cooperation. We urge that the DeConcini amendment be *defeated* and title II be *supported* for reasons given below.

The Institute for Technological Cooperation is a well designed and timely move to improve the quality of our assistance to the poor in developing countries. It has been carefully examined by both the Foreign Relations Committee which voted approval by 13–1, and the Governmental Affairs Committee, which approved it without opposition (13–0). The House of Representatives defeated a move to eliminate the Institute by a vote of 236–136.

The Institute has been proposed by President Carter as an important new instrument in cooperating with developing countries, including the increasingly important "middle-tier" countries. It builds on our national strengths in science and technology, which can be so important in bringing improvement to the lives of the poor. It goes well beyond our past aid programs in providing the framework for a sustained and realistic attack on persistent problems—problems of hunger, disease and rural productivity. It adds a new cooperative approach to such widely shared concerns as developing energy alternatives, urban technologies, and better management of global resources. As strengthened by Committee amendments, the Institute puts in place a pattern of new collaborative activities—in scientific research, in mutually beneficial experimentation and exchange. Its approach to such subjects as energy and natural resources is based on mutual interest—our own as well as others.

The Institute is proposed *within the President's foreign aid ceilings in both funds and personnel*. The objective is to realign functions and spending in order to produce a more efficient and effective development assistance program—one in which, in the long run, developing countries will be able to solve their own problems.

It should be noted that close scrutiny of the operations of the Institute is assured by amendments to the original proposal that call for annual evaluations of the Institute's programs to be presented to the Congress, as well as a 10 year "sunset" provision.

Finally, we wish to point out that in hearings held by both the Foreign Relations and Governmental Affairs Committees the Institute received a broad range of support from the industrial, academic, scientific, public and private communities.

For your information, we are attaching a fact sheet on the Institute and copies of the editorial endorsement of the Institute from the New York Times and the Washington Post.

We believe the Institute for Technological cooperation merits your strong support.

Sincerely,

JOHN GLENN,
EDWARD M. KENNEDY,
ABE RIBICOFF,
JACOB K. JAVITS,
CHARLES H. PERCY.

The PRESIDING OFFICER. The Chair recognizes the Senator from South Dakota. Will the Senate please be in order so that we can continue the business of the Senate. I must ask that the Senators take their chairs so we can continue the business of the U.S. Senate. Please be in order. The Chair once again recognizes the Senator from South Dakota, with my apologies.

UP AMENDMENT NO. 282

Mr. McGOVERN. Mr. President, I have an amendment which I will ask to have added to the bill as a new section at the appropriate place in the legislation now pending.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from South Dakota (Mr. McGOVERN) proposes an unprinted amendment numbered 282.

Mr. McGOVERN. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place in the bill, add the following new section:

Whereas the refugee crisis in Indochina is unfolding as one of the great human tragedies of our time; and

Whereas at least 750,000 human beings have fled Vietnam, Kampuchea, and Laos since the spring of 1975; and

Whereas approximately 300,000 human beings currently remain in refugee camps throughout Southeast Asia; and

Whereas as many as 250,000 human beings may have perished in their attempts to reach freedom and many thousands more face death should the present situation continue; and

Whereas the international borders are closing to the refugees fleeing from Indochina; and

Whereas the international community has failed to respond adequately to the crisis, despite the existence of adequate mechanisms to respond: now, Therefore, be it

Resolved, That it is the sense of the United States Senate that the President should call upon the Secretary General of the United Nations to convene immediately an emergency session of the General Assembly, or should use other appropriate fora, to deal with the refugee crisis in Southeast Asia.

Mr. McGOVERN. Mr. President, one of the most tragic problems in the world today—and I think all Members of the Senate will agree with this—is the plight of the refugees now unfolding in Southeast Asia which we have witnessed on television and read about in the press for these last many days.

It is estimated that in the last 4 years since 1975 some three-quarters of a million human beings have fled from

Indochina, either from Vietnam, Kampuchea, or Laos.

The PRESIDING OFFICER. The Chair is sorry to interrupt the Senator. I have been advised that the amendment as drawn contains a resolving clause which is out of order and must be withdrawn.

Mr. McGOVERN. Mr. President——

The PRESIDING OFFICER. The Senator could modify this to make it a sense of the Senate.

Mr. McGOVERN. Mr. President, I modify the amendment then to strike out the resolving phrase and otherwise leaving the language as is.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. McGOVERN. I ask unanimous consent that it be added as a new section at the end of the bill.

The PRESIDING OFFICER. The amendment will be so modified.

The amendment, as modified, is as follows:

At the appropriate place in the bill add the following new section:

That it is the sense of the United States Senate that the President should call upon the Secretary General of the United Nations to convene immediately an emergency session of the General Assembly, or should use other appropriate fora, to deal with the refugee crisis in Southeast Asia.

Mr. McGOVERN. Mr. President, of some 750.000 refugees who are estimated to have left Indochina since 1975, although we do not have hard estimates on this, it is believed that as many as a third of them, a quarter of a million human beings, have died in that exodus. Some 300,000 estimated persons are currently being held in refugee camps throughout Southeast Asia, and, as we have learned from press reports over the past few days, international borders are now being closed to these refugees, making their plight all the more desperate.

I think it is fair to say that while the international community has responded with some expressions of sympathy and concern there has not been an adequate response in any meaningful sense to this crisis, despite the existence of adequate mechanisms to respond to it.

What this amendment would do, that I suggested as a new section to the end of the bill, would simply be to express the concern of the U.S. Senate and call upon the Secretary General of the United Nations to convene immediately an emergency session of the General Assembly or to seek action in some other appropriate forum to deal with the refugee crisis in Southeast Asia.

Mr. President, I take this action to bring this matter before the Senate today in connection with the foreign assistance bill because there is a matter of urgency about it. People are, in fact, dying at this very moment because of the absence of support and an adequate response to this very tragic situation.

Yesterday the House of Representatives took an unusual action in expressing a similar concern in that body, which passed the House of Representatives unanimously on a rollcall vote, by a margin of 336 to 0.

Also on yesterday, the distinguished senior Senator from Massachusetts (Mr. Kennedy), who is a leader in the Senate on matters concerning refugees, delivered a superb statement of the problem of refugees in Southeast Asia before the National Coalition for Refugee Resettlement.

Senator Kennedy's address did not receive the attention it deserved, I think because of our great concern over the President's return to SALT; but I ask unanimous consent that the text of Senator Kennedy's address be printed in the Record at this point, and I urge all Senators to look at his remarks.

There being no objection, the speech was ordered to be printed in the Record, as follows:

Text of Senator Kennedy's Remarks to the Coalition Meeting

I welcome this opportunity to join your Coalition's special conference on refugee legislation, to meet with you—the Voluntary Agencies, the church groups, the state and local public agencies—who have been for so long on the front-lines of our Nation's effort to respond to the needs of homeless refugees around the world.

No group has more authority than yours to speak out on the question of refugee resettlement. Your voice will be crucial in the coming discussion in Congress as to what more our country should and must do to help refugees resettle in the United States—both now and in the decades to come. Your counsel in the days ahead will be extremely important to all of us, as we consider legislative proposals to establish a national refugee policy that responds to the needs of our time.

There are few greater tests of the democratic and humanitarian ideals for which we stand than how we respond to the needs of the world's homeless. And there is no more basic human rights issue than the protection of refugees.

Both are under stress today. For refugees have become a permanent feature of the international landscape. Each year, we see countless men, women and children flee their lands and homes for as many reasons as there are behind the violence and conflict and turmoil of our time.

Around the world today refugees are on the move in greater and more pressing numbers than at anytime in recent history. Whether they be refugees in Southern Africa fleeing racism or guerrilla war, or Soviet Jews and Eastern Europeans seeking the promise of Helsinki, or refugees fleeing civil strife in Nicaragua—not since the dark days after World War II have more refugees sought resettlement outside their native countries.

Especially in Southeast Asia today, we meet at a time when the plight of homeless people has reached crisis proportions. In recent days we have faced a repetition of some of the worst and most tragic events of the 1930's—of desperate, homeless refugees being carted off to their deaths—of refugee boats being shoved out to sea—of countless thousands languishing in camps uncertain each day about what the future may bring.

Every day for the past 12 months, the crisis of refugees in Southeast Asia has grown steadily worse—overwhelmingly the ability of the international community or local governments to cope. Last month alone, more "Boat People" landed on the beaches of the region than anytime since 1975—some 70,000 boat people last month, compared to less than 7,000 per month the year before, and only 2,000 per month two years ago. In Thailand, close to 90,000 Cambodians poured into its eastern border region last week. And elsewhere, nearly 200,000 refugees sit in camps—some for three years—waiting, without much hope, for a chance to resettle somewhere, anywhere.

The fact is, more refugees have fled Indochina this year than during the previous three years. This alone tells us that we face a human crisis of massive dimensions in Southeast Asia. Such a tide of refugees has reached intolerable levels for many countries in the area. We saw this past weekend, in Malaysia, the panicked reaction of some local officials to the refugee crisis.

But panic and inhumane acts only feed the problem. They will not solve it, and it won't go away without concerted international action.

The time is past due for our country and others to recognize that conditions in Southeast Asia have gone far beyond the existing resources or mechanisms available to help cope with the flow of refugees. We are confronting today a regional crisis of people, which calls for an emergency international response if we are to avoid witnessing another holocaust.

In my view, a series of steps should be launched immediately to try to alleviate the problem.

First, an immediate new international initiative should be undertaken to deal with the crisis in Southeast Asia—to address the political and military issues that lie behind the massive outflow of refugees we see today. I called last April for an International Conference on Indochina, in which all concerned states should participate. I renew that call today, and suggest that Secretary General Waldheim work with the members of the Security Council, as well as with Japan and the governments of Indochina and ASEAN, to call an urgent international meeting—perhaps under the auspices of the Security Council.

This meeting should deal, on an emergency basis, with the plight of refugees in Southeast Asia. We must act now to alleviate the mounting refugee problems in the region, and galvanize international support for the work of the U.N. High Commissioner for Refugees.

The second priority of this meeting should be to seek a military ceasefire in Cambodia, to move toward peace, neutrality and independence for Cambodia and Laos, and to consider appropriate international guarantees. Without a political and military solution of this kind, there will be increasing numbers of refugees from all of Indochina.

No one minimizes the difficulties of facing such an effort, and the problems involved in securing the cooperation of Vietnam as well as China and the Soviet Union. But this is clearly an effort worthy of our diplomacy and the involvement of the highest leaders of our land, including the President.

The people of Indochina have already suffered one of the great human tragedies of this century, and we simply can no longer ignore their cries for help. Appeals for humanitarian aid have now been received by several international organizations. In the case of Cambodia, if famine is to be avoided, we should respond to the recent appeals of Phnom Penh, and make immediate offer of food and other relief supplies.

Second, in support of this international action, we should appeal directly and forcefully to the countries of Southeast Asia, urging that they abide by international law and human rights standards, by granting temporary asylum to bona fide refugees seeking temporary shelter. The world understands and sympathizes with the burdens countries such as Malaysia and Thailand face today—and many social, political and economic difficulties the refugees pose. But the world cannot stand silent in the face of physical threats to refugees. We cannot tolerate policies that cripple the ability of the international community to help refugees, by denying refugees safe-haven.

Third, the world must also condemn today those within Vietnam and those sources outside Vietnam, as well, who are trafficking in human lives for profit. Such complicity in human suffering and misery debases all whom it touches, and threatens the world's ability to protect refugees.

Fourth, we must urgently appeal to other outside countries to join in the international effort to provide resettlement opportunities for Indochinese refugees. Until greater efforts are made in support of the work of the United Nations High Commissioner for Refugees—until all countries respond generously to humanitarian needs in Southeast Asia—we can hardly expect more from the countries who carry the direct burden of granting temporary asylum.

Fifth, the United States should indicate its willingness to deal directly with Vietnam, to help ameliorate conditions that contribute to the outflow of refugees. A policy of non-involvement with Vietnam—of our head in the sand—destroys our country's credibility in the area, and undermines our diplomacy with all concerned.

We should re-involve ourselves in Vietnam for humanitarian purposes. We should seek to promote the orderly departure of family reunion cases. We should respond to the desperate food shortages that exist in Vietnam, because of natural disasters and the dislocations of war. And we should use our diplomatic presence to encourage peace and stability in the region.

By responding to the humanitarian needs of the Vietnamese people—by supporting United Nations relief and reconstruction programs in Vietnam—we will not only affirm our traditional concern for the needs of all peoples, irrespective of political differences, but we will also help stabilize conditions and perhaps stem the flow of refugees.

By working directly with Vietnam we can also energetically support the recent agreement negotiated in Hanoi by the U.N. High Commissioner for Refugees—which provides for the early departure of thousands of family reunion and other cases. This recent agreement is a major breakthrough, which we should acknowledge by immediately dispatching to the field the necessary consular and other officials required to implement it from our side. This will not only end the anxious waiting of more than 5,000 families, who have approved immigration petitions sitting in Bangkok, but it may also open the way for many others to depart—not by leaky boats, but by air, in an orderly way. Both the U.N. High Commissioner and Vietnam should be commended for signing this new agreement.

Sixth, I believe the United States must act to give further assurances to the countries of Southeast Asia that we will accept, along with other countries reasonable numbers of refugees for resettlement, and that we will contribute additional funds for humanitarian assistance.

Our door must remain open to homeless refugees. That, of course, is the goal of this meeting today—to support efforts to reform our Nation's laws and policies governing the admission of refugees—not only from Indochina, but also from the Soviet Union, Latin America, and other areas of special concern to the American people. Pending legislation in Congress—which I have introduced in the Senate, and which Congressman Rodino and Congresswoman Holtzman have introduced in the House—will accomplish this goal, and will vastly improve our ability to respond to refugee emergencies, such as that today in Southeast Asia.

But for too long we have improvized our policy towards refugees, and it has lacked planning and efficient programming. We have admitted refugees in fits and starts, because our immigation law is out-of-date and inadequate to meet today's needs. Our law remains discriminatory and restrictive, and it has forced us to use the parole provisions of the statute, and then only after much delay and handwringing.

The refugee legislation you have before you will end this. It will bring our law into line with our traditions as well as our current practice. It will put on firmer footing our ability to respond to the needs of all refugees of concern to the United States—not just those from certain countries defined in the 1952 Immigration Act. It will establish clear guidelines on the numbers for normal flow, as well as the procedures to be followed in admitting refugees during an emergency. It will define, for the first time, what Congressional consultation means in the process.

Some say today that America has already done enough for refugees. But we know that we can do more. In the case of Indochinese refugees, the United States is third in the per capita number of refugees we have resettled since the evacuation of Saigon in 1975. Both Australia and France are still ahead of us. And if we admit under the new law 50,000 refugees each year, that will represent less than 12 percent of our total annual immigration flow. If we admit 100,000 refugees, that is still only 25 percent of our legal flow of immigrants. These are hardly overwhelming numbers.

Some say that new refugee legislation will open the flood-gates. But we know that the pending legislation imposes reasonable limits and establishes clearly defined controls over the admission process. It permits a reasoned and planned approach, rather than leaving it to custom or the vague requirements of the current parole authority.

Some say that refugees cost too much to resettle. But we know that Indochinese refugees cost only about $3,000 to $4,000 to transport them to the United States, to give them voluntary agency support, and provide them initial settlement costs. Within little time, the case majority are working and tax-paying members of their local communities, paying back more than they received.

But who can put a dollar sign on saving the life of a refugee? We know that helping refugees means more than the statistics on their economic accomplishment or their cost-benefit to our country. Those figures—as impressive as they are today with the Indochinese refugees—refugees and all migrants bring to our country—the richness in culture and diversity, the economic vitality, that continues one of the oldest themes in our Nation's history.

Again, you here know this, because you and your organizations have worked with refugees for many years. That is why your presence here today is especially welcome—so that we can seek your good counsel, and learn from your experience, about what our country can and should do to help refugees in the years to come.

The needs of refugees have certainly never been greater, and never has our task been more challenging. Yet, with the support of your coalition, and with the continued involvement of the American people in support of your agencies' work, I am confident that our Nation will meet our humanitarian obligations towards the world's homeless—as we have in the years past.

You have my best wishes for a successful meeting, and I urge you to meet with your Congressional Representatives, to give them the benefit of your experience and deep personal knowledge about refugee resettlement.

Mr. McGOVERN. Mr. President, in connection with this same subject, our former colleague, Senator Clark, of Iowa, who is now an Ambassador dealing with the problems of refugees worldwide, participated in an interview that was published in the New York Times of last Sunday, in which he underscored some of the special problems of the refugees, not only in Southeast Asia but the world around. I ask unanimous consent that the text of that interview also be printed in the Record.

There being no objection, the interview was ordered to be printed in the Record, as follows:

Coping With the Human Flood of the 1970's

Even to a world grown accustomed to watching a war fought from its living rooms, the pictures are poignant. The anguished Cambodian woman being denied refuge in Thailand and forced to return to her embattled homeland. The Vietnamese fishing boat overturning in the surf, where 250 of the people on board will drown. The emaciated Ethiopian peasants huddled in the dust of a Sudanese refugee camp. There are so many refugees, it seems, that calling their plight "a massive disaster," as one American official did last week, surely was no exaggeration.

Vietnam, technically at war no more, was still expelling its ethnic Chinese after first extracting millions of dollars in gold from them. Thousands of Cambodians, fleeing civil war, were scrambling into Thailand. With 260,000 refugees already confined in camps, Thailand says it can take no more. From one group of Cambodian refugees last week, 1,530 were accepted for resettlement in the United States, France and Australia; 4,500 others were sent back to Cambodia. Altogether, Thai officials have returned more than 40,000 and plan to force another 30,000 to leave. Indonesia announced that it would accept no more of Indochina's stateless "boat people." And, in a move that could have been an attempt to call attention to its difficulties, Malaysia said that it intended to ship out to sea the 76,000 Vietnamese refugees camped along its coast. Others who tried to land, the Government warned, would be shot.

In an interview with Charles Mohr, a reporter in the Washington Bureau of The New York Times, Dick Clark, the former Senator and President Carter's coordinator for refugee affairs, talked about the world's refugees. Excerpts from their conversation follow:

Q. For a world that is technically at peace, the number of displaced persons seems unusually high. What have the trends been in recent months?

A. The first problem is of course that the United States tends to be interested in refugees from particular parts of the world. Particularly in Southeast Asia right now or in Jews coming out of the Soviet Union. Of course, if you were the United Nations High Commissioner for Refugees you'd be seeing this from a little different point of view. For example, there are about three million refugees in Africa—more refugees than anyplace else. Most are concentrated in the Horn of Africa, because of the extended fighting in Ethiopia, and in Southern Africa. We don't resettle African refugees here, or very very few of them. Most of the African refugees are not seeking resettlement elsewhere. They have every intention of returning to their homelands some day.

That is certainly not the case in Indochina. And the flow of refugees there is a flood. In late 1978, we saw numbers going up to 17,000 a month. We saw a leveling off in January and February. Then in March, we saw 22,000. Then in April, 32,000. We've just gotten the figures for May, and they are staggering—65,000. The figures for June are expected to be just as bad, possibly worse. So it's a mass exodus, principally out of Vietnam and to some degree out of Laos, and that doesn't even count the Cambodians.

Vietnam is forcing its Chinese out. I would guess that by the end of next month, let's say from March '75 to the present, just about a million people will have left Vietnam. And it looks like maybe at least another million will come out. And it's causing enormous problems not only for the resettlement of all these people but in terms of where they're going to go in Southeast Asia.

Today there are over 260,000 in camps. A year from now at this rate it will be at least a million. It's something that the public and the Government have not caught up with yet.

Q. Will all the ethnic Chinese eventually be pushed out of there?

A. The figures I've seen, I don't know how accurate they are, show that there are about a million and a half ethnic Chinese in Vietnam. There are 1.2 million in South Vietnam now. Unless the Vietnamese change their policy toward the Chinese, an awful lot of them are going to come out. Now you get so many different kinds of cases of older people who won't leave any situation so I don't know where the numbers break down. But it's clear at this point that they're saying to the Chinese, "Look, you either get out or go to new economic zones." The passage is arranged and they leave. That's what's causing these enormous numbers.

Q. What was the President trying to accomplish in creating your new office and is this succeeding in improving overlapping and conflicting administration of the refugee program?

A. We've never really developed a refugee program for this country, and I think we've come to the realization that we need one because of what's happening in Southeast Asia and because of the number of additional Soviet Jews that are coming out. It's apparent that this is not a problem that's going to be intermittent. The purpose of this office is to bring together the Cuban program and the Vietnamese program and the Soviet program. To coordinate them and to propose legislation that would deal with the inflow. And I think it's been successful. Most of those things have been accomplished now in these first two or three months.

Q. The next question is about the new legislation on the admission of refugees which is pending in Congress. Do you expect it to pass relatively unscathed and can you explain why it's needed?

A. I think there's a good chance it will pass the Senate this month, and I hope that it would pass the House in July if not sometime after the August recess. It has strong support from liberals, conservatives, Republicans, Democrats. I don't know of any body that's opposed to it. I'm sure there will be some. But none has emerged yet.

I'm sure there will be people who won't like parts of it. I think it isn't so much a danger of not passing it. The danger is what amendments they attach in the process.

Q. What would the legislation do?

A. The old programs that we started in the '50s said that we could take refugees who were fleeing Communism. Later that was expanded to include the Middle East. And that had an absolute limit of 17,400, and that's the legislation we're operating under. In fact what's happened since the Hungarian revolution is that Eisenhower wanted at that time to bring in 56,000, he had a quota of 17,400. So they found an area of the law which said that the Attorney General could bring people in. And although everybody agreed that that was to bring in individuals, they used it to bring in groups. So from that day to this we've just brought in hundreds of thousands of people by having the Attorney General simply say, "I'm going to pull this many in."

Thus we've brought in almost 700,000 Cubans. We've brought in over 200,000 Vietnamese. So in effect we don't operate under that old 17,400. We're bringing in people at the rate of 120,000 a year under this old system.

So this new legislation can't be seen as opening the flood gates. What the new legislation will do however is to say the 17,400 isn't meaningful anymore. We'll have what's called a regular flow of 50,000; but we won't be limited to that. You just say that's roughly what we think we bring in a year but in a given year the President may go above that in so far as he sees it in the national interest after consultation with the House and the Senate.

And then in emergencies—let's say something happens in Iran—in the middle of the year he has an emergency provision to even go higher, to whatever figure he thinks best, but again after consultation. So it's a more systematic way of bringing people in, with careful planning ahead. Frankly now we just sort of go from one parole to another.

Q. When you announced in April that the United States was prepared to finance transit camps for Indochinese refugees on uninhabited Indonesian islands, did you forsee problems in carrying that out?

A. The only value of these so-called refugee processing centers is that they give us another place to put people from these overcrowded areas like Malaysia, Thailand and Indonesia. It's just another camp. It extends the pipeline. That's all it does.

Q. Reportedly there's somewhat more difficulty in finding sponsors for Vietnamese refugees these days. Why are sponsors necessary?

A. These people (the Indochinese) are for the most part fleeing quickly from a country.

Generally speaking you're getting on a boat, you're risking your life. You go down to Malaysia, wait in the camp for so long. You may or may not have any relative in the United States, not speak the language. The second thing is that the reason we do it through voluntary agencies, churches and so forth, is that we found that we can do it so much more inexpensively that way. Lastly, the encouraging—and to me somewhat surprising—thing is that we have an almost unlimited number of offers for resettlement. You'd think that as these numbers have gone up—and we've gone from 2,300 a month in the last quarter of last year to 4,600 and now to 7,000 a month—that they'd dry up. But they don't. We've got Governor Ray of Iowa testifying the other day, 'Why aren't you sending us more refugees? We've got houses rented. We've got jobs waiting for these people. Why aren't you raising the number?"

Q. You mentioned the ethnic Chinese problem earlier. Do you see this as a kind of particular human and moral problem in that it's not simply that the Vietnamese are pushing overseas Chinese out of Vietnam but it appears that a lot of the attitudes of countries like Malaysia are strongly influenced by prejudice?

A. I think the fact of people leaving is solely the responsibility of the Vietnamese. They want these people to leave. The people hurt by this traditional animosity in several of these countries are Chinese. Now that's not true in Thailand so much. It's not true in Hong Kong, but it is true in Indonesia and in Malaysia. Most particularly in Malaysia because of the problems they've had, the racial problems of the 1969 riots and so forth. The Indonesians have been very good so far about offering first asylum. They've given refuge to all these people but anybody that's looked at it knows there's a sensitivity to the number of Chinese that are involved.

Q. What we can do to provide incentives for Southeast Asian nations to behave more humanely?

A. You have to look at each of them separately, their own unique circumstance in history and attitudes. Malaysia developed its political system to try to allow for the Chinese-Malay combinations. They are bound to have problems if now some 75,000 of these refugees suddenly come into their country. We have to show some special concern there, work with them to show them we are trying to relieve the pressure by establishing these refugee processing centers, by showing that we're prepared and other countries are prepared to take people for permanent resettlement.

Q. What should Hanoi do to make the exodus more humane and less burdensome to the world?

A. Once they'd made the assumption that they want to get rid of millions of their own people by forcing them out, it's hard to know any good way to handle it. The best way would be to try to do it in an orderly way, let people go out directly, first through family reunions. There are more or less humane ways of doing that. The Vietnamese are taking a less humane approach because they are saying get out. If they wanted to change their economic structure they could say we know this is a difficult transition but we want you to help with the transition, we want to make adjustments rather than saying we're going to send you all to new economic zones or get out. I would think it must be a little disconcerting for the Vietnamese to know that people like Joan Baez are losing faith in what they are doing. That might be sobering if the rest of the world seemed to be doing that.

Q. Does the question of American recognition of Vietnam have any bearing on this?

A. When I first came to this job I assumed that if you had representation there it would be easier to deal with this problem. In fact, it doesn't necessarily work out that way. We have representation in Laos. And yet we've not had any impact on the refugee flow. On the other hand, we haven't had any representation in Havana, and yet we've got 700,000 people out in an orderly fashion.

Q. Is it true, as some critics charge, that countries like the United States and France are skimming off the elite refugees and leaving the peasants?

A. We don't do that. We have three categories of people that we take. It has nothing to do with skills or whether they're city dwellers or educated or not. The first is family reunion cases. If they've got a family in the United States we take them regardless of any other factor. Secondly, if they had an association with the United States, worked for our government, were part of our aid program, without regard to any other factor. The third category is everybody else. We take an enormous number of category three's.

Q. What is United States policy on Cambodian refugees? What do we hope Thailand will or will not do?

A. We encourage Thailand to give asylum to these refugees. We will be taking out some 15,000 Cambodians over the next roughly 14 months. Thailand has a unique problem because the war is going on right across their border. It is hard to determine if the people who come across are soldiers, soldiers' families or real refugees. It's difficult, and they're innundated.

Mr. McGOVERN. Mr. President, I have discussed this amendment with the distinguished managers of the bill, Senator CHURCH, the chairman of our committee, and Senator JAVITS, the ranking member on the minority side, both of whom have indicated their support for the amendment, but in order to underscore the concern of the Senate about this matter, I think it would be well if we would have a rollcall, a record vote on this matter. So I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. McGOVERN. Mr. President, I yield to the Senator from Kansas.

Mr. DOLE. Mr. President, I simply rise

to indicate my strong support and my commendation to the distinguished Senator from South Dakota. As I have indicated earlier in debate on this floor, this is a problem that should be addressed, and it does seem to me that with all the tragedy that has been spelled out over the past few weeks, as highlighted today by the distinguished Senator from South Dakota and in the remarks delivered yesterday by the distinguished Senator from Massachusetts, this action will at least send a signal of our concern. It is really not enough. We are not doing enough, but at least we are indicating our concern and expressing our hope that something may be done, and perhaps easing some of the pressures on the countries of Thailand, Malaysia, and some of the others really feeling the burden.

It would also be my hope that perhaps this is a matter that may have been discussed in Vienna between President Carter and Mr. Brezhnev with respect to the Russians using some influence and exerting some pressure on Vietnam, to see if we cannot stop some of the tragedy in that part of the world.

Urgent problems need to be addressed by no less urgent solutions. The problem confronting the world at this very moment is the plight of the refugees created by the Government of Hanoi. As stated recently as Assistant Secretary of State Hollbrooke: "The Vietnam Government has embarked on a deliberate effort to rid itself of those elements it considers undesirable".

It is expected that over a million ethnic Chinese will be forced out from Vietnam. Already thousands of Cambodians and Laotians have fled to Thailand, others to China. It is estimated that between 30 to 60 percent of the boat people may have died while trying to escape Vietnam.

It is easy to condemn the first asylum countries for declaring that they would no longer accept any more refugees attempting to land on their shores or cross their borders. Malaysia, Thailand, and Indonesia are already straining their resources with the refugees they have now. The United States is third in the numbers of refugees it has accepted and resettled, behind France and Australia.

I suggest that we not betray our heritage and the very foundations on which our Nation is built. Basic human decency requires that rather than stand idly by, rather than philosophize about the guilt of those who have brought on this disaster of overwelming magnitude, we act now in coming to the aid of the refugees.

So I commend the distinguished Senator from South Dakota, and I ask, if he has no objection, that I may be made a cosponsor of the amendment.

Mr. McGOVERN. Mr. President, I agree with the observation the Senator from Kansas has made. This is certainly a minimal step here today. We need to go farther.

Mr. DOLE. Does the Senator from South Dakota object to my being a cosponsor?

Mr. McGOVERN. I am delighted to have the Senator from Kansas as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KENNEDY. Mr. President, will the Senator yield?

Mr. McGOVERN. I yield.

Mr. KENNEDY. I, too, ask the Senator to make me a cosponsor. I thank the Senator from South Dakota for his introduction of my remarks to the National Coalition yesterday.

That coalition is made up of the voluntary agencies and State and local groups in this country that have done such an outstanding job in the resettlement of refugees over the period of the recent history of our country. The backbone of these voluntary agencies are the religious groups, which represent every one of the major religious denominations of this country.

They reminded us at the meeting yesterday of the important moral issue that is presented to the world by the "boat people." It is an extraordinary dilemma: On the one hand, the flight of some 70,000 Indochinese refugees a month presents an extraordinarily difficult problem in terms of resettlement opportunities; yet we can hardly speak of another alternative, if those individuals were to be returned to Vietnam to face an uncertain future. We hardly dare think of what their destiny might be in that situation. So it does present, either way, an extraordinary dilemma for the international community, and it is entirely appropriate that there be the calling by the Secretary General of a forum in which these issues would be discussed and considered.

I think the Senator from South Dakota has chosen his words wisely when he states, in his resolution, that the President "should call upon the Secretary General of the United Nations to convene immediately an emergency session of the General Assembly, or should use other appropriate fora, to deal with the refugee crisis in Southeast Asia."

Because what we want to try to achieve is the involvement of all the countries of the region, as well as Japan and other powers which are involved in Southeast Asia today and which have had a traditional and historical interest in that part of the world.

By having the Secretary General call such an international meeting, and leaving a degree of flexibility as to the particular forum, I think the Senator has both identified the political nature of the problem as well as expressed the central humanitarian concern we feel—which I think was so very well expressed by all of the religious groups yesterday, and which must be of central concern to the American people today. This will also give the problem the worldwide attention which this basic and fundamental human rights issue deserves. I do not think there is a more compelling human rights issue now facing the world community than the protection of refugees in Southeast Asia today.

This does not, of course, diminish our concern for refugees in other parts of the world. I had the opportunity last Friday to talk with Secretary General Waldheim about this issue at the United Nations. We are very mindful of the problems of refugees that exist in Africa and Latin America. But the fact of the matter is that the "boat people" pose a special crisis today. According to the best estimates, 30 to 40 percent of the "boat people" die before they are ever picked up, and the tragedy we saw over the weekend, a contemplated action by Malaysia, which was later rescinded by the Malaysian officials, of pushing the boats out to sea and shooting men, women, and children who come back to the land, must, I think, stir the conscience of the entire world.

I would like to share with the Senate one of the concluding resolutions adopted yesterday by the National Coalition on Refugee Resettlement, as well as their agenda and advisory committee. Their meeting focused our attention on the crisis in Southeast Asia today, as well as the need for us to adopt long overdue legislation to reform our Nation's laws relating to the admission and assistance for refugees. I ask that these materials be printed at this point in the RECORD, as well as a report presented by Ambassador Dick Clark.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

RESOLUTION OF THE NATIONAL COALITION FOR REFUGEE RESETTLEMENT

The United States government's current ad hoc response to the growing refugee crisis in Southeast Asia and the rest of the world exacts a heavy toll in human suffering. A comprehensive U.S. refugee policy is needed to address the great human need, allow agencies to plan for an orderly flow of refugees, and provide domestic support to help integrate new refugees into the mainstream of American society.

The existing problem is great: There are more refugees in the world today than at any time since World War II; among the Indochinese refugees alone nearly half a million people have died since 1975 in a desperate flight for freedom.

The United States must take a leadership role in the international community to develop a comprehensive refugee policy.

Both public and private agencies must continue to work together to assist those refugees who are admitted to the United States for resettlement.

While we do not support an open-ended program, the two-year period of full federal support is not enough.

The rate of arrivals is growing. Some of the new refugees have severe adjustment due to the severity of their experiences which need longer term attention. In addition, the resettlement effort must include a heavy emphasis on those educational and social services which provide the refugees with the tools for self-sufficiency. This should include continued emphasis upon and expanded funding for intensive educational and service programs. Such supportive services have proven their value in aiding refugees to become productive, contributing, tax paying members of American society. Without sufficient access to English instruction, vocational training, and other supportive services, many refugees will be projected into an indefinite period of dependency.

The Refugee Act of 1979 is the first essential step toward a comprehensive refugee policy. The Coalition for Refugee Resettlement therefore urges Congress to promptly pass S. 643/H.R. 2816.

NATIONAL COALITION FOR REFUGEE RESETTLEMENT

AGENDA

9:30. Welcome: Norman V. Lourie, Chairman.

10:00 a.m. Report on the Refugees in Southeast Asia and in Europe and the Status of the State Department Appropriations for FY '79: Chas Freeman, Deputy Coordinator for Refugee Affairs, State Department.

10:30 a.m. Report on the Indochinese Unaccompanied Minors: Edward Weaver, Director, American Public Welfare Association, Nancy Long, Lutheran Immigration and Refugee Services, and Robert Wright, United States Catholic Conference.

11:00 a.m. An HEW Overview: Philip Holman, Director, HEW Refugee Task Force.

11:30 a.m. Pending Legislation: Jerry Tinker, Assistant to Senator Kennedy, and Donald G. Hohl, Associate Director, United States Catholic Conference.

BREAK FOR LUNCH

2:00 p.m. Invited Speakers:

The Honorable Edward M. Kennedy, Chairman, Senate Judiciary Committee.

The Honorable Dan Lungren, Member, House Subcommittee on Immigration, Citizenship and International Law.

The Honorable Richard Clark, Ambassador-at-Large, U.S. Coordinator for Refugee Affair.

Dick Warden, Assistant Secretary for Legislation, Department of HEW.

Wells Klein, Executive Director, American Council for Nationalities Services, representing the National Voluntary Resettlement Agencies.

Joaquin F. Otero, Member, Select Commission on Immigration and Refugee Policy; Vice President, Brotherhood of Railway and Airline Clerks, Former Director for Latin America International Transport Workers Federation, representing the AFL-CIO.

Ms. Coleen Shearer, Director of the Iowa Department of Job Service, representing The Honorable Robert D. Ray, Governor of Iowa, and Chairman of the National Governor's Association Task Force on Refugees.

3:30 p.m. Coalition Business.

The Advisory Committee to the National Coalition for Refugee Resettlement includes the following:

The Most Reverend Edward E. Swanstrom, Auxiliary Bishop of New York and Honorary Chairman of the American Council of Voluntary Agencies.

Edwin Shapiro, President, Hebrew Immigrant Aid Society.

Clair Randall, General Secretary, National Council of Churches.

Edward Weaver, Executive Director, American Public Welfare Association.

John J. Affleck, Director, Rhode Island Department of Social and Rehabilitative Services and Chairman of National Council of State Public Welfare Administrators.

Neal Ball, Vice President, American Hospital Supply Corporation and National Chairman of American Refugee Committee.

The Most Reverend Thomas J. McDonough, Archbishop of Louisville, Kentucky.

Ivan Viet, President, American Council of Nationalities Services.

Jerome D. Chapman, Jr., Commissioner, Texas Department of Human Resources.

David Carter, President, Dorik, Inc. and President, Chicago Board of Directors of the American Refugee Committee.

Leo Cherne, Chairman of the International Rescue Committee.

Teymurz Bagration, Executive Director of Tolstoy Foundation.

Harold Friedman, Chairman of the Board of Hebrew Immigrant Aid Society.

Sidney Liewant, President, Organization for Rehabilitation and Training (ORT).

William Lukhard, Commissioner, Virginia Department of Welfare.

Cecil D. Lyon, former Ambassador to Chile and member of the Executive Committee of International Rescue Committee.

Warren C. Meeker, Chairman, Research Institute of America.

Michael Menaker, President, Minnesota Board of Directors of the American Refugee Committee.

Dr. Jan Papanek, President, American Fund for Czechoslovakian Refugees.

Lloyd Rader, Director, Department of Institution and Rehabilitative Services, Oklahoma.

Constantine Sidamon-Bristoff, Chairman of the Board of Directors of the Tolstoy Foundation.

Report to the Congress by Ambassador Dick Clark on U.S. Diplomatic Activities to Increase International Participation in Refugee Assistance

In the three months since President Carter appointed me as U.S. Coordinator for Refugee Affairs, further changes in the worldwide refugee situation have continued to outstrip international refugee relief efforts. On every continent greater numbers of people are fleeing their countries of origin because of military strife or fears of political persecution or other forms of discrimination and deprivation. We estimate that there may be 10–14 million refugees and displaced persons throughout the world now, many of whom need international assistance.

The refugee crisis is particularly disheartening in Southeast Asia, where the departure rates of refugees from the countries of Indochina are increasing rapidly. The countries of first asylum—which are already saturated with a total refugee-camp population of over 300,000—have begun to close their doors to new arrivals. Refugees forced back across land borders or towed back out to sea in boats have little chance of survival. Because of the hardships of escape and erosion of the first-asylum principle, an increasing number of people who attempt to leave Vietnam, Laos, and Cambodia perish in the process, some believe as high as 50 percent. We therefore do not know exactly how many Indochinese are risking their lives to depart. But we do know that the number who have successfully sought asylum in Southeast Asia has risen dramatically, from about 22,000 in March of this year, to 32,000 in April, and to a staggering 50,000 or 60,000 in May. These numbers do not even include the 40–80,000 Cambodians who have crossed into Thailand but have not been registered with the United Nations High Commissioner for Refugees. (See attached charts.)

Much of this human flood in recent months can be attributed to the policies of the Hanoi government, within Vietnam as well as in Laos and Cambodia. Throughout the areas they dominate in Indochina, the Vietnamese have systematically uprooted ethnic Chinese and other minorities and assisted their departure by boat or land, after extracting large exit fees. Their drastic political and economic policies have also encouraged ethnic Vietnamese, Cambodians, and Lao to leave clandestinely of their own accord.

Those refugees lucky enough to arrive safely in countries of first asylum in Southeast Asia find camps crowded and unsanitary. Medical care is scarce, food rations are irregular, and there are few organized or productive activities to stave off the boredom and depression of months or years of confinement and uncertainty about their fate. The international organizations and voluntary agencies that operate and oversee the refugee camps are so pressed for funds and personnel that they cannot keep up with the rising tide of new arrivals.

First-asylum countries in Southeast Asia are unable or unwilling to offer permanent resettlement to Indochinese refugees because of their own pressing population, social, and economic problems, as well as traditional ethnic hostility. This leaves the burden of resettlement with the rest of the international community.

In response to this tragic situation in Southeast Asia, as well as to the equally serious refugee situations elsewhere in the world, the United States has undertaken a number of measures to improve its own refugee programs, to strengthen the management and oversight of multilateral assistance to refugees, and to encourage other countries to offer more resettlement opportunities and financial support for refugee relief. Specifically, I personally have taken the following steps:

During a 2½ week trip to Southeast Asia in April, I strongly supported the continuing efforts of our Ambassadors to Thailand, Malaysia, Indonesia and the Philippines, and our Consul General at Hong Kong to persuade these countries to maintain the principle of first asylum;

During a visit to Europe in May, I stressed the necessity for additional offers of resettlement and increased financial contributions to international organizations in my presentation in Geneva to the ICEM Council on May 21, 1979 (copy of statement attached) and in bilateral meetings with the representatives of Australia, Austria, Bolivia, Canada, France, Germany, Japan, and the United Kingdom;

I met with the Vatican Acting Foreign Minister to coordinate Papal and U.S. efforts to stimulate additional resettlement in Catholic countries;

I ensured that the refugee situation, particularly greater international support for resettlement, was a key element in discussions between the President and the Japanese Prime Minister, as well as in discussions between the Secretary of State and the Foreign Ministers of Japan, France, and the NATO countries (in the case of Japan, these efforts led to substantially increased financial contributions to UNHCR, commitments to finance regional Refugee Processing Centers in Southeast Asia, and the initiation of a modest Japanese resettlement program for Indochinese refugees);

I met on several occasions with ranking representatives of the international organizations involved in refugee assistance and resettlement; including UNHCR Hartling, ICEM Director Carlin, and ICRC President Hay; and

I met with UN Deputy High Commissioner Dale DeHaan during his visit to Washington in April to discuss his negotiations with the Hanoi Government on a program of legal emigration from Vietnam for purposes of family reunification, and I encouraged him to continue his efforts to assure that such a UN-sponsored program begins promptly but does not in any way detract from multilateral assistance to refugees who have already risked their lives to flee Vietnam and are now in camps awaiting permanent resettlement (in this connection, at Jakarta, the SRV delegate told the press that as many as 600,000 Vietnamese might be allowed to leave the country legally over the next few years).

To date the response of the international community has not kept pace with the massive outflow of refugees around the globe. Yet I am encouraged to note an increased awareness of refugee problems and a new willingness by some governments to support multilateral assistance programs. We intend to follow upon indications of forthcoming support. In particular, we hope that the agreement reached at the May Jakarta conference on the ASEAN proposal for Refugee Processing Centers in Indonesia and the Philippines will develop into substantial commitments to implement these and other centers. We are also hopeful that our appeal at the ICEM Council meeting will indeed result in significant new contributions and resettlement offers.

In following up on these and other diplomatic activities, we are unfortunately hampered by the increasing perception that the

United States is also lagging behind in its expected contributions to international refugee assistance programs. Early enactment of the Refugee Act of 1979 and the Department of State's pending supplemental budget requests (which cover transportation of refugees to this country, resettlement and placement grants administered by voluntary agencies, and financial support for the UNHCR, ICEM, and the ICRC) will strengthen our own capabilities and improve our credibility in appealing to other nations.

DICK CLARK,
Ambassador-at-Large and U.S. Coordinator for Refugee Affairs.

INDOCHINESE REFUGEES—OUTFLOW TO AND PERMANENT RESETTLEMENT IN NONCOMMUNIST COUNTRIES[1]

[April 1975 to May 1979]

Date	Arrivals in asylum countries[2]	Permanently resettled	Remaining in camps	Annual increase
1975 (April to December)	221,000	158,000	63,000	+63,000
1976	40,970	25,380	78,590	+15,590
1977	48,080	21,520	105,150	+26,560
1978[3]	155,000	55,150	205,000	+99,850
1979:				
January	17,810	6,420		
February	15,930	6,040		
March	22,000	10,525		
April	33,000	7,529		
May	57,000	8,277		
5-mo total[3]	145,740	38,791	311,949	+106,979
Grand total	610,790	298,841	311,949	

[1] In addition to these numbers of refugees who have fled to non-Communist countries, about 150,000 Cambodians are in camps in Vietnam, and 210,000 Vietnamese have fled to China since 1978.

[2] Includes some Cambodians who went temporarily to Vietnam before being resettled in France.

[3] Does not include Cambodians who have crossed into Thailand temporarily but who are not registered by the UNHCR.

THIRD COUNTRY INDOCHINESE RESETTLEMENT THROUGH MAY 1979

Country	Admitted to date	Admissions	
		April[1]	May[1]
United States	205,000	4,000	4,000
France	50,000	550	630
Australia	20,000	757	1,836
Canada	11,000	1,333	1,362
Malaysia	1,500	0	0
West Germany	3,000	253	143
United Kingdom	1,500	121	157
Belgium	1,100	15	1
Switzerland	1,000	121	3
New Zealand	1,000	105	122
Norway	600	3	1
Denmark	500	0	3
Netherlands	400	0	2
Other	3,000	271	17
Total	299,600	7,529	8,277

[1] Tentative figures derived from several sources.

UNHCR BUDGET[1]—1978 CONTRIBUTIONS AND EXPENDITURES

[Dollar amounts in millions]

1978 GOVERNMENTS CONTRIBUTIONS

Donor	General program	Special program	Total	Percent
United States[2]	$10.5	$36.9	$47.4	32.6
United Kingdom	4.6	9.3	13.9	9.5
Japan	.1	11.5	11.6	8.0
Sweden	6.9	4.3	11.2	7.7
Norway	3.4	5.8	9.2	6.3
Netherlands	5.7	2.7	8.4	5.7
Denmark	4.7	3.3	8.0	5.5
Germany, Federal Republic of	2.2	4.8	7.0	4.8
Australia	.9	5.0	5.9	4.1
Switzerland	1.2	2.0	3.2	2.2
Canada	1.5	.9	2.4	1.7
Belgium	.5	1.6	2.1	1.4
Spain	0	$0.9	$0.9	$0.6
France	$0.5	.1	.6	.4
Finland	.4	0	.4	.3
Rest of World (includes EEC)	.9	12.5	13.4	9.2
Total	44.0	101.6	145.6	

1978 EXPENDITURES BY REGION

Donor	General program	Special program	Total
Africa	$26.5	$43.3	$69.8
Asia	1.9	49.2	51.1
Americas	5.2	0	5.2
Europe	2.4	.6	3.0
Others	4.5	1.1	5.6
Total	40.5	94.2	134.7

[1] The UNHCR also received $22,000,000 from the regular (assessed) U.N. budget in 1978.

[2] U.S. Government contributions shown are from the migration and refugee assistance appropriation and various programs of A.I.D. and the U.S. emergency refugee and migration assistance account. Furthermore, this data is for calendar year periods and therefore includes contributions from 2 fiscal years.

UNHCR BUDGET[1]—1979 CONTRIBUTIONS AND EXPENDITURES

[Dollar amounts in millions]

1979 GOVERNMENT CONTRIBUTIONS

Donor	General program	Special program	Total	Percent
United States[2]	$12.5	$5.0	$17.5	19.8
Japan	11.6	.1	11.7	13.2
United Kingdom	7.2	1.9	9.1	10.3
Sweden	6.4	1.6	8.0	9.0
Netherlands	4.7	2.8	7.5	8.5
Denmark	4.2	1.3	5.5	6.2
Germany, Federal Republic of	3.6	.4	4.0	4.5
Norway	2.3	.9	3.2	3.6
Canada	2.3	.2	2.5	2.8
Switzerland	1.2	0	1.2	1.4
Australia	.8	.3	1.1	1.2
Saudi Arabia	1.0	0	1.0	1.1
France	.7	0	.7	.8
Belgium	.3	.1	.4	.5
Finland	.4	0	.4	.5
Rest of world (includes EEC)	8.8	5.9	14.7	16.6
Total	68.0	20.5	88.5	

1979 EXPENDITURES BY REGION

Donor	General program	Special program	Total
Africa	$40.9	$15.9	$56.8
Asia	96.0	12.8	108.8
Americas	6.5	0.2	6.7
Europe	3.0	0.3	3.3
Others	19.0	3.2	22.2
Total	165.4	32.4	197.8

[1] The UNHCR also received $22,000,000 from the regular (assessed) U.N. budget in 1979.

[2] U.S. Government contributions shown are from the migration and refugee assistance appropriation and various programs of A.I.D. and the U.S. emergency refugee and migration assistance account. Furthermore, this data is for calendar year periods and therefore includes contributions from 2 fiscal years.

Mr. KENNEDY. Again, I appreciate the Senator's remarks, and I hope his amendment will pass overwhelmingly.

Will the Senator permit me to take 20 seconds more on another item?

Mr. McGOVERN. Surely. First yet me say to the Senator—he may not have been on the floor when I started speaking—that I commended him on the speech he made yesterday on this subject. I hope it will meet with his approval that I have asked unanimous consent that it be made a part of the RECORD. I believe it is an excellent overall statement of the problem of Southeast Asian refugees.

Mr. HUDDLESTON. Will the Senator yield?

Mr. McGOVERN. I yield.

Mr. HUDDLESTON. I thank the Senator from South Dakota for yielding. I commend him for the amendment he is offering at this time. I ask unanimous consent that I be made a cosponsor to that amendment. It was similar to one I prepared myself and had intended to offer today or tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HUDDLESTON. Many of us in this body have been concerned for some time with the refugee problem and the question of the U.S. responsibility and ability in this regard, coupled with the total immigration policies of this country and the illegal alien problems that we have. However, I think we cannot ignore the situation which now is existing in Indochina. I believe it is entirely proper that we focus the attention of the entire world community on this problem and that we have a determination as to just what is the proper role of this country and of other countries in meeting the very severe need that exists there at this time.

I believe this is a good approach. I commend it to the Senate. I offer my support to the Senator from South Dakota.

Mr. McGOVERN. I thank the Senator from Kentucky. I yield to the Senator from Illinois (Mr. PERCY).

Mr. PERCY. I thank my colleague.

Mr. President, I ask unanimous consent that I be added as a cosponsor of the pending resolution.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PERCY. Mr. President, I commend my distinguished colleague from South Dakota for his foresight, compassion, understanding, and phraseology in the pending resolution. On behalf of Senator JAVITS, and myself, I can say that to the best of my knowledge, it is perfectly acceptable to this side of the aisle. I would commend him for the way he has gone about bringing this urgent problem to the attention of the Senate, the Congress, and the country.

In our period of history, we have experienced probably some of the most magnificent and greatest achievements of mankind. We have accomplished things that have stretched the capacity of the human mind to new levels. We have in exercising compassion and understanding, man has fulfilled some of his noblest aspirations. At the same time, we have seen—such as in this case—some of the most dastardly acts man has ever perpetrated against fellow human beings.

The Senator from Illinois was aghast when Malaysia announced a policy of shooting people, of putting them to sea, anything to just get rid of them—the same kind of actions that had been taken in Vietnam, Laos, and Cambodia, affecting now almost a million people.

I commend the Government of Malaysia for reconsidering after the torrent of concern that was expressed, for rethinking this policy and trying to resolve the problem in some other way.

The problem cannot be left to any one nation or a couple of nations. It is a problem faced now by the whole world. That is why the forum of the United Nations is so important at this particular time.

I certainly commend this amendment. I think it is wise to have a rollcall vote so that the people of the world, and the members of the United Nations, can see how strongly the Senate feels about it. I also commend our distinguished colleague (Senator McGovern) for the leadership he has exercised, and the distinguished Senator from Massachusetts (Mr. Kennedy) for the compassion and understanding attitude he has always demonstrated with regard to refugees and those others who, for one reason or another, simply do not have a home.

Mr. McGOVERN. Mr. President, I thank the Senator from Illinois.

The PRESIDING OFFICER. Who yields time?

Mr. McGOVERN. Does the Senator want me to yield or does he want the floor?

Mr. METZENBAUM. Will the Senator yield?

Mr. McGOVERN. I yield.

Mr. METZENBAUM. I appreciate the Senator's yielding.

Mr. President, I rise to say that the distinguished Senator from South Dakota has, during his entire career of public service, evidenced a concern for those who could not fend for themselves. In this particular instance I think he is quite on the mark. I am very happy to join with him as a cosponsor of this resolution. It was he who started the positive program to do something about these thousands of people who are seeking nothing more than an opportunity to find a place to live. Unfortunately, too often in our Nation's history and in the history of the world the problems of people such as these have been talked about, written about, and cried about after they had left the Earth, after they no longer could speak for themselves.

I think this is a problem that calls upon us with a sense of urgency. Certainly, the resolution indicates our sense of concern. If a rollcall vote, as suggested by the distinguished Senator from Illinois, is the appropriate manner in which to do it, so be it.

I think it is important that the United Nations understand that this is not tomorrow's problem, this is today's problem. It was yesterday's problem and it was the day before's problem. I hope that we can provide, through this resolution, that sense of concern and urgency.

I commend the Senator. I am very happy to associate myself in his endeavors.

Mr. McGOVERN. I thank the Senator from Ohio for his very constructive contribution and the kind words he had to say.

Mr. BUMPERS. Will the Senator yield?

Mr. McGOVERN. I yield to the Senator from Arkansas.

Mr. BUMPERS. Mr. President, in recent years the trend in attitudes in our country have been drifting in an opposite direction from what the Senator from South Dakota seeks to accomplish with this amendment. In our frenzy about long gasoline lines and frustration about our divine right to use all the petroleum we want in cars as big as we want to drive wherever we want to go—it is so easy to forget the plight of the struggling people whom the Senator from South Dakota has so sensitively chosen to address with his amendment.

A week ago, I appeared on a television program with the Senator from South Dakota in which he pointed out that the strength of any nation is not the number of its nuclear weapons but its sense of dedication to decency, freedom, and humane treatment and concern, for its own citizens and citizens of other countries.

It is difficult for us when we cannot see the forest for the trees. I can remember, as a youngster in the Methodist church, when people in our church marched down the aisle once a year, to give our contribution on Mission Sunday. We were shown pictures of starving children in Africa and were assured that our contributions would alleviate their plight. Although the purpose was noble and the people in my hometown were sincere, we were oblivious to the fact that 200 black people who lived within 2 miles of our church, were just as hungry as the people in the picture we had seen. I am happy to report to Senator McGovern that my hometown was the first town in the South to integrate its schools after the Brown against Board of Education decision in 1954.

I applaud the Senator for honing the collective conscience of this body, as well as of the Nation, to the plight of these people. He has recognized our benign neglect of people who are struggling against overwhelming odds to live and to be free. I have always believed that our country's principal commitment is to support those who are engaged in this struggle. When we turn our backs on these commitments, which are the foundation on which our Nation is built, to quote my distinguished friend from Iowa (Mr. Culver), the lights will go out in this country and it will not be for lack of energy.

I applaud the Senator and I ask unanimous consent to be made a cosponsor.

The PRESIDING OFFICER (Mr. Nunn). Without objection, it is so ordered.

Mr. McGOVERN. Mr. President, I thank the Senator for his very positive response. As Senator Bumpers has said, while it is very difficult for us ideologically to face the challenge that confronts the whole world in Southeast Asia, and I understand why Senators may not be prepared at this point to talk about food assistance and medical assistance and other things that we may be called upon to do for Southeast Asia, the fact remains that there are hundreds of thousands of people in that part of the world who are hungry, who are without adequate medical care. While they represent a different political ideology than we do and we suffered a great deal in our involvement in that part of the globe, nevertheless, mothers in that part of the world weep just the same as they do here when their children are hungry or without medical care.

I think we are going to have to confront the reality some day that if we want to stop the tide of refugees flowing out of that part of the globe, the best way to do it is to share some of our own abundance, along with other countries who are advantaged, to help to meet some of the conditions of poverty and despair in that part of the world which help trigger this flow of desperate people beyond their own borders.

I commend the Senator for the broad humanitarian and moral concern that he expressed here today and I hope that, some day soon, that kind of philosophy will enable us to come to grips in an even more effective way with the desperate problems of the people in that part of the globe.

I thank the Senator.

Mr. BELLMON. Will the Senator from South Dakota yield?

The PRESIDING OFFICER. The Senator from Ohio has the time.

Mr. BELLMON. Will the Senator from Ohio yield me a few minutes?

Mr. GLENN. Yes; I yield.

Mr. BELLMON. Mr. President, I ask the Senator from South Dakota if I may be a cosponsor of this amendment.

Mr. McGOVERN. I appreciate the Senator's support.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BELLMON. I also wish to say, in the best spirit, the thought occurred to me that the tragedy now occurring in Southeast Asia somehow makes the efforts the United States made to avoid a Communist takeover in that part of the world a little less immoral than they may have seemed at one time.

Mr. McGOVERN. As the Senator knows, if the Senator from Ohio will yield me a little time, I was long opposed to our military involvement in Southeast Asia. I think it was perhaps the most tragic foreign policy miscalculation of our national history. I do not know, I say to the Senator, to what extent the despair in that part of the world is a continuing outgrowth of the enormous destruction that took place during that war. I do know, without debating here today the motive that took us in there, that we dropped more aerial bombardment on these three little countries that we are talking about here today than we did, in all of World War II, on the entire world. How much that has contributed to the loss of the capacity of the people in Indochina to deal with their own problems, I do not know.

It seems to me that that part of the world has been engaged in constant, tragic war for as long as I can remember: First, against the Japanese in the 1940's, when all of Southeast Asia was overrun by the military forces of Japan; then, as the Senator knows, a long, bloody fight against the French and their efforts to reinstitute their colonial control out there. As I say, without getting into a debate here today about our motives, then they had to fight against us for a period of some 10 years, during which enormous physical damage was done, to say nothing of the destruction of human life.

I do not know how we can properly assess what our own contribution was to the destruction of life and limb and property in that part of the globe, but I think we are now confronted with a new problem in the plight of these desperate people, who apparently do not have enough to eat, who do not have any hopes for life, who are fearful of the oppression of the regimes that are now in power there.

In any event, I am grateful that the Senate appears to be ready to respond in a humanitarian way to this problem, calling on the United Nations, of which we are a member, to put the problem on the agenda for appropriate action. I think the Senator would agree that it is a very complicated debate if we start assessing responsibility at this point for what caused the problem in the first place.

Mr. BOSCHWITZ. Will the Senator yield?

Mr. GLENN. Yes, I yield to the Senator.

Mr. BOSCHWITZ. I am very pleased to join my distinguished colleague from South Dakota as a cosponsor of this resolution. While I think it is most important that we get to the vote, the comment of the Senator from Ohio (Mr. METZENBAUM) lit a little spark in my recollection, because not only am I an immigrant, but also my wife is. On the trip that she made to the United States in 1940, the boat on which she was traveling was stopped by a German submarine and people were taken off, never to be heard from again.

I am pleased and honored to be a cosponsor of this resolution. Indeed, I hope that the United Nations also considers where these people are to go. Twenty-two thousand emigrants came out of Vietnam in March, 32,000 in April, 60,000 in May, and the pace is picking up even faster. This country is taking 7,000 of those emigrants a month; the rest of the world is taking only 3,500 emigrants a month of those people coming out of Vietnam. Not only do I hope that, in the councils of the United Nations, some pressure is brought to bear on the Vietnamese to treat their Chinese residents with greater care, with greater humanity, but that it also decides what is to become of these hundreds of thousands—330,000 people, I believe, to be quite exact—what is to become of those who are now spread in the camps of Hong Kong, Thailand, and Malaysia, and also Indonesia.

So it is with great pleasure and honor that I join the Senator from South Dakota as a cosponsor of the resolution.

Mr. GLENN. Mr. President, I yield myself such time as I need.

I would also like to be added as a cosponsor.

I think the Senator was correct in pointing out the numbers of people coming out because that is an increasing rate.

I am chairman of the East Asian Subcommittee of Foreign Relations, so I followed the refugee problem in East Asia very carefully. I was briefed at the State Department late last week on the greatly increased rate we have been experiencing this spring. At the rate it has been increasing, we will be up to, perhaps, as many as 100,000 people a month coming out. It is an unbelievable tide of humanity now being cast afloat, sometimes never to find a shore to land on, it is a tragic situation.

I think it is particularly timely that the Senator from South Dakota addressed himself to this problem.

I only ask, does the Senator wish to have a record vote on this? I would be happy to accept this on behalf of the committee.

Mr. McGOVERN. The yeas and nays have been ordered. I think we probably should go ahead with that because it will underscore, in my judgment, the overwhelming support we have here in the Senate for this measure. I think that is why it was done in the other body.

Mr. JAVITS. May I make a suggestion to the Senator?

Mr. GLENN. I will yield such time as the Senator needs.

Mr. JAVITS. We have time on this side.

I suggest we lay this amendment aside, take care of all other amendments, because I do not think there is another rollcall, and then have this rollcall and passage back to back, because Members will just be chasing over here and chasing back.

Mr. McGOVERN. Have it just before final passage?

Mr. JAVITS. That is right.

Mr. GLENN. May I inquire whether there are any other amendments that will be proposed to this bill by anyone on the floor?

Mr. JAVITS. Yes; there are other amendments. Senator HELMS has another amendment.

The PRESIDING OFFICER. Who yields time?

Mr. JEPSEN. Will the Senator from Ohio yield 60 seconds?

Mr. CHURCH. I will yield to the Senator.

Mr. JAVITS. I will yield 2 minutes to the Senator.

Mr. JEPSEN. I thank the Senator.

Mr. President, I, too, have asked to join as a cosponsor of this resolution.

My comments will be very brief. There have been some remarks made on the floor earlier this afternoon to the effect that we cannot be militarily strong or powerful and deal with conviction and strength in this world and, at the same time, be decent.

I point out, we should deal as a country and the free Nation we are with the left hand of compassion and the right hand of strength in approaching everything we do in our relationships with our friends and allies in other countries around the world.

I am pleased to join as a cosponsor. I think this is the time to deal with compassion with a problem that is not only serious, it is a very inhuman thing that is going on.

I thank the Senator from South Dakota for including me as a cosponsor.

Mr. McGOVERN. Will the Senator yield time for a unanimous consent?

Mr. CHURCH. Yes.

Mr. McGOVERN. Mr. President, I ask unanimous consent that the following Senators be added as cosponsors to the pending amendment: Senators MELCHER, DOLE, PERCY, BOSCHWITZ, KENNEDY, METZENBAUM, EXON, HATCH, HUDDLESTON, JEPSEN, BUMPERS, BELLMON, GLENN, CHURCH, DECONCINI, NUNN, JAVITS, and THURMOND.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. McGOVERN. Mr. President, I thank the Senator from Idaho for yielding.

Mr. CHURCH. Mr. President, I am prepared to yield back the remainder of my time and proceed to a vote.

The PRESIDING OFFICER. All time has been yielded back. The question is on agreeing to the amendment of the Senator from South Dakota. The yeas and nays have been ordered and the clerk will call the roll.

The legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Florida (Mr. STONE) is necessarily absent.

Mr. STEVENS. I announce that the Senator from Connecticut (Mr. WEICKER) is necessarily absent.

The PRESIDING OFFICER. Have all Senators voted?

The result was announced—yeas 98, nays 0, as follows:

[Rollcall Vote No. 136 Leg.]

YEAS—98

Armstrong
Baker
Baucus
Bayh
Bellmon
Bentsen
Biden
Boren
Boschwitz
Bradley
Bumpers
Burdick
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Chafee
Chiles
Church
Cochran
Cohen
Cranston
Culver
Danforth
DeConcini
Dole
Domenici
Durenberger
Durkin
Eagleton
Exon
Ford
Garn
Glenn
Goldwater
Gravel
Hart
Hatch
Hatfield
Hayakawa
Heflin
Heinz
Helms
Hollings
Huddleston
Humphrey
Inouye
Jackson
Javits
Jepsen
Johnston
Kassebaum
Kennedy
Laxalt
Leahy
Levin
Long
Lugar
Magnuson
Mathias
Matsunaga
McClure
McGovern
Melcher
Metzenbaum
Morgan
Moynihan
Muskie
Nelson
Nunn
Packwood
Pell
Percy
Pressler
Proxmire
Pryor
Randolph
Ribicoff
Riegle
Roth
Sarbanes
Sasser
Schmitt
Schweiker
Simpson
Stafford
Stennis
Stevens
Stevenson
Stewart
Talmadge
Thurmond
Tower
Tsongas
Wallop
Warner
Williams
Young
Zorinsky

NAYS—0

NOT VOTING—2

Stone
Weicker

So Mr. MCGOVERN's amendment (UP No. 282) was agreed to.

Mr. McGOVERN. Mr. President, I

move to reconsider the vote by which the amendment was agreed to.

Mr. CHURCH. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

UP AMENDMENT NO. 283

(Purpose: To clarify U.S. policy in the relationship between development and illicit narcotics production)

Mr. DeCONCINI. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Arizona (Mr. DeConcini) proposes an unprinted amendment numbered 283.

Mr. DeCONCINI. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 30, between lines 3 and 4, add the following new section:

"DEVELOPMENT AND ILLICIT NARCOTICS PROJECTION

Sec. 110. Chapter 1 of part 1 of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new section:

"Sec. 126. Development and Illicit Narcotics Production.—(a) The Congress recognizes that illicit narcotics cultivation is related to overall development problems and that the vast majority of all individuals employed in the cultivation of illicit narcotics reside in the developing countries and are among the poorest of the poor in those countries and that therefore the ultimate success of any effort to eliminate illicit narcotics production depends upon the availability of alternative economic opportunities for those individuals, upon other factors which assistance under this chapter could address, as well as upon direct narcotics control efforts.

"(b) In planning programs of assistance under this chapter for countries in which there is illicit narcotics cultivation, the agency primarily responsible for administering this part should give priority consideration to programs which would help reduce illicit narcotics cultivation by stimulating broader development opportunities.

"(c) In furtherance of the purposes of this section, the agency primarily responsible for administering this part shall cooperate fully with, and share its expertise in development matters with, other agencies of the United States Government involved in narcotics control activities abroad.".

Mr. DeCONCINI. Mr. President, the amendment I have at the desk will conform S. 588 to the House version of this bill in what I believe is a very crucial and very important respect. During consideration of H.R. 3324 in the House an amendment was offered by Representative Benjamin Gilman which linked, for the first time in U.S. policy, illicit narcotics production to overall developmental problems. Congressman Gilman's amendment emphasizes the importance of designing broad developmental strategies which will address the worldwide problem of illicit narcotics by offering not only crop substitution alternatives, but also constructive educational and social programs for the poor farmers involved in narcotics cultivation.

There can be no doubt that the best place to deal with illegal narcotics traffic is at the source. For this reason, I have been a strong supporter of interdiction programs in both Mexico and Colombia. However, the amendment I now offer addresses problems even more fundamental than interdiction. Programs designed to eradicate the production of illegal narcotics must be mindful of the poor farmers in underdeveloped countries and teach them that crops other than narcotics can provide a reasonable livelihood. It is their struggle to survive that allows their exploitation by organized crime.

In many cases, these farmers must choose between narcotics production or starvation. Thus, we must make every effort to offer alternatives to this corruptive lifestyle through health education and development opportunities. In planning assistance programs for those countries in which there is illicit narcotics cultivation, the United States should consider reduction in cultivation as a prime criterion in the program approval process.

Having recognized the elemental linkage between illicit narcotics production and overall developmental problems, we must mobilize those resources and that expertise available within our Government to provide a comprehensive approach. Passage of this amendment will establish, as a matter of U.S. policy, that the war on narcotics is not just an American problem, but part of the worldwide struggle against poverty and ignorance.

I understand, if I am correct, the amendment is acceptable, and I yield back the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. CHURCH. Mr. President, in reviewing the text of this amendment I find no reason to object to it.

As I understand it, the amendment has already been adopted as a part of the House version of this bill, and it seems to be altogether acceptable.

So I am prepared to yield back the remainder of my time and urge the Senate to adopt the amendment.

The PRESIDING OFFICER. Is all time yielded back?

Mr. JAVITS. Mr. President, this amendment is satisfactory to me.

Mr. CHURCH. I yield back the remainder of my time.

THE PRESIDING OFFICER. All time having been yielded back, the question is on agreeing to the amendment of the Senator from Arizona.

The amendment was agreed to.

Mr. DeCONCINI. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. CHURCH. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

UP AMENDMENT NO. 284

(Purpose: To amend the bill to add provisions relating to the Peace Corps)

Mr. CHURCH. While we wait for Senator Helms, I have an amendment which I send to the desk and ask that it be reported.

The PRESIDING OFFICER. The clerk will report.

The second assistant legislative clerk read as follows:

The Senator from Idaho (Mr. Church) proposes an unprinted amendment numbered 284.

Mr. CHURCH. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with. I will explain it to the Senate.

The PRESIDING OFFICER. Without objection, it is so ordered. The amendment is as follows:

At the end of the bill, add the following:

TITLE III—PEACE CORPS

Sec. 301. This title may be cited as the "Peace Corps Act Amendments of 1979".

Sec. 302. Section 3 of the Peace Corps Act (22 U.S.C. 2502) is amended—

(a) in subsection (b) by striking out the matter before the first proviso and inserting in lieu thereof the following: "There are authorized to be appropriated to carry out the purposes of this Act (1) for the fiscal year ending September 30, 1980, not to exceed $105,404,000:"; and

(b) in subsection (c) by striking out "year 1978, $1,069,000, and for fiscal year 1979" and by inserting in lieu thereof "year 1980".

Sec. 303. Section 7(a) of the Peace Corps Act (22 U.S.C. 2506 (a)) is amended by adding at the end thereof the following new paragraph:

"(4) A person who has received a Foreign Service Reserve or Staff appointment or assignment under this subsection may, not later than three years after the date of enactment of this paragraph or after separation from such appointment or assignment, whichever is later, be appointed to a position in any United States department, agency, or establishment (A) in the competitive service under title 5, United States Code, without competitive examination and in accordance with such regulations and conditions consistent with this subsection as are prescribed by the Director of the Office of Personnel Management or (B) in an established merit system in the excepted service, if such person (i) served satisfactorily under the authority of this subsection, as certified by the President, for not less than thirty-six months on a substantially continuous basis and (ii) is qualified for the position in question: *Provided, however*, That nothing in this paragraph shall be interpreted to deprive such person of a competitive status acquired, prior to the date of enactment of this paragraph, in the competitive service or in any established merit system in the excepted service.".

Mr. CHURCH. Mr. President, the Senate has aready adopted S. 802, the Peace Corps Amendments Act of 1979, but it develops that for parliamentary reasons it ought to be made part of the pending measure.

An amendment to S. 802 was originally offered by the distinguished Senator from California (Mr. Cranston). It is important that this amendment be considered in conference with the House. It simply removes an inequity from the law that prevents the staff of the Peace Corps from being eligible for noncompetitive status in the Civil Service.

There is presently a 5-year rotation in the Peace Corps that prevents members of the Peace Corps staff from staying with that agency for more than 5 years. The present law tends to discriminate against them when they are forced to leave after the termination of their 5 years of service.

The amendment is designed to eliminate that discrimination and to extend to them the treatment that other Federal employees receive.

Mr. JAVITS. Mr. President, will the Senator yield? The amendment is acceptable, and I yield back my time.

Mr. CHURCH. I just want to re-emphasize this amendment incorporates the entire Peace Corps bill as amended by the Senate. We do this in order for our measure to be consistent with the House-passed measure and both will be before the conferees at the time the conference takes place.

Mr. JAVITS. Mr. President, both parts of the amendment are acceptable to me, one, because we have already adopted the amendment on civil service eligibility; and, two, because in order for it to be in conference in time it is desirable to incorporate the bill on the Peace Corps, as passed by the Senate.

This amendment is acceptable to me.

Mr. CHURCH. I yield back on my time.

Mr. JAVITS. I yield back my time.

The PRESIDING OFFICER. All time is yielded back. The question is on agreeing to the amendment of the Senator from Idaho.

The amendment was agreed to.

Mr. JAVITS. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. CHURCH. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

UP AMENDMENT NO. 285

Mr. CHILES. Mr. President, I ask that the desk consider an amendment I just placed there.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Florida (Mr. CHILES) proposes an unprinted amendment numbered 285.

Mr. CHILES. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At an appropriate place in the bill, insert the following new section:

ASSISTANCE TO HAITI

SEC. . Of the amount authorized to be appropriated under Title I of the bill, $18,423,000 may be made available to Haiti if the President determines that the Government of Haiti has shown good faith in implementing adequate fiscal reform measures.

Mr. CHILES. Mr. President, this is an amendment I have discussed with the distinguished chairman of the Committee on Foreign Relations which would give the President the authority to allow up to $18.423 million in foreign aid to be dispensed to the country of Haiti if the President felt that Haiti had made adequate progress in providing fiscal reform that the administration and the Congress have been trying to get Haiti to provide so that they could administer their aid programs in a proper manner.

I think there have been problems in the past in regard to the way in which the aid program has been administered in Haiti, and I think there were two problems originally. One was the problem of human rights, and the other one had to do with the need for fiscal reforms so as to get better administration in how the programs are going to be handled.

It appears that Haiti has made some progress in civil rights and, as I understand, in the hearings the subcommittee listed Haiti as one of the countries that would be prohibited from receiving loans on the basis of the fact that they had not made adequate fiscal reform.

I think it would be better to change this language and to leave sort of a carrot-stick approach, that is, that the President could allow aid to go to Haiti if he felt they were making adequate progress in regard to their economic reforms.

Haiti, as we all know, is one of the poorest countries. The direction of aid was to go to the poorest of the poor, and we find in my State refugees every day who are landing in the State of Florida. Most of those are economic refugees, coming from Haiti on the basis of the abject poverty that is down there.

To just strike them out of the bill and some of the programs that have been going on in Haiti, Public Law 480 under title I of the food program, and some of the other programs, I think, would be the wrong signal.

Rather than having them continue to make progress—and some of the reports from the State Department say they have made some progress on their fiscal reforms, even though they have been too slow and have not been to the point we would like to see—I think we would just be making a mistake. I hope the committee will accept this amendment.

The Foreign Assistance Act provides a statement of general policy for U.S. development assistance, including the "alleviation of the worst physical manifestations of poverty among the world's poor majority." U.S. aid has been increasingly focused on helping the poorest nations of the world. I was surprised, therefore, when I noted that the Senate Foreign Relations Committee had recommended in its report to eliminate new aid programs in Haiti. The committee recommended a reduction of $18.423 million in the bill for fiscal year 1980 functional development assistance activities for Haiti. I would like to ask the distinguished chairman of the Foreign Relations Committee: Why Haiti?

Haiti is the poorest country in the Western Hemisphere and among the poorest in the entire world;

Seventy-five percent of Haitian children suffer from malnutrition;

Over 80 percent of the population of Haiti has an annual per capita income below $100;

Haiti has the lowest agricultural productivity and income per unit of labor and land in the Western Hemisphere; and

Farmers often have to pay the equivalent of 100 percent interest annually to pay for farm tools and seeds.

I understand the committee's concern that Haiti is not moving fast enough in implementing major fiscal reform; integrating all tax revenues into the budget; limiting tax collection to the customs and internal revenue offices, and eliminating the earmarking of revenues. Their efforts at fiscal reform have been slow. But it seems to me that this is a judgment call. Do we penalize the Haitian people because in our judgment, in the judgment of the U.S. Senate, their government is not moving as fast as they should? I do not believe we should. I do not think it is in our best interests to treat our neighbor in this fashion.

Mr. CHURCH. Mr. President, I call the Senate's attention to the committee report, page 13, where an explanation is given why the committee felt that further aid to Haiti should be postponed until adequate fiscal reforms were effected by the Haitian Government. The report reads:

> In the case of Haiti, the 1979 "Report on Human Rights Practices in Countries Receiving U.S. Aid," submitted by the Department of State, included the statement that in July 1978 the Government of Haiti ". . . promised major fiscal reforms so that, progressively, all revenues will be accounted for in the national budget. The realization of this goal would accelerate Haiti's development and reduce corruption, which has been criticized as impeding development." The Executive Branch had already postponed implementation of a Public Law 480 Title III agreement because these promised fiscal reforms have not yet been carried out. Under these circumstances, the effectiveness of the U.S. development assistance effort is seriously impaired.

Mr. President, this is a decorous way of saying that the money we have furnished Haiti has not been properly accounted for in the past, and there is serious reason to believe that it did not serve the objective we seek to serve. For this reason, in addition to cutting the proposed authorization from the bill, the committee made clear in its report the reasons why foreign aid to Haiti at this time would be wasteful and nonproductive.

I have no problem with the amendment offered by the Senator from Florida because, in the first instance, it would not increase the total authorization in the bill, and in the second, foreign aid would not be extended to Haiti unless the President were first to make a determination that the Haitian Government had put into effect those reforms that we believe are necessary in order to give us assurances that the money furnished to Haiti will be spent effectively.

I believe the amendment actually improves the bill, making it conform in a better way to the objectives the committee seeks in connection with Haiti. We, too, hope that these reforms will be put into effect, so that it will be possible to extend aid to that impoverished country, the poorest in the hemisphere, with some assurance that the aid will go to the people who most need it.

With that in mind, I am happy to accept the amendment offered by the Senator from Florida, and I commend him offering it.

Mr. JAVITS. Mr. President, your unprinted amendment is a matter of first impression to me. Mr. President, I realize the poverty in Haiti. It is terrible, and I realize the desirability, in the interests of the terribly poor people, to try to provide aid to them. In fact, AID indicates that Haiti is the poorest country in the Western Hemisphere. I think that is enough to give us the picture.

The difficulty I find, Senator CHILES, is easily repaired.

The difficulty is that Haiti also has a terrible human rights record. It is recorded in the report for this year as follows—I quote from page 270 of the human rights report dated May 8, 1979 prepared by the State Department and issued by the Committee on Foreign Relations:

> While human rights safeguards are included in the constitution and laws, human rights have been ignored and violated in practice.

I ask unanimous consent that the whole chapter on Haiti be inserted in the RECORD. It ends, after describing the horrors of the Duvalier period—and of course the present President is his son—by saying that he has done better, but still things are pretty bad. Page 270 ends by saying:

> The Government released what is believed to be all remaining political prisoners in 1977.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

HAITI

Haiti has a long history of authoritarian rule with many periods of political instability and the most serious types of human rights abuses. The country is the poorest by far in the Western Hemisphere. It faces severe economic and social problems, including: overpopulation; inadequate arable land sub-divided into small plots and plagued by erosion; a lack of mineral wealth; a high level of illiteracy (over eighty percent); an impoverished rural majority that does not speak French, the country's official language; a stiff but not inflexible class structure; and a traditional schism between the urban and rural sectors.

While human rights safeguards are included in the Constitution and laws, human rights have been ignored and violated in practice. For example, the Constitution guarantees the right of Haitians to form political parties. However, power is concentrated in the executive. Organized political opposition is not permitted in practice and even the Duvalierist party has disappeared as a formally constituted political party, although all members of the unicameral legislature are loyal to the Duvalierist movement.

Violations of human rights were particularly widespread during the regime of the late Dr. Francois Duvalier, President of Haiti from 1957 to 1971. The climate has improved under the present Government led by his son, "President-for-Life" Jean Claude Duvalier, who has pledged himself to a program of increased observance of individual rights, political liberalization and economic reform. Although there have been improvements in the area of rights of the individual, particularly within the last twelve months, the system of authoritarian rule continues.

The Government released what is believed to be all remaining political prisoners in 1977.

The Government adhered to the American Convention on Human Rights in 1977 and received a visit in August, 1978 by the Inter-American Human Rights Commission, which is expected to issue a report in early 1979.

1. Respect for the Integrity of the Person, Including Freedom from:

a. Torture

While there have been occasional incidents of severe brutal treatment in Haitian prisons in the recent past (see below), torture is not officially condoned and there is no evidence that torture has been practiced in 1978.

b. Cruel, Inhuman or Degrading Treatment or Punishment

Beatings have been used to punish minor criminal infractions, to extract confessions, and to impose discipline in prison. Prisoners released in 1977 and 1978 reported fewer incidents of brutality, at least as their prison terms ended, and conduct of guards appears to be more closely controlled.

Sanitary conditions in prison remain inadequate, but are being improved. Physical facilities, medical care, and diet at major prisons reportedly were improved during the summer of 1978, prior to the visit of the Inter-American Human Rights Commission. The notorious high security prison, Fort Dimanche, has not been used since the release of political prisoners in mid-1977. Further criminal prisoner releases in 1978 significantly relieved overcrowded facilities in the other major prisons.

c. Arbitrary Arrest or Imprisonment

During the 1960s, arbitrary arrest and imprisonment were practiced extensively. Since the early 1970s, President Jean-Claude Duvalier has pursued a proclaimed policy of "national reconciliation" between the Government and its opponents. Arrests for security or political reasons appear to have been substantially reduced. Amnesty International received reports of arrests carried out without legal safeguards, but these have not been confirmed. With the release of a total of 186 persons in February and September, 1977 there are no known political prisoners left in jail.

d. Denial of Fair Public Trial

Civil cases are handled publicly under formal court procedures. The case backlog is large. Criminal assizes open to the public resumed in 1975 after a lapse of many years and have since been held regularly. In criminal court cases public hearings are mandatory and defendants are entitled to counsel. In felony cases before the criminal court, legal counsel is provided by the state. This is not the case in lesser offenses brought before justices of the peace, and defendants often cannot afford a lawyer. News media cover trials freely. The State Security Tribunal, which was established in 1977 with the stated purpose of ensuring trials for all security offenders, has never convened.

Article 17 of the Haitian Constitution stipulates that arrests must be made with a proper warrant and that the accused must be brought before a judge within 48 hours after arrest. Rarely observed in the past, these guarantees have now been publicly endorsed by the Government although their implementation has been slow and erratic. Two trials held in 1978 indicate the changing climate. In one, two members of the Volunteers for National Security were fined and jailed briefly for beating a Baptist pastor who published an outspoken newspaper. In the other, an army lieutenant was sentenced to six years in prison for killing a civilian. While the sentences were relatively light, security agents or military officers would almost certainly not have been convicted for such offenses during the 1960s.

e. Invasion of the Home.

Violation of privacy was a common practice during the 1960s, but there is no evidence of recent violations.

2. Governmental Policies Relating to the Fulfillment of Such Vital Needs as Food, Shelter, Health Care and Education.

Since 1971, the Haitian Government has increased efforts to improve the conditions of life, focusing on agriculture and job creation through encouragement of light industry. Goals for improvements in these areas were set out in multi-year development plans with separate development budgets. These budgets, largely financed by foreign grants and loans, increased over three hundred percent between 1974 and 1978.

Agricultural projects have emphasized increased production by and income for small farmers. Health projects have emphasized child nutrition, family planning and development of a comprehensive rural system of preventive medicine and basic health care. To strengthen infrastructure, the Government has concentrated on construction of rural highways and secondary roads. In education, rural school construction and curriculum reform have been undertaken.

Implementation of programs and policies has been difficult and progress slow. There is no tradition of Government service to citizens. Attitudes must be changed, staff trained, institutions created, and funding increased. Moreover, the difference in the living standards of rural Haitians and those in Port-au-Prince widened in recent years as the rural economy stagnated or declined and resources in the capital city increased. The disparity between the relatvely few who are wealthy and the poor majority in urban areas is marked.

In July 1978, the Government announced to the international development assistance community its intention to undertake major fiscal reforms so that, progressively, all revenues will be accounted for in the national budget. The realization of this goal would accelerate Haiti's development and reduce corruption, which has been criticized as impeding development. The International Monetary Fund has recognized the Government's progress in the area of fiscal reform. Nevertheless, some domestic revenues probably continue to be diverted away from development.

3. Respect for Civil and Political Liberties, Including

a. Freedom of Thought, Speech, Press, Religion and Assembly

Members of Haiti's non-French-speaking majority are increasingly able to express themselves through interviews in Creole by roving Haitian radio reporters. Haitian radio stations, including the Government station, have shown a growing willingness to broadcast comments, even criticisms of local officials, by the previously voiceless majority. An extensive security intelligence apparatus monitors criticism of the existing political system.

Roman Catholicism is the established religion, but practitioners of almost all the major Protestant denominations abound. In November 1978, the Government issued a decree giving the Department of Foreign Affairs and Worship authority to exercise control over the many hundreds of evangelical missionary groups that have proliferated in Haiti. The decree has not yet been implemented. Before doing so, that Department is consulting widely with religious leaders in Haiti to obtain their views.

Freedom of expression has been growing slowly, but there are still extensive Government restrictions on the press. In the past two years, the Haitian news media have begun to demand better performance from Government agencies. This trend was interrupted in late 1977 when members of the paramilitary militia assaulted the publisher of an independent weekly which had accused the militia of abuses. The paper suspended publication and another small weekly was refused permission to publish. Media criticism nevertheless persisted and by the summer of 1978 press freedom was in evidence as illustrated by intensive coverage of the Dominican elections and of the visit of the Inter-American Human Rights Commission. In 1978 the Inter-American Press Association acknowledged improvements, but criticized censorship, both direct and self-imposed, in Haiti.

Haitians may join non-political associations, but with restrictions. For example, membership in the Haitian Human Rights League is limited to 20 persons. The same is true of all organizations not officially recognized by the Government. Opposition political parties and political organizations are forbidden in practice, although allowed by the Constitution.

The few labor unions that exist in Haiti have traditionally been permitted little freedom of action. Union-sanctioned strikes, but not wildcat strikes, are permitted under the Labor Code. The Code gives a great deal of authority to the Ministry of Social Affairs in mediating disputes. In late 1977, however, and again in the summer of 1978, there were several strikes and greater labor organizing activity. In most cases, the workers won at least some of the demands for which they were striking. To date, labor activity has been directed primarily against large foreign corporations.

b. Freedom of Movement Within the Country, Foreign Travel and Emigration

Freedom of movement in Haiti is not restricted except for security reasons near border areas. Haitians must have exit and reentry visas for foreign travel. In practice, only a small number of persons are denied these visas. The Government has exiled political opponents—individuals it considers serious threats to its security—including at least one in 1978. Many Haitians depart illegally for other countries, including the United States, primarily for economic reasons. Some of these have applied for political asylum, based usually on the assertion that they would be prosecuted for having left Haiti illegally and would suffer political persecution if repatriated. It does not appear that those who have been repatriated from the United States have suffered political persecution or reprisals for their illegal departure. However, Amnesty International asserted in August 1978 and again in December that "a significant number of arrests, imprisonment, and/or harassment of returnees or of those attempting to leave Haiti" has been reported. No names of these alleged victims have been provided.

c. Freedom to Participate in the Political Process

Participation in the political process is severely restricted. Haiti is a one-party authoritarian state, and the President is chosen for life. Elections to the unicameral legislative chamber are held every six years and are scheduled for 1979. This process will be a critical test of the Government's proclaimed policy of liberalization. Since the late 1950s, all members of the Chamber have belonged to the Duvalier political movement.

In general, women enjoy equal wages, and have access to most jobs, including Government appointments, although there is a dearth of women in high government posts.

4. Government Attitude and Record Regarding Inter-National and Non-Governmental Investigation of Alleged Violations of Human Rights.

The Haitian Government has been sensitive to criticism of its human rights performance. Haiti has supported human rights causes in the Organization of American States and other international fora, and adhered to the American Convention on Human Rights in September, 1977. The Government invited the Inter-American Human Rights Commission for an inspection visit in August, 1978 and cooperated fully with the Commission during the visit.

Mr. JAVITS. Therefore, I would like to suggest to the Senator who is moving the amendment that he modify it as follows, and I hope very much he will find this satisfactory: Where he says, "implementing adequate fiscal reform measures" can we say "implementing adequate fiscal reform and human rights measures"? Then the President will have the two criteria to guide him.

Mr. CHILES. Mr. President, I really have no objection to that. The committee, in excluding Haiti, did not exclude them on the basis of human rights.

Mr. JAVITS. The committee did not focus on the human rights record; the Senator is absolutely correct.

Mr. CHILES. The committee excluded other countries on that basis, and it does appear that the human rights problems in Haiti have been improved.

Mr. JAVITS. That seems to be correct.

Mr. CHILES. They have allowed the international inspection; supposedly as of 1977 the jails have been freed of political prisoners, and there have been other steps that denote progress in that regard.

It was based on that reason and the fact that the committee had not cited them for human rights that I felt that if we are going to maintain the carrot-stick approach, we would want to allow, if there was proper reform in the fiscal matters, for aid to be granted.

Mr. JAVITS. Senator CHILES, might I read this to you and you will see the reason for my concern.

Mr. CHILES. Well, I think, to save time, I will be happy to accept what you are talking about putting in.

Mr. JAVITS. Thank you, will the Senator be kind enough to revise his amendment by including after the word "reform" the words "and human rights"?

The PRESIDING OFFICER. Does the Senator from Florida ask to so modify his amendment?

Mr. CHILES. I do.

The PRESIDING OFFICER. The amendment will be so modified.

The amendment, as modified, is as follows:

At an appropriate place in the bill, insert the following new section:

ASSISTANCE TO HAITI

SEC. . Of the amount authorized to be appropriated under Title I of the bill, $18,423,000 may be made available to Haiti if the President determines that the Government of Haiti has shown good faith in implementing adequate fiscal reform and human rights measures.

Mr. JAVITS. As modified, Mr. President, it is entirely satisfactory.

Mr. CHURCH. In that case, Mr. President, I am willing to yield back the remainder of my time.

Mr. CHILES. I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment, as modified, of the Senator from Florida.

The amendment (UP No. 285), as modified, was agreed to.

Mr. JAVITS. I move to reconsider the vote by which the amendment was agreed to.

Mr. CHURCH. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. HELMS. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. JAVITS. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

UP AMENDMENT NO. 287

Mr. CHURCH. Mr. President, I send to the desk a purely technical amendment which reads:

On page 50, strike lines 6, 7, and 8.

Mr. President, I ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Idaho (Mr. CHURCH) proposes an unprinted amendment numbered 287:

On page 50, strike lines 6, 7, and 8.

Mr. CHURCH. Mr. President, I am told this amendment is necessary for technical reasons. When the Senate voted to strike section II from the bill we did not strike the sunset provisions at that time.

Mr. President, I yield back the remainder of my time and ask that the Senate adopt this technical amendment.

Mr. JAVITS. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER (Mr. BAUCUS). All time has been yielded back.

Without objection, the amendment is agreed to.

EARTHQUAKE ASSISTANCE TO YUGOSLAVIA

Mr. KENNEDY. Mr. President, last April I introduced an amendment to the foreign assistance bill presently before us to provide $20 million in rehabilitation and reconstruction assistance to the earthquake victims in Yugoslavia.

The full scope of the disaster which struck Yugoslavia in the early morning hours of Sunday, April 15, is now clear.

A major earthquake registering 7.2 on the Richter scale hit the southern Adriatic coast, leaving a tragic path of destruction and collapsed buildings in its wake, affecting the lives of more than 300,000 people.

Extensive damage has been reported to ports and port facilities, to community facilities, hospitals, and to coastal hotels and tourist facilities. An estimated 23,000 homes have been destroyed, displacing over 100,000 people. The estimated economic loss to Yugoslavia now exceeds half a billion dollars—an especially serious blow because the destruction is concentrated in the less developed parts of the country, especially the Montenegro Republic, and because the Yugoslav economy is already under serious inflationary pressures.

The international community is responding to Yugoslavia's needs, but much more remains to be done. For example, the Soviet Union has provided $30 million in material aid, and other countries of Eastern Europe have provided over $2 million. Japan and Western European countries have also provided over $2 million and—very importantly—have indicated that they will consider additional financial and material assistance in the coming weeks.

While significant, the amount of assistance provided to Yugoslavia to date represents only a small proportion of the funds needed to recover from this devastating earthquake. Thus, following introduction of the earthquake relief amendment, I engaged in urgent consultations with the administration to determine how much assistance could be provided Yugoslavia with fiscal year 1979 funds, along the lines provided for in the amendment.

I am pleased to inform the Senate that we have succeeded in identifying very substantial funds in response to the emergency created by this earthquake. After consultation with me and the concerned committees of Congress, the administration expects to advise the Government of Yugoslavia of a total assistance package of $90 million in Export-Import Bank financing on concessional terms and $13.3 million in disaster relief and economic support funds. The concessional value of the Export-Import loan represents at least $2.5 million compared to the Bank's standard terms, so that the net value of our assistance to Yugoslavia will be well in excess of $15 million.

I am hopeful that this assistance, provided at a time of budgetary stringency in this country, will now induce our allies—particularly Germany, Japan, and other members of the European Community—to grant commensurate amounts of aid to Yugoslavia, in addition to the initial amounts granted immediately after the earthquake. I am assured by the administration that it will step up its efforts with friendly governments to this end, so that we can maximize both the direct and the indirect benefits of this effort.

Mr. President, we should not underestimate the political importance of this assistance to Yugoslavia at this time. United States-Yugoslav relations have steadily improved since President Carter took office, and our assistance quite appropriately reflects this closer bilateral relationship at all levels. But, at the same time, our response to the Yugoslav earthquake is consistent with the proud humanitarian tradition of our country, which led us to respond to the humanitarian needs among the earthquake victims of Yugoslavia as we have in the past to Romania, Italy, Guatemala, and elsewhere.

Mr. President, I want to express again my deep sympathy and concern to the people and Government of Yugoslavia, and I am hopeful that other nations will now join us in responding even more generously to the rehabilitation and reconstruction needs in Yugoslavia.

I ask that the text of a letter from the Acting Secretary of State, Warren Christopher, which details the earthquake assistance foreseen for Yugoslavia, and related background materials be printed at this point in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

DEPARTMENT OF STATE,
Washington, D.C., June 15, 1979.

Hon. EDWARD M. KENNEDY,
U.S. Senate,
Washington, D.C.

DEAR TED: I am writing you in response to your request for an Administration position on your proposed amendment to the fiscal year 1980 development assistance bill to provide $20 million in fiscal year 1979 funds for earthquake reconstruction in Yugoslavia.

We are very sympathetic to the need to help Yugoslavia in the wake of its recent earthquake. We are planning a number of programs to provide relief and rehabilitation assistance:

In addition to the $1.3 million in disaster relief already made available to Yugoslavia, we hope to be able to provide another $2 million for this purpose.

The Export-Import Bank is planning to provide Yugoslavia with a loan of $90 million at 8% interest over 8½ years to finance the import from the United States of reconstruction materials and equipment.

Finally, we are proposing to reprogram $10 million in grant Economic Support Funds for assistance to Yugoslavia. We are notifying the appropriate committees of the Congress of our plans to reprogram these from unused ESF funds originally intended for the Maqarin Dam. This package represents a very special effort to respond to the Yugoslav needs to which you have referred in your own initiative.

We hope we can work together in meeting these needs.

Sincerely yours,
WARREN CHRISTOPHER.

YUGOSLAVIA—EARTHQUAKE

(Situation Report No. 3, Thursday, May 3, 1979, 9:00 A.M.)

DATA

Date: April 15, 1979.

Location: Southern Adriatic coast of Yugoslavia—Bar, Bijela, Budva, Dubrovnic, Hercegnovi, Kotor, Petrovac, Sutomore, Sveti Stefan, Tivat, Ulcinj, Zelenika.

Dead: More than 121.

Injured: 1,000 (reported).

Homeless: More than 100,000 (reported).

People Affected: More than 300,000 (estimated).

Damage: Ports and port facilities, vessels, hospitals, 23,000 homes (estimate), and 4,000 other buildings (estimate) damaged or destroyed; communications and transportation disrupted; and coastal hotels and tourist facilities damaged or destroyed.

GENERAL SITUATION

The earthquake, with its epicenter in the Bay of Kotor, struck at 7:20 A.M. on April 15 and measured 7.2 on the Richter scale. It was felt from Austria to Greece and damage extended from south of Dubrovnik, Yugoslavia to the Albanian border.

The first aftershock occurred at 3:15 P.M. on April 15 and 20 more ranging from 5 to 6 on the Richter scale continued into the evening hours causing even further damage and destruction to weakened structures.

Rainfall and recurring aftershocks (350 total within 48 hours) have hampered recovery efforts.

Yugoslav scientists said the initial earthquake (excluding aftershocks) was the most powerful in 70 years.

The cities of Bar and Ulcinj were the most severely damaged. (For details see Situation Report Number 2.)

The most immediate needs—emergency shelter, medical assistance, and sanitation teams—have been met, although housing requirements, particularly for the long-term, have to be addressed.

Relief efforts were hampered by landslides and by the disruptions in the communication and transportation sectors.

With the help of army and construction crews, roads are being cleared/repaired. Some areas still remain inaccessible.

The Bar-Titograd railroad, used to transport freight from Port of Bar to eastern and southern Yugoslavia, was severely damaged.

Problems exist in deploying relief supplies over a large area where the terrain makes travel difficult even under normal circumstances.

ACTION TAKEN BY THE GOVERNMENT OF YUGOSLAVIA (GOY)

President Tito appealed to all republics in Yugoslavia to assist the earthquake victims. Some republics made contributions from their solidarity fund. A total of 7,000 tents was also given.

The GOY prefers to handle relief operations and provide for its own people. It has organized the transport of supplies by helicopter and has set up rescue stations.

The Deputy Secretary of Foreign Affairs was appointed coordinator of the GOY's disaster assistance program.

Federal Executive Council legislation provided 50 million dinars ($2.6 million) for commodities and loaned Montenegro 50 million dinars ($2.6 million).

Blood plasma, bottled water, blankets, tents, and medicines were transported into affected areas.

Field hospitals were set up for those requiring emergency medical aid.

The Civil Protection Headquarters in Municipality of Kotor assisted victims.

Macedonia sent surgeons plus a team to help identify bodies.

The Yugoslav Red Cross sent medical teams, medicaments, tents, blankets, sheets, and other necessary items; distributed relief supplies; participated in vaccination programs; and provided health services in field hospitals.

Health authorities in Bar, Budva, and Ulcinj began mass immunization against typhoid.

Local contributions include: 200,000 liters of bottled water, 140,000 units of canned foods, 136,000 kg of flour, 110,000 eggs, 80,000 kg of sugar, 60,000 kg of bread, 40,000 liters of milk, 32,000 packets of prepared food, 24,000 liters of cooking oil, 20,000 kg of dried foods, 60,000 blankets, 7,000 large and small tents, 4,000 sleeping bags, 1,500 beds, 1,300 mattresses, 95 trailers, and 35 water cisterns.

Skopje steelworkers offered to help rebuild Port of Bar, and a major Yugoslav electronics firm offered to help repair the communications system.

The Confederation of Trade Unions plans to donate 500,000 dinars (equivalent to U.S. $26,809) to the relief fund.

ASSISTANCE PROVIDED BY THE UNITED STATES GOVERNMENT (USG)

The U.S. Ambassador to Yugoslavia, Lawrence S. Eagleburger, made a disaster determination on April 16, 1979, and exercised his $25,000 disaster authority.

The following supplies (valued at more than $840,000, excluding transport) were airlifted to Yugoslavia from USG disaster relief stockpiles and commercial sources: 1,200 family-size tents, 1,200 tent flies, 50 medium-size tents, 654 double deck cots for 1,308 people, 20,030 wool blankets—5,000 of which were contributed by Church World Service (CWS), 5,000 five-gallon collapsible water jugs, four 15 KW generators, five 2.5 KW generators, five water pumps, and one water purification unit.

The airlift of relief supplies began arriving in Titograd on April 19 and was completed on April 21.

On April 19, George Beauchamp, an operations specialist, arrived in Belgrade to help coordinate disaster relief operations and assess the needs for any further emergency assistance.

ASSISTANCE PROVIDED BY U.S. VOLUNTARY AGENCIES

American National Red Cross gave $30,000 to the Yugoslav Red Cross.

Church World Service donated 5,000 blankets (valued at $20,000) to the Serbian Orthodox Church. These are part of the 20,030 wool blankets airlifted by the USG.

The Seventh-day Adventists World Service/U.S. (SAWS/U.S.) contributed $23,500 in cash and tents, blankets, and food valued at $23,500 for a total contribution of $47,000.

ASSISTANCE PROVIDED BY THE INTERNATIONAL COMMUNITY GOVERNMENTS AND RED CROSS SOCIETIES

Australia, gave $113,600.

Austria: Airlifted blankets, folding beds, and tents, offered to double the amount of any Austrian contribution, Socialist Party gave 150,000 schillings (equivalent to U.S. $11,013), Red Cross gave 100,000 schillings (equivalent to U.S. $7,342), and Trade Unions and Chamber of Workers donated $74,000.

Bulgaria, Red Cross donated goods worth $114,286.

Canada, Red Cross contributed $7,000.

Denmark: Donated food and other (unspecified) supplies, Red Cross gave 5 hospital tents, 130 family tents, and 6,230 blankets.

France: Provided 200 tents and two planeloads of foodstuffs, Red Cross donated 5 tents, water purification tablets, and 1,000 blankets.

Finland in conjunction with the Red Cross, contributed 30 tents with heaters, 13,055 blankets, and cash (through the League of Red Cross Societies), all totalling $100,000.

Germany, Federal Republic of (FRG): Gave 1 million marks (equivalent to U.S. $540,248) for shipping costs of relief supplies from the German Red Cross and other charitable organizations, sent water supply equipment valued at $600,000, Beden/Wuerttemberg donated 100,000 marks (equivalent to U.S. $54,024), in conjunction with the Red Cross, contributed 10,000 blankets and 1,500 tents, Red Cross airlifted to Titograd medical supplies, tents, clothing, and a three-man team to set up water purification equipment (worth $131,000) and worked in conjunction with the Norwegian Red Cross to provide 800 family-sized tents, 18 large tents, and 3,000 blankets, CARITAS gave 300 tents, unspecified contributions were sent from West German firms.

Italy: provided 300 eight-bed tents, bedding, 1,800 blankets, disinfectants, and vaccines, Red Cross sent 2,500 field cots, medicines, and typhus vaccine.

Japan, gave $9,569.

Norway: Contributed the equivalent of U.S. $1 million, Red Cross, in conjunction with the FRG/Red Cross, sent 800 family-size tents, 18 large tents, and 3,000 blankets (as mentioned above).

Romania, sent 2,000 tents.

Spain, provided 2,000 blankets, 75 family tents, and medical supplies.

Switzerland, sent a mobile water unit and, in conjunction with the Red Cross, donated 100 tents (total value of tents and water unit is approximately $226,740).

United Kingdom, airlifted 5,000 blankets and 458 tents (valued at $245,914).

OTHER CONTRIBUTIONS

The International Committee of the Red Cross sent a team of dogs to find victims buried under debris.

SAWS/Europe contributed 10,000 Swiss francs (equivalent to U.S. $16,670) and tents and blankets valued at 30,000 Swiss francs (equivalent to U.S. $50,010).

World Council of Churches, Commission on Internchurch Aid, Refugees, and World Service (WCC/CICARWS) donated $10,000 to the Serbian Orthodox Church.

Anne C. Martindell,
Director.

THE UNESCO RESOLUTION

(Appeal for Protection of Cultural Monuments in Montenegro, Paris, May 18, 1979)

The Executive Council of the United Nations Educational, Scientific and Cultural Organization (U.N.E.S.C.O.) at its 107th Session held on May 16, 1979 adopted the Resolution as proposed by the Executive Bureau. The text of the Resolution reads as follows:

"1. Informed by the Director General of the tragic consequences following the disastrous earthquake which devastated Yugoslavia (The Republic of Montenegro);

"2. Aware of its responsibility to undertake urgent and effective measures to contribute, within its powers, to stave off the devastating effects of natural catastrophies;

"3. Reaffirms its stand that cultural and historic monuments and settlements represent values which belong to the world's cultural heritage and need to be preserved and restored also through the action of the international community;

"4. Congratulates the Director General for the measures he has already undertaken and urges him to continue that action;

"5. Supports the proposal of the Director General to appeal member countries, governmental and non-governmental organizations and the international public opinion to help preserve the cultural and historic monuments and also to help reconstruct the scientific and educational institutions in the Republic of Montenegro;

"6. Urges the Director General to consider, through consultations with the interested members and appropriate international organizations, the establishment, for the Balkan and Mediterranean, one network of land seismic observation stations and requests him to submit a report on that at one of the forthcoming sessions."

Mr. GLENN. I commend the distinguished Senator from Massachusetts for the leadership and concern he has exhibited on this matter and welcome the executive branch's response to his initiative.

INTERNATIONAL FOOD ASSISTANCE REFORMS

● Mr. DOLE. Mr. President, I would like to reaffirm my strong support for the food-for-peace reforms which the Agriculture Committee is offering as an amendment to the International Development Assistance Act of 1979. This package of amendments to Public Law 480 grew out of a bill (S. 962) which Senators McGovern, Melcher, and I jointly introduced in April of this year. Our bill, the Self-Reliant Development and International Food Assistance Reform Act of 1979, was designed to improve the effectiveness of U.S. food aid in developing countries. Most of the provisions of this bill have been included in the Agriculture Committee amendment we are considering today.

FOOD AID IS NEEDED

Although worldwide food production has increased in recent years, many of the countries which receive U.S. food aid are unable to produce enough food to meet the needs of their rapidly growing populations, and have very limited foreign currency reserves with which to purchase food commercially. The debt burden of many of these countries is consuming a growing proportion of their already meager export earnings, reducing their ability to buy food, oil, and other vital imports. The food supply situation is expected to worsen. According to the International Food Policy Research Institute, yearly food deficits of developing countries will rise sharply from 36 million metric tons in 1978 to as much as 120 to 145 million tons by 1990.

Efforts to increase local food production are not likely to significantly bridge this gap unless bold, new initiatives are taken. And as long as widespread poverty and slow rates of economic growth are allowed to persist, these countries will find it increasingly difficult to produce or buy enough of their food requirements. Food aid, in the form of concessional sales or grants, can help meet a legitimate short-term need in such countries. But it is not enough.

ENDING HUNGER

Food aid should not become a substitute for more long-range strategies to deal with world hunger. In certain countries, food aid has allegedly helped recipient governments appease urban unrest with cheap food, neglect rural areas, and discourage local food production. Some critics even claim that while in certain emergencies and on a short-term basis, food aid can relieve suffering, the overriding impact of U.S. food aid is to exacerbate the conditions that create hunger. I do not share this opinion, but feel it merits a response. In recent years, the food-for-peace program has been oriented increasingly toward promoting development and alleviating hunger abroad, and many of the abuses critics are fond of recalling are less prevalent today than they may have been earlier. A consensus is emerging that world hunger can only be overcome through more equitable and self-reliant economic growth in developing countries. U.S. food aid should only be provided in ways that are compatible with these long-range objectives. The food-for-peace reforms we are considering today, I believe, are a step in that direction. They reflect a positive, long-term view of the contribution food aid can make to developing countries, and relate it more explicitly to the current emphases of our foreign assistance legislation.

DEVELOPMENT CREATES MARKETS

In 1978, the food-for-peace program provided over a billion dollars' worth of U.S. agricultural commodities to 79 countries, most of it sold on low-interest terms to governments of 27 developing countries. The largest recipients were Egypt, Indonesia, India, Bangladesh, South Korea, and Pakistan. Most of these countries also purchase large quantities of U.S. commodities on commercial markets.

Some of my colleagues have expressed concern that the amendments we are considering, by emphasizing the developmental purposes of the food-for-peace program, would somehow be detrimental to the original market development purposes of Public Law 480. I believe such fears are unfounded. During the past 25 years, Public Law 480 has been tremendously successful in developing new markets for U.S. agricultural commodities. Thanks in part to Public Law 480, the annual value of total U.S. agricultural exports—commercial and food aid—has risen from $3.1 billion in 1955 to $27.3 billion in 1978, and is expected to reach over $32 billion this year. Meanwhile, due to the success of our commercial sales, the proportion of total agricultural exports shipped as Public Law 480 food aid has declined from 33 percent in 1955 to only 4 percent in 1978.

While it is true that some of the countries that received Public Law 480 food aid in the early 1950's—Europe, Japan, Korea, Taiwan—have since become some of our best cash-paying customers, the market development strategies that worked then may not be as applicable to the poverty stricken countries of Africa, Asia, and Latin America which now receive most of our food aid. People there are hungry and need food, but they are too poor to buy it. All too few have access to land to grow it. Endemic poverty, sustained by inadequate government policies, may be the major obstacle to future market development in many of these countries. If Government policies, economic aid, and food aid can be coordinated and used more single-mindedly to improve the purchasing power of the world's poor, everyone will benefit: The poor will have access to a higher standard of living, local farmers as well as U.S. producers will have larger markets for their products, and as the need for subsidized concessional food sales diminishes, U.S. taxpayers will be able to save some money needed to cover urgent domestic needs.

CONCLUSION

The amendment we have before us makes only modest changes in the food-for-peace legislation, changes which are entirely consistent with the recent emphasis Congress has given to the developmental and humanitarian purposes of Public Law 480. I support these reforms, because I believe they indicate the directions in which the program should move in its next quarter century of existence. I hope these concerns may lead us to undertake a more thorough revision of Public Law 480 when it comes up for renewal in 1981. Meanwhile, I urge all my colleagues to support the amendment proposed this year by the Agriculture Committee.●

● Mr. MUSKIE. Mr. President, the international development assistance authorization bill, S. 588, includes a fiscal year 1980 authorization of $1,762 million.

This legislation, along with other authorization legislation in the international affairs category, needs to be addressed in the context of the first budget resolution targets recently adopted by the Congress.

The fiscal year 1980 first budget resolution targets provide for $12.6 billion in budget authority and $7.9 billion in outlays for the international affairs function.

The Committee on Foreign Relations has reported and the Senate has passed three other major fiscal 1980 authorization bills that relate to function 150, international affairs. These are the International Security Assistance Act, the Foreign Relations Authorization Act, and the Omnibus Multilateral Development Bank Act.

If fully funded, the four authorization bills reported by the Committee on Foreign Relations, including S. 588, could be accommodated by the fiscal year 1980 functional totals. This bill is fully consistent with the first budget resolution.

The authorization levels in this bill are $19 million less than last year's appropriations. This reflects the committee's success, under the leadership of Senator Church, in authorizing a prudent level for the many essential programs in this bill while, at the same time, making careful reductions in low priority areas of existing programs.

Such careful oversight of existing programs is the only way we can bring the budget into balance. It is also the most responsible method of adjusting program requests, avoiding the meat-ax across-the-board cuts that hurt the most effective programs and the least effective programs equally.

In closing, Mr. President, I want to acknowledge the efforts made by the Committee on Foreign Relations to hold down the level of authorization in these bills. I am a member of that committee and I know they have worked very hard to meet the Budget Committee targets. I especially wish to commend the distinguished senior Senator from Idaho, Mr. Church, for his able and conscientious efforts to report legislation that meets the targets in the budget resolution.●

● Mr. DURKIN. Mr. President, to state that our energy problem is severe is to state the obvious. To state that the OPEC nations are a major cause of the problem is also to state the obvious. But to say that the United States can and should do something to break up OPEC, to deal with this oil octopus which has a stranglehold on all of us, and especially on New Hampshire and New England, is to say something new.

That is why I am so pleased that the legislation before us today contains an amendment offered by the distinguished senior Senator from New York, Senator Javits, which is meant to promote the development of energy sources in developing countries which are not members of OPEC. I see this amendment as part of what can best be described as an oil proliferation policy—a policy to seek out sources of oil other than those to be found in the OPEC countries so that we can begin to be free of OPEC's tentacles.

The policy of developing energy sources in developing countries can have two benefits. First, it will increase the worldwide supply of oil, thereby helping to stabilize or even bring down the price. As bad as oil prices and supplies are now, just think how bad they might be had not Mexico proceeded vigorously with its program of exploring for and finding oil and natural gas. And second, it helps the developing countries which are suffering tremendously from the price increases, from having their economies even more severely damaged which in turn damages the worldwide economy.

In energy matters, this country's first priority must be to wean itself away from our dependence on oil, especially foreign oil. We in New Hampshire, at the expensive and empty end of the oil pipeline, are particularly sensitive to this problem. We are working actively to promote the use of alternate energy sources such as water power, wind power, solar power, wood stoves, and other energy devices which help remove us from OPEC's grip.

But more vigorous action to deal with OPEC is necessary.

That is why I have introduced legislation to create an Oil Import Board which would be the sole purchasing agent from OPEC countries of U.S. oil needs, and which would use sealed, competitive bids in these purchases. OPEC is a cartel, and one way to break a cartel is to play members off against each other. As long as we play by OPEC's rules, in which they, in cooperation with the multinational oil companies, are free to drive up the price of oil at will, we lose. But if we get tough, and have the OPEC countries bid against each other, we have some chance of breaking the price spiral.

Also, I have strongly opposed and will continue to oppose any attempts to export Alaskan oil. Let there be no question that as long as we have an oil shortage in this country, domestically produced oil cannot be exported. Instead, we must move ahead building the pipelines that should have been built years ago to transport the oil from the west coast to the east coast where it is so badly needed.

It is also in our best interests to cooperate closely with our most immediate neighbors—Canada and Mexico—to develop energy policies. We have common problems and complementary solutions, and every day that passes harms all three of us. That is why I have introduced a resolution in the Senate calling on the President to establish a North American Energy Alliance that would bring together leaders of all three countries to develop sensible energy policies that can assist all of us.

We should also begin to move forward on using our great resource as an agricultural nation, as a grain producing nation, to deal with the OPEC countries. As Japan and other industrialized countries have found, trading for oil, rather than buying it outright, often can save literally millions of dollars. Many of the OPEC countries need our grain, our services, our manufacturing products, and our technology. That is why it is sensible to set up a bartering system where we trade grain for oil, technology for oil, manufactured goods for oil, and so on, so that instead of paying top price for oil, we can get our oil for a sensible price. In this interdependent economic world, OPEC countries need us very badly, and we must take advantage of that.

Senator Javits' amendment to promote oil proliferation is a major step in the right direction. I have been pleased that some of the multinational lending institutions, particularly the World Bank, have also realized the importance of oil proliferation, and have begun to actively promote it. The World Bank recently approved a program to accelerate petroleum production in the developing countries which makes eminent sense. And the United States should also use direct aid to countries to promote more oil sources because our economic lives require it.

OPEC must be broken, before it breaks us. With gasoline prices and home heating oil prices skyrocketing, with crude oil shortages continuing, the message is all too clear. In the absence of tough measures, OPEC will continue to hurt us badly. Tough measures must be taken.●

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading and was read the third time.

Mr. CHURCH. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of H.R. 3324.

The PRESIDING OFFICER. The bill will be stated by title.

The assistant legislative clerk read as follows:

A bill (H.R. 3324) to authorize appropriations for fiscal year 1980 for international development and economic assistance programs and for the Peace Corps, and for other purposes.

Mr. CHURCH. Mr. President, I move to strike all after the enacting clause of H.R. 3324 and to substitute therefor the text of S. 588, as amended.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Idaho.

The motion was agreed to.

The PRESIDING OFFICER. The question is on the engrossment of the amendment and the third reading of the bill.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time.

Mr. JAVITS. Mr. President, I ask for the yeas and nays on passage.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass?

The yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Arkansas (Mr. BUMPERS), the Senator from Illinois (Mr. STEVENSON), and the Senator from Florida (Mr. STONE) are necessarily absent.

Mr. STEVENS. I announce that the Senator from Connecticut (Mr. WEICKER) is necessarily absent.

The PRESIDING OFFICER. Have all Senators voted?

The result was announced—yeas 70, nays 25, as follows:

[Rollcall Vote No. 137 Leg.]

YEAS—70

Baker
Baucus
Bayh
Bellmon
Bentsen
Biden
Boren
Boschwitz
Bradley
Cannon
Chafee
Chiles
Church
Cochran
Cohen
Cranston
Culver
Danforth
DeConcini
Dole
Domenici
Durenberger
Durkin
Eagleton
Exon
Ford
Glenn
Gravel
Hart
Hayakawa
Heinz
Huddleston
Inouye
Jackson
Javits
Jepsen
Johnston
Kassebaum
Kennedy
Leahy
Levin
Lugar
Magnuson
Mathias
Matsunaga
McGovern
Metzenbaum
Morgan
Moynihan
Muskie
Nelson
Nunn
Packwood
Pell
Percy
Pressler
Pryor
Ribicoff
Riegle
Sarbanes
Sasser
Schweiker
Stafford
Stevens
Stewart
Tower
Tsongas
Williams
Young
Zorinsky

NAYS—25

Armstrong
Burdick
Byrd, Harry F., Jr.
Byrd, Robert C.
Garn
Goldwater
Hatch
Hatfield
Helms
Hollings
Humphrey
Laxalt
Long
McClure
Melcher
Proxmire
Randolph
Roth
Schmitt
Simpson
Stennis
Talmadge
Thurmond
Wallop
Warner

ANSWERED "PRESENT"—1

Heflin

NOT VOTING—4

Bumpers
Stevenson
Stone
Weicker

So the bill (H.R. 3324), as amended, was passed, as follows:

H.R. 3324

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "International Development Assistance Act of 1979".

TITLE I—DEVELOPMENT ASSISTANCE

AGRICULTURE, RURAL DEVELOPMENT, AND NUTRITION

SEC. 101. (a) Section 103(a)(2) of the Foreign Assistance Act of 1961 is amended by amending the first sentence to read as follows: "There are authorized to be appropriated to the President for purposes of this section, in addition to funds otherwise available for such purposes, $583,548,000 for the fiscal year 1980.".

(b) Section 103(b) of such Act is amended by adding at the end thereof the following:

"(3) The Congress recognizes that the accelerating loss of forests and tree cover in developing countries undermines and offsets efforts to improve agricultural production and nutrition and otherwise to meet the basic human needs of the poor. Deforestation results in increased flooding, reduction in water supply for agricultural capacity, loss of firewood and needed wood products, and loss of valuable plants and animals. In order to maintain and increase forest resources, the President is authorized to provide assistance under this section for forestry projects which are essential to fulfill the fundamental purposes of this section. Emphasis shall be given to community woodlots, agroforestry, reforestation, protection of watershed forests, and more effective forest management.".

POPULATION AND HEALTH

SEC. 102. The first sentence of section 104 (q) of the Foreign Assistance Act of 1961 is amended to read as follows: "There are authorized to be appropriated to the President, in addition to funds otherwise available for such purposes—

"(1) $193,630,000 for the fiscal year 1980 to carry out subsection (b) of this section; and

"(2) $128,731,000 for the fiscal year 1980 to carry out subsection (c) of this section of which amount not less than $4,000,000 shall be made available to assist in the development of the John Sparkman Center for International Public Health Education to be located at the University of Alabama at Birmingham.".

EDUCATION AND HUMAN RESOURCES DEVELOPMENT

SEC. 103. Section 105 of the Foreign Assistance Act of 1961 is amended—

(1) by amending the second sentence of subsection (a) to read as follows: "There are authorized to be appropriated to the President for purposes of this section, in addition to funds otherwise available for such purposes, $87,646,000 for the fiscal year 1980, which are authorized to remain available until expended.";

(2) in subsection (b), by inserting "(1)" after "(b)"; and

(3) by adding at the end of subsection (b) (1) the following:

"(2) Assistance under this section shall also be provided for advanced education and training of people of developing countries in such disciplines as are required for planning and implementation of public and private development activities.".

DEVELOPMENT OF INDIGENOUS ENERGY RESOURCES

SEC. 104. (a) Section 102(b) of the Foreign Assistance Act of 1961 is amended—

(1) in paragraph (5) by striking out "and" immediately after the last semicolon and by inserting "; and energy development and production" immediately before the period, and

(2) in paragraph (7) by inserting "the development, production, and" immediately after "promotes".

(b) Section 106 of such Act is amended—

(1) in subsection (a)—

(A) by striking out paragraph (2), and

(B) by redesignating paragraphs (3) through (6) as paragraphs (2) through (5), respectively;

(2) by redesignating subsections (a) and (b), as amended by paragraph (1) of this subsection, as subsections (c) and (d) respectively; and

(3) by inserting the following new subsections (a) and (b) immediately after the section caption:

"(a)(1) The Congress finds that energy development and production are vital elements in the development process, that energy shortages in developing countries severely limit the development process in such countries, that two-thirds of the developing countries which import oil depend on it for at least 90 percent of the energy which their economies require, and that the dramatic increase in world oil prices since 1973 has resulted in considerable economic hardship for many developing countries. The Congress is concerned that the value and purpose of much of the assistance provided in developing countries under sections 103, 104, and 105 are undermined by the inability of many developing countries to satisfy their energy requirements. Unless the energy deficit of the developing countries can be narrowed by more fully exploiting indigenous sources of energy such as oil, natural gas and coal, scarce foreign exchange will increasingly have to be diverted to oil imports primarily to the detriment of long-term development and economic growth.

"(2) The Congress recognizes that many developing countries lack access to the necessary technology to locate, explore, and develop indigenous energy resources and the financing to develop such resources.

"(3) The Congress declares that there is potential for at least a moderate increase by 1990 in the production of energy for commercial use in the developing countries which are not members of the Organization of Petroleum Exporting Countries. In addition, there is a compelling need for vigorous efforts to improve the available data on the location, scale, and commercial exploitability of potential oil, natural gas, and coal reserves in developing countries, especially those which are not members of the Organization of Petroleum Exporting Countries. The Congress further declares that there are many benefits to be gained by the developing countries and by the United States and other developed countries through expanded efforts to expedite the location, exploration, and development of potential sources of energy in developing countries. These benefits include, but are not limited to, the following:

"(A) The world's energy supply would be increased and the fear of abrupt depletion would be lessened. This could have a positive impact upon energy prices in international markets and, thus, a positive effect upon the balance-of-payments problems of many developing countries.

"(B) Diversification of the world's supplies of energy from fossil fuels would make all countries, developing and developed, less susceptible to supply interruptions and arbitrary production and pricing policies.

"(C) Even a moderate increase in energy production in the developing countries would improve their ability to expand commercial trade, foreign investment, and technology transfer possibilities with the United States and other developed countries.

"(4) Assistance for the production of energy from indigenous resources, as authorized by subsection (b) of this section, would be of direct benefit to the poor in developing countries because of the overwhelming impact of imported energy costs upon the lives of the poor and their ability to participate in development.

"(b)(1) In order to help developing countries alleviate their energy problems by improving their ability to use indigenous energy resources for commercial purposes, the President is authorized to furnish assistance, on such terms and conditions as he may determine, to enable such countries to prepare for and undertake development of their energy resources. Such assistance may include data collection and analysis and the training of skilled personnel.

"(2) Of the funds made available to carry out this section, up to $5,000,000 for the fiscal year 1980 may be used for the purposes of paragraph (1) in developing countries which are not members of the Organization of Petroleum Exporting Countries.".

TECHNICAL ASSISTANCE, ENERGY, RESEARCH, RECONSTRUCTION, AND SELECTED DEVELOPMENT PROBLEMS

SEC. 105. Section 106(d) of the Foreign Assistance Act of 1961, as so redesignated by section 104(b)(2) of this Act, is amended to read as follows:

"(d) There are authorized to be appropriated to the President for purposes of this section, in addition to funds otherwise available for such purposes, $119,747,000 for the fiscal year 1980, which are authorized to remain available until expended.".

ENERGY PROGRAMS

SEC. 106. (a) Section 119 of the Foreign Assistance Act of 1961 is amended by amending the section caption to read "ENERGY PROGRAMS".

(b) Such section is further amended by redesignating existing subsection (a) as subsection (b) and by inserting the following new subsection (a) immediately after the section caption:

"(a) The Congress finds that energy production and conservation are vital elements in the development process and that energy shortages in developing countries severely limit the development progress of such countries. Inadequate access by the poor to energy sources as well as the prospect of depleted fossil fuel reserves and higher energy prices require an enhanced effort to expand the energy resources of developing countries, primarily through greater emphasis on renewable sources. Renewable and decentralized energy technologies have particular applicability for the poor, especially in rural areas.".

(c) Such section is further amended by redesignating existing subsection (b) as subsection (d) and by inserting the following new subsection (c) between subsections (b) and (d), as so redesignated by this subsection and subsection (b) of this section:

"(c) Such programs may include research, development, demonstration, and application of suitable energy technologies (including use of wood); analysis of energy uses, needs, and resources; training and institutional development; and scientific interchange.".

SAHEL DEVELOPMENT PROGRAM—IMPLEMENTATION

SEC. 107. Section 121(c) of the Foreign Assistance Act of 1961 is amended by inserting the following sentence immediately after the first sentence: "In addition to the amount authorized in the preceding sentence, and funds otherwise available for such purposes, there is authorized to be appropriated to the President for purposes of this section $30,000,000.".

RELATIVELY LEAST DEVELOPED COUNTRIES

SEC. 108. Section 124(c)(2) of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new sentence: "Amounts due and payable during fiscal year 1980 to the United States from relatively least developed countries on loans made under this part (or any predecessor legislation) are authorized to be used, in accordance with the provisions of paragraph (1) of this subsection, in an amount not to exceed $18,800,000 for fiscal year 1980.".

DEVELOPMENT AND ILLICIT NARCOTICS PROJECTION

SEC. 109. Chapter 1 of part 1 of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new section:

"SEC. 126. DEVELOPMENT AND ILLICIT NARCOTICS PRODUCTION.—(a) The Congress recognizes that illicit narcotics cultivation is related to overall development problems and that the vast majority of all individuals employed in the cultivation of illicit narcotics reside in the developing countries and are among the poorest of the poor in those countries and that therefore the ultimate success of any effort to eliminate illicit narcotics production depends upon the availability of alternative economic opportunities for those individuals, upon other factors which assistance under this chapter could address, as well as upon direct narcotics control efforts.

"(b) In planning programs of assistance under this chapter for countries in which there is illicit narcotics cultivation, the agency primarily responsible for administering this part should give priority consideration to programs which would help reduce illicit narcotics cultivation by stimulating broader development opportunities.

"(c) In furtherance of the purposes of this section, the agency primarily responsible for administering this part shall cooperate fully with, and share its expertise in development matters with, other agencies of the United States Government involved in narcotics control activities abroad.".

ACCELERATED LOAN REPAYMENTS

SEC. 110. At the end of chapter 1 of part I of the Foreign Assistance Act of 1961, add the following:

"SEC. 127. ACCELERATED LOAN REPAYMENTS.—The Administrator of the agency primarily responsible for administering this part is directed to conduct an annual review of bilateral concessional loan balances and shall determine and identify those countries whose financial resources make possible accelerated loan repayments. In particular, European countries that were recipients of concessional loans by predecessor agencies to the agency primarily responsible for administering this part shall be contacted to negotiate accelerated repayments. The criteria used by the Administrator in making these determinations shall be established in conjunction with the Committee on Foreign Affairs of the House of Representatives and the Committee on Foreign Relations of the Senate. An annual report of the status of such accelerated loan repayments shall be made to such Committees.".

AMERICAN SCHOOLS AND HOSPITALS ABROAD

SEC. 111. Section 214(c) of the Foreign Assistance Act of 1961 is amended to read as follows:

"(c) To carry out the purposes of this section, there are authorized to be appropriated to the President $25,000,000 for the fiscal year 1980, which are authorized to remain available until expended.".

HOUSING AND OTHER CREDIT GUARANTY PROGRAMS

SEC. 112. (a) Section 222(a) of the Foreign Assistance Act of 1961 is amended—

(1) in the second sentence by striking out "$1,180,000,000" and inserting in lieu thereof "$1,555,000,000"; and

(2) in the third sentence by striking out "1980" and inserting in lieu thereof "1982".

(b) Section 222A(h) of such Act is amended by striking out "until September 30, 1979" and inserting in lieu thereof "through September 30, 1982".

(c) Section 223(f) of such Act is amended—

(1) by striking out everything after "not" in the first sentence through "exceeds" in the second sentence and by inserting in lieu thereof "exceed"; and

(2) by striking out "such Department" in the second sentence and inserting in lieu thereof "the Department of Housing and Urban Development".

(d) Section 223(j) of such Act is amended—

(1) in the first sentence, by striking out "(1)" and all that follows through "(3)" and inserting in lieu thereof, "are coordinated with and complementary to any development assistance being furnished under chapter 1 of this part and which"; and

(2) by striking out the last sentence and inserting in lieu thereof the following: "Of the total amount of housing guaranties authorized to be issued through September 30, 1982, under section 222, not less than a face amount of $25,000,000 shall be issued for projects in Israel and not less than a face amount of $25,000,000 shall be issued for projects in Egypt.".

GENERAL AUTHORITY

SEC. 113. Section 297 of the Foreign Assistance Act of 1961 is amended—

(1) in subsection (a)(3), by inserting after "university research" the following: "in the developing countries themselves;"; and

(2) subsection (c) is amended to read as follows:

"(c) to the maximum extent practicable, activities under this section shall—

"(1) be directly related to the food and agricultural needs of developing countries;

"(2) be carried out within the developing countries;

"(3) be adapted to local circumstances;

"(4) provide for the most effective interrelationship between research, education, and extension in promoting agricultural development in developing countries; and

"(5) emphasize the improvement of local systems for delivering the best available knowledge to the small farmers of such countries.".

INTERNATIONAL ORGANIZATIONS AND PROGRAMS

SEC. 114. (a) Section 302(a)(1) of the Foreign Assistance Act of 1961 is amended to read as follows:

"(a)(1) There are authorized to be appropriated to the President for grants to carry out the purposes of this chapter, in addition to funds available under any other Acts for such purposes, $279,590,000 for the fiscal year 1980. Of the funds authorized to be appropriated under this subsection for the fiscal year 1980, not to exceed $52,000,000 shall be available for voluntary contributions to the United Nations Relief and Works Agency for Palestine Refugees, except that not more than $42,500,000 of this amount may be obligated unless the President certifies to the Congress that any contributions above this level have been matched by equivalent contributions by members of the Organization of Petroleum Exporting Countries.".

INTERNATIONAL DISASTER ASSISTANCE

SEC. 115. Section 492 of the Foreign Assistance Act of 1961 is amended by striking out "$25,000,000 for the fiscal year 1979" and inserting in lieu thereof "$25,000,000 for the fiscal year 1980".

COMPLETION OF PLANS AND COST ESTIMATES

SEC. 116. Section 611(b) of the Foreign Assistance Act of 1961 is amended by striking out "Memorandum of the President dated May 15, 1962" and inserting in lieu thereof "Principles and Standards for Planning Water and Related Land Resources, dated October 25, 1973".

PROHIBITION ON ASSISTANCE TO AFGHANISTAN

SEC. 117. At the end of chapter 1 of part III of the Foreign Assistance Act of 1961, insert the following:

"SEC. 620D. PROHIBITION ON ASSISTANCE TO AFGHANISTAN.—(a) None of the funds authorized to be appropriated under this Act may be used to furnish assistance to Afghanistan nor may funds authorized to be appropriated under this Act before October 1, 1979, be expended for assistance to Afghanistan until the President certifies to the Congress that—

"(1) The Government of Afghanistan has apologized officially and assumes responsibility for the death of Ambassador Adolph Dubs; and

"(2) The Government of Afghanistan agrees to provide adequate protection for all personnel of the United States Government in Afghanistan.

"(b) The provisions of subsection (a) shall not apply if the President determines that it is in the national interest of the United States because of substantially changed circumstances in Afghanistan.".

REIMBURSABLE DEVELOPMENT PROGRAMS

SEC. 118. Section 661 of the Foreign Assistance Act of 1961 is amended in the first sentence by striking out "$3,000,000 of the funds made available for the purposes of this Act or the fiscal year 1979" and inserting in lieu thereof "$3,800,000 of the funds made available for the purposes of this Act for the fiscal year 1980".

OPERATING EXPENSES

SEC. 119. Section 667(a) of the Foreign Assistance Act of 1961 is amended—

(1) by striking out "fiscal year 1979" and inserting in lieu thereof "fiscal year 1980"; and

(2) in paragraph (1) by striking out "$261,000,000" and inserting in lieu thereof "$268,000,000".

REGISTRATION OF PRIVATE VOLUNTARY AGENCIES

SEC. 120. Sections 123(b), 607(a), and 635 (c) of the Foreign Assistance Act of 1961 and sections 104(f) and 202(a) of the Agricultural Trade Development and Assistance Act of 1954 are amended by striking out "Advisory Committee on Voluntary Foreign Aid" and "Advisory Committee" wherever they appear and inserting in lieu thereof "Agency for International Development".

MISCELLANEOUS REPEALS

SEC. 121. Section 105(c), the last sentence of section 111, sections 113 (b) and (c), section 118(c), and section 620(o) of the Foreign Assistance Act of 1961 are repealed. Subsection (d) of section 113 of such Act is redesignated as subsection (b).

MILITARY ASSISTANCE TO SUDAN

SEC. 122. The amounts authorized to be appropriated for military assistance in the fiscal year 1980 by section 504(a)(1) of the Foreign Assistance Act of 1961 is increased by $1,700,000, which amount is authorized for Sudan for the fiscal year 1980.

CERTAIN TRAVEL EXPENSES

SEC. 123. (a) Section 5924(4)(B) of title 5, United States Code, is amended by striking out "one annual trip each way for each dependent of an employee of the Department of State or the United States Information Agency," and inserting in lieu thereof a comma and the following: "in the case of dependents travelling to obtain secondary education, one annual trip, or in the case of dependents travelling to obtain undergraduate college education, two annual trips, each way for each dependent of an employee of the Department of State, of the International Communication Agency, or of the Agency for International Development,".

(b) The amendment made by subsection (a) shall take effect on October 1, 1979.

HUMAN RIGHTS

SEC. 124. Section 502B of the Foreign Assistance Act of 1961 is amended to add the following:

"(e) Notwithstanding any other provision of law, funds authorized to be appropriated under title I of this Act may be made available for the furnishing of assistance to, or the extension of credits or the guarantee of loans with respect to, any country respecting which the President finds that such a significant improvement in its human rights record has occurred as to warrant lifting the prohibitions in furnishing such assistance in the national interest of the United States.".

REPORTS ON HUMAN RIGHTS PRACTICES OF FOREIGN GOVERNMENTS

SEC. 125. The Secretary of State is directed to provide a report to the Congress on the impact on the foreign relations of the United States of reports required by the Foreign Assistance Act on the human rights practices of foreign governments. The report is to be transmitted to the chairman of the Senate Committee on Foreign Relations and the House Committee on Foreign Affairs by September 15, 1979.

ASSISTANCE TO HAITI

SEC. 126. Of the amount authorized to be appropriated under title I of the Act, $18,423,000 may be made available to Haiti if the President determines that the Government of Haiti has shown good faith in implementing adequate fiscal reform and human rights measures.

REFUGEE CRISIS IN SOUTHEAST ASIA

SEC. 127. (a)(1) The refugee crisis in Indochina is unfolding as one of the great human tragedies of our time.

(2) At least 750,000 human beings have fled Vietnam, Kampuchea, and Laos since the spring of 1975.

(3) Approximately 300,000 human beings currently remain in refugee camps throughout Southeast Asia.

(4) As many as 250,000 human beings may have perished in their attempts to reach freedom and many thousands more face death should the present situation continue.

(5) The international borders are closing to the refugees fleeing from Indochania.

(6) The international community has failed to respond adequately to the crisis, despite the existence of adequate mechanisms to respond.

(b) It is the sense of the United States Senate that the President should call upon the Secretary General of the United Nations to convene immediately an emergency session of the General Assembly, or should use other appropriate fora, to deal with the refugee crisis in Southeast Asia.

NON-PROLIFERATION OF NUCLEAR WEAPONS

SEC. 128. In accordance with the Nuclear Non-Proliferation Act of 1979, the Congress strongly urges all nations which are not a party to the Treaty on Non-Proliferation of Nuclear Weapons to become parties to that treaty; and the Secretary of State is directed to submit a report by September 1, 1979, to the chairman of the Committee on Foreign Relations of the United States Senate and the chairman of the Committee on Foreign Affairs of the United States House of Representatives respecting what the department is doing to implement this provision on a country-by-country basis.

HUMAN RIGHTS REPORTS

SEC. 129. Paragraph (1) of section 116(d) of the Foreign Assistance Act of 1961 is amended to read as follows:

"(1) the status of internationally recognized human rights, within the meaning of subsection (a)—

"(A) in countries that receive assistance under this part, and

"(B) in other countries not receiving assistance under this part which are members of the United Nations and which are not otherwise the subject of a human rights report under subparagraph (A) of this paragraph or under section 502B(b); and".

DEVELOPED NATIONS CONTRIBUTIONS FOR DEVELOPMENT ASSISTANCE

SEC. 130. In recognition of the rapidly growing economic strength and ability to contribute to international development and security efforts of the other industrialized nations, of the nations of Western Europe, Japan, and Eastern Europe, it is the sense of the Congress that the President should take all appropriate steps to negotiate with other developed nations to increase their contributions for development assistance through multilateral programs as well as through bilateral efforts.

TITLE II—PEACE CORPS

SEC. 201. This title may be cited as the "Peace Corps Act Amendments of 1979".

SEC. 202. Section 3 of the Peace Corps Act (22 U.S.C. 2502) is amended—

(a) in subsection (b) by striking out the matter before the first proviso and inserting in lieu thereof the following: "There are authorized to be appropriated to carry out the purposes of this Act (1) for the fiscal year ending September 30, 1980, not to exceed $105,404,000:"; and

(b) in subsection (c) by striking out "year 1978, $1,069,000, and for fiscal year 1979" and by inserting in lieu thereof "year 1980".

SEC. 203. Section 7(a) of the Peace Corps Act (22 U.S.C. 2506(a)) is amended by adding at the end thereof the following new paragraph:

"(4) A person who has received a Foreign Service Reserve or Staff appointment or assignment under this subsection may, not later than three years after the date of enactment of this paragraph or after separation from such appointment or assignment, whichever is later, be appointed to a position in any United States department, agency, or establishment (A) in the competitive service under title 5, United States Code, without competitive examination and in accordance with such regulations and conditions consistent with this subsection as are prescribed by the Director of the Office of Personnel Management or (B) in an established merit system in the excepted service, if such person (i) served satisfactorily under the authority of this subsection, as certified by the President, for not less than thirty-six months on a substantially continuous basis and (ii) is qualified for the position in question: *Provided, however,* That nothing in this paragraph shall be interpreted to deprive such person of a competitive status acquired, prior to the date of enactment of this paragraph, in the competitive service or in any established merit system in the excepted service.".

TITLE III—FOOD FOR PEACE

INCREASING DEMAND FOR FOOD AND ENCOURAGING LOCAL FOOD PRODUCTION

SEC. 301. Section 103(f) of the Agricultural Trade Development Act of 1954 is amended to read as follows:

"(f) give consideration to the development and expansion of markets for United States agricultural commodities and local foodstuffs by increasing the effective demand for agricultural commodities through the support of measures to stimulate equitable economic growth in recipient countries, with appropriate emphasis on developing more adequate storage, handling, and food distribution facilities;".

SEC. 302. Section 103(n) of the Agricultural Trade Development Act of 1954 is amended by inserting "(1)" after "not" and inserting before the semicolon at the end thereof the following: ", or (2) interfere with local food production and marketing in the purchasing country".

SEC. 303. Section 107(b) of the Agricultural Trade Development and Assistance Act of 1954 is amended by inserting "the agricultural commodities of the recipient country and" immediately after "usual marketings of".

SEC. 304. Section 202(a) of the Agricultural Trade Development and Assistance Act of 1954 is amended by adding at the end thereof a new sentence as follows: "The President shall take reasonable precaution to assure that the distribution of commodities furnished under this title, both in normal times and in emergency situations, will not displace or interfere with local food production and marketing in the recipient country.".

ROLE OF INDIGENOUS INSTITUTIONS AND WORKERS

SEC. 305. Section 202(b)(2) of the Agricultural Trade Development and Assistance Act of 1954 is amended to read as follows:

"(2) In order to assure that food commodities made available under this title are used effectively and in the areas of greatest need, entities through which such commodities are distributed shall be encouraged to work with indigenous institutions and employ indigenous workers, to the extent feasible, to (A) assess nutritional and other needs of beneficiary groups, (B) help these groups design and carry out mutually acceptable projects, (C) recommend ways of making food assistance available that are most appropriate for each local setting, (D) supervise food distribution, and (E) regularly evaluate the effectiveness of each project.".

ALLEVIATING THE CAUSES OF THE NEED FOR TITLE II ASSISTANCE

SEC. 306. Section 206 of the Agricultural Trade Development and Assistance Act of 1954 is amended by amending clause (3) to read as follows: "(3) such agreement provides that the currencies will be used for (A) alleviating the causes of the need for the assistance in accordance with the purposes and policies specified in section 103 of the Foreign Assistance Act of 1961, or (B) programs and projects to increase the effectiveness of food distribution and increase the availability of food commodities provided under this title to the neediest individuals in recipient countries.".

INCENTIVES FOR ENTERING INTO FOOD FOR DEVELOPMENT PROGRAMS

SEC. 307. Section 301(a) of the Agricultural Trade Development and Assistance Act of 1954 is amended by—

(1) inserting in the first sentence ", or the dollar sales value of the commodities themselves," immediately after "the local sale of such commodities"; and

(2) inserting in the second sentence ", or the use of the commodities themselves," immediately after "participating country".

PARTICIPATION OF AMERICAN AGRICULTURE IN FOOD FOR DEVELOPMENT PROGRAMS

SEC. 308. Section 302(c) of the Agricultural Trade Development and Assistance Act of 1954 is amended by adding at the end thereof a new paragraph (4) as follows:

"(4) In developing and carrying out Food for Development Programs under this title, consideration shall be given to using the capability and expertise of American agriculture, in partnership with indigenous individuals and organizations, in furthering economic development and increased food production.".

REPORTS AND RECORDS UNDER TITLE III

SEC. 309. Section 303(a) of the Agricultural Trade Development and Assistance Act of 1954 is amended by striking out in the second sentence "for each year such funds are to be disbursed".

SEC. 310. Section 305 of the Agricultural Trade Development and Assistance Act of 1954 is amended by—

(1) adding at the end of subsection (a) a new sentence as follows: "Disbursements of funds from the special account in an amount equivalent to the dollar value of the credit furnished by the Commodity Credit Corporation under section 304(a) of this Act shall be deemed to be payment of all installments of principal and interest payable thereon for the commodities purchased by the participating country for purposes of this title."; and

(2) adding at the end thereof a new subsection (c) as follows:

"(c) When agricultural commodities made available under this title are used by the participating country in development projects in accordance with the Applicable Food for Development Program, the dollar sales value of such commodities shall be applied, in accordance with subsections (a) and (b) of this section, against the repayment obligations of that country under this Act, with the value of the commodities so used being deemed to be disbursements made at the time of such use."

SEC. 311. Section 306 of the Agricultural Trade Development and Assistance Act of 1954 is amended by inserting in the first sentence "a detailed description of how the commodities were used or" immediately before "a specific".

SEC. 312. Section 307 of the Agricultral Trade Development and Assistance Act of 1954 is amended by amending subsection (a) to read as follows:

"(a) Each year the President shall review all agreements providing for the use of (A) the proceeds from the sale of agricultural commodities or (B) the value of agricultural commodities under this title for which such funds or commodities were not fully disbursed during the preceding year. The results of such review shall be included in the annual report to Congress required under section 408(a) of this Act.".

AVAILABILITY OF COMMODITIES FOR DEVELOPMENTAL PURPOSES

SEC. 313. Section 401(a) of the Agricultural Trade Development and Assistance Act of 1954 is amended by (1) inserting "or developmental" immediately after "humanitarian" in the second sentence, and (2) adding at the end thereof a new sentence as follows: "In periods of short supply, as determined by the Secretary, urgent humanitarian concerns will be given priority over developmental purposes."

DETERMINATION OF COMMODITY NEEDS AND PROGRAM BENEFICIARIES IN EACH COUNTRY

SEC. 314. Section 404 of the Agricultural Trade Development and Assistance Act of 1954 is amended to read as follows:

"SEC. 404. (a) The programs of assistance conducted under this Act, and the types and quantities of agricultural commodities to be made available, shall be directed toward the attainment of humanitarian and developmental objectives as well as the Development and expansion of United States and recipient country agricultural commodity markets. To the maximum extent possible, either the commodities themselves shall be used to improve the economic and nutritional status of the poor through effective and sustainable programs, or any proceeds generated from the sales of agricultural commodities shall be used to promote policies and programs that benefit the poor.

"(b) Country assessments shall be carried out whenever necessary in order to determine the types and quantities of agricultural commodities needed; the conditions under which commodities should be provided and distributed; the relationship between United States food assistance and other development resources; the development plans of that country; the most suitable timing for commodity deliveries; the rate at which food assistance levels can be effectively used to meet nutritional and developmental needs; and the country's potential as a new or expanded market for both United States agricultural commodities and recipient country foodstuffs.".

CONTINUITY OF SUPPLY

SEC. 315. Title IV of the Agricultural Trade Development and Assistance Act of 1954 is amended by adding at the end thereof a new section 413 as follows:

"SEC. 413. In order to best meet the humanitarian and developmental purposes of this Act, to the maximum extent possible there shall be a relatively constant supply of commodities provided under this Act.".

USING FOOD AID AND RELATED RESOURCES TO ENCOURAGE FOOD SECURITY

SEC. 316. Section 103 of the Foreign Assistance Act of 1961 is amended by adding at the end thereof a new subsection (f) as follows:

"(f) Congress finds that the efforts of developing countries to enhance their national food security deserves encouragement as a matter of United States development assistance policy. Measures complementary to assistance for expanding food production in developing countries are needed to help assure that food becomes increasingly available on a regular basis to the poor in such countries. Therefore, United States bilateral assistance under the Agricultural Trade Development and Assistance Act of 1954 and this Act, and United States participation in multilateral institutions, shall emphasize policies and programs that assist developing countries to increase their national food security by improving their food policies and management and strengthening national food reserves, with particular concern for the needs of the poor, through measures encouraging domestic production, building national food reserves, expanding available storage facilities, reducing postharvest food losses, and improving food distribution.".

TITLE IV—EFFECTIVE DATE

SEC. 401. The provisions of this Act and the amendments made by such provisions shall take effect on October 1, 1979.

Amend the title so as to read: "An Act to amend the Foreign Assistance Act of 1961 to authorize development assistance programs for the fiscal year 1980, to make certain changes in the authorities of such Act, and for other purposes.".

Mr. JAVITS. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. CHURCH. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

UP AMENDMENT NO. 288

Mr. CHURCH. Mr. President, I send a title amendment to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

> The Senator from Idaho (Mr. Church) proposes an unprinted amendment numbered 288:
>
> Amend the title of the bill H.R. 3324, so as to read,
>
> "A bill to amend the Foreign Assistance Act of 1961 to authorize development assistance programs for the fiscal year 1980, to make certain changes in the authorities of such act and for other purposes."

Mr. CHURCH. Mr. President, I call for the adoption of the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Idaho.

The amendment (UP No. 288) was agreed to.

Mr. CHURCH. Mr. President, I ask unanimous consent that the Secretary of the Senate be authorized to make technical and clerical corrections in the engrossment of Senate amendments to H.R. 3324.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CHURCH. Mr. President, I ask unanimous consent that consideration of S. 588 be postponed indefinitely.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CHURCH. Mr. President, I move that the Senate insist upon its amendments, request a conference with the House, and that the Chair be authorized to appoint conferees.

The motion was agreed to, and the Presiding Officer (Mr. Baucus) appointed Messrs. Church, Pell, McGovern, Glenn, Javits, Percy, and Baker; and conferees on the Public Law 480 amendments, Messrs. Talmadge, McGovern, Stone, Cochran, and Dole conferees on the part of the Senate.

Mr. JAVITS. Mr. President, I would like to express my appreciation for the cooperation and most effective work of Senator Church and the members of the Foreign Relations Committee staff, Richard McCall, Rudy Rousseau and Gerald Decker in addition I would like to express my appreciation to Jacques Gorlin of my staff.

Mr. CHURCH. Mr. President, I reciprocate the same sentiments to the Senator from New York and thank him for his courtesy and his help, without which we could not have expedited and completed consideration of this bill today. I also want to express my appreciation for the assistance Jacques Gorlin of Senator Javit's staff has given to our committee staff on this and other measures. It has been a good working relationship which has benefited the majority and minority consideration of these issues.

ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there now be a period for the transaction of routine morning business, of not to exceed 30 minutes, and that Senators be permitted to speak therein up to 10 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

S. 1376—TRADE AGREEMENTS ACT OF 1979

Mr. ROBERT C. BYRD. Mr. President, under Public Law 93–618, chapter 5 outlines the procedure for the introduction of bills implementing trade agreements on non-tariff barriers, and reads as follows:

> That such a bill will be introduced by request in the Senate by the majority leader of the Senate, for himself and the minority leader of the Senate, or by Members of the Senate designated by the majority leader and minority leader of the Senate.

On the part of the majority leader, I designate Mr. Long and Mr. Ribicoff on this side of the aisle.

I do not presume to speak for Mr. Baker, but Mr. Dole is here, and I believe he can do so as to the designees on that side of the aisle.

Mr. DOLE. Mr. President, I am authorized to designate myself, as the ranking Republican member, and the Senator from Delaware (Mr. Roth), as the ranking Republican member on the Trade Subcommittee.

Mr. ROBERT C. BYRD. I yield to Mr. Long.

Mr. LONG. Mr. President, as the designees of the majority leader for the purpose of introducing the bill submitted by the President to implement the multilateral trade negotiations agreements, Senator Ribicoff and I send the bill to the desk.

Mr. President, I ask unanimous consent that the names of Mr. Moynihan, Mr. Heinz, Mr. Dole, Mr. Packwood, Mr. Chafee, Mr. Roth, and Mr. Durenberger be added as cosponsors.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOLE. Mr. President, today, I am joining many colleagues, Republican and Democrat, in sponsoring the long-awaited trade bill arising out of the multilateral trade negotiations. This bill, prepared by the executive branch in close consultation with the pertinent House and Senate committees, approves U.S. participation in trade agreements negotiated over the last 5 years in Geneva. The bill makes important changes in U.S. trade law, both to implement our obligations under the new agreements and to make those laws better serve our domestic interests.

The size and complexity of this bill is imposing, commensurate with the undertaking to improve and elaborate international trade rules, which had seen little change in more than 30 years. Your Finance Committee has engaged in extensive consultations with the administration, both to understand the amended international rules and to urge other revisions in U.S. trade law. The length of this bill is partly a product of those provisions necessary to assure consistency with the new international rules, but also significantly a product of the many changes urged by your committee to make our laws more effective against foreign unfair trade practices.

I would commend those involved in the arduous effort to produce this package, particularly, on this side of the aisle, Bill Roth, Jack Danforth, and John Heinz. Their efforts led to many of the improvements over the first proposals we saw from the administration.

I will not exaggerate the effects of this trade package. This package will not cure our trade deficit, and we will need further efforts in this regard. We in Congress have not yet even seen most of the results of the tariff negotiations, which the President can proclaim without further legislative action. Some of the improvements in international rules concerning such subjects as subsidies, product standards, or agricultural matters are very modest or will depend upon rigorous enforcement by the executive branch if they are to have appreciable effect. There are also things we conceded to other countries, as was inevitable if we were to receive benefits. It is my hope that the benefits in this package outweigh the defects.

Mr. President, we will have relatively little time to consider this bill. Each of us must give this our most serious attention, for we will not soon confront a more important or far-reaching trade bill.

Mr. LONG. Mr. President, every member of that Finance Committee has worked many hours in consultations with the administration on this bill. It is not a perfect bill. No bill is perfect. But I do believe the Trade Agreements Act of 1979 represents a long stride forward in our trade relations with the world and that it will provide an opportunity for a more realistic trade policy for this Nation and for a more efficient global trading system.

Mr. MOYNIHAN. Mr. President, will the Senator yield?

Mr. LONG. I yield.

Mr. MOYNIHAN. Mr. President, I think it would be inappropriate to let this moment pass without expressing our appreciation to the chairman and Senator Dole, the ranking minority member, and to the Senator from Connecticut (Mr. Ribicoff), and the Senator from Delaware (Mr. Roth), who, respectively, are the chairman and ranking minority member of the subcommittee.

In particular, we express our appreciation to the junior Senator from Pennsylvania, who has worked hard and displayed an extraordinary knowledge of the subject. He has worked with a formidable command of detail to make this a measure which is not only of advantage to American business but also protects and advances the interests of American workers. This bill would not be on this floor today had it not been for the Senator from Pennsylvania; and that it is, is a tribute to his work. That it will pass the Senate and will become law, I think, is a measure of the capacity of the U.S. Senate to deal with an international instrument and, after receiving it from the Executive, improve it. Meaning no large implications with respect to that statement, I nonetheless wish to draw attention to it.

Mr. President, I ask unanimous consent that the name of my senior colleague, Senator JAVITS, be added as a cosponsor of the bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HEINZ. Mr. President, will the Senator yield?

Mr. LONG. I yield.

Mr. HEINZ. Mr. President, I ask unanimous consent that the name of the Senator from Iowa (Mr. JEPSEN) be added as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HEINZ. Mr. President, I want to commend the chairman of our committee, Senator LONG, for having had not only the stamina of a Greek hero but also the patience of Job during the last several months when we have worked together with the administration in the detailed consultations which have made possible the MTN legislation which we introduce today, and which I am pleased to cosponsor.

Senator LONG has been most understanding. It is fair to say that without his understanding and patience, the measure that he characterizes quite accurately as not perfect—although it is a major step forward—would not be here today.

I believe it is also fair to recognize the considerable contribution of Senator ROTH and Senator RIBICOFF, whose subcommittee has held extensive hearings and has done a great deal of work on this bill.

They have tremendous hopes for this legislation; but they recognize, as do I and Senator LONG and Senator MOYNIHAN, that our work, even with the enactment of this bill, will not be finished. For example, we have not yet created a Department of International Trade and Investment, and that is unfinished work.

I also want to compliment Senator DOLE, the ranking minority member, for his patience. I have profited immensely from the opportunity to work with him, and I hope that some of the things he and I have worked on together have made me a more effective legislator. They are certainly a credit to his command of these issues.

I am very flattered by the kind and generous remarks the junior Senator from New York made about me. If only a fraction of them are true, I am fortunate indeed.

I wish to indicate in the RECORD very clearly, Mr. President, that Senator MOYNIHAN was more than a full partner with me in the amendments that he and I offered together, not only to improve the concepts behind the MTN but also to give the implementing legislation, which we are introducing today, some real meaning.

Senator MOYNIHAN was literally invaluable. He brings to the committee a sophisticated understanding of foreign affairs issues, an awareness of what is actually going on in foreign capitals, an understanding of the United Nations and of the State Department, in both of which places he served. Without him, I think it is fair to say that the committee could not have done as good a job as it did. I am deeply grateful to him not only for his kind words but also for his tremendous substantive contributions to our joint effort and to the committee.

Mr. President, our Nation has increasingly been the victim of other countries' efforts to repeal the law of comparative advantage through the creation of nontariff barriers and the use of subsidies and dumping and other unfair trade practices, which have had the effect of exporting other nations' unemployment to our country.

The MTN implementing legislation we have drafted attacks these unfair trade practices, and in doing so strikes a major blow for free market principles throughout the world. To the extent we can make those principles the rule in all nations' trading practices, both our economy and those of other nations will gain.

This legislation, once enacted, will demand diligent oversight on the part of the Congress and faithful execution on the part of the administration if it is to fulfill its promise. That promise, however, is clear, and I hope the Congress will promptly approve this bill.

Mr. President, I do have one caveat to this legislation. I have not yet seen either the list of tariff cuts negotiated by the administration or its statement of administrative intent which will accompany the MTN bill, so I must reserve judgment on them.

Mr. President, I also think we should take note of the very valuable contribution by Mr. Robert Strauss, who, as the Special Trade Negotiator, has worked with this legislation for the better part of 2 years and who has been engaged in very difficult negotiations with both developed and developing countries. He was a tireless negotiator, not only with those nations but also with our committee.

While we have had our disagreements with Mr. Strauss on some of the issues, we have been able to work out our differences. He has been a valuable and creative source for the committee. He deserves a great deal of credit for all the work he put into this legislation; and a great deal of credit is due the entire STR staff—Ambassador McDonald, Ambassador Wolff, and others.

I thank the Senate from Louisiana and the Senator from New York for yielding.

Mr. MOYNIHAN. Mr. President, may I express my deep appreciation for the more than generous and I hope half deserved comments of my colleague from Pennsylvania.

I wish to join him in his remarks about Ambassador Strauss; I think that he and I speak for the whole of our committee when we express our extraordinary indebtedness to Ambassador Strauss, who has proved a master negotiator for American interest. He has listened to our committee and has taken counsel with it. He has followed our advice as far as he has been able, and has produced this extraordinary result in collaboration with Ambassadors McDonald and Wolff and Mr. Rivers, and their distinguished and hard-working staff.

I simply add a moment's comment to the remarks of my distinguished colleague from Pennsylvania.

This is as much an event in the history of trade policy as that period began under Cordell Hull in the aftermath of the devastating impact of protectionism—a period when we began multilateral traiff reductions.

In the mid-1930's tariffs were the principal obstacles to the movement of trade; it was a period we associate with the Smoot-Hawley Tariff which reduced American trade by almost 40 percent in the space of about 4 years. What followed was almost two generations of American statesmanship directed at reducing tariffs. While we were successful at reducing tariffs and replacing protectionism with liberal trade. Nontariff barriers were soon to replace tariffs as the major impediment to international trade. Nontariff measures were not only effective in blocking trade but had another impact which was as important as tariffs in limiting trade, but even more insidious. Nontariff barriers meant increasing State control of trade with consequences of disturbing trade.

We are now at a point where the Western World faces the most unfair of trade practices yet experienced in modern history: that of the OPEC cartel, a cartel which is, among other things, forcing the largest intrusion of government in the political and economic affairs of the United States. We are witnessing a degree of government involvement greater than has taken place since the New Deal, but this is happening wholly undesired by the American people. It is being forced upon us, as economists will say, by exogenous events which we do not know how to deal with because we scarcely know it is happening.

That is only the most dramatic of the whole set of influences which could only do what the Senator from Pennsylvania said they would do, which is to diminish the effectiveness, the scope, and the prosperity of American private enterprise. We would find us becoming more and more a State-run economy not because we desire it but because others forced it upon us.

This MTM agreement is an opportunity to stem and possibly even to reverse that trend. It is a trend more pervasive in our lives than we know. The American people lined up at gas pumps, wondering why their Government does not do anything about it, are already reflecting an assumption that it must be Government responsibility, an assumption brought upon them by the actions of other countries external to our own affairs altogether.

This is no small matter, and I thank the Senator from Pennsylvania for his eloquent remarks concerning it.

Mr. HEINZ. Mr. President, I think the point emphasized by the Senator from New York is well worth noting, and I urge all my colleagues to pay careful attention to his remarks because he knows exactly whereof he speaks.

It is a cold and cruel world outside of the borders of the United States, made colder and crueler by foreign governments that will stop at nothing to try to export not just their oil, as OPEC does, but also their social problems and unemployment, to this country through the use of government interference, nontariff barriers, subsidies, and a variety of other techniques.

If unchecked, those techniques ultimately have one of two possible consequences: They either make it impossible for the members of the American enterprise system, the businesses, large and small, the workers, both unionized and nonunionized, to survive let alone compete against the heavy hand of foreign government involvement in their trading practices.

That is one possible consequence—the decimation of our American enterprise system and the discipline of the free marketplace. The discipline of real not government regulated competition.

The other alternative is hardly less encouraging. It is for our Government, which has enough involvement, as my constituents tell me, in their lives already, to get still more deeply involved in business, in workers' lives, in running businesses, and creating nothing less over the long term than a socialist state of the United States, something not a single Member of this body, and I know I speak for my good friend and colleague from New York, wishes to see happen to this country.

Yet, Mr. President, that is the only logical consequence of failing to stick up for what we say in shorthand are the principles of free and fair—underlined—fair trade.

In that sense, this legislation is a historic step forward after many steps backward.

We have been retreating by inches on the principle of fair trade since before World War II.

In my judgment, we have continually sacrificed the principles of fair trade to rather will-o'-the-wisp diplomatic games. Sometimes they were nothing more than the whims of bureaucrats in a Federal department, possibly the State Department, possibly the Treasury Department, whose own particular ends came ahead of the real interests where I conceive our strength as a Nation to lie.

I think this legislation reverses a trend of some three decades of retreat, and it reverses not with retrenchment, not by digging holes, not by setting up protectionist barriers or high tariffs. It does it in an open, clear, and understandable way.

It is, however, in the final analysis, only as good as the people who administer these laws.

We would like to think that we have improved the procedure, made clear what the definitions are, given people clear rules to implement. But in the final analysis a government of laws depends on how good the people are whom you have enforcing those laws.

This legislation once enacted will demand diligent oversight by the President, the Congress, particularly the Committees on Finance and Ways and Means. Otherwise, it will not be able to fulfill its promise.

The PRESIDING OFFICER. The time of the Senator from New York has expired.

Mr. MOYNIHAN. Mr. President, I ask the leader if he will give us 5 additional minutes.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield to me?

Mr. MOYNIHAN. I yield.

The PRESIDING OFFICER. The Senator from West Virginia.

Mr. ROBERT C. BYRD. Yes, I yield the Senator from New York 5 minutes.

Mr. HEINZ. I thank the Senator from New York. In fact, I had just concluded my remarks.

Mr. MOYNIHAN. Mr. President, I hope the Senator can remain just long enough for me to emphasize what he has said about the all-important fact of how this treaty is going to be administered, because it creates a new mechanism, a new international mechanism, as distinctive as the GATT itself in 1947.

I think the Senator would share my impression that the Committee on Finance, whilst acknowledging the complete integrity and very considerable capacity of the persons involved, has not been persuaded that the existing mechanisms of countervailing duties, the antidumping laws, and escape clause mechanisms in U.S. domestic trade law have been pressed with the energy from the American Government that American enterprise ought properly to have been able to expect.

Mr. HEINZ. Mr. President, if the Senator will yield, he is guilty, if anything, of a masterful understatement.

Mr. MOYNIHAN. The understatement was unintentional, but the point was intended, and we await on July 10 the President's recommendations about how he will press forward on this matter.

A final point, and I mean this in dead seriousness: The outcome of the kind of course that the world has been taking in recent years is rarely anything that could be described as socialism. It is that most lamentable of circumstances of state capitalism, and it has the disadvantages of all worlds. It is particularly devastating to a free enterprise system such as ours where free trade unions and free enterprisers work together in a symbiotic and creative relationship that has produced the most productive economy in the world but which economy is threatened by cartel and by state actions everywhere.

So I thank the Senator from Pennsylvania.

Mr. President, I would like to thank the majority leader for providing us this opportunity to introduce this most important legislation and to offer some of our comments at the outset of the period in which the Senate as a body will consider the matter.

Mr. HEINZ. Mr. President, I would like to be associated with that sentiment expressed by the Senator from New York.

Mr. ROBERT C. BYRD. Mr. President, I thank the distinguished Senator from New York, both him and the Senator from Pennsylvania, for offering me their appreciation of the courtesies I have been able to extend.

TRIBUTE TO JAMES FARRELL

Mr. MOYNIHAN. Mr. President, there are few American writers who have dealt so honestly and so sensitively with the urban experience of our century—especially the experience of the American Irish—as has James T. Farrell. Mr. Farrell not only enlivens many of my days with his delightful correspondence, but he continues to amaze his unflagging readers with his production of literary works which are lucid in style, authentic in characterization, and penetrating in their insight into the way we live. His record of sustained literary production is perhaps unmatched in the annals of American letters. I especially commend to you his latest novel, "The Death of Nora Ryan."

A short time ago the American Academy of Arts and Sciences showed the discrimination to award Jim Farrell its Emerson-Thoreau medal. Jim Farrell rose to that occasion as he does characteristically, and offered a short speech which expresses the clear-eyed optimism that infuses his literary work. I ask unanimous consent that it be printed in its entirety in the Record.

There being no objection, the remarks were ordered to be printed in the Record, as follows:

To receive the recognition of ones' peers is an honor for any writer. But a writer's greatest reward comes when his work penetrates the reader's consciousness, reaching beyond stereotypes and conventional feelings. By touching the reader's consciousness and emotions, his work can become a liberating experience. As Tolstoy said, through art we can "infect" others "with feeling." I am particularly pleased that I am receiving this honor from the American Academy of Arts and Sciences.

I have never accepted the views of those who claim that there is a necessary conflict between the sciences and the humanities and the arts. Literature can, and in some cases does, enable us to liberate ourselves inwardly. Thus, we can become more human—to ourselves and to others. Science enables us to understand, to manipulate and to organize the external world for more human purposes if we so determine. Today, with the growth of science and its related technology, mankind has reached a historic stage where it is faced with its greatest problem—either to control its own destiny or to make a shambles of the struggling and tragic history of generations.

If any man of our century has shown that we should not force a conflict between the humanities and the sciences, it is Einstein, whose centennial we celebrate tonight. His thinking, and he recognized this, was based on the power of imagination. Einstein was clearly aware that our approach to reality must be indirect. With the use of this imagination, logically controlled, he conceived constructs and logical conclusions which, later, were imaginatively verified. For the artist, and here I mean the writer, the overall problem to be faced is that of reality. But the problems of reality for the physical scientists and the literary artist are obviously different. Alfred North Whitehead in his stimulating little book, Symbolism, suggests the problem of reality for the poet ". . . if you are a poet and wish to write a lyric on trees, you will walk in the forest in order that the trees may suggest the appropriate words. . . . He concentrates on the trees in order to get at the words. "But most of us are not poets. . . . For us, words are symbols which enable us to capture the rapture of poets in the forest . . ."

When we look back on the history of man, we can derive a great aesthetic pleasure in considering the various efforts of imagination, of the will, of the mind of man to give meaning to life.

The American philosopher George Herbert Mead described the universe as it might have been before man began to live on it and to manipulate it as a "bare there-ness of a world." Herman Muller in his remarkable but forgotten book, Out of the Night, describes the faith of a scientist in the title—a man coming out of the night—expresses the hope of the human race eventually conquering its destiny. The efforts of the sciences and of art are a joint attempt through the imagination and the mind and heart of man to make a world that has never been made before.

Thank you all.

ORDER FOR RECESS UNTIL 9:30 A.M. TOMORROW

Mr. ROBERT C. BYRD. What is the convening hour tomorrow?

The PRESIDING OFFICER. 9 a.m.

Mr. ROBERT C. BYRD. I ask unanimous consent that when the Senate completes its business today it stand in recess until the hour of 9:30 a.m. tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

AUTHORIZING A FORMER STAFF INVESTIGATOR OF THE SENATE PERMANENT SUBCOMMITTEE ON INVESTIGATIONS TO GIVE TESTIMONY

Mr. ROBERT C. BYRD. Mr. President, on behalf of Mr. NUNN, I send a resolution to the desk to permit the giving of testimony by a former staff investigator of the Senate Permanent Subcommittee on Investigations of the Committee on Governmental Affairs, and I ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will state the resolution by title.

The assistant legislative clerk read as follows:

S. RES. 189

To authorize a former staff investigator of the Senate Permanent Subcommittee on Investigations of the Committee on Governmental Affairs to present himself to give testimony in a disciplinary proceeding by the State Bar of Arizona against an attorney licensed to practice in Arizona, and to authorize the release of certain documents in the possession of said Subcommittee relating to such testimony.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that further reading of the resolution be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senate proceeded to consider the resolution.

● Mr. NUNN. Mr. President, I offer a resolution to permit a former staff investigator of the Senate Permanent Subcommittee on Investigations of the Committee on Governmental Affairs to give testimony in a disciplinary proceeding by the State Bar of Arizona and to authorize the release of certain documents in the possession of the subcommittee relating to that testimony.

The counsel to the State Bar of Arizona has requested that W. Donald Gray, formerly an investigator with the staff of the subcommittee, be made available to give testimony in a private disciplinary proceeding against an attorney licensed to practice in Arizona. The State bar also requests that Mr. Gray produce documents in the possession of the subcommittee which relate to that testimony. The information sought from Mr. Gray and the documents were obtained during an investigation by the subcommittee.

Pursuant to rule XXX of the Standing Rules of the Senate and the privileges of the Senate such information and documents may not be released without a resolution of the Senate.

Accordingly, Mr. President, I offer the following resolution approved by the Committee on Governmental Affairs and ask that this resolution be adopted.●

Mr. BAKER. Mr. President, will the Senator yield to me?

Mr. ROBERT C. BYRD. I yield.

Mr. BAKER. This matter is cleared by the ranking minority member of the jurisdictional committee, and we have no objection to proceeding to its consideration and passage.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution was agreed to.

The preamble was agreed to.

The resolution (S. Res. 189) together with its preamble, was agreed to as follows:

Whereas, the State Bar of Arizona is conducting a disciplinary proceeding against an attorney licensed to practice in Arizona;

Whereas, the State Bar of Arizona, through its counsel, requested in writing that W. Donald Gray, a former staff investigator of the Permanent Subcommittee on Investigations, be made available to give testimony in the aforementioned disciplinary proceeding and to produce documents in possession of the Permanent Subcommittee on Investigations relating to such testimony;

Whereas, the information sought from Mr. Gray and documents were obtained by him in the course of his employment with the Permanent Subcommittee on Investigations during an investigation;

Whereas, by the privileges of the Senate and by Rule XXX of the Standing Rules of the Senate, no information secured by staff employees of the Senate pursuant to their duties and no documents in the possession of a Subcommittee may be revealed or released without the consent of the Senate: Therefore, be it

Resolved, that W. Donald Gray be authorized to present himself and give testimony in the aforementioned disciplinary proceeding before the State Bar of Arizona as to any knowledge relevant to the issues in that matter which he obtained in his work on a Subcommittee investigation; and to take with him copies of documents relating to such testimony which were received or produced as a result of such investigation.

SEC. 2. The Secretary of the Senate should transmit a copy of this resolution to David E. Brauer, Esquire, Counsel, State Bar of Arizona, 858 Security Building, Phoenix, Arizona 85004.

ORDER OF BUSINESS

Mr. ROBERT C. BYRD. Mr. President, are there any orders for the recognition of Senators on tomorrow?

The PRESIDING OFFICER. There are none.

Mr. ROBERT C. BYRD. I thank the Chair.

ORDER FOR THE RECOGNITION OF SENATOR SARBANES TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that after the two leaders or their designees are recognized under the standing order tomorrow, Mr. SARBANES be recognized for not to exceed 15 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

EXECUTIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate go into executive session for not to exceed 2 minutes to consider the nominations beginning with the Judiciary on page 2 of the Calendar and extending through Calendar Order No. 186 under "Federal Election Commission." This would mean that only Calendar No. 187 would be excepted from the list.

Mr. BAKER. Mr. President, reserving the right to object, and I will not object, these items that have been identified by the majority leader are cleared on our calendar as well, and we have no objection to proceeding to their consideration and their confirmation.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the nominations be considered and confirmed en bloc.

The PRESIDING OFFICER. Without objection, it is so ordered.

The nominations confirmed en bloc are as follows:

THE JUDICIARY

Arthur L. Nims III, of New Jersey, to be a judge of the U.S. Tax Court for a term of 15 years.

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

Richard Bryant Lowe III, of New York, to be Deputy Inspector General.

THE JUDICIARY

Frank Minis Johnson, Jr., of Alabama, to be a U.S. circuit judge for the 5th Circuit Court of Appeals.

Dolores Korman Sloviter, of Pennsylvania, to be a U.S. circuit judge for the 3rd Circuit.

Jon O. Newman, of Connecticut, to be a U.S. circuit judge for the 2d Circuit.

Amalya L. Kearse, of New York, to be a U.S. circuit judge for the 2d Circuit.

Valdemar A. Cordova, of Arizona, to be a U.S. district judge for the District of Arizona.

DEPARTMENT OF JUSTICE

Carlon M. O'Malley, Jr., of Pennsylvania, to be U.S. attorney for the middle district of Pennsylvania.

Joseph Randsdell Keene, of Lousiana, to be U.S. attorney for the western district of Louisiana.

Peter J. Wilkes, of Illinois to be U.S. marshal for the northern district of Illinois.

FEDERAL ELECTION COMMISSION

Thomas Everett Harris, of Virginia, to be a member of the Federal Election Commission for a term expiring Apr. 30, 1985.

Mr. ROBERT C. BYRD. Mr. President, I move, en bloc, to reconsider the votes by which the nominations were confirmed.

Mr. BAKER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of the nominations.

The PRESIDING OFFICER. Without objection, it is so ordered.

DOLORES SLOVITER

● Mr. HEINZ. Mr. President, I support the Senate action to confirm Dolores Korman Sloviter to be the U.S. circuit judge for the third circuit court of appeals. It is a source of great satisfaction to be able personally to commend Mrs. Sloviter to you and to the Members of this distinguished body, and to share with you my high regard and strong recommendation for her.

Mrs. Sloviter will bring to this prestigious third circuit court of appeals an impressive background and an enviable reputation as a practicing attorney, and as an extremely well-regarded professor at the Temple University School of Law. Her unselfish and untiring service to the community in which she lives and works is deserving of some mention here today. She has served on the Governor's Council on the Aging, is chairperson of the Subcommittee on Aging of the family law section of the Board of Governors of the Philadelphia Bar, and presently sits on the board of directors of the senior citizens Judicare project. She is known to be a dedicated, hard-working, committed professor, attorney, mother, and friend to many in the Philadelphia community who have come to know her and her work.

Dolores Sloviter was recommended to the President for appointment to the bench by the Federal Judicial Nominating Commission, a procedure assuring the appointment of persons of the highest caliber. This was certainly accomplished by the nomination of Mrs. Sloviter.

I heartily and proudly recommend Mrs. Sloviter to the Members of the Senate as an outstanding nominee who will, I am sure, further distinguish herself as she takes yet another stride in service to her community, and indeed, to the Nation.●

LEGISLATIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate resume the consideration of legislative business.

The PRESIDING OFFICER. Without objection, it is so ordered.

SPEEDY TRIAL ACT AMENDMENTS OF 1979

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar Order No. 228.

The PRESIDING OFFICER. The bill will be stated by title.

The legislative clerk read as follows:

A bill (S. 961) to amend the Speedy Trial Act of 1974.

The PRESIDING OFFICER. Without objection, the Senate will proceed to its consideration.

The Senate proceeded to consider the bill, which had been reported from the Committee on the Judiciary with an amendment to strike all after the enacting clause and insert the following:

That this Act may be cited as the "Speedy Trial Act Amendments Act of 1979".

SEC. 2. Section 3161(c) of title 18, United States Code, is amended to read as follows:

"(c) (1) In any case in which a plea of not guilty is entered, the trial of a defendant charged in an information or indictment with the commission of an offense shall commence within seventy days from the filing date (and making public) of the information or indictment, or from the date the defendant has appeared before a judicial officer of the court in which such charge is pending, whichever date last occurs. If a defendant consents in writing to be tried before a magistrate on a complaint, the trial shall commence within seventy days from the date of such consent.

"(2) Unless the defendant consents in writing to the contrary, the trial shall not commence less than thirty days from the date on which the defendant first appears through counsel or expressly waives counsel and elects to proceed pro se.".

SEC. 3. (a) Section 3161(d) of that title is amended—

(1) by inserting "(1)" immediately after "(d)"; and

(2) by adding at the end of the following new paragraph:

"(2) If the defendant is to be tried upon an indictment or information dismissed by a trial court and reinstated following an appeal, the trial shall commence within seventy days from the date the action occasioning the trial becomes final, except that the court retrying the case may extend the period for trial not to exceed one hundred and eighty days from the date the action occasioning the trial becomes final, except that the court retrying the case may extend the period for trial not to exceed one hundred and eighty days from the date the action occasioning the trial becomes final if the unavailability of witnesses or other factors resulting from the passage of time shall make trial within seventy days impractical. The periods of delay enumerated in section 3161(h) are excluded in computing the time limitations specified in this section. The sanctions of section 3162 apply to this subsection.".

(b) Section 3161(e) is amended—

(1) by striking out "sixty" whatever it appears and inserting in lieu thereof "seventy"; and

(2) by adding at the end the following: "The periods of delay enumerated in section 3161(h) are excluded in computing the time limitations specified in this section. The sanctions of section 3162 apply to this subsection.".

SEC. 4. Section 3161(h)(1) of that title is amended to read as follows:

"(1) Any period of delay resulting from other proceedings concerning the defendant, including but not limited to—

"(A) delay resulting from any proceeding, including any examinations, to determine the mental competency or physical capacity of the defendant;

"(B) delay resulting from any proceeding, including any examination of the defendant, pursant to section 2902 of title 28, United States Code;

"(C) delay resulting from deferral of prosecution pursuant to section 2902 of title 28, United States Code;

"(D) delay resulting from trial with respect to other charges against the defendant;

"(E) delay resulting from any interlocutory appeal;

"(F) delay resulting from any pretrial motion, from the filing of the motion through the conclusion of the hearing on, or other prompt disposition of, such motion;

"(G) delay resulting from any proceeding relating to the transfer of a case or the removal of any defendant from another district under the Federal Rules of Criminal Procedure;

"(H) delay resulting from transporation of any defendant from another district, or to and from places of examination or hospitalization, except that any time consumed in excess of ten days from the date an order of removal or an order directing such transportation, and the defendant's arrival at the destination shall be presumed to be unreasonable;

"(I) delay resulting from consideration by the court of a proposed plea agreement to be entered into by the defendant and the attorney for the Government; and

"(J) delay reasonably attributable to any period, not to exceed thirty days, during which any proceeding concerning the defendant is actually under advisement by the court.".

SEC. 5. (a) Section 3161(h)(8)(B)(ii) of that title is amended to read as follows:

"(ii) Whether the case is so unusual or so complex, due to the number of defendants, the nature of the prosecution, or the existence of novel questions of fact or law, that it is unreasonable to expect adequate preparation for pretrial proceedings or for the trial itself within the time limits established by this section.".

(b) Section 3161(h)(8)(B)(iii) of that title is amended to read as follows:

(iii) Whether, in a case in which arrest precedes indictment, delay in the filing of the indictment is caused because the arrest occurs at a time such that is unreasonable to expect return and filing of the indictment within the period specified in section 3161 (b), or because the facts upon which the grand jury must base its determination are unusual or complex.".

(c) Section 3161(h)(8)(B) of that title is further amended by adding at the end the following new clause:

"(iv) Whether the failure to grant such a continuance in a case which, taken as a whole, is not so unusual or so complex as to fall within clause (ii), would deny the defendant reasonable time to obtain counsel, would unreasonably deny the defendant or the Government continuity of counsel, or would deny counsel for the defendant or the attorney for the Government the reasonable time necessary for effective preparation, taking into account the exercise of due diligence.".

SEC. 6. Section 3163(c) of that title is amended to read as follows:

"(c) Subject to the provisions of section 3174(c), section 3162 of this chapter shall become effective and apply to all cases commenced by arrest or summons, and all informations or indictments filed, on or after July 1, 1981.".

SEC. 7. Section 3164 of that title is amended—

(1) by amending the section heading to read as follows:

"§ 3164. Persons detained or designated as being of high risk";

(2) by amending subsection (a) to read as follows:

"(a) The trial or other disposition of cases involving—

"(1) a detained person who is being held in detention solely because he is awaiting trial, and

"(2) a released person who is awaiting trial and has been designated by the attorney for the Government as being of high risk,

shall be accorded priority."; and

(3) by amending subsection (b) to read as follows:

"(b) The trial of any person described in subsection (a)(1) or (a)(2) of this section shall commence not later than ninety days following the beginning of such continuous detention or designation of high risk by the attorney for the Government. The periods of delay enumerated in section 3161(h) are excluded in computing the time limitation specified in this section.".

SEC. 8. Section 3165(e) of that title is amended—

(1) in paragraph (2), by striking out "subsequent" and inserting in lieu thereof "fifth", and

(2) by adding at the end the following:

"(3) Prior to the expiration of the sixty-calendar-month period following July 1, 1975, each United States district court shall prepare and submit a plan in accordance with subsections (a) through (d) to govern the trial or other disposition of offenses within the jurisdiction of such court during the sixth and subsequent twelve-calendar-month periods following the effective date of subsection 3161(b) and subsection 3161(c) in effect prior to the date of enactment of this paragraph.".

SEC. 9 (a) Section 3166(b) of that title is amended—

(1) in paragraph (7), by striking out "and" immediately after the semicolon;

(2) in paragraph (8), by striking out the period and inserting in lieu thereof "; and"; and

(3) by adding at the end the following new paragraph:

"(9) the impact of compliance with the time limits of subsections (b) and (c) of section 3161 upon the civil case calendar in the district.".

(b) Section 3166(c) of that title is amended—

(1) in paragraph (5), by striking out "and" immediately after the semicolon;

(2) in paragraph (6), by striking out the period and inserting in lieu thereof "; and"; and

(3) by adding at the end the following new paragraph:

"(1)(A) the number of new civil cases filed in the twelve-calendar-month period preceding the submission of the plan;

"(B) the number of civil cases pending at the close of such period; and

"(C) the increase or decrease in the number of civil cases pending at the close of such period, compared to the number pending at the close of the previous twelve-calendar-month period, and the length of time each such case has been pending.".

(c) Section 3166 of that title is further amended by adding at the end the following new subsection:

"(f) Each plan may be accompanied by guidelines promulgated by the judicial council of the circuit for use by all district courts within that circuit to implement and secure compliance with this chapter.".

(d) Section 3168(a) of that title is amended by striking out "a private attorney experienced in the defense of criminal cases in the district" and inserting in lieu thereof "two private attorneys, one with substantial experience in the defense of criminal cases in the district and one with substantial experience in civil litigation in the district".

(e) Section 3167 of that title is amended—

(1) in subsection (b), by adding at the end the following: "Such reports shall also include the following:

"(1) The reasons why, in those cases not in compliance with the time limits of subsections (b) and (c) of section 3161, the provisions of section 3161(h) have not been adequate to accommodate reasonable periods of delay.

"(2) The category of offenses, the number of defendants, and the number of counts involved in those cases which are not meeting the time limits specified in subsections (b) and (c) of section 3161.

"(3) The additional judicial resources which would be necessary in order to achieve compliance with the time limits specified in subsections (b) and (c) of section 3161.

"(4) The nature of the remedial measures which have been employed to improve conditions and practices in those districts with low compliance experience under this chapter or to promote the adoption of practices and procedures which have been successful in those districts with high compliance experience under this chapter.

"(5) If a district has experienced difficulty in complying with this chapter, but an application for relief under section 3174 has not been made, the reason why such application has not been made.

"(6) The impact of compliance with the time limits of subsections (b) and (c) of section 3161 upon the civil case calendar in each district as demonstrated by the information assembled and statistics compiled and submitted under sections 3166 and 3170.";

(2) by adding at the end the following new subsection:

"(c) Not later than December 31, 1980, the Department of Justice shall prepare and submit to the Congress a report which sets forth the impact of the implementation of this chapter upon the office of the United States Attorney in each district and which shall also include—

"(1) the reasons why, in those cases not in compliance, the provisions of section 3161(h) have not been adequate to accommodate reasonable periods of delay;

"(2) the nature of the remedial measures which have been employed to improve conditions and practices in the offices of the United States Attorneys in those districts with low compliance experience under this chapter or to promote the adoption of practices and procedures which have been successful in those districts with high compliance experience under this chapter;

"(3) the additional resources for the offices of the United States Attorneys which would be necessary to achieve compliance with the time limits of subsections (b) and (c) of section 3161;

"(4) suggested changes in the guidelines or other rules implementing this chapter or statutory amendments which the Department of Justice deems necessary to further improve the administration of justice and meet the objectives of this chapter; and

"(5) the impact of compliance with the time limits of subsections (b) and (c) of section 3161 upon the litigation of civil cases by the offices of the United States Attorneys and the rule changes, statutory amendments, and resources necessary to assure that such litigation is not prejudiced by full compliance with this chapter.".

(f) Section 3170(a) of that title is amended in the first sentence—

(1) by striking out "and" after "process" and inserting in lieu thereof a comma;

(2) by inserting a comma after "limits";

(3) by inserting "continuous and permanent compliance with the" immediately before "objectives"; and

(4) by striking out "required by" and inserting in lieu thereof "described in".

SEC. 10. Section 3174 of that title is amended—

(1) by striking out the period after the first sentence in subsection (a) and inserting in lieu thereof the following: "as provided in subsection (b).";

(2) by striking the first two sentences of subsection (b) and inserting the following in lieu thereof: "If the judicial council of the circuit finds that no remedy for such congestion is reasonably available, such council may, upon application by the chief judge of a district, grant a suspension of the time limits in section 3161(c) in such district for a period of time not to exceed one year for the trial of cases for which indictments or informations are filed during such one-year period.";

(3) by striking out "arrangement" in the third sentence of subsection (b) and inserting in lieu thereof "arraignment";

(4) by amending subsection (c) to read as follows: "(c)(1) If, prior to July 1, 1981, the chief judge of any district concludes, with the concurrence of the planning group convened in the district, that the district is prepared to implement the provisions of section 3162 in their entirety, he may apply to the judicial council of the circuit in which the district is located to implement such provisions. Such application shall show the degree of compliance in the district with the time limits set forth in subsections (b) and (c) of section 3161 during the twelve-calendar-month period preceding the date of such application and shall contain a proposed order and schedule for such implementation, which includes the date on which the provisions of section 3162 are to become effective in the district, the effect such implementation will have upon such district's practices and procedures, and provision for adequate notice to all interested parties.

"(2) After review of any such application, the judicial council of the circuit shall enter an order implementing the provisions of section 3162 in their entirety in the district making application, or shall return such application to the chief judge of such district, together with an explanation setting forth such council's reasons for refusing to enter such order.";

(5) by adding at the end the following:

"(d)(1) The approval of any application made pursuant to subsections (a) or (c) by a judicial council of a circuit shall be reported within ten days to the Director of the Administrative Office of the United States Courts, together with a copy of the application, a written report setting forth in sufficient detail the reasons for granting such application, and, in the case of an application made pursuant to subsection (a), a proposal for alleviating congestion in the district.

"(2) The Director of the Administrative Office of the United States Courts shall forthwith transmit such report to the Congress and to the Judicial Conference of the United States. The judicial council of the circuit shall not grant a suspension to any district within six months following the expiration of a prior suspension without the consent of the Congress.

"(3) If the judicial council concludes that an additional period of suspension within such six-month period is necessary, it shall report that conclusion to the Judicial Conference of the United States, together with the application from the district court for such additional period of suspension and any other pertinent information. If the Judicial Conference agrees that such additional period of suspension is necessary, it may request the consent of the Congress thereto. If the Congress fails to act on any such request within six months, the suspension may be granted for an additional period not to exceed one year.

"(e) If the chief judge of the district court concludes that the need for suspension of time limits in such district under this section is of great urgency, he may order the limits suspended for a period not to exceed thirty days. Within ten days of entry of such order the chief judge shall apply to the judicial council of the circuit for a suspension pursuant to subsection (a).''; and

(6) by amending the section heading to read as follows:

"§ 3174. Judicial emergency and implementation".

Sec. 11. (a) The item relating to section 3164 in the table of sections for chapter 208 of such title is amended to read as follows:

"3164. Interim limits.".

(b) The item relating to section 3174 in the table of sections for chapter 208 of such title is amended to read as follows:

"3174. Judicial emergency and implementation.".

Sec. 12. The amendments made by this Act shall take effect on July 1, 1979.

Mr. BIDEN. Mr. President, I rise in strong support of S. 961, the Speedy Trial Act Amendments Act of 1979, as amended by the Committee on the Judiciary, and urge my colleagues to support it, as well.

Before I discuss the need for this bill, I woud like to review for the benefit of my colleagues, the major provisions of the committee's amendment in the nature of a substitute.

In the main, the amended bill would postpone the effective date of section 3162 of the Speedy Trial Act from July 1, 1979, to July 1, 1981. That section would permit a Federal criminal defendant to move, as a matter of statutorily conferred right, for dismissal of the charges against him if he is not indicted within 30 days of arrest or for dismissal of the indictment or information filed against him if his trial does not commence within 60 days of the date the indictment or the information is filed and made public. Parenthetically, I might add at this point that those continuously-measured time periods are tolled, either automatically or by discretion of the court, by the occurrence of certain types of events specified in section 3161(h) of the Act. Unless this amendment is enacted into law, prior to July 1, the immediate consequences would be as follows:

As to persons arrested or served with a summons prior to July 1, the Government would have 30 calendar days, plus applicable excludable delays, after July 1 within which to file an information or indictment against them.

As to persons against whom indictments or informations are filed prior to July 1, the Government would have 60 calendar days, plus applicable excludable delays, after July 1 within which to bring them to trial.

As to all other cases commenced by arrest, summons, indictment or information after July 1, the same restrictions would apply.

Failure in any of the above instances to observe the specified time periods would enable the defendant to move for dismissal of the charges or indictment or information and, if the defendant meets his burden of demonstrating that his indictment or trial was delayed outside the time limits of the act, the court would be required to grant the motion. Whether or not the prosecution could be reinstituted rests solely within the control of the court in deciding whether to dismiss with or without prejudice, using in its determination factors set forth in the act.

In addition, the amended bill would permit the districts that are prepared to implement those sanctions fully to do so prior to the new effective date by establishing a judicial application-approval procedure for that purpose. The latter provision, coupled with continued and expanded reporting requirements, would provide the necessary data and case experience to permit an informed judgment as to whether the basic principles embodied in the act are sound and worthy of permanence.

Other major issues raised in connection with this legislation which are resolved by the committee's amendment are contained in amendments to the act which would ameliorate practical problems in interpreting and implementing the act during the sanction-postponement period by:

First, merging the present 10-day indictment-to-arraignment and 60-day arraignment-to-trial intervals into a single, 70-day period [§ 3161(c)(1)];

Second, guaranteeing the defendant a reasonable period in which to obtain counsel and prepare for trial—30 days from the date the defendant appears through counsel or elects to proceed pro se, unless the defendant waives the right conferred [§ 3161(c)(2)];

Third, assuring necessary flexibility where a defendant is to be retried following the dismissal of an indictment, which is reinstated following appeal, or where he is to be retried following other appeals, declaration of mistrial or order for new trial [§ 3161(d), (e)];

Fourth, defining more precisely periods of delay resulting from "proceedings concerning the defendant" which are automatically excludable from the act's time limits, relating especially to examinations, motions practice, interdistrict transfers and transportation [§ 3161 (h)(1)];

Fifth, clarifying the grounds for "ends of justice" continuances to permit reasonable delay where, due to the nature of the case or attendant circumstances, it is unreasonable to expect an indictment to be returned or either party to be fully prepared for pretrial proceedings or trial within the time limits and, in routine cases, to protect the defendant's ability to obtain counsel of choice and to protect the ability of both parties to prepare fully from unforeseen circumstances [§ 3161(h)(8)(B)(i)-(iv)];

Sixth, making the interim limits for the trial of detained or high-risk defendants permanent [§ 3164];

Seventh, requiring the planning groups in each district to submit at least one final implementation plan prior to the effective date of the dismissal sanction, to report on the impact of the act's implementation on the civil case backlog [§ 3165(e) (2)-(3), § 3166(b), (c)], and, in addition, to require the appointment of a private attorney skilled in civil litigation to each planning group [§ 3168(a)];

Eighth, permitting circuit councils to promulgate guidelines which promote uniform interpretation of the Act within the circuit [§ 3166(f)];

Ninth, requiring the Administrative Office of the U.S. Courts and the Justice Department to file presanction reports (September 30 and December 31, 1980, respectively) which set forth the data and case experience found wanting in the hearings and recommendations for change [§ 3167(b), (c)];

Tenth, making the speedy trial data collection section permanent [§ 3170]; and

Eleventh, giving the chief judge of a district the power to suspend the final time limits up to 30 days, under emergency conditions [§ 3174(e)].

Mr. President, the committee amendment in the nature of a substitute is the product of lengthy negotiations between Senators KENNEDY, BAYH, and myself and the Department of Justice. The Department supports the amendment.

Mr. President, I ask unanimous consent that a letter from Deputy Attorney General Benjamin R. Civiletti to Senator KENNEDY, dated June 7, 1979, be printed in the RECORD at this point.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

THE DEPUTY ATTORNEY GENERAL,
Washington, D.C., June 7, 1979.

Hon. EDWARD M. KENNEDY,
U.S. Senate,
Washington, D.C.

DEAR SENATOR KENNEDY: Assistant Attorney General Philip Heymann, in his May 2, 1979 testimony before the Senate Committee on the Judiciary presented the Department of Justice proposals to amend the Speedy Trial Act (S. 961), principally, by expanding the time limits set by the Act. Although this expansion of the time limits remains the Department's preferred position, the compromise proposal suggested by you and Senators Biden and Bayh to postpone the imposition of the dismissal sanction for two years and to clarify several ambiguous provisions, including some of the excludable time provisions, offers an acceptable alternative. The proposal would provide two years' experience with the Act's final 100-day limits and with the clarified excludable time provisions. We would return to Congress in January, 1981, to report on compliance by the United States Attorney Offices and to propose any changes we then believe may be required.

Thank you for your assistance in this matter.

BENJAMIN R. CIVILETTI,
Deputy Attorney General.

Mr. BIDEN. Let me also say, Mr. President and my colleagues, that those negotiations were undertaken with the cooperation and continuous consultation of representatives of the Judicial Conference of the United States, the American Bar Association, and other interested parties.

Mr. President, 2 days of thorough hearings before the Committee on the Judiciary, which I chaired, and an exhaustive review of available data and evidence support the proposition that these amendments will take the Congress, the Federal criminal justice system, and the American people the last mile toward eliminating intolerable delay in the processing of Federal criminal cases—for all time making real the elusive guarantees—for society as well as the individual—implicit in the sixth amendment to the Constitution, which states that—

> * * * (i)n all criminal prosecutions, the accused shall enjoy the right to a speedy and public trial * * *.

There are those who say these amendments are not needed at this time—that, if the act is permitted to become fully operational on schedule, problems which have presented themselves thus far will be solved under pressure of penalty for failure to do so, within the framework of existing law. Prof. Dan Freed of the Yale Law School observed that—

> * * * some statutory amendments are desirable but not urgent and * * * a richer sense of how well this Act works and of what kind of changes are needed will emerge from the serious business of compliance which begins in two months.

There are others, on the other hand, who darkly predict nothing short of imminent disaster if basic policy changes in the act, such as enlarging the final time limits, are not made. Among the doomsayers is the Conference of Metropolitan Chief Judges, who last month warned:

> * * * If the Act is not amended, the results will be the release of some untold number of criminal defendants prior to any judicial determination of their guilt for the offenses for which they are charged.

Mr. President, it was the task of the Judiciary Committee to place these charges and countercharges in some reasonable perspective. The first lesson learned was that, from the standpoint of commonsense, wholesale dismissals of complaints or indictments charging serious criminal offenses 30 or 60 days after July 1, absent congressional action, is not very likely to happen. In its own study of the problem, the Office for Improvements in the Administration of Justice, Department of Justice, found a statistical probability—using data almost a year old for cases processed under longer time limits with no threat of sanction—that some 5,200 criminal cases might be dismissed after July 1, absent change in the act. But, the study went on to say:

> Common sense indicates that such a level of dismissals will probably not in fact occur. Instead, it can be expected that, in response to the threat posed by the dismissal requirement, the work patterns of prosecutors and courts will adapt to the new situation, additional resources will be devoted to meeting the deadlines of the Act, and in consequence, the dismissals will be held to a less drastic level.

The committee was urged to expand the final time limits of the act by the Department of Justice and the Judicial Conference. Why? Because, they argued, the data showed that rates of compliance could be improved significantly—from 83 percent on the average to 97 percent—by increasing the arrest-to-indictment interval in length by 100 percent and the arraignment-to-trial time by 100 percent. Well, I say to my colleagues, compliance with anything can be improved significantly by making it almost laughably easy to comply. As far as this Senator is concerned, progress is measured by steps forward, not by steps backward.

Let us go back to the beginning, for a moment. The Congress was not unmindful of the fact that achievement of the policy objectives of the Speedy Trial Act could not be attained overnight. So, the Congress put off implementation of the act's final strictures for 4 years. During the first year, there were no time limits—none. In the second year, the total arrest-to-trial time limit was 250 days; there were no sanctions for failure to comply. In the third year, the total interval was 175 days; there were no sanctions for failure to comply. In the fourth year, ending this month, the total time limit was 125 days; there were no sanctions for failure to comply. Through these 4 years, the act required the Federal criminal justice system to do what had never been asked before of it: to plan in advance. Each district was required to establish a planning group, not only to prepare and file plans to comply with each graduated "phase-in" of the act's time limits, but also to study the problems of administration of justice locally and to recommend to the Congress changes that might be needed to solve them. Most significantly, clerks of the courts were required to begin to collect the kind of case data which would help courts, prosecutors, and defense counsel to understand what steps need to be taken to regain control over hopelessly clogged and backlogged court calendars. As the House Judiciary Committee said in its report 4 years ago:

> The heart of the speedy trial concept embodied in [the Act] is the planning process. These provisions recognize the fact that the Congress—by merely imposing uniform time limits for the disposition of criminal cases, without providing the mechanism for increasing the resources of the court and helping to initiate criminal justice reform which would increase the efficiency of the system—is making a hollow promise out of the Sixth Amendment. The primary purpose of the planning process is to monitor the ability of the courts to meet the time limits of the bill and to supply the Congress with information concerning the effects of criminal justice administration of the time limits and sanctions, including the effects on the prosecution, the defense, the courts and the correctional process, and the need for additional rule changes and statutes which would operate to make speedy trial a reality.

What, then, was the outcome of the process which was intended to be "the heart of the speedy trial concept?" Let me tell you what the General Accounting Office found when they looked at that question:

> District courts have not developed the data essential to identify problems that will hinder compliance when the permanent 100-day time frame becomes effective. As a result, no objective evidence exists for deciding if the Act's permanent time frames should be adjusted or if procedures should be changed to effectively process defendants within the existing time frames.

Mr. President, I ask unanimous consent that the digest of the Comptroller General's report of May 2, 1979, entitled, "Speedy Trial Act—Its Impact on the Judicial System Still Unknown," be printed in the Record at this point.

There being no objection, the digest was ordered to be printed in the Record, as follows:

Speedy Trial Act—Its Impact on the Judicial System Still Unknown

DIGEST

Four years ago, the Congress passed the Speedy Trial Act, which requires that a Federal criminal case be processed within the established time frames totaling 100 days. Generally, cases not processed within this period, as extended by allowable delays, must be dismissed with or without prejudice.

To allow district courts to move smoothly toward the 100-day limit, the act provided a 4-year phase-in period during which specific steps within the time limit were to become effective gradually. GAO found that the district courts did not develop sufficient data to identify the reasons for implementation problems. During the phase-in period, the courts relied on limited data and subjective judgments of court officials, judges, and U.S. attorneys rather than on a systematic evaluation of empirical data to document the problems in meeting the time frames. As a result, limited evidence exists for suggesting either procedural or legislative time frame changes.

ACT REQUIRING PROCESSING DEFENDANTS WITHIN ESTABLISHED TIME FRAMES

Beginning on July 1, 1979, the Speedy Trial Act requires the dismissal of certain Federal criminal cases where a defendant is not processed within the following time frames:

Arrest to indictment, 30 days;

Indictment to arraignment, 10 days;

Arraignment to start of trial, 60 days.[1]

At dismissal, a district judge will determine if the defendant will be freed from future prosecution.

If large numbers of cases are dismissed, the purposes of the act could be frustrated. Criminal defendants, if guilty, will escape justice or the criminal justice system will incur additional costs to retry the case.

Court statistics show that many criminal defendants have not been processed within the act's permanent 100-day arrest-to-trial time frame. At least 5,469, or 18.6 percent, of the cases completed during the year ended June 30, 1978, exceeded one or more time frames. (See p. 9.)

COURT OFFICIALS ANTICIPATE PROBLEMS IN IMPLEMENTING THE ACT

Some district court officials dismiss the fact that full implementation had not been achieved on the grounds that had the permanent time frames and the dismissal sanction been in effect, steps would have been taken to insure implementation of the act's time frames. Officials in three districts cautioned that additional resources would be needed, while officials in another district cautioned that changes in the volume and nature of criminal cases could affect the district's ability to meet the permanent time frames.

However, many court officials and U.S. attorneys believe that achieving full compliance with the act will be a reactive process resulting in the following undesirable trade-offs.

U.S. attorneys may be unable to prosecute all criminal defendants effectively (e.g., more cases declined for prosecution or more lenient plea bargains accepted).

Defense attorneys may not have sufficient time to prepare their client's case.

Civil litigants whose cases are not subject to statutory time frames may have a longer wait for their day in court since criminal cases will receive priority.

Criminal cases may cost more to process (e.g., additional travel costs or multiple trials). (See pp. 15 to 21.)

LACK OF OBJECTIVE, DOCUMENTED DATA FRUSTRATES EFFORTS TO COPE WITH PROBLEMS

District courts have not developed the data essential to identify problems that will hinder compliance when the permanent 100-day time frame becomes effective. As a result, no objective evidence exists for deciding if the act's permanent time frames should be adjusted or if procedures should be changed to effectively process defendants within the existing time frames. (See p. 9.)

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[1] Delays occasioned by certain statutorily prescribed contingencies or "excludable periods of delay" are not included in the time frame computations.

Nonetheless, the Judicial Conference, the Administrative Office of the U.S. Courts, and the Department of Justice have taken the position that Congress should lengthen the act's time frames cumulatively from 100 to 180 days. While this position comes from those whose opinion must be given great weight, neither they nor the Congress can be assured that the action called for is necessary and that it would have the desired effect. (See p. 12.)

Neither the Congress nor the components of the criminal justice system want a speedy trial if it results in an ineffective system. Logically, increasing the act's time frames by 80 percent would lessen the adverse trade-offs identified to date. However,

Is such a long extension in the time frames necessary?

Would a shorter time frame be possible if additional resources were made available?

What combination of time extensions and additional resources would preserve both the quality of justice and the goals of the act?

Does existing law provide sufficient safety mechanisms with which to minimize or prevent adverse trade-offs?

The Congress needs answers to these questions and the justice system components need to do more to be able to provide them.

RECOMMENDATIONS TO THE JUDICIARY

GAO recognizes that implementing the act as scheduled entails some risk. Numerous problems associated with meeting the act's time frames may adversely affect the justice system. However, without information on the magnitude and severity of the impact, neither GAO, the justice system, nor the Congress can adequately weigh the adverse effects to formulate appropriate remedial actions.

The Judicial Conference of the United States, in cooperation with the Administrative Office of the U.S. Courts and the Judicial Councils should

Develop data on a representative basis that clearly shows why cases are not being processed within the 100-day arrest-to-trial time frame;

Assess the cause, severity, and impact of these problems to formulate and justify rule changes, additional resources, or amendments to the act;

Quantify the problems and identify the various alternatives at the district court level, as well as systemwide, which could be used to overcome these problems and allow effective implementation of the act without decreasing the quality of justice; and

Periodically report the problems with the act and improvements needed to the Congress.

AGENCY COMMENTS

The Administrative Office of the U.S. Courts, the Federal Judicial Center, and the Department of Justice all disagreed with GAO's conclusions that there was insufficient data available to consider proposed amendments to the Speedy Trial Act. All three agencies contend that data now available provides a substantial enough basis for formulating and considering recommendations for remedial action by Congress before July 1, 1979. In this regard, all three agencies have suggested that the time frames be extended from 100 to 180 days. (See ch. 3 and apps, VI, VII, VIII.)

GAO disagrees and believes that because there is limited data on the implementation problems, neither the Congress nor the courts have enough evidence to decide what legislative time frames or procedural changes are necessary to allow for full compliance and to minimize potentially adverse tradeoffs. As a result, no one can be assured that an extended time frame is necessary or that it will avert the expected problems. Increasing the time frame by 80 percent would logically lessen the adverse trade-offs identified to date. However, no one knows what combination of time extensions and additional resources would preserve both the quality of justice and the goals of the act.

GAO believes more attention should be paid to the system's ability to resolve problems within the framework of existing law and within the permanent time frames. GAO points out that the act specifically suspends the running of the time frames for any 1 of 15 specified contingencies. This includes an authorization to provide a continuance when, among other matters, it would serve the "ends of justice" to do so. In situations involving an especially congested court calendar, there are circumstances where a judicial emergency may be declared, thus suspending the applicability of certain permanent time frames. However, this framework of safety mechanisms have not been specifically identified.

ALTERNATIVES FOR CONSIDERATION BY THE CONGRESS

The Congress is faced with the decision as to whether the Speedy Trial Act should be implemented as now required on July 1, 1979, or modified. The Judicial Conference, Administrative Office of the U.S. Courts, and the Department of Justice have taken the position that there is a need to increase the time frame from 100 to 180 days so that a large number of criminal cases will not be dismissed. However, problems that cannot be resolved within the act's safety mechanisms have not been specifically identified. Therefore, GAO believes in view of the unavailability of detailed data to support the position of increasing the time frame by 80 percent, that a viable alternative would be to modify the act to require the courts to use the permanent 100-day time frame and postpone the implementation of the dismissal sanction for 18 to 24 months.

This alternative would leave intact the 100-day time frame; however, because the dismissal sanction would not be in effect, criminal cases would not be dismissed. If the Congress adopts this alternative, it should require the courts to fully identify and document the problems encountered for those cases exceeding the 100-day time frame. This information would provide a more adequate basis for deciding what the appropriate time frame should be.

Mr. BIDEN. Thus, after reviewing the available data, the General Accounting Office concluded—and I have concluded—that the answer to the question, "Will the courts be able to achieve substantial compliance with the Speedy Trial Act, on time, without adverse consequences?" is, we do not know. We are supposed to know, at this juncture, but we do not know.

I hasten to add, Mr. President, that the answer does not fill me with gloom and doom, as it has others. Quite to the contrary—what evidence we do have makes me optimistic. Twenty Federal district courts—25 percent of the entire system—have been operating under the final time limits for 2 years. Available data indicates that most other districts predict that they will be able to achieve substantial compliance with the permanent limits; in over 90 percent of the cases, the courts have been able to operate within the transitional time limits. The Office for Improvements in the Administration of Justice's study found that the overall compliance rate in cases disposed of in the court year ending June 30, 1978, within the final time limits of the act, was 83 percent nationally—82 percent of those cases were brought to indictment from arrest within 30 days, 90 percent to arraignment from indictment within 10 days and 81 percent to trial for arraignment within 60 days; that is, four out of five cases terminated before June 30, 1978, were in compliance with the permanent strictures due to go into effect on July 1. Nine districts examined in detail showed similar compliance rates.

Reviewing the same national data, the General Accountiing Office noted significant improvements in percentage-compliance rates with the final time limits by comparing the 1976–77 court year with the most recent one; the compliance rate increased from 78.8 to 82.5 percent in the first time interval, from 87.2 to 90.4 percent in the second and from 75 to 81.4 percent in the third. As of July 1, 1977, 20 of the 95 Federal districts elected to implement the act's final time limits; 18 of those districts have completed more than 80 percent of their criminal cases within the final time interval of 60 days, and the rate of completion for 11 of those is between 95 and 100 percent. Conversely, that means that districts still operating under the third-year, transitional "phase-in" limit achieved reasonably high rates of compliance with the final time limits.

In its third report on implementation of the act, the Administrative Office concluded that it has had salutary effects on the administration of criminal justice in general, including:

More rapid disposition of criminal cases and a decrease in the criminal case backlog;

More efficient administrative procedures and improved cooperation and planning between the courts, U.S. attorneys, clerks' offices, and defense counsel;

Improved quality of justice in general;

Witnesses' memories remaining fresh and witnesses being more available; and

A greater association between punishment meted out and the crime, if the defendant is convicted.

There is still another reason to be encouraged. Perhaps because of that circuit's prior experience in grappling with the issues raised by the sixth amendment's speedy trial guarantee, the Judicial Council Speedy Trial Act Coordinating Committee of the U.S. Court of Appeals for the Second Circuit has proved—beyond any shadow of a doubt—that the Speedy Trial Act is flexible enough to be interpreted so as to be consistent with the intent of Congress and to avoid completely any of the predicted horrors of full compliance. In his testimony before the committee, the Honorable Robert J. Ward, a judge of the U.S. District Court for the Southern District of New York and a member of the committee which drafted their recommended guidelines for interpreting the act, applied those guidelines to a case recently prosecuted by the Justice Department, which took 95 actual calendar days to get to trial. The Department insisted that the case would probably violate the act's final time limits and that no relief inside the act was readily available. Here is how Judge Ward's computations came out:

My arithmetic, for what it is worth, shows we used up 24 days. I may be a day off, but it is close. Subtract 24 from 60. By my example, using the 60-day arraignment to trial period, you have 36 days left within which that case would be tried with no need for the judge to make any § 3161(h)(8) determination. And, therefore—it may sound strange—but the way I have figured it out, you would have 11 days more available than the 25 would have were the clock inexorably ticking.

Mr. President, I ask unanimous consent that the "Guidelines Under the Speedy Trial Act" of the Judicial Council Speedy Trial Act Coordinating Committee, U.S. Court of Appeals, Second Circuit, approved January 16, 1979, be printed in the RECORD at this point.

There being no objection, the guidelines were ordered to be printed in the RECORD, as follows:

GUIDELINES UNDER THE SPEEDY TRIAL ACT

PREAMBLE

1. The basic purpose of these guidelines is to interpret the Speedy Trial Act, 18 U.S.C. § 3161 *et seq.*, ("the Act"), in a manner that avoids both undue pressure and unnecessary delay in the fair disposition of criminal cases. They are intended:

(a) to define the three statutory intervals—arrest-indictment or information; indictment or information-arraignment; and arraignment-trial; and other time limits imposed by the Act;

(b) to define the categories of times which are automatically excluded under § 3161(h)(1)–(h)(7), and which may justify a continuance under § 3161(h)(8);

(c) to prescribe the starting and ending dates for computing excluded time in each category;

(d) to make uniform the recording of excluded time; and

(e) to suggest factors to be considered by the Court in scheduling a trial date that both satisfies the purposes of the Act and takes into account the legitimate needs of the parties for counsel of their choice, reasonable notice of trial and reasonable time to prepare for trial.

2. In connection with 1(a), 1(b) and 1(c) above, the specific illustrations set forth in § 3161(h)(1)(A)–(h)(1)(G) do not encompass all "proceedings concerning the defendant" which are to be automatically excluded under § 3161(h)(1). These guidelines set forth certain proceedings which come within that phrase, but are not included within the Act's specific provisions. Each of these proceedings would also be appropriate for an (h)(8) continuance, but they have been placed within the (h)(1) excluded time categories in order to provide a greater degree of uniformity, permit more precise planning by Court and counsel, and avoid having to devote court time to making (h)(8) findings in recurring situations in which the ends of justice are invariably served by granting a continuance. Moreover, these guidelines do not undertake to set forth all the additional proceedings which may be covered by the phrase "proceedings concerning the defendant," but leave that question to the Court for determination on a case by case basis. However, the guidelines do undertake to set forth the maximum reasonable periods of time which would appear necessary in most cases for the handling of pretrial motions and hearings. In so doing, it is not intended to preclude the Court from fixing lesser or greater periods of time, where appropriate and in keeping with all the purposes of the Act and the United States Constitution.

3. In connection with 1(d) above, periods defined in these guidelines as excluded shall, in each case where applicable, be recorded by the clerk as excluded from computation in the running of the statutory time limits. The clerk of each district shall develop a procedure for notifying the Court and counsel on a regular basis of excluded time as recorded and of the last date by which trial must commence under the Act. Moreover, at each appearance of counsel before the Court, the Court should require continuance for completeness and accuracy and to bring to the Court's immediate attention any claim that the clerk's record is in any way incorrect.

4. In connection with 1(b), 1(d) and 1(e) above, although excluded time automatically extends the time limits under the Act, the Court does not have to utilize excluded time in setting a trial date, and its occurrence does not, automatically, operate as an adjournment of a trial date previously set by the Court. The extent, if any, to which excluded time should be taken into account in the setting or rescheduling of the trial date, lies within the discretion of the Court. Where a trial date previously set is adjourned, in exercising its discretion, the Court has available, depending upon the circumstances, three alternative courses:

(a) It may adjourn the trial to any date within sixty (60) days after arraignment without regard to the availability of excluded time;

(b) It may adjourn the trial to any date within sixty (60) days after arraignment, exclusive of excluded time recorded under h(1)–h(7); or

(c) It may adjourn the trial to a date beyond sixty (60) days after arraignment, excluded time, by granting an h(8) continuance and making the findings prescribed by that section. See III *infra*.

To insure the accomplishment of the goal of accommodating the interests of speedy disposition of the charges with reasonable requests by counsel for adjournments, whenever the time between arraignment and the scheduled trial date does not exceed thirty (30) days, the Court shall (a) view a request for an adjournment of trial to a date beyond thirty (30) days but within the sixty (60) day limit, liberally and (b) where such a request is denied, set forth its reasons for finding that the denial of the adjournment does not interfere with the defendant's or Government's choice of counsel, or the parties' ability to prepare for trial without undue pressure.

To insure compliance with the Act, the following procedures are suggested beginning with arrest:

I. Scheduling of proceedings

A. Arrest-Indictment or Information Interval

1. This section deals with defining and determining the date of arrest on a complaint filed in this district for the thirty (30) day arrest-indictment or information interval. The following situations recur:

(a) there is an arrest in this district on the complaint; the "arrest" is the date of the actual arrest;

(b) the defendant is arrested in another district; the "arrest" is again the date of actual arrest. However, the time between that arrest and the defendant's appearance (or arrival) in this district is automatically excluded from the arrest-indictment or information interval, as a proceeding relating to removal from another district. The Government attorney is directed to obtain promptly the defendant's presence in this district by way of removal. See II(F) *infra*;

(c) the defendant is not actually arrested because he is in the custody of a local or federal penal institution (on other charges); the Government attorney may either produce the prisoner, or file an arrest warrant issued on the complaint as a detainer. Of course, where the Government attorney chooses to file a detainer he must comply with the applicable provisions of Section 3161(j) of the Act. In either case, the defendant has not been arrested within the meaning of the arrest-indictment or information interval until he appears before a federal judicial officer in this district for presentment on the complaint; or

(d) there is a warrantless arrest by federal law enforcement officers in this district who thereafter, promptly, turn the defendant over to local law enforcement authorities, and no complaint charging the defendant with a federal crime is filed in this district. In such situations, no "arrest" has taken place within the meaning of the arrest-indictment or information interval.

2. At the time of the earliest appearance before a federal judicial officer of a person who has been arrested for an offense not charged in an indictment or information, the judicial officer shall establish for the record the date on which the arrest took place.

Comment

See "Proceedings Relating to Removal or Transfer from Other Districts", II(F) *infra*.

B. Arraignment

1. Definition:

An arraignment shall be considered to take place on the date of the defendant's appearance before a federal judicial officer in this district with counsel who has filed a notice of appearance or his designee, or in the event the defendant expressly waives counsel and elects to proceed *pro se*, without counsel, and a plea to an indictment or information is entered.

2. Time within which arraignment must be held:

A defendant shall be arraigned within ten (10) days of the latest of the following dates: (a) The date on which an indictment or information is filed; (b) The date on which a sealed indictment or information is unsealed; or (c) Where a defendant has been arrested on an indictment or information, the date of the defendant's initial appearance before a federal judicial officer in this district. In the event a defendant consents to a transfer pursuant to Rule 20, Fed. R. Crim. P., the date on which the transferee district receives the papers, shall be deemed the date of the filing of the indictment.

Comment

(a) The arraignment-trial interval should not commence until the defendant is in a position to prepare for trial. Therefore, arraignment as defined above does not take place until the defendant is present in court with counsel who plans to represent him (or such counsel's designee) and a plea is entered. The Court may grant a very brief adjournment of arrignment for counsel and the defendant to decide upon a plea. Should a non-indigent defendant appear without counsel, the Court should take steps to insure that the defendant retains counsel promptly so that the arraignment can be held.

(b) In order to avoid unnecessary confusion, the Court should not order the entry of a not guilty plea where the arraignment as defined in 1 above has not taken place. Cases can be assigned to individual judges without this confusing procedure

(c) The filing of a notice of appearance binds counsel and the defendant unless counsel is subsequently relieved by the Court.

(d) It should be noted that although the Act requires arraignment within ten (10) days of indictment, there will be occasions when a defendant may need a brief adjournment beyond that period in order to obtain counsel. Since there are no sanctions for failure to comply with the indictment-arraignment time interval, such an adjournment can and should be granted.

C. Motions and Setting of Trial Date

1. Bill of particulars and informal discovery:

Within ten (10) days of arraignment, defense counsel and the Government attorney shall confer with regard to discovery and a bill of particulars and seek to resolve promptly on an informal basis all such matters. Within five (5) days of such conference, the Government attorney shall furnish defense counsel with the bill of particulars and the discovery he or she has agreed to provide or, if the material is not then in his or her possession, shall inform defense counsel when such material will be available. Within ten (10) days of such conference defense counsel shall serve upon the Government and file with the judge to whom the case has been assigned:

(a) a listing of all material which the Government has agreed to furnish, but has not yet provided, together with a schedule of the dates the Government has indicated the material will become available; and

(b) a statement of all remaining bill of particulars and discovery matters which the parties could not resolve.

2. Pre-trial conference

Unless the Court determines that it can resolve all the matters listed below prior to the thirtieth day after arraignment without a formal pre-trial conference, the Court, following completion of informal discovery, as described in paragraph 1 above, but no later than thirty (30) days after arraignment, shall hold a pre-trial conference at which the Court shall:

(a) resolve any disputed discovery matters and set a date for the completion of discovery which, absent unusual problems, shall be within five (5) days of the pre-trial conference;

(b) to the maximum extent feasible, dispose of all other motions without the filing of papers, or, in the event the Court determines that the proper resolution of a particular motion requires the filing of written papers, set a schedule for the filing of motion papers and for oral argument, if desired by the Court, as provided in paragraph 3(b) below;

(c) where the Court determines that an evidentiary hearing is required, set the date for any such hearing, as provided in paragraph 4 below; and

(d) fix a trial date, as provided in paragraph 5 below.

3. Time for making motions—Excluded time:

(a) (i) In the case of a motion which the Court has determined requires the filing of written papers, unless the Court, for good cause, grants additional time, the motion papers shall be filed within ten (10) days after the Court has made its determination, opposing papers shall be filed within ten (10) days and reply papers, if any, shall be filed within three (3) days thereafter. If the Court desires oral argument or post-argument submissions, oral argument shall be held at such time as the Court directs, but no later than ten (10) days after the date on which reply papers are due, and post-argument submissions, if any, shall be due five (5) days after oral argument.

Where papers are served by mail, the time for filing the response shall be extended an additional three (3) days.

(ii) Except by leave of Court, no motion other than those described above shall be made. However, leaves shall be freely granted where such motion is based upon information obtained through discovery furnished after the pre-trial conference.

(b) With respect to the motions described in paragraph (a) (i), the time beginning with the date the Court determines that written papers are required and ending with the date of oral argument (or the due date of any post-argument submission) or, if there is to be no oral argument, the due date of the reply papers, is excluded as a proceeding concerning the defendant under § 3161(h) (1). In the case of motions made with leave of the Court as described in paragraph (a) (ii), the time beginning with the date the Court grants leave for the filing of the motion and ending with the date of oral argument (or the due date of any post-argument submission) or, if there is to be no oral argument, the due date of the reply papers, is also excluded. In addition, with respect to all motions, a period not to exceed thirty (30) days while the Court has any motion under advisement is excluded under § 3161(h) (1) (G).

4. Motions requiring a hearing:

In the event the Court determines that an evidentiary hearing is required, the hearing shall commence as soon as possible after the Court determines that a hearing is required, preferably well in advance of the scheduled trial date. The dates on which the hearing is held. together with a reasonable time period necessary for the making of post-hearing submissions, followed by a period not to exceed thirty (30) days while the Court has the motion under advisement is excluded under §§ 3161(h) (1) (E), h(1) and (h) (1) (G).

5. Setting a trial date:

(a) The Court shall fix a trial date preferably at the pretrial conference, but in no event later than ten (10) days following the determination of all motions. See Preamble (4) (c) *supra*. Moreover, it is suggested that scheduling trials for dates certain constitutes a reasonable way to secure compliance with the Act. Requiring the Government attorney and defense counsel to be ready on a weekly or other short term calendars may be unreasonable. Uncertainty of trial dates, including the acceleration of trial dates previously fixed, may frequently lead to situations where the interests of the defendant, the Government, counsel, and the public suffer, and should be avoided.

(b) If the date of trial is to be beyond sixty (60) days of arraignment, the Court shall ascertain whether all counsel agree with the Court's determination that there is either automatically excluded time available or that a proper basis exists for an (h) (8) continuance and that the appropriate findings have been made.

D. Notice of Efforts to Dispose of Charges Without Trial

At least seven (7) days before the date fixed for trial, or earlier if possible, defense counsel shall advise the Court that a conference has been held with the defendant within the prior five (5) days, and with the Government attorney, and that no disposition of the charges appears likely without a trial.

Comment

The purpose of this provision is to encourage the parties to arrange dispositions, where possible, at least a week before trial is scheduled. The provision is not intended to deter a defendant from changing his mind either with respect to going to trial or entering a guilty plea.

E. Trial

Definitions

a. In a case tried to a jury, the trial shall be deemed to commence on the date the voir dire begins, which is the day the oath is administered to the jury panel. Jury selection shall proceed forthwith and shall be completed as promptly as possible. The opening statements and the taking of testimony shall commence promptly thereafter.

b. In a non-jury case, the trial shall be deemed to commence on the day the case is called, provided that some step in the trial procedure immediately follows.

Comment

The above is not intended to preclude the selection by the Court of several petit juries at the beginning of a month. However, where this is done, the trial shall not be deemed to have commenced until the opening statements have been made or the taking of testimony has commenced.

F. Retrial

1. The provisions of § 3161(h) apply to the period for retrial required by § 3161(e).

2. The sixty (60) day retrial period begins to run on the date:

(a) a mistrial is declared, or

(b) an order granting a new trial becomes final, or

(c) following a successful attack on the original judgment, an order setting aside the original judgment becomes final.

3. Where a defendant is convicted on one or more counts of an indictment or information and a mistrial is declared on one or more remaining counts:

(a) in the event the defendant takes no appeal from his conviction, the sixty (60) day period for any retrial of the remaining counts begins on the last date when the notice of appeal could be filed;

(b) in the event the defendant appeals his conviction, the sixty (60) day period for any retrial of the remaining counts begins on the date that the mandate of the court of appeals is filed with the district court.

4. The Court should take the following steps to insure compliance with the Act:

Upon the declaration of a mistrial, the Court shall immediately ascertain whether the defendant intends to move for dismissal of the indictment, and if he does, the Court shall set up a briefing schedule designed to insure the prompt disposition of the motion to dismiss, the Court shall thereafter promptly ascertain whether either party intends to appeal from the Court's decision and take steps to insure that any such appeal is prosecuted as soon as practicable.

Comment

One reading of the Act would preclude applying the provisions of Section 3161(h) to the sixty (60) day retrial period. This view finds support in the failure of the Act to provide specifically for the applicability of § 3161(h) to retrials, and in the provision limiting the Court's power to extend the period for retrial to one hundred eighty (180) days. It should also be noted that the Act mysteriously fails to provide sanctions for noncompliance with the retrial provisions. The Committee believes that Congress could not have intended to prohibit excluding periods of § 3161(h) delay in computing the sixty (60) day retrial limit; moreover, the Committee can think of no logical reason for Congress to do so. For example, it is obvious that exclusions must be taken into account where a defendant cannot be retried as a result of temporary mental incompetency or physical incapacity ((h) (1) (A)), or because he must stand trial on other charges ((h) (1) (C)), or because he is unavailable ((h) (3)). Indeed, the Committee believes that it can be fairly argued that § 3161(e) is simply the product of Congress' intent to make it clear that retrials, like initial trials, are also subject to the sixty (60) day statutory limit—lest it be thought that the Act did not apply to retrials. Moreover, it appears logical that the one hundred eighty (180) day provision embodies Congress' recognition that a retrial—which might occur years after the initial trial—may require an extension of the statutory sixty (60) day limit, to one hundred eighty (180) days. It would only frustrate this latter purpose to read the Act to proscribe the use of excluded time in determing the latest date on which retrial must commence.

G. Withdrawal of Plea

1. Where a defendant pleads guilty to any or all counts in an indictment or information, in the event the defendant is permitted to withdraw his guilty plea, the sixty (60) day period for trial on the *entire*

indictment will commence on the date the order permitting the withdrawal of the plea becomes final.

2. Where a defendant pleads guilty to any or all counts in an indictment or information, and preserves an issue on appeal with the consent of the Government attorney, in the event the conviction is reversed on appeal, the sixty (60) day period for trial on the entire indictment will commence on the date the order setting aside the original judgment becomes final.

Comment

It is important that where a defendant pleads guilty to less than all counts, the "open counts" not be dismissed prior to sentence so that in the event of a plea withdrawal, the Government is not prejudiced by statute of limitations problems or time wasted in order to represent a case to a grand jury.

II. Automatically excluded periods of delay under section 3161(h) (1)-(h) (7)

A. Examinations and Hearings on Defendant's Mental Competency or Physical Incapacity

(Section (h) (1) (A))

1. Where the Court orders an examination of the defendant's physical and mental competency to stand trial, the Court shall order an early examination and a prompt report of examination, and the Court shall hold a hearing—where deemed necessary—within ten (10) days of the receipt of a report, and render a decision as soon as possible.

2. Starting Date. Date of the Court's order for the examination.

3. Ending Date. Date on which the Court receives the report of examination, or the last date of any hearing, whichever is later. (Additional excluded time is available to cover a reasonable time period necessary for the making of post-hearing submissions and the time during which the issue of competency or incapacity is under advisement. §§ 3161 (h) (1) and (h) (1) (G).)

Comment

See II(J) *infra.*

B. Examination of the Defendant Pursuant to 28 U.S.C. Section 2902

(Section (h) (1) (B))

1. Where the defendant elects to submit to an examination pursuant to 28 U.S.C. § 2902, the Court shall order an early examination and a prompt report of examination, and the Court shall hold a hearing—where deemed necessary—within ten (10) days of the receipt of a report, and render a decision as soon as possible.

2. Starting Date. Date the Court advises the defendant that he may elect to submit to an examination under 28 U.S.C. § 2902.

3. Ending Date. Date on which the defendant advises the Court that he does not elect to undergo an examination under 28 U.S.C. § 2902; or where the defendant elects to submit to such an examination, the date the Court receives the report of examination, or the last day of any hearing, whichever is later. (Additional excluded time is available to cover a reasonable time period necessary for the making of post-hearing submissions and the time during which the issue of whether the defendant should be civilly committed is under advisement. §§ 3161(h) (1) and (h) (1) (G).)

Comment

See II(K) *infra.*

Under the provisions of 28 U.S.C. § 2902 the defendant has a maximum of five (5) days within which to make his election.

C. Trials With Respect to Other Charges Against the Defendant

(Section (h) (1) (C))

1. "Other charges" includes any pending state and federal charges as well as any counts severed from the indictment or information pending before the Court.

2. This exclusion covers not only the actual trial of the defendant on other charges, but also (under the catchall phrase "proceedings" in (h) (1)) reasonable time required for pretrial motions and trial preparation for the other charges.

3. The Court shall order both the Government and defense counsel to keep the Court apprised on a periodic basis of the status of the other charges against the defendant.

4. The Court should schedule trials in a way that accommodates the purposes of the Act and the interests of the defendant and the public in resolving the other charges. Factors that should be considered are:

(a) Which charges were filed first;

(b) Which charges are more serious;

(c) Which trial was scheduled first;

(d) Whether there are co-defendants in the instant case or in the other case;

(e) The expected length of each trial; and

(f) Whether the defendant is in custody on the charge in this district.

5. Because of the variety of situations that may arise under this exclusion, starting and ending dates cannot be specified; instead it is anticipated that these dates will be determined by the Court on a case by case basis, and appropriate entries will be made on the clerk's record of excluded time.

Comment

Paragraph 1 above includes the situation where on motion of the defendant or the Government the Court has severed counts from the trial of the indictment or information. Trial on the severed counts will obviously have to await, and follow, trial on the remaining counts—which are now "other charges" vis a vis the severed counts. After the granting of the severance, the clerk should record excluded time and continuances separately for the severed counts. Continuances under (h) (8) can, where appropriate, be granted to further delay trial of the severed counts until after any appeals from or conviction on the remaining counts are completed. Such a continuance may be warranted where, for example, the Government represents that it will dismiss the severed charges if the conviction is affirmed; or where it becomes apparent during the course of the trial that a severance requested by the defendant was unnecessary and improper, and the Government wants to try the severed counts together with any counts that may be reversed on appeal.

Paragraph 4 above addresses the situation where more serious charges, such as homicide, are pending and it is in the interest of the public to dispose of them first. There may even be times where the final disposition of the other charges will lead to a disposition in this district without a trial.

D. Interlocutory Appeals

(Section (h) (1) (D))

1. This exclusion applies to appeals taken by the United States under 18 U.S.C. Section 3731, to similar appeals under 18 U.S.C. Section 2518(10) (b), and to appeals taken under 28 U.S.C. Section 1291 and 18 U.S.C. Section 3147(b). It also applies to applications for extraordinary writs (which can also be excluded under 3161(h) (1), and/or under 3161(h) (8)).

2. Starting Date. Date the notice of appeal is filed in the district court, or the date the application for an extraordinary writ is filed with the court of appeals.

3. Ending Date. Date the mandate of the court of appeals is filed in the district court, or twenty-one (21) days following the decision of the appellate court, whichever is later.

Comment

There are times where an appeal is taken on the day a trial is scheduled to begin and when there is no remaining time under the Act. To require the parties to be prepared to begin trial immediately upon the filing of the mandate is unreasonable, that being a date unknown. To alleviate this problem, the Committee has suggested that twenty-one (21) days is automatically excluded following the decision of the court of appeals. It is further suggested that the Court fix a new trial date no less than twenty-one (21) days following the decision of the appellate court.

E. Hearings on Pretrial Motions

(Section (h) (1) (E))

See "Motions Requiring a Hearing", I(C) (4) *supra.*

F. Proceedings Relating to Removal or Transfer from Other Districts

(Section (h) (1) (F))

1. Pre-Indictment or Information:

Where no indictment or information is pending, the time between the defendant's arrest in another district on a complaint from this district and his appearance (or arrival) in this district is excluded from the arrest-indictment or information interval. Where there has been an uneasonable delay in the production of a defendant in custody, the period of delay found by the Court to be unreasonable shall not be excluded. See I(A) *supra.*

2. Post-Indictment or Information:

Where the defendant is arrested in another district upon an indictment or information from this district, he is not "arraigned" under the Act, so that the arraignment-trial interval has not commenced. See I(B) *supra.*

3. Prompt Removal:

(a) After the defendant's arrest in another district on a complaint, indictment or information from this district, the Government attorney should diligently proceed to obtain his person in this district by way of removal.

(b) Where a warrant of removal has issued outside this district ordering the defendant's removal to this district, the United States Marshal for this district is directed to arrange for the defendant's prompt removal to this district and should institute procedures to insure that he is immediately informed by all other districts when such warrants are issued.

4. Defendant in Custody on Other Charges:

When at the time of indictment in this district the defendant is in the custody of a local or federal penal institution (on other charges), the Government attorney may either produce the prisoner in this district for arraignment, or file an arrest warrant issued on the indictment as a detainer. Where the Government attorney chooses to file a detainer he must also comply with the provisions of Section 3161(j) of the Act. In either case, the defendant has not been arraigned within the meaning of the arraignment-trial interval until his appearance before a federal judicial officer in this district as described in I(B) (1) *supra.*

5. Rule 20:

The time from the date on which the defendant consents to a Rule 20 transfer and up until the date when the case is actually docketed in the transferee district, is automatically excluded.

6. Change of Venue:

Time periods which are reasonably necessary under all the circumstances for both parties are excludable from the arraignment—trial interval.

Comment

The Committee believes that "proceedings relating to transfer from other districts" encompasses the entire time from arrest in the other district until the defendant appears before a federal judicial officer in this district. There are several important reasons for excluding this period during the arrest—indictment interval. For example, once the defendant is present with counsel in this district he may enter into plea negotiations with the Government which result in disposition of the charges by a plea to an information. A requirement that the Government indict while the defendant is out of the district would result in wasted resources. In addition, under recently promulgated Department of Justice Grand Jury Guidelines, the Government attorney will often want to provide a defendant with an opportunity to appear before the grand jury, which cannot be done during removal proceedings. Furthermore, the grand jury may seek to subpoena the defendant to give testimony, or furnish documents, or provide nontestimonial evidence—handwriting, major-case fingerprints, etc., all of which cannot take place in the midst of removal proceedings. Such situations may also be covered by § 3161(h)(3), see II(I) *infra*.

G. Proceedings Under Advisement

(Section (h)(1)(G))

1. Starting Date. See I(C)(3)(b) and (4) *supra*.

2. Ending Date. The earliest of (a) the date the judge's decision is filed; (b) the date the judge renders the decision orally in open court; or (c) the expiration of the thirty (30) day maximum period.

Comment

A maximum of thirty (30) days is available unless the Courts find and h(8) continuance appropriate.

H. Deferred Prosecution

(Section (h)(2)

1. This exclusion covers cases in which prosecution is deferred pursuant to a written agreement between the Government attorney and the defendant, with the approval of the Court, for the purpose of allowing the defendant to demonstrate his good conduct.

2. Starting Date. Date of court approval of the deferral agreement.

3. Ending Date. Date of dismissal of the case pursuant to the deferral agreement, or date of receipt by the Court of a copy of the Government attorney's notice to the defendant of the Government's intention to resume prosecution:

(a) Where the Government attorney receives information from the Probation Department or other sources which warrants considering the defendant's removal from the deferred prosecution program, the Government attorney shall act promptly in making a decision.

(b) The Government attorney shall communicate the decision to resume prosecution and the Court immediately.

1. Absence or Unavailability of Defendant or Essential Witness

(Section (h)(3))

1. This exclusion applies to the following situations:

(a) The whereabouts of a defendant or essential Government witness are unknown and either (i) he is attempting to avoid apprehension or (ii) his whereabouts cannot be determined by due diligence.

(b) The whereabouts of a defendant or essential Government witness are known, but either (i) he is resisting appearing at or being returned for trial or (ii) his presence cannot be obtained by due diligence.

The first of these situations is referred to as "absence", the second as "unavailability". Absence or unavailability of a defense witness is not covered by this category, but under 3161(h)(8).

2. Starting Date:

(a) Absence (whereabouts unknown): The date on which a defendant or essential Government witness fails to make a required appearance, if it should ultimately be determined that he was attempting to avoid apprehension or prosecution or that his whereabouts could not be determined by due diligence on the part of the Government. Alternatively, if earlier, the date on which the Court receives notice that the whereabouts of the defendant or witness are unknown.

(b) Unavailability (whereabouts known): The date for which an appearance was scheduled at which the defendant or essential Government witness was to appear.

3. Ending Date:

(a) Absence (whereabouts unknown): The date the prosecutor receives notice of the whereabouts of the defendant or witness.

(b) Unavailability (whereabouts known): The date preceding the date on which the defendant or witness could have been produced in Court by the Government.

Comment

Whether a witness is "essential" will require a judicial determination in each case in which this exclusion is claimed on the basis of absence or unavailability of a witness. Periods of unavailability may be quite short, as where a witness has become ill or a Government chemist is unavailable on a particular day because of an obligation to testify in another trial.

This exclusion applies only to the days on which the defendant or witness is actually absent or unavailable. Sometimes the starting date of a trial will have to be postponed because of the anticipated unavailability of a witness. Those days on which the witness is actually unavailable will be excluded under (h)(3). Any additional time will require the use of an (h)(8) continuance.

Section 3161(h)(3) should not be used to govern the absence or unavailability of a defense witness due to the anomaly that would be created under section 3162(a)(2). Instead, section 3161(h)(8) should be used to cover the period of delay caused by the absent or unavailable defense witness.

J. Period of Mental Incompetency or Physical Inability to Stand Trial

(Section (h)(4))

1. Starting Date. The date of the Court's determination of the existence of mental incompetency or physical inability to stand trial.

2. Ending Date. The day the Court determines the defendant is mentally competent or physically able to stand trial.

K. Period Defendant is Civilly Committed for Treatment Pursuant to 28 U.S.C. § 2902

(Section (h)(5))

1. This exclusion covers cases in which prosecution is held in abeyance for the purpose of allowing the defendant who is an addict to be rehabilitated through civil treatment as provided under the Narcotics Addict Rehabilitation Act, 28 U.S.C. § 2902.

2. Starting Date. Date the Court determines to civilly commit the defendant to the custody of the Surgeon General for treatment

3. Ending Date. Date the Court dismisses the case after receiving a certification from the Surgeon General that the defendant has successfully completed the treatment program, or the date the Court terminates the defendant's commitment and orders the resumption of the pending criminal proceeding.

L. Subsequent Charges

(Section (h)(6))

1. If, after an indictment or information has been filed, a complaint, indictment or information ("subsequent charge") is filed which includes the same offense or any offense required to be joined with that offense ("originally charged offenses"), the time limits (indictment or information-arraignment-trial) applicable to the originally charged offenses will be determined as follows:

(a) If the original indictment or information was dismissed on motion of the defendant before the filing of the subsequent charge, all the time limits shall be computed without regard to the existence of the original charge. (3161(d)).

(b) If at the time the subsequent charge is filed, the original indictment or information has been dismissed on the motion of the Government attorney:

(i) the time within which the subsequent charge must be filed and the time within which an arraignment on the subsequent charge must be held shall be computed without regard to the existence of the original charge; and

(ii) the trial of the originally charged offenses included in the subsequent charge shall commence within the time limit for commencement of trial on the original indictment or information, but the period during which the defendant was not under charges shall be excluded from the computations. As indicated in (i) above, such period is the period between the dismissal of the original indictment or information and until the date of the arraignment on the subsequent charge which arraignment must be held without regard to the existence of the original charge.

(c) If the original indictment or information is pending at the time the subsequent charge is filed, (at that time) the statutory period for the trial of the original indictment or information ceases to run until the arraignment on the subsequent charge is held. The time within which arraignment on the subsequent charge must be held shall be computed without regard to the existence of the original indictment or information. The trial of the originally charged offenses included in the subsequent charge shall commence within the time limit for commencement of trial on the original indictment or information.

2. If after a complaint has been filed, it is dismissed (on motion of the Government attorney, the defendant or the Court) or (for whatever reason) is otherwise dropped, and thereafter a complaint, indictment or information is filed which charges the defendant with the same offense, or an offense based on the same conduct, or arising from the same criminal episode, all time limits (arrest-indictment or information-arraignment-trial) applicable to the subsequent charge, shall be computed without regard to the existence of the original charge. (3161(d)).

Comment

In connection with 1(b) above, assume that on April 1st the Government attorney moves to dismiss an indictment because an essential witness has disappeared after fifty-five (55) days of non-excluded time has run in the arraignment-trial interval. On July 1st, the witness is found and the Government attorney arrests the defendant on a complaint. The Government attorney has until July 31st, that is, the full statutory period to obtain an indictment. In addition, the full statutory period for arraignment as defined above in I(B) is available. Only when the defendant has been arraigned on the new indictment or information will the clock on the "arraignment-trial" interval begin to run, shortened, however, by the period of non-excluded "arraignment-trial" time used up on the original indictment or information. Thus, in the hypothetical above, following the arraignment on the new indictment or information, there is only five (5) days of non-excluded "arraignment-trial" interval time left. This, of course, would not preclude the use of excluded periods under (h)(1)–(7) or an (h)(8) continuance.

In connection with 1(c) above, assume that after fifty-five (55) days of non-excluded time has run in the arraignment-trial interval and while the first indictment is still pending, a superseding indictment is handed up containing the same charges as well as new ones. Under guideline 1(c) above, the clock stops running until the arraignment on the new indictment has taken place. This is a result required by both practical considerations and a fair reading of the statute. If this period were not excluded, then the trial on the original charges would have to go forward while the trial on the news counts would have to be delayed if the arraignment has not taken place. This would call for wholly unnecessary duplication of efforts. Moreover, since under the statute, the Government attorney could obtain the same result by dismissing the original indictment prior to the running of the statutory period, it makes little sense to read the statute in such a way so as to require this step. Thus, in this hypothetical, following the arraignment on the superseding indictment, there are only five (5) days of non-excluded "arraignment-trial" interval time left for trial of those offenses in the superseding indictment that are contained in the original indictment. If the Government wishes to try all counts of the superseding indictment together, which is presumably the case, it will have to be prepared to try the entire indictment five (5) days after arraignment if no (h)(8) continuance is granted.

It should be noted that 1 above, using the language of § 3161(h)(6), applies to the same offense "or any offense required to be joined with that offense." The latter phrase is troublesome. The Double Jeopardy Clause of the Constitution is the only legal principle which can be said to require criminal offenses to be "joined" with one another. While the Department of Justice has a policy that all charges arising out of the same transaction which are known to the Government, should be disposed of in one indictment, such charges are not required by any law to be filed simultaneously. Moreover, when the Government first learns of the other potential charges after the first indictment is filed, the new charges could not have been filed in the original indictment. Furthermore, while the Government may be prepared for trial, the defendant *may* need additional time during which to prepare for trial on the new charges. In sum, where a superseding indictment is filed containing the original charge and adding new charges, the new charges are not "offenses required to be joined with that offense" under (h)(6), and thus the indictment-arraignment, arraignment-trial intervals on those new charges are not affected by the original indictment. However, because it is obviously in the interests of the public, the defendant and the Government to dispose of all the charges in one trial, the Court should, where necessary, grant an (h)(8) continuance for trial of the original charges so that all the charges can be tried together. Similarly, where after the filing of an indictment, the Government makes the tactical decision to supersede and add new charges that do not arise out of the same transaction—*e.g.*, additional bank robberies committed by one defendant—regardless of whether the Government was aware of those charges when the first indictment was filed, the new charges are not "offenses required to be joined with that offense." The Court should, where necessary, grant an (h)(8) continuance so that there is only one trial of all properly joined charges. It is noted that often, before the filing of a superseding indictment, the defendant is advised by the Government attorney that the Government will offer evidence of other charges at trial, and full discovery is conducted with respect to such other charges. Where these other charges are incorporated in a superseding indictment, the Court may wish to adhere to the originally scheduled trial date, after finding that under the circumstances, neither party needs any additional time to prepare for trial on the superseding indictment. Nothing in these comments precludes such action by the Court.

In connection with 2 above, § 3161(d) clearly makes the existence of the complaint that was dismissed totally irrelevant to the computations of all time limits on the subsequently filed charges. *Cf. United States* v. *Hillegas*, 578 F. 2d 453 (2d Cir. 1978).

M. Reasonable Period When Defendant Joined for Trial With Co-defendant for Whom Time Has Not Run

(Section (h)(7))

1. The Court shall, as early as practicable, but no later than the day before the last day for commencement of trial for the particular defendant, determine what reasonable period of delay should be afforded so that the defendant can be tried with his co-defendant(s). In making that determination, the Court should consider the folowing factors:

(a) the length of the expected delay;

(b) in the case of the absent or unavailable co-defendant, the likelihood that the Government can determine his whereabouts or obtain his presence within a known time period; and

(c) the expected length of trial.

2. Starting Date. The day following the day that would otherwise have been the last day for commencement of trial for the particular defendant.

3. Ending Date. Day on which trial starts or day on which severance is granted. (The Court should consider granting an h(8) continuance to give the parties time to prepare from the date on which the severance is granted.)

Comment

Examples of situations where the time for trial of a co-defendant has not run:

(a) Co-defendant's proceedings are lengthier, because his motions are more complex, he undergoes a mental examination, or he takes an interlocutory appeal;

(b) Co-defendant is absent or unavailable.

III. Continuances serving the ends of justice under section 3161(h)(8)

A. When "Ends of Justice" Continuances May Not be Employed

1. § 3161(h)(8)(C) provides that a continuance under this provision may not be granted in three instances: (a) general congestion of the Court's calendar; (b) lack of diligent preparation on the part of the attorney for the Government; and (c) failure on the part of the attorney for the Government to obtain an available witness. Any other circumstances or combination of circumstances may provide a basis for a continuance.

Comment

(a) A continuance because of general congestion of the Court's calendar would have undercut Congress' desire that the federal district courts undertake to plan their work to achieve the statute's speedy trial timetable.

(b) The meaning of "lack of diligent preparation" raises a host of problems. Neither the statute nor the legislative history appear to provide a definition or guidance as to the meaning of the term. Moreover, the statute refers to lack of diligent preparation on the part of the "attorney for the Government". What if the delay is not caused by the attorney but by others in the prosecutorial system over whom the Government attorney has no direct or even indirect control, for example, the investigative agency? Surely, the Congress did not intend that the investigative agencies should not comply with the time limits of the statute. Yet if the term "lack of diligent preparation" is extended to cover the actions of other than the Government attorney, the difficulty of defining "lack of diligent preparation" will be incommensurably more difficult. The courts will have to determine whether laboratory tests should have been completed by the Federal Bureau of Investigation or the Drug Enforcement Administration within the requisite period or whether the tax returns of the defendant or a witness could have been obtained more promptly. It is suggested that "lack of diligent preparation" must be made applicable to all facets of the prosecution, but to avoid the necessity of the Court's becoming involved in the day-to-day operations of investigative agencies, the term "lack of diligent preparation" should normally be defined to include only those mistakes, errors, inefficiencies which clearly are unjustifiable.

(c) When a witness is available is inferentially defined in (h)(3)(B). See II(I) *supra*.

B. When "Ends of Justice" Continuances May be Employed

1. Except in the three situations specifically mentioned in (h)(8)(C), any other circumstances or combination of circumstances may afford the basis for an "ends of justice" continuance provided the Court sets forth why these circumstances outweigh the interests of either the public or the defendant in a speedy trial. Subsection (h)(8)(B) sets forth three factors for the Court to consider in making its ruling. The first is a general guideline while the second and third address the more specific problem of complex cases and investigations. Subsection (h)(8)(B) makes clear that the Court is not limited to these three factors.

Moreover, an (h)(8) continuance is available during the two major intervals: arrest-indictment or information, and arraignment-trial.

2. Whether viewed as a circumstance "likely to make a continuation of [the] proceeding impossible" under (h)(8)(B)(i) or as a separate factor, it is suggested that the "ends of justice" almost always outweigh the speedy trial interests in the following circumstances:

(a) emergencies such as:

(i) natural disasters including blizzards, hurricanes and other extraordinary weather conditions;

(ii) blackouts;

(iii) public transportation or other strikes which substantially affect the Court's ability to operate or the ability of the party to prepare for or proceed to trial; and

(iv) illness or death of defense counsel, the prosecutor or the judge as well as mourning periods observed by the parties, counsel or the Court; and

(b) a defendant's cooperation.

Comment

(a) The continuance need not be limited to only the actual period of the emergency; it may well be of such a nature or duration that it has collateral effects which make a trial immediately upon the termination of the actual period of the emergency impossible. In that event, the case must be rescheduled at some future date and the entire period should fall within the (h)(8) continuance.

(b) It is evident that a plea agreement or an agreement to terminate the prosecution of a cooperating defendant can often not be made until well after the statutory periods have run. Consequently, an (h)(8) continuance would be most appropriate.

3. Whether viewed as a continuance required to avoid a "miscarriage of justice" under (h)(8)(B)(i) or as a distinct factor, it is suggested that the "ends of justice" require that in all cases—not only in complex cases—the legitimate needs of the Government and especially the defendant for continuity of counsel as well as the defendant's right to counsel of his choice be considered. A reasonable continuance to accom-

modate these interests should be liberally granted.

Comment

The best way to protect a party's right to continuity of and counsel of choice is by fixing a trial date early in the proceedings. Nevertheless, there are occasions where this has been done but, though no one is at fault, the trial date has had to be rescheduled. Often it may be possible to reschedule the trial date within the statutory period, but if this requires that either the Government attorney or defense counsel be changed, the court should consider whether granting an (h)(8) continuance would avoid this unfairness to the parties and waste of resources. Such a continuance to accommodate the interests of the parties in counsel of their choice must be of reasonable duration or the statutory purpose will be subverted. In other words, the engagement of either a Government attorney or defense counsel in other proceedings cannot be a justification for unreasonably extended continuances.

4. Prevention of a "miscarriage of justice" may require granting an (h)(8) continuance even in a non-complex case where either the Government attorney or defense counsel can demonstrate due diligence in all available time, but nevertheless still require additional time for preparation.

Comment

Congress has made the judgment that most cases can be prepared and ready for trial within sixty (60) days. Unless the case is a complex one, the sixty (60) days should be sufficient. However, even in non-complex cases, circumstances may arise justifying delaying the trial beyond the statutory period. Examples are: (1) the attempt to locate an important witness whom defense counsel has been diligently seeking but has not been able to locate and (2) belated discovery motions or notice of alibi defense which require additional time to investigate or expert analysis.

It should also be noted that the Government is required diligently to prepare a case for trial. However, there are circumstances where even though the Government has diligently prepared during the available time period, that trial should not reasonably commence within the time period mandated by the Act. An (h)(8) continuance is available to cover such situations. An example is a case in which discovery consumes most of the time that is not automatically excluded under the Act. This can occur in some routine cases as well as in complex cases. The Government (and the defense) should not be forced to trial when they have not had a reasonable opportunity to prepare.

5. Whether viewed as a complex case under (h)(8)(B)(ii) or as a separate factor, the cases as well as in complex cases. The Government attorney or defense counsel for the case as a whole or a portion thereof is a compelling basis for utilizing an "ends of justice" continuance to assure that both the defendant and the Government be represented by counsel of choice and by the same attorney throughout the proceedings.

Comment

There are times where, at the scheduling of the original trial date or because of the rescheduling of the original trial date, counsel for the Government and/or the defendant are unavailable for either the date chosen by the Court, or the last date on which trial could commence under the Act. Such unavailability may be the result of an actual trial engagement scheduled in either federal district court or a state or local court. Alternatively, there may be inadequate time to prepare for this trial following conclusion of counsel's last trial. Unavailability may even result from a brief vacation planned well in advance of the trial date. In such situations and especially in complex or unusual cases, the court should grant a continuance under (h)(8). Among the factors to be considered are: the degree of complexity of the case, the date of counsel's first involvement with the case, the good faith of counsel in trying to avoid conflicting dates, the length of time for which the continuance is sought, the availability of substitute counsel acceptable to the parties and the effect of the continuance on co-defendants.

6. Complex or unusual cases are not defined by the Act. The normal sixty (60) day period for preparation might well be inadequate in antitrust, securities fraud, mail fraud, narcotics conspiracy and net worth income tax cases. But complexity can arise just as much from complex issues in an otherwise simple case, multiple parties or extensive documentary evidence. Consequently, an (h)(8) continuance should be available in any case where there are extensive tapes, records, documents and financial analyses. Moreover, this period should include, for example, a reasonable period for the Government to prepare transcripts of wiretap tapes or reproducing documents for defense counsel. While this work is often done prior to indictment, there will be instances where such extensive preindictment preparation is not possible.

7. When the Court orders the severance of the trial of one or more co-defendants either before trial commences or during trial, the "ends of justice" will generally require that an (h)(8) continuance be granted to postpone trial of the severed defendant(s) to a date after the conclusion of the first trial that affords the Government attorney time to prepare for the second trial. In the event the Court finds that the defendant's rights will be prejudiced by reason of lengthy incarceration, the Government attorney shall either arrange for the separate prompt trial of the defendant or for the release of the defendant from custody.

8. Under (h)(8)(B)(iii), continuances during the arrest-indictment or information interval are justified not only in complex cases but by events beyond the control of the Court or the Government attorney. Whether viewed as an interpretation of these factors or as independent factors, the existence of the following circumstances among others should justify an (h)(8) continuance during the arrest-indictment or information interval:

(a) the Government's desire to pursue leads furnished by the defense;

(b) a reasonable time needed for the completion of laboratory examinations;

(c) emergencies such as the sickness of the Government attorney;

(d) cooperation by the defendant;

(e) a reasonable period not to exceed sixty (60) days beginning with the defendant's request to be considered for deferred prosecution, while the Government attorney is considering referring that request to the Probation Department, while the Probation Department is determining the eligibility of the defendant for the deferred prosecution program and writes its report, while the Government attorney reviews the report and, until he decides whether to place the defendant on the program; and

(f) the time needed so that the Government attorney can comply with the Grand Jury Guidelines promulgated by the Department of Justice.

Comment

With respect to paragraph (e) above, if a decision is made not to place an as yet unindicted defendant on deferred prosecution, the Government attorney should be granted a reasonable period within which to seek indictment or file an information. [Example: Assume no excluded periods of delay have yet occurred, and the defendant first makes a request for consideration for deferred prosecution twenty (20) days after his arrest. The Government attorney agrees to refer the matter to the Probation Department four (4) days later. The next thirty (30) days are consumed by the Probation Department's investigation. Upon receipt of the report and recommendation of the Probation Department, the Government attorney promptly decides not to place the defendant on deferred prosecution. There would, however, be little arrest—indictment time available in which to indict the defendant. Thus, the Government attorney might well be unable to present the case and, accordingly, the Court should grant a continuance under 3163(h)(8).]

9. The "ends of justice" may also require an (h)(8) continuance where the failure to indict or start the trail within the statutory period is due to excusable error or neglect. Examples include a miscalculation in the excluded time available, the failure of a clerk to file a dismissal of the complaint although directed by the Government to do so, or the Court's determination that a period of time previously held automatically excluded was incorrect.

10. The "ends of justice" may also require a continuance in such circumstances as:

(a) reasonable vacation periods; and

(b) where a case may be disposed of after other proceedings are concluded: [Examples: (i) pending Supreme Court case determinative of outcome; and (ii) where appellate affirmance of another proceeding involving the defendant will result in the Government's dismissal of this case].

Comment

Each of these circumstances is difficult to justify by a strict reading of the statute, especially the first. Nevertheless, it seems equally unjustifiable to make no provision for reasonable vacation periods or wasting resources for what may prove to be a completely unnecessary trial.

C. Procedure For Granting "Ends of Justice" Continuances

1. Upon application of the Government or the defense or upon its own motion, the Court can grant a continuance under (h)(8) at the time that the facts warranting that continuance become known. The Court does not have to wait until the day that would otherwise have been the last day for commencement of trial (or for indictment) before granting the continuance. Similarly, if a valid request for a continuance is made beyond the last day for commencement of trial (or for indictment or information) which relates to events that took place earlier, the Court may still grant the continuance *nunc pro tunc*. The mere fact that the Court grants a continuance under (h)(8) does not necessarily mean that the Court in scheduling a trial date must utilize all available excluded time.

2. The Court may grant a continuance under (h)(8) for either a specific period of time or a period to be determined by reference to an event (such as recovery from illness) not within the control of the Government. If the continuance is to a date not certain, the Court shall require one or both parties to inform the Court promptly when and if the circumstances that justify the continuance no longer exist. In addition, the Court shall require one or both parties to file periodic reports bearing on the continued existence of such circumstances. The Court shall determine the frequency of such reports in the light of the facts of the particular case.

3. In either the arrest-indictment or information or arraignment-trial interval, in appropriate circumstances, counsel when seeking an (h)(8) continuance may request that some or all of the supporting material be considered *ex parte* and *in camera*.

Comment

Implicit in the foregoing is a clarification of the definition of "starting" and "ending" dates set forth in the August 4, 1976 Guidelines issued by the Committee on the Administration of the Criminal Law of the Judicial Conference. Those guidelines defined the starting date of an (h)(8) continuance as the "day following the day that would otherwise have been the last day for commencement of trial (or for indictment or arraignment)" and the ending date as the "date to which the trial (or indictment or arraignment) was continued."

This definition is unnecessarily rigid and hard to apply. It also seems to assume that (h)(8) continuances are to be granted only on the eve of trial when all otherwise excluded periods have run out. Nothing in the statute requires such an approach and indeed such an approach would often be unworkable. Thus where, because of the complexity of the pretrial motions, a judge grants an (h)(8) continuance beyond the normal thirty (30) day period for deciding pretrial motions, the judge may not be able to fix the trial date until he has actually decided the motions and sees the effect of the rulings on the case. Moreover, there may still be substantial unused nonexcluded time available. In other words, just as the availability of excluded time does not necessarily require a delay of trial, there is nothing inconsistent with the statutory purpose in reading an (h)(8) continuance as a form of excluded time. This reading permits more rational scheduling of cases and at the same time avoids the necessity of determining at the last minute whether an (h)(8) continuance will be available.

IV. Sanctions

(Section 3162)

1. General Approach—In determining whether a dismissal is warranted for failure to comply with the arrest-indictment or information interval or the arraignment-trial interval, the statute mentions three factors—although the court may consider others—which should be considered in determining whether the dismissal should be with or without prejudice. They are the seriousness of the offense, the facts and circumstances of the case which led to the dismissal, as well as the impact of a reprosecution on the purposes of the Act and on the administration of justice.

2. The foregoing guidelines have generally attempted to construct a liberal interpretation of excluded periods as well as (h)(8) "ends of justice" continuances without creating loopholes. To the extent that the case law that develops confirms this approach, the need for dismissals without prejudice will be diminished and less justifiable. Presumably, only egregious neglect by the Government will result in no excluded time available or no basis for an (h)(8) continuance. Where those situations occur, a dismissal with prejudice will be called for if the statutory purposes are to be effective. By contrast, if the courts follow a narrow interpretation of what constitutes an excluded period or an (h)(8) continuance, the public's interest in securing the conviction of those guilty of serious crimes must inevitably lead to a broader use of dismissals without prejudice. The approach adopted by these guidelines, it is suggested, is more workable and is in accord with the purposes of the Act.

V. General matters applicable to automatically excluded periods of delay under § 3161 (h)(1) through (h)(7) and continuances under §3161(h)(8)

1. When computing the total amount of all recorded excluded periods of delay, periods that overlay shall be counted only once.

2. The time excluded for proceedings or hearings is not reduced on account of short interruptions in proceedings or hearings that are essentially continuous. Example: If a hearing commences on a Wednesday and ends the following Tuesday, seven (7) days are excluded even though there were only five (5) days of hearings.

3. For matters relating to time generally, see Rule 45, Fed. R. Crim. P.

VI. Revision of guidelines

It is anticipated that these guidelines will be revised from time to time as a result of Court decisions and comments from the bench and bar.

Dated: January 16, 1979.

Evaluating the Implementation of the Speedy Trial Act in the Southern District of New York

(By The Committee on the Federal Courts)

I. INTRODUCTION

For members of the bar engaged in practice before the nation's federal courts the Speedy Trial Act, 19 U.S.C. § 3161 et seq., is the most important legislation enacted by Congress in recent years. The Act, passed in 1974, imposes on judges, prosecutors and defense counsel new, stringent requirements aimed at bringing virtually all federal criminal cases to trial within one hundred days of the date of arrest. While it constitutes a zealous commitment to prompt administration of criminal justice,[1] it also poses serious problems, both administrative and substantive.

Because of the evident importance of the Speedy Trial Act to the functioning of New York's busy federal courts, this Committee has been conducting a study of the implementation of the Act's provisions in New York. To date our review has focused primarily on the Southern District of New York and its unique pilot project aimed at developing effective methods for administering the Act.[2] Although the Speedy Trial Act's provisions have not yet been fully implemented—with the Courts still in the phase-in period provided for in the Act[3]—we believe that this is an appropriate time for an interim report on administration of the Act to date. We also consider that recommendations for improvement are in order.

II. WHAT THE SPEEDY TRIAL ACT PROVIDES

A. The deadlines

The Speedy Trial Act requires that by July 1, 1979 the time between arrest and indictment in criminal cases in all federal district courts will not exceed 30 days, the time between the filing of the indictment and arraignment will not exceed 10 days and the time between arraignment and trial will not exceed 60 days.[4] The Act further provides that if the foregoing deadlines are not met, the charges against the criminal defendant are to be dismissed.[5] Exemptions from the deadlines are permitted under certain specified conditions where there is good reason for delay. Subject to the trial judge's discretion, limited exemptions are permitted for reasonable delays caused by examination of the accused for mental competency or physical capacity. Limited delay is also permitted for interlocutory appeals, hearings or pretrial motions, inability to locate an essential witness or those instances where the court determines that the "ends of justice" would be served by delay.[6]

To ease the burden on the courts and the Bar, the Act provided for a phase-in period beginning in 1976 and ending in 1979 during which time the deadlines for various steps in the criminal process would be gradually reduced. The following table lists the deadlines applicable during each year of the phase-in period for those defendants who are not held in custody pending trial and not designated by the Government as "high risk," that is defendants posing a danger of harm to themselves or the community or a substantial risk of flight.[7]

Date	Arrest to indictment	Indictment to arraignment	Arraignment to trial	Retrial
July 1, 1976 to June 30, 1977	60 days	10 days	180 days	60 days from declaration of mistrial.
July 1, 1977 to June 30, 1978	45 days	10 days	120 days	Do.
July 1, 1978 to June 30, 1979	35 days	do	80 days	Do.
July 1, 1979	30 days	do	60 days	Do.

Those defendants who are held in custody or designated "high risk" must be tried on a priority basis until the final deadlines take effect on July 1, 1979. The trial of an in-custody or "high risk" defendant must begin within 60 days of the date custody began or the designation of high risk status was made.[8]

As of the date of this report the Southern District is still functioning under the deadlines for the period 7/1/77 to 6/30/78 and is faced with court wide implementation of the significantly more stringent 7/1/78 deadline within a few months.

B. Planning

In addition to setting out the foregoing deadlines, the Act calls for care in planning by each district court in advance of full implementation of the Act's permanent deadlines in July 1979.[9] This effort to develop plans for expediting criminal matters in each district court follows upon an earlier effort begun by the United States Supreme Court in 1973 with the adoption of Rule of Criminal Procedure 50(b). Rule 50(b) contemplated that plans for speedy administration of criminal justice would be developed in each district. Under Rule 50(b), however, the particular needs of the respective districts were to be considered in setting deadlines. The Speedy Trial Act, by contrast contemplates uniform time limits applicable in all district courts and permits flexibility only to the extent that different courts may wish to work out varying plans for meeting the Act's nationwide deadlines.[10]

Footnotes at end of article.

C. *The pilot program of the southern district of New York*

Pursuant to the Act's mandated that each district develop a plan, the District Judges in the Southern District of New York have taken a number of important steps. To assist the Court in evaluating the impact of the Act, they have appointed a Reporter, Professor Michael Martin of Fordham University Law School. In addition they have undertaken to develop new methods for obtaining and retrieving statistics so that they might better measure the Court's performance under the Act. Also they have encouraged a frequent exchange of views among those most directly affected by the Act by the formation of a planning group consisting of Judges of the District, the United States Attorney, Robert B. Fiske, and members of the criminal defense bar. And possibly most important, they have inaugurated a pilot project in which as of October 1976, six judges became bound by the accelerated time limits that would be required for the Court as a whole in July 1979. For the cases assigned to those judges in the pilot project, the Court sought to bring the time between arrest and indictment to no more than 30 days, the time between indictment and arraignment to no more than 10 days and the time from arraignment to trial to no more than 60 days, just as if the Act were fully in effect. The cases assigned to the pilot judges are chosen at random in the same fashion as for the other judges of the Court.

The pilot project was undertaken so that the Court might use the experience of the six judges selected to better plan full implementation of the Act. The project paralleled the similar, very successful pilot program which preceded the Court's earlier shift to the individual assignment system.

Primarily, the judges in the Speedy Trial Act pilot project sought answers to four questions:

(1) Under the permanent deadlines imposed by the Act, how long would it take to eliminate the backlog of cases pending more than 60 days and thus comply with the Act's permanent time limits?

(2) What case-management techniques would be required in order to achieve compliance?

(3) What were the implications for the civil docket when the Court fully expedited criminal cases?

(4) How would full implementation of the Act affect prosecutors, defense attorneys and court personnel?

The six judges in the pilot project are Judge Lloyd F. MacMahon, who heads the project, and Judges Charles L. Brieant, Jr., Robert L. Carter, Marvin E. Frankel, Milton Pollack and Robert J. Ward. As a group these are known for disposing of cases more rapidly than the average district judge. Accordingly, their experience may by no means be representative of what will occur if the entire court is subjected to the permanent deadlines.

Once the pilot program began, the planning aspect of the project called for periodic meetings to assess the group's progress. During these sessions, suggestions were made as to how the project could be modified to deal with problems which arose. The United States Attorney attended the meetings to discuss issues which concerned his office, including difficulties involving multiple count indictments and the amount of his Assistants' time necessary to serve the pilot group.

In addition to the four major questions listed above, as time went along information was sought in other areas. For example, efforts were made to uncover the causes of non-compliance with the Act's deadlines in individual cases, to gauge the impact of the pilot program on the practices followed by prosecutors and defense attorneys, to measure any changes in the judges' utilization of magistrates and deputy clerks, and to detect any differences in disposition rates among different types of cases and the possible need for changes in reassignment procedures or rules.

III. THE SPEEDY TRIAL ACT PROJECT OF THE FEDERAL COURTS COMMITTEE

As a supplement to the work of the Court in planning for full implementation of the Act, this Committee began its study of the Speedy Trial Act in the fall of 1976. From the outset the Committee's work was welcomed by the members of the Court, the Court's Reporter and the United States Attorney. All recognized the importance of participation of the Bar in trying to solve the problems posed by the Act. All have been forthcoming with information and generous with their time.

From the outset virtually everyone we spoke with expressed concern and cited numerous likely ill effects from the Act in its present form. The principal concerns expressed were the following:

(1) the Court would become so encumbered by its trial of criminal cases that it would not be able to function efficiently and would soon be confronted with serious backlogs in both its criminal and civil docket; there was concern that in this way the time savings realized from the successful shift to the Individual Assignment System would be lost;

(2) the greater emphasis on prompt trial of criminal cases and the increased burdens on the United States Attorney's Office would result in fewer indictments for serious crimes; that, it was said, would mean that commission of such major crimes would go unredressed;

(3) criminal defendants and their counsel would have insufficient time to prepare their defense, and this would result in a denial of due process; it was emphasized that in many cases the United States Attorney would have more time to prepare because he could investigate extensively prior to formal indictment which triggers the time limits of the Act, whereas the criminal defendant (particularly if he was not informed early that he was under investigation) would have much less time to prepare a defense;

(4) the shortness of time would also substantially increase the number of instances in which defense counsel would have to refer a case to another lawyer due to a conflict with another criminal or civil proceeding;

(5) administration of the Court system would deteriorate unless additional personnel were added;

(6) judges would be unable to take time off because of the rigid timetables created by the Act; a vacation of a few weeks would put a judge too far behind and lead to unwarranted dismissal of cases against justly accused persons; and

(7) the United States Attorney would have to devote so much staff time to cases before pilot program judges that there would be insufficient resources for other matters.

Following the initial interviews in which these concerns were expressed, we conducted a telephone survey of defense counsel who had appeared for criminal defendants in the Southern District throughout 1976 and 1977.[11] In addition, we arranged personal interviews with the judges sitting in the Southern District to compile a record of their actual experience with the Act. Committee members also met periodically with the United States Attorney and his staff to assess that office's progress, talked with the head of the Federal Defender Services Unit of the Legal Aid Society and reviewed statistics made available by the United States Attorney, the Speedy Trial Act Reporter, the Program Analyst of the Office of the Circuit Executive and the Administrative Office.

IV. ADMINISTRATION OF THE ACT TO DATE IN THE SOUTHERN DISTRICT

We have concluded from our review, that although to date the Southern District's judges and the members of the bar have worked extremely hard and have managed to cope with the Speedy Trial Act's phase-in deadlines, it is the concensus of virtually all concerned—judges, prosecutors and defense counsel—that the permanent deadlines to be adopted as of July 1, 1979 are unnecessarily restrictive.

While the Court's capacity for administration of justice has not yet deteriorated (the statistics suggest that the Court is holding its own), most of those whom we canvassed predict that when the full court is on the significantly more stringent permanent deadlines there will be serious problems. A number of judges and lawyers specifically questioned the premise of the Act to the extent that it requires speed for speed's sake and leaves little flexibility to assure that justice is done in a given case.

Similarly, while available information indicates that to date defendants' rights have not generally been impaired and the redress of serious crimes has not been seriously hampered, there is continuing concern that, with implementation of the Act by the full court, defendants may be placed in serious jeopardy. There is also concern that a few judges may be imposing excessively strict requirements on counsel in order to meet the Act's deadlines.

A. Status of the civil and criminal dockets for the court as a whole

As indicated, available data suggest that to date the Court has been able to cope with the interim deadlines. In the Southern District there was no significant reduction in the termination of criminal and civil trials or cases per judgeship in either 1976 or 1977 as the Act began to take effect. The record for the Court as a whole shows that the number of criminal and civil trials completed was down by 10.3 percent for the twelve months ending June 30, 1976 as compared with the same period in 1975, but was up by 20.7 percent in 1977 as compared with 1976. Total civil and criminal case terminations were down by 6.1 percent in 1976 as compared with 1975 but were up in 1977 by 1 percent as compared to 1975 and 7.6 percent as compared to 1976. This level of trial and case terminations continued notwithstanding the fact that civil filings increased in 1976 by 2.5 percent over 1975, and were 1.1 percent higher in 1977 than they had been in 1975. During the same two-year period criminal filings declined significantly, by 2.3 percent in 1976 over the previous year and 11.4 percent in 1977 as compared with 1976.[12]

Also significant in measuring the Court's performance is the record of median times from indictment or filing to disposition. In 1976 the median time for criminal cases declined slightly from 5.8 months in 1975 to 5.6 months. In 1977 it declined again to 5.1 months. In civil cases the median time declined from 15 months to 11 months in 1976 and increased slightly in 1977 to 12 months.[13]

Consistent with these statistics, individual judges not involved in the pilot program confirmed in personal interviews that they have been able so far to work under the gradually reduced time limits. Each indicated that his or her civil case backlog had either not increased appreciably or had in fact decreased, though many expressed concern as to their ability to schedule civil trials. For the most part they saw no indication in criminal cases that lawyers were not as well prepared as they had been in the past. A number also noted, however, that there appeared to be an increase in guilty pleas and there is growing concern that this may in part be the result of added pressures placed on counsel by the Act.

Some of the judges mentioned that they had granted time exclusions to serve the "ends of justice" and stressed the value of this particular exemption for avoiding unfairness in complex cases. There was no indication, however, that the "interest of justice" exemption in the Act had been used frequently to avoid the stringent requirements of the Act.

While the non-pilot judges thus have had relatively few unfavorable experiences with the Act to date, virtually all of them predicted that when the Court as a whole became subject to the permanent deadlines on July 1, 1979, there would be substantial difficulty. Several stressed that they considered the time limits presently applicable, and particularly the 120 day period from arraignment to trial, to be reasonable and sufficient to achieve the general purposes of the Act. By contrast they believed that the deadlines to be imposed at July 1, 1978 and July 1, 1979 were unnecessarily stringent. It appeared that they were generally concerned that an excessive commitment to speed would impair the quality of justice.

B. Status of the dockets of pilot project judges

As to the pilot project, the statistics suggest that in general the judges have been able to cope, notwithstanding the fact that they have had to work under the projected permanent deadlines. Such statistics must be viewed in context, however, with due recognition of the fact that the judges involved are known for their expeditious handling of cases and are accordingly among those most likely to succeed in assuring that

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Speedy Trial Act deadlines are met. It is important too that their relative success has been achieved while the other judges of the court have been able to operate under the less stringent requirements of the Act imposed to date. This has permitted both defense counsel and the United States Attorney to devote a greater percentage of their resources to the pilot project judges.

Statistics as to the pilot program indicate that between October 1976 and October 1977 the pilot judges were able to increase their dispositions of criminal cases by 17.4 percent over the preceding year. They also managed to dispose of 4.8 percent more civil cases than in the prior year. In trying to reduce their backlog of criminal cases, the pilot judges devoted 62 percent of their trial days to criminal cases, while the remaining judges on the Court spent only 40 percent of their trial time on criminal cases. This resulted in the pilot group contributing 36 percent of the total criminal case trial days in the Southern District as compared with 18 percent for civil cases.[14] Because the group has been able to dispose of more criminal cases than were filed with it, there has been a steady decline on a per judge basis in the criminal caseload of each judge. The heavy emphasis on criminal as opposed to civil cases at the outset resulted from the pilot judges' efforts to bring their backlog down. There is indication that as the year progressed, there was somewhat less time devoted to criminal cases as compared with civil cases.

It also appears that the judges were able to eliminate cases over the 60-day limit fairly quickly. After six months of operation, the pilot judges had very few cases which had not been disposed of within the 60-day time limit. As of December 1977, three judges on the pilot group reported that they had no cases on their calendars reflecting non-compliance with the arraignment to trial time limit, while the other three judges had a total of only eight cases involving ten defendants (approximately 7 percent of the pending caseload) over 60 days.[15]

Consistent with these statistics, the pilot project judges indicated in individual interviews that they each felt that for the most part they had been able to move their dockets successfully and that they should be able to continue to do so. Notwithstanding this, a number of the pilot judges expressed serious reservations as to the reasonableness of the permanent deadlines to be in effect court wide at July 1, 1979 and particularly as to the need to be so rigid in requiring that a defendant be tried quickly, even when all parties agreed it was not necessary. Each judge seemed to feel that, irrespective of whether he could survive, it was not clear that the severity of the permanent deadlines was necessary to assure reasonable expedition. As a group, they also had doubts as to whether the Court as a whole could function effectively on the permanent deadlines.

Each of the judges cited a range of different reasons for their ability to keep up with the requirements of the Act, including their use of particular case management techniques. For example, a number of judges stressed that to keep their dockets moving they regularly scheduled pretrial conferences as soon as a case was filed and established deadlines and a date for trial as soon as practicable. Virtually every judge stressed that it was important to have motions heard as soon as possible and to avoid formal submissions on motions and discovery matters where possible.

It appears that a number of pilot judges have also adopted the procedure of placing counsel in civil cases on short telephone notice for trial after pre-trial orders and other preliminary matters are resolved. This has permitted the judges to take such trials when they have openings in their calendars due to disposition of criminal cases, usually by plea. In this way the judges have given the criminal docket preference while still continuing their ongoing effort to dispose of civil cases. The impression conveyed by each of the judges was that, except in the one case of a judge who had had an extraordinary long civil trial, it was possible for each to keep his own civil and criminal docket moving using these techniques.

Moreover, even in the instance where a long trial made it impossible for the assigned member of the Court to keep up, the other pilot project judges were able to help dispose of his cases, so that deadlines were complied with and the civil docket continued to move. It was stressed that the general spirit of cooperation and collegiality of the project judges made it possible for other judges to take on cases and deal with emergencies.

It was also emphasized by the judges that there was greater difficulty meeting the deadlines at the very beginning of the project than there came to be after several months' experience. At the start a significant backlog existed since cases had previously not been tried within the sixty-day arraignment to trial deadline. Once those cases that had remained on the calendar longer than sixty days were terminated, the judges found that they could operate on a fairly consistent basis within the deadlines.

The pilot judges all acknowledged the value of the new triple wheel selection process that was adopted late in 1976. Before the implementation of the new selection process, criminal cases were randomly assigned to District Judges according to the type of offense charged. This method of cast selection occasionally resulted in the assignment of a single judge to several long and difficult criminal cases at once. Such a situation could obviously present serious problems under the new time requirements. A judge who devoted his time to one trial of several weeks duration could not try any other criminal cases in the same period and might therefore fail to meet the deadlines imposed by the Act.

Under the new system developed in recognition of the new deadlines, the type of charge no longer controls the selection process. Instead, the estimated time for trial governs. Under this new approach each criminal case is classified by the assigned Assistant United States Attorney. Cases for which the likely trial time is 5 or fewer days are designated as "A" cases, cases for which 6–15 trial days are expected are given a "B" designation, and those which are likely to last more than 15 days are denoted "C" cases. Each judge's name goes into the "A" wheel three times, into the "B" wheel twice and the "C" wheel once. The wheels are not refilled until all cards are drawn. The system has increased the likelihood that long and difficult cases will be spread more evenly among the judges. Generally speaking, the system appears to have worked well and is in full use by the Court as a whole.

C. *Administration at the United States Attorney's Office*

The comments of the pilot project judges and the judges of the Court as a whole were mirrored in the comments of the United States Attorney and his staff. In the fall of 1976 when we began our study the United States Attorney had expressed substantial concern as to the possible impact of the Act on the administration of his office, and there continues to be a feeling that the Act has been disruptive and that changes in the final deadlines should be adopted. However, it is also the opinion of the United States Attorney that administrative alterations have made it possible for his office to exist under the mandates of the Act up to now.

Early in the phase-in period additional resources were committed to the Special Project judges and, as already noted, this made it easier to reduce the backlogs created by the new deadlines. In addition the United States Attorney filed fewer indictments throughout the year. The crimes for which indictments were not filed consisted principally of those involving small sums of money or individuals who had special equitable considerations in their favor. In statistical terms this has meant 20.4 percent fewer indictments in 1977 as compared with 1976, and it is beyond doubt that this heightened selectivity by the United States Attorney has been a material factor in the Court's ability to administer the Act to date.

It is the opinion of the United States Attorney that all serious crimes have been prosecuted. He also believes that increased selectivity has contributed to a much higher percentage of guilty pleas per persons indicted, 81.9 percent in 1977 as compared with 71.5 percent in 1976.

It should be noted that virtually all the judges of the Court considered the selectivity of the United States Attorney's Office to be helpful and many praised the United States Attorney for his care in seeking indictments. They were enthusiastic not only because of the greater efficiency his selectivity appeared to promote but also because many felt that in the past it was often unreasonable to demand the time of the Court for trial of certain cases.

The United States Attorney is concerned that the accelerated deadlines have meant that guilty pleas are more frequently entered only on the last day prior to trial or on the day of trial itself. This has resulted in substantial waste of the time of Assistant United States Attorneys in preparing cases that do not actually go to trial.[16] He believes that if some fair method could be found to encourage pleas in advance of trial, it would substantially reduce the burden of his office. He also notes that there is an increasing need for reassignments of cases to Assistants due to the pressures of the Act.

D. *Defendants' rights*

The Committee's interviews with judges and defense lawyers indicate that defendants' rights have not been significantly impaired to date, but that there are concerns as to rules imposed by some judges and a widespread feeling that there will be serious problems once the Act is fully implemented.

Of those defense counsel surveyed, somewhat more than half indicated that they had been able to prepare adequately for trial notwithstanding the new deadlines and of those surveyed who had appeared before pilot project judges, approximately one-half said they had been able to prepare adequately for trial. The majority of the remaining defense counsel asserted that they had experienced difficulty preparing but did not suggest that there had been a widespread denial of due process to date. They did, however, predict that serious problems were likely to arise as the deadlines tightened. Particular concern was expressed by the head of Legal Aid's Federal Defender's Unit, who believes that the deadlines will become administratively intolerable. His office has seven lawyers handling approximately one thousand cases per annum and even under the more relaxed phase-in deadlines it has had to decline representation in cases of more than two or three weeks due to the potential administrative dislocations such assignments would entail.

Also, we found significant complaints from defense counsel that judges were imposing deadlines that were much shorter than those mandated by the Act (*e.g.* twelve days from arraignment to trial) and that such an approach caused grave and unnecessary problems for counsel and their clients. In addition they complained that many of the judges had proven to be inflexible at all stages of pretrial preparation. These expressions of concern cause us to wonder whether in some instances too much attention is being given to just meeting deadlines, with in-

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sufficient concern for the legitimate problems of responsible counsel.

V. THE COMMITTEE'S RECOMMENDATIONS

We believe that on the record to date a number of recommendations for change or improvement are in order.

A. Expanding the deadlines

First, we endorse the view that the permanent deadlines to be adopted as of July 1, 1979 will be unnecessarily restrictive. We believe that such deadlines represent an unwarranted commitment to speed for the sake of speed at the expense of quality of justice. This view was shared by virtually everyone interviewed who had significant experience with the Act. While it appears that some judges and litigants can survive under the existing deadlines and possibly even under the permanent deadlines, it is our impression that the requirements of the Act go beyond what is necessary to assure reasonable expedition. When neither the prosecutor, nor the defendant, nor the judge believes a strict mandate as to time is warranted or necessary, there must be serious doubt as to wisdom of imposing such a stricture. Accordingly, we strongly urge that for cases not involving incarcerated defendants or violent crimes where the defendant constitutes a danger, the final deadlines which provide for 100 days to trial be modified to permit at least 175 days for the period between arrest and trial. For incarcerated defendants and those designated as dangerous, we suggest that the period continue to be 90 days. This would, in effect, make the deadlines that the Court has been able to manage under to date the permanent deadlines.

We believe that such modifications in the proposed permanent deadlines would lessen the possibility that defense lawyers and defendants may be inequitably affected by the disparity of preparation time between themselves and the prosecutor. We also believe that such modification of the existing proscribed time periods would make it easier for judges to manage their dockets and yet still permit reasonable expedition of criminal cases as intended by the Act. Since the current deadlines have not proved unmanageable and yet to encourage expedition, we believe that something akin to those deadlines would best balance the need for expedition and the practical problems posed for everyone by the commitment to fixed deadlines. Such an approach would also appear to preserve the first objective of the Act: to assure swift justice for both the incarcerated defendant and the defendant deemed dangerous to society. At the same time it would not require an arbitrary commitment to expedition in cases where delay presents no danger to either a defendant's right to a speedy trial or society's interest in safety.

We also suggest that whatever final deadlines are imposed, the time not used under such deadlines for arraignment or arrest be then available as additional time added to the time from arraignment to trial. We believe there are many instances when the full time assigned by the Act for arrest to indictment to arraignment is not needed. Given the over-all purpose of the Act, to bring defendants to trial within a proscribed overall time limit, we think that it is entirely appropriate to assure that the result of expeditious handling at an early stage is not to shorten the overall time for defendants to prepare for trial or the time within which courts may work in managing their dockets.

B. Case management techniques

A further recommendation is that (with some notable exemptions) the judges of the Court as a whole utilize the experience of the pilot judges and the case management techniques that those judges have found useful. We recognize and applaud the fact that many of the judges of the Court are already using many of those techniques. Specifically, we believe that disposing of motions early and taking hold of a case promptly tend to help all concerned prepare for trial more efficiently. It may also increase the likelihood that defense counsel and their clients will be brought more quickly (but not unfairly) to a point where they can decide whether a plea of guilty should be entered. Similarly, we consider the practice of holding non-jury civil cases in a state of readiness to be a sensible approach to the difficult problem of keeping both civil and criminal dockets moving, so long as the Court permits a reasonable delay between final notice and trial where the needs of counsel make such a lag time reasonable. We note that in some instances counsel have been asked to remain ready for many weeks if not months. In such cases we believe that the time allowed between final notice and trial should allow realistically for the inability of counsel to remain in a constant state of readiness for so long a period.

While we acknowledge the value of the foregoing techniques, we object to the practice of imposing unreasonably short deadlines for trial immediately following arraignment. We think that defendants and counsel alike deserve a reasonable period of time to prepare for trial and that such practices as imposing twelve-days notice are unwarranted. We would also strongly urge that the judges of the Court be flexible in permitting delays where justice requires it. We cannot state that failure to grant delays has worked a severe hardship in many cases to date. But if and when the Court as a whole begins operation under the permanent deadlines, there is substantial reason to expect that cases will arise which require more time than the Act provides. We are concerned that in such cases judges may be so inclined to favor the need to comply with the Act's mandate that they will be excessively strict in refusing exemptions. While the Act does not encourage liberality in granting extensions, it does contemplate that the provisions permitting delays will be used under the appropriate circumstances.

C. Collegiality

We are also of the view that as the Court as a whole moves toward the time when the permanent deadlines are imposed, it is important that cooperation and collegiality permit the shifting of cases to assure that Speedy Trial Act deadlines are met. This is particularly necessary because some members of the Court take more time than others to dispose of matters. If shifting of workloads created by such differences in approach does not occur, we are concerned that the Court will encounter serious problems.

D. Staging the phase-in

We know there is expectation in the Court of having another group of five or six judges work under the permanent deadline promptly rather than waiting for 1979. At present we understand that a new pilot group may begin on the permanent deadlines at July 1, 1978. We strongly support such an approach. Since any judge going to the permanent deadlines will have some backlog of cases, permitting immediate commitment of the United States Attorney and the Court to reduce those backlogs at various times over the next year would seem to make much sense. The six present pilot program judges took about two months to reduce significantly their backlogs. Surely, if five or six additional judges are put on the permanent deadlines at July 1 and another six at January 1, 1979, it would be more efficient than having all remaining judges face the imposition of the advanced deadlines at once.

The pilot judges could not all bring their cases within the sixty-day limit within a year; it may, therefore, be expected that the Court as a whole will have severe problems if a phase-in approach is not followed.

E. Use of magistrates

We also believe that in the event that serious disruption occurs as the Court goes on its permanent deadlines, the Court and the United States Attorney should seriously consider committing misdemeanor cases to magistrates for trial. The practice is not followed presently in the Southern District, but there is legislation in Congress that could give the power to hear misdemeanors to magistrates, and the United States Attorney has recently endorsed magistrate trials of misdemeanors on consent of both parties.[17]

In raising this point, we recognize that the work of the magistrates in relieving civil case problems at the pre-trial stage is very valuable and in managing dockets overall may be more valuable than trying misdemeanor cases. Notwithstanding that, we consider that assuring greater flexibility to use the magistrates for misdemeanor trials is worth serious consideration.

CONCLUSION

It is the Committee's overall view that the time is ripe for the bench and bar to petition Congress for changes in the Speedy Trial Act so that a balance may be preserved between speedy justice and the quality of justice. Noble as the Speedy Trial Act experiment may be and much as we admire the effort of many in the Southern District who have labored to cope with the Act, we consider the Act to be legislation fraught with danger for our judicial process. If steps are not taken swiftly to modify the Act, we fear that the consequences will be serious in the Southern District and in other courts.

June 13, 1978

COMMITTEE ON THE FEDERAL COURTS

Bernard W. Nussbaum, *Chairman*.
Elkan Abramowitz.
Steven M. Barna.
Paul Bernstein.
Michael A. Cooper.
Sheldon H. Elsen.
George J. Grumbach, Jr.
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Murray Mogel*.
Burt Neubourne.
Otto G. Obermaier.
Lawrence B. Pedowitz*.
Renee J. Roberts.
Sol Schreiber.
Edward M. Shaw.

FOOTNOTES

[1] The legislative history suggests a wide range of motivation for the Act's passage, depending upon whether a particular legislator was concerned with crime prevention or defendant's rights. But all seem to have agreed on the laudable common purpose of accelerating the criminal trial process. E.g., H.R. 93–1508, 93d Cong., 2d Sess. 8, *reprinted in* [1974] *U.S. Code Cong. & Ad. News* 7401, 7402.

[2] The Committee contemplates a subsequent report covering implementation of the Speedy Trial Act in the United States District Court for the Eastern District of New York.

[3] U.S.C. § 3161 (f)–(g) (1976).

[4] *Id.* § 3161(b)–(c). Where an individual has been charged with a felony in a district in which no grand jury has been in session for the specified thirty days, the time for filing the indictment shall be extended an additional 30 days. *Id.* § 3161(b).

[5] *Id.* § 3162(a).

[6] *Id.* § 3161(h).

[7] *Id.* § 3161(f)–(g).

[8] *Id.* §§ 3164(a)–(b).

[9] *Id.* §§ 3165, 3166.

[10] *Id.* §§ 3165, 3166.

[11] Attorneys contacted in the Committee's survey of criminal defense counsel were chosen at random from a list of those appearing on behalf of criminal defendants in the Southern District during a period of approximately nine months. No effort was made to weigh the survey. For example, an attorney appearing for five or six defendants was questioned in the same manner as an attorney appearing on behalf of one defendant. However, an attempt was made to determine if the responses from attorneys who had appeared before pilot program judges under the most stringent time limits differed from those of other counsel.

Answers from a total of 163 attorneys who had all represented defendants during the phase-in stage were recorded and considered in the survey. Seventy-seven lawyers from that group had appeared in at least one case before pilot programs judges.

[12] Director of the Administrative Office of the United States Courts *Management Statistics for United States Courts* for the years 1975–77.

[13] Director of the Administrative Office of the United States *Management Statistics for United States Courts* for the years 1975–77.

[14] Marin & Durbin *Statistical Report on the Experience of the Speedy Trial Pilot Group Southern District of New York* 2 (Jan. 19, 1978).

[15] *Id.* at 5.

[16] United States Attorney for the Southern District of New York *Report for 1977*, 4–5 (1978).

[17] *Id.* at 9.

*Subcommitee members.

**Mr. Medina is presently Chairperson of the Committee.

Mr. BIDEN. In the face of all this evidence that the act is working fairly well, the question persists: Why is it necessary to defer the effective date of the dismissal sanction or make any other substantive changes in the act, if things appear to be going reasonably well? My answer to that question is this: The policy objectives of the Speedy Trial Act—to give real meaning to the individual's and society's interest in the sixth amendment guarantee of speedy and public criminal trials, reduce the risk of recidivism by persons on bail and, in the bargain, improve the administration of criminal justice in the Federal system—are far too important to allow them to prejudiced fatally by collateral circumstances.

The first of these, Mr. President, is the persistence of latent hostility toward the act itself. Anyone who has read the history of this legislation cannot escape the conclusion that various elements responsible for the administration of Federal criminal justice were—and, to some extent, remain—less than overjoyed at the Congress insistence that statutory speedy trial guarantees be observed faithfully and consistently.

As late as last September, 11 district planning groups persisted in their recommendations that the Speedy Trial Act be repealed. One judge, whose antipathy toward the act was reported as being obvious, responded that "the best way to get rid of the bad law is to enforce it strictly." Obviously, such attitudes are inexcusable, but understandable. Old habits die hard. Naturally, the coexistence of varying sentiments about the act has led to inconsistency—and, in some cases, downright unwillingness—in interpretation and implementation of the act's demands. Let the enactment of these amendments serve notice on those elements in the system that the Speedy Trial Act is here to stay, unless it can be proven that its objectives are not sound.

A second factor is resources. By enacting the Omnibus Judgeship Act in the last Congress, the size of the Federal Judiciary was increased by a third—117 new district and 35 new circuit judgeships. This Congress and the Judiciary Committee are hard at work to put those judges on line and increase the number of U.S. attorneys and marshals to a corresponding degree. It will be some months—perhaps a year or more—before the full impact of these additional resources will be felt in the Federal judicial system. We can have no way of judging what will happen under the Speedy Trial Act until that time, and it would be premature and foolhardy to try to guess.

A third consideration is the enormous increase in annual civil case filings and a corresponding increase in civil calendar backlogs. Despite the act's clear admonition to district planning groups to "avoid underenforcement [and] overenforcement * * * of the law [and] prejudice to the prompt disposition of civil litigation," several planning groups have reported that, as a consequence of the act and limited resources, they are virtually ignoring their civil calendars.

Some have contended that the increase in the civil case backlog is a direct result of the Speedy Trial Act. Others, perhaps a bit more honestly, have surmised that it is having some effect, due to a lack of resources. The Congress needs to know if there is some relationship between the act and civil caseloads. These amendments will generate that knowledge by extending the planning process and placing more emphasis on the problem. Because the Judiciary Committee has under active consideration legislation which would have a direct effect on future civil case filings—the partial or total abolition of Federal civil jurisdiction based on diversity of citizenship, for example, which accounted for over 31,000 new civil filings last year—it is conceivable that laws will be enacted which will have a substantial effect on civil calendars. We need to know where such enactments will take us.

By enacting these amendments, Mr. President, the Senate will be taking the responsible course at this point in history of the Speedy Trial Act. It will avoid crippling the act by premature tinkering, and it will not risk killing it before it is full-grown.

Let there be no misunderstanding about the motives of the Congress in passing these amendments: as long as this Senator has the responsibility of overseeing the administration of Federal criminal justice in the Nation, statutory execution of constitutional speedy trial guarantees for the benefit of each and all of us will become, and will remain, a fact of life. Legislation delayed shall not be allowed to become law denied. During the next 2 years in the life of the Speedy Trial Act, the Congress has the right to expect that no effort be spared to make this law a resounding success.

We expect all elements of the Federal criminal justice system to join hands to assure that final implementation is smooth and without unforetold consequence.

We expect district planning groups to redouble their efforts to make their final implementation plans worthy of full respect under the act by—

Encouraging the renewed participation of their members, especially members of the criminal defense and civil litigative bars;

Making full use of the data collected by court clerks in formulating their judgments on final implementation;

Exercising courage and ingenuity in interpreting the act, consistent with its objectives, as the second circuit experience has demonstrated is possible;

Experimenting with calendar scheduling and motions disposition techniques to encourage uniformity;

Establishing uniform procedures for the recording and computation of excludable delays by court clerks, with appropriate judicial supervision and counsel participation; and

Renewed cooperation with judicial circuit councils to make uniformity of interpretation of the act a reality.

We expect circuit councils to take the initiative in drafting and promulgating guidelines for interpreting and applying the act within each circuit, so as to advance the goal of uniformity while taking care not to sacrifice the need for district-by-district flexibility. We expect the circuit councils to make honest appraisals of resources needs, as they exist now and as they arise, and to duly report these needs to the Congress. We expect circuit councils to become active in the exchange of information and ideas on how the Speedy Trial Act can be made to work to its maximum advantage.

We expect the Administrative Office of the United States Courts to expand its efforts to assure uniform and complete data collection by planning for the permanent collection and compilation of statistics and information called for by the act, by encouraging district court clerks to make required case file entries contemporaneously and completely and by making district-by-district data and experience as widely available as possible. In its report to the Congress, due September 30, 1980, we expect the Office to present to the Congress integrated data which shows, by district and by case, the difficulties in and consequences of compliance with the act, particularly in districts with "low" compliance experience thus far. We expect the Federal Judicial Center to lend all the assistance it can in achieving these objectives.

We expect the Department of Justice to work closely with each U.S. attorney to generate the hard data necessary to give a true picture of the act's consequences. We expect to be told the impact of national enforcement priorities, reallocated resources and prosecutorial declination policies on implementation of the act and the disposition of cases within each district, with as much case-specific data as can be gathered. We expect to be told how the data-collection techniques required by the act can be utilized in establishing an integrated case management information system.

We expect the Judicial Conference to find new ways to encourage the implementation of circuit guidelines for interpreting and applying the act in a manner which will avoid unnecessary conflicts by promoting the free flow of information between circuit councils. We expect the conference to welcome the participation of the broadest possible spectrum of criminal justice experience and expertise in achieving the objective of uniform guidelines.

We expect those chief judges who are already complying with the act's final time limits to take the initiative in implementing fully the sanctions of the act prior to July 1, 1981, to give us the degree of experience we need to make a full appraisal of the act's viability in a practical setting.

In short, we expect—and demand—two things: diligence and leadership.

Mr. President, in this Senator's opinion, we stand on the brink of a revolution in Federal criminal justice. Under the exemplary leadership of the chairman of the Judiciary Committee, the distinguished senior Senator from Massachusetts (Mr. KENNEDY), we are advancing toward a long-needed revision of the whole of the Federal Criminal Code, one which will restore meaning to the word "justice" in "criminal justice" in "criminal justice system," for everyone—accused, victim, witness, and the public at large.

We are on the threshold of undertaking a thorough examination of a problem with constitutional ramifications which has suffered serious neglect over the past 10 years: the right to bail, and what it means as a potential danger to society. Under the leadership of the Attorney General of the United States, the Honorable Griffin Bell, and his hardworking deputies, such as Assistant Attorney General Philip B. Heymann, we are beginning to make a serious effort to deploy Federal resources in the war against crime in a meaningful way. We are making measurable progress in dragging traditional justice-delivery techniques out of the Dark Ages into the 21st century. We are beginning to understand that we must all work together if the precept of "equal justice under law" is to be made concrete reality.

Decades from now, the Speedy Trial Act of 1974 will be viewed, rightly, as a watershed in the march toward the objective of full and fair criminal justice; indeed, I predict that our successors will hardly be able to discern what all the shouting was about in 1979. We are now, however, captives of the present. But let us not, in the exigencies of this moment, lose sight of the importance of what we are presently about. We are affirming again a commitment and a pact made almost 5 years ago: If the speedy trial guarantee of the sixth amendment to the Constitution means anything at all, it means that the innocent shall go free, the guilty shall be punished with swiftness and certainty, and society shall be protected. A mean spirit, fear, or unwillingness to sacrifice may delay that truth, but they cannot deny it. We must not, we cannot, let that promise be further delayed.

In conclusion, I would like to acknowledge and express my appreciation to the able assistance the staff of the Subcommittee on Criminal Justice, especially Tim Hart, who worked through several nights and weekends in preparing the report on this legislation, and Edna Panaccione and Barbara Parris for their clerical assistance.

I would like to thank the staff of the other members of the Judiciary Committee, especially Burt Wides and John Minor of Senator KENNEDY's staff, Mary Jolly of Senator BAYH's staff, Eric Hultman of Senator THURMOND's staff, and Mike Clipper of Senator MATHIAS' staff for their valuable assistance and advice.

Mr. THURMOND. Mr. President, I am pleased to cosponsor and support the legislation now before the Senate, S. 961, a bill to amend the Speedy Trial Act of 1974. I also want to compliment the Senator from Delaware (Mr. BIDEN) for his fine work in processing this measure in the Judiciary Committee.

Mr. President, this measure is a compromise that was worked out in the Judiciary Committee which, in my opinion, accommodates a wide number of interests. It is a bill that solves some immediate concerns, while at the same time, allowing for salutory changes in the Speedy Trial Act of 1974.

The original legislation, S. 961, introduced for the Justice Department by Senator KENNEDY on April 10, 1979, and the Judicial Conference's bill, S. 1028, also introduced by Senator KENNEDY on that date, would have extended the 100-day period from arrest to trial, now in the Speedy Trial Act, to 180 days. This extension of time was sought by the Justice Department and the Federal judiciary for several reasons.

First, the Justice Department contended that with the effective date of July 1, 1979, the Speedy Trial Act and the dismissal sanctions imminent, there would be a rash of dismissals of criminal cases. Based on data put together by both the Justice Department and General Accounting Office, this contention seemed to be well founded. Further study during the hearings, however, indicated that these figures may be subject to differing interpretation and the problem may not be as bad as forecast.

The other objection of the Department centered on the length of time from arrest to indictment of 30 days as required by the Speedy Trial Act. The Department wanted an additional 30 days added to that period, as well as another 30 days between indictment and trial. These increases would have extended the time to 180 days overall for the Speedy Trial Act. The reasons given for these extensions were: First, fewer arrests are being made because of the fear of dismissal because of the dismissal sanctions, and second, the final arrest-indictment time limits would prejudice the ability of the Government to investigate the charges fully before the time runs.

It was contended that certain investigative techniques take longer than can be properly conducted under a 30-day time limitation. Thus, an extension was sought to allow more time for investigations. Opponents of this extension feel that the excludable delays available under section 3161(h) of the act are adequate to accommodate any problems. Although the deferral of the effective date for 2 years solves this problem for the immediate future, I believe this problem should be examined closely in the next year or so, in time for further consideration by the Congress in 1981.

Mr. President, the compromise measure reported by the committee on June 13 does solve the most immediate problem—the July 1, 1979, effective date of the dismissal sanction provisions of the current law. The 2-year deferral gives the Congress time, as well as the Federal Government and the Federal judiciary, to study further this statute and its impact on the Federal criminal justice system.

Mr. President, I support this legislation and urge its adoption.

● Mr. BAYH. Mr. President, last week the Senate Committee on the Judiciary unanimously, favorably reported, the Speedy Trial Act Amendments of 1979 (Senate Report 96-212), S. 961, with an amendment in the nature of a substitute, which our distinguished chairman of the Judiciary Committee, Senator KENNEDY and our distinguished chairman of the Criminal Justice Subcommittee, Senator BIDEN and I were pleased to sponsor.

Our substitute amendment was worked out in conjunction with the Department of Justice and the Judicial Conference who had alternative proposal pending in the Judiciary Committee, and in no way weakens the Speedy Trial Act initially signed into law in 1974.

The Biden-Bayh-Kennedy substitute leaves intact the present overall 100 day limit from arrest to trial which goes into effect on July 1, of this year. Both the Department of Justice and Judicial Conference proposals would have expanded the time limits from 100 to 180 days. Our amendment would clarify and expand the excludable time periods under section 3161(h) (1-7) and the continuances under section 3161(h) (8).

It also defers imposition of the dismissal sanctions, which was to have taken effect on July 1, until July 1, 1981, so that failure to bring a criminal case to trial within 100 days will not result in dismissal. It does provide, however, that those districts which are prepared to meet the 100-day limit with the dismissal sanction in effect prior to July 1, 1981, may apply to the judicial council of the circuit for approval to do so. Both the General Accounting Office and the Department of Justice have completed extensive reviews of the 97 districts' implementation of the Speedy Trial Act and have concluded that as many as 97 percent of the districts could comply with this standard by July 1, 1979. Of course, such an application for early implementation of the dismissal sanctions must be with the concurrence of the planning group in the district. The U.S. Attorney, Federal Defender and experienced criminal and civil trial attorneys are on each district's planning groups.

This 2-year deferral will afford the Congress an opportunity to obtain concrete information about the types of cases which may present compliance problems and the effect of the amended provisions for section 3161(h) (1–7) exclusions and section 3161(h) (8) continuances. Furthermore, a deferral would allow time to fully assess the impact of such developments as the appointment of additional judges and U.S. Attorneys and expanded magistrate authority which will take effect this year and next year.

There are 11 other areas of importance to all parties upon which agreement has been reached and which are included in the consensus substitute, including giving the chief judge of a district the power to suspend the final time limits up to 30 days, under emergency conditions.

Mr. President, as chairman of the Senate Subcommittee on the Constitution, with oversight responsibilities for the Speedy Trial Act, I am in a unique position to help assure that no criminal case be dismissed for failure to indict or try a defendant within the act's final time limits.

One area that has not been touched upon in the recent hearings on these bills in the Senate and in the press reports is that part of the system that no one talks about—the victims of crime and witnesses. If justice is to be done to the accused and the victims of crime and society are to be protected, criminal cases must be tried while witnesses are readily available and their recollections are fresh.

Trials must be speedy.

The cost of crime to our country and its people in terms of economic loss and physical and psychological suffering is beyond calculation. One of the most solemn and sacred responsibilities resting on our Government is to administer criminal justice. And, justice does prevail when every person gets his or her due. Our system of criminal justice has survived because it is based on the proposition that justice is due to society and the victims of crime as well as the accused. As Daniel Webster so well said in prosecuting the accessories to the murder of Capt. Joseph White, "Every unpunished murder takes away something from the security of every man's life."

The right to a fair trial is effected by the Bill of Rights through the fourth, fifth, sixth, and eighth amendments. Surely the right to a speedy trial is precious and vital to our constitutional form of Government.

The right to a speedy trial has a fourfold purpose. It protects the accused, if he or she is detained in jail while awaiting trial, against extended imprisonment before trial; it relieves him or her of anxiety and public suspicion arising out of an untried accusation of crime; it assures that he or she is to be tried while the witnesses are available and their memories are fresh; and it assures that the victim of crime or the victim's family sees the process of justice taking place with reasonable dispatch after the prosecution and the defense have had the adequate opportunity to prepare for it.

Mr. President, if Congress is to make the sixth amendment guarantee of a speedy trial effective at the Federal level, it must enact these amendments and effectively enforce the other provisions of the Speedy Trial Act of 1974. Congress cannot sit idly by while victims of crime, witnesses, judges, prosecutors, defenders, and society are doing their part. We must act now if justice for all our citizens is to prevail in a timely manner.●

● Mr. KENNEDY. Mr. President, the Speedy Trial Act Amendments of 1979 were reported unanimously by the Committee on the Judiciary. The amendments are a measured refinement of the act, which preserve its structure and spirit, yet respond to some practical problems of implementing the statute.

The Speedy Trial Act was passed under the leadership of Sam Ervin in 1974 and has already achieved major improvements in the Federal system of criminal justice. The Congress decided that fair, but firm statutory deadlines were necessary to protect the public interest in prompt prosecution against the system's inevitable tendencies toward delay. While the act has been the subject of controversy, this basic premise has proven correct.

As detailed in the committee report on S. 961, the act combines such time limits, and sanctions for their breach, with safety valve provisions to accommodate contingencies often encountered in Federal prosecutions. The time limits were phased in over 4 years, with provision for transitional planning.

The final time limit of 100 days from arrest to trial is scheduled to take effect on July 1, 1979, along with a dismissal sanction for failure to comply. In anticipation of the July 1 deadline, the Committee on the Judiciary carefully reviewed a variety of concerns which had been voiced about implementing the final phase of the act.

The committee held hearings on May 2 and May 10 and heard a wide variety of perspectives on what changes, if any, should be made in the act. I want to commend the very able efforts of the Senator from Delaware (Mr. BIDEN) who chaired these hearings and developed a thorough, comprehensive record as a basis for action by the committe. Judges, Justice Department officials, U.S. attorneys, practicing lawyers and scholars provided helpful suggestions, based on their experience under the act and analysis of its implementation thus far.

As explained in the report, the committee found that the flexibility provided in the act had not been fully utilized or tested. Nevertheless, the data suggests that the courts already have been able to achieve a high level of compliance. Under the leadership of the Senator from Delaware, a committee consensus was developed around the provisions of S. 961, as reported by the committee. The amendments adopted by the committee defer the imposition of the dismissal sanction for 2 years, while we gain experience under the final time limits. In addition, S. 961 builds upon the existing provisions of the act and provides further flexibility for specific practical problems which arise despite diligent efforts by all components of the system to comply with the time limits. In particular, the amendments insure that there will be reasonable time for adequate preparation of cases by both the prosecution and the defense, and that continuity of counsel will not be unnecessarily disrupted.

The Senate has increased the Federal judiciary by one third, added an even greater number of new Federal prosecutor positions, and greatly expanded the powers of Federal magistrates to hear cases. All of those developments, as well as these improvements in the Speedy Trial Act, will enable our courts to implement the act more smoothly. We should have an opportunity to evaluate their impact before undertaking major surgery on this landmark legislation.

In closing, Mr. President, I also want to commend all the members of the committee who worked in a spirit of constructive cooperation to develop this legislation. And I want to thank the Department of Justice and the Judicial Conference of the United States, both of which worked with us in the same spirit to improve the act. Although the Department had initially proposed a more substantial revision of the act, Deputy Attorney General Benjamin Civiletti wrote to me on June 7, on behalf of the Department that the committee bill "offers an acceptable alternative" which meets the Department's concerns. His staff spent a great deal of effort to help us refine these proposals to accommodate the practical realities of conducting prosecutions under the act.

Once again, I want to thank the Senator from Delaware, in particular, for his splendid efforts in helping us develop the sound solution for the final implementation of the Speedy Trial Act which S. 961 represents.●

Mr. BIDEN. Mr. President, I ask unanimous consent, if it has not already been done, that the name of the distinguished Senator from South Carolina (Mr. THURMOND) be added as a cosponsor of this measure.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BIDEN. Mr. President, I move that the committee amendment in the nature of a substitute be agreed to.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

Mr. BIDEN. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. THURMOND. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

THE FOOD STAMP PROGRAM: OUT OF CONTROL

Mr. HELMS. Mr. President, pending before the Committee on Agriculture, Nutrition, and Forestry, is an amendment to the 1977 Food Stamp Act, S. 1309. That bill, unless amended, would raise the 1979 authorization limit or "cap" for the food stamp program by $260 million. Since a $338 million carryover from fiscal 1978 is not included in calculating the "cap," this amendment would raise the level of budget authority for the 1979 food stamp program by almost a billion dollars—and $1.3 billion over the original 1979 appropriation of $5.7 billion.

The Food and Nutrition Service (FNS) is the USDA agency that administers this program. FNS is headed by Mr. Robert Greenstein, who before coming to USDA was a top official at the Community Nutrition Institute, the Washington headquarters of the "hunger lobby." Mr. Greenstein's immediate superior at USDA is Assistant Secretary for Food and Consumer Services, Carol Tucker Foreman. Ms. Forman was executive director of the Consumer Federation of America, an important element in the interlocking directorate of the Federal "spending lobby" before joining this administration.

The background of these officials is important because of the views they have asserted in the past. Both of these groups are outspoken in their advocacy of broadly expanding the food stamp program, regardless of cost.

The basis of all discussions on the 1979 "cap" is section 18 of the 1977 Food Stamp Act. Section (a) sets specific dollar limits on the funds that may be authorized the program in each fiscal year. Section 18(b) of that act provides that if the Secretary of Agriculture finds program expenditures will exceed the amount appropriated, which in almost all cases would be less than the authorization limit, he should direct the States to reduce benefit. Above all else, in this act, it is clear that program expenditures are not to exceed the funds appropriated. It makes it absolutely clear that this is not an entitlement program.

In considering section 18 of the Food Stamp Act, one must ask: "Why is the program about to exceed its budgetary constraints?" According to the administration, the principal reason is food price inflation. However, the Congressional Budget Office has officially reported that if higher than expected food price inflation were the only factor contributing to increased program costs, there would not necessarily be a need to raise the 1979 food stamp "cap."

The Congressional Budget Office points out that program participation has far exceeded all estimates. Beginning in January of this year, when new FNS regulations were implemented nationwide, an astonishing surge in program participation began. In January, February, and March, 3.2 million new people were added to the food stamp rolls—an increase of 20 percent. As a result, monthly program costs soared by 25 percent over the same period.

This tremendous surge in program participation is a direct result of obviously deliberate administrative acts by USDA officials. Specifically, last December and January, the FNS implemented only that part of the 1977 Food Stamp Act requiring elimination of the food stamp purchase requirement. However, until March, FNS did not implement the recipient recertification provisions required by that act.

Thus, FNS created and operated for part of this year a hybrid food stamp program that incorporated participation-expanding characteristics of the old and new programs while deliberately ignoring participation-limiting characteristics of both. This hybrid program was so radically different from both the old and the new programs that it clearly did not reflect the intent of Congress.

FNS officials knew that the separate implementation of these provisions of the 1977 act were not consistent with congressional intent. On October 26, 1977 USDA's Office of the General Counsel informed Ms. Foreman that eliminating the food stamp purchase requirement in advance of implementing other provisions of the 1977 Food Stamp Act would be "legally objectionable." In spite of the clarity and detailed statutory analysis found in that memorandum, regulations requiring separate implementation of these provisions were drafted and promulgated.

When these regulations were submitted to the Office of the General Counsel, they were given the weakest imaginable approval. In a memorandum to Ms. Foreman, the Acting General Counsel said:

> While not free from legal doubt, we believe there is a reasonable legal basis for the position that the revised schedule is consistent with the current implementation requirements of the act.

Also, in Indian Welfare Rights Organization, Inc. against Robert Bergland, et al., the Seventh Circuit Court of Appeals ruled that the purchase requirement need not be eliminated before other provisions of the 1977 Food Stamp Act were implemented. The Court's opinion stressed the interrelationship of the act's provisions that FNS chose to implement separately. Also, the Court was obviously impressed with another point: the Court's opinion notes:

> The Secretary argues that had EPR (elimination of the purchase requirement) been implemented before the other reforms as plaintiffs urged, the food stamp program would have been significantly inflated by the addition of more needy persons without the elimination of the nonneedy and the congressional objectives of a simplified, efficient, and cost-effective program would have been undermined.

So, in spite of overwhelming legal authority specifying congressional intent, FNS officials proceeded with the separate implementation of these intertwined provisions of the 1977 act.

Determining the exact cost of this administrative blunder is impossible. However, the forms of unnecessary program costs that were incurred are identifiable. They are:

First. A higher benefit schedule applied to all new program participants;

Second. The rapid participation growth in December, January, and February was experienced months before necessary;

Third. A portion of the new participants who entered the program in December through February were ineligible under new certification rules.

From the data available, the Congressional Budget Office could analyze only the first two of these factors. But even with this restricted analysis, CBO was able to identify $275 million greater program costs than would have been experienced had the provisions of the 1977 Food Stamp Act been implemented simultaneously in March.

Mr. President, I cannot emphasize too strongly how conservative this projected $275 million extra cost figure is. The figure does not include costs that will be experienced after May. Also, it does not include the expense of ineligible new participants.

To demonstrate how large this latter cost category is, I should point out that Secretary Bergland recently reported that information from New Hampshire indicates that 80 percent of the program participants had their benefits reduced or terminated in March when recertification began. Comparable reductions were experienced in other States from which data was gathered. So, the costs of separate implementation of the provisions of the 1977 Food Stamp Act were far above the $275 million that the Congressional Budget Office has been able to identify specifically.

The crisis thus created was deliberate, and the reaction of the FNS allies in the "hunger lobby" has been predictable. As a result, at this most crucial time in the budget process, Congress is being deluged with correspondence and appeals generated by the so-called "hunger lobby" urging more money for the program. But, sad to say, the FNS bureaucrats have been even more arrogant in their extortion-type tactics to obtain limitless sums for the food stamp program from Congress. They have interpreted section 18(b) of the 1977 act which requires the program to "spend down" in the event the appropriation ceiling is approached in such a way that holds the most needy hostage. They claim that such benefit reductions must be pro rata—across the board.

This pro rata reduction is unreasonable since it forces equal percentage reductions to all recipients. It produces larger reductions in absolute dollar terms to the more needy. This is a cruel method of reducing benefits and no doubt unacceptable to most Americans. Many Members of the Senate, I am sure, would oppose retaining the existing appropriation ceilings. Because under this interpretation of the law, the poorest of the poor would be unjustly forced to bear the biggest relative burden. A more reasonable approach to implementing benefit reductions would be to vary the extent of benefit reductions so that the benefits of the most needy will not be reduced.

It is outrageous to find these bureaucrats holding the truly needy hostage in a reckless scheme to force Congress to issue a blank check to the food stamp program. I hope I am correct in predicting that Congress will not tolerate such bureaucratic pressure tactics. Congressional oversight, and congressional budgetary review, are needed more than ever.

The unnecessary spending of well over $275 million that the respected and independent Congressional Budget Office asserts was the direct cost of the separate implementation of the various provisions of the 1977 act is just the tip of the iceberg.

Representatives from various state food stamp agencies testified before the Nutrition Subcommittee last week as to the difficulties they have in dealing with the FNS and in managing the program in a fiscally responsible manner.

The burden of incompetent regulation and red tape the food stamp officials have had to endure from the FNS has been escalating. The whole program is made immensely more costly and extravagant by a regulatory tangle that:

Prohibits home visits to certify eligibility;

Hinders verification of income, car values and citizenship;

Render adjudication of fraud cases so costly as to eliminate any cost-benefit;

Encourage "expedited services" which require that food stamps must be issued on the same day on which application is made, and

Outreach "guidelines" which seek to add 10 million new recipients by 1980.

For example, Oklahoma food stamp administrators reported, and a Louisiana official confirmed, that under existing regulations county food stamp officials cannot accept, without redtape an inordinate delay, the food stamps of a recipient who attempts to return his stamps because he got a job and is no longer eligible. No wonder FNS seeks another billion dollars.

Another example is the consumption weights used in the calculations of the thrifty food plan (TFP) exaggerate the cost of that model food package. Under the current index, the weights applied to the different food groups are based on a food consumption survey taken back in 1965. Since 1965, retail beef prices have increased $1 per pound while retail chicken prices have increased only 28 cents per pound. As a result of price changes in these two categories being so different since 1965, food stamp recipients are obviously consuming more foods from the poultry category and less foods from the red meat category than in 1965.

By using this 14-year-old survey to set the consumption weights between the food categories, the cost of the so-called thrifty food plan is too high, thus adding unnecessarily to program costs above the intent of Congress. The point is, precious little effort is being made to manage the program in the most fiscally responsible manner possible, as intended by Congress.

In short, the food stamp program is in turmoil because of mismanagement and deliberate maladministration. Under these circumstances, it would be most unwise to continue to authorize and appropriate the vast new sums of money requested by the administration and other apologists for the food stamp program. The "cap" of $6.1589 billion is very generous, and I believe the FNS ought to be required to live within it.

It is my recommendation that Senator Lugar's amendment to the 1977 act, S. 292, be enacted. It would permit any benefit reductions that may be necessary to be made in an equitable manner. If FNS gets the message that the food stamp program must be operated within the limited resources provided by the "cap," I firmly believe that the food stamp program will be operated more efficiently—and both taxpayers and food stamp recipients will benefit.

IS IT NOT TIME TO REQUIRE "ANGEL OF DEATH" TO FACE ACCUSERS?

Mr. HELMS. Mr. President, yesterday I introduced Senate Resolution 184, a sense-of-the-Senate resolution calling upon the U.S. Government to promote the apprehension and extradition of one of the most infamous Nazi war criminals still being sought—Dr. Josef Mengele, known to the inmates of the Auschwitz concentration camp as the "angel of death."

Substantial evidence exists that Josef Mengele was granted Paraguayan citizenship in 1959 and has lived in Paraguay since that time. Senate Resolution 184 requests the President to call upon the Government of Paraguay to apprehend and extradite Josef Mengele to stand trial in Federal Republic of Germany for the crime of murder.

Mr. President, I ask unanimous consent that two of our distinguished colleagues, the Senator from Florida (Mr. Stone) and the Senator from South Dakota (Mr. McGovern) be added as cosponsors of Senate Resolution 184. The interest and expertise of both Senator Stone and Senator McGovern in our country's relationships with its South American neighbors should indicate to Paraguay the strong concern and breadth of support in the Senate that action should be taken on this matter and that Josef Mengele should not continue to live in freedom without ever having to answer for his participation in the unspeakable horrors that occurred at the Auschwitz concentration camp.

Mr. President, I hope that the Foreign Relations Committee and the Senate will act on Senate Resolution 184 in an expedited fashion. Until that time, Mr. President, it is my intention to continue to bring this matter before the attention of my colleagues.

U.N. LABOR GROUP HURT BY U.S. PULLOUT

Mr. HATCH. Mr. President, the United States has been and continues to be one of the single largest contributors to a wide variety of international organizations. We make these contributions in the face of widespread criticisms of U.S. policy by these same organizations.

On many occasions I, and several of my colleagues, have attempted to place either limits or restrictions upon the total amount of U.S. contributions to a wide variety of international organizations. On each and every occasion those Senators who support these contributions have risen to give lengthy explanations as to why we must continue our full and unrestricted contributions.

The leading argument has always been the measure of influence the United States will lose by withdrawing our full participation. Senators have stood on this floor and pointed out that as the major contributor, the United States had a corresponding share of influence in the decisions made by these international organizations. This, we have been told, is beneficial to U.S. foreign policy and helps to create goodwill for America throughout the world.

Mr. President, an example of what would happen if the United States withdrew from such an organization is now available.

In later 1977, the United States withdrew from the Internatonal Labor Organization, charging that the Organization had become too political. What was particularly aggravating to the United States was the constant attack upon U.S. policy that seemed to emanate from this body. The United States continued to warn the International Labor Organization about its displeasure, but as usual, the other members went about their own business, assured that the United States would complain but always ante up its contribution. The proverbial straw that broke the camel's back finally came in 1977. After condemning Israeli treatment of Palestines in 1976, the ILO granted observer status to the PLO in 1977. With this action the United States gave the required 2-year notice of its intention to withdraw.

The results of this action have been startling. The loss of influence by the United States has failed to materialize. What has taken place is a complete reversal of the ILO policy. This change is reported in today's Wall Street Journal. They report:

> If the ILO is any guide, U.S. withdrawal might be an effective tool of protest—in the short term anyway. Certainly, the climate at the ILO seems less hostile to the U.S. than it did a couple of years ago. For one thing, the organization has been taking a more critical look at labor problems in Communist countries.

The primary effect of the U.S. withdrawal of funds has been to bring about a realization by the ILO that U.S. funds will not be forthcoming if the organization continues to ignore the wishes of the United States.

This is exactly what I, and other Members of the Senate, have predicted would occur. The ILO is now, in the face of a restricted budget and curtailed programs, conducting a campaign to woo back the United States and ultimately its contribution. Other organizations would do well to learn a lesson from this action. We here in the Congress should also pay attention to this case. It is clear evidence that our contributions can and will exert a strong measure of influence upon the actions of the agencies affected. It gives the American taxpayer a sense that his own tax dollar is not going to be used to fund propaganda against the system he supports. I think it is a long overdue action and suggest that we consider withdrawing from several other international organizations.

I ask unanimous consent that the article by Eric Morgenthaler appearing in today's Wall Street Journal be printed in the Record.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

U.N. LABOR GROUP HAS BEEN HURT BY U.S. PULLOUT

(By Eric Morgenthaler)

GENEVA.—In late 1977, the U.S. pulled out of the International Labor Organization, charging that the United Nations affiliate had become politicized in the wrong political direction.

The move cost the ILO dearly, for the U.S. had been supplying 25% of its funds. Inevitably, the ILO went on a crash program of spending cuts: It sharply reduced its staff, it trimmed programs, it eliminated publications.

And aside from spending, something else seems to have been reduced as a result of the American withdrawal: the level of polemics against American-backed causes.

"Perhaps there is a feeling that if things go relatively smoothly this year—if there's not a bust-up over Israel or whatever—there might be a sporting chance of a (U.S.) decision to come back," says Patrick Denby, the ILO's financial comptroller.

Indeed, the chances are starting to look even more than sporting. The ILO annual conference opened here last week, and many delegates appeared confident that the U.S. was close to a return. Shortly before the conference began, David Morse, an American and former ILO director-general, predicted, "that the U.S. will soon rejoin the ILO."

Whatever happens, the ILO experience is instructive, because it may be repeated in other international forums. In recent weeks, the U.S. said it is considering quitting another group, the World Health Organization, because of a move by Arab states to oust Israel from that supposedly non-political organization.

If the ILO is any guide, U.S. withdrawal might be an effective tool of protest—in the short term, anyway. Certainly, the climate at the ILO seems less hostile to the U.S. than it did a couple of years ago. For one thing, the organization has been taking a more critical look at labor problems in Communist countries.

The ILO, for instance, is investigating a complaint by a group of dissident workers in the Soviet Union that the Soviets, in violation of ILO principles, don't allow workers to form their own, independent trade unions. Last year, the ILO also investigated the plight of workers in Czechoslovakia. Both moves "enormously heartened" the U.S., an American diplomat says, because they were "the first times in 20 years that any complaint against an East European country had been taken seriously" in the ILO.

And the organization's annual conference last year—the same forum where in 1974 a resolution against Israel helped prompt the U.S. pullout—was noticeably less politicized. "It wasn't any U.S. pressure which led the (1978) conference to be less political," says Bertil Bolin, deputy director-general of the ILO. "But I think indirectly, you could say that having the withdrawal made people think more carefully about the risks to the organization."

Indeed, many people think that if all goes smoothly at this year's conference—which lasts until June 27—the U.S. will return to the ILO by the end of the year. "The can't influence the ILO indefinitely by staying out," says Mr. Denby. "They can do it for the short term, but in the long term they can't."

Ironically, the U.S. departure wasn't without warning. For the most of this decade, the U.S. has been complaining that the ILO—which is supposed to be a politically-neutral group dealing with the problems of the world's workers—had become a soundingboard for Soviet-backed political causes. (Though the ILO is associated with the UN, it operates autonomously.)

As far back as 1970, the U.S. withheld its dues for a year to protest the naming of a Soviet official to a top ILO spot. In 1974, it reacted angrily when the ILO conference passed a resolution condemning Israeli treatment of Palestinians. The next year, the conference granted observer status to the Palestine Liberation Organization, and, shortly thereafter, the U.S. gave the required two years' notice of its intention to withdraw.

Still, it was a shock when the pullout actually came. The ILO already had prepared a budget for 1978 and 1979 which assumed U.S. participation. With the withdrawal, it lost one-fourth of the money it had counted on, or $42.3 million. It quickly slashed the budget by 21.7% and made up the rest through voluntary contributions.

To meet the reduced budget, the ILO began trimming its staff; so far, by one means or another, some 240 jobs have been cut from an initial 1,600. Also, conferences were scrapped, operations streamlined, and many projects were scaled down or eliminated altogether.

Nonetheless, people here insist, the ILO's essential work has continued. "If the U.S. thought it could cripple the organization by leaving, that hasn't happened," says Donald Skerrett, deputy director of the Bureau of Programming and Management.

Indeed, many people think that even if the U.S. returns, the budget wouldn't return to its old levels; rather, the U.S. would simply pick up a large share of a slimmed-down budget.

Not everyone was sorry to see the Americans leave. "The American delegation to the last ILO session (before the withdrawal) was so rigid—I could say so stupid—that many people said 'good riddance,'" observes one Latin American ambassador. "These people thought it might be healthy for the U.S. to try to adjust itself to the opinions of others."

However, he adds, "Most Western countries, including Latin America, would rather have the U.S. in than out." Many Eastern bloc countries, apparently, feel the same way—even the Soviet Union itself. Since the U.S. withdrawal, the Soviets have been the largest single contributor to the ILO (they now provide about 11% of the agency's funds), and Westerners suspect they feel uncomfortable in the leadership role.

"It's not fun being number one," says one ILO staffer. "It makes you unpopular."

READERS SUPPORT DEFENSE SPENDING

Mr. HATCH. Mr. President, the debate over "guns or butter" has been with us for quite a long time. Every society which enjoys the freedom to engage in such debate finds itself torn between the priorities for spending. This question is one that I, along with all of my colleagues, must constantly face. The answer is not always easy.

I am not immune to the problems facing many of the citizens of this Nation. I realize that many of our inner-city youth are suffering from a wide variety of problems. I realize that many social programs are underfunded. These facts only make the decision in the "guns or butter" debate all the more difficult.

This decision must also take into account other important factors. Among them are the commitments we have to NATO. We have asked the other member nations to increase defense spending by 3 percent. We would be remiss in our duty if we failed to meet that commitment ourselves. We must also consider our position vis-a-vis the Soviet Union in the rest of the world. Soviet global adventurism has been rapidly expanding in recent years. We have watched it occur in Africa, Afghanistan, the Middle East and now, as I pointed out last week, in Southeast Asia.

As the leader of the Western World, both physically and spiritually, the United States must remain strong. In the past decade, we have allowed ourselves to slip.

The prestige the United States once held throughout the world has markedly decreased. This fact is realized by the American businessman quicker than most. No longer does he have a slight edge in bidding for international contracts. In the May issue of Nation's Business the results of the magazine's March Sound Off question were published. The question put to the readers was: "Should defense spending be cut?" The overwhelming response was not to cut the defense budget. Their views are what I feel typify the average American. If we continue to decline militarily we will also begin to fall economically. The point that we would not need to worry about social programs if we forget about defense may be a bit drastic, but it is not far from the truth.

Mr. President, I ask unanimous consent that the article from Nation's Business be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

READERS SUPPORT DEFENSE SPENDING

I am sick of liberals. I am sick of welfare. But I am not sick of freedom," say Raymond Kohler, district vice president of Western Title Insurance Co., San Bernardino, Calif.

Mr. Kohler was responding to the March Sound Off question, should defense spending be cut? His emphatic reply against curtailed military appropriations reflects the views of most of the people who responded.

A guns-or-butter battle is brewing over the increase in defense spending that President Carter has asked Congress to approve.

Major critics contend that the extra funds for defense will be taken from the coffers of social programs. They feel that in the anti-inflation atmosphere surrounding overall government spending, the underprivileged will ultimately shoulder an unfair portion of the burden.

Supporters point out that the United States is already spending less for defense than for social programs. In constant dollars, the government spends less for defense today than 15 years ago. They say the increased appropriations are necessary to meet the U.S. commitment to NATO and to stem the tide of Soviet advances in weaponry and military manpower.

"I wonder what kind of social programs we would have under Soviet control?" asks Roger H. Hughes, administrator of the Medical Arts Clinic, Ardmore, Okla. "It always amazes me," he says, "that the liberals seem to think that defending this great country just happens."

Leroy E. Radtke, manager of the food service division of L. D. Schreiber Cheese Co., Inc., Green Bay, Wis., is also against cutting defense spending. He suggests that the government increase spending in an all-out effort to catch up with the Soviets. "We are so far behind them now that if there were a war we would have literally no chance of winning," he says.

According to James E. Stroh, director of operations for the engine division of the Kohler Co., Kohler, Wis., the United States must not only be able to defend its national borders but also be strong enough militarily to influence world monetary and energy policies. He voted no to reducing present defense spending.

Fred P. Ruth, president of the F. P. Ruth Agency, Inc., Reading, Pa., votes no and says we sought not to forget history. Quoting Teddy Roosevelt's philosophy, he suggests that the nation "speak softly but carry a big stick."

"The Defense Department is bloated and wasteful," contends A. Jackson Allen, senior associate at AJAX and Allen Co., Inc., Davenport, Iowa. "Slimming and conditioning are in order." He favors cutting defense spending. One of the major benefits would be to show that even sacred cows are not immune to good management, he says.

Joseph Terranella, controller at Seminole Petroleum Co., Inc., Sanford, Fla., agrees. "If our business community were as cost-inefficient as the Defense Department, we would all be bankrupt."

Kevin A. Morrison, president of Auvergne et Cie, Inc., East Longmeadow, Mass., does not want to see defense spending cut. He feels that it provides more than the obvious. "It also provides jobs in the private sector, generates a tangible product in the form of defense hardware, stimulates research that carries over to society as a whole, and helps alleviate inflation," he says.

"To provide for the common defense is explicitly stated in the Preamble to the Constitution," says Robert L. Barber, a certified management accountant in Albuquerque, N. M., who is against a cut in defense spending. "National defense is a primary function of government."

"We should stay strong militarily," urges John Flessner, vice president of Rocket Supply Corp., Roberts, Ill. He says the United States should make and deploy the neutron bomb and let it be known loud and clear to its adversaries. "Stop pussy-footing around," he exhorts.

Paul J. Mitchell, vice president of corporate affairs for Carl Karcher Enterprises, Inc., Anaheim, Calif., also answers no. "We are spending too much to weaken the resolve of our people through social programs and not enough to strengthen the resolve of our nation through an adequate financial commitment to defense spending."

Franklin Grant, owner of Bay Typewriter Co., Morro Bay, Calif., says that "if we continue to cut defense spending, we will have to increase educational spending because we will have to teach our children Russian."

SALT: HOW WE SHOULD THINK ABOUT IT

Mr. HATCH. Mr. President, the President is now returning from the summit meeting in Vienna and with him he is bringing the final text of the new SALT accord. This agreement will trigger one of the most intense, as well as important, debates in the history of the U.S. Senate. The security of this Nation may well hang in the balance of this debate. To be sure, its outcome will have a major effect upon the future of the world.

As we enter into this debate we must be aware of its magnitude. Each Senator in this Chamber must realize that he is charged with an important duty. He must realize the true scope of his decision. This body is made up of only 100 people. While at times it may appear large, it is in fact small. It has been said that the Senate is a perfect model for testing small-group gaming theory. The weight will be heavy upon all of our shoulders.

Last Friday a short piece about SALT II and the impending debate appeared in the Washington Post. Written by the distinguished majority leader, Senator Robert C. Byrd, it lays out the framework for Senate consideration of SALT in a most articulate manner. Senator Byrd poses the question to be answered on the debate in a concise and capsulized form.

He poses the question:

> Will the United States be better off with this treaty or without it?

The Senator then asks two important subquestions:

> First, what will be the net effect of the treaty on the strategic balance and the United States' national security? Second, can the agreement be adequately verified, not only to my satisfaction, but also to that of experts in this field?

With the expression of these questions the Senator from West Virginia has done a service to the rest of his colleagues. I congratulate him. Once again, he has shown his remarkable ability to clearly outline a difficult issue. I do not know how the Senator will vote, I myself have not made up my mind, but I do know that he will give the arguments on both sides of the debate serious and thoughtful consideration.

Mr. President, because of the quality of this article I commend it to my colleagues. I ask unanimous consent that it be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

SALT: How We Should Think About It

(By Robert C. Byrd)

It may be impossible to evaluate and reach a decision on a strategic arms limitation agreement in a purely objective atmosphere, free from the slightest hint of emotionalism, and stripped of political considerations.

However, there are certain arguments that have been made that tend to evaporate under cursory examination and that are not worthy of the task before the U.S. Senate. It is my purpose here to state what I believe should be the foundational tone of the deliberations.

With the signing of the treaty imminent, I first hope the prevailing mood will be one of objective, independent judgment—not prejudgment—and that the climate for the discussions will be nonpartisan. I consider this decision on SALT II to be as momentous and potentially vital as any in my three decades in Congess.

Because I consider the stakes so high, I am concerned that the peripheral and extraneous issues may come to overshadow the meritorious arguments for or against the treaty and could distract senators from a studied process of decision-making. I do not deny that much of the discussion is healthy, or that it will contribute to a national understanding and awareness of SALT II. However, our ultimate purpose must be kept in focus at all times.

Recently, the president of the United States told a group of assembled reporters that our peaceloving nation would be seen as a "warmonger" if the U.S. Senate rejected the proposed SALT agreement. In my opinion, such an argument is not a creditable one, and it neither pricks the conscience nor challenges the intellect. It serves merely to cast a cloud over the preamble of our deliberations.

While no one should worry about this false imagery, neither should the present debate be pervaded by chauvinistic and hard-nosed assertions of "must" amendments, reservations or understandings. By doing so, we stand in danger of placing ourselves in concrete positions before our eyes have even fallen on the actual treaty text.

The fact is that the treaty has taken three administration and seven years to negotiate. After it is signed and submitted to the U.S. Senate, the Foreign Relations Committee will begin hearings the second week in July. Thereafter, the Armed Services Committee will hold hearings and the Select Committee on Intelligence will also examine aspects of the treaty. The documents deserve the opportunity of careful scrutiny by these committees, free from premature discussions of possible changes while the signatures are still drying.

Perhaps some of the concerns that have been expressed may diminish as the final text is made available. In addition, other problems may be satisfactorily resolved during the committee hearings. Put simply, there is no need to rush to judgment when there is ample time to proceed in a serious and deliberate manner. It could well be that, after careful consideration, the Senate may deem it necessary to make changes in the treaty or in the resolution of ratification. I may or may not eventually favor such an action, but that kind of decision, which could carry far-reaching consequences, should be made only after the most thoughtful scrutiny and analysis.

There has also been the suggestion that the U.S. Senate, if it rejects the treaty, will have pulled the trigger on an arms race between the United States and the Soviet Union. In my opinion, the Senate is well aware of the dangers of a renewed arms buildup, but any decision must be made against the backdrop of reality.

It may be in the interest of the United States to approve the SALT II agreement; or, the compelling national interest may dictate that we reject the treaty. At this moment, I have taken no position on SALT II, nor do I expect to do so in the immediate future.

At present, I consider my education to be still in the relatively early stages on this vastly complicated issue. This is true even though I have had briefings pro and con on the subject for weeks, both for administration officials and civilian experts on strategic arms. I know that a number of other senators have also been meeting on and studying these issues.

When I do decide, my judgment will be centered on this basic evaluation: Will the United States be better off with this treaty than without it? In seeking the answer to that quesion, I am confronted with at least two other queries:

First, what will be the net effect of the treaty on the strategic balance and the United States' national security?

Second, can the agreement be adequately verified, not only to my satisfaction, but also to that of experts in this field?

Finally, I would hope that any decision on SALT II would be free from partisan politics. This is one of the most important reasons for the U.S. Senate moving ahead to complete, if possible, its consideration of the treaty this year. The matter of a SALT treaty is too vital to the national interests for it to become entangled in presidential politics, by any candidate of any party—including my own.

The president believes the administration has an agreement that is sound and merits the confidence of the U.S. Senate and the American people. It will be the Senate's responsibility to determine whether, in its judgment, that is the case.

In my own mind, I am convinced that the American people want the U.S. Senate to ratify a sound SALT agreement. They want to feel that the potential for nuclear destruction has been diminished, and that our world is a more secure and safer place.

At the same time, though, I have no doubt that the people of our nation would not want the U.S. Senate to give its endorsement to a treaty that was contrary to the best interests of the United States.

The people want a good treaty.

EQUAL TIME IN OUR SCHOOLS

Mr. HATCH. Mr. President, the substance of the courses being taught our Nation's children is being increasingly scrutinized. For many years, we have seen a slow but steady movement by many academicians to divorce education from theology. More often than not, the Constitution is cited to justify this secularist trend.

Those who do so, however, are wrong. True, the framers of our Constitution established in our first amendment the principle to insure a separation between church and state. They took this action to insure that American families did not suffer the religious persecution which victimized themselves and so many others in Europe. They did it in order to prevent a "state church" from dictating religious preference. This has become, and hopefully will remain the first principle of America's pluralism. It is something certainly all reasonable Americans do, and in my opinion should support.

However, the erosion of time has witnessed a perversion of this basic principle of America's religious liberty. The Constitution's Founding Fathers never intended the total removal of the church's involvement from Government and the public domain. The evidence is everywhere. Our coins bear the inscription, "In God We Trust." Our House and Senate sessions are opened with the daily prayer. Our President is sworn into office with the use of a Bible. These are only several of innumerable popular examples to prove the point. And that is, that the separation of church and state was from its inception intended to be a Constitutional protection against the State's prescription of any one religion. It was intended to protect every citizen's freedom of choice. It was not intended to bar the invocation of God in our classrooms, a denial of the Almighty which is today accepted public policy.

I say this, because the decisive rulings of our Nation's highest court have served the cause of de facto institutionalizing humanism or secularism or by any other name, the denial of the religious province in our daily affairs. During the tenure of the Warren Court, especially the Supreme Court took a narrow view of these activities and attempted to remove religion in any form from State involvement. This trend resulted in a public backlash, and an increasing support for legislation like the voluntary prayer amendment. While the prayer amendment failed on the Senate floor 2 months ago, it is interesting that the legislative branch is probably closer than any other to the direct will of the people; the House of Representatives, voted to enact this legislation as part of the Department of Education bill only last week.

Another way of measuring this increasing public support for renewed religious influence in our public schools is the reappearance of the theory of creation in our classrooms. Some teachers rebuke this trend, holding as they do that it is unscientific or that it does damage to prudent factual teaching methods in the science classroom.

A superb article which outlines the controversy and describes what is likely to happen in the years ahead appeared in the June 15, 1979, Wall Street Journal. Written by Lawrence Rout, it is entitled "Modern Creationists Seeking Equal Time in the U.S. Classroom." This article relates the growing trend toward teaching both sides of the issue. These teachers take the approach of presenting the facts, both for evolution and for creation, and permitting the students to decide for themselves, individually.

I believe this is the right way to do it. I say this as one who believes in the theory of creation, and who believes that the twin purposes of academic liberty and excellence are best served by an intelligent presentation of both viewpoints in the classroom. I also believe that the Government's zeal to divorce State and religion parallels our witnessing a society without morals. The Rout article includes a lesson, and it is one I commend to all of my colleagues. I urge all of you to read this article which I ask unanimous consent be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

MODERN CREATIONISTS SEEKING EQUAL TIME IN U.S. CLASSROOMS

(By Lawrence Rout)

CEDAR FALLS, IOWA.—Larry Salyer devotes one week to the origin of the Sarth.

For two days, he teaches his seventh-grade science students at Holmes Junior High the tenets of Darwinism—that the Earth is billions of years old and that man, through natural selection, descended from earlier animals.

In midweek, Mr. Salyer switches from evolution to an older theory, one that he himself believes in. Many scientists, he tells the class, believe that the Earth was the work of a Creator a mere 10,000 years ago. Moreover, he says, "these 'scientific creationists' say that a man was always a man, a dog was always a dog, and the frog didn't turn into a prince."

The dual approach is well-received in this Eastern Iowa town of about 33,000 persons. "We want to know all the facts," one student says, "not just the ones the evolutionists want us to hear." Parents haven't complained either.

Elsewhere this is concern, though, because the creationist gospel echoes well beyond the secular halls of Holmes Junior High. In states from New York to California, moves are afoot to give the old-time theory of Creation equal time in science classes. State legislatures have been flooded with bills.

STATUTE STRUCK DOWN

In 1975, a Tennessee statute ordering equal time for Creation was struck down by the U.S. Court of Appeals for the Sixth Circuit. John Whitehead, a Cleveland lawyer who works for the creationists, says the statute had required equal time for "Creation as taught in the Book of Genesis." The Tennessee law was "rightfully declared unconstitutional," he says, "because it was teaching the Bible." Today's bills, he says, seek to teach "the Creation as revealed by science."

So far, no state has passed any of the new bills, and creationists don't think their viewpoint is getting a fair shake. Teachers do tend to shy away from Creation—even in Holmes Junior High not all teachers teach it—because they feel that to teach Creation would be to teach religion and that that would be unconstitutional. In addition, many teachers simply view the theory of Creation as discredited.

"It's the Scopes trial reversed," says Ronald Lee, a creationist who heads the Iowa State University chapter of Students for Origins Research. "Before, they restricted evolution, he says. "Now, they're restricting Creation."

Proponents of evolution see it a bit differently. "What you have is a bunch of right-wing conservatives upset at what they perceive is an infringement on religious freedom, and they're trying to disguise it in the form of a scientific controversy," says Robert Sloan, professor of paleontology at the University of Minnesota. "They indulge in every kind of logical fallacy to state a rather overblown case."

INSTITUTE SPARKS DRIVE

Two thousand miles westward, nestled in an administration building on the campus of Christian Heritage College in San Diego, is the Creation Research Institute, the main object of Mr. Sloan's wrath. The institute has seven full-time employes, a $470,000 annual budget and a goal of "bringing about a revival of belief in special Creation as the true explanation of the origin of the world."

For teachers such as Mr. Salyer, the institute has prepared a plethora of textbooks, monographs and filmstrips. One popular offering: "The Twilight of Evolution," described as a "summary of the impact of evolution on modern life, as well as (the theory's) ultimate end."

The institute also makes its case in presentations to local school boards—some boards have agreed to add the creationist view to their suggested subject matter—and in debates with evolutionists. Mr. Sloan concedes that "the creationists tend to win" the debates.

"They have a number of polished speakers whose profession it is to go out and debate," says John T. Robinson, a professor of zoology at the University of Wisconsin who took part in a debate there with a representative of the Creation Research Institute. Mr. Robinson says the audience of about 3,000 persons was packed with "bused-in creationists from churches, who cheered every time the creationists made a point."

Another explanation for the creationists' victories in debates is offered by Richard Bliss, director of curriculum development at the Creation Research Institute. "We win because the scientific data for the Creation model is far better than the evolution model. They regress toward the religious; we stick to the science."

Mr. Bliss says, for instance, that "when you look at the fossil record, and the sedimentary rock, it screams out that there was a great catastrophe, that it was buried suddenly." But when evolutionists hear this argument, and its parallels to the Biblical flood, he says, "they seem to be paranoid that what we are proposing is religion."

The evolutionists agree that every place on earth was under water at one time, but they say that it wasn't all under water at the same time. They say they know this because of radioactive dating, the technique that scientists use to determine the ages of objects and materials.

This technique can be faulty, creationists say. Lane Anderson, a high-school physics teacher in Park Ridge, Ill., says that Hawaiian volcanic rock known to be only 200 years old was mistakenly dated at 200 million years. Mr. Robinson of the University of Wisconsin replies, "The way they talk about dating is so far from the scientific fact that it isn't funny, and they know it."

Mr. Anderson insists that the 200-year-old rock story is fact. "Yet nobody knows about it," he says, "because there is a tendency for these things not to make the news. It's tough for the creationists to get things published in scientific journals."

"IT ISN'T SCIENCE"

For good reason, evolutionists say. "Our point of view as biology teachers," says Manert Kennedy, president of the National Association of Biology Teachers, "is that this doesn't have a place in the science classroom because it isn't science."

On the contrary, the scientific evidence for Creation is overwhelming, says David Menton, a creationist who is an associate professor of anatomy at Washington University at St. Louis. "More and more reasonable scientists are speaking out against this silly theory of evolution," he says.

He points, for instance, to "incredible structures, such as the human eye, that make our most complicated computers look like beer-can openers." He asks rhetorically whether it is possible to "account for this by random chance, as the evolutionists do." The evolutionists' reply, as stated by Mr. Sloan of the University of Minnesota: "It is random chance that the genes are first produced, but not all are maintained. Only those genes that produce good results are saved."

Mr. Menton and others also argue that the fossil record is on their side. "Even the evolutionists' best experts say that there isn't any fossil evidence of one animal's developing into another," says John Jensen, an Iowa state senator who has introduced a bill to require the teaching of Creation alongside evolution.

"I'm a farmer," Mr. Jensen says, "and we're raising better cattle than we used to. But when we cross cattle, we get cattle. We don't get a dog."

"SLEIGHT OF HAND"

Such an argument is "mental sleight of hand," says Michael Singer, an assistant professor of zoology at the University of Texas who has debated a creationist. "The fossil record gives us a logical sequence of organism that differ from each other in a way totally consistent with the evolution of one into another," Mr. Singer says. "The evidence of organic evolution is stronger than ever."

Besides, Mr. Singer says, "the guy who debated me implied that the people in the audience who believed him would be better Christians and would treat their fellow man better; I took strong exception to that."

Many evolutionists concede that the creationists are making progress. "They just seem to have gotten a full head of steam," says Mr. Kennedy of the biology teachers' association, "and the indications are that they aren't going to give up."

Some evolutionists suggest that the creationists' advances are part of a continuing revolt against science and technology, but John Whitehead, a professor of anthropology at Ball State University in Munice, Ind., has a different explanation: "People, and especially undergraduate students, are willing to accept just about any crackpot scheme these days."

Keith Nissen, a colleague of Mr. Salyer's at Holmes Junior High, disagrees. "If you're going to go by the evidence that exists," he says, "Creation is the only thing you can believe. I'm a show-me guy, and I've been shown."

NEW ORLEANS JAZZ BASKETBALL TEAM MOVES TO SALT LAKE CITY

Mr. HATCH. Mr. President, last week the Board of Governors of the National Basketball Association approved the move of the New Orleans Jazz to Salt Lake City, Utah.

This move will be heralded by the basketball fans of the State of Utah. It has been my contention, and I still believe it to be true, that the State of Utah has more rabid basketball fans than any other State. I brought this subject up earlier this year during the NCAA playoffs and had it pointed out that basketball teams at schools in Kentucky and Indiana outdrew the four schools in Utah. While this may have been true, by only a few fans per game, I think a careful look at the populations of the three States would be a useful indicator. If the State of Utah had a similar number of people we would have overwhelmed the opposition in the attendance race.

In any event, I welcome the NBA to Utah. I guess the first order of business would be to change the name to something more identifiable with Utah. The next order of business would be to sell tickets. I will be among the first in line.

The team will play its home games in the Salt Palace. This facility offers an excellent view of the playing floor from every seat. The team will also be the major tenant of the building and as a result will be able to obtain favorable playing dates.

I welcome the owners of the team, Sam Battisone and Larry Hatfield, along with the other members of their organization. I welcome the players. I know that I look forward to watching the basketball wizardry of "Pistol" Pete Maravich, the rebounding of Rich Kelley, and the shooting of Gail Goodrich. I might offer at this time a suggestion to the management of the team. With the signing of Larry Bird, to go along with Bob McAdoo and Cedric Maxwell, the Boston Celtics are well stocked at forward and might consider Jeff Judkins expendable. A trade for a player of Jeff's caliber, plus his crowd appeal as a hometown boy, would only benefit the team.

Mr. President, the people of Utah are more than happy to have a team in the NBA. I feel very strongly that the support for the team will be strong. In conclusion, I point out that I will be looking forward to next year's NBA playoffs.

THE UNITED STATES-SOVIET SUMMIT

Mr. KENNEDY. Mr. President, the signing of the SALT agreement yesterday in Vienna is a significant and historic achievement which is in our strong national security and foreign policy interests.

I believe that President Carter and President Brezhnev deserve great credit for bringing to a successful conclusion the past 7 years of difficult and complex negotiations.

Through this achievement, both the United States and the Soviet Union have the opportunity to take another significant and long-awaited step toward the goal of world peace and prevention of nuclear war. As President Carter stated in signing the SALT treaty:

> If we cannot control our power to destroy, we can neither guide our fate nor preserve our future.

And President Brezhnev added that—

> In signing this treaty, we are helping to defend the most sacred right of every man—the right to live.

I believe that history will judge the Senate harshly if we fail to fulfill the promise now at hand.

Mr. President, we should welcome not only the signing of the new SALT treaty but the important exchanges of views on arms control, international and bilateral issues at the Vienna summit. I am particularly pleased that both sides confirmed their intention to work, together with Britain, to complete preparation of a comprehensive nuclear test ban treaty "as soon as possible." The CTB should be our first order of arms control business after SALT II is ratified.

I also welcome the United States-Soviet commitment to press ahead with SALT III, nuclear nonproliferation efforts, mutual and balanced force reductions in Europe, and the control of antisatellite weapons, conventional arms transfers and other weapons systems.

Beyond this, it is important that both sides exchanged views on international issues, and I welcome the United States-Soviet statement that—

> All states must conduct themselves with particular responsibility and restrain in order to contribute to the elimination of present situations of tension and to prevent new ones from arising.

The implementation of this statement represents a real and important test of the scope and content of detente between our two nations in the months and years ahead.

Finally, Mr. President, both sides emphasized the importance of cooperation in bilateral matters, including "the necessity of working toward the elimination of obstacles to mutually beneficial trade and financial relations."

I ask unanimous consent that the full text of the joint United States-Soviet communique, and of the remarks of President Carter and President Brezhnev at the signing of the SALT treaty, be printed at this point in the RECORD.

There being no objection, the communique was ordered to be printed in the RECORD, as follows:

TEXT OF THE JOINT COMMUNIQUE BY CARTER AND BREZHNEV

(VIENNA, June 18.—Following is the official test of the joint United States-Soviet communique issued today at the end of the Vienna meeting between President Carter and President Leonid I. Brezhnev of the Soviet Union:)

By mutual agreement, President of the United States of America Jimmy Carter and General Secretary of the C.P.S.U. Central Committee and President of the Presidium of the U.S.S.R. Supreme Soviet Leonid I. Brezhnev held meetings in Vienna, Austria, from June 15 to June 18, 1979.

President Carter and President Brezhnev

conducted their discussions with the participation of:

On the American side, Cyrus Vance, Secretary of State of the United States of America; Harold Brown, Secretary of Defense of the United States of America; Zbigniew Brzezinski, assistant to the president for national security affairs, and Gen. David Jones, Chairman of the Joint Chiefs of Staff.

On the Soviet side, A.A. Gromyko, member of the Politburo of the C.P.S.U. and Minister of Foreign Affairs; D. F. Ustinov, member of the Politburo of the C.P.S.U. and Minister of Defense; K. U. Chernenko, member of the Politburo of the C.P.S.U. and secretary of the Central Committee of the C.P.S.U. and Marshall N. V. Ogarkov, First Deputy Minister of Defense of the U.S.S.R. and Chief of the General Staff of the armed forces of the U.S.S.R.

Also participating in the talks were:

On the American side, George Seignious, director of the Arms Control and Disarmament Agency; Hamilton Jordan, assistant to the President; Jody Powell, assistant to the President; Malcolm Toon, Ambassador of the United States of America to the U.S.S.R. and Ralph Earle, chief of the U.S. delegation at the strategic arms limitation talks.

On the Soviet side, A. M. Aleksandrov, assistant to the General Secretary of the Central Committee of the C.P.S.U.; L. M. Zamyatin, section chief of the Central Committee of the C.P.S.U.; G. M. Korniyenko, First Deputy Minister of Foreign Affairs of the U.S.S.R.; A. F. Dobrynin, Ambassador of the U.S.S.R. to the United States of America; V. G. Komplektov, member of the collegium of the Ministry of Foreign Affairs of the U.S.S.R., and V. P. Karpov, chief of the U.S.S.R. delegation at the strategic arms limitation talks.

President Carter and President Brezhnev signed the treaty on the limitation of strategic offensive arms. Basic issues of U.S.-Soviet relations and pressing international problems were also discussed. The exchange of views was characterized by the desire to expand mutual understanding and to find mutually acceptable solutions to problems of interest to both sides. In their discussions they devoted special attention to reducing the risk of war through further limits on strategic arms and through other endeavors in arms limitation and disarmament.

The two sides expressed their appreciation to the Government of Austria for its hospitality and for providing all necessary facilities for the success of the meetings.

I. GENERAL ASPECTS OF U.S.-SOVIET RELATIONS

There is agreement between the sides that the state of relations between the United States and the Soviet Union is of great importance for the fundamental interest of the peoples of both countries and that it significantly affects the development of the international situation as a whole.

Recognizing the great responsibility connected with this, the sides have expressed their firm intent to continue working toward the establishment of a more stable and constructive foundation for U.S.-Soviet relations. To this end, the two sides acknowledged the necessity of expanding areas of cooperation between them.

Such cooperation should be based on the principles of complete equality, equal security, respect for sovereignty and nonintervention in each other's internal affairs, and should facilitate the relaxation of international tension and the peaceful conduct of mutually beneficial relations between states, and thereby enhance international stability and world peace.

The sides reaffirmed their conviction that full implementation of each of the provisions of the "Basic Principles of Relations Between the United States of America and the Union of Soviet Socialist Republics," as well as other treaties and agreements concluded between them would contribute to a more stable relationship between the two countries.

The two sides stressed the importance of peaceful resolution of disputes, respect for the sovereignty and territorial integrity of states, and of efforts so that conflicts or situations would not arise which could serve to increase international tensions. They recognize the right of the peoples of all states to determine their future without outside interference.

Recognizing that an armed world conflict can and must be avoided, the sides believe that at the present time there is no more important and urgent task for mankind than ending the arms race and preventing war.

They expressed their intention to make every effort to attain that goal. To that end, they also recognized the value of consultation between themselves and with other governments, at the United Nations and elsewhere, in order to prevent and eliminate conflict in various regions of the world.

The sides note with satisfaction the growing practice of contacts between Government officials of the U.S.A. and the U.S.S.R. in the course of which key questions of U.S.-Soviet relations and pressing international issues are discussed.

The process of developing useful ties between the U.S. Congress and the Supreme Soviet of the U.S.S.R. and of exchanges between nongovernmental organizations is continuing.

The talks again confirmed the specific significance of personal meetings between the leaders of the U.S.A. and the U.S.S.R. in resolving the basic questions in the relations between the two states. In principle, it has been agreed that such meetings will be held in the future on a regular basis, with the understanding that the specific timing will be determined by mutual agreement.

Agreement has also been reached on broadening the practice of consultations and exchanges of opinion between representatives of the sides on other levels.

II. LIMITATIONS OF NUCLEAR AND CONVENTIONAL ARMS

The two sides reaffirmed their deep conviction that special importance should be attached to the problems of the prevention of nuclear war and to curbing the competition in strategic arms.

Both sides recognized that nuclear war would be a disaster for all mankind. Each stated that it is not striving and will not strive for military superiority, since that can only result in dangerous instability, generating higher levels of armaments with no benefit to the security of either side.

Recognizing that the U.S.A. and the U.S.S.R. have a special responsibility to reduce the risk of nuclear war and contribute to world peace, President Carter and President Brezhnev committed themselves to take major steps to limit nuclear weapons with the objective of ultimately eliminating them, and to complete successfully other arms limitation and disarmament negotiations.

SALT. In the course of the meeting, President Carter and President Brezhnev confirmed and signed the Treaty between the U.S.A. and the U.S.S.R. on the limitation of Strategic Offensive Arms, the protocol thereto, the Joint Statement of Principles and Basic Guidelines for Subsequent Negotiations on the Limitation of Strategic Arms and the document entitled Agreed Statements and Common Understandings Regarding the Treaty between the U.S.A. and U.S.S.R. on the Limitation of Strategic Offensive Arms.

At the same time, the sides again stressed the great significance of the treaty on the limitation of antiballistic missile systems and strict compliance with its provisions and of other agreements previously concluded between them in the field of strategic arms limitation and reducing the danger of nuclear war.

Both sides express their deep satisfaction with the process of the negotiations on strategic arms limitations and the fact that their persistent efforts for many years to conclude a new treaty have been crowned with success.

This treaty sets equal ceilings on the nuclear delivery systems of both sides; to begin the process of reductions it requires the reduction of existing nuclear arms; to begin to limit the threat represented by the qualitative arms race it also places substantial constraints on the modernization of strategic offensive systems and the development of new ones.

The new Treaty on the Limitation of Strategic Offensive Arms and the protocol thereto represent a mutually acceptable balance between the interests of the sides based on the principles of equality and equal security. These documents are a substantial contribution to the prevention of nuclear war and the deepening of détente, and thus serve the interests not only of the American and Soviet peoples, but the aspirations of mankind for peace.

The two sides reaffirmed their commitment strictly to observe every provision in the treaty.

President Carter and President Brezhnev discussed questions relating to the SALT III negotiations and in this connection expressed the firm intention of the sides to act in accordance with the Joint Statement of Principles and Basic Guidelines for Subsequent Negotiations on the Limitation of Strategic Arms.

Comprehensive Test Ban Treaty—It was noted that there has been definite progress at the negotiations, in which the U.K. is also participating, on an international treaty comprehensively banning test explosions of nuclear weapons in any environment and an associated protocol. They confirmed the intention of the U.S.A. and the U.S.S.R. to work, together with the U.K., to complete preparation of this treaty as soon as possible.

Nonproliferation—The two sides reaffirmed the importance they attach to nuclear nonproliferation. They consistently advocate the further strengthening of the regime of nonproliferation of nuclear weapons and confirm their resolve to continue to comply strictly with the obligations they have assumed under the treaty on the nonproliferation of nuclear weapons.

They stressed the importance of applying comprehensive international safeguards under the International Atomic Energy Agency and pledged to continue their efforts to strengthen these safeguards.

They noted the profound threat posed to world security by the proliferation of nuclear weapons, and agreed that the states already possessing nuclear weapons bear a special responsibility to demonstrate restraint.

To this end, they affirmed their joint conviction that further efforts are needed, including on a regional basis, and expressed the hope that the conclusion of the SALT II treaty will make an important contribution toward nonproliferation objectives.

Both sides further committted themselves to close cooperation, along with other countries, to insure a successful conclusion to the nonproliferation treaty review conference in 1980, and called upon all states which have not already done so to sign and ratify the nonproliferation treaty.

Vienna Negotiations—President Carter and President Brezhnev emphasized the great importance the sides attached to the negotiations on the mutual reduction of forces and armaments and associated measures in Central Europe in which they are participating with other states. A reduction of the military forces of both sides and the implementation of associated measures in Central Europe would be a major contribution to stability and security.

A.S.A.T.—It was also agreed to continue actively searching for mutually acceptable agreement in the ongoing negotiations on antisatellite systems.

Conventional Arms Transfers—The two sides agreed that their respective representatives will meet promptly to discuss questions related to the next round of negotiations on limiting conventional arms transfers.

Chemical Weapons—The two sides reaffirmed the importance of a general, complete and verifiable prohibition of chemical weapons and agreed to intensify their efforts to prepare an agreed joint proposal for presentation to the committee on disarmament.

Radiological Weapons—President Carter and President Brezhnev were pleased to be able to confirm that bilateral agreement on major elements of a treaty banning the development, production, stockpiling and use of radiological weapons has been reached. An agreed joint proposal will be presented to the Committee on Disarmament this year.

Indian Ocean—The two sides agreed that their respective representatives will meet promptly to discuss the resumption of the talks on questions concerning arms limitation measures in the Indian Ocean.

Other Questions of Arms Limitations and General Disarmament—In discussing other questions connected with solving the problems of limiting the arms race and of disarmament, the sides expressed their support for the final document adopted at the special session of the U.N. General Assembly on disarmament.

The sides noted their support for a second special session of the U.N. General Assembly devoted to disarmament and for that session to be followed by the convocation of a world disarmament conference with universal participation, adequately prepared and at an appropriate time.

The U.S.A. and the U.S.S.R. will continue to cooperate between themselves and with other member states of the Committee on Disarmament with its enlarged membership for the purpose of working out effective steps in the field of disarmament in that forum.

In summing up the exchange of views on the state of negotiations being conducted between the U.S.A. and the U.S.S.R., or with their participation, on a number of questions connected with arms limitation and disarmament, the sides agreed to give new impetus to the joint efforts to achieve practical results at these negotiations.

III. INTERNATIONAL ISSUES

There was a broad exchange of views on major international issues. The sides expressed their support for the process of international détente which in their view should become increasingly specific in nature and spread to all areas of the globe, thus helping to promote increased international stability.

President Carter and President Brezhnev devoted particular attention to situations of tension which complicate the international situation and interfere with positive developments in other areas.

The two sides believe that all states must conduct themselves with particular responsibility and restraint in order to contribute to the elimination of present situations of tension and to prevent new ones from arising.

The two sides noted the importance of increasing international cooperation on such global issues as the promotion of worldwide economic development, the protection of the environment, and the peaceful use of space and the world ocean for the benefit of all mankind. They expressed their support for the efforts of the developing countries to deal with the problems they face.

Noting the important role of the U.N. as an instrument for maintaining peace, security and the development of international cooperation, the U.S.A. and the U.S.S.R. confirm their intention to promote the improvement of the effectiveness of this organization on the basis of the U.N. Charter.

The sides noted with satisfaction the positive developments which have taken place in recent years with respect to the situation on the European Continent. They underscored the significance of the Final Act of the Conference on Security and Cooperation in Europe.

The two sides agreed that continuation of the C.S.C.E. process is important to promote security and cooperation in Europe.

They called attention to the need for full implementation of all the provisions of the Helsinki Final Act. The U.S.A. and the U.S.S.R. will work to facilitate a constructive meeting of the representatives of the participating states of the All-European Conference, which is scheduled to take place in 1980 in Madrid.

Each side reaffirmed its interest in a just, comprehensive and lasting peace in the Middle East and set forth its position on ways and means of resolving the Middle East problem.

There was an exchange of views concerning developments in Africa.

They noted some normalization of the situation in certain areas of that continent, and the efforts of the independent states of Africa toward cooperation, economic development and peaceful relations and the positive role in this respect of the Organization of African Unity. They also indicated their respective views regarding the situation in southern Africa.

The sides recognized the importance to world peace of peace and stability in Asia. They agreed that the independence, sovereignty and territorial integrity of all nations in the area must be fully respected. They also indicated their respective views regarding the situation in Southeast Asia.

IV. COOPERATION IN BILATERAL MATTERS

The importance of cooperation between the U.S.A. and the U.S.S.R. on the basis of mutual benefit, in accordance with the agreements which exist between the two countries, was emphasized.

The sides took note of positive developments in the wide range of cultural, academic, scientific and technical exchange programs, which are continuing between the two countries.

Proceeding on the established principles of equality, reciprocity and mutual benefit as the basis for the conduct of such programs, the sides reaffirmed their commitment to continue and intensify cooperation in these areas.

The two sides confirmed that economic and commercial relations represent an important element in the development of improved bilateral ties.

Both sides stated their position in favor of strengthening these relations, and recognized the necessity of working toward the elimination of obstacles to mutually beneficial trade and financial relations.

The two sides expressed their determination to encourage the relevant organizations and enterprises in their respective countries to enter into mutually beneficial commercial agreements and contracts on a long-basis.

President Carter and President Brezhnev expressed mutual satisfaction with the results of the talks which were held.

They are convinced that the deepening of mutual understanding between the sides on several issues as a result of the meeting and the consistent implementation of the agreements which have been reached will facilitate the development of U.S.-Soviet relations and represents a joint contribution of the two countries to strengthening detente, international security and peace.

TEXT OF CARTER'S AND BREZHNEV'S REMARKS AT SIGNING OF THE TREATY

(VIENNA, June 18.—Following are the text of President Carter's remarks and the official Russian translation of Leonid I. Brezhnev's remarks at the signing of the strategic-arms treaty here today:)

STATEMENT OF MR. CARTER

The most powerful currents of history have often been the ones that swept nations to war.

Yet as we look back on the causes of so many wars, we can see times when a more watchful course, even a small careful shift, might have guided nations that much better, that much further in the ways of peace.

That is the purpose of what we have done here in Vienna.

Today, the threat of nuclear holocaust still hangs over us, as it has for more than 30 years. Our two nations are now armed with thousands of nuclear weapons, each capable of causing devastation beyond measure and beyond imagination. Several other nations now have nuclear arms, and even more have the ability to develop the same destructive power. Weapons technology has continued to advance, and so have the dangers and the obvious need to control and to regulate this arms competition.

The strategic arms-limitation talks, which have gone on for nearly 10 years without interruption, represent the realization that a nuclear-arms competition without shared rules, without verifiable limits, and without continuing dialogue is an invitation to disaster. Such an unrestrained competition would tempt the fate and the future, and would insult our intelligence and threaten the existence of humanity.

This prospect is a challenge to our courage and our creativity. If we cannot control our power to destroy, we can neither guide our fate nor preserve our future.

Like SALT I, the antiballistic-missile treaty and the limited test-ban treaty before it, this SALT II treaty is based on the real security needs of our two nations.

It will not end the continuing need for military strength and readiness on both sides. But SALT II does place important new limits on both the number and quality of nuclear arms. And it allows us to continue on course towards a safer world with even more substantial limitations and reductions in SALT III. We cannot interrupt or endanger this process.

I am entrusted with the security of the United States of America. I would never take any action that would jeopardize that sacred trust. Mr. President, we both have children and we want them to live, and to live in peace. We both have worked hard to give our own and our nations' children that security.

We realize that no one treaty, no one meeting can guarantee the safe future of our nations. In the end, peace can be won only if we have pursued it and struggled tenaciously to keep the peace all along. Yet this fight for peace has often seemed the most difficult victory to win.

Here today, as we set careful limits on our power, we draw boundaries around our fears of one another. As we begin to control our fears, we can better insure our future.

We can now continue to explore the planets. We can discover the essence of matter. We can find the power to preserve ourselves and our earth. Each of us has only one nation. We both share the same world.

Not one nation on this earth, not one people, not one human being is harmed, threatened or deprived by this victory in the battle for peace. A victory is here for all.

In our lifetime, we have learned to make war by unlocking the atom—the power of creation itself. To make peace we must limit our use of that power by sharing our courage, wisdom and faith. These fundamental strengths of humankind have brought us to this table today.

In setting our hands to this treaty, we set our nations on a safer course. We have labored long to make SALT II a safe and useful chart toward the future. Let us pledge to use this treaty as we continue our passage to peace.

STATEMENT BY MR. BREZHNEV

Just now President Carter and I have affixed our signatures to the treaty on the limitation of strategic offensive arms and the documents related to it.

This has been an event long awaited by the Soviet and American peoples, by the peoples of other countries, by all those who desire a durable peace and realize the danger of a further buildup of nuclear arsenals. In signing this treaty, we are helping to defend the most sacred right of every man—the right to live.

Many representatives of our two countries have worked long and hard to draft the treaty. I think it will be fair to specially mention the contributions made by Secretary C. Vance and Minister A. A. Gromyko, Secretary H. Brown and Minister D. F. Ustinov. President Carter and I have also had to do a good deal of work.

To act in such a way as to prevent an outbreak of nuclear war is an obligation that the Soviet Union and the United States have jointly assumed. The treaty that has been signed today reaffirms our desire to fulfill that obligation. In terms of both quantitative and qualitative limitations on strategic arms it goes far beyond the SALT I agreement. The entry into force of this treaty opens up the possibility to begin elaborating subsequent measures to not only limit but also reduce strategic arms.

A major step forward

By concluding the SALT II treaty we are making a major step forward along the road of an overall improvement of Soviet-American relations and, consequently, of the entire international climate. For the Soviet Union this is a logical continuation of the peaceful foreign-policy line defined by our party congresses, a line that we intend to go on following.

The signing of the treaty has appropriately crowned the Soviet-American summit meeting here in Vienna. On this auspicious occasion we express our sincere gratitude to the President, the Chancellor and the Government of the Austrian Republic and to the people of Austria for the warm hospitality and cordiality extended to us.

IN SUPPORT OF THE AZORES AGREEMENT

Mr. KENNEDY. Mr. President, I welcome yesterday's announcement of the extension of the 1951 Defense Agreement between the United States and Portugal. This extension is an important achievement in United States-Portuguese relations, which will contribute significantly to the southern flank of NATO.

The extension agreement grants the United States continued use of the Lajes Air Base on Terceira in the Azores through February 4, 1983. This base provides a vital link in NATO's antisubmarine capability in the Atlantic, in addition to naval reinforcement and airlift facilities. This extension will assure continued NATO capability to defend Portugal as well as the other members of the NATO alliance.

This agreement envisages $140 million in U.S. assistance to Portugal. Of this total, $80 million will be spent for economic and social development in the Azores. The remaining $60 million will provide grant military assistance to Portugal. I will support the authorization and appropriation of this money in the Congress and will urge my colleagues to do the same. These funds will be of great benefit both to the people of the Azores and to NATO as a whole.

Underlying this economic and security assistance, moreover, is the basic commitment of the United States to the political and economic well-being of a democratic Portugal. We should all welcome the substantial progress already made toward this end, and continue to do all we can to further enhance United States-Portuguese relations in the years ahead.

WILLIAM McWHORTER COCHRANE

Mr. PELL. Mr. President, I am pleased to call to the attention of this distinguished body the fact that one of its more senior staffers has been given yet further recognition of a very long and dedicated career here in the Senate of the United States.

If any Senate staff member embodies the spirit of devotion and dedication to this body and truly admires it for its values and traditions as a unique institution it is William McWhorter Cochrane.

Roll Call, the newspaper of Capitol Hill, presented its 20th annual Congressional Staff Award to Mr. Cochrane at the annual Senate Staff Club dinner-dance recently. It was awarded by Mr. Sidney Yudain, editor and publisher of Roll Call.

The plaque said the following:

> An outstanding member of the Congressional Professional Staff whose devotion to the ideals, traditions and work of the Congress and whose concern, assistance and friendly advice for those who make up the Congress, has contributed to the instillation and perpetuation of a sense of community within the Institution.

As one who considers Mr. Cochrane a very good friend and who has long admired him as a true professional in the highest sense of duty to the Senate, I am most happy, indeed, to join with the many who congratulate Mr. Cochrane for this most deserving recognition.

Mr. Cochrane is the staff director of the Senate Committee on Rules and Administration, of which I am chairman, and I am most pleased that he was in that position when I "inherited" the chairmanship.

I have known Mr. Cochrane since I first came to the Senate in 1961, when he was administrative assistant to Senator B. Everett Jordan of North Carolina, who was chairman of the Rules Committee, to which I was assigned. Many times over the years, he has been of service and help to me in his wise counsel and guidance.

At this point, I would like to have printed in the CONGRESSIONAL RECORD a copy of the remarks by Mr. Yudain, when he made the award to Mr. Cochrane—they are in a proper jocular spirit in keeping with that occasion, but, at the same time there is a deep vein of meaning and sincerity—and rollcall on "Cochrane Staffer of Year."

REMARKS BY SIDNEY YUDAIN

Tonight we honor a man who is so modest, so unaggressive, and so unassuming, that we almost asked the engraver to make the plaque out to occupant.

We didn't. We made it out to William McWhorter Cochrane, who is also one of the best known, best liked, most able and most valuable of all the professional staff in the Congress.

Bill Cochrane epitomizes the qualities that constitute everyone's highest expectations in a Congressional aide, in a human being, in a friend.

Bill holds a degree in journalism from the University of North Carolina, an LL.B. from the same institution, and an LL.M. from Yale University. While at North Carolina he was awarded the Order of the Golden Fleece, which he says has nothing to do with a well-known Wisconsin Senator. He entered the Navy—on our side—as an apprentice seaman in 1942, was released a lieutenant in 1945, after serving as deck officer on a minesweeper, participating in the invasion of Southern France, and winning all kinds of medals.

He came here in 1954 with Senator Kerr Scott of No. Carolina, served four years, then became administrative assistant to Scott's successsor, Senator B. Everett Jordan, until 1972, when he became staff director of the Senate Committee on Rules and Administration.

Bill was executive director of the Joint Committee on Inaugural Ceremonies for four Presidents.

Bill's office in the Senate Rules Committee is a combination village newspaper office and junkyard. He collects papers, clippings and books the way he collects friends. It is there that he can be found at all hours, working at his job, and, most often, counseling delegations of staffers, Senators, job-seekers, tourists, and general derelicts on their problems, and offering concrete solutions and assistance.

So now you know, if any of you are having trouble getting gas, keeping up with inflation, finding a parking space, or if your wife gives you the cold shoulder at night go see Bill. If he doesn't solve your problems, we'll take back the plaque.

Bill himself has no trouble with the gas shortage. He lives a few blocks from The Hill. As a matter of fact, he never leaves The Hill. As a matter of fact, he never leaves his office. Come to think of it, he never leaves his desk.

Bill came here from North Carolina for the proverbial one year. He's into his 25th year here, has been in the forefront of such historic controversies as the Bobby Baker hearings, the Wvman-Durkin hearings, the Ford and Rockefeller Vice Presidential hearings, and the current controversy over the Senate gas pumps.

It is with pride and pleasure that I present this bronze plaque, the 20th Roll Call Staff Award, to a man whose thorough devotion to the Senate, and in a larger sense the Congress, and whose myriad of contributions to the institution, will be marked in that body for years to come, and whose acceptance of this plaque enhances the meaning of the award.

[From Roll Call, June 21, 1979]

COCHRANE "STAFFER OF THE YEAR"

(By Sharon Geltner)

Liz Taylor Warner entered the room and the crowd burst into applause. Many of the 600 guests who had come to the annual Senate Staff Club dinner-dance pushed back their chairs and stood up for a better look.

Mrs. Warner, in a black and white caftan, headed straight for her table, center-stage. Although she did nothing to call attention to herself, all eyes were upon her.

"We've never had a celebrity like this before, one woman in a pastel dress said to her husband. "That's Liz, she's some girl, whispered another woman.

Mrs. Warner had left her table by now and she headed for the dance floor. She stood with her hand at her throat as the dancers encircled her. Some stared at her curiously, others with admiration. She smiled at them. Then it was time for the program to begin.

An invocation and the presentation of colors distracted the audience from Mrs. Warner. She stood listening to the National Anthem with her hand over her heart—her wrist draped with bracelets.

She was not the only celebrity at this banquet, but she certainly got most of the attention.

Sen. John Warner (R-Va.) was more sociable than his wife. He looked modest and embarrassed as he spoke:

"My wife, Elizabeth Taylor Warner, and I were having an argument with some friends over which was the first profession in the world," he said. "One friend suggested that doctors were first, since someone had to take out Adams rib. Another friend suggested that engineers were first since someone had to build and create. Mrs. Warner and I agreed that the first professionals were politicians since first there was chaos."

"Remember," he added, "it's nice to be important, but it's important to be nice."

The dinner-dance was also the forum for Roll Call's editor/publisher Sidney Yudain to present the 20th annual Roll Call Congressional Staff Award to William McWhorter Cochrane, the staff director of the Senate Rules and Administration Committee.

In honoring the 62-year-old Cochrane, Yudain said the 25-year-old Hill veteran was "modest, unassuming and unambitious."

"He has a real devotion to the Senate," he said.

His secretary, Mary Walker, later praised her boss. She said Cochrane is the type of man who sees anyone who comes to the office, including job seekers, cleaning people and cafeteria workers.

"You can often call him up after midnight because he is usually in the office working overtime," she said.

Cochrane's acceptance speech was short:

"I'll quit while I'm ahead, I appreciate it," he said. "Thank you very much."

After the presentation, it was on with the show. Songs by the Taylor sisters from "The Grand Ol' Opry" and by Penny Cardin. The Devron Band played into the night as Liz and John slipped away.

ROLL CALL CONGRESSIONAL STAFF AWARD

1960: Jane Bittner (Sen. Thomas Martin, Ia).

1961: Lacey Sharp (Rep. W. R. Poage,) Tex).

1962: Robert E. Case (Rep. H. R. Gross, Ia).

1963: Barbara Bengstan (Sen. Jack Miller, Ia).

1964: Anniel Cunningham (Internal Security).

1965: Clary Sochowski (Rep. Dan Rostenkowski, Ill).

1966: Henry C. Oglesby (Rep. Bonner, N.C.)

1967: Hyde Murray (House Agriculture Committee).

1968: Virginia Butler (Ways and Means).

1969: Ann Algett Sullivan (Rep. Keith Sebelius, Kans).

1970: Merrill Winslett (Sen. Spessard Holland, Fla).

1971: Rusty Schwall (House Veterans Affairs).

1972: Jean Gilligan (Rep. Vernon Thompson, Wis).

1973: Don Zahn (Rep. Hammerschmidt, Ark).

1974: Marilyn Lasser (Rep Giaimo, Conn).

1975: Herb Wadsworth (Rep. Fuqua, Fla).

1976: Pat Kelly (House Rules Committee).

1977: Fowler West (House Agriculture).

1978: Ron Martinson (Senate Sergeant-at-Arms).

1979: William Cochrane (Senate Rules and Administration).

ANNOUNCEMENT OF POSITION ON A VOTE—AMENDMENT NO. 262 TO S. 1039, THE VETERANS' ADMINISTRATION HEALTH RESOURCES AND PROGRAMS EXTENSION ACT OF 1979

Mr. LEAHY. Mr. President, I was unavoidably detained in Vermont yesterday when the Senate considered Senator Cranston's unprinted amendment No. 262 to S. 1039, the Veterans' Administration Health Resources and Programs Extension Act of 1979. If I had been here, however, I would have voted in favor of the amendment.

STATE LEGISLATORS FAVOR RATIFICATION OF THE DIRECT ELECTION AMENDMENT

Mr. BAYH. Mr. President, I call attention of the Senate to recent polls relative to the reaction of various State legislators to the proposition of direct popular vote for President.

There is a misconception that small State legislatures would not ratify this measure, and I think it would be of interest to the Senate as we prepare to look at this in some detail here to have the benefit of these polls that have been taken.

Mr. President, it is well known that public opinion polls have consistently shown about 75-percent support for adopting a constitutional amendment providing for direct popular election of the President and Vice President. Nationwide surveys such as Harris and Gallup, as well as newspaper polls and polls conducted by Senators and Congressmen of their constituencies, have produced the same overwhelming level of approval for over 10 years.

The question is sometimes raised, however, about how well the amendment would be received by State legislators since, under article V, three-fourths of the States must ratify any amendment to the Constitution. In the late 1960's, two surveys were conducted by Members of the Senate to answer that question. My distinguished colleague from North Dakota, Senator Quentin Burdick, conducted such a poll in 1966, and in 1969 Senator Robert Griffin followed with a similar study. Both surveys revealed that State legislators, like the rest of their countrymen, generally supported a direct popular election amendment.

Recently I asked the staff of the Subcommittee on the Constitution that a survey be conducted once again so that the Senate would have the benefit of the latest opinion of the members of State legislatures as Senators begin debate on Senate Joint Resolution 28. Since it was felt that the greatest reluctance to ratification of an amendment might lie in States with few electoral votes, a number of small States located in different geographic regions of the country were chosen. The question asked of each member of the legislature in these States was, "Would you, as a State legislator, vote to ratify the proposed constitutional amendment to provide for the direct popular election of the President and Vice President?"

In every State, a majority of legislators indicated they were in favor of direct election and would vote to ratify such an amendment.

Mr. President, I ask unanimous consent that the following results of this survey be printed in the Record.

There being no objection, the results were ordered to be printed in the Record, as follows:

Results of Survey of State Legislators on the Direct Popular Election of the President and Vice President[1]

[In percent]

State	Yes	Undecided	No
Alabama	63	28	9
Arkansas	70	17	13
Hawaii	72	12	16
Kansas	52	17	31
Montana	57	18	25
Nebraska	65	—	35
New Mexico	51	12	37
Oklahoma	55	12	33
Oregon	70	3	27
Rhode Island	74	17	9
South Dakota	53	21	26
Vermont	57	12	31
Washington	55	17	28
West Virginia	69	5	26
Total	61	25	14

[1] With 34 percent of State legislators responding.

FOOD FOR PEACE—25TH YEAR

Mr. LEAHY. Mr. President, I join my colleagues in acknowledging the 25th year of the Public Law 480, food-for-peace program. However, while some call for silver anniversary tributes for the program, others, like myself, ask for an overall assessment of its impact and a reevaluation of its purpose. The proposed amendment which we are considering today as part of the International Development Assistance Act, reflects some of these concerns. I endorse the amendment as a step toward clarification of the food-for-peace program, but I must also express certain reservations.

Our commitment to combating world hunger led us to pass legislation last year which resulted in the establishment of the President's Commission on World Hunger. As a member of that Commission, I have been able to study and analyze many of the issues, programs, and policies relating to food assistance programs. Certainly, market development for American agricultural products was the initial purpose of the program. Subsequent amendments, however, have sought to place greater emphasis on the development potentials of the Public Law 480 program.

These need not be conflicting goals.

Indeed, I believe, as many of my colleagues on the Commission and in the Senate believe, that the greatest potential market for U.S. products—both agricultural and otherwise—be realized by eradicating the ubiquitous poverty which persists throughout the world. The basic causes of world hunger are not scarcity of foodstuffs or overpopulation, but rather, poor people's lack of access to resources which would allow them to grow or buy their own food.

Self-sufficient agriculture is fast becoming the development goal of the next decade. Unfortunately, U.S. food-aid has sometimes, if not often, been accused of delaying increased agricultural production in recipient countries. In some countries, importation of U.S. foodstuffs "relieves" host country governments from seriously assessing and attacking their own agricultural production problems. In others, U.S. goods have actually competed with local crops in local markets, thereby creating disincentives for local production. To the extent that this occurs, it must be stopped.

I, therefore, urge this body to instruct the agencies responsible for Public Law 480—both AID and USDA—to adopt several specific guidelines in implementing the food-for-peace program. While similar recommendations are contained in the amendment now before us, I call for even stronger language.

These guidelines should: First, require host country governments to illustrate their commitments to self-reliant agriculture in viable development projects; second, require a determination of demonstrated need for current imported food-aid to assure that no displacement or disincentive to local production occurs; and third, guarantee, when a need for U.S. food-aid has been established, that it reaches the intended "poor" beneficiaries first, rather than the relatively privileged population groups in the recipient country.

Mr. President, in conclusion, I return briefly to the market development question which has camouflaged other pertinent issues for too long—not only undercutting our foreign assistance, but also our foreign policy, as well as our own domestic agriculture and domestic hunger. "Bushels for barrels" is becoming something of a grassroots slogan as the price and scarcity of oil increase dramatically. The time has arrived to seriously assess our own agricultural system which produces surplus grains—requiring market development for disposal—but which also is highly energy intensive.

I will not pursue the specific issues of domestic agricultural policy such as small farmer viability, appropriate technology adaptation, crop diversification, and so forth, but I must raise the point that agricultural policy reassessment need not be limited to other "food poor" nations—indeed, if we are to require that other countries seriously assess their agricultural policies and programs, it is imperative that we do the same here at home.

THE REAL SOVIET VIEW OF SALT II

Mr. HELMS. Mr. President, last night as I heard the President make his eloquent plea for peace, I could not help wondering whether the Soviets were listening, really listening to what our President was saying.

I share the President's patience and his hope that the pattern of war might be broken forever; I do not share his view that SALT II will contribute in any way to the breaking of that pattern. Nor do I believe that the Soviets share it either.

And that is the crucial point, Mr. President. If the Soviets do not share our President's vision, if they do not believe that SALT II is an instrument for securing peace, then SALT II will inevitably lead to the further decline of our influence, and become an invitation to war.

Now, I do not know what the Soviets really think. I do know, however, what they have been saying in the context of the SALT II signing, and I know what they are also saying among themselves—in the Soviet press and the professional Soviet journals. These statements are especially important because, as we know, the Soviet media is completely controlled by the Party, and nothing appears in it which does not conform to what the rulers of Russia want their people to know and to believe. The Soviet press is, in effect, an action memo for the Soviet people.

So let us not look at the statements directed to the United States for propaganda purposes; to understand the Soviet mind, we must look at the statements directed to the Soviet people.

For instance, the March 1979 issue of Communist of the Armed Forces quoted verbatim a remark of L. I. Brezhnev published in Pravda of March 31, 1971, to the effect that:

> The complete victory of the cause of socialism in the whole world is inevitable. And we shall not spare our efforts to achieve this triumph.

A year before this statement was made, in 1970, Col. M. P. Skirdo, a leading Soviet military theoretician wrote in his authoritative work "The People, the Army, the Commander" that the mission of the Soviet armed forces was "to secure military technical superiority over the adversary" (p. 216). Prior to that, I. Kapitonov, member of the Politburo and Secretary of the CC CPSU declared that "our party remains faithful to the legacy of Lenin. To realize to the maximum revolution in one country and to develop, to support and to arouse revolution in all countries." (Pravda, April 23, 1969).

Lenin was an excellent strategist and his teaching is still very much taken into account, "not as a dogma, but as a guide to action" as Col. A. A. Azovtsev, another leading military theoretician repeats in his work on "Lenin and Military Doctrine, 1971" (p. 286). It was Lenin who first brought out the idea of achieving by "peaceful" means what the Soviet Union, very weak in his time, could not achieve by force. The policy was so successful that under the name of "peaceful coexistence" it is still being followed.

But what do the Soviets mean by "peaceful coexistence?"

Let us remember that SALT II is being sold to us, to the free world, as an essential condition for "peaceful coexistence"—according to our own understanding of these words.

Indeed, "peaceful coexistence" has become a key expression in our relations with the Soviet Union. Hardly a Soviet statement fails to mention it. And nothing could sound more optimistic and hopeful. The general public is naturally inclined to take these words at face value, to believe, even in the face of evidence to the contrary, that those who use them so freely as a basis to their program, whatever that is, must be of good faith.

It is indeed tragic that semantics should thus play a major part in misleading the people of the free world. For the Soviet Union has consistently attached a meaning to peaceful coexistence which is far different from the one it has for us.

For instance, the Soviet Military Encyclopedia in volume 5 (1978, p. 320) defines peaceful coexistence as a "specific form of class warfare". An open letter of the CC CPSU dated July 14, 1963 and published in USSR Foreign Policy at a New Stage (Moscow, 1964, p. 7) states that "peaceful coexistence should be considered as class warfare on the international arena".

Scientific Communism—A Dictionary (1969) edited by no less a personage than Academician M. R. Rumpantsev, terms peaceful coexistence "one of the forms of warfare of two opposing socioeconomic systems on the international arena"—Its main objectives according to this Dictionary, are first to "avoid nuclear war," which would leave no sound economic basis on which to build socialism, and second, "to create the most favorable conditions for the development of world revolutionary process" these include the "best conditions for the development of class and national-liberation wars" (p. 176). As peaceful coexistence thrives, "the role and significance of ideological warfare, an integral part of the world revolutionary process, also grows" (p. 177).

Indeed, as the Soviet Military Encyclopedia candidly states, "efforts to establish peaceful coexistence in relations between states create international conditions favorable to the development of revolutionary and national-liberation movements". (v. 5, 1978, p. 320)

"Peace is not the legalization of imperialism, but its undermining" writes O. V. Nesmenov even more candidly in Marxism-Leninism and the Strategy of Peace (Moscow, 1970, p. 243).

One could go on and on. All down the years, the undermining process continues unabated, its ultimate objectives never forgotten. The present view of the teachings of Lenin as presented in an editorial in Pravda of June 8, 1979, devoted to extolling the seventh volume of L. I. Brezhnev's collected Works (1977–78 period) may be seen in a new light on the basis of the above texts. Commenting on Brezhnev's preference for peaceful solutions to the international problems (with particular reference to SALT II) the author stresses that this approach "is precisely the approach which distinguishes our foreign policy based on Lenin's principles of peaceful coexistence that were creatively developed by the CPSU with regard to historical conditions".

In viewing the Soviet point of view about SALT II it may be useful to recall the consistency of its "peaceful coexistence" policy, "the main objective" of which "is to avoid nuclear war that would destroy not only millions of lives but also bring about—precisely in the most developed countries of the globe—a gigantic annihilation of productive forces, that is, the destruction of the economic basis without which any talk about the construction of socialism is nothing more than utopia." ("Scientific Communism—A Dictionary," p. 176, 1969.)

In other words one cannot help concluding that the Soviet Union considers it in its best interests to first disarm the free world and then to conquer it through nuclear blackmail. In this connection it should perhaps be recalled that back in 1966, the Communist of the Armed Forces (October issue) listed total disarmament among the three principal means of breaking down the military establishment of capitalist countries. The other two were direct military action and internal disintegration.

In view of the above, one can understand the eagerness of the Soviet Union to conclude agreements on disarmament. "Disarmament, elimination of the danger of war, is the cornerstone of the entire international activity of the U.S.S.R. and of fraternal Socialist countries," writes Pravda on June 6, 1979. "This document (SALT II) now in the final stages of preparation will undoubtedly become the most important act to be undertaken in the name of limitation of the race in nuclear weapons," stated Brezhnev on Hungarian television on June 1, 1979. (Krasnaya Zvezda (Red Star) June 2, 1979.)

"The cause of detente progresses, but one cannot remain satisfied with what has been achieved," writes Pravda on May 19, 1979. Repeatedly the Soviet press mentions the need to "initiate in the near future negotiations and agreements on practical means of a nature that would contribute to increased mutual confidence in Europe, to weaken military confrontation and subsequently to reduce the concentration of armed forces and armaments on the continent" (Pravda, May 19, Izvestiya, May 17, 1979).

The Warsaw Pact countries are brought into play. "For this purpose," states a May 16 communique of the Conference of the Committee of the Ministers of Foreign Affairs of the Warsaw Pact countries, "the governments represented at the Conference propose to call a conference on a political level with the participation of all European countries, the USA and Canada . . . as early as in 1979". (Izvestiya, May 17, 1979). And on June 8, 1979, when Pravda mentioned the approaching date of SALT–II, it added: "But, after its signing, . . . it will be possible to pass on to the following stage. This would be a real turning point on the road to military détente."

Meanwhile, peaceloving remarks and moves notwithstanding, articles in Vestnik Protivovozdushnoy Oborony (Feb. 1979) (Air Defense Herald) and Morskoy Sbornik (Naval Review) (April 1979) state in almost identical terms that "our steps toward peace must be accompanied by the most intensive total military preparedness". As one reads Soviet publications, one cannot help feeling a note of urgency in matters dealing with military affairs, coupled with an increasingly outspoken realization of growing military might and near, if not already present, superiority over the West.

It may be dangerous for the security of the West that peaceful coexistence has apparently proven so successful not only in its primary, but also in its other objectives, such as the national liberation movements, now openly admitted to be of largely communist inspiration and guidance.

"The strength of the Soviet state is soildly linked with the strength of other Socialist countries. The joint power of these countries include the fight for peace of Communist and workers and national-liberation movement, of all progressive forces. That is why it has become possible to eliminate world war from the life of society even before the disappearance of capitalism" writes B. N. Pomomarev, Candidate to the Politburo, Secretary of the CC CPSU and a leading Soviet theoretician. (Problemy mira in sotsializma (Problems of the World and of Socialism), February 1979. pp. 13–15.

"Communist and workers parties are now active in 90 countries of the world and group in their ranks more than 67 million people, writes Morskoy Sbornik (Naval Review of April 1979, p. 5).

Communist involvement in recent revolutions around the world are openly proclaimed and credited to international revolutionary solidarity, to proletarian internationalism. Of course such involvements date from long ago. China in 1927, Spain in 1936, Hungary in 1956, Czechoslovakia in 1948. But an editorial in Morskoy Sbornik (April 1979) waxes almost lyrical in describing the role of international revolutionary solidarity without which "the Cuban revolution would not have survived. Without the common efforts of comrades in warfare, the revolution in Angola would have been suppressed. Without proletarian internationalism, imperialism would have drowned in blood and destroyed the Ethiopian revolution. Without the fraternal proletarian assistance, the people of Vietnam would not have succeeded in defeating American imperialism. True to the ideals of Lenin, the CPSU, always supported and supports the principle of proletarian internationalism." The author also mentions elsewhere that peoples democratic revolutions are now developing in many liberated countries that assume an increasingly socialistic orientation. Example are Angola, Ethiopia, Afghanistan, Kampuchea.

In view of these advances of communism, the Communist of the Armed Forces of April 1979 (p. 6) notes with some justification that "one of the principal characteristics of our times is the * * * dynamic development of the world of socialism, the continuous growth of its * * * influence on the international situation. The unification of Vietnam, the social revolution in Laos, the victory of socialist forces and of democracy in Kampuchea * * * has made the socialist commonwealth of peoples even larger, more powerful * * *"

Against this unchecked advance of communism, and this could also include the situation in Iran, in the Near East, and in the Persian Gulf, in Africa, in South Americas and in the Pacific and Indian Ocean, it is small wonder that the Soviets are beginning to consider the West as declining in power and prestige—with the all logical consequences as to their reactions to this development.

The policy of peaceful coexistence indeed appears to have paid off handsomely so far. "As a result of changes that have occurred on the world arena in favor of socialism, principles of peaceful coexistence . . . are being implanted always more solidly in international affairs as being the only realistic and reasonable ones," writes V Soldatov in an article on SALT II published in Izvestiya of May 23, 1979.

In an article entitled "The Power Factor in the Global Strategy of the World" in the SSHA (USA) monthly published by the Institute of United States and Canada of the Soviet Academy of Sciences and which is headed by Yuriy Arbatov, a habitue of Washington Government circles, V. F. Petrov writes: "The growth of the military power of the Soviet Union, the establishment of a strategic balance, the loss of invulnerability of U.S. territory, force American leading circles to manifest a certain prudence in the handling of military power, particularly of its nuclear-missile manifestation."

Yet the author fears that "the matter of utilization of military force has not been completely removed from the agenda of U.S. foreign policy. American foreign policy strives hard to find ways and means to increase the flexibility, range and effectiveness of the utilization of military power in its global strategy, stubbornly ignoring the fact that in conditions of the present strategic situation of the world, an increase in military potential does not at all increase the possibility of its practical application."

Should Americans interpret this last statement as a threat of a preemptive strike in case we wake up in time and start arming in earnest?

Speaking in the same deprecatory tone, political commentator V. Kudryavtsev writes in the May 25, 1979, issue of Izvestiya in connection with Africa Liberation Day, that "events in Africa show that imperialists are forced, under the pressure of realities to adapt themselves to the situation created as a result of events over which they have no control. One must again recall the disappearance of Portugal's colonial empire from the map of Africa, and the emergence in its place of progressive Mozambique and Angola that have now joined 'front-line' governments and form the closest rear of the fighting peoples of Zimbabwe, Mamibia and South Africa. This alone has forced the imperialists to change their tactics, to adapt to new conditions."

But disarmament is not sufficient for the Soviet Union. The free world should not even discuss the danger presented by the U.S.S.R. "One of the important conditions to avoid international conflicts in conditions of peaceful coexistence * * * is not to permit propaganda that would damage the cause of peace, psychological war," writes A. A. Kovalev in the April 1979 issue of SSHA (USA) monthly in an article entitled "Escalation of detent and deescalation of conflicts." "The Soviet Union," he continues, "draws a sharp line between such propaganda and ideological warfare"—that is, the war of ideas—that in the words of Brezhnev "will not cease in conditions of peaceful coexistence of governments with different social structures." Where propaganda ends and ideological warfare begins is of course a matter of speculation, largely one of who it is who does what. But the Soviet Military Encyclopedia states expressly that "peaceful coexistence does not extend to the area of ideology." (v.5.1978, p. 320).

While confidently expecting the ratification of SALT II, the Soviet press nevertheless expects resistance on the part of a number of legislators and also the introduction of "unacceptable" amendments, but a correspondent of Pravda wrote on June 7 that he had been told by a Senator that "if the administration insisted enough, ratification could be obtained."

The correspondent voiced the possibility that during the ratification procedure, "long-pending problems of U.S.-U.S.S.R. relations" would also be discussed. In this way, he said, "matters concerning U.S.-U.S.S.R. cooperation could become part of the legislative activity of the 96th Congress."

As one reads Soviet publications on international and military affairs, it becomes increasingly evident that any talk of parity, any talk of actions that have already been labeled "appeasement," with a power that is becoming increasingly intoxicated with its global successes is highly dangerous. It is a process which cuts away at the foundations of our security.

I hope that the President is not listening only to what the Soviets say to him. I hope that he is listening to what the Soviets are saying to their own people. I believe that it gives us a profound insight into the meaning and destiny of SALT II.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Marks, one of his secretaries.

PROPOSED TRADE AGREEMENTS ACT OF 1979—MESSAGE FROM THE PRESIDENT—PM 81

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with accompanying papers, which was referred to the Committee on Finance:

To the Congress of the United States:

I am today transmitting to the Congress, pursuant to Section 102 of the Trade Act of 1974, the texts of the trade agreements negotiated in the Tokyo Round of the Multilateral Trade Negotiations and entered into in Geneva on April 12, 1979.

With these agreements, I am submitting the proposed Trade Agreements Act of 1979, which will revise domestic law as required or appropriate to implement the Geneva agreements, and fulfill our international commitment.

These agreements offer new opportunities for all Americans.

—For American farmers, the agreements expand world markets for American farm products.

—For American workers, the agreements offer more jobs, higher incomes, and more effective responses to unfair foreign competition.

—For American businesses, the agreements will open major new markets overseas for American products.

—For American consumers, the agreements will make available a wider choice of goods at better prices.

In short, the agreements mean a stronger, more prosperous, more competitive American economy. They mean lower inflation rates and a more favorable balance of trade.

These agreements bring to a successful conclusion the most ambitious and comprehensive effort undertaken by the international community since World War II to revise the rules of international trade and to achieve a fairer, more open, world trading system. They come at a time when intense pressures around the world threaten to disrupt the international trading system.

Representatives of ninety-nine nations worked for five years to reduce or remove thousands of specific barriers to trade—including both tariff and nontariff barriers—and to develop new rules which will govern the international trading system in the coming decades.

Since World War II, a period of remarkable trade expansion, our experience teaches us that international trade brings strength and growth to economies throughout the world. It serves the cause of peace by enriching the lives of people everywhere.

By responding to the needs of today's rapidly changing world economy, these agreements ensure that growing prosperity and growing interdependence through increased trade will continue to benefit all nations.

World trade has expanded more than six-fold since completion of the Kennedy round of trade negotiations in 1967, and now exceeds $1.3 trillion annually.

Our nation is much more heavily dependent on trade than in the past. Today, one of every three acres in America produces food or fiber for export. One of every seven manufacturing jobs in our country depends on exports.

Economic interdependence will continue to increase in the future—and so will our opportunities.

Approval and implementation by the Congress of the Tokyo round agreements will be the first important step toward realizing those opportunities by building a solid foundation for continued strong growth of trade. The package assembled under the direction of Robert Strauss, my Special Trade Representative, is an achievement which represents vast potential for the American economy.

The most important achievement of the Tokyo round is a series of codes of conduct regulating nontariff barriers to trade. The code agreements are described more fully in the attachments to this message. Also attached is a statement of administrative action detailing executive branch implementation of these laws. These agreements will accomplish the following:

—Codes on subsidies and countervailing duties and on anti-dumping will limit trade distortions arising from such practices, and will give signatories to the agreements the right to challenge and counteract such practices when they cause material injury or breach agreed rules.

—An agreement on technical barriers to trade will require countries to use fair and open procedures in adopting product standards.

—An agreement on government procurement will open purchases by all signatory governments to bids from foreign producers.

—An agreement on customs valuation will encourage predictable and uniform practices for appraising imports for the purpose of assessing import duties.

—An agreement on import licensing will reduce unnecessary or unduly complicated licensing requirements.

—An agreement on civil aircraft will provide a basis for fairer trade in this important U.S. export sector.

—In the agricultural sector, specific product concessions from our trading partners and international commodity arrangements will enhance export opportunities. An agreement on a multilateral agricultural framework will provide a forum for future consultations on problems arising in agricultural trade.

—Tariff reductions have been carefully negotiated in close consultation with American industry and labor, and will be phased in over the next eight years.

Agreements on the international trading framework will accomplish the following:

—tighten procedures for handling international trade disputes,

—respond to the needs of developing countries in a fair and balanced manner, while increasing their level of responsible participation in the trading system,

—modernize the international rules applicable to trade measures that can be taken in response to balance-of-payments emergencies,

—provide a basis for examining the existing international rules on export and import restraints.

The agreements meet the major objectives and directives of the Trade Act of 1974. They provide new opportunities for U.S. exports. They help fight inflation by assuring access to lower-cost goods for both U.S. consumers and U.S. industries. They strengthen our ability to meet unfair foreign trade practices, and assure that U.S. trade concessions are matched by reciprocal trade benefits for U.S. goods.

Throughout the negotiating process, these talks were conducted with an unprecedented degree of participation and advice from Congress, American industrial and agricultural communities, labor, and consumers alike.

Through continued cooperation and aggressive application and enforcement of the provisions of these agreements, we can ensure a fair and open international trading system, and usher in a new era of effective joint efforts by business, labor and government.

These agreements will make it possible for us to demonstrate, through vigorous and peaceful action, that the free enterprise system of the United States is the best economic system in the world now and in the future. They are also a central element in my program to stimulate domestic economic growth, to control inflation, and to expand our exports.

Therefore, in the interest of strengthening our economy and the international trading system, I urge immediate approval and implementation of the Tokyo Round Agreements by the Congress.

JIMMY CARTER.

THE WHITE HOUSE, *June 19, 1979.*

PRESIDENTIAL APPROVAL

A message from the President of the United States reported that on today, June 19, 1979, he had approved and signed the following act:

S. 199. An act to amend the Shipping Act, 1916, to strengthen the provisions prohibiting rebating practices in the U.S. foreign trades.

MESSAGES FROM THE HOUSE

At 12:11 p.m., a message from the House of Representatives delivered by Mr. Berry, one of its reading clerks, announced that the House has passed the following bill, in which it request the concurrence of the Senate:

H.R. 4391. An act making appropriations for military construction for the Department of Defense for the fiscal year ending September 30, 1980, and for other purposes.

ENROLLED BILL SIGNED

The message also announced that the Speaker has signed the following enrolled bill:

S. 869. An act to amend section 207 of title 18, United States Code.

The enrolled bill was subsequently signed by the President pro tempore (Mr. MAGNUSON).

HOUSE BILL REFERRED

The following bill was read twice by its title and referred as indicated:

H.R. 4391. An act making appropriations for military construction for the Department of Defense for the fiscal year ending September 30, 1980, and for other purposes; to the Committee on Appropriations.

ENROLLED BILL PRESENTED

The Secretary of the Senate reported that on today, June 19, 1979, he presented to the President of the United States the following enrolled bill:

S. 869. An act to amend section 207 of title 18, United States Code.

COMMUNICATIONS

The PRESIDING OFFICER laid before the Senate the following communications, together with accompanying reports, documents, and papers, which were referred as indicated:

EC-1622. A communication from the Assistant Secretary of Defense (Comptroller), transmitting, pursuant to law, contract award information amending the report covering the period May 15, 1979 to August 15, 1979; to the Committee on Armed Services.

EC-1623. A communication from the Chairman, National Transportation Safety Board, transmitting a draft of proposed legislation to amend the Independent Safety Board Act of 1974, as amended, to authorize additional appropriations, and for other purposes; to the Committee on Commerce, Science, and Transportation.

EC-1624. A communication from the Secretary of Commerce, transmitting a draft of proposed legislation to amend section 105 of Title II, United States Code; to the Committee on Commerce, Science, and Transportation.

EC-1625. A communication from the Secretary of the Interior, transmitting, pursuant to law, a proposed 5-year leasing plan as required by section 18 of the OCS Lands Act, as amended; to the Committee on Energy and Natural Resources.

EC-1626. A communication from the General Counsel of the Department of Energy, transmitting, pursuant to law, notices of meetings relating to the International Energy Program; to the Committee on Energy and Natural Resources.

EC-1627. A communication from the Secretary of the Interior, transmitting, pursuant to law, a report on the status, as of May 15, 1979, of a land exchange between the United States, the State of Alaska, and Cook Inlet Region Incorporated; to the Committee on Energy and Natural Resources.

EC-1628. A communication from the Chairman of the Advisory Council on Historic Preservation, transmitting, pursuant to law, the annual report of the Advisory Council on Historic Preservation for fiscal year 1978; to the Committee on Energy and Natural Resources.

EC-1629. A communication from the Acting Administrator of the General Services Administration, transmitting, pursuant to law, a report on the results of the study on the feasibility and need for construction of a Federal building in the Queens-Jamaica area of New York City; to the Committee on Environment and Public Works.

EC-1630. A communication from the Acting Administrator of the General Services Administration, transmitting, pursuant to law, a copy of its report to the United States District Court for the District of Columbia of February 14, 1979, which includes proposed amended public access regulations implementing section 104 of the Presidential Recordings and Materials Preservation Act; to the Committee on Governmental Affairs.

EC-1631. A communication from the Assistant Secretary of Transporation for Administration transmitting pursuant to law, a proposed new system of records in the Department of Transportation; to the Committee on Governmental Affairs.

EC-1632. A communication from the Director, National Science Foundation, transmitting, pursuant to law, the statistical portion of the report entitled "Federal Support to Universities, Colleges, and Selected Nonprofit Institutions, Fiscal Year 1977"; to the Committee on Labor and Human Resources.

EC-1633. A communication from the Acting Secretary of Health, Education, and Welfare, transmitting a draft of proposed legislation to raise the ceiling on special allowance payments to lenders holding Guaranteed Student Loans for the three-month periods ending June 30, 1979, and September 30, 1979; to the Committee on Labor and Human Resources.

PETITIONS

The PRESIDING OFFICER laid before the Senate the following petitions and memorials, which were referred as indicated:

POM-303. A resolution adopted by the Legislature of the State of Massachusetts; to the Committee on Energy and Natural Resources:

"RESOLUTION

"Whereas, the Alaska Highway Natural Gas Pipeline is in serious difficulty and appears that it will not be completed according to present plan; and

"Whereas, the United States of America is facing the most serious energy crisis in its national history; and

"Whereas, there is a growing conviction among oil industry analysts and federal officials that the Alaska highway natural gas pipeline is reaching a point where substantial federal monies be committed in order to bring it to an early completion; and

"Whereas, the Alaska Highway Natural Gas Pipeline is an essential part of the national energy plan to provide sufficient gas to the United States from the State of Alaska; and

"Whereas, the recent Iranian oil situation has brought to light a new awareness of the need for reliable domestic energy sources; and

"Whereas, the Federal Energy Regulatory Commission was to have resolved certain essential matters required for the completion of the project by June, 1978, and the Department of the Interior has not completed this study for such necessary resolutions; now, therefore be it

"Resolved, that the Massachusetts Senate urgently requests the President of the United States to take immediate action to complete the Alaska Highway Natural Gas Pipeline; and be it further

"Resolved, that the members of the Congress from the Commonwealth be urged to present legislation immediately to insure the earliest possible completion date for the Alaska Highway Natural Gas Pipeline; and be it further

"Resolved, that copies of these resolutions be transmitted by the clerk of the Senate to the President of the United States, the Chairman of the Federal Energy Regulatory Commission, and to the members of Congress from this Commonwealth."

POM-304. A joint resolution adopted by the Legislature of the State of California; to the Committee on Foreign Relations:

"ASSEMBLY JOINT RESOLUTION No. 32

"Whereas, Israel and Egypt have ended 30 years of hostility, signed a peace treaty, and embarked upon a new and peaceful relationship; and

"Whereas, Both nations have taken exceptional risks and burdens upon themselves in order to implement the peace agreement; and

"Whereas, The Israeli-Egyptian Treaty serves the American national interest by promoting peace and stability in the Middle East; and

"Whereas, United States economic assistance for Egypt will serve to improve the standard of living of her people and thereby help to stabilize the region; and

"Whereas, The peoples of both nations have borne the cost of defense and now carry a heavy burden to assure the peace; now, therefore, be it

"Resolved by the Assembly and Senate of the State of California, jointly, That the Legislature of the State of California respectfully memorializes the President and Con-

gress to provide economic assistance to both Israel and Egypt in the understanding that such aid will represent a prudent and essential investment in the cause of peace; and be it further

"*Resolved*, That the Chief Clerk of the Assembly transmit copies of this resolution to the President and Vice President of the United States, to the Speaker of the House of Representatives, and to each Senator and Representative from California in the Congress of the United States."

POM-305. A concurrent resolution adopted by the Legislature of the State of Delaware; to the Committee on Labor and Human Resources:

"House Concurrent Resolution 71

"Whereas, the Jobs for Delaware Graduates, Inc., Program devised by Governor Pierre S. du Pont IV requires startup money totaling $4 million to be used to help find jobs for potentially unemployed high school graduates; and

"Whereas, on Tuesday, June 5, 1979, Governor du Pont, members of the 130th General Assembly, and other state officials went to Washington to confer with Vice President Walter Mondale and representatives of the United States Department of Labor; and

"Whereas, the delegation was cordially received and Vice President Mondale and Governor du Pont signed an agreement at the White House under which the federal government will make $2.5 million available for this first-of-a-kind program designed to find work for approximately 2,500 students in each of the next two senior classes in Delaware; and

"Whereas, the Jobs for Delaware Graduates, Inc., Program is a private-public venture in which business, education, government and labor will cooperate; and

"Whereas, details of the program were provided for the Vice President and his staff at the meeting; and

"Whereas, the promise of a $2.5 million grant from the federal government was gratefully received by Governor du Pont and the delegation because it assures, with legislative cooperation, that the program will start on schedule with the senior classes of 1980;

"Now therefore:

"Be it resolved by the House of Representatives of the 130th General Assembly of Delaware, the Senate concurring, that we thank Vice President Walter Mondale and Assistant Secretary of Labor Ernest Green, acting on behalf of the federal government, for making $2.5 million available for the Jobs for Delaware Graduates Inc. Program.

"Be it further resolved that copies of this resolution be sent to Vice President Mondale, Mr. Green, and to the members of the Delaware Congressional Delegation, United States Senator William V. Roth, United States Senator Joseph R. Biden, Jr., and United States Representative Thomas B. Evans, Jr."

POM-306. A resolution adopted by the New Jersey State Federation of Women's Clubs 85th Convention, New Brunswick, N.J., to place PCP in schedule 1 and set stiffer penalties; to the Committee on the Judiciary.

POM-307. A resolution adopted by the city council of the city of Thousand Oaks, Calif., regarding construction grant funding for water reclamation projects; to the Committee on Environment and Public Works.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. CHURCH, from the Committee on Foreign Relations:

Special Report pursuant to section 302 (b) of the Congressional Budget Act of 1974 (Rept. No. 96-225).

Mr. CHURCH. Mr. President, on behalf of the Committee on Foreign Relations, I submit a report in compliance with the provisions of section 302(b) of the Congressional Budget Act of 1974.

The PRESIDING OFFICER. The report will be received and printed.

By Mr. NUNN, from the Committee on Armed Services, with an amendment and an amendment to the title:

S. 109. A bill to require the reinstitution of procedures for the registration of certain persons under the Military Selective Service Act, and for other purposes (together with additional and minority views) (Rept. No. 96-226).

By Mr. LONG, from the Committee on Finance:

Special Report on Allocation of Budget Totals, Fiscal Years 1979 and 1980 (Rept. No. 96-227).

By Mr. MAGNUSON, from the Committee on Appropriations:

Special Report entitled "Allocation to Subcommittees of Budget Totals from the Third Concurrent Resolution for Fiscal Year 1979" (Rept. No. 96-228).

Special Report entitled "Allocation to Subcommittees of Budget Totals from the First Concurrent Resolution for Fiscal Year 1980 (Rept. No. 96-229).

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. JOHNSTON (for himself, Mr. Jackson, Mr. Domenici, and Mr. Ford):

S. 1371. A bill to establish energy supply targets to the year 2000 and to establish procedure for an annual review and update of these targets; to the Committee on Energy and Natural Resources.

By Mr. COCHRAN:

S. 1372. A bill to amend the Internal Revenue Code of 1954 to provide an exclusion for income earned abroad attributable to certain charitable services; to the Committee on Finance.

By Mr. PELL:

S. 1373. A bill to authorize the Commissioner of Education to provide financial assistantce to States for use in expanding educational programs in juvenile and adult correctional institutions to assist in the rehabilitation of criminal offenders, and for other purposes; to the Committee on Labor and Human Resources.

By Mr. HATFIELD:

S. 1374. A bill for the relief of Lynn Rufus Pereira; to the Committee on the Judiciary.

By Mr. COHEN:

S. 1375. A bill for the relief of Pandelis Perdikis; to the Committee on the Judiciary.

By Mr. LONG (for himself, Mr. Ribicoff, Mr. Moynihan, Mr. Heinz, Mr. Dole, Mr. Danforth, Mr. Chafee, Mr. Roth, Mr. Durenberger, Mr. Packwood, Mr. Javits, Mr. Jepsen, Mr. Gravel, Mr. Bentsen, Mr. Matsunaga, Mr. Boren, Mr. Morgan, Mr. Bradley, and Mr. Baucus):

S. 1376. A bill to improve and implement the trade agreements negotiated under the Trade Act of 1974, and for other purposes; to the Committee on Finance.

By Mr. DOMENICI (for himself, Mr. Ribicoff, Mr. Hatfield, Mr. Johnston, Mr. Stevens, Mr. Sasser, Mr. Moynihan, Mr. Stone, Mr. Randolph, and Mr. Nelson):

S. 1377. A bill to establish the Synthetic Fuels and Alternate Fuels Production Authority, a Government corporation with the authority to provide financing and economic assistance for those sectors of the national economy which are important to the development of domestic sources and the conservation of energy and the attainment of energy independence for the United States in a manner consistent with the protection of the environment; to improve Federal Government operations so as to assist in the expediting of regulatory procedures which affect energy development, and for other purposes; to the Committee on Energy and Natural Resources.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. JOHNSTON (for himself, Mr. Jackson, Mr. Domenici, and Mr. Ford):

S. 1371. A bill to establish energy supply targets to the year 2000 and to establish procedure for an annual review and update of these targets; to the Committee on Energy and Natural Resources.

DOMESTIC ENERGY POLICY ACT OF 1979

● Mr. JOHNSTON. Mr. President, today I am introducing the Domestic Energy Policy Act. This is not a long bill, but I believe that it addresses one of the central difficulties with our present mechanism for dealing with energy policy. That is the absence of any comprehensive, definitive debate which forces the choices on the nature of our energy goals and the methods we will use to achieve them.

Looking backward, we have a relatively simple way to assess what the results of our energy policy were. These results can be summarized in the form of a set of energy supply and energy consumption figures. The results for 1977 are displayed in the following table:

Table.—*U.S. energy supply and consumption*

(Quadrillion BTU's/year) [1]

	1977
Supply:	
Domestic production:	
Crude oil and NGL [2]	20
Natural gas	19
Coal	15
Nuclear	3
Hydro, solar and geothermal [3]	4
Total	61
Imports:	
Oil	18
Gas	1
Coal	−1
Total	18
Total supply [4]	78
Consumption:	
End-use consumption:	
Oil	33
Gas	17
Coal	4
Electricity	7
Decentralized solar and other [3]	2
Total	62
Conversion losses	16
Total consumption	78

[1] Totals may not add due to rounding.

[2] Includes shale.

[3] Includes 1.8 quads of biomass not currently included in DOE statistics.

[4] Net of refinery losses.

This table shows our heavy dependence on fossil fuels and on oil imports. It shows our relatively low dependence on coal, nuclear and solar energy, sources which, although their supply potential is large, are nevertheless not extensively used. The table shows low domestic production of oil relative to consumption and, consequently, high oil imports. In fact, it shows that our total consumption of energy significantly exceeds domestic production of energy, but that this imbalance is nearly entirely made up by imported oil.

In many ways this table summarizes our energy policy in a nutshell. Moreover, the way in which these numbers change in the future will determine where we go in energy. To the extent we try to control how these numbers change, we will be taking responsibility for our energy future. I submit that we are not doing that now.

The Domestic Energy Policy Act requires the President to submit, annually, a set of targets for these numbers for specific years in the future. These energy targets, taken together, constitute the administrations view of where our energy policy is taking us. These targets would be accompanied by a detailed plan setting forth the assumptions and actions which are associated with this energy future.

The act then requires the Congress to consider these targets in detail, to debate them, to amend them, if necessary, and to arrive at a consensus set of figures—figures which balance supply and consumption—representing the Nation's energy future. This consensus would be formalized by a joint resolution setting forth the specific energy targets involved in that future.

No legislative action authorizing new budget authority in any year for energy programs would be in order in any House of Congress until that House had gone through the discipline of this debate and adopted energy targets.

In this way, the hard choices about the energy policy of the nation would be made before each year of debate on major energy expenditures.

In title VIII of the DOE Organization Act of 1977 the Congress mandated that the President transmit to Congress biennially a proposed national Energy policy plan that sets energy production and conservation objectives for periods of 5 and 10 years. Pursuant to this legislation the President recently transmitted the National Energy Plan II to the Congress for our consideration.

I am convinced that it is not enough to simply receive a national energy plan such as NEP II and to proclaim that this is the blueprint for the Nation's energy future without any debate or action by the Congress. DOE Organization Act refers to the NEP II as a "proposed" plan. Without congressional approval of a plan proposed by the President it simply cannot be said that this is the national energy plan.

For this reason the National Energy Policy Act not only requires the President to submit a set of specific national energy supply and demand targets to the Congress along with a plan to achieve them, it also requires the Congress to consider these targets and to formally adopt them with a joint resolution establishing them as the energy goals of the Nation.

What I am attempting to promote is a serious congressional review of these energy targets, and, in fact, a national debate on them. Once Congress adopted a set of national energy supply and demand targets and the President signed the joint resolution, these targets will represent as good a political consensus of where we are headed in energy policy as one could hope for.

The bill as introduced contains in section 5 a specific set of proposed budgets for the years 1980, 1985, 1990, 1995, and 2000. These proposed targets have been developed by the Department of Energy in connection with National Energy Plan II. They represent the administration's projections of energy supply and demand assuming enactment of the President's NEP II proposals, including the decontrol of domestic crude oil, and mid-range increases in world oil prices.

The assumptions of NEP II, particularly the assumptions about the rate of increase in world oil prices, may have already been overtaken by events. In any event, the presence of these specific proposed targets in the bill as introduced does not imply that the sponsors of the bill necessarily approve of each of these numbers or that we necessarily think that the energy future they set forth is likely or desirable. They simply represent a convenient place to begin the debate.

If NEP II were subjected to such scrutiny by the Congress there is no doubt that considerable debate would ensue. That debate is not now required, and we are the poorer for it. In fact, we have no orderly mechanism to achieve the consensus this country so desperately needs in energy policy. The fashioning of such a consensus is the purpose of the Domestic Energy Policy Act. I intend to work for its early enactment in this Congress so that the process of developing a comprehensive set of energy targets can begin in 1979.

Mr. President, I ask unanimous consent that the text of the bill and a section-by-section-by-section analysis of the Domestic Energy Policy Act be printed in the Record.

There being no objection, the bill and analysis were ordered to be printed in the Record, as follows:

S. 1371

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Domestic Energy Policy Act of 1979".

FINDINGS

Sec. 2. The Congress finds that—

(1) the United States faces an increasing shortage of energy;

(2) this energy shortage and our increasing dependence on foreign energy supplies present drastic threats to the economy and national security of the United States and to the health, safety and welfare of its citizens;

(3) a strong national energy program is needed to meet the present and future energy needs of the Nation consistent with overall national economic, environmental and social goals;

(4) the likelihood of development of such a program is presently substantially reduced because no comprehensive consideration of the Nation's energy needs and the methods of meeting those needs is required as a part of the energy policy process;

(5) unless the Congress establishes and regularly reviews and revises, as necessary, the energy targets of the Nation no definitive decisionmaking by Congress will be possible with respect to future energy consumption and supply patterns.

PURPOSE

Sec. 3. The Congress declares that establishment of the Nation's future energy targets is in the public interest and will promote the general welfare by assuring coordinated development and effective administration of Federal energy policy. It is the purpose of this Act—

(1) to establish a set of energy targets for the years 1980, 1985, 1990, 1995, and 2000;

(2) to update these targets annually, taking into account changes in circumstances;

(3) to provide for a mechanism through which a coordinated national energy policy can be formulated to deal with the short-, mid- and long-term energy problems of the Nation, including programs stimulating domestic energy production and offsetting shortages of imported energy supplies; and

(4) to require submission of a plan for the coordination, and management of a balanced and comprehensive energy program, including—

(A) requirements for energy research, development and demonstration in order to meet the energy targets established under this Act;

(B) priorities necessary to meet those requirements;

(C) programs for the development of the various forms of energy production and for energy conservation; and

(D) information resulting from such programs, including information on the commercial feasibility and use of energy from fossil, nuclear, solar, geothermal, and other energy technologies.

DEFINITIONS

Sec. 4. As used in this Act the term—

(1) "crude oil and NGL" includes liquid products obtained from lease operations, field facilities and natural gas processing plants and liquid petroleum obtained from shale, tarsands and coal;

(2) "natural gas" includes gaseous hydrocarbons obtained from coal;

(3) "renewables" includes energy or fuel derived directly from sunlight or from biomass, wood or other plant or animal wastes and hydropower;

(4) "end use consumption" includes exports of fuel or electricity;

(5) "decentralized renewables" excludes the production of electricity for delivery to multiple points of end-use consumption through an electric power grid network;

(6) "conversion loss" includes heat or other forms of energy not recovered in the conversion of raw energy resources, fuels or electricity into alternate form prior to delivery for end use consumption;

(7) "designated energy form" means one of the categories of energy production, imports or end-use consumption for which targets are established in section 5;

(8) "technology demonstration" means a commitment by the Federal Government of funds, tax incentives, regulatory actions or other assistance to the demonstration of a particular technique for producing, recovering, converting or consuming energy; and

(9) "cost per barrel of crude oil equivalent" means with respect to the cost of producing energy by any technique the cost of producting 5.8 million Btu's of energy by such technique.

ENERGY TARGETS

Sec. 5. The United States energy targets for the years 1980, 1985, 1990, 1995 and 2000 are established as follows:

ENERGY TARGETS

[Quadrillion Btu's per year]

	1980	1985	1990	1995	2000
Domestic production:					
Crude oil and NGL	20	22	22	21	21
Natural gas	19	18	18	19	18
Coal	17	22	27	32	38
Nuclear	4	6	9	13	16
Renewables	5	6	7	8	10
Subtotal	65	74	83	93	103
Imports:					
Crude oil and refined petroleum	22	18	19	19	18
Natural gas	1	2	2	2	2
Coal	−1	−2	−2	−2	−2
Subtotal	22	18	19	19	17
Total supply	86	92	102	110	119

	1980	1985	1990	1995	2000
End-use consumption:					
Petroleum liquids	35	34	34	34	35
Natural gas	17	19	19	21	22
Direct coal	5	5	7	8	9
Electricity	8	9	11	13	14
Decentralized renewables	2	2	3	4	5
Subtotal	67	69	74	79	84
Conversion loss	19	22	27	31	35
Total consumption	86	92	102	110	119

ANNUAL ENERGY REPORT

SEC. 6. (a) The President is directed to submit an annual energy report to Congress no later than January 31 of each year. Such report shall contain a review of the energy targets approved or revised by Congress in the previous year and any recommendations to the Congress for further revision of such targets and in addition:

(1) the actual and projected (as applicable) domestic end-use consumption, imports and domestic production (in quadrillion Btu's), by designated energy form, for the year preceding the current year, the current year, and the year following the current year,

(2) the projected domestic end-use consumption, imports and domestic production (in quadrillion Btu's) by designated energy form for the years 1980, 1985, 1990, 1995, and 2000 to the extent these years are not addressed under paragraph (1),

(3) if the year previous to the current year is one for which targets are established under section 5, and if any such target is not achieved in that year, then the reasons therefor, and

(4) if the figures obtained under paragraph (1) regarding the actual domestic end-use consumption, imports, and domestic production for the year preceding the current year are significantly different from the corresponding figures that were obtained in the year two years preceding the current year as projected domestic end-use consumption, imports, and domestic production for the year preceding the current year, then the reasons therefor.

(b) The first report prepared under this section and any subsequent report (if such subsequent report contains proposed changes in any energy target) shall include a plan which shall—

(1) identify energy production, consumption and conservation programs necessary to achieve the energy targets (or proposed revisions thereof) of the United States;

(2) identify the strategies that should be followed and the resources that should be committed to implement the programs under paragraph (1);

(3) describe any differences between the plan contained in such report and the plan or plans developed pursuant to title VIII of the Department of Energy Organization Act (42 U.S.C. 7321); and

(4) recommend legislative and administrative actions necessary to achieve the energy targets (or proposed revisions thereof) including recommendations on taxes or tax incentives, Federal assistance, regulatory actions, antitrust policy, foreign policy and international trade policy.

(c) The report under subsection (b) shall include—

(1) whatever data and analysis are necessary to support the objectives, resource needs, and policy recommendations contained in such plan;

(2) a summary of energy research and development efforts and energy technology demonstrations funded by the Federal Government;

(3) a review and appraisal of the adequacy and appropriateness of procedures and practices (including competitive and regulatory practices) employed by Federal, State, and local governments and nongovernmental entities to achieve the purposes of such plan; and

(4) an assessment of the cost effectiveness of each planned technology demonstration, including a summary sheet, containing at the minimum the following information:

(A) a description of the technology to be demonstrated;

(B) the cost of the technology demonstration in total, and in each year;

(C) practical limits on the amount of energy to be produced by such technology;

(D) the cost per barrel of crude oil equivalent of the energy produced by the technology demonstration and such cost at the time when the technology is commercialized; and

(E) a brief description of special problems associated with the project, such as environmental or transportation problems.

CONSIDERATION BY CONGRESS

SEC. 7. (a) Any review and proposed revision of energy targets under section 6 (a) and the plan under section 6 (b) shall be transmitted to Congress and referred to the Committee on Energy and Natural Resources in the Senate and to the appropriate committees in the House of Representatives.

(b) Each such Committee shall review the established energy targets each year and, on or before May 15 of such year, report to the Senate or House of Representatives, as the case may be, a joint resolution prescribing any changes in the established targets or reaffirming such targets.

(c) It shall not be in order in any fiscal year in either House of Congress to consider any bill or resolution (or amendment thereto) which provides new budget authority in subsequent fiscal years for programs within the jurisdiction of the Department of Energy or any successor thereto until such joint resolution has been agreed to by such House.

(d) (1) Debate in the Senate on any such joint resolution and all amendments thereto and debatable motions and appeals in connection therewith, shall be limited to not more than 20 hours. The time shall be equally divided between, and controlled by, the majority leader and the minority leader or their designees.

(2) Debate in the Senate on any amendment shall be limited to 1 hour, to be equally divided between, and controlled by, the mover and the manager and debate on any amendment to an amendment, debatable motion, or appeal shall be limited to ½ hour, to be equally divided between, and controlled by, the mover and the manager except that in the event the manager is in favor of any such amendment, motion, or appeal, the time in opposition thereto shall be controlled by the minority leader or his designee. No amendment that is not germane to the provisions shall be received. Such leaders or either of them, may, from the time under their control on the passage of the joint resolution allot additional time to any Senator during the consideration of any amendment, debatable motion, or appeal.

(3) A motion to further limit debate is not debatable. A motion to recommit (except a motion to recommit with instructions to report back within a specified number of days, not to exceed 3, not counting any day on which the Senate is not in session is not in order. Debate on any such motion to recommit shall be limited to 1 hour, to be equally divided between, and controlled by, the mover and the manager.

(4) Notwithstanding any other rule, an amendment or series of amendments proposed in the Senate shall always be in order if such amendment or series of amendments proposes to change any figure or figures then contained in such joint resolution so as to make such mathematically consistent or so as to maintain such consistency.

(e) (1) When the appropriate Committees of the House of Representatives have reported any such joint resolution, it is in order at any time after the tenth day (excluding Saturdays, Sundays, and legal holidays) following the day on which the report upon such resolution has been available to Members of the House (even though a previous motion to the same effect has been disagreed to) to move to proceed to the consideration of such joint resolution. The motion is highly privileged and is not debatable. An amendment to the motion is not in order, and it is not in order to move to reconsider the vote by which the motion is agreed to or disagreed to.

(2) General debate on any joint resolution on the energy targets in the House of Representatives shall be limited to not more than 20 hours, which shall be divided equally between the majority and minority parties. A motion further to limit debate is not debatable. A motion to recommit the joint resolution is not in order, and it is not in order to move to reconsider the vote by which the joint resolution is agreed to or disagreed to.

(3) Consideration of any joint resolution on the energy targets by the House of Representatives shall be in the Committee of the Whole, and the resolution shall be read for amendment under the five-minute rule in accordance with the applicable provisions of rule XXIII of the Rules of the House of Representatives. After the Committee rises and reports the resolution back to the House, the previous question shall be considered as ordered on the resolution and any amendments thereto to final passage without intervening motion; except that it shall be in order at any time prior to final passage

(notwithstanding any other rule or provision of law) to adopt an amendment (or a series of amendments) changing any figure or figures in the resolution as so reported to the extent necessary to achieve mathematical consistency.

(4) Debate in the House of Representatives on the conference report or such joint resolution shall be limited to not more than 5 hours, which shall be divided equally between the majority and minority parties. A motion further to limit debate is not debatable. A motion to recommit the conference report is not in order, and it is not in order to move to reconsider the vote by which the conference report is agreed to or disagreed to.

(5) Motions to postpone, made with respect to the consideration of any joint resolution on the energy targets and motions to proceed to the consideration of other business, shall be decided without debate.

(6) Appeals from the decisions of the Chair relating to the application of the Rules of the House of Representatives to the procedure relating to any joint resolution on energy targets shall be decided without debate.

ENERGY IMPACT REPORTS

SEC. 8. The President shall prepare for each bill or resolution of a public character that is reported by any Committee of the House of Representatives or the Senate, or any rulemaking by any agency or executive order by the President, and submit to the jurisdictional Committees handling energy matters in the House and Senate:

(1) an estimate of the impact of such bill, resolution, rulemaking or order on the energy targets; and

(2) such estimate shall be submitted and included in any report accompanying such bill or resolution, rulemaking or order.

RELATIONSHIP TO THE NATIONAL ENVIRONMENTAL POLICY ACT

SEC. 9. Preparation and transmittal of energy targets, under section 6(a), review and proposed revision under section 6(a) and plans under section 6(b) to the Congress shall not be considered to be "a major Federal action significantly affecting the environment" within the meaning of section 102(2) (c) of the National Environmental Policy Act of 1969 (83 Stat. 85) and an environmental impact statement need not be prepared on energy targets, revisions thereof or any plan submitted under section 6(b).

SECTION-BY-SECTION ANALYSIS OF THE "DOMESTIC ENERGY POLICY ACT"

Sec. 2. Findings.

Sec. 3. Purpose.

Sec. 4. Definitions.

This section provides definitions for the terms "crude oil and NGL", "natural gas", "renewables", "end-use consumption", "decentralized renewables", "conversion loss", "designated energy form", "technology demonstration", and "cost per barrel of crude oil equivalent".

Sec. 5. Energy Targets.

This section establishes energy supply and demand targets in quadrillion Btu's per year for the United States for the years 1980, 1985, 1990, 1995, and 2000. The supply targets are established for specific forms of domestic energy production, in particular, for crude oil and NGL, natural gas, coal, nuclear, and renewables. In addition there are supply targets for imported energy resources, namely, crude oil and refined petroleum, natural gas, and coal. Negative values indicate an export of that energy, resource. The demand targets are established for forms of end-use consumption, namely, petroleum liquids, natural gas, direct coal, electricity, and decentralized renewables. Finally, conversion losses, representing energy lost in the conversion of one form of energy to another, are included so that the sum of supply targets will equal the sum of the demand targets for any specified year.

Sec. 6. Annual Energy Report.

Under subsection (a) the President is required to submit to the Congress by January 31 of each year an energy report. This report will contain a number of items. First, it must include a review of the energy targets that the Congress has approved, including any revised energy targets approved by Congress. Second, the President may include any recommendations he has for revision of the approved targets. Third, (under paragraph (1)) the report will include the actual energy supply and demand figures by designated energy form for the United States for the past year and the projected energy supply and demand figures for the United States for the year in which the report is submitted and for the following calendar year.

Fourth, under paragraph (2), the report must include the Administration's projections for U.S. energy supply and demand for the remaining target years.

Fifth, if the previous year was one for which targets are set and if the actual supply and demand figures for that year indicate that the target was not achieved, then the reasons for this discrepancy must be enumerated.

Sixth (under paragraph (4)), *actual* energy supply and demand figures are compared for the same year with the corresponding *projected* energy supply and demand figures that were obtained the year before. The intent here is to gauge the quality of the projections of energy supply and demand.

Under subsection (b) the first annual report must include a plan to achieve the approved targets and identification of the strategies and resources to be used to implement the plan and any recommendations for legislative or administrative actions that are necessary to achieve the targets. In subsequent years, such a plan must be included in the annual report to support any proposed changes in the targets. Finally, the President must describe any differences between the plan contained in his annual report under this Act and the proposed plans he develops under title VIII of the Department of Energy Organization Act.

Subsection (c) enumerates other supporting data, analysis, and information that must be included in the annual report.

Sec. 7. Consideration by Congress.

Subsection (a) provides that the President's proposed revision of energy targets, the review, and the plan described above must be transmitted to Congress and referred to House and Senate Committees named.

Subsection (b) provides that after consideration of the matter referred to them, the named committees shall report a joint resolution to their respective Houses which will prescribe the energy targets for the United States.

Subsection (c) is the sanction in this legislation as it provides that neither House may consider any legislation that provides new budget authority to the Department of Energy until the joint resolution is agreed to by that House.

Subsection (d) prescribes procedures for the Senate's consideration of the joint resolution, so as to limit debate on the joint resolution and on any amendment thereto.

Subsection (e) prescribes procedures for the consideration by the House of the joint resolution, including provision for limited debate.

Sec. 8. Energy Impact Reports.

This section requires the President to prepare an energy impact report on any bill or resolution of a public character that any committee of the House or Senate reports. This report will give an estimate of the impact of such legislation on the energy targets established under this Act. Furthermore, this estimate must be included in any Committee report accompanying the legislation.

Sec. 9. Relationship to Other Law.

This section provides that the preparation and transmittal of energy targets will not be a major Federal action significantly affecting the environment within the meaning of the National Environmental Policy Act, so that no environmental impact statement need be prepared.●

By Mr. PELL:

S. 1373. A bill to authorize the Commissioner of Education to provide financial assistance to States for use in expanding educational programs in juvenile and adult correctional institutions to assist in the rehabilitation of criminal offenders, and for other purposes; to the Committee on Labor and Human Resources.

FEDERAL CORRECTIONAL EDUCATION ASSISTANCE ACT

● Mr. PELL. Mr. President, I am introducing today legislation entitled the Federal Correctional Education Assistance Act. If enacted, this legislation would authorize $50 million a year for a 3-year period not only to upgrade existing educational programs but also to begin new educational initiatives in correctional institutions throughout our Nation.

The need for a new emphasis on corrections education is overwhelming. A 1973 study among all State and Federal prisoners demonstrated that 23 percent had less than a sixth grade education, and that nearly 50 percent had less than a tenth grade education.

This situation reaches truly tragic proportions, however, only when the prisoner is released and seeks to reenter society. The stark reality is that the unemployment rate among ex-offenders is three times the rate for the general public, and those that do find jobs often work in low-income, semiskilled positions.

Further, of approximately 75,000 persons released from State and Federal prisons annually, 40 percent are convicted anew within 3 years. Among juveniles, it is even worse, with the rate of recidivism reaching as high as 80 percent.

Chief Justice Warren Burger provided perhaps the most alarming assessment when he said recently:

> A majority of the inmates cannot read or write. If they remain that way, the prospects of returning to prison are greatly increased. We need do no more than look to our recidivist rate and speculate on what kind of business could survive if it turned out products with as high a "recall" rate as we experience in American prisons.

If our prisons had no educational programs, if they made no effort in areas such as basic skills, vocational training, and college instruction, then the problem might be an easy one to remedy. But that clearly is not the case.

Prison instruction actually has a long history beginnnig in the 1700's with training in the Scriptures provided by churchwomen in New England. Vocational education in prisons began in the mid-1800's, but there was little financial support available and no attempt to follow up on the results. By the early part of this century, education in prisons was becoming familiar, even though it was limited primarily to elementary and secondary programs. Since the end of the decade of the sixties there has been an encouraging growth in the education programs offered within a corrections setting. By 1973, 81 percent of all State prisons had vocational and academic programs of high school level and less, while 67 percent offered some college-level instruction. According to the Law Enforcement Assistance Administration in a 1974 survey, 89 percent of the institutions offered remedial instruction and 65 percent had programs that offered a college degree.

The problem, therefore, is not simply the lack of education programs. In numbers they exist. It is instead the lack of a strong commitment both in the variety and scope of educational programs and in the funding of corrections education in general that constitutes the very serious crisis with which we are confronted.

According to Alvin J. Bronstein, executive director of the national prison project of the American Civil Liberties Union, of the current corrections budget of approximately $1 billion annually, more than $900 million goes for control and security, and less than $100 million for all training and rehabilitation. Other estimates assert that 80 to 90 percent of all prison budgets are for custody, buildings, and maintenance, while 10 to 20 percent are reserved for all prison programs—education, counseling, drug treatment, psychological therapy, and the like.

In fiscal year 1976 the Federal Bureau of Prisons calculated that it spent $21.62 per day on each incarcerated person. Of this amount, $19.11—or 83.4 percent—went for inmate care—food and clothing—institutional maintenance, and general administrative costs. Only 85 cents—or 3.7 percent—went for education services.

Further, about one-half of all inmates are unable to participate in vocational training either because of their lack of aptitude and interest or because of their inability to meet minimum academic requirements.

Even when inmates do receive educational training, the situation is not all that encouraging. The results of a 1974 survey indicated that 20 percent of all inmates are assisted in obtaining employment by special job programs or persons in the institution. Most employment for released inmates is obtained through the efforts of friends or relatives.

Also, even though the wardens of the surveyed institutions estimated that 70 percent of the prisoners need additional job skills in order to obtain steady employment upon their release from custody, they estimate that only 34 percent will probably acquire sufficient job skills during their incarceration.

We are thus confronted with a situation in which the lack of a strong financial support for corrections education has left us with an educational program that is inadequate to the task at hand.

The bill I am introducing would do much to alleviate the present crisis. If fully funded, it would mark a 50-percent increase in financial support for non-custodial, maintenance, and administrative functions. It would make this money available for programs such as basic skills education, fine arts, postsecondary instruction, vocational training, and library development and services. In addition, funding could be provided for guidance and counseling to better prepare the inmate for the adjustments necessary in reentering society, for supportive services with an emphasis on job placement, and for cooperative training and employment programs with private business. This range of program assistance reflects the need not only for intensified training in the more traditional areas of educational instruction but also for combining such training with direct help to enable the inmate to obtain a job and to become an adjusted, productive citizen upon release.

This legislation would also place corrections education entirely in the hands of educators. Grants would be made by the U.S. Commissioner of Education to State education agencies, which in turn would have full responsibility for program implementation. This step would meet an important need identified in the book "School Behind Bars" by the Syracuse University Research Corp. It stated:

> Until the goals of an essentially educational program are defined in basically educational terms by persons who are primarily educators, the destiny of correctional education will remain poorly defined and its role will be largely that of serving the correctional system rather than the student.

The provisions of this act would also make funds available for the training of teacher personnel in corrections education. This requires not only proficiency in a particular subject matter but special training in areas such as social education, reading instruction, and abnormal psychology as well.

Without this legislation corrections education will remain a stepchild in terms of Federal educational assistance. It will continue to be relegated to the position of having to locate bits and pieces of funding from a variety of sources, none of which place a priority on meeting the educational needs of the inmate. This act would change that. It would provide a direct source of funding specifically for programs in corrections education.

Since their inception in this country, there has been no single widely accepted goal for prisons. Punishment, incapacitation, deterrence, and sometimes rehabilitation—all are part of what we have seen as the function of prisons within our society. Enactment of this legislation would mean the end of a halting commitment to rehabilitation. And, it would mark the beginning of a commitment to insure that the offender upon release from prison has the opportunity, the skills and the supportive assistance necessary to become a productive member of this society.

Mr. President, I look forward to this bill's being referred to the Committee on Labor and Human Resources so that the Subcommittee on Education, Arts, and Humanities might have the opportunity to hold hearings on this most important matter. I ask unanimous consent that the text of this legislation be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1373

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Federal Correctional Education Assistance Act".

FINDINGS AND DECLARATION OF PURPOSE

SEC. 2. (a) The Congress finds that—

(1) existing educational programs in juvenile and adult correctional institutions are inadequate to meet the need of accused individuals or convicted offenders;

(2) State and local educational agencies and other public and private nonprofit agencies do not have the financial resources needed to respond to the increasing need of the correctional system for appropriate institutional and noninstitutional educational services for accused individuals and convicted criminal offenders;

(3) education is important to, and makes a significant contribution to, the adjustment of individuals in society; and

(4) there is a growing need for immediate action by the Federal Government to assist State and local educational programs for criminal offenders in correctional institutions.

(b) It is, therefore, the purpose of this Act to provide financial assistance to the States to carry out educational programs for criminal offenders in correctional institutions.

DEFINITIONS

SEC. 3. As used in this Act—

(1) "criminal offender" means any individual who is charged with or convicted of any criminal offense, including a youth offender or a juvenile offender;

(2) "correctional institution" means any—

(A) prison,

(B) jail,

(C) reformatory,

(D) work farm,

(E) detention center, or

(F) halfway house, community-based rehabilitation center, or any other similar institution designed for the confinement or rehabilitation of criminal offenders;

(3) "commissioner" means the Commissioner of Education;

(4) "State" means any State of the United States, the District of Columbia, and the Commonwealth of Puerto Rico; and

(5) "State educational agency" means the State board of education or other agency or officer primarily responsible for the State supervision of public elementary and secondary schools, or, if there is no such officer or agency, an officer or agency designated by the Governor or by State law.

AUTHORIZATION

SEC. 4. (a)(1) There is authorized to be appropriated $50,000,000 for the fiscal year 1980, and for each succeeding fiscal year ending prior to October 1, 1982, to enable the Commissioner to make grants to States in accordance with the provisions of this Act.

(2) Funds appropriated for any fiscal year may remain available until expended.

(b) The Commissioner is authorized to make grants to State educational agencies and to make grants for programs of national significance in accordance with the provisions of this Act.

ALLOCATION

SEC. 5. (a) (1) In each fiscal year in which the funds appropriated pursuant to section 4(a) exceed $15,000,000 the Commissioner shall reserve 3 percent of the funds appropriated for carrying out section 8.

(2) From the sums appropriated pursuant to section 4(a) in each fiscal year in which paragraph (1) does not apply and from the remainder of the sums appropriated pursuant to section 4(a) for each fiscal year in which paragraph (1) does apply, the Commissioner shall allocate to each State $100,000 plus an amount which bears the same ratio to such sums or to such remainder, as the case may be, as population of the State in correctional institutions for the year preceding the year for which the determination is made bears to the population of all States in correctional institutions for such year.

(b) The amount by which any allotment of a State for a fiscal year under subsection (a) exceeds the amount which the Commissioner determines will be required for such fiscal year for applications approved under section 7 within such State shall be available for reallotment to other States in proportion to the original allotments to such States under subsection (a) for that year, but with such proportionate amount for any such State being reduced to the extent it exceeds the sums the Commissioner estimates such State needs and will be able to use for such year. The total of such reduction shall be similarly reallotted among the States whose proportionate amounts were not so reduced. Any amount reallotted to a State under this subsection during a fiscal year shall be deemed part of its allotment under subsection (a) for such year.

(c) No sums appropriated pursuant to section 4(a) shall be used for purposes inconsistent with the Juvenile Justice and Delinquency Prevention Act of 1974.

USES OF FUNDS

SEC. 6. Grants made under this Act to States may be used, in accordance with applications approved under section 7, for the cost of educational programs for criminal offenders in correctional institutions, including—

(1) academic programs for—

(A) basic education with special emphasis on reading, writing, vocabulary, and arithmetic;

(B) special education programs as defined by State law;

(C) bilingual or bicultural programs for members of minority groups;

(D) secondary school credit programs;

(E) postsecondary programs;

(F) fine arts programs;

(G) recreation and health programs; and

(H) curriculum development for the programs described in this paragraph;

(2) standard and innovative vocational training programs;

(3) library development and library service programs;

(4) training for teacher personnel specializing in correctional education, particularly training in social education, reading instruction, and abnormal psychology;

(5) educational release programs for criminal offenders, with special attention given to vocational work release training programs;

(6) in guidance programs, including testing, preparation, and maintenance of the records for criminal offenders, counseling, psychological evaluation, and placement services;

(7) supportive services for criminal offenders, with special emphasis upon job placement services and coordination of educational services with other agencies furnishing services to criminal offenders after their release; and

(8) cooperative programs with business concerns designed to provide job training for criminal offenders.

APPLICATION

SEC. 7. (a) A State desiring to receive a grant under this Act shall submit an application to the Commissioner containing or accompanied by such information as the Commissioner deems reasonably necessary, with such annual revisions as are necessary. Each such application shall—

(1) provide that the programs and projects for which assistance under this Act is sought will be administered by, or under the supervision of, the State educational agency;

(2) set forth a program for carrying out the purposes set forth in section 6 and provide for such methods of administration as are necessary for the proper and efficient operation of the program;

(3) provide assurances that no person with responsibilities in the operation of such program will discriminate with respect to any program participant or any employee in such program because of race, color, creed, national origin, sex, political affiliation or beliefs;

(4) provide assurances that funds received under this Act will be used only to supplement, and to the extent practical increase, the level of funds that would, in absence of such Federal funds, be made available from regular non-Federal sources for the purposes described in section 6, and in no case may such funds be used to supplant funds from non-Federal sources; and

(5) provide for a three-year report to the Office of Education containing a description of the activities assisted under this Act together with a description of evaluation programs designed to test the effectiveness of education programs assisted under this Act.

(b) Each application made under this Act may be approved by the Commissioner if the Commissioner determines that the application meets the requirements set forth in this Act.

PROGRAMS OF NATIONAL SIGNIFICANCE

SEC. 8. (a) From funds reserved pursuant to section 5(a)(1), the Commissioner is authorized to make grants to State and local educational agencies, institutions of higher education, State correctional agencies, and other public and private nonprofit organizations and institutions to meet the costs of programs of national significance which the Commissioner determines give promise of improving the education of criminal offenders.

(b) No grant may be made under this section unless an application is made to the Commissioner at such time, in such manner, and containing such information as the Commissioner deems reasonably necessary.

LIMITATION ON AVAILABILITY OF FUNDS

SEC. 9. In any fiscal year in which funds are appropriated for this Act, no funds may be made available under part J of title III of the Elementary and Secondary Education Act of 1965 relating to correction education.

PAYMENTS AND WITHHOLDING

SEC. 10. (a) The Commissioner shall pay to each State which has an application approved under this Act an amount equal to the cost of an application approved under section 7(b) or section 8(b).

(b) Whenever the Commissioner, after giving reasonable notice and opportunity for hearing to a State under this Act, finds—

(1) that the program or project for which assistance under this Act was made has been so changed that it no longer complies with the provisions of this Act; or

(2) that in the operation of the program or project there is failure to comply substantially with any such provision;

the Commissioner shall notify such State or grantee, as the case may be, of the findings and no further payments may be made to such State or grantee, as the case may be, by the Commissioner until the Commissioner is satisfied that such noncompliance has been, or will promptly be, corrected. The Commissioner may authorize the continuance of payments with respect to any projects pursuant to this Act which are being carried out by a State and which are not involved in the noncompliance.●

By Mr. LONG (for himself, Mr. RIBICOFF, Mr. MOYNIHAN, Mr. HEINZ, Mr. DOLE, Mr. DANFORTH, Mr. CHAFEE, Mr. ROTH, Mr. DURENBERGER, Mr. PACKWOOD, Mr. JAVITS, Mr. JEPSEN, Mr. GRAVEL, Mr. BENTSEN, Mr. MATSUNAGA, Mr. BOREN, Mr. MORGAN, Mr. BRADLEY, and Mr. BAUCUS):

S. 1376. A bill to improve and implement the trade agreements negotiated under the Trade Act of 1974, and for other purposes; to the Committee on Finance.

(The remarks of Mr. LONG when he introduced the bill appear elsewhere in today's proceedings.)

By Mr. DOMENICI (for himself, Mr. RIBICOFF, Mr. HATFIELD, Mr. JOHNSTON, Mr. STEVENS, Mr. SASSER, Mr. MOYNIHAN, Mr. STONE, Mr. RANDOLPH, and Mr. NELSON):

S. 1377. A bill to establish the Synthetic Fuels and Alternate Fuels Production Authority, a Government corporation with the authority to provide financing and economic assistance for those sectors of the national economy which are important to the development of domestic sources and the conservation of energy and the attainment of energy independence for the United States in a manner consistent with the protection of the environment; to improve Federal Government operations so as to assist in the expediting of regulatory procedures which affect energy development, and for other purposes; to the Committee on Energy and Natural Resources.

(The remarks of Mr. DOMENICI when he introduced the bill appear earlier in today's proceedings.)

ADDITIONAL COSPONSORS

S. 79

At the request of Mr. HELMS, the Senator from Florida (Mr. STONE) was added as a cosponsor of S. 79, a bill to delete the repeal of the nonbusiness deduction of State and local gasoline taxes.

S. 770

At the request of Mr. CHURCH, the Senator from North Dakota (Mr. BURDICK) was added as a cosponsor of S. 770, a bill to abolish trading in potato futures on commodity exchanges.

S. 816

At the request of Mr. HAYAKAWA, the Senator from Idaho (Mr. MCCLURE) was added as a cosponsor of S. 816, the social security for Aliens bill.

S. 1081

At the request of Mr. COHEN, the Senator from Pennsylvania (Mr. HEINZ) was added as a cosponsor of S. 1081, a bill to terminate the authorization for the Dickey-Lincoln school project, St. John River, Maine.

S. 1268

At the request of Mr. BAYH, the Senator from Rhode Island (Mr. PELL) was added as a cosponsor of S. 1268, the Gasohol Marketing Freedom Act.

S. 1269

At the request of Mr. SCHWEIKER, the Senator from Mississippi (Mr. COCHRAN), the Senator from Maine (Mr. COHEN), the Senator from South Dakota (Mr. MCGOVERN), the Senator from Vermont (Mr. STAFFORD), the Senator from Minnesota (Mr. DURENBERGER), the Senator from Rhode Island (Mr. PELL), and the Senator from West Virginia (Mr. RANDOLPH) were added as cosponsors of S. 1269, a bill to amend the Urban Mass Transportation Assistance Act of 1964 with respect to reduced fare ridership for elderly or handicapped persons.

SENATE JOINT RESOLUTION 85

At the request of Mr. SCHWEIKER, the Senator from Maryland (Mr. SARBANES) was added as a cosponsor of Senate Joint Resolution 85, the National Meals on Wheels Week resolution.

SENATE RESOLUTION 184

At the request of Mr. HELMS, the Senator from Florida (Mr. STONE) and the Senator from South Dakota (Mr. MCGOVERN) were added as cosponsors of Senate Resolution 184, expressing the sense of the Senate with respect to the matter of Josef Mengele.

SENATE CONCURRENT RESOLUTION 27

At the request of Mr. DOLE, the Senator from Pennsylvania (Mr. HEINZ) and the Senator from Texas (Mr. TOWER) were added as cosponsors of Senate Concurrent Resolution 27, calling for closer cooperation between the United States, Canada, and Mexico in energy matters.

AMENDMENT NO. 215

At the request of Mr. STONE, the Senator from Idaho (Mr. CHURCH), the Senator from Mississippi (Mr. COCHRAN), the Senator from Kansas (Mr. DOLE), the Senator from North Carolina (Mr. HELMS), the Senator from Indiana (Mr. LUGAR), the Senator from South Dakota (Mr. MCGOVERN), the Senator from Montana (Mr. MELCHER), the Senator from North Carolina (Mr. MORGAN), the Senator from Alabama (Mr. STEWART), the Senator from Georgia (Mr. TALMADGE), and the Senator from Nebraska (Mr. ZORINSKY) were added as cosponsors of amendment No. 215 intended to be proposed to S. 1174, a bill to amend the Agricultural Trade Development and Assistance Act of 1954 to increase the uses and effect of U.S. food aid.

SENATE RESOLUTION 188—SUBMISSION OF A RESOLUTION RELATING TO TRANSITIONAL RULES GOVERNING USE OF TAX-EXEMPT STATE AND MUNICIPAL BONDS KNOWN AS MORTGAGE BONDS

Mr. GRAVEL submitted the following resolution, which was referred to the Committee on Finance:

S. RES. 188

(1) Any amendments to section 103 of the Internal Revenue Code of 1954 pertaining to exemptions from Federal income tax on interest on obligations, the proceeds of which are to be used to provide mortgages on owner-occupied and multifamily residences, shall not apply to obligations whose issuance qualifies pursuant to the following transitional rules:

(A) With respect to issues the proceeds of which are to be used to provide mortgages on owner-occupied residences—

(i) Bonds or other tax-exempt obligations may be issued for projects if, prior to April 25, 1979, certain official actions indicating an intent to issue such bonds had occurred. A qualifying official action includes:

(a) authorization to hire bond counsel,

(b) authorization to hire bond underwriters, or

(c) authorization to conduct a market analysis.

(ii) The rollover of bonds or other tax-exempt obligations outstanding on April 24, 1979, is allowed where the maturity date of the bonds or other tax-exempt obligations is no longer than the life of the initial mortgages on the properties.

(iii) Bonds or other tax exempt obligations may be issued for the financing of projects in the development stage where prior to April 25, 1973,

(a) construction had begun,

(b) the number and location of the units had been approved by a governing body, or a State or local housing agency or a similar agency, and

(c) tax-exempt construction financing had been issued with respect to the project or there exists written evidence that a governmental unit intended to issue bonds or other tax-exempt obligations to finance the acquisition of the units by home buyers.

(B) With respect to issues the proceeds of which are to be used to provide mortgages on multi-family rental projects—

(i) Bonds or other tax-exempt obligations may be issued for projects if prior to April 25, 1979, certain official actions indicating an intent to issue such bonds had occurred. A qualifying official action includes:

(a) authorization to hire bond counsel,

(b) authorization to hire bond underwriters, or

(c) authorization to conduct a market analysis.

(ii) The rollover of bonds or other tax-exempt obligations outstanding on April 24, 1979, is allowed where the maturity date of the tax exempt obligations is no longer than the life of the initial mortgages on the properties.

(iii) The issuance of bonds or other tax-exempt obligations if allowed for financing of projects in the development stage where prior to April 25, 1979:

(a) a plan specifying the number and location of rental units had been approved by a governing body, or State or local housing agency, or any similar agency, and

(b) substantial expenditures for the project had been incurred.

(2) This resolution is not intended in any way to prejudge the outcome of Congressional consideration of legislation relating to the exemptions from Federal income tax on interest on bonds and other obligations whose issuance does not qualify pursuant to the transitional rules set forth in this resolution.

● Mr. GRAVEL. Mr. President, I am submitting today a resolution expressing the sense of the Senate regarding the transitional rules governing the use of tax-exempt State and municipal bonds known as mortgage bonds. State agencies began issuing these bonds in the early 1970's. In 1978 an innovation in the marketing of single-family housing bonds developed with municipalities issuing bonds for the first time. In 1978 the total amount issued in single-family housing bonds was $3.2 billion. In 1979 issues are expected to grow to $8 billion. The Congressional Budget Office estimates that State and local housing agencies will issue between $20 and $35 billion in single-family housing bonds. In 1984 this will represent around 10 percent of estimated new mortgage originations and 30 to 50 percent of all long-term tax-exempt bonds for that year.

Because of large revenue losses expected from the expanding use of mortgage bonds, the administration proposed legislation to limit the use of tax-exempt bonds for housing. H.R. 3712 was introduced in the House of Representatives on April 25, 1979.

The bill removes the tax exemption for State and local government bonds used to provide mortgages for owner-occupied residences and restricts the use of housing related industrial development bonds to those bonds the proceeds of which are used for low or moderate income rental housing. The bill introduced in the House of Representatives would apply to all mortgage bonds issued after the date of the bill's introduction.

Mr. President, this is no way to legislate. The mere introduction of such a bill has caused an end to the market for mortgage bonds. Even before the Ways and Means Committee met to consider the legislation, the private markets reacted to the uncertainty presented by this bill's retroactive effective date. If the bill were to be adopted in its present form mortgage bonds which were ready to go to market on the bill's introduction date would no longer be tax exempt. Bond counsel and consumers were frightened away by the prospect for purchasing a bond which might not be tax exempt.

The Ways and Means Committee has acknowledged the problem presented by the bill, as introduced, and developed a series of transitional rules which would continue the tax exemption for bonds being prepared for issue on the date of the bill's introduction. The House transitional rules have not been formally adopted by the Ways and Means Committee, but a preliminary vote on the issue indicated general acceptance among the members of that committee. In addition, representatives of the Department of the Treasury have indicated before the Ways and Means Committee that the administration does not oppose a transitional rule of the type considered by the committee if an acceptable long-term rule is adopted.

Mr. President, the resolution which I introduced today does not speak to the merit of tax-exempt mortgage bonds nor take a position on whether they should be continued in their present or some modified form. All this resolution does is put the Senate on record in support of a transitional rule of the kind currently under consideration before the House Ways and Means Committee. This resolution is intended only to clarify the situation within the housing bond market during congressional consideration of applicable legislation. It is simply an effort to mitigate the effect of the retroactive provisions of the House bill as introduced by putting the Senate on record in favor of an acceptable transitional rule.

The transitional rule contained in this resolution allows tax-exempt status to bonds issued after April 25, 1979, if official actions had been taken by that date indicating an intent to issue such bonds. The necessary official action would include authorization to hire bond counsel, authorization to hire bond underwriters or authorization to conduct a market analysis. In addition, provisions of the resolution deal with rollovers of existing tax-exempt mortgage bond issues and special rules for projects under development.

Mr. President, this resolution is, of course, not binding upon the Senate, but does provide an indication to the bond markets that we will make an effort in the adoption of legislation dealing with mortgage bonds to provide an effective date which will allow the interest on issues already under way on April 25, 1979, to be treated as exempt from Federal income tax.●

AMENDMENTS SUBMITTED FOR PRINTING

CONGRESSIONAL ANTIGERRYMANDERING ACT OF 1979—S. 596

AMENDMENT NO. 237

(Ordered to be printed and referred to the Committee on Governmental Affairs.)

Mr. COHEN (for himself and Mr. DURENBERGER) (by request) submitted an amendment intended to be proposed by them, jointly, to S. 596, a bill to provide a fair procedure for establishing congressional districts.

● Mr. COHEN. Mr. President, this week the Senate Governmental Affairs Committee will begin hearings on S. 596, the Congressional Antigerrymandering Act of 1979, introduced by Senator DANFORTH, Senator HART, and Senator DURENBERGER.

The legislation would establish bipartisan redistricting commissions in each State to reapportion congressional districts following the 1980 census. The bill also stipulates specific standards for the commissions to follow in drawing districts to insure that boundaries are not drawn to favor any political party, incumbent, or any other individual, or to dilute the voting strength of any ethnic or racial group.

In addition to Senator DANFORTH and the other cosponsors of S. 596, the members of the House Wednesday Group have been diligent in their efforts to draft legislation which would discourage gerrymandering. The Wednesday Group legislation has been cosponsored by a bipartisan group of respected House Members, including Congressmen ANDERSON, FRENZEL, PRITCHARD, LEACH, HANLEY, and KASTENMEIER.

Mr. President, I am today introducing the Wednesday Group antigerrymandering bill as an amendment to S. 596. It is similar to Senator DANFORTH's proposal in many respects in that both bills would establish tough, new standards for reapportionment and would permit any eligible voter to challenge a State's reapportionment plan in Federal district court. Unlike Senator DANFORTH's bill, however, the Wednesday Group legislation does not provide for redistricting commissions.

While I recognize the need for strong antigerrymandering legislation, I have not yet reached a decision on the merits of establishing redistricting commissions. I am, therefore, introducing the House antigerrymandering bill so that the Governmental Affairs Committee will have ample opportunity to consider the issues involved.

I commend both my Senate and House colleagues for their interest in the gerrymandering problem, and I look forward to the committee's consideration of this important issue.●

AMTRAK AUTHORIZATIONS—S. 712

AMENDMENT NO. 238

(Ordered to be printed and to lie on the table.)

Mr. CHURCH (for himself, Mr. SCHMITT, Mr. WEICKER, Mr. MELCHER, Mr. BAUCUS, Mr. HATFIELD, Mr. DECONCINI, Mr. DOMENICI, Mr. GOLDWATER, Mr. MORGAN, Mr. PACKWOOD, Mr. PRYOR, Mr. SARBANES, Mr. SASSER, Mr. STAFFORD, Mr. STONE, Mr. TSONGAS, Mr. WALLOP, Mr. YOUNG, and Mr. MCGOVERN) submitted an amendment intended to be proposed by them, jointly, to S. 712, a bill to amend the Rail Passenger Service Act to extend the authorization of appropriations for Amtrak for 3 additional years, and for other purposes.

● Mr. CHURCH. Mr. President, the Senate will soon be considering S. 712, the 2-year Amtrak authorization bill. This bill, as reported by the Commerce Committee, would provide an authorization level consistent with the Department of Transportation's plan to cut rail passenger routes by 43 percent. The bill makes provisions for retaining one or two routes not originally within the DOT route structure.

I am deeply troubled by the fact that this bill does not take into account the explosion of ridership that Amtrak has experienced in the past 6 months. This trend can only accelerate, in the face of chronic gasoline shortages and spiraling gasoline prices. I believe our country would be best served by refusing to slash rail passenger routes in the drastic manner the Department of Transportation proposes.

Mr. President, I am pleased to have been joined by Senator SCHMITT in preparing an amendment to this bill which would give us time to develop an Amtrak route plan which is responsive to our energy outlook and which would recognize accelerating ridership. Our proposal is cosponsored by 18 of our colleagues and we expect to receive further expression of support before this issue comes to a vote.

This amendment would authorize the current system to continue for fiscal year 1980. Amtrak is directed to evaluate the increased ridership and to examine routes in light of our gasoline shortages and price problems. Armed with this information, Amtrak may then trim up to $30 million in operations during fiscal year 1981, if it should find some routes that do not respond to persistent energy problems by increasing ridership. Amtrak would have the flexibility to trim such routes.

Mr. President, this amendment is responsive to the changed outlook for Amtrak ridership. It is astonishingly shortsighted to slash this system at the very time we need it most. I ask unanimous consent that the text of the amendment, and an accompanying section-by-section analysis, be printed at this point in the RECORD.

There being no objection, the amendment and analysis were ordered to be printed in the RECORD, as follows:

AMENDMENT NO. 238

S. 712 is hereby amended as follows:

Section 2 is amended by striking "1979" from line 12 thereof and inserting "1980"; and by striking lines 14, 15, and 16 and line 17 to the semicolon and inserting "the Corporation in accordance with the provisions of this Act."

Section 5 is amended by striking lines 21 through 25 on page 10 and by inserting "(1)" in place of "(m)" in line 1 on page 11.

Section 6 is amended by striking "1979" and inserting "1980" in line 12 on page 11 and by striking "March 1, 1977" and inserting "September 30, 1980" in line 12 on page 17.

Section 8 is amended by striking "581,300,000" from line 8 on page 18 and inserting "718,000,000"; by striking "610,000,000" from line 9 on page 18 and inserting "753,450,000"; by striking "not to exceed $59,000,000 for the fiscal year ending September 30, 1980, and" from lines 5, 6, and 7 on page 19; by striking "32,000,000" from line 7 on page 19 and inserting "10,000,000"; by striking the quotation mark and period (".) at the end of line 10 on page 20; and, by adding a new subparagraph "(4)" as follows:

"(4) During the fiscal year ending September 30, 1980 the Board of Directors of the Corporation shall analyze each of its routes and the passenger trains operating thereon and shall determine, on the basis of that analysis those trains and routes which will continue in operation during the fiscal year ending September 30, 1981; provided, any reductions in trains, routes or service shall not exceed $30,000,000 in the aggregate; and, provided further, that the Board's analysis must give weight, among other factors, to the present and future energy needs of the nation, the percentage of increase or decrease in ridership of each train examined, and the potential for each train given a minimum reasonable quality of service in terms of roadbed, track, equipment, ontime performance and scheduling.

Section 14 is stricken in its entirety and Section 15 is renumbered as Section 14.

EXPLANATION OF AMENDMENT TO S. 712

REASON FOR AMENDMENT

The Secretary of Transportation correctly perceived a need to cut back on certain intercity passenger train services provided by Amtrak on the basis of the studies presented to him by his staff within the Department of Transportation. Those studies are now outdated and of no value in judging Amtrak's future.

Almost immediately following presentation of the Administration's bill, S. 712, gasoline supplies to motorists began to tighten. The citizens of this nation now know that we have and will continue to have a severe fuel shortage on our hands.

An instant result of our fuel problem has been an enormous surge in ridership on all Amtrak trains.

The Amtrak system is presently a "standing room only" operation. It appears that it will continue that way into the indefinite future.

This is not the time to reduce passenger train routes by 43 percent as proposed by S. 712. On the other hand, we must continue to keep careful and continued watch over Amtrak service and cost.

The attached proposed amendment would accomplish that end. It contains a two-year authorization and would retain Amtrak's present routes and trains for one year during which Amtrak's Board of Directors will analyze each of the routes and each of the trains. It shall be on the basis of a business judgment analysis by the company's Board and consideration of public interest criteria set forth in the amendment, that a determination shall be made as to the routes and trains that will continue to operate through the second year. The Board's analysis may result in cuts to routes or trains during the second year by amounts of up to $30 million.

INDIVIDUAL SECTION AMENDMENT EXPLANATION

Section 2 retains the system unchanged until the end of Fiscal Year 1980 and places the design of the system in the hands of Amtrak.

Section 5 is amended by deleting the provision which would change existing law relating to pay periods of employees.

Section 6 is amended by extending the present system unchanged for one year.

Section 8 is amended by increasing the operating subsidy to the amount of the latest studies indicate is needed to operate the system for one year, increased by an inflation factor of 5%. In addition, the labor protection payments of $59 million for the first year are eliminated and those payments for the second year are reduced from $32 million to $10 million.

Section 8 is also amended by adding to the end thereof a paragraph which directs the Amtrak Board of Directors to analyze each route and train during Fiscal Year 1980 and to determine on the basis of business judgment and the public interest criteria set forth the trains and routes which will be removed from service during Fiscal Year 1981. The Board is authorized to make service cuts in the second year of up to $30 million.

Section 14 is stricken since responsibility for Amtrak system routes and trains was removed from the Secretary of Transportation and placed in Amtrak's Board.

Section 15 is amended by renumbering it as Section 14.●

AMENDMENT NO. 239

(Ordered to be printed and to lie on the table.)

Mr. EAGLETON (for himself and Mr. DANFORTH) submitted an amendment intended to be proposed by them, jointly, to S. 712, supra.

● Mr. EAGLETON. Mr. President, on February 15, 1979, I announced that I would support the Secretary of Transportation's proposal to cut back Amtrak service even though three Missouri routes were affected.

It was not an easy decision for I once harbored a hope that rail ridership would experience a revival in this country and I fought against a 1974 proposal to truncate the service.

Unhappily, Amtrak ridership figures have not borne out that hope. Except in a few urban corridors the trend has been steadily downward and operating deficits sharply up. It became clear that rail service was not a viable alternative to fast and increasingly inexpensive jet travel or even the family automobile. There were reasons for that. Amtrak rolling stock for the most part was a rickety remnant of the 1940's. Trains typically ran 2 and 3 hours late. And, lack of adequate maintenance of roadbeds and cars assured the few hearty passengers who ventured aboard a most uncomfortable trip.

At a time of high inflation and a need to reduce the Federal deficit, I concluded that I no longer could support the huge tax subsidies to continue Amtrak service on its present scale. At the time, however, I did note the possibility of retaining some routes under the section 403b program where a State was willing to underwrite 50 percent of any operating deficit.

Since I made that decision, however, there has been a noteworthy change in the situation as a result of our increasingly difficult energy problems. Amtrak bookings have surged dramatically as public concern grows over the cost and availability of gasoline, especially on long trips. Reservations on the National Limited have increased accordingly, from a 21-percent February load factor to 71 percent in May. A recent study indicates that Amtrak's May revenues are up $8 million over May of last year. It is too soon to know whether this turnabout in Amtrak business will be sustained and we still do not have hard data to confirm that the increase in reservations translates into actual ridership. In other words, we do not know with certainty whether this is only a blip on the charts reflecting a transitory panic over gasoline supplies or a natural response to the United Airlines strike. Or, possibly, it could be a more permanent change in public acceptance of rail travel.

In the meantime, the Missouri General Assembly has taken action to appropriate $300,000 to maintain the line between Kansas City and St. Louis. This was done with the objective of utilizing section 403b previously mentioned. The cost of the Kansas City-St. Louis run will be about $1.6 million, so the $300,000 does not equate to the 50 percent required in the current law.

Moreover, the House committee, with the strong support of Representative BOB YOUNG of St. Louis, has amended the formula to an 80–20 percent Federal share in the first year of service, 65–35 percent in the second year, 50–50 percent thereafter. It would also authorize an additional $25 million for current and new service and capital in fiscal year 1980 and $30 million in fiscal year 1981.

The amendment I am offering is similar to the House version. If it ultimately becomes law, the $300,000 would qualify for Missouri's first-year, 20-percent share. But, more important, it would leave open an option for the continued operation of some Amtrak trains throughout the country in the event that our energy problem is prolonged and ridership continues to improve.

Mr. President, I send to the desk my amendment to S. 712, the Amtrak authorization bill and ask unanimous consent that it be printed in the RECORD.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

AMENDMENT NO. 239

On page 11, strike lines 15 through 23 and insert in lieu thereof the following:

"(b) (1) (A) Any State, or group of States, or any regional or local agency, may submit an application to the Corporation requesting the institution of rail passenger service in addition to that service provided in the basic system. The Corporation shall institute such service under an agreement if the State, group of States, regional or local agency agrees to reimburse the Corporation for 20 percent of the solely related costs of such service in the first year of operation, 35 percent of such costs in the second year of operation, and 50 percent of such costs in each year of operation thereafter, and 20 percent of the associated capital costs of operating such service; if service can be provided with resources available to the Corporation; and if it is consistent with the following requirements:"

On page 18, strike line 23 through line 3 on page 19 and insert in lieu thereof the following:

"(D) for the payment of operating and capital expenses of rail passenger service provided pursuant to section 403(b) of this Act, not to exceed $25,000,000 for the fiscal year ending September 30, 1980, not to exceed $30,000,000 for the fiscal year ending September 30, 1981;" ●

DIRECT ELECTION OF THE PRESIDENT AND VICE PRESIDENT—SENATE JOINT RESOLUTION 28

AMENDMENT NOS. 240 THROUGH 263

(Ordered to be printed and to lie on the table.)

Mr. HATCH submitted 24 amendments intended to be proposed by him to Senate Joint Resolution 28, a joint resolution proposing an amendment to the Constitution to provide for the direct election of the President and Vice President.

NUCLEAR REGULATORY COMMISSION AUTHORIZATIONS, 1980—S. 562

AMENDMENT NO. 264

(Ordered to be printed and to lie on the table.)

Mr. DOMENICI submitted an amendment intended to be proposed by him to S. 562, a bill to authorize appropriations to the Nuclear Regulatory Commission in accordance with section 261 of the Atomic Energy Act of 1954, as amended, and section 305 of the Energy Reorganization Act of 1974, as amended, and for other purposes.

NOTICES OF HEARINGS

SUBCOMMITTEE ON ENERGY REGULATION

● Mr. JOHNSTON. Mr. President, the Subcommittee on Energy Regulation of the Committee on Energy and Natural Resources will hold hearings on title IX of S. 1308, the Energy Supply Act, on Tuesday, July 10, 1979, and Thursday, July 12, 1979. These hearings will commence at 9:30 a.m.

On July 10, the subcommittee will receive testimony on subtitle A of title IX which establishes a mandatory fuel switching program to require electric utility and commercial and industrial facilities presently using petroleum to switch to coal and natural gas. This hearing will be held in a room to be announced at a later date.

On July 12, the subcommittee will receive testimony on subtitle B of title IX, dealing with mandatory transfers of electrical power to reduce oil consumption. This hearing will be held in room 1114 of the Dirksen Senate Office Building.

Questions about these hearings should be directed to Benjamin S. Cooper or James T. Bruce of the subcommittee staff at 224-9894.●

SUBCOMMITTEE ON ENERGY RESOURCES AND MATERIALS PRODUCTION

● Mr. FORD. Mr. President, I would like to announce for the information of the Senate and the public that the Subcommittee on Energy Resources and Materials Production of the Committee on Energy and Natural Resources will hold an oversight hearing on the 5-year offshore oil and gas leasing schedule prepared by the Secretary of the Interior pursuant to the Outer Continental Shelf Lands Act Amendments of 1978.

The hearing will be held on July 10 at 10 a.m. in room 3110 of the Dirksen Senate Office Building.

Originally, there were to be 2 days of hearings. The second day, July 12, is being postponed and will be rescheduled.

Questions should be directed to Thomas L. Laughlin of the subcommittee staff at 224-2564.●

SUBCOMMITTEE ON ENERGY REGULATIONS

● Mr. JOHNSTON. Mr. President, the Subcommittee on Energy Regulation of the Committee on Energy and Natural Resources will hold the second day of hearings to receive testimony from the administration on the price and supply of middle distillates and on the question of whether mandatory Federal allocation and price controls should be reimposed on these fuels on Monday, June 25, 1979, at 2 p.m. in room 3110 of the Dirksen Senate Office Building.

Questions about these hearings should be directed to Benjamin S. Cooper or James T. Bruce of the subcommittee staff at 224-9894.●

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. McGOVERN. Mr. President, I ask unanimous consent that the Committee on Energy and Natural Resources be authorized to meet during the session of the Senate on Wednesday, June 20, 1979, to hold a markup session on S. 14, acreage limitation and residency provisions of the Federal reclamation laws and other pending committee legislation.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. McGOVERN. Mr. President, I ask unanimous consent that the Committee on Energy and Natural Resources be authorized to meet during the sessions of the Senate today and Thursday, June 21, 1979, to hold oversight hearings on the Surface Mining Control and Reclamation Act.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON WATER RESOURCES

Mr. CHURCH. Mr. President, I ask unanimous consent that the Water Resources Subcommittee of the Committee on Environment and Public Works be authorized to meet during the session of the Senate today to hold a hearing on the Water Resources Development Act.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON REGIONAL AND COMMUNITY DEVELOPMENT

Mr. CHURCH. Mr. President, I ask unanimous consent that the Regional and Community Development Subcommittee of the Committee on Environment and Public Works be authorized to meet during the session of the Senate today, beginning at 2 p.m., to hold a markup session on the extensions of economic development programs.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON RURAL DEVELOPMENT

Mr. GLENN. The majority leader asked that I present two unanimous-consent requests.

Mr. President, I ask unanimous consent that the Rural Development Subcommittee of the Committee on Agriculture, Nutrition, and Forestry be authorized to meet during the session of the Senate on Tuesday, June 26, 1979, beginning at 1 p.m. to hold an oversight hearing on rural housing.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON FOREIGN RELATIONS

Mr. GLENN. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate today to hold a hearing on the International Sugar Agreement Treaty.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

THE HISPANIC COMMUNITY IN AMERICA

● Mr. TOWER. Mr. President, the Hispanic community in this country has revealed itself to be one of the most enterprising of all groups among the American population. Certainly one of the richest culturally of America's many peoples, it is also fast becoming the largest minority group, if census projections reflect correctly demographic trends.

In my own State of Texas, Hispanics are sensing a new awareness of origins, and new awareness of opportunities. Pride in the heritage of the past has been buoyed with new promise for the future, together underscoring the significant strides made by Hispanic Americans in all areas of social and economic endeavor.

I am proud of the progress my State has made in opening the doors to opportunity. And I am proud to have been among those in Congress working to make progress a reality for Hispanic Americans in this country.

I was an original cosponsor of legislation establishing a bilingual education program, and authored legislation extending the concept of bilingual education to vocational education. It is public law. Over the years I have supported Federal involvement in providing financial assistance for developing small businesses across the country, particularly those owned by socially and economically underprivileged persons. And I am committed to providing protections and guarantees for Spanish-speaking individuals in the Nation's courts of law that might not otherwise be provided.

I am proud to be associated with a number of fine Hispanic groups in developing job opportunities and educational programs as well as minority enterprise development. The American GI Forum; the League of United Latin American Citizens (LULAC); Ser, Jobs For Progress, Inc.; The Texas Association of Mexican-American Chambers of Commerce; and National Image, Inc.; among so many others, have worked closely with me to develop fully these promising programs. Their support has helped to bring the dream much closer to a reality.

Mr. President, the programs we have been working to implement are bearing fruit. Educational advancement, combined with opportunities for small business development, has spurred a rapid rise in Hispanic entrepreneurship in my State. I am certain other Southwestern States are experiencing the same trend.

This is a trend, Mr. President, on which the June 1979 issue of Texas Business has focused, and I would like to commend it to my colleagues. The article profiles the top 10 Mexican-American executives in Texas. And it underscores again that hard work, and a sense of pride in achievement so characteristic of Americans, sooner or later reap rewards.

Mr. President, these men and women are the living proof that America still is a land of limitless opportunity. I ask unanimous consent that the following article be inserted in the RECORD.

THE TOP TEN MEXICAN-AMERICAN BUSINESS EXECS IN TEXAS

(By Jake Fuller)

Hispanics—an ethnic group that includes Mexican-Americans, Puerto Ricans and Cubans—will become the largest minority in this country by 1980, according to Census Bureau projections.

This fact has not been lost on the Mexican-American business community in the state of Texas.

There's strength in numbers, as the saying goes. Combine that point with the obvious new wealth and growth potential of Mexico, and it all adds up to rising expectations and growing cultural pride for Mexican-Americans in Texas.

The Mexican influence on the United States both economically and culturally, is gathering momentum as never before. The numbers are getting respectable: In Texas alone, the estimated total sales by Mexican-American companies (excluding mom and pop stores) will exceed half a billion dollars in 1979. That's more than *double* the total of just eight years ago.

The growth rate for Mexican-American businesses, as a group, appears to be accelerating even faster as we approach the 1980s, thanks to a new influx of college educated sons and daughters into family businesses.

The top 10 Mexican-American business executives—nine men and one woman—were chosen on the basis of the size and the total impact they have made on their respective business sectors and on their local communities.

Our top 10 has been selected by our editors after interviews with officials at Mexican-American Chambers of Commerce throughout the state; with Reuben Bonilla, state director of the League of United Latin American Citizens; with the editors of *Nuestro* Magazine (which recently ran a compilation of the top 100 Latin businesses in the country); and with Simon Castillo, regional vice president of NEDA (National Economic Development Association) in San Antonio.

Names that kept popping up in addition to the "Top 10" included such notable individuals as Tony Sanchez of Laredo, Liborio Hinojosa of Mercedes and Pete Dominguez of Dallas. These executives will take the spotlight in future issues in TEXAS BUSINESS as the emerging story of the Mexican-American businessman and businesswoman in Texas continues to unfold.

They rarely get good press: According to Ray Guzman, CPA for Ernst & Ernst and president of the Mexican Chamber of Commerce in Dallas, Mexican-American business in general has been maligned over the last several decades because of its high failure rate.

"Mexican-Americans have carved out their own segment of the economy, but it's been difficult. There are many reasons why so few of us have made it: The lack of expertise, as well as people to serve as role models. Also, Mexican-Americans have run up against the language barrier and the dilemma of undercapitalization.

"However, such conditions were mostly of the past. Over this decade, much change has taken place in our community. A great many of our leading Mexican-American businessmen have college degrees and have become quite sophisticated in their business capabilities.

"We're not satisfied by a long shot. There are still subtle instances of prejudice, but nothing as overt that took place even 10 years ago."

The business leaders on the following pages vary greatly as to age, philosophy and background. But every one of these 10 individuals stresses, in his or her own way, a common desire: To work within the framework of the system.

After decades of second-class status, Mexican-Americans are finally working their way into the Texas business establishment.

RESTAURANT OWNER SPEARHEADS DOWNTOWN PROJECT

Pete Cortez walks with authority. His face is lined with integrity. And his healthy shock of gray hair adds to his air of senior statesman.

Cortez is every bit as distinguished as he looks; in San Antonio, he has the reputation of being the quintessence of the successful Mexican-American businessman.

As owner of Mi Tierra restaurant and bakery in San Antonio's Market Square for 32 years, Peter Cortez represents shrewd business acumen, civic involvement and political leadership. He has used all three to see his dream realized—a city block devoted to Mexican culture and culinary fare. In fact, he personally owns much of the block—which is known as El Mercado, or The Market.

Centering around El Mercado and extending several blocks in every direction, the whole area is experiencing unprecedented business development. Using public funds, the city of San Antonio built or renovated the buildings that form the heart of Market Square. These include a farmers market and a building for meetings and cultural events.

Shades of Mexico: According to Cortez, his goal since the early 1960s was to turn the area into a "market square" similar to the one in his hometown, Guadalajara—one of Mexico's most beautiful towns. In the heart of Guadalajara is the San Juan de Dios Market, one of the most colorful centers in Mexico.

Because Cortez has the imagination to combine his love of the restaurant with his love for the Mexican culture, his eating establishment has grown to a size where sales exceed $4 million and the staff consists of 200 people. It's open 24 hours.

From the beginning: "I started in the restaurant business with an original investment of $150 when I bought the Jamaica Cafe in 1941," he explains. "I couldn't go fight the war, because I had a crooked arm that still won't completely extend. I had my wife and mother-in-law manage the little cafe. In 1948, I expanded it to accommodate 24 to 30 people. That's when I came into the business full time. Up until then, I worked for my aunt and uncle, Mr. and Mrs. Valentin Larios, who owned La Villa Del Carmen, a grocery and meat market store.

"Then in 1951, I learned that the Tokyo Restaurant was for sale. It was located on the same block. I bought the business and that's when Mi Tierra officially opened. We added a bakery in 1952 and air conditioned the place. Then in 1958, we remodeled and expanded again. About this time, I started negotiating for the building and the entire block.

"The Farmers Market was down here back in the 1950s, but it moved, and business really fell off for a while. In late 1961, I had the opportunity to not only buy my building but the entire block. I took title of the land and then learned at the same time that the newly formed Urban Renewal Agency—now called the San Antonio Development Agency—was going to designate the entire area for complete renovation. Everything was to be torn down."

A plan rises from the ruins: During the next few years, many landmark buildings and structures (including part of the old market and produce business operations) were demolished. About that time, Pete Cortez developed his master plan for El Mercado. He sold the concept to many of his fellow merchants and they in turn went knocking on the doors of city hall.

"It wasn't easy," Cortez recalls. "In fact, the frustration sometimes was greater than I could stand. But we kept after it."

Today, the 60-year-old patriarch watches over the business—while his son George manages it with the help of brothers David and Ruben and sister Rosalinda.

"You know," says Pete Cortez with an edge to his voice that conveys the knowledge that flag-waving today is considered declasse by some, "I really love my country. My foundation is and always has been God, mother and country. It's really the land of opportunity."

Pete Cortez turned a dream into a plan, then into reality. Already, he has another plan: To create and develop an area south of the market and transform it into a center for the manufacture of arts and crafts to be sold in El Mercado.

FROM POVERTY TO OWNERSHIP OF A MEAT-PACKING PLANT

In 1930, at the age of 13, Jesus Quiroz set out to support his family.

His mother had been widowed two years before. Right after her husband's death, she moved her family from Coahuila, Mexico, to San Antonio. She didn't want her son to quit school because he didn't have enough education and couldn't speak English. But young Jesus' insistence on working prevailed.

Today, Jesus Quiroz still can't speak very much English. But he's president of his own company—All-State Packing Co., Inc., with a volume of around $8 million and 60 employees.

His son, Jessie, general manager and company spokesman, says: "Dad started out in 1930 working for $2.50 a week in a meat packing plant. After two months of opening the stomachs of slaughtered animals he was given a raise to $3.50 a week for washing the carcasses. He learned almost every phase of the business and, at 24, became the foreman of the slaughter house. Other men had more age and experience, but none with any greater desire."

Tragedy strikes: Jessie says that his father, skimping and saving, moonlighted after work at the packing house for more than 20 years.

It was hard. The tragic loss of Jesus' oldest child in 1946, Maria Consuelo, through spinal meningitis spurred the Quiroz family onward. Jesus swore to himself that he would do everything in his power to better his family financially. Perhaps if he had had the means, his daughter's life could have been saved by buying better medical attention. Never again would his family be handicapped by poverty.

Jesus Quiroz started looking for extra income by buying meats from the company where he worked, Apache Packing Co., and reselling them to the retailers. "Dad wanted us to have the education that he didn't receive. All four of us kids have gone to college. I was going to be an architect, but in 1961, Dad was starting to have a great deal of difficulty because of his language barrier. I quit school and went into business with him. My brother, Raymond, has a degree in aerospace engineering but he, too, is a part of our business," Jessie says.

The father and son team kept the wholesale business going until they were able to open up their own packing house.

That was in 1966. The Quirozes had finally squirreled away enough money to make All-State Packing Co. a reality.

It was up and down for the next nine years as Jesus and sons learned the business the hard way.

Loan's a long time coming: "Because of our low amount of working capital—along with our lack of managerial experience—we couldn't get financial backing until our business was a going concern for several years. Finally, in 1975, we were able to open a plant through a $410,000 loan from the SBA (Small Business Administration). We have a very good relationship with our banker (the Oppenheimer Bank) right now. I have no words to describe how good they have been to us. We tell them everything and they give us good financial guidance. Also, NEDA (the National Economic Development Association) has been very helpful.

"We run a P&L every two weeks to keep up on our costs. That's to make sure everything is alright. We spend from 12 to 16 hours a day at the plant six days a week. As for the future of our business, we will probably start slaughtering hogs in addition to cows, now that beef has become so high."

Jessie and his father are trying hard to keep a handle on their business. In 1977, the company's sales amounted to $2.5 million. In 1978, they jumped more than 100 percent to $5.5 million, and are heading for a total of between $8 and $10 million this year.

"Obviously we're doing something right," Jessie says, "But our banker believes that we're growing too fast. It's risky to grow at that rate. We're trying to slow it down without losing our momentum."

Soon, Jessie's sons will come into the business. The 39-year-old executive's oldest boy is graduating from high school this year. "He will go to college, but not necessarily for a degree."

Like his father, Jessie Quiroz knows firsthand that the best education is hard experience.

VALLEY MERCHANT RUNS TEXAS' TOP HISPANIC BUSINESS

Rio Grande City has three claims to fame—two of them negative and one positive.

It's the seat of the poorest county (Starr) in the nation.

It's considered by some to be a traffic center for dope from Mexico.

It's the headquarters for Diaz Enterprises, Inc.

That last fact is a big plus for this dusty little town on the fringe of Texas' lushly green Rio Grande Valley. Pedro Diaz is considered to have the largest Mexican-American business in Texas—a business that includes 11 family merchandising centers, a radio station and ownership of La Quinta Motor Hotel in McAllen.

Bad rap: When asked about the dope-dealing stigma that the county suffers from, Diaz responds flatly: "That's just propaganda. Yes, there is some. But it's false to believe that the entire county lives off drug traffic. Look at other ports of entry such as Laredo, El Paso or Brownsville; they aren't burdened with a strictly 'dope-dealing' reputation. This is a beautiful county," Diaz says with a smile. "And we are doing something to make it even better."

His company is in the process of developing a Best Western Hotel and golf course to attract tourism and new industry to Starr County.

Diaz is outspokenly proud of his county, where he was born 51 years ago. His mother and father started the first newspaper in Rio Grande City and subsequently opened a grocery store in their home. In turn, Diaz has taken that small beginning and created a network of food stores and soft goods centers that generates an estimated $50 million in sales.

"It was tough getting a toe-hold into big business back in the 1950s and early 1960s," Diaz recalls. "In this part of Texas, Mexican-Americans were often looked at as nothing more than peons. The Anglo community simply could not see a Mexican-American going into big business. So we had to work harder to prove ourselves. It took me a long time—but now there are very few problems."

Who helped him: He credits his suppliers, his bank and NEDA (National Economic Development Association) as three active ingredients in whatever success he has enjoyed. In particular, Diaz points to Joe Ed Wearden of Groce-Wearden Co. in Victoria and John Kasynski of Pan American Bank as being "indispensable" to his business.

The Diaz "family centers" dot the Valley from Rio Grande City, McAllen Pharr and Edinburg to Weslaco, San Benito, Harlingen and Brownsville. They span an average 30,000 square feet.

As openly proud as he is of his county and his business, Diaz beams even brighter when he talks about his family.

"I've been lucky and have been blessed. All my wants have been met. I have a beautiful wife and six great kids—and most of them are coming into the business. I own a radio station—something I always wanted as a kid.

"With my radio station—which has 100,000 watts on FM 96 and in stereo—I am able to help preserve my culture. It's all Spanish and is a tremendous force for education, too. Hispanics are moving into the middle-class strata of society and this fact, plus education, will be very positive in the future."

Diaz is political up to a point. He served as a chairman for the committee called Nosotros Con Tower for John Tower's reelection to the U.S. Senate. He is also a registered Democrat.

A BOARDROOM FULL OF BROTHERS AND SISTERS

El Fenix Corp. is the oldest chain of Mexican restaurants in the United States. It was started in 1918 by Mike Martinez Sr.

Today it's managed by his five children who all own equal stock positions.

Gilbert Martinez drew the "black bean" to be the spokesman for the company. "We have a revolving president's and board chairman's title. This company is run by the board of directors. They include Irene Martinez Garcia, Alfred Martinez, Gilbert Martinez ('that's me') Rueben Martinez and Faustina Martinez McDaniel," he says.

Family business: He explains that after the war in the mid-1940s, their father turned the business over to the family. That included eight children and since that time two have passed away and one left the family enterprise.

"Any member of the board can call a meeting and all decisions are made by majority vote." The board decides on the guidelines and the staff implements its decisions throughout the company's 14 restaurants in four cities. The family business, for all practical purposes, is confined to the restaurant business.

Gilbert is a graduate of LSU and the University of North Carolina with degrees in business administration and mechanical engineering. Most of his brothers and sisters are college educated.

At 53, Gilbert is trim and muscular, though 15 years ago he weighed 300 pounds. That's the way the company is managed—lean and no fat, he adds. Each member of the family has individual responsibilities. His is to lease all locations and to manage the out-of-town stores.

The company, with an estimated annual sales of $20 million, once planned on going public. But they withdrew before its first offering in 1968 because of the bear market and ultimately decided they did not need outside funds to expand.

Sometimes, Gilbert admits, the food reviewing media is not too kind to the El Fenix kitchen. "Because we are one of the biggest, we are easy to criticize. We're not gourmet Mexican food restaurants. We're Tex-Mex and we've been successful at it. We wouldn't think about changing it. We might add a few items but our customers expect consistency and that's what we offer."

HE THRIVES ON PRODUCE AND POLITICS

Frank Sepulveda leans back in his swivel chair and listens to two men seeking his support for an upcoming political election. At the conclusion of the conversation, he assures them that every possible consideration will be given to their concepts and candidate's platform for San Antonio's benefit.

Sepulveda is known for his Democratic party leadership at all levels of the government process. Politics and representing the "Chicano" vote is as important to him as the multi-million dollar business he has built over the past 23 years. He's lunched with President Jimmy Carter, has known party leader John White on a first name basis for many years and has been a staunch backer of Dolph Briscoe.

Pancho, as he is known everywhere, sees himself as a bridge between the Mexican-American and the Anglo community in San Antonio. He speaks animatedly and appears to be in good shape—befitting his former high school football playing days.

He is the largest Mexican-American produce shipper in the country. His company, West Coast Produce, does an estimated $20 million annually, placing it in the upper ranks of Mexican-American business enterprises.

West Coast Produce started in 1956, says Sepulveda as he launches into the highlights of the story that has made him a millionaire several times over. He explains that his family has been in the produce business since he was a toddler.

As a youngster growing up in San Antonio in the 1940s, Pancho hawked produce door-to-door. When he graduated from high school, he worked for various produce companies—mainly as a buyer. In 1956, in a fit of pique he walked off his job as a potato buyer. After hanging around his home for several days, Frank Sepuveda got a phone call that changed his life completely.

A phone call changed everything: "It was George Malhart, whom I had met four or five times. He was a California farmer and we had a few conversations but nothing that would indicate what he had on his mind. He said to me: 'I want you to go into business for yourself.' I explained that I didn't have enough money. The next day I got a check for $50,000. Our agreement was that if I went broke, I owed nothing and could pay off the note at my own pace."

At this point, Sepulveda admits the story sounds incredulous but it became even more complex because within 10 months, Malhart committed suicide.

"It was a horrible thing to happen. Apparently the stress of seeing his wife and four children die one at a time over a period of six months from a disastrous car accident was too much for him. Anyway I went to his funeral and afterwards talked to his mother. I explained our agreement and offered to liquidate my company—which was named after Malhart indirectly since he was from the West Coast—to pay off the loan. She said no—since it was the apparent wish of her son to see me succeed.

Bluffing didn't hurt: "The next step however, was a little bit tricky since we needed more dollars to sustain our cash flow. I called one of my top men in California and spread the word around that Malhart had left me a quarter of a million dollars to ensure the success of the company. That story kept my competitiors and creditors a little off balance and put me in a greater bargaining position. When people would ask me about the money—I'd say it was closer to $300,000.

"In the meantime, I found another top man in the produce business in San Francisco to help me out. He loaned me $100,000. We all worked like dogs for the first five years but we made it and paid everybody off."

From that start, Pancho kept on growing, until in the 1960s, he was able to build a 100,000-square-foot warehouse. That's when West Coast Produce really started growing.

RESTAURATEUR TAKES AIM AT NATIONAL MARKET

Billboards, buses and taxicabs all over Houston sport a rainbow-colored parrot and proclaim, "Gracias!"

The signs are Ninfa Laurenzo's way of saying "thanks" to the city that has patronized her four restaurants to the tune of $10 million in annual sales. She also operates a catering business and will open two more restaurants this year.

A widow with five children, Ninfa Laurenzo has achieved remarkable success during her six-year career in the restaurant business. The determined businesswoman, now in her 50s, intends to export her success beyond Houston in order to fulfill her goal of expanding to 200 restaurants nationwide.

Memories make her emotional. By her own admission, she's a woman filled with great quantities of love, while at the same time working very hard to overcome equal quantities of rancor.

"My husband died in 1969. He was an Italian and whenever we journeyed to Mexico he would delight in that country's food and proclaim our intention of opening a restauraunt. At the time, we had a small food manufacturing business. After he died, I kept running the business. Financially, however, I couldn't keep it together. It became obvious that I would have to turn to something else. I mortgaged my home and was able to raise $13,000. That's how I started my first restaurant. I had no other money at all. SBA (Small Business Administration) at first wouldn't have touched me with a stick. My other expansion has been financed through SBA, however. It is very rare to find a Hispanic, and a woman as well, in the business world."

Widows not welcome: "I found that out the hard way," she explains. "Soon after I opened, I wanted to expand the existing restaurant by one room. I went to a banker to ask for $50,000. He literally laughed in my face. I mean laughed at me. That was a very large offense. You know how proud we Mexicans are. I rushed away from that office—tears and all—vowing that he would regret that gesture one day. Bankers seldom recognize—it seems to me—that behind every business request is a very real human being.

"Well, that same banker came over to one of our restaurants about a year ago and said: 'Ninfa, I never thought you could do it, not in my wildest dreams. I apologize.' That was a nice gesture but nothing really could make up for that insult."

Team effort: "I have been very fortunate. A widow with five kids. It's a great success story. Naturally, I'm proud. Everyone has helped us. I feel like I am the axle of this business. The people who are close to this organization—whether my children or not—they are the soul. They are the ones who make it go," says the Harlingen native.

She is proud of her family. Her oldest son, Ronald, is a graduate of the Naval Academy, while Jack, the next in line, did postgraduate work at MIT. Ninfa serves her community in a number of ways—the most visible by serving on the Mass Transit Authority board.

She believes that by offering good Mexican food she can preserve the richness of her culture for future generations. Her company is named after the house specialty, and does business as Ninfa's Tacos Al Carbon, Inc.

FOOD MANUFACTURER FEELS GIANTS BREATHING DOWN HIS NECK

"My father was a political refugee from Mexico.

"He left in 1925, just one step in front of the Federales and a firing squad. He crossed the border and came to San Antonio with the idea of selling tortilla-producing-machines. He set up and soon discovered there was no market here for the machines.

"So instead of selling his inventory of tortilla-making machines, dad started producing tortillas, potato chips and corn chips himself."

That's Ralph E. Velasco, president of Amigo's Food Company, Inc., talking. The company that his father left generates an estimated $5-$6 million in sales each year.

Velasco recalled how his father was in competition with other chip companies such as Dallas-based Frito-Lay "Dad tried to expande too fast. He opened a plant in Detroit, but the depression had just started, so we had to close that plant. The war came along and our business stayed moderately small."

During that time, Ralph joined the Merchant Marines and ultimately graduated from the United Merchant Marines academy at Kingspoint, N.Y. After riding the high seas as a merchant marine for one year, Ralph decided to return to his home state. He enrolled at the University of Texas at Austin in 1950.

Home to stay: After leaving college, young Velasco joined the family business. But he soon became dissatisfied with the progress that the little company was making.

"About 15 years ago—or maybe less—I was trying to determine if I wanted to get out of the tortilla business. So I took a three-month tour of the country. I surveyed the industry and talked to a great number of business contacts that both my father and I had built up over the years. I discovered that all of a sudden, Mexican food was beginning to become very popular and, at that particular point, was about where the pizza business was in 1950. People in New Jersey, Pennsylvania, Ohio and Illinois were all becoming enamored with Mexican food.

"I made a decision then to expand—and not, certainly, to sell!"

Today, however, Velasco finds himself at another crucial crossroads in the development of his company, which employs around 75 people.

"Small business is an endangered species. Sure, I know that's a common refrain. But since the great recent growth of the Mexican food business, which has been dominated by members of the Mexican-American community, there's an encroachment in this area by the majors. When you have big companies like Beatrice Foods and General Mills getting involved in this area, that spells trouble for a small independent such as myself. Listen: How many Chinese package Chinese food? Or, for that matter, how many Italians package Italian food?"

SUPERMARKET CHIEF KEEPS HIS CHAIN IN THE FAMILY

Eloy Centeno is the businessman who first came up with the suggestion that San Antonio trade electricity for natural gas from Mexico.

The concept was novel at the time, and illustrated the man's ability to solve problems with a creative flair.

Today, serving as chairman of the City Public Service Board of San Antonio, Centeno is studying ways to make his idea work.

Centeno's nimble mind and talent for finding new solutions for old problems goes a long way in explaining his success as a businessman. But the chief executive officer of Centeno Supermarkets, Inc. in great measure credits his mother and father. They started the company in one room of their home in 1928.

Centeno Supermarkets now generates more than $30 million in sales (according to trade estimates) and has such holdings as a meat packing plant in Seguin, two theaters and a department store.

Depression baby: "My mother and father started the store before I was born (in 1930) in one of the bedrooms. At that time, my dad worked in a men's store and mother ran the small grocery store. My father knew how to make money—during the Depression—and my mother knew how to save it. They made a good team. Mother is a very good manager of money. I had an older brother who died in 1956; he spearheaded the early stages of our growth. In 1948, for instance, he moved us from a store of 2,500 square feet to one of 20,000 square feet.

"About that time, I was just finishing high school. Back then, our education was very poor. I was in high school during the last stages of the war. I went away to college but the campus was dominated by the G.I.—as it probably should have been. Anyway, I felt lost in the shuffle. So I quit college and came home to help my brother open the new store and made it succeed.

"When my brother died, it stopped our expansion plans. We didn't open our second store until 1968. Then we built the third store in 1972 and acquired two more stores in 1974."

What's new? Centeno laughs about the merchandising trends in most large supermarkets today: He notes with pride and irony that Centeno's has been a full-service store for many years, with soft goods, motor oil and bakery that's always generated good volume.

"Let's face it: We've been in business for more than 50 years, and you'd think we'd have more than five stores. We're not going to take any unnecessary gambles, however. We're happy. Our volume is good, and we're basically conservative. And we don't do business the 'Anglo' way. We're not as promotional and we won't take chances, because this store is our life. It was my parents' life and livelihood. Mine as well. And it will be for my brother's two boys and my three boys. This store represents our family."

Centeno has served on San Antonio's board of City Public Service since 1969. He has run for mayor, and in his own words, "got trounced." But in the final analysis, Centeno observes that the only way Mexican-Americans can attain equal opportunity is "by being involved and having an economic base."

RETAILER BUILDS DIVERSIFIED EMPIRE

Peripatetic Joe Santos is constantly mulling and planning. He parlayed a $5,000 loan 15 years ago into a thriving business that includes supermarkets and retail merchandising centers, shopping centers and commercial real estate, and now he plans to build manufactured homes. Santos' operations now generate approximately $25 million a year in revenues.

"Our Food City stores are among the most sophisticated in the country. Not just in El Paso or Texas but anywhere. We are computerized and have taken much of our merchandising concepts from the best European supermarkets. When combined, these ideas and the skills employed in this country, the hybrid result is substantial," says Santos.

Covering the waterfront: "We're also into warehouse retailing from everything such as junior sportswear to gifts and plants. I have taken some real risks—not gambles—but risks that were calculated based upon the demographics of our customers. Our food assortments and our retailing assortments at warehouse price points have attracted a varied income clientele. Everything is all under one roof."

His six stores range in size from 6,000 square feet to 90,000 square feet. Santos merchandises to the ethnic makeup of his business which includes a great many Mexican-American patrons.

"But we also carry a great many Kosher delicacies for our Jewish customers as well. So you can see that we have to merchandise for more than one segment of the population."

No matter what business endeavor Santos becomes a part of, he makes it a point to keep things simple—"and we forget about the gingerbread. That's why the manufactured home market appeals to me now. It's a fact that the middle class is being priced out of the home market with average single family dwellings ranging around $55,000.

"With a manufactured home at about half the price of the average single-family house, we can include a great many amenities and build units as large as 1,600 square feet."

Plenty of motivation: Joe Santos has always had the reputation of being a fast mover. He started out workng for a major food chain and shifted jobs several times before starting out on his own when he was 35. With seven children to feed, Santos smiles and says he was certainly motivated to succeed.

He is active in the community and helps to attract new development to the city at the state's western tip. Like several other Mexican-American business leaders in Texas, Santos credits Sen. John Tower for helping his business. Several development grants have been passed to an association of contractors called the Pan American Assocation of Contractors, due to Tower's efforts.

"Economic power can be used to get things done. But abuse of any power in the long run will be counterproductive and in some way will come back to haunt any individual who isn't responsible with a public trust," Santos states.

In addition to his many business interests, Santos serves or has served on Several civic committees such as the El Paso Planning Committee.

THEY SELL MEXICAN FOODS—EVEN TO THE SAUDIS AND THE JAPANESE

Raul Jimenez and his son Raul Jr. contend that the sales potential for their Mexican food is unlimited.

They can back up their boast. Their company has successfully sold its products at trade fairs in Japan. In Saudi Arabia, Jimenez Products, Inc. has developed a $1-million account (not bad for a firm with total annual sales of $10 million).

Saudis like it hot: "Last year we sold more than three-million jars of red and green picante sauce to the Saudi Arabians. They love it—the hotter the better," says Jimenez Jr.

It so happens that Jimenez Food Products, with plants in both San Antonio and Fort Worth, is just as hot a property as its products.

Started in 1953 with a $2,000 loan, the company now distributes to its product line in Florida, Oklahoma, Louisiana, Arkansas and all over Texas. The company also operates a restaurant in Fort Worth.

"My grandmother and father started the restaurant and that's where many of our secret recipes were developed. That's where we did much of our research for all of our products," Jimenez says.

Jimenez' products include a complete line of picante sauce, party dips, hot spice mix, jalapenos, packaged tamales and Mexican sausage called chorizo. These are produced in San Antonio. The Fort Worth plant produces corn and flower tortillas, chalupa and tortilla chips and taco shells.

"The Mexican food market is growing as fast as the food producers can grow. The sky is the limit for us," says the junior Jimenez. Raul Jr. serves as general manager for both plants and as secretary of the company. His father is president and board chairman while his mother, Mary, is vice president.

Anglo market strong: Customer mix is 75 percent "Anglo" and 25 percent Mexican, he says. "Mexicans often make their own picante sauce from old family recipes. People who don't know how to make their own will go to the store."

He believes that Jimenez Food Products has grown because of the quality consistency that's so much a part of the philosophy of the company.

Turning to the subject of Mexican-Americans in business in general, Jimenez says that "Mexican-Americans have been active in all types of businesses. It is just recently that the business sector at large has begun to recognize us. Now, we are starting to receive publicity and that is good for Mexican-Americans and everyone."

He also sees the Chicano becoming more involved in not only the business community but the entire fabric of society. Raul Jr. points with pride to the fact that his father is the first Mexican-American to sit on the board of directors of the Department of Human Resources for the state.

Jimenez Food Products is growing at a rate of about 20 percent a year. Raul Sr., 47, and his son Raul Jr., 24, have no intentions of selling the company in an effort to grow faster.

"There are many big firms moving into the Mexican food business—but there is still plenty of room for us. Dad will not do anything that's not first class. We want our autonomy to maintain our own standards," says Raul Jr.●

POPE JOHN PAUL'S TRIUMPHANT TRIP HOME TO POLAND

● Mr. CHURCH. Mr. President, in the past several weeks we have witnessed a touching and remarkable event—the return of Pope John Paul II to his native land. The visit home to a Communist nation in which over 90 percent of the people practice catholicism was a source of strength and renewal of faith for millions. Pope John Paul has challenged the church and, indeed, all of us to work for the "betterment of human conditions and the enhancement of human dignity," as Kenneth Briggs points out in the New York Times of June 12, 1979. That article, "Pope's Appeal Has Wide Aim," points up the inspiration and integrity that John Paul brings to his position and rightly concludes that his influence has been felt worldwide and will continue to deeply touch Catholics and non-Catholics alike in the years to come. I ask that the article be printed in the Record.

The article follows:

[From the New York Times, June 12, 1979]

Pope's Appeal Has Wide Aim

(By Kenneth A. Briggs)

Cracow, Poland, June 11—From his many sermons and speeches here, it is apparent that Pope John Paul II is calling for a partnership between Roman Catholics and non-Catholics for the betterment of human conditions and the enhancement of human dignity.

The emphasis is in line with the Pope's concern both for the integrity of the church and for the promotion of human welfare. As a churchman he holds that people find full development only in Christ. But as a humanist, personalist philosopher, he believes that goodness and common purpose should be encouraged in those outside the church.

Above all, he stresses the need for a person, Christian or not, to take seriously the moral consequences of his actions.

"The greatest danger," he told a group of university students the other day, "is a man who doesn't choose according to his conscience but takes the easy way."

THE WISH FOR STABILITY

The Pope's concepts of the church's mission and his actions are widely considered symptomatic of a wish by many Catholics for stability after the shake-up caused by the Second Vatican Council (1962–65). In addition, he is seen as the embodiment of the council's mandate to listen more carefully and positively to the world beyond the church.

The idea of the church "opening windows to the world," in the words of Pope John XXIII, became the central metaphor for the council even as the implications of this proposal were in the early stages of development.

At the same time, the council rejected the "triumphal" and "one true church" attitudes, judging them wrong and harmful to this process. The church began, uneasily at first, to explore a new relationship with the world.

Many think that this aim has been realized to a great extent by the Pope because of his extraordinary ability to translate the thoughts of the council into "living" lessons. He has decided to become a mobile Pope who preaches, teaches and charms his way to a leadership role, raising the crucial moral and spiritual questions among the nations at a time when inspiring figures are lacking on the international stage.

INTERTWINED ANSWERS

His religious and ethical answers are closely intertwined, even inseparable, but the Pope presents them in such a manner that neither traditional Catholics nor agnostic humanists feel left out.

Meanwhile, he has given to the cause of human rights the weight of old-fashioned religious imperative.

These themes became poignant in Poland, where faith is strong but human rights are denied.

The Pope repeatedly recalled the bond between the nation and the church and attacked the Communist state for denying both civil and religious' freedom. He also spoke about a providential role for the Poles.

Affirming the unity of the Polish church with European Catholicism, he said at Gniezno that his selection as Pope was perhaps in order that he "introduce into the communion of the church the understanding of the words and of the languages that still sound strange to the ear accustomed to the Romance, Germanic, English and Celtic tongues."

In Warsaw, he asked: "Have we not the right, with reference to the words of Christ, to think that Poland has become nowadays the land of a particularly responsible witness?"

From a practical standpoint, Poland could prove a problematical model. Both the church and the state here discourage dissent in differing degrees, for reasons of maintaining strength. Further, the Polish church has been unable to develop the laity for leadership roles because of government restrictions.

While the world's Catholics esteem the Poles for their courage under fire, the applicability of the Polish experience to their own is limited. The Pope seems keenly aware of this situation, not wishing to idealize the Polish church but hoping it will receive more attenton than it has received.

A CHALLENGE TO THE CHURCH

The Pope has taken both the solid spiritually and the receptivity of the Polish church and expanded them to fit other situations.

For example, at the Latin American bishops' conference earlier this year he spoke out strongly on behalf of human rights and celebrated the immense religiosity of the poorest people in a manner befitting that region's own character and problems.

He places a formidable challenge before the church. On one level, he has asked Catholics to regroup around the faith, to be clear about their convictions and to take their stand as Christians. At the same time, he coaxes them to join the campaign for a better world with non-Christians of good conscience.

And he has asked those non-Catholics with similar purposes to enter into the challenge without violating their integrity. While many see the possibility that the Pope will keep these appeals in balance, it might take years for his vision to take hold throughout the church. By most accounts, however, the Pope has gotten off to a remarkable start.●

PROBLEMS OF THE SMALL FAMILY FARM

● Mr. HEINZ. Mr. President, for some time now I have been speaking out on the problems facing the small family farm in this country. I am deeply concerned that the family farm is rapidly disappearing—a trend that, in my opinion, has grave consequences for our rural economies and agricultural production.

Recently, Senator Stewart and I, along with other Senate and House Members, formed the congressional family farm task force. The purpose of this group is to focus on the problems facing the small farmer and to devise solutions which will insure that the family farm continues as a viable entity in our society. We will be looking at a number of issues including tax law, Federal crop support programs, farmland conservation, energy, rural development, and marketing procedures. I am hopeful that the task force will work in cooperation with the Agriculture Committees to fashion an overall farm policy which recognizes and supports the important contribution of the family farm. I would urge my colleagues to join us in this effort.

Last week, Colman McCarthy wrote an excellent editorial in the Washington Post on the pressures facing the small farmer across the Nation. The article refers to several issues that will be addressed by the congressional family farm task force. I would like to bring the column to the attention of my colleagues and ask that it be printed in the Record.

The column follows:

A Way of Life Is Dying

(By Colman McCarthy)

Oneonta, N.Y.—Like a finger jabbing bluntly into the face of beauty, the large For Sale sign on the front lawn of the farmhouse announced that another family was leaving the land. This parcel was 200 acres, a dairy. Throughout the spring, farm auctions have been common, with as many as three in one weekend.

The farmers get fair prices. Then they move to town, some to retire and some to take jobs in stores or factories. The Labor Department's CETA program has become a major employer in the area.

"In these parts, it's not the big boys gobbling up the little fellows," said a former poultry farmer who is now bored to numbness as a security guard for a local firm. "A lot of farms are going to the second-home crowd from New York City. They come up for only a few weeks a year. But they know that year round the value of the land keeps rising. They don't grow food, they grow money."

He was depressed by it all. He understood that with fewer farmers working less land, life still goes on, but a way of life is dying.

The melancholy that hovers over Oneonta, a city of scenic hills and fertile earth that is north of the Catskills and two hours west of Albany, can be felt in hundreds of rural communities in all parts of the nation. "Something of lasting worth" has been lost, said Bob Bergland, the Secretary of Agriculture, in a recent speech. "And the loss is felt not only where it occurs, but also in urban America as well."

Anyone with a sense of tradition and who can remember when farm produce was the synonym for nutrition and taste laments what is happening to the small farmer. The fear of more and more citizens, as well as officials like Bergland, is that there may be no stopping it.

Any number of studies and reports—from congressional committees sympathetic to family farmers or the General Accounting Office—spell out the details of diminishment. Forty-five years ago, America had 6 million farms. Because of corporate concentration, we now have less than half of that. With tax laws and price-support programs favoring the large farms—which are actually firms—the Congressional Budget Office estimates that only 60 percent of today's farms will be around in 20 years.

Sometimes merely knowing what to worry about is a major victory; leave the easing of the worry to another day. What's to be done about soil erosion, which is 25 percent worse today than in the Dust Bowl years. Or soil exhaustion, which means that fruits and vegetables contain less and less nutrients. Iceberg lettuce might as well be ice, for all of its absence of vitamins and flavor.

Every part of the country appears to have its own pressure against the small farmer. In the Midwest, the production of beef gradually is being taken out of the hands of individual farmers. Large packing houses, urged on by large retailers, don't want to own either the land or the cattle or pay for labor. Instead, they want what counts: the contracts that control those three things. This means once enough contracts are signed, the small packing houses are forced out of business because the supply of cattle is tied up. With fewer outlets, cattlemen have less room to bargain for better contracts.

A different squeeze is felt in the West. There, "farmers" like Southern Pacific Railroad, California's largest landowner, are fighting mightily against pending federal legislation that would break up their agricultural domination. Pitted against them is Land for People, a coalition of small farmers, farmworkers and church groups based in Fresno.

The debate is over what limitation should be imposed by the proposed revisions of the Reclamation Act of 1902 on land that is federally irrigated. Keep it below 640 acres, argues Land for People, and require the farmers to be local residents. The conglomerates, whose lobbyists in Washington currently sprout like weeds over a septic tank, are pushing the bigger-is-better line. That is true—better for them, and worse for everyone else.

Bob Bergland, the most conscientious Secretary of Agriculture we have had in some time, says that with the next comprehensive farm bill due in 1981, the work of shaping a more rational policy must start now. "I, for one," he said, "do not want to see an America where a handful of giant operators own, manage and control the entire food production system."●

ENERGY RESOURCES OF WASTES

Mr. CRANSTON. Mr. President, in the midst of hot debate over which energy alternatives are most cost effective and safe and, therefore, warrant commitment of our financial resources to develop, it may be helpful to have a broad framework in which to evaluate current and future energy utilization in our industrial society.

In an article published in Sweden, a Californian and a Swedish energy expert help us contemplate the importance of energy systems which transform "wastes" such as carbon dioxide, sewage, smoke and ashes back into "resources" like food, fiber, clean water, and clean air. Authors Alden Bryant and Staffan Delin suggest that energy systems which fail to do this are ultimately harmful to us.

I call the thoughtful article, "The Fuel 'Crisis,' the Energy Question, Entropy and the Challenge To Maintain Our Life-Support System," to my colleagues' attention as food for thought during our discussions of energy options and ask that it be printed in the Record.

The article follows:

The Fuel "Crisis," the Energy Question, Entropy and the Challenge To Maintain Our Life-Support System

(By Staffan Delin and Alden Bryant)

In a very interesting article in American Scientist, Vol. 66, March/April 1978, p. 153–158, Alvin M. Weinberg points out that there is an unfortunate and growing polarization as to the course of development of man's energy system, which tends to harden and acquire aspects of a religious war. He asks: "Can the skirmishes be headed off before they develop into a full-fledged war? Can we not conceive of some middle ground that includes both solar energy and nuclear energy and that both sides could agree was better than all of one or all of the other?"

He continues to analyze some of the scientific/philosophic issues underlying the debate and suggests that in some such intermediate position lies our best hope for an adequate supply of energy in the future. He also agrees to the existence of what he calls "thermodynamic imperatives," but he seems to find some contradictions between these thermodynamic imperatives and other imperatives such as environment, economics, reliability and time.

To us these contradictions are unreal since these imperatives are included in the entropy term of the second law of thermodynamics and consequently are parts of the thermodynamic imperatives. The weakness of the energy debate is rather that economics usually does not consider the concept of entropy and the second law of thermodynamics. As a consequence, economics usually cannot see the difference between production and consumption in the same way as this is possible by the use of the concept of entropy (3).

During recent decades policies and expectations have been created in the industrial society based on such economics, which is not in full agreement with the second law of thermodynamics and the concept of entropy and as a consequence people, apparently unaware of these fundamental concepts, expect that it would be possible to solve what they consider to be an energy crisis, by the use of nuclear power or large scale solar power devices. However, they do not realize that it is only possible to convert low entropy resources like raw materials, fuels and our entire life support system into smoke, ashes and wastes this way if the energy conversions in the industrial system are not efficient enough to create resources out of wastes much the same way as this is performed by the natural systems.

To understand this better, we may however have to look a little beyond what is going on in our industrial system only and realize that this system is only a small part of a much larger energy conversion system, which is outlined in Figure 1.

On page 153 in Dr. Weinberg's article it says: "What we call the energy crisis really ought to be called an available-energy or even free-energy crisis." This is right and consequently we would have to look into our resources of free energy. Since according to the second law of thermodynamics, an increase in free energy for any system results in an increase in entropy, which is at least as large, we may realize that it is not possible to obtain free energy without increasing the entropy and changing the potential of the system to do work.

Considering these facts and the fact that the visible light, reaching earth from the sun, has a high potential and low entropy, compared to the infrared heat radiation leaving earth for space, it is clear that the free energy, which may be obtained from sunlight equals the flux, Q, multiplied by the potential difference between the incoming light and the outgoing infrared radiation.

When hitting the earth, this free energy or high potential energy, as we may also call it, will be converted. It will be converted entirely into random heat motion among the smallest constituents of matter, i.e., the molecules, or it may hopefully be converted into some sort of useful work such as electrical work, chemical work or even mechanical work. In such cases it can be used to (a) build up potential differences, (b) create work against these potentials, (c) cause the entropy to decrease on the earth, and (d) resources low in entropy are created. (Figure 1)

However, in order for such useful work to be done and a decrease of entropy on earth to occur, the flow of high potential energy from the sun must be intercepted and converted efficiency enough in such a way that at least some of the energy is conserved at a higher potential than that of the random heat motion in the environment.

At the same time this means that this intercepting energy conversion system has to be built, using some of the free energy from the sun in bringing together, concentrating and chemically converting molecules from the environment efficiently enough to build and maintain itself. Hopefully, it must be efficient enough also to be able to expand and grow. This bringing together, concentrating and this chemical modification and creation of structures is nothing else than a decrease in randomness and consequently a decrease in entropy.

We know from our everyday experience that the biological systems are able to intercept the flux of solar light and obtain free energy from it efficiently enough to create itself from very dilute carbon dioxide and some other high entropy wastes. The primary chemical transformation taking place is that of photosynthesis, where carbon dioxide and water are converted to sugar, using free energy obtained from the sun's light.

Through many millions of years this photosynthesizing machinery has actually been able to build up considerable potential gradients and create work against them like, e.g., generating deposits of fossil fuels in the earth's crust and increase the concentration of free oxygen in the atmosphere. (Figure 2.).

Now, can our industrial system perform anything near this? Even with an unlimited supply of fuels and electricity? It may then be fossil fuels, nuclear transformations like fission or fusion or whatever. Would it be possible for the industrial system to transform high entropy wastes, such as more or less dilute carbon dioxide, sewage, smoke and ashes into low entropy resources like food fiber, clean water and clean air?

If so, we would undoubtedly find that the industrial system was able to compete with the biological system for high entropy wastes in transforming them into resources. Our environment would improve in quality since wastes, poisons, smoke and ashes would be used up and turned into resources improving our standard of living.

However, our every-day experience tells us that industry does not work this way. On the contrary it converts low entropy resources, like raw materials and fuels, into high entropy wastes like smoke and ashes. The industrial output also consists of useful products. However, those will also end up as wastes sooner or later. (Figure 3)

INDUSTRY AS AN ENERGY CONVERTER

It appears that for industry to be more efficient, as little material as possible has to be used to build as simple and reliable structures as possible per unit of output; and to the best of our knowledge there is a solar thermal electric design by Dr. Otto J. M. Smith at the University of California which takes these requirements into account and points a way to the future. (2)

This type of design, with a projected power cost of 3.6 cents per kilowatt hour at the plant in current prices (checked through and priced out by several engineering organizations), gives us a situation in which solar thermal electric technology is important for reasons of (a) not producing a radio-active waste problem, (b) being energy efficient in its production to the extent of providing energy payback in three to five years (whereas a nuclear plant may not break even in this respect), and (c) not requiring operating fuel input; but above these three-reasons it is primarily an electric power source that will cost far less. Relatively low cost solar electric power may completely replace nuclear plants on economic grounds alone, and could start doing so within four years from now. These may be serious matters to consider, but the thrust of this article is to look deeper than only the question of use of fuels in heating and electric power development. The emphasis here is to look at the total use of resources. Therefore it seems quite clear that industry, at its present state of development, uses fuels to transform resources like raw materials, clean air and clean water into smoke, ashes, pollution and other types of "non-resources," which is to say that our industrial system, as it appears today, uses fuels to increase the entropy on our planet, equalizing the potential gradients, which have been generated by the biological system. However, most important of all, if (a) the biological system is impaired by pollution and over-exploitation in such a way that its output of negative entropy into our society is decreased and (b) the solar energy therefore would be converted more into random motion instead and used to (c) increase the entropy on earth, like in the expanding deserts or through the erosion of soil, then (d) our possibilities to "recharge" our system with new resources is decreased. This is true as long as our industrial system is not efficient enough to take over the generation of low entropy resources from high entropy wastes.

(NOTE.—Diagrams to Figures 1-3 are not printed.)

FIGURE 1.—Flows of energy, which have a high potential may be transformed into different kinds of useful work. However, the potential decreases during this process. Many of those energy transformations constitute resource inputs to society, such as synthesis of food, fibers and fuels. Since the transformation of fossil fuels, uranium and geothermal energy is about 0.02-0.03 W/m^2 at present, this makes such transformation minor in comparison to other energy transformations within the system.

The rates of energy conversion are calculated as W/m^2 of earth's surface.

FIGURE 2.—Photosynthesis and some other related energy conversions. (This system may be considered a part of the larger one outlined in Figure 1, and the numbers in the figure are calculated as kg of the respective materials on earth divided by earth's surface in m^2.)

By photosynthesis carbon dioxide and many other substances are brought together, concentrated and converted into organic matter, which has a much lower entropy than the materials from which it is created. For instance the very strong bonds between hydrogen and oxygen in water are broken and converted into the much weaker ones between hydrogen and carbon, while the oxygen is liberated.

The numbers given in the figure are approximate, but it may be seen that living organic matter constitutes a very tiny part of the system and it is therefore likely to be "used up first" if fossil fuels and other fuels are used in order to transform this "raw material" into smoke, ashes and wastes.

x) The living matter is about 0.7 $kg./m^2$ of the earth's surface.

Example: "There have been some arguments in favor of nuclear power, stating that sulfur dioxide and possibly other pollutants resulting from the combustion of fossil fuels will actually slow down the growth rate of our forests. An investigation carried out in 1974 revealed that the growth rate of the forests in the northeastern United States was set back as much as ten percent due to the emission of pollutants in the air and the acid rains falling in that area. This was also considered to cause a loss of energy fixation in the form of biomass equivalent to the energy "produced" by fifteen 1000 MW nuclear power facilities. However, no attention was given to the fact that energy obtained from the combustion of fossil fuels as well as nuclear power, used in the conventional ways, could not possibly concentrate and transform chemically dilute wastes such as carbon dioxide and nutrient salts, high in entropy, into economically useful products. The forests however can accomplish this trick—air and water are reclaimed and cleaned in one and the same operation.

"This example points to the risks involved in comparing the useful work performed by the biosystems with the total energy conversion within the industrial system. It is simply not possible to substitute the performance of the biosystems with any number of nuclear power facilities. Such calculations will be pure nonsense as long as they do not consider the concept of entropy; and they will only cause confusion."(3)

FUEL CRISIS OR ENTROPY CRISIS?

By talking about the energy crisis in terms of fuels and electricity, as if the energy crisis could ever be solved by an increased fuel production and fuel consumption, has made us blind to the essential problem, and we have for instance not been able to see the industrial society in terms of an energy converter, which can only convert high potential energy in the form of raw materials and fuels into smoke, ashes and wastes. Fueling this system with even more fuels will result in an even faster depletion of our resources and a breakdown of the biological system due to pollution and over-exploitation, since more fuels to industry calls for more low entropy raw materials to be converted into smoke, ashes and wastes at an ever-increasing rate. We may therefore ask how our system is going to be recharged by a biological system, which may not be there any longer or is less productive due to pollution and poisoning?

Looking at the energy crisis only as if it were a fuel crisis, trying to substitute the fossil fuels with uranium and the uranium with big solar electric devices, is not going to solve the energy crisis. The only thing we can achieve this way is changing the name of the crisis from the fuel crisis to for instance the "raw material crisis," the "hunger crisis," or as the "energy radicals" would perhaps call it, the "survival crisis." However, before we reach that stage there would probably come a social crisis that might disrupt our industrial society.

Therefore it is easy to see that the "energy radicals," and the "energy conservatives" have a lot of interests in common in preserving our society.

Therefore let us try to solve the problems instead of fighting "religious wars." The solution of what we might call the entropy crisis rests largely with our industrial society being able to prove that it can be efficient enough to convert high entropy wastes back into resources at at least the same rate as the resources are converted to wastes, using nuclear transformations or not.

In terms of prevalent economics the transformation of low entropy fuels and raw materials into high entropy wastes, smoke and ashes is considered to be "production," and an increasing rate of it is considered to constitute economic growth.

FIGURE 3.—Raw materials and fuels make up the inputs to industry and wastes, smoke and ashes, together with useful products, make up the outputs. Few people recognize how small a part the "products" is compared to smoke, ashes and wastes. Also, fuels contribute a minor part of the inputs of negative entropy to industry, while most of that input consists of other raw materials.

The "natural system," i.e., the biological system have the potential to recharge the wastes, smoke and ashes with new negative entropy from the sun, converting them back into new raw materials, fuels and resources and so keep the system going.

Any energy conversion system, which is not able to transform "wastes" back into new "resources" by introducing enough negative entropy somewhere in the system, will destroy its own prerequisites and basically be malignant. More so the more the rate of energy conversion increases within the system.

With the present trend of development, the industrial system is such a malignant system.

TABLE 1

Industry	Second-law energy efficiency (percent)
Petroleum	9
Steel	21
Aluminum	13
Cement	10
Paper	0.3

Source: E.P. Gyftopoulos, L.J. Lazaridis, T.F. Widmer, Potential Fuel Effectiveness in Industry (Ballinger, Cambridge, Mass. 1974).

TABLE 1.—Showing the second law energy efficiency for some industrial processes. It may be worthwhile to contemplate how it would be possible and how much fuels it would take to introduce negative entropy enough into our society, using processes with this kind of efficiency. Compare also Figure 3.

This could be very well justified at a time when nature and the biological systems were able to regenerate new low entropy resources from the wastes at the same rate as those were released from the industrial system. However, as the rate increased even more, some people noticed what they considered to be an excessive growth of small green plants, named algae, in many lakes and water ways. Sometimes this was accompanied by bad smells, as the algae were converted to organic sediment, an early phase in the conversion of algae into fossil fuels. (Figure 2) Few people recognize that this is also an early step in regeneration of other resources such as clean water, clean air and food.

Because of the bad odor "environmental protection policies" were introduced to prevent the processes causing it and consequently one of the first steps in the regeneration of low entropy resources from high entropy wastes was cut off. However, this will in no way solve our resource problems, but increase the rate at which our lifesupport system is destroyed.

If we want to produce useful products out of high entropy wastes, we will find that nature provides us with energy conversion systems efficient enough to convert wastes, smoke and ashes back into resources. However, we must learn how to use them and not how to prevent them; and this calls for an educational program from which the problems may be identified in depth and an appropriate policy and technology developed.

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Dr. Staffan Delin is currently a visiting scientist at the University of California, Berkeley, from the Swedish National Board of Energy Source Development, with an industrial background.

Alden Bryant is an energy consultant with engineering and economics background. He has been particularly active as a member of the Board of Directors, Northern California Solar Energy Association, and Chairperson of its Liaison Committee.

50TH ANNIVERSARY OF THE INAUGURATION OF HERBERT C. HOOVER, THE 31ST PRESIDENT OF THE UNITED STATES

● Mr. HATFIELD. Mr. President, last week, I announced that I have asked leading American scholars to submit essays to me on the general subject of "Herbert Hoover Reassessed," in order to commemorate the 50th anniversary of the inauguration of Herbert Hoover as our 31st President. I will ask that each of these essays be printed in the CONGRESSIONAL RECORD as I receive them, and that all eventually be compiled and printed as a Government document, in order to reach an even greater number of Americans. It is my hope to contribute to the reexamination of the Hoover Presidency now underway in this country through the publication of these papers.

On June 14, the first such essay was printed in the RECORD. It was written by Dr. J. E. Wallace Sterling, former president and chancellor of Stanford University, and presented a personal view of the former President by a personal friend.

I am pleased to submit today a second essay on Hoover, this one written by Dr. Joseph Brandes, professor of history at the William Paterson College of New Jersey. This paper deals largely with the period Hoover served as Secretary of Commerce in the Harding and Coolidge administrations. Particularly interesting is the account of how Hoover dealt with attempted foreign monopolies and price control of critical raw materials, especially rubber. Parallels between the actions of those countries and today's OPEC nations are obvious.

Mr. President, I submit the essay by Dr. Brandes, and a brief biographical sketch of the author, to be printed in the RECORD.

The material follows:

HERBERT HOOVER'S ECONOMIC DIPLOMACY

(By Joseph Brandes, Ph.D.)

Herbert Hoover carved out for himself a position of national prominence and power long before the Presidency. His years as Secretary of Commerce, during which he built the Department into one of the most influential in Federal Government, were marked by his significant success as an administrator, a highly effective Cabinet member, and a popular public figure. Hoover's attainment of countrywide and even international prestige during the prosperous period before 1929 represents a sharp contrast with the careers of Presidents Harding and Coolidge, who exercised only local influence in their pre-presidential years. Hoover, more than most of our presidents, brought to the office of Chief Executive experience in the pragmatic functions of national government as well as knowledge of business affairs.

Mark Sullivan, a journalist-historian keeping a sensitive ear to contemporary popular opinion, wrote of the praise lavished on Secretary Hoover's efforts to stimulate continued prosperity in the United States. One contemporary evaluation, for example, credited Hoover with an "annual saving to American business" amounting to the "immense total of $500,000,000." In a typically colorful manner Sullivan reminded his readers that this was five-fold the riches wrested during the Klondike gold rush.

An examination of the Hoover program in the 1920's necessarily reflects on the decade's economic optimism and business-orientation. It becomes, therefore, a study of the times as well as the man. Few Americans implemented as actively as did the Secretary of Commerce the dominant middle-class conservative ideals which prevailed in the era of normalcy. Economic issues, especially in the field of foreign relations, were invariably affected by Hoover's major role as economic policy-maker and trouble-shooter for the Harding and Coolidge administrations.

By focusing on Hoover as a Depression President, historians have neglected too often those highly significant years in which he stimulated and directed American enterprise at home and abroad. His influence on such major problems as war debts, reparations, the tariff question, branch factories, and new foreign loans, has been under-estimated. Likewise, historical analysts have given insufficient attention to Hoover's campaign against foreign monopolization of essential raw materials.

While Hoover espoused many of the principles of laissez-faire, he set a pattern also for government involvement in economic affairs. This included his Department's manifold services to American business. But quite often, Hoover and the Commerce Department undertook a bolder initiative in fostering trade associations, or struggling for independent sources of rubber under the American flag. His ambitious program for governmental supervision of foreign loans was even considered too drastic by some contemporary Republic and Democratic leaders.

These efforts represented more than the platform of one who was the champion of business interests. Throughout Hoover's policies there ran a thread of economic concern for the long-range prosperity of the United States. Not only did this involve acquisition of strategic raw materials and constantly rising exports of American goods and capital, but the export of American principles as well (such as the virtues of competition and sound fiscal practices).

To implement Hoover's ambitious program, government agencies had to be geared for the new requirements of large-scale American involvement in international economic affairs. This type of expansion was accomplished most successfully in the re-organized Department of Commerce a decade before the New Deal. Under Hoover, there worked an efficient corps of commercial attachés, trade commissioners, commodity chiefs, and bureau heads who aided immeasurably in the achievement of American policies.

In the new order of a world economy there was no eschewing of "foreign entanglements," even if they involved diplomatic tensions. Hoover was one of the first to recognize the implications of America's post-war transformation to fuller involvement in world economic affairs.

The years after World War I saw the emergence of the United States as a world power. Much has been written of our failure to join the League of Nations and of the subsequent strength of isolationism. It is now evident, however, that America's weight was rarely—if ever—absent from the scales of the international economic balance of power. Whatever may have been the failings of our foreign policy politically in the post-war era, this country could not be, and was not, isolated from the wider external currents of trade, finance, and fiscal relations.

Our material progress and advanced industrial status were universally admired, envied, and emulated. America became creditor to the world in terms of the debts owed to us by our war-time allies, a factor of great significance in the international relations of the period. Furthermore, millions of dollars annually streamed abroad in the form of relief aid, loans for European reconstruction and the development of "backward" areas, or in the form of capital for speculative or investment purposes. Most important, however, the billions flowing abroad during Hoover's term as Secretary of Commerce came from private rather than government sources. This provides a distinct historical contrast to the decade following World War II and underscores the problem of loan supervision in the 1920's.

American business and finance, assisted by the Hoover policies, pulsed with the excitement of foreign opportunities. The prospects seemed promising in terms of more lucrative markets abroad, profitable investment of capital, and direct production and sales by means of branch factories and agencies. In a period of domestic prosperity coupled with a seemingly insatiable foreign demand for American products, financing, and technical assistance, the United States became deeply involved in the economic activities of the world.

Indeed, Hoover's prestige dated back to his efficient administration of American relief in Europe during and after World War I. Long recognized as an outstanding international engineer and businessman, his activities during the war gained for him as well almost universal appeal as a humanitarian. A much-quoted comment by John Maynard Keynes, who attended the Versailles Peace Conference, testified that "Mr. Hoover was the only man who emerged from the ordeal of Paris with an enhanced reputation."

It was small wonder that in becoming a "household name in the United States" before the 1920 presidential elections, the American Relief Administrator should attract the attention of political scouts. The Hoover enthusiasts of 1920 were primarily Democrats and liberals, who looked to the forthcoming elections with growing pessimism. Typical of the progressive elements which worked for Hoover's nomination for President was Vernon L. Kellogg, a science professor from the West, and an official of the American Relief Administration. Kellogg drew a picture of political Washington tied in the bonds of inertia and expediency: no wonder the Washington politicians did not want Hoover, he said, for he "is very clearly not one of them, nor is he a man to be controlled by them."

At a time when Americans were conscious of the upheavals in Germany and Russia, Kellogg could see the United States "entering on our own particular revolution" in which men of Hoover's caliber—efficient and above politics—would replace the tradition-bound politicians, those "personifications of our own indolence and intolerance." Viewed in this manner, Hoover's independence and common sense represented to liberals like Kellogg the nobler side of America, the "personification of our impatience with the old, all too old, order" of circus politics.

Acting on their belief in the Hoover appeal, hopeful Democrats in Virginia and California organized "Make-Hoover-President-Clubs." But Virginia's Carter Class, politically wise, commented that Hoover would not be nominated by either party because he had no definite political affiliations.

Other Democrats were more outspokenly in favor of Hoover. For example, Franklin Delano Roosevelt wrote early in 1920: "I had some talks with Herbert Hoover . . . He is certainly a wonder, and I wish we could make him President of the United States. There could not be a better one." Franklin K. Lane, Louis D. Brandeis, and other prominent figures favored Hoover, too, especially when he declared for ratifying the Versailles treaty without serious reservations. The liberal press participating in the pro-Hoover movement was well represented by Herbert Croly's New Republic, as well as the New York World.

Hoover permitted his name to be entered in a few presidential primaries of both major parties, but one might well argue with the conclusion of Samuel H. Adams, a serious analyst of the 1920's, that he "made quite a showing." Adams noted, "Hoover's humanitarian work . . . had endeared him to thousands of his fellow countrymen . . . Had the issue been left to the mass of the voters, he might well have been the nominee in 1920." Yet, the fact is that his organized support came from groups which were none too powerful in American politics of 1920. Hoover himself objected to some of the efforts of his "politically amateur friends." But the image of the Quaker engineer as a potential candidate for the White House remained potent throughout the 1920's.

That Hoover could expand the functions of the Department of Commerce and assume a leading cabinet role was possible because of the very fact that he was a prominent figure. In his ideology of individualism and in his national outlook, especially in foreign relations. Hoover reflected the shfting patterns which prevailed in the United States of the post-war decade. He also represented the success of American business methods through his own personal example and as a result of his proclamation that America's leadership in material progress meant "equality of opportunity" for all. In that sense, one might agree with Edwin Emerson that "He is an exemplar of his age. . ." Herein lay much of the strength of Hoover as Secretary of Commerce.

Some of the press explained Hoover's acceptance of a cabinet post under Harding in terms of the selfless devotion to duty of a man who would not surrender his ideals for the honors of office. "The conditions laid down by Mr. Hoover for his acceptance of the Secretaryship of Commerce," declared The Weekly Review, "will come as a shock to the professional politicians who conceive of all men as eager for office and who can not understand the attitude of the man who thinks first of all of its responsibilities and opportunities." Internationally-minded Americans hoped that Hoover would bring engineering efficiency into government for the purpose of achieving the reconstruction of the world. With his broad experience in foreign enterprises, he was expected to bring a spirit of cooperation into the world's economic affairs. And some progressives even continued to feel that Hoover "represented, if anyone did, the liberal sentiment" in the Republican cabinets of the 1920's—as somewhat of a counter-balance to the conservative Andrew Mellon, Secretary of the Treasury.

Soon, however, the Commerce Department's activities in the field of foreign economic policy were to bring it into frequent contact with another and more venerable executive office, the Department of State. The latter had an old and well-established Foreign Service whose many functions included also the protection of American business abroad and the compilation of economic data. Admittedly, the Department of State was not specifically organized to aid American business, and unlike Hoover's Commerce Department, it had no commodity specialists, no comparable periodicals publicizing foreign opportunities, and far less intimate rapport with American business. By contrast all of Hoover's staff officials were expected to have at least some degree of business knowledge and experience. This was reflected in the quality of their reports on world trade and finance.

Perhaps because of the more intimate knowledge they possessed of world financial conditions, the officials of the Department of Commerce tended to be more cautious than the State Department in approving foreign loan flotations. In the 1920's, for example, they did not hesitate to present the doleful budgetary conditions of Colombia and Chile, or to point out that Bolivia had already borrowed beyond her means. Although their purpose was to bring to America's attention the business opportunities which existed abroad, Commerce Department publications usually emphasized objective and measurable conditions, even at the risk of discouraging prospective investors. While it is true that often the facts presented were overwhelmingly favorable, at least they could be cross-checked with other sources. These publications of the Commerce Department generally did not reflect an official bias.

The activities of the Department of Commerce in connection with the floating of foreign loans in the United States during the 1920's received national attention in the 1932 election year. One of the issues at the time was the question of losses American investors suffered by participating in these foreign loans. In testimony before the Senate Finance Commitee investigating this problem, Grosvenor M. Jones and other Commerce officials dispelled effectively every accusation indicating that these losses were the result of fact-finding failures by the Department. Jones spoke of the warnings issued by his Division at the time Hoover was Secretary. He mentioned how he indicated that several Latin American countries were "going wild on borrowing"; that Chilean revenues were too much dependent on the uncertain income from export taxes; that some states of Brazil were poor financial risks.

One cannot fail, however, to note the clash of opposing economic interests in the determination of foreign loan policies: the investment and financial circles on one side, and the industrial firms on the other. The first favored the free flow of American funds abroad and profited from promoting this movement of captial. The later, in significant instances, feared the competiton of foreign enterprise, especially German, expanding in the 1920's with the aid of dollar financing. Hoover sympathized with these misgivings of American industry, which appealed so often for the Commerce Department's assistance against competitors abroad. His inability to enforce tighter controls over loans to Germany reflects, to some degree, a limitation of his own influence in the Republican administrations.

The Commerce Department was quick to recognize that many "new German loans are frankly intended to develop foreign trade in competition against American firms." The latter, moreover, were justified in requesting Hoover's aid, for the threatened markets were ones "which this Department has done so much to open." Commerce, therefore, hoped to rally public opinion through the trade press, to exert pressure against the liberal policy of bond brokers and financial promoters.

Most of all, the Department of Commerce alerted the American public to the dangers of foreign government controls of price and distribution of our import raw materials as early as 1922, when it published an exhaustive investigation of the problem. The public was informed of governmentally controlled foreign combinations in nine raw materials: long staple cotton, camphor, coffee, iodine, nitrates, potash, mercury, rubber and sisal. The most important of these products, rubber, represented the most serious problem. It took the form of British Government regulations known as the Stevenson Plan. The Department believed that many other foreign restrictions could be "retarded by the demonstration of practicable defense action by the United States in the case of rubber."

Hoover pressed a spirited attack on the foreign "controls of production and price which amount practically to trade war." Citing the "international monopolies" of rubber and coffee as prime examples of "combinations in restraint of trade in which the American consumer has no voice at all," Hoover maintained that in those two commodities alone the United States was being overcharged by as much as $300 million annually. If foreign governments want "trade war," Hoover warned repeatedly, "the time has arrived when we require either disarmament or defense"; America must take immediate and specific steps to "retaliate" or to choose her "defense measures."

Of the possible "defense" alternatives, Hoover preferred those which would not involve government intervention in the free flow of supply and demand. His Department already had noted declines in the consumption of rubber and coffee and increases in the use of substitutes, in part the result of the educational campaign launched by Commerce publications. But there was an impressive reserve of more rigorous actions also to which the American government could resort.

Some of these measures, Hoover admitted, might arouse overseas antagonism. "We could," he warned, "prohibit the extension of credit to countries where such controls are maintained . . . and establish rival production" under the American flag. American farmers had long been clamoring for government aid to stimulate synthetic nitrates production at home; other imported raw materials could also be produced in the United States or its possessions.

Carrying his public campaign into the pages of Current History, Hoover, in an article entitled, "America Solemnly Warns Foreign Monopolists of Raw Materials," summarized the nation's need. The article outlined the extent and seriousness of the "combinations which have been set up either directly by legislation of foreign Governments or indirectly by Government patronage." As a foremost purchaser of raw materials, the United States had the right, continued Hoover, to object even to friendly nations whose governments fixed the price of essential commodities through export restrictions or producers' agreements.

As an important official in the American Government, the Secretary of Commerce could speak authoritatively of the United States' tradition-rooted opposition to international monopoly and of its fears concerning "the spread of these ideas" to other commodities in international commerce. If this should occur, Hoover predicted, each government would be forced to come to the aid of its nationals and "government patronage" would exacerbate existing international hostilities. In a thinly veiled threat, Hoover declared, "We are, of course, a large producing as well as consuming nation in raw materials, and we have it in our powers to retaliate by controlling such commodities as American copper or wheat, for example." Repeating his estimate that the United States was paying $300 million in overcharges on imported raw materials, Hoover saw even darker possibilities, for he concluded, "no unregulated monopoly is ever content with the reasonable."

Hoover warned these combinations that their attempt to ignore the law of supply and demand by maintaining artificially inflated profits would not only injure American consumers. It would boomerang against the foreign producers as well. Manufacturers in the United States increasingly would turn to conservation and the use of substitutes, such as synthetic rubber. (At the time, synthetic rubber was little more than a dream; still this illustrates Hoover's intimate knowledge of latest developments in applied technology.) To previous threats of retaliation, Hoover now added the possibility of creating American Government-approved buying pools, as another means to deal with foreign sales monopolies. America could defend itself readily under conditions of commercial anarchy, warned the Commerce Secretary, but what of international amity and "trade peace"? In the name of the latter, he appealed for "abandonment of all . . . Government controlled production and prices."

Hoover's struggle against foreign raw material monopolists was intertwined with two distinct and laudable objectives: to secure for the United States its equitable share of strategic materials abroad and to channel surplus American capital into profitable and nationally beneficial investments. These twin goals represented ideally Hoover's belief in the close relationship between the simulation of business opportunity and private initiative on the one hand, and the welfare of the whole American people on the other. Consequently, Hoover encouraged American industry and finance to promote new and ambitious investment programs abroad—in the Philippines, the Dutch East Indies, and in Latin America—thus developing safe sources of raw materials. The Firestone Company's rubber plantation in Liberia and the Ford Company's similar grand-scale projects in Brazil demonstrated how American enterprise coud rise to the challenge.

In dealing with such issues as the struggle against foreign monopolies. Hoover stirred American national feeling as the champion of American economic rights abroad. Against the uncooperative foreign interests he mobilized a counter-offensive which exerted great pressure on the offending monopolies. The Commerce Department effectively blocked loans to the Brazilian coffee interests and to the Franco-German Potash cartel. British rubber interests, united behind the Stevenson price control scheme, were threatened continually with an American buying pool. The latter received valuable assistance under the Hoover program, which supported also Congressional legislation (the Newton Bill) to legalize all buying pools approved by the Secretary of Commerce.

The vast public relations machinery developed by Hoover was utilized to its fullest during the anti-monopoly fight. In press releases, pamphlets, and fervent addresses, Americans were urged to conserve existing stockpiles of imported raw materials and to develop new sources of supply. The trade press and general newspapers were caught up in the appeal to safeguard the interests of American industry and the American consumer against foreign price-gouging. Hoover's efforts were supported by friendly Congressional investigators. A partial result of his policies was the allocation of additional funds enabling the Commerce Department to conduct a world-wide search for independent supplies of raw materials under United States control.

The wide support for Hoover's program against foreign combinations was based on two prevailing forces: business and nationalism, each with its own ramifications, yet often intertwined. Anti-foreign feeling in the United States in the post-Versailles period may be traced to more than a disillusionment with the political results of World War I and the menace of new radical movements. Such difficult issues as the inter-allied debts also made Americans suspicious that their purses were to pay the costs of European folly. What's more, there seemed to be an attempt abroad to discriminate against American business by raising the price of raw materials, imposing special import quotas, and other phenomena of postwar economic nationalism.

Hoover was convinced that American business—the foundation of national progress—required Federal assistance to meet the foreign threat. His protestations against international monopoly were based, however, on aversion to governmentally-controlled combinations, rather than combination per se. Thus, he could devote his energies consistently toward fostering voluntary trade associations for greater efficiency and as a counter-balance against the unfair practices of hostile cartels. Organized American business could benefit most from the Commerce Department's information services regarding competitive conditions abroad or the attitudes of foreign officials and even from occasional intergovernmental pressure on their behalf.

Still, it would be misleading to imply that Hoover's concept of the voluntary partnership between government and business was intended to serve only the interests of business. The Commerce Department was no passive partner sacrificing its own initiative either to Wall Street or Main Street. In spite of the opposition of many investment houses, Hoover promoted a program of governmental supervision over foreign lending so that the diplomatic and economic interests of the American people would be given due consideration. Hoover insisted on adequate loan standards, as a governmental responsibility, to prevent widespread losses to American investments abroad. These efforts were weakened by Wall Street's failure to heed the Commerce Department's warnings, by the general speculative mania, and by the opposition to controls of such administration stalwarts as Treasury Secretary Andrew W. Mellon.

Frequently, however, the Commerce Department attempted to steer the decisions of industry and finance along lines consonant with the national welfare. Its policy-makers, for example, sought to encourage tying clauses in loan contracts, whereby foreign borrowers of dollars would pledge to buy from American exporters. Likewise, the Department warned against the establishment of branch factories overseas unless warranted by specific conditions, such as foreign import quotas on United States products. These policies are traceable to Hoover's concern for an ever-increasing flow of American exports as a mainstay of domestic prosperity. The Department, like its Secretary, saw no reason for building up potential competition abroad and giving employment to foreign rather than American labor.

While Hoover encouraged the profitable expansion of American interests abroad, his Department did not possess the enforcement powers necessary to prevent what it often considered highly speculative investments. It is even probable that Hoover's proposal to halt loans for armaments, especially in Latin America, was primarily an attempt to halt the flow of dollars to over-borrowed countries.

No doubt Hoover promoted and assisted the expansion of American influence abroad, particularly in the underdeveloped areas he considered desirable for the production of essential raw materials (such as Latin America and Liberia). He opposed military intervention, however, as well as the old-style "dollar diplomacy," preferring economic bargaining on a business basis.

The most significant accomplishment of Hoover and his staff was to demonstrate—in a period of so-called laissez-faire—the valuable services which could be performed by governmental agencies in the sphere of business activity. The Department of Commerce became a great clearing-house of information and advice for American industry and finance. It served also as a buffer between private American interests and their foreign counterparts. By publicizing the economic opportunities abroad, Hoover demonstrated that America was as much as any other country a part of the world community—even if we refused to join the League of Nations. Had it not been for the shock of the Great Depression, the increasing economic participation of the United States in world affairs might have led to greater political cooperation as well.

BIOGRAPHIC SKETCH OF JOSEPH BRANDES

Born: Trembowla, Poland—January 23, 1928, United States citizen.

Education: B.S. City College of New York, 1949; M.A. Columbia University, 1950; Ph.D. New York University, 1958.

Employment: Teacher of social studies and chairman of the department, New York City secondary schools, 1950–55, 1956–57.

Consultant Economist, U.S. Department of Commerce, 1958–59.

Associate Professor of History, William Paterson College, New Jersey, 1958–64; Professor, 1964-present.

Lecturer in economics, City College of New York, 1955.

Visiting Associate Professor of History, New York University, summers 1963–66.

Memberships: Resident Associate, American Jewish Historical Center.

Publishing Committee, American Jewish Historical Society.

Publications: Herbert Hoover and Economic Diplomacy Immigrants to Freedom.●

NUCLEAR POWER: A FUNDAMENTAL QUESTION

● Mr. GRAVEL. Mr. President, I think many of the truths about nuclear power are becoming clear to a majority of Americans—it is unsafe, uneconomical, and a moral insult to future generations for us to leave behind a radioactive legacy capable of inflicting enormous suffering from cancer and genetic damage.

Nevertheless, the nuclear controversy continues among members of the public, because of one basic flawed assumption perpetrated by the nuclear industry and its friends in Government and academia: The idea that a decision to ban nuclear power would result in massive energy shortages. So, the argument goes, if you do not want to freeze in the dark while unemployed, you will just have to accept nuclear power.

Let us set aside, for the moment, the massive evidence of how much nonnuclear energy sources (including energy efficiency) could solve our energy problems. Why not ask first, "How much energy would we lose by banning nuclear power?"

That could be a very fundamental question, since if the answer is "Very little." I think most people will recognize that there simply is no case for nuclear power. If the whole idea of accepting nuclear power's enormous dangers and costs is to avoid energy shortages, and it cannot do that, where is the controversy?

Mr. President, I support examination by Congress of all aspects of nuclear power. I happen to think on all counts—economic, health, safety, moral, infringements on civil liberties, proliferation, and environmental—it is a loser. Even if it were not, though, nuclear power via the light-water reactors we are now busy building would not make much sense, because they can only yield a trivial amount of energy at best, or could even end up consuming more energy than they produce.

I hope that more attention will be given to this issue as the investigations spurred by the Three Mile Island accident continue. In order to assist my colleagues, I ask that a study of this issue by Dr. John W. Gofman be printed in the RECORD.

The study follows:

GROSS ENERGY AVAILABLE THROUGH LIGHT WATER REACTORS

(By John W. Gofman, Ph.D.)

This CNR Report addresses the question of the maximum possible contribution (gross)[1] to the U.S. energy supply via light water nuclear reactors. The nuclear promotional industry, inside and outside of the Carter Administration, has made it appear that light water reactors are sorely required, if we are to meet our energy "demand". The trivial energy contribution possible via light water technology is evident in the tabulations of this report. Considered here are:

Low, medium and high estimates of workable-grade uranium available in the U.S.

The electrical yield (kwhrs/e) gross per short ton U_3O_8 mined, with all supporting assumptions and calculations.

Lifetime U_3O_8 requirement per 1000-megawatt light water reactor.

Quads of energy (thermal and electrical) available through LWR technology; also in barrels of oil-equivalent.

The number of light water reactors fuelable within the estimated U_3O_8 supply.

The energy which would be lost to the economy if no further nuclear plants were initiated.

Except for explicit use of various estimates of the fuel supply, the calculations throughout this report are based upon the optimistic assumptions of the nuclear industry, in order to present the most favorable case for nuclear power. Even with this approach, nuclear power via light water technology is a trivial source of energy.

Following the tables in Appendix No. 1 which shows the calculations and assumptions from which the tables are derived.

Appendix No. 2 discusses some fundamental terms in the fuel issue, like ppm, MTU, yellowcake, etc.

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3. Wilde, R. M., Nuclear Regulatory Commission Staff Testimony (quoted by P. M. Wood) in Hearings before the Atomic Safety and Licensing Board in the Matter of Gulf States Utilities Company (River Bend Station, Units 1 and 2), Docket Nos. 50–458, 50–459, second half of 1976.

4. Nuclear Regulatory Commission Staff Testimony, ibid. (Presented by P. M. Wood).

5. Lieberman, M. A., "United States Uranium Resources—An Analysis of Historical

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[1] NOTE: The nuclear industry consumes a lot of energy to build plants, make fuel, etc. Further deductions from the figures in this report would therefore be necessary to determine the true (or net) energy contribution.

Data", Science 192, Number 4238, 431–436, April 30, 1976.

6. "The National Energy Plan", April 29, 1977, Executive Office of the President, Energy Policy and Planning, Washington, D.C. 20500. (See also "Uranium Reserves, Resources, and Production", Energy Resources Council, June 15, 1976).

TABLE NO. 1—NUMBER OF 1000-MEGAWATT/E PLANTS FUELABLE INCLUDING THOSE ALREADY BUILT

Because the actual size of nuclear plants varies so much, for clarity one should discuss a standard size like 1000-megawatts (electrical).

	Plants at 70 percent capacity factor	Plants at 55 percent capacity factor[1]
Based on assured fuel supply of 640,000 tons U_3O_8:		
Fuel performance at 100 percent of its "theoretical" yield[2]	105.5	134.3
Fuel performance at 75 percent of its "theoretical" yield	79.1	100.8
Fuel performance at 50 percent of its "theoretical" yield	52.8	67.2
Probable fuel supply of 1,130,000 tons U_3O_8 (ref. 5):		
Fuel performance at 100 percent of its "theoretical" yield	186.3	237.1
Fuel performance at 75 percent of its "theoretical" yield	139.7	178.0
Fuel performance at 50 percent of its "theoretical" yield	93.2	118.5
Exaggerated fuel supply of 1,840,000 tons U_3O_8 (ref. 6):		
Fuel performance at 100 percent of its "theoretical" yield	303.3	386.1
Fuel performance at 75 percent of its "theoretical" yield	227.4	289.9
Fuel performance at 50 percent of its "theoretical" yield	151.7	193.0

[1] At 55 percent capacity factor, more plants (highly inefficient) can be built than at 70 percent capacity factor, provided that refueling schedules are altered to prevent premature unloading of "unburned" fuel.

[2] "Theoretical" yield equals 3.033 times 10 kWh e per short on U_3O_8 mined.

Numbers in italics

52.3: Since approximately 50,000 megawatts are already built, if fuel performance remains at 50% of theoretical yield, then no more nuclear plants can be fueled with the known 640,000-ton U_3O_8 reserve.

139.7: This number turns out to correspond closely with the number of nuclear megawatts which the National Energy Plan (Ref. 6) proposes to have in operation by 1985. See table 3. The Plan is obviously risky with respect to fuel for 140,000 Mw. If fuel performance and capacity factors remain as they are now (50% and 55% respectively), then only 118,700 megawatts will be fuelable, even if 1,130,000 tons of fuel are found.

303.3: This number corresponds closely to recent statements by James Schlesinger that he is thinking of 300 presumably fuelable LWR's on line by the end of this century. This table shows that such talk is based on wildly optimistic assumptions about the fuel supply and fuel performance.

Note

Not all of the uranium discovered in this country, and to *be* discovered in this country belongs to the United States!

According to the General Accounting Office (GAO) report to Congress of July 7, 1976, entitled "Certain Actions that Can be Taken to Help Improve This Nation's Uranium Picture", no one knows what fraction of U.S. uranium is already owned and will be owned by *foreign* investors. In 1974, at least 10% of all uranium exploration in this country was done by companies which were wholly owned by foreign companies or countries, with the right to export the fuel (p. 18).

Additionally, some domestic companies are conducting joint ventures with foreign companies for uranium exploration. Under one such agreement, half the uranium discovered is to be controlled by the foreign investors (p. 19).

"According to an ERDA official, foreign countries are exploring for uranium in this country because they believe there is more opportunity to recover and export uranium from the U.S. than from other countries which have rigid export requirements" (p. 19).

TABLE 2.—ENERGY CONTRIBUTIONS FROM NUCLEAR POWER

BASED ON ASSURED FUEL SUPPLY OF 640,000 TONS U_3O_8

	Total quads nuclear over 30 yr		Average quads nuclear per year	
	Thermal	Elec.*	Thermal	Elec.*
Fuel performance at 100 percent of its theoretical yield	199.4	66.3	6.6	2.2
Fuel performance at 75 percent of its theoretical yield	149.4	49.7	5.0	1.66
Fuel performance at 50 percent of its theoretical yield	99.8	33.2	3.3	1.11

SHARE POSSIBLE FROM NUCLEAR, IF U.S. ENERGY CONSUMPTION=91.65 QUADS PER YEAR

In 1976 total U.S. primary energy demands=75 Quads Carter's prediction to 1985=91.65 Quads]

	Thermal quad basis (percent)	Elec. quad Oasis (percent)
Fuel performance at 100 percent	7.2	2.4
Fuel performance at 75 percent	5.5	1.8
Fuel performance at 50 percent	3.6	1.2

PROBABLE FUEL SUPPLY OF 1,130,000 TONS U_3O_8

	Total quads nuclear over 30 yr		Average quads nuclear per year	
	Thermal	Elec.*	Thermal	Elec.*
Fuel performance at 100 percent of its theoretical yield	352.1	117.0	11.7	3.9
Fuel performance at 75 percent of its theoretical yield	264.0	87.7	8.8	2.9
Fuel performance at 50 percent of its theoretical yield	176.1	58.5	5.9	1.95

SHARE POSSIBLE FROM NUCLEAR, IF U.S. ENERGY CONSUMPTION=91.65 QUADS PER YEAR

In 1976 total U.S. primary energy demands=75 Quads Carter's prediction to 1985=91.65 Quads]

	Thermal quad basis (percent)	Elec. quad basis (percent)
Fuel performance at 100 percent	12.8	4.3
Fuel performance at 75 percent	9.6	3.2
Fuel performance at 50 percent	6.4	2.1

EXAGGERATED FUEL SUPPLY OF 1,840,000 TONS U_3O_8

	Total quads nuclear over 30 yr		Average quads nuclear per year	
	Thermal	Elec.*	Thermal	Elec.
Fuel performance at 100 percent of its theoretical yield	573.0	190.4	19.1	6.3
Fuel performance at 75 percent of its theoretical yield	429.8	142.8	14.3	4.8
Fuel performance at 50 percent of its theoretical yield	286.7	95.3	9.6	3.2

SHARE POSSIBLE FROM NUCLEAR, IF U.S. ENERGY CONSUMPTION=91.65 QUADS PER YEAR

In 1976, total U.S. primary energy demands=75 Quads. Carter's prediction to 1985=91.65 Quads]

	Thermal quad basis (percent)	Elec. quad basis (percent)
Fuel performance at 100 percent	20.8	6.9
Fuel performance at 75 percent	15.6	5.2
Fuel performance at 50 percent	10.5	3.5

*Producing electricity for purposes where electricity is required merits crediting as "thermal" quads, since other fuels would be used at their thermal value. Producing electricity for purposes where electricity is not required, but is merely used for its heat value to replace other fuels, deserves crediting only as "electrical" quads.

TABLE NO. 3

Jimmy Carter's Energy Plan proposes (p. 71) to have a total of 138 nuclear plants (of various sizes) in operation as of 1985 without specifying the combined generating capacity in megawatts. However, the Plan does reveal the expected thermal energy (gross) to be yielded in 1985 by these plants: 7.71 Quads. From that figure, one can derive the total number of nuclear megawatts (or number of 1000-megawatt plants) which are proposed (below).

RELATIONSHIP OF THERMAL QUADS TO MEGAWATT DESIGN-CAPACITY OF NUCLEAR PLANTS

Factor	Megawatt rating	Annual quads thermal from a single plant	Number 1,000-MWe plants required to produce 7.71 quads (t) per year
Percent:			
70	1,000	0.063	122.4
60	1,000	.054	142.8
55	1,000	.0495	155.8

At recent Nuclear Regulatory Commission hearings, expected capacity factor has been stated by the NRC as 60 percent.

TABLE NO. 4—ENERGY TO BE LOST TO THE ECONOMY IF NO ADDITIONAL NUCLEAR PLANTS ARE INITIATED

Assumptions

1.) 1,130,000 tons U_3O_8 are the ultimate U.S. reserve from suitable ore.

2.) Fuel performs at 75% of its theoretical yield in LWR's.

3.) Plants operate at 70% of their rated capacity.

4.) Enrichment "tails" are 0.2% instead of 0.3%.

Total number of fuelable 1000–Mw plants= 139.7, or 140,000 Mw (Table 1).

BUT many of them have already been built. We now have 63 plants "operable" with a combined capacity of about 50,000 Mw, plus about 30,000 additional Mw underway = 80,000 Mw.

140,000 Mw minus 80, Mw operable and underway = 60,000 Mw.

Thus only 60 ADDITIONAL plants @ 1000 Mw can be considered at all. And even these are risky with respect to fuel supply.

Since 140 plants @ 1000 Mw would consume the entire 1,130,000 tons of fuel, a decision NOT to build 60 of them (a "ban" on new nuclear construction) would mean a maximum loss of 43% (60÷140) of the energy which 140 plants could deliver. 140 plants could deliver 8.8 thermal Quads per year, because that is the yield from 1,130,000 tons fuel (Table 2).

Thus Quads per year lost by a "ban" = 43% of 8.8 Quads = 3.8 Quads.

Annual U.S. energy consumption in 1985 = 91.65 Quads (Carter Plan).

3.8 Quads/yr lost by a nuclear "ban" = 4.1% of total (3.8 + 91.65).

Conclusion

Loss of 3.8 Quads/yr from initiating NO additional nuclear plants is a negligible 4.1% loss.

Increment of 3.8 Quads/yr from new nuclear construction would solve only 4.1% of the country's supply problem.

This *utterly trivial amount of energy* can not possibly justify the common scaremongering about the effects of a *ban* on new nuclear construction! In fact, even this trivial increment of energy will be non-existent if fuel-performance remains poor, or if less than 1,130,000 tons of fuel are found.

APPENDIX 1

The Electrical Yield in Kwhrs (e) per Short Ton U_3O_8 Mined:

There are two methods for estimating the "theoretical" yield of electrical power (via light water reactors) per ton of U_3O_8 mined.

The first method is based upon assuming that some fraction of U–235 in the reactor is utilized in one pass through the reactor (no reprocessing). That fraction "burned" is generally quoted as between 70 and 73 percent. We shall utilize the mid-range value of 71.7 percent.

Then it is necessary to know how many fissions ("bonus fissions") are contributed by nuclides other than U–235. The other potential contributors are U–238, Pu–239, Pu–241. Starr (Ref. 1) has estimated that under the best conditions of fuel burn-up, the distribution of fissions is: 52 from U–235; 40 from Pu–239 and Pu–241 combined; 8 from U–238.

This means that the energy per U–235 fission must be supplemented by 48÷52, or 0.923 for energy from the combined fissions of U–238 plus plutonium nuclides.

The second method is more empirical and is based upon the best yield of energy observed for light water reactors not their usual operating yield). Perry (Ref. 2) has suggested 30,000 megawatt-days thermal per metric ton of 3.0% enriched fuel, barring premature fuel-discharge due to fuel failures. This value can be translated directly to the "theoretical" or "design" expectation of energy yield.

We shall develop both methods here.

Method 1—Step 1: Losses in milling:

Ore is mined containing one short ton U_3O_8. Wilde (Ref. 3) has suggested that "mill losses may conservatively be taken at 10%". The lost uranium–235 ends up in the mill "tailings".

Therefore, per short ton U_3O_8 mined, we end up with 0.9 short tons U_3O_8 at the end of the milling step.

Step 2: Conversion to UF_6 and back to UO_1:

It is estimated that the combined losses in these steps is 1.5% of the fuel. Therefore, we end up with 98.5% of initial uranium.

(0.985) X (0.9) = 0.8865 short tons U_3O_8 equivalent.

Step 3: Losses to "tails" during enrichment:

In preparing 3.0% U–235, some U–235 is left in the "tails" of the enrichment plant. Currently as much as 0.3% U–235 is the concentration in the "tails". Since this wastes uranium, we shall *assume* (to give nuclear power every advantage) that additional enrichment facilities will be built if the U.S. goes on with nuclear expansion, that we will then leave the "tails" at 0.2% rather than 0.3% (which produces a 19.8% saving of fuel), and on that basis, we calculate the loss of U–235 in enrichment tails:

By the law of conservation of mass, the U–235 comes out of the enrichment plant either in the enriched product or in the tails. Let us assume 100 tons of uranium go into the enrichment step.

Let X = tons of enriched uranium produced (3% U–235).

100 − X = tons of depleted uranium in tails (0.2% U–235).

0.0071 = fraction of feed uranium that is U–235.

100 (0.0071) = 0.03x + (0.002) (100 − x). Conservation of U–235.

0.71 = 0.03x + 0.2 − 0.002x.

0.028x = 0.51.

x = 18.2 tons; 100 − x = 81.8 tons.

We started with 100 X 0.0071, or 0.71 tons U–235.

In the enriched fraction, we now have: (18.2) (0.03) = 0.546 tons U–235.

So, 0.546/0.71 = 0.769, or 76.9% of the U-235 survives the enrichment step.

From step 2, we had left 0.8865 short tons of U_3O_8 with its U–235 content. Since we say that 76.9 percent of the U–235 survives the enrichment step, it is the same as saying:

(0.769) × (0.8865), or 0.6817 short tons U_3O_8 equivalent get into the reactor cycle.

Step 4: Energy per short ton U_3O_8 in the reactor step:

1 short ton U_3O_8 → 2000 pounds U_3O_8

1 pound U_3O_8 → 454 grams U_3O_8

Therefore, 1 short ton U_3O_8 → 908,000 grams U_3O_8

The uranium fraction of U_3O_8 is 0.848

Therefore, 1 short ton U_3O_8 → (908,000) (0.848), or 769,984 grams uranium.

U–235 is 0.0071 of natural uranium.

Therefore, 1 short ton U_3O_8 → (769,984) (0.0071), or 5466.9 grams U–235

But, from step 3, our original short ton of U_3O_8 is down to 0.6817 short tons after enrichment and reconversion to UO_2 fuel (3.0 percent U–235). Therefore:

U–235 entering reactor cycle = (0.6817) (5466.9), or 3726.8 grams U–235

Step 5: U^{235} Utilization in the reactor:

The estimate is (in the introduction of this Appendix) that 71.7 percent of the U–235 gets utilized in the reactor, if there is no premature unloading of the fuel. Therefore:

(3726.8) (0.717) = 2672.1 grams U–235 utilized in the reactor per original short ton of U_3O_8 mined.

Step 6: Fraction of U^{235} undergoing fission:

Some U–235 is utilized in a non-productive manner, by capturing neutrons to produce non-fissionable U–236. The remainder is fissioned. Starr (Ref. 1) estimates for the U–235 used up, 81 percent of the U–235 fissions, while 19 percent does not, because it goes to U–236. Therefore:

(0.81) (2672.1), or 2164.4 grams U–235 undergo fission per short ton of U_3O_8 mined.

Step 7: Energy from fission:

The fission of one gram U–235 yields 0.92 megawatt-days of thermal energy (from first principles of physics).

1 megawatt-day → 24,000 kilowatt-hours (thermal)

Therefore, fission of 1 gram U–235 → (0.92) (24,000), or 22,080 kwhrs (t)

Therefore: Fission of 2164.4 grams U–235 → (2164.4) (22,080), or 4.778×10^7 kwhrs, thermal.

But, for every U–235 fission, we have 0.923 "bonus fissions".

Therefore, (0.923) (4.779×10^7) = 4.411×10^7 kwhrs thermal from bonus fissions.

Final total thermal yield = $4.779 \times 10^7 + 4.411 \times 10^7 = 9.19 \times 10^7$ kwhrs thermal from our original short ton of U_3O_8 mined.

Step 8: Thermal to electrical conversion:

Generally a value of 0.33 is taken as the electrical energy obtained per thermal energy-unit produced in light water reactors.

Therefore, (9.19×10^7) (0.33) = 3.033×10^7 kwhrs electrical from our original short ton of U_3O_8 mined.

This value, 3.033×10^7, or 30.33 million kilowatt hours electrical per short ton U_3O_8 mined is what we shall call the "thoretical" yield in the light water reactor.

Theoretical Energy Yield per Ton vs. Actual Yield:

The figure 30.33 million kwhrs (e) is "theoretical" in the sense that this is the energy yield to be obtained if all design criteria are fulfilled.

Thus if 71.7 percent of the U–235 is not utilized or "burned", the yield will fall. If the "tails" in enrichment are 0.3 percent instead of 0.2 percent, the yield will fall. If the "bonus fissions" have been overestimated (and they may be), the yield will fall.

It appears that the actual fuel performance on the average to date has been approximately 50 percent of its theoretical yield, according to testimony and tables presented by the Nuclear Regulatory Staff in the second half of 1976 (Ref. 4).

METHOD 2

Direct Estimate from Claimed Empirical Results:

Perry has estimated 30,000 megawatt-days, thermal, per metric ton 3 percent enriched uranium, barring premature discharge of fuel.

1 metric ton → 1,000 Kg.

At 3 percent U–235, (1,000) (0.03) = 30 kilograms U–235, or 30,000 grams U–235

In step 4 of Method 1 (above), we estimated that 3762.8 grams U–235 at 3 percent enrichment enter the reactor cycle per short ton U_3O_8 mined.

Therefore, if 30,000 grams U–235 → 30,000 megawatt-days thermal, it follows that

3762.8 grams U–235 → 3762.8/30,000 × 30,000 = 3762.8 megawatt-days thermal,
per original short ton U_3O_8 mined.

1 megawatt-day → 24,000 kwhrs.

Therefore, (3762.8) (24,000) = 9.03×10^7 kwhrs thermal per original short ton U_3O_8 mined

Utilizing the factor of 0.33 for conversion of thermal to electrical, we have (0.33) (9.03×10^7) = 2.98×10^7 kwhrs electrical per original short ton U_3O_8 mined . . . in good agreement with Method 1.

Confusion over the term "megawatt-days of burn-up."

Some observers carelessly use megawatt-days of "burn-up" to describe fuel performance in reactors. It is extremely important to point out that 30,000 megawatt-days thermal is a *design* value which applies *if* there is no premature discharge of fuel and *if* we start with 1 metric ton of 3.0% enriched uranium. It should be self-evident that if lower or higher enrichment is utilized (and both occur frequently in commercial light water reactors), the design expectation is *different* from 30,000 megawatt-days thermal per metric ton of fuel metal.

It is therefore far preferable to speak of "fuel duty" or performance in terms of kwhrs per original short ton of U_30_8 mined, than to speak of megawatt-days per metric ton of enriched fuel, the latter being so dependent upon *extent* of enrichment.

Reconciliation with Our Previous Estimates:

In 1976, C.N.R. presented some estimates of the gross electrical yield, kilowatt-hours (e), per short ton U_30_8. Four parameters have been revised in this report.

(1). The fraction of U–235 going to fission (vs. "duds" going to U–236) is reduced from 85% to 81%, which conforms with the "dud"-fraction (19%) used by the Electric Power Research Institute (Ref. 1).

(2) The bonus fissions from U-238 plus plutonium nuclides are here taken as 92.3% of U–235 fissions instead of 43% of U–235 fissions, because that appears to conform with the values observed for burn-up at design levels (Ref. 1).

(3). The loss of U–235 in enrichment tails is here taken as 0.2%, whereas earlier we used 0.3% tails. Actually, 0.3% corresponds better with current practice, but to present nuclear prospects most favorably again, we are assuming sufficient additional enrichment capacity will be built to permit going to 0.2% tails—a development which should increase energy-yield per short ton U_30_8 mined by a full 19.8%.

(4). An estimated loss of 10% of the U_3O_8 in mining-plus-milling is used in this report, whereas this loss was not included earlier.

Lifetime U_3O_8 Requirement per 100-megawatt Reactor:

If we are to calculate the number of plants fuelable by any estimated U_3O_8 supply, it is necessary to know the U_3O_8 requirement for the lifetime of one plant. Three factors are essential to specify:

(1). The expected average capacity factor. If a plant could operate at full power every hour of every day, it would be operating at 100 percent "capacity factor". Expected capacity factors are discussed as percents, which makes it possible to confuse these values with fuel performance at some percent of its theoretical energy yield. These are not the same.

(2). The lifetime of the plant. In 1976, we assumed a 40-year lifespan for nuclear plants; the nuclear industry no longer expects them to last 40 years. So this report uses 30 years. Therefore each plant will use only 75 percent as much fuel as calculated earlier. (However, the effective capital cost of nuclear power increases by 33 percent with this adjustment).

(3). Fuel performance relative to its theoretical yield.

a.) 30-year lifetime: 70 percent capacity factor; fuel performance 100 percent of theoretical:

(0.7) (1000 Mw) (1000kw) /Mw (24 hrs) /day (365 days) /year (30 years)→

$(0.7)(10^6)(8.760\times10^3)(30)\rightarrow$

1.84×10^{11} kilowatt-hours output in 30 years.

Theoretical yield per short ton U_3O_8 mined$=3.033\times10^7$ kwhrs (e)

Therefore under these conditions, each plant requires $1.84\times10^{11}/3.033\times10^7$ or 6,067 short tons U_3O_8

b.) 30-year lifetime; 55 percent capacity factor; fuel performance 100 percent of theoretical:

Obviously if the nuclear generating plants operate much more poorly than designed, e.g., at 55 percent capacity factor instead of 70 percent, the U_3O_8 requirement per plant for 30 years will be less, provided the refueling schedule is revised to take the much poorer performance into account.

At 55 percent capacity factor, electrical output in 30 years is (0.55) (1000 Mw) (1000 kw) /Mw (24 hours) /day (365 days) /year (30 years)→

$(0.55\times10^6)(8.76\times10^3)(30)\rightarrow$

1.445×10^{11} kilowatt-hours output in 30 years.

Therefore under these conditions, each plant requires

$1.445\times10^{11}/3.033\times10^7$ or 4.764 short tons U_3O_8 mined.

Number of Plants Fuelable: Illustrative Calculations:

a.) If nuclear plants operate with fuel performance at 100 percent of theoretical yield, how many plants (operating at 70 percent capacity factor) can be fueled with the assured U.S. reserve of 640,000 tons of fuel? How many, if plants operate at 55 percent capacity factor?

At 70 percent capacity factor, it takes 6,067 tons U_3O_8 mined to supply one plant for a 30-year lifetime. Therefore, for 640,000 tons reserve of U_3O_8:

Number of plants fuelable=640,000/6,067, or 105.5 plants.

At 55 percent capacity factor, it takes 4,764 short tons U_3O_8 mined to supply one plant for a 30-year lifetime. Therefore, for a 640,000-ton reserve of U_3O_8:

Number of plants fuelable=640,000/4,764, or 134.3 plants.

b.) Nuclear plants have thus far operated with fuel performance at about 50 percent of "theoretical" energy yield. With that performance, how many plants would be fuelable from a reserve of 640,000 tons U_3O_8?

For operation with fuel performance at 50 percent of its theoretical energy yield, a plant at 70 percent capacity factor requires much more U_3O_8. Indeed, one plant requires 6,067×2, or 12,134 tons U_3O_8 for a 30-year lifetime. Therefore, from 640,000 tons U_3O_8,

Number of plants fuelable=640,000/12,134, or 52.7 plants.

c.) If there are fewer fuel failures in the future, fuel performance in nuclear plants will rise. If we assume that fuel performance on the average reaches 75 percent of its theoretical energy yield, how many plants would be fuelable with the assured supply of 640,000 tons U_3O_8?

For fuel performance at 75 percent of its theoretical energy yield instead of 100 percent, a plant at 70 percent capacity factor requires 100÷75 as much fuel, or 1.33×6,067, or 8,069 tons U_3O_8 for a 30-yr. lifetime. Therefore, from 640,000 tons of U_3O_8

Number of plants fuelable=640,000/8,069, or 79.3 plants.

Quads (and oil-equivalent) from Nuclear Power:

In describing an energy economy, one finds two units in common use. The first is the "Quad", which is the abbreviation for 10^{15} British Thermal Units or 10^{15} BTU's. The second unit is the barrel of oil equivalent.

In order to express the energy contribution of nuclear electric power plants in a set of units comparable to these for other energy sources, it is necessary to convert kilowatt-hours to Quads or to barrels of oil equivalent.

First, one Quad represents 180,000,000 barrels of oil. (That is the conversion from a General Electric handbook; a Federal Energy Administration handbook uses 172,000,000 barrels per Quad. The difference is not great considering variations in the energy-content of crude oil).

Thus, when the National Energy Plan (April 1977) reports the 1976 U.S. primary energy demand as 37 million barrels of oil equivalent per day, we convert to Quads as follows:

37,000,000/180,000,000=0.2056 Quads per day

Annual energy use=(0.2056 Quads/day) (365 days/year) =75.0 Quads per year

Next, a 1000-megawatt plant at 70 percent capacity factor produces (0.7 (1000Mw) (1000 kw/Mw) (24 hrs/day) (365 days/year) or $(0.7\times10^3$ kw) (8760 hours), or 6.132×10^9 kilowatt-hours electrical per year.

1 Kilowatt-hour is equivalent to 3415 BTU.

Therefore, a 1000-megawatt plant at 70 percent capacity factor has an annual energy output, electrical, of $(6.132\times10^9$ kwhrs) (3,415 BTU) /Kwhr or 2.094×10^{13} BTU electrical per year. But 1 Quad$=1\times10^{15}$ BTU.

Therefore, annual output, electrical$=2.094\times10^{13}/1\times10^{15}=0.02094$ Quads.

Therefore, annual output, thermal=1/0.33 ×Annual output, electrical (⅔ of annual output is waste heat).

Therefore, annual output, thermal$=1/0.33\times0.02094=0.063$ Quads thermal.

Lifetime outputs per plant (30 years):

Quads, electrical, (30) (0.02094) =0.628 Quads.

Quads, thermal, (30) (0.063) =1.89 Quads.

In barrels of oil equivalent:

Annual output, electrical=(0.02094 Quads) (180,000,000 barrels/Quad; $=3.77\times10^6$ barrels of oil.

Daily output, electrical$=3.77\times10^6$ barrels/3.65×10^2 days; $=1.033\times10^4$ barrels of oil per day, or about 10,000 barrels per day.

Annual output, thermal=(0.063 Quads) (180,000,000 barrels) /Quads; $=11.34\times10^6$ barrels of oil.

Daily output, thermal$=11.34\times10^6$ barrels/3.65×10^2 days; $=3.11\times10^4$ barrels of oil per day, or about 30,000 barrels per day.

APPENDIX 2

Some realities about uranium ore:

There is a very great deal of uranium on earth, including uranium in sea water. This fact is often used to obscure the fundamental truth that there is an extremely small amount of uranium in discovered deposits which are *worth* working for nuclear plants of the types currently at hand.

Obviously, in general the richer an ore is in its uranium content, the more likely it is to be worth working. On the other side, the ores poor in uranium, there are limits to what can be used for nuclear power: (a) energy limits, and (b) absurdity limits.

(*a*) *Energy Limit:* If an ore is of too low a grade in uranium content, the energy required to mine, mill, convert, and enrich the uranium can exceed the energy obtainable from such uranium in light water reactors. Probably most of the uranium in the world falls into this class. Use of such uranium sources would represent a *drain* on the nation's energy supply, not an increment. Nevertheless, unless there is careful monitoring, such a practice could occur!

(*b*) *Absurdity limits:* In some instances, it can be shown that a low-grade uranium ore still could yield more energy *out* in LWR's than the combined energy inputs required for mining, milling, enrichment, etc.

In principle, such an ore could be considered as a potential source of fuel for light water reactors. In practice, however, it could be an absurdity to consider such a source.

One of the ostensible advantages of nuclear power over coal is the elimination of the requirement for mining and transporting "billions of tons" of coal. Rarely mentioned by nuclear salesmen is the fact that this advantage is true only for the high-grade uranium ores, which are rare indeed. The poor but abundant ores (like Tennessee Shale, at 60 to 70 ppm) could require about twice as much mining as would coal to get the same amount of *net* energy via LWR's. No rational society would tolerate a mining industry both huge and toxic by comparison with coal mining for such a poor energy yield compared with coal.

Grades of Ore, "ppm":

The most meaningful estimate of grade is the term "parts per million" by weight, or p.p.m. With rare exceptions, any other grading system can be reduced to the p.p.m. system, and of course the p.p.m. system is directly translatable to the percentage system. Thus, we can tabulate some uranium contents of ores in both systems:

Ore grade in ppm Uranium and ore grade in percent Uranium:

10,000 ppm	1
1,000 ppm	0.1
100 ppm	0.01
10 ppm	0.001

An ore containing 1,000 ppm uranium means exactly that: out of every 1,000,000 units of ore mixture by weight, 1,000 units are uranium.

High grade uranium ore deposits are those above 1,000 ppm of uranium. Ore deposits over 5,000 ppm are virtually unknown. Ores between 100 and 500 ppm have not been found in this country. Below 100 ppm, we are approaching the level where one mines as much uranium ore as coal to get the same amount of net energy.

Fuel Pellets, and Invisible Waste:

It is not commonly understood that a very large amount of toxic waste is created in the process of converting uranium ore to those neat little "fuel pellets" of UO_2 featured so often in nuclear commercials, side by side with a carload of coal.

For ores of 1,000 ppm, from ground to reactor, a concentration-factor of about 5,000 is required for uranium, as shown below:

1 ton UO_2 pellets loaded into reactor $\rightarrow$ 0.88 tons of uranium; the rest is oxygen.

The enrichment step (to 3.0 percent, with 0.2 percent tails) has concentrated the uranium 5.49-fold (100÷18.2). So before enrichment, we had (5.49) (0.88) = 4.83 tons of uranium.

At 1,000 pph, the ore mined is 1,000-fold the final uranium content. (1,000) (4.83) = 4,830 tons of ore mined.

With 10 percent in mining and milling, and 1.5 percent loss in conversion steps:

$$(4{,}830)\,\frac{(10)}{9}\,\frac{(100)}{98.5} = (4{,}830)\,(1.11)\,(1.015)$$

= 5,442 tons of ore mined per ton UO_2 pellets fed into a reactor.

When the nuclear industry is using ores of 500 ppm, there will be nearly 11,000 tons of radioactive waste (mostly in the mill tailings) for every single ton of UO_2 loaded into a reactor. Though they don't get moved, one could "picture" them in carloads too.

"Yellowcake" and Other Oxides:

In the mining and milling of uranium ores as generally practiced in the U.S., the final product shipped from the bill is a *uranium oxide* (one of several possible oxides) which is bright yellow, which accounts for the trade name "yellowcake."

Yellowcake is essentially pure U_3O_8. Uranium reserves are often referred to in short tons of U_3O_8, whether or not the uranium is actually present in that oxide form.

Two other oxides of uranium are encountered in discussions. UO_2 and UO_3. UO_2 is the actual final form of uranium used in the manufacture of nuclear fuel pellets. UO_3 is not commonly encountered.

For most discussions, the key point is the ability to convert quantities between uranium metal and its two common oxides, namely U_3O_8 and UO_2.

Uranium constitutes 84.8 percent of U_3O_8 by weight; oxygen is 15.2 percent. Therefore, to convert U_3O_8 tons to uranium, multiply by 0.848. To convert uranium to U_3O_8, multiply by 1.18.

Uranium constitutes 88.1 percent of UO_2. Therefore, to convert UO_2 tons to uranium, multiply by 0.881. To convert uranium to UO_2, multiply by 1.14.

Uranium Hexafluoride (UF_6) is only of importance in that it is the gaseous compound actually used in the current form of diffusion enrichment plants. Following enrichment, the hexafluoride is converted back to UO_2 in general.

Descriptions of ore discoveries:

It is important to be sure in a discussion to specify whether one is referring to ore, or to a purified uranium compound derivable from such an ore.

Thus a "find" of an ore body of an estimated 10 million tons sounds like the solution to the uranium shortage, but it can be simply trivial. Suppose the ore discovered is 200 ppm uranium! Then 10,000,000 tons of ore means only 2,000 tons of uranium, a miniscule amount.

Sometimes a discovery is even reported in pounds! But what seems huge in pounds is quickly reduced by a factor of 2,000 when converted to short tons.

While on the subject, we must give attention to the variety of "tons" encountered in the nuclear fuel literature.

1 short ton=2,000 pounds.

1 long ton=2,240 pounds.

1 metric ton=1,000 kilograms.

Since 1 kilogram=2.2 pounds.

1 metric ton=2,200 pounds, close to the long ton.

One metric ton is labeled as 1 tonne.

"M.T.U.":

The abbreviation will commonly be encountered, 1 M.T.U., meaning 1 metric ton of uranium. It is important to ascertain whether a specific reference is to 1 MTU of natural uranium (meaning the uranium is 99.3% U–238, and 0.7% of the fissionable U–235), or to enriched uranium (meaning uranium enriched to 2%, 3%, or more in U–235). The literature is exceedingly sloppy in specifying enriched uranium when this is meant.

But if a meaningful discussion of nuclear fuel is to take place, we must have specified the degree of enrichment of the uranium in U–235 content. Trying to figure out the energy which can be yielded by "1 M.T.U." is simply hopeless unless it is clearly specified that the uranium is not enriched at all (contains the 0.71% U–235 found in nature), or is enriched to 2%, 3%, 3.7%, or whatever.

There is no single "standard" degree of enrichment. However, one commonly encounters 3.0% or 3.2% enrichment in discussions of fuels for Pressurized Water Reactors.●

WAGE AND PRICE CONTROLS

● Mr. McGOVERN. Mr. President, wage and price controls are being mentioned in the national news media with increasing frequency. Given the disturbing resistance of current efforts to halt, much less reduce, chronic double-digit inflation, this is not surprising.

The only legislation I am aware of which would in fact give the President the option of using wage and price controls is my bill, S. 1022, introduced on April 26 of this year.

Mr. President, I would like to submit for the RECORD a copy of the "Dear Colleague" letter I recently sent out regarding this bill, as it clearly summarizes my current views. Also, I include four articles, three from the Washington Post, and one from the New York Times, each of which describes the public's acceptance of wage and price controls, the failure of current policy, the bleak future picture, and, finally, the consideration of controls as a "potential option" by the administration.

The material follows:

COMMITTEE ON AGRICULTURE,
NUTRITION, AND FORESTRY,
Washington, D.C., June 13, 1979.

DEAR COLLEAGUE: On April 26, 1979, I introduced legislation giving the President standby authority to impose mandatory wage and price controls (S. 1022).

I believe that the time has come to seriously debate substantive alternatives to the President's anti-inflation program. The facts are that the Consumer Price Index for 1979 will rise approximately 13.0 percent, following increases of 9.2 percent in 1978 and 6.8 percent in 1977. In each case, the increase has made a mockery of the estimates contained in the President's budget, and all the plans based on those estimates.

The situation is getting worse, not better. If allowed to continue, a long-term no-growth, high unemployment bias will be ingrained in our economy. Interest rates will grow, people will be pushed into higher income brackets, and real income will be reduced. Capital investments will be postponed as the rate of return on new investment diminishes. We will have a recession. Our competitive posture in foreign markets will further erode, our currency will weaken, and our import imbalance will deepen.

Controls are controversial. They have, however, worked in the past. Why shouldn't specifically targeted controls, selectively and flexibly applied and very carefully lifted as circumstances warrant, have a place in our arsenal of weapons in the war against inflation, especially if current policies invite recession without providing relief?

If you would like to cosponsor this measure, or if you have any questions, please contact me or Alan Stone of my staff (4–3023).

Sincerely,

GEORGE MCGOVERN,
U.S. Senate.

[From the Washington Post, June 5, 1979]

MANDATORY CONTROLS "A POTENTIAL OPTION" IF INFLATION SOARS

(By Art Pine)

One of President Carter's top inflation-fighters has raised the possibility that the administration may consider mandatory wage and price controls as "a potential option" next year if inflation gets out of hand.

Barry P. Bosworth, director of the Council on Wage and Price Stability, made his remarks during a televised interview taped last week by the Bureau of National Affairs, a Washington-based business reporting and research firm.

Bosworth also was quoted as saying he would be willing to reconsider his present opposition to controls if "the general public would support them" and if he thought they were needed to combat a wage-price explosion in the industry.

The Bosworth statement, which surfaced yesterday, sparked a flurry of qualifiers and disclaimers, both by wage-price council spokesmen and by other key administration officials.

A council official said flatly that despite Bosworth's comments, "we are not contemplating any" controls and that the inflation-fighter's remarks "in no way imply any policy change" either by the agency or the administration.

He said Bosworth's statement was "made in a lengthy interview, in an academic setting, dealing with an abstract situation." The interview is scheduled to be televised soon by the Public Broadcasting System.

A move to mandatory wage and price controls is considered highly unlikely. Carter has no authority under present law to impose controls, and most observers believe Congress wouldn't approve such legislation if the president decided to seek it.

The incident marked the second time in two weeks that a senior administration official has caused a flap with a statement that appeared to contradict previous White House policy pronouncements.

Last week, chief Carter inflation-fighter Alfred E. Kahn told a breakfast meeting with reporters that, in retrospect, Carter should not have signed last year's $18.7 billion tax cut bill.

On Sunday, Treasury Secretary W. Michael Blumenthal told a television audience on the CBS program, "Face the Nation," that "it is very difficult to apply hindsight" and that the tax bill helped the economy in many ways.

It was not immediately clear why Bosworth raised the possibility of turning to controls as a "potential option." Carter himself just recently rejected the use of controls, and other top officials consistently have opposed them.

Bosworth's statement, in broader context, was: "Now, everybody wants bigger wage increases because of big food price increases and fuel. If that gets built into the industrial structure, we would have a problem.

"In that type of inflation, I think that mandatory controls, while very extreme, are a potential option." At another point, he added: "You can make them (controls) work for a period of time. That is a problem that's coming for next year."

[From the Washington Post, June 11, 1979]

Wage-Price Controls Get Backing in Poll

New York.—The American people say they would be more likely to vote for presidential candidates who back wage and price controls, a strategic arms treaty with the Soviet Union and government health insurance and who oppose more nuclear power plants.

But at least for now they are rarely deciding to like specific candidates because of those issues.

The latest New York Times-CBS News Poll shows that both with the public generally and within their own parties, the best-known potential 1980 candidates are somewhat more likely to attract an unfavorable opinion from those who disagree with their stands than backing from those who agree.

President Carter, who insists he opposes mandatory controls, is liked just about as well by Democrats on either side of the issue. But in the public as a whole, where 45 percent said they had an unfavorable opinion of him (compared with 33 percent favorable), 57 percent of those who opposed controls took a negative view of Carter. Those who favored controls looked on Carter just about the way the public as a whole did.

The same phenomenon occurred when the voters were asked their view of a candidate who "wants a comprehensive government health insurance program." Forty-three percent said they would be more likely to vote for such a candidate, and 17 percent said less likely. Carter has been locked in a sharp public dispute with Sen. Edward Kennedy, D-Mass. Carter argues that the country cannot afford such a program.

But both with Democrats alone and the public generally, the Times-CBS Poll showed, Carter is regarded substantially more unfavorable by opponents of health insurance than by the public generally, without being better liked by supporters of health insurance.

The potential candidate who appears to be most clearly identified with an issue, up and down, is Kennedy. His overall favorable-unfavorable rating is 58 to 28 percent, and it spurts to 68–19 among those who say a candidate's support for health insurance would influence their vote favorably. Among opponents, however, he is regarded favorably by 33 percent and unfavorably by 62 percent.

[From the Washington Post, June 14, 1979]

COWPS Warns in Report of Wage, Price Explosion

(By John M. Berry)

Higher prices for food, energy and housing that have hit workers hard could lead to an explosion of industrial wages and prices, the Council on Wage and Price Stability warned in a report yesterday.

As workers try to stay even—a futile task recently—the demand for higher pay, in an economy with little or no growth in productivity, will only generate more inflation, COWPS declared.

This attempt to recoup lost ground "will place extreme pressure on the pay and price standards in future months," the report said.

"Future increases in real incomes will be determined by the extent of our success in dealing with the basic problems of slow productivity growth and the energy shortage," it continued.

The course of inflation will depend "critically" upon whether those situations improve, and "in addition, upon our success in preventing an acceleration of industrial pay and price increases that could result from efforts to catch up with past price increases in the problem sectors," COWPS said.

"For this reason, the nation is presently at a critical crossroads in its effort to reduce inflation without incurring the costs of recession and rising unemployment that have followed past episodes of accelerating inflation," it cautioned.

COWPS indicated it expects much smaller increases in food prices for the remainder of this year, reflecting the slower rise in farm prices.

However, the council noted that retail food price hikes have not moderated much so far because of a "dramatic increase in the farm-retail (price) spread, which it said "are not consistent with widespread compliance with the gross-margin standard of the anti-inflation program."

As a result, COWPS said it is intensifying its investigations of prices in this area.

If there is little indication that energy and housing price rises will slow down soon, there is some encouraging news in the prices of finished consumer goods other than food and energy as measured in the Producer Price Index.

COWPS said that such prices have been going up at a 7.3 percent rate in the past three months compared with a 9.4 percent rate during the last six months and a 7.8 percent rate over the last year.

Similarly, the prices of services in the Consumer Price Index are not going up as fast as they were. During 1976–78, the prices of services was rising at between a 7 percent and 8 percent rate. More recently, they have been increasing at about a 6.5 percent rate.

But the signs of improvement are small, and COWPS remains deeply worried about the possibility of an industrial sector wage and price explosion like the one that followed the big increases in food and fuel prices in 1973 and 1974.

[From the New York Times, June 12, 1979]

Poll Shows Most Americans Prefer Gas Rationing Over Higher Prices

(By Adam Clymer)

The American public, still not believeing that there is an oil shortage, solidly prefer gasoline rationing to scrambling to find supplies or to paying still higher prices, according to the latest New York Times/CBS News Poll.

The poll suggested strongly that the House misread the country when it voted last month to kill President Carter's standby rationing plan. Even though about half the public said that rationing would be unfair, three out of five respondents still said they would rather have it than take their chances of finding gasoline or endure price increase severe enough to discourage driving.

There was heavy support, 69 percent, for a "windfall" tax on oil company profits augmented by the removal of price controls on domestic oil, an issue on which the House Ways and Means Committee indicated yesterday that it intended to go even farther than Mr. Carter had proposed and stiffen the tax.

But while the poll reflected strong backing for his positions on these issues, there was also firm evidence that the President had made no significant progress in two years of trying to persuade the public of the reason for such measures and to believe an oil shortage exists.

Seven out of 10 Americans said they thought the situation was not as bad as Mr. Carter said it was, a slight increase over the number in previous polls.

Such Administration spokesmen as Stuart E. Eizenstat, Mr. Carter's chief domestic policy aide, have predicted in recent weeks that the level of doubt would drop sharply in the face of long gasoline lines, but it has not happened.

Energy, gasoline and oil were identified by about a third of those in The Times/CBS News Poll as the country's most important problem. But that perception did not appear to translate into political blame for President Carter as dramatically as did the expectation of 72-percent of the public that the nation's economy was getting worse, up significantly from the 58 percent who thought so in January.

Moreover, while 70 percent of the 1,422 voting-age Americans interviewed by telephone between June 3 and 6 said they disapproved of Mr. Carter's handling of the energy problem, only one in three felt he deserved "a lot of the blame" for it.

That proportion, up from 19 percent in July 1977, was still well short of the level of blame directed at other institutions. American oil companies were held deserving of "a lot of the blame" by 69 percent of the public, Congress by 59 percent, "waste by people like yourself" by 58 percent, and Middle Eastern oil producing countries by 47 percent .

DEMAND FOR LEADERSHIP

A widespread demand for strong leadership, evident in many elements of the poll showed up in economic matters, with 64 percent saying they would be more likely to favor a candidate who supported wage and price controls.

Those polled were about evenly divided on whether inflation could be controlled by "an effective President," with 45 percent saying it could be and 47 percent saying it could not. There was more optimism about energy, with 57 percent saying "an effective President" could "handle the energy problem" and 36 percent disagreeing.

On both questions, supporters of Mr. Carter were considerably more pessimistic than those who preferred Senator Edward M. Kennedy of Massachusetts for the 1980 Democratic Presidential nomination. For example, about three-fifths of Mr. Kennedy's backers thought energy could be handled, but only two out of five Carter supporters did.

NOT SURE ON SHORTAGE

But attitudes on energy remained somewhat mushier, perhaps because of the disbelief on the part of at least three-fifths of the public that there was any true oil shortage. Moreover, only 51 percent of those polled believed "the United States has to import oil to meet our needs." Thirty-six percent thought instead that "we produce as much as we need." The United States actually imported 46 percent of its petroleum in the four weeks ending June 1, according to the Department of Energy.

In July 1977, when imports accounted for 51 percent of consumption, about the same share of the public, 48 percent, believed imports were necessary.

When the interviewing was conducted last week, three out of every 10 drivers in the survey said they had had difficulty in getting gasoline in the last month. But that experience, reported by half the respondents in the West but only a fifth of those in the South or Middle West, appeared to have only a slight effect on attitudes toward rationing and none on a belief in a real oil shortage or the need for oil imports.

The key influence on how the public felt about rationing appeared to be whether the system would be fair. When the House voted May 10 to kill Mr. Carter's standby rationing plan by a 246-to-159 margin, arguments about unfairness and fears of being blamed for shortages and rationing dominated the atmosphere.

CONCERNS NOT SHARED

But the poll did not indicate that the public generally shared those concerns.

Sixty-two percent of those polled, and 64 percent of those who said they had bought gas in the last month—a difference within the 3 percent margin of error of the Times/CBS poll—said they preferred rationing when asked:

"If people have trouble getting gasoline, would you rather the Government set up a system to ration gasoline, or would you rather take your chances in getting gasoline yourself?"

Only 30 percent said they would prefer to take their chances, and almost identical results were obtained on this question:

"President Carter and others have said we need to use less gasoline. To get people to drive less, would you rather have gasoline rationed, or would you rather let gasoline prices rise until people drive less."

When asked if they expected a rationing system to be fair, almost as many respondents thought it would be fair as thought it would not. Forty-two percent believed; 46 percent disbelieved.

RATIONING WITH FAIRNESS

Those who expected a system to be fair, who tended to have more education than the doubters, favored rationing by an 80-to-17 percent margin. But even those who expected a system to operate "unfairly for people like yourself" were about evenly split, with 48 percent for rationing and 45 percent against.

Along with long lines and closed filling stations, many respondents reported other changes in life styles. While only 7 percent of the gasoline buyers said they were using public transportation more than they did a year ago (with 46 percent saying there was none available), 29 percent expected to change their vacation plans because of "problems finding gasoline."

Half of the drivers, and two-thirds of those in the West, said they had recently cut back on their driving. That portion remained steady in all income groups.

But when the gasoline buyers were asked if they thought price or the unavailability of gasoline would cause them more trouble this summer, 64 percent said price and only 29 percent said unavailability. In the West, and among those with family incomes over $25,000, the two problems were cited with more nearly equal frequency, but price was still named more often.●

DEATH OF LEVERETT SALTONSTALL

● **Mr. KENNEDY.** Mr. President, today's Boston Globe contains two warm and well-deserved tributes to Senator Leverett Saltonstall, our former colleague from Massachusetts who died last Sunday at the age of 86.

Senator Saltonstall retired from the Senate in 1966, after a brilliant career in public life in Massachusetts that was crowned by 22 years in this Chamber.

I believe there are 26 Senators still in the Senate who had the privilege of serving here with our outstanding colleague so affectionately known as "Salty."

When Senator Saltonstall retired in 1966, Senator Mike Mansfield, the majority leader, paid tribute to him as "great Republican," a leader who was "in every sense, one of the balance wheels of the Senate."

Few would disagree. In his biography titled "Salty: Revelations of a Yankee in Politics," published by the Boston Globe in 1976, Senator Saltonstall described his role:

> Perhaps the most satisfactory recollection as a Senator was my bringing together in conferences opposite points of view for a compromise agreement; a timing and a method which my friends on the Appropriations Committee dubbed "the Saltonstall package."

He also told of the assistance and sound advice he obtained from a collection of quotations he carried in his wallet, including the following thought by Ambassador Walter S. Gifford:

> Success in life is relative. In my judgment success means making the most of such ability, personality and physique as you have. Don't measure your success against others, but against your own potentialities.

Senator Saltonstall nobly met that standard. He had great ability, personality and physique, and he used them to their fullest potential over a lifetime in public service for the benefit of the people of Massachusetts and the Nation.

None of us who knew Senator Saltonstall or worked with him will ever forget him. I hope that the materials appearing in the press and in the RECORD these past few days will provide at least some small measure of the stature of this giant from New England whom the Senate and the country have now lost. I am pleased, therefore, to submit for the RECORD the editorial from today's Boston Globe and a tribute to Senator Saltonstall by Jeremiah V. Murphy of the Globe staff.

The material follows:

[From The Boston Globe, June 19, 1979]

HE WAS A MAN OF INTEGRITY

The thing that made Leverett Saltonstall such a beacon among men was his integrity. Everybody mentions it and they mean something much broader and rarer than honesty in the conduct of office.

Integrity as applied to Saltonstall signified a naturalness and wholeness that lies beyond the reach of most mortals in this age of self-doubt and conflict. It is a quality as true, as bright and as refreshing as spring water and many far brighter men would love to have it. There was nothing posed or contrived about the Senator who brought eggs to Washington from his farm in Dover and carried the boxes back for another load. Nor was there anything false about the delightful malapropisms that characterized his speech. "Know your stuff but stick to your knitting. Don't try to spread your butter all over the Senate," he told his successor, Edward Brooke. And if the metaphors were mixed, the message was clear. Everything about the man added up to something that others could understand and trust.

The instincts of generations combined to guide Saltonstall always towards the higher purpose, without fear of shame or failure. "We kept a sound government and did the best we could," he said of his three terms as governor of Massachusetts. He made no apologies and had need of making none. Faced with an ascendent democratic party on Beacon Hill, he held to his own principles, yet showed a wide sense of accommodation with his legislative opponents when human issues were involved. Later, in Washington, Leverett Saltonstall perceived absolutely that agreement was the key to accomplishment; compromise did not mean giving up; it meant getting diverse forces to work toward a real goal. And, in the process, Saltonstall never considered himself apart from or above those he worked with or those he sought to serve.

Leverett Saltonstall saw himself plainly as part of a working whole and, if that involved old-fashioned duty, it also involved old-fashioned fun. He loved his work and believed in it instinctively. And people loved him instinctively in return.

[From the Boston Globe, June 19, 1979]

"SALTY" WAS ALWAYS HIMSELF

(By Jeremiah V. Murphy)

Sen. Leverett Saltonstall was smiling that night several years ago as he pushed his wife in a wheelchair along Commonwealth Pier over in South Boston.

He and the Missus, as he almost always called his Alice, were to board a French cruise ship for a vacation trip.

There were a dozen or so longshoremen, wearing scally caps and heavy jackets and dungarees, standing near the gangway. They spotted Saltonstall with his famous face and white hair and that toothy smile, and started calling out: "Hey, There's Salty! How 'ya doing, senator?"

Then other longshoremen started shouting greetings, and it was all very friendly as the senator waved back and smiled. He looked very happy, and you knew he was pleased to have been recognized after being out of office for a few years.

Saltonstall stopped momentarily at the foot of the steep gangway and without a word being spoken, two big longshoremen, who looked like South Boston Chippewa tackles, stepped forward and gently picked up the wheelchair with Mrs. Saltonstall and easily carried her aboard the cruise ship.

Then Saltonstall shook hands with the longshoremen and thanked them. One longshoreman said: "Have a good trip, senator, and you too, Mrs. Salty."

A few minutes later Saltonstall said to a reporter, who had witnessed the scene: "Now wasn't that thoughtful of those men? You know, I always did well in South Boston."

Republican Leverett Saltonstall did well in every section of this strongly Democratic state, when the old-time Yankees were a vanishing breed.

He apparently did well because he always remained Leverett Saltonstall, a Boston Brahmin, Harvard, landed gentry and all the rest. But somehow he still established rapport with people from entirely different backgrounds, because they obviously recognized that he was 100 percent himself, and that personal honesty was mixed with an understated sense of humor and feeling of humanism that people everywhere could identify with. So political labels didn't mean that much when it came to Saltonstall.

That was his strength. He was entirely different from the vast majority of his constituents, but he still could establish an almost instant rapport with an individual or a crowd without ever resorting to the phoney one-of-the-boys pose that some politicians adopt. He was always Leverett Saltonstall.

The crowd at the Sheraton Boston felt that rapport back in 1966, a day or two after he announced that he would not seek re-election. Saltonstall got up at the podium that day and skipped all the heavy farewell stuff and delighted the big crowd with his dry Yankee humor about his lifetime in rough and tumble Massachusetts politics.

It was impossible to dislike Sen. Saltonstall. People loved to tell funny stories about Salty because they knew he himself would be delighted with the story. He recognized the wonderful value of a good laugh, even at the expense of himself.

A longtime Boston newspaperman enjoys telling the story about seeing Saltonstall and former Gov. Francis Sargent playing golf together several years ago at the terribly smart Dedham Country and Polo Club.

Sargent, another old Yankee who understood the theraputic value of laughter, was fashionably turned out in shocking red trousers and a brillant blue Brooks Brothers shirt and expensive golf shoes as he and his caddy strolled along the fairway.

But Saltonstall presented an entirely different picture, because he was wearing dungarees and an old work shirt and a battered pair of dirty sneakers. Saltonstall—not surprisingly—was also carrying his own golf bag.

The senator was always an approachable figure, whether he was on a train back in the old days and returning to Washington while carrying a crate of fresh eggs from his Dover farm, or at the wharf up in Rockland, Maine, waiting for the ferry to take him to North Haven, the family island summer home.

He was always willing to chat for awhile about matters big or small, which is not a big deal until you realize that a big-time politician is often stopped a dozen times daily by people wanting to talk.

Saltonstall possessed that famous Yankee thrift and considered that quality a virtue, so much so that one reporter in the late 1930s and early '40s could tell when Salty had decided to run for re-election or for another office. Saltonstall would take his vintage Chevrolet to a South Natick garage for a complete tune-up. That was the sure sign that he was going to hit the campaign trail again. The years went by, and Salty sought different offices, but the old Chevy remained constant.

Saltonstall for years wore his grandfather's tuxedo pants. After all, why go out and buy an entirely new tux when another pair of pants were available?

But time takes its toll and even those Yankee pants eventually developed holes, but Saltonstall was equal to the challenge. He just painted little black spots on his underpants where the holes came and went right on wearing his grandfather's pants.

In his final days in Washington, Saltonstall invited Boston reporters to lunch. There were 15 present when lunch started, but when one guest left early, Saltonstall made a brief and informal announcement:

"When the next person leaves, he'll have to take somebody with him. We don't want 13 sitting here at the table. That's an unlucky number."

Then Saltonstall explained that he had once been at a dinner party with 13 present around the table, and one of the diners had been killed in an accident on the way home.

The unsuspected superstition surprised some reporters, but it really reflected his humanism. He recognized the role luck plays in all of our lives, so why take a chance?

Leverett Saltonstall's friends all agree that he was a good man who always did his best throughout his long and eventful life. It is difficult to find any real enemies of Saltonstall. He was that type of man.●

DOING BUSINESS WITH CHINA

● Mr. BIDEN. Mr. President, I wish to commend to my colleagues the remarks of Walter Shorenstein upon returning from a recent journey to the People's Republic of China. As a member of a U.S. trade mission, Mr. Shorenstein's perspective observations on how the United States might develop sustained and mutually beneficial economic relations with China might well serve as guidelines for U.S. policy.

I ask that Mr. Shorenstein's thoughts on the subject be printed in the RECORD.

The material follows:

DOING BUSINESS WITH CHINA—SOME THOUGHTS OF AN AMERICAN BUSINESSMAN

(By Walter M. Shorenstein)

The recent normalization of relations between the PRC and the United States represents a long overdue political breakthrough. While it may be intriguing to speculate as to the possibly changed course of world events in recent years had normalization come earlier, the fact remains that at long last our two countries have created normal diplomatic ties with all that entails.

It is understandable that the act of normalization gave rise to considerable euphoria about the prospects for U.S.-China economic ties. The phase we are about to enter can best be described as the "morning-after sobering-up process", during which high-flying rhetoric needs to be translated into hard and mutually beneficial long-term business arrangements.

The essence of business is that it is not a zero-sum game; all participants must benefit as economic relations develop a synergistic dynamic of their own. American businessmen have clearly learned the lesson that nineteenth-century style economic relations are a thing of the past. It is encouraging to observe that the foreign trade elite of the PRC also understands that in order to develop long-term business ties with American enterprises, clearly established rules of the commercial game must be strictly adhered to and honored without exception.

Any realistic evaluation of U.S.-China economic ties in the near and medium future clearly reveals that China needs economic relations with the United States. Although the United States could surely absorb certain raw materials and particularly petroleum products from the PRC, it is self-evident that the U.S. can comfortably get along without trade with China.

China, on the other hand, would benefit enormously from trade with the United States.

From our point of view, the fundamental requirement is to develop a coherent and unified economic policy on the part of our multi-polar market economy in its dealings with a nonolithic state economy. If we succeed in evolving a carefully orchestrated U.S. economic policy involving coordination among U.S. companies operating in China as well as between our private and public sectors, trade with the PRC will prove to be advantageous and significant.

We sometimes have a tendency of reinventing the wheel. There is no need for that in this instance. There exists a large reservoir of experience we may draw upon from the experience of Europe and Japan in their dealings with the PRC. Also, the lesson of the Hong Kong business community should be invaluable for us.

In light of the above general observations, a few specifics need to be kept in mind as one views the prospects for U.S.-China economic ties.

1. China at present is not a major trading nation. Its import volume in recent years is comparable to the import volumes of medium-sized countries, such as Finland or South Korea, accounting for less than one percent of total world imports. Unless dramatically aided by generous and long-term credit, Chinese imports cannot climb drastically in the short-run. A realistic and intriguing alternative to the extension of generous long-term credit arrangments would be the development of large scale barter deals involving Chinese petroleum and other natural resources for U.S. capital goods and technology.

2. Although China is opening up more and more to the outside world, the long-standing policy of self-reliance and self-sufficiency is being only modified, not abandoned. On the contrary, the suddenly growing reliance on imports is likely to be a temporary phenomenon; e.g., although China at present is the world's largest importer of fertilizers, China's emphasis is on importing fertilizer technology which will in time reduce the need for imports in this area.

3. Some four-fifths of China's trade is with non-Communist countries having market economies. The radio is likely to continue and even to increase in the future. Competition for U.S. companies from Japanese and European counterparts will continue to be stiff.

4. The future of U.S.-China economic ties appears promising in certain specific areas (copper mining, aircraft, off-shore drilling, finance, hotel and general construction, etc.), but seems fraught with difficulties in areas where U.S. technology transfers may effect adversely certain U.S. industries in the future.

5. The Chinese are keen on assimilating to the greatest possible degree advanced Western technology to facilitate the process of the "Four Modernizations" program. The fact that the Ten-Year-Plan has goals that are likely to prove overly ambitious does not seem crucial. After all, even a partial success in achieving the stated goals would be a major achievement. Western technology will be vital in this effort.

Finally, recent developments clearly indicate that the Chinese may well have overreached themselves in planning overseas purchases. Taking the most optimistic estimates of increased foreign exchange earnings from both traditional and new exports, including tourism, there will be a sizeable foreign exchange gap in financing the Chinese development plan. In this context, developments concerning the Trade Act of 1974 and MFN treatment will be imperative.

In sum, in the short run, economic ties with China are important principally for political reasons. Although some economic benefits are certain to be derived even in the near future, the positive political implications are enormous and must be pursued with patience and understanding. In the long run, *both* political and economic gains are potentially vast for both China and the United States. I can visualize the time in the not too distant future when at least in certain spheres of the Chinese economy, market forces will be allowed to operate. This will not only lead to significant economic advances, but will also have favorable implications for a more open society internally and for widening the scope of human rights. Chinese-American cooperation, utilizing our combined vast resources of manpower, materials and technology portends great hope for the future of the world in both economic, political and human terms. This, clearly, must be our ultimate goal.●

THE PENTAGON TAX

Mr. McGOVERN. Mr. President, the budget of the United States for fiscal year 1980 is really an amalgram of two different budgets. First, there is the domestic spending budget. It is based on the so-called new economic realities. Spending is cut below current service levels for many programs. Second, there is the military budget. It seems to be based on the old realities: the assumption that bigger is better and the absence of any stringent fiscal restraints.

As long as we are a Nation operating on these two distinct budgets, our national priorities will be distorted because Government spending cuts and tax reductions will come at the expense of meeting human needs. If unwarranted military spending and waste in the Pentagon are eliminated, it would be possible to reorder our national budget priorities in a more equitable and humane manner.

A new educational resource has just been published which shows the relation between Federal taxation and military spending. Published by the Coalition for a New Foreign and Military Policy, "The Pentagon Tax" brochure indicates that between 1960 and 1976, American taxpayers paid 65 percent of their personal income taxes for military expenditures, including direct military outlays, veterans outlays and two-thirds of our national debt payments.

I have never believed that military spending should be reduced simply because it eats up tax dollars or is inflationary. The real issue is whether the military budget buys us security. Our concern to reduce the tax burden and to decrease inflationary Government spending should impose a tougher burden of proof on Pentagon programs. Does the next defense dollar buy us more security than it causes inflation? Is the next tax dollar for defense improving our defense enough to justify the erosion in our standard of living? The information in "The Pentagon Tax" will be very useful for us to consider as we try to answer these questions during the forthcoming debate on the military appropriations bill.

I ask that the text of "The Pentagon Tax" be printed in the RECORD.

The text of the article follows:

65 PERCENT OF TAX DOLLARS FOR MILITARY

Between 1960–1976 American taxpayers paid 65 percent of their personal income taxes for military expenses.

This ranged from a low of 50 percent to a high of 73 percent of taxes paid.

What this means in personal terms is that of every $1.00 taken out of people's paychecks in federal income taxes between 1960–1976, an average of $.65 went to finance military expenditures.

Where does this figure come from? It sounds much higher than what the federal government has been saying.

It is higher, because the federal government has consistently understated the true cost of the military to the hard-pressed taxpayer. They have given the impression that expenditures by the Pentagon constitute the total cost of the military. This is much like a real estate agent trying to persuade a prospective homeowner that the total cost of owning a home ends with the monthly mortgage payment.

The true cost of the military includes Pentagon expenditures, veterans outlays, and two-thirds of our national debt payments. The total of these three categories gives the real cost of the military.

The budget from which these military expenditures come is called the federal funds budget. Out of it also comes outlays for health, education, environment, transportation and agriculture—the whole range of human and physical resources. Revenue for the federal funds budget comes from the personal income tax, corporate, excise and gift taxes.

The trust funds are separate. The taxes for them are separately raised and administered and go only for designated programs. For example, the largest trust fund expenditure is for social security. It is paid for by the social security tax, and the money can be spent only on social security programs. Other major trust funds include the highway program and railroad retirement.

At a time of rapidly rising inflation and growing tax resistance, it is urgent that people know how much of their taxes are going for excessive military expenditures.

THE WAGE EARNER'S PENTAGON TAX

An analysis shows what the military has cost the average American family during all the years that they were trying to make ends meet. Between 1960–1976, this average family paid $12,100 for military expenditures—the Pentagon Tax. Its members lost another $7,500 in interest that they could not collect. So their total loss was $19,600.

$19,000 would have paid your total electric bill from 1960–1976 three times over.

Also included are detailed tax analyses of five family breadwinners: a machinist, a teacher, an auto worker, an accountant and an engineer. We traced them over the years as they worked, got raises, and paid taxes. The Pentagon Tax ranged from the teacher's total of $8,300 to $35,300 for the engineer.

To find out what happened to you, look for the table which has your starting salary. Then follow the tables and your raises through the years along with your Pentagon Tax. Enter each year's Pentagon Tax onto your coupon on page 4. The total will be what the Pentagon has cost you.

The charts of these two pages show conservative estimates of the Pentagon Tax burden as they are done for a family with one wage earner and three dependents. Single people would have paid much higher taxes at each income level. The figures are further understated for the individual taxpayer as excise taxes, gift taxes, and estate taxes were not included.

Average family

	Annual earnings	Pentagon tax
1960	$6,250	$490
1961	6,450	470
1962	6,650	530
1963	7,000	590
1964	7,350	560
1965	7,700	480
1966	8,400	560
1967	8,800	620
1968	9,650	720
1969	10,600	900
1970	11,100	860
1971	11,600	780
1972	12,650	770
1973	13,600	830
1974	14,700	950
1975	15,550	950
1976	16,850	1,020
Subtotal Pentagon tax		12,080
Interest foregone		7,500
Total Pentagon tax loss		19,580

Auto worker

	Annual earnings	Pentagon tax
1960	$6,350	$510
1961	6,350	460
1962	6,950	570
1963	7,400	650
1964	7,850	640
1965	8,300	540
1966	8,200	540
1967	8,250	550
1968	8,900	680
1969	9,350	740
1970	9,700	700
1971	11,050	730
1972	12,350	740
1973	13,700	840
1974	13,700	850
1975	14,950	890
1976	17,850	1,120
Total Pentagon Tax		$11,750

Accountant

	Annual earnings	Pentagon tax
1960	$5,400	$380
1961	5,750	380
1962	6,450	510
1963	6,700	550
1964	7,900	650
1965	8,100	530
1966	10,100	750
1967	12,800	1,140
1968	13,550	1,350
1969	14,350	1,500
1970	15,500	1,510
1971	16,650	1,470
1972	17,350	1,370
1973	18,400	1,430
1974	19,550	1,610
1975	21,650	1,690
1976	23,400	1,830
Total Pentagon Tax		$18,650

Teacher

	Annual earnings	Pentagon tax
1960	$5, 800	$390
1961	5, 800	420
1962	5, 900	440
1963	6, 250	420
1964	6, 600	360
1965	6, 800	380
1966	7, 000	410
1967	7, 350	480
1968	7, 950	560
1969	8, 650	580
1970	9, 250	540
1971	9, 700	500
1972	10, 050	500
1973	10, 550	550
1974	11, 150	550
1975	11, 750	580
1976	12, 550	640
Total Pentagon Tax		$8, 300

Machinist

	Annual earnings	Pentagon tax
1960	$6, 250	$490
1961	6, 500	480
1962	6, 700	540
1963	6, 850	570
1964	7, 150	540
1965	7, 300	430
1966	7, 450	450
1967	7, 800	500
1968	8, 200	590
1969	8, 800	670
1970	9, 350	660
1971	9, 950	620
1972	10, 450	570
1973	11, 300	610
1974	12, 250	710
1975	13, 950	790
1976	15, 600	910
Total Pentagon Tax		$10, 130

NUCLEAR POWER FACTS

Mr. GRAVEL. Mr. President, since 1975 I have been distributing a factsheet on nuclear power which concisely covers most concerns about this technology. I have received several hundred letters from citizens expressing their appreciation for something which clearly explains the nuclear power story.

In view of the increased interest in Congress and the Nation as a whole concerning this issue, Mr. President, I ask that my factsheet be printed in the RECORD.

The factsheet follows:

UNITED STATES SENATE,
Washington, D.C.

DEAR FRIEND: Our government and the electric power industry hope to commit the United States to nuclear-generated electricity within the next decade. But there are profound and inherent hazards connected with nuclear power—hazards so far-reaching that we must carefully contemplate the consequences of a nuclear power future.

Here are a few facts you should know:

About radioactive wastes;

Nuclear power reactors produce deadly radioactive wastes like fallout. Each year, a large reactor accumulates the radioactive poisons of 1,000 Hiroshima bombs. These poisonous wastes must be isolated from the natural environment for centuries. If they are released accidentally into our air or water, they can enter the food chain to be distributed and concentrated uncontrollably.

The intense radioactivity of reactor wastes can lead to cancer and genetic damage. With burial grounds of reactor waste, we leave to future generations an unprecedented threat to life and health. In the words of Dr. Hannes Alfven, Nobel laureate in physics, "The fission reactor produces both energy and radioactive waste: We want to use the energy now and leave the radioactive waste for our children and grandchildren to take care of."

In a fully-developed nuclear economy, overwhelming amounts of radioactive waste would be generated. The release of as little as a fraction of a per cent of these wastes would threaten human health. And yet, even though the U.S. is proceeding with nuclear plant construction, we do not have any program for the ultimate safe disposal of the hazardous wastes. And in our nuclear weapons program, 500,000 gallons of high-level wastes have already leaked from storage tanks.

About reactor safety:

A study by the Atomic Energy Commission said the worst accident at a power reactor could kill 45,000 persons and cause more than $17 billion in property damage. An area the size of Pennsylvania could be contaminated.

The Emergency Core Cooling System, a device meant to prevent such a catastrophe, has been proven only by computer. The ECCS failed six out of six semi-scale tests, and full-scale testing is several years behind schedule. In a fire at the Brown Ferry reactor in March, 1975, the ECCS failed to operate when called upon.

Even though damage could be in the billions of dollars in a nuclear accident, the government protects the nuclear industry from claims beyond only $560 million. Federal insurance even covers some of this, because private insurers refuse to provide the full $560 million. Furthermore, damage from nuclear accidents is explicitly excluded in homeowners' insurance policies. If nuclear power is "safe", why does the nuclear industry put our assets on the line but not its own?

About plutonium:

Plutonium, an element created in the fission reactor, is one of the most poisonous substances known. It is also the material that makes atomic bombs. One pound of plutonium represents the potential for billions of lung cancers. Less than fifteen pounds is needed to construct a nuclear bomb. But by 1985, world production of plutonium may exceed 200,000 pounds per year. Plutonium remains dangerous for hundreds of thousands of years.

By spreading nuclear reactors around the world, we are spreading nuclear weapons capability. With a large reactor, even the most unstable country will be able to produce plutonium for a nuclear arsenal.

Terrorists with stolen plutonium could threaten huge areas. They might threaten to release the plutonium into the air—or they could construct a bomb. Atom bomb technology is now public property, and it has been proven that laymen can design a credible weapon from public reference works. The terrorist menace also implies a threat to our civil liberties—what rights would we not forego to avoid nuclear terrorism?

About our energy priorities:

Our nation's first energy priority is currently the Fast Breeder Reactor, which is to produce large quantities of plutonium (to be used as reactor fuel) while it generates electricity. The Breeder will be even more dangerous than today's reactors. Total costs for the Breeder program are now estimated at $10 billion, up from original estimates of less than half that amount. Cost estimates for a Breeder prototype have gone from $700 million to $1.95 billion. A Breeder facility in Washington state now is to cost $933 million, up from $87 million.

Proven U.S. reserves of uranium are small, perhaps not enough to fuel the reactors we already have throughout their lifetimes. Thus, if America turns to nuclear electricity, we will become dependent on foreign uranium, and we could find ourselves at the mercy of another energy cartel—a "UPEC." Nuclear energy would harm the U.S. economy in the long run, because it would produce less energy for each dollar of investment it requires. In other words, if we use reactors to supply the energy we need, this will draw away job-producing capital from other sectors of the economy. We should quickly develop the non-hazardous energy alternatives which are available to us, especially solar energy. These are our best long-term investments.

For many years, nuclear energy has not received sufficient public scrutiny. Today, as the hazards of nuclear power become better known, it is clear that many citizens believe that the risks of this technology outweigh the benefits.

In Montana, voters in 1978 passed a law banning nuclear facilities there. In Vermont, the state legislature must approve any proposed nuclear facility before construction begins. In a series of town meetings, Vermonters voted overwhelmingly to ban nuclear facilities. Bills to prevent construction have been introduced in many state legislatures, and in Congress. And nationwide, about a million voters have signed the Clean Energy Petition, asking government officials to keep nuclear power out of our lives. The petition, which is endorsed by Ralph Nader, is being used to make nuclear and solar energy into major issues at the local, state and federal levels.

Our citizens need to become fully aware of the hazards of nuclear power before we find ourselves irrevocably committed to the nuclear option. My office provides free information about nuclear energy and about the nuclear debate in Congress. Write to me at 3121 Dirksen Senate Office Building, U.S. Senate, Washington, D.C. 20510.

I urge you to examine this issue carefully and critically. Arnold Toynbee, the historian, has pointed out that man's nuclear fire can destroy life on this planet—both through war and through radioactive waste. The question before us is as important as that—and we must give our answer soon.

MIKE GRAVEL,
U.S. Senator from Alaska.

RADIOACTIVITY

Nuclear energy is produced by the splitting, or fissioning, of heavy atoms. Theoretically, the energy potential of this process is enormous. When nuclear power was first discussed publicly, enthusiasts talked about powering huge steamships with only a glassfull amount of fuel. But in fact, only a tiny fraction of the theoretical energy potential of uranium can be employed to produce useful energy. It takes more than 100 tons of nuclear fuel to run a large electric power station, and about ⅓ of the fuel must be replaced about every year.

Much of the energy that is released in a reactor produces not electricity but poisonous radioactive wastes, the same deadly products that are called fallout in an atomic explosion. In a large reactor, the wastes that accumulate each year are equal to the fallout of 1,000 Hiroshima bombs.

The radioactive wastes pose an enormous threat. The smallest quantities can be lethal. They can cause genetic mutations and cancer. If released into the atmosphere, they can contaminate huge areas.

A variety of issues is invloved in the nuclear controversy—reactor safety, insurance, diversion, cost. But at the bottom of each of these issues lies the fission wastes and the inescapable requiremnts that they be contained and controlled with unprecedented perfection.

What are the wastes?

How do they injure us?

How can they reach us?

Has any harm been done already?

WHAT IT IS

When heavy atoms are split, the fragments that remain are the atoms of lighter elements. Uranium fuel, after fissioning, has been changed into a mixture of other elements, especially those which are about half the weight of the original uranium—strontium, cesium, iodine. Some of these are produced in a stable form, just as they are found on the earth. But others are radioactive nuclides—that is, unstable twins of the natural elements. These nuclides emit harmful energy in the form of rays and particles.

In addition to the radionuclides, the fissioning of uranium produces actinides, like plutonium, which do not exist naturally on the earth. Plutonium emits harmful radiation called alpha particles.

WHAT IT DOES

The harmful energy of fission wastes is called "ionizing radiation" because it changes the matter in its path into ions, or charged particles. That is, the radiation tears away negatively charged electrons from atoms, leaving the atoms positively charged and unstable. In living tissue, this means a disruption of the chemicals that make up cells, and thus damage to the cells themselves. A single radioactive emission can have enough energy to break 100,000 chemical bonds in living tissue. A single curie of radioactivity, the amount generated in one gram of radium, involves 37 billion radioactive emissions/second.

In a cell, 46 chromosomes carry virtually all the information needed to direct the cell's growth, division and production of chemicals like proteins. The chromosomes are composed of information-bearing genes. Ionizing radiation can injure the chromosomes either by altering the chemistry of a single gene so that the gene conveys improper information (called point mutation) or by actually breaking the chromosome (called deletion). The cell may be killed, or it may continue to live, sometimes reproducing the radiation-induced error. If it continues to live, its self-regulatory powers are often affected.

What is the effect on the body? First, it is thought that some particular kind of cell damage (what kind is not known) may cause the genetic misinformation that leads to uncontrolled cellular growth—that is, cancer.

Second, damage to the germinal sperm or ova cells can cause horrible malformation or mental retardation in future generations. Finally, genetic damage contributes to disease and life-shortening to an extent that is only beginning to be appreciated. The interaction of disordered genes is now believed to play a part in arteriosclerosis (and subsequent coronary disease), rheumatoid arthritis, schizophrenia, diabetes and early senility. Dr. Joshua Lederberg, Nobel laureate in genetics, has said: "We can calculate that at least 25 percent of our health care burden is of genetic origin." And the United Nations Scientific Committee on the Effects of Atomic Radiation reported: "It is generally accepted that there is a genetic component in much, if not all, illness."

HOW IT REACHES US

Irradiation can occur extremely or internally, and the kind of damage inflicated may depend on whether the source of radiation is outside the body or is ingested or inhaled. Some radiation can pass through thick concrete. These rays will affect internal organs even if not ingested. Alpha particles cannot pass through paper. Outside the body, they will not affect the internal organs. But the effect of all radiation is the same once it reaches human tissue. For example, even though its alpha radiation doesn't penetrate, plutonium is among the most dangerous of carcinogens (cancer causers). Outside the body, it can cause skin cancer. In the bloodstream, it seeks the bones. And most dangerous, when inhaled, even the tintiest particles cause lung cancer.

One way radioactivity can reach us, of course, is in an accident. Reactor operations and waste disposal techniques are discussed separately later. But it is important to know that radiation can cause damage far from the immediate site of an accident; and even small, dilute emissions of radioactivity can be harmful. In addition, radionuclides can be taken up in the food chain and concentrated.

Plants and animals utilize the earth's chemicals by concentrating them in various cells and organs. Iodine, for example, is concentrated in the thyroid—calcium in the bones. The body cannot distinguish between the stable chemicals it needs and the radioactive twins that will harm it. It will concentrate radioactive iodine in the thyroid in the same way it concentrates stable iodine. In this way, even when radioactivity is diluted before entering the environment, it can be reconcentrated by plants and animals and incorportaed into the cells themselves, later to emit the radiation that damages those same cells. Two radionuclides, strontium 90 and cesium 137, are often cited as the most dangerous of reactor wastes because: 1) they are produced in abundance; 2) they remain radioactive for centuries; and 3) they are easily incorporated into living tissue—the strontium, like calcium, in the bones; the cesium, like potassium, in the muscles and nerves.

The ability of life to concentrate the elements of the earth can be prodigious. Studies have been made of waterways, including the Columbia River, used for disposing dilute radioactive wastes. They found that radioactivity was gathered and stored with extreme efficiency. Cesium 137 in Par Pond was 0.033 "picocuries" per gram, but in the flesh of the bass that swam in the water, the cesium per gram represented 35 "picocuries", a thousandfold increase in radioactivity. Radioactive zinc in the bones of bluegill increased 8,720 times, and strontium 90 was concentrated 2,000 times. In the Columbia River, the radioactivity of plankton (microscopic plants and animals) was about 2,000 times that of the water. Radioactivity in duck egg yolks increased 40,000 times; in adult swallows, 75,000 times; in fly larvae, 350,000 times.

"Once a bright hope, shared by all mankind, including myself, the rash proliferation of atomic power plants has become one of the ugliest clouds overhanging America." —David Lilienthal, first chairman of the AEC, 1969

Sheldon Novick writes in "The Careless Atom:"

"All this means that every time radioactive waste is dumped into a stream, buried, dropped into the ocean, discharged into the air, or otherwise released from human control, it passes into the complex world of living things. It will pass from living thing to living thing, sometimes becoming concentrated, at other times being dispersed, with an efficiency and ingenuity which man has not yet come to understand. At unpredictable times and places, this radioactive waste will reappear in man's food, air or water. It will not go away, for decades or centuries or even millenia."

DAMAGE SO FAR

In Hiroshima and Nagasaki, even 30 years after the bombing, acute leukemia continues to appear at a predictable rate among those who were exposed to radiation. Instances of mental retardation among those born just after the bombing are documented.

In England, research by Dr. Alice Stewart showed the extreme sensitivity of the embryo to radiation. Dr. Stewart's research concerned mothers who were x-rayed during pregnancy. For a child who had been subjected to radiation during gestation, leukemia was 50 times more likely than for an adult subjected to an equivalent dose.

In America, the weapons testing program proved to be what Novick calls "the most massive experiment in biology ever undertaken." Leukemia rates in small towns near the testing exceeded the national average. Fallout has spread eastward across the nation, and one researcher, Dr. Ernest Sternglass, says more than 300,000 stillbirths and infant deaths in America might be attributable to the testing. He compared hospital records with fallout throughout the country. The Atomic Energy Commission assigned Dr. Arthur Tamplin to investigate the Sternglass work. Tampline concluded that although Sternglass's figures were too high, several thousand such deaths had indeed been caused. With Dr. John Gofman, he led an appeal for more stringent radiation exposure standards. After a bitter and highly publicized dispute, the AEC tightened the restrictions approximately as Gofman and Tampline had recommended. In return for their honest evaluation of the Sternglass data, Gofman and Tamplin were forced to leave the AEC.

Dr. Sternglass later made similar accusations concerning excessive emissions from a nuclear power plant in Pennsylvania. A team of scientists analyzed these figures for the state. They were unable to agree whether the Sternglass figures were correct.

Novick wrote in 1969:

". . . All living things, including man, are now exposed to a new source of radiation, potentially many times greater than the background of radiation from earth and sky to which life has accustomed itself over the billions of years of its evolution. Each of us now carries some radioactive strontium in our bones, and some radioactive cesium in our muscles, and some radioactive carbon through all our body tissues, as a result of nuclear weapons testing. As we shall see, the significance of this fact is still obscure. How much damage will this radioactivity do? When bombs were first tested, we simply did not know. Although we are learning more about the problem, we still do not know the full answer."

Sadly, a study conducted by Dr. Thomas Mancuso has confirmed the relationship of radiation to cancer. Studies of workers at the Hanford nuclear works in Washington state shows that workers exposed to the allowable dose are experiencing about a 5% increase in cancer incidence over what would otherwise be experienced. Like Gofman and Tamplin a decade ago, Mancuso's work was funded by the Atomic Energy Commission and its successors. As soon as Mancuso reported a positive relationship between the radiation exposure and excess cancers, his funds were taken away and a campaign launched to force him into early "retirement."

Unfortunately, cancer cells do not sprout little flags announcing what caused them to become cancerous. So, it is usually impossible to determine whether it is radiation or some other event that causes cancer or other genetically influenced disease. Leukemia is believed to appear only some five years after it is induced by irradiation. Thyroid cancers lie latent 13 years. Other cancers may be latent longer than 20 years. Nuclear advocates often take advantage of this phenomenon to loudly and misleadingly proclaim that they don't know of a single case of cancer caused by radiation from a nuclear plant.

As Drs. Gofman and Tamplin write in "Poisoned Power:"

"We must realize that this major consequence of radiation injury to cells, namely cancer or leukemia production, does not become evident immediately after irradiation. Sadly, the long delay, or latency period, has proved to be very disarming. The result has been a failure to appreciate and understand the real magnitude of the pernicious effects of ionizing radiation. From radiation and other environmental noxious agents we tend to expect immediate effects. If we don't see them, a false sense of security takes over."

REACTOR SAFETY

It is in the reactor that nuclear fuel is made to "go critical" and sustain a fission chain reaction. It is here that the radioactive poisons are produced as heat and electricity are generated. Although reactors are only one of several places where dangerous radiation can escape into our environment, much of the nuclear controversy has centered on these plants.

What is the worst conceivable accident?

What is the probability such an accident will occur?

How reliable is the emergency backup system?

Did the AEC censor its own safety experts?

Are evacuation plans adequate?

CATASTROPHIC ACCIDENT

The worst possible accident at a nuclear reactor is the fuel meltdown. In normal operation, uranium fuel rods are kept at manageable temperatures by circulating a coolant, usually water, through the reactor vessel. If this coolant is lost, the reactor can be "scrammed"—that is, the fissioning process can be stopped. But radioactive wastes generate heat even when the fissioning has ceased, and without the coolant, the fuel can become hot enough to melt through the reactor vessel and into the earth. Scientists have called this the "China syndrome."

Such a "Loss of Coolant Accident" (LOCA) could be caused by defective valves or piping, an earthquake, sabotage, or human error. Even less-than-LOCA accidents could be very, very serious as demonstrated by the March, 1979 accident at the Three Mile Island, Pennsylvania nuclear facility.

About 20 per cent of the reactor wastes are in gaseous form, and if these were to escape the reactor building in a meltdown, they could travel downwind in an invisible but lethal radioactive cloud. Particles of non-gaseous wastes might also be released, notably strontium and cesium.

The extent of damage would depend on

the kind and amount of radioactive material released and on the weather. In the worst accident, the meltdown would take place just prior to refueling, when the largest amount of waste had accumulated; and a gentle wind would be blowing in the direction of a populated area, while a temperature inversion kept the radioactive cloud near the ground.

In 1956, the AEC made a study of the possible consequences of such an accident and found that 3,400 persons might be killed, 43,000 injured, with property damages of $7 billion. The study was updated in 1965 as power reactors were becoming larger. The new report found that 45,000 might be killed, with property damage of $17 billion to as high as $280 billion. The study said an area the size of Pennsylvania could be contaminated. (This report was suppressed until 1973 when the AEC was threatened with a Freedom of Information suit.)

Several partial fuel meltdowns have taken place, and three reactor workers were killed in one accident in 1961. In 1965, a partial fuel meltdown occurred at the experimental Fermi 1 breeder reactor near Detroit. A University of Michigan study later found that had radioactivity been released from Fermi 1, as many as 133,000 persons could have been killed. (See BREEDER REACTOR.)

"It is difficult for me to reconcile the fact that much AEC safety research is in the future tense whereas power reactors are in operation."—Dr. Ralph Lapp, physicist, 1972.

In short, a reactor catastrophe could inflict the worst peacetime damage in history.

PROBABILITY

The AEC's last study of reactor safety was issued in 1974. It is commonly known as the Rasmussen Report, named after the director of the study, Norman Rasmussen of MIT. This study claimed that the chances of catastrophic accident were "vanishingly" small: one in a billion per reactor each year. As soon as the report was issued, it became a new source of contention in the nuclear debate. Critics, especially the Union of Concerned Scientists (UCS) and the Sierra Club, identified a variety of weaknesses in the study:

The analytical method was questionable. The "fault-free" analysis used by Rasmussen had been developed, and later discredited, by the Defense Department. The method proved unsatisfactory in predicting failures in the space program. It requires that all accident sequences be known. According to testimony before the California Assembly, the Rasmussen group tried a variety of analytical techniques and may have chosen the one that gave the desired results.

The report underestimated the quantity of radioactive waste that would accumulate in a large reactor.

Human error and malice were not accounted for, even though a large number of known incidents have been caused by human rather than machine failure. In addition, unrealistic assumptions were made about evacuation.

And in 1977 clear evidence of what nuclear critics had suspected all along came to light; memorandums from Nuclear Regulatory Commission files obtained by UCS showed that from the beginning the "study" was undertaken to make the case for nuclear plant safety—not the "objective" examination the AEC and nuclear industry advertised it as. In fact, the documents indicate that material which was deemed to be too damaging was willfully excluded from the report.

Several additional points should be remembered when considering the Rasmussen report. First, it is based on pure speculation. When the report was released, the U.S. had barely one year of experience with only one reactor over 1,000 Megawatts (electrical)—the size of planned nuclear plants. While studies such as Rasmussen may be interesting exercises for academicians, they should not be used as a basis for claiming that nuclear power is "safe". Experience is what counts. Dr. Walter Jordan, a member of the NRC's licensing board, has admitted this and suggests we should go ahead and operate reactors to see what the true probability of an accident is. The real question is whether the members of the public subjected to this big experiment, and their descendants who may suffer the genetic consequences of radiation, feel they want to determine the true probability.

Second, no matter what the probability, an accident could happen tomorrow. It may sound reassuring to hear the chances of an accident are "one in a billion years" or some such figure, but will it mean anything to the victims of an accident if the "one in a billion" accident happens to come tomorrow? In fact, a serious accident at a huge nuclear plant in Alabama (Browns Ferry), which occurred in 1975, only had one chance in a trillion of occurring, according to the Rasmussen report. Nevertheless, it happened within months after the report was released.

Critics maintain that even if the chances of reactor accident are lower than the chances of other industrial accident, the possible consequences are so great that the risk is unacceptable. Dr. Hannes Alfven, Nobel laureate in physics, wrote in 1972: "We are facing risks the nature of which we have never before experienced. The consequences of nuclear catastrophes are so terrible that the risks which are considered to be normal are unacceptable in this field."

Dr. Edward Teller has called this the zero-infinity" dilemma: Even if the chance of accident approaches zero, society should think carefully about consequences which could be so devastating. Dr. Teller advocates building nuclear plants underground.

ECCS

A separate debate has taken place over the Emergency Core Cooling System (ECCS), which is meant to prevent catastrophe in a loss-of-coolant accident. The ECCS is meant to operate instantly if reactor coolant is lost, preventing fuel melting and steam explosions which could scatter radioactive poisons. The system has never been tested in a fullscale LOCA, and critics say it is not reliable.

"In the recent past, there have been a number of occurrences at reactors where human error, resulted in undesirable situations . . . The absence of more serious effects is largely the result of good luck."
—AEC report, "Operating Errors," 1969

The ECCS, "proven" only by computer models, failed six out of six semi-scale tests. The emergency coolant never reached the model reactor core. Testing on a larger scale reactor is to take place at a site in Idaho, but the program is almost ten years behind schedule, even though AEC called it the "largest and most vital" safety research to be performed. Reactors which rely on ECCS back-ups have continued to be licensed while the testing remained delayed.

In 1975, a serious fire occurred at the nation's largest reactor, Browns Ferry. The cooling water reached a dangerously low level, and the ECCS failed to operate when it was called upon. This accident also showed the importance of human fallibility: It was started by a worker using a candle.

Another dispute concerns the reactor vessel itself. The AEC claimed it would be impossible for the vessel to rupture, but others—including British government scientists—aren't so sure. They have pointed out, among other things, that radiation can make metal increasingly brittle. If the reactor vessel can burst, the release of radioactivity would have to be considered a more likely possibility, since the ECCS might be of no use in such a situation and, in the words of Peter Morris of the AEC, no design is available for a building "which could withstand the consequences of pressure vessel failure."

CENSORSHIP

The debate over the ECCS led to hearings that revealed another problem: The AEC was censoring its own safety researchers and curtailing safety work.

From its inception, the AEC was charged with promoting the nuclear industry as well as regulating it. Safety research money was filtered through the agency's promotional arm. Researchers said their projects were referred to industry executives, who were unhappy with high safety expenses and who did not want to arouse public suspicion of nuclear safety.

"Never disagree with established policy."—Written instructions for AEC technical witnesses, 1972

Carl Hocevar, a reactor safety expert, left AEC work in 1974, saying the public was being misled. He became associated with the Union of Concerned Scientists. A safety official of the Nuclear Regulatory Commission quit to protest conditions at the Indian Point reactor near New York. He called it virtually "an accident waiting to happen." Three nuclear engineers left General Electric in 1976 to fight nuclear power. They said a severe nuclear accident is sure to occur.

In return for their courageous acts of self-sacrifice (all had families to support and naturally had to relinquish their substantial salaries upon resignation), the three GE engineers were subjected to a smear campaign, mostly centered on the absurd and immaterial charge that they belonged to a "religious cult."

EVACUATION

Another issue of growing importance concerns evacuation in the event of a catastrophic accident. An evacuation plan is required for each plant, but the plans usually are not publicized. Sometimes it is difficult even to locate the plans, and in some other instances, more than one plan exists, giving contradictory instructions.

The nuclear chief of the Illinois Office of Civil Defense confesses: "There's no way you can evacuate Chicago." Ralph Nader has pointed out that New York City has difficulty disgorging its commuters at night. A full-scale evacuation amid panic would be impossible. Until the Three Mile Island, Pennsylvania accident in March, 1979, the public has never been alerted in any of the near misses like the Browns Ferry fire or the Fermi fuel melt. At Browns Ferry, the local civil defense chief learned of the fire two days after it occurred.

In some cases, the lapses and deficiencies in plans can be startling. For example, the "evacuation" plan for the Indian Point, New York reactor, 24 miles from New York City, only proposes to "evacuate" people living down the street from the reactor to sites within ten miles of it. The other 20 million people are, essentially, ignored.

INSURANCE

Earlier, we discussed the risk of a nuclear accident and the difficulty of accurately assessing it. Perhaps the insurance industry, the best risk assessors of all, have the most to tell us.

What happens to people who lose their property in a nuclear catastrophe? What compensation is there for injury or death? If damages can reach $17 billion and beyond, who pays?

The answer, for the most part, is—it's the taxpayer and the victim who pay. The nuclear industry is shielded from full liability by a unique piece of legislation called the Price-Anderson Act.

Under Price-Anderson, nuclear utilities are required to carry only as much liability as is said to be available from a pool of insurers, currently almost $500 million. The government promises to pay further claims up to a total of $560 million. In the hypothetical worst accident, that covers about three cents to the dollar. For the rest, the victim must turn to Congress, because he is forbidden by law from recovering further compensation from industry.

Why was such a law passed?

Why is liability limited to $560 million?

What happens in a billion dollar accident?

Why is nuclear power uninsurable?

PURPOSE

In 1954, the government decided to encourage private industry to enter the nuclear power business. Industry reacted enthusiastically at first, but then backed off. Electric utility companies and manufacturers like General Electric and Westinghouse studied the damages that could follow a large nuclear accident, and they decided the risk was too great. They said that if a catastrophe occurred, they could be bankrupted by public damage claims, because insurance companies refused to write full coverage on nuclear plants. The companies told Congress they needed protection from public liability before they would operate nuclear plants.

Congress responded with the Price-Anderson Act. As amended in 1965, the act provides, first, that $560 million will be available on a no-fault basis to pay damage claims following an accident. Some of this amount is now covered by private insurance. The rest would be paid with federal tax dollars. Second, and most importantly, the Act prohibits public suits of utilities or others for damages in excess of $560 million per catastrophe.

In this way, Congress intended to remove the "roadblock" that was preventing commercial development of nuclear power. Critics maintain that this "roadblock" was a natural function of the capital market economy, since the price and availability of insurance and the imposition of liability act as restraints on hazardous activities.

"If there were 1,000 reactors operating and the probability for a major accident were one in a million per reactor year, the probability would be less than one in 33 that such an accident would occur at one or more reactors during the 30-year lifespan of the reactors."—"Study of the Reactor Licensing Process," AEC, 1973.

Insurers told Congress they could not provide the kind of coverage required for a nuclear catastrophe because of the size of the possible accident and the unknown chances of accident. Congress responded by suspending normal liability requirements. In this way, an industry too hazardous for the natural economy was launched by government edict.

CEILING

Why was the limit set at $560 million? The 1974 Columbia University study "Issues of Financial Protection in Nuclear Activities," commissioned by the industry, gives a pithy answer: "In the end the figure was chosen because it was small enough to 'not frighten this country to death' but probably large enough to protect industry." Harold Green, a Washington attorney who specializes in nuclear law, wrote in the Michigan Law Review:

"The fact that the technology exists and grows only because of Price-Anderson has been artfully concealed from the public view so that consideration of the indemnity legislation would not trigger public debate as to whether nuclear power was needed and whether its risks were acceptable."

The limit on liability would also seem to encourage recklessness on the part of nuclear plant operators, since the prime restraint on recklessness in our economic system is financial responsibility for one's actions.

BILLION DOLLAR ACCIDENT

If total damages exceed $560 million, the injured public must share the money on a pro-rated basis. In the worst accident, the victim might get only pennies to the dollar. And they must accept this amount in order to get a quick, no-fault settlement. If they dispute the award, they must sue the government and await court action. At the same time, private insurance policies do not apply, since homeowners and other policies exclude nuclear damage claims.

Another problem concerns radiation injury. There is almost no way to prove that cancer or leukemia are the result of a given exposure to radiation, and the Price-Anderson statute of limitations (20 years) rules out recovery for much potential health and genetic damage. Although Congress has indicated it would consider emergency appropriations in an accident, the history of disaster legislation is not reassuring.

As the Columbia report said: "The decision to limit liability represents a determination that a major share of the costs of an accident should be borne by its victims."

WHAT IT MEANS

Before Price-Anderson was passed, the industry voted against nuclear power. The companies, even though they were enthusiastic about the nuclear alternative (and about the subsidies the government was offering), judged in the end that atomic energy was too dangerous. They made that decision on the realistic basis that insurance firms, the risk experts, refused to provide full coverage; and their own assets could not bear the financial consequences of a bad accident.

After Price-Anderson was passed, industry decisions on nuclear power no longer reflected the full risks of the technology—even though the risks were still there. The nuclear power industry has grown because risks (and many costs, like fuel production and waste disposal) have been socialized, while profit (insofar as nuclear energy has produced any) remains private. Without Price-Anderson, nuclear power would not have grown until its gains were in better balance with its risks.

Critics insist that if nuclear power plants have now been proven safe, the Price-Anderson liability ceiling and government indemnity can be dropped. If industry insists that these provisions are still necessary, critics say, the risks which are not acceptable to the insurance industry should not be acceptable to the public. As Harold Green wrote:

"It is remarkable that the atomic energy establishment has been so successful in procuring public acceptance of nuclear power in view of the extraordinary risks of the technology that are so thoroughly and incontrovertably documented by the mere existence of (the Price-Anderson Act)."

"There are some risks which not even the skillfully applied monetary balm of insurance can make acceptable, and I judge that this is plainly one of them."—Herbert Denenberg, former Pennsylvania Commissioner of Insurance, 1973.

WASTES

Power reactors in the United States now produce more long-lived radioactive waste every year than was released in all the atmospheric weapons testing of the U.S., U.K. and U.S.S.R. If reactors are built according to the government's proposed schedule, the nation's inventory of radioactive poisons will become so huge that containment will have to be virtually perfect—better than 99.999 per cent to prevent truly miserable levels of cancer and genetic harm. Release of as little as one per cent of the enormous radioactive backlog could bring irreversible degradation of the human genetic pool and epidemics of canecr. Yet, at present, there is no program for the final storage of reactor wastes.

Sheldon Novick wrote in "The Careless Atom": "In other forms of air and water pollution, we had to reach the point of real disaster before beginning to think of control. This must not be allowed to happen with radioactive wastes . . . once entered on their winding course through the environment, radioactive isotopes are out of reach of man's control. The damage, once done, is irremediable. There is a real danger that such damage may be quite extensive before it is brought home to us, for the effects of radiation are so often far removed in time and place from their cause."

Nuclear critics share a common basic perception of the issue: There is no evidence that human society can achieve the near-perfect containment of radioactive wastes that will be necessary when large amounts of the wastes have accumulated. Cesium and strontium must be contained 700 years, plutonium more than 200,000 years—in the words of the AEC, "virtually forever." Atomic energy advocates have written that a "nuclear priesthood" will be necessary to protect civilization from the wastes. Critics say it is folly to assume the continued existence of such a "priesthood," or of any professional group, or even any given social or economic condition over such a time span. What about war or revolution? Or natural disasters? The period involved is longer than the history of civilization. Can we really expect to foresee all the obtacles to containment?

Even if a permanent repository can be found, and there is no reason to believe one will be, the completely insurmountable problem is the loss of radioactivity before it ever reaches the repository.

The problem, critics say, is not technical, but ethical. In the words of Dr. John Gofman: "It is not a question of making nuclear power generation safe for people. The insurmountable obstacle is that we cannot envision any way to make people safe for nuclear power generation."

How are the wastes stored now?

How much waste will accumulate?

What are the plans for waste disposal?

CURRENT STORAGE

After spent fuel is taken from the reactor core, it is cooled for a period of weeks or months at the reactor site. Then it may be transported in huge, self-cooled caskets to reprocessing plants, where the fuel rods may be dissolved and some reusable uranium and plutonium separated from the unusable wastes. Gaseous wastes are dissipated, then released into the air. (The radioactive emissions of reprocessing plants are much higher than those of reactors.) Self-boiling liquid wastes are stored in steel and cement tanks at reprocessing plants. Eventually they are supposed to be reduced to calcine or salt cake form.

However—there are presently no commercial reprocessing plants operating in the United States. A backlog of spent fuel is crowding the cooling facilities of reactors, and as many as ten of these could be forced to close down unless new temporary storage is found. The one commercial reprocessing plant that has operated, in New York, has been closed, and the owner (Getty oil) has threatened to simply abandon the plant and its leaking radioactive poisons to New York State. Another is under construction in South Carolina, and had such enormous cost ovreruns that its owners (Allied-Gulf) came to Congress seeking a bailout. A third plant in Illinois was abandoned by General Electric after an investment of nearly $65 million. GE decided the plant wouldn't work.

About 600,000 gallons of high-level commercial wastes have been generated so far. Some 235 million gallons are predicted by 2020. This is added to 205 million gallons already produced in the nation's weapons program, with an additional 3.2 million gallons a year from that source. (It should be noted that while the volume of wastes are compared here, the toxicity of commercial wastes is greater, gallon for gallon.) The maximum permissible concentration of strontium 90 alone in drinking water is a few billionths of a curie per gallon. The wastes already stored in the United States represent enough radioactivity to poison all the water on earth.

About 75 percent of the weapons waste is stored at Hanford, Washington, where the containment record is dismal: Tanks have corroded and more than 500,000 gallons of high-level (more than 10,000 curies per gallon) wastes have been lost in 18 leaks. The government says none of the leaked radioactivity has migrated far enough to pose a threat. The waste farm at Hanford is not a permanent disposal site, and it is still unknown what will become of the staggering quantity of waste—several hundred thousand tons—located there. The government's General Accounting Office, in a 1974 report, described proposals to mine the wastes:

"The fission reactor produces both energy and radioactive waste: we want to use the energy now and leave the radioactive waste for our children and grandchildren to take care of."—Dr. Hannes Alfven, Nobel physics laureate, 1974

"Studies show that it will have to be mined from the tanks either hydraulically or mechanically. After reviewing these studies, we find both methods risky with respect to releasing contamination, and costly. AEC officials said that introducing water into the tanks would dissolve previously self-sealed leaks and that much waste would leak from the tanks. Mechanical mining could release contamination to the atmosphere unless some sort of containment is devised. Either method could be very costly—according to AEC Richland officials, billions of dollars—and there is still the question of what to do with the waste once it is removed from the tanks.

"AEC is also studying methods of adding material to the salt cake and possibly covering the tanks with concrete or asphalt to prevent water, animals or humans from getting into the tanks and dispersing the wastes. Considering safety, economics and the fact that five to ten square miles of the Richland site—containing waste tanks, reactors, burial grounds, etc.—is so grossly contaminated from past operations that it probably never can be cleaned up, leaving the waste in place, after immobilization, might be a reasonable alternative to cleaning up the site."

The Hanford (Richland) site was built hastily during World War II. It is the least carefully planned of the government's three temporary storage sites. During the GAO review, 30 storage tanks were newly "identified"—three of these had not been monitored for leaks since 1949. In addition, enough plutonium was dumped in one trench to create the hazard of nuclear explosion. The situation at Hanford and other sites is a foretaste of things to come, because waste planning lags behind waste production.

"We nuclear people have made a Faustian bargain with society. On the one hand, we offer—in the catalytic burner—and inexhaustable source of energy . . . . But the price that we demand of society for this magical energy source is both a vigilance and a longevity of our social institutions that we are quite unaccustomed to."—Dr. Alvin Weinberg, director, Oak Ridge Laboratory, 1972

HOW MUCH

The main wastes released from reprocessing plants are tritium (radioactive hydrogen) and strontium-90 liquid and krypton-85 gas. These emissions are permitted as "safe", although the evidence indicates they are not. It is estimated by the year 2000, more than a billion curies of krypton will have accumulated. Sheldon Novick wrote in 1969: "Eventually, it is likely that all of the presently allowable exposure of the general population to radioactivity will be exhausted by exposure to krypton 85 in the air." In the case of tritium, 36 million curies will be in the atmosphere by 2000, according to one estimate. Unlike krypton, tritium is easily incorporated into living tissue.

"None of the suggested long-term solutions to the problems of permanent disposal of high-level radioactive waste is technically or economically feasable today."—Dr. Frank K. Pittman, director, AEC Division of Waste Management and Transportation, 1972.

The wastes to be isolated include strontium 90 and cesium 137. In 30 years, 15 billion curies of cesium will have accumulated. With the operation of 250 or more large nuclear plants, as recommended by President Carter, the annual generation of long-lived wastes would be the quivalent of more than 5,000 megatons of nuclear fission bombs. The inventory of highly dangerous wastes would grow to more than 250,000 megaton equivalents. By comparison, all US, UK and USSR atmospheric testing amounted to 250 megatons, and this amount, although widely distributed, led to measurable doses of radioactivity—and, according to some researchers, to thousands of stillbirths, infant deaths and cancers. (See Radioactivity.)

As for plutonium, a fully developed nuclear economy would involve handling 100 tons per year. Worldwide production of plutonium is expected to exceed 200,000 pounds per year by 1985. One pound represents the potential for some 21 billion human lung cancers, assuming it was distributed to a population including 50 per cent cigarette smokers.

ULTIMATE DISPOSAL

According to the recent GAO report: "Technology for ultimate disposal is still in the research stages and offers no viable answers at the present time." In other words, despite the growing pace of reactor construction, it is not yet known how the wastes can be isolated from the environment for the necessary lengths of times.

The AEC proposed burying wastes in salt formations in Kansas, but the plan proved unworkable. Similar formations in New Mexico were investigated, but these also appeared unsatisfactory. A plan was made to store the wastes for about 100 years in a retrievable form above ground, while a final solution is sought. But this plan, too, has been abandoned. The search for a final disposal site goes on, usually engendering opposition from those who would be the waste's neighbors.

Low-level radioactive wastes must also be contained. The EPA says low-level waste in the US alone will be about a billion cubic feet by the year 2000—enough to cover a four-lane, coast-to-coast highway a foot deep. Burial of these wastes has been careless. A huge amount is buried in Idaho directly over one of the nation's largest aquifers. In Kentucky, plutonium has migrated through the soil at another radioactive waste dump. More than 40,000 tons of low-level wastes have been dumped in the Atlantic, and traces of these wastes are now showing up off the Northeast coast. A radiochemist at the Woods Hole Oceanographic Institute says plutonium is apparently becoming "widely distributed in the oceans" and may be entering the food chain.

The radioactive waste problem begins even before a nuclear plant starts up. In mining uranium, large amounts of radon gas are released. This radon and the poisons it decays to will represent a major cancer hazard for some 80 billion years.

Mining and milling uranium leaves behind staggering quantities of "tailings" or wastes, which are radioactive. The radon and uranium escaping from huge tailings piles already are a problem, even though the nuclear industry has barely started. In order to fuel just one nuclear facility for one year, a half billion pounds of tailings can be left over—and that figure will rise as uranium shortages force use of lower and lower grade ores.

Congress' General Accounting Office has testified that "by the end of this century . . . there will be one billion cubic feet of nuclear waste in the U.S.—enough to cover a four-lane highway coast to coast a foot deep."

PROLIFERATION AND DIVERSION

"Proliferation" refers to the spread of nuclear arms. "Diversion" is the theft of bomb-grade nuclear materials, or the use of these materials by governments, to build a weapons capability. They are both problems of plutonium.

In a 1974 article, Washington Post reporter Tom O'Toole wrote: "The mind reels when one considers how plutonium will multiply in the next 25 years. By 1985, the world will be producing 220,000 pounds of the gray-colored metal every year, enough for 10,000 bombs with a force of 20 kilotons each (Hiroshima size). . . . There is one stark fact about plutonium. Twenty pounds of it will make a crude but convincing explosive."

And, as has recently become well known, it doesn't take a government to build a nuclear weapon. Terrorists could do it, if the plutonium was available. What is more, because plutonium is among the most poisonous substances known, a terrorist wouldn't need to build an explosive to make a convincing threat—or to do irreparable damage.

How could a layman build an atomic bomb?

Does nuclear power contribute to weapons proliferation?

BOMBS

In 1945, it took the world's greatest physicists and the Manhattan Project to build an atomic bomb. Today, atom bomb technology is public property, and a terrorist or lunatic can find how-to information in a number of public reference libraries. To prove it could be done, the Public Broadcasting System asked a 20-year-old chemistry undergraduate with no special background to design a bomb. He did it in less than five weeks, and PBS presented the story in a film documentary called "The Plutonium Connection."

The AEC has admitted that "because of the widespread dissemination of instructions for processing special nuclear materials and for making simple nuclear weapons, acquisition of special nuclear materials remains the only substantial problem facing groups desiring to have such weapons."

Could terrorists acquire enough plutonium to make a bomb? Critics have said security at nuclear plants is inadequate, and three reports by the Government Accounting Office have supported such charges.

According to a New York Times article of December, 1974, the AEC and the nuclear industry already "are unable to account for thousands of pounds of nuclear materials that could be fashioned into crude nuclear bombs." Although this "material unaccounted for" (MUF) is believed to be lost in machinery, the quantity of the MUF is so great that the government is "unable to give positive assurances that the missing materials have not fallen into the hands of a terrorist group or hostile governments."

The Times item goes on to say that, according to one federal official, "there already were two known instances where government employes were discovered to have smuggled out of guarded facilities enough special nuclear materials to fashion a nuclear weapon." The amount needed could easily be contained in a lunchbox.

The Nuclear Regulatory Commission is concentrating on improving safeguards, but many scientists have said the quantities of plutonium projected for the future could defy control. (See Breeder Reactor.)

Recently it was discovered that about 4 tons of bomb-making material was muffed—enough for 400 atomic weapons. No one seems to know what happened—some theorize a boatload of material went to Israel, some claim the material is stuck in plant pipes and machinery, and others claim it is all an accounting error. Whatever the truth is, does this speak well for an industry which must contain its poisonous, bomb-making materials with much, much better than 99 percent perfection to avoid proliferation and epidemics of cancer and genetic damage?

Some critics also believe the plutonium problem threatens traditional civil liberties. Just as we are willing to undergo search before boarding an airplane, what rights would we not forego to check nuclear terrorism?

Signs of things to come are already being seen. Recently, the Virginia Electric and Power Co. had a bill introduced in the state legislature which, if passed, would have given VEPCO personnel the same powers to arrest people as the state police. It was argued that this extraordinary power should be granted so VEPCO could prevent sabotage to its nuclear units.

PROLIFERATION

Ironically, the American "Atoms for Peace" program and even the Nuclear Non-Proliferation Treaty may have accelerated the spread of atomic weapons instead of slowing or stopping it. Weapons grade plutonium can be made in the "peaceful" reactors promoted by the US program and the Treaty just as they are made in "weapons" reactors. India used a peaceful Canadian reactor to develop its so-called "peaceful" bomb. Israel has used a French reactor in the Negev Desert for a top-secret project, and it is assumed that the country has several bombs assembled or ready to assemble.

About ten other nations which have refused to ratify the Treaty and its "no-weapons" article are thought to be on the nuclear threshold: That is, only a political decision is needed to proceed to the production of weapons.

Libya's President Qaddafi has said: "Soon the atom will have no secrets for anybody. Some years ago we could hardly procure a fighter squadron. Tomorrow we will be able to buy an atom bomb and all its parts. The nuclear monopoly is about to be broken."

Nuclear Economics

Nuclear plants are expensive to build, and their fuel (prepared by the government) is jumping in cost. Nuclear proponents say that nuclear power will be the most economical of energy sources. They say that in some areas, nuclear power is already saving customers money. Opponents say that, to the contrary, high nuclear capital costs, aggravated by poor reliability, have driven electricity rates up. Many say that in the intermediate term, while more satisfactory energy sources are developed, the US should turn to using coal—cleanly.

How much does nuclear power cost?

How reliable is nuclear power?

What are the factors in projecting costs?

HOW MUCH?

More than $100 billion has been spent to develop nuclear power. Over $10 billion of this in direct government subsidies. Utility capital investment is the highest in American industry, and the amount of money that will be needed for power plants in the next 25 years is astounding. Writing in the Los Angeles Times, Alexander Auerbach said: "Building those atomic power plants will require billions of dollars, most of which will have to be borrowed. Utility profits are not high enough to produce more than a small part of the cash needed, and stock prices are so low that few utilities are willing to go to the stock market for money.

"Most economic studies that led utilities to go nuclear plants in the first place assumed reliable delivery of 80 percent or more of a plant's potential power. A few even projected 90 percent. This apparent gap between projections and reality has led some to question the validity of these previously unchallenged assumptions."—Wall Street Journal, 1974

"If the electric utilities carry out their planned construction, they will be spending about $300 billion over the next decade, compared with $70 billion over the last ten years, according to federal figures. As one economist points out, the $300 billion they must raise is equal to about 60 per cent of the national debt.

"If the utilities must borrow even half of that, the strain on the supply of loanable funds will be enormous. Right now, the tight supply of money, combined with the widespread corporate need for cash, has pushed interest rates to record levels. Adding to that demand will only increase the upward pressure on rates."

Building nuclear power plants can cost almost twice as much per unit of electricity as fossil fired plants. Economists who question unending growth point out that the amount of capital needed, as more capacity is installed at a higher cost per unit, could simply become unavailable. This is what happened in 1974 and 1975 when utilities deferred or canceled more than half their nuclear plant projects. In 1976 and 1978, cancellations exceeded orders.

Many utilities which relied on optimistic projections concerning nuclear capital costs have been stung by the rapid increase in construction costs. Nuclear plants originally were promised at about $125 per kilowatt of installed capacity, but today utilities budget as much as $1,200 and more per kilowatt. Long Island Lighting Company's Shoreham nuclear plant, expected to cost $278/kw in 1969, was put at a $848/kw in 1974. William Rosenberg of the Michigan Public Service Commission told the Senate Interior Committee in 1974 that "cost overruns on nuclear construction projects nationwide run into billions of dollars."

RELIABILITY

The high cost of nuclear plants had been aggravated in many cases by unreliable performance. In the words of US News & World Report: "Many atomic generating plants have run smoothly for years. But just as many, experience shows, are plagued by poor design, sloppy workmanship and inadequate quality control. The result is one costly breakdown after another. Some nuclear plants are "down" for repairs about as much of the time as they are actually generating power. The costs involved run into billions of dollars a year which, in the final analysis, have to come out of the consumers' pockets."

The Wall Street Journal has said that the plants' "unreliability is becoming one of their most dependable features." Repairs at a Connecticut plant took eight months and cost $10 million. Difficulties at a Massachusetts plant took six months and $6 million.

Utilities went nuclear after the AEC and nuclear manufacturers indicated that the plants would operate at 80 percent capacity: That is, in a year, they would deliver 80 percent of the electricity that would be produced by full-time operation at full rated capacity. (A 100 per cent capacity factor is impossible, since the plants must be closed about one month out of the year for refueling and maintenance.)

"It's unusual enough when a company announces that it can't get a new plant to operate and that the facility may have to be scrapped. But it's even more unusual when General Electric, a technological leader in the nuclear energy business for years, says it can't get a nuclear facility to work. . . . That, indeed, is what G.E. disclosed to the AEC recently in what Science magazine refers to as 'one of the more spectacular failures of the nuclear age.' "—Wall Street Journal, 1974, regarding GE's reprocessing plant.

But the performance of the plants so far has been much lower, averaging around 55 per cent. When this performance factor is combined with the capital cost of the plant, the result is high electricity rates on the consumer. This is because the utilities, and hence their customers, must pay a constant amount to creditors who loaned the money to build the plant. The less electricity produced by the plant the more each unit of electricity must cost to meet the utility's constant debt. Base load fossil plants operate at about 75 per cent of capacity.

Problems in the reactors are complicated by the radiation hazard. Because of this factor, repairs can be unusually difficult. Consolidated Edison in New York spent seven months and $1 million on one series of repairs at its Indian Point site. According to the utility's president, similar repairs at a conventional plant would have taken two weeks. The president, Louis Roddis, said in 1972: "Many glorious promises have been made about the future benefits of nuclear energy. Generally, however, there has been little or moderate realization of the promises so far." Con Ed's Indian Point reactors have had particularly poor operating histories, and the declining fortunes of the company are blamed to a large extent on its nuclear problems. Con Ed's Indian Point III reactor was sold to New York State, in order to relieve Con Ed's financial problems.

FACTORS

Predictions about nuclear power costs can be bewildering, especially since they vary so widely. However, laymen can estimate the accuracy of predictions by examining the assumptions that are made as about a variety of factors:

Capital costs. A forecast cannot be correct if the assumed cost per kilowatt of installed capacity is lower than the amount utilities already are paying.

Interest. If a prognosis assumes interest rates of, for example, eight per cent when utilities are paying ten per cent, the final figure will be affected.

Capacity factor. The capacity factor of nuclear plants so far has not been the 75 per cent often assumed in government projections. Fifty-five per cent is closer, and it affects the outcome very much.

Operating and maintenance. The AEC claimed maintenance costs would be higher in a coal fired plant than in a nuclear plant. In fact, the reverse has been true.

Fuel costs. Industry reports have sometimes lumped all fossil fuels together in comparisons with nuclear fuel. The real question is the future cost of clean coal. Utilities often make claims about how much money was saved over a year from using nuclear fuel compared with oil—ignoring nuclear's high construction costs.

Decommissioning. Nuclear cost projections may not include the amount needed to decommission an atomic power plant. After about 30 years of service, the plants and their accumulated radioactivity are to be "entombed" (filled with cement).

In addition, nuclear critics say, any fair estimate of the cost of nuclear energy should mention costs borne by the government (subsidies), including research, insurance, waste management and the cost to society in caring for the extra cancer and genetic disabilities which will occur unless miraculous containment of radioactive poisons is achieved.

Breeder

For several years, America's number one energy priority has been development of the Liquid Metal Fast Breeder Reactor. The breeder, or LMFBR, would produce more fuel than it consumed as it generated electricity. In this way, proponents say, it would extend the productive lifetime of uranium ores and hold down the cost of electricity when these ores become scarce. But critics say the enormous cost of developing the breeder make it an uneconomical energy source, and they point out that safety problems increase with the LMFBR, especially because the fuel that is "bred" is plutonium. Finally, they say, the great expense of breeder devolpment throws the US energy program out of balance. In the words of the Natural Resources Defense Council: "Having spent enormous sums, the country will find itself with a reactor which must eventually be used only because of the great public and private investments in it and our failure to have developed appropriate alternatives."

How does the breeder work?
Will it save money?
Is it safe?

HOW IT WORKS

Less than one percent of national uranium is U–235, the isotope that is fissioned in a reactor. Most of the uranium is U–238, which does not fission when it absorbs a neutron, but becomes plutonium 239. In today's reactors, the water in the reactor core slows down the neutrons, which decreases the production of plutonium. Breeder fuel would work with "fast" neutrons, and the fuel would be surounded by a blanket of U–238. This way, an excess of plutonium would be produced, to be used as fuel both in breeders and in modified reactors of the present type.

Critics have pointed out several dangers:

(1) The breeder core would be more compact than present reactor cores and more sensitive to fuel motion, uneven cooling or loss of coolant. Unlike the situation in today's reactors, loss of coolant in a breeder would accelerate the nuclear reaction. In a breeder, a small nuclear explosion is conceivable, possibly sufficient to breach the reactor containment and release radioactive poisons into the air.

(2) The coolant to be used in the breeder is molten sodium, which reacts violently on contact with air or water, both of which would be in proximity to the sodium. The sodium would be intensely radioactive.

(3) With the breeder comes the "plutonium economy." Planning calls for plutonium generation to be 30,000 tons (60 million pounds) per year by 2020. Hundreds of tons would be transported yearly between plants. As has been noted, a single pound contains the potential for billions of lung cancers, and less than 15 pounds is needed to make a bomb. To nuclear critics, the proposal to lay the nation's (and the world's) future on this base—and the assumption that containment can be achieved year-in and year-out, to the last millionth—is folly.

One commercial breeder has been operated in the United States, Detroit's Fermi I. In 1966, just as the plant was gearing up, it suffered a partial fuel melting. The plant was shut for weeks while experts tried to figure out what was wrong. By mid-1972, the plant had run at full power for only about 30 days and produced about $1.3 million worth of electricity. The plants cost had swollen from $50 million to about $130 million. Later the same year, the decision was made to shut Fermi I permanently—a process still underway.

COST

Breeder program costs so far have been about $5 billion, and the latest government estimates put total costs of the breeder program at over $10 billion. Two years ago, the total was estimated at less than half today's projection. Congressional critics call the overruns a scandal. The program's main test facility in Idaho (called FFTF) is now to cost $933 million, up from original estimates of $87 million. The demonstration breeder plant, to be built at the Clinch River in Tennessee, was originally to cost $700 million. Utilities agreed to contribute $250 million of that amount, provided the government would pay for overruns. Today, the cost is put at $1.95 billion.

The Natural Resources Defense Council has noted: "In the introduction to its recent proposed final impact statement for the breeder, but not in the cost-benefit analysis itself, the AEC was apparently forced by the press of events, including the recent deferrals and cancellations of planned reactors, to abandon its unrealistic assumptions regarding future energy demand and LMFRB introduction date. Using what the AEC now considers more reasonable assumptions in these two areas, but without changing any of the other AEC assumptions, the net benefits of the LMFBR program drop to zero. In other words, by the AEC's own reckoning, the present breeder program can no longer be justified economically."
(Emphasis added.)

AT STAKE

Considering the kind of danger presented by the breeder program and its plutonium economy, as well as its cost and permanent commitment, NRDC says the breeder "may prove to be the most significant technological decision since the Manhattan Project"—the project which committed the US and the world to maintaining a nuclear arsenal.

The breeder program should be stopped and other technologies investigated. The expensive breeder program is preventing meaningful research of energy alternatives that make the dangerous breeder unnecessary. A full third of the nation's energy R&D budget goes to the breeder, more than is spent on all non-nuclear research combined.

"The breeder is no more necessary than we make it by refraining from developing other technologies," says NRDC. "Our future need not be tied to a technology that imperils the civilization it is meant to serve."

"By swelling the bureaucratic and industrial forces committed to the LMFBR and by draining away R&D funds that are essential to the timely development of the alternatives that could replace the reactor, the LMFBR program is its own self-fulfilling prophecy."—National Resources Defense Council, 1975.

ALTERNATIVES

Nuclear fission is not a final answer to the energy problem. Uranium resources are finite, and even with the breeder, nuclear fission power must be exhausted someday, just as petroleum and natural gas will be. Nuclear proponents claim atomic energy is a necessary intermediate solution. But even these enthusiasts look to other energy sources for the long term: fusion, solar, wind, waste conversion, geothermal and advanced systems like fuel cells and MHD.

Nuclear fission critics say: "Why spend lavishly on the dangerous alternative when you plan to rely on the clean and renewable energy sources anyway? Why not develop the clean sources now?" They say many energy forecasters have overestimated the growth of demand, and the alternatives are nearer than many people seem to realize.

How much do we need?
Can we rely on coal?
What are our alternatives?

HOW MUCH IS ENOUGH?

As reported in 1974 in Business Week, many analysts believe that "Energy growth soared in the US over the last 20 years not because of need but because real energy prices declined to bargain-basement levels. Between 1951 and 1971, for instance, real electricity prices dropped 43 per cent, refined petroleum prices fell 17 per cent, and coal prices dipped 15 per cent. These declines stimulated energy consumption by encouraging users to substitute energy for labor and material, which were rising faster in price." Now that energy prices are rising, these economists say, the growth rate will slow down.

And yet, many energy projections have assumed the high rate of growth will continue in spite of rising prices. For electricity, they often assume a continued doubling of demand every ten years. AEC projections have assumed the US will use 15 times as much electricity in 2020 as it uses today. Projections like these, which overstate future demand, are used to make nuclear power look economical or inescapable.

Critics of nuclear power point to studies like the Ford Foundation's Energy Policy Project, which found that over the period 1975 to 2000, the US could achieve an energy growth rate of only 1.7 per cent. Overall energy growth in 1973 was 4.8 percent (although in 1974, energy used decline 2.2 percent, the first drop since 1952). Such a cut, from recent annual growth of about 4.5 percent, could be made without affecting the nation's standard of living and without significant effect on the GNP, according to the Project. The energy savings by 2000 would be 128 quadrillion BTUs per year, more energy than the US now uses, according to Business Week. The House Committee on Science and Technology, the Council on Environmental Quality and the Federal Energy Administration have all agreed that US energy growth could be cut in half without serious repercussions on American lifestyle. What this means, nuclear critics say, is that the US can rely on its huge reserves of coal to carry it into a clean energy future.

Roger Sant of the Federal Energy Administration in 1974 estimated that investing the $1 trillion earmarked through 1985 for energy development in better efficiency would yield twice the energy. In other words, energy won through better efficiency would cost half of development of new energy facilities.

Energy Secretary Schlesinger admits that 40–45 percent of U.S. energy consumption is waste; the American Physical Society has put the figure at 85 percent.

COAL

United States coal reserves are enormous: 150 billion to 200 billion tons are recoverable currently, and more than 1.5 trillion tons could be available at higher prices. At present, about 600 million tons are mined annually, providing more than 50 percent of the nation's electricity. (Nuclear power provides less than 13 percent). According to a paper by James MacKenzie of the Union of Concerned Scientists, coal could meet all new electricity requirements, if growth of demand for electricity was held to five per cent or less per year. Government and private studies, like the Ford Project cited above, have held this to be possible. In fact, electricity demand decreased 0.3 per cent in 1974, according to the Federal Power Commission. The figures indicate that, with a national conservation program, coal could keep up with no help from nuclear plants and still provide fuel for a new gasification and liquefaction industry. The Environmental Protection Agency says the technology is now available for flue gas desulfurization, and about 30 per cent of all US coal-fired plants are to have flue gas cleaning systems by 1980. This is expected to add $30 to $65 per kilowatt to coal's capital costs. George Dials and Elizabeth Moore wrote in Environment magazine that "until now, (desulfurization) technology has been largely ignored in order to avoid additional production cost—and thus to keep cost price-competitive with other sources of energy. Such protection is no longer needed. In today's US energy market, coal mining can be made safe and environmentally sound without jeopardizing coal's competitive advantage."

ALTERNATIVES

If nuclear fission and fossil energy are finite, what energy sources will civilization ultimately turn to?

Solar. The sun provides earth with more energy than man could ever conceivably use. At current conversion efficiencies, the sunlight falling on the US contains 160 times the energy now used each year. A variety of solar energy technologies have been employed, but until recently, low cost fossil fuels made it appear unnecessary to refine the set techniques. Solar energy is defined not only as the energy converted from sunlight, but also that converted from sun-driven systems: wind power, bioconversion and ocean temperature differences.

Solar heating is already employed on buildings throughout the country (including cold climates like Chicago and Boston), and the government is involved in a demonstration project intended to establish standards and show the public the systems work. Of the equipment now available, hot water systems cost about $1,000 and space heating systems cost about $5,000. Cooling systems are expected to be commercially available within five years. Since about a quarter of the nation's energy is used for heating and cooling, the potential fuel conservation is very significant.

Solar cells have been used aboard space craft and in remote locations to convert sunlight directly into electricity. Although the technology is proven, costs are still high: about $15 per watt (compared with a current cost of over $1 per watt for nuclear plants). But the cost has been falling rapidly, and more and more experts say that mass production could slash the price dramatically. The cost of transistors was brought to accessible levels quickly in this way.

Wind energy seems to many people, when they first consider it, to be a ludicrous idea. But it has worked for centuries, and it has been used both in this country and in Europe to generate electricity. In the 1940's, for example, when oil was scarce, a 1.25 megawatt wind generator was operated in Vermont. As fuel prices rise, wind looks increasingly attractive. Civil engineering professor William Heronemus said in 1973 that wind power could provide as much electricity for Long Island in 1977 as a proposed nuclear power plant—at the same cost or less, and with greater reliability. Today, the government is conducting a wind energy project aimed at developing systems large enough for utility use. Individual home systems that generate about 2,000 watts are now available at about $1 per watt.

Organic wastes can be used for energy, either by direct combustion or by conversion to a variety of synthetic fuels. According to the Congressional Research Service, the technical feasibility of waste energy is well established. Cities in Europe, including Paris, burn wastes for steam heating.

In America, many cities are looking into the energy potential of municipal waste conversion, including New York, Chicago, Boston, New Orleans, Detroit and Memphis. St. Louis, Nashville and San Diego are already constructing waste energy systems. Americans generate an average five pounds of municipal solid wastes per person per day. The municipal wastes have a fuel value averaging 1.5 thermal kilowatts per pound, or more than a third that of high grade coal. The Environmental Protection Agency says that the energy potential recoverable from municipal solid waste is equivalent to about one percent of the nation's current energy demand (and could provide seven percent of the iron, eight percent of the aluminum, 20 percent of the tin and 14 percent of the paper needed each year). Additional sources of waste energy exist, especially cattle feed lots. Natural Gas Pipeline Company of America has said it will buy methane generated from cattle manure in Oklahoma; and Monfort of Colorado, the world's largest feedlot operator, says its manure is to be converted into four million cubic feet of gas per day. Fuel oil can also be made from wastes, and the government is building a $3 million plant to improve this process.

A more ambitious method is also possible: With the cultivation of algae or floating plants, bioconversion could provide 100 percent of the nation's natural gas needs in 2020 by using about five percent of the country's land area, according to the Congressional Research Service.

Ocean thermal differences can also be used to generate electricity. A power plant in Cuba used this process successfully earlier in this century. However, the environmental effects of such systems are not known.

Fusion. Nuclear fusion is the process of joining atoms (as opposed to fission, or atom-splitting process). Although many scientists working toward development of this process for energy production express optimism, it is clear that nuclear fusion is not ready for commercial use. In comparison to fission, fusion does have the advantage of producing little radioactivity. But it shares many of the fission's disadvantages—complexity, costliness, lack of proof that it can produce much usable energy, and proliferation problems. Further, it would be a heat-producing energy source, which could only make worse the potential hazards we face from adding ever-greater amounts of heat to the world environment.

Geothermal. The heat of the earth itself, and the steam it produces, are already used in geologically favored areas to generate electricity. But researchers believe it will be possible to tap geothermal power in other locations as well through "hot rock" technology. In this method, wells would be drilled to extreme depths and the deep between two wells would be fractured, providing a water-steam cycle powered by the earth itself. The Cornell Workshop on Energy and the Environment said in 1972 that with hot rock technology, "geothermal energy alone is capable of meeting all American power requirements for several centuries." The workshop said the country should put a high priority on establishing the feasibility of hot rock techniques.

Fuel cells. A fuel cell produces electricity much the way a battery does: A chemical reaction yielding electrons (oxidation) takes place at one electrode, and a chemical reaction consuming electrons (reduction) takes place at the other, creating voltage. A variety of fuels (unlike the battery, the fuel is continuously supplied from outside the cell) can be used, including hydrogen and oxygen, which produce only water as a byproduct. The fuel cells perform more efficiently than can fossil or nuclear stations, generating less waste heat. In the future, they are expected to be marketed both in large units and in small homesize units.

MHD. In MHD (magnetohydrodynamics), ionized (electrically charged) gas is passed through a magnetic field to produce electricity. MHD, like fuel cells, can reach greater efficiencies than current generating technologies. The system was first proved feasible in the US, but research here lagged and apparently has fallen behind the USSR, where MHD has been used to provide power for Moscow. A Russian scientist told US journalists who observed the Soviet MHD in 1975: "There was exagerated interest and support in your country for nuclear electricity in the early 1960's, and all plans for developing fossil fuel power were cut drastically. It was not easy for us to stay in the field in isolation, but we were sure of the correctness of the approach and we continued it." The USSR has put 10 to 20 times as much research money into MHD as the US since 1960, according to the Washington Post.

Hydrogen. Several of the solar energy options require energy storage. Batteries can be used; or power can be used to pump water to a reservoir, where it can be used on demand to turn generators. Another suggestion involves hydrogen. Solar and wind electricity could be used to extract hydrogen from water, and the hydrogen could be used in fuel cells for industrial power or in large power plants. Hydrogen enthusiasts say the fuel could also be used as a natural gas substitute or additive, using existing pipeline facilities. Even automobiles can be run on hydrogen.

How Soon?

The picture that emerges from an examination of energy alternatives is much less gloomy than the one painted by many nuclear energy proponents. Our future well-being is not tied to exponential energy growth. Nuclear fission is not the only alternative to petroleum. It is the least desirable of many alternatives.

How soon can the alternatives make a contribution?

Can they provide enough?

In a 1972 report called "Solar Energy as a Natural Resource," the National Science Foundation and NASA reported that:

Solar energy "Is an inexhaustible source of enormous amounts of clean energy."

"There are numerous conversion methods by which solar energy can be utilized for heat and power."

"The total electric energy consumed in the U.S. (in 1969) could have been supplied by the solar energy incident on 0.14 per cent of the U.S. land area" (based on average solar incidence).

"There are no technical barriers to wide application of solar energy to meet U.S. needs."

"For most applications, the cost of converting solar energy to useful forms of energy is now higher than conventional sources, but due to increasing prices of conventional fuels and increasing constraints on their use, it will become competitive in the near future."

"Building heating could reach public use within five years, building cooling in six to ten years, synthetic fuels from organic materials in five to eight years, and electricity production in ten to 15 years.

Even the AEC, in its breeder reactor environmental impact statement, says the alternative energy sources can be expected to produce 10 billion megawatt hours of electricity in the year 2020. The AEC says this will be just over a third of the total that will be needed—27.6 billion megawatt hours. But, as pointed out above, this projection assumes that recent growth patterns will continue. It does not take into account the conservation measures that are already producing results. If growth is held down, in accordance with the recommendations already cited, the 10 billion megawatt contribution could represent more than 85 percent of the nation's electricity needs in 2020, according to the NRDC.

The nation's alternative energy future can be brought even closer if the country adjusts its energy priorities toward that goal. Over the past several years, even as the importance of renewable energy sources and conservation became well-known, the US continued to spend 80 percent of its energy research money on fission. And yet the Energy Research and Development Administration itself has estimated that by the year 2000, solar energy can provide three times as much energy as the breeder reactor. The Federal Energy Administration said in its Project Independence report that solar energy could contribute more than 35 quads (10^{15} BTUs) in 2000. Current US energy consumption is 75 quads. The Ford energy study predicted 120 quads in 2000.

Nuclear critics call for a reordering of national energy R & D priorities. Conservation and clean energy technologies should get the bulk of the nation's research money—not only because nuclear fission power is inherently hazardous, but also because the alternatives can produce better results faster. A national resolve on the subject of energy options is likely to be expressed through the Congress in decisions regarding:

Nuclear construction moratorium.
Nuclear plant siting.
Nuclear insurance.
Breeder funding.
Energy budgets.
Clean energy tax incentives.
Nuclear energy export.

For further information: This factsheet is, of course, an abbreviated examination of the nuclear power issue. I urge you to examine it further. Below are some additional sources of information.

BOOKS

Barnouw, Dorothy and Dickinson, Irene (introduction by Nobel Laureate Dr. George Wald), Energy Bibliography. $2.50 from National Intervenors, 1413 K St., NW (8th floor), Washington, D.C.

Berger, John (introduction by Nobel Laureate Dr. Linus Pauling; forward by Sen. Gravel). Nuclear Power: The Unviable Option. $2.50 from Dell Publishers, New York, New York.

Fuller, John G., We Almost Lost Detroit. $8.95 from Crowell Publishers, New York, New York.

Gofman, John W., M.D., Ph.D., Irrevy: An Irreverent, Illustrated View of Nuclear Power. $3.95 from the Committee for Nuclear Responsibility, Box 11207, San Francisco, CA 94101.

Gofman, J. W. and Tamplin, Dr. Arthur W. (introduction by Sen. Gravel), Rodale Press, Emmaus, Pennsylvania.

Lanoue, Ron, Nuclear Power: The More They Build, the More You Pay. $5 from Critical Mass, Box 1538, Washington, D.C. 20013.

Nader, Ralph and Abbotts, John, The Menace of Atomic Energy. $10.95 from Grossman Publishers, New York, New York.

ORGANIZATIONS

Citizens Energy Project, 1413 K St., N.W., Washington, D.C. 20005—Has extensive list of low-price publications on numerous nuclear/solar issues.

Critical Mass, Box 1538, Washington, D.C. 20013—A Nader group, publishes monthly newspaper with nuclear/solar news.

Nuclear Information Resource Service, 1536 16th St., N.W., Washington, D.C.—Publishes monthly newsletter with nuclear news, and operates a toll-free hotline at 800–424–2477 to answer questions quickly.

Solar Lobby, 1028 Connecticut Ave. N.W., Washington, D.C.—The organization which coordinated "Sun Day" in May, 1978, can provide information on solar power.

Task Force Against Nuclear Pollution, Box 1817, Washington, D.C. 20013—This group is organizing nation-wide grassroots support for banning nuclear power; provides information on nuclear, solar and energy efficiency, as well as suggestions for citizen involvement.

No permission is required to quote or reprint this factsheet, in whole or in part. Additional copies (please specify number desired) are available from Senator Gravel.●

FORMER SENATOR LEVERETT SALTONSTALL

● Mr. **GOLDWATER**. Mr. President, unanimous consent was given the other day for Members to insert their statements relative to the passing of former Senator Leverett Saltonstall. Senator Saltonstall was one of the first Members of the Senate whom I met, and I held him in great reverence and respect. The Senator attended school in Arizona as a young man. In fact, I remember him telling me that during a baseball game they played Sheriff Carl Hayden, who later became our senior Senator, was the umpire. Senator Saltonstall was a gentleman in every sense of the word. He was a decent man, very easy to respect and honest almost to a fault. It is with great regret that I note his passing, but he had lived a long, successul, and fruitful life during which he showered many of us with the blessings of having know him.●

THE DUNFEY FAMILY

● Mr. **DURKIN**. Mr. President, in New Hampshire we take great pride in the initiative of our local businessmen, especially when the businessmen are so successful that they expand beyond local markets into national and international successes. Such is the case of the Dunfey family, one of the most successful and most generous families in New Hampshire.

Starting with only a small inn in Hampton, N.H., 25 years ago, the six Dunfey brothers, each distinguished in his own right, have developed one of the most successful hotel chains in the world. Yet even with major obligations to their businesses, each of the brothers has been an active contributing member in New Hampshire.

Recently, the New York Times featured the development of the Dunfey hotels, especially their president, Jack Dunfey. I would like to share this article with my Senate colleagues, and ask consent that it be printed in the Record.

The article follows:

Dunfey Hotels Are Run as a Family Affair

Like many successful businessmen, John P. (Jack) Dunfey, president of the Dunfey Hotels, likes to recall his company's origins. "We started with a 32-room inn in Hampton, N.H., 25 years ago this month," he said yesterday.

Today the Dunfey Family Corporation operates that hotel and 21 others in the United States and one in England. Its name comes from the six Dunfey brothers who started the business together and who still run it together. They hold monthly family business meetings at company headquarters in Hampton, about an hour from Boston, and are often joined in their discussions by their 84-year-old mother.

"We get along great," Mr. Dunfey said, in discussing this all-in-the-family procedure. "We wish we had more brothers. We complain to mother about that."

Last week the Dunfey brothers came to New York for the opening of their first hotel in the city, the Berkshire Place Hotel at Madison Avenue and 52d Street. A consortium including their company bought the Berkshire Hotel more than a year ago for $9.5 million and spent another $9 million refurbishing it as one of their "classic" hotels.

The Dunfeys are part of another investment group that purchased the Statler-Hilton Hotel, opposite Pennsylvania Station, about a month ago for some $24 million and its changing its name to the New York Statler Hotel. Mr. Dunfey said that this hotel would also be upgraded, but would continue to seek the businessman and convention market.

According to Mr. Dunfey, his company is no Johnny-come-lately drawn to New York because of the excellent hotel business in the city these days. "We had been seeking to acquire a hotel in New York for at least eight years and all of a sudden we wind up with two in 18 months," he said. "We're still looking for another hotel here, although not located geographically near the other two."

Part of this optimism derives from Mr. Dunfey's belief that the hotel business will continue to be strong in the foreseeable future. "We're still in for an excellent period even though we might get a slight leveling-off in the economy," he noted. As a result, he and his brothers are now looking for even more hotels at home and abroad.

Since 1976, the Dunfey Family Corporation has been a subsidiary of Aer Lingus, the international airline owned by the Government of Ireland. Mr. Dunfey noted that his grandparents on both sides emigrated to the United States from Ireland, so the acquisition might be called a good fit for this reason if for none other.●

DELAY IN ISSUING REGULATIONS TO IMPLEMENT THE 1978 AMENDMENTS TO THE OLDER AMERICANS ACT

● Mrs. **KASSEBAUM**. Mr. President, I would like to identify myself with the thoughtful comments of my distinguished colleague from New Mexico, Senator Domenici, and express my disappointment with the seeming laxness of the Department of Health, Education, and Welfare in publishing regulations to implement the 1978 amendments to the Older Americans Act. As a new member of this body, I did not have the privilege of participating in the development of the amendments and had no hand in shaping the form and focus which these amendments bring to the act. I do have the responsibility, however, of responding to State and local program administrators in my State of Kansas who are encountering severe planning problems due to the absence of regulatory guidance. In order to provide my colleagues in the Senate with some appreciation of the scope of the problems resulting from the delay in issuing regulations, I would like to enumerate for the record the questions raised by one Kansas area agency on aging:

First. The new law requires that planning be done on a 3-year cycle. When does this cycle begin? With no regulations in place, are we to assume that we should develop a 1-year plan—switching to a 3-year cycle after regulations are issued? Alternatively, should we develop a 3-year plan now, anticipating what the regulations might say? What happens if we guess wrong?

Second. The new law mentions focal points and multipurpose senior centers. Are these two one and the same or are there differences?

Third. What do the changes in the composition of the advisory councils required under title III mean?

Fourth. What is the meaning of "greatest economic or social need" in the context of allocating our limited resources?

Fifth. With no definition of "rural", how are States to carry out the new emphasis on rural elderly?

Sixth. Under title III, are the mandated services specifically mentioned in part B the only services to be funded, or are they merely examples for explanatory purposes?

Seventh. What standards are to be used in implementing the new program focus on home-delivered meals?

I am sympathetic to the frustrations

of program administrators who are faced with making tough and detailed decisions now which may later prove to be in violation of the law as interpreted by regulation. They face a no-win situation. If they do not go forward with planning efforts, they also stand in violation of the law by not implementing mandated changes within the deadlines specified in the 1978 amendments.

We need more than sympathetic gestures and interim guidelines from the Department of Health, Education, and Welfare. We need final regulations. I lend my voice to that of others who strongly urge immediate action on the proposed regulations so that the very important public review period can be completed, and we can get on with the publication of final regulations.●

LEVERETT SALTONSTALL

(1892–1979)

● Mr. PACKWOOD. Mr. President, today the Senate Republican Conference gives special remembrance to Leverett Saltonstall, a dedicated Senator and former conference chairman who died last weekend at his Massachusetts home.

Senator Saltonstall served as conference chairman from 1957 until his retirement in 1966—22 years after first entering the Senate and after 55 years of public service. During those years, he rose to ranking positions on both the Armed Services and Appropriations Committees.

Lev Saltonstall became most respected in the Senate for his work as "master of the Senate-House conference process." His negotiating prowess is legendary, and yet he always seemed to accommodate diverse points of view with his special knack for writing amendments.

"Salty" had special friends in both parties including fellow Bay State Senator John F. Kennedy, who called on him many times, including talks on the Cuban missile crisis and signing of the Nuclear Test Ban Treaty. The Senate Democratic leadership often went to Senator Saltonstall when seeking support for legislation.

His Yankee integrity was as unquestioned as his devotion to the people of Massachusetts and his family. Once he made staff members throw out a box of candy left by a lobbyist. He was uncompromisingly honest, never bending a rule for personal or political gain, and shunning any form of gossip.

On the Senate floor and in the office, Lev was remembered as a gentle, considerate man with a keen sense of humor, who cared greatly for people. Staff members considered him a friend and vice versa.

In behalf of the Republican Conference, I want to express our deepest regrets to Mrs. Alice Saltonstall and to their children and grandchildren.

The Republican Conference is proud that we were once led by Leverett Saltonstall.●

AN APPEAL TO CONGRESSIONAL CONSCIENCE

● Mr. PACKWOOD. Mr. President, members of the clergy from around the country gathered June 18, 1979, in Washington to express their deep concern about a major threat to religious freedom facing this country, and to demonstrate their unity of interest in protecting this first amendment right.

From where does this threat arise? From current Federal funding restrictions on abortions. How is this a threat to religious freedom? Knowledge of when human life begins is not a certainty, it is basically a very personal, moral, religious question that each individual must answer for himself or herself. A great many religious groups in the United States believe the choice for abortion is a moral one, and at the very least, this right to choose must be left to the individual. Some religious groups do not agree.

This is where the conflict arises, and the threat—the threat of some religious groups trying to impose their religious views of when life begins and their views of abortion on the rest of this country.

The erosion of religious freedom has already begun for the poor. With medicaid funds cut off for abortion services, those Americans dependent on the Federal Government for health care have effectively lost their right to choose abortion. They have lost their freedom to act upon one religious view of when life begins.

It was to decry this abridgement of religious freedom, and to appeal to Congress, that American clergymen and women gathered yesterday at the Capitol to hold an interfaith service and to present "An Appeal to Congressional Conscience" to the Senate and House of Representatives. I received this appeal on behalf of the Senate.

As we face yet another round of debate in Congress on Federal funding for abortions, I hope you will read this appeal with an open mind and with appreciation for the wisdom of our first amendment which says:

> Congress shall make no law respecting the establishment of religion, or prohibiting the free exercise thereof . . .

Mr. President, I ask that "An Appeal to Congressional Conscience" be printed in the RECORD.

The material follows:

AN APPEAL TO CONGRESSIONAL CONSCIENCE

We—clergy of many diverse faiths—petition our Congress to restore full funding for abortion services. This matter goes to the heart of our First Amendment rights of religious liberty and our country's commitment to principles of social justice and equality.

We have been both saddened and angered by the callous disregard of many members of Congress for the right of economically disadvantaged families to make decisions about abortion in light of their own consciences and religious beliefs. By depriving these women of access to this necessary medical procedure, Congress has effectively deprived them of their constitutional rights of privacy, choice and conscience.

As pastors and religious leaders:

We declare our concern and support for *all* women, rich or poor, and their right to choose the act of childbearing. We view with deep regret the use of women as pawns in a religious controversy in which there is no clear, indisputable truth and no apparent social and moral consensus, yet which has resulted in a public policy that denies their freedom of conscience because of their economic circumstances.

We call upon members of this Congress to recognize that access to health services should not be dependent upon economic circumstances. Furthermore, we call upon these lawmakers to refrain from legislating their own beliefs on the matter of abortion, but urge them to ensure true government neutrality by supporting legislation which would allow every individual to seek health services consistent with his or her own moral and religious conscience.

We declare our belief in the right of conscience that lies deep at the heart of our faith. Persons of good will and earnest belief standing before the threshold of moral decision take different courses, as informed by their own beliefs and consciences before God.

We call upon the members of this Congress to represent *all* the people of this nation, and protect each individual's right to exercise his or her religious conscience in the matter of abortion.

We declare our belief in the freedom *of* religion and the freedom *from* religion. We believe diverse religious groups can and must live together in a pluralistic society without imposing their doctrines on each other. The state is obligated to ensure that all religions are respected equally before the law.

We declare our belief in the American experience of church/state relations as being the most valuable and tolerable political arrangement.

We call upon the members of this Congress to uphold the principles of freedom of religion and separation of church and state, and refrain from enacting legislation which advances one particular theological belief about abortion.

The Participants in A Day of Conscience/A Day of Action, June 18, 1979.●

THE BACKFIRE BOMBER

● Mr. GOLDWATER. Mr. President, even before the text of the SALT II Treaty arrived on my desk as the President was flying home from Vienna, I had entered an amendment to the treaty relative to the Backfire bomber. Now I realize that we are going to have this matter on the floor for many, many months, but I believe that my colleagues are entitled to know all they can know about this bomber that is now outside the touch of SALT II. Why or how a weapons system like this, that can be flown from Russia to the United States, bomb and land in Cuba, is not covered by the treaty, is beyond me. The Russian's argument that they have no intent to use it against the United States is, to me, just plain, unadulterated hogwash. If the Russians go to war with anyone, including the United States, they are not going to conduct the war as we conducted our last two by not using everything they have. I have read in the press that Brezhnev is going to write a letter to President Carter stating that it is not his purpose to use the Backfire against the United States, and I rather facetiously say that if he wants to really make that promise stick, let him modify the aircraft so it will only carry about 200 gallons of fuel, and that will allow it to taxi and that is about all. However, that is all beside the point. As recently as July of 1978, the Chairman of our Joint Chiefs of Staff recommended that the Backfire should be counted among strategic weapons covered by SALT. Expert after expert has made the same suggestion and, in my opinion, this treaty should not be approved by this Senate if the Backfire remains outside of its provisions. Our job as Senators is to advise and consent on treaties, but to consent only when the treaty does no damage or offers no threat of damage or harm to our position and that is why my amendment is introduced. I ask that a description of the Backfire bomber appearing in the authoritative publication, "Jane's All the World's Aircraft Supplement," February 1979, and other articles on the same subject be printed in the RECORD.

The material follows:

JANE'S ALL THE WORLD'S AIRCRAFT SUPPLEMENT

TUPOLEV DESIGN BUREAU; U.S.S.R.

The photograph of the Soviet bomber known to NATO as 'Backfire-B' which illustrates this item was taken from a Saab Draken interceptor of the Swedish Air Force, over international waters, during a Soviet combined-services exercise in the Baltic last June. Points to note include the absence of a flight refueling probe, seen previously on aircraft of this type, and the external stores racks under the air intake trunks, which must impose speed limitations and may be fitted only for exercises or for short-range ground support missions.

Controversy about 'Backfire's' performance continues. Data given in the entry which follows conform with the latest estimates published openly by the Swedish Air Force, and by agencies such as the International Institute for Strategic Studies. Other expert opinion continues to credit the aircraft with a maximum speed in the Mach 2.25/2.5 bracket and a range adequate to cover virtually all of the continental US with the aid of Arctic staging and flight refueling, from bases in the USSR.

As recently as 25 July 1978, General David C. Jones, chairman of the US Joint Chiefs of Staff, continued to recommend that 'Backfire' should be counted among strategic weapons covered by the SALT II agreement then being discussed with the USSR. Two US congressional representatives at the talks, Democrats Robert Carr and Thomas Downey, believe, however, that the aircraft's potential is over-rated. They suggest, in a report, that the US has two politically feasible choices if the Soviet Union continues to insist that 'Backfire' is not strategic: "It can remain adamant, in which case there will probably be no SALT II and the Soviets will be free to produce modern heavy bombers as well as Backfires without limit. Or it can permit the Backfire to go free in arms-control terms, while neutralising it in military terms."

This second alternative, to cope with an aircraft claimed to be overrated, would cost an estimated $4,000 million. It is envisaged as requiring new over-the-horizon radars for the US east and west coasts, improvement of the distant early warning line in Canada, employment of the USAF's E–3A Sentry AWACS aircraft, and purchase of at least 100 F–14 or F–15 interceptors for Aerospace Defense Command.

TUPOLEV TU–26, NATO REPORTING NAMES BACKFIRE

Official NATO sources first acknowledged the existence of a Soviet variable-geometry (swing-wing) medium bomber in the Autumn of 1969. Such an aircraft had been expected, as the Tu–22 (NATO 'Blinder') was clearly incapable of fulfilling the long-range strategic bombing role for which it had been intended.

A prototype of the new bomber is said to have been observed in July 1970, on the ground near the Tupolev works at Kazan in central Asia. Subsequent official statements confirmed the aircraft as a twin-engined designed by the Tupolev bureau. At least two prototypes were built, followed by up to twelve preproduction models for development testing, weapons trials, and evaluation, by the beginning of 1973. Their official designation was said to be Tu–26; the NATO reporting name allocated to the aircraft is Backfire.

When drawing up the basic parameters for the bomber, the Tupolev bureau is believed to have aimed at a maximum unrefuelled range of 4,775–5,200 nm (8,850–9,650 km; 5,500–6,000 miles) at high altitude. Unwillingness to depart from the Tupolev practice of retracting the main landing gear bogies into fairings on the wing trailing-edges limited the variable geometry to the outer wings, as on the Sukhoi Su–17 and Su–20. There is evidence to believe that the large size of these fairings, with the wheels stowed beneath the wing, caused excessive drag, so that 'Backfire's' range fell sort of what had been planned. Redesign almost eliminated the fairings from later aircraft, after the main landing gear had been revised to retract inward into the fuselage. This accounts for the two versions of the Tu–26 currently identified by NATO reporting names:

Backfire-A. Initial version, with large landing gear fairing pods on the wing trailing-edges. Believed to equip only one squadron.

Backfire-B. Developed version, with landing gear fairing pods eliminated except for shallow underwing fairings, no longer protruding beyond the trailing-edge. Increased wing span.

More than 100 'Backfire-Bs' are in service, with production continuing at the rate of about 36 aircraft per year. Most of them have been allocated to medium-range bomber squadrons of the Soviet Strategic Nuclear Forces; but at least 30 are deployed in a maritime role by Soviet Naval Aviation, and a former RAF Chief of Air Staff, Sir Andrew Humphrey, said in December 1975: "Russian fast, wide-ranging, and high-performance aircraft like 'Backfire', armed with stand-off missiles, may soon become an even greater danger to allied shipping than the relatively slow-moving Russian submarines". It is expected that the 'Backfire' strategic/maritime force will be built up gradually to a total of 250–400 aircraft.

Type: Twin-engined medium bomber and maritime reconnaissance/attack aircraft.

Wings: Cantilever mid-wing monoplane, made up of a large-span fixed centre-section and two variable-geometry outer panels. No anhedral or dihedral, but wing section is so thin that considerable flexing of the outer panels takes place in flight. Leading-edge fence towards tip of centre-section on each side. Each outer wing panel is believed to be fitted with a full-span leading-edge slat, aileron, and slotted trailing-edge flaps aft of spoilers/lift dumpers. Wing sweep is believed to be variable from fully spread to fully swept, rather than limited to one intermediate position as on the MiG–23.

Fuselage: Forward of wings, fuselage is basically circular, with large ogival dielectric nosecone. Centre-fuselage is faired into rectangular-section air intake trunks, each fitted with a large splitter plate and assumed to embody complex variable-geometry ramps. There is no evidence to suggest external area-rule 'waisting' of these trunks.

Tail Unit: Cantilever structure, with sweepback on all surfaces. All-moving horizontal surfaces; conventional inset rudder.

LANDING GEAR: Retractable tricycle type, of which details remain largely speculative. Each main unit is assumed to carry a multi-wheel bogie, which pivots inward from the vestigial fairing under the centre-section into the bottom of the adjacent intake trunk.

POWER PLANT: Two turbofan engines with afterburners, mounted side by side in the rear fuselage. It is not yet possible to identify positively the type of engine fitted, but US sources have suggested the use of Kuznetsov turbofans similar to those installed in Tupolev's Tu–144 supersonic transport. This would be logical, as each engine is rated at 196.1 kN (44,090 lb st) with afterburning in the Tu–144. Uprated for military use, such engines would give an increase of at least 70 percent over the installed power in the Tu–22. A less-likely alternative is the turbofan evolved by the Kolesov bureau as a backup for the Tu–144, and which is said to be capable of supporting supersonic cruise without use of reheat. Fuel tankage is believed to include integral tanks in the entire fixed portion of the wings and much of the centre-fuselage above the weapon bay. A flight refueling nose-probe can be fitted; after one observed refueling, a 'Backfire' prototype is said to have remained airborne for a further 10 hours.

ACCOMMODATION: Pilot and co-pilot side by side on flight deck, which may be less extensively glazed than the accompanying drawing suggests. Other crew members further aft, as indicated by position of windows between flight deck and air intakes.

ARMAMENT: Aircraft observed to date have usually carried a primary armament of one 'Kitchen' air-to-surface missile semi-submerged in the underside of the centre-fuselage. Aircraft shown in accompanying photograph has multiple racks for stores under the air intake trunks. US reports have suggested that the Soviet Union is developing decoy missiles to assist penetration of advanced defense systems, in addition to very advanced ECM and ECCM. Twin guns in, radar-directed tail mounting.

Dimension, external:
Wing span: fully spread, 34.45 m (113 ft).
Fully swept, 26.21 m (86 ft).
Length overall, 40.23 m (132 ft).
Height overall, 10.06 m (33 ft).
Weights:
Nominal weapon load, 9,435 kg (20,800 lb).
Max T–O weight, 122.500 kg (270,000 lb).

Performance (estimated):
Max speed at high altitude*, Mach 2.0.
Max speed at low altitude, Mach 0.9.
Max unrefuelled combat range* 4.350 nm (8,050 km; 5,000 miles).

M'DONNELL DOUGLAS AV–8B ADVANCED HARRIER

In late 1973 and early 1974 the British and US governments studied various proposals for advanced versions of the Hawker Siddeley Harrier V/STOL combat aircraft, which had already achieved considerable success in RAF and USMC service. The objective of the Advanced Harrier programme was to evolve a version which, without too much of a departure from the existing airframe, would virtually double the aircraft's weapons payload/combat radius.

Hopes of developing a design that would meet the future requirements of both nations were dashed in March 1975 when the British Secretary of State for Defense, Roy Mason, stated that there was "not enough common ground on the Advanced Harrier for us to join in the programme with the US". On 15 May 1975, the Sea Harrier FRS. Mk 1 was ordered for the Royal Navy Development studies for a new US version were continued primarily by McDonnell Douglas to meet requirements of the US Navy and Marine Corps.

Having stated a requirement for approximately 350 Advanced Harriers, the USMC initiated a programme to modify two standard AV–8A Harriers as prototypes of the advanced AV–8B. The first of these flew for the first time at the McDonnell Douglas plant at St. Louis, Missouri, on 9 November 1978, after several weeks of ground testing.

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*See introductory copy

Three vertical take-offs and landings were made, and the AV-8B hovered for a total of seven minutes at an estimated height of 40 m (130 ft). The second prototype was scheduled to fly in early 1979. Following evaluation at St. Louis, the prototypes will be flown to the Naval Air Test Center, NAS Patuxent River, Maryland, where the remainder of the test programme will be centered.

The aim of the AV-8B project is to achieve the required improvement in performance by aerodynamic means, while retaining the F402-RR-402 (Pegasus 11) vectored-thrust engine of the AV-8A, thus saving the cost of developing the Pegasus 15 that was originally considered necessary for the advanced version. Airframe changes include the use of a super-critical wing, made from graphite epoxy composite material which saves weight and provides survivability and long life; a raised cockpit; larger wing trailing-edge flaps and drooped ailerons; redesigned engine air intakes; and the addition of undergun-pod strakes and a movable flap panel forward of the pods, to improve VTO lift and reduce inlet ingestion. The landing gear has been strengthened to cater for the higher operating weights and greater external stores loads made possible by these changes.

After completion of the prototype phase, full-scale develpment of the AV-8B will continue towards a planned launch of full-scale production in 1983. McDonnell Douglas will be prime contractor to Naval Air Systems Command, with British Aerospace as a major subcontractor. Prime engine contractor is expected to be either Pratt & Whitney or Rolls-Royce, with the other as subcontractor.

Wings: Cantilever shoulder-wing monoplane, of broadly similar planform to Harrier/AV-8A but of supercritical section, approximately 20 percent greater in span and 14 percent greater in area. Thickness/chord ratio 11.5 percent at root, 7.5 percent at tip. 10° less sweepback on leading-edges, and non-swept inboard trailing-edges. Composite construction, making extensive use of graphite epoxy in the main multi-spar torsion box, ribs, skins, outrigger fairings, and wingtips. Trailing-edge single-slotted flaps, of substantially greater chord than those of AV-8A, and drooping ailerons, also of graphite epoxy construction.

Fuselage: Generally similar to AV-8A, but with raised cockpit and additional lift-augmenting surfaces. These latter comprise a fixed strake on each of the two underfuselage gun packs, and a retractable forward flap just aft of the nosewheel unit. During VTOL modes the "box" formed by the ventral strakes and the lowered nose flap serves to augment lift by trapping the cushion of air bounched off the ground by the engine exhaust. This additional lift should allow the AV-8B to take off vertically at a gross weight equal to its maximum hovering gross weight.

Landing gear: Main landing gear strengthened to cater for higher operating weights. Dowty Rotol/Cleveland outrigger wheels and fairings, moved inboard to approximately midspan beneath each wing between flaps and ailerons.

Power plant: One Rolls-Royce Pegasus Mk 803 (F402-RR-402) vectored-thrust turbofan engine rated at 95.64 kN (21,500 lb st). Engine air intakes redesigned, with elliptical lip shape and double instead of single row of suction relief doors. Increased fuel tankage available in wings, raising total internal fuel capacity (fuselage and wing tanks) from approximately 2,268 kg (5,000 lb) in the AV-8A to 3,402 kg (7,500 lb) in the AV-8B. Each of the four inner underwing stations capable of carrying an auxiliary fuel tank.

System: Onboard oxygen generation system.

Avionics and Equipment: Inertial navigation system. Microwave landing system. Keyboard control in cockpit for head-up communication, navigation, and identification display. Multi-purpose display for flight/combat information. Stability augmentation and attitude hold system for speeds from 0-250 knots (0-463 km/h; 0-288 mph). AN/ARN-84 Tacan, AN/ARC-159 UHF, and AN/APX-100 IFF.

Armament and Operational Equipment: Twin underfuselage gun/ammunition packs, as in AV-8A, each mounting a US 20 mm cannon or a 30 mm Aden gun. Single stores point on fuselage centreline, between gun packs, and three stores stations under each wing, with a maximum combined capacity of 4,173 kg (9,200 lb). The four inner wing stations are 'wet', permitting the carriage of auxiliary fuel tanks. Typical weapons may include Mk 82 Snakeye bombs, and laser or electro-optical guided weapons. Main weapon delivery by Angle Rate Bombing System.

SOVIET BOMBERS: A GROWING THREAT

(By Bonner Day)

The continued production of the Soviet Union's Backfire bomber, combined with the refusal of Soviet leaders to include it in arms-control talks, poses a steadily growing threat to US security. Added to this concern is recent evidence confirming that the Soviet Union is at work on a new bomber even more formidable than the Backfire.

More than 100 Backfires have been built, according to current estimates. And the Backfire is continuing to be built at the rate of thirty or more a year.

To military men, it is clear that the Soviet Union is massing a supersonic bomber force capable of dropping nuclear bombs anywhere in the US, at a time when US defenses against bomber attack have been cut back to a skeleton force.

To the civilian policymakers in the Carter Administration, the Backfire poses different problems.

1. The Russians have not followed the lead of the Carter Administration, which canceled production plans for the US B-1 strategic bomber. The Kremlin leaders have ignored arguments in the US that manned penetrating bombers are ineffective in modern warfare, or that they are superfluous when intercontinental land-based missiles and missile submarines are available. This Soviet refusal to obey the logic of the Administration's civilian strategists keeps open the politically embarrassing question of whether the Carter Administration was correct in its judgment about the future of the penetrating bomber.

2. In the drawn-out Strategic Arms Limitation Talks, Soviet leaders, in continuing to build the Backfire, confront the US with an almost insurmountable block to an arms agreement. At a 1974 summit meeting in Vladivostok between President Ford and Soviet General Secretary Brezhnev, the Soviets accepted the principle of equal overall ceilings of 2,400 strategic nuclear delivery vehicles, which the State Department says includes intercontinental missiles, submarine-launched missiles, heavy bombers, and air-to-surface ballistic missiles. But in negotiations so far, the Soviet position has been to count US strategic bombers in the overall ceiling, but to exclude Backfire bombers on the grounds that they are not intercontinental systems.

BOMBER RANGE ARGUMENT

One of the keys to a successful strategic arms treaty, thus, has become the range of the Backfire bomber.

Western military men in 1970 first spotted Backfire parked on the ground near an airplane factory building at Kazan, in Central Asia. But US sources more than a year earlier had alerted US policymakers that a bomber was in development. The initial reaction in the US government was that this was the latest in a series of bombers and that it had a range great enough to be considered a strategic weapon. It was later identified as a product of the Tupolev design bureau and has been numbered the Tu-26.

Air Force leaders argued from the start that Backfire was an intercontinental bomber. In 1971, says US government sources, the various US intelligence agencies reached the unanimous conclusion that the plane had the range for bombing missions against the US.

Then in 1972, several agencies, led by the Central Intelligence Agency, broke from unanimity. Using different estimates of manufacturing techniques, the CIA concluded that the range of the Backfire was less than the earlier agreed figures, and thus could not be considered a strategic weapon capable of hitting the US. The split in opinion came the same year as the SALT I interim agreement on strategic offensive systems, which restricted the number of long-range strategic missiles each country could have, but placed no limits on bombers.

Soviet negotiators have argued that Backfire should not be limited by the strategic agreement now being considered. When asked about the range of the Backfire, Soviet negotiators have given a number of different answers. At one point, Soviet officials were saying the planes had a range of only 2,200 kilometers (1,375 miles), that they were not designed for intercontinental strategic operations, and that they were for use in sea control and against targets in Europe and Asia.

Why the dispute over the plane's performance? The secrecy with which the Soviets shroud the plane, and all other military activities, has been the primary reason. At one point, some US officials considered offering Soviet experts an opportunity to see the B-1 plane being developed by the US in exchange for an opportunity to view the Backfire firsthand. There is no public record that any such offer was made.

Despite all efforts at collecting information about the Backfire, in fact, the US has been able to get only a few photographs and little more. From these photos and other data, US aeronautical experts applied their computers and calculated the plane's performance.

FINDING BACKFIRE'S RANGE

Using information developed by the CIA, the Air Force, and the Navy, a number of US aeronautical firms were asked to calculate the plane's performance. In addition, the British Royal Air Force and the British aerospace industry were asked to give their opinions.

Different agencies have been accused of shaping their calculations and the information they pass on to experts outside government to reflect certain parochial interests.

Other government agencies, for example, presume the Air Force exaggerates the airpower threat of the Soviet Union to encourage support of its own programs, such as the canceled B-1 bomber.

And the CIA is suspected of playing down unpleasant trends in the Soviet Union to assist in reaching diplomatic and political goals, including the successful conclusion of the SALT II talks.

But as all the technical experts who studied the plane defended and challenged each other's calculations, a growing consensus developed supporting Air Force contentions that Backfire is an intercontinental bomber.

Says one CIA official: "We now know the Air Force was right about the Backfire's range, but it is not clear in my mind that it had enough evidence to make the conclusions as early as they were made."

The Backfire, it is now thought, has a range of 5,000 miles or more. This is sufficient to carry 20,000 pounds in missiles or bombs, fly to any target in the continental

US, and land in Cuba or other nearby third countries. With aerial refueling, Backfire can fly from Soviet arctic bases, hit any target in the US, and return to the Soviet Union.

Backfire, 132 feet long, with a maximum takeoff weight of 270,000 pounds, is bigger than the US FB-111 strategic bomber and smaller than the older B-52. The B-1 bomber, the newest US design, is 150 feet long and has a gross weight of 389,800 pounds.

With its wings swept back to an eighty-six-foot span, Backfire flies up to Mach 2.5 at high altitudes. When spread for distance flight, the wings have a 113-foot span. The B-1 was designed for a maximum of Mach 2.2 and a range of 6,100 miles, but the top speed of production models would have been reduced to Mach 1.6. Its wingspan is seventy-eight feet fully swept and 136 feet when spread.

US analysts have identified at least two, and perhaps three, versions of the Backfire.

The "A" model has large landing gear pods. US and other Western experts noted this and elements of the wing designs as range-limiting features. It is thought to have a range of 4,500 to 5,000 miles.

The "B" model later appeared with the landing gear pods streamlined, the wings changed, and a new inlet ramp to boost the range to an estimated 5,400 miles. These models are also equipped to be refueled in the air.

A third "C" model is being developed with a more streamlined fuselage. Aeronautical experts say the changes in the Backfire are expensive redesign efforts to extend the range of the aircraft.

BACKFIRE MILITARY MISSIONS

US policymakers cannot be positive about the military roles established for the Soviet plane. Unlike missiles, the missions of airplanes cannot be deduced unequivocally from an analysis of performance.

Some Western military planners see the plane as a potent weapon against targets in Europe and China. Others note the assignment of some of the planes to Soviet naval aviation units and conjecture that these planes are assigned to attack US and other naval forces.

But the Backfire's long range, combined with evidence of certain practice flights, leads some analysts to conclude that a portion and perhaps all of the Backfires have been assigned targets in the US. New evidence on the Backfire includes refueling flights of the "B" models, observed by spy satellites.

In the opinion of some military experts, the miscalculation of the Backfire range already has caused damage to US defenses. During the period when several intelligence agencies reversed themselves and said the Backfire had a limited range. Defense officials made one of the largest in a series of cuts in defenses against enemy bombers, retiring a significant portion of the nation's older air defense radars and interceptor aircraft on the assumption that there was no realistic bomber threat.

Now, with general agreement over the plane's range, the Backfire has become one of the biggest obstacles in the long-stalled Strategic Arms Limitation Talks.

BACKFIRE AND SALT

How the Soviet bombers are treated in the SALT negotiations thus has become one of the most sensitive diplomatic and political questions confronting the Carter Administration.

Some Administration officials have raised the possibility in recent months that a new agreement on strategic weapons will be submitted to Congress as an executive agreement, rather than a treaty.

Sen. Dewey F. Bartlett (R-Okla.) and other senators have objected. An executive agreement would require approval by a simple majority of both houses of Congress, while a treaty has to be passed by two-thirds of the Senate. Opponents of an executive agreement cite Public Law 92-448 of September 30, 1972, which states that the Congress "urges the President to seek a future *treaty* that, *inter alia*, would not limit the United States to levels of intercontinental strategic forces inferior to the limits provided for the Soviet Union."

Another solution to the negotiation stalemate, now under study, is to ask the Soviet Union to promise not to increase the production rate of the planes. This is complicated by the fact that Soviet leaders will not reveal what the production rate is. Another proposal has been to ask the Soviet Union not to base Backfires at arctic bases, which are closest to the US.

There also have been recent reports, denied by the Defense Department, that the Joint Chiefs of Staff were asked to remove their objections to excluding the Backfire in exchange for a White House promise of additional money to improve U.S. air defenses against the threat of Soviet bombers. Rather than agree, according to reliable Pentagon sources, the Joint Chiefs have objected strenuously.

In August, two congressmen made a similar proposal. Bob Carr (D-Mich.) and Thomas J. Downey (D-N.Y.) advocate giving in to Soviet insistence that the Backfire not be included in a SALT II agreement. To compensate, the two congressmen propose beefing up U.S. defenses against the Backfire, specifically purchasing two over-the-horizon radars, improving the Distant Early Warning line of radars in Canada, and purchasing 100 new interceptors based on either the F-14 or F-15 to rebuild the nation's interceptor force. It is estimated that the cost of buying the additional planes and radars would come to a total of $4 billion.

A BACKFIRE SUCCESSOR

And if the Backfire were not problem enough for U.S. SALT negotiators, the reports of a new bomber, a follow-on to the Backfire, are even more disturbing to military planners. Top Defense officials mentioned it briefly in appearances before congressional committees this year. Very little information is available about this new plane, though. Even its existence is in dispute among intelligence analysts.

Adding to the confusion have been references to the plane by the Soviet Union's President Leonid Brezhnev and other Soviet leaders. In one such remark, the plane was referred to as the Tu-160, indicating it is being built by the Tupolev design bureau that is responsible for many of the country's bombers and transports, including the Tu-26 Backfire and the Tu-144 supersonic transport.

Information available so far indicates the plane is designed for a range similar to the Backfire, or greater, and with more efficient jet engines to provide larger missile or bomb loads. Some analysts say the follow-on is expected to appear in production numbers in the next three to five years, on a schedule designed to phase out the older Tu-16 Badger and Tu-22 Blinder bombers now in the *Dal'nyaya aviatsiya*, the Soviet Union's long-range air force.

A new assembly plant was spotted in 1973 at the site of the Backfire plant, adding to concern over the Soviet Union's bomber program. It is not clear whether the new plant is to increase Backfire production or to build the follow-on bomber.

The plant, recently completed, is large enough to double production of the Backfire. Defense Department experts estimate production of the Backfire at two or three a month, but one unconfirmed report indicates a much higher production rate in recent months.

All of these recent developments—reports of a follow-on bomber, a possible step-up in Backfire production, trial balloons for a SALT agreement—have thrust bombers into a new prominence in defense planning.

Says one U.S. official concerned with the SALT negotiations: "There is no doubt that Soviet bombers are the great bone of contention today."

SOVIETS DEVELOPING TWO BOMBERS, EXTENDING RANGE OF BACKFIRE

(By Clarence A. Robinson, Jr.)

WASHINGTON.—Soviet Union is developing two new intercontinental bombers and modifying the Tupolev Backfire bomber with new inlets and engine improvements to extend its range.

One new bomber is being developed with supersonic, low-altitude penetration capability to replace the Backfire and is expected to have an initial operational capability in 1982. It has a variable-geometry wing, an unrefueled range of 7,300 naut. mi. and four turbofan engines with afterburners for dash speeds of Mach 2.3.

The variable-geometry-wing bomber is described by Defense Dept. officials as a bomber with the performance characteristics of the U.S.-canceled Rockwell B-1.

These same officials are raising questions within the Carter Administration over the modification of the Backfire and whether it will be counted, if armed with cruise missiles, under the Strategic Arms Limitations Talks ceiling of strategic nuclear delivery vehicles and the subceiling for multiple independently targetable reentry vehicles.

The Soviets recently have tested the Backfire as a launch platform for a 1,200-km. (646-naut.-mi.)-range cruise missile in development.

The U.S. has excluded the Backfire bomber from the SALT 2 agreement in the belief that the bomber is similar to the USAF/General Dynamics F-111. That U.S. position is causing consternation in the Defense Dept. and Congress because the Backfire is capable of striking a number of targets in the U.S. with nuclear weapons on one way unrefueled missions.

U.S. SALT 2 negotiators have asked only that the Soviet Union assure the U.S. the Backfire will be used as a theater weapon and that production rates will be controlled.

The Russians have produced approximately 130 Backfires, which have been about equally distributed between Soviet naval and long-range aviation components. The U.S. estimates the Backfire production rate is two or three aircraft per month.

Defense Secretary Harold Brown recently told Congress: "We continue to believe that the primary purpose of the Backfire is to perform peripheral attack and naval missions. Undoubtedly, this aircraft has some intercontinental capability in that it can surely reach the United States from home bases on a one-way, high-altitude, subsonic, unrefueled flight; with refueling and Arctic staging it can probably, with certain high altitude cruise flight profiles, execute a two-way mission to much of the United States."

Brown also told the House Armed Services Committee that Backfires equipped with cruise missiles with ranges greater than 600 km. would have to be counted as heavy bombers under SALT limitations.

U.S. officials point out, however, that this is a unilateral interpretation on Brown's part, and that it is not at all clear that the Russians agree with this interpretation. An associated issue is being raised over modifications to the Backfire B. The question is whether the modifications were made prior to the understanding between the U.S. and the USSR excluding the Backfire from SALT 2. A number of U.S. officials believe the Soviets may be skirting the limits under SALT 2 of bombers armed with cruise missiles because the Backfire is not contained under the strategic offensive agreement.

"To ease the pressure on the Administration, the Russians have removed the refueling probes from a number of Backfires," one top-level Carter Administration official said. He added that detection by the U.S. of the new cruise missile was unanticipated by the Soviets, and that intercepted telemetary enabled determination that the launch occurred from a twin-engine Tupolev bomber, i.e., the Backfire.

U.S. reconnaissance satellites detected the modified Backfire B at the Ramenskoye flight test center in August with new inlets that appear to be similar to those used on the MiG–25 Foxbat fighter or the USAF/McDonnell Douglas F–15.

Vertical inlet ramps replace the horizonal inlet ramps on the Backfire B. The top edge of the inlets is extended by 4.8 ft. and the inlet sides taper with the top horizontal edge forward of the lower horizontal edge.

The second USSR bomber development is a replacement for the Tupolev Tu–95 Bear. It is a fixed-wing aircraft with high-bypass-ratio turbofan engines designed to operate at subsonic speeds to provide increased range and payload capability over the Bear. This bomber is scheduled for a 1983 operational capability and could be used to launch cruise missiles against land targets at standoff ranges flying intercontinental missions.

The unrefueled range of the fixed-wing bomber is about 10,000 naut. mi., and it is designed to carry a maximum payload of 41,800 lb.

With the cancellation of the Rockwell International B–1 bomber by President Carter and the advantage of the Soviet air defense system with about 2,600 manned interceptor aircraft and 12,000 surface-to-air missiles, the USAF/Boeing B–52's usefulness is in jeopardy "even with modifications to improve performance," one high level Defense Dept. official said.

"Not only is the ICBM leg of the triad in jeopardy as more accurate Soviet ballistic missiles are deployed, but recent tests of a look-down, shoot-down capability in the new, two-place Super MiG–25 Foxbat further increases the vulnerability of the bomber leg and may be the precursor to a cruise missile defense," the official added.

In tests with the radar-guided AA–X–9 missile, the modified MiG–25 has been successful in acquiring, tracking and firing against target drones in ground clutter (AW&ST Oct. 30, 1978, p. 13). The drones are used to simulate 5-meter-square targets.

Tests against high-altitude targets were conducted with the modified Foxbat using the new air-to-air missile in late fall at Akhtubinsk. This is a new phase of development for the Super MiG–25 and the AA–X–9 missile. Both are scheduled for an initial operational capability in early 1980.

In the high-altitude tests, the UR–1 Soviet target drone was operating at approximately 70,000-ft. altitude, and the Foxbat at 30,000 ft. The fighter climbed above 54,000 ft. and the pilot launched his missiles. The telemetered missiles passed close to the drone and climbed to an apogee of 125,000 ft.

The UR–1 drone is usually launched from Tupolev Tu–16 Badger and usually operates between 65,000 and 100,000 ft. However, it has been detected climbing to 130,000 ft.

The modified Foxbat can carry up to six AA–X–9s, and in low-level tests against drones in ground clutter the aircraft was discovered launching four AA–X–9s within 40 sec. against four drone targets flying at various altitudes. The air intercept radar in the new Foxbat can handle 20 targets simultaneously, displaying them while tracking four.

This capability is significant for use against bombers trying to penetrate the USSR's air space and for use against cruise missile carrier aircraft.

In addition to air-launched cruise missiles, the U.S. is again assessing the possibility of an air-basing mode for the MX advanced ICBM. A top-level Defense Dept. official recently cautioned a meeting of the Defense Science Board at the Air Force's Space and Missile Systems Organization not to develop high cost profiles for the air-launched ICBM mode. The official added that the Carter Administration does not look with favor on the MX in the vertical silo multiple-protective-structure (MPS) basing mode.

The science board members were enjoined to calculate air basing for the MX in a way to make it competitive with MPS basing. The official said that if the study was not scrubbed down to the best possible comparison there might not be another opportunity to procure a new ICBM.

Some Congress members and staff are convinced that Carter will not opt for MPS basing of MX because it has been raised as an issue by Soviet negotiators, who told U.S. officials that they "take exception to the U.S. interpretation that new vertical shelters are permitted under the provisions of SALT 2."

The meeting took place July 17 between Paul C. Warnke, then director of the Arms Control and Disarmament Agency, and Soviet negotiator Vladimir S. Semenov.

Harold Brown told the House Armed Services Committee Jan. 29 that MX deployment in vertical silos in a random basing mode will be permitted. He explained that, because the canister launched travels with the missile and is inserted in a hole in the ground, multiple protective structures are not launchers until a missile in its launcher is inserted.

In later questioning of the Air Force chief of staff, Gen. Lew Allen, Jr., Rep. Robin Beard (R-Tenn.), asked the general about ambiguity on ICBM deployment under terms of SALT 2 and if both the U.S. and USSR have agreed not to start construction of new or additional ICBM launchers and further agreed not to relocate fixed ICBM launchers.

Beard asked Allen if Brown's testimony was based on a unilateral interpretation that MX could be deployed in a multiple protective structure mode. Allen said, "I would understand it as unilateral, yes sir. It is a U.S. interpretation of the treaty and of . . . a legal interpretation of the significance of the provisions that an MPS deployment is acceptable within treaty language."

In further questioning, Beard asked whether it is apparent that the Soviet Union agrees with the interpretation the U.S. has made. Air Force Secretary John C. Stetson, who was appearing with Allen, responded:

"Certainly the point you raise has been publicized and discussed many times. The USSR would have had ample opportunity to object to that interpretation. To the extent they have not objected, I interpret that as some form of acceptance of that definition."

Despite this testimony, key U.S. officials point out that in two demarches (SALT 2 working papers), the Russians have made a distinction between vertical and horizontal shelters. The officials said the Russians have unambiguously stated that the vertical deployment mode would involve additional fixed ICBM launchers prohibited by the SALT agreement. The demarche further implied that a horizontal basing mode with transporter erector launchers would be a mobile system permissible only after expiration of the treaty protocol, but requiring that each transporter erector launcher be counted under the ceiling of 820 MIRVed ICBM launchers, they said.

Other U.S. officials told the committee they believe the Soviets eventually will accept the U.S. position, but that it has not been resolved. One official said he believes the Russians are holding out to extract a price in the SALT negotiations.

Rep. Richard H. Ichord (D-Mo.) and Beard have joined to send a letter to Brown asking for a clarification on the U.S. position for MX basing. They asked whether the Soviets' SS–17 and SS–18 will be counted as mobile systems because both are now being moved inside the USSR to silos using the erector launchers. Since both are in canister launchers the two congressmen question whether they should not be considered as mobile ICBMs. They point out there appears to be a major discrepancy between Brown's and Allen's testimony.

Whether the U.S. will be permitted to deploy the MX in multiple protective structures will become a major issue in the Senate ratification process for the SALT 2 treaty, according to several officials in both the White House and the Pentagon.

Rep. Melvin C. Price (D-Ill.), committee chairman, said, following the testimony by Brown and Allen, "I am very concerned that failure to move ahead on a basing mode prior to consideration of the SALT treaty could result in great difficulty in getting the system approved and deployed once the treaty is ratified."

Another issue confronting the Administration is the interpretation of Article 4, Section 2, of the negotiated agreement. It prohibits not only new types of ICBMs other than one new weapon for each side, but further prohibits "deployment of new dispensing systems or release mechanisms on existing operational ICBMs."

This means the U.S. will not be able to deploy the Pave Pepper system on Minuteman, one official explained. Pave Pepper would provide seven reentry vehicles, each with a 70-kiloton nuclear yield, more than doubling the reentry vehicles on Minuteman 3.

"While there are Administration arguments that because of the yield Pave Pepper is not likely to be deployed, the argument is spurious," one Defense Dept. official said. He added that the new MIRV system could be deployed on a portion of the Minuteman 3 force to target against soft targets such as cities, thus freeing other Minuteman 3s with the Mk. 12A warhead for use against hard targets.

Pave Pepper has been tested by USAF using Minuteman boosters fired from Vandenberg AFB, Calif. But what constitutes a successful test of the system is a stumbling block in reaching agreement with the Soviets for SALT 2. "Again, this appears to be another unilateral U.S. interpretation. Certainly, the 70-kiloton reentry vehicles in Pave Pepper do not compare with the 1-megaton reentry vehicle deployed by the U.S.S.R.," the Defense official added.

Another sticking point in SALT 2 negotiations is the definition of what constitutes a new ICBM under the proposed treaty as now negotiated. The Soviets have consistently modified their SS–17, SS–18 and SS–19 ICBMs.

The Soviets have proposed that ICBMs should not be considered as new if they are not 5% greater or 20% less in volume than current models.

The U.S. position is that any variation of 5% greater or less than existing systems would be considered a new ICBM. The issue is still unresolved, according to State Dep. officials.

U.S. officials, such as Brown, have changed their assessment during the past year of just when the U.S. ICBM silos will become vulnerable to a Soviet first strike. Brown and other Administration officials are now publicly stating that Minuteman will be vulnerable to a first strike in early 1980s.

Brown told the Congress in late January that Soviet weapons with nuclear warheads that can be carried on strategic missiles and bombers have increased by around 1,000 since last year, reflecting the MIRVing of ICBMs and SLBMs. This brings the USSR's total warheads to 4,950 as compared to 9,550 for the U.S.

But the total throw weight advantage rests with the Soviets, who have 10.8 million lb. compared to 7.2 million lb. for the U.S.

Because of an advantage accorded in SALT 1 to the USSR, throw weight can be fractionated on ICBMs and SLBMs to eventually provide more warheads than the U.S. has.

Under the terms of SALT 2 the Soviets will have to reduce their total 2,500 launchers to 2,250 while the U.S. has the option to increase its 2,059 launchers if it desires.

It is the increasing accuracy of ICBMs in the Soviet Union that has caused U.S. officials to revise their estimate of when the ICBM force will become vulnerable to a surprise attack by the USSR.

In tests of the SS-18 and the SS-19 last year (AW&ST Apr. 3, 1978. p. 14) from Tyuratum near the Aral Sea into an impact area on Kamchatka Peninsula, an accuracy of 0.1 naut. mi. circular error probability was demonstrated. It is this accuracy that enables destruction of a Minuteman silo with a single Soviet reentry vehicle from an ICBM.

The Soviets now have a fifth generation of ICBMs, consisting of four missiles, in development, Brown said.

Brown told Congress the deployment of the SS-17, SS-18, and SS-19 ICBMs is continuing at a combined rate of 125 missiles per year. There are now nearly 20 SS-18 launchers in converted SS-9 silos, and about 300 SS-17 and SS-19 launchers in converted SS-11 silos. All three types of missiles can carry either single, high-yield warheads or MIRVs.

U.S. officials are conducting an analysis that proves in an early draft that the present strategic weapons situation, particularly if the MX is aerially based, favors a first strike by the USSR.

An air-based ICBM system must depend on an alert to avoid destruction of the carrier aircraft on the runway. "And it does not resolve any of the cost or environmental problems associated with MX in the multiple protective structure mode," one official explained.

The gap in the bomber alert rate and the submarine ballistic missile alert rate favors a surprise attack by the USSR unless a land-based survivable ICBM system is deployed, according to the analysis.

"If the MX is placed in an aircraft for aerial launch, it doubles the incentive for a first strike, by the USSR," one official involved in the analysis said.

TWO NEW SOVIET BOMBERS MAY BE TAGGED TU-126 AND TU-160

There is mounting evidence that the Soviet Union has developed the prototypes of possibly two new strategic bombers, as larger follow-ons to the Backfire bomber. Former Secretary of the Air Force Thomas Reed says they will possibly be designated TU-126 and TU-160 and "will be permitted to be built without restriction under SALT II because of the incredible hole in the definition of what constitutes a heavy bomber." Defense Secretary Harold Brown recently told Congress that the Soviet Union may roll out the first prototype of a new, modern, long-range Soviet bomber "in the near future" (Defense/Space Daily, Jan. 29).

Meanwhile, there are three versions of the Backfire bomber: the prototype, or Backfire-A, the production model, or Backfire-B, and the improved model, Backfire-C, which may be called Backfire-ND. The Joint Chiefs of Staff have told Congress they are not satisfied with the Administration's decision to keep the Backfire bomber out of SALT II by getting assurances from the Soviet that it will not be placed in a strategic role.●

ORDER FOR CONSIDERATION OF S. 975 TOMORROW AND TIME LIMITATION AGREEMENT THEREON

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that, after the completion of the order for the recognition of Mr. SARBANES on tomorrow, the Senate proceed to the consideration of calendar order No. 222, S. 975, a bill to authorize appropriations for fiscal year 1980 intelligence activities; that there be an overall limitation of time on that measure, including any time on amendments, debatable motions or appeals or points of order, of not to exceed 1 hour, the time to be equally divided between Mr. BAYH or his designee and Mr. GOLDWATER.

Does that require a waiver of paragraph 3 of rule 12?

The PRESIDING OFFICER. No, it is not necessary to waive the rule.

Mr. ROBERT C. BYRD. I thank the Chair.

The PRESIDING OFFICER (Mr. BRADLEY). Without objection, it is so ordered.

The text of the agreement follows:

Ordered, that when the Senate proceeds to the consideration of Cal. No. 222, S. 975, a bill to authorize appropriations for fiscal year 1980 for intelligence activities of the United States Government, the Intelligence Community Staff, the Central Intelligence Agency Retirement and Disability System, and for other purposes, that debate and overall consideration of the bill be limited to 1 hour to be equally divided and controlled by the Senator from Indiana (Mr. BAYH) and the Senator from Arizona (Mr. GOLDWATER).

ORDER FOR CONSIDERATION OF S. 436 TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that upon the disposition of Calendar Order No. 222, the Senate proceed to the consideration of Calendar Order No. 187, S. 436, a bill to amend section 15(d) of the Tennessee Valley Authority Act, on which there is a time agreement that was entered some days ago.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR CONSIDERATION OF S. 239 TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that upon the disposition of the Tennessee Valley Authority bill, the Senate proceed to the consideration of Calendar Order No. 101, S. 239, a bill to authorize appropriations for programs under the Domestic Volunteer Service Act of 1973, to amend such act, and so on; that there be a time agreement on that measure of 2 hours on the bill, to be equally divided between Mr. CRANSTON and Mr. SCHWEIKER; that there be a time limitation on any amendment of 1 hour, a time limitation on an amendment by Mr. HUMPHREY.

Mr. President, I withdraw the time request on this bill for the moment. I leave in the order that it follow in sequence the TVA bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

(Later the following occurred:)

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the time agreement on the VISTA bill (S. 239) be as follows: That there be 2 hours on the bill to be equally divided between Mr. CRANSTON and Mr. SCHWEIKER, that there be 1 hour on any amendment in the first degree, 30 minutes on any second-degree amendment, 20 minutes on any debatable motion, appeal, or point of order, if such is submitted to the Senate for its consideration, and that there be 2 hours on an amendment by Mr. HUMPHREY which deals with the transfer of the Peace Corps out of the ACTION Agency to the State Department, that there be 2 hours on an amendment by Mr. SCHWEIKER dealing with the same subject, that there be 1 hour each on two amendments by Mr. DURENBERGER, both of which deal with volunteerism.

Is that correct?

Mr. BAKER. That is right.

Mr. ROBERT C. BYRD. And that the agreement otherwise be in the usual form.

The PRESIDING OFFICER. Without objection, it is so ordered.

The text of the agreement follows:

UNANIMOUS-CONSENT AGREEMENT

Ordered, That when the Senate proceeds to the consideration of S. 239 (Order No. 101), a bill to authorize appropriations for programs under the Domestic Volunteer Service Act of 1973 and for other purposes debate on any amendment in the first degree (except an amendment to be offered by the Senator from New Hampshire (Mr. Humphrey), relative to transfer of the Peace Corps, on which there shall be 2 hours; an amendment to be offered by the Senator from Pennsylvania (Mr. Schweiker), on the same subject, on which there shall be two hours; two amendments to be offered by the Senator from Minnesota (Mr. Durenberger), on volunteerism, on which there shall be 1 hour each) shall be limited to 1 hour, to be equally divided and controlled by the mover of such and the manager of the bill; debate on any amendment in the second degree shall be limited to 30 min., to be equally divided and controlled by the mover of such and the manager of the bill; and debate on any debatable motion, appeal, or point of order which is submitted or on which the Chair entertains debate shall be limited to 20 min., to be equally divided and controlled by the mover of such and the manager of the bill: *Provided*, That in the event the manager of the bill is in favor of any such amendment or motion, the time in opposition thereto shall be controlled by the minority leader or his designee: *Provided further*, That no amendment that is not germane to the provisions of the said bill shall be received.

Ordered further, That on the question of final passage of the said bill, debate shall be limited to 2 hours, to be equally divided and controlled, respectively, by the Senator from California (Mr. Cranston) and the Senator from Pennsylvania (Mr. Schweiker): *Provided*, That the said Senators, or either of them, may from the time under their control on the passage of the said bill, allot additional time to any Senator during the consideration of any amendment, debatable motion, appeal, or point of order.

ORDER FOR CONSIDERATION OF SUPPLEMENTAL APPROPRIATIONS BILL ON MONDAY, JUNE 25, 1979

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that, on Monday, after the two leaders or their designees have been recognized under the standing order, the Senate proceed to the consideration of Calendar Order No. 239, H.R. 4289, an act making supplemental appropriations.

The PRESIDING OFFICER. Without objection, it is so ordered——

Mr. BAKER. Mr. President, reserving the right to object, the majority leader and I had, indeed, talked about that. That is agreeable. I just want to point out that I am not in a position at this time to enter into a time agreement, as I had earlier hoped I would be. There are two Senators on this side of the aisle who have amendments, and I am not able to reach them at this hour. I hope that on tomorrow, we shall be able to enter into a time agreement on the supplemental appropriation, and I will if I can.

Mr. ROBERT C. BYRD. Very well.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, the 3-day rule will have elapsed on the supplemental appropriation bill on Monday. It will be my intention to motion it up, but we have entered into an agreement to call it up by unanimous consent. I ask unanimous consent that that agreement be vitiated at this time.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Will the Senator yield to me?

Mr. ROBERT C. BYRD. Yes.

Mr. BAKER. I thank the majority leader for doing that.

Mr. President, at the time we were discussing it on the floor, there was a telephone call to me with respect to this item which I was not aware of at the time the request was entered, and I agreed to it. I hope we can agree to that by unanimous consent. I note the majority leader's statement of his intention to motion it up. I observe that, indeed, the 3-day rule will have been complied with on Friday of this week. I thank the majority leader for his consideration.

(Later the following proceedings occurred:)

Mr. ROBERT C. BYRD. Mr. President, I renew the request to make the supplemental appropriation bill the order of business at the conclusion of the orders for the recognition of the two leaders or their designees on Monday.

Mr. BAKER. Mr. President, reserving the right to object—and I will not object—I thank the majority leader for his forbearance previously in vitiating this order. I am happy to say now that the mixup that occurred and prompted me to request that he vitiate it has been untangled, and I am happy to join him in the request for scheduling on Monday.

Mr. ROBERT C. BYRD. I thank the minority leader.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that no call for the regular order during the consideration of that appropriation bill bring it down.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, tomorrow the Senate will come in at 9:30 a.m. After the two leaders are recognized under the standing order, Mr. SARBANES will be recognized for not to exceed 15 minutes, after which the Senate will proceed to the consideration of the intelligence authorization measure, Calendar Order No. 222, S. 975. There is a time agreement on that measure overall of 1 hour.

On the disposition of that measure, the Senate will proceed to the consideration of Calendar Order No. 187, S. 436, the TVA bill. There is a time agreement on that measure.

On the disposition of that bill, the Senate will proceed to the consideration of Calendar Order No. 101, S. 239, the VISTA authorization measure, on which there is a time agreement.

So there will be rollcall votes tomorrow, and it could be a relatively lengthy session tomorrow.

RECESS UNTIL 9:30 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the order previously entered, that the Senate stand in recess until 9:30 tomorrow morning.

The motion was agreed to; and at 6:42 p.m. the Senate recessed until tomorrow, Wednesday, June 20, 1979, at 9:30 a.m.

CONFIRMATIONS

Executive nominations confirmed by the Senate June 19, 1979:

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

Richard Bryant Lowe III, of New York, to be Deputy Inspector General, Department of Health, Education, and Welfare.

DEPARTMENT OF JUSTICE

Carlon M. O'Malley, Jr., of Pennsylvania, to be U.S. attorney for the middle district of Pennsylvania for the term of 4 years.

Joseph Ransdell Keene, of Louisiana, to be U.S. attorney for the western district of Louisiana for the term of 4 years.

Peter J. Wilkes, of Illinois, to be U.S. marshal for the northern district of Illinois for the term of 4 years.

FEDERAL ELECTION COMMISSION

Thomas Everett Harris, of Virginia, to be a member of the Federal Election Commission for a term expiring April 30, 1985.

The above nominations were approved subject to the nominees' commitments to respond to requests to appear and testify before any duly constituted committee of the Senate.

THE JUDICIARY

Arthur L. Nims, III, of New Jersey, to be a judge of the U.S. Tax Court for a term of 15 years after he takes office.

Frank Minis Johnson, Jr., of Alabama, to be U.S. circuit judge for the Fifth Circuit Court of Appeals.

Dolores Korman Sloviter, of Pennsylvania, to be U.S. circuit judge for the Third Circuit.

Jon O. Newman, of Connecticut, to be U.S. circuit judge for the Second Circuit.

Amalya L. Kearse, of New York, to be U.S. circuit judge for the Second Circuit.

Valdemar A. Cordova, of Arizona, to be U.S. district judge for the district of Arizona.

HOUSE OF REPRESENTATIVES—*Tuesday, June 19, 1979*

The House met at 12 o'clock noon.

Rev. Douglas C. Newton, minister, First United Methodist Church, Niceville, Fla., offered the following prayer:

Gracious Heavenly Father, we thank You for the privilege of serving You, our fellow men, and our country. Give us the guidance we need to please You above all others at all times in all that we do. Deliver us from self-seeking and self-serving at the expense of others. Sensitize us to the value of self-sacrifice. Help us to be good persons that we might become good leaders. Teach us to humbly trust You in all things that we might touch the lives of all whom we influence in an encouraging and helpful way. Minister to each of these servants of our Nation and to each member of their families this day. In the strong name of Jesus we pray. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Sparrow, one of its clerks, announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 429) entitled "An act to authorize appropriations for fiscal year 1979, in addition to amounts previously authorized for procurement of aircraft, missiles, naval vessels, and other weapons, and for research, development, test, and evaluation for the Armed Forces and for other purposes."

The message also announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

S. 673. An act to authorize appropriations for the Department of Energy for national security programs for fiscal year 1980; and

S. 838. An act to amend the Anadromous Fish Conservation Act in order to extend the authorization for appropriations to carry out the purposes of the act, and to initiate an emergency investigation on the striped bass in Atlantic coastal waters.

The message also announced that the Senate had passed a resolution of the following title:

S. RES. 186

Resolved, That the Senate has heard with profound sorrow and deep regret the announcement of the death of the Honorable Leverett Saltonstall, late a Senator from the State of Massachusetts.

Resolved, That a committee be appointed by the President of the Senate to attend the funeral of Senator Saltonstall.

Resolved, That the Secretary of the Senate communicate these resolutions to the House of Representatives and transmit an enrolled copy thereof to the family of the Senator.

Resolved, That, when the Senate stands in recess at the conclusion of its business today, it do so as a further mark of respect to the memory of Senator Saltonstall.

REV. DOUGLAS C. NEWTON

(Mr. HUTTO asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HUTTO. Mr. Speaker, the minister who gave our opening prayer today has been a good friend of mine for a long time. The Reverend Douglas C. Newton is presently pastor of the First United Methodist Church of Niceville, Fla.

Reverend Newton, a native of Dothan, Ala., was graduated from Dothan High School, and received a B.A. degree from Asbury College in Wilmore, Ky. He received his master of divinity degree from the Candler School of Theology, Emory University, in Atlanta in 1961.

Doug served as a student pastor while in college and seminary training. His ministerial assignments have been in Pensacola, Destin, and Fort Walton Beach, Fla., and Evergreen and Enterprise, Ala. Doug Newton has a wonderful ministry in Niceville and his church in providing for the spiritual needs of many people.

Doug is married to the former Gaynelle Granberry, daughter of the Reverend and Mrs. Seth Granberry of Yazoo City, Miss., which is also the home of the renowned Jerry Clower. The Newtons have two children, Allen, 18, and Michelle, 16.

IN WASHINGTON THERE IS NO SHORTAGE OF RASCALS

(Mr. PAUL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PAUL. Mr. Speaker, the American people are justly angry over the gasoline shortages and lines. In Washington, we hear the oil companies or the Arabs blamed. But the real villain is the Federal Government, and its controls and regulations. Every empty gas pump should bear a sign: "Courtesy of The DOE."

The Department of Energy's own MOPPS studies, suppressed for telling the truth, showed that price decontrol would mean vastly greater domestic supplies of energy. These studies today are unavailable, the DOE and Congressional Research tell me. But I intend to get them, and already have a copy of a preliminary MOPPS report.

When the free market controlled energy, we had gasoline price wars. With the Government running things, we have shortages and calls for austerity and lowered standards of living. Although I have yet to see the first Government official give up his taxpayer financed limousine.

The American people are getting angry enough to throw the rascals out. And in Washington, there is no shortage of rascals.

☐ 1210

INTRODUCTION OF BILL ON TRANSPORTING NUCLEAR WASTE

(Mr. AKAKA asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. AKAKA. Mr. Speaker, I am introducing a bill to require that foreign ships entering U.S. harbors carrying nuclear waste materials notify the Nuclear Regulatory Commission prior to entry. The bill would in turn require the NRC to notify the Governor of the State in which such a port is located.

The necessity for this notification of entry into U.S. ports became very clear recently when the *Pacific Fisher*, a British ship carrying nuclear spent fuel rods, decided to refuel in Honolulu harbor. No prior notification of the ship's entry was made. Government officials were informed of the ship's nuclear cargo through "greenpeace," a private environmental group. This was not only embarrassing for local officials of the State government, but also a source of surprise when it became apparent that there exists no law which would require notification prior to the entry of a foreign vessel carrying nuclear material.

The planned entry of the *Pacific Fisher* into Honolulu harbor is not an isolated event. It is very likely that similar dockings take place in all U.S. harbors. Under current law, the NRC is aware of nuclear cargo in transit only when the material is being exported or imported.

We must have a means to at least know that these vessels are entering our ports and take the necessary precautions.

I ask your careful consideration of this measure and support for its passage.

RISING EMPLOYMENT FOR HISPANICS

(Mr. CORRADA asked and was given permission to address the House for 1 minute.)

Mr. CORRADA. Mr. Speaker, the Carter administration has made significant strides in providing more jobs and increased economic opportunity for all citizens.

Around 8.1 million more Americans are working now than when the President was elected. Overall unemployment is down by 26 percent. This is an impressive record and the President should be congratulated on this achievement. I am equally impressed by the administration's record in battling the unemployment situation of the Hispanic population.

When President Carter came to office, unemployment among the Hispanic population stood at 11.7 percent. Today, it is 8.2 percent, a reduction of 29 percent. Although nonwhite and Hispanic unemployment is still significantly higher than the national average, I am glad to note that probably for the first time in the history of our country the reduction in the unemployment rate of the Spanish-speaking has not only kept pace with the national average, but, has indeed surpassed it.

This is due in large part to President Carter's true compassion and awareness of the needs and aspirations of the Hispanic minorities of our Nation.

GENERAL LEAVE

Mr. WHITTEN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill, H.R. 4387, which will be considered today.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

AGRICULTURE APPROPRIATIONS, 1980

Mr. WHITTEN. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 4387) making appropriations for Agriculture, Rural Development, and related agencies programs for the fiscal year ending September 30, 1980, and for other purposes; and pending that motion, Mr. Speaker, I ask unanimous consent that general debate be limited to not to exceed 2 hours, the time to be equally divided and controlled by the gentleman from North Dakota (Mr. ANDREWS) and myself.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

The SPEAKER. The question is on the motion offered by the gentleman from Mississippi (Mr. WHITTEN).

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. WYDLER. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 398, nays 3, not voting 33, as follows:

[Roll No. 255]

YEAS—398

Abdnor
Addabbo
Akaka
Albosta
Alexander
Ambro
Anderson, Calif.
Andrews, N. Dak.
Annunzio
Anthony
Archer
Ashbrook
Aspin
Atkinson
Badham
Bafalis
Bailey
Baldus
Barnard
Barnes
Bauman
Beard, R.I.
Beard, Tenn.
Bedell
Beilenson
Benjamin
Bennett
Bereuter
Bethune
Bevill
Biaggi
Bingham
Blanchard
Boggs
Boland
Boner
Bonior
Bonker
Bouquard
Bowen
Brademas
Breaux
Brinkley
Brodhead
Brooks
Broomfield
Brown, Calif.
Brown, Ohio
Broyhill
Buchanan
Burlison
Burton, Phillip
Butler
Byron
Campbell
Carney
Carr
Carter
Cavanaugh
Cheney
Chisholm
Clausen
Clay
Cleveland
Clinger
Coelho
Coleman
Collins, Ill.
Collins, Tex.
Conable
Conte
Corcoran
Corman
Cotter
Coughlin
Courter
Crane, Daniel
Crane, Philip
D'Amours
Daniel, Dan
Daniel, R. W.
Danielson
Dannemeyer
Daschle
Davis, Mich.
Davis, S.C.
de la Garza
Deckard
Derrick
Derwinski
Devine
Dickinson
Dicks
Dingell
Dixon
Dodd
Donnelly
Dornan
Dougherty
Downey
Drinan
Duncan, Tenn.
Early
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
Edwards, Okla.
Emery
English
Erdahl
Erlenborn
Ertel
Evans, Del.
Evans, Ind.
Fary
Fascell
Fazio
Fenwick
Ferraro
Findley
Fish
Fisher
Fithian
Flippo
Florio
Foley
Ford, Tenn.
Fountain
Fowler
Frenzel
Frost
Fuqua
Garcia
Gaydos
Gephardt
Gibbons
Gilman
Gingrich
Ginn
Glickman
Goldwater
Gonzalez
Gore
Gradison
Gramm
Grassley
Gray
Green
Grisham
Guarini
Gudger
Guyer
Hagedorn
Hall, Ohio
Hall, Tex.
Hamilton
Hammerschmidt
Hance
Hanley
Harkin
Harris
Harsha
Hawkins
Heckler
Hefner
Heftel
Hightower
Hillis
Hinson
Hollenbeck
Holt
Holtzman
Hopkins
Horton
Howard
Hubbard
Huckaby
Hughes
Hutto
Hyde
Ichord
Jacobs
Jeffords
Jeffries
Jenkins
Jenrette
Johnson, Calif.
Johnson, Colo.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kastenmeier
Kazen
Kelly
Kemp
Kildee
Kindness
Kogovsek
Kostmayer
Kramer
LaFalce
Lagomarsino
Latta
Leach, Iowa
Leach, La.
Leath, Tex.
Lederer
Lee
Lehman
Leland
Lent
Levitas
Lewis
Livingston
Loeffler
Long, La.
Long, Md.
Lott
Lowry
Lujan
Luken
Lundine
Lungren
McClory
McCloskey
McCormack
McDade
McDonald
McEwen
McHugh
McKay
Madigan
Maguire
Markey
Marks
Marlenee
Marriott
Martin
Mathis
Matsui
Mattox
Mavroules
Mazzoli
Mica
Michel
Mikulski
Mikva
Miller, Calif.
Miller, Ohio
Mineta
Minish
Mitchell, N.Y.
Moakley
Moffett
Montgomery
Moore
Moorhead, Calif.
Mottl
Murphy, Ill.
Murphy, N.Y.
Murphy, Pa.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Nedzi
Nelson
Nichols
Nowak
O'Brien
Oakar
Oberstar
Obey
Ottinger
Panetta
Pashayan
Patten
Patterson
Paul
Pease
Pepper
Perkins
Petri
Peyser
Pickle
Preyer
Price
Pritchard
Pursell
Quayle
Quillen
Rahall
Railsback
Rangel
Ratchford
Regula
Reuss
Rhodes
Richmond
Rinaldo
Ritter
Roberts
Robinson
Roe
Rosenthal
Rostenkowski
Roth
Roybal
Royer
Rudd
Runnels
Russo
Sabo
Santini
Satterfield
Scheuer
Schroeder
Sebelius
Seiberling
Sensenbrenner
Shannon
Sharp
Shelby
Shumway
Shuster
Simon
Skelton
Slack
Smith, Iowa
Smith, Nebr.
Snowe
Snyder
Solarz
Solomon
Spellman
Spence
St Germain
Stack
Staggers
Stangeland
Stanton
Stark
Steed
Stenholm
Stewart
Stockman
Stokes
Stratton
Studds
Stump
Swift
Symms
Synar
Tauke
Taylor
Thomas
Thompson
Traxler
Treen
Trible
Udall
Ullman
Van Deerlin
Vander Jagt
Vanik
Vento
Volkmer
Walgren
Walker
Wampler
Watkins
Waxman
Weiss
White
Whitehurst
Whitley
Whittaker
Whitten
Williams, Mont.
Williams, Ohio
Wilson, Bob
Wilson, C. H.
Winn
Wirth
Wolff
Wolpe
Wright
Wyatt
Wydler
Wylie
Yates
Yatron
Young, Alaska
Young, Fla.
Young, Mo.
Zablocki
Zeferetti

NAYS—3

Lloyd
Mitchell, Md.
Weaver

NOT VOTING—33

Anderson, Ill.
Andrews, N.C.
Applegate
Ashley
AuCoin
Bolling
Burgener
Burton, John
Chappell
Conyers
Dellums
Diggs
Duncan, Oreg.
Evans, Ga.
Flood
Ford, Mich.
Forsythe
Giaimo
Goodling
Hansen
Holland
Ireland
McKinney
Mollohan
Moorhead, Pa.
Neal
Nolan
Rodino
Rose
Rousselot
Sawyer
Schulze
Wilson, Tex.

☐ 1230

So the motion was agreed to.

The result of the vote was announced as above recorded.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 4387, with Mr. RUSSO in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the unanimous-consent agreement, the gentleman from Mississippi (Mr. WHITTEN) will be recognized for 1 hour, and the gentleman from North Dakota (Mr. ANDREWS) will be recognized for 1 hour.

The Chair recognized the gentleman from Mississippi (Mr. WHITTEN).

Mr. WHITTEN. Mr. Chairman, I yield myself such time as I may require.

Mr. Chairman, once again I present to the Members what I consider to be the basic bill that we deal with each and every year. First, may I say that it is a pleasure once again to present to the Members the bill making appropriations for Agriculture, rural development, and related agencies for the year 1980. I would like to pay tribute to my colleagues, not only on the subcommittee but on the Committee on Appropriations, as well as a very excellent staff. As the Members know, it was my pleasure with their support to take over as chairman of the full Committee on Appropriations this year on the retirement of our good friend, the gentleman from Texas, Mr. Mahon. Through the years I have served on most of the subcommittees, but I have retained a position on the Subcommittee on Agriculture, although my background, though coming from the farm, has really been in law. I have stayed with the subcommittee because with time I began to see that it is the bill making appropriations for the Department of Agriculture to which we must look for our standard of living.

SCOPE OF THE BILL

Mr. Chairman, this is the one annual appropriation bill which funds programs in which producers, consumers, labor and industry, all have a close mutual interest. Agriculture produces the food and fiber needed by consumers and provides the biggest market for industry and labor, while consumers provide the market needed by agricultural producers.

This is a truly "national" bill which benefits every part of the country. Even in New York State, agriculture is the single largest industry, as it is in virtually every State.

The programs funded in this bill strongly influence the quality of life and the standard of living of every American.

We have a good bill, Mr. Chairman. It is sound. It is responsive to both the needs of our people and to their pocketbooks. It would treat agriculture as an equal partner of industry and labor. This bill would serve to the advantage of consumers and producers alike. It would help assure the quality and wholesomeness of our foods and drugs, and protect our valuable natural resources which are the ultimate basis of our standard of living. This bill will provide that our school children are fed properly; that the weak, the elderly, and the economically disadvantaged can avail themselves of a nutritious diet.

THE PLIGHT OF AGRICULTURE

History records that "As Agriculture goes, so goes the Nation."

As Industry and Labor have been able to obtain a larger percentage of the consumer dollar—increasing from 54.4 percent in 1973 to about 61 percent in 1978—the share left for the farmer has decreased—from 45.6 percent in 1973 to 39 percent in 1978.

As the farm share of the consumer dollar has decreased, prices received by farmers have fallen further behind prices paid for farm inputs and other expenses. As a consequence, net farm income has gone down from $25.1 billion in 1973 to $14.5 billion in 1978, a 42 percent drop.

During this period of decreasing farm income, money required to purchase and equip a Midwest corn farm, for example, has increased from $400,000 in 1973 to over $1 million in 1978. As a result, farm indebtedness has increased from $53 billion in 1970 to about $119 billion in 1978, a 125 percent increase. Farm debt is expected to reach $136 billion in 1979—the equivalent of about 5 years of total net farm income for all farms in the United States.

In the industrial sector of our economy, prices have continuously increased—from 133.1 percent in 1973 to 202 percent in November 1978. Wages have increased from $145.39 per week in 1973 to $209.79 in November 1978. Returns to equity for manufacturers in the private sector have increased from 12.8 percent in 1973 to 14.6 percent in 1978. Farm income as a percentage of investment or equity, however, has decreased from 10.6 percent in 1973 to 3.6 percent in 1978.

Although 58 percent of the programs in the Federal Budget have escalator clauses provided by law guaranteeing an increase in funds to meet inflation—which increases costs and taxes to the farmer—programs of the Department of Agriculture which assist farmers in their farm production activities are included in the 42 percent not so protected. Therefore, the farmer feels the effect of inflation twice—first in increased costs and second in declining income.

BUDGET REDUCTIONS RESTORED

Mr. Chairman, in the 1980 budget recommendations of the Office of Management and Budget, the committee finds severe cuts in those programs of USDA which help farmers farm and take care of our land and water resources. The OMB budget further recommends the transfer of these funds to set up new activities in the Department of Agriculture and to increase the overhead functions in Washington.

Many ongoing and productive inhouse and cooperative research activities would be cut, and 500 experienced research scientists would be eliminated, were the committee to approve these OMB recommendations. The budget further proposes to substitute research by contracts and grants for the well-established research work which has been carried on through the years by highly trained USDA researchers in the well-equipped facilities already available. Also, a cut of $16,172,000 is proposed for the Extension Service, most of which is for the Bankhead-Jones program. The committee has restored these cuts in research and extension activities.

The committee has also restored a proposed reduction of $16.5 million and 150 technicians in programs for the control of gypsy moths, imported fire ants, Japanese beetles, range caterpillars and other serious crop and animal pests and diseases.

A reduction of $130 million and 1,000 soil and water conservation experts is recommended by OMB for the agricultural conservation program, watershed programs and other conservation programs of the Department. The committee has restored these proposed cuts. The Congress has backed this committee 24 times in the past 24 years in the restoration of ACP funds.

The Department and OMB also have requested increases in 1980 for various purposes such as new top-level positions costing $138,000 in the Office of the Secretary, 53 new positions and $1.9 million additional for departmental administration in Washington, and 22 more positions and an increase of $707,000 for legal services and almost entirely in Washington. An additional 50 positions costing $692,000 are proposed for Federal grain inspection and 55 more positions and $4.8 million additional are proposed to be economics and statistics activities. These increases are proposed to be offset by reductions in funds and employees for research, extension and conservation programs.

To add to the problem of handling this budget, many of the top-level people in the Department with successful backgrounds related to agriculture do not appear to be fully aware of the adverse effect of reducing funds and experts in action programs in the field in order to increase overhead functions in Washington.

Mr. Chairman, it is under these budgetary and administrative conditions that this committee brings this basic annual appropriations bill for agriculture, rural development and related agencies to the Congress for consideration. It is under these conditions that the American farmer is finding it increasingly difficult to remain on the farm.

THE FARMER'S DILEMMA

The American farmer, desiring to get his limited income from the marketplace, finds that much of his earnings comes from storage of his crops on his farm, from participation in an acreage diversion program and from an extra job in town. He is faced with a farm program which again restricts his production and holds his commodities off world markets, while the hungry people of the world desperately need his production. He is again faced with being used as a residual supplier by the large international exporters, five of whom control 85 percent of total U.S. food exports. They sell from their stocks of foreign-produced commodities where it is to their advantage and turn to the United States for soft-credit sales or to meet residual needs of the world markets.

The American farm producer finds himself in this situation, despite the fact that the U.S. economy urgently needs earnings from agricultural exports to help offset increased costs of oil imports and urgently needs a healthy agriculture to under-gird the entire financial structure of the Nation.

THE NATIONAL FINANCIAL CRISIS

Mr. Chairman, we in the United States have more of the good things of life than the people of any nation have ever had before. This is due to the fact that about 4 percent of our people who are on the farms feed and clothe the other 96 percent of our population, who in turn are freed to provide the many things that make for our very high standard of living. Our highly efficient food and fiber production system has made America a land of plenty and the envy of the world.

Despite this, however, our national economy, including the financial solvency of our farm producers, is in real trouble today. The dollar has depreciated 50 percent since 1967. At this rate of decline, it will be worth only 25 cents by 1990 and 10 cents by the turn of the century. We have continued to buy more from abroad than we have sold. More than half our dollars are held overseas. There is virtually nothing behind our money today except a promise to pay.

Our Federal debt has reached $800 billion and from present commitments is expected to increase to $900 billion by 1980. This is about $4,000 for every man, woman and child in this country. The interest on the public debt will increase to nearly $60 billion per year by 1980—over 10 percent of all Federal expenditures.

On top of this tremendous commitment, the Federal Government has contingent liabilities of about $4 trillion—nearly five times the public debt—for loan guarantees, insurance liabilities, retirement entitlements, and international obligations.

Our State, local, private, and business debt, about $2.6 trillion at the end of 1978, is increasing steadily as more and more people are living beyond their immediate income, and as business and governmental institutions expand debt to meet inflated costs of operation. The substitution of credit for cash, and the use of loan guarantees instead of loans backed by real assets, are becoming an increasing danger to the solvency of this Nation and its people. This is greatly exacerbated by the spiraling inflation running through our economic system today, which, based on history, constitutes a danger signal.

It is becoming increasingly apparent that we are stretching the fabric of our economy close to the breaking point. What is not so apparent is whether or not we can slow down this inflationary spiral and debt expansion enough to prevent a rupture.

Fortunately, we have a strong country — one that is rich in human and natural resources. We can, if we will, restore the economic health of this Nation. To do so, however, we must face up to the harsh realities of the present financial threat, apply the needed discipline, and take the necessary steps to correct past mistakes.

FARMERS PLIGHT THREATENS THE ECONOMY

Mr. Chairman, the financial crisis facing American agriculture today is very similar to the one which created the disastrous farm depression in the 1920's and the great national depression which followed in the 1930's. Failure to maintain farm exports and support farm prices after World War I destroyed farm purchasing power, which in turn brought on bankruptcy for many banking and other commercial concerns. The same combination of factors—relatively low commodity prices, expanding production costs, inadequate net farm income, and a crushing debt hanging over many farmers—exists again today, and many of our farmers are on the verge of bankruptcy. If they go broke, other segments of the economy will surely follow.

In its report last year the committee described at great length the conditions leading up to the Great Depression of the 1930's and the consequences therefrom to all segments of society in this country and in other parts of the world. The lessons of history must be fully understood if we, as a nation, are to prevent their recurrence. This is even more imperative under present circumstances, since our population and our economy are many times larger and much more vulnerable than they were 50 to 60 years ago. It is difficult to imagine the suffering which would result today from the bankruptcy of agriculture and industry, and a crash of the financial markets of the country. It seems certain that this would be many times more difficult to endure than it would be to exercise the financial discipline and take the steps necessary to avert such a catastrophe.

THE FARM CONTROVERSY

Much attention has been given, during the past 2 years, to the vigorous protestations coming from rural America. The demonstrations by farmers in Washington last year and again this year have stirred up much discussion and debate, both pro and con.

The intensity of the farm protest and the deep feelings evidenced at various meetings with government officials and on the streets of the Nation's Capital indicate that the complaints are deep-rooted and deserving of the attention of all the people of this country.

They point out that most of them, especially the younger farmers who entered farming in the past 5 years, are facing bankruptcy.

The high price of farmland and the large investment required to begin a farming operation have made it necessary for the newer farmers to borrow large amounts of money at high interest rates to get started. Also, due in part to inflationary pressures, many older and established producers have been encouraged to purchase additional costly land and equipment to expand their operations. With today's low crop prices, many of these farmers are unable to meet their interest payments and are having to default on their repayment of debt principal.

They are requesting that crop prices be raised to provide adequate income to cover their inflated production costs, meet their debt repayment obligations, and leave a small amount to enable them and their families to live like people in other segments of the Nation's economy.

They are aware that assurance of reasonable income is provided to other segments of our economy through laws guaranteeing minimum wages and bargaining rights to labor and tax credits and profit markups to industry. They are insisting that farm producers be assured prices which will give them parity of income with their counterparts in labor and industry.

AVERAGES NOT APPLICABLE

Though it be true, Mr. Chairman, that farm income increased in 1978, that off-farm income is growing and that exports of U.S. commodities reached an all-time high of $27 billion in 1978, these figures represent national averages and do not take into account the acute financial problems of farmers in various areas of the country and those farmers whose delinquent indebtedness more than takes up any increase in income.

It is apparent that the statistical averages projected by USDA do not apply to the farmer who earns only 3.6 percent on his farming operation while committed to pay 10-percent interest on his mortgage.

It is clear that statistical averages do not apply to the producer who finds his prices limited by a rigid market system, while his uncontrollable production costs keep pace with spiraling inflation. The cost of a 7700 John Deere combine in January 1974 was about $26,600. Today, the cost of a comparable 7720 model is $62,800, an increase of $36,200 or 136 percent. Yet, the farm price of wheat today is less than in 1974. Average figures do not reveal the fact that farmers are required to "sell at wholesale and buy at retail."

It is certain that such statistical averages do not apply to the smaller farmer who must depend on off-farm income to meet 85 percent of his needs. Better than two-thirds of today's farmers, who sell less than $20,000 of farm commodities each per annum, fall into this small-farm category.

As a result of rapid inflation and heavy debt, there is little doubt that many farmers, especially the smaller family farmers, are near bankruptcy. The record shows that prices for wheat, feed grains and many other major crops are too low to permit such producers to cover their inflated production costs and still have money left to meet their high interest costs and perhaps pay something on their large outstanding loans.

Despite this financial crisis on many of the Nation's farm, the Department of Agriculture has failed to fully increase prices. One reason given is the possibility of adding to the inflationary spiral. However, this answer overlooks the fact that the farmer's share of the consumer's food dollar has decreased to the point where any upward adjustment at the farm level should have little or no effect on retail prices. For example, the farm value of wheat in a 50 cent loaf of bread is only about 5 cents, leaving 45 cents for transportation, processing, and retailing. An increase of 10 percent at the farm level should increase the retail cost by less than 1 penny.

WE MUST PRODUCE AND SELL

President policies, it is claimed, would provide increased prices for farm commodities through reduced supply. With fewer units to sell, net income would likely be reduced and payments for on-farm storage would merely postpone facing up to the issue. Such a policy is not in the best interests of either the rural producer or the urban consumer. It leads to farm subsidies to offset the percentage of the consumer dollar formerly received by the farmer but which now goes to labor and industry because of various laws.

Mr. Chairman, the committee has maintained through the years that the United States must always be a land of plenty. It has felt that our agricultural policies and programs should always provide ample supplies of food and fiber at the retail marketplace, with prices maintained at a level which will keep our agricultural producers in business. It has insisted that agricultural commodities not needed domestically should go into world trade to feed those who are hungry, rather than into storage.

GOVERNMENT ACTION ON EXPORTS ESSENTIAL

The committee urges the Secretary of Agriculture to determine our fair share of world markets and then see to it that our products are sold on a competitive basis. If, for any reason, industry does not do the job, private industry, our producers, and our customers abroad should be told that the Secretary will use the funds and authority of the Commodity Credit Corporation to acquire commodities which will be sold by the Sales Manager of the Department of Agriculture where necessary to assure that our fair share of the market is maintained. In this way, he can prevent the international traders from putting this country in the position of a residual supplier, as happened in the 1950's due to family export sales policies of the then Secretary of Agriculture. He can say to them, "You sell U.S. farm products or I will."

Under existing law, there is authority to use CCC funds for this purpose. The Secretary assured the committee that, where private industry does not move U.S. commodities into world consumption, he would use this authority to enable the United States to obtain its share of world markets by offering commodities competitively in world markets. The committee agrees with this commitment and will provide full support for such a policy. Whether he can obtain approval from OMB, which seems to set farm policy, remains questionable.

It is important to remember that the American farmer is competing against government marketing mechanisms in most other countries, not against competitive farmers overseas. The European Common Market countries, for example, finance their common agriculture in large part through the imposition of heavy import duties on U.S. agricultural exports to that area. These duties are then used to pay subsidies to Common Market farmers and also to subsidize exports of their products into world markets in competition with U.S. commodities. In effect, American farmers who must export at world prices help to pay the cost of subsidies to their European competitors and at the same time help to finance foreign competition in world markets against their own production.

Experience has shown that importers of other countries prefer U.S. commodities when they can be assured that we will provide them at competitive prices and on a consistent basis.

It will be recalled that in the mid-1950's the Secretary of Agriculture held some $8 billion of CCC owned commodities off world markets. After strong and persistent urgings by this committee and the Congress, those stocks were offered on world markets competitively and were sold in a very few months.

Attention is directed to hearings with Department of Agriculture officials held in 1956 and 1957 which have been reprinted as part 2 of our hearings this year. It fully supports the committee's recommendation that some commodity stocks be put in the hands of the Commodity Credit Corporation to be used by the Department's Sales Manager to see that U.S. markets are protected.

EXPORTS BENEFICIAL AND HUMANITARIAN

The United States should use its agricultural production—one of its greatest strengths—to feed hungry people throughout the world for humanitarian purposes and, at the same time, improve its international balance of trade.

Mr. Chairman, this country is blessed with vast acreage of rich cropland and a favorable climate for food and fiber production, as well as highly productive farm producers. This makes it possible for the United States to provide a significant portion of the world's needs. In 1978/79, it is estimated that this country will export 43 percent of the world's wheat exports, 62 percent of all coarse grain exports, and 52 percent of total exports of oilseed.

With an estimated one-half billion of the world's people suffering from undernourishment, with many people dying from starvation in food-deficient areas, and with world population expected to reach 6 billion people by the year 2000—double the 1960 level—there will always be a demand for that portion of the U.S. food production which is surplus to domestic needs. For humanitarian as well as economic reasons, this country should produce ample supplies of food and fiber to meet this urgent worldwide demand. One prominent research expert estimates that one-half million people died of starvation in 1974 and 1975, a period when severe food shortages occurred in certain underdeveloped areas.

AGRICULTURE—EARNER OF FOREIGN EXCHANGE

Agriculture is also a major earner of foreign exchange for the United States in world markets. Agricultural exports for 1978 totaled $27 billion, an increase of $3.3 billion or nearly 14 percent over 1977. Total agricultural exports are predicted to increase to $29 billion in 1979, an increase of $20.8 billion—252 percent—over the 1971–72 period.

Agriculture exports are a major means of offsetting the large U.S. trade deficit of recent years, particularly oil imports which now amount to about $45–50 billion per year and are increasing rapidly. The surplus in U.S. agricultural trade was $13.4 billion in 1977/78 and is expected to reach $15 billion in 1978/79, about one-third of annual petroleum imports.

Ample production and resulting exports are also of great economic value to the Nation's farm economy. It is estimated that half a million farmers are able to stay on the land due to production for export markets. Nearly two-thirds of the wheat grown in this country goes into export. Nearly half of U.S. grown rice and over half of the soybeans and cotton grown in this country are exported.

The urban and industrial interests of the United States also benefit greatly from this sizable export volume. It is estimated that more than a half million urban Americans are employed directly in the processing, marketing and transportation of farm products exported in world markets.

CREDIT NO SUBSTITUTE FOR INCOME

Mr. Chairman, more and more farmers are becoming dependent on credit to keep their farming operations going. Farm debt in 1978 increased by 16 percent over 1977 and is projected to reach $136 billion in 1979. This is equal to about 5 years of total net farm income from every farm in the Nation.

Credit made available by the farm credit banks and associations has continued to climb, from $4 million in 1960 to $12 billion in 1970, to $34 billion in 1976, to $43 billion in 1978. The number of borrowers, many of whom have had to mortgage their land for the first time to meet current production expenses, increased from 487,962 in 1977 to 504,531 in 1978.

An increasing number of farm borrowers have been forced to leave their conventional commercial sources of credit due to their inability to provide adequate credit security. They have had to seek credit from the Farmers Home Administration, which is able to provide credit to higher risk borrowers. As a result, heavier credit demands are being made against FHA loan programs, especially emergency economic loans for which Congress provided $4 billion last year (Public Law 95–334) to meet the financial emergency facing many farmers due to lack of sufficient income to repay their outstanding loans.

One of the answers being offered by officials of the executive branch to the farm crisis is the extension of further credit to keep farmers from going bankrupt. Such officals are suggesting, in effect, that these farm borrowers be carried from one year to the next, even though this may result in an ever-crushing debt load which the farmer has little hope to liquidate at current farm prices.

In this manner, these officials are attempting to prevent the liquidation of many farm operators now close to bankruptcy by continuing to extend to them more credit—more of the same medicine that caused their problem—rather than to encourage farm production for export under favorable price and market conditions. They are thereby attempting to postpone the "day of reckoning"—the day when this "addition to credit" must be stopped and these heavy debts must be repaid to enable agriculture to get back to a sound financial basis of operation.

Mr. Chairman, it is recognized by most people that credit is no substitute for income. It is hoped by many that the current farm crisis can be handled so as to avoid extensive bankruptcies. Testimony from USDA and FCA officials indicates that they are fully aware of the financial dangers facing farm producers today and that they hope they can provide financial advice and credit assistance to avert a serious crash in rural America.

What is lacking, however, is a willingness on the part of many to face up to the fact that adequate farm income is the only realistic answer to the farm crisis. The committee recommends, therefore, that administration officials take a look at the income side of the farm equation and take steps to remedy the present situation by the provision of more income to farmers through increased price levels. In this connection, they should look beyond the average farmer and consider the plight of all those farmers who do not fit the average, due to geography, weather, type of farm operation, financial position, or other factors.

MUST ASSURE MARKET STABILITY

To preserve our agricultural system and assure continuation of our modern way of life, this country must pursue agricultural policies and practices which will assure a reasonable return to the farmer—the producer of our food and fiber—through the orderly marketing of his products at stable and adequate prices. We must provide our farm producers a full parity income relationship with their counterparts in other parts of our economy.

Volume of production, times price received, less cost of production, equals the amount of income received from farming. The producer should be able to depend on the level and proper balance of each of these three factors each time he plants his crop. Frequently, for various reasons he is denied this assurance and, therefore, suffers serious losses, which further impairs his financial position. Seldom can he depend on any one of these three factors in the income equation; that is, volume, price, or production cost.

Volume is dependent on such factors as weather, pestilence, and production policies. The producer cannot be certain of the volume he will produce, especially if our governmental policies place restrictions on how much he can produce, as is being done under present farm programs. Volume, then, is not a dependable factor for the farmer.

Cost of production is completely beyond the control of the farm operator. In times of rapid inflation, such as at present, this factor becomes the main threat to the financial solvency of the producer. The effects of inflation on costs of farm machinery, fuel, fertilizers, chemicals, interest on debt and other farm inputs are discussed at length elsewhere in this report. The unreliability of this cost of production factor in the farm income equation is apparent.

Under present farm programs and policies, price cannot be depended on by the farmer to provide him the income needed to remain solvent. Current price levels, especially for major field crops, are generally recognized as inadequate to offset reduced volume of production and increased costs of production. It is clear that earnings of 3.6 percent on farm equity are insufficient to permit a producer to pay 10 percent interest on his mortgage and buy a combine which has increased in cost by over 250 percent since 1974.

What, then, can be done to protect the consumer and the economy by enabling the American farmer to remain solvent so as to stay on the farm? This committee believes that it is necessary for the Secretary to adopt a farm program which will: encourage ample food and fiber production for domestic and overseas consumers, establish a price level comparable to labor and industry which will permit the farmer to have adequate income in a stable market, and adopt export policies which offer our commodities for sale at competitive prices and assure our customers abroad that the United States will continue to be a dependable supplier of high quality commodities.

Only this type of program can provide the market and price stability necessary to enable American agriculture to remain economically strong and financially healthy. Only a strong and healthy agriculture can support a strong and healthy nation. Only a strong and healthy nation can continue to provide the good things of life which are now enjoyed by Americans.

And, for this the farmer must have equal treatment under the laws of the Nation.

WE MUST PROTECT OUR REAL WEALTH

Mr. Chairman, in the opinion of the committee, many of the proposed reductions by the Department and OMB run counter to the best interests of the Nation as well as the agricultural segment of our society. They would weaken the effectiveness of the basic work of the Department and would do serious damage to the food and fiber production capacity of the country.

In view of the serious financial crisis facing the Nation and its farm producers, it is essential that we protect and preserve our soil and water resources and our agricultural resource base.

We must recognize the difference between real wealth and money. Above all, we must restore, develop and protect our real wealth—physical resources, such as our land, our forests, our streams, our rivers, and our harbors. It is on these things that our entire economy must inevitably depend. This is one account on which we cannot afford to "overdraw."

We could leave our children all the money and material riches in the world, but if we leave them a wornout land, they would have to suffer like people of many undeveloped areas of the world do today. However, if we leave them vast acres of fertile land protected from floods and erosion, with adequate supplies of water and timber, our children could, if need be, set up their own financial system, maintain a productive economy and continue to enjoy life as we know it today.

FARM INCOME

Though income to the Nation's farmers in 1978 was $28.1 billion, an increase of $8 billion over 1977, when adjusted for inflation since 1967, the net income was only $14.5 billion or $3.2 billion higher than in 1977. It should be noted that while net income was higher in 1978 than in 1976 and 1977, it was lower than the previous 4 years—1972 through 1975—a period when many farmers were encouraged to incur heavy indebtedness to go into farming or to expand established farming operations. It should also be noted that where there has been a one-year profit, it has gone to pay delinquent debts, rather than to improve the farmer's income position.

Per capita income of the nonfarm population in 1978 was $6,665, while per capital income for the farm population was $6,050, some 9.2 percent less. It is estimated that 60 percent of total farm income in 1978 came from nonfarm sources, and the Department predicts that the additional income to farmers in 1979 will come primarily from off-farm sources, rather than from farming.

Farms which sell $20,000 or more per annum get three-fourths of their income from farming. These farms, which are about 30 percent of all farms, account for 90 percent of all farm sales. On the other hand, the small farmers who sell less than $20,000 per annum have to depend on off-farm work for 85 percent of their income. These small farmers, who represent 70 percent of total farm operators, account for only 10 percent of the farm products sold.

PRICES RECEIVED AND PAID BY FARMERS

Prices received by farmers fluctuate in response to changing market conditions, while prices paid for production inputs continue to climb at a steady and uncontrollable rate. Prices paid for production inputs have more than doubled since 1967.

While prices received in 1978 increased to 209 percent of 1967 prices, prices paid in 1978 increased to 219 percent of the 1967 level. Also, the consumer price index increased less for food than for industrial commodities. Since prices received in 1978 were a full 10 percentage points behind prices paid in 1978, it can be seen why many farmers were forced to produce at a loss.

Unfortunately, prospects for an improved income position for 1979 may be no better. The Department of Agriculture expects that production costs will rise even faster than prices next year. Continued large increases are projected for fuel, fertilizers, chemicals, seed, machinery and land. The cost of fuel to operate farm machinery and equipment will be one of the most significant financial threats facing producers in the future.

FARMER'S SHARE OF FOOD DOLLAR

Due to the absence of stable prices and a full parity relationship with his counterparts in industry and labor, the farmer's share of the food dollar continues to decline. USDA statistics show that in 1973, the agricultural producer received 45.6 percent of the food dollar, that it declined to 42.7 percent in 1974, 41.8 percent in 1975, 39.4 percent in 1976, 38.8 percent in 1977. It is projected at 39 percent for 1978.

USDA figures show that the farm value of corn in a 52-cent package of cornflakes is around 4.5 cents. They show that while the retail price of bread went up over 50 percent in the past 10 years, the price of wheat at the farm went down 4 percent during the same period.

According to a recent USDA publication, the marketing bill increased from $61.7 billion in 1967 to $140.5 billion in 1978, an increase of 128 percent. Profits for U.S. marketing firms totaled $9.5 billion in 1978—before taxes—nearly triple their earnings in 1967.

An official of the Department of Agriculture stated to the committee that, "Deficiency payments to farmers are really a subsidy to consumers to offset the farmer's loss in his share of the food dollar."

RETURNS TO EQUITY

Returns to farm equities, Mr. Chairman, continue to run much lower than for nonfarm segments of the economy. In 1978, returns to equity from farming were 3.6 percent at current farm value, as compared with 14.6 percent for all manufacturers, 13.4 percent for food and kindred products, 12.7 percent for petroleum and coal products, and 11.6 percent for textile mill products. Even at original acquisition value, returns for farming were only 8.4 percent in 1978 as compared with 14.6 percent for manufacturers.

It should be noted that in only one year of the last seven—1973—has return on equity from farming approached the level enjoyed by manufacturing industries. And, it should be noted further that the percentage for manufacturing returns are after corporate taxes have been deducted, which is not so for the farm figures. As a matter of fact, the return for manufacturers for 1978 is 24 percent before deduction of taxes as compared to 3.6 percent for farming at current value.

In view of the current interest rates of 10 to 12 percent on farm loans from commercial sources and the Farm Credit Administration, it can readily be seen why many farmers are unable to pay off their debts with earnings of 3.6 percent on investment. At current farm prices, it is impossible to earn sufficient income to service farm debt, let alone earn enough to support a farm family, unless a farmer has a large farm operation which was inherited or purchased when land prices were low and, therefore, is largely free of debt. Few producers are this fortunate.

FARM DEBT

Mr. Chairman, farm debt continues to rise dangerously. It increased by 16 percent in 1978 over 1977, a record increase. FHA emergency loans doubled during the year to a total of $4.5 billion. Total farm debt is expected to reach $136 billion in 1979. This is equal to about 5 years of net farm earnings with no provision made for taxes and other farm expenses. In 1950, less than 30 years ago, farm debt was the equivalent of about one year's net farm income.

The Farm Credit Administration's Report to Congress for 1979 points out that off-farm income, which is about 60 percent of total farm income, is an increasingly essential element in debt repayment. What this means is that more and more farmers are having to find work off the farm to meet their debts incurred to keep their farming operation going. This trend cannot help but destroy the family farm, the consequences of which would be disastrous to the Nation.

Since 1950, farm debt has increased by $123.5 billion, nearly 1,000 percent. Farm real estate debt reached an estimated $72.2 billion on January 1, 1979, an increase of 14 percent for the year. Nonreal estate loans increased to $58.2 billion on January 1, 1979, an increase of 13.6 percent. The farm debt-to-asset ratio increased to 17 percent, but remains much lower than for nonfarm industries.

INFLATED LAND VALUES

A large part of the heavy debt carried by farmers is due to the highly inflated cost of farmland. Over half of the $136 billion debt projected for 1979 is for farmland purchased in recent years by individuals who were encouraged to enter farming or to expand ongoing farm operations.

Rates of increases in farm real estate values have exceeded rates of increase in returns from other investments, and have exceeded rates of inflation in nearly every year since 1972. This has stimulated interest in the purchase of farmland for investment purposes, especially by nonfarm interests.

Both outside investors and farmers have been driving up the cost of farm acreage. Efforts of farm producers to expand their holdings so as to increase production to partially offset lower prices and increasing costs has been an important factor in raising land prices. Attempts by nonfarm people to hedge against inflation have also been a factor. An even more positive influence on land prices, however, has been foreign purchasers with large reserves of deflated dollars to spend in the United States. It is estimated that over half of our dollars are held overseas, offering a tremendous potential for foreign purchases.

When the dollar was considered a sound international currency, foreign investors were content to hold them as a security. Now, however, increasing doubt as to the future value of the dollar has caused foreign interests to bring their dollar holdings to the United States for redemption. The resulting purchases of things of material value by foreigners have driven up prices of land, farms, buildings and other resources, in many cases far beyond their value as income producing assets.

With current high interest rates and low prices, many farmers are unable to repay their loans for real estate purchases. They are hard pressed to pay the added taxes. As noted above, it is impossible to meet the interest costs of 10 percent or more with earnings of only 3.6 percent on their farm investment. When increased taxes, high production costs and family living expenses are taken into account, the serious crisis presently facing many of the Nation's farmers can be readily understood. This poses a serious problem for the Nation's consumers of the future, since entry into agriculture by younger farmers is virtually prohibited.

DECLINE IN AGRICULTURAL ESTABLISHMENT

A review of the number of workers on farms and in other segments of the U.S. economy shows that agricultural employment as a percent of total work force has declined from 13.3 percent in 1947 to 3.3 percent in 1978.

The farmer has had to replace these farmworkers with expensive machinery and with additional farm investment and risk, which have gone up in cost as much as 150 percent in some instances in the past 5 years.

Testimony presented to the committee this year indicates that the total number of farms also continues to decline. According to USDA officials, the decline has been at an average rate of about 100,000 per year in the 1960's and 40,000 per year in the 1970's.

This largely comes about because the smaller farmer cannot obtain sufficient credit to purchase the expensive machinery and equipment required on today's farm.

USDA officials attribute this steady decline to the fact that older farmers who retire or go bankrupt are not being replaced by younger people. From 1965 to 1974, about 930,000 farm operators over 55 years of age stopped farming, while only 475,000 farmers under 35 years entered farming—approximately a 50 percent replacement rate. The Department does not expect this decline to level off in the near future. With today's low prices for farm crops and high prices for land and equipment, younger people cannot expect to establish a viable farming unit.

Mr. Chairman, the committee is concerned over this decline in the number of farms and in farming as a way of life. It feels that the Secretary must take such actions as may be necessary to restore farm income to a level which will permit smaller family-type farmers, who have really become part-time farmers since most are dependent on off-farm income, to continue producing. Preservation of the small-farm segment of agriculture is of value to this country, even though there seems to be little chance for the Nation's consumers to obtain any sizable part of their supplies from other than commercial farming.

AMPLE FOOD AT LOW COST

Through the years, American consumers have enjoyed ample supplies of high quality and wholesome food at very reasonable prices. According to a recent USDA release, food takes a smaller percentage of take-home pay today than previously. It points out that 16.5 percent of consumer income was spent for food in 1978 as compared with 25.7 percent in 1948, a decrease of about 36 percent in 30 years.

According to a recent USDA study, this 16.5 percent of income spent for food in the United States compares with 32 percent in Japan, 27 percent in West Germany, and 24 percent in France. It is less than the 20 percent spent on their car by the average U.S. family.

I will provide for the record USDA figures which show what an average U.S. factory worker could buy with an hour's pay in 1950 and in 1978.

	1950	Estimate 1978
White bread (pounds)	10.1	16.5
Frying chickens (pounds)	2.4	9.2
Milk (quarts)	7.5	14.0
Butter (pounds)	2.0	4.3
Eggs (dozen)	2.4	8.1
Pork chops (pounds)	1.9	3.1
Round steak (pounds)	1.6	2.9

These figures do not necessarily mean that food costs have decreased. They mean that overall income has risen faster than food costs.

A survey by USDA of retail food prices in selected world capitals as of January 3, 1979, shows that U.S. consumers spent less for food generally than consumers in other nations of the world.

FARMERS ALSO CONSUMERS

Mr. Chairman, the American farmer is a consumer and a taxpayer like everyone else in this country. According to a recent release by USDA, each year farmers pay about $3 billion in farm real estate taxes, $509 million in personal property taxes, $4.7 billion in Federal and State income taxes, and about $500 million in sales taxes.

In addition, it is estimated that farm operators spend about $82 billion each year for goods and services to produce crops and livestock. These include $9.6 billion for farm tractors and other vehicles, machinery and equipment. They include $8.3 billion for fuel, lubricants and maintenance for farm machinery and motor vehicles—farming uses more petroleum than any other single industry.

Farmers' annual purchases also include $16.3 billion for feed and seed and $6.2 billion for fertilizer. Farm producers buy about 5 percent of the total supply of rubber used in the United States—enough to put tires on nearly 7 million automobiles.

Farmers use 33 billion kilowatt-hours of electricity each year—more than is used in the New England States plus Maryland, Kentucky, and Washington, D.C. They also buy 6½ million tons of steel annually in the form of farm machinery, trucks, cars, fencing and building materials.

From the above, it can be seen that the farm establishment is a major segment of our economy—one which labor and industry must depend upon as an important market for its goods and services. In addition to those on the Nation's farms, USDA estimates that another 10 to 13 million people work in some phase of agriculture between the farmer and the consumer.

The Department estimates that agricultural assets total $671 billion, equal to about three-fourths of the capital assets of all manufacturing corporations in the country. This major role in the total economy emphasizes the importance of a strong and healthy agriculture to a strong and healthy Nation. It is the reason why history has shown that when agriculture fails, the entire economy of the country fails.

It is essential, therefore, that parity of income for farm producers must be assured as it is for the other segments of the economy. Labor, industry, and agriculture are completely interdependent upon each other for their own economic survival.

FARM PRODUCTIVITY HIGH

The American farmer is entitled to parity of income, Mr. Chairman. He is a very efficient producer. His efficiency and productivity make a significant contribution to the Nation's economy in several ways. First, it has held food costs down, as compared with the steady increase in production costs and consumer income. As a result, the American consumer spends only 16.5 percent of his income for food as compared to 25.7 percent 30 years ago.

Second, farm productivity is a major anti-inflationary factor. Economists are generally agreed that an important reason for the current inflationary spiral is that productivity has not kept pace with increased wage and salary costs. However, they recognize that increased productivitv on the Nation's farms is making a valuable contribution to efforts to curb inflation.

The volume of farm output has increased 22 percent during the past 20 years, while total farm inputs have remained nearly constant. Output per man-hour on the farm because of the use of expensive machinery and other improved means of production, has increased about 6.5 percent per year since 1967, compared with less than 2 percent for the nonfarm sector.

Labor accounted for 20 percent of all farm inputs a decade ago compared to 14 percent todav. The use of machinery increased from 27 percent to 32 percent of inputs, and chemicals—fertilizer, lime and pesticides—increased from 6 percent to 10 percent during this period.

A Department of Agriculture official testified this year to the effect that the American farmer is the most efficient producer that the world has ever seen. He was of the opinion that a corporate farm can't compete with a well-managed family farm operation.

A 1978 publication entitled "Agricultural and Food Research Issues and Priorities, A Review and Assessment" had the following to say about productivity on the Nation's farms:

> U.S. crop productivity per acre doubled and livestock outputs increased 130% in the past 4½ decades. One hour's farm labor now produces eight times more than in 1921. Manhours needed to produce 100 bushels of wheat declined from 106 hours in 1914 to 6 hours today. Research and development in agriculture has contributed directly to a 50% increase in farm output over the last 20 years, to a 25% decrease in the real cost of food and fiber over the past 15 years, to large reductions in both labor and land required per unit of output, to increased incomes of commercial farmers, and to the general well-being of society.

It is important to the consumer and the economy, therefore, that this most efficient and productive segment of our economy be permitted to produce and prosper. Its avaluable contribution to the Nation should be rewarded by the assurance of adequate farm prices to place it on a parity with labor and industry. Farm productivity should never be used as the basis for adopting an acreage set-aside program to obtain fair crop prices through creation of shortages. Ample production by efficient producers is the best possible route to financial stability in this country.

BENEFITS TO URBAN PEOPLE

Mr. Chairman, the committee has pointed out many times that both consumers and producers have a close mutual interest in the programs funded in this annual appropriation bill.

Producers are benefited by the many activities of USDA which enable them to protect and preserve their land, water and other physical assets. They are benefited bv the research, extension and related activities which help to improve their farming practices and production techniques. Thev are benefited by the credit and rural development programs which make it possible for them to remain on the land and engage in agricultural production.

Consumers are benefited indirectly by these same programs, which help to provide their supplies of food and fiber. They are also benefited directlv by food stamps, school lunches, and other feeding programs which represent a large portion of the funds in this bill. They also benefit directly from the various inspection programs funded herein, which assure the finest quality and most wholesome foods ever available.

Together, producers and consumers benefit from all programs in the bill and have a mutual interest in its passage. It is essential, therefore that agriculturalists continue to seek the support of urban consumers through their Representatives in Congress and through the media for the funds necessary to carry out such programs.

Mr. Chairman, this committee is most appreciative of the understanding and support it has received from urban Members of Congress in past years. It is anxious to continue this relationship by assuring that those programs directly affecting urban areas continue to have adequate funding and by insisting that officials of the Department of Agriculture give them proper priority in their program planning and execution.

To strengthen this urban-rural partnership in past years the committee initiated and the Congress adopted a number of programs of direct and immediate benefit to urban people and their living conditions. In this bill the committee has restored the cuts proposed for 1980 for all of these programs of such great value to urban people.

4-H CLUBS AND NUTRITION EDUCATION

In 1970, $7.5 million was earmarked to establish rural-type 4-H clubs in the cities and provide nutrition aides to assist urban dwellers in dietary matters.

The results of this effort have been excellent, and 4-H participation of urban youth has tripled since 1970. Participation in 4-H expanded food and nutrition education programs, primarily for low-income city youth, has expanded from 560,000 in 1971 to 641,000 in 1978, according to USDA figures.

Last year, the States reported that 578,500 adult and teen volunteers served 4-H. Added to this number, USDA reports, is a substantial involvement of resource people, business, industry, agricultural and civic groups who give support to 4-H in their local communities. For every hour spent by professional extension workers, volunteers spent 10 hours on 4-H work.

The Department should continue to give the urban 4-H club and nutritional education activities strong support. The need for both is great.

URBAN GARDENING

The committee has continued to encourage the urban gardening movement initiated by it 3 years ago. The overwhelming support for this program in New York City and other large cities has been gratifying. It is estimated that about one-half of all families in the United States are growing home gardens.

The Department is expected to continue to use its facilities and experts to provide information and assistance to urban groups and individuals who have so enthusiastically adopted this program in the large cities and other urban areas. Its value to urban people as a supplemental source of food and as a wholesome and educational activity warrants its continued support by the Congress and the Department of Agriculture.

WHOLESALE MARKETS

The Department has made a very valuable contribution to urban consumers through its program for the modernization and improvement—and frequent relocation—of the antiquated and inefficient wholesale food markets in many of our larger cities. As a result of this work, modern facilities have been built in about 40 of the largest cities. Studies have been completed in an additional 35 cities where construction can proceed.

USDA estimates indicate that food distribution costs would have been about $6 per ton higher in the United States had not wholesale operations been modernized in recent years. In some areas, the saving has been as high as 25 percent. In New York City 50 percent of the retail cost of food shipped from the Midwest and west coast was added after the produce reached the Hudson. Very large savings resulted from elimination of the triple handling of foodstuffs in the congested, narrow streets of lower Manhattan. Also, the new facilities in New York City and elsewhere have greatly enhanced the freshness and quality of products available in city markets. The Department estimates that annual savings in food costs to urban consumers may be as much as $50 million per year.

Testimony presented to the committee indicates that there are numerous additional metropolitan areas in the United States which would like to receive USDA assistance in the relocation and modernization of their wholesale food markets. Accordingly, the committee calls on the Department to strengthen this work and expand it to areas needing such studies. This is a positive way to further the mutual interests of urban and rural people.

PRESERVATION OF OUR RESOURCE BASE

Mr. Chairman, one of agriculture's greatest contributions to the people of this country is its conservation efforts during the past two decades. Under the Agricultural Conservation Program (ACP) established in 1936, farmers have put up their own money, plus their labor, to supplement Federal funds to carry out the following conservation work: (a) control erosion and sedimentation from agricultural land, (b) conserve water resources, (c) improve water quality in rural America, (d) control pollution from animal waste, (e) encourage farmers' voluntary compliance with point and nonpoint pollution control standards and requirements, (f) facilitate sound resource management systems through soil and water conservation, (g) achieve national priorities reflected in the National Environmental Policy Act of 1969 and subsequent environmental legislation, and (h) contribute to the national objective of assuring a continuous, adequate supply of food and fiber.

The conservation accomplishments under this program are provided for the RECORD:

[In acres]

Practice	Extent under 1978 program (preliminary)	Total accomplishments 1936–78
Water impoundment reservoirs constructed to reduce erosion, distribute grazing, conserve vegetative cover and wildlife, or provide fire protection and other agricultural uses	[1] 26,000	2,417,000
Terracing constructed to reduce erosion, conserve water, or prevent or abate pollution	434,000	35,777,000
Stripcropping systems established to reduce wind or water erosion or to prevent or abate pollution	172,000	114,902,000
Trees or shrubs planted for forestry purposes, erosion control or environmental enhancement	285,000	6,511,000
Forest tree stands improved for forestry purposes or environmental enhancement	43,000	4,799,000
Wildlife conservation	174,000	[2] 14,411,000
Sediment pollution-abatement structures or runoff control measures	1,230,000	[3] 14,224,000

[1] Structures.

[2] From 1962 with certain data estimated.

[3] From 1970.

In addition, various programs of the Soil Conservation Service, together with related research and extension activities, have made a major contribution to the preservation of our soil and water resources. Nearly 3,000 soil conservation districts covering 2.2 billion acres have been formed to assist farmers, ranchers, rural communities and others to conserve and improve land and water resources. Nearly 3,000 soil conservation windbreaks were installed, 43 million feet of irrigation conveyances were built, 193 million feet of subsurface draining and 27 million feet of surface drainage were constructed. Also, 2 million acres of brush management, 4 million acres of tillage, 7 million acres of grazing land, 13 million acres of wildlife habitat, and 19 million acres of range and pastures were treated.

Under the agricultural conservation program the committee has again provided for work in connection with the Colorado River salinity control project both in Colorado and in Utah. The committee will expect the Soil Conservation Service to continue to support this work.

The major river basins and watersheds of the Nation have been studied, planned, treated, and equipped with water retarding structures and other measures to keep the soil from eroding and filling up our waterways and our dams, and extending the delta areas of our major rivers.

All of these conservation programs have added to the recreational opportunities available to the people of this country. More importantly, however, they have slowed down greatly the erosion of our soil, the waste of our timber and the pollution of our streams and rivers. In effect, they have preserved the basic resources required to produce the food and fiber needed by present and future generations of consumers, both at home and abroad.

A review of history shows what has happened to those past civilizations of the Middle East and Asia which failed to realize that soil cannot be cultivated year after year unless fertility is restored as it is removed. It makes clear the importance of the contribution the American producers have made to American consumers through their continuing conservation efforts.

FOOD STAMP PROGRAM

Mr. Chairman, we are all aware of the rapidly escalating costs of the food stamp program due to higher food prices and increased participation resulting from the implementation of the Food Stamp Act of 1977. That act limits appropriations for fiscal 1980 to $6,188,600,000. This bill includes that full amount for food stamps to bring the appropriation amount up to the maximum that is allowed under existing law. We understand that legislation is pending which would increase the authorized "cap," and we would give consideration to funding additional needs once the way is clear for us to do so.

SCHOOL LUNCH AND CHILD NUTRITION

The bill provides $3,161,301,000 for child nutrition programs, which is $464,191,000 more than fiscal 1979. The committee is not in a position to pass judgment on legislation proposed by the President to reduce school lunch meal subsidies and revise eligibility standards. Consequently, amounts are provided to fund the current-law cost of school lunches, which is $341,290,000 in budget authority more than fiscal 1979. The equipment assistance program is restored to the 1979 level of $24,000,000.

WIC AND SPECIAL MILK

For the commodity supplemental food program for women, infants and children, the bill includes $750,000,000, which is the same amount as the budget request and $200,000,000 more than fiscal 1979. The committee recommends restoration of the special milk program and has included $142,000,000, the same amount as in 1979 and $110,000,000 more than the budget request.

FOOD AND DRUG ADMINISTRATION

Mr. Chairman, I would like to point out to my colleagues that Commissioner Donald Kennedy has announced that he will be leaving Government service to return to Stanford University. Dr. Kennedy has been a most able and dedicated Commissioner of Food and Drugs, which is one of the most difficult jobs in the Federal Government. We hope that his replacement will be of equally high caliber and integrity to effectively deal with the wide range of perplexing issues which reach into the daily life of every American.

The bill includes $320,668,000 for FDA, which is the same amount as the budget request and $15,055,000 more than fiscal 1979. The committee has earmarked $1,500,000 to develop new epidemiological information relating to antibiotics in animal feed.

SUMMARY OF BILL

The bill would appropriate $18,531,401,000 in total obligational authority. This is $1,503,216,000 below the budget request; $1,215,375,000 below fiscal 1979. Major restorations were $153 million for conservation and rural development, $114 million in domestic nutrition programs, and $43 million in agricultural programs. Various rural development loan authorizations were increased by $1,120 million.

A summary of the new obligational authority, loan authorizations, and section 32 transfers included in the titles and subtitles of the bill, as compared to amounts approved for 1979 and the 1980 budget, is provided for the RECORD:

[In millions of dollars, rounded]

Titles and subtitles	Approved 1979	Budget 1980	Bill 1980	Comparison	
				Approved 1979	Budget 1980
Title I—Agricultural programs:					
Production; processing, and marketing	$1, 550	$1, 535	$1, 578	+$28	+$43
Farm income stabilization	5, 743	3, 259	3, 262	−2, 481	+3
Total, title I	7, 293	4, 794	4, 840	−2, 453	+46
Title II—Rural development programs:					
Rural development assistance	1, 231	2, 358	1, 395	+164	−963
Conservation	722	702	747	+25	+45
Total, title II	1, 953	3, 060	2, 142	+189	−918
Loan and program authorizations	(10, 007)	(9, 065)	(10, 185)	(+178)	(+1, 120)
Combined total	(11, 960)	(12, 155)	(+12, 327)	(+367)	(+172)
Title III—Domestic food programs	$7, 908	$9, 355	$8, 603	$+695	$−752
Transfer from sec. 32	(1, 412)	(1, 711)	(1, 831)	(+419)	(+120)
Combined total	(9, 320)	(11, 066)	(10, 434)	(+1, 114)	(−632)
Title IV—International programs	860	777	778	−82	+1
Title V—Related agencies	321	337	337	+16	
Total in bill:					
New obligational authority	18, 335	18, 323	16, 700	−1, 635	−1, 623
Loan and program authorizations	(10, 007)	(9, 065)	(10, 185)	(+178)	(+1, 120)
Transfer from sec. 32	(1, 412)	(1, 711)	(1, 831)	(+419)	(+120)
Grand total in bill	(29, 754)	(29, 099)	(28, 716)	(−1, 038)	(−383)

Mr. Chairman, these summary figures show that $10,434 million (56.2 percent) of total obligational authority in the bill (including transfers from section 32) is recommended for the domestic food programs under title III. These include such programs as child nutrition, special milk, food stamps, food donations, and special food for women, infants, and children. An additional $778 million (4.2 percent) is provided in the bill for Title IV: International Programs, including Public Law 480.

The balance of the bill includes $4,840 million (26.1 percent) for Title I: Agricultural Programs (including the Commodity Credit Corporation), $2,145 million (11.5 percent) for Title II: Rural Development Programs, and $337 million (2 percent) for Title V: Related Agencies.

Thus, the domestic and international feeding programs of USDA take 60.4 percent of all funds recommended in the accompanying bill. The programs directly related to the production of the Nation's supply of food and fiber receive 37.6 percent of the total. (Loan authorizations are excluded from these percentage computations.)

As noted earlier, the committee found it necessary again this year to restore funds for essential research, extension, conservation, marketing and insect control under titles I and II of the bill to provide a proper balance between agricultural production and domestic and overseas feeding programs.

AUTHORIZED PERSONNEL LEVELS

To meet essential program need, the committee has recommended funds for permanent full-time positions at the minimum levels, shown in this table, which I insert in the RECORD:

Agricultural Research	8, 072
Agricultural Stabilization and Conservation Service	2, 574
Animal and Plant Health Inspection Service	4, 361
Farmers Home Administration	8, 369
Soil Conservation Service	13, 655
Rural Electrification Administration	731

UNAUTHORIZED USE OF FUNDS

The committee continues to be concerned over the apparent use of funds by the Department and related agencies for purposes other than for which appropriated, which appears to be in violation of section 628 of title 31 of the United States Code. The Committee insists that funds in the bill be used to carry out congressional directives as required by section 628 of the Code which provides:

> Except as otherwise provided by law, sums appropriated for the various branches of expenditure in the public service shall be applied solely to the objects for which they are respectively made, and for no others.

COMMITTEE DELIBERATIONS

Mr. Chairman, we have spent 2 months in hearings. Our seven hearing volumes contain 6,359 pages of testimony from 314 witnesses.

We had over 250 colleagues take up with me, as chairman of this committee, the items that were of great interest to them and which they had heard about from home that needed to be taken care of.

Mr. Chairman, this is the basic bill that Congress will consider this session. We are proud of it, and commend it to your favorable action.

Mr. HANCE. Mr. Chairman, would the gentleman yield?

Mr. WHITTEN. I yield to my colleague from Texas.

Mr. HANCE. Mr. Chairman, I congratulate the subcommittee chairman and the subcommittee for the tremendous amount of work they have done and for the outstanding report back to the floor.

Mr. Chairman, I do have a question in regard to the research to be done by Texas Tech University and its mission on page 38.

Mr. WHITTEN. Mr. Chairman, I appreciate my colleague from Texas calling this to our attention. This is strictly a typographical error.

☐ 1350

The word that appeared in the printed record was "land." It does not make sense that way. It was intended to be "plant."

May I say to my colleague, the gentleman from Texas, we are glad the gentleman called this to our attention. We do correct the report here for the record, so that it might be understood.

May I also welcome the gentleman here as a successor to my predecessor, the gentleman from Texas, Mr. George Mahon, whose interest in agriculture was heartfelt and very broad. The gentleman is taking up where the gentleman from Texas left off.

Mr. HANCE. Mr. Chairman, if the gentleman will yield further, this year the committee has recommended, according to the committee report:

> The appropriation of $200,000 for the fiscal year 1980 for research on land stress and soil moisture conservation to be carried on at Texas Tech University.

Mr. Chairman, this should read, "the appropriation of $200,000 for the fiscal year 1980 for research on plant stress and soil moisture conservation to be carried on at Texas Tech University." The error occurs on page 38 of the committee report, and I would like to take this opportunity to thank the distinguished chairman for his support of this urgently needed research. My colleague, Representative JACK HIGHTOWER, has provided the necessary leadership in obtaining the funds for the fiscal year 1980 budget and I thank him on behalf of Texas Tech University and myself for his time and effort.

I would like to briefly elaborate on the plant stress and soil moisture conservation research program and facility which is technically a new item in this year's budget, but which is already well underway at Texas Tech University and USDA. The State/Federal Planning Committee for this project met in Denver in late May to initiate the detailed planning for the research program as well as an eventual facility. The urgently needed agricultural research in the area of plant stress and soil moisture conservation was first identified in Senate Document 59 (1959), and reaffirmed and recommended in the "Plant Stress and Soil Moisture Feasibility Study," authorized and funded by the Congress and prepared by the Science and Education Administration, U.S. Department of Agriculture in 1978 and transmitted to the Congress in 1978. The proposed research activity, a cooperative program with Texas Tech University at Lubbock, Tex., would be the focal point for a research effort to define plant response to soil moisture stress, to develop new strains of drought-resistant plants and to improve procedures for water conservation.

The urgency of this need is underscored by several important items:

The extensiveness of arid and semiarid lands in the Western United States and the world;

The importance of water availability to these areas;

The importance of a sustained high level of agricultural production to the U.S. economy to help alleviate the balance-of-payments stiuation;

Declining water tables.

Higher energy costs; and

Limited and variable rainfall patterns.

Planning and program development authorized by Congress with the $800,000 appropriated in 1978 is well underway and involves USDA scientists from universities at six other sites, with a 75-acre site for the facility offered on the campus of Texas Tech University. The science and education administration is in the process of transferring a scientist to Texas Tech University to establish an ongoing USDA research presence in space provided by the university, thereby coordinating the cooperative research effort and building a foundation for an intensified research program to be initiated with these new funds.

The CHAIRMAN. The gentleman from Mississippi has consumed 16 minutes.

Mr. WHITTEN. Mr. Chairman, I yield myself 2 additional minutes.

Mr. ENGLISH. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from Oklahoma.

Mr. ENGLISH. Mr. Chairman, it is my understanding that funding cuts that were proposed by the administration in agricultural research, extension and education, have been restored by the full committee; it that correct?

Mr. WHITTEN. Excuse me. I was interrupted.

Mr. ENGLISH. Mr. Chairman, I was asking, basically, if the recommendations by the administration with regard to cuts in agricultural research, extension and education, have been fully restored.

Mr. WHITTEN. They have been fully restored.

Mr. ENGLISH. Mr. Chairman, if the gentleman will yield further, does that mean that the funds for agricultural research stations at El Reno, Stillwater, and Woodward, Okla., should at least be maintained at their present level?

Mr. WHITTEN. I do not have the list of research locations before me, but by and large we have restored all of them; so I am sure they are included at their present level. In some instances we were able to make some slight increases.

Mr. ENGLISH. I thank the chairman and commend the gentleman and the distinguished committee for their excellent work in recognizing the tremendous contribution to our Nation's economy that is made by agricultural research and extension.

Mr. WHITTEN. Mr. Chairman, I thank the gentleman. I appreciate the comments of my colleague on agriculture and extension.

I think we have a good bill.

The CHAIRMAN. The gentleman from Mississippi (Mr. WHITTEN) has consumed 17 minutes.

The Chair recognizes the gentleman from North Dakota (Mr. ANDREWS).

Mr. ANDREWS of North Dakota. Mr. Chairman, I yield myself such time as I may require.

Mr. Chairman, I would like to join our chairman and the other distinguished members of our committee in recommending this bill to you. For 9 years I have had the privilege of working with JAMIE WHITTEN as our subcommittee chairman. The fact that he is now the chairman of the full Appropriations Committee has not meant that he has lessened his concern for our farmers and consumers, and I think you will find this bill again proves his ability to provide for the best interests of our Nation.

Our consumers have a need for an adequate supply of food at reasonable prices. But, at the same time, our farmers must be receive an adequate and stable income with enough credit at reasonable interest rates. This piece of legislation will go a long way toward protecting the rights of both groups.

As has been pointed out, not only have we been able to accomplish this by reporting out a bill that is below the budget—but it is $1.6 billion in obligational authority below the President's requests. Inflation and Government spending are concerns reflected in our actions.

The Department of Agriculture was established in 1862 and most of the people of our Nation think of any "ag" bill as merely for the benefit of farming and farmers. As a matter of fact only 37 percent of the funds in this bill are directed at farmers and rural areas. Fifty-six percent of the funds will go for domestic food programs. These are the funds that go for the school lunch and breakfast programs, the food stamp program, and the women, infants and children program.

The latter has been one of our big successes. It has been estimated by the Department of Agriculture that for every dollar spent in the WIC program we save $3 in hospital costs. When Assistant Secretary Carol Foreman appeared before the subcommittee, I pointed out that if the Department of Agriculture could get direct credit for these savings it would be easier to obtain increased funding for this program.

We have recommended increases in all of our domestic food programs to assure that our children receive an adequate and nutritious diet. These programs enable us to meet the nutritional needs of our 26 million schoolchildren and have succeeded in improving the diets of 6 million low-income Americans through the food and nutrition education program.

The energy crunch we are all too well aware of glaringly points out the need to conserve our natural resources. Our land is perhaps the most priceless resource we have. Ever since the beginning of agriculture, the area and fertility of our cropland has determined the availability of food. When land is scarce, people often go hungry. When soils are depleted and crops are poorly nourished, people are often undernourished as well.

We must be good managers of our land by wisely conserving this resource. We must plan its use and increase its productivity for future generations.

In an effort to meet this challenge, the committee recommends restoring funds for our conservation programs which have been so successful in the past. The agriculture conservation program and the Great Plains conservation program are both cost-sharing programs with farm producers. The ACP program has enabled over 1 million farmers, putting up at least half the cost, to protect our soil for future generations. This program alone has resulted in the planting of over 8 billion trees, the construction of over 2 million water impoundment structures and the terracing of nearly 35 million acres of land. The committee recommends that this valuable program be funded at last year's level, so that our farmers can continue to protect our land from floods, drought and soil erosion.

The water bank program, designed to preserve and restore the wetlands of our Nation, is one of the rare programs supported by the environmentalists and farmers alike. This program has the support of virtually every major environmental organization and the committee recommends funding it at its authorized level.

All of the conservation programs in this bill will assure that our commitments to the future are met. We can suffer through a shortage of oil, but a food shortage would not only be critical, but fatal.

Another major consideration in assuring an adequate food supply for our people is agriculture research. The ability of our farmers to provide Americans with high-quality food at reasonable prices is dependent on advanced technology.

We constantly hear discussions about the rising cost of food, but it should be pointed out that at the present time the average American family spends about 17 percent of its take-home pay on food. There is no other country in the world that can compare to this low level of expenditure for the first and most basic necessity.

The key to this success story has been and will continue to be agriculture research. We must expand our scientific knowledge. At the beginning of our country 80 to 90 percent of our people were on the farm. It took eight people working full time to feed themselves and their families. Today as a result of expanded productivity fewer than 5 percent of our people feed our consumers and have a great deal left over to export abroad. This is the real miracle of agriculture, and scientific research has brought it about.

The budget recommended the termination of 167 research projects in 36 States, which would have resulted in the loss of 500 of our highly trained scientists. We recommend restoration of this $21 million.

If projections are correct, we will have to double our productivity in the next 40 years in order to meet the population explosion. Certainly, this is not the time to try new programs at the expense of research programs that have been the backbone of our success.

The committee also recommends an increase in research funds for our State agricultural experiment stations and our land grant institutions. The research done in our Federal labs and at these State institutions today will enable us to meet the demands tomorrow brings.

In recent years we have witnessed an ever-growing trade deficit. Agricultural exports have been the major positive factor in the deficit picture and we must do everything we can to open up new markets overseas. Our renewed relations with China could, of course, provide a large market for U.S. commodities and this bill provides funds to develop exports to China.

Foreign markets are vital and necessary to the farmer, but, they are equally as important to the whole Nation. Our farm exports of $27 billion last year makes agriculture the single largest domestic exporter in this country. Without them our deficit trade balance would be even more alarming, our grain surpluses would be even larger, and our ability to import the vast quantities of oil we need would be sharply curtailed.

Last year the Congress passed the Agriculture Trade Act of 1978 authorizing the establishment of 6 to 25 trade offices overseas in an effort to increase our agricultural exports. This bill contains funds for these trade offices, without taking those funds away from other established programs.

American food has become an indispensable component of our international picture. Used wisely, food exports can achieve better international cooperation and understanding.

I hope that my colleagues will take the time to study the report on this bill. It outlines the need for this legislation and the reasoning behind its recommendations.

I think you will find that this bill meets the needs of the farmer and the consumer and serves the best interests of the economic well-being of this country. I urge your support of this legislation.

□ 1300

Mr. WHITTEN. Mr. Chairman, I yield such time as he may require to the gentleman from Kentucky (Mr. NATCHER).

Mr. NATCHER. Mr. Chairman, the Subcommittee on Agriculture, rural development and related agencies appropriations once again brings to the floor of the House for your approval, the annual appropriations bill for fiscal year 1980.

Only 4 percent of the people in this country are engaged in agriculture and these are the people who feed and clothe the other 96 percent of our population.

A great many of our young people on our farms have no chance to get started in agriculture unless they either inherit a farm or succeed in borrowing a large sum of money to invest in land which is adequate for a living.

Our farmer knows how to produce and today our country is the world's largest exporter of food to the other nations of the world. If our country is to survive and prosper, we must continue to be interested in and to assist when necessary, our custodians of the natural resources in this country. It is imperative that we reforest our lands, protect our watersheds, and conserve the soil and water in this country. We must leave to the future generations a fertile land and a land sufficient to produce food for our people.

The per capita income of the nonfarm population in this country in 1978 was $6,665 and the per capita income for the farm population was $6,050, which is some 9.2 percent less. The income to our farmers in 1978 was $28.1 billion which is an increase of $8 billion over 1977 but when you adjust for inflation, since 1967, the net income was only $14.5 billion or $3.2 billion higher than in 1977.

The assets invested in agriculture today exceed those of any of the next 10 largest industries. Agriculture employs more workers than any other major industry and, in fact, employs 23 times the number of people employed in the coal and oil industry and 5 times more than the number employed in the automobile industry. Agriculture is one of the major markets for the products of labor and industry. Agriculture spends more for equipment than any of the other large industries. It uses more steel in a year than is used for a year's output of passenger cars. It uses more petroleum products than any other industry in this country. It uses more rubber each year than is required to produce tires for 6 million automobiles. Its inventory of machinery and equipment exceeds the assets of the steel industry and is 5 times that of the automobile industry.

The American farmer is entitled to a fair share of our Nation's income. The American farmer does not receive enough money for his commodities.

The debt of the American farmer has increased 16 percent in 1978 over 1977 which is a record increase. The total farm debt is expected to reach $136 billion in 1979. This is equal to about 5 years of net farm earnings with no provisions made for taxes and other farm expenses. The heavy debt carried by the farmers is due in part to the highly inflated cost of farm land. About 55 percent of the total debt owed by the American farmer in 1979 is for farm land purchased in recent years.

Tobacco is produced in 118 of the 120 counties in Kentucky. This is the major cash crop of the Kentucky farmer. Again this year, Mr. Chairman, the Department of Agriculture attempted to reduce crop production research for tobacco. Last year, an attempt was made to reduce this type of research in the sum of $3,106,000 and I made the request that this amount be restored and it was restored by our subcommittee. In the budget request for fiscal year 1980, a request was again made to reduce crop production research by $1,229,600. In addition, graders were to be reduced under the budget request and the amount requested to continue our program at the same level as in 1979 called for the restoration of $144,000. We restored this amount to the bill. If tobacco is harmful to the health of our people, we want to do something about it in Kentucky and this is why we stepped up our tobacco research program in 1958. At that time, I secured the necessary funding for additional research at the University of Kentucky and at other locations in our country and in addition, we constructed, at State cost, in Lexington, Ky., a tobacco research facility. Certainly the contents of tobacco, the questions involving nicotine and tar should be investigated and for this reason there should be no reduction in crop production research for tobacco. The $1,229,600 and the $144,000 were restored.

Mr. Chairman, in going back to the question of production by the American farmer, it is right unusual when you are advised that in our country, crop productivity per acre has doubled and livestock output increased 130 percent in the past 4½ decades. Now, 1 hour's farm labor produces eight times more than in 1921. Man-hours needed to produce 100 bushels of wheat declined from 106 hours in 1914 to 6 hours today. Research and development in agriculture have contributed directly to a 50-percent increase in farm output over the last 20 years to a 25-percent decrease in the real cost of food and fiber over the past 15 years. Therefore, Mr. Chairman, it is imperative to the consumer and to the economy generally in this country that the most efficient and productive segment of our economy be permitted to produce and prosper.

In the bill that we present today, Mr. Chairman, we recommend under title I, for agriculture programs, $4,840,000,000. Under title II, which is the rural development program, we recommend $2,142,000,000. For title III, which consists of the domestic food programs, we recommend $10,434,000,000. For title IV, which pertains to the international programs, we recommend $778,000. Under title V, which provides funding for the related agencies, we recommend $337,000,000.

Mr. Chairman, for agricultural research, we recommend $363,142,000. This is an increase of $24,726,000 over the 1979 appropriation and $18,270,000 over the 1980 budget estimate.

For our cooperative research program, we recommend $178,317,000 which is $3,132,000 over the 1979 appropriation.

Mr. Chairman, during the hearings, not only with the Secretary, but with the extension agency, I insisted that we increase the amount for extension and that just for a change, more attention be given to extension. For a period of 10 years now reductions have been made when the budget was submitted for extension and efforts have been made to minimize the importance of this agency. This, to me, is a serious mistake because this is the agency that carries the message to the American farmer. The amount requested for extension was $259,227,000 and we recommend $285,835,000. This is an increase of $14,436,000 over the 1979 appropriation and $26,608,000 over the 1980 budget request.

In this bill, we recommend the sum of $237,583,000 for Animal and Plant Health Inspection Service. This is $5,442,000 over the 1979 appropriation and $16,607,000 over the 1980 budget estimate.

For food safety and quality service, we recommend $278,430,000 which is $7,326,000 over the 1979 appropriation.

For our Agricultural Marketing Service, we recommend $48,302,000. This is $1,800,000 over the 1979 appropriation.

We recommend, Mr. Chairman, the sum of $3,056,819,000 for reimbursement for net realized losses for the Commodity Credit Corporation. This $2,065,280,000 over the 1979 appropriation.

We recommend the sum of $300,000,000 for rural water and waste disposal grants. In addition, Mr. Chairman, we recommend in this bill new budget obligational authority of $850,000,000 for electric loans for REA and $250,000,000 for telephone loans. For our Soil Conservation Service, we recommend a total of $512,314,000. For Agricultural Stabilization and Conservation Service, we recommend $235,000,000. For our Special Milk Program we recommend $142,000,000. For the Food Stamp program, we recommend $6,188,600,000. For the needy family programs, we recommend $39,790,000. For the elderly feeding programs, we recommend $50,500,000. For Agricultural Stabilization and Conservation Service salaries and expenses, we recommend $190,586,000. For administrative and operating costs for the Federal Crop Insurance Corporation, we recommend $12,000,000.

Mr. Chairman, this is a good bill and our Committee on Appropriations recommends it to the Members of the House.

If our country is to survive and prosper, certainly we must continue to be interested in and to assist when necessary, the custodians of the natural resources of our country.

Mr. ANDREWS of North Dakota. Mr. Chairman, I yield such time as he may desire to my friend and colleague, the gentleman from Virginia (Mr. ROBINSON), a member of the subcommittee.

Mr. ROBINSON. Mr. Chairman, all of us here have parochial interests.

This is proper, because we have been elected to represent districts of widely varying sociological and economic compositions, and to have a particular concern for the requirements and desires of our individual districts.

Many are not agricultural to any degree.

Others are only marginally so.

To my colleagues who represent areas in either of these categories, I express the hope that they have read, or will read, the important—and even interesting—material set forth on the first 2 dozen pages of the committee report.

This is a valuable, even essential, preface to careful consideration of the bill before us.

The prefatory portion of the report makes plain why the economic health of agriculture is of prime importance to the well being of all regions of this Nation, and of all of its citizens wherever resident and however engaged.

We shall not solve the economic problems of the American farmer by passing this bill, but we shall recognize, at least, that the problems exist, that they are a national rather than a special interest concern, and that they must be addressed as to both short-term and long-term needs.

Many of the basic facts set forth in the report have been mentioned by previous speakers.

Some, because they are so striking, bear repetition, such as these:

In virtually all States, agriculture continues to be the single largest industry.

The people who live and work on farms represent only about 4 percent of the population, but they provide all of the domestically produced food and natural fiber for the other 96 percent.

Food prices have increased, along with the prices of everything else, but the farmer's share of the consumer dollar has decreased from 45.6 percent in 1973 to 39 percent in 1978.

Averaged out, returns on equity to manufacturers have increased from 12.8 percent in 1973 to 14.6 percent in 1978, but farm income, as a percentage of investment or equity, has fallen from 10.6 percent in 1973 to 3.6 percent in 1978.

During 5 years of decreasing net farm income, farm debt has risen to a dangerous level—an estimated $136 billion in 1979—the approximate equivalent of 5 years of net farm income.

Yes; there was some increase in overall farm income in 1978, but, for many of the debt-laden family farmers—selling at wholesale and buying at retail—the pinch is more severe than in almost any other line of endeavor.

Agricultural exports account for a major share of the favorable side of our generally unfavorable balance-of-payments picture.

Our agricultural trade surplus approaches in dollar value about one-third of the annual cost of our petroleum imports.

Nearly two-thirds of our wheat is exported, and more than half of our soybeans and cotton.

It has been estimated that more than a half million urban Americans are employed in the processing, marketing, and transportation of agricultural products tagged for export.

These, my colleagues, are just a few of the basic facts which place agriculture in the national economic spotlight.

They should focus our attention today on the needs of the American farm family from its Federal Government—assistance in domestic market stabilization and export market development, help in the carrying out of necessary and reasonable national policies for soil and water conservation, water quality, public facility improvement, and diversified business development in rural areas.

Additionally, we should keep in mind the long-range requirements for increased productivity to provide not only for growth in our own population but also for the needs of the undernourished around the world.

The productivity of American agriculture is remarkable, but the state of the art must be advanced if it is to continue to be remarkable.

This means research.

As the report on the appropriation bill reflects, the committee was disappointed in the budget document recommendations for reductions in ongoing in-house research of the Department of Agriculture, and in established and productive cooperative Federal-State research programs.

It was contended, on behalf of the budget approach, that a shift in emphasis to competitive grants would improve the research product, and the cost effectiveness of Federal funding of agricultural research.

We should encourage promising agricultural research wherever it is being undertaken—in the laboratories of the private sector, for example, and in institutions of higher learning other than the land grant colleges.

To pinch off ongoing programs, however, and to break up experienced and proven research teams in the research centers of the Department of Agriculture and in the land grant institutions, which have a deep commitment to agricultural research and the dissemination of its results would be extremely shortsighted and, in my view, not at all cost effective.

The budget proposed to terminate scores of individual research projects directed toward production enhancement and pest and disease control.

The restorations made by the committee are justified and prudent.

Of particular importance to the consumer is the increased funding of research in nutrition and in protection of the wholesomeness of foods.

There is an earmarking of $1 million for research on nitrites, and the report contains this language:

> The committee expects the Secretary to conduct extensive research in the area of nitrites to develop an acceptable alternative food preservative to nitrites for meat, poultry, and fish products, which would give the public equal or better protection against botulism and other forms of food poisoning than nitrates currently provide.

It is understandable that there be apprehension among consumers when the news media report indications that tests on laboratory animals, using a common ingredient of a food product, have produced carcinogenic effects.

These tests usually involve the administration to the hapless laboratory animals of doses of the subtance so massive as to bear no realistic relationship to the rates of even continual human use of the substance.

Dilemmas are presented when, as in saccharin, the substance coming under question has been used as a substitute for a natural substance which may be harmful to individuals having certain medical problems, or, as in the case of nitrites, when the substance placed under suspicion has been used primarily as a preservative, guarding against the development in food of seriously sickening organisms.

It seems to me to be obviously commonsense, in such circumstances, to fund accelerated research aimed at identifying safe and effective substitutes for those substances which have been placed under clouds of doubt.

The committee bill provides for the preservation of important research structures and projects in progress.

It also provides a reasonable level of funding for new projects directed toward problems of substantial importance to the security of the Nation's food supply.

The bill is fiscally responsible.

It is under budget and under the fiscal year 1979 total.

Unfortunately, this agriculture-oriented appropriation bill continues to be distorted by the inclusion of a very expensive welfare program—food stamps.

Although the bill is more than $700 million under the budget request in this respect, the food stamp item is more than $400 million above the total appropriated to date for fiscal year 1979.

The committee report notes that, in 1977—the latest year for which figures were available—at least $217 million worth of food stamps was issued to ineligible households, and eligible households were issued approximately $378 million more in food stamps than they were entitled to receive.

The taxpayers of this country have a right to expect that the administrators of this tremendously costly program, at every level, will exert a maximum effort to reduce very substantially this inexcusable waste.

□ 1310

Mr. WHITTEN. Mr. Chairman, I yield such time as he may consume to the gentleman from Michigan (Mr. TRAXLER), a very fine member of the subcommittee.

Mr. TRAXLER. Mr. Chairman, I rise in support of H.R. 4387, the Agriculture, Rural Development and related agencies appropriation bill for fiscal 1980.

As a new member of the Subcommittee on Agricultural Appropriations, I want to compliment our chairman, JAMIE WHITTEN, on providing us with excellent leadership in determining our true agricultural funding priorities in a time of scarce Federal dollars, particularly when the funding requests we received from the administration would have had us abandon effective methods of operation at USDA in favor of new concerns for different types of research and reducing the Federal payroll for the sake of reducing the Federal payroll.

It is especially noteworthy that Mr. WHITTEN provided us with his skilled leadership with the additional demands that have been placed on his time by becoming the chairman of the full Appropriations Committee.

The bill has new budget authority at a level of $1.6 billion below the amount recommended by the President. We bring you a less costly bill, that will better serve agriculture than the proposals we had been given by the administration.

I would like to take a few minutes to describe some of the true highlights of this bill, and I want to stress from the very beginning that this bill is worthy of your support, and vote.

No appropriation bill before you effects more people than does the agricultural appropriation bill. This bill provides funding for programs that serve farmers, consumers, the marketing, transportation and construction industry, small- and medium-sized communities, and foreign recipients of our food aid programs.

Title I of this bill, which funds agricultural programs, is the area in which we had the strongest disagreement with the administration. We saw funds being provided for increases in administrative expenses and decreases in actual program operations. When we are short on funds, the group that must make the strongest effort at improving their efficiency must be the program administrators, not the farmers who have been living with too low prices for too long a time.

Frankly, farmers cannot afford to have Federal assistance cut back at a time when they are most in need. This is particularly true with research efforts of USDA. Since it is unlikely that the Congress will support farm price support increases due to its concerns for holding down food prices for consumers. While I have strong personal disagreements with this philosophy, I understand that some of my colleagues have very realitsic concerns for the pleas they are receiving from their constituents to hold down prices, especially on the basic needs like food.

But farmers cannot be the scapegoats for inflation. They cannot be expected to absorb cost increases without help. It is simply not right, and it is definitely not fair.

If we cannot increase price supports, then we have to do what we can to help bring down production costs. This is exactly what USDA is trying to do with its research. Year after year, USDA works to see how farmers can implement less costly methods of planting, how they can preserve the quality of their products for a longer period of time so that they can command a better price.

The budget we were given said to us that the problems that farmers had were too small for the Federal Government if they affected farmers in three or fewer States. It was expected that States and commodity groups could pick up what USDA would no longer do. But USDA could not tell us of a single State or a single commodity group that was ready and, most importantly, able to continue the discontinued USDA efforts.

In order to drive home the point of reduced USDA in-house research, we were told that competitive grants would be used to supplement basic research efforts. Nearly 500 scientists were going to be dismissed from the Agricultural Research Division of the Science and Education Administration. It got to the point where we were being asked to throw out the baby, the bath water, and the bathtub.

While there may be some merit to the competitive grant idea, it has yet to be proven to our satisfaction. At a time when we have to be concerned with the expenditure of Federal funds, we must be absolutely certain that what little we have to spend is spent wisely.

It is for these very reasons that the committee restored virtually all cuts in SEA–AR and SEA–CR, and denied any funding for the competitive grant program. We also provided some very minimal but highly needed increases in the formula research programs that are used by our land-grant colleges. Research must be done that helps the farmer at a place that is convenient to the farmer. Our land-grant colleges have filled that role for years, and now is not the time to try to change that.

There are two new research projects that I am particularly excited about that will move us in some important new directions. First of all, we are providing in this bill over $2 million to establish an agricultural solar energy research application experiment station. Farmers have extreme energy needs, and solar energy may help all farmers reduce the cost of their operation. This new experiment station will concentrate on agricultural needs, as opposed to those centers established by the Department of Energy that prefer to leave agricultural research to USDA.

Michigan State University has been highly involved in solar enery research for agriculture for several years already, and I expect that MSU will be a very worthy contender for this new experiment station.

The second project that I am very happy about looks like a very small project at first glance, but it may be opening up a whole new direction in both agricultural and nutrition research. A $100,000 grant is being provided to develop technology to produce flour from dry beans, and to develop products made with that flour. One way to improve a farmer's price structure is to create additional demand for his commodities. This research would result in just such a demand.

But the truly exciting feature of this project is that it is dealing with improving the nutritional quality of foods that we all eat. Bread may be made with bean flour, and such bread would contain much more protein than is currently in bread. The basic idea is that for the first time in any major form this project will allow us to look at improving human nutrition by improving the quality of what we are already eating. For too long the idea has been to get people to eat things that are "good for them." There is just no way to get people to change their eating habits easily, and I believe that this project will for the first time allow us to move forward in an effective direction for nutrition research.

I know the people in nutrition research, agriculture, and the consuming public in Michigan are very interested in this project, and work is already under way to help set up an effective coalition of all of these groups which are equally affected by what happens with our concerns for agriculture and good nutrition.

I am also pleased that the subcommittee was able to restore funding for the Saginaw Valley Bean and Beet Farm in my congressional district, and to provide for a soil scientist to work on compaction problems in navy bean areas. This project has been under way for several years, and is very important to the navy bean industry of my State.

We are also providing a second round of funding for the dairy photo-period research project. Last year, USDA of its own accord cut back on the size of this project. This funding is intended to allow the project to reach the proportions that were originally designed and may now be modified given the results of the past year's efforts.

Once research is completed, you have to disseminate its results to those who can use it. The one agency that has an excellent and very proud record in this record is the extension service, now part of SEA.

This year, as in prior years, OMB has recommended that projects like farm safety, urban gardening, and rural development all be eliminated. Once again, we have restored every single one of these projects.

We also were able to provide a $6 million increase in the Smith-Lever 3(b) and 3(c) funding for extension. This increase of about 5 percent will help the program hold pace with rising costs. As I said earlier, if any group is hurt by the budget process, it should be the administrators, and not those who receive the benefits of the programs. We want 4-H programs, home economists and county agents to be able to continue to serve with our farmers and our urban participants in extension programs. This modest increase which I was pleased to urge on the subcommittee will help to accomplish this goal.

We note that this year we might have had a problem with the operation of the expanded food and nutrition education program because of a formula change that was placed in the 1977 Food and Agricultural Act. Interestingly enough, no one really knew where this new formula came from, until we finally learned that it was put in by our friends in the Senate. We specify the use of the old formula in this bill so that no State is injured by a poorly designed formula which would have cut EFNEP funds to more than 30 States.

I urge our colleagues on the Agricultural Committee to review this formula so that if a new one is needed, a reasonable one can be offered after all due deliberations, not in the seemingly haphazard fashion that surrounded the formula provided by the Senate.

There has been a problem in the past year with the funding received by States under the State grants for meat inspection and compliance program operated by the Food Safety and Quality Service. While it appears that some of the fiscal 1979 problems are in the process of being resolved, we note that similar problems may reoccur in fiscal 1980.

For this reason, the committee provides in its report that it expects adequate funds to be made available to meet the necessary and proper needs of the States in this program. It is not noted in the report, but I am sure that everyone involved, including the subcommittee, will expect States to make every reasonable effort to make appropriate cost savings in their inspection programs.

Other restorations were made in title I, that are of note. We restored the market news and wholesale market programs operated by the Agricultural Marketing Service so that these efforts can continue to be effective for our farmers. We have also provided for many of the basic ASCS programs a necessary level of increase or restoration so that they can continue to serve farmers well.

Title II deals with rural development programs, and most notably the Farmers Home Administration.

We again note that the Agency did not hire additional personnel that were allowed in the fiscal 1979 appropriations, and authority for the remaining number of new people is carried over in this bill. No agency can do a good job without adequate personnel, and while Farmers Home has done an extraordinary job, it needs additional people to meet the demands that are placed on it by varying farm conditions.

We had to provide a number of increases and restorations within Farmers' Home to deal with the increased need and demand for FmHA loan and grant programs. These increases are to help our rural communities grow and obtain needed services. They are not give-away programs. I am pleased that we are able to do as much as we are doing, although there is still much that needs to be done.

The committee has also received testimony that the Department has been too restrictive in its interpretation of the section 111 area development assistance grants program. While we are concerned with what USDA is doing, we note that the House Agriculture Committee is in the process of addressing that problem. We would expect that USDA would act in accordance with the report language on the section 111 program contained on pages 10 and 11 of House Report 96-259, the Rural Development Policy Act of 1979.

Title II also contains the conservation programs that are operated by the Soil Conservation Service and the Agricultural Stabilization and Conservation Service. The one program that time and time again the subcommittee must restore is the agricultural conservation program. Frankly, I cannot understand why we must do this.

ACP has been an extremely effective program since its inception over 20 years ago. It seems to be a favorite of budget cutters at OMB because they know with certainty that we will restore the funding.

I am sorry that we have to operate in this fashion. It certainly is a big disappointment that we have to play games in order to provide farmers with the conservation assistance that they need. Every time we must restore a program, we lose our ability to provide an increase, particularly in tight budget years.

But at least the program is running through the county ASCS offices that have for so long worked as the farmer's friends. We have emphasized in our report that decisions for ACP practices must be made at the local level. In fact, language is even provided in the bill to make this point clear.

We are again providing $190 million for ACP in fiscal year 1980, far below what probably could be used effectively. Farmers pay 50 percent of the cost of each project, so this program is only used when the farmer is willing to bear the cost for his part. It has been effective in the past, and we have no reason to believe that it will not continue to be effective in the future. I certainly hope that USDA can help OMB understand the nature of this program, and the budget game at the expense of conservation concerns will end once and for all.

Title III contains the domestic food programs which concern all of us. We have had problems in providing adequate funds for food stamps in fiscal 1979 and fiscal 1980. The House Agriculture Committee is dealing with this problem.

However, the programs of the Food and Nutrition Service are not immune to misguided budget decisions. The Department again proposes a reduction in the special milk program with no good reason. They just do not want to see children getting an extra carton of milk in school each day. When questioned about the nutritional impacts of the program, FNS had no answers.

There is much more at stake here than just the impact on our dairy industry, which all of my colleagues from dairy States—including myself—are concerned about. The special milk program adds to the nutrition of children. There are ways to deal with waste in both the special milk and the school lunch program, but the Department appears to be afraid to deal with them.

We can try to modify the quality of what students are served under these programs, but the Department is concerned that such modifications—such as the fast food approach of the Clark County. Nev., school lunch program—will result in bad nutrition habits. This goes back to the point I made earlier about doing research to improve the quality of what we eat. Why should anything we eat in a country so technologically advanced as ours not be nutritious? Needless to say, we restored the cuts in special milk.

I do want to take this opportunity, though, to compliment Assistant Secretary Carol Tucker Foreman, Food and Nutrition Service Acting Administrator Robert Greenstein, and their staffs, for the excellent cooperation they have provided in their review of the commodity supplemental feeding program.

The subcommittee wants CSFP continued as a separate and unimpaired program. Report language again this year makes this point. Since our hearings, Assistant Secretary Foreman and her staff have spent a great deal of time meeting with the Administrators of Focus: HOPE, the largest CSFP in the country, to determine what adverse impact there might be from regulations that FNS was considering to impose on the program.

I am personally appreciative of the personal attention that has been provided to this matter, and I am hopeful that a solution will be reached that will be satisfactory to all involved. This expectation is maintained with the clear understanding that no one will get all of the modifications in the program that each group might prefer. But as long as these modifications are reached amicably, I am sure that we have gone a long way in maintaining the reputation of USDA officials as being concerned with the public good, and the credibility of the individual programs in which we all have an interest.

Under title IV, foreign agricultural programs, we have provided funds which will allow for additional market development for American commodities. We have often heard that our agricultural exports pay for our oil imports. If this type of trade-off is to continue, we must be certain that our agricultural exports grow.

Our appropriation for the Foreign Agricultural Service recognizes this need, and provides additional funding for trade offices and expanded efforts for agricultural trade with the People's Republic of China.

I am happy to have supported these increases because we have a strong need to more aggressively market our agricultural products in world markets. The only way to do that is to have both a strong commitment to market expansion, and a moderate increase in existing resources to assure the success of such efforts.

Mr. Chairman, this bill is a good one for American farmers and American consumers. It deals with the needs of all groups, and it does so in a prudent fashion. We have no fat in this bill. We have no frivolous projects. We have a bill that recognizes the real needs of American agriculture in today's economic environment, and does so with fairness to all groups involved.

I urge my colleagues' support of this legislation.

Mr. ANDREWS of North Dakota. Mr. Chairman, I yield such time as he may consume to the gentleman from Indiana (Mr. MYERS).

Mr. MYERS of Indiana. Mr. Chairman, I thank my colleague for yielding this time, and I rise in support of this bill. This bill, like the energy and water appropriation bill that we finally voted on and passed yesterday, is very important. Energy and water are very important to our society and to each of us. Equally important, of course, is the food that we take for granted.

The other day I picked up a headline—I have forgotten which newspaper it was; I wish I had kept it—and the headline said this: "Inflation Rises, But There Is Good News." So that tickled my imagination. I read on into the article. It said that such items as clothing, hospital costs, medical costs, autos, housing, all were going up, causing inflation to go up. But the good news was that food prices had stabilized and, in many instances, food prices were going down. As a farmer and a member of this committee, that concerned me, and I read on. I read on to where we were eating a lot cheaper today than we were a year ago or even the last quarter. Back to when I was a younger person in Indiana, I knew Earl Butz when he was dean of agriculture at Purdue, and I recall many times hearing Earl Butz speak, as he frequently did at county fairs, and so forth, in Indiana. Back in the 1940's he was predicting that within 10 years American agriculture would not be able to produce the food needed in this country. We all know that, fortunately, because of technology and hard work on behalf of American agriculture, the farmers, we still have a surplus, that we are able to produce more than we consume in this country.

This is very fortunate, because we all know that we still do have and unfavorable balance of trade and balance of payment between nations. But if we did not have the food to export, we would really be having severe problems today. The one bright spot today that we have on the export market, as someone mentioned earlier, is the fact that we have a surplus of food to export. American agriculture is able to produce more today; with less labor, on the same number of acres, we are able to produce more food. Why is this possible? One of the reasons is because of the research, the technology, that this bill enables American agriculture to have.

This truly is a bill that affects everyone in this country, from downtown areas in Manhattan, to the Loop in Chicago, to Los Angeles, whatever area, a person who does not know what a farm is, because the dollars are in here for the research, because it gives the American farmer the tools, the know-how to produce more cheaper, and better. The folks from throughout our country are eating cheaper and better than anyone else and any other nation in the world. We want to continue to do that. But it is because this committee, in the past, has always seen fit, along with the Authorization Committee on Agriculture, to appropriate the dollars for research.

There is one area here that is always subject to controversy. As the chairman and Mr. ANDREWS have said, for the last 25 years administrations from both political parties have each year tried to slash the ACP. So it is not a partisan issue. But ACP is one of the ways that we are able to maximize the use of our land. Eight billion trees have been planted through this program in the last 45 years. The terracing, the building up of the soil through the use of lime and fertilizer enables the American farmer to produce better food and more of it for less dollars. The dollars we invest through this appropriation are more than matched by the cooperating farmers by their own dollars and labor.

So this is a bill that, even though one may say, "I have no farms in my congressional district"—one may say that—so if one may vote "no" today, all call it a conservative vote. And I know there will probably be some in this Chamber who might be inclined to do that. But again, this bill helps provide—it does not directly provide any food—it helps to give the tools that American agriculture can continue to be competitive and compete with agriculture throughout the country.

So this is a bill that all of us can support.

Mr. KAZEN. Mr. Chairman, will the gentleman yield?

Mr. MYERS of Indiana. I yield to my colleague, the gentleman from Texas.

□ 1320

Mr. KAZEN. I would like to associate myself with the remarks of the gentleman.

Of course, we all know that rural America is the backbone of this country. Without the production of food and fiber, we would not be the country that we are today.

Look at what has happened to us in the field of energy. If we should ever have to depend on another country for our food and fiber, that will be the end of this country.

Certainly the American farmer and the rancher needs all the help he can get. I think that everyone understands what the gentleman has just said.

The American farmer grows more food on less land than any other farmer on Earth. We must continue to give him the tools to do this.

So, I commend the gentleman and commend this committee for bringing this bill to the floor.

I had hoped that they could have provided more funds for soil conservation and several other programs that we so desperately need in the rural areas. But

I am hoping that everyone will get behind this bill and show the respect that we have for the farmer—no, for very life itself—when we help rural America.

I thank the gentleman for yielding.

Mr. MYERS of Indiana. I thank my colleague for his comments.

There is one thing that disturbs me as a farmer. I am proud to be a farmer, but I often see TV showing the farmer portrayed as a hick with a straw hat and a wheat or oat staff sticking out of his mouth or her mouth.

You know, the American farmer, and that is both husband and wife, and family, work not an 8-hour day when there is work to be done, but long, long hours. Really, the tragedy is too much of our population takes food for granted. They know where they get it. They go to the grocery store, the supermarket, the 7–11, the convenience store to make their food purchases. It is there in the canned foods. It is in the produce they have, the lettuce and radishes and grapes and oranges.

At the meat market, there it is, all packaged up. There is where it comes from.

Somehow we have got to get the message across to the American people that some place some one worked real hard to produce that food and does not make a very big profit.

Mr. KAZEN. If the gentleman will yield further, that is another point that everyone ought to understand. We just do not turn the faucet and put food on the table.

Those of us who are privileged to represent rural areas know what it is when we see our farmers get up at 4:30 or 5 o'clock in the morning and work until 9 or 10 o'clock at night. What incentive is there for their children to continue farming when they see their parents work as hard as they do and yet get the same price for their labor that they got 15 years ago. At the same time the people must realize that the farmer is the greatest consumer, the largest consumer of any other class of persons in this country.

Everything that he consumes has gone up tremendously: His tools, his fuel, his feed, his fertilizer, his labor, his taxes. Everything has gone up. Yet, the result of his product, the income to him from his labor, is practically the same as it was about 15 years ago.

In order to insure a future supply of food, we must do something to encourage youngsters to go into agriculture, otherwise, we will see the end of this country as we know it today.

Mr. MYERS of Indiana. The gentleman is exactly right. The only way farmers have been able to stay competitive or stay in business is through research and through technology.

As the gentleman says, the price really is not that much different than it was 20 years ago, but productivity has gone up not only per acre planted, but also for the unit of labor involved. Larger equipment and better methods is the only way the American farmer stayed productive and has been able to stay competitive.

But there is one other thing that has gone up, which we cannot address in this committee, but taxes have gone up on land. The inflation value of the land, even though it is producing more, the inflation has caused the value of the land to go up, and taxes have gone up on that.

Then there is one other hidden one. Maybe this is not the time to reflect, but it is a very real problem for agriculture and one I am deeply concerned about, coming from a rural area and being a farmer myself, is the estate taxes. A family works together to build up an estate, usually small in comparison to maybe some others; but because of inflation, the value of that land has gone up and the heirs are forced to buy back from the Government, their own land and equipment.

A family working together, the husband, the wife and the children, work long, long hours. Maybe they get up in the morning and they have a cold or headache. They cannot call in and say, "I am sorry. I do not feel well, so I will not be at work."

When the work is to be done, and when old Bossy is about to calf or the sows are farrowing or the corn has to be planted, hoed or cultivated, that farmer has to work regardless of how he feels; or he does not get a crop. The wife works right along side.

The estate taxes have gone up so high now that farmers find it very difficult. I think that is one problem that the entire Congress needs to start concerning itself about, or we are not going to be able to sustain agriculture as we know it. Someone will own the land, but it will not be the individual farm family out there. It will be corporately owned and run as a large business instead of a small family business.

I am happy to serve on this committee. It took me about 8 years to get on it, but I am real happy to serve on this, because this is a committee that really helps make America what it is today. Everyone in this country benefits from this bill. Agriculture is important to every one of the 220 million people in this country.

Now through the exports, not only is it necessary to our economy to stabilizing the value of our dollar, but certainly important to some of the developing countries who need the food production we are able to produce. I encourage strongly everyone to vote for this bill.

Mr. WHITTEN. Mr. Chairman, I yield 8 minutes to the gentleman from New York (Mr. PEYSER).

Mr. PEYSER. Mr. Chairman, I hesitate to take the well after my colleague has just finished his very moving remarks that he made on the farmer and the farm community.

I must say that over the years that I have been able to participate in debates on agriculture and served on the Agriculture Committee several years ago, I can say to the farmers of the United States that they undoubtedly have the strongest representation in the Congress of any group that I know of.

I think that traditionally when agriculture bills, either appropriation or authorization bills comes up, they have men and women of great eloquence and of sincere desire to help them. I think that is why the agriculture community has done as well and has grown as it has because of the men and women in the Congress who have worked so actively in their support.

I am only here at this time to raise a question or two I have in looking at the bill and reading the report.

One of the questions deals with the commodity credit section of the bill this year, as I understand the appropriation, there is a net realized loss that is being made up of $3,056 million. I understand the program, and I realize that is really an obligation that we have to pay for moneys that have already been committed.

Now, my understanding also is that included in that figure is a figure of $211 million for the sugar program. In 1977—one question I would like to raise at this time is that under the sugar program that has been contemplated in the committee at this time, the loss that has been estimated by the Department would run approximately $300 million for a new sugar program or an addition to the sugar program. I would gather that in the next year we would then be talking about under this reimbursement program, approximately $511 million if this new sugar bill, were to go through.

□ 1330

I mention that because of the obvious impact that this would have either in increased expenditures by the Federal Government or taking away from some of the real needy programs in the agricultural community. It is something that I think we want to consider because if a sugar bill reaches the floor it certainly is going to play a role in the debate at that time.

I also have a question I would like to raise with the chairman of the committee and the chairman of the subcommittee that deals with the food stamp allocations or appropriation, because I notice here the food stamp appropriation is $6,188,000,000. We already know that in this year, 1979, fiscal 1979 and 1980 we are going to be coming to the floor to increase the amount of money under this food stamp program, which really is already in excess of this figure. My question is: Doesn't it make sense at this time to put in a figure that would be more representative as to what the actual cost on food stamps would be because I guess my estimate is we are talking about at least another billion or a billion and one-half dollars? I wonder if the chairman would care to comment on that?

Mr. WHITTEN. May I say to my colleague from New York, it probably would be more practical in some respects. However, there are two or three things involved here. We have appropriated the full amount that is authorized by law so we could not provide in this bill in excess of what the law would permit.

However, we recognize that the legislative committee is dealing with this subject at the present time. I talked to my friend from California (Mr. PANETTA) who was seeking recognition on several points. We are limited by the amount that is authorized by the law reported from the Committee on Agriculture. So, that leaves us where we are being practical here, though we readily admit that it may take more money when the new bill comes out.

I have personally been disappointed in that it has usually been agreed that at least 5 percent of the dollars are wasted in handling of the food stamp program. As a Member of Congress who has to deal with this subject, we hoped last year that the change in the law would serve to scale back the cost, which is getting so high it is hard to deal with. But it is the information I have that instead of cutting back it has resulted in a large increase over what had been estimated heretofore.

I say in answer to the gentleman that this is the maximum that could be appropriated under law.

I would like to return for a minute to the Commodity Credit Corporation. The Commodity Credit Corporation was set up originally under the laws of Delaware. There was $100 million put into the program. Now it is a $20 billion corporation. That Corporation, having the rights of a corporation, is readily used for a variety of things. But the amount of payments that the gentleman has mentioned represents the difference between what a fair price for sugar would be if you charged the consumer what it would really be to keep the farmer producing sugar and what you let the consumer have it for. So the Government pays it instead of letting the consumer pay.

The other side behind the present farm program on sugar is to keep us from getting dependent on a "sugar OPEC" like we are dependent on oil from Saudi Arabia and the other OPEC countries. A whole lot of the sugar program is not only for the purpose of keeping the price down to the consumer, but to keep the producer producing in this country so that we do not get dependent and have to go to 60 cents, 70 cents, 80 cents, or $1 a pound for sugar, which it has been in times past.

While you may call it a loss, it is really a calculated payment by a Government agency which we have done for two reasons: to make the supply available to the consumer at a reasonable price and to keep the producer in business.

Mr. PEYSER. I thank the chairman for his explanation and for the explanation on the food stamp program.

On the food stamp program, would it be safe to assume then the way that would work would be ultimately a supplemental appropriation for 1980 and 1981? Would that be the answer?

Mr. WHITTEN. I think it is readily available under our procedure. I think the gentleman, like me, understands what we are doing here.

Mr. PEYSER. Obviously this is not the place for the debate on a sugar bill. We can discuss it at a future date and I believe for the good of all the people a new sugar bill will be defeated.

Mr. ANDREWS of North Dakota. Mr. Chairman, I yield myself such time as I may consume.

I would like to point out to my colleague from New York regarding the sugar program, as our chairman has pointed out so well, it is a totally different commodity than most of the commodities supported under price support programs. It is not a surplus commodity in this country. Some of the people who persist in looking at the wrong side of the equation should take a look at the facts as they are. As the chairman says, we do not want to be dependent on other countries for our sugar. Also, every $1 million spent for the import of sugar are dollars that we cannot have to import oil that we cannot produce here, one; and two, there would be absolutely no cost to the Federal Government for running a sugar program if we just preclude the dumping of sugar into this market at below the cost it sells for Europe, in Russia, in Japan, in China or most any other country of the world.

I am getting darn sick and tired of people standing up here and talking about the high cost of running a sugar program. The consumers of America pay less for sugar than any consumers anywhere in the Western World. If that is not a fact, then maybe we have got a debate. I would be glad to yield to my colleague if he feels that consumers in Europe pay less for sugar than consumers in the United States.

Mr. PEYSER. I thank the gentleman for yielding. I think the real point, and the gentleman and I have talked on this before, is, What is the cost to the taxpayer in this country and to the consumers who are both the same people because of the sugar program? I am all for, I am in support of most of the things I have seen in this bill today. I think it is a reasonable bill and a very good bill. And there is no sugar bill in here today as we know. We are paying a debt that we have obligated for the sugar growers.

I think we have to recognize that the sugar program is costing our people a great deal of money, well over $1,300,000,000 this year, as you know. I do not think we ought to compare it to what is being paid in another country.

We are in a position now, evidently, where 70 percent of our sugar, either through corn sugar or other areas that can be developed in this country, are ready to go, nearly replacing 70 percent on the market. But I do not think that is true either.

Mr. ANDREWS of North Dakota. My colleague must know that corn sugar does not take the place of 70 percent of the sugar in the market. That is totally false. There is no way corn sugar will replace more than 35 percent of the sugar that is consumed in this country. There is no way we are going to be able to domestically produce more sugar than we need to consume in this country. And there is no way again, as I said in the first place, that there would be any cost to the American taxpayer in an agricultural appropriation bill for a sugar program if we precluded the dumping of sugar into our market below its cost of production, below what it sells for in other areas. We have now antidumping programs in steel, in television, in a whole host of other commodities, and I cannot for the life of me see that there is any difference between that and this.

I yield 5 minutes to my colleague from Iowa (Mr. GRASSLEY).

Mr. COLEMAN. Mr. Chairman, will the gentleman yield?

Mr. GRASSLEY. I yield to the gentleman from Missouri.

Mr. COLEMAN. I thank the gentleman for yielding.

Mr. Chairman, I rise in support of the action by the committee as it relates to research, extension, and conservation programs in H.R. 4387, the Agriculture, Rural Development, and related agencies appropriations bill for fiscal year 1980. The budget prepared by the administration proposed to reduce the programs which are of greatest benefit to farm producers, research, extension, and conservation programs, and then to use these funds to expand administrative overhead in Washington and to increase the feeding programs in USDA. The budget as prepared by the administration overlooked the fact that the feeding programs, which reach about 45 million individuals in this country are dependent on the Department's food production programs to assist farmers in producing ample supplies of wholesome and healthy foods at reasonable prices.

It is imperative that Congress recognize the importance of ongoing research, both of the role which it has played in many major scientific breakthroughs and of its source of highly trained scientists working on a continuing basis on present and future problems. The administration again this year proposed to sharply curtail funds for certain research and extension activities and to substitute competitive grants. It is an accepted fact by everyone familiar with research and extension programs that they have been one of the main factors resulting in the tremendous advancements in agriculture. The Agricultural Research Service and the State experiment station have provided the progress in science and technology and county extension services have taught farmers who have put these advancements into practical use on their farms. As a result we have the most productive agricultural sector in the world.

Mr. Chairman, I am pleased that the Appropriations Committee saw fit to increase the budget for the Agricultural Research Service by over $18 million above the administration's request. Another important increase was the $6 million over the administration's request for the Hatch Act which will be distributed through the land-grant colleges. The $26 million increase over the budget requests for extension programs will help to some extent in assuring that extension programs will continue to be available in counties throughout the Nation. It is important to note that the cooperative research and extension programs are provided on a matching basis; that is, the State and local governments will be making contributions. It has been estimated that there was a return of $55 for each research dollar spent during the years 1939 to 1966. The results of another study showed that there was a $25 increase in gross national product (GNP) as a result of each research dollar spent. I think we will all agree that this is a record for which those in agriculture should be proud, and a record which very few other programs can match.

In closing, Mr. Chairman, I am pleased that I will be able to report back to my constituents who have either written to me or have expressed concern during my visits back to the district, that the Appropriations Committee has increased funding for these valuable programs above those recommended by the administration.

□ 1340

Mr. GRASSLEY. Mr. Chairman, I thank the gentleman from North Dakota for yielding me some time. I would like to take as an example an agriculture program called the "grain co-op loan program" to make a broader point; not to find any fault with the committee's decision on this point. I should be speaking to the gentleman from Mississippi not only in his capacity as chairman of the subcommittee, but also in his capacity as chairman of the full committee.

Quite often we read newspaper articles about efforts by the Government to contract out and use consulting services for various reasons. One of those reasons suspicioned by not only the writers, but many of us in Congress here, is to avoid putting on more Government employees so it does not make the Government employment picture look like it is exploding out the increased USDA responsibilities quite as much as it perhaps really is. So, I pick this program as one where there was a decision made by USDA, by OMB, by the President, and now by this committee, to, instead of hiring 10 employees, to contract out for some services requested in the Agency's zero-based budgeting request. There was a request for $260,000 and 10 employees to carry brought about by allowing cooperatives to make wheat and feed grain loans to farmers.

The Department allowed the request, and the OMB disallowed both the $260,000 and the 10 employees. Then, the Department made a decision not to appeal the request for the 10 employees, but did ask for the $260,000, and to use that $260,000 to contract with private auditing firms for onsite reviews of co-ops to insure this program compliance.

OMB approved this request; the President's budget incorporated this request, understanding it is for contracting out, not for the 10 employees. The justification to the Congress was this: That the number of co-ops involved in this program had gone up from 15 to 300 co-ops, and that the USDA was going to act on loans amounting to $1.5 billion to $2 billion, and because there was a court decision stipulating the Department had to insure that the pools are separated, that farmers are in control, and that loans are disbursed to all farmers within 15 days, and that the proper amounts are withheld by the co-ops' management.

Now, I know this is a concern to the chairman because at the budget hearings he asked what these co-ops are and what has caused the rapid expansion in the number approved for price support activities. I know the senior Senator from Missouri also asked why this could not be done by Federal employees as opposed to contracting out. So, then the question basically is this: There is no money saving involved. We are spending $260,000 either way. The question then basically revolved around the proposition of, do we hire 10 employees to do this job, or do we contract out to do this work?

So, I guess my question has to be, in the example I am using, and not only in this instance, but in contracting out generally, which way will the taxpayers' money be spent the most wisely? Was the committee's rationale for contracting out a question of their affirmation of the President's decision that the taxpayers' money would be better spent that way?

Then, I guess I must ask, why not hire the 10 employees in the first place?

Mr. Chairman, Members of the Committee, if the gentleman would permit me to ask, could it be that if it is contracted out to avoid hiring these 10 employees, it might be simply one of many efforts buried in the budget?

The CHAIRMAN. The time of the gentleman from Iowa has expired.

Mr. ANDREWS of North Dakota. Mr. Chairman, I yield 2 additional minutes to the gentleman from Iowa (Mr. GRASSLEY).

Mr. GRASSLEY. Because, the end result of that is to actually to have more Government expenditure, to hire more employees. But contracting hides it so that the President's dictum of October 24, 1978, is not exceeded, when he said that he is going to limit Federal employees and actually reduce them by 1.5 percent. Might it also be an effort to get around the decision made by this body last year when it adopted an amendment by my good colleague from Iowa (Mr. LEACH) that limited Federal employees?

I would yield to the gentleman from Mississippi at this time.

Mr. WHITTEN. Mr. Chairman, will the gentleman yield? But, the answer really is simply that the General Accounting Office stated that the administration or any executive branch has the right to limit the total number of employees. We have had experience on this committee numerous times where the Congress has approved our recommendation for making some increase, but the Administration would not release the additional employees. The Farmers Home Administration today deals with something like 30 billions of dollars in Government loans, not only approving loans but collecting on the old ones. This committee provided 594 additional employees to meet this new workload. They granted only 125.

When we get those outside consultants or outside contractors to do work that Federal employees could do, it is a very touchy situation because we sometimes get people who are unqualified, people whom one would not hire; and some other times they are well qualified. In the area of consultants where they are dealing with the commodities, where they know about it and are centrally located, by and large we find that they are well qualified.

The CHAIRMAN. The time of the gentleman from Iowa has again expired.

Mr. WHITTEN. Mr. Chairman, I yield 1 additional minute to the gentleman from Iowa (Mr. GRASSLEY).

Mr. Chairman, may I say that each case has to rest on its own. Where we have ceilings that have been imposed by the Congress, on the recommendation of the Congress, the job has to be done. We put a ceiling on it, and the only thing we can do is let it be done by somebody who can do it.

I have been on this committee long enough to know that numerous times we would like to contract out for jobs we would like to have done, but Congress put a ceiling on it. In this instance, which is the type of work the gentleman is talking about, contracting out would be ideal.

Mr. GRASSLEY. This is by a private auditing firm, so the gentleman is saying that the private auditing firm is a better expenditure of the taxpayers' money, but he is also implying that this is necessary to get around these ceilings that are put on so that, in fact, we are in an indirect way increasing Federal employment.

Mr. WHITTEN. I know the gentleman did not intend to change my words. He says we get around it. I say it is to meet a need we cannot meet otherwise.

The CHAIRMAN. The time of the gentleman from Iowa has again expired.

Mr. ANDREWS of North Dakota. Mr. Chairman, I yield 1 additional minute to the gentleman from Iowa (Mr. GRASSLEY).

Mr. GRASSLEY. Mr. Chairman, I have great respect for this committee, and I have even greater respect for the chairman, but I do think that this is something that we need to take a good look at not just for this program, because I am just using this program as an example. There are probably many others in more departments that are a greater example than what is actually going on, but I think it is a point we need to have watched because the Federal budget and Federal employment is out of control.

Mr. WHITTEN. May I point out that in this bill we agree with what the gentleman's objective seems to be. In this bill last year we provided a separate appropriation for salaries and for expenses. There was quite a howl on that because the executive branch said it kept them from saving money. We yielded in the conference, we intended to, because we wanted to save money also. We are saying in this bill for the first time in section 611—that if they cut down personnel they have to save the money; they cannot spend it for some other purpose. So, if they are going to cut people, we told the executive branch that they have to cut it and not spend the money for some other purpose.

Mr. WHITTEN. Mr. Chairman, I yield 5 minutes to my colleague, the gentleman from California (Mr. PANETTA).

Mr. PANETTA. Mr. Chairman, as a member of the Committee on Agriculture I rise obviously in support of the bill that is presented here. I want to commend the chairman and the Committee on Appropriations for the work they have done. As a member of the Committee on the Budget and as chairman of the Budget Committee's Task Force on Legislative Savings, however, I did want to bring to the attention of the Members one small item. As usual, the Committee on Appropriations has done an outstanding job of holding spending down for programs under current law, under the targets sought by the first concurrent budget resolution. The role of the Committee on Appropriations in holding down spending and improving the management and operation of programs and agencies deserves far more attention and support than it has had. However, it is precisely the fact that the Committee on Appropriations, as it must, makes its funding decisions on the basis of current law that has resulted in a situation that has caused some concern for the members of the Committee on the Budget. The concern centers around full funding that is provided in the agricultural appropriations bill for programs where legislative savings have been recommended through the budget resolution.

As the Members know, the House Committee on the Budget in its report on the first concurrent budget resolution has assumed some $459 million in legislative savings in the parts of the program that are under the jurisdiction of the Agriculture Appropriations Subcommittee. These savings were discussed at considerable length in the committee's report and were supported by the full House, agreed to by the conferees and by the Congress.

Mr. Chairman, the dilemma that faces the House is this: the Committee on Appropriations must provide funding of a program as part of current law, but on the other hand, the House, by agreeing to the funding of the program, may seem to be contradicting its earlier support for reforms or savings on those very programs.

While there is no easy solution to the problem, I would hope that the members of the Committee on the Budget and of the Committee on Appropriations would be aware of these situations as they arise.

I am simply making the point that although funding is provided for these programs, the Committee on Appropriations, the Committee on the Budget, and the authorizing committees in no way are committing themselves not to proceed with the legislative savings that are part of these programs. We are continuing now with discussions on various legislative savings that are encompassed in this bill. We feel there is an excellent opportunity to bring those savings to the floor of the House and allow the membership of the House to vote on them. This issue, athough seemingly small, is part of a very important concerted effort by the Committee on the Budget to hold what is more than $4.2 billion of legislative savings that are contained in the first budget resolution. This effort, which will go on with the cooperation and support of the authorizing committees, is a very key part of the Budget Committee's commitment to adhere to the very reasonable and controlled funding levels in the first budget resolution. Unless we can get that $4.2 billion in legislative savings, then we will not retain what is now the target of the House which is a $23 billion deficit in this year's budget. So we think the $4.2 billion in legislative savings is extremely important.

I would yield to the chairman for the purpose of making the point that in no way by the funding contained in the appropriations bill does it diminish the effort of the House to proceed with regard to those legislative savings. Is that correct?

Mr. WHITTEN. If the gentleman will yield, I thank my colleague, the gentleman from California. We do have the highest regard for the committee on which he serves, and we have the same sincere interest in holding spending down. Of course, as the gentleman has pointed out, we on the Committee on Appropriations cannot determine our figures based on our hopes and our desires about the legislation. We have had many kinds of budgets presented to us. One time I remember the Office of Management and Budget sent a budget down with tremendous savings that amounted to reductions based on legislation that they were going to get through Congress. They could never even get anybody to introduce it. So the gentleman's figures are based on legislation that they hope will be passed. The legislation has not passed, and until it does, there is no way to accept its proposals in an appropriation bill.

Mr. PANETTA. I understand and thank the gentleman.

● Mr. PERKINS. Mr. Chairman, the tobacco price support program and other tobacco related activities of the Department of Agriculture assure a fair price for 250,000 growers in Kentucky and thousands more in Southeastern States and assist in strengthening exports.

The value of exports of U.S. tobacco leaf and products rose 23 percent to a record $2.1 billion in calendar 1978. This is a significant offset to the deficit in our balance of payments made to foreign nations for imported oil and foreign produced manufactured items.

The major purpose of the tobacco price support program is to assure hundreds of thousands of small farmers who have small acreage allotments a source of cash income. The effect of the program and other activities of the Department of Agriculture dealing with tobacco growing, if it has any effect at all on individual consumption of tobacco products, is to reduce consumption.

In an analysis of the U.S. Department of Agriculture's tobacco programs, the Congressional Research Service Review, March 1979, 96th Congress, in an article by Jasper Womach, Library of Congress Specialist in Environment and Natural Resources Policy Division, states:

> The tobacco price support program and most other tobacco related activities of the Department of Agriculture are designed for the primary purpose of increasing producer incomes. . . . It should be noted, however, that the approach used to boost the income of tobacco farms is to increase the price of tobacco above a free market level. This is accomplished by withholding tobacco from the market via nonrecourse loans when prices are low and by limiting total production with mandatory marketing quotas. High tobacco prices mean higher prices for tobacco products, thus increased consumer costs and possibly reduced consumption.

The effect of the amendment of the gentleman from California would be to completely gut the tobacco program, enabling the unlimited production of tobacco, destroy the livelihood of hundreds of thousands of small farmers, increase the consumption of tobacco products and cost the nation's economy in excess of $2 billion annually in exports.

I urge my colleagues to reject the amendment as reckless and irresponsible.●

Mr. FITHIAN. Mr. Chairman, in passing this agricultural appropriation bill, the House is once again affirming its support of the first true environmental program in the Nation, the Agricultural conservation program (ACP). As a strong supporter of ACP in past years, I am particularly pleased that the committee has seen fit to override efforts by the executive branch to reduce or eliminate this valuable program.

I have lived on a farm most of my life, and I can tell my colleagues that the conservation practices for a given locality may not match those for another area not too far away. Recognizing this, ACP places authority for implementing on-farm soil and water conservation practices in the nationwide network of 3,000 farmer-elected committeemen of the Agricultural Stabilization and Conservation Service (ASCS). This assures that local conservation decisions will not be made in Washington, D.C.

More than a million farmers have participated in this program in past years, providing our Nation's agriculture with protection against floods, soil erosion, dust storms and other conservation problems. Through this legislation, we are assuring that we will not shirk from the battle to preserve our greatest natural resources, our Nation's soil and water.

● Mr. BEREUTER. Mr. Chairman, I would like to take a moment to commend the Appropriations Committee, as well as the Agriculture Subcommittee for restoring adequate funds to the Soil Conservation Service, especially the Great Plains conservation program. Since the creation of the Soil Conservation Service in 1935, Congress has recognized the tremendous need to permanently control soil erosion, and strive to protect and preserve our natural resources. The Soil Conservation Service has accomplished this task by providing funds and technical assistance to farmers, ranchers, and other groups through over 3,000 field offices. Federal funding of these programs is a necessity, not just to the private landowner but to all Americans. If we turn our backs on these programs, it will be more than the farmers who suffer.

Mr. Speaker, as I mentioned before, the committee's decision to continue to fund the Great Plains program, is especially gratifying. This program has been of great benefit to many Nebraskans. Since the program's inception in 1956, thousands of contracts have been signed with landowners in Nebraska, covering millions of acres. The long-term commitment to soil and water conservation offered to landowners under the Great Plains program has been one of the most effective tools of conservation in the Midwest.

Mr. Speaker, I would like to make one further comment on the committee's action as it relates to the Extension Service. The committee's recommendation to increase funding $26.6 million over the President's request, has emphasized Congress' commitment to those programs that provide the educational assistance in all areas of agriculture. I once again commend the committee for taking the responsible approach to soil and water conservation.●

● Mr. RUDD. Mr. Chairman, this bill appropriates $6.1 billion for the food stamp program, or 36 percent of the new obligational authority under this entire agricultural appropriations for fiscal year 1980.

I believe that the food stamp program is long overdue for drastic legislative reform in order to cut down costs and unnecessary spending of taxpayer dollars.

This is a so-called entitlement program, for which appropriations must by law be included in this bill. So long as the authorizing legislation for this program is not changed to restrict this program to the truly needy, we are locked in to annual appropriations of billions of dollars for food stamps, which go to approximately 19 million Americans each month, or to 1 out of every 12 Americans.

The Congressional Budget Office estimates that 1 in 7 Americans is eligible for the food stamp program as it is currently constituted.

Most of the so-called low income people receiving food stamps are also receiving additional public assistance under aid for families with dependent children (AFDC), supplemental security income (CSSI), and many other welfare programs.

Mr. Chairman, the following table included in the Appropriations Committee report accompanying this bill summarizes the outrageous growth in this program since fiscal year 1961. In my view, this growth in the food stamp program is a disgrace and unwarranted.

Food stamp appropriations

[In thousands]

Fiscal year:	*Budget authority*
1961	[1] $3,725
1962	[1] 48,900
1963	[1] 50,000
1964	[1] 45,000
1965	[2] 60,000
1966	[3] 100,000
1967	[4] 139,525
1968	[5] 185,000
1969	280,000
1970	610,000
1971	1,679,000
1972	2,289,214
1973	2,500,000
1974	3,000,000
1975	4,874,600
1976	5,203,000
1977	5,514,400
1978	5,627,000
1979	[6] 5,779,200

[1] Pilot program with sec. 32 funding.

[2] $35,000,000 of sec. 32 funds; $25,000,000 by direct appropriation.

[3] Includes $2,000,000 reappropriation.

[4] Includes $29,549,000 reappropriation.

[5] Includes $23,200,000 reappropriation.

[6] Supplemental appropriation is pending.

Mr. Chairman, in 1977 the omnibus food stamp amendments were enacted, which eliminated the purchase requirement from the food stamp program. In addition, certain gross income maximums were included, but they are now as high as $11,393 for a family of four, which is 159 percent of the poverty index.

Testimony from program officials indicated that $217 million in food stamp were issued to ineligible households in fiscal year 1977. An additional $378 million was overpaid in food stamps to households considered eligible.

It is obvious that substantial savings are possible in this program. But whenever proposals are made to reform and cut costs in the food stamp program, we are told that this cannot be done because it is an "entitlement program."

That rationale is simply wrong. Congress can change the law and save money in any program, regardless of a tag labeling the handout as "an entitlement." It is clear that the food stamp program is long overdue for such a reform.

Earlier this year, I proposed an amendment in the House Budget Committee which included a cut of $2.5 billion from the income security function of the fiscal year 1980 budget earmarked for the food stamp program. My amendment was premised on certain legislative savings that could be realized from responsible reforms by the House Agriculture Committee in the authorizing legislation for the food stamp program.

Even though the majority on the Budget Committee accepted this same rationale for legislative savings in other areas involving so-called entitlement programs, my amendment to cut more than one-third of the cost of the food stamp program was rejected on the basis that it is "an entitlement."

It appears that those who oppose touching the food stamp program can use this "entitlement" argument either way, to suit their own purposes. The legislative savings rationale was accepted for the administration's proposal to reduce medicaid entitlement payments through passage of the Hospital Cost Containment Act. This rationale was also accepted when the committee considered a cut in revenue sharing entitlement funds for the States.

Mr. Chairman, it is my considered view that the Congress must face this issue squarely if we hope to have the people's confidence that we mean to cut out waste and unnecessary spending of taxpayer dollars in the overbloated welfare or income transfer area of the Federal budget. Congress is annually spending more than $250 billion in this area.

Entitlement programs are not sacred. They can be reformed and cut to save taxpayers' money just like any other program.

It is just a matter of Congress having the sincere conviction to save unnecessary expenditures wherever possible, rather than spending taxpayer dollars to "buy votes" from certain elements of the population who really do not need public assistance.

I would like to include in the RECORD at this point a point-by-point summary of possible legislative savings that can result from needed reforms in the food stamp program, if the authorizing legislation for food stamps is modified as it should be:

POSSIBLE LEGISLATIVE SAVINGS IN THE FOOD STAMP PROGRAM

[In millions of dollars]

(1) Basic eligibility revisions, including.	[1] $700
(a) Limiting eligibility to those with gross incomes at the poverty line, plus a 15 percent allowance for work-related expenses.	
(b) Establishing purchase requirements at percentage of gross income expended for food by average household of same size and income range, with regional variations, as established by the most recent Consumer Expenditure Survey of the Bureau of Labor Statistics, or 30 percent, whichever is less.	
(c) Use of the Thrifty Diet Plan, with family size, age, and sex of the family members taken into account.	
(2) Restoration of the purchase requirement itself.	[2] 520
(3) Assets test: Use the assets initially established for SSI, with a limit on a principal residence and a lot of $25,000; a limit on a motor vehicle of $1,200; limit on property used in a trade or business essential to the self-support of a household of $15,000; and an overall limit on liquid resources (with the above exceptions) of $1,500 for the household, or $2,250 for households of two or more persons with a member or members age 65 or over.	522
(4) Fraud control: Mandate a photo-identification card, countersigned warrants, a national application cross-checked, and an earnings clearance system.	138
(5) In-kind income: Count any in-kind income which provides food assistance.	174
(6) Income exclusions: Eliminate new exclusions (student loans and grants, all of which "cannot reasonably and properly be computed," and housing subsidies.)	38
(7) Income tax rebates: Count as income.	29
(8) Work registration: Restore the age of a child which exempts an individual from work registration to age 6, not age 12.	20
(9) Work registration: Strengthen the work registration requirement by permitting States to establish community work experience	14

POSSIBLE LEGISLATIVE SAVINGS IN THE FOOD STAMP PROGRAM—Continued

[In millions of dollars]

programs as a condition of eligibility.	
(10) Strikers: Eliminate the eligibility of strikers.	$18
(11) College students: Eliminate the eligibility of college students.	11
(12) Error rate: Correct current error rate in food stamp program; for FY 1977, such errors have been running at approximately 6 percent (4.3 percent for ineligibles and 7.7 percent for overpayments).	595
Total possible savings	2,779

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[1] Figures derived from data supplied by the U.S. Department of Agriculture at time of the last food stamp debate; while estimates were of that time period, and some of the bases have changed, they are still representative of possible savings, individual and total.

[2] At the time the purchase requirement was eliminated, costs were cited running anywhere from $400 million to $2.1 billion. For the purposes of these figures, the estimates at the time by the Congressional Budget Office—$250 million—will be used.●

● Mr. WAMPLER. Mr. Chairman, I want to take this opportunity to thank the chairman of the Committee on Appropriations, Mr. WHITTEN, as well as the members of his Subcommittee on Agriculture, Rural Development and Related Agencies for their action in reporting H.R. 4387 with specific increases in the President's budget for fiscal year 1980 to support the traditional agricultural research, extension and teaching programs at our land grant institutions.

As one of the principal sponsors of title XIV of the Food and Agriculture Act of 1977, I have been deeply disappointed in the administration's cutback on support of traditional agricultural research Hatch grants at State agricultural research stations in order to give priority funding for a new program of agricultural competitive research grants to all college research institutions authorized in that title.

Title XIV of Public Law 95-113 to the contrary clearly sets forth the funding priorities for research, extension and teaching in the agricultural sciences. This was accomplished by authorizing a 5-year progressive program of specific annual agricultural authorizations for traditional agricultural research under the Hatch Act and extension under the Smith-Lever Act. Included in the title were specific authorizations during this 5-year period for the new competitive agricultural research grant program.

Last year the Appropriations Committee wisely reduced the level of the competitive grants program recommended in the President's fiscal year 1979 budget and at the same time made it clear to USDA, the Office of Management and Budget and to the President that it was opposed to the administration's attempts to reorder the specific priorities for food and agricultural research established in title XIV.

When the administration again chose to reorder the priorities for funding title XIV in this year's budget, the committee was offered little recourse but to eliminate the competitive grants provision, I regret this action. But, if it takes hitting the budget advisors to the President over the head with a 2-by-4 to convince those in the executive branch that the Congress wants the priorities in title XIV followed, then this action is necessary. I am hopeful however, that this message is taken to heart and does not have to be repeated.

Nonetheless, Mr. Chairman, we need to support this bill. It is incumbent upon the administration to get research, extension and teaching in the food and agricultural sciences back into perspective. Because of the long leadtime required in all research, we must have the capability to feed our own people and aid in supplying the ever-increasing world population. Title XIV to the Food and Agricultural Act of 1977 was put into law to assure our people that American agriculture would continue to meet these requirements.

The present energy crisis puts a new charge to agriculture to assist in overcoming this problem. For agriculture to contribute its part in overcoming the energy crisis, additional research must play a vital role.●

● Mr. JENRETTE. Mr. Chairman, I rise in support of H.R. 4387, the agriculture appropriations bill for fiscal year 1980. Our agriculture appropriations subcommittee, on which I have had the privilege of serving for the first time this year, has had to contend again with a proposed budget that would have cut deeply into some of the most important of the Nation's ongoing agriculture programs. I believe our subcommittee and its chairman have coped with truly difficult circumstances in reconciling the constraints of fiscal austerity with the Department's proposals for far-reaching program reductions and reorientations.

As our committee makes clear in its report, the Department's budget estimates for fiscal 1980 offer no solutions to the problems plaguing many of the country's agricultural producers. USDA's program not only would provide no relief from the persistently low prices that are inexorably lowering the real income and raising the debt loads burdening our farmers. It also proposes to reduce by around half a billion dollars programs within the Department of Agriculture that are of the greatest benefit to farmers, such as agricultural research, extension and conservation activities. The funds realized from these reductions would under the proposed budget be used to expand the Department's Washington overhead as well as its feeding programs.

Let me make clear that I support an increase in the food stamp program, as is contemplated in the President's budget, provided the necessary legislation authorizing an increase in or elimination of the cap on food stamp expenditures is enacted. I do not believe, however, that the trend toward orienting the program of USDA increasingly away from the needs of the producers, and toward overhead and feeding programs, is in the Nation's long term interests. Why must we sacrifice programs vital to farm producers in order to accommodate worthwhile domestic food programs within arbitrarily imposed budget ceilings?

Despite the dire financial straits in which many of our farmers continue to find themselves, the administration steadfastly opposes giving them any relief in the form of increased farm price supports. Even the proposal in H.R. 3398 for a modest 7 percent increase in the target prices of basic commodities, which was reported favorably by the House Agriculture Committee and also endorsed by the Appropriations Committee after a sequential referral, receives no support from USDA and the White House. Indeed, we are told the President will veto this bill if we pass it.

I fail to see why, if 7 percent is good enough for labor and industry, it is not good enough for the farmer? And we know full well that the farm producer will be quite fortunate if 7 percent will be good enough for those who produce the things he must buy to stay in business. I am afraid that in 1980 we will see inflation of considerably more than 7 percent for the items which represent the farmer's cost of production, while at the same time the prices which the farmer receives continue to stagnate.

With the serious financial crisis facing producers, our committee concluded "it is essential that we protect our soil and water resources and our agriculture resource base." And we think it is equally essential to preserve the agricultural research, technology, and teaching base that sustains agricultural productivity.

The administration had proposed to transfer substantial funds from the Agriculture conservation program to the newly created rural clean water program. While this new EPA program would doubtless be a useful one, it does not justify a cutback in valuable ongoing conservation programs. Accordingly, since the fiscal climate will not permit us to do both, the committe has not funded the $75 million rural clean water program and has restored the proposed $65 million in ACP as well as reductions in several other worthwhile conservation programs such as watershed protection, Great Plains conservation and the various activities of the Nation's 3,000 conservation districts.

In agricultural research and extension, the administration has for the second time proposed to cut sharply some ongoing activities and substitute a new system of competitive grants for ongoing "in-house" research activities. The committee is not persuaded that this new approach, which would eliminate the jobs of some 500 experienced researchers, would help agriculture. It would delay the availability of research badly needed by farmers, and seriously damage the already hard-pressed research staffs. Moreover, it would essentially remove agricultural research from the congressional oversight process.

For these reasons, the committee has deleted funds for competitive research grants. And in agricultural research we have proposed to restore $27 million for 167 projects that would be terminated in the executive budget.

Let me mention a few that are of particular interest to my State and district.

For tobacco production research, the committee has for the second year restored $1,048,000 proposed for elimination by USDA. Our action will restore this valuable program to the fiscal 1979 level. And the same is the case with rural housing research, for which the committee has restored $389,000. The bulk of these funds would be used for the operation of the rural housing research unit at Clemson University, which is the only entity USDA has doing research on the housing needs of economically disadvantaged rural residents.

The committee has also recommended two restorations totaling $1 million for work on alcohol fuels. In an another example of the administration's puzzling priorities, USDA had proposed an expanded emphasis on energy research, but had eliminated all funds earmarked for alcohol fuels, seemingly the item of greatest relevance in the agriculture context.

The committee has also increased the amount provided for formula funding of both cooperative research and agricultural extension activities by $6 million each over the 1979 appropriations. We felt it was essential to reverse the trend toward continued decline in the research and teaching staffs of our land grant institutions, as well as the county agent offices, which has occurred over the last decade as a result of level funding coupled with rampant inflation. In addition, the committee has also restored reductions in a variety of cooperative research and extension programs.

The budgetary situation is similar with respect to the rural development activities of the Farmers Home Administration and the Rural Electrification Administration. Our committee has been determined to provide rural people some equality of treatment when the programs that benefit them are compared with those available to residents of metropolitan areas. Accordingly, we have recommended increases, though modest, in the budgets of these rural development action agencies, in lieu of the major reductions proposed by the administration.

For FmHA's insurance funds, we have recommended net increases in loan authorizations totaling about $200 million over 1979 levels, compared with the decreases totaling $800 million proposed by USDA. And for FmHA's grant programs, we are proposing only a small $6 million increase in place of the administration's proposed 10 percent cut. For REA, we are proposing simply to restore the $115 million its loan authorization which would be cut in the executive budget.

Permit me to dwell briefly on two other items that are of particular interest in my State and district—the fire ant and tobacco marketing.

As many Members are no doubt aware, the imported fire ant poses a major threat to both agricultural producers and the health of our citizens in my State and throughout the Southeast. Yet here again USDA has eliminated from the budget of the Animal and Plant Health Inspection Service the $2 million that had been available for surveys, methods development, quarantine and related activities. I am pleased that our committee proposes to restore these funds as well as to reserve $2,544,000 for the fire ant eradication program. We are also urging the Department to make every effort to convince EPA of the importance of chlordane to the eradication effort, as it has done in the past with other chemicals such as mirex. Indeed, it is ironic that under the USDA budget recommendations, the funds available for the fire ant program would dwindle just as has the number of available chemicals which are effective against this pest.

In the budget of the Agricultural Marketing Service, the Department originally proposed a number of changes in its tobacco marketing program. The package included two increases, one of $330,000 to provide for rotation of tobacco graders outside their home areas and another of $77,000 for a minimum of one sale per week in each flue-cured market.

AMS also proposed a $144,000 reduction to go from a 4-day to a 5-day sales week in major flue-cured markets. It is this proposal that aroused particular concern among tobacco producers and marketers, who felt it would destroy the effective marketing mechanism that had been in existence for many years and cause them real difficulties, all for minor budgetary savings.

I and other Members made clear that the industry would be more than happy to forego the grader rotation and guaranteed once-a-week sales in order to retain the 4-day sales week in major flue-cured markets. In any event, I felt that grader rotation, which presumes a grader would not evaluate his neighbor's crop objectively, would be a waste of money.

So I was pleased when AMS saw the light and withdrew all three proposals. This enables our committee to cut the AMS budget by $263,000, which is certainly an outcome that is in keeping with today's spirit of fiscal austerity.

And I would note, in conclusion, that our bill in its entirety meets well the test of fiscal restraint. The overall total of appropriations we recommend for 1980 is less than both the President's budget proposals and the totals enacted for 1979 as well. Our bill reconciles the demand for budgetary restraint with the needs of both agricultural producers and low income Americans who rely on USDA feeding programs.

I urge my colleagues to support it.●

● Mr. DE LA GARZA. Mr. Chairman, I rise in support of the agriculture research programs in the agriculture appropriations bill which we are considering today.

As you know, wide recognition of the importance of agriculture to mankind's future is developing rapidly, not only in the field row but in the city streets. Much less recognized are the problems of and limitations to substantially increasing output of agricultural products. We cannot increase output in the ways of the past. We must concentrate on efficiency of agriculture. We must find new ways to get more from each acre at less cost—whether measured in dollars, energy, or some other method. Simply put, we must make reasonable additional investments in research so that major breakthroughs can be made.

As this Nation enters its third century, it is evident that agriculture will continue to contribute greatly to the economic stability of the Nation. By the turn of the century we will have less prime agricultural land available, the same amount of fresh water will fall from the skies, yet we will need to produce a third more food for our domestic needs, find ways to dispose of millions of tons of solid waste each year and conserve the natural resources at our disposal. Furthermore, burgeoning world populations and rising affluence will create opportunities for increased agricultural export. Therefore, we must improve the efficiency of American agriculture if we expect to meet our needs and capitalize on the opportunities available to us. Obviously, this will demand that we make additional investments in agricultural research and education programs.

Let me share with you at this time what I believe are some of the important areas in agricultural research:

Expanded agricultural research and extension are needed to meet the rising demand for food and fiber caused by increases in worldwide population and food shortages due to short term, localized, and adverse climatic conditions;

Increased research is necessary to alleviate inadequacies of the marketing system—including storage, transportation, and distribution of agricultural and forest products—which have impaired U.S. agricultural production and utilization.

Some of the areas which we need to sharpen our focus on are as follows:

Research to find alternatives to technologies based on fossil fuels;

Research and extension on human nutrition and food consumption patterns in order to improve the health and vitality of the people of the United States;

Research to find solutions to environmental problems caused by technological changes in food and agricultural production;

Aquacultural research and extension;

Research and extension directed toward improving the management and use of the Nation's natural and renewable resources, in order to meet the increased demand for forest products, conserve water resources—through irrigation management, desalination, crop conversion, and other water conservation techniques—conserve soil resources, and properly manage rangelands;

Improving and expanding the research and extension programs in home economics;

Extension programs in energy conservation;

Extension programs in forestry and natural resources with special emphasis to be given to improving the productivity of small private woodlands, modernizing wood harvesting and utilization, developing and disseminating reliable multiuse resource management information to all landowners and consumers, and the general public, wildlife, watershed, and recreational management, and cultural practices—including reforestation, protection, and related matters;

Research on climate, drought, and weather modification as factors in food and agricultural production;

More intensive agricultural research and extension programs oriented to the needs of small farmers and their families and the family farm system, which is a vital component of the agricultural production capacity of this country;

Research to expand export markets for agricultural commodities;

Development and implementation, through research, of more efficient, less wasteful, and environmentally sound methods of producing, processing, marketing, and utilizing food, fiber, waste products, other nonfood agricultural products, and forest and rangeland products;

Expanded programs of animal disease and health care research and extension;

Research to develop new crops (guayule) in order to expand our use of varied soils and increase the choice of nutritional and economically viable crops available for cultivation; and

Investigation and analysis of the practicability, desirability, and feasibility of using organic waste materials to improve soil tilth and fertility, and extension programs to disseminate practical information resulting from such investigations and analysis.

The President's 1980 budget proposes drastic cuts to the areas of research. I am opposed to these cuts and commend the Appropriations Committee for restoring and increasing the proposed cuts. Cuts in the budget would delay valuable research work of the Department of Agriculture.

In the area of Agricultural Research Service which conducts basic and applied research in the fields of livestock, plant sciences, entomology, soil and water conservation, agricultural engineering, utilization and development, nutrition and consumer use, marketing and development of methods to eradicate narcotic producing plants the Appropriations Committee has appropriated $24,726,000 which is $18,270,000 over the President's budget.

In the area of cooperative research, which has the primary function to administer acts of Congress that authorize Federal appropriations for agricultural research carried on by State experiment stations, by schools of forestry, the 1890 land-grant institutions and Tuskegee Institute, the Appropriations Committee for payments under the Hatch Act, recommends an increase of $6,000,000 over the amount available for fiscal year 1979 and an increase of $6,000,000 over the budget request. Also recommended is $9,500,000 for cooperative forestry research—the same amount as fiscal year 1979.

For payments to the 1980 colleges and Tuskegee Institute, the committee recommends $17,260,000, an increase of $900,000 over both the amount available for fiscal year 1979 and the budget request.

The Committee on Appropriations has also recommended deleting the $30,000,000 requested for competitive grants. I support the competitive grants program; however, not at the expense of the formula funding and existing research programs being carried on at Federal facilities and the land-grant universities.

Also increases of $5,000,000 for human nutrition research under the special grants program as well as $5,000,000 for animal health research are recommendations that I applaud.

The Committee on Appropriations has also recommended $2,400,000 for special grants in connection with energy and has specified that not less than $500,000 of this amount shall be available for work in connection with alcohol fuels.

Also an addition of $150,000 for aquaculture research.

In the area of extension which authorizes the Department of Agriculture to give, through the land-grant colleges, instruction and practical demonstrations in agricultural and home economics and related subjects, and to encourage the application of such information by means of demonstrations, publication, and otherwise to persons not attending or residing in colleges, plus nutrition training in poverty areas, 4-4 club work, the Committee on Appropriations has appropriated $14,436,000 over fiscal year 1979's appropriation which is in fact $26,608,000 over the President's budget.

Part of this increase was for $1,250,000 for minority agricultural education grants.

The President's budget had proposed to terminate the Bankhead-Jones program, however, the Appropriations Committee restored to $11,500,000.

The total figure recommended in the areas of agricultural research, cooperative research and extension over the President's fiscal year 1980 budget is $44,088,000. It must be recognized that research and extension work cannot be turned on and off like a light switch. Whether in the land-grant colleges or at the USDA laboratories, research results and their use over the next decade will be determined by the funding support provided today.

It is essential that adequate Federal funds be approved in this bill to maintain the great progress made during the past 100 years by the cooperative, Federal, State, and local research and extension programs.

On the other hand, we must keep a close watch on priority items that need to be funded. Everyone is anxious to balance the budget. The whole country is in a mood of fiscal responsibility.

I support the mood of fiscal responsibility but ask that necessary items in the agricultural appropriations bill be given the funds necessary to keep the United States the strongest nation in the world. Without agriculture, without research, we will wither and die as a nation and as a people.●

● Mr. OBERSTAR. Mr. Chairman, I want to speak just briefly in support of an appropriation in this legislation which is very important to the people I represent.

The committee is to be commended for providing the Farmers Home Administration with $50 million in insured (direct) loan authority in 1980 in addition to $1.05 billion in guaranteed loan authority.

In the report accompanying this legislation, the committee notes that it will expect FmHA to make up to $2,000,000 in direct loans to small businesses designated by section 19 of Public Law 95-495. Public Law 95-495 is the Boundary Waters Canoe Area Wilderness Act which Congress passed last year. That law makes significant changes in traditional uses of the BWCA. In making those changes, Congress recognized the impact these changes would have on the small recreational businesses operating in the area around the BWCA.

Congress authorized programs of assistance to mitigate these impacts. With the authority given the Farmers Home Administration in this appropriations legislation and in the accompanying report, the Farmers Home Administration will be in an excellent position to undertake a program of assistance to the small businesses in this rural area of northern Minnesota, and fulfill a commitment made in the 1978 BWCA law to mitigate the adverse effects upon the local economy caused by that law.

With the direction given by this legislation, FmHA should proceed to make this loan program as attractive as possible to as many businesses as possible. The continued existence of these small recreational businesses is absolutely essential to the economy of northern Minnesota.●

● Mr. CORRADA. Mr. Chairman, I wish to rise in support of H.R. 4387, the fiscal year 1980 appropriations for the Department of Agriculture. I would like to particularly endorse the funding for APHIS, food stamps and the Farmers Home Administration.

Puerto Rico, due to its climate and geography, is especially afflicted by a variety of plant and animal pests which threaten to ravage our agricultural economy if they are not contained. On March 28, 1979, I testified before the Subcommittee on Agriculture and Related Agencies of the House Appropriations Committee seeking continued funding for various APHIS activities which the bill reflects. This modest funding will enable APHIS to join forces with the local government to eradicate the bont tick, Texas cattle fever tick, and the sugar cane root borer weevil. Failure to contain these now will mean a much higher price tag and economic losses in the future.

In addition, as Resident Commissioner from Puerto Rico, where a large number of our needy and disadvantaged participate in the food stamp program, I am pleased to note the subcommittee's recommendation for a total appropriation of $6.188 billion nationally to maintain the food stamp program administration at a reasonable level. The family needs created by inflation and higher food costs make the committee's recommendation a reasonable and fair one and it merits our support. We have other concurrent problems with the food stamp appropriations covered in authorizations presently moving through the House and Senate Agriculture Committees. Combined with this bill I believe the concurrent moves will maintain the food stamp program at the level of need required to continue fair operation of this vital program, both in Puerto Rico and the mainland United States.

The Farmers Home Administration loans have enabled the Puerto Rican Government to improve water and sewage services as well as housing problems of our rural poor. However, with a population density of approximately 950 people per square mile, we still have an arduous task ahead of us. The Puerto Rican Legislature recently passed a bill creating a local version of the Farmers Home Administration. Its funding is very limited, but it will complement the Federal agency's activities as well as foster better cooperation at all levels of government. I am very pleased to note the proposed appropriations will allow Farmers Home loan activities to remain at the higher levels attained last year. This will enable our new program and other States' similar programs to join with the Federal Government in improving the situation of our rural population.●

● Mr. HANCE. Mr. Chairman, I am pleased that the Committee on Appropriations has seen fit to restore the $130 million and 1,000 soil and water conservation experts for the agricultural conservation program, watershed programs, and other conservation programs of the Department of Agriculture.

As you know, Congress has backed the Committee on Appropriations 24 times in the past 24 years in the restoration of ACP funds, and I hope that when this bill is finally voted on the record will show that the committee has been successful in restoring the funds to ACP 25 time in 25 years because it is a much needed and very beneficial program.●

Mr. ANDREWS of North Dakota. Mr. Chairman, I have no further requests for time.

Mr. WHITTEN. Mr. Chairman, I have no further requests for time.

The CHAIRMAN pro tempore (Mr. MAVROULES). There being no further requests for time, the Clerk will read.

The Clerk read as follows:

COOPERATIVE RESEARCH

For payments to agricultural experiment stations, for cooperative forestry and other research, for facilities, and for other expenses, including $115,066,000 to carry into effect the provisions of the Hatch Act, approved March 2, 1887, as amended by the Act approved August 11, 1955 (7 U.S.C. 361a–361i), and further amended by Public Law 92–318 approved June 23, 1972, and further amended by Public Law 93–471 approved October 26, 1974, including administration by the United States Department of Agriculture, and penalty mail costs of agricultural experiment stations under section 6 of the Hatch Act of 1887, as amended; $9,500,000 for grants for cooperative forestry research under the Act approved October 10, 1962 (16 U.S.C. 582a—582a–7), as amended by Public Law 92–318 approved June 23, 1972, including administrative expenses; $17,260,000 for payments to the 1890 land-grant colleges, including Tuskegee Institute, for research under section 1445 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (Public Law 95–113), as amended, including administration by the United States Department of Agriculture, and penalty mail costs of the 1890 land-grant colleges, including Tuskegee Institute; $1,500,000 for Rural Development Research as authorized under the Rural Development Act of 1972, as amended (7 U.S.C. 2661–2668), including administrative expenses; $32,420,000 for contracts and grants for agricultural research under the Act of August 4, 1965, as amended (7 U.S.C. 450i), including administrative expenses; and $1,781,000 for necessary expenses of Cooperative Research activities, including administration of payments to State agricultural experiment stations, funds for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed $50,000 for employment under 5 U.S.C. 3109; in all, $177,527,000.

AMENDMENT OFFERED BY MR. BROWN OF CALIFORNIA

Mr. BROWN of California. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BROWN of California: Page 9, line 4, after the period insert the following: "Special Grants: For research authorized by the Native Latex Commercialization and Economic Development Act of 1978, $500,000.".

Mr. BROWN of California. Mr. Chairman, I do not want to belabor this very modest amendment. I think the Members of the House are well acquainted with my longstanding interests in the development of a viable native rubber research and development project by this country. Many of the Members who have been here much longer than I, including the distinguished chairman of the Agriculture Subcommittee and the full committee know the history of this program and have been involved in it over the years, as have several of our other colleagues.

I would like to point out that the House now on two occasions has authorized a program of research and development in this area: First, in the farm bill itself 2 or 3 years ago, where it was authorized under the heading of "New Crop Research and Development"; and, second, in the closing days of the last session when it was authorized as a separate bill, the Native Latex Commercialization and Economic Development Act of 1978. That bill authorized a program beginning in the next fiscal year at the level of $5 million for the first year. I had hoped that we could appropriate something close to the amount authorized by that legislation.

I have consulted with the chairman of the committee, and he informs me that the Department of Agriculture has not yet completed its plans for the expenditure of the funds that are authorized and that, therefore, it would be more reasonable to start with a more modest figure, which is what is represented by this amendment.

Mr. DE LA GARZA. Mr. Chairman, will the gentleman yield?

Mr. BROWN of California. I will be happy to yield to my colleague and friend, the gentleman from Texas.

Mr. DE LA GARZA. I thank the gentleman for yielding. I want to associate myself with the remarks of the gentleman and commend him for this effort. All of us know the importance of renewing this interest in the native latex industry and how important it can be in times of need. Judging from the temper of the House and from the need to restrict ourselves on expenditures, I think that this modest attempt at the beginning would get us well under way when we can legitimately come with the authorizing legislation and get full funding.

I thank the gentleman for his contribution.

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Mr. ANDREWS of North Dakota. Mr. Chairman, will the gentleman yield?

Mr. BROWN of California. I yield to the gentleman from North Dakota.

Mr. ANDREWS of North Dakota. I think the gentleman is moving in the right direction. Certainly, we have to look into all manner of synthetic fuels, synthetic rubber production in this country at this particuar point in time.

Some years ago my wife, who was then a high school student, was hoeing the rows of guayule when they were planting them as an experiment at that particular point in time. We would be more than happy to accept the amendment on this side of the aisle because we think it is in order.

Mr. BROWN of California. Mr. Chairman, I am very grateful to the gentleman for that.

Mr. WHITTEN. Mr. Chairman, would the gentleman yield?

Mr. BROWN of California. I would be very happy to yield to the distinguished chairman.

Mr. WHITTEN. I do approve of the manner in which you propose to handle this matter and I have no objection on this side.

The guayule program, I might say, was started back in World War II, at the time we attempted to find a substitute for natural rubber. Later we made an additional effort to find out what it offered.

Prices were different from what they are now, but I do think in connection with this the first thing should be to bring together the information that was obtained during those earlier periods. It has been my observation here that, while this is not as much money as my colleagues would like to see eventually, I have observed if you start a program slowly and build soundly, that it reaches the end result of getting something for your money a little quicker than if you give them too much money at first.

I have no objection to the amendment as offered. I hope it will prove to be very beneficial in this period when we have to be selfsufficient.

Mr. BROWN of California. Mr. Chairman, I very much appreciate the chairman's remarks in that regard.

Mr. Chairman, I will not pursue the point any further and yield back the balance of my time.

The CHAIRMAN pro tempore. The question is on the amendment offered by the gentleman from California (Mr. BROWN).

The amendment was agreed to.

The CHAIRMAN pro tempore. The Clerk will read.

The Clerk read as follows:

FARM INCOME STABILIZATION

AGRICULTURAL STABILIZATION AND CONSERVATION SERVICE

SALARIES AND EXPENSES

For necessary administrative expenses of the Agricultural Stabilization and Conservation Service, including expenses to formulate and carry out programs authorized by title III of the Agricultural Adjustment Act of 1938, as amended (7 U.S.C. 1301–1393); the Agricultural Act of 1949, as amended (7 U.S.C. 1421 et seq.); sections 7 to 15, 16(a), 16(b), 16(d), 16(e), 16(f), 16(i), and 17 of the Soil Conservation and Domestic Allotment Act, as amended and supplemented (16 U.S.C. 590g–590q); sections 1001 to 1008 and 1010 of the Agricultural Act of 1970 as added by the Agriculture and Consumer Protection Act of 1973 (16 U.S.C. 1501 to 1508 and 1510); the Water Bank Act (16 U.S.C. 1301–1311); the Cooperative Forestry Assistance Act of 1978 (16 U.S.C. 2101); sections 401, 402, and 404 to 406 of the Agricultural Credit Act of 1978 (16 U.S.C. 2201 to 2205); and laws pertaining to the Commodity Credit Corporation, $190,586,000: *Provided*, That, in addition, not to exceed $152,389,000 may be transferred to and merged with this appropriation from the Commodity Credit Corporation fund (including not to exceed $43,228,000 under the limitation on Commodity Credit Corporation administrative expenses for a total of $342,975,000): *Provided further*, That other funds made available to the Agricultural Stabilization and Conservation Service for authorized activities may be advanced to and merged with this appropriation: *Provided further*, That this appropriation shall be available for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed $100,000 shall be available for employment under 5 U.S.C. 3109: *Provided further*, That no part of the funds appropriated or made available under this Act shall be used (1) to influence the vote in any referendum; (2) to influence agricultural legislation, except as permitted in 18 U.S.C. 1913; or (3) for salaries or other expenses of members of county and community committees established pursuant to section 8(b) of the Soil Conservation and Domestic Allotment Act, as amended, for engaging in any activities other than advisory and supervisory duties and delegated program functions prescribed in administrative regulations.

Mr. SHUMWAY. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I was prepared at this point to introduce an amendment which applies to the section just read. I would like to briefly discuss this so at least in the absence of my amendment there might be some understanding as to what my thinking was.

My amendment simply was to add a section to the section just read which would prohibit the spending for any Federal salaries under this bill for the purpose of promoting the tobacco industry.

It seems to me we have in the spending programs of our country a serious contradiction which I was hopeful of resolving by means of this amendment. The contradiction is that for many years we have been promoting through the Department of Health, Education, and Welfare a campaign to deter Americans from the use of tobacco, particularly young Americans, through the schools.

At the same time we have programs which are part of this legislation and have been part of the Federal agricultural policy for many years, which provides loans, price supports, market research, inspection and grading services, establishing market quotas, and doing other things which obviously aid the tobacco industry.

It seems to me a contradiction is therefore posed. We should decide whether we want to spend our money for the purposes of deterring and talking people out of using tobacco or whether we want to spend our money for the purpose of furthering that particular part of the agricultural industry.

My purpose in presenting this proposal today was not to make a medical case for or against smoking. It was not to have any effect upon the market, to determine the availability of tobacco products, or to have any effect upon the price of those products on the market or to even discourage the use of those products. However, simply because we are here discussing an appropriations bill and the matter of Federal spending is at issue I felt we could adopt a policy which is uniform as to how those dollars are spent, whether in promotion or in depromotion of the tobacco industry.

I have spoken to several of my colleagues on the floor here this morning. I have decided this is not the proper time for me to introduce this particular amendment. I think it would be ill-advised for me to go ahead and I feel the votes are not here that I would need to support it. Perhaps it is not appropriate as a part of this appropriations bill. However, Mr. Chairman, I would hope the Committee on Agriculture and particularly the Tobacco Subcommittee would give this matter their attention and during the coming year perhaps hearings can be held again. I understand such hearings have been held in the past. I think this is a subject that needs to be resolved and I would ask those Members who are on those committees and who do have jurisdiction over this subject, that such hearings be rescheduled and perhaps the matter be reopened so that next year when we have similar discussions as we are having here today the matter will have been resolved and we will not have the necessity of introducing such an amendment as I was proposing here.

Thank you, Mr. Chairman. I yield back the balance of my time.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

DAIRY AND BEEKEEPER INDEMNITY PROGRAMS

For necessary expenses involved in making indemnity payments to dairy farmers for milk or cows producing such milk and manufacturers of dairy products who have been directed to remove their milk or dairy products from commercial markets because it contained residues of chemicals registered and approved for use by the Federal Government, and in making indemnity payments for milk, or cows producing such milk, at a fair market value to any dairy farmer who is directed to remove his milk from commercial markets because of (1) the presence of products of nuclear radiation or fallout if such contamination is not due to the fault of the farmer, or (2) residues of chemicals or toxic substances not included under the first sentence of the Act of August 13, 1968, as amended (7 U.S.C. 450j), if such chemicals or toxic substances were not used in a manner contrary to applicable regulations or labeling instructions provided at the time of use and the contamination is not due to the fault of the farmer, and to beekeepers who through no fault of their own have suffered losses as a result of the use of economic poisons which had been registered and approved for use by the Federal Government, $3,290,000: *Provided*, That none of the funds contained in this Act shall be used to make indemnity payments to any farmer whose milk was removed from commercial markets as a result of his willful failure to follow procedures prescribed by the Federal Government.

AMENDMENT OFFERED BY MR. CONTE

Mr. CONTE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. CONTE: On page 20, strike line 5 and insert: "DAIRY INDEMNITY PROGRAM".

On page 20, line 23, strike all after the comma through $3,290,000 on line 1 of page 21 and insert "$400,000".

Mr. CONTE. Mr. Chairman, I rise in support of my amendment to kill the stickiest, sweetest subsidy of them all—the beekeepers' indemnity program.

The issue today is to B or not to B.

The taxpayers are tired of being stung by a bunch of dead bees. Since its creation, this program has allowed a small hive of beekeepers to place their stingers deep in the Federal honeypot. The whole thing is going over like a lead balloon. It is time these dead bees were stopped.

The beekeepers indemnity program was set up in 1970 to pay for the funerals of dead bees who were lost due to the use of federally registered pesticides. I recognize that when the program was set up, there was a crisis in the industry so when the bees quit buzzing, the beekeepers started fussing. Commercial beekeeping operations in the cotton-growing areas of California and Arizona had virtually been destroyed by an extensive spray program to control pink bollworm. Along with the bollworm went the bees—the honey—the money—and then came the fuss. However, the crisis time in the beekeeping industry has long since passed. The indemnity program has simply become a bee subsidy to offset the normal cost of doing business for a few beekeepers. It seems some beekeepers are better off squashing the little creatures' heads than collecting their precious honey.

The Federal Government is liable as bee murderers by putting a bounty on the poor fellows' fuzzy heads.

There are more than 220,000 beekeepers in the United States. Of this 220,000, only 1,826 or 0.8 percent received an indemnity payment in 1977.

These 1,826 beekeepers received a total of $4.5 million in payments under the program. Thirty-nine beekeepers received nearly a third of the funds available for payments. This is an average of $37,000 for each of the 39 big winners under this program.

Do not let anyone fool you, the majority of the recipients under this program are back year after year with their sticky hands out. They know a honey of a deal when they see it. When we return to the House I will request permission to submit for the record a list of the big winners under the program from 1973 through the current year. I am tired of being labeled a bee murderer. When you look at the list you have to wonder why the same 30 or so beekeepers keep losing so many bees year after year. Those bees are more valuable dead than alive. This is absurd.

I know that those in opposition to my amendment are going to tell you, probably in great detail, about the value of bees and beekeepers to agriculture. I am certainly not going to argue that. I am fully aware of the importance of an adequate supply of bees for pollination in the fruit and vegetable industry, among others. My question is, Why should the taxpayers subsidize the cost of dead bees?

Why should a few beekeepers benefit from a Federal subsidy of their normal cost of doing business? If the losses are such that some individual beekeepers cannot cope with them, then the industry would be better served by setting up a self-insurance program rather than by a few beekeepers receiving a Federal handout. A self-insurance system would stop a few beekeepers from regularly stinging the daylight out of taxpayers.

I urge my colleagues to support my amendment to seal off the Federal honeypot.

LISTING OF BEEKEEPERS RECEIVING $20,000 OR MORE IN ANY ONE OF THE YEARS 1973–78

State and beekeeper	1973	1974	1975	1976	1977	1978 [1]
Alabama: Wright Bee Farm	$5,390	$18,300	$23,655	$24,855	$34,215	$7,837
Arizona:						
Bechtel Apiaries	20,220	35,025	22,650	19,155		
Beckner, Guy	11,710	21,630	16,387	21,780	28,515	
Emmons, Charles	39,745	40,380	37,102	36,697	43,005	
Safford Honey Co	11,400	25,735	24,225	20,520	23,790	
Smith, James R	49,165	71,047	76,380	57,195		
Arkansas:						
Dickinson, Wm. H	10,710	17,265	21,262	19,402	20,175	
Harrison SDA Church	10,755	22,762				
Shanks, Charles	4,185	13,245	8,527	4,507	33,022	
Wilson, Paul		19,132	9,375	11,362	24,862	30,630
Wilson, Vaughn	2,820	21,562	14,227		20,197	17,317
California:						
Austin, James	14,655	18,052	13,822	18,235	29,107	
Biggers, George				27,862		
Clement Apiaries	14,035	17,295	5,880	26,970	28,282	27,277
Fairchild, Clarence	5,220	16,012	12,607	26,085	29,122	
Golden State Apiaries					23,520	
Hall, Aaron & Sons	27,965	31,575	6,202	7,357	35,520	
Hall, William R	8,990	3,180	630	14,722	26,872	24,735
Hamby, F. J	2,765	8,017	8,775	9,922	34,005	
Nachbaur, Anton, Jr	3,940	4,080	5,130	26,587	14,100	
Parkinson, Jay, Jr	36,930	38,450	33,472	43,312	71,835	
Pratt, Walter		13,350	5,130	5,887	48,832	
Sanders Honey Co			4,515	12,705	18,592	38,250
Solarzano, Arnulfo	5,300	10,342	17,812	23,467	31,102	
Georgia:						
Barricklow, Dewitt	7,005	26,167	11,677	12,592		
Drew, James				15,592	25,739	10,560
Jackson, C. R	3,305	16,417	36,367	28,335	28,597	
Jackson, Paul H	8,380	18,135	23,070	17,955	13,185	
Rossman Apiaries	13,425	37,995	29,857	25,800	31,530	29,902
Willbanks	8,100	13,905	20,137	13,830	6,727	990
York Bee Co	11,985	27,660	21,165	16,687	12,967	
Idaho:						
Honeygold Corp. & R. I. Robinson Honey Co		32,985				
Mundell, Orie	4,260	8,970	12,127	31,462	9,015	12,510
Powers Apiaries	22,905	49,995	61,370	51,817	63,892	
R.I. Robinson Honey Co	26,050		11,940	18,682	6,330	3,382
Louisiana:						
Mitchell, Otis	12,480	25,245	3,442	5,265	2,767	5,017
Overbey Apiaries	15,265	28,027	25,207	21,105	32,557	28,777
Minnesota: Rays Honey Co			29,085			
Mississippi Stover Apiaries	35,900	65,535	61,590	62,265	41,265	
Missouri:						
Robins Apiaries			1,282	2,310	30,067	
Robins, James M					32,775	
Stewart Apiaries			1,732		21,420	
Nebraska:						
Halbgewaclis, Harold			$8,302	$28,725	$10,717	
Knoefler Honey Farms	$5,055	$25,180	16,230	48,060	44,505	
Marquette, Raymond	22,285	12,217	6,577	51,217	18,105	$10,027
Marquette, Richard G		20,062	16,402			
McKeone, Joe	8,910	15,900	12,306	31,252	6,577	5,940
Oregon:						
Bade Bros., Inc				11,497	22,102	
Bade, Fred G		16,965	25,402			
Grigg Apiaries	27,115	28,440	20,715	49,837	31,050	
South Dakota:						
Lyon, Archie		38,567		5,295	15,825	
Lyon, Charles		28,447			5,490	3,825
Utah: Humphries, Max				20,190		
Washington:						
Blue Ribbon Bee Farms	9,920	31,710	36,015	43,687	36,900	
Golden Bee Apiaries		4,792	15,367	21,937		
Haueter, Rex Apiaries		12,757	16,245	22,912	3,172	
Hiatt Honey Co	27,455	40,230	58,072	76,492	80,145	45,467
Hibbard, Massey & Hibbard	20,570	36,847	38,745	38,805	39,105	39,855
Holt, Joe	32,985	51,045	43,620	43,095	81,360	
Jim's Valley Apiaries	82,195	104,805	77,932	142,042	124,807	
Lariat Honey Farms					26,490	
Schurger, Jay			11,662	12,817	23,310	
Sires Beeline Honey Co	8,345	22,035	23,122	22,207	15,810	
Sires, Warren J	11,365	22,012	19,867	18,030	16,215	18,750
Smith, Bob J	9,575	20,505	29,760	31,275	28,372	
Tarr, Howard L	6,485	16,065	16,470	13,747	24,465	
Vanderford-Blackwell Apiaries	3,220	16,335	16,927	20,002	16,680	23,775
Total payments for above-listed beekeepers	730,440	1,372,190	1,227,605	1,535,402	1,648,615	384,823
Total calendar year payments	1,805,040	3,207,879	2,988,180	3,614,396	4,482,171	2,572,966
Total payments in excess of $20,000	471,485	1,061,462	899,977	1,247,849	1,456,341	288,668
Percent of funds paid to beekeepers with payments in excess of $20,000	26.1	33.1	30.1	34.5	32.5	11.2
Number of beekeepers with payments in excess of $20,000	14	30	25	33	39	9
Total number of beekeepers receiving payments	680	984	998	1,307	1,826	1,390

[1] 1978 payments not yet complete due to lack of funding.

☐ 1410

Mr. WHITTEN. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, it has been my pleasure this year to work very closely with my friend, the gentleman from Massachusetts. I do not know of anybody who can turn a phrase and get more mileage out of it than my colleague. The gentleman refers to the bees and the beekeepers. The gentleman could have well referred to the American people who benefit and whose livelihood in many cases, and many of the foods that we have, are dependent upon these bees. Bees are necessary for pollinization, I am aware, as is the gentleman from Massachusetts, but I had no idea of the tremendous number of bees and bee colonies that were used commercially and moved from place to place.

You know, as we clear up all the land and build up the shopping centers and put things under concrete, the natural conditions that we have found in this country are long since gone. There have been just so many vegetables and fruits and even flowers which are of value to many people that are absolutely dependent upon bees for pollinization.

I would like to say that on this committee, and on the subcommittee, we have for a number of years tried to make this program more and more tight. I have before me the form that has to be filled out by representatives of the ASCS who are trained in the field of determining the cause of death and what the losses have been. They have to fill out a form and go in person to inspect and see if this damage has occurred.

We have tried to tighten this up. The gentleman is the ranking Republican member on this Appropriations Committee. Now, if the gentleman be wrong and if we cut this out and the bees are dead, we are not going to have the benefits. The man cannot replace his bees. We are not going to have the benefits for the American people who eat the honey, not only the honey, but the many fruits and vegetables which would not be available unless pollinated by bees.

I would prefer, if the gentleman would give thought to it, that the gentleman withdraw his amendment and I will join with the gentleman, as a representative of the Appropriations Committee, and ask for an investigation to determine every fact that the gentleman may have in his mind.

Now, if it be as the gentleman pictures, and if we have not been able to reach wrongdoing, which the gentleman intimates, but is not sure of, I would be glad to go in and find out the facts; but in the meantime, I would certainly hope that we defeat the amendment, or let the gentleman withdraw it and I will assure the gentleman we will go along with the study. If the gentleman withdraws it, I will go along and ask for an investigation by the investigators of the Appropriations Committee. That way we will not be risking the damage that might follow if the gentleman's amendment is not withdrawn.

Mr. CONTE. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman.

Mr. CONTE. Mr. Chairman, because of my high respect for the gentleman from Mississippi, and the gentleman knows I respect him and have worked very closely with him in my new job as ranking Republican member on the Committee on Appropriations, I would be glad to withdraw my amendment; but I am just getting fed up. The administration did not send up any request in the supplemental. They set it up very cleverly. They know that I am the watchdog on this item and other farm items. They put it in the supplemental. So here we are going to get stuck with $1.9 million, the poor taxpayers. Here we come in, the administration did not ask for any money and we are putting it in; but if the gentleman guarantees me that it will call for a sound investigation, a real investigation of this program, with the hopes of finally winding it down like we did with Cotton, Inc., if I had not stayed on Cotton, Inc., we would still be pouring out millions of dollars for Cotton, Inc.

Mr. WHITTEN. And we would have missed lots of wonderful speeches.

Mr. CONTE. I will find something else to talk about.

Mr. Chairman, I ask unanimous consent to withdraw my amendment.

Mr. WHITTEN. Mr. Chairman, may I say to my colleague, my word is good. When I was district attorney, I heard it said that when you have to put someone under oath to get them to tell the truth, you would not have got it anyway.

So I do not have to guarantee. the gentleman has got my word.

Mr. CONTE. The gentleman's word is his bond, as far as I am concerned.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts (Mr. CONTE) to withdraw the amendment?

There was no objection.

● Mr. RUDD. Mr. Chairman, I rise in opposition to the amendment that was offered and withdrawn by my distinguished colleague and the ranking member of our committee (Mr. CONTE).

I would call my colleagues' attention to pages 55 and 56 of the committee report which stresses the importance of both the beekeeping industry and the indemnification program which reimburses owners whose bee colonies are killed by pesticides.

While small, this program has for some reason become undeservedly controversial. The administration has repeatedly tried to end it, despite consistent congressional support.

Some critics of the program have implied that the beekeepers almost deliberately let their bees become exposed to chemicals to cash in on the indemnification program.

I would like to call particular attention to the accurate explanation of the situation presented in testimony before the Agriculture Subcommittee of the Appropriations Committee by Mr. Frank A. Robinson, secretary-treasurer of the American Beekeeping Federation, Inc.—

> The losses a beekeeper sustains are losses resulting from actions for which he is not responsible and is powerless to prevent. Also, the reimbursement, barely enough to cover the cost of re-stocking a colony, is no where near the income that colony could return through honey production or rental fees. Certainly no beekeeper could afford to deliberately expose his colonies just to collect the indemnity payment.

Unfortunately, bee kills are an inadvertent consequence of the tremendous advantage of having bee colonies in close proximity to the growing areas in order to quickly and economically increase the productivity of the nearby crops.

Many agricultural crops are dependent on pollination by insects before crops can produce, and honey bees pollinate about 90 percent of those crops which require pollination.

It should also be noted that the inevitable consequence of ending the beekeeper indemnification program will be higher costs to growers who traditionally rent the bees to pollinate their crops. Needless to say, these added costs must ultimately be borne by the consumer.

There has also been some criticism that large or commercial beekeepers are the primary benefactors of the program. The committee report explains, however, that—

> Because they are heavily involved in crop pollination work, the commercial beekeepers tend to suffer the greatest losses from pesticides. Losses that are beyond their control.

In short, Mr. Chairman, this is a worthwhile program which the House should continue in order to encourage not only the beekeeping industry, but to insure the economic availability of pollination for many of our agricultural crops.

I applaud the gentleman from Massachusetts for withdrawing his amendment.●

□ 1420

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

GREAT PLAINS CONSERVATION PROGRAM

> For necessary expenses to carry into effect a program of conservation in the Great Plains area, pursuant to section 16(b) of the Soil Conservation and Domestic Allotment Act, as added by the Act of August 7, 1956, as amended (16 U.S.C. 590p(b)), $18,689,000, to remain available until expended.

Mr. TAUKE. Mr. Chairman, I move to strike the last word.

Mr. Chairman, the erosion of our cropland is a serious national problem. Across the country, more than 4.8 tons of soil per acre of cropland are lost each year. In Iowa, a State which possesses some of the richest soil in the world, the soil is eroding at a rate of 9.9 tons an acre each year. That is more than double the national average.

We can no longer afford to watch this most basic of resources wash away. The food production for this Nation and much of the world depends upon this fertile soil. A national effort to conserve our precious soil is imperative.

I commend the Appropriations Committee for its excellent work in making conservation a national priority. The committee restored to proper funding levels those conservation programs slashed by the Carter administration. The President recommended cutting the conservation budget by some $19,692,000. That is a reduction of 2.7 percent, not counting the present 13 percent rate of inflation. Indeed, the President suggested cutting essential soil survey work, eliminating at least 1,000 technical conservation jobs and the entire resource conservation and development budget.

Instead, the committee acted wisely in recommending a conservation budget 6.4 percent greater than the President's. The committee has restored most of the conservation programs by increasing the appropriations by 3.5 percent over last year's levels. While these increases are not near the level of inflation, they do take account of the importance of a strong conservation program in a time of necessary budget austerity.

However, several shortcomings in the committee's recommendations are apparent:

First. The technical assistance funding may be inadequate. Funding remains at last year's levels—$193,200,000. While this is some $3 million over the President's request, it will likely mean a loss of some essential conservation technical services now provided to farmers. In Iowa, 300 technical assistants aid farmers in the development of proper resource management techniques. Due to inflation, some of those jobs will be sacrificed if funding remains at last year's levels.

Second. Soil survey work is not properly funded. The committee recommends cuts in this program of $2,855,000. The committee states that the reduction is due to an increase in "reimbursements" from the States of $3 million over last year. It is true that States are projected to increase their funding of soil survey work from $9 million to $12 million during fiscal year 1980. However, it is important to note that State funding for soil surveys is entirely voluntary in nature. They are contributions designed to speed up survey work throughout the Nation.

Many States, including Iowa, have increased their contributions to the soil survey program with the understanding that the funds would serve to accelerate the completiion of the soil surveys by the target date of 1980. States have doubled their contributions since 1975 in order to accomplish this goal. Yet soil surveying is only 80 percent complete and target dates are no longer set for their completion.

The reason for this delay may lie on the Federal Government's doorstep. Since 1975, Federal funding for soil surveys has increased by only 34 percent. And the present recommended reduction in that funding would signal to the States that the Federal Government plans to use the State contributions to supplant Federal funding. It would be a signal to the States that the Federal Government is no longer interested in accelerating the completion of soil surveys. As a result, State contributions are sure to dry up.

Soil surveys determine the essential data base for soil conservation. A soil survey is thus an important first step in saving our cropland. We must make certain that that first step is completed soon. Mr. Speaker, I am hopeful that the eventual appropriation for soil surveys will include sufficient funds to keep the Federal Government's commitment to the States.

Third. The rural clean water program remains without funds. The clean water program authorized in 1977 should be an essential part of our total conservation effort. Three regions of Iowa have already received approval for funding under the act. While clean water should not be funded at the expense of soil conservation, it must remain a priority item for conservation funding.

On balance, I believe the Appropriations Committee has done a creditable job in restoring conservation programs to necessary levels of funding. Conservation is a national priority and is funded as such in the bill before us. However, additional funding is still needed in the programs I have outlined. I am confident that those programs will be taken into account before this appropriations bill becomes law. Mr. Chairman, I support the bill with that understanding.

☐ 1430

The CHAIRMAN. The Clerk will read.

The Clerk concluded the reading of the bill.

AMENDMENT OFFERED BY MR. MILLER OF OHIO

Mr. MILLER of Ohio. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MILLER of Ohio: On Page 47, after line 12, insert the following section:

SEC. 611. Of the total budget authority provided in this Act, for payments not required by law, five per centum shall be withheld from obligation and expenditure: *Provided*, That of the amount provided in this Act for each appropriation account, activity, and project, for payments not required by law, the amount withheld shall not exceed ten per centum.

Mr. MILLER of Ohio. Mr. Chairman, I have no great illusions about what will happen to this amendment, but I feel obligated to offer it. Last year, I offered a 2-percent reduction, about $80 million, as I remember, and it was not approved. This particular amendment is 5 percent—I have offered 5 percent on other bills—and it would amount to a $722.5 million reduction out of a total of a $16.7 billion bill. That would be on the nonmandatory items. The nonmandatory items amount to $14.4 billion. I have no great illusions as to what will happen, as I say, because we did not even have the 2 percent approved last year. But I also would like to offer this amendment, if for only one objective, and that is to show what is happening to our food stamp program.

The food stamp program in the year 1965 was $60 million; in 1970, $610 million; in 1975, $4.8 million; in 1977, $5.5 billion; in 1978, $5.6 billion; and in 1979, $6.7 billion, including the pending supplemental.

In this bill, as of now we have $6.1 billion for food stamps. There will be another $700 million supplemental and, as I understand it, according to the President request, we will have for fiscal year 1980, $8 billion in expenditures for food stamps.

The amendment that I am offering now for $722.5 million, could be offset by about one-half billion dollars, according to a report on the food stamp program by the General Accounting Office. Their report said the food stamp program is losing over half a billion dollars annually, because of overissued benefits not recovered and fraud not punished and errors, misrepresentations and suspected fraud by recipients, and by errors by local food stamp offices.

Another report from USDA's Office of the Inspector General stated that in each of the audits they had made "we found numerous cases of unreported or totally unreported income. The fact that we found 10 to 40 percent of the sampled households had underreported or unreported income was an indication that significant problems do exist."

My amendment is for $722.5 million. With the food stamp program, as is indicated by GAO and the Inspector General, we can save $500 million. I would hope that the Members would support the amendment.

Mr. WHITTEN. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, this bill was very carefully gone over, and we have had to restore all of this research work, and other activities. The budget for this Department is very low, indeed, as compared with the rest of Government, especially since it is this work which enables the rest of us to do all the other things we do.

Let me point out that after we got through with that, we now have our friend, who has kind of gotten in the habit of it, which is his right, offering this 5-percent cut. We cut this bill by $1.5 billion. The gentleman wants to cut 5 percent more. The gentleman's amendments could cut rural development programs $52 million, disease and pest control programs, $24 million.

Who is there here who can tell us where the Department will apply those cuts? What programs would be cut? No one knows. We provided, on page 40, of our bill, that 5 percent of the funds for food stamps are put in reserve. Do you know what the effect of that is? At least you have 5 percent that we should put in there. In the absence of putting the funds in reserve, it gets in the Antideficiency Act and one-fourth of the total is apportioned each 3 months. But by putting the funds in reserve, if they do not have to allocate them to meet emergencies, or to meet needs that need to be met, then the money can be saved. So we put the 5 percent aside where perhaps they can save it.

We have done all we could as a committee. It means that they might leave one item alone entirely and put the total amount of the reduction on some other item.

Let me tell you one of the problems that my friend, the gentleman from Ohio, has not taken into consideration in the amendment he offered. As I pointed out earlier, in a study I had made we found that about 58 percent of the laws we deal with have built into them escalating clauses. The more inflation goes up, the more the costs go up. We have entitlements written into these laws where there is only about 25 to 30 percent that is subject to action of this Congress. If you cut out here 5 percent of the 25 or 30 percent subject to the will of the Congress, you are protecting even more things that you do not want to protect.

So I repeat again, if this amendment is going to be offered to everything, after we have done our level best to hold the line. I just say that the Members should not buy that package. The cuts may be applied in the worst possible place. Under the amendment they could be.

Let me say again that the other item he points out, the committee beat him to it, in that we put it in reserve. That means the money will be saved unless it becomes necessary to meet the need to distribute the funds to meet requirements under the law. That is the best we could do. If we cannot save it, at least we tried.

I urge the Members to vote against the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio (Mr. MILLER).

The amendment was rejected.

Mr. VENTO. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, it had been my intention to offer an amendment to restore the funding of the competitive grants program to the current level. The cost of this amendment would have been $15 million. I would certainly consider this level of funding to be a sound investment in our country's agricultural research efforts and an excellent supplementation to the existing research activities of the Agriculture Department.

The competitive grants program was first authorized in the Farm Act of 1977. Congress appropriated $15 million for this program in both 1978 and 1979. The legislation we have before us today, H.R. 4387, however, contains no provision for funding this program. I am concerned about the absence of this money, because there exists a wealth of knowledge and expertise available for this needed agricultural research which will be left untapped because of this omission.

Scientific discovery follows no fixed jurisdictional or disciplinary path. Important discoveries in photosynthesis or the effect of environmental stress on plants is as likely to occur from the efforts of a plant biologist at the Biological Sciences Department of the University of Minnesota as from the efforts of a researcher at the School of Agriculture. Yet the plant biologist may not be eligible for funding or the scope of his study may be severely limited, because the present mechanism for funding agricultural research limits eligibility by the type of institution or academic discipline of the researcher.

It is important to note that the competitive grants program in no way threatens the existing research programs of USDA. Instead these programs are meant to compliment ongoing research.

The competitive grants can provide the extra thrust in an area of particular importance in which the additional funds may accelerate the progress of current research. In short the competitive grants program enhances the standing and validity of the traditional USDA research efforts.

The peer review process used for awarding these grants insures that the funded proposals are in areas which evidence a high probability of beneficial and useful results. The enthusiastic reponse of the scientific community to the need for this program is documented by the fact that funds were available for only 18 to 20 percent of the proposals. It is interesting to note that 60 percent of the funded projects were received from land grant universities.

It is also important to recognize that these grants provide an important political linkage between the urban and rural concerns which are essential for the continued adequate funding of the traditional USDA efforts. This is accomplished by providing opportunities for the initiation of agricultural research at institutions which have traditionally not placed a high priority in the area of agricultural research. The benefits to the country, the scientific community as well as the agricultural community by the inclusion of this new blood and fresh ideas is obvious.

It is my hope that the Congress will be able to see its way clear to once again provide sufficient funding for these fine programs. I am concerned that the recommendations of the Agriculture Appropriations Subcommittee to zero fund this program is a method to insure increased appropriations for other programs. I wonder if the distinguished chairman would briefly comment on his thought behind this action?

☐ 1440

AMENDMENT OFFERED BY MR. ASHBROOK

Mr. ASHBROOK. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ASHBROOK: Page 47, line 12, insert the following new section:

"SEC. 612. None of the funds herein appropriated shall be available to pay the expenses of parties intervening in any regulatory proceeding or of any person acting as a witness, an expert, or an advisor, for or upon behalf of any organization appearing before the United States Department of Agriculture, Food and Drug Administration, Commodity Futures Trading Commission or Farm Credit Administration."

Mr. ASHBROOK. Mr. Chairman, at the outset I might indicate this is the amendment, as the whip notice indicated, offered by the gentleman from Louisiana (Mr. MOORE). The gentleman from Louisiana (Mr. MOORE), and I worked on this amendment. He is on the Ways and Means Committee. I am taking the lead in offering this today.

Just a few days ago, the House very decisivly attached an amendment of this type to the energy bill. I might indicate that the committee itself, on page 29 in its report, says, and I quote:

> The committee remains concerned with potential abuses in providing financial assistance to public participants in rulemaking proceedings.

The committee goes on quite properly to indicate some progress has been made and I know the chairman of the committee is to be commended for working with the Department of Agriculture to promulgate provisions and regulations which will prevent abuse. I am well aware that the Appropriations Committee and the legislative committees have also taken action to prevent abuses which were pointed out last year when Miss Foreman awarded a contract to a former employer, the Consumer Federation of America.

Mr. Chairman, last year, I discussed at length on this floor, a contract awarded by the USDA to the Consumer Federation of America. A reexamination of this contract and the circumstances surrounding the award to CFA will give my colleagues an inkling of how the USDA can be expected to exercise its discretion with intervenor funding. Simply put, if the CFA contract is any indication—and I believe it is—the intervenor money will be doled out to USDA favorites in the self-proclaimed professional public interest community, who will support USDA regulatory proposals.

The USDA has proposed a change in net weight regulations. The substance of the proposed regulatory action, though it carries the potential for wide-ranging ramifications in the economic sector, is really irrelevant at this moment. What is important is that the net weight proposal was met with a storm of controversy. For various reasons, many businesses and industry oppose the rule. As might be expected, for various reasons many consumer lobbies support the proposal.

One of those consumer groups is the Consumer Federation of America.

The Assistant Secretary of the U.S. Department of Agriculture is Carol Tucker Foreman, who is the former Executive Director of CFA. She resigned the CFA post to join USDA, as a matter of fact. Ms. Foreman has the Food, Safety and Quality Service (FSQS) in her control at USDA.

The net weight proposal emanated from FSQS.

As I said before, the proposed net weight regulation was met with controversy, particularly regarding the economic effect the regulation would have on food prices. When this controversy developed, Carol Foreman decided that the economic impact and other related issues should be studied. On June 7, 1978, a study contract was awarded by Ms. Foreman, to guess who: The Consumer Federation of America, her former employer.

The contract was awarded to CFA after what the Washington Star called "an unusual series of steps, several involving Foreman herself." So we have the situation that Foreman moves from the CFA to the Department of Agriculture, where she then gives a $24,000 grant of taxpayers' money back to the CFA. As I said on the House floor on August 16, 1978, can you imagine the outcry if someone moved from a private position to a position in Government and then awarded a contract to his former employer?

At my request, the Inspector General of the USDA reviewed this contract. The Inspector General report was a whitewash; although the Inspector General's review presented patent evidence of manipulation of the contract procedures, the Inspector General determined that no impropriety was involved. This finding was made though the USDA rejected the only bid received in response to the original request for monetary quotations on the contract, because that bid exceeded $10,000. Yet the CFA ultimately received the contract on the $23,550 bid. Moreover, USDA entered into negotiations with CFA on the basis of this $23,550 bid without affording the original bidder an opportunity to come up with a competitive offer—and after Ms. Foreman informed CFA of the amount of that one competing bid.

The situation was reviewed by the Justice Department, which again protected Ms. Foreman by agreeing with the Inspector General's conclusion—this, though the Inspector General's report states that secretaries were asked to lie, by their superiors, about telephone conversations made during the bidding process.

I want to reiterate, so we all understand, that CFA was asked to definitively study the proposed net weight regulation, although the CFA already had publicly testified in support of the regulation.

Now, what does all this mean in terms of the intervenor funding program?

First, it shows how easily any criteria for funding, no matter how carefully devised, can be abused and subverted to funnel Federal tax dollars to favored organizations. After all, Federal procurement and bidding safeguards are designed to prevent exactly the type of favoritism shown CFA by Ms. Foreman in the award of the net weight contract.

Second, it shows that Federal bureaucrats try to get support on the public record for their regulatory proposals from nongovernment organizations; in the case of the CFA net weight contract, at the public expense, also.

Why should we believe it should be any different with so-called public participation moneys? There will be ways found to supply organizations supportive of regulatory proposals with taxpayer financed tickets to come in and bolster the public record for the proposal.

The record of the CFA-Carol Tucker Foreman affair is replete with evidence of the pervasive influence of CFA in the contract award process. USDA and CFA officials were in constant contract, in person and by telephone, working out details of the contract, to the extent that the bidding process itself can be said to have been fashioned to the exact specifications of CFA and no other bidder.

I know the Appropriations Committee,

particularly its distinguished chairman from Mississippi and the ranking minority member on the Agriculture Subcommittee, my good friend from North Dakota, have worked hard to insure that the USDA and FDA follow stringent criteria in awarding any public participation money. But I must express my deep, profound concern, and conviction that the Foreman-CFA affair proves that no criteria is invulnerable from the forces of friendship, past allegiances, and sympathetic treatment which all serve to subvert the criteria and make intervenor funding a "consumer group subsidy" program pervaded by favoritism and cronyism.

What Carol Foreman did in giving the CFA, her former employer, a $23,500 contract to examine and make findings on a regulatory proposal which CFA favors, was wrong. Just flat wrong. She and her colleagues on USDA and FDA should not be given more taxpayers' dollars to do with as they please.

I urge my colleagues to support the amendment.

Mr. WHITTEN. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, as I pointed out earlier, section 628 of title 31, United States Code, annotated, provides no one shall expend moneys except as provided by the Congress.

That has been ignored by many, many departments and agencies.

Now, where you have a regulatory commission and where this issue is up, as a lawyer, I can see the need for it, and I can see in the history of the Department of Agriculture where there might have been a need for it.

I hope we will defeat this amendment, because last year this point was made, and we decided that the Department must provide regulations. They are summarized on page 29 of our report. They provided regulations which tightened this up to the point that it is expected to stop the abuse that existed before.

I, for one, wish to reward a Department or agency which listen to the Congress and does as the Congress asks and quits abusing this matter and leaves it to a very limited place.

I think the operations under the language that is in this bill in our report and under which they operate is the best way to handle a difficult problem.

I want to make it plain that I want this amendment defeated, because I think we should reward the Department where they are carrying this out as the Congress intended.

I want to take it plain that in defeating it, we are not thereby authorizing them to wipe out the regulations, which is what I am afraid some people might try to argue if the Congress had a chance to prohibit it and did not.

I will tell you if you will reread section 628 of U.S.C. 31 annotated, where it says, in effect, "You shall carry out the intent of Congress," and we vote on the gentleman's amendment and we disprove it, then they might try to argue that we had gotten rid of the regulation.

I wish the gentleman would give thought to whether this is the appropriate place to carry out what he and I both agree on.

Mr. ASHBROOK. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from Ohio.

Mr. ASHBROOK. Mr. Chairman, could my colleague tell me—I think I know the answer—whether or not the Department of Agriculture is in a position to pay public participants in rulemaking proceedings at this point or must they wait until the regulations referred to in the report are promulgated and approved by the Congress?

Mr. WHITTEN. Insofar as what the law is concerned with, I would not profess to tell the gentleman at this point. I would guess they would come under what others come under. I would say the regulations which are summarized on page 29 are the regulations of the Department. To our knowledge, they have made no exceptions to it. They agreed to abide by it.

Mr. ASHBROOK. If the gentleman will continue to yield, there is no money in this appropriation bill.

Mr. WHITTEN. They must operate according to regulations. We have provided no specific line-item appropriation for that purpose.

Mr. ASHBROOK. For the record, my colleague has properly indicated that there is really no ratemaking, while there might be the promulgation of regulations. I know the one I was particularly concerned with was the one that had to do with net weight of the food safety and quality service in the USDA. That would not exactly be ratemaking, but it was the promulgation of a very important regulation, even after saying that there are no rates.

Mr. WHITTEN. I think it is entirely different from where this has been appropriated.

Mr. ASHBROOK. I thank my colleague. I think he makes a good point. I thank him for making that observation.

Mr. WHITTEN. I hope the amendment will be defeated.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio (Mr. ASHBROOK).

The amendment was rejected.

Mr. WHITTEN. Mr. Chairman, I move that the Committee do now rise and report the bill back to the House with an amendment, with the recommendation that the amendment be agreed to and that the bill, as amended, do pass.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker, having resumed the chair, Mr. RUSSO, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 4387) making appropriations for Agriculture, Rural Development, and Related Agencies programs for the fiscal year ending September 30, 1980, and for other purposes, had directed him to report the bill back to the House with an amendment, with the recommendation that the amendment be agreed to, and that the bill, as amended, do pass.

The SPEAKER. Without objection, the previous question is ordered.

There was no objection.

The SPEAKER. The question is on the amendment.

The amendment was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

□ 1450

MOTION TO RECOMMIT OFFERED BY MR. MILLER OF OHIO

Mr. MILLER of Ohio. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. MILLER of Ohio. I am, Mr. Speaker.

The SPEAKER. The Clerk will report the motion to recommit.

The Clerk read as follows:

> Mr. MILLER of Ohio moves to recommit the bill H.R. 4387 to the Committee on Appropriations.

The SPEAKER. Without objection, the previous question is ordered on the motion to recommit.

There was no objection.

The SPEAKER. The question is on the motion to recommit.

The motion to recommit was rejected.

The SPEAKER. The question is on the passage of the bill.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. MILLER of Ohio. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 391, nays 30, not voting 13, as follows:

[Roll No. 256]

YEAS—391

Abdnor
Addabbo
Akaka
Albosta
Alexander
Ambro
Anderson, Calif.
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Anthony
Applegate
Archer
Ashbrook
Ashley
Aspin
Atkinson
Badham
Bafalis
Bailey
Baldus
Barnard
Barnes
Bauman
Beard, R.I.
Beard, Tenn.
Bedell
Beilenson
Benjamin
Bennett
Bereuter
Bethune
Bevill
Biaggi
Bingham
Blanchard
Boggs
Boland
Boner
Bonior
Bonker
Bouquard
Bowen
Brademas
Breaux
Brinkley
Brooks
Broomfield
Brown, Calif.
Brown, Ohio
Broyhill
Buchanan
Burlison
Burton, Phillip
Butler
Byron
Campbell
Carney
Carr
Carter
Cavanaugh
Chappell
Cheney
Chisholm
Clausen
Clay
Clinger
Coelho
Coleman
Collins, Ill.
Conte
Corcoran

Corman
Cotter
Coughlin
D'Amours
Daniel, Dan
Daniel, R. W.
Danielson
Daschle
Davis, Mich.
Davis, S.C.
de la Garza
Deckard
Dellums
Derrick
Devine
Dickinson
Dicks
Diggs
Dingell
Dixon
Dodd
Donnelly
Dornan
Dougherty
Downey
Drinan
Duncan, Oreg.
Duncan, Tenn.
Early
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
Edwards, Okla.
Emery
English
Erdahl
Erlenborn
Ertel
Evans, Del.
Evans, Ga.
Evans, Ind.
Fary
Fascell
Fazio
Fenwick
Ferraro
Findley
Fish
Fisher
Fithian
Flippo
Florio
Foley
Ford, Mich.
Ford, Tenn.
Fountain
Fowler
Frost
Fuqua
Garcia
Gaydos
Gibbons
Gilman
Gingrich
Ginn
Glickman
Goldwater
Gonzalez
Goodling
Gore
Gramm
Grassley
Gray
Green
Grisham
Guarini
Gudger
Hagedorn
Hall, Ohio
Hall, Tex.
Hamilton
Hammerschmidt
Hance
Hanley
Harkin
Harris
Harsha
Hawkins
Heckler
Hefner
Heftel
Hightower
Hillis
Hinson
Holland
Hollenbeck
Holt
Holtzman
Hopkins
Horton

Howard
Hubbard
Huckaby
Hughes
Hutto
Hyde
Ichord
Jeffords
Jeffries
Jenkins
Jenrette
Johnson, Calif.
Johnson, Colo.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kastenmeier
Kazen
Kemp
Kildee
Kindness
Kogovsek
Kostmayer
Kramer
LaFalce
Latta
Leach, Iowa
Leach, La.
Leath, Tex.
Lederer
Lee
Lehman
Leland
Lent
Levitas
Lewis
Livingston
Lloyd
Loeffler
Long, La.
Long, Md.
Lott
Lowry
Lujan
Luken
Lundine
McClory
McCloskey
McCormack
McDade
McEwen
McHugh
McKay
McKinney
Madigan
Maguire
Markey
Marks
Marlenee
Marriott
Martin
Mathis
Matsui
Mattox
Mavroules
Mazzoli
Mica
Michel
Mikulski
Miller, Calif.
Mineta
Minish
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Montgomery
Moore
Moorhead, Pa.
Murphy, Ill.
Murphy, N.Y.
Murphy, Pa.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Nedzi
Nelson
Nichols
Nolan
Nowak
O'Brien
Oakar
Oberstar
Obey
Ottinger
Panetta
Pashayan
Patten
Patterson
Pease
Pepper

Perkins
Petri
Peyser
Pickle
Preyer
Price
Pritchard
Pursell
Quayle
Quillen
Rahall
Railsback
Rangel
Ratchford
Regula
Reuss
Rhodes
Richmond
Rinaldo
Roberts
Robinson
Rodino
Roe
Rose
Rosenthal
Rostenkowski
Roth
Roybal
Royer
Rudd
Runnels
Russo
Sabo
Santini
Satterfield
Sawyer
Scheuer
Sebelius
Seiberling
Sensenbrenner
Shannon
Sharp
Shelby
Shuster
Simon
Skelton
Slack
Smith, Iowa
Smith, Nebr.
Snowe
Snyder
Solarz
Solomon
Spellman
Spence
St Germain
Stack
Staggers
Stangeland
Stanton
Stark
Steed
Stenholm
Stewart
Stockman
Stokes
Stratton
Studds
Stump
Swift
Synar
Tauke
Taylor
Thomas
Thompson
Traxler
Treen
Trible
Udall
Ullman
Van Deerlin
Vander Jagt
Vanik
Vento
Volkmer
Walgren
Walker
Wampler
Watkins
Waxman
Weiss
White
Whitehurst
Whitley
Whittaker
Whitten
Williams, Mont.
Williams, Ohio
Wilson, Bob
Wilson, C. H.
Wilson, Tex.
Winn

Wirth
Wolff
Wolpe
Wright
Wyatt

Wylie
Yates
Yatron
Young, Alaska
Young, Fla.

Young, Mo.
Zablocki
Zeferetti

NAYS—30

AuCoin
Brodhead
Cleveland
Collins, Tex.
Conable
Courter
Crane, Daniel
Crane, Philip
Dannemeyer
Derwinski
Frenzel
Gephardt

Gradison
Hansen
Jacobs
Kelly
Lagomarsino
Lungren
McDonald
Mikva
Miller, Ohio
Moorhead, Calif.
Mottl

Paul
Ritter
Schroeder
Shumway
Symms
Weaver
Wydler

NOT VOTING—13

Bolling
Burgener
Burton, John
Conyers
Flood

Forsythe
Giaimo
Guyer
Ireland
Mollohan

Neal
Rousselot
Schulze

□ 1500

The Clerk announced the following pairs:

Mr. Giaimo with Mr. Rousselot.

Mr. Flood with Mr. Schulze.

Mr. Ireland with Mr. Forsythe.

Mr. Mollohan with Mr. Guyer.

Mr. Neal with Mr. Burgener.

Mr. John L. Burton with Mr. Conyers.

Mr. HOLLAND changed his vote from "nay" to "yea."

Mr. RITTER and Mr. COURTER changed their vote from "yea" to "nay."

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Chirdon, one of his secretaries, who also informed the House that on the following dates the President approved and signed bills of the House of the following titles:

On June 13, 1979:

H.R. 2805. An act to make technical and conforming changes to the financial disclosure provisions in the Ethics in Government Act of 1978.

On June 19, 1979:

H.R. 3915. An act to amend title IV of the Employee Retirement Income Security Act of 1974 to postpone for 10 months the date on which the corporation must pay benefits under terminated multiemployer plans.

□ 1510

REPORT ON RESOLUTION WAIVING CERTAIN POINTS OF ORDER AGAINST H.R. 4440, TRANSPORTATION APPROPRIATIONS, 1980

Mr. MOAKLEY, from the Committee on Rules, submitted a privileged report (Rept. No. 96-286) on the resolution (H. Res. 322) waiving certain points of order against the bill (H.R. 4440) making appropriations for the Department of Transportation and related agencies for the fiscal year ending September 30, 1980, and for other purposes, which was referred to the House Calendar and ordered to be printed.

DISAPPROVING DEFERRAL OF BUDGET AUTHORITY (DEPARTMENT OF THE INTERIOR)

Mr. YATES. Mr. Speaker, I call up the resolution (H. Res. 239) disapproving a proposed deferral of budget authority numbered D79-54, and ask unanimous consent that it be considered in the House.

The Clerk read the title of the resolution.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

The Clerk read the resolution, as follows:

H. RES. 239

Resolved, That the House of Representatives hereby disapproves the proposed deferral of budget authority in the amount of $1,792,000 for Exploration of National Petroleum Reserve in Alaska, Geological Survey, Department of the Interior for petroleum exploration activity, proposed deferral number D79-54, as transmitted to Congress by the President under section 1013 of the Budget and Impoundment Control Act of 1974 (31 U.S.C. 1403).

The SPEAKER. The gentleman from Illinois (Mr. YATES) is recognized for 1 hour.

Mr. YATES. Mr. Speaker, I yield 30 minutes to the gentleman from Pennsylvania (Mr. MCDADE) and I yield myself so much time as I may consume.

Mr. Speaker, on April 30 I introduced a resolution disapproving a deferral of $1,792,000 for the exploration of the national petroleum reserve in Alaska, an activity of the Geological Survey in the Department of the Interior. The Appropriations Committee reported it on May 30 with a unanimous recommendation that the House concur. This deferral is part of an overall administration policy to discontinue exploratory drilling on the National Petroleum Reserve because of budget constraints. In addition to the deferral, the Department requested a reprograming of approximately $15 million of fiscal year 1979 funds to begin phaseout of the program and did not request fiscal year 1980 funds for its continuation. Our committee believes that these actions are not in this country's best interest. To stop the drilling now would make no sense at all.

Hearings we have had with the Geological Survey and the Secretary of the Interior as well as with Husky Oil Co., the Government contractor on the reserve, show that all parties agree that there is significant oil potential on the reserve. The administration's stated position, as a matter of fact, is that they will recommend legislation in the next session of Congress to provide for private exploration of the reserve. That policy would delay a decision on ultimate development of the reserve. We oppose such delay. Based on testimony we have received and our knowledge of the leasing systems involved, such a policy would result in delays of 5 to 6 years in the continued drilling of the reserve and thus the possible discovery of oil. The crux of the matter is the timing of the drilling. Let us not stop now. While the question of how the reserve should ultimately be developed is being debated, the committee believes drilling should continue. We believe it would be the height of folly to stop the drilling program now. It is in place, it is working well—why stop it now?

I need not recap the recent events in the world that have led to a tight oil supply situation. This situation comes not because of current shortages of oil in general, but because of the refusal of OPEC nations to produce quantities sufficient to satisfy world demands. Although it is unrealistic to believe that drilling on the National Petroleum Reserve in Alaska will lead to any short-term alleviation of this problem, it is also unrealistic to assume that by delaying the drilling of the reserve by 5 to 6 years, we will have shown the OPEC nations our resolve to do anything possible in order to reduce our dependence on them for supply. It may very well be that in the future Congress would desire private drilling on the reserve. By financing Government drilling in the meantime, we do not foreclose that option.

It appears that the only real reservation the administration has to drilling on the reserve is that it is expensive and it would be cheaper for the Government to have the private sector lease and drill on the reserve. What could be more expensive than depending on the OPEC nations for a majority of our oil supply? It is worse than no argument at all to argue that we cannot afford to continue with Government drilling on the reserve.

Our committee, and I personally, have very strong feelings on this subject. We do not argue that it is cheap to drill on the reserve. We also do not argue that we are sure that oil will be found in commercial quantities. We do argue, however, that it is a small price to pay considering the billions of dollars that we have put into energy research and development and energy production in prior appropriations, and those billions that we will no doubt supply in the future.

I would note that denying this deferral, as this resolution would do, is only one of several steps necessary in this process. The dollar value of the deferral is insignificant but its symbolic value is great. In addition to recommending this action the committee denied a reprograming of $15 million which would have begun demobilization of the reserve. Lastly, the subcommittee recommended at our markup on the fiscal year 1980 bill, that we continue drilling in the reserve in fiscal year 1980 and added funds to do so. By approving this deferral action, we can in some measure, attack the oil supply problems that face us and let the administration and OPEC know that the Congress is serious in its concern about the energy situation. I, therefore, recommend to the House that this resolution be passed.

Mr. DUNCAN of Oregon. Mr. Speaker, will the gentleman yield?

Mr. YATES. I yield to the gentleman from Oregon.

Mr. DUNCAN of Oregon. I thank the gentleman for yielding.

I would like to simply endorse what the gentleman has so eloquently said. This program that is under way will not solve entirely the energy crisis we are in the middle of, but it certainly is absolutely unjustifiable to defer taking the steps that the gentleman is recommending. I support them and hope that the body will approve this resolution.

Mr. REGULA. Mr. Speaker, will the gentleman yield?

Mr. YATES. I yield to the gentleman from Ohio.

Mr. REGULA. I thank the gentleman for yielding.

I think the gentleman makes a point that in terms of cost effectiveness this drilling can be done at a much less cost to the U.S. Government by continuing the program rather than terminating it and restarting it at some later date. Is that correct?

Mr. YATES. The gentleman is correct. The termination costs for closing down the Husky program would approximate $50 or $60 million, and we think it would be foolish to require them to do that while we are nearing the conclusion of the drilling program.

Mr. REGULA. I thank the gentleman.

Mr. McDADE. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the Members on this side of the aisle enthusiastically support the disapproval of $1.7 million of the administration's request to defer drilling for oil on the national petroleum reserve in Alaska. We do it unanimously. We hope the committee will report it unanimously. We further hope that the full House will approve it unanimously.

Mr. Speaker, a vote in support of this resolution will keep the U.S. Government in the business of searching for oil on what has been described as the more likely candidate for a new oil find in the continental United States. There are an estimated 5 billion barrels of oil contained here.

Incredibly and without any logical or positive alternative the administration wants to stop drilling for oil amidst a national energy crisis. If we let them stop, we will delay drilling on the NPRA for anywhere from 5 to 6 years. Think of it, every year we delay, every year we remain in the grip of OPEC. Every day we wait for the administration to make another study. Every week we wait for the administration to send us legislation to give us their suggestions on the future of the NPRA. The price of OPEC oil goes higher and higher. Our committee will simply not stand for it and today we are telling the Nation that if the administration would not act to find new oil in the continental United States, then we will.

The only argument that the administration can muster in support of this deferral is that it costs too much money. Well, let us talk dollars for a minute. If we let the administration have its way, they will have to spend $64 million to close down operations on the NPRA. Assuming they report to the Congress later this year that we should start up again, the taxpayers will have to spend another $64 million to get going again. Only it will take them another 18 to 24 months to mobile. So what the adminsitration is really saying is that they are willing to spend $120 million plus to shut down and start up again without drilling for oil.

What we are saying is that for the same amount of money we can keep the contractor in place drilling for oil while for the same amount of money the administration dawdles over whether or not to study the entire matter.

We can drill five wells in 1980 and prepare for more wells in 1981 for the same amount of money. So what we are saying today to the administration is let us drill for oil, let us not shut down the most promising hydrocarbon potential in our Nation on land owned by the taxpayers of the United States. And finally, let us get some urgency in our Nation's energy program. I urge a unanimous vote on this deferral.

□ 1520

This resolution of disapproval typifies what is wrong with administration policy. I hope that we can look at it because the facts in terms of the dollars are not controverted. To terminate this contract costs about $61 million. The Government is going to terminate it at the convenience of the Government. If we go forward with it, as we intend to when we bring the bill out in fiscal year 1980, it will cost about $40 million more. It makes economic sense, it makes sense for our Nation, it makes sense for all of us to disapprove, I hope again unanimously, this resolution which is presented.

Mr. RHODES. Mr. Speaker, will the gentleman yield?

Mr. McDADE. I yield to my friend, the distinguished minority leader.

Mr. RHODES. Mr. Speaker, I certainly thank the gentleman and my good friend from Illinois, the chairman of the committee, for bringing this matter to the attention of the House.

I am actually appalled anyone would want to defer this project, especially at a time like this when certainly it behooves the United States to spend as much energy as we possibly can to produce more energy domestically.

Actually, the implication that the administration is very half hearted about the expiration of Pet–4 is to me beyond belief. Here we are with a balance-of-payments situation largely caused by the necessity to import oil from abroad; here we have the oil province, as the gentleman from Pennsylvania says, known, and we find the administration dragging its feet on developing it. I am amazed and I think that certainly the Congress is doing a very wise thing in disapproving that deferral and again I thank the gentleman for bringing it up.

Mr. McDADE. I thank my friend from Arizona.

Mr. MYERS of Indiana. Mr. Speaker, will the gentleman yield to me?

Mr. McDADE. I yield to my friend from Indiana.

Mr. MYERS of Indiana. Mr. Speaker, I rise to ask a question.

I thank the gentleman for yielding. Who is, what is and to what extent is the Husky Oil Co. involved in this exploration?

Mr. McDADE. The Husky Oil Co. is the contractor working for the U.S. Government in drilling on the property. They have been drilling up there since about 1973.

Mr. MYERS of Indiana. Are they a commercial oil company?

Mr. McDADE. They are indeed.

Mr. MYERS of Indiana. Should there be oil discovered would they own the oil rights or would the Government own the oil rights?

Mr. McDADE. Mr. Speaker, what is so amazing about this, and I am glad my friend from Indiana raises the question, is that this piece of property and the minerals thereon belong to the people of the United States. All Husky is doing is receiving a payment under a contract which was negotiated with the department that now wants to cancel it, to attempt to examine the property and hopefully find oil.

Mr. MYERS of Indiana. Mr. Speaker, if the gentleman would continue to yield, Husky is only a contractor?

Mr. McDADE. That is all.

Mr. MYERS of Indiana. They are being paid for everything they do and will own nothing after the contract is completed as far as the drilling is concerned?

Mr. McDADE. My friend states it accurately.

Mr. REGULA. Mr. Speaker, will the gentleman yield?

Mr. McDADE. I yield to the gentleman from Ohio.

Mr. REGULA. I thank the gentleman for yielding.

I would like to make one additional point. The amount of acreage involved in Pet-4 is about 24 million acres or an area the equivalent of the State of Indiana. This is owned by the Government, it lies adjacent to or west of the pipeline and it is there as a reserve.

We talk about putting oil back in the ground as a strategic petroleum reserve and what we are attempting to do here is to find out what we have, we the United States, in this 24 million acres and it certainly would be the most effective way to have a strategic petroleum reserve once we prove up the resources that are there and the effect of this drilling will be to show us what we have by way of reserves in this 24 million acre property.

I thank the gentleman for yielding.

Mr. McDADE. The testimony that we have is that the worst that will happen is that we know everything that there is to know, virtually, about this parcel which is owned by the people of the United States and if we get lucky we could have a find equal to Prudhoe Bay.

Mr. YATES. Mr. Speaker, I yield 5 minutes to the gentleman from Alaska (Mr. YOUNG).

Mr. CONTE. Mr. Speaker, will the gentleman yield?

Mr. YOUNG of Alaska. I yield to the gentleman from Massachusetts.

Mr. CONTE. Mr. Speaker, I rise in support of the committee's resolution.

With gasoline prices at or near $1 a gallon when you can get it, with uncertainty over the availability of adequate home heating oil supplies for the coming winter and the continued threat to the economy posed by our enormous balance of payments deficit due to our oil imports, I think we can scarcely afford not to proceed full steam ahead to explore every reasonable domestic energy alternative.

I think it is to the advantage of this Nation to produce our domestic supplies rather than to continue to rely on the whims of the OPEC nations. The national petroleum reserve in Alaska is one of the few remaining unexplored onshore areas in the United States with potential for a significant discovery of oil.

The administration's decision to close out exploration activities on the Pet-4 sites in the absence of significant discoveries of oil until further direction is received from the Congress subsequent to receipt of the administration's resource assessment report not due until January 1980 means that we face anywhere from a 2- to 6-year delay before anything further is done with the Pet-4 site.

Should the Congress, after reviewing the 105B resource assessment report, decide to proceed with Government exploration activities, we would face a delay of at least two drilling seasons as the contractor remobilized. If we should decide to open the reserve to private leasing and drilling, something which the President has indicated he favors, the delay could be up to 6 years before such private commercial exploration got underway.

On top of this it should be remembered that under the best of circumstances there is close to a 10-year lag between the time we first hit something and it can be brought into production.

The administration's rationale in requesting this deferral in order to close out exploration activities seems to be based only on budgetary constraints, the administration appears to be willing to spend up to $60 million to close out the exploration activities in order to save between $40–$120 million on the estimated $110–$200 million cost of continued exploration. I think this is being penny-wise and pound-foolish.

There is no guarantee that if we disapprove the deferral request and proceed with exploration activities, a significant discovery will be made. I think, however, it is worth the gamble. And certainly if a significant discovery is made as a result of continued Government exploration, the oil company bids for commercial rights would more than repay the Government and the American taxpayer for the money spent in these drilling activities.

Mr. YOUNG of Alaska. Mr. Speaker, I, too, congratulate the chairman and the ranking member of the committee.

Although there is not much attention given to this resolution, as I drove to work today at 6 o'clock in the morning and stood in line for an hour and a half, as most of you have had to do, we have an administration downtown that has decided it would be best not to continue the exploratory work on Pet-4, an area as big as Indiana. It is an effort this Congress directed the department to undertake in 1981, to complete this exploratory work.

Because the Secretary of the Interior did not want to proceed—and for what reason God only knows; I am sure he does not know—this area that has possibly the second largest potential of oil in Alaska, Pet-4, will be delayed.

The next largest area or the largest one is, of course, the Arctic Wildlife Range which this body saw fit to put into a refuge wilderness classification which precludes our exploratory work in that area.

I have information that is not confidential that, frankly, has been given to me by individuals working in the area who tell me the Husky Oil has struck gas and, yes, their findings in the last year and a half have been very promising.

To have the committee now come down with this resolution disapproving the position of OMB and the Department of Interior and Insular Affairs calls for congratulations, because it does show that at least this body and at least this committee can see the seriousness of this energy crisis with which we are faced today.

As the gentleman said, maybe, we will find an additional 10 billion to 13 billion barrels of oil. I happen to believe there will be more.

It has been said by the administration we should go forward with private exploration and I support that but under the proposals of the administration it will be 1985 before we would ever have any private exploratory work done or competitive leases issued.

To stop the program now as the administration wants to do would be totally wrong. If we pass this resolution—and I urge all my colleagues to support this—we can go forward in tandem. And then, if, as I expect will happen, Husky Oil finds strong indications of gas and oil, when competitive leases go forth we will get our money back tenfold.

I again want to congratulate the committee for the fine work it has done and to condemn the administration for their shortsightedness and for their inability to recognize the problems with which this Nation is faced today.

I rise in support of House Resolution 239 and I congratulate the gentleman from Illinois for his careful, detailed presentation of this matter and for the attention he has given this entire issue not only this year but throughout the 95th Congress. He has certainly demonstrated a deep concern for America's energy future and an appreciation for the great oil and gas potential of the national petroleum reserve in Alaska.

I support the gentleman from Illinois and House Resolution 239 disapproving the deferral of budget authority submitted by the President for some $1.8 million for the exploration of the national petroleum reserve in Alaska. Yet I wish to discuss today, in supporting the resolution, the larger issue of which this $1.8 million is but a small part, albeit an important one. I say it is an important one because this deferral effort on the part of the Department of the Interior and on the part of the USGS is illustrative of the administration's approach to exploration of the national petroleum reserve in Alaska.

Allow me to give a brief, fascinating and distressing chronology of President Carter's present position with regard to congressionally mandated exploration of the national petroleum reserve in Alaska. I remind my colleagues that it was this Congress, in transferring to the Department of the Interior the responsibility for NPRA, which decided upon a 26-well program. It was this Congress which wanted a full and complete understanding of the oil and gas potential of that vast 23-million-acre tract of land on the northernmost slope of Alaska. In the past 2 years it has been the Carter administration and the Department of the Interior which has increasing pushed for a 19-well program indicating it was "fiscally imprudent" to do more. We stand now in the midst of a vast, often terrifying energy crisis, beholden to foreign sources of supply yet the Carter administration which has declared war on energy, wishes to throw down their sword and move out of NPRA.

My colleagues, this is the chronology of events: The Department of the Interior's budget highlights for fiscal year 1980 and the Department of the Interior's budget justifications for 1980 and the President's budget for fiscal year 1980 advised Congress that the administration wished to terminate the program, to drill no more wells. On February 27 and 28, the House Appropriations Committee, Subcommittee on the Interior, conducted hearings concerning this proposed termination. Under close and careful questioning conducted by the gentleman from Illinois and the gentleman from Pennsylvania, it was learned that the results in NPRA had been encouraging. At one point the head of the USGS indicated that were it left to him, he would continue the program. At the conclusion of those hearings there could be no question in the minds of the Department of the Interior that the Subcommittee on the Interior of the House Appropriations Committee favored continued drilling. A week later the Mines and Mining Subcommittee and the Public Lands Subcommittee of the House Interior and Insular Affairs Committee conducted hearings on the same issue and came to the same conclusion. The Mines and Mining Subcommittee, on which I sit as ranking member, in concert with the Public Lands Subcommittee adopted a resolution favoring a five-well drilling program. Subsequently, the full Interior and Insular Affairs Committee adopted a resolution favoring continued drilling in NPRA.

Meanwhile on the Senate side, the junior Senator from Washington, chairman of the Senate Energy and Natural Resources Committee wrote a letter to the Secretary of the Interior advising him of the chairman's opposition to termination of the oil and gas exploration program.

Additionally, the Senate and House Budget Committee reports both contained language favoring a continued drilling program. And yesterday, on June 6, the Senate Energy and Natural Resources Committee took a position in favor of the expenditure of $240 million for drilling in NPRA in 1980. As well, they directed the expenditure of these funds by the President and in a policy amendment expressed in no uncertain terms the position of the committee that drilling go forward.

Throughout all this, what has been the response of the Department? What has been the response of the Carter administration? Have they been moved by this display of bipartisan unanimity? Have they been impressed with the almost unanimous position of the Congress that Government exploration continue in NPRA? Have they rethought their position and determined, in light of the continuing energy crisis, that they were wrong and the Congress is right? The answer to all three is no, they have not changed one iota.

In fact, at the end of April, the House Interior Committee was informed by the contracting entity—Husky Oil Co.—that the Department of the Interior had not released the entire $15 million that this Congress had appropriated for the purposes of repositioning of drilling equipment. It was only after the Interior Committee delivered a stern letter, signed by the chairman and the ranking minority member, the gentleman from California, to Secretary Andrus that the Department of the Interior relented and expended the entire $15 million.

One would certainly have thought that this strong letter and other congressional demonstration of support for drilling would have caused the Department and OMB to reevaluate their positions. Such was not the case. In mid-May, members of the Interior Committee were advised that representatives of the Department of the Interior and OMB wished a meeting to discuss NPRA. After a number of false starts that meeting took place in May 31. Present at that meeting were representatives of the Appropriations Committee and the House Interior Committee as well as representatives of the Department of the Interior and the Office of Management and Budget.

Let me put this entire matter into perspective. The time is now May 31. The Senate Energy and Natural Resources Committee, the Senate Budget Committee, the House Appropriations Committee, Subcommittee on the Interior, the House Interior and Insular Affairs Committee, the House Budget Committee, had all placed themselves firmly in support of continuing the drilling and in opposition to termination of the program. Husky Oil Co., the company that will be conducting the drilling program, was only 20 days away from their "drop dead" date—that is, if they did not get the go-ahead by the 19th of June, they could not have all their work completed in time to drill in November. At this late date, OMB and DOI met with Members of Congress. Did they come forward with a compromise position—No. Did they advise the Congress of a change in their position—No. Instead, they came in and said they still intended to terminate the program. Needless to say, they were advised that the Congress did not wish to terminate the program, that in fact we wanted the program continued.

Mr. Speaker, this is what we are faced with. This is the reason for this resolution disapproving deferral of budget authority. We are faced with a recalcitrant, foot-dragging, obstinate administration which, despite every possible congressional action which could be taken in support of the program, continues to oppose the program. We need today to send a clear signal to the administration that we want this program to continue. We need to send a clear signal to the White House that if through some administrative bungling, through some bureaucratic harassment, Husky Oil Co. is not able to drill those wells, we shall hold the President responsible and we shall take whatever action is possible against him and his administration.

Mr. Speaker, people wonder and writers query why the President's relations with Congress are so poor. Mr. Speaker, to paraphrase an old but not forgotten television show, there are a million reasons why the President's relations with Congress are bad. This has been but one. I support the resolution.

Mr. UDALL. Mr. Speaker, will the gentleman yield?

Mr. YOUNG of Alaska. I yield to my good chairman from Arizona.

Mr. UDALL. As my colleagues know, I have not always been in total agreement with my friend from Alaska on matters relating to Alaska lands. But here today he is dead right. The gentleman from Illinois (Mr. YATES) and the gentleman from Pennsylvania (Mr. McDADE) and the others who worked on this are entirely correct in suggesting that the time has come to go forward.

I made some representations to the House when we had the Alaska lands bill up and I said the time had come to open up Petroleum Reserve 4 to find out what is there, to turn it over to drilling in the private sector as well as Government drilling. We are going to lose valuable time if we do not keep Husky in there doing this particular job they have been doing for the last 5 or 6 years. It is the worst kind of economy for the administration in order to squeeze a few dollars for budgetary purposes. It is the worst possible kind of economy. This drilling ought to go forward. This country is going to need that oil, we should find out what is there and the adoption of this resolution will move us along in that direction.

Mr. YOUNG of Alaska. I thank my good chairman from Indiana.

I yield back the balance of my time.

Mr. CLAUSEN. Mr. Speaker, I rise in support of House Resolution 239 and I congratulate the Appropriations Committee and its Subcommittee on the Interior for the speed with which they have considered this matter and brought it before the House of Representatives for action.

It is important that we act with all due speed regarding this resolution not only because of the urgency of solving Americas' energy crisis, but because of the rather unique situation in which the contracting agent for the U.S. Government now finds itself with regard to drilling in the National Petroleum Reserve in Alaska.

The Department of the Interior has indicated its intention and desire to terminate the present exploration program on the completion of the wells now in progress and to refrain from the drilling of any new wells in fiscal year 1980. This Congress, through the Senate Budget Committee, the House Budget Committee, the Senate Energy and Natural Resources Committee, the House Interior and Insular Affairs Committee, and the House Appropriations Committee has indicated its intention and desire that the drilling program proceed and that at least five new wells be begun in fiscal year 1980. Despite this almost unanimous show of support, the administration has continued to favor and to recommend termination of the present exploration program—a program which the Congress in 1976 intended to continue at least through the completion of some 26 wells, of which only 19 have been begun. As recently as the last day of May, Office of Management and Budget and Department of the Interior representatives met with Members of Congress to press for termination of the present exploration program. It is uncertain how much longer the administration will continue to stonewall against the will of the Congress regarding the National Petroleum Reserve in Alaska. If the administration had its way, it would no doubt do so until the Congress adopted the appropriations bill at the close of this session. From all present indications, the Department would likely favor termination even in the face of that congressional action.

Yet for those of us who realize the urgency of a solution to our national energy crisis, for those of us aware of the oil and gas potential of the national petroleum reserve in Alaska, for those of us who desire the continuation of the exploration program in fiscal year 1980, we cannot wait until the adoption of the appropriation legislation in late 1979. For, in order to be in a position to continue the exploration program in the fall of 1979 and early 1980, Husky Oil Co. must take certain essential steps beginning no later than mid to late June 1979. Archeologists must be detailed, geologists must be assigned, water supplies and gravel sources must be located and drilling sites prepared, all prior to the freeze in October or November. These steps take time. Thus, to Husky Oil Co. and to those of us who desire the continuation of this program, time is of the essence. If we expect the wells to be drilled in fiscal 1980, Husky must be told within a matter of days, if not hours, of the intention of the administration to continue the exploration program. If Husky is not so advised, there will not be sufficient time to be underway by the onset of the drilling season.

Mr. Speaker, today we act not only on this resolution, we act not only on the matter of $1.8 million in a deferral request but we act as well on the matter of what this House wishes to do concerning the exploration program in the national petroleum reserve in Alaska. A strong vote today will send an unquestionable signal to the administration that the House of Representatives wishes the drilling program to continue and that notwithstanding the administration's own particular inclinations, it must do as the Congress has directed and move forward with the exploration program in Alaska.

● Mr. PAUL. Mr. Speaker, I rise in opposition to this resolution of disapproval, House Resolution 239. We are told that unless this resolution passes, exploratory drilling will cease on the naval petroleum reserve—Alaska—and it will be 6 years before private drillers would be able to sink their first hole. On the surface that seems to be a compelling argument for voting for this resolution. However, we must look deeper. When we do, we find that the Government has drilled only 19 holes in the past 7 years in this reserve that is the size of the State of Indiana. They have found some gas, but not in commercial quantities. There is absolutely no production from any of these wells— or holes, rather. To continue this program at the expense of taxpayers is foolish.

Ah, but the proponents reply, private drillers would not be able to explore the reserve for 6 years. Why not? Because of Government redtape. The private drillers would have to get all the environmental studies done, get the necessary permits, wait for the Government to block out the reserve and offer the rights for sale. The problem is not the slowness of the private explorers, but the Government regulations. Rather than changing the regulations, we vote to spend more tax money on a slower than molasses in Alaska in January exploration program that in 7 years has not produced any oil or gas. The millions that have been poured into the dry holes in Alaska by the Government have been wasted. It is another example of the incompetence of the Government in the energy field.

If this Congress is genuinely interested in solving the energy problem, and I have heard many speeches here today that would seem to indicate that it is, then it must repeal the laws it has created that have stifled and smothered any private incentive in the field of exploration and energy production. Until it starts repealing laws, then I am compelled to believe that all this talk about concern for the Americans waiting in gas lines is just that: talk. I urge my colleagues to vote against this resolution.

Mr. Speaker, one of the most thoughtful, capable, and eloquent Members of this House is our colleague DAVID STOCKMAN.

Congressman STOCKMAN is an outstanding leader in the fight for individual rights, limited Government, and the market.

This clearly reasoned and well-stated op-ed piece in this morning's Washington Post should be read by every American.

The American people are rightly angry about the gasoline shortages. DAVID STOCKMAN places the blame exactly where it belongs: On the controls, regulations, and allocations of the Department of Energy.

The article follows:

WHO'S TILTING THE GASOLINE MACHINE?

The U.S. gasoline market is beginning to resemble a giant pinball machine. Some inept player is recklessly jiggling the board, causing it to go "tilt." But in a highly curious manner. The bells and lights of shortage—station closings, long lines and tank-topping—are not tripping off in a generalized, nationwide pattern, but sporadically, locally, almost randomly—one city at a time.

This hit-and-run pattern is the key to fingering the culprit. Thus, despite all its imperfections, the "invisible" hand of the marketplace automatically gets exonerated because it is inherently incapable of dispensing injustice so capriciously. Faced with an estimated 9 percent gap nationally between apparent demand and available supplies, the marketplace would close this gap by substituting higher prices for long lines. That would mean a market-clearing (line-eliminating) price in the range of $1.20 to $1.30 per gallon. Nor would price rationing dump the entire shortage burden on one or a few localities. The price would not be $1.50 per gallon in Washington where there are currently massive lines and only 85 cents per gallon in Albuquerque where there are no lines and half the stations are open 24 hours a day.

Instead—in response to opportunities to buy lower and sell higher—brokers, jobbers and speculators would move available supplies around in a hurry so that the price would equilibriate somewhere in between. The burden of shortage would be shared equally by all geographic areas and end-use sectors, as occurred when the nation's foreign coffee supplies precipitately dropped by 25 percent two years ago.

But something is at work in the internal marketplace, transforming the present 9 percent shortage in the national gasoline pool into a far more severe problem in a selective set of local retail markets. What is it?

In this instance, the major oil companies are not a plausible villain. While not noted for their political acumen, even they are not stupid enough to pick two of the nation's major political hot buttons—Washington, D.C., and Los Angeles—for a demonstration strike. The same reasoning holds for the greedy, panic-stricken consumer explanation. The aggregate 9 percent gasoline shortfall has not elicited a run on the retail gasoline bank in 90 percent of the country. While motorists in Washington and Southern California are admittedly unique in their political and cultural propensites, there is no evidence that they are any more irrational than average in their gas-buying habits.

The fact is, the fingerprints that appear on literally every barrel of gasoline that moves outward from the nation's 200 refineries, through 12,000 wholesalers and 200.000 retail outlets, for ultimate deposit in 120 million thirsty vehicle tanks, are those of the Department of Energy. Like the fabled handiwork of the Lilliputians, 3,000 pages of regulations and interpretive opinions rigidly bind the exact price and volume of each transaction through the marketing chain, and ultimately determine the precise street-corner destination of each of the 300 million gallons that move through the system daily.

The first thing to note about this massive pile of regulations is that it is stacked against the retail market, cities and growth areas—and toward farmers, non-metropolitan areas, gasoline marketers and hoarders.

This month available supplies nationwide amount to 92 percent of the June 1978 base period. But most D.C. area retail stations are getting only 75 to 85 percent of last year's volume, at best. Why? Because 15 percent of the total supply is being skimmed off the top of the national pool for the state set-aside and so-called high priority users. The retail network gets an allocation fraction based on the diminished residual supply.

"THE LILLIPUTIAN REGULATORS ARE NOW APPLYING A SPECIAL SUPPLY NOOSE TO THE CITIES"

State capitol bureaucrats are supposed to distribute part of this—the 5 percent state set-side—to areas of greatest need. But evidence from the 1973–74 experience suggests a good portion is going to pals, politically connected marketers and squeaky wheels in the commercial sector.

Similarly, in the last four months the share going to the other top-of-the-pool category—high-priority users—has more than doubled. Moreover, these high-priority users—especially farmers—are entitled to 100 percent of their "current needs," which is defined as whatever they say it is. For all practical purposes, this means unlimited entitlement to scarce supplies for priority claimants who are self-certified from the bottom of the marketing chain up. The fact that delivery times for 1,000 to 10,000 gallon steel tanks have ballooned dramatically in recent months suggests that "current needs" include the right to hoard for future use.

Overall, a substantial share of available supplies is being diverted out of the retail market to various categories of legally privileged and politically connected users who face absolutely no incentive to conserve, a wide-open opportunity to hoard, and an artificially low, controlled price to boot.

The second major distortion stems from the fact that the price-control regulations encourage dealers to respond to the present "sellers market" in a perverse way. While the retail price ceilings are leaky and ill-enforced, they most definitely do restrain the rate of price increase relative to what would otherwise occur in a supply-short market. This is supposed to protect the consumer, but what it actually does is encourage the dealer to take his seller's-market profits in an alternative way; Instead of raising prices, he reduces hours and operating costs, thereby widening his actual margin.

Thus, facing an already artificially low allocation fraction, retailers find it possible to move a fixed monthly gallonage by cutting out their highest cost hours—weekends and evenings. This in turn induces motorists to line up on Monday and Friday, which permits a further compression of sales hours. Soon there are Tuesday and Thursday lines, even fewer sales hours, still lower operating costs and even higher profits over a price-controlled but constant volume of sales. Fed by a spiral of consumer panic, the ultimate outcome is obvious. Your friendly gas-and-go operator, who normally moves 25,000 gallons to 3,000 customers over the course of a week stretching upwards of 90 hours, arrives at the crack of dawn on Wednesday to find a week's worth of customers neatly queued in a two-mile line—whence he laughs all the way to the bank or his favorite fishing hole by noon.

In the absence of the DOE ceilings, of course, some operators would sell higher and stay open longer; others would sell higher and stay open different hours; and the most enterprising dealers and jobbers would be out scrounging the regional and national market for additional, higher-priced supplies that will always gravitate toward the strongest local seller's market.

Yet under DOE rules, in which every gallon is earmarked, there are no free supplies and nothing for local jobbers to bid for in order to shift the short-run allocation. Necessarily then, motorists work harder and longer, marketers work less and more profitably, and eventually the system tilts. That this DOE-designed *market-clogging* outcome is of any more benefit to the consumer than the *market-clearing* outcome is by no means apparent.

Finally, the Lilliputian regulators are now applying a special supply noose to the cities. During the recreation season, the big cities are heavy exporters of weekend traffic, which creates seasonal bulges in gasoline demand along the interstates and in the beach, resort and vacation receiving areas. The allocation system is now perfectly reflecting this normal distribution of sales by allocating to each station an equal fraction of last year's base.

But worried motorists don't behave normally—and *aren't* reflecting last year's pattern. Exhausted from hustling for gas or apprehensive about being stranded, a significant fraction are staying inside the beltway on weekends. Last Friday, for instance, traffic across the Bay Bridge was down a full 20 percent from the same week last year. Unfortunately, when the traffic stops flowing down Route 50, the gasoline delivery trucks don't. The allocation system thus drains the cities and floods the highways and countryside.

Unless total supplies improve substantially in the next six weeks, the tilt lights will start popping in most major cities in the East and elsewhere. The administration can avoid this unhappy outcome instantly by pulling the rip cord on the Lilliputian regulators now knotting up the gasoline market. But Congress would have 15 days to veto such a decontrol plan. Undoubtedly it would do so. Better to risk massive dislocation, push public tempers to the flash point and beat the drums harder against scapegoats than to tell the public the truth: Gasoline is no longer cheap. Ironically, however, the present regulatory camouflage will ultimately prove even more costly.●

Mr. YATES. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. WALKER. Mr Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 409, nays 3, not voting 22, as follows:

[Roll No. 257]

YEAS—409

Abdnor
Addabbo
Akaka
Albosta
Alexander
Ambro
Anderson, Calif.
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Anthony
Applegate
Archer
Ashbrook
Ashley
Aspin
Atkinson
AuCoin
Badham
Bafalis
Bailey
Baldus
Barnard
Barnes
Bauman
Beard, R.I.
Beard, Tenn.
Bedell
Beilenson
Benjamin
Bennett
Bereuter
Bethune
Bevill
Biaggi
Bingham
Blanchard
Boggs
Boland
Boner
Bonior
Bonker
Bouquard
Bowen
Brademas
Breaux
Brinkley
Brodhead
Brooks
Broomfield
Brown, Calif.
Brown, Ohio
Buchanan
Burlison
Burton, John
Burton, Phillip
Butler
Campbell
Carney
Carr
Carter
Cavanaugh
Chappell
Cheney
Chisholm
Clausen
Clay
Cleveland
Clinger
Coelho
Coleman
Collins, Ill.
Conable
Conte
Corcoran
Corman
Cotter
Coughlin
Courter
Crane, Daniel
Crane, Philip
D'Amours
Daniel, Dan
Daniel, R. W.
Danielson
Dannemeyer
Daschle
Davis, Mich.
Davis, S.C.
de la Garza
Deckard
Dellums
Derrick
Derwinski
Devine
Dickinson
Dicks
Diggs
Dingell
Dixon
Dodd
Donnelly
Dornan
Dougherty
Downey
Drinan
Duncan, Oreg.
Duncan, Tenn.
Early
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
Edwards, Okla.
Emery
English
Erdahl
Erlenborn
Ertel
Evans, Del.
Evans, Ga.
Evans, Ind.
Fary
Fascell
Fazio
Ferraro
Findley
Fish
Fisher
Fithian
Flippo
Florio
Foley
Ford, Mich.
Ford, Tenn.
Fountain
Fowler
Frenzel
Frost
Fuqua
Garcia
Gaydos
Gephardt
Gibbons
Gilman
Gingrich
Ginn
Glickman
Goldwater
Gonzalez
Goodling
Gore
Gradison
Gramm
Grassley
Gray
Green
Grisham
Guarini
Gudger
Hagedorn
Hall, Ohio
Hall, Tex.
Hamilton
Hammerschmidt
Hance
Hanley
Harkin
Harris
Hawkins
Heckler
Hefner
Heftel
Hightower
Hillis
Hinson
Holland
Hollenbeck
Holt
Holtzman
Hopkins
Horton
Howard
Hubbard
Huckaby
Hughes
Hutto
Hyde
Ichord
Jacobs
Jeffords
Jeffries
Jenkins
Jenrette
Johnson, Calif.
Johnson, Colo.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kastenmeier
Kazen
Kelly
Kemp
Kildee
Kindness
Kogovsek
Kostmayer
Kramer
LaFalce
Lagomarsino
Latta
Leach, Iowa
Leach, La.
Leath, Tex.
Lederer
Lee
Lehman
Leland
Lent
Levitas
Lewis
Livingston
Lloyd
Loeffler
Long, La.
Long, Md.
Lott
Lowry
Lujan
Luken
Lundine
Lungren
McClory
McCloskey
McCormack
McDade
McEwen
McHugh
McKay
McKinney
Madigan
Maguire
Markey
Marks
Marlenee
Marriott
Martin
Mathis
Matsui
Mattox
Mavroules
Mazzoli
Mica
Michel
Mikulski
Mikva
Miller, Calif.
Miller, Ohio
Mineta
Minish
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Montgomery
Moore
Moorhead, Calif.
Moorhead, Pa.
Mottl
Murphy, Ill.
Murphy, N.Y.
Murphy, Pa.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Nedzi
Nelson
Nichols
Nolan
Nowak
O'Brien
Oakar
Oberstar
Obey
Ottinger
Panetta
Pashayan
Patten
Patterson
Pease
Perkins
Petri
Pickle
Preyer
Price
Pritchard
Pursell
Quayle
Quillen
Rahall
Railsback
Rangel
Ratchford
Regula
Reuss
Rhodes
Richmond
Rinaldo
Ritter
Roberts
Robinson
Rodino
Roe
Rose
Rosenthal
Rostenkowski
Roth
Roybal
Royer
Rudd
Runnels
Russo
Sabo
Santini
Satterfield
Sawyer
Scheuer
Schroeder
Sebelius
Seiberling
Sensenbrenner
Shannon
Sharp
Shelby
Shumway
Shuster

Simon
Skelton
Slack
Smith, Iowa
Smith, Nebr.
Snowe
Snyder
Solarz
Solomon
Spellman
Spence
St Germain
Stack
Staggers
Stangeland
Stanton
Stark
Steed
Stenholm
Stewart
Stockman
Stokes
Stratton
Studds
Stump
Swift
Symms
Synar
Tauke
Taylor
Thomas
Thompson
Treen
Trible
Udall
Ullman
Van Deerlin
Vander Jagt
Vanik
Vento
Volkmer
Walker
Watkins
Waxman
Weaver
Weiss
White
Whitehurst
Whitley
Whittaker
Whitten
Williams, Mont.
Williams, Ohio
Wilson, Bob
Wilson, C. H.
Wilson, Tex.
Winn
Wirth
Wolff
Wolpe
Wright
Wyatt
Wydler
Wylie
Yates
Yatron
Young, Alaska
Young, Fla.
Young, Mo.
Zablocki
Zeferetti

NAYS—3

Collins, Tex.
McDonald
Paul

NOT VOTING—22

Bolling
Broyhill
Burgener
Byron
Conyers
Fenwick
Flood
Forsythe
Giaimo
Guyer
Hansen
Harsha
Ireland
Mollohan
Neal
Pepper
Peyser
Rousselot
Schulze
Traxler
Walgren
Wampler

☐ 1540

So the resolution was agreed to.

The result of the vote was announced as above recorded.

GENERAL LEAVE

Mr. YATES. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the resolution just agreed to.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

TRADE AGREEMENTS NEGOTIATED IN TOKYO ROUND OF MULTILATERAL TRADE NEGOTIATIONS—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 96–153)

The SPEAKER laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, referred to the Committee of the Whole House on the State of the Union and ordered to be printed:

To the Congress of the United States:

I am today transmitting to the Congress, pursuant to Section 102 of the Trade Act of 1974, the texts of the trade agreements negotiated in the Tokyo Round of the Multilateral Trade Negotiations and entered into in Geneva on April 12, 1979.

With these agreements, I am submitting the proposed Trade Agreements Act of 1979, which will revise domestic law as required or appropriate to implement the Geneva agreements, and fulfill our international commitment.

These agreements offer new opportunities for all Americans.

- —For American farmers, the agreements expand world markets for American farm products.
- —For American workers, the agreements offer more jobs, higher incomes, and more effective responses to unfair foreign competition.
- —For American businesses, the agreements will open major new markets overseas for American products.
- —For American consumers, the agreements will make available a wider choice of goods at better prices.

In short, the agreements mean a stronger, more prosperous, more competitive American economy. They mean lower inflation rates and a more favorable balance of trade.

These agreements bring to a successful conclusion the most ambitious and comprehensive effort undertaken by the international community since World War II to revise the rules of international trade and to achieve a fairer, more open, world trading system. They come at a time when intense pressures around the world threaten to disrupt the international trading system.

Representatives of ninety-nine nations worked for five years to reduce or remove thousands of specific barriers to trade—including both tariff and nontariff barriers—and to develop new rules which will govern the international trading system in the coming decades.

Since World War II, a period of remarkable trade expansion, our experience teaches us that international trade brings strength and growth to economies throughout the world. It serves the cause of peace by enriching the lives of people everywhere.

By responding to the needs of today's rapidly changing world economy, these agreements ensure that growing prosperity and growing interdependence through increased trade will continue to benefit all nations.

World trade has expanded more than six-fold since completion of the Kennedy Round of trade negotiations in 1967, and now exceeds $1.3 trillion annually.

Our nation is much more heavily dependent on trade than in the past. Today, one of every three acres in America produces food or fiber for export. One of every seven manufacturing jobs in our country depends on exports.

Economic interdependence will continue to increase in the future—and so will our opportunities.

Approval and implementation by the Congress of the Tokyo Round Agreements will be the first important step toward realizing those opportunities by building a solid foundation for continued strong growth of trade. The package assembled under the direction of Robert Strauss, my Special Trade Representative, is an achievement which represents vast potential for the American economy.

The most important achievement of the Tokyo Round is a series of codes of conduct regulating nontariff barriers to trade. The code agreements are described more fully in the attachments to this Message. Also attached is a statement of administrative action detailing executive branch implementation of these laws. These agreements will accomplish the following:

- —Codes on subsidies and countervailing duties and on anti-dumping will limit trade distortions arising from such practices, and will give signatories to the agreements the right to challenge and counteract such practices when they cause material injury or breach agreed rules.
- —An agreement on technical barriers to trade will require countries to use fair and open procedures in adopting product standards.
- —An agreement on government procurement will open purchases by all signatory governments to bids from foreign producers.
- —An agreement on customs valuation will encourage predictable and uniform practices for appraising imports for the purpose of assessing import duties.
- —An agreement on import licensing will reduce unnecessary or unduly complicated licensing requirements.
- —An agreement on civil aircraft will provide a basis for fairer trade in this important U.S. export sector.
- —In the agricultural sector, specific product concessions from our trading partners and international commodity arrangements will enhance export opportunities. An agreement on a multilateral agricultural framework will provide a forum for future consultations on problems arising in agricultural trade.
- —Tariff reductions have been carefully negotiated in close consultation with American industry and labor, and will be phased in over the next eight years.

Agreements on the international trading framework will accomplish the following:

- —tighten procedures for handling international trade disputes,
- —respond to the needs of developing countries in a fair and balanced manner, while increasing their level of responsible participation in the trading system,
- —modernize the international rules applicable to trade measures that can be taken in response to balance-of-payments emergencies,
- —provide a basis for examining the existing international rules on export and import restraints.

The agreements meet the major objectives and directives of the Trade Act of 1974. They provide new opportunities for U.S. exports. They help fight inflation by assuring access to lower-cost goods for both U.S. consumers and U.S. industries. They strengthen our ability to meet unfair foreign trade practices, and assure that U.S. trade concessions are matched by reciprocal trade benefits for U.S. goods.

Throughout the negotiating process, these talks were conducted with an unprecedented degree of participation and advice from Congress, American industrial and agricultural communities, labor, and consumers alike.

Through continued cooperation and aggressive application and enforcement of the provisions of these agreements, we can ensure a fair and open international trading system, and usher in a new era of effective joint efforts by business, labor and government.

These agreements will make it possible for us to demonstrate, through vigorous and peaceful action, that the free enterprise system of the United States is the best economic system in the world now and in the future. They are also a central element in my program to stimulate domestic economic growth, to control inflation, and to expand our exports.

Therefore, in the interest of strengthening our economy and the international trading system, I urge immediate approval and implementation of the Tokyo Round Agreements by the Congress.

JIMMY CARTER.

THE WHITE HOUSE, *June 19, 1979.*

ANNOUNCEMENT OF CONSIDERATION OF MULTILATERAL TRADE AGREEMENT BY SUBCOMMITTEE ON TRADE

(Mr. VANIK asked and was given permission to address the House for 1 minute.)

Mr. VANIK. Mr. Speaker, I take this time to advise the House that the Subcommittee on Trade of the Committee on Ways and Means will be considering the multilateral trade agreement and implementing legislation tomorrow morning at 10 o'clock.

If there is any question any Member of the House has, we invite him to participate in this hearing and let us know what questions or what views he might have on this major piece of legislation.

As the Members know, the legislation was drafted by the committees of the House and the Senate, and almost all of our recommendations are embodied in the legislation as submitted.

Mr. Speaker, we hope the Members will take this opportunity to let us know what reaction they have so that we can react accordingly on the proposal. We hope to take action very soon, perhaps tomorrow, in reporting out the bill and approving the committee report language.

DEPARTMENT OF EDUCATION ORGANIZATION ACT OF 1979

Mr. BROOKS. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 2444) to establish a Department of Education, and for other purposes.

The SPEAKER. The question is on the motion offered by the gentleman from Texas (Mr. BROOKS).

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. BROWN of Ohio. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 352, nays 53, not voting 29, as follows:

[Roll No. 258]

YEAS—352

Abdnor
Addabbo
Akaka
Albosta
Alexander
Ambro
Anderson, Calif.
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Anthony
Ashley
Aspin
Atkinson
AuCoin
Bafalis
Bailey
Baldus
Barnard
Barnes
Beard, R.I.
Beard, Tenn.
Bedell
Beilenson
Benjamin
Bennett
Bereuter
Bethune
Bevill
Biaggi
Bingham
Blanchard
Boggs
Boland
Boner
Bonior
Bonker
Bouquard
Bowen
Brademas
Breaux
Brinkley
Brodhead
Brooks
Broomfield
Brown, Calif.
Buchanan
Burlison
Burton, John
Burton, Phillip
Butler
Byron
Carr
Carter
Chappell
Chisholm
Clausen
Clay
Cleveland
Clinger
Coelho
Coleman
Collins, Ill.
Conte
Corcoran
Corman
Cotter
Coughlin
Courter
D'Amours
Daniel, Dan
Danielson
Dannemeyer
Daschle
Davis, Mich.
Davis, S.C.
de la Garza
Deckard
Dellums
Derrick
Derwinski
Dicks
Dixon
Dodd
Donnelly
Dornan
Dougherty
Downey
Drinan
Duncan, Tenn.
Early
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
Edwards, Okla.
Emery
English
Erdahl
Ertel
Evans, Del.
Evans, Ga.
Evans, Ind.
Fary
Fascell
Fazio
Fenwick
Ferraro
Findley
Fish
Fisher
Fithian
Flippo
Florio
Foley
Ford, Mich.
Ford, Tenn.
Fountain
Fowler
Frenzel
Frost
Fuqua
Garcia
Gaydos
Gephardt
Gilman
Gingrich
Ginn
Glickman
Goldwater
Gonzalez
Gore
Gramm
Grassley
Gray
Green
Grisham
Guarini
Gudger
Hagedorn
Hall, Ohio
Hall, Tex.
Hamilton
Hammerschmidt
Hance
Hanley
Harkin
Harris
Hawkins
Heckler
Hefner
Heftel
Hightower
Hillis
Holland
Hollenbeck
Holtzman
Hopkins
Horton
Howard
Hubbard
Huckaby
Hughes
Hutto
Hyde
Ichord
Jacobs
Jeffords
Jenkins
Jenrette
Johnson, Calif.
Johnson, Colo.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kastenmeier
Kazen
Kelly
Kemp
Kildee
Kogovsek
Kostmayer
Kramer
LaFalce
Lagomarsino
Leach, Iowa
Leach, La.
Leath, Tex.
Lederer
Lehman
Leland
Lent
Levitas
Long, La.
Long, Md.
Lott
Lowry
Lujan
McCloskey
McCormack
McDade
McHugh
McKay
McKinney
Maguire
Markey
Marks
Marlenee
Marriott
Martin
Mathis
Matsui
Mattox
Mavroules
Mazzoli
Mica
Michel
Mikulski
Mikva
Miller, Calif.
Miller, Ohio
Mineta
Minish
Mitchell, N.Y.
Moakley
Moffett
Montgomery
Moore
Moorhead, Calif.
Moorhead, Pa.
Mottl
Murphy, Ill.
Murphy, Pa.
Murtha
Myers, Pa.
Natcher
Nedzi
Nelson
Nolan
Nowak
O'Brien
Oberstar
Obey
Ottinger
Panetta
Fashayan
Patten
Patterson
Paul
Pease
Perkins
Petri
Peyser
Pickle
Preyer
Price
Pritchard
Pursell
Quillen
Rahall
Railsback
Rangel
Ratchford
Regula
Reuss
Rhodes
Richmond
Rinaldo
Roberts
Rodino
Roe
Rose
Rosenthal
Rostenkowski
Roybal
Royer
Runnels
Russo
Sabo
Santini
Satterfield
Sawyer
Scheuer
Schroeder
Sebelius
Seiberling
Shannon
Sharp
Shelby
Simon
Skelton
Slack
Smith, Iowa
Smith, Nebr.
Snowe
Snyder
Solarz
Spellman
Spence
St Germain
Stack
Staggers
Stanton
Stark
Steed
Stenholm
Stewart
Stokes
Studds
Stump
Swift
Synar
Tauke
Taylor
Thompson
Traxler
Treen
Trible
Udall
Ullman
Van Deerlin
Vander Jagt
Vanik
Vento
Volkmer
Wampler
Watkins
Waxman
Weaver
Weiss
White
Whitehurst
Whitley
Whittaker
Whitten
Williams, Mont.
Williams, Ohio
Wilson, Tex.
Wirth
Wolff
Wolpe
Wyatt
Wydler
Wylie
Yates
Yatron
Young, Alaska
Young, Fla.
Young, Mo.
Zablocki
Zeferetti

NAYS—53

Archer
Ashbrook
Badham
Bauman
Brown, Ohio
Campbell
Carney
Cheney
Collins, Tex.
Conable
Crane, Daniel
Crane, Philip
Daniel, R. W.
Devine
Dickinson
Dingell
Erlenborn
Gibbons
Goodling
Gradison
Hansen
Hinson
Holt
Jeffries
Kindness
Latta
Lee
Lewis
Livingston
Lloyd
Loeffler
Luken
Lungren
McClory
McDonald
McEwen
Mitchell, Md.
Myers, Ind.
Quayle
Ritter
Robinson
Roth
Rudd
Sensenbrenner
Shumway
Shuster
Stangeland
Stratton
Symms
Thomas
Walker
Wilson, Bob
Wilson, C. H.

NOT VOTING—29

Applegate
Bolling
Broyhill
Burgener
Cavanaugh
Conyers
Diggs
Duncan, Oreg.
Flood
Forsythe
Giaimo
Guyer
Harsha
Ireland
Lundine
Madigan
Mollohan
Murphy, N.Y.
Neal
Nichols
Oakar
Pepper
Rousselot
Schulze
Solomon
Stockman
Walgren
Winn
Wright

☐ 1600

So the motion was agreed to

The result of the vote was announced as above recorded.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill, H.R. 2444, with Mr. NEDZI in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee of the Whole rose on Wednesday. June 13, 1979, title IV had been considered as having been read and open to amendment at any point.

Are there any amendments to title IV?

AMENDMENT OFFERED BY MR. FASCELL

Mr. FASCELL. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. FASCELL: Page 91, beginning on line 1, strike out all of section 439 through line 18 and insert in lieu thereof the following new section and conform the table of contents accordingly:

TRANSITION PROVISION REGARDING ADMINISTRATIVE STRUCTURES

SEC. 439. The Secretary shall not, during the period within eight months after the effective date of this Act, take any action to withhold, suspend, or terminate funds under any program transferred by this Act by reason of the failure of any State to comply with any applicable law requiring the administration of such a program through a single organizational unit.

Mr. FASCELL. Mr. Chairman, I offer this amendment on behalf of myself and the distinguished chairman of the Subcommittee on Select Education of the Committee on Education and Labor, the gentleman from Illinois (Mr. SIMON). The problem that was involved, which we attempted to reach in section 439, is one that has troubled the Congress and many States for quite some time, and that is the mandated Federal administrative structures of various Federal programs with which States must comply in order to receive Federal funds.

My colleagues will recall that in the Intergovernmental Cooperation Act, the Congress provided statutory waivers for most of those organizational requirements. But that statutory language was held in court not to be broad enough to cover the single organization unit.

Therefore, the present language in the bill, which this amendment seeks to amend would have broadened that definition to cover the single organizational unit. However, it raised a question in the minds of some people regarding certain programs. Thus some of you probably have gotten wires or letters with respect to the present language in the bill, because it might affect programs such as vocational rehabilitation and other programs where people were satisfied with the present mandated Federal administrative units.

Therefore, in order to eliminate that difficulty for some of us here, we decided that the thing to do would be to take the whole issue to the substantive committee, which is the Committee on Education and Labor. This pending amendment would provide sufficient time to seek that legislative remedy for those States that have the problem, and basically that is what this amendment does, Mr. Chairman. I have discussed it with the ranking member on this committee and with the chairman of this committee.

Mr. HORTON. Mr. Chairman, will the gentleman yield?

Mr. FASCELL. I yield to the gentleman from New York.

Mr. HORTON. It is accurate to indicate that we have worked with the gentleman from Florida on this particular amendment, and it is agreeable and acceptable; and I think it does improve the bill, and I urge its adoption.

Mr. BROOKS. Mr. Chairman, will the gentleman yield?

Mr. FASCELL. I yield to the gentleman from Texas.

Mr. BROOKS. Mr. Chairman, I want to say to my distinguished friend, the gentleman from Florida, who offers this amendment to solve this problem on the floor of the committee, I support it.

It created some problems for the members of the Education Committee, and primarily our distinguished able whip. The gentlemen have worked out a compromise acceptable to both committees. I see no objection to it.

Mr. SIMON. Mr. Chairman, will the gentleman yield?

Mr. FASCELL. I yield to the gentleman from Illinois.

□ 1610

Mr. SIMON. I thank the gentleman from Florida for yielding. I would like to commend him as well as compliment my colleague from Indiana (Mr. BRADEMAS) for their help in getting this work out.

Mr. FASCELL. Mr. Chairman, will the gentleman allow me to ask him a question? Am I correct in understanding that the gentleman intends to hold hearings in his subcommittee to fully air and discuss the problem addressed by section 439 in this bill?

Mr. SIMON. That is, indeed, my intention. As you know, the administration is in the final stages of preparing a series of amendments to the rehabilitation measure we passed last year. I understand that one of those amendments would deal directly and specifically with the problem the gentleman's State has had in implementing its integrated services delivery system. I assure the gentleman that the waiver issue will receive full consideration.

Mr. FASCELL. I thank the gentleman for his cooperation, courtesy, and that assurance.

Mr. Chairman, I would like to yield now to the chairman of the full Committee on Education and Labor, if I may inquire of him. Can the chairman of the full committee assure the House that the waiver issue will receive full consideration and a vote by the full committee?

Mr. PERKINS. Let me assure the distinguished gentleman from Florida that the full committee will wholeheartedly cooperate with the gentleman from Illinois (Mr. SIMON). We will see that the full committee has the opportunity to vote on the waiver, regardless of what action the subcommittee may take; that is, with the cooperation of Mr. SIMON.

Mr. FASCELL. I thank the chairman very much. That gives those States interested a fair day, a legislative hearing on a troublesome subject and I am sure all of those States that are involved, particularly my own, are extremely grateful for the chairman's cooperation.

Mr. Chairman, the administration amendments to which the gentleman from Illinois (Mr. SIMON) refers to in this colloquy are the subject matter of the following letter:

OFFICE OF MANAGEMENT AND BUDGET,
Washington, D.C., July 11, 1979.
Hon. DANTE B. FASCELL,
House of Representatives,
Washington, D.C.

DEAR CONGRESSIONAL FASCELL: I greatly appreciate your interest in providing the flexibility of waiver authorization for State operation of Rehabilitation programs. The Administration has approved amendments to the Rehabilitation Act that would give the Secretary full authority to waive any requirement that a single organization unit be designated to operate the program, as well as to approve any alternative State and local arrangement if the objective of the Federal statute would be met. We will forward our proposal to you this week, and the amendment will be submitted to the Congress within three weeks. We look forward to early hearings and prompt action in the Education and Labor Committee.

It is a pleasure to work together with you on this important issue.

Sincerely,
JAMES T. MCINTYRE, Jr.,
Director.

AMENDMENT OFFERED BY MR. ERLENBORN AS A SUBSTITUTE FOR THE AMENDMENT OFFERED BY MR. FASCELL

Mr. ERLENBORN. Mr. Chairman, I offer an amendment as a substitute for the amendment.

The Clerk read as follows:

Amendment offered by Mr. ERLENBORN as a substitute for the amendment offered by Mr. FASCELL: On page 91, strike out lines 1 through 18, inclusive.

On page 53, in the table of contents, strike out—

"Sec. 439. Alternative administrative structures waiver."

Mr. BROOKS. Mr. Chairman, I reserve a point of order against the substitute amendment since I have not read it.

The CHAIRMAN. The gentleman reserves a point of order against the substitute amendment.

Mr. ERLENBORN. Mr. Chairman, the substitute amendment is very simple. It would just strike the section of the bill that the gentleman from Florida seeks to amend.

Mr. Chairman, in the committee the gentleman from Florida offered the language which is now in the bill. In effect, what it does is to amend the General Education Provisions Act. It is not language that should be in a reorganization bill. It is, as the gentleman has so aptly told us just now in offering his amendment to change the language, something within the purview of the Education and Labor Committee.

The Committee on Education and Labor, on which I also serve, saw fit some time ago relative to vocational rehabilitation to require that there be a certain structure within a State for the State to qualify for Federal aid. That structure was a single State agency for the administration of the funds made available by the Federal Government for this particular program. That is the law, and if the law is to be changed—and I think the gentleman now admits this by offering this amendment of his own—the Education and Labor Committee is the committee that has the jurisdiction to make that judgment.

What the gentleman is attempting to do, and I think he would agree with this characterization, is to buy time. He is going to say, through the amendment he is offering today, we are amending the general education provisions, but only for 8 months, and that will give the Education and Labor Committee time within which to hold their hearings and to make a judgment. But basically, this language should never have been in this bill. It is not within the jurisdiction of the Government Operations Committee. The amendment I am offering would put the bill in the shape that it should be, and that is to make no reference whatsoever to the single State agency issue relative to this educational program. Then the Education and Labor Committee that has, through the chairman of the subcommittee and the chairman of the full committee, promised to address itself to this issue, can or cannot, as they see fit, make amendments to the basic law. But that is within the jurisdiction of the Education and Labor Committee, and even for this 8-month period the Government Operations Committee should not be invading the jurisdiction of another committee.

Mr. FASCELL. Mr. Chairman, will the gentleman yield?

Mr. ERLENBORN. I will be happy to yield.

Mr. FASCELL. I do not want to argue with the gentleman. I just want to set the record straight. I do not agree with the gentleman at all. As far as the Intergovernmental Cooperation Act is concerned, it is totally within the purview of the Government Operations Committee. That is where the act came from; that is, the act which is amended and obviously Education and Labor does have jurisdiction over the substantive legislation. So we are simply doing our best to resolve a problem. I do not agree with the gentleman on that, and frankly, when we raised this in the subcommittee the gentleman asked that question. I am sorry that at this late moment he has decided to do what he has done, but that is his prerogative.

Mr. ERLENBORN. In answer to the gentleman, I do not think he should be at all surprised. I resisted the gentleman's amendment in committee. I called for a vote on it. I voted against the amendment, and what I am doing today is totally consistent with the position I have taken.

Mr. FASCELL. Mr. Chairman, will the gentleman yield further?

Mr. ERLENBORN. I will be happy to yield.

Mr. FASCELL. I want to refresh the gentleman's memory. There was not a vote on the amendment in the committee.

Mr. ERLENBORN. I think there was a vote. There was a voice vote.

Mr. FASCELL. Maybe the gentleman did vote no. I did not hear him.

Mr. ERLENBORN. I did indeed vote "no."

POINT OF ORDER

The CHAIRMAN. Does the gentleman from Texas insist on his point of order?

Mr. BROOKS. That I do, Mr. Chairman.

I would say a motion to strike is not a suitable substitute for a motion to strike and insert a substitute section as offered by Mr. FASCELL. It amounts to a motion to divide an amendment to strike an insert which is not in order under the rules.

The CHAIRMAN. Does the gentleman from Illinois desire to be heard on the point of order?

Mr. ERLENBORN. Yes, Mr. Chairman. I really do not follow the logic of the gentleman from Texas. But I have offered an amendment to strike the entire section that the gentleman from Florida would strike in substitute. I think a motion to strike is always in order.

The CHAIRMAN. The Chair is prepared to rule.

Under Cannon's Precedents, the House of Representatives, page 15, to a motion to strike out certain words and insert others, a simple motion to strike out the words may not be offered as a substitute, Cannon's Precedent, Volume VIII, sections 2847–2851: 2854.

The Chair will state the amendment offered as a substitute by the gentleman from Illinois (Mr. ERLENBORN) is not a proper substitute. The point of order is sustained.

If the Fascell amendment is adopted, the amendment, as a motion to strike that language, is not then in order.

● Mr. BRADEMAS. Mr. Chairman, I take this opportunity to commend both the gentleman from Florida (Mr. FASCELL) author of the amendment under consideration, and the gentleman from Illinois (Mr. SIMON), chairman of the Select Education Subcommittee of the Committee on Education and Labor, the subcommittee with jurisdiction over the vocational rehabilitation program.

I was pleased to work with both Mr. FASCELL and Mr. SIMON to develop an accommodation on an issue arising out of the administration by the State of Florida of Federal vocational rehabilitation grants.

Mr. Chairman, I shall not take time here to review the specific facts in connection with this issue but because, as sponsor of the Rehabilitation Services Amendments, I have found that my name has been mentioned on the issue, let me only indicate at least some of the evidence for the position that I have taken. I cite this evidence through inserting at this point in the RECORD an article, "HRS Mismanages Aid for the Disabled," by David Cook, associate editor of the Tallahassee Democrat in the June 1, 1979, issue of that newspaper. Mr. Cook's article effectively sums up some of my concerns.

Again, Mr. Chairman, I express my thanks to Mr. FASCELL and Mr. SIMON.

The article to which I refer follows:

HRS MISMANAGES AID FOR THE DISABLED

(By David Cook)

A new federal audit shows Florida hasn't done a very good job of administering the vocational rehabilitation program through its regional system of delivering social services.

In fact, the state has done such a lousy job that it may be required to replace as much as $2.2 million in federal vocational rehabilitation funds. The audit said the money was misspent on other services.

Conducted by the Office of Inspector General of the U.S. Department of Health, Education and Welfare, the audit discloses a number of problems involving the management of VR money and services to the handicapped.

Auditors found the accounting system used by the Department of Health and Rehabilitative Services during the 1977 and 1978 fiscal years was so bad that VR funds couldn't be readily identified.

Money became so short in some districts during 1978, the auditors said, that services to the handicapped had to be suspended, although other districts maintained large balances over and above their needs.

Because of the apparent lack of money, HRS instructed some districts to suspend services to 4,154 disabled individuals. At the time, HRS actually had $3.2 million on hand to continue these services.

A number of revisions and refinements of the HRS budgetary and management system are being recommended by the federal auditors to improve financial accountability.

HRS officials say they already have made the changes in financial accounting in order to keep track of the money. They claim, in fact, that most financial problems uncovered by the audit already have been corrected.

It may be true that HRS has waved a magic wand and somehow erased its budgetary problems. The next review by the state auditor will tell us.

My observation is that most of the financial problems uncovered by the federal auditors already have been reported by the state auditor's office in a series of scathing reports that detailed mismanagement and inept handling of money.

The difference is that state auditors looked at the overall HRS operation, while the federal people narrowed their scope to the vocational rehabilitation program.

HRS officials haven't completed their review of the federal audit. They will get a chance to argue with the findings before the audit is published.

It is going to be difficult for them to explain the sharp decline in the number of handicapped people being served through the state's district HRS system.

You may remember that federal officials and the courts have said the administration of vocational rehabilitation through a district system is unlawful. Federal law requires a central office with authority over personnel and budget.

Gov. Graham and other state officials argue that the federal law should be change so Florida can provide VR services through its one-stop system. They claim this is a better way to serve the disabled.

Findings of the federal auditors don't uphold this claim. If the audit figures are correct Florida's handicapped people were a lot better off before the Legislature shifted HRS to a regional system.

Figures show that the total number of people rehabilitated through the VR program declined 52 percent from the peak year of 1973 to 1977. The number of new cases referred to VR also declined significantly.

Florida is doing little better in 1979 than it was in 1968—even though the state's population has grown tremendously.

The auditors said that during the period when the number of people being helped was going down steadily, the cost of rehabilitations increased 135 percent.

HRS officials said the figures are not accurate and predicted that the final audit report will be substantially different.

The federal auditors recommend a complete evaluation of the VR program to identify the basic causes of continued decreases in program effectiveness. They suggest that Florida develop a plan to overcome the causes, whatever they may be.

Auditors didn't have to look far to determine some of the causes for the decline in service. A VR supervisor told them he devoted about 40 percent of his time to other activities during a three-year period. He said he was assigned to work in aging and adult services.

A VR secretary told them she devoted from half to three-quarters of her time working on retardation and aging programs.

The Federal audit makes it clear that vocational rehabilitation people are being diverted to other services, and the handicapped are suffering because of it.

There is evidence that considerable amounts of VR money also are being diverted—or were diverted during the audit period.

Checking one district, the auditors found that thousands of dollars worth of office furniture, business machines and equipment could not be located. It was bought with VR money but could not be found in any VR offices.

HRS officials may see nothing wrong with that, but it is in violation of federal rules for spending federal money, money which makes the program possible.

Now Florida may have to pay a lot of that money back. If it does, the handicapped will suffer even more from neglect and lack of services, because there will be a couple of million dollars less to meet their needs and help them become productive citizens.

It's no wonder so many handicapped people and the vocational rehabilitation counselors have been pushing to get the program out of HRS and back into the Department of Education where it was located for many years. If the federal auditors are reasonably correct, HRS has turned the program into a shambles.●

The CHAIRMAN. The question is on the amendment offered by the gentleman from Florida (Mr. FASCELL).

The question was taken; and on a division (demanded by Mr. ERLENBORN), there were—ayes 25; noes 13.

□ 1620

Mr. ERLENBORN. Mr. Chairman, I demand a recorded vote, and pending that, I make the point of order that a quorum is not present.

The CHAIRMAN. Evidently a quorum is not present.

PARLIAMENTARY INQUIRY

Mr. BROOKS. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. BROOKS. Mr. Chairman, if the gentleman from Illinois would change his request and ask for a recorded vote, and if we could get a recorded vote, would that then relieve the Chair of the necessity of calling for a quorum?

The CHAIRMAN. The Chair will inform the gentleman from Texas that the request comes too late.

Pursuant to the provisions of clause 2 of rule XXIII, the Chair announces that he will reduce to a minimum of 5 minutes the period of time within which a vote by electronic device, if ordered, will be taken on the pending question following the quorum call. Members will record their presence by electronic device.

The call was taken by electronic device.

The following Members responded to their names:

[Roll No. 259]

Abdnor
Addabbo
Akaka
Albosta
Ambro
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak..
Annunzio
Anthony
Applegate
Archer
Ashbrook
Ashley
Aspin
Atkinson
AuCoin
Badham
Bafalis
Bailey
Baldus
Barnard
Barnes
Bauman
Beard, R.I.
Beard, Tenn.
Bedell
Beilenson
Benjamin
Bennett
Bereuter
Bethune
Bevill
Bingham
Blanchard
Boggs
Boner
Bonior
Bonker
Bouquard
Bowen
Brademas
Breaux
Brinkley
Brodhead
Brooks
Broomfield
Brown, Calif.
Brown, Ohio
Buchanan
Burlison
Burton, Phillip
Butler
Byron
Campbell
Carney
Carr
Carter
Cavanaugh
Chappell
Cheney
Chisholm
Clausen
Clay
Cleveland
Clinger
Coelho
Coleman
Collins, Ill.
Collins, Tex.
Conable
Conte
Corcoran
Corman
Cotter
Coughlin
Courter
Crane, Daniel
Crane, Philip
D'Amours
Daniel, Dan
Daniel, R. W.
Danielson
Dannemeyer
Daschle
Davis, Mich.
de la Garza
Deckard
Dellums
Derrick
Derwinski
Devine
Dickinson
Dicks
Dixon
Dodd
Donnelly
Dornan
Dougherty
Downey
Duncan, Oreg.
Duncan, Tenn.
Early
Edgar
Edwards, Ala.
Edwards, Calif.
Edwards, Okla.
Emery
English
Erdahl
Erlenborn
Ertel
Evans, Del.
Evans, Ga.
Evans, Ind.
Fary
Fascell
Fazio
Fenwick
Ferraro
Findley
Fish
Fisher
Fithian
Flippo
Florio
Ford, Mich.
Ford, Tenn.
Fowler
Frenzel
Frost
Fuqua
Garcia
Gaydos
Gephardt
Gibbons
Gilman
Gingrich
Ginn
Glickman
Goldwater
Gonzalez
Goodling
Gore
Gradison
Gramm
Grassley
Gray
Green
Grisham
Guarini
Gudger
Hagedorn
Hall, Tex.
Hamilton
Hammerschmidt
Hance
Hanley
Hansen
Harkin
Harris
Hawkins
Heckler
Hefner
Heftel
Hightower
Hillis
Hinson
Holland
Holt
Holtzman
Hopkins
Horton
Howard
Hubbard
Huckaby
Hughes
Hutto
Hyde
Ichord
Jacobs
Jeffords
Jeffries
Jenkins
Jenrette
Johnson, Calif.
Johnson, Colo.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kastenmeier
Kazen
Kelly
Kemp
Kildee
Kindness
Kogovsek
Kostmayer
Kramer
LaFalce
Lagomarsino
Latta
Leach, Iowa
Leach, La.
Leath, Tex.
Lederer
Lee
Lehman
Leland
Lent
Levitas
Lewis
Livingston
Lloyd
Loeffler
Long, La.
Long, Md.
Lott
Lowry
Lujan
Luken
Lundine
Lungren
McClory
McCloskey
McCormack
McDade
McDonald
McEwen
McHugh
McKay
McKinney
Madigan
Maguire
Markey
Marks
Marlenee
Marriott
Martin
Mathis
Matsui
Mattox
Mavroules
Mazzoli
Mica
Michel
Mikulski
Mikva
Miller, Calif.
Miller, Ohio
Mineta
Minish
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Montgomery
Moore
Moorhead, Calif.
Mottl
Murphy, Ill.
Murphy, N.Y.
Murphy, Pa.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Nedzi
Nelson
Nichols
Nolan
Nowak
O'Brien
Oakar
Oberstar
Obey
Ottinger
Panetta
Pashayan
Patterson
Paul
Perkins
Petri
Peyser
Pickle
Preyer
Price
Pritchard
Pursell
Quayle
Quillen
Railsback
Rangel
Ratchford
Regula
Reuss
Rhodes
Richmond
Rinaldo
Ritter
Robinson
Rodino
Roe
Rose
Rosenthal
Rostenkowski
Roth
Roybal
Royer
Rudd
Russo
Sabo
Santini
Satterfield
Sawyer
Scheuer
Schroeder
Sebelius
Seiberling
Sensenbrenner
Shannon
Sharp
Shelby
Shumway
Shuster
Simon
Skelton
Slack
Smith, Iowa
Smith, Nebr.
Snowe
Snyder
Solomon
Spellman
Spence
St Germain
Stack
Staggers
Sangeland
Stanton
Stark
Steed
Stenholm
Stewart
Stokes
Stratton
Studds
Stump
Swift
Symms
Synar
Tauke
Taylor
Thomas
Thompson
Traxler
Treen
Trible
Ullman
Van Deerlin
Vander Jagt
Vento
Volkmer
Walker
Wampler
Watkins
Weaver
Weiss
White
Whitehurst
Whitley
Whitten
Williams, Mont.
Williams, Ohio
Wilson, Bob
Wilson, C. H.
Wilson, Tex.
Winn
Wirth
Wolff
Wyatt
Wydler
Wylie
Yates
Young, Alaska
Young, Fla.
Young, Mo.
Zablocki
Zeferetti

□ 1630

The CHAIRMAN. Three hundred eighty-nine Members have answered to their names, a quorum is present, and the Committee will resume its business.

RECORDED VOTE

The CHAIRMAN. The pending business is the demand of the gentleman from Illinois (Mr. ERLENBORN) for a recorded vote.

PARLIAMENTARY INQUIRY

Mr. FASCELL. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. FASCELL. Is the vote now on the Fascell amendment?

The CHAIRMAN. The demand is for a recorded vote on the Fascell amendment.

A recorded vote was ordered.

The CHAIRMAN. The Chair will remind the Members that 5 minutes will be allowed in which to vote.

The vote was taken by electronic device, and there were—ayes 362, noes 36, not voting 36, as follows:

[Roll No. 260]

AYES—362

Abdnor
Addabbo
Akaka
Albosta
Ambro
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Anthony
Applegate
Ashbrook
Ashley
Aspin
AuCoin
Bafalis
Bailey
Baldus
Barnard
Barnes
Bauman
Beard, R.I.
Beard, Tenn.
Bedell
Beilenson
Benjamin
Bennett
Bereuter
Bethune
Bevill
Biaggi
Bingham
Blanchard
Boggs
Boner
Bonior
Bonker
Bouquard
Bowen
Brademas
Breaux
Brinkley
Brodhead
Brooks
Broomfield
Brown, Calif.
Brown, Ohio
Buchanan
Burlison
Burton, John
Burton, Phillip
Butler
Byron
Campbell
Carney
Carr
Carter
Cavanaugh
Chappell
Chisholm
Clausen
Clay
Clinger
Coelho
Coleman
Collins, Ill.
Collins, Tex.
Conable
Conte
Corcoran
Corman
Cotter
Coughlin
Courter
D'Amours
Daniel, Dan
Daniel, R. W.
Danielson
Dannemeyer
Daschle
Davis, Mich.
de la Garza
Deckard
Dellums
Derrick
Derwinski
Devine
Dicks
Dingell
Dixon
Dodd
Donnelly
Dornan
Dougherty
Downey
Drinan
Duncan, Oreg.
Duncan, Tenn.
Early
Eckhardt
Edwards, Ala.
Edwards, Calif.
Emery
English
Erdahl
Ertel
Evans, Del.
Evans, Ga.
Evans, Ind.
Fary
Fascell
Fazio
Fenwick
Ferraro
Findley
Fish
Fisher
Fithian
Flippo
Florio
Ford, Mich.
Ford, Tenn.
Fountain
Fowler
Frenzel
Frost
Fuqua
Garcia
Gaydos
Gibbons
Gilman
Gingrich
Ginn
Glickman
Goldwater
Gonzalez
Gore
Gradison
Gramm
Grassley
Gray
Grisham
Guarini
Gudger
Hagedorn
Hall, Ohio
Hall, Tex.
Hamilton
Hammerschmidt
Hance
Hanley
Hansen
Harkin
Harris
Hawkins
Heckler
Hefner
Heftel
Hightower
Hillis
Hinson
Holt
Holtzman
Horton
Howard
Hubbard
Huckaby
Hughes
Hutto
Jacobs
Jeffords
Jenkins
Jenrette
Johnson, Calif.
Johnson, Colo.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kastenmeier
Kazen
Kelly
Kemp
Kildee
Kindness
Kogovsek
Kostmayer
Kramer
LaFalce
Lagomarsino
Latta
Leach, Iowa
Leach, La.
Leath, Tex.
Lederer
Lee
Lehman
Leland
Levitas
Livingston
Lloyd
Loeffler
Long, La.
Long, Md.
Lott
Lowry
Lujan
Luken
Lundine
Lungren
McClory
McCloskey
McCormack
McDade
McEwen
McHugh
McKay
McKinney
Maguire
Markey
Marks
Marlenee
Marriott
Martin
Mathis
Matsui
Mattox
Mavroules
Mazzoli
Mica
Michel
Mikulski
Mikva
Miller, Calif.
Mineta
Minish
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Montgomery
Moore
Moorhead, Calif.
Moorhead, Pa.
Mottl
Murphy, Ill.
Murphy, N.Y.
Murphy, Pa.
Murtha
Myers, Pa.
Natcher
Nedzi
Nelson
Nichols
Nolan
Nowak
Oakar
Oberstar
Obey
Panetta
Pashayan
Patten
Patterson
Paul
Perkins
Petri
Peyser
Pickle
Preyer
Price
Pritchard
Pursell
Quillen
Railsback
Rangel
Ratchford
Regula
Reuss
Rhodes
Richmond
Rinaldo
Robinson
Rodino
Roe
Rose

Rosenthal
Rostenkowski
Roybal
Royer
Russo
Sabo
Santini
Sawyer
Scheuer
Schroeder
Sebelius
Seiberling
Sensenbrenner
Shannon
Sharp
Shelby
Shumway
Shuster
Simon
Skelton
Slack
Smith, Iowa
Smith, Nebr.
Snowe
Solarz
Spellman
Spence
St Germain
Stack
Staggers
Stanton
Stark
Steed
Stenholm
Stewart
Stokes
Studds
Stump
Swift
Synar
Tauke
Thomas
Thompson
Traxler
Treen
Trible
Udall
Ullman
Van Deerlin
Vander Jagt
Vento
Wampler
Watkins
Waxman
Weaver
Weiss
White
Whitehurst
Whitley
Whittaker
Whitten
Williams, Mont.
Williams, Ohio
Wilson, C. H.
Wilson, Tex.
Winn
Wirth
Wolff
Wolpe
Wyatt
Wylie
Yates
Yatron
Young, Alaska
Young, Fla.
Young, Mo.
Zablocki
Zeferetti

NOES—36

Archer
Badham
Cheney
Cleveland
Crane, Daniel
Crane, Philip
Dickinson
Edwards, Okla.
Erlenborn
Goodling
Green
Holland
Hopkins
Hyde
Ichord
Jeffries
Lewis
McDonald
Madigan
Miller, Ohio
Myers, Ind.
O'Brien
Quayle
Ritter
Roth
Rudd
Satterfield
Snyder
Solomon
Stangeland
Stratton
Symms
Taylor
Walker
Wilson, Bob
Wydler

NOT VOTING—36

Alexander
Anderson, Ill.
Atkinson
Boland
Bolling
Broyhill
Burgener
Conyers
Davis, S.C.
Diggs
Edgar
Flood
Foley
Forsythe
Gephardt
Giaimo
Guyer
Harsha
Hollenbeck
Ireland
Lent
Mollohan
Neal
Ottinger
Pease
Pepper
Rahall
Roberts
Rousselot
Runnels
Schulze
Stockman
Vanik
Volkmer
Walgren
Wright

☐ 1640

So the amendment was agreed to.

The results of the vote was announced as above recorded.

AMENDMENT OFFERED BY MR. LEVITAS

Mr. LEVITAS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. LEVITAS: Page 82, beginning on line 8, strike out "sections 301(a)(1) and (2)" and insert in lieu thereof "sections 301(a)(1), (2), and (4)".

Mr. LEVITAS (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. LEVITAS. Mr. Chairman, this amendment is basically a technical amendment. Section 424 of the bill is the section that contains the congressional or legislative veto provision which gives the Congress the right to consider the rules and regulations issued by the Department of Education and if we so choose to veto those regulations.

The reason this amendment is needed is that during the course of the markup of the bill the vocational rehabilitation program was put into the legislation. The veto provision did not cover that at the time and the purpose of this amendment is to make certain all rules and regulations issued by the Department will be subject to a legislative veto.

Mr. BROOKS. Mr. Chairman, will the gentleman yield?

Mr. LEVITAS. I would be happy to yield to the gentleman from Texas.

Mr. BROOKS. Mr. Chairman, the gentleman states the position accurately, and we have no objection to the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Georgia (Mr. LEVITAS).

The amendment was agreed to.

Mr. MARKS. Mr. Chairman, I move to strike the last word.

Mr. Chairman, we have debated, if you want to use that word, the education bill for 23-plus hours.

☐ 1650

Mr. Chairman, if anyone was under the illusion that a few who were opposed to a piece of legislation could extend and extend and extend the debate on a bill to frustrate the majority, this bill should prove otherwise.

We have every quorum call imaginable that has taken place. We have had unreasonable, as well as reasonable amendments. We have had every delaying tactic that could be determined in the cloakroom or otherwise put together by a small group who are opposed to the bill.

May I suggest that the other night after many, many hours of debate and when it was thought that most people would be so tired they would do anything just to get home, the gentleman from Wisconsin (Mr. OBEY) who professes to be a friend of education, although opposed to this bill, got up in front of this House and tried to eliminate the bill completely.

As we can remember that vote, it was a substantial vote against what the gentleman wanted to do.

My remarks now are merely to tell those who would continue to keep this House in session and prevent it from getting on with the Nation's business, the appropriations bills that must be taken care of, the Panama Canal debate that must come forward and all the other major pieces of legislation, that you cannot and will not frustrate those of us who are going to see that there is a vote on this bill and that this bill will pass.

AMENDMENT OFFERED BY MR. DORNAN

Mr. DORNAN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. DORNAN: Page 90, after line 6, insert the following new section and redesignate the following sections accordingly:

PROHIBITION AGAINST THE USE OF PERSONNEL FUNDS TO FORCE RACIAL/ETHNIC QUOTA BUSING

SEC. 437. No funds appropriated under the authorization contained in section 436 may be used to assign Department of Education personnel to promote or to provide for the transportation of students or teachers (or for the purchase of equipment for such transportation) in order to establish racial or ethnic school attendance quotas or guidelines in any school or school system, or for the transportation of students or teachers (or for the purchase of equipment for such transportation) in order to carry out such a plan in any school or school system.

POINT OF ORDER

Mr. BROOKS. Mr. Chairman, I make a point of order against the amendment.

The CHAIRMAN. The gentleman will state his point of order.

Mr. BROOKS. Mr. Chairman, the language of section 436 that says that this authorization is subject to any limitation applicable with respect to any function transferred to the department, was added to the bill to negate any inference that this section authorizes any funds for programs so transferred.

Now, the section is designed to authorize only those additional appropriations which are necessary to establish and operate the department. Funds provided to public and private entities under the programs of the department are not authorized by this section, but by legislation subject to the jurisdiction of other committees and not now before the House.

An amendment to limit or constrain the use of those funds is, therefore, not germane to this bill.

The CHAIRMAN. Does the gentleman from California (Mr. DORNAN) desire to be heard on the point of order?

Mr. DORNAN. Yes, Mr. Chairman.

Mr. Chairman, I may be supporting the bill. I do not think this is a frivolous amendment. I believe it is germane.

So as not to waste the time of this body or of this committee, I asked the parliamentarian last week to take an initial look at this. He said that it might take some further study, but that it looked germane at first view.

What it attempts to do, if it appears slightly redundant, is to make sure that the Department of Education is not crippled by the burden of reverse discrimination dealing with quotas, busing or teacher transfers. The teacher transfer problem is one to which my own brother has been subjected after teaching in a Los Angeles school system for 12 years.

I will accept whatever ruling the Chair issues to this, since they have already had a chance to take a look at it once.

I just simply state that it is germane in more than one section and not legislating in an appropriations bill, to point out areas in which money cannot be spent and to allocate any personnel to carry out someone else's school plan or to have a brandnew Department of Education suffering under the burden of coming up with their own, I think would get the new department off to a bad footing for this or what I expect to be a whole new administration starting on January 20 of 1981.

I wait the Chair's decisions.

The CHAIRMAN. The Chair is prepared to rule.

The Chair recognizes that amendments are ordinarily germane which limit the uses to which an authorization of appropriations or an appropriation for an existing program may be put; however, the Chair knows of no precedent applying that principle to a bill which is only organizational in nature. Ordinarily, bills authorizing or making appropriations to carry out existing statutes emerge from the committees which have reported such statutes and which during the authorization and appropriation process have exercised oversight over the manner in which those programs are and should be carried out; but the fundamental issue involved with the pending bill is not whether those programs should be carried out as it is with annual authorizations or appropriations, but who should administer them.

Mr. DORNAN. Mr. Chairman, could we have order? I am trying to follow this, since the Chair has said it establishes a precedent.

The CHAIRMAN. The gentleman from California desires order and that he may hear the ruling of the Chair.

The Chair shall continue.

To allow as germane the amendment proposed by the gentleman from California would be to impinge upon the jurisdiction of the committees responsible for overseeing and authorizing the administration of the laws transferred by the pending legislation, and would broaden its scope beyond an organizational bill to one also modifying and limiting the programs proposed to be transferred intact to the new department.

The Chair believes that it is important to understand the impact which section 436 has upon the bill.

In this regard, the Chair will focus upon the first clause in that section, which on its face renders the authorization for appropriations subject to any limitations on appropriations applicable with respect to any function transferred to the department or secretary. Since the basic purpose of this bill is to create a new departmental entity to carry out existing educational programs and policies, it is reasonable to infer that the thrust of section 436 is merely to assure under the rules of the House that appropriations both for substantive educational programs and for administrative expenses of the new department as an organizational entity will continue to be considered as authorized by and subject to provisions of existing law.

Thus, amendments to section 436 which attempt to restrict the availability of funds authorized therein in ways which are not addressed by existing law, such as the denial of funds to pay salaries and expenses to persons who promulgate regulations relating to some newly stated aspect of educational policy, are beyond the scope of title IV. Title IV establishes an administrative structure within the new department to carry out presently enacted educational programs and policies. Such a title should not, in an organizational bill, be open to amendments which redirect the administration of educational programs in ways not precisely contemplated by existing law.

Accordingly, the Chair sustains the point of order.

Mr. DORNAN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise to thank the Chair for a very thoughtful decision. It is not often a Member gets to establish a precedent with such a seemingly simple amendment, and I thank the Chair for the effort that went into the decision.

Mr. FASCELL. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I would like to add my commendation to the Chair to that expressed by the gentleman from California. This, indeed, is a landmark decision by the Chair with respect to the jurisdiction of authorizing committees as they might or might not be affected by a reorganization bill.

I think many of us will note with greater interest the decision of the Chair, especially where we have legislative jurisdiction in the authorizing committees on matters that could be affected.

Had the Chair ruled otherwise, it would have created chaos on reorganization bills coming through the Congress and it would have made it possible either in committee or on the floor to wipe out whole areas of substantive legislation never having been considered by the committee of original jurisdiction.

□ 1700

AMENDMENT OFFERED BY MR. WALKER

Mr. WALKER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WALKER: On page 82, strike out lines 1 through 9, inclusive, and insert in their place the following:

"(b) Except to the extent inconsistent with subsection (c)—

"(1) the Secretary, in promulgating rules and regulations as authorized by statute, shall prescribe such rules and regulations in accordance with chapter 5 of title 5, United States Code; and

"(2) section 431 of the General Education Provisions Act also shall apply to such rules and regulations to the extent applicable immediately prior to the effective date of this Act, and to rules and regulations promulgated with respect to programs transferred under sections 301(a)(1), (2), and (4), 302, 303, 305, and 306 of this Act.

"(c) In promulgating such rules and regulations, except for rules and regulations to ensure compliance with civil rights laws within the jurisdiction of the Assistant Secretary for Civil Rights, the Secretary shall—

"(1) make all reasonable effort to alert the appropriate officials of the Local Education Authorities as to the purpose and content of a proposed rule or regulation; and

"(2) withdraw such rule or regulation if a majority of Local Education Authorities notify the Secretary in writing of their disapproval within thirty (30) days of the publication of the proposed rule or regulation in the Federal Register."

Mr. WALKER. Mr. Chairman, in the course of the debate on this bill one of the themes that has been repeated over and over again by the proponents of the legislation is that this Department will in no way impinge on the abilities of local school districts to run their districts in their own way. They have pointed again and again to a section in the first part of this legislation which they say limits Federal control and insures that Federal control will not be a part of the operations of this Department.

I think that we need to look at that section and congratulate the members on the committee who were responsible for putting that language in the bill. It is very important that we try to insure from the outset that in no way is local control of schools undermined by whatever we do with regard to the Department of Education.

But if we look carefully at the language that is in the bill, one of the disturbing things about it is that it refers only to law. It does not talk about the way local governments have been undermined previously by education programs through the entire regulatory process, and what we have in schools today is Federal control primarily, not as a result of laws passed in this body or passed in the Congress as a whole, but as a result of regulation.

What I am attempting to address in this particular amendment is the assurance that local control of schools really will continue by assuring that regulations adopted by this particular Department can be commented on, and if a majority of local school districts agree that the regulations are not in the best interest of the schools, they can have those regulations withdrawn. That is the purpose of this particular amendment.

Why is the amendment important? Well, if the Members have listened—and many of them have listened, I am sure, much longer than they wanted to—to the debate on this bill, it has given them some perspective as to the number of important issues that could be addressed by this Department. Issue after issue, subject matter after subject matter can be addressed by this Department that is being created.

Mr. Chairman, if this Department has the power to regulate in all those areas, then it becomes rather scary to think that local school districts will have to comply with those regulations. The one way we can insure that what is best for local education takes place is to say that whenever local school districts receive notification, timely notification, of the proposed regulations, they could within 30 days comment on the regulations, get hold of the Department, and say to the Department that they do not agree with those regulations. If a majority of school districts across the country would do that, the regulations would be withdrawn.

Mr. GLICKMAN. Mr. Chairman, will the gentleman yield?

Mr. WALKER. I yield to the gentleman from Kansas.

Mr. GLICKMAN. Mr. Chairman, when the gentleman says a majority of the school districts across the country would do this, does that mean a majority of the school districts can answer and give their opinions on the rulemaking? I ask that because there are thousands and thousands of school districts.

Does the gentleman say that this applies to 51 percent of all school districts in the Nation?

Mr. WALKER. Mr. Chairman, the intent would be that it would be a majority of all the school districts. We are talking about 18,000 school districts across the country.

Mr. GLICKMAN. Mr. Chairman, the only thing I can say to the gentleman is that, although, as the gentleman knows, he and I share the same views on final passage of this bill, I personally think this amendment would wreak havoc on the education industry in this country. I really think it reflects upon the fact that there needs to be some degree of certainty, and while I do not object to a legislative veto provision in the bill, I think this is a veto which would cause chaos.

Mr. Chairman, I would urge opposition to the amendment.

Mr. WALKER. Mr. Chairman, I would say to the gentleman that I think his point can be understood. However, I would also say to the gentleman that what this says is that this probably predisposes against local school districts really doing very much about regulations except those which are particularly onerous. Those are the only ones on which we are going to get a vast majority of school districts that will oppose regulations in any way that would cause the regulations not to go into effect. But it does give them that final say.

I think the gentleman, who, as I know, is very familiar with the workings of rules and regulations in school districts, having been, I believe, a member of a board of education, would agree with me that it is the regulations that have come out of the Office of Education that have wreaked havoc in school districts up to now. That has been the problem in many local schools.

This is the amendment to allow local school districts to do something about those regulations and allow them to have a say along the way in the process. If we go to a legislative veto, fine, we get our say here, but it is the local school districts that are being devastated by the regulations and will continue to be devastated.

The CHAIRMAN. The time of the gentleman from Pennsylvania (Mr. Walker) has expired.

Mr. WALKER. Mr. Chairman, I ask unanimous consent that I may be permitted to proceed for 4 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

Mr. HORTON. Mr. Chairman, reserving the right to object, I would just like to inform the gentleman that we have been very lenient in these amendments.

Mr. FITHIAN. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

Mr. BROOKS. Mr. Chairman, I rise in opposition to the proposal, and I oppose the amendment.

First of all, the idea of a school board veto system that permits local recipients of Federal funding to reject Federal rules is unprecedented and demands a great deal more consideration than we are going to give it in the next 5 minutes.

Second, the system that is proposed under this amendment is vague, it is cumbersome, and I think it is unworkable. We make adequate provision in H.R. 2444 for the input of local education authorities in the operation of the department. I do not think we should encumber the new department with a system like this.

Mr. HORTON. Mr. Chairman, will the gentleman yield?

Mr. BROOKS. I yield to the gentleman from New York.

Mr. HORTON. Mr. Chairman, I certainly agree with the gentleman from Texas (Mr. Brooks), and I would also like to make the point that this requires the Secretary to make reasonable effort to alert the appropriate officials of the local education authorities as to the purpose and content of a proposed rule or regulation.

The gentleman from Pennsylvania (Mr. Walker) also indicated this would only occur in unusual rules or regulations, but this is a requirement that they be informed of all proposed rules or regulations, and what we are trying to do is cut down on paperwork. I can imagine the amount of paperwork that would be necessary to inform all the school boards throughout the country of every rule or regulation and then to require withdrawal and give the local boards of education the right of revocation of these rules. That, it seems to me, is going far beyond the scope of what we ought to be doing.

So I certainly would agree with the gentleman from Texas (Mr. Brooks) that we ought to oppose this amendment. I do not think it adds anything to the bill, and I certainly think it is something we could summarily do away with. I do not think we ought to even consider having local boards of education have the right of revocation of rules and regulations as promulgated by the department.

Mr. BROOKS. Mr. Chairman, I appreciate the gentleman's suggestion, and I certainly would oppose the amendment.

Mr. ERLENBORN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I have moved to strike the requisite number of words because I have worked very closely with the gentleman from Pennsylvania (Mr. Walker). He and I agree on most things, and I agree with the basic thrust of the amendment that he has offered, that being really to make the sponsors of this bill honest in their continual promises to us that local control of education will not be adversely affected by the passage of this legislation.

And yet I can see the cumbersome nature of the notification of the 18,000 local education authorities, the difficulties in communication, and the difficulties in determining whether a majority of these agencies or authorities have written to the Secretary. Then I can see the difficulty in verifying whether they have the authority, with the local school board having met and adopted a resolution, and so forth. So it would be difficult in administration.

□ 1710

Mr. WALKER. Mr. Chairman, will the gentleman yield?

Mr. ERLENBORN. I yield to the gentleman from Pennsylvania.

Mr. WALKER. I thank the gentleman for yielding.

Mr. Chairman, I think that maybe we have just addressed that particular issue, though, in a vote just previous to this. If I understood correctly what we were doing in the Fascell amendment that this House just adopted overwhelmingly, it was precisely the same thing. We were giving local or multiunit agencies the ability to administer programs at the State level, in violation of what Congress had done before. Was not that what the gentleman's understanding was of what we just did here?

Mr. ERLENBORN. I would say to the gentleman that we were, in the Fascell amendment, allowing States, at their option, to ignore the law, which is going a good deal further than what the gentleman is suggesting. The gentleman is suggesting that they have the veto power over rules and regulations. But the Fascell amendment vitiates laws which are on the books today on vocational rehabilitation, and that probably is more radical than what the gentleman is suggesting.

Mr. WALKER. If the gentleman will yield further, I thank the gentleman for that clarification, because I think that what we are doing here is simply an extension of a philosophy that we have already adopted in this bill, that we should reach out to a multinumber of people. All we are saying here is that local school districts should be allowed to take a look at those regulations and do something about it if they find the regulations are onerous.

I would say to the gentleman that I do not see that as any different than the philosophy that we have accepted here.

Mr. ERLENBORN. I would suggest to the gentleman that, in the event that the gentleman's amendment is not adopted, I would recommend that he offer another amendment giving that veto power to State education agencies. They are defined in the current law. There are 50 plus, because the District of Columbia, Puerto Rico, American Samoa, and so forth, also qualify; but it would be a very manageable number, something in the neighborhood of 55. The paperwork would not be a problem. Identifying whether a majority has notified the Secretary would not be a problem. Since the opposition, so far, to the thrust of the gentleman's amendment is the fact that it is cumbersome, awkward, I think by giving this authority to State education agencies you would overcome the objections of the managers of the bill, and they might even join with the gentleman in asking for the adoption of that amendment.

Mr. WALKER. If the gentleman will yield further, I thank the gentleman for that suggestion, and I certainly think it is something that I would want to consider. However, I am predisposed toward local education, and supposedly this bill speaks to local education. I would hope that maybe the House would do what we have said throughout this debate we are going to do, and that is retain authority to run education at local levels. The best way to do it is through this kind of local control amendment.

Mr. ASHBROOK. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, our colleague, the gentleman from Pennsylvania, has offered a very worthwhile amendment. I am like my colleague from Illinois. I am not sure that I approve of it, in light of a paperwork amendment I will be offering in a few moments. But a few moments ago, the gentleman from Pennsylvania was not allowed extra time; I know he had a few things he wanted to add, and for that purpose I will yield to my colleague, the gentleman from Pennsylvania (Mr. WALKER).

Mr. WALKER. I thank the gentleman for yielding.

Mr. Chairman, I think that there is one point that we should look at with regard to this amendment, too; and that is that this is not an original amendment in this House. It was considered by the other body when they considered this bill. The vote in the other body on this bill was 48 to 40, indicating that there was a substantial feeling in the other body that in fact this kind of an approach would be an acceptable one. I would certainly hope that as we go into this particular vote we recognize that here rests the real opportunity to control local education.

I thank my colleague for yielding.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania (Mr. WALKER).

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. WALKER. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 159, noes 243, answered "present" 1, not voting 31, as follows:

[Roll No. 261]

AYES—159

Abdnor
Ambro
Anderson, Calif.
Andrews, N. Dak.
Applegate
Ashbrook
Badham
Bafalis
Bauman
Beard, Tenn.
Bennett
Bereuter
Bethune
Brinkley
Broomfield
Brown, Ohio
Butler
Byron
Campbell
Carney
Carter
Cavanaugh
Chappell
Cheney
Clausen
Cleveland
Clinger
Collins, Tex.
Coughlin
Courter
Crane, Daniel
Crane, Philip
Daniel, Dan
Daniel, R. W.
Dannemeyer
de la Garza
Deckard
Derwinski
Devine
Dickinson
Donnelly
Duncan, Tenn.
Edwards, Ala.
Edwards, Okla.
Emery
English
Evans, Del.
Evans, Ind.
Ferraro
Gaydos
Gingrich
Goldwater
Goodling
Gramm
Grassley
Grisham
Hagedorn
Hall, Tex.
Hammerschmidt
Hance
Hanley
Hansen
Heckler
Hightower
Hillis
Hinson
Holt
Hopkins
Hubbard
Huckaby
Hutto
Hyde
Ichord
Jeffries
Kazen
Kelly
Kindness
Kramer
Lagomarsino
Latta
Leach, Iowa
Leach, La.
Leath, Tex.
Lederer
Lee
Lent
Levitas
Lewis
Livingston
Lloyd
Loeffler
Lott
Lujan
Lungren
McClory
McDade
McDonald
McEwen
McKay
McKinney
Marlenee
Martin
Mathis
Michel
Miller, Ohio
Montgomery
Moore
Moorhead, Calif.
Myers, Ind.
Myers, Pa.
Nichols
Pashayan
Paul
Pritchard
Quayle
Rinaldo
Ritter
Robinson
Royer
Rudd
Runnels
Santini
Satterfield
Sawyer
Sebelius
Sensenbrenner
Shelby
Shumway
Shuster
Skelton
Smith, Nebr.
Snowe
Snyder
Solomon
Spence
Stangeland
Stenholm
Stratton
Stump
Symms
Tauke
Taylor
Thomas
Treen
Vander Jagt
Walker
Wampler
Watkins
White
Whitehurst
Whitten
Williams, Ohio
Winn
Wolff
Wyatt
Wydler
Yatron
Young, Alaska
Young, Fla.

NOES—243

Addabbo
Akaka
Albosta
Alexander
Anderson, Ill.
Andrews, N.C.
Annunzio
Anthony
Ashley
Aspin
Atkinson
AuCoin
Bailey
Baldus
Barnard
Barnes
Beard, R.I.
Bedell
Beilenson
Benjamin
Bevill
Biaggi
Bingham
Blanchard
Boggs
Boner
Bonior
Bonker
Bouquard
Bowen
Brademas
Breaux
Brodhead
Brooks
Brown, Calif.
Buchanan
Burlison
Burton, John
Burton, Phillip
Carr
Chisholm
Clay
Coelho
Coleman
Collins, Ill.
Conable
Conte
Corcoran
Corman
Cotter
D'Amours
Danielson
Daschle
Davis, Mich.
Dellums
Derrick
Dicks
Dingell
Dixon
Dodd
Dornan
Dougherty
Downey
Drinan
Duncan, Oreg.
Early
Eckhardt
Edwards, Calif.
Erdahl
Ertel
Evans, Ga.
Fary
Fascell
Fazio
Fenwick
Findley
Fish
Fisher
Fithian
Flippo
Florio
Foley
Ford, Mich.
Fountain
Fowler
Frenzel
Frost
Fuqua
Garcia
Gephardt
Gibbons
Gilman
Ginn
Glickman
Gonzalez
Gore
Gradison
Gray
Green
Guarini
Gudger
Hall, Ohio
Hamilton
Harkin
Harris
Hawkins
Hefner
Heftel
Holland
Hollenbeck
Holtzman
Horton
Howard
Hughes
Jacobs
Jeffords
Jenkins
Jenrette
Johnson, Calif.
Johnson, Colo.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kastenmeier
Kildee
Kogovsek
Kostmayer
LaFalce
Lehman
Leland
Long, La.
Long, Md.
Lowry
Luken
Lundine
McCormack
McHugh
Madigan
Maguire
Markey
Marks
Marriott
Matsui
Mattox
Mavroules
Mazzoli
Mica
Mikulski
Mikva
Miller, Calif.
Mineta
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Moorhead, Pa.
Mottl
Murphy, Ill.
Murphy, N.Y.
Murphy, Pa.
Murtha
Natcher
Nedzi
Nelson
Nolan
Nowak
O'Brien
Oakar
Oberstar
Obey
Ottinger
Panetta
Patten
Patterson
Pease
Perkins
Petri
Peyser
Pickle
Preyer
Price
Pursell
Quillen
Railsback
Rangel
Ratchford
Regula
Reuss
Rhodes
Richmond
Rodino
Roe
Rose
Rosenthal
Rostenkowski
Roth
Roybal
Russo
Sabo
Scheuer
Schroeder
Seiberling
Shannon
Sharp
Simon
Slack
Smith, Iowa
Solarz
Spellman
St Germain
Staggers
Stanton
Stark
Steed
Stewart
Stockman
Stokes
Studds
Swift
Synar
Thompson
Traxler
Trible
Udall
Ullman
Van Deerlin
Vento
Volkmer
Waxman
Weaver
Weiss
Whitley
Whittaker
Williams, Mont.
Wilson, Bob
Wilson, Tex.
Wirth
Wolpe
Wylie
Yates
Young, Mo.
Zablocki
Zeferetti

ANSWERED "PRESENT"—1

Erlenborn

NOT VOTING—31

Archer
Boland
Bolling
Broyhill
Burgener
Conyers
Davis, S.C.
Diggs
Edgar
Flood
Ford, Tenn.
Forsythe
Giaimo
Guyer
Harsha
Ireland
Kemp
McCloskey
Minish
Mollohan
Neal
Pepper
Rahall
Roberts
Rousselot
Schulze
Stack
Vanik
Walgren
Wilson, C. H.
Wright

□ 1730

The Clerk announced the following pairs:

On this vote:

Mr. Archer for, with Mr. Pepper against.
Mr. Burgener for, with Mr. Rahall against.
Mr. Guyer for, with Mr. Conyers against.
Mr. Kemp for, with Mr. Mollohan against.
Mr. Rousselot for, with Mr. Minish against.
Mr. Schulze for, with Mr. Boland against.

Mr. BRINKLEY changed his vote from "no" to "aye."

So the amendment was rejected.

The result of the vote was announced as above recorded.

● Mr. SANTINI. Mr. Chairman, I rise in support of the concept contained in Representative SIMON's proposed amendment to delete section 439 of H.R. 2444, the Department of Education Organization Act. I did support the Fascell amendment passed earlier today.

There now exist many laws which aim to aid handicapped individuals to become self-sufficient, productive members of our society. Congress has appropriated funds to implement these laws and make this self-sufficiency a reality.

However, the delivery of these services has—at times—been deficient and inadequate, due to the lack of facilities, trained personnel, and conscientious implementation.

When I support an appropriations bill, I want to be confident that these funds are indeed fulfilling their intended purpose. Section 439 endangers some very worthwhile programs, in particular those related to vocational education and vocational rehabilitation, because it threatens their individual identities, and thus their funding.

In these days of fiscal austerity, many worthwhile programs are competing for the Federal dollar. Programs designed to help the handicapped are easy prey for irrational and inequitable financial assaults. The handicapped have made significant strides in obtaining equal access to employment and educational opportunities. We must not threaten the structures and programs through which the handicapped have made these gains.

Thank you.●

Mr. BROOKS. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker pro tempore (Mr. MURTHA) having assumed the chair, Mr. NEDZI, Chairman of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 2444) to establish a Department of Education, and for other purposes, had come to no resolution thereon.

GENERAL LEAVE

Mr. BROOKS. Mr. Speaker, I ask unanimous consent that all Members may have 3 legislative days in which to revise and extend their remarks, and to include extraneous matter on the bill, H.R. 2444, and the Fascell amendment.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

PERSONAL EXPLANATION

Mr. FOLEY. Mr. Speaker, I was unavoidably absent on rollcall No. 260. Had I been present I would have voted "aye."

PERSONAL EXPLANATION

Mr. WAMPLER. Mr. Speaker, on rollcall No. 257 I am recorded as not voting. At the time the vote occurred I was in the Caucus Room of the Cannon House Office Building participating in a hearing under the auspices of the Select Committee on Aging. Had I been present I would have voted "aye."

PERSONAL EXPLANATION

Mr. CORCORAN. Mr. Speaker, due to a previous commitment in my State yesterday, I was unable to be present and voting on a number of matters before the House. Had I been present, I would have voted in the following way:

Rollcall No. 249. Passage of House Resolution 321, expressing the sense of the House of Representatives that the President should call upon the Secretary General of the United Nations to convene immediately an emergency session of the General Assembly, or should use appropriate fora, to deal with the refugee crisis in Southeast Asia, "yea."

Rollcall No. 250. Amendment offered by Mr. GLICKMAN of Kansas that increases by $5 million the appropriation to the Nuclear Regulatory Commission for its onsite inspector program, "yea." (Amendment offered to H.R. 4388.)

Rollcall No. 241. Amendment offered by Mr. KOSTMAYER of Pennsylvania that permits 731 Nuclear Regulatory Commission personnel in the nuclear reactor regulation program to perform all duties authorized by law, "yea." (H.R. 4388.)

Rollcall No. 252. Amendment offered by Mr. WEAVER of Oregon that sought to prohibit expenditure of funds by the NRC for issuance of an operating license to a nuclear plant in a State that has not submitted an emergency evacuation plan to the Commission, paired against. (H.R. 4388.)

Rollcall No. 253. On final passage of H.R. 4388, making appropriations for energy and water development for the fiscal year ending September 30, 1980, "yea."

Rollcall No. 254. On final passage of H.R. 4391, making appropriations for military construction for the Department of Defense for fiscal year ending September 30, 1980, "yea."

OHIO NEWSPAPER SUPPORTS PANAMA CANAL TREATY IMPLEMENTATION

(Mr. SEIBERLING asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. SEIBERLING. Mr. Speaker, I understand that the Panama Canal implementation legislation is going to come up tomorrow. Accordingly, I intend to place in the RECORD an editorial from the June 11 edition of the Akron Beacon Journal which points out that the Panama treaties represent a binding obligation and impose upon the Congress a moral obligation to back up the promises made. As the editorial says, approval of the legislation without destructive amendments is essential if the United States is to retain its integrity in international relations.

The text of the editorial follows:

THE HOUSE MUST BLOCK CANAL TREATY SABOTEURS

A crucial test of this nation's integrity in international relations comes before the House of Representatives Tuesday.

It is the vote on legislation to implement the terms of two treaties to transfer full control of the Panama Canal to Panama by the year 2000.

Details of those treaties were painstakingly hammered out and fully debated before Senate ratification. The terms are no longer negotiable.

Yet now the Carter administration, which negotiated the treaties and fought for their acceptance, finds itself in another battle to assure their implementation. It must persuade a majority in the House to pass acceptable legislation to set up a commission to operate the canal through the rest of this century.

The treaties represent a binding obligation in foreign affairs. They impose upon the House a moral obligation to back up the promises made.

But some House opponents, constitutionally denied any vote on the treaties themselves, now seem intent on loading the enabling legislation with crippling amendments.

In mid-May they almost succeeded in sending the bill back to committee. Failing by two votes, they now hope in floor action Tuesday to add amendments that would amount to violations of the treaty terms.

One of the most damaging is expected to be offered by Rep. George Hansen (R–Idaho). He wants implementation delayed because, he says, there is evidence of Panamanian gun smuggling to guerrillas in Nicaragua that casts doubt on whether Panama can be trusted to uphold the treaties.

Another Hansen proposal would turn the canal transfer into a mere real estate deal, requiring Panama to pay the United States $2 billion.

Such an amendment would clearly violate the terms of the treaties. It would be unacceptable to Panama. And it would erode what good feeling exists between Americans and Panamanians in the Zone when the treaties go into effect Oct. 1, as they will regardless of what the Congress does.

Another destructive amendment is proposed by Rep. Ron Mottl (D-Parma). Ostensibly designed to settle all expropriation claims by American businesses before the transfer, it would benefit only one American billionaire, government officials say.

These amendments must not be permitted. The treaties already have spelled out *what* shall be done. The enabling legislation tells *how* it will be done.

Approval is essential if the United States is to retain its integrity in international relations.

The United States can voice disapproval and apply pressure where we think relationships between two other countries are bad for the United States or the world, as in the Nicaragua-Panama case. But we can't dictate to Panama any more than we can order China not to sell arms to Egypt.

The canal treaties were made in the faith that their provisions would be fully implemented by both the United States and Panama. If the House undermines that faith, it cannot expect Panama to carry out its end of the agreements. This includes the continued right of the United States to protect the canal and favored treatment for our warships in times of emergency.

Treaty opponents should remember that when they vote Tuesday.

CONGRESS SHOULD MOVE PROMPTLY TO IMPLEMENT PANAMA CANAL TREATIES

(Mr. BRADEMAS asked and was given permission to address the House for 1 minute and to revise and extend his remarks and to include extraneous matter:)

Mr. BRADEMAS. Mr. Speaker, as the House of Representatives prepares to begin consideration tomorrow of legislation that will assure the opportunity on the part of the United States to continue to protect the Panama Canal, and to utilize that Canal, I think it is significant that so many newspapers across the country are indicating their strong support, through their editorials, of passage of this legislation and opposition to the amendment to be offered by the gentleman from Idaho (Mr. HANSEN).

In this respect, I insert at this point in the RECORD an editorial published in the La Porte, Inc., Herald-Argus, entitled "It's Time To Quit Quibbling Over the Panama Canal Treaties."

I commend the editor and publisher of this newspaper, Mr. W. R. Morrish, who is an active Republican, for the statesmanlike quality of his editorial.

The newspaper article follows:

IT'S TIME TO QUIT QUIBBLING OVER THE PANAMA CANAL TREATIES

Nothing is to be gained in the U.S. House of Representatives by a dogged continuation of the Panama Canal Treaties debate. The U.S. Senate ratified the Treaty in April of 1978. The Panama Canal Zone will become Panama territory on October 1, 1979.

One thing is certain: no snap decisions were made in negotiations and approving the Panama Canal Treaties. At least two decades of deliberations took place. No presidential administration forced anything through, including the Carter Administration.

Surely we have expended as much political energy over this controversy as any in recent memory. And during this prolonged argument it was never clearly understood by many Americans that the Canal Zone is not now and never was U.S. territory. This country purchased rights rather than land in its Canal Zone involvement. Yet an argument continues in Congress over "real estate."

It is time to cease and desist. The House is currently debating the implementation legislation relating to the management of the Panama Canal Treaties. This implementing legislation serves only to establish the necessary legal and administrative framework so that the U.S. can continue to operate the Canal until the year 2000. The adopted Treaties stipulate that it is the U.S. right and obligation to operate the Canal until 2000.

The Hansen Bill now before the House proposes to force Panama to pay all expenses incurred by the U.S.A. in exercising its rights under the Treaty. The measure is sponsored by Rep. George Hansen, R-Idaho, who is unhappy about the treaties.

In other words, Rep. Hansen refuses to accept the obvious, namely, that the Treaty has been negotiated, ratified by the U.S. Senate, and that we are irrevocably bound to transfer the Zone to Panama on October 1 regardless of House action.

His proposal serves no good purpose, and in many ways it may well jeopardize reasonable plans for future use of the Canal. More than a third of all tonnage that passes through the Panama Canal happens to be oil. Most of our own East Coast supply is shipped through the Panama Canal.

The Canal handles an average of a half-million barrels per day of Alaskan crude destined for U.S. refineries. Why should we risk delayed delivery of our own important oil supplies at a time when every barrel is needed?

We have taken the necessary action in the Senate. We have assured ourselves of the use of the Canal for many years to come. The House should move promptly to implement the treaties.

LEGISLATION TO END U.S. TRADE EMBARGO AGAINST CUBA

(Mr. WEISS asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. WEISS. Mr. Speaker, I am introducing legislation today to end the U.S. trade embargo against Cuba and to establish full diplomatic relations between our two nations.

It is quite clear that the U.S. policy of ignoring Cuba's existence and of prohibiting any commerce between our countries has long since outlived whatever usefulness it may once have had. For nearly two decades the United States has tried, without discernible success, to use trade as a weapon against the Castro government. The embargo has not destabilized the Castro regime. It has not caused any slackening of the ties between Moscow and Havana. And it has not produced any apparent modifications in Cuban foreign policy.

The embargo has, however, inflicted severe economic hardships on the Cuban people, hardening resentment against the United States. It has also encouraged a heavy dependence by Cuba on a nation thousands of miles from its shores while precluding mutually beneficial commerce between Cuba and one of its closest neighbors.

Maintaining the embargo is now clearly contrary to the best interests of the United States. We have far more to gain—economically and politically—by restoring trade and diplomatic relations with Cuba than by clinging to an anachronistic, discredited, and counterproductive policy.

To its credit, the Carter administration has initiated efforts to lessen the hostility between the United States and Cuba. This process has, however, lost some of its momentum in recent months, and I am hopeful that my legislation will renew productive discussions and that its provisions will soon be adopted.

For its part, Cuba has in recent years repeatedly and consistently demonstrated its desire to enter into a normal relationship with the United States.

In 1973 the United States and Cuba signed an antihijacking agreement that has been respected by both parties and which has discouraged acts of air piracy.

A pact on maritime boundaries and fishing rights was concluded between our two nations in April 1977.

In August 1977, President Castro agreed to permit all single-source Americans to return to the United States and to bring with them family members, whether or not they are Cuban citizens.

In December of that same year, the Cuban Government agreed to release some 500 dual nationals and permit their emigration to the United States.

Most encouraging of all, Castro announced on November 21, 1978, that he would release 3,600 political prisoners in Cuba and permit their emigration to the United States. Now largely accomplished this release accounts for about 90 percent of all persons held in Cuban prisons on political charges.

And as a result of a dialog between Cuban-Americans residing in the United States and the Cuban Government, it was announced in December 1978 that families separated in the United States and on the island would be reunited. Permission for visits to the island by Cubans living abroad was also granted in the course of that historic dialog. Some 50,000 Cubans living in this country have visited their homeland since that agreement was reached.

It would seem, Mr. Speaker, that through these actions Cuba has fulfilled many of the human rights requirements which have been raised as prerequisites to normalization. More progress can and should be made in this area, but I believe that Cuba has now amply demonstrated its willingness to make concessions in its domestic policies in return for full ties with the United States.

We should not now turn our backs on this display of good faith and this commitment to compromise. Instead, we should move ahead expeditiously toward a normal relationship with Cuba which will facilitate further improvements in the human rights situation.

Continuing the embargo will lead increasingly to political isolation for the United States and will cause damage to our prestige throughout the Third World. Eleven nations in the Western Hemisphere now have full ties with Cuba. In addition, Canada, Japan, and many Western European nations enjoy a steady trade with the island. Japanese exports alone now total more than $500 million a year.

American companies would have a distinct competitive advantage in Cuban trade were the embargo lifted. Cuba is very anxious to purchase agricultural machinery and other types of technology from the United States. Exports would greatly outstrip imports of Cuban sugar and other products, thereby helping to lessen our balance of payments deficit.

The process of normalization between the United States and China also offers good reason to believe that the issue of expropriations and restitutions can be readily resolved between our governments. A formula for settling claims resulting from the seizure of American property in China was devised after Washington and Peking restored full relations. A similar agreement can, I am sure, be reached with Cuba following normalization.

Cuba and the United States will continue to have serious and far-reaching political differences for the foreseeable future. But differing economic systems and world views have not prevented the United States from exchanging envoys and establishing trade links with the Soviet Union, China, and many Eastern European nations. Indeed, it has been shown that normal relations are almost always more conducive to U.S. interests throughout the world than is the policy of hostile noncommunication.

Ultimately, the United States and Cuba will normalize their relationship and develop trade links. This is certainly the direction in which U.S. foreign policy has been moving over the past 5 years. I urge my colleagues to hasten the day when political realism is formally substituted for an outmoded policy of animosity. I urge them to join me in cosponsoring this legislation and in working for an end to the embargo against Cuba.

A copy of the bill is printed below:

H.R. 4535

A bill to remove certain trade restrictions with respect to Cuba

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 301(b) of the Foreign Assistance Act of 1961 (22 U.S.C. 2221(b)) is amended by striking out the second sentence.

(b) Section 620(a) of the Foreign Assistance Act of 1961 (22 U.S.C. 2370(a)) is hereby repealed.

(c) Public Law 87–733 (76 Stat. 697), approved October 3, 1962, is hereby repealed.

(d) Presidential Proclamation 3447 of February 3, 1962, shall cease to be effective on the date of the enactment of this Act.

Sec. 2. Any regulations issued by the President or any Federal department or agency to carry out those provisions of law stricken or repealed by the first section of this Act, or to carry out the Presidential proclamation made ineffective by such section, shall cease to be effective on the date of the enactment of this Act.

PLIGHT OF THE INDEPENDENT TRUCKER

(Mr. RUSSO asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RUSSO. Mr. Speaker, at the moment we have a growing national crisis in the motor transportation industry. The price of diesel fuel has almost doubled since the beginning of the year. In addition to that, diesel fuel supplies at the Nation's truckstops are erratic at best. In my opinion, we must act immediately to head off what could be an extreme state of crisis in the Nation—the possibility of the complete stoppage of the flow of critical goods to include food products.

For 3 years, my subcommittee held hearings on the problems of independent truckers. It is on that basis that I feel compelled to comment on the following issues. What we face now in this industry is a fuel crisis—its price, its availability, and its proper use.

The Interstate Commerce Commission, under the enlightened leadership of A.

Daniel O'Neal, has moved to settle the issue of price. They have mandated a minimum 5.6-percent fuel surcharge on the gross revenue of all regulated commodity shipments. This will go directly to the trucker who pays for the fuel. In effect, it drives fuel prices down to late 1978 levels. Unfortunately, the ICC has no jurisdiction over unregulated or exempt goods such as most agricultural goods. The ICC, with White House support, is actively encouraging all exempt commodity shippers and brokers to follow the ICC example.

For a long-term solution, I have introduced H.R. 3264, a bill which allows truckers a tax credit in lieu of a deduction for rising fuel costs. Tied into the bill is a higher credit for improved fuel mileage—in other words conservation. I ask the Members of the House to cosponsor this measure.

All of this addresses the price issue, but what about availability and use? I have just written to the President with two suggestions. They are:

First. The Department of Energy immediately should investigate the allocation of diesel fuel to the Nation's truckstops and find out why there are so many discrepancies and insure availability of diesel throughout the Nation.

Second. The Department of Transportation should consider lifting all weight and size limitations on Federal highways for a period of 6 months. This should be combined with a strict enforcement of the 55-mile-per-hour speed limit. The Secretary of Transportation should review the effects of such a move at the end of 6 months to see if it should be extended.

At the present time, there are about 13 States which do not allow trucks which either weigh 80,000 pounds or are at least 60 feet in length to run on their highways. Traditionally, the Department of Transportation has refused to force the issue and mandate higher limits even though they previously have forced all our States to adhere to the 55-mile-per-hour speed limit. Truckers must now run around the States in question wasting millions of gallons of valuable diesel fuel. Why?

At a recent meeting with a congressional delegation, a representative of DOT said it was a "controversial issue." He also said 80,000-pound trucks would tear up the highways if allowed to run everywhere. They are studying the issue and will complete their study in 1981. We do not have that kind of time.

In 1944, the Congress passed the Federal Aid Highway Act. In that act they said a road system should be built connecting major points for use in case of national emergency. Specifications were not spelled out in the law until the 1960's. In 1974, Federal law said States could raise the limits to 80,000 pounds. Clearly, in the spirit of the law was a consideration of national defense. If I understand DOT's stand today, they are saying if we tried to run a guided missile or a 118,000-pound XM-1 tank—without transporter—the Federal highway system would collapse.

We have to get our priorities in order. I am asking my colleagues in the House to join me in pressing for a temporary lifting of the limits on interstate highways in the States in question. This should be subject to review at a not too distant date to see how the roads are holding up.

This action will efficiently move critical goods and save a great amount of fuel, both of which are essential to the Nation's well-being. In addition, we must better allocate what diesel fuel we have to insure that commodities such as perishable goods are not allowed to rot somewhere in an empty truck stop.

We have known of these problems for years. I see no need for a lot of hearings and further studies. The time to act is today.

Mr. SKELTON. Mr. Speaker, will the gentleman yield?

Mr. RUSSO. I yield to the gentleman from Missouri.

Mr. SKELTON. Mr. Speaker, I wish to associate myself with the comments of my colleague from Illinois. Since being elected to the Congress, I have had the pleasure of serving with my friend, Marty Russo, on the Subcommittee on Special Small Business Problems for the House Small Business Committee. My colleague speaks modestly of his efforts over the last several years in identifying and solving the problems facing independent truckers. He knows well the subject which he has discussed with us today and I think his suggestions should be heeded.

Indeed the situation facing independent truckers is at a crisis level. Our economy and our constituents cannot afford the disruption that a nationwide trucker shutdown could cause. In particular, I must join with my colleague in insisting the Department of Energy take a more responsible position with regard to the allocation of diesel fuel to the country's truck stops. The present information is contradictory and inaccurate. We are asking one segment of our economy to "bite the bullet" when we cannot say with certainty that that decision is based on substantiated facts and figures. We must get this data and the prognosis for improved supplies, as soon as possible. A delay could be disastrous.

THE FIRST-HOME OWNERSHIP ACT OF 1979

(Mr. PANETTA asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PANETTA. Mr. Speaker, today, I am introducing important legislation for the people of this Nation who ask to share in the American dream of owning a home. It is entitled the First-Home Ownership Act of 1979 and is designed to address the serious problem people face in attempting to enter the housing market at a time when the cost of homeownership is dramatically rising. It provides for a tax-free savings account for purchase of a first home and tax credits for contributions to that account.

High construction and finance costs combined with a strong demand and short supply have driven the price of new homes beyond the reach of the average-income earner. Dreams of homeownership are being shattered as spiraling costs prevent more and more people from entering the market. Those who have never owned a home before, particularly young families, find little hope of escaping the burden of monthly rental payments.

The sad fact is that house prices continue to rise at a much faster rate than income, thus preventing more middle- and low-income people from entering the homeownership market. In 1972 the typical home cost $27,500. A mere 5 years later the price had gone up to $44,300. Today, a new home costs well over $60,000, and there is no indication that the rate of increase is slowing down. Over the same period that home prices have increased by 120 percent, median family income has increased by only 77 percent.

I think that Congress must recognize the need for action in this area. I believe that my legislation offers the most responsible approach by targeting benefits to middle- and low-income people hardest hit by rising prices.

There are three basic features to my legislation: A tax-free individual housing account; a tax credit for contributions to that account; and, an income scale that limits the size of the tax credit for which a person might qualify. These measures are intended to both encourage homeownership and increase the availability of home mortgage funds.

The option to establish an individual housing account would be made available only to those who have never owned a home. Like the popular individual retirement account, the interest income on an individual housing account would be exempt from the Federal income tax. As an additional incentive to save, my legislation would provide for a tax credit of up to $500 based upon income level and amount contributed to the account.

The tax credit would range from 1 percent to 20 percent of a person's annual contribution to his individual housing account with a maximum contribution of $2,500 in any given year. People earning under $25,000 would be eligible for the full 20-percent credit. Each additional $1,000 of income would reduce the allowable credit by 1 percentage point.

For instance, a person earning between $29,000 and $30,000 would qualify for a 15-percent tax credit on contributions of up to $2,500 to the account. A person earning over $44,000 would not qualify for any benefits under the program.

My legislation places a 10-year limit on the lifespan of these accounts and provides strict penalties for using the funds for any purpose other than the purchase of a first home.

I need not dwell on the need for homeownership assistance. It is clear that the Federal Government should provide leadership in this area. I urge my colleagues to give careful consideration to supporting my legislation.

HUMAN RIGHTS IN THE PHILIPPINES: ANOTHER VIEW

(Mr. McHUGH asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. McHUGH. Mr. Speaker, for the last several years Congress has required the U.S. Department of State to submit reports on human rights practices in specific countries that receive assistance from our Government. These reports, which are required in accordance with sections 116(d) and 502(b) of the Foreign Assistance Act of 1961, as amended, are then jointly published by the House Foreign Affairs Committee and the Senate Foreign Relations Committee.

Although the State Department reports are often a useful source of information regarding human rights practices in specific countries, they cannot be considered the final or definitive word. These reports have to be balanced against similar reports issued by a number of organizations, including Amnesty International and a variety of organizations concerned with human rights practices in specific countries.

Recently, the Friends of the Filipino People issued its own commentary on the human rights situation in the Philippines. It is critical of the State Department report, and concludes that "it is the unrelenting absence of bread and freedom that constitutes the grossest and most inhumane violation of human rights in the Philippines today."

Without endorsing the views contained in this report, I do believe that we have a special obligation to be fully knowledgeable regarding all points of view regarding the human rights situation in the Philippines because of the long and close association between the peoples of our two countries. Thus, for the benefit of my colleague who may not have seen this report, I am including a copy in the RECORD at this point:

FFP RESPONSE TO THE STATE DEPARTMENT ANNUAL HUMAN RIGHTS REPORT

(Prepared by Leverina Rivera-Drew)

Introduction. For the third year in row, the State Department's Human Rights Report has demonstrated a marked aptitude for dishwater clarity. Descriptive and judgmental assertions tend to downplay, mitigate and generally imply improvements. At the same time however, it admits once again the "serious curtailment of the human rights of many citizens" and that "only very limited steps have yet been taken toward the restoration of democratic government and full exercise of constitutional rights."

The accuracy of this report is acceptable only when one regards it as a political tool intended to buttress U.S. policy preferences. This year's increase in military and military-related aid by 163% confirms this function.

The cursory treatment given to the section on moslem human rights is most regretful especially since the issue had been raised directly with the State Department several times in the past year.

A large number of the most extreme human rights violations occur in the moslem areas. Since 1972, an estimated 50,000 moslem civilians have been killed through military actions. Large-scale massacres, pillaging and bombing and strafing operations have killed civilians and leveled villages. Some recent incidents include the massacre of 365 men, women and children in Tiglapul, Zamboanga; 100 civilians killed in Oct. 17, 1978 (Task Force Detainees of the Association of Major Religious Superiors in the Philippines.) In one particular massacre, some clergy reported over 1,000 moslem civilians killed in Kulon-kulon, Cotabato. (Letter to ex-Rep. Donald Fraser) Over 1 million have become refugees, fleeing their homes in the midst of military operations.

In the only reference to these and other massive atrocities, the report weakly notes ". . . many civilians have been killed and on occasion, homes have been destroyed." Blame for these violations is laid equally on both government troops and rebels.

Torture. As in the past 3 years, the Report states that there continues to be "credible reports" of torture, deaths and disappearances of dissidents. It adds that there have been "marked reductions . . . . in Manila" but fails to note the increase in other parts of the country The inference is that conditions have improved generally. However, torture and deaths have increased outside Manila. (Political Detainees Update by TFD) The drama and accessibility of first person accounts are no longer as conveniently available but the violations exist in even more brutal forms today.

Further, an ominous plan to institutionalize death squads under the guise of addressing "crime" in the Manila area was announced by the Defense Minister on Dec. 29, 1978. (Hongkong Standard) This elite strike force will operate "without jurisdictional restrictions" in complete anonymity, independently of regular police forces." It may literally strike anywhere. Under conditions of martial law, the chances of unchecked abuse is overwhelming.

Cruel and Inhuman Punishment. A favorable listing of Philippine government "sanctions" against abusive military men again implies a responsiveness and concern on their part. In fact, official Philippine recalcitrance is evident in their claim that torture reports are exaggerated or part of communist propaganda. (January 1979, Hongkong Standard) Moreover, a review of alleged disciplinary measures uncover some farces.

For example, in investigating the case of Rev. Cesar Taguba, a UCC minister who was severely tortured, the government panel said that Taguba, "because of thirst and by his own volition drank his own urine." In several cases of "mysterious deaths" the panel alleged that political prisoners committed suicide and again cleared the officers involved. In the torture-death of Fortunato Bayotlang, a case arousing intense church protest, the panel found civilians responsible and merely demoted a militaryman by one rank. (Five Years of the New Society, by Ferdinand Marcos).

Not only is torture whitewashed, its perpetuators are even rewarded. For example, in July 1978, the chief interrogator involved in the torture deaths of two political detainees was awarded a bronze cross as one of the "Twelve Outstanding Lawmen." (Philippine Times Journal)

Outside the Manila area, TFD documentation indicate a pattern of arrests without warrants, looting of homes and other pervasive abuses by the military Arrests without warrants are in fact standard practice and not mere aberratic as suggested.

Estimates of political prisoners are attributed to church monitors as ranging from 500 to 1,000. Yet the church's accompanying qualifier is ignored. TFD has consistently cautioned that those "accounted for" are not the real count. "This figure could be multiplied 2 or 3 times at least in order to approximate the total number of political detainees." (underscore ours, TFD Book III)

The constraints in quantifying political detainees are many: the new method of killing or "salvaging" after interrogation; the tactic of detention, immediate torture and quick release; the unknown locations of torture houses or "safehouses."

The claim that detention facilities have "improved considerably" is specious. While a showpiece prison like Camp Bicutan was built for accessibility to foreign media and visitors, conditions in other prison camps outside Manila are appalling, according to TFD investigators.

Civil and Political Rights. The Report erroneously claims "A good selection of books and periodicals available in the U.S. is similarly available in the Philippines." Editions of news magazines that carry critical views are confiscated and banned from distribution. From our own experiences, mere possession of FFP literature is considered subversive and arrestable. Subversion is given the catch-all definition: "It's subversive to print subversive materials to downgrade the policy of the national government." (Imelda Marcos, before U.S. representatives, June 1978) Formal government definition is not much different.

The report further claims "open access by foreign media." Recent events dispute this. A correspondent for Far Eastern Economic Review, Rodney Tasker was not allowed to remain in the Philippines because of unfavorable pieces he had written. Moreover, the Marcos regime sought to persuade other ASEAN governments that any publication banned by any one member should be automatically banned by the other four. Remarked one ASEAN minister, "We do not propose to allow the Marcos martial law regime in Manilla to dictate our reading matter." (Far Eastern Economic Review, Dec. 15, 1978) The regime also recently denied permits for an opposition newspaper to publish.

Basic Human Needs. Unlike Philippine government propaganda, the Report acknowledges that "widespread poverty generally has not been reduced," that corruption remains pervasive, that basic human needs are not provided. Beyond these general observations, selectively chosen examples downplay the realities.

For example, some startlingly obvious facts are omitted:

Seventy-eight percent of Filipino preschool children are malnourished and Filipinos have the 2nd lowest food consumption measured in grams per day. This places nutritional levels lower than Bangladesh. (Asian Development Bank study) The blame is placed on insufficient income. Yet official per capita GNP at $410 is much higher than Bangladesh at $110.

The prices of essential commodities have risen by as much as 109.3 percent from their 1972 levels. (National Economic Development Authority, 1977).

The housing shortage runs to 1.1 million units all over the country and is expected to double. (National Housing Authority) The Philippines has the dubious distinction of having the largest slum settlement in Asia and it has continued to increase at an accelerated pace since 1972.

Despite the theoretical availability of education, extreme poverty forces school-aged youths to drop out. The government itself estimates that about 30 percent of Filipinos are in the state of "extreme" poverty. (Dept. of Social Services and Development, Aug. 1977) Other data show that under the Marcos regime, poverty thresholds have increased to 48 percent or 20.5 M of the population. (UNESCAP Conference, 1977)

The rising unemployment has provided an excuse for the regime to export the labor force abroad in attractive package deals. The drainage of skilled labor and the resultant underdevelopment are serious consequences. The only gains are in the form of foreign earnings (about $1 B worth) to boost a regime faced with a record $7 B foreign debt. This income source is expected to equal other top dollar earners like sugar and tourism.

A sweeping reference is made to "remarkably unrestrained upward mobility" as a result of "widely available" university level education. Unfortunately only a small segment of the population in the urban centers benefit. The majority of the population, some 70 percent, live in rural areas.

The Report notes in cleverly constructed language that rural infrastructure have made gains over the past 5 years. Consequently, so has agricultural productivity and the quality of life in rural areas—an utterly baseless claim. Even President Marcos was forced to admit that infrastructure, which is the biggest government expenditure, have had little impact on the countryside. (Hong Kong Standard, January 9, 1979)

The Marcos regime has argued in the past that before Filipinos can have freedom, they had to have bread first. Yet the above-described rock-bottom conditions are worsening. Marcos himself has announced that Filipinos will have to do some belt-tightening in the next two years.

It is the unrelenting absence of bread and freedom that constitutes the grossest and most inhumane violation of human rights in the Philippines today.

EFFORTS IN FIELD OF SYNTHETIC FUELS SHOULD BE ENCOURAGED

(Mr. PERKINS asked and was given permission to address the House for 1 minute and to revise and extend his remarks and to include extraneous matter.)

Mr. PERKINS. Mr. Speaker, I think we all realize that the energy situation has reached a shameful point in this country. We should have gone on a commercial scale in the development of synthetic fuels many, many years ago.

I think that it does not speak well of this Congress to see our backs to the wall, backed up by the OPEC nations, when we have the know-how in this country and should relieve ourselves of that situation.

I think it may be useful for the membership of this body to insert a speech made on the floor by myself and others in 1953 with regard to our efforts in the field of synthetic fuels over the past 30 years. And each day hereafter for several days I expect to put something in the Record to show the complete history up to the present time, with the hope that we may move at an early date on a commercial scale in developing synthetic fuel, oil, and gasoline from coal and other materials.

The speech referred to follows:

The Coal Industry

Mr. Perkins. Mr. Speaker, with mines closing down daily throughout America, it certainly is bad news to learn that the Interior Department has proposed to shut down its two coal-to-oil demonstration plants at Louisiana, Mo., as revealed by its revised budget for fiscal 1954.

The coal industry throughout the Nation is suffering a severe depression caused by the unrestricted importation of residual fuel oil. Hearings will commence next week before the Ways and Means Committee on proposals to place a 5-percent limitation on imports of foreign residual fuel oils.

As I understand, the Interior Department's appropriation bill, which was to be considered on the floor this week, is now being marked up and will not be considered perhaps for a couple of weeks. Personally, I am unaware of any department in this Government that has carried on a more efficient and economical operation than the Bureau of Mines. Recently money was made available in the supplemental appropriation for 50 additional inspectors to carry out the safety requirements in the coal mines. Necessary funds must be made available if we are to follow through in the future with an effective mine-safety program.

Mr. Speaker, I am hopeful that the Department will reconsider its proposal to shut down its two coal-to-oil demonstration plants. Naturally, such a proposal at this time would have a bad psychological effect on the coal industry throughout the Nation. The oil lobby has contended for some time that synthetic fuel oil shale is more feasible than coal. I believe that we can all agree, from the standpoint of the national interest, that our Government should continue to explore, through its demonstration plants, the development of oil from coal with a view of reducing the price.

Between 1948 and 1951, after careful preliminary analysis, the Interior Department spent $20 million to build and equip these plants for the purpose of testing under actual operating conditions the technology of large-scale production of liquid fuels from our abundant supplies of coal. These plants have been operating with encouraging results as to efficiency, cost, and the quality of diversified products from selected samples of coal.

But now, just when it appears that the processes are on the very threshold of success, and in view of increasing apprehension as to the adequacy of our future supplies of liquid fuels, a proposal is made to shut down these plants in order to pare from the appropriation $2 million needed to operate them through the fiscal year 1954.

The ultimate cost of such abortive action, in terms of the Nations future security, would exceed by many times the nominal budget saving which is sought. It would be the height of folly to make this far-reaching decision within the narrow context of a single years appropriation. The two plants in question are vital parts of a comprehensive long-range program for the development of synthetic liquid fuels in every feasible direction.

By 1975, it is predicted, our daily needs for liquid fuels may be several times greater than our domestic production from petroleum. If we were to be confronted with another all-out war, available supplies of liquid fuels would immediately present an acute problem. A growing dependence upon foreign sources of oil would increase our vulnerability and impair our security.

It is, therefore, imperatively necessary for us to push ahead, steadfastly and without interruption, with programs for the development of alternative sources of liquid fuels based upon domestic energy resources, including our abundant supplies of coal. Considered in this broad perspective, it is false economy indeed to pursue a relatively paltry saving of $2 million over the coming fiscal year, at the cost of jeopardizing a vital part of our national fuel development program. When it is necessary for us to spend $50 billion a year for national defense and the development of atomic energy, it seems inconceivable that $2 million would be denied for the furtherance of a program so promising as the conversion of coal to liquid fuels.

Mr. Bailey. Mr. Speaker, will the gentleman yield?

Mr. Perkins. I yield to the gentleman from West Virginia.

Mr. Bailey. This program was initiated prior to the distinguished gentleman's coming to Congress. Back during the early part of World War II, when the German submarine menace threatened to destroy most of our ocean tonnage and disrupt our transportation, my former colleague from West Virginia, Jennings Randolph, was the leader of a plan to develop our liquid fuels, making synthetic fuels from coal. There was an initial appropriation of $15,000,000 made for this program. It resulted in the establishment of these demonstration plants the gentleman is speaking about, in Missouri, one near Birmingham, Ala., and a third at Bristol, Tenn. The research plant for this development was at the University of West Virginia at Morgantown, operated jointly by the Bureau of Mines and the West Virginia School of Mines, to develop the old Hitler process of making synthetic gasoline.

Two years ago, when we had up on the floor for consideration the appropriation for the Interior Department, on a point of order I prevented the turning back into the Treasury of $2,800,000 of that appropriation made in 1946, so as to enable the Bureau of Mines to establish a research plant at Morgantown to build new equipment for that. The University of West Virginia donated 45 acres of land as a site for it. That research plant is two-thirds complete.

I want to join the gentleman from Kentucky in protesting our going out of our experimental endeavors in this field of converting coal to liquid fuels including high-octane gasoline and residual fuel oil, if you want to call it that, lubricating oils.

Let me say that if we had that process working right at the present time, 67 percent of the coal of West Virginia has too much sulfur in it for coking purposes, and there is no market for it today so that a lot of our mines are closing, but if this process were in operation the future of the coal fields of the eastern United States, including the State of West Virginia, would be assured for the next 300 or 400 years. It would be processing this coal that has too much sulfur content for fuel manufacture into synthetic products such as high-octane gasoline and lubrication oil.

I commend the gentleman from Kentucky for raising the point because if that is not in the appropriation bill when it comes along the gentleman from West Virginia will join the gentleman from Kentucky in trying to put some money in there, if not all of it, certainly a portion of it, to continue this research work, because I think it is absolutely necessary for the future security of this country.

Mr. Perkins. I wish to thank the gentleman from West Virginia for his contribution.

In truth, rather than to shut down the two established coal demonstration plants, we should be concerned with the immediate development of additional plants on a larger scale. In the two preceding sessions of Congress, I have introduced bills to provide for the construction and operation of full-scale plants for producing liquid fuels from coal, and I am today introducing a similar bill for this purpose. The security and welfare of our Nation require that this effort be advanced, not retarded, hastened rather than delayed by fitful budgetary changes.

Mr. Speaker, in view of the sudden decision of the Secretary of Interior to close down the coal-to-oil plants, and in view of the wide rumors now prevailing around the Capitol, I am wondering whether or not there is a double payoff involved. It is well known through unimpeachable sources that the chemical lobby is deeply interested in stopping governmental operation and taking over the control of these particular plants. I am sure that the country as a whole will reach the only inescapable conclusion—if this does happen—that the oil lobby and chemical people are receiving their payoff from campaign promises.

There have been reports that within 2 or 3 years these processes that have been developed at the Louisiana plant would be so far advanced as to be patentable. Such patent rights would be of inestimable value to private industry.

LONG GAS LINES EVIDENCE OF ENERGY CRISIS

(Mr. VENTO asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. VENTO. Mr. Speaker, the reappearance this summer of the long gas lines, of talk of rationing, of shortages in other petroleum products have driven home the fact that our country has not resolved its energy crisis. Since 1974 we have enjoyed a reprieve from many of the visible impacts of this crisis. Unfortunately, some took this respite as a sign that the crisis had passed and, thus, the necessary sacrifices to help to resolve this problem have not been taken. Little has been done to meet the challenges so accurately outlined by the President in 1977.

This summer the energy crisis has reappeared with a vengeance. Our Nation's inability and unwillingness to face the issues squarely and to "bite the bullet" for the past 5 years now haunt us. I do not seek to assign the blame to any individual or group for we all must share the blame. In its concern for local and other interests, Congress has lost sight of the national interest and has failed to enact needed legislation. This administration and previous ones have failed to provide the necessary leadership in this matter and have not convinced the public that a crisis does exist. The American public, in general, have not reduced their energy consumption. The waste still continues and shows no signs of a voluntary reduction. Every effort to conserve energy has been opposed by various industries and the extravagant use of energy still occurs and is encouraged by them.

We must come to grips with this crisis and must act decisively. However, the apparent current shortfall of conventional oil has not resulted in a united national effort. Indeed it has resulted in a cornucopia of what should be properly labeled as "opportunism." Manifested in a litany of self-serving statements and accusations, special interests have been using the problems associated with the shortages to pressure this country and Congress into accepting their long sought goals.

As a consequence we have truckers who demand far-reaching changes in regulations affecting weight, routes, licensure, speed limits, fuel price rollbacks and guarantees, and the elimination of Federal and State tax.

In the theme of helping alleviate the current crisis, which appears to result in part from a self-imposed refinery bottleneck, oil refiners are seeking special tax benefits, drastic revisions of air standards and demands for prices and profits higher than the voluntary wage and price standards permit. They have, in addition, already achieved the continued use of questionable additives.

The local distributor, now free to implement the TILT regulations and the new higher decontrolled price of products is "adjusting" profits to unreasonable levels. Price gouging is occurring and DOE, incapable of enforcing current regulation, instead they have been forced to seek curbs by court order.

The automakers' demands are addressed to the repeal of air and health standards and regulations ironically come addressed to greater mileage.

The oil companies, already benefiting from OPEC prices for new oil and gradual decontrol of old oil, now are working to defeat the administration's modest excess profits tax and demand immediate and complete decontrol.

The OPEC nations themselves appear to be contemplating additional price increases. They have responded to the current situation by cutting production and increasing prices and thus have maintained their income. Obviously, the resultant dollar flow from the United States, the balance of trade deficit, and increase in the inflation rate have caused a downward shift in the value of the dollar. OPEC now seeks to correct this situation by still higher prices.

Other special interest groups, resorters, farmers, railroads, public transportation, in our society, claim critical roles in our transportation policy, and seek the advantage of special set asides that others may not enjoy.

The Nation and the American consumer are ultimately hurt by the acquiescence to the demands and the Government must insure that the Nation's priorities are not subordinated to special interest demands. However, the question arises whether Government can resist these demands and can develop a comprehensive effectual policy.

The President's sincerity and urgency cannot be doubted. Yet, it has become obvious that DOE, under the leadership of Secretary Schlesinger, is inept under these circumstances of stress. It has failed to implement regulations which would have provided objective data. DOE has not provided the necessary administration to a host of laws that could have helped to alleviate the present circumstances and has neither the confidence of the American people nor of Congress.

In addition, Congress itself has not built up the expertise and capability to deal with this type of crisis. It may be a structural flaw but the lack of intestinal fortitude cannot be denied.

The appeasement attitude to OPEC, oil companies, and special interest groups, has backfired. The solution to this problem is not going to hinge on concession after concession.

Can we meet this challenge? Can the administration and Congress get its act together and face reality? Do we live in fear of the truth concerning the precarious position of our economy and life style and the changes that have to be accomplished?

History will make some harsh judgments on this administration and Congress if the response to this energy crisis is to pile further benefits on special interest groups, to undermine the legislation concerning the environment and health of the American people, to supercharge inflation by permitting artificial price increases to become standard? If Congress permits and responds to economic and energy blackmail, what happens to the basic confidence of the American people in this representative form of government?

I cannot stand by idly when I see the clear threat and harassment occur and the systematic destruction of hard-fought consumer, economic, tax, social, health, and environmental gains go down the drain by virtue of a well orchestrated power play, nor should my colleagues in this House.

Can we not stand up to OPEC and to energy industry and say we will not pay these prices? Would American action really be any worse than the slow bleeding that we are experiencing from inaction?

Will we let the multinational oil companies dictate and reorder our tax system and economic order by exacting yet a higher measure of profit with which they expand their stranglehold over our economy and resources?

Will we let the problem of energy be the springboard for reactionary changes in numerous public interest policies? I pray not. Yet there is no great comfort in the reaction of this Congress to date—only confusion, anger, and finger pointing. I hope we can weld that into a mode of action, reasoned action, tempered not by the loud cry of special interest groups but on the factual problems that we confront. Congress, and the administration, the Federal Government, must intensify our involvement in the energy issue in a realistic way. There is no escape from the energy issue.

Decontrol and deregulation are misnomers. We cannot turn over our responsibility or disengage policies and laws or permit them to become archaic when we are fighting for our economic survival. The American people are holding us accountable. We will not be able to delegate the price of energy and its distribution to the OPEC multinational marketplace. We are inextricably involved in the creation and maintenance of the infrastructure. It is not practical; it is not realistic; it is not equitable for Congress to cop out on this problem.

I am convinced that our continued reticence to engage proper congressional power and the development of a coherent public policy will provide the seeds for the demise of this country as the leading industrial nation of the world.

The incoherent demands from various interest groups and our constituents send us a dramatic message—they want stability, assurance, predictability within which they can plan the future.

The withdrawal of the Federal Government from this arena will lead in the opposite direction. All the goals may not be in agreement but there is no mistaking who must be responsible for direction and action.

Let us redouble our resolve in the days and months ahead to deal with the responsibilities that we must accept. The National Government has a central role in resolution of this problem—the American people will accept no less.

BIG MISSILE, LITTLE SECURITY

(Mr. DELLUMS asked and was given permisison to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. DELLUMS. Mr. Speaker, as the matter of the MX missile decision comes to the forefront of the Nation's consciousness, it is interesting to note that there are many who, after careful analysis, are more and more skeptical of this decision. An example of some thinking of this sort appeared as the lead editorial of the New York Times, June 13, 1979, and I would like to share it with my colleagues:

Big Missile, Little Security

> President Carter's decision to build the MX missile starts another round in the nuclear weapons race even before the current round is ended. The 95-ton MX is the biggest mobile land missile allowable under the pending arms treaty with the Soviet Union. The President's decision clearly pleases the Joint Chiefs of Staff and will help win votes for the SALT II treaty. The more important question, however, is whether this $30-billion weapon will make America more secure. That is far from certain.
>
> At least in theory, the nation's 1,000 fixed Minuteman missiles in underground silos will become increasingly vulnerable in the mid-1980's, as the Soviet Union continues adding big intercontinental missiles with accurate multiple warheads. The fear is that a third of these Soviet weapons, if fired first, could wide out most of the Minutemen, leaving the United States with a numerically inferior second-strike force of bombers and missile submarines. However unlikely such a "limited" first strike, a spreading sense of vulnerability makes some remedy seem politically prudent.
>
> But the MX would do more than answer the perceived threat. It would create new imbalances, stimulating the arms race and complicating arms control.
>
> There is another answer. The vulnerability of stationary missiles could also be overcome by deploying the 39-ton Minuteman III, rather than the much larger MX, in a mobile mode. That could be done much sooner, the Air Force has said, and much less expensively. Like the MX, each mobile Minuteman could be moved at random among 40 or more horizontal concrete shelters to avoid being targeted.
>
> But the appeal of the MX has been not only its mobility but also its size. And therein lies great risk. Each MX would carry 10 large, extremely accurate hydrogen bomb warheads—compared with three aboard Minuteman. Although smaller, it would match the Russians' big missiles in effectiveness and also threaten them in their underground silos. Moscow keeps three-fourths of its strategic throw-weight in fixed land missiles—compared with one-fourth for the United States. Hence the Russians would have even more reason to feel potentially vulnerable than we do now. They would surely feel compelled to follow the American example toward mobile land missiles. In the end, after great expenditures by both sides, a balance might be restored. But in the interim, there might be years of dangerous instability.
>
> It is also argued at the White House and Pentagon that the MX would be a valuable bargaining chip in SALT III negotiations. The number of missiles—now planned at 200—scattered among 8,800 horizontal concrete shelters could be increased or reduced, it is said, depending on the number of big Russian missiles. But the history of arms control suggests that such bargaining chips, once deployed, are rarely bargained away. The same argument was once heard for MIRV multiple warheads, the weapon that has created the current vulnerability problem.
>
> Perhaps the most dismaying aspect of the President's MX decision is that it reverses long-standing American strategic doctrine. The aim of American nuclear forces has been deterrance—by retaining the capacity to retaliate in devastating fashion against Soviet cities and industry after surviving a first strike. Mr. Carter would set out for the first time to build an American first-strike force aimed at Soviet missiles. Such a force has value only if one envisions a large nuclear exchange limited to military targets. It is one thing to defend against the possibility of a Soviet interest in limited war. It is another to contemplate it for ourselves.
>
> Two years ago, Defense Secretary Harold Brown told Congress, "I will not say it is impossible, but I do not think it at all likely that a limited strategic nuclear exchange will remain limited." Yet once such a capability exists, the very instability it creates would only increase the danger that it will be used. If there must be a mobile American land missile, there are good reasons why it should not be the MX.

WHERE IS THE LIBERAL PRESS NOW?

(Mr. ASHBROOK asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ASHBROOK. Mr. Speaker, yesterday when we considered the House Resolution 321 expressing the sense of the House that the President should take action to deal with the refugee crisis in Southeast Asia, I thought I was in another world. Where were all of those resounding voices which attacked so vociferously American involvement in Southeast Asia? Where are those great sentinels in the press who covered up for the Communists and even promoted the theme that there would be a better life for those living in Southeast Asia once the ugly Americans left.

Nonsense? I am afraid not. I got out my folder of clippings and perused the headings. Note this one from the New York Times on Sunday, April 27, 1975:

> Communist Rule Will Be Disciplined, Moralistic.

No small item. Lead position, upper right, front of the Week in Review section:

> The changes the Vietcong bring may be less blood chilling and catastrophic than those envisioned by some nervous Vietnamese.

The Washington Post of May 15, 1975, with a four column heading proclaimed—

> "Well Behaved Group of Soldiers" the subheading read "Saigon and its Conquerors: They Smile and Wave at Each Other.

Just like a reunion or family picnic, they would have us believe.

The New York Times of Sunday, April 13, 1975, headlined, and note this—

> Indochina Without Americans: For Most a Better Life.

Let me repeat that—

> Indochina Without Americans: For Most a Better Life.

Sydney Schanberg wrote that—

> Communist rule is at least uncertain, napalm is not.

The Christian Science Monitor of May 7, 1975, bannered this full-page heading—

> Viet "Bloodbath" Fears May Be Dissolving.

The two-column subheading said:

> Monitor queries find little evidence that Communist instituted a pogrom

As I have said so often, this is George Orwell's doublethink. The press always applies it when it comes to the Communists. Remember what George Orwell told us:

> War is peace, freedom is slavery, ignorance is strength.

Also, Communists are good and we are bad, we might add with a tip of the hat to the author of 1984.

INTRODUCTION OF A BILL TO DESIGNATE THE U.S. POST OFFICE AND FEDERAL BUILDING IN SCOTT CITY, KANS., AS THE HENRY D. PARKINSON FEDERAL BUILDING

(Mr. SEBELIUS asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. SEBELIUS. Mr. Speaker, today I introduce a bill to designate the building known as the Federal Building in Scott City, Kans., as the "Henry D. Parkinson Federal Building."

The mayor of Scott City, the Honorable E. S. Gene Henderson, and over one dozen of the leading citizens' groups of that city have endorsed similar resolutions to name the building after the late Mr. Parkinson. His whole adult life was dedicated to conservation and development of our renewable resources in the area of agriculture, to responsible economic growth in the business community, and to sustained involvement in civic affairs.

Mr. Henry D. Parkinson was a man well-known, not only to the community in which he lived, but the State he loved. Henry D. Parkinson was a vital and vibrant personage who believed in his community and his country, and throughout his life gave of his talents to improve the lives of others.

Born at Wellsville, Utah, on September 5, 1907, his active career in agriculture, banking and politics spanned over four decades. He died in Wichita, Kans., on June 25, 1977, after having undergone surgery.

Mr. Parkinson, who had been a resident of Scott County since 1925, was owner of the Burnett-Parkinson Feed Lot at his farm near Scott City. He was the founder, president, and chairman of the board of directors of the Security State Bank of Scott City. He was a member of the Garden National Bank Board of Directors, Garden City, Kans.; Farm Credit Board of Directors, Wichita, Kans.; the Kansas Bankers Association and the Kansas and National Livestock Associations.

In addition to his interests in agriculture and banking, the political process held a special place in his life, with highlights being his race for Congress in 1948 and his primary campaign for the office of Governor in 1952.

Mr. Parkinson was a past master of the Anthem Masonic Lodge 284, KCCH degree, Scott County Shrine Club; the Wichita Consistory, and Isis Temple, Salina, Kans.

Henry D. Parkinson truly left the world a better place. His generosities and example will be life-long memories to the citizens of Scott County and of the State of Kansas.

To honor Mr. Parkinson, as proposed by the mayor of Scott City and the leading citizens' groups, will do much to encourage others to continue the principles of community commitment, sound conservation of our agricultural resources and responsible business practices. Mr. Parkinson contributed more than any other local citizens to the successful establishment of the Federal Building in Scott City. He spent many hours in obtaining the approval for its construction, and I join with the overwhelming majority of the citizens of Scott City, Kans., in stating that there can be no more deserving recognition than to give this building his name.

TECHNOLOGY TRANSFERS

(Mr. MILLER of Ohio asked and was given permission to address the House for 1 minute.)

Mr. MILLER of Ohio. Mr. Speaker, a very important piece of legislation will be coming to the House floor in the coming weeks: H.R. 4034—the Export Administration Act Amendments of 1979. This bill reauthorizes and amends the Export Administration Act of 1969. Because of the significance of this measure, I want to call to the attention of my colleagues a statement given by Mr. Ichord of Missouri to the press on June 7, 1979, concerning the results of 2½ weeks of hearing by his Subcommittee on Research and Development of the House Armed Services Committee.

The hearings were held to assess how well the Export Administration Act has worked in preventing the transfer of American technology to the Soviet Union, and other potential adversaries, which can be used to enhance the military capability of these nations. The conclusions that the chairman reaches are quite startling. Especially revealing is the fact that the administration appears to be deliberately controlling witnesses and withholding significant information from the subcommittee. On the basis of these hearings, it appears that H.R. 4034 contains several glaring errors and will need to be amended on the House floor when it is open for debate.

I want to commend Mr. Ichord for his diligent work in getting these facts before the public concerning the weaknesses in our export control policies. The subcommittee has heard witnesses from the State Department, Department of Defense, Defense Intelligence Agency, and the CIA among others. These findings should be seriously considered by all House Members before H.R. 4034 is brought to the floor for a vote.

The statement of Mr. Ichord follows:

Export Administration or Technology Giveaway?

Ladies and Gentlemen, it is a pleasure to be here with you this morning. I will try to be brief in summarizing my findings to date on the pending legislation to amend the Export Administration Act of 1969.

I initiated the hearings before the Research and Development Subcommittee on H.R. 3216, or what is now commonly referred to as the Wolff-Miller bill to amend the Export Administration Act of 1969, on May 15. I co-sponsored that bill because I recognize the importance of technology on our military profile and because of my serious concern over the exports of goods and technologies that I believe could jeopardize our national security if they fall into the hands of our potential adversaries.

As I view the relative military capability of the U.S. and the Soviet Union, I see a gross disparity between the number of tanks, artillery pieces, tactical aircraft, and other equipment—disparities that give them a three-or-four-to-one lead in tanks, six-to-one in artillery pieces, four-to-one in aircraft, and so on. The best thing we have going for us as a nation is our technology. Our technological potential is still second to none. It is our qualitative advantage that enables us to hang in there and continue to deter any Soviet aggression. But I am somewhat puzzled over what is going on today in the world of export control and the sense of complacency that exists with regard to the transfer of critical technology to the Soviet Union and other Eastern bloc communist countries. For example, we're spending billions of dollars to develop and produce XM–1 tanks and infantry fighting vehicles. These two important systems will not solve the quantitative problem, but will enable us to maintain the qualitative advantage that will enable us to be effective on the battlefield. In recent weeks, I am sure you have heard about the Kama River incident. For those of you who haven't, the United States in effect has set up for the Soviet Union at the Kama River a facility to produce engines and truck bodies for civilian use. Additionally, we have installed a modern computing facility at the Kama River Foundry. There is unequivocal, clear-cut evidence that the Soviet Union has violated the agreement, and is in fact diverting hardware from the Kama River plant for military use. I have been advised by the Department of Defense that, and I quote, "Trucks from this plant are regularly seen with communist-bloc military units. It represents a significant increase in the production of military vehicles with better performance than earlier military vehicles . . ."

I find it incredible that the United States Army at this time has an inadequate supply of five-ton trucks in support of the forces in NATO; yet, our American industry and our government continues to support a Soviet plant that is producing hardware for military use. What is even more incredible is that I have been unable to get anybody from the Commerce or State Departments to clearly outline what course of action will be taken since the Soviets have violated this export agreement.

I would have expected that at this time someone would have recommended to curtail the flow of spare parts or other essential hardware in support of that facility, but all that I have been able to establish is that these people are still trying to assess whether or not there will be any significant impact upon either the military potential of the Soviet Union or our own national security—an impact which should be obvious.

When I initiated these hearings before the Research and Development Subcommittee some three weeks ago, I mistakenly thought that our findings would lead to some rather straightforward legislation that would put the effective control of military critical technology and goods in the hands of the proper people, such as the Secretary of Defense. Instead, what we uncovered was what I described yesterday to be a "can of worms." Export control as it exists today appears to be embedded in a bureaucratic maze. It was described by one key Commerce official who appeared before the Subcommittee as "a shambles." There is no doubt in this Member's mind that the Soviet Union is engaged in a massive program to acquire U.S. and other Western Technology regardless of cost or procedure. Their program calls for the procurement of our hardware through legal, illegal, or clandestine means. They are selective buyers who have a vigorous program to procure those technologies and goods that will enable them to bridge those gaps between themselves and the United States in those areas where they are deficient. Most recently I read an *Aviation Week* article accompanied by a photograph of an allegedly Soviet-developed copy of our INTEL 2107B4K Random Access Memory Integrated Circuit. If this is indeed a Soviet development, then I believe many questions have to be answered. The first quetion is how did they acquire this technology, since the semi-conductor area is still a black art? You don't just take an integrated circuit and reverse engineer it. You need manufacturing techniques, drawings, and a great deal of other information in order to replicate an integrated circuit. It has taken our industry five or more years from design to fabrication of similar integrated circuits. So I am still concerned over how they got it, if indeed they do have it. Secondly, if they do have this technology, then we must ask what is their production potential, and how will it contribute to their overall military capability?

You might ask, then, that if the Soviets are getting our key technology and goods through clandestine means, why have any controls at all? I agree that while controls are not 100 percent effective, they will inhibit the effort of our potential adversaries to get our key technology and goods in a timely manner, thereby enabling us to maintain a credible lead over them. There is no question in my mind that sooner or later they are going to get our technology. However, with controls, it might take them ten years, as opposed to three years without controls.

I would like to turn now to where we are with the proposed legislation on export control. H.R. 4034, like H.R. 3216, amends the Export Administration Act of 1969, but places primary responsibility over commodity control, including critical military technology and goods, under the cognizance of the Secretary of Commerce. This bill was reported by the Committee on Foreign Affairs on May 10, and will probably be considered by the House within the next few weeks. The status of this bill mandates that my Research and Development Subcommittee complete its hearings on this very complex subject sometime during this week.

At this time, I believe that the most practical course of action to pursue is to offer amendments to H.R. 4034 that will extend the role of the Secretary of Defense to a more authoritative, rather than consultative, role. Additionally, I believe that it is important to re-state the Jackson Amendment adopted by the 93rd Congress, which very clearly delineates the role of the Secretary of Defense in determining which goods or technologies would enhance the military potential of our adversaries, and further provides for Congressional notification by the President whenever the Secretary of Defense is overruled.

Because of the time constraints, I feel that this is the most prudent course of action what we can take in controlling the export of our critical technology and goods. As I stated earlier, I believe that our Subcommittee has uncovered a can of worms. Our experience during the past three weeks indicates we have had attempts to control the witnesses who we have asked to appear before the Subcommittee. One witness stated that he had been instructed that his testimony would not conflict with that of his superiors. The witness further stated that he interpreted his instructions as a veiled threat to his job. And finally, we are on the brink of voting to subpoena information and data that is essential in the consideration of export control legislation—information that has been requested by the Subcommittee, but not provided by the Executive Branch.

On May 17, for example, I asked the Department of Defense to provide specific examples citing Soviet diversions of equipment procured for civilian use to military application. This information, after coordination with the Office of Management and Budget, was finally received on June 6th. What little information we have received reflects an obvious conflict relative to the issue of diversion. Quoting from the testimony of Dr. Ruth Davis, who appeared before the Subcommittee on May 17, she was asked:

"Of the critical technology that we have made exception for and transferred to the Soviets, how many of them have they been able to capitalize on for military use? Do you have examples of that?"

She responded, and I quote:

"We have examples. I would prefer to provide them for the record since this is an open hearing today, Mr. Chairman."

The response that was received yesterday morning states:

"Of the thousands of cases approved, we have no unequivocal evidence of diversions to military use."

It seems rather strange that on May 17 there were examples, yet on June 6, there were none.

We have also established that despite attempts to control the witnesses and filter the information requested by the Subcommittee, a great deal of the testimony that we have received has been rather contradictory. One Commerce witness, for example, attested to the fact that adequate safeguards could be implemented to ensure against the diversion of advanced computer hardware and software to military use. A second representative of the Commerce Department and representatives of the Intelligence community clearly refuted that assessment. In fact, the Navy advised the Assistant Secretary of Defense for International Security Affairs on April 11, 1977, and I quote:

"The Navy does not believe that there are any effective safeguards to adequately protect the technology represented by the Cyber 7600 hardware and the software, now are there ways to assure that the machine will be used as specified."

This is true of any advanced technology computing system, and to believe that adequate safeguards could be implemented is fool-hearty at best.

In summary, then, I strongly believe in the need for effective control of our military critical technologies and goods and that the legislation before the House at this time is simply not in consonance with this objective. In its present form, I am unable to support the bill, and as I stated earlier, it is my intention to offer a rather extensive set of amendments to the bill when it comes before the House. I think we are at the crossroads where we have to decide whether we are going to effectively control the transfer of goods and technologies that have a serious impact on our national security, or whether we are going to embark upon a technological giveaway program and let the chips fall where they may. Regardless of what happens with H.R. 4034, I believe that my Subcommittee has uncovered many key questions that must be addressed by this Congress, and that we require not only adequate legislation to safeguard our technology and goods, but additionally need a proper enforcement system when export control violations are clearly identified. We don't need any more Kama River episodes.●

□ 1740

ENERGY CRISIS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. ASHBROOK) is recognized for 10 minutes.

Mr. ASHBROOK. Mr. Speaker, it is bad enough that the energy crisis has come to affect all of us but now, to make matters worse, we are forced to listen to the growing number of liberal politicians who have helped to aggravate the situation by resorting to cheap, public relations gimmickry.

Rarely a day goes by when we do not read headline stories in the daily newspapers citing the remarks of a disgruntled Congressman or a "consumer-minded" Senator who has determined through some ingenious means that the faceless oil companies have conspired to defraud the American public by burying oil in the pipelines, storage tanks, and presumably their basements and backyards. This brand of demagoguery makes for great headlines and often unites the frustrated consumers against an invisible enemy. Unfortunately, it ignores the root of the problem and contributes absolutely nothing toward a solution. Meanwhile our dangerous dependency on the OPEC nations grows greater.

One of the only responsible aspects of the Carter "energy package" is the proposed decontrol of prices on domestic crude oil. Naturally, the liberals in the majority are lining up in opposition to the plan. Their argument, again, ignores the problem. There is no question that decontrol will cause a rise in prices. A beginner's course in economics will show that the lifting of artificial barriers on any product coupled with the basic laws of supply and demand will result in higher costs. What the liberals do not tell us is that if we keep the controls, production will remain at dangerously low levels and the United States will remain a sitting duck for more exorbitant increases by the price-gouging OPEC bloc. As long as we discourage production in our own country, Arab nations can raise the prices as high as they wish. They have us over a barrel and they know it. The oil sheiks must be chuckling with glee as they watch the liberals in the U.S. Congress mount a battle against decontrol.

Not long ago, American oil was around $5 a barrel and Arab oil was $3 a barrel. You do not have to be a Phi Beta Kappa to know that our labor costs are higher and we have a generally higher standard of living than most of the world so that difference was not great. The Ralph Nader types seized on that opportunity with the siren's clarion call which the liberals in Washington heeded: "Put the lid on American oil and buy that cheaper Arab oil." We got hooked, put dampers on our own production and "fell in love" with that cheap oil. Same old story; once hooked, they put the hooks to us and $3 oil became $13 oil and soon will be $20 oil. Thanks, Ralph Nader and you consumer bumblers. We needed that.

Did the changing situation of American dependency on foreign oil change the liberals? No. Frankly, I do not understand the mentality of those who think it is all right to pay OPEC $13 a barrel but American companies, workers, and stockholders are supposed to live with $5 a barrel. That type of thinking will put us in the poor house.

The simple fact of the matter is that we need action not public relations. We need a sound energy policy not more demagoguery. We need less reliance on foreign oil. The lines are not getting any shorter at the pumps. Let us get back to producing American oil and tell the Arabs just where they can go.

PHILIP O. STEWART—A CONSERVATION LEADER

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Kansas (Mr. SEBELIUS) is recognized for 5 minutes.

Mr. SEBELIUS. Mr. Speaker, as the ranking minority member of the Subcommittee on National Parks and Insular Affairs of the Committee on Interior and Insular Affairs, I would like to call the attention of this body to the retirement of an extremely able and dedicated public servant, Mr. Philip O. Stewart, who retired from the National Park Service of the Department of the Interior on May 18, 1979.

Few people have displayed the never-ceasing commitment, drive and ability to get things done for the public good as did Phil Stewart. Mr. Stewart headed the land acquisition division of the National Park Service for about a decade. This was during the period of the greatest amount of land acquisition activity that the National Park Service has ever known. Not only was the workload monumental, but the problems were complex. Mr. Stewart provided the determination and leadership to make hard decisions and to get the work done. Perhaps his greatest achievement through these years was that of providing a voice of great strength for the protecting of park lands through acquisition for preservation and public use, rather than letting these areas become despoiled by threatening private development. His strength stood out forcefully for conservation, when many others were willing to recede to a less environmentally protective course.

As a fitting tribute to Mr. Stewart's conservation commitment and leadership, he was promoted to assistant director of the National Park Service in 1976. One of the functions he took on in this capacity, in addition to continued supervision over land acquisition matters, was concessions management. A great deal of headway was made on this perpetual and thorny issue during his tenure as assistant director, the position from which he now retires.

Phil Stewart is not a timid man. He is an individual who really stands for something, and that something was conservation and vigorous environmental protection of our Nation's national parklands. His leadership and influence will be greatly missed by conservation, but his legacy is indelible. All who appreciate nature and our national park system are greatly in his debt, and should wish him well in his retirement.

FAIRLIE UNFAIR TO JOHN WAYNE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. GOLDWATER) is recognized for 5 minutes.

● Mr. GOLDWATER. Mr. Speaker, as the sponsor of legislation to present John Wayne with a gold medal, I would like to take this opportunity to respond to the uninformed column by Henry Fairlie, which appeared in the June 10 Washington Post.

Mr. Fairlie who is British, states:

> If a medal of honor is to be struck by Congress for any film star who has survived a full career—why not Fred Astaire, after all, why not Bob Hope?—Then what special honor still attaches to the Wright Brothers or to Lindbergh? What ought to be a rare award of the state becomes little more than a replica of an Oscar, just as if it were bestowed on a journalist, it would have no more real honor attached to it than a Pulitzer.

Since this statement tells me that Mr. Fairlie did not trouble to research the history of this award, or its recipients, I would like to inform him that this highly selective award dates back to the very early history of our country. By an act of March 25, 1776, George Washington was tendered a gold medal expressing the thanks of the Congress, in their own name and in the name of the 13 united colonies, whom they represented, for wise and spirited conduct in the siege and acquisition of Boston. Since then, through 87 legislative actions, 210 medals have been awarded or are in the process of being awarded. One hundred and thirty-five were group awards and 75 individual awards. I say that 210 medals since 1776, does indeed make this a rare award.

It may surprise Mr. Fairlie to know that Bob Hope was presented with a gold medal under Public Law 87-478, approved June 8, 1962. The Wright Brothers on March 4, 1928, and Charles Lindbergh on May 4, 1928. Some of our most recent recipients were Walt Disney, Roberto Walker Clemente, Marian Anderson, Robert Kennedy, and since John Wayne, Hubert H. Humphrey (the medal will be presented to his widow), and balloonists Abruzzo, Anderson, and Newman, the first transatlantic balloonists in recognition of their flight.

Mr. Fairlie also states;

> It was not even the American people, from the cockles of their hearts, who called for such an honor to be bestowed. The demand came only from the movie industry . . .

Now, since Mr. Fairlie never bothered to ask, the facts are that my father, Senator GOLDWATER, and I came up with this idea over lunch without help or inspiration from Hollywood. Yes; the movie industry sent statements and were represented during the hearings on the medal, and why not? They were testimonials from his friends, the people who knew him best, and they supported what we were trying to do for this exceptional man. And, Mr. Fairlie is wrong, wrong, wrong, when he says that it was not the American people who wanted this award bestowed on John Wayne. I have heard from approximately 20,000 American people in support of this effort. The Bureau of the Mint has received an unprecedented 5,000 requests for the duplicate bronze medal, with more coming in every day.

John Wayne once said "the people don't seem to have any trouble liking me." I would like to change "like" to "love" because that is what I have seen in the letters I have received—an outpouring of love, concern and respect for a great American.

Like so many of us, John Wayne was not ashamed of his patriotism, love, and loyalty for his country, and by bestowing this medal to him, the Government and the American people were saying "thank you."

A British journalist has no business telling us who our heroes should be. I suspect that the British were not too pleased at our presenting a medal to George Washington in 1776 either.●

CONGRESSMAN AND MRS. STRATTON MAKE PUBLIC THEIR 1978 JOINT INCOME TAX RETURN AND A STATEMENT OF THEIR NET WORTH AS OF MAY 15, 1979

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. STRATTON) is recognized for 5 minutes.

● Mr. STRATTON. Mr. Speaker, continuing a policy I initiated in 1974, I am placing in the CONGRESSIONAL RECORD the 1978 joint income tax return of my wife and myself together with a detailed statement of our net worth.

I am aware that last year our adoption of a House Code of Ethics mandated some financial disclosure on the part of all Members, and that the enactment of a Government-wide Disclosure Act also mandated, as of April 30 of this year, still further disclosures.

Nevertheless, the financial information which I have been voluntarily making public since 1974 goes much further into detail than either of these other actions require, and for that reason I intend to continue making this information public on an annual basis.

The information referred to follows:

1978 JOINT FEDERAL TAX RETURN OF SAMUEL S. AND JOAN H. STRATTON

Line 6(c) One dependent child: Brian.	
7. Total exemptions: 3	
8. Wages (congressional salary)	$57, 500. 00
9. Interest Income (U.S. Government bonds and savings accounts)	163. 74
10a. Dividends	0
17. Fully taxable pensions and annuities (Naval Reserve retirement)	8, 783. 04
20. Other income (honoraria from speeches)	700. 00
21. Total Income	67, 420. 18
28. Total adjustments to income (Primarily D.C. cost of living adjustment)	2, 988. 77
31. Adjusted gross income	64, 431. 41
32. Itemized deductions	
33. Medical	$150. 00
34. Taxes (State, real estate, sales, gasoline)	8, 931. 75
35. Interest payments	1, 836. 65
(From Schedule A)	
36. Contributions	694. 00
38. Miscellaneous	161.20
	11, 773. 60
40. Zero bracket amount	3, 200. 00
41. Total itemized deductions	8, 573. 60
34. Tax Table Income	55, 857. 81
37. Total Tax (from Schedule TC)	17, 063. 42
46. Total Credits	12. 50
54. Total Federal tax paid	17, 050. 92

TOTAL TAXES PAID FOR 1978

1978 Federal tax paid	17, 050. 92
1978 New York State tax	5, 818. 30
Maryland real estate tax, 1978	1, 600. 00
Total taxes paid	$24, 469. 22

ASSETS

Cash on hand or in checking accounts	$1, 716. 60
Cash in savings accounts	3, 397. 12
Cash value of life insurance policies	2, 305. 47
Accumulated dividends on life insurance	117. 70
U.S. Government bonds (Series E & H), purchase price	3, 525. 00
Bethesda, Maryland, residence (*estimated* market value)	110, 000. 00
Automobiles	
75 Pinto, (book value)	1, 800. 00
69 VW convertible (estimated value)	900. 00
	2, 700. 00
Sailboat	300. 00
Furniture, clothes, personal possessions (estimated)	5, 500. 00
Accumulated contributions to congressional retirement fund (available *only* for *retirement* purposes)	56, 714. 72
Total assets	185, 976. 61

NOTE ON ASSETS:

1. Bethesda residence—purchased in 1965 at	42, 600. 00
2. Amsterdam residence is a rented apartment.	
3. Total term life insurance held	90, 860. 00

LIABILITIES

Mortgage on Bethesda residence	25, 076. 39
Charge accounts payable	2, 351. 00
Total liabilities	27, 427. 39

COMPUTATION OF NET WORTH

Total Assets	185, 976. 61
Total Liabilities	27, 427. 39
Net worth	158, 549. 22

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POLITICAL SAVIORS DO NOT DELIVER WHAT BLACKS NEED

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan (Mr. DIGGS) is recognized for 10 minutes.

● Mr. DIGGS. Mr. Speaker, on May 31, 1979, the Wall Street Journal published an article entitled "Political Saviors

Don't Deliver What Blacks Need," by Walter Williams. Mr. Edward Davis, a Detroiter with long experience in personnel and business development, wrote a very thoughtful response to this article, from the perspective of a black man. I would like to share that response with my colleagues:

POLITICAL "SAVIORS" DON'T DELIVER WHAT BLACKS NEED

(By Walter E. Williams)

With the approach of the 1980 presidential elections, the murmurings are that the *real* savior of black people is Sen. Edward Kennedy. These murmurings emanate from the same people who successfully convinced black people that President Carter was the real savior. Mr. Carter's proposed budget cuts and reductions in social programs are viewed as a betrayal of his campaign pledge to help the poor.

This leaves Mr. Carter in the position of being able to confront blacks with the proposition: If you don't help me get reelected you won't even get peanuts.

But this leaves an important question unanswered: Why do blacks need a political savior? Why do they need government largess and paternalism while disadvantaged groups of the past did not? The most unique feature of the U.S. is that we are a nation of minorities. No minority was welcomed to our shores with open arms. All were persecuted in varying degrees. These minorities (Jews, Orientals, Irish, Italians and so on) made it into the mainstream of American society without "social commitment" and often in the face of open hostility. Are blacks mentally incompetent and hence in need of paternal support?

Of course not. Witness the progress of blacks up from slavery in the space of only 100 years. Then what is the problem? Much of the success of earlier disadvantaged minorities—and much of the difference between blacks and earlier minorities—is that when they came to our cities they faced a relatively open economic system.

There were sweatshops, peddlers and all kinds of domestic jobs. There was no minimum wage law; workers could be paid by the piece rate; there were few licensed occupations and businesses. What all of this meant was that one could be unskilled and still get a job and ultimately learn skills. Today's laws that require either federal or union-dictated minimum wages and the numerous occupational licensure laws effectively bar employment to the lowest skilled people.

Justifications for these laws are many: inhumane work, unsafe jobs, exploitative wages and so forth. Whatever the justification for these laws, their effect is to cut off the lower rungs of the economic ladder. The very people who went through these "inhumane" conditions are solidly in the mainstream of American society and the people who are "protected" from these conditions are having the difficulties.

What disadvantaged black people need is not a savior and not leaders; they need the opportunity to be able to compete in the market. Neither the President nor black political representatives show a desire to change laws that restrict competition in ways very costly to blacks. In fact, congressional blacks in discharging their responsibilities to labor unions vote for and support legislation that makes many of the people who voted for them worse off.

The minimum wage law is one such law that receives the unanimous support of black Congressmen. This support comes in spite of the abundance of economic evidence that shows the minimum wage law discriminates against the most disadvantaged worker. The evidence of this is seen in the unprecedented high rates of unemployment among younger blacks. The unemployment rate for young blacks exceeds, by multiples, that experienced during the most hostile times of overt discrimination but when there was no minimum wage law.

The Davis-Bacon Act is a law which requires the payment of "prevailing" wages on federally funded or assisted construction projects. Often this means the government pays the going union rate and hires union labor, rather than employing nonunion construction workers. But most black construction workers are in the nonunion sector. Therefore the Davis-Bacon Act discriminates against black workers and contractors in an indirect fashion. It also directly raises the cost of federally funded or assisted low income housing.

In fact part of the original intent of the Davis-Bacon Act was to get blacks out of federal construction jobs. This is evidenced in much of the floor debate cited in the Congressional Record in 1931. As Congressman Allgood said flatly at one point: "That contractor has cheap colored labor that he transports, and he puts them in cabins, and it is labor of that sort that is in competition with white labor throughout the country."

There are numerous other laws which effectively remove the bottom steps on the economic ladder. None of these laws are more vividly seen than the taxi law in New York City. In 1925 a poor, illiterate, however industrious immigrant could buy a used car and write the word "TAXI" on it and he was thus in business providing a livelihood for his family. Today's poor New Yorker seeking a similar path to upward mobility needs more than industry and a used car. He needs a hack license costing about $60,000.

Basically, then, blacks don't need massive social spending. They need legislative changes that improve economic opportunity, especially in the labor market. Nor do they need politicians who tell them that the enemy is General Motors, U.S. Steel or IBM. For black upward mobility, open entry further down the economic ladder is a bigger problem and a bigger opportunity.

But black political leaders and white "liberals," for reasons of electoral convenience, have formed alliances with the very people in whose interest it is to restrict job entry. Carpenters, plumbers, electricians and the like are far more threatened by those at the bottom of the economic heap than GM and IBM, and it is the liberals who have been quickest to exploit these fears.

No doubt appeals to resurrect the American ideal of open markets will fall on deaf ears. There are a number of people black and white who have a stake in costly social programs and the continued existence of poor and dependent people. These are the same people who cry loudest about limitations on government spending. They are the people who advocate feeding the horses in order to feed the sparrows. Of course, if one is a horse it is the desired means of feeding the sparrows.

JUNE 6, 1979.

Mr. WALTER WILLIAMS,
Associated Professor of Economics,
Temple University,
Philadelphia, Pa.

DEAR MR. WILLIAMS: Your May 31, 1979 Wall Street Journal article, "Political Saviors Don't Deliver What Blacks Need", is of great concern to many people. As you have demonstrated your concern in the article:

"This leaves Mr. Carter in the position of being able to confront blacks with the proposition: If you don't help me get reelected you won't even get peanuts."

There are problems that many people are looking to President Carter to solve or create a climate for solving. These problems seem to be disintegrating our America, "The land of the free and the home of the brave."

There are murmurings in this country today coming from the destitute, both black and white, and all because of fear. We believe President Carter's "Human Rights Philosophy" is the *key* to our immediate needs. In the past, almost everything was done to prevent blacks from enjoying full American citizenship, and too much is still happening today. Under separate cover, I am mailing to you a copy of my book, "One Man's Way", that illustrates what a black man encounters struggling to make a place for himself in a white-dominated world.

"Why do blacks need a political savior? Why do they need government largess and paternalism while disadvantaged groups of the past did not? The most unique feature of the U.S. is that we are a nation of minorities. No minority was welcomed to our shores with open arms. All were persecuted in varying degrees. . . ."

Mr. Williams, history does not record any other minority group being brought to our America, in chains and with many dying on ships on the way for the lack of a climate conducive to living. Today many blacks are still dying for the lack of such a living climate in our "land of the free".

Your basic point in your article was that the minimum wage law is destructive of full employment for those who want to work:

"The minimum wage law is one such law that receives the unanimous support of black Congressmen. This support comes in spite of the abundance of economic evidence that shows the minimum wage law discriminates against the most disadvantaged worker. The evidence of this is seen in the unprecedented high rates of unemployment among younger blacks. The unemployment of young blacks exceeds, by multiples, that experienced during the most hostile times of overt discrimination but when there was no minimum wage law."

I do not believe that your point can be documented, because there were too many blacks working for nothing during those periods.

There are a variety of people who disagree with you. $2.90 per hour times 40 equals $116.00 weekly. This amount will buy about what $45.00 would have bought in 1962 in areas where blacks must live. The cost of food, energy, insurance, interest on money, and other fixed costs that is not experienced in other communities takes 30 percent or more off the top of these earnings.

Items and what they cost

	1962	Today
One-family house	$19,300.00	$68,300.00
Annual college costs	980.00	2,230.00
A pair of shoes	10.00	50.00
Monthly electric bill	8.00	30.00
Haircut	1.00	3.50
Paperback novel	.95	2.60
Hamburger (McDonald's double)	.28	.80
First-class postage stamp	.04	.15
Hershey bar	.05	.25
Auto insurance premium	87.00	250.00
Gasoline per gallon	.31	.83

Production worker's income

	Minimum	
Gross earnings	$5,021	$13,850
Aftertax earnings	$4,420	$11,795
Aftertax adjusted for inflation	$10,156	$11,795
Aftertax earnings as percent of gross	88	85

Again, quoting you:

"There was no minimum wage law; workers could be paid by the piece rate; there were few licensed occupations and business. What all of this meant was that one could be unskilled and still get a job and ultimately learn skills."

My book, "One Man's Way," pages 190 through 194, should enlighten you in many of these areas that you speak of relative to training and work habits. Your article also states:

"Neither the President nor black political representatives show a desire to change laws that restrict competition in ways very costly to blacks. In fact, congressional blacks in discharging their responsibilities to labor unions vote for and support legislation that makes many of the people who voted for them worse off."

From my viewpoint, what is most needed in the world of work is for top management to develop a "caring" attitude, demonstrating understanding and adhering to humane decorum, this being communicated down through the lower ranks of supervisory personnel.

This caring attitude will be one basic step toward employment for all who want to work, and will bring on equality of equal claims on dignity and respect.

Yours sincerely,

Edw. Davis.●

PRESIDENTIAL RECOMMENDATIONS FOR SELECTIVE SERVICE REFORM: AN AMENDMENT TO H.R. 4040

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. Panetta) is recognized for 15 minutes.

● Mr. PANETTA. Mr. Speaker, when the House considers the defense authorization bill (H.R. 4040) I will join with a number of my colleagues in supporting an amendment to strike section 812, which requires registration for males turning 18 in 1981. Instead, we propose to add this registration plan to a list of committee-recommended options which the President is to study and report upon to the Congress by January 15, 1980.

We think this approach is the best way to address the divisive issue of draft registration in this country. We agree with the Armed Services Committee that there are serious shortcomings in the All-Volunteer Force (AVF), especially in connection with the Individual Ready Reserve. Our mobilization capability does need to be improved substantially to enable to respond effectively to a serious challenge to our national security. But we also believe that there is a need for major reforms in the Selective Service System before a commitment is made to implement registration.

We do not believe it makes sense to lock the Congress into a particular registration plan which is not scheduled to take effect for almost 2 years. A better approach is to allow the country more time in which to soberly evaluate the many options available to it, including national service and voluntary registration, before moving ahead with mandatory draft registration.

Peacetime registration is an anomaly in this country. In this light, we believe the House of Representatives should proceed with extreme caution in developing policy decisions concerning registration. Our proposal does not preclude the House from eventually deciding during 1980, after receiving a detailed report from the President, that some form of draft registration in 1981 is in the national interest.

Our proposal would simply strike the mandatory registration section 812 and include this possibility along with other additions, in the list of seven committee policy options for Presidential study. Attached you will find a detailed description of the changes proposed in our amendment and of the final shape of the pertinent section of the committee's bill.

In conclusion, we offer the above changes in the spirit of giving the Congress and the country greater opportunity to study the manifold policy options wrapped up in the registration issue. We think this amendment will better meet our commitments to our national security, as well as to our own citizens, by providing an open atmosphere in which to carefully weigh the many policy alternatives before committing the Congress to any particular approach.

A copy of our amendment follows, along with a depiction of the amendment's relatively minor effect on the recommended language presented to the House by the Committee on Armed Services:

AMENDMENTS TO H.R. 4040, AS REPORTED OFFERED BY MR. PANETTA

Page 28, strike out section 812 (lines 3 through 14) and redesignate the succeeding sections accordingly.

Page 28, after line 21, insert the following new paragraph (and redesignate the succeeding paragraphs accordingly):

"(1) the desirability of commencing registration under the Military Selective Service Act by January 1, 1981;".

Page 29, line 24, strike out "and".

Page 29, after line 24, insert the following new paragraph (and redesignate the following paragraph accordingly):

"(8) the desirability of establishing a national youth service program of conscription for military or civilian service; and".

The following depicts the full effect of our proposed language change on the existing committee bill. As you can readily see, the Presidential recommendations for Selective Service reforms amendment is very simple, changing very little of the essentials of the committee recommendation.

SELECTIVE SERVICE REGISTRATION

Sec. 812. (a) Effective January 1, 1981, the President shall commence registration under section 3 of the Military Selective Service Act (50 U.S.C. App. 453) of male persons becoming eighteen years of age after December 31, 1980.

(b) Section 3 of the Military Selective Service Act (50 U.S.C. App. 453), relating to registration, is amended by striking out "who, on the day or days fixed for the first or any subsequent registration, is between the ages of eighteen and twenty-six" and inserting in lieu thereof the following "who becomes eighteen years of age after December 31, 1980".

PRESIDENTIAL RECOMMENDATIONS FOR SELECTIVE SERVICE REFORM

Sec. 813. (a) The President shall prepare and transmit to the Congress a plan for reform of the existing law providing for registration and induction of persons for training and service in the Armed Forces. Such plan shall include recommendations with respect to—

(1) the desirability of commencing registration under the Military Selective Service Act by January 1, 1981;

(2) the desirability and feasibility of establishing a method of automatically registering persons under the Military Selective Service Act through a centralized, automated system using school records and other existing records;

(3) the desirability of the enactment of authority for the President to induct persons registered under such Act for training and service in the Armed Forces during any period with respect to which the President determines that such authority is required in the interest of the national defense;

(4) whether women should be subject to registration under such Act and to induction for training and service in the Armed Forces under such Act;

(5) the desirability and feasibility of providing authority for the President to induct persons into the Individual Ready Reserve;

(6) whether persons registered under such Act should also be immediately classified and examined or whether classification and examination of registrants should be subject to the discretion of the President;

(7) such changes in the organization and operation of the Selective Service System as the President determines are necessary to enable the Selective Service System to meet the personnel requirements of the Armed Forces during a mobilization in a more efficient and expeditious manner than is presently possible; and

(8) the desirability of establishing a national youth service program of mandatory military or civilian service; and

(9) such other changes in existing law relating to registration, classification, selection, and induction as the President considers appropriate.

(b) The President shall transmit with the plan required by subsection (a) proposals for such legislation as may be necessary to implement the plan and to revise and modernize the Military Selective Service Act.

(c) The plan required by subsection (a), together with the proposed legislation required by subsection (b), shall be transmitted to the Congress not later than January 15, 1980, or the end of the three-month period beginning on the date of the enactment of this Act, whichever is later.●

FUEL EMERGENCY TRUCKING ACT OF 1979

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Nebraska (Mr. Cavanaugh) is recognized for 5 minutes.

● Mr. CAVANAUGH. Mr. Speaker, I am today introducing a bill to help resolve the diesel fuel shortage which has played havoc with the trucking industry in many States, particularly in the Midwest. Many have recognized that the absence of uniform weight and length standards for interstate truckers has exaccerbated an already critical shortage of diesel fuel by requiring truckers to travel thousands of extra miles per year to avoid States with lower limits. The Fuel Emergency Trucking Act of 1979 would authorize the Secretary of Transportation to require all States to comply with federally mandated standards during the existence of a declared "fuel emergency."

I am under no illusions that this action by itself will end the difficulties in which truckers now find themselves. The problems of fuel allocation and price must be addressed at their roots—our national energy policy, or more correctly, the lack of one—in order that this segment of our economy be restored, along with many other ailing industries, to full health. But we must act now to help the truckers through the immediate crisis which threatens their investment and their livelihood.

I also recognize that setting national weight and length standards with which all States must comply raises the issue of Federal encroachment on the prerogatives of the States. But we must accept the responsibility for action—common sense action—which the fuel shortage imposes on the Congress. The Congress must demonstrate to the Nation that it is capable of moving swiftly and compassionately to ameliorate the damaging effects of the oil crisis. We can ill afford at this time to have each segment of the economy fighting to carve out a bigger share of a shrinking pie.

The Fuel Emergency Trucking Act seeks to maximize fuel efficiency in the transport of freight by interstate truckers through a uniform national standard, but it is flexible enough to permit the Secretary of Transportation to take into account special local situations where structural factors clearly require lower weight or size limits. Also, while the act permits the Secretary to extend the "fuel emergency" for additional 6 month periods, the Congress can at any time terminate his authority by mandating an end to the declared "fuel emergency." It is thus flexible enough to respond to changing requirements and yet preserves congressional control.

Some of my colleagues have proposed similar legislation to help the truckers. In no way do I consider this bill the only approach to resolving the specific problem of uniform weights and lengths. Nor is it a panacea for eliminating all the difficulties facing the truckers. I do, however, believe that some action in the near future is essential, and thus I very much hope that hearings can promptly be held to consider this bill and any other proposed legislation relating to the truckers' fuel crisis.●

STATEMENT OF CHAIRMAN ULLMAN, COMMITTEE ON WAYS AND MEANS, WITH RESPECT TO THE RULE TO BE REQUESTED FOR CONSIDERATION OF H.R. 3919, THE CRUDE OIL WINDFALL PROFIT TAX ACT OF 1979

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Oregon (Mr. ULLMAN) is recognized for 5 minutes.

● Mr. ULLMAN. Mr. Speaker, on June 19, 1979, the Committee on Ways and Means ordered favorably reported to the House H.R. 3919, the Crude Oil Windfall Profit Tax Act of 1979, with amendments. As approved by the Committee on Ways and Means, the bill imposes a strong windfall profits tax on the windfall profits realized by oil producers from the decontrol of domestic crude oil prices. The Committee on Ways and Means adopted a series of well balanced amendments to the President's original windfall profit tax proposal which substantially strengthen and improve the tax while preserving sufficient incentives for increased domestic production.

I take this occasion to advise my Democratic colleagues as to the nature of the rule that I will request for consideration of H.R. 3919 on the floor of the House. The Committee on Ways and Means specifically instructed me to request the Committee on Rules to grant a closed rule which would only provide for:

First. Committee amendments en bloc, which would not be subject to amendment;

Second. 4 hours of general debate, to be equally divided;

Third. Waiving all necessary points of order; and

Fourth. One motion to recommit with or without instructions.

We intend to officially report H.R. 3919 to the House and file the official committee report on Friday, June 22, 1979. It is our intention to request a hearing before the Committee on Rules next Tuesday, June 26, 1979.●

EXPORT TASK FORCE ARTICLE NO. 11: THE POST COMMENTS ON THE DEPARTMENT OF TRADE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Arkansas (Mr. ALEXANDER) is recognized for 15 minutes.

● Mr. ALEXANDER. Mr. Speaker, today's edition of the Washington Post carried an editorial about the merits of a proposed Department of Trade. While many feel that a trade reorganization is necessary, some feel that the creation of a new Department would lead to more bureaucratic warfare and less coherent trade policies. As the editorial states, there "is the danger that a new Department of Trade might rapidly turn into a Department of Protectionism". The editorial entitled "Trade, Yes—Department, No" appeared in the June 19 edition of the Washington Post and follows:

TRADE, YES—DEPARTMENT, NO

American performance in exporting to foreign markets has weakened over the past decade. Confronted with fierce competition from other industrial nations, the United States is rightly concerned about raising exports. President Carter is contemplating a reorganization of the federal agencies that watch over foreign trade and encourage it. He has promised Congress a plan by July 10. Sens. William V. Roth (R–Del.) and Abraham A. Ribicoff (D–Conn.) propose a new Department of Trade to unify, coordinate, support, promote—and so forth.

Federal responsibilities for trade are about to be greatly expanded, and reorganization is a good and necessary idea. But to form still another new department is altogether unnecessary and therefore a bad idea.

The government's role in trade will grow because of the trade legislation Congress will take up later this summer. That legislation is the product of five years of negotiation in Geneva with nearly 100 other governments, and it attempts to establish a new and complex set of rules of international commerce.

The president's special trade representative, Robert S. Strauss, has said repeatedly that the value of these codes will depend entirely upon the skill and energy with which the U.S. government administers them. The Office of the Special Trade Representative has been a small staff loosely attached to the White House, and most of its people are there temporarily. In the future, it will need a permanent corps of highly trained and experienced specialists. But that would require only a couple of hundred people, not the thousands that staff even the newest of departments. More important, there is the danger that a new Department of Trade might rapidly turn into a Department of Protectionism.

The best answer is to strengthen the present Office of the Special Trade Representative, but to leave it attached to the White House where it is exposed to the broad sweep of national interests as the president, with his economic and diplomatic advisers, must deal with them. The research and promotional work are best left to the Commerce Department. American trade policy is much too important to be plunged now into the bureaucratic warfare that attends the establishment of a new department.●

FIRST HOT AIR BALLOON ASCENT MADE IN MARYLAND, 1784

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Maryland (Mrs. SPELLMAN) is recognized for 5 minutes.

● Mrs. SPELLMAN. Mr. Speaker, 195 years ago this week, aeronautical history was made in what at the time was the busy, bustling port city of Bladensburg, Md. The occasion was the first hot air balloon ascent on the American Continent. While it was unmanned, this initial raising was followed in just a few days by the first manned American balloon ascent, which occurred in nearby Baltimore.

Mr. Speaker, the individual responsible for both these milestones—a Bladensburg innkeeper named Peter Carnes—is truly one of the unsung heroes of aeronautical advancement in the United States. While many other significant events in the history of flight are known to every schoolchild, I am sorry to say the equally noteworthy achievements of Mr. Carnes have gone virtually unrecognized until very recently. I doubt seriously if Peter Carnes will ever be as well known as the Wright brothers, Charles Lindbergh and some of the others, but I think it is high time, Mr. Speaker, we give some recognition to the man who was America's first hot air balloonist.

Mr. Carnes, it seems, was a fascinating figure. A physically large man known for his wit and good humor, he had an interest in a wide variety of enterprises, including planting tobacco, carpentry, and the law as well as innkeeping and ballooning. His stepson, William Wirt, went on to be a prosecutor in the treason trial of Aaron Burr and later an Attorney General of the United States for 12 years.

A native of Middlesex County, N.J., Carnes settled in Bladensburg in the mid-1770's when he began 8 years as proprietor of the popular Indian Queen Tavern on the post road to Baltimore. The tavern still stands today—now a historic landmark and a superb example of a pre-Revolutionary American inn.

Carnes' initial balloon ascent occurred in the vicinity of the tavern as the people of Bladensburg, no doubt in great fascination, looked on. The date was June 17, 1784. The balloon remained tethered and probably did not ascend to great heights by today's standards. Still, one should not overlook the significance of the event. For the first time, a hot air balloon, constructed on American soil, had been raised on the American continent. It was the first of many important achievements by what would be a long string of American aeronautical pioneers.

Several subsequent flights in Bladensburg led to the first manned ascent in Baltimore on June 24, 1784. A 13-year-old boy named Edward Warren rode in the basket for Carnes on this historic occasion.

Peter Carnes' balloon is said to have been 30 feet high and 35 feet in diameter. It was multicolored and made of silk, with an iron stove suspended at the bottom to heat the air inside. Hanging below was what has been described as a "splendid chariot," capable of carrying two passengers.

Mr. Speaker, on Saturday, June 23, local, State, and Federal officials will gather at Bladensburg's Indian Queen Tavern to officially mark the 195th anniversary of the first hot air balloon raising in America and give some long overdue recognition to Peter Carnes.

His historic first ascents will be reenacted near where they occurred almost two centuries ago. In preparation for this event, the State of Maryland and my own Prince George's County have declared the week of June 17 to 24 "Peter Carnes Week" within their borders.

Mr. Speaker, I will be most honored to be a participant in Saturday's ceremony, which has been organized by the Prince George's Jaycees in an effort to highlight Peter Carnes' accomplishments. It should also be pointed out it was the same Prince George's Jaycees who won nationwide acclaim for restoring Indian Queen Tavern as a Bicentennial project.

The first balloon ascents on the American continent were significant achievements in the ultimate evolution of manned space flight and ones that have been overlooked for far too long. With the Bicentennial still vivid in our memories, this is an appropriate time to correct this oversight and give these events and the man responsible for them the recognition they most assuredly deserve.

I am confident all my colleagues will want to join me in acknowledging these milestones and in paying tribute to the versatile aeronautical pioneer, Peter Carnes of Bladensburg.●

CAPITOL PAGE SCHOOL COMMENCEMENT—ADDRESS BY REPRESENTATIVE JOE MOAKLEY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Massachusetts (Mr. EARLY) is recognized for 5 minutes.

● Mr. EARLY. Mr. Speaker, on last Monday, June 11, the U.S. Capitol Page School held its commencement exercises. This year's class of 47 young men and women was the largest yet and very special in both their fine and loyal service to the Congress and their many academic honors. For the benefit of the graduates, as a reminder of the evening, I am placing in the RECORD the commencement address of Congressman JOE MOAKLEY. I know my colleagues share his expressions of appreciation for a job well done, good wishes, and confidence for future achievements as they leave the "Hill" to go their separate ways:

CAPITOL PAGE SCHOOL COMMENCEMENT,
CANNON CAUCUS ROOM, JUNE 11, 1979

Rev. Elson, Dr. Brown, Mr. Hoffman, Members of the Class of 1979, Parents and Friends, Distinguished Guests, Colleagues and Members of the Faculty.

I am honored to be here this evening sharing with you a once-in-a-lifetime experience.

In fact, after attending the previous three Congressional Page School Commencement ceremonies, I was delighted to be asked by the Class of 1979 to serve as your speaker.

At least I knew that this time I'd get a seat.

Moses and Tommy O'Connell asked what I was going to do with the honorarium I received here tonight—well I've decided to establish a Raymond Roebuck School of Culinary Arts.

High school commencements are a very special occasion special because it is one of the few times in life when you clearly step over one threshold onto the next. My high school years were markedly different from yours. World War Two interrupted our high school experiences, our football games, our proms, our bio labs, and propelled most of America's young men into a totally different existence. Perhaps that's why I so enjoy speaking on an occasion such as this. For me, I guess, it's the next best thing to having had a high school commencement myself.

After being in Congress for the past 7 years, and having served several terms in both the Massachusetts State legislatures and the Boston City Council, I tried to envision what characteristics of some of the speeches that I'd heard in the past most impressed me.

I thought—and I thought—and one thing that occurred to me is that I was never as impressed with length as I was with brevity.

That is one premise that I intend to observe tonight.

Art Buchwald once began a commencement speech by saying, "O.K., graduates, we're giving you a perfect world, now don't louse it up."

I'm afraid I can't offer such a rosy outlook.

John Kennedy observed, at a time when most of the Class of 1979 were still in diapers, that "to some generations much is given, to others, much is required."

In my judgment, this year's graduates fall into the secondary category. For unless I miss my guess, we are in the early stages of a far-reaching period of transition as fundamental as any in our history.

It took the United States one hundred years to move from ocean to ocean, from frontier to frontier, from a rudimentary agricultural nation to the most mammoth industrial power on earth.

Within the next several years, perhaps in just the short period of time that you will spend studying for your college degree, or in the first several years of employment, this nation must make equally dramatic and fundamental changes.

These changes will effect every aspect of the way we live our lives—from how we stay warm in winter and cool in summer, how and if we drive our cars, the shape and future of our cities and our homes and the manner in which we earn our livelihoods.

Recently, my brother was in Washington and we were discussing our family, its origins, and where we have all wound up. It struck me that no more than two or three generations removed from this one, our ancestors were existing on very much of a hand-to-mouth existence.

My grandfather didn't live that differently from his grandfather. You still cooked with a food fire, and read by firelight, if you could read at all, and went to town on horseback. Food, transportation, clothing and entertainment did not change much with the generations. Skills were passed down from parent to child, and you knew that if you were a blacksmith, a wheelwright or a farmer, you had a skill for life.

There was a continuity to the way they lived.

It is only really in my generation that this has all changed.

The standard of living that now exists in the developed world is a very recent phenomenon. It first appeared in the United States about 50 years ago, and in the rest of the world just since the end of World War Two.

It has been a great period, as we doubled and re-doubled our personal income, our Gross National Product and energy use. The magic word was growth. It would cure all our troubles, and if it had any bad effects they would be cured by more growth.

It is my belief, though, that this has not been the normal course of human history, but a one-time, special occurrence.

We all know, only too well how vulnerable our society has become to occurences outside of our geographical sphere—most notably our energy reliance.

The Arab oil embargo of five years ago, the current Iranian political situation, and OPEC member states have all dramatically indicated this nation's susceptibility to what our grandfathers thought we need not worry about.

We have learned the hard way that our giant industrial production had been built squarely on an abundance of cheap and seemingly inexhaustible fossil fuels and other natural resources. Those days of plenty when all you had to do was dig a hole in Texas and you had an oil well are over.

A song a few years back lamented "those were the days my friend, we thought they'd never end." Well, they are ending. Our job, and now your job, especially in the years ahead, will be to steer this complex, multifaceted society into a new age, one that is markedly different from ours.

It will be a time of tough, painful choices, but choices that you should be prepared to cope with, given your experience here at the Congressional Page School, and your unique term of service in serving the United States Congress, coupled with whatever formal educational experience you move on to from here.

Your experience here in Congress has given you an opportunity most men and women never have in their entire lives—not to mention by the time they turn 18.

You have witnessed history—the Arab-Israeli peace treaty, the national debate over energy priorities and the building momentum over both the SALT and Panama Canal Treaty ratifications.

But more than that, you have had a first-hand opportunity to watch human minds at work, to watch the way men and women organize their thoughts, present them cogently to their colleagues, and lobby hard to produce the most favorable end-products possible. That experience you can carry with you for the rest of your life.

Tonight you have completed your high school years, and on that I commend each of you.

You all have behind you a unique and abundant variety of exepriences, learning and individual growth—and a future which is yours to shape.

You are very important young men and women. Today, more than at any time in history, we are living with constant dramatic change—change which forces a wide array of choices that must be made.

The decisions you make, beginning here tonight—will mold the future for all of us—for my generation's grandchildren and your children. The pressures will be great, the choices many and varied.

I know that you will have the strength and versatility to take on this new freedom and responsibility in our society.

You are well prepared.

Your experience on the Floor of the House and Senate in the corridors of Rayburn, Longworth, Cannon, Russell and Dirksen and in the classrooms of the Page School gives testament to that.

But school is just one environment for learning. Learning is a life-time obligation. If you neglect your minds and your potential, you fail not only yourselves, but all who have given their time and talents in preparing you to meet the future.

Real learning is far more than "book-learning." In this era of change, of unpredictability, you must develop a harmony within yourselves. Participate. Commit yourselves to the affairs of the community and the world.

Develop a sensitivity to the new problems of spirit and conscience which follow change. Continue questioning and re-defining your personal values and ethics as the world around you changes and challenges your beliefs.

Decide for yourself what goals you will set—avoid falling easily into the roles others would have you play. Look into yourselves to find your own potential, your own dreams. You have only each day to live—and to lose—if you do not ask yourselves each day, how best to use your time to fulfill those dreams.

Within the next several years you members of this year's commencement class here at the Congresional Page School will be moving into your career areas, whether that will be in a laboratory—developing new, clean self-sustaining technologies, or in banking and business, or in the professions or perhaps here in Congress, it is still too early to tell.

Whatever and where-ever you and your career take you through, remember the words of former Chief Justice Oliver Wendell Holms who said, some 95 years ago this month, "I think that, as life is action and passion, it is required of a man that he should share the passion and action of his time, at the peril of having been judged not to have lived."

So let the Class of 1979 go forth as optimists, ready to share the passions and the challenges of life and time. Let us accept the reality that our lives will change. But let us hold fast to the belief that they can be better and more fulfilling lives if we do it right.

So go out and celebrate tonight. As you leave here, I fully expect that your community and your nation will be hearing from all of you in the very near future.

On behalf of them, I wish you the very best.

Thank you.●

PERSONAL STATEMENT

(Mr. MIKVA asked and was given permission to extend his remarks at this point in the Record.)

● Mr. MIKVA. Mr. Speaker, due to a longstanding speaking commitment in Wisconsin on Friday, June 15, 1979, I missed six rollcall votes.

Had I been present, I would have voted as follows:

Rollcall No. 243, to approve the Journal of the previous day's proceedings—vote, "yes";

Rollcall No. 244, to table a resolution of inquiry (H. Res. 291) directing the President to provide Members of the House with information on the energy situation—vote, "no";

Rollcall No. 245, passage of resolution of inquiry (H. Res. 291)—vote, "yes";

Rollcall No. 246, to resolve the House into the Committee of the Whole for further consideration of energy and water fiscal year 1980 appropriations (H.R. 4388)—vote, "yes";

Rollcall No. 247, amendment by Mr. Cavanaugh to H.R. 4388 to delete $6 million appropriation for the O'Neill unit project in Nebraska—vote, "yes"; and

Rollcall No. 248, amendment by Mr. Brown of California to H.R. 4388 to reduce by $5.3 million the appropriation for the Colorado River Basin salinity control project plant at Yuma, Ariz.—vote, "yes." ●

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows to:

Mr. Archer (at the request of Mr. Rhodes), for Wednesday, June 20, on account of death in the family.

Mr. Thompson, for June 25 until June 30, on account of official business—International Labor Organization, official observer.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the resuest of Mr. Carney) to revise and extend their remarks and include extraneous material:)

Mr. Sebelius, for 5 minutes, today.
Mr. Goldwater, for 5 minutes, today.
Mr. Kemp, for 10 minutes, today.
Mr. Miller of Ohio, for 10 minutes, today.

(The following Members (at the request of Mr. Bailey) to revise and extend their remarks and include extraneous matter:)

Mr. Stratton, for 5 minutes, today.
Mr. Diggs, for 10 minutes, today.
Mr. Weaver, for 10 minutes, today.
Mr. Annunzio, for 5 minutes, today.
Mr. Gonzalez, for 5 minutes, today.
Mr. Panetta, for 15 minutes, today.
Mr. Cavanaugh, for 5 minutes, today.
Mr. Chappell, for 5 minutes, today.
Mr. Ullman, for 5 minutes, today.
Mr. Alexander, for 15 minutes, today.
Mrs. Spellman, for 5 minutes, today.
Mr. Early, for 5 minutes, today.
Mr. Murtha, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent permission to revise and extend remarks was granted to:

Mr. Rudd, on the Conte amendment to H.R. 4387, in the Committee of the Whole today.

Mr. Perkins, to revise and extend his remarks at the conclusion of remarks in general debate on H.R. 4387.

Mr. Ashbrook, special order for today, for 10 minutes.

(The following Members (at the request of Mr. Carney) and to include extraneous material:)

Mr. Railsback.
Mr. Paul in two instances.
Mr. Spence.
Mr. Sawyer.
Mr. Lagomarsino.
Mr. Bethune.
Mr. Dornan in three instances.
Mr. Carter.
Mr. Michel.
Mr. Collins of Texas in two instances.
Mr. Badham.
Mr. Leach of Iowa.
Mr. Findley.
Mr. Broomfield.
Mr. Ashbrook in three instances.
Mr. Sebelius.

(The following Members (at the request of Mr. Bailey) and to include extraneous material:)

Mr. Mazzoli.
Mr. Panetta.
Mr. Rangel.
Mr. Murphy of Illinois.
Mr. Wolff in two instances.
Mr. Minish.
Mr. Bailey.
Mr. Sabo.
Mr. Mavroules.
Mr. Rodino.
Mr. Ratchford.
Mr. Miller of California in four instances.
Mr. Rosenthal.
Mr. Shelby.
Ms. Schroeder.
Mr. Gibbons.
Mr. Solarz.
Mr. Gray.
Mr. Weiss.
Mr. Murtha.
Mr. Mineta.

ADJOURNMENT

Mr. BAILEY. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 44 minutes p.m.), under its previous order, the House adjourned until tomorrow, Wednesday, June 20, 1979, at 11 o'clock a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1833. A letter from the Assistant Secretary of Defense (Comptroller), transmitting contract award information amending the report covering the period May 15 to August 15, 1979, pursuant to 10 U.S.C. 139; to the Committee on Armed Services.

1834. A letter from the Acting Secretary of Health, Education, and Welfare, transmitting a draft of proposed legislation to raise the ceiling on special allowance payments to lenders holding guaranteed student loans for the 3-month periods ending June 30, 1979, and September 30, 1979; to the Committee on Education and Labor.

1835. A letter from the Deputy Director, Office of Management and Budget, Executive Office of the President, transmitting his determination and certification that downward fluctuations in foreign currency exchange rates have made it necessary to provide additional funds to maintain the budgeted level of operation for Radio Free Europe/Radio Liberty, Inc., during the second quarter of fiscal year 1979, pursuant to section 8 of Public Law 94–350, as amended; to the Committee on Foreign Affairs.

1836. A letter from the Acting Administrator of General Services, transmitting proposed revised regulations governing public access to Presidential materials, pursuant to section 104(a) of Public Law 93–526; to the Committee on House Administration.

1837. A letter from the Secretary of the Interior, transmitting a proposed 5-year oil and gas leasing program for Outer Continental Shelf lands, pursuant to section 18(c)(3) of the Outer Continental Shelf Lands Act, as amended (92 Stat. 649); to the Committee on Interior and Insular Affairs.

1838. A letter from the Secretary of the Interior, transmitting a report on the status of the conveyances of land between the United States, the State of Alaska, and Cook Inlet Region, Inc., as of May 15, 1979, and on the need for remedial legislation, pursuant to section I. C(2)(i) of the "Terms and Conditions for Land Consolidation and Management in the Cook Inlet Area," as ratified by Public Law 94–204: to the Committee on Interior and Insular Affairs.

1839. A letter from the Acting Administrator of General Services, transmitting a report on an investigation of the feasibility and need for construction of a Federal building in the Queens-Jamaica area of New York City, requested by resolutions of the Senate Committee on Environment and Public Works and the House Committee on Public Works and Transportation adopted May 2, 1978, and October 4, 1978, respectively to the Committee on Public Works and Transportation.

1840. A letter from the Secretary of Commerce, transmitting a draft of proposed legislation to amend section 105 of Title II, United States Code; jointly, to the Committees on the Judiciary and Merchant Marine and Fisheries.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. MOAKLEY: Committee on Rules. House Resolution 322. Resolution waiving certain points of order against H.R. 4440. A bill making appropriations for the Department of Transportation and related agencies for the fiscal year ending September 30, 1980, and for other purposes (Report No. 96–286). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. AKAKA:

H.R. 4524. A bill to require foreign ships carrying nuclear waste material which enter ports in the United States to provide prior notification to the Nuclear Regulatory Commission, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. CAVANAUGH:

H.R. 4525. A bill to amend title 23, United States Code, to authorize the Secretary of Transportation to establish uniform national standards for weight and length of vehicles using the National System of Interstate and Defense Highways during a fuel emergency, and for other purposes; to the Committee on Public Works and Transportation.

By Mr. GIBBONS (for himself, Mr. Simon, Mr. Mitchell of Maryland, Mr. Alexander, Mr. Neal, Mr. Jones of Oklahoma, Mr. Vanik, Mr. Long of Louisiana, and Mr. Frenzel):

H.R. 4526. A bill to promote the international commerce of the United States, to establish a Federal Export Education Foundation, to provide for funding such foundation through a trust fund, and for other purposes; to the Committee on Education and Labor.

By Mr. PANETTA:

H.R. 4527. A bill to amend the Internal Revenue Code of 1954 to provide a credit for amounts contributed to an individual housing account; to the Committee on Ways and Means.

By Mr. PRITCHARD (for himself and Mr. Lowry):

H.R. 4528. A bill to designate certain national forest lands in the State of Washington as the Cougar Lakes Wilderness, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. QUILLEN:

H.R. 4529. A bill to amend the Clean Air Act to postpone for 1 year the application of certain restrictions to areas which have failed to attain national ambient air quality standards and to delay for 1 year the date required for adoption and submission of State implementation plans applicable to these areas, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. RAILSBACK:

H.R. 4530. A bill to amend the copyright law, title 17 of the United States Code, to provide for protection of ornamental designs of useful articles; to the Committee on the Judiciary.

By Mr. RATCHFORD (for himself, Mr. Gaydos, Mr. Hawkins, Mr. Corrada, Mr. Bailey, Mr. Kildee, Mr. Kogovsek, Mr. Miller of California, Mr Stack, Ms. Ferraro, Mr. Mitchell of Maryland, Mr. Florio, Mrs. Chisholm, Ms. Oakar, and Mr. LaFalce):

H.R. 4531. A bill to amend title I of the Higher Education Act of 1965; to the Committee on Education and Labor.

By Mr. SEBELIUS:

H.R. 4532. A bill to designate the U.S. Post Office and Federal Building in Scott City, Kans., as the "Henry D. Parkinson Federal Building"; to the Committee on Public Works and Transportation.

By Mr. SPENCE:

H.R. 4533. A bill to authorize the Secretary of Agriculture to guarantee loans for the construction and operation of fuel alcohol plants, using agricultural commodities, forest products, coal, coal tars, and solid waste as feed stocks, and for other purposes; jointly, to the Committees on Agriculture, Banking, Finance and Urban Affairs, Interstate and Foreign Commerce, and Science and Technology.

By Mr. WEISS:

H.R. 4534. A bill to establish a program of full employment, vocational training, and employment placement for all young Americans willing and able to work, and for other purposes; to the Committee on Education and Labor.

H.R. 4535. A bill to remove certain trade restrictions with respect to Cuba; to the Committee on Foreign Affairs.

H.R. 4536. A bill to amend the Internal Revenue Code of 1954 and the Comprehensive Employment and Training Act to provide for the eligibility of certain in-school youth for, and for the certification and referral of such youth to, jobs under the targetted jobs tax credit program; jointly, to the Committees on Education and Labor and Ways and Means.

By Mr. WRIGHT (for himself and Mr. Rhodes) (by request):

H.R. 4537. A bill to approve and implement the trade agreements negotiated under the Trade Act of 1974, and for other purposes; to the Committee on Ways and Means.

By Mr. YOUNG of Alaska:

H.R. 4538. A bill to authorize the conveyance of certain lands in Alaska comprising trade and manufacturing site A–056802 without regard to the 80-rod limitation provided by existing law; to the Committee on Interior and Insular Affairs.

By Mr. VANIK:

H.J. Res. 361. Joint resolution to express the sense of Congress relative to future problems in Japan-United States Trade; to the Committee on Ways and Means.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

233. By the SPEAKER: A memorial of the Legislature of the State of Tennessee, relative to continued Federal funding for federally impacted schools; to the Committee on Education and Labor.

234. Also, memorial of the Assembly of the State of New York, relative to political prisoners in Northern Ireland; to the Committee on Foreign Affairs.

235. Also, memorial of the Assembly of the State of New York, relative to veterans' benefits; to the Committee on Veterans' Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. McKAY:

H.R. 4539. A bill for the relief of Priscilo

Sumawang Cantil; to the Committee on the Judiciary.

By Mr. MYERS of Pennsylvania:

H.R. 4540. A bill for the relief of Olegario Azcona, Blanca Azcona and Olegario Azcona, Jr.; to the Committee on the Judiciary.

By Mr. STOCKMAN:

H.R. 4541. A bill for the relief of Pik Yee Tang; to the Committee on the Judiciary.

By Mr. WILLIAMS of Montana:

H.R. 4542. A bill for the relief of persons named as defendants in certain actions brought by the United States, and for other purposes; to the Committee on the Judiciary.

By Mr. BOB WILSON:

H.R. 4543. A bill for the relief of Benjamin B. Doeh; to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 281: Mr. Leland.

H.R. 282: Mr. Beard of Rhode Island and Mr. Ireland.

H.R. 290: Mr. Harris.

H.R. 396: Mr. Corcoran.

H.R. 1041: Mr. Rinaldo.

H.R. 1843: Mr. Goodling and Mr. Maguire.

H.R. 2209: Mr. Anderson of California, Mr. Beilenson, Mr. Evans of Delaware, Mr. Hanley, Mrs. Heckler, Mr. McKinney, Mr. Oberstar, Mr. Vanik, Mr. Winn, Mr. Yatron, and Mr. Shelby.

H.R. 2305: Mr. Murphy of Illinois, Mr. Russo, and Mrs. Spellman.

H.R. 2341: Mr. Cheney.

H.R. 2364: Mr. Patterson.

H.R. 2679: Mr. Kindness, Mr. Devine, Mr. Patterson, Mr. Tauke, Mr. Hughes, Mr. Abdnor, Mr. Winn, and Mr. Hinson.

H.R. 2863: Mr. AuCoin.

H.R. 3028: Mr. Bafalis, Mr. Bethune, Mr. Collins of Texas, Mr. Corcoran, Mr. Corrada, Mr. Davis of Michigan, Mr. Dornan, Mr. Dougherty, Mr. Gilman, Mr. Grassley, Mr. Grisham, Mr. Hance, Mr. Jeffries, Mr. Mottl, Mr. Petri, Mr. Roe, Mr. Russo, Mr. Whitehurst, Mr. Whittaker, Mr. Sensenbrenner, Mr. Carter, Mr. Murphy of Pennsylvania, Mr. Neal, and Mr. Gingrich.

H.R. 3246: Mr. Sabo.

H.R. 3298: Mr. Kogovsek.

H.R. 3337: Mr. Conable.

H.R. 3720: Mr. Heftel.

H.R. 4309: Mr. Hyde, Mr. Murphy of Pennsylvania, Mr. Bevill, Mr. Patten, Mr. Bailey, Mr. Mitchell of Maryland, Mr. Flood, Mr. Carter, Mr. Nowak, and Mr. Atkinson.

H.R. 4345: Mr. Whitehurst, Mr. Marriott, Mr. O'Brien, Mr. Hillis, Mr. Gilman, Mr. Grassley, Mr. Walgren, Mr. Pepper, Mr. Conyers, Mr. Daschle, Mr. Akaka, Mr. Coelho, Mr. Patterson, Mr. Roth, and Mr. Scheuer.

H.R. 4347: Mrs. Schroeder, Mr. Goldwater, Mr. Winn, Mr. Panetta, Mr. Brown of California, Mr. Roe, Mr. Moakley, Mr. Mitchell of Maryland, Mr. Howard, Mr. Corrada, Mr. Lehman, Mr. Gray, Mrs. Spellman, Mr. Won Pat, Mr. LaFalce, Mr. McCormack, Mr. Cleveland, Mr. Downey, Mr. Mollohan, Mr. Dougherty, Mr. Neal, Mr. Van Deerlin, Mr. Ottinger, and Mr. Lee.

H.R. 4400: Mr. Archer, Mr. Duncan of Tennessee, Mr. Lagomarsino, Mr. Paul, Mr. Royer, Mr. Solomon, Mr. Whittaker, Mr. Bethune, and Mr. Sensenbrenner.

H.J. Res. 68: Mr. Abdnor, Mr. Akaka, Mr. Albosta, Mr. Alexander, Mr. Anderson of Illinois, Mr. Andrews of North Dakota, Mr. Archer, Mr. Bafalis, Mr. Barnard, Mr. Bauman, Mr. Beard of Rhode Island, Mr. Beard of Tennessee, Mr. Bedell, Mr. Benjamin, Mr. Bennett, Mr. Bevill, Mr. Boland, Mrs. Bouquard, Mr. Bowen, Mr. Brinkley, Mr. Brown of Ohio, Mr. Brown of California, Mr. Broyhill, Mrs. Byron, Mr. Carter, Mr. Chappell, Mr. Cheney, Mr. Clausen, Mr. Cleveland, Mr. Clinger, Mr. Coelho, Mrs. Collins of Illinois, Mr. Collins of Texas, Mr. Conte, Mr. Corcoran, Mr. Corrada, Mr. Philip M. Crane, Mr. Dan Daniel, Mr. de la Garza, Mr. Derwinski, Mr. Dornan, Mr. Dougherty, Mr. Downey, Mr. Duncan of Tennessee, Mr. Emery, Mr. Erdahl, Mr. Evans of the Virgin Islands, Mr. Evans of Delaware, Mr. Fary, Mr. Fazio, Mr. Findley, Mr. Fisher, Mr. Flippo, Mr. Flood, Mr. Ford of Michigan, Mr. Forsythe, Mr. Fountain, Mr. Frenzel, Mr. Fuqua, Mr. Gaydos, Mr. Gephardt, Mr. Giaimo, Mr. Ginn, Mr. Goldwater, Mr. Gradison, Mr. Grassley, Mr. Guarini, Mr. Guyer, Mr. Hagedorn, Mr. Hall of Texas, Mr. Hall of Ohio, Mr. Hanley, Mr. Hansen, Mr. Harris, Mr. Hawkins, Mrs. Heckler, Mr. Hefner, Mr. Heftel, Mrs. Holt, Mr. Horton, Mr. Howard, Mr. Hubbard, Mr. Hughes, Mr. Hutto, Mr. Hyde, Mr. Ichord, Mr. Ireland, Mr. Jacobs, Mr. Jenrette, Mr. Johnson of California, Mr. Johnson of Colorado, Mr. Kazen, Mr. Kemp, Mr. Kindness, Mr. Kramer, Mr. LaFalce, Mr. Lagomarsino, Mr. Leach of Louisiana, Mr. Lee, Mr. Lent, Mr. Levitas, Mr. Lloyd, Mr. Long of Louisiana, Mr. Lott, Mr. Lujan, Mr. Luken, Mr. Lungren, Mr. McClory, Mr. McDade, Mr. McDonald, Mr. McKay, Mr. Madigan, Mr. Martin, Mr. Mathis, Mr. Mattox, Mr. Mazzoli, Mr. Mikva, Mr. Miller of Ohio, Mr. Minish, Mr. Mitchell of New York, Mr. Mitchell of Maryland, Mr. Moffett, Mr. Montgomery, Mr. Moorhead of California, Mr. Mottl, Mr. Murphy of Pennsylvania, Mr. Murphy of Illinois, Mr. Natcher, Mr. Neal, Mr. Nichols, Mr. Nolan, Ms. Oakar, Mr. O'Brien, Mr. Panetta, Mr. Pepper, Mr. Pickle, Mr. Price, Mr. Rahall, Mr. Regula, Mr. Rhodes, Mr. Robinson, Mr. Rodino, Mr. Roe, Mr. Rousselot, Mr. Runnels, Mr. Russo, Mr. Santini, Mr. Scheuer, Mr. Sebelius, Mr. Simon, Mrs. Smith of Nebraska, Mr. Solarz, Mr. Solomon, Mr. Spence, Mr. Stanton, Mr. Stokes, Mr. Symms, Mr. Tauke, Mr. Traxler, Mr. Vento, Mr. Walker, Mr. Waxman, Mr. Whitehurst, Mr. Whittaker, Mr. Whitten, Mr. Charles Wilson of Texas, Mr. Winn, Mr. Wolff, Mr. Wolpe, Mr. Won Pat, Mr. Wylie, Mr. Yatron, Mr. Young of Florida, Mr. Young of Alaska, Mr. Young of Missouri, and Mr. Zablocki.

H.J. Res. 330: Mr. Trible.

H. Con. Res. 10: Mr. Blanchard.

H. Con. Res. 50: Mrs. Holt.

H. Con. Res. 131: Mr. Charles Wilson of Texas, Mr. Deckard, Mr. Florio, Mr. Anderson of California, Mr. Roe, Mr. Winn, Mr. Jones of North Carolina, Mr. Flood, Mr. Peyser, Mr. Mitchell of New York, Mr. Walgren, Mr. Pease, Mr. Natcher, Mr. Wolpe, Mr. Atkinson, Mr. Long of Maryland, Mr. Lederer, Mr. Coelho, Mr. Carter, and Mr. Simon.

H. Res. 247: Mr. Hopkins.

H. Res. 288: Mr. Loeffler, Mr. Hopkins, Mr. Duncan of Tennessee, Mr. Kogovsek, Mr. Leach of Iowa, Mr. Collins of Texas, Mr. Kildee, Mr. Burgener, Mr. Cleveland, and Mr. Kindness.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

154. By the SPEAKER: Petition of The City Council, New York, N.Y., relative to including all full time students over the age of 18 in any CETA programs; to the Committee on Education and Labor.

155. Also, petition of the City Council, New York, N.Y., relative to unemployed youth; to the Committee on Education and Labor.

156. Also, petition of Assemblyman Andrew D. Virgilio, Albany, N.Y., relative to funding of Federal programs for the handicapped; to the Committee on Education and Labor.

157. By Mr. PEPPER: Petition of the Tourist Development Authority, Miami Beach, relative to further normalization of relations with the Government of Cuba; to the Committee on Foreign Affairs.

158. By the SPEAKER: Petition of the California Water Pollution Control Association, Santa Ana, Calif., relative to construction grant funding for water reclamation projects; to the Committee on Public Works and Transportation.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 111

By Mr. GOODLING:

—Page 168, insert the following section after line 22:

Sec. 375. Limitation on Transfer of Certain Property.—No property of the United States which, after April 18, 1978, was or is constructed on or acquired for use in those areas and installations made available to the United States pursuant to that treaty may be transferred to the Republic of Panama unless the Republic of Panama pays the fair market value for the property at the time of the proposed transfer. The limitation set forth in the preceding sentence shall apply only to property of significant value. The Secretary of the Treasury, in consultation with appropriate departments and agencies, shall make any determination of fair market value or significant value required by this section.

Amend the table of contents accordingly.

By Mr. HANSEN:

—On page 159, after line 12, insert the following new section:

Sec. 254. Authority to ensure that there is no cost to U.S. taxpayers and to further ensure minimum rates for tollpayers and consumers in implementing the Panama Canal Treaties of 1977.

(A) Under the authority granted to the Congress by Article I of the Constitution of the United States and Article III, Section 2(d) of the Panama Canal Treaty of 1977 and notwithstanding any other provision of law, or subsequent provision of this Act, this legislation provides for the prohibition of any expense to the U.S. Taxpayers and provides for the recovery of lost revenues to the U.S. Treasury by allocating to the Republic of Panama, as stipulated in Subsection D(3) of this section, the costs of (1) implementing the Treaties, (2) transferring property pursuant to those Treaties, and (3) subsequent operation of Services previously provided by the Panama Canal Company and Canal Zone Government. This provision is pursuant to Treaty requirements and firm guarantees by the Administration at the highest levels.

(1) Acceptance of payments by Panama under Terms of the treaty as provided in this Act constitutes recognition by the Republic of Panama that the United States rightfully exercised sovereignty in the Canal Zone under the terms of the treaties between the United States and Panama of 1903, 1937 and 1955.

(2) No funds may be used to implement

the Panama Canal Treaties of 1977 without the express consent of the Congress of the United States.

(B) Notwithstanding any other provision of Law, or subsequent provision of this Act, the United States shall provide limits on the economic consequences to consumers of implementation of the Panama Canal Treaties of 1977 by insuring minimum rates for tollpayers as stipulated in Subsection D(4) of this Section. This provision is pursuant to the Danforth Understanding and related high level Administration assurances.

(C) The Congress, in exercise of its authority under Article IV, Section 3, Clause 2 of the Constitution of the United States, authorized the President to transfer real property in the Panama Canal Zone at the times and in the circumstances stipulated in the Panama Canal Treaty of September 7, 1977, provided that the President shall notify the Congress not less than 90 days prior to the proposed date of any such transfer, and further, that, prior to the entry into force of this Act, the Republic of Panama shall agree to the terms and conditions set forth in subsection (D) of this section.

(D) Notwithstanding any other provision of law or subsequent provision of this Act, final transfer is authorized to be made of the Panama Canal and all those portions of the Zone which are not otherwise ceded to the Republic of Panama, to occur not earlier than December 30, 1999 at 12 o'clock noon local time, provided that each of the following conditions shall have been met on or before that date:

(1) That the entire net investment cost of the construction of the Panama Canal shall have been paid to the Treasury of the United States prior to that date.

(2) That all interest upon the net investment cost shall have been paid on or before December 30, 1999 as required by the reservation No. 6 (The Cannon Reservation) to the Panama Canal Treaty as consented to by the Senate of the United States on April 18, 1978.

(3) That the Republic of Panama shall have borne, out of the revenues it receives pursuant to the terms of Article XIII of the Treaty, all costs incurred by the United States in carrying the Treaty into effect;

(4) That tolls charged for passage through the Panama Canal shall not exceed those tolls charged on July 1, 1979 together with:

(a) Adjustments to allow toll increases equal to raises in the cost of living as set by the United States Department of Labor in its consumer price index, and

(b) That minimum increase in the percentage of rate of tolls sufficient to provide funds necessary to make those payments required by Article III, Section 5, and Article XIII, Section 4(a) and (b) of the Panama Canal Treaty and as limited by Understanding No. 3 thereto as consented to by the Senate of the United States on April 18, 1978 (The Danforth Understanding).

(5) That all expenses incurred by the United States to implement the Panama Canal Treaties of 1977 during Fiscal Years 1978 and 1979 shall be included as a cost as defined in Subsection D(3) of this Section."; and

By Mr. MURPHY of New York:

(To the amendments offered by Mr. HANLEY.)

—Page 1, strike out "Chapter 3—EMPLOYEES" and all that follows down through line 12 on page 40 and insert in lieu thereof the following:

Chapter 3—EMPLOYEES

Subchapter I—Panama Canal Commission Personnel

SEC. 120. DEFINITIONS.—As used in this chapter:

(1) "Executive agency" has the meaning given that term in section 105 of title 5, United States Code;

(2) "uniformed services" has the meaning given that term in section 2101(3) of title 5, United States Code;

(3) "competitive service" has the meaning given that term in section 2102 of title 5, United States Code; and

(4) "United States", when used in a geographic sense, means each of the several States and the District of Columbia.

SEC. 121. APPOINTMENT AND COMPENSATION; DUTIES.—(a) Except as provided by sections 103, 104, and 111 of this Act, and in accordance with this chapter, the Panama Canal Commission may appoint without regard to the provisions of title 5, United States Code, relating to appointments in the competitive service, fix the compensation of, and define the authority and duties of, officers, agents, attorneys, and employees necessary for the management, operation, and maintenance of the Panama Canal and its complementary works, installations, and equipment.

(b) Individuals serving in any other Executive agency or the Smithsonian Institution, including individuals serving in the uniformed services, may, if appointed under this section or section 103 or 104 of this Act, serve as officers or employees of the Commission.

SEC. 122. TRANSFER OF FEDERAL EMPLOYEES.—(a) The head of any agency may enter into agreements for the transfer or detail to the Panama Canal Commission of any employee of that agency serving under a permanent appointment. Any employee who so transfers or is so detailed shall, upon completion of the employee's tour of duty with the Commission, be entitled to reemployment with the agency from which the employee was transferred or detailed without loss of pay, seniority, or other rights or benefits to which the employee would have been entitled had the employee not so transferred or been detailed.

(b) For purposes of this section, the term "agency" means an Executive agency, the United States Postal Service, and the Smithsonian Institution.

(c) The Office of Personnel Management shall prescribe regulations to carry out the purposes of this section.

SEC. 123. COMPENSATION OF INDIVIDUALS IN THE UNIFORMED SERVICES.—(a) Except as provided in subsection (b), any individual who is serving in a position in the Panama Canal Commission and who is a member of a uniformed service shall continue to be paid basic pay by such uniformed service and shall not be paid by the Commission for the period of the service in the uniformed service involved.

(b) If the individual appointed as Administrator, Deputy Administrator, or Chief Engineer of the Commission is a member of a uniformed service, the amount of basic pay otherwise payable to the individual for service in that position shall be reduced, up to the amount of that basic pay, by the amount of the basic pay payable to the individual as a member of a uniformed service.

(c) The Commission shall annually pay to each uniformed service amounts sufficient to reimburse that uniformed service for any basic pay paid by that uniformed service to any member of that service during any period of service in the Commission by the member.

SEC. 124. DEDUCTION FROM BASIC PAY OF AMOUNTS DUE FOR SUPPLIES OR SERVICES.—The Panama Canal Commission may deduct from the basic pay otherwise payable by the Commission to any officer or employee of the Commission any amount due from the officer or employee to the Commission or to any contractor of the Commission for transportation, board, supplies, or any other service. Any amount so deducted may be paid by the Commission to any contractor to whom it is due or may be credited by the Commission to any appropriation from which the Commission has expended such amount.

SEC. 125. COST OF LIVING ALLOWANCE.—Effective beginning October 1, 1984, each officer or employee of the Panama Canal Commission who is a ctitizen of the United States shall be paid an allowance to offset any increased cost of living which may result from the termination of the eligibility of the officer or employee and his dependents to use military postal services, sales stores, and exchanges. The amount of the allowance shall be determined by the Commission.

SEC. 126. EDUCATIONAL TRAVEL BENEFITS.—The Panama Canal Commission shall provide by regulation for round-trip transportation between the Republic of Panama and the United States for undergraduate college education in the United States for dependents of individuals who are officers or employees of the Commission and who are citizens of the United States. The regulations prescribed by the Commission under this section shall—

(1) provide eligibility requirements which must be met by such dependents to qualify for transportation under this section, including a requirement that all eligible dependents must be under 23 years of age; and

(2) limit the transportation provided to one round trip during any 1-year period.

SEC. 127. PRIVILEGES AND IMMUNITIES OF CERTAIN EMPLOYEES.—The Secretary of Defense shall designate those officers and employees of the Panama Canal Commission and other individuals entitled to the privileges and immunities accorded under paragraph (3) of Article VIII of the Panama Canal Treaty of 1977. The Department of State shall furnish the Republic of Panama a list of the names of such officers, employees, and other individuals and shall notify the Republic of Panama of any subsequent additions to or deletions from the list.

SEC. 128. INAPPLICABILITY OF CERTAIN BENEFITS TO CERTAIN NONCITIZENS.—(a) Chapter 81 of title 5, United States Code, relating to compensation for work injuries, chapter 83 of such title 5, relating to civil service retirement, chapter 87 of such title 5, relating to life insurance, and chapter 89 of such title 5, relating to health insurance, are inapplicable to any individual—

(1) who is not a citizen of the United States;

(2) whose initial appointment by the Panama Canal Commission occurs after October 1, 1979; and

(3) who is covered by the Social Security System of the Republic of Panama pursuant to any provision of the Panama Canal Treaty of 1977 and related agreements.

(b) Subparagraph (B) of section 8701(a) of title 5, United States Code, defining employee for purposes of life insurance, is amended to read as follows:

"(B) an individual who is not a citizen or national of the United States and whose permanent duty station is outside the United States, unless the individual was an employee for the purpose of this chapter on September 30, 1979, by reason of service in an Executive agency, the United States Postal Service, or the Smithsonian Institution, in the area which was then known as the Canal Zone; or".

(c) Clause (ii) of section 8901(1) of title 5, United States Code, defining employee for purposes of health insurance, is amended to read as follows:

"(ii) an individual who is not a citizen or national of the United States and whose permanent duty station is outside the

United States, unless the individual was an employee for the purpose of this chapter on September 30, 1979, by reason of service in an Executive agency, the United States Postal Service, or the Smithsonian Institution in the area which was then known as the Canal Zone;".

Subchapter II—Wage and Employment Practices

SEC. 141. DEFINITIONS.—As used in this subchapter:

(1) "agency" means—

(A) the Panama Canal Commission, and

(B) an Executive agency or the Smithsonian Institution, to the extent of any election in effect under section 142(b) (2) of this Act;

(2) "position" means a civilian position in the Panama Canal Commission, or in any other agency if a substantial portion of the duties and responsibilities are performed in the Republic of Panama; and

(3) "employee" means an individual serving in a position.

SEC. 142. PANAMA CANAL EMPLOYMENT SYSTEM; MERIT AND OTHER EMPLOYMENT REQUIREMENTS.—(a) After considering any recommendations of the Panama Canal Commission, the President shall establish a Panama Canal Employment System. The Panama Canal Employment System shall—

(1) be established in accordance with and be subject to the provisions of the Panama Canal Treaty of 1977 and related agreements, the provisions of this chapter, and any other applicable provision of law;

(2) be based on the consideration of the merit of each employee or candidate for employment and the qualifications and fitness of the employee to hold the position concerned;

(3) conform, to the extent practicable and consistent with the provisions of this Act, to the policies, principles, and standards applicable to the competitive service; and

(4) in the case of employees who are citizens of the United States, provide for the appropriate interchange of those employees between positions under the Panama Canal Employment System and positions in the competitive service.

(b) (1) The Panama Canal Commission, and any Executive agency and the Smithsonian Institution to the extent of any election under paragraph (2), shall conduct their employment and pay practices relating to employees in accordance with the Panama Canal Employment System and regulations prescribed by, or under the authority of, the President in accordance with this subchapter.

(2) The head of any Executive agency and the Smithsonian Institution may elect to have the Panama Canal Employment System made applicable in whole or in part to personnel of that agency in the Republic of Panama.

(c) Subject to the provisions of this chapter, the President may, from time to time and after considering any recommendation of the Panama Canal Commission, amend or modify any provision of the Panama Canal Employment System, including any provision relating to selection for appointment, reappointment, reinstatement, reemployment, and retention, with respect to positions employees, and candidates for employment.

(d) The President may, to the extent the President determines appropriate—

(1) exclude any employee or position from coverage under any provision of this subchapter; and

(2) notwithstanding section 121, extend to any employee, whether or not the employee is a citizen of the United States, the rights and privileges which are provided by applicable laws and regulations for citizens of the United States employed in the competitive service.

SEC. 143. EMPLOYMENT STANDARDS.—The head of each agency shall establish written standards for—

(1) determining the qualifications and fitness of employees and of candidates for employment in positions; and

(2) selecting individuals for appointment, promotion, or transfer to positions.

The standards shall conform to the provisions of this subchapter, any regulations prescribed thereunder, and the Panama Canal Employment System.

SEC. 144. INTERIM APPLICATION OF CANAL ZONE MERIT SYSTEM.—Notwithstanding any repeal made by this Act or any provision of this chapter, the provisions of subchapter III of chapter 7 of title 2 of the Canal Zone Code establishing the Canal Zone Merit System, together with the regulations prescribed thereunder, as in effect on September 30, 1979, shall continue in effect and shall apply with respect to employees until the Panama Canal Employment System is established and in effect pursuant to section 142 of this Act.

SEC. 145. BASIC PAY.—(a) The head of each agency, in accordance with the provisions of this subchapter, shall establish, and from time to time may revise, the rates of basic pay for positions and employees in the agency.

(b) The rates of basic pay may be established and revised in relation to the rates of basic pay for the same or similar work performed in the United States or in such areas outside the United States as may be designated in the regulations prescribed under section 153.

(c) The head of each agency may make adjustments in rates of basic pay established under subsection (b) in amounts not to exceed the amounts of the adjustments made from time to time by or under statute in the corresponding rates of basic pay for the same or similar work referred to in such subsection (b). The head of the agency may designate the effective date of any such adjustment, except that that date may not be earlier than the effective date of the adjustment in the corresponding rate of basic pay.

SEC. 146 UNIFORM APPLICATION OF STANDARDS AND RATES.—The standards established pursuant to section 143 and the rates of basic pay established pursuant to section 145 shall be applied without regard to whether the employee or individual concerned is a citizen of the United States or a citizen of the Republic of Panama.

SEC. 147. RECRUITMENT AND RETENTION REMUNERATION.—(a) In addition to basic pay, additional compensation may be paid, in such amounts as the head of the agency concerned determines, as an overseas recruitment or retention differential to any individual who—

(1) before October 1, 1979, was employed by the Panama Canal Company, by the Canal Zone Government, or by any other agency in the area then known as the Canal Zone;

(2) is an employee who was recruited on or after October 1, 1979, outside of the Republic of Panama for placement in the Republic of Panama; or

(3) is a medical doctor employed by the Department of Defense in the Republic of Panama or by the Panama Canal Commission;

if, in the judgment of the head of the agency concerned, the recruitment or retention of the individual is essential.

(b) Any employee described in more than one paragraph of subsection (a) may qualify for a recruitment or retention differential under only one of those paragraphs.

(c) Additional compensation provided under this section may not exceed 25 percent of the rate of basic pay for the same or similar work performed in the United States by individuals employed by the Government of the United States.

(d) Subchapter III of chapter 59 of title 5, United States Code, relating to overseas differentials and allowances, shall not apply with respect to any employee whose permanent duty station is in the Republic of Panama and who is employed by an agency.

SEC. 148. BENEFITS BASED ON BASIC PAY.—For the purpose of determining—

(1) amounts of compensation for disability or death under chapter 81 of title 5, United Seates Code, relating to compensation for work injuries;

(2) benefits under subchapter III of chapter 83 of title 5, United States Code, relating to civil service retirement;

(3) amounts of insurance under chapter 87 of title 5, United States Code, relating to life insurance;

(4) amounts of overtime pay or other premium pay;

(5) annual leave benefits; and

(6) any other benefits related to basic pay;

the basic pay of each employee shall include the rate of basic pay established for his position under section 145 plus the amount of any additional compensation provided under section 147.

SEC. 149. SALARY PROTECTION UPON CONVERSION OF PAY BASE.—(a) In the case of any employee whose rate of basic pay is determined in relation to rates of basic pay for the same or similar work in the United States and is converted to a rate of basic pay pursuant to section 145(b) which is determined in relation to rates in areas other than the United States pursuant to that subsection, the employee shall continue to receive a rate of basic pay not less than that to which the employee was entitled immediately before the conversion.

(b) This section shall cease to apply with respect to any employee if the employee is placed in a position—

(1) for which the rate of basic pay is determined in relation to rates of basic pay in the United States pursuant to section 145 (b); or

(2) which is of a lower grade.

SEC. 150. REVIEW AND ADJUSTMENT OF CLASSIFICATIONS, GRADES, AND PAY LEVEL.—An employee may request at any time that the employee's agency—

(1) review the classification of the employee's position or the grade or pay level for the employee's position, or both; and

(2) revise or adjust that classification, grade or pay level, or both, as the case may be.

The request for review and revision or adjustment shall be submitted and adjudicated in accordance with the regularly established appeals procedures of the agency.

SEC. 151. PANAMA CANAL BOARD OF APPEALS; DUTIES—(a) Subject to the provisions of this chapter, the President shall prescribe regulations establishing a Panama Canal Board of Appeals. The regulations shall provide for the number of members of the Board and their appointment, compensation, and terms of office, the selection of a Chairman of the Board, the appointment and compensation of the Board's employees, and other appropriate matters relating to the Board.

(b) The Board shall review and determine the appeals of employees in accordance with section 152. The decisions of the Board shall conform to the provisions of this subchapter.

SEC. 152. APPEALS TO BOARD; PROCEDURE; FINALITY OF DECISIONS.—(a) An employee may appeal to the Panama Canal Board of Appeals from an adverse determination made by an agency under section 150. The appeal shall be made in writing within a reasonable time (as specified in regulations prescribed by, or under the authority of, the President) after the date of the transmittal by the agency to the employee of written notice of the adverse determination.

(b) The Board may authorize, in connection with an appeal pursuant to subsection (a), a personal appearance before the Board by the employee, or by a representative of the employee designated for that purpose.

(c) After investigation and consideration of the evidence submitted, the Board shall—

(1) prepare a written decision on the appeal;

(2) transmit its decision to the agency concerned; and

(3) transmit copies of the decision to the employee concerned or to the designated representative.

(d) The decision of the Board on any question or other matter relating to an appeal is final and conclusive. The agency concerned shall take action in accordance with the decision of the Board.

SEC. 153. ADMINISTRATION BY THE PRESIDENT.—(a) The President shall prescribe regulations necessary and appropriate to carry out the provisions of this subchapter and coordinate the policies and activities of agencies under this subchapter.

(b) The President may establish an office within the Panama Canal Commission as the successor to the Canal Zone Central Examining Office. The purpose of the Office shall be to assist the President in—

(1) carrying out the President's coordination responsibility under subsection (a); and

(2) implementing the provisions of the Panama Canal Treaty of 1977 and related agreements with respect to recruitment, examination, determination of qualification standards, and similar matters.

(c) The President may delegate any authority vested in the President by this subchapter and may provide for the redelegation of that authority.

SEC. 154. APPLICABILITY OF CERTAIN LAWS.—(a) This chapter does not affect the applicability of—

(1) the provisions of title 5, United States Code, which relate to preference eligiblies;

(2) the provisions of title 5, United States Code, which relate to removal or suspension from the competitive service; and

(3) the provisions of section 5544(a) of title 5, United States Code, which relate to wage board rates and overtime, with respect to classes of employees who were covered by those provisions on the date of the enactment of this Act.

(b) Subsection (f) of section 13 of the Fair Labor Standards Act of 1938 (29 U.S.C. 213(f)), relating to applicability to employees in foreign countries and certain United States territories, is amended—

(1) by inserting "(1)" after "(f)";

(2) by striking out "Johnston Island; and the Canal Zone." and inserting in lieu thereof "and Johnston Island."; and

(3) by adding at the end thereof the following new paragraph:

"(2) Notwithstanding the provisions of paragraph (1) of this subsection, the provisions of sections 6, 7, 11, and 12 shall apply with respect to employees described in section 3(e)(2)(A) of this Act whose services during the workweek are performed in a workplace within areas or installations in the Republic of Panama made available to the United States pursuant to the Panama Canal Treaty of 1977 and related agreements.".

Subchapter III—Conditions of Employment and Placement

SEC. 201. TRANSFERRED OR REEMPLOYED EMPLOYEES.—(a)(1) With respect to any individual employed in the Panama Canal Company or the Canal Zone Government—

(A) who is transferred—

(i) to a position in the Panama Canal Commission; or

(ii) to a position in an executive agency or the Smithsonian Institution the permanent duty station of which is in the Republic of Panama (including the area known before October 1, 1979, as the Canal Zone); or

(B) who is separated by reason of a reduction in force on September 30, 1979, and is appointed to a position in the Panama Canal Commission before April 1, 1980;

the terms and conditions of employment set forth in paragraph (2) shall be generally no less favorable, on or after the date of the transfer referred to in subparapragh (A) of this paragraph or the date of the appointment referred to in subparagraph (B) of this paragraph, as the case may be, than the terms and conditions of employment with the Panama Canal Company and Canal Zone Government on September 30, 1979, or, in the case of a transfer described in subparagraph (A)(ii) of this paragraph which takes place before that date, on the date of the transfer.

(2) The terms and conditions of employment referred to in paragraph (1) are the following:

(A) rates of basic pay and bases for establishing rates of basic pay;

(B) tropical differential;

(C) premium pay and night differential;

(D) reinstatement and restoration rights;

(E) injury and death compensation benefits;

(F) leave and travel;

(G) transportation and repatriation benefits;

(H) group health and life insurance;

(I) reduction-in-force rights;

(J) an employee grievance system, and the right to appeal adverse and disciplinary actions and position classification actions;

(K) veterans' preference eligibility;

(L) holidays;

(M) saved pay provisions; and

(N) severance pay benefits.

(3)(A) The provisions of this subsection shall take effect on the date of the enactment of this Act.

(B) No spending authority (as described in section 401(c)(2)(C) of the Congressional Budget Act of 1974) provided for under this subsection shall take effect before October 1, 1979.

(C) Effective October 1, 1979, any individual who, but for subparagraph (B), would have been entitled to one or more payments pursuant to this subsection for periods before October 1, 1979, shall be entitled, to the extent or in such amounts as are provided in advance in appropriation Acts, to a lump sum payment equal to the total amount of all such payments.

(b) Any individual described in subsection (a)(1)(B) of this section who would have met the service requirement for early retirement benefits under section 8336(i) or 8339 (d)(2) of title 5, United States Code, but for a break in service of more than 3 days immediately after September 30, 1979, shall be considered to meet the requirement. Any break in service by any such individual for purposes of section 8332 of such title 5 during the period beginning September 30, 1979, and ending on the date of the appointment referred to in such subsection (a)(1)(B) shall be considered a period of creditable service under such section 8332 for such individual, except that such period shall not be taken into account of purposes of determining average pay (as defined in section 8331(4) of such title 5) and no deduction, contribution, or deposit shall be required for that period under section 8334 of such title 5.

(c)(1) Section 5(c) of the Defense Department Overseas Teachers Pay and Personnel Practices Act (20 U.S.C. 903(c)) shall not apply with respect to any teacher who was employed by the Canal Zone Government school system on September 30, 1979, and who was transferred from such position to a teaching position which is under the Department of Defense Overseas Dependent School System and the permanent duty station of which is in the Republic of Panama, until the rates of basic compensation established under section 5(c) of such Act equal or exceed the rates of basic compensation then in effect for teachers who were so transferred.

(2) Section 6(a)(2) of the Defense Department Overseas Teachers Pay and Personnel Practices Act (20 U.S.C. 904(a)(2)) shall not apply with respect to any teacher who was employed by the Canal Zone Government school system on September 30, 1979, and who was transferred from such position to a teaching position which is under the Department of Defense Overseas Dependent School System and the permanent duty station of which is in the Republic of Panama.

(3)(A) The head of an agency may grant a sabbatical to any teacher to whom paragraph (1) applies for not to exceed 11 months in order to permit the teacher to engage in study or uncompensated work experience which is in the United States and which will contribute to the teacher's development and effectiveness. A sabbatical shall not result in a loss of, or reduction in, pay, leave to which the teacher is otherwise entitled, credit for time or service, or performance or efficiency rating. The head of the agency may authorize in accordance with chapter 57 of title 5, United States Code, such travel expenses (including per diem allowances) as the head of the agency may determine to be essential for the study or experience.

(B) A sabbatical under this paragraph may not be granted to any teacher—

(i) more than once in any 10-year period;

(ii) unless the teacher has completed 7 years of service as a teacher; and

(iii) if the teacher is eligible for voluntary retirement with a right to an immediate annuity.

(C)(i) Any teacher in an agency may be granted a sabbatical under this paragraph only if the teacher agrees, as a condition of accepting the sabbatical, to serve in the civil service upon the completion of the sabbatical for a period of two consecutive years.

(ii) Each agreement required under clause (i) of this subparagraph shall provide that in the event the teacher fails to carry out the agreement (except for good and sufficient reason as determined by the head of the agency that granted the sabbatical) the teacher shall be liable to the United States for payment of all expenses (including salary) of the sabbatical. The amount shall be treated as a debt due the United States.

(d) Sections 5595(a)(2)(iii), 5724a(a)(3) and (4), and 8102(b) of title 5, United States Code, are each amended by striking out "Canal Zone" each place it appears and inserting in lieu thereof: "areas and installations in the Republic of Panama made available to the United States pursuant to the Panama Canal Treaty of 1977 and related agreements".

SEC. 202. PLACEMENT.—(a) Any citizen of the United States—

(1) who, on March 31, 1979, was an employee of the Panama Canal Company or the Canal Zone Government;

(2) who separates or is scheduled to separate on or after such date for any reason other than misconduct or delinquency; and

(3) who is not placed in another appropriate position in the Government of the United States in the Republic of Panama;

shall, upon the employee's request, be accorded appropriate assistance for placement in vacant positions in the Government of the United States in the United States.

(b) Any citizen of the United States—

(1) who, on March 31, 1979, was employed in the Canal Zone as an employee of an Executive agency (other than the Panama Canal Company or the Canal Zone Government) or the Smithsonian Institution;

(2) whose position is eliminated as the result of the implementation of any provision of the Panama Canal Treaty of 1977 and related agreements; and

(3) who is not appointed to another appropriate position in the Government of the United States in the Republic of Panama;

shall, upon the employee's request, be accorded appropriate assistance for placement in vacant positions in the Government of the United States in the United States.

(c) The Office of Personnel Management shall establish and administer a Government-wide placement program for all eligible employees who request appointment to positions under this section.

(d) The provisions of this section shall take effect on the date of the enactment of this Act.

Subchapter IV—Retirement

SEC. 205. EARLY RETIREMENT ELIGIBILITY.—(a) Section 8336 of title 5, United States Code, is amended—

(1) in subsection (c), by inserting "(1)" after "(c)" and by adding at the end thereof the following new paragraph:

"(2) An employee is entitled to an annuity if the employee—

"(A) was a law enforcement officer or firefighter employed by the Panama Canal Company or the Canal Zone Government at any time during the period beginning March 31, 1979, and ending September 30, 1979; and

"(B) is separated from the service before January 1, 2000, after becoming 48 years of age and completing 18 years of service as a law enforcement officer or firefighter, or any combination of such service totaling at least 18 years."; and

(2) by redesignating subsection (i) as subsection (j) and by inserting after subsection (h) the following new subsection:

"(i)(1) An employee of the Panama Canal Commission or of an Executive agency conducting operations in the Canal Zone or Republic of Panama who is separated from the service before January 1, 2000, who was employed by the Canal Zone Government or the Panama Canal Company at any time during the period beginning March 31, 1979, and ending September 30, 1979, and who has had continuous Panama Canal service, without a break in service of more than 3 days, from that time until separation, is entitled to an annuity if the employee is separated—

"(A) involuntarily, after completing 20 years of service or after becoming 48 years of age and completing 18 years of service, if the separation is a result of the implementation of any provision of the Panama Canal Treaty of 1977 and related agreements; or

"(B) voluntarily, after completing 23 years of service or after becoming 48 years of age and completing 18 years of service.

"(2) An employee of the Panama Canal Commission or of an Executive agency conducting operations in the Canal Zone or Republic of Panama who is separated from the service before January 1, 2000, who was employed, at a permanent duty station in the Canal Zone, by any Executive agency other than the Canal Zone Government or the Panama Canal Company at any time during the period beginning March 31, 1979, and ending September 30, 1979, and who has had continuous Panama Canal service, without a break in service of more than 3 days, from that time until separation, is entitled to an annuity if—

"(A) the employee is separated involuntarily, after completing 20 years of service or after becoming 48 years of age and completing 18 years of service; and

"(B) the separation is a result of the implementation of any provision of the Panama Canal Treaty of 1977 and related agreements.

"(3) For the purpose of this subsection—

"(A) 'Panama Canal service' means—

"(i) service as an employee of the Canal Zone Government, the Panama Canal Company, or the Panama Canal Commission; or

"(ii) service at a permanent duty station in the Canal Zone or Republic of Panama as an employee of an Executive agency conducting operations in the Canal Zone or Republic of Panama; and

"(B) 'Executive agency' includes the United States District Court for the District of the Canal Zone and the Smithsonian Institution."

(b)(1) The amendments made by this section shall take effect on the date of the enactment of this Act, but no amount of annuity under chapter 83 of title 5, United States Code, accruing by reason of those amendments shall be payable for any period before October 1, 1979.

(2) Effective October 1, 1979, any individual who, but for paragraph (1), would have been entitled to one or more annuity payments pursuant to the amendments made by this section for periods before October 1, 1979, shall be entitled, to the extent or in such amounts as are provided in advance in appropriation Acts, to a lump sum payment equal to the total amount of all such annuity payments.

SEC. 206. EARLY RETIREMENT COMPUTATION.—Section 8339(d) of title 5, United States Code, is amended by inserting "(1)" after "(d)" and by adding at the end thereof the following new paragraphs:

"(2) The annuity of an employee retiring under this subchapter who was employed by the Panama Canal Company or Canal Zone Government on September 30, 1979, is computed with respect to the period of continuous Panama Canal service from that date, disregarding any break in service of not more than 3 days, by adding—

(A) 2½ percent of the employee's average pay multiplied by so much of that service as does not exceed 20 years; plus

"(B) 2 percent of the employee's average pay multiplied by so much of that service as exceeds 20 years.

"(3)(A) In the case of an employee who has service as a law enforcement officer or firefighter to which paragraph (2) of this subsection applies, the annuity of that employee is increased by $8 for each full month of that service which is performed in the Republic of Panama.

"(B) In the case of an employee retiring under this subchapter who—

"(i) was employed as a law enforcement officer or firefighter by the Panama Canal Company or Canal Zone Government at any time during the period beginning March 31, 1979, and ending September 30, 1979; and

"(ii) does not meet the age and service requirements of section 8336(c) of this title;

the annuity of that employee is increased by $12 for each full month of that service which occurred before October 1, 1979.

"(C) An annuity increase under this paragraph does not apply with respect to service performed after completion of 20 years of service (or any combination of service) as a law enforcement officer or firefighter.

"(4) For the purpose of this subsection—

"(A) 'Panama Canal service' means—

"(i) service as an employee of the Panama Canal Commission or

"(ii) service at a permanent duty station in the Canal Zone or Republic of Panama as an employee of an Executive agency conducting operations in the Canal Zone or Republic of Panama; and

"(B) 'Executive agency' includes the Smithsonian Institution.".

(b)(1) The amendments made by this section shall take effect on the date of the enactment of this Act, but no amount of annuity under chapter 83 of title 5, United States Code, accruing by reason of those amendments shall be payable for any period before October 1, 1979.

(2) Effective October 1, 1979, any individual who, but for paragraph (1), would have been entitled to one or more annuity payments pursuant to the amendments made by this section for periods before October 1, 1979, shall be entitled, to the extent or in such amounts as are provided in advance in appropriation Acts, to a lump sum payment equal to the total amount of all such annuity payments.

SEC. 207. RETIREMENT UNDER SPECIAL TREATY PROVISIONS.—(a)(1) Subject to subsection (b), and under such regulations as the President may prescribe, the Secretary of the Treasury shall pay to the Social Security System of the Republic of Panama, out of funds deposited in the Treasury of the United States to the credit of the Civil Service Retirement and Disability Fund under section 8334(a)(2) of title 5, United States Code, such sums of money as may be necessary to aid in the purchase of a retirement equity in such System for each individual who—

(A) meets the requirements of paragraph (2);

(B) is separated from employment in the Panama Canal Company, the Canal Zone Government, or the Panama Canal Commission by reason of the implementation of any provision of the Panama Canal Treaty of 1977 and related agreements; and

(C) becomes employed in a position covered by the Social Security System of the Republic of Panama through the transfer of a function or activity to the Republic of Panama from the United States or through a job placement assistance program.

(2) This subsection applies with respect to any individual only if the individual—

(A) has been credited with at least 5 years of civilian service under section 8332 of title 5, United States Code, relating to creditable service for purposes of civil service retirement;

(B) is not eligible for an immediate retirement annuity under chapter 83 of title 5, United States Code, relating to civil service retirement, and elects not to receive a deferred annuity under that chapter based on any portion of that service; and

(C) elects to withdraw from the Civil Service Retirement and Disability Fund the individual's entire lump-sum credit (as defined in section 8331(8) of title 5, United States Code) and to transfer the amount to the Social Security System of the Republic of Panama pursuant to the special regime referred to in paragraph (3) of Article VII of the Agreement in Implementation of Article III of the Panama Canal Treaty of 1977.

(b) The amount paid to the Social Security System of the Republic of Panama with respect to any individual under subsection (a) shall not exceed the individual's entire lump-sum credit (as so defined).

(c)(1) Pursuant to paragraph 2(b) of Annex C to the Agreement in Implementation of Article IV of the Panama Canal Treaty of 1977, the President, or the President's designee, shall purchase from a source determined by the President to be appropriate, in accordance with such regulations as the President or the President's designee may prescribe, and to such extent or in such amounts as may be provided in advance in appropriations Acts, a nontransferable deferred annuity for the benefit of each employee of an agency or instrumentality of the Government of the United States in the Republic of Panama—

(A) who is not a citizen of the United States;

(B) who was employed on October 1, 1979, and during any period before that date by an agency or instrumentality of the Government of the United States at any permanent duty station in the Republic of Panama (including, with respect to employment before that date, the area then known as the Canal Zone);

(C) who, for any period of service with such agency or instrumentality before October 1, 1979, at any such permanent duty station was not covered, by reason of that service, by the United States Civil Service Retirement System or any other Federal retirement system providing benefits similar to those retirement benefits provided by the Social Security System of the Republic of Panama; and

(D) who, on October 1, 1979, is under a Federal retirement system and, on or before that date, has accrued in one or more agencies or instrumentalities of the United States a total of 5 years or more of service which—

(i) is creditable toward any Federal retirement system as in effect on October 1, 1979;

(ii) would have been creditable toward any such retirement system if the retirement system were in effect at the time of the service accrued by the employees; or

(iii) consists of any combination of service described in clauses (i) and (ii) of this subparagraph.

(2) The retirement annunity referred to in paragraph (1) with respect to any employee will cover retroactively, from October 1, 1979, all periods of service, described in subparagraph (D) of the paragraph, by that employee at any permanent duty station in the Republic of Panama (including the area known before that date as the Canal Zone) in agencies and instrumentalities of the Government of the United States during which that employee was not covered by the United States Civil Service Retirement System or any other Federal retirement system providing benefits similar to those retirement benefits provided by the Social Security System of the Republic of Panama.

SEC. 208. OBLIGATION OF COMMISSION FOR UNFUNDED LIABILITY.—Section 8348 of title 5, United States Code, is amended by adding at the end thereof the following new subsection:

"(i) (1) Notwithstanding any other statute, the Panama Canal Commission shall be liable for that portion of any estimated increase in the unfunded liability of the Fund which is attributable to any benefits payable from the Fund to or on behalf of employees and their survivors to the extent attributable to the amendments made by sections 205 and 206, and the provisions of sections 201(b) and 207(a) (1) of the Panama Canal Act of 1979.

"(2) The estimated increase in the unfunded liability referred to in paragraph (1) of this subsection shall be determined by the Office of Personnel Management. The Secretary of the Treasury shall pay to the Fund from appropriations for that purpose the amount so determined in annual installments with interest computed at the rate used in the most recent valuation of the Civil Service Retirement System.".

SEC. 209. CASH RELIEF TO CERTAIN FORMER EMPLOYEES.—(a) The Panama Canal Commission, under the regulations prescribed by the President pursuant to the Act entitled "An Act authorizing cash relief for certain employees of the Panama Canal not coming within the provisions of the Canal Zone Retirement Act", approved July 8, 1937, as amended (50 Stat. 478; 68 Stat. 17), may continue the payments of cash relief to those individual former employees of the Canal Zone Government or Panama Canal Company or their predecessor agencies not coming within the scope of the former Canal Zone Retirement Act whose services were terminated prior to October 5, 1958, because of unfitness for further useful service by reason of mental or physical disability resulting from age or disease. Subject to subsection (b), that cash relief may not exceed $1.50 per month for each year of service of the employees so furnished relief, with a maximum of $45 per month, plus the amount of any cost-of-living increases in such cash relief granted before October 1, 1979, pursuant to section 181 of title 2 of the Canal Zone Code (as in effect on September 30, 1979), nor be paid to any employee who, at the time of termination for disability prior to October 5, 1958, had less than 10 years' service with the Canal Zone Government, the Panama Canal Company, or their predecessor agencies on the Isthmus of Panama.

(b) An additional amount of $20 per month shall be paid to each person who receives payment of cash relief under subsection (a) and shall be allowed without regard to the limitations contained therein.

(c) Each cash relief payment made pursuant to this section shall be increased on the same effective date and by the same percent, adjusted to the nearest dollar, as civil service retirement annuities are increased under the cost-of-living adjustment provisions of section 8340(b) of title 5, United States Code. Such increase shall apply only to cash relief payments made after October 1, 1979, as increased by annuity increases made after that date under such section 8340(b).

(d) The Panama Canal Commission may pay cash relief to the widow of any former employee of the Canal Zone Government or the Panama Canal Company who, until the time of his death, receives or has received cash relief under subsection (a), under section 181 of title 2 of the Canal Zone Code (as in effect on September 30, 1979), or under the Act of July 8, 1937, referred to in subsection (a). The term "widow" as used in this subsection includes only the following:

(1) a woman legally married to such employee at the time of his termination for disability and at his death;

(2) a woman who, although not legally married to such former employee at the time of his termination, had resided continuously with him for at least five years immediately preceding the employee's termination under such circumstances as would at common law make the relationship a valid marriage and who continued to reside with him until his death; and

(3) a woman who has not remarried or assumed a common-law relationship with any other person.

Cash relief granted to such a widow shall not at any time exceed 50 percent of the rate at which cash relief, inclusive of any additional payment under subsection (b), would be payable to the former employee were he then alive.

(e) Subchapter III of chapter 83 of title 5, United States Code, applies with respect to those individuals who were in the service of the Canal Zone Government or the Panama Canal Company on October 5, 1958, and who, except for the operation of section 13(a) (1) of the Act entitled "An Act to implement item 1 of a Memorandum of Understandings attached to the Treaty of January 25, 1955, entered into by the Government of the United States of America and the Government of the Republic of Panama with respect to wage and employment practices of the Government of the United States of America in the Canal Zone", approved July 25, 1958 (72 Stat. 405), would have been within the classes of individuals subject to the Act of July 8, 1937, referred to in subsection (a) of this section.

SEC. 210. APPLIANCES FOR EMPLOYEES INJURED BEFORE SEPTEMBER 7, 1916.—Artificial limbs or other appliances for persons who were injured in the service of the Isthmian Canal Commission or of the Panama Canal before September 7, 1916, may be purchased by the Panama Canal Commission out of any funds appropriated to the Commission.

Subchapter V—Leave

SEC. 211. LEAVE FOR JURY OR WITNESS SERVICE.—Section 6322(a) of title 5, United States Code, is amended—

(1) by striking out "The Canal Zone, or"; and

(2) by striking out "Islands." and inserting in lieu thereof "Islands, or the Republic of Panama.".

Subchapter VI—Application to Related Personnel

SEC. 220. LAW ENFORCEMENT; CANAL ZONE CIVILIAN PERSONNEL POLICY COORDINATING BOARD; RELATED EMPLOYEES.—(a) For the purposes of sections 126, 201, 202, 205, and 206, including any amendment made by those sections, the United States Attorney for the District of the Canal Zone and the Assistant United States Attorneys and their clerical assistants, and the United States Marshal for the District of the Canal Zone and his deputies and clerical assistants shall be considered employees of the Panama Canal Commission.

(b) For the purposes of this Act, including any amendment made by this Act, the Executive Director of the Canal Zone Civilian Personnel Policy Coordinating Board, the Manager, Central Examining Office, and their staffs shall be considered to have been employees of the Panama Canal Company with respect to service in those positions before October 1, 1979, and as employees of the Panama Canal Commission with respect to service in those positions on or after that date.

(c) The provisions of this section shall take effect on the date of the enactment of this Act.

Subchapter VII—Labor-Management Relations

SEC. 225. LABOR-MANAGEMENT RELATIONS.—(a) Nothing in this Act shall be construed to affect the applicability of chapter 71 of title 5, United States Code, relating to labor-management and employee relations, with respect to the Panama Canal Commission or the operations of any other Executive agency conducted in that area of the Republic of Panama which, on September 30, 1979, was the Canal Zone, except that in applying those provisions—

(1) the definition of "employee" shall be applied without regard to clause (i) of section 7103(a) (2) of such title 5 which relates to nationality and citizenship; and

(2) a unit shall be considered to be appropriate notwithstanding the fact that it includes any supervisor if that supervisor's position (or type of position) was, before October 1, 1979, represented before the Panama Canal Company by a labor organization that included employees who were not supervisors.

(b) Labor-management and employee relations of the Panama Canal Commission, other Executive agencies, and the Smithsonian Institution, their employees, and organizations of those employees, in connection with operations conducted in that area of the Republic of Panama which, on September 30, 1979, was the Canal Zone, shall be governed and regulated solely by the applicable laws, rules, and regulations of the United States.

Page 41, strike out "and" on line 3 and all that follows down through line 7 and insert in lieu thereof a period.

Page 44, strike out lines 10 through 16 and insert in lieu thereof the following:

(F) amending subsection (c) to read as follows:

"(c) The President may authorize the Panama Canal Commission to waive, at its discretion, the making of the claim required by section 8121 of this title in the case of compensation to an employee of the Panama Canal Commission for temporary disability, either total or partial."; and

Page 44, line 20, strike out "and".

Page 44, strike out line 25 and insert in lieu thereof the following: "1977 and related agreements"; and

(11) in section 5316(87), by striking out "Governor of the Canal Zone" and inserting in lieu thereof "Administrator of the Panama Canal Commission".

Page 100, line 3, strike out "(a)".

Page 100, strike out lines 7 through 9.

Page 45, strike out line 3.

—Page 187, strike out line 19 and all that follows through line 20 on page 189 and insert in lieu thereof the following:

Chapter 2—IMMIGRATION

SEC. 1611. SPECIAL IMMIGRANTS.—(a) Section 101(a)(27) of the Immigration and Nationality Act (8 U.S.C. 1101(a)(27)), relating to the definition of special immigrants, is amended—

(1) by striking out "or" at the end of subparagraph (C);

(2) by striking out the period at the end of subparagraph (D) and inserting in lieu thereof a semicolon; and

(3) by adding after subparagraph (D) the following new subparagraphs:

"(E) an immigrant, and his accompanying spouse and children, who is or has been an employee of the Panama Canal Company or Canal Zone Government before the date on which the Panama Canal Treaty of 1977 enters into force, who was resident in the Canal Zone on the effetcive date of the exchange of instruments of ratification of the Panama Canal Treaty of 1977, and who has performed faithful service as such an employee for one year or more;

"(F) an immigrant, and his accompanying spouse and children, who is a Panamanian national and (i) who, before the date on which the Panama Canal Treaty of 1977 enters into force, has been honorably retired from United States Government employment in the Canal Zone with a total of fifteen years or more of faithful service or (ii) who, on the date on which the Panama Canal Treaty of 1977 enters into force, has been employed by the United States Government in the Canal Zone (or former Canal Zone) with a total of fifteen years or more of faithful service and who subsequently is honorably retired from such employment; or

"(G) an immigrant, and his accompanying spouse and children, who was an employee of the Panama Canal Company or Canal Zone Government on the effective date of the exchange of instruments of ratification of the Panama Canal Treaty of 1977, who has performed faithful service for five years or more as such an employee, and whose welfare, and the welfare of whose family, as a direct result of the Panama Canal Treaty of 1977, are reasonably placed in danger because of the special nature of any of that employment.".

(b) Section 212(d) of such Act (8 U.S.C. 1182(d)), relating to waivers of conditions of inadmissibility to the United States, is amended by adding after paragraph (8) the following new paragraph:

"(9) The provisions of paragraphs (7) and (15) of subsection (a) shall not be applicable to any alien who is seeking to enter the United States as a special immigrant under subparagraph (E), (F), or (G) of section 101(a)(27).".

(c) Notwithstanding any other provision of law, not more than 7,500 individuals may be admitted to the United States as special immigrants under subparagraphs (E), (F), and (G) of section 101(a)(27) of the Immigration and Nationality Act, as added by subsection (a) of this section.

(d)(1) The amendments made by this section shall take effect on the date of the enactment of this Act.

(2) Paragraph (9) of section 212(d) of the Immigration and Nationality Act, as added by subsection (b) of this section, shall cease to be effective at the end of the transition period.

By Mr. PASHAYAN:

—On page 1, strike the bill title, and insert the following:

"To enable the United States through the Department of Defense to maintain American security and interests respecting the Panama Canal, for the duration of the Panama Canal Treaty of 1977."

—On page 91, line 4, strike "Panama Canal Act of 1979", and insert the following: "Panama Canal Defense Act of 1979".

—On page 148, line 6, strike "(d)" and insert in lieu thereof, "(e)".

—On page 149, line 6, insert the following subsection:

"(d) No monies shall be appropriated from the general revenues of the United States for purposes of implementing or carrying out these Treaties."

—On page 149, lines 19 and 20, strike "and" and insert "," after United States.

—On page 157, line 1, after "Act," insert "and not otherwise recovered pursuant to section 412(b) of this Act,".

—On page 157, after line 19, add a new subsection (g) to read as follows:

"(g) Upon a determination by the President of the United States that the Republic of Panama is aiding or abetting the overthrow of a foreign government, and thus endangering the regime of neutrality agreed to in the Panama Canal Treaties of 1977, no payments shall be made to Panama under paragraph 4(c) of Article XIII of the Panama Canal Treaty of 1977."

—On page 169, line 24, after "depreciation", insert: "amortization of the investment of the United States in the Canal, defense base relocation and military construction costs necessitated by implementation of the Canal Treaties, an amount equal to the costs added to the price of goods purchased by American consumers due to increases in tolls required by the Canal Treaties,".

—On page 171, line 11, after "Act" delete "and as adjusted in accordance with subsections (b) and (c) of this section" and sections 413 (b) and (c).

—On page 172, line 18, strike "(d)" and insert in lieu thereof, "(b)".

By Mr. ROTH:

—Page 108, insert the following section after line 9 and after the end of sec. 111 redesignate subsequent sections accordingly:

SEC. 112. NEGOTIATIONS FOR PRESENCE OF UNITED STATES MILITARY FORCES IN PANAMA.—The President shall enter into negotiations with the Republic of Panama for the purpose of arranging for the stationing of United States military forces in the former Canal Zone after the expiration of the Panama Canal Treaty of 1977, and for the maintenance of installations and facilities, after the expiration of the treaty, for the use of United States military forces stationed in the former Canal Zone. The President shall report to the Congress in a timely manner on the status of negotiations conducted pursuant to this section.

By Mr. TREEN:

—On page 170, line 6, insert as a new subsection (c) the following:

(c) Costs prescribed under this section for interest, depreciation and capital for plant replacement, expansion and improvements may be recovered through a toll surcharge. Except where otherwise required by international treaty to which the United States is a party, in establishing such toll surcharge rates, credit may be given for the capital investment of the United States in the Panama Canal (as of the date this Section becomes effective) with respect to the toll surcharge on cargo originating in or destined for the United States or the Republic of Panama.

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By Mr. ERLENBORN:

(In the nature of a substitute for the entire bill.)

—Strike out all after the enacting clause and insert in its place:

SHORT TITLE; TABLE OF CONTENTS

SECTION 1. This Act may be cited as the "Department of Education Organization Act".

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TITLE VI—EFFECTIVE DATE AND INTERIM APPOINTMENTS

Sec. 601. Effective date.
Sec. 602. Interim appointments.

DEFINITIONS

SEC. 2. (a) As used in this Act, unless otherwise provided or indicated by the context, the term "Department" means the Department of Education or any component thereof; the term "Secretary" means the Secretary of Education; and the term "Under Secretary" means the Under Secretary of Education.

(b) As used in this Act, the term "function" includes any duty, obligation, power, authority, responsibility, right, privilege, activity or program.

(c) As used in this Act, unless otherwise provided or indicated by the context, the term "State" includes the District of Columbia, the Commonwealth of Puerto Rico, the Virigin Islands, Guam, American Samoa, the Northern Mariana Islands, and the Trust Territory of the Pacific Islands.

(d) As used in this Act, unless otherwise provided or indicated by the context, the words "private" and "private educational" refers to independent, nonpublic, and private institutions of elementary, secondary, higher, and postsecondary education.

(e) As used in this Act, unless otherwise provided or indicated by the context, the terms "office" and "unit" include any office, institute, council, unit, organizational entity, or component thereof.

TITLE I—FINDINGS AND PURPOSES

FINDINGS

SEC. 101. The Congress of the United States finds that—

(1) education is fundamental to the development of individual citizens and the progress of the Nation as a whole

(2) there is a continuous need to ensure equal acccess for all Americans to educational opportunities of a high quality and that no individual should be denied such educational opportunities by rules, regulations, standards, guidelines, and orders which utilize any ratio, quota, or other numerical requirement related to race, creed, color, nation origin or sex;

(3) the primary responsibility for education resides with States, localities, and private institutions;

(4) the American people benefit from a diversity of educational settings, including public and private schools, libraries, museums and other institutions, the workplace, the community, and the home;

(5) the current structure of the executive branch fails to recognize the importance of education and does not allow sufficient Presidential and public consideration of education issues;

(6) there is a need for improvement in the management of Federal education programs to support more effectively State, local, and private institutions, students, and parents in carrying out their educational responsibilities;

(7) there is a need for improved coordination of Federal education and related programs; and

(8) there is no single, full-time, Federal education official directly accountable to the President, the Congress, and the people.

PURPOSES

SEC. 102. The Congress therefore declares that the establishment of a Department of Education is in the public interest and will promote the general welfare of the United States. Establishment of this Department will help ensure that education issues receive proper treatment at the Federal level and will enable the Federal Government to coordinate its education activities more effectively. The major purposes of the Department are:

(1) to strengthen the Federal commitment to ensuring access to equal educational opportunity for every American;

(2) to support more effectively States, localities and public and private institutions, students, and parents in carrying out their responsibilities for education;

(3) to promote improvements in the quality and usefulness of education through federally supported research, evaluation, and the sharing of information;

(4) to improve the management and efficiency of Federal education activities;

(5) to increase the accountability of Federal education programs to the President, the Congress, and the public;

(6) to encourage the increased involvement of the public, parents, and students in Federal education programs;

(7) to improve the coordination of Federal education programs; and

(8) to promote in all public schools providing elementary or secondary education a daily opportunity for prayer or meditation, participation in which would be on a voluntary basis.

PROHIBITION AGAINST FEDERAL CONTROL OF EDUCATION

SEC. 103. (a) No provision of law relating to a program administered by the Secretary or by any other officer or agency of the executive branch of the Federal Government shall be construed to authorize the Secretary or any such officer or agency to exercise any direction, supervision, or control over the curriculum, program of instruction, administration, or personnel of any educational institution, school or school system; over any accrediting agency or association; or over the selection of library resources, textbooks, or other instructional materials by any educational institution or school system, except to the extent specifically authorized by federal statute. Regulations issued by the Department of Education shall not have the standing of a federal statute for the purposes of this section.

(b) No provision of law shall be construed to authorize the Secretary to issue any regulation, rule, interpretation, guideline, or order which requires, as a condition of eligibility to receive Federal assistance, or otherwise, the transportation of students or teachers (or the formulation or adoption of any plan for such transportation) to achieve racial balance in or to carry out a plan for the desegregation of any educational institution, school, or school system.

TITLE II—ESTABLISHMENT OF THE DEPARTMENT

ESTABLISHMENT

SEC. 201. (a) There is hereby established an executive department to be known as the Department of Education. There shall be at the head of the Department a Secretary of Education, who shall be appointed by the President, by and with the advice and consent of the Senate. The Department shall be administered, in accordance with the provisions of this Act, under the supervision and direction of the Secretary.

(b) There shall be in the Department an Under Secretary, who shall be appointed by the President, by and with the advice and consent of the Senate. The Under Secretary shall perform such functions as the Secretary shall prescribe and shall act for and exercise the functions of the Secretary during the absence or disability of the Secretary or in the event the office of Secretary becomes vacant. The Under Secretary shall also be responsible for intergovernmental relations in the Department. The Secretary shall designate the order in which other officials shall act for and perform the functions of the Secretary during the absence or disability of both the Secretary and Under Secretary or in the event of vacancies in both of those offices.

PRINCIPAL OFFICERS

SEC. 202. (a) There shall be in the Department six Assistant Secretaries reporting directly to the Secretary, who shall be appointed by the President, by and with the advice and consent of the Senate.

(b) In addition, there shall be in the Department five officers reporting directly to the Secretary, who shall be appointed by the President, by and with the advice and consent of the Senate.

(c) The officers appointed under this section shall perform, in accordance with applicable law, such of the functions delegated to or vested in the Secretary or in the Department as the Secretary shall from time to time prescribe (in accordance with the provisions of this Act), including, but not limited to, the following functions:

(1) congressional relations functions;

(2) public information functions;

(3) management and budget functions;

(4) planning, evaluation, and policy development functions;

(5) encouraging and monitoring involvement of parents, students, and the public in departmental programs; and

(6) providing, through the use of the latest technologies, useful information about education and related opportunities to students, parents, and communities.

(d) Except as otherwise provided by this Act—

(1) when the name of a person to serve as an officer appointed under either subsection (a) or subsection (b) is submitted to the Senate for confirmation, the President shall designate the particular functions that person shall exercise upon taking office; and

(2) notwithstanding the provisions of paragraph (1) of this subsection, the Secretary may from time to time allocate or reallocate functions of the Department among the subordinates of the Secretary and name and rename the titles of the offices they hold.

OFFICE FOR CIVIL RIGHTS

SEC. 203. (a) There shall be established in the Department an Office for Civil Rights headed by an Assistant Secretary for Civil Rights who shall be one of the Assistant Secretaries appointed under section 202(a) of this Act.

(b) Notwithstanding the provisions of section 422 of this Act, the Secretary shall delegate to the Assistant Secretary for Civil Rights all functions, other than administrative and support functions, vested in the Secretary by section 301(a)(3) of this Act.

(c) The Assistant Secretary for Civil Rights shall make annual reports to the Secretary and to the Congress summarizing the compliance and enforcement activities of the Office for Civil Rights and identifying significant civil rights or compliance problems as to which such Office has made a recommendation for corrective action and as to which, in the judgment of the Assistant Secretary, adequate progress is not being made.

(d) Notwithstanding any other provision of law, the reports required by or under this section shall be transmitted to the Secretary and the Congress by the Assistant Secretary for Civil Rights without further clearance or approval. The Assistant Secretary shall provide copies of the reports required under subsection (c) to the Secretary sufficiently in advance of their submission to Congress to provide a reasonable opportunity for comments of the Secretary to be appended to the reports when submitted to Congress.

(e) In addition to the authority otherwise provided by this section, the Assistant Secretary for Civil Rights, in carrying out the provisions of this section, is authorized—

(1) to collect or coordinate collection of data necessary to ensure compliance with civil rights laws within his jurisdiction;

(2) to select, appoint, and employ such officers and employees, including staff attorneys, as may be necessary to carry out the functions of the Office, subject to provisions governing appointments in the competitive service and the provisions of chapter 51 and subchapter III of chapter 53 of title 5 of the United States Code, relating to classification and General Schedule pay rates;

(3) to enter into contracts and other arrangements for audits, studies, analyses, and other services with public agencies and with private persons, and to make such payments as may be necessary to carry out its compliance and enforcement functions; and

(4) notwithstanding any other provision of this Act, to obtain services as authorized by section 3109 of title 5 of the United States Code at daily rates not to exceed the equivalent rate payable for grade GS–18 of the General Schedule by section 5332 of such title.

OFFICE OF POSTSECONDARY EDUCATION

SEC. 204. There shall be in the Department an Office of Postsecondary Education headed by one of the Assistant Secretaries appointed under section 202(a) of this Act. The Assistant Secretary heading such Office shall administer such functions affecting postsecondary education, both public and private, as the Secretary shall delegate to the Office and shall serve as the principal adviser to the Secretary on matters affecting public and private postsecondary education.

OFFICE OF ELEMENTARY AND SECONDARY EDUCATION

SEC. 205. There shall be in the Department an Office of Elementary and Secondary Education headed by one of the Assistant Secretaries appointed under section 202(a) of this Act. The Assistant Secretary shall administer such functions affecting elementary and secondary education, both public and private, as the Secretary shall delegate, to the Office.

OFFICE OF SPECIAL EDUCATION AND REHABILITATION SERVICES

SEC. 206. There shall be in the Department an Office of Special Education and Rehabilitation Services headed by one of the Assistant Secretaries appointed under section 202(a) of this Act. The Assistant Secretary shall administer such functions affecting special education and rehabilitation services as the Secretary shall delegate to the Office and shall serve as principal adviser to the Secretary on matters affecting special education and rehabilitation services.

ASSISTANT SECRETARY FOR VOCATIONAL AND ADULT EDUCATION

SEC. 207. There shall be in the Department an Assistant Secretary for Vocational and Adult Education who shall be one of the Assistant Secretaries appointed under section 202(a) of this Act. The Assistant Secretary shall administer such functions affecting vocational and adult education as the Secretary shall delegate to the Assistant Secretary and shall serve as principal adviser to the Secretary on matters affecting vocational and adult education.

OFFICE OF EDUCATIONAL RESEARCH IMPROVEMENT

SEC. 208. There shall be in the Department an Office of Educational Research and Improvement headed by one of the Assistant Secretaries appointed under section 202(a) of this Act. The Assistant Secretary heading such Office shall administer such functions of the Department concerning research, development, demonstration, dissemination, evaluation, and assessment activities as the Secretary shall delegate to the Office.

FUNCTIONS RELATING TO EDUCATION OF OVERSEAS MILITARY DEPENDENTS

SEC. 209. There shall be in the Department an office to administer functions relating to the education of overseas dependents of personnel of the Department of Defense, the director of which shall be one of the officers appointed under section 202 of this Act.

GENERAL COUNSEL

SEC. 210. There shall be in the Department a General Counsel, who shall be appointed by the President, by and with the advice and consent of the Senate.

OFFICE OF INSPECTOR GENERAL

SEC. 211. (a) Section 2(1) of the Inspector General Act of 1978 is amended by adding "the Department of Education," after "the Department of Commerce,".

(b) Sections 11 (1) and (2) of such Act are amended by adding "Education," after the word "Commerce,".

INTERGOVERNMENTAL ADVISORY COUNCIL ON EDUCATION

SEC. 212. (a) There is hereby established an advisory committee to be known as the Intergovernmental Advisory Council on Education (hereinafter in this section referred to as the "Council").

(b) The Council shall—

(1) provide a forum for representatives of Federal, State, and local governments and public and private educational entities to discuss educational issues;

(2) make recommendations for the improvement of Federal education programs;

(3) promote better intergovernmental relations; and

(4) submit a report, biennially or as frequently as the Council deems it necessary, to the President and the Secretary reviewing the impact of Federal eduction activities upon State and local governments and public and private educational institutions, including an assessment of compliance with section 103 of this Act and of any change in the Federal role in education, and assessing both the extent to which Federal objectives are achieved and any adverse consequences of Federal actions.

(c)(1) The Council shall have twenty members, appointed by the President as follows:

(A) six elected State and local officials with general government responsibilities;

(B) five representatives of public and private elementary and secondary education, including board members, administrators, and teachers;

(C) five representatives of public and private post-secondary education, including board members, administrators, and professors; and

(D) four members of the public, including parents of students and students.

In making appointments to the Council, the President shall select individuals who represent a diversity of geographic areas and demographic characteristics.

(2) The Under Secretary shall be an ex officio member of the Council.

(3) Each member shall have a term of four years, except that—

(A) no member serving pursuant to paragraph (1)(A) of this subsection may serve on the Council beyond the period that such member holds an office qualifying such member for appointment under such paragraph; and

(B) the President shall divide the initial appointments to the Council into four groups of five members each for initial terms of one, two, three, and four years.

(4) The President shall from time to time designate one member to chair the Council.

(d) The Council shall nominate and the Secretary shall appoint an executive director for the Council.

(e) The Secretary shall furnish such staff, services, and support as shall be necessary for the operation of the Council.

INTERDEPARTMENTAL EDUCATION COORDINATING COMMITTEE

SEC. 213. (a) There is hereby established an Interdepartmental Education Coordinating Committee (hereinafter referred to in this section as the "Committee").

(b) The Committee shall study and make recommendations for assuring effective coordination of Federal programs, policies, and administrative practices affecting education, including—

(1) consistent administration and development of policies and practices among Federal agencies in the conduct of related programs;

(2) full and effective communication among Federal agencies to avoid unnecessary duplication of activities and repetitive collection of data;

(3) full and effective cooperation with the Secretary on such studies and analyses as are necessary to carry out the purposes of this Act; and

(4) coordination of related programs to assure that recipients of Federal assistance are efficiently and responsively served.

In addition, the Committee shall review and assess the state of involvement and participation of students and parents in the overall education decisionmaking process and in specific education programs.

(c) The Committee shall be composed of the Secretary, who shall be the Chair, and representatives from those Federal agencies, commissions, and boards that the President may from time to time deem appropriate.

(d) The Director of the Office of Management and Budget, the Chairman of the Council of Economic Advisers, the Director of the Office of Science and Technology Policy, and the Executive Director of the Domestic Policy Staff may each designate a staff member to attend meetings of the Committee.

(e) The Secretary may establish subcommittees of the Committee to facilitate coordination in important areas of Federal activity.

(f) The Secretary and each agency represented on the Committee under the provisions of subsection (c) of this section shall furnish necessary assistance to the Committee.

TITLE III—TRANSFERS

TRANSFERS FROM THE DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

SEC. 301. (a) There are hereby transferred to and vested in the Secretary—

(1) all functions and offices vested in the Assistant Secretary for Education (or in the office of such Assistant Secretary) or in the Education Division of the Department of Health, Education, and Welfare, or in any officer or component thereof;

(2) all functions and offices vested in the Secretary of Health, Education, and Welfare or the Department of Health, Education, and Welfare—

(A) under the General Education Provisions Act;

(B) under the Elementary and Secondary Education Act of 1965;

(C) under the Higher Education Act of 1965;

(D) under the Education Amendments of 1978;

(E) under the Act of August 30, 1890 (7 U.S.C. 321–328);

(F) under the National Defense Education Act of 1958;

(G) under the Education of the Handicapped Act;

(H) under part B of title V of the Economic Opportunity Act of 1964;

(I) under subparts I and II of part C of title VII, and part B of title VIII of the Public Health Service Act;

(J) under the National Commission on Libraries and Information Science Act;

(K) under the Vocational Education Act of 1963;

(L) relating to Gallaudet College, Howard University, the American Printing House for the Blind, and the National Technical Institute for the Deaf;

(M) under the Model Secondary School for the Deaf Act;

(N) relating to the telecommunications demonstration program under subpart A of part IV of title III of the Communications Act of 1934;

(O) under section 203(k) of the Federal Property and Administrative Services Act of 1949; and

(P) under the Alcohol and Drug Abuse Education Act;

(3) all functions of the Department of Health, Education, and Welfare or the Secretary of Health, Education, and Welfare delegated to or vested in the Office for Civil Rights of such Department relating to functions transferred by this section;

(4)(a) all functions and offices vested in the Department of Health, Education, and Welfare or the Secretary of Health, Education, and Welfare under the Rehabilitation Act of 1973, except that the provisions of this subparagraph shall not be construed to transfer to the Secretary the functions of the Secretary of Health, Education, and Welfare under sections 222 and 1615 of the Social Security Act; and

(B) all functions with respect to or being administered by the Secretary of Health, Education, and Welfare through the Commissioner of Rehabilitation Services under the Act of June 20, 1936, commonly referred to as the Randolph-Sheppard Act (20 U.S.C. 107 et seq.);

(5) any advisory committee and authority for any advisory committee established by statute in or under the Department of Health, Education, and Welfare or the Secretary of Health, Education, and Welfare, giving advice or making recommendations that primarily concern education functions transferred by this section, except that the Secretary may terminate or combine one or more of such advisory committees;

(6) the Institute of Museum Services in the Department of Health, Education, and Welfare and all functions vested in the Institute;

(7) the Advisory Council on Education Statistics and all functions vested in such Council; and

(8) the Federal Education Data Acquisition Council and all functions vested in such Council.

(b) There are hereby transferred to the Inspector General of the Department that portion of the Office of Inspector General of the Department of Health, Education, and Welfare that relates to functions transferred to the Secretary or the Department by this Act.

TRANSFERS FROM THE DEPARTMENT OF LABOR

SEC. 302. (a) There are hereby transferred to and vested in the Secretary all functions of the Secretary of Labor or the Department of Labor under section 303(c)(2) of the Comprehensive Employment and Training Act.

(b) The Secretary is authorized to conduct the functions transferred by subsection (a).

(c) Section 303(c)(3) of the Comprehensive Employment and Training Act is redesignated as subsection (d) and amended to read as follows:

"(d) For the purposes of carrying out subsections (b) and (c) of this section, the Secretary shall reserve from funds available for this title an amount equal to not less than 4.625 percent of the amount allocated pursuant to section 202(a).".

TRANSFERS FROM THE DEPARTMENT OF DEFENSE

SEC. 303. (a) Notwithstanding the provisions of section 601 of this Act, there shall be transferred to and vested in the Secretary, at such time and in such manner as the President may designate, but not later than three years after the effective date of this Act, all functions and offices vested in the Secretary of Defense or the Department of Defense by the Defense Dependents' Education Act of 1978.

(b) Notwithstanding the provisions of section 422 of this Act, the Secretary shall delegate to the director of the office created by section 209 of this Act all functions, other than administrative and support functions, vested in the Secretary by subsection (a) of this section.

(c) Not later than one year after the effective date of this Act, the Secretary, after consultation with the Secretary of Defense, shall transmit to the Congress a plan for effecting the transfer of functions under this section and administering those functions. In designing this plan, the Secretary shall also consult with representatives of organizations of parents of students enrolled in overseas dependents' schools and representatives of professional employee organizations and administrators of such schools.

(d) Nothing in this Act shall be construed to give the Secretary authority to operate overseas institutions of higher education.

TRANSFERS FROM THE NATIONAL SCIENCE FOUNDATION

SEC. 304. (a) There are hereby transferred to and vested in the Secretary those programs or parts thereof relating to science education of the National Science Foundation which are directed to (1) pre-college level science education; (2) science education designed specially for minorities or minority groups; (3) educational activities intended to provide science information for specific citizen and public-interest groups; and (4) ethics and values issues.

(b) The Secretary is authorized to conduct the programs transferred by subsection (a). In conducting such programs the Secretary shall consult, as appropriate, with the Director of the National Science Foundation.

(c) The annual report to be submitted by the Secretary pursuant to section 435 shall include a description of arrangements, developed in consultation with the Director of the National Science Foundation, for coordinated planning and operation of the science education programs described in subsection (a), including measures to facilitate the implementation of successful innovations.

(d) Nothing in this section is intended to repeal or limit the authority of the National Science Foundation or the Director of the National Science Foundation under the National Science Foundation Act of 1950 to initiate and conduct programs.

TRANSFERS FROM THE DEPARTMENT OF JUSTICE

SEC. 305. There are hereby transferred to and vested in the Secretary all functions vested in the Attorney General, the Department of Justice, or the Administrator of the Law Enforcement Assistance Administration (or any successor agency thereto) with regard to the student loan and grant programs known as the law enforcement education program and the law enforcement intern program authorized by subsections (b), (c), and (f) of section 406 of the Omnibus Crime Control and Safe Streets Act of 1968.

TRANSFERS FROM THE DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

SEC. 306. There are hereby transferred to and vested in the Secretary all functions relating to college housing loans vested in the Secretary of Housing and Urban Development or the Department of Housing and Urban Development by title IV of the Housing Act of 1950.

TRANSFERS FROM THE DEPARTMENT OF THE INTERIOR

SEC. 307. (a) There are hereby transferred to and vested in the Secretary all functions of the Secretary of the Interior or the Department of the Interior relating to the education of Indians, Alaskan Natives, and Aleuts.

(b) The provisions of subsection (a) shall take effect on the effective date specified in section 601, except that the transfer of functions relating to the operation, construction, and maintenance of schools and dormitories required by subsection (a) of this section shall be effective at such time or times and in such manner as the President shall prescribe, but in no case later than three years after the effective date of this Act. Not later than one year after the effective date of this Act, the Secretary shall transmit to the Congress a plan for effecting such transfers. Such plan shall be developed in consultation with representatives of the affected tribes, Indian organizations, and other groups.

(c) The transfer of functions from the Secretary of the Interior or the Department of the Interior shall not—

(1) modify or eliminate any eligibility requirements for participation in programs administered by the Secretary of the Interior or the Department of the Interior which were in existence on the day before the date of enactment of this Act; or

(2) alter in any way the trust responsibility of the United States for Indians, Alaskan Natives, or Aleuts.

EFFECT OF TRANSFERS

SEC. 308. The transfer of a function or office from an officer or agency to the Secretary or to the Department includes any aspects of such function or office vested in a subordinate of such officer or in a component of such agency.

TITLE IV—ADMINISTRATIVE PROVISIONS

PART A—PERSONNEL PROVISIONS

OFFICERS AND EMPLOYEES

SEC. 401. (a) The Secretary is authorized to appoint and fix the compensation of such officers and employees, including attorneys, as may be necessary to carry out the functions of the Secretary and the Department. Except as otherwise provided by law, such officers and employees shall be appointed in accordance with the civil service laws and their compensation fixed in accordance with title 5 of the United States Code.

(b)(1) At the request of the Secretary, the Director of the Office of Personnel Management shall, under section 5108 of title 5, United States Code, provide for the establishment in each of the grade levels GS–16, GS–17, and GS–18 of a number of positions in the Department equal to the number of positions in that grade level which were used primarily for the performance of functions and offices transferred under this Act and which were assigned and filled on the day before the effective date of this Act.

(2) At the request of the Secretary, the Director of the Office of Personnel Management shall, under section 3104 of title 5, United States Code, provide for the establishment in the Office created by section 208 of this Act of a number of scientific, professional, and technical positions outside of the General Schedule equal to the number of such positions which were used primarily for the performance of functions

and offices transferred under this Act and which were assigned and filled on the day before the effective date of this Act.

(3) Appointments to positions provided for under this subsection may be made without regard to the provisions of section 3324 of title 5 of the United States Code, if the individual appointed in such position is an individual who is transferred in connection with the transfer of functions and offices under this Act and, on the day preceding the effective date of this Act, holds a position and duties comparable to those of the position to which appointed hereunder.

(4) The authority under this subsection with respect to any position shall terminate when the person first appointed to fill such position leaves such position.

(5) For purposes of section 414(a)(3)(A) of the Civil Service Reform Act of 1978, an individual appointed under this subsection shall be deemed to occupy the same position as he or she occupied on the day preceding the effective date of this Act.

(c) The Secretary may appoint, without regard to the provisions of title 5 of the United States Code governing appointment in the competitive service, up to 112 scientific, technical, or professional employees of the Office created by section 208 of this Act and may compensate employees so appointed without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates. The rate of basic compensation for such employees shall not be equal to or in excess of the minimum rate of pay currently paid for GS–16 of the General Schedule under section 5332 of title 5 of the United States Code.

(d) Notwithstanding any other provision of law, the Director of the Office of Personnel Management shall establish positions within the Senior Executive Service for 15 limited-term appointees. The Secretary shall appoint individuals to such positions as provided by section 3394 of title 5 of the United States Code. Such positions shall expire on the latter of three years after the effective date of this Act or three years after the initial appointment to each position. Positions in effect under this subsection shall be taken into account in applying the limitations on positions prescribed under section 3134(e) and section 5108 of title 5, United States Code.

(e) Notwithstanding the transfer of functions effected by section 303 (and the consequent transfer of personnel), personnel performing such functions shall be treated, for purposes of access to services and facilities provided by the Department of Defense, as if employed by the Department of Defense.

(f) For purposes of any status of forces agreement between the United States and any other country or any international organization, any reference to "civilian component" shall be deemed to include a reference to overseas personnel of the overseas dependents' education system.

EXPERTS AND CONSULTANTS

SEC. 402. The Secretary may obtain services as authorized by section 3109 of title 5, United States Code, at rates not to exceed the daily rate payable for grade GS–18 of the General Schedule under section 5332 of such title, for persons in Government service employed intermittently.

REDUCTION OF POSITIONS

SEC. 403. Not later than the end of the first fiscal year beginning after the effective date of this Act, the number of full-time permanent positions that perform functions to be transferred to the Department by this Act shall be reduced by 450 and thereafter the number of such positions shall not be increased by more than 50 in any one year except by law enacted after the date of enactment of this section.

EXCLUSION OF OVERSEAS SCHOOL PERSONNEL FROM LIMITATION ON POSITIONS

SEC. 404. None of the limitations or computations required by section 403 shall be applicable to any individual employed pursuant to section 209 as a teacher, administrator, clerk, or secretary in an overseas school.

PART B—GENERAL PROVISIONS

GENERAL AUTHORITY

SEC. 421. In carrying out any function or conducting any office transferred by this Act, the Secretary, or any officer or employee of the Department, may exercise any authority or part thereof available by law (including appropriation Acts) with respect to such function or office to the official or agency from which such function or office is transferred.

DELEGATION

SEC. 422. Except as expressly provided in this Act, the Secretary may delegate any function or office vested in the Secretary to such officers and employees of the Department as the Secretary may designate and may authorize such successive redelegations of such function or office within the Department as the Secretary may deem to be necessary or appropriate.

REORGANIZATION

SEC. 423. The Secretary is authorized to establish, alter, consolidate, or discontinue such organizational units or components within the Department as the Secretary may deem to be necessary or appropriate. Such authority shall not extend to the abolition of organizational units or components established by this Act, or to the transfer of functions or offices vested by this Act in any organizational unit or component.

RULES

SEC. 424. (a) The Secretary is authorized to prescribe such rules and regulations as the Secretary may deem necessary or appropriate to administer and manage the functions vested in the Secretary or the Department.

(b) The Secretary, in promulgating rules and regulations as authorized by statute, shall prescribe such rules and regulations in accordance with chapter 5 of title 5, United States Code. Section 431 of the General Education Provisions Act also shall apply to such rules and regulations to the extent applicable immediately prior to the effective date of this Act, and to rules and regulations promulgated with respect to programs transferred under sections 301(a)(1) and (2), 302, 303, 304, 305, and 306 of this Act.

CONTRACTS

SEC. 425. Subject to the provisions of the Federal Property and Administrative Services Act of 1949, the Secretary is authorized to make, enter into, and perform such contracts, grants, leases, cooperative agreements, or other similar transactions with Federal or other public agencies (including State and local governments) and private organizations and persons and to make such payments, by way of advance or reimbursement, as the Secretary may deem necessary or appropriate to carry out functions vested in the Secretary or the Department.

REGIONAL AND FIELD OFFICES

SEC. 426. The Secretary is authorized to establish, alter, discontinue, or maintain such regional or other field offices as the Secretary may deem to be necessary or appropriate to perform functions vested in the Secretary or the Department.

ACQUISITION AND MAINTENANCE OF PROPERTY

SEC. 427. (a) The Secretary is authorized to acquire (by purchase, lease, condemnation, or otherwise), construct, improve, repair, operate, and maintain schools and related facilities (but only to the extent that operation of schools and related facilities by the Department is authorized by this Act), laboratories, research and testing sites and facilities, quarters and related accommodations for employees and dependents of employees of the Department, personal property, or any interest therein, as the Secretary deems necessary; and to provide by contract or otherwise for eating facilities and other necessary facilities for the health and welfare of employees of the Department at its installations and purchase and maintain equipment therefor.

(b) The authority available to the Secretary of Health, Education, and Welfare under section 524 of the Education Amendments of 1976 shall also be available to the Secretary.

(c) The authority granted by subsection (a) of this section shall be available only with respect to facilities of a special purpose nature that cannot readily be reassigned from similar Federal activities and are not otherwise available for assignment to the Department by the Administrator of General Services.

FACILITIES AT REMOTE LOCATIONS

SEC. 428. (a) The Secretary is authorized to provide, construct, or maintain, as necessary and when not otherwise available, the following for employees and their dependents stationed at remote locations:

(1) emergency medical services and supplies;

(2) food and other subsistence supplies;

(3) dining facilities;

(4) audiovisual equipment, accessories, and supplies for recreation and training;

(5) reimbursement for food, clothing, medicine, and other supplies furnished by such employees in emergencies for the temporary relief of distressed persons;

(6) living and working quarters and facilities; and

(7) transportation for dependents of employees to the nearest appropriate educational facilities.

(b) The furnishing of medical treatment under paragraph (1) of subsection (a) and the furnishing of services and supplies under paragraphs (2), (3), and (4) of subsection (a) shall be at prices reflecting reasonable value as determined by the Secretary.

(c) Proceeds from reimbursements under this section may be credited to the appropriation or funds that bear all or part of the cost of such work or services or used to refund excess sums when necessary.

USE OF FACILITIES

SEC. 429. (a) With their consent, the Secretary may, with or without reimbursement, use the research, equipment, services, and facilities of any agency or instrumentality of the United States (of any State or political subdivision thereof, or of any foreign government, in carrying out any function vested in the Secretary or in the Department.

(b) In carrying out his duties, the Secretary, under such terms, at such rates, and for such periods (not exceeding five years), as the Secretary may deem to be in the public interest, is authorized to permit the use by public and private agencies, corporations, associations, or other organizations, or by individuals of any real property, or any facility, structure, or other improvement thereon, acquired pursuant to sections 427 and 428, under the custody and control of the Secretary for Department purposes. The Secretary may require permittees under this section to recondition and maintain to a satisfactory standard, at their own expense, the real property, facilities, structures, and improvements involved. This section shall not apply to excess property as defined in section 3(e) of the Federal Property and Administrative Services Act of 1949.

(c) Proceeds from reimbursements under this section may be credited to the appropriations or funds that bear all or part of the cost of such work or services or used to refund excess sums when necessary, except that such proceeds may be credited to a working capital fund otherwise lawfully established, including a fund established pursuant to section 432 of this Act, and used under the law governing such fund.

(d) Any interest in real property acquired pursuant to this Act shall be acquired in the name of the United States Government.

COPYRIGHTS AND PATENTS

SEC. 430. The Secretary is authorized to acquire any of the following described rights if the property acquired thereby is for use by or for, or useful to the Department:

(1) copyrights, patents, and applications for patents, designs, processes, and manufacturing data;

(2) licenses under copyrights, patents, and applications for patents; and

(3) releases before suit is brought, for past infringement of patents or copyrights.

GIFTS AND BEQUESTS

SEC. 431. The Secretary is authorized to accept, hold, administer, and utilize gifts, bequests and devises of property, both real and personal, for the purpose of aiding or facilitating the work of the Department. Gifts, bequests, and devises of money and proceeds from sales of other property received as gifts, bequests, or devises shall be deposited in the Treasury and shall be available for disbursement upon the order of the Secretary.

WORKING CAPITAL FUND

SEC. 432. (a) The Secretary, with the approval of the Director of the Office of Management and Budget, is authorized to establish for the Department a working capital fund, to be available without fiscal year limitation, for expenses necessary for the maintenance and operation of such common administrative services as the Secretary shall find to be desirable in the interests of economy and efficiency, including such services as a central supply service for stationery and other supplies and equipment for which adequate stocks may be maintained to meet in whole or in part the requirements of the Department and its components; central messenger, mail, telephone, and other communications services; office space, central services for document reproduction, and for graphics and visual aids; and a central library service.

(b) The capital of the fund shall consist of any appropriations made for the purpose of providing working capital and the fair and reasonable value of such stocks of supplies, equipment, and other assets and inventories on order as the Secretary may transfer to the fund, less the related liabilities and unpaid obligations. Such funds shall be reimbursed in advance from available funds of agencies and offices in the Department, or from other sources, for supplies and services at rates that will approximate the expense of operation, including the accrual of annual leave and the depreciation of equipment. The fund shall also be credited with receipts from sale or exchange of property and receipts in payment for loss or damage to property owned by the fund. There shall be covered into the Treasury as miscellaneous receipts any surplus of the fund (all assets, liabilities, and prior losses considered) above the amounts transferred or appropriated to establish and maintain such fund. There shall be transferred to the fund the stocks of supplies, equipment, other assets, liabilities, and unpaid obligations relating to the services which the Secretary determines, with the approval of the Director of the Office of Management and Budget, will be performed.

FUNDS TRANSFER

SEC. 433. The Secretary may, when authorized in an appropriation Act in any fiscal year, transfer funds from one appropriation to another within the Department, except that no appropriation for any fiscal year may be thus increased or decreased by more than 10 per centum.

SEAL OF DEPARTMENT

SEC. 434. The Secretary shall cause a seal of office to be made for the Department of such design as the Secretary shall approve. Judicial notice shall be taken of such seal.

ANNUAL REPORT

SEC. 435. The Secretary shall, as soon as practicable after the close of each fiscal year, make a single, comprehensive report to the President for transmission to the Congress on the activities of the Department during such fiscal year. Such report shall include a statement of goals, priorities, and plans for the Department together with an assessment of the progress made toward the attainment of those objectives, the more effective and efficient management of the Department, and the coordination of its functions. Such report shall also include an estimate of the extent of the non-Federal personnel employed pursuant to contracts entered into by the Department under section 425 or under any other authority (including any subcontract thereunder), the number of such contracts and subcontracts pursuant to which non-Federal personnel are employed, and the total cost of those contracts and subcontracts.

AUTHORIZATION OF APPROPRIATIONS

SEC. 436. Subject to any limitation on appropriations applicable with respect to any function transferred to the Department or the Secretary, there are authorized to be appropriated such sums as are necessary to carry out the provisions of this Act and to enable the Department and the Secretary to perform any function or conduct any office that may be vested in the Department or the Secretary. Funds appropriated in accordance with this section shall remain available until expended.

RELATIONSHIP TO GENERAL EDUCATION PROVISIONS ACT

SEC. 437. Except where inconsistent with the provisions of this Act, the General Education Provisions Act shall apply to functions transferred by this Act to the extent applicable on the day preceding the effective date of this Act.

TECHNICAL ADVICE

SEC. 438. (a) The Secretary is authorized, upon request, to provide advice, counsel and technical assistance to applicants or potential applicants for grants and contracts and other interested persons with respect to any functions of the Secretary or the Department.

(b) The Secretary may permit the consolidation of applications for grants or contracts with respect to two or more functions administered by the Secretary or the Department, but such consolidation shall not alter the statutory criteria for approval of applications for funding with respect to such functions.

ALTERNATIVE ADMINISTRATIVE STRUCTURES WAIVER

SEC. 439. Notwithstanding any other Federal law which provides that a single State or local government, department, agency, multimember board or commission, or other organizational unit, or specific officer within a department, agency, multimember board or commission of State or local government, must be established or designated to administer any grant-in-aid program of the Department, upon certification by the appropriate executive or legislative authority of the State or local government responsible for determining or revising the organizational structure of such government that such provisions prevent the establishment of the most effective and efficient organizational arrangements within the State or local government, the Secretary may waive such provisions and approve other State or local administrative structures or arrangements, when he determines that the objectives of the Federal statute authorizing the program will not be thereby endangered.

TITLE V—TRANSITIONAL, SAVINGS, AND CONFORMING PROVISIONS

TRANSFER AND ALLOCATION OF APPROPRIATIONS AND PERSONNEL

SEC. 501. (a) Except as otherwise provided in this Act, the personnel employed in connection with, and the assets, liabilities, contracts, property, records, and unexpended balance of appropriations, authorizations, allocations, and other funds employed, held, used, arising from, available to, or to be made available in connection with the functions and offices, or portions thereof transferred by this Act, subject to section 202 of the Budget and Accounting Procedures Act of 1950, shall be transferred to the Secretary for appropriate allocation. Unexpended funds transferred pursuant to this subsection shall be used only for the purposes for which the funds were originally authorized and appropriated.

(b) Positions expressly specified by statute or reorganization plan to carry out functions or offices transferred by this Act, personnel occupying those positions on the effective date of this Act, and personnel authorized to receive compensation in such positions at the rate prescribed for offices and positions at level IV or V of the Executive Schedule (5 U.S.C. 5315–5316) on the effective date of this Act, shall be subject to the provisions of section 503 of this Act.

EFFECT ON PERSONNEL

SEC. 502. (a) Except as otherwise provided in this Act, the transfer pursuant to this title of full-time personnel (except special Government employees) and part-time personnel holding permanent positions shall not cause any such employee to be separated or reduced in grade or compensation for one year after the date of transfer to the Department.

(b) Any person who, on the day preceding the effective date of this Act, holds a position compensated in accordance with the Executive Schedule prescribed in chapter 53 of title 5, United States Code, and who, without a break in service, is appointed in the Department to a position having duties comparable to those performed in such prior position shall continue to be compensated in such new position at not less than the rate provided for the previous position, for the duration of the service of such person in the new position.

AGENCY TERMINATIONS

SEC. 503. (a) The following offices shall terminate upon the transfer of functions pursuant to this Act:

(1) the Education Division of the Department of Health, Education, and Welfare (but not the National Institute of Education);

(2) the Office of the Assistant Secretary for Education of the Department of Health, Education, and Welfare;

(3) the Office of Education and the Office of the Commissioner of Education of the Department of Health, Education, and Welfare; and

(4) the Office for Dependents' Schools of the Department of Defense.

(b) Each position which was expressly authorized by law, or the incumbent of which was authorized to receive compensation at the rate prescribed for level IV or V of the Executive Schedule (5 U.S.C. 5315–5316), in an office terminated pursuant to this Act shall also terminate.

(c) (1) The director of any office continued in the Department the director of which was required, prior to the effective date of this Act, to report to the Commissioner of Education or the Assistant Secretary for Education of the Department of Health, Education, and Welfare shall report to the Secretary.

(2) The Secretary is authorized to delegate reporting requirements vested in the Secretary by paragraph (1) of this subsection to any officer or employee of the Department.

INCIDENTAL TRANSFERS

SEC. 504. (a) The Director of the Office of Management and Budget, at such time or times as the Director shall provide, is authorized and directed—

(1) to make such determinations as may be necessary with regard to the functions, offices, or portions thereof transferred by this Act; and

(2) to make such additional incidental dispositions of personnel, assets, liabilities, contracts, property, records, and unexpended balances of appropriations, authorizations, allocations, and other funds held, used, arising from, available to, or to be made available in connection with such functions, offices, or portions thereof, as the Director may deem necessary to accomplish the purposes of this Act.

(b) The Director shall provide for terminating the affairs of all offices terminated by this Act and for such further measures and dispositions as the Director deems necessary to effectuate the purposes of this Act.

(c) After consultation with the Director of the Office of Personnel Management, the Director of the Office of Management and Budget is authorized and directed, at such time as the Director of the Office of Management and Budget shall provide, to make such determinations as may be necessary with regard to the transfer of positions within the Senior Executive Service in connection with functions and offices transferred by this Act.

SAVINGS PROVISIONS

SEC. 505. (a) All orders, determinations, rules, regulations, permits, grants, contracts, certificates, and privileges that—

(1) have been issued, made, granted, or allowed to become effective in the performance of functions which are transferred under this Act to the Department or the Secretary; and

(2) are in effect at the time this act takes effect;

shall continue in effect according to their terms until lawfully modified, terminated, suspended, set aside, or revoked.

(b) (1) The provisions of this Act shall not affect any proceedings (including, but not limited to, notices of proposed rulemaking) or any application for any license, permit, certificate, or financial assistance pending at the time this Act takes effect before any department, agency, commission, or component thereof, functions or offices of which are transferred by this Act; but such proceedings and applications, to the extent that they relate to functions or offices so transferred, shall be continued. Orders shall be issued in such proceedings, appeals shall be taken therefrom, and payments shall be made pursuant to such orders, as if this Act had not been enacted; and orders issued in any such proceedings shall continue in effect until lawfully modified, terminated, superseded, or revoked. Nothing in this subsection shall be deemed to prohibit the discontinuance or modification of any such proceeding under the same terms and conditions and to the same extent that such proceeding could have been discontinued or modified if this Act had not been enacted.

(2) The Secretary is authorized to promulgate regulations providing for the orderly transfer of such proceedings to the Department.

(c) Except as provided in subsection (e)—

(1) the provisions of this Act shall not affect suits commenced prior to the date this Act takes effect; and

(2) in all such suits, proceedings shall be had, appeals taken, and judgments rendered in the same manner and effect as if this Act had not been enacted.

(d) No suit, action, or other proceeding commenced by or against any officer in his official capacity as an officer of any department or agency, functions of which are transferred by this Act, shall abate by reason of the enactment of this Act. No cause of action by or against any department or agency, functions of which are transferred by this Act, or by or against any officer thereof in his official capacity shall abate by reason of the enactment of this Act.

(e) If, before the date on which this Act takes effect, any department or agency, or officer thereof, in his official capacity, is a party to a suit, and under this Act any function or office of such department, agency, or officer is transferred to the Secretary or any other official, then such suit, insofar as it relates to such function or office shall be continued with the Secretary or other official, as the case may be, substituted.

SEPARABILITY

SEC. 506. If any provision of this Act, or the application thereof to any person or circumstance is held invalid, neither the remainder of this Act nor the application of such provision to other persons or circumstances shall be affected thereby.

REFERENCE

SEC. 507. With respect to any function transferred by this Act and exercised on or after the effective date of this Act, reference in any other Federal law to any department, commission, or agency or any officer or office the functions of which are so transferred shall be deemed to refer to the Secretary, other official, or component of the Department in which this Act vests such functions.

AMENDMENTS

SEC. 508. (a) Section 19(d)(1) of title 3 of the United States Code is amended—

(1) by striking out "Secretary of Health, Education, and Welfare and inserting in lieu thereof "Secretary of Health and Human Services"; and

(2) by inserting immediately before the period at the end thereof the following: ", Secretary of Education".

(b) Section 101 of title 5 of the United States Code is amended—

(1) by striking out "Health, Education, and Welfare" and inserting in lieu thereof "Health and Human Services"; and

(2) by adding at the end thereof the following: "The Department of Education.".

(c) The number of executive level positions published pursuant to section 5311(b)(1) of title 5 of the United States Code is hereby increased by 14.

(d) Section 5312 of title 5 of the United States Code is amended by adding at the end thereof the following:

"(15) Secretary of Education.".

(e) Section 5314 of title 5 of the United States Code is amended by inserting immediately after paragraph (4) thereof the following:

"(5) Under Secretary of Education.".

(f) Section 5315 of title 5 of the United States Code is amended—

(1) by striking out paragraph (17) and inserting in lieu thereof

"(17) Assistant Secretaries of Health and Human Services (4)."; and

(2) by inserting immediately after paragraph (24) thereof the following:

"(25) Assistant Secretaries of Education (6).

"(26) General Counsel, Department of Education.

"(27) Inspector General, Department of Education.".

(g) Section 5316 of title 5 of the United States Code is amended by striking out paragraph (41) and by inserting in lieu thereof the following:

"(41) Officers, Department of Education, (5).".

(h) Subchapter II of chapter 53 of title 5 of the United States Code is further amended by striking out "Health, Education, and Welfare" each place it appears and inserting in lieu thereof "Health and Human Services".

(i) The Comprehensive Employment and Training Act is amended—

(1) in section 111, by striking out subsection (a) and inserting in lieu thereof the following:

"(a) The Secretary of Labor shall consult with the Secretary of Health and Human Services with respect to arrangements for services of a health or welfare character under this Act. The Secretary of Labor shall consult with the Secretary of Education with respect to arrangements for services of an educational nature under this Act, and the Secretary of Education of the Secretary of Health and Human Services shall solicit the advice and comments of approoriate State agencies with regard to, respectively, education and health and welfare services. Such services shall include basic or general education; educational programs conducted for offenders; institutional training; health care, child care, and other supportive services; and new careers and job restructuring in the health, education, and welfare professions.";

(2) in section 127(b), by striking out "and the Secretary of Health, Education, and Welfare" and inserting in lieu thereof ", the Secretary of Education, and the Secretary of Health and Human Services";

(3) in section 311(g), by striking out "Health, Education, and Welfare," and inserting in lieu thereof "Health and Human Services, Department of Education,";

(4) in section 314, by striking out "Health Education, and Welfare" and inserting in lieu thereof "Education";

(5) in section 438(a)(2), by striking out "Health, Education, and Welfare," and inserting in lieu thereof "Education, Secretary of Health and Human Services,"; and

(6) in section 502(a)—

(A) by striking out "15" and inserting in lieu thereof "16"; and

(B) by striking out "Health, Education, and Welfare," in paragraph (1) and inserting in lieu thereof "Education, Secretary of Health and Human Services,".

(j) Section 5 of the Alcohol and Drug Abuse Education Act is amended—

(1) by inserting after "Secretary" in the first sentence ", the Secretary of Health and Human Services,"; and

(2) by striking out "of Health, Education, and Welfare" in the second sentence and inserting in lieu thereof ", the Department of Health and Human Services,".

(k) Section 1411 of the Defense Dependents' Education Act of 1978 is amended—

(1) in subsection (a)(1), by inserting "and the officer of the Department of Education responsible for the office established pursuant to section 209 of the Department of Education Organization Act (hereinafter referred to as the 'principal officer')," after "the 'Assistant Secretary'),";

(2) by striking out "chairman" in such subsection and inserting in lieu thereof "cochairmen";

(3) in subsection (a)(2), by inserting after "Secretary" the following: "and the principal officer";

(4) in subsection (a)(3)—

(A) by striking out subparagraphs (A) and (B) and inserting in lieu thereof the following:

"(A) the Secretary of Education,"; and

(B) by redesignating subparagraphs (C), (D), (E), and (F) as subparagraphs (B), (C), (D), and (E), respectively; and

(5) in subsection (c)—

(A) by redesignating paragraphs (2), (3), and (4) as paragraphs (3), (4), and (5), respectively; and

(B) by inserting after paragraph (1) the following new paragraph:

"(2) make recommendations to the Director and to the Secretary of Education on the orderly transfer of the functions under the Dependents' Education Act of 1978 to the Secretary and Department of Education,".

(l) Section (c)(2)(B) of the Elementary and Secondary Education Act of 1965 is amended by adding at the end thereof the following new sentence: "The Secretary of Health and Human Services shall transmit the information required by this subparagraph to the Secretary not later than February 1 of each year.".

(m)(1) Section 352 of the Environmental Education Act of 1978 is amended by striking out "who shall be compensated" and everything that follows through the end of such section and inserting in lieu thereof a period.

(2) Paragraph (1) of section 160(b) of the Vocational Education Act of 1963 is amended by striking out ", and who shall be compensated" and everything that follows through the end of such paragraph and inserting in lieu thereof a period.

(3) Section 512 of the Higher Education Act of 1965 is amended by striking out the second sentence and inserting in lieu thereof the following: "The Teacher Corps shall be headed by a Director and a Deputy Director.".

(4) Positions abolished as a consequence of the amendments made by this subsection shall, for purposes of section 502(a) of this Act, be deemed to be permanent positions transferred pursuant to title V of this Act.

(n)(1) Section 203(a)(1) of the Rehabilitation Act of 1973 is amended by striking out "Commissioner, the Commissioner" and inserting in lieu thereof "Secretary".

(2) Section 507 of such Act is amended by striking out "Health, Education, and Welfare," and inserting in lieu thereof "Education, the Secretary of Health and Human Services,".

REDESIGNATION

SEC. 509. (a) The Department of Health, Education, and Welfare is hereby redesignated the Department of Health and Human Services, and the Secretary of Health, Education, and Welfare or any other official of the Department of Health, Education, and Welfare is hereby redesignated the Secretary or official, as appropriate, of Health and Human Services.

(b) Any reference to the Department of Health, Education, and Welfare, the Secretary of Health, Education, and Welfare, or any other official of the Department of Health, Education, and Welfare in any law, rule, regulation, certificate, directive, instruction, or other official paper in force on the effective date of this Act shall be deemed to refer and apply to the Department of Health and Human Services or the Secretary of Health and Human Services, respectively, except to the extent such reference is to a function transferred to the Secretary under this Act.

TRANSITION

SEC. 510. With the consent of the appropriate department or agency head concerned, the Secretary is authorized to utilize the services of such officers, employees, and other personnel of the departments and agencies from which functions or offices have been transferred to the Secretary, and funds appropriated to such functions or offices for such period of time as may reasonably be needed to facilitate the orderly implementation of this Act.

OFFICE OF PERSONNEL MANAGEMENT REPORT

SEC. 511. The Director of Office of Personnel Management shall, as soon as practicable, but not later than one year after the effective date of this Act, prepare and transmit to the Congress a report on the effects on employees of the reorganization under this Act, which shall include—

(1) an identification of any position within the Department or elsewhere in the executive branch, which it considers unnecessary due to consolidation of functions under this Act;

(2) a statement of the number of employees entitled to pay savings by reason of the reorganization under this Act;

(3) a statement of the number of employees who are voluntarily or involuntarily separated by reason of such reorganization;

(4) an estimate of the personnel costs associated with such reorganization;

(5) the effects of such reorganization on labor-management relations; and

(6) such legislative and administrative recommendations for improvements in personnel management within the Department as the Director considers necessary.

TITLE VI—EFFECTIVE DATE AND INTERIM APPOINTMENTS

EFFECTIVE DATE

SEC. 601. The provisions of this Act shall take effect one hundred eighty days after the first Secretary takes office, or on such earlier date as the President may prescribe and publish in the Federal Register, except that at any time after the date of enactment of this Act (1) any of the officers provided for in title II of this Act may be nominated and appointed, as provided in such title, and (2) the Secretary may promulgate regulations pursuant to section 505(b)(2) of this Act. Funds available to any department or agency (or any official or component thereof), the functions or offices of which are transferred to the Secretary by this Act, may, with the approval of the Director of the Office of Management and Budget, be used to pay the compensation and expenses of any officer appointed pursuant to this title and other transitional and planning expenses associated with the establishment of the Department or transfer of functions or offices thereto until such time as funds for such purposes are otherwise available.

INTERIM APPOINTMENTS

SEC. 602. In the event that one or more officers required by this Act to be appointed by and with the advice and consent of the Senate shall not have taken office on the effective date of this Act, and notwithstanding any other provision of law, the President may designate any officer in the executive branch to act in such office until the office is filled. While so acting, any such officer shall receive compensation at the rate provided under this Act for the office in which he or she acts.

H.R. 3930

By Mr. OTTINGER:

—Page 4, strike out subsection (e) of section 3 (beginning on line 19 and ending on line 6 of page 10) and insert in lieu thereof the following:

(e) Title III of the Defense Production Act of 1950 (50 U.S.C. App. 2091–2094) is amended by adding at the end thereof the following new section:

"SEC. 305. (a) In order to meet national defense needs and thereby reduce dependence on foreign supplies of energy resources, it is declared to be a goal of the Nation to have, beginning 5 years after the effective date of this section, domestic production of synthetic fuels and synthetic chemical feedstocks at a daily rate equivalent to 500,000 barrels of crude oil.

"(b) If the President determines that in the absence of the exercise of authority under this section it would be unlikely that the national goal established under subsection (a) would be attained, the President shall, in accordance with the provisions of this section—

"(1) enter into contracts to purchase or commit to purchase synthetic fuels, synthetic chemical feedstocks, or both, to the extent necessary to assure the attainment of that goal, and

"(2)(A) provide for the use of such synthetic fuels and synthetic chemical feedstocks for national defense needs;

"(B) with respect to such fuels and feedstocks as are not to be used under subparagraph (A), provide that such fuels and feedstocks, be transferred to and stored in the national stock piles in accordance with the provisions of the Strategic and Critical Materials Stock Piling Act (50 U.S.C. 98 and following) or the Strategic Petroleum Reserve in accordance with the provisions of the Energy Policy and Conservation Act (42 U.S.C. 6231 and following); or

"(C) with respect to such fuels and feedstock as are not to be used or stored under subparagraph (A) or (B), exercise the option under the contract involved not to take delivery of such fuel or feedstocks, as provided under subsection (c)(4).

"(c)(1) Subject to the limitations of this subsection and subsection (f), such contracts to purchase or commit to purchase shall be for such quantities, for such periods, and on such terms and conditions, as the President determines will assure attainment of the national goal established in subsection (a).

"(2) Any such contract may be entered into only—

"(A) before October 1, 1990, and

"(B) to the extent provided, without fiscal year limitation, in appropriation Acts enacted after the date of the enactment of this section.

"(3)(A) The price at which the President contracts to purchase or commit to purchase under any such contract may not exceed 110 percent of the then current weighted average landed cost of a comparable petroleum-derived fuel or feedstock imported into the United States, as determined by the Secretary of Energy. The value of any entitlement provided under the regulation under section 4(a) of the Emergency Petroleum Allocation Act of 1973 shall be disregarded for purposes of this paragraph.

"(B) For purposes of this section, the President may enter into any contract with a price higher than that provided in subparagraph (A) if and to the extent the President determines, after notice in the Federal Register and opportunity for public comment of not less than 60 days, that the higher purchase price under that contract is necessary in order to attain the national goal established in subsection (a).

"(4) Any contract for such purchases or commitments to purchase shall provide that the President would have the right, in accordance with terms and conditions set forth in the contract, to refuse to take delivery of all or a portion of the synthetic fuels and synthetic chemical feedstocks produced under the contract and to pay the producer involved an amount equal to the amount by which the price specified in the contract for the fuel or feedstock involved exceeds the market price (as determined by the Secretary of Energy) for such fuel or feedstocks on the delivery date specified in the contract.

"(5)(A) Except as provided in subparagraph (B), any purchase or commitment to purchase synthetic fuels or synthetic chemical feedstocks under this section, shall be made by sealed competitive bidding.

"(B) In any case in which no such bids are submitted to the President or the President determines that no such bids have been submitted which are acceptable to the President, the President may negotiate contracts for such purchases and commitments to purchase if the President publishes notice in the Federal Register of the intent to do so together with a statement of the reasons for such action.

"(6) (A) The President shall exercise the authority under this section in a manner designed to assure (i) that diversified sources of supply of synthetic fuels and synthetic chemical feedstocks are established and maintained in the United States, (ii) that such sources of supply would be reliable in the event of war, national emergency, or foreign energy supply interruption, and (iii) to the maximum extent practicable, that supplies from such sources would replace, directly or indirectly, imported crude oil or refined petroleum products.

"(B) In no event may any contract be awarded to any person if the quantity of synthetic fuels and synthetic chemical feedstocks contracted for by the President (pursuant to this section or under any other authority) with that person or any affiliate of such person would exceed over any period the daily equivalent of 100,000 barrels of crude oil.

"(7) The President may enter into any contract under this section for synthetic fuel or synthetic chemical feedstock only if the President determines that the fuel or feedstock involved are to be produced from facilities—

"(A) which are located within the United States,

"(B) which have been placed in commercial operation after the date of the enactment of this Act, and

"(C) for which no grant, loan, loan guarantee, or other similar financial assistance has been provided that utilizes funds derived from the Treasury.

"(d) If deliveries of fuels or feedstocks are used or stored under subsection (b) (2) (A) or (B), the agencies involved shall pay the supplier, from funds generally appropriated to such agencies for fuels and feedstocks, for the portion of the contract price which does not exceed the fair market price for the fuel and feedstock involved, as determined by the Secretary of Energy. Any amount owed because of the contract price exceeding the fair market price shall be paid by the President from funds appropriated for such purpose under the second sentence of section 711(a).

"(e) The President may contract for such transportation, storage, processing, and refining as may be required under subsection (b) (2).

"(f) Any exercise of authority under this section shall be consistent with applicable environmental, conservation, antitrust, and fuel conversion policies of the United States, and shall not diminish or hamper activities or policies designed to promote the exploration and development of domestic sources of crude oil and natural gas, and the development of other energy resources (including renewable energy resources).

"(g) Beginning one year after the effective date of this section, and annually thereafter, the President shall submit a report to the Congress on actions taken under this section, together with recommendations for legislation as the President considers appropriate. Each such report shall identify the persons to whom contracts have been awarded under this section, together with information indicating the degree of foreign ownership or control of such person.

"(h) For the purposes of this section—

"(1) The terms 'synthetic fuels' and 'synthetic chemical feedstocks' mean liquid or solid fuels and chemical feedstocks, respectively, derived from coal, shale, lignite, peat, solid waste, and other minerals or organic materials (other than crude oil, natural gas, or any derivative of either).

"(2) The term 'United States' means the several States and the District of Columbia.

"(3) The term 'person' means any individual, corporation, partnership, association, or any other group of persons organized for a common business purpose.

"(4) The term 'affiliate', when used with respect to any person, means any other person who controls, is controlled by, or is under common control with such person.

"(5) The crude oil equivalency of any synthetic fuel or synthetic chemical feedstock shall be determined by reference to the quantity of crude oil generally required to produce a comparable petroleum-derived fuel or feedstock.".

Page 2, beginning on line 12, strike out ", including petroleum,".

Page 2, strike out lines 24 and 25 and insert in lieu thereof "Defense, the Department of Commerce,".

Page 3, strike out line 22 and all that follows down through line 5 on page 4 and insert in lieu thereof "(50 U.S.C. App. 2092) is amended, in the second sentence, by striking out "$25,000,000" and inserting in lieu thereof "$48,000,000".

Page 10, strike out lines 8 through 10.

Page 10, line 11, strike out "(b)" and insert "SEC. 4(a)" in lieu thereof.

Page 10, line 15, strike out "(c)" and insert "(b)" in lieu thereof.

Page 10, beginning on line 24, strike out "with the contract provisions" and all that follows down through line 2 on page 11 and insert in lieu thereof "with the provisions of section 305(c) (4), (d), and (e).".

Page 11, line 3, strike out "(d)" and insert "(c)" in lieu thereof.

EXTENSIONS OF REMARKS

PROCLAMATION ON VIETNAM VETS WEEK

HON. LEON E. PANETTA

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 19, 1979

● Mr. PANETTA. Mr. Speaker, looking back on Vietnam Veterans Week, which was proclaimed by President Carter pursuant to a resolution passed by the 95th Congress, I think a great service was done to the Nation and to the veterans of that unpopular war. The Nation was served by having turned its attention to the plight of its veterans of a recent and traumatic conflict. The veterans themselves were served by having at long last received a small portion of the praise and honor which they so richly deserve. Regardless of one's personal feelings about that unfortunate war in Southeast Asia, there can be no denying the service which Vietnam veterans performed; there can be no denying the supreme sacrifice which these veterans were prepared to offer; and there can be no denying that honorable service to the Nation deserves proper recognition from the Nation in return.

Below I have inserted for the benefit of my colleagues the proclamations of the mayors of two communities in my congressional district in California—Mayor John G. Mahaney of Santa Cruz and Mayor Charles W. Benson of the city of Del Rey Oaks. I believe these proclamations indicate the high esteem in which public leaders and communities across the Nation hold Vietnam veterans. It is my hope that the praise which has been given to the Vietnam veteran during Vietnam Veterans Week can be translated into effective Federal programs to help these returned soldiers during their time of need. A first step has already been taken with the recent passage of a bill for psychological readjustment counseling, alcohol abuse treatment, and expanded medical care for Vietnam veterans. I hope this progress can be built upon so we can truly meet our commitment to these veterans.

The proclamations follow:

PROCLAMATION: VIETNAM VETERANS WEEK, 1979

The decade now drawing to a close began in the midst of a war that was the longest and most expensive in our history, and most costly in human lives and suffering. Because it was a divisive and painful period for all Americans, we are tempted to want to put the Vietnam war out of our minds. But it is important that we remember—honestly, realistically, with humility.

It is important, too, that we remember those who answered their Nation's call in that war with the full measure of their valor and loyalty, that we pay full tribute at last to all Americans who served in our Armed Forces in Southeast Asia. Their courage and sacrifices in that tragic conflict were made doubly difficult by the Nation's lack of agreement as to what constituted the highest duty. Instead of glory, they were too often met with our embarrassment or ignored when they returned.

To all who served or suffered in that war, we give our solemn pledge to pursue all honorable means to establish a just and lasting peace in the world, that no future generation need suffer in this way again.

Now, therefore, I, Charles W. Benson, Mayor of the City of Del Rey Oaks, call upon all citizens of the City of Del Rey Oaks to observe May 28 through June 3, 1979, as Vietnam Veterans Week. On this occasion, let us express our sincere thanks for the service of all Vietnam era veterans.

In witness whereof, I have hereunto set my hand this 22nd day of May, 1979.

CHARLES W. BENSON,
Mayor of the City of Del Rey Oaks.

MAYOR'S PROCLAMATION

Whereas, many young American men and women served bravely during the Vietnam conflict; and

Whereas, it is important for all Americans to remember these veterans and understand their special employment and health needs; and

Whereas, sincere thanks should be expressed to all these fine men and women for their service to their country;

Now, therefore, I, John G. Mahaney, Mayor of the City of Santa Cruz, do hereby proclaim the week of May 28 through June 3,

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● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

> 1979, as Vietnam Veterans Week in the City of Santa Cruz, and urge all citizens to recognize the accomplishments and problems of the Vietnam Veterans.
>
> JOHN G. MAHANEY, M.D.,
> *Mayor.*●

MAJ. GEN. MICHAEL D. HEALY

HON. MORGAN F. MURPHY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 19, 1979

● Mr. MURPHY of Illinois. Mr. Speaker, Maj. Gen. Michael D. Healy of Illinois received a Military Citation of Merit on May 16. General Healy was awarded the certificate for his "outstanding military service and leadership." The citation goes on to read:

> Through his dedication, the state of readiness in the U.S. Army, Army Reserves and National Guard was maintained at the highest level of proficiency. His efforts to provide interface between civilian communities and the military has resulted in a high degree of understanding of the defense needs of the United States. General Healy represents the highest standards and traditions of our military services and devotion to his country.

Mr. Speaker, General Healy's military achievements are indeed significant. General Healy served in a number of troop assignments in the Pacific theater in the 1940's. With the outbreak of the Korean war, General Healy served as a platoon leader and company commander with the 4th Airborne Ranger Company in Korea, participating in four campaigns. In 1963, he took command of a mobile guerrilla battalion and served as the operations officer of the U.S. Army Special Forces in Vietnam, returning to the United States, in 1964, General Healy elected to go back to Vietnam with his battalion, where he remained until February 1967.

General Healy returned to Vietnam for a third tour of duty in March 1969, and eventually assumed command of the 5th Special Forces Group (Airborne), which he commanded until March 1971. For his performance of duty as commander of all U.S. Special Forces in Vietnam, General Healy, then colonel, was awarded the Distinguished Service Medal. Returning again to Vietnam, where he became commanding general of the 2d Regional Assistance Command in June 1972, General Healy received his second Distinguished Service Medal.

General Healy is now commander of Army Readiness Region V Fort Sheridan, Ill., where he has served since September 1977. Mr. Speaker, General Healy has reflected well on the U.S. Army as a result of his distinguished service and achievements. I want to congratulate him on the occasion of receiving his well-deserved Citation of Merit. General Healy has truly earned the gratitude of his fellow citizens for a job well done in serving and protecting our country.●

AFDC RECIPIENTS AS HOME HEALTH AIDES

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 19, 1979

● Mr. RANGEL. Mr. Speaker, on June 14 I introduced H.R. 4470 to provide for demonstration projects for training and employment of aid to families with dependent children (AFDC) recipients as homemakers and home health aides. The merits of the proposal are clear. First, the bill establishes a means whereby many thousands of older and disabled people will be assisted in remaining at home rather than being moved into high-cost nursing home and intermediate care facilities.

Second, it establishes a program whereby many thousands of women now on the welfare rolls can be formally trained as homemakers and home health aides to provide supportive services to maintain the independent living capacity of thousands of other people who would otherwise require medicaid paid for institutional care.

And, if experience elsewhere becomes the pattern here, the large majority of these trained people will ultimately be removed from the welfare rolls because they will have become gainfully and usefully employed self-respecting members of the health professions.

Finally, properly implemented, enormous savings in medicaid and welfare costs should result as people leave the welfare rolls and others are kept out of high-cost nursing homes.

It is estimated that as many as 40 percent of those in institutions do not necessarily have to be there and would not be there if proper alternative supportive services were available.

The legislation I propose would encourage the availability of those services by means of taking people off the welfare rolls, training them and then using these new homemakers and home health aides to meet what has been a largely unmet need.

Basically, the legislation would authorize demonstration programs in 12 States from up to 5 years. Interested States would apply to and be selected by the Secretary of the Department of Health, Education, and Welfare.

The States of Florida, Michigan, New Jersey, New York, and New Mexico have indicated strong desire to participate in a program which would take people off the welfare rolls and also keep people out of costly nursing homes.

Individuals eligible for training and employment would be only those coming from the AFDC rolls or who were on AFDC within 6 months of application for the program. The people would be trained in a formal program of some 10 or 12 weeks duration and paid reasonable allowances during such training. The Secretary would be expected, where requested, to assist a State in developing its training program.

Following completion of training, these individuals would be employed by public and nonprofit agencies and organizations—such as State or local health departments—to provide supportive services to the aged, disabled, retarded, and others who might reasonably be expected to require institutional care in the absence of those services.

Those eligible to receive the care and services would include individuals whose income was within 200 percent of the State's standard of need and who might reasonably be expected to require institutional care without the supportive service.

States would be eligible for 90 percent Federal matching for the program costs. Such amounts would be paid from funds authorized from medicaid.

No net cost is assumed inasmuch as the reduction in medicaid costs resulting from the prevention or postponement of expensive care in institutions should more than offset the costs of training and provision of home health and homemaker services.

This legislation represents an excellent opporutnity to take some significant action toward helping those in need. While helping to reduce the welfare rolls and enhancing the self-respect and income of those providing necessary care, this legislation would also help to keep many thousands of Americans out of high-cost institutions. I urge all of my colleagues to study this bill very closely.●

THE DEATH OF SENATOR LEVERETT SALTONSTALL

HON. EDWARD P. BOLAND

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, June 18, 1979

● Mr. BOLAND. Mr. Speaker, the death of Senator Leverett Saltonstall on June 17 brings to a close the career of one of the most distinguished public servants in the history of the Commonwealth of Massachusetts.

For five decades Leverett Saltonstall was a dedicated spokesman for the people of Massachusetts on the local, State, and national levels of government. He was uniformly respected as a man of the highest integrity and decency. To him, public service was indeed a public trust and the preservation of that trust was of paramount importance. He enjoyed politics because he enjoyed people. The personal contacts which politics requires were always a pleasure, never a burden, to him.

No one could have served with Leverett Saltonstall and not have been impressed with the manner in which he conducted himself. During his tenure as speaker of the Massachusetts House of Representatives he handled every issue, no matter how partisan, with total fairness. You might not have agreed with the position that he favored, but you could never quarrel with the treatment that you were accorded in presenting your point of view. That same spirit of fairplay came to characterize Leverett Saltonstall's work in the Senate. As a member of a conference committee he was always an effective spokesman for the Senate's position; but at the same time he was unfailingly even-handed in his treatment of dissenting views.

Leverett Saltonstall served 13 years in the Massachusetts House of Representatives, including 7 years as speaker. He was elected Governor on three occasions and was a U.S. Senator for 22 years. In a State with an overwhelming number of voters registered as Democrats or Independents, this record is ample testimony to the high regard with which he was held by the people. "Mr. Republican," as he was known, was a good and decent man. The people responded to those qualities for over 40 years. He was a gentleman in a profession where that term is infrequently applied and he will be missed not only in Massachusetts but around the Nation.●

SENATOR LEVERETT SALTONSTALL

HON. ROBERT F. DRINAN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, June 18, 1979

● Mr. DRINAN. Mr. Speaker, a great American and a fine human being from the State of Massachusetts has passed away. Leverett Saltonstall, a former U.S. Senator and Governor of my home State, has left all of us in public office with a towering moral standard to emulate in our own lives.

Senator Saltonstall began his career in public office in 1920 as an alderman in the town of Newton, which is a part of the district which I represent. From there he went on to the State legislature, and to become Governor, and then U.S. Senator. In every position Leverett Saltonstall proved himself to be a gentleman, a scholar, and a man of the highest integrity.

It was my great fortune to have known this man personally, and to have benefited from his wisdom. I found much to admire in him: his decency; his fairness; his tremendous gifts for compromise; his integrity. But personally, the thing I admire most in Senator Saltonstall's public life was his commitment to fight discrimination in Massachusetts and throughout our Nation.

Long before it became fashionable or politically expedient, Leverett Saltonstall created the Massachusetts Commission Against Discrimination during his term as Governor. Later in the Senate he continued to support civil rights legislation, and in fact cosponsored the first civil rights bill to pass the Congress in 80 years.

His death marks the passing of a man who was truly beloved, both in Massachusetts and here in Washington. I extend my sincere sympathy and prayers to Mrs. Saltonstall and the family.●

TACKLING THE GASOLINE SHORTAGE

HON. DON RITTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 19, 1979

● Mr. RITTER. Mr. Speaker, nobody knows what to believe nowadays about gasoline shortages, and I think it is time for some plain talk.

First, I am absolutely delighted that the House of Representatives—with my strong support—overwhelmingly passed House Resolution 291. This legislation directs the President of the United States to give Congress and the American people within 15 days, "full and complete information" explaining why gasoline and oil supplies are squeezing us today as if we were back in the 1973 embargo.

That is the first step toward making the average American believe his Government—because unless we get the facts out on the table for all to see we might as well forget trying to enlist the help of the American people.

In resolving today's expensive gasoline shortage, we have a right to demand that the major oil companies cooperate fully—since they control the heart of our gasoline distribution system.

Back on March 8, I was the first Member of Congress to demand a congressional investigation of this year's gasoline price hikes and so-called shortages.

Now, with citizens in the Lehigh Valley and all across America joining in that demand for answers, Congress is responding at last. The Subcommittee on Energy and Power has just launched an investigation into the oil "shortage" with the help of the Federal Trade Commission.

We must get to the bottom of why a mere 5-percent oil cutback from Iran is turning our lives upside down this spring. Why did the oil companies start off the year with such low inventories? How did we go so fast from a glut to a shortage?

In getting answers, we need clear facts that the American people can understand—not tangled mumbo jumbo that hides the truth. Furthermore, Congress has an obligation to monitor oil supply from now on, so this "shortage" does not repeat itself again and again.

It is also time for plain talk about how Government helped cause our energy problems in the first place.

I have only been a Congressman for 5 months—while the Federal Government has been fouling up the energy situation for many years. I did not cause the problem, but it is my job to work to solve it.

The past few years have been a sorry story of Washington's energy mismanagement and senseless, confused overregulation.

Normal energy market forces have been strangled and twisted. Supply and demand have been scrambled for years. The way in which we distribute oil and gas around the country has little basis in the reality of where the gas is necessary.

It is no wonder we cannot get gasoline to where it is needed today. Government has been paving this road to shortage for years.

On top of that, the American taxpayers are paying $12 billion out of their pockets to run the Department of Energy—a bureaucracy that has failed to provide us with oil and gas, failed to give us the powerplants to generate electricity, and failed to build the refineries and pipelines to provide the fuel to the people who need it. All DOE has done is concentrate decisionmaking in a massive, complex Washington bureaucracy. Is it any wonder that their decisions are so often wrong?

Congress has not helped over the years either. In fact, many of the same Congressmen who today are complaining about our energy bind are the same people who over the years have stifled energy solutions, who personally helped build up the confused tangle of Government overregulation, and who presently are demanding more Government regulation to get us out of this mess. Now, they are tasting the sour fruit from the tree they helped plant.

So, Mr. Speaker, I want to say here and now, as I have said before during my short time as a new Congressman, that the people of the Lehigh Valley in Pennsylvania and elsewhere across this country are frustrated and plain furious, and I do not blame them a bit.

We can only hope that Congress is at last ready to get some answers—from the Federal bureaucracy, from the President, and from the oil companies. Once we have those answers and with some honest soul searching on the part of Congress itself, we will begin to travel the road to solutions, and to ending those gas lines.

The long-term answer is to develop alternate energy sources and more fuel-efficient cars, of course. But first, we have got to get all the facts about this year's crunch out on the table. We have got to get Government out of the business of substituting regulation, paperwork, and rhetoric for energy, and into solving our problems instead.

Otherwise, we will have to get used to spending a lot of long, frustrating hours in gas lines. I, for one, am not ready for that, and the American people are not either.●

ENERGY, TRANSPORTATION, AND LAND USE

HON. MARTIN OLAV SABO

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 19, 1979

● Mr. SABO. Mr. Speaker, I would like to share with the Members of this body the text of a speech which was recently given by Mr. Doug Kelm, the Chairman of the Federal Regional Council, region V, for the U.S. Department of Transportation. Mr. Kelm was formerly the head of the Metropolitan Transit Authority in the Minneapolis-St. Paul metropolitan area. His topic, "Energy, Transportation, and Land Use," is of course timely. It deals directly and in a straight forward manner with the current problems we are having in this country with energy and, subsequently, with transportation as we have become accustomed to. The contents of this speech should be of interest to my colleagues.

At this time, I insert Mr. Kelm's speech into the RECORD:

ENERGY, TRANSPORTATION, AND LAND USE

(Address by Doug Kelm)

THE END OF THE AGE OF OIL

Technological history began many thousands of years ago when man first produced energy by burning wood. We next learned to use animals as beasts of burden. We discovered how to harness the sun's energy to grow food; how to use the winds to power boats and the rivers to turn mills. Such advances in the use of energy took many millenia. Then, only two hundred years ago, the first practical steam engine became the energy breakthrough that sparked the Industrial Revolution. And only this century saw the great energy converter of all, the internal combustion engine, and we entered the "age of oil".

Now, during the past quarter century man has consumed more energy than he did in all of the centuries since those first flames of fire. That reckless extravagance has made the "age of oil" the most brief of all of the ages of man. Indeed, though that age is not ending in 1979, it is certainly the beginning of the end. We already see its symptoms in one dollar gasoline, spot shortages; steadily increasing imports, and political instability in the land of OPEC. The 1980's will bring chronic supply shortage in relation to demand. Before the 90's end man will consume the last large quantities of oil.

PERSPECTIVE

The Transportation Research Board recently said that "one of the greatest needs today is to conserve energy in the face of uncoordinated development of land and transportation facilities." The principle that there is a direct interrelationship between energy, transportation and urban development is not newly conceived; we simply chose to ignore it for the last 50 years. Before that, urban development was, in great part, limited by home to work distances acceptable by walking, horse carriages, and electric street cars. Next rapid transit and commuter rail substantially affected the size of the city, yet they still caused that growth to be in the form of efficient clusters. Transit ridership began to drop with the advent of the automobile and another change in the size of urban areas began, though the ultimate dispersal of population was not yet perceived. And these trends were slowed by the great depression and the years of World War II.

In the new prosperity following the war, the automotive, rubber and petroleum industries began massive investments in production facilities and marketing. Fortunes were made, new life styles created and the form of urban development was revolutionized. Those same automobile-related industries sometimes combined with salvage profiteers to buy up and junk good urban electric streetcar systems.

By the time the 60's arrived, freeway construction, the ability to commute long distances and cheap petroleum completed the disintegration of the compact city. Those who expressed doubts or fears were dismissed as fools who were against an ill-defined concept of "progress". In fact, during those first two post-war decades of economic growth little concern was expressed over the nature of urban development. That growth was based, as we've already noted, on cheap energy, but also on great technological and capital resource advantages over our war-torn global neighbors. Lacking any urban growth policy little thought was given to the consequences of the loss of any of those advantages. Now we are in danger of losing all three.

Energy is no longer cheap even though the Congress has resisted the pricing of petroleum in relation to its true value and in relation to other sources of energy. As a result we continue to gobble up a dwindling resource and we send billions of dollars to OPEC—funds desparately needed for private and public investments.

The rapid technological advance by western industrial nations and the low cost labor competition by less developed countries have substantially reduced the advantage the U.S. once held in manufacturing capacity.

The financial problems of our urban areas are evident in the deferral of investments in vital urban services. We can anticipate a deterioration of public facilities and the reduction of certain urban services because of the lack of capital.

In brief, during the 50's and 60's we built our cities with an near-total disregard of the costs, both private and public, to deliver the full range of urban services (transportation, fuel, water, sewer, communications, parks, schools—the entire municipal infrastructure). That new urban form created a direct financial burden; it also caused much greater consumption of energy. For example, a study of the Minneapolis/St. Paul area (since duplicated in other urban areas) found that households in the center city require an average of one gallon of gasoline for daily mobility; households in the first ring of suburbs require 2 to 3 gallons; those in more distant suburbs need 3 to 6 gallons per day.

I mentioned earlier that the multi-million dollar marketing programs by the automobile-related industries had an impact on the change of urban life style. To let the suggestion stand alone would be a great over-simplification. Ill-conceived government programs in the financing of housing, water and sewer systems and highways played a major role too. With the federal government providing 90% of the funding for urban freeways, Washington was telling each city council that, whatever its other priorities might be, they could build freeways at a bargain basement 10% of cost!

Only in the administration of President Carter, has the White House demonstrated a real understanding of urban problems and the need to revitalize our center cities. Permit me to list just a few of the Carter programs and directives: Targeted Job Tax Credits directed at the employment of the disadvantaged, Investment Tax Credits for rehabilitating old factories, warehouses and other commercial buildings, Urban Development Action Grants tied to job creation and improved tax base in distressed cities, directives to target federal procurement and federal office locations in struggling center cities, Urban Initiative grants in association with public transportation projects, discouraging additional urban freeway construction, and the highest level yet of mass transit funding. Although transit funding must be increased much more, the Carter White House is the first to relate energy conservation to transit funding.

In review, the renewed understanding by both the public and private sectors of the interrelationship of energy, transportation and land use is one of the more hopeful signs that we may yet solve our problems. The post-war population bulge that created havoc in our educational facilities from kindergarten through college has now become our home-formation generation. The next dozen years will be one of the greatest periods of housing construction this country has experienced. The important question relates to where this housing will be built. Will it be in the same haphazard, dispersed, leap-frog fashion of the immediate past or will it be within the areas already served by roads, water, and sewers? If it is the former, the public costs for just those minimum services alone will be nearly five times as great. If, however, reasonable guided growth at even moderate densities, can be promoted, all public services and especially public transportation can be provided at far lower cost. What follows are tremendous capital savings, less land consumption, increased tax base, substantially lower energy consumption and reduction of pollution.

PETROLEUM TRENDS

Prior to 1970 the U.S. oil production capacity was so great that it successfully set the world price. In fact we so rapidly exploited our resources that the cumulative U.S. production up to that time was greater than that of all of the OPEC countries combined!

When the Suez Canal was closed, and during the 1967 Israeli War, Western Europe was cut off from Mid East oil, but the U.S. was able to export enough to prevent significant shortages and price increases.

But by the time of the 1973–74 embargo the U.S. could not fill the European gap nor hold down prices. The U.S. was already a substantial petroleum importer and we've since become even more dependent on imports—in 1979 roughly 50% of our consumption is from foreign fields. This year payments for such oil will exceed $50 billion. This drain on our economy is a major factor in the decline of the dollar, inflation and unemployment.

OPEC keeps demonstrating that they fully understand the changed situation. They can control world supply, they can control price. They are increasingly using their power as an economic and political weapon.

The result of the March OPEC assembly in Geneva was not simply a 9% price increase. The new price of $14.54 per barrel is a base price, not a ceiling and nearly all the OPEC members have already added surcharges, as much as $4. OPEC oil is, in fact, now selling at an average of 25% higher than year-end 1978 prices. It is also apparent that an agreement was reached to reduce production sufficiently to keep the squeeze on the rest of the world. The fond hope that the cartel might break-up is unrealistic. And in the event of a complete cutoff of Middle East oil, we have the frightening prospect of the warning by the Defense Secretary that the U.S. would intervene with military force.

Despite our growing dependence on imports the reality is that the U.S. is not nearly so hurt by OPEC actions as are other countries. Western Europe is far more dependent on Middle East oil, and the less developed countries are incurring a burden of debt on which they may ultimately default. The prospect of competition for dwindling oil supplies, and armed conflict for their control among free world nations is a most disturbing one.

POSTPONING THE INEVITABLE

In 1977 President Carter told the nation:

"Now we have a choice. But if we wait, we will constantly live in fear of embargoes. We could endanger our freedom as a sovereign nation to act in foreign affairs. Within ten years we would not be able to import enough oil—from any country, at any acceptable price."

But we have waited. And we've debated and studied. Politicians from California to Texas to Massachusetts gamble their presidentical hopes against the nation's welfare. Our Congress has been derelict in failing to enact either an energy conversion or an energy conservation program. With few exceptions our political leaders lack the courage to tell the public that it's wishful thinking to believe that the petroleum crisis will somehow go away. In fact increased oil consumption has been encouraged by legislatively imposing an artificially low price. Of what does the public need to be convinced?

Is there a crisis? Yes, because we've not enacted policies and programs to conserve and to boost domestic production. By increased imports we've put ourselves at the mercy of the most politically unstable countries of the world.

Are the oil companies ripping us off? It is true that the oil companies benefit from OPEC price increases and it is true that they are reaping large profits. But it is also true that the return on investments by the oil industry is less than U.S. industry at large. Further, it is a fact that the controlled price on oil from "old" wells make the more expensive secondary and tertiary techniques of fuller recovery uneconomical. This makes imported oil attractive and depresses domestic production.

Are domestic supplies being held off the market? What is occurring is a rebuilding of inventories drawn down during the winter months. Also, it's necessary now to shift production from gasoline to heating oil to assure that supply for next winter. The combination of these actions will certainly cause spot shortages throughout the heavy summer driving months. While I've never thought of the oil companies as the fellows with the white hats, it's time that we stopped looking for "villains" to blame. From the OPEC point of view even they are behaving rationally! The problem is greatly with the American consumer.

Can domestic production be increased substantially? In the short run, decontrol will increase production by making economical increased recovery efforts from "old" wells and encouraging new domestic exploration. Unfortunately there probably are not large quantities of oil to be discovered in this country. The U.S. is the most explored area of the world. There are presently over a half million operating wells. Over 48,000 were drilled last year with rather disappointing results. In the long run we must face the fact that oil is a finite resource here and abroad, and modest increases in domestic production are primarily important as a means of easing our energy problems during the transition period of the next 20 years—until the time we've developed realistic energy alternatives.

Is the problem as severe in European countries? Europe's greater dependence on Middle East oil makes it more vulnerable to OPEC decisions. But in other respects, Europe is in better shape. Even in countries with an equal or higher standard of living than ours, and in countries with colder climates, the per capita consumption of energy is less than that of the U.S. Sweden, for example, uses only 60 percent as much energy per person. They encourage superior standards of building construction, ventilation and heating. In the commercial sector they have more realistic lighting standards. They employ cogeneration of heat and electricity, and district heating plants are more common. But the greatest differences in energy use is in the transportation sector. Transportation in the U.S. accounts for two to three times the energy used for this purpose in Sweden and other countries. In the U.S. today about 55 percent of petroleum consumed is for transportation. In Sweden, smaller cars and fewer second cars made possible by a superior public transit system make the difference. For short trips and for commuter work trips the Swedes rely far more heavily on transit. They tend to save their car and their money for longer trips, recreational trips. Government policies on taxes, parking, auto-free zones and pedestrian facilities are additional factors in reducing consumption by transportation.

Won't we soon have plenty of energy alternatives? The expectation that other sources of energy are "just around the corner" is almost certainly a delusion. Our greatest, most immediate source of energy is coal, *but* we are stymied because of environmental concerns about the affect of massive strip-mining and high sulphur emissions from its burning. The technologies to adequate and economically overcome these concerns are yet to be developed. We need to find the large capital capacity to bring this tremendous energy source on line. As the price of oil starts reflecting its true value it will also be economically feasible to obtain liquid fuels from coal, shale and tar sands. Some promising technologies are being worked on, but we'll be lucky to replace 10% of our current oil imports by the year 2000 from these sources.

Nuclear power today contributes 14% of our electrical production and almost 4% of total energy consumed. Nuclear electricity is as cheap as coal generated electricity and far less than oil-fired plants. It was hoped that nuclear plants would provide 25% of the country's electricity by the end of this century. The Harrisburg incident was a severe blow to those hopes. Since it takes about 12 years to bring a nuclear power plant into production and since much remains to be done to satisfy safety concerns, one cannot be optimistic about near-term increases in energy from this source.

Solar energy, at least in sunnier climes, is expected to be the power of the future. Costs are slowly coming down and efficiency improved. But even with technological breakthroughs, by the year 2000 solar energy will probably provide no more than 5% of the country's needs.

Gasohol's main virtue is the fact that by adding alcohol to gasoline to the extent of 10% we could prolong the period during which liquid fuels would be available. From an overall energy standpoint, however, with today's technology it takes more energy to produce alcohol than the energy it, in turn, generates when burned. Moreover, since alcohol has but 50% of the BTU's of gasoline, a 90/10 mixture must result in 5% less auto mileage.

But how about the recent proposal to trade our grains for oil? The defect in that suggestion is that a sparsely populated land like Saudi Arabia consumes very little grain. Canada's Alberta produces oil, but it also produces surplus grain. And if Mexico were to triple last year's total oil exports and trade them all to the U.S. it would still account for but 5% of U.S. oil consumption.

Despite these caveats on energy alternatives I remain optimistic that my children will see plentiful supplies of energy from a variety of sources. The problem returns once again to the transition period of the next 20 or 30 years. And the solution to that problem keeps returning to the need for petroleum conservation.

A GALLON OF CONSERVATION IS OUR CHEAPEST FUEL

Before concluding with a discussion of conservation policies, it is prudent to observe some serious impacts in our economy and lifestyle caused by oil shortages, outside the personal transportation sector.

First of all, when we run short of oil, what will happen to goods movement nearly totally dependent on diesel trucks, trains and barges? Shouldn't we, for instance, be giving as much attention to developing more efficient truck-trailers as we are to automobile efficiency?

In respect to the 45% of petroleum used in other than transportation, what will happen to electrical production if we cannot convert on a timely basis to nuclear and coal-fired generating plants? What will heat our homes and power our factories?

If we fail to conserve in the transportation sector, what will be the impact on the petrochemical industry which supplies fertilizers and insecticides to argriculture; plastics for industrial and consumer products; chemicals for medicines, paints, dyes and adhesives; synthetic fibers for clothing and home furnishings. Even that short list provides a different insight into potential "changes in lifestyle!

The former Minnesota Energy Administrator once said in respect to conservation: "We've done all the easy things—and we've only made a small dent in our energy problem. We've yet to really tackle the source of greatest energy waste, the automobile." It appears that tackling the automobile will require considerably more courage than the Congress has shown.

The President has courageously and rightly moved to decontrol oil and has coupled it with a proposal for windfall taxes. The prime benefit of decontrol, however, is the increase in domestic oil production. The few additional cents on the price of gasoline will not cause substantial conservation by motorists now driving more miles than ever.

We need to use a variety of taxes, more as instruments of public policy than as generators of revenue.

1. The President is asking Congress to close the loopholes to prevent foreign tax credit abuses common in the multi-national oil industry;

2. We need to tax both barge traffic and general aviation to a level commensurate with our costs of constructing and maintaining waterways and aviation facilities.

3. The tax on diesel fuel and on truck-trailers must be increased to at least the level necessary to repair the road damage caused by heavy loads. Road maintenance costs alone will reach nearly $10 billion this year. And of the total 1979 highway expenditures of $36 billion, at least 36% come from non-highway user taxes.

4. Eliminate gasoline taxes as an income tax deduction. Today, the rewarding of gasoline consumption must be viewed as terribly bad public policy.

5. To bring about a truly significant reduction in the consumption of motor gasoline will require, as Energy Secretary Schlesinger said, a price approaching the European level, now two to three times that of this country. Such a price increase must not increase the profits of either OPEC or the oil companies. The increase therefore should be in the form of a tax on gasoline at the pump. As we have observed, a substantial tax on crude oil would have adverse impact on nearly every sector of the economy. The tax must be targeted on the greatest waster of energy. For guidance on the proposed size of such a tax, it may be useful to compare Western European gasoline taxes with the average U.S. tax levy of 12c to 13c per gallon. During the first quarter of 1979 the tax expressed in dollars per U.S. gallon were: in the United Kingdom 75c; in Sweden, Germany, Belgium and Netherlands 90c to $1.10; in Italy $1.55 and in France $1.60, tax per gallon.

I propose that we start more modestly with a 50¢ per gallon total tax, which corresponds to an increase of 38¢ in the federal tax. It should be noted that many of the claims of inelasticity of demand in respect to motor gasoline ignore the fact that, until very recently, the "real" price of gasoline actually declined. The experience of European countries would encourage estimating a greater reduction in consumption, but for our purposes here, let's assume a 20% reduction and net additional revenues of approximately $34 billion from this tax.

The typical response (usually from the upper middle class) to this sort of tax proposal is that the measure "hurts poor people." That contention is disputable. Twenty percent of our households (generally the poor, aged and infirm) do not own an automobile. Secondly there is a substantial correlation between family income and multicar ownership and a very high correlation between income and ownership of "gas-guzzlers." However, let's concede some harm, and further let's reward the family which reduces mileage or gets rid of a second car. A sensible way to deal with "regressivity" would be to provide a refundable tax credit equivalent to the average cost increase in a family with an income level of (say) $5,000. With a 38¢ per gallon tax increase this would involve a credit of about $175 per family. The aggregate tax credit would offset approximately $10 billion of the tax increase.

The remaining $24 billion might be allocated as follows: Nearly $4 billion is now budgeted from general revenue for energy research and development. I propose those general revenue funds be replaced by $10 billion from the "Energy Security Fund." Included in the R&D effort should be the support of efforts by auto manufacturers to produce a super energy-efficient automobile. Next, allocate $10 billion per year for ten years to mass transit. The remaining $4 billion might be used to reduce income taxes or be applied to some program reform affecting the disadvantaged, such as social security.

In summary, Congress must enact policies and programs to:

Revitalize our central cities and guide future development into more capital-efficient and energy-efficient patterns;

Conserve a dwindling energy resource by aggressive employment of specific taxes as instruments of good public policy;

Provide the vast capital investments needed in energy research and development, and in public transportation alternatives.

A moral sense of fairness and equity to other nations and other generations requires that we take immediate aggressive actions so that the transition from "the age of oil" to a new age of energy sufficiency and independence takes place smoothly. Our very survival may depend on it.●

PRAISE FOR THE CONGRESSIONAL OFFICE OF TECHNOLOGY ASSESSMENT

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 19, 1979

● Mr. BROWN of California. Mr. Speaker, this week the Congressional Office of Technology Assessment will swear in a new Director. As one of the 6 House Members of the 12 member Technology Assessment Board, I was in the fortunate position of helping choose the new Director, Dr. John Gibbons, who will be the third Director since the passage of the Technology Assessment Act of 1972.

As a Member of Congress in the late 1960's, I participated in the earliest discussions about the concept of technology assessment, and the need for the Congress to have an independent means to truly assess the potential adverse and beneficial impacts of new or existing technologies. In following this concept and legislation since then, I have been a frequent critic of the shortcomings I have seen in this office. At the same time, I have seen a constant improvement in the quality of the work of the Office of Technology Assessment.

The new Director, Jack Gibbons, follows two distinguished Directors who are well known to this body. The first Director was Emilio Daddario, a former Congressman from Connecticut, who was my subcommittee chairman when we first considered the Technology Assessment Act. The second Director was Dr. Russell Peterson, who was the Governor of Delaware and the Chairman of the President's Council on Environmental Quality before coming to OTA. The newest Director, Jack Gibbons, comes primarily from government and academic research institutions, with an excellent reputation for his careful, determined approach to seeking answers to difficult questions.

The appointment of a new Director of a congressional office generally receives little attention, in spite of the importance of these institutions to our democracy. I am pleased, therefore, to note that this event was the subject of an excellent editorial in the Sunday edition of the Los Angeles Times.

Mr. Speaker, I commend this editorial to each Member of Congress.

The editorial follows:

[From the Los Angeles Times, June 7, 1979]

A TANK AIMS ITS BRAINS AT TECHNOLOGY

Early this month, John H. Gibbons, a 50-year-old nuclear physicist, settled in as the director of the Office of Technology Assessment in Washington, D.C.

It is not likely that you ever heard of the man, whose friends call him Jack, or the office, which is known as OTA, and our purpose this morning is to introduce them. They could have a growing influence on policy decisions over the years.

The Office of Technology Assessment is Congress' own think tank, and its name is misleading. It does not assess technology, it assesses the way the economy and the environment and the way people live might be influenced by turning loose, or by not turning loose, some new piece of technology on the world.

For example, had OTA been at work when the electric starter was invented, Congress might have asked the office how America might change if people could start cars without cranking them. As we know now, it changed enormously.

The reach of such a question earlier in this century was certainly beyond the grasp of even the deepest thinkers and, in many ways, it still is, even at OTA. But the habit of asking such questions, and even small advances in the art of answering them, is crucial in a world that turns more and more to technology to solve its energy and health problems, and to improve its transportation system and defense network.

OTA has done some excellent work in the five years since it began pulling together a staff. One report persuaded the Energy Department to shift the focus of its solar research from huge, centralized systems to smaller-scale projects that could be put into place more quickly. One led directly to major changes in oil-tanker safety laws, and another provided a base for changes in offshore-drilling regulations. The most recent report, commissioned by the Senate Foreign Relations Committee in anticipation of the SALT debate, translates the abstracts of throw weight megatons into realistic descriptions of the destruction that would occur in the Soviet Union and the United States in a nuclear war.

Despite its track record and the quality of much of the work that it has produced, the office has drawn much criticism, for a variety of reasons. One is that it took longer to pull itself together than did the Congressional Budget Office, which was created at about the same time and which began producing thorough and reliable analyses much more quickly. Another was that its resident thinkers—who include nuclear scientists, lawyers, system engineers, economists, an unfrocked investment broker and a practicing oceanographer—never seemed to march in the kind of straight line that is the preferred style for bureaucracies.

It also has strong supporters, among them such diverse personalities as Sens. Ernest F. Hollings (D-S.C.), Edward M. Kennedy (D-Mass.) and Ted Stevens (R-Alaska), and Rep. George E. Brown, Jr. (D-Calif.).

Gibbons will not calm the agency's critics overnight, nor can he crack the code of technology assessment immediately, but he does have one advantage over his predecessors.

He has spent much of his career thinking in one tank or another, starting with his first job as an analyst at the federal government's Oak Ridge National Laboratory. He knows that the answers about technology came not from revelation but from hard, shirtsleeve thinking, constant challenging of data and endless asking of questions, dumb and otherwise.

We think he also has the kind of commitment to the job that comes with an understanding that sooner or later the world will desperately need people trained to put their finger on the flaws in a new gadget, and that the time to start training them is sooner rather than later.●

POLICE CHIEFS URGE ACTION TO INFORM THE PUBLIC OF HEALTH CONSEQUENCES OF MARIHUANA ABUSE

HON. LESTER L. WOLFF

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 19, 1979

● Mr. WOLFF. Mr. Speaker, one of the most difficult questions in the United States today with respect to drug abuse is that concerning the health consequences resulting from the abuse of marihuana. For many years it has been the popular opinion in the United States that marihuana use posed no serious health risks to those who smoke it. This opinion, unfortunately, grew out of an absence of scientific proof that harm could indeed result. The fact is that we only isolated the chemical intoxicant in marihuana—THC—some 10 years ago and only now are we beginning to see the results of scientific studies examining this chemical's interaction in the human body. While there is certainly much more research needed on the whole question of the health consequences of marihuana, it can now be said that the initial studies indicate that marihuana can indeed pose serious health risks to those who abuse it, particularly our school age children.

I would like to commend to the attention of my colleagues a resolution unanimously adopted by the executive committee of the International Association of Chiefs of Police (IACP), representing more than 11,600 police executives in the United States. This resolution supports Federal and State activities to "inform the public of established consequences to reverse the trend of escalating use" of marihuana and "to provide more complete information on health implications" to the public. I now insert for the attention of the Congress the attached resolution:

RESOLUTION

Whereas, the Narcotics and Dangerous Drugs Committee of the International Association of Chiefs of Police having taken notice of the increased use and abuse of marihuana; and

Whereas, considering that the law enforcement community has been drawn into the controversy surrounding the adverse effects of marihuana use; and

Whereas, noting that for a period of time the trend of popular opinion flowed toward the conclusion that marihuana use was not significantly harmful, a conclusion drawn in the absence of scientific proof of harm; and

Whereas, conscious, however, that the body of knowledge on adverse effects of marihuana use is growing rapidly and indicators are that extensive use of marihuana represents serious health hazards to users; and

Whereas, having regard to the fact that the high level of use among school-age children and young adults creates a risk of undesirable consequences of learning, motivation and health; and

Whereas, bearing in mind the enormous multi-billion dollar criminal enterprise associated with marihuana trafficking, its corruption effect on law and order, and its adverse economic impact; now, therefore be it

Resolved, that Federal and state governments make special efforts to provide the necessary leadership, policy direction, legislation, education and resources to inform the public of established consequences to reverse the trend of escalating use, to provide more complete information on health implications, and to provide a meaningful deterrent to those who persist in commercial trafficking operations; and be it

Further resolved, that this document be forwarded to the Secretary of Health, Education and Welfare and to the Surgeon General with this recommendation of the utmost urgency that Mr. Califano and the Surgeon General issue a joint statement regarding the health hazards involved in the use of marihuana, and be it

Further resolved, that copies of this resolution be sent to the Attorney General of the United States, Members of Congress, Governors of each State, legislative leadership in each state, and other appropriate public officials.●

STONEWALL JACKSON PROJECT RECEIVES FUNDING

HON. JAMES M. JEFFORDS

OF VERMONT

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 19, 1979

● Mr. JEFFORDS. Mr. Speaker, yesterday the House voted on the energy and water appropriations bill. I voted against this measure, due to the fact the bill contained numerous water project appropriations which I, in good conscience, could not support. One such project, the Stonewall Jackson Lake Dam was, unfortunately, allowed to receive funding, in spite of a gallant amendment effort by my colleague BOB EDGAR to delete funding for the project. This amendment was defeated by the House, even though overwhelming evidence indicated that the project is at best, a very questionable venture.

The Stonewall Jackson project will cost $9.1 million in fiscal year 1980, but the eventual cost will likely reach $225 million—according to the Environmental Policy Center's 75-page report on the project. The corps put the cost at $117 million.

The original project authorization was $35 million; the cost has grown not only because of inflation, but because the corps took an authorization for a 9,000-acre project and turned it into a 19,000-acre project. Relocation costs and other factors might drive the true cost higher.

Another fiscal issue raised by this project is the interest rate assumptions that underlie evaluations of corps projects. The interest rate which the Corps of Engineers is legally required to use in project evaluation depends upon the date on which the local assurances for the project were received. The State of West Virginia signed its cost-sharing contract in 1977; the interest rate then in effect was 6⅜ percent. In its evaluation of the project's costs and benefits, the corps used a 3¼-percent interest rate. If the higher rate were used, the benefit cost ratio—now 1.3 to 1—would fall below 1 to 1. I wonder how many times the corps has fiddled with figures such as these; our whole system of evaluating the benefits and costs of water projects is corrupted by projects like Stonewall Jackson.

On the basis of fiscal responsibility, and on other issues, I found the defeat of this amendment an unfortunate occurrence.

In another area, the appropriations measure as adopted by the House yesterday, did not contain specific funding for construction loan programs for small-scale hydropower as authorized under the National Energy Act of 1978. It is my understanding that the Appropriations Committee accepted in lieu of inclusion in this bill, an explanation by the administration that there were existing authorities available to the Departments of Commerce, Agriculture and other agencies to distribute direct loans, grants and loan guarantees for the purpose of small-scale hydropower construction.

Mr. Speaker, it is important that this program work, because small-scale hydro-electric development is a neglected technology whose time has come again. Unfortunately, the Federal Government has failed to keep pace with the high level of public interest and activity in relation to small-scale hydro.

This country moved away from small dam power generation when other sources of energy, including petroleum, offered cheap and efficient fuel for large power plants. We are now in a period of learning brought about by the energy crisis, and we are finding that some of the old technologies, if undertaken with modern efficiency, are effective and environmentally sound.

In New England and other regions private developers, power companies and municipalities are returning to the abandoned dam sites, rehabilitating and retrofitting them for energy generation. The projections for the amount of power these abandoned sites could provide are impressive. In New England alone between 7 and 19 million barrels of oil per annum could be saved by dam retrofitting, according to a recent study sponsored by the New England Congressional Caucus. I am confident that similar studies, if undertaken elsewhere, would reveal equally noteworthy figures.

Over the last 2 years, the Vermont Public Service Board has involved itself heavily in a study of low head hydro potential. They are particularly concerned that sites which look promising from an economic standpoint be developed as soon as possible, so that they may be available to help meet our energy needs.

The public service board (PSB) staff has been approached over the past several months by a number of individuals interested in hydropower development. They have attempted to provide them with needed assistance and information concentrating on State and Federal regulations, permit requirements, and financial assistance programs.

As an aid to those interested in hydroelectric development, the Staff has assembled a partial listing of 24 consulting engineering firms.

Since January 1978, the PSB has been participating in a study of the undeveloped hydropower potential at existing dams. The study is sponsored by the New England River Basins Commission and has as coparticipants the U.S. Department of Energy, the Department of Interior, the Corps of Engineers, and the six New England States. The intent of the study is to inventory all the dams in New England, determine power production potential, and identify economic, environmental, legal, and institutional barriers, and incentives for the development of hydropower. Phase I, the inventory of existing dams, has been completed.

The PSB staff, with assistance from the office of Terrance Boyle, the State's energy office, the water resources department (water quality division), the division for historic sites, the fish and game department, several utilities, and with the cooperation of almost all of the town clerks, as well as numerous individuals, assembled the inventory of dams in Vermont. Information provided in this basic data file includes the name of the dam, location (town, county, and stream), as well as head and drainage area of the dam. This is the most complete, up-to-date inventory of dams available. While it is likely that there are additional dams yet to be inventoried, virtually all of the dams significant for producing electrical power on a commercial scale have been included on that list.

The completed inventory submitted by Vermont to the Corps of Engineers to be computer tested for electrical generation potential included approximately 993 dams.

For each dam, the Corps of Engineers computer program calculated the electrical generation capacity at 40 percent and 70 percent capacity factors, using head and drainage area data provided by the public service board staff. The calculations involved several rather complicated engineering formulas dealing with factors such as estimated rainfall and theoretical mechanical efficiency. With a minimum cutoff of 5 feet of head and 50 kilowatts output of 40 percent capacity factor arbitrarily chosen, the corps identified 156 sites in Vermont with maximum potential capacity of about 150 megawatts.

Economics was not considered in these initial calculations. Original figures included 171 dams capable of producing 160 MW, but these figures were revised after field inspections. It was assumed that many of these original 171 dams no longer exist, or are in such poor shape that they need to be entirely rebuilt to be useful; therefore, the next step of the inventory was to make an on-site visual inspection of each of the dams that passed the screening for power potential. The purpose of the on-site inspection was to determine ownership, if possible, the type of construction—concrete, timber, earth, and so forth—the length, height, and structural condition of each dam. In addition, it was noted if a mill building or powerhouse existed, if the turbines, generators, or shaft equipment (shaft equipment was used for producing mechanical or mill power, not electricity) were in place, removed, or ever existed, and the same for the intake canal and gates. Also photos were taken of most of the dams visited.

Field inspections were made by PSB staff on most of the dams. Necessary information was obtained by telephone for several of the sites.

The inventory of Vermont dams has been satisfactorily completed, each dam has been screened for generation potential, and onsite inspections are completed for all dams with potential of 50 kW or more. The next question is to determine which dams make economic sense to develop. Few people will argue that energy costs will rise in the foreseeable future, and that as these costs rise, more and more sites will become economically competitive. The problem is determining what sites are competitive now.

The Corps of Engineers is currently in the process of evaluating each site for economic feasibility. This evaluation is not yet completed, and will not be available for inhouse use until the end of May.

Mr. Speaker, it seems at present that there are few dams deing developed for hydropower in Vermont.

There appears to be many reasons for this lack of activity. At first glance it is lack of economic feasibility that is holding up small-scale hydro development. Most private utilities have too high a cost for staff time and for their costs of capital to make hydro compete with other sources. Also, regulatory delays such as FERC licensing holdups, can add to the already high costs of development. Most municipals (with existing utilities or otherwise) appear to be able to develop hydros at costs that appear reasonable. Due to lower capital costs and an apparent lower cost for management and staff, hydro development by municipals appears more economically attractive than by private individuals or utilities. Drawbacks for municipal hydroelectric development include sale of surplus energy and high cost of additional capacity. Also, private utilities have fought the creation of new municipal utilities (for example, Springfield). Although there is no evidence the utilities are opposing hydro development, legal battles raise costs for the municipals, causing the hydro projects to become less economically attractive.

Private, nonutility developers of hydro-projects face the problems of both private and municipal utilities—high cost of capital, high back-up charges for an industry that has a hydro that provides only part of its energy needs, and problems of selling any surplus from the hydro to utilities that usually can be fairly cooperative with everything except price paid for electricity. Private developers also face the problem of obtaining financing. It is not always possible to obtain the needed loans from a lending institution.

It is sometimes difficult to separate economic viability from social, regulatory, and institutional factors. All ultimately reflect the same measure—that is, that most potential hydroelectric sites do not pay to develop right now, or are not being developed even if they are feasible. There are a number of social, regulatory, and institutional factors that may be inappropriate that unnecessarily increase the costs of new hydropower projects or that can delay feasible projects.

These factors include the fact that many people are sitting waiting for the Federal Government to finance their hydro projects, stopping momentum on feasible sites. Licensing of projects by the Federal Government can also be an added expense or roadblock to hydro developers.

Second, the most obvious hydro developers, the existing electric utilities, have only begun to show active interest in developing new hydros, because they have tended to be expensive (often have not been competitive with other sources), have small capacity, and due to a high capacity reserve in the NEPOOL, the additional capacity credits are not really necessary at this time. From an economical standpoint, hydros function most efficiently as peaking plants, but run-of-the-river hydros with little, if any, storage are more suited for intermediate operation. Most potential sites with existing dams fall into this category.

Third, it makes more economic sense for municipals to develop hydros, due to reasons mentioned above, but existing municipal utilities have already developed the good sites, and towns wanting to form a utility and perhaps develop hydro plants, are opposed by private utilities in expensive (perhaps prohibitively so) legal battles. Problems mentioned above of sale of electricity and purchase of additional power also figure heavily to discourage municipal development.

Finally, private entrepreneurs also have to face financing and regulatory problems, and utilities that will not, or can not, buy at prices that make the project attractive.

Finally, private entrepreneurs also have to face financing and regulatory problems, and utilities that will not, or cannot, buy at prices that make the project attractive.

Discussions with private entrepreneurs trying to develop hydro power projects seem to suggest that the price offered, around 21 mils per KWH, is not high enough to make the projects attractive. One man tentatively decided to use the power to heat and light an apartment house, rather than sell at wholesale price to GMP and then buy at retail from them.

Several industrial plants have been visited that formerly used hydro power, but have since retired their power plants. Most have interest in re-developing the hydro, but few, if any, are seriously contemplating it. The problem is always that redevelopment would be too costly, given cost of engineering studies, cost of capital, and current relatively low electrical rates.

Mr. Speaker, in conclusion, although the inventory and analysis of dams in Vermont by the Public Service Board, has shown a significant number in the State that may have commercial development possibility, few projects are being seriously studied for generation purposes. The existing privately owned utilities face high costs, regulatory holdups, but are proceeding with feasibility studies of several sites in the State.

Private entrepreneurs have the same cost and regulatory problems as the utilities, plus they have price problems selling electricity to utilities (price too low), purchasing back-up power (price too high), and also have difficulties obtaining the needed financing. These factors make it difficult for privately developed hydro projects to be a money-making proposition.

Municipal entities have a more favorable cost/benefit ratio for development of hydro projects, but they must deal with government regulation, and determined opposition of a municipalization of utility property from existing private utilities that can substantially increase costs of any planned system that includes hydro development.

It appears that there are a number of hydro sites that are not being developed that could produce power for the State. However, unless certain changes are made (financial, regulatory, legal, and institutional) to assist potential hydropower developers, few of the potential sites will be developed in the next few years.

Mr. Speaker, I hope that the agreement the Appropriations Committee came to with the administration on the issue of providing construction loan money for hydropower development is one which will become a reality in the near future, in order that the impediments to such development in Vermont are minimized soon.●

COVER-UP

HON. RON PAUL

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 19, 1979

● Mr. PAUL. Mr. Speaker, journalist Robert Sherrill recently reviewed "Cover-Up: The Politics of Pearl Harbor, 1941–1946," by Bruce Bartlett, in Inquiry magazine.

Considering the sentiment in favor of a memorial to President Roosevelt here in Washington, I would like to draw excerpts from Mr. Sherrill's article to my colleagues' attention.

BACKDOOR TO WAR

(By Robert Sherrill)

Grandiose plans are under way for a Franklin Delano Roosevelt memorial at the west end of the Tidal Basin in Washington, D.C., but Congress, showing much more than its customary savvy, has not yet authorized money for the memorial.

The delay makes good sense, and it will continue to make good sense until the nation finishes sorting out its feelings about FDR; finishes measuring what his disciples claimed he did for (or to) us against what he actually did. The myth of Roosevelt as the savior of a depressed nation has been pretty thoroughly debunked. The welfare capitalism of his New Deal, his Keynesian orgy, has left us with a federal government dedicated to waste and corruption and corporate favoritism. In any event, nothing could be plainer than FDR's success in pulling us out of the Depression only by pushing us into war.

Which is the second area that should be more fully explored before asking the taxpayers to spend money on FDR memorials. Could we have stayed out of World War II if we had been spared Roosevelt's machinations, and would we have been a happier and more secure nation today if we had done so? Did Roosevelt use not merely unfair but downright foul means to get us into the war?

Cover-Up: The Politics of Pearl Harbor, 1941–1946 attempts to answer both of those questions, but mainly the second one. . .

Cover-Up (a lousy title, for it deals with much more) strikes me as a thorough, low-keyed, fair, and completely nonpartisan review of the Presidential actions that led at least indirectly to the death of twenty-five hundred men and women at Pearl Harbor and three hundred thousand U.S. citizens in World War II.

The plot: Roosevelt wanted to take us into the European war as active participants, but, having promised during his 1940 campaign that he would not send Americans to fight in foreign wars, he felt it would be somewhat unseemly to break his word so soon unless we were attacked. On several occasions he tried to provoke the Germans to attack our military craft at sea, but drawing us into the war was the last thing Hitler wanted to do at that moment; our efforts to pick a fight were futile. So Roosevelt turned to the Pacific, and our relations with Japan, to seek a backdoor entry into the war.

Japan, which had signed a tripartite alliance with Germany and Italy (but wasn't working very hard at being an ally), had been bullying its way around China and Southeast Asia for some time. Late in July 1941, stung by Japanese aggression in Indochina, the United States persuaded Britain (and the Dutch) to join us in freezing Japanese funds—thus, with one stroke, depriving Japan of three-quarters of its foreign trade and nearly nine-tenths of its supplies of oil.

Needless to say, this placed Japan in an unbearable predicament. It was an action that frightened our top brass almost as much as it shocked the Japanese. Army Chief of Staff George Marshall and Admiral Harold Stark, chief of naval operations, definitely did not desire a two-front war; they wanted only to help England and France. In a November 5, 1941, memo to FDR (quoted by Bartlett), they argued that if Roosevelt could stall the Japanese with diplomatic games, even until February or March, the Pacific defenses might be made impressive enough to convince the Japanese they should not start a war.

But Roosevelt was adamant. Though twice—on November 7 and again on November 20—the Japanese pressed earnestly for negotiations, promising major changes in their military posture, Roosevelt would not even discuss the issue. He flatly told them that if they wanted our trade and our oil, they would have to accept our total package of demands at once: get out of China and Indochina completely and immediately, and recognize the sovereignty of Chiang throughout China. He had clearly given them an ultimatum they would not accept. Indeed, the Japanese could not accept it because they felt their national destiny was at stake. Japan either had to have our trade and oil, or it had to strike soon for oil, rubber, tin, and bauxite in Malaya, Borneo, and the Netherlands East Indies. And to guarantee that its strike would be successful, Japan would have to make certain that our fleet was crippled. Roosevelt had made this inevitable.

Our policy was not created in ignorance. In August 1940, army cryptologists had broken the Japanese code—the "Purple Code." After that, U.S. policymakers knew immediately what was in all of the supposedly secret Japanese diplomatic messages. "No longer," writes Bartlett, "can we simply assume that the provocations against Japan were merely shortsighted. We assume that President Roosevelt and the State Department knew precisely what they were doing and knew that war would be the result."

On November 5, 1941, Tokyo cabled Ambassador Nomura in Washington that if the two countries did not reach an agreement "by the 25th of this month" relations would fall "into a chaotic condition." Secretary of State Cordell Hull later admitted that when he saw the transcript of that secret message he knew it "could mean only one thing. Japan had already set in motion the wheels of her war machine, and she had decided not to stop short of war with the United States if by November 25 we had not agreed to her demands."

On November 22, still trying to get some agreement from Washington that would avert war, Tokyo cabled Nomura it was extending the November 25 deadline to November 29, but it warned: "This time we mean it, that the deadline absolutely cannot be changed. After that things are automatically going to happen."

All of our top policymakers knew what that cryptic final phrase meant. Bartlett quotes from the diary of Secretary of War Henry Stimson relating to a November 25 meeting at the White House: "There the President . . . brought up the event that we were likely to be attacked perhaps (as soon as) next Monday, for the Japanese are notorious for making an attack without warning, and the question was what we should do. The question was how we should maneuver them into . . . firing the first shot without allowing too much danger to ourselves."

I have written the above in such a way as to suggest that Roosevelt, wanting to get us into the European war through the Asian backdoor, conspired to force Japan to attack Pearl Harbor, and calculatingly left Pearl Harbor so vulnerable as to make the attack a success. But Bartlett would not be in complete agreement with my suggestion. He stops short of the conspiracy theory. Indeed, he is even willing to let Roosevelt off the hook for his failure to properly alert our commanders at Pearl Harbor, observing, "it is not clear that he or anyone else in the government knew exactly where the attack would take place. Of all American territory in the Pacific, the Philippines were considered the most likely Japanese target, not Pearl Harbor. Although there was evidence to suggest that Pearl might be attacked, there is nothing in the available record indicating that anyone in high authority was aware of this until it was too late. . . .

"Thus, in the final analysis, we must say that Roosevelt's guilt consisted not in a conspiracy to set up the fleet but in pursuing a policy he knew would lead to war and in failing to be honest about his intentions both before and after the attack."

Bartlett is striving so hard to be fair that he short-circuits some of his own evidence to the contrary. There may be no absolute proof that Roosevelt set up the fleet for the attack, but there is considerable material in Bartlett's own book tending in that direction. For example, Bartlett acknowledges that navy planners "knew that Pearl Harbor was vulnerable to surprise attack by aircraft carriers, a fact that had been demonstrated as early as 1932 in the Navy's annual maneuvers. Despite this, in 1940 the Pacific Fleet was moved by presidential order from its permanent base in San Diego to Pearl Harbor. . . ." When Admiral James O. Richardson, commander of the Pacific Fleet, virtually demanded of FDR that the fleet be returned to San Diego for a proper preparation for war, he was relieved of his command.

In early 1941, about the time Richardson was being silenced by FDR, Ambassador Joseph C. Grew, our man in Tokyo, sent the following dispatch to Washington: "My Peruvian Colleague told a member of my staff that he had heard from many sources including a Japanese source that the Japanese military forces planned, in the event of trouble with the United States, to attempt a surprise mass attack on Pearl Harbor using all of their military facilities."

Other intercepted Japanese messages strongly suggested that Pearl would be attacked. For example, Tokyo sent its consulate in Honolulu a message on September 24, 1941—with two messages of amplification before the attack—ordering information that officials in Washington immediately recognized as the making of a coordinate grid system to be used in a bombing attack. "These three messages," Bartlett claims, "added up to what was very nearly a dead giveaway that Pearl would be the target of a Japanese air attack."

As to the probable time for the Japanese attack, that could have been reasonably deduced by Washington. Bartlett explains: "...in the first week of December 1941 the United States intercepted a number of messages to various Japanese diplomatic missions ordering them to destroy their code machines. Historically this is a move that shortly precedes the outbreak of war." Thus, it was plain that the attack would come within a few days after the destruct orders were issued on Monday, December 1.

Furthermore, during the following Saturday night and early Sunday morning (December 6–7), Washington intercepted a fourteen-part message that the Japanese ambassador was told to present to the President, in reply to the U.S. ultimatum, at precisely 1 p.m. Washington time—7:30 a.m. Honolulu time. Washington's reaction was not naive. After reading the first thirteen parts, Roosevelt said to an aide, "This means war." As for the timing of the delivery, top brass of both army and navy interpreted that to indicate the probable time of attack.

Were the Army and Navy commandants in Honolulu alerted to what was going on? Yes and no. They had not been informed of the contents of any of the broken Japanese cables as they came into Washington. Almost to the last, they were not told in detail the gravity of the diplomatic dispute.

They were not informed of the bomb-grid messages.

However, they were not totally without warning. On November 27, Washington sent a message to Lieutenant General Walter C. Short, commander of the Army's Hawaiian department, warning him that negotiations with the Japanese "appeared" to be terminated and that "Japanese future action unpredictable but hostile action possible at any moment." He was ordered to "undertake such reconnaissance and other measures as you deem necessary . . ." In another message from Army G–2 (intelligence) Short was further warned that "subversive activities may be expected." G–2 did not—*not*—warn him of a potential attack but only of potential sabotage. To warn Short that hostile action was "possible at any moment" was very misleading: Washington knew (as the Army's Pearl Harbor Board investigators later put it, in the harshest terms) that hostile action *somewhere* was "absolutely imminent.... The messages actually sent to Hawaii by either the Army or Navy gave only a small fraction of this information."

Admiral Husband E. Kimmel, commander of the Pacific Fleet, stationed at Pearl Harbor, had also been given some warning. On November 27 Stark had sent him a message specifically identified as a "war warning." In it Stark said "an aggressive move by Japan is expected within the next few days," but Stark added that in his opinion the attack would be against the Philippines. Stark did not say that Washington believed Hawaii was a potential target.

Short and Kimmel showed incredible sloppiness and lack of imagination in the defense and watchfulness they provided Pearl Harbor. Kimmel deserves extra blame because, as Bartlett points out, "For years Navy planners had assumed that upon the outbreak of war with Japan, the Japanese would strike at the Pacific Fleet wherever it was located."

Still, having said that, we are simply saying that a couple of army and navy brass were slow-witted. . . . They were not so slow-witted, however, that they would not have responded quickly if they had been given direct orders from Washington to do so.

On December 7, General Marshall sent the first and only substantial warning to General Short, that "The Japanese are presenting at one p.m. Eastern Standard Time today what amounts to an ultimatum also they are under orders to destroy their Code machine immediately . . ." Marshall ordered Short to "be on alert accordingly." Strangely, the message was not sent from Washington until 11:52, less than an hour and a half before the first bombs fell. Furthermore, it was sent by just plain old commercial telegraph, and arrived in Honolulu after the attack was underway. "Why Marshall did not use a scrambler telephone or high-power radio transmitter," writes Bartlett, "has never been explained."

So Roosevelt got his war at last; perhaps not exactly the way he would have preferred—only a madman would have wanted to buy a war with the virtual annihilation of our battleship fleet, as occurred at Pearl Harbor. Still, who can say what mental state Roosevelt was in? He had just been elected to a third term, the first (and last) President so honored, and he unquestionably was suffering from delusions of grandeur. Later congressional efforts to get to the bottom of the Pearl Harbor disaster were blocked and hampered by the Roosevelt and Truman administrations (thus the "cover-up" title).

All admirers of Roosevelt, and, even many of his critics, will contend that how or why he manipulated us into World War II really doesn't matter because it was inevitable that we would eventually get in, and the sooner the better, for the cause was just and the results noble. It is time we begin seriously to question that old argument. Far from being noble, the results of World War II, like the effluence of Love Canal, have poisoned our earth seemingly forever. Most of the negative forces that make our national life so unhappy and irrational became permanent fixtures with World War II.

As for the worth of our military intervention, Bartlett rightly questions it—and even more properly questions the worth of any military intervention. "It is impossible to say what would have happened if Roosevelt had not goaded the Japanese into attacking the United States," he writes. "Perhaps the interventionists would have been proven correct, with Germany and Japan dominating the globe. This is highly unlikely, considering that Germany was already losing the war in the USSR by December 1941. . . . If the Soviet Union, with its vastly greater strength, has not yet conquered the world, chances are the Axis could not have done so either. . . . .

"[T]o one way of thinking, had the U.S. never intervened in World War II, Korea, and Vietnam we would now be little worse off in the international arena, and perhaps even better off . . . In the process we would have saved thousands upon thousands of lives and billions upon billions of dollars. . . .

"[W]e must include in the final cost of Pearl Harbor attack not only the lives of those who died on December 7, 1941, but of all those who have died since as the result of American intervention in World War II, Korea, Vietnam, and all the other engagements associated with the Cold War."

That last sentence should be allowed some place on the proposed FDR memorial, just to keep the engraved flattery in perspective.●

ENERGY CONSERVATION AND ALTERNATIVES

HON. ROMANO L. MAZZOLI

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 19, 1979

● Mr. MAZZOLI. Mr. Speaker, I wish to submit for inclusion in the RECORD information submitted to me on the important and timely subject of energy conservation and development, by Mr. John Knouse of Louisville, Ky., my congressional district.

Mr. Knouse came to my most recent citizen forum—meetings at which neighborhood residents can tell me what's on their minds—and described several ideas to decrease the daily use of energy and to develop alternative sources of energy.

While some of his suggestions are a bit fanciful, others seem to my "unscientific eye" to be feasible and deserve up close attention.

I believe my colleagues and other readers of the RECORD would benefit from Mr. Knouse's thinking on the most vital issue facing America and the world today.

The list of suggestions follow:

ENERGY CONSERVATION AND ALTERNATIVES

Solar energy

Solar Rankine-Cycle Cooling.
Solar Photovoltaic Conversion.
Passive Solar.

Direct solar

Solar Air Space Heating.
Solar Water Space Heating.
Solar Hot Water Heating.
Solar Furnaces (limited areas).

Solar—wind

Windmills (limited area).
Wind-Powered Ships.

Solar—water

Tidal Generation (very limited areas).
Wave Generation (limited areas).
Hydro-Electric (limited areas).
Ocean Thermal Electric Conversion (slightly limited areas).

Solar—biomass

Wood Burning (slightly limited areas).
Alcohol Production from Plant Waste.
Petroleum Production from Plants.
Methane Production from Plant and Animal Waste.
Solid Waste Combustion.

Other energy alternatives

Geothermal Generation (limited areas).
Ground Thermal Sink Cooling.
Hydrogen Power.
Animal Power (limited areas).
Plants as Thermal Moderators.
Coal.
Coal Pyrolysis, liquefaction, or Gasification.

CONSERVATION

Energy conservation

CoGeneration.
Insulation and Weather Stripping.
Plants as Thermal Moderators.
Passive Solar.
Ground Thermal Sink Cooling.
Heat Pumps with Solar, Ground Water, or Ground Thermal Sink.
Recycling.
Returnable Beverage Containers.
Attic Ventilation.
Hot Water Heating Efficiency.
Furnace Efficiency.
Changes in Urban Development and Road Construction Patterns.
Fireplace Efficiency.
Earth-Sheltered Buildings.
Building Location and Orientation.
Energy Conservation Window Placement, Type, and Installation.

Transportation alternatives

Pedestrian Access.
Bicycle Access.
"Mo-peds".
Buses.
Light Rail Transit.
Rapid Rail Transit.
Subways.
Long Distance Passenger Rail.
Rail Freight.
Carpooling and Vanpooling.
Alternative Automobile Power Plants.
More Efficient and Smaller Autos.
Wind-Powered Ships.
Animal Transportation.●

DISTORTION OF POLITICAL LANGUAGE

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 19, 1979

● Mr. LAGOMARSINO. Mr. Speaker, last February I inserted an article in the CONGRESSIONAL RECORD called "The Distortions of Political Language." The article, which was authored by the distinguished junior Senator from New York, Mr. MOYNIHAN, criticized the use of words that incorrectly influence our own perceptions of their meaning.

Mr. MOYNIHAN concluded in that article, which appears in the February 13 CONGRESSIONAL RECORD, that the Carter administration was particularly inept in "distinguishing the proper meaning of political words."

I think this tendency is most evident in the President's submission of a treaty referred to as an "arms limitation agreement." The treaty does not limit the arms race between the Soviet Union and the United States, and actually locks the United States into a position of inferiority in several key areas.

The following article, by William Randolph Hearst, highlights several of these areas in which the Carter administration claims a bilateral reduction in arms.

I commend the article to my colleagues, and to anyone concerned about the distortion of political language:

CARTER STAKING CAREER ON SALT

(By William Randolph Hearst, Jr.)

NEW YORK.—A week from today, President Carter will be in Vienna preparing to sign the SALT II treaty with Soviet President Leonid Brezhnev, having given skimpy details of the document to a few congressional leaders.

It will then be up to the Senate to do one of three things: ratify the treaty, amend it or reject it entirely. It will require a two-thirds vote to approve the treaty, either the original or an amended form, and on-the-scene professional observers for the Hearst Newspapers tell us it is doubtful the administration—despite great pressure—can round up the necessary votes.

Two aspects of the White House's handling of the SALT II agreement are both puzzling and disturbing to me.

Why, for instance, is Mr. Carter in such a big hurry to get the document signed?

And why has Secretary of State Cyrus Vance informed the Senate that the arms pact is too delicate to survive amendment on the Senate floor? Were the words of the treaty handed down on stone tablets?

Mr. Vance's hard-nosed posture reminds old hands of Woodrow Wilson's intransigence in 1919 when he insisted that the signing of the Versailles Treaty be tied inseparably to membership in the League of Nations.

Wilson staked his career on it—and lost.

Jimmy Carter seems to be repeating the mistake made by Wilson—he is making it Carter's treaty and Carter's view of what the world should be like.

Instead of convincing the senators that they should embrace his viewpoint, he is alienating them by causing them to infer that Mr. Carter wants peace at almost any price. He is infuriating some by implying that those who are not blindly in favor of SALT II are "warmongers."

Irrespective of what the treaty embodies, this has been bad handling all around. At a time when Mr. Carter's relationship with the lawmakers is at an ebb, anyway, it is disastrous to try to push the administration's most important program through the Senate by threats.

One cannot escape the belief that the Carter people are thinking of SALT II in almost exclusively political terms. There lingers the feeling that the president believes this pact will restore his dwindling image in Congress and throughout the nation.

The other side of that coin, of course, is that if he fails to get this through the Senate, it will be a crushing personal defeat and one that possibly he will not survive. Thus one questions the wisdom of his strategy in betting the entire pot on one throw of the dice.

The treaty, itself, is regarded by many as just plain bad. It castrates the one remaining example of U.S. technological superiority—the cruise missile. In addition, it grants the Soviets a powerful advantage over us in just about every weapons system.

The Soviet Union already has a slight superiority over U.S. weaponry in some areas. It has been building as rapidly as possible in the last half-dozen years, while we have been cutting back on military expenditures in the wake of the Vietnam War. Guilt and parsimony have dominated our military budgets. We are all, therefore, responsible for our present plight.

Paul H. Nitze, former deputy secretary of defense who was a member of the U.S. SALT negotiating team until 1974, lists four reasons why he is strongly opposed to SALT II:

It does not provide equality in nuclear weapons capability.

It will permit the Soviet Union to achieve, by 1985 or earlier, dangerous superiority over the United States in nuclear combat and destructive power.

That superiority will give the Soviets the power of political coercion over the United States and its allies in potential crisis situations.

The agreement will not reduce the risks of war. On the contrary, it can increase the risks of war if it makes Americans think that we are militarily stronger than the U.S.S.R. when we are not.

I agree completely with Mr. Nitze. When Nikita Khrushchev planned to plant missiles in Cuba aimed at us, President John F. Kennedy took some risk in threatening a nuclear strike if the Russians did not desist immediately, but at that time the Soviets knew that we had the greater power—so the red leader backed off.

We could not repeat that today, and we will be even less effective if SALT II is approved.

The question that also arises naturally is how are we going to verify the Russians' tests now that our Iranian listening posts are in the hands of the anti-U.S. leaders in that country?

We say we can send U-2 aircraft to 90,000 feet over our ally Turkey and see all that we need to see, but our friends, the Turks, say we must get permission from the Soviets to do so. That's not in SALT II, but it's so important it should be.

When one puts all of these objections together, plus the many more that space prohibits listing, the conclusion is that SALT II should go back to the drawing board. The Soviets can wait awhile longer. There need be no rush.

If negotiations are reopened, it will be necessary this time to insist that we be given the right to rebuild our second strike capability. Military strategists tell us that our ability to fire off a second strike is the greatest single deterrent to Soviet nuclear attack. So why isn't that in the agreement?

Another example of President Carter's peace-at-any-price attitude came with his announcement that he would not lift the trade sanctions against Zimbabwe Rhodesia, despite the fact that a free election was held and that country is now under black rule.

He is insisting, among other things, that the guerrilla forces outside the country, led by communists, will wage war against the people living inside Zimbabwe Rhodesia's borders. Both guerrilla leaders, Nkomo and Mugabe, were invited repeatedly to participate in free and open elections. Carter knows that.

Again, we play into the hands of the Soviets. How they must be chortling in the Kremlin.●

HONORS PROGRAM

HON. HAROLD S. SAWYER

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 19, 1979

● Mr. SAWYER. Mr. Speaker, I would like to bring to the attention of my colleagues an honors program that is being conducted by the Grand Rapids Junior College in Grand Rapids, Mich. This program allows outstanding students who are high school seniors to enroll in college level programs.

I believe that this program is an excellent one serving as a splendid opportunity for talented young people. I received information on this program through Mrs. Georgina Doyle, a teacher in this honors program. She sent me a composition written by Mr. David Kieras, one of the 75 seniors enrolled in the program taught at Creston High School. I am enclosing in the RECORD today the essay by David Kieras and hope that you will take the time to read it, paying particular attention to David's fine writing style.

The essay follows:

SOCIAL SERVICE

Population on the earth has surpassed four billion people. Because of rising population levels, metropolitan areas are expanding and churning neighboring woodlands into industrial areas. As society grows ever larger it becomes concerned with expanding and accommodating itself and it buries the individual and his thoughts. As cities become larger and more crowded, social problems increase and unemployment rises, especially among the 17 to 21 year age group. Therefore, between the ages of 17 and 21, all persons not physically incompetent should be required to serve one year in some nonprofit organization devoted to conservation, social service, medical assistance, or poverty relief.

The main argument against this obligatory service (or social service) is that this provision leaves no "freedom of choice" and forces people into service. The second argument is that this would create an extreme burden for some who must support families (and others in similar situations). A third argument is that this social service would detract from the educational process and lower already declining performance levels.

In rebuttal to the first argument I must delve deeply into military service requirements. Males over 18 years old could be drafted into the armed forces (if the old drafting policy is reimplemented). During wartime, military service is accepted because it is in defense of our country. Our free choice to reside in the U.S. is guaranteed, and, therefore, we accept the responsibility to protect it if necessary. In the light of rising population growth; migration of Mexican workers; and the influx of refugees, immigrants, and other aliens; our society is in danger of crumbling. Therefore, we are actually at war with social problems. Our society is the strength of our country and we must defend it against social injustices, poverty, inadequate medical service, and deficient conservation policies. To defend it, we must strengthen these aspects so that we can build a nation that will accommodate future generations. We should accept social service much as we do military service to defend and protect our country.

In answer to the second objection, I must point out that provisions could be made for those who would have difficulty being in the social service. Priorities such as choice of work, time of work, and close proximity of work to home, would be necessary to help tame the burden on those special cases. These provisions would make social service relevant and viable for even the hardship cases. In view of these provisions, the objection becomes irrelevant because the hardship cases are given special treatment to bring their burden down to an acceptable level.

In reference to the third objection, I believe that compulsory social service would actually enhance education. Because of the first hand learning and training opportunities and personal experiences possible, the program would not attentuate the educational process. It would expose the young adults to new life-styles and give them a sense of well being and caring from their community service. It would aalso give them a sense of security knowing what they can experience and accomplish in their work. Since the purpose of education is to prepare students for life, we can consider these social service as personal extension of one's education.

In addition, this social service would provide other bonuses. It would protect our dwindling natural resources by conservation. Also, as in the issue of supply and demand, it would deter unemployment by creating a higher demand for available employees over 21 years old (those not involved in the service).

This proposal merits serious consideration as a worthwhile course of action. This is our country and we must protect it. If we delay—our following actions may be too little, too late.●

A BILL FOR THE PROTECTION OF ORNAMENTAL DESIGN

HON. TOM RAILSBACK

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 19, 1979

● Mr. RAILSBACK. Mr. Speaker, today I am reintroducing legislation for the protection of ornamental designs of useful articles. The new bill is nearly identical to the one I introduced in March of this year, H.R. 2706. There were some technical defects in the earlier bill which necessitate this reintroduction. Similar legislation was initially introduced in 1957, and various versions passed the Senate in 1962, 1963, and 1966.

The purpose of this proposed legislation is to encourage the creation of original ornamental designs of useful articles by protecting the authors of such designs for a limited time against unauthorized copying. The bill is intended to avoid the defects of the existing copyright and design patent statutes by providing a simple, easily secured protection for a period of 5 years or, if renewed, a period of 10 years, under appropriate safeguards and conditions.

The interest in securing design protection probably began for two unrelated reasons. First, the patent law revision of 1952 deliberately left the previous design patent provisions alone, probably thinking that the patent law was an inappropriate home for design protection. Second, the U.S. Supreme Court in 1954 handed down its decision in *Mazer* v. *Stein*, 347 U.S. 201. This decision upheld the copyrightability of a work of art which is incorporated in, but severable from, the design of a useful article.

The rationale for a new form of design protection remains the same as it was 20 years ago, and that is that the traditional design patents are available only for "novel" and "nonobvious" designs, which makes such patents difficult and expensive to acquire, while traditional copyright is available only for conceptually severable works of art, which are protected for a term of life-plus-50 or 75 years. A design law such as the one I have proposed would provide readily obtainable protection without regard to a design's conceptual severability, for a rather short term.

That the absence of effective design protection remains a problem for business today may be seen in the recent case of *Esquire, Inc.* v. *Ringer*, 414 F. Supp. 939 (D.D.C. 1976), rev'd. 199 USPQ 1 (D.C. Cir. 1978). There a manufacturer of a concededly attractive parking lot light fixture sought to register a claim to copyright in its design. The Copyright Office refused to register the claim on the grounds that there was no conceptually severable work of art which could be distinguished from the utilitarian light fixture. The District of Columbia circuit agreed, and the Supreme Court denied both certiorari and a motion for reconsideration of its denial. The trial court which had found for Esquire, noted that refusal to register the work in question appeared to amount to discrimination against works of modern or abstract applied art as opposed to traditional works, such as the Balinese figurines which were registered as lamp bases in Mazer. Many commentators have felt that the Esquire fixture was the product of at least as much creative effort as the figurines in Mazer, and thus deserving of protection.

Mr. Speaker, I am hopeful that our Subcommittee on Courts will schedule hearings on this matter in the very near future.●

THE OIL INDEPENDENCE ACT OF 1979

HON. FLOYD SPENCE

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 19, 1979

● Mr. SPENCE. Mr. Speaker, shortages of gasoline and ever increasing fuel prices have brought the energy crisis home to every American.

All agree that our energy situation will remain precarious as long as our dependence on foreign sources of oil continues to grow. For the leading Nation of the world to be subject to economic blackmail by oil exporting nations is intolerable to the American people.

To reduce our dependence on the OPEC cartel, I am today introducing the Oil Independence Act of 1979, a measure designed to promote the commercial development of alcohol fuels. The bill provides loan guarantees of up to $15 million for at least 20 alcohol fuel plants, and provides additional research money for alcohol fuel, gasohol, a blend of 10-percent ethanol (grain alcohol) and gasoline has been much in the news, as it can be produced from agricultural commodities. The bill also promotes methanol (wood alcohol), another variety of alcohol that shows promise as a fuel, that can be produced from coal, wood and solid waste.

The Heritage Foundation has completed a study, that will be distributed to House Members, which concludes that the economic feasibility of alcohol fuel has been dramatically improved by recent increases in oil prices. Developing alcohol fuels on a commercial basis will not put the oil cartel out of business, but it will be a boost in the cause of energy independence on our part.

The text of the Oil Independence Act of 1979 is reproduced below:

A bill to authorize the Secretary of Agriculture to guarantee loans for the construction and operation of fuel alcohol plants, using agricultural commodities, forest products, coal, coal tars, and solid wastes as feed stocks, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Oil Independence Act of 1979".

STATEMENT OF PURPOSE

SEC. 2. The purposes of this Act are—

(1) to contribute toward the development of a secure liquid fuel supply in the United States by providing the foundation for a viable fuel alcohol industry; and

(2) to increase the security and enhance the economic health of the United States.

FUEL ALCOHOL PLANT LOAN GUARANTEES

SEC. 3. Section 509 of the Rural Development Act of 1972 (7 U.S.C. 2669) is amended to read as follows:

"SEC. 509. FUEL ALCOHOL PLANT LOAN GUARANTEES.—(a) The Secretary of Agriculture is authorized and directed to formulate and carry out a program for the production and marketing of industrial hydrocarbons and motor fuels derived from agricultural commodities, forest products, coal, coal tars, and solid waste for the purpose of stabilizing and expanding the markets for such commodities and products and expanding the Nation's supply of industrial hydrocarbons and motor fuels.

"(b) The Secretary shall provide for the construction of at least 20 plants for the production of industrial hydrocarbons and motor fuels from agricultural commodities, forest products, coal, coal tars, and solid waste by guaranteeing loans, not to exceed $15,000,000 per each such plant, to public, private, or cooperative organizations organized for profit or nonprofit for a term not to exceed 20 years and at a rate of interest agreed upon by the borrower and the lender. Such guarantees shall be subject to such other controls and regulations as deemed appropriate by the Secretary to protect the financial interests of the United States.".

GRANTS FOR RESEARCH

SEC. 4. Section 1419 of the Food and Agriculture Act of 1977 (7 U.S.C. 3154) is amended—

(1) in the first sentence, by inserting "and solid waste" after "coal derivatives" and by striking out "and forest products" each place it appears in such sentence and inserting in lieu thereof ", forest products, and solid waste"; and

(2) by inserting after such sentence the following new sentence: "At least 50 percent of any funds appropriated in any fiscal year for carrying out the provisions of this section shall be available for making grants under this section for the purpose of conducting research relating to the identification and development of by-products from the production of industrial hydrocarbons and motor fuels from agricultural commodities, forest products, coal, coal tars, and solid waste.".

EFFECTIVE DATE

SEC. 5. The provisions of this Act shall take effect October 1, 1980.●

SENATE—*Wednesday, June 20, 1979*

(Legislative day of Monday, May 21, 1979)

The Senate met at 9:30 a.m., on the expiration of the recess, and was called to order by Hon. PAUL S. SARBANES, a Senator from the State of Maryland.

PRAYER

His Eminence, Archbishop Iakovos, primate of the Greek Orthodox Church of North and South America, New York, N.Y., offered the following prayer:

Let us pray.

In these times which demand our full attention and dedication this Nation of ours particularly recalls its oath of allegiance lovingly bequeathed to us by the Founding Fathers of our democracy. We still proclaim their faith which is that this Nation shall remain one indivisible family under God with justice and liberty for all. Thou knowest, O Omniscient Lord, that nothing is more imperiled in today's society of men as much as justice and liberty and the oppressed both here and abroad. Thou, O Provident Father, has commanded us to seek justice and righteousness above all else. Grant us, therefore, we beseech Thee, the prudence and the fortitude to continue our pursuit for justice and liberty for all. For we think of ourselves not as elected legislators but as instruments and ministers of Thy will. Enable us, O Omnipotent Father, to further Thy commandments that we can be Thine household and govern our lives and actions so that we may bring honor to Thy holy name and love and benevolent services to our fellow man at home and throughout the world. This we ask in behalf of all, as we long for Thine invisible yet real presence in our midst, O Father of all, whom we honor and worship now and evermore. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. MAGNUSON).

The assistant legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., June 20, 1979.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable PAUL S. SARBANES, a Senator from the State of Maryland, to perform the duties of the Chair.

WARREN G. MAGNUSON,
President pro tempore.

Mr. SARBANES thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF THE ACTING MAJORITY LEADER

The ACTING PRESIDENT pro tempore. Under the previous order, the acting majority leader is recognized.

THE JOURNAL

Mr. STEWART. Mr. President, I ask unanimous consent that the Journal of the proceedings be approved to date.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

RECOGNITION OF THE ACTING MINORITY LEADER

The ACTING PRESIDENT pro tempore. Under the previous order, the acting minority leader is recognized.

Mr. WARNER. Thank you, Mr. President.

APPRECIATION TO ARCHBISHOP IAKOVOS

Mr. WARNER. Mr. President, as one Senator, I express appreciation for the archbishop coming today to open the Senate.

It was my privilege in 1976, as one of the leaders of the Nation's Bicentennial to attend a memorial service presided by the archbishop in New York City, and I shall never forget that day. I am grateful once again to be in his presence.

Thank you, Mr. President.

I yield back the remainder of my time.

(The following proceedings occurred later and are printed at this point by unanimous consent.)

RECOGNITION OF SENATOR SARBANES

The PRESIDING OFFICER (Mr. LEVIN). Under the previous order, the Senator from Maryland (Mr. SARBANES) is recognized for not to exceed 15 minutes.

ARCHBISHOP IAKOVOS, PRIMATE OF THE GREEK ORTHODOX CHURCH OF NORTH AND SOUTH AMERICA

Mr. SARBANES. Mr. President, I am pleased to have heard the Senate's opening prayer delivered by and to be able to welcome among us today His Eminence Archbishop Iakovos, the primate of the Greek Orthodox Church of North and South America.

This year marks the 20th anniversary of the enthronement of Archbishop Iakovos as primate of the Greek Orthodox Church in the Americas.

For two decades the archbishop's vigorous and highly respected spiritual leadership has been the moving force in the reform and strengthening of the Greek Orthodox Church in the Americas.

When Archbishop Iakovos assumed the leadership of the Greek Orthodox Church on April 1 of 1959, few anticipated the profound challenges and problems which would soon confront our Nation and the world. In a short time America was swept into a period of startling social and economic change—a war which divided the Nation and even families, and a crisis in the Presidency which shook the constitutional foundations of our democratic society. Such upheavals in virtually every aspect of our lives severely tested deeply cherished and longheld religious beliefs. For many it was a time of great personal confusion. As some contemporary observers noted, it was a period of "crisis in belief."

Throughout the difficult decades of the sixties and the seventies, the Greek Orthodox Church was fortunate to have at its helm Archbishop Iakovos, a churchman whose leadership helped to preserve religious beliefs and institutions and, indeed, inspired all to greater commitment and accomplishment.

From the very beginning, the archbishop's stewardship led away from old prejudices and divisions and toward a renewal of religious belief and conscience.

Archbishop Iakovos was born July 29, 1911, on the Aegean Island of Imbros, where he received his primary education. He later attended the Theological School of Halki of the Ecumenical Patriarchate from which he graduated in 1934 with great honors. On November 25 of that same year he was ordained a deacon for the metropolis of Derkon, an area along the European coast of the Bosphorus and Sea of Marmara.

In 1939, he came to the United States to serve as archdeacon to the late beloved Archbishop Athenagoras, who later served as the ecumenical patriarch of Constantinople from 1949 to 1972.

Archbishop Iakovos at that time also served on the faculty of the archdiocese's theological school, Holy Cross

School of Theology, which was then located in Pomfret Center, Conn., and has since been moved to Brookline, Mass.

He was ordained a priest in Lowell, Mass., on June 16, 1940. On August 16 of that same year he was made an archmandrite. He served in this capacity at Hartford, Conn., in 1940 and 1941; then, as a preacher at the Holy Trinity Cathedral in New York from 1941–42; and in 1942, for a brief period, he served as temporary dean of the St. Nicholas Church in St. Louis, Mo.

In September 1942, he was appointed dean of the Cathedral of the Annunciation in Boston and served in that capacity until 1954. While in Boston, Archbishop Iakovos studied at the Harvard Divinity School receiving his master of sacred theology (STM) degree in 1945. In 1950, he became a naturalized American citizen.

On December 17, 1954, he was elected bishop of Melita (Malta) and was assigned to the archdiocese of Central and Western Europe. His consecration took place in the historic St. George Cathedral of the Ecumenical Patriarchate of Constantinople on February 6, 1955. In March 1955, he was appointed personal representative of the Ecumenical Patriarchate to the World Council of Churches headquarters in Geneva, Switzerland. He traveled throughout the world, representing Patriarch Athenagoros, taking part in ecumenical and interfaith meetings.

On February 14, 1959, at the age of 47, he was elected archbishop of North and South America by the holy synod of the Ecumenical Patriarchate, succeeding the late Archbishop Michael, who died on July 13, 1958, after serving as archbishop of North and South America since 1949. Archbishop Iakovos arrived in the United States on March 31, 1959, and was enthroned April 1, at the Holy Trinity Cathedral in New York City.

The Greek Orthodox Archdiocese of North and South America is under the jurisdiction of the ancient Ecumenical Patriarchate of Constantinople now headed by Patriarch Demetrios. The archdiocese has a total of 3 million communicants and over 550 churches in North and South America. It is the headquarters of the Greek Orthodox Church, which is the largest of the many Eastern Orthodox bodies in America.

Since succeeding the late Archbishop Michael as primate of the Greek Orthodox Church of North and South America, His Eminence Archbishop Iakovos has become known as the leading exponent of orthodoxy in this country and also as an authoritative spokesman of the ecumenical movement for Christian unity. Archbishop Iakovos has close ties with Protestant, Episcopal, and Roman Catholic Churches in the United States, especially within the World Council of Churches and the National Council of Churches, and has sought improved relations between Christians and Jews. He is known as one of the leaders of the modern ecumenical movement and presently he co-chairs the Orthodox Catholic Consultation with His Eminence William Cardinal Baum. In January 1969, he was the first Greek Orthodox archbishop to preach at Saint Patrick's Cathedral in New York.

Archbishop Iakovos was elected a president of the World Council of Churches in August 1959, and was reelected for a second term, in December 1961. Since 1960, he has received the honorary doctorate degree from such well-known universities as Brown University, Catholic University, General Theological Seminary, Holy Cross, Fordham, and Notre Dame.

Among the archbishop's more significant activities in inter-Orthodox relations was the initiative he took in January 1960, for the creation of the standing conference of the Canonical Orthodox Bishops in the Americas, designed to promote closer ties among the various Orthodox groups in America and better relations between them and other denominations. Archbishop Iakovos has been chairman of the standing conference since its inception.

Archbishop Iakovos was present at the historic meeting between Patriarch Athenagoras I and Pope Paul VI in the Holy lands early in January 1964. He also attended, as a member of the official ecumenical patriarchate delegation, the historic ceremonies on December 7, 1965, which nullified the centuries-old "anathema" between the Roman Catholic and Greek Orthodox Churches.

Archbishop Iakovos has been honored by both the United States and Greek Governments as well as by the B'nai B'rith; the Appeal of Conscience Foundation; the National Conference of Christians and Jews; Religious Heritage of America, and many other organizations. His moral and religious leadership have contributed greatly toward a better world understanding and commitment to civil and human rights. In 1965, he was in the forefront of the civil rights movement as he marched with the late Dr. Martin Luther King, Jr., in Selma, Ala., and supported, with vigor and conviction, the civil rights legislation passed by Congress during those crucial years. He has forcefully spoken out for religious freedom and against the violation of human rights. In fact, his indelible commitment to the inalienable rights of all people and his eloquent and forceful protests against tyranny and injustice have incurred the anger of oppressive governments throughout the world and the praise, respect and appreciation of freedom-loving peoples everywhere.

We are deeply honored to have had His Eminence, Archbishop Iakovos, one of the world's most distinguished spiritual leaders, with us today. His wise and vital ministry of brotherhood, justice, and love has been an inspiration to the Nation and, indeed, the world.

Mr. JAVITS. Mr. President, will the Senator yield?

Mr. SARBANES. I yield to the Senator from New York.

Mr. JAVITS. Mr. President, I would like to join Senator SARBANES in his fine statement about Archbishop Iakovos. I have known the archbishop for a number of decades and with the greatest respect, and I would simply like to underscore the testimony given by Senator SARBANES as to his ecumenical interests, which are extraordinarily broad and deep, and to the archbishop's dedication to both civil rights and human rights which are exemplary even among churchmen.

I am delighted to join my colleagues in paying honor to a great personality in our city and in the world, who does us the great honor of being here to lead the Senate in prayer this morning.

Mr. GOLDWATER. Mr. President, will the Senator yield?

Mr. SARBANES. I yield to the Senator from Arizona.

Mr. GOLDWATER. Mr. President, I, too, have known the archbishop for some time. It gives me extreme pleasure to acknowledge his friendship, not just between the two of us, but I speak for those people of Greek descent who live in Arizona, who are very, very proud of the work that he has done, and I know they would want me to voice my sentiments, as I have, for myself and for them.

We need many, many more spiritual leaders like the archbishop in this world.

Mr. CHILES. Mr. President, will the Senator yield?

Mr. SARBANES. I yield to the Senator from Florida.

Mr. CHILES. Mr. President, I just wanted to join in these remarks. The archbishop is a very familiar face in Florida. He comes to Florida very often, and almost always presides over the Epiphany ceremony that takes place in Tarpon Springs. This is a major event every year, in which the archbishop blesses the cross that is thrown into the sea, and it is a very moving ceremony, which I have had an opportunity to attend many times. After the cross is thrown into the sea, the young men dive for it, and the greatest honor that you can receive as a young man in Tarpon Springs is to be able to recover the cross. They always receive a special blessing from the archbishop.

At the time the cross is thrown, they also release a dove. I recall a time when I attended several years ago, when the dove was released, it flew around over the sea and came back and landed right on the archbishop's head. I think he very much felt, on that occasion, that the Holy Spirit had descended upon him, as we know that it had, and he gave a particularly inspired blessing at that event.

It is a great pleasure to represent my State here today in saying how proud we are to have the archbishop provide the opening prayer for the Senate today, as we are always very proud in Florida to have him preside at ceremonies taking place in our State. I think he is truly a world leader and one of the great Christian leaders in the world today.

Mr. SARBANES. Mr. President, I particularly want to thank the Senator from Florida for telling the Senate that story. I was fortunate enough to be at Tarpon Springs on the day when that occurred. Every year during the ceremony a dove is released, and this particular year the dove circled around and came back and landed right on the archbishop's hat. We all felt that carried with it tremendous symbolism, and I thank the Senator from Florida for placing that story on the record.

Mr. CHILES. It was very moving for all the people who were there. You could really feel the spirit that was present.

Mr. TSONGAS. Mr. President, we are fortunate today to be offered words of prayer from a great spiritual leader. Archbishop Iakovos, Primate of the Greek Orthodox Church in North and South America, has served wisely and compassionately in that high position for the past 20 years. He has aided Americans unselfishly since coming to the United States 40 years ago.

Over the decades, Archbishop Iakovos has kept a commitment to Christian vitality and unity. He has paid particular attention to young people in his travels throughout the Americas. He has figured prominently in the ecumenical movement among Roman Catholic, Protestant, Anglican, and Orthodox Churches.

In 1959, the archibishop was received by Pope John XXIII at the Vatican as a special emissary of Patriarch Anthenagoras. He was the first Greek Orthodox archbishop to visit a Roman Catholic Pontiff in more than four centuries. Five years later he accompanied Patriarch Athenagoras on his historic journey to Jerusalem, where Patriarch Athenagoras met with Pope Paul VI.

In that same year, 1964, Archbishop Iakovos dedicated himself and his church to the quest for equal rights in the United States. He marched from Selma, Ala. to Montgomery with the Reverend Dr. Martin Luther King, Jr. He later told a reporter, "The Selma march with children and people of different colors, walking toward the Kingdom . . . was the highest moment of my last 10 years." The archbishop also gave vigorous support for passage of the Civil Rights Acts of 1964 and 1965.

This honored leader of the Greek Orthodox Church in the Americas has spoken out against suffering and injustice throughout the world. He has strongly protested the United Nations resolution of 1975 equating Zionism with racism. He has been a leader in efforts to assist Greek Cypriot refugees from the Turkish military invasion and occupation of Cyprus in 1974.

Archbishop Iakovos came to the United States from Turkey 40 years ago to find religious freedom. He was ordained to the priesthood in my hometown of Lowell, Mass. in 1940. He testified to his commitment to our people by becoming an American citizen in 1950. Throughout his life, he has devoted himself to the dictates of Christian faith in a divisive, troubled world.

His relentless dedication has been recognized by countless awards. In the single year of 1970, for example, he was named "Clergyman of the Year" by Religious Heritage of America, and "Man of Conscience" by the interfaith Appeal of Conscience Foundation. That same year, he was also honored by the President as a "Distinguished American in Voluntary Service." I hope Archbishop Iakovos has many more years of dedicated service to Americans and all citizens of the world.

TWENTIETH ANNIVERSARY OF THE ENTHRONEMENT OF ARCHBISHOP IAKOVOS

Mr. DOLE. Mr. President, today we are privileged to have His Eminence Archbishop Iakovos open our session with a prayer. For 20 years, Archbishop Iakovos has served as primate of the Greek Orthodox Church archdiocese of North and South America. His distinguished service continues a long history of courage and conviction in the Greek Orthodox Church.

The proud history of that church extends back almost 2,000 years. Despite difficulties over the years, the church has always emerged triumphant. The early Greek Orthodox Church faced constant harrassment and persecution by the Roman Empire, but succeeded in nuturing the Christian faith in its formative early years.

After the fall of the Roman Empire in A.D. 476, much of classical and Roman culture were kept alive by the Byzantine empire, and the Greek Orthodox Church in large part made possible the renaissance, with its reflowering of ancient traditions.

By 1821, nearly 400 years of Ottoman domination had become intolerable to the Greek people. At this pivotal time, it was once again the church that came forward to demand justice. As a result, Greece today is a free and independent nation.

To this magnificent record of achievement, Archbishop Iakovos has added his own contributions. During his 20 years as primate of the Greek Orthodox Church in the Americas, great advances have been made. Today his flock can count over 2 million members, 1.5 million of them in the United States.

Archbishop Iakovos has continually spoken out against injustice, criticizing the governments of both Greece and Turkey, when warranted. He has continued to raise his voice in the face of penalties that might deter a lesser man. Because of his courageous condemnation of the Turkish strafing of Cyprus in 1964, Archbishop Iakovos cannot return to Constantinople (Istanbul), spiritual home of the Greek Orthodox Church.

And his crusade for justice has not been confined to Greece and Turkey. He marched alongside Martin Luther King during the historic march to Selma, emulating the courage of the men and women who refused to wait longer for the justice promised by America's founders to all our people.

The same powers which have permitted Archbishop Iakovos to make such contributions to the pursuit of human justice and brotherhood have also enabled him to forge closer ties between the Greek Orthodox, Protestant, Roman Catholic, and Jewish people. Such links have made it possible for Americans of different faiths to work together toward common goals, realizing that only by unified activity can we build a better world for tomorrow.

Mr. President, I call on the Senate to dedicate itself to the pursuit of justice with the same vigor that Archbishop Iakovos has displayed for the past 20 years. And I extend to him our gratitude for gracing this Chamber with his wise words and devout faith.

ORDER OF BUSINESS

The ACTING PRESIDENT pro tempore. Does the acting majority leader yield back his time?

Mr. MOYNIHAN. Mr. President, will the acting majority leader yield?

Mr. STEWART. Mr. President, I yield 5 minutes of my time to the Senator from New York.

Mr. MOYNIHAN. I appreciate the courtesy of the Senator.

OPEC—ANTITRUST VIOLATORS

Mr. MOYNIHAN. Mr. President, if one were to peruse the Record that is on our desk this morning he would find that last evening the concluding remarks in the Senate were an exchange between my friend and distinguished colleague from Pennsylvania, Senator Heinz, and me, concerning the OPEC cartel and the extraordinary contrast between the unfair and, so far as I am concerned, illegal aspects of those trading practices. in terms of the regime of world trade and the world economy envisioned in the MTN legislation which had just been introduced on behalf of the Committee on Finance.

Mr. President, this morning I was dismayed to read on the front page of the Washington Post that the United States is considering backing OPEC in a suit being brought against it by the International Association of Machinists. The Machinists' suit asserts, as I think could very well be asserted, that OPEC is fixing prices in a manner contrary to American law.

Mr. President, I ask unanimous consent that the Washington Post article be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

[From the Washington Post, June 19, 1979]

U.S. Considers Backing OPEC in Suit

(By Charles R. Babcock and J. P. Smith)

The Carter administration is considering going into federal court to help the Organization of Petroleum Exporting Countries (OPEC) fend off price-fixing charges that have been brought against the cartel.

Top administration officials from the State, Treasury and Justice Departments met yesterday at the White House to consider filing a "friend of the court" brief in the case. Government lawyers might claim that a federal judge in Los Angeles, where the suit was filed, does not have jurisdiction to hear it, officials said.

The unique suit received little national attention when it was filed last December by the International Association of Machinists. The union accuses OPEC and its member nations of violating federal antitrust laws and seeks money damages and an injunction to stop the cartel from passing further price increases on to American consumers.

Treasury Secretary W. Michael Blumenthal is concerned that OPEC might withdraw billions of dollars it holds in U.S. securities and cash in U.S. banks to ensure the assets are not seized if the union wins the case, officials said. State Department officials fear OPEC might retaliate by cutting off oil supplies, they added.

Another meeting of the group is set for today, one of the officials involved said. But he said it is unlikely that President Carter would approve any government intervention that could be construed as taking OPEC's side against the American consumer.

"Can you imagine the guy sitting in line waiting for gas with the radio on and hearing that the Justice Department is going into court to defend OPEC?" he said.

Another high administration official said of Robert J. Lipshutz, presidential counsel: "Of course he's worried about going in to defend OPEC when gas lines are wrapped around the block."

Lipshutz referred a reporter's inquiry about yesterday's meeting to Justice. "I don't want to refer to the meeting, confirm or deny it took place," he said. "It is pending litigation, and we simply can't comment."

The administration's sensitivity about how to respond to the suit is heightened by reports that OPEC will boost oil prices to $20 a barrel at its meeting in Geneva next week. OPEC has already raised its prices 35 percent this year.

Secretary of Energy James Schlesinger has predicted that Americans will pay $60 billion for imported oil next year.

Richard I. Fine, attorney who filed the price-fixing suit for the machinists' union, said in a phone interview from Los Angeles yesterday that "it's ludicrous" that the government is even considering intervening in the case.

"It would be totally outlandish for the U.S. government to file anything against the interests of its citizens," he said. "The government should have brought the suit against OPEC in the first place."

Fine, a former antitrust lawyer for Justice, noted that the department once had considered such a suit.

Ironically, it is lawyers from the Justice Department's antitrust division—whose job it is to attack price-fixing—who are researching ways to defend OPEC.

The machinists' suit outlines the history of OPEC actions to raise world oil prices and alleges the cartel violated the terms of the Sherman Antitrust Act.

Machinists' attorney Fine also referred in the suit to the Foreign Sovereign Immunities Act, which states that sovereign nations operating commercially within the United States are subject to U.S. laws.

Fine said he expected any challenge to the suit to try first to attack the jurisdiction of the court by saying the Foreign Sovereign Immunities Act doesn't apply to antitrust laws. "But can you imagine the editorial cartoons if they [Justice official]s came in on such technical grounds?" he said.

The State Department was aware of the suit from the beginning, Fine said, because it had to serve the 13 members of OPEC with the court papers. None of the nations has appeared in court to answer the charges, he said.

He said he plans to seek default judgments against Algeria, the Gabon Republic and Qatar because their time to answer the suit already has expired. One official speculated that lawyers for the OPEC nations might not answer the suit because they fear that doing so would be recognition that they are within the jurisdiction of the court.

"At first no one believed this suit," Fine said. "They thought it was a publicity stunt. But now there's a lot of paper on file. It's not a joke."

The seriousness with which the administration takes the issue was evident from the high level of the officials who reportedly attended the White House meeting yesterday. Deputy Secretary of State Warren Christopher, Associate Attorney General Michael J. Egan and the chief lawyers from Treasury and the White House were present, one official said.

A Justice spokesman confirmed last night that the government has been "watching" the suit for any developments that affect its interests. "No such developments have occurred," he said.

"Any participation by the United States in the suit will be to protect its own interests and not those of the parties," the spokesman added.

(Mr. LEVIN assumed the chair.)

Mr. MOYNIHAN. Mr. President, on Thursday of last week I delivered the commencement address at the Brooklyn Law School, a commencement address devoted wholly to the question of when the United States is going to move to break up the OPEC cartel, a cartel as offensive to the traditions of free trade and to our opposition to cartelized international trade in particular as any since I. G. Farben. And OPEC is far more effective.

In that address, which I shall ask unanimous consent to be printed in the Record, I discussed a legal analysis that had been prepared by two New York law firms of considerable reputation, Simpson, Thatcher, and Bartlett, and Paul, Weiss, Rifkind, Wharton, and Garrison, entitled "Analysis of OPEC's Status Under the United States Antitrust Laws." This detailed study says the U.S. Government has to move against OPEC if it in any way means to enforce the laws of this country. It argues that it is perfectly proper to seek a judgment in U.S. courts against OPEC, a judgment which could conceivably be enforcible, a judgment which would at the very least establish that the actions of OPEC are illegitimate. And to deprive OPEC even of the legitimacy it seeks is in itself important together with other sensible actions, it can become the basis for a sustained effort to break the OPEC cartel.

Mr. President, I shall ask permission to print in the Record an article I printed in Newsday on December 27, 1978, which suggests how this might be done, how the cartel might be broken.

Mr. President, in my address to the Brooklyn Law School at Carnegie Hall I spoke at some length of the reference the distinguished American political commentator Joseph Kraft had just then made to "Energy Munichs." He described how, across the spectrum of American foreign policy, the U.S. Government was collapsing in the face of clear national interests which were not being asserted, out of concern for what the OPEC oil producers would do to our oil supplies.

But never before have we seen this at the level of meetings in the Department of Justice with the Secretary of the Treasury represented, the Secretary of State represented, with the Attorney General represented, all wondering whether we dare enforce the laws of the United States, fearing that if we do, that money might be withdrawn from our banks, our stock exchanges might suffer, that we might further exacerbate relations with people who are bound up in the most extraordinary combination of restraint of trade the world has known.

Mr. President, I cannot believe the President would go forward with this. If he does he must surely know, at the minimum, that he jeopardizes the Multinational Trade Negotiations Treaty of the Tokyo round. For how can the United States pledge itself to a regime that will free trade in the world while going into court in support of the most odious cartel the modern age or, for that matter, any age has ever known?

The Tokyo summit could hardly begin with a more ominous note. Our allies, whose vulnerabilities to OPEC are greater than our own, surely look to us for leadership. They look to us for alternatives other than passive acquiesence. Will they find that we have become not merely aquiescent, but apologists? We ought to hear their advice on what can be done, not preempt it by defending OPEC in an American court.

Mr. President, I ask unanimous consent that the material to which I have referred be printed in the Record.

There being no objection, the materials were ordered to be printed in the Record, as follows:

[From Newsday, Dec. 27, 1978]

How to Cut Off OPEC's Power

(By Daniel P. Moynihan)

The announcement by the Organization of Petroleum Exporting Countries that world oil prices would increase some 15 per cent during 1979 is a rabbit punch to the world economy. But, if properly understood, it can become the point of departure for a new U.S. policy—managed in concert with other industrial democracies—to break the stranglehold the oil cartel now has over our economic, social and international propects. For this much has now been driven home: Without some policy for overcoming the power of OPEC, we might just as well stop wasting our time talking of "anti-inflation" policies at home, economic expansion in the industrial world, or economic development in the Third World.

Our paralysis these past five years in the face of OPEC power derives from a fundamental misunderstanding of what has happened. When President Carter presented his energy plan to the country in April, 1977, he spoke of the "moral equivalent of war." But in this "war," it became apparent that the "enemy" would be defined not as the foreign oil cartel, but as America itself. In other words, we were told that the enemy was us, that our "profligacy" in the use of energy was the main cause of our problems, and that by curtailing the use of energy at home, our problems would be eased. But this sort of analysis is a way of disguising the magnitude of the foreign policy defeat which really caused our energy crisis—and the economic problems that went along with it.

The first requirement for a successful strategy is that we understand our situation. Walt Kelly's famous aphorism does not apply. So far as the energy problem is concerned, we have met the enemy all right, but they are them.

The second flows quite directly from a change in understanding: We must make the breaking of the power of the oil cartel a principal objective of American policy. It is not that now.

I would not for a moment suggest that this is a simple matter. People invariably ask me, "What, specifically, would you do about it?" A fair question. Let us begin with the simple things, things that could be done in the first days, before we move on to the more subtle and complicated.

Reach an agreement with Mexico on energy imports. Our government refuses, for example, to permit the importation of Mexican natural gas at a price of $2.60 per thousand cubic feet, but we already encourage the importation of Indonesian natural gas at $3.40 per thousand cubic feet. This is plain crazy. We artifically constrict the most available supply of energy, and then pay more for what remains. And can we not reach agreement with the Canadians as well? (How hard can *that* be, when the administration goes on about great energy production schemes with the *Chinese,* half way 'round the world, with whom we have no common historical or cultural basis for such cooperation?) If we must import energy, surely we should structure those imports in a way which places the most pressure on and reduces our vulnerability to the oil cartel.

Develop an American foreign aid program that can encourage an expansion of world oil supply. We can, for example, offer assistance to poor countries with prospects for petroleum development. Right now, we give them aid to develop windmills and solar power—which is not what they or we need. In fact this plays OPEC's game. OPEC enjoys subsidizing the development of "energy alternatives" precisely because such alternatives will not increase the world supply of oil.

Place surplus Alaskan oil on the world market. It happens that transportation bottlenecks—which will exist for at least several more years—limit the amount of Alaskan oil that can be delivered to the American market. So a certain amount of Alaskan oil remains in the ground, unused. If this untapped Alaskan production potential were activated, and if that additional oil were exported, then we would be enlarging the world's available oil supply, and thereby applying that much more pressure on the OPEC cartel.

Press for petroleum development projects in all the international development banks and agencies of which we are a member. If we are interested in the problem of poverty in the Third World, we should use our influence in these institutions to encourage projects of oil exploration and recovery. On Jan. 16, the World Bank will take a key vote on such a program. It deserves the strongest support.

Raise the political and moral issue of what OPEC is doing to poor Third World countries. Right now, semi-official American parlance says the most recent price increase was "understandable" in view of the facts of world inflation. But, in fact, the increase is further devastating the poor countries of the world, who can afford it far less than we can. OPEC is the cause of hungry children in Bangladesh or central Africa and those governments know it. When I was U.S. ambassador in India, I saw in the countryside that oil was food—oil as a feedstock for fertilizer, oil as a source of the gasoline which powered the small pumps which irrigated Indian crop fields. But the poor countries are too frightened to speak, and will do nothing so long as they see the mighty United States equally tongue-tied.

Over the long term, we might join with our friends to form a common fund for the purchase of petroleum reserves, so that the billion of dollars available for such a single purchaser will give all of us increased leverage in the world oil market. We might review how our tax system may be encouraging our own oil importing companies to import oil from politically unreliable and dangerous areas—the Persian Gulf—rather than from more secure sources—Mexico, Venezuela, Nigeria. There are, in short, many ideas that can be explored.

Commencement Address

(By Senator Daniel Patrick Moynihan)

Two years ago, on June 7, 1977, I gave my first commencement address as a United States Senator, at a convocation of Baruch College here in Carnegie Hall.

I recalled some memorable words from Thomas Jefferson's first inaugural address, "We are all Republicans, we are Federalists." Jefferson's reference to those fundamental things which transcend political party seemed to me to reflect the mood of hopefulness with which the new Administration had begun. I said then, "a mood very much like this seems to have settled on the nation in many political matters, and not least that of foreign policy." I suggested that "not since the Presidency of John F. Kennedy has initiative in these matters been so wholly with the Executive."

And yet I felt obligated to speak of a proverbial cloud on the horizon, not larger than a man's hand, suggested by President Carter's commencement address at the University of Notre Dame, given the previous May 22. For the President, in laying out the large conceptions of his approach to foreign affairs, had introduced what I found to be a disquieting theme. He had suggested that the struggle in the world between East and West had been superceded by the seeming confrontation between North and South. The President suggested that the Soviets especially join with us in new common approaches to the widespread problems of poverty in the Third World. It seemed to him a promising time for us to do this in that, he said, we had "found our way back to our own principles and values, and . . . [had] regained our lost confidence."

It seemed to me then that this was rather too large an assertion. Americans had not lost track of their principles and values only to recover them. Rather, what had happened was that in the pursuit of those principles—often misguided, often fatally flawed, but not always so—we had sustained major defeats, military and psychological.

For myself, I did not wish to see defeat redefined as punishment. Such thinking, I felt, would almost certainly lead to an avoidance of certain realities we faced. Worse, that it might become a pattern. Thus, I said two years ago:

"All manner of defeats can be avoided in that way. We tell ourselves the nation faces an energy crisis. But we do not tell ourselves that this problem has come about through a massive defeat in foreign policy, which is to say the successful quadrupling of oil prices by the OPEC oil cartel at the time of 1973 Mid-East war. A foreign cartel restricts supply: we tell ourselves that a problem of supply is a problem of demand. A foreign cartel raises the price: we tell ourselves that a problem of price is a problem of profligacy."

Two years have passed. The "era of good feeling" surrounding the Nation's foreign policy seems to be dissolving. But the problems endure beyond the capacity of pleasant sentiment to solve them. And so I return today in greater detail to that very problem of the OPEC oil cartel I mentioned only in passing then. For I know of no more powerful example of a way in which we have profoundly understated a problem and understated its consequences.

On April 10, 1977, the President revealed his national energy plan and declared it "the moral equivalent of war.' It was a bold act and has had my full support. But in that war, we have not yet been willing to use the power of the American government to defend the American people from those who launched that war against us. The President feels, so the *New York Times* reported on February 11, 1979, that it would be an "idle hope" to think that the United States could destroy the OPEC cartel and its control over oil prices. "I think," he added, that "it has now become such an institutionalized structure that it would be very doubtful that anyone could break it down."

Well, if no one tries, no one will.

It is astonishing how the world's democracies have resigned themselves to this savage assault on the world economic order, born in blind fury at the disinclination of the people of Israel to be "driven into the sea" as the phrase then went, and sustained by the mindless greed and effortless manipulation of a handful of petty tyrannies in the dubious sovereignties of the Persian Gulf and a few more distant producers.

It happens that just nine years ago I was at lunch at Chequers, the country home of the British Prime Minister, when a ranking member of their cabinet commented on the then isolated antics of Colonel Qaddafi, then newly arrived on the international scene, and acting very much on his own to expropriate oil properties and raise oil prices. "Surely," said his Lordship in an amiable High Tory tone, "we can't have 'Second Lieutenants' running the world's economy."

Well we have done. Just yesterday we learned on the front page of the *New York Times* that the 33 year old Sheik Ali Khalifa al-Sabah, Kuwait's Oil Minister, had announced that it would be "safer"—[sic]—for the world if the forthcoming OPEC meeting in Geneva delivered a generalized "shock" to the world economy by raising prices sharply once again, bringing the increase this year alone to something like 40 percent.

And yet one does not blame the Sheik, if he has been informed that we know in advance that there is nothing to be done about it.

Just Tuesday, Mr. Joseph Kraft, one of our most distinguished political commentator, in his Washington column set forth the sequence of "Energy Munichs" as he termed them that are cropping up all over the globe as the United States is forced to make one foreign policy decision after another on the basis of what some otherwise powerless nation will do to our oil supply.

Mr. Kraft mentioned the problem of Zimbabwe-Rhodesia and the threat of the military regime in Nigeria to cut off oil exports to the United States—as it has long since done to Israel—if we ceased to oppose the government in Salisbury. Sure enough that very afternoon this discreditable motive was raised on the floor of the United States Senate in support of the President's legitimate and prudent desire that we not act precipitously. If the efforts of Senator Javits and others, myself included, to support the President in this matter did not succeed, I cannot say I was much surprised.

I cite Mr. Kraft once more: In an ever increasing number of situations, he said, "The United States is heading into a condition where, short of sending the Marines, the President has no option but an energy Munich."

This has its ironic overtones, given the President's emphasis, in May, 1977, on a new relationship between the United States and the Third World. For no one has suffered more from the power of OPEC than the poor nations of the world, and we have done precious little to ease the pressures on them. No marginal increases in American "foreign aid" will disguise the fact that we have been willing to abandon them to the fate of soaring energy and fertilizer prices. They, accordingly, participate in an ongoing "energy Munich" of their own, appeasing OPEC, for surely they are without powerful protectors. Not least—and this is the ultimate irony because there is a widely held view in Washington that to attack OPEC is somehow to attack the third world.

And so we must relearn the lessons of the last generation which, in the manner of these things, seem always forgotten. We must, of course, organize our own energy production and consumption levels so that we can call upon our friends elsewhere to join the common defense of our economic and, therefore, of our political and social survival. But we must also turn to a new pattern of thinking and speaking about OPEC if we are to survive what now looks ever more like a sustained campaign of economic aggression with the democracies as important victims.

Let us begin with OPEC itself. Among its thirteen members we will find, according to the 1978 Freedom House survey, but one democracy, Venezuela, present, only six that are even "partly free," the rest governments which tolerate no political freedom at all. And here we can establish a first connection between the principles we believe and the history we have learned. For at the close of the Second World War, it became apparent that the growth of cartels had been a not inconsequential contributor to the conflict. Cartels had been part and parcel of the economic disease of the 1920s, intimately bound up in the Great Depression which watered the seeds of fascism in Europe and Asia.

Cartels could smother the economic aspirations of smaller states, encouraging a drift to various forms of international economic and political perversity. After the war, we became determined not to endure a repetition.

That, at least, was our intention, and it worked surprisingly well. We did more than "deconcentrate" the cartelized industry of Germany and Japan. We also made the freeing up of economic activity the cornerstone of the new global economic system that emerged after the war. Like the United Nations itself, which embodied the best in Anglo-American political thinking—the tradition of constitutional liberalism—the new economic arrangements derived from similar sources. One cornerstone was the General Agreement on Tariffs and Trade, signed in 1947. It still governs international trade negotiations, carried on in accordance with those old provisions. For the original text speaks of "developing the full use of the resources of the world and expanding the production and exchange of goods."

Now all this shows an American imprint, an influence beyond our political position in the world. For we came to the establishment of the new global economy imersed in a tradition of anti-trust law and of free trade.

Our conviction that political liberty and economic competition would reinforce each other was such that it has had global impact. We find it expressed in two articles of the 1957 Treaty of Rome which established the European Common Market. We find it in the domestic legislation of a thriving Germany and a refurbished Japan, countries where such things were not known before. We find it, still in the United Nations, where the UN Conference on Trade and Development has studied the baleful consequence of cartels in such products as bananas and tobacco. But not yet in oil, such is the fear of the modern successors to I.G. Farben, the OPEC petroleum cartel.

So there is, first of all, a case to be made to a receptive world if we are prepared to make it once again as we did in generations past. And there is a case, literally, to be made right here at home, in our own courts. I beg the indulgence of this gathering of attorneys in noting some important legal work already well done in this field. In 1975, Gulf and Western industries engaged two distinguished New York law firms to prepare an analysis of OPEC's status under our antitrust laws. Even to a nonlawyer, the case they developed seems compelling. They conclude:

> But even if a decree that government-sponsored cartels are not privileged to violate our antitrust laws were to prove totally ineffective—legally and morally—the adjudication would nevertheless be preferable to accepting the status quo and condoning the most flagrant form of antitrust violations, threatening the very economic and political stability of oil-consuming nations. In a world of increasing scarcity in raw material and foodstuffs, OPEC is too dangerous a precedent for the keepers of our antitrust laws to ignore. Ingenious new devices for evading our antitrust laws should not go unchallenged merely because old ways have so far provided no precedents for applying familiar principles to new and unfamiliar devices for evasion. Those who seek to insulate their activities by sovereign immunity should generally behave with some regard for the principles of noblesse oblige to which sovereigns were formerly expected to adhere in most of their activities.

(Simpson, Theatcher and Bartlett; Paul, Weiss, Rifkind, Wharton, and Garrison, "Analysis of OPEC's Status Under the United States Antitrust Laws," July, 1975.)

On July 22, 1975, a copy of this study was delivered to then Attorney General. So far as I know, it languishes still, somewhere in the Department of Justice.

Yet, as I stress, the case can be made—at international gatherings, at summit conferences, in various capitals.

If I allude to the legal and democratic ethos which can undergird a sustained effort to break the OPEC cartel, I do so mindful of the practical policies that ethos must inevitably come to sustain. Here, too, we are not without ingenuity and insight, provided we take the matter seriously. But seemingly we do not. There are not three people in the United States government who have as their task the designing of strategies and tactics to break the cartel.

(In passing may I note that there does not seem to be three people *anywhere* who are taking the measure the impact of the OPEC cartel has had on the relations between the public and private sectors of our economy. As a result of OPEC we are seeing the greatest intervention by government in the private sector of the economy than at any time since the New Deal. But unlike the New Deal measures which come about through open, democratic *willed* processes, this tidal wave of regulation and intervention is being forced upon us against our will and, if I may, against our understanding. It is little wonder Americans are confused and, increasingly angry. Is there no limit to what we will allow others to do to us?

I pretend to no special expertise in these matters and what I have written of them myself strikes me as simple things—the more subtle and complex to be left to those who ought to have the job. But we think of the lost possibilities in our relations with our good neighbors Mexico and Canada affecting energy supplies. Consider that we do not yet have a foreign assistance program to encourage expansion of world oil supplies; we have not pressed plans for petroleum development projects which might be financed by the various international financial institutions; we have not pressed the political and moral issue of what OPEC is doing to the poor people of the world. And the poor countries are too frightened to speak, and will therefore say and do nothing so long as the mighty United States cannot find its tongue.

Here then is our situation. Joseph Kraft speaks of "energy Munichs" and, these can only become the prelude to others. For what will a nation unwilling to defend itself when it is attacked by a coalition of inherently weak states such as the OPEC members, do when the aggressors are powerfully armed and politically self-confident? If we cannot recover the self-respect and self-discipline—if we will not respect our own deepest convictions about politics and economics—in dealing with mere petroleum, what will we do in the face of real power? Disturbing questions surely, but it is not beyond the powers of our legal, economic, and political systems to put them to rest.

Mr. MOYNIHAN. Mr. President, I thank the Chair and I thank the acting majority leader.

Mr. STEWART. Mr. President, I yield 3 minutes to the Senator from Wisconsin.

FEDERAL REGULATION OF FOREIGN BANKS

Mr. PROXMIRE. Mr. President, last week the Federal Reserve Board issued its final regulations revising its regulation K, governing corporations engaged in international banking and financial operations, known as Edge Act corporations, pursuant to the International Banking Act of 1978. Regulation K as revised should permit Edge corporations to enhance the export trade of the United States. However, I wish to point out to my colleagues that the Federal Reserve intends to issue further regulations which would transform Edge corporations into domestic banks having the power to branch across State lines.

The Edge Act was enacted in 1919 to establish a strong U.S. presence in financing import-export trade on a competitive level with the foreign institutions which had dominated the trade. That presence was to be established by chartering Federal corporations whose charters would permit them to engage in international banking and foreign finance.

In the last Congress, the International Banking Act was enacted which provided for Federal regulation of foreign banks operating in the United States and the first updating of the Edge Act since its inception in 1919.

Mr. President, the background of the passage of the International Banking Act of 1978 is necessary to understand the substance of the Federal Reserve's revision of regulation K governing Edge corporations.

Foreign banks had increased their presence in the United States from a minimal position to about $90 billion in deposits in 1978. These foreign banks were able to operate here without any Federal regulation. Perhaps most importantly, they were able to establish domestic branches across State lines, thereby gaining an important competitive advantage denied to domestic commercial banks under the interstate branching restrictions of the McFadden Act.

The International Banking Act grandfathered existing interstate operations of foreign banks to forestall international repercussions but specifically forbid new interstate branches of foreign banks from taking domestic deposits. Congress also recognized the emergence of the McFadden Act prohibitions as an issue in domestic banking by requiring the President to make recommendations to the Congress by September 17, 1979, concerning the McFadden Act in the light of the present financial, banking and economic environment.

Mr. President, the clear and unmistakable message of the International Banking Act is that domestic deposit taking across state lines continues to be prohibited.

It is against this background that recent Federal revenue consideration of amendments to regulation K must be considered. The International Banking Act of 1978 called upon the Federal Reserve to update its regulation K to facilitate export-import trade. Nowhere in the International Banking Act of 1978 did the Congress contemplated that the very character of Edge corporations as international banking and foreign financing mechanisms would be altered to enable them to do a domestic banking business.

Yet, conducting a domestic banking business is precisely what the Federal Reserve proposed to allow Edge corporations to do in its initial regulations for comment issued on February 14, 1979. These initial regulations provided among other matters that Edge corporations would be permitted to accept domestic deposits at domestic offices from a "class of customers whose deposit and loan business would be presumed to be for international purposes." Under the Federal Reserve's proposal, the presumption would have arisen when a bank customer had two-thirds of its purchases and sales in international commerce. Thus, in the case of a $1 billion corporation which had $666 million of purchases and sales in international commerce the Edge corporations would have been permitted to take the purely domestic deposit business of the remaining $334 million of corporate business. This would have been plainly at odds with the basic thrust of Edge corporations developed over 50 years as engaging only in specific transactions having international characteristics.

Mr. President, Senator BENTSEN joined me in pointing out to Chairman Miller at the Federal Reserve how the proposed class of customer presumption would be contrary to the entire thrust of the International Banking Act of 1978.

I am happy to say that in the final regulations issued on June 14, 1979, the Federal Reserve did not adopt the class of customer presumption. This means that Edge corporations will continue to be forbidden to take domestic deposits.

Unfortunately, Mr. President, this may be temporary. For the Federal Reserve has indicated that it intends to propose a revised regulation for comment which will sanction domestic deposit taking by Edge corporations. I know that the matter of domestic deposit taking by Edge corporations is a matter of concern to many Senators. Neither the Edge Act nor the amendments thereto in the International Banking Act of 1978 sought to alter the international limitations historically placed upon Edge corporations. Thus, Edge corporations should continue to be prohibited from engaging in domestic retail or wholesale banking.

Mr. President, make no mistake about it, the manner in which the Federal Reserve seeks to alter the powers of Edge corporations presages substantial changes in our domestic banking system without congressional authorization. Domestic banks have been permitted by the Federal Reserve for some time to establish separately incorporated Edge corporations in different States. But such Edge corporations operating across state lines have been limited to international transactions and the facilitation of trade. Thus, Edge corporations have operated within the McFadden Act restrictions on domestic banking across State lines.

The Federal Reserve has rewritten regulation K to allow these Edge corporations to branch across State lines. So long as Edge corporations are required by the Federal Reserve to retain their wholly international characteristics and not to engage in domestic retail or wholesale banking Edge corporation branching can result in more efficient enhancement of export-import trade. But if Edge corporations are allowed to engage in domestic banking, the Federal Reserve proposed changes in branching will have sanctioned interstate banking by domestic banks through the back door.

Mr. President, the Congress did not sanction a back door alteration of the McFadden Act in the International Banking Act of 1978. Congress directed the President to make recommendations to it on McFadden. Congress reserved any decision on McFadden to itself. The Federal Reserve is now in the process of arrogating Congressional power to itself. I bring this to the attention of my colleagues so that they may have the opportunity to make their concerns known to Chairman Miller of the Federal Reserve if they so desire.

I also wish to inform my colleagues that the Banking Committee will be holding hearings in July on several international banking issues including the matter of the Federal Reserve allowing domestic banking and branching by Edge corporations.

I ask unanimous consent that my letter to Chairman Miller on this subject dated May 8, 1979 be printed in the RECORD following my remarks, together with the letter to Chairman Miller from Senator BENTSEN on this subject dated May 25, 1979.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

COMMITTEE ON BANKING,
HOUSING, AND URBAN AFFAIRS,
Washington, D.C., May 8, 1979.

Hon. G. WILLIAM MILLER,
Chairman, Federal Reserve System,
Washington, D.C.

DEAR MR. CHAIRMAN: The following are my comments on the proposed regulations issued by the Federal Reserve governing the operations of Edge Corporations engaged in international banking under the International Banking Act of 1978.

1. I support the Federal Reserve's inclusion of a numerical figure for minimum capitalization of Edge Corporations. While I believe that the Federal Reserve's proposed numerical figure of six percent of assets may be too low, it is my judgment that a specific benchmark is needed if we are to forestall the kind of capital shortfall commercial banks have experienced by Edge Corporations. I do believe that the Federal Reserve's benchmark for capital adequacy which has been applied to commercial banks for years of eight percent of assets would be most appropriate for Edge Corporations.

2. I strongly disagree with the Federal Reserve's proposal to create a new class of customer all of whose deposit and loan business would be presumed to be for international purposes. Under the Federal Reserve's proposal, the presumption arises when a bank customer has two-thirds of its purchases and sales in international commerce. The net effect of the proposal will, if adopted, be to allow Edge Corporations to conduct a domestic deposit business across state lines in contravention of the spirit of the McFadden Act branching restrictions.

In my view there is no rational basis for the Federal Reserve proposed presumption. Take the case of a $1 billion corporation which has $666 million of purchases and sales in international commerce and $334 million in purchases and sales in purely domestic purchases and sales. Obviously, in such a case there is clearly no international characteristic to the $334 million in domestic purchases and sales.

Moreover, the creation of a class of international customer for Edge Corporations with a substantial domestic component is contrary to the provisions of the International Banking Act of 1978 (IBA) which amended the Edge Act. The IBA contained the first revisions to the Edge Act since its enactment in 1914. One amendment (Section 3(b)) provided an overall purpose statement applicable to Edge Corporations as follows: "to provide for the establishment of international banking and financial corporations operating under Federal supervision with powers sufficiently broad to enable them to compete effectively with similar foreign-owned institutions in the United States and abroad".

No portion of the legislative history of the IBA indicates that Section 3(b) was even intended by the Congress to be a grant of authority for Edge Corporation to conduct a domestic banking business. The section 3(b) provision stating it to be one purpose of the grant of authority to Edge Corporations to compete with similar foreign-owned institutions in the United States does not provide the authority for Edge Corporations to conduct a domestic deposit business. Section 3(b) merely codified into Federal statute law the Federal Reserve's regulations on the broad purposes of the Edge Act enacted by Congress in 1914 which has been in effect for years. That Federal Reserve regulation was codified word for word in Section 3(b). And, of course, during all of the times the Federal Reserve regulation was controlling Edge Corporations were forbidden to accept domestic deposits. In the absence of any contrary intent, the codification of this regulation into law carries with it the logical inference that the statute must be interpreted to have the same meaning as the regulation.

It is clear that Congress' primary concern in enacting the Edge Act amendments in the IBA was to encourage exports. By removing a number of specific restrictions in the Edge Act in the IBA, Congress intended to facilitate export transactions by enabling Edge Corporations to become more competitive with foreign banks operating in the United States for international trade. In this regard, the IBA provided for updating of Edge Corporation reserve requirements and debt leverage ratios. It was in these specific respects that the broad purpose of section 3(b) should be read as deriving its meaning.

The IBA did not envisage an end run around McFadden in any respect. As a matter of fact, the IBA mandated a major study of McFadden and specifically prohibited banks from operating branches across state lines unless grandfathered. To interpret the Edge Act amendments of the IBA as approving Edge Corporations to accept domestic deposits would be contrary to the entire thrust of the IBA.

Sincerely,

William Proxmire,
Chairman.

Committee on Finance,
Washington, D.C., May 25, 1979.

Hon. G. William Miller,
Chairman, Federal Reserve System,
Washington, D.C.

Dear Mr. Chairman: I have reviewed Senator Proxmire's letter of May 8 regarding your proposed regulations implementing the International Banking Act of 1978, and I agree wholeheartedly with his concerns about allowing Edge Corporations to accept domestic deposits across State lines.

I have been a strong supporter of many measures to improve our export trade, and I also viewed Edge Corporations as being set up to promote exports, not to engage in interstate banking activities. I strongly oppose interstate branch banking, and I urge you to close this back door to that activity before it becomes a major problem.

Sincerely,

Lloyd Bentsen.

THE GENOCIDE CONVENTION AND THE FREEDOM OF SPEECH AND PRESS

Mr. **PROXMIRE**. Mr. President, the Genocide Convention which has been before the Senate for 30 years has wide ranging support from many diverse organizations as evidenced by the hearings held by the Subcommittee on the Genocide Convention of the Committee on Foreign Relations in 1950, 1970, and 1971; and, by the hearings held by the full committee in 1977. The Subcommittee on the Genocide Convention carefully considered any possibility that the Genocide Convention could be contrary to the first amendment as long ago as 1970 when Hope Eastman, assistant director of the Washington office of the American Civil Liberties Union appeared before the subcommittee.

She discussed, from the American Civil Liberties Union standpoint, the question of whether or not "direct and public incitement to commit genocide"—section (c) of article III of the Genocide Convention—infringed on an individual's protection under the first amendment of freedom of speech and press. In the American Civil Liberties Union's opinion "advocacy of genocide" would be protected by the first amendment. This is clearly consistent with the Genocide Convention which does not include "advocacy of genocide" as a crime.

The Brandenburg against Ohio case which was heard by the Supreme Court in 1969 further clarified the implications of the first amendment. In their decision the Justices stated that the first amendment protected freedom of speech and press, "except where advocacy is directed to inciting or producing imminent lawless action and is likely to incite or produce such action." It is obvious that the Genocide Convention clause "direct and public incitement to commit genocide" requires that advocacy of genocide must include an effort to produce lawless action before it is considered a crime. The wording as well as the intent of the Genocide Convention are absolutely consistent with the wording and intent of the first amendment as interpreted by the Supreme Court.

Mrs. Eastman also pointed out that in any event article V of the Genocide Convention requires that all implementing legislation must be enacted by contracting parties "in accordance with their respective Constitution." This provides further protection for the first amendment guarantees of freedom of speech and press. In concluding her statement, Mrs. Eastman repeated that the American Civil Liberties Union had no objections to the Genocide Convention on legal grounds and voiced support for its ratification. I strongly urge my colleagues to join with the American Civil Liberties Union in supporting the ratification of the Genocide Convention.

I thank my good friend from Alabama for yielding me such time as he had left.

Mr. **STEWART**. Mr. President, I yield 10 seconds to the Senator from Maine.

ENERGY: THE NEED FOR CANDOR

Mr. **COHEN**. Mr. President, recent press reports suggest that Energy Secretary Schlesinger has now joined the growing list of Americans who seriously question the conduct of the oil industry during this period of energy shortages. The Secretary has now publicly charged the oil industry with aggravating the Nation's energy problems by "unduly" building up crude oil inventories while cutting back production.

Public opinion polls shows that nearly 8 out of 10 Americans believe that the present shortage is contrived. For its part, the energy industry has done little to alleviate the suspicion and anxiety felt by millions of Americans.

Late last month, I joined with more than two dozen of my Senate colleagues in calling on the President to commission an independent audit of crude oil and petroleum product supplies. The Energy Department has now consented to this request, and has hired an independent auditing concern to check the reliability of petroleum inventory data reported by the oil companies to the Government.

Like many of my congressional colleagues from both sides of the aisle, I am extremely tired of pleading with the oil industry to cooperate with the Government on energy matters. Unless the industry gives consideration to the national interest as well as its own self interest, it faces the growing possibility that the Federal Government will step in and assume an even larger role in decisions relating to the exploration, production, refining, and marketing of oil in this country.

For my own part, I intend to closely monitor the degree of cooperation forthcoming from the oil industry on this latest effort to independently verify petroleum inventories. If the industry refuses to cooperate in this vitally important endeavor, it will face the possibility of greater Government action rather than less.

Mr. **STEWART**. Mr. President, I yield back to the remainder of my time.

INTELLIGENCE AUTHORIZATION ACT, 1980

The **PRESIDING OFFICER**. Under the previous order, the Senate will now proceed to the consideration of S. 975, which the clerk will state.

The assistant legislative clerk read as follows:

> A bill (S. 975) to authorize appropriations for fiscal year 1980 for intelligence activities of the United States Government, the intelligence community staff, the Central Intelligence Agency Retirement and Disability System, and for other purposes.

The Senate proceeded to consider the bill.

Mr. **INOUYE**. Mr. President, before proceeding, I ask unaimous consent that the following members of the staff of the Senate Select Committee on Intelligence be granted access to the floor during the consideration of this measure:

William G. Miller, Earl Eisenhower, Dennis Sharon, Dan Childs, George Pickett, Tom Crowley, John Elliff, and Edward Levine.

The **PRESIDING OFFICER**. Without objection, it is so ordered.

Time for debate and overall consideration of this bill is limited to 1 hour, to be equally divided between and controlled by the Senator from Hawaii (Mr. Inouye) and the Senator from Arizona (Mr. Goldwater).

Mr. **INOUYE**. Mr. President, this marks only the third time that a separate budget authorization bill has been introduced for U.S. intelligence activities. Last year, for the first time in our history, similar legislation was enacted into law. Annual authorization for intelligence is now established practice, and represents clear evidence that our constitutional responsibilities can be fulfilled while at the same time maintaining the confidentiality necessary for an effective intelligence system.

The Intelligence Authorization Act for fiscal year 1980 authorizes appropriations for those programs and activities of the U.S. Government which serve the intelligence needs of our national policymakers. This includes the Central Intelligence Agency, the National Security Agency, the Defense Intelligence Agency, and the intelligence activities of the Departments of Defense, State and Treasury, the Federal Bureau of Investigation, and the Drug Enforcement Administration.

The committee regards the budget authorization process as a key aspect of effective congressional oversight of the intelligence community. Thus, this year, as in past years, the Budget Authorization Subcommittee conducted a detailed examination of the budget request which carefully weighed policy needs against the substantive contribution and resource requirements for each of the major intelligence programs. During the course of this review, the subcommittee conducted some 20 hours of hearings which included testimony by the Director of Central Intelligence, high-ranking Defense Department officials, and each of the principal program managers.

Intelligence fulfills two distinctly different but complementary roles in our society today. On one hand, intelligence is critical to our national defense. In an era of "essential equivalence" with our principal adversary, the need for timely, unambiguous intelligence becomes even more crucial to our national survival. On the other hand, intelligence plays a major role in maintaining world peace. It is largely our intelligence capabilities, for example, that have enabled the United States to engage with confidence in the process of limiting strategic nuclear arms. Moreover, with the growing interdependence of nations and the emergence of new and complex foreign policy concerns, the U.S. intelligence system is called upon to respond to a much broader range of policy issues, including such matters as: international trade and monetary policy, nuclear proliferation, energy and other scarce natural resources, political developments in Third World countries, and international terrorism and narcotics.

As a result of its detailed examination of the fiscal year 1980 budget request, the committee believes that, in general, intelligence continues to be well managed and responsive to U.S. policymakers' needs. Improvements are evident and no major shortcomings were uncovered. As with any large complex organization, however, the committee found a number of areas where progress appeared unnecessarily slow and accomplishments elusive. This was particularly true with respect to establishing adequate mechanisms to consider intelligence investments in the context of broad national policy goals, improving the scope and quality of analysis, improving the coordination and tasking of intelligence collection activities, and insuring that major ADP initiatives are properly coordinated and justified. Continued management, attention, and improvement are required in these areas.

The committee's recommendations on the fiscal year 1980 budget provide sufficient resources to continue the planned modernization of existing capabilities, and to begin a number of major new initiatives which will be required to keep pace with our intelligence needs in the 1980's. Major investments have been provided, for example, to enhance our monitoring capabilities and the quality of the analytic product. These initiatives will require increased investment in intelligence over the coming 5 years, but are considered essential to adequately respond to established policy goals during this period.

Because of the fragility of our intelligence operations, and the potential for compromise by our adversaries, I cannot discuss in open session the details of the committee's recommendations. These have been set forth in a classified committe report which has been made available to any member under the provisions of Senate Resolution 400. Copies are currently available in the Vice President's office for those members who might still want to review them before we vote on final passage of this measure.

In summary, Mr. President, I would like to say that the American people can be assured that the intelligence community's fiscal year 1980 budget request has been examined with the same degree of scrutiny as other Government programs. We are convinced that the budget authority recommended in this bill represents a reasonable balance between needed capabilities and cost, and that it forms a solid foundation to enable intelligence to meet the challenges of the future.

The **PRESIDING OFFICER** (Mr. HEFLIN). The Senator from Arizona.

UP AMENDMENT NO. 289

(Purpose: To conform the FY 1980 Intelligence Authorization Act to actions taken by the Senate regarding intelligence activities of the FBI; and to provide dependent educational travel benefits for CIA and NSA employees serving overseas)

Mr. **GOLDWATER**. Mr. President, I send amendments to the desk together with an explanation, and ask for their immediate consideration. These are merely technical amendments.

I ask unanimous consent that the reading of the amendments be dispensed with.

The **PRESIDING OFFICER**. Without objection, it is so ordered.

The amendments together with explanations will be printed in the RECORD.

The amendments and explanations thereof follow:

On page 3, line 3, strike out the period, and insert the following: "in accordance with the action of the Senate"

On a new Page 5, insert the following:

"TITLE V—EDUCATIONAL BENEFITS OF CENTRAL INTELLIGENCE AGENCY AND NATIONAL SECURITY AGENCY EMPLOYEES SERVING OVERSEAS

"SEC. 501. The first sentence of paragraph 5924(4)(B) of Title 5, United States Code, is amended by striking out 'of the United States Information Agency,' and inserting in lieu thereof the following: ', the International Communication Agency, the Central Intelligence Agency, or the National Security Agency,' ".

At the end of the first sentence of subsection (b) of section 101 of Title I, strike the "." and insert in lieu thereof "in accordance with the action of the Senate."

After Title IV, add the following new title:

"TITLE V—EDUCATIONAL TRAVEL BENEFITS FOR DEPENDENTS OF CENTRAL INTELLIGENCE AGENCY EMPLOYEES SERVING OVERSEAS

"SEC. 501. The first sentence of paragraph 5924(4)(B) of Title 5, United States Code, is amended by striking out 'of the United States Information Agency,' and inserting in lieu thereof the following: ', the International Communication Agency, the Central Intelligence Agency, (or the National Security Agency,)'."

Mr. **GOLDWATER**. I thank the Chair.

Mr. President, I would like to preface my remarks by stating the gratitude that I have for the great work done by the distinguished Senator from Hawaii in this whole field. When S. 400 set up the Select Committee on Intelligence, it was Senator INOUYE who was chosen by our colleagues to head it. It was my honor to have been selected to serve with him. I can tell this body that we would not have the type of intelligence oversight committee that we have today without his guidance and, I must say, his continuing guidance. He is not the type of man who, just because his time as chairman runs out, quits. He is always available and always there with good advice.

Mr. President, I would also like to thank my colleagues, and particularly the staff, on the Intelligence Committee and acknowledge the fine work they have done in preparing and presenting this bill.

This is the third year in a row that the entire intelligence community has come before our committee to explain and justify their budgets. In this process, the Intelligence Committee has held 20 hours of hearings, and several hundred hours of staff interviews and briefings in putting together a bill. With the extremely short time period we have to finish this process, I want to say that the cooperation and patience that was shown by all concerned was a tribute to the professional attitude and dedication of these people.

The major point, however, which I think should be made here today is that regardless of what may happen with SALT, détente, and a host of other things, our intelligence functions will become increasingly important to the survival of our country. Those of us on the Intelligence Committee are becoming increasingly aware of the fact that this country is simply going to have to devote more resources to our intelligence community. During the next 5, 10, and 20 years the collection, analysis, and reporting functions of vital information is going to be severely hampered unless we in the Congress and the policymakers in the executive branch are willing to spend more money on our "first line of defense."

Mr. President, I might just say that while our attention is now being focused on the new strategic arms agreement with the Soviet Union—and I regretfully say that we are continuing to look only at the Soviet Union as our possible battlefield—I must say, Mr. President, that the entire world must be considered. It is no longer a world where our potential enemies are apparent. We have enemies that we do not know of. We have enemies that we know of, but whose strength we do not understand. It is necessary for us to be constantly on the watch for these sources of danger.

While I do not degrade for one moment the possible threat offered to our country by the Soviets, I would suggest that the vital areas of this world, like the Indian Ocean, both of the Yemens, the gulfs, the straits of this world, emerging nations of south Africa, the terrible trouble that we are seeing in Central America today, all spell possible trouble for our country in the future.

Without getting into any dollars and cents figures because they are classified, I would just like to point out that there are many, many social welfare programs which, individually, spend more money than the entire, combined intelligence budget. The biggest task that we in Congress face is to reverse the cart and horse position and put the horse of national need in front of the cart of budget restraint. For too many years we have allowed the "sharp pencil"-types at OMB and elsewhere to dictate the very size and shape of individual programs regardless of their merit. I am not advocating a blank check approach to the problem but in the perilous years ahead our "eyes and ears" are going to become increasingly blind and deaf as we demand more and more information with less and less capability.

Mr. President, I should like to take this opportunity to make this statement: I doubt that here has ever been, in the history of the world, an intelligence organization that has received more abuse from people in Congress and from the press media of this country than have the intelligence agencies of this country. Having been exposed to the work of intelligence for a great many years of my life, I say without reservation that the intelligence-gathering ability of the United States is without equal in this world. We can do better in intelligence analysis and it has been here that the repeated, uncalled for attacks on the intelligence community have really hurt us, because these men and women who have been in the service long enough to understand what the words of intelligence mean have left us. They are tired of the abuse.

I might say, too, that we sometimes find the inability on the part of administrations—not just this one, but many administrations—to understand the importance of constant streams of intelligence and intelligence analysis. I can think of many, many instances that have worked to the detriment of our country because people in the administration did not understand what they were hearing about potential enemies. I shall back the intelligence-gathering community with all that I have. They are doing a highly competent job, an increasingly competent job in a world that is getting extremely hard to gather intelligence in.

So I hope that we shall see the end of the scurrilous attacks on the men and women who daily risk their lives in order that we may know a little bit more about where trouble lurks and when trouble might be hitting us. This applies, Mr. President, not just to foreign countries but to within the continental limits of our country, where, unfortunately, we find enemies just as seriously dedicated to the destruction of our ideals as any foreign government.

Again, Mr. President, I thank my fellow committee members and our excellent staff, who have put so much time and effort into this bill.

● Mr. MATHIAS. Mr. President, on May 10, 1979 I offered Amendment No. 189 to the State Department authorization bill, to provide for payment of additional travel expenses related to educational purposes for dependents of employees of the State Department and the International Communication Agency. At the time I stated:

> We still have other categories of Americans serving in various ways in foreign countries who need similar kinds of consideration. Their children need it, in this International Year of the Child, just as Foreign Service personnel need it. I am thinking of military personnel. I am thinking of Central Intelligence personnel, and many others who serve in foreign countries.

At that time I promised to pursue changes that should be made in provisions relating to dependents of those employees who are at present assigned overseas.

Now, in connection with authorization of appropriations for fiscal year 1980 for intelligence activities, we have an opportunity to alleviate the hardship for dependents of Central Intelligence Agency and National Security Agency employees serving overseas.

I urge all my colleagues to join with me in this step which, I believe, will have an important positive effect on those men and women who represent the United States abroad.●

The PRESIDING OFFICER. Without objection, the amendments offered by the Senator from Arizona are agreed to.

Mr. GOLDWATER. Mr. President, I yield the floor.

Mr. INOUYE. Mr. President, I thank my colleague for his very generous remarks. I concur with him in his observations. The intelligence community is deserving of our support. The attacks are not justified. All too often, whenever we receive our paper in the morning or in the afternoon, the front pages cover the news of failures of governments, failures of society or failures of human beings. In like manner, one never hears of the successes of the intelligence community. We who have been privileged to serve on this committee constantly are receiving reports of successes. Unfortunately, we cannot share these successes with the general public.

As first chairman of this committee, I believe I am safe in saying that for every failure reported in the papers, there are at least 100 successes. If it were not for these successes, this country of ours would be, I would say, in great jeopardy.

Thanks to the intelligence community, their alertness and their dedication, I think we can sleep a bit more soundly in the evening.

Mr. President, this committee, I believe, is a unique experiment in U.S. parliamentary procedure. The U.S. Senate, from its beginning, was considered a partisan organization, but this Intelligence Committee, I am happy to say, is a nonpartisan one. It is almost equally divided in membership between the majority and minority. We have never had problems in organizing and managing the work of the committee and, believe it or not, according to our records, 97 percent of our votes have been unanimous.

In that spirit, Mr. President, I yield the floor and we are ready to vote.

The PRESIDING OFFICER. Are there further amendments? If not, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading and was read the third time.

The PRESIDING OFFICER. Do the Senators yield back their remaining time?

Mr. GOLDWATER. I yield back my time.

Mr. INOUYE. Yes; I yield back my time.

The PRESIDING OFFICER. All time is yielded back. The bill having been read the third time, the question is, shall the bill as amended pass?

The bill (S. 975), as amended, was passed, as follows:

S. 975

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Intelligence Authorization Act for Fiscal Year 1980".

TITLE I—INTELLIGENCE ACTIVITIES

SEC. 101. (a) Funds are hereby authorized to be appropriated for fiscal year 1980 for the conduct of the following intelligence activities of the United States Government, as defined in S. Res. 400, Ninety-fourth Congress, second session:

(1) activities of the Central Intelligence Agency;

(2) activities of the Defense Intelligence Agency;

(3) intelligence activities of the National Security Agency;

(4) intelligence activities of the military services;

(5) intelligence activities of the Department of State;

(6) intelligence activities of the Department of the Treasury;

(7) intelligence activities of the Department of Energy;

(8) intelligence activities of the Federal Bureau of Investigation; and

(9) intelligence activities of the Drug Enforcement Administration.

(b) A classified report shall be prepared by the Select Committee on Intelligence of the Senate with respect to the authorization of funds for fiscal year 1980 for intelligence activities of the United States Government, including specific amounts for each of the activities specified in subsection (a). Copies of such report shall be made available to the House Permanent Select Committee on Intelligence, to the Committees on Appropriations and Armed Services of the Senate and the House of Representatives, and to the appropriate entities of the intelligence community for which funds are authorized by this Act in accordance with the Senate.

(c) Nothing contained in this Act shall be deemed to constitute authority for the conduct of any intelligence activities which are not otherwise authorized by the Constiution or laws of the United States.

TITLE II—INTELLIGENCE COMMUNITY STAFF

SEC. 201. (a) There is authorized to be appropriated for the Intelligence Community Staff for fiscal year 1980 the sum of $12,627,000 to provide staff support and assistance to the Director of Central Intelligence to fulfill his responsibility for management and direction of the intelligence community.

(b) For fiscal year beginning October 1, 1979, the Intelligence Community Staff is authorized an end strength ceiling of two hundred and forty-five full-time employees. Such personnel may be permanent employees of the Intelligence Community Staff or employees on detail from other elements of the United States Government. Any employee who is detailed to the Intelligence Community Staff from another element of the United States Government shall be detailed on a reimbursable basis, except that an employee may be detailed on a nonreimbursable basis for a period of less than one year for performance of temporary functions as required by the Director of Central Intelligence.

(c) Except as provided in subsection (b) and until otherwise provided by law, the activities of the Intelligence Community Staff shall be governed by the Director of Central Intelligence in accordance with the provisions of the National Security Act of 1947 (50 U.S.C. 401 et seq.) and the Central Inteligence Agency Act of 1949 (50 U.S.C. 403a–403j).

TITLE III—CENTRAL INTELLIGENCE AGENCY RETIREMENT AND DISABILTY SYSTEM

SEC. 301. There is authorized to be appropriated for the Central Intelligence Agency Retirement and Disability Fund for the fiscal year beginning October 1, 1979, the sum of $51,600,000.

TITLE IV—TECHNICAL PROVISION

SEC. 401. Appropriations authorized by this Act for salary, pay, retirement, and other benefits for Federal employees may be increased by such additional or supplemental amounts as may be necessary for increases authorized by law.

TITLE V—EDUCATIONAL BENEFITS OF CENTRAL INTELLIGENCE AGENCY AND NATIONAL SECURITY AGENCY EMPLOYEES SERVING OVERSEAS

SEC. 501. The first sentence of paragraph 5924(4)(B) of Title 5, United States Code, is amended by striking out "of the United States Information Agency," and inserting in lieu thereof the following: ", the International Communication Agency, the Central Intelligence Agency, or the National Security Agency,".

Mr. GOLDWATER. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. INOUYE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

TENNESSEE VALLEY AUTHORITY DEBT INCREASE

The PRESIDING OFFICER. Under the previous order, the Senate will now proceed to the considerations of S. 436, which the clerk will state.

The second assistant legislative clerk read as follows:

A bill (S. 436) to amend section 15(d) of the Tennessee Valley Authority Act of 1933 to increase the amount of debt which may be incurred by the Tennessee Valley Authority.

The Senate proceeded to consider the bill.

The PRESIDING OFFICER. Time for debate on this bill is limited to 30 minutes, to be equally divided and controlled by the Senator from West Virginia (Mr. RANDOLPH) and the Senator from Vermont (Mr. STAFFORD), 20 minutes on any amendment except an amendment by the Senator from Kentucky (Mr. FORD), on which there shall be no time limitation, and 10 minutes on any debatable motion, appeal, or point of order.

Mr. ROBERT C. BYRD. Mr. President, I am about to suggest the absence of a quorum. I ask unanimous consent that the time not be charged to either side.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

TIME LIMITATION AGREEMENT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there be a time limitation on the amendment by Mr. FORD and an amendment thereto as follows: 4 hours on the amendment by Mr. FORD and 2 hours on any amendment thereto, the division and control of time to be in the usual form.

Mr. BAKER. Mr. President, reserving the right to object—and I will not object—I ask the majority leader, with respect to the remainder of the time, whether on this measure it is 1 hour on the bill, equally divided.

Mr. ROBERT C. BYRD. I believe it is 30 minutes on the bill, and debate on any amendment shall be limited to 20 minutes.

Mr. BAKER. In view of the fact that we are providing 4 hours, or perhaps much longer, on one amendment, it might be well if we extended the time on the bill a little. Thirty minutes is fairly short. It would be 15 minutes to a side.

I see the distinguished Senator from Kentucky is in the Chamber, and if he has any objection to that, I will not press it.

Mr. FORD. Mr. President, reserving the right to object, the question from the minority leader is that he wants to extend the time on the bill itself?

Mr. BAKER. That is right.

Mr. FORD. I have no objection to that. I will not object. I think the Senator is going to be hard pressed to express his views in 15 minutes on the bill.

Mr. BAKER. I will not be hard pressed to express my views. I may be hard pressed to convince the Senator.

Mr. FORD. That is one and the same.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the time on the bill be enlarged from 30 minutes, under the previous order, to a total of 1 hour. The total is now 30 minutes, under the previous agreement. It would be a total of 1 hour, to be equally divided in accordance with the usual form.

Mr. BAKER. On the bill.

Mr. ROBERT C. BYRD. On the bill.

Mr. BAKER. And there still would be 20 minutes on amendments to the bill.

Mr. ROBERT C. BYRD. Yes. And 4 hours on the amendment by Mr. FORD and 2 hours on any amendment thereto.

The PRESIDING OFFICER. Is there objection?

Mr. RANDOLPH. Mr. President, I have listened to the colloquy, and I am in agreement.

For the record, I would like the Chair to state exactly the situation as we begin the discussion of this measure.

Mr. ROBERT C. BYRD. May we have an agreement as to the request?

The PRESIDING OFFICER. Without objection, the request is agreed to.

The bill would be considered under the following provisions: 1 hour on the bill, equally divided; 20 minutes on any amendment, with the exception of the amendment to be offered by the distinguished Senator from Kentucky, upon which there is to be a 4-hour limitation; and 2 hours on any amendment thereto, with 10 minutes on any debatable motion, appeal, or point of order which is submitted to the Senate. The agreement is in the usual form.

Mr. RANDOLPH. I thank the Presiding Officer. I wish to have the RECORD reflect the agreement which had been unanimously understood between the majority and minority leaders of this body.

I yield to myself such time as I may desire.

Mr. President, in 1933 Congress created the Tennessee Valley Authority. The reason for the action of Congress was to assist in the development of that region of the United States.

I am certain that what I now say is not significant, but it is historical fact. There is no Member of Congress serving today in either the House of Representatives or the Senate of the United States except myself who was here on Capitol Hill in 1933. I supported the creation of the Tennessee Valley Authority of the United States in May of that year, and I did so as a Representative from the Second District of West Virginia.

I remember, Mr. President, that there was the so-called threat of hydroelectric power involved in the isuse. The mining industry—particularly those who actually mined the coal rather than those who were the owners and operators of the mines in the State of West Virginia and in other areas—felt that the Tennessee Valley Authority should not be created. They believed there was a threat to the production and use of coal in the United States if hydroelectric power was given a blessing by the creation of TVA.

Over the years this agency has grown in perspective and stature. It has become one of the largest, if not the largest, electric utilities in the Nation and, as the able Senator from Tennessee, who comanages this bill with me today from the Committee on Environment and Public Works, knows, the Tennessee Valley Authority is one of the largest purchasers of coal. In the past year, under its new leadership, TVA has greatly increased its purchases of coal in my State. Contracts have been signed for more than $500 million worth of West Virginia coal. Similar purchases are made elsewhere to supply TVA's generating plants.

What was feared in 1933 was that the Tennessee Valley would have hydroelectric power and coal would be displaced. That, of course, has not come to pass.

I have indicated that I have had a longstanding interest in the success of this Authority. The Tennessee Valley Authority provides electric power for those utilities that are municipally owned in several States, and it sells directly to other large consumers. Last year the Tennessee Valley Authority sold 118 billion kilowatt hours of electricity.

In 1959, as the importance of the electric utility function of TVA grew, Congress passed the Tennessee Valley Self-Financing Act. This legislation authorized TVA to market bonds to raise revenue for its power operations. I think this was not only a significant but an important, vital, and necessary step in making the Tennessee Valley Authority self-sufficient and no longer requiring that the Federal Government finance the power operations in competition with the privately owned utilities of the United States.

The original authorization for bonds in that act of 1959 was $759 million. Since that time there have been actions within Congress on three occasions to increase that bonding authority. The last occasion was in 1975 and at that time we increased the ceiling to $15 billion.

So, Mr. President, 20 years ago we began with $759 million and now we have a ceiling of $15 billion.

The bill before us today, S. 436, would increase the ceiling on bonds issued by TVA to $30 billion. This is an increase of $15 billion over the existing authority.

Is this authorization needed? Yes, I think it is needed. It will provide the TVA with sufficient authority to meet its power construction needs over the next 10 years.

As the energy demand in this country has grown so has the demand for power generated from the Tennessee Valley Authority. In the past 10 years, TVA has increased the sale of electricity to customers in this country by almost 30 percent. Now to accomplish this record, and to continue it into the future there is an aggressive program that has been undertaken by TVA to build new generating facilities.

The Authority has begun the construction of several nuclear and coal-fired—Senator BAKER knows I would rather say coal-fired than nuclear, because I am naturally speaking often of coal facilities to meet expected needs. I believe the needs certainly are apparent at this time. Other plants will be required in the future if we are to meet the demand.

The funds provided by the bond ceiling increase will provide sufficient authority to begin planning and ordering of these additional facilities.

Without the authority provided in S. 436 the Tennessee Valley Authority cannot discharge its necessary, highly important, utility responsibilities in the seven States of the Tennessee Valley region.

This $15 billion increase will provide the ability to raise sufficient capital for self-supporting and self-financing of this important electric power system.

The additional $15 billion in debt authority that is made available if S. 436 is enacted, will provide for an additional 7,200 megawatts of capacity needed to meet the continued, though reduced, growth power demand in the Tennessee Valley by 1995. This additional capacity could be generated by conventional coal or nuclear plants or through advanced systems which might be commercially available by the year 1995.

Mr. President, TVA demand projections incorporate a reduction in demand—this is important for the record—attributable to aggressive conservation efforts already begun by the Tennessee Valley Authority.

Commitments for future projects to provide this additional capacity must be made if the current projections are accurate, by 1985 necessitating further legislative action within the traditional 5- to 7-year period.

Mr. President, I believe this is an important measure. It does not attract the attention, and understandably so, perhaps, of the Members of the Senate who are charged with other responsibilities this morning. But it is an important matter, a highly important matter, not just to Tennessee, to Alabama, to Kentucky, to Georgia, to Mississippi, to North Carolina, and Virginia—but it is important to the United States of America.

I believe the measure should be passed because TVA needs to continue to be the yardstick—and we used that word so often during the debate in that period in 1933, when we talked about it being the yardstick. I remember, as I talked with a former member of our committee, my cherished friend Senator John Sherman Cooper, at one time when he wanted to extend the Tennessee Valley Authority beyond what I felt were certain necessary limits. I said to him, "Senator, we must not permit the Tennessee Valley yardstick to become a walking stick." There were at that time those who advocated, as I have indicated, a larger sphere of TVA.

It was the intent of Congress that it be a yardstick. When we established the Tennessee Valley Authority in 1933, I think Congress was creative. I think it was well reasoned. I think it was responsive to the future, and that is why the increase from $15 to $30 billion of TVA bonding authority is before this body today.

Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator has 15 minutes remaining on the bill.

Mr. RANDOLPH. I thank the Chair.

Mr. BAKER. Mr. President, I yield myself 5 minutes.

On May 18, the Tennessee Valley Authority celebrated its 46th birthday. That makes it one of the oldest agencies in Government, and, given the usual maturation of governmental agencies, makes its current vitality especially rare and unique.

Though the gravamen of TVA's creation in 1933 was regional development and resource management, power production became an early and important tool of the agency. By the 1960's, TVA had grown into one of the largest producers of electricity in the world. It is interesting to note that TVA's energy production has consistently used our most abundant domestic fuels. TVA is, for instance, the Nation's largest consumer of coal.

Many people continue to believe that TVA is a subsidized utility. Not only is that belief inaccurate, because TVA maintains a broad range of programs for resource conservation and management, but it is wrong because the power program of TVA is not funded or backed by the Federal Government. The so-called Self-Financing Act of 1959 placed the TVA power program on a completely self-sustaining basis. Additions to the system are financed chiefly through the issuance of bonds backed only by the revenues of the power program.

And TVA annually repays with interest a portion of the appropriations investment in the program which was made more than 25 years ago. In recent years the total payment to the Federal Treasury has totaled more than the combined Federal income taxes of all 12 utilities bordering the TVA service area. And TVA is required by law to make payments in lieu of taxes to the States and localities in which it is located amounting to 5 percent of its gross operating revenues from non-Federal sales. In 1978, these payments amounted to $80 million, making a total payment to governments at all levels out of power proceeds of over $160 million. So the TVA is more than paying its way.

The 1959 Self-Financing Act, which gave TVA authority to borrow in support of its power program, also limited that authority to a total of $750 million. I am proud to say, Mr. President, that my father, who served in the House of Representatives at that time, was one of the authors of the bill which finally passed. He and our recent colleague, Senator John Sherman Cooper of Kentucky, as the chairman indicated, fought long and hard to give this degree of independence and responsibility to TVA. It placed TVA permanently in a self-sustaining role, and removed it permanently from the Federal Treasury in terms of its power program.

I think that was a remarkable achievement, and I think what we are considering today is an extension of the logic which impelled the Congress to the adoption of the Self-Financing Act.

This limit afforded Congress a mechanism for periodic review of the power program after it was placed on a self-sustaining basis. And traditionally the TVA has returned to Congress for a limit increase about every 5 to 7 years—in 1966, 1970, and 1975.

In his budget for fiscal year 1980, President Carter recommended an increase in the limit to $30 billion. This amount will make it possible, the agency testified, for TVA to undertake projects during the next 5 years necessary to meet the continuing growth in power demand projected for the decade of the 1980's.

Over the decade from 1968 to 1978 demand for TVA power grew from 85 billion kilowatt-hours to 118 billion kilowatt-hours, an increase of 139 percent in annual sales, while the peak grew from 15.3 million kilowatts to 22 million kilowatts, an annual growth of about 4 percent. Projections for the next decade anticipate continued growth at that rate—dampened by conservation, but increased somewhat by conversions from oil and gas to electricity.

The debt authority which S. 436 provides will permit the Board of Directors of TVA to increase capacity to meet this growth. The increased authority does not mandate that rate of growth nor commit the Board of Directors to a particular construction program. It will, however, make it possible for the Board, on the basis of current forecasts, to focus the investment resources of the corporation on the most probable rate of growth.

In that regard, I would note the Board of Directors last week announced the rescheduling of completion for 4 of 14 units in its present construction program so that these would be built consecutively instead of concurrently with other units at 3 sites. The Board of Directors also indicated that inflation in construction costs had already substantially diminished the purchasing power of current and proposed authority.

I ask unanimous consent that a letter from the Board of Directors explaining the impact of recent announcements on the need for the ceiling increase be inserted in the Record following my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. BAKER. Let me make clear that I am deeply concerned over the substantial increases which have occurred in recent years in the rates of the TVA. TVA rates have tracked the general inflation in electric rates across the Nation and the burden on consumers in the valley, as in the Nation, is tremendous. But I can not agree that an option to reduce rates is to shortchange the consumer on the power he needs by curtailing the construction of necessary power facilities. The economic implications of power shortages are becoming all too apparent in the country. So while I admonish the Board of Directors not to build any unnecessary projects, I also urge them to assure adequate electricity to power the economy of the valley. I am convinced that this ceiling increase is necessary to that purpose.

I hope and trust that TVA will serve for many years in the future the citizens of the Tennessee Valley encompassing the several States that it does, and that it will continue to serve as a yardstick not only for the cost of electricity but for environmental costs as well.

I hope it will continue in its lead role as the premier Federal agency for regional development and as an example to other agencies not only in the United States but abroad.

Mr. President, I hope this bill will be adopted without amendment.

I reserve the remainder of my time.

Exhibit 1

Tennessee Valley Authority,
Knoxville, Tenn., May 18, 1979.

Senator Jennings Randolph,
Chairman,
Senator Howard Baker,
Committee on Environment and Public Works, U.S. Senate, Washington, D.C.

Dear Senator Randolph and Senator Baker: This letter confirms the report made to your counsels on May 15 that our May 14 announcement of revised construction schedules for four of our nuclear generating units does not change the need for enactment of S. 436 this year in the full amount as reported by your Committee.

S. 436 would increase by $15 billion the maximum amount of debt outstanding TVA may incur to finance its power program. Inflation has reduced the buying power of that figure to approximately $10.2 billion in 1975 dollars, the size of the last increase which Congress granted in 1975. This new debt ceiling, requested by the President, is estimated to cover TVA's needs to borrow over a five-year period, in the same manner as Congress designed a new ceiling twice before. The legislation was requested in the FY 1980 budget this year because obligations against the present debt ceiling were expected to exceed that limit in FY 1981.

The action to delay four of our units will have only a slight effect on borrowings required during the remainder of this fiscal year and next. Therefore, these delays will not cause the existing $15 billion limit to be exhausted later than anticipated. Indeed, other recent changes in conditions will cause obligations to reach the debt ceiling earlier than expected.

Moreover, these delays and other developments make no change in our estimate that the new debt ceiling set by S. 436 is the correct one, albeit probably below the needed mark. Several conditions contribute to these conclusions.

The announced delays affect only four of the 14 new units TVA has under construction (Hartsville Units B1 and B2, Phipps Bend Unit 2, and Yellow Creek Unit 2). Their completion dates are stretched out only by a few years. We are committed to complete them, and will continue to receive and store the equipment ordered for them. Construction of the other 10 units will proceed as scheduled.

In the course of my testimony before your committee on February 23d, I stated that continued inflation would likely increase the total cost over the next decade of the generating units presently under construction. Reviews of the schedules and cost estimates of these projects conducted since that hearing have identified at least $2 billion of such increases.

These increases indicate that obligations will reach the present ceiling earlier than we expected in February. These increases also mean that substantially less than expected of the new $15 billion limit, if granted, will be available for new commitments in the five-year period to which S. 436 applies.

Of course, inflation ultimately will likely further increase the cost of the four units we are delaying. We are hopeful, however, that the inflation from our adjusted timetable can be largely offset by postponed borrowings, reduced overtime, improved labor productivity, more efficient equipment utilization, and a more orderly fuel procurement program.

Although the dates on which the four delayed units will begin production are now postponed a few years from the 1985–87 dates originally planned, TVA still, in the next five-year period covered by S. 436, must be able to make commitments for new generating capacity needed in the 1990's. The present lead time for these decisions is 10 to 12 years, and expected new safety and environmental standards may soon make it even longer.

Moreover, during this same five-year period covered by S. 436, TVA must borrow and make commitments to borrow against the new ceiling for many purposes in addition to new generating capacity. These will be investments in improvements to existing plants, transmission facilities, conservation efforts, environmental protection and fuel sources. It also is likely that new laws and NRC regulations will require major investments in retrofitting of safety and evacuation programs related to nuclear plants.

In summary, the net result of the changes in our situation since my testimony before your Committee in February is: (1) our need for new authority to complete and initiate power program activities during 1980–85 is not reduced from what we anticipated earlier this year; (2) our requested increase of $15 billion in the debt ceiling will provide at least $2 billion less funding for new commitments during the period than we anticipated; and, (3) obligations will reach the present ceiling sooner than we expected in February.

I trust this is responsive to your counsels' request.

Sincerely,

S. David Freeman,
Chairman.

Mr. HEFLIN. Mr. President, I rise in support of S. 436.

I commend the distinguished senior Senator from West Virginia and the distinguished senior Senator from Tennessee for introducing this legislation, which is so vital to the citizens of the TVA area, and for guiding the measure through the Senate Committee on Environment and Public Works, of which they are the chairman and ranking minority member, respectively.

In reading the committee hearings on S. 436, I noted Senator Randolph's observation that he is the only Member of the Congress serving today who voted for the Tennessee Valley Authority enabling statute. If memory serves me correctly, I believe the Senator from West Virginia was serving in the other Chamber when the original TVA bill was passed. The Senator will no doubt recall that this law was the first major piece of New Deal legislation. He will further recall that the author of the House bill was then Representative Lister Hill of Alabama, whom the Senator from West Virginia served with for many years in both Chambers of the Congress.

The Tennessee Valley Authority has meant much to the economic development of Alabama and to the happiness of her people. We are most grateful to the Senator from West Virginia for the steadfast and unwavering support he has given TVA and the many programs carried on under its auspices. He has indeed been indefatigable in his efforts to protect and nurture TVA.

I should also like to express my deep appreciation to the distinguished Senator from Tennessee for his tireless and diligent efforts in behalf of S. 436. Coming from a State which is served almost in toto by the TVA power program, he readily recognizes the importance of seeing the TVA power system maintained at a capacity which will meet the electric power needs of its residential, business, industrial, agricultural, and governmental consumers.

Mr. President, two decades ago, Congress in its wisdom placed the TVA power program on a self-financing, self-sustaining basis. The 1959 law established a ceiling of $750 million on the amount of debt the agency could incur to help finance its power program. The debt limit was increased to $1.75 billion in 1966. In 1970, the debt limit was again increased to $5 billion, and in 1975, this figure was increased to $15 billion. The bill before us today would increase TVA's borrowing authority to $30 billion.

The increase in the bond ceiling will permit TVA to obtain the financing necessary to complete power generating plants now under construction as well as new power generating plants. These facilities must be brought on line and on schedule in order to insure the continued full and comprehensive development of the Tennessee Valley Authority on an orderly basis.

The proposed increase will also provide capital for conservation programs, for protecting the environment, and for developing possible alternative fuel resources. TVA must have the ability to carry out these programs and to add generating capacity at the time additional power is needed by the consumer. Since it takes 10 to 12 years to plan and build power facilities, this long leadtime requires that TVA be able to plan properly for the future.

Mr. President, an adequate and dependable supply of electric power is vital to the well-being of the people in the northern part of Alabama where I live and in portions of six other States served by the agency. I am talking about a power service area that covers some 80,000 square miles and serves approximately 2.6 million residential, commercial, agricultural, and industrial customers plus 11 Federal agencies. The power that TVA generates reaches its consumers through the efforts of 160 municipal and cooperative distribution systems. Because electric power is a major part of TVA's overall program to help the citizens of our region work toward sound and orderly growth, I support S. 436.

I shall also support TVA as long as I feel it is fulfilling its statutory mandate to provide dependable electric service at the lowest feasible rate. The Tennessee Valley Authority is a brainchild of Congress, and the agency is subject to continuing oversight by Congress. I take my oversight responsibilities seriously. If I determine that the trusteeship vested in TVA by Congress is not being carried out in the future, I shall make my views known, let there be no doubt about that.

Mr. President, the Chairman of the TVA Board of Directors, Dr. S. David Freeman, stated the case for S. 436 succinctly in hearings before the Senate Environment and Public Works Committee in February, when he stated:

> TVA has a utility responsibility. We must be able to serve whatever loads might develop, and in our opinion, we must have the authority and the plans to meet any foreseeable contingency. This is not to say that we will make commitments to borrow and spend money simply because we have the authority. Future capacity will be ordered only if we are confident that it is needed. We will use the $15 billion only as it is needed. But there can be no doubt, Mr. Chairman, that the legislation before you is urgently needed now.

Mr. President, last month, specifically on May 18, the Tennessee Valley Authority observed its 46th birthday. Congress created TVA to work in partnership with the people so they could earn a decent living and live in a quality environment. I have seen the many positive changes that have resulted in the Tennessee Valley from this partnership, and I know that electricity is one of the basic tools that the citizens of the region have used to enhance their lives. Because I want the people of my State and other States served by TVA to continue to have the opportunity for a bigger and better future, the TVA must have the ability to finance its program to meet future electric power needs. I urge speedy and favorable passage of S. 436.

Mr. RANDOLPH. Mr. President, will my able colleague yield?

Mr. HEFLIN. Yes.

Mr. RANDOLPH. It is important that the record reflect that those Members who are from the area of the Tennessee Valley and understand the vitality of this agency, do speak, as the Senator from Alabama is addressing the body. I think that the facts and figures that they give helps the record of this debate. It is indicative of the continued belief that I know we share, both of us, that this must always be considered in the best sense a growth country. That does not mean that big is better or best, but it does mean to me that that sense of strengthening our country, is a very, very important factor. The Senator speaks in that sense and I commend my friend for his discussion on this measure today.

Mr. HEFLIN. Mr. President, I appreciate the kind remarks of the distinguished Senator from West Virginia. I agree with him that the concept of growth is most important, that this Nation continue to grow and that our Nation, at all times, never develop a no-growth posture.

Mr. BAKER. Mr. President, it is my intention to yield time under the control of the opposition to the amendments and not on the bill.

AMENDMENT NO. 207 AS MODIFIED

(Purpose: Adds two members of the Tennessee Valley Authority Board of Directors and to set certain residence requirements)

Mr. FORD. Mr. President, I call up an amendment which I have at the desk, and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Kentucky (Mr. FORD) proposes an amendment numbered 207, as modified.

The amendment is as follows:

At the end of the bill add the following:

"TENNESSEE VALLEY AUTHORITY ACT AMENDMENTS OF 1979

"SEC. (a) That section 2(a) of the Tennessee Valley Authority Act of 1933 (16 U.S.C. 831a(a)) is amended (1) by inserting '(1)' after '(a)', (2) by striking out 'three members' and inserting in lieu thereof 'five members', and (3) by inserting at the end thereof the following:

"'(2) The terms of office of two additional members initially appointed pursuant to amendments made by the Tennessee Val- Authority Act Amendments of 1979 shall expire as designated by the President at the time of nomination, one at the end of the sixth year, and one at the end of the ninth year, after the date of such amendments. After such date of enactment, appointments to the board shall provide two members on the board at all times who at the time of appointment were residents of States consuming power produced by the Corporation.'.

"(b) Section 2(d) of such Act is amended by striking out 'two members' and inserting in lieu thereof 'three members'.".

Mr. FORD. Mr. President, I ask unanimous consent that Tom Dougherty of Senator GLENN's staff be given the privilege of the floor during the debate and voting on this amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. FORD. Mr. President, I might explain the difference between the amendment before the Senate and the amendment as originally introduced. It merely, on line 10, page 2, strikes the word "three" and inserts in lieu thereof "two." This means that instead of three members from the consuming States of the Tennessee Valley Authority, there shall be two members from those consuming States. In addition, the title amendment paragraph after line 15 has been removed from the amendment.

Mr. President, today I am offering an amendment to expand the Tennessee Valley Authority Board of Directors from three to five members and require that at all times two members be residents of States that consume TVA power at the time of their appointments.

There should be no misunderstanding over the intention of this amendment. It is not my objective to forestall or sidetrack S. 436—a measure that I support—but rather my purpose is to raise several questions which are incumbent in the legislation now before the Senate.

I introduced a modified version of this amendment in September 1975. I felt then as I do now that the matter of increasing representation on the TVA Board to guarantee regional representation warrants immediate attention.

The present Chairman of the TVA Board, S. David Freeman, in appearing before the Senate Environment and Public Works Committee this past February, made the very point my amendment addresses.

He said that the Board of Directors "are not here simply representing TVA. In a sense we represent some 6 million people of the Tennessee Valley region who depend on TVA for the electricity that supplies their homes and directly or indirectly makes possible most of their jobs."

Are the residents of the seven-State Tennessee Valley region being properly served and are their needs being given the attention they deserve? That is the basic question which my amendment addresses.

Mr. President, at this point I ask unanimous consent to have printed in the RECORD letters of support of my amendment from rural electric and municipal plant boards in the TVA region.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

RESOLUTION

The following resolution was adopted at the April 18, 1979 Quarterly Board Meeting of the Kentucky Electric Manager's Association. The resolution reads as follows:

"Whereas, Senator Wendell H. Ford has introduced a bill in the Senate of the United States.

"Whereas this would increase from three to five the number of members of the Board of Directors of the Tennessee Valley Authority, and would require certain of those members to be citizens and residents of the states included within the area served by the Tennessee Valley Authority;

"Whereas, it appears to the Kentucky Managers Association that the proposed bill, if enacted, would make the Tennessee Valley Authority more representative of the area and more responsive to the needs of the area it serves;

"Therefore, be it resolved by the Kentucky Managers Association that it does hereby go on record as giving its wholehearted endorsement and support to the bill.

"Be it further resolved that the other members of the Kentucky Legislative Delegation be urged to support Sentor Ford in every possible way in order to obtain passage of this bill by both houses of Congress and the approval of same by the President of the United States."

May 24, 1979.

Hon. **Wendell Ford,**
Dirksen Office Building,
Washington, D.C.

Dear Senator Ford: At a recent meeting of the Fulton Electric Plant Board held at this office the enclosed resolution was drafted in support of your bill, which would increase the number of members of the Board of Directors from three to five for the Tennessee Valley Authority and require certain of those members to be citizens and residents of the states included within the area served by the Tennessee Valley Authority.

The Fulton Electric Plant Board would like to commend you upon your foresight in proposing said bill and wish you success in its passage. We would like to recommend that all of the members of the Board of Directors of the Tennessee Valley Authority be citizens and residents of the states included within the area served by the Tennessee Valley Authority.

If we can be of any further help to you please let us know.

Very truly yours,
Felix M. Gossum, Jr.,
Chairman, Fulton Electric Plant Board.

RESOLUTION

Whereas, a bill has been introduced in the Senate of the United States by Senator Wendell H. Ford of Kentucky, which bill would increase from three to five the number of members of the Board of Directors of the Tennessee Valley Authority and would require certain of those members to be citizens and residents of the states included within the area served by the Tennessee Valley Authority; and

Whereas, it appears to the Fulton Electric Plant Board that the proposed bill, if enacted, would make the Tennessee Valley Authority more representative of the area and more responsive to the needs of the area it serves: and

Now, therefore, be it resolved by the Fulton Electric Plant Board that it does hereby go on record as giving its wholehearted endorsement and support to the bill introduced in Congress of the United States by Senator Wendell H. Ford which would increase from three to five the number of members on the Board of Directors of the Tennessee Valley Authority, and

Be it further resolved that the other members of the Kentucky Legislative Delegation be urged to support Senator Ford in every possible way in order to obtain passage of this bill by both houses of Congress and the approval of same by the President of the United States.

Elizabethtown, Ky.,
April 30, 1979.

Senator **Wendell H. Ford,**
Dirksen Building,
Washington, D.C.

Dear Senator Ford: Your suggestion on expanding the TVA Board of Directors from a three man board to a five man board is an excellent idea. I commend you on your idea.

I hope to see you in Washington, D.C. on May 8.

Really and truly, Senator, if we had more people of your stature this country would be a better place to live.

Very truly yours,
Clem S. Tharp,
Manager.

April 30, 1979.

Hon. **Wendell Ford,**
U.S. Senate,
Dirksen Building,
Washington, D.C.

Dear Senator Ford: East Kentucky Power applauds and supports your proposal to expand the Tennessee Valley Authority (T.V.A.) board from three to five members. We further feel the concept of a board member from each of the major consuming states be in the best interest of all.

Please know East Kentucky Power is proud to see one of Kentucky's senators taking such a knowledgeable leadership role in the energy field.

Very truly yours,
Ronald Rainson,
President and General Manager.

RESOLUTION

Whereas, a bill has been introduced in the Senate of the United States by Senator Wendell H. Ford of Kentucky, which bill would increase three to five the number of members of the Board of Directors of the Tennessee Valley Authority and would require certain of those members to be citizens and residents of the states included within the area served by the Tennessee Valley Authority; and

Whereas, it appears to the Glasgow Electric Plant Board that the proposed bill, if enacted, would make the Tennessee Valley Authority more representative of the area and more responsive to the needs of the area it serves; and

Now, therefore, be it resolved by the Glasgow Electric Plant Board that it does hereby go on record as giving its wholehearted endorsement and support to the bill introduced in the Congress of the United States by Senator Wendell H. Ford which would increase from three to five the number of members on the Board of Directors of the Tennessee Valley Authority, and

Be it further resolved that the other members of the Kentucky Legislative Delegation be urged to support Senator Ford in every possible way in order to obtain passage of this bill by both houses of Congress and the approval of same by the President of the United States.

Paducah, Ky.,
April 27, 1979.

Sen. **Wendell H. Ford,**
U.S. Senate,
Dirksen Senate Office Building,
Washington, D.C.

Dear Senator Ford: At the regular meeting of the Electric Plant Board of the City of Paducah, Kentucky D/B/A Paducah Power System on April 25, 1979, the attached Resolution was unanimously adopted supporting the Bill you introduced in the Senate of the United States.

It is the Electric Plant Board's sincere hope that you will receive support of the abovementioned Bill to increase the number of members on the Board of Directors of the Tennessee Valley Authority.

Very truly yours,
W. L. Borgerding,
General Manager.

RESOLUTION ENDORSING AND SUPPORTING BILL INTRODUCED IN THE CONGRESS OF THE UNITED STATES BY SENATOR WENDELL H. FORD INCREASING THE NUMBER OF TVA BOARD MEMBERS

Whereas, a bill has been introduced in the Senate of the United States by Senator Wendell H. Ford of Kentucky, which bill would increase from three to five the number of members of the Board of Directors of the Tennessee Valley Authority and would require certain of those members to be citizens and residents of the states included within the area served by the Tennessee Valley Authority; and

Whereas, it appears to the Electric Plant Board of the City of Paducah, Kentucky D/B/A Paducah Power System that the proposed bill, if enacted, would make the Tennessee Valley Authority more representative of the area and more responsive to the needs of the area it serves;

Now, therefore, be it resolved by the Electric Plant Board of the City of Paducah, Kentucky D/B/A Paducah Power System that it does hereby go on record as giving its wholehearted endorsement and support to the bill introduced in the Congress of the United States by Senator Wendell H. Ford which would increase from three to five the number of members on the Board of Directors of the Tennessee Valley Authority, and

Be it further resolved that the other members of the Kentucky Legislative Delegation be urged to support Senator Ford in every possible way in order to obtain passage of this bill by both houses of Congress and the approval of same by the President of the United States.

Bowling Green, Ky.,
April 27, 1979.

Hon. **Wendell H. Ford,**
U.S. Senate, Dirksen Office Building,
Washington, D.C.

Dear Senator Ford: Enclosed is a copy of a Resolution by our Board of Directors supporting your legislation to expand the TVA Board.

Those attending the NRECA legislative conference on Maly 6–8 will be Floyd H. Ellis, President; Kenneth H. Robbins, Vice President; Joe Meng, Secretary-Treasurer; Director James W. McGuirk; Director Guy B. Johnson; Director Joe B. Neely; Director Charles O. Hutcheson; Director C. O. Stogner; and Attorney James H. Lucas. I will, of course, be there too.

Sincerely,
Chas. M. Stewart,
General Manager.

RESOLUTION

The Board of Directors of Warren Rural Electric Cooperative Corporation, Bowling Green, Kentucky, unanimously endorses and supports legislation introduced by Senator Wendell H. Ford to expand the Board of Directors of the Tennessee Valley Authority to five members and require that a specified number of that Board be residents of states served by TVA.

It is the feeling of the Warren RECC Board that five members with increased representation from the TVA service area would be more responsive to the needs of the area, and could better fulfill these needs through enactment of policies and procedures.

By this Resolution adopted at Bowling Green, Kentucky, on April 24, 1979, the Board of Directors of Warren Rural Electric Cooperative Corporation supports Senator Ford's position; encourages wholehearted backing by other Kentuckians serving in the Congress; and directs that a copy of this Resolution be forwarded to Senator Ford, Senator Walter D. Huddleston, Congressmen, and Kentucky Legislators representing areas served by Warren RECC.

Hopkinsville, Ky.,
June 15, 1979.

Hon. Wendell H. Ford,
U.S. Senate,
Dirksen Office Building,
Washington, D.C.

Dear Senator Ford: We are enclosing a copy of a Resolution adopted by the Electric Plant Board of the City of Hopkinsville at its regular meeting held at 11 a.m., June 12, 1979.

Sincerely,

Howell Hightower,
Superintendent.

Resolution

Whereas, a bill has been introduced in the Senate of the United States by Senator Wendell H. Ford of Kentucky, which bill would increase from three to five the number of members of the Board of Directors of the Tennessee Valley Authority and would require certain of those members to be citizens and residents of the states included within the area served by the Tennessee Valley Authority; and

Whereas, It appears to the Electric Plant Board of the City of Hopkinsville, Kentucky that the proposed bill, if enacted, would make the Tennessee Valley Authority more representative of the area and more responsive to the needs of the area it serves; and

Now, therefore, be it resolved, By the Electric Plant Board of the City of Hopkinsville, Kentucky that it does hereby go on record as giving its wholehearted endorsement and support to the bill introduced in the Congress of the United States by Senator Wendell H. Ford which would increase from three to five the number of members on the Board of Directors of the Tennessee Valley Authority; and

Be it further resolved, That the other members of the Kentucky Legislative Delegation be urged to support Senator Ford in every possible way in order to obtain passage of this bill by both houses of Congress and the approval of same by the President of the United States.

Hopkinsville, Ky.,
May 14, 1979.

Hon. Wendell H. Ford,
U.S. Senate, Dirksen Office Building,
Washington, D.C.

Dear Senator Ford: Enclosed, herewith, please find a copy of a resolution passed by the Board of Directors of Pennyrile Rural Electric Cooperative Corporation at its April 26, 1979, meeting.

We have considered the bill which you introduced in the Senate to increase the number of members on the Board of Directors of the Tennessee Valley Authority from three to five. Our thoughts on this most important proposed bill is that it would be good for TVA, good for the Commonwealth, and good for the country as a whole.

Very truly yours,

E. W. Swinney,
President.

Resolution

Whereas, Senator Wendell H. Ford has introduced a bill in the Senate of the United States;

Whereas, This would increase from three to five the number of members on the Board of Directors of the Tennessee Valley Authority, and would require certain of those members to be citizens and residents of the states included within the area served by the Tennessee Valley Authority;

Whereas, It appears to the Pennyrile Rural Electric Cooperative Corporation that the proposed bill, if enacted, would make the Tennessee Valley Authority more representative of the area and more responsive to the needs of the area it serves;

Therefore, be it resolved by the Pennyrile Rural Electric Cooperative Corporation that it does hereby go on record as giving its wholehearted endorsement and support to the bill;

Be it further resolved: That the other members of the Kentucky Legislature delegation be urged to support Senator Ford in every possible way in order to obtain passage of this bill by both Houses of Congress and the approval of same by the President of the United States.

Hopkinsville, Ky.,
April 17, 1979.

Senator Wendell Ford,
Dirksen Building,
Washington, D.C.

Dear Senator Ford: We have been informed that legislation might be forthcoming for the Tennessee Valley Authority's Board members to be increased from three to five.

TVA is the largest electric utility in the world, and the responsibility for management to be on the shoulders of three Board members is absurd. Our Cooperative is strongly behind you on anything you can do to increase the number on the Board.

In the near future, the debt limit for TVA will be discussed. In our opinion, it is important that the debt limit for TVA be increased from $15 million to $30 million.

The people in Kentucky think that you are doing a splendid job in Washington. Your hard work is greatly appreciated by the people of Western Kentucky.

Very truly yours,

John B. Mason,
Manager.

Loudon, Tenn.,
April 16, 1979.

Senator Wendell *Ford,*
Senate Office Building,
Washington, D.C.

Dear Senator Ford: I have been reading of your proposal to create a Five Member Board for the Tennessee Valley Authority. I would like to have you know that I am certainly for this, and I think that I speak for several thousand people here in Loudon County, when it seems as though the board is being controlled entirely by the Chairman, Mr. S. David Freeman. The opposition to the completion of the Tellico Dam by Mr. Freeman is certainly unwarranted and the majority of people here in Loudon County feel that it should be completed.

I personally believe that if you are able to increase the board to five members, his domination of the board will cease. I believe that with five members, presumably three votes would be required, meaning that the Chairman would have to persuade two additional directors, before his ideas could be effected. I am also for the proposal that at least three of these directors be from T. V. A. States. This would seem only fair to me, and I think that they would work for the best interest of the people within the T.V.A. area.

Good luck to you in effecting the expansion of this board.

With kindest personal regards, I am,

Yours very truly,

Thomas F. Ingram.

Monticello, Ky.,
April 20, 1979.

Senator Wendell H. Ford,
Washington, D.C.

Whereas, Senator Wendell H. Ford has introduced a bill in the Senate of the United States.

Whereas this would increase from three to five the number of members of the Board of Directors of the Tennessee Valley Authority, and would require certain of those members to be citizens and residents of the States included within the area served by the Tennessee Valley Authority; and

Whereas, it appears to the Kentucky Managers Association that the proposed bill, if enacted, would make the Tennessee Valley Authority more representative of the area and more responsive to the needs of the area it serves;

Therefore, be it resolved by the Kentucky Managers Association that it does hereby go on record as giving its wholehearted endorsement and support to the bill.

Be it further resolved that the other members of the Kentucky Legislative Delegation be urged to support Senator Ford in every possible way in order to obtain passage of this bill by both houses of Congress and the approval of same by the President of the United States.

James H. McCune,
Superintendent.

Bowling Green, Ky.,
April 18, 1979.

Hon. Wendell H. Ford,
U.S. Senate, Washington, D.C.

Dear Senator Ford: Enclosed please find resolution recently adopted by Bowling Green Municipal Utilities Board in support of your bill to increase number of directors on the Tennessee Valley Authority Board.

We strongly support your bill and offer our assistance in any way that we may be of help.

Yours truly,

Henry Carlisle, Jr.,
General Manager.

Resolution

Whereas, a bill has been introduced in the Senate of the United States by Senator Wendell H. Ford of Kentucky, which bill would increase from three to five the number of members of the Board of Directors of the Tennessee Valley Authority and would require certain of those members to be citizens and residents of the states included within the area served by the Tennessee Valley Authority; and

Whereas, it appears to the Bowling Green Municipal Utilities Board that the proposed bill, if enacted, would make the Tennessee Valley Authority more representative of the area and more responsive to the needs of the area it serves; and

Now, therefore, be it resolved by the Bowling Green Municipal Utilities Board that it does hereby go on record as giving its wholehearted endorsement and support to the bill introduced in the Congress of the United States by Senator Wendell H. Ford which would increase from three to five the number of members on the Board of Directors of the Tennessee Valley Authority, and

Be it further resolved that the other members of the Kentucky Legislative Delegation be urged to support Senator Ford in every possible way in order to obtain passage of this bill by both houses of Congress and the approval of same by the President of the United States.

(Mr. BOREN assumed the chair as Presiding Officer.)

Mr. FORD. Mr. President, we have been told by opponents of my amendment this morning that there was no support from rural electric or municipal plant boards for expansion of the TVA Board. So now, for the RECORD. I have submitted these letters of support from those States—not all, by the way, that I have in my office, but I think this indicates the support of the total region. I might also say, Mr. President, that these letters include letters from the great State of Tennessee.

As we have been told this morning, when the TVA was established in 1933 as a multipurpose regional agency, little did anyone realize the growth that would be experienced in the years ahead.

The number of TVA employees has grown to total more than 46,000. The agency's bonded indebtedness has reached $7.2 billion. The TVA is now the largest producer of electrical power in the entire United States.

Over the years, the Tennessee Valley Authority has constructed 37 multipurpose dams as part of an integrated flood control system. TVA also works extensively in conjunction with the Environmental Protection Agency to develop and improve our data base on the transport and impact of pollutants so that our environmental programs may respond accurately to these phenomena.

The TVA has developed and manages an extensive system of recreation facilities throughout the valley in conjunction with its reservoirs. And the electrification of the seven-State service area has been a major factor in the enhancement of economic growth and standard of living in the region.

As the responsibilities of the TVA have grown through the years, the number of Board members has remained constant at three. Quite frankly, it has been a major effort to have the Board operating at full capacity at any one time.

For a 6-month period last year, the Board was forced to operate without a quorum as a result of two unfilled vacancies. We have had a one-man Board. We have had a two-man Board. In fact, at the present time we still have a two-man Board, as the third and most recent nominee awaits Senate confirmation.

Throughout this period hundreds—yes, hundreds—of decisions have been made which affect the present and future quality of life for the residents of the valley.

Can we honestly say that their needs were given proper consideration? I do not think so.

The bill to which I am proposing this amendment—a bill that would double the TVA's borrowing authority from $15 billion to $30 billion—in itself cries for the additional representation I am proposing.

The bill itself cries out for additional help, and I think the committee report as it relates to this piece of legislation also cries out for additional membership on the Board.

For those of you from outside the TVA region, let me briefly elaborate on the many activities in which the agency is involved.

At the beginning of its life in 1933 TVA was a corporation clothed with the power of Government, but possessing the flexibility and initiative of private enterprise. This broad charter was a necessity if the agency was to fulfill its congressional mandate of service—not just electrical power, but service—to the region.

That is exactly what the TVA has done since its inception—with, I might add, a high measure of success.

TVA has taken an active role in improving the quality of life in many diverse areas—areas such as mining and reclamation; water quality; the many natural resources unique to the Tennessee Valley; solid waste management; new recreational opportunities; land improvements; agricultural development; and higher quality health care which is such a very critical need in rural areas.

TVA spent $138.5 million for these purposes in 1978 and proposes to spend more than $154.5 million this year.

This is not money to meet the needs of the past. This is money to meet the needs of the present and future.

Can a board of directors on which representation from the region is not guaranteed have a true and complete understanding of exactly what needs are first and foremost within the region?

I do not think so.

My amendment would rectify this obvious shortcoming. My amendment would assure that the people of the region have a say in those activities which are so vital to their future and the region's future.

The people of the region must have a voice—an active and responsible voice—in those decisions that will decide the future growth and development of the valley.

They must have a voice in those decisions that must be made about what the TVA plans to do with the additional $15 billion in borrowing authority that Congress is now ready to approve. As the Congressional Budget Office points out in the report on this very bill, "It is expected that over time the amounts borrowed and spent will be fully repaid by raising rates charged to consumers."

Where are the consumers? The consumers are in the seven States which are served by the TVA, and those consumers are not now guaranteed any representation of the TVA Board. Yet we hear that we want outside dominance of the TVA region.

I do not see how any Senator who has any compassion for his constituents can be opposed to them being represented to make the decision that are vital to the citizens of the TVA.

I want to quote from the Congressional Budget Office one more time.

> It is expected that over time the amounts borrowed and spent will be fully repaid by raising rates charged to consumers.

Who are the consumers? The people in Tennessee, Kentucky, Alabama, Georgia, Virginia, North Carolina, and Mississippi. Those are the people who are going to pay the bill and those are the people who are not now guaranteed any kind of representation on the TVA Board.

My most pressing concern is that the people of the valley have a voice in those decisions which affect their very existence—and if you think such decisions are a thing of the past, let me bring to your attention a statement made in late April by the TVA's Director of TVA's nuclear fuel storage project, Robert Davidson. Mr. Davidson was quoted as saying that TVA had volunteered to accept and store most of the country's nuclear waste.

How many people in the valley understand that the Board has agreed, or they have volunteered, to accept and store most of the country's nuclear waste?

TVA later backed off that particular idea—at least for the time being, but can we be certain that it is indeed a "dead issue?"

Can the constituents of TVA power be assured that it is a dead issue? I do not think so.

I do not think so, and this is one decision where the people of the region must have some say.

There are many other major policy decisions awaiting TVA Board attention—decisions in which the voice of the region's people must be taken into account.

Mr. President, if Congress is committed to encouraging growth and expansion by the TVA—as S. 436 is—then it is essential that at the same time we also provide the necessary safeguards to guarantee beyond any shadow of doubt that the valley's interests, welfare, and safety are protected.

Expanding the TVA Board from three to five would satisfy that objective. With three members, only two votes are required for a simple majority. But by increasing the Board to five, a three-member majority will be required, assuring additional opportunity for the views, concerns and needs of the people of the region to be heard and fully considered.

Some have argued—without documentation—that increasing the Board from three to five would be costly and create another level of bureaucracy. This, simply, is not so.

According to the Congressional Research Service, the estimated annual cost of two new Board members would be in the $215–$220,000 range.

Mr. President, if they are going to lay on the customers of the TVA $30 billion in debt, $220,000 does not seem like too much for the voice of the valley to be assured that they can be heard.

Mr. President, given the fact that we are talking about increasing the TVA's borrowing authority to $30 billion, this cost would be a small price to pay as security that the Board actions are consistent with and in the best interest of the people of the region.

In closing, let me cite one more statement by TVA Board Chairman David Freeman—a quote from the agency's annual report for 1978:

> Here in the Valley we are entering a new era. We are renewing the partnership with the people to better their lives by rekindling

the demonstration role this agency has had since its inception.

That role, Mr. President, is one of service to the people of the valley—and we must preserve and protect it.

The best way to a partnership is the representation of the people of the valley on that Board so that they may cooperate and move forward.

Mr. President, I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. BAKER. Mr. President, I yield such time as my colleague (Mr. SASSER) may require.

Mr. SASSER. I thank my distinguished colleague for yielding.

Mr. President, I rise to oppose the amendment of my distinguished friend from Kentucky. As he has so eloquently stated, the Tennessee Valley Authority is a large and very important Government agency. It is the largest utility in this country. It is a multibillion dollar business.

The Tennessee Valley Authority is the single most important Government agency in my native State of Tennessee. It affects the lives and economic well-being of every man, woman, and child in Tennessee. It plays an important role in the economic welfare of a seven-State area, including the State so ably represented by the distinguished junior Senator from Kentucky.

But because of the Tennessee Valley Authority's vital importance to my State and, indeed, because of its importance to this Nation in a time of accelerating energy crisis and accelerating energy demands, I approach any legislation dealing with the Tennessee Valley Authority with great care and consideration.

On the bill before us, Mr. President, I chaired hearings of both the Senate Committee on the Budget and the Senate Subcommittee on Energy and Water Resources Appropriations. I spent many hours reviewing the proposal to increase the bond authority.

I met with officials of the Tennessee Valley Authority, the Board of Directors, including the Chairman of the Board, David Freeman. I also met with many customers and consumers of Tennessee Valley Authority electricity. I read the testimony of the Committee on Public Works which reported this legislation.

But the difference between the bill to raise the bond ceiling today and the amendment offered by the distinguished Senator from Kentucky is simple and I think crucial.

The amendment offered today has had no such careful hearings. There has been no report that the Members of this body could study and there is no hearing record the Members could study or the public at large could study.

I have not had the opportunity to fully explore this amendment. But I know it is an amendment which would create a radical change in the way TVA does business.

I do believe the Senate should approve any amendment without careful consideration and thoughtful hearings.

I cannot support this amendment today for that reason.

Let me say to my distinguished friend from Kentucky that I share the view that the Tennessee Valley Authority Board of Directors should be responsive to the needs and desires of the people of the area. I am pleased to report that the current Board of Directors has been making substantial progress and substantial efforts to be more responsive to the people of the valley area.

TVA, I think perhaps for the first time in many years, maybe for the first time in history, is now having regular open hearings at which consumers can voice their complaints, their grievances, or simply state their views.

The public is becoming more involved rather than less involved in the major issues before the Tennessee Valley Authority.

I have encouraged this present board to improve and to expand on this practice of seeking regular public input into the operation of the Tennessee Valley Authority.

Now, I would say to my distinguished friend from Kentucky that a three-member board has served the Tennessee Valley Authority well, has served it well for over 40 years, and to change now, I think, casts a heavy burden of proof on those that wish to change.

If this burden of proof is to be carried, I think it must be backed by careful hearings, by thoughtful consideration, and also by a thorough review of the record by the Members of this body.

For this reason, Mr. President, I must oppose the amendment offered by the Senator from Kentucky. But in so doing, I wish to reserve the right to reconsider this matter at a later date following full hearings and following a proper consideration of this proposal.

Mr. President, I yield the floor to my distinguished colleague from Tennessee.

The PRESIDING OFFICER. Who yields time?

Mr. BAKER. I yield myself 5 minutes.

The PRESIDING OFFICER. The senior Senator from Tennessee.

Mr. BAKER. Mr. President, I am sympathetic even to the amendment of the Senator from Kentucky because nothing appeals to me more than the idea of having a regional distribution of representation on a policy-setting agency. But I oppose the amendment.

I oppose the amendment because I think we have a good thing going and I would hate to see it changed.

TVA's Board is not, nor has it ever been, a perfect Board. I remember once a long time ago when President Roosevelt fired one member of the Board for contumacy. A newspaper reporter asked, "What is contumacy?" He said, "It's what Dr. Morgan is guilty of."

So there have not always been tranquil times on the Board. But, by and large, it served very well.

The act describes the TVA Board a unique and special way. It is not just a policy-setting agency. It is also an administrative agency. It is sort of a hybrid board. It has administrative responsibilities as well as policy-setting functions.

From that standpoint, a change in the Board, especially a change upward in the numbers of members, would have a fundamentally altering effect on the way TVA is managed.

The TVA Act is not inviolate. I pointed out earlier that I support, as my father supported, the TVA Financing Act which is the most fundamental departure from the original concept.

So the act is not inviolate. It has to change and evolve with the times. Maybe there should be a change at some time in the number of the board members.

As I say, I am sympathetic to the proposition of the Senator from Kentucky. But the fact of the matter is that his proposal is a fundamental change in the nature of the Board. It would alter the management and policy-setting functions of the agency in a very real way. It seems to me if we do that, we ought to do it carefully and meticulously and methodically.

I think the very least we could do is have hearings in the jurisdictional committee. I discussed this matter with the Senator from Kentucky and I know he feels a degree of impatience with the committee on which I serve and which the distinguished Senator from West Virginia chairs. But we, all of us, have to face up to the fact there are other competing demands on our time.

As far as I am concerned, I would be perfectly willing to see this matter thoroughly ventilated, extensively heard, not only before the subcommittee, or the committee having jurisdiction, but the full committee as well, and to let this proposal take its course, see what happens to it.

I am not going to stand here and say to my good friend and colleague from Kentucky that I support the amendment, but I am not going to say I reject it out of hand. But I am going to say that I will not support it on this bill.

I judge that is not terribly attractive to the Senator from Kentucky. I base that on my conversation outside the scope of the record that I had with him earlier today. I must say he does not appear to be readily agreeable to that proposal. But it is a serious proposal on my part.

I see the distinguished chairman of the committee is here. I am more than happy to yield to him in that regard, on the question of whether or not the committee would be willing to have hearings on this proposal at some future date.

Mr. RANDOLPH. Yes; in response to the inquiry of the Senator from Tennessee, we have agreed, as our able colleague from Kentucky knows, to a hearing in the Senate on the content of the amendment offered today. That date is July 27, if that is the date that accommodates the Senator.

Also, I believe the Senator from Tennessee has a bill that he would want considered which is not the subject of increased membership. Is that correct?

Mr. BAKER. Mr. President, the chairman is correct. I do have a bill. I also have an arrangement with my friends from Alabama, however, that I would not call up that bill unless I consulted and conferred with them in advance.

There is an aged-old conflict between Tennessee and Alabama on where the headquarters is or is not.

The chairman is entirely right. I do have a bill. My colleague from Tennessee (Mr. SASSER) is trying to resolve that issue. I state for the record that I have no intention of doing that except after full consultation with my colleagues from Alabama, to make sure that nobody is taken by surprise.

The answer is, "Yes," I would be glad to take that up. It also is a change in the act and would fit nicely into the bill.

Mr. FORD. Mr. President, will the Senator yield?

Mr. RANDOLPH. I yield.

Mr. FORD. Now the Senator wants to bring up another bill that would make a change in TVA, and it is not right for me to make a change in TVA today without a full hearing.

As to the date that was given to me, I wish the Senator would check his calendar, because it is going to be hard to have a hearing on Sunday. I would hope that July 22——

Mr. RANDOLPH. On the 27th.

Mr. FORD. The 22d.

Mr. RANDOLPH. The 27th.

Mr. FORD. I understood the Senator to say the 22d. If it is the 22d, as I recall, that is on a Sunday.

Mr. RANDOLPH. I am sorry. The 27th is the date.

I inquire further of the Senator from Tennessee: He does not mean that he has an arrangement, or he may have it, that would keep his measure from having a hearing on that date?

Mr. BAKER. No, I do not. All I was trying to say to the chairman was that I would be happy to have a hearing on my proposal and on whatever date the committee suggests. But I have a moral obligation, which I have expressed to my colleagues from Alabama, that I am not going to take up this measure at any point without consulting them first.

Personally, I would be happy to have hearings on it. Hearings are the only way we should approach that bill. I do not plan to offer it as an amendment on this bill or any other bill.

I thank the chairman for his inquiry.

Mr. President, I reserve the time remaining to me in opposition to the Ford amendment.

The PRESIDING OFFICER. Who yields time?

Mr. FORD. Did the Senator from Tennessee reserve the remainder of his time?

Mr. BAKER. I did. I am glad to yield it back whenever the Senator from Kentucky wishes to do so.

Mr. FORD. I am not quite ready. I am delighted to hear the opposition.

Mr. President, it is very significant, I think, when the opposition to my amendment says they are sympathetic. The other opponent says he reserves the right to change his mind because he thinks it may be pretty good.

I applaud the junior Senator from Tennessee when he says that if anything comes before this Chamber that is important to Tennessee, he should be interested in it. He is going to take some action as a result. But he said this bill was important to Tennessee. I agree. It is important to six other States. It just does not happen to be solely important to Tennessee. It is important to the other six States as it relates to their economic well-being and to their future.

Two additional members to the TVA Board is a radical change, I am told here today. What is radical about asking for two additional members of the Board of Directors? It has been good since 1933. Sure, it has been good since 1933. But the junior Senator from Tennessee said it has been a closed shop until the last few months.

You have opened it up. You have more work. You have more attendance. You have more people involved. You tried for a while to divide among the members of the Board certain responsibilities within the TVA structure. But while it was small and it worked that way, change had to be made.

Now you have an Executive Director and a General Manager of the TVA operation. The Board of Directors is involved in making policy. If the people are to be involved who are going to pay the possible indebtedness of $30 billion, why, oh, why, can they not have some guaranteed representation? It does not say that it is coming from Kentucky. It does not say that that member shall come from Mississippi or Alabama or Georgia or North Carolina. But they now have a chance to have representation on the Board.

They say there has been no hearing, that there has been no discussion on the expansion of the Board. The House already has passed at least one bill I know of increasing the membership from three to five. Those who supported that piece of legislation then are agreeable. They think they should be included and that representation should come from the valley. So we have on the House side an agreement already to expand the board.

I understand the procedure here. When you are against something, it is delayed.

The distinguished senior Senator from Tennessee said I was impatient with the committee. I am not impatient with the committee. Senator RANDOLPH has been more than a gentleman to me. He always has made an extra effort to accommodate me, and I say there is no other chairman here who has been more helpful and more concerned than he has been with respect to the junior Senator from Kentucky.

What I am impatient about is that the consumers of TVA power have some representation as it relates to policymaking.

If a radical change is brought about, the Senator from Tennessee is already worried about a court case. They are in court, trying to work out some legislation with the good State of Alabama.

It seems to me that attention is being diverted in other directions and that the board of directors might need some help in making policy. It certainly means that Alabama is not represented on the board. The only valley State that is represented or has a chance of being represented under the present circumstances is Tennessee. The only State is Tennessee. Maybe they want to preserve their only member on the board. I say to them that if this is the largest and if we are funding tax dollars to TVA, other considerations should be given.

So, Mr. President, I hope that the sympathetic approach or the sympathetic statement by the senior Senator from Tennessee would go a little further and allow me to have this amendment, since the House already has passed the expansion of the board. They have been waiting on this side. They passed it in the last Congress, and I think they would pass it in this Congress.

I hope the openmindedness of the junior Senator from Tennessee, the understanding and consideration he gives to all legislation, the understanding that he has for his constituents in Tennessee, would be expanded a little so that he could help his neighbors to have a voice in their payment of a $30 billion indebtedness.

There have been charges over the years, Mr. President, from a very small beginning but an important beginning, and a very bright future: from a small number of employees to more than 48,000. The number of TVA employees has doubled in the last 8 years.

I think that is a radical change. It is a radical change that needs some additional support as it relates to policy and direction.

"You have a good thing going." That is what I hear. Do the consumers have a good thing going? I think they can have. But I do not want anything to stifle the future and I think I have tried to count as best I can.

I know there are a lot of people scurrying around now since it looks like I am going to kind of hold my position for a while at least to see whether they want to accommodate me or to take it to the mat, and I hope that the telephone company does not go out of order until all the phone calls are made and the pushing and shoving is completed and the encouragement of the policy committees to "stay with me, I do not have time to explain it, but stay with me." That is all right. I understand those things and these are things that come back to me as a colleague and I want to assure those who are in opposition to this representation of the people of the Tennessee Valley Authority, those consuming States. Some of those States have never been represented on the Board. They have never had a member on the Board of Directors. Maybe they do not have anyone qualified. I doubt that. I doubt that in any State one could not find eminently qualified individuals to be members of the Board of Directors.

Let there be no mistaking my position. I think the TVA should be operated as a board of directors. I think the directors should set the policy and that they should have management and the executive officer report to them. It is big business. It is important business. They should have that type of structure.

I have not heard much argument today against my amendment. One says he is in sympathy with it. The other opponent says he wants to reserve the right to change his mind and smiles, and I suspect if we had it up under any other circumstance he would probably vote for it.

I might call to their attention that I received letters from the great State of Tennessee, from those REA's and municipal operations in Tennessee supporting my amendment. From all of the States I have received support for this expansion. It seems to me that if you want to be fair to those consuming States at least give them a chance to be represented. Give the people of those other areas an opportunity to have a voice in how they will pay their bill and how their future will be designed and structured through this massive operation of TVA.

How much time have I used, Mr. President?

The PRESIDING OFFICER. The Senator has 91 minutes remaining.

Mr. FORD. Mr. President, I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. RANDOLPH. I yield myself such time as I may require.

The PRESIDING OFFICER. The Senator from West Virginia.

Mr. RANDOLPH. Mr. President, I wish to ask the able Senator from Kentucky and I am not trying to——

Mr. FORD. The Senator is going to correct me on a statement I made; is that correct?

Mr. RANDOLPH. That is correct.

Mr. FORD. The Senator is correct. It was introduced, I think, by the distinguished Congressman JONES from Tennessee. It was introduced and not passed. The Senator is correct. I caught myself and I want to admit it before he has to do what he is reluctant to say.

Mr. RANDOLPH. That is right. That is true, because ofttimes in debate I am as guilty as the Senator from Kentucky.

Mr. FORD. I misunderstood him to say the 22d instead of the 27th a while ago. I apologize.

Mr. RANDOLPH. That is right. They sound somewhat alike.

Mr. FORD. Yes.

Mr. RANDOLPH. Mr. President, there has been no action, of course, within our committee on this subject, as the participants in connection with the pending amendment understand.

Very quickly, I will say I believe that there should be a hearing on this amendment within the committee, a hearing on the bill, or a hearing on the bill of a member of our committee, Senator BAKER.

Having said that, I think that I am acting simply as an individual member of the committee, although I have the responsibility of the chairmanship of the committee. I am ready to talk about my position on the amendment, but I continue to hope that, with the understanding of the Senator from Kentucky—it is not for me to advice or counsel him on what to do, but it is my thinking as the chairman, believing in the hearing process within the committee—that is what should be done.

Again it is within the conscience and conviction of my friend. I hope we do not have an up-and-down vote on the amendment. Frankly, I may ask for the tabling of the amendment, because I want the hearing process to go forward within the committee. I may very well, with the hearing process, support the amendment of the Senator from Kentucky. That is a matter for later decision. I do not make it today, but I will make it in the hearing process within the committee. I believe that is the preferable way to move this matter.

I think the debate has been helpful.

Mr. President, the Senator from Kentucky (Mr. FORD), the former Governor of that Commonwealth, is a strong supporter of the Tennessee Valley Authority, as are other Members of this body. I particularly in this instance commend him for his continued interest taken in the form of an amendment which he desires that the Senate consider.

The amendment, however, does propose a substantial change in the organization and the management of the Tennessee Valley Authority.

It is not a minor amendment. It is, however, a very important amendment. It is an amendment which should have the process of hearing, with witnesses and close attention, which I can pledge the Committee on Environment and Public Works will give to the pending amendment.

We must remember—and I say this for the record—that the Tennessee Valley Board of Directors is more than a policymaking body. That is, of course, a major responsibility. But the members of the Board also—and I use the word and strengthen it by repetition, also—conduct the day-by-day management of the Tennessee Valley Authority.

It may be that a change in the composition of the Board and even the duties of the Board are matters for consideration—not only adding members, but the duties of the Board to be considered. Such a step, however, should not be taken, I feel today, through an amendment on which, as I have said, there has been no hearing or hearings.

The Committee on Environment and Public Works has set a hearing on this bill of the Senator from Kentucky, and other bills including, I believe, a bill which has been agreed to, from that date, if it is necessary to have it follow, even to another date, but on July 27 we take one or more bills up before the committee which have to do with the Tennessee Valley Authority.

What will a hearing process do? It will provide us with information which we need to develop within the committee membership a position on the amendment of the Senator from Kentucky or other amendments that might flow to this Chamber from the action within the committee.

I do not think it is necessary, but I want to assure the Senator from Kentucky that his proposal will have the most careful and painstaking concern and attention of the members of the committee.

I believe that without hearings, it would be inadvisable to have an up or down vote, although I certainly shall not oppose that.

Now, as I have said several times, I can understand that the Senator from Kentucky wants an up or down vote, and I do not fault him for that. But I believe in the hearing process, and I believe with no action taken in the House of Representatives on this matter that this be the proper way in which to serve the Senator from Kentucky and other Members of this body.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceded to call the roll.

Mr. RANDOLPH. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. RANDOLPH. Mr. President, I yield back all the time that I have remaining.

The PRESIDING OFFICER. Is all time yielded back?

Mr. FORD. No, Mr. President, I have not yielded back any of my time.

Mr. RANDOLPH. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. BAKER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Mr. President, I yield to the Senator from Kentucky.

Mr. FORD. Mr. President, how much time do both sides have remaining on this amendment?

The PRESIDING OFFICER. The Senator from Kentucky has 91 minutes remaining. The Senator from West Virginia has 75 minutes remaining.

Mr. BAKER. Mr. President, I am about to suggest the absence of a quorum, but before I do, I ask unanimous consent that the time for that quorum call be charged equally against both sides.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. BAKER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. BAKER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Mr. President, I ask unanimous consent that Mimi Feller, of Senator CHAFEE's staff, be granted the privilege of the floor during the remainder of the consideration of this bill.

The PRESIDING OFFICER (Mr. STONE). Without objection, it is so ordered.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Kentucky has been seeking recognition.

Mr. FORD. Mr. President, I do not want to delay the proceedings in the Senate any longer.

I have told the distinguished chairman of the Environment and Public Works Committee that I am ready to yield back my time, and the Senator from Tennessee (Mr. BAKER), I believe, is willing to yield back his time, so that we might proceed to a vote.

Mr. President, I would like to yield back the remainder of my time with the exception of 1 minute.

Mr. BAKER. Mr. President, if the chairman is agreeable to that, I am certainly agreeable.

Mr. RANDOLPH. The chairman is agreeable.

Mr. FORD. Mr. President, before we go to that last minute, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. Without objection, all time is yielded back with the exception of 1 minute reserved to the Senator from Kentucky.

Mr. FORD. On each side.

The PRESIDING OFFICER. And 1 minute reserved to the managers of the bill.

Mr. FORD. I will take my 1 minute first.

The PRESIDING OFFICER. The Senator from Kentucky.

Mr. FORD. Mr. President, I just hope that the Members, my colleagues, will vote on this amendment on its merits. I would like for them to consider the merits of this amendment, that all we are asking is that those people who are being saddled with a $30 billion indebtedness will have an opportunity to express their opinions as to the direction of the TVA and its future, and that those people who would be the constituents of Members who are not representing TVA-consuming States, that they would want it to be fair to their constituents.

So, today, as we come to the final minute before we vote on this amendment, I hope fairness will be uppermost in the minds of the people.

Regardless of what they say, $30 billion is a lot of money, 48,000 employees is a lot of money, and the future of TVA and its ability to serve its people is at stake, I feel.

I would hope that my colleagues would join with me in support of this amendment.

Mr. BAKER. Mr. President, I thank the Chair, and I thank my chairman for permitting me to make the closing remarks.

Mr. President, I have already stated my position.

I have respect and admiration for our colleague from Kentucky. I believe I understand his arguments in favor of this amendment. I am not altogether unsympathetic to them.

I am not prepared to support it, however, on this bill. I am prepared to say that I will participate in the hearings on such an amendment if, indeed, such hearings are held, and it will be with an open mind.

Mr. President, I very much hope we will not change in a fundamental way the nature of the TVA Act with an amendment on this bill.

Mr. RANDOLPH. The Senator from West Virginia yields back his time.

The PRESIDING OFFICER. All time has been yielded back. The question is on agreeing to the amendment of the Senator from Kentucky. The yeas and nays have been ordered and the clerk will call the roll.

The legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from New Hampshire (Mr. DURKIN), the Senator from Alaska (Mr. GRAVEL), and the Senator from Illinois (Mr. STEVENSON) are necessarily absent.

I also announce that the Senator from Massachusetts (Mr. KENNEDY), the Sentor from Massachusetts (Mr. TSONGAS), and the Senator from Rhode Island (Mr. PELL) are absent attending the funeral of former Senator Leverett Saltonstall.

Mr. STEVENS. I announce that the Senator from Iowa (Mr. JEPSEN), the Senator from Nevada (Mr. LAXALT), and the Senator from Connecticut (Mr. WEICKER) are necessarily absent.

The PRESIDING OFFICER (Mr. HARRY F. BYRD, JR.). Are there any Senators in the Chamber who wish to vote? Are there any Senators who wish to change their vote?

The result was announced—yeas 33, nays 58, as follows:

[Rollcall Vote No. 138 Leg.]

YEAS—33

Baucus
Bentsen
Bradley
Byrd,
  Harry F., Jr.
Byrd, Robert C.
Chiles
Church
Cochran
DeConcini
Eagleton
Exon
Ford
Goldwater
Heflin
Helms
Huddleston
Inouye
Jackson
Johnston
Long
Matsunaga
McGovern
Melcher
Metzenbaum
Morgan
Nelson
Nunn
Riegle
Stennis
Stewart
Stone
Warner
Williams

NAYS—58

Armstrong
Baker
Bayh
Bellmon
Biden
Boren
Boschwitz
Bumpers
Burdick
Cannon
Chafee
Cohen
Cranston
Culver
Danforth
Dole
Domenici
Durenberger
Garn
Glenn
Hart
Hatch
Hatfield
Hayakawa
Heinz
Hollings
Humphrey
Javits
Kassebaum
Leahy
Levin
Lugar
Magnuson
Mathias
McClure
Moynihan
Muskie
Packwood
Percy
Pressler
Proxmire
Pryor
Randolph
Ribicoff
Roth
Sarbanes
Sasser
Schmitt
Schweiker
Simpson
Stafford
Stevens
Talmadge
Thurmond
Tower
Wallop
Young
Zorinsky

NOT VOTING—9

Durkin
Gravel
Jepsen
Kennedy
Laxalt
Pell
Stevenson
Tsongas
Weicker

So Mr. FORD's amendment (No. 207, as modified) was rejected.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. RANDOLPH. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment and the third reading of the bill.

The bill was ordered to be engrossed for a third reading and was read the third time.

Mr. BUMPERS. Mr. President, I am concerned about language in the committee report accompanying S. 436, the Tennessee Valley Authority debt increase legislation, which indicates that the Senate Committee on Environment and Public Works "reaffirms the provisions of the 1959 act." It is my understanding that this reaffirmation does not preclude favorable consideration of a bill (S. 269) which Senator PRYOR and I introduced earlier in the session which would allow TVA service to be extended to West Memphis, Ark. A hearing is scheduled on this bill tomorrow, June 21, and I want to be assured that the language in the committee report regarding previous requests for boundary adjustments will in no way prejudice the favorable consideration by the committee of S. 269. I appreciate the cooperation of the distinguished Senator from West Virginia (Mr. RANDOLPH) in scheduling hearings on this legislation. For the reasons I stated when I introduced S. 269, this legislation merely corrects an oversight in the original service area limitation.

Mr. RANDOLPH. The Senator from Arkansas is correct in his interpretation of the committee report language. The language does not preclude favorable consideration of S. 269 in any way. I appreciate the Senator from Arkansas bringing this to my attention, and I look forward to receiving the testimony tomorrow at the hearing on S. 269.

● Mr. MUSKIE. Mr. President, S. 436 provides an increase in the limitation on borrowing authority for the Tennessee Valley Authority of $15 billion. A previous increase of $10 billion was granted in fiscal year 1976. Such periodic increases are a normal part of the TVA electric power operations, in which the costs of powerplant construction ultimately are repaid by revenues from the sale of power.

This increase in borrowing authority is scored as budget authority in the energy function of the budget, Function 270. Under the terms of the budget act, it requires no appropriations. Outlays would not be increased above current law levels during fiscal year 1980–82 by this increase in the limitation on borrowing authority.

Enactment of S. 436 is consistent with the first budget resolution. I recommend approval of this increase in borrowing authority because it is necessary for the continuing efficient operation of the Tennessee Valley Authority as a public enterprise providing electric energy to persons and businesses in an 80,000 square mile area.

Mr. President, in addition to my budget interest in the TVA, I am interested in that agency as a laboratory for energy and environmental initiatives.

When the President appointed David Freeman to be Chairman of the TVA Board I asked Mr. Freeman what he would do to restore TVA to this role. In January of this year, Mr. Freeman provided me with a statement of stewardship on his first year as Chairman. In his letter, Mr. Freeman emphasizes his view that TVA can produce power and meet environmental standards at the same time. He says, "TVA is now beginning to demonstrate that electric power can be generated while protecting the health and safety of the public. In this regard we recently forwarded comments to EPA supporting EPA's proposed new source performance standards for electric steam generating plants and opposing views advanced by the electric utility industry."

Mr. President, I am proud of the record that David Freeman is making at TVA. I am extremely pleased to see TVA regain its position as a leader in the public interest effort to which it was originally committed. I only wish that other Federal agencies would have the courage and the foresight that the current leadership of TVA is demonstrating both with respect to energy and with respect to the environment.

As importantly, I wish the White House and the Department of Energy would pay a little more attention to the Nation's only federally owned electric utility which generates electricity from coal in determining whether or not strict pollution controls can or cannot be met.

I find little comfort in the fact that the EPA decision to soften new source performance standards for coal-fired plants disregarded TVA's recommendations and chose the position advocated by the private electric utilities, the coal industry, and certain White House economists.

Mr. President, I submit for the RECORD Mr. Freeman's comments on EPA's new source performance standards together with a summary of his report on water quality in the Tennessee Valley and two articles which describe TVA under Mr. Freeman's chairmanship.

The material follows:

TENNESSEE VALLEY AUTHORITY,
Knoxville, Tenn., December 1, 1978.

Mr. DOUGLAS M. COSTLE,
Administrator, Environmental Protection Agency, Washington, D.C.

DEAR MR. COSTLE: This letter constitutes TVA's comments on the proposed revisions to the Standards of Performance for Electric Utility Steam Generating Units published September 19, 1978 (43 Fed. Reg. 42,154).

As EPA has indicated, the principal issue associated with this proposal is whether all new coal-fired power plants should be required to achieve the same percent reduction in potential SO_2 emissions without regard to the sulfur content of the coal being burned. The proposal calls for full or uniform control that would require either full use of flue gas desulfurization or some combination of scrubbers with other control techniques. The preamble also discusses other options proposed by the Department of Energy and the utility industry which would allow new plants using medium- or low-sulfur coal to rely on partial use of scrubbers. This, of course, is the sliding scale or partial scrubbing approach.

TVA's comments reflect the experience and perspective of the largest electric power system in the United States located in the East where the most abundant coals have a relatively high-sulfur content. We are not familiar with the experience and economics of utilities located west of the Mississippi River whose natural source of supply would be low-sulfur western coal. We have a 20-year history of development of scrubber technology and are developing new coal-burning technologies such as the fluidized bed combustion process.

TVA believes the full scrubbing approach is technically feasible, would be anti-inflationary over the life cycle of the equipment, and is required by the Clean Air Act Amendments of 1977. Furthermore, full scrubbing will maximize the supply of coal that will be available for electric power generation in the future, thus enhancing a reliable supply of electric energy for the Nation, and it will do so without compromising environmental goals.

In recent years, TVA and other electric systems have experienced periodic severe coal shortages during which the reliability of the Nation's power supply was threatened. Such problems would be magnified if new power plants were given regulatory incentives to use only low- or medium-sulfur coal. If new sources are equipped with full scrubbing and thus have the capability to burn all types of coal, the scarce eastern low- and medium-sulfur coals will be more accessible for the smaller, older plants where installation of scrubbers could result in severe retrofit problems. Under the sliding scale such older plants would be in competition with new sources for low- and medium-sulfur coal. In addition, requiring full scrubbing will create a needed incentive to the continued improvement of the control technology that will be required to support continued growth.

President Carter's National Energy Plan issued on April 29, 1977, stated the reasoning and the policy which we believe is the disposition of this issue:

"Coal development and production is most economical when it is near major markets. Although coal production will expand in many areas, there should be large production increases in the highly populated Eastern and Mid-West regions, where coal use in industry and utilities could grow considerably in the future. The required use of best available control technology for new powerplants should stimulate even greater use of high sulfur Mid-Western and Eastern coals.

"The Administration has taken a position that all new facilities, including those that burn low sulfur coal, should be required to use the best available control technology [at 65, 67]."

We believe the legislative history of the Clean Air Act, as amended, directs the Administrator to require full use rather than partial use of SO_2 emission reduction systems.

The conference report accompanying the Clean Air Act Amendments of 1977 states that revised section 111 requires—

"* * * that the standards of performance for fossil fuel-fired boilers be substantially upgraded to require the use of the best technological system of continuous emission reduction and to preclude use of untreated low sulfur coal alone as a means of compliance * * * [H.R. Rep. No. 95-564, 95th Cong., 1st Sess. 130 (1977)]."

We agree that full scrubbing to remove 85 percent of SO_2 from power plant flue gas clearly constitutes the "best technological system of continuous emission reduction." Although the Administrator may set a range of percent reduction reflecting varying fuel characteristics, we do not believe that this was intended to authorize partial scrubbing which would depart from a basic purpose of the amendments, i.e., that new sources apply the best technological system of control. In our opinion, this language is intended to cover the possibility that percent reductions in emissions could vary when full scrubbing is used due to the characteristics of the fuel used. In other words, the Administrator must require the use of full scrubbing and then may, if consistent with other purposes of the act, vary the percent reduction requirement depending on what percent reduction could be achieved considering the quality of coal to be burned.

The performance of SO_2 scrubbers may well decline with increasing age, even when the best maintenance practices are followed, but that is not a valid reason for a sliding scale at the outset. The best available technology test should apply over the life of the equipment. It is a problem the regulatory process must address and resolve. TVA would be pleased to join with EPA in a task group to evaluate this problem and to identify methods to avoid declining scrubber performance.

In addition to supporting EPA's full scrubbing approach, TVA also supports EPA's standards for NO_x and particulate controls. More detailed support for our views are enclosed together with several technical comments which we believe, if accepted, would strengthen the EPA proposal.

Sincerely,

S. DAVID FREEMAN,
Chairman.

TECHNICAL COMMENTS ON THE ENVIRONMENTAL PROTECTION AGENCY PROPOSED REVISIONS TO THE STANDARDS OF PERFORMANCE

SULFUR DIOXIDE CONTROL

Feasibility of the proposed EPA standard

To meet the 85 percent removal standard on a 24-hour basis, except for 3 days per month when no less than 75 percent removal is allowed, new scrubbers must operate at an efficiency of 85 percent or more for at least 90 percent of the time. Based upon TVA's analysis of scrubber operating variability and coal quality variability, daily variations are such that to meet the 85 percent efficiency requirement 90 percent of the time, the 30-day average scrubber efficiency must be at least 88 to 90 percent. From TVA's experience in operating pilot and prototype scrubbers, in addition to experience in operating the full-scale limestone scrubber at the TVA Widows Creek Steam Plant Unit 8, TVA believes that the FGD state of the art is sufficiently developed to support this requirement. However, TVA experience would not support a standard more stringent than that which EPA has proposed.

Malfunction provisions of the proposed EPA standard

The proposed standard would not be violated by excess emissions or a decline in scrubber performance that occurs during (a) unit startup, (b) unit shutdown, and (c) malfunction during emergency conditions.

Emergency conditions are defined as periods when the available generating capacity of a power system is being operated at full operating capacity, less the capacity of the largest single generating unit on the system. If a malfunction occurs during a nonemergency period, the malfunctioning unit must be removed from service.

The proposed regulation makes no allowance for the severity of malfunctions. For example, if a partial breakdown in the limestone feed system resulted in a maximum in removal efficiency of 80 percent even at reduced load, the unit would have to be removed from service the same as if a total failure of the FGD system occurred. It is likely that replacement generation would come from older, less efficient coal-fired plants which emit more SO_2 than the unit being shutdown or from gas turbines operating on oil. TVA proposes that operators be given the option to offset such malfunctions by limiting generation from the affected generating units to:

Rate Capacity x 24 hours x (1—Required FDG efficiency)/(1—Actual FDG efficiency)

A malfunction which resulted in a drop in efficiency from 85 percent to 80 percent could, under this proposal, be offset by operating the affected unit at 75 percent of rated capacity. At the same time, the SO_2 emissions from the affected unit would be maintained at or below the amount emitted when operating at full capacity.

Definition of emergency conditions for the proposed EPA standard

The proposed standard provides that generating units with malfunctioning scrubbers may continue to operate during power supply emergency periods. Emergency periods are defined as periods when: Available total system rated capacity less the capacity of the largest system unit is less than or equal to the system load. The intent of this provision is to avoid requiring generation reductions or shutdowns during malfunction periods if such action would jeopardize the reliability or integrity of a power system. To achieve this objective, several modifications in the proposed definition of emergency conditions are needed:

a. The definition of system capacity should be clarified to ensure that net plant capability, rather than plant rated capacity is used to determine whether an emergency exists. Net plant capability is the more appropriate indicator because generating units are frequently derated or are otherwise limited to generating levels below rated capacity. Often the full rated capacity is not available to meet emergency needs.

b. The emergency condition criteria apparently applies only to system conditions at the time the malfunction occurs; thus it does not give proper consideration to an emergency condition that may develop in a few hours if the unit is removed from service. For example, an emergency condition may not exist if a unit malfunctions at 3 a.m., but may occur as the load increases at the 8 a.m. peak. The criteria should account for possible future emergency conditions by defining system load as the maximum hourly load which is expected to occur during the shorter of (a) the period that the affected facility is expected to be out of service or (b) the time required to bring alternative available system capacity into service. Furthermore, if an emergency condition develops after an affected facility is removed from service, it should be allowed to return to service to reestablish adequate system emergency reserves.

c. The definition of system emergency reserves should account not only for the capacity of the single largest generating unit, but also for reserves needed for system load-frequency regulation. There is no generally recognized formula for determining the reserves needed for regulation in the general case; however, on the TVA system, 200 megawatts of reserves are routinely provided for this purpose.

d. The term "system load" could be construed to mean only the electric power demands of the power system's own customers and not the firm or emergency power demands of interconnected power systems. In order to ensure that power supply commitments can be kept, the definition of system load should include firm and emergency power supplied to other power systems.

Long term reliability

The proposed regulation requires that FGD systems continue to operate at 85 percent efficiency or more for the life of the plant. If the long-term efficiency of a scrubber were to fall below 85 percent efficiency, a plant could continue to operate in compliance only by installing additional scrubbers or derating a unit. Long-term operating experience with scrubbers is not yet available, but based on our experience with electrostatic precipitators, long-term reliability may present a problem.

In selecting and installing pollution control equipment at power plants, it has become increasingly important to provide substantial redundancy and margin to ensure that the equipment is capable of reliably and continuously controlling emissions to the levels required for long periods of time. For example, the electrostatic precipitators which have been designed and installed at TVA plants since 1972 have been sized with enough margin to maintain emissions at 50–70 percent below the required emission limitations. In TVA's judgment, this redundancy in electrostatic precipitator capacity is necessary to achieve satisfactory operating reliability over the 20 to 40 years of useful life that the equipment must operate.

Since the requirement to maintain 85 percent removal stretches SO_2 removal technology to its limit, present technology provides no opportunity to build into the equipment the degree of margin necessary to ensure long-term reliability. We believe it would be too speculative to attempt to estimate at this time the long-term efficiency of the present generation of scrubbers and incorporate any unavoidable decline in efficiency in the proposed regulations. However, a serious effort should be made, beginning in the near future, to evaluate the problem of long-term maintenance of scrubber performance and to identify methods to avoid declining performance. We would be pleased to join with EPA on a task group to make such a study.

Maximum allowable emission ceiling for the proposed EPA standard

The proposed standard includes a maximum allowable emission ceiling of 1.2 lb $SO_2/10^6$ Btu that is not to be exceeded. This level is achievable with full SO_2 scrubbing while burning high sulfur coal. Any lower ceiling, such as 1.0 or 0.8 lb $SO_2/10^6$ Btu would likely require both full scrubbing and some degree of coal blending for some coals. We believe the Nation's energy needs are best served by allowing new power plants to use plentiful high-sulfur coal, and accordingly, we support the proposed 1.2 lb $SO_2/10^6$ Btu ceiling.

Maximum SO_2 control level for the proposed EPA standard

When the maximum SO_2 control level of 0.2 lb $SO_2/10^6$ Btu is achieved, no further SO_2 emission reduction is required. Coal that has a natural SO_2 emission potential of 0.2 lb $SO_2/10^6$ Btu would not have to be scrubbed at all, or coals with a natural potential of 0.4 lb $SO_2/10^6$ Btu would only require 50 percent SO_2 removal. The question has been raised that the 0.2 lb $SO_2/10^6$ Btu maximum control level might not satisfy the percent removal requirement of the Clean Air Act.

TVA knows of no coals that have a natural SO_2 emission potential as low as the 0.2 to 0.4 lb $SO_2/10^6$ Btu range. Therefore, the EPA proposal will require some SO_2 emission reduction for all coals and should satisfy the Clean Air Act requirements.

NITROGEN OXIDE CONTROL

Feasibility of the proposed EPA standard

The proposed standard would require 0.6 lb/million Btu NO_x emissions from the combustion of bituminous coal to be achieved on a 24-hour basis.

Available data indicates that this 0.6 lb/10^6 Btu emission rate can be achieved through proper boiler design. Consequently, pollution control equipment for removing NO_x from flue gas will not be required. Although only one boiler manufacturer (Combustion Engineering) has a boiler design with proven capability to control NO_x to this level, other manufacturers are expected to be able to demonstrate this capability in the near future. If this is not achieved, it may be necessary to take other steps to maintain competition among boiler manufacturers. However, the environment should not be penalized because only one manufacturer has to date developed the needed boiler design.

A concern is the requirement to achieve the required level on a 24-hour average basis. The performance tests used to establish the feasibility of achieving the proposed 0.6 lb limitation were short-term and consequently did not provide 24-hour average data on the boilers performance. Moreover, virtually no continuous NO_x monitor data exist on boilers currently operating and meeting the current NO_x standard of 0.7 lb/10^6 Btu. Consequently, TVA recommends that EPA should postpone the establishment of an averaging time for NO_x control until additional continuous monitoring data become available.

Performance testing for percent reduction requirement

The proposed standard includes the consideration that the percent reduction requirement for NO_x is not controlling; and therefore, NO_x percent reduction performance testing is not required even though the Clean Air Act amendments of 1977 require a percent reduction of emissions for all NSPS.

TVA believes that the percent reduction requirement for the NO_x standard is satisfied by the requirement of a boiler design that reduces NO_x emissions to the lowest possible levels—a reduction in NO_x emissions when compared to other boiler designs. Therefore, the EPA proposal without performance testing of emission reduction should satisfy the Clean Air Act requirements, particularly since there is no demonstrated existing technology for coal-fired boilers for the removal of NO_x. In this case, performance testing for percent reduction is not possible.

PARTICULATE CONTROL

Feasibility of proposed EPA standard

TVA supports the proposed EPA standard that would permit a maximum particulate emission level of 0.03 lb/10^6 Btu. We agree that the proposed standard can be met at a coal-fired power plant with electrostatic precipitators or baghouse collectors. However, we feel that the amount of precipitator surface area that would be required to meet the standard on a continuous and long-term basis has been understated. The preamble states that a plant burning a 3.5 percent sulfur coal would require 360 ft^2 per 1,000 ACFM of precipitator capacity and that a plant burning 1 percent sulfur coal would need 435 ft^2/1,000 ACFM. While it is probable that equipment in this size range can achieve the proposed standard when new and for a few hours during a compliance test, TVA does not believe that it would provide the margin of compliance necessary to sustain that level continuously and for long periods of time. This is particularly true if malfunction, breakdown, or upset periods are not permissible compliance exceptions and if the averaging time for determining compliance is 24 hours or less. TVA therefore recommends that EPA reevaluate the cost/benefit determination used to arrive at this standard based on a minimum precipitator size of 450–500 ft^2/1,000 ACFM for a plant burning approximately 3.5 percent sulfur coal.

SO_2 scrubbing and particulate emission control

The proposed particulate standard of 0.03 lb/10^6 Btu may be below the level of particulate emissions from an SO_2 scrubber on plants burning high-sulfur coal, even if the scrubber is preceded by a precipitator or baghouse. Fly ash emissions would, of course, be below 0.03 lb/10^6 Btu. Although it has been clearly established that lime and limestone scrubbers contribute to the particulate content of the exhaust gas, the amount is uncertain. EPA data indicate that if low-sulfur coal is burned, the amount is not significant. However, sufficient data are not available to assess these impacts while burning high-sulfur coal. Thus, even if particulate control equipment (precipitators or baghouses) which control emissions to the 0.03 lb level are installed ahead of the scrubber, the contribution of the scrubber to the particulate content could cause the standard to be exceeded if measured in the stack following the scrubber.

To solve this problem, we propose that compliance with the particulate standard be demonstrated by testing at the scrubber inlet rather than the scrubber outlet. However, we believe the regulations should take account of the fact that during periods of precipitator or baghouse malfunction, SO_2 scrubbers serve as backup fly ash control devices. The scrubbers remove fly ash particles from the flue gas even though, at the same time, they may be contributing to particulate emissions resulting from chemical reactions in the scrubber. For this reason, TVA believes that excess fly ash emissions from a malfunctioning baghouse or precipitator passing into a fully operating 85 percent efficient scrubber should not be deemed a violation of the particulate standard.

Testing for percent reduction requirement

The proposed standard includes the consideration that the percent reduction requirement is not controlling for the particulate emission standard. The standard will in fact require at least a 99 percent reduction for solid fuels and a 70 percent reduction for liquid fuels. Therefore, the standard for particulates does not specifically include a percent emission reduction performance testing requirement, even though the Clean Air Act requires a percent reduction for all NSPS.

TVA believes that the percent reduction requirement for the particulate standard is satisfied by a stringent emission limitation and performance testing for percent reduction is not necessary. EPA's proposed standard actually requires a 70 to 99 percent reduction in emissions. Therefore, this EPA proposal should satisfy the requirements of the Clean Air Act.

GENERAL CONTROL CONSIDERATIONS

Emerging technologies

Concern has been expressed that the 1977 Clean Air Act Amendment requirements might discourage emerging technologies such as fluidized bed combustion and solvent-refined coal. However, the proposed EPA regulations make provisions for the EPA administrator to establish alternate standards for emerging SO_2 control technologies. This approach by EPA, therefore, would not in TVA's opinion discourage new technology development for SO_2 emission control.

Performance testing

The proposed regulations require sources to install continuous emission monitors. In addition, hourly manual performance testing is required when continuous emission monitors are inoperable. We believe more flexibility is needed to handle situations where continuous monitors become inoperable. Most power plants will not be staffed to handle manual performance tests on an hourly basis. We suggest that the source be required to report immediately to EPA in the event a monitor becomes inoperable. Then as an enforcement matter, EPA would determine what steps the source should take until the monitor is repaired.

IMPROVING WATER QUALITY IN THE TENNESSEE VALLEY: NEW OPPORTUNITIES FOR EPA AND TVA

EXECUTIVE SUMMARY

The Division of Environmental Planning, Tennessee Valley Authority, recently identified 17 "critical" and 28 "major" water quality problems in the Tennessee Valley. Of these, the ten most significant problems are summarized in Table 1. The problems are listed in order of priority, and the action being taken by Federal, State, local, or industrial groups is described briefly.

In developing this information, municipal and industrial point source discharges, nonpoint source discharges, and generic problems were evaluated. Information evaluated for the municipal and industrial point source category indicates that present cleanup efforts may be insufficient to correct problems in the Holston River Basin, Chattanooga Creek, Chickamauga Creek, Citico Creek, Pigeon River, Swan Creek, Big Rock Creek, Hominy Creek, and Shoal Creek.

Within the nonpoint source category, the most significant water quality problems are the Huntsville Spring Branch-Indian Creek Embayment, the North Fork Holston River, the Ocoee River, the North Toe-Nolichucky Rivers, Emory River, and the Clinch-Powell Rivers. The most severe problems are found in the Huntsville Spring Branch-Indian Creek Embayment and the North Fork Holston River. About 500 tons of DDT is deposited in the sediments of the Huntsville Spring Branch-Indian Creek Embayment, most of which is susceptible to resuspension and uptake by biological organisms. The major water quality problem in the North Fork Holston River is mercury contamination. Accumulation of mercury from an abandoned chlor-alkali plant has resulted in closing the river for fishing. The other four problem rivers identified in the nonpoint source category are adversely impacted by sediment runoff from mining operations. This condition has impaired the propagation of fish and aquatic life and the recreational potential of the rivers.

In the generic category, the most significant water quality problem is dissolved oxygen depletion. During periods of thermal reservoir stratification, dissolved oxygen concentrations of low-level turbine discharges fall below the levels considered necessary to maintain desirable biological species. Low dissolved oxygen content limits certain uses of the water resource in about 290 miles of streams below 14 dams in the Tennessee Valley.

Although the Environmental Protection Agency (EPA), the Tennessee Valley Authority (TVA), and various State and local agencies have helped improve the quality of water in the Tennessee Valley, a more comprehensive effort is needed to deal with the problems more effectively.

Specific areas in which TVA and EPA could combine resources and expand their cooperative efforts are water quality management planning, regional water quality surveillance, reservoir quality management, innovative waste treatment, and regulatory assistance. Although these areas are not all-inclusive, they were chosen because of their relevance to the needs identified in the May 1978 Symposium on National Water Policy:

1. Timely completion of the 208 wastewater management planning process.
2. Development of adequate controls of nonpoint source discharges (i.e., agriculture return flow, storm water runoff, acid mine drainage, hydrologic modifications).
3. Need to develop sampling and analysis techniques for toxic substances present in small or trace concentrations in industrial effluents.
4. Contamination of drinking water supplies by toxic substances (e.g., cyanides, phenols, PCBs, chlorinated hydrocarbons, and heavy metals).
5. Eutrophication of lakes and reservoirs.
6. Development of innovative technologies within the timing constraints of the Construction Grant program.

This report is presented from a water quality perspective. Water quality is only one aspect of the tremendous resource represented by the waters of the Tennessee River drainage basin, and the water quality issue is only one part of the broad question of how to best use the resources of the Tennessee Valley for the maximum benefit to the public now and in the future.

For the mutual benefit of EPA, TVA, and the people of the Tennessee Valley, we recommend that TVA and EPA form a working committee to identfy specific activities that are consistent with the defined roles of each agency. Increased interagency cooperation, in any form, must fully consider the individual and collective interests and delegated authorities of the Valley States, and the States should be active participants in this matter as it progresses.

[From the New York Times, May 29, 1979]

EMPHASIS NOW ON OLD ROOTS

(By Howell Raines)

CHATTANOOGA, TENN.—When S. David Freeman, chairman of the Tennessee Valley Authority, and David E. Lilienthal, its spiritual father and former chairman, visited a nuclear power plant near here last week to mark the authority's 46th anniversary, Mr. Lilienthal was asked how he would handle the problems facing today's utility executives.

"I would resign immediately," snapped the 79-year-old Mr. Lilienthal, convulsing Mr. Freeman with laughter.

In fact, however, neither man has ever shown any inclination to flee a good fight. And it was fitting that they were together in a month that also marked the 53-year-old Mr. Freeman's first anniversary as T.V.A.'s chairman. For Mr. Freeman, a former White House energy adviser handpicked by President Carter to head the nation's largest utility, has spent the last year reconnecting T.V.A. to its roots as a New Deal social and economic experiment.

"Now, we're beginning to come back to what Lilienthal called the seamless web," Mr. Freeman reflected later in an interview. In that web, power generation was envisioned as but one aspect of T.V.A.'s overall mission to make the once-impoverished Tennessee River basin a model environment for business, agriculture and recreation. But under the relentlessly conservative, business-oriented management of the former Chairman, Aubrey J. Wagner, electricity was the dominant concern. In his first year as chairman, Mr. Freeman said, "probably the most critical thing was to make the tail stop wagging the dog." He explained, "Power generation, which started off as the tail, had become the dog."

This month brought two clear signs of exactly what kind of dog Mr. Freeman has in mind. First, T.V.A. delayed for six months—until October—a decision on whether to accept bids, already in hand, for new nuclear power plants. Then, on May 15, it announced an indefinite halt in construction of four nuclear reactors at three plant sites in Tennessee and Mississippi. Those reactors, part of an $11.1 billion program to build 14 reactors at six plants, represented the pet projects of Mr. Wagner, who was an advocate of producing as much power as T.V.A.'s 2.5 million customers wanted at prices that encouraged consumption.

Mr. Freeman, a former director of the Ford Foundation Energy Policy Project who is paid $52,000 a year, wants to bring a conservation ethic to T.V.A. So, while delaying some nuclear projects, he has T.V.A. scientists doing research on solar energy, garbage-fired steam plants and "fuel cells"—clean, coal-powered units that can produce heat and electricity in small downtown installations.

And, as in the old days, the authority has teams looking into soil erosion in north Georgia, aid to small farmers in Alabama and commercial fishing along the 650-mile chain of lakes formed by the hydroelectric dams begun in the Lilienthal era.

Mr. Freeman also gave the staff a June deadline for producing a "safety-first program" for nuclear plants that, be said, could provide "a yardstick that people around the country can hold other utilities up to."

SEES A REGULATORY ROLE

Where T.V.A. was cozy with private utilities during Mr. Wagner's 17-year tenure, Mr. Freeman now sees T.V.A. as playing, by example, a "regulatory role" in the power industry. Toward that end, he has terminated T.V.A.'s membership in several industry associations. He has also shaken up a Knoxville-based executive staff that, in Mr. Freeman's view, had become "ingrown and inbred" in the Wagner years.

"This agency," concluded an executive that has worked for both men, "has undergone more change in the past year than in the previous 20 years put together."

Not even Mr. Freeman would argue that he and Richard M. Freeman, a like-minded but, unrelated board member, have turned the authority around overnight. "I think we have gotten our hands on the wheel," the chairman said. "T.V.A. can be likened to a giant battleship that was going full speed ahead. Now the Freemans are on board and we're not charting a new course, but bringing it back to its original course."

The T.V.A. board will reach its full complement of three directors with the expected Senate confirmation of another Carter appointee, Bill Clement, the politically active son of the late Tennessee Governor, Frank Clement. But it is the chairman who, by tradition, sets the pace and direction of work.

Almost without exception, Mr. Freeman's aides describe the hawk-nosed, Tennessee-born lawyer-engineer as a "workaholic." His wife's decision to remain in Washington in a key job with Mayor Marion Barry, leaves his evenings free to study technical reports, the authors of which often get 10 P.M. telephone calls from the chairman. A current passion is the search for ways to avoid duplicating the "inexcusable" accident at Three Mile Island that, in Mr. Freeman's view, grew from putting "power production a little ahead of safety."

NOT ABANDONING NUCLEAR POWER

Mr. Freeman cautions, however. that the construction delays and safety initiatives do not mean that T.V.A. is abandoning nuclear power, as some activists hope. "I certainly am not in favor of stopping those six plants," he said. "We're not about to turn our backs on investments of billions."

Indeed, the agency may have the first new nuclear plant to start up since the Pennsylvania accident. The two reactors at Soddy-Daisy, Tenn., will be ready for fueling in July if the Nuclear Regulatory Commission approves the license. The other plants are 60 to 90 percent completed, and T.V.A. already has three reactors operating at Browns Ferry, Ala.

In a prescient speech in New York almost exactly one year before Three Mile Island, Mr. Freeman warned that lax safety practices could create a public backlash that could destroy the nuclear-power industry. Now, he said, his safety lessons are no longer taken so lightly by utility executives.

"My views have moved from left to center," he said. "The issue has come to me. I think we can make this technology acceptable, but the jury's still out."

Mr. Freeman sees nuclear plants as a necessary "bridge" to the time when less risky technologies can be used. Already, he said, construction and safety expenses may be robbing nuclear power plants of their supposed cost advantages. T.V.A. may soon be able to produce cheaper power with fuel cells that convert cheap, dirty coal to gas that powers generators and emit heat for industrial uses as a byproduct.

"If I were pressed to guess what would be the major new entrant in the race, it would be the fuel cell," said Mr. Freeman, "and it may very well win."

CRITICISM OF PREDECESSORS

Both economics and politics played roles in T.V.A.'s construction delay. Recently, the General Accounting Office accused Mr. Freeman's predecessors on the board of using inflated demand figures to justify the six nuclear plants. That criticism came at a time when the authority was appealing to Congress for an increase in its $15 billion debt ceiling simply to complete construction already started. So this was an advantageous time for T.V.A.'s new chairman to demonstrate to Congress what he called a reasonable "response to our load curve and a desire that we not contribute to inflation."

Conservation measures and a decrease in electricity demand at government installations are credited with a downturn in T.V.A.'s load curve. It sold 118 million kilowatt-hours in 1978—4 million less than in 1977. Even so revenues rose to $2.35 billion from $1.96 billion, reflecting an increase in consumer rates. In a strong financial year, T.V.A. retained earnings of 7 cents on the dollar.

Throughout that year, Mr. Freeman has been consistent in his determination not to "run with the pack" in the utility industry.

Nine months ago, he withdrew T.V.A. from the group of utilities fighting Federal air-pollution standards. A few weeks ago, he refused to join the Edison Electric Institute—the main national organization of privately owned utilities—in a study of the Three Mile Island accident.

"I think we can be more effective going it alone on these public-policy questions," he said. "We are not just another utility, not any more anyway."

TVA's New Look

INTERVIEW WITH DAVID FREEMAN

Press reports have stated that you were personally responsible for changing the mood of TVA, and making possible the recent settlement with EPA to reduce air pollution from coal burning power plants. Could you describe how you were able to quickly end the litigation that had dragged on so long?

The mood of an agency is set by the agency leadership, so that it's no great mystery as to how that is changed. I don't feel that what we did was really all that spectacular. We worked out an agreement that will enable TVA to comply with the law of the land, which seems to me a prerequisite for a citizen or a Federal agency.

When I came here I found that TVA board and staff realized that they had exhausted their legal options for attempting to implement the tall stack theory of compliance, which the Supreme Court had ruled unlawful in '76, and was clearly outlawed by the 1977 amendments to the Clean Air Act.

The question was really just trying to get two agencies that had been at each other's throats, so to speak, to stop fighting and sit down and work out an agreement. There was a desire on the part of the TVA staff to work out such an agreement because our power people knew that we had to do it, and the sooner we did it the cheaper and better it was going to be.

I did serve a role because I had had some credibility in the eyes of the EPA people, since I was new and not involved in the fight, and I was able to speak for TVA in working the agreement out, My own personal attitude was that eliminating a million tons a year of pollutants in the air was a very important thing to do, not only because the law required it but because the health of the people throughout the Eastern part of the United States required it.

You have created a new solar division since taking office. It seems a radical departure from TVA's traditional concern with hydro and fossil fuel power. Could you explain the reasons behind that?

I do not consider the initiatives that we've undertaken a radical departure at all from TVA's historical role. I would consider it getting back to our basic mission. Throughout most of its history, TVA has been an innovative leader in the field of natural resources. As a matter of fact it started off life as an environmental protection agency.

The policy perspective that I'm supplying here is getting back to our origins and the expectations that Franklin Roosevelt had and Jimmy Carter has for TVA. If there was any radical departure, it may have been the course of action that TVA embarked upon a decade ago to depart from those principles.

TVA has always led in the energy field. People forget that the integrated development of a river basin was an innovative approach back in the Thirties and Forties. That was the TVA approach. Not just to look at flood control or recreation or power, but to try to get the most out of river basin development.

Also, TVA pioneered flood plain zoning—that is, not building dams where presumably you could persuade people through zoning not to live in the flood plain. In the energy field, we did pioneer in hydropower. When the hydropower wasn't sufficient, we pioneered in the economies of scale for coal-fired plants. TVA also pioneered in the nuclear field. I think that it is logical, now that solar energy has become economically feasible for many uses, and we see the bottom of the oil barrel, and we see the horrible environmental impacts of mining and burning coal, and are aware of the safety problems and proliferation concerns with nuclear power, that we continue our pioneering role. We've got to go for the sun.

TVA is probably better situated than any other organization in the country to demonstrate a happy marriage between an electric power supply organization and solar energy, passive or active, in people's buildings. Those are the demonstrations tnat we're putting on.

We have no reason for existing if we're not a model for the rest of the Nation. Otherwise why should the Federal Government have billions invested in a power supply organization in one part of the country? I think that we are doing our job. We also are self-sufficient in terms of our power system so that we're not being financed by the rest of the country.

The solar applications we're demonstrating are economical. It's going to save people money. And that is what we're going to demonstrate.

Do you have any solar projects under way now? Yes. We are installing solar hot water systems in 1,000 homes in Memphis. These are with long-term loans from TVA, repaid in electric bills. The systems are economic on the basis of electric power rates today, and they will result in savings over the next 20 years to the consumer as the price of electricity continues to go up. Once a solar system is installed, it's inflation-proof, it's not going to go up in price.

And, of course, it doesn't add to pollution the way the equivalent amount of coal or nuclear power would. We feel that we're making a marvelous contribution, if that project proves as successful as it appears to be, and we expand it valleywide, just as we're doing with our conservation program.

You remarked a moment ago that TVA started out as an environmental protection agency. In what sense did you mean that?

In the early 1930's the Valley soil was washing away in the rivers, due to the flooding and the lack of vegetation. This major problem of soil erosion was one of the first jobs that TVA tackled. Those trees that we planted are now 30 to 40 years tall, and 60 percent of the Valley is in forest.

The Tennessee Valley Authority, working with State and local people and our forestry department, has successfully eliminated soil erosion throughout much of the Valley. Putting a green cover back on the land was, I think, a massive job in environmental protection.

The whole TVA concept of integrated development of resources had a conservation and environmental protection mandate. If you look at the TVA Act, you will find the word conservation in there, as many times as you find the word production. This was an insight that my colleague on the TVA board of directors, Richard Freedman, pointed out in his confirmation hearings.

You also have to remember that hydropower was pushed by the conservationists in the early days because we were conserving water power that was otherwise wasted at sea. We were using a renewable resource.

When I say that solar energy is in TVA's finest tradition, you have to remember that hydropower also is a form of solar energy. It's a renewable source of energy as a result of the ecological system of nature.

We started off with an energy base that was renewable. It was only after World War II that we started draining the capital resource of fossil fuels and started using coal. And, I think it is in the best tradition of TVA that we've got to help lead the way to get this country back to a renewable energy base, and one that is more in harmony with the ecological system.

Are there any more hydro sites left in your seven State system?

There may be some sites, but none that are economically or environmentally feasible to develop. As a matter of fact, one of the biggest problems that I have inherited is what to do about a dam that has not yet been completed, and has great difficulty in complying with environmental laws.

There are no additional hydroelectric dams that we are planning to build. The dam-building era of TVA is about over.

Our focal point will be in developing alternative energy sources, and helping the rural communities in the valley grow in a sensible way, for both quality growth and somehow to try to stop the spread of neon signs and strip development, which is blighting the countryside.

We've got a major role to play, I think, in helping plan the growth of this valley so that we don't wake up in the year 2000 looking and smelling like northern New Jersey.

On the subject of coal burning plants, both EPA and the Department of Energy have spent a good deal of money on R&D on fluidized bed combustion. Is TVA also trying to research that?

I would not agree that they spent a good deal of money. Compared to the kind of expenditures we're making on nuclear or fusion power, the amount of money that is being spent on fluidized bed combustion is small.

TVA is designing a 200 megawatt fluidized bed demonstration plant, and I think that we are leading the Nation in that effort. The Department of Energy has acknowledged our leadership, and is supporting our plans to go ahead. We expect to have that demonstration plant on the line and completed by 1984 or at the latest 1985.

If the data that we are relying on out of the Department of Energy's pilot plant in Pennsylvania continue to prove to be satisfactory, in another six months we'll have a basis for going ahead with the design and construction of the TVA plant.

TVA will make a sizable contribution to the financing of it. So we are, I think, in a leadership role in the fluidized bed technology.

In your book, Energy—The New Era, you stressed the need for energy conservation. Is TVA now promoting such conservation in the same way that it once promoted the idea of cheap, abundant power?

I would not say that we have reached that millennium yet because TVA really led the world in the promotion of cheap electricity. But I will say that we have turned the corner and have mounted a mighty effort to promote conservation. Bob Hemphill, who was the deputy assistant secretary in the Department of Energy, and one of the foremost experts in energy conservation, is down here and he is heading the new division in TVA, the conservation division. Some of us on the inside call it the "Unelectric Division." It also includes our solar office, which is headed by Fran Koster, former coordinator of energy programs at the University of Massachusetts, whom we were fortunate to get.

We've got some people with national reputations and expertise in conservation to mount this new effort. I think it's important and we've got a lot of programs under way. We now offer each of our customers a loan of up to $2,000, interest free, to weatherize their homes. And we've had 70,000 homes that have already taken advantage of that.

We provide a free audit to tell people what they need to do that is economical. They pay the loans back in their electric bills, and the program now is being expanded to our commercial and industrial customers.

So we have a comprehensive energy conservation program where we provide a package, delivered to the consumer's door, including financing and easy repayments. We expect to build the equivalent of several thousand megawatts capacity through investments in energy conservation over the next ten years. And that will be the cheapest, the quickest capacity that we can build.

What does electricity cost a resident in the TVA region?

About two and three-quarters cents per kilowatt hour on the average for the residential customer. The industrial customers pay about two cents a kilowatt hour.

How would that compare with Washington, D.C. or the New England region?

Oh, I think it's 30 to 40 percent cheaper than the average in the United States east of the Rockies. Our rates have gone up tremendously, but they are still appreciably lower than the residential rates throughout the country.

Our industrial rates are getting close to what utilities in the South charge industry, but I think that they still have more promotion left in their industrial rates than we do, and I suspect they will be increasing them very sharply.

We will be increasing rates but we are beginning, I think, to get our costs under control. I hope that TVA's electric power rates will not go up any faster than inflation in the next ten years.

In other words, the real price of electricity in terms of real dollars hopefully will stay about constant. That would be quite an accomplishment.

Why is TVA power so cheap for residents in this area?

Well, the hydropower is very low cost. It hasn't gone up. It's like the sun Once you make the investment, the fuel charges are practically free. Only 30 percent of our electricity goes to residents, and we're giving them the benefit of the hydropower. And we'll have rate reforms to do it even more.

Then we have some other fairly low cost sources of energy. We are able to build our plants cheaper than the private company because we use our own construction organization, and we have a record of efficiency. We also have a large, integrated grid system, and we run a pretty good shop.

We have the advantage of hydropower that most systems in the East don't have, but we do pay our way. And when we borrow money, our bonds pay Federal income tax. We're not charging less at the expense of consumers in other parts of the country.

We will have some increased costs to "clean up our act," but that will amount to a very small percentage of the total cost of electricity—at most eight or nine percent. We expect, as we complete the nuclear plants that are under construction, that they will provide us with cost effective sources of energy that will offset some of these other increased costs.

Do you have any plans for building more nuclear plants beyond what's on the books now?

We don't have any present plans. We will obviously need to make additional investments to balance supply and demand. But we have our staff looking at all the options, and we are now in a policy framework where conservation and cogeneration and solar energy are getting equal billing with coal and nuclear.

We will make these decisions on the basis of marginal costs. We will choose either conservation, solar energy, or cogeneration or central station coal or nuclear, whichever is the most cost effective, also taking into account environmental and economic impacts.

Do you have any plans for managing the radio-active wastes of present nuclear plants?

We are intensively examining our options. We have until 1988 to implement one or more options. We've got enough capacity at our existing nuclear plants to store the spent fuel until 1988. Other utility organizations are not in that good a shape.

The basic question is: Do we build a central facility where we store all of the spent fuel for all of our plants, or do we provide storage at each plant so that there will be no transportation of the spent fuel?

The transportation of spent fuel is a source of great concern to a lot of citizens. I want to know what the arguments are for and against central versus decentralized storage of the spent fuel. We'll examine those arguments and the facts and make a decision on that point well before the year is over.

We are not going to wait for Washington to decide the spent fuel storage problem, because we've got the spent fuel. I feel a responsibility that TVA, as the organization that is generating it, should come up with a satisfactory solution. Here again is a place where TVA can exercise some leadership and serve as a model for the rest of the Nation.

Our solution may not be appropriate for other parts of the country, but we are going ahead with the job of deciding and not just wringing our hands over it.

Some critics argue that energy conservation is going to cost jobs. Do you feel that is true for the TVA region?

I find those arguments to be made either out of ignorance or with malice. It doesn't really require a Ph.D. in economics to understand that you create jobs when you invest in insulating buildings just as much, and even more per dollar, as in building a power plant.

The problem may have stemmed from a misconception in some people's mind that conservation means doing without. But most of the conservation that we can achieve comes from investments—in storm windows, insulation, heat pumps, heat exchangers, and other equipment, and changes in existing buildings, plus additional investment in new buildings, to save energy.

This country has grown over the years on the basis of doing things efficiently. Not only will conservation investments generate more jobs per dollar in investments than the power plants that they may displace, but because they are more cost effective, they are anti-inflationary.

One of the major causes of inflation today is the fact that we have been wasting and not conserving. Studies that I've done in the past suggest that we're wasting perhaps $100 billion of capital and inflating the economy something awful if we do not implement conservation.

So it's not just the protection of the environment. That may be considered as a happy by-product. The most compelling reason right now to invest in conservation is the need to combat inflation. Energy inflation is what's been heating up the economy.

We cannot exempt energy from our anti-inflation fight. That is a suicidal path. The way that we combat inflation in the energy field is by conserving, by using our resources more frugally, by getting more energy out of existing plants, and when the energy is manufactured to make it do more work for us in our homes and in our factories. By saving energy we save money and cut down on the inflationary impact of higher and higher energy prices.

That is the burden that TVA has to shoulder and is part of our modelling effort.

When you say pollution control is a happy by-product, you're saying that the less fuel consumed, the less pollution you have.

Of course. There is no way that you can mine a ton of coal and burn it without adding to our pollution burden. There is no way that you can mine a ton of uranium ore and refine it and build a nuclear plant without adding to the dangers of radioactivity and health and safety and impacting the land as well.

So the surest way to combat pollution is to get by with using fewer Btu's of energy to get your job done, unless you are using solar energy. But we use very little of that thus far.

You have mentioned a need to hire more minorities in the TVA region, and at TVA itself. Do you have a percentage goal you're working toward?

We have percentage goals, but so does everybody. That's not a big deal. The real question is what progress we are making to implement this goal. We are working quite hard at it, and making some progress.

I just received a report from a panel of citizens who are not TVA employees, one black man and two white people, who looked at our situation in Chattanooga. They interviewed TVA black employees and our managers, and they made a lot of suggestions which we are going to implement in the next 30 days, to improve the work environment for black employees.

I think that one impediment to recruiting able black people is that they feel you're doing it just for show and you're not going to give them a fair shake at promotions once they get there.

So we're trying to eliminate that impediment. We're trying to recruit minority citizens, but we're not going to discriminate against white people. Our Act requires that we hire on the basis of merit and efficiency. I happen to believe that there are plenty of black people who have plenty of merit and efficiency and who need to be recruited.

We're trying to do that. We need to have more training once people get on the job at TVA to fulfill their inherent capabilities. But this is a long haul because many of the needs that TVA has are in highly skilled professions and crafts. And minorities have not had the opportunity for upward mobility in the past, so we're stressing training.

We may hire people in jobs that are not that attractive and try to upgrade them after they're here, but I want to say this: Most of what I have to say about minority employment still represents aspirations and not accomplishments.

One of our initiatives will play a very big role in terms of minortiy contractors. We're trying to set up a mechanism so TVA can plan its programs to create more activities for small businessmen and minority businessmen. And that's where solar energy comes in.

Not only is it pollution-proof and inflation proof, but it gives the small business person and the black entrepreneur a chance to compete and get the business. There is no way in the world a small black or white businessman is going to get much of a piece of a big nuclear power plant.

TVA has to build those itself, and to the extent that we contract, it's got to be to a large organization. They in turn employ some black people, but you won't get the black entrepreneurs with large, central station power plants. You give them an opportunity with the smaller, decentralized technologies, like solar collectors, fuel cells, and things of that type.

There is also a trend away from doing everything with your own staff, is there not, where you're letting out contracts to smaller entrepreneurs? We've got $500 million of subcontracts out now, and we'll be doing more of that. We had an independent management team look over our construction organization, and it made a lot of suggestions about this. And I think you will find that we are trying to utilize all the talents that are in the Valley.

I will say this for our construction organization. They have a record of cost effectiveness that is hard to beat, and we do have a mandate to keep the price of electricity as low as feasible. We're going to continue to implement that more forcefully than I think has been the case in recent years.

And that means that we are going to build these power plants ourselves unless we can find contractors that can do the work cheaper.

Business Week has mentioned your interest in promoting the use of electric vehicles. What prompts your interest in them?

I think the electric vehicle concept is one of the fundamental answers to the environmental crisis, as well as the energy crisis. I don't think that we will ever achieve implementation of the clean air standards in our major metropolitan centers, unless we get internal combustion cars the hell out of there.

And yet people are not going to be able to be served exclusively by mass transit in the foreseeable future, perhaps ever.

Certainly we've got too much of a decentralized suburbia built. I see the electrical vehicle as being the means to keep the mobility that people treasure, their independence, the freedom to stop off at a store or whatever on the way home rather than having to go in a carpool.

I think that the electrical car is a fundamental answer and I think TVA can play a useful role in pulling that technology ahead, rather than simply sitting back, as everyone seems to be doing, and waiting for some inventor to achieve a breakthrough in the battery that supposedly is going to transform it from a turkey to a treasure overnight.

I don't believe it's going to happen that way. I think we're going to make incremental improvements in the battery right along, but there are a number of institutional and marketing barriers that have to be overcome. I think that vehicle will start off first in fleets in the cities for stop and start traffic. Some of that is already being done.

It will gradually grow, taking over the second car urban vehicle market, and in time perhaps we will have electric vehicles that we can drive from one city to another.

But if you've got a car with a good 100–150 mile radius, it's going to be economical. The curves are going to cross. Every time OPEC meets we have a breakthrough in electric powered vehicles.

As the price of oil gets higher and higher, it is going to be more economically feasible to use coal or nuclear power or solar energy for electricity to charge batteries to run a vehicle. I dare say that by the turn of the century, electric power will be dominating the automobile market.

I hope that TVA can play a role in making it happen a few years sooner, and maybe in the process encourage some of the industry to locate in this part of the country and bring jobs to people in rural areas so they can keep the good life and not have to go to Detroit to get a job, which was the situation a few decades ago.

Does TVA have money in electric car development now? We are putting some of our own corporate research and development funds into electric cars. We only have a half dozen or so vehicles now.

I'm awaiting firm recommendations from the staff as to which vehicles we should purchase and get out on the road, but our 1980 budget visualizes that TVA will be spending millions of dollars, perhaps, on a fleet of electric vehicles, to begin demonstrating their use, to get some experience in our own operations, and encourage our distributors, State agencies, and others to do so. We are working with the Electric Power Research Institute, it is a beautiful load for electric utility systems on top of everything else, because the batteries can be charged at night. It's an off-peak load that will fit into our hydro and nuclear power system quite well.

We won't have to build any new power plants for a long time to serve the electric car market—we can just run existing plants at better load factors. From an energy point of view, it's a more efficient way to use energy than an internal combustion engine.

But aside from that point, you can get off imported oil, which is the heart of the energy crisis.

So I cannot overemphasize the importance of getting on with the development of automotive electric power. Sometimes I think that we neglect the positive answers and pour all the money into yesterday's nonanswers.

You've spoken of the evils of strip-mining and deep mining coal. Are there ways TVA as an organization can help to assure proper mining practices, or are you relying on Federal law enforcement for that?

I think it's going to take a lot of both. TVA is working closely with the Office of Surface Mining (OSM) to implement the new law. Until it was passed, we had requirements in our coal power contracts that required our contractors to do a minimum amount of reclamation.

With the new Federal law we don't need those requirements any more, but we support OSM, not only through loaning them some people, but our coal contracts will now provide that if any company is in violation of Federal law, it is also in breach of contract with us, and we're not obligated to buy the coal.

And that is a rather powerful, supplemental deterrent to encourage them to comply with the law.

In addition to that, we have a team of people to assist the small coal companies to comply with the new strip-mining law, which is very difficult for a very small company. They don't have the technical expertise. So we're trying to help positively.

We also do not enter into contracts with companies that are in violation of the strip mining law. And we get advice from OSM before we award the contracts. So we have a series of policies and programs that supplement the people who are struggling with the enforcement of this new surface mine law.

On the deep mine front I don't think that we have any special effort, since there is an agency of government that is enforcing the underground mining law. I think that more and more they've become effective. There's been a tremendous improvement in the levels of dust in the underground mines in the last ten years, and I think gradually the safety record is improving.

You observed a year ago that in the environment and energy debate, the real enemy was the calendar. What did you mean by that?

Well, I felt that we were losing precious time in that we have continued to drain America first, as we exhaust our storehouse of fossil fuels, and have failed to put a concentrated enough effort into developing longer-lasting alternatives, such as solar energy. And we have failed to implement the conservation options that could buy us more time.

Unfortunately the environmental perspective has taken a kind of defensive tone in the last year or two, which I think is not in the public interest. You know, we still have a major need to clean up the air. And TVA just issued a report entitled "Where the Water Isn't Clean Any More."

The Tennessee Valley is full of troublesome water quality problems that the enforcement powers of EPA and State agencies have not cleaned up yet. It's not our job, under the law. We're not the enforcement agency, but we could "smell it."

We're trying to change the tone of the debate, to get the polluters on the defensive rather than the people who are trying to clean things up. I have been troubled at the irresponsible comments by people in high office, in my administration, saying environmental protection is inflationary.

I think people who have soaked themselves in the facts know better. Some of the best investments that we're making in this country are investments in air pollution control where the data show that the benefits are enormously great. And these investments are anti-inflationary.

If you add years to someone's life, that is productive. There is just a lot of loose talk that somehow has painted investments in environmental protection as being inflationary and nonproductive. It is investments in power plants to heat the outdoors that are inflationary investments.

It's the unnecessary waste of capital, the waste of gasoline, that is causing us to pay these enormous prices for new energy sources and is inflating the economy. And I think it must be recognized that the strongest weapon we have in the fight against inflation is conservation.

The conservationists and the environmental protectors are identical, practically, in terms of their perspective, and they are often the same person. I know from having been in this, way back before there were any "energy czars," the people who were environmentally sensitive were among the first in this country to raise the conservation option.

They knew that conservation was the most fundamental way to protect the environment, because there weren't any alternative sources available that really were benign. So, I would hope that the people responsible for environmental protection can stand up proud. We have a powerful message that needs to be delivered to the American people. We need to reverse the tables and get the people who are inflating the economy to defend their practices, rather than making offensive remarks about the programs that I think may lead this country out of its economic problems.●

TVA DEBT LIMIT INCREASE

Mr. ROBERT C. BYRD. Mr. President, it is with pleasure that I commend my colleague from West Virginia, Senator Jennings Randolph, who, as the chairman of the Committee on Environment and Public Works, brought his customary excellence to bear on the consideration of S. 436, the TVA debt increase bill.

I also wish to thnk the minority floor manager, Senator Baker, for his contribution to this important measure. He and the junior Senator from Tennessee, Mr. Sasser, have been invaluable sources of information on the operation of the Tennessee Valley Authority.

A vigorous construction and improvement program carried out by TVA as part of its electric power program necessitates an increase in the debt limit for the Authority. Continued development of the energy resources and the economy of the Southeast will be made possible with the passage of this bill.

I once again thank Senator Randolph and Senator Baker for their meritorious work on this measure.

Mr. RANDOLPH. Mr. President, the action which will be taken on this bill, and I shall not ask for a rollcall vote, is a very important action. We are increasing the bonding authority for the Tennessee Valley Authority from $15 to $30 billion. Originally, back in 1933 it was less than $800 million.

I am indicating for the Record that the Tennessee Valley Authority has been an important agency in the history of not only the area of the seven States but it has had an impact which I believe has been positive upon the well-being of people throughout the United States of America.

Although I shall not ask for a rollcall vote I believe there is general agreement that this is a good legislation. I go back to the 73d Congress and on the legislation creating the Tennessee Valley Authority——

Mr. MOYNIHAN. May we have order? The chairman is addressing the body.

The PRESIDING OFFICER. Senators take their seats so we may proceed.

The Senator from West Virginia (Mr. Randolph).

Mr. RANDOLPH. In the House of Representatives in 1933 we voted 306 to 92 for this important measure which was fitted within the framework of one of the greatest Chief Executives that this Republic has ever had at the helm of our Government, Franklin D. Roosevelt. In the Senate the vote was 63 to 20, and in subsequent votes related to the Tennessee Valley Authority there has been a general approval of this agency and its work.

I ask for no rollcall vote except by voice vote.

Mr. MOYNIHAN. Mr. President, will the Senator yield?

Mr. RANDOLPH. I yield.

Mr. MOYNIHAN. Mr. President, I only wish to note what is scarcely necessary to observe to the Members in this Chamber, but the record should show that there is one person in this body who was a Member of the 73d Congress 46 years ago whom you could be sure then as today would have voted for this great social experiment.

The idea of a social experiment terrified a lot of people then. But I observe however so often something works, and today, Mr. President, we are adding $15 billion to the bond-borrowing authority of TVA with no debate because it is not necessary, with no rollcall, because you have ascertained the complete support for this measure in the Senate, Mr. Chairman. It is a tribute to what Government can do when it does things well. It is a tribute to what vision can mean in a legislature, and not the least in the legislator, whom we, on the Committee on Environment and Public Works, are honored to call our chairman, and who is in every sense our leader.

I would only take a mild moment, that the chairman will understand, to note that adding $15 billion to the borrowing authority of the Tennessee Valley Authority does not require debate, does not require a rollcall. But on the one occasion in its long history when the city of New York has had to require just a little bit of support—not funds but simply credit—one would have thought the Republic was coming to an end with such a dissipation of Federal resources.

However, I only note that as a New Yorker I am as proud of the TVA as any Member from Tennessee or Kentucky or others would be, and I think it is just as important to New York that we go through this program as I would have hoped some persons in that part of the Nation would have thought it important to help the city of New York when its moment of need came. But that is an aside.

I rise to say that one Member of this body was there in the 73d Congress voting for the future then as he votes for the future today, and I stand to salute him.

Mr. RANDOLPH. I thank the Senator.

The PRESIDING OFFICER. Has all time been yielded back?

Mr. SASSER. Mr. President, S. 436 would increase the Tennessee Valley Authority's bond ceiling from $15 to $30 billion. This bill has been reported by the Committee on Environment and Public Works by a 13 to 0 vote following hearings with TVA officials.

The bond ceiling increase requested by the TVA has also been reviewed by two other committees, the Committee on the Budget and the Committee on Appropriations. I was privileged to chair both of these hearings and have had the opportunity to thoroughly review this proposed increase.

On each occasion the TVA Board of Directors testified that the additional $15 billion in borrowing authority is necessary to provide flexibility in the TVA power program. TVA officials have stated that the current $15 billion ceiling is inadequate and that an increase will be necessary, not only to complete the capacity already under construction or on order, but also to provide for additional capacity which TVA feels may be necessary for the future.

Mr. President, last November 29, the General Accounting Office issued a report entitled "Electric Energy Options Hold Great Promise for the Tennessee Valley Authority." The most important conclusion in this report indicated that future electricity demand in the Tennessee Valley could be lower than TVA had predicted. The GAO report indicated that demand for electricity in the valley could be 17 to 40 percent lower than TVA had been projecting. The GAO report went on to say that if their low demand projections prove correct, TVA might not need any new power plant expansions beyond those already planned and under construction, or on order.

This report raised several questions in my mind regarding the necessity of a $15 billion increase at this time. The hearing I chaired for the Budget Committee explored the implications of this GAO report. As I stated, TVA testified that the full $30 billion will be needed by the agency in order for TVA officials to plan for future capacity. TVA, it should be pointed out, does not proceed with a powerplant until the full bonding authority is available. TVA officials testified that the additional $15 billion would be needed to carry the agency through the next decade and beyond as they planned for future growth of their power system.

I am pleased to report to the Senate that following these hearings, TVA has looked at its power needs for the immediate future. A few weeks ago, TVA acknowledged that earlier projections of power needs were too high when TVA officials announced that the agency has decided to delay construction of four nuclear units.

I am pleased that the TVA is objectively reviewing its plans and projections. I do not believe the people of the valley would be well served if TVA builds excess capacity which could sit idle, forcing future rate increases. Nor do I feel that the TVA should get into the posture of building capacity beyond the needs of its own service area. TVA certainly should not build unnecessary powerplants for the express purpose of exporting power to other parts of the country.

Mr. President, the TVA Board has shown restraint in utilizing its borrowing authority by delaying these four units. I commend them for that restraint. Chairman Freeman has testified that TVA under no circumstances will utilize this new borrowing authority unless absolutely necessary. With this assurance, and the desire of my colleague from Tennessee, Senator BAKER, to provide the full amount requested, I will not offer an amendment to reduce the bond authority to a lower level.

However, I believe the record should show that much of this new borrowing authority may not be needed until later than TVA has predicted.

Following TVA's announcement that four nuclear units were being delayed, I asked GAO to again review the TVA construction program to see if this deferral of new capacity would impact upon the need for new borrowing authority.

The GAO has reported to me that based on the best figures available from the TVA, a total of $23 billion in borrowing authority would be needed through 1983. This amount would provide TVA the ability to complete all planned capacity expansions, including the four units which have just been delayed. In addition, it would allow TVA to order two additional units of new capacity, providing for system expansion if it is needed.

The GAO reported that, even with the deferral of the four units, by 1986 the TVA will have on line a reserve capacity of 40 percent. I must say that this projected reserve capacity seems rather high. It is my information that most utilities are projecting approximately 25 percent as a safe reserve capacity.

So, Mr. President, many questions still remain. I believe that the TVA could live with a smaller bond ceiling for the next few years without impairing its financial integrity or inhibiting its efforts to plan for the future. As I stated, however, I will not attempt to amend this bill today, in view of the commitment I have received from the TVA that this added authority will not be utilized until needed and because the committee would like to send this bill to the House intact.

I urge the passage of S. 436.

The PRESIDING OFFICER. All time having been yielded back, the question is, Shall the bill pass? (putting the question).

The bill, S. 436, was passed, as follows:

S. 436

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the first sentence of subsection (a) of section 15(d) of the Tennessee Valley Authority Act of 1933, as amended (16 U.S.C. 831n–4), is amended by striking out $15,000,000,000" and inserting in lieu thereof "$30,000,000,000".

Mr. RANDOLPH. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. MOYNIHAN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

DOMESTIC VOLUNTEER SERVICE ACT AMENDMENTS OF 1979

The PRESIDING OFFICER. Under the previous order, the Senate will now proceed to the consideration of S. 239, which the clerk will state by title.

The assistant legislative clerk read as follows:

Calendar No. 101, S. 239, a bill to authorize appropriations for programs under the Domestic Volunteer Service Act of 1973, to amend such Act to facilitate the improvements of programs carried out thereunder, and for other purposes.

The Senate proceeded to consider the bill which had been reported from the Committee on Labor and Human Resources, with an amendment to strike all after the enacting clause and insert the following:

That this Act may be cited as the "Domestic Volunteer Service Act Amendments of 1979".

SEC. 2. Section 103 of the Domestic Volunteer Service Act of 1973 (42 U.S.C. 4951 et seq.) (hereinafter referred to as "the Act") is amended by—

(1) amending subsection (b) by—

(A) striking out "Prior to" and inserting in lieu thereof "Within thirty days after" in the second sentence; and

(B) inserting at the end thereof the following new sentence: "The Director shall offer to provide each volunteer enrolled for a period of full-time service of one year or more under this title, and, upon the request of such volunteer, provide such volunteer with an individual and updated plan as described in the preceding two sentence."; and (2) amending subsection (d) by—

(A) inserting "in a program or project" after "work";

(B) inserting "or project" after "program"; and

(C) striking out from "has not" in the first sentence through the period in the second sentence and inserting in lieu thereof "such Governor or chief executive officer has not, within forty-five days of the date of such submission, notified the Director in writing, supported by a statement of reasons, that he or she disapproves such program or project. In the event of a timely request in writing, supported by a statment of reasons, by the Governor or other chief executive officer of the State concerned, the Director shall terminate a project or program or the assignment of a volunteer to a project or program not later than thirty days after the date such request is received by the Director, or at such later date as is agreed upon by the Director and such Governor or other chief executive officer.

SEC. 3. Section 105(a)(2) of the Act is amended by amending the first sentence thereof to read as follows: "Stipends shall be payable only upon completion of a period of service, except that under such circumstances as the Director shall determine, in accordance with regulations which the Director shall prescribe, the accrued stipend, or any part thereof, may be paid to the volunteer, or, on behalf of the volunteer, to members of the volunteer's family or others during the period of the volunteer's service.".

SEC. 4. Section 108 of the Act is amended by—

(1) inserting "(a)" after "SEC. 108.", and inserting at the end of subsection (a) (as so redesignated) the following new sentence: "During the fiscal year ending September 30, 1980, (1) in no event may in excess of $5,800,000 be used pursuant to grants and contracts under this part for the direct cost of supporting such volunteers, and (2) funds obligated pursuant to such grants and contracts for such cost may be used to support no greater number of years of volunteer service than the number of such years supported (with funds appropriated prior to the date of enactment of the Domestic Volunteer Service Act Amendments of 1979) during the fiscal year ending September 30, 1979, pursuant to grants and contracts for such cost."; and

(2) inserting at the end thereof the following new subsection:

"(b) No funds shall be obligated under this part pursuant to grants or contracts made after the date of enactment of the Domestic Volunteer Service Act Amendments of 1979 for new projects for the direct cost of supporting volunteers unless the recipient of each such grant or contract has been selected through a competitive process which includes (1) public announcements of the availability of funds for such grants or contracts, general criteria for the selection of new recipients, and a description of the application process and the application review process, and (2) a requirement that each applicant identify with sufficient particularity to assure that the assignments of volunteers under such grants and contracts will carry out the purpose of this part the particular poverty or poverty-related human, social, or environmental problems on which the grant or contract will focus; and any such grant or contract shall contain a requirement to such effect.".

SEC. 5. Section 114(a) of the Act is amended by—

(1) striking out in the first sentence "10" and inserting in lieu thereof "13";

(2) striking out in the second sentence "$6,700,000" both places it appears and inserting in lieu thereof $4,000,000"; and

(3) inserting before the period in the second sentence a comma and "except that, notwithstanding the limitation provided in the first sentence of this subsection, of the funds made available for the operation of projects under this part, one-third of the first $1,000,000 may be used to continue programs of demonstrated effectiveness under this section".

SEC. 6. (a) Section 122 of the Act is amended by—

(1) amending subsection (a) by—

(A) inserting "(1)" after "(a)";

(B) inserting "in urban and rural areas" after "programs" the first place it appears;

(C) striking out "and" the first place it appears and inserting a comma and "a program of assistance to victims of domestic violence, a program designed to provide personal and group financial counseling to low-

and fixed-income individuals, utilizing volunteers with specialized or technical expertise, and a 'Helping Hand' program" after "abusers";

(D) inserting at the end thereof the following new sentence: "In carrying out programs authorized by this part, the Director is authorized to provide for the recruitment, selection, and training of volunteers."; and

(E) inserting the following new paragraph (2):

"(2) For purposes of this subsection, the term 'Helping Hand' program means a program utilizing person-to-person services to reduce the necessity for institutionalization (in hospitals, mental institutions, nursing homes, other extended-care settings, and other facilities) and to ameliorate residential isolation (through senior centers, halfway house facilities, and other residential settings) of older persons, handicapped persons, and other affected persons, stressing interactions between persons from various age groups, particularly young and old, and carried out in coordination with the appropriate State system for the protection and advocacy of the rights of persons with developmental disabilities established pursuant to amendments made by section 203 of the Developmental Disabilities Assistance and Bill of Rights Act.";

(2) amending subsection (c) to read as follows:

"(c)(1) The Director, in accordance with regulations which the Director shall prescribe, may provide to volunteers enrolled for periods of part-time service of twenty hours or more per week for twenty-six or more consecutive weeks under this part such allowances, support, and services as are described in section 105(b) and as the Director determines are necessary to carry out the purpose of this part, and shall apply the provisions of section 104(c) and 105(b) to the service of volunteers enrolled for full-time service under this part.

"(2) The Director, in accordance with regulations which the Director shall prescribe with respect to volunteers enrolled for periods of full-time service of one year or more under this part—

"(A) may provide to such volunteers such stipends, in total amounts not in excess of stipends provided under section 105(a) to volunteers serving under part A of this title, as the Director determines are necessary to carry out the purpose of this part; and

"(B) to the extent that the terms and conditions of the service of such volunteers are of similar character to the terms and conditions of the service of volunteers enrolled under part A of this title, shall apply to the service of such volunteers enrolled under this part the provisions of sections 103(b) (with respect to low-income community volunteers), 103(d), 104(d), and 105(a) to the extent such provisions are applied to the service of volunteers enrolled under such part A."; and

(3) inserting at the end thereof the following new subsection:

"(d) Of the funds appropriated for the operation of programs under this part for the fiscal year ending September 30, 1980, and for each fiscal year thereafter in excess of those appropriated for the fiscal year ending September 30, 1979, for such purpose, not less than 50 per centum shall be used in any fiscal year to carry out the fixed-income counseling and 'Helping Hand' programs authorized in subsection (a) of this section.".

(b) Not later than eighteen months after funds are first made available to carry out activities under the amendments to part C of title I of the Act made by subsection (a) of this section, the Director of the ACTION Agency shall submit to the appropriate committees of the Congress a report on programs, activities, grants, and contracts so carried out, including a description of all programs established and contracts and grants made under such amended provisions and funds obligated therefor and thereunder and the specific arrangements for the conduct of evaluations of such programs, activities, grants, and contracts pursuant to section 417 of the Act.

SEC. 7. Section 221 of the Act is amended by striking out "Office of Economic Opportunity" and inserting in lieu thereof "Community Services Administration".

SEC. 8. Section 404(g) of the Act is amended by—

(1) inserting "(1)" after "(g)";

(2) inserting before the period at the end of paragraph (1) (as redesignated by clause (1) of this section) a colon and "*Provided,* That this paragraph shall not apply in the case of such payments when the Director determines that the value of all such payments, adjusted to reflect the number of hours such volunteers are serving, is equivalent to or greater than the minimum wage then in effect under the Fair Labor Standards Act of 1938, as amended (29 U.S.C. 201 et seq.)"; and

(3) inserting at the end thereof the following new paragraph:

"(2) Notwithstanding any other provision of law, a person enrolled for full-time service as a volunteer under title I of this Act who was otherwise entitled to receive assistance or services under any governmental program prior to such volunteer's enrollment shall not be denied such assistance or services because of such volunteer's failure or refusal to register for, seek, or accept employment or training during the period of such service.".

SEC. 9. Section 410 of the Act is amended by inserting at the end thereof the following new sentence: "The Director, in consultation with the Director of the Office of Personnel Management and the Secretaries of Labor, Commerce, and the Treasury and officials of other appropriate departments and agencies, shall take all appropriate steps to encourage State and local governments, charitable and service organizations, and private employers (1) to take into account experience in volunteer work in the consideration of applicants for employment, and (2) to make provisions for the listing and description of volunteer work on all employment application forms."

SEC. 10. Section 414 of the Act is amended by inserting "among various regions of the country and" after "equitably".

SEC. 11. Section 415 of the Act is amended by—

(1) amending subsection (b) by—

(A) striking out in the first sentence "in programs under title I of this Act for periods of service of at least one year" and inserting in lieu thereof "as volunteers for periods of full-time service, or, as the Director deems appropriate in accordance with regulations, for periods of part-time service of not less than twenty hours or more per week for twenty-six or more consecutive weeks, under title I of this Act";

(B) striking out in clause (3) "and";

(C) amending clause (4)(A) by striking out "the monthly pay of a volunteer shall be deemed that received under the entrance salary for a grade GS–7 employee," and inserting in lieu thereof "the annual rate of pay of a volunteer enrolled for a period of full-time service under such title I shall be deemed to be that received under the entrance salary for a grade GS–7 employee, and the annual rate of pay of a volunteer enrolled for a period of part-time service under such title I shall be deemed to be such entry salary or an appropriate portion thereof as determined by the Director,"; and

(D) striking out the period at the end thereof and inserting in lieu thereof a comma and "and (5) be deemed employees of the United States for the purposes of section 5584 of title 5, United States Code (and stipends and allowances paid under this Act shall be considered as pay for such purposes)."; and

(2) inserting at the end thereof the following new subsection:

"(f)(1) The remedy—

"(A) against the United States provided by sections 1346(b) and 2672 of title 28, United States Code, or

"(B) through proceedings for compensation or other benefits from the United States as provided by any other law, where the availability of such benefits precludes a remedy under section 1346(b) or 2672 of such title 28, for damages for personal injury, including death, allegedly arising from malpractice or negligence of a physican, dentist, podiatrist, optometrist, nurse, physician assistant, expanded-function dental auxiliary, pharmacist, or paramedical (for example, medical and dental technicians, nursing assistants, and therapists) or other supporting personnel in furnishing medical care or treatment while in the exercise of such person's duties as a volunteer enrolled under title I of this Act shall hereafter be exclusive of any other civil action or proceeding by reason of the same subject matter against such person (or such person's estate) whose action or omission gave rise to such claim.

"(2) The Attorney General shall defend any civil action or proceeding brought in any court against any person referred to in paragraph (1) of this subsection (or such person's estate) for any such damage or injury. Any such person against whom such civil action or proceeding is brought shall deliver, within such time after date of service or knowledge of service as determined by the Attorney General, all process served upon such person or an attested true copy thereof to such person's immediate supervisor or to whomever is designated by the Director to receive such papers, and such person shall promptly furnish copies of the pleading and process therein to the United States attorney for the district embracing the place wherein the proceeding is brought and to the Attorney General.

"(3) Upon a certification by the Attorney General that the defendant was acting in the scope of such person's volunteer assignment at the time of the incident out of which the suit arose, any such civil action or proceeding commenced in a State court shall be removed without bond at any time before trial by the Attorney General to the district court of the United States of the district and division embracing the place wherein it is pending and the proceeding deemed a tort action brought against the United States under the provisions of title 28, United States Code, and all references thereto. After removal the United States shall have available all defenses to which it would have been entitled if the action had originally been commenced against the United States. Should a United States district court determine on a hearing on a motion to remand held before a trial on the merits that the volunteer whose act or omission gave rise to the suit was not acting within the scope of such person's volunteer assignment, the case shall be remanded to the State court.

"(4) The Attorney General may compromise or settle any claim asserted in such civil action or proceeding in the manner provided in section 2677 of title 28, United States Code, and with the same effect.".

SEC. 12. Section 417 of the Act is amended by—

(1) inserting "handicap," after "age," in subsection (a);

(2) inserting at the end of subsection (a) the following new sentence: "For the purposes of this subsection, title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d), sec-

tion 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794), and the Age Discrimination Act of 1975 (Public Law 94–135, title III; 42 U.S.C. 6101 et seq.), any project or activity to which volunteers are assigned under this Act shall be deemed to be receiving Federal financial assistance."; and

(3) inserting at the end thereof the following new subsection:

"(c) The Director shall apply the nondiscrimination policies and authorities set forth in section 717 of the Civil Rights Act of 1964 (42 U.S.C. 2000e–16), in title V of the Rehabilitation Act of 1973 (29 U.S.C. ch. 16, subch. V), and in the Age Discrimination Act of 1975 (Public Law 94–135, title III; 42 U.S.C. 6101 et seq.) to applicants for enrollment for service as volunteers and to volunteers serving under this Act and the Peace Corps Act (22 U.S.C. 2501 et seq.), and any remedies under such laws, other than the right of appeal to the Civil Service Commission authorized by section 717 of the Civil Rights Act of 1964, and transferred to the Equal Employment Opportunity Commission by Reorganization Plan Number 1 of 1978, shall be available to aggrieved such applicants or volunteers. Not later than ninety days after the date of the enactment of this Act, the Director after consultation with the Equal Employment Opportunity Commission with regard to the application of the policies set forth in section 717 of such Civil Rights Act and with the Interagency Coordinating Council (established by section 507 of the Rehabilitation Act of 1973 (29 U..S.C. 797)) and the Interagency Committee on Handicapped Employees (established by section 501(a) of such Rehabilitation Act (29 U..S.C. 791(a))) with regard to the application of the policies set forth in title V of such Rehabilitation Act, and not later than ninety days after the Secretary of Health, Education, and Welfare publishes final general regulations to carry out such Age Discrimination Act, the Director, after consultation with the Secretary with regard to the application of the policies set forth in such Act, shall prescribe regulations establishing the procedures for the application of such policies and the provision of such remedies so as to promote the enrollment and services of persons as such volunteers without regard to the discriminatory factors proscribed in such laws.".

Sec. 13. (a) Title IV of the Act is amended by adding at the end thereof the following new section:

"REDUCTION OF PAPERWORK

"Sec. 423. In order to reduce unnecessary, duplicative, or disruptive demands for information, the Director, in consultation with other appropriate agencies and organizations, shall continually review and evaluate all requests for information made under this Act and take such action as may be necessary to reduce the paperwork required under this Act. The Director shall request only such information as the Director deems essential to carry out the purposes and provisions of this Act.".

(b) The table of contents of the Act is amended by inserting below the heading for section 422 the following:

"Sec. 423. Reduction of paperwork.".

Sec. 14 Title V of the Act is amended by—

(1) amending section 501 by—

(A) striking out "(a)" and striking out "and" after "September 30, 1977," in the first sentence, and inserting "September 30, 1979, September 30, 1980, and September 30, 1981," after "September 30, 1978," in such sentence;

(B) striking out "$29,600,000" in the second sentence of subsection (a) and inserting in lieu thereof "80 per centum", and striking out "this" and inserting in lieu thereof "such"; and

(C) striking out the last sentence of subsection (a) and all of subsection (b);

(2) amending section 503 by striking out "and" after "September 30, 1977,", and inserting "and September 30, 1979," after "September 30, 1978,"; and

(3) amending section 504 by striking out "and" after "September 30, 1977,", and inserting "September 30, 1979, and September 30, 1980," after "September 30, 1978,".

Sec. 15. No later than February 1, 1980, the Director of the ACTION Agency shall submit to the appropriate committees of the Congress a report specifying the special needs and circumstances to be addressed in designing programs under the Domestic Volunteer Service Act of 1973 for implementation in rural areas, and a strategy and timetable for meeting such needs and circumstances.

Sec. 16. Section 5(b) of the Act entitled "An Act to amend further the Peace Corps Act, and for other purposes", approved November 14, 1975 (Public Law 94–130; 89 Stat. 684), is amended by striking out the last sentence thereof.

Sec. 17. Notwithstanding any provision of the Rehabilitation, Comprehensive Services, and Development Disabilities Amendments of 1978 (Public Law 95–602), the Commissioner of Rehabilitation Services, from sums appropriated under section 100(b)(2) of the Rehabilitation Act of 1973, may make available, until December 31, 1980, funds to provide financial assistance under grants to entities conducting projects on November 5, 1978, under section 130 of such Act as in effect on such date. The total amount of funds made available to such projects under this section may not exceed, in any fiscal year, the total amount made available to such entities, in any fiscal year, under section 100(b)(2), prior to November 6, 1978, and may be used only for the purposes for which funds provided under such section 130 were used prior to November 6, 1978.

The PRESIDING OFFICER. Time for debate on this bill is limited to 2 hours to be equally divided and controlled by the Senator from California (Mr. CRANSTON), and the Senator from Pennsylvania (Mr. SCHWEIKER), with 1 hour on any amendment in the first degree, except on amendment by the Senator from New Hampshire (Mr. HUMPHREY) relative to the transfer of the Peace Corps, on which there shall be 2 hours; an amendment by the Senator from Pennsylvania (Mr. SCHWEIKER) on the same subject on which there shall be 2 hours; and two amendments by the Senator from Minnesota (Mr. DURENBERGER) on volunteerism, on which there shall be 1 hour each; with 30 minutes on any amendment in the second degree, and with 20 minutes on any debatable motion, appeal or point of order.

Who yields time? What is the wish of the Senate?

Mr. ROBERT C. BYRD. Mr. President, I am about to suggest the absence of a quorum, and I ask that the time be charged against each side equally on the bill.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. ROBERT C. BYRD. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. HUMPHREY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HUMPHREY. Mr. President, in the absence of Senator CRANSTON, who will manage the pending bill for the majority, we are unable to proceed.

Since we are unsure of when he is going to arrive, it is unfair to my colleagues on this side to continue charging a quorum call to both sides.

I ask unanimous consent, after I suggest the absence of a quorum, that it be charged to the other side, to the absent side.

The PRESIDING OFFICER. Is there objection? The Chair hears none.

Mr. HUMPHREY. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, if there is going to be a quorum call, let us charge it to both sides equally. I ask unanimous consent that a quorum call be charged equally against both sides.

The PRESIDING OFFICER. Is there objection?

Mr. HUMPHREY. Mr. President, reserving the right to object for a moment, I would like to address an inquiry to the majority leader, first pointing out that the minority side is ready to go. It seems to me unfair, and it is my duty here to protect the interests of my colleagues on this side, to charge time against this side when in fact we are ready to go.

Mr. ROBERT C. BYRD. I realize that what the Senator says is true, that he is ready to go. It is my duty to protect the interest of the Senate, Senators on both sides. If the time is equally charged, it would be coming out of the time of the people over here as well as over there. I repeat my request.

Mr. HUMPHREY. If I may respond, that certainly is true, I say to the Senator, but nevertheless it narrows the amount of time that Senators on this side have in which to offer amendments and to conduct dialog on this bill. It seems unfair to me.

Mr. ROBERT C. BYRD. So what does the Senator say?

The PRESIDING OFFICER. Is there any objection?

Mr. HUMPHREY. Objection to what, Mr. President? Charging it to both sides?

The PRESIDING OFFICER. The request of the majority leader that the time be charged to both sides.

Mr. HUMPHREY. I wonder if I can have a discussion on this with the majority leader?

Mr. ROBERT C. BYRD. Mr. President, for the purpose of discussion, I suggest the absence of a quorum, to be charged against this side.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President,

I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I repeat my suggestion that there be a quorum call, and I ask unanimous consent that the time be equally charged against both sides.

The PRESIDING OFFICER. Is there objection? The Chair hears none. It is so ordered.

The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. CRANSTON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CRANSTON. Mr. President, I urge favorable action on S. 239, the proposed Domestic Volunteer Service Act Amendments of 1979, which I favorably reported from the Committee on Labor and Human Resources on April 26.

I introduced this legislation on January 25, 1979, along with our full committee chairman, the Senator from New Jersey (Mr. Williams), and the Senator from Michigan (Mr. Riegle) who so ably serves with me on the Subcommittee on Child and Human Development, the legislative and oversight Subcommittee for the ACTION Agency's domestic programs, the Senator from West Virginia (Mr. Randolph) also joined as a cosponsor of S. 239.

Mr. President, S. 239 as reported would extend authorizations of appropriations for certain programs authorized by the Domestic Volunteer Service Act of 1973, Public Law 93-113, which expired at the end of fiscal year 1978, including the popular VISTA program, the University Year for ACTION (UYA) program, and the ACTION Agency's demonstration and special programs. It would further improve the ACTION Agency's ability to administer its domestic programs and to carry out its mandate to encourage volunteerism.

Mr. President, during the last Congress the ACTION Agency's title II Older American volunteer programs were reauthorized with the Older Americans Act programs in Public Law 95-478. The remaining domestic volunteer programs are currently being operated under a continuing resolution. Although the Senate passed legislation—S. 2617 which was very similar to S. 239—during the last Congress, the House failed to act before adjournment. By favorably acting on this legislation today, we would be, in effect, completing unfinished business.

SUMMARY OF BILL AS REPORTED

Mr. President, the major provisions of S. 239 as reported are as follows:

First, to provide for a 3-year extension of the title I—national volunteer antipoverty programs—authorizations of appropriations. Although the proposed legislation technically provides for a 3-year extension, in reality we are considering something closer to a 2-year extension since we are already well into the first year—fiscal year 1979. S. 239 as reported would extend these programs through fiscal year 1981. Title I authorizes VISTA—part A—the University Year for ACTION program (UYA) and the national service learning program, formerly the national student volunteer program—NSVP—part B—and the special and demonstration programs (part C).

Second, to provide a 1-year extension of the title III business volunteer programs (SCORE/ACE) authorizations of appropriations. Title III and section 503 will be deleted from the Domestic Volunteer Service Act of 1973 effective October 1, 1979, and will become part of the Small Business Act on that date—by virtue of Public Law 95-510. Until such time, reauthorization seems most appropriate in the Domestic Volunteer Service Act Amendments. The SCORE/ACE programs were transferred back to the Small Business Administration in July 1975, by Executive Order No. 11871.

Third, to provide a 2-year extension of the title IV program administration authorizations of appropriations, through fiscal year 1980. This extension is shorter in term by 1 year than that provided for the title I programs under S. 239 as reported and for the title II older Americans volunteer programs reauthorized in Public Law 95-478. The shorter term extension for title IV was agreed to during full committee consideration of S. 239 in order not to jeopardize the ACTION Agency's programs, while at the same time providing a reasonable period within which consideration could be given as to whether the ACTION Agency should continue to administer the programs.

Fourth, to clarify, in a number of instances, the status of volunteers serving in ACTION Agency programs concerning their coverage by other provisions of law and concerning the process whereby a Governor may disapprove a project of a particular volunteer.

Fifth, to extend appropriate coverage and remedies under the nondiscrimination policies of titles VI and VII of the Civil Rights Act, the Age Discrimination Act of 1975, and the Rehabilitation Act of 1973 to the service of ACTION Agency volunteers.

Sixth, to provide authority for the Agency to support short-term, part-time volunteers.

Seventh, to direct the ACTION Agency to take appropriate steps to encourage employers to take into account experience in volunteer work in considering applicants for employment.

Eighth, to provide that the ACTION Agency meet its commitments to current university year for ACTION grantees, while enabling the Agency to carry out other service-learning programs. The administration had requested zero funding for UYA beginning fiscal year 1979—a situation which would arbitrarily cut off support to some 28 grantees which had developed the campus volunteer program with the expectation that they would receive ACTION support for a period of 5 years. The committee rejected this manner of discontinuing the UYA program.

Ninth, to modify the VISTA grant and contract authority to place limitations and requirements on national and regional VISTA grants. These limitations and requirements address concerns about the Agency's practice of administering the VISTA program through grants to organizations involved in multi-State or regional antipoverty efforts.

Tenth, to authorize certain urban and rural volunteer special and demonstration projects within the existing title I part C authority along the lines proposed by the administration in a new title III included in its bill, S. 374, and under a proposed new part D in S. 239, as introduced. S. 239 as reported provides that not less than 50 percent of any new funds appropriated for part C activities over the fiscal year 1979 level will be utilized for the "helping hand" program and fixed-income counseling programs, new authority for which is provided in the legislation before us. These two programs were initially proposed as part of the urban volunteer initiative, but the separate categorical authority for that initiative was struck from S. 239 during committee consideration.

ADMINISTRATIVE ORGANIZATION OF PROGRAMS

Mr. President, as S. 239 proceeded through the committee process, an amendment was offered—which was defeated—to transfer each of the ACTION Agency programs to other Federal agencies or departments. However, the day before the Labor and Human Resources Committee met to consider S. 239, the House of Representatives voted, by a 3-to-1 margin, to transfer the Peace Corps from the ACTION Agency. This development generated much discussion among the members of our committee as to what would be the most responsible course of action to take with respect to the future administrative arrangements for the Agency's domestic programs. It was the sense of the committee that the future of the Peace Corps would weigh heavily on what would be the future of the domestic programs.

Mr. President, to address these concerns, the Senator from Wisconsin (Mr. Nelson) proposed during full committee consideration of S. 239 that the committee agree to a resolution requesting the Governmental Affairs Committee to look into the question of where the ACTION programs should be housed, and report to the full Senate by June 4. We have heard the results of the Governmental Affairs Committee's work during debate last week on S. 802, the Peace Corps reauthorization legislation.

GOVERNMENTAL AFFAIRS COMMITTEE REPORT

Mr. President, the Governmental Affairs Committee was most responsive to the resolution submitted to it by our committee. The Governmental Affairs Committee held a day of hearings, receiving testimony from a range of witnesses concerned about the future of both the Peace Corps and the domestic programs, and submitted a detailed report (No. 96-199) to the full Senate on the day it was requested—June 4. As we have heard, it was the conclusion of the Governmental Affairs Committee—by a 15-2 vote—that none of the programs now in the ACTION Agency should be transferred to other agencies. It is that committee's position that no compelling reasons have been identified to justify reorganization of the ACTION Agency, and to the contrary, that retaining the current organizational structure would provide the best opportunity for the volunteer programs to achieve the missions established for them by Congress.

The administration also supports continuation of these programs within the ACTION Agency. And the Senate last week, in its consideration of the Peace Corps authorization bill, S. 802, rejected an amendment which would have transferred the Peace Corps out of the ACTION Agency.

Mr. President, the Governmental Affairs Committee has made the case for keeping the ACTION Agency programs together from an organizational point of view. But there is another reason why I think the existence of the ACTION Agency is important at this time in our history.

When the Peace Corps and its domestic counterpart, VISTA, first got off the ground in the early sixties, participation in these programs was a natural expression of the spirit of altruism that pervaded our country at that time. President Kennedy's challenge in his inaugural address: "Ask not what your country can do for you, ask what you can do for your country" could have been the motto of these programs. But much has happened since to dampen the spirit of our Nation. We have experienced Vietnam, Cambodia, Kent State, Watergate, double-digit inflation, high joblessness, the energy crisis. We have turned away from political and social involvement to the point where some social commentators describe the seventies as the decade of the "me generation"; they describe our present lifestyle as the "culture of narcissism."

The existence of an agency like ACTION belies this harsh characterization of Americans. It demonstrates the concern and selflessness of countless number of Americans who find meaning, not in getting in touch with themselves, but in getting in touch with others. The existence of the ACTION agency is tangible evidence of our Nation's commitment to promoting human betterment through people-to-people efforts.

Mr. President, I want to provide my colleagues some examples of these kinds of people-to-people efforts which the ACTION agency sponsors. In doing so, I remind my colleagues that these programs have been operating under a continuing resolution at the fiscal year 1978 level, since we were unable to secure enactment of reauthorization legislation in time for fiscal year 1979 appropriation. The Older Americans volunteer programs will receive funding in the fiscal year 1980 appropriations legislation, but the title I and title III programs will have to continue at the 1978 level unless we can move S. 239 rapidly. We need to keep this in mind as we consider the very valuable kinds of work the volunteers in these programs are undertaking.

ACTION AGENCY PROJECTS

VISTA PROJECT

The Humboldt Open Door Clinic in Arcata, Calif., first started operating in Arcata and the surrounding rural area in 1970. It became a sponsoring agency for VISTA in 1971. The clinic's main goal is to provide comprehensive health and related social services to low-income individuals and families. The population served is largely rural and there is a relatively high unemployment rate. Medi-Cal is often not accepted by physicians and hospitals. As a result, low-income individuals do not receive needed health care. The clinic is one of the few places that accepts Medi-Cal thus insuring low cost health care for these people. The three VISTA volunteers assigned to the project are primarily involved in maintaining and expanding services in three basic project areas, all related to health needs.

One volunteer, an RN, spends approximately 75 percent of her time in the area of health services delivery, performing intake procedures, assessing the patients' needs, counseling them and providing treatments prescribed by the physician. All of the volunteers are involved in health education activities. One volunteer developed a pamphlet library, utilized by other clinics as well as HODC. On request from various agencies and schools, volunteers provide talks, information and occasional workshops. Preventive health schemes were also developed such as a blood pressure prescreening program which was organized with the cooperation of the senior lunch program. In this case the volunteer also trained the community volunteers to do the screening. Volunteers also provided services related to pregnancy, prenatal care, childbirth and child health care.

When HODC first started it relied heavily on VISTA support. It has become a solid clinic with a great deal of community support. It is expected that the projects the volunteers are currently working on will be continued by the clinic and that these will be the last VISTA volunteers.

VISTA PROJECT

Asian Inc. has been providing services to small businesses in the San Francisco Bay area since March 1971, becoming a sponsor agency for VISTA in 1973. The agency's primary purpose is to aid Asian Americans in the development/maintenance of small business enterprises by writing loan packages, providing business projections and aiding business people with administration, accounting and other related aspects of business management. A secondary aspect of the project was the initiation of research into Chinatown youth groups.

Drawing usually from Chinatown and Japan Town, Asian Inc.'s target population is generally Chinese, Japanese, or Filipino. In recent years there has been an increase in Vietnamese refugees in the Bay area and an effort has been made to extend services to these people also. Major problems for the target population included racial discrimination, inability to speak English, lack of knowledge of business administration, low-income and, for the youth of Chinatown, juvenile delinquency.

Two VISTA volunteers are working in the area of entrepreneur assistance, providing management and administrative training and a considerable amount of accounting assistance. One volunteer is working to develop loan packages for new businesses. He also developed a computerized loan package program which would enable consultants to complete loan packages and business projections faster. Another volunteer is involved in researching the problems and needs of Chinatown youth. In addition, he advocated a summer youth program in which Asian, Inc. hired six youth. He also organized a conference between six companies and the police regarding criminal problems. One volunteer had mobilized $200,000 for four loans to start or expand businesses. The volunteer has been able to expand the use of the computer for Asian, Inc. and other agencies who use it by improving the programs for payroll, projections and loan packages.

VISTA PROJECT

The VISTA project at the Center for Independent Living, Berkeley, Calif., began in April 1977. There are currently eight volunteers onboard, all of whom are handicapped. The goal of the project is to assist an increasing number of disabled people to secure control of their lives, gain increased awareness of the options available to them, and begin to have input into the decisionmaking process that affects their lives.

Volunteers are involved in organizing disabled persons to be aware of issues that affect their lives, the use of public services and the development of mechanisms that will bring about change for those who are disabled. This organizing is occurring around the recently passed 504 legislation—"the disabled Bill of Rights".

VISTA's have been responsible for designing access ways, "curbout" service for disabled, and facilities for wheelchair fixing. Another goal of the volunteers is to replicate in other parts of California the services provided by the Center for Independent Living.

UNIVERSITY YEAR FOR ACTION PROJECT

The UYA project sponsored by the Peralta Community College District, Berkeley, Calif., provides low-income physically handicapped and developmentally disabled persons with information on their legal rights and benefits, educational services and opportunities, employment, work experience and job placement services.

The project also focuses on providing senior citizens with information on their legal rights and benefits, educational services, and opportunities, employment, work experience, and job placement services, and

Providing senior citizens with information on legal rights and benefits through workshops, crisis intervention, referral services, health care counseling. Volunteers are organizing senior citizens in order to affect the social and health care delivery systems.

One-third of the volunteers are senior citizens, and one-third are disabled.

The director of the project is handicapped.

UNIVERSITY YEAR FOR ACTION PROJECT

The UYA project sponsored by the University of California, Irvine, Calif., focuses on the implementation of juvenile diversion programs, referral services in mental health, planning and public policy, and environmental quality and health.

The 36 volunteers assigned to the program have accomplished the following: Organized grassroots neighborhood communities to assist in developing a need assessment for low-income people. Established programs to meet these needs.

Tenents rights—community education program information on exclusive zoning. Two TV spots were given free time to present tenents rights issues. Students developed slide-shows with tape. This is taken around the county to present tenents rights problems.

Tutoring program for bilingual gang members—gang diversion program. Recruit tutoring for school and community.

Restoration program—first time offenders are given work assignments on obtaining jobs. In order to compensate victims or the community. Bilingual girls and boys club—gang diversion—established in 6 months.

Share trip—UYA volunteers have worked with businessmen that have given money, equipment for recreation programs for low-income children.

Respite—developed by a UYA student—temporary short-term care for children that have been abused, parent in jail, and so forth, through private home care.

Southeast Asia program—developed entirely by UYA. Seven volunteers were hired as full-time staff members to run the program now that UYA has phased out. They worked with 3,000 refugees, job placement, job development. They set up Southeast Asia own community organization groups to work on their specific needs.

Environmental education—slide-show with tape, addresses, issue of air pollution, and water quality.

Developed a community health education program through the county hospital that serves low-income people.

TV presentation—Freetime. It was presented last week. Subject as the legal rights of young people.

Community mirror—gang members were organized to assist skilled artist in painting mirrors on basketball courts. Merchant donated the paint.

Victim witness program—developed small funding to assist victims that need pocket money to attend court.

Special friends—a extension of big brother-sister program. Students were recruited from campus and community.

Alcoholic women—developed education programs and rehabilitation.

Organized county election—for low-income in order to serve on local community councils.

OLDER AMERICAN VOLUNTEER PROGRAMS

RETIRED SENIOR VOLUTEER PROGRAM

Fred Sukovitzen, 65, a retired carpenter in Santa Rosa, and retired senior volunteer, builds and repairs special furniture and other items in about seven schools for handicapped and other special children. He had modified chairs, built back rests on tricycles, made special exercise equipment, and designed partitions used for the privacy of resting students. He also duplicated a hoist needed to lift and move heavier children who are unable to raise themselves.

In the Los Angeles area thousands of RSVP volunteers serve in childcare centers, homes, and with retarded adults, home-delivered meals services, hospitals, nutrition sites, nursing homes, telephone reassurance activities, home visitation programs, senior centers, special educational programs for the elderly regarding medications, centers for the blind, and miniproduce markets for low-income people.

FOSTER GRANDPARENT PROGRAM

One foster grandparent program serves a predominantly black poverty area in south central Los Angeles, Watts. It recruits volunteers from low-income elderly to serve as foster grandparents for institutionalized, severely handicapped children. One of the active volunteers is over 100 years old.

The foster grandparent program sponsored by the State department of developmental services is one of the oldest and largest programs in the country, and operates at nine State institutions/hospitals throughout the State. Volunteers serve as foster grandparents to severely handicapped institutionalized children. The State of California has developed funding for volunteer programs similar to foster grandparent and senior companion programs because of the success of the foster grandparent program.

SENIOR COMPANION PROGRAM

The senior companion program of San Bernandino is entirely paid for by city funds and provides 50 volunteers to assist physically disabled adults in their homes as an alternative to institutionalization, and also to provide companionship to physically disabled persons in institutions and convalescent homes.

I urge my colleagues to give their approval to 239 so that participants in the ACTION agency domestic programs can get on with their important and valuable work without further delays and disruption.

SECTION-BY-SECTION ANALYSIS

Mr. President, I ask unanimous consent that the section-by-section analysis from the committee report accompanying S. 239—No. 96–99—which sets forth in detail the provisions of the bill as reported, be printed in the Record at this point.

There being no objection, the analysis was ordered to be printed in the Record, as follows:

SECTION-BY-SECTION ANALYSIS OF S. 239, THE PROPOSED DOMESTIC VOLUNTEER SERVICE ACT AMENDMENTS OF 1979 AS REPORTED

Section 1 establishes the short title of the bill as the "Domestic Volunteer Service Act Amendments of 1979".

Section 2(1) would amend section 103(b) of the Act to modify the career provisions for low-income VISTA volunteers by requiring that a plan for each such volunteer designed to provide opportunity for job advancement or for transition to a situation leading to gainful employment be developed within 30 days after the assignment of the volunteer, rather than prior to such volunteer's assignment. Section 103(b) is also amended to provide that such career development assistance be provided to any other volunteer (enrolled for at least 1 year of full-time service under title I) who requests such assistance.

Section 2(2) would amend section 103(d) of the Act, which presently prohibits the assignment of volunteers to a state unless the Governor has been given 45 days advance notice of the project and has not disapproved it, by providing that if a Governor requests the Director to terminate the assignment of a volunteer within a state, the Director must do so within 30 days. The amendment requires a Governor to state, in writing, the reasons for disapproval of a project or the asignment of a volunteer, or of a request for withdrawal of a project or a volunteer. The requirement that the Director must terminate a project at the written request of the Governor means, in the case of a planned project to which volunteers have not yet been assigned, that the process of establishing such a project is to be terminated.

Section 3 would amend section 105(a)(2) of the Act, relating to the payment of volunteers' end-of-service stipends, to make it consistent with a similar provision in the Peace Corps Act. The purpose of the amendment is to authorize advances of the end-of-service stipend under such conditions as the Director of the ACTION Agency shall determine, rather than only in "extraordinary circumstances," as is the case at present. Under the new provision, the Director could, for instance, authorize the advance of part of the end-of-service stipend for purchase of U.S. Savings Bonds, as has been done with respect to the readjustment allowances of Peace Corps volunteers.

Section 4 would modify the VISTA grant and contract authority in existing law to limit the number of volunteer service years to be supported by grants or contracts in fiscal year 1980 to the number supported under grants or contracts in fiscal year 1979. The section also would require that new VISTA projects that are administered through grants or contracts must be subject to competitive bidding, and that there must be a clearly identified poverty focus to such grants or contracts.

Section 5 would amend section 114(a) of the Act, which currently prohibits the expenditure of more than 10 percent of the first $6,700,000 of the service-learning program appropriation for programs other than UYA. The amendments would (1) raise the 10 percent to 13 percent and reduce the $6,700,000 to $4,000,000, so that the maximum amount needed to continue current commitments to UYA would be available (approximately $3.15 million) for UYA in addition to allowing expenditures for non-UYA service-learning activities; and (2) provide that, notwithstanding the first clause, one-third of the first $1,000,000 appropriated may be used to continue service-learning programs other than UYA which have demonstrated their effectiveness, such as the National Student Volunteer Program. The purpose of the amendments is to assure that the Agency meets its commitments to UYA grantees and allow for an orderly phaseout of the programs carried out by the present grantees consistent with that commitment.

Section 6(1) would amend section 122(a) of the Act, providing the Director's discretionary special volunteer and demonstration project authority, to encourage development of these programs in rural as well as urban areas (the intent here is not to exclude other areas, such as "suburban," but rather to ensure that there is equitable geographic distribution of the programs) and to include specific mention of a program to provide assistance to victims of domestic violence and to the "Helping Hand" and fixed-income consumer counseling programs; and to require that not less than half of the part C funds for fiscal year 1980 and subsequent years that are in excess of the fiscal year 1979 part C appropriation be used for the latter two programs. The amendment includes evaluation requirements for new part C activities. The intention here is that the Director establish on a demonstration basis urban initiative-type programs, such as the categorical program originally proposed as a new part D of title I in S. 239 as introduced, and apply the new evaluation requirements to them.

Section 6(2) would revise subsection (c) of section 122 to allow the Director, for the first time, to provide, except for stipends (end-of-service allowances), support for short-term, part-time volunteers who are enrolled for periods of service of 20 hours or more per week for 26 or more consecutive weeks. The amendment also would (1) require that full-time volunteers serving in part C programs take the same oath required for VISTA volunteers by section 104 (c), and that the Director insure that they have sufficient support to carry out their assignments (as required for VISTA volunteers by section 105(b)), (2) provide the Director with discretionary authority to provide stipends, in amounts not to exceed the stipends for VISTA volunteers, to full-time, full-year volunteers enrolled under part C programs (demonstration programs); and, with respect to those full-time, full-year volunteers whose service under part C is of similar character to VISTA service under part A, require application of the provisions of section 103 (d) (relating to the Governor's veto), section 104(d) (relating to grievance procedures), and section 105(a) (relating to the payment of stipends) to the extent those provisions are applied to part A volunteer service.

Section 7 would make a technical amendment to section 221 of the Act by striking "Office of Economic Opportunity" and inserting in lieu thereof "Community Services Administration", which is the name given to that agency by section 9(a) of the Headstart, Economic Opportunity, and Community Partnership Act of 1974 (Public Law 93–644).

Section 8 would amend section 404(g) of the Act, protecting the Government payments or benefits received by volunteers before this service, by limiting the application of that provision (redesignated as paragraph (1)) to payments volunteers the value of which, when reflecting hours worked by a given volunteer, is less than the minimum wage.

This section also would amend section 404 (g) of the Act by adding a new paragraph (2) to resolve an unintended conflict between the Domestic Volunteer Service Act of 1973 and the Work Incentive provisions of title IV of the Social Security Act, which require that recipients of Aid to Families with Dependent Children (AFDC) register with a sponsor of the Work Incentive (WIN) program for manpower services, training, and employment as a condition of eligibility for AFDC (and resultant Medicaid eligibility). More recently, eligibility for food stamps has been conditioned on a similar requirement (section 6(d) (1) of the Food Stamp Act of 1977 (Public Law 95–113, section 1301)).

Section 103(b) of the Act contains explicit authority for the Director of the ACTION Agency to enroll low-income individuals as full-time volunteers, and requires that, as part of their service, they receive an individual plan designed to provide an opportunity for job advancement or transition to gainful employment. Section 104(b) requires that all volunteers in the VISTA program be enrolled for periods of service of at least 1 year, with limited exceptions. Section 404(g) of the Act provides that payments to volunteers under the Act shall not reduce or eliminate the level of or eligibility for assistance or services any such volunteers may be receiving prior to their service under any governmental program.

It is the intention of these provisions that low-income persons should be encouraged to participate in programs of voluntary service and that the allowances they receive not be counted as income to reduce public assistance benefits for which they or their families were eligible prior to commencing volunteer service. The purpose of section 404(g) was to assure that the families of these volunteers would continue to receive the same level of benefits, for instance, Medicaid coverage for children, during the volunteer's service as they received prior to the commencement of the service. Application of a WIN registration requirement would disqualify for AFDC, Medicaid, and food stamps benefits the families of individuals who are otherwise qualified but who cannot participate in training or register for or seek employment because of their enrollment as volunteers.

Volunteer service provides a positive benefit to the volunteer as well as to the community, and low-income volunteers and their families should continue to receive throughout their service public assistance benefits to which they were entitled before becoming volunteers. If they should be required to accept training, or to seek employment, during their service as a condition to receiving benefits, their service will be disrupted, to the detriment of the individual and the community.

Section 9 would amend section 410 of the Act, relating to coordination of programs, to require the Director, in consultation with the Director of the Office of Personnel Management and the Secretaries of Labor, Commerce, and the Treasury and officials of other appropriate departments and agencies, to take all appropriate steps to encourage State and local governments, charitable and service organizations, and private employers to take into account experience in volunteer work in the consideration of applicants for employment, and to make provision for the listing and description of volunteer work on all employment application forms.

The concepts embodied in this section were introduced during the 95th Congress by Senator Cranston as part of Senate Concurrent Resolution 21, expressing the sense of the Congress that experience in volunteer work should be taken into account for this purpose. Volunteers acquire valuable skills which, if remunerated, would no doubt be immediately marketable. But the irony of volunteer work lies in the tendency of employers to measure contributions and skills only by the amount of money expended to secure them. The result is that the value of the contributions made and the skills developed by those dedicated enough to work for little or no pay too often have been underrated.

This section seeks to turn around this situation by making it an affirmative responsibility of the ACTION Agency to encourage employers to take a new look at whether they gave sufficient consideration to volunteer experience in the information requested on their standard application forms, and to take positive action to improve the situation. The Office of Personnel Management standard form for application for Federal employment (SF–171) already contains an appropriate provision for the listing of volunteer work.

Section 10 would amend section 414 of the Act, relating to distribution of benefits under the Act, so as to provide that benefits and services under the Act be distributed equitably among the various regions of the country.

Section 11(1), (A), (B), and (C) would amend section 415(b) of the Act, the provisions deeming volunteers as Federal employees for certain purposes, to provide that, in addition to the full-time, full-year volunteers now covered under this section, part-time volunteers enrolled for periods of service of not less than 20 hours per week for at least 26 consecutive weeks are deemed to be Federal employees, as the Director determines is appropriate in accordance with regulations, for the purposes of the Hatch Act, the Internal Revenue Code, title II of the Social Security Act, the Federal Tort Claims Act, and the Federal Employees Compensation Act. (It would not be appropriate, however, for the Director, as an exercise of the Director's discretion, to determine under this provision that part-time volunteers are to be covered by the Hatch Act.) For purposes of treating volunteers as Federal employees for purposes of Federal workers' compensation benefits, the Director is authorized to determine the appropriate annual pay rate for a part-time volunteer at not to exceed the GS–7 annual rate.

Section 11(1)(D) would further amend section 415(b) by deeming full- and part-time volunteers covered under this section to be Federal employees for the purposes of section 5584 of title 5 of the United States Code, which authorizes the waiver of collection of erroneous overpayments of pay to Federal employees, up to a limit of $500, where collection would be against good conscience and not to the advantage of the Government. This authority is already available with respect to Peace Corps volunteers, and is necessary because the Agency has, in the past, been required to attempt recovery of relatively small overpayments, with consequent damage to volunteer morale and loss of substantial parts of the volunteers' end-of-service allowances. Volunteers in-service allowances are designed to meet only basic needs, and are insufficient to permit repayment of overpayments. In addition, the administrative cost burden to the agency has been substantial in relation to the relatively small amounts recovered.

Section 11(2) would add a new subsection (f) to section 415 of the Act to make the Federal Tort Claims Act the sole available remedy of an individual claiming medical malpractice as a result of actions by a volunteer serving in a health-care capacity. At present, the individual can elect to make a claim against the Government or against the individual volunteer. Since volunteers serve for no personal gain and are paid only minimal allowances, not sufficient to pay for expensive medical malpractice insurance, the agency's ability to attract individuals to serve in health-care programs is severely limited by its present inability to give assurance that there is no possibility of a ruinous malpractice claim against the individual volunteer. This section is similar to the malpractice provisions contained in section 4116 of title 38 of the United States Code which apply to health personnel employed by the Veterans' Administration and similar authority in section 224 of the Public Health Service Act (42 U.S.C. 223) applicable to commissioned officers and employees of the Public Health Service.

Section 12(1) would amend section 417(a) of the Act, the provision prohibiting discrimination in programs receiving financial assistance under the Act, to include "handicap" among the types of discrimination prohibited.

Section 12(2) would further amend section 417(a) to provide that the assignment of volunteers under programs authorized by the Act shall be deemed to be the provision of Federal financial assistance for purposes of the anti-sex-discrimination provision presently incorporated by reference in subsection (a) of section 417 as well as for purposes of title VI of the Civil Rights Act, section 504 of the Rehabilitation Act of 1973, and the Age Discrimination Act of 1975. This new provision will assure that minority individuals or those with handicaps, or other conditions which do not interfere with their ability to perform volunteer service, will have remedies against any discrimination by any project or sponsor under the Act if such individuals desire and are qualified to participate in or secure the benefits of these Federally-supported volunteer programs.

Section 12(3) would add a new subsection (c) to section 417 to make the policies (and remedies thereunder) set forth in section 717 of the Civil Rights Act of 1964, as amended (42 U.S.C. section 2000e–16), except for civil service appeals, title V of the Rehabilitation Act, and the Age Discrimination Act, applicable to volunteers and applicants for volunteer service under the ACTION Agency (including Peace Corps service). At present, since volunteers under title I are not deemed employees of the Federal Government, they have no statutorily guaranteed remedy in cases of racial, religious, age, sex, or handicap discrimination. The new subsection charges the Director of the ACTION Agency to establish (generally within 90 days after enactment) a remedy process for volunteers and applicants for volunteer service, after consulting with the Equal Employment Opportunity Commission, the new Interagency Coordinating Council (for discrimination based on handicap), and the Interagency Committee on Handicapped Employees. The exclusion of the civil service appeals process is designed to foreclose appeal to another federal agency on a discrimination complaint (a process which would seem unduly disruptive of and inconsistent with volunteer service), not to eliminate the right to appeal itself. Thus, the Director is expected to establish a comparable, objective and independent appeals process for such purposes.

Section 13 (a) and (b) would amend title IV of the Act, relating to the administrative provisions, and the table of contents of the Act so as to add a new section 423 concerning the reduction of paperwork. This amendment requires the Director to review critically and evaluate requests for information made under this Act and to take such other action as is necessary to reduce required paperwork.

Section 14 would amend title V of the Act relating to authorizations of appropriations, to provide reauthorizations of appropriations for the activities carried out under titles I, III, and IV.

Clause (1) would amend section 501 of the Act to provide an authorization of appropriations for programs under title I of the Act (National Volunteer Antipoverty Programs) as follows: such sums as are necessary for fiscal years 1979, 1980, and 1981, except that 80 percent of the funds appropriated pursuant to title I must be spent on programs to eliminate poverty and poverty-related human, social, and environmental problems. The Act now stipulates that not less than $29.6 million shall be used for this purpose. Section 501 (a) and (b) is also amended by deleting the earmarking for the part A VISTA program and deleting subsection (b) which sets forth a formula for distribution of funds appropriated for title I in excess of $37.6 million. These changes are made to provide greater flexibility to the Director in carrying out title I.

Clause (2) would amend section 503 to authorize the appropriation of such sums as may be necessary through fiscal year 1979 for the operation of the SCORE/ACE programs (authorized by title III). On October 1, 1979, title III and section 503 will be repealed from the Domestic Volunteer Service Act of 1973 and become a part of the Small Business Act in accordance with Public Law 95–510. The programs were transferred to the Small Business Administration in July 1975, by Executive Order No. 11871.

Clause (3) would amend section 504 to authorize the appropriation of such sums as may be necessary for the ACTION Agency to perform administrative functions in fiscal years 1979 and 1980.

Section 15 would require that the Director of the ACTION Agency submit a report to the appropriate committees of Congress, not later than February 1, 1980, on the special needs and circumstances to be addressed in designing programs under the Domestic Volunteer Service Act of 1973 for implementation in rural areas, and a strategy and timetable for meeting such needs and circumstances.

Section 16 would amend section 5(b) of Public Law 94–130 (the 1975 Peace Corps Act Amendments) by striking out the last sentence thereof. This amendment would permit continuation of appropriations for the increases in the VISTA volunteer stipend authorized by that Public Law—increased from $50 per month to $75 per month—which have now been fully funded by Congress, without the existing condition in subsection (b) which is no longer necessary to protect the level of volunteers in the program.

Section 17 would authorize the Commissioner of Rehabilitation Services, to continue funding, until December 31, 1980, from funds appropriated under section 100(b)(2) of the Rehabilitation Act of 1973 (Public Law 93–112), entities conducting projects under section 130 of that Act for the purpose for which funds were provided under such section to such entities prior to the enactment of the Rehabilitation, Comprehensive Services, and Developmental Disabilities Amendments of 1978 (Public Law 95–602). This amendment limits the amount of funds that the Commissioner may make available to no more than was available under such section 100 (b)(2) for purposes of such section 130 prior to the enactment of Public Law 95–602. This amendment remedies an oversight that occurred when the statutory authorities under which such entities were receiving grants were struck by certain provisions of Public Law 95–602.

● **Mr. SCHWEIKER.** Mr. President, I am offering my support today to S. 239, the Domestic Volunteer Service Act Amendments of 1979. This legislation extends the authorization of appropriations for certain of ACTION's domestic volunteer programs and improves the Agency's ability to properly administer these programs.

As the ranking minority member on the Labor and Human Resources Committee, I have been a longtime and ardent supporter of these volunteer activities, particularly the Older Americans programs.

With the exception of the Older American programs, which were reauthorized under the comprehensive Older Americans Act Amendments of 1978, the authority for ACTION's domestic programs, VISTA, university year for action, special demonstration projects, and the small business volunteer programs ended in fiscal year 1978.

Last year the Senate approved legislation to extend the domestic programs authorization, but the House did not pass the measure before adjournment of the 95th Congress. Consequently, the volunteer activities were extended under a continuing resolution through fiscal year 1979.

This year the full Labor and Human Resources Committee unanimously reported an amended version of S. 239. The provisions of S. 239 as reported would extend the authorization for VISTA, university year for action, and the special demonstration programs through fiscal year 1981. However, the UYA program would be restricted so that only present grantees, who were promised 5 years of support, would receive funding; no new UYA grants would be undertaken.

Also, the national student volunteer program is protected under the provisions of S. 239. One-third of the first million dollars or 13 percent of the first $4 million for part B service-learning programs may be used to fund NSVP. Any amount appropriated above $4 million may be spent on these programs.

In addition, ACTION's demonstration program (part C) authority now stipulates that 50 percent of this section's funds in excess of the fiscal year 1979 level must be used to carry out the proposed new "Helping Hands" and fixed-income counseling programs. Originally, the administration requested the addition of a large, new categorical initiative known as the urban volunteers program. Because of concern over ACTION's history of administrative problems and a desire to tighten the Federal budget, the urban initiative is not authorized. Instead, part C demonstration authority is strengthened to aid city dwellers on limited or fixed incomes, deal with inflation, deteriorating neighborhoods, and rising crime rates. Also included will be programs focusing on the needs of aged and handicapped deinstitutionalized persons.

An important provision of S. 239 was added during full Committee consideration. This section limits the number of years that title IV administrative expenditures are authorized. Thus, the ACTION Agency administrative and program support funds are authorized through 1980 only. This will help to resolve the controversy over whether ACTION is the most appropriate agency to administer the domestic programs and the Peace Corps. The committee felt that thus restricting the appropriations authority to 2 years will enable prompt and thorough oversight of the Agency which administers these important programs.

A major goal of S. 239 is to improve the ACTION Agency's administration of its policies and finances. In particular, the VISTA national grants program has come under sharp attack. Provisions to prevent future controversy in this program include: Holding the 1980 funds at the current level, requiring a clearly defined poverty focus, and mandating that grants and contracts be awarded competitively. Other provisions encouraging better management of the ACTION Agency require the reduction of paperwork, increased protection for volunteers, and modification of the grant approval process.

Finally, the Domestic Volunteer Act amendments extends the small business program authorizations through 1979. Thereafter, the Small Business Administration will operate these programs.

S. 239 also contains a section, unrelated to ACTION, which extends authority for certain programs under the Rehabilitation Act.

Because I strongly support the activities of ACTION's volunteers, particularly the work of our senior citizens in the retired senior volunteer program, foster grandparents, and senior companions, as well as the VISTA program, I believe we must extend authorization of these programs. I do have great concern that ACTION is not the best agency to administer the various volunteer programs, but I firmly oppose any action that would jeopardize the programs themselves. Therefore, I urge approval of S. 239.

In addition, I would like to recognize the contributions of the chairman and ranking minority member of the Subcommittee on Child and Human Development, Senators CRANSTON and HUMPHREY. Both have dedicated long hours and provided valuable input to the committee's discussion of the ACTION program. Their efforts have aided in refining and improving the legislation now before us. I would also like to commend the fine work of Senator JAVITS, particularly for his constructive leadership in relation to the helping hands program.

S. 239, as amended, is the product of much careful work by the committee. I urge my colleagues to act favorably on this significant legislation.●

The PRESIDING OFFICER. Who yields time?

Mr. HUMPHREY. Mr. President, I would agree with about 90 percent of the remarks of the distinguished chairman of the Child and Human Development Subcommittee—perhaps 95 percent. But, as a matter of fact, because of some very significant doubts about the wisdom of leaving these exemplary volunteer programs within the ACTION agency, I voted against reporting it out of committee and onto the floor. I am not prepared to stand here and conduct an enthusiastic defense of the bill as it stands now. As a matter of fact, I have some amendments I wish to offer, as others have. But I shall be happy at this point to yield to anyone on this side who has remarks on the bill itself.

Mr. DURENBERGER addressed the Chair.

Mr. HUMPHREY. I yield 15 minutes to the Senator from Minnesota.

Mr. President, is this for the purpose of introducing an amendment?

Mr. DURENBERGER. Yes, it is, Mr. President.

Mr. HUMPHREY. A parliamentary inquiry, Mr. President.

The PRESIDING OFFICER. The Senator will state it.

Mr. HUMPHREY. I have 2 hours, to be equally divided, on an amendment of my own. I have others as well. I shall not forfeit my right to that time if I now yield, shall I?

The PRESIDING OFFICER. The Senator does not forfeit time on the amendment. The time will come off the bill.

Mr. HUMPHREY. I thank the Chair and yield 15 minutes to the Senator from Minnesota.

The PRESIDING OFFICER. The Chair would like to clarify a point: Under the agreement, any Senator offering an amendment has 1 hour on that particular amendment, evenly divided. The Senator from Minnesota has two specified amendments, each of which has 1 hour.

Mr. DURENBERGER. By way of clarification, Mr. President, I have the one amendment. I believe, from discussion with the manager of the bill for the majority, that the amendment may well be adopted by him or approved by him and I expect not to take more than 15 minutes for my presentation.

UP AMENDMENT NO. 290

(Purpose: To establish a Commission on Volunteerism)

Mr. DURENBERGER. Mr. President, I send to the desk an amendment to S. 239.

The PRESIDING OFFICER. The clerk will state the amendment.

The assistant legislative clerk read as follows:

The Senator from Minnesota (Mr. DURENBERGER) proposes an unprinted amendment numbered 290.

Mr. DURENBERGER. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 24, between lines 13 and 14, insert:

TITLE I—AMENDMENTS TO THE DOMESTIC VOLUNTEER SERVICE ACT OF 1973

On page 41, after line 10, insert the following:

TITLE II—COMMISSION ON VOLUNTEERISM

SHORT TITLE

SEC. 201. This title may be cited as the "Commission on Volunteerism Act".

COMMISSION ESTABLISHED

SEC. 202. (a) There is authorized to be established a Commission on Volunteerism.

(b) The Commission shall be composed of 15 members of whom—

(1) five shall be appointed by the President pro tempore of the Senate;

(2) five shall be appointed by the Speaker of the House of Representatives; and

(3) five shall be appointed by the President.

The Commission shall include individuals who are representative of voluntary organizations, business enterprises, labor organizations, and other appropriate interests.

(c) Any vacancy in the Commission shall not effect its powers but shall be filled in the same manner in which the original appointment was made.

(d) Eight members shall constitute a quorum, but a lesser number may conduct hearings. The Chairman of the Commission shall be selected from among the members by the members of the Commission.

FUNCTIONS OF THE COMMISSION

SEC. 203. (a) The Commission shall make a full and complete investigation with respect to volunteerism in the United States. Such study and investigation shall include a consideration of—

(1) appropriate roles for individuals of all age groups;

(2) appropriate roles for individuals of all income levels;

(3) incentives, rewards, and recognition systems for volunteers, including possible changes in tax laws;

(4) the role of the Federal Government in supporting private volunteer organizations, including such functions as establishing an information clearinghouse, providing technical assistance, offering research and development grants, evaluating programs of private, non-profit volunteer organizations, and disseminating information about successful projects; and

(5) alternative Federal organization structures, including an evaluation of the present arrangement of the ACTION Agency.

(b) The Commission shall submit to the President and to the Congress such interim reports as it deems advisable. The Commission shall submit to the President and to the Congress not later than 18 months after the first meeting of the Commission a final report of its study and investigation, together with such recommendations, including recommendations for legislation, as the Commission deems advisable.

POWERS AND ADMINISTRATIVE PROVISIONS

SEC. 204. (a) The Commission may, in carrying out the provisions of this title, sit and act at such times and places, hold such hearings, take such testimony, request the attendance of such witnesses and the production of such books, papers, and documents and have such printing and binding done, as the Commission deems advisable.

(b) The Commission may acquire directly from the head of any department, agency, instrumentality, or other authority of the executive branch of the Government available information which the Commission determines useful in the discharge of its functions. Each department, agency, instrumentality, or other authority of the executive branch of the Government shall cooperate with the Commission and, to the extent permitted by law, furnish all information requested by the Commission.

(c) Subject to such rules and regulations as may be adopted by the Commission, the Chairman is authorized to—

(1) appoint and fix the compensation of an executive director, and such additional staff personnel as may be necessary, without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and without regard to chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates, but at rates not in excess of the maximum rate for GS–18 of the General Schedule under section 5332 of such title;

(2) procure temporary and intermittent services to the same extent as is authorized by section 3109 of title 5, United States Code, but at rates not to exceed the comparable daily rate for a GS–18 under section 5332 of such title;

(3) accept and utilize the services of voluntary and noncompensated personnel and reimburse them for travel expenses, including per diem as authorized by section 5703 of title 5, United States Code;

(4) receive money and other property donated, bequeathed or devised, without condition or restriction other than that it will be used for the purposes of the Commission, and to use, sell, and otherwise dispose of such property for the purpose of carrying out the functions of the Commission under this title;

(5) enter into agreements with the General Services Administration for procurement of necessary financial and administrative services, for which payment shall be made by reimbursement from the funds of the Commission in such amounts as may be agreed upon by the Chairman of the Commission and the Administrator of General Services; and

(6) enter into contracts with Federal, State, and local public agencies, private business concerns, institutions, and other organizations for the conduct of research, surveys, the preparation of reports, and any other activity which the Commission determines to be necessary.

COMPENSATION OF MEMBERS

SEC. 205. (a) Members of the Commission who are otherwise employed by the Federal Government shall serve without compensation but shall be reimbursed for travel, subsistence, and other necessary expenses incurred by them in carrying out the duties of the Commission.

(b) Members of the Commission not otherwise employed by the Federal Government shall receive $100 per day when they are engaged in the performance of their duties as members of the Commission and shall be entitled to reimbursement for travel, subsistence, and other necessary expenses incurred by them in carrying out the duties of the Commission.

TERMINATION OF THE COMMISSION

SEC. 206. The Commission shall terminate 120 days after the submission of the final report under section 203(c) of this title.

EXPENSES OF THE COMMISSION

SEC. 207. There are authorized to be appropriated such sums, not to exceed $500,000, as may be necessary to carry out the provisions of this title.

Mr. DURENBERGER. Mr. President, I am offering this amendment because the time has come when Congress and State and local governments, must search for new approaches for handling fundamental social issues. The message from the Minnesota electorate to me in the campaign was quite clear: public funds are limited and must be spent wisely. Proposition 13 and similar proposals in other States carried that same message to political leaders throughout the country.

Government can perform some functions well, but it cannot and should not dominate every activity. We need to look for imaginative alternatives to the public sector monopoly. We need to rely more on private acts of giving—of money, time and talent to help us achieve our social goals. We need to reexamine our policies toward private volunteerism and reshape them to the needs and attitudes of the 1980's. We need to take a new look at the relationships between privately promoted public service and governmental activities, and reach a consensus about appropriate policies that will lead to a balance between private and public institutions striving to serve the public good.

In almost every phase of American life, voluntary efforts complement publicly supported activities. For example, an increasing number of corporations are initiating programs of public service. Many companies encourage employees to take a year from their regular jobs to work full time for nonprofit organizations. These employees receive their full salaries, but work for the community instead of the company. Corporations are permitted to give away up to 5 percent of their pretax profits and take the appropriate tax deduction. Universally, corporations are not using this opportunity. However, a small but growing number of corporations are. Other companies should be encouraged to follow their lead.

The Twin City area of Minnesota is the best example in the country of this in taking advantage of this subject.

In the health field, private donors contribute over $4 billion annually to health related activities. Of that amount, more than 75 percent comes from individual donors. While $4 billion may seem small compared to the vast Federal outlay, these private contributions support health care for thousands of poor people, fund biomedical research and help train doctors, dentists, nurses and other health care personnel.

These are just two examples of private giving for the public good. One could add to them the familiar examples of organizations whose sole purpose is to link people who wish to volunteer their services to those who need assistance in learning how to help themselves and become more independent. Our Nation has a rich heritage of voluntary activity. This country was built by individuals and groups who took time from their personal endeavors to contribute to the common good. We must continue that tradition and nuture it. A necessary first step would be taken under the amendment I propose.

ACTION, the Federal Agency whose function is to promote volunteerism, has not realized its potential. While no one would argue with the success of the Peace Corps in linking idealistic young Americans with people of less developed nations who need their help; and while no one would question that the older American programs fulfill urgent needs both for the volunteers and the recipients of their aid there are many more functions a national volunteer agency could undertake. For example, Federal efforts to encourage voluntary activities should focus not just on the young, attracted to VISTA and Peace Corps, and the elderly, who are eligible for the older Americans programs, but also on the vast numbers of our population who fall between these two age groups. Federal efforts should encourage persons of all age groups, at all stages of their careers, to participate. The Federal Government should focus not only on the poor as recipients of the assistance that volunteers can offer, but on all persons who need help in learning how to help themselves. This would include the handicapped, those in ill health, and other groups within the population who have special needs. Under my amendment, the Commission on Volunteerism would study appropriate roles for persons of all ages and of all socioeconomic levels.

The Commission would focus on the incentives and rewards for voluntary service. This facet of the Commission's work could be one of the most important. We need to trace the impact of tax policies on charitable giving, for example, and think about the proper balance between private and public funding of social services. Since 1970, Treasury regulations have been modified, and the standard deduction has been increased. The number of taxpayers who itemize deductions had declined from about 50 to 15 percent. A major result, according to officials of the United Way, has been a drastic cutback in private contributions among taxpayers in the $15,000 to $25,000 income bracket. I doubt that anyone who sought to liberalize the standard deduction and simplify filing an income tax return also sought to limit the contributions of persons in middle income brackets to nonprofit organizations. Yet, that has been the effect. The Commission I propose would look carefully at ways the Federal Government could encourage contributions of services and funds by all those who wish to contribute. It would recommend ways the Federal Government can strengthen private voluntary associations, instead of working at cross purposes.

The Commission would also consider those services which the Federal Government can and properly should provide to voluntary associations to assist them in their efforts to meet some of society's needs. These services might take the form of an information exchange or clearinghouse; leadership training; information dissemination or other services, as appropriate.

Finally, the Commission would address the question of organizational structure. What kind of organization should be established at the Federal level to carry out the mission of promoting volunteerism? Should ACTION be continued or should a different organization be established to assume its functions and others? It would be helpful to have an objective assessment on this subject of organizational arrangement.

Some might question the need for a Commission when the Domestic Volunteer Service Act already has a provision for an Advisory Council. I would remind those who raise such an argument that the ACTION Advisory Council has not met since 1975. It met once during 1974–75 and produced one report for the President. It has not convened since. The current Director of ACTION, Sam Brown, is not sure the authority to appoint that Council still exists. In testimony before the House Subcommittee on Economic Opportunity on March 21, 1978, he stated that he believed the Advisory Council provision in the law had been rescinded, but went on to state that he did not intend to activate the Council even if he had the authority.

While I deliberated about resurrecting that council and enlarging its mandate to include an 18-month study of volunteerism, I rejected the approach for these reasons.

First, the advisory council was established to advise ACTION. In my opinion, we have passed the point where ACTION needs simply to be advised. Congress and the President need a fresh perspective on the meaning of voluntary service to this country, and how the Federal Government can appropriately encourage it. The Commission called for in my amendment would take this fresh approach. It would recommend legislation to accomplish the recommended goals.

Second, the President alone has the authority to appoint members to the advisory council. I believe that the responsibility for examining the public sector role in volunteerism must be shared with Congress. Concern over ACTION and its administrative difficulties have been expressed over and over in the Congress, and I believe that Members of this body can and should play a role in redesigning the mandate of the Federal agency their appointment of members of this Commission.

Third, the council was to consist of 25 members—too large a group to be effective.

I want to speak to the costs of this study commission. The mood of the country, as reflected in this Congress, is to limit expenditures which are unnecessary. I fully subscribe to this view. I realize that critics may contend that my amendment would create still another commission whose recommendations will be put on the shelf at the end of 18 months, and after the expenditure of thousands of dollars. That is not the intent. I would not recommend that public funds be spent for this purpose if I were not convinced that this is more of an investment than an expenditure. It is an investment in self reliance, in promoting experimentation in service delivery, and in prompting corporations to exercise their social responsibilities.

I hope the Senate will act favorably on this amendment.

Mr. CRANSTON. Mr. President, I welcome the initiative of the distinguished Senator from Minnesota in this area.

As one who shares his great belief in and participation in voluntarism—I know his long record in that regard in his home State—I am delighted that he has come forward with this proposal.

The Commission can serve a constructive purpose. It can help us to consider carefully what more can be done to promote voluntarism, particularly in these times marked by a negative attitude toward involvement in broad affairs in our country. I am delighted to support the amendment and will be happy to accept it.

Mr. President, I do want to send to the desk a very brief perfecting amendment to require a focus, in the course of the study, on a comprehensive approach to youth participation in voluntarism. I now send the amendment to the desk.

The PRESIDING OFFICER. The Chair states to the Senator from California that an amendment in the second degree is not in order until the time has expired on the amendment, except by unanimous consent.

Mr. CRANSTON. There is no further debate in order. I will be happy to yield back my time.

Mr. DURENBERGER. I yield back my time.

UP AMENDMENT NO. 291

(Purpose: To modify an unprinted Durenberger amendment to establish a Commission on Voluntarism)

The PRESIDING OFFICER (Mr. BUMPERS). The amendment will be stated.

The second assistant legislative clerk read as follows:

The Senator from California (Mr. CRANSTON) proposes an amendment numbered 291 to Mr. DURENBERGER's unprinted amendment No. 290:

On page 3, line 9, insert after "groups" a comma and the following:

"including consideration of the feasibility of comprehensive youth service".

Mr. CRANSTON. Mr. President, if the Senator from Minnesota will accept this perfecting amendment, we can accept the full amendment.

Mr. DURENBERGER. I am glad to accept it.

The PRESIDING OFFICER. Do Senators yield back their time?

Mr. CRANSTON. I yield back my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from California.

The amendment was agreed to.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Minnesota, as amended by the amendment offered by the Senator from California.

The amendment was agreed to.

Mr. CRANSTON. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. DURENBERGER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

UP AMENDMENT NO. 292

(Purpose: To assure that no funds appropriated to carry out ACTION agency programs are used to influence State or local legislative activity, and for other purposes)

Mr. HUMPHREY. Mr. President, I send to the desk an unprinted amendment and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from New Hampshire (Mr. HUMPHREY) proposes an unprinted amendment numbered 292.

Mr. HUMPHREY. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 31, between lines 19 and 20, insert the following new section:

SEC. 8. The first sentence of section 403 (a) of the Act is amended by—

(1) inserting after "Federal" the following: "State or local"; and

(2) by inserting before the period a comma and the following: "or to finance directly or indirectly any activity designed to influence, in any manner, a member of a State or local legislative body on any legislative or appropriation measure whether before or after the introduction of any bill or resolution proposing the legislative or appropriation measure".

On page 31, line 20, strike out "SEC. 8." and insert "SEC. 9.".

On page 32, line 17, strike out "Sec. 9." and insert "Sec. 10.".

On page 33, line 4, strike out "Sec. 10." and insert "Sec. 11.".

On page 33, line 7, strike out "Sec. 11." and insert "Sec. 12.".

On page 36, line 25, strike out "Sec. 12." and insert "Sec. 13.".

On page 38, line 22, strike out "Sec. 13." and insert "Sec. 14.".

On page 39, line 13, strike out "Sec. 14." and insert "Sec. 15.".

On page 40, line 10, strike out "Sec. 15." and insert "Sec. 16.".

On page 40, line 17, strike out "Sec. 16." and insert "Sec. 17.".

On page 40, line 21, strike out "Sec. 17." and insert "Sec. 18.".

The PRESIDING OFFICER. Is this the amendment on which there is to be a 2-hour time limitation?

Mr. HUMPHREY. No, this is not that amendment.

Mr. President, this amendment amends section 403 of the Domestic Volunteer Services Act of 1973 in order to assure that no funds appropriated to carry out programs administered by the ACTION Agency may be used to lobby State or local legislatures.

This amendment would strengthen existing section 403, which prohibits political activities being carried out with ACTION funds, and makes clear that this prohibition extends not only to Federal political activities but to State and local political activities as well.

Mr. President, the distinguished chairman of the Child and Human Development Subcommittee has agreed to this amendment.

As an indication of the political activism that appears in some of the ACTION-VISTA programs, I would refer to project plans of a number of VISTA grantees, that is private organizations which have been the recipient of VISTA grants.

Before the organizations can receive Federal funds, they must supply the ACTION Agency with a sort of prospectus of what their objectives are and how they will utilize the grants, so that I am quoting directly from applications furnished by the organizations themselves. I think the Senate will find them illuminating.

The first is from an organization called "Oregon Fair Share" and is contained in their application for a grant to cover the period fall, 1977 through fall, 1978. They indicate that they seek "social change" in order to improve the lot of the poor.

How does "Oregon Fair Share" view the political, economic, and social climate in which they will be engaged. Let me quote from page 3 of their application:

> Oregon is at a critical juncture and what happens in the next few years may well determine whether Oregon grows or declines in the long run. The answer to that question depends in large part on who's making the major economic and political decisions for the state. Currently, key decisions are made by a relative few number of self-serving politicians, bureaucrats, and corporate leaders (primarily from the utility companies, the wood products industry, and banks). Because the forces for social change in Oregon are splintered and isolated from each other, the key economic and political decision-makers are accountable to no one.

And how are they to achieve their objectives of "social change". On page 10 of their prospectus they spell out what I regard as an extremely ambitious program, and one which, I again submit, was not intended by the Congress to be promoted with the use of Federal funds. Let me quote their plan:

> Once sufficient seed money has been raised, organizing will proceed on two levels—chapter organizing in local areas and campaign organizing on a state level. A chapter organizing plan will include the following steps:
>
> (1) Working with local leadership in the chapter organizing committee, two orga-

> nizers will concentrate in an area of approximately 30,000 people, making contacts through door-to-door canvassing and through the existing church labor and community associations in the area.
>
> (2) A large community meeting will be held to form the chapter, elect temporary leadership, and select the first issues to work on.
>
> (3) Chapter members will work on local issues and participate in state wide campaigns.
>
> (4) Within 6 months, each chapter should have a membership of at least 200 families and be engaged in local fundraising to pay for the cost of one organizer who will continue to work full time with the chapter.
>
> It is difficult to project 6 months in advance what local and state wide issues Fair Share will be working on, partly because political and economic conditions can change, but primarily because the issues will be selected in a democratic process by the membership. From research and meetings held thus far, we can expect then on a local level we will be concerned with a range of issues including: street crime, and poor housing. An example of what very likely could become the first state campaign is the issue of utility rates (either telephone or gas and electric rates). A basic program for action could include: defeat of proposed rate increases; institution of a lifeline rate; increased consumer protection in the areas of deposits, shutoffs, and other service issues.

Mr. President, the promotion or defeat of particular items of legislation proposed by the States is of course a sovereign right of every citizen. But I wonder if we are entitled to assume that the Federal Government may support by grants of Federal money, the activities of a particular group directed against lawful rate setting are one thing, but utilizing Federal funds to defeat such rate setting is, to me at least, a clear misuse of grant funds.

Mr. President here is a citation from a proposal submitted to the ACTION Agency by an organization known as the "Illinois Public Action Council": It is refreshing for its candor.

It states the following:

> Over the long range Public Action has been organized to establish a progressive statewide political force that can assure that the interests of the majority of average citizens begin to affect decisions that up till now are almost exclusively reflections of the will of large corporate special interest.

Was it intended in the legislation establishing the ACTION Agency and the VISTA grants program, the Federal funds would be utilized to create statewide political organizations? I have not found such authority in the legislation.

Then there is the New Jersey Citizen Action Alliance which spelled out in their application for funds to carry them through to September 30, 1978, the following:

> PART A. PROBLEM IDENTIFICATION AND ANALYSIS
>
> 1. State the specific problem your proposed project will address using ACTION resources. Quantifiable measurable terms should be used. There is a serious lack of an effective state-wide network to link together in a coordinated effort the individual efforts of neighborhood organizations, city coalitions, and senior citizen organizations to address commonly experienced problems. First there is a serious need to organize these individual efforts. Specific problems for NJCAA to address in the coming year include: (1) utility rate reform structure; (2) mortgage reinvestment in urban areas (3) generic drug legislation; (4) community development block grant process review.

Again, as I indicated previously, certainly there is nothing to prevent citizens from engaging in any form of lobbying activities directed against or for enactments of State or local legislatures.

But is it not improper for a private organization to use Federal funds to oppose such things as a State's utility rate structure, mortgage legislation, or generic drug legislation?

An additional form supplied by this same organization set forth as its objective the organizing of legislative meetings so as to increase the awareness of the New Jersey Legislature, to, as the application states, "develop, promote and seek sponsorship for necessary health care legislation and health insurance regulations."

Mr. President, the ACTION people cannot claim to be unaware of these activities.

I have a letter dated September 1, 1977, from the director of the New Jersey Federation of Senior Citizens to the ACTION program regional director in Indianapolis. To it is attached a statement of the group's objectives, and item No. 5 states:

> Assist in the development of positive alternatives to be offered by the coalition to the existing policies maintained by industries, regulatory commissions, or the State legislatures on defined problems for coalition action.

I wonder if the New Jersey State Legislature was aware that in promoting these alternatives, this particular group was utilizing a portion of Federal funds?

Mr. President, I do not wish to prolong this issue, suffice it to say that there is sufficient documentation to show that a number of the VISTA grantees have been employing Federal grant money to pursue questionable activities, and this in itself is sufficient reason to transfer this particular program to the Community Services Administration, as my amendment proposes, in order to restore the program to its original purposes.

Mr. President, I believe I have presented ample evidence of political lobbying by grantees of the VISTA programs that is clearly outside the scope of the legislation which authorized the agency.

This amendment would fill a gap in the existing law, by forbidding the use of Federal funds by any grantee of ACTION Agency in lobbying State or local legislatures.

Mr. President, I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. CRANSTON. Mr. President, I believe that the amendment of the Senator from New Hampshire simply reiterates and clarifies the restrictions in existing law as they relate to State and local legislative bodies, as well as Federal.

I have no objection to clarification of these restrictions as they are applicable to State and local legislative bodies, although I would have preferred to deal with the issue in committee.

I am, however, concerned that the Senator's amendment does not contain a provision exempting from its restrictions activities undertaken at the request of the State or local legislative body. In other words, when a member of a State legislature or local governing body requests a volunteer to appear before it at a legislative hearing, there should be no impediment to the volunteer responding to such a request.

An exemption of this nature is part of other statutory provisions restricting lobbying activities by recipients of Federal funds, such as under the Legal Services Corporation Act. The Government-wide prohibition under section 1913 of title 18 of the United States Code makes a similar exemption for Federal employees responding to requests from Members of Congress.

I am also concerned that the Senator's amendment does not make it clear that the acts prohibited are intentional acts undertaken directly or indirectly for the purpose of influencing a member of a State or local legislative body. In other words, if a volunteer is engaged in a perfectly legitimate activity, such as a survey of a community's needs for a particular service, the fact that the volunteer's work product might subsequently be utilized by a legislative body in its deliberations, should not be construed as a violation of this provision. In addition, I am concerned that the Senator's amendment might be construed as interfering with the exercise of first amendment rights by part-time volunteers.

Thus, Mr. President, to clarify these three matters, I will send to the desk an unprinted amendment to provide that the proposed restriction not apply to a part-time volunteer or to a full-time volunteer who has been requested by a State or local legislative body or member to provide information, and to provide that no funds appropriated to carry out the act or any program administered by the ACTION Agency shall be used "for the purpose of financing"—rather than "to finance"—directly or indirectly any activity designed to influence, in any manner, a member of a State or local legislative body. With these modifications, I would not oppose the amendment.

I do note, Mr. President, that the Senate Governmental Affairs Committee has stated its intention to examine this type of restriction in connection with its consideration of Senator DANFORTH's bill, S. 691, to prohibit the use of Federal funds obtained from any agency in the Government to lobby State and local legislatures. I think a thorough examination of this issue should be made, including the holding of hearings in connection with a much more thorough consideration as anticipated for S. 691. I do have reservations about dealing with this type of approach piece meal as a part of our consideration of S. 239, and will be attempting to explore the matter more fully before conference, including all the ramifications of the amendment even as modified.

Mr. President, if time will be yielded back so that we can get to this amendment, I will send my amendment to the desk.

Mr. HUMPHREY. I yield myself 10 minutes.

Mr. President, the purpose of my amendment, prior to the amendment of the Senator from California (Mr. CRANSTON), is simply to prohibit the use of Federal funds in lobbying State and local legislatures by organizations under the ACTION Agency.

Senator CRANSTON's amendment, as I understand it, would permit part-time volunteers to testify before State and local legislatures utilizing Federal funds.

I am not proposing to transgress on anyone's constitutional rights, but it does seem to me that it was not the intent of Congress that Federal funds be used to lobby State and local legislative bodies. Therefore, I am opposed to Senator CRANSTON's amendment. It does not go far enough, it seems to me. It seems to me there is a loophole here which would permit Federal funds to be used by part-time volunteers to lobby State and local legislatures, So I oppose Senator CRANSTON's amendment.

Mr. President, I reserve the remainder of my time.

Mr. CRANSTON. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. CRANSTON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CRANSTON. Mr. President, after conferring with the Senator from New Hampshire, I believe we are in agreement on my modification to his amendment to the desk. The purpose of the amendment as it is now modified is further to make clear that a part-time volunteer under this act, whether or not asked to testify before a committee, may be free to do so during times when that person is not serving as a volunteer.

The PRESIDING OFFICER. Is all time yielded back on the amendment of the Senator from New Hampshire?

Mr. HUMPHREY. I yield back the remainder of my time.

UP AMENDMENT NO. 293

(Purpose: To modify an unprinted Humphrey amendment to exempt from restrictions those activities undertaken at the request of State or local legislative bodies, committees, or members)

Mr. CRANSTON. Thus, Mr. President, I send to the desk an unprinted amendment and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from California (Mr. CRANSTON) proposes an unprinted amendment numbered 293 to the amendment of Mr. HUMPHREY's UP amendment No. 292.

Mr. CRANSTON. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 2, line 6, strike out "to finance" and insert in lieu thereof "for the purpose of financing".

On page 2, line 11, insert "but this shall not prevent communication with or provision of information to any such member or legislative body or committee thereof by any person serving as a part-time volunteer under this Act during times when such person is not so serving or, at the request of such member, committee or legislative body, by any person serving as a full-time volunteer under this Act" after "measure".

Mr. CRANSTON. Mr. President, I think we are ready to proceed with the amendment I have offered.

Mr. HUMPHREY. Mr. President, I will agree to Senator CRANSTON's amendment. I thank him very much for his cooperation. I am ready to proceed.

Mr. CRANSTON. Mr. President, I yield back the remainder of my time on the amendment.

Mr. HUMPHREY. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from California.

The amendment was agreed to.

The PRESIDING OFFICER. The question now occurs on agreeing to the amendment of the Senator from New Hampshire, as amended.

The amendment was agreed to.

UP AMENDMENT NO. 294

(Purpose: To transfer the Peace Corps to an independent agency, known as the Peace Corps, and for other purposes)

Mr. HUMPHREY. Mr. President, I send to the desk an unprinted amendment and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The second assistant legislative clerk read as follows:

The Senator from New Hampshire (Mr. HUMPHREY) proposes an unprinted amendment numbered 294.

Mr. HUMPHREY. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 24, between lines 13 and 14, insert:

TITLE I—AMENDMENTS TO THE DOMESTIC VOLUNTEER SERVICE ACT OF 1973

On page 41, after line 10, insert the following:

TITLE II—TRANSFER OF FUNCTIONS OF ACTION

SEC. 201. This title may be cited as the "Volunteer Service Simplification Act".

DEFINITION

SEC. 202. As used in this title, the term "function" includes power and duty.

TRANSFER OF THE PEACE CORPS TO AN INDEPENDENT AGENCY

SEC. 203. (a) There is established as an independent agency of the Federal Government, the Peace Corps.

(b) There are transferred to the Peace Corps established by subsection (a) of this section and the Director of the Peace Corps shall perform, all functions of the Director of ACTION under the Peace Corps Act (72 Stat. 612; 22 U.S.C. 2501) exercised by him by virtue of Reorganization Plan Numbered 1 of 1971 (85 Stat. 819).

TRANSFER OF PERSONNEL AND PROPERTIES

SEC. 204. (a) All personnel, liabilities, contracts, property, and records as are determined by the Director of the Office of Management and Budget to be employed, held, or used primarily in connection with any function transferred under section 203, are transferred to the Director of the Peace Corps (established pursuant to section 203(a)).

(b)(1) Except as provided in paragraph (2) of this subsection personnel engaged in functions transferred under this Act shall be transferred in accordance with applicable laws and regulations relating to the transfer of functions.

(2) The transfer of personnel pursuant to subsection (a) shall be without reduction in classification or compensation for one year after such transfer.

TRANSFER MATTERS

SEC. 205. (a) All laws relating to any office, agency, or functions transferred under this Act shall, insofar as such laws are applicable, remain in full force and effect. All orders, determinations, rules, regulations, permits, contracts, certificates, licenses, and privileges made, issued, or granted by any office or agency or in connection with any function transferred by this Act, and in effect at the time of the transfer, shall continue in effect to the same extent as if such transfer had not occurred, until modified, superseded, or repealed.

(b) The provisions of this Act shall not affect any proceedings pending at the time this section takes effect before any agency, or part thereof, functions of which are transferred by this Act, but such proceedings, to the extent that they relate to functions so transferred shall be continued before the Peace Corps.

(c) No suit, action, or other proceeding commenced by or against any office or agency or any officer of the United States acting in his official capacity shall abate by reason of any transfer made pursuant to this Act, but the court on motion or supplemental petition filed at any time within twelve months after such transfer takes effect, showing a necessity for the survival of such suit, action, or other proceeding to obtain a settlement of the question involved, may allow the same to be maintained by or against the appropriate office or agency or officer of the United States.

(d) This Act shall not have the effect of releasing or extinguishing any criminal prosecution, penalty, forfeiture, or liability incurred as a result of any function transferred under this Act.

(e) Orders and actions of the Peace Corps in the exercise of functions transferred under this Act shall be subject to judicial review to the same extent and in the same manner as if such orders and actions had been by the agency or office, or part thereof, exercising such functions, immediately preceding their transfer. Any statutory requirements relating to notice, hearings, action upon the record, or administrative review that apply to any function transferred by this Act shall apply to the exercise of such function by the Peace Corps.

(f) With respect to any function transferred by this Act and exercised after the effective date of this Act, reference in any other Federal law to any agency, office, or part thereof or any officer so transferred or functions of which are so transferred shall be deemed to mean the Peace Corps or officer in which such function is vested pursuant to this Act.

(g) In the exercise of the functions transferred under this Act, the Director of the Peace Corps shall have the same authority as that vested in the agency or office, or part thereof exercising such functions immediately preceding their transfer, and actions of the Director of the Peace Corps in exercising such function shall have the same force and effect as when exercised by such agency or office, or part thereof.

EFFECTIVE DATE

SEC. 206. The provisions of this title shall take effect ninety days after the date of enactment of this title.

The PRESIDING OFFICER. The Chair asks the Senator is this the amendment that the Senator has an agreed time limit of 2 hours on?

Mr. HUMPHREY. It is.

The PRESIDING OFFICER. Time for debate on this amendment is limited to 2 hours, to be equally divided between the Senator from New Hampshire (Mr. HUMPHREY) and the Senator from California (Mr. CRANSTON).

The Senator from New Hampshire.

Mr. HUMPHREY. Mr. President, I offer an amendment to S. 239 which would establish the Peace Corps as an independent agency.

The House recently voted overwhelmingly to remove the Peace Corps from the ACTION Agency and set it up in a new Agency known as the International Development Cooperation Administration. The vote on that question was 276 to 116, an overwhelming endorsement of the proposal.

I cannot question the wisdom of the other body in resolving the Peace Corps problem in that manner. Perhaps it would succeed as part of another, newer organization.

However I believe earnestly that we must consider the establishment of the Peace Corps completely independent of conflicting interests which would accord with the intentions of Congress when it created the Peace Corps in 1961.

Prior to its incorporation into ACTION, the Peace Corps was one of our more effective programs. This was because the volunteers, motivated by idealism and a true desire to impart American technology and know-how to other nations less developed, worked with people on a "one to one" basis.

However, since it has been merged into ACTION, I believe it has lost its visibility and has been plagued with problems.

Let me quote for example from testimony submitted to the Committee on Child and Human Development which conducted hearings incident to the ACTION Agency reauthorization this past spring. Mrs. Ruth Saxe, former Deputy Director, testified:

> ACTION'S administration of the Peace Corps was a mistake from its inception. Two problems of the Peace Corps today appear to me to stem from its position within ACTION. A confusion of purpose and a lack of support for its operations.
>
> The Peace Corps is a simple idea. Its purpose is clear—to promote world peace and friendship—by making available to interested countries, Americans willing and able to serve to help the people of such countries meet their needs for trained manpower.
>
> In contrast, the purpose of ACTION appears to be unclear. Its current leadership has stated its purpose is community organizing. In my view, this purpose is incompatible with that of the Peace Corps, as I do not believe it is appropriate for American Peace Corps volunteers to be engaged in community organizing overseas unless expressly invited to do so by a host government. Another Director of ACTION may have a different philosophy as to its purpose which may be equally at odds with that of the Peace Corps mandate. However, if the Peace Corps is the international arm of ACTION, it is unavoidable that the Peace Corps take on the coloration of the leadership of ACTION, whatever it may be.

Mr. President, Mrs. Saxe's observations, because she has been intimately associated with the Peace Corps as Deputy Director, bear close attention.

She says further in her statement:

> I do not believe it is in the interest of either the domestic or overseas operations for the support functions of two such disparate programs to be combined. This arrangement operates to the detriment of the Peace Corps, and I would assume that it also adversely affects the quality of support available to ACTION's domestic activities.

"Who should administer the Peace Corps?" Mrs. Saxe asks, not rhetorically. Mrs. Saxe continued:

> I believe that the Peace Corps should once again be an independent agency, as at its inception. My experience has not demonstrated to me that volunteerism is a valid unifying principle for ACTION's domestic volunteer programs and the Peace Corps, which in my view has gone steadily downhill since it became part of ACTION.

Mr. President, the General Accounting Office has issued a report on the Peace Corps that only confirms the generally held belief about its ineptness and lack of direction. It summarizes the Peace Corps in the following terms:

> 1. Some programs and projects are of questionable value and lack accord with Peace Corps goals and objectives.
>
> 2. Host country commitments to provide supervision and financial and material support to projects should be strengthened and periodically reviewed.
>
> 3. Many volunteers lack commitment and terminate services before their scheduled completion, often within the first months of service.
>
> 4. Personnel problems include turnover of employees and time-consuming employment processes.

Mr. President, these are relatively mild shortcomings of this Agency. Last December there was a housecleaning of the Peace Corps leadership. It had been led, ably, by Dr. Carolyn R. Payton who had served as Director of the Peace Corps for 13 months. In what has been characterized as a "running battle" with the ACTION Director, Dr. Payton resigned but not after she had characterized the ACTION leadership as "trying to turn the corps into an arrogant, elitist, political organization designed to meddle in the affairs of foreign governments," as she was quoted in the press.

Let me repeat that, Mr. President. A former recent director of the Peace Corps had this to say about its success under the ACTION umbrella. She accused the ACTION leadership of "trying to turn the Corps into an arrogant, elitist, political organization designed to meddle in the affairs of foreign governments." We certainly have come a long way, at least in the eyes of Dr. Payton, from the right beginnings of the Peace Corps.

Dr. Payton further stated that the Peace Corps had "strayed away from its mission of promoting world peace and friendship and is trying to impose American intellectual fads—political and cultural—on host countries."

For example she said:

> It is wrong to tell a government in the Third World that its efforts to teach its citizens a world language—be it English or French, is an elitist idea.

And it is arrogant and neocolonialist for the American Peace Corps to say to a nation:

> We will no longer teach your children mathematics and science, but we will teach your peasants numeracy and literacy, so that you can count your cows or print your names on a wall.

Let me quote additionally from the extensive press account of the resignation of Dr. Payton:

> Those now responsible for the Peace Corps seem to wish the organization to be engaged in a kind of political activism and advocacy. They would be pleased to have Peace Corps volunteers demonstrate overseas against corporations that engage in practices with which they disagree, or that market products they see as harmful. They would see the Peace Corps as a vehicle to allow unemployed black ghetto youths, as short term volunteers, learn about life in a black socialist country.

Mr. President, I believe these are very revealing and incriminating observations uttered by a person who has been intimately involved with the Peace Corps and can look at it objectively.

To give you an idea of the extent of her concern about what has happened to the Peace Corps under the present action leadership, I would conclude her views with this observation:

> The Peace Corps has strayed away from its mission. As Director, I could not—because of the peculiar administrative structure under which the Peace Corps operates—do anything about this situation. As an ex-Director, I am free to sound the alarm.

Mr. President, indeed, Mrs. Payton has sounded an alarm, one which has been heard in the Senate, and in the House as well.

She is making it unmistakably clear—as has our distinguished colleague Senator TSONGAS—that there are fundamental problems with the Peace Corps within the ACTION Agency that can be resolved by removing it as the House of Representatives did so overwhelmingly 2 months ago.

This is the only solution to a problem that continues to fester.

Earlier this year, the Peace Corps volunteers in Nicaragua were removed from that country in response to the present Nicaraguan regime, an action that was clearly not intended by the original Peace Corps charter.

This so moved Representative BONKER, a former Peace Corpsman himself, to state on the floor of the House of Representatives:

> The Peace Corps must, in order to retain its credibility and sense of uniqueness among U.S. programs, be free from political meddling. In my opinion, such a blatant political use of the Peace Corps underscores the need to remove it from the bureaucratic mess of action and establish it as a government foundation. We must move quickly to achieve this separation—or, I fear, continued Rep. BONKER, the true purpose of the Peace Corps may be forever obscured by such interference.

Mr. President, the role of Peace Corps volunteers working directly with local people at the village level is a unique contribution to our overall foreign assistance programs.

Their record has been generally free of serious criticisms until the Peace Corps lost its autonomy and became a part of the ACTION program.

It is imperative that it be insulated from the political and social pressures that seem chronic to the ACTION Agency.

If it is to maintain its credibility not only in this country but in the foreign field, it must be taken out of the ACTION Agency.

I believe my amendment is both necessary and practical.

I believe that it provides a viable solution to a problem that I believe will exacerbate rather than improve, because of what I believe to be the fundamental philosophy, of not just the ACTION Director, but of the entire leadership of this agency.

Mr. President, I reserve the remainder of my time.

Mr. CRANSTON. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. GLENN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Who yields time?

Mr. CRANSTON. Mr. President, I yield such time as the Senator may require.

Mr. GLENN. Mr. President, this amendment to remove the Peace Corps from ACTION is unnecessary. I oppose the amendment and urge my colleagues to reconfirm the position taken last week when a similar proposal was rejected.

Earlier this month, on June 4, the Committee on Governmental Affairs reported to the Senate on its consideration of various alternative proposals for ACTION. The recommendations of the committee were two—the first being that the ACTION Agency be kept together as an independent executive branch agency, and the second that the Peace Corps, as a part of ACTION, be granted budget and policy autonomy in accordance with the Executive Order 12137, which was issued by the President on May 16, 1979.

The report of the Governmental Affairs Committee was made after public hearings at which testimony was received, either directly or by views submitted in writing, from 59 Federal, State, or local agencies and private organizations. The Governmental Affairs consideration of this question stemmed from a resolution adopted on April 11, 1979, by the Labor and Human Resources Committee, which asked that Governmental Affairs consider and report its recommendations as to whether some or all of the programs administered by ACTION should be transferred and administered elsewhere.

In its hearings, the Governmental Affairs Committee received testimony on and considered the various ACTION programs, including the Peace Corps, VISTA, and the older Americans programs. It considered the effect of various organizational changes on the agency as a whole, and on its programs. It specifically examined the advantages and disadvantages of various alternatives concerning the Peace Corps.

The single most important organizational issue at hand when the committee considered this resolution from Labor and Human Resources was that of Peace Corps autonomy. On that, virtually all who appeared before the committee agreed. The administration acted by issuing Executive Order 12137, delegating the critical program authority directly to the Director of the Peace Corps, thereby giving him total control over policy, budget, and staffing matters. Still, Peace Corps remains nominally a part of ACTION, sharing certain common goals and administrative support functions with the ACTION Agency.

It is the judgment of the present, recently confirmed Director of the Peace Corps, my friend and constituent, Richard F. Celeste, that Executive Order No. 12137 actually grants Peace Corps more independence that it had in 1961 and 1966. In a letter to me, Mr. Celeste stated this belief, which was backed up by an analysis performed at his request by Bill Josephson, an early general counsel of Peace Corps and a distinguished attorney in New York.

Mr. Josephson's key observations are that the Director, under the new Executive Order, reports directly to the President; that all funds appropriated for the purposes of the Peace Corps Act are allocated directly to the Director, meaning he will deal directly with the Office of Management and Budget and the Treasury Department, and that the sole authority delegated to the Director of ACTION now deals with those ACTION functions which jointly service the domestic volunteer components of that Agency and Peace Corps.

Mr. President, I ask unanimous consent that Mr. Celeste's letter of June 6 setting forth this analysis appear in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. GLENN. Mr. President, a major reorganization, such as the dismantling of ACTION, should not be undertaken unless there are clear and compelling reasons. To date, at least, no such compelling reasons have been identified to justify such a reorganization. The Committee on Governmental Affairs, to the contrary, concluded that retention of the present organizational structure, with the Peace Corps enjoying autonomy under the ACTION umbrella, offers the best opportunity for the various volunteer programs to achieve progress on the missions established for them by the Congress. Removal of the Peace Corps would be the first step toward abolishing ACTION which was established, because Congress and the executive branch agreed that there should be a single agency in the Government organized around the principle of voluntary service, and one that could help preserve and promote the American tradition of citizens volunteering their time and skills to help others.

The various alternative organizational arrangements that have been proposed, including the establishment of the Peace Corps as a completely independent Federal agency, or placing it within a quasi-governmental foundation, cannot be justified in light of the President's very recent Executive order increasing Peace Corps autonomy within ACTION. That new order should be tried before other alternatives are considered. This is especially so since such a step would increase the cost of support services.

Further, we should carefully consider any organizational change that could possibly lead to either the blurring of the Corps' mission as a voluntary agency or an unfortunate perception abroad that it was another arm of American foreign policy, and nothing else.

The Peace Corps is something else. It is the most visible, best known, and most effective example of grassroots, people-to-people assistance we have in this country.

In fact, I submit it is the most effective example of grassroots, people-to-people assistance anywhere in the world. It provides the cohesive force holding ACTION together, representing, as it does, the principle identity of the parent agency, as well as a full 40 percent of its budget. Removal of the Peace Corps would leave an ACTION Agency with a budget of slightly more than $100 million, and one not long destined to survive, I would judge. Should it come to that, Congress could parcel the various domestic volunteer programs out among other agencies with program responsibilities in generally similar areas; VISTA to the Community Services Administration, for instance, and the older American programs to the Administration on Aging within the Department of Health, Education, and Welfare. Both the administration and the various public interest groups who appeared at the hearing held by the Governmental Affairs Committee opposed such transfers, however, stressing that these volunteer programs were different in kind, intent, and program from the other executive branch programs—just as Peace Corps is different from AID.

Mr. President, I ask my colleagues to oppose this amendment and endorse the action taken by the President when he issued the recent Executive Order conferring budget and policy autonomy on the Peace Corps.

Mr. President, I read from the letter sent to me by Mr. Celeste, new Director of the Peace Corps:

DEAR SENATOR GLENN: President Carter recently issued an Executive Order which reestablished the autonomy of the Peace Corps. Since then I have had a number of inquiries regarding the scope of the Executive Order.

At my request, Bill Josephson, a distinguished New York attorney and early General Counsel of the Peace Corps, analyzed the Executive Order in the context of the original Peace Corps mandate. I believe you may find some of his observations of particular interest. Josephson observes:

"While for technical reasons Executive Order No. 12137 establishes the Peace Corps as an agency within ACTION, actually the Peace Corps and its new Director, Richard F. Celeste, have more independence than the Peace Corps had in 1961 and 1966."

It goes on to delineate in further detail the independence of the Peace Corps' Director under this Executive order and the reasons why he feels this should work and that it is the best relationship with ACTION and the best way to keep the Peace Corps now.

For all of these reasons, Mr. President, I urge my colleagues not to go along with this detaching of the Peace Corps, but to keep it the way it is under the new Executive Order No. 12137. I think it is a workable arrangement. The new Director is in favor of this and thinks he has an excellent working relationship. I agree with that. The committee agreed with that. Most of the witnesses we had before us agreed with that.

I yield back such time as I have remaining.

Exhibit 1

Peace Corps,
Washington, D.C., June 6, 1979.

Hon. John Glenn,
U.S. Senate,
Washington, D.C.

Dear Senator Glenn: President Carter recently issued an Executive Order which reestablished the autonomy of the Peace Corps. Since then I have had a number of inquiries regarding the scope of the Executive Order.

At my request, Bill Josephson, a distinguished New York attorney and early General Counsel of the Peace Corps, analyzed the Executive Order in the context of the original Peace Corps mandate. I believe you may find some of his observations of particular interest. Josephson observes:

"While for technical reasons Executive Order No. 12137 establishes the Peace Corps as an agency within ACTION, actually the Peace Corps and its new Director, Richard F. Celeste, have more independence than the Peace Corps had in 1961 and 1966."

". . . Independence of Peace Corps Director. Executive Order No. 12137 delegates the principal program and administrative functions conferred on the President by the Peace Corps Act directly to the Director of the Peace Corps. In 1961 to 1966 those functions were delegated by the President first to the Secretary of State and then by him to the Director of the Peace Corps. Thus, the Peace Corps Director, in 1961 to 1966, was technically subject to the direct authority of the Secretary of State. Under Executive Order No. 12137, the Peace Corps Director in effect reports directly to the President. Any other United States Government officials (including the Director of ACTION but possibly not the Secretary of State) who disagrees with the Director of the Peace Corps with respect to the carrying out of a Peace Corps Act function must take his case to the President."

". . . the Order provides that all funds appropriated or otherwise made available to the President for carrying out the provisions of the Peace Corps Act are allocated directly to the Director of the Peace Corps. Thus, the Peace Corps Director will deal directly with the Office of Management and Budget and the Treasury Department with respect to the apportionment, obligation and expenditure of Peace Corps funds. Previously, these funds were allocated to the Director of ACTION. (In 1961 to 1966, they were allocated to the Secretary of State.)"

"... Relationship to ACTION. Executive Order No. 12137 establishes the Peace Corps as an agency within ACTION. None of the functions under the Peace Corps Act are delegated to ACTION or its Director. As we have seen, all the pricipal Peace Corps Act program and administration functions are delegated directly to the Director of the Peace Corps. The sole authority delegated to the Director of ACTION with respect to the Peace Corps is, under section 1–605 of the Order, the 'general direction of those ACTION functions which jointly serve ACTION domestic volunteer components and the Peace Corps.' (Emphasis added.) The Peace Corps Director under section 1–112 of the Order is to consult and coordinate with the Director of ACTION so that they carry out their respective functions consistently. Likewise, under section 1–605 of the Order the Director of ACTION is responsible for 'advising the Director of the Peace Corps to ensure that the functions delegated under this Order to the Director of the Peace Corps are carried out.'"

I hope these excerpts will clarify for you the President's mandate that the Peace Corps is to be autonomous and that the responsibility for, and control of, its programs, policies, and budget rest solely with the Peace Corps Director.

If you have any questions, please do not hesitate to contact me at 254–7970.

Sincerely,

Richard F. Celeste,
Director.

Mr. CRANSTON. Mr. President, I thank the Senator from Ohio very much for a very fine statement. It is a very helpful contribution to this debate.

Mr. JAVITS. Mr. President, will the Senator from California yield to me?

Mr. CRANSTON. Yes, Mr. President, I yield to the Senator from New York.

Mr. JAVITS. Mr. President, I find myself in a unique position on this matter. I have debated it before when it was on the floor in another bill, the economic assistance bill, in which the same effort was made, or roughly the same effort, by Senator Tsongas. I am a member of all three committees which have had anything to do with this matter in the Senate: the Committee on Foreign Relations, which handled the Peace Corps authorization; the Committee on Governmental Affairs, to which was referred, by the Senate's Committee on Human Resources, this general question upon which they have reported; and the Committee on Human Resources itself, which dealt with the ACTION program and reported out this bill. It is my judgment, Mr. President, that we should not move in this matter, certainly not at this time, to transfer the Peace Corps.

Quite a few committees have considered this question. Among them, in addition to the three Senate committees which I mentioned, is the House Committee on Education and Labor, where Congressman Ashbrook undertook a very, very thorough grilling of Sam Brown, the head of the ACTION Agency. I understand it took 14 hours, and when they got all through, the committee felt that matters should stay where they are.

The only adverse action which has been taken was taken on the House floor on the motion of Congressman Zablocki of Wisconsin, chairman of the House Committee on Foreign Affairs. With all respect, it was really not relevant to the argument which is being had here. What Mr. Zablocki was contending for was that the Peace Corps should become an element in the foreign aid of the United States and therefore, when, as, and if established, it should be transferred to IDCA—that is, the International Development Agency, about which we are now, but which has not yet been established. So that was one difference.

The second difference is that, at the time that vote was taken, the President had not yet issued his Executive order giving autonomy to the Peace Corps within ACTION, an autonomy which was highly satisfactory to Dick Celeste, the new Director of the Peace Corps, to whom Senator Glenn's remarks were addressed, and who, I think, is a first-rate man who ought to be given every opportunity.

He, himself, now affirms, in a letter to us which Senator Glenn has already put into the Record, that we should stay with keeping the Peace Corps in the ACTION Agency in order to give him the best opportunity to do the job which we believe that he is capable of doing.

It seems to me that that is a pretty conclusive array of talent against the idea of rocking the boat right now. Senator Tsongas, the other day, when he raised this question, did not even seek a record vote, but allowed it to be decided on a voice vote.

Finally, and I think very importantly, because it is very difficult, getting on the floor to take up this issue point by point as to the Peace Corps—that is what we have committees for. They go into these matters in considerable detail, both personally and through their staffs, and try to come to a conclusion.

I think the best thing written on the subject comes out of the Governmental Affairs Committee which, by the way, in its composition, is a very well balanced committee between liberals and conservatives, as the lineup goes around here, under the chairmanship of Senator Ribicoff, with the Senator from Illinois (Mr. Percy) as the ranking member.

That committee, by a vote of 15 to 2, came to the following conclusion:

> No major reorganizations should be undertaken unless clearly desirable, because it inevitably causes disruptions which reduce program effectiveness for a significant length of time. The committee concludes that, at this time, it appears that there is much to be lost, and little to be gained, by transferring either the Peace Corps or the domestic volunteer program to other agencies. Even if there were marginal advantages in transferring a single, particular program, such as the Peace Corps, to another agency the effect on ACTION as a whole would argue against such a move. The Committee believes that the original concept and motivation for establishing ACTION is as valid today as it was in 1971. Nothing has happened in the last six years to alter the importance of having within the Federal Government a single, small agency whose primary purpose is to encouraging volunteer efforts. And in order to preserve that concept all the programs now in ACTION should be kept in place.

It seems to me, Mr. President, that that is very decisive.

Finally, I have lived with the Peace Corps ever since I have been here, and before, because in 1960 I urged this program on then Candidate Nixon, who was running against Jack Kennedy, as a program he ought to espouse before it was espoused by then Senator Kennedy. He did not do it.

But, nonetheless, I know a great deal about it.

I considered it then a gifted concept, a virtuoso concept, which was best off, in my judgment, being handled on a strictly volunteer basis and not being woven into the fabric of foreign aid.

So the ACTION Agency came along, which, again, is a place for volunteer efforts. I think we ought to note that people who work in VISTA, and I have known a great many of them, are just as devoted, just as patriotic, just as idealistic, as those in the Peace Corps. We want to encourage that kind of thing, and I like the idea. I think we should support the idea of an agency in which volunteerism is the rule and which is accommodated in terms of its structure, its policy, and its motivation to the volunteer idea.

I believe we have mutually supporting activities in respect to this agency. That is, all the volunteer efforts tend to support each other and to attract the same type of person.

Therefore, in my judgment, it is both in policy and in idea, in concept and in practice, as found by the Governmental Affairs Committee. Let us remember that is the committee we rely on in terms of the way in which our Government is organized. We have dealt with that committee in respect of reorganization of the most major kind.

They certainly ought to have the confidence of the Senate when we get a bipartisan vote of 15 to 2 against the proposition, after it has been referred to them on my motion, I might say, by the Human Resources Committee, because I felt we were not as competent as the Governmental Affairs Committee to judge what is the optimum kind of governmental organization, and they fully confirm that this is the way to go.

Mr. President, that, obviously, is the way in which the Senate has gone. I do not believe that the experience respecting the House of Representatives, which I have detailed, is relevant to this particular debate, which simply seeks to take the Peace Corps out and make it some kind of an independent unit.

I believe, therefore, that the Senate should continue what it has done in turning down this proposition before and should turn it down again.

Mr. President, I ask the Chair a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. JAVITS. Is a quorum call permissible under the existing situation?

The PRESIDING OFFICER. A quorum call is in order, if any Senators under the agreement, who have the right to yield time, yield time for the purposes of a quorum call.

Mr. JAVITS. Mr. President, Senator HUMPHREY, I might explain to those in the Chamber, has had to absent himself from the floor for a very few minutes. I would like, with the consent of Senator CRANSTON, to ask for a quorum without it being charged to either side, just to accommodate him.

Mr. CRANSTON. I do not propose to take any action, of course, in his absence, but I have a statement.

Mr. JAVITS. Fine. I thank the Senator very much. I hope he will join in that.

Mr. CRANSTON. Of course.

I thank the Senator from New York for a very fine statement on this amendment and on the relationship between the Peace Corps and the ACTION Agency.

Mr. President, I deferred my remarks because I thought it is most important to hear from the two distinguished leaders of the Governmental Affairs Committee on this matter within that committee's jurisdiction.

I, too, oppose the amendment.

I have given a great deal of thought to this matter, and have concluded that the legitimate concerns of proponents of a Peace Corps transfer can be met within the existing administrative structure of the ACTION Agency, given the President's May 16, 1979, Executive Order No. 12137 to grant the Peace Corps a large measure of independence within the Agency. I think we should give that new structure a chance to work.

Keeping the Peace Corps within the ACTION Agency under the terms of the Executive order is preferable, I am convinced, to establishing a new, independent Peace Corps Agency.

Thus, I support retaining the Peace Corps within the ACTION Agency.

Mr. President, Richard Celeste, Director of the Peace Corps, has provided me with an analysis of the effects of Executive Order 12137 prepared by a former General Counsel of the Peace Corps, Bill Josephson. Mr. Josephson concludes that under the arrangements of the Executive order, the Peace Corps will have even more independence than it had during the 1960's.

This analysis, prepared by an individual who was closely involved with the Peace Corps during the program's strongest hour is most significant in light of the current debate.

Mr. President, throughout the debate on what should be the future administrative arrangements for the Peace Corps, I have been concerned that many who call for a transfer of the Peace Corps are basing their decisions on unwarranted, unfair, uniformed attacks on the ACTION Agency Director, Sam Brown.

When Sam Brown took over the leadership of the ACTION Agency in 1977, he inherited a multitude of problems. He has done much to improve the situation. In fact, a recent GAO report examining problems in the Peace Corps concluded by acknowledging that Sam Brown has contributed significantly to resolving the problems studied by the GAO.

Mr. President, decisions on the future of the ACTION Agency programs, including the Peace Corps, should not be based on personality politics. They should be based on what is best for the optimum development of the programs and how the volunteer participants can best continue their work in human development endeavors.

When S. 239 was considered by the Committee on Labor and Human Resources, there was much discussion as to what would be the most responsible course of action to take with respect to the future administrative arrangements for the Agency's domestic programs. It was the sense of the committee that the future of the Peace Corps would weigh heavily on what would be the future of the domestic programs.

Mr. President, to address these concerns, the Senator from Wisconsin (Mr. NELSON) proposed during full committee consideration of S. 239 that the committee agree to a resolution requesting the Governmental Affairs Committee to look into the question of where the ACTION programs should be housed, and report to the full Senate by June 4.

Mr. President, the Governmental Affairs Committee was most responsive to the resolution submitted to it by our committee. The Governmental Affairs Committee held a day of hearings, receiving testimony from a range of witnesses concerned about the future of both the Peace Corps and the domestic programs, and submitted a detailed report (No. 96-199) to the full Senate on the day it was requested—June 4. It was the conclusion of the Governmental Affairs Committee—which voted 15 to 2—that none of the programs now in the ACTION Agency should be transferred to other agencies. It is that committee's position that no compelling reasons have been identified to justify reorganization of ACTION, and to the contrary, that retaining the current organizational structure, particularly in light of the President's Executive order giving more autonomy to the Peace Corps within ACTION, would provide the best opportunity for all the volunteer programs to achieve the mission established for them by Congress.

Mr. President, let me highlight the conclusions of the Governmental Affairs Committee's recommendations with respect to the Peace Corps:

First, association of Peace Corps with ACTION helps insure continued emphasis on the small, humanitarian nature of the volunteer program.

Second, the Peace Corps programs benefit from coordination with domestic programs.

Third, the new Executive order protects Peace Corps autonomy.

Fourth, reorganization linking the Peace Corps with AID could lead to undue domination by other foreign policy agencies.

Fifth, the alternative of establishing the Peace Corps as a completely separate agency is unjustified at this time.

Sixth, the alternative of establishing the Peace Corps as a quasi-Government foundation involved too great a separation from U.S. interests.

Mr. President, the legitimate concerns of proponents of a Peace Corps transfer can be met within the existing administrative structure of the ACTION Agency through the Executive order that the President has promulgated to give the Peace Corps a large measure of independence within the Agency. I think we should give that new structure a chance to work.

For all these reasons, I oppose the amendment.

The PRESIDING OFFICER. Who yields time?

Mr. HUMPHREY. Mr. President, in rebuttal, I should like to begin by addressing myself to some of the remarks of the distinguished Senator from Ohio. I have great respect for Senator GLENN as a man and as a fellow aviator and as an astronaut. He has mastered the mysterious art of flying objects with no visible means of support, and I certainly have a great deal of respect for him.

He pointed out that a few days ago, in this Chamber, a similar measure—similar, but not exactly the same, and I will point out the differences in a moment—was defeated. That, I remind my colleagues, was a voice vote, not a rollcall vote. There were only five people present in the Chamber.

What cannot be doubted is that Senator TSONGAS is concerned about the future of the Peace Corps, about the difficulties in which it finds itself; and he, as are all of us in this body, is interested only in rectifying the problem so that the Peace Corps once again can be what it was just a few years ago, before it was included in the ACTION Agency. Our differences are only the means to achieve those ends.

It has been pointed out that recently the President moved to make the Peace Corps autonomous with in the ACTION Agency—autonomous with regard to policy and budget considerations—however, independent with regard to administrative matters and support matters.

Well, there is autonomy and there is autonomy, as we all know. Mongolia is autonomous—at least, on paper. If you like autonomy, the proposed autonomy, the autonomy the President has proposed, versus keeping the Peace Corps in the ACTION Agency—if you like that, then you will love independence. You will love an independent Peace Corps, and that is what I am proposing.

I am not proposing, as Senator TSONGAS proposed a few days ago, that we remove the Peace Corps from ACTION. Remember, he wanted, above all else, to remove the Peace Corps from the ACTION Agency. This is a former Peace Corps volunteer, himself. He wanted to remove it from ACTION. But the difference is that he wanted to put it in the ICDA, and I want to make it an independent organization, as it once was.

The Governmental Affairs Committee, indeed, did go into this matter at the request of the Human Resources Committee. But I point out, Mr. President, that, while I have the highest respect for the members of the Governmental Affairs Committee, a committee in the House of Representatives went into the matter in great depth over a period of 2 years. I am referring to the International Development Subcommittee of the Committee on Foreign Affairs. They conducted hearings for 2 years. Testifying before the subcommittee were a number of very knowledgeable people with respect to the Peace Corps, one of whom—perhaps the most prominent of whom—was Sargent Shriver, who was present at the birth of the Peace Corps, if not, was involved in its conception.

Sargent Shriver supported the concept of making the Peace Corps independent—not of putting it into a foundation, not of putting it back under the State Department, but Sargent Shriver supported the concept of making the Peace Corps independent. That is what I am proposing here today.

Other former directors of the Peace Corps also supported the concept of making the Peace Corps independent.

Mr. President, Representative DON BONKER has taken a great deal of interest in this matter. He serves on the committee I mentioned and has had some very cogent things to say about the Peace Corps as it now exists under ACTION and the proposals remove it from the ACTION Agency. I will read a few things he had to say:

> The Peace Corps had high visibility and was very successful. It was an expression of the best that there was in us. By placing it within ACTION, we made it subservient to a bureaucratic agency that was more preoccupied with domestic programs than with people-to-people programs in other countries. It has created bureaucratic problems that are both costly and inefficient, and inhibits the effectiveness of Peace Corps programs.

Mr. President, a moment ago, the point was made, or an attempt was made to make the point, that the Peace Corps represented the principal identity of the ACTION Agency. That simply is not true. Someone is under a misapprehension, because, in fact, under the ACTION Agency, the Peace Corps is not even called the Peace Corps. It is called the International Operations Division for ACTION. It has been so submerged that it is not even called the Peace Corps anymore. It is just the International Operations Division of ACTION.

I do not mean to impugn the integrity of anyone, but I find it a little odd that after years of clamoring to free the Peace Corps from ACTION, finally, when it looked as though Congress was going to take matters into its own hands, the administration proposed to make the Peace Corps autonomous within the ACTION Agency. But let us remember that it is not fully autonomous. It depends upon the ACTION Agency. It depends upon Mr. Sam Brown and his political hierarchy. It is subservient to Mr. Brown in an administrative respect, and it depends upon him for support. That is not autonomy, in my opinion.

I say let us make this truly independent.

Mr. Celeste feels that under the proposed so-called autonomy, things will be better than ever. Well, Mr. Celeste is the recently confirmed Director of the Peace Corps. He is under the thumb of the President, and I am not sure that he is entirely independent to give us his frank opinion.

Senator Javits, my good friend from New York, made the point that the Governmental Affairs Committee recommended, after some brief hearings, that the Peace Corps remain in the ACTION Agency. He suggested that the Senate—that I and my colleagues—should automatically accept the recommendations of the Governmental Affairs Committee. If we did that, there would be no need for this Chamber; there would be no need to have debate. We would just consider the action of committees as the last word.

Mr. President, there were minority views within the Governmental Affairs Committee. The Senator from Minnesota (Mr. DURENBERGER) had this to say about the matter under consideration here today:

> I hope the Labor and Human Resources Committee and the Senate do not consider the recommendation adopted by this committee to be the result of a thorough, careful examination of the proper way to organize this Nation's volunteer programs.

Let me repeat that. That is pretty interesting.

Senator DURENBERGER, a member of the Governmental Affairs Committee, says:

> I hope * * * the members do not consider Committee—

which had requested the hearings by the Governmental Affairs Committee—

> I hope * * * the members do not consider the recommendations adopted by this committee to be the result of a thorough, careful examination of the proper way to organize this Nation's volunteer programs.

I turn the attention of my colleagues once again to the fact that the International Development Subcommittee of the House Committee on Foreign Affairs held hearings for 2 years on this matter and came to the unequivocal conclusion that the Peace Corps should be made an independent agency.

Once again, Mr. President, we all agree on the end to be achieved, namely, to raise the Peace Corps to that lofty idealistic and effective organization which it once was.

I would not be surprised if a great many Americans think the Peace Corps has gone out of existence. We never hear about it. We do not see youngsters clamoring to affiliate themselves. We do not see them volunteering in the numbers—at least, it is not apparent to me—that they used to.

Let us raise the Peace Corps back to what it used to be, the crown jewel in our dealings with foreign nations, and the best way to do that, it seems clear to me, is to totally cut the cords that have bound it to the ACTION Agency and reestablish it once again as an independent agency so that as an independent agency it can flourish once again.

It is a wonderful idea, and I wish to make to clear to my colleagues that my amendment does not in any way bear on the Peace Corps except to make it independent. Neither does my amendment bear on any of the other worthy, and they are worthy programs, volunteer programs under ACTION.

This is a very clearcut amendment. It simply cuts the Peace Corps free from the political infighting that is well documented in the ACTION Agency.

I think the time has come to do that. I think it would be a great boost to the Peace Corps, a great shot in the arm, and I hope my colleagues will support me in this amendment and take an action similar to that which was taken with an overwhelming vote in the House of Representatives just a few weeks ago.

Mr. President, I reserve the remainder of my time.

The PRESIDING OFFICER (Mr. MOYNIHAN). Who yields time?

Mr. CRANSTON. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. CRANSTON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Who yields time?

Mr. CRANSTON. Mr. President, I am delighted to yield to the Senator from Illinois.

Mr. PERCY. Mr. President, I thank my distinguished colleague.

Mr. President, I urge my colleagues to oppose this amendment to remove the Peace Corps from ACTION. This would be consistent with our action to defeat the Tsongas amendment last week. As the ranking minority member of the Governmental Affairs Committee, I have had the opportunity to review the various programs of the ACTION Agency, including the Peace Corps. The committee examined all of ACTION's programs, held hearings on the agency, and received the views of 59 Federal, State, and local officials and private organizations. At a subsequent meeting, I joined the majority of the other members of the committee in resounding agreement that the Peace Corps is best served by being retained within ACTION. There are a number of reasons why the Peace Corps should remain in ACTION, all thoroughly stated and endorsed in the recent report of the Governmental Affairs Committee. I underscore those points which I consider to be the major arguments in opposition to this amendment.

I think we all acknowledge that the Peace Corps has suffered from a lack of sufficient autonomy within ACTION. The Foreign Relations Committee refused to approve full funding for the Peace Corps as long as this condition persisted. Certainly that point being raised in response to support of this pending amendment is a valid objection, and I think it serves the best interests of all of us to have that point raised because the Foreign Relations Committee itself raised that point. However, the President has now acted to protect the Peace Corps by issuing an Executive order which gives the Peace Corps Director authority over the operations, personnel, and budget of the Peace Corps. The new Director of the Peace Corps, Dick Celeste, has a strong background as a capable manager and appears to have the ability to effectively lead the Peace Corps in the future. Dick Celeste has convinced me and the other members of the Foreign Relations Committee that with the strengthened authority over the Peace Corps which has been delegated to him by the President under this recent Executive order, he, and no other official of the ACTION Agency, will be in charge of the Peace Corps. In fact, according to William Josephson, one of the authors of the Peace Corps and its directors actually have more independence than the Peace Corps had in its early days when the principal programmatic and administrative functions were delegated to the Secretary of State.

In addition, for cost-benefit and management reasons, the Peace Corps should remain in ACTION. An estimate of the breakup of ACTION into two distinct agencies, one international and the other domestic, places the cost at a minimum of over $15 million.

The management of the ACTION Agency has been effective in serving the needs of the volunteers in all of the programs. A separation of ACTION into two components could mean substantially increasing the number of staff, especially in Washington. In this era of deep concern by the taxpayers of this country about the cost of Government and the increase of Government spending and bureaucracy, this is hardly the way to go.

In summary, Mr. President, I believe there are many reasons for retaining the Peace Corps within ACTION. I see few real advantages and several distinct disadvantages to taking the Peace Corps out of ACTION. I urge, therefore, the Senate to defeat the pending amendment.

Mr. President, if I can just add a further word, because I have great respect for my colleague and I know his intentions are of the highest in this regard, I just do have a strong emotional attachment to the Peace Corps. It developed some, I do not know, two decades ago. I do not think there is any Member of Congress who has probably visited over the years with more Peace Corps members.

As a businessman, every time I went to Latin America and Africa, certainly out in Asia, I would visit, find a way to meet with, Peace Corps members.

My daughter has worked with the Peace Corps, not for them, as a fellow studying their operations in Bombay, India, for many, many months.

My brother-in-law, who was the corporate secretary of the Pacific Coast Stock Exchange, gave up his life there, a beautiful, structured life in southern California, and took his wife and three boys and went to India and served in the Peace Corps and became country director in Afghanistan for 3 years.

We visited there out of 200 Peace Corps members, I guess we visited, with 187. Many of them had to walk 4 days to get from the remote areas they had been in to meet with him.

So I carried this conception of meeting with Peace Corps members because I learned more about a country from these people who served in the Peace Corps than many times from State Department and AID people. They see life living in the villages and living with the people and being part of their lives as a marvelous thing.

I also have recognized that I think the benefits flow both ways. The thousands who have come back here—and I have met with many of them, groups who have come together—have really gained an experience that has been invaluable for them, changed the course of their lives, changed their outlook on life.

Looking back at ACTION our committee spent a lot of time looking at this. What did we have in common with VISTA? What did we have in common with other things? Should we not keep this as a different group from the international standpoint?

But the motivations of many of these young people—not all so young—I went with Mrs. Lillian Carter to India on the occasion of the death of the President of India, and went down to visit the village with her when she was a Peace Corps member. You would not say she was a young person other than in spirit and in heart. In age she is getting along, and she may even be in the aging category soon, but certainly young in spirit, contributing to the people of the world, just as VISTA volunteers and others have contributed to urban areas in this country.

The recruitment of those people, the procedures of training, and so forth, many of them have a commonality in ACTION, and it just seems to me that that set up a more efficient recruiting service, and so forth, than there would have been by each of these groups having a separation.

Even the senior citizens train there for the Foster Grandparents program and the recruiting techniques, the reach-out techniques, finding people who are motivated to take a job, certainly not because of pay, because certainly it is not at all comparable with what they receive in any other profession they might want to go into, but certainly the procedures of seeking them out and finding them and helping indoctrinate them and bringing them into a program, those procedures are very important.

It seems to the Senator from Illinois that that would add to the efficiency of the program and that the present amendment would detract from that.

But not having had the opportunity to be on the floor, I would be happy to listen to any counterarguments.

On the other hand, I think I am rather familiar with the arguments that have been raised, sympathetic with some of them. But I do think we have thought this program through. Many of the problems have been answered, and I, in reviewing in confirmation hearings—and I never met Mr. Celeste before—but I was struck with the fact that he probably by background and, I think, temperament, is probably one of the most qualified men or persons whom I have interviewed, that I have reviewed the credentials for, in a confirmation proceeding.

I am now satisfied that he, with the strength of his and information of his character, has now been able to get a charter for the Peace Corps that will allow them the necessary autonomy, and I think that someone like Sargent Shriver and other heads of the Peace Corps, Joe Blatchford, and others who have served here, who have distinguished themselves here, would themselves have liked to have that kind of charter, and I think to that extent those who have been critical of the Peace Corps have provided a great service to the Peace Corps by insisting that they do have more authority.

Mr. CRANSTON. I would like to thank the Senator from Illinois very much for a very forceful, fine, and constructive statement.

The PRESIDING OFFICER. The Senator from New Hampshire.

Mr. HUMPHREY. Mr. President, I thank the Senator from Illinois for his very interesting insights and about his own personal involvement with the Peace Corps. He brought out very well and eloquently that the Peace Corps is an institution of great value. This is an important point not only to the nations where members of the Peace Corps serve but to the Peace Corps members themselves, these young Americans who come back home with a totally different perspective about life and even about our own country, a new perspective gained oftentimes by seeing that most people in the world are not as well off as we are materially or spiritually.

We are not arguing about the value of the Peace Corps. We all agree that it is highly valuable to this country.

But the point is that under the administration of the ACTION Agency the Peace Corps has suffered. Many witnesses have said so. The statistics are there for those who want something more objective.

Morale is low, the turnover is higher. A GAO study shows that many volunteers are terminating their service before scheduled completion, frequently within the first months of service.

In 1975, which is the most recent year studied by the GAO, 38 percent of the volunteers did not complete their 2-year stints.

More than half of the dropouts left during the first 6 months of service. Morale is low because, in my opinion, of maladministration, because of the politicization of the Peace Corps under the ACTION Agency.

Mr. PERCY. Mr. President, will my dishinguished colleague yield for just a comment?

Mr. HUMPHREY. I yield.

Mr. PERCY. From my industrial experience those figures on turnover are not high even in industrial organizations. I know of some that are much more rapid than that. When we consider that 20 to 25 percent of our population moves from county to county every year—we are a very mobile people, and we try out something, and through the selection process they have tried to minimize that turnover, there still is an awful lot of turnover just in the whole nature of American society and industrial experience which would lead us to believe those figures are not really too far out of line for very much higher paying jobs under conditions that are much more comfortable than conditions in the Peace Corps.

Mr. HUMPHREY. I cannot argue against the Senator from Illinois on that point. However, I would call the attention of my colleagues to the fact that the GAO thought those turnover rates and dropout rates were significant enough to point to them as one of the cardinal deficiencies of the Peace Corps under the ACTION program.

I have nothing whatever against Mr. Celeste. I have no doubt that the Senator's assessment of his capabilities is quite correct. I am not proposing to depose Mr. Celeste. If there is an independent Peace Corps, which I hope my colleagues will help to create in just a moment, I hope very much—and, perhaps, it would be automatic—that Mr. Celeste would stay with the Peace Corps. I am not trying to do him out of a job. He is probably a fine man.

Let me just say by way of summary, Mr. President, that this is not the same proposal which Senator TSONGAS offered a few days ago. It is significantly different. Senator TSONGAS wanted to put the Peace Corps under the ICDA. My amendment, if approved, will make the Peace Corps independent once again.

Again I say to my colleagues that if you like the concept of autonomy, if you like removing the Peace Corps from the grasp of the ACTION Agency and improving the situation to the point of giving it autonomy within the ACTION Agency, although if you look at it closely it is not true autonomy, if you like that concept, then you will love taking it totally away from ACTION, cutting all the political cords, and making it an independent agency, a truly autonomous independent agency.

Mr. President, morale is low. Many qualified witnesses, respected witnesses, have suggested that the Peace Corps be taken away from ACTION. Indeed, in a 2-year study in the House of Representatives they came to the very same conclusion, a conclusion supported by Sargent Shriver and other past directors of the Peace Corps.

Again this is a very simple amendment. It does nothing to the Peace Corps except improve it my making it an independent agency.

My amendment does nothing to the other programs within the ACTION Agency. It would simply make the Peace Corps independent so that it would flourish.

Once again it is a great idea, and if we can cut it loose from this politicized ACTION Agency I think it will flourish once again.

I am prepared to yield back the remainder of my time, Mr. President.

Mr. CRANSTON. I do likewise.

Mr. HUMPHREY. Mr. President, I call for the yeas and nays.

(Mr. NUNN assumed the chair.)

● Mr. SCHWEIKER. Mr. President, I am pleased to support an amendment to S. 239, the Domestic Volunteer Services Act of 1979. Our amendment would remove the Peace Corps program from the ACTION Agency and establish it as an independent agency.

When President Nixon first proposed establishing the ACTION Agency in 1971, many of my colleagues actively opposed its establishment. They felt the programs would receive greater support if they remained as they were in the case of the Peace Corps, as an independent agency.

Recently, ACTION and its administration of the Peace Corps has come under sharp attack. This international program became a target of great controversy with the firing of its Director, Dr. Carolyn Payton. Allegations that Peace Corps funds were improperly allocated for agencywide support purposes, and that the volunteer program was highly politicized, have greatly weakened this valuable service. It has even caused the American people to question if a Peace Corps should, indeed, exist. As a result, the House has already stripped ACTION of the Peace Corps by a vote of 276 to 116.

As a strong supporter of the Peace Corps, I am gravely alarmed to see the strength of this program undermined by ACTION's administration. Senator TSONGAS, an ex-Peace Corps volunteer himself, stated:

> The Peace Corps has lost its identity since its incorporation into ACTION. Two years ago I was willing to give this administration a chance to revitalize the agency within ACTION, but it is apparent this has not been accomplished. It requires a change if it is to survive to meet the challenges of the rapidly changing world in the 1980's.

Not only has the Peace Corps suffered from a loss of identity, but, according to a GAO report, the volunteer dropout rate has increased from 10.9 percent in 1961 to 38 percent in 1975.

I do not believe the President's newly released Executive order, which would allow the Peace Corps greater autonomy yet retain it under the ACTION Agency will accomplish meaningful change. This "reorganization" is purely cosmetic. It will not increase protection of the Peace Corps from political pressure or mismanagement. In fact, because the plan cannot rationally set forth a relationship between the volunteer programs and the Peace Corps, it is extremely difficult to project exactly what its effect will be.

In addition, the President's reorganization plan does nothing to resolve the inherent differences between the Peace Corps and the ACTION Agency. Integration of training, recruitment, and other efforts have failed due to basic dissimilarities between the domestic and international volunteer programs. In testimony before the Labor and Human Resources Committee, of which I am the ranking minority member, Ruth Saxe, ex-deputy to the fired Peace Corps Director, testified:

> My experience has not demonstrated to me that "volunteerism" is a valid unifying principle for ACTION's domestic volunteer programs and the Peace Corps, which in my view has gone steadily downhill since it became a part of ACTION.

My colleagues and I believe that our proposal, which is similar to a proposal recently passed by the House, will return the Peace Corps to its former strength. Specifically, our proposal would transfer the Peace Corps from ACTION and establish it as an independent agency—the volunteer program would be administered by a Director and a new seven-member Board of Directors.

I urge my colleagues in the Senate to demonstrate their support for the Peace Corps by supporting our amendment. The Peace Corps must be removed from administrative entanglement with unrelated domestic programs—and problems. And the domestic volunteer programs—RSVP and VISTA—must receive the undivided attention of the ACTION Agency.●

Mr. HUMPHREY. Mr. President, I call for the yeas and nays on my amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the amendment (No. UP 294) of the Senator from New Hampshire (Mr. HUMPHREY).

The yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Alaska (Mr. GRAVEL) is necessarily absent.

I also announce that the the Senator from Massachusetts (Mr. KENNEDY), the Senator from Massachusetts (Mr. TSONGAS), and the Senator from Rhode Island (Mr. PELL) are absent attending the funeral of former Senator Leverett Saltonstall.

I further announce that, if present and voting, the Senator from Rhode Island (Mr. PELL) would vote "nay".

Mr. STEVENS. I announce that the Senator from Iowa (Mr. JEPSEN), and the Senator from Connecticut (Mr. WEICKER), are necessarily absent.

The PRESIDING OFFICER (Mr. BAUCUS). Are there any other Senators who wish to vote?

The result was announced—yeas 32, nays 62, as follows:

[Rollcall Vote No. 139 Leg.]

YEAS—32

Armstrong
Baker
Bellmon
Boren
Byrd, Harry F., Jr.
Chafee
Cochran
Dole
Domenici
Garn
Goldwater
Hatch
Hatfield
Hayakawa
Heinz
Helms
Humphrey
Kassebaum
Laxalt
Lugar
Magnuson
McClure
Moynihan
Pressler
Roth
Schmitt
Schweiker
Simpson
Thurmond
Tower
Wallop
Warner

NAYS—62

Baucus
Bayh
Bentsen
Biden
Boschwitz
Bradley
Bumpers
Burdick
Byrd, Robert C.
Cannon
Chiles
Church
Cohen
Cranston
Culver
Danforth
DeConcini
Durenberger
Durkin
Eagleton
Exon
Ford
Glenn
Hart
Heflin
Hollings
Huddleston
Inouye
Jackson
Javits
Johnston
Leahy
Levin
Long
Mathias
Matsunaga
McGovern
Melcher
Metzenbaum
Morgan
Muskie
Nelson
Nunn
Packwood
Percy
Proxmire
Pryor
Randolph
Ribicoff
Riegle
Sarbanes
Sasser
Stafford
Stennis
Stevens
Stevenson
Stewart
Stone
Talmadge
Williams
Young
Zorinsky

NOT VOTING—6

Gravel
Jepsen
Kennedy
Pell
Tsongas
Weicker

So Mr. HUMPHREY's amendment (No. UP 294) was rejected.

Mr. CRANSTON. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. GLENN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. CRANSTON. Mr. President, I am prepared to yield back all time.

Mr. HUMPHREY. I yield back the remainder of my time.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on agreeing to the committee amendment in the nature of a substitute.

The committee amendment in the nature of a substitute, as amended, was agreed to.

● Mr. BUMPERS. Mr. President, the inclusion of section 15 in S. 239, which requires the Director of ACTION to report to Congress on rural needs and the agency's strategy with respect to rural areas, is a very worth while gesture. I do hope, however, that it will turn out to be more than a simple gesture. For too long, the Nation's approach to poverty has neglected the needs of rural areas.

The President's fiscal year 1980 budget indicated that ACTION intends to "emphasize the enhancement of rural programs" in the future. Last February, I wrote ACTION Director Sam Brown to find out what specific steps he had in mind. I would like to share Mr. Brown's response to my inquiry with the rest of my colleagues. I hope that as we continue to follow the progress of the ACTION Agency we will note that many of Mr. Brown's plans have been fruitful.

I ask that my letter to Mr. Brown, and his response be printed in the RECORD.

The letter follows:

COMMITTEE ON APPROPRIATIONS,
Washington, D.C., February 14, 1979.

Hon. SAM W. BROWN, Jr.,
Director, ACTION Agency, Washington, D.C.

DEAR SAM: When looking through the President's FY 80 Budget, I was heartened to note that ACTION intends to emphasize the "enhancement of rural programs". I applaud the Administration's proposal and I truly hope to see the benefits from this resolution.

Nevertheless, I am somewhat confused about the direction upon which ACTION plans to embark. While I was unable to attend the Labor/HEW Appropriation Subcommittee hearings of February 9, 1979, I did read a copy of your prepared statement. In that statement, I was unable to find any mention of your plans to upgrade ACTION's rural programs. At your earliest convenience, I would appreciate having a summary of these plans. In addition, an estimate of ACTION's existing and proposed funding levels for Arkansas would prove most helpful.

Thank you very much.

Sincerely,

DALE BUMPERS.

ACTION,
Washington, D.C., April 12, 1979.

Hon. DALE BUMPERS,
U.S. Senate, Washington, D.C.

DEAR SENATOR BUMPERS: Thank you for your recent inquiry requesting information regarding ACTION's plans for rural initiatives and programs in fiscal year 1980.

While our fiscal year 1980 budget submission emphasizes a planned "enhancement of rural programs" we began a series of initiatives in fiscal year 1978–79 to upgrade our rural programs. Some examples are:

Established a Rural Initiatives Task Force within the Agency to take an overall look at ACTION's rural programs and involvements, and to come up with recommendations concerning ACTION's priorities for rural programming and new initiatives which the Agency should be taking in rural development efforts, especially for the rural poor including low-income small farm families. The task force is chaired by the Associate Director for Domestic Operations.

Designated the Associate Director for Domestic Operations to represent ACTION on the Assistant Secretaries Working Group for Rural Development.

Associate Director for Domestic Operations designated a Special Assistant to serve on a staff group which provides staff assistance to the Assistant Secretaries Working Group and to serve as the focal point in the Agency for ACTION and interagency rural development activities.

ACTION State Directors are participating on the State Rural Development Committees in their respective states to assist in the development of plans, programs, and projects to improve the quality of life for the rural poor.

Encouraging our grantees and volunteers at the local level to increase their participation in projects designed to assist small farm families and the rural poor.

Co-sponsored with CSA and USDA five regional small farms conferences July through September, 1978, to provide small farm operators an opportunity to identify needs and problems important to their farm operations and their families and to provide ACTION with additional input for better understanding the needs and problems of small farmers, with the view to what ACTION can do to help meet those needs and solve their problems.

Co-sponsored with CSA, USDA, and BIA an American Indian/Alaska Native Agricultural Conference, February 6–8, 1978.

Developed several rural projects with joint funding from CSA and USDA.

Funded several demonstration projects to assist rural women in identifying their needs and problems and in finding solutions to those needs and problems.

In fiscal year 1980 we plan to continue most of the initiatives which were started in fiscal year 1979 and to:

Give priority consideration to demonstration projects emphasizing health, housing, energy, transportation, and economic development efforts in rural communities.

Create and implement a process for involving the private sector and local, state, and other federal agencies in establishing new programs that will benefit the rural poor.

Update and improve the technical expertise and sensitivity of ACTION personnel, volunteers, and sponsors to make them more responsive to the needs of the rural communities.

Increase our efforts to help rural residents develop the capability to take advantage of existing resources and create new resources.

I am pleased to inform you that the current funding level of ACTION's programs in Arkansas is $950,688.00. Approximately 80 percent of these funds are for rural projects.

Thank you for your interest in our efforts to promote and encourage programs and opportunities for rural people.

If we can provide any further assistance, please let me know.

Sincerely,

SAM BROWN,
Director.●

● Mr. RIEGLE. Mr. President, having been involved in all stages of the debate during this Congress regarding the future of the ACTION agency, I have weighed the varying positions carefully. I have now concluded that ACTION's unique mission of planning, coordinating, and implementing the Federal sector volunteer programs is a mandate that could not possibly be more effectively carried out by transferring these programs to agencies whose major responsibilities do not focus on the benefits derived by both individuals and their communities through volunteer efforts.

The testimony of witness after witness, before the Labor and Human Resources' Subcommittee on Child and Human Development, of which I am a member, and the Governmental Affairs Committee, stressed the important and unique role volunteer work plays in American society and the necessity of retaining an agency like ACTION which has effectively served as the focal point for volunteerism in this country and abroad. Federal support for volunteering is both a means toward the improvement of service delivery and a recognition of the importance of assisting people in becoming more self-reliant.

An equally important consideration in this debate centers around the cost effectiveness of retaining ACTION as the central coordinating point for volunteer programs, both domestic and international. Not only do we realize savings related to coordination of administrative functions, but also ACTION makes joint programs possible. Prior to the creation of ACTION cooperative interaction between the volunteer programs then existing—VISTA, Peace Corps, and the Older American volunteer programs—did not exist. These programs were all housed in separate agencies and no interagency agreements existed among them for joint program or support activities.

Finally, I would like to end with a quote from the Governmental Affairs Committee report of June 4, 1979, on the organization of Federal volunteer programs in ACTION. In highlighting the disadvantages of transferring ACTION's domestic programs to other agencies, the committee stated:

> Such a transfer would eliminate the only agency in the government which has as its primary mandate the encouragement of volunteer efforts in this country. At the same time, the merger of the Older American and VISTA programs into other agencies which primarily administer categorical grant programs could well distort the essential nature of these programs, which is helping to develop self-reliance rather than the delivery of direct benefits to those who rely upon them. The importance attached to the volunteer programs generally could also be reduced as they become submerged in a much larger bureaucracy.

I believe the Federal Government must do everything possible to assist people in becoming self-reliant; and I believe the ACTION Agency has been one of the most effective means we have of carrying out this mission.●

The PRESIDING OFFICER. The question is on the engrossment and the third reading of the bill.

The bill was ordered to be engrossed for a third reading and was read the third time.

Mr. HUMPHREY. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass? The yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Alaska (Mr. GRAVEL) and the Senator from Montana (Mr. MELCHER) are necessarily absent.

I also announce that the Senator from Massachusetts (Mr. KENNEDY), the Senator from Massachusetts (Mr. TSONGAS), and the Senator from Rhode Island (Mr. PELL) are attending the funeral of former Senator Leverett Saltonstall.

I further announce that, if present and voting, the Senator from Rhode Island (Mr. PELL) would vote "yea."

Mr. STEVENS. I announce that the Senator from Kansas (Mr. DOLE), the Senator from Iowa (Mr. JEPSEN), the Senator from South Carolina (Mr. THURMOND), and the Senator from Connecticut (Mr. WEICKER) are necessarily absent.

The PRESIDING OFFICER. Are there any other Senators wishing to vote?

The result was announced—yeas 75, nays 16, as follows:

[Rollcall Vote No. 140 Leg.]

YEAS—75

Armstrong
Baker
Baucus
Bayh
Bellmon
Bentsen
Biden
Boren
Boschwitz
Bradley
Bumpers
Burdick
Byrd, Robert C.
Cannon
Chafee
Chiles
Church
Cochran
Cohen
Cranston
Culver
Danforth
DeConcini
Durenberger
Durkin
Eagleton
Exon
Ford
Glenn
Hart
Hatfield
Heflin
Heinz
Hollings
Huddleston
Inouye
Jackson
Javits
Johnston
Kassebaum
Leahy
Levin
Long
Lugar
Magnuson
Mathias
Matsunaga
McGovern
Metzenbaum
Morgan
Moynihan
Muskie
Nelson
Nunn
Packwood
Percy
Pressler
Proxmire
Pryor
Randolph
Ribicoff
Riegle
Roth
Sarbanes
Sasser
Schmitt
Schweiker
Stafford
Stennis
Stevens
Stevenson
Stewart
Stone
Talmadge
Williams

NAYS—16

Byrd, Harry F., Jr.
Domenici
Garn
Goldwater
Hatch
Hayakawa
Helms
Humphrey
Laxalt
McClure
Simpson
Tower
Wallop
Warner
Young
Zorinsky

NOT VOTING—9

Dole
Gravel
Jepsen
Kennedy
Melcher
Pell
Thurmond
Tsongas
Weicker

So the bill (S. 239) was passed, as follows:

S. 239

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

That this Act may be cited as the "Domestic Volunteer Service Act Amendments of 1979".

TITLE I—AMENDMENTS TO THE DOMESTIC VOLUNTEER SERVICE ACT OF 1973

SEC. 101. Section 103 of the Domestic Volunteer Service Act of 1973 (42 U.S.C. 4951 et seq.) (hereinafter referred to as "the Act") is amended by—

(1) amending subsection (b) by—

(A) striking out "Prior to" and inserting in lieu thereof "Within thirty days after" in the second sentence; and

(B) inserting at the end thereof the following new sentence: "The Director shall offer to provide each volunteer enrolled for a period of full-time service of one year or more under this title, and, upon the request of such volunteer, provide such volunteer with an individual and updated plan as described in the preceding two sentences.";

and (2) amending subsection (d) by—

(A) inserting "in a program or project" after "work";

(B) inserting "or project" after "program"; and

(C) striking out from "has not" in the first sentence through the period in the second sentence and inserting in lieu thereof "such Governor or chief executive officer has not, within forty-five days of the date of such submission, notified the Director in writing, supported by a statement of reasons, that he or she disapproves such program or project. In the event of a timely request in writing, supported by a statement of reasons, by the Governor or other chief executive officer of the State concerned, the Director shall terminate a project or program or the assignment of a volunteer to a project or program not later than thirty days after the date such request is received by the Director, or at such later date as is agreed upon by the Director and such Governor or other chief executive officer.

SEC. 102. Section 105(a)(2) of the Act is amended by amending the first sentence thereof to read as follows: "Stipends shall be payable only upon completion of a period of service, except that under such circumstances as the Director shall determine, in accordance with regulations which the Director shall prescribe, the accrued stipend, or any part thereof, may be paid to the volunteer, or, on behalf of the volunteer, to members of the volunteer's family or others during the period of the volunteer's service.".

SEC. 103. Section 108 of the Act is amended by—

(1) inserting "(a)" after "SEC. 108.", and inserting at the end of subsection (a) (as so redesignated) the following new sentence: "During the fiscal year ending September 30, 1980, (1) in no event may in excess of $5,800,000 be used pursuant to grants and contracts under this part for the direct cost of supporting such volunteers, and (2) funds obligated pursuant to such grants and contracts for such cost may be used to support no greater number of years of volunteer service than the number of such years supported (with funds appropriated prior to the date of enactment of the Domestic Volunteer Service Act Amendments of 1979) during the fiscal year ending September 30, 1979, pursuant to grants and contracts for such cost."; and

(2) inserting at the end thereof the following new subsection:

"(b) No funds shall be obligated under this part pursuant to grants or contracts made after the date of enactment of the Domestic Volunteer Service Act Amendments of 1979 for new projects for the direct cost of supporting volunteers unless the recipient of each such grant or contract has been selected through a competitive process which includes (1) public announcements of the availability of funds for such grants or contracts, general criteria for the selection of new recipients, and a description of the application process and the application review process, and (2) a requirement that each applicant identify, with sufficient particularity to assure that the assignments of volunteers under such grants and controls will carry out the purpose of this part, the particular poverty or poverty-related human, social, or environmental problems on which the grant or contract will focus; and any such grant or contract shall contain a requirement to such effect.".

Sec. 104. Section 114(a) of the Act is amended by—

(1) striking out in the first sentence "10" and inserting in lieu thereof "13";

(2) striking out in the second sentence "$6,700,000" both places it appears and inserting in lieu thereof "$4,000,000"; and

(3) inserting before the period in the second sentence a comma and "except that, notwithstanding the limitation provided in the first sentence of this subsection, of the funds made available for the operation of projects under this part, one-third of the first $1,000,000 may be used to continue programs of demonstrated effectiveness under this section".

Sec. 105 (a) Section 122 of the Act is amended by—

(1) amending subsection (a) by—

(A) inserting "(1)" after "(a)";

(B) inserting "in urban and rural areas" after "programs" the first place it appears;

(C) striking out "and" the first place it appears and inserting a comma and "a program of assistance to victims of domestic violence, a program designed to provide personal and group financial counseling to low- and fixed-income individuals, utilizing volunteers with specialized or technical expertise, and a 'Helping Hand' program" after "abusers";

(D) inserting at the end thereof the following new sentence: "In carrying out programs authorized by this part, the Director is authorized to provide for the recruitment, selection, and training of volunteers."; and

(E) inserting the following new paragraph (2):

"(2) For purposes of this subsection, the term 'Helping Hand' program means a program utilizing person-to-person services to reduce the necessity for institutionalization (in hospitals, mental institutions, nursing homes, other extended-care settings, and other facilities) and to ameliorate residential isolation (through senior centers, halfway house facilities, and other residential settings) of older persons, handicapped persons, and other affected persons, stressing interactions between persons from various age groups, particularly young and old, and carried out in coordination with the appropriate State system for the protection and advocacy of the rights of persons with developmental disabilities established pursuant to amendments made by section 203 of the Developmental Disabilities Assistance and Bills of Rights Act.";

(2) amending subsection (c) to read as follows:

"(c)(1) The Director, in accordance with regulations which the Director shall prescribe, may provide to volunteers enrolled for periods of part-time service of twenty hours or more per week for twenty-six or more consecutive weeks under this part such allowances, support, and services as are described in section 105(b) and as the Director determines are necessary to carry out the purpose of this part, and shall apply the provisions of sections 104(c) and 105(b) to the service of volunteers enrolled for full-time service under this part.

"(2) The Director, in accordance with regulations which the Director shall prescribe with respect to volunteers enrolled for periods of full-time service of one year or more under this part—

"(A) may provide to such volunteers such stipends, in total amounts not in excess of stipends provided under section 105(a) to volunteers serving under part A of this title, as the Director determines are necessary to carry out the purpose of this part; and

"(B) to the extent that the terms and conditions of the service of such volunteers are of similar character to the terms and conditions of the service of volunteers enrolled under part A of this title, shall apply to the service of such volunteers enrolled under this part the provisions of sections 103(b) (with respect to low-income community volunteers), 103(d), 104(d), and 105(a) to the extent such provisions are applied to the service of volunteers enrolled under such part A."; and

(3) inserting at the end thereof the following new subsection:

"(d) Of the funds appropriated for the operation of programs under this part for the fiscal year ending September 30, 1980, and for each fiscal year thereafter in excess of those appropriated for the fiscal year ending September 30, 1979, for such purpose, not less than 50 per centum shall be used in any fiscal year to carry out the fixed-income counseling and 'Helping Hand' programs authorized in subsection (a) of this section.".

(b) Not later than eighteen months after funds are first made available to carry out activities under the amendments to part C of title I of the Act made by subsection (a) of this section, the Director of the ACTION Agency shall submit to the appropriate committees of the Congress a report on programs, activities, grants, and contracts so carried out, including a description of all programs established and contracts and grants made under such amended provisions and funds obligated therefor and thereunder and the specific arrangements for the conduct of evaluations of such programs, activities, grants, and contracts pursuant to section 417 of the Act.

Sec. 106. Section 221 of the Act is amended by striking out "Office of Economic Opportunity" and inserting in lieu thereof "Community Services Administration".

Sec. 107. The first sentence of section 403 (a) of the Act is amended by—

(1) inserting after "Federal" the following:

"State or local"; and

(2) by inserting before the period a comma and the following: "or for the purpose of financing directly or indirectly any activity designed to influence, in any manner, a member of a State or local legislative body on any legislative or appropriation measure whether before or after the introduction of any bill or resolution proposing the legislative or appropriation measure but this shall not prevent communication with or provision of information to any such member or legislative body or committee thereof by any person serving as a part-time volunteer under this Act during times when such person is not so serving or, at the request of such member, committee or legislative body, by any person serving as a full-time volunteer under this Act".

Sec. 108. Section 404(g) of the Act is amended by—

(1) inserting "(1)" after "(g)";

(2) inserting before the period at the end of paragraph (1) (as redesignated by clause (1) of this section) a colon and "Provided, That this paragraph shall not apply in the case of such payments when the Director determines that the value of all such payments, adjusted to reflect the number of hours such volunteers are serving, is equivalent to or greater than the minimum wage then in effect unedr the Fair Labor Standards Act of 1938, as amended (29 U.S.C. 201 et seq.)"; and

(3) inserting at the end thereof the following new paragraph:

"(2) Notwithstanding any other provision of law, a person enrolled for full-time service as a volunteer under title I of this Act who was otherwise entitled to receive assistance or services under any governmental program prior to such volunteer's enrollment shall not be denied such assistance or services because of such volunteer's failure or refusal to register for, seek, or accept employment or training during the period of such service.".

Sec. 109. Section 410 of the Act is amended by inserting at the end thereof the following new sentence: "The Director, in consultation with the Director of the Office of Personnel Management and the Secretaries of Labor, Commerce, and the Treasury and officials of other appropriate departments and agencies, shall take all appropriate steps to encourage State and local governments, charitable and service organizations, and private employers (1) to take into account experience in volunteer work in the consideration of applicants for employment, and (2) to make provisions for the listing and description of volunteer work on all employment application forms.".

Sec. 110. Section 414 of the Act is amended by inserting "among various regions of the country and" after "equitably".

Sec. 111. Section 415 of the Act is amended by—

(1) amending subsection (b) by—

(A) striking out in the first sentence "in programs under title I of this Act for periods of service of at least one year" and inserting in lieu thereof "as volunteers for periods of full-time service, or, as the Director deems appropriate in accordance with regulations, for periods of part-time service of not less than twenty hours or more per week for twenty-six or more consecutive weeks, under title I of this Act";

(B) striking out in clause (3) "and";

(C) amending clause (4)(A) by striking out "the monthly pay of a volunteer shall be deemed that received under the entrance salary for a grade GS–7 employee," and inserting in lieu thereof "the annual rate of pay of a volunteer enrolled for a period of full-time service under such title I shall be deemed to be that received under the entrance salary for a grade GS–7 employee, and the annual rate of pay of a volunteer enrolled for a period of part-time service under such title I shall be deemed to be such entry salary or an appropriate portion thereof as determined by the Director,"; and

(D) striking out the period at the end thereof and inserting in lieu thereof a comma and "and (5) be deemed employees of the United States for the purposes of section 5584 of title 5, United States Code (and stipends and allowances paid under this Act shall be ocnsidered as pay for such purposes)."; and

(2) inserting at the end thereof the following new subsection:

"(f)(1) The remedy—

"(A) against the United States provided by sections 1346(b) and 2672 of title 28, United States Code, or

"(B) through proceedings for compensation or other benefits from the United States as provided by any other law, where the availability of such benefits precludes a remedy under section 1346(b) or 2672 of such title 28,

for damages for personal injury, including death, allegedly arising from malpractice or negligence of a physician, dentist, podiatrist, optometrist, nurse, physician assistant, expanded-function dental auxiliary, pharmacist, or paramedical (for example, medical and dental technicians, nursing assistants, and therapists) or other supporting personnel in furnishing medical care or treatment while in the exercise of such person's duties as a volunteer enrolled under title I of this Act shall hereafter be exclusive of any other civil action or proceeding by reason of the same subject matter against such person (or such person's estate) whose action or omission gave rise to such claim.

"(2) The Attorney General shall defend any civil action or proceeding brought in any court against any person referred to in paragraph (1) of this subsection (or such person's estate) for any such damage or injury. Any such person against whom such civil action or proceeding is brought shall deliver, within such time after date of service or knowledge of service as determined by the Attorney General, all process served upon such person or an attested true copy thereof to such person's immediate supervisor or to whomever is designated by the Director to receive such papers, and such person shall promptly furnish copies of the pleading and process therein to the United States attorney for the district embracing the place wherein the proceeding is brought and to the Attorney General.

"(3) Upon a certification by the Attorney General that the defendant was acting in the scope of such person's volunteer assignment at the time of the incident out of which the suit arose, any such civil action or proceeding commenced in a State court shall be removed without bond at any time before trial by the Attorney General to the district court of the United States of the district and division embracing the place wherein it is pending and the proceeding deemed a tort action brought against the United States under the provisions of title 28, United States Code, and all references thereto. After removal the United States shall have available all defenses to which it would have been entitled if the action had originally been commenced against the United States. Should a United States district court determine on a hearing on a motion to remand held before a trial on the merits that the volunteer whose act or omission gave rise to the suit was not acting within the scope of such person's volunteer assignment, the case shall be remanded to the State court.

"(4) The Attorney General may compromise or settle any claim asserted in such civil action or proceeding in the manner provided in section 2677 of title 28, United States Code, and with the same effect.".

SEC. 112. Section 417 of the Act is amended by—

(1) inserting "handicap," after "age," in subsection (a);

(2) inserting at the end of subsection (a) the following new sentence: "For the purposes of this subsection, title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d), section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794), and the Age Discrimination Act of 1975 (Public Law 94–135, title III; 42 U.S.C 6101 et seq.), any project or activity to which volunteers are assigned under this Act shall be deemed to be receiving Federal financial assistance."; and

(3) inserting at the end thereof the following new subsection:

"(c) The Director shall apply the nondiscrimination policies and authorities set forth in section 717 of the Civil Rights Act of 1964 (42 U.S.C. 2000e–16), in title V of the Rehabilitation Act of 1973 (29 U.S.C. ch. 16, subch. V), and in the Age Discrimination Act of 1975 (Public Law 94–135, title III; 42 U.S.C. 6101 et seq.) to applicants for enrollment for service as volunteers and to volunteers serving under this Act and the Peace Corps Act (22 U.S.C. 2501 et seq.), and any remedies under such laws, other than the right of appeal to the Civil Service Commission authorized by section 717 of the Civil Rights Act of 1964, and transferred to the Equal Employment Opportunity Commission by Reorganization Plan Number 1 of 1978, shall be available to aggrieved such applicants or volunteers. Not later than ninety days after the date of the enactment of this Act, the Director after consultation with the Equal Employment Opportunity Commission with regard to the application of the policies set forth in section 717 of such Civil Rights Act and with the Interagency Coordinating Council (established by section 507 of the Rehabilitation Act of 1973 (29 U.S.C. 797)) and the Interagency Committee on Handicapped Employees (established by section 501(a) of such Rehabilitation Act (29 U.S.C. 791(a))) with regard to the application of the policies set forth in title V of such Rehabilitation Act, and not later than ninety days after the Secretary of Health, Education, and Welfare publishes final general regulations to carry out such Age Discrimination Act, the Director, after consultation with the Secretary with regard to the application of the policies set forth in such Act, shall prescribe regulations establishing the procedures for the application of such policies and the provision of such remedies so as to promote the enrollment and services of persons as such volunteers without regard to the discriminatory factors proscribed in such laws.".

SEC. 113. (a) Title IV of the Act is amended by adding at the end thereof the following new section:

"REDUCTION OF PAPERWORK

"SEC. 423. In order to reduce unnecessary, duplicative, or disruptive demands for information, the Director, in consultation with other appropriate agencies and organizations, shall continually review and evaluate all requests for information made under this Act and take such action as may be necessary to reduce the paperwork required under this Act. The Director shall request only such information as the Director deems essential to carry out the purposes and provisions of this Act.".

(b) The table of contents of the Act is amended by inserting below the heading for section 422 the following:

"Sec. 423. Reduction of paperwork.".

SEC. 114. Title V of the Act is amended by—

(1) amending section 501 by—

(A) striking out "(a)" and striking out "and" after "September 30, 1977," in the first sentence, and inserting "September 30, 1979, September 30, 1980, and September 30, 1981," after "September 30, 1978" in such sentence;

(B) striking out "$29,600,000" in the second sentence of subsection (a) and inserting in lieu thereof "80 per centum", and striking out "this" and inserting in lieu thereof "such"; and

(C) striking out the last sentence of subsection (a) and all of subsection (b);

(2) amending section 503 by striking out "and" after "September 30, 1977,", and inserting "and September 30, 1979," after "September 30, 1978,"; and

(3) amending section 504 by striking out "and" after "September 30, 1977,", and inserting "September 30, 1979, and September 30, 1980," after "September 30, 1978,".

SEC. 115. Not later than February 1, 1980, the Director of the ACTION Agency shall submit to the appropriate committees of the Congress a report specifying the special needs and circumstances to be addressed in designing programs under the Domestic Volunteer Service Act of 1973 for implementation in rural areas, and a strategy and timetable for meeting such needs and circumstances.

SEC. 116. Section 5(b) of the Act entitled "An Act to amend further the Peace Corps Act, and for other purposes", approved November 14, 1975 (Public Law 94–130; 89 Stat. 684), is amended by striking out the last sentence thereof.

SEC. 117. Notwithstanding any provision of the Rehabilitation, Comprehensive Services, and Developmental Disabilities Amendments of 1978 (Public Law 95–602), the Commissioner of Rehabilitation Services, from sums appropriated under section 100(b)(2) of the Rehabilitation Act of 1973, may make available, until December 31, 1980, funds to provide financial assistance under grants to entities conducting projects on November 5, 1978, under section 130 of such Act as in effect on such date. The total amount of funds made available to such projects under this section may not exceed, in any fiscal year, the total amount made available to such entities, in any fiscal year, under section 100(b)(2), prior to November 6, 1978, and may be used only for the purposes for which funds provided under such section 130 were used prior to November 6, 1978.

TITLE II—COMMISSION ON VOLUNTEERISM

SHORT TITLE

SEC. 201. This title may be cited as the "Commission on Volunteerism Act".

COMMISSION ESTABLISHED

SEC. 202. (a) There is authorized to be established a Commission on volunteerism.

(b) The Commission shall be composed of fifteen members of whom—

(1) five shall be appointed by the President pro tempore of the Senate;

(2) five shall be appointed by the Speaker of the House of Representatives; and

(3) five shall be appointed by the President. The Commission shall include individuals who are representative of voluntary organizations, business enterprises, labor organizations, and other appropriate interests.

(c) Any vacancy in the Commission shall not affect its power but shall be filled in the same manner in which the original appointment was made.

(d) Eight members shall constitute a quorum, but a lesser number may conduct hearings. The Chairman of the Commission shall be selected from among the members by the members of the Commission.

FUNCTIONS OF THE COMMISSION

SEC. 203. (a) The Commission shall make a full and complete investigation with respect to volunteerism in the United States. Such study and investigation shall include a consideration of—

(1) appropriate roles for individuals of all age groups, including consideration of the feasibility of comprehensive youth service;

(2) appropriate roles for individuals of all income levels;

(3) incentives, rewards, and recognition systems for volunteers, including possible changes in tax laws;

(4) the role of the Federal Government in supporting private volunteer organizations, including such functions as establishing an information clearinghouse, providing technical assistance, offering research and development grants, evaluating programs of private, nonprofit volunteer organizations, and disseminating information about successful projects; and

(5) alternative Federal organization structures, including an evaluation of the present arrangement of the ACTION Agency.

(b) The Commission shall submit to the President and to the Congress such interim reports as it deems advisable. The Commission shall submit to the President and to the Congress not later than eighteen months after the first meeting of the Commission a final report of its study and investigation, together with such recommendations, including recommendations for legislation, as the Commission deems advisable.

POWERS AND ADMINISTRATIVE PROVISIONS

SEC. 204. (a) The Commission may, in carrying out the provisions of this title, sit and act at such times and places, hold such hearings, take such testimony, request the attendance of such witnesses and the production of such books, papers, and documents and have such printing and binding done, as the Commission deems advisable.

(b) The Commissioner may acquire directly from the head of any department, agency, instrumentality, or other authority of the executive branch of the Government available information which the Commission determines useful in the discharge of its functions. Each department, agency, instrumentality, or other authority of the executive branch of the Government shall cooperate with the Commission and, to the extent permitted by law, furnish all information requested by the Commission.

(c) Subject to such rules and regulations as may be adopted by the Commission, the Chairman is authorized to—

(1) appoint and fix the compensation of an executive director, and such additional staff personnel as may be necessary, without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and without regard to chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates, but at rates not in excess of the maximum rate for GS-18 of the General Schedule under section 5332 of such title;

(2) procure temporary and intermittent services to the same extent as is authorized by section 3109 of title 5, United States Code, but at rates not to exceed the comparable daily rate for a GS-18 under section 5332 of such title;

(3) accept and utilize the services of voluntary and noncompensated personnel and reimburse them for travel expenses, including per diem as authorized by section 5703 of title 5, United States Code;

(4) receive money and other property donated, bequeathed or devised, without condition or restriction other than that it will be used for the purposes of the Commission, and to use, sell, and otherwise dispose of such property for the purpose of carrying out the functions of the Commission under this title;

(5) enter into agreements with the General Services Administration for procurement of necessary financial and administrative services, for which payment shall be made by reimbursement from the funds of the Commission in such amounts as may be agreed upon by the Chairman of the Commission and the Administrator of General Services; and

(6) enter into contracts with Federal, State, and local public agencies, private business concerns, institutions, and other organizations for the conduct of research, surveys, the preparation of reports, and any other activity which the Commission determines to be necessary.

COMPENSATION OF MEMBERS

SEC. 205. (a) Members of the Commission who are otherwise employed by the Federal Government shall serve without compensation but shall be reimbursed for travel, subsistence, and other necessary expenses incurred by them in carrying out the duties of the Commission.

(b) Members of the Commission not otherwise employed by the Federal Government shall receive $100 per day when they are engaged in the performance of their duties as members of the Commission and shall be entitled to reimbursement for travel, subsistence, and other necessary expenses incurred by them in carrying out the duties of the Commission.

TERMINATION OF THE COMMISSION

SEC. 206. The Commission shall terminate one hundred twenty days after the submission of the final report under section 203(c) of this title.

EXPENSES OF THE COMMISSION

SEC. 207. There are authorized to be appropriated such sums, not to exceed $500,000, as may be necessary to carry out the provisions of this title.

Mr. CRANSTON. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. BAKER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. CRANSTON. Mr. President, it seems to me that the vote defeating the Humphrey amendment, which was a very decisive vote 32 to 62 and the vote on final passage, which was overwhelming 75 to 16 is a clear sign of the Senate's view on this matter.

Three committees have now spoken—the Human Resources Committee, the Foreign Relations Committee, and the Governmental Affairs Committee—on the matter of the location of the Peace Corps and the preservation of the ACTION Agency.

The Governmental Affairs Committee voted 15 to 2 to recommend to the full Senate:

One, that the ACTION Agency be kept together as an independent executive branch agency;

Two, that the Peace Corps, as a part of ACTION, should be granted budget and policy autonomy in accordance with the new Executive Order 12137 issued by the President on May 16, 1979.

That action by the President, through that Executive order, does give very new and significant autonomy to the Peace Corps within the ACTION Agency.

The Governmental Affairs Committee, in reporting after that 15-to-2 vote, stated its belief that a major reorganization, such as the dismantling of ACTION, should not be undertaken unless there are clear and compelling reasons. The committee feels that, to date at least, no such compelling reasons have been identified to justify reorganization of ACTION. To the contrary, the committee concludes that retaining the current organizational structure would provide the best opportunity for the volunteer programs to achieve the mission established for them by Congress—the coordination and encouragement of volunteerism in this country.

The Senate's very strong rollcall votes on S. 239 today stand as a clear and forceful affirmation of the Governmental Affairs Committee's recommendations and I trust will serve to bolster the resistance of the Senate conferees to the House-passed provision—conditionally transferring the Peace Corps to a new International Development Cooperation Administration if one is established—in H.R. 3324, the International Development Assistance Act of 1979. In view of these votes, the Senate should stand firm against the House amendment during the forthcoming conference on that bill.

Mr. President, I ask unanimous consent that the Secretary of the Senate be authorized to make technical and clerical corrections in the engrossment of S. 239 and that S. 239 be printed in full as passed by the Senate.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Mr. President, I take this opportunity to comment on an occasion that we always celebrate here, and that is the first opportunity for the distinguished junior Senator from New Hampshire to floor manage a bill on this side of the aisle.

Senator HUMPHREY already has distinguished himself by his contribution both on the floor and in committee, in the brief time he has been here, and I am pleased to join every Member on this side of the aisle in offering our congratulations to him for a job well done in the management of this bill for our side.

● Mr. WILLIAMS. Mr. President, I am pleased to add my strong support for the adoption of S. 239, the Domestic Volunteer Service Act Amendments of 1979, as reported from the Labor and Human Resources Committee. This measure extends the authorization for the volunteers in service to America (VISTA), university year for ACTION (UYA), and special demonstration projects, through fiscal year 1981.

These programs have been operating under a continuing resolution since the end of fiscal year 1978. Legislation extending the authorization of ACTION's older American volunteer programs was passed by the Congress last year under the Comprehensive Older Americans Act Amendments of 1978 and enacted into law (Public Law 95-478).

As my colleagues will recall, legislation very similar to S. 239 was passed by the Senate last year. The House of Representatives, however, failed to act upon reauthorization legislation for the titles I and III programs and title IV expenditures (program administration) before the adjournment of the 95th Congress. In an effort to strengthen and improve the administration and operation of ACTION, the Labor and Human Resources Committee modified last year's bill.

New requirements have been incorporated into the bill along with more stringent standards for VISTA national grants. It was the committee's belief that these and other new provisions would provide the necessary tools for Congress to better evaluate ACTION's programs and insure that its programs were targeted on the poverty and near poverty population.

While a number of perfecting amendments were added by the committee, I was disappointed that the part D-urban neighborhood volunteer program was deleted as a separate categorical program by the Subcommittee on Child and Human Development. This "Urban Initiative" was an important component of President Carter's urban policy package and was a provision in the ACTION bill which passed the Senate last year.

I am pleased that even though the subcommittee deleted the urban neighborhood volunteer program, the committee amended S. 239 under title I part C to grant discretionary authority for programs such as "Helping Hand" and financial counseling for fixed- and low-income persons.

Mr. President, the Labor and Human Resources Committee has always focused carefully on ACTION so that the important human services it provides will be preserved. However, some of my colleagues have not been satisfied with ACTION's performance and have proposed dismantling the agency. Last Thursday, the Senate disapproved the transfer of the Peace Corps from ACTION. Today, we address whether the domestic programs should remain in ACTION.

In this regard, my colleague, Senator Gordon Humphrey offered an amendment which would: First, transfer VISTA and special volunteer programs to the Community Services Administration; second, transfer the title II older Americans programs (RSVP, Senior Companion, and Foster Grandparents programs) to the Administration on aging; and third, transfer the Peace Corps to the Department of State.

This amendment was rejected by a vote of 11 to 3 in the committee. A nearly identical amendment is being offered by Senator Humphrey today. Our committee sought the recommendations of the Governmental Affairs Committee on this matter, since the House of Representatives had just voted to transfer the Peace Corps from ACTION. Such a transfer could have a significant bearing on the future of ACTION's domestic programs.

In May, the Governmental Affairs Committee held hearings and received testimony from a broad range of witnesses concerning ACTION's reorganization. After studying the issues, the Committee on Governmental Affairs voted 15 to 2 to recommend to the Senate that the ACTION Agency be retained as an independent executive branch agency, and the Peace Corps be granted budget and policy autonomy in accordance with Executive Order 12137.

DEFENSE PRODUCTION ACT EXTENSION AMENDMENTS OF 1979

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 178.

Mr. BAKER. Mr. President, reserving the right to object—and I will not object—as I advised the majority leader privately and previously, this item is cleared on our calendar, and we have no objection to proceeding to its consideration and its passage.

The PRESIDING OFFICER. The bill will be stated by title.

The legislative clerk read as follows:

A bill (S. 932) to extend the Defense Production Act of 1950, as amended.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the bill was considered, ordered to be engrossed for a third reading, read the third time, and passed as follows:

S. 932

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Defense Production Act Extension Amendments of 1979".

Sec. 2. The first sentence of section 717(a) of the Defense Production Act of 1950 (50 U.S.C. App. 2166a) is amended by striking out "September 30, 1979" and inserting in lieu thereof "September 30, 1981".

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. BAKER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. PERCY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

Mr. ROBERT C. BYRD. Mr. President, I object, for the moment.

The PRESIDING OFFICER. Objection is heard.

The second assistant legislative clerk continued the call of the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there be a period for the transaction of routine morning business, not to extend beyond 5 minutes, and that Senators may speak up to 5 minutes therein.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PERCY. I thank the distinguished majority leader and the minority leader.

(The remarks of Mr. Percy at this point in connection with the introduction of an amendment are printed under statements on Amendments Submitted for Printing.)

Mr. PERCY. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE CALENDAR

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar Orders Nos. 225 and 229.

Mr. BAKER. Mr. President, reserving the right to object, I reserve for the purpose of advising the majority leader that these two items are cleared on our calendar and we have no problem with their consideration.

The PRESIDING OFFICER. Without objection, it is so ordered.

STUDY OF THE SCHOOL NUTRITION PROGRAMS

The Senate proceeded to consider the resolution (S. Res. 90) requesting the Secretary of Agriculture to make a study of the programs administered under the National School Lunch Act and the Child Nutrition Act of 1966, which had been reported from the Committee on Agriculture, Nutrition, and Forestry with amendments as follows:

On page 2, line 2, after "study of the" insert "school nutrition";

On page 3, line 16, strike "and (10)" and insert "(10) income verification procedures; and (11)";

The amendments were agreed to.

The resolution, as amended, was agreed to.

The amendments to the preamble were agreed to.

The resolution, with its preamble, as amended, is as follows:

Whereas the programs administered under the National School Lunch Act and the Child Nutrition Act of 1966 have grown steadily since their creation;

Whereas the programs administered under the National School Lunch Act and the Child Nutrition Act of 1966 have never been comprehensively studied and assessed;

Whereas there has been insufficient evaluation of the programs' success in meeting their statutorily established goals;

Whereas there are limited national data upon which to project the potential consequences of modifications in the programs administered under these Acts;

Whereas the General Accounting Office has, on several occasions, recommended the development of an adequate analytical capability at the Department of Agriculture to evaluate the child nutrition programs; and

Whereas the President has proposed significant reductions and redistributions in his budget request for these programs for fiscal year 1980 that would require legislation: Now, therefore, be it

Resolved, That the Secretary of Agriculture is hereby requested to conduct a study of the school nutrition programs administered under the National School Lunch Act and the Child Nutrition Act of 1966. The study is to include, but not be limited to, consideration and assessment of (1) program costs, including procedures to implement uniform accounting methods for full cost accounting; (2) actions necessary to develop a national survey data base on these programs suitable for making projections of program participation and cost through simulation or other techniques; (3) the composition and income of families participating in the programs; (4) the effect of program participation, by income category, on the participants' nutrient intake and health; (5) whether the existing levels of program benefits are appropriate for the participants' needs; (6) whether the statements of policy contained in the National School Lunch Act and the Child Nutrition Act of 1966 should be modified; (7) the feasibility of using the school lunchroom as a nutrition education classroom; (8) the contribution of the programs to the agricultural economy, including commodity by commodity and regional analyses; (9) the options for dissemination of information on successful school food service operating procedures; (10) income verification procedures; and (11) the need for legislative changes on the items specified for consideration herein.

Sec. 2. The Secretary is requested to report on the progress of the study to Congress by January 31, 1980, and submit a final report to Congress by March 31, 1981.

Sec. 3. The Secretary of the Senate shall transit copies of this resolution to the President and the Secretary of Agriculture.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. BAKER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The title was amended so as to read:

Resolution requesting the Secretary of Agriculture to conduct a study of the school nutrition programs administered under the National School Lunch Act and the Child Nutrition Act of 1966.

PAYMENT OF CERTAIN LEGAL EXPENSES

The resolution (S. Res. 96) authorizing payment out of the contingent fund of the Senate of expenses incurred by Senator MORGAN supporting a motion to quash certain subpenas served in the case of Zenith Radio Corp. against Matsushita Electric Industrial Co., Limited, et al., was considered and agreed to.

The preamble was agreed to.

The resolution, with its preamble, is as follows:

Whereas in the case of Zenith Radio Corporation against Matsushita Electric Industrial Company, Limited, and others, now pending in the United States District Court for the Eastern District of Pennsylvania (civil action numbered 74–2451), subpenas duces tecum have been served on Bernard Nash for the production of certain papers and documents, including correspondence with the Senator from North Carolina (Mr. Morgan); and

Whereas the purpose of the correspondence demanded by the subpenas was to provide information to assist Senator Morgan in determining what action he should take with regard to legislation in the Senate; and

Whereas Bernard Nash has petitioned to intervene in order to move to quash these subpenas; and

Whereas compulsory production of correspondence with a Senator infringes upon a Senator's right to receive information and assistance from his constituents and could lead to infringement of his constituents' rights under the first amendment to the Constitution: Now, therefore, be it

Resolved, That the expenses, including attorneys' fees, in an amount subject to the approval of the Committee on Rules and Administration, incurred by the Senator from North Carolina (Mr. Morgan) in supporting the motion to quash subpenas for the production of correspondence between him and Bernard Nash shall be paid from the contingent fund of the Senate on vouchers signed by Senator Morgan and approved by the Committee on Rules and Administration.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. BAKER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar Orders numbered 232 and 236.

MARLIN TOY PRODUCTS, INC.

The Senate proceeded to consider the bill (S. 648) for the relief of Marlin Toy Products, Inc., which had been reported from the Committee on the Judiciary with an amendment:

On page 2, line 2, strike "an erroneous inclusion of some of its toy products on the Banned Products List of Consumer Product Safety Commission as published on October 1, 1978, when these products had been previously determined by the Government not to present a mechanical hazard within the meaning of the Federal Hazardous Substances Act and its implementing regulations" and insert in lieu thereof "inaccurate description of two of its toy products, the "Birdie Ball," and the "Flutter Ball," on the Banned Products List of the Consumer Product Safety Commission as published in the Federal Register on October 24, 1973";

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Marlin Toy Products, Incorporated, of Horicon, Wisconsin, the sum of $40,000 in full settlement of all its claims against the United States based upon inaccurate description of two of its toy products, the "Birdie Ball," and the "Flutter Ball," on the Banned Products List of the Consumer Product Safety Commission as published in the Federal Register on October 24, 1973.

SEC. 2. No part of the amount appropriated in the first section of this Act in excess of 10 per centum thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this section shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

MR. AND MRS. EDWARD COHEN AND THEIR ADOPTED DAUGHTER, LEAH MI COHEN

The Senate proceeded to consider the bill (S. 275) for the relief of Mr. and Mrs. Edward Cohen and their adopted daughter, Leah Mi Cohen, which had been reported from the Committee on the Judiciary with an amendment to strike all after the enacting clause and insert the following:

That, in the administration of the Immigration and Nationality Act, Leah Mi Cohen may be classified as a child within the meaning of section 101(b)(1)(E) of such Act upon approval of a petition filed on her behalf by Mr. and Mrs. Edward Cohen, Citizens of the United States, pursuant to section 204 of such Act. The natural parents, brothers, or sisters of the beneficiary shall not, by virtue of such relationship, be accorded any right, privilege, or status under the Immigration and Nationality Act.

Amend the title so as to read: "A bill for the relief of Leah Mi Cohen.".

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the votes en bloc by which the bills were passed and that the motions to reconsider en bloc be laid on the table.

The motions en bloc to lay on the table were agreed to.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. PRYOR). Without objection, it is so ordered.

INTERNATIONAL DEVELOPMENT ASSISTANCE

Mr. ROBERT C. BYRD. Mr. President, on Tuesday of this week the Senate completed action on the international development assistance bill. This bill is one of the major authorization measures to be considered by the Senate, and it is the last in a series of important bills which have been reported by the Committee on Foreign Relations in recent weeks.

In its consideration of these bills and its recommendations to the Senate, the committee has given particular attention to the need to report legislation that falls within the established budget ceiling.

The committee is also ever mindful of the need to retain the important role of the Senate in overseeing our Nation's foreign policy. The committee has rendered a valuable service not only to the Senate, but to the Nation.

I especially commend the chairman, Mr. CHURCH, and the ranking minority member, Mr. JAVITS, for their cooperation with the leadership in scheduling this legislation and in enabling the Senate to move ahead to other important bills on the calendar.

THE INTELLIGENCE AUTHORIZATION ACT

Mr. ROBERT C. BYRD. Mr. President, this morning the Senate passed the Intelligence Authorization Act of 1979. The act deals with matters that are extremely complex and important.

The credit for the passage of this bill in no small way goes to the leadership and members of the Select Committee on Intelligence. Particular recognition should go to the committee's chairman, Senator BAYH, and the ranking minority member, Senator GOLDWATER, and the Senator who managed the bill, the distinguished Senator from Hawaii, Mr. INOUYE.

The Select Committee on Intelligence has a unique mission and a unique makeup. First, each of its members represents a standing committee, so that there is a breadth of experience that is exceptional.

Second, the committee has made extraordinary efforts to set partisanship aside and address the issues on the merits. This is particularly important in the very sensitive field of intelligence.

Finally, the committee's mission is unique and critical. It performs the oversight functions for the intelligence agencies—the FBI, the CIA, the Department of Defense, and the National Security Agency—and it is writing operating charters for these agencies.

The committee's role will be particularly important in the coming SALT debates, for the committee will advise the Senate on the verification and monitoring provisions of the treaty.

The legislation we reviewed this morning represents the third time we have had the opportunity to vote on a unified intelligence budget bill. The President is to be commended for submitting a unified budget, and the committee is to be commended for giving it such close scrutiny. Such a budget gives this body the chance to minimize inefficiencies and unnecessary duplication, and it presents to us in a single, manageable form the overall intelligence capabilities of our Nation.

The gratitude of the Senate goes to the leadership and members of this fine committee.

WALTER C. CROUSE

Mr. MATHIAS. Mr. President, the Senate lost a trusted and dedicated friend when Walter C. Crouse died on Monday. The Senate was his second career, but his first loyalty. He served as a doorkeeper here with commitment, good spirit, humor, and a sense of fellowship until he retired last January.

Walter was a native Washingtonian who served his country with distinction in World War II in the Army Signal Corps. That spirit of service never left him for he continued to contribute to his community up until his death. He served three terms as commander of the Silver Spring, Md., Memorial Post 2562, Veterans of Foreign Wars. He shared that sense of community with others through fundraising for the Wheaton rescue squad, the Laurel Children's Center and others.

He will be missed, not only by his many friends in the U.S. Senate, but by many people in his community who have benefited from his acts of kindness and generosity.

Mr. President, I ask unanimous consent that the obituary from this morning's Washington Post appear in the RECORD at this point.

There being no objection, the obituary was ordered to be printed in the RECORD, as follows:

[From the Washington Post, June 20, 1979]

WALTER CROUSE, PHONE AIDE, DOORKEEPER FOR U.S. SENATE

Walter C. Crouse, 55, a former PBX installer-repairman with the C&P Telephone Co. and later a doorkeeper for the U.S. Senate, died Monday at Johns Hopkins in Baltimore after undergoing open heart surgery.

He retired in 1973 after 31 years of service with the C&P. He then worked at the Senate until retiring a second time last January.

Mr. Crouse was born in Washington and was a graduate of Central High School. He served in Europe with the U.S. Army Signal Corps in World War II.

He served three terms as commander of the Silver Spring Memorial Post 2562, Veterans of Foreign Wars, and held various offices in the Military Order of the Cootie, the honor degree of the VFW. He was supreme surgeon of MOC at the time of his death.

Mr. Crouse was active in the fund-raising affairs of the Wheaton Rescue Squad, the Laurel Children's Center and the Country Entertainers and Musicians Benevolent Association (CEMBA). He was a member of Potomac Lodge No. 5 of the Masons.

He is survived by his wife, Evelyn, of the home in Silver Spring; a daughter, Barbara Anne Crooks, of Silver Spring; a son, Richard Wayne, of Rockville, and two grandchildren.

The family suggests that expressions of sympathy be in the form of contributions to the American Heart Association.

THE TRUCKERS PROTEST

Mr. MORGAN. Mr. President, the protest of truckers across the Nation is beginning to cause extreme hardship for many parts of the economy. While some of us in Washington may believe that we are isolated from what is happening, just the exact opposite is true. Unless the protest is speedily and effectively resolved, every American will pay a heavy price.

This situation concerns me very much. The random scenes of violence throughout the Nation will not achieve what a small group of truckers desire. In fact, such acts of criminal behavior will simply cause the public to become increasingly alienated from the legitimate concerns of truckers.

Mr. President, we as a nation cannot afford to continue to tolerate this sort of violence. Law enforcement officials at every level of government have a responsibility to aggressively pursue the perpetrators of such violence. Also, steps taken by appropriate officials to secure the safety of truckers would be prudent and useful.

It would not be fair to say that Washington has not heard the protests of truckers. First, the Interstate Commerce Commission has permitted truckers to pass on their increased fuel costs. So far, a 5.6-percent surcharge has been allowed. If greater increases are warranted, such increases will be allowed. Second, the Department of Energy has assured me that DOE officials are acting to assure that truck stops have sufficient diesel fuel supplies.

The White House has also acted forthrightly in this matter. Stuart Eizenstat, director of the domestic policy staff, has been delegated by the President to assure that the executive branch does everything within its capacity to deal with this problem.

The Governors of our States, especially in the South, have worked diligently and creatively to meet this problem. Gov. Jim Hunt of North Carolina has appointed a task force of Agriculture Commissioner Jim Graham, Transportation Secretary Tom Bradshaw, and Crime Control and Public Safety Secretary Herbert Hyde to develop strategies for addressing this problem. I also know that Governor Hunt has been in communication with other Governors to assure clear communication and coordination between States.

Mr. President, this situation has caused rather severe problems in several counties of North Carolina, especially Duplin, Harnett, Robeson, Sampson, and Wayne Counties, to name just a few. Currently, irish potatoes, pickle cucumbers, cabbage, and other crops are in danger of rotting on the vine, because truckers are afraid to move. This brings me to the point I wanted to make in the very beginning, Mr. President. Consumers watching this protest on the evening news will soon be bearing the burden of this problem. Unless these crops are moved, shortages will occur and prices will rise. In the final analysis, everyone—farmers, truckers, middlemen, and, most importantly, consumers—will be the losers.

Finally, I want to say that there is an important role that we can play in the Congress. Rumors have been running rampant in many parts of the country. Literally dozens of individuals are calling my office alone. I have asked my staff to stay in touch with appropriate officials in State government, as well as packers, shippers, truckers, and farmers. We will do all that we can to assure that all parties have accurate information. By acting in such a manner, we can play a constructive role in the resolution of this problem.

HOUSING AND COMMUNITY DEVELOPMENT AMENDMENTS OF 1979

Mr. BAYH. Mr. President, the Senate will soon be considering the Housing and Community Development Amendments of 1979. When this bill comes before the Senate, I plan to offer an amendment to increase the ceiling on Federal mortgage insurance from the present level of $3,900 to a new and more equitable level of $7,500. I will offer this amendment simply because I feel that the cost of Federal mortgage insurance is below a level consistent with the rising cost of constructing and rehabilitating mobile homes. Hopefully, this increase will realistically reflect the annual inflation factors which have occurred since 1976, the last time the limits were raised.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Chirdon, one of his secretaries.

NATIONAL SOLAR STRATEGY—MESSAGE FROM THE PRESIDENT—PM 82

The **PRESIDING OFFICER** laid before the Senate the following message from the President of the United States, which was referred to the Committee on Energy and Natural Resources, the Committee on Agriculture, Nutrition, and Forestry, the Committee on Banking, Housing, and Urban Affairs, the Committee on Environment and Public Works, the Committee on Finance, the Committee on Governmental Affairs, and the Committee on Labor and Human Resources, jointly, by unanimous consent:

To the Congress of the United States:

On Sun Day, May 3, 1978 we began a national mobilization in our country toward the time when our major sources of energy will be derived from the sun. On that day, I committed our Nation and our government to developing an aggressive policy to harness solar and renewable sources of energy. I ordered a major government-wide review to determine how best to marshal the tools of the government to hasten the day when solar and renewable sources of energy become our primary energy resources. As a result of that study, we are now able to set an ambitious goal for the use of solar energy and to make a long term commitment to a society based largely on renewable sources of energy.

In this Message I will outline the major elements of a national solar strategy. It relies not only on the Federal government, both Executive and Congress, but also on State and local governments, and on private industry, entrepreneurs, and inventors who have already given us significant progress in the availability of solar technologies. Ultimately, this strategy depends on the strength of the American people's commitment to finding and using substitutes for our diminishing supplies of traditional fossil fuels.

Events of the last year—the more than 30% increase in the price of oil we import and the supply shortage caused by the interruption of oil production in Iran—have made the task of developing a national solar strategy all the more urgent, and all the more imperative.

More than ever before, we can see clearly the dangers of continued excessive reliance on oil for our long-term future security. Our energy problem demands that we act forcefully to diversify our energy supplies, to make maximum use of the resources we have, and to develop alternatives to conventional fuels.

Past governmental policies to control the prices of oil and natural gas at levels below their real market value have impeded development and use of solar and renewable resource alternatives. Both price controls and direct subsidies that the government has provided to various existing energy technologies have made it much more difficult for solar and renewable resource technologies to compete.

In April of this year I announced my decision to begin the process of decontrolling domestic oil prices. Last November, I signed into law the Natural Gas Policy Act which will bring the price of that premium fuel to its true market level over the next five years. Together, these steps will provide much-needed incentives to encourage maximum exploration and production of our domestic resources. They provide strong incentives to curb waste of our precious energy resources. Equally important, these steps will help solar and renewable resource technologies compete as the prices of oil and natural gas begin to reflect their real market value. Consumers will see more clearly the benefits of investing in energy systems for which fuel costs will not escalate each year. Industry can plan and invest with more certainty, knowing the market terms under which their products will compete.

We must further strengthen America's commitment to conservation. We must learn to use energy more efficiently and productively in our homes, our transportation systems and our industries. Sound conservation practices go hand in hand with a strong solar and renewable resource policy. For example, a well-designed and well-insulated home is better able to make use of solar power effectively than one which is energy inefficient.

We must also find better ways to burn and use coal—a fossil fuel which we have in abundance. Coal must and will be a key part of a successful transition away from oil. We must and will do more to utilize that resource. Solar energy and an increased use of coal will help in the near and mid-term to accelerate our transition away from crude oil.

But it is clear that in the years ahead we must increasingly rely on those sources of power which are renewable. The transition to widespread use of solar energy has already begun. Our task is to speed it along. True energy security—in both price and supply—can come only from the development of solar and renewable technologies.

In addition to fundamental security, solar and renewable sources of energy provide numerous social and environmental benefits.

Energy from the sun is clean and safe. It will not pollute the air we breathe or the water we drink. It does not run the risk of an accident which may threaten the health or life of our citizens. There are no toxic wastes to cause disposal problems.

Increased use of solar and renewable sources of energy is an important hedge against inflation in the long run. Unlike the costs of depletable resources, which rise exponentially as reserves are consumed, the cost of power from the sun will go down as we develop better and cheaper ways of applying it to everyday needs. For everyone in our society—especially our low-income or fixed-income families—solar energy provides an important way to avoid rising fuel costs.

No foreign cartel can set the price of sun power; no one can embargo it. Every solar collector in this country, every investment in using wind or biomass energy, every advance in making electricity directly from the sun decreases our reliance on uncertain sources of imported oil, bolsters our international trade position, and enhances the security of our Nation.

Solar energy can put hundreds of thousands of Americans to work. Because solar applications tend to be dispersed and decentralized, jobs created will be spread fairly evenly around the Nation. Job potentials span the ranges of our employment spectrum, from relatively unskilled labor to advanced engineers, from plumbers and metal workers to architects and contractors, from scientists and inventors to factory workers, from the small businessman to the large industrialist. Every investment in solar and renewable energy systems keeps American dollars working for us here at home, creating new jobs and opportunities, rather than sending precious funds to a foreign cartel.

Increased reliance on solar and renewable technologies can also increase the amount of control each one of us as individuals and each of our local communities has over our energy supplies. Instead of relying on large, centralized energy installations, many solar and renewable technologies are smaller and manageable by the homeowner, the farmer, or the individual factory or plant. By their very nature, renewable technologies are less likely to engage the kind of tension and conflict we have seen in other energy areas, such as the problems posed by siting a very large energy facility, or trading off between surface uses of land and development of the energy minerals that might lie below that land.

Finally, solar and renewable technologies provide great international opportunities, both in foreign trade, and in the ability to work with developing nations to permit them to harness their own, indigenous resources rather than become dependent on fuels imported from other nations.

It is a mistake to think of solar energy as exotic or unconventional. Much of the technology for applying the sun's power to everyday tasks has been in use for hundreds of years. There were windmills on our great plains long before there were high tension wires. There were factories in New England using waterpower long before the internal combustion engine was invented. In Florida, before World War II, there were more than 60,000 homes and buildings using solar hot water heaters. The Native Americans who built the great cliff dwellings of the West understood and applied solar heating principles that we have neglected in recent years, but which are available for us to use today.

These traditional and benign sources of energy fell into disuse because of a brief glut of cheap crude oil. These years are over. That inescapable fact is not a cause for despondency or a threat to our standard of living. On the contrary, it presents us with an opportunity to improve the quality of our lives, add dynamism to our economy and clean up our environment. We can meet this challenge by applying the time-tested technologies of solar power, and by developing and deploying new devices to harness the rays of the sun.

The government-wide survey I commissioned concluded that many solar technologies are available and economical today. These are here and now technologies ready for use in our homes, schools, factories, and farms. Solar hot water heating is competitive economically today against electric power in virtually every region of the country. Application of passive design principles that take into account energy efficiency and make maximum use of the direct power of the sun in the intrinsic design of the structure is both good economics and good commonsense. Burning of wood, some uses of biomass for electricity generation, and low head hydropower have repeatedly been shown to be cost competitive.

Numerous other solar and renewable resources applications are close to economic competitiveness, among them solar space heating, solar industrial process heat, wind-generated electricity, many biomass conversion systems, and some photovoltaic applications.

We have a great potential and a great opportunity to expand dramatically the contribution of solar energy between now and the end of this century. I am today establishing for our country an ambitious and very important goal for solar and renewable sources of energy. It is a challenge to our country and to our ingenuity.

We should commit ourselves to a national goal of meeting one fifth—20%—of our energy needs with solar and renewable resources by the end of this century. This goal sets a high standard against which we can collectively measure our progress in reducing our dependence on oil imports and securing our country's energy future. It will require that all of us examine carefully the potential solar and renewable technologies hold for our country and invest in these systems wherever we can.

In setting this goal, we must all recognize that the Federal government cannot achieve it alone. Nor is the Federal budget the only tool that should be considered in determining the courses we set to reach this goal. The extent to which solar and renewable technologies become more competitive will depend upon the cost of existing sources of energy, especially oil and natural gas. The degree to which existing solar technologies achieve widespread use in the near term will be as much if not more a function of the commitment on the part of energy users in this country to consider these technologies as it will be a function of the incentives the government is able to provide.

State and local governments must make an all-out effort to promote the use of solar and renewable resources if the barriers now found at those levels are to be overcome. Zoning ordinances, laws governing access to the sun, housing codes, and State public utility commission policies are not Federal responsibilities. Although the Federal government should provide leadership, whether or not these tools are used to hinder or to help solar and renewable energy use ultimately depends upon decisions by each city, county and State. The potential for success in each of these areas is great; the responsibility is likewise. I call on our Governors, our Mayors, and our county officials to join with me in helping to make our goal a reality.

American industry must also be willing to make investments of its own if we are to reach our solar goal. We are setting a goal for which industry can plan. We are providing strong and certain incentives that it can count on. Industry, in turn, must accelerate and expand its research, development, demonstration, and promotional activities. The manufacturing, construction, financing, marketing, and service skills of American business and labor are essential. Banks and financial institutions will need to examine and strengthen their lending policies to assure that solar technologies are offered a fair chance in the marketplace. Universities and the academic community must mobilize to find ways of bringing those solar and renewable technologies that are still not ready for commercial introduction closer to the marketplace. Small businesses and family farmers also have opportunities for significant use of solar and renewable resources. They, too, must join in this effort.

Finally, each one of us in our daily lives needs to examine our own uses of energy and to learn how we can make solar and renewable resources meet our own needs. What kind of house we buy, or whether we are willing to work in our own communities to accelerate the use of solar energy, will be essential in determining whether we reach our goal.

The Federal government also has a responsibility in providing incentives, information, and the impetus for meeting our 20% solar goal by the year 2000. Almost every agency of the Federal government has responsibilities which touch in one way or another on solar energy. Government agencies helped finance over one million U.S. homes in 1978. By their lending policies and their willingness to assist solar investments, these agencies have significant leverage.

The Tennessee Valley Authority is the Nation's largest utility and producer of power. It has a far-reaching opportunity to become a solar showcase—to set an example for all utilities, whether public or privately owned, of how to accelerate the use of solar technologies. The Department of Defense (DOD) is a major consumer of energy and a major provider of housing. A multitude of opportunities exist for DOD to demonstrate the use of solar. The Agency for International Development (AID) works full time in helping other countries to meet their essential needs, including energy. Solar and renewable resources hold significant potential for these countries and, through AID, we can assist in promoting the worldwide application of these technologies.

The Department of Energy has a particularly significant responsibility in aiding the development and encouraging the use of solar energy technologies, in providing back-up information and training for users of solar, and, generally, in directing our government-funded research and development program to ensure that future solar and renewable technologies are given the resources and institutional support that they need.

As a government-wide study, the Domestic Policy Review of Solar Energy has provided a unique opportunity to draw together the disparate functions of government and determine how best to marshal all of the government's tools to accelerate the use of solar and renewable resources. As a result of that study, the set of programs and funding recommendations that I have already made and am adding to today will provide more than $1 billion for solar energy in FY 1980, with a sustained Federal commitment to solar energy in the years beyond. The FY 1980 budget will be the highest ever recommended by any President for solar energy. It is a significant milestone for our country.

This $1 billion of Federal expenditures—divided between incentives for current use of solar and renewable resources such as tax credits, loans and grants, support activities to develop standards, model building codes, and information programs, and longer term research and development—launches our Nation well on the way toward our solar goal. It is a commitment we will sustain in the years ahead.

* * * * *

I am today proposing the establishment of a national Solar Bank as a government corporation to be located within the Department of Housing and Urban Development (HUD). It will provide a major impetus toward use of today's solar technologies by increasing the availability of financing at reasonable terms for solar investments in residential and commercial buildings.

The Solar Bank will be funded at $100 million annually out of the Energy Security Trust Fund from revenues generated by the windfall profits tax. The Bank will be authorized to provide interest subsidies for home improvement loans and mortgages for residential and commercial buildings. It will pay up front subsidies to banks and other lending institutions which, in turn, will offer loans and mortgages for solar investments at interest rates below the prevailing market rate. Ceilings on the amount of the loan or portion of a loan which can be subsidized will be set.

The Solar Bank will be governed by a Board of Directors including the Secretary of HUD, the Secretary of Energy, and the Secretary of the Treasury. The Board of Directors will be empowered to set the specific level of interest subsidy at rates which will best serve the purposes of accelerating the use of solar systems in residential and commercial buildings. Standards of eligibility for systems receiving Solar Bank assistance will be set by the Secretary of HUD in consultation with the Secretary of Energy.

The Solar Bank I have proposed is similar in many respects to that introduced by Congressman Stephen Neal of North Carolina. A companion bill has been introduced in the Senate by Senator Robert Morgan of North Carolina. To them, and to the co-sponsors of this legislation, we owe our gratitude for the hard work and sound conceptual thinking that has been done on how a Solar Bank should be designed.

The Solar Bank will complement the residential and commercial tax credits that I originally proposed in April 1977 and that were signed into law with the National Energy Act last November. To provide full and effective coverage for all solar and renewable resource technologies which can be used in residential and commercial buildings, I have recently proposed two additional tax credits, to be funded out of the Energy Security Trust Fund.

I am directing the Department of the Treasury to send to the Congress legislation which will provide a 20% tax credit up to a total of $2,000 for passive solar systems in new homes. Credits will also be proposed for passive solar in commercial buildings. Passive solar applications are competitive today, but we need to provide incentives to owners, builders, architects, and contractors to ensure early and widespread use.

I am also directing the Treasury to prepare and transmit legislation to provide a tax credit for purchasers of airtight woodburning stoves for use in principal residences. This credit would equal 15% of the cost of the stove, and will be available through December 1982. There is a great potential to expand significantly the use of wood for home heating. It can help lower residential fuel bills, particularly as oil and natural gas prices increase.

With these levels of assistance, hot water heating can be made fully competitive with electricity. In many instances, complete passive solar home designs, including solar heating and cooling, will be economically attractive alternatives.

A strong Federal program to provide accurate and up-to-date solar information to homeowners, builders, architects and contractors will be coupled with these financial incentives. The Department of Energy has established a National Solar User Information Program to collect, evaluate and publish information on the performance of solar systems throughout the country. Expanding the government's information dissemination systems through seminars, technical journals, state energy offices, and the Solar Energy Research Institute will be a major thrust of DOE's program in 1980. The four Regional Solar Energy Centers will become fully operational in 1980, providing information to the general public and to groups such as builders, contractors, and architects who will play key roles in the acceleration of solar technologies.

To be fully effective, however, these incentives must be combined with a determined effort by the architects, engineers, and builders who design and construct our homes and offices, schools, hotels, restaurants, and other buildings we live and work in. I am calling upon the deans of our schools of architecture and engineering to do their part by making the teaching of solar energy principles an essential part of their curricula. The young men and women being trained today must learn to regard the solar energy and overall energy efficiency of the buildings they design as no less important than their structural integrity. I call as well on America's builders to build and market homes which offer the buyer freedom from escalating utility bills.

In the end, it will be consumers of this country who will make the purchasing decisions that will dictate the future of this industry. They must have confidence in the industry and in the products which it produces before they will be willing to make necessary investments. To this end, both industry and government must be ever vigilant to assure that consumers are well protected from fraud and abuse.

* * * * *

Significant opportunities for use of existing solar technologies are also available in the agricultural and industrial sectors of our economy. Industrial process heat can be generated using solar technologies. Critical agricultural activities—fueling tractors, running irrigation pumps and drying crops—provide numerous opportunities for the use of solar and other renewable resources.

Biomass, gasohol, wind energy, low head hydro, and various direct solar technologies hold significant promise in the agricultural and industrial sectors. I will soon be forwarding legislation to the Congress which will:

—Provide a 25 percent investment tax credit for agricultural and industrial process heat uses of solar energy. This is a 15 percent addition to the existing investment tax credit and it will remain available through 1989. This responds directly to the concern expressed in the Domestic Policy Review that the tax credit currently provided in the National Energy Act is set at too low a level and expires too early to provide needed incentives. These uses now account for about 25 percent of our energy demand. Substitution of solar and other renewable resources for a portion of this energy would significantly reduce our dependence on foreign oil.

—Permanently exempt gasohol from the Federal gasoline excise tax. More and more Americans are learning that a gasohol blend of 90% gasoline and 10% alcohol—which is made from various agricultural products or wastes—is an efficient octane-boosting fuel for automobiles and other gasoline engines.

The existing tax incentives of the National Energy Act will continue to stimulate the uses of these technologies in the industrial and agricultural sectors.

The Department of Agriculture will have a significant responsibility for informing farmers and other agricultural users of energy about how solar and other renewable sources can begin to help meet their needs. The Farmers Home Administration and other agencies within the Agriculture Department will continue to provide financial and technical assistance to farmers in using solar and other renewable technologies.

The TVA is demonstrating what can be done by utilities in helping private industries, farmers, and residential customers apply existing solar technologies. The goal of the TVA's "Solar Memphis" program is to install 1,000 solar water heaters this year by offering long-term, low-interest loans, by inspecting solar installations, and by backing manufacturers' warranties. In addition, the TVA's 1.75 million square foot passive solar office complex in Chattanooga, Tennessee will be designed to be completely energy self-sufficient and will be a model for the nation in the use of renewable technologies in office buildings.

The Small Business Administration is now operating a solar loan program for small manufacturers and purchasers of solar technologies. Next year, the SBA aims to triple the amount of funds available to small businesses under this program over the amount originally appropriated. We will also marshal the efforts of agencies such as the Economic Development Administration to include solar and other renewable resources within their assistance programs.

These activities, along with the basic information dissemination programs of the Department of Energy, will help increase the use of solar and other renewable resource technologies in residential, commercial, argicultural, and industrial buildings.

Finally, we will strive to increase use of solar energy by the Federal government itself. An estimated 350 solar systems will be placed in government facilities and buildings over the next fifteen months. Energy audits of all large federal buildings will be completed in 1979. DOE will continue to develop guidelines which take into account the lifetime energy costs of various systems. The Department of Defense, which accounts for about 72% of all government-owned buildings, is playing a major role in the federal solar buildings program. To date, DOD has over 100 solar projects in various stages of completion, ranging in size from solar hot water heaters in residences to solar heating and air conditioning of Naval, Air Force and Army base facilities. When all of the presently planned solar projects are complete, DOD estimates that they will be providing more than 20 billion Btu's of energy. The Federal government must set an example, and I call upon the States to do likewise.

* * * * *

The Domestic Policy Review recommended several important changes in the direction and nature of the Federal research and development program for future solar and renewable resource technologies. It found that solar demonstration programs for active hot water systems and high-cost centralized solar electric technologies had been overemphasized at the expense of those systems which hold wider potential to displace the use of oil and natural gas.

As a result of the Domestic Policy Review, the FY 1980 budget for DOE's research and development program for solar and renewable energy sources was redirected toward technologies such as photovoltaics, biomass, wind energy, and systems for generation of process heat. To respond to these new priorities, over $130 million in increased funding was provided in the R&D program, an increase of 40% over FY 1979 levels.

While solar heating and cooling units are already being used to meet the energy requirements of buildings throughout the country, the DOE is supporting continued advances in these products, by providing funds to industry, small business, Federal laboratories, and the research community to reduce the cost of solar systems and to improve performance. Improved system design, analysis, and system-integration activities are being carried out for active heating and cooling systems, passive systems, and agricultural and industrial process heating systems. The program also supports product improvements for such key components as solar collectors, energy storage units, and controls.

Photovoltaics, which permit the direct conversion of sunlight into electricity, hold significant promise as a solar technology for the future. Research and development efforts are directed at reducing the cost of photovoltaic systems. In addition, new systems which produce hydrogen through an electrochemical reaction can be used to produce electricity. There is no question about our technical ability to use photovoltaics to generate electricity. These systems are already used extensively to meet remote energy needs in our space program. The main issue now is how to reduce the costs of photovoltaics for grid-related applications such as providing electricity to residential buildings over the next five to ten years. The photovoltaic program involves all aspects of research and development, from hardware components to materials, marketing and distribution systems. The Federal government has already made commitments to purchase $30 million of photovoltaic systems at a specified cost per watt as a means of stimulating private efforts to reduce the cost of this technology.

DOE's research and development program has also emphasized wind energy. Our objective is the development of wind systems which will compete cost-effectively with conventional technologies. There will also be efforts to develop wind technologies for small units suitable for farm and rural use and for large utility units.

Biomass conversion holds significant promise as a major source of renewable energy over the coming decades. Liquid and gaseous fuels produced from organic wastes and crops can displace oil and natural gas both as direct combustion fuels and as chemical feedstocks. Some biomass fuels, such as gasohol, are in use today. Others, such as liquid fuels from organic wastes, require additional research and development.

In the coming fiscal year, DOE will complete construction of the solar power tower in Barstow, California. Such systems could potentially displace some oil- and gas-fired generators. The DOE solar thermal program is also concentrating on reducing to near commercial levels the costs of distributed receiver systems by 1983 and similarly reducing the future costs of central receiver systems. This program supports R&D efforts in advanced space heating and cooling, photovoltaic concentration, and high temperature industrial heat applications.

The oceans are another potential source of solar energy. We will pursue research and development efforts directed toward ocean thermal energy conversion, and other concepts such as the use of salinity gradients, waves, and ocean currents.

DOE is working with the National Aeronautics and Space Administration to evaluate the concept of a solar power satellite system (SPS) which would capture solar energy in space for transmission to Earth. A determination will be made in January 1981 on whether this system should proceed to the exploratory research stage.

DOE will undertake intensified efforts involving solar energy storage and basic solar energy research. In the basic research area, emphasis is being placed on the development of new materials to better use or convert the sun's energy, solar photochemistry (including the possibility of using electrochemical cells to convert the energy of sunlight into electricity and/or fuels) and research on artificial photosynthesis.

In fiscal year 1980 we will begin building a new 300-acre solar research facility for the Solar Energy Research Institute at Golden, Colo. This institute, along with four regional solar centers established across the country, will help provide a focus for research and development activities and will become information centers for individuals and firms who market or install solar equipment.

In addition to DOE's research and development activities, several other agencies will continue to support commercial introduction of solar technologies as they become available. AID, TVA and the Department of Agriculture now have and will continue to have significant responsibilities in the demonstration of new solar and renewable resource systems.

The Domestic Policy Review identified numerous specific program suggestions, many of which I believe can and should be implemented. Over the course of the coming weeks, I will be issuing a series of detailed directives to the appropriate agencies to implement or consider recommendations in accordance with my instructions.

Some of these suggestions involve detailed budget issues which should be taken up in our normal budget planning process. In order to provide much-needed flexibility to DOE to respond to these—and other—suggestions, I am directing the Office of Management and Budget to provide an additional $100 million to DOE for use on solar programs beyond that which had previously been identified for the FY 1981 base program.

* * * * *

An essential element of a successful national solar strategy must be a clear central means of coordinating the many programs administered by the numerous agencies of government which have a role in accelerating the development and use of these energy sources. I am today directing that the Secretary of Energy establish a permanent, standing Subcommittee of the Energy Coordinating Committee (ECC) to monitor and direct the implementation of our national solar program. The ECC membership includes the major agencies which have responsibilities for solar and renewable resource use. By using this existing mechanism, but strengthening its focus on solar and renewable activities, we can provide an immediate and direct means to coordinate the Federal solar effort. The Subcommittee will report on a regular basis to the ECC, and through it directly to me, on the progress of our many and varied solar activities. The Subcommittee will be able to identify quickly any problems that arise and the ECC will provide a forum to resolve them. Since the membership of the ECC includes key agencies of the Executive Office of the President, especially the Office of Management and Budget, the Special Assistant to the President for Consumer Affairs, the Council on Environmental Quality, and the Domestic Policy Staff, direct and easy access to my staff and Members of the Cabinet is assured.

The Standing Subcommittee of the ECC has an extremely important responsibility. I am expecting it to provide the leadership and the day-to-day coordinating function which will be essential as we strive to meet our national solar goal.

* * * * *

We are today taking an historic step. We are making a commitment to as important a goal as we can set for our Nation—the provision of 20 percent of our energy needs from solar and renewable sources of energy by the year 2000.

We are launching a major program—one which requires and has received a significant commitment from the Federal government to accelerate the development and use of solar technologies.

We are marshalling the best that the agencies of government can provide and asking for the commitment of each of them, in their diverse and numerous functions, to assist our country in meeting our solar goal.

The stakes for which we are playing are very high. When we speak of energy security, we are in fact talking about how we can assure the future economic and military security of our country—how we can maintain the liberties and freedoms which make our Nation great.

In developing and implementing a national solar strategy we are taking yet another critical step toward a future which will not be plagued by the kinds of energy problems we are now experiencing, and which will increase the prospects of avoiding worse difficulties.

We have set a challenge for ourselves. I have set a challenge for my Presidency. It will require the best that American ingenuity can offer, and all the determination which our society can muster. Although government will lead, inspire, and encourage, our goal can be achieved only if each American citizen, each business, and each community takes our solar goal to heart.

Whether our energy future will be bright—with the power of the sun—or whether it will be dim, as our fossil resources decline, is the choice that is now before us. We must take the path I have outlined today.

JIMMY CARTER.

THE WHITE HOUSE, *June 20, 1979*.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that a message received today from the President of the United States, relative to developing an aggressive policy to harness solar and renewable sources of energy, be jointly referred to the Committees on Energy and Natural Resources; Agriculture, Nutrition, and Forestry; Banking, Housing, and Urban Affairs; Environment and Public Works; Finance; Governmental Affairs; and Labor and Human Resources.

The PRESIDING OFFICER. Without objection, it is so ordered.

MESSAGES FROM THE HOUSE

At 11:28 a.m., a message from the House of Representatives delivered by Mr. Gregory, one of its reading clerks, announced that the House has passed the following bill, in which it requests the concurrence of the Senate:

H.R. 4388. An act making appropriations for energy and water development for the fiscal year ending September 30, 1980, and for other purposes.

At 4:13 p.m., a message from the House of Representatives delivered by Mr. Berry, one of its reading clerks, announced that the House has agreed to House Resolution 239, a resolution disapproving the proposed deferral of budget authority in the amount of $1,792,000 for exploration of national petroleum reserve in Alaska. Geological Survey, Department of the Interior for petroleum exploration activity, proposed deferral number D79–54, as transmitted to Congress by the President under section 1013 of the Budget and Impoundment Control Act of 1974 (31 U.S.C. 1430).

HOUSE BILL REFERRED

The following bill was read twice by its title and referred as indicated:

H.R. 4388. An act making appropriations for energy and water development for the fiscal year ending September 30, 1980, and for other purposes.

COMMUNICATIONS

The PRESIDING OFFICER laid before the Senate the following communications, together with accompanying reports, documents, and papers, which were referred as indicated:

EC–1634. A communication from the Chief Commissioner, U.S. Court of Claims, transmitting, pursuant to law, a report of the Trial Commissioner dated November 23, 1977, and a report of the Review Panel dated May 16, 1979, in the case of Mrs. Agnes J. Wong and Dr. Samuel J. Wong, Jr. v. The United States, Cong. Ref. 3–74; to the Committee on the Judiciary.

PETITIONS

The PRESIDING OFFICER laid before the Senate the following petitions and memorials, which were referred as indicated:

POM–308. A joint resolution adopted by the Legislature of the State of Tennessee; to the Committee on Appropriations:

"House Joint Resolution No. 292

"Whereas, the Constitution of the United States has been interpreted to preclude local taxation of federal installations; and

"Whereas, local school systems serving the employees of federal installations and their families are thereby deprived of a major revenue source; and

"Whereas, the adverse impact of this tax exemption appropriately has been reduced during the past twenty-eight (28) years by the provision of federal funds for federally impacted schools otherwise known as "874" funds; and

"Whereas, these federal funds which assist school districts serving twenty-three (23) million students—many of them young Tennesseans—have been threatened by dramatic funding cutbacks in President Carter's proposed FY 1980 Education Appropriation, including a more than eleven (11) million reduction in funding for "B" and "Hold Harmless" payments to Tennessee School Districts; and

"Whereas, a concerted effort is needed in order to persuade the United States Congress to reinstate this funding which is so vitally needed by many Tennessee School Districts and which, if eliminated, will result in reduced educational services or higher local taxes; now, therefore,

"Be it resolved by the House of Representatives of the Ninety-first General Assembly of the State of Tennessee, the Senate concurring, That, this Body does wholeheartedly endorse the continuation of federal funding for federally impacted schools including "B" and "Hold Harmless" funds.

"Be it further resolved, That United States Senators and members of the United States House of Representatives are hereby encouraged to fully reinstate funding for this most necessary program.

"Be it further resolved, That copies of this resolution be sent to the Speaker of the United States House of Representatives, the President of the Senate and each member of the Tennessee delegation to the United States Congress."

EXTENSION OF TIME FOR COMMITTEE TO ACT—S. 330

Mr. CULVER. Mr. President, I ask unanimous consent that, notwithstanding the orders of February 1, 1979, and of May 24, 1979, relating to the referral of S. 330, the Committee on the Judiciary have until 11 a.m. Wednesday, June 27, 1979, in which to act or be discharged from consideration of S. 330. This proposed order has been approved by my distinguished colleagues, the chairman of the Judiciary Committee, Mr. Kennedy, the ranking minority member of the Judiciary Committee, Mr. Thurmond, the chairman of the Veterans' Affairs Committee, Mr. Cranston, and the ranking minority member of the Veterans' Affairs Committee, Mr. Simpson.

The PRESIDING OFFICER. Without objection, it is so ordered.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. PROXMIRE (for himself, Mr. Cranston, Mr. Morgan, and Mr. Lugar):

S. 1378. A bill to assist cities and States by amending section 5136 of the Revised Statutes with respect to the authority of national banks to underwrite and deal in securities issued by State and local governments, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. JOHNSTON:

S. 1379. A bill to establish specific provisions under which the President may subsidize imports of residual fuel oil and refined petroleum products, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. PERCY (for himself, Mr. Thurmond, Mr. Biden, Mr. Ribicoff, Mr. Jackson, Mr. Nunn, Mr. Javits, and Mr. DeConcini):

S. 1380. A bill to amend chapters 25, 113, and 203 of title 18 of the United States Code, to prevent illegal traffic in lost, stolen, forged, counterfeit, and fraudulent securities; to the Committee on the Judiciary.

By Mr. STONE (for himself and Mr. Chiles):

S. 1381. A bill to provide for the establishment of a national cemetery in the State of Florida; to the Committee on Veterans' Affairs.

By Mr. LONG (for himself, Mr. Dole, Mr. Talmadge, Mr. Packwood, Mr. Bentsen, and Mr. Schweiker):

S. 1382. A bill to amend title IV of the Social Security Act to improve the operation of the AFDC program, to give the States a fiscal incentive to reduce error and waste in the AFDC program, to permit the States to use savings from the AFDC program to defray the costs of other welfare programs, to provide fiscal relief to the States under the AFDC program, to make it clear that States may impose work requirements as a condition of eligibility for AFDC payments, and to establish a demonstration project to provide a pilot test of the States' ability to create their own welfare programs as an alternative to the AFDC programs; to the Committee on Finance.

By Mr. MELCHER:

S. 1383. A bill to amend title 23, United States Code, to establish uniform national standards for weight and length of vehicles using the National System of Interstate and Defense Highways, and for other purposes; to the Committee on Environment and Public Works.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. PROXMIRE (for himself, Mr. Cranston, Mr. Morgan, and Mr. Lugar):

S. 1378. A bill to assist cities and States by amending section 5136 of the Revised Statutes with respect to the authority of national banks to underwrite and deal in securities issued by State and local governments, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

MUNICIPAL REVENUE BONDS

Mr. PROXMIRE. Mr. President, I introduce for appropriate reference legislation designed to assist cities and States by permitting commercial banks to underwrite and deal in municipal revenue bonds. This legislation is cosponsored by Senators Cranston, Morgan, and Lugar. In 1967 and again in 1974, the Senate passed similar legislation based on convincing evidence that it would reduce the cost of capital financing for State and local governments by expanding the market for their revenue bonds. I sponsored those bills as well as S. 2674 in the last Congress. Unfortunately, the legislation was never considered in the other body; and in fact, hearings on the Senate-passed bills were never held.

I am gratified to learn now that there is considerable interest among Members of the House of Representatives in moving forward with this legislation, and that hearings are on the horizon. Already over 50 Members of the House have joined in sponsoring H.R. 1539 which is identical to the bill I am introducing today.

I have again introduced this bill to encourage the other body to move forward with the legislation and to demonstrate that there is still strong interest and support for it in the Senate; support which is evidenced by my three colleagues from the Banking Committee who have joined me as cosponsors.

Throughout my career in the Senate, I have consistently sought to curtail the spiraling cost of Government. This effort began long before the broad base of taxpayers began to organize in earnest to deal with this pressing problem. I believe now, as I did back in 1967, that this is precisely the kind of legislative initiative we should take in response to the growing mandate from our constituents to cut governmental costs at every reasonable opportunity. The measure is especially opportune because it can save substantial sums of money without requiring any Federal expenditures.

The conclusions of the Senate Banking Committee in 1967 and 1974, and scholars who have studied the merits of bank revenue bond underwriting, bear out the significance of the savings that can accrue from this legislation to State and local governments in their financing of parks, schools, hospitals, water and sewage treatment facilities, and many other projects. The magnitude of these savings is estimated to be several hundred million dollars annually. That is reason enough for the Congress to move quickly to extend revenue bond underwriting authority to banks.

Commercial banks, along with investment banks, now underwrite general obligation bonds issued by State and local governments; commercial banks cannot underwrite revenue bonds issued by these same governments. This situation exists not because there is any substantial difference between the two forms of financing, but merely because revenue bonds were little known back in the 1930's, when Congress defined the form of bond financing in which banks could engage. In fact, the proscription against banks underwriting municipal revenue bonds grew out of a subsequent court interpretation of the basic law.

Today, more than 60 percent of capital financing by State and local governments is done through revenue bonds. This is largely as a result of efforts to shift the responsibility for paying for these facilities from all taxpayers, and thus the real estate tax, to those who directly benefit from the facilities. Unfortunately, the result of this shift in form is higher financing costs. This occurs principally because fewer financial institutions have authority to participate as underwriters and marketers of revenue bonds.

Whereas 90 percent of general obligation bond issues are sold on a competitive bid basis, less than 40 percent of revenue bond issues are handled in that manner. Competitive bidding not only serves to reduce the fees underwriters charge to manage the issue, but it tends to reduce the interest rate that State and local governments, and ultimately the taxpayer-users, must pay on the bonds. It is the classic American story of competition resulting in lower costs.

The bill I have introduced contains a series of safeguards to avoid any possible abuses of the new power it extends to commercial banks. For instance, the quality of the bonds which banks can underwrite is closely regulated and there are limitations on the extent to which they may invest. Potential conflicts of interest and unsound banking practices are meticulously avoided. Finally, the Secretary of the Treasury is directed to watch and report to the Congress on the distribution of the underwriting business among financial institutions.

On that latter point, it seems that there is an adequate volume of underwriting business for both types of financial institutions to thrive. History has shown that the underwriting of general obligation bonds has been divided roughly 50–50 between commercial banks and investment banks. In fact, in the last few years the investment banks have actually had a somewhat higher share of the general obligation bond underwriting business. I expect, therefore, that the investment banks will easily be able to hold their own after this bill is passed giving banks authority to underwrite revenue bond issues.

Mr. President, I wish also to point out to my colleagues in the Senate for their information an editorial appearing recently in the New York Times recommending that Congress take steps to permit commercial banks to underwrite municipal revenue bonds.

The Times notes that passage of this legislation will save State and municipalities $400 million. In these times of economic constraint we all need to do what we can to save the taxpayer his hard earned dollars.

I hope that my colleagues in the Senate will actively consider the merits of this bill and that they will join with me in working for its passage in this 96th Congress. I ask unanimous consent that the editorial appearing in the New York Times entitled "Letting the Banks Into the Underwriting Act" be printed in the RECORD following my remarks, together with the text of the bill.

There being no objection, the bill and editorial were ordered to be printed in the RECORD, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That paragraph Seventh of section 5136 of the Revised Statutes of the United States (12 U.S.C. 24) is amended by adding at the end thereof the following: "The limitations and restrictions contained in this paragraph as to dealing in and underwriting investment securities shall not apply to all other nongeneral obligations issued or guaranteed by or on behalf of a State or any political subdivision thereof or agency of a State or any political subdivision thereof (except special assessment obligations and industrial revenue bonds) which are at the time eligible for purchase by a national bank for its own account, except that (1) no association shall hold such obligations of any one obligor or make as a result of underwriting, dealing, or purchasing for its own account (and for this purpose obligations as to which it is under commitment shall be deemed to be held by it) in a total amount exceeding at any one time 10 per centum of its capital stock actually paid in and unimpaired and 10 per centum of its unimpaired surplus fund, (2) the purchase of such obligations by a national bank as fiduciary from such bank as an underwriter or dealer shall not be permitted unless lawfully directed by court order, (3) no association may purchase such obligations as fiduciary from a member of a syndicate in which such association is participating until the syndicate has closed as to underwriting, (4) any sales of such obligations by an association to any of its depositors or borrowers or to any correspondent bank (whether for such bank's own account or as trustee) must be accompanied by a disclosure in writing to the purchaser that the association is selling as an underwriter or dealer, and (5) the purchase, during the underwriting period, of any such obligations by an association for its own investment account, from such association's own account acting as underwriter, dealer, or trader, or from any entity affiliated with such association within the meaning of section 2 (b) (1) of the Banking Act of 1933 (12 U.S.C. 221a (b)(1)), shall not be permitted. The restriction contained in clause (5) of the preceding sentence shall not apply to any purchases by an association for its investment account or accounts of any such obligations (A) it alone has underwritten, or (B) directly from the underwriting syndicate or member thereof in which it is a participant, or to associations not in the underwriting syndicate. For purposes of this paragraph, the term 'industrial revenue bond' means an obligation, not secured by the full faith and credit of the issuer, payable solely from the rentals received by the issuer from private entities.".

SEC. 2. The Secretary of the Treasury shall submit an annual report to the Congress showing the extent to which the business of underwriting and dealing in State and local obligations is being carried on by commercial banks as compared with other banking institutions with a view to determining the effect of the amendment made by the first section of this Act on the institutional distribution of such business. As used in this section, the term "State and local obligations" means obligations issued or guaranteed by or on behalf of a State, political subdivision of a State, or an agency of a State or political subdivision thereof.

[From the New York Times]

LETTING BANKS INTO THE UNDERWRITING ACT

State and local governments and public authorities depend on private underwriters to raise billions each year by selling their bonds. But an old Federal law prohibits commercial banks from competing for much of this business. The result is not just unfair treatment for the banks but higher interest costs for the public.

Commercial banks are allowed to underwrite the general obligations of governments, buying bonds directly from school districts, states and municipalities and then reselling them to private investors. With a few exceptions, however, they are barred from dealing in revenue bonds, the sort backed by income from a bridge or a power plant rather than the credit of government.

In New York State this category includes the bonds of the Port Authority, the State Power Authority, the Triborough Bridge and Tunnel Authority and the New York Thruway. Nationally, revenue bonds amount to about $20 billion of annual business.

The intent of the prohibition, written into the Glass-Steagall Act in the depths of the Depression, was to stabilize the economy by limiting banks to what they did best. Some people still defend that overall approach. But allowing banks to sell Nassau County bonds while denying them the right to sell

New York State Power Authority bonds makes no sense.

With commercial banks out of the running, revenue bonds are left to investment bank underwriters. The latter compete for the business, but their resources and contacts with potential customers are more limited than those of commercial banks, particularly outside the largest cities. As a result, public borrowers end up paying higher interest rates. Philip Cagan, a Columbia University economist, estimates this added cost may be as high as $400 million a year.

Legislation to end the prohibition has twice passed the Senate. But because of a general distrust of commercial banks, and lobbying by investment bankers, the proposal has never received a hearing in the House. When states and cities are being asked to make do with less Federal aid, it is only right that Congress take this step to reduce the cost of local government.

By Mr. JOHNSTON:

S. 1379. A bill to establish specific provisions under which the President may subsidize imports of residual fuel oil and refined petroleum products, and for other purposes; to the Committee on Energy and Natural Resources.

REFINED PETROLEUM IMPORT SUBSIDY ACT

Mr. JOHNSTON. Mr. President, today I am introducing legislation which will bring order to a situation which has led to protracted debate and divisiveness in the Congress for several years. Throughout the life of the crude oil entitlements program—a program made necessary by the Federal system of controls on the price of domestic crude oil—various interests have sought rights to become entitlement sellers and to thereby obtain directly for themselves the benefits of domestic crude oil price controls. Control over the entitlements program and the designation of its beneficiaries is vested solely in the President, who in turn has delegated his authority to the Department of Energy. I believe it is past time that the Congress exercised some power of review over the distribution of the benefits of entitlements under this authority. The legislation I am introducing today will do just that by establishing an opportunity for congressional veto of any proposal to subsidize the importation of refined petroleum products with entitlements.

The real purposes of the crude oil entitlements program has always been to permit the operation of the domestic refinery capacity at the highest practicable level despite the fact that individual refiners face very different crude oil feedstock costs. The entitlements program approximately evens out these costs by requiring a transfer of funds among refiners. Refiners with access to more than the average amount of price-controlled domestic crude oil purchase entitlements which are issued to refiners with access to less than average volumes of such oil. This exchange is calculated to leave every refiner, to the extent practicable, with a uniform cost of crude oil. Thus no one refiner or class of refiners has an advantage over any other solely by virtue of the existence of controls on domestic crude oil prices. Therefore, other things being equal, no refiner will have a disincentive to operate his capacity, and each refiner will seek to maximize crude oil runs so as to supply the refined products the country needs.

The amount of money which changes hands to effect this cost equalization is large—between $2.0 and $2.5 billion per year. The size of this pot has tempted several types of firms not engaged in petroleum refining to seek access to some of this money. The most significant such category has been the importers of refined petroleum products.

Thus the administration has been repeatedly urged, and has on occasion agreed, to grant importers of certain refined petroleum products the right to sell entitlements to domestic refiners in order to subsidize the imports of these products.

The most infamous and recent example of this is the administration's decision of May 24, 1979 to issue entitlements worth $5 per barrel to U.S. importers of middle distillates from foreign refineries. This decision, which drove the Rotterdam spot price of distillate fuel oils to over $50 per barrel, has been unanimously denounced by our European and Japanese allies. No justification or analysis of the impact of this decision has ever been offered by the Department of Energy. The Department does admit, however, that this decision has had no discernable effect on the ability of the United States to import middle distillates. It has, however, granted a price windfall of $5 per barrel to imports already scheduled to arrive. This subsidy is, of course, paid by consumers of all other petroleum products and also by all consumers of middle distillates west of the Appalachian mountains.

Even more recently, the Department of Energy has announced an extension of entitlement subsidies granted to importers of residual fuel oil in direct contradiction to the provisions of an amendment which I offered to the legislation appropriating funds for fiscal year 1979. That amendment, section 307 of Public Law 95–465, sets the amount of this entitlement subsidy at 50 percent of the average entitlement value for the period July 1, 1978 through June 30, 1979. On and after June 30, 1979, this subsidy is to revert to the pre-July, 1978 value of 30 percent.

The DOE has found it inconvenient to comply with this law, and is therefore simply extending the 50 percent subsidy through the remainder of this year.

I confess that by introducing new legislation in this area, I may be placing too little credence in the reliability of our legal system. DOE has disregarded the law with respect to subsidies of residual fuel imports. I have no more right to hope that the Department will obey a new law when it shows itself to be so thoroughly indifferent to an existing one dealing with the same subject. If DOE cannot read the English language, perhaps a court somewhere can.

In the meantime, however, I do not think that Congress can sit idly by. We clearly need to establish some control over these transfers of our constituents' money around the country at the whim of some functionary of the DOE.

My bill proposes just that. Under its terms, no entitlement subsidy to refined product imports could remain in effect or be instituted without congressional review with right of refusal under the expedited procedures set forth in section 551 of the Energy Policy and Conservation Act. If the President wants to subsidize foreign refiners at the expense of U.S. consumers, I think he ought to explain his case to the Congress and obtain, if not affirmative congressional concurrence, at least congressional acquiesence for his policies. This is not now required, and the temptation to abuse administrative discretion has been too great. The Congress must recover the authority which is being so unwisely administered by DOE. I believe my bill will accomplish this, and I look forward to an opportunity to debate it with my colleagues.

Mr. President, I ask unanimous consent that the text of the bill and two letters to Secretary of Energy, Hon. James R. Schlesinger, concerning the subsidies granted to imports of middle distillates and residual fuel oil be printed in the RECORD.

There being no objection, the bill and letters were ordered to be printed in the RECORD, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Refined Petroleum Import Subsidy Act."

FINDINGS AND PURPOSE

SEC. 2. (a) the Congress finds that—

(1) The President has, from time to time, made effective administrative actions which provide unwarranted subsidies for the importation of residual fuel oil and refined petroleum products into particular regions of the United States;

(2) The costs and benefits of such actions have not been distributed evenly or equitably among all regions of the United States;

(3) Such actions have tended to discourage the supply of residual fuel oil and refined petroleum products to import-dependent regions of the United States by domestic refiners; and

(4) Such actions have encouraged imports of residual fuel oil and refined petroleum products from refiners beyond the reach of the authority of the United States and have encouraged such refiners to increase the price of such imports.

(b) It is therefore the purpose of this Act to—

(1) establish specific conditions on any action by the President to require or propose to require the subsidization of imports of residual fuel oil or any other refined petroleum product into the United States; and

(2) provide for expedited Congressional review of any such requirement or proposal.

AMENDMENT TO THE EMERGENCY PETROLEUM ALLOCATION ACT OF 1973

SEC. 3. The Emergency Petroleum Allocation Act of 1973 (P.L. 93–159) is amended by adding a new section at the end thereof as follows:

SEC. 20. (a) Notwithstanding any other provision of law, no amendment to, or provision of, the regulation under section 4(a) of this Act may take effect or continue in effect if such amendment or provision requires, or has the effect of requiring, payment by persons engaged in the production, sale for resale or refining of domestic crude oil to other persons to subsidize or otherwise reduce the cost of residual fuel oil or another refined petroleum product imported into the United States by such other persons except as provided for in this section.

(b) Any amendment to, or provision of, the regulation under section 4(a) of this Act subject to section 20(a) shall not take effect or continue in effect unless the President has transmitted such amendment or provision thereof to the Congress as an "energy action" under section 551 of the Energy Policy and Conservation Act (P.L. 94–163) and neither House of Congress has disapproved (or both Houses have approved) such request in accordance with the procedures specified in such section 551 of such Act.

(c) (1) Any energy action transmitted to Congress by the President under subsection (b) shall be accompanied by a report describing the impact of making such action effective on fuel supplies, prices, competition and such other matters as the President deems relevant, and shall contain his findings that effectiveness of such amendment or provision:

(A) will distribute the costs and benefits of such amendment or provision equitably among regions of the United States;

(B) will provide for significant reductions in existing or imminent domestic shortages of residual fuel oil or another refined petroleum product; and

(C) will encourage domestic refiners to supply residual fuel oil or another refined petroleum product, as the case may be, to import-dependent regions of the United States.

(2) Any finding under paragraph (1) and the conclusions of the report submitted under such paragraph shall be accompanied by such information and analysis as is necessary to provide a basis therefor.

Committee on
Energy and Natural Resources,
Washington, D.C., June 12, 1979.

Hon. James R. Schlesinger,
Secretary, Department of Energy,
Washington, D.C.

Dear Mr. Secretary: As you know, on May 24, 1979 the Economic Regulatory Administration of the Department of Energy issued a final rule providing entitlement benefits in the amount of $5.00 per barrel to importers of middle distillate fuels effective for the period from May 1, to July 31, 1979. A hearing on this matter will not be held until June 19, 1979.

Despite official statements that the "entitlement rulemaking was carefully drafted so as not to draw supplies out of Rotterdam", the only evidence of any analysis of the impact of this rule my staff has been able to obtain from ERA is a list of spot distillate prices for the months of April and May, 1979 copied from Platt's Oilgram Price Report. No discussion of these figures was included. To my knowledge, no other analysis of the impact of the rule has been made available to the public.

European spot prices for distillate fuels rose sharply after the May 24 rulemaking to over $52 per barrel, and European reaction has been predictable, strong and critical. Perhaps this reaction has overshadowed the dismay of those of us who, in seeking an effective and equitable domestic petroleum fuels policy, have consistently opposed unwarranted subsidy of imports of refined petroleum products into one region of the country at the expense of consumers nationwide.

We are therefore writing to formally state our disapproval of an administration policy which dramatically and without justification oversubsidizes imports of distillate fuels. We believe that the Department owes the Congress a clear explanation of this policy, if, indeed, such an explanation is possible. In particular we are hereby requesting that you provide the Subcommittee on Energy Regulation of the Committee on Energy and Natural Resources on or before June 18, 1979 with a full report on the rationale and impact of the May 24 rulemaking.

In addition, we are requesting a monthly listing, the first of which should be delivered to the Subcommittee as soon as the necessary data has been made available to and verified by the Department, of the firms receiving $5 per barrel import entitlements under the May 24 rulemaking, the number and total value of such entitlements for each such firm and the per gallon price of home heating oil and diesel fuel sold by each such firm in each month compared to year earlier sales prices.

Questions about this request should be directed to Benjamin S. Cooper of the Subcommittee staff at 224–9894.

Sincerely yours,
Pete V. Domenici.
J. Bennett Johnston.

Committee on
Energy and Natural Resources,
Washington, D.C., June 19, 1979.

Hon. James R. Schlesinger,
Secretary, Department of Energy,
Washington, D.C.

Dear Mr. Secretary: On June 10, 1979, the Economic Regulatory Administration adopted amendments to its rules "extending" through December 31, 1979 the 50 percent entitlement subsidy for imports of residual fuel oil into the U.S. East Coast and the State of Michigan which has been in effect for nearly a year pursuant to section 307 of the appropriations legislation for the Department of the Interior and related agencies for fiscal year 1979 (P.L. 95–465). This extension is a clear and direct violation of section 307 which requires that "on and after" June 30, 1979, the provisions of the regulation providing for such subsidy must revert to the provisions in effect before the section was enacted, i.e., to 30 percent subsidy.

As you know, I am the author of section 307, a floor amendment which was adopted by the Senate after prolonged debate and intensive efforts to reach a reasonable compromise, efforts in which you participated. I am simply and utterly astonished that the Department of Energy

(a) Apparently can no longer recall the circumstances under which this amendment was adopted—circumstances which required compromise between strong and deeply-held interests;

(b) Is unaware of the clear intent expressed in the legislative history of section 307; and

(c) Cannot read the simple language of the law.

Whatever the wishes of the Department are in this matter, and whatever the political exigencies the President faces, your clear duty in this regard is to faithfully execute the laws for which you are responsible. I submit, in the strongest possible terms, that you are not fulfilling this obligation with regard to this legislation.

I am therefore requesting that you provide me at the earliest possible time with a full and complete official legal opinion concerning the action taken by ERA on June 10, and also with a full analysis of the economic impact of this action. I will be particularly interested to discover the nature of the consequences of obeying a law that are so severe and so adverse as to compel you to disregard it.

Sincerely yours,
J. Bennett Johnston,
Chairman,
Subcommittee on Energy Regulation.

By Mr. PERCY (for himself, Mr. Thurmond, Mr. Biden, Mr. Ribicoff, Mr. Jackson, Mr. Nunn, Mr. Javits, and Mr. DeConcini):

S. 1380. A bill to amend chapters 25, 113, and 203 of title 18 of the United States Code, to prevent illegal traffic in lost, stolen, forged, counterfeit, and fraudulent securities; to the Committee on the Judiciary.

SECURITIES PROTECTION ACT OF 1979

Mr. PERCY. Mr. President, I am today introducing legislation, entitled the "Securities Protection Act of 1979," which is designed to insure the vigorous pursuit, arrest, and prosecution of those involved in fraudulent securities transactions.

Joining me in this effort as principal cosponsors are Senator Strom Thurmond, the highly esteemed ranking minority member of the Judiciary Committee, and Senator Joseph Biden, the distinguished chairman of the Criminal Justice Subcommittee.

I am also pleased to be joined by Senator Abraham Ribicoff, chairman of the Governmental Affairs Committee; Senator Henry Jackson, chairman of the Energy Committee; Senator Sam Nunn, chairman of the Permanent Subcommittee on Investigations; Senator Jacob Javits, ranking Republican on the Human Resources Committee, and Senator Dennis DeConcini, chairman of the Improvements in Judicial Machinery Subcommittee.

The need for this legislation was well documented during the 1971–74 hearings concerning the connection between organized crime and the trafficking in stolen and counterfeit securities, held before the Permanent Subcommittee on Investigations, of which I am the ranking minority member. At these hearings, chaired by Senator Jackson, expert witnesses testified that more than $50 billion of worthless securities could be found in the Nation's brokerage houses, banks, and other financial institutions.

Testimony also revealed that the Federal Government's efforts to prosecute the organized criminals who specialize in this type of activity have been hampered by ineffective laws and by a lack of coordination on the part of Federal investigators and prosecutors. It was clear that the banks and brokerage houses, the public, even the Federal Government barely understood the magnitude and scope of this problem or the potential for catastrophic consequences if it was not adequately remedied.

Last year, much of the substance of this legislation passed the Senate as an amendment to S. 1437, the Criminal Code Reform Act of 1978. Unfortunately, that legislation did not receive final consideration in the House; therefore, it is necessary to reintroduce this bill today. I am confident that the Senate, having recognized the need for this legislation last year, will move quickly to approve this bill.

The Carter administration has called for an all-out attack on organized and white collar crime. Judge Webster, Director of the FBI, has directed his agents to make the eradication of these types of crime a matter of the highest priority. I heartily endorse such action.

In June of last year, I testified before the Criminal Laws and Procedures Subcommittee of the Judiciary Committee on the problems caused by white collar and computer crime. At these hearings, ably chaired by Senator Biden, the pervasive and economically debilitating influence of white collar criminals was made abundantly clear. The resources of these criminals and the interstate character of so many of their transactions often overwhelm the ability of State and local law enforcement officials to effectively respond to this serious threat to our society. I am delighted that Senator BIDEN has agreed to cosponsor the Securities Protection Act of 1979. I look forward to working with him and his staff in this effort to make more secure transactions of marketable securities.

The illicit trade in fraudulent securities is a major source of income for organized crime. Millions, perhaps billions, of dollars of stolen and counterfeit securities are being used to defraud legitimate businessmen and prop up phony corporations.

The problem is national in scope and demands a strong response by the Federal Government. Congress must do what it can to insure that confidence men dealing in stolen or fraudulent securities are dealt with swiftly and firmly by the law. To this end, the bill provides stiff penalties of up to 10 years imprisonment and/or a fine of $50,000 or three times the value of the fraudulent security, whichever is greater.

Mr. President, my staff has prepared a detailed memorandum explaining the major provisions of the measure. I would, however, like to note briefly a few significant aspects of the bill.

The scope of the Securities Protection Act would be broader than present Federal criminal laws in this area. For instance, the legislation offered today brings complete Federal criminal sanctions to all aspects of the issuing and passing of counterfeit securities of a corporation or of a State or municipal government, regardless of whether such securities were transported in interstate commerce.

The use or attempted use of a stolen or counterfeit security at a financial institution or entity would be prohibited. This would encompass not only those institutions partially covered under present Federal law, such as federally insured banks, savings and loan associations, credit unions, and employee benefit funds, but also brokerage firms, broker-dealers registered with the SEC, and insurance companies. The bill has been expanded to include transfer agents and clearing agencies; in this way, we will leave no loopholes for the dealer in stolen and counterfeit securities.

Technological advances have created new problems in securities protection. The recently developed color copier, capable of copying on both sides of any kind of paper, poses a substantial threat to the integrity of our financial transactions. The potential for fraud is enormous. Even the rank amateur can produce convincing forgeries. This legislation would ban the color copying of any marketable security.

Another significant change that this legislation would work in the Federal criminal law is to prohibit the possession and dealing in stolen U.S. Government marketable securities. This would be applicable without regard to the circumstances of the theft.

Mr. President, one of the most important issues considered at the hearings on stolen and counterfeit securities was how to insure that banks, brokerage houses, and other members of the financial community take strong steps to validate the securities they accept. In the 94th Congress, Senator JACKSON introduced an amendment to Public Law 94-29, designed to deal with the need for authenticating the billions fo dollars of securities that are traded daily in this country. That measure was signed into law in June 1975.

Pursuant to its provisions, the SEC has formulated regulations for reporting and inquiring about lost, stolen, or missing securities. The reporting provisions went into effect in October 1977; the inquiry requirements began in January 1978.

The figures derived from this reporting are alarming—they indicate a problem of previously underestimated dimensions. Based on the figures compiled by SEC, over $2 billion worth of securities were reported as lost, missing, or stolen in 1978. As a result of its new reporting system, the SEC made "hits" on over $13 million worth of securities that had been previously reported as lost, missing, or stolen. The legislation I am offering today meshes perfectly with the SEC program. Although the SEC has established a central data bank on missing, lost, and stolen securities, the Federal Government is still limited in its mandate to investigate the criminal involvement.

It is my hope that this legislation will lead to more effective cooperation among the financial community, the SEC and other regulatory agencies, and Federal law enforcement officials in establishing a securities validation system which will serve the needs of all the separate interests concerned, and the Nation as a whole. Knowledgeable members of the financial community, including representatives of the leading stock exchanges in the country, have expressed to me their strong support for this legislation.

The legislation being introduced today will provide a strengthened mandate to those law enforcement agencies charged with protecting the integrity of marketable securities and combatting organized crime. I am confident that it will play a significant part in lessening the threat that the use of stolen and counterfeit securities posses to the fundamental health of the financial institutions of this country.

Mr. President, I ask unanimous consent that this bill be printed in the RECORD, together with a detailed explanatory memorandum.

There being no objection, the bill and summary were ordered to be printed in the RECORD, as follows:

S. 1380

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Securities Protection Act".

FINDINGS AND PURPOSES

SEC. 2. (a) The Congress finds that:

(1) the theft, forging, counterfeiting and trafficking of marketable securities, even where intrastate in nature, directly affects interstate and foreign commerce, and that currently, there are not adequate criminal sanctions against individuals and organized crime syndicates involved in these illicit activities;

(2) organized crime, in particular, has been active in fraudulent securities transactions and, by means of its widespread, sophisticated operations, has substantially enlarged its unlawful gains and influence in this society;

(3) the incidence of fraudulent securities transactions has increased precipitously over the last decade, and the resources, sophistication, and interstate activity of the white collar criminal and organized crime syndicate involved in securities frauds have outpaced the ability of state and local law enforcement officials to control that activity;

(4) traceable losses from the theft, forging, counterfeiting and trafficking of marketable securities run into the billions of dollars, significantly exceeding monetary losses from armed robberies of financial institutions and other violent crimes;

(5) the use of these stolen, forged, counterfeit, and fraudulent securities at financial institutions which are federally insured damages the integrity of the securities market and investor confidence, and that this in turn impairs the ability of the United States to issue such securities as are necessary to coin money, to pay its debts, and to borrow money on credit.

(b) It is the purpose of this Act to provide adequate criminal sanctions against individuals and organized crime syndicates involved in fraudulent securities transactions, in particular those connected with the trafficking in stolen, counterfeit, forged and fraudulent marketable securities. This legislation is intended to fill serious gaps in the present law by increasing criminal penalties, eliminating certain legal technicalities, and expanding federal jurisdiction over fraudulent securities transactions. For these reasons, the Congress determines that the provisions of this Act are necessary and proper for the purpose of carrying into execution the powers of Congress to regulate commerce with foreign nations and among the several States, to pay debts of the United States, to borrow money on the credit of the United States, to establish secure post offices and postal operations, and to coin money and issue securities of the United States.

SEC. 3. Chapter 25 of Title 18 of the United States Code is amended by adding after section 509 the following new sections:

"SEC. 510. FORGING OR COUNTERFEITING OF MARKETABLE SECURITIES AND POSSESSION THEREOF.

"(a) Whoever with intent to defraud or having reason to believe his act will facilitate fraud makes, alters, forges, counterfeits, prints, or in any manner executes any engraving, print, or impression in the likeness of any marketable security or any part thereof, or who with like intent or belief possesses, receives, exchanges, transfers, sells, delivers, buys, or conceals any such marketable security, shall be fined not more than $50,000 or three times the value of the marketable security, whichever is greater, or imprisoned not more than ten years, or both;

"(b) Whoever knowingly photostats, reproduces, duplicates or in any manner executes a copy of any marketable security or any part thereof without the written approval of an authorized official of the issuing corporation, business, or Government shall be fined not more than $5,000 or imprisoned not more than one year, or both:

"(c) Nothing contained in subsection (b) shall be deemed to prohibit the true owner, legal custodian, or authorization official of a financial institution or entity, as defined in 18 U.S.C. 2321, from making a photostatic non-color copy of any marketable security for the purposes of recordkeeping or validation.

"(d) Whoever with intent to defraud or having reason to believe his acts will facilitate fraud possesses, safeguards, controls, sells, gives, or delivers any tool, implement, plate, negative, photograph, or other thing used or fitted to be used in making, altering, forging, counterfeiting, or printing any marketing security shall be fined not more than $10,000 or imprisoned not more than ten years, or both.

"(e) As used in this section, the term—

"(1) 'marketable security' means—

"(A) any note, stock, treasury stock, bond, interest coupon, treasury bond, debenture, certificate of deposit, any other form of debt instrument bearing interest, or any blank certificate of any of the above, other than currency, which is issued by any corporation, business, or foreign government; and

"(B) any bond, interest coupon, note, or other obligation issued or guaranteed by any state, possession, commonwealth, or territory of the United States or by any political subdivision of a state, possession, commonwealth, or territory or by any public instrumentality of one or more states, possessions, commonwealths, or territories;

"(2) 'value' means the face, par, or market value, whichever is the greatest, and the aggregate value of all marketable securities referred to in a single count of an indictment, information, or civil complaint shall constitute the value thereof.

"(f) In addition to any other remedy at law, any corporation, business, or government whose marketable securities are made, altered, forged, counterfeited, or printed in violation of paragraph (a) of this section, shall have the right to recover, in a civil suit brought in a United States district court from any person who violates paragraph (a), damages equal to three times the value of such securities in addition to reasonable attorney fees and court costs.

"(g) Any printing equipment used in the commission of an offense set forth in subsection (a) or subsection (c) shall be forfeited to the United States; the provisions of the third paragraph of section 492 of this title shall be applicable to a forfeiture under this subsection.

"(h) Investigations for violations of this section relating to marketable securities of a foreign government or of a bank or corporation of a foreign government shall be conducted by the United States Secret Service. In all other situations, including marketable securities of a non-governmental foreign corporation, investigative jurisdiction under this section shall be with the Federal Bureau of Investigation.

"Sec. 511. Possession of Stolen United States Marketable Securities.

"(a) Whoever receives, possesses, passes, delivers, sells, or offers for sale or attempts to receive, pass, deliver, sell, or offer for sale any marketable security of the United States knowing the same to be stolen, converted, or obtained by fraud—

"(1) shall, if the value of the securities exceeds $100, be fined not more than $50,000 or three times the value of the securities, whichever is greater, or imprisoned for not more than ten years, or both; or

"(2) shall, if the value of the securities is $100 or less, be fined not more than $5,000 or imprisoned for not more than one year, or both.

"(b) As used in this section, the term—

"(1) 'marketable security' means any obligation which earns interest, either by discount or accrual, including any bond, interest coupon, Treasury note, Treasury bill, or other similar obligation, which is issued or guaranteed by the United States, any agency or territory thereof, or any person controlled or supervised by and acting as an instrumentality of the United States pursuant to authority granted by Act of Congress.

"(2) 'value' means the face, par, or market value, whichever is the greatest, and the aggregate value of all marketable securities referred to in a single count of an indictment or information shall constitute the value thereof.

"(c) Investigations for violations of this section shall be conducted by the United States Secret Service.".

Sec. 4. The chapter analysis of chapter 25 of title 18, United States Code is amended by adding at the end thereof the following:

"Sec. 510. Forging or Counterfeiting of Marketable Securities and Possession Thereof.

"Sec. 511. Possession of Stolen United States Marketable Securities."

Sec. 5. Section 3056 of title 18, United States Code is amended to insert "511" after "509" and before "and 871.".

Sec. 6. Chapter 113 of title 18 of the United States Code is amended by adding at the end thereof the following new sections:

"Sec. 2319. Theft and Unlawful Possession of Marketable Securities.

"(a) Whoever steals, embezzles, purloins, or fraudulently converts to his use or the use of another, or attempts to steal, embezzle, purloin or convert to his use or the use of another, any marketable security belonging to or in the care, custody, control, management or possession of any financial institution or entity—

"(1) shall, if the value of the securities exceeds $100, be fined not more than $50,000 or three times the value of the securities, whichever is greater, or imprisoned for not more than ten years, or both; or

"(2) shall, if the value of the securities is $100 or less, be fined not more than $5,000 or imprisoned for not more than one year or both.

"(b) Whoever buys, receives, possesses or conceals any marketable security which has been stolen, embezzled, purloined, or converted from a financial institution or entity, knowing the same to be stolen, embezzled, purloined, or converted—

"(1) shall, if the value of the securities exceeds $100, be fined not more than $50,000 or three times the value of the securities, whichever is greater or imprisoned for not more than ten years, or both; or

"(2) shall, if the value of the securities is $100 or less, be fined not more than $5,000 or imprisoned for not more than one year or both.

"Sec. 2320. Use of Stolen or Counterfeit Marketable Securities at a Financial Institution or Entity.

"(a) Whoever tenders, presents, delivers, sells, pledges, assigns, accepts, or attempts to tender, present, deliver, sell, pledge, assign or accept any stolen, counterfeit, falsely made, altered, or forged marketable security, knowing the same to be stolen, counterfeit, falsely made, altered, or forged, at any financial institution or entity—

"(1) shall, if the value of the securities exceeds $100, be fined not more than $50,000 or three times the value of the securities, whichever is greater, or imprisoned for not more than ten years, or both; or

"(2) shall, if the value of the securities is $100 or less, be fined not more than $5,000 or imprisoned for not more than one year or both.

"(b) Investigative jurisdiction for violations of this section shall be with the United States Secret Service in regard to any counterfeit, falsely made, altered, forged or falsely endorsed marketable security of the United States, of a foreign government, or of a bank or corporation of a foreign government. In all other cases investigative jurisdiction under this section shall be with the Federal Bureau of Investigation.

"Sec. 2321. Definitions for Sections 2319 and 2320.

"As used in sections 2319 and 2320 the term—

"(1) 'financial institution or entity' means:

(A) a bank with deposits insured by the Federal Deposit Insurance Corporation;

(B) a member of the Federal Reserves System including any Federal Reserve bank;

(C) an institution with accounts insured by the Federal Savings and Loan Insurance Corporation;

(D) a credit union with accounts insured by the Administrator of the National Credit Union Administration;

(E) a member of the Federal Home Loan Bank System, and any Federal home loan bank;

(F) a member of business insured by the Securities Investor Protection Corporation;

(G) a broker-dealer registered with the Securities and Exchange Commission pursuant to Section 15(a)(1) of the Securities Exchange Act of 1934;

(H) any employee benefit plan subject to any provision of Title I of the Employee Retirement Income Security Act of 1974;

(I) a clearing agency as defined in section 3(a)(23) of the Securities Exchange Act of 1934;

(J) a transfer agent as defined in section 3(a)(25) of the Securities Exchange Act of 1934; and

(K) any insurance company registered under the law of any state, District of Columbia, possession, commonwealth, or territory of the United States and any foreign insurance company doing business directly or indirectly within the territorial jurisdiction of the United States;

"(2) 'marketable security' means—

(A) any note, stock, treasury stock, bond, interest coupon, treasury bond, debenture, certificate of deposit, any other form of debt instrument bearing interest, or any blank certificate of any of the above, other than currency, which is issued by any corporation, business, or foreign government;

(B) any obligation which earns interest, either by discount or accrual, including any bond interest coupon, treasury note, treasury bill, or other similar obligation, which is issued or guaranteed by the United States, any agency or territory thereof, or any person controlled or supervised by and acting as an instrumentality of the United States pursuant to authority granted by Act of Congress; or

(c) any bond, interest coupon, note, or other obligation issued or guaranteed by any State, possession, commonwealth or territory of the United States or by any political subdivision of a State, possession, commonwealth, or territory or by any public instrumentality of one or more States, possessions, commonwealths, or territories."

Sec. 7. Section 2311 of chapter 113 of title 18, United States Code is amended by inserting "or information" after "indictment" and before "shall" in the definition of "value'.

Sec. 8. The chapter analysis of chapter 113, title 18, United States Code, is amended by adding at the end thereof the following:

"2319. Theft and Unlawful Possession of Marketable Securities.

"2320. Use of Stolen or Counterfeit Marketable Securities at a Financial Institution or Entity.

"2321. Definitions for Sections 2319 and 2320."

Sec. 9. The first sentence of section 308(f) of the Emergency Home Finance Act of 1970 (12 U.S.C. sec. 1457(f)) is amended to read as follows:

"The terms 'obligation or other security', 'obligations or other securities' and 'marketable security', whenever used (with or without the words 'of the United States') in sections 471–476, both inclusive, and sections 492, 511, 2319, 2320, and 2321 of such title 18, are extended to include any obligation or other security of or issued by the Corporation."

Sec. 10. Section 308(d) of the Emergency Home Finance Act of 1970 (18 U.S.C. 1457 (d)) is amended to read as follows:

"(d) The term 'bank', as used in subsection (f) of section 2113, and the term 'financial institution or entity' as defined in section 2321 and used in sections 2319 and 2320 of such title 18, shall be deemed to include the Corporation, and any building used in whole or in part by the Corporation shall be deemed to be used in whole or in part as a bank or financial institution or entity within the meaning of such sections 2113, 23-9, 2320, and 2321."

Summary and Explanation of the Securities Protection Act

Listed below is a capsule summary of the five sections this measure would add to Title 18 of the United States Code. This is followed by an explanatory memorandum of certain provisions.

Sec. 510. Forging or counterfeiting of marketable securities and possession thereof—

(a) Prohibits making, trafficking in, and possessing counterfeit securities;

(b) Prohibits unauthorized copies;

(c) Permits authorized non-color copies;

(d) Prohibits trafficking in counterfeiting implements;

(e) Definitions;

(f) Civil remedy;

(g) Fortfeiture, and

(h) Investigative jurisdiction.

Sec. 511. Possession of stolen United States marketable securities—

(a) Prohibits trafficking in and possession of stolen United States government securities;

(b) Definitions, and

(c) Investigative jurisdiction.

Sec. 2319. Theft and unlawful possession of marketable securities—

(a) Prohibits theft from a financial institution or entity, and

(b) Prohibits possession of stolen securities.

Sec. 2320. Use of stolen or counterfeit marketable securities at a financial institution or entity—

(a) Prohibits use at financial institution or entity;

(b) Investigative jurisdiction, and

Sec. 2321. Definitions for sections 2319 and 2320.

EXPLANATION OF THE LEGISLATION

1. Section 2319(a) of this legislation makes it a federal crime to steal marketable securities from a financial institution or entity. Brokerage firms and insurance companies will receive the same protection as federally-insured banks, credit unions and savings and loan associations now receive under 18 U.S.C. 2113 and 656. The bill increases the existing penalties contained in 18 U.S.C. 664 for theft of securities from an employee benefit plan.

2. The bill removes the burden of proving "interstate commerce" in prosecutions for stolen securities. Currently, significant time delays between the theft and the use of stolen securities confront the prosecutor with the problem of legally proving that a security was in interstate commerce and had not come to rest. Courts have never expressly ruled that a stolen security remains in interstate commerce until received by a holder-in-due-course.

Congress has the authority to remove this element of the crime. The extensive hearings conducted by the Senate Permanent Subcommittee on Investigations showed that even where the misuse of securities is purely intrastate in character, it substantially affects interstate and foreign commerce.

3. This measure makes the act of counterfeiting securities of a corporation, or of a state or municipal government a federal crime. It would no longer be necessary to prove that the counterfeit security crossed state lines, as under present law.

The possession and trafficking in counterfeit corporate or governmental securities also would be a federal crime, whether or not they are transported in, moving as, or are technically a part of interstate or foreign commerce (as presently required under 18 U.S.C. 2314 and 2315). Sec. 510 prohibits the counterfeiting, trafficking and possession of counterfeit securities. Sec. 2320 prohibits use of them at a financial institution or entity.

4. Section 511 prohibits possession and trafficking of stolen United States government securities, regardless of from whom they were stolen. The Federal Bureau of Investigation's records presently show more than $196 million of these securities reported lost, missing or stolen. U.S. savings bonds compose the overwhelming majority of these items. This section will diminish losses to the United States Treasury incurred by double payment on stolen securities.

Informants frequently advise the Secret Service that fences possess stolen securities. But currently, no federal violations exists for mere possession absent other factual developments such as interstate transportation or forgery.

5. Criminal penalties for the theft, fencing, and use of stolen and counterfeit securities will be severe. Maximum imprisonment is ten years. A fine of $50,000, or three times the value of the security, whichever is greater, also may be imposed.

6. In proving the elements of possession in section 2319(b), the prosecutor must show the possessor knew the securities were stolen. He need not prove the possessor has knowledge of the actual source of the stolen securities. The Government would still have to prove that securities were stolen from a financial institution. This section is similar in its knowledge requirement to 18 U.S.C. 1708 (mail theft) and 659 (interstate shipments).

7. Section 2319(a) is applicable both to outsiders, and to employees of the financial institution. It also covers thefts by insiders of the financial institution's own securities.

8. The designation "financial institution or entity," defined in section 2321, covers all major organizations which have substantial dealings in securities. Along with credit unions, savings and loan associations, and banks (including all members of the Federal Reserve System and each Federal Reserve Bank), the bill includes brokerage firms, employee benefit plans, insurance companies, clearing agencies, and transfer agents. This ensures federal prosecution of the dealer in fraudulent securities wherever he strikes.

9. The definition of marketable securities found in 18 U.S.C. 510, 511, and 2321 is intended to be all-inclusive. It would encompass all corporate stocks and bonds, state and municipal bonds, and United States and foreign government securities which bear interest either by the accrual or the discount method, including interest coupons. It does not cover currency.

10. The "use" provision, 18 U.S.C. 2320, prohibits the attempted or actual use of a stolen or counterfeit security at a financial institution. Presently, 18 U.S.C. 1014 and 2315 are applicable in certain instances.

Section 1014 prohibits making false statements to a bank official, but carries a maximum penalty of only two years. As noted above, section 2315, which prohibits the use of stolen or counterfeit securities, includes the element of "moving as . . . interstate or foreign commerce." If there is no evidence of interstate movement close in time to the actual use, the Government might fail in its proof. This element is not found in section 2320.

The "use" section prohibits use of stolen securities no matter from where they were stolen. The theft need not have been from a financial institution; it covers theft from interstate shipments, the mail, a corporate office, or a private residence.

The "use" may be a pledging of collateral for a loan, a deposit into any type of account (including a trust account) or a sale of the security. As in section 2319, the ban extends to employees of the financial institution. Anyone who knowingly accepts fraudulent securities could be convicted under this section.

Section 2320 applies both to already existing securities and to those which may be stolen or counterfeited after enactment of this measure.

11. Sections 2319(a), 2319(b), and 511 all have misdemeanor provisions when the value of the securities is $100 or less. The maximum penalty would be one year in prison and/or a fine of $5,000.

12. Section 510, substantially increases the penalties for making or possessing counterfeit foreign securities (see 18 U.S.C. 478–481). This kind of criminal activity is on the rise, and has serious detrimental effects on this nation's financial institutions.

This section covers situations in which the sale of counterfeit securities, 510(a), or the tools and implements of counterfeiting, 510(d), is made to an undercover agent. Although the agent buyer actually is not defrauded, the seller "(has) reason to believe his act will facilitate fraud."

The section does not apply to securities of the United States government. They are adequately covered in 18 U.S.C. 471 to 477.

13. A misdemeanor provision, 18 U.S.C. 510 (b), makes it a crime for anyone to make an unauthorized copy of a security. The maximum penalty is one year in prison and/or a $5,000 fine.

Section 510(c) allows a financial institution or entity to make a non-color photostatic copy for record-keeping or validation purposes. Color copying would not be authorized. The color copier, with its "duplexing" capability—copying both sides of an instrument on any sheet of paper—gives conterfeiting ability to the rank amateur, and lends itself to misuse by corrupt employees.

Neither of these subsections lessen sanctions against the person who duplicates securities with fraudulent intent.

14. Section 510(f) provides a civil remedy for any government or private entity whose securities are counterfeited. They may bring civil suit in a district court against the counterfeiter for damages equal to three times the value of the securities. They would also be entitled to attorney fees and court costs.

15. Investigative jurisdiction is divided in sections 510, and 2320. The Secret Service will be responsible for investigations of the making, trafficking, and possession of counterfeit securities of foreign governments in section 510. It will investigate the use at a financial institution of counterfeit or falsely endorsed securities of the United States government or a foreign government in section 2320. This accords with its enumerated duties in U.S.C. 3056. The FBI will be responsible for matters involving the counterfeiting, trafficking, possession and use of private securities, both domestic and foreign.

Under 511, the Secret Service will have sole responsibility for investigations involving the possession of United States marketable securities. The FBI will have complete jurisdiction in 2319 for the theft of securities from financial institutions and possession thereof.

16. Under section 511, the Secret Service will not be obliged to begin investigation of every matter involving the theft of United States government securities. Emphasis will be on the "fence," the person who receives stolen securities from numerous criminal sources and then attempts to dispose of them. Thefts from private parties will continue to be a local crime.

17. Some overlap exists in sections 511 and 2319(b). Under 2319(b), the FBI has the mandate to investigate the possession of marketable securities taken from a financial institution. Traditionally, the FBI has been

responsible for the safety of banks and other lending institutions vital to the nation's economy. However, when United States government securities are stolen, subsequent possession would also come under Sec. 511. (There would be no overlap when the securities involved were not taken from a financial institution. The $196 million worth of U.S. securities currently listed as lost, missing or stolen would be beyond the purview of 2319(b).)

Section 511 has a different purpose. It is designed to protect the United States Treasury against financial loss, to ensure the integrity and negotiability of Government securities, and to maintain investor confidence in the United States. Traditionally this has been the function of the Secret Service.

Cooperation between the two agencies will be necessary to avoid duplicative efforts. The Department of Justice will have to avoid bringing unfair charges against defendants. The courts, through their constitutional authority and sentencing powers, will prevent any attempt to punish someone twice for the same crime.

18. A potential overlap also exists in sections 510(a) and 2320 regarding the trafficking of counterfeit securities. Section 510(a) is not directed against use at a financial institution. It is directed at transactions in the criminal underground. A counterfeit item might pass through many hands before its use at a bank or brokerage house. It is contemplated that prosecutions for use at a financial institution will be brought solely under section 2320.

19. This measure does not reduce the investigative authority of any law enforcement agency. Where concurrent jurisdiction exists, cooperation is, of course, necessary.

In practice, a theft from a financial institution or the counterfeiting of a private security would lead to an FBI investigation. Thefts from the mail and the use of the mails to promote fraudulent activity would continue to be the prerogative of the U.S. Postal Service. Where the mail is not used, the counterfeiting and fencing of United States and foreign government securities would be the province of the Secret Service. The Attorney General should provide such additional coordination as may be required.

By Mr. STONE (for himself and Mr. Chiles):

S. 1381. A bill to provide for the establishment of a national cemetery in the State of Florida; to the Committee on Veterans' Affairs.

A NATIONAL CEMETERY IN FLORIDA

● Mr. STONE. Mr. President, today I am introducing legislation that directs the Veterans' Administration to establish a national veterans' cemetery in Florida. I am pleased that Senator Lawton Chiles is joining me in introducing the companion measure to H.R. 190 which was authored by our colleague, Congressman William Chappell, Jr.

Currently, Florida has only one veterans' cemetery, the Barrancas National Cemetery in Pensacola. However, this cemetery is inadequate to meet the needs of Florida's 1.2 million veterans—a population that is increasing by 6,000 veterans a month. Barrancas has only 4,800 burial plots remaining and it is estimated that this cemetery will be closed in approximately 5 years.

The introduction of this bill comes at a time when the Veterans' Administration is completing its plan to establish a national cemetery in each of the 10 VA regions. As of this date, a site has not been selected for the Southeast region which includes Florida. The VA has narrowed the search to three locations; however, a Florida location is not among them.

In his testimony before the House Veterans' Affairs Subcommittee on Compensation, Pensions, Insurance and Memorial Affairs, Congressman Chappell suggested that 1,300 acres now in the Withlacoochee State Forest be transferred to the Veterans' Administration for the purposes of a new national veterans' cemetery. The Governor and the State cabinet agree with this idea. This land is located in the central part of the State—45 minutes from Orlando, Tampa-St. Petersburg, and Gainesville, and is accessible by Interstate 75. I urge the Veterans' Administration to give this location careful attention.

I do not mean to suggest that we scrap the regional plan. I believe that its deficiencies are remediable. If States have very large veteran population centers that would be ill-served by a single regional cemetery, the criteria of serving the greatest number requires the establishment of additional cemeteries in those regions.

Florida has the highest veteran population of the eight States within the Southeast region and it is estimated that one-half of the region's 105,000 deaths by 1987 will occur here. The bulk of Florida's veterans reside in the southern part of State. Therefore, a national cemetery located near the geographic center of the Southeast region, would be inaccessible for most of Florida's veterans who would have to travel 400 to 600 miles to make use of it. It is not fair play, in my opinion, to assure an honorably discharged veteran of a burial plot in a national cemetery and to effectively nullify that assurance by locating the cemetery in an inaccessible place.

Mr. President, the establishment of a new national cemetery in Florida has the support of the entire congressional delegation. In addition, Congressman Chappell's bill and the location of a cemetery in the Withlacoochee State Forest have been endorsed by the Governor and the State cabinet. I ask unanimous consent that the resolution of the State of Florida be printed in the Record following my remarks.

The need for a national cemetery in the State of Florida is clear. I hope my colleagues agree with me and will give this bill careful consideration.

There being no objection, the resolution was ordered to be printed in the Record, as follows:

RESOLUTION

Whereas, all Americans owe a debt of gratitude and honor to Veterans of the United States Military Forces, and

Whereas, approximately one million two hundred thousand Veterans reside in Florida, and

Whereas, approximately six thousand additional Veterans move to Florida every month, and

Whereas, six hundred fifty-six thousand Veterans of World Wars I and II now reside in Florida, and

Whereas, this number of older Veterans is approximately three times the comparable number for any other state in the Southeast, and

Whereas, there remain only four thousand eight hundred available burial plots in the Barrancas National Cemetery at Pensacola, and

Whereas, United States Congressman William Chappell has introduced in the United States House of Representatives HR 190, a Bill to provide for the establishment of a new National Cemetery to be established in Florida at a location to be selected by the Veterans Administration on the basis of Veteran population and location.

Now, therefore, be it resolved by the elected officers of the Executive Branch of Florida State Government,

That the authorization and establishment of a new National Cemetery, as proposed in the House of Representatives Bill HR 190 of the Ninety-sixth United States Congress, is hereby urged and supported; and

That the Subcommittee on Compensation, Pension, Insurance, and Memorial Affairs of the Veterans' Affairs Committee of the United States House of Representatives, and the Administrator of the Veterans Administration, are urged to give this proposal their consideration and approval, and

That the Governor and Cabinet of the State of Florida concur with the proposed transfer of up to thirteen hundred acres now in the Withlacoochee State Forest to the Veterans' Administration for the purpose of establishing a National Cemetery, said transfer to be in exchange for a reduction in the balance owing the Federal Government for the purchase of lands now constituting the Withlacoochee State Forest.

In testimony whereof, the Governor and Cabinet of the State of Florida have hereunto subscribed their names and have caused the official seal of the said State of Florida to be hereunto affixed, in the City of Tallahassee, Florida on this 15th day of May, A.D. 1979.●

● Mr. CHILES. Mr. President, I am extremely pleased today to join in sponsoring legislation to establish a veterans' cemetery in the State of Florida. The State's large and ever-expanding veteran population coupled with the large number of veteran deaths (some 25,000) each year underscore the pressing need for an additional cemetery if we are to adequately accommodate those veterans eligible for burial in a national cemetery. Clearly, establishing a national cemetery in Florida is one way we can honor our commitment to those who have so faithfully served our country.

The present situation in Florida with respect to national cemeteries is dismal at best. Both the Bay Pines Cemetery in St. Petersburg and the St. Augustine Cemetery are completely filled, and while the Barrancas National Cemetery in Pensacola still has available gravesites, projections indicate that this facility as well will be closed by 1989. At that time the closest national cemetery for Florida veterans will be in Beaufort, S.C. Florida veterans deserve a reasonably accessible national cemetery. However, unless the Veterans' Administration moves toward expanding existing facilities or establishing a new cemetery in the State, countless eligible veterans will not be able to make use of their entitlement to a burial plot in a national cemetery.

I have discussed with the Veterans' Administration on various occasions over the past few years my State's national cemetery situation. The Veterans' Administration indicated to me as early as 1975 its recognition of Florida's dire need for a new national cemetery. In

September 1975, Mr. John W. Mahan, former director of the National Cemetery System, made a determination that the projected veteran death rate in Florida warranted an additional burial facility and advised me that plans were being directed toward developing a site in southern Florida. Obviously, these plans have since been abandoned, most likely due to the adoption by the Veterans' Administration of the regional approach to establishing new national cemeteries.

While expanding the National Cemetery System is certainly a cost-effective approach to allocating limited amounts of available Federal funds, the regional concept does not take into account situations where, within one region, there may be several areas of dense veteran populations separated by long distances. In our particular region Florida is geographically set apart from other States in the Southeast. I cannot argue the fact that a new national cemetery in Florida will not meet the needs of eligible veterans and their families who live in Georgia, Alabama, Mississippi, Tennessee, South Carolina, North Carolina, and Kentucky, just as I can not stress enough the fact that many of Florida's veterans and their families cannot benefit from a cemetery located near the geographic center of the Southeast region, because of the long distances involved. Flexibility is needed in the application of the regional concept, and for this reason I support legislation establishing a national cemetery in Florida.

Realizing that Florida was not slated for a national cemetery under the regional plan, I began last spring to explore with the Veterans' Administration the possibility of expanding existing cemeteries in the State. In response to my inquiry the Veterans' Administration advised me that no plans could be made to create additional gravesites at Florida's three veterans' cemeteries. There is no room for expansion at the St. Augustine facility, and the expansion of Bay Pines Cemetery is infeasible due to the low water table. The Veterans' Administration has abandoned the idea of acquiring land from the Navy at Pensacola to expand the Barrancas National Cemetery in Pensacola, because the location of this cemetery (in the Florida panhandle) is so far away from where the bulk of Florida's 1.2 million veterans live. The results of these efforts to expand the existing cemeteries point to a distressing national cemetery situation in Florida and reemphasize the critical need to develop an additional cemetery in the State.

The legislation Senator Stone and I are introducing today is identical to a bill introduced earlier this year in the House of Representatives by Congressman Chappell, H.R. 190. While the legislation does not designate a specific location for the cemetery, I am extremely pleased that a site has been identified within the Withlacoochee State Forest that is suitable for the development of a cemetery at little or no cost to the Federal Government. This legislation has the support of the Florida congressional delegation as well as the Governor and the State cabinet. Most recently, in response to the arguments presented to the committee for establishing a new cemetery in Florida, the House Veterans' Affairs Committee included in a report to the House of Representatives a recommendation that the Veterans' Administration initiate plans to develop an additional cemetery in Florida. I am encouraged by the House committee's recognition of our region's unique geography and the pressing need for an additional veterans' cemetery in Florida. I am confident the Senate will take appropriate steps to address this concern and will join me in working to make a new cemetery a reality for Florida veterans and their families.

The Florida congressional delegation letter in support of companion legislation in the House of Representatives follows:

WASHINGTON, D.C.,
April 20, 1979.

Hon. G. V. Montgomery,
Chairman, Subcommittee on Compensation, Pension, Insurance and Memorial Affairs, Committee on Veterans' Affairs, Cannon House Office Building.

Dear Mr. Chairman: Thank you for scheduling hearings on the timely issue of the selection of a site for the location of a new national cemetery in one of the southeastern States. We very much appreciate your concern for the veterans of this region, and wish to point out the unique nature of the veteran population of some 1,300,000 in our State of Florida. Since the veteran population is older and considerably larger than that of other states, and since Florida's geography precludes the realistic use of a national cemetery more centrally located in the region, we urge your favorable consideration of H.R. 190, legislation to provide for the establishment of a national cemetery in central Florida.

We are not endorsing the establishment of a cemetery in Florida at the expense of the States to the north. However, the regional cemetery concept is untenable in the case of Florida due to the extremely long distances involved and the large number of veteran deaths (some 25,000) each year. With a monthly gain of 6,000 new veterans, Florida's need for internment spaces will grow at a fast pace in the years ahead. Yet, the only open national cemetery in Florida is the Barrancas National Cemetery in Pensacola, with 4,800 open spaces. It is expected that this cemetery, which is poorly situated for the vast majority of the State's veterans, will be closed in approximately five years. At that point, the closest national cemetery will be in Beaufort, South Carolina.

Therefore, it is strongly urged that the Committee endorse a site located within the Withlacoochee State Forest which is served by an interstate highway and is about equidistant from Orlando, Gainesville, and Tampa/St. Petersburg and which is within 100 miles of more than 650,000 veterans. This tract of land, which consists of about 1,200 acres, can be obtained at little or no cost to the federal government. Support for this public use of land within the Withlacoochee State Forest has been endorsed by both the State and by the National Forest Service Forest Supervisor.

We know that you agree with us that the proper recognition of those who have served our Country in uniform is a duty which we must fulfill. Because the need of Florida's veterans is so great and so unique, it is requested that this site be endorsed before it is necessary to locate a less desirable and more costly one in the future.

Sincerely,

Members of Congress: Lawton Chiles, Earl D. Hutto, Charles E. Bennett, Richard Kelly, Sam M. Gibbons, Bill Nelson, Daniel A. Mica, William Lehman, Dante B. Fascell, Richard Stone, Don Fuqua, Bill Chappell, Jr., C. W. Bill Young, Andy Ireland, L. A. Skip Bafalis, Edward J. Stack, Claude Pepper.●

By Mr. LONG (for himself, Mr. Dole, Mr. Talmadge, Mr. Packwood, Mr. Bentsen, and Mr. Schweiker):

S. 1382. A bill to amend title IV of the Social Security Act to improve the operation of the AFDC program, to give the States a fiscal incentive to reduce error and waste in the AFDC program, to permit the States to use savings from the AFDC program to defray the costs of other welfare programs, to provide fiscal relief to the States under the AFDC program, to make it clear that States may impose work requirements as a condition of eligibility for AFDC payments, and to establish a demonstration project to provide a pilot test of the States' ability to create their own welfare programs as an alternative to the AFDC program; to the Committee on Finance.

FAMILY WELFARE IMPROVEMENT ACT

Mr. LONG. Mr. President, on behalf of myself and Senators Dole, Talmadge, Bentsen, Packwood, and Schweiker, I introduce a bill for appropriate reference.

Mr. President, I ask unanimous consent to print in the Record at this point a list of goals as well as elements of the proposed bill that I am introducing.

There being no objection, the material was ordered to be printed in the Record, as follows:

Fact Sheet—Family Welfare Improvement Act

GOALS

Limit the growth of expenditures for the present open-ended Federal family welfare program.

Provide a strong incentive for the States to eliminate error, waste and fraud in welfare programs and to reduce overall welfare spending.

Provide fiscal relief to all States which may be used to reduce overall state welfare spending and to increase basic benefits for the truly needy.

Encourage the States with the lowest per capita average income to increase their basic family welfare benefit levels.

Permit the States complete discretion to require work as a condition of eligibility for family welfare benefits.

Reverse the trend toward complete Federalization of welfare by permitting some demonstration States to design and implement their own family welfare program tailored to meet the needs of the individual State and its poor.

Eliminate the need for a large Federal bureaucracy to monitor the present open-ended Federal matching system.

ELEMENTS

1. Beginning with FY 1981, a Federal block grant system will replace the current open-ended Federal matching of the State costs for Aid to Families with Dependent Children (AFDC).

2. The Federal block grant will be:

(a) A fixed amount based on the AFDC funds the State received in FY 1979, plus;

(b) To all States a portion of $1 billion in fiscal relief allocated on the basis of the State's population, plus; and

(c) To the 17 States with the lowest average per capita income, a portion of $400 million, distributed on the basis of a formula that factors in their average per capita income and population, to be used solely to increase the basic AFDC benefit.

3. The Federal block grant will be:

(a) Adjusted automatically so that the States will not have to bear the entire cost of inflation;

(b) Adjusted automatically when State population changes; and

(c) Temporarily augmented if the State experiences very high unemployment.

4. The block grant may be used for social welfare purposes. Savings resulting from better administration, reduction in fraud and error, successful placement of welfare recipients in employment and other improvements will be wholly retained by the States and may be used to reduce State welfare costs and improve benefits for the truly needy.

5. The States will be permitted complete discretion to require work as a condition of AFDC eligibility.

6. A five-year, eight-State demonstration project will be established to test the State's ability to create their own family welfare program as an alternative to AFDC without regard to Federal requirements and limitations. The eight States participating shall include Pennsylvania (to assure the inclusion of at least one Northern industrial State), Mississippi (to assure the inclusion of at least one Southern rural State), and six additional States to be selected by lot from among States desiring to particiapte.

7. Beginning in FY 1986, the block grant, after adjustments for inflation, population changes, and high unemployment, will be reduced each year by 2%. This permits the Federal budget to share the States' anticipated reductions in waste.

Mr. LONG. Mr. President, I ask unanimous consent to have printed in the RECORD a table showing the distribution of $1.4 billion in connection with the statement I just made.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

DISTRIBUTION OF $1.4 BILLION UNDER LONG-DOLE BILL

[In thousands]

State	$1 billion	$0.4 billion	Total, $1.4 billion
Alabama	17,200	41,200	58,400
Alaska	1,700	4	1,700
Arizona	10,800	0	10,800
Arkansas	10,000	26,800	36,800
California	102,000	0	102,000
Colorado	12,200	0	12,200
Connecticut	14,100	0	14,100
Delaware	2,600	0	2,600
District of Columbia	3,000	0	3,000
Florida	39,600	0	39,600
Georgia	23,200	38,840	62,040
Hawaii	3,800	0	3,800
Idaho	4,000	6,120	10,120
Illinois	51,500	0	51,500
Indiana	24,700	0	24,700
Iowa	13,300	0	13,300
Kansas	10,700	0	10,700
Kentucky	16,000	30,000	46,000
Louisiana	18,200	36,240	54,440
Maine	5,000	10,520	15,520
Maryland	18,900	0	18,900
Massachusetts	26,500	0	26,500
Michigan	42,300	0	42,300
Minnesota	18,400	0	18,400
Mississippi	11,000	38,480	49,480
Missouri	22,300	0	22,300
Montana	3,600	4,680	8,280
Nebraska	7,100	0	7,100
Nevada	3,000	0	3,000
New Hampshire	4,000	0	4,000
New Jersey	33,600	0	33,600
New Mexico	5,500	11,240	16,740
New York	81,300	0	81,300
North Carolina	25,300	45,760	71,060
North Dakota	2,900	0	2,900
Ohio	49,400	0	49,400
Oklahoma	13,200	0	13,200
Oregon	11,300	0	11,300
Pennsylvania	53,900	0	53,900
Rhode Island	4,200	0	4,200
South Carolina	13,200	30,880	44,080
South Dakota	3,100	6,240	9,340
Tennessee	20,000	41,920	61,920
Texas	59,700	0	59,700
Utah	6,000	11,360	17,360
Vermont	2,200	4,320	6,520
Virginia	23,100	0	23,100
Washington	17,200	0	17,200
West Virginia	8,500	15,120	23,620
Wisconsin	21,500	0	21,500
Wyoming	1,900	0	1,900

● Mr. DOLE. Mr. President, I am pleased today to join with Senators LONG, TALMADGE, PACKWOOD, BENTSEN and SCHWEIKER to introduce the Family Welfare Improvement Act, which at last offers the prospect of real welfare reform.

This bill flatly rejects the philosophy that welfare reform should necessarily involve greater Federal domination of the welfare system, massive amounts of additional Federal spending, and some move, whether comprehensive or incremental, toward institution of a guaranteed annual income.

Instead, the Family Welfare Improvement Act will convert the present open-ended matching of State family welfare costs to a fixed Federal block grant system.

The bill constitutes an important first step in returning control of the family welfare system to States. The States, which are closer and more responsive to the needs of the poor, should be given the authority and responsibility to manage the family welfare system. The eight-State demonstration project contemplated by the bill should establish the efficacy of this approach. Also, I am hopeful that demonstration States will be able to devise fresh approaches to our current welfare problems which may provide a useful model for other States.

The fixed block grant approach will effectively stabilize the future growth of welfare costs. The block grant will function as a spending cap which will be adjusted only to reflect inflation, population changes, and extremely high unemployment. Furthermore, the bill provides that beginning in fiscal year 1986, each States' adjusted block grant will be reduced by 2 percent per year. Thus, this measure will aid in long-range budgetary planning and will bring welcome relief to overburdened American taxpayers.

The fixed block grant approach will give the States a real incentive to ferret out error, waste, and fraud in the welfare system, since they will be able to retain any savings which such efforts produce. The future reduction in the block grant will allow the Federal Government to share in those savings down the road. On the other hand, if a State does not run a tight, efficient program, the Federal Government will no longer share the costs of such profligacy.

Another noteworthy feature of the bill is that it gives the States complete discretion to require work as a condition of family welfare eligibility. We do a grave disservice to both the poor and society as a whole if we encourage dependency on public welfare. Able-bodied persons should ordinarily be expected to work to support themselves and their families. Thus, States should be free to design their own programs as an alternative to the ineffective work requirement presently incorporated in Federal law.

In addition to features discussed above, the Family Welfare Improvement Act has two particularly important advantages over the administration's so-called "welfare reform" package: First, it does not extend a guaranteed income to all intact families, and second, it will cost at least $4.3 billion less than the President's plan.

The Carter administration bill would establish a guaranteed income for all American families by making the unemployed parent segment of the aid to families with dependent children (AFDC) program available to all intact families, with income as the principal test for eligibility. The administration adhered to the guaranteed income concept despite recently completed studies which have documented the harmful social and economic effects of instituting a guaranteed income system on a broad scale.

An extensive HEW-funded experiment which was conducted in Seattle and Denver demonstrated that members of families which were guaranteed a minimum income worked substantially less than their counterparts who were not. Perhaps the most disturbing statistic to come out of the study was the 55-percent work reduction of young males who were just starting their own families. These are the very individuals we most want to help establish a good work record and a lasting attachment to the labor force. We do not want to make them more dependent on Government.

The same experiment also revealed that there was a startling increase in family breakups for families guaranteed an income compared to families under existing welfare programs. This appears to belie the assumption that existing programs that deny benefits to families in which the father lives in the home are a major incentive for family breakup. These findings clearly cast doubt on the wisdom of the administration's guaranteed income approach.

The administration has estimated its bill will exceed current AFDC expenditures by $5.7 billion. However, there is every reason to be concerned about the validity of this estimate. During the last Congress, the administration claimed its "better jobs and income program" would cost $2.8 billion more than existing programs, but that estimate was later revised by the Congressional Budget Office to $17.34 billion. HEW cost estimates associated with other large, new welfare programs have also been extremely low. For example, HEW originally estimated medicaid would cost $238 million annually; it is now exceeding $20 billion annually, with the Federal Government paying about $12 billion of that total.

I am specifically concerned that the administration has not costed out all the items in its bill, such as the new rules for the computation of AFDC benefits provided for under section 109 of their bill. I also have doubts about the administration's assertion that under its bill less money will be spent on the two-parent family program than is currently being spent since the administration bill would extend the intact family program to an additional 24 States and to families earning at or near the minimum wage.

While our bill is substantially less expensive than the administration proposal, we are offering more fiscal relief to the States and providing it a year earlier. It is important to move as quickly as possible to get these funds into the hands of the States which are now crying for relief from welfare costs. The money can be used to reduce State welfare spending and at the same time increase benefits for the truly needy where necessary.

The most important thing the Family Welfare Improvement Act offers is a fresh approach to the welfare problem. Our proposal will hopefully give new life to the welfare reform debate and provide new opportunities for breaking the cycle of poverty.●

By Mr. MELCHER:

S. 1383. A bill to amend title 23, United States Code, to establish uniform national standards for weight and length of vehicles using the National System of Interstate and Defense Highways, and for other purposes; to the Committee on Environment and Public Works.

FUEL ENERGY CONSERVATION ACT OF 1979

Mr. MELCHER. Mr. President, I am introducing legislation to deal with a problem that has gone too long unaddressed. Congress in the face of the oil embargo of 1973 and 1974 passed truck weight and width ceilings for our Nation's Interstate System. These ceilings were set as a balance between insuring the wise utilization of our Federal highway trust fund money and the efficient transportation of commodities moving in interstate commerce. States were grandfathered above the 80,000-pound ceiling. This particular weight limit was set in light of the speed limits existing at that time.

Today we are faced with another graphic symptom of our Nation's inability to properly conserve petroleum. A uniform weight system has yet to be enacted into law. A uniform set of truck weights and lengths is absolutely essential to efficient transportation and is a proper conservation mechanism. Congress must provide the leadership to insure that no State or States can impede the movement of commerce among our States.

Presently the Nation is operating under a federally imposed 55-mile-per-hour speed limit. This reduction in speed, from those limits previously existing, clearly means greater weight limits on our interstate highways can be allowed without additional wear.

My bill amends 23 U.S.C. 127 by changing the weight limit on tandem axles to 35,000 pounds. This will hopefully eliminate the dangerous practice of putting an extra couple thousand pounds on the steering axle.

Second, the bill changes the present bridge formula from using a factor of 12 times the number of axles to 14 times the same. This will enable a 46-foot rig with five axles to fit near the 80,000-pound limit.

This legislation also requires that States desiring to receive their apportionment of Federal-aid highway funds must set weight limits no less than 80,000 pounds or a length limit of less than 65 feet.

It makes no sense to have a truck on the highways transporting only three-fourths of a load. Yet that is the situation that many truckers face in order to meet the lowest limits set by a State through which they must haul a load. Truckers know it is wrong. Congress should correct this obvious inequity now.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1383

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Fuel Energy Conservation Act of 1979".

Section 127 of title 23, United States Code, is amended to read as follows:

"§ 127. Vehicle weight, width and length limitation—Interstate System

No funds authorized to be appropriated for any fiscal year under section 108(b) of the Federal-Aid Highway Act of 1956 shall be apportioned to any State within the boundaries of which the Interstate System may lawfully be used by vehicles with weight in excess of twenty thousand pounds carried on any one axle, including all enforcement tolerances; or with a tandem axle weight in excess of thirty-five thousand pounds, including all enforcement tolerances; or with an overall gross weight on a group of two or more consecutive axles produced by application of the following formula.

$$W=500\left(\frac{LN}{N-1}+14N+36\right)$$

where W= overall gross weight on any group of two or more consecutive axles to the nearest 500 pounds, L= distance in feet between the extreme of any group of two or more consecutive axles, and N= number of axles in group under consideration, except that two consecutive sets of tandem axles may carry a gross load of 35,000 pounds each providing the overall distance between the first and last axles of such consecutive sets of tandem axles is thirty-six feet or more. *Provided,* That such overall gross weight may not exceed eighty thousand pounds, including all enforcement tolerances, or with a width in excess of ninety-six inches, or the corresponding maximum weights or maximum widths permitted for vehicles using the public highways of such State under laws or regulations established by appropriate State authority in effect on July 1, 1956, except in the case of the overall gross weight of any group of two or more consecutive axles, on the date of enactment of the Federal-Aid Highway Amendments of 1974, whichever is the greater. Any amount which is withheld from apportionment to any State pursuant to the foregoing provisions shall lapse. This section shall not be construed to deny apportionment to any State allowing the operation within such State of any vehicles or combinations thereof that could be lawfully operated within such State on July 1, 1956, except in the case of the overall gross weight of any group of two or more consecutive axles, on the date of enactment of the Federal-Aid Highway Amendments of 1974. With respect to the State of Hawaii, laws or regulations in effect on February 1, 1960, shall be applicable for the purposes of this section in lieu of those in effect on July 1, 1956. Notwithstanding any limitation relating to vehicle widths contained in this section, a State may permit any bus having a width of 102 inches or less to operate on any lane of 12 feet or more in width on the Interstate System. Notwithstanding any other provision of this section, no State may enact or enforce any law which provides a gross maximum overall weight limit of less than 80,000 pounds on five axles, and 35,000 pounds per tandem up to a total gross maximum overall weight limit of 80,000 pounds, nor may any State enact or enforce any law which provides a gross overall length limit of less than sixty-five feet and receive its apportionment of funds authorized to be appropriated for any fiscal year under section 108(b) of the Federal-Aid Highway Act of 1956.

ADDITIONAL COSPONSORS

S. 76

At the request of Mr. STONE, the Senator from Alabama (Mr. STEWART) was added as a cosponsor of S. 76, a bill to amend title XVIII of the Social Security Act to authorize payment under the medicare program for certain services performed by chiropractors.

S. 1268

At the request of Mr. BAYH, the Senator from California (Mr. CRANSTON) was added as a cosponsor of S. 1268, the Gasohol Marketing Freedom Act.

S. 1308

At the request of Mr. JACKSON, the Senator from Nevada (Mr. CANNON), the Senator from New York (Mr. JAVITS), the Senator from Florida (Mr. STONE), and the Senator from North Dakota (Mr. YOUNG) were added as cosponsors of S. 1308, a bill to set forth a national program for the full development of energy supply, and for other purposes.

SENATE RESOLUTION 158

At the request of Mr. GARN, the Senator from Tennessee (Mr. BAKER), the Senator from Mississippi (Mr. COCHRAN), the Senator from Maine (Mr. COHEN), the Senator from Colorado (Mr. ARMSTRONG), the Senator from New Mexico (Mr. DOMENICI), the Senator from Alaska (Mr. GRAVEL), the Senator from Utah (Mr. HATCH), the Senator from Pennsylvania (Mr. HEINZ), the Senator from Iowa (Mr. JEPSEN), the Senator from Indiana (Mr. LUGAR), the Senator from Nevada (Mr. LAXALT), the Senator from South Dakota (Mr. PRESSLER), the Senator from Hawaii (Mr. MATSUNAGA), the Senator from Idaho (Mr. MCCLURE), the Senator from Pennsylvania (Mr. SCHWEIKER), the Senator from Florida (Mr. STONE), and the Senator from South Carolina (Mr. THURMOND) were added as cosponsors of Senate Resolution 158, providing for television and radio coverage of proceedings in the Senate Chamber during consideration of the Strategic Arms Limitation Treaty.

SENATE RESOLUTION 184

At the request of Mr. HELMS, the Senator from Nebraska (Mr. ZORINSKY), the Senator from Rhode Island (Mr. PELL), and the Senator from Texas (Mr.

BENTSEN) were added as cosponsors of Senate Resolution 184, calling for the U.S. Government to promote the apprehension and extradition of Dr. Josef Mengele.

SENATE CONCURRENT RESOLUTION 29—SUBMISSION OF A CONCURRENT RESOLUTION REGARDING THE RESTORATION OF OLYMPIC RECORDS OF THE LATE JAMES (JIM) THORPE

Mr. CRANSTON (for himself and Mr. BOREN) submitted the following concurrent resolution, which was referred to the Committee on Commerce, Science, and Transportation:

S. CON. RES. 29

Whereas, the Amateur Athletic Union in 1975 restored the amateur status of James (Jim) Thorpe for the years 1909–1912;

Whereas, the United States Olympic Committee forwarded this restoration to the International Olympic Committee; Now, therefore be it

Resolved by the Senate and the House of Representatives of the United States of American in Congress assembled, that it is the sense of the Congress that the International Olympic Committee officially recognize Jim Thorpe's achievements in the 1912 pentathlon and decathlon events and restore these records to the official Olympic books. Further, it is the sense of the Congress that the International Olympic Committee be requested to present duplicate medals to the heirs of Jim Thorpe.

● Mr. CRANSTON. Mr. President, the United States in 1980 will again be host to the International Olympic Games. As the country's attention focuses on this historic sporting event, we will think about and pay homage to those American athletes who over years past have won glory in Olympic competition.

I believe that, in preparation for these events, now is a very appropriate time for the Congress to ask that the extraordinary achievements of Jim Thorpe, a great athlete and a distinguished Native American, be restored to the Olympic record books.

James (Jim) Thorpe, a member of the Sac and Fox Tribe and descendant of the great Chief Blackhawk, was stripped of his Olympic medals in 1913 because of questions raised as to his amateur status. However, the Amateur Athletic Union confirmed in 1975 that Jim Thorpe was indeed an amateur.

In 1912, as a teammate of Avery Brundage, past president of the International Olympic Committee, Thorpe set records and won gold medals for the pentathlon and decathlon. King Gustav of Sweden on that occasion called him the greatest athlete in the world. In 1950 he was named both the greatest athlete and the greatest football player of the half-century by sport editors of the Associated Press.

As a youth, he constituted the entire "track team" for a federally operated Indian school.

His illustrious football career began when he and his Carlisle teammates under Coach "Pop" Warner won lasting fame with their victories over the then powerhouse teams of Harvard, Pitt, Navy, and Army.

In recent years, running has greatly increased its popularity as a great many Americans have joined those of us who have always been interested in running and track events. This week, I will be competing at the AAU Western Regional Master Track and Field Championships. At the same time Native Americans of all ages from all over the country will be participating in a 500-mile relay marathon between Davis and Los Angeles. It is extremely fitting that we, in this year of great races, restore appropriate recognition to the achievements of this great American track star.

Inasmuch as Jim Thorpe was born in Prague, Okla., I am delighted that the distinguished Senator from Oklahoma (Mr. BOREN) has agreed to cosponsor this resolution.●

AMENDMENTS SUBMITTED FOR PRINTING

IMPLEMENTATION OF THE PANAMA CANAL TREATY—S. 1024

AMENDMENTS NOS. 265 AND 266

(Ordered to be printed and referred to the Committee on Armed Services.)

Mr. PERCY submitted two amendments intended to be proposed by him to S. 1024, a bill to implement the Panama Canal Treaty of 1977 and related agreements, and for other purposes.

Mr. PERCY. Mr. President, last year when the Panama Canal treaties were before the Senate, I stated my intention to work for an arrangement whereby the 70 countries which use the canal—and not just the U.S. taxpayer—would pay the costs associated with implementing the treaties. At that time, I proposed reducing taxpayer costs of the treaties by offsetting them with toll revenues. This is a better way to deal with the costs than by just using taxpayer funds or writing off certain revenues which had been going into the U.S. Treasury.

I believed then, and continue to believe, that the treaties serve our most important economic, security, and political interests by assuring that the canal will be kept secure and open and operated in partnership with Panama. At the same time, I think it is only fair that the U.S. taxpayer not be asked automatically to bear all the costs associated with the changeover of the control of the canal.

The two major cost components which I propose to meet through toll revenues account for the lion's share of the total:

First. Annual interest payment to the U.S. Treasury, Currently about $20 million per year, or a total of over $400 million between now and the year 2000. This payment on U.S. Government investments in the Canal Zone has been made annually from canal revenues to the U.S. Treasury. The administration has recommended that the payments be terminated. It is my strong feeling that this loss of revenue to the Treasury must be viewed as a true cost of the treaties and should not be terminated.

Second. Early retirement for Panama Canal employees who would not be leaving if there were no treaties. This would cost the United States an estimated $205–$270 million.

The implementing legislation which was reported to the House by the Merchant Marine Committee in April uses this approach. The amendments I am submitting today would add these provisions to the bill introduced in the Senate. I am submitting them now so that they can be considered by the Armed Services Committee during their upcoming hearings and deliberations on the bill.

HOUSING AND COMMUNITY DEVELOPMENT AMENDMENTS OF 1979—S. 1149

AMENDMENT NO. 267

(Ordered to be printed and to lie on the table.)

Mr. LUGAR submitted an amendment intended to be proposed by him to S. 1149, a bill to amend and extend certain Federal laws relating to housing, community, and neighborhood development and preservation and related programs, and for other purposes.

● Mr. LUGAR. Mr. President, today I am submitting an amendment to S. 1149, the Housing and Community Development Amendments of 1979.

I offer this amendment to correct an oversight of the Banking Committee. This year the committee raised the allowable loan insurance limits for 47 separate FHA programs, but did not increase the loan insurance limit for the section 207 program which insures the mortgages of mobile home park developers. My amendment will raise the loan limit from $3,900 per space to $7,500 per space.

I would prefer that such an increase was not necessary. But, the effects of inflation on land and development costs have made such an increase imperative. We have seen a 65-percent increase in the cost of raw land on a national basis since 1976. The cost of a single family home lot now averages $11,298. The average cost of site improvements for a new FHA eligible single family home is now $8,918.

Costs have risen astronomically since 1974 when the loan limit was last raised. Land development costs have risen faster than the rate of inflation and continue to do so. The ceiling must be raised to a level that will allow the program to be workable in 1980. I would like to be able to provide good data on the increase in the cost of mobile home park developments, but I cannot because there have been so few developments in the last 4 years. The section 207 program has only insured eight developments in the last 2 years for the entire country.

Even these few developments give a clear indication that the limits are too low. The average per lot cost of the eight developments insured during 1977 was $4,308, $400 above the current limit. They were only able to be built because of the high cost exemption available to the Secretary. It should not be necessary to administer a program by exemption. Yet that is the only course currently open to the Secretary.

At $3,900 per lot or at $4,500 per lot,

we will not have mobile home developments financed under the section 207 program. And if we do not have development financed under section 207, we will not have development at all. The storage of investment capital and the high interest rates do not allow development to occur outside of this program. The costs of a modern mobile home park are just too high. New regulations, tighter land controls and the need for higher quality development has doubled the cost of mobile home development. A developer in Howard County, Md., has estimated his development costs at over $9,000 per lot. Only in the very rapidly growing sections of the Nation do we see any new developments. Yet the need for new development is growing critical.

There is a shortage of mobile home spaces which reflects the alarming shortage of rental housing in the country. In Indiana, I have heard from dealers who have lost sales because the prospective purchaser could not find a vacant site. Manufactured housing can provide inexpensive housing, but not without someplace to site the housing.

I fear that the shortage of spaces and the virtual halt in new development may not be solved completely by an increase in the loan limits. There has been a change in the mobile home market. People want to own the land their home is located on. Condominium and cooperative ownership of mobile home developments has grown dramatically in the past few years. But the financing of such developments is even more difficult than the financing of rental developments.

To explore the problems of financing condominium and cooperative developments and to find solutions to those problems, my amendment instructs the Secretary of HUD to explore the problems and recommend programs by March of next year.

Both these changes are important to the maintenance of low-cost housing for the Nation. Mobile home manufacturers have developed a very desirable product at a reasonable cost, but the financing problems and the astronomical costs of land development are threatening to limit this source of housing to a very small portion of the country. No one can deny that the cost of housing is one of the most serious problems facing our Nation today. We must maintain the few sources of lower cost housing we have. This amendment will enable development to continue and will explore the opportunities for future development.●

NOTICE OF HEARINGS

SUBCOMMITTEE ON HOUSING AND URBAN AFFAIRS

● Mr. **WILLIAMS**. Mr. President, I wish to announce that the Subcommittee on Housing and Urban Affairs, which I chair on the Banking, Housing, and Urban Affairs Committee, has scheduled a hearing on Thursday, June 28, 1979. This hearing will address issues relating to condominium housing and will encompass two parts: The morning session beginning at 9:30 a.m. will primarily focus on condominium conversions activity; the afternoon session beginning at 2 p.m. will pertain to S. 612, the proposed Condominium Act of 1979. The hearing will be held in room 5302, Dirksen Senate Office Building.●

AUTHORITY FOR COMMITTEES TO MEET

SUBCOMMITTEE ON SURFACE TRANSPORTATION

Mr. **CRANSTON**. Mr. President, I ask unanimous consent that the Subcommittee on Surface Transportation of the Committee on Commerce, Science, and Transportation be authorized to meet during the session of the Senate today to hold a hearing on S. 769, railroad deregulation legislation.

The **PRESIDING OFFICER**. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

EUROPE IS NOT ABANDONING NUCLEAR ENERGY

● Mr. **McCLURE**. Mr. President, despite continuing administration assertions that the Europeans are following the President's lead on nuclear energy, the facts clearly show that the Europeans are not abandoning nuclear energy. The truth is that they are moving ahead with a solid, long-range commitment to replacing fossil fuels with nuclear fuels. The Europeans know what pre-Carter administrations knew—the combination of light water reactors, spent fuel reprocessing, and fast breeder reactors offers an unlimited supply of electricity for future generations. No amount of baseless hand wringing and cries that "the sky is falling" will prevent the Europeans from pursuing their only hope for decreasing dependence on OPEC oil.

At some future point, it will be unquestionably obvious to even the most ardent antinuclear, antigrowth fanatics that the United States has to have nuclear energy. If they will have succeeded by then in killing the domestic nuclear capability, then lead times will necessitate buying foreign technology. Their dedicated antinuclear efforts will have succeeded in only adding a dependence on some future "Organization of Nuclear Exporting Nations" to our existing dependence on OPEC.

In order to forestall this possibility, it is essential that the facts on nuclear energy become more available. An article in the Wall Street Journal of June 19, 1979, on "How Europe Handles Nuclear Waste" is of particular interest, in that regard. In it, the European approach to the nuclear waste problem is described and I request that the entire article be printed in the RECORD.

The article follows:

HOW EUROPE HANDLES NUCLEAR WASTE

(By Jonathan Spivak)

PARIS.—While U.S. officials focus on the hazards of operating nuclear plants—particularly after the Three Mile Island accident—European governments are working on a different and potentially more serious problem: safely disposing of the plants' radioactive wastes.

Here at the suburban headquarters of COGEMA France's government-owned nuclear fuel firm scientists are confident they have solved that problem. COGEMA is the first free world firm to reprocess large quantities of spent nuclear fuel removing plutonium and uranium for re-use in power reactors. Then, by a process known as vitrification, the remaining highly hazardous radioactive byproducts are hardened, or encapsulated, into solid glass blocks—blocks which the French insist can be safely buried underground or undersea for thousands of years.

On the strength of COGEMA's progress France is investing $1 billion to double the capacity of the firm's reprocessing plant at La Hague at the tip of the Cotentin peninsular near Cherbourg. COGEMA has already processed 100 tons of French civilian nuclear fuel at La Hague, and has signed contracts to handle 6,000 additional tons of spent fuel from the current generation of power reactors in Sweden, Germany, Japan, Switzerland, the Netherlands and Belgium. "Our order books are already closed through 1995," COGEMA's sales manager, Jacques Couture, proudly reports.

The two other major nuclear powers in Western Europe are also committed to reprocessing which concentrates highly radioactive wastes into a compact mass to permit their permanent burial. Great Britain is building a large civilian reprocessing plant at Windscale, near the Scottish border, and will employ a vitrification process which its experts say is simpler and presumably less expensive than the French method.

West Germany has ambitious, though presently postponed, plans to build a $6 billion nuclear complex near the East German border at Gorleben. It would not only reprocess and store vitrified waste, but manufacture new fuel elements. The government of Lower Saxony, where Gorleben is located, recently refused to authorize a go-ahead for the project, but the federal government, which can override local decisions in such cases, appears determined to proceed with a major reprocessing complex eventually, whether at Gorleben or somewhere else.

PLUTONIUM DIVERSION

In the U.S., the Carter administration has opposed efforts to establish commercial reprocessing plants, fearing that the plutonium so produced might be diverted into nuclear weapons by foreign powers or terrorists. Instead, the White House has proposed building large above-ground water pools in which to store spent fuels for 50 years—time for considering longer-term disposal methods. In the late 1960s and early 1970s, efforts were made to operate three U.S. reprocessing plants, but all have been mothballed or abandoned.

Of course, even before the advent of the nuclear power industry, radioactive wastes were creating disposal problems in the U.S. and Europe. These were the wastes generated by reactors operated by the military to manufacture plutonium for weapons.

In the U.S. millions of gallons of military wastes are stored in stainless steel tanks at the government's Hanford plant in Washington State and Savannah River plant in Georgia. Some wastes at Hanford have leaked out of the storage tanks, contaminating the ground water. Nuclear authorities say there is no way to stop these leaks because the material is too radioactive to handle. Military waste storage in England has also produced similar leaks.

Partly because of problems such as these, and partly because of environmentalist and other opposition, governments in Sweden, Germany, the Netherlands, and, most recently, Switzerland have declared that no new nuclear power plants can be built or operated until there's proof that the wastes can be stored safely and permanently. Each nuclear power plant generates about 30 tons of spent fuel annually.

Against this background, the current

European efforts at reprocessing take on added significance. They may help determine whether there is a workable solution to the nuclear waste problem—and thus provide the key to future nuclear power development.

France, which would like to become pre-eminent in the Western world in producing nuclear power, is taking the lead in reprocessing. The enlarged capacity at the La Hague plant is due to be in operation by 1985. COGEMA's Mr. Couture explains that the 100 tons of radioactive fuel already processed by the present plant come from a second generation of French nuclear reactors, similar to those being installed now by most countries and which will produce the bulk of the fuel to be reprocessed.

COGEMA officials outline the way their system works. After nuclear fuel rods have been used in power production, they are chopped into short segments, and their stainless steel or zirconium alloy cladding removed. This leaves the spent fuel, 97% of which is plutonium and uranium. The fuel is dissolved in nitric acid, and solvents are used to remove the reusable plutonium and uranium, which are then refabricated into elements for reactor use.

The remaining 3%, the radioactive waste material, is separated from the liquid solution and dried mechanically, silicon and other glass-making ingredients are added and the mixture is baked at high temperature into glass blocks. Waste from a full year operation of a typical present day power plant can be compacted by vitrification into a cube measuring less than three yards on each side.

The vitrified blocks will be kept in air cooled storage vaults ten yards underground for 50 to 60 years, and then buried at far greater depths in granite in central or eastern France. Officials maintain that all this is ample protection against the possibility that the heat of radioactive decay from the waste material may deform the glass and permit radiation to escape.

Although La Hague is currently working on only small batches of 40 tons of spent fuel, its ultimate capacity will be 1,600 tons a year. And while France is happy to reprocess the foreign-produced fuels, it does not want to have to store the wastes. COGEMA's contracts carefully specify that its foreign customers must take back the vitrified blocks from their waste for ultimate disposal in their own countries or at sea. "We are very clear on this point," insists a COGEMA official.

As to reprocessing costs, COGEMA charged $125 per kilogram (2.2 pounds) when the first contracts were signed in 1972. But it expects the charges at the expanded facility will have escalated by 1985 to as much as $900 a kilogram because of higher construction and operating costs.

The British government's nuclear experts are similarly enthusiastic about reprocessing as a solution for waste disposal. "We are satisfied that vitrification is possible," insists David W. Clelland, manager of research and development for Britisr Nuclear Fuels Corp., the government-owned nuclear fuel company. "And we are satisfied it will be an adequate means of solidifying highly radioactive waste."

Wastes were solidified into vitrified glass between 1957 and 1963 at Harwell, an early, chiefly military British nuclear installation west of London, and stored in a deep cellar. British experts say a recent examination found no changes in the glass, an encouraging sign that vitrification is indeed safe.

WINDSCALE PLANT

After extensive hearings last year and despite bitter opposition from environmentalists, the British government decided to build the Windscale reprocessing plant, with a capacity to process 1,200 tons of fuel a year. The plant is scheduled to be in operation by 1987, and contracts have already been signed to handle large quantities of Japanese fuel as well as the British fuel. The vitrification process the British hope to use would eliminate one step from the French process by turning liquid wastes directly into glass without first drying the material.

But anti-nuclear forces remain unpersuaded about the safety of vitrification. "Glass is inherently unstable—it's always subject to eventual recrystallization," contends Walter C. Patterson of the British Friends of the Earth, an environmental group.

Many nuclear power foes in Europe believe that attacking the dangers of nuclear wastes presents their best opportunity for halting the spread of nuclear reactors. "We feel the issue of reprocessing is probably the main issue of the nuclear debate," asserts Pierre Samuel, a mathematician at the University of Paris and spokesman for the French Friends of the Earth unit. "It's more important than the safety of nuclear plants in spite of the accident at Three Mile Island."

Environmental groups argue that nuclear wastes pose an even greater threat to health than the actual operation of the reactors because of the persistent life of radioactive isotopes. For example, plutonium, one of the most dangerous, loses half its radioactivity only after 24,500 years. Nuclear wastes also include such highly hazardous poisons as strontium, curium and americium.

In France, the CFDT, the major labor union in the nuclear field, is staunchly opposing the expansion of reprocessing at La Hague. It argues that the process exposes both workers and the general public to far greater radiation risks than if the fuel rods were stored in some fashion without reprocessing. A strike called by the CFDT closed the plant for several months in late 1976 in an effort to force management to adopt more stringent safety standards.

Despite all the opposition and all the problems, however, much of Western Europe seems ready to move ahead with reprocessing and permanent storage of nuclear wastes. European success would present the U.S. with the embarrassing need to borrow, for the first time, nuclear technology from abroad. European failure would produce a new form of radiation hazard far more worrisome than that produced by the operations of today's nuclear power plants.●

FEAR OF REJECTION ON SALT

● Mr. JACKSON. Mr. President, I wish to bring to the attention of my colleagues a perceptive editorial on SALT from the Wall Street Journal of June 19, 1979.

Referring to my view that agreeing to an unequal SALT II agreement is an act of appeasement, the editorial comments:

> The precise mistake made at Munich was to yield to unreasonable demands out of fear of what would happen if those demands were rejected; we learned that appeasement leads to yet more unreasonable demands and higher risks of conflict.

I ask that the full text of the editorial be printed in the RECORD.

The article follows:

FEAR OF REJECTION

The long-imminent strategic arms treaty has finally arrived, and over the next few weeks there will be plenty of time for detailed textual analysis. But listening to many of the proponents over the last few months, we have heard that the text hardly matters. Whatever the flaws the provisions are the best we can do, they argue, and rejecting the deal will only make matters worse.

At the Vienna summit, Soviet Chairman Brezhnev backed this argument with some threats of his own. If the U.S. Senate rejects or even amends the treaty, he warned of "grave and even dangerous consequences for our relations and for the situation in the world as a whole."

The fear of rejection has to be faced squarely. It will be the great subterranean force behind the drive for ratification. Its influence reaches far beyond a final up-or-down vote. In our judgment it has already profoundly influenced the negotiations. And certainly it will influence the drive for amendments. Proposals for amendment are likely to be met not with arguments on their merits but with the objection: yes, yes, but do you want to kill the treaty?

Fear of rejection is in large part simply fear of the unknown, but if you try to break it into analytical pieces you come up with two concerns. Without the treaty, the Soviets will accelerate their military build-up. And without the treaty, the Soviets will stir up more trouble around the world. But the Soviets are already turning out arms like sausages, and are already stirring trouble from Cambodia to Angola to South Yemen. Will SALT really cause them to be more reasonable, or rejecting SALT cause them to be less so?

Even more precisely, what are the real constraints on the Soviets? It's hard to find any serious constraint on their weapons program in SALT. They have conducted a huge build-up, both strategic and conventional, under SALT-I. SALT-II will require them to deactivate some 250 missile silos, but it allows them to add some 5,000 warheads. Within the treaty they can meet any military requirement they are likely to want. Why would they build more without it?

The truly serious constraint on Soviet weapons-building is the economic one. Last June the CIA issued a public assessment of Soviet military spending, showing it growing 4% to 5% a year in constant prices consuming 11% to 13% of the Soviet GNP and consuming one-third of the output in machine building and metalworking. A slowing Soviet economy will make it more difficult to sustain this pace the CIA estimated, but predicted at best a marginal slowing. It added, "Conclusion of SALT II agreement along the lines currently being discussed would not, in itself, slow the growth of Soviet defense spending significantly."

In the political field, the Soviets have stepped up emigration permits and made a few friendly gestures. But even the gestures are marred by what seems a congenital ill-nature; as when they allow a dissident to flee but drag their feet over his family. In geo-politics, they have supplied arms aid to establish new Marxist regimes in South Vietnam, Laos, Cambodia, Angola, Ethiopia, Afghanistan and South Yemen. Without SALT, without detente, would it have been nine nations instead of seven?

Regardless of treaty ratification, the Soviets will be constrained by their economic problems, by their succession uncertainties, and most of all by wariness about awakening a West still full of latent power. That is not to say, of course, that it's impossible to wring more military expenditure out of a stagnant economy. And it certainly is not to dismiss the possibility that they might react to the rejection or amendment of SALT–II with a show of belligerence somewhere in the world, exploiting sooner rather than later the opportunities implicit in a deteriorating U.S. military posture, even in crucial areas such as the Middle East. Yet unless the West does something to redress the underlying military and political deterioration, these opportunities will only grow, and ultimately and inevitably be exploited, with SALT or without it.

This is why Senator Jackson has started to talk about "appeasement." About this he was rather precise: "Diplomatic accommodation becomes appeasement when we make concessions out of fear that the Soviets will cause trouble around the world unless we yield to their desires." The precise mistake made at Munich was to yield to unreasonable demands out of fear of what would happen if those demands were rejected; we learned that appeasement leads to yet more unreasonable demands and higher risks of conflict.

So the debate on SALT comes back to whether the text released yesterday can withstand the scrutiny it will receive, whether it really provides equality or advances the Soviet buildup, whether it terms are meaningful constraints or vaguely ambiguous. If it fails in these respects its should be amended or rejected. If there is no treaty, the essential constraints on Soviet behavior will remain. If a bad treaty is approved, the result is not likely to be a more reasonable Soviet Union. Rather, the result will be even more bold and strident Soviet demands.●

RUDENESS: AN EPIDEMIC IN THE LAND

● Mr. **HATFIELD**. Mr. President, did an automobile cut you off or tailgate you today while you were driving to work?

Or, if you are busing it, did someone push ahead of you while getting on?

Or, when you finally arrived at work, and you found you had to wait in a long line for your morning coffee, did the server of the coffee snarl at you?

And, after finally getting to the homestretch, the elevator, you waited for what seemed like an eternity and then a latecomer pushed ahead of you and did not push the hold button so that you were caught in the door.

If all this sounds familiar, I urge you to read: "Rudeness: An Epidemic in the Land," from the June 25th issue of the U.S. News & World Report. Although no conclusions or solutions seem to be offered in this article, it provides motivation for all of us to be a little more courteous.

Mr. President, I ask that the article be printed in the Record.

The article follows:

Rudeness: An Epidemic in the Land

In Atlanta, an anrgy woman shopper hurls a box of shoes at a clerk and stalks out of the store.

In New York, two elderly women are spun out of a revolving door and thrown across the lobby of an apartment building by young people who whirl the door around too rapidly.

In Los Angeles, a woman waits in line at the Department of Motor Vehicles for 45 minutes, only to have a clerk slam the window in her face.

At the White House, consumer representatives complain so harshly to President Carter about fuel prices that the President's consumer adviser, Esther Peterson, feels compelled to apologize to Carter in writing for their conduct.

Are Americans behaving more rudely toward each other these days?

Many insist that discourtesy is on the increase, and they blame it on all sorts of causes—pressures of an uncertain economy, overcrowding, lack of training in home and schools, a growth of self-centeredness. In fact, many Americans feel that rudeness has reached epidemic proportions.

Selfishness on rise. There has been "a definite decline in courtesy over the last five to 10 years," asserts Jim Ponder, an official at a Los Angeles hospital that runs a tension-control program. "People are more blunt, more forceful and more self-centered. They're asking, 'What can I get?' instead of asking, 'What can I give?' "

Reports of rude behavior are legion. David Riesman, a Harvard University sociologist, recalls admonishing some college students who were heckling a stewardess on a flight from New York to Boston. The students cursed him and told him to mind his own business.

Says Riesman: "We live in a society in which letting it all hang out and being candid are viewed as virtues, and this leads to rudeness."

A Los Angeles man tells of smoking a cigar while standing in an outdoor cafeteria line and being hit over the head by an angry woman yelling: "Cigars stink!" The man turned and said: "I beg your pardon?" She screamed back: "Go stand somewhere else." The man moved to the back of the line.

In Detroit, the organizer of a meeting for 17 clergymen reports that only five showed up. None of the others even bothered to telephone. She says: "Nobody feels they have to tell somebody they won't be there. Ten years ago that never would have happened."

Discourtesy, experts contend, is similar to a contagious disease: People who have been treated impolitely are in turn rude to others, and the crude behavior is quickly transmitted throughout society.

Well-mannered young? Some observers report that rudeness is a particular problem among the young, and they blame parents and teachers for not handling children properly.

But Christopher Lasch, professor of history at the University of Rochester and author of *The Culture of Narcissism*, argues that young people are more polite today than during the 1960s, "when it was almost a demonstration of one's political rectitude to be rude."

A New York salesclerk insists that older people are more rude than the young. Says she: "Kids, by and large, are pretty well-mannered. It's the older people who are evil-tempered."

Most experts agree that the pressures of modern living play a major role in rudeness.

Impoliteness is said to be particularly common in places that are experiencing rapid change—where the social structure is unstable and people often feel alienated and alone.

The Mental Health Authority of Houston and Harris County reports that the Texas city's rapid growth is contributing to social disintegration. Nancye Goodwin, a staff member of the authority, notes: "It has gotten to be such a hassle to make a living and to get from Point A to Point B."

Gasoline frenzy. The behavior of Californians facing the gasoline shortage is cited as a classic example of what can happen when rapid social change and the pressures of modern living converge.

Cases of assault have been widely publicized, but everyday rudeness is more common.

Customers at a service station in Manhattan Beach, Calif., waited through the predawn hours for the station to open. At precisely 6:30 a.m., the owner was ready for business, but the line of cars couldn't move. Reason: The driver of the first vehicle in line had parked her automobile the night before, locked it and left. She arrived 30 minutes after opening time, oblivious to the angry crowd around her.

At another service station, a driver who had waited in line for 2 hours was unable to contain his frustration as he approached the gas pumps. He let loose a barrage of obscenities. "Get out of here!" retorted the station manager, "This mess isn't my fault." The angry motorist left—without his gasoline.

Many people find the highways a handy outlet for anger and frustration. Stories of rude behavior—and worse—on the road are commonplace.

A Virginia state trooper was bitten by a cab driver while the officer was writing a ticket. The officer describes the cabbie as "just an average guy driving a cab at night, going to school during the day, wife and kids at home. It just happened to be the wrong morning, the wrong time."

Toll-booth attendants on Maryland's Chesapeake Bay Bridge report that some drivers spit on change, try to sideswipe collectors, shoot them with squirt guns filled with ink or ammonia and hand them rolled dollar bills containing feces.

Joggers report their share of unpleasant encounters with drivers. James Fixx, author of *The Complete Book of Running*, says he often has to dodge beer cans thrown at him when he runs.

Perhaps the most frequent complaints of rudeness come from customers who encounter grumpy store clerks and hostile government employes.

William Blackburn, personnel ombudsman for the Michigan Department of Civil Service, replies that heavy workloads and the public's "bitter attitude" toward public employes can make government workers seem uncaring when they are not.

Regional rudeness. Harvard sociologist Riesman speculates that people on the East and West Coasts and in some parts of the sun belt are more boorish than those in the Midwest and South. People behave better, he contends, where there are closer ties to traditional religion.

Similar views come from J. Ray Hays, a psychologist at the Texas Research Institute of Mental Sciences. Says Hays: "In a small town, you know the druggist or Miss Ethel who lives down the street, and you make an effort to be courteous. Where there is anonymity, it is easier to be nasty."

Some sociologists say that the women's-liberation movement has contributed to impoliteness by discouraging men from opening doors for women and from performing other acts of courtesy.

Will rudeness grow even worse? Barring some unexpected change in the social climate, most analysts anticipate little improvement in public behavior.

While they don't pretend to like it, many Americans are adjusting to the dwindling of what used to be considered common courtesy. Says a woman in Houston: "It's gotten to the point that if people weren't rude, I wouldn't know what to think."

Why All the Discourtesy?—"People Are Angry"

(Interview with Jonathan Freedman, professor of psychology at Columbia University)

Q. Professor Freedman, why does uncivil behavior appear to be increasing these days?

A. We don't really know, but I would speculate that one reason is that people are feeling angry and they are taking it out on whomever happens to be close at hand.

People seem to be very unhappy with the direction in which the country is going. They work hard, but don't feel they are getting ahead. They think that the bureaucracy isn't treating them well. They feel there is no one who is really looking after their well-being. They no longer feel that the government is their government. Life seems out of control. This builds frustration—and when people are frustrated, that tends to lead to anger and aggression.

Q. Do you think that all this is a result of the "me society"?

A. Possibly. The message of many of the new "therapies" is: "Look out for yourself. Get as much as you can." They don't specifically say, "Kill the other person," but that could be taken as the implicit message.

The upshot may be less concern for how your actions affect others. If you are in a hurry, you rush. So what if you knock somebody over? If you don't want to bother carrying paper to a wastebasket, you drop it on the street. Someone else will pick it up—and if they don't, you don't care. This attitude isn't universal, but it's widespread.

Q. In what situations are you most likely to encounter rude behavior?

A. I can't say when it is most likely, but it seems to me that many people are driving incredibly rudely, for one thing. It's almost a battleground on the highways. I did one study that shows 25 to 30 percent of drivers go through red lights at some street intersections in New York—often with a policeman looking on and ignoring it.

Q. Do economic worries cause some people to be less considerate of others?

A. That's quite possible. Most Americans are no longer growing in affluence. Although we're not really doing poorly, our expectations are so high that when there is a slowdown, when life is not as terrific as we expect it to be, we get frustrated.

There's another factor at work. Many people have so much in the way of material goods, and they expect these goods to make them happy. But as research has shown, money is not an important factor in happiness, so they find they are not happy.

They wind up saying: "I've worked hard. I'm rich, relative to most people. I have two cars and three television sets and a hot tub in the back yard. But life isn't any better than it used to be. It's all worthless."

There's almost a desperation in a lot of people.

Q. How can we improve the way people behave toward each other?

A. That's not easy and I don't have an answer. But a more personalized government at all levels, for one thing, might make people think of themselves more as part of society. If government, especially local government, did its best to be civil, that would help set an example.

In New York City, for example, they recently passed a law requiring people to clean up after their dogs. It was astounding. People did it. I never thought they would, but in fact the streets are a hundred times cleaner. For once the government said: "Listen, this is a problem. We've got to do something about it." And people did it.

Q. What do you see as the long-range consequences for society of increasing rudeness?

A. My hunch is that as you get more people violating minor laws, such as littering, that leads to more-serious crimes.

The fabric of society begins breaking down in minor ways and then starts breaking down in more-major ways. That's what is of deepest concern.●

S. 1304—THE LEGISLATIVE OVERSIGHT ACT OF 1979

● Mr. TSONGAS. Mr. President, I commend my distinguished colleague from Montana (Mr. Baucus) for his remarks and his very able and persuasive advocacy of S. 1304, the Legislative Oversight Act of 1979.

Mr. President, I have joined with Senator Baucus in introducing S. 1304 because I believe it offers a practical and effective tool for the improvement of Congress ability to carry out its critical oversight responsibilities.

The mechanism proposed by S. 1304 would work within the normal flow of legislation and will afford the opportunity, by requiring greater specificity in program objectives, not only to identify programs which should be modified or terminated, but also to minimize the tendency to overinflate claims at the time new programs are authorized.

There is no Senator in this Chamber who does not recognize the dissatisfaction of the American people with unnecessary Government spending, inefficiency, duplication, and excessive regulation. This bill provides a monitoring procedure based on a rational evaluation of program objectives at the front end of the legislative process, which would apply to all new authorizations and tax expenditures, which does not impose the burden of any new rigid procedures and which does not run the risk of requiring the termination of sound programs which are working well. Rather, it would allow the shifting of emphasis to those programs which are clearly working best.

Mr. President, this is a modest proposal. It merely offers to future Congresses the opportunity to provide the clear basis for the evaluation of ongoing Government programs. By itself, it ends no programs and disallows no expenditures. However, in the hands of a diligent Congress it would improve the capabilities of our committees to measure the performance of agencies in carrying out clear goals and objectives.

With this tool at our disposal, I am convinced that we can improve our effectiveness at insuring that the people of the United States get the most for their tax dollar.●

S. 901, INDUSTRIAL COST RECOVERY

● Mr. PRESSLER. Mr. President, as an original cosponsor of S. 901, I would like to associate myself with Senator Chafee's remarks on the Industrial Cost Recovery issue. The results of the EPA study, submitted to the Congress in January 1979, along with my own study of the issue, lead me to support a moratorium extension at a minimum and preferably a repeal of ICR.

I look forward to working with my colleagues in the Environment and Public Works Committee on the ICR issue. EPA has been mandated, in connection with S. 901, to make more detailed recommendations to the Congress on this issue, including whether ICR should be repealed. In line with this, it is most important to recognize that other provisions of the Clean Water Act, such as user charges and EPA cost-effectiveness guidelines, have been instrumental in reaching goals where ICR has not been successful.

In summary, Mr. President, I support S. 901 and urge my colleagues to do likewise. I am pleased the Senate saw fit to pass the amended bill on Thursday, June 14, and I look forward to joining in the hearing process later this year as it relates to efforts to provide for legislation to repeal the ICR requirements on a permanent basis because I think that will serve the public interest.

It is my hope that we can move forward on this, with Senators Muskie and Chafee's excellent leadership.●

CLARENCE BASS

● Mr. DOMENICI. Mr. President, amateur athletes in this country often achieve tremendous results, but receive all too little recognition. If an athlete is participating in a sport that holds the promise of almost no professional career or which captures the attention of only a small proportion of the population, that athlete can be assured that his or her only reward will be the satisfaction of having done the best possible.

For most amateur athletes, recognition is not the important thing—the important thing is the achievement. However, I believe that amateur athletes who achieve heights in the sports they choose should be given recognition commensurate with their dedication and talent. One such gifted athlete is Clarence Bass, an Albuquerque, N. Mex., attorney who has always been an outstanding weightlifter. In recent years, Clarence has turned to bodybuilding and recently achieved the height of his sport—he was named Mr. America in the past 40 short class.

Muscle Builder magazine recently honored Clarence Bass as AAU Personality of the Month. Clarence is AAU physique committee first vice chairman and his wife, Carol, who is the AAU registration chairperson for all three weight-related sports in the New Mexico association. In addition, Clarence is also the AAU region X physique chairman.

Clarence Bass has achieved greatness in his sport, but he also has the capacity to write clear prose on such topics as weight control, a topic that will aid everyone, athlete and nonathlete alike. In a recent issue of Iron Man magazine, Clarence gave his formula for sensible weight control for bodybuilders. Much of his advice will help the average person who finds it hard to keep weight off the midriff.

Mr. President, Clarence Bass has shown that hard work and talent can bring a person to the very top of his sport and that being a good athlete can go hand in hand with being a good professional attorney, a good writer, a good administrator, and a good family man. I congratulate my fellow New Mexican on his achievements and I recommend his diet suggestions as a possibility to anyone who wishes to reduce body fat as much as possible.

Mr. President, I request that the two articles about Clarence Bass, "AAU Personality of the Month," and "Sensible Weight Control for Bodybuilders," be printed in the Record.

The articles are as follows:

AAU Personality of the Month—Clarence Bass

(By Pete Samra)

It would be difficult to find another individual involved in bodybuilding who is as well-rounded as Clarence Bass of Albuquerque, New Mexico. This long-time AAU official currently serves as First Vice-Chairman of the AAU National Physique Committee. He is also an attorney and family man who has a physique good enough to win his class at this year's Past 40 Mr. America.

Bass saw his first Mr. America competition in 1953, the year Bill Pearl won. The Iron Bug bit him at that one, and he's missed only three Mr. Americas in the intervening 25 years. As one of the first national judging card holders, he has judged the America in 1974, 1975 and 1977.

A couple of years after he saw Pearl win the A, Clarence began promoting weightlifting meets in New Mexico, primarily because he wanted to compete and there weren't any meets at the time. In 1970 he became active nationally as a member of the AAU Weightlifting Committee. And when that committee split into Power, Olympic and Physique. Bass chose the Physique Committee as his primary area of interest.

In addition to his duties as First Vice-Chairman, Bass has also been serving as attorney to the Physique Committee. He drafted the Articles of Incorporation and Code of Regulations for the National Physique Committee of the AAU, Inc. These were adopted at a special meeting held in Santa Monica last January. The AAU affiliated with the IFBB at the same meeting, a move which Clarence considers to be a constructive step forward. "It will help eliminate duplication of major bodybuilding titles in this country," he observes, "and in general will help to unify and strengthen the bodybuilding movement."

Bass is married and has a six-year-old son, Matthew, who is The Incredible Hulk's biggest fan. Clarence's wife Carol is the AAU Registration Chairperson for all three weight related sports in the New Mexico Association. And Clarence is also the AAU Region X Physique Chairman.

Despite his family and busy job as an attorney in Albuquerque, Clarence Bass has found time to train for competition and work hard as an administrator on several levels of the sport. He's a good example for others, and Muscle Builder salutes him as the AAU Personality of the Month.—Pete Samra.

Sensible Weight Control For Bodybuilders

(By Clarence Bass)

I have been surprised at the many letters, telephone calls, and face to face inquiries I have received since the results of my composition test were reported in the November, 1977, issue of Iron Man. The average, normal fat content for my age group (39 at the time) is 15.7 percent. Tests performed at Lovelace Bataan Medical Center in Albuquerque, New Mexico, using the water submersion method, showed my body fat level to be 2.4 percent. To put my test results in further perspective, a fat level in excess of 20 percent is considered obese, and under 10 percent is considered good for an athlete. I am told that Bruce Jenner, the Olympic decathlon champion, proudly announced on a nationally televised talk show that his body fat level had been measured at 8 percent. So many people have asked me what methods I used to become so lean, that I thought Iron Man readers would be interested in my answer.

Wheaties may be Bruce Jenner's secret but it certainly is not mine. In fact the method I use is so simple it probably should not be considered a secret at all. If there is a secret to successful long term weight control it is diet without psychological deprivation.

Before I explain what I mean by diet without psychological deprivation, I should first interject that exercise is required to achieve lean body mass. Iron Man readers do not need to be convinced that progressive resistance exercise is the best way to build muscle and that is not tht purpose of this article. I do, however, want to make it clear that unless you want to look like a concentration camp victim, you cannot achieve an extreme degree of leanness without combining exercise with diet.

In the minds of most people, the term "diet" itself is synonymous with hunger and deprivation. I have found that this need not be so. I can honestly say that I reduced my body fat level below 3 percent without starving myself, without hunger, and without feeling deprived in any way. If you do feel hungry and deprived on the diet that you are following, the odds are that you will not be successful in maintaining a lean body. The eating habits that I advocate can easily be followed for a lifetime. The conventional low calorie diet, or the low carbohydrate diet work, but except for a few exceptionally determined people, these crash diets do not work on a long term basis.

The diet that I followed before my first body composition test and which I advocate has two critical characteristics. First it is filling and satisfying, and secondly, it is low in calories. You will see, however, that it is not a typical low calorie diet that your family doctor might prescribe. I do not believe it is sound advice to simply say "Eat everything you want but just eat a little less than you are now and you will lose weight." By following that advice you will lose weight, but I believe that for most people that is not the best approach for maintaining a healthy lean body over a lifetime.

My cardinal rule is avoid concentrated calories. To give a simple example, sugar contains calories in one of the most concentrated forms possible. On the other hand an apple has a lot of volume with few calories. It has a low concentration of calories. Eat all of the sugar or all of the sugar filled foods you want and you will take in more calories than your body can use and you will become fat. By contrast, eat all the apples you want, or even gorge yourself on apples and you will not take in more calories than your body can use and you will not become fat. Butter is another example of a concentrated calorie food. You can eat your fill of baked potatoes and not get fat. But if you drench the baked potato in butter and eat all you want you will get fat.

Another characteristic of the concentrated calorie foods is that they stimulate the appetite and encourage you to overeat. You will eat more baked potatoes if you add butter and you will eat more candy coated apples than you will apples alone. The food processors know exactly what they are doing when they add sugar to almost all processed foods. The more sugar they add, the more you eat and the more their cash registers jingle, and of course, the fatter you get. If you stick to the natural foods like the potato and the apple you will not overeat, you will not get fat, and best of all, you will be comfortably full and satisfied.

I am not suggesting that you live on apples and potatoes. I simply use these two excellent foods as examples of natural foods that taste good, fill you up, make you feel satisfied, and still do not overload your body with calories and make you fat.

To further illustrate the method of eating I advocate, let me conclude by telling you what I ate during a typical day leading up to the body composition test that has aroused so much interest.

For breakfast I ate a cereal which I made myself with the following ingredients: rolled oats, bran, wheat germ, sunflower seeds, fresh fruit for sweetening and topped with Grade A whole raw milk. This cereal is nourishing, filling, it tastes good, and it is low in calories because it contains none of the concentrated calorie foods.

Lunch was more of a problem because I had to take it with me to the office, but I still avoided the concentrated calorie foods. I usually had a peanut butter sandwich with whole raw milk or yogurt and an apple or baked potato. You may be thinking, "Who is he trying to kid by telling us that peanut butter in not a concentrated calorie food?" You would be correct if you went to the super market and grabbed a jar of peanut butter from one of their shelves. Most super market peanut butter is like any other processed food, it is filled with sugar. The peanut butter that I use is made by my wife, Carol, using nothing but peanuts she roasts and blends herself. It contains no sugar and no salt. The bread is whole grain which I secure from a health food store. It would be better still to make the bread yourself at home so that you could completely control the ingredients. I have found that even the whole grain bread that is sold in health foods stores contains honey or other concentrated calories that I would prefer to avoid.

My evening meal was usually a salad made with assorted greens, fresh vegetables, eggs, and nuts. By using your imagination you can create a delicious, huge, nourishing and filling salad, but which is still low in calories. The danger here is the dressing you may be tempted to put on the salad. Dressing is just like the candy on the apple or the butter on the potato. It adds more calories and tends to make you eat more than you would ordinarily need to feel full and satisfied. I think you will be surprised to find that a salad of this type tastes delicious with no dressing at all. If you feel you have to have some dressing, try lemon juice or vinegar alone, and if you must, go ahead and add oil, but keep it to a minimum.

If I was hungry later on in the evening I would have a snack of fresh fruit, usually apples or pears. I eat everything but the stem, and I ate all I wanted because as I said earlier, you can literally gorge on this type of food and not become fat. I, however, found that I was usually satisfied with one or two apples or pears.

If you make it a lifetime habit to eat only natural unprocessed foods, you will avoid almost all of the concentrated calorie foods. You will never be overweight and you will never feel hungry or deprived. For those of you who wish to further explore this method of eating, I strongly recommend that you read the book, Did You Ever See A Fat Squirrel? by Ruth Adams. It is available in paperback from Signet Books.●

LIBERTY FOR LITHUANIA, LATVIA, AND ESTONIA

● Mr. PERCY. Mr. President, on June 15, 1940, Soviet troops occupied the Baltic countries. A year later, great numbers of the Baltic peoples were deported to Siberia.

As we mark those tragic anniversaries, I would hope that all of us would persist in our individual efforts to encourage the Soviet Union to allow the emigration of Balys Gajauskas, Viktoras Petkus, and Marija Jurgutiene. Were Lithuania free today, there would be no need for their emigration. But they choose to leave and they are entitled to leave under the provisions of the Helsinki accords. On June 8, I sent a letter to President Carter asking him to intervene on their behalf when he met with General Secretary Brezhnev in Vienna.

On these anniversaries, we should recommit ourselves to the cause of Lithuania, of Latvia and Estonia, and of all nations which are denied the blessings of liberty. As free people we have a responsibility to do our best in seeking liberty for those deprived of it.●

WHY A NEW DEPARTMENT OF EDUCATION?

● Mr. HARRY F. BYRD, JR. Mr. President, a few weeks ago in expressing my opposition to the establishment of a

Cabinet-level Department of Education during debate on the Senate floor, I asserted that "Federal agencies, once formed, tend to grow and enlarge their spheres of influence; indeed they grow, and grow, and grow and regulate, regulate, and regulate."

In an editorial on June 6, 1979 in the Virginian-Pilot of Norfolk, Va., entitled, "The Worst Bill," this point is most aptly expressed as follows:

> Why will this new bureaucracy come to dictate? Because who ever heard of a department in Washington that didn't lay down rules? Sooner or later, some activist Secretary of Education will want to make his name by imposing his policy. Sooner or later, the new Department of Education will demand the same say on schools that the Department of Energy has on energy or HUD on housing. Keeping pace with the Joneses is an ancient bureaucratic impulse.

Frankly, the historic pattern of growth of the existing Federal agencies convinces me that a separate Department of Education can only lead to further erosion of our long tradition of State and local control of our schools.

The simple fact of the matter is—with Federal funds goes Federal control.

A new Department of Education can only mean the probability of more and bigger categorical programs—more Federal controls—more firmly entrenched and expanded intrusion and dictation. Such a department would, of course, have a vested self-interest in enlarging its mission. Even its staunchest supporters have not claimed that its purpose would be the elimination of the excessive Federal regulations, reporting requirements and intrusion into the affairs of our educational institutions, which are the most serious problems facing these institutions today.

The people do not want yet another Washington bureaucracy to further erode local responsibilities. Certainly, in my judgment, Virginians do not.

Mr. President, the editor of the Norfolk newspaper is J. Harvie Wilkinson, III. I ask that the text of the Virginian-Pilot editorial be printed in the Record.

The material follows:

[From the Virginian-Pilot, June 6, 1979]

The Worst Bill

There are plenty of bad bills now in Congress. But there is one so bad, so expensive, so intrusive that it makes all the rest pale by comparison.

We refer, of course, to the creation of a new Department of Education from what is now the Office of Education in the Department of HEW. That bill should reach the House floor this week. Any Virginia politician supporting it should be run out of office on the next election train.

For openers, the House bill would give the new department a generous helping of top management: a secretary, an undersecretary, six assistant secretaries, and so on, for a total net gain of 56 executive and supergrade posts. As the Congressional Budget Office notes, these dignitaries would in turn require a supporting staff of at least 100. To quote the Washington Post: "You can hear the new furniture being ordered, the larger offices being leased, and the payroll going up."

But this bill is so bad that its bureaucratic blubber is the least of our objections. What it portends is federal mastery of local schools. "What [supporters] want is a central, national voice for establishing educational policy," claimed Representative John Erlenborn, R–Ill. That voice could one day address textbooks, curriculum, teacher qualifications and working conditions, school calendars, and on and on and on. The only Virginia congressman to vote on this bill in committee, Republican M. Caldwell Butler of Roanoke, refused to support "any proposal which increases the possibility for greater federal control or dictation over educational policy."

Why will this new bureaucracy come to dictate? Because who ever heard of a department in Washington that didn't lay down rules? Sooner or later, some activist Secretary of Education will want to make his name by imposing his policy. Sooner or later, the new Department of Education will demand the same say on schools that the Department of Energy has on energy or HUD on housing. Keeping pace with the Joneses is an ancient bureaucratic impulse.

Even the titles of the assistant secretaries are ominous. There will be an Assistant Secretary for Elementary and Secondary Education; for Postsecondary Education; for Special Education and Rehabilitative Services; for Occupational, Community, and Adult Education; for Educational Research and Improvement; for Policy and Planning. If those titles aren't prescriptions for bureaucratic meddlesomeness, then what is?

Just why might this bill pass? Congressional Quarterly notes that President Carter's support for the department "has already been widely interpreted as a return for National Education Association support in the 1976 election." Indeed, support from the national public schoolteacher's lobby has been so vociferous that friends of private and parochial education fear their voices in the new department would be all but drowned out.

Senator Daniel Patrick Moynihan of New York—one of several Northern Democrats opposing the bill—claims it is being pushed to enlist rank-and-file teachers in President Carter's re-election effort. "This bill," he says bluntly," is being done to win the next election. It's to beef up the Democratic Party precinct organization for the 1980 election. As a Democrat, I would be ashamed to ask a Republican to vote for it."

Part of Mr. Carter's present trouble is that he approached the White House in an aura of saintliness. His piety on the hustings raised expectations high. Americans yearned for a president who was an effective advocate of public—not special—interests. A president who pays off Pennsylvania with Saratoga and the NEA with a costly new bureaucracy risks looking no different from all the rest. ●

NEED FOR HANDGUN CONTROL RECOGNIZED

● Mr. JAVITS. Mr. President, every day we read about another example of handgun related tragedy. Recently, the quiet town of Bedford Hills, N.Y., was made aware of its vulnerability to violence by the vicious murder of four of its inhabitants by a single handgun. One of the victims was a former Assistant Secretary of State, and a friend of mine, Charles Frankel, who served under President Johnson, and was a most distinguished educator as well.

How many such tragedies must occur before we take steps to control the handguns which are the instruments of these needless deaths?

Here is the story as told by Handgun Control of Washington, D.C.:

Historic Town Erupts With Handgun Violence

On May 10th, 1979, the quiet town of Bedford Hills, New York, was shocked out of its tranquility by the vicious slaying of 4 of its residents.

The bodies of Dr. Charles Frankel, 62, Assistant Secretary of State under President Lyndon B. Johnson, and his 61-year-old wife, Helen, were found in their home in the late afternoon. Just eight hours earlier, Christopher Sperry, 21, son of a prominent Wall Street broker, and Nettie McCormack, an employee of the Sperry family for over 50 years, were found slain in the Sperry home.

Both the Frankel and Sperry homes, less than a quarter of a mile apart, were ransacked. All the victims were shot in the head. A .32 caliber pistol, recovered from robbers who terrorized a Brooklyn party two weeks after the murders, proved to be the weapon used in all four of the deaths.

Thomas A. Facelle, Acting District Attorney of Westchester County in which Bedford Hills is located, called the execution-style murders "the most bizarre I've ever witnessed". These senseless killings were all made possible because of a single handgun.

Dr. Frankel, Helen Frankel, Christopher Sperry and Nettie McCormack will be counted among the handgun dead in May's Handgun Bodycount. The national handgun bodycount for April was 601—dead because of handguns. Since January 1st of this year, 2,475 Americans have been killed with handguns.

Twenty-four Americans are murdered every day with handguns, the favorite weapon of the criminal. No one is immune. The resident of the peaceful tree-lined town is just as likely to become a victim of handgun violence as the resident of the congested city. These victims die simply because, like the Bedford Hills victims, they are at the wrong end of a handgun—and it goes off. They will die because we have yet to take steps to place intelligent controls on these deadly weapons.

Now, because of the easy availability of handguns, the once-peaceful hamlet of Bedford must adjust to a new sense of vulneraability. How many more individuals, how many more towns and cities will have to "adjust" to handgun violence before something is done to curb the toll of death and suffering?●

AGENT ORANGE STUDY

● Mr. PERCY. Mr. President, I wish to express my deep appreciation to Senators Cranston and Javits for introducing the amendment to S. 1039, the Veterans' Health Resources and Program Act, which directs the Department of HEW to conduct a study of the effect of agent orange on humans. I was pleased to cosponsor this amendment.

It is important for the American people to know exactly what happens to humans exposed to the chemical dioxin. As my colleagues know, I expressed my concern June 5 about the possible serious medical effects on Vietnam-era veterans who have been complaining to the Veterans Administration about symptoms which may have been caused by agent orange.

It is my understanding that the Air Force is about to launch an epidemiological study of the agent orange effects on Vietnam-era veterans.

I believe, with Senators Cranston and Javits, that the cause-and-effect study should go beyond those in the military who may have been affected by the defoliant which has been, until recently, in common use in forests around the United States.

My primary concern is that there is need for only one study. The Center for

Disease Control in the Department of Health, Education, and Welfare has conducted numerous epidemiological studies and is especially well suited to do the one outlined in our amendment. It would be my hope that the Air Force would provide whatever assistance that is necessary, but that HEW actually conduct the study; I do not want to see any duplication of effort in this important endeavor, and that is the intent of this amendment.●

THE WICHITA FALLS DISASTER AND THE AMERICAN RED CROSS

● Mr. TOWER. Mr. President, few occurrences leave a more ghastly impression etched on the memory than a natural disaster. The destruction, human suffering, and the loss of loved ones, are painfully worn on the faces of those survivors whose town is unfortunate enough to fall in the path of nature's holocausts.

Such, Mr. President, was the impression left on me in the hours immediately after one of the worst disasters ever to hit my hometown of Wichita Falls, Tex., on April 10.

Many friends, neighbors, and many acquaintances were left homeless and injured on that April day when three tornadoes ripped through a 12-mile long section of Wichita Falls, decimating residential and commercial property and uprooting whole families in the process. It was a tragedy, Mr. President, from which 47 residents of that city did not recover. News accounts did not do justice to the devastation and destruction I witnessed hours after the tragedy. That portion of the town had been reduced to rubble.

The one encouraging note from the panic and dismay in the aftermath was the sight of a Red Cross vehicle. Immediately after the storm subsided, the Red Cross moved in with emergency first aid, temporary housing, and food and clothing for the injured and the homeless. Volunteers, Mr. President, did yeoman service in bringing order and help to the ravaged city. It may be some time before Wichita Falls fully recovers from the destruction that wrought on it that April day. At the urging of many of us, the President declared the city a major disaster area, qualifying it for Federal loans and other disaster assistance. But without the able emergency assistance provided by the volunteer Red Cross in the wake of the tornadoes that day, I wager the toll would have been much worse.

Mr. President, the Wall Street Journal, has provided its readers a detailed account of the disaster and also a broader picture of the work done by the Red Cross. It is an article which documents just how important such organizations are to America, and I would like to share it with my colleagues. Mr. President, I ask that the article be printed in the RECORD.

The article follows:

[From the Wall Street Journal, June 14, 1979]

WHEN DISASTER STRIKES, WORKERS FOR RED CROSS ARE NEVER FAR BEHIND

(By Beth Nissen)

WICHITA FALLS, TEXAS.—The three tornadoes that hit this pleasant city near the Oklahoma border April 10 were, as one bandaged woman put it, "God's heavy artillery."

In minutes, the twisters cut a 12-mile-long path through the heavily populated south half of town, splintering more than 6,700 homes, snapping utility poles like pencils, rolling grass from the earth like carpet from a floor. Thousands of people were injured by flying glass and debris; 47 were killed. The city was left smoking with dust, its water contaminated, its power cut.

"People started crawling out of the wreckage, bleeding and crying," says Joseph Gatlis, a plumber whose brick house was picked up and puffed away. "When we saw a Red Cross van coming down the street, driving right over the live wires, we all cheered."

Mr. Gatlis and his wife and two children were taken to an emergency Red Cross shelter in a local church for first aid, food, and an uneasy night's rest. In the next week, Red Cross volunteers helped him find temporary housing, gave his family money for groceries, new cothes and furniture, and replaced his broken eyeglasses and his lost tools so he could return to work.

TRADITION OF VOLUNTEERS

The American Red Cross has been helping victims of disasters and near-disasters for almost 100 years, from the Michigan forest fires of 1881 to the recent accident at the Three Mile Island nuclear-power plant in Harrisburg, Pa. Although its relief work in both natural and man-made disasters is authorized by Congress, it receives no taxpayers' money but relies entirely on voluntary contributions.

It also relies on voluntary labor; with 1.4 million volunteers nationwide, it is this country's largest voluntary agency, and one of its most widespread grass-roots organizations. "Virtually every town in the United States has a Red Cross chapter that can move as fast as bad news," says a former national civil-defense official. "The Red Cross is this country's only ready militia against acts of God and damn fools."

The organization is involved in more than disaster services. It collected 60 percent of the blood donated in the U.S. last year, taught first aid and water safety to millions, and provided a battery of services to military families, a task also authorized by its congressional charter.

But the Red Cross historically has been most devoted to the easing of human suffering. It was founded by a Swiss businessman in 1863 as a neutral wartime organization of mercy, and that year it sponsored the Geneva, or Red Cross, conventions for the protection of war victims. The Red Cross was brought to America in 1881 by Clara Barton, who added the idea of an organized volunteer disaster relief program.

THE BEST INTENTIONS

Volunteers are the organization's great strength—and weakness. The Red Cross draws little criticism for its disaster work, but the complaints it does get usually concern well-meaning but not always well-trained volunteers. "They can be very incompetent," acknowledges one high-level Red Cross official. "We have to do a lot of things over until we get it right. But without the volunteers, we couldn't do anything at all."

Wichita Falls, a city of 125,000 people, has been a dateline for disaster during much of 1979. Two months after April's tornadoes, the debris left by "Black Tuesday" has been bulldozed into heaps behind government-provided mobile homes, but much of the city still looks like a war zone. A cadre of Red Cross professionals still on the scene doing tornado clean-up work mobilized for a second alert a few days ago when a flash flood routed 199 families from their homes.

The April 10 twisters thrust a harrowing challenge at Red Cross professionals and volunteers alike. As soon as the last tornado thundered past the Wichita Falls Red Cross building, volunteers went out in cars to do "windshield" surveys of the crushed city. In two hours, they had the tornado path marked on maps, which were used by rescue workers searching for victims. In three hours, five emergency shelters were open with food, water, first aid and cots for victims.

"It was chaos," says Jan Beall, the calm, energetic manager of the Wichita County Red Cross chapter.

DISASTER SPECIALISTS

Mrs. Beall and her chapter got help. Within 24 hours of the tornadoes, Red Cross national headquarters in Washington, D.C., began sending in 180 paid, experienced disaster specialists from as for away as New York, Florida and Oregon.

Most of the imported disaster staff were assigned to supervise the work of volunteers—who were coming in at the rate of 100 an hour—in three areas; mass care, responsible for the shelter and feeding of victims and workers; survey and damage assessment; and family services, which disburses immediate and long-term financial aid to victims.

Harry Noftsker, mass-care director from St. Louis, was working at the floods in Peoria, Ill., when he was called to Wichita Falls. The Texas tornadoes were his third straight disaster; he hadn't seen home in six weeks.

"The sense of urgency is what keeps me going," he said as a carillon of telephones rang steadily around him. "I have to feed a whole city."

In the first seven days after the disaster, his mass-care workers made more than 56,000 meals, including an Easter Sunday dinner of ham, sweet potatoes—and black-eyed peas. "We try to take local food preferences into account," says Mr. Noftsker, "although during the floods in Alaska a while back, we had some problems feeding Eskimos who only ate moose and Eskimos who only ate caribou."

By the end of the first week, Mr. Noftsker had closed all the Wichita Falls emergency shelters for lack of business. "People were coming for hot meals and fresh water, but the shelters were never full at night," he says. "A lot of them are homeless, but they are apparently all staying with friends and relatives."

Determining exactly how many were homeless was the job of Richard Balnicky, chief of survey from the Red Cross San Francisco office. "We have to know, to a house, just how bad it is," says Mr. Balnicky, a cheery man with an untamed mustache. "Our survey is the basis of all the government's grants until they do their own surveys, which could be weeks."

As soon as the debris settled, teams were sent on foot to survey some 325 mostly residential streets.

On Cape Cod St. in one of the demolished areas, Babe McCrossan, a 58-year-old survey volunteer, picked her way around crumpled cars and stray house beams, using concrete driveways as clues to where houses had been, and anything she could find as clues to their addresses. Some families had helpfully spray-painted their addresses on a single standing wall—along with wry messages like "open house," and "moved—messy neighbors."

Mrs. McCrossan coded the ruins "1" for minor lamage, "2" for major but repairable damage, or "3" for total destruction. Of 45 houses on Cape Cod, 33 were coded "3." On nearby Catalina, all 35 homes were destroyed.

Most of the survey was finished in 24 hours; Mrs. McCrossan promptly volunteered to work in mass care: "I can't just sit home when people need help," she said, joining a cheese-sandwich assembly line.

Copies of the completed survey were given to the Federal Disaster Assistance Agency, which opened two federal aid centers soon after President Carter declared Wichita Falls a disaster area April 12, and to the Red Cross Family Service Center, run by Jude Nicoletti from Portland, Oreg.

FAST ACTION

"Our job is to give people what they need now, today," says Miss Nicoletti, an elegant, practical woman with veins of silver in her hair, who has worked for the Red Cross for 43 years.

King Wigginns, whose family of four escaped the tornado but whose house didn't, was given disbursement orders cashable with local merchants for food and new clothes after a caseworker verified his loss with the survey. "The government agencies said fill out a form and we'll see you in a few weeks," says Mr. Wiggins. "I talked to the Red Cross for 25 minutes and walked out with $400."

The Red Cross also gives money for a month's rent and for minor home repairs; replaces prescription medicines and necessities like glasses and dentures; and replaces any occupational supplies—even a prostitute's birth control pills. "We do everything we can to stimulate the economy of the disaster area," says Miss Nicoletti with a smile.

Disaster victims get emotional as well as financial support from the Red Cross. Terry Cotton, a young Air Force wife, was stunned by the loss of everything. "The insurance man just wanted to know how the car was and the housing guy just wanted to know how our house was," she relates in a shredded voice. "The Red Cross lady asked how I was."

The Red Cross used to give even more extensive aid. "We would do total rehabilitation—return a family as near as possible to their predisaster condition," says Paul M. Moore, vice president of the American Red Cross.

Aside from being prohibitively expensive, the rehabilitation idea was harshly criticized for perpetuating socio-economic imbalance. "Disasters are great equalizers," says one welfare worker with the Department of Health, Education and Welfare. "But Red Cross would come in and help the rich get back rich, and the poor stay poor."

After 1969, the Red Cross standardized its relief and deferred several relief services to federal agencies. Now, part of its family-services program is to guide perplexed victims through available government resources—food stamps, temporary housing, low-interest loans, debris removal, and insurance, legal and tax counseling. "My Red Cross caseworker told me where to start," said one confused victim, "and she told me to come back if I still needed anything."

Many victims who were turned down for financial help by the government—usually because of an inability to repay loans—do come back to the Red Cross. "We'll appeal their case for them," says Phil Mitchell, Red Cross director of disaster services from Houston, Texas, "and if all else fails, we'll just give them the rest of what they need."

Family services is by far the most expensive part of Red Cross disaster relief. In Wichita Falls, it accounted for more than $1 million of $1.1 million spent in the first week.

The entire cost of the disaster is expected to be about $1.7 million—far less than the record $22 million the Red Cross spent after tropical storm Agnes in 1972 but enough to cause the Red Cross some concern for its budget this year. "If we have another big disaster this year," says Neil Boyle, the corporation's affable comptroller, "we'll have to say hello to deficit spending."

That greeting almost definitely is coming soon. In the week following the Wichita Falls tornadoes, the Red Cross plunged into flood-relief operations in Arkansas, Mississippi, Alabama, Georgia, Illinois and southeast Texas, spreading its disaster staff and budget water-thin. Mop-up continues in four of those states.

The organization is counting on extra support from the United Way, which raised 35% of the Red Cross's $358.5 million 1978 budget and on extra contributions from the public.

LOW PAY, LONG DAYS

The salaries paid the 2,300 mostly young specialists are thrifty. Average pay is about $13,500 a year, and the average work week during an emergency is 72 hours long.

"We guarantee them low pay, long days and bad accommodations," says Bruce Torrence, national director of disaster services for the American National Red Cross. In Wichita Falls, the majority of Red Cross workers were staying in what turned out to be the local brothel. ("I'm sorry," one nurse was heard telling a young man who asked her for professional comfort, "but that's one service the Red Cross does not provide.")

"Those people are professional mothers," says a former civil-defense official. "They work mostly for love, putting on Band-Aids breaking up fights, kissing everything to make it better."

Indeed, part of the work of the Red Cross is to solve squabbles between other, sometimes rival voluntary disaster agencies, from well-known organizations like the Salvation Army to more obscure groups like the Relief Committee of Ananda Marga, an Eastern spiritual group. Randy Weddle, Red Cross coordinator of voluntary agencies in Wichita Falls, says, "We have to smooth things out because we need everybody working together."

Or almost everybody. Red Cross troubleshooters try to screen all volunteers, and they did politely reject one young man in Wichita Falls who insisted he was Victor Hugo. "In every disaster, we get a few mad people, some ambulance chasers, and several with severe Florence Nightingale complexes, but most volunteers are terrific workers," says Barry Kukovich, a Red Cross director of public information from Pittsburgh. "And we've never had a shortage of volunteers—except at Three Mile Island. People there were just too scared to come help."●

INTERNATIONAL BALLET COMPETITION

● Mr. COCHRAN. Mr. President, it is my pleasure to rise in recognition of an event going on in my home State of Mississippi that deserves this body's attention.

I am speaking of the international ballet competition that is being held in Jackson, Miss., between June 18 and 29. Seventy of the world's best amateur and professional dancers are competing for honors and awards in this prestigious event. Involved are dancers from all over the world, including the first visit to this country by dancers and dance teachers from China.

The city of Jackson and the State of Mississippi are to be strongly commended for their efforts in hosting this competition. This is the first time that the international ballet competition has ever been held in the United States. Prior to this, Bulgaria, Russia, and Tokyo have been the host nations.

Especially deserving of praise is Ms. Thalia Mara, who was the prime mover in finding an American home for the dance. It is estimated that some 30,000 people will see the ballet during the course of the competition.

The level of support in the Jackson community has been remarkable, especially in view of the ravaging floods suffered by the city this past Easter. Some $350,000 has been contributed by individuals and local businesses, and, as mentioned, attendance is excellent. The city of Jackson and the State legislature have also been key supporters, as have the local colleges and universities.

Mr. President, the joint efforts of the individuals, organizations, and governmental entities involved in staging this competition deserve our praise. This ambitious endeavor marks a significant contribution to ballet here in the United States and to the arts world in general.●

FAILURE BY HEW TO ISSUE REGULATIONS IMPLEMENTING THE 1978 AMENDMENTS TO THE OLDER AMERICANS ACT

● Mr. DOMENICI. Mr. President, 8 months ago the President signed into law the Comprehensive Older Americans Act of 1978. Public Law 95–478 made sweeping changes in the way services are delivered under the Older Americans Act of 1965. The consolidation of title III (social services), title V (senior centers), and title VII (nutrition services), constitutes a major change in the way the aging "network" will operate in this country. In addition, the 1978 amendments provided for the expansion of home-delivered meal services; targeted social services funds for access, inhome, and legal services; place new emphasis on expanding services to the rural elderly; established a new direct grant program for federally recognized Indian tribes; and began the process for convening the White House Conference on Aging in 1981.

On February 28, 1978, I introduced S. 2609 which was the first comprehensive legislation in the last Congress to extend and expand services authorized under the Older Americans Act. Several other measures were subsequently introduced in the House and Senate including major bills proposed by Senator EAGLETON, Senator CHURCH, and Representatives BRADEMAS and PEPPER. Eight months after my bill was introduced, Congress had completed its deliberation on this matter and the bill was on the President's desk awaiting his signature.

Mr. President, I understand that the Administration on Aging is encountering some difficulty in overhauling its existing regulations to meet the new circumstances contained in Public Law 95–478. But, I am also deeply concerned and disappointed by the protracted delay in issuing proposed regulations implementing this statute.

By its delay, the executive branch is making it increasingly difficult for the State and local program administrators to fully comply with the letter of the new law. In many cases States are being forced to make major decisions on how this new act is to be implemented. If they guess right their actions will be verified by the regulations when they are in place. But, if they guess wrong, they will have great difficulty correcting their miscalculations. Other States are simply marking time awaiting the issuance of these regulations and this, too, has a detrimental impact on aging programs.

Mr. President, the Senate Budget Committee, on which I serve, has provided sufficient flexibility in the fiscal year 1980 congressional budget to accommodate reasonable increases in some of these programs. I hope that the Appropriations Committee makes additional funds available for the Older Americans Act programs that will not only expand existing services but allow us to begin to implement some of the new initiatives contained in the 1978 amendments. But, I would point out to my colleagues, this task is made more difficult by the failure of the Department of Health, Education, and Welfare to issue rules and regulations pursuant to Public Law 95-478. As the situation is now developing, on October 1, new funds will be available to implement some of these new and expanded programs. Unfortunately, much of that new money will not flow through the aging network until rules and regulations are in place. Even if the proposed regulations were issued today, the public review process could not be completed in time for final regulations to be in place by October 1. Every day that goes by represents a failure on the part of the Federal Government to provide leadership in meeting the needs of America's older citizens.

Mr. President, in closing, let me say that I believe that it is essential for the Department of Health, Education, and Welfare to respond immediately to the need to issue regulations implementing Public Law 95-478. Failure to move promptly to correct this problem will do a great disservice to older Americans.●

THE NEED FOR ISSUANCE OF THE OLDER AMERICANS ACT REGULATIONS

● Mr. PERCY. Mr. President, I have served for many years on the Senate Special Committee on Aging and I have a deep and abiding interest in seeking ways to improve the well-being of older Americans. Over the years I have supported a number of legislative proposals designed to improve the quality of life of our Nation's senior citizens. One of the most successful programs in this regard has been the Older Americans Act of 1965. During the 95th Congress, I joined with Senator DOMENICI and a number of our other colleagues in introducing S. 2609, which was designed to extend and expand, for 3 additional years, the programs authorized under the Older Americans Act. A number of the initiatives contained in S. 2609 were subsequently incorporated into the Comprehensive Older Americans Act Amendments of 1978 which was signed into law by the President 8 months ago. To date, the Department of Health, Education, and Welfare and the Administration on Aging have failed to issue regulations implementing this statute, thus, many of its goals remain unfulfilled, and its provisions unmet.

There are a number of complex and sweeping changes contained in Public Law 95-478, which cannot easily be implemented without leadership at the Federal level. The administrative consolidation of social senior center and nutritional services; the development of a State distribution formula for Older Americans Act funds: the targeting of 50 percent of the State's social service allotment for access services, inhome services, and legal services constitute just a few examples of areas where the effective implementation of the new statute is being frustrated by the failure of HEW to issue rules and regulations in a timely fashion.

Throughout my service on the Special Committee on Aging, I have had a special interest in the problems of nursing homes and the need to better protect residents of such long-term facilities. The Older Americans Act Amendments of 1978 contain a major new initiative in community long-term care model projects which could go a long way toward helping our Nation develop a comprehensive care strategy which will provide medical and nonmedical services in both institutional and noninstitutional settings. The statute also expanded the existing nursing home ombudsman program which could, if properly implemented, help to end patient abuse and upgrade the quality of care for our nursing home population. These initiatives cannot go farward, however, without proper guidance provided in regulations.

Mr. President, Congress was able to complete the legislative process and send to the President a major reauthorization of the Older Americans Act in approximately 8 months. Since October 18, 1978—8 months ago—the burden for implementing this legislation has rested with the Administration on Aging and the Department of Health, Education, and Welfare. A reasonable time has now elapsed and I think we must make it clear to those in a leadership position within the Department that further delay in issuing regulations for the Older Americans Act can no longer be tolerated. Programs and services are being adversely affected by these delays and the detrimental impact will increase as we move into a new fiscal year. I hope that Secretary Califano and Commissioner Benedict will move in a prompt and expeditious manner to clear these regulations so that Congress can review them and, if need be, hold oversight hearings on them, before the August recess. Our goal should be to have final regulations in place as soon after the beginning of fiscal year 1980, as is humanly possible.●

IS IT NOT TIME TO REQUIRE ANGEL OF DEATH TO FACE ACCUSERS?

● Mr. HELMS. Mr. President, on Monday of this week I introduced Senate Resolution 184, a sense of the Senate resolution calling upon the U.S. Government to promote the apprehension and extradition of one of the most infamous Nazi war criminals still being sought—Dr. Josef Mengele, known to the inmates of the Auschwitz concentration camp as the angel of death.

At Auschwitz, the figure of the camp doctor, Josef Mengele, in his black SS uniform, meeting each new group of inmates on their arrival and decreeing life or death to each by a flick of his finger, has become one of the lasting symbols of the holocaust. Senate Resolution 184 requests that the President call upon the Government of Paraquay to apprehend and extradite Dr. Mengele to stand trial in the Federal Republic of Germany for the crime of murder.

Mr. President, I ask that our distinguished colleagues the Senator from Nebraska (Mr. ZORINSKY), the Senator from Rhode Island (Mr. PELL), and the Senator from Texas (Mr. BENSTEN) be added as cosponsors of Senate Resolution 184.

I hope that the Senate will choose to act on this matter in the near future as an expression to the world of our concern that those responsible for the suffering and death of so many will be brought to justice.●

HEAVY OIL

● Mr. DOMENICI. Mr. President, the June 22, 1979, issue of Science magazine had a comprehensive look at the Canadian Government's innovative venture in commercial development of heavy oil and tar sands. The significance of the Canadian experiment, of course, is that about 4 trillion barrels of heavy oil now exist in the Western Hemisphere. That figure does not include the approximately 160 billion barrels of oil shale potential in the United States.

Yesterday, I introduced comprehensive legislation to establish an independent Synthetic Fuels Production Authority that would oversee a massive American effort to get commercial production of synthetic fuels by 1990. One of the potential contributors to our goal of 5 million barrels of oil a day from synthetic fuels is the heavy oil and tar sands of this country. We can all benefit from the Canadian experiment as our Authority proceeds toward making America energy self-sufficient.

I am pleased that the Department of Energy's Director of Fossil Fuel Extraction, Richard Hertzberg, was the American head of delegation to the recently concluded United Nations conference on heavy oil and tar sands and by the statement in the Science article attributed to him, as follows:

> DOE has a special interest in and responsibility for maintaining stable world petroleum prices. Thus, the United States believes now is the time to lay the necessary groundwork for increased production from heavy crudes and tar sands.

This constructive attitude will aid us greatly in our efforts to make full use of the great fossil fuel resources America has under her lands.

The article in Science outlines the successes, and predictable shortcomings, of the Canadian Syncrude, Ltd., venture. I was encouraged by the fact that the Great Canadian Oil Sands plant is now showing a profit, after 10 years of operation. This shows, however, that these risky ventures need the kind of financial aid that my proposed Synthetic Fuels Production Authority would provide. Syncrude is now open and owners believe that it will be at its current full capacity of 100,000 barrels a day by this summer. It cost about $2.5 billion and the next plant of its kind, called Alsands. Ltd., will cost at least $4 billion. With these kinds of investment required, it is no wonder that investors in American synthetic facilities are very wary.

As the article in Science points out, Syncrude has been greatly affected by Government tax policies and other regulations. My Synthetic Fuels Production Act of 1979 address many of these potential problems with an expedited process for getting approvals for environmental and other regulatory licenses. In addition, I would fully expect favorable tax treatment, if necessary, or innovative financial aid programs by the Synthetic Fuels Production Authority to keep private firms involved in promising projects. Syncrude's problems are solved, and the economics indicate that the Syncrude production will break even if it sells for $10 to $15 a barrel in 1979 Canadian dollars. That is substantially under the posted international price of most crude oil from conventional sources. Obviously, this production is more than competitive with overseas sources of oil right now and the economics will improve as the OPEC cartel continues to hike its prices to the limit.

Canada has gone ahead full speed, despite political and economic problems. Canada has 22 pilot oil sand projects in the prime region of the nation and plans now exist for an additional four or five giant new synfuels plants by 1995. Yet, Canada is better off than America in terms of percentage of imports for energy; but America lags far behind our Northern neighbor in making use of heavy oil and tar sands. No wonder the American people wonder what the Government is doing about breaking the OPEC cartel. We have the shale, the tar sands and heavy oil, the coal, the urban waste, and many other fuels sources, but we have failed to develop and use them.

Canada is showing us the way and we must follow her lead. I believe that passage of the Domenici Synthetic Fuels and Alternate Fuels Production Authority will put America on the track toward energy self-sufficiency and give our scientists and engineers the green light for developing our resources as quickly as possible.

Mr. President, I ask that the Science magazine article to which I have referred, "OPEC Prices Make Heavy Oil Look Profitable" be printed in the Record.

The article follows:

OPEC PRICES MAKE HEAVY OIL LOOK PROFITABLE

Edmonton, Alberta.—The devotees of heavy oil and tar sands met in Edmonton this month at a United Nations conference to discuss their favorite subject and consider whether the production of heavy oil—largely untapped until now—will soon stabilize the panicky energy market. No single view dominated the meeting. But then no one strongly disputed the thesis put forward by the conference's organizers, that an irreversible shift in resource economics is taking place, making heavy oil competitive with light oil.

The significance of this is that an identified resource in the Western Hemisphere amounting to about 4 trillion barrels of heavy oil is now turning ripe for commercial development. (This figure does not include oil shale, which is more costly to produce.) The known conventional (light) oil reserves of the Persian Gulf nations are estimated to be 350 billion barrels. The total amount of oil consumed by the world in history is estimated to be about 300 billion barrels—roughly one-third of the oil in place in the tar sands of a single province of Alberta, Canada.

The conference, running from 4 to 12 June, was organized by the United Nations Institute for Training and Research (UNITAR), with the impetus coming from UNIFAR senior fellow and energy specialist, Joseph Barnea. As Alberta official said the conference was originally planned for California, but when the chief of the Alberta Oil Sands Technology and Research Administration (AOSTRA)—Clem Bowman—was invited to present a paper, he counterproposed that the meeting be held in his hometown, Edmonton. That plan was agreed upon last fall, and AOSTRA became a cosponsor, along with UNITAR and the U.S. Department of Energy (DOE).

The ostensible purpose of the meeting was to exchange information between the owners of technology—AOSTRA and the oil companies—and the developing nations that lack technology but possess heavy oil deposits. The four largest known deposits in rank order are in Venezuela (1 trillion to 3 trillion barrels), Canada (more than 1 trillion barrels), the Soviet Union (1 trillion barrels), and the United States (175 billion barrels). Other large deposits are thought to exist in Argentina, Peru, Ecuador, Colombia, Madagascar. Upper Volta, India, Holland, France, Italy, Romania, and all the OPEC nations. There has been no organized exploration for this resource, so these estimates generally represent accidental discoveries and imprecise observations.

The purpose of the meeting was blurred somewhat by the conflicting interests of those who came. Some journalists came expecting to learn another way to break OPEC. The province of Alberta seemed to view the occasion partly as a trade fair, for it would like to sell its tar sands technology to Third World customers. The province became a partner with industry in 1975, financing research, development, and even the commercialization of the oil sands. As an inducement to sample its wares. AOSTRA offered to do a thorough laboratory analysis free of charge for any nation that wished to send in samples of tar sands.

The United States joined in, said Richard Hertzberg, the chief American delegate and director of fossil fuel extraction at DOE, because it has "a special interest in and responsibility for maintaining stable world petroleum prices. Thus, the United States believes now is the time to lay the necessary groundwork for increased production from heavy crudes and tar sands." On 4 June Hertzberg signed a joint research agreement with the provinces of Alberta and Saskatchewan, AOSTRA, and the Canadian energy ministry, pledging to cooperate on experimental work on tar sands, steam and combustion recovery of oil, and the treatment of wastewater from such projects.

The organizer of the conference, Barnea, is a passionate believer in the value of heavy oils, with a conviction that does not suffer dissent easily. As one Alberta official put it, Barnea "listens only when he's talking." Apparently he found the major American oil companies inimical to his vision, for he said he consciously chose not to invite them. He did not explain further. The companies' Canadian affiliates and subsidiaries did attend, however.

In Alberta it is possible to measure the promises made for heavy oil against harsh realities. Two full-scale commercial plants are in operation now, producing a synthetic crude oil from a low-grade material (10 to 20 percent bitumen by weight) that looks like sticky dirt. There are other large petroleum deposits in the area, including more than 100 billion barrels of heavy oil, a lighter and less viscous material officially defined as any oil heavier than 20° API[*] that still flows into production lines at a profitable rate. Oil from the sands does not flow unless heated or diluted. The tar sands are more interesting, however, because they are the poorest quality petroleum resource being developed anywhere in the world. They stand at the economic frontier, and yet they are attracting many investors.

The two running plants are essentially strip-mine operations linked by conveyor belts to rudimentary refining systems (or "upgrading" equipment, in the industry term). The bitumen is washed out of the sand with hot water and sodium hydroxide, purified, and blended with lighteners to produce a synthetic crude oil, which is put into a pipeline built expressly for the tar sands. The product is usable in most refineries. Both mines are located in the Fort McMurray area, about 300 miles north of Edmonton, atop the most accessible and highest-quality sands in the immense Athabaska field. Construction of the first plant, known as Great Canadian Oil Sands (GCOS), 96 percent owned by Sun Oil of Philadelphia, began in 1964. Capital investment amounted to $300 million or more in today's dollars. It began producing 50,000 barrels of synthetic crude oil or syncrude daily in 1968, and is just now beginning to make a profit. Work on the second plant began in 1967, although construction did not begin in earnest until the early 1970's. After a series of economic and political misadventures, the plant, christened Syncrude Ltd., opened on schedule in the fall of 1978. It is designed to produce 129,000 barrels a day, when fully expanded, and its owners predict that, with luck, it will produce its current full capacity of 100,000 barrels a day for a month or two this summer. Its cost was $2.2 billion to $2.5 billion, meaning that to double the output of GCOS, Syncrude needed seven times the capital. The next plant of this kind, called Alsands Ltd., will be an approximate replication of Syncrude and will cost even more, at least $4 billion.

Before looking at the economics of Syncrude, a word must be said about the physical problems of mining the sands. Thomas Maugh has described these in considerable detail (Science, 17 February 1978), and as far as Syncrude is concerned, the worst of them is simply the Canadian winter. The designers of the mine, according to one engineer, did not anticipate Fort McMurray's brutal weather. The plan called for stacking the stripped sand in large windrows and then reclaiming the windows by bucket wheel onto a long conveyor belt to the plant. Last winter, a particularly cold one, the windrows absorbed a lot of water and turned rock-hard. Large clumps falling from the bucket wheel broke a conveyor belt several times (it snaps like an elastic), requiring repairs made all the more difficult by temperatures of −20° to −40° F. The dragline scoop and bucket wheels also lost some of their capacity to bite. One of the two cokers was out of order. The result was that the plant's capacity was cut in half. The owners were understandably glum.

The majority partner in Syncrude, with 31.25 percent interest, is Esso Resources Canada, a subsidiary of Imperial Oil, which is, in turn, a partly owned subsidiary of EXXON. The others are Canada Cities Services (22 percent), Gulf Oil Canada (16.75 percent), the federal company PetroCanada (15 percent), the province of Alberta (10 percent), and Pan Canadian Petroleums (5 percent). The last three in the list inherited their shares directly or indirectly from the Atlantic Richfield Company (ARCO), which dropped its 30 percent interest suddenly in 1974, when two things happened. As prices and profits escalated following the Arab oil embargo, the federal government announced that it would no longer allow royality payments to Alberta (fixed at half of Syncrude's deemed profit) as a deductible item on income taxes. That was one shock. The second was a new cost analysis just given to the partners by the chief contractor, showing that costs were going to be double what had been anticipated.

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[*] The American Petroleum Institute (API) maintains an index of the quality of crude oils based on a sample viscosity test. The tar sand oil has an API rating of 8° to 10°; one Venezuelan heavy oil (Bachequero) is registered at 16.8°; and Saudi Arabian light (Berri) at 38.8°.

Bowman, the director of AOSTRA, said that ARCO pulled out without warning, over a weekend. It instructed its bank not to process any more checks, and was gone. In Bowman's words, the company lost its nerve. The two provincial governments of Alberta and Ontario, along with the federal government, bought ARCO's shares to keep the project alive. The federal government also backed off a bit on tax policy, deferring to Alberta, allowing Syncrude—and only Syncrude—to deduct its provincial royalty payments from federal income tax. Now the shares held by the federal government and Ontario have been passed along to their present owners.

Robert Peterson, vice president of Esso Resources and general manager of the heavy oil division said in June: "From everyone's perception this year we're going to take a bath on the operation. Hopefully we'll have gotten all the snakes beat down in the next year or year after, so that we'll be able to show a more sustained capacity." He thought the problems were not unusual for the start-up year of a project this large. A number of "fixups" designed to toughen the mine equipment are now being made. Peterson claimed that the mine is feeding sand into the plant at rates that would permit production of 80,000 or 100,000 barrels a day, "if things were working on the other side." The ailing coker is still out, and soon it will be time to shut down the working coker for maintenance. Before that happens, Syncrude would like to run at full steam with both cokers for a month or so before the winter to prove that it can be done. Cash operating costs are more than $400 million a year, so the plant must produce at a high volume to pay for itself.

A. W. Hyndman, Syncrude's general manager for upgrading, said that the company's goal is to produce 110,000 barrels a day by 1981 and 130,000 barrels a day by 1984. For the operation to break even, the oil must sell for $10 to $15 a barrel (in 1979 Canadian dollars), and the plant must run near capacity. To make a return on investment, it must sell at the current price of light crude landed in Montreal—$19 (Canadian) per barrel. He seemed to be saying the plant would make a profit now, if only it would run.

It is a sign of the severity of the oil shortage, and of the competitive value of oil sands, that despite Syncrude's problems, many investors are now lining up to build commercial plants in Alberta. The next one on the horizon is a project wholly sponsored by Imperial, to be built at Cold Lake, costing $5 billion and designed to produce 140,000 barrels a day by 1986. It will use a steam injection system to drive the oil from underground into production wells, and will be cleaner than the Syncrude plant. This is so because it will not be necessary to stripmine the surface, and because there may be ways to recycle 50 percent or more of the water used in producing the oil—an environmental benefit not possible at mine plants. About 90 percent of the tar sand oil in the province lies too deep for strip mining, and will have to be produced by in situ methods such as the one proposed for Cold Lake. Imperial expects to produce at least 20 percent of the oil in place, and possibly as much as 50 percent. Mining gets around 90 percent.

Another group of nine investors led by Shell Canada is planning to build a mining plant like Syncrude—with a 125,000- to 140,000-barrel-a-day capacity—in a tar region nearby. It will cost at least $4 billion, although some people say just as casually that it will cost $5 billion. Its backers hope to have it going no later than 1987.

In addition to these, there are now 22 pilot oil sand projects in the neighborhood and seven heavy oil pilots. The original GCOS plant will expand soon. AOSTRA and oil company officials aim to have, aside from expansions, four or five giant new plants on stream by 1995.

Company officials confirmed the impression that heavy oil's day has come. Brian Hay, spokesman for Imperial, said his company has just finished an analysis showing that in terms of capital cost per barrel a day of production, conventional oil fields in Alberta have become just as expensive as the oil sand areas because the cost of acquiring land is climbing rapidly and successful wells are being drilled with declining frequency. A paper delivered at the conference by two geologists for British Petroleum (BP), Roger Mowll and J. K. Hambling, pointed out that heavy oils recovered in situ "may be capable of yielding crude at a cost little different from the more expensive sources of conventional crude." BP's northernmost North Sea Field, Magnus, was developed at a cost of something over $2.5 billion (U.S.), they wrote. It is now producing about 100,000 barrels a day and will gradually decline until its estimated recoverable reserves of 400 million barrels have been depleted. Syncrude, which cost about the same amount, is expected to produce at least 100,000 barrels a day for its entire 25-year lifetime, for a total of nearly 1 billion barrels.

With an incentive like that, why isn't there a stampede into the heavy oil fields? There is a slow-motion stampede of sorts in Alberta, where the landscape and the economic climate are hospitable. The action is less dramatic in the United States for several reasons. First, there are environmental limits. Oil reclamation projects consume and foul large quantities of water. Imperial's Cold Lake will probably need five barrels of fresh water for every barrel of oil produced. They also release sulfur gas and other chemicals (60 tons of SO_2 a day is the projection for Cold Lake. Alberta can afford to be more generous with its air and water than California, where much of the American heavy oil is. Second, company officials say that American heavy oil fields often fall into the category of "old oil," meaning that their output is controlled at prices lower than market level, making them unattractive for investors. Third, reclaiming oil with heat requires sophisticated tactics designed specifically for the reservoir in question. Imperial claims to have spent 15 years and $30 million preparing for the commercial project at Cold Lake. The cost amounts to $100 million, Peterson said, if all the experiments and engineering projects associated with that field over the years are counted. Projects in warmer, more familiar fields may not require so much research, but they will require costly, individually tailored development plans.

According to Fred Hallmark, reservoir engineer for the California Division of Oil and Gas, his state produces right now about 500,000 barrels of heavy crude oil daily, half of it by steam or other thermal recovery techniques. He estimates that in California alone there are between 1.8 billion and 3 billion barrels of "unconventional" oil in place, a reasonable fraction of which could be recovered with methods such as those being proposed in Alberta. Claude Hocott, an oil consultant from Houston, Texas, said that if the price of oil were to climb to $25 a barrel in the United States, the estimated crude oil reserves of California, Louisiana, and Texas would increase by about 7 billion barrels.

The world market price for light crude oil is now around $15 a barrel, with batches on the spot market selling for $25 and higher. The OPEC members are telling reporters that they want to raise the official OPEC price to $20 a barrel this summer. If the United States were to lift its domestic price controls now, there is no question but that many of the neglected heavy oil fields would be brought into production.—Eliot Marshall.●

CONSTRUCTION BEGINS ON EAGLE POINT BRIDGE

● **Mr. CULVER.** Mr. President, the citizens of Dubuque, Iowa, have received good news with the announcement that construction began last week on the new Eagle Point Bridge. This culminates years of effort to secure a new Mississippi River bridge linking Iowa and Wisconsin.

The existing Eagle Point Bridge, built during the "horse and buggy" era of the 19th century, disrupted the orderly flow of transportation and threatened lives. Replacement of this outmoded structure was the No. 1 replacement priority of my State. As a member of the Senate Transportation Subcommittee, I held hearings in Iowa and Washington, D.C., on the need for a new Dubuque bridge. A number of concerned Iowans testified at these hearings, and the record they established proved extremely valuable in helping to convince Congress and the administration of the importance of increasing funds for reconstructing unsafe bridges throughout our Nation.

During consideration of the Surface Transportation Assistance Act last year I sponsored an amendment creating a new discretionary bridge program authorizing the Federal Government to pay 80 percent of the cost of replacing critically important but deficient State bridges. The conference report accompanying this legislation stated that the Mississippi River bridges at Dubuque and Keokuk, Iowa, would both be specifically eligible for these special discretionary funds. The $35 million cost of the proposed bridge makes it virtually impossible for State and local authorities to build this project without Federal assistance and the decision by the Federal Highway Administration to award Iowa a share of these funds for this structure was well received in Dubuque.

Currently, final site planning for the Keokuk Bridge is being completed, and the Iowa Department of Transportation has received the initial $5.6 million to begin work on the substructure for the Dubuque bridge. The discretionary funds provided by my amendment will help assure that this new structure stays on schedule for completion in 1982.

Mr. President, the new Dubuque-Wisconsin Bridge will be a vital part of my State's transportation system. One of the highway engineers working on the new structure expressed the sentiments of many when he said:

> There's a little bit of mystique . . . about building a bridge across the Mississippi. I guess it's not everybody who gets to do that.

I am extremely pleased that the new discretionary bridge program has helped to make the new Eagle Point Bridge a reality.

Mr. President, I request that an article from the Dubuque Telegraph-Herald, headlined "Full Speed Ahead for Bridge" be inserted in the RECORD at this time.

Thank you, Mr. President.

The article follows:

FULL SPEED AHEAD FOR BRIDGE

Construction of the $35 million Dubuque-Wisconsin Bridge began in earnest today on the east side of City Island.

William Crawford, resident construction engineer for the Iowa Department of Transportation, said that although the project began in April, much of the work has been preparatory, and workers have been waiting for the Mississippi's water level to drop.

The first stage of the project, which involves the construction of 12 reinforced concrete piers on which the road will be built, is expected to take until late summer, 1980, to complete.

Crawford, who supervises the project, said work is being done by Lands Construction of Black River Falls, Wis., at a cost of approximately $5 million.

He said a "collar dam" must be built around the site of each pier, and the river water pumped out in order to construct the steel and concrete piers. He said the first stage will require an estimated 7 million cubic yards of concrete, including 1,234,000 pounds of reinforcing steel and 60,022 feet of steel beams for support.

Crawford, of Manchester, Iowa, said, "There's a little bit of mystique, maybe, about building a bridge across the Mississippi. I guess it's not everybody who gets to do that."●

WHO IS TO BLAME?

Mr. GARN. Mr. President, according to this morning's Washington Post, the administration is at it again, blaming inflation on the citizens. The headline of an article on the front page of the Post's business section reads "Bosworth Blames Citizens for U.S. Inflation Problem." The article goes on to quote Bosworth, who is President Carter's Chairman of the Council on Wage and Price Stability, as saying that the "average American" is to blame, far more than corporate profits.

It is heartening that Mr. Bosworth recognizes that profits do not cause inflation, a point often missed even by the editors of the Post, but it is profoundly discouraging that Mr. Bosworth is unable to face up to the fact that inflation is made in Washington. Apparently he, and his boss, has to have a scapegoat for Government failure, and this time he picks on the "average citizen."

Mr. Bosworth bemoans the fact that productivity is not increasing. He points out, quite correctly, that unless productivity increases, any improvement in the standard of living for one person, or group, must come at the expense of other persons or groups. Unfortunately, he shows no grasp whatever of the reason productivity is not increasing.

I would suggest, Mr. President, that Mr. Bosworth take a look at tax rates. Now I know that the Congress cuts taxes periodically, and that average tax rates are not, in themselves, ruinous. But at the margin they are very high, indeed. So high that there has been a very real discouraging effect. People are unwilling—not to say unable—to undertake new economic enterprises. Why should they, when they will be allowed to keep so little of any incremental gain they might earn? How can they, when Government is soaking up enormous quantities of venture capital to make up the deficit between its spending and taxing abilities?

These are the causes of the lack of productivity increases. It is not a matter of laziness on the part of the "average American," nor of greed, nor of stupidity. Productivity does not increase, because people have learned that they will not be allowed to keep the benefits of their extra effort. That is not stupidity, but perceptiveness. It may be that the "average American" cannot explain his actions in terms an economist like Mr. Bosworth can understand, but he feels it in his pocketbook, and just as it always has, that economic self-interest prods him to do, or not do, certain things.

To his credit, Mr. Bosworth has recognized some of the stifling effects of Government regulations, regulations which soak up what little investment there is, while producing no new additions to the national stock of goods and services. The Council on Wage and Price Stability frequently points out that governmental regulations divert productive people into paperwork, or into lawsuits, or into the production and application of nonproductive devices. For some of those investments we do get a product, in the form of a cleaner environment; for others, the only harvest is paper, and Government has shown its ability to produce bumper crop after bumper crop.

My constituents will not be happy to be told by the President's adviser that they are the cause of inflation. They know better, and so do I. The "average American" is doing his level best to escape the ravages of inflation, of an inflation manufactured in Washington. They will not appreciate being told that these defensive efforts are the cause of the attack. Nor should they.

In short, Mr. President, I resent it. I call on the President to disavow this attack on the patriotic, productive, steadfast people of this country, people whose actions, freely undertaken, provide the surplus out of which the whole Federal establishment survives. Mr. Bosworth, his boss, and all of us should recognize and admit that inflation is our No. 1 problem.

If Mr. Bosworth is worried about inflation, let him recommend to his boss that he balance the budget, that he push for a rational, steady monetary policy, one consistent with the long-term growth rate of the American economy. Let him advise against trying to "fine-tune" an economy which appears to me to be pretty well fine-tuned so long as Government stays out of it.

If he is worried about productivity, let him recommend a substantial tax cut, instead of working against it, as he did last year when both Houses of Congress voted for it by wide margins. The "average American" will respond. Investment will increase, risk-taking will begin again, and productivity will rise, thereby recouping the revenue temporarily lost through the tax cut.

But by all means, let him stop attacking innocent citizens, the victims of the very phenomenon he accuses them of causing.

Mr. President, I ask unanimous consent that the article I referred to earlier be printed in the RECORD at this point, so that all can see and marvel over this shortsighted and ill-aimed attack.

The article follows:

BOSWORTH BLAMES CITIZENS FOR U.S. INFLATION PROBLEM

PERSONAL INCOME UP 0.7 PERCENT IN MAY

(By Eileen Alt Powell)

The personal income of Americans rose a modest 0.7 percent in May, recovering slightly from the strike-depressed level of the previous month, the government said yesterday. "It's better than April, but it's not particularly strong," said a Commerce Department analyst.

The $13.2 billion increase in May followed a sluggish $7.5 billion, or 0.4 percent, rise in April when wages and other income were reduced by the trucking strike and some flooding, the report said.

As with other recent government indicators, however, the figure did not rebound to the March level. In that month, personal income grew by $22.5 billion, or 1.2 percent. It also failed to match last year's $16 billion average per-month increase. And, if adjusted for inflation rates of some 1 percent a month so far this year, it would show a decline.

Changes in personal income affect consumer spending and reflect overall economic activity, said the Commerce analyst, who asked not to be identified.

Consumer spending has been falling, and government officials say this will be responsible in large part for the economic slowdown forecast for the second half of the year.

The May increase put income at a seasonally adjusted annual rate of $1.877 trillion.

The report said that wages and salaries increased $7.1 billion, or 0.6 percent, in May compared with $1.9 billion in April.

"The faster growth in May reflected, in part, the ending of the work stoppage in the trucking industry, which had reduced wages and salaries about $5 billion in April in transportation and manufacturing," the report said.

It also gave these breakdowns:

Private wages and salaries rose $5.1 billion in May compared with $1 billion in the previous month.

Government payrolls went up $1 billion, "about the same as in April."

Manufacturing payrolls increased $1.7 billion in May after declining $1.9 billion in the previous month because of strike-related production problems.

Farm income rose $400 million in May. This 0.8 percent increase followed a 0.6 percent gain in the previous month.

Dividends posted a 1.3 percent rise to $55.1 billion, while interest payments rose 0.7 percent to $178.7 billion.

PRODUCTIVITY KEY TO WAGE GAINS

(By Frank Swoboda)

One of President Carter's top economic advisers yesterday blamed the "average American," not corporate profits, for much of the nation's inflation problem.

Bary Barnsworth, outgoing director of the Council on Wage and Price Stability, warned that despite soaring prices for food, fuel and housing, the average worker should not expect any real increase in wages.

"I think the problem is the average American, and it's not a pleasant fact," Bosworth told a meeting of Women in Housing and Finance. But unless the average worker changes his ways, he predicted, the United States may be headed down the same economic road as Great Britain.

Bosworth said that in the absence of any real growth in productivity, there could be no real wage increases without adding to the inflation problem. "Unless we do more work (this year) than we did last year, then there can be no (wage) increase," he said.

Therefore, Bosworth said, "Any attempt by the individual to increase his own standard of living has to come at the expense of somebody else. Every American catches up (on inflation) by taking it out of the hide of someone else."

Bosworth pointed to the current fuel demands of farmers and independent truckers as an example of the type of self-interest that adds to inflationary pressures.

"One of the reasons that the energy crisis is so severe . . . is that one group after another has come in for special allocations," Bosworth said.

Singling out the farmers' request for 100 percent of last year's fuel allocation to harvests this year's crops. Bosworth said "if they use it all for the harvest we ought to have the most fantastic harvest in history. Everyone wanted a little more than needed and then sold the excess to someone else."

He added that the nation would also be in trouble "if everyone acts like the truckers."

Bosworth, who will be leaving COWPS this summer, said the current inflation outlook calls for "further blows" to the government effort to moderate inflation. "Energy has now replaced food as the major inflation problem," Bosworth said, "and people are going to be shocked when they see what utility prices are going to be."

Bosworth also warned that "no matter what energy solution (the nation decides on), energy costs are going to go up much more rapidly than other costs." In general, he said, "housing, food and energy prices will be going up much more rapidly than anything else even if there are zero wage increases."

Bosworth insisted that wage and price controls were not a viable option for curbing inflation. Not only was there no sentiment in the White House or Congress for controls, he said, the key elements of the current inflation would not be affected by controls.

He said food costs are controlled by market forces. For example, he said, "the current rise in beef prices will only come to an end when people quit buying beef." And, he said, neither OPEC nor productivity are touched by a controls program.

Bosworth conceded that the current wage-price situation was "unfair," but said the alternative was a recession which would throw millions of workers out of their jobs. "It is unfair . . . but it is a fact of life," he said. "The question is whether we can accept it or repeat what happened in 1973–74" when the recession left 9 million out of work.

By coincidence, Mr. President, Arthur Burns, the former chairman of the Federal Reserve Board, made exactly the contrary case a few weeks ago, to the graduating class at Chapman College, in Orange, Calif. The speech was printed in the Washington Star on June 10. Dr. Burns clearly understands the nature of the problem, as his headline points out: "Blame Inflation on Government." It is too bad Mr. Bosworth did not read the former Chairman's explanation. Perhaps it would have led him to temper his diatribe.

I also request that Dr. Burns' speech be printed in the RECORD.

BLAME INFLATION ON GOVERNMENT

(By Arthur F. Burns)

Four years ago, when this year's graduating class entered college, our country was just beginning to recover from a severe business recession. Since then, our economy has rebounded with considerable vigor. The volume of our national production, the number of people having jobs, the flow of incomes to individuals, the profits of business firms have all greatly expanded. As far as skilled and experienced labor is concerned, our country is now enjoying full employment. To be sure, statisticians still report that many individuals are out of work. But such reports require careful interpretation. They include some people who are in the process of changing jobs; they include many uneducated and unskilled youngsters who are priced out of the labor market by our minimum wage laws; and they also include many individuals—both young and old—who find it agreeable to live off unemployment insurance, food stamps, and welfare checks. There is certainly no shortage of jobs today for enterprising, educated, ambitious men and women.

But while our nation has made huge gains in production and employment during the past four years, we have entirely failed to bring inflation under control. In fact, the rate of inflation has quickened during these years. During 1976, the consumer price level rose less than 5 per cent; during 1977, the increase of prices reached 7 per cent; during 1978, it reached 9 per cent; and in the past few months consumer prices have moved up at a still faster rate.

The inflation that has been raging in our country is weakening the economy and posing a serious danger to our nation's future. Inflation is not only eroding the purchasing power of everyone's money income, it is also reducing the willingness to save. It is driving up the level of interest rates. It is affecting adversely both stock and bond prices. It is having capricious effects on the distribution of wealth and income. It is hitting many of the poor and elderly especially hard. It is frustrating much of personal planning—whether for retirement, or travel, or the education of one's children. It is increasing the risk premium that attaches to new business investments. It may before long lead to recession and extensive unemployment.

More ominous still, by causing disillusionment and breeding discontent, inflation is exciting doubts among people about themselves, about the competence of their government, and about the free enterprise system itself.

If inflation proceeds at an annual rate of 10 percent in the future, and it has been even faster so far this year, a dollar five years hence will buy only as much as 62 cents can now buy. Twenty years hence when many of this year's college graduates will have children entering college—a dollar will buy only as much as 15 cents today.

I am often asked how individuals can protect themselves against inflation. The awful truth is that no protection is available for the average man or woman. Wealthy individuals, to be sure, may be able to find an inflation hedge by diversifying their investments in real estate, foreign currencies, gold, commodities, jewelry, paintings, and the like. Moderately well-to-do individuals may for a time hedge against inflation by buying a home, or, if they already have one, by buying an additional house or apartment and renting it out. Most people, however, have only modest savings, and the best that they are generally able to do is to put their savings in a bank. But if inflation continues at anything like the rate of recent years, the interest they earn on their deposits will not even suffice to compensate for the loss of purchasing power caused by inflation. In other words, every dollar put in the bank will shrink in value, year after year.

I stress these facts because it is important that all of us, especially our young people, join the fight against inflation. Inflation is a disease that can be conquered if people generally will make it their business to do so.

There are many causes of inflation. Some arise from within a country, as when demands for goods and services exceed the available supply, or when workers press for increases in wages that exceed improvements in productivity, or when businessmen seek to enlarge their profit margins through higher prices. International factors play a role, as when oil-exporting countries raise the price of oil.

It is nevertheless the duty of our federal government under existing law to serve as the balance wheel of the economy, and that involves an obligation to restrain or to offset upward pressures on the general price level that arise in the private economy. Our government has performed this function badly in recent times; and it is therefore basically responsible for the persistent and unprecedentedly rapid inflation that has occurred in our country since the mid-1960s.

Federal spending first exceeded $100 billion in 1962. In other words, it took our nation about 175 years to reach that lofty expenditure level. But by 1971, federal expenditures already exceeded $200 billion, so that it took only nine years to lift spending by the second $100 billion. In 1975 federal spending passed the $300 billion mark, so that it took only four years to add still another $100 billion. In 1977 federal spending crossed the $400 billion mark, so that the fourth $100 billion was added in just two years.

Contrary to widespread opinion, this acceleration of federal spending has not been due to the cost of our national defense. On the contrary, national defense has been accounting for a shrinking fraction of the federal budget. The explosion that has taken place in federal spending since the mid-1960s reflects partly the inflation of costs and prices, but it is largely due to the proliferation of social programs—to more and more spending on education, health, community development, food stamps, income security, veterans benefits, and so on.

Federal spending is apt to be more inflationary than private spending, first, because government is typically less efficient; second, because government has encumbered itself with especially high labor costs; third, because monetary authorities cannot realistically offset an upsurge of federal spending to the same degree as an upsurge in private spending.

The relentless increase of federal expenditures of course led to higher taxes, and that in turn has retarded improvements in productivity that historically had served our nation by holding prices down. In addition, our federal government has proved itself incapable of limiting its spending to the amount it is prepared to raise in taxes. Year after year, both when business was good and when business was sluggish, our government has had to supplement its tax revenues by borrowing money. Not only has deficit finance become a chronic part of governmental practice, but the size of the deficits has increased sharply during the past decade.

When the federal government persistently runs deficits, it keeps pumping more money into the pocketbooks of people than it withdraws in taxes from their pocketbooks. This excess of money released by the government is bound to have its effects on prices in the marketplace. That is the way our current inflation was started in the mid-1960s and that is the major way in which it has been nourished since then.

Federal regulatory policies have also contributed fuel to the fires of inflation. By raising minimum wages, by raising farm price supports, by restricting imports from abroad, by imposing new and costly regulations on industry, our government has in effect legislated a heavy dose of inflation during the past few years.

An inflationary psychology now pervades our country. Businessmen, farmers, bankers, trade union leaders, factory workers and housewives are generally proceeding on the expectation that inflation will continue to be our nation's way of life. Workers insist on higher wages to offset future increases in consumer prices as well as the increases they recently experienced. Employers are inclined to agree to substantial wage increases because they feel that their higher costs can be recovered through higher prices. Bankers insist on higher interest rates because they expect to be repaid in cheaper dollars. Borrowers are willing to pay the higher interest because they prefer to buy a house or an automobile now rather than later when prices will probably be higher. Besides, borrowers too are confident that they will be able to repay their loans in cheaper dollars. Thus, the process of inflation is now being fed by widespread and growing expectations that inflation will continue in the future.

We read in our newspapers of lively debates in Washington about whether the federal budget deficit should conform next year to the president's recommendation or be some $5 billion lower, or whether interest rates should remain at their present level or move up another one-fourth or one-half per cent. The differences involved in such debates about the desirable direction of our public policies are not unimportant. And yet, I dare say, the economic world would be much the same whichever of these alternatives for the budget or for interest rates was adopted.

In today's environment, if we are to make serious headway in the fight against inflation, it is first necessary to turn inflationary psychology around—that is, to make people feel that inflation can be, and that it probably will be, brought under control. Such a change in national psychology cannot be accomplished by marginal adjustments of public policy. In the present stage of inflationary fever, fairly drastic therapy is needed. In my judgment, a congressional commitment to a balanced federal budget would go a considerable distance in assuring the American people that our governmental bias toward larger spending and borrowing is finally being curbed and that we may therefore look forward to a dollar of more stable purchasing power.

Such expectations would be enhanced if our government simultaneously announced a clear-cut policy of dismantling or reducing much of the regulatory apparatus that has been running up costs and prices. I have in mind a wide range of reforms—such as rescinding the Davis-Bacon Act, which escalates construction costs, eliminating further increases in the minimum wage called for by existing law, establishing a substantially lower minimum wage for teenagers, eliminating or reducing farm price supports, eschewing new protectionist measures and weakening those now in force, reducing regulations that encumber the energy industry, trucking, and other branches of transportation, and lightening the heavy burdens imposed on business by overzealous health, safety, and environmental regulations. The cost-raising measures now imposed by our government cannot be swept away quickly or entirely; but the mere announcement of a comprehensive program of specific actions to restore freer markets would be psychologically constructive at this time.

Whether the administration's crumbling wage and price guidelines are worth shoring up is uncertain at best. But the chances of their making a modest contribution to solving the inflation problem might at least be improved if high government officials stopped saying that a 10 per cent wage increase, such as was recently worked out in the trucking industry, is really a 7 per cent increase, and if the president set a moral example for working people by reducing his own salary by, say, 10 per cent and by calling on all political appointees and also on the members of Congress to do likewise.

By voting so decisively for Proposition 13, the citizens of California in effect demonstrated their disenchantment with the ever-expanding state and local spending programs that their legislators kept contriving. The example set by California has been followed by other states, and echoes of the newly articulated fiscal conservatism have even reached our National Capital. The American people have made it clear that they regard inflation as our country's Number One problem. The federal government has begun to respond to this national conviction, but the response as yet has not been sufficiently decisive. Much therefore remains for our citizens to do.

We, as a people, need to insist that the essential functions of our federal government be financed without injuring incentives to work, save, and invest. We need to avoid the temptation of calling upon our government to solve every economic and social problem through the expenditure of public funds.

We need to recognize that whatever dreams we may have of a good society, cannot be realized if our government fails to conduct its financial affairs responsibly.

And we need to become more energetically involved in the political processes of our nation—by helping to elect officials who demonstrate a keen and informed awareness of what inflation is doing to our country, by frequently communicating with our governmental representatives, and by holding them responsible for their actions. By becoming serious inflation fighters, we will help to assure a better future for ourselves, for our families, and for our country.

CONTROLLING HAZARDOUS WASTES

● Mr. CULVER. Mr. President, as the magnitude of the environmental problem of chemical leaking from inactive and abandoned waste dumps is revealed, the public is beginning to recognize fully the serious hazards these substances pose. Everyone in industry or public life must be made aware of the dangers of toxic and hazardous chemicals in our environment.

These dangers are significant. Over 50,000 chemicals are in commercial production in this country, and the environmental and health effects of many of them have not been sufficiently studied. There are an estimated 35,000 hazardous waste disposal sites in this country, and recently the Environmental Protection Agency stated that as many as 2,000 of them are leaking hazardous, toxic, or mutagenic wastes into soils, streams, or groundwaters. The costs of cleaning up these unsafe sites range as high as $40 billion. The implication of these figures, in terms of public health and safety, degradation of the environment, and containment and clean up costs, is staggering.

In Charles City, Iowa, 24 pollutants proven to be carcinogenic, toxic, or mutagenic, including benzine and arsenic have leached from one waste disposal site into the Cedar River. The cost of containing or removing the wastes may reach several million dollars. However, if the waste seeps through the limestone bedrock into the underlying Cedar Valley Aquifer, the principal water supply for most of northeastern Iowa would be contaminated. Who would pay the clean up costs if that took place? Who could pay for it—or for 2,000 more sites like "Love Canal" or the "Valley of the Drums"?

Congress must take the lead in enacting laws which give adequate protection to health and environmental values. Reasonable and effective regulation is required before the damage to human life and the environment becomes irreversible.

Correcting the errors of the past with respect to inactive and abandoned waste sites will be a formidable challenge. The cost will be substantial and require a concerted effort on the part of both government and industry to find the resources needed to mitigate the worst effects of these "chemical time bombs." The Resource Protection Subcommittee, which I chair, is currently holding a number of hearings in Washington, D.C., and around the country on legislation to establish a hazardous waste reserve fund to contain and clean up sites that pose unacceptable risks to human health and the environment.

A recent editorial in the Mason City, Iowa, Globe Gazette, examined some of the complex issues involved in such legislation. The editorial concludes that government must play a significant and active role in correcting the damage caused by releases of hazardous wastes in the environment.

Mr. President, I ask that this editorial be printed in the Record. I also include for printing an article in the Des Moines Register which describes the potential health and environmental damage posed by the leaking of hazardous waste from the LaBounty dumpsite in Charles City.

The articles follow:

A Place for Government

Hazardous wastes are becoming a bigger and bigger problem.

Part of the problem comes from new manufacturing technology—such as with nuclear wastes.

Part of the problem comes from new scientific assessment of just what is hazardous (resulting in new safety guidelines) and from refined means of measuring the hazards.

In any case, when there is determined to be a hazard, somebody has to pay for correcting it. In some cases, there are victims of the hazard to be paid. And deciding who pays can be a sticky business. Should an industry be penalized because some agency changed the waste-disposal rules under which the industry had honestly and legally operated? And what about the residues left by a company no longer in existence? What about waste-disposal costs or injury claims beyond the capacity of a company to pay?

Some groundwork has been laid for finding answers. Some states already have tackled the problem. The National Solid Wastes Management Association has been working on an industry program. Federal agencies have been studying the matter, and Congress is expected to get into the act next year.

It appears the result will be some kind of joint industry-government plan in which financial responsibility for handling hazardous wastes will be shared. Industry involved with potential waste hazards could pay into a broad-based insurance program. Government could administer that program and work directly in correcting hazards and compensating citizens for losses caused by those hazards.

This sort of thing is complicated of course. There can be some states-rights problems where federal legislation supersedes existing state programs. There will be more costs and red tape for industry overall. But something of the sort should come.

Commercial insurance carriers do not dare accept the potential risks involved in hazardous waste claims. Few industries are big enough to self-insure against the kind of huge claims that are easy to imagine.

If government has an obligation to meet needs that the private sector can't meet, here is a perfect place for big government to operate big. If industry and government ever should cooperate, this seems to be one of the times to do it.

TINY AREA'S BIG PROBLEM: POLLUTANTS

(By Otto Knauth)

CHARLES CITY, IOWA.—There is little to indicate that it is one of the most controversial pieces of land in Iowa.

The Cedar River, hidden behind a high dike, flows around it on three sides. The top is level, dropping off steeply into a ravine-like depression. Here and there, bead-size chunks of bright yellow material protrude through the snow to show this is not the ordinary rich soil of Iowa.

It is the LaBounty Site, the place where Salsbury Laboratories dumped its chemical waste products for some 25 years.

Now it has become a focus of national attention as one of several hundred industrial dump sites to the nation identified by the federal Environmental Protection Agency (EPA) as potentially hazardous.

Kathleen Camin, administrator of the EPA's Region VII in Kansas City, Mo. calls it "one of the most severe environmental problems in our region."

Larry Crane, executive director of the Iowa Department of Environmental Quality (DEQ), thinks that it's an "imminent health hazard" and that all the materials in the dump—an estimated 1 million cubic yards—will have to be removed to make it safe.

But John Salsbury, president of the laboratories here that bear his name, denies that the dump materials are all that poisonous. He says a study done by a St. Louis firm found they were less toxic than aspirin.

Salsbury Laboratories is one of the nation's largest manufacturers of pharmaceutical and veterinary products. Most of these use arsenic as a base. The firm has been disposing of its chemical wastes in the LaBounty Site since 1953, after getting approval from various state agencies.

IOWA DEQ CONCERNED

The Iowa DEQ became concerned about the chemicals in the river several years ago and brought the matter to a head last year when it issued an executive order telling Salsbury Laboratories to quit dumping in the site and to prepare plans for removing the material already there.

In the year since, there have been many studies undertaken and projected, claims and counter-claims made, orders issued and disputed. The matter was in court for a while and has been hotly debated by various state commissions.

But when all is said and done, about all that has changed in that year is that Salsbury has closed off the LaBounty Site and no longer dumps here. It now places all its solid wastes in steel drums and has them trucked out of the state.

The DEQ's Crane blames much of the delay on the EPA which, he says, has been inconsistent in its actions. And he says the EPA hasn't done enough.

"We've been at the mercy of the federal bureaucracy," he said, "and it's been pretty tough for Salsbury, too. There is little they can do to defend themselves against the EPA."

Just how dangerous are the materials in the dump?

Robert Cooper, a Salsbury vice president, says 90 percent of the material in the dump is gypsum. The remaining 10 percent consists of various compounds of arsenic.

The St. Louis study done for Salsbury included feeding a representative sample from the site to rats. It found that aspirin was 18 times more lethal than the sample to rats and that table salt was more than three times more lethal.

ARSENIC LEACHING

But Camin says a study done last summer by the EPA's National Enforcement Investigation Center in Denver showed that 115 pounds of arsenic were leaching from the dump site into the Cedar River each day. In addition, the study found that 25 pounds per day of orthonitroaniline (ONA) and 18 pounds of 1,1,2-trichloroethane were entering the river from the dump. ONA is a dye-like material, trichloroethane is a solvent. No allowable limits have been established for either substance.

All told, the Denver study said it had identified 24 organic compounds in the dump materials. Fourteen of these were what the EPA calls priority pollutants, chemicals that must be controlled.

Twelve samples of the liquid leaching from the dump were tested for mutagenicity, or the ability to effect changes in living cells, Camin says. Eleven of the 12 tested positive, she says.

"This is bad stuff, we just don't know how bad," she said. "It's worse than we thought it was."

Because it is a stable material that changes very little in river water, ONA has been used as a tracer in monitoring water quality downstream in the Cedar River. The idea is that if ONA is found, it means that other potentially harmful substances also may be there.

MINUTE AMOUNTS

ONA has been found in minute amounts in the drinking water of Waterloo, some 65 miles downstream from Charles City, and, more recently, in Cedar Rapids, about 120 miles downstream.

But in a letter reporting the Cedar Rapids finding, Camin told U.S. Representative Michael Blouin that modern technology had made it possible to detect such minute amounts—in the range of one part per trillion—that "It would have been surprising if we had not found something."

This is a point also made by Salsbury. "Those pollutants that are detectable in the river are at very low levels, and it has not been proven that these levels pose any threat to human health" he said recently.

Salsbury officials also point out that arsenic, although undoubtedly poisonous, is relatively insoluable in water and has not traveled more than half a mile downstream from the dump site.

"The river is just as healthy half a mile downstream as it is above," says Russell Smith, Salsbury's head of chemical production.

But state officials point out that some chemicals, though taken in minute amounts, can be dangerous over a long period of time and this is why they are concerned about the Salsbury chemicals. And there is something else that causes them even greater concern.

Camin said the Denver studies show that 22 organic compounds are entering the river from the treatment plant and that 14 of these are priority pollutants. Camin's office is presently trying to determine the best way to handle these wastes.

"Right now, we're looking at a no-discharge system (in which the water would be constantly recirculated and the solid contaminants separated out)," he said. "We would consider a discharge system if we could be assured the effluent (the final waste stream) would not be toxic."

Salsbury officials say they have already solved their waste-water problems and are ready to build a treatment plant if only the state will let them.

Cooper said the firm has devised a system using activated charcoal in a slurry as a base for bacteria which would render the chemical compounds harmless. A laboratory bench model of the system has been running successfully for two years, he said.

The plant, if built, would by-pass the Charles City treatment plant and discharge directly into the Cedar River, Cooper said.

Crane said the delay on the treatment works was caused by the need to know just what sort of chemicals they were dealing with. "We felt we needed a review by a toxicologist," he said. "But we hope to be able to make a decision by January."

Cooper said it would take about two years to build the plant.

POLLUTION THREAT TO WATER SUPPLY

WORRIED ABOUT AQUIFER

That is the Cedar Valley Aquifer, a vast layer of water-bearing rock that lies under a huge area of eastern and central Iowa and on which some 300,000 Iowans depend for their water supply.

Should this aquifer become contaminated it would be a disaster for the state. It would be almost impossible to remove any pollutants once they found their way into this underground water supply.

The aquifer is sealed off from the surface by a layer of bedrock and shale that is impervious to water. To get to it for a well, one must drill through this layer.

The LaBounty Site chemicals sit directly on this layer of bedrock. What is the danger of the chemicals leaching through?

"I see no option but to remove them and rebury them," says DEQ's Crane. He points to the fact that the surface rock is cracked in some places and that traces of ONA have been found in the municipal well at Plainfield, a small town about 20 miles downstream. The well draws water from the Cedar Valley Aquifer.

So far, Crane says, it has not been possible to establish how the ONA got into the Plainfield well.

Crane says it probably would cost about $50 million to remove the LaBounty chemicals. Who would pay for it?

"I feel Salsbury has some liability," Crane says, "but they certainly couldn't do it all. We would have to negotiate how much. It will take state and federal funds, with the federal government probably carrying the heaviest burden.

The need for removal is emphatically disputed by Salsbury officials.

"Our consultants say the possibility of contaminants getting into the aquifer is quite remote," Cooper says. He points out that there is considerable positive pressure in the aquifer and that as long as there was this positive pressure, pollutants would be kept out.

"It would take seven years of no rainfall before this positive pressure would reverse," Cooper says.

COVERING SITE

His recommendation is to cover the dump site with an impervious clay or even asphalt and to move the dike along the river bank to the face of the dump to get rid of the present ravine that now collects runoff from the dump. Then it should be monitored for a period of years to make sure it is stable.

As for Camin, she is not ready to say just what should be done.

"At this point, I'm not prepared to say this is an imminent health hazard," she says. "Call it a potential imminent health hazard. But if something were to happen that a lot more of this stuff got into the river, or if it got into the aquifer, then there would be no question.

"These are very complicated issues and there are no easy answers."

Iowa's DEQ has requested a grant from the EPA to make further studies of the LaBounty Site. Crane says he hopes the $300,000 in federal funds can become available early next year. Perhaps then there will be enough information on which to base a decision.

ANOTHER PROBLEM

There is yet another problem involving Salsbury Labs which state and federal officials are trying to solve, though this one seems easier. It involves disposal of the labs' liquid wastes.

Presently, it receives some pretreatment on the laboratory grounds, then goes through the Charles City waste water treatment plant and into the Cedar River.

ORDER FOR RECOGNITION OF SENATORS PRYOR AND JEPSEN TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on tomorrow, after the two leaders or their designees have been recognized under the standing order, Mr. PRYOR and Mr. JEPSEN be recognized, each for not to exceed 15 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECESS TO 11:30 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in recess until the hour of 11:30 a.m. tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

BIRTHDAY GREETINGS TO THE "MOUNTAIN STATE"

Mr. ROBERT C. BYRD. Mr. President, 116 years ago today, West Virginia became the 35th State of the Union. In remembrance of that event, June 20 is annually celebrated as West Virginia Day.

There are a good many people in this country who apparently fail to recall from time to time that there is a West Virginia. There are some people who confuse West Virginia with the western part of Virginia but, as the editor of the Sun once said, "Yes, Virginia, there is a Santa Claus." I want to say, yes, there is a West Virginia and there will always be a West Virginia. As long as there is a Santa Claus, and longer, there will be a West Virginia.

And it is not Western Virginia. By saying that, I do not denigrate the great State of Virginia, which, for a long time, was referred to as the mother of Presidents. But there is a West Virginia, W-e-s-t Virginia. There is a western part of Virginia, there is an eastern part of Virginia, there is a southern part of Virginia, there is a northern part of Virginia; but there is a West Virginia and it is the most northern of the southern, the most southern of the northern, the most eastern of the western, the most western of the eastern. It extends farther north than Pittsburgh, Pa.; farther east than Buffalo, N.Y.; farther south than Richmond, the capital of the Confederacy, and as far west as Columbus, Ohio. It is where the East says good morning to the West and where Yankee Doodle and Dixie kiss each other good night.

It is West Virginia and 116 years ago today, that State became a State—West Virginia, formerly part of the Old Dominion State of Virginia.

It separated itself 116 years ago today and it is about time that 220 million people of the United States knew that there is a West Virginia and that it separated itself from Virginia 116 years ago.

The birth of West Virginia was perhaps attended by greater pangs than most of her sister States. As the cruel War Between the States raged around and within the borders of the counties of trans-Allegheny many of the most prominent citizens of northwestern Virginia sought every means possible to remain part of the Union in distinction to their fellow Virginians to the east and even in opposition to some of their own friends and neighbors. In spite of the marked tide of Unionist sentiments in West Virginia, it should be remembered, for example, that Stonewall Jackson, an outstanding Confederate general, ranks as one of West Virginia's most famous native sons.

He was born in Clarksburg in what is now West Virginia.

After failing to keep Virginia from seceding, the Unionists in the western counties felt themselves left with no recourse but to separate from the rest of the Old Dominion, and to petition the Federal Government for admission as a new State.

Abraham Lincoln, in proclaiming statehood for West Virginia, explained his decision in the following words:

> Her brave and good men regard her admission into the Union as a matter of life and death. They have been true to the Union under very severe trials. We have so acted as to justify their hopes, and we cannot fully retain their confidence, and co-operation, if we seem to break faith with them.

In 1979, many West Virginians cherish the heritage that they share with the mother State of Virginia, but they are especially proud of those qualities that are unique to West Virginia. West Virginia is a State of "panhandles"—it has the north panhandle, it has the eastern panhandle—it is a State of mountains, roaring streams, pure and rippling waters, trout fishing, alluring wildernesses, fascinating flora and fauna, bluegrass music, coal, universities and colleges, iridescent sunsets and viridescent hills, and some of the finest people on the face of the Earth.

It has some of the best vacation spots that one can find anywhere. One of the most beautiful spas, not only in the United States but also anywhere in the world—the Greenbrier. Thousands of visitors every year are discovering the natural beauties and hospitality of the "Mountain State," and the tourist industry is thriving. West Virginia's energy reserves of coal, natural gas, timbers, and petroleum, as well as its flourishing chemical industry, which is one of the largest chemical industries in the Western Hemisphere, are earning for the State an increasing prosperity and significance in the modern world.

But most West Virginians are committed to the values and ideals that lent a special strength and meaning to the lives of their pioneer forefathers, and a remarkable patriotism, community spirit, and family life still flourish throughout West Virginia, from Wheeling in the north to Bluefield in the south, and beyond Wheeling in the north, may I say, to Chester in Hancock County, to the very tip end of that northern panhandle, to the very southern borderline of West Virginia, and from Martinsburg in the east, and Charleston and Charles Town and Berkeley Springs to Huntington and Point Pleasant in the west.

Mr. President, of all the things that I might say about myself, one of those about which I am most proud is the fact that I am a West Virginian, an adopted son of West Virginia. And today I warmly and lovingly salute my home State on its 116th birthday.

Mr. President, it is said that after the mockingbird sings, all of the other birds in the forest remain quiet.

Having said what I have just said about West Virginia, I would hope I may now recess without any further comment.

RECESS TO 11:30 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move in accordance with the order previously entered that the Senate stand in recess until 11:30 a.m. tomorrow.

The motion was agreed to; and at 5:28 p.m., the Senate recessed until tomorrow, Thursday, June 21, 1979, at 11:30 a.m.

HOUSE OF REPRESENTATIVES—*Wednesday, June 20, 1979*

The House met at 11 a.m.

His Eminence, Archbishop Iakovos, primate of the Greek Orthodox Church of North and South America, New York, N.Y., offered the following prayer:

O God, our Lord and Saviour, the inexhaustible source of all knowledge and wisdom, to Thee we lift up our minds and souls today, as we search for greater spiritual strength and foresight in our daily tasks to be of service to our Nation and to the world, which is Your divine creation.

We humbly beseech Thee to be our sun of righteousness and our shield as we strive to fight the forces of evil endangering the soul and the welfare of our people and all the peoples of the Earth.

Illumine our minds and fortify our will so that whatever we say or do will reflect the sanctity of Thy will. For in all our agonizing efforts we pursue nothing as much as an easement of the agony of men and women, the anguish of the young, and the anxiety of mankind.

We ask Thee for peace and justice in the world. We believe that Thou art our peace and salvation, and to Thee we ascribe glory, honor, and adoration now and unto ages of ages. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Sparrow, one of its clerks, announced that the Senate had passed with an amendment in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 3892. An act to amend title 38, United States Code, to authorize the Administrator of Veterans' Affairs to contract for the furnishing of private health care to veterans when such health care is authorized by a Veterans' Administration physician as necessary for the treatment of medical emergency, to authorize the Administrator of Veterans' Affairs to provide outpatient medical services for any disability of a veteran of World War I as if such disability were service-connected, to extend the authorization for certain expiring health care programs of the Veterans' Administration, and for other purposes.

HIS EMINENCE, ARCHBISHOP IAKOVOS

(Mr. BRADEMAS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BRADEMAS. Mr. Speaker, I take this time to join my colleagues to welcome the Primate of the Greek Orthodox Church of North and South America, His Eminence, Archbishop Iakovos, who offered the prayer this morning.

Mr. Speaker, this year marks the 20th anniversary of the enthronement of the archbishop and of his service as the spiritual leader of some 3 million communicants in more than 550 churches in the Americas. During this time, the Greek Orthodox Church has grown in size and stature under the inspired leadership and example of His Eminence.

Archbishop Iakovos was ordained as deacon of the Greek Orthodox Church 45 years ago in 1934 and appointed as archdeacon and professor at the Pomfret Theological School in 1939. He served from 1942 to 1954 as the energetic and dedicated dean of Boston's Annunciation Cathedral. Others have known him as parish priest or preacher in Hartford, Conn.; St. Louis, Mo.; and New York City.

Mr. Speaker, the 20 years of service of His Eminence as archbishop have been distinguished by his efforts on behalf of civil and human rights and social justice for all people. In 1965 he went to Selma to march with the late Dr. Martin Luther King. He has worked unceasingly as well for justice for the people of Cyprus and for the observance of the rule of law in American foreign policy. He has always spoken out against the actions of oppressive governments whenever there have been violations of human rights. His Eminence is himself a native of the much persecuted Island of Imvros and so knows personally the meaning of freedom and human rights.

It is this experience and belief in the dignity and equality of all persons which have led the archbishop to become one of the outstanding world leaders in the ecumenical movement. His Eminence is a former president of the World Council of Churches and is held in high regard by religious leaders of many faiths throughout the world.

Education is another area to which Archbishop Iakovos has devoted his attention and concern. Largely through his efforts, the Hellenic College in Brookline, Mass., is a fully accredited liberal arts institution which provides future Greek Orthodox priests with a background in history, philosophy and the other humanities. In addition, during the last 20 years, Saint Basil's Academy in Garrison, N.Y., has become a flourishing institution of education for many young, orphaned Greek-Americans.

During his tenure as primate, Archbishop Iakovos has worked to improve and enhance the role of Greek Orthodoxy throughout the world. Through his own energy and personal commitment to service he has encouraged members of the Greek community to assume leadership roles in the church. In the past 20 years he has journeyed millions of miles to serve Greek Orthodox communities around the world, traveling to Vietnam, Korea, and Japan and to Geneva, New Delhi, and Jerusalem as well as his visits in the Western Hemisphere.

Mr. Speaker, I have had the privilege of knowing His Eminence for many years now and have only the greatest respect and affection for him. Archbishop Iakovos is a tireless and dedicated leader of Orthodoxy and its traditions, a man of great intellectual gifts and one of the world's most respected religious leaders. We are fortunate to have had the opportunity to have Archbishop Iakovos open our session with his prayer this morning. His words and deeds offer inspiration for each of us.

HIS EMINENCE, ARCHBISHOP IAKOVOS

(Mr. GREEN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GREEN. Mr. Speaker, we are honored this morning to have His Eminence, Archbishop Iakovos, primate of the Greek Orthodox Archdiocese of North and South America, deliver our opening prayer. It is my pleasure to take this opportunity to congratulate His Eminence on the occasion of the 20th anniversary of his enthronement. As the Representative of New York's 18th Congressional District, I am honored to have the archdiocese as well as so many members of the Greek Orthodox Church as members of my constituency.

Archbishop Iakovos is an inspiring example of the profound impact a church leader can have on society. He has for many years been an impressive leader in the struggle for human rights worldwide and of Christian unity.

As the head of an archdiocese with more than 3 million communicants and 550 churches in North and South America, Archbishop Iakovos is looked upon for support and guidance by many of the faithful. He has been a visible symbol for the followers of his church as well as a spokesman for the causes of Christians everywhere.

From his place beside Martin Luther King in Selma to his presence before this body today, we are most fortunate for Archbishop Iakovos' moral and religious leadership and its contribution to our commitment to religious freedom and human rights.

HIS EMINENCE, ARCHBISHOP IAKOVOS

(Mr. BIAGGI asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BIAGGI. Mr. Speaker, it is with great personal pride that I acknowledge the presence here today of His Eminence, Archbishop Iakovos, the spiritual leader of the Greek Orthodox Church of North and South America. His foresighted world views have been a divine light for millions of people in our world who look to him for guidance and inspiration.

For the previous two decades, his considerable power and influence within his church has been tempered with concern and compassion for his fellow Greek Orthodox men and women as well as all other people. This concern was most recently demonstrated in his advocacy for human and civil rights for the unfortunate people of the Island of Cyprus. It has been an honor for me to have worked with the archbishop in helping to bring relief to this besieged population and I pledge my continued efforts to bring about an end to the tragedy of Cyprus.

I am proud to have one of the largest Hellenic-American congressional districts in the United States. Archbishop Iakovos is highly beloved and respected in my district as well as throughout the Greek-American population in the United States.

The archbishop has achieved a most significant milestone in his service to the Greek Orthodox Church. This milestone is one which is marked by service to his fellow Orthodox Christians and his fellow man—service which transcends all religions. I wish him many more years of fruitful service and wise counsel.

HIS EMINENCE, ARCHBISHOP IAKOVOS

(Ms. HOLTZMAN asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. HOLTZMAN. Mr. Speaker, I would like to join with my colleagues in expressing my pride and pleasure at the presence in the House Chamber today of His Eminence, Archbishop Iakovos, who has provided spiritual and moral leadership not only to the people of the Greek Orthodox faith in North and South America but to others throughout the world. We appreciate his presence here and are grateful for his leadership.

HIS EMINENCE, ARCHBISHOP IAKOVOS

(Mr. RUSSO asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RUSSO. Mr. Speaker, it is an honor to stand here today and join my colleagues in this national tribute to His Eminence, the Archbishop Iakovas, primate of the Greek Orthodox Church in the Americas, an archdiocese which covers two continents and embraces people of many different cultures and civilizations.

Archbishop Iakovos has established an impressive reputation for himself as a religious leader in the 20 years since his enthronement at the Holy Trinity Cathedral in New York City on April 1, 1959, at the age of 47.

The archbishop has been a leader in the modern ecumenical movement among the Protestant, Episcopal, and Roman Catholic churches in the United States and is very active in the World Council of Churches and the National Council of Churches.

As exemplified by his historic walk with Martin Luther King in Selma, Ala., Archbishop Iakovas has always been one of the outstanding proponents of human rights for the oppressed people of the Earth and particularly now for the Cypriots who are living under repression, aggression and extensive loss of their liberties. As I stand here this morning, it is my pledge to the archbishop that I will do everything within my power to see that one day, the rule of law and justice is returned to Cyprus, that all her citizens might live in peace and harmony.

Mr. Speaker, on behalf of the people of the Third Congressional District of Illinois, I say to Archbishop Iakovas, welcome, thank you for your good work and your concern for the well-being of people of the world.

HIS EMINENCE, ARCHBISHOP IAKOVOS

(Mrs. BOGGS asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. BOGGS. Mr. Speaker, I would like to join my colleagues in welcoming Archbishop Iakovos to our Chamber today and to thank him not only for the beautiful prayer that he has given us this morning but for his spiritual guidance and also the leadership in the field of human rights which he has given us over the years. He has been with us in New Orleans on many occasions where we have a very old Greek community, a large and lively one now. He has been with us on many occasions when we have celebrated so many and varied occasions in our own Greek church in New Orleans, at the Ahepa meetings, at the annual Greek night observances, at the ground breaking for a new Greek cultural center, that it is a very real pleasure to have him here with us today to commemorate the 20th anniversary of his elevation to his esteemed position.

□ 1110

HIS EMINENCE ARCHBISHOP IAKOVOS

(Mr. ZABLOCKI asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ZABLOCKI. Mr. Speaker, I am very proud and happy to join with our majority whip, our dear colleague, the gentleman from Indiana (Mr. BRADEMAS), and others, in warmly welcoming His Eminence Archbishop Iakovos. The Archbishop and I have something in common. We are fellow alumni of a great university. Exactly a month ago it was my great honor and privilege to be in the same graduating class with His Eminence when we both received an honorary Doctorate of Laws degree from the University of Notre Dame. Mr. Speaker, the archbishop is a great spiritual leader. I know that I speak for my colleagues when I say that we pray that he will have many additional years of work in the vineyard of the Lord.

Ad multos annos.

HIS EMINENCE ARCHBISHOP IAKOVOS

(Mrs. SNOWE asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. SNOWE. Mr. Speaker, I, too, share with my colleagues on this day in honoring Archbishop Iakovos of the Greek Church of North and South America. As a member of the Greek Orthodox Church, I have known the archbishop since I was a little girl and I can only say on behalf of the Greek community we are very, very proud to be blessed with His Eminence's leadership for the last 20 years and I can only hope there are many, many more years of his continued leadership. I am very pleased we can all join here today in honoring his presence. He has done so much in behalf of the Greek community in many countries throughout the world and I am very proud and honored that we do have him as our leader.

HIS EMINENCE, ARCHBISHOP IAKOVOS

(Mr. DERWINSKI asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DERWINSKI. Mr. Speaker, I join the preceding Members in commending and welcoming the archbishop. I point out to Members that the orthodox faith ranks with the various Protestant sects, the Roman Catholic Church, and the Jewish faith as a driving force for good in the world. Archbishop Iakovos is highly regarded in all religious circles. He is an outstanding, internationally known religious leader and we in the House of Representatives are honored by his presence this afternoon.

● Mr. ANNUNZIO. Mr. Speaker, in behalf of my constituents in the 11th Congressional District of Illinois, many of whom are of Greek descent, it gives me great pleasure to welcome to the House of Representatives His Eminence Archbishop Iakovos, primate of the Greek Orthodox Church of North and South America.

I am glad to join my distinguished colleague, the majority whip, and my colleagues in the House of Representatives in extending warm greetings to Archbishop Iakovos, who has staunchly advocated the protection of human rights for the people of Cyprus and who has given inspired spiritual leadership to all of the members of the Greek Orthodox Church presently living in Greece and throughout all of the countries of the world.

I want to thank Archbishop Iakovos for being with us today and to wish him continuing success in all of his endeavors.●

● **Mr. MATTOX.** Mr. Speaker, my colleagues and I were honored today with an invocation by His Eminence, Archbishop Iakovos. As a leader of the Greek Orthodox Church in the Americas for 20 years, Archbishop Iakovos has given not only spiritual guidance and strength to members of the Greek community, but he has also served as an inspiration to all of us in his quest for world peace. We can only gain further insight and increase our determination in promoting peace by reminding ourselves of the work that those such as Archbishop Iakovas have done. His Eminence has demonstrated a commitment to God that religious leaders around the world revere. I pray that we, as Members of Congress, commit ourselves, in like manner, to the task of helping all people throughout the world.●

● **Mr. BOLAND.** Mr. Speaker, it is a great honor for the House of Representatives to have today's prayer delivered by His Eminence Archbishop Iakovos, primate of the Greek Orthodox Church of North and South America.

Archbishop is a deeply religious man who has done much for the members of the Greek Orthodox Church. Since coming to the United States in 1939, Archbishop Iakovos has served his church with distinction in Boston, Hartford, St. Louis, and New York. The church recently celebrated his 20th anniversary as primate of the Greek Orthodox Church in the Americas with a joyous ecumenical service at the Cathedral of the Holy Trinity in New York City. This celebration was attended by such spiritual figures as Terence Cardinal Cooke, Dr. James I. McCord of the Princeton Theological Seminary, and Rabbi Marc Tanenbaum of the American Jewish Committee. At this service on April 1 of this year, Cardinal Cooke praised Archbishop Iakovos for his recognition of "the great spiritual hunger of the men and women in our modern age of technology."

The accomplishments of this great religious leader are too numerous to list. His work on the World Council of Churches has greatly increased the value of that organization. In 1964 and 1965, the archbishop sought and established strong working ties between the Greek Orthodox Church and the Roman Catholic Church. Both religions have benefited from these ties.

Mr. Speaker, it is a great personal pleasure to welcome Archbishop Iakovos to the House Chamber. His words are an inspiration to us all. I wish him many more years as the leader of the Greek Orthodox Church here in America.●

GENERAL LEAVE

Mr. BRADEMAS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks in tribute to His Eminence, Archbishop Iakovos.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

PER CAPITA OIL IMPORT FIGURES

(Mr. MADIGAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. MADIGAN. Mr. Speaker, I was deeply concerned when I read an article in the New York Times, in which we were told that "the Europeans and Japanese think the United States is importing more than its fair share of world oil."

Mr. Speaker, using total crude import figures is misleading because these figures do not compensate for population differences. If one computes 1977 per capita oil importation, one finds that Japan, which imported 2.08 metric tons of oil per person; Belgium, 3.72; France, 2.21; Italy, 1.88; and the Netherlands, 4.25; all imported more oil per capita than did the United States, which imported 1.73 metric tons of oil per person.

During my recent visit to Europe, I observed that the Europeans hold the United States responsible for their fuel shortages mostly because we have spent the last 2 years apologizing for how much oil we import. I urge that we consider the per capita import figures I am now placing in the RECORD, and that we educate others to do their part in reducing oil imports.

	Total crude imports, 1977 (thousand metric tons)	Population, 1977 (millions)	Per capita oil imports, 1977 (thousand metric tons/person)
United States	374,256	216.82	1.73
Japan	236,506	113.86	2.08
Belgium	36,541	9.83	3.72
Denmark	7,404	5.09	1.45
France	117,502	53.08	2.21
West Germany	101,994	61.40	1.66
Ireland	2,233	3.19	0.70
Italy	106,070	56.45	1.88
Luxembourg	NA	.36	NA
Netherlands	58,929	13.85	4.25
United Kingdom	70,698	56.11	1.26

GASOLINE SHORTAGE IN WASHINGTON, D.C., AREA

(Mr. DICKINSON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DICKINSON. Mr. Speaker, this past weekend as I was doing some shopping near my home in Arlington the clerk took my credit card and saw that I was a Member of Congress. He said:

> Is it true what I read in the paper that you fellows up there have your own private gas pump and buy gasoline at 67 cents a gallon?

I said:

> I do not know about the leadership but I am paying 93 cents a gallon for gasoline when I can get it and I stand in line for it.

The reason I rise today is, this morning I left home at 6 o'clock in the morning to get gasoline. I went from Glebe Road almost all the way to Rosslyn, I passed 10 stations, at least. Each one had a line of cars from three to five blocks long. I was unable to get my gasoline.

Now I read in this morning's paper what I have been told by a friend this past weekend who had a tanker truck, that there is no storage capacity in the area, because all storage is full of gasoline.

In this morning's paper "The Great Gas Mystery," we say that with the storage tanks here in the District and in this area full, we are diverting gasoline to New Jersey.

Mr. THOMPSON. Mr. Speaker, will the gentleman yield?

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. THOMPSON. Mr. Speaker, I ask unanimous consent the gentleman have 1 additional minute.

The SPEAKER pro tempore. The Chair recognizes the gentleman from New Jersey to speak for 1 minute and to revise and extend——

Mr. DICKINSON. Well, if this is my time, let me say I do not mind New Jersey getting extra gas if they need it, but not at my expense.

I will be glad to yield to the gentleman.

Mr. THOMPSON. Mr. Speaker, we need it. We have the most beautiful resort areas in the United States and the gentleman is welcome to drive up to New Jersey and we will try to get the gentleman some. The gentleman might have to pay a little more than 93 cents. I do not know what the gentleman is doing hanging around Rosslyn.

Mr. DICKINSON. I appreciate the offer. And if we could run on hot air, I am sure we could do well in New Jersey.

Mr. THOMPSON. I am sure that is how the gentleman got in this morning.

GASOLINE SHORTAGE IN WASHINGTON, D.C., AREA

(Mrs. SCHROEDER asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. SCHROEDER. Mr. Speaker, I want to continue on where the gentleman from Alabama left off. I got up this morning with my two cars in the driveway of my home that I thought had gasoline in them only to find out they had both been siphoned dry during the night and the gas caps were also missing. It appears an urban guerrilla war has been declared in this area, everyone for himself. I must say that the front page of the Washington Post did not make me feel very good, to find out there is a bunch of Department of Energy geniuses who have put together this incredible allocation system so that we have got bursting storage tanks while we have got people running around in the dark of night stealing gas out of everyone else's tank.

The tow truck drivers may think it is wonderful to start your morning paying $60 for tow trucks to tow both of your cars in because somebody empties them in your driveway. I do not. I would like to tell Secretary Schlesinger he has made me very crabby and angry. I hope they get their allocation system shaped up so the guerrilla war system of allocation by self help will stop.

AVOID METRO?

(Mr. STUDDS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.

Mr. STUDDS. Mr. Speaker, I have a unanimous-consent request to make but first, following the remarks of the colleagues preceding me I cannot resist commenting on something appearing on the front page of the Washington Post myself.

Yesterday morning, overtaken with guilt by the fact I had been driving my car to work when I could have as easily taken public transportation, I decided I would do my little bit as a citizen and take the Metro rather than drive my car. Imagine my surprise upon reading on the front page of the Washington Post this morning that a spokesman for Metro observed that many people, apparently overtaken by similar guilt, had reached a similar conclusion and Metro yesterday begged people not to use the subway during rush hours.

Now, that is the most remarkable approach to public transportation in a time of energy crisis of which I can conceive.

PERMISSION FOR SUBCOMMITTEE ON OCEANOGRAPHY OF COMMITTEE ON MERCHANT MARINE AND FISHERIES TO SIT TODAY DURING 5-MINUTE RULE

Mr. STUDDS. Mr. Speaker, I ask unanimous consent that the Subcommittee on Oceanography of the Committee on Merchant Marine and Fisheries be permitted to sit today during the 5-minute rule.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

WE NEED FRANK AND HONEST TALK ABOUT OUR ENERGY SHORTAGE

(Mrs. FENWICK asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. FENWICK. Mr. Speaker, I would like to join with my colleagues who have spoken this morning. Above all, what we need is some frank and honest talk from people who seem to be interested in the public welfare.

I agree with the gentleman. Why did not the oil companies tell us that these allocation systems were a mess? They have been in place since 1973. What we need are some clear, honest voices, who are going to put the public interest above the concerns of being tactful with agencies, or other considerations that have nothing to do with how people are trying to live their lives, down here where we all try to exist.

Back in New Jersey last weekend all the gas stations were closed, of course, in my town on Sunday. All of them were closed on Saturday afternoon. All but one were closed on Saturday morning. How do you find gas? You get back too late from here on the train trying to avoid gas waste. You do everything you can personally as a citizen and as a legislator.

I do not think Congress is without blame, either. We have not moved as quickly as we should have and as decisively.

We have now the Moorhead bill before us. I hope we will move in that direction and I hope other good ideas will be forthcoming. But everything we do must be clearly in the public interest, and we must demand an equal commitment from others.

THE NEW GAS WAR

(Mr. DAN DANIEL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DAN DANIEL. Mr. Speaker, the gentlewoman from Colorado mentioned a new type of war. Let me call the Members' attention to the type of war we had before the Government got overly involved in the energy business. That was a price war at the gas pumps. Now we have lines at the gas pumps.

The last one of these I recall was in the spring of 1973. At that time the average retail price for a gallon of regular gas in Virginia was 38.9 cents. That same gallon of gas on May 15, 1979, cost 82.9 cents.

In the interval, the Federal Government has become overly involved in the gasoline business, strangling the private sector with regulations, creating a climate which does not lend itself to production. The result: We are now allocating shortages.

I long for the good old days when the oil companies, domestic oil companies, ripped me off less than half the price the Federal Government is ripping me off today.

PERMISSION FOR SUBCOMMITTEE ON SELECT EDUCATION OF COMMITTEE ON EDUCATION AND LABOR TO MEET TODAY, NOTWITHSTANDING 5-MINUTE RULE

Mr. SIMON. Mr. Speaker, I ask unanimous consent that the Subcommittee on Select Education of the Committee on Education and Labor may be permitted to meet today, notwithstanding the 5-minute rule.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

DISTRICT OF COLUMBIA SWEEPING CREW CAUSES TRAFFIC JAM AND GAS WASTE

(Mr. LAGOMARSINO asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LAGOMARSINO. Mr. Speaker, I sympathize with the gentlewoman from Colorado (Mrs. SCHROEDER) and her gasoline problem this morning.

I also share in the feelings of the gentleman from Massachusetts (Mr. STUDDS) about Metro. But, you know, coming to work this morning, I found a lot of gasoline being wasted in a traffic jam just the other side of the Capitol. Traffic was backed up for about a mile, almost back to the 14th Street Bridge.

I wondered what the problem was and as I got closer to the Capitol, going under the underpass, I found that the District of Columbia Maintenance Department, right in the middle of the rush hour, was sweeping the street, something that could be done anytime. This caused untold gas wastage as well as frayed tempers and late commuters, including me. Here is another example of government inefficiency contributing to our problems.

PROVIDING FUNDS FOR FURTHER EXPENSES OF COMMITTEE ON HOUSE ADMINISTRATION

Mr. BRADEMAS. Mr. Speaker, by direction of the Committee on House Administration, I call up a privileged resolution (H. Res. 268) providing funds for the further expenses of the Committee on House Administration, and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 268

Resolved, That the Committee on House Administration is authorized to incur such further expenses (not in excess of $344,796) as the committee considers advisable to provide for employment placement services, professional development programs, office and personnel management consultation services, and periodic publication of handbooks, guides, bulletins, and other matter as necessary for the House of Representatives, including expenditures—

(1) for the employment of professional, technical, clerical, and other assistants,

(2) for the procurement of services of individual consultants or organizations thereof pursuant to section 202(i) of the Legislative Reorganization Act of 1946 (2 U.S.C. 72a(i)), and for the procurement of equipment by contract or otherwise, and

(3) for specialized training, pursuant to section 202(j) of such Act (2 U.S.C. 72a(j)), of committee staff personnel performing professional and nonclerical functions.

Such expenses shall be paid out of the contingent fund of the House on vouchers authorized and approved by such committee, and signed by the chairman thereof. Not to exceed $50,000 of the total amount provided by this resolution may be used to procure the temporary or intermittent services of individual consultants or organizations thereof pursuant to section 202(i) of the Legislative Reorganization Act of 1946 (2 U.S.C. 72a(i)), and not to exceed $5,000 of such total amount may be used to provide for specialized training, pursuant to section 202(j) of such Act (2 U.S.C. 72a (j)), of staff personnel of the committee performing professional and nonclerical functions; but neither of these monetary functions shall prevent the use of such funds for any other authorized purpose.

SEC. 2. No part of the funds authorized by this resolution shall be available for expenditures in connection with the study or investigation of any subject which is being investigated for the same purpose by any other committee of the House.

SEC. 3. The authorization granted by this resolution shall expire immediately prior to noon on January 3, 1980.

SEC. 4. Funds authorized by this resolution shall be expended pursuant to regulations established by the Committee on House Administration in accordance with existing law.

SEC. 5. Any individual whose employment is terminated as a consequence of the termination of the Select Committee on Congressional Operations and who is subsequently employed by any other committee of the House, may continue to receive pay at his or her current rate, notwithstanding clause 6(c) of rule XI of the Rules of the House of Representatives.

Mr. BRADEMAS (during the reading). Mr. Speaker, I ask unanimous consent that the resolution be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Indiana?

There was no objection.

COMMITTEE AMENDMENT

The SPEAKER pro tempore. The Clerk will report the committee amendment.

The Clerk read as follows:

Committee amendment: Strike out all after the resolving clause and insert:

That the Committee on House Administration is authorized to incur such further expenses (not in excess of $340,000) as the committee considers advisable to provide for employment placement services, professional development programs, office and personnel management consultation services, and periodic publication of handbooks, guides, bulletins, and other matter as necessary for the House of Representatives, including expenditures—

(1) for the employment of professional, technical, clerical, and other assistants,

(2) for the procurement of services of individual consultants or organizations thereof pursuant to section 202(i) of the Legislative Reorganization Act of 1946 (2 U.S.C. 72a(i)), and for the procurement of equipment by contract or otherwise, and

(3) for specialized training, pursuant to section 202(j) of such Act (2 U.S.C. 72a(j), of committee staff personnel performing professional and nonclerical functions.

Such expenses shall be paid out of the contingent fund of the House on vouchers authorized and approved by such committee, and signed by the chairman thereof. Not to exceed $50,000 of the total amount provided by this resolution may be used to procure the temporary or intermittent services of individual consultants or organizations thereof pursuant to section 202(i) of the Legislative Reorganization Act of 1946 (2 U.S.C. 72a(i)), and not to exceed $5,000 of such total amount may be used to provide for specialized training, pursuant to section 202(j) of such Act (2 U.S.C. 72(j)), of staff personnel of the committee performing professional and nonclerical functions; but neither of these monetary limitations shall prevent the use of such funds for any other authorized purpose.

SEC. 2. No part of the funds authorized by this resolution shall be available for expenditures in connection with the study or investigation of any subject which is being investigated for the same purpose by any other committee of the House.

SEC. 3. The authorization granted by this resolution shall expire immediately prior to noon on January 3, 1980.

SEC. 4. Funds authorized by this resolution shall be expended pursuant to regulations established by the Committee on House Administration in accordance with existing law.

SEC. 5. Any individual whose employment is terminated as a consequence of the termination of the Select Committee on Congressional Operations and who is subsequently employed by any other committee of the House, may continue to receive pay at his or her current rate, notwithstanding the pay rate limitations of clause 6(c) of rule XI of the Rules of the House of Representatives.

Mr. BRADEMAS (during the reading). Mr. Speaker, I ask unanimous consent that the committee amendment be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Indiana?

There was no objection.

The SPEAKER pro tempore. The gentleman from Indiana is recognized for 1 hour.

Mr. BRADEMAS. Mr. Speaker, by direction of the Committee on House Administration, I have called up House Resolution 268.

The Committee on House Administration recommends approval of $340,000 of the $344,796 contained in the resolution as introduced.

This request, Mr. Speaker, is necessary to support the new responsibilities which have been assigned to the committee following an evaluation of the activities previously supervised by the Select Committee on Congressional Operations which was not reconstituted for the 96th Congress.

These new responsibilities have proved to be of continuing value to the House and include: First, the job placement office; second, the professional development program; third, the summer intern program; fourth, the office and personnel management program; fifth, the publications program; and sixth, the study of the handling of records and papers.

Mr. Speaker, I yield to the gentleman from South Carolina (Mr. CAMPBELL), a valuable member of the Subcommittee on Accounts of the Committee on House Administration, for such time as the gentleman may consume, for purposes of debate only.

Mr. CAMPBELL. Mr. Speaker, I thank the gentleman for yielding.

The gentleman has pointed out the need for this new funding; but it should also be pointed out that this is actually a reduction in the funding.

The committee before it went out of existence had requested funding of some $900,000 and this committee for a 7-month period has approved $340,000.

On an annualized basis, it is interesting to note that the reduction is about from $75,000 a month to about $48,000 a month. There will be a considerable saving because of the action of this committee.

Mr. Speaker, I rise in full support of this resolution.

Mr. BRADEMAS. Mr. Speaker, I thank the gentleman for his contribution.

Mr. Speaker, I yield such time as he may consume to the gentleman from Alabama (Mr. DICKINSON).

Mr. DICKINSON. Mr. Speaker, I thank the gentleman for yielding.

Let us say that I support this, but as a matter of policy and principle, I think that we are moving in the right direction. Too many times in the past we have set up special committees, ad hoc, select, whatever they might be called. I think that we have within the framework of the House of Representatives and its rules and as the standing committees are constituted the capability of covering the myriad of subjects that need to be covered and every time we set up a special subcommittee, whether it be ad hoc or whatever it is called, then they have to be fully staffed, cost more people, more money, more space, more automobiles to be parked up here. I think we are moving in the proper direction when our standing committees assume jurisdiction over what would properly be the subject matter that would not normally fall within it.

I applaud this committee going out of business, the Brooks subcommittee or the special committee. I would hope that in the future, and in the future I will continue to oppose the creation of special subcommittees or ad hoc committees to take cognizance over areas in which we already have committees to do that job; so this saves money. We are moving back in the right direction.

I support the resolution and I thank the gentleman for yielding.

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Mr. BRADEMAS. Mr. Speaker, I thank the gentleman from Alabama (Mr. DICKINSON) for his contribution.

Mrs. FENWICK. Mr. Speaker, will the gentleman yield?

Mr. BRADEMAS. I yield for purposes of debate only to the gentlewoman from New Jersey.

Mrs. FENWICK. Mr. Speaker, I thank my colleague for yielding. I would like to ask the gentleman, what is this $340,000 for?

Mr. BRADEMAS. Mr. Speaker, I will yield in this respect for a response to the distinguished chairman of the Committee on House Administration, the gentleman from New Jersey (Mr. THOMPSON), who is the author of the original resolution.

Mr. THOMPSON. Mr. Speaker, I commend my friend and colleague, the gentlewoman from New Jersey (Mrs. FENWICK), to the report, specifically page 3, which explains the budget in summary form, the budget request amounting to $344,796, which was subsequently reduced.

The budget is for the remaining projects, nine of them from the Select Committee on Congressional Operations, which, after a considerable study conducted on a bipartisan basis, were included within the responsibilities of the Committee on House Administration.

Let me say that all of the projects of the former Select Committee on Congressional Operations were carefully studied.

There were terminations of 8 projects and/or studies, and 10 were transferred to other committee jurisdictions where the staff and the Members felt they properly belonged. Those transfers were to the House leadership, to the Committee on Rules, to the Committee on the Judiciary, to the Select Committee on Committees, and to the Clerk of the House and the Congressional Research Service.

So the figures were gone over, to use an old cliche, with a fine tooth comb, as a result of which we arrived at the amount reflected in the resolution.

Mrs. FENWICK. Mr. Speaker, I thank my colleague for that very clear explanation.

What I am hoping is that when we do absorb, as we must, the various functions into established committees, we could do it within the framework already set up.

I noticed, for example, that it is going to take $55,000 "for six employees to provide for a director and the necessary clerical support for the preceding activities."

In other words, again we have considerable expense involved in new programs. I gather they are new; otherwise they would be done by the Committee on House Administration.

Mr. THOMPSON. Mr. Speaker, I would respectfully say that the gentlewoman from New Jersey (Mrs. Fenwick) is not correct. There are no new programs.

The select committee over the years, in my judgment, did an excellent job. It effectively pursued its major objectives.

Mrs. FENWICK. Which were what?

Mr. THOMPSON. Well, there were a number of them. For instance, there was the magazine, which it did publish, and there were other publications.

There have been nine projects or studies terminated. No new ones were created.

The chairman of the Subcommittee on Accounts, my friend, the gentleman from Indiana (Mr. Brademas), and the minority went over this with great care, as did the full committee. There are in fact no new projects. There is a transfer of 10 existing projects, there is the elimination and termination of 8, and there is the absorption of 9 by the Committee on House Administration, so that we have a net reduction of 8.

Mrs. FENWICK. But, Mr. Speaker, may I ask, what about the $34,000 for the salaries of two employees who will administer programs for training and placement of minorities? Is that an old program or a new one?

Mr. THOMPSON. That is an old program.

Mrs. FENWICK. And they have always been there?

Mr. THOMPSON. Well, not always, but for years, and they are very badly needed. The gentlewoman from New Jersey (Mrs. Fenwick) has, as we all know, a very deep concern for minorities, and she has expressed that concern a number of times. Our objective is, of course, to employ minority persons.

Mrs. FENWICK. That is what I was hoping to find out—that it was ongoing.

What about the $92,000 for five employees who will perform studies of office and personnel management programs? What about that?

Mr. THOMPSON. Mr. Speaker, that is a continuing need. As the gentlewoman has observed in her time here, there have been a great many consolidations and improvements in the management of this institution, and there have been a great many savings.

In the case of the Joint Committee on Printing alone, for instance, we saved more than $3 million last year as a result of these small staff expenditures.

Mrs. FENWICK. Mr. Speaker, my colleague has been very patient and kind, and I thank him.

But I do wish we could somehow through attrition begin to narrow down the whole weight of the cost of this Congress. This is $1 billion a year now.

Mr. THOMPSON. Mr. Speaker, if the gentleman from Indiana will yield further, I will say that that is our objective. The committee met yesterday and made some further changes in the rules which we hope will bring about greater efficiency and effect some savings. I would like to pay tribute to my friend, the gentleman from Indiana (Mr. Brademas), who is the chairman of the subcommittee, and to all the members of his subcommittee for the really splendid job they have done on this matter.

Mr. BRADEMAS. Mr. Speaker, I thank the gentleman from New Jersey (Mr. Thompson).

Mr. BAUMAN. Mr. Speaker, will the gentleman yield?

Mr. BRADEMAS. I yield to the gentleman from Maryland for purposes of debate only.

Mr. BAUMAN. Mr. Speaker, I thank the gentleman for yielding. I only want to ask the gentleman one question.

At the time the issue of the continuation of the Select Committee on Congressional Operations was before the Committee on Rules for reauthorization one of the issues raised was the inordinate amount of money spent by this select committee on the printing of a publication called "Staff." About a year ago I discussed this matter with the gentleman from Illinois (Mr. Anderson), and he placed in the Record the enormous cost and questioned the value of it. I happened to agree with him on that.

I just wonder, what is the future for that publication which costs literally—I think it was 50 or 60 cents a copy—hundreds of thousands of dollars?

Mr. THOMPSON. Mr. Speaker, will the gentleman yield?

Mr. BRADEMAS. I shall yield to the gentleman from New Jersey to respond to the gentleman's question.

Mr. THOMPSON. Mr. Speaker, I thank the gentleman for yielding.

That publication will cease in the form in which it existed, that is, on high-cost, slick paper. It will be issued six times annually, and it will contain in each issue information which we consider vital, and only that information which we consider vital. It will be printed on much less expensive material, and the net savings on that alone will be in excess of 500 percent.

Mr. BAUMAN. Mr. Speaker, I congratulate the gentleman.

Mr. BRADEMAS. Mr. Speaker, I move the previous question on the committee amendment and the resolution.

The previous question was ordered.

The SPEAKER. The question is on the committee amendment.

The committee amendment was agreed to.

The resolution, as amended, was agreed to.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. BRADEMAS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on the resolution just agreed to.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Indiana?

There was no objection.

PANAMA CANAL ACT OF 1979

Mr. MURPHY of New York. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 111) to provide for the operation and maintenance of the Panama Canal and to provide for the exercise of the rights and performance of the duties of the United States provided in the Panama Canal Treaty of 1977.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from New York (Mr. Murphy).

The question was taken; and the Speaker protempore announced that the ayes appeared to have it.

Mr. CARNEY. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 399, nays 7, answered "present" 2, not voting 26, as follows:

[Roll No. 262]

YEAS—399

Abdnor
Addabbo
Akaka
Albosta
Alexander
Ambro
Anderson, Calif.
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Anthony
Ashley
Aspin
Atkinson
AuCoin
Badham
Bailey
Baldus
Barnard
Barnes
Bauman
Beard, R.I.
Beard, Tenn.
Bedell
Beilenson
Benjamin
Bennett
Bereuter
Bethune
Bevill
Biaggi
Bingham
Blanchard
Boggs
Boner
Bonior
Bouquard
Bowen
Brademas
Breaux
Brinkley
Brodhead
Brooks
Broomfield
Brown, Calif.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burlison
Burton, Phillip
Byron
Campbell
Carney
Carr
Carter
Cavanaugh
Chappell
Cheney
Chisholm
Clausen
Clay
Cleveland
Clinger
Coelho
Coleman
Collins, Ill.
Collins, Tex.
Conable
Conte
Corcoran
Corman
Cotter
Coughlin
Courter
Crane, Daniel
Crane, Philip
D'Amours
Daniel, Dan
Daniel, R. W.
Danielson

Dannemeyer
Daschle
Davis, Mich.
de la Garza
Deckard
Dellums
Derrick
Derwinski
Devine
Dickinson
Dicks
Diggs
Dixon
Dodd
Dornan
Downey
Drinan
Duncan, Tenn.
Early
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
Edwards, Okla.
Emery
English
Erdahl
Erlenborn
Ertel
Evans, Del.
Evans, Ga.
Evans, Ind.
Fary
Fazio
Fenwick
Ferraro
Findley
Fish
Fisher
Fithian
Flippo
Florio
Foley
Ford, Mich.
Ford, Tenn.
Fountain
Fowler
Frenzel
Frost
Fuqua
Gaydos
Gephardt
Giaimo
Gibbons
Gilman
Gingrich
Ginn
Glickman
Goldwater
Gonzalez
Goodling
Gore
Gradison
Gramm
Grassley
Gray
Green
Grisham
Guarini
Gudger
Guyer
Hagedorn
Hall, Ohio
Hall, Tex.
Hamilton
Hammerschmidt
Hance
Hanley
Hansen
Harkin
Harris
Hawkins
Hefner
Heftel
Hightower
Hillis
Hinson
Holland
Hollenbeck
Holt
Holtzman
Hopkins
Horton
Howard
Hubbard
Huckaby
Hughes
Hutto
Hyde
Ichord
Ireland
Jacobs
Jeffords
Jeffries
Jenkins
Jenrette
Johnson, Calif.
Johnson, Colo.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kastenmeier
Kazen
Kelly
Kemp
Kildee
Kindness
Kogovsek
Kostmayer
Kramer
LaFalce
Lagomarsino
Latta
Leach, Iowa
Leach, La.
Leath, Tex.
Lederer
Lee
Lehman
Leland
Lent
Levitas
Livingston
Loeffler
Long, La.
Long, Md.
Lott
Lowry
Lujan
Lundine
Lungren
McClory
McCloskey
McDade
McDonald
McEwen
McHugh
McKay
McKinney
Madigan
Maguire
Markey
Marks
Marlenee
Marriott
Martin
Mathis
Matsui
Mattox
Mavroules
Mazzoli
Mica
Michel
Mikulski
Mikva
Miller, Calif.
Miller, Ohio
Mineta
Minish
Mitchell, N.Y.
Moakley
Mollohan
Montgomery
Moore
Moorhead, Calif.
Moorhead, Pa.
Mottl
Murphy, Ill.
Murphy, N.Y.
Murphy, Pa.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nedzi
Nelson
Nichols
Nolan
Nowak
O'Brien
Oakar
Oberstar
Obey
Ottinger
Panetta
Pashayan
Patten
Patterson
Paul
Pease
Perkins
Petri
Peyser
Pickle
Preyer
Price
Pritchard
Pursell
Quayle
Quillen
Railsback
Rangel
Ratchford
Regula
Reuss
Rhodes
Richmond
Rinaldo
Ritter
Roberts
Robinson
Rodino
Roe
Rosenthal
Rostenkowski
Roth
Rousselot
Roybal
Royer
Rudd
Runnels
Russo
Sabo
Santini
Satterfield
Sawyer
Scheuer
Schroeder
Schulze
Sebelius
Seiberling
Sensenbrenner
Shannon
Sharp
Shelby
Shumway
Shuster
Simon
Skelton
Slack
Smith, Iowa
Smith, Nebr.
Snowe
Snyder
Solarz
Spellman
Spence
St Germain
Stack
Staggers
Stangeland
Stanton
Stark
Steed
Stenholm
Stewart
Stockman
Stokes
Studds
Stump
Swift
Symms
Synar
Tauke
Taylor
Thomas
Thompson
Traxler
Treen
Trible
Udall
Ullman
Van Deerlin
Vander Jagt
Vanik
Vento
Volkmer
Walgren
Walker
Wampler
Waxman
Weaver
Weiss
White
Whitehurst
Whitley
Whittaker
Whitten
Williams, Mont.
Williams, Ohio
Wilson, Tex.
Winn
Wirth
Wolff
Wolpe
Wright
Wyatt
Wydler
Wylie
Yates
Yatron
Young, Alaska
Young, Fla.
Young, Mo.
Zablocki
Zeferetti

NAYS—7

Ashbrook
Lewis
Lloyd
Mitchell, Md.
Solomon
Stratton
Wilson, Bob

ANSWERED "PRESENT"—2

Butler
Donnelly

NOT VOTING—26

Applegate
Archer
Bafalis
Boland
Bolling
Bonker
Burton, John
Conyers
Davis, S.C.
Dingell
Dougherty
Duncan, Oreg.
Fascell
Flood
Forsythe
Garcia
Harsha
Heckler
Luken
McCormack
Moffett
Pepper
Rahall
Rose
Watkins
Wilson, C. H.

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So the motion was agreed to.

The result of the vote was announced as above recorded.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 111) to provide for the operation and maintenance of the Panama Canal and to provide for the exercise of the rights and performance of the duties of the United States provided in the Panama Canal Treaty of 1977, with Mr. FOLEY in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee rose on Monday, May 21, 1979, all time for general debate had expired.

Pursuant to the rule, the amendment in the nature of a substitute recommended by the Committee on Merchant Marine and Fisheries now printed in the reported bill shall be considered by title as an original bill for the purpose of amendment, and each title shall be considered as having been read.

It shall be in order to consider it offered as amendments to said substitute: First, amendments printed in the CONGRESSIONAL RECORD by Representative ZABLOCKI of Wisconsin, corresponding to provisions contained in the amendments recommended by the Committee on Foreign Affairs now printed in title I of H.R. 1716; second, an amendment to strike out section 1611 and references thereto within said substitute, corresponding to the amendments recommended by the Committee on the Judiciary now printed in titles IV and V of H.R. 1716; third, an amendment to title III printed in the CONGRESSIONAL RECORD of May 16, 1979, by Representative MURPHY of New York; and fourth, the amendments to titles I and III printed in the CONGRESSIONAL RECORD of May 16, 1979, by Representative HANLEY of New York, said amendments may be considered en bloc during consideration of title I of said substitute.

The clerk will designate section 1.

Section 1 reads as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.—This Act may be cited as the "Panama Canal Act of 1979".

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1353. Regulations governing inspection.

TITLE II—TREATY TRANSITION PERIOD

CHAPTER 1—LAWS CONTINUED IN FORCE

1501. Laws, regulations and administrative authority.

CHAPTER 2—COURTS

1511. Jurisdiction.
1512. Divisions and terms of District Court.
1513. Term of certain offices.
1514. Residence requirements.
1515. Special District Judge.
1516. Magistrates' Courts.

CHAPTER 3—ATTORNEYS

1521. Oath of attorneys.

CHAPTER 4—TRANSITION AUTHORITY

1531. Transition authority of President.
1532. Prisons; parole; pardons.

TITLE III—GENERAL PROVISIONS

CHAPTER 1—CEMETERIES

1601. Disinterment, transportation, and reinterment of remains.

CHAPTER 2—IMMIGRATION

1611. Special immigrants.

CHAPTER 3—REPORT; AMENDMENTS; REPEALS AND REDESIGNATION; EFFECTIVE DATE

1621. Report.
1622. Amendments.
1623. Repeals and redesignation.
1624. Effective date.

Mr. BAUMAN. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I take this time to inform the Committee of the Whole House that it will be my intention at the conclusion of the brief time that I will take here, to move that the Committee rise, and, assuming that is agreed to, I will move, under rule XXIX of the House, that the House meet in secret session.

I understand from the Parliamentarian that passage of the motion would allow us 1 hour of debate to be divided between the gentleman from New York and myself, during which time all of us, and I have discussed this with the gentleman from New York (Mr. MURPHY), as well as with the chairman of the subcommittee, the gentleman from Kentucky (Mr. HUBBARD), would be able to present to the House certain facts which we are not able to communicate to the House in public because of the classified nature and the source of the information.

I want to make it clear that it is not my intention to make this motion for the purpose of trying to defeat this legislation or influence it in the direction it may take, but the matters that need to be discussed with the House and cannot be discussed in public do pertain to amendments that may be offered today. They may indeed help the Members form their judgments, and they are of a grave enough nature that they need to be placed at least before the Members of the House so that they can vote intelligently.

□ 1200

As I say, I have discussed this with the gentleman from New York (Mr. MURPHY) and the gentleman from Kentucky (Mr. HUBBARD).

Mr. HUBBARD. Mr. Chairman, will the gentleman yield?

Mr. BAUMAN. I yield to the gentleman from Kentucky.

Mr. HUBBARD. Mr. Chairman, as the chairman of the Panama Canal Subcommittee I concur and agree with the gentleman from Maryland, who is the ranking minority member of the Panama Canal Subcommittee. I would emphasize to my colleagues the importance of the secret session at this point under rule XXIX of the House. I ask that the Members concur in this request because of the importance of the subject and also the relevance of the material to be presented during a secret session, which is badly needed.

Mr. BOWEN. Mr. Chairman, will the gentleman yield?

Mr. BAUMAN. I yield to the gentleman from Mississippi.

Mr. BOWEN. I thank the gentleman.

I too had the opportunity to sit in on the secret session with General McAuliffe, and I welcome the opportunity for the House to have an opportunity to discuss the matter because I found very little in that secret session that would bear upon the deliberations which we will be entering into today. I am pleased we will have this opportunity and I thank the gentleman.

Mr. BAUMAN. Mr. Chairman, I move that the Committee do now rise.

Accordingly the Committee rose; and the Speaker pro tempore (Mr. WRIGHT) having assumed the chair, Mr. FOLEY, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 111) to provide for the operation and maintenance of the Panama Canal and to provide for the exercise of the rights and performance of the duties of the United States provided in the Panama Canal Treaty of 1977, had come to no resolution thereon.

MOTION OFFERED BY MR. BAUMAN

Mr. BAUMAN. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. BAUMAN moves that, pursuant to rule XXIX, the house resolve itself into secret session. That the galleries of the House Chamber be cleared of all persons and that the House Chamber be cleared of all persons except the Members of the House and those officers and employees specified by the Speaker whose attendance on the floor is essential to the functioning of the House and who subscribe to the notarized oath of confidentiality.

The SPEAKER pro tempore. The Chair will state that the motion is not debatable. Absent unanimous consent to debate the motion, the question will be put upon the motion.

The question is on the motion offered by the gentleman from Maryland (Mr BAUMAN).

The motion was agreed to.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. The Chair will make a statement.

The Chair desires to read to the Members the contents of rule XXIX of the rules of the House of Representatives.

Rule XXIX reads as follows:

RULE XXIX

SECRET SESSION

Whenever confidential communications are received from the President of the United States, or whenever the Speaker or any Member shall inform the House that he has communications which he believes ought to be kept secret for the present, the House shall be cleared of all persons except the Members and officers thereof, and so continue during the reading of such communications, the debates and proceedings thereon, unless otherwise ordered by the House.

This rule has been successfully invoked by the vote of the House for the first time, the Chair believes, since the year 1830. This was a rule commonly invoked in the early days of the Republic, but not recently invoked.

According to the rule of the House, the Chair is now going to order that the galleries of the House Chamber shall be cleared of all persons and the House Chamber shall be cleared of all persons except the Members of the House and those officers and employees specified by the Speaker whose attendance on the floor is essential to the functioning of the secret session of the House. All proceedings in the House during such consideration shall be kept secret until otherwise ordered by the House.

The Chair is going to declare a recess long enough for this order to be carried out.

PARLIAMENTARY INQUIRIES

Mr. HIGHTOWER. Mr. Speaker, I have a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state it.

Mr. HIGHTOWER. What will be the action of the Chair in regard to the television proceedings?

The SPEAKER pro tempore. The television will not be recording the proceedings of the House during the time of the secret session.

Ms. HOLTZMAN. Mr. Speaker, I have a parliamentary inquiry.

The SPEAKER pro tempore. The gentlewoman will state it.

Ms. HOLTZMAN. In the Chair's reading of his order and reading the rule he mentioned that the House can order otherwise with respect to the secrecy of the proceedings. Is it my understanding then that should, during the debate or after the debate, the Members of the House determine that the material was not, in fact, confidential, is it then in order, or when is it in order, assuming that to be the case, for the proceedings to be then made public or the Journal kept of the debate then made public?

The SPEAKER pro tempore. The precedents which the Chair has read this morning indicate that following the presentation of that material considered secret or confidential or of such nature that it ought to be heard in secret session, the House may at that time, by its own motion, in secret session decide that there is no reason to observe further secrecy with respect to the material involved. Having heard the material and determined the nature thereof, it will be up to the Members of the House as to whether they would observe additional and future secrecy with respect thereto.

Ms. HOLTZMAN. I thank the Speaker.

Mr. DERWINSKI. Mr. Speaker, I have a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state it.

Mr. DERWINSKI. The Chair did not address himself to the question of the relevancy of the material to the legislation before the House. What is the determination or the precedents involved regarding the relevancy of presumed secret testimony to the legislative matter before us?

The SPEAKER pro tempore. The Chair will state that there is no requirement whatsoever in the precedents of the House, such materials having been received, that the material be relevant to any legislation, since the rule would include messages from the President of the United States that bear upon no pending legislation. It is not the opinion of the Chair that the material to be revealed in this session necessarily has any bearing whatever upon the legislation which otherwise would have been under consideration in the Committee of the Whole. It simply is a recognition of the right of the gentleman from Maryland and other Members present at the secret session to divulge such information as they desire to our colleagues, the Members of the House. The Members have voted to grant them that privilege. It does not necessarily bear in any way tangentially or otherwise upon the legislation previously before the House or any other legislation.

Mr. DERWINSKI. I thank the Speaker.

Mr. HORTON. Mr. Speaker, I have a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state it.

Mr. HORTON. The Chair announced that Members of the House are permitted to be present and also officers to be designated by the Speaker. Will the Speaker specifically designate those employees to remain on the floor?

The second inquiry is with regard to access to the floor. What about going and coming on the floor, will the doors be manned in order to prevent unauthorized persons from entering the Chamber?

The SPEAKER pro tempore. The Chair will attempt to answer both questions.

First, with respect to those official staff persons whose presence on the floor of the House is essential to the operation of the House, the Chair already has, pursuant to authority conferred upon him in the motion, delivered to the officers of the House sufficient guidelines with regard to that question.

On the second question, with respect to the rights of Members to go and come, that question should be answered in the affirmative. Members may go and come at will.

Mr. HORTON. What about others? They would have to be cleared before they could come in, other than Members?

The SPEAKER pro tempore. The gentleman is correct. Others would have to be designated and sworn before they could enter the Chamber.

□ 1210

Mr. McCLOSKEY. Mr. Speaker, a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state it.

Mr. McCLOSKEY. Mr. Speaker, I understand that we will receive in this Chamber information that will be labeled either "confidential" or "secret" or "top secret" under any Executive order which applies only to members of the executive branch. Therefore, it would not be a crime, for example, for a Member of this body to reveal information classified in the executive branch unless it came under the statute.

I am wondering what would be the rules of the House with respect to a Member of this body who might, after hearing in this secret session information perhaps classified "secret" or top secret." if that Member should, following this session, divulge that information to the press or to third persons not authorized to receive that information. It seems to me that under the rules of the House we would violate those rules as individual Members should we reveal classified information.

The SPEAKER pro tempore. The Chair feels that the same rule should prevail which prevails in executive sessions of committees of the House. The Chair does not wish to prejudge the nature or the import of the information to be revealed because the Chair is not privy to that knowledge.

The Chair believes that the Members of the House possess sufficient honor that they will do the right thing in determining, after having heard the information, whether or not its sanctity should be preserved or it should be revealed at the will of the Members. The Chair trusts the Members of the House to make the right decision.

Mr. McCLOSKEY. I thank the Chair.

Mr. GIAIMO. Mr. Speaker, a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state it.

Mr. GIAIMO. Mr. Speaker, under those circumstances should not attendance be kept as to whether or not a Member actually is in the Chamber or not, because there are some of us—and I feel very strongly about this kind of session because I have found out in the past through experience that I usually learn just as much outside a secret session as I do in it, and the information, if I find out the information outside of this session—I do not want to be gagged by the fact that I may or may not have been in this session at the time. It seems to me that the Chair ought to have attendance of Members.

The SPEAKER pro tempore. The Chair would observe that the gentleman from Connecticut or any other Member might have the privilege, if he or she so desires, to move a call of the House, and thereby could ascertain the presence of Members. Beyond that, the Chair is not of the disposition to impose upon the Members of the House any rule beyond those rules which are expressly written in the rules of the House. The Chair is of the disposition to trust implicitly the honor and the integrity of the Members of the U.S. House of Representatives.

Mr. CAMPBELL. Mr. Speaker, a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state it.

Mr. CAMPBELL. Mr. Speaker, in view of the fact that a number of the committees have received permission to sit under the 5-minute rule, I wonder if the Chair is taking steps to notify these committees of the pending proceedings.

The SPEAKER pro tempore. The Chair will respond, as the gentleman would understand, of course, that we are not now under the 5-minute rule and will not be proceeding under the 5-minute rule after we resume following the recess which the Chair will very presently declare.

The Chair would presume that the bells signaling the recess and the bells signaling the resumption of the convening of the House would be sufficient notice to warrant knowledge on the part of those who might be in committee sessions or elsewhere on Capitol Hill.

Mr. CAMPBELL. I thank the Chair.

Mr. BURLISON. Mr. Speaker, a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state it.

Mr. BURLISON. Mr. Speaker, it is my

understanding from the conversation I have heard thus far that there will be classified information presented to the body; confidential, secret, top secret. Is that a fair statement?

The SPEAKER pro tempore. In response to the gentleman's question, the Chair is not in a position to characterize the nature, the character, the quality, or the veracity of the information which will be divulged. The Chair is not privy to that knowledge.

Mr. BURLISON. A further parliamentary inquiry: Do the rules of the House not require that in those instances where classified material is to be received, that the reporters and the staff members and the officers of the House who may be present other than Members of the House be cleared for that classified information?

The SPEAKER pro tempore. The Chair is going to read to the gentleman an oath which employees and officers of the House are required to sign:

> I do solemnly swear that I will preserve inviolable secrecy on all confidential business of the House of Representatives that may come to my knowledge until especially absolved therefrom, so help me God.

Every employee and officer of the House will be expected to sign this oath if permitted to be privy to the session. Members of the House will not be requested nor required to sign such an oath.

Mr. BURLISON. Mr. Speaker, my parliamentary inquiry is whether the rules of the House require, in such a session, that the reporters and the staff members and others have the requisite clearances to be present and to conduct the business.

The SPEAKER pro tempore. The Chair will respond to the gentleman's request in the following manner: Members of the U.S. House of Representatives are not members of the executive branch of Government, who may be bound by laws exclusively applicable to members of the executive branch of Government.

The Chair will state again that Members of the House, after hearing the nature of this information, whatever it may be, must judge on their own or as ordered by the House as to whether it is of sufficient import or secret in character to require continued silence. On previous occasions, the Chair discovers on reading the precedents, Members of the House, having heard information thus divulged, usually have voted to allow that information to become known publicly.

Mr. BURLISON. Is the Speaker saying that the rules of the House do not require that the staff, House officers, and others be cleared to receive the information? My parliamentary inquiry is whether there is such a House rule.

The SPEAKER pro tempore. There is no such House rule, the Chair will respond.

Mr. DOWNEY. Mr. Speaker, a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state it.

Mr. DOWNEY. Mr. Speaker, if I understand the ruling of the Chair then, the employees of the House of Representatives coming into the session will be privy to receive information secret, top secret, classified, that is so designated by U.S. statute. What concerns me, Mr. Speaker, is that we have no rule governing classification of House employees with respect to the receiving of secret information. That is not a rule just of the executive branch; that is United States statutory law with respect to who can receive and under what circumstances classified, secret, and top secret information.

The SPEAKER pro tempore. The employees of the House, the Chair will advise the gentleman, are subject to applicable provisions of law and to the disciplinary action of the House, and the special rule for them requires that secrecy of the proceedings be maintained until absolved from that responsibility by the House.

The Members of the House, in context, are also subject to the disciplinary rules of the House with respect to the Standards of Official Conduct Committee and under the Constitution.

Mr. DOWNEY. I thank the Chair.

RECESS

The SPEAKER pro tempore. The Chair declares a recess.

Accordingly (at 12 o'clock and 20 minutes p.m.), the House stood in recess subject to the call of the Chair.

At 12 o'clock and 38 minutes the House proceeded to meet in secret session.

(House proceedings held in secret session.)

At 2 o'clock and 11 minutes the House dissolved its proceeding being held in secret session.

AFTER RECESS

The recess having expired, the House was called to order by the Speaker at 2 o'clock and 30 minutes p.m.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. The Chair will make the following statement:

The Chair would remind the Members that the House has not at this point voted to remove the injunction of secrecy and that Members are bound not to release or to make public any of the transcript of the closed session until further order of the House.

To enable the House to evaluate the transcript of the secret session, the Chair will refer the transcript to the Permanent Select Committee on Intelligence and to the Committee on Merchant Marine and Fisheries for their report thereon as soon as possible. The committees' report will remain executive session record of those committees for examination by the Members and ultimate disposition by the House.

The Chair further would state that he would believe that the item could go to the Committee on Rules and the House could go back into a secret session for a time allotted before making the transcript public record.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Chirdon, one of his secretaries.

☐ 1430

PANAMA CANAL ACT OF 1979

Mr. MURPHY of New York. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 111) to provide for the operation and maintenance of the Panama Canal and to provide for the exercise of the rights and performance of the duties of the United States provided in the Panama Canal Treaty of 1977.

The SPEAKER. The question is on the motion offered by the gentleman from New York (Mr. MURPHY).

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill, H.R. 111, with Mr. FOLEY in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee of the Whole House rose earlier today, section 1 had been considered as having been read and open for amendment at any point.

Mr. MURPHY of New York. I move to strike the requisite number of words.

The CHAIRMAN. The gentleman from New York is recognized for 5 minutes.

Mr. MURPHY of New York. Mr. Chairman, today we begin an historic event that will alter the course of events for the United States and all the nations in this hemisphere. We will determine today the future of one of the world's major waterways and I am convinced that the integrity of the House of Representatives will be maintained and that we will send to the Senate legislation that will uphold the honor of the United States of America, protect our workers in the Canal Zone, provide for the defense of this major world asset and maintain a free flow of commerce for the nations of the world.

As an original opponent of the Panama Canal treaties and despite the high-handed disregard by the administration of the constitutional mandate that the House of Representatives handle this disposition of property belonging to the people of the United States of America. I and my colleagues on the Merchant Marine Committee have taken the vague document handed to us by the State Department known as the Panama Canal Treaties of 1977 and turned it into a living, viable entity.

The necessity for this legislation arises from the simple legal principle that under the constitution many of the provisions of the treaty are not and cannot be self-executing, that is, those which expressly depend on legislation and those which involve subjects that are committed exclusively to the legislative power of the Congress.

Without the enactment of legislation by the Congress, certain portions of the Panama Canal Treaty not dependent upon legislation may become effective and the law of the land, while execution of other portions will certainly be impossible. The complexity of the arrangements agreed to with Panama are so interdependent, however, that failure to provide legislation to execute U.S. rights and responsibilities in treaty areas that are not self-executing may be detrimental to all U.S. areas of involvement.

To be more specific, Mr. Chairman, without the enactment of this legislation by October 1, 1979, the new treaty would go into effect as scheduled but: First, there would be no agency established to continue to operate the canal; second, there would be no authority to employ or pay the personnel necessary to keep the canal in operation; third, there would be no authority to pay the 3,000 employees who will be transferred to the Department of Defense to operate schools, hospitals, and other activities which the Panama Canal Commission may not operate under the treaty; fourth, there will be no constitutional authority to transfer to Panama the property which the United States has agreed to transfer; and fifth, there will be no authority for appropriation of funds required for operation of the canal even though such funds would be fully reimbursed to the Treasury from revenues derived from the operation.

The number of important aspects of the canal operation dependent upon legislation is the result of the manner in which the Panama Canal Treaty was written.

The Panama Canal Treaty and related agreements provide extensive latitude to the United States in the performance of its responsibilities under the treaty, largely based on the fact that article III of the treaty provides that the Panama Canal Commission is to be an agency of the Government of the United States established by and in accordance with the laws of the United States. The designation of certain officials and institutions to carry out responsibilities contemplated by the treaty, the determination of the basis for and amount of tolls for use of the canal, the financial management of this valuable asset, and the disposition of U.S. property all have been left by the treaty to the Congress of the United States.

In carrying out the terms of an international treaty agreement for purposes of domestic law, the U.S. Congress has often claimed a right to interpret the meaning of any portion of the treaty which depends upon legislation for its execution. Because of the ambiguities in the Panama Canal Treaty, the Committee on Merchant Marine and Fisheries has been required to interpret some provisions of the treaty in writing this legislation. In developing the legislation, the committee has been guided by the principle that the requirements of the treaty must be fulfilled. In the committee's assessment of treaty provisions, great weight has been given to the opinion of the executive. Moreover, in no case has the committee departed from the plain and obvious meaning of treaty language, despite the original hysterical objections by the Department of State.

This legislation is within the spirit of the treaty and I urge all Members to support the Merchant Marine and Fisheries Committee's prodigious effort on this project. To do anything less could be calamitous.

Are there any amendments to section 1?

TITLE AMENDMENT OFFERED BY MR. PASHAYAN

Mr. PASHAYAN. Mr. Chairman, I offer an amendment to the title.

The Clerk read as follows:

Title amendment offered by Mr. PASHAYAN: On page 91, line 4, strike "Panama Canal Act of 1979", and insert the following: "Panama Canal Defense Act of 1979".

Mr. PASHAYAN. Mr. Chairman, the sole realistic issue to be debated in this House is whether or not the United States shall continue its presence in Panama for the next 20 years or whether this House will act in such a fashion that the U.S. forces, both civilian and military, will no longer be permitted to remain in that country.

So the essence of what the House is debating today simply regards the matter of whether or not this country will be able to continue to protect its interests in Panama for the next 20 years.

I simply, therefore, think that the act entitled the Panama Canal Defense Act of 1979 is far more accurate in describing in fact what the effect of the bill is.

Mr. MURPHY of New York. Mr. Chairman, will the gentleman yield?

Mr. PASHAYAN. I yield to the distinguished chairman, the gentleman from New York (Mr. MURPHY).

Mr. MURPHY of New York. I think that the recommendation of the gentleman has great merit, and the committee is accepting the gentleman's amendment.

Mr. PASHAYAN. I thank the chairman.

Mr. DERWINSKI. Mr. Chairman, will the gentleman yield?

Mr. PASHAYAN. I yield to the gentleman from Illinois.

Mr. DERWINSKI. I believe the gentelman is, in a very practical fashion, stating the facts of life. I think this is a practical amendment and will set the stage for more practical discussion the rest of the day, and I commend the gentleman.

Mr. PASHAYAN. I thank the gentleman.

The CHAIRMAN. The question is on the title amendment offered by the gentleman from California (Mr. PASHAYAN).

The title amendment was agreed to.

PREFERENTIAL MOTION OFFERED BY MR. BETHUNE

Mr. BETHUNE. Mr. Chairman, I offer a preferential motion.

The Clerk read as follows:

Mr. BETHUNE moves that the Committee do now rise and report the bill, H.R. 111, back to the House with the recommendation that the enacting clause be stricken.

Mr. BETHUNE. Mr. Chairman, we have just finished a closed session in which the Members of the House received confidential information. The Speaker has just announced that the transcript of that session will be referred to committee to determine which portions may be discussed publicly by Members of this body.

Therefore, we are at least under a partial gag order, and it seems to me that that would seriously inhibit debate.

I know personally that I feel uncertain, not being a member of the committee, about what portions of the closed session I can discuss. I do not think that it is conducive to fair and open debate to debate the matter when all Members are uncertain as to what they can talk about and what they cannot talk about.

Therefore, I think it is in order, Mr. Chairman, to adopt this motion and strike the enacting clause and have this matter go back to committee until we are advised by the committee studying the closed session as to what we can and cannot discuss.

Mr. MURPHY of New York. Mr. Chairman, I move to strike the last word.

Mr. Chairman, the session that we just had, I think, was very helpful in laying out very specific details as to what information the Committee on Merchant Marine and Fisheries and specifically the Subcommittee on the Panama Canal had learned from various officials of the U.S. Government.

In the session it was made very clear to every Member of this House, as to specifically what information was classified. The purpose of referring the transcript to the Committee on Merchant Marine and Fisheries and subsequently to the Intelligence Committee, in order to protect certain individuals, is not designed in any way to withhold information.

I would think that if we did not go on with this debate and hopefully finish this legislation today, we are running into a time problem, a time problem that is working against the proper implementation of the Panama Canal Treaty of 1977. What we face at this time is the clock. We face October 1, a date certain when the United States will turn over certain portions of the Canal Zone to the jurisdiction of Panama, actually the entire zone in effect. Specific certain functions will be assumed by the Republic of Panama on October 1, but really September 1 is a key date, because that is the date of the return to school of the children of Americans who are working in the Canal Zone, the very vital Americans who perform the marine functions, including tug captains, the marine engineers who operate the dredges, and the pilots who guide the vessels through that waterway. More than 125 families of pilots alone are involved.

Unless we have in place a school system and a hospital system for these people, they are not going to stay at the canal. So that problem pushes us back to an earlier date when we need to be ready. Hopefully, we will have something firm and finished with the Senate by the first of August. That means we have a limited number of weeks in order to work. The Senate has not even gone into hearings yet on implementation legislation nor are they ready to pass legislation so that we can get to a conference.

I have been assured by Members of this body that conference is not going to be a simple issue, that it is going to be almost a total debate again on H.R. 1716 versus H.R. 111, the latter a document that I hope will be passed today.

Therefore, I would hope that the members of this committee reject this motion.

Mr. BAUMAN. Mr. Chairman, will the gentleman yield?

Mr. MURPHY of New York. I yield to the gentleman from Maryland.

Mr. BAUMAN. Mr. Chairman, I must say I have to concur with the gentleman from New York.

I sympathize greatly with the expression of the gentleman from Arkansas about the possibility the debate might be inhibited, but there are a number of amendments that might be dealt with this afternoon. I doubt that this can be finished today. Those amendments do not have direct bearing on the discussion we had in secret session. Some will undoubtedly, but I would hope we could at least proceed in that area, particularly with other committees offering an amendment dealing with employees' rights.

Mr. BETHUNE. Will the gentleman from New York yield?

Mr. MURPHY of New York. I yield to the gentleman from Arkansas.

Mr. BETHUNE. In connection with what the gentleman from Maryland has just said, I wonder how long it will take the committee to evaluate the transcript and have some report to the Members as to what portions we can cite and refer to and argue from.

Does the gentleman have a time estimate? Is it possible that this could be back to us in time for debate on the point that might somehow involve this information?

Mr. MURPHY of New York. I might say to the gentleman that it would not take the committee very long to deliberate on those points, but I do not know of any amendment that we have seen so far that would be impacted by information that was disclosed in the secret session.

Mr. BETHUNE. Will the gentleman from New York yield further?

Mr. MURPHY of New York. I yield to do the gentleman from Arkansas.

Mr. BETHUNE. Mr. Chairman, I would like to make the point that I am sympathetic to what the gentleman is trying to do, and to the bill. I think that the treaties themselves are the worst mistakes that we have made in some 20 years. I think the second worst mistake would be to fail to implement in some form or another this legislation.

So I am in sympathy with the gentleman. As a former agent of the FBI, I am in sympathy with the need for confidentiality.

By the same token, I think all Members here want to feel free, when they debate this very important issue. I know that I personally feel inhibited in taking the floor in debating. Even now as I discuss the preferential motion, I am inhibited in what I can say in support of my motion and what I cannot say.

☐ 1440

Mr. Chairman, I just want to make that point, and I think it is an important point, and I hate to see this important body discuss a motion under those circumstances.

The CHAIRMAN. The question is on the preferential motion offered by the gentleman from Arkansas (Mr. BETHUNE).

The question was taken; and on a division (demanded by Mr. SYMMS) there were—ayes 15, noes 33.

Mr. BETHUNE. Mr. Chairman, I demand a recorded vote and pending that, I make the point of order that a quorum is not present.

The CHAIRMAN. Evidently a quorum is not present.

The Chair announces that pursuant to clause 2, rule XXIII, he will vacate proceedings under the call when a quorum of the Committee appears.

Members will record their presence by electronic device.

The call was taken by electronic device.

☐ 1450

QUORUM CALL VACATED

The CHAIRMAN. One hundred Members have appeared. A quorum of the Committee of the Whole is present. Pursuant to clause 2, rule XXIII, further proceedings under the call shall be considered as vacated.

The Committee will resume its business.

RECORDED VOTE

The CHAIRMAN. The pending business is the demand of the gentleman from Arkansas (Mr. BETHUNE) for a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 97, noes 315, not voting 22, as follows:

[Roll No. 263]

AYES—97

Anderson, Calif.
Applegate
Ashbrook
Badham
Bafalis
Bethune
Bouquard
Carney
Carter
Cheney
Clinger
Collins, Tex.
Coughlin
Courter
Crane, Daniel
Crane, Philip
Dannemeyer
Davis, Mich.
de la Garza
Deckard
Devine
Dickinson
Dornan
Dougherty
Duncan, Tenn.
Edwards, Okla.
English
Evans, Ind.
Gramm
Grassley
Grisham
Guyer
Hagedorn
Hammerschmidt
Hance
Hansen
Hillis
Hinson
Hopkins
Hubbard
Huckaby
Ireland
Jeffries
Kelly
Kindness
Kramer
Lagomarsino
Latta
Leach, La.
Leath, Tex.
Lee
Lent
Lewis
Lloyd
Loeffler
Lott
Lungren
McDonald
Montgomery
Moorhead, Calif.
Mottl
Myers, Ind.
Pashayan
Paul
Petri
Quayle
Quillen
Regula
Richmond
Rinaldo
Ritter
Roth
Rousselot
Rudd
Scheuer
Schulze
Sensenbrenner
Shelby
Shumway
Shuster
Skelton
Snowe
Snyder
Solomon
Spence
Stenholm
Stump
Symms
Tauke
Taylor
Thomas
Treen
Watkins
Whitten
Williams, Mont.
Yatron
Young, Alaska

NOES—315

Abdnor
Addabbo
Akaka
Albosta
Alexander
Ambro
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Anthony
Ashley
Aspin
Atkinson
AuCoin
Bailey
Baldus
Barnard
Barnes
Bauman
Beard, R.I.
Beard, Tenn.
Bedell
Beilenson
Benjamin
Bennett
Bereuter
Bevill
Biaggi
Bingham
Blanchard
Boggs
Boner
Bonior
Bonker
Bowen
Brademas
Breaux
Brinkley
Brodhead
Brooks
Broomfield
Brown, Calif.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burlison
Burton, John
Burton, Phillip
Butler
Byron
Campbell
Carr
Cavanaugh
Chappell
Chisholm
Clausen
Clay
Cleveland
Coelho
Coleman
Collins, Ill.
Conable
Conte
Corcoran
Corman
Cotter
D'Amours
Daniel, Dan
Daniel, R. W.
Danielson
Daschle
Dellums
Derrick
Derwinski
Dicks
Dixon
Dodd
Donnelly
Downey
Drinan
Duncan, Oreg.
Early
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
Emery
Erdahl
Erlenborn
Ertel
Evans, Del.
Evans, Ga.
Fary
Fascell
Fazio
Fenwick
Ferraro
Findley
Fish
Fisher
Fithian
Flippo
Florio
Foley
Ford, Mich.
Ford, Tenn.
Fountain
Fowler
Frenzel
Frost
Fuqua
Gaydos
Gephardt
Giaimo
Gibbons
Giman
Gingrich
Ginn
Glickman
Goldwater
Gonzalez
Goodling
Gore
Gradison
Gray
Green
Guarini
Gudger
Hall, Ohio
Hall, Tex.
Hamilton
Hanley
Harkin
Harris
Hawkins
Hefner
Heftel
Hightower
Holland
Hollenbeck
Holtzman
Horton
Howard
Hughes
Hutto
Hyde
Jacobs
Jeffords
Jenkins
Jenrette
Johnson, Calif.
Johnson, Colo.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kastenmeier
Kazen
Kemp
Kildee
Kogovsek
Kostmayer
LaFalce
Leach, Iowa
Lederer
Lehman
Leland
Levitas
Livingston
Long, La.
Long, Md.
Lowry
Lujan
Lundine
McClory
McCormack
McDade
McEwen
McHugh
McKay
McKinney
Madigan
Maguire
Markey
Marks
Marlenee
Marriott
Mathis
Matsui
Mattox
Mavroules
Mazzoli
Mica
Michel
Mikulski
Mikva
Miller, Calif.
Miller, Ohio
Mineta
Minish
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Moore
Moorhead, Pa.
Murphy, Ill.
Murphy, N.Y.
Murphy, Pa.
Murtha
Myers, Pa.
Natcher
Neal
Nedzi
Nelson
Nichols
Nolan
Nowak
O'Brien
Oberstar
Obey
Ottinger
Panetta
Patten
Patterson
Pease
Perkins
Peyser
Pickle
Preyer
Price
Pritchard
Pursell
Rahall
Railsback
Rangel
Ratchford
Reuss
Rhodes
Roberts
Robinson
Rodino
Roe
Rose
Rosenthal
Rostenkowski
Roybal
Royer
Runnels
Russo
Sabo
Santini
Satterfield
Sawyer
Schroeder
Sebelius
Seiberling
Shannon
Sharp
Simon
Slack
Smith, Iowa
Smith, Nebr.
Solarz
Spellman
St Germain
Stack
Staggers
Stangeland
Stanton
Stark
Steed
Stewart
Stockman
Stokes
Stratton
Studds
Swift
Synar
Thompson
Traxler
Trible
Udall
Ullman
Van Deerlin
Vander Jagt
Vanik
Vento
Volkmer
Walgren
Walker
Wampler
Weaver
Weiss
White
Whitehurst
Whitley
Whittaker

Williams, Ohio
Wilson, Bob
Wilson, C. H.
Wilson, Tex.
Winn
Wolff
Wolpe
Wright
Wyatt
Wydler
Wylie
Yates
Young, Fla.
Young, Mo.
Zablocki
Zeferetti

NOT VOTING—22

Anderson, Ill.
Archer
Boland
Bolling
Conyers
Davis, S.C.
Diggs
Dingell
Flood
Forsythe
Garcia
Harsha
Heckler
Holt
Ichord
Luken
McCloskey
Martin
Oakar
Pepper
Waxman
Wirth

☐ 1500

Messrs. STUMP, WATKINS, and EDWARDS of Oklahoma changed their vote from "no" to "aye."

Mr. LUJAN changed his vote from "aye" to "no."

So the preferential motion was rejected.

The results of the vote was announced as above recorded.

PERSONAL EXPLANATION

Mr. RICHMOND. Mr. Chairman, on Rollcall No. 263, the motion that the Committee rise and report the bill, H.R. 111, to the House with the recommendation that the enacting clause be stricken out, I inadvertently voted "aye" when it was my intention to vote a resounding "no."

As a consistent supporter of legislation to provide for solid and orderly implementation on the Panama Canal Treaties, I am much chagrined at my inadvertence. I wish to assure my colleagues that my enthusiastic support for President Carter's efforts to fulfill our treaty obligations is undiminished.

☐ 1510

The CHAIRMAN. Are there further amendments to section 1?

Mr. HANLEY. Mr. Chairman, pursuant to the rule, I have an amendment to title I.

The CHAIRMAN. The Chair will state to the gentleman that we are not yet in title I.

The Clerk will designate section 2.

Section 2 reads as follows:

SEC. 2. PURPOSE OF ACT.—It is the purpose of this Act to provide for the operation and maintenance of the Panama Canal and to provide for the exercise of the rights and performance of the duties of the United States set forth in the Panama Canal Treaty between the United States of America and the Republic of Panama signed on September 7, 1977 (hereinafter in this Act referred to as the "Panama Canal Treaty of 1977") and the agreements relating to that treaty signed on the same date (hereinafter is this Act referred to as the "related agreements").

The CHAIRMAN. Are there any amendments to section 2?

The Clerk will designate section 3.

Section 3 reads as follows:

SEC. 3. APPLICABLE LAWS.—(a) Except as otherwise provided in this Act, the provisions of the Canal Zone Code (and regulations issued pursuant to such Code), and other laws applicable in the Canal Zone (and regulations issued pursuant to such laws) before the date on which the Panama Canal Treaty of 1977 enters into force, by virtue of the territorial jurisdiction of the United States in the Canal Zone, shall continue in force on or after such date only for the purpose of the exercise of the authority vested in the United States by such Treaty and related agreements.

(b) No provision of law or regulation referred to in subsection (a) shall be construed as regulating, or providing authority to regulate, any matter as to which the United States may not exercise jurisdiction under the Panama Canal agreements.

(c) (1) Subject to the provisions of paragraph (2) of this subsection, for purposes of applying those laws and regulations continued in effect by subsection (a) of this section with respect to transactions, occurrences, or status on or after the effective date of this Act—

(A) "Canal Zone" shall be deemed to refer to the areas and installations in the Republic of Panama made available to the United States pursuant to the Panama Canal Treaty of 1977 and related agreements;

(B) "Canal Zone waters" and "waters of the Canal Zone" shall be deemed to refer to "Panama Canal waters" and "waters of the Panama Canal", respectively;

(C) "Government of the Canal Zone" or "Canal Zone Government", shall be deemed to refer to the United States of America;

(D) "Governor of the Canal Zone" or "Governor", wherever the reference is to the Governor of the Canal Zone, shall be deemed to refer to the Panama Canal Commission;

(E) "Panama Canal Company" or "Company", wherever the reference is to the Panama Canal Company, shall be deemed to refer to the Panama Canal Commission;

(F) in chapter 57 of title 5 of the Canal Zone Code, "hospitals" and "Health Bureau" shall be deemed to refer, respectively, to the hospitals operated by the United States in the Republic of Panama after the effective date of this Act, and to the organizational unit operating such hospitals; and

(G) in chapter 57 of title 5 of the Canal Zone Code, and in section 4784 of title 6 of such Code, "health director" shall be deemed to refer to the senior official in charge of the hospitals operated by the United States in the Republic of Panama after the effective date of this Act.

(2) Any reference set forth in paragraph (1) of this subsection shall apply except as otherwise provided in this Act or unless (A) such reference is inconsistent with the provisions of this Act, (B) in the context in which a term is used such reference is clearly not intended, or (C) a term refers to a time before the effective date of this Act.

The CHAIRMAN. Are there any amendments to section 3?

The Clerk will designate title I.

Title I reads as follows:

TITLE I—ADMINISTRATION AND REGULATIONS

PART 1—ADMINISTRATION

CHAPTER 1—PANAMA CANAL COMMISSION

SEC. 101. PANAMA CANAL COMMISSION.—There is established as an agency and instrumentality of the United States the Panama Canal Commission. The Commission shall, under the general supervision of the Board established by section 102 of this Act, and subject to the direction of the Secretary of Defense, be responsible for the maintenance and operation of the Panama Canal and the facilities and appurtenances related thereto.

SEC. 102. SUPERVISORY BOARD.—(a) The Panama Canal Commission shall be supervised by a Board which shall act under the direction of the Secretary of Defense. The Board shall be composed of nine members, one of whom shall be the Secretary of Defense or an officer of the Department of Defense designated by the Secretary. Not less than five members of the Board shall be nationals of the United States and the remaining members shall be nationals of the Republic of Panama. At least one of the members of the Board who are nationals of the United States shall be experienced and knowledgeable in the management or operation of an American-flag steamship line which has or had ships regularly transiting the Panama Canal, at least one other such member shall be experienced and knowledgeable in United States port operations or in the business of exporting or importing one of the regular commodities dependent on the Panama Canal as a transportation route, and at least one other such member shall be experienced and knowledgeable in labor matters in the United States. The three members refered to in the preceding sentence shall hold no other office in or be employed by the Government of the United States. Members of the Board who are nationals of the United States shall cast their votes as directed by the Secretary of Defense or his designee.

(b) The President shall appoint the members of the Board. The members of the Board who are United States nationals shall be appointed by and with the advice and consent of the Senate. Each member of the Board shall hold office at the pleasure of the President, and, before assuming the duties of such office, shall take an oath faithfully to discharge the duties of his office. Members of the Board shall serve without compensation but shall be allowed travel expenses, including per diem in lieu of subsistence, in accordance with section 107 of this Act.

(c) The Board shall hold meetings as provided in regulations adopted by the Panama Canal Commission and approved by the Secretary of Defense. A quorum for the transaction of business shall consist of a majority of the Board members of which a majority of those present are nationals of the United States.

SEC. 103. ADMINISTRATOR.—(a) The Administrator of the Panama Canal Commission shall be appointed by the President, by and with the advice and consent of the Senate, and shall hold office at the pleasure of the President.

(b) The Administrator shall be paid compensation at the rate established for positions described in section 5316 of title 5 of the United States Code.

SEC. 104. DEPUTY ADMINISTRATOR AND CHIEF ENGINEER.—(a) There shall be a Deputy Administrator and a Chief Engineer of the Panama Canal Commission, both of whom shall be appointed by the President. The Deputy Administrator and the Chief Engineer shall perform such duties as may be prescribed by the President.

(b) The Deputy Administrator and the Chief Engineer shall each be paid compensation at a rate of pay established by the President which does not exceed the rate of basic pay in effect for grade GS-18 of the General Schedule under section 5332 of title 5 of the United States Code.

SEC. 105. CONSULTATIVE COMMITTEE.—(a) The President shall designate and the Secretary of State shall coordinate the participation of representatives of the United States to the Consultative Committee to be established under paragraph 7 of Article III of the Panama Canal Treaty of 1977.

(b) The Consultative Committee shall function as a diplomatic forum for the exchange of views between the United States and the Republic of Panama. The Committee shall advise the United States Government and the Government of Panama on matters of policy affecting the operation of the Canal. The Consultative Committee shall have no authority to direct the Panama

Canal Commission or any other agency of the United States to initiate or withhold action.

Sec. 106. Joint Commission on the Environment.—(a) The United States of America and the Republic of Panama, in accordance with the Panama Canal Treaty of 1977, shall establish a Joint Commission on the Environment to be composed of not more than three representatives of the United States and three representatives of the Republic of Panama, or such other equivalent numbers of representatives as may be agreed upon by the Governments of the two countries. The United States members of the Joint Commission shall periodically review the implementation of the Panama Canal Treaty of 1977 with respect to its impact on the environment, and shall, jointly with the representatives of the Government of Panama, make recommendations to the United States Government and the Government of Panama with respect to ways to avoid or mitigate adverse environmental impacts resulting from actions taken pursuant to such Treaty.

(b) Representatives of the United States on the Joint Commission on the Environment shall be appointed by the President, and shall serve at the pleasure of the President. Members of the Commission shall serve without compensation but shall be allowed travel expenses, including per diem in lieu of subsistence, in accordance with section 107 of this Act.

(c) Any Federal employee subject to the civil service laws and regulations who is detailed to serve with, or appointed by, the United States representatives on the Joint Commission shall not lose any civil service status or privilege on account of such detail or appointment.

(d) The United States representatives on the Joint Commission on the Environment may, to such extent or in such amounts as are provided in advance in appropriation Acts, appoint and fix the compensation of such personnel as the representatives of the United States on the Joint Commission on the Environment may consider necessary for the participation of the United States on such Joint Commission.

(e) The United States representatives on the Joint Commission on the Environment may, in cooperation with the representatives of the Republic of Panama on the Joint Commission, establish rules of procedure, to be used by the Joint Commission in conducting its affairs, subject to the approval of such rules by the Governments of the United States of America and the Republic of Panama.

Sec. 107. Travel Expenses.—While away from their homes, regular places of business, or official stations in performance of services under this chapter, members of the Board of the Panama Canal Commission, and the representatives of the United States on the Panama Canal Consultative Committee and on the Joint Commission on the Environment shall be allowed travel expenses, including per diem in lieu of subsistence, in the same manner as persons employed intermittently in Government service are allowed expenses under section 5703(b) of title 5 of the United States Code.

Sec. 108. Control by Armed Forces in Time of War.—In time of war in which the United States is engaged, or when, in the opinion of the President, war is imminent, such officer of the Armed Forces as the President may designate shall, upon the order of the President, assume and have exclusive authority and jurisdiction over the operation of the Panama Canal and all its adjuncts, appendants, and appurtenances. During a continuation of this condition, the Commission shall be subject to the order and direction of the officer so designated, in all respects and particulars as to—

(1) the operation of the Canal; and

(2) all duties, matters, and transactions affecting the areas and installations made available to the United States pursuant to the Panama Canal Treaty of 1977 and related agreements.

Sec. 109. Authority of the Ambassador.—(a) The United States Ambassador to the Republic of Panama shall have full responsibility for the coordination of the transfer to the Republic of Panama for those functions that are to be assumed by the Republic of Panama pursuant to the Panama Canal Treaty of 1977 and related agreements.

(b)(1) The Panama Canal Commission shall not be subject to the direction or supervision of the United States Chief of Mission in the Republic of Panama with respect to the responsibilities of the Commission for the operation, management, or maintenance of the Panama Canal, as established in this or any other Act or in the Panama Canal Treaty of 1977 and related agreements, except that the Commission shall keep the Ambassador fully and currently informed with respect to all activities and operations of the Commission.

(2) Except as provided in paragraph (1) of this subsection, section 16 of the Act of August 1, 1956 (22 U.S.C. 2680a), shall apply with respect to the activties of the Panama Canal Commission.

Sec. 110. Code of Conduct for Commission Personnel.—(a) Before assuming the duties of his office or employment, each member of the Board of the Panama Canal Commission and each officer and employee of the Panama Canal Commission shall take an oath to discharge faithfully the duties of his office or employment. All employees of the Panama Canal Commission shall be subject to the laws of the United States regarding duties and responsibilities of Federal employees.

(b) Not later than sixty days after all the members of the Board of the Panama Canal Commission have been appointed, the Board shall adopt a code of conduct applicable to the persons referred to in subsection (a) of this section. The code of conduct shall contain provisions substantially equivalent to those contained in part 735 of title 5 of the Code of Federal Regulations on the effective date of this Act. The code of conduct shall, at a minimum, contain provisions substantially equivalent to the following provisions of law:

(1) The provisions of chapter 11 of title 18, United States Code, as amended, relating to bribery, graft, or conflicts of interest, as appropriate to the employees concerned.

(2) Section 7352 of title 5, United States Code, as amended.

(3) Sections 207, 208, 285, 508, 641, 645, 1001, 1917, and 2071 of title 18, United States Code, as amended.

(4) Section 5 of the Act of July 16, 1914 (31 U.S.C. 638a), as amended.

(5) The Ethics in Government Act of 1978 (92 Stat. 1824), as amended.

(6) Provisions of the laws and regulations of the Republic of Panama which provisions are substantially equivalent to those provisions of law and those regulations of the United States set forth in this subsection.

(c) The Panama Canal Commission shall investigate any allegations regarding the violation of the code of conduct adopted pursuant to subsection (b). The Commission may recommend that the President suspend from the performance of his duties any member of the Board or any officer or employee of the Commission, pending judicial proceedings by appropriate authorities concerning such allegations.

(d) The President shall negotiate suitable arrangements with the Republic of Panama whereby each nation shall agree to take all measures within its legal authority to assure that members of the Board comply with the code of conduct established pursuant to subsection (b) of this section. Without prejudice to such jurisdiction as the United States of America may have with respect to members of the Board, the provisions of law enumerated in subsection (b) of this section shall be enforced with respect to members of the Board only in accordance with such arrangements.

Sec. 111. Office of Ombudsman.—(a) There is established within the Panama Canal Commission an Office of Ombudsman, to be directed by an Ombudsman, who shall be appointed by the Board of the Panama Canal Commission. It shall be the function of the Office of Ombudsman to receive individual complaints, grievances, requests and suggestions of employees (and their dependents) of the Panama Canal Commission and other United States Government agencies acting in the area of the Canal Zone before the effective date of this Act, concerning administrative problems, inefficiencies, and conflicts caused within agencies of the United States Goverment as a result of the implementation of the Panama Canal Treaty of 1977 and related agreements.

(b) The Ombudsman shall make findings and render assistance with respect to the complaints, grievances, requests, and suggestions submitted to the Office of Ombudsman, and shall make appropriate recommendations to the Commission or any other agency of the United States.

(c) The establishment of the Office of Ombudsman shall not affect any procedures for grievances, appeals, or administrative matters in any other provision of this Act, any other Act, or any Federal regulation.

(d) The Ombudsman shall be a citizen of the United States and shall be compensated at an annual rate of basic pay not to exceed the annual rate of basic pay in effect for grade GS-18 of the General Schedule under section 5332 of title 5, United States Code.

(e) The Office of Ombudsman shall terminate at the expiration of the Panama Canal Treaty of 1977.

CHAPTER 3—EMPLOYEES

Subchapter I—Panama Canal Commission Personnel

Sec. 120. Definitions.—As used in this chapter:

(1) "Executive agency" has the meaning given that term in section 105 of title 5, United States Code;

(2) "uniformed services" has the meaning given that term in section 2101(3) of title 5, United States Code;

(3) "competitive service" has the meaning given that term in section 2102 of title 5, United States Code; and

(4) "United States", when used in a geographic sense, means each of the several States and the District of Columbia.

Sec. 121. Appointment and Compensation; Duties.—(a) Except as provided by sections 103, 104, and 111 of this Act, and in accordance with this chapter, the Panama Canal Commission may appoint without regard to the provisions of title 5, United States Code, relating to appointments in the competitive service, fix the compensation of, and define the authority and duties of, officers, agents, attorneys, and employees necessary for the management, operation, and maintenance of the Panama Canal and its complementary works, installations, and equipment.

(b) Individuals serving in any other Executive agency and the Smithsonian Institution, including individuals serving in the uniformed services may, if appointed under this section or section 103 or 104 of this Act, serve as officers or employees of the Commission.

SEC. 122. TRANSFER OF FEDERAL EMPLOYEES.—(a) The head of any agency may enter into agreements for the transfer or detail to the Panama Canal Commission of any employee of that agency serving under a permanent appointment. Any employee who is so transferred or is so detailed shall, upon completion of the employee's tour of duty with the Commission, be entitled to reemployment with the agency from which he was transferred or detailed without loss of pay, seniority, or other rights or benefits to which the employee would have been entitled had he not been so transferred or so detailed.

(b) For purposes of this section, the term "agency" means an Executive agency, the United States Postal Service, and the Smithsonian Institution.

(c) The Office of Personnel Management shall prescribe regulations to carry out the purposes of this section.

SEC. 123. COMPENSATION OF INDIVIDUALS IN THE UNIFORMED SERVICES.—(a) Except as provided in subsection (b), of this section, any individual who is serving in a position in the Panama Canal Commission and who is a member of a uniformed service shall continue to be paid basic pay by such uniformed service and shall not be paid by the Commission for the period of the service in the uniformed service involved.

(b) If the individual appointed as Administrator, Deputy Administrator, or Chief Engineer of the Commission is a member of a uniformed service, the amount of basic pay otherwise payable to the individual for service in that position shall be reduced, up to the amount of that basic pay, by the amount of the basic pay payable to the individual as a member of a uniformed service.

(c) The Commission shall annually pay to each uniformed service amounts sufficient to reimburse that uniformed service for any basic pay paid by that uniformed service to any member of that service during any period of service in the Commission by the member.

SEC. 124. DEDUCTION FROM BASIC PAY OF AMOUNTS DUE FOR SUPPLIES OR SERVICES.—The Panama Canal Commission may deduct from the basic pay otherwise payable by the Commission to any officer or employee of the Commission any amount due from the officer or employee to the Commission or to any contractor of the Commission for transportation, board, supplies, or any other service. Any amount so deducted may be paid by the Commission to any contractor to whom it is due or may be credited by the Commission to any appropriation from which the Commission has expended such amount.

SEC. 125. COST OF LIVING ALLOWANCE.—Effective beginning October 1, 1984, each officer or employee of the Panama Canal Commission who is a citizen of the United States shall be paid an allowance to offset any increased cost of living which may result from the termination of the eligibility of the officer or employee and his dependents to use military postal services, sales stores, and exchanges. The amount of the allowance shall be determined by the Commission.

SEC. 126. EDUCATIONAL TRAVEL BENEFITS.—The Panama Canal Commission shall provide by regulation for round-trip transportation between the Republic of Panama and the United States for undergraduate college education in the United States for dependents of individuals who are officers or employees of the Commission and who are citizens of the United States. The regulations prescribed by the Commission under this section shall—

(1) provide eligibility requirements which must be met by such dependents to qualify for transportation under this section, including a requirement that all eligible dependents must be under 23 years of age; and

(2) limit the transportation provided to one round trip during any 1-year period.

SEC. 127. PRIVILEGES AND IMMUNITIES OF CERTAIN EMPLOYEES.—The Secretary of Defense shall designate those officers and employees of the Panama Canal Commission and other individuals entitled to the privileges and immunities accorded under paragraph (3) of Article VIII of the Panama Canal Treaty of 1977. The Department of State shall furnish the Republic of Panama a list of the names of such officers, employees, and other individuals and shall notify the Republic of Panama of any subsequent additions to or deletions from the list.

SEC. 128. INAPPLICABILITY OF CERTAIN BENEFITS TO CERTAIN NONCITIZENS.—(a) Chapter 81 of title 5, United States Code, relating to compensation for work injuries, chapter 83 of such title 5, relating to civil service retirement, chapter 87 of such title 5, relating to life insurance, and chapter 89 of such title 5, relating to health insurance, are inapplicable to any individual—

(1) who is not a citizen of the United States;

(2) whose initial appointment by the Panama Canal Commission occurs after October 1, 1979; and

(3) who is covered by the Social Security System of the Republic of Panama pursuant to any provision of the Panama Canal Treaty of 1977 and related agreements.

(b) Subparagraph (B) of section 8701(a) of title 5, United States Code, defining employee for purposes of life insurance, is amended to read as follows:

"(B) an individual who is not a citizen or national of the United States and whose permanent duty station is outside the United States, unless the individual was an employee for the purpose of this chapter on September 30, 1979, by reason of service in an Executive agency, the United States Postal Service, or the Smithsonian Institution, in the area which was then known as the Canal Zone; or".

(c) Clause (ii) of section 8901(1) of title 5, United States Code, defining employee for purposes of health insurance, is amended to read as follows:

"(ii) an individual who is not a citizen or national of the United States and whose permanent duty station is outside the United States, unless the individual was an employee for the purpose of this chapter on September 30, 1979, by reason of service in an Executive agency, the United States Postal Service, or the Smithsonian Institution in the area which was then known as the Canal Zone;".

Subchapter II—Wage and Employment Practices

SEC. 141. DEFINITIONS.—As used in this subchapter:

(1) "agency" means—

(A) the Panama Canal Commission,

(B) the Smithsonian Institution, and

(C) an Executive agency with respect to which an election is in effect under section 142(b)(2) of this Act;

(2) "position" means a civilian position in the Panama Canal Commission, or in any other agency if a substantial portion of the duties and responsibilities are performed in the Republic of Panama; and

(3) "employee" means an individual serving in a position.

SEC. 142. PANAMA CANAL EMPLOYMENT SYSTEM; MERIT AND OTHER EMPLOYMENT REQUIREMENTS.—(a) After considering any recommendations of the Panama Canal Commission, the President shall establish a Panama Canal Employment System. The Panama Canal Employment System shall—

(1) be established in accordance with and be subject to the provisions of the Panama Canal Treaty of 1977 and related agreements, the provisions of this chapter, and any other applicable provisions of law;

(2) be based on the consideration of the merit of each employee or candidate for employment and the qualifications and fitness of the employee to hold the position concerned;

(3) conform, to the extent practicable and consistent with the provisions of this Act, to the policies, principles, and standards applicable to the competitive service; and

(4) in the case of employees who are citizens of the United States, provide for the appropriate interchange of those employees between positions under the Panama Canal Employment System and positions in the competitive service.

(b)(1) The Panama Canal Commission, the Smithsonian Institution, and any Executive agency to the extent of any election under paragraph (2) of this subsection, shall conduct its employment and pay practices relating to employees in accordance with the Panama Canal Employment System and regulations prescribed by, or under the authority of, the President in accordance with this subchapter.

(2) The head of any Executive agency may elect to have the Panama Canal Employment System made applicable in whole or in part to personnel of that agency in the Republic of Panama.

(c) Subject to the provisions of this chapter, the President may, from time to time and after considering any recommendation of the Panama Canal Commission, amend or modify any provision of the Panama Canal Employment System, including any provision relating to selection for appointment, reappointment, reinstatement, reemployment, and retention, with respect to positions, employees, and candidates for employment.

(d) The President may, to the extent the President determines appropriate—

(1) exclude any employee or position from coverage under any provision of this subchapter; and

(2) notwithstanding section 121 of this Act, extend to any employee, whether or not the employee is a citizen of the United States, the rights and privileges which are provided by applicable laws and regulations for citizens of the United States employed in the competitive service.

SEC. 143. EMPLOYMENT STANDARDS.—The head of each agency shall establish written standards for—

(1) determining the qualifications and fitness of employees and of candidates for employment in positions; and

(2) selecting individuals for appointment, promotion, or transfer to positions.

The standards shall conform to the provisions of this subchapter, any regulations prescribed thereunder, and the Panama Canal Employment System.

SEC. 144. INTERIM APPLICATION OF CANAL ZONE MERIT SYSTEM.—Notwithstanding any repeal made by this Act or any provision of this chapter, the provisions of subchapter III of chapter 7 of title 2 of the Canal Zone Code establishing the Canal Zone Merit System, together with the regulations prescribed thereunder, as in effect on September 30, 1979, shall continue in effect and shall apply with respect to employees until and in effect the Panama Canal Employment System is established pursuant to section 142 of this Act.

SEC. 145. BASIC PAY.—(a) The head of each agency, in accordance with the provisions of this subchapter, shall establish, and from time to time may revise, the rates of basic pay for positions and employees in the agency.

(b) The rates of basic pay may be established and revised in relation to the rates of basic pay for the same or similar work performed in the United States or in such areas outside the United States as may be designated in the regulations prescribed under section 153 of this Act.

(c) The head of each agency may make adjustments in rates of basic pay established under subsection (b) of this section in amounts not to exceed the amounts of the adjustments made from time to time by or under statute in the corresponding rates of basic pay for the same or similar work referred to in such subsection (b). The head of the agency may designate the effective date of any such adjustment, except that the date may not be earlier than the effective date of the adjustment in the corresponding rate of basic pay.

SEC. 146. UNIFORM APPLICATION OF STANDARDS AND RATES.—The standards established pursuant to section 143 of this Act and the rates of basic pay established pursuant to section 145 of this Act shall be applied without regard to whether the employee or individual concerned is a citizen of the United States or a citizen of the Republic of Panama.

SEC. 147. RECRUITMENT AND RETENTION REMUNERATION.—(a) In addition to basic pay, additional compensation may be paid, in such amounts as the head of the agency concerned determines, as an overseas recruitment or retention differential to any individual who—

(1) before October 1, 1979, was employed by the Panama Canal Company, by the Canal Zone Government, or by any other agency in the area then known as the Canal Zone;

(2) is an employee who was recruited on or after October 1, 1979, outside of the Republic of Panama for placement in the Republic of Panama; or

(3) is a medical doctor employed by the Department of Defense in the Republic of Panama or by the Panama Canal Commission;

if, in the judgment of the head of the agency concerned, the recruitment or retention of the individual is essential.

(b) Any employee described in more than one paragraph of subsection (a) of this section may qualify for a recruitment or retention differential under only one of those paragraphs.

(c) Additional compensation provided under this section may not exceed 25 percent of the rate of basic pay for the same or similar work performed in the United States by individuals employed by the Government of the United States.

(d) Subchapter III of chapter 59 of title 5, United States Code, relating to overseas differentials and allowances, shall not apply with respect to any employee whose post of assignment is in the Republic of Panama and who is employed by an agency.

SEC. 148. BENEFITS BASED ON BASIC PAY.—For the purpose of determining—

(1) amounts of compensation for disability or death under chapter 81 of title 5, United States Code, relating to compensation for work injuries;

(2) benefits under subchapter II of chapter 83 of title 5, United States Code, relating to civil service retirement;

(3) amounts of insurance under chapter 87 of title 5, United States Code, relating to life insurance;

(4) amounts of overtime pay or other premium pay;

(5) annual leave benefits; and

(6) any other benefits related to basic pay;

the basic pay of each employee shall include the rate of basic pay established for his position under section 145 of this Act plus the amount of any additional compensation provided under section 147 of this Act.

SEC. 149. SALARY PROTECTION UPON CONVERSION OF PAY BASE.—(a) In the case of any employee whose rate of basic pay is determined in relation to rates of basic pay for the same or similar work in the United States and is converted to a rate of basic pay pursuant to subsection (b) of section 145 of this Act determined in relation to rates in areas other than the United States pursuant to that subsection, the employee shall continue to receive a rate of basic pay not less than that to which the employee was entitled immediately before the conversion.

(b) This section shall cease to apply with respect to any employee if the employee is placed in a position—

(1) for which the rate of basic pay is determined in relation to rates of basic pay in the United States pursuant to subsection (b) of section 145 of this Act; or

(2) which is of a lower grade.

SEC. 150. REVIEW AND ADJUSTMENT OF CLASSICATIONS, GRADES, AND PAY LEVEL.—An employee may request at any time that the employee's agency—

(1) review the classification of the employee's position or the grade or pay level for the employee's position, or both; and

(2) revise or adjust that classification, grade or pay level, or both, as the case may be.

The request for review and revision or adjustment shall be submitted and adjudicated in accordance with the regularly established appeals procedures of the agency.

SEC. 151. PANAMA CANAL BOARD OF APPEALS; DUTIES.—(a) Subject to the provisions of this chapter, the President shall prescribe regulations establishing a Panama Canal Board of Appeals. The regulations shall provide for the number of members of the Board and their appointment, compensation, and terms of office, the selection of a Chairman of the Board, the appointment and compensation of the Board's employees, and other appropriate matters relating to the Board.

(b) The Board shall review and determine the appeals of employees in accordance with section 152 of this Act. The decisions of the Board shall conform to the provisions of this subchapter.

SEC. 152. APPEALS TO BOARD; PROCEDURE; FINALITY OF DECISIONS.—(a) An employee may appeal to the Panama Canal Board of Appeals from an adverse determination made by an agency under section 150 of this Act. The appeal shall be made in writing within a reasonable time (as specified in regulations prescribed by, or under the authority of, the President) after the date of the transmittal by the agency to the employee of written notice of the adverse determination.

(b) The Board may authorize, in connection with an appeal pursuant to subsection (a) of this section, a personal appearance before the Board by the employee, or by a representative of the employee designated for that purpose.

(c) After investigation and consideration of the evidence submitted, the Board shall—

(1) prepare a written decision on the appeal;

(2) transmit its decision to the agency concerned; and

(3) transmit copies of the decision to the employee concerned or to the designated representative.

(d) The decision of the Board on any question or other matter relating to an appeal is final and conclusive. The agency concerned shall take action in accordance with the decision of the Board.

SEC. 153. ADMINISTRATION BY THE PRESIDENT.—(a) The President shall prescribe regulations necessary and appropriate to carry out the provisions of this subchapter and coordinate the policies and activities of agencies under this subchapter.

(b) The President may establish an office within the Panama Canal Commission as the successor to the Canal Zone Central Examining Office. The purpose of the office shall be to assist the President in—

(1) carrying out the President's coordination responsibility under subsection (a) of this section; and

(2) implementing the provisions of the Panama Canal Treaty of 1977 and related agreements with respect to recruitment, examination, determination of qualification standards, and similar matters.

(c) The President may delegate any authority vested in the President by this subchapter and may provide for the redelegation of that authority.

SEC. 154. APPLICABILITY OF CERTAIN LAWS.—(a) This chapter does not affect the applicability of—

(1) the provisions of title 5, United States Code, which relate to preference eligibles;

(2) the provisions of title 5, United States Code, which relate to removal or suspension from the competitive service; and

(3) the provisions of section 5544(a) of title 5, United States Code, which relate to wage-board rates and overtime, with respect to classes of employees who were covered by those provisions on the date of the enactment of this Act.

(b) Subsection (f) of section 13 of the Fair Labor Standards Act of 1938 (29 U.S.C. 213(f)), relating to applicability to employees in foreign countries and certain United States territories, is amended—

(1) by inserting "(1)" after "(f)";

(2) by striking out "Johnston Island; and the Canal Zone." and inserting in lieu thereof "and Johnston Island"; and

(3) by adding at the end thereof the following new paragraph:

"(2) Notwithstanding the provisions of paragraph (1) of this subsection, the provisions of sections 6, 7, 11, and 12 shall apply with respect to employees described in section 3(e)(2)(A) of this Act whose services during the workweek are performed in a workplace within areas or installations in the Republic of Panama made available to the United States pursuant to the Panama Canal Treaty of 1977 and related agreements.".

Subchapter III—Conditions of Employment and Placement

SEC. 202. TRANSFERRED OR REEMPLOYED EMPLOYEES.—(a)(1) With respect to any individual employed in the Panama Canal Company or the Canal Zone Government—

(A) who is transferred—

(i) to a position in the Panama Canal Commission; or

(ii) to a position in an Executive agency or the Smithsonian Institution, the post of duty of which is in the Republic of Panama; or

(B) who is separated by reason of a reduction in force on September 30, 1979, and is appointed to a position in the Panama Canal Commission before April 1, 1980;

the terms and conditions of employment set forth in paragraph (2) of this subsection shall be generally no less favorable, on or after the date of the transfer referred to in subparagraph (A) of this paragraph or the date of the appointment referred to in subparagraph (B) of this paragraph, as the case may be, than the terms and conditions of employment with the Panama Canal Company and Canal Zone Government on September 30, 1979.

(2) The terms and conditions of employment referred to in paragraph (1) of this subsection are the following:

(A) rates of basic pay and bases for establishing rates of basic pay;

(B) tropical differential;

(C) premium pay and night differential;

(D) reinstatement and restoration rights;

(E) injury and death compensation benefits;

(F) leave and travel;

(G) transportation and repatriation benefits;

(H) group health and life insurance;

(I) reduction-in-force rights;

(J) an employee grievance system, and the right to appeal adverse and disciplinary actions and position classification actions;

(K) veterans' preference eligibility;

(L) holidays;

(M) saved pay provisions; and

(N) severance pay benefits.

(3) The provisions of this subsection shall take effect on the date of the enactment of this Act.

(b) Any individual described in subsection (a)(1)(B) of this section who would have met the continuous Panama Canal service requirement for early retirement benefits under sections 8336(1) and 8339(d)(2) of title 5, United States Code, but for a break in service of more than 3 days immediately after September 30, 1979, shall be considered to meet that requirement. Any break in creditable service by any such individual for purposes of section 8332 of such title 5 during the period beginning September 30, 1979, and ending on the date of the appointment referred to in such subsection (a)(1)(B) shall be considered a period of creditable service under such section 8332 for that individual, except that that period shall not be taken into account for purposes of determining average pay (as defined in section 8331(4) of such title 5) and no deduction, contribution, or deposit shall be required for that period under section 8334 of such title 5.

(c)(1) Section 5(c) of the Defense Department Overseas Teachers Pay and Personnel Practices Act (20 U.S.C. 903(c)) shall not apply with respect to any teacher who was employed by the Canal Zone Government school system on September 30, 1979, and who was transferred from such position to a teaching position which is under the Department of Defense Overseas Dependent School System and the permanent duty station of which is in the Republic of Panama, until the rates of basic compensation established under section 5(c) of such Act equal or exceed the rates of basic compensation then in effect for teachers who were so transferred.

(2) Section 6(a)(2) of the Defense Department Overseas Teachers Pay and Personnel Practices Act (20 U.S.C. 904(a)(2)) shall not apply with respect to any teacher who was employed by the Canal Zone Government school system on September 30, 1979, and who was transferred from such position to a teaching position which is under the Department of Defense Overseas Dependent School System and the permanent duty station of which is in the Republic of Panama.

(3)(A) The head of an agency may grant a sabbatical to any teacher to whom paragraph (1) of this subsection applies for not to exceed 11 months in order to permit the teacher to engage in study or uncompensated work experience which is in the United States and which will contribute to the teacher's development and effectiveness. A sabbatical shall not result in a loss of, or reduction in, pay, leave to which the teacher is otherwise entitled, credit for time or service, or performance or efficiency rating. The head of the agency may authorize in accordance with chapter 57 of title 5, United States Code, such travel expenses (including per diem allowances) as the head of the agency may determine to be essential for the study or experience.

(B) A sabbatical under this paragraph may not be granted to any teacher—

(i) more than once in any 10-year period;

(ii) unless the teacher has completed 7 years of service as a teacher; and

(iii) if the teacher is eligible for voluntary retirement with a right to an immediate annuity.

(C)(i) Any teacher in an agency may be granted a sabbatical under this paragraph only if the teacher agrees, as a condition of accepting the sabbatical, to serve in the civil service upon the completion of the sabbatical for a period of two consecutive years.

(ii) Each agreement required under clause (i) of this subparagraph shall provide that in the event the teacher fails to carry out the agreement (except for good and sufficient reason as determined by the head of the agency that granted the sabbatical) the teacher shall be liable to the United States for payment of all expenses (including salary) of the sabbatical. The amount shall be treated as a debt to the United States.

(d) Sections 5595(a)(2)(iii), 5724a(a)(3) and (4), and 8102(b) of title 5, United States Code, are each amended by striking out "Canal Zone" each place it appears and inserting in lieu thereof: "areas and installations in the Republic of Panama made available to the United States pursuant to the Panama Canal Treaty of 1977 and related agreements".

SEC. 202. PLACEMENT.—(a) Any citizen of the United States—

(1) who, on March 31, 1979, was an employee of the Panama Canal Company or the Canal Zone Government;

(2) who separates or is scheduled to separate on or after such date for any reason other than misconduct or delinquency; and

(3) who is not placed in another appropriate position in the Government of the United States in the Republic of Panama;

shall, upon the employee's request, be accorded appropriate assistance for placement in vacant positions in the Government of the United States in the United States.

(b) Any citizen of the United States—

(1) who, on March 31, 1979, was employed in the Canal Zone as an employee of an Executive agency (other than the Panama Canal Company or the Canal Zone Government) or the Smithsonian Institution;

(2) whose position is eliminated as the result of the implementation of the Panama Canal Treaty of 1977 or related agreements; and

(3) who is not appointed to another appropriate position in the Government of the United States in the Republic of Panama;

shall, upon the employee's request, be accorded appropriate assistance for placement in vacant positions in the Government of the United States in the United States.

(c) The Office of Personnel Management shall establish and administer a Government-wide placement program for all eligible employees who request appointment to positions under this section.

(d) The provisions of this section shall take effect on the date of the enactment of this Act.

Subchapter IV—Retirement

SEC. 205. EARLY RETIREMENT ELIGIBILITY.—(a) Section 8336 of title 5, United States Code, is amended—

(1) in subsection (c), by inserting "(1)" after "(c)" and by adding at the end thereof the following new paragraph:

"(2) An employee is entitled to an annuity if the employee—

"(A) was a law enforcement officer or firefighter employed by the Panama Canal Company or the Canal Zone Government at any time during the period beginning March 31, 1979, and ending September 30, 1979; and

"(B) is separated from the service before January 1, 2000, after becoming 48 years of age and completing 18 years of service as a law enforcement officer or firefighter, or any combination of such service totaling at least 18 years."; and

(2) by redesignating subsection (i) as subsection (j) and by inserting after subsection (h) the following new subsection:

"(i)(1) An employee of the Panama Canal Commission or of an Executive agency conducting operations in the Canal Zone or Republic of Panama who is separated from the service before January 1, 2000, who was employed by the Canal Zone Government or the Panama Canal Company at any time during the period beginning March 31, 1979, and ending September 30, 1979, and who has had continuous Panama Canal service, without a break in service of more than 3 days, from that time until separation, is entitled to an annuity if the employee was separated—

"(A) involuntarily, after completing 20 years of service or after becoming 48 years of age and completing 18 years of service, if the separation is a result of the implementation of any provision of the Panama Canal Treaty of 1977 and related agreements; or

"(B) voluntarily, after completing 23 years of service or after becoming 48 years of age and completing 18 years of service.

"(2) An employee of the Panama Canal Commission or of an Executive agency conducting operations in the Canal Zone or Republic of Panama who is separated from the service before January 1, 2000, who was employed, at a permanent duty station in the Canal Zone, by any Executive agency other than the Canal Zone Government or the Panama Canal Company at any time during the period beginning March 31, 1979, and ending September 30, 1979, and who has had continuous Panama Canal service, without a break in service of more than 3 days, from that time until separation, is entitled to an annuity if—

"(A) the employee is separated involuntarily, after completing 20 years of service or after becoming 48 years of age and completing 18 years of service; and

"(B) the separation is the result of the implementation of any provision of the Panama Canal Treaty of 1977 and related agreements.

"(3) For the purpose of this subsection—

"(A) 'Panama Canal service' means—

"(i) service as an employee of the Canal Zone Government, the Panama Canal Company, or the Panama Canal Commission; or

"(ii) service at a permanent duty station in the Canal Zone or Republic of Panama as an employee of an Executive agency conducting operations in the Canal Zone or Republic of Panama; and

"(B) 'Executive agency' includes the United States District Court for the District of the Canal Zone and the Smithsonian Institution.".

(b) The amendments made by this section shall take effect on the date of enactment of this Act.

SEC. 206. EARLY RETIREMENT COMPUTATION.—(a) Section 8339(d) of title 5, United States Code, is amended by inserting "(1)" after "(d)" and by adding at the end thereof the following new paragraphs:

"(2) The annuity of an employee retiring under this subchapter who was employed by the Panama Canal Company or Canal Zone Government on September 30, 1979, is computed with respect to the period of continuous Panama Canal service from that date, disregarding any break in service of not more than 3 days, by adding—

"(A) 2½ percent of the employee's average pay multiplied by so much of that service as does not exceed 20 years; plus

"(B) 2 percent of the employee's average pay multiplied by so much of that service as exceeds 20 years.

"(3)(A) In the case of an employee who has service as a law enforcement officer or firefighter to which paragraph (2) of this subsection applies, the annuity of that employee is increased by $8 for each full month of that service which is performed in the Republic of Panama.

"(B) In the case of an employee retiring under this subchapter who—

"(i) was employed as a law enforcement officer or firefighter by the Panama Canal Company or Canal Zone Government at any time during the period beginning March 31, 1979, and ending September 30, 1979; and

"(ii) does not meet the age and service requirements of section 8336(c) of this title; the annuity of that employee is increased by $12 for each full month of that service which occurred before October 1, 1979.

"(C) An annuity increase under this paragraph does not apply with respect to service performed after completion of 20 years of service (or any combination of service) as a law enforcement officer or firefighter.

"(4) For the purpose of this subsection—

"(A) 'Panama Canal service' means—

"(i) service as an employee of the Panama Canal Commission; or

"(ii) service at a permanent duty station in the Canal Zone or Republic of Panama as an employee of an Executive agency conducting operations in the Canal Zone or Republic of Panama; and

(B) 'Executive agency' includes the Smithsonian Institution.".

(b) The amendment made by this section shall take effect on the date of the enactment of this Act.

SEC. 207. RETIREMENT UNDER SPECIAL TREATY PROVISIONS.—(a)(1) Subject to subsection (b) of this section, and under such regulations as the President may prescribe, the Secretary of the Treasury shall pay to the Social Security System of the Republic of Panama, out of funds deposited in the Treasury of the United States to the credit of the Civil Service Retirement and Disability Fund under section 8334(a)(2) of title 5, United States Code, such sums of money as may be necessary to aid in the purchase of a retirement equity in such System for each individual who—

(A) meets the requirements of paragraph (2) of this subsection;

(B) is separated from employment in the Panama Canal Company, the Canal Zone Government, or the Panama Canal Commission by reason of the implementation of any provision of the Panama Canal Treaty of 1977 or related agreements; and

(C) becomes employed in a position covered by the Social Security System of the Republic of Panama through the transfer of a function or activity to the Republic of Panama from the United States or through a job placement assistance program.

(2) This subsection applies with respect to any individual only if the individual—

(A) has been credited with at least 5 years of civilian service under section 8332 of title 5, United States Code, relating to creditable service for purposes of civil service retirement;

(B) is not eligible for an immediate retirement annuity under chapter 83 of title 5, United States Code, relating to civil service retirement, and elects not to receive a deferred annuity under that chapter based on any portion of that service; and

(C) elects to withdraw from the Civil Service Retirement and Disability Fund the individual's entire lump-sum credit (as defined in section 8331(8) of title 5, United States Code) and to transfer that amount to the Social Security System of the Republic of Panama pursuant to the special regime referred to in paragraph (3) of Article VIII of the Agreement in Implementation of Article III of the Panama Canal Treaty of 1977.

(b) The amount paid to the Social Security System of the Republic of Panama with respect to any individual under subsection (a) of this section shall not exceed the individual's entire lump-sum credit (as so defined).

(c)(1) Pursuant to paragraph 2(b) of Annex C to the Agreement in Implementation of Article IV of the Panama Canal Treaty of 1977, the President, or the President's designee, shall pay to the Republic of Panama, in accordance with such regulations as the President or the President's designee may prescribe, and to such extent or in such amounts as may be provided in advance in appropriations Acts, amounts necessary to purchase a nontransferable deferred annuity in the Social Security System of the Republic of Panama for the benefit of each employee of an agency or instrumentality of the Government of the United States in the Republic of Panama—

(A) who is not a citizen of the United States;

(B) who was employed on September 30, 1979, by an agency or instrumentality of the Government of the United States at any permanent duty station in the Republic of Panama (including, with respect to employment before that date, the area then known as the Canal Zone);

(C) who, for any period of service with such agency or instrumentality before October 1, 1979, at any such permanent duty station was not covered by reason of that service, by the United States Civil Service Retirement System or any other Federal retirement system providing benefits similar to those retirement benefits provided by the Social Security System of the Republic of Panama;

(D) who, on September 30, 1979, was under a retirement system provided by the United States or an agency or instrumentality of the United States Government, or would have been eligible to be under a retirement system of such agency or instrumentality had one been available during previous creditable service; and

(E) who, on October 1, 1979, has at least 5 years of creditable service.

(2) The retirement annuity referred to in paragraph (1) of this subsection with respect to any employee will cover retroactively, from October 1, 1979, all periods of creditable service by that employee at any permanent duty station in the Republic of Panama (including the area known before that date as the Canal Zone) in agencies and instrumentalities of the Government of the United States during which that employee was not covered by the United States Civil Service Retirement System or any other Federal retirement system providing benefits similar to those retirement benefits provided by the Social Security System of the Republic of Panama.

SEC. 208. OBLIGATION OF COMMISSION FOR UNFUNDED LIABILITY.—Section 8348 of title 5, United States Code, is amended by adding at the end thereof the following new subsection:

"(i)(1) Notwithstanding any other statute, the Panama Canal Commission shall be liable for that portion of any estimated increase in the unfunded liability of the Fund which is attributable to any benefits payable from the Fund to or on behalf of employees and their survivors to the extent attributable to the amendments made by sections 205 and 206, and the provisions of sections 201(b) and 207 (a)(1) and (c)(1), of the Panama Canal Act of 1979.

"(2) The estimated increase in the unfunded liability referred to in paragraph (1) of this subsection shall be determined by the Office of Personnel Management. The Panama Canal Commission shall pay from appropriations for that purpose the amount so determined to the Office in annual installments with interest computed at the rate used in the most recent valuation of the Civil Service Retirement System.".

SEC. 209. CASH RELIEF TO CERTAIN FORMER EMPLOYEES.—(a) The Panama Canal Commission, under the regulations prescribed by the President pursuant to the Act entitled "An Act authorizing cash relief for certain employees of the Panama Canal not coming within the provisions of the Canal Zone Retirement Act", approved July 8, 1937, as amended (50 Stat. 478; 68 Stat. 17), may continue the payments of cash relief to those individual former employees of the Canal Zone Government or Panama Canal Company or their predecessor agencies not coming within the scope of the former Canal Zone Retirement Act whose services were terminated prior to October 5, 1958, because of unfitness for further useful service by reason of mental or physical disability resulting from age or disease. Subject to subsection (b) of this section, that cash relief may not exceed $1.50 per month for each year of service of the employees so furnished relief, with a maximum of $45 per month, plus the amount of any cost-of-living increases in such cash relief granted before October 1, 1979, pursuant to section 181 of title 2 of the Canal Zone Code (as in effect September 30, 1979), nor be paid to any employee who, at the time of termination for disability prior to October 5, 1958, had less than 10 years' service with the Canal Zone Government, the Panama Canal Company, or their predecessor agencies on the Isthmus of Panama.

(b) An additional amount of $20 per month shall be paid to each person who receives payment of cash relief under subsection (a) of this section and shall be allowed without regard to the limitations contained therein.

(c) Each cash relief payment made pursuant to this section shall be increased on the same effective date and by the same percent, adjusted to the nearest dollar, as civil service retirement annuities are increased under the cost-of-living adjustment provisions of section 8340(b) of title 5, United States Code. Such increase shall apply only to cash relief payments made after October 1, 1979, as increased by annuity increases made after that date under such section 8340(b).

(d) The Panama Canal Commission may pay cash relief to the widow of any former employee of the Canal Zone Government or the Panama Canal Company who, until the time of his death, receives or has received cash relief under subsection (a) of this section, under section 181 of title 2 of the Canal Zone Code (as in effect on September 30, 1979), or under the Act of July 8, 1937, referred to in subsection (a) of this section. The term "widow" as used in this subsection includes only the following:

(1) a woman legally married to such employee at the time of his termination for disability and at his death;

(2) a woman who, although not legally married to such former employee at the time of his termination, had resided continuously with him for at least five years immediately preceding the employee's termination under such circumstances as would at common law make the relationship a valid marriage and who continued to reside with him until his death; and

(3) a woman who has not remarried or assumed a common-law relationship with any other person.

Cash relief granted to such a widow shall not at any time exceed 50 percent of the rate at which cash relief, inclusive of any additional payment under subsection (b) of this section, would be payable to the former employee were he then alive.

(e) Subchapter III of chapter 83 of title 5, United States Code, applies with respect to those individuals who were in the service of the Canal Zone Government or the Panama Canal Company on October 5, 1958, and who, except for the operation of section 13(a)(1) of the Act entitled "An Act to implement item 1 of a Memorandum of Understandings attached to the Treaty of January 25, 1955, entered into by the Government of the United States of America and the Government of the Republic of Panama with respect to wage and employment practices of the Government of the United States of America in the Canal Zone", approved July 25, 1958 (72 Stat. 405), would have been within the classes of individuals subject to the Act of July 8, 1937, referred to in subsection (a) of this section.

SEC. 210. APPLIANCES FOR EMPLOYEES INJURED BEFORE SEPTEMBER 7, 1916.—Artificial limbs or other appliances for persons who were injured in the service of the Isthmian Canal Commission or of the Panama Canal before September 7, 1916, may be purchased by the Panama Canal Commission out of any funds appropriated to the Commission.

Subchapter V—Leave

SEC. 211. LEAVE FOR JURY OR WITNESS SERVICE.—Section 6322(a) of title 5, United States Code, is amended—

(1) by striking out "the Canal Zone, or"; and

(2) by striking out "Islands." and inserting in lieu thereof "Islands, or the Republic of Panama.".

Subchapter VI—Application to Related Personnel

SEC. 220. LAW ENFORCEMENT; CANAL ZONE CIVILIAN PERSONNEL POLICY COORDINATING BOARD; RELATED EMPLOYEES.—(a) For the purposes of sections 128, 201, 202, 205, and 206 of this Act, including any amendment made by those sections, the United States Attorney for the District of the Canal Zone and the Assistant United States Attorneys and their clerical assistants, and the United States Marshal for the District of the Canal Zone and his deputies and clerical assistants shall be considered employees of the Panama Canal Commission.

(b) For the purposes of this Act, including any amendment made by this Act, the Executive Director of the Canal Zone Civilian Personnel Policy Coordinating Board, the Manager, Central Examining Office, and their staffs shall be considered to have been employees of the Panama Canal Company with respect to service in those positions before October 1, 1979, and as employees of the Panama Canal Commission with respect to service in those positions on or after that date.

(c) The provisions of this section shall take effect on the date of the enactment of this Act.

Subchapter VII—Labor-Management Relations

SEC. 225. LABOR-MANAGEMENT RELATIONS.—(a) Nothing in this Act shall be construed to affect the applicability of chapter 71 of title 5, United States Code, relating to labor-management relations, with respect to the Panama Canal Commission or the operations of any other Executive agency conducted in that area of the Republic of Panama which, on September 30, 1979, was the Canal Zone, except that in applying such provisions—

(1) the definition of "employee" shall be applied without regard to clause (1) of section 7103(a)(2) of such title 5 which relates to nationality and citizenship; and

(2) a unit shall be considered to be appropriate notwithstanding the fact that it includes any supervisor if that supervisor's position (or type of position) was, before October 1, 1979, represented before the Panama Canal Company by a labor organization that included employees who were not supervisors.

(b) Labor-management and employee relations of the Panama Canal Commission, other Executive agencies, and the Smithsonian Institution, their employees, and organizations of those employees, shall be governed and regulated solely by the applicable laws, rules, and regulations of the United States.

CHAPTER 5—FUNDS AND ACCOUNTS

Subchapter I—Funds

SEC. 231. CANAL ZONE GOVERNMENT FUNDS.—On the effective date of this Act, any unexpended balances of the appropriation accounts appearing on the books of the Government as "Operating Expenses, Canal Zone Government (38-0116-0-1-806)" and "Capital Outlay, Canal Zone Government (38-0118-0-1-806)" shall be covered into the general fund of the Treasury, and any appropriations to which expenditures under such accounts have been chargeable before such effective date are repealed. The Panama Canal Commission may, to such extent or in such amounts as are provided in appropriation Acts to the Commission for such purpose, pay claims or make payments chargeable to such accounts, upon proper audit of such claims or payments. There are authorized to be appropriated to the Panama Canal Commission such funds as may be necessary to pay claims and make payments pursuant to this section.

SEC. 232. PANAMA CANAL COMPANY FUNDS; COMMISSION FUNDS.—(a) On the effective date of this Act, the account appearing on the books of the Government as the "Panama Canal Company Fund (38-4060-0-3-403)" shall be terminated, and any unexpended balances under such accounts as of that date shall be covered into the Treasury, in an account to be known as the "Panama Canal Commission Fund".

(b) On or after the effective date of this Act, tolls for the use of the Panama Canal and all other receipts of the Panama Canal Commission that, before such effective date, would have been credited to the accounts appearing on the books of the Government as the "Panama Canal Company Fund (38-4060-0-3-403)" shall be deposited in the Treasury in the Panama Canal Commission Fund.

(c) No funds may be appropriated to or for the use of the Panama Canal Commission, nor may any funds be obligated or expended by the Commission for any fiscal year, unless such appropriation, obligation, or expenditure has been specifically authorized and appropriated by law.

(d) The Panama Canal Commission may, to such extent or in such amounts as are provided in advance in appropriation Acts, enter into contracts in order to carry out its functions.

SEC. 233. EMERGENCY FUND.—(a) On the effective date of this Act, the Secretary of the Treasury shall establish and thereafter shall maintain in the Treasury a fund to be known as the "Panama Canal Emergency Fund". There are authorized to be appropriated, for deposit in such Fund (1) for the fiscal year beginning on October 1, 1979, $40,000,000, and (2) for any fiscal year beginning on or after October 1, 1980, such additional sums as may be specifically authorized for such fiscal year.

(b) The Panama Canal Commission may make withdrawals from the fund by check in order to defray emergency expenses and to insure continuous, efficient, and safe operation of the Panama Canal, if funds appropriated for the operation and maintenance of the Canal are insufficient for such purposes. Any withdrawal from the fund to cover increased costs attributable to unprogrammed increases in traffic may not be made in amounts greater than the revenues from such increased traffic. This fund shall not be available for payments to Panama under Article XIII of the Panama Canal Treaty of 1977. Any withdrawal from the fund or expenditure made under this subsection shall be reported forthwith by the Commission to the Congress and to the Office of Management and Budget.

Subchapter II—Accounting Policies and Audits

SEC. 234. ACCOUNTING POLICIES.—The Panama Canal Commission shall establish and maintain its accounts pursuant to the Accounting and Auditing Act of 1950 (31 U.S.C. 65 et seq.) and the provisions of this chapter. Such accounts shall specify all revenues received by the Commission, including tolls for the use of the Canal, expenditures for capital replacement, expansion, and improvement, and all costs of maintenance and operation of the Panama Canal and of its complementary works, installations, and equipment, including depreciation, payments to Panama under the Panama Canal Treaty of 1977, and interest on the investment of the United States in accordance with section 413 of this Act.

SEC. 235. REPORTS.—The Commission shall, not later than January 31 of each year, submit to the President and the Congress a financial statement and a complete report with respect to the maintenance and operation of the Panama Canal during the preceding fiscal year.

SEC. 236. AUDIT BY GENERAL ACCOUNTING OFFICE.—(a) Financial transactions of the Panama Canal Commission shall be audited by the General Accounting Office pursuant to the Accounting and Auditing Act of 1950. In conducting any audit pursuant to such Act, the appropriate representatives of the General Accounting Office shall have access to all books, accounts, financial records, reports, files, and other papers, items, or property in use by the Commission and necessary to facilitate such audit, and such representatives shall be afforded full facilities for verifying transactions with the balances or securities held by depositories, fiscal agents, and custodians. An audit pursuant to such Act shall first be conducted with respect to the fiscal year in which this Act becomes effective.

(b) The Comptroller General shall, not later than six months after the end of each fiscal year, submit to the Congress a report of the audit conducted by the Comptroller General with respect to such fiscal year. Such report shall set forth the scope of the audit and shall include a statement of assets and liabilities, capital and surplus or deficit, based on the accounts of the Commission established pursuant to this chapter; a statement of income and expenses; a statement of sources and application of funds; a statement listing all direct and indirect costs incurred by the United States in implementing the Panama Canal Treaty of 1977, including the cost of property transferred to Panama during each fiscal year; and such comments and information as the Comptroller General considers necessary to keep the Congress informed of the operations and financial transactions of the Commission, together with such recommendations with respect to such operations and transactions as the Comptroller General considers advisable. The report shall identify specifically any program, expenditure, or other financial transaction or undertaking observed in the course of the audit which, in the opinion of the Comptroller General, has been carried out or made and has not been authorized by law. The Comptroller General shall submit a copy of each such report to the President, to the Secretary of the Treasury, and to the Commission.

Subchapter III—Interagency Accounts

Sec. 240. Interagency Services; Reimbursements.—(a) The Panama Canal Commission shall reimburse the Civil Service Retirement Fund for Government contributions to the retirement fund applicable to the Commission's employees, and for the unfunded liability of the Civil Service Retirement Fund accruing as a result of the provisions of this Act. The Panama Canal Commission shall reimburse the Employees' Compensation Fund, Bureau of Employee's Compensation, Department of Labor, for the benefit payments to the Commission's employees, and shall also reimburse other Government agencies for payments of a similar nature made on its behalf.

(b) The Department of Defense shall reimburse the Panama Canal Commission for amounts expended by the Commission in maintaining defense facilities in standby condition for the Department of Defense.

(c) Notwithstanding any other provision of law, appropriations (for any fiscal year beginning after September 30, 1979) of the Department of Defense, or such other agency or agencies as may be designated for this purpose by the President, shall be made available for conducting the educational and Health care activities, including kindergartens and college, carried out by the Canal Zone Government and Panama Canal Company before the effective date of this Act, and for providing the services related thereto to the categories of persons to which such services were provided before such effective date. Amounts so expended by an agency for furnishing services to an employee of any other agency and the dependents of such employee (less amounts payable by such employee) shall be fully reimbursable to the agency furnishing the services from appropriations of the agency bearing the cost of the compensation of the employee concerned.

(d) Notwithstanding any other provision of law, the Department of Defense shall, until January 1, 2000, operate the educational institution known as the "Canal Zone College". Such institution shall continue to provide, insofar as practicable, the level of services which it offers upon the effective date of this Act.

Subchapter IV—Postal Matters

Sec. 241. Postal Service.—(a) The postal service established and governed by chapter 73 of title 2 of the Canal Zone Code shall be discontinued on October 1, 1979.

(b) The provisions of chapter 73 of such title 2 relating to postal-savings deposits, postal-savings certificates, postal money orders, and the accounting for funds shall continue to apply for the purpose of meeting the obligations of the United States concerning outstanding postal savings and money orders and disposition funds.

(c) The Panama Canal Commission shall take possession of and administer the funds of the postal service and shall assume its obligations. The Commission and the United States Postal Service may enter into agreements for the transfer of funds or property and the assumption of administrative rights or responsibilities with respect to the outstanding obligations of the postal service.

(d) Mail addressed to the Canal Zone from or through the continental United States may be routed by the United States Postal Service to the military post offices of the United States Forces in the Republic of Panama. Such military post offices shall provide the required directory services and shall accept such mail to the extent permitted under the Panama Canal Treaty of 1977 and related agreements. The Panama Canal Commission shall furnish personnel, records, and other services to such military post offices to assure wherever appropriate the distribution, rerouting, or return of such mail.

(e)(1) The second sentence of section 403 (a) of title 39, United States Code, is amended by striking out "Except as provided in the Canal Zone Code, the" and inserting in lieu thereof "The".

(2) Section 3401(b) of title 39, United States Code, is amended—

(A) by inserting "or" before "the Virgin Islands"; and

(B) by striking out "or the Canal Zone,".

(3)(A) Section 3402 of title 39, United States Code, is hereby repealed.

(B) The table of sections for chapter 34 of title 39, United States Code, is amended by repealing the item relating to section 3402.

(4) Section 3682(b)(5) of title 39, United States Code, is amended by striking out "the Canal Zone and".

Subchapter V—Accounts With Republic of Panama

Sec. 250. Payments to Panama.—(a) The Panama Canal Commission shall pay to the Republic of Panama those payments required under paragraph 5 of Article III and paragraph 4 of Article XIII of the Panama Canal Treaty of 1977. Such payments, except for any payment due under paragraph (4)(c) of Article XIII of that Treaty shall be made monthly from appropriations for such purpose. Any payment which may be due under paragraph (4)(c) of Article XIII of the Treaty shall be made at the end of the second fiscal quarter following the end of the fiscal year for which such payment is due. Payments made under paragraph 5 of Article III of the Treaty shall be audited annually by the General Accounting Office and any overpayment, as determined in accordance with Understanding (1) incorporated in the Resolution of Ratification of the Panama Canal Treaty, for the services described in that paragraph which are provided shall be refunded by the Republic of Panama or set off against amounts payable by the United States to the Republic of Panama under paragraph 5 of Article III of the Panama Canal Treaty of 1977.

(b) In determining whether operating revenues exceed expenditures for the purpose of payments to Panama under paragraph 4(c) of such Article XIII, such operating revenues in a fiscal period shall be reduced by (1) all costs of such period as shown by the accounts established pursuant to section 234 of this Act and (2) the accumulative sum from prior years (beginning with the year in which the Panama Canal Treaty of 1977 enters into force) of any excess of costs of the Commission over operating revenues.

(c) No payments may be made under subsection (a) of this section during any period in which the Republic of Panama levies taxes retroactive to a date prior to the date of the entry into force of the Panama Canal Treaty of 1977 on organizations or businesses operating and individuals living in the Canal Zone prior to the effective date of this Act.

(d) Any accumulated unpaid balance under paragraph 4(c) of Article XIII of the Panama Canal Treaty of 1977 at the termination of the Treaty shall be payable only to the extent of any operating surplus in the last year of the Treaty's duration, and nothing in such paragraph may be construed as obligating the United States of America to pay after the date of the termination of the Treaty any such unpaid balance which shall have accrued before such date.

(e) No payments may be made to Panama under paragraph 4(c) of Article XIII of the Panama Canal Treaty of 1977 unless unexpended funds are used to reimburse the United States Treasury for all costs of implementation of the Panama Canal Treaty of 1977 as described by the Comptroller General in the report submitted to the Congress pursuant to section 236 of this Act, including costs previously paid by the Panama Canal Company and now assumed by other United States Government agencies. These costs are to be considered as operating costs of the Commission. All other operating costs shall be paid by the Commission prior to these costs. However, in computing the toll base under section 412(b) of this Act, no provision shall be made for the recovery of these costs.

(f) The prohibitions contained in sections 373, 374, 232(c) and this section shall apply notwithstanding any other provision of law, including (1) any provision authorizing transfers of funds between accounts, reprograming of funds, use of funds for contingency purposes, or waivers of prohibitions, (2) any provision authorizing transfers or conveyances of property or property interests of the United States, and (3) any provision of the Panama Canal Treaty of 1977 which might be construed to authorize, require, or otherwise provide for, the obligation of expenditure of funds or the transfer of property.

Sec. 251. Transactions With Republic of Panama.—The Panama Canal Commission may, on a reimbursable basis, provide to the Republic of Panama materials, supplies, equipment, work, or services, including water and electric power, requested by the Republic of Panama, at such rates as may be agreed upon by the Commission and the Republic of Panama. Payment for such materials, supplies, equipment, work, or services may be made by direct payment by the Republic of Panama to the Panama Canal Commission or by offset against amounts due the Republic of Panama by the United States.

Sec. 252. Disaster Relief.—If an emergency arises because of disaster or calamity by flood, hurricane, earthquake, fire, pestilence, or like cause, not foreseen or otherwise provided for, and occurring in the Republic of Panama in such circumstances as to constitute an actual or potential hazard to health, safety, security, or property in the areas and installations made available to the United States pursuant to the Panama Canal Treaty of 1977 and related agreements, the Panama Canal Commission may expend available funds appropriated to the Commission for such purpose, and utilize or furnish materials, supplies, equipment, and services for relief, assistance, and protection.

CHAPTER 7—CLAIMS FOR INJURIES TO PERSONS OR PROPERTY

Subchapter I—General Provisions

Sec. 271. Settlement of Claims Generally.—(a) Subject to the provisions of this chapter, the Panama Canal Commission may adjust and pay claims for injury to, or loss of, property or for personal injury or death, arising from the operation of the Panama Canal or related facilities and appurtenances.

(b) No claim for an amount exceeding $120,000 shall be adjusted and paid by the Commission under the provisions of this subchapter.

(c) An award made to a claimant under this section shall be payable out of any moneys appropriated for or made available to the Commission. The acceptance by the claimant of the award shall be final and conclusive on the claimant, and shall constitute a complete release by the claimant of his claim against the United States and against any employee of the United States acting in the course of his employment who is involved in the matter giving rise to the claim.

(d) Except as provided in section 296 of this Act, no action for damages on claims cognizable under this chapter shall lie against the United States or the Commission, and no such action shall lie against any officer or employee of the United States. Neither this section nor section 296 shall preclude actions against officers or employees of the United States for injuries resulting from their acts outside the scope of their employment or not in the line of their duties, or from their acts committed with the intent to injure the person or property of another.

(e) The provisions of section 1346(b) of title 28, United States Code, and the provisions of chapter 171 of such title shall not apply to claims cognizable under this chapter.

Subchapter II—Vessel Damage

SEC. 291. INJURIES IN LOCKS OF CANAL.—The Panama Canal Commission shall promptly adjust and pay damages for injuries to vessels, or to the cargo, crew, or passengers of vessels, which may arise by reason of their passage through the locks of the Panama Canal under the control of officers or employees of the United States. Damages may not be paid where the injury was proximately caused by the negligence or fault of the vessel, master, crew, or passengers. If the negligence or fault of the vessel, master, crew, or passengers proximately contributed to the injury, the award of damages shall be diminished in proportion to the negligence or fault attributable to the vessel, master, crew, or passengers. Damages may not be allowed and paid for injuries to any protrusion beyond any portion of the hull of a vessel, whether it is permanent or temporary in character. A vessel is considered to be passing through the locks of the Canal, under the control of officers or employees of the United States, from the time the first towing line is made fast on board before entrance into the locks and until the towing lines are cast off upon, or immediately prior to, departure from the lock chamber.

SEC. 292. INJURIES OUTSIDE LOCKS.—The Panama Canal Commission shall promptly adjust and pay damages for injuries to vessels, or to the cargo, crew, or passengers of vessels which may arise by reason of their presence in the Canal, or waters adjacent thereto, other than the locks, when the injury was proximately caused by negligence or fault on the part of an officer or employee of the United States acting within the scope of his employment and in the line of his duties in connection with the operation of the Canal, and when the amount of the claim does not exceed $120,000. If the negligence or fault of the vessel, master, crew, or passengers proximately contributed to the injury, the award of damages shall be diminished in proportion to the negligence or fault attributable to the vessel, master, crew, or passengers. In the case of a vessel which is required by or pursuant to regulations prescribed pursuant to section 1331 of this Act to have a Panama Canal pilot on duty aboard, damages may not be adjusted and paid for injuries to the vessel, or its cargo, crew, or passengers, incurred while the vessel was underway and in motion, unless at the time the injuries were incurred the navigation or movement of the vessel was under the control of a Panama Canal pilot.

SEC. 293. MEASURE OF DAMAGES GENERALLY.—In determining the amount of the award of damages for injuries to a vessel for which the Panama Canal Commission is determined to be liable, there may be included—

(1) the actual or estimated cost of repairs;

(2) charter hire actually lost by the owners, or charter hire actually paid, depending upon the terms of the charter party, for the time the vessel is undergoing repairs;

(3) maintenance of the vessel and wages of the crew, if they are found to be actual additional expenses or losses incurred outside of the charter hire; and

(4) other expenses which are definitely and accurately shown to have been incurred necessarily and by reason of the accident or injuries.

Agent's fee, or commissions, or other incidental expenses of similar character, or any items which are indefinite, indeterminable, speculative, or conjectural may not be allowed. The Panama Canal Commission shall be furnished such vouchers, receipts, or other evidence as may be necessary in support of any item of a claim. If a vessel is not operated under charter but by the owner directly, evidence shall be secured if available as to the sum for which vessels of the same size and class can be chartered in the market. If the charter value cannot be determined, the value of the vessel to its owners in the business in which it was engaged at the time of the injuries shall be used as a basis for estimating the damages for the vessel's detention; and the books of the owners showing the vessel's earnings about the time of the accident or injuries shall be considered as evidence of probable earnings during the time of detention. If the books are unavailable, such other evidence shall be furnished as may be necessary.

SEC. 294. DELAYS FOR WHICH NO RESPONSIBILITY IS ASSUMED.—The Panama Canal Commission is not responsible, and may not consider any claim, for demurrage or delays caused by—

(1) landslides or other natural causes;

(2) necessary construction or maintenance work on Canal locks, terminals, or equipment;

(3) obstruction arising from accidents;

(4) time necessary for admeasurement;

(5) congestion of traffic;

(6) time necessary for investigation of marine accidents; or

(7) except as specially set forth in this subchapter, any other cause.

SEC. 295. SETTLEMENT OF CLAIMS.—(a) Subject to subsection (b) of this section, the Panama Canal Commission, by mutual agreement, compromise, or otherwise, may adjust and determine the amounts of the respective awards of damages pursuant to this subchapter. Such amounts shall be payable promptly out of any moneys appropriated or allotted for the maintenance and operation of the Panama Canal. Acceptance by a claimant of the amount awarded to him shall be deemed to be in full settlement of such claim against the Government of the United States.

(b) The Panama Canal Commission shall not adjust and pay any claim for damages for injuries arising by reason of the presence of the vessel in the Panama Canal or adjacent waters outside the locks where the amount of the claim exceeds $120,000 but shall submit the claim to the Congress by a special report containing the material facts and the recommendation by the Commission thereon.

SEC. 296. ACTIONS ON CLAIMS.—A claimant for damages pursuant to section 291 of this Act who considers himself aggrieved by the findings, determination, or award of the Panama Canal Commission in reference to his claim may bring an action on the claim against the Commission in the United States District Court for the Eastern District of Louisiana. Subject to the provisions of this chapter and of applicable regulations issued pursuant to section 1331 of this Act relative to navigation of the Canal and adjacent waters, such actions shall proceed and be heard by the court without a jury according to the principles of law and rules of practice obtaining generally in like cases between private parties and other agencies of the United States Government. Any judgment obtained against the Panama Canal Commission in an action under this chapter shall be paid out of any moneys appropriated or allotted for the maintenance and operation of the Panama Canal. An action for damages cognizable under this section shall not lie against the United States or the Commission, otherwise, nor in any other court, than as provided in this section; nor may it lie against any officer or employee of the United States or of the Commission.

SEC. 297. INVESTIGATION OF ACCIDENT OR INJURY GIVING RISE TO CLAIM.—Notwithstanding any other provision of law, a claim may not be considered under this subchapter, or an action for damages lie thereon, unless, prior to the departure from the Canal of the vessel involved—

(1) the investigation by the competent authorities of the accident or injury giving rise to the claim has been completed; and

(2) the basis for the claim has been laid before the Panama Canal Commission.

SEC. 298. BOARD OF LOCAL INSPECTORS.—(a) The President shall provide for the establishment of a Board of Local Inspectors of the Panama Canal Commission which shall perform, in accordance with regulations prescribed by the President—

(1) the investigations required by section 297 of this Act; and

(2) such other duties with respect to marine matters as may be assigned by the President.

(b) In conducting any investigation pursuant to subsection (a) of this section, the Board of Local Inspectors may summon witnesses, administer oaths, and require the production of books and papers necessary for such investigation.

CHAPTER 9—PUBLIC PROPERTY

SEC. 371. ASSETS AND LIABILITIES OF PANAMA CANAL COMPANY.—All property and other assets of the Panama Canal Company shall revert to the United States on the effective date of this Act, and, except as otherwise provided by law, the United States shall assume the liabilities of the Panama Canal Company then outstanding. The Panama Canal Commission may use such property, facilities, and records of the Panama Canal Company as is necessary to carry out its functions.

SEC. 372. TRANSFERS AND CROSS-SERVICING BETWEEN AGENCIES.—(a) In the interest of economy and maximum efficiency in the utilization of Government property and facilities, there are authorized to be transferred between departments and agencies of the United States, with or without reimbursement, such facilities, buildings, structures, improvements, stock, and equipment located in the Republic of Panama, and used for their activities therein, as may be mutually agreed upon by the departments and agencies involved and approved by the President of the United States or his designee.

(b) The Panama Canal Commission may enter into cross-servicing agreements with any other agency of the United States for the use of facilities, furnishing of services, or performance of functions.

(c) The Panama Canal Commission, any other agency or department of the United States, and any United States court in the Republic of Panama may transfer any of the records (or copies thereof) of the Commission, or of such agency, department, or court, as the case may be, including records acquired from the Canal Zone Government or the Panama Canal Company (including vital statistics records), to any other agency or department of the United States or to any other court of the United States and, in coordination with the Ambassador and with his approval, to the Government of the Republic of Panama.

(d) The provisions of this section shall apply to the Smithsonian Institution.

SEC. 373. DISPOSITION OF PROPERTY OF THE UNITED STATES.—No property of the United States located in the Republic of Panama may be disposed of except pursuant to law enacted by the Congress.

SEC. 374. TRANSFER OF PROPERTY TO PANAMA.—On the date on which the Panama Canal Treaty of 1977 enters into force, the

Secretary of State may convey to the Republic of Panama the Panama Railroad and such property located in the area comprising the Canal Zone immediately before such date, which area is not within the land and water areas the use of which is made available to the United States pursuant to the Panama Canal Treaty of 1977 and related agreements. Property transferred pursuant to this section may not include buildings and other facilities, except housing, located outside such areas, the use of which is retained by the United States pursuant to the Panama Canal Treaty of 1977 and related agreements. With respect to fire protection installations referred to in paragraph 14 of the Agreed Minute to the Agreement in Implementation of Article III of the Panama Canal Treaty, signed September 7, 1977, the United States shall not transfer to the Republic of Panama any such installation (other than the Balboa Fire Station and the Coco Solito Fire Station) until the Administrator of the Panama Canal Commission has determined that, because of voluntary transfers or voluntary separations, an adequate number of firefighters does not exist to sufficiently staff such installation and such installation is excess to the needs of the United States.

CHAPTER 10—TOLLS FOR USE OF CANAL

SEC. 411. PRESCRIPTION OF MEASUREMENT RULES AND RATES OF TOLLS.—(a) The President is authorized, subject to the provisions of this chapter, to prescribe and from time to time change—

(1) the rules for the measurement of vessels for the Panama Canal; and

(2) the tolls that shall be levied for the use of the Canal.

(b) Such rules of measurement and tolls prevailing on the effective date of this Act shall continue in effect until changed as provided in this chapter.

SEC. 412. BASES OF TOLLS.—(a) Tolls on merchant vessels, army and navy transports, colliers, tankers, hospital ships, supply ships, and yachts shall be based on net vessel tons of one hundred cubic feet each of actual earning capacity determined in accordance with the rules for the measurement of vessels for the Panama Canal, and tolls on other floating craft shall be based on displacement tonnage. The tolls on vessels in ballast without passengers or cargo may be less than the tolls for vessels with passengers or cargo.

(b) Tolls shall be prescribed at rates calculated to produce revenues to cover as nearly as practicable all costs of maintaining and operating the Panama Canal, together with the facilities and appurtenances related thereto, including unrecovered past costs from the effective date of this Act, interest, depreciation, payments to Panama pursuant to paragraph 5 of Article III and paragraph 4 (a) and (b) of Article XIII of the Panama Canal Treaty of 1977; and capital for plant replacement, expansion, and improvements. Tolls shall not be prescribed at rates calculated to produce revenues sufficient to cover payments to Panama pursuant to paragraph 4(c) of Article XIII of the Panama Canal Treaty of 1977.

(c) The President of the United States may require vessels operated by the United States, including warships, naval tenders, colliers, tankers, transports, hospital ships, and other vessels owned or chartered by the United States for transporting troops or supplies, and ocean-going training ships owned by the United States and operated by State nautical schools, to pay tolls. If, however, they are not required to pay tolls, the tolls thereon shall nevertheless be computed and the amounts thereof shall be treated as revenues of the Panama Canal for the purpose of prescribing the rates of tolls and computing the amount of the payment to the Republic of Panama pursuant to paragraph 4(a) of Article XIII of the Panama Canal Treaty of 1977, as prescribed in section 250 of this Act.

(d) The levy of tolls is subject to the provisions of section 1 of article III of the treaty between the United States of America and Great Britain signed November 18, 1901, of article I of the treaty signed between the United States of America and the Republic of Colombia signed April 6, 1914, and articles II, III, and VI of the Treaty Concerning Permanent Neutrality and Operation of the Panama Canal, between the United States of America and the Republic of Panama, signed September 7, 1977.

(e) Capital investment for interest purposes shall not include any interest during construction.

SEC. 413. CALCULATION OF INTEREST.—(a) For purposes of sections 234 and 412 of this Act, interest shall be computed on the investment of the United States in the Panama Canal as shown in the accounts of the Panama Canal Company at the close of business on the day preceding the effective date of this Act, and as adjusted in accordance with subsections (b) and (c) of this section.

(b) The investment of the United States described in subsection (a) of this section—

(1) shall be increased by—

(A) the amount of subsequent appropriations to the Panama Canal Commission, and

(B) the value of property transferred to the Commission by other Government agencies as determined in accordance with subsection (c) of this section; and

(2) shall be decreased by—

(A) the amount of the funds covered into the Treasury pursuant to section 232 of this Act,

(B) the net book value of property subsequently transferred to the Republic of Panama pursuant to this or any other Act, and

(C) the net book value of property transferred by the Panama Canal Commission to any other agency of the United States Government.

(c) The value of property transferred to the Panama Canal Commission by other Government agencies shall be determined by the Director of the Office of Management and Budget. In computing such value, such Director shall give due consideration to the cost and probable earning power of the transferred property, or the usable value to the Commission if clearly less than cost, and shall make adequate provisions for depreciation, obsolescence, and other determinable decreases in value. Insofar as practicable, the value of such transferred property shall exclude any portion of such value properly allocable to national defense.

(d) Interest on the investment under this section shall be computed at a rate determined by the Secretary of the Treasury, taking into consideration the average market yield, during the month preceding the beginning of each fiscal year, on outstanding marketable obligations of the United States of comparable maturities.

SEC. 414. PROCEDURES.—(a) The Panama Canal Commission shall publish in the Federal Register notice of any proposed change in the rules of measurement or rates of tolls referred to in section 411(a). The Commission shall give interested parties an opportunity to participate in the proceedings through submission of written data, views, or arguments, and participation in a public hearing to be held not less than 30 days after the date of publication of the notice. The notice shall include the substance of the proposed change and a statement of the time, place, and nature of the proceedings. At the time of publication of such notice, the Commission shall make available to the public an analysis showing the basis and justification for the proposed change, which, in the case of a change in rates of tolls, shall indicate the conformity of the existing and proposed rates of tolls with the requirements of section 412 of this Act, and the Commission's adherence to the requirement for full consideration of the following factors in Understanding (1) set forth in the Resolution of Ratification of the Treaty Concerning the Permanent Neutrality and Operation of the Panama Canal:

(1) The costs of operating and maintaining the Panama Canal.

(2) The competitive position of the use of the Canal in relation to other means of transportation.

(3) The interests of both parties in maintaining their domestic fleets.

(4) The impact of such an adjustment on the various geographical areas of each of the two parties.

(5) The interests of both parties in maximizing their international commerce.

(b) After consideration of the relevant matter presented, the Commission may revise the proposed rules of measurement or rates of tolls, as the case may be, except that, in the case of rates of tolls, if such revision proposes rates greater than those originally proposed, a new analysis of the proposed rates shall be made available to the public, and a new notice of the revised proposal shall be published in the Federal Register apprising interested persons of the opportunity to participate further in the proceedings through submission of written data, views, or arguments, and participation in a public hearing to be held not less than 30 days after the date of publication of the new notice. The procedure set forth in this subsection shall be followed for any subsequent revision of the proposed rates by the Commission which proposes rates higher than those in the preceding proposal.

(c) After the proceedings have been conducted pursuant to subsections (a) and (b) of this section, the Commission shall publish in the Federal Register a notice of the changes in the rules of measurement or rates of tools, as the case may be, to recommended to the President.

(d) Upon publication of the notice pursuant to subsection (c), the Commission shall forward a complete record of the proceedings, with the recommendation of the Commission, to the President for his consideration. The President may approve, disapprove, or modify any or all of the changes in the rules of measurement or rates of tolls recommended by the Commission.

(e) Rules of measurement or rates of tolls prescribed by the President pursuant to this chapter shall take effect on a date prescribed by the President which is not less than 30 days after the President publishes such rules or rates in the Federal Register.

(f) Action to change the rules of measurement for the Panama Canal or the rates of tolls for the use of the Canal pursuant to this chapter shall be subject to judicial review in accordance with chapter 7 of title 5, United States Code.

SEC. 415. INTERIM TOLL ADJUSTMENT.—(a) After the effective date of this section, the Panama Canal Company may, only in accordance with the procedures set forth in section 414 of this Act for making changes in tolls by the Panama Canal Commission and the President, propose rates of tolls calculated to cover the costs of maintaining and operating the Panama Canal during the first fiscal year of operation beginning on the effective date of this Act. Such proposed rates shall be calculated in accordance with the provisions of section 412(b) of this Act. Such proposed rates of tolls shall be submitted to the President for approval in accordance with section 414 of this Act, except that the President may establish an effective date for such rates which is less than 30 days after the publication in the Federal

Register required in subsection (e) of such section.

(b) If changes in rates proposed by the Panama Canal Company do not become effective before the date on which the Panama Canal Treaty of 1977 enters into force, the proposed changes of the Panama Canal Company and any proceedings conducted with respect to such proposal before the effective date of this Act shall be considered to be proposed changes in rates of the Panama Canal Commission as fully as if such changes had been proposed originally by the Commission pursuant to this chapter.

(c) This section shall take effect on the date of the enactment of this Act.

Part 2—Regulation

CHAPTER 11—GENERAL REGULATIONS

SEC. 701. AUTHORITY OF PRESIDENT.—The President may prescribe, and from time to time amend, regulations applicable within the areas and installations made available to the United States for the operation and protection of the Panama Canal pursuant to the Panama Canal Treaty of 1977 and related agreements concerning—

(1) the use of aircraft;

(2) the possession and use of alcoholic beverages;

(3) exclusion and removal of persons; and

(4) health and sanitation.

SEC. 702. AUTHORITY OF COMMISSION.—The Panama Canal Commission may prescribe, and from time to time amend, regulations applicable within the areas and installations made available to the United States for the operation and protection of the Panama Canal pursuant to the Panama Canal Treaty of 1977 and related agreements concerning—

(1) the keeping and impounding of domestic animals;

(2) fire prevention;

(3) the sale or use of fireworks;

(4) the use of roads and highways;

(5) photographing of areas, objects, installations, or structures;

(6) swimming in the Panama Canal and adjacent waters; and

(7) the protection of wildlife; hunting and fishing.

CHAPTER 13—SHIPPING AND NAVIGATION

Subchapter I—Operation of Canal

SEC. 1331. OPERATING REGULATIONS.—The President may prescribe, and from time to time amend, regulations governing—

(1) the operation of the Panama Canal;

(2) the navigation of the harbors and other waters of the Panama Canal and areas adjacent thereto, including the ports of Balboa and Cristobal;

(3) the passage and control of vessels through the Panama Canal or any part thereof, including the locks and approaches thereto;

(4) pilotage in the Panama Canal or the approaches thereto through the adjacent waters; and

(5) the licensing of officers or other operators of vessels navigating the waters of the Panama Canal and areas adjacant thereto, including the ports of Balboa and Cristobal.

Subchapter II—Inspection of Vessels

SEC. 1351. VESSELS SUBJECT TO INSPECTION.—With the exception of private vessels merely transiting the Panama Canal, and of public vessels of all nations, vessels navigating the waters of the Panama Canal shall be subject to an annual inspection of hulls, boilers, machinery, equipment, and passenger accommodations.

SEC. 1352. FOREIGN VESSELS.—With respect to a foreign vessel of a country which has inspection laws approximating those of the United States, any such vessel having an unexpired certificate of inspection duly issued by the authorities of such country shall not be subject to an inspection other than that necessary to determine whether the vessel, its boilers, and its lifesaving equipment are as stated in the certificate of inspection. A certificate of inspection may not be accepted as evidence of lawful inspection under this section unless similar privileges are granted to vessels of the United States under the laws of the country to which the vessel belongs.

SEC. 1353. REGULATIONS GOVERNING INSPECTION.—The Panama Canal Commission shall prescribe, and from time to time may amend, regulations concerning the inspection of vessels conforming as nearly as practicable to the laws and regulations governing marine inspection by the United States Coast Guard.

AMENDMENTS OFFERED BY MR. HANLEY

Mr. HANLEY. Mr. Chairman, pursuant to the rule, I offer amendments.

The Clerk read as follows:

Amendments offered by Mr. HANLEY: Page 108, strike out line 10 and all that follows down through line 16 on page 146 and insert in lieu thereof the following:

CHAPTER 3—EMPLOYEES

Subchapter I—Panama Canal Commission Personnel

SEC. 120. DEFINITIONS.—As used in this chapter:

(1) "Executive agency" has the meaning given that term in section 105 of title 5, United States Code;

(2) "uniformed services" has the meaning given that term in section 2101(3) of title 5, United States Code;

(3) "competitive service" has the meaning given that term in section 2102 of title 5, United States Code; and

(4) "United States", when used in a geographic sense, means each of the several States and the District of Columbia.

SEC. 121. APPOINTMENT AND COMPENSATION; DUTIES.—(a) Except as provided by sections 103, 104, and 111 of this Act, and in accordance with this chapter, the Panama Canal Commission may appoint without regard to the provisions of title 5, United States Code, relating to appointments in the competitive service, fix the compensation of, and define the authority and duties of, officers, agents, attorneys, and employees necessary for the management, operation, and maintenance of the Panama Canal and its complementary works, installations, and equipment.

(b) Individuals serving in any other Executive agency and the Smithsonian Institution, including individuals serving in the uniformed services, may, if appointed under this section or section 103 or 104 of this Act, serve as officers or employees of the Commission.

SEC. 122. TRANSFER OF FEDERAL EMPLOYEES.—(a) The head of any agency may enter into agreements for the transfer or detail to the Panama Canal Commission of any employee of that agency serving under a permanent appointment. Any employee who so transfers or is so detailed shall, upon completion of the employee's tour of duty with the Commission, be entitled to reemployment with the agency from which the employee was transferred or detailed without loss of pay, seniority, or other rights or benefits to which the employee would have been entitled had the employee not so transferred or been so detailed.

(b) For purposes of this section, the term "agency" means an Executive agency, the United States Postal Service, and the Smithsonian Institution.

(c) The Office of Personnel Management shall prescribe regulations to carry out the purposes of this section.

SEC. 123. COMPENSATION OF INDIVIDUALS IN THE UNIFORMED SERVICES.—(a) Except as provided in subsection (b), any individual who is serving in a position in the Panama Canal Commission and who is a member of a uniformed service shall continue to be paid basic pay by such uniformed service and shall not be paid by the Commission for the period of the service in the uniformed service involved.

(b) If the individual appointed as Administrator, Deputy Administrator, or Chief Engineer of the Commission is a member of a uniformed service, the amount of basic pay otherwise payable to the individual for service in that position shall be reduced, up to the amount of that basic pay, by the amount of the basic pay payable to the individual as a member of a uniformed service.

(c) The Commission shall annually pay to each uniformed service amounts sufficient to reimburse that uniformed service for any basic pay paid by that uniformed service to any member of that service during any period of service in the Commission by the member.

SEC. 124. DEDUCTION FROM BASIC PAY OF AMOUNTS DUE FOR SUPPLIES OR SERVICES.—The Panama Canal Commission may deduct from the basic pay otherwise payable by the Commission to any officer or employee of the Commission any amount due from the officer or employee to the Commission or to any contractor of the Commission for transportation, board, supplies, or any other service. Any amount so deducted may be paid by the Commission to any contractor to whom it is due or may be credited by the Commission to any appropriation from which the Commission has expended such amount.

SEC. 125. EDUCATIONAL TRAVEL BENEFITS.—The Panama Canal Commission shall provide by regulation for round-trip transportation between the Republic of Panama and the United States for undergraduate college education in the United States for dependents of individuals who are officers or employees of the Commission and who are citizens of the United States. The regulations prescribed by the Commission under this section shall—

(1) provide eligibility requirements which must be met by such dependents to qualify for transportation under this section including a requirement that all eligible dependents must be under 23 years of age; and

(2) limit the transportation provided to one round trip during any 1-year period.

SEC. 126. PRIVILEGES AND IMMUNITIES OF CERTAIN EMPLOYEES.—The Secretary of Defense shall designate those officers and employees of the Panama Canal Commission and other individuals entitled to the privileges and immunities accorded under paragraph (3) of Article VIII of the Panama Canal Treaty of 1977. The Department of State shall furnish the Republic of Panama a list of the names of such officers, employees, and other individuals and shall notify the Republic of Panama of any subsequent additions to or deletions from the list.

SEC. 127. INAPPLICABILITY OF CERTAIN BENEFITS TO CERTAIN NONCITIZENS.—(a) Chapter 81 of title 5, United States Code, relating to compensation for work injuries, chapter 83 of such title 5, relating to civil service retirement, chapter 87 of such title 5, relating to life insurance, and chapter 89 of such title 5, relating to health insurance, are inapplicable to any individual—

(1) who is not a citizen of the United States;

(2) whose initial appointment by the Panama Canal Commission occurs after October 1, 1979; and

(3) who is covered by the Social Security System of the Republic of Panama pursuant to any provision of the Panama Canal Treaty of 1977 and related agreements.

(b) Subparagraph (B) of section 8701(a) of title 5, United States Code, defining employee for purposes of life insurance, is amended to read as follows:

"(B) an individual who is not a citizen or national of the United States and whose permanent duty station is outside the United States, unless the individual was an employee for the purpose of this chapter on

September 30, 1979, by reason of service in an Executive agency, the United States Postal Service, or the Smithsonian Institution, in the area which was then known as the Canal Zone; or".

(c) Clause (ii) of section 8901(1) of title 5, United States Code, defining employee for purposes of health insurance, is amended to read as follows:

"(ii) an individual who is not a citizen or national of the United States and whose permanent duty station is outside the United States, unless the individual was an employee for the purpose of this chapter on September 30, 1979, by reason of service in an Executive agency, the United States Postal Service, or the Smithsonian Institution in the area which was then known as the Canal Zone;".

Subchapter II—Wage and Employment Practices

SEC. 141. DEFINITIONS.—As used in this subchapter:

(1) "agency" means—

(A) the Panama Canal Commission, and

(B) an Executive agency or the Smithsonian Institution, to the extent of any election in effect under section 142(b)(2) of this Act;

(2) "position" means a civilian position in the Panama Canal Commission, or in any other agency if a substantial portion of the duties and responsibilities are performed in the Republic of Panama; and

(3) "employee" means an individual serving in a position.

SEC. 142. PANAMA CANAL EMPLOYMENT SYSTEM; MERIT AND OTHER EMPLOYMENT REQUIREMENTS.—(a) After considering any recommendations of the Panama Canal Commission, the President shall establish a Panama Canal Employment System. The Panama Canal Employment System shall—

(1) be established in accordance with and be subject to the provisions of the Panama Canal Treaty of 1977 and related agreements, the provisions of this chapter, and any other applicable provision of law;

(2) be based on the consideration of the merit of each employee or candidate for employment and the qualifications and fitness of the employee to hold the position concerned;

(3) conform, to the extent practicable and consistent with the provisions of this Act, to the policies, principles, and standards applicable to the competitive service; and

(4) in the case of employees who are citizens of the United States, provide for the appropriate interchange of those employees between positions under the Panama Canal Employment System and positions in the competitive service.

(b)(1) The Panama Canal Commission, and any Executive agency and the Smithsonian Institution to the extent of any election under paragraph (2), shall conduct its employment and pay practices relating to employees in accordance with the Panama Canal Employment System and regulations prescribed by, or under the authority of, the President in accordance with this subchapter.

(2) The head of any Executive agency and the Smithsonian Institution may elect to have the Panama Canal Employment System made applicable in whole or in part to personnel of that agency in the Republic of Panama.

(c) Subject to the provisions of this chapter, the President may, from time to time and after considering any recommendation of the Panama Canal Commission, amend or modify any provision of the Panama Canal Employment System, including any provision relating to selection for appointment, reappointment, reinstatement, reemployment, and retention, with respect to positions, employees, and candidates for employment.

(d) The President may, to the extent the President determines appropriate—

(1) exclude any employee or position from coverage under any provision of this subchapter; and

(2) notwithstanding section 121, extend to any employee, whether or not the employee is a citizen of the United States, the rights and privileges which are provided by applicable laws and regulations for citizens of the United States employed in the competitive service.

SEC. 143. EMPLOYMENT STANDARDS.—The head of each agency shall establish written standards for—

(1) determining the qualifications and fitness of employees and of candidates for employment in positions; and

(2) selecting individuals for appointment, promotion, or transfer to positions.

The standards shall conform to the provisions of this subchapter, any regulations prescribed thereunder, and the Panama Canal Employment System.

SEC. 144. INTERIM APPLICATION OF CANAL ZONE MERIT SYSTEM.—Notwithstanding any repeal made by this Act or any provision of this chapter, the provisions of subchapter III of chapter 7 of title 2 of the Canal Zone Code establishing the Canal Zone Merit System, together with the regulations prescribed thereunder, as in effect on September 30, 1979, shall continue in effect and shall apply with respect to employees until the Panama Canal Employment System is established and in effect pursuant to section 142 of this Act.

SEC. 145. BASIC PAY.—(a) The head of each agency, in accordance with the provisions of this subchapter, shall establish, and from time to time may revise, the rates of basic pay for positions and employees in the agency.

(b) The rates of basic pay may be established and revised in relation to the rates of basic pay for the same or similar work performed in the United States or in such areas outside the United States as may be designated in the regulations prescribed under section 153.

(c) The head of each agency may make adjustments in rates of basic pay established under subsection (b) in amounts not to exceed the amounts of the adjustments made from time to time by or under statute in the corresponding rates of basic pay for the same or similar work referred to in such subsection (b). The head of the agency may designate the effective date of any such adjustment, except that that date may not be earlier than the effective date of the adjustment in the corresponding rate of basic pay.

SEC. 146. UNIFORM APPLICATION OF STANDARDS AND RATES.—The standards established pursuant to section 143 and the rates of basic pay established pursuant to section 145 shall be applied without regard to whether the employee or individual concerned is a citizen of the United States or a citizen of the Republic of Panama.

SEC. 147. RECRUITMENT AND RETENTION REMUNERATION.—(a) In addition to basic pay, additional compensation may be paid, in such amounts as the head of the agency concerned determines, as an overseas recruitment or retention differential to any individual who—

(1) before October 1, 1979, was employed by the Panama Canal Company, by the Canal Zone Government, or by any other agency in the area then known as the Canal Zone;

(2) is an employee who was recruited on or after October 1, 1979, outside of the Republic of Panama for placement in the Republic of Panama; or

(3) is a medical doctor employed by the Department of Defense in the Republic of Panama or by the Panama Canal Commission:

if, in the judgment of the head of the agency concerned, the recruitment or retention of the individual is essential.

(b) Any employee described in more than one paragraph of subsection (a) may qualify for a recruitment or retention differential under only one of those paragraphs.

(c) Additional compensation provided under this section may not exceed 25 percent of the rate of basic pay for the same or similar work performed in the United States by individuals employed by the Government of the United States.

(d) Subchapter III of chapter 59 of title 5, United States Code, relating to overseas differentials and allowances, shall not apply with respect to any employee whose post of assignment is in the Republic of Panama and who is employed by an agency.

SEC. 148. BENEFITS BASED ON BASIC PAY.—For the purpose of determining—

(1) amounts of compensation for disability or death under chapter 81 of title 5, United States Code, relating to compensation for work injuries;

(2) benefits under subchapter III of chapter 83 of title 5, United States Code, relating to civil service retirement;

(3) amounts of insurance under chapter 87 of title 5, United States Code, relating to life insurance;

(4) amounts of overtime pay or other premium pay;

(5) annual leave benefits; and

(6) any other benefits related to basic pay;

the basic pay of each employee shall include the rate of basic pay established for his position under section 145 plus the amount of any additional compensation provided under section 147.

SEC. 149. SALARY PROTECTION UPON CONVERSION OF PAY BASE.—(a) In the case of any employee whose rate of basic pay is determined in relation to rates of basic pay for the same or similar work in the United States and is converted to a rate of basic pay pursuant to section 145(b) which is determined in relation to rates in areas other than the United States pursuant to that subsection, the employee shall continue to receive a rate of basic pay not less than that to which the employee was entitled immediately before the conversion.

(b) This section shall cease to apply with respect to any employee if the employee is placed in a position—

(1) for which the rate of basic pay is determined in relation to rates of basic pay in the United States pursuant to section 145(b); or

(2) which is of a lower grade.

SEC. 150. REVIEW AND ADJUSTMENT OF CLASSIFICATIONS, GRADES, AND PAY LEVEL.—An employee may request at any time that the employee's agency—

(1) review the classification of the employee's position or the grade or pay level for the employee's position, or both; and

(2) revise or adjust that classification, grade or pay level, or both, as the case may be.

The request for review and revision or adjustment shall be submitted and adjudicated in accordance with the regularly established appeals procedures of the agency.

SEC. 151. PANAMA CANAL BOARD OF APPEALS; DUTIES.—(a) Subject to the provisions of this chapter, the President shall prescribe regulations establishing a Panama Canal Board of Appeals. The regulations shall provide for the number of members of the Board and their appointment, compensation, and terms of office, the selection of a Chairman of the Board, the appointment and compensation of the Board's employees, and other appropriate matters relating to the Board.

(b) The Board shall review and determine the appeals of employees in accordance with section 152. The decisions of the Board shall conform to the provisions of this chapter.

SEC. 152. APPEALS TO BOARD; PROCEDURE; FINALITY OF DECISIONS.—(a) An employee may appeal to the Panama Canal Board of Appeals from an adverse determination made by an agency under section 150. The appeal shall be made in writing within a reasonable time (as specified in regulations prescribed by, or under the authority of, the President) after the date of transmittal by the agency to the employee of written notice of the adverse determination.

(b) The Board may authorize, in connection with an appeal pursuant to subsection (a), a personal appearance before the Board by the employee, or by a representative of the employee designated for that purpose.

(c) After investigation and consideration of the evidence submitted, the Board shall—

(1) prepare a written decision on the appeal;

(2) transmit its decision to the agency concerned; and

(3) transmit copies of the decision to the employee concerned or to the designated representative.

(d) The decision of the Board on any question or other matter relating to an appeal is final and conclusive. The agency concerned shall take action in accordance with the decision of the Board.

SEC. 153. ADMINISTRATION BY THE PRESIDENT.—(a) The President shall prescribe regulations necessary and appropriate to carry out the provisions of this subchapter and coordinate the policies and activities of agencies under this subchapter.

(b) The President may establish an office within the Panama Canal Commission as the successor to the Canal Zone Central Examining Office. The purpose of the office shall be to assist the President in—

(1) carrying out the President's coordination responsibility under subsection (a); and

(2) implementing the provisions of the Panama Canal Treaty of 1977 and related agreements with respect to recruitment, examination, determinations of qualification standards, and similar matters.

(c) The President may delegate any authority vested in the President by this chapter and may provide for the redelegation of that authority.

SEC. 154. APPLICABILITY OF CERTAIN LAWS.—(a) This chapter does not affect the applicability of—

(1) the provisions of title 5, United States Code, which relate to preference eligibles;

(2) the provisions of title 5, United States Code, which relate to removal or suspension from the competitive service; and

(3) the provisions of section 5544(a) of title 5, United States Code, which relate to wage-board rates and overtime, with respect to classes of employees who were covered by those provisons on the date of the enactment of this Act.

(b) Subsection (f) of section 13 of the Fair Labor Standards Act of 1938 (29 U.S.C. 213(f), relating to applicability to employees in foreign countries and certain United States territories, is amended—

(1) by inserting "(1)" after "(f)";

(2) by striking out "Johnston Island; and the Canal Zone." and inserting in lieu thereof "and Johnston Island."; and

(3) by adding at the end thereof the following new paragraph:

"(2) Notwithstanding the provisions of paragraph (1) of this subsection, the provisions of sections 6, 7, 11, and 12 shall apply with respect to employees described in section 3(e)(2)(A) of this Act whose services during the workweek are performed in a workplace within areas or installations in the Republic of Panama made available to the United States pursuant to the Panama Canal Treaty of 1977 and related agreements.".

Subchapter III—Conditions of Employment and Placement

SEC. 201. TRANSFERRED OR REEMPLOYED EMPLOYEES.—(a)(1) With respect to any individual employed in the Panama Canal Company or the Canal Zone Government—

(A) who is transferred—

(i) to a position in the Panama Canal Commission; or

(ii) to a position in an Executive agency or the Smithsonian Institution the permanent duty station of which is in the Republic of Panama; or (B) who is separated by reason of a reduction in force on September 30, 1979, and is appointed to a position in the Panama Canal Commission before April 1, 1980;

the terms and conditions of employment set forth in paragraph (2) shall be generally no less favorable, on or after the date of the transfer referred to in subparagraph (A) of this paragraph or the date of the appointment referred to in subparagaph (B) of this paragraph, as the case may be, than the terms and conditions of employment with the Panama Canal Company and Canal Zone Government on September 30, 1979.

(2) The terms and conditions of employment referred to in paragraph (1) are the following:

(A) rates of basic pay and bases for establishing rates of basic pay;

(B) tropical differential;

(C) premium pay and night differential;

(D) reinstatement and restoration rights;

(E) injury and death compensation benefits;

(F) leave and travel;

(G) transportation and repatriation benefits;

(H) group health and life insurance;

(I) reduction-in-force rights;

(J) an employee grievance system, and the right to appeal adverse and disciplinary actions and position classification actions;

(K) veterans' preference eligibility;

(L) holidays;

(M) saved pay provisions; and

(N) severance pay benefits.

(b) Any individual described in subsection (a)(1)(B) of this section who would have met the service requirement for early retirement benefits under section 8336(1) or 8339 (d)(2) of title 5, United States Code, but for a break in service of more than 3 days immediately after September 30, 1979, shall be considered to meet that requirement. Any break in service by any such individual for purposes of section 8332 of such title 5 during the period beginning September 30, 1979, and ending on the date of the appointment referred to in such subsection (a)(1)(B) shall be considered a period of creditable service under such section 8332 for such individual, except that such period shall not be taken into account for purposes of determining average pay (as defined in section 8331(4) of such title 5) and no deduction, contribution, or deposit shall be required for that period under section 8334 of such title 5.

(c)(1) Section 5(c) of the Defense Department Overseas Teachers Pay and Personnel Practices Act (20 U.S.C. 903(c)) shall not apply with respect to any teacher who was employed by the Canal Zone Government school system on September 30, 1979, and who was transferred from such position to a teaching position which is under the Department of Defense Overseas Dependent School System and the permanent duty station of which is in the Republic of Panama, until the rates of basic compensation established under section 5(c) of such Act equal or exceed the rates of basic compensation then in effect for teachers who were so transferred.

(2) Section 6(a)(2) of the Defense Department Overseas Teachers Pay and Personnel Practices Act (20 U.S.C. 904(a)(2)) shall not apply with respect to any teacher who was employed by the Canal Zone Government school system on September 30, 1979, and who was transferred from such position to a teaching position which is under the Department of Defense Overseas Dependent School System and the permanent duty station of which is in the Republic of Panama.

(3)(A) The head of an agency may grant a sabbatical to any teacher to whom paragraph (1) applies for not to exceed 11 months in order to permit the teacher to engage in study or uncompensated work experience which is in the United States and which will contribute to the teacher's development and effectiveness. A sabbatical shall not result in a loss of, or reduction in, pay, leave to which the teacher is otherwise entitled, credit for time or service, or performance or efficiency rating. The head of the agency may authorize in accordance with chapter 57 of title 5, United States Code, such travel expenses (including per diem allowances) as the head of the agency may determine to be essential for the study or experience.

(B) A sabbatical under this paragraph may not be granted to any teacher—

(i) more than once in any 10-year period;

(ii) unless the teacher has completed 7 years of service as a teacher; and

(iii) if the teacher is eligible for voluntary retirement with a right to an immediate annuity.

(C)(i) Any teacher in an agency may be granted a sabbatical under this paragraph only if the teacher agrees, as a condition of accepting the sabbatical, to serve in the civil service upon the completion of the sabbatical for a period of two consecutive years.

(ii) Each agreement required under clause (i) of this subparagraph shall provide that in the event the teacher fails to carry out the agreement (except for good and sufficient reason as determined by the head of the agency that granted the sabbatical) the teacher shall be liable to the United States for payment of all expenses (including salary) of the sabbatical. The amount shall be treated as a debt due the United States.

(d) Sections 5595(a)(2)(iii), 5724a(a)(3) and (4), and 8102(b) of title 5, United States Code, are each amended by striking out "Canal Zone" each place it appears and inserting in lieu thereof: "areas and installations in the Republic of Panama made available to the United States pursuant to the Panama Canal Treaty of 1977 and related agreements".

SEC. 202. PLACEMENT.—(a) Any citizen of the United States—

(1) who, on March 31, 1979, was an employee of the Panama Canal Company or the Canal Zone Government;

(2) who separates or is scheduled to separate on or after such date for any reason other than misconduct or delinquency; and

(3) who is not placed in another appropriate position in the Government of the United States in the Republic of Panama;

shall, upon the employee's request, be accorded appropriate assistance for placement in vacant positions in the Government of the United States in the United States.

(b) Any citizen of the United States—

(1) who, on March 31, 1979, was employed in the Canal Zone as an employee of an Executive agency (other than the Panama Canal Company or the Canal Zone Government) or the Smithsonian Institution;

(2) whose position is eliminated as the result of the implementation of any provision of the Panama Canal Treaty of 1977 and related agreements; and

(3) who is not appointed to another appropriate position in the Government of the United States in the Republic of Panama;

shall, upon the employee's request, be accorded appropriate assistance for placement in vacant positions in the Government of the United States in the United States.

(c) The Office of Personnel Management shall establish and administer a Governmentwide placement program for all eligible employees who reqeust appointment to positions under this section.

(d) Any placement assistance provided for any employee or former employee of the Panama Canal Company, the Canal Zone Government, the Smithsonian Institution, or any Executive agency conducting operations in the area in the Republic of Panama which was the Canal Zone before October 1, 1979, may not—

(1) provide preference for appointment for any such employee who is involuntarily separated by reason of the implementation of any provision of the Panama Canal Treaty of 1977 and related agreements if that preference is greater in degree than that which is generally available to an employee in the United States who involuntarily separates because of a reduction in force or who separates after declining to transfer in connection with a transfer of functions outside of the employee's commuting area; or

(2) provide preference for appointment for any such employee who voluntarily separates if that preference is greater in degree than that which is generally available to an employee in the United States who voluntarily separates in connection with a reorganization, reduction in force, or transfer of function.

(e) The provisions of this section shall take effect on the date of the enactment of this Act.

Subchapter IV—Retirement

Sec. 205. Early Retirement Eligibility.—(a) Section 8336 of title 5, United States Code, is amended—

(1) in subsection (c), by inserting "(1)" after "(c)" and by adding at the end thereof the following new paragraph:

"(2) An employee is entitled to an annuity if the employee—

"(A) was a law enforcement officer or firefighter employed by the Panama Canal Company or the Canal Zone Government at any time during the period beginning March 31, 1979, and ending September 30, 1979; and

"(B) is separated from the service before January 1, 2000, after becoming 48 years of age and completing 18 years of service as a law enforcement officer or firefighter, or any combination of such service totaling at least 18 years."; and

(2) by redesignating subsection (i) as subsection (j) and by inserting after subsection (h) the following new subsection:

"(i) (1) An employee of the Panama Canal Commission or of an Executive agency conducting operations in the Canal Zone or Republic of Panama who is separated from the service before January 1, 2000, who was employed by the Canal Zone Government or the Panama Canal Company at any time during the period beginning March 31, 1979, and ending September 30, 1979, and who has had continuous Panama Canal service, without a break in service of more than 3 days, from that time until separation, is entitled to an annuity if the employee is separated—

"(A) involuntarily, after completing 20 years of service or after becoming 48 years of age and completing 18 years of service, if the separation is a result of the implementation of any provision of the Panama Canal Treaty of 1977 and related agreements; or

"(B) voluntarily, after completing 23 years of service or after 48 years of age and completing 18 years of service.

"(2) An employee of the Panama Canal Commission or of an Executive agency conducting operations in the Canal Zone or Republic of Panama who is separated from the service before January 1, 2000, who was employed, at a permanent duty station in the Canal Zone, by any Executive agency other than the Canal Zone Government or the Panama Canal Company at any time during the period beginning March 31, 1979. and ending September 30, 1979, and who has had continuous Panama Canal service, without a break in service of more than 3 days, from that time until separation, is entitled to an annuity if—

"(A) the employee is separated involuntarily, after completing 20 years of service or after becoming 48 years of age and completing 18 years of service; and

"(B) the separation is a result of the implementation of any provision of the Panama Canal Treaty of 1977 and related agreements.

"(3) For the purpose of this subsection—

"(A) 'Panama Canal service' means—

"(i) service as an employee of the Canal Zone Government, the Panama Canal Company, or the Panama Canal Commission; or

"(ii) service at a permanent duty station in the Canal Zone or Republic of Panama as an employee of an Executive agency conducting operations in the Canal Zone or Republic of Panama; and

"(B) 'Executive agency' includes the United States District Court for the District of the Canal Zone and the Smithsonian Institution.".

(b) The first sentence of section 8339(h) of title 5, United States Code, is amended—

(1) by inserting "(d) (2)," after "(b),"; and

(2) by striking out "or (h)" and inserting in lieu thereof ", (h), or (i)".

(c) (1) The amendments made by this section shall become effective upon the date of the enactment of this Act, but no amount of annuity under chapter 83 ot title 5, United States Code, accruing by reason of those amendments shall be payable for any period before October 1, 1979.

(2) Effective October 1, 1979, any individual who, but for paragraph (1), would have been entitled to one or more annuity payments pursuant to the amendments made by this section for periods before October 1, 1979, shall be entitled, to the extent or in such amounts as are provided in advance in appropriation Acts, to a lump sum payment equal to the total amount of all such annuity payments.

Sec. 206. Early Retirement Computation.—Section 8339(d) of title 5, United States Code, is amended by inserting "(1)" after "(d)" and by adding at the end thereof the following new paragraphs:

"(2) The annuity of an employee retiring under this subchapter who was employed by the Panama Canal Company or Canal Zone Government on September 30, 1979, is computed with respect to the period of continuous essential Panama Canal service from that date, disregarding any break in service of not more than 3 days, by adding—

"(A) 2½ percent of the employees average pay multiplied by so much of that service as does not exceed 20 years; plus

"(B) 2 percent of the employee's average pay multiplied by so much of that service as exceeds 20 years.

"(3) (A) In the case of an employee who has service as a law enforcement officer or firefighter to which paragraph (2) of this subsection applies, the annuity of that employee is increased by $8 for each full month of that service which is performed in the Republic of Panama.

"(B) In the case of an employee retiring under this subchapter who—

"(i) was employed as a law enforcement officer or firefighter by the Panama Canal Company or Canal Zone Government at any time during the period beginning March 31, 1979, and ending September 30. 1979; and

"(ii) does not meet the age and service requirements of section 8336(c) of this title;

the annuity of that employee is increased by $12 for each full month of that service which occurred before October 1, 1979.

"(C) An annuity increase under this paragraph does not apply with respect to service performed after completion of 20 years of service (or any combination of service) as a law enforcement officer or firefighter.

"(4) For the purpose of this subsection, 'essential Panama Canal service' means service as an employee of the Panama Canal Commission, the Smithsonian Institution, or an Executive agency conducting operations in the Canal Zone or Republic of Panama if—

"(A) that service is performed in the Canal Zone or Republic of Panama, and

"(B) the President or the President's designee has made a determination before September 30, 1979, that the service is essential.".

(b) (1) The amendments made by this section shall become effective upon the date of the enactment of this Act, but no amount of annuity under chapter 83 of title 5, United States Code, accruing by reason of those amendments shall be payable for any period before October 1, 1979.

(2) Effective October 1, 1979, any individual who, but for paragraph (1), would have been entitled to one or more annuity payments pursuant to the amendments made by this section for periods before October 1, 1979, shall be entitled, to the extent or in such amounts as are provided in advance in appropriation Acts, to a lump sum payment equal to the total amount of all such annuity payments.

Sec. 207. Retirement Under Special Treaty Provisions.—(a) (1) Subject to subsection (b), and under such regulations as the President may prescribe, the Secretary of the Treasury shall pay to the Social Security System of the Republic of Panama, out of funds deposited in the Treasury of the United States to the credit of the Civil Service Retirement and Disability Fund under section 8334(a) (2) of title 5, United States Code, such sums of money as may be necessary to aid in the purchase of a retirement equity in such System for each individual who—

(A) meets the requirements of paragraph (2);

(B) is separated from employment in the Panama Canal Company, the Canal Zone Government, or the Panama Canal Commission by reason of the implementation of any provision of the Panama Canal Treaty of 1977 and related agreements; and

(C) becomes employed in a position covered by the Social Security System of the Republic of Panama through the transfer of a function or activity to the Republic of Panama from the United States or through a job placement assistance program.

(2) This subsection applies with respect to any individual only if the individual—

(A) has been credited with at least 5 years of civilian service under section 8332 of title 5, United States Code, relating to creditable service for purposes of civil service retirement;

(B) is not eligible for an immediate retirement annuity under chapter 83 of title 5, United States Code, relating to civil service retirement, and elects not to receive a deferred annuity under that chapter based or any portion of that service; and

(C) elects to withdraw from the Civil Service Retirement and Disability Fund the individual's entire lump-sum credit (as defined in section 8331(8) of title 5, United States Code) and to transfer that amount to the Social Security System of the Republic of Panama pursuant to the special regime referred to in paragraph (3) of Article VIII of the Agreement in Implementation of Article III of the Panama Canal Treaty of 1977.

(b) The amount paid to the Social Security System of the Republic of Panama with respect to any individual under subsection (a) shall not exceed the individual's entire lump-sum credit (as so defined).

(c) (1) Pursuant to paragraph 2(b) of Annex C to the Agreement in Implementation of Article IV of the Panama Canal Treaty of 1977, the President, or the President's designee, shall pay, in accordance with such regulations as the President or the President's designee may prescribe, and to such extent or in such amounts as may be provided in advance in appropriations Acts, amounts necessary to purchase a nontransferable deferred annuity for the benefit of each employee of an agency or instrumentality of the Government of the United States in the Republic of Panama—

(A) who is not a citizen of the United States;

(B) who was employed on September 30, 1979, by an agency or instrumentality of the Government of the United States at any permanent duty station in the Republic of Panama (including, with respect to employment before that date, the area then known as the Canal Zone);

(C) who, for any period of service with such agency or instrumentality before October 1, 1979, at any such permanent duty station was not covered, by reason of that service, by the United States Civil Service Retirement System or any other Federal retirement system providing benefits similar to those retirement benefits provided by the Social Security System of the Republic of Panama;

(D) who, on September 30, 1979, was under a retirement system provided by the United States or an agency or instrumentality of the United States Government, or would have been eligible to be under a retirement system of such agency or instrumentality had one been available during previous creditable service; and

(E) who, on October 1, 1979, has at least 5 years of creditable service.

(2) The retirement annuity referred to in paragraph (1) with respect to any employee will cover retroactively, from October 1, 1979, all periods of creditable service by that employee at any permanent duty station in the Republic of Panama (including the area known before that date as the Canal Zone) in agencies and instrumentalities of the Government of the United States during which that employee was not covered by the United States Civil Service Retirement System or any other Federal retirement system providing benefits similar to those retirement benefits provided by the Social Security System of the Republic of Panama.

SEC. 208. OBLIGATION OF COMMISSION FOR UNFUNDED LIABILITY.—Section 8348 of title 5, United States Code, is amended by adding at the end thereof the following new subsection:

"(l) (1) Notwithstanding any other statute, the Panama Canal Commission shall be liable for that portion of any estimated increase in the unfunded liability of the Fund which is attributable to any benefits payable from the Fund to or on behalf of employees and their survivors to the extent attributable to the amendments made by sections 205 and 206, and the provisions of sections 201(b) and 207(a) (1) of the Panama Canal Act of 1979.

"(2) The estimated increase in the unfunded liability referred to in paragraph (1) of this subsection shall be determined by the Office of Personnel Management. The Secretary of the Treasury shall pay to the Fund out of tolls and other funds deposited in the Treasury of the United States to the credit of the Panama Canal Commission Fund the amount so determined in annual installments with interest computed at the rate used in the most recent valuation of the Civil Service Retirement System.".

SEC. 209. CASH RELIEF TO CERTAIN FORMER EMPLOYEES.—(a) The Panama Canal Commission, under the regulations prescribed by the President pursuant to the Act entitled "An Act authorizing cash relief for certain employees of the Panama Canal not coming within the provisions of the Canal Zone Retirement Act", approved July 8, 1937, as amended (50 Stat. 478; 68 Stat. 17), may continue the payments of cash relief to those individual former employees of the Canal Zone Government or Panama Canal Company or their predecessor agencies not coming within the scope of the former Canal Zone Retirement Act whose services were terminated prior to October 5, 1958, because of unfitness for further useful service by reason of mental or physical disability resulting from age or disease. Subject to subsection (b), that cash relief may not exceed $1.50 per month for each year of service of the employees so furnished relief, with a maximum of $45 per month, plus the amount of any cost-of-living increases in such cash relief granted before October 1, 1979, pursuant to section 181 of title 2 of the Canal Zone Code (as in effect on September 30, 1979), nor be paid to any employee who, at the time of termination for disability prior to October 5, 1958, had less than 10 years' service with the Canal Zone Government, the Panama Canal Company, or their predecessor agencies on the Isthmus of Panama.

(b) An additional amount of $20 per month shall be paid to each person who receives payment of cash relief under subsection (a) and shall be allowed without regard to the limitations contained therein.

(c) Each cash relief payment made pursuant to this section shall be increased on the same effective date and by the same percent, adjusted to the nearest dollar, as civil service retirement annuities are increased under the cost-of-living adjustment provisions of section 8340(b) of title 5, United States Code. Such increase shall apply only to cash relief payments made after October 1, 1979, as increased by annuity increases made after that date under such section 8340(b).

(d) The Panama Canal Commission may pay cash relief to the widow of any former employee of the Canal Zone Government or the Panama Canal Company who, until the time of his death, receives or has received cash relief under subsection (a), under section 181 of title 2 of the Canal Zone Code (as in effect on September 30, 1979), or under the Act of July 8, 1937, referred to in subsection (a). The term "widow" as used in this subsection includes only the following:

(1) a woman legally married to such employee at the time of his termination for disability and at his death;

(2) a woman who, although not legally married to such former employee at the time of his termination, had resided continuously with him for at least 5 years immediately preceding the employee's termination under such circumstances as would at common law make the relationship a valid marriage and who continued to reside with him until his death; and

(3) a woman who has not remarried or assumed a common-law relationship with any other person.

Cash relief granted to such a widow shall not at any time exceed 50 percent of the rate at which cash relief, inclusive of any additional payment under subsection (b), would be payable to the former employee were he then alive.

(e) Subchapter III of chapter 83 of title 5, United States Code, applies with respect to those individuals who were in the service of the Canal Zone Government or the Panama Canal Company on October 5, 1958, and who, except for the operation of section 13(a) (1) of the Act entitled "An Act to implement item 1 of a Memorandum of Understandings attached to the Treaty of January 25, 1955, entered into by the Government of the United States of America and the Government of the Republic of Panama with respect to wage and employment practices of the Government of the United States of America in the Canal Zone", approved July 25, 1958 (72 Stat. 405), would have been within the classes of individuals subject to the Act of July 8, 1937, referred to in subsection (a) of this section.

SEC. 210. APPLIANCES FOR EMPLOYEES INJURED BEFORE SEPTEMBER 7, 1916.—Artificial limbs or other appliances for persons who were injured in the service of the Isthmian Canal Commission or of the Panama Canal before September 7, 1916, may be purchased by the Panama Canal Commission out of any funds appropriated to the Commission.

Subchapter V—Leave

SEC. 211. LEAVE FOR JURY DUTY OR WITNESS SERVICE.—Section 6322(a) of title 5, United States Code, is amended—

(1) by striking out "the Canal Zone, or"; and

(2) by striking out "Islands." and inserting in lieu thereof "Islands, or the Republic of Panama.".

Subchapter VI—Application to Related Personnel

SEC. 220. LAW ENFORCEMENT; CANAL ZONE CIVILIAN PERSONNEL POLICY COORDINATED BOARD; RELATED EMPLOYEES.—(a) For the purposes of sections 125, 201, 202, 205, and 206, including any amendment made by those sections, the United States Attorney for the District of the Canal Zone and the Assistant United States Attorneys and their clerical assistants, and the United States Marshal for the District of the Canal Zone and his deputies and clerical assistants shall be considered employees of the Panama Canal Commission.

(b) For the purposes of this Act, including any amendment made by this Act, the Executive Director of the Canal Zone Civilian Personnel Policy Coordinating Board, the Manager, Central Examining Office, and their staffs shall be considered to have been employees of the Panama Canal Company with respect to service in those positions before October 1, 1979, and as employees of the Panama Canal Commission with respect to service in those positions on or after that date.

(c) The provisions of this section shall take effect on the date of the enactment of this Act.

Subchapter VII—Labor-Management Relations

SEC. 225. LABOR-MANAGEMENT RELATIONS.—(a) Nothing in this Act shall be construed to affect the applicability of chapter 71 of title 5, United States Code, relating to labor-management and employee relations, with respect to the Panama Canal Commission or the operations of any other Executive agency conducted in that area of the Republic of Panama which, on September 30, 1979, was the Canal Zone, except that in applying those provisions—

(1) the definition of "employee" shall be applied without regard to clause (i) of section 7103(a) (2) of such title 5 which relates to nationality and citizenship; and

(2) a unit shall be considered to be appropriate notwithstanding the fact that it includes any supervisor if that supervisor's position (or type of position) was, before October 1, 1979, represented before the Panama Canal Company by a labor organization that included employees who were not supervisors.

(b) Labor-management and employee relations of the Panama Canal Commission, other Executive agencies, and the Smithsonian Institution, their employees, and organizations of those employees, shall be governed and regulated solely by the applicable laws, rules, and regulations of the United States.

Page 151, beginning on line 18, strike out "The Panama Canal Commission shall" and all that follows down through "provisions of this Act." on line 23 of page 151 and insert in lieu thereof the following: "The Panama Canal Commission shall reimburse the Civil Service Retirement and Disability Fund for Government contributions to the retirement fund applicable to the Commission's employees.

On page 192, after line 10, insert the following:

(b) Title 5, United States Code is amended—

(1) in sections 305(a)(7), 5102(a)(1)(vii), 5342(a)(1)(G), 5348(b), and 5541(2)(xii), by striking out "Panama Canal Company" and inserting in lieu thereof "Panama Canal Commission";

(2) in sections 5504(a)(A) and 6301(2)(iv), by striking out "Canal Zone Government or the Panama Canal Company" and inserting in lieu thereof "Panama Canal Commission";

(3) in section 8335(c), by striking out "Panama Canal Company or the Canal Zone Government" and inserting in lieu thereof "Panama Canal Commission";

(4) in section 5373(1), by striking out "section 121 of title 2, Canal Zone Code (76A Stat. 15)" and inserting in lieu thereof "section 121 of the Panama Canal Act of 1979";

(5) in section 6323(c)(2)(B), by striking out "the Canal Zone,";

(6) in section 5102(c), by amending paragraph (12) to read as follows:

"(12) any Executive agency to the extent of any election under section 142(b)(2) (relating to the Panama Canal Employment System) of the Panama Canal Act of 1979;";

(7) in section 5583(b), by—

(A) adding "and" at the end of paragraph (1);

(B) striking out paragraph (2); and

(C) redesignating paragraph (3) as paragraph (2);

(8) in section 5533(d)(7), by—

(A) striking out the semicolon at the end of subparagraph (E) and inserting in lieu thereof "; or";

(B) striking out "; or" at the end of subparagraph (F) and inserting a period; and

(C) striking out subparagraph (G);

(9) in section 8146, by—

(A) striking out "Canal Zone" in the catchline and inserting in lieu thereof "Panama Canal Commission";

(B) striking out "Canal Zone Government and of the Panama Canal Company are concerned to the Governor of the Canal Zone" in subsection(a)(1) and inserting in lieu thereof "Panama Canal Commission are concerned to the Commission";

(C) striking out "Canal Zone Government" in the first sentence of subsection (b) and inserting "Panama Canal Commission" in lieu thereof;

(D) striking out "or from funds of the Panama Canal Company" in the first sentence of subsection (b);

(E) striking out "Governor of the Canal Zone" and inserting "Panama Canal Commission" in lieu thereof, and by striking out "Canal Zone Government" and inserting "Panama Canal Commission" in lieu thereof in the second sentence of subsection (b);

(F) amending subsection (c) to read as follows: "The President may authorize the Panama Canal Commission to waive, at its discretion, the making of the claim required by section 8121 of this title in the case of compensation to an employee of the Panama Canal Commission for temporary disability, either total or partial."; and

(G) striking out "Canal Zone Government and of the Panama Canal Company" in subsection (e) and inserting in lieu thereof "Panama Canal Commission"; and

(10) in section 5343(a)(5), by striking out "Canal Zone" and inserting in lieu thereof "areas and installations in the Republic of Panama made available to the United States pursuant to the Panama Canal Treaty of 1977 and related agreements.".

Page 192, line 11, strike out "(b)" and insert in lieu thereof "(c)".

Page 192, line 18, strike out "201,".

Mr. HANLEY (during the reading). Mr. Chairman, I ask unanimous consent that the amendments be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. HANLEY. Mr. Chairman, the amendment I am offering in accordance with the rule on H.R. 111 contains the employee provisions of title III of H.R. 1716 which were reported by the Committee on Post Office and Civil Service. In addition, my amendment incorporates several provisions of H.R. 111 which, although they were not included in H.R. 1716, are acceptable to our committee.

As a result of our committee's consideration of this legislation, which included hearings in the Republic of Panama, our members concluded that the administration's proposal was overly generous in the area of employee benefits and did not provide adequate incentives for essential employees to remain in Panama to assist in the operation of the canal throughout the life of the treaty. While this amendment contains most of the employee provisions that are in H.R. 111, there are several significant differences which I will briefly explain.

Both H.R. 111 and our committee's amendment authorize an immediate retirement annuity for certain employees who retire at age 48 if they have completed at least 18 years of service. However, our amendment requires that in these cases the annuity will be reduced by 2 percent for each year the retiring employee is under age 55. This reduction in consistent with the existing civil service retirement law which requires such a reduction in the case of employees who are involuntarily separated or who voluntarily retire in connection with a reduction in force.

This annuity reduction serves two important purposes. First, it reduces the bill's retirement costs by approximately $102 million over the life of the treaty. Additionally, the reduction will encourage employees to remain on their jobs until they qualify for a full, unreduced annuity, and thereby assure a more gradual transition of the canal work force.

In order to assure that competent, experienced employees will remain in Panama to operate the canal, the bill authorizes a higher retirement annuity computation rate for years of service performed in Panama after the treaty enters into force. The problem with H.R. 111, however, is that the higher annuity rate is authorized for all employees who continue to perform service in Panama after the effective date of the treaty. Our committee's amendment, on the other hand, limits the application of the higher annuity rate to those employees whose continued service is determined by the President to be essential. We believe that our provision is more consistent with the stated objective of the annuity benefit and will avoid unnecessary retirement costs.

Many of the present canal employees will lose their jobs or will choose to leave Panama as a result of the implementation of the treaty. Under H.R. 111, these employees must be given assistance for placement in vacant civil service positions in the United States. While our committee agrees that such assistance is justified, we firmly believe that the displaced canal employees should not be given any greater placement assistance than is accorded to Federal employees in the United States who are similarly displaced. Our committee's amendment assures that the assistance given to canal employees will not infringe upon the rights of all other Federal employees.

H.R. 111 authorizes payment of a special cost-of-living allowance to employees of the Panama Canal Commission to offset any increases resulting from the future termination of military commissary, PX, and postal service privileges. While our committee is not opposed to compensating employees for the loss of these privileges, we have deleted the special cost-of-living allowance on the basis that the bill also authorizes payment of a recruitment and retention allowance of up to 25 percent of base pay which should be adequate additional compensation for these employees.

The CHAIRMAN. The time of the gentleman from New York (Mr. HANLEY) has expired.

(By unanimous consent, Mr. HANLEY was allowed to proceed for 2 additional minutes.)

Mr. HANLEY. Finally, Mr. Chairman, a very important difference between H.R. 111 and our amendment relates to the manner in which the costs of the special retirement benefits for canal employees will be financed. While H.R. 111 provides that the retirement costs shall be paid by the Panama Canal Commission from appropriations made specifically for that purpose, our amendment requires the Secretary of the Treasury to pay such costs out of canal tolls and other funds which are deposited in the Treasury to the credit of the Panama Canal Commission Fund. Our amendment embodies the policy that the costs of the special retirement benefits for canal employees should be borne primarily by the users of the canal.

Mr. Chairman, we believe that our amendment provides a more appropriate mix of benefits and incentives for canal employees while, at the same time, it reduces the cost of the legislation and protects the civil service retirement funds.

I urge adoption of the amendment.

Mr. HARRIS. Mr. Chairman, I rise in support of the amendments.

Mr. Chairman, I rise in support of the Hanley amendment to chapter III of H.R. 111. The Post Office and Civil Service Committee held extensive hearings and gave thoughtful considerations to the personnel provisions of the implementing legislation.

During our markup of H.R. 1716, I offered three amendments which are contained in the substitute offered by the gentleman from New York. These provisions effectively save the taxpayers millions of dollars while guaranteeing fair yet equitable treatment for Federal employees in Panama.

I have, on many occasions, stood in this Chamber and asked my colleagues for equity for Federal employees. I have asked that my colleagues recognize the unfairness of holding Federal employees to a 5.5-percent pay increase while their private sector counterparts have guidelines which call for a 7-percent cap on their salary increase. I have pointed out that the American Government should not break its commitment on retirement benefits to Federal employees who have for years served this Government.

Today, I again ask my colleagues for equity. It is wrong to permit an employee who voluntarily leaves a job in Panama to receive a priority placement ahead of other Federal employees who have been involuntarily separated. It is wrong to permit a Federal employee to retire on an unreduced immediate annuity at age 48. No other Federal employee except those whose duties involve substantial danger to their lives—firefighters and law enforcement officials—may retire on an unreduced annuity prior to age 55. It is wrong for the American taxpayer to pay for the "special" benefits for Federal employees in Panama.

These provisions were in H.R. 1716. They are also in H.R. 111 and Mr. HANSEN's bill. Only the adoption of the Hanley amendment would correct these costly inequities. I would like to briefly explain each of these provisions.

First, the administration proposal and H.R. 111 would allow priority placement for U.S. citizens who are employed by the Canal Company or the Canal Zone Government. I support this placement assistance. However, I strongly believe that the preference accorded to displayed employees from Panama should not infringe on the rights of other displaced Federal employees. The amendment, therefore, stated that preference granted to Panama Canal employees should not exceed the degree of preference accorded to Federal employees in the United States who are similarly displaced.

The second change which I recommend and which was adopted by the committee is to provide necessary incentives to insure that essential personnel remain on the job in Panama during the transition period. One such incentive is provided in this legislation through the increased retirement computation rate for years of service performed after September 30, 1979.

However, the objective of keeping essential personnel on the job was not attained through the original language which is retained in H.R. 111, because the scope of application was not properly focused to include only "essential" personnel. In the interest of attaining the stated purpose of the provision while containing overall cost, the committee amendment requires that the increased annuity computation rate be made available only to those individuals whose service is designated as "essential" by the President or his designee.

This amendment also guarantees that the higher annuity computation rate shall not have the effect of inducing extraordinarily early retirement rather than acting as an incentive to remain in the service. Current law allows that under certain circumstances employees may retire and receive an annuity at age 50 with 20 years' service. The annuity in these cases is reduced by one-sixth of 1 percent of the entitlement for each full month the employee is under age 55 at the date of separation.

I am mindful of administration commitments made to employees during the negotiation of the Panama Canal treaties. I am convinced, however, that an annuity reduction for early retirement is necessary. While the original proposal allowing an immediate annuity at age 48 with 18 years of service remains, the amendment requires that the annuity be reduced in a manner identical to that required under existing law. Equity demands such a reduction.

I strongly believe that it would be unfair, as well as unduly expensive, to allow an employee in Panama to receive a full retirement benefit at age 48, as proposed in H.R. 111, while other Federal employees receive a reduced benefit if they retire prior to age 55. This provision, first, results in a savings of $102 million; second, provides equity in the Federal retirement system; and, third, encourages employees to remain on the rolls until they qualify for a full annuity, thus aiding in achieving the desired gradual transition of the work force.

The third and final provisions about which I would like to speak relate to the crucial issue of funding. Our committee believes that the portion of the retirement costs directly attributable to the liberalized benefits and the costs of guaranteeing credit for individuals who will be covered by the social security system of the Republic of Panama should not be borne by the American taxpayer. Accordingly the amendment requires that costs attributable to these factors will be paid from the tolls or other self-generated funds of the Panama Canal Commission. The Commission would, thus, be prohibited from using funds derived from taxpayers of the United States for this purpose. H.R. 111 would not prohibit taxpayer funds from being used.

It is not an insufficient sum we are speaking about. The Office of Personnel Management estimates the unfunded liability of the civil service retirement fund would be increased by $219 million, because of "special" benefits in the bill.

These personnel provisions were closely scrutinized and thoughtfully considered by the Committee on Post Office and Civil Service. In the final analysis, we agreed to the provisions in this amendment based on the recognition of the clear need for an orderly transition of the canal work force. On balance, this amendment provides incentives for essential personnel to remain on the job coupled with disincentives to guard against extraordinarily early retirements. It also guarantees placement assistance which will not adversely affect other Federal employees, and fulfills the administration pledge that the implementation of the Panama Canal Treaty will occur at no cost to the U.S. taxpayer.

I urge the adoption of the substitute.

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Mr. BIAGGI. Mr. Chairman, will the gentleman yield?

Mr. HARRIS. I yield to the gentleman from New York.

Mr. BIAGGI. Mr. Chairman, I rise in support of the amendment.

I would like to ask one question simply for the purpose of clarifying or emphasizing the positive effect this amendment has. The committee chairman, the gentleman from New York (Mr. HANLEY), said the difference would be $256 million. The question I pose for the record and for the elucidation of the issue is: Does this amendment save $256 million?

Mr. HARRIS. Mr. Chairman, this amendment saves $256 million. A vote against this amendment says we should pay $256 million more of taxpayers' money to implement the treaty than what we would pay under this amendment.

Mr. MURPHY of New York. Mr. Chairman, will the gentleman yield?

Mr. HARRIS. I am happy to yield to my colleague, the gentleman from New York.

Mr. MURPHY of New York. Mr. Chairman, the gentleman has stated that this would mean a $256 million cost to the taxpayer. We will offer amendments to the amendments to clarify that the provision has the specific purpose of placing these costs on the users. Otherwise I am in sympathy with the gentleman's statement.

Mr. HARRIS. Mr. Chairman, I thank the gentleman. I am pleased to have this support from my colleague.

I really wonder why, with regard to such an important provision relating to the Panama Canal, we need to discuss this, and I am somewhat surprised that this work of the Committee on Civil Service and Post Office was not simply accepted by the other committee. If it had been we could have saved the Members this much debate, because I think these provisions simply improve the basic law.

Mr. Chairman, may I just add one other thing with regard to the additional provision we have put in or, rather, taken out.

There are special retirement benefits placed in the law, in the committee's bill, as there were in the administration's bill, to try to encourage important personnel to stay on the job in Panama. These are special retirement benefits, amounting to an extra 2 percent, by which we say, "Look, if you stay on the job and help operate the canal, we are going to give you a little bit more retirement." That is the provision, and it gives the administration no discretion as to who gets these benefits.

The provision in our bill, which is finetuned just a little bit, says that those special retirement benefits are going only to those personnel who are designated by the President as being essential.

The CHAIRMAN. The time of the gentleman from Virginia (Mr. HARRIS) has expired.

(By unanimous consent, Mr. HARRIS was allowed to proceed for 3 additional minutes.)

Mr. HARRIS. Mr. Chairman, this provision could save several million dollars. There is no reason to give special retirement benefits that are spread across the board as a matter of law to personnel who are not essential. We should at least give the President the opportunity to make a determination, and say, "Look, we don't care whether those people stay on or not. There is no use giving special benefits to them."

A little discretion, with the notion of economy, is, I think, very helpful. So we put that little extra provision in there as a way of saving money.

The other point which I think has to be emphasized is this: There is a provision in here that allows retirement at age 48. That is a pretty young age at which anyone should retire. We have had similar provisions in other laws. We have allowed early retirement at age 50, and this is a little bit lower than anything we have every had before.

What is wrong about the provision in the committee's bill, if these amendments are not accepted, is that that retirement at age 48 is at full annuity. The provision is supposed to be designed to encourage people to stay on the job. Now, if we offer somebody full annuity at age 48, with just 18 years of service, and they can go out and get another full-time job, this is not going to be an encouragement to keep the personnel on the job.

Those of us who have had experience with matters relating to civil service are constantly beseeched, and people ask, "Can you improve these retirement benefits a little bit? Just give them a little bit more gravy as to retirement benefits."

There are places where we have to put our foot down. If in fact the encouragement is needed and we can encourage them to stay by offering retirement at age 48, fine, let us leave that in the bill but make it clear the retirement annuity is reduced in accordance with the number of years served previous to the time the person retires.

This means that we save a whole lot of money, about $102 million.

We give encouragement for people to stay additional years, and we give extra annuity benefits if they stay there. I think it makes eminently good sense that we make this little adjustment in our final figure. That, I think, is very important.

Sometimes we think that the civil service retirement fund is a great big slush fund and we can dip in it at any time and it does not cost us any money. That is wrong. Since 1969, the law provides any time we increase the unfunded liability of that civil service program, that figure shows up in an appropriation bill that we vote on, and it increases the spending of this Government. Let us not kid ourselves, it is no longer free.

The CHAIRMAN. The time of the gentleman from Virginia (Mr. HARRIS) has again expired.

(By unanimous consent, Mr. HARRIS was allowed to proceed for 1 additional minute.)

Mr. HARRIS. Mr. Chairman, what we are doing is saying: "OK, if you are going to add retirement benefits for the purpose of helping the Panama Canal, if you are going to add those increased benefits for retirement, take it out of self-generated funds, not from the American taxpayers."

This is a clean provision. It says, "All right, if you need the program, pay for it out of self-generating funds such as tolls." We total it up, and it saves the taxpayers $250 million, but, more important, it brings sense to the retirement and employee package that is in this bill.

The report is that this bill may have some problems passing. I say that the adoption of these amendments makes it clear that this Congress wants a good bill and will pass a good bill. That is why I think we must adopt the provisions as reported out on a bipartisan basis from the Committee on Post Office and Civil Service.

AMENDMENTS OFFERED BY MR. MURPHY OF NEW YORK TO THE AMENDMENTS OFFERED BY MR. HANLEY

Mr. MURPHY of New York. Mr. Chairman, I offer amendments to the amendments.

The Clerk read as follows:

Amendments offered by Mr. MURPHY of New York to the amendments offered by Mr. HANLEY: Page 1, strike out "Chapter 3—EMPLOYEES" and all that follows down through line 12 on page 40 and insert in lieu thereof the following:

Chapter 3—EMPLOYEES

Subchapter I—Panama Canal Commission Personnel

SEC. 120. DEFINITIONS.—As used in this chapter:

(1) "Executive agency" has the meaning given that term in section 105 of title 5, United States Code;

(2) "uniformed services" has the meaning given that term in section 2101(3) of title 5, United States Code;

(3) "competitive service" has the meaning given that term in section 2102 of title 5, United States Code; and

(4) "United States", when used in a geographic sense, means each of the several States and the District of Columbia.

SEC. 121. APPOINTMENT AND COMPENSATION; DUTIES.—(a) Except as provided by sections 103, 104, and 111 of this Act, and in accordance with this chapter, the Panama Canal Commission may appoint without regard to the provisions of title 5, United States Code, relating to appointments in the competitive service, fix the compensation of, and define the authority and duties of, officers, agents, attorneys, and employees necessary for the management, operation, and maintenance of the Panama Canal and its complementary works, installations, and equipment.

(b) Individuals serving in any other Executive agency or the Smithsonian Institution, including individuals serving in the uniformed services, may, if appointed under this section or section 103 or 104 of this Act, serve as officers or employees of the Commission.

SEC. 122. TRANSFER OF FEDERAL EMPLOYEES.—(a) The head of any agency may enter into agreements for the transfer or detail to the Panama Canal Commission of any employee of that agency serving under a permanent appointment. Any employee who so transfers or is so detailed shall, upon completion of the employee's tour of duty with the Commission, be entitled to reemployment with the agency from which the employee was transferred or detailed without loss of pay, seniority, or other rights or benefits to which the employee would have been entitled had the employee not so transferred or been so detailed.

(b) For purposes of this section, the term "agency" means an Executive agency, the United States Postal Service, and the Smithsonian Institution.

(c) The Office of Personnel Management shall prescribe regulations to carry out the purposes of this section.

SEC. 123. COMPENSATION OF INDIVIDUALS IN THE UNIFORMED SERVICES.—(a) Except as provided in subsection (b), any individual who is serving in a position in the Panama Canal Commission and who is a member of a uniformed service shall continue to be paid basic pay by such uniformed service and shall not be paid by the Commission for the period of the service in the uniformed service involved.

(b) If the individual appointed as Administrator, Deputy Administrator, or Chief Engineer of the Commission is a member of a uniformed service, the amount of basic pay otherwise payable to the individual for service in that position shall be reduced, up to the amount of that basic pay, by the amount of the basic pay payable to the individual as a member of a uniformed service.

(c) The Commission shall annually pay to each uniformed service amounts sufficient to reimburse that uniformed service for any basic pay paid by that uniformed service to any member of that service during any period of service in the Commission by the member.

SEC. 124. DEDUCTION FROM BASIC PAY OF AMOUNTS DUE FOR SUPPLIES OR SERVICES.—The Panama Canal Commission may deduct from the basic pay otherwise payable by the Commission to any officer or employee of the Commission any amount due from the officer or employee to the Commission or to any contractor of the Commission for transportation, board, supplies, or any other service. Any amount so deducted may be paid by the Commission to any contractor to whom it is due or may be credited by the Commission to any appropriation from which the Commission has expended such amount.

SEC. 125. COST OF LIVING ALLOWANCE.—Effective beginning October 1, 1984, each officer or employee of the Panama Canal Commission who is a citizen of the United States may be paid an allowance to offset any increased cost of living which may result from the termination of the eligibility of the officer or employee and his dependents to use military postal services, sales stores, and exchanges. The amount of the allowance may be determined by the Commission.

SEC. 126. EDUCATIONAL TRAVEL BENEFITS.—The Panama Canal Commission shall provide by regulation for round-trip transportation between the Republic of Panama and the United States for undergraduate college education in the United States for dependents of individuals who are officers or employees of the Commission and who are citizens of the United States. The regulations prescribed by the Commission under this section shall—

(1) provide eligibility requirements which must be met by such dependents to qualify for transportation under this section, including a requirement that all eligible dependents must be under 23 years of age; and

(2) limit the transportation provided to one round trip during any 1-year period.

SEC. 127. PRIVILEGES AND IMMUNITIES OF CERTAIN EMPLOYEES.—The Secretary of Defense shall designate those officers and employees of the Panama Canal Commission and other individuals entitled to the privileges and immunities accorded under paragraph (3) of Article VIII of the Panama Canal Treaty of 1977. The Department of State shall furnish the Republic of Panama a list of the names of such officers, employees, and other individuals and shall notify the Republic of Panama of any subsequent additions to or deletions from the list.

SEC. 128. INAPPLICABILITY OF CERTAIN BENEFITS TO CERTAIN NONCITIZENS.—(a) Chapter 81 of title 5, United States Code, relating to compensation for work injuries, chapter 83 of such title 5, relating to civil service retirement, chapter 87 of such title 5, relating to life insurance, and chapter 89 of such title 5, relating to health insurance, are inapplicable to any individual—

(1) who is not a citizen of the United States;

(2) whose initial appointment by the Panama Canal Commission occurs after October 1, 1979; and

(3) who is covered by the Social Security System of the Republic of Panama pursuant to any provision of the Panama Canal Treaty of 1977 and related agreements.

(b) Subparagraph (B) of section 8701(a) of title 5, United States Code, defining employee for purposes of life insurance, is amended to read as follows:

"(B) an individual who is not a citizen or national of the United States and whose permanent duty station is outside the United States, unless the individual was an employee for the purpose of this chapter on September 30, 1979, by reason of service in an Executive agency, the United States Postal Service, or the Smithsonian Institution, in the area which was then known as the Canal Zone; or".

(c) Clause (ii) of section 8901(1) of title 5, United States Code, defining employee for purposes of health insurance, is amended to read as follows:

"(ii) an individual who is not a citizen or national of the United States and whose permanent duty station is outside the United States, unless the individual was an employee for the purpose of this chapter on September 30, 1979, by reason of service in an Executive agency, the United States Postal Service, or the Smithsonian Institution in the area which was then known as the Canal Zone;".

Subchapter II—Wage and Employment Practices

SEC. 141. DEFINITIONS.—As used in this subchapter:

(1) "agency" means—

(A) the Panama Canal Commission, and

(B) an Executive agency or the Smithsonian Institution, to the extent of any election in effect under section 142(b)(2) of this Act;

(2) "position" means a civilian position in the Panama Canal Commission, or in any other agency if a substantial portion of the duties and responsibilities are performed in the Republic of Panama; and

(3) "employee" means an individual serving in a position.

SEC. 142. PANAMA CANAL EMPLOYMENT SYSTEM; MERIT AND OTHER EMPLOYMENT REQUIREMENTS.—(a) After considering any recommendations of the Panama Canal Commission, the President shall establish a Panama Canal Employment System. The Panama Canal Employment System shall—

(1) be established in accordance with and be subject to the provisions of the Panama Canal Treaty of 1977 and related agreements, the provisions of this chapter, and any other applicable provision of law;

(2) be based on the consideration of the merit of each employee or candidate for employment and the qualifications and fitness of the employee to hold the position concerned;

(3) conform, to the extent practicable and consistent with the provisions of this Act, to the policies, principles, and standards applicable to the competitive service; and

(4) in the case of employees who are citizens of the United States, provide for the appropriate interchange of those employees between positions under the Panama Canal Employment System and positions in the competitive service.

(b)(1) The Panama Canal Commission, and any Executive agency and the Smithsonian Institution to the extent of any election under paragraph (2), shall conduct their employment and pay practices relating to employees in accordance with the Panama Canal Employment System and regulations prescribed by, or under the authority of, the President in accordance with this subchapter.

(2) The head of any Executive agency and the Smithsonian Institution may elect to have the Panama Canal Employment System made applicable in whole or in part to personnel of that agency in the Republic of Panama.

(c) Subject to the provisions of this chapter, the President may, from time to time and after considering any recommendation of the Panama Canal Commission, amend or modify any provision of the Panama Canal Employment System, including any provision relating to selection for appointment, reappointment, reinstatement, reemployment, and retention, with respect to positions, employees, and candidates for employment.

(d) The President may, to the extent the President determines appropriate—

(1) exclude any employee or position from coverage under any provision of this subchapter; and

(2) notwithstanding section 121, extend to any employee, whether or not the employee is a citizen of the United States, the rights and privileges which are provided by applicable laws and regulations for citizens of the United States employed in the competitive service.

SEC. 143. EMPLOYMENT STANDARDS.—The head of each agency shall establish written standards for—

(1) determining the qualifications and fitness of employees and of candidates for employment in positions; and

(2) selecting individuals for appointment, promotion, or transfer to positions.

The standards shall conform to the provisions of this subchapter, any regulations prescribed thereunder, and the Panama Canal Employment System.

SEC. 144. INTERIM APPLICATION OF CANAL ZONE MERIT SYSTEM.—Notwithstanding any repeal made by this Act or any provision of this chapter, the provisions of subchapter III of chapter 7 of title 2 of the Canal Zone Code establishing the Canal Zone Merit System, together with the regulations prescribed thereunder, as in effect on September 30, 1979, shall continue in effect and shall apply with respect to employees until the Panama Canal Employment System is established and in effect pursuant to section 142 of this Act.

SEC. 145. BASIC PAY.—(a) The head of each agency, in accordance with the provisions of this subchapter, shall establish, and from time to time may revise, the rates of basic pay for positions and employees in the agency.

(b) The rates of basic pay may be established and revised in relation to the rates of basic pay for the same or similar work performed in the United States or in such areas outside the United States as may be designated in the regulations prescribed under section 153.

(c) The head of each agency may make adjustments in rates of basic pay established under subsection (b) in amounts not to exceed the amounts of the adjustments made from time to time by or under statute in the corresponding rates of basic pay for the same or similar work referred to in such subsection (b). The head of the agency may designate the effective date of any such adjustment, except that that date may not be earlier than the effective date of the adjustment in the corresponding rate of basic pay.

SEC. 146. UNIFORM APPLICATION OF STANDARDS AND RATES.—The standards established pursuant to section 143 and the rates of basic pay established pursuant to section 145 shall be applied without regard to whether the employee or individual concerned is a citizen of the United States or a citizen of the Republic of Panama.

SEC. 147. RECRUITMENT AND RETENTION REMUNERATION.—(a) In addition to basic pay, additional compensation may be paid, in such amounts as the head of the agency concerned determines, as an overseas recruitment or retention differential to any individual who—

(1) before October 1, 1979, was employed by the Panama Canal Company, by the Canal Zone Government, or by any other agency in the area then known as the Canal Zone;

(2) is an employee who was recruited on or after October 1, 1979, outside of the Republic of Panama for placement in the Republic of Panama; or

(3) is a medical doctor employed by the Department of Defense in the Republic of Panama or by the Panama Canal Commission;

if, in the judgment of the head of the agency concerned, the recruitment or retention of the individual is essential.

(b) Any employee described in more than one paragraph of subsection (a) may qualify for a recruitment or retention differential under only one of those paragraphs.

(c) Additional compensation provided under this section may not exceed 25 percent of the rate of basic pay for the same or similar work performed in the United States by individuals employed by the Government of the United States.

(d) Subchapter III of chapter 59 of title 5, United States Code, relating to overseas differentials and allowances, shall not apply with respect to any employee whose permanent duty station is in the Republic of Panama and who is employed by an agency.

SEC. 148. BENEFITS BASED ON BASIC PAY.—For the purpose of determining—

(1) amounts of compensation for disability or death under chapter 81 of title 5, United States Code, relating to compensation for work injuries;

(2) benefits under subchapter III of chapter 83 of title 5, United States Code, relating to civil service retirement;

(3) amounts of insurance under chapter 87 of title 5, United States Code, relating to life insurance;

(4) amounts of overtime pay or other premium pay;

(5) annual leave benefits; and

(6) any other benefits related to basic pay;

the basic pay of each employee shall include the rate of basic pay established for his position under section 145 plus the amount of any additional compensation provided under section 147.

SEC. 149. SALARY PROTECTION UPON CONVERSION OF PAY BASE.—(a) In the case of any employee whose rate of basic pay is determined in relation to rates of basic pay for the same or similar work in the United States and is converted to a rate of basic pay pursuant to section 145(b) which is determined in relation to rates in areas other than the United States pursuant to that subsection, the employee shall continue to receive a rate of basic pay not less than that of which the employee was entitled immediately before the conversion.

(b) This section shall cease to apply with respect to any employee if the employee is placed in a position—

(1) for which the rate of basic pay is determined in relation to rates of basic pay in the United States pursuant to section 145(b); or

(2) which is of a lower grade.

SEC. 150. REVIEW AND ADJUSTMENT OF CLASSIFICATIONS, GRADES, AND PAY LEVEL.—An employee may request at any time that the employee's agency—

(1) review the classification of the employee's position or the grade or pay level for the employee's position, or both; and

(2) revise or adjust that classification, grade or pay level, or both, as the case may be.

The request for review and revision or adjustment shall be submitted and adjudicated in accordance with the regularly established appeals procedures of the agency.

Sec. 151. Panama Canal Board of Appeals; Duties.—(a) Subject to the provisions of this chapter, the President shall prescribe regulations establishing a Panama Canal Board of Appeals. The regulations shall provide for the number of members of the Board and their appointment, compensation, and terms of office, the selection of a Chairman of the Board, the appointment and compensation of the Board's employees, and other appropriate matters relating to the Board.

(b) The Board shall review and determine the appeals of employees in accordance with section 152. The decisions of the Board shall conform to the provisions of this subchapter.

Sec. 152. Appeals to Board; Procedure; Finality of Decisions.—(a) An employee may appeal to the Panama Canal Board of Appeals from an adverse determination made by an agency under section 150. The appeal shall be made in writing within a reasonable time, as specified in regulations prescribed by, or under the authority of, the President) after the date of the transmittal by the agency to the employee of written notice of the adverse determination.

(b) The Board may authorize, in connection with an appeal pursuant to subsection (a), a personal appearance before the Board by the employee, or by a representative of the employee designated for that purpose.

(c) After investigation and consideration of the evidence submitted, the Board shall—

(1) prepare a written decision on the appeal;

(2) transmit its decision to the agency concerned; and

(3) transmit copies of the decision to the employee concerned or to the designated representative.

(d) The decision of the Board on any question or other matter relating to an appeal is final and conclusive. The agency concerned shall take action in accordance with the decision of the Board.

Sec. 153. Administration by the President.—(a) The President shall prescribe regulations necessary and appropriate to carry out the provisions of this subchapter and coordinate the policies and activities of agencies under this subchapter.

(b) The President may establish an office within the Panama Canal Commission as the successor to the Canal Zone Central Examining Office. The purpose of the office shall be to assist the President in—

(1) carrying out the President's coordination responsibility under subsection (a); and

(2) implementing the provisions of the Panama Canal Treaty of 1977 and related agreements with respect to recruitment, examination, determination of qualification standards, and similar matters.

(c) The President may delegate any authority vested in the President by this subchapter and may provide for the redelegation of that authority.

Sec. 154. Applicability of Certain Laws.—(a) This chapter does not affect the applicability of—

(1) the provisions of title 5, United States Code, which relate to preference eligibles;

(2) the provisions of title 5, United States Code, which relate to removal or suspension from the competitive service; and

(3) the provisions of section 5544(a) of title 5, United States Code, which relate to wage-board rates and overtime, with respect to classes of employees who were covered by those provisions on the date of the enactment of this Act.

(b) Subsection (f) of section 13 of the Fair Labor Standards Act of 1938 (29 U.S.C. 213(f)), relating to applicability to employees in foreign countries and certain United States territories, is amended—

(1) by inserting "(1)" after "(f)";

(2) by striking out "Johnston Island; and the Canal Zone." and inserting in lieu thereof "and Johnston Island."; and

(3) by adding at the end thereof the following new paragraph:

"(2) Notwithstanding the provisions of paragraph (1) of this subsection, the provisions of sections 6, 7, 11, and 12 shall apply with respect to employees described in section 3(e)(2)(A) of this Act whose services during the workweek are performed in a workplace within areas or installations in the Republic of Panama made available to the United States pursuant to the Panama Canal Treaty of 1977 and related agreements.".

Subchapter III—Conditions of Employment and Placement

Sec. 201. Transferred or Reemployed Employees.—(a)(1) With respect to any individual employed in the Panama Canal Company or the Canal Zone Government—

(A) who is transferred—

(i) to a position in the Panama Canal Commission; or

(ii) to a position in an Executive agency or the Smithsonian Institution the permanent duty station of which is in the Republic of Panama (including the area known before October 1, 1979, as the Canal Zone); or

(B) who is separated by reason of a reduction in force on September 30, 1979, and is appointed to a position in the Panama Canal Commission before April 1, 1980;

the terms and conditions of employment set forth in paragraph (2) shall be generally no less favorable, on or after the date of the transfer referred to in subparagraph (A) of this paragraph or the date of the appointment referred to in subparagraph (B) of this paragraph, as the case may be, than the terms and conditions of employment with the Panama Canal Company and Canal Zone Government on September 30, 1979, or, in the case of a transfer described in subparagraph (A)(ii) of this paragraph which takes place before that date, on the date of the transfer.

(2) The terms and conditions of employment referred to in paragraph (1) are the following:

(A) rates of basic pay and bases for establishing rates of basic pay;

(B) tropical differential;

(C) premium pay and night differential;

(D) reinstatment and restoration rights;

(E) injury and death compensation benefits;

(F) leave and travel;

(G) transportation and repatriation benefits;

(H) group health and life insurance;

(I) reduction-in-force rights;

(J) an employee grievance system, and the right to appeal adverse and disciplinary actions and position classification actions;

(K) veterans' preference eligibility;

(L) holidays;

(M) saved pay provisions; and

(N) severance pay benefits.

(3)(A) The provisions of this subsection shall take effect on the date of the enactment of this Act.

(B) No spending authority (as described in section 401(c)(2)(C) of the Congressional Budget Act of 1974) provided for under this subsection shall take effect before October 1, 1979.

(C) Effective October 1, 1979, any individual who, but for subparagraph (B), would have been entitled to one or more payments pursuant to this subsection for periods before October 1, 1979, shall be entitled, to the extent or in such amounts as are provided in advance in appropriation Acts, to a lump sum payment equal to the total amount of all such payments.

(b) Any individual described in subsection (a)(1)(B) of this section who would have met the service requirement for early retirement benefits under section 8336(i) or 8339(d)(2) of title 5, United States Code, but for a break in service of more than 3 days immediately after September 30, 1979, shall be considered to meet that requirement. Any break in service by any such individual for purposes of section 8332 of such title 5 during the period beginning September 30, 1979, and ending on the date of the appointment referred to in such subsection (a)(1)(B) shall be considered a period of creditable service under such section 8332 for such individual, except that such period shall not be taken into account for purposes of determining average pay (as defined in section 8331(4) of such title 5) and no deduction, contribution, or deposit shall be required for that period under section 8334 of such title 5.

(c)(1) Section 5(c) of the Defense Department Overseas Teachers Pay and Personnel Practices Act (20 U.S.C. 903(c)) shall not apply with respect to any teacher who was employed by the Canal Zone Government school system on September 30, 1979, and who was transferred from such position to a teaching position which is under the Department of Defense Overseas Dependent School System and the permanent duty station of which is in the Republic of Panama, until the rates of basic compensation established under section 5(c) of such Act equal or exceed the rates of basic compensation then in effect for teachers who were so transferred.

(2) Section 6(a)(2) of the Defense Department Overseas Teachers Pay and Personnel Practices Act (20 U.S.C. 904(a)(2)) shall not apply with respect to any teacher who was employed by the Canal Zone Government school system on September 30, 1979, and who was transferred from such position to a teaching position which is under the Department of Defense Overseas Dependent School System and the permanent duty station of which is in the Republic of Panama.

(3)(A) The head of an agency may grant a sabbatical to any teacher to whom paragraph (1) applies for not to exceed 11 months in order to permit the teacher to engage in study or uncompensated work experience which is in the United States and which will contribute to the teacher's development and effectiveness. A sabbatical shall not result in a loss of, or reduction in, pay, leave to which the teacher is otherwise entitled, credit for time or service, or performance or efficiency rating. The head of the agency may authorize in accordance with chapter 57 of title 5, United States Code, such travel expenses (including per diem allowances) as the head of the agency may determine to be essential for study or experience.

(B) A sabbatical under this paragraph may not be granted to any teacher—

(i) more than once in any 10-year period;

(ii) unless the teacher has completed 7 years of service as a teacher; and

(iii) if the teacher is eligible for voluntary retirement with a right to an immediate annuity.

(C)(i) Any teacher in an agency may be granted a sabbatical under this paragraph only if the teacher agrees, as a condition of accepting the sabbatical, to serve in the civil service upon the completion of the sabbatical for a period of two consecutive years.

(ii) Each agreement required under clause (i) of this subparagraph shall provide that in the event the teacher fails to carry out the agreement (except for good and sufficient reason as determined by the head of the agency that granted the sabbatical) the teacher shall be liable to the United States for payment of all expenses (including salary) of the sabbatical. The amount shall be treated as a debt due the United States.

(d) Sections 5595(a)(2)(iii), 5724a(a)(3) and (4), and 8102(b) of title 5, United States Code, are each amended by striking out "Canal Zone" each place it appears and inserting in lieu thereof: "areas and installations in the Republic of Panama made available to the United States pursuant to the Panama Canal Treaty of 1977 and related agreements".

SEC. 202. PLACEMENT.—(a) Any citizen of the United States—

(1) who, on March 31, 1979, was an employee of the Panama Canal Company or the Canal Zone Government;

(2) who separates or is scheduled to separate on or after such date for any reason other than misconduct or delinquency; and

(3) who is not placed in another appropriate position in the Government of the United States in the Republic of Panama;

shall, upon the employee's request, be accorded appropriate assistance for placement in vacant positions in the Government of the United States in the United States.

(b) Any citizen of the United States—

(1) who, on March 31, 1979, was employed in the Canal Zone as an employee of an Executive agency (other than the Panama Company or the Canal Zone Government) or the Smithsonian Institution;

(2) whose position is eliminated as the result of the implementation of any provision of the Panama Canal Treaty of 1977 and related agreements; and

(3) who is not appointed to another appropriate position in the Government of the United States in the Republic of Panama;

shall, upon the employee's request, be accorded appropriate assistance for placement in vacant positions in the Government of the United States in the United States.

(c) The Office of Personnel Management shall establish and administer a Government-wide placement program for all eligible employees who request appointment to positions under this section.

(d) The provisions of this section shall take effect on the date of the enactment of this Act.

Subchapter IV—Retirement

SEC. 205. EARLY RETIREMENT ELIGIBILITY.—(a) Section 8336 of title 5, United States Code, is amended—

(1) in subsection (c), by inserting "(1)" after "(c)" and by adding at the end thereof the following new paragraph:

"(2) An employee is entitled to an annuity if the employee—

"(A) was a law enforcement officer or firefighter employed by the Panama Canal Company or the Canal Zone Government at any time during the period beginning March 31, 1979, and ending September 30, 1979; and

"(B) is separated from the service before January 1, 2000, after becoming 48 years of age and completing 18 years of service as a law enforcement officer or firefighter, or any combination of such service totaling at least 18 years."; and

(2) by redesignating subsection (i) as subsection (j) and by inserting after subsection (h) the following new subsection:

"(i) (1) An employee of the Panama Canal Commission or of an Executive agency conducting operations in the Canal Zone or Republic of Panama who is separated from the service before January 1, 2000, who was employed by the Canal Zone Government or the Panama Canal Company at any time during the period beginning March 31, 1979, and ending September 30, 1979, and who has had continuous Panama Canal service, without a break in service of more than 3 days, from that time until separation, is entitled to an annuity if the employee is separated—

"(A) involuntarily, after completing 20 years of service or after becoming 48 years of age and completing 18 years of service, if the separation is a result of the implementation of any provision of the Panama Canal Treaty of 1977 and related agreements; or

"(B) voluntarily, after completing 23 years of service or after becoming 48 years of age and completing 18 years of service.

"(2) An employee of the Panama Canal Commission or of an Executive agency conducting operations in the Canal Zone or Republic of Panama who is separated from the service before January 1, 2000, who was employed, at a permanent duty station in the Canal Zone, by any Executive agency other than the Canal Zone Government or the Panama Canal Company at any time during the period beginning March 31, 1979, and ending September 30, 1979, and who has had continuous Panama Canal service, without a break in service of more than 3 days from that time until separation, is entitled to an annuity if—

"(A) the employee is separated involuntarily, after completing 20 years of service or after becoming 48 years of age and completing 18 years of service; and

"(B) the separation is a result of the implementation of any provision of the Panama Canal Treaty of 1977 and related agreements.

"(3) For the purpose of this subsection—

"(A) 'Panama Canal service' means—

"(i) service as an employee of the Canal Zone Government, the Panama Canal Company, or the Panama Canal Commission; or

"(ii) service at a permanent duty station in the Canal Zone or Republic of Panama as an employee of an Executive agency conducting operations in the Canal Zone or Republic of Panama; and

"(B) 'Executive agency' includes the United States District Court for the District of the Canal Zone and the Smithsonian Institution.".

(b) (1) The amendments made by this section shall take effect on the date of the enactment of this Act, but no amount of annuity under chapter 83 of title 5, United States Code, accruing by reason of those amendments shall be payable for any period before October 1, 1979.

(2) Effective October 1, 1979, any individual who, but for paragraph (1), would have been entitled to one or more annuity payments pursuant to the amendments made by this section for periods before October 1, 1979, shall be entitled, to the extent or in such amounts as are provided in advance in appropriation Acts, to a lump sum payment equal to the total amount of all such annuity payments.

SEC. 206. EARLY RETIREMENT COMPUTATAON.—Section 8339(d) of title 5, United States Code, is amended by inserting "(1)" after "(d)" and by adding at the end thereof the following new paragraphs:

"(2) The annuity of an employee retiring under this subchapter who was employed by the Panama Canal Company or Canal Zone Government on September 30, 1979, is computed with respect to the period of continuous Panama Canal service from that date, disregarding any break in service of not more than 3 days, by adding—

"(A) 2½ percent of the employee's average pay multiplied by so much of that service as does not exceed 20 years; plus

"(B) 2 percent of the employee's average pay multiplied by so much of that service as exceeds 20 years.

"(3) (A) In the case of an employee who has service as a law enforcement officer or firefighter to which paragraph (2) of this subsection applies, the annuity of that employee is increased by $8 for each full month of that service which is performed in the Republic of Panama.

"(B) In the case of an employee retiring under this subchapter who—

"(i) was employed as a law enforcement officer or firefighter by the Panama Canal Company or Canal Zone Government at any time during the period beginning March 31, 1979, and ending September 30, 1979; and

"(ii) does not meet the age and service requirements of section 8336(c) of this title;

the annuity of that employee is increased by $12 for each full month of that service which occurred before October 1, 1979.

"(C) An annuity increase under this paragraph does not apply with respect to service performed after completion of 20 years of service (or any combination of service) as a law enforcement officer or firefighter.

"(4) For the purpose of this subsection—

"(A) 'Panama Canal service' means—

"(i) service as an employee of the Panama Canal Commission; or

"(ii) service at a permanent duty station in the Canal Zone or Republic of Panama as an employee of an Executive agency conducting operations in the Canal Zone or Republic of Panama; and

"(B) 'Executive agency' includes the Smithsonian Institution.".

(b) (1) The amendments made by this section shall take effect on the date of the enactment of this Act, but no amount of annuity under chapter 83 of title 5, United States Code, accruing by reason of those amendments shall be payable for any period before October 1, 1979.

(2) Effective October 1, 1979, any individual who, but for paragraph (1), would have been entitled to one or more annuity payments pursuant to the amendments made by this section for periods before October 1, 1979, shall be entitled, to the extent or in such amounts as are provided in advance in appropriation Acts, to a lump sum payment equal to the total amount of all such annuity payments.

SEC. 207. RETIREMENT UNDER SPECIAL TREATY PROVISIONS.—(a) (1) Subject to subsection (b), and under such regulations as the President may prescribe, the Secretary of the Treasury shall pay to the Social Security System of the Republic of Panama, out of funds deposited in the Treasury of the United States to the credit of the Civil Service Retirement and Disability Fund under section 8334(a) (2) of title 5, United States Code, such sums of money as may be necessary to aid in the purchase of a retirement equity in such System for each individual who—

(A) meets the requirements of paragraph (2);

(B) is separated from employment in the Panama Canal Company, the Canal Zone Government, or the Panama Canal Commission by reason of the implementation of any provision of the Panama Canal Treaty of 1977 and related agreements; and

(C) becomes employed in a position covered by the Social Security System of the Republic of Panama through the transfer of a function or activity to the Republic of Panama from the United States or through a job placement assistance program.

(2) This subsection applies with respect to any individual only if the individual—

(A) has been credited with at least 5 years of civilian service under section 8332 of title 5, United States Code, relating to creditable service for purposes of civil service retirement;

(B) is not eligible for an immediate retirement annuity under chapter 83 of title 5, United States Code, relating to civil service retirement, and elects not to receive a deferred annuity under that chapter based on any portion of that service; and

(C) elects to withdraw from the Civil Service Retirement and Disability Fund the individual's entire lump-sum credit (as defined in section 8331(8) of title 5, United States Code) and to transfer that amount to the Social Security System of the Republic of Panama pursuant to the special regime referred to in paragraph (3) of Article VIII of the Agreement in Implementation of Article III ofthe Panama Canal Treaty of 1977.

(b) The amount paid to the Social Security System of the Republic of Panama with respect to any individual under subsection (a) shall not exceed the individual's entire lump-sum credit (as so defined).

(c) (1) Pursuant to paragraph 2(b) of Annex C to the Agreement in Implementation of Article IV of the Panama Canal Treaty of 1977, the President, or the President's designee, shall purchase from a source determined by the President to be appropriate, in accordance with such regulations as the President or the President's designee may prescribe, and to such extent or in such amounts as may be provided in advance in appropriations Acts, a nontransferable deferred annuity for the benefit of each employee of an agency or instrumentality of the Government of the United States in the Republic of Panama—

(A) who is not a citizen of the United States;

(B) who was employed on October 1, 1979, and during any period before that date by an agency or instrumentality of the Government of the United States at any permanent duty station in the Republic of Panama (including, with respect to employment before that date, the area then known as the Canal Zone);

(C) who, for any period of service with such agency or instrumentality before October 1, 1979, at any such permanent duty station was not covered, by reason of that service, by the United States Civil Service Retirement System or any other Federal retirement system providing benefits similar to those retirement benefits provided by the Social Security System of the Republic of Panama; and

(D) who, on October 1, 1979, is under a Federal retirement system and, on or before that date, has accrued in one or more agencies or instrumentalities of the United States a total of 5 years or more of service which—

(i) is creditable toward any Federal retirement system as in effect on October 1, 1979;

(ii) would have been creditable toward any such retirement system if the retirement system were in effect at the time of the service accrued by the employee; or

(iii) consists of any combination of service described in clauses (i) and (ii) of this subparagraph.

(2) The retirement annuity referred to in paragraph (1) with respect to any employee will cover retroactively, from October 1, 1979, all periods of service, described in subparagraph (D) of that paragraph, by that employee at any permanent duty station in the Republic of Panama (including the area known before that date as the Canal Zone) in agencies and instrumentalities of the Government of the United States during which that employee was not covered by the United States Civil Service Retirement System or any other Federal retirement system providing benefits similar to those retirement benefits provided by the Social Security System of the Republic of Panama.

SEC. 208. OBLIGATION OF COMMISSION FOR UNFUNDED LIABILITY.—Section 8348 of title 5, United States Code, is amended by adding at the end thereof the following new subsection:

"(l) (1) Notwithstanding any other statute, the Panama Canal Commission shall be liable for that portion of any estimated increase in the unfunded liability of the Fund which is attributable to any benefits payable from the Fund to or on behalf of employees and their survivors to the extent attributable to the amendments made by sections 205 and 206, and the provisions of sections 201(b) and 207(a) (1) of the Panama Canal Act of 1979.

"(2) The estimated increase in the unfunded liability referred to in paragraph (1) of this subsection shall be determined by the Office of Personnel Management. The Secretary of the Treasury shall pay to the Fund from appropriations for that purpose the amount so determined in annual installments with interest computed at the rate used in the most recent valuation of the Civil Service Retirement System.".

SEC. 209. CASH RELIEF TO CERTAIN FORMER EMPLOYEES.—(a) The Panama Canal Commission, under the regulations prescribed by the President pursuant to the Act entitled "An Act authorizing cash relief for certain employees of the Panama Canal not coming within the provisions of the Canal Zone Retirement Act", approved July 8, 1937, as amended (50 Stat. 478; 68 Stat. 17), may continue the payments of cash relief to those individual former employees of the Canal Zone Government or Panama Canal Company or their predecessor agencies not coming within the scope of the former Canal Zone Retirement Act whose services were terminated prior to October 5, 1958, because of unfitness for further useful service by reason of mental or physical disability resulting from age or disease. Subject to subsection (b), that cash relief may not exceed $1.50 per month for each year of service of the employees so furnished relief, with a maximum of $45 per month, plus the amount of any cost-of-living increases in such cash relief granted before October 1, 1979, pursuant to section 181 of title 2 of the Canal Zone Code (as in effect on September 30, 1979), nor be paid to any employee who, at the time of termination for disability prior to October 5, 1958, had less than 10 years service with the Canal Zone Government, the Panama Canal Company, or their predecessor agencies on the Isthmus of Panama.

(b) An additional amount of $20 per month shall be paid to each person who receives payment of cash relief under subsection (a) and shall be allowed without regard to the limitations contained therein.

(c) Each cash relief payment made pursuant to this section shall be increased on the same effective date and by the same percent, adjusted to the nearest dollar, as civil service retirement annuities are increased under the cost-of-living adjustment provisions of section 8340(b) of title 5, United States Code. Such increase shall apply only to cash relief payments made after October 1, 1979, as increased by annuity increases made after that date under such section 8340(b).

(d) The Panama Canal Commission may pay cash relief to the widow of any former employee of the Canal Zone Government or the Panama Canal Company who, until the time of his death, receives or has received cash relief under subsection (a), under section 181 of title 2 of the Canal Zone Code (as in effect on September 30, 1979), or under the Act of July 8, 1937, referred to in subsection (a). The term "widow" as used in this subsection includes only the following:

(1) a woman legally married to such employee at the time of his termination for disability and at his death;

(2) a woman who, although not legally married to such former employee at the time of his termination, had resided continuously with him for at least five years immediately preceding the employee's termination under such circumstances as would at common law make the relationship a valid marriage and who continued to reside with him until his death; and

(3) a woman who has not remarried or assumed a common-law relationship with any other person.

Cash relief granted to such a widow shall not at any time exceed 50 percent of the rate at which cash relief, inclusive of any additional payment under subsection (b), would be payable to the former employee were he then alive.

(e) Subchapter III of chapter 83 of title 5, United States Code, applies with respect to those individuals who were in the service of the Canal Zone Government or the Panama Canal Company on October 5, 1958, and who, except for the operation of section 13 (a) (1) of the Act entitled "An Act to implement item 1 of a Memorandum of Understandings attached to the Treaty of January 25, 1955, entered into by the Government of the United States of America and the Government of the Republic of Panama with respect to wage and employment practices of the Government of the United States of America in the Canal Zone", approved July 25, 1958 (72 Stat. 405), would have been within the classes of individuals subject to the Act of July 8, 1937, referred to in subsection (a) of this section.

SEC. 210.—APPLIANCES FOR EMPLOYEES INJURED BEFORE SEPTEMBER 7, 1916.—Artificial limbs or other appliances for persons who were injured in the service of the Isthmian Canal Commission or of the Panama Canal before September 7, 1916, may be purchased by the Panama Canal Commission out of any funds appropriated to the Commission.

Subchapter V—Leave

SEC. 211. LEAVE FOR JURY OR WITNESS SERVICE.—Section 6322(a) of title 5, United States Code, is amended—

(1) by striking out "the Canal Zone, or"; and

(2) by striking out "Islands." and inserting in lieu thereof "Islands, or the Republic of Panama.".

Subchapter VI—Application to Related Personnel

SEC. 220. LAW ENFORCEMENT; CANAL ZONE CIVILIAN PERSONNEL POLICY COORDINATING BOARD; RELATED EMPLOYEES.—(a) For the purposes of sections 126, 201, 202, 205, and 206, including any amendment made by those sections, the United States Attorney for the District of the Canal Zone and the Assistant United States Attorneys and their clerical assistants, and the United States Marshal for the District of the Canal Zone and his deputies and clerical assistants shall be considered employees of the Panama Canal Commission.

(b) For the purposes of this Act, including any amendment made by this Act, the Executive Director of the Canal Zone Civilian Personnel Policy Coordinating Board, the Manager, Central Examining Office, and their staffs shall be considered to have been employees of the Panama Canal Company with respect to service in those positions before October 1, 1979, and as employees of the Panama Canal Commission with respect to service in those positions on or after that date.

(c) The provisions of this section shall take effect on the date of the enactment of this Act.

Subchapter VII—Labor-Management Relations

SEC. 225. LABOR-MANAGEMENT RELATIONS.—(a) Nothing in this Act shall be construed to affect the applicability of chapter 71 of title 5, United States Code, relating to labor-management and employee relations, with respect to the Panama Canal Commission or the operations of any other Executive agency conducted in that area of the Republic of Panama which, on September 30, 1979, was the Canal Zone, except that in applying those provisions—

(1) the definition of "employee" shall be applied without regard to clause (i) of section 7103(a) (2) of such title 5 which relates to nationality and citizenship; and

(2) a unit shall be considered to be appropriate notwithstanding the fact that it includes any supervisor if that supervisor's position (or type of position) was, before October 1, 1979, represented before the Panama Canal Company by a labor organization that included employees who were not supervisors.

(b) Labor-management and employee relations of the Panama Canal Commission, other Executive agencies, and the Smithsonian Institution, their employees, and organizations of those employees, in connection with operations conducted in that area of the Republic of Panama which, on September 30, 1979, was the Canal Zone, shall be governed and regulated solely by the applicable laws, rules, and regulations of the United States.

Page 41, strike out "and" on line 3 and all that follows down through line 7 and insert in lieu thereof a period.

Page 44, strike out lines 10 through 16 and insert in lieu thereof the following:

(F) amending subsection (c) to read as follows:

"(c) The President may authorize the Panama Canal Commission to waive, at its discretion, the making of the claim required by section 8121 of this title in the case of compensation to an employee of the Panama Canal Commission for temporary disability, either total or partial."; and

Page 44, line 20, strike out "and".

Page 44, strike out line 25 and insert in lieu thereof the following:

1977 and related agreements"; and

(11) in section 5316(87), by striking out "Governor of the Canal Zone" and inserting in lieu thereof "Administrator of the Panama Canal Commission".

Page 100, line 3, strike out "(a)".

Page 100, strike out lines 7 through 9.

Page 45, strike out line 3.

Mr. MURPHY of New York (during the reading). Mr. Chairman, I ask unanimous consent that the amendments to the amendments be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. MURPHY of New York. Mr. Chairman, I rise in strong support of the proposed amendment to the amendment of the chairman of the Committee on Post Office and Civil Service with respect to employees.

This correcting amendment would incorporate many of the useful technical and conforming changes suggested by the gentleman from New York, Mr. HANLEY, while at the same time preserving the thrust and intent of the employee aspect of H.R. 111.

Specifically, this amendment to the Post Office amendment would: Allow the Smithsonian Institution to make an election as to utilizing the Panama Canal employment system; allow the President flexibility to determine from which source to purchase an annuity for unappropriated fund employees; delay to October 1, 1979 entitlement authority for early retirement payments and payments arising from guaranteed terms and conditions of employment; make many technical corrections to title 5 of the United States Code; and finally make one technical correction in an incorrect section number in the bill.

However, this amendment to that of the chairman of the Committee on Post Office and Civil Service would reinstate the provisions on early retirement, placement assistance, and a cost-of-living adjustment that appear in H.R. 111. These provisions are critical to maintaining the skilled work force necessary for the continued efficiency operation of the canal.

This amendment should be viewed as an opportunity to perfect this legislation without injuring very carefully derived positions that are deemed by the present Governor of the Canal Zone to be the most important in the bill.

The key issues with respect to the employee chapter in H.R. 111 are well defined, and I will not belabor you with details. The gentleman from New York (Mr. HANLEY), and the supporters of this amendment are concerned about the retirement fund and the cost of benefits. But I do not believe anyone has been more conscious of cost, or attempted more to protect the taxpayer from such cost—while at the same time providing a realistic mechanism and environment for operation and the canal—than has the Committee on Merchant Marine and Fisheries.

There can be—for the United States—no greater financial mistake in this legislation than a move to slash benefits or do away with institutions vital to the canal community, any of which amendments will affect the cooperation of an element vital to the continued smooth functioning of the canal. The $256 million which is said to be saved by the original amendment will not be saved to the taxpayers, but to the users of the canal, who are supporting H.R. 111 because they know that assurances of reasonable compensation to canal workers are consistent with the long-term operation of the canal.

It has been said, in support of the proposition offered by my colleague from New York, Mr. HANLEY, that the automatic feature of transferring funds from the Panama Canal Commission fund to the civil service fund is advantageous. H.R. 111 was constructed on the theory that future Congresses would be able to scrutinize the finances of the Panama Canal on a yearly basis to assure that the canal's operational needs will be met and that the U.S. taxpayers are not asked to pay extraordinary amounts in the year 2000. In providing automatic allocations of revenues without the scrutiny of the Congress through the appropriations process, we will be narrowing the ability of future Congresses to correct problems when they arise. There is nothing different between this concept and the idea of a direct allocation of money for payments to Panama, or other payments.

☐ 1530

Mr. HANLEY. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from New York (Mr. MURPHY).

The problem with the amendment offered by my friend and colleague, the gentleman from New York (Mr. MURPHY), is that the language is unclear. Our amendment is clear, in that whatever the cost may be, that cost is paid out of canal tolls.

I read from the amendment offered by the gentleman from New York (Mr. MURPHY):

> The Secretary of the Treasury shall pay to the fund from appropriations for that purpose the amount so determined in annual installments with interest computed at the rate used in the most recent valuation of the Civil Service Retirement System.

That poses a problem.

Our language is:

> These costs will be paid out of tolls and other funds deposited in the Treasury of the United States to the credit of the Panama Canal Commission fund.

There is a difference. The language in the amendment of the gentleman from New York (Mr. MURPHY) exposes the taxpayers to that liability, and we do not want that to happen. We want to recover these costs from the tolls. That is what the language of my amendment does. We do not want American taxpayers obligated for the $256 million. And at the same time, we want to insure the solvency of the already plagued civil service retirement fund.

So for these reasons I ask that the amendment offered by the gentleman from New York (Mr. MURPHY) be voted down.

Mr. MURPHY of New York. Mr. Chairman, will the gentleman yield?

Mr. HANLEY. I yield to the gentleman from New York.

Mr. MURPHY of New York. Mr. Chairman, provisions of H.R. 111 require that the Commission set tolls. As of October 1, because of the process already ongoing, a 21-percent increase in tolls is going to take place. The Commission must operate the Panama Canal and pay the Treasury sufficient funds to save harmless this fund.

So the Panama Canal fund will have enough money and there will be no liability to the American taxpayer. We have seen to that in this language to the amendment. There will be no $256 million liability because the users will be paying that fund, and all of those moneys will go into the Treasury, collected by the Treasury, under the provisions of H.R. 111, and the Commission must keep toll revenues at such a rate and such a level so that it is a guarantee to support this fund; so there will not be a single cent of liability to the taxpayers of America.

Mr. HANLEY. Mr. Chairman, with due respect to the intent of the gentleman, as expressed, the language of the gentleman's amendment does not say that. Our amendment is clear. The amendment of the gentleman from New York (Mr. MURPHY) requires the Secretary of the Treasury to pay to the fund from appropriations for that purpose the amount so determined in annual installments. It is very clear.

Mr. MURPHY of New York. Mr. Chairman, will the gentleman yield further?

Mr. HANLEY. I yield to the gentleman from New York.

Mr. MURPHY of New York. Mr. Chairman, I want to make it crystal clear that H.R. 111, on page 151, section 240, reads as follows:

> The Panama Canal Commission shall reimburse the Civil Service Retirement Fund for Government contributions to the retirement fund applicable to the Commission's employees, and for the unfunded liability of the Civil Service Retirement Fund accruing as a result of the provisions of this Act. The Panama Canal Commission shall reimburse the Employees' Compensation Fund, Bureau of Employee's Compensation, Department of Labor, for the benefit payments to the Commission's employees, and shall also reimburse other Government agencies for payments of a similar nature made on its behalf.

Nothing could be clearer than that language.

Mr. HANLEY. Mr. Chairman, the problem remains that it is still appropriated funds.

Mr. BAUMAN. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment offered by the gentleman from New York (Mr. Murphy).

Mr. Chairman, I know that this division over this particular issue is being debated in terms of those seeking to protect the Civil Service funds and also to uphold the committee system to some degree, because there is a difference of opinion between the Committee on Post Office and Civil Service and the Committee on Merchant Marine and Fisheries.

But let me explain to the Members, in rather stark terms, what is at issue here. I do think the amendment offered by the gentleman from New York (Mr. Murphy) is a proper compromise of the interests of both sides. We may hear that disputed.

I received a letter just yesterday from one of the employee groups in the Canal Zone. I think they have rather graphically described the problem that is presented by the present personnel situation. They refer to the fact that this is an unparalleled situation in our history for Federal employees, because what we have in effect done, by the terms of this treaty, is deport American citizens working for their Government to a foreign country, and a very unstable country at that. These Americans are in fact, with the transfer of sovereignty on October 1, to come completely under the jurisdiction of the Government of Panama.

Our real concern should be about the operation of this canal. That has been the central point of all of the argument that I have heard in this debate over the many, many months whether conservative or liberal. We must be concerned about the present personnel and their ability to carry out the duties that they have been assigned. As part of the arrangements in negotiating these treaties, the President and the administration made certain commitments to these U.S. employees. These are essential employees without whom the canal cannot operate, without whom we cannot receive Alaskan oil, and without whom our goods cannot be shipped. And roughly two-thirds of the goods are of U.S. origin or destination.

□ 1540

We must live up to these commitments. I understand the dispute that exists here, but the gentleman from New York (Mr. Murphy) is correct in what he says about the source of the funds for these retirements.

He has pointed out the cost provision in our bill that will require the payment to come out of the tolls, not out of the Treasury but out of the tolls paid by the shippers who use the canal.

We have to, indeed, be faithful to these employees in the promise of early retirements, for placement assistance and for cost-of-living provisions, which they certainly deserve in view of the fact that they are being deported out from under American sovereignty.

The gentleman from Maryland is not known as a big spender or roaring liberal when it comes to the taxpayers' funds. That is why I offered amendments in committee, that were adopted, that made sure the tolls would bear the large part of the cost or even—and we will address this later—the contingency fund from Panama, under article 13, will bear such costs.

I would suggest that we support the chairman's amendment. It is one that honors the commitment to the employees, and most important, if we do not—and I hate to say this, but it has been said—we face the possibility, not only of disruptions on October 1 by the Panamanians or anyone else who might be threatening it, but we may also have a labor problem within a matter of hours, based on the actions of this House, concerning the Canal Zone. This is a highly unstable situation. There is rioting today in Panama. A busdriver was beaten to death, as you know if you read the AP wire. Others have been killed. Hundreds of people are bleeding at the hands of the Panamanian National Guard. But if we are not keeping faith with our employees and not living up to our commitment to them there is the possibility of a labor stoppage. I think the gentleman's amendment is appropriate and will forestall this problem.

Mr. HARRIS. Mr. Chairman, will the gentleman yield?

Mr. BAUMAN. I yield to the gentleman from Virginia.

Mr. HARRIS. Is the gentleman under the impression that there is something in the current amendment that would require the payments from tolls?

Mr. BAUMAN. The gentleman from New York has adequately pointed out that there is a requirement for full reimbursement to the U.S. Government by the Canal Commission for the retirement funds involved.

Mr. HARRIS. If the gentleman would yield further——

Mr. BAUMAN. The gentleman asked me a question, and I am trying to answer it.

Mr. HARRIS. Indeed. It is a responsive answer. I would hinge on that point, because I know the type of legislative scholar with whom I am dealing.

I feel strongly that if in fact he will look at the language and see that what he is talking about is no more than transfer, that all these funds are subject to appropriation and that those appropriations can be at any level, that the gentleman will know these funds can, in fact, be supplied through appropriations; and there is nothing in this amendment that would prevent it.

Mr. BAUMAN. The gentleman apparently does not understand the fundamental appropriation and authorization process of this bill. I was one of those who suggested the change in the bill that requires the House and the other body, for the life of this treaty, to annually pass authorizing legislation from the appropriate committees and then pass annual appropriations.

All of the funds that will be used to operate the canal, although they come out of the tolls, will be appropriated and authorized annually by congressional committees. So the gentleman's argument means nothing because those funds will be coming out of the tolls not from U.S. taxpayers.

The CHAIRMAN. The time of the gentleman from Maryland (Mr. Bauman) has expired.

(By unanimous consent, Mr. Bauman was allowed to proceed for 2 additional minutes.)

Mr. HARRIS. Mr. Chairman, will the gentleman yield?

Mr. BAUMAN. I yield to the gentleman from Virginia.

Mr. HARRIS. I feel certain that if the gentleman will look at the language, he will realize that there is no restriction on this Congress or any future Congress with respect to the appropriations. The notion that somehow the appropriations could only be equal to or the same amount as of the collection from the tolls is simply not in the legislation.

Mr. BAUMAN. I say, in reply to the gentleman, he has probably put his finger on a most unstable factor. Nobody knows what a future Congress will do.

Let me say that we have gone further than an annual authorizing of appropriations out of the income of the canal. We have a provision in this bill that requires the Treasury to keep a separate special account showing where the moneys come from out of the tolls, so that we will know we are not subsidizing the operation of the canal which is something that I do not think the taxpayers should have to do.

I think the gentleman's concern is genuine, but it is misplaced. No, it is not going to come out of the Treasury. I certainly hope no one would rob the Treasury, because the President promised this would not cost the taxpayers any additional money. We have tried to write the legislation in that manner and this amendment honors this commitment.

Mr. HARRIS. Mr. Chairman, I rise in opposition to the amendment.

I think it is important at this point to realize what the parliamentary situation is. We had an H.R. 111 reported out of the Merchant Marine and Fisheries Committee that contained a number of provisions which, in our opinion, are unsound with regard to Civil Service policy and with regard to the expenditure of taxpayers' money.

The Civil Service and Post Office provisions were put on the floor by way of the Hanley amendment. We now have on the floor an amendment that would negate all those improvements and perfections that were contained in the Hanley amendment. I think it is an unfortunate parliamentary situation, but I think it is one that obviously requires a "no" vote on this amendment if, in fact, we are willing to cut the cost to the taxpayers and if, in fact, we are going to improve the provisions that we pointed out in our original presentation.

What this bill does, and understand it, if Fort Dix is closed down, if Federal employees go from there for employment assistance, they will be told that they come right after those who were displaced at the Panama Canal. If in fact anywhere in this country we have displaced Federal employees who go under the provisions of the law now existing for preferential placement help, they will be told, "No, not until we place even those who separate voluntarily from the Panama Canal Commission."

This is not playing it square with American citizens and Government employees in our districts.

But more important, we are establishing a precedent here that states whenever we want to buy off opposition, we put a provision in that says we are preferenced above anybody else regardless of the merits, the benefits or the injustices that are perpetrated on another Government employee. That is not right. This is not good law. This is not the type of precedent that we want to set.

Second, the adoption of this amendment says we set the precedent, that retirement at age 48, even when it is voluntary separation, is possible at full annuity. It is the first time in our laws we have ever tried to do that, but it will not be the last time. There is other legislation out there—the Bureau of Indian Affairs—other legislation like that that says the cheap way to get out of the hole is by offering them an annuity that gets paid for 10 years, 20 years, or 30 years from now. If anybody wants to know what kind of problems we have gotten into in the retirement programs, it is because we have put provisions like this in the law.

I say if you want to give incentives to those people to stay on the job in Panama, those people who are essential to the job in Panama, do not say that they can retire at full annuity at age 48. Say, "If you stay, you will get an increased annuity." Say, "If you stay, we will give you a bonus," but do not say, "You can retire at full annuity the day after just 18 years of service."

The comment was made by my distinguished colleague that this was necessary because all of them are getting kicked out of Panama because all of them are losing their jobs.

I do not know what happened to the provision in my colleague's bill that had this Panama Canal run by a commission, with the United States in control of the commission. I do not know what happened to that provision because there is no way those employees can get kicked out with discrimination. They are American citizens. They cannot get kicked out by this commission, at least not until the year 2000.

We took testimony. Those jobs are as safe as any jobs. What we are telling them is that we are going to give them an incentive to get out if we adopt this type of annuity provision. It is bad law and it is a bad precedent.

Mr. BAUMAN. Mr. Chairman, will the gentleman yield?

Mr. HARRIS. I yield to the gentleman from Maryland.

Mr. BAUMAN. I hope the gentleman did not misunderstand me. I did not say they were going to lose their jobs. I said they were losing their status as residents of the sovereign American territory, the Canal Zone. As a result of coming under Panamanian sovereignty, these Americans will face any number of difficulties, and we do indeed have to provide a special incentive to keep the personnel available in order to operate the canal.

□ 1550

Mr. HARRIS. May I respond to my colleague what I am trying to do is give them incentive to stay on the job, not incentive to retire and leave the job. When my colleague, in the provision which he said he supported, tells them at age 48 they can get a full annuity and go out and get a full-time job anyplace else, he has given them the greatest incentive in the world to retire and leave the job. This is what I would like to protect the Panama Canal from. This is what I would like to protect the precedence of our civil service laws from.

Mr. MURPHY of New York. Mr. Chairman, will the gentleman yield?

Mr. HARRIS. I will be happy to yield to my colleague.

Mr. MURPHY of New York. I understand the gentleman's constituency and I have a constituency not unlike his where we must have about 80,000 to 90,000 Federal employees in my district.

Mr. HARRIS. May I respond to my colleague, I am sure both of us are motivated by the highest motives.

The CHAIRMAN. The time of the gentleman from Virginia has expired.

(At the request of Mr. MURPHY of New York and by unanimous consent Mr. HARRIS was allowed to proceed for 2 additional minutes.)

Mr. MURPHY of New York. Mr. Chairman, will the gentleman yield further?

Mr. HARRIS. I will be happy to yield to my colleague.

Mr. MURPHY of New York. Has the gentleman received any mail in opposition to this what he calls preferential treatment for the Panama Canal worker?

Mr. HARRIS. I have received relatively little mail with regard to the Panama Canal, may I say to my colleague, but I have received a great deal of mail with regard to the gas shortage; not with regard to the Panama Canal.

What this Member is trying to do with regard to this implementing legislation is make it the type of legislation that we can live with, not only as regards the Panama Canal, but we can live with in the future from a funding standpoint and a precedent standpoint.

Mr. MURPHY of New York. If the gentleman will yield further, this is not a closure like that of Fort Dix when someone can move to any number of other places even within the State or within the region or locally. As the gentleman from Maryland very eloquently pointed out, this is a major disruption in the lives of about 2,000 Americans.

Mr. HARRIS. If my colleague will let me reclaim the time, are you claiming that the closure of Fort Dix is not a major disruption in the lives of many Americans and their families?

Mr. MURPHY of New York. Not in comparison with the Panama Canal disruption. I would say if we could just understand that the amendment to the amendment is geared to showing the workers in the zone that we want them to continue in their jobs, that we want them to stay there, that the Congress is extending its hand in a very minor way, and I might say at no cost to the American taxpayer, to give them the atmosphere and the assurance they need that the Congress is definitely aware and looking out for them.

Mr. HARRIS. If I may say to my colleague that the bill in title III is replete with special benefits, special assistances, special provisions with regard to the Panama Canal employees. What we have tried to do here is make some rather gentle adjustments so we do not have provisions that are contrary to existing policy, contrary to existing law, and setting egregious and outrageous precedents for the future.

May I urge my colleagues to vote against this.

Mr. DERWINSKI. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I would like to point out that in this Panama Canal legislation we are going to have a number of tangents in addition to the basic issue before us. At the risk of putting myself in the position of being an unsolicited umpire to a friendly dispute between two committees, I would like to point out that the real difference here in the position taken by the gentleman from Virginia and the gentleman from New York is there are legitimate constituencies in their communities. The position taken by the gentleman from Virginia is obviously motivated by his own constituency, which is the Federal employee. They are concerned that there may be benefits provided for the Panama Canal employees that have not yet been granted or would not be granted to them by the Congress.

On the other hand, the Committee on Merchant Marine and Fisheries historically has been much more involved in the actual operation and the maintenance of the canal and has as its primary interest the Canal Zone work force. So I think if we understand the difference in the constituency we can understand the difference in emphasis.

I find myself as a good, loyal, devoted member of the House Committee on Post Office and Civil Service, which I feel with the talent of its membership and the quality of its work is by far the outstanding committee of the Congress, yet I also find myself in the position of looking at the responsibility we have to provide the practical incentives for the operation of the canal for the next 20 years.

Mr. BAUMAN. Mr. Chairman, will the gentleman yield?

Mr. DERWINSKI. Yes, I yield to the gentleman from Maryland.

Mr. BAUMAN. I think one point the gentleman from Virginia (Mr. HARRIS) raised certainly needs answering and I will try to do that. He asked the question about how permitting a person to retire early keeps him on the job.

The truth of the matter is that we want them to stay on the job in Panama. These Federal employees can leave

Panama within a matter of a very short time and come back to the United States where they will have certain rights under existing Federal law. But the early retirement provision the gentleman has repeatedly berated as being special treatment, and it is special treatment in a very special case, says they have to stay there and do their job but they will be able to seek that early retirement. The objective is to keep the canal going. If these specially trained employees, that are not comparable to anything at Fort Dix or at any Federal facility in the United States or anywhere else, do not stay there, the canal cannot operate. That is the reason for the special treatment that is accorded to these employees and this was part of the administration's agreement. The objective is to keep the canal running.

Mr. HARRIS. Mr. Chairman, will the gentleman yield?

Mr. DERWINSKI. Yes, I yield to my friend from Virginia.

Mr. HARRIS. I appreciate the gentleman yielding.

I was just reflecting with regard to one of these principal provisions, regardless of what our motivations were, that the gentleman from Illinois described one of these provisions as I offered it in committee as being one of the most brilliant pieces of legislative participation he had ever seen. The gentleman recalls that comment with regard to the provision?

Mr. DERWINSKI. Yes; but the gentleman knows that I am exaggeration prone on occasion.

Mr. HARRIS. I never realized that, if I may say that to the gentleman, but I am sorry to see him so casually toss out this provision that he thought was so brilliant just a few weeks ago. But I am pleased to see that he has listened so attentatively to this.

There is in fact, no way that a person retiring at 48 cannot be assured of employment privileges in the civil service system through the year 2000. We have those provisions built in as a protection for them. How in the world we are going to convince them to stay in Panama by saying they can retire right now at age 48 after 18 years of service. That means that in a relatively short time we have given them an opportunity to build up a lifetime annuity, full bore at age 48; and I have never seen a big spending provision any less appropriate.

Mr. BONIOR of Michigan. Mr. Chairman, I move to strike the last word and I rise in support of the amendment of the gentleman from New York.

Mr. Chairman, it has been mentioned in this debate that the employee should be protected by the nine-member commission on which we will have five representatives, and that if they want to stay, indeed, on their jobs that they should be protected and have that right. But I think that negates the language of the treaty in article X which states, and I might quote:

> (c) Within five years from the entry into force of this Treaty, the number of United States nationals employed by the Panama Canal Commission who were previously employed by the Panama Canal Company shall be at least twenty percent less than the total number of United States nationals working for the Panama Canal Company immediately prior to the entry into force of this Treaty.

So, with respect to that argument, there is going to be, by the terms of the treaty itself, the necessity to reduce the number of American employees.

Another point that was raised dealt with the question of early assistance placements. I note in the language of my chairman and colleague from New York that he states that the employees, upon request, be accorded appropriate assistance for placement in adjacent positions in the Government of the United States. I think that language is quite clear and addresses itself to the placement problem without referring to any type of preferential treatment.

I would like to go on further and point out with regard to the crucial issue of early retirement, paragraph 10 of article X of the Panama Canal Treaty states:

> The United States of America will provide an appropriate early optional retirement program for all persons employed by the Panama Canal Company or Canal Zone Government immediately prior to entry into force of this treaty.

□ 1600

The treaty does not draw a distinction between United States and Panamanian and other citizens, and neither does the language of H.R. 111 or the amendment that is being offered by the gentleman from New York (Mr. MURPHY). The language offered by the Post Office and Civil Service Committee, which we propose to amend, would limit early retirement benefits to "essential personnel." That term, "essential personnel" is the very key to this whole debate, a term which immediately conjures, at least in the minds of Panamanians, the "security positions" of the canal organization provided for in current law. These positions may be held only by U.S. citizens, and the present designation of about 500 Americans has always been a vehicle to deprive Panamanians of comparable benefits. They see this issue in terms of perpetuating that discrimination.

So, with those things in mind, I would hope that the members of the Committee of the Whole would look favorably upon the amendment of the gentleman from New York and support him on this issue.

Mr. HANLEY. Mr. Chairman, will the gentleman yield?

Mr. BONIOR of Michigan. I yield to the gentleman from New York.

Mr. HANLEY. Mr. Chairman, I would remind the gentleman that with respect to the description, "essential personnel," that the prerogative remains that of the President to determine what employees, which employees, fall into that category.

Mr. BONIOR of Michigan. I can understand that, and I appreciate that, but I think the point that was made by the gentleman from Maryland (Mr. BAUMAN) with respect to the uncertainty that hangs over the heads of the people in the Canal Zone today, and possible sick-outs and violence that may occur at any moment, it is important to keep in mind, because I think the nebulous type of language we leave the hands of the executive department is fostering that feeling.

I was just reading recently, in the Wall Street Journal, an article of yesterday, I believe, which presented a very serious situation in which our employees and Panamanians in the Canal Zone had reached a point of such uncertainty that it seems indeed that unless we deal in the specifics and deal quickly with this legislation, there indeed might be strikes and violence in the Canal Zone.

The CHAIRMAN. The Chair would suggest that Members, when referring to "the gentleman from New York" and "his amendment," might refer to the gentleman from New York as either Mr. HANLEY or Mr. MURPHY. Both gentlemen are from New York, and both gentlemen are committee chairmen. The RECORD would be made more explicit if Members would specify which gentleman they mean.

Mr. HANLEY. Mr. Chairman, I think all the affirmative comments were related to the amendment offered by Mr. HANLEY of New York, and the negative comments were attributed to the gentleman from New York (Mr. MURPHY).

The CHAIRMAN. Each Member can make his own determination in that regard.

Mr. HANSEN. Mr. Chairman, I move to strike the last word.

Mr. Chairman, this gyration that is going on over who should pay for the benefits of the employees who may choose to seek early termination in the Canal Zone, early retirement, is rather interesting, particularly in light of the fact that today, when we are talking about security of employees and the fact that if the treaties are implemented, we have a transfer of authority from the United States to the Government of Panama. How secure these people will be might be shown by an Associated Press release today stating:

> PANAMA CITY, PANAMA.—National Guard troops firing shotguns and tear gas chased anti-government rioters into the U.S. Panama Canal Zone today, quelling violence in which a bus driver was beaten to death and another man was seriously injured by the runaway bus.
>
> Officials said 11 other persons were treated for injuries and released.
>
> Dozens of government vehicles were destroyed as students and other protestors rampaged in the streets of Panama City Monday, continuing agitation against the 30 percent increase in gasoline prices June 8 that raised the cost to $1.36 a gallon.
>
> The rioters ripped out parking meters, smashed telephone booths and looted downtown stores. They said they were also protesting an alleged government coverup of student deaths a year ago.
>
> Officials said the 33-year-old bus driver was pulled from a government bus, stoned and beaten to death and his bus set afire. They said as the bus careened down the street out of control, it ran over a 78-year-old man who was hospitalized.
>
> The National Guard used tear gas on the rioters, and members of the crowd claimed the soldiers were also firing shotguns and beating people in the crowd with rubber hoses.
>
> The Guard said 46 persons were arrested, two of them students and the rest "outside agitators".
>
> It was the second time in two weeks protesters against the gas increase took to the

> streets. On June 11 demonstrators damaged about 60 vehicles. The next day the rioting spread to Colon, the country's second largest city, and a woman was fatally injured.
>
> Hundreds of the rioters fled into the canal zone to escape the troops, and the guardsmen did not pursue them. Witnesses said the demonstrators caused no trouble in the zone.

I might say, Mr. Chairman, that it is rather interesting—to note where Panamanian citizens went for refuge. They went to the U.S. Canal Zone, because the Government of Panama could not maintain the law in Panama. It has been stated, and there was some reaffirmation of such in our closed session, that there is no way that the Government of Panama seems to be able to maintain its credibility as a potential partner of the United States. In the Panama Canal treaties it is apparent that we are doing more than jeopardizing the income of employees by turning them over to the authority of the Government of Panama.

I might mention that this is one of the reasons that we have the honesty amendment coming up in due course before this committee, and this is because of the fact that the Government of Panama seems so involved in spending its money for gun running and supporting of revolutionaries and terrorism in Latin America that it cannot satisfy the needs of its own citizens.

On this basis, then, we see that there is little order in Latin America; there is little order in Panama, and we even find the terms of the treaties, the Panama Canal treaties themselves, being violated. Also there are violations the OAS and the United Nations Charters—all kinds of problems going on. I do not know how there can be any real assurance of employee safety, let alone security as far as financial matters are concerned, under such circumstances.

Certainly, if the money that is going to be turned over by the treaties to Panama is going to provide them more opportunity to run guns and not take care of their people, it seems to me that we are doing a grave injustice to those people involved. The point I make is that it is a moot argument as to who pays here if this body approves the honesty amendment. I have hopes that it will—that we will transfer to Panama the obligation to pay for the implementation provisions, including provisions such as the early retirement we are talking about now and other matters such as military construction which was debated on this floor a day or two ago. This way Panama will not have all this extra money for gun running and the promises to the taxpayers of the United States and the toll payers and consumers are kept so they are not having to stand for the cost of programs.

Therefore, if the honesty amendment passes it doesn't matter too much which way this amendment goes except that we want to be sure that the provisions are such that the employees are properly provided for. Hopefully, the honesty amendment will pass, so this retirement money will come out of the windfall that goes to Panama and not out of either the Treasury or the tolls. This is the real argument that will be before this body before the consideration of this matter is complete.

The CHAIRMAN. The question is on the amendments offered by the gentleman from New York (Mr. MURPHY) to the amendments offered by the gentleman from New York (Mr. HANLEY).

The question was taken; and on a division (demanded by Mr. HANLEY) there were—ayes 40; noes 14.

RECORDED VOTE

Mr. HARRIS. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 277, noes 142, answered "present" 1, not voting 14, as follows:

[Roll No. 264]

AYES—277

Abdnor
Addabbo
Akaka
Alexander
Ambro
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Ashbrook
AuCoin
Badham
Bafalis
Bailey
Barnard
Bauman
Beard, R.I.
Benjamin
Bevill
Biaggi
Blanchard
Boggs
Boner
Bonior
Bonker
Bowen
Brademas
Breaux
Broomfield
Brown, Calif.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burlison
Burton, Phillip
Campbell
Carr
Carter
Chappell
Cheney
Chisholm
Clausen
Cleveland
Clinger
Coelho
Coleman
Collins, Ill.
Conte
Corman
Cotter
Coughlin
Crane, Daniel
Crane, Philip
D'Amours
Daniel, Dan
Daniel, R. W.
Daschle
Davis, Mich.
Deckard
Derrick
Derwinski
Devine
Dickinson
Diggs
Dingell
Dixon
Donnelly
Dornan
Dougherty
Downey
Drinan
Duncan, Oreg.
Duncan, Tenn.
Early
Edwards, Ala.
Edwards, Okla.
Emery
English
Erdahl
Erlenborn
Evans, Del.
Evans, Ga.
Evans, Ind.
Fary
Fascell
Fazio
Fish
Fithian
Flippo
Florio
Foley
Fowler
Frost
Fuqua
Gaydos
Giaimo
Gibbons
Gilman
Gingrich
Ginn
Goldwater
Goodling
Grisham
Guarini
Gudger
Guyer
Hammerschmidt
Hansen
Harsha
Hawkins
Hefner
Hillis
Hinson
Holland
Hopkins
Horton
Howard
Hubbard
Huckaby
Hutto
Hyde
Ireland
Jacobs
Jeffords
Jenkins
Jenrette
Johnson, Calif.
Jones, N.C.
Kelly
Kemp
Kildee
Kogovsek
Kramer
Lagomarsino
Lederer
Lent
Lewis
Livingston
Lloyd
Loeffler
Long, La.
Lott
Lowry
Lujan
Lundine
McClory
McCloskey
McCormack
McDade
McEwen
McHugh
McKinney
Madigan
Markey
Marks
Marlenee
Marriott
Martin
Mathis
Matsui
Mavroules
Mica
Michel
Mikulski
Mineta
Minish
Mitchell, N.Y.
Moakley
Mollohan
Moorhead, Calif.
Moorhead, Pa.
Murphy, Ill.
Murphy, N.Y.
Murphy, Pa.
Murtha
Myers, Ind.
Myers, Pa.
Neal
Nedzi
Nolan
O'Brien
Oberstar
Panetta
Pashayan
Patten
Patterson
Pease
Pepper
Perkins
Petri
Peyser
Preyer
Price
Pritchard
Pursell
Quillen
Rahall
Railsback
Rangel
Ratchford
Regula
Reuss
Rhodes
Richmond
Rinaldo
Robinson
Rodino
Roe
Rose
Rosenthal
Rostenkowski
Roth
Rousselot
Roybal
Royer
Rudd
Sabo
Santini
Satterfield
Sawyer
Schroeder
Schulze
Sensenbrenner
Shannon
Shelby
Shumway
Shuster
Skelton
Slack
Smith, Iowa
Snowe
Snyder
Solarz
Spence
Stack
Staggers
Stangeland
Stanton
Steed
Stewart
Stockman
Stokes
Stratton
Symms
Synar
Tauke
Taylor
Thomas
Thompson
Traxler
Treen
Trible
Ullman
Vander Jagt
Vanik
Walgren
Walker
Wampler
Watkins
Waxman
Whitehurst
Whitley
Whittaker
Whitten
Wilson, Bob
Winn
Wirth
Wolff
Wolpe
Wright
Wyatt
Wylie
Young, Alaska
Young, Fla.
Zablocki
Zeferetti

NOES—142

Albosta
Anthony
Applegate
Ashley
Aspin
Atkinson
Baldus
Barnes
Beard, Tenn.
Bedell
Beilenson
Bennett
Bereuter
Bethune
Bingham
Bouquard
Brinkley
Brodhead
Brooks
Butler
Byron
Carney
Cavanaugh
Clay
Collins, Tex.
Conable
Corcoran
Courter
Danielson
Dannemeyer
de la Garza
Dellums
Dicks
Dodd
Eckhardt
Edgar
Edwards, Calif.
Ertel
Fenwick
Ferraro
Findley
Fisher
Ford, Mich.
Ford, Tenn.
Fountain
Frenzel
Gephardt
Glickman
Gonzalez
Gore
Gradison
Gramm
Grassley
Gray
Green
Hagedorn
Hall, Ohio
Hall, Tex.
Hamilton
Hance
Hanley
Harkin
Harris
Heftel
Hightower
Hollenbeck
Holt
Holtzman
Hughes
Ichord
Jeffries
Johnson, Colo.
Jones, Okla.
Jones, Tenn.
Kastenmeier
Kazen
Kindness
Kostmayer
LaFalce
Latta
Leach, Iowa
Leach, La.
Leath, Tex.
Lee
Lehman
Leland
Levitas
Long, Md.
Lungren
McDonald
McKay
Maguire
Mattox
Mazzoli
Mikva
Miller, Ohio
Mitchell, Md.
Moffett
Montgomery
Moore
Mottl
Natcher
Nelson
Nichols
Nowak
Oakar
Obey
Ottinger
Paul
Pickle
Quayle
Ritter
Roberts
Russo
Scheuer
Sebelius
Seiberling
Sharp
Simon
Smith, Nebr.
Solomon
Spellman
Stark
Stenholm
Studds
Stump
Swift
Udall
Van Deerlin
Vento
Volkmer
Weaver
Weiss
White
Williams, Mont.
Williams, Ohio
Wilson, C. H.
Wilson, Tex.
Wydler
Yates
Yatron
Young, Mo.

ANSWERED "PRESENT"—1

Miller, Calif.

NOT VOTING—14

Anderson, Ill.
Archer
Boland
Bolling
Burton, John
Conyers
Davis, S.C.
Flood
Forsythe
Garcia
Heckler
Luken
Runnels
St Germain

☐ 1620

The Clerk announced the following pairs:

On this vote:

Mr. Garcia for, with Mr. Conyers against.

Mr. LOEFFLER and Mr. OTTINGER changed their vote from "no" to "aye."

Messrs. LONG of Maryland, FRENZEL, DODD, BEARD of Tennessee, RUSSO, QUAYLE, YOUNG of Missouri, HALL of Texas, BROOKS, ERTEL, MONTGOMERY, APPLEGATE, ASHLEY, MAZZOLI, STUDDS, and DANIELSON, Mrs. BOUQUARD, Mrs. HOLT, and Messrs. KINDNESS, DE LA GARZA, SOLOMON, JOHNSON of Colorado, STUMP, JONES of Tennessee, FOUNTAIN, ECK-

HARDT, OTTINGER, MOORE, and LEE changed their vote from "aye" to "no."

So the amendments to the amendments were agreed to.

The result of the vote was announced as above recorded.

□ 1630

AMENDMENT OFFERED BY MR. COURTER TO THE AMENDMENTS OFFERED BY MR. HANLEY, AS AMENDED

Mr. COURTER. Mr. Chairman, I offer an amendment to the amendments, as amended.

The Clerk read as follows:

Amendment offered by Mr. COURTER to the amendments offered by Mr. HANLEY, as amended: Page 45, after line 2, insert the following:

Page 192, line 21, after the period insert the following new sentence: "Notwithstanding the preceding provisions of this Act, any authority under any such provision to grant any sabbatical to any teacher shall take effect only if and to such extent as may be expressly provided in any Act enacted after the date of the enactment of this Act.".

Mr. COURTER. Mr. Chairman, because of the parliamentary situation which precluded me from offering my amendment striking the language providing for a sabbatical leave program for schoolteachers in Panama. I offer this amendment. The amendment simply delays implementation of the sabbatical leave program for schoolteachers in Panama until further legislation permits it. This language was sponsored by the gentlewoman from Maryland (Mrs. SPELLMAN) and was adopted by the full Committee on Post Office and Civil Service.

As a result of the Panama Canal Treaty, all 593 full-time schoolteachers in the Canal Zone will be transferred to the Department of Defense Overseas School System on October 1, 1979. The bill provides for these teachers to be eligible for fully paid sabbatical leave for up to 11 continuous months.

In addition to full pay, the amendment permits an agency to authorize "such travel expenses (including per diem)" as the head of the agency determines to be essential for the study or experience.

According to Dr. Cardinale, Director of the Department of Defense overseas school system, these expenses could include travel costs to a college or university or travel costs to any place or places in the United States for some form of study or experience, plus per diem of between $35 and $50, that being dependent on what place or location in the United States is involved.

The general practice regarding sabbaticals in non-Federal school systems in the United States and existing policy in the Canal Zone in Panama is to give school teachers half their salary for a period not to exceed two semesters. No funds are given for per diem, travel, or for any of those related expenses.

For the record, school teachers in Panama for fiscal year 1979 received an annual salary of better than $21,000, plus a 15-percent pay differential, which added up to $24,000 plus. This is nearly $8,000 more than the average highest paid school teacher in the Atlantic region of the DOD's overseas school system, which, by the way, includes Bermuda.

Also, according to data collected by the American Association of University Professors and published in the September and December 1978 bulletin, instructors and assistant professors in the Canal Zone Junior College who after October 1 will be employed in the DOD overseas school system, are the highest paid teachers among 2-year institutions in the United States.

For example, the Canal Zone assistant professors and instructors receive an annual average salary of $32,000 and $28,600 respectively. Salaries of assistant professors in other 2-year institutions in the United States, such as the County College of Morris, Passaic County Community College, City College of Chicago, Prince George's Community College, and Northern Virginia Community College, range from $15,800 to $25,000, averaging about $20,000. There is even a greater disparity between the salaries of instructors in the Canal Zone and those in the above-mentioned 2-year colleges.

To further illustrate the point, Harvard University, the University of Chicago, and Princeton University, three institutions which offer the doctorate degree and which conferred in the most recent 3 years an annual average of 15 or more earned doctorates covering a minimum of three nonrelated disciplines, pay their assistant professors an average annual salary of $19,100, $20,700, and $17,700 respectively. Again, the Canal Zone Junior College, a 2-year institution, pays its assistant professors $32,000.

These numbers are merely being mentioned to indicate they are, in my perspective, being adequately compensated at this time.

Presently DOD school teachers do not have a paid sabbatical leave program, and DOD does not intend to submit legislation to the Office of Management and Budget extending to its teachers located in other parts of the world the sabbatical benefits provided in the bill.

I might also add that we can well imagine the clamor from other areas of the United States if this legislation passes as it is.

The Department of Defense estimates that if only 1 percent of its public law employees were granted sabbatical leave at full pay, the annual cost would approximate $1,150,000 in salary and civil service fringe benefits.

Mr. Chairman, the sabbatical leave program established in this bill for a small select group of schoolteachers in Panama is, I think, ill-advised, costly, and would create an unwise precedent for similar treatment for other DOD schoolteachers throughout the world.

□ 1640

According to the Department of Defense, the annual cost to the Government to implement a sabbatical leave program for 10 teachers—just 10 teachers—under this bill would be approximately $310,000.

The CHAIRMAN. The time of the gentleman from New Jersey (Mr. COURTER) has expired.

(By unanimous consent, Mr. COURTER was allowed to proceed for 1 additional minute.)

Mr. COURTER. Mr. Chairman, the 5-year cost would be in excess of $1.6 million. Those figures include basic pay benefits, travel, and per diem. They do not include, however, the cost of hiring additional teachers to supplement those who are on leave.

I urge the adoption of this amendment. It is not an antiteacher amendment. Basically, what we are saying is that throughout the United States today in the Department of Defense there is no sabbatical leave whatsoever. I believe that if we want to have a sabbatical leave for Department of Defense teachers, legislation should be submitted, it should be referred to the proper committees, and we should have an opportunity for members of the Department of Defense to testify as to its desirability. I think it is improper for it to be brought in this type of legislation.

Mrs. SPELLMAN. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, a few moments ago the Members voted about $278 million, for what I consider most extravagant and unnecessary expenditures. That was a real giveaway. And now we are quibbling about approximately $1.5 million to retain for teachers a sabbatical leave program which they have had for years. We are not adding something with this measure. To delete this provision would be to violate the agreement to safeguard present working conditions. The committee amendment provides for continuation of sabbatical leave for those teachers who remain in Panama and who presently participate in such leave. Not a new benefit, as you can see. Under the bill, teachers will be transferred to the Department of Defense overseas department school system. The sabbatical leave provision is modeled after a similar provision for the Senior Executive Service in the Civil Service Reform Act which this House voted for almost unanimously. Like the SES provision, there are several conditions that have to be met to be eligible for this benefit. First, sabbatical may not be granted more than once in any 10-year period. Second, the teachers must have completed 7 years of service. And, finally, a teacher is eligible for a sabbatical if he or she is eligible for voluntary retirement.

The sabbatical may not exceed 11 months, and the study or the uncompensated work experience must take place in the United States. A teacher taking sabbatical must agree to continue in his/her teaching assignment for a minimum of 2 years following the sabbatical.

May I suggest to the Members that if ever there was a place where teachers need a sabbatical, it is out there in Panama. Our people lose sight of the real world out there and they need to come back to the United States to keep in touch so that they can properly teach our U.S. children.

I would say to the Members that it would be pennywise to remove this provision.

I might add, Mr. Chairman, that the Department of Defense has been before the subcommittee on compensation and benefits discussing other teaching situations. We have talked a number of times about the need for sabbaticals for all of our overseas teachers, because we want those teachers to remember what the United States really is. Unfortunately, too many of them lose sight of this after they have been away a period of time. So let us keep this program which costs a pittance but which will mean a great deal to American children and to our Nation. Do not make the mistake of voting for the amendment of the gentleman from New Jersey.

Mr. HANLEY. Mr. Chairman, will the gentlewoman yield?

Mrs. SPELLMAN. I yield to the gentleman from New York.

Mr. HANLEY. I thank the gentlewoman for yielding.

Mr. Chairman, reading from article X of the treaty, and in concurrence with the previous action here in this House, I quote:

> The terms and conditions of employment to be established will in general be no less favorable to persons already employed by the Panama Canal Company or Canal Zone Government prior to the entry into force of this Treaty, than those in effect immediately prior to that date.

So the program already prevails, and I do not believe it would be the intent of Congress or certainly the intent of the gentleman from New York (Mr. MURPHY) that this program be denied.

Mrs. SPELLMAN. My chairman makes a very good point.

Mr. MURPHY of New York. Mr. Chairman, will the gentlewoman yield?

Mrs. SPELLMAN. I yield to the gentleman from New York.

Mr. MURPHY of New York. Mr. Chairman, the school and university system in the zone would be a function of the Defense Department after October 1. And the Defense Department school system has no sabbatical program. That is why this provision is in H.R. 111.

Mrs. SPELLMAN. Exactly.

Mr. MURPHY of New York. The teachers in the Canal Zone are paid at the Washington, D.C. wage base. It is nothing extraordinary. I think most educational institutions have sabbatical leaves. We in effect would be taking away something from these teachers. This can only take place once in a 10-year period. We want to try to keep an upgraded faculty, and I certainly am in full support of the gentlewoman's position.

The CHAIRMAN. The time of the gentlewoman from Maryland (Mrs. SPELLMAN) has expired.

(On request of Mr. COURTER and by unanimous consent, Mrs. SPELLMAN was allowed to proceed for 1 additional minute.)

Mr. COURTER. Mr. Chairman, will the gentlewoman yield?

Mrs. SPELLMAN. I yield to the gentleman from New Jersey.

Mr. COURTER. I thank the gentlewoman for yielding.

Mr. Chairman, the gentlewoman indicated that there would be no additional benefits by virtue of this part of the bill to those teachers that exist there right now and are working in Panama.

It is my understanding that the benefits that they receive now with regard to sabbatical leave are 6 months; is that correct?

Mrs. SPELLMAN. The benefits that they receive today would be very close to what they would be getting in this bill.

Mr. COURTER. The gentlewoman does not recall that they are 6 months?

Mrs. SPELLMAN. No, I do not. I am sorry.

Mr. COURTER. The sabbatical leave they have now does not provide, as I understand it, for additional benefits by ways of cost of travel, et cetera, is that correct, and that this bill does do that?

Mrs. SPELLMAN. This bill is based on one we just passed on civil service reform, and we are attempting to make uniform the various sabbaticals of teachers around the world. I dare say that, when the Defense Department initiates its program, which we have been asking them to do, it will be based on this very same bill.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New Jersey (Mr. COURTER) to the amendments offered by the gentleman from New York (Mr. HANLEY) as amended.

The question was taken; and on a division (demanded by Mr. COURTER) there were—ayes 14, noes 35.

So the amendment to the amendments, as amended, was rejected.

The CHAIRMAN. Are there other amendments to the amendments offered by the gentleman from New York (Mr. HANLEY)?

Mr. COURTER. Mr. Chairman, I demand a recorded vote, and pending that, I make the point of order that a quorum is not present.

The CHAIRMAN. The gentleman did not seek a recorded vote in a timely fashion before the Chair had announced the result of the vote and had moved on to ask whether there were other amendments.

It is the ruling of the Chair that the demand was not timely made.

Mr. SOLOMON. Mr. Chairman, speaking for the minority leadership on this side of the aisle, the gentleman has been trying to be recognized by the Chair, and it would have been timely if the gentleman had been recognized.

The CHAIRMAN. The Chair will say to the gentleman that the gentleman has a microphone, and if the gentleman seeks to demand a recorded vote he should use a microphone for that purpose.

The Chair does not feel that the gentleman from New Jersey (Mr. COURTER) made a timely demand for a recorded vote.

Are there other amendments to the amendments offered by the gentleman from New York (Mr. HANLEY)?

If there are none, the question is on the amendments offered by the gentleman from New York (Mr. HANLEY), as amended.

The amendments, as amended, were agreed to.

AMENDMENT OFFERED BY MR. MURPHY OF NEW YORK

Mr. MURPHY of New York. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. MURPHY of New York: Page 153, line 21, after the period insert the following: "Any transfer or assumption (including any agreement for such transfer or assumption) pursuant to this subsection shall be effective only to such extent or in such amounts as are provided in advance in appropriation Acts.".

☐ 1640

Mr. MURPHY of New York. Mr. Chairman, I ask unanimous consent to withdraw the amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

AMENDMENT OFFERED BY MR. TREEN

Mr. TREEN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. TREEN: On page 170, line 6, insert as a new subsection (c) the following:
>
> (c) Costs prescribed under this section for interest, depreciation and capital for plant replacement, expansion and improvements may be recovered through a toll surcharge. Except where otherwise required by international treaty to which the United States is a party, in establishing such toll surcharge rates, credit may be given for the capital investment of the United States in the Panama Canal (as of the date this section becomes effective) with respect to the toll surcharge on cargo originating in or destined for the United States or the Republic of Panama.

Mr. TREEN. Mr. Chairman, this amendment is very simple. It has to do with the toll structure for use of the canal in the section of the bill to which my amendment applies. We outline the various items of cost which go into the rate structure; the items to be recovered by tolls are: First, operational costs, including the tonnage payment to Panama of 30 cents per ton; and certain capital costs such as depreciation, interest, replacement, and expansion of the canal.

What my amendment does is to permit the Commissioners, the nine Panama Canal Commissioners—and I stress permit, this is not mandatory—to allocate the rate structure in a way that rates would reflect the operational costs, and capital costs, separately. The total costs of the canal which will have to be recovered in tolls for fiscal year 1980 is about $303 million. Of that, about $61 million represents depreciation, interest, and capital for expansion and improvement.

What my amendment says is that cargo that originates in the United States of

America or that is destined for the United States, should not have to pay these capital costs. In effect, it says we have paid for the canal once. We have ceded it under the treaty to Panama. Let us not exact from the American consumer, or the American businessman or workingman trying to sell his goods abroad, let us not exact the capital costs again.

If you are interested in the figures, the total rate would have to be about $1.66 per ton, if we put all costs in. If we separate out the operational costs from the capital costs, the operational cost per ton would be $1.34. The capital cost per ton would be 32 cents per ton. My amendment would exempt cargo originating in or destined for the United States from the 32 cents per ton charge. Thus, the net cost per ton for such cargo would be $1.34 per ton. Foreign cargo would be charged an additional 15 cents per ton, or a total of $1.81 per ton.

Under my amendment the United States will be credited, in effect, for the capital investment that has already been made.

It is fair. It will help us in international trade competition, and for U.S. consumers it will lessen the cost of goods that come through the canal.

Mr. MURPHY of New York. Mr. Chairman, will the gentleman yield?

Mr. TREEN. I yield to the gentleman from New York.

Mr. MURPHY of New York. I thank my colleague, who is a very valuable member of the committee.

We debated this amendment very narrowly in the committe, and the committee at this point is willing to accept the gentleman's amendment.

Mr. TREEN. I thank the gentleman very much.

Mr. BAUMAN. Mr. Chairman, will the gentleman yield?

Mr. TREEN. I yield to the gentleman from Maryland.

Mr. BAUMAN. I thank the gentleman for yielding.

I wanted to compliment the gentleman for yielding.

I wanted to compliment the gentleman from Louisiana for offering an amendment that is of great importance to the ports of the east coast, gulf coast, and the west coast and will go a long way toward offering a more equitable division of the tolls. He is to be commended by the House for his efforts.

Mr. TREEN. I thank the gentleman.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Louisiana (Mr. TREEN).

The amendment was agreed to.

The CHAIRMAN. Are there other amendments to title I?

AMENDMENT OFFERED BY MR. MURPHY OF NEW YORK

Mr. MURPHY of New York. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MURPHY of New York: Page 153, line 21, after the period insert the following: "Any transfer or assumption (including any agreement for such transfer or assumption) pursuant to this subsection shall be effective only to such extent or in such amounts as are provided in advance in appropriation Acts.".

Mr. MURPHY of New York. Mr. Chairman, I offer this amendment in accordance with my pledge to the Committee on Rules to cure technical violations of section 401(a) of the Budget Act. Section 401(a) of the Budget Act prohibits consideration of legislation for new contract or borrowing authority unless that authority is specifically made subject to amounts provided in advance in appropriations acts. In section 241 of H.R. 111 authorization is provided for the Panama Canal Commission and the U.S. Postal Service to enter into agreements which include assuming obligations of the other agency. This may be construed as contractual type authority without subjection to appropriations. Consequently, my amendment makes it clear that appropriations acts will rule the assumption of obligations.

Certainly there is nothing in this amendment inimical to the basic concept of H.R. 111, which emphasizes the use of the strict annual appropriations process to scrutinize the finances of the Commission and the obligations of the United States under the Panama Canal Treaty.

I urge the adoption of the amendment to conform with budget process.

The CHAIRMAN. The question is on the amendment offered by the gentleman from the New York (Mr. MURPHY).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. BIAGGI

Mr. BIAGGI. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BIAGGI: Section 250 is amended to include new subsection (d) which reads as follows:

"(d) No payments may be made under the provisions of subsections (a) and (b) of this section during any period that there are outstanding, unpaid, uninsured claims of United States citizens or United States corporations against the Republic of Panama for the value of property, real and personal, which had been owned or controlled by such United States citizens or corporations and which has been nationalized, expropriated, occupied, or seized by the Republic of Panama: *Provided*, That (1) any such claim for compensation shall have been presented to the Republic of Panama and remained unsettled and unpaid for a period of at least six months; (2) the Panama Canal Commission shall have been notified of the amount and basis of any such claim by the claimant after such six-month period; and (3) the Panama Canal Commission has determined, within thirty days of the date such notification is given to it, on the basis of the information submitted to it by the claimant and any supplemental information resulting from its own investigation, that the claim is not frivolous and without any meritorious basis. The Commission shall, within sixty days thereafter, appoint a qualified appraiser who shall determine the fair market value of the property taken, whose findings as to value shall be made ninety days after appointment and be binding on the parties thereto. For purposes of this subsection, property 'owned or controlled by such United States citizens or corporations' includes property owned or controlled either directly or indirectly through ownership of securities, through the power to elect directors or to direct or cause the direction of management or policies, or otherwise."

Mr. BIAGGI (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

(By unanimous consent, Mr. BIAGGI was allowed to proceed for an additional 5 minutes.)

The CHAIRMAN. The gentleman from New York (Mr. BIAGGI) is recognized for 10 minutes in support of his amendment.

☐ 1700

Mr. MOTTL. Mr. Chairman, will the gentleman yield?

Mr. BIAGGI. I yield to the cosponsor of the amendment, the gentleman from Ohio (Mr. MOTTL).

Mr. MOTTL. Mr. Chairman, I certainly appreciate the gentleman's yielding.

Mr. Chairman, I rise to assist in offering the Biaggi-Mottl amendment to the pending legislation, which amendment was accepted by the Panama Subcommittee to H.R. 111, but by two votes was deleted in full committee on the grounds of a clear misunderstanding regarding technicalities of treaties.

Our amendment simply provides that no payments are to be made to Panama during any period in which there are outstanding claims of American citizens for compensation for property expropriated by the Panamanian Government. The Panama Canal Commission is to determine whether any claim is valid and not frivolous, and if it determines that a claim is valid, it is to appoint a qualified appraiser whose appraisal will be binding on the Panamanian Government and upon the parties concerned. There should be no objection to this amendment by either the Department of State or the Panamanian Government. Clearly, if there is one precept of international law that is recognized by the United States and all governments, it is that, while all States have the right of eminent domain, the exercise of that right must be coupled with the payment of just compensation. This is what this amendment will assure.

There are those who say that the amendment constitutes a technical violation to the treaty, because it conditions the payment of moneys under the treaty. I would say to my colleagues who feel this way that they are wrong on two counts. First, if it is a technical violation of the treaty, then the whole bill is a technical violation of the treaty since the bill conditions payments on yearly appropriations, and it is obvious this Congress cannot bind future Congresses. In the same vein, if this constitutes a condition on payment, then it cannot be distinguished from section 250(c) of the committee bill, which prevents payment if the Panamanian Government imposes retroactive taxes on American-owned industry. On this point some say that this language was agreed to by letter between Panama and the United States, but I point out to my colleagues that the letter was subsequent to the treaty and in no way lessens the provision from being a violation, if in their concept this amendment is a violation.

I would, however, like to point out to my colleagues that in no case is this bill in violation of the treaty; in no case is section 250(c) in violation of the treaty, and in no case is my amendment in violation of the treaty.

Two leading authors on international law and diplomacy have stated clearly that on treaties that are not self-executing the Congress has the right to interpret the treaty independently, particularly when it is considering implementing legislation. I quote:

> Congress, too, has occasion to interpret a treaty when it considers implementing legislation or other legislation on the same subject . . . Both Congress and the courts have claimed the right to interpret a treaty independently, even while admitting that the Executive's interpretation is entitled to "Great Weight." L. Henkin, *Foreign Affairs and the Constitution*, 167 (1972).
>
> A great deal of treaty interpretation . . . devolves upon the President and Congress. For non-self-executing treaties as indicated, this is effected by legislation; and Congress, in considering the necessary enactments, fills in many of the details of elucidation. E. Plischke, *Conduct of American Diplomacy*, 329-330 (1950).

I would also like to point out to my colleagues that there is absolutely nothing in the treaty which sets forth the mode, time, or method of payment. That is what the implementation legislation is about; that is what our amendment is about. Our amendment is merely to protect American interests in Panama, and it is no different than section 250(c) already accepted in the bill, which similarly offers protection to American interests in Panama.

In a number of cases in the past the Department of State has failed to invoke the legislative remedy enacted by the Congress through the Hickenlooper and Gonzales amendments. The failure to use these legislative tools by the Department of State is just one more reason why we need to take this extra step with our amendment to protect the rights of American citizens doing business in Panama. Past history has clearly shown that we need an American desk in the Department of State to protect the rights of Americans. As to the question of seeking a remedy in the courts to impose Hickenlooper and Gonzalez, the U.S. District Court in Washington, D.C., has held that it lacks jurisdiction to entertain any lawsuit for this purpose.

Now there are those in the State Department who say the Hickenlooper amendment requires compliance with international law, and that if you are doing business in a foreign country, international law requires that you subject yourself to the foreign courts. Therefore, they say, you must seek legal redress in the courts of the country involved before that amendment can be invoked. However, we would like to point out to our colleagues that this is an interpretation solely made by the Department of State; that there is nothing in the law which requires such an interpretation; and that it has been well accepted by the Department of State and by legal scholars that where such legal steps would be futile, it is not necessary for the imposition of the Hickenlooper amendment. Therefore, if the State Department feels that the amendment we offer is onerous, but feels that Americans have been aggrieved and knows they have no other recourse, I ask you why they have not imposed the laws that Congress has given them to use.

Therefore, Mr. Chairman, we offer this amendment not only to cure existing situations in Panama, but also actions that might take place in the future. History has shown that the rights of Americans in Panama will not be protected by the Department of State. It is clear to me that no Member of this House should object to protecting the rights of American citizens, and that is what this amendment does.

There are approximately 107 American corporations in Panama; plus many American individuals who own property there.

I ask that you enthusiastically support this amendment and I yield back to my distinguished cosponsor of the amendment, the gentleman from New York.

Mr. Chairman, I thank the distinguished coauthor of the amendment, the gentleman from New York (Mr. BIAGGI), for yielding.

Mr. BIAGGI. I thank the gentleman for his statement.

Mr. Chairman, I join with my colleague from Ohio in offering this important amendment to H.R. 111, the Panama Canal Treaty Act of 1979. Our amendment is clearly complementary to the intent of this legislation, which is simply, to insure that American interests are fully protected under the terms of the implementation of the Panama Canal Treaty.

Our amendment addresses a vital American concern—that of timely and just settlement of claims when expropriation, seizure, or nationalization is undertaken by the Government of Panama. Expropriations of American businesses in Panama is by no means uncommon. The fact is that in this decade alone we are aware of five major expropriations of American-owned corporate assets. In not one of these cases was just compensation provided. In at least two of these cases no settlement has been reached.

The concern we have here is twofold: One is as Americans. This is an American issue. It involves American business, American workers and American prestige. It is a fair statement that the American image has been tattered by virtue of the Panama Canal Treaty. Many in this Nation, including myself, feel that we gave too much away too soon, for too little in return. H.R. 111 is based on this premise, as is our amendment.

Our second concern is one of justice. Before this Nation undertakes the payment of millions of dollars to Panama, we must have all the outstanding acts of expropriation settled in a reasonable fashion. Our amendment specifically conditions payments to settlements as it should have been all along.

I recognize that we are advancing a rather strong solution. However, I must note that we feel compelled to offer this amendment as a result of our deep frustration created by the foot-dragging of our own Department of State. The fact is that there are recourses available under law; namely, the Hickenlooper and Gonzalez amendments which can be invoked to insure just compensation. Yet the State Department, using the guise that active negotiations are being conducted, has failed to exercise its authority to invoke these amendments. Factually, their claim is a farce. No meaningful negotiations have or are being conducted. Thus, there is a need for this amendment.

The question we must ponder in this debate is, Do American citizens and businesses have any protection against acts of economic aggression by Panama? Is the State Department a sufficient advocate of U.S. interests? If we fail to address this issue squarely today, will it invite further acts by Panama who will feel comforted by no threat of U.S. reprisals? Will the potential for future Panama acts have a chilling effect on the more than 100 American businesses operating in some degree in Panama? These are all basic questions which must be answered in the course of this debate. I am prepared to defend this amendment, on legal grounds and on moral grounds.

The idea of a carte blanche payment of funds to Panama without rectifying past abuses symbolizes irresponsibility of the highest order. Expropriation is an act of economic aggression, the significance of which should not be overlooked by anyone in this Chamber. The fact is that the offending nation is Panama, and this necessitates a further look. Justice for American businesses and citizens is as important a policy objective as anything addressed in this treaty. Unfortunately, neither the treaty, nor H.R. 111 as reported address this issue of expropriation compensation.

There are a considerable number in this House who feel that the United States is getting the shorter end of the stick in this treaty. This perception is not without some merit. I make an appeal for support of this amendment, to those who want America to be fully protected under this treaty, for those in this House who believe in justice and propriety, for those who believe in the right of Congress to act when the executive branch has failed. The record of the Department of State in resolving these expropriations matters is dismal. We must not accept this as the status quo. Let us go on record in support of an American concern. Let us demonstrate our commitment to the vast American business interests in Panama. Cast your vote for the Mottl-Biaggi amendment.

The CHAIRMAN. The time of the gentleman from New York (Mr. BIAGGI) has expired.

(By unanimous consent Mr. BIAGGI was allowed to proceed for 5 additional minutes.)

□ 1710

Mr. AuCOIN. Mr. Chairman, will the gentleman yield?

Mr. BIAGGI. I am delighted to yield to the gentleman from Oregon.

Mr. AuCOIN. Mr. Chairman, I appreciate the gentleman yielding. It is not without some degree of reluctance that I stand in opposition to his amendment, and also to ask him some questions about his amendment.

The gentleman makes reference to the Hickenlooper amendment, and there is also a Gonzalez amendment. Both are current law that are designed to protect American investors when there are cases of foreign expropriation. As does the gentleman from Ohio, the gentleman from New York seems to find fault with those two laws, and I am curious as to precisely why he finds fault. The gentleman from New York said that the State Department has not invoked the Hickenlooper amendment in the Citricos case, because it has claimed that there have been ongoing negotiations. I would say to my friend that I have in my hand a synopsis, a chronology of negotiations, of meetings between the parties dating back from September 1962, and continuing through to the week of June 15 of this year. It is a seven-page chronology indicating meetings or discussions between the parties.

The gentleman also mentions that there are other circumstances that are necessary before the Hickenlooper amendment is invoked, and he is right on that also; namely, that an aggrieved party seek remedy through the judicial process of the country involved. I would point out that the single major case in dispute in Panama, in that single case the company in question has never once attempted to go to the court to try to find relief through the judicial process.

For that, you cannot blame the State Department; for that, you cannot blame the U.S. Government; for that, you can only blame the company.

I wonder why the gentleman feels some such relief of the kind provided in his amendment, risking as it does the word of the United States, risking as it does a violation of the treaty, is necessary.

Mr. BIAGGI. I would be delighted to respond. To begin with, I do not agree that it is risking the treaty. The Hickenlooper-Gonzalez amendments make one very important condition—good faith negotiations. With relation to the Department of State, they remind me of my old law school professor, Milton Silverman. When the students were not familiar with the lesson of the day they would start asking questions. It was arranged that the students would be asking questions from all parts of the room, the purpose of which was to delay the moment of reckoning, because they were not prepared. Theirs were delaying actions. The professor had a very favorite expression he used when he finally realized what was happening. He said:

> The dilatory bombardiers are at work again.

The dilatory bombardiers in the State Department have been ceaseless in their tactics, and the Government in Panama has engaged in the same kind of dilatory tactics. With regard to Hickenlooper-Gonzalez, the aforementioned correspondence, as well as the meetings, does not in fact represent good faith negotiations. There is more than just one corporation involved. There are several others whose claims have been in limbo for inordinate periods of time.

Let me point out what was said in the Senate by Senator GLENN. He rose and he addressed himself to this condition. He has been concerned about it.

Senator GLENN said:

> Mr. GLENN. Mr. President, I rise to express some concern over a situation that came to my attention just today. It is, I think, with regard to the Panama Canal Treaty, a situation that could be worked on some over this legislative break of 1 week. It involves at least two companies, I have been advised, that have expropriation proceedings underway for which they are seeking recompense from the Panamanian Government at the present time.
>
> Their properties were expropriated, and adequate settlement has not been made up until this time. The procedure, as I understand it, is that in cases like this the State Department convenes an interagency committee which determines the validity of the expropriation claim and then decides what to do about it with the Panamanian Government. This interagency committee, I have been told today, meets next week.

That was the week following Senator GLENN's comments. He continued:

> I wish to express my concern that these expropriation matters be made a matter of high priority in the State Department and with the Panamanian Government so that they can be fully and adequately resolved before the treaty is signed.
>
> I share the concerns of the companies involved that if such disposition of these cases is not made prior to signing of the treaty their chances might obviously be diminished as far as getting just compensation for expropriated property.
>
> So, Mr. President, I hope that, with this being published in the RECORD of today's proceedings, the State Department will move as expeditiously as possible to get these matters resolved. I hope, also, that the Panamanian Government will cooperate to the fullest extent in seeing that this does get resolved so that this does not become a matter which we have to bring up closer to the date on which we might be voting on the treaty.

This was before the treaty. They managed to maneuver past the treaty ratification. Now the State Department and the Panamanian Government want to get by one more obstacle, H.R. 111. Remember Senator GLENN's was made on the 10th of February 1978.

Mr. AuCOIN. If the gentleman will yield further, I have a copy of the statement made by the Senator from Ohio, on February 10, 1978.

My question to my friend from New York is: What is the purpose of citing the statement of the Senator from Ohio at this stage?

Mr. BIAGGI. I thought it was obvious.

Mr. AuCOIN. The Senator from Ohio had an extension of remarks, but what bearing does that have on this amendment?

Mr. BIAGGI. I think it makes the point very clearly. Let me repeat, it makes the point very clearly. This whole dilatory conduct on the part of the State Department as well as the Panamanian Government before the treaty was signed highlights the attitude as far as expropriation and compenstion for the expropriation. If they were in fact in good faith, and they were so concerned about the treaty, they would have provided for the compensation before, but no, they engaged in the kind of dilatory bombardiering—to deny justice to American assets.

Mr. AuCOIN. If the gentleman will yield further, in a few moments I will have something to say about dilatory bombadiering as well, because there is some information I think my colleagues in the House need to know about the negotiations, and some information I think will be of interest to them. But I would not want any Member to think that the citation from the Senate record is in any way a statement of the senatorial intent as it debated the treaty. What we are talking about here is a statement inserted into the RECORD by the Senator from Ohio in something similar to an extension of remarks. It had no bearing on the debate whatsoever. In fact, in the single instance in which the Senate debated a provision comparable to this amendment—one which was less onerous and stringent than that the gentleman from New York and would have delayed foreign aid payments in cases of unresolved expropriation cases—on that question, when that question was brought to a vote, the Senate defeated that proposition. So there can be no mistake about what the Senate had in mind.

□ 1720

Mr. BIAGGI. If I may regain my time, the other body has not always been correct. The Senator's statement here makes it very clear "that compensation for expropriation should enjoy high priority."

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent Mr. BIAGGI was allowed to proceed for 5 additional minutes.)

Mr. DERWINSKI. Mr. Chairman, will the gentleman yield?

Mr. BIAGGI. I yield to the gentleman from Illinois.

Mr. DERWINSKI. Let me point out that I am certainly reluctant to debate the gentleman from New York because of his great expertise in foreign affairs.

Mr. BIAGGI. May I interrupt the gentleman to say I learned under his tutelage.

Mr. DERWINSKI. Mr. Chairman, I appreciate the gentleman's special expertise in dealing with Ireland and other areas in Europe. However, this is Panama.

The problem here is, and the gentleman may correct me, would it not be fair if someone were a critic of the position of the gentleman that a critic might wish to call this private legislation as opposed to something that legitimately belongs in this bill, since the beneficiary, as I understand it, is, in fact, just one company?

Mr. BIAGGI. Mr. Chairman, I feel the fact is the gentleman is incorrect.

Mr. MOTTL. Mr. Chairman, will the gentleman yield to me?

Mr. BIAGGI. I yield to the gentleman from Ohio.

Mr. MOTTL. I thank my colleague for yielding.

I think the gentleman from Illinois and also the gentleman from Oregon ask a good, intelligent question.

If this was just benefiting one party I would not have any part therein, but I think it is important that the State Department has shown no guts in our past history to withhold foreign aid in Hickenlooper and Gonzalez to help out individuals or corporations in the past.

Who will be the beneficiaries of this amendment? There is the Boston-Panamanian Co., the citrus company possibly, the Isthmus Timber Co. where over 100 Americans bought timberland years ago in Panama and had their property taken away without just compensation; 107 American corporations, many individuals who owned property in Panama will be the future beneficiaries of this amendment. That is why I think it is a pro-American amendment that will help our own people.

Mr. DERWINSKI. Mr. Chairman, will the gentleman yield to me at that point?

Mr. BIAGGI. I yield to the gentleman from Illinois.

Mr. DERWINSKI. I want to be sure I understand, Mr. Chairman. The gentleman speaks of the theoretical situation where 107 other American companies might have the same complication this one company has at the moment. Is that not stretching one's fears a bit too far?

Mr. MOTTL. There are three other companies, not one. There are three pending.

Mr. BIAGGI. The gentleman is incorrect. He made reference to just one company. There are other companies that, in fact, have not been dealt with fairly. There are no claims settlements, there are claims outstanding, and no good faith negotiations have taken place.

Mr. Chairman, more importantly, failure to redress the wrong, with even these isolated few would only serve to encourage the Panamanian Government to deal adversely with the assets of 107 other American corporations as well as the assets of American individuals in that area.

Mrs. FENWICK. Mr. Chairman, would the gentleman yield?

Mr. BIAGGI. I will be delighted to yield to the gentlewoman from New Jersey.

Mrs. FENWICK. I thank the gentleman for yielding.

I am interested in the comments of the gentleman from Oregon. I wondered if those cases which have not been satisfactorily settled, including the one mentioned by the gentleman from Oregon, in all cases did they comply with the Hickenlooper provision which is that they should go first to the courts? Why do they not do it?

Mr. BIAGGI. Mr. Chairman, the Hickenlooper provision said there must be good faith negotiations. There have not been good faith negotiations.

Mrs. FENWICK. Does it not say they must go to the court?

Mr. BIAGGI. I am responding to the gentlewoman's query. I am just telling the gentlewoman what the Hickenlooper-Gonzalez amendments provide. That is exactly the point. If there were good faith negotiations this thing would have been settled before the treaty was signed, certainly before the consideration of H.R. 111.

Mrs. FENWICK. Mr. Chairman, would the gentleman yield?

Mr. BIAGGI. No, Mr. Chairman, I reclaim my time.

If the outstanding claims are not settled at this time it is unlikely that the destiny or the fate of any American property subjected to the same treatment has a rather dismal prospect.

Mrs. FENWICK. Mr. Chairman, will the gentleman yield?

Mr. BIAGGI. I yield back the balance of my time.

Mrs. FENWICK. Mr. Chairman, I rise to strike the requisite number of words.

I would like to ask the gentleman from Oregon, if I may, did I understand correctly that one of the clauses of the Hickenlooper law is that companies should first go to a local court?

Mr. AuCOIN. Mr. Chairman, would the gentlewoman yield?

Mrs. FENWICK. I yield to the gentleman from Oregon.

Mr. AuCOIN. In response to my friend from New Jersey I would say the interpretation of the Hickenlooper amendment is that it will be invoked only in those cases when negotiations have hit an utter, complete snag and in those cases when the local judicial process has been thoroughly explored, traveled and has reached no conclusion.

I would further state to the gentlewoman that it must be understood that the basic value of Hickenlooper is the threat that it represents. If there is a dispute, the fact that the State Department can refer to the existence of Hickenlooper is more of a deterrent than invoking Hickenlooper in a case that has reached an impasse. If it has reached an impasse and Hickenlooper is invoked, there is not much more you can do. You cast the whole situation in concrete. It really represents more of a deterrent in the sense of a threat.

Mrs. FENWICK. I understand but what I am trying to find out is what has happened. In other words, if there is a clause that says the case should go to a judicial procedure and the company does not do so, what is the result?

Mr. AuCOIN. Mr. Chairman, that is the way the Government of the United States has interpreted the statute and in the case of the principal person who would be benefited by this amendment he has not even attempted to go to the courts in Panama.

Mrs. FENWICK. I thank the gentleman.

Mr. ECKHARDT. Mr. Chairman, would the gentlewoman yield to me?

Mrs. FENWICK. I yield to the gentleman from Texas.

Mr. ECKHARDT. I think it should be pointed out, what this amendment would provide is that the payments under subsections (a) and (b) would be withheld, not after anybody decides that the claim is meritorious, but after an administrative body, the Panama Canal Commission with five Americans and four Panamanians, determines the claim is not frivolous or that it is not without any meritorious basis. An appraiser is then appointed and the decision of the appraiser becomes final.

In effect, Mr. Chairman, the payment of the claim constitutes demand, almost blackmail, to pay the claim even though the merits have not been decided. Panama cannot get its ordinary payments under this on the basis of a mere determination that the matter is not frivolous, not that it is meritorious.

Mrs. FENWICK. I thank the gentleman for his comments.

Mr. Chairman, I yield back the balance of my time.

Mr. AuCOIN. Mr. Chairman, I rise to strike the requisite number of words and I oppose the amendment.

Mr. Chairman, this amendment may be one of the most difficult and one of the most dangerous ones that we will deal with in considering this bill. This amendment, if passed and if invoked, would cause the United States—make no mistake about it—to violate the terms of the treaty.

Of all the possible provisions that were considered in the Committee on Merchant Marine and Fisheries, of all the ones in which there was some dispute as to whether or not they were in keeping with the treaty, this is the single one in which the committee agreed would, if enacted, violate the terms of the treaty and that is the significant fact.

Let me speak to a couple of the contentions that the authors of the amendment have offered.

□ 1730

Mr. BIAGGI. Mr. Chairman, will the gentleman yield?

Mr. AuCOIN. I am going to be delighted to yield to my friend, the gentleman from New York, because the gentleman yielded to me; but I want to complete my statement first, as the gentleman did.

Mr. BIAGGI. All right.

Mr. AuCOIN. Mr. Chairman, this proposition would withhold payments to Panama which are guaranteed to Panama under the terms of the treaty. This condition on those payments are not contemplated by the treaty. They are not embraced in the treaty. They are entirely extraneous to the treaty. Therefore, they are in violation of the treaty. It would be considered by Panama, if adopted and made a part of the implementing law, and it would also be considered under international law to be a major and serious U.S. breach of the treaty and that, in turn, would mean something else. I want to call the Members' attention to this point of international law. A violation of that kind by the United States would invite, it would make legitimate, a similar violation on the part of Panama in its responsibility to live up to its terms of the treaty.

Think about that when you think about Alaskan oil going through the canal, when you think about the viability of that canal staying in operation for the best interests of the United States. Think about the possibility of Panama pulling the plug and saying, "If you are going to violate the treaty, we can, under international law, do the very same thing."

Now, that is bad enough; but the question has to be asked, why are we even considering an amendment that is as risky as this? We are considering it because there is one investor, one American investor who has mounted extreme pressure on the Congress of the United States to pass this amendment. His name is Mr. D. K. Ludwig. I have never met the gentleman. I am sure he is an honorable man.

He wants to protect his investment. I am sure he wants to get as much return on his investment and all investments as he possibly can. He happens to be one of the wealthiest men in the United States of America. Lobbyists for Mr. Ludwig have constructed—as you have seen in letters that have gone to you and to your offices—an elaborate series of novel theories, but specious theories, which try to reconcile their amendment to the language, intent and terms of the treaty.

They argue, as was argued by the authors of the amendment a moment ago, that H.R. 111 imposes two other conditions on our obligations to Panama; namely, the requirement that payments be appropriated and second, the prohibition of payments to Panama if Panama imposes retroactive taxes.

They conclude on that basis that the United States then is free to place whatever conditions it chooses on its own obligations to Panama.

Well, we ought to examine that.

The two conditions cited are absolutely distinct from the amendment being offered by my two colleagues, the gentleman from New York and the gentleman from Ohio.

Let me explain, first that the appropriations process is required under our Constitution. It is not a condition on our obligation to Panama. It is simply the procedure we follow internally to meet our obligations. Therefore, it is not a condition.

The CHAIRMAN. The time of the gentleman from Oregon (Mr. AuCoin) has expired.

(By unanimous consent, Mr. AuCoin was allowed to proceed for 5 additional minutes.)

Mr. AuCOIN. Mr. Chairman, the other extra condition that the authors of the amendment tell us that H.R. 111 imposes on treaty deals with retroactive taxation. It is true that his provision in H.R. 111 does impose a condition. But it is a condition which article IX of the treaty itself recognizes. It is not one that is extraneous to the treaty, separate from the treaty, or outside the terms of the treaty.

So, these two "conditions" are not precedents for imposing here in the House of Representatives—after a treaty has been signed by the two governments and ratified by the Senate of the United States—a total new condition.

Now, I think my colleagues might be interested in a little background about Mr. Ludwig and the one—I repeat, the one—major expropriation dispute now outstanding with Panama. This amendment is not a theoretical exercise designed to protect 107 investors in Panama or future investors in Panama. We have had no representation from any legal counsel from any of the firms currently existing in Panama to press for this amendment. That representation has come from only one source, and that is from Mr. Ludwig's law firm in Washington, one that I highly respect, but nevertheless, it comes from that single source. Keep that in mind.

No; this amendment is not designed to protect 107 American investors. This amendment is clearly designed to protect one investor, Mr. Ludwig. It has been inspired by Mr. Ludwig's Citrocose Corp., which is an orange plantation, a juice processor, which was taken over by the Panamanians in 1974.

I have looked at the facts in this case and I think my colleagues will find them informative.

More than 15 years ago Mr. Ludwig began to invest in western Panama. In 1962 he signed a long-term investment contract with Panama under which he gained significant tax concessions. The original idea of Mr. Ludwig was to mix Panamanian orange juice with U.S. Virgin Islands orange juice and import it into the United States—duty free. That was the idea.

A court decision, however, closed this hoped-for loophole and other problems arose, including bad labor relations and depressed world prices for the kind of juice in question. As a result, in September 1974 Mr. Ludwig's company, Citrocose, announced its intention, despite its contract with the Panamanian Government, that it was going to shut down the operations and, in effect, abandon its operations in order to cut its losses.

Mr. Ludwig then sought to unload his investment on the Panamanian Government. Negotiations with the government for the purchase of the property were inconclusive. In 1974 the workers were paid their severance pay. Operations ceased. The property was virtually abandoned.

Two months later, the Panamanian Government took over the operation and resumed production on the basis that a source of employment needed to be protected and that rotting fruit and produce in that area and in the orchards constituted a material health hazard.

Since that time negotiations have been held on a number of occasions between the Government of Panama and lawyers for Mr. Ludwig's firm. I cited the chronology a moment ago for my colleagues. In fact, at the initiative of our Embassy in Panama, the Farmers Cooperative, which had been running this business recently got in touch with Mr. Ludwig's lawyers. A meeting was held on May 7 in Washington, D.C. A lawyer for the Panamanian farmers flew up to Washington and indicated that the farmers were very interested in settling this matter in order to clear title to the land.

Since then, the farmers have tendered to Mr. Ludwig's firm a firm offer of $5 million in cash.

In short, there is every reason to believe that this dispute, Mr. Chairman, can be resolved.

The CHAIRMAN. The time of the gentleman from Oregon (Mr. AuCoin) has again expired.

(By unanimous consent, Mr. AuCoin was allowed to proceed for 3 additional minutes.)

Mr. AuCOIN. In short, Mr. Chairman, there is every reason to believe, based on that chronology I mentioned—even though it has been lengthy, but all legal proceedings are lengthy—there is every reason to believe that this dispute can be resolved and resolved through the normal measures and mechanisms that are available to U.S. investors across the world.

That fact, however, has not caused Mr. Ludwig's lawyers to halt their lobbying efforts on behalf of this amendment. Of course, if it would become law, it would allow them to set their own price for the value of the property, and if Panama refused to pay that inflated figure, payments guaranteed to it under a treaty signed and ratified by the U.S. Government would be cut off.

☐ 1740

That would be the precise effect of this amendment.

I will be blunt with my colleagues. This amendment is bad law. It is bad law. It is a private relief act. There is only one major dispute involved, and we all know who it is.

This amendment does violate the terms of the treaty, and it does so on behalf of a sophisticated American investor, perhaps the wealthiest American in the world. It does so in a situation that appears on the verge of a reasonable settlement.

I hope my colleagues will not doubt the fact that this is in violation of the treaty. It clearly is.

I want to add one final point. There was a reference made by my dear friend, the gentleman from New York, about good faith negotiations. Good faith negotiations are extremely important. I would say to my colleagues that it is as important for good faith negotiations to be exercised by our side as well as by the other side.

In that respect I want to call to the attention of my colleagues a report I have from the U.S. State Department about a meeting that took place during the week of June 15 where the Panamanian Cooperative representatives met in Washington with members of the legal firm for Mr. Ludwig, and during the discussions between the parties the Panamanian Cooperative did make the firm flat offer of $5 million in cash.

According to the cooperative's representative, the Washington, D.C., legal counsel for Mr. Ludwig expressed acceptance of this offer, but with an "if." And do the Members know what that "if" was? That "if" was simply this: If this amendment happens to fail. And so what are we being asked here?

The CHAIRMAN. The time of the gentleman from Oregon (Mr. AuCoin) has expired.

(By unanimous consent, Mr. AuCoin was allowed to proceed for 2 additional minutes.)

Mr. AuCOIN. Mr. Chairman, my colleagues can see what we are being asked. We are being asked to talk about this honorable body, the U.S. House of Representatives, being used by a single special interest, a single person, a billionaire, in a case that risks damaging the United States reputation and foreign policy, risks breaking our word in international law, risks retaliation on the part of the Panamanian Government itself, and exposes all the worse that could possibly be conjured up in terms of other peoples' conception of the American character.

Mr. Chairman, I urge my colleagues to reject this amendment for these and a host of other reasons. This is bad law. This is a private relief act, and even on that basis it has no merit.

Mr. MOTTL. Mr. Chairman, will the gentleman yield?

Mr. AuCOIN. I am pleased to yield to my friend, the gentleman from Ohio, for whom I do have high respect but not for his amendment.

Mr. MOTTL. Mr. Chairman, I certainly have the highest respect for my colleague, the gentleman from Oregon (Mr. AuCoin), but I am sure that he did not intentionally want to mislead our colleagues on the committee, which I think he has done.

Mr. AuCOIN. Mr. Chairman, I did not intend to mislead my colleagues, and I know that my friend, the gentleman from Ohio, does not intend to do so either.

Mr. MOTTL. Mr. Chairman, the gentleman said the sole beneficiary is going to be a Mr. Ludwig. I could not care less about a Mr. Ludwig.

Mr. AuCOIN. Mr. Chairman, my point is that there is only one major expropriation case in Panama right now. I know the gentleman talks about 107 firms, but there are not 107 expropriation cases in Panama. There is only one expropriation case in dispute, and in this one single case there has been a firm offer tendered by the Panamanians. According to the Panamanian side, the American investor has expressed acceptance of the offer.

Mr. MOTTL. Mr. Chairman, will the gentleman allow me to make an explanation?

Mr. AuCOIN. It is my time, and I wish the gentleman would let me finish my statement.

Mr. Chairman, the offer has been accepted if this amendment fails, but if it passes, we will obviously see that what transpires is that they will jack the price up even higher, and under the terms of the amendment it would allow payments to Panama under the treaty to be withheld unless Panama paid whatever price the American investor feels was reasonable. That is not fair; it is wrong.

Mr. Chairman, I will now yield to my friend, the gentleman from Ohio (Mr. Mottl).

Mr. MOTTL. Mr. Chairman, I will take my own time.

Mr. BONIOR of Michigan. Mr. Chairman, will the gentleman yield?

Mr. AuCOIN. I yield to my friend, the gentleman from Michigan.

Mr. BONIOR of Michigan. Mr. Chairman, I thank the gentleman for yielding.

I would like to congratulate the gentleman from Oregon (Mr. AuCoin) on the diligence and research and the effort he has put into this amendment. I think the gentleman points up very well the treaty violation possibilities.

The CHAIRMAN. The time of the gentleman from Oregon (Mr. AuCoin) has expired.

(On request of Mr. Bonior of Michigan, and by unanimous consent, Mr. AuCoin was allowed to proceed for 1 additional minute.)

Mr. BONIOR of Michigan. Mr. Chairman, will the gentleman yield further?

Mr. AuCOIN. I yield to the gentleman from Michigan.

Mr. BONIOR of Michigan. Mr. Chairman, I congratulate the gentleman for the diligence that he has devoted to this issue.

We defeated this narrowly in committee, and so I suspected this would be a difficult issue to deal with on the floor because of the interests we seem to be bucking on this issue.

I would hope the Members would pay attention to what the gentleman from Oregon (Mr. AuCoin) has said.

There is one other comment I would like to make briefly, and that is that the record on the part of the Panamanian Government in terms of dealing with this issue is excellent. It is not firmless, it is not so-so. They have been good in terms of dealing with these issues; they have been fair.

Mr. Chairman, I hope the Members will consider that also when we consider the amendment, and I thank the gentleman for yielding.

Mr. BAUMAN. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I think it is unfortunate that the expropriation dispute with Panama, one of many that exists, is being debated on this floor, as it has been previously debated in our committee.

However artfully or inartfully drawn the amendment may be from the viewpoint of its opponents and although we may not know the specific problem that exists, we know there is a problem that has existed historically with several governments of the Republic of Panama.

I do not want to get into a detailed discussion of the case of Ludwig versus Torrejos, or whatever the style of the pending matter down there is. The truth of the matter is that the Panamanian Government recently and historically has repeatedly expropriated and nationalized U.S. properties without offering compensation.

Reference was made to the Isthmian Timber Co. case which has been pending for 40 years, and in which a great many Americans lost money and have never been compensated. The Boston-Panama case has been pending since 1969, and this particular case, which has been pending for 6 years is yet another example.

We have been told the Panamanians have negotiated in good faith over a period of time and are trying to settle this issue. I do not know where that information came from. I happen to have listened to the gentleman's most eloquent description of the negotiations, and I am not a party to that information.

I do know that before the Committee on Merchant Marine and Fisheries there was not any agreement indicated by the representatives of the Panamanians, and the State Department could not have cared less about helping settle this issue.

We talked with U.S. Ambassador Ambler Moss repeatedly when we were in Panama about various issues, and we were assured these expropriation matters would be taken care of swiftly and expeditiously and finally settled. Then when we got back here, we talked with other people who appeared before our committee, including the former gentleman from Ohio, Mr. Stanton, who is one of the attorneys in this case, and found there had been no progress made and no movement on the part of the Panamanians.

Let me also bring to the attention of the committee this additional problem we found in our hearings. At one point in February, when the subcommittee met with the members of the Panama Canal Authority, which is the Panamanian counterpart to the U.S. transition team we had down there working out the transition of the treaty, we were told flatly that the Panamanian Government on October 1 would seek to enforce taxation judgments, retroactively, against American corporations and Zonian corporations incorporated under our laws during an unlimited period.

In one case the Canal Zone's only bus company, an American-owned firm incorporated under zone laws, was also the subject of a $2 million Panamanian judgment which would have wiped out the bus service. It took us almost 6 weeks and a second trip to Panama, ordered by the chairman of our committee, the gentleman from New York (Mr. Murphy), in order to get the State Department to address the issue of retroactive taxation that everyone conceded is prohibited under the treaty.

After 6 weeks we finally got a definitive statement from the Panamanians that they did not mean what they said when they stated they were going to use their alleged tax authority, as soon as they got jurisdiction over the Canal Zone on October 1.

That is the climate in which this particular Panamanian Government has operated in the past. The gentleman from New York (Mr. Murphy) can tell us about the case of the Fusee et Luminiere, Ltd., a company owned by the Boise Cascade Co. A few years ago this U.S.-owned electric company in Panama City was visited by the Panama Guardia Nacional. They marched in and just took over the electric company from the American firm and told them to get out, that it was now Panamanian property. It took action by this House to force a settlement in that case.

That is the atmosphere in which we operate here. We may criticize the language, we may not like the consistencies or the inconsistencies in the treaties, but I do think this is a legitimate subject in this debate that the gentleman has raised by offering his amendment.

☐ 1750

Mr. LAGOMARSINO. Mr. Chairman, will the gentleman yield?

Mr. BAUMAN. I yield to the gentleman from California.

Mr. LAGOMARSINO. I thank the gentleman for yielding.

Mr. Chairman, the gentleman from New York (Mr. BIAGGI) made a good point in his remarks a little while ago in talking about the viewpoint of the State Department with regard to this and similar issues.

I might point out to my colleagues that several years ago then President Luis Echeverria, of Mexico, proposed to the United Nations a charter for a "New International Economic Order." One of the provisions on that charter talked to the question of expropriation of property. And although we agreed, the United States agreed with the idea that nations can appropriate property and the right of eminent domain, we objected to the lack of a statement in that proposal, in that economic order charter, requiring that compensation be paid for appropriated property. And for that, and for several other reasons, our U.N. delegation on direction of the State Department vetoed the passage of that particular document in the United Nations. Here we have, apparently, the same State Department that was so active in opposing that proposal concerning appropriation for that reason opposing this amendment. I think the amendment should be adopted.

Mr. BOWEN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I want to commend my good friends, the gentleman from New York and the gentleman from Ohio, for bringing this matter to the attention of the House. I think that it is well that we should think about it. Certainly the discussion which is taking place here in this committee today may well apply some substantial pressure upon both parties involved in negotiations, and I sincerely hope that they can bring the negotiations which are now underway to a rapid conclusion.

I think, however, that it would be extremely unwise for the House to adopt the amendment which has been offered today, particularly in light of the fact that the negotiations are now taking place under the shadow of this legislative consideration. Certainly, if I were the richest man in the world, Mr. Ludwig, I would not be in the frame of mind to settle this matter if I thought that the U.S. Congress would bail me out, which, of course, is exactly what he is waiting on. I presume that when we finish completion of this legislation and if this language is not in there, then the two parties will go ahead and arrive at an amicable settlement. Perhaps it will be in the realm of $5 million in cash, which the cooperative has apparently offered the Citrocose Corp. Perhaps it might be some other figure. In any event, it seems to me very dangerous and certainly inimical to what we are attempting to do today to deny all payments to Panama, not just enough payments to cover this claim, but every single dollar of payments to Panama spelled out in the treaties, simply because the claim has been filed.

As a number of others, the gentleman from Oregon, the gentleman from Texas, and others, have pointed out, all that is necessary to qualify a claim is that it not be frivolous. It does not have to have a great deal of merit to it, so long as it is simply not frivolous. And so long as it is not frivolous, then the Government of Panama is liable to having all payments removed from it until they are willing to pay what I think in in all honesty has been described as a kind of blackmail.

I have the greatest respect for the law firm that is representing Mr. Ludwig. They are good friends of mine, and I want to commend them on the fine lobbying job they have done here on the House of Representatives. I think that lobbying is a desirable part of the legislative process. But I simply do not think that a private bill of this kind, designed to provide relief for a private firm, a bill that probably should have been offered as a separate bill and referred to the Committee on the Judiciary and dealt with as a private bill, is appropriate to be attached to this legislation. It would be a rather obvious and blatant violation of the treaties if Panama, for example, should attempt to place additional conditions upon the treaties, should attempt to tell the United States that the Panama Canal Commission should be paying them 40 cents a ton rather than 30 cents, or paying them $20 million instead of the $10 million in the treaty for the annual annuity. That would be the same kind of process that is being attempted right here, a unilateral rewriting of the treaty.

Mr. MOTTL. Mr. Chairman, will the gentleman yield?

Mr. BOWEN. I yield to the gentleman from Ohio.

Mr. MOTTL. I thank the gentleman for yielding.

Mr. Chairman, the committee has already provided conditions that could be considered in violation of the treaty. Section 250, subsection (c), provides that no payments are to be made to Panama during any time that it levies retroactive taxes on businesses and organizations in the former Canal Zone. All we are providing by this amendment is subsection (d) that sets up a fair standard in which to provide American businessmen, individuals, and corporations that have had their property expropriated with just compensation.

Mr. BOWEN. I thank the gentleman.

Mr. Chairman, I believe, as the gentleman from Oregon has pointed out earlier, as we all know, the treaty does have a very explicit provision which says there may be no retroactive taxes. The gentleman from Maryland and I, and others, went to Panama and discussed that matter with their leaders, and they reaffirmed that position.

Of course, one or two other cases have been mentioned. For example, the Isthmian Timber and possibly the Boston Panama case are also those that have been mentioned. But those are not expropriation cases. Those were properties that were foreclosed for tax liens and are absolutely different from the Citrocose case. This is the only expropriation case pending. I do want to assure the Members that the Republic of Panama has its faults, and I have been among those who have been prompt to point them out. But one of the things that is the foundation of the economic survival of that nation is that they want to attract private enterprise, they want to have a good working relationship with the private investors of the world. They certainly are not in the business of expropriation. Here is a firm that went ahead, expected to make a quick bundle of money and then bailed out. Unfortunately, it found it was not going to make the money that it thought it was going to make. It failed to honor a contract.

The CHAIRMAN. The time of the gentleman from Mississippi (Mr. BOWEN) has expired.

(By unanimous consent, Mr. BOWEN was allowed to proceed for 1 additional minute.)

Mr. BOWEN. The contract provided for a 1-year notice to be given, a 1-year option. Unfortunately, Mr. Ludwig did not feel like providing that 1-year option before abandonment. He dumped the whole works, and then a cooperative which wanted to keep several hundred Panamanians employed came in to operate the enterprise. At that point Mr. Ludwig saw a pot of gold at the end of the rainbow. He felt he could extort a large amount of money from Panama, and here was the golden opportunity, the Panama Canal legislation.

So I want to urge the Members to vote against this private legislation relief for one billionaire. I do not think it would be in the interest of the House to do this. It would gravely jeopardize the process of what we are attempting to do here today and would be a clear and obvious violation of the treaty.

Mr. DERWINSKI. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, I would like to point out that this is not an easy subject to debate. First, there is the very technical legal case that is involved here. There is, as Members have indicated, the practicality of what might be called special interest legislation. Then more than that, there is this word "expropriation." Obviously, none of us want to do anything that would adversely affect any American company subject to expropriation. But let me go to the broader point. May I remind the Members of the House that the Panamanian economy is tied to the canal and tied to the economy of the United States. It is absolutely illogical and impractical for the Government of Panama to develop a pattern of expropriation. If they did, it would immediately dry up

American investment. Without American investment its economy would collapse.

If we look at that logic, it is in the interest of the Government of Panama to encourage U.S. investment, to encourage U.S. economic presence, because its economy is based on the dollar.

With that point—and I think that point is logical—the argument raised by my good friend, the gentleman from New York (Mr. Biaggi), that 107 other American companies are threatened if this amendment is adopted has to be considered in a different light.

Mr. BIAGGI. Mr. Chairman, will the gentleman yield?

Mr. DERWINSKI. I will yield in just a minute. Let me point out that I realize that the gentleman from New York is one of the most skillful debaters we have ever had in the House. In fact, I think he is even a bit better than his colleague, the gentleman from Brooklyn (Mr. Solarz). I yield to the gentleman.

Mr. BIAGGI. I thank the gentleman for yielding.

Mr. Chairman, I have high regard for the general accuracy of the gentleman from Illinois (Mr. Derwinski). But this is one occasion where the gentleman proved the rule by being the exception.

I did not say that there were 107 corporations which were being threatened. I referred to them as being targets, possible targets, possible victims. In the light of past conduct of the Republic of Panama, I am very grateful that I do not own any shares of stock in any one of those 107 companies.

□ 1800

While we are talking about the various corporations, and we characterize it as a single corporation, thinking in terms of the tens of thousands of stockholders who will suffer or have suffered in the past, and if I may, and I know the gentleman is very kind with his time, as far as this argument being reduced to a single personality, I have as much familiarity with that individual as the gentleman from Oregon. I have never met him. I really do not think that is the point.

He has been described in many ways as a billionaire, as a corporate enterpriser, but one thing they forgot; one thing that has been omitted, everyone forgot to say he was an American. He was an American.

Mr. DERWINSKI. At that point, and let me say to your audience here to my right, this is exactly the kind of rhetoric and the kind of reaction to it that does a disservice to the House of Representatives and a disservice to this issue.

Let me go back again to your 107 targets. Now, I had earlier said that the gentleman from New York was telling us 107 American companies were threatened.

Now, the gentleman has corrected me and said they are possible targets.

At this point—and correct me if I am wrong—is it not a fact that the Panamanian economy is tied to the U.S. economy? Is it not a fact that they need American investment? Is it not a fact that they encourage American capital?

Is it not a fact that they would be cutting off their nose to spite their face if they targeted 17, much less 107 companies?

Mr. BIAGGI. If the gentleman will yield further, was it not always tied to U.S. economy, and yet, notwithstanding that dependence, did they not nationalize? Did they not expropriate?

The CHAIRMAN. The time of the gentleman from Illinois (Mr. Derwinski) has expired.

Mr. DERWINSKI. Mr. Chairman, I ask unanimous consent to proceed for 2 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

Mr. GRAMM. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

Mr. SLACK. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I rise in support of this amendment.

I wish to compliment the gentleman from New York (Mr. Biaggi), as well as the gentleman from Ohio (Mr. Mottl), for sponsoring this amendment.

In my judgment, there has not been good faith in the negotiations with respect to the outstanding claims.

Let us take the case of the Boston-Panama Company. Their land was seized in 1969. Ten years later, the claim is still pending. I could assure the committee if this goes beyond October 1, that will be the end of this pending claim.

In my judgment, this amendment should be passed.

Further, in my judgment, the State Department has stalled on more than one occasion with respect not only to this claim, but others. I feel that it is extremely important that this amendment be passed, to protect American interests in Panama.

Mr. BIAGGI. Mr. Chairman, will the gentleman yield?

Mr. SLACK. I yield to the gentleman from New York.

Mr. BIAGGI. I thank the gentleman from West Virginia (Mr. Slack) for his support of the amendment and for yielding.

Bear in mind, the gentleman is chairman of the subcommittee that deals with the Department of State. It is unusual, extraordinary to say the least, to have the chairman of that committee be so critical of the Department of State's tactics, but it is so flagrant in this instance that it compelled that kind of comment in support.

With relation to these pending claims and good-faith negotiations and bringing them right into the shadow of this legislation, as it was so characterized, is merely a tactic.

Once H.R. 111 is passed, any possibility of being compensated is lost given past experience in this area.

The gentleman from Oregon said, concerning the Panamanian Government, a group of farmers came up and were offered $5 million. That is not true. That is simply not true.

There was an offer made. It was not a bona fide offer. There was no substance to it. It was not $5 million. It simply was an act designed to give the impression that negotiations were underway—I am very gratified that the gentleman from Oregon is so well informed, probably by the Department of State that spent more time opposing this amendment than trying to get compensation and correcting the condition.

The claim of Citricos Corp. has been pending 5 years. Others have been pending 40 years. Does this represent good-faith negotiations? The Senator from Ohio (Mr. Glenn), before the treaty, implored the Department of State to make genuine efforts to reconcile these differences. They got by the treaty, and nothing was done.

Now we are down here dealing with H.R. 111. Nothing has been done, and nothing will be done unless we pass this amendment—now about Mr. Ludwig, the principal of Citricos, I have never met him. I do not expect I ever will. But it is more than Ludwig. It is principle. I repeat, it is a matter of principle.

If some other government in South America went forward and nationalized, expropriated a huge industry that had American stockholders, there was a hue and cry; and I could hear the voices on the floor of the House cry out in outrage, anguish, be critical; rhetoric, but alas, words were cheap. A bartender once said, "Talk is cheap. It takes money to buy whisky."

Today we have an opportunity to do something for Americans and possibly to deal with potential harm that might be inflicted on other Americans.

The argument that the Panamanian economy is tied to us, it has always been tied to us. That has been the contention, but notwithstanding that contention, they continue in their expropriation tactics.

This is a question of a principle. We are talking about American property, American interests, and we have an opportunity here to make a wrong right.

It is unfortunate that we cannot rely on the Department of State. I want to thank the gentleman for the support, especially because he is the gentleman from West Virginia.

Mr. DERWINSKI. Mr. Chairman, will the gentleman yield?

Mr. SLACK. I yield to the gentleman from Illinois.

Mr. DERWINSKI. At the risk of being overwhelmed by the gentleman's eloquence, Mr. Chairman, let me point out—again I quote him—"doing a favor for an American." Let us stop to think that in doing a favor for this American, we may be injuring thousands and thousands of other Americans, including those who depend on the effective operation of the canal.

Let us not overemphasize flag waving, because in fact, we may be performing a disservice to our national interest by insisting on this very special piece of legislation.

The CHAIRMAN. The time of the gentleman from West Virginia (Mr. Slack) has expired.

Mr. BIAGGI. Mr. Chairman, I ask unanimous consent that the gentleman from West Virginia (Mr. Slack) be allowed to proceed for 1 additional minute.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

Mr. GRAMM. I object, Mr. Chairman.

The CHAIRMAN. Objection is heard.

Mr. MURPHY of New York. Mr. Chairman, I rise to strike the last word.

Mr. Chairman, we have been at this amendment for 1 hour and 10 minutes. I think we have clearly laid out the difficulties that it poses. There is no Member of the House for whom I have higher regard and affection than my distinguished colleague from New York (Mr. BIAGGI). I very reluctantly oppose this amendment.

As we write this legislation, it is to implement the Panama Canal Treaty of 1977. It is not to renegotiate the treaty of 1977. If we were going to have language such as this amendment proposes, it should have been placed in by the negotiators who negotiated the treaty.

We are here today to implement that treaty an to keep the implementing legislation within the bounds of the treaty language, as vague in some instances as it is. But the treaty is specific in the instances which this amendment bears upon, because this amendment is to recapture moneys that are mandated to be paid to the Republic of Panama. The language of the treaty is crystal clear as far as those payments are concerned.

☐ 1810

To adopt this amendment would be a clear violation of the treaty language. I think it is incumbent upon us to keep this implementation package within the framework of the treaty, particularly where the language is clear. I would hope that we could defeat this amendment.

Mr. SOLOMON. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, the gentleman from New York has brought out a very salient point. I was not going to speak on this amendment, but the truth of the matter is that the gentleman is right. The negotiators who negotiated the Panama Canal Treaty for the President should have included the Hansen amendment and this amendment in the treaty. I notice that the gentleman from Mississippi a little bit earlier got up and said that he wanted to commend the gentleman from New York for introducing this amendment. But he did not think it was wise for us to go ahead and pass the amendment.

The whole thing goes back to the fact that the President of the United States has gone ahead, against the will of the people, and signed a Panama Canal Treaty. He has gone ahead, against the will of the people, in recognizing Red China while at the same time derecognizing free China, against the will of the American people.

Now he has gone ahead and negotiated a SALT Treaty without consulting Congress.

I think it is about time that we sent the President of the United States of America a message as well as Mr. Torrijos and the Panamanians that they have got to deal with the Congress. They cannot go ahead and make these obligations and then expect us to bail them out time and time and again, against the will of the American people.

I want to commend the gentleman from New York for introducing this legislation. I think the gentleman from Mississippi ought to, if he is sincere, and I know he was, support this amendment. This bill has to come back before this House after it has gone to joint conference and if we enact this amendment now, and in the interim while it is being negotiated in conference maybe we will send both the President of the United States and the Panamanian Government a message that the American people will not tolerate abuses to Americans and their property in Panama.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York (Mr. BIAGGI).

The question was taken; and on a division (demanded by Mr. MOTTL) there were—ayes 28, noes 24.

The CHAIRMAN. In the opinion of the Chair, the amendment is agreed to.

RECORDED VOTE

Mr. AUCOIN. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 194, noes 227, not voting 13, as follows:

[Roll No. 265]

AYES—194

Abdnor
Addabbo
Ambro
Anderson, Calif.
Andrews, N. Dak.
Applegate
Ashbrook
Atkinson
Badham
Bafalis
Bailey
Bauman
Beard, Tenn.
Bereuter
Bethune
Bevill
Biaggi
Boggs
Bouquard
Breaux
Brooks
Brown, Ohio
Broyhill
Burgener
Byron
Campbell
Carney
Carter
Chappell
Cheney
Clausen
Cleveland
Coelho
Coleman
Collins, Tex.
Coughlin
Courter
Crane, Daniel
Crane, Philip
D'Amours
Daniel, Dan
Daniel, R. W.
Dannemeyer
Davis, Mich.
de la Garza
Deckard
Devine
Donnelly
Dornan

Dougherty
Duncan, Tenn.
Edwards, Okla.
Emery
English
Erdahl
Evans, Del.
Evans, Ind.
Foley
Fountain
Fuqua
Gaydos
Gilman
Goldwater
Goodling
Gramm
Grassley
Grisham
Guarini
Gudger
Guyer
Hagedorn
Hall, Tex.
Hammerschmidt
Hance
Hansen
Harsha
Heftel
Hightower
Hinson
Hopkins
Hubbard
Huckaby
Hutto
Ichord
Ireland
Jeffords
Jeffries
Jenrette
Johnson, Calif.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kazen
Kelly
Kemp
Kramer
Lagomarsino
Latta
Leach, La.

Leath, Tex.
Lederer
Lee
Lent
Lewis
Livingston
Lloyd
Loeffler
Lott
Lujan
Lungren
McDade
McDonald
McKay
Marlenee
Marriott
Martin
Mazzoli
Mica
Miller, Ohio
Moakley
Mollohan
Montgomery
Moore
Moorhead, Calif.
Mottl
Murphy, Ill.
Murphy, Pa.
Myers, Ind.
Myers, Pa.
Natcher
Nichols
Nowak
Pashayan
Patten
Paul
Perkins
Peyser
Pickle
Quillen
Rahall
Rangel
Ritter
Roberts
Robinson
Roth
Rousselot
Royer
Rudd
Runnels

Satterfield
Schulze
Sebelius
Sensenbrenner
Shelby
Shumway
Shuster
Skelton
Slack
Smith, Nebr.
Snowe
Snyder
Solomon
Spence
Staggers

Stangeland
Stenholm
Stratton
Stump
Symms
Synar
Tauke
Taylor
Thomas
Treen
Vander Jagt
Walker
Wampler
Watkins
White

Whitehurst
Whitley
Whittaker
Whitten
Williams, Ohio
Wilson, C. H.
Wilson, Tex.
Winn
Wolff
Wyatt
Wydler
Yatron
Young, Alaska
Young, Fla.
Zeferetti

NOES—227

Akaka
Albosta
Alexander
Andrews, N.C.
Annunzio
Anthony
Ashley
Aspin
AuCoin
Baldus
Barnard
Barnes
Beard, R.I.
Bedell
Beilenson
Benjamin
Bennett
Bingham
Blanchard
Boland
Boner
Bonior
Bonker
Bowen
Brademas
Brinkley
Brodhead
Broomfield
Brown, Calif.
Buchanan
Burlison
Burton, John
Burton, Phillip
Butler
Carr
Cavanaugh
Chisholm
Clay
Clinger
Collins, Ill.
Conable
Conte
Corcoran
Corman
Cotter
Danielson
Daschle
Dellums
Derrick
Derwinski
Dickinson
Dicks
Diggs
Dingell
Dixon
Dodd
Downey
Drinan
Duncan, Oreg.
Early
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
Erlenborn
Ertel
Evans, Ga.
Fary
Fascell
Fazio
Fenwick
Ferraro
Findley
Fish
Fisher
Fithian

Flippo
Florio
Ford, Tenn.
Fowler
Frenzel
Frost
Garcia
Gephardt
Gibbons
Gingrich
Ginn
Glickman
Gonzalez
Gore
Gradison
Gray
Green
Hall, Ohio
Hamilton
Hanley
Harkin
Harris
Hawkins
Heckler
Hefner
Hillis
Holland
Hollenbeck
Holt
Holtzman
Horton
Howard
Hughes
Hyde
Jacobs
Jenkins
Johnson, Colo.
Kastenmeier
Kildee
Kindness
Kogovsek
Kostmayer
LaFalce
Leach, Iowa
Lehman
Leland
Levitas
Long, La.
Long, Md.
Lowry
Lundine
McClory
McCloskey
McCormack
McEwen
McHugh
McKinney
Madigan
Maguire
Marks
Mathis
Matsui
Mattox
Mavroules
Michel
Mikulski
Miller, Calif.
Mineta
Minish
Mitchell, Md.
Mitchell, N.Y.
Moffett
Moorhead, Pa.
Murphy, N.Y.
Murtha
Neal

Nedzi
Nelson
Nolan
O'Brien
Oakar
Oberstar
Obey
Ottinger
Panetta
Patterson
Pease
Pepper
Petri
Preyer
Price
Pritchard
Pursell
Quayle
Railsback
Ratchford
Regula
Reuss
Rhodes
Richmond
Rinaldo
Rodino
Roe
Rose
Rosenthal
Rostenkowski
Roybal
Russo
Sabo
Santini
Sawyer
Scheuer
Schroeder
Seiberling
Shannon
Sharp
Simon
Smith, Iowa
Solarz
Spellman
St Germain
Stack
Stanton
Stark
Steed
Stewart
Stockman
Stokes
Studds
Swift
Thompson
Traxler
Trible
Udall
Ullman
Van Deerlin
Vanik
Vento
Volkmer
Walgren
Waxman
Weaver
Weiss
Williams, Mont.
Wirth
Wolpe
Wright
Wylie
Yates
Young, Mo.
Zablocki

NOT VOTING—13

Anderson, Ill.
Archer
Bolling
Conyers
Davis, S.C.

Flood
Ford, Mich.
Forsythe
Giaimo
Luken

Markey
Mikva
Wilson, Bob

☐ 1820

The Clerk announced the following pairs:

On this vote:

Mr. Archer for, with Mr. Conyers against.

Mr. GUDGER changed his vote from "no" to "aye."

Mr. ASPIN, Mr. HILLIS, and Mrs. SPELLMAN changed their vote from "aye" to "no."

So the amendment was rejected.

The result of the vote was announced as above recorded.

☐ 1830

Mr. FISH. Mr. Chairman, I rise to strike the requisite number of words.

Mr. Chairman, we have reached a point in our deliberations where amendments will be offered concerning payment of transfer and implementation costs, shifting the burden on tolls, and imposing new conditions on treaty obligations. Some of these amendments may actually do violence to the terms of the treaty and I think it is timely to share a perspective with you of where we are as we consider these further amendments.

I have no doubt the 1977 Panama Treaty would look quite different had Members of Congress been involved in the negotiations. At the very least, the congressional control embodied in H.R. 111 would have been written into the treaty. The cost burden involved in canal operation and the cost of property transferred could have been negotiated far more favorably to the United States. Or, indeed, we might have no treaty before us at all.

The Panama Canal Treaty negotiated and ratified, however, will take effect October 1, 1979. It calls for Congress to provide for continued operation of the canal and H.R. 111 responds by setting up the Panama Canal Commission.

For treaty opponents, I submit there are four questions before this body today:

First, is there any way that legislative action can prevent the treaty from taking effect October 1?

Second, can we force Panama to accept new terms far different from those agreed to in the treaty?

Third, can actions by Panama today be construed as a material breach of the treaty?

The answer I submit to all of these three questions is "No."

No. 4, can the Congress cause the United States to violate the treaty?

The answer to this question, I submit is "Yes."

There is no legislative action that can prevent the treaties from taking effect October 1. The canal treaty with a legal effect equal to that of an act of Congress will go into effect whatever the Congress does. Most of its provisions are self-executing.

On October 1 property passes to Panama, ports, railroads, et cetera.

With respect to the disposition of U.S. property there is no constitutional power in the Congress superior to the treaty-making power and this power, like it or not, has been exercised. This issue has been decided. The issue was adjudicated in the Federal court of appeals in a lawsuit brought by 60 of our colleagues. The court on the merits in Edwards against Carter found that a treaty is sufficient to dispose of property.

Mr. Chairman, while we deplore Panama's relations with Cuba and Panama's involvement with revolutionaries in Nicaragua the Congress cannot now force Panama to accept new treaty terms as some amendments before the House would seek to do. The treaty does not go into effect until October 1 and nothing done by this body today and no acts by Panama, will have any effect on the treaty whatsoever until that date. Implementing legislation which fundamentally changes the bargain struck with Panama by placing new conditions on the performance of U.S. obligations to provide Panama with payments from tolls or to transfer property, will not be at issue until October 1. Likewise, neither Panama or the United States can cause a material breach in either treaty until that date.

On October 1, again without regard for any action this body may take, the treaties of 1903, 1936, and 1955 will be terminated.

The Panama Canal Treaty is not ambiguous on this point. The United States is then left on October 1 with the 1977 treaty, only. All U.S. rights in the Canal Zone will stem from that treaty and only from this document.

After October 1, should the United States have insisted on conditions extraneous to the treaty; should the United States have failed to fulfill its obligations under the treaty to operate the canal, to transfer property or to make required payments out of tolls, Panama, not the United States, could claim a material breach of the treaty. We would have no justifiable defense.

A material breach gives Panama all the options. Panama can simply ignore any new terms and it could terminate the treaty.

The effect of a material breach would be to advance by 20 years the balance of the transfers and to give the canal to Panama. For once a treaty is terminated it cannot be resurrected. The inevitable result would be the United States would have no legal position to remain in the Canal Zone. We would have no legal basis for operating the canal, no legal basis for maintaining a military presence in Panama.

A violation of the treaty occurs when there is a failure to act. Surely, failure of the United States to operate the canal after October 1 as provided by the treaty would be a treaty violation. Panama, in making its case for a material breach of the treaty, would certainly cite as evidence of such intent the defeat by this House of H.R. 111.

☐ 1840

Mr. Chairman, without legal status to remain in the Canal Zone, we would have to leave or if we stayed, stay illegally as an occupying power. Is this the position in which the Congress wishes to place American security, American commerce, and American zone employees?

Mr. PEYSER. Mr. Chairman, will the gentleman yield?

Mr. FISH. I would be happy to yield to my colleague, the gentleman from New York.

Mr. PEYSER. Mr. Chairman, I thank the gentleman for yielding.

The CHAIRMAN. The time of the gentleman from New York (Mr. Fish) has expired.

(At the request of Mr. Peyser, and by unanimous consent, Mr. Fish was allowed to proceed for 2 additional minutes.)

Mr. PEYSER. Mr. Chairman, will the gentleman yield further?

Mr. FISH. Certainly. I am glad to yield to the gentleman.

Mr. PEYSER. Mr. Chairman, I want to compliment the gentleman for setting the issue very straight, because there are those who in the Congress are in some way pretending that we are writing a treaty. We are not writing a treaty. The treaty is written and ratified under the Constitution of the United States.

I think it is most important that we carry out the terms, that we make the best within the scope of what the Congress itself can do; but that this legislation be passed, so that the word of the United States, which I think is crucial in this issue, is going to be lived up to and respected.

I think what the gentleman has said is very much to the point. I hope that all people offering amendments will recognize, I think, that the majority of the Members of Congress are going to adhere to this treaty and are going to provide the necessary legislation.

I thank the gentleman for yielding this time to me.

AMENDMENT OFFERED BY MR. HANSEN

Mr. HANSEN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Hansen: On page 158, after line 17, insert the following new section:

Sec. 253. Authority to insure that there is no cost to U.S. taxpayers and to further insure minimum rates for tollpayers and consumers in implementing the Panama Canal Treaties of 1977.

(A) Under the authority granted to the Congress by Article I of the Constitution of the United States and Article III, Section 2(d) of the Panama Canal Treaty of 1977 and notwithstanding any other provision of law, or subsequent provision of this Act, this legislation provides for the prohibition of any expense to the U.S. Taxpayers and provides for the recovery of lost revenues to the U.S. Treasury by allocating to the Republic of Panama, as stipulated in Subsection D(3) of this section, the costs of (1) implementing the Treaties, (2) transferring property pursuant to those Treaties, and (3) subsequent operation of Services previously provided by the Panama Canal Company and Canal Zone Government. This provision is pursuant to Treaty requirements and firm guarantees by the Administration at the highest levels.

(1) Acceptance of payments by Panama under Terms of the treaty as provided in this Act constitutes recognition by the Republic of Panama that the United States rightfully exercised sovereignty in the Canal Zone under the terms of the treaties between the United States and Panama of 1903, 1937 and 1955.

(2) No funds may be used to implement the Panama Canal Treaties of 1977 without the express consent of the Congress of the United States.

(B) Notwithstanding any other provision of Law, or subsequent provisions of this Act, the United States shall provide limits on the economic consequences to consumers of implementation of the Panama Canal Treaties of 1977 by insuring minimum rates for tollpayers as stipulated in Subsection D(4) of this Section. This provision is pursuant to the Danforth Understanding and related high level Administration assurances.

(C) The Congress, in exercise of its authortiy under Article IV, Section 3, Clause 2 of the Constitution of the United States, authorized the President to transfer real property in the Panama Canal Zone at the times and in the circumstances stipulated in the Panama Canal Treaty of September 7, 1977, provided that the President shall notify the Congress not less than 90 days prior to the proposed date of any such transfer, and further, that, prior to the entry into force of this Act, the Republic of Panama shall agree to the terms and conditions set forth in subsection (D) of this Section.

(D) Notwithstanding any other provision of Law, or subsequent provision of this Act, final transfer is authorized to be made of the Panama Canal and all those portions of the Zone which are not otherwise ceded to the Republic of Panama, to occur not earlier than December 30, 1999 at 12 o'clock noon local time, provided that each of the following conditions shall have been met on or before that date:

(1) That the entire net investment cost of the construction of the Panama Canal shall have been paid to the Treasury of the United States prior to that date.

(2) That all interest upon the net investment cost shall have been paid on or before December 30, 1999 as required by the reservation No. 6 (The Cannon Reservation) to the Panama Canal Treaty as consented to by the Senate of the United States on April 18, 1978.

(3) That the Republic of Panama shall have borne, out of the revenues it receives pursuant to the terms of Article XIII of the Treaty, all costs incurred by the United States in carrying the Treaty into effect;

(4) That tolls charged for passage through the Panama Canal shall not exceed those tolls charged on July 1, 1979 together with:

(a) Adjustments to allow toll increases equal to rises in the cost of living as set by the United States Department of Labor in its consumer price index, and

(b) That minimum increase in the percentage of rate of tolls sufficient to provide funds necessary to make those payments required by Article III, Section 5, and Article XIII, Section 4(a) and (b) of the Panama Canal Treaty and as limited by Understanding No. 3 thereto as consented to by the Senate of the United States on April 18, 1978 (The Danforth Understanding).

(5) That all expenses incurred by the United States to implement the Panama Canal Treaties of 1977 during Fiscal Years 1978 and 1979 shall be included as a cost as defined in Subsection D (3) of this Section."; and

Mr. HANSEN (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Idaho?

There was no objection.

Mr. HANSEN. Mr. Chairman, there has been a lot of publicity about the honesty amendment—a lot of controversy about what it may do to the implementing legislation, H.R. 111, which we are considering today.

Sometimes I might say I feel a little bit like the Light Brigade, when they went through the valley, cannon to the right, cannon to the left—a sort of flack. Today we received from the State Department a roundup of recent editorials around the country and, of course, there is a huge campaign on to move H.R. 111 along unamended. Of course, this is interesting because not long ago the administration wanted H.R. 1716 unamended and now they have moved to H.R. 111. But we still need to move it farther toward reality, then perhaps we can let it be unamended. However, it is time for honesty.

The majority leader made a very moving plea today in our closed session. We heard a lot about the words honor, integrity, and keeping our commitments. It seems strange that this honor and integrity is a one-way street.

Is it not reasonable that we as representatives of the people of the United States owe as much to keeping our commitments and honor and integrity to those we serve, the taxpayers and consumers of this Nation?

The Government of Panama has been identified, and this is a matter of public record, they have been identified as being involved in breaking laws within this country, in illegal gun-running, in breaking the international law of the OAS and the United Nations, even breaching the fundamentals of the treaties we are considering themselves. Why then are we so hell-bent to keep our commitments to a country that has been so flagrant in failing to keep their commitments to us, and especially at the expense of letting down on our promises to the taxpayers and the consumers we serve?

The honesty amendment is meant to do no more than keep the promises that were made by the President of the United States, by Senators and others who were proponents of the treaties, that the taxpayers would be immune from any costs in these treaties and that the toll payers under the Danforth understanding would have minimal obligations. There is no way without the honesty amendment that these promises could be kept because everyone was sidestepping and refusing to face the implementation costs. We have all had experiences in dealing in real estate and know that there are costs in addition to the purchase price of a home. The same is true in the purchase of a business. These are transfer costs and other charges which involve anything from title searches to insurance, taxes, and everything else.

So I do not know how the framers of the treaties could have overlooked these costs; but nevertheless in the overlooking process, they did promise the taxpayers of this country that they would not feel any impact from these treaties and that the toll payers would have no more than what was necessary to maintain the ongoing operation of the canal, plus enough in addition to pay what the treaties called for to Panama.

However, no such immunity from paying such costs was promised Panama. All we are saying is that since there seem to be considerable costs involved whether you use the State Department figures where they minimize the figure down to $871 million, after saying there would be no fees involved, or whether it is the high figure of $4 billion or $5 billion we have heard from various sources, where this cost is involved, our honor and our integrity are involved in working for the people we serve, the people we have primary responsibility to.

I hear people saying, well, if we do not keep our commitments to Panama, they are going to riot. My friends, they are already rioting. They are rioting, because their own government has not kept faith with them in terms of food and fuel.

Now, are we going to force the people of the United States who are clear up to their necks in fuel problems and high expenses and financial troubles of various sorts, such as taxes and social security complaints—are we going to force our own citizens to the brink of riots in order to keep commitments to Panama that Panama herself is not willing to keep?

The CHAIRMAN. The time of the gentleman from Idaho (Mr. HANSEN) has expired.

(By unanimous consent, Mr. HANSEN was allowed to proceed for 3 additional minutes.)

Mr. HANSEN. Mr. Chairman, I would like to ask the Members of this body if it is not important for us to keep faith with the American people, to keep this Nation strong, to keep the confidence of the people in this country that those people who are running the country can be trusted.

Now, I think it is important for us to be trustworthy to Panama. My amendment does nothing to dishonor the treaties. The treaties call for a certain scale of payments. My amendment allows those payments. All it does is says that after those payments are designated for Panama, under article III there is an allowance very legally available that allows the United States to make assessments for those transfer costs that are incurred or will be incurred for the implementation of the treaties.

Now, does not the United States have an honor-bound commitment to other nations besides Panama, such as El Salvador, Guatemala, Nicaragua? It seems to me that we are allowing one nation to run international banditry and yet we are trying to keep faith with them even to the point of providing huge windfalls of money and benefits while we are letting down other friends who are behaving themselves and being good friends.

So, whether it is for support of a foreign policy basis of keeping commitments to our many friends around the world and our many friends in the Caribbean and keeping faith with our own taxpayers and toll payers, that it is absolutely essential that the honesty amendment be adopted to H.R. 111.

I do urge that this amendment be accepted so that we can show faith to the American people that morality is not one way in this country, that we can keep a promise and more certainly that we can keep a promise to those people who are nearest and dearest to us, and that is the people we serve.

Mr. MONTGOMERY. Mr. Chairman, will the gentleman yield?

Mr. HANSEN. I yield to the gentleman from Mississippi.

Mr. MONTGOMERY. Mr. Chairman, I appreciate very much the gentleman yielding.

I certainly would like to commend and thank the gentleman for his leadership on fighting the giveaway of the Panama Canal.

Now we have the opportunity to cast a vote on the honesty amendment that would prevent the taxpayers from having to pay for this give away transaction.

I point out that what happened here Monday when we had the military construction appropriation bill up before this body, and we did not challenge it at that time, this was a key amendment.

☐ 1850

The CHAIRMAN. The time of the gentleman from Idaho (Mr. HANSEN) has expired.

(On request of Mr. MONTGOMERY, and by unanimous consent, Mr. HANSEN was allowed to proceed for 2 additional minutes.)

Mr. MONTGOMERY. Mr. Chairman, if the gentleman will yield further and if I may proceed, there was $29.5 million in the military construction appropriation bill for Panama to move American troops and to move the American military installation down in the Canal Zone and put them somewhere else in Panama. It would cost the taxpayers $29.5 million to have this construction. And, as I understand it, after we build these installations and we move these Americans out of their nice facilities and put them somewhere else, after 20 years these installations will be turned over to the Panamanians and the Panamanian Government can do whatever it likes.

Mr. Chairman, it seems to me that under the gentleman's amendment, as I understand it, the Panamanians would have to pay for this transaction and the taxpayers would not have to pay the $29.5 million. Is that correct?

Mr. HANSEN. Mr. Chairman, the gentleman is correct. Since it is the Panamanians who will eventually receive the installations, it is only fitting that they pay for them.

Mr. MONTGOMERY. Mr. Chairman, I thank the gentleman.

AMENDMENT OFFERED BY MR. MURPHY OF NEW YORK TO THE AMENDMENT OFFERED BY MR. HANSEN

Mr. MURPHY of New York. Mr. Chairman, I offer an amendment to the amendment.

The Clerk read as follows:

Amendment offered by Mr. MURPHY of New York to the amendment offered by Mr. HANSEN: In the text proposed to be inserted by the Hansen amendment—

(1) strike out "there is no cost to United States taxpayers" and insert in lieu thereof "United States taxpayers are protected"; and

(2) strike out all that follows "Panama Canal Treaties of 1977." the first place it appears and insert in lieu thereof the following:

And to Provide Congressional Restraints on Property Transfers and Tax Expenditures.—(a) The Congress enacts this section in the exercise of its authority under article IV, section 3, clause 2 of the Constitution of the United States to dispose of and make necessary rules and regulations with respect to property of the United States.

(b) The Congress declares that authority to transfer property to the Republic of Panama shall not be granted pursuant to section 373 of this Act unless, as of the date of the proposed transfer of property—

(1) the Republic of Panama has made all payments required under section 251 of this Act; and

(2) all payments to the Republic of Panama under section 250 of this Act have been made from funds deposited in the Panama Canal Commission Fund.

(c) Property of the United States located in the Republic of Panama may not be transferred to the Republic of Panama pursuant to the required congressional authorization unless and until the President formally advises the Government of Panama that—

(1) in fulfilling its obligations under the Panama Canal Treaty of 1977, the United States of America shall make no payments to the Republic of Panama derived from tax revenues of the United States;

(2) the United States retains full discretion and authority to determine whether and the extent to which tax revenues of the United States may be expended in exercising United States rights and carrying out United States responsibilities under the Panama Canal Treaty of 1977;

(3) no tax revenues of the United States shall be made available for obligation and expenditure after the effective date of this Act for purposes of implementing the Panama Canal Treaty of 1977, unless hereafter specifically approved by the Congress through the authorization and appropriation process;

(4) the total amount expended by the Panama Canal Commission from funds appropriated to or for the use of the Panama Canal Commission shall not exceed the total amount deposited in the Panama Canal Commission Fund; and

(5) the foregoing paragraphs of this subsection do not apply to expenditures made by United States Government agencies in fulfilling United States obligations to transfer the remains of our honored dead from Mt. Hope Cemetery in the former Canal Zone to an appropriaate and dignified resting place in accordance with Reservation 3 of the Treaty Concerning the Permanent Neutrality and Operation of the Panama Canal of 1977.

Mr. MURPHY of New York (during the reading). Mr. Chairman, I ask unanimous consent that the amendment to the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. MURPHY of New York. Mr. Chairman, I basically share with my good colleague, Mr. HANSEN, his opinion of the Panama Canal Treaties of 1977 and therefore, am substantially in accord with most of the provisions contained in his proposed amendment. However, his amendment contains items which should have been considered prior to ratification of the treaties. Unfortunately, these items were not included in the treaties and it is not the province of this great body to make treaties or to break international agreements.

I concur with Mr. HANSEN in that the Panama Canal Treaty of 1977 was overly generous to Panama and did not adequately take into account the burdens placed on the American taxpayer and the canal users.

Our point of departure, however, is that Mr. HANSEN has proposed an amendment which would change the very basic terms of the treaty. It is my position that we are duty-bound under international and domestic law to honor our commitments, however distasteful they may be. The treaty is the law of the land and we cannot and must not attempt to violate unilaterally our obligations.

The Hansen amendment purports to provide for the operation and maintenance of the canal and to otherwise implement the Panama Canal Treaty of 1977 but it does not. In fact some of its provisions are sharply inconsistent with the treaty, and appear to be self-contradictory or serve no useful purpose other than to exacerbate the relationship with Panama over the primary issues the treaty was designed to resolve.

From almost the very inception in the history of our relations with Panama and the canal, the primary disputes centered around the issues of "sovereignty" and over the alleged inadequate payments to Panama. The 1977 treaty recognizes the Republic of Panama as "territorial sovereign" (article III, paragraph 1), and provides for greatly increased payments to Panama (article XIII, paragraph 4).

In subsections (c) and (d), Mr. HANSEN really does a job. He converts a gift to Panama into a sale of real estate.

Article XIII, paragraph 2 of the treaty states that the United States "transfers, without charge, to the Republic of Panama all right, title and interest the United States may have with respect to all real property, including nonremovable improvements * * *." Upon termination of the treaty the United States is further obligated to turn the canal over to Panama "in operating condition and free of liens and debts." (Article XIII, paragraph 2).

There is no way this treaty language can be reconciled with subsections (c) and (d) of the Hansen amendment which imposes upon Panama the acceptance of "charges" of in excess of $2 billion as a condition precedent to the transfer of any properties. Some of these charges are:

"The entire net investment" construction cost of the canal. The term is not defined but at the minimum, if net depreciated book value is meant would be $319,000,000);

"All interest upon the net investment cost" (at a minimum $400,000,000);

"All incidental implementing costs incurred by the United States—at least $1.2 billion.

To seal the cap on these newly imposed property transfer charges, the amendment provides in subsection (d)(3) that these charges be deducted from the treaty payments to Panama.

Perhaps it would not have been unreasonable to sell the canal to Panama for the price tag Mr. HANSEN proposes in section (d) of his amendment and I am sure that if he were on the treaty negotiating team he would have extracted at least that amount. However, the treaty language is clear and unequivocal and any attempt to impose such charges would be completely inconsistent with the treaty provisions.

Finally, section (d)(4) puts a cap on the tolls formula so that toll increases cannot exceed rises in the cost of living and treaty payments to Panama, less the contingent payment.

This subsection is apparently designed to assure that all the new charges imposed by the amendment will not be paid by the canal users and, coupled with the other provisions of the amendment, effectively bars Panama from receiving any moneys whatsoever from the canal operations or to even pay for the property under section (d) of the Hansen amendment.

Furthermore, this formula ceiling ignores varying factors that must be taken into account in determining amounts to be recovered from tolls, such as needed capital improvements, settlement of claims, changes in technology, and so forth. In fact, under the concept of the Commission as an appropriated fund agency, this section would impose more of a burden on the U.S. taxpayer since canal costs could exceed the ceiling allowed by the Hansen amendment which would require deficiency payments to come from the Treasury.

In short, while the Hansen honesty amendment may be morally defensible, it is legally unsound. We must be mindful of the fact that it was the U.S. administration, not Panama, which promised that the treaties would not cost the taxpayer anything. The Hansen honesty amendment would not be honest to our international commitment to Panama.

I cannot urge strongly enough the necessity of rejecting this amendment.

Mr. Chairman, the strength of my amendment is in the very clear message it sends to our taxpayers and to Panama that our people will not pay to give away the canal. In supporting this amendment, we are not only avoiding a treaty violation, we are in consonance with the statement in the treaty that the canal will be turned over in operating condition and free of liens and debts.

In the amendment we state that it is U.S. policy that canal property, and that includes the canal itself, will not go to Panama unless and until the President informs Panama that the receipts that are paid into the Panama Canal Commission fund from revenues and charges of the canal itself be equal to or more than the amounts that have been appropriated to the Panama Canal Commission during an identical period. In other words, we are stating that we are not going to give the canal to Panama until the President has made it clear that the taxpayers do not have to subsidize the canal in the next 20 years due to the heavy burdens of payments to Panama. Moreover, regardless of the appropriations picture, we make it clear that it is U.S. policy that Panama gets no property unless the Government of Panama pays all its just debts to the Panama Canal Commission on a current basis. That will preclude a situation in which we have to turn over the canal to Panama free of liens and debts while at the same time they owe debts to the canal. This is reasonable and really strengthens the provisions of the treaties.

To make it especially clear that the hard-earned tax dollars of the people of this country are not paid to Panama, we state that it is policy that payments to the Government of Panama can only come from the revenues of the canal deposited in the Panama Canal Commission fund and subsequently appropriated by the congress for the use of the Commission to pay Panama. In my amendment we keep the scrutiny of the Congress over the appropriations process but we insure that it is known that our policy is to make those payments only from canal revenues. This is in accordance with the treaty, which states in article XIII that those payments to Panama will come from canal operating revenues.

If we pass the amendment of the gentleman from Idaho, we pass on to Panama costs that have never even been prescribed to canal tolls but have always been considered defense costs. Since many of the costs of the treaty are going to be determined by future appropriations by the Congress, in the gentleman's amendment we set up a tab for us to spend on, and then we charge it to Panama. Most importantly, adoption of the gentleman's amendment would cause a veto, would cause a situation in which we will have to face the entire legislative question of what should be primarily management legislation again. His amendment would make the United States look indecisive and unable to carry out the will of its leaders. My amendment provides a clear statement of principle for all to know that we do not have to pay to transfer the canal.

I urge the adoption of my amendment which is fully consistent with the thrust of H.R. 111 and a reasonable alternative for all to support.

□ 1900

Mr. HANSEN. Mr. Chairman, will the gentleman yield?

Mr. MURPHY of New York. I yield to the gentleman from Idaho.

Mr. HANSEN. Mr. Chairman, I have a few questions to ask the gentleman. My amendment has been available to the gentleman for some time, but his amendment has not been available to me, and I feel some questions need to be asked. I would like to run about five questions by the chairman, if I might.

One is: This amendment, then, means that the taxpayers will have to assume certain burdens that they would not have to assume under the honesty amendment, because of the moving of various facilities, postal services, and new treaty caused expenses to be included in the military budget, and this type of thing; is this not correct?

Mr. MURPHY of New York. The only burden to the taxpayer will be in defense-related costs.

Mr. HANSEN. This is a new expense they have not had to bear before, though: is that not correct?

Mr. MURPHY of New York. Yes; the taxpayer has borne the defense costs in the Canal Zone.

The CHAIRMAN. The time of the gentleman from New York (Mr. MURPHY) has expired.

(On request of Mr. HANSEN and by unanimous consent, Mr. MURPHY of New York was allowed to proceed for 5 additional minutes.)

Mr. MURPHY of New York. The revenues which have been collected through the history of the canal have been self-sustaining for the operation of the Panama Canal Company. But defense costs, for instance as we have run inter-American defense schools, and the funds to escalate the number of American troops in that area over different periods of time, those are costs which have been unrelated to the Panama Canal Company, as we have known it for the past several decades, and are purely bona fide defense costs. Those costs are paid by the taxpayers.

Mr. HANSEN. I think the gentleman will agree that those costs have previously been borne by the Panama Canal Company and now under his amendment will be borne by the taxpayers directly; is that correct?

Mr. MURPHY of New York. The taxpayers have always borne the defense costs, and those have been the function of the Defense Appropriations subcommittee.

Mr. HANSEN. The gentleman is avoiding my question.

Mr. BAUMAN. Mr. Chairman, will the gentleman yield?

Mr. MURPHY of New York. I yield to the gentleman from Maryland.

Mr. BAUMAN. I thank the gentleman for yielding.

Mr. Chairman, the chairman has certainly given a very skillful response, from his viewpoint, but the chairman will have to admit that there are numerous costs transferred to the Defense Department under these treaties that previously were borne only by the Canal Company and were paid for out of the tolls. I think the estimated figure I saw was $45 to $65 million a year, depending upon the projected costs. So those are new costs which are not attributable to past defense costs.

Mr. MURPHY of New York. I believe the figure was $42 million that would be necessary to operate the hospital systems as well as the educational systems that would be used by American members of the Panama Canal Commission that will be set up under the terms of this implementing legislation. Those would be the only costs to defense now assumed by the Panama Canal organization. Unfortunately, during the time of the ratification of the treaties, the administration did not clearly say to the Senate—in effect, say to the American people—that there would be that cost of about $42 million which would come from appropriated funds of the Congress.

Mr. HANSEN. Mr. Chairman, will the gentleman yield?

Mr. MURPHY of New York. I yield to the gentleman from Idaho.

Mr. HANSEN. Regarding the toll payers, the honesty amendment, unamended by the substitute of the gentleman from New York, would minimize the tolls to the ongoing expenses that have previously been attributed to the canal operation as they would be broken out by the treaties, plus enough to pay Panama, the funds as called for by the treaties. I would like to ask the gentleman what in addition would his amendment call for in the toll structure?

Mr. MURPHY of New York. The toll structure has been analyzed, and just lately I think our appropriation committees are starting to realize that there will be a surplus this year from canal revenues probably because of extra usage of the canal by the oil tankers that have been coming from the north slope of Alaska through the Panama Canal, to the gulf coast and the east coast refinery areas. I think those revenues amount to an additional $20 million or more.

Mr. HANSEN. The gentleman's amendment then would be paying for the early annuities we have been talking about of several hundred million dollars and for the interest payments called for in H.R. 111, this type of thing which the honesty amendment precludes; is that correct?

Mr. MURPHY of New York. Yes, but we include these as user costs. The $20 million, which probably will be a $16-million annual interest payment, will be included in that toll-based formula. So we in effect are not lowering the tolls formula, as was recommended by the administration in an earlier version of the legislation that was sent to us.

Mr. HANSEN. If the gentleman will yield further, I am a little surprised at the gentleman, because I know how strongly he feels about Panama's behavior, the gunrunning, the spreading of terrorism, and the revolution in Central America, in which Panama has played a very prominent part. I would like to ask the gentleman why he would not be more strongly identified with an effort to stop this windfall of funds to the Government of Panama which they can use for a greatly increased amount of revolutionary activity if they were to receive such funds?

Mr. MURPHY of New York. I think it is a clear obligation of this administration to make it clear to the Republic of Panama that it does not tolerate violations of other treaties; namely, the Andean Pact; namely, the Organization of American States Charter; namely, the United Nations Charter, through the exportation of revolution, of arms and equipment, to subvert the legitimate governments of other countries. That is a function not related to this implementation package today. What we do today in this implementation package is to insure that the Panama Canal continues to operate and operate efficiently for the United States and world commerce. I sent a letter to every Member in a port area which he received on Monday. It showed $50 billion of commerce from the ports of America, the east coast, the west coast, the gulf coast ports, going through the canal. We do not want to impact this Congress of the United States of America because we happen to have an unreliable administration in Panama.

The CHAIRMAN. The time of the gentleman from New York (Mr. MURPHY) has again expired.

(By unanimous consent, Mr. MURPHY of New York was allowed to proceed for 5 additional minutes.)

Mr. MURPHY of New York. The responsibility is on the administration, and the administration has the tools, the functions, and the ability, to control the gunrunning and the illegal operations of that government in Panama, as it does other governments in this hemisphere. I would hope that that message would be very clearly driven home to the administration. In fact, I understand that at this very time the administration is supporting in the Organization of American States a move to close off the borders between Nicaragua and Costa Rica to stop the effect of gunrunning and the supplies and the movements to the Sandinista guerrillas. We hope that the Organization of American States will live up to its own neutrality sections of its charter and that we will not have a third objection to this initiative that the United States has started. That is the type of effective action I think the administration should have taken sooner, which many Members of Congress have been urging them to do. But it is only now when it is at the critical stage, in this instance, the critical stage of the country of Nicaragua, but El Salvador as well, that the administration acts when perhaps we have a takeover that would be totally detrimental to the interests of America. But the United States does not have to block this legislation, does not have to impact its own commerce on this issue but rather we can move forward to insure properly that we properly administer that canal for the future, for the next 20 years.

Mr. HANSEN. Mr. Chairman, will the gentleman yield?

Mr. MURPHY of New York. I yield to the gentleman from Idaho.

Mr. HANSEN. I appreciate the gentleman's concern. I know he is concerned, and this is why it is difficult for me to accept any watering down, because I know how difficult it has been to drag this administration kicking and screaming into the world of reality about the gunrunning and the insurrection that is going on in Latin America. I think the gentleman from New York has a lot more faith in this administration and its willingness to clean up the mess down there than a lot of the rest of us have. But I would like to ask why there is such an obsession in this body that this House of Representatives be a rubberstamp for the President and Senate even under different conditions than were identified during the treaty signing and the treaty approval by the Senate—that we be a rubberstamp, that we not be allowed to work some kind of realistic will to emphasize that we will not put up with this kind of behavior and be a part of this one-way morality? Why should we have to abide by terms that our supposed partner is refusing to abide by. Why do we not first call them to accountability and then talk about us keeping the terms of the treaties to the letter, as the gentleman suggests?

My amendment does not violate the terms of the treaty. It may violate some of the intentions of the State Department, but the way the treaties are worded, my amendment is entirely germane and entirely legal. I think the Record should show this.

□ 1910

Now I just do not understand why the gentleman can go along with this one-way morality of this administration that has two standards as far as who keeps the terms of the treaties and who does not.

Mr. MURPHY of New York. Mr. Chairman, I want my colleague to know I did not oppose his amendment on the germaneness issue. I think that he has brought out, in a very healthy and forceful manner, some very critical conditions as they exist in Central America, and Panama particularly. But I think that H.R. 111, as the committee crafted it, clearly goes back and reclaims the constitutional prerogatives of the House of Representatives, prerogatives that were denied us in 1977. Perhaps it was a tactic of the administration, but we are right back to the property transfer question with regard to the October 1 transfers. Future Congresses, because of the text of H.R. 111, will be required to approve further property transfers.

So we have at least recaptured our constitutional prerogatives and the gentleman has, in a very healthy debate, brought out problems that exist in that area. But we still do not want to impact the American genius in creating that canal and building it and operating it virtually without interruption for all these decades, to the benefit of American commerce, to the benefit of world commerce as well.

Mr. HANSEN. Mr. Chairman, will the gentleman yield?

Mr. MURPHY of New York. I yield to the gentleman from Idaho.

Mr. PASHAYAN. Is the gentleman advancing the idea that it is among other reasons precisely because there are the dangers of revolution or other actions of insurgency in that area that this Congress ought to provide the means by which we can keep our military forces in the Panama area and thereby keep the operation of the Panama Canal as free and clear as possible? Is that the idea the gentleman is advancing?

Mr. MURPHY of New York. Yes; H.R. 111 makes it very clear that the Panama Canal Commission will be a function of the Defense Secretary.

The CHAIRMAN. The time of the gentleman from New York (Mr. MURPHY) has expired.

(By unanimous consent, Mr. MURPHY

of New York was allowed to proceed for 5 additional minutes.)

Mr. MURPHY of New York. The treaty makes it very clear the United States will have the primary responsibility for the defense of the area, and H.R.111 very carefully lays out—and we will not have this if we defeat this legislation—the responsibility of the Defense Department, the fact that the U.S. members of that Commission must vote en bloc, that they must vote according to the Secretary of Defense's requirements, and that in time of war or national emergency a U.S. military officer will be in command of the canal.

We will lose those assurances if we defeat this legislation. We lose the ability to properly administer the Panama Canal for the next 20 years.

If we let an administration that enacted or signed a very vague treaty use that as the implementation passage, we do not know what type of activities we will have. H.R. 111 carefully protects this Congress, protects particularly the House of Representatives, and protects the interests of the American people, at least for the next 20 years.

Mr. PASHAYAN. Mr. Chairman, let me conclude by saying simply that the gentleman is saying that the military security of the United States is enhanced by the bill because it provides the means by which we may keep our military force in that area, at least for a period of 20 years? That is really the point that is being made, is it not?

Mr. MURPHY of New York. That is one point.

Mr. ICHORD. Mr. Chairman, will the gentleman yield?

Mr. MURPHY of New York. I yield to the gentleman from Missouri.

Mr. ICHORD. In the course of the colloquy between the gentleman from Idaho and the distinguished gentleman from New York, I lost what part of the Hansen amendment will be retained if the amendment of the gentleman from New York is adopted to the amendment of the gentleman from Idaho. What part, if any?

Mr. MURPHY of New York. What the amendment to the amendment does is prevent what the basic thrust of the Hansen amendment is, and that would be to preclude any payments to Panama unless the asset transfers and other payments to Panama were satisfied.

In other words, we pointed out, there would be billions of dollars involved in those assets so that the $75 million annual payment to Panama mandated under the treaty would never go to Panama. It would be a clear violation of it.

This amendment makes it clear that there will be no cost to the taxpayer in the operation of that canal. It makes clear that the President must certify certain things to insure the operation of that canal at no cost to the taxpayer.

If we want to protect the taxpayer, and at the same time implement the treaty, the amendment to the amendment, I think, would be the wise course to take.

Mr. BAUMAN. Mr. Chairman, will the gentleman yield?

Mr. MURPHY of New York. I yield to the gentleman from Maryland.

Mr. BAUMAN. The gentleman from New York has very fortunately pointed out, I think correctly, that H.R. 111 does provide for the military and defense implementation of the terms of the treaty, but those treaty terms themselves, whether we enact any implementing legislation, clearly gives the United States the right to remain there.

They establish defense sites for the next 20 years and spell out in explicit detail our military rights and the rights to protect the neutrality of the canal. Granted, as the gentleman has said, the bill makes it much easier to do that.

I would not want the impression to go abroad among the membership before they vote, in the absence of the implementing legislation, that we have no right to remain there on a military basis.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. MURPHY of New York. I would be happy to yield to the gentleman from California.

Mr. ROUSSELOT. I appreciate my colleague yielding.

I wish to understand what my colleague from Maryland (Mr. BAUMAN) has just said, that if we do not pass this legislation, under the treaties, there is still adequate access, part of the United States to defend its interest there, as I understood what my colleague from Maryland said. Is that true?

Mr. MURPHY of New York. Yes; fortunately, the treaty is pretty precise when it specifically states that the United States will have the primary responsibility to defend the canal.

Mr. ROUSSELOT. The reason I raised that point is I thought this basic discussion here would be addressed to the Hansen amendment.

The gentleman took the opportunity to express additional thoughts about what would happen if this legislation was not passed.

I thought the point of my colleague from Maryland was rather important, and that is that all would not be lost as far as the United States rights in defending the Panama Canal for the next 20 years, would not all be lost if this particular bill did not pass.

I wanted to be sure I understood that my colleague from Maryland (Mr. BAUMAN) was correct and that you were in agreement with him.

Mr. MURPHY of New York. He is correct, but let me clarify the defense aspects a little bit more.

The CHAIRMAN. The time of the gentleman from New York (Mr. MURPHY) has expired.

(By unanimous consent, Mr. MURPHY of New York was allowed to proceed for 5 additional minutes.)

Mr. MURPHY of New York. If the treaty was used as the implementing document, then we go to treaty language as far as the Panama Canal Commission is concerned. Then we would lose the requirement that the five American members be appointed with the advice and consent of the Senate. We would lose the fact that they would be under the Secretary of Defense. They would probably be with some other agency, maybe the State Department or the Department of Transportation, and then we would have a complete change in executive direction.

It would not serve the interests of the United States or the defense interests there to have that vagueness exist of the treaty as an implementing document.

Mr. ROUSSELOT. If the gentleman would continue to yield, does the Hansen amendment, as originally proposed, really strengthen the hand of the United States in demanding accountability of the financing arrangements? Is that not so?

Mr. MURPHY of New York. The Hansen amendment makes that clear. but the Hansen amendment goes so far that it violates legally the terms of the treaty.

Mr. ROUSSELOT. Well now, the gentleman from Idaho (Mr. HANSEN) obviously disagrees with the gentleman from New York on that issue and has stated it.

Can the gentleman tell us the specifics of where the Hansen amendment violates the treaty?

☐ 1920

Mr. MURPHY of New York. I think I just spent about 10 minutes in the well doing that.

Mr. ROUSSELOT. I listened very carefully and I am not really in agreement on the basis of what I have read about the Hansen amendment. I wondered if you could be more specific about where you feel the Hansen amendment is, in fact, in violation of our current treaty.

I would assume you would have struck the whole amendment if you thought that it did that much damage. You really have not done that; you have accepted parts of it.

Mr. MURPHY of New York. Would the gentleman restate that, please?

Mr. ROUSSELOT. Could you be very specific, take the specific portions of the Hansen amendment that we have before us that violate the treatry, as you have said?

Mr. MURPHY of New York. Yes. The treaty very clearly transfers to Panama, without cost, certain properties, and we implement that transfer. The Hansen amendment would ransom those properties to their book value against mandatory payments of $75 million annually to Panama.

Mr. ROUSSELOT. Well, what is wrong with that? I do not remember in the treaties that we committed ourselves to $75 million a year. Do you remember that?

Mr. MURPHY of New York. We specifically state that Panama will receive 30 cents a net ton that passes the canal; and that is about $55 million in the first year of operation, for example.

The treaty also specifically states that $10 million will go to Panama for public services. Another $10 million will go to the Republic of Panama for the right-of-way as a fixed annuity. And it states if there is a surplus of another $10 million, up to another $10 million, that too could go. So there we are up in the $75 million range.

Of course, there is an escalator on certain indices, which means in future years that the payments would go higher. But the Hansen amendment takes those funds that are specifically mandated and recaptures them against assets that have been transferred. So it is a real estate sale.

Mr. ROUSSELOT. What is wrong with that?

Mr. MURPHY of New York. It is in clear violation of the terms of the treaties.

Mr. MONTGOMERY. Mr. Chairman, will the gentleman yield?

Mr. MURPHY of New York. I am happy to yield.

Mr. MONTGOMERY. I appreciate the gentleman yielding.

Under the Hansen amendment, the $29.5 million that has been appropriated for relocation of military installations in the Panama Canal Zone, under the Hansen amendment it makes the Government of Panama pay that $29.5 million. Under your amendment, will that make the Panamanians pay for it or do the taxpayers of this country pay for that transfer and that relocation of equipment and facilities? I am talking about your amendment now.

Mr. MURPHY of New York. I will be specific with the gentleman.

The Republic of Panama will move troops into areas that are presently occupied by U.S. troops, including air-conditioned barracks, and so forth. U.S. troops, of course, will have to move to other areas. There will be some construction involved, and cost. These costs, of course, will be defense costs and will come through the defense areas.

Mr. MONTGOMERY. In other words, it will come out of the defense funds that have been appropriated on the floor. But my point is, under the Hansen amendment the Government of Panama pays for the transfer of these facilities because in 20 years they are going to end up with these facilities, and under the Murphy amendment the taxpayers would pay for this.

One other question: The gentleman from New York is the most decorated Member of Congress as far as combat is concerned. The gentleman has a Distinguished Service Cross. I am very proud of him. I would like to ask the gentleman this question:

Keeping American forces in Panama, can that secure the canal?

The CHAIRMAN. The time of the gentleman has expired.

(At the request of Mr. MONTGOMERY and by unanimous consent, Mr. MURPHY of New York was allowed to proceed for 1 additional minute.)

Mr. MONTGOMERY. I have been told by some of our American commanders that the small force that we would have in Panama could not save the canal, and you would have to have some type of landing force to take the canal back. Is it really necessary to keep American forces still in Panama?

Mr. MURPHY of New York. It is my considered opinion and that of our professional military that the present force in the canal is perfectly capable of defending the canal and securing it under present conditions. Of course, the only people you would have to secure it from would be the Panamanians, and we have a brigade in the area and an additional task force that is perfectly capable of securing the canal.

Mr. MONTGOMERY. I thank the gentleman.

Mr. DANNEMEYER. Mr. Chairman, I move to strike the last word, and I rise in opposition to the amendment.

Mr. Chairman, while acknowledging the seriousness of arguments to the effect that passage of the Hansen amendment will jeopardize U.S. rights vis-a-vis the Panama Canal and Zone, I still rise in support of the amendment for two reasons. The first is a matter of principle; that the American taxpayer should not have to pay the costs of transferring the canal and zone to Panama, contrary to assurances given at the time the treaties were ratified. The second is a matter of tactics; if, as proponents of H.R. 111 suggest, our options have been purposefully reduced to immediate surrender of the canal as opposed to further gouging the taxpayer, then we, as representatives of the people, are not being asked to deliberate but to rubberstamp a "fait accompli." And, just as I do not believe the taxpayer should have to finance what is already a "sweetheart deal" for Panama, neither do I believe that the House of Representatives should be asked to forsake its role as a deliberative body and assume that of a rubberstamp.

Mr. Chairman, before these canal treaties were ratified, in fact during the debate over ratification, not one but several administration spokesmen assured us that there would be no costs to the American taxpayers associated with implementation of the Panama Canal treaties. It was only after ratification by the Senate had been accomplished that the administration owned up to the fact that there was a price tag—$350 million at first, then raised to $870 million, and now up to $981 million. However, according to the General Accounting Office, the figure is over $1 billion and, by many accounts, even that is a very conservative estimate. Of course, H.R. 111 passes some of these costs on to the users of the Panama Canal but, since we are a major user—6 to 7 percent of all U.S. seaborne trade transits the canal—that simply shifts the burden from the taxpayer to the consumer who is, after all, one and the same person.

Inasmuch as most Americans, indeed, many Senators, had no idea that such costs were involved, the question becomes, what to do about them? H.R. 111 improves upon the President's original proposal to the extent that the United States would still collect the $20 to $25 million a year interest it has been collecting on its canal investment and toll-payers would have to foot the bill for the $314 to $381 million retirement and other personnel transfer costs, but it does nothing to compensate for the following: $1.3 billion (over 20 years) in costs to be incurred by the Department of Defense for running schools and other facilities now operated by the Panama Canal Company; $70 million in surplus funds now held by the canal operating fund that would revert to the new Panama Canal Commission instead of the U.S. Treasury; $319 million in unamortized balance on the costs of constructing the canal that will not be repaid; $155 million for replacement of naval and aviation safety equipment being given to Panama.

These costs, adding up to $1.84 billion over the next 20 years will, either directly or indirectly, be borne by deceived American taxpayers unless the Hansen amendment is passed. Since, in any other real estate proceeding, the buyer would be expected to pay closing and transition costs, it is not at all unreasonable for Congress to pass this amendment—as I firmly believe it should.

Some of those opposing this amendment have suggested that Panama simply cannot afford to pay these closing costs. To a certain extent, they have a point since the existence of a $2.4 billion external debt presently requiring Panama to devote 55 percent of its budget to debt servicing suggests that the Panamanian Government's real objective here is not to salve national pride, but to obtain a financial bailout. However, Panama will be receiving—over and above the items mentioned previously—some $55 million a year in tolls, $10 million a year from a fixed annuity payment, another $10 million annually to provide various public services plus the profit generated by the various retail facilities in the Canal Zone being turned over to Panama. At present, gross income from these facilities is running in the neighborhood of $100 million a year; the profit therefrom, which has been estimated at $6.1 million a year, coupled with the $65 million bonus Panama can otherwise expect from the canal, should be more than enough to cover the canal transfer. After all, Panama is getting facilities, the book value of which is roughly $947 million and the replacement value of which may run as high as $20 billion, for nothing. The least they can do is to pay us the expense of making such a donation. In fact, if I had my "druthers," the Panamanians would be required to compensate U.S. taxpayers, not just for the transition costs, but for the fair market value of the canal and zone.

To the further objection that requiring Panama to pay these transition costs would be tantamount to default on our treaty obligations, a number of points need to be made. The first is that, while article IV, sections (a) and (b) of the treaty state that we have an unconditional obligation to make the aforementioned payments to Panama, many constitutional experts believe that, before a treaty becomes the law of the land, Congress must first approve any expenditure of funds and, also, any transfer of U.S. property called for in the treaty (see *Foster* v. *Nielson*, 1829, and the American Law Institute's, "Restatement, Second Foreign Relations Law of the United States," 1965). Second, in order to be meaningful, the right to approve any transfer of U.S. property carries with it the right to attach terms and conditions to that transfer, including requiring the recipient nation to pay the costs of the property transfer in the same manner a real estate purchaser is expected to pay closing costs on a real estate deal. Furthermore, and this is a third point, Panama has known all along, thanks to the publicity given the approval process, and thus has entered into the treaties fully understanding that Congress would have to pass legislation implementing the treaties and that the shape of said legislation could not be preordained. Legal precedent for such a position can be found in *Turner* v. *American Baptist Missionary Union*, 1852, where a Federal circuit court in Michigan not only held that the treatymaking power "* * * cannot bind or control legislative action in this respect (where the concurrence of Congress is necessary to give a treaty effect)," but also stated that—

> . . . every foreign government may be presumed to know that as far as the treaty stipulates to pay money, the legislative action is required.

Logically, the same principle should apply to the transfer of property since even the drafters of H.R. 111 concede that it, too, requires prior congressional approval.

Before going any further, it should also be noted that the treaties say nothing, absolutely nothing, about the cost of transferring U.S. property to Panama. Such being the case it can thus be argued that, just as Panama has the right to expect that the United States will make the payments to which it is committed, the United States has every right to expect that Panama pay the costs associated with the transfer of the canal and zone to its jurisdiction. It would then be up to Panama to decide if it will accept those terms; if not, it can likewise be argued that Panama, not the United States, will have defaulted on its treaty commitments.

In many ways, it is a real tragedy that the House of Representatives did not get to vote on these treaties prior to ratification, as suggested by article IV, section 3, clause 2 of the Constitution for, if it had many of these questions could have been resolved and misunderstandings avoided. Ironically, however, one of the major reasons put forth for not giving the House the chance to vote was that the House would get its say when the implementing legislation came along. Now that implementing legislation is before us, those opposing the Hansen amendment would like to deny us a meaningful say again. To them I say that, even if one assumes the treaties are "self-implementing" and that House can default on an agreement to which it has not been a party, would such a "default" be any worse than unilaterally abrogating a mutual defense treaty as the President just did with the Republic of China on Taiwan?

The final point relates to the nature of the Panama Canal treaties themselves. From the outset, their lack of specificity, of which this controversy over transfer costs is but an example, has been the cause of differences of interpretation between the signatory nations. But, just because there is a difference of opinion does not mean that, by failing to concede, we are automatically in default. Implementation of the Panama Canal treaties need not be, in fact should not be, a one way street. For, if the Panamanians and others get the idea we are a pushover, we can expect the demands on the United States in general, and its taxpayers in particular, will only escalate. We should never allow generosity to be confused with weakness.

There is another consideration. After we have completed action on this measure, it will go over to the Senate where it can be expected that the administration will make another attempt to get its own, and far less desirable, bill (H.R. 1716) passed. Should the administration be successful, the bill would have to go to conference where the differing versions would be negotiated and compromised. Now, as any negotiator worth his salt recognizes, one does not go into a negotiating session asking for nothing more than what he has to have, because he will come out with less than what he needs. So, even if our objective was just to get H.R. 111 passed, it stands to reason we should ask for more. Thus, from a tactical as well as a policy standpoint, the Hansen amendment makes good sense.

Finally, there is the matter of the gunrunning, by the Panamanian Government to the Sandinista rebels in Nicaragua. Needless to say, not only is such a development inconsistent with the OAS charter, but it casts doubt upon Panama's commitment to the Neutrality Treaty it signed with the United States relative to the Panama Canal. Beyond that, asking U.S. taxpayers to subsidize transfer costs which, in turn, will make more money available for Panama to use to facilitate gunsmuggling if it so chooses, would be inconsistent with any logical policy of human rights. If anything, the mounting evidence that the Panamanian Government is in the business of fomenting revolution in Latin America suggests that we should be less inclined than ever to ask our taxpayers to pick up the tab for costs that the Panamanians should rightly pay. Passage of the Hansen amendment will assure that our taxpayers do not have to pick up the tab and, for that reason, as well as to protest the administration's attempt to confront this body with a virtual "fait accompli," I urge that it be adopted.

Ten to twenty years from now some historians will sit down to write the history of this era and they will search for a title or topic for the chapter that reflects what we are doing here today, and I would guess that one or more of these historians is going to write and title the chapter, "The Great Finesse," "The Great Finesse."

And this is the way it works: The U.S. Senate has approved two treaties. That case went to the Circuit Court of Appeals and the argument goes that since the Supreme Court of the United States declined to review the decision of the Circuit Court, it is the law of the land. That is, the Senate, by approving two treaties can transfer property of the U.S. Government which ignores the involvement of the House of Representatives.

So now the proponents of this legislation come along and say we have only one duty, and that is to appropriate money to implement these treaties.

But they beg the very question because neither the U.S. Supreme Court, nor the Circuit Court of Appeals has ruled that the House of Representatives is under a duty to appropriate funds to implement these treaties.

Why have they not done that? Because it is not consistent with the Constitution; it is not the law; and it is not what the court said. That is why I come back to my remarks, "The Great Finesse."

The suggestion is being made today that if we, the House of Representatives, do not vote to adopt this legislation implementing these treaties, we are breaking faith with the leaders of this country and the American people and we are breaking our word to the Panamanian people. Do not believe it.

Respectable, legal authority has observed—now hear this—respectable legal authority has observed that if the House does not approve this legislation, there are no treaties.

Why? Because money has not been appropriated and precedent of this country has established that in order for those treaties to come into life the money must be appropriated.

The Constitution says, in article I, section 9, clause 7, that that involves an action of the U.S. House of Representatives.

We have a duty to watch what we do with taxpayers money.

I suggest that the cost of the implementation of these treaties, why the proponents of the treaties declined to suggest to the U.S. Senate what the true cost was when they brought them up, was for a very practical reason. They feared that if the Senators know the true cost of the implementing of these treaties they could not have built 67 votes in order to obtain Senate approval.

Now I am suggesting this. If you subscribe to the point of view that we have a duty to implement these treaties, to vote taxpayers money in order to give life to these treaties, then the least we can do is pass the Hansen amendment and reject the amendment of the gentleman from New York, which is really to obliterate what the gentleman from Idaho (Mr. HANSEN) seeks to do with his amendment.

Mr. TREEN. Mr. Chairman, will the gentleman yield for a question?

Mr. DANNEMEYER. Yes, I would.

Mr. TREEN. Did the gentleman say that responsible legal authority, that there is responsible legal authority for the proposition that if we do not appropriate funds that the treaties that have been ratified by the Senate, and which are scheduled to go into force October 1, will not go into force and effect? Was that the gentleman's statement?

Mr. DANNEMEYER. The gentleman heard me correctly.

Mr. TREEN. Would the gentleman cite the legal authority?

Mr. DANNEMEYER. Yes, I will be happy to do that.

The American Law Institute comment on section 141 of its restatement of foreign relations laws, states:

> f. *Constitutional limitation on self-executing treaties.* Even though a treaty is cast in the form of a self-executing treaty, it

> does not become effective as domestic law in the United States upon becoming binding between the United States and the other party or parties, if it deals with a subject matter that by the Constitution is reserved exclusively to Congress. For example, only the Congress can appropriate money from the Treasury of the United States.

The CHAIRMAN. The time of the gentleman has expired.

(At the request of Mr. SYMMS and by unanimous consent, Mr. DANNEMEYER was allowed to proceed for 5 additional minutes.)

□ 1930

Mr. TREEN. I do not think that is the point. The treaty does not require the appropriation of funds. What I understood the gentleman to say is, if we do not pass this legislation or any subsequent appropriations, that the treaty itself would not go into effect, is a very serious statement. If I felt that the gentleman was correct, I would vote against this legislation.

Mr. DANNEMEYER. That is precisely the statement I am making, because I represent to the Members of the House that legitimate legal scholars have made that observation; that these treaties do not come into life until this House appropriates the money to give them life. If we choose not to appropriate the money to give them life, these treaties stand there as having been enacted by the Senate, but they do not have any life, because we did not appropriate money to give them life.

Mr. TREEN. What the gentleman cited was to the effect, if I understood him correctly, that a treaty could not appropriate money.

Mr. DANNEMEYER. That is correct.

Mr. TREEN. And our Constitution says that no moneys will be expended except through appropriation. I would agree with the gentleman that that is good authority for the proposition that a treaty cannot cause the appropriation of money from the Treasury. The gentleman is taking that statement, though, to say that this treaty does not go into effect unless we pass appropriations, and I have to challenge that statement.

Mr. SYMMS. Mr. Chairman, will the gentleman yield?

Mr. DANNEMEYER. I yield to the gentleman from Idaho.

Mr. SYMMS. Mr. Chairman, I thank the gentleman for yielding. I think the gentleman is making a real contribution here to this House tonight by the succinct presentation he has made.

If the gentleman is incorrect, then it is interesting to me to note that it is acted as though, by the liberal media in the country, that hell is going to freeze over if for some reason the House does not pass this bill this afternoon. I wonder—I wonder if the gentleman is not making a good point, because some of these people have begun to profess, if the Hansen amendments passed or if H.R. 111 does not pass, that these treaties will not be in effect, and the American people would be in a position where they still own and control that Canal rather than having given it away. We are not only talking about giving it away, but we are talking about paying billions and billions of dollars out of our largesse, out of the Treasury of the United States, in order to give it away.

Mr. MURPHY of New York. Mr. Chairman, will the gentleman yield?

Mr. DANNEMEYER. I yield to the gentleman from New York.

Mr. MURPHY of New York. Mr. Chairman, I thank my colleague from California for yielding. Let us put a new perspective on what we are talking about when we talk about appropriations. The Panama Canal collects maybe $350 million a year in revenues from its users. The original proposal that came to us was to have a corporate organizational form operate the Panama Canal Commission for the next 20 years. In essence, that corporate form would collect all these revenues and make expenditures down there.

That could still happen, but what we propose in H.R. 111 is to correct and tighten that looseness. We establish a commission, and say that all of those revenues collected come into the Treasury of the United States. Through that commission, this Congress has the power to reappropriate those funds, and that is its key power. That power will be gone if we permit H.R. 111 to be defeated and we permit that treaty to be the implementing document. The funds that come to that canal will be collected and spent down there, and they will be spent according to the wishes of some bureaucracy that is not responsive to the Congress.

That is the reason we wrote H.R. 111, to collect those canal revenues and bring them squarely in the Treasury. That is why the gentleman from Louisiana alludes to appropriations. They would not like to have to make appropriations, and they will not try to come through the appropriations process. Unless Members understand the intent of what we have tried to do, that is, to recapture the power to transfer property that you lost when that treaty was ratified in 1977, and to recapture the appropriations power of this body that you lost in 1977, then the point of H.R. 111 is not clear. That is the compelling argument to stick with H.R. 111 and use it as the implementing package, and not permit the treaty to be used as an implementing package.

The CHAIRMAN. The time of the gentleman from California has expired.

(By unanimous consent, Mr. DANNEMEYER was allowed to proceed for 2 additional minutes.)

Mr. DANNEMEYER. There is a little confusion, I think, as to just what the Hansen amendment does. Let us start with that. If it is adopted, Panama will have to pay to the United States, to pay in effect for the property we are transferring to them, about $100 million a year for each of the next 20 years. If I understand the amendment of the gentleman from New York, it takes the teeth right out of the Hansen amendment by suggesting that the language of holding the U.S. taxpayer harmless will stand, but the duty of Panama to pay money will go away.

Now, that being the posture of the amendment offered by the gentleman from New York to the amendment offered by the gentleman from Idaho, I think the responsible thing, if we want to have an up or down vote on the Hansen amendment on its merits, is to vote no on the amendment of the gentleman from New York so that the House can truly express itself on an up or down vote on the Hansen amendment. Otherwise, it is just another round in what has been called, "The Great Finesse," and the people who are at the end of that finger on the finesse are the American taxpayers because, if we adopt the amendment to the amendment, the confusion will come as to what the vote means.

I say, let us give the taxpayers a chance to understand what we have done. Vote down this amendment to the amendment; vote up the Hansen amendment, and we can then go back to our constituents who ask, "Did you spend my money properly or not?" I suggest that is what this place is all about.

Mr. BOWEN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I want to commend the distinguished chairman of the Merchant Marine and Fisheries Committee, the gentleman from New York (Mr. MURPHY) for the outstanding amendment which he has offered, and his eloquent defense of it.

I would like to say in regard to some of the points that have been made recently that the gentleman from California who just spoke is absolutely, totally, dead wrong. In fact, in my 7 years in the Congress I do not know that I have ever heard anybody who made a wronger presentation than he did. He is completely wrong when he says that if we pass no Panama Canal legislation, that somehow we can go back to the good old days of 1903, and we will be able to keep the old treaty and keep the canal and stay there in perpetuity.

I have yet to find the first international lawyer who takes that point of view. I know the gentleman may drag one out of the woods somewhere, but I have a list here of about 15 international lawyers who have taken a position precisely to the contrary.

I happen to have several things in common with the gentleman from Idaho (Mr. HANSEN). One of them is that I was not for the treaties. I have another thing, I am sure, in common with him. That is, that probably both of us could have written treaties better than the ones we have. But, unfortunately, this is like a contract which is signed, sealed, and delivered, and we look at it a few months later and think that we could have made a better deal. I like rewriting contracts and treaties unilaterally. I think it is a terrific idea. I wish there was some way we could establish that practice. I do not know of one now. The contract that was written, the treaty we have before us, is something we had nothing to do with, something imposed upon us by the President and the Senate.

But, the treaty that is laid before us is very clear and very explicit when it says that there is to be no charge—no charge absolutely for the property being transferred to Panama, and it states clearly that the property shall be delivered at the end of the century without liens and debts. So, regardless of the merits of paying for our military operations—and I think that would be wonderful, to have somebody else pick up the tab for our military operations all around the globe and not just in Panama—the fact is that it is not in the treaty. There is no way we can put it in without violating the treaty absolutely.

Consequently, I do not think it serves a great deal of purpose to sit here and talk about whether or not a move from point A to point B was caused by the treaty, or whether the military simply wants to upgrade its facilities to world standards. It is a cost that we are obligated to pay and one very much like similar military outlays around the globe. I believe our appropriations committees can handle that matter very well. Just on Monday of this week, for example, the military construction subcommittee presented a budget which reduced the Defense Department's request from $35 million to $29 million for these Panama Canal operations.

☐ 1940

This is not something that ought to be charged off to Panama because we really do not have the option of charging it to Panama. Of course, I think all of you know that the costs that the gentleman from Idaho attempts to identify as being included in his concept of treaty-related costs, including all the property down there, would be, as the gentleman from New York pointed out, far, far in excess of any payments that will be made to Panama. Then he would have you reach into the Panamanian treasury to pay still further, a treasury that admittedly is pretty broke—I think it is about a $900 million a year budget and about 42 percent of the annual budget is debt services.

Not only that, but he puts a cap on the tolls increase which is going to sock it to you and me and to our constituents, the taxpayers, because if there are any unusual costs that come along, he is denying the Panama Canal Commission the right to raise rates to cover the costs. It is a Government agency, and we will have to come back here and appropriate the money to pay for any costs that go beyond the tolls cap.

That is the one thing the gentleman from New York has made clear cannot happen under the amendment he has offered. You cannot charge the American taxpayers for any of the costs of the Panama Canal Commission for operating the canal.

Now, what happens actually if we fail to pass legislation or if we adopt some outrageous violation of the treaty such as the Hansen amendment?

Well, let us presume that the Hansen amendment could never be signed into law, so let us just say we do not have any legislation on the statute books. If that happens there is a very well established principle of international law which says that you may not violate a treaty or abrogate it or terminate it until it comes into effect.

Now, the treaties of 1977 come into effect on October 1, and although I happen to be a very strong believer in the concept that you should not transfer property without the consent of both Houses of Congress, unfortunately the courts of this country have seen fit to disagree with a number of us in that regard.

In the case of our colleague from Oklahoma (Mr. WALKER) versus Jimmy Carter, as I believe the case was called, the courts ruled that the treatymaking power was equivalent to the statutory power insofar as the disposal of property is concerned.

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent Mr. BOWEN was allowed to proceed for 3 additional minutes.)

Mr. BOWEN. I do not agree with the decision myself. The Supreme Court reviewed it, denied certiorari, and it is just like a lot of other court cases that I do not agree with. It is the law, the courts ruled that way, and I do not know of anything I can do about it.

I will tell you this, there is one portion of that treaty which is very much self-executing, whatever you may say about property transfer. The one thing I do not think I have found anybody who disagrees with me on is the portion of the treaty which says that the original treaties of 1903, of 1936, and 1955 are terminated on October 1. So the peculiar kind of a legal box we find ourselves in, my friends, is that at the stroke of midnight on September 30, the old treaties are null and void. They are dead. There is nothing remaining under those treaties which authorizes us to remain in Panama.

Now, the new treaties, of course, go into effect at that same instant, but again the fact of life is that you cannot violate those treaties at that moment. You can only violate a treaty under international law when you fail to carry out an obligation under international law. Therefore, if we fail to pass the legislation and the first day or two ticks off after the 1st of October and the Panamanians inquire as to why we have not delivered the railroad or the ports or something else we are obligated by the treaty to deliver to them, then we indicate that by statute law or by failure to pass statute law we cannot do that, and the Panamanians then say, "Well, we will abide by your decision to terminate the treaty, you have decided to repudiate the treaties, we regret your decision, we accept it, we hereby announce the treaties are terminated. You will now please remove your 10,000 troops, you will remove your 4,000 civilians, you will go home, and we will do our best to try to run the canal." I do not think they could do a very good job of running the canal, and that is why I want to pass this legislation and keep the United States there until the turn of the century.

If we do not pass the legislation, if we pass something that is an egregious violation of the treaty such as the Hansen amendment, then we will in effect be dumping the canal into the lap of Panama later this year.

I am very much opposed to the Hansen amendment and very strongly in support of the amendment of the gentleman from New York.

There are a lot of financial aspects we could go into at this point, but I will only say that I am very pleased the amendment of the gentleman from New York makes it very clear that no tax dollars will be paid to Panama. We only pay for our own forces there.

I would like to point out to some of you, those of you who have read the ads that have circulated around the Nation—you know, the gold brick ads, the ones that talk about $4 billion, $20 billion, all the different amounts of money that somehow are alleged to be a part of the cost of this operation—to remind you that if we pass this legislation we will still receive interest on our investments in Panama.

Currently they are running at about $20 million a year. At that rate by the end of the century we will have received a profit of some $262 million on all our nonmilitary outlays in Panama since 1903, and I call that a good deal.

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent Mr. BOWEN was allowed to proceed for 2 additional minutes.)

Mr. BOWEN. If we pass this legislation, we get continued payments of interest to us, interest payments which, as I say, by the turn of the century will make us a substantial profit on all of our investments down there. Just count all the investments. Count the $387 million we paid to construct the canal, count the $40 million we paid to France for the concession, count the first $10 million we paid to Panama for the right to use the canal. Count every piece of property we bought down there, every stick and stone we spent a dime on, count every bit of it, and then count the revenues that have come into our Treasury. Count the profits that came in up until 1950 when we put profits directly into the Treasury. Count the interest payments after that time that have come and still will come in, and when you add them up, by the end of this century your taxpayers and mine, the citizens of this country will be making a profit of somewhere between $200 million and $300 million on the canal enterprise.

In addition, after the year 2000 when we devoutly hope that our friends, the Panamanians, will be able to show a more responsible attitude in Central America, we hope they will be technologically prepared to run the canal, and at that point in time we will retain the right, of course, under the neutrality treaty to insure the neutrality and the openness of the canal, and we will have the right for our warships to go through the canal at the head of the line ahead of any others.

Mr. ROTH. Mr. Chairman, will the gentleman yield?

Mr. BOWEN. I will be happy to yield.

Mr. ROTH. I want to congratulate the gentleman. I think the gentleman has made a very eloquent presentation.

I have one gnawing question. We have talked about what the courts have said, what the Senate has said, what the President has said, what is good for Panama, what is good for our position in Panama, but is this not the House of Representatives where we are supposed to represent the American people? My question is, what do the American people want? I have not seen a single poll.

Mr. BOWEN. Mr. Chairman, I can tell the gentleman very clearly what the American people want. I know what my people want. They want no treaty. If I could give them no treaty I would certainly do it, I promise you that. Unfortunately, the Senate and the President have reduced the choices open to us to two. We have the choice of keeping the canal until the end of the century, running it with our technical know-how, keeping our military there.

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent Mr. BOWEN was allowed to proceed for 1 additional minute.)

Mr. BOWEN. The other choice that has been left to us by our good friends in the Senate and our good friend on the other end of Pennsylvania Avenue is to unload the canal on Panama this year. If you are unhappy about what Panama seems to be doing in Nicaragua, I am too and I do not trust them enough to let them have the canal this year. I want the United States to run the canal for the remainder of the century.

These are the two choices left open to us.

Mr. ROTH. Mr. Chairman, will the gentleman yield?

Mr. BOWEN. I yield to the gentleman from Wisconsin.

Mr. ROTH. The question is, you know we cannot put the onus on the courts or on the Senate. The onus is here. We have our own responsibility. As I see it, our responsibility is to the American people.

I have heard so many speakers talk today and I have not heard one of them ask yet what do the American people want. What do the people want we are supposed to be representing.

Mr. BOWEN. I have asked my people the same thing you have. When I get these little white cards in the mail that say, "Dear Congressman: Please vote to keep our Panama Canal and vote against the implementing legislation," I write them back and I say, "Thank you so much. I want to do both things. Unfortunately, I can do but one. I will be very happy to vote against the implementing legislation and give the canal to Panama this year. Or I will vote for the implementing legislation and keep the canal until the end of the century. You just tell me which one you would like for me to do," and I promise you, invariably they say let us keep the canal until the end of the century, no give-away in 1979.

□ 1950

Mr. BAUMAN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I think the gentleman from Mississippi ought to get the Cy Vance gold medal for service to the State Department. The gentleman certainly has delivered the line that the State Department has been delivering for months. I do not quite understand the inconsistencies inherent in what the gentleman had to say. At one point the gentleman said that these treaties were self-executing. Then the gentleman said that on October 1 the whole thing will fall apart and we will not have any right to stay in Panama if no implementing legislation is passed.

Now, we cannot have it both ways. It is one or the other.

Mr. BOWEN. Mr. Chairman, will the gentleman yield, since the gentleman has mentioned my name, if he would be so kind.

Mr. BAUMAN. Not only the gentleman's name, but I nominated him for an award which I may have to present to the gentleman. I yield to the gentleman.

Mr. BOWEN. Mr. Chairman, my good friend and I are both unhappy about the treaties.

I referred to a portion of the new treaties which are self-executing. That is the portion that terminates the old treaties. The portion which asks us to take the responsibility of establishing a commission which can employ people and run the canal is, as the gentleman and I both know, not self-executing. If we do not pass the legislation, we will not be able to run the canal.

Mr. BAUMAN. Mr. Chairman, I refer the gentleman to the terms of the treaty. The commission is created by the treaty and not by this implementing legislation. We will control the canal.

Mr. BOWEN. Unfortunately, if we do not act to create it, since it is an American Government agency, I know of no power that will make it be created off the pages of the treaty of its own weight and its own energy; but if the gentleman can think of a way to do that, I will be very much interested in hearing it. And if we violate the new treaties, then we will not even have that authority to remain in Panama.

Mr. BAUMAN. Well, if the gentleman will sit down we will work it out. The gentleman can bring his State Department advisers with him.

Now, Mr. Chairman, may I say to the House that the truth of the matter is that if we do not pass the implementing legislation, just as the gentleman from New York clearly stated, we leave the tender mercies of this treaty and its interpretation to the same people that wrote these lousy treaties that the American people reject. That is something that disturbs me a great deal. That is the most compelling argument that I have heard to pass some implementing legislation; but I want to address myself to the amendments that we find before us right now. There are two amendments, the Hansen amendment, the so-called "honesty" amendment, as the gentleman from Idaho calls it. The gentleman has been very clear for many weeks in what it is that the gentleman seeks to do. You may not like it. You may disagree with it. You may argue that it violates the treaty or you may argue that it is consistent with the treaty; but the gentleman has made his intentions very clear.

Now, my good chairman, the gentleman from New York, for whom I have the highest respect, has been known on many occasions to use the same tactics that the gentleman has used on this amendment. The gentleman has come up with an outstanding amendment, filled with honey sounding words that really, butter just would not melt in your mouth listening to these words; but the truth of the matter is that everything that is in the Murphy amendment now pending as a substitute, in effect, for the Hansen amendment, is already in the bill. They are already in the U.S. Constitution also. It does not do anything but restate what the powers of the Constitution already allow the House to do, that is, appropriate money, pass legislation, cede property if they wish or they do not wish to; so what the gentleman has done is to offer us a first vote on a nice sounding amendment that does not do one darned thing except give us a chance not to vote directly on the Hansen amendment.

Now, whether you are for or against the Hansen amendment, I say to the gentleman from New York, the issue has been abroad. The American people are aware of it. The gentleman from Idaho has made a case that is a legitimate case, as the gentleman from New York has submitted.

My disposition is to vote against the Murphy amendment, for the Hansen amendment, and I will tell you, I have an additional reason extraneous from anything that is in the Hansen amendment. The President of the United States stood before us at the White House a few nights back, wasted a glass of wine and some food on the gentleman from Maryland, but I was honored to be invited there. It was a nice occasion. It was the same occasion when he made comments about the Senator from Massachusett's posterior, which has been so widely noticed around the country; so it was a dangerous, reckless evening, there in the dews and damps of the White House.

We were talking about Panama. I noticed that in the course of the President's remarks he referred to everybody by his first name; Carroll, David, and so on, except the gentleman from New York who he called Mr. MURPHY on each occasion when he referred to him; and I am sorry about any differences that may exist; but the gentleman from New York has done great service to America in drafting this legislation and handling it in the way the gentleman has.

But here is my reason for supporting the Hansen amendment.

The President made it clear. He does not want the Murphy bill. He is going to tear the Murphy bill to shreds when it goes to the other body; but the way he put it was, "I reserve the right to make changes that I feel consistent with the commitments I made to General Torrijos." That is what he told us, did he not? Exactly.

So my feeling is that let us go to the other body in conference with the toughest possible bill, embodying the views expressed by the gentleman from Idaho and then we will work out our differences, because I have no doubt that every pressure will be turned on in that conference on the other side of the Capitol to completely not only destroy the Hansen amendment, but the Murphy bill as well; so I am really trying to help the gentleman from New York in my position so that we will go to conference with a stronger position.

Mr. MURPHY of New York. Mr. Chairman, will the gentleman yield?

Mr. BAUMAN. I yield to the gentleman from New York.

Mr. MURPHY of New York. Mr. Chairman, I would say to the gentleman, I am thankful for all the help the gentleman has given me in the past, particularly on other legislation before this body.

The CHAIRMAN. The time of the gentleman from Maryland (Mr. Bauman) has expired.

(At the request of Mr. Murphy of New York, and by unanimous consent, Mr. Bauman was allowed to proceed for 5 additional minutes.)

Mr. BAUMAN. Mr. Chairman, I yield to the gentleman from New York.

Mr. MURPHY of New York. Mr. Chairman, the gentleman from New York has no intention of going to a House-Senate conference and caving in to any position that is short of H.R. 111. I made the commitment that this committee would pass legislation that was completely within the letter and the spirit of the Panama Canal treaties and that legislation was not going to be bound by anything other than that commitment.

I think H.R. 111 is a tough piece of legislation. We have gotten right down to the very thrust of House powers where the bill protects the appropriation process. It recaptures the power of transfer of property. It places the Defense Department where it should be. It protects the American workers and it, in effect, is good solid legislation.

I do not want to see a veto of a piece of legislation that then would throw us to the mercy, the tender mercies, of that treaty as the implementing package.

I can assure the gentleman, and the gentleman has been with me in other conferences, that we will stand up for the prerogatives and the rights of this House.

Mr. BAUMAN. Well, Mr. Chairman, I appreciate the gentleman's assurances. I just want to help the gentleman a little further to give the gentleman a little stronger position from which to deal when we face the inevitable differences that will exist between the two Houses and the pressure that the President has already promised us that he will apply. I think that tactically the best thing we can do under those circumstances is to offer to adopt the Hansen amendment at this point.

I am glad to hear the gentleman's assurances. I suspect that we could say tonight, I think we probably both agree on this statement, that if the President thinks he is going to destroy the Murphy bill, as he indicated that may be his intention, water it down, that he will get no legislation, because when we come back from conference, it will never pass this House of Representatives. The circumstances in Panama are tenuous today and they will change much more before we vote finally on this issue.

Mr. MURPHY of New York. Mr. Chairman, will the gentleman yield further?

Mr. BAUMAN. I yield to the gentleman from New York.

Mr. MURPHY of New York. Mr. Chairman, will the gentleman please refer to it as the "Mr. Murphy bill."

Mr. BAUMAN. "The Mr. Murphy bill."

Mr. ZABLOCKI. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, it is very difficult to follow the gentleman from Maryland (Mr. Bauman). I was a little disappointed that the gentleman did not withhold the Cyrus Vance award until the gentleman heard me. I thought the gentleman might nominate me for that award.

Mr. BAUMAN. Mr. Chairman, will the gentleman yield?

Mr. ZABLOCKI. I yield to the gentleman from Maryland.

Mr. BAUMAN. Mr. Chairman, if I had it in my power, I would give the gentleman from Wisconsin the highest awards available for the work the gentleman has had to do—with clusters, yes, as the gentleman from Ohio suggests—the work the gentleman has had to do and the way the gentleman has acquitted himself in the House, with all respect, but I would not want to give the gentleman the Cy Vance award. I definitely would not. I do not think the gentleman deserves that.

Mr. ZABLOCKI. Well, Mr. Chairman, I do not know what the Cy Vance award is; but whatever it is, it must be good, because I know Cy Vance.

Mr. Chairman, I rise in opposition to the amendment of the gentleman from Idaho and in support of the amendment offered by the gentleman from New York (Mr. Murphy), the very able, courageous and articulate chairman of the Committee on Merchant Marine and Fisheries.

The amendment the gentleman has offered to the amendment offered by the gentleman from Idaho is, I believe, an opportunity for this body to restate its desire that the House of Representatives had a voice in how U.S. property should be transferred.

I was one who was opposed to denying the House an opportunity to vote on the property transfer issue; but the amendment offered by the gentleman from Idaho is designed to do one thing, to repudiate the treaty.

Now, let us be honest with each other. The Senate has approved the treaty under our constitutional process. It has been ratified. It is the law of the land. We cannot now, as the gentleman from Idaho seeks to do in his amendment, negate the treaty. The adoption of the amendment offered by the gentleman from Idaho (Mr. Hansen) could have no other purpose or result but to violate the treaty.

□ 2000

We would be dishonest by doing so. The word of our country would be meaningless. To state what harm the gentleman's amendment would do not only to our relations with Panama but with all of Latin America is very difficult for me to explain in the brief time I have at my disposal.

Yet, our colleague, the gentleman from Wisconsin (Mr. Roth), asks, "What do the people of the United States want us to do in Congress?" I have received letters and cards, as well as form letters, asking me not to vote for the implementation of the treaty. Some have said, "You should not vote to ratify the treaty." They did not even know that only members of the Senate can vote on treaties.

In my judgment, what our people really want is to see that the Panama Canal will remain open and available for transportation and commerce. If the Panama Canal should be closed for whatever reason, if we do not pass this implementing legislation, a closure of the canal would have a tremendous impact on the economy of this country.

And who in this Chamber would suggest that, if we do not pass this implementing legislation, and there is an uprising in Panama and the canal is in jeopardy, we would have to take overt action which could lead to war. Who in this Chamber advocates a war when we have an opportunity to avert one?

The amendment offered by the gentleman from Idaho (Mr. Hansen) would condition the transfer of property to Panama, which is required under the treaty. His amendment would require Panama, before acceptance of the canal property, to reimburse the United States for the net investment cost of canal construction, interest on that investment, and all costs incurred by the United States which are incidental to the implementation of the treaty. Such costs would include the costs of operating the Panama Canal Commission, which under the treaty will be a U.S. agency for the life of the treaty.

I do not see why the gentleman from Idaho did not even go further and say that the government of Panama should pay the salaries of our embassy staff and the salary of our ambassador as well.

The CHAIRMAN. The time of the gentleman from Wisconsin (Mr. Zablocki) has expired.

(By unanimous consent, Mr. Zablocki was allowed to proceed for 3 additional minutes.)

Mr. ZABLOCKI. Mr. Chairman, such a requirement as the gentleman from Idaho (Mr. Hansen) proposes would, of course, be a clear violation of the treaty which stipulates that the property in question will be transferred free and clear and without charge. Moreover, the amendment risks the loss of U.S. rights to operate and defend the canal until the year 2000, since those rights after October 1 of this year will be based on the 1977 treaty, the 1903 treaty having been set aside. Thus the amendment risks an immediate loss—and I repeat that—an immediate loss of the canal, a result harmful to U.S. economic and security interests.

On the other hand, the amendment offered by the gentleman from New York

(Mr. MURPHY) to the amendment would achieve the legitimate objectives sought by the gentleman from Idaho (Mr. HANSEN) without repudiating the treaty and thereby risking irreparable harm to the interests of this country.

First, the amendment to the amendment would confirm the constitutional position of many Members of this body that U.S. property cannot be transferred without the consent of Congress.

Second, the amendment offered by the gentleman from New York (Mr. MURPHY) conditions the property transfer on Panama's compliance with its duties regarding payments under the treaty and on payments to Panama coming only from toll revenues.

Third, the amendment offered by the committee chairman, the gentleman from New York (Mr. MURPHY) requires that the executive branch formally place Panama on notice that under the Constitution the Congress retains control over the expenditure of tax revenues, and that we do not accept the view that the United States is obligated by the treaties to spend taxpayers' money.

Fourth, it would expressly prohibit the expenditure of any taxpayer funds except in accordance with the normal authorization/appropriation process, of course. This means that if the executive branch has a legitimate reason in the future for expending funds other than those derived from tolls in Panama, it will have to come before Congress. The executive branch will have to come before Congress and justify expenditures on their merits, not as a fait accompli resulting from the treaty.

In brief, the amendment to the amendment would protect the American taxpayer and the constitutional prerogatives of the Congress without repudiating the treaty and endangering U.S. interests. The utmost concern must be the continued operation of the canal. The amendment to the amendment will assure that our country's national interests are protected and the canal will continue to be open.

Mr. Chairman, I urge the adoption of the amendment to the amendment.

Mr. DORNAN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise to urge the defeat of the perfecting, or, rather, imperfecting amendment offered by my distinguished chairman of the Committee on Merchant Marine and Fisheries and urge the passage of the Hansen amendment. I do this for so many reasons that 5 minutes of discourse cannot possible cover the 2½ years of study that I have invested in this critical implementation issue as a member of the Subcommittee on the Panama Canal.

I think what we are witnessing here is the predicted constitutional crisis, first predicted to me by U.S. Constitution scholars at a seminar over at the Library of Congress in the spring of 1977. These bipartisan experts agreed to a man that the House, under article IV, section 3, paragraph 2, of our U.S. Constitution, had an undeniable constitutional role to play in one of the Panama Canal treaties.

I would like to go over, however briefly, the confusion that I have witnesed here in 2½ years on the House's role with this bill and the similar pressure to intimidate Members in the U.S. Senate over their approach to the SALT treaties.

I can appreciate the difficult situation of the distinguished gentleman from New York (Mr. MURPHY), because he is caught between a rock and a hard place having opposed the canal giveaway. And likewise with many distinguished colleagues on my side of the aisle who are supporting the gentleman. What is happening in Central America now due to Cuba exporting terror with Panama becoming tangled more and more in the web.

I have had many conversations with the gentleman and with the gentleman from Maryland (Mr. BAUMAN) and with the gentleman from Idaho (Mr. HANSEN) and we all agree how easily this constitutional problem could have been avoided by the administration by letting the House perform its duty in 1978.

The words, "rubber stamp," have been used over and over here this afternoon and this evening, and it is perfectly accurate to say that the administration expects this great body to knuckle under and form itself into the shape of a cheap rubber stamp for the flawed treaties and not even attempt to halt the ever-expanding costs of implementation.

I cannot remember whether President Carter kissed Omar Torrijos when he hugged him at the treaties' signing the way we saw him kissing the chairman of the world's largest concentration camp, the U.S.S.R., earlier this week at the SALT II signing. But the same attitude prevailed, that the Congress should "rubber stamp" and not question. Senate Members are expected to roll over and be submissive on SALT II and shape themselves into a rubber stamp for the ratification of that treaty and protocol which would be violating the constitutional oath every Senator took to play a role in advising and consenting with foreign treaties.

That is the same submissive role that is being played out here by some supporters of the administration who say that this House has no constitutional role here whatsoever in spite of article IV, section 3, paragraph 2 of the Constitution. We are giving away property in Treaty No. 1, a nonself-implementing treaty, and that we should simply defer to the Senate the way the Senate is being asked to defer to the President with SALT is a disgrace.

Frank Reynolds said it best a few nights ago when he remarked that unfortunately for the Russians, the Soviet Presidium does not determine the debate in the U.S. Senate, and I say, fortunately for the American people, the House of Representatives does not let the other body decide the constitutional duties of House Members or the parameters of debate on this House floor.

I think the reams of material in "dear colleague" letters from the courageous Mr. HANSEN, from Mr. BAUMAN, from Mr. HUBBARD, Mr. CARNEY, and from me have given all colleagues plenty of time to research whether this Hansen amendment is constructive or if, as the distinguished committee chairman said, it is self-contradictory. I do not believe it is in any way shape or form contradictory. I believe the distinguished gentleman from Maryland (Mr. BAUMAN) nailed it right on the head when he said that the honey words used in the imperfecting amendment offered by my outstanding committee chairman merely obliterated the good efforts of Mr. HANSEN. So that we may have some ability to influence the events that are unfolding right now in Central America we must not show the nations there that we are a stupid, filthy rich Nation willing to throw away billions in addition to the giveaway of the canal.

Things are becoming desperate in Nicaragua as we heard in the closed session today.

☐ 2010

Now tonight we learn a Guardia soldier of Senor Somoza has created the ultimate nightmarish media faux pas, similar to what General Win, Vietnamese chief of Saigon police did, in the streets of Saigon during the Tet offensive. Enraged over the carnage and the slaughter by Vietcong terrorists of his fellow officers' families you recall he summarily executed in brutal fashion a Vietnam terrorist in the streets of Saigon before close range NBC cameras.

Tonight some of us watched in our respective cloakrooms Somoza's soldiers execute in cold blood, brutally murder an ABC correspondent named Bill Stewart right in front of his own camera crew. Stewart gave us some of the best and most courageous TV coverage that came from Iran. With this awful murder things are going to quickly go downhill in Nicaragua.

The CHAIRMAN. The time of the gentleman from California (Mr. DORNAN) has expired.

(By unanimous consent, Mr. DORNAN was allowed to proceed for 1 additional minute.)

Mr. DORNAN. You are going to see, after this film gets played across America and the world, Mr. Somoza, pilloried and attacked until he is driven from his country as the Shah was. The foreign press didn't care when the Vietcong executed five American journalists in the streets of Saigon in the Tet offensive and it was dismissed even by some Members of this body. But the Saigon police chief film clip was played for years.

You will see a double standard put into play now in Nicaragua until it is turned into a Marxist state. I hope I am wrong because if that happens with our canal in Panama operating under these flawed treaties we are in a strategic disaster because of the critical oil moving through Panama.

I say, in the seconds remaining, that the Members of this body must adopt the Hansen amendment to show to the world and to keep faith with our fellow Americans that we are not a rubberstamp for the other body. Maybe it will give them backbone and steel them against the rubberstamp attitude demanded now of them on SALT II by some media and by the Russians. With all due respect to the chairman of the constitutional lawyers on both sides of this argument.

You know, the superior lawyers are on Mr. HANSEN's side. You signed my letter to the distinguished chairman of Judiciary, the gentleman from New Jersey (Mr. RODINO), to get him to allow the distinguished lawyer Mr. Charles Breecher to appear before the Committee on the Judiciary. That is where this constitutional argument should have fought out, Mr. Chairman. Also, your letter just a few days ago quoting the incomparable Mr. Ralph Burger supports our position defending the rights of American taxpayers in this almost $5 billion implementation.

The CHAIRMAN. The time of the gentleman from California (Mr. DORNAN) has again expired.

(By unanimous consent, Mr. DORNAN was allowed to proceed for an additional 30 seconds.)

Mr. DORNAN. I concede that constitutional lawyer after constitutional lawyer appeared before the Senate and contradicted some of the points that the distinguished Mr. Burger and the distinguished Charles Breecher are saying now but now must all decide ourselves, as our own constitutional experts whether we have been through international law courses or not, really what is best for the American taxpayer and for the security of the Western Hemisphere and actually for the security of the free world given the world oil crisis. I close with my firm support of the Hansen amendment. I ask you not to be a rubberstamp for this administration now or ever.

Mr. BINGHAM. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of the Murphy substitute to the Hansen amendment. I want to salute the chairman of the committee for the outstanding excellent work he has done in battling for this legislation. What stronger testimony could we have to the necessity of passing this legislation, in spite of the reported actions by the Government of Panama in Nicaragua, than that of the chairman of the committee who is known to be so close a personal friend to Anastasio Somoza.

Let me first address myself to the issue of whether or not the new treaties come into effect on October 1, regardless of what the Congress does about implementing legislation.

I have before me a letter addressed to the Speaker, from 12 of the outstanding authorities in the Nation on international law, and it reads as follows:

> We are informed that some Members of Congress are under the impression that if Congress fails to implement the new Panama Canal treaties they will not take effect, and the United States would continue to enjoy rights under the old treaties.
>
> That view is mistaken. The new treaties will come into effect on October 1, 1979 and the old treaties will expire on that date. Failure by Congress to implement the new treaties will not keep them from coming into effect, or keep the old treaties alive. The rights of the United States under the old treaties will terminate on October 1, 1979.

That letter is signed by Dean Rusk, Sibley professor of International School of Law, University of Georgia, and former Secretary of State; Philip Jessup, former Judge of the International Court of Justice; William Bishop, E. D. Dickenson professor emeritus of international law, University of Michigan Law School; Myres McDougal, professor emeritus of law, Yale University Law School; Louis Henkin, Harlan Fiske professor of constitutional law, Columbia Law School; Leonard Meeker, director of International Project of Center for Law and Social Policy, Washington, D.C.; Tom Farer, distinguished professor of law, Rutgers School of Law; Stefan Riesenfeld, professor of law, University of California, Berkeley; Richard Bilder, professor of law, University of Wisconsin Law School; John Moore, Walter L. Brown professor of law, University of Virginia School of Law; Richard Lillich, Howard W. Smith professor of law, University of Virginia School of Law; and Andres Lowenfeld, professor of law, New York University School of Law.

As to the position taken by Prof. Raoul Burger, I spoke with him on the telephone today. He did take the position, which was the basis for the court case brought by our colleague from Oklahoma, and others, that by treaty alone the Government could not transfer U.S. property, but that that had to be done by statute, as well as by treaty.

That was the position which was rejected by the Court of Appeals of the District of Columbia, whose decision was left standing by the Supreme Court of the United States, which refused to review the case. So Professor Burger told me today that his view had been rejected by the majority of that court of appeals.

Turning to the broader issues involved here, it is remarkable that there has been so little mention of the national interest by the opponents of this legislation. The reason is obviously because it is clearly in our national interest to keep the Panama Canal open and the pending legislation is needed to accomplish that. The opponents of the bill cannot tell you how they propose to keep the canal open if they succeed in sabotaging the treaties, so they do not discuss that subject. Instead, they complain about how much the treaty will cost us. The figures are in dispute. But what is beyond dispute is that to lose the canal would cost us infinitely more.

The United States has to have friends in Latin America, as our good colleague, the majority leader, said earlier today. There has been much handwringing in this body lately about how we have been neglecting Mexico. What would be the effect on Mexico and our other Latin American friends if we now renege on the treaties and perhaps seek to hold onto the canal by brute force?

The CHAIRMAN. The time of the gentleman from New York (Mr. BINGHAM) has expired.

(By unanimous consent, Mr. BINGHAM was allowed to proceed for 2 additional minutes.)

Mr. BINGHAM. So there is no question about where our national interest lies.

There is also such a thing as national honor. And again the majority leader spoke eloquently of this this morning. Or is national honor too old-fashioned a concept for the self-styled conservatives of today? It was a concept our country's founders understood. The Declaration of Independence speaks of "a decent respect to the opinions of mankind," and its authors in their very last sentence pledged their lives, their fortunes and their "sacred honor."

I used the word "renege" a moment ago. Our good friend, the gentleman from Illinois (Mr. DERWINSKI), used it in general debate, but it has been far too little used in this debate. Make no mistake. The Hansen amendment, if adopted, would amount to unilaterally changing the agreements that were negotiated over a period of 7 years, solemnly signed, and dramatically ratified by the Senate after weeks of debate. The word for that is reneging, or welching, if you prefer.

☐ 2020

What becomes of our national honor if we act now to renege on these agreements, to try to wreck the treaties while the ink is hardly dry on them?

Mr. DERWINSKI. Mr. Chairman, I rise in support of the Murphy amendment.

Mr. Chairman, I believe the House should move to a vote on this amendment. I would like to take us back to the issue confronting us. The issue before us is basically this. In anticipation of the rightful feeling of the House that we should have as much input as possible into legislation, the gentleman from New York (Mr. MURPHY) has prepared this amendment which proceeds beyond the point that his committee had reached in clearing the bill.

I think this is a practical concession to the point of view of the House.

I would remind the Members of the House that if we reject the Murphy amendment and then logically accept the Hansen amendment, we would at that point probably be in breach of the treaty.

If that is the case, on October 1, we would trigger a situation where our rights under the treaty could be declared null and void under the treaty by the Panamanians.

If the Members recall earlier today when we had our extraordinary closed session, I think the prevailing opinion in that hour of discussion was that the United States had a legitimate interest in the effective functioning of the Canal and that we had our logical interest in maintaining our effective defense forces. That is really what we are down to.

It is not a question of an honesty amendment or dishonesty. It is not a question of an expropriation or lack of it. It is not any of these other slogans that have been bandied about.

The one question before us is: Shall we have effective operation of the canal after October 1, and shall our national interest in the area of defense be preserved? If that is the case, and I believe it is, then the vote for the Murphy amendment is a logical course of action to follow. And let me say—and I do not know where my dear friend from California went—he repeatedly made reference to "Dear Colleagues." I would only say if he had faithfully read my "Dear Colleague" letters, he would be supporting me at this point instead of raising contrary arguments.

Mr. FASCELL. Mr. Chairman, will the gentleman yield?

Mr. DERWINSKI. I yield to the gentleman from Florida.

Mr. FASCELL. I thank the gentleman for yielding.

I agree with the gentleman's analysis about the question that is before this committee tonight.

Certainly the issue is quite clear, it seems to me, that it is in the best interests of the United States to pass this implementing legislation and to support the Murphy amendment to the Hansen amendment.

The Hansen amendment obviously clearly is an effort to be punitive to Panama and winds up being punitive to the United States, because of the economic, security and the political interests.

I would like to ask the gentleman from Illinois, since that has not really been touched upon, what his assessment is of the political destruction to the U.S. interests would be in the event that, in effect, we rewrite the treaties by the adoption of the Hansen amendment?

Mr. DERWINSKI. To answer the gentleman's question, my judgment is that the expectations throughout Latin America are that on October 1 the treaties will take effect. The United States will live up to its obligations.

If we do not, the shock of such an unforeseen development probably will set our diplomatic posture back before the time of the Monroe Doctrine. I cannot think of anything that would be more politically damaging to the United States than to be caught in the situation where it has been charged that we had reneged on our obligation.

Quite frankly, the whole purpose of this bill is to give the House maximum input, consistent with the limitations we work under after the Senate ratified the treaties.

Mr. FASCELL. I agree with the gentleman. It is my observation also that the adverse political impact throughout Latin America and the Third World of unilateral action by the United States would be so adverse, and I cannot think of how far back it would set us politically, but I know the kind of burden it would give us.

I can assure the gentleman that particularly in Latin America that the Panama Canal was the top issue up until the time that the treaties were ratified, and if for some reason we should unilaterally try to renegotiate the treaties or put a burden there that is not there, the Panama Canal would not be the top issue. It would be the only political issue in our diplomatic relations with Latin America.

Mr. DERWINSKI. I thank the gentleman for his support.

Mr. MITCHELL of Maryland. Mr. Chairman, my colleagues, I rise in support of the Murphy amendment. I have tried to follow all of the debate very carefully on this tremendous issue before us. I make the confession and apology that I am not an expert in international matters. I make the confession that I am not a lawyer. Though I am concerned about the legalities of the legislation that is before us, I have a larger concern.

Though I am concerned about the protection of America's interests outside of its territorial boundaries, though I have that concern, I have a larger concern than either the legalities or the protection of America's interests outside of its territorial boundaries.

I think my concern arises out of the fact that very often in this discussion, by innuendo and by inference, by distortion and by other tactics, I have found a thread running through the debate, which, if carried to it logical conclusion, would cause one to question whether the President of the United States acts in the best interest of America.

I have had my quarrels with Jimmy Carter, and I will have additional quarrels in the future, but I think it is a very, very dangerous thing, when playing out the role of the loyal opposition, we begin to question the integrity of the President in terms of his commitment to America.

My concern arises out of the fact that there are those who have made statements tonight on this floor which would suggest—and they do it very carefully and very cleverly—they would suggest that the Secretary of State's commitment to America might be questioned.

I think that is dangerous.

What frightens me the most is that, following Watergate—and what this Nation did in that Watergate scandal was absolutely tremendous; we found wrongdoing in the highest places, and we punished it.

The press and everyone else, the Members in this Chamber, sought out that wrongdoing, and we uncovered it and disclosed it. But there has developed a mentality in the press and in this body to attack everyone who is in a position of authority, by smear and by innuendo, and by almost libelous statements, those that border on almost libelous statements, to discredit the present leadership of America.

I say to my colleagues, and I say to the loyal opposition over here, that is the most dangerous thing that could happen to this country, because when we do that, we begin to instill in the American people a lack of confidence in those whom they elect. We begin to instill reasonable doubt in the American people, and uncertainties, and at that moment, that is when the American people are most vulnerable to every alien force that can be brought to bear against them.

□ 1930

Debate, debate it on its merits, but not on the approach that is being used by the opposition over here. To suggest inferentially that Cy Vance is not really committed to the welfare of this Nation, to suggest inferentially that the President would enter into a treaty that somehow or another would be inimical to the best interests of America, my God, if we do that, then we are setting a stage where every group around the world will look upon Americans as easy prey and we will be responsible for it.

Frankly, I am not all happy about what the gentleman from New York (Mr. MURPHY) is doing. I would prefer to leave the matter with the President and the Senate. But since we have gotten involved, let us keep it at a level where ultimately in our zeal we not end up really doing more damage to America than any treaty could ever do.

Mr. ASHBROOK. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment.

Mr. Chairman, following my colleague from Maryland, I would have to say, and I had not intended to get into the side he is presenting, but he has a rather interesting drill that he goes through quite often. I think it is what we see here and it is one of the things that I was going to talk about. When those like the gentleman from Maryland get what they want, everything is fine. I know many times the next day after a busing amendment would have passed the night before, my colleague from Maryland will take the floor and he will say there was an ugly mood in the House last night. Evil spirits were here. You know, the bad people were doing things against the American people. We all know how that game is played.

It is being played precisely the same way on this amendment. If some future Gibbons ever writes a treatise on the decline and fall of the Congress, he will trace it to one basic characteristic. It will not be the bombast and it will not be the hyperbole, it will not be the large staffs, it will not be the high powered press agents. It will be a recurring theme that I have heard most of my adult life on the floor of this Chamber, the theme that "we cannot do anything about it." I heard that all the time. "We can't do anything about it."

On energy, if you are on the floor, for the 1 minute speeches, there are regular attacks on Schlesinger, attacks on DOE. Just like DOE dropped from Heaven somewhere.

The Congress set up a Department of Energy and yet we act like we cannot do anything about allocations and all of the problems that emanate from DOE.

On spending, how often do we hear "oh, they are nondiscretionary funds, mandatory funds." Nonsense. There is no such thing as nondiscretionary. We can change any law we want, any legal commitment real or imagined, that we have authorized by law.

But, we get ourselves into this convenient box time after time after time. We hear this old theme time after time. A Supreme Court decision comes down, we roll over and play dead, we cannot do anything about it.

Nonsense. There is a discharge petition over here with 210 signatures on it. That relates to one important Supreme Court decision and yet most of the Members will sit back and say well, the Supreme Court decided and we cannot do anything about it.

A President travels throughout the world making a promise and we will hear people say oh, our honor is at stake. Yes, our honor is at stake, unless it is something the majority does not want, and then the President rapidly has his promise rescinded.

Time and time again on procedural matters, how often do you hear it said oh, well, it is in a conference report, we cannot do anything about it. Take it or leave it, it is a vote up or down. All we hear around this body, year in and year out is that we cannot do anything about it.

On Taiwan, the President of the United States made a unilateral declaration last December. Our good friend, the gentleman from Wisconsin, comes to the floor with a Taiwan-PRC implementing piece of legislation saying well, it is this or nothing, our hands are tied, we cannot do anything about it.

Year after year, issue after issue, it is the same thing.

What are we? What are we? You know, it is a funny thing, though, if we really want some change, if we do not like something, there are changes that can be made by the liberal majority. Note I do not say majority party. A lot of people did not like what was going on in Vietnam. Strangely enough, we came up with a presidential war powers law. They handled that situation.

Or take the Supreme Court decision on pregnancy leave. We can rush those things through very quickly. We can rectify mistakes where we want to do something.

On pay raises, where there is a will there is a way. On the new Senate office building, they will find the money some way or another.

You know, it is always "we cannot do anything about it" when it relates to something the majority really wants. One of these days we will find the public can do something about it. Proposition 13, initiatives, referendums, recalls. The public is waking up.

I often tell my students when I am discussing the Congress back home that there is no possible way to thwart the will of the majority in Congress. But that presumes one ingredient: That the Congress has a will. If we have a will, we will not accept the argument that we cannot do anything about it.

If we want to roll over, if we want to roll over to a President, be he a Republican or a Democrat, if we want to roll over to a Supreme Court decision, we can do it. But by the same token, as a legislative body, we can redress any grievance there is if we really want to act.

Take the Bricker amendment. I was a supporter of the Bricker amendment. It failed by one vote. Had the Bricker amendment been implemented by the Congress, we would not be in the position of saying we cannot do anything about it when it comes to a treaty. A treaty would not be the law of the land.

One of these days, one of these days we in the Congress are going to stop using that argument. We are going to get sick and tired of hearing it said on Taiwan, on the Panama Canal, on spending, on conference reports, on procedural matters, "We cannot do anything about it." And here we are again. I honestly think we can do something about it. And I honestly think we should.

Mr. EDWARDS of Oklahoma. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, as we approach, for the sixth time, the final consideration of this implementing legislation on the Panama Canal treaties, I would like to clear up one legal point regarding the finality of the disposition of the American property in Panama.

In October of 1977 I initiated a lawsuit against the President claiming that the Congress, including the House of Representatives, had exclusive power to dispose of American property under article IV, section 3, clause 2, and that the President's action in delivering the treaty to the Senate alone infringed upon our constitutional powers.

Sixty Members of this House joined as coplaintiffs with me in that lawsuit.

On February 20, 1978, the U.S. District Court for the District of Columbia dismissed our case stating the plaintiffs lack standing to maintain this action. We appealed that decision to the U.S. Court of Appeals which heard oral argument and issued a split decision, two votes to one on April 6, 1978. The majority opinion indicated that it could have affirmed the dismissal on the jurisdictional grounds stated by the district court; namelv, standing on the administration's challenge to our petition based on the grounds of ripeness and whether or not there was a political question involved. But at the same time, the circuit court did rule on the merits that the House does not have exclusive power to dispose of American property. The dissenting opinion upheld our standing to bring the case, acknowledged the ripeness of our claim, denied that we were involved in a political question and declared that on the merits the Congress does have exclusive power to dispose of American property.

Our petition for a writ of certiorari raised those issues. The Supreme Court could have accepted or rejected the case on any of those grounds.

What happened was this: The Supreme Court denied the petition without comment or explanation, although the majority opinion of the Court of Appeals admitted that it was in conflict with some previous court decision in a number of areas.

Now, my point is this: Some members of the administration and some of my colleagues have been trying to tell us that in Edwards versus Carter the courts have finally resolved this issue and that, therefore, the House must implement this treaty because our hands are tied. The Supreme Court's denial of our appeal may well have been based upon a lack of standing, it may have been based upon a lack of ripeness since at that time the Senate had not acted on this matter, it may have been based on the fact that it was a political question. Until some future presidential transfer of American property is litigated, we will not have and do not at this moment have a clear judicial decision.

□ 2040

The absence of a clear judicial resolution of this matter leaves us with nothing to guide us but our oath to uphold the Constitution, and the Constitution states that the Congress shall have power to dispose of the property of the United States.

I have one other point I would like to make, because I agree to some limited extent, at least, with what my colleague from Maryland (Mr. MITCHELL) said a few moments ago in terms of the nature of the debate. I oppose this legislation for implementation of the Panama Canal Treaties, and I support the Hansen amendment, but not for some of the reasons that have been given by some of my colleagues. Last year, I opposed ratification of the treaties by the Senate, not because the canal was ours or because we had built it or whatever, and I oppose this legislation not because of cost and not because of gunrunning.

The American taxpayers have no desire to pay $4 billion of their tax money for a super-foreign aid gift to the Republic of Panama, but that is not the issue. This Congress on many occasions has spent a great deal of money on things it believed to be in the public interest, and that is a decision we have to make.

The CHAIRMAN. The time of the gentleman from Oklahoma has expired.

(By unanimous consent Mr. EDWARDS of Oklahoma was allowed to proceed for 3 additional minutes.)

Mr. EDWARDS of Oklahoma. Mr. Chairman, I suggest that we look at this debate solely in terms of what effect implementing this legislation is going to have on American self-interest, on American security. My colleague a moment ago said that we need to debate this in the manner of what is good for the United States and the U.S. self-interest, and nobody has been addressing that point. Let me address that point.

Security is our prime legitimate concern. I keep hearing in discussion on the House floor, in the cloakroom and in the halls about the possibility that if we fail to implement these treaties, there may be very serious repercussions in Panama. That is a very real concern, I will say, believed by many Members for whom I have a great deal of respect, that our failure to vote for this legislation could lead to riots, attacks on the canal, and so forth. I say honestly to my colleagues and friends that those very same things bother me. I share those concerns. I worry about those same things, and I think it is a very real scenario. It could happen, and it should be a factor in our decision.

Let me say that some of the Senators who surprised us with their votes in favor of ratifying the treaty had those same concerns in their minds, and that is what convinced them finally. But, I am convinced in my own mind, absolutely and thoroughly convinced, that the danger to this country is far greater, the consequences will be far worse, if we implement this legislation than if we do not. There is no provision anywhere in these treaties for guaranteed priority access to the canal for American shipping. I am not saying the United States will not have access, I do not know, but there is no provision in the treaty that guarantees that we will have priority access.

What does that mean? Let me say this: On the wall of my study at home I have a large map of the world on which I have marked with pins the various places around the world where the Soviet Union today now poses a threat to continued American control of the vital military sealanes of the world. Let me review very briefly what I find with the Members.

On the west side of Africa the Soviet Union now has access to the seaport of Luanda in Angola. On the east side of Africa, controlling access to the Indian Ocean, Mozambique has become a Marxist nation. Above the Arabian Sea, controlling access to the Indian Ocean from the North, the Soviets now have an ally in Afghanistan, with only Pakistan and Iran standing between them and access to the Indian Ocean. The southern end of the Red Sea is flanked by Marxist Ethiopia and Marxist South Yemen. Russian warships are now using our old facilities at Cam Ranh Bay in Vietnam.

The CHAIRMAN. The time of the gentleman from Oklahoma has again expired.

(By unanimous consent Mr. EDWARDS of Oklahoma was allowed to proceed for 1 additional minute.)

Mr. EDWARDS of Oklahoma. Clearly, the vital sealanes through which so much of the Western World's oil and strategic materials flow is threatened. Ready, secure access to the Panama Canal has been of vital importance to this country during the last three wars in the Pacific. The ability to transfer warships from one ocean to another has given us a two-ocean Navy capability without the cost of building a two-ocean Navy. During Vietnam, a majority of our supplies were shipped through the canal. Today, Alaskan oil is shipped through the canal.

I would say to my colleagues that for our national defense, for our economic security, we must preserve our guaranteed access to the canal. That is why this implementing legislation must not be treated as sacrosanct and why we should not become a rubber stamp.

The Senate has acted. The President has acted. But I took an oath and you took an oath to do our duty as Members of the House and to do what is in the best interests of the United States. I believe that calls on us to support the Hansen amendment, and failing the Hansen amendment, to defeat this implementing legislation.

Mr. PASHAYAN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I have some questions for my colleague. I would like to refer back to his comments on his case, on which I understand his fondness, but I would like to clarify perhaps one or two remarks that he suggested.

The Supreme Court indeed declined to hear the court of appeals case, but is the gentleman suggesting to this body that the law as laid down in the court of appeals case is not in fact the law as it stands today?

Mr. EDWARDS of Oklahoma. No, I am not suggesting that to my colleague at all. What I am suggesting is that the lower court has spoken, the Supreme Court has not, and many of my colleagues are treating this as saying that the issue is resolved and this body can do nothing about it, our hands are tied; the Supreme Court has not made a final decision.

Mr. PASHAYAN. I understand that, but is it not the case that the highest court that has spoken on this issue at all has, indeed, held that the treatymaking power as perfected by the President and Senate is a concurrent power independent of the article IV power the House enjoys and, therefore, that is, in fact, binding as a matter of law. The court system has spoken on that as of this time in a final manner, has it not?

Mr. EDWARDS of Oklahoma. I will say to my colleague that the lower court has said that there is a concurrent jurisdiction to transfer property, but I will also say that the Supreme Court, in denying a writ of certiorari, could have just as easily done that for lack of ripeness because, at that time, the Senate had not acted. So, I say that this is still a matter that this House can act upon and then do what we say is constitutionally correct, and then let the Supreme Court make a decision on it.

Mr. PASHAYAN. The court that spoke, the court of appeals, is not as high as the Supreme Court, but what I am trying to ask my colleague is, is it not a fact that the court of appeals is the highest court which has spoken? Therefore, its words as it stands now from the judicial system is in fact the law, and in upholding the power of this country to transfer property or dispose, did they not by resolving this necessity uphold the validity of the treaties?

Mr. EDWARDS of Oklahoma. I would not go as far as to say that.

Mr. PASHAYAN. How could they have upheld the disposal of the property without upholding the validity of the treaty?

Mr. EDWARDS of Oklahoma. May I say to my colleague that the point here is that the address tonight—I too am a lawyer, and I taught law—I am not claiming that when the Supreme Court speaks it does not count for anything. What I am saying is that it does not prevent this House from doing our constitutional duty as a separate branch of Government, because we do not know what the Supreme Court will rule when, by our act, we make this issue ripe and then as a House of Representatives—not as individual Members, but as a House—has a position to uphold which gives this standing, and that changes the matter completely.

☐ 2050

Mr. PASHAYAN. The gentleman does agree that as of this moment the law is, as much as the court has spoken, the law is that the treaties are valid, that the self-executing portions of those treaties which include property transfer will take effect on October 1.

Mr. EDWARDS of Oklahoma. I will say obviously to everybody the law is at this moment that the circuit court has held there is concurrent jurisdiction and the Senate has also held that the law is, nothing else having happened in the meantime, that there is a treaty, they having ratified it. That does not mean we have no constitutional duty to perform.

Mr. PASHAYAN. I thank my distinguished friend.

Mr. CARNEY. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the Hansen amendment.

Recently it has been said that the loyal opposition by innuendo has denigrated the administration, impugned the integrity of the administration and destroyed the people's confidence in the President. I do not believe it is the loyal opposition who has done that. I believe it is the President and a member of his Cabinet who have caused that problem.

Let me explain to you why I say that. I would like to read some quotes. One would be from Ambassador Linowitz. Ambassador Linowitz said:

> It (the treaties) will not involve any additional burden to the American taxpayer since it can be financed from canal revenues.

Warren Christopher, a Deputy Secretary of State, said:

> We insisted during the negotiations that payments to Panama for its contribution to the canal enterprise be drawn from the canal's earnings, but the treaties will not require any appropriations from the American taxpayers.

Secretary of State Cyrus Vance said:

> The treaties require no new appropriations, nor will they add to the burden of the American taxpayer.

And, indeed, the President of the United States on December 28, 1977, said:

> We wanted a treaty that did not put a financial burden on the American taxpayer, and we got it.

Well, the House yesterday, only yesterday, appropriated $29 million to implement the treaties and the same people who made the quotes that said would not cost the American taxpayer any new appropriations now agree that it will cost the American taxpayer $890 million in appropriations.

If the integrity of the President and the administration has been impugned it has been done by themselves through a systematic plan of slowly feeding the American people the actual facts involved in the Panamanian treaties.

I submit that if the cost of $890 million was available when this treaty passed by only two votes in the Senate, this treaty would have never passed.

I think it is hogwash to say that the Members of this body do not have any other decision, but to implement this treaty.

The people in my district sent me to the House of Representatives to represent them, not to be a rubber stamp for the Senate of the United States, not to represent the interests of the people of Panama, or South America, or Europe, or Asia, or Africa, but to represent the people of the First Congressional District of New York and, indeed, the people of the United States.

I submit to this body that the people in the First Congressional District of

New York and the majority of the people in the United States do not want these treaties. The way we can return the integrity to our administration and to the President is to support the Hansen amendment not to appropriate any money and turn back the amendment of my colleague from New York (Mr. MURPHY).

Mr. HANSEN. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment to the amendment.

Mr. Chairman, the hour is late and I just want to thank all of my many friends who have borne with me over 2½ years of talking over the Panama situation, what it means to this body as far as our constitutional rights are concerned to be able to be involved under articles 1 and 4 of the Constitution. This is a matter which we have a right and a duty to uphold, the authority of the House of Representatives. Certainly as those who most closely represent the people of this country, we should be involved in something as important to the national security and national wellbeing as these treaties entail.

I thank the gentleman from New York, the chairman, for the opportunity to work closely with the Committee on Merchant Marine and Fisheries on this particular amendment and other matters. There will be other amendments, but this, of course, is a major issue. The gentleman from Maryland (Mr. BAUMAN) has been very helpful as has been the staff and everyone else.

With the homilies out of the way I would like to discuss the Murphy substitute for the Hansen amendment. I think the Hansen amendment was rightly named "the honesty amendment" be cause we are trying to keep faith with the American people on the promises that were made to them.

Mr. Chairman, I believe in the honesty amendment from the bottom of my heart. I am just a country boy from Idaho and all I know is what my people feel and what I have picked up across the United States, but I can tell you that the mail has been coming in by the thousands and thousands of letters—I understand 20,000 letters to the Committee on Merchant Marine and Fisheries alone. They have not come in for H.R. 111, they have come in against the implementation or for the Hansen amendment or "the honesty amendment."

Mr. SYMMS. Mr. Chairman, will the gentleman yield to me?

Mr. HANSEN. I yield to the gentleman from Idaho.

Mr. SYMMS. I thank the gentleman very much for yielding and I would like to compliment the gentleman for the work he has done on this. I think we need to make it clear here as the debate is closed that if the Members of this House wish to get a clear vote on the Hansen amendment which in the form of the Hansen bill upon which we did not get a clear vote—we have nearly 200 sponsors on the bill in the House so if the Members want to vote up or down on the Hansen amendment to bring some honesty back to the U.S. taxpayers, we must vote down the Murphy substitute in order to get a clean vote.

If the gentleman will yield further, Mr. Chairman, I would just like to quote a couple of points of President Carter. On October 27, 1977, Denver, Colo., a briefing on Panama Canal treaties:

> I would like to add one other thing. We are not taking any taxpayers' money to pay the Panamanians. There will be a sharing of income from the Canal fees.

President Carter, the interview with Barbara Walters, December 28, 1977:

> We wanted a treaty that did not put a financial burden on the American taxpayer, and we got it.

President Carter, national TV, February 1, 1978:

> Are we paying Panama to take the Canal? We are not. Under the new treaty, any payments to Panama will come from tolls paid by ships who use the canal.

I could go on and quote Members of the other body, members of the State Department, and there is a whole liturgy of them all telling the American people that this was not going to cost them.

Well, who is it we ask to be honest with?

I think the gentleman is to be commended. I intend to support his amendment. I think we should vote down the Murphy amendment immediately.

Mr. Chairman, I wish to commend my colleague from Idaho (Mr. HANSEN) for all of his work and efforts to protect the American taxpayer's interests in regard to the Panama Canal Treaty. As most of the Members know, I am still opposed to the Panama Canal treaties, as are most of the American people, judging from the heavy amount of mail and phone calls our offices are still receiving in opposition to the treaties. The treaties have been ratified, however, against the wishes of many Americans and without the approval of the House of Representatives; and now the administration is asking the House to use American taxpayers' dollars to pay Panama to implement this treaty. This is not only absurd, it is dishonest.

The American people were told during the negotiation process of this treaty that it would result in no cost to the taxpayer. Well, now it is estimated that these treaties will cost the taxpayer $4 billion over the 20-year life of the treaties. The State Department and the administration says that this figure is high and estimates the cost between $300 and $870 million; but the point is that it will cost the American taxpayer a great deal to implement this treaty.

Mr. HANSEN's amendment asks that the administration be honest with the American people and keep the promises that they made during the negotiation process. The Government of Panama would have to take care of the expenses for implementing the treaties so that there would be no cost to U.S. taxpayers.

The House should not allow itself to be bullied into paying Panama this money. Panama has certainly not acted in accordance with the Neutrality Treaty by intervening in the political struggle in Nicaragua. During the recent hearings held by the Panama Canal Subcommittee of the Merchant Marine and Fisheries Committee, substantial evidence was presented to show Panama's high level of involvement in the guerrilla movement to oust President Somoza. Even the State Department has acknowledged that several Panamanian soldiers were killed recently in Nicaragua, including Hugo Spadafora, the former Vice Minister of Health in Panama, who were there to assist the Sandinista forces in the overthrow of the Nicaraguan Government.

This Panamanian involvement in Nicaragua, a breach of the Neutrality Treaty, is significant enough to nullify the treaty, but then for the administration to twist the arm of the Congress by asking it to appropriate additional funds to be sent to Panama for the implementation of this treaty is ludicrous. The United States would be giving money to Panama to finance its involvement in other revolutionary and guerrilla movements throughout Central and South America. And it is a false argument which the State Department uses when they say not implementing the treaty will erode Latin American confidence in the United States; not implementing the treaties may strengthen confidence in the United States by assuring some of these countries that we will not be sending Panama money to foster political upheaval and armed conflict in other Latin American states. The State Department has stated that Cyrus Vance has asked all countries sending arms and men to Nicaragua to halt this practice immediately so that some type of stability can be achieved in that country and so that the Organization of American States can work for some type of negotiated settlement. Well, the perfect way to halt these arms shipments from Panama would be to not send them any funds to implement the treaties.

It is imperative that we prevent Panama from becoming another Libya which fosters terrorist and revolutionary activities in other countries. It is also imperative that the House not allow itself to be forced into implementing this treaty without some significant guarantees that the United States will be able to protect the canal and maintain its neutrality.

At this point, I do not feel that the administration has required enough guarantees from Panama to insure their compliance with the treaty. They have already broken one major provision of the Neutrality Treaty, and the administration has said little or nothing about that.

All I am saying is, let us stop fostering revolution in Latin America by handing over millions of U.S. taxpayers' dollars to Panama. And let us be honest with the American people about the true costs of this agreement. I urge my colleagues to support the Hansen amendment.

Mr. ASHBROOK. Mr. Chairman, will the gentleman yield?

Mr. HANSEN. I will yield to the gentleman from Ohio.

Mr. ASHBROOK. I thank the gentleman for yielding.

Mr. Chairman, I rise in support of the Hansen amendment, a well-reasoned approach to the Panama Canal legislation. In this morning's Washington Post there was an editorial that I am sure most of my colleagues have read. The Post, long a supporter of anything that might placate the Soviet Union and Cuba, has now used a bizarre reasoning to come to the conclusion that the only pro-American vote is that of opposing the honesty amendment. I am glad that the Post is now so concerned over aiding Communist aggression in the Western Hemisphere, however, I do think that their reasoning beyond this point is, at best, extremely faulty.

The Post tries to dismiss the honesty amendment as a "lot of fancy financial and legal objections." I am amazed that the editors of the Post were able to boil down this important debate to such simplistic and misleading rhetoric. A treaty was signed between the United States and Panama. That treaty called for the transfer of the canal to Panama. It is now up to the House to decide on the proper method of implementing that agreement. Last year a valid legal point was made that the treaties themselves implied a number of financial commitments that should have been brought before this Chamber during the treaty ratification process.

This was not a fancy objection as the Post uses the word, but a fundamental one based on the traditional and legal roles of the House and Senate in the budget process of this Nation. I joined in that suit. We now have the opportunity, through this implementing legislation, to exercise this Chamber's proper budgetary role. To defer to the Senate on decisions that should originate here is a circumvention of what the bicameral system is all about. Each House is a balance to the other, each can check the other on any action except those diplomatic and executive issues expressly limited to the Senate.

Some of my colleagues have already raised, in the last few months, the concern that this amendment, and others that might be offered, circumvent the Senate's treaty ratification function. I disagree. The treaties did not detail an implementation process. That is a function of this House as it requires the revision of revenue to the Government of the United States. Insofar as this Chamber's actions may or may not affect the overall treaties is a vindication of those of us who raised this point last year. The Senate chose not to address this issue and we should not be a partner to this fundamental oversight. The House has a legitimate role to play in the revenues and the territory of America and we cannot afford to let the other body ursurp it.

This issue before us on this amendment is not the canal treaties. The vote on this amendment is not a referendum on the President's or the Senate's actions. The amendment raises the valid point of just how much tax dollars should be used to "sweeten" the treaties that are already signed and ratified. It is logically called the "honesty" amendment, because it establishes a method of providing adequate control over taxpayer and consumer expenses during the transitional process. This is not a fancy, but a necessary, amendment to insure that the provisions of the treaty are carried out with the interests of Americans as well as Panamanians in mind. In this Congress, that has so many times been trumpeted as the "Oversight Congress," I cannot see any problem with review mechanisms being added to a major piece of legislation.

The Post calls the honesty amendment a "childish refusal to accept the Senate's ratification of the treaties last year." I do not see this statement as anything more than something designed to give an easy vote justification to those who want to duck the entire issue before us today. I have watched a well orchestrated and heavily financed campaign to ram this legislation down this Nation's throat before anyone has the opportunity to realize what is really going on. I have seen how the White House has tried to manipulate events to set the stage for this vote today. How President Carter has tried to call off the investigation by this body of legitimate national security concerns over Panamanian gunrunning. How the President has worried that this vote might come after the July 4th recess. It is appalling that the President and his supporters here are so worried about hearing from the American public. It distresses me to think that this administration is so out of step with the American people that it actually fears giving the Congress any opportunity to go back to the voters and listen to their thoughts prior to a major foreign policy vote.

It angers me to think that this administration fears the truth on the gunrunning so much that it had to call a House committee chairman expressing its concern over how the truth might interfere with the implementing legislation. This is incredible. An American President is afraid of interference. What are we here for? What is the separation of powers all about if not to prevent a rubberstamping of the actions of a President? This is not childish. It is as crucial as the questions raised during Watergate. The Congress is a coequal branch of this Government, I am repulsed by the idea that a President wants to browbeat us into submission.

The final line of illogic raised by the Post is that somehow we can buy the loyalty of Panama, and that any lowering of the price tag will drive the Torrijos government into the arms of Cuba and the Soviets. The Post concludes by appealing to those "who do not want to see Fidel Castro making trouble in Central America." I wonder where the Post has been these past few years. To talk about Castro's activities in the future tense is to totally disregard the mountain of facts that have been piling up. The fact that Panama is now so blatantly helping the Sandinista guerrillas should tip off most rational people that there is a lot going on in Central America that is aiding Cuban goals. I do not think that my colleagues, in good conscience, can say that there is not already adequate evidence to at least question what side of the street Panama wants to be on. Until these questions are resolved we should not commit our taxpayers to funding for that government.

Mr. LAGOMARSINO. Mr. Chairman, will the gentleman yield?

Mr. HANSEN. I yield to the gentleman from California.

Mr. LAGOMARSINO. I thank the gentleman for yielding.

I also want to commend the gentleman for all of his hard work and his efforts on behalf of this amendment. The gentleman has taken a lot of time, has devoted a lot of energy to it. I can say most of the mail I have received is either against implementing legislation, period, or if not against implementing legislation, period, it is certainly in support of the "honesty amendment" as proposed by the gentleman from Idaho and I would hope the House would pass the gentleman's amendment and would turn down the amendment of the gentleman from New York (Mr. Murphy).

☐ 2100

Mr. HANSEN. Mr. Chairman, I thank the gentleman.

Now, let me say first in closing that I think it is honest to say that the substitute amendment for the Hansen amendment is going to cost the taxpayers some money. The gentleman from Mississippi (Mr. Montgomery) made the point that there is $29 million in the recently passed military construction appropriations bill. There was $10.9 million slipped through last year for the same purpose. There is money, of course, for the early retirement funds. It goes on and on, up to hundreds of millions and even billions of dollars. There is no way to say that the chairman's substitute does not have an adverse impact upon the taxpayers and the consumers of this country.

The CHAIRMAN. The time of the gentleman from Idaho (Mr. Hansen) has expired.

(By unanimous consent, Mr. Hansen was allowed to proceed for 2 additional minutes.)

Mr. HANSEN. Second, Mr. Chairman, I think it is honest to say that the substitute is going to hit the tollpayers. The honesy amendment cuts the burden on the tollpayers to the very bare minimum and anyone who votes for the substitute and votes against the honesty amendment is voting for increased tolls and increased prices for the consumers of this country, as well as the rest of the world.

Third, it is honest to say that no person in their right mind can condone giving money to a foreign government for gunrunning, whether the Senate of the United States, the President of the United States, or anyone else under earlier and different circumstances has obligated this body to do so or not. We are an independent political unit of the Government of the United States. We have a right and a duty to make an independent consideration and we should do this. We should not be intimidated by the blackmail tactics of those who say that we have got to do it or we are going to cause a riot or create some other kind of reaction. Right is right and this body should not conduct business with a gun to its head.

We are working for the people of the United States of America. They come first. The taxpayers come first. The tollpayers, our consumers, come first, and certainly our long-range national best interest come first.

There is no way that we can put a wedding of nations together with a country that is cheating to begin with and expect it to work for the next 20 years. If they are going to cheat before the marriage, then they are going to give you one whale of a time for the next 20 years and I think we had better evaluate that for what it is. The treaties will not work with a marriage involving a violent and cheating partner.

Last but not least, I say to the gentleman from New York, I appreciate the discussion his substitute has prompted but let me say this for the RECORD, there is no substitute for honesty. And this substitute is no replacement for the honesty amendment.

I strongly urge defeat of the amendment of the gentleman from New York and the approval of the honesty amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York (Mr. MURPHY) to the amendment offered by the gentleman from Idaho (Mr. HANSEN).

The question was taken; and on a division (demanded by Mr. HANSEN) there were—ayes 67, noes 49.

RECORDED VOTE

Mr. HANSEN. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 220, noes 200, not voting 14, as follows:

[Roll No. 266]

AYES—220

Addabbo
Akaka
Albosta
Alexander
Ambro
Andrews, N.C.
Annunzio
Ashley
Aspin
AuCoin
Bailey
Baldus
Barnes
Bedell
Beilenson
Bennett
Biaggi
Bingham
Blanchard
Boggs
Boland
Boner
Bonior
Bonker
Bowen
Brademas
Brinkley
Brodhead
Brooks
Brown, Calif.
Broyhill
Buchanan
Burlison
Burton, John
Burton, Phillip
Butler
Carr
Cavanaugh
Chisholm
Clay
Coelho
Collins, Ill.
Conte
Corman
Cotter
D'Amours
Danielson
Daschle
Davis, S.C.
Dellums
Derwinski
Dicks
Dingell
Dixon
Dodd
Downey
Drinan
Duncan, Oreg.
Eckhardt
Edgar
Edwards, Calif.
Erlenborn
Ertel
Evans, Ga.
Fary
Fascell
Fazio
Fenwick
Findley
Fish
Fisher
Fithian
Florio
Foley
Fowler
Frost
Garcia
Gaydos
Gephardt
Giaimo
Gibbons
Ginn
Glickman
Gore
Gray
Green
Guarini
Gudger
Hall, Ohio
Hamilton
Hanley
Harkin
Harris
Hawkins
Hefner
Heftel
Hillis
Holland
Holtzman
Horton
Howard
Hughes
Jacobs
Jenkins
Jenrette
Johnson, Colo.
Jones, Okla.
Kastenmeier
Kildee
Kogovsek
Kostmayer
LaFalce
Lederer
Lehman
Leland
Livingston
Long, Md.
Lowry
Lundine
McClory
McCloskey
McCormack
McHugh
McKinney
Madigan
Maguire
Markey
Marks
Mathis
Matsui
Mattox
Mavroules
Mazzoli
Mica
Mikulski
Mikva
Miller, Calif.
Mineta
Minish
Mitchell, Md.
Moakley
Moffett
Mollohan
Moorhead, Pa.
Murphy, Ill.
Murphy, N.Y.
Murphy, Pa.
Murtha
Myers, Pa.
Neal
Nedzi
Nowak
O'Brien
Oberstar
Obey
Ottinger
Panetta
Patten
Patterson
Pease
Pepper
Peyser
Pickle
Preyer
Price
Pritchard
Rahall
Railsback
Rangel
Ratchford
Reuss
Rhodes
Richmond
Rodino
Roe
Rose
Rosenthal
Rostenkowski
Roybal
Russo
Sabo
Sawyer
Scheuer
Schroeder
Seiberling
Shannon
Sharp
Simon
Solarz
Spellman
St Germain
Stack
Staggers
Stark
Steed
Stewart
Stokes
Studds
Swift
Synar
Thompson
Traxler
Treen
Udall
Ullman
Van Deerlin
Vanik
Vento
Walgren
Waxman
Weaver
Weiss
Wirth
Wolff
Wolpe
Wright
Yates
Young, Mo.
Zablocki
Zeferetti

NOES—200

Abdnor
Anderson, Calif.
Andrews, N. Dak.
Anthony
Applegate
Archer
Ashbrook
Atkinson
Badham
Bafalis
Barnard
Bauman
Beard, R.I.
Beard, Tenn.
Benjamin
Bereuter
Bethune
Bevill
Bouquard
Breaux
Broomfield
Brown, Ohio
Burgener
Byron
Campbell
Carney
Carter
Chappell
Cheney
Clausen
Cleveland
Clinger
Coleman
Collins, Tex.
Conable
Corcoran
Coughlin
Courter
Crane, Daniel
Crane, Philip
Daniel, Dan
Daniel, R. W.
Dannemeyer
Davis, Mich.
de la Garza
Deckard
Devine
Dickinson
Donnelly
Dornan
Dougherty
Duncan, Tenn.
Edwards, Ala.
Edwards, Okla.
Emery
English
Erdahl
Evans, Del.
Evans, Ind.
Ferraro
Flippo
Fountain
Frenzel
Fuqua
Gilman
Gingrich
Goldwater
Goodling
Gradison
Gramm
Grassley
Grisham
Guyer
Hagedorn
Hall, Tex.
Hammerschmidt
Hance
Hansen
Harsha
Heckler
Hightower
Hinson
Hollenbeck
Holt
Hopkins
Hubbard
Huckaby
Hutto
Hyde
Ichord
Ireland
Jeffords
Jeffries
Johnson, Calif.
Jones, N.C.
Jones, Tenn.
Kazen
Kelly
Kemp
Kindness
Kramer
Lagomarsino
Latta
Leach, Iowa
Leach, La.
Leath, Tex.
Lee
Lent
Levitas
Lewis
Lloyd
Loeffler
Lott
Lujan
Lungren
McDade
McDonald
McEwen
McKay
Marlenee
Marriott
Martin
Michel
Miller, Ohio
Mitchell, N.Y.
Montgomery
Moore
Moorhead, Calif.
Mottl
Myers, Ind.
Natcher
Nelson
Nichols
Oakar
Pashayan
Paul
Perkins
Petri
Pursell
Quayle
Quillen
Regula
Rinaldo
Ritter
Roberts
Robinson
Roth
Rousselot
Royer
Rudd
Runnels
Santini
Satterfield
Schulze
Sebelius
Sensenbrenner
Shelby
Shumway
Shuster
Skelton
Slack
Smith, Iowa
Smith, Nebr.
Snowe
Snyder
Solomon
Spence
Stangeland
Stanton
Stenholm
Stockman
Stratton
Stump
Symms
Tauke
Taylor
Thomas
Trible
Vander Jagt
Volkmer
Walker
Wampler
Watkins
White
Whitehurst
Whitley
Whittaker
Whitten
Williams, Mont.
Williams, Ohio
Wilson, Bob
Wilson, C. H.
Wilson, Tex.
Winn
Wyatt
Wydler
Wylie
Yatron
Young, Alaska
Young, Fla.

NOT VOTING—14

Anderson, Ill.
Bolling
Conyers
Derrick
Diggs
Early
Flood
Ford, Mich.
Ford, Tenn.
Forsythe
Gonzalez
Long, La.
Luken
Nolan

□ 2110

Mr. PASHAYAN changed his vote from "aye" to "no."

So the amendment to the amendment was agreed to.

The result of the vote was announced as above recorded.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Idaho (Mr. HANSEN), as amended.

The question was taken; and the Chairman announced that the ayes appeared to have it.

RECORDED VOTE

Mr. HAMMERSCHMIDT. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 255, noes 162, not voting 17, as follows:

[Roll No. 267]

AYES—255

Addabbo
Akaka
Albosta
Alexander
Ambro
Andrews, N.C.
Annunzio
Anthony
Ashley
Aspin
AuCoin
Bailey
Baldus
Barnard
Barnes
Beard, Tenn.
Bedell
Beilenson
Benjamin
Bennett
Biaggi
Bingham
Blanchard
Boggs
Boland
Boner
Bonior
Bonker
Bowen
Brademas
Breaux
Brinkley
Brodhead
Brooks
Brown, Calif.
Broyhill
Buchanan
Burlison
Burton, Phillip
Butler
Carr
Cavanaugh
Chisholm
Clay
Coelho
Collins, Ill.
Conte
Corman
Cotter
Coughlin
D'Amours
Danielson
Daschle
Dellums
Derrick
Derwinski
Dicks
Dingell
Dixon
Dodd
Donnelly
Downey
Drinan
Duncan, Oreg.
Eckhardt
Edgar
Edwards, Calif.
Erdahl
Erlenborn
Ertel
Evans, Del.
Evans, Ga.
Evans, Ind.
Fary
Fascell
Fazio
Fenwick
Ferraro
Findley
Fish
Fisher
Fithian
Florio
Foley
Fountain
Fowler
Frost
Fuqua
Garcia
Gaydos
Gephardt
Giaimo
Gibbons
Ginn
Glickman
Gonzalez
Gore
Gray
Green
Grisham
Guarini
Gudger
Hall, Ohio
Hamilton
Hammerschmidt
Hanley
Harkin
Harris
Hawkins
Heckler
Hefner
Heftel
Hillis
Holland
Hollenbeck
Holtzman
Horton
Howard
Hughes
Hutto
Jacobs
Jeffords
Jenkins
Jenrette
Johnson, Colo.
Jones, Okla.
Jones, Tenn.
Kastenmeier
Kildee
Kogovsek
Kostmayer
LaFalce
Leach, Iowa
Lederer
Lehman
Levitas
Livingston
Long, Md.
Lowry
Lundine
McClory
McCloskey
McCormack
McDade
McHugh
McKinney
Madigan
Maguire
Markey
Marks
Marlenee
Mathis
Matsui
Mattox
Mavroules
Mazzoli
Mica
Michel
Mikulski
Mikva
Miller, Calif.
Mineta
Minish
Mitchell, Md.
Moakley
Moffett
Mollohan
Moorhead, Pa.
Murphy, Ill.
Murphy, N.Y.
Murphy, Pa.
Murtha
Myers, Pa.
Neal
Nedzi
Nelson
Nowak
O'Brien
Oakar
Oberstar
Obey
Ottinger
Panetta
Pashayan
Patten
Patterson
Pease
Pepper
Peyser
Pickle
Preyer
Price
Pritchard
Pursell
Rahall
Railsback
Rangel
Ratchford
Reuss
Rhodes
Richmond
Rodino
Roe
Rose
Rosenthal
Rostenkowski
Roybal
Royer
Russo
Sabo
Sawyer
Scheuer
Schroeder
Seiberling
Shannon
Sharp
Simon
Slack
Smith, Iowa
Snowe
Solarz
Spellman
St Germain
Stack
Staggers
Stark
Steed
Stewart
Stokes
Studds

Swift
Synar
Tauke
Thompson
Traxler
Treen
Udall
Ullman
Van Deerlin
Vanik
Vento
Walgren
Waxman
Weaver
Weiss
White
Wirth
Wolff
Wolpe
Wright
Wydler
Yates
Young, Mo.
Zablocki
Zeferetti

NOES—162

Abdnor
Anderson, Calif.
Andrews, N. Dak.
Applegate
Archer
Ashbrook
Atkinson
Badham
Bafalis
Bauman
Beard, R.I.
Bereuter
Bethune
Bevill
Bouquard
Broomfield
Brown, Ohio
Burgener
Byron
Campbell
Carney
Carter
Chappell
Cheney
Clausen
Cleveland
Clinger
Coleman
Collins, Tex.
Conable
Corcoran
Courter
Crane, Daniel
Crane, Philip
Daniel, Dan
Daniel, R. W.
Dannemeyer
Davis, Mich.
de la Garza
Devine
Dickinson
Dornan
Dougherty
Duncan, Tenn.
Edwards, Ala.
Edwards, Okla.
Emery
English
Flippo
Frenzel
Gilman
Gingrich
Goldwater
Goodling
Gradison
Gramm
Grassley
Guyer
Hagedorn
Hall, Tex.
Hance
Hansen
Harsha
Hightower
Hinson
Holt
Hopkins
Hubbard
Huckaby
Hyde
Ichord
Ireland
Jeffries
Johnson, Calif.
Jones, N.C.
Kazen
Kelly
Kemp
Kindness
Kramer
Lagomarsino
Latta
Leach, La.
Leath, Tex.
Lee
Lent
Lewis
Lloyd
Loeffler
Lott
Lujan
Lungren
McDonald
McEwen
McKay
Marriott
Martin
Miller, Ohio
Mitchell, N.Y.
Montgomery
Moore
Moorhead, Calif.
Mottl
Myers, Ind.
Natcher
Nichols
Paul
Perkins
Petri
Quayle
Quillen
Regula
Rinaldo
Ritter
Roberts
Robinson
Roth
Rousselot
Rudd
Runnels
Santini
Satterfield
Schulze
Sebelius
Sensenbrenner
Shelby
Shumway
Shuster
Skelton
Smith, Nebr.
Snyder
Solomon
Spence
Stangeland
Stanton
Stenholm
Stockman
Stratton
Stump
Symms
Taylor
Thomas
Trible
Vander Jagt
Volkmer
Walker
Wampler
Watkins
Whitehurst
Whitley
Whittaker
Whitten
Williams, Mont.
Williams, Ohio
Wilson, Bob
Wilson, Tex.
Winn
Wyatt
Wylie
Yatron
Young, Alaska
Young, Fla.

NOT VOTING—17

Anderson, Ill.
Bolling
Burton, John
Conyers
Davis, S.C.
Deckard
Diggs
Early
Flood
Ford, Mich.
Ford, Tenn.
Forsythe
Leland
Long, La.
Luken
Nolan
Wilson, C. H.

□ 2130

Mr. THOMAS changed his vote from "aye" to "no."

So the amendment, as amended, was agreed to.

The result of the vote was announced as above recorded.

● Mr. CORRADA. Mr. Chairman, I rise in support of H.R. 111, the Panama Canal Act of 1979. This legislation seeks to deal with the implementation of the Panama Canal treaties which were signed by President Carter and ratified by the Senate last year. Those treaties are already the law of the land and failure to enact this legislation will not only fail to achieve its opponents' stated purpose of stopping the transfer of the canal to Panama, but will also be viewed by the world community and, particularly, by Latin America, as evidence of the U.S. reluctance to honor its commitments.

It is clear that, with or without this legislation, the canal will revert back to Panama on October 1. This bill protects U.S. interest and U.S. citizens while also providing for a smooth and complete transition period.

It is inconceivable that we allow Panama or any other country justifiably claim that the United States fails to live up to its international commitments. I am sure that my colleagues will agree that one of the greatest virtues any person or country can have is the strength of character to stand by your word and to follow through on commitments made.

In the emotional and heated debate over this legislation, I exhort you not to forget the basic premise against which, in the final analysis, we must measure this issue—the honor of our country in living up to its commitments.

I urge all my colleagues to vote in favor of H.R. 111 and to oppose any amendments which would prevent us from following through with our obligations.●

● Mr. FRENZEL. Mr. Chairman, the task before the House today is not a pleasant one. Two years have passed since the President, unwisely in my opinion, negotiated and signed the Panama Canal treaties, and the Senate, just as unwisely, ratified them.

I believe the majority of Americans were at that time, and continue to be, opposed to those treaties. And I know that I oppose them as vigorously today as I did 2 years ago.

This House, or some of its Members, challenged the constitutionality of the process which circumvented House participation in the disposal of U.S. property. But the case was lost in the Supreme Court. The House, with good reason, resented being left out of the ratification process. That feeling of bitterness has intensified during House consideration of H.R. 111, the implementing legislation before us today.

Unfortunately, these treaties are now the law of the land. They are binding international agreements. They do go into force and effect on October 1. We cannot, by any action here, undo the October 1 deadline.

Therefore, if we reject H.R. 111, or overload it by amendments which will effectively destroy it, we are only allowing Panama to take over the canal in 1979 instead of 2000. To me, it is bad enough to give it away in 2000. I do not want to give it away today.

Legislation, like H.R. 111, is needed to implement those provisions of the treaties which are not self-executing in themselves. H.R. 111 establishes a Panama Canal Commission to operate and maintain the canal until the year 2000. Without it we cannot employ and retain a workforce. We cannot operate the canal.

If we do not approve this legislation, the Canal Zone will become Panamanian property on October 1, or the President who negotiated the lousy treaties in the first place, might try to implement them by Executive order. Either of those alternatives are unthinkable.

The old Panama Canal Company and the Canal Zone Government are out of business. The old 1903 treaty is likewise terminated on October 1. If we do not pass H.R. 111, the United States has no way to run the canal, or defend it.

In that event, there is the distinct possibility, or more accurately, the probability, that the canal would shut down. That would be disastrous for the United States. We need to move Alaskan oil through Panama. We need to move other products through the canal. We need the ability to defend the canal, and to use it to maintain our national security.

As I see it, we have a miserable set of choices, but we do have choices. Our worst choice is to reject this bill or cripple it with amendments. That means we would be abandoning the canal—giving it away in 1979.

A better choice, but one that is still unpleasant, is to pass H.R. 111, which will confirm the giveaway, but not until 2000. That would give us the ability to operate and defend the canal for 21 more years.

It's not much of a choice, but I believe we must select the latter alternative. I would love to vote against the whole mess, and then blame the outrageous result on the President. He deserves it. That blame would be fairly placed. But I believe we have to accept reality and try to salvage for America the best we can from a very poor deal.

Therefore, I will unenthusiastically cast my vote for H.R. 111 as the best way to protect what is left of U.S. interests in the Panama Canal. I do, however, deeply resent being put into this unhappy position by the President's inability to negotiate a reasonable treaty.●

● Mr. GLICKMAN. Mr. Chairman, I will vote in support of H.R. 111, to allow for the orderly implementation of the Panama Canal treaties. My vote should not be interpreted as an endorsement of the treaties and their provisions. I have some serious reservations about the treaties, and, if I had been a negotiator, I would have worked to improve them, particularly regarding commitments of toll revenues to Panama. But I was not a negotiator, and, likewise, I am not a Member of the Senate which has the constitutional authority to ratify treaties.

When the treaties were ratified by the Senate last year and the instruments of ratification were exchanged, they became legal and binding. Whether Members of the House agree with the treaties or not, we have to live with them. And I am convinced it is in the best interest of the United States to act responsibly in approving this implementing legislation to be sure that the transition of the canal occurs in an orderly fashion and that the protections included in the treaties for U.S. interests will be implemented. Without this legislation, continued operation of the canal would be seriously jeopardized.

There are several key points that I think need to be recognized as we vote on this legislation. First, under the treaties, the canal and the surrounding Canal Zone reverts to Panama. The only question that might be affected by our action today is when that will occur. Under the treaties, the transition will be final in 1999. Without this legislation, the United States will not have the administrative system in place to maintain the canal after October 1 of this year. So, if we vote not to approve this legislation, we will be voting in effect to abandon the canal on October 1 of this year instead of at the end of 1999.

Second, not maintaining our interim role in the operation of the canal and thereby assuring that it will remain open to commerce during the transition would have a severe negative impact on our domestic economy. Thousands of barrels of Alaskan oil are shipped through the canal to our Middle Western and Eastern States every day. Curtailment of that important energy supply would add to our already severe energy problems. An operating canal is also important to our balance of trade, and particularly so to our agricultural exports. Millions of tons of agricultural commodities move through the canal annually on their way to foreign markets, including approximately 4 million long tons of wheat. With expanding Far Eastern markets, the canal will grow in importance as a shipping route for exporting Kansas agricultural products.

And, third, meeting international obligations, like those embodied in the treaties which the Senate ratified last year, is something the United States has always sought to do and a policy we should continue. That is particularly important in the case of the Panama treaties because of their importance to our relations with all of Latin America. The nations to our south are logical and traditional allies with important reserves of natural resources, like Mexican oil, which are most important to the United States. Latin America is an increasingly important region, and it is one which is in a state of political flux. Backing down from our negotiated commitments to Panama would send a negative message to those nations as to our credibility and reliability. That would certainly not be in our own best interest.

Again, I want to reiterate that these treaties are not what I might like them to be, but they are a fact of life. This legislation makes sure that our national interests are protected and that we can reasonably fulfill our international obligations.●

Mr. BAUMAN. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I just want to say to the committee that I realize that the House has a great deal of other legislation to deal with, much of it backed up from this week. I understand the Speaker's desire to move the program along. I suspect, despite the optimistic predictions that were made to me privately a moment ago by the chairman of the committee, that if we do go ahead tonight and try to finish this legislation, it is going to be tomorrow morning at the earliest. A number of hours may go by.

I would hope that a matter that has been considered for 6 weeks or more by the other body and under negotiation for 10 or 12 years by the State Department, might at least deserve a reasoned and full debate by the House in due time, but to keep us here another 4 or 5 hours tonight seems to me somewhat of an imposition. I do not think it makes for good legislation.

I would hope maybe we could bring it up tomorrow.

Mr. MURPHY of New York. Mr. Chairman, will the gentleman yield?

Mr. BAUMAN. I yield to the gentleman from New York.

Mr. MURPHY of New York. We have been at this stand quite a few hours today, but I think it has been time well spent.

While the issue is fresh in the Members' minds, I thought it might be well to carry the debate on through to the completion of the bill. Perhaps as time goes by, we might accelerate.

I have discussed amendments with many of the Members who are going to propose them, and many of them are not controversial. I think that the committee can accept many of them. I think that would probably accelerate the debate perhaps more rapidly than the gentleman from Maryland anticipates.

Mr. BAUMAN. I would say to the gentleman from New York that I do not know what his experience has been, but I have had any number of Members on this side come to me in just the last few minutes and offer new amendments.

There are about 20 amendments I know floating around here. Each one is wanting at least 5 minutes to discuss it. It seems to me that is going to draw out the discussion a great deal here. I do believe the subject deserves a little bit better than that kind of prolonged treatment.

Mr. MURPHY. Would the gentleman be willing to agree to limitations if we came in tomorrow?

Mr. BAUMAN. I personally would be willing to come in tomorrow at 10 o'clock and vote within 3 hours on the final passage on the bill.

□ 2140

Mr. MURPHY of New York. Would the gentleman agree then to come in at 10 o'clock?

Mr. BAUMAN. Certainly.

Mr. MURPHY of New York. And conclude all debate and all amendments by 1 o'clock?

Mr. BAUMAN. Yes. I would have no objection.

Mr. MURPHY of New York. I would be in favor of a plan such as that so the gentleman can get down to the Eastern Shore tonight.

Mr. BAUMAN. I do not know whether I will make it home tonight or not, but I will try, the gas permitting.

Mr. MURPHY of New York. Then I would make the unanimous-consent request that when the House convenes tomorrow at 10 a.m. that the debate and all amendments on H.R. 111 conclude by 1 p.m.

Mr. BAUMAN. Reserving the right to object, the gentleman means tomorrow?

Mr. MURPHY of New York. Tomorrow.

Mr. BAUMAN. Yes, and that is 3 hours or 1 p.m., which one is the gentleman asking?

Mr. MURPHY of New York. It would be 3 hours.

Mr. BAUMAN. Three hours from the time we go in session?

Mr. MURPHY of New York. Three hours from the 10 o'clock start.

Mr. BAUMAN. And reserving the right to object, the only other observation I would make is Members ought to protect themselves if they wish to offer amendments by entering them in the RECORD tonight.

Mr. O'NEILL. Mr. Chairman, will the gentleman yield?

Mr. BAUMAN. Yes, I would yield to the Speaker.

Mr. O'NEILL. There will be an understanding of 1 p.m. and that is the understanding I believe I had with the minority leadership, 1 o'clock. We will come in at 10 o'clock and go until 1 o'clock, that is the agreement. That is the agreement I have with the minority.

Mr. BAUMAN. Reserving the right to object, the only thing I cannot guarantee, and I do not think the Speaker can, is we would start at 10 o'clock.

Mr. O'NEILL. Ten o'clock, and then the House will finish debate and we will try to vote at 1 o'clock.

Mr. BAUMAN. We would have no 1 minute speeches?

Mr. O'NEILL. The gentleman and I understand very well the rules of the House. Three hours could extend into 9 hours before actual debate concludes. We can be reasonable, and if we are going to be reasonable I believe that is what the agreement was.

Mr. BAUMAN. I always try to be honorable and reasonable, I would say that to the Speaker. But further reserving the right to object, I do understand the gentleman's request does not include time for rollcalls or is the gentleman talking about debate only?

Mr. O'NEILL. I am talking about concluding, including time for rollcalls until 1 o'clock, 3 hours to finish it.

The CHAIRMAN. Until the Chair puts the unanimous-consent request to the committee, a reservation is not in order.

Does the gentleman from New York have a unanimous-consent request?

Mr. MURPHY of New York. Mr. Chairman, I ask unanimous consent that all debates on H.R. 111 and all amendments thereto conclude at 1 p.m. tomorrow.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

Mr. McKINNEY. Reserving the right to object, I think the chairman of the committee knows that I have stood with him on this issue, but I think I need some sort of a semblance of a promise from him that we will not go into 50 minutes of 1-minute speeches and all of the rest of it, that the House will come in at 10 o'clock and go into the business of this particular bill.

Mr. WRIGHT. Mr. Chairman, would the gentleman yield?

Mr. McKINNEY. I will be delighted to yield.

Mr. WRIGHT. The gentleman has the word of the leadership on this side that it will be our purpose to resolve, the first order of business, without any delays, into the Committee of the Whole for the conclusion of the consideration of the bill presently before us.

Mr. McKINNEY. The gentleman from Texas is a man of his word and I know that, and I think I can promise, I hope I can promise on this side that we will not even have a vote on going into the Committee of the Whole, that we can get to the business of the House.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

Mr. KRAMER. Mr. Chairman, reserving the right to object, can you tell me do you contemplate if we were going to cut off at 1 p.m., as the gentleman suggests in the unanimous-consent motion, that those that have not yet been heard and have inserted their amendments in the Record by this evening would still be protected?

Mr. MURPHY of New York. The rule would protect Members whose amendments are in the Record.

The CHAIRMAN. Is there objection to the unanimous-consent request by the gentleman from New York (Mr. Murphy)?

There was no objection.

Mr. MURPHY of New York. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker, having resumed the chair, Mr. Foley, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 111) to provide for the operation and maintenance of the Panama Canal and to provide for the exercise of the rights and performance of the duties of the United States provided in the Panama Canal Treaty of 1977, had come to no resolution thereon.

GASOLINE SHORTAGE IN WASHINGTON, D.C., AREA

(Mr. MAZZOLI asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. MAZZOLI. Mr. Speaker, I would like to call my colleagues' attention to the article on the front page of this morning's Washington Post regarding the tremendous amounts of gasoline in storage tanks in the Washington area.

There are several points that I would like to make about this article.

First, this type of confusing and distressing story points out the wisdom of the House in passing a resolution of inquiry last week in an attempt to get to the bottom of the confusing data on the energy question.

Second, while the oil industry's initial explanation—as reported by the Post—is that Federal regulations prevent them from using these supplies to alleviate the current panic, one thing causes me to doubt this assertion as a complete explanation.

That is—a reporter not the companies brought this matter to the public's attention. If the companies are willing to make this gas available to the public, why did they not inform the Congress or the public of the problems allegedly caused by Federal regulation?

Finally, I would like to note that the Colonial Pipeline Co.—the major pipeline in this area and the one cited in the article—is not an independent transportation firm. Rather it is a joint venture among the major oil companies and largely carries their refined products from their refineries to their dealers and customers.

The Federal Trade Commission recently announced that it was opening an inquiry into whether or not major oil companies should be banned from buying into additional pipelines. Further, our distinguished colleague Mr. Seiberling has introduced H.R. —— to require oil companies to divest themselves of their interests in pipelines. Also, during recent years the staffs of the House and Senate Subcommittees on Monopolies have investigated the possible anticompetitive effects of oil company ownership of pipelines.

For the moment, I would like to note that I am not passing judgment on the wisdom of allowing oil companies to own pipelines. However, I would like to note that this extension of oil company control over the transportation, distribution, and storage of gasoline and other refined products increases our reliance on the companies for data on the nature and extent of the current energy problem.

I urge my colleagues and the regulatory agencies to keep this in mind as the pipeline ownership issue is debated in the months ahead.

At this point I insert the article in the Record:

The Great Gas Mystery: With Storage Tanks Here Full, Excess Is Sent to New Jersey

(By Phil McCombs)

While Washington area motorists continue to sit in long gasoline lines, many of the multimillion-gallon gasoline storage tanks operated by oil companies here are so full that new shipments are being turned away, industry sources said yesterday.

After being refused here, the gasoline is being sent north to Philadelphia and New Jersey in one of two major petroleum pipelines that bring 90 percent of this area's gasoline from Gulf Coast refineries, the sources said.

Spokesmen for the major oil companies say the federal allocation system prevents them from distributing the additional gasoline in the storage tanks to local service stations.

At the same time, interviews with oil company representatives produced a variety of conflicting explanations for the situation. Several expressed the belief that the current surplus would be temporary.

Government officials trying to grapple with the gasoline situation appeared bewildered by the apparent surplus.

W. L. Nicoll, manager of community relations for Colonial Pipeline Co., which runs the largest petroleum pipeline through this area, confirmed that one major tank farm, in Fairfax City, is so full that gasoline is being sent elsewhere.

Nicoll said the oil companies "send it to other destinations because [they] say their inventories are full at Fairfax. They can't take the product because they don't have the [storage capacity]."

Nicoll said that he was not sure why this was happening and that it might be a "temporary situation, a matter of scheduling."

A spokesman for Amoco said its Fairfax tanks are three-quarters full—fuller than normal.

"We've got a little better inventory in our gasoline tanks the last few weeks," said Joseph Golueke, Amoco's distribution manager for the Baltimore region. "The situation is better this year than last in that we don't have any terminal runouts."

A spokesman for Crown Central Petroleum said his company's tanks at another farm at Newington are two-thirds full—also fuller than normal. The spokesman said there had been three recent pipeline deliveries during a four-day period and that normally the deliveries are spaced 10 days apart.

As an example of what can happen when a shipment comes in on the pipeline and there is no room for it, one source said that Cities Service was due to receive a 50,000-barrel shipment of gasoline on May 30 and 31 but did not have room for it in the company's Fairfax tanks.

As a result, the small feeder pipeline that comes to Fairfax from the main Colonial pipeline had to be closed for 24 hours until Cities could find space for the gasoline. During this period, the small pipeline acted as a temporary storage tank for the 50,000 barrels, but no other gasoline could move through the line. A Cities Service spokesman had no comment on the incident.

The spokesman would not say whether the company's Fairfax tanks were fuller than normal. But he said the product flowing through its system there was up 22 percent over last year. He acknowledged that this might tend to make tank levels higher at Fairfax, even though he said the company's overall national gasoline inventories are lower than last year.

An Exxon spokesman said that levels of some gasoline products at Newington are "fairly high, but in perspective this is not surprising."

The perspective, according to the spokesman, is that these big storage tanks in Washington are just a tiny part of the nationwide and regional storage facilities and pipelines run by the big oil companies.

In this view, one tank farm "doesn't amount to a hill of beans," the spokesman for Exxon said. He said tank farms in Washington could be full to overflowing but this would just be a quirk.

Spokesmen for Shell, Gulf, Texaco and Mobil denied that levels in their tanks here are higher than normal.

Rep. Joseph L. Fisher (D-Va.), who has been active in seeking to end the gasoline lines here, called the full storage tanks and refusals of new supplies "a puzzle."

"I wonder . . . whether to any extent it's a deliberate policy," Fisher said.

"Something smells to high heaven here," said James Flug, director of Energy Action, an organization that is critical of the oil companies.

"There may be some elements of actually hiding stuff in some form by the oil companies or by intermediaries or agents on behalf of the companies," Flug said. "What is needed now is a real detective job to see where the oil is, how much there is and who it really belongs to. The Department of Energy has no idea."

Rep. Herbert E. Harris II (D-Va.), who has led the effort of local politicians to investigate the causes of the long gasoline lines here, said he has asked the Energy Department for a specific audit of bulk tank levels and refusals of shipments at the two storage sites serving the Washington area.

"I haven't got anything back [from the Energy Department] yet," Harris said. "I have got rumors that there is adequate supply in those [tank] farms that is not going out to the [service] stations."

One observer at the tank farms said, "It's common knowledge that the tank levels are higher than normal out here. There's bitterness and resentment among the [oil company] employes here because they stand in [gasoline] lines like everyone else."

Another source with first-hand knowledge said that several weeks ago the oil companies were anxious to get all the gasoline they could for their Washington area bulk tanks, and that this had been the normal state of affairs for years.

"Now they're worrying about what the hell they're going to do with it when it gets here," this source said.

According to these sources, supplies of regular and premium gasoline are higher than normal while supplies of unleaded are normal or somewhat below normal.

"Even so, the no-lead is here, it's not being distributed, it could be distributed, there is plenty of it," one observer said.

The Newington and Fairfax City bulk storage facilities consist of pipeline terminal points where the petroleum products—all grades of gasoline, heating oil, jet fuel and diesel—are tapped off the pipelines and diverted to nearby banks.

Exxon, Shell and Crown have tanks clustered around the Newington terminal point of the Plantation Pipeline—the last point in that pipeline on its journey from refineries in Baton Rouge, La.

Gulf, Texaco, Cities Service and Amoco have tanks at Fairfax City at a tap point of Colonial Pipeline there. These companies tap off what they need at Fairfax from the continuously flowing pipeline, which goes on north to New Jersey.

Mobil has a tank farm in Manassas which also taps from Colonial Pipeline.

Mobil recently had to "downgrade" 10,000 barrels of unleaded premium because its tank at Manassas for this product was too full to take more. Downgrading meant that the gasoline was put into a tank for regular unleaded, a lower cost product with lower octane, according to a Mobil spokesman.

The incident "had nothing to do with our total gallonage' at Manassas, the spokesman said. He said that total gallonage was somewhat lower than it was last year.

Each company has from 3 to 10 or more of the bulk tanks in this area, each of which holds from 30,000 to 200,000 barrels of a petroleum product. One barrel is 42 gallons.

Delivery trucks, carrying about 8,000 gallons apiece, fan out from the Newington and Fairfax City farms, making deliveries to the roughly 1,500 service stations in the Washington area.

Because the constant flow of the pipelines must be in balance with the rate at which the delivery trucks are taking products to customers, the levels in the big tanks rise and fall constantly as the companies perform a continuing juggling act.

Since batches of fuel must be scheduled for movement on the pipleine up to 30 days in advance, the juggling act can get tricky and tanks can easily be fuller than a company might wish at a given time, oil company spokesmen said.

"So while this may appear to be a situation where we have more supply than we need, it it not that," said William R. Snyder, Crown's vice president of administration. "It's just a case that we're getting our supplies back in balance as a result of a foulup in the scheduling of pipeline shipments."

☐ 1120

OPEC COUNTRIES KEEP BACKING US AGAINST THE WALL

(Mr. PERKINS asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous material.)

Mr. PERKINS. Mr. Speaker, in reading in the energy pamphlet put out by the Department of Energy, I notice our production, domestic production, is just about normal insofar as crude oil is concerned compared with last year. I notice that our consumption is down about 6 percent and that our imports for the last month were up 7 or 8 percent; but be that as it may, we all know that we are too much dependent upon the OPEC countries, when more than 50 percent of our crude oil is coming from overseas today.

I would hope that this Congress would take some action at an early date to make sure that we do not let those OPEC countries keep backing us against the wall until the price of crude oil gets up to $35, $40, and $50 a barrel.

Mr. Speaker, the Subcommittee on Employment Opportunities today reported to the full Committee on Education and Labor H.R. 4514, a bill establishing a Synthetic Fuels Reserve Corp., charging it with the production of 5 million barrels of synthetic fuels a day.

This I believe to be a relatively quick and effective means of making ourselves energy-independent, lifting a grave threat to our national security, and preventing the ruin of our domestic economy.

This is not a Johnny-come-lately idea. As I indicated in remarks to the House on Tuesday, discussions of synthetic fuels from coal and other abundant resources within our country have been heard in this Chamber for at least a quarter century.

I inserted into the Record a speech I had made in this place on April 15, 1953, when the modest little synthetic program then operating was threatened with termination during the first Eisenhower administration.

A few days later, on April 27, 1953, while an appropriations measure was before the House, some of us were supporting an amendment to add $2 billion to keep that program operating.

Just so the House of 1979 may have the benefit of this historical perspective, I ask that the following excerpts from the debate that took place on this floor 26 years ago.

I cannot refrain from noting that of those who fought for synthetic fuels production that day, most are no longer here. But the distinguished chairman of the Committee on Armed Services, Mr. Price, and I are still here, and I know he will agree with me on the need to get a synthetic fuels industry going again.

At a later date, I will ask permission to insert further excerpts from that debate.

Mr. Eberharter. Mr. Chairman, will the gentleman yield?

Mr. Jensen. Mr. Chairman, I yield myself 1 additional minute, and I yield to the gentleman from Pennsylvania.

Mr. Eberharter. I am sure that many Members of the House and many thousands of coal miners are very much interested in the action of the subcommittee in recommending discontinuance of the project for which appropriations have been made every year for the past 13 years, for the conducting of experiments to make synthetic oil from coal and from shale. I am talking about the plants in Pennsylvania and the plants in West Virginia and the plant in Missouri.

Mr. Jensen. Well, we made appropriations for your Pennsylvania plant and the West Virginia plant.

Mr. Eberharter. Not the continuation of the synthetic-oil program.

Mr. Jensen. May I say the gentleman from Pennsylvania (Mr. Fenton) is the member of the committee to whom I have delegated this portion of the program. The gentleman from Pennsylvania (Mr. Fenton) will answer your question, I am sure, to your entire satisfaction when he addresses the House in a few minutes.

Mr. Eberharter. I thank the gentleman.

Mr. Fenton. Mr. Chairman, I yield myself 15 minutes.

Mr. Chairman, I have listened with a great deal of interest to the debate that has taken place so far. I have a great deal of respect for my colleagues who have spoken before me. I want to say that the gentleman from Ohio (Mr. Kirwan), a great American, is very sincere when he speaks. I know he has America at heart. The gentleman from Ohio (Mr. Kirwan) and I can always agree in a great majority of cases; however, I would not want the inference to go out that because of the cuts in this particular bill the present administration is at fault due to the fact that whatever administration is in power they are the responsible people to carry out the mandates of the Congress and the people of the United States. This is the first time in some 24 years that the Republican Party has been in power. We have only been in power a little more than 3 months, and I certainly hope that whatever money we give the present administration to carry out the functions of the Department of the Interior, particularly as far as the Bureau of Indian Affairs is concerned, will be sufficient in order that they will be able to do a pretty good job with the Indians.

Mr. Chairman, the chairman of the subcommittee [Mr. Jensen] has discussed the general overall appropriations bill for the Department of the Interior for fiscal year 1954.

I believe that the action of the subcommittee of the Appropriations Committee of which I am a member has been in the best interest of the Government and the people of the United States.

There will no doubt be a great deal of dissatisfaction or disappointment in some sections at the reductions we have suggested; but, I feel certain that the Department of the Interior can get along on the money allowed.

I will not attempt to take the time to discuss each bureau of the Department. I will say something about the Bureau of Mines and the Geological Survey at this time.

BUREAU OF MINES

The Bureau of Mines asked for $29,115,000 in the original 1954 budget.

This amount was reduced to $24,160,000 in the revised budget.

The committee reduced this to $18,750,114, a cut of $5,409,886.

This also represents a cut of $10,364,366 from the original request and a $6,530,886 cut under the 1953 appropriation.

The appropriation for the Bureau of Mines is broken down into four categories:

First. Conservation and development of mineral resources.

Second. Health and safety.

Third. Construction.

Fourth. General administrative expenses.

In the conservation and development of mineral resources category the committee allowed $12,178,814, a reduction of $8,321,186 from the original budget of $13,657,000 and a reduction of $5,171,186 of the revised budget. This also represents a cut of $6,478,166 from the current year.

The principle cuts in this item of conservation and development of mineral resources is in the synthetic liquid fuels program.

This program for synthetic liquid fuel called for an appropriation of $7,905,304 in the original budget. The new budget cut it back $2,000,000.

As the report says:

"It was reported to the committee that the Secretary proposed to put the synthetic liquid fuels demonstration plant at Louisiana, Mo., in standby. This plant is used for making gasoline from coal by hydrogenation and gas synthesis processes. It was reported to the committee that refinements accomplished to date in these processes have brought the cost of producing gasoline down to a few cents of being commercially competitive with other methods of producing gasoline."

It was the considered opinion of the subcommittee that if those facts were true regarding the Louisiana, Mo., plant it was indeed all the more reason to put the Rifle. Colo., plant, which is doing research on oil shale in standby. In the Rifle, Colo., program we found that the process used comes even closer, cost-wise, to being commercially competitive in the production of gasoline than the processes being used at Louisiana, Mo.

The Bureau of Mines has done a fine job in the field of research in producing oil and gasoline from coal and oil shale.

As you know, this program started back in 1944 and was amended in 1943 and 1950. The act will expire, I believe, in 1955. The total overall authorization for the 11-year period is put at $37,600,000.

In addition to the reasons given for curtailing this function at Louisiana is the further evidence from the officials of the Bureau that they are doing research on a much simpler method—a one-step measure, as they call it, and which will, of course, relegate the other methods to obsolescence.

Funds have been provided, however, to keep both Louisiana and Rifle in standby condition in the amount of $500,000.

We have also allowed $767,600 needed for laboratory and pilotplant research on the new refinement program in the hydrogenation process which, as I said, holds great promise for the future in the production of synthetic liquid fuels.

In the mineral and metals field we have allowed them the same amounts as this year.

Likewise in the control of mine fires, the same amount as this year was allowed.

HEALTH AND SAFETY

The main item in this category is the coal-mine inspection and investigation.

In this we gave an increase of $712,560,000 over 1953 which is due to title 11 of the Mine Inspection Act.

A total of $3,700,000 was allowed, which, as I said, is an increase of $712,560 over 1953, when they received $2,987,440.

CONSTRUCTION

The budget request was for $1,760,000.

It was recommended to the committee that the funds for construction of an experiment station at Minneapolis, Minn., be eliminated.

The research work contemplated being done by this facility has been accomplished up until now by a group of Bureau of Mines technicians being attached to a number of State and private facilities in the Minneapolis area.

What was contemplated with this experiment station was that a major portion of the working space would be devoted to pilot-plant areas. Emphasis is to be in applied research or on the later steps of research concerned with proving and demonstrating the technical and economic feasibility of processes that have shown promise, on a laboratory scale of possible commercial application.

It was suggested that this project be deferred at this time for further exploration between the metals industry and the Government.

CENTRAL ADMINISTRATIVE EXPENSES

An appropriation of $1,086,300 is recommended, which is a reduction of $238,700 below the budget estimate of $1,325,000.

GEOLOGICAL SURVEY

The Budget request for this program in surveys, investigations, and research was $31,070,000. The committee allowed $27,750,000, a reduction of $3,320,000 below the budget but an increase of $2,387,315 above 1953.

The reduction is to be applied to the topographic surveys and mapping program for which they asked an increase of $3,643,415.

It was brought to the attention of the committee during the course of the hearings that the military mapping priorities on which a large increase for 1953 in the mapping program was allowed, had been altered during the course of the year, and the funds allowed were diverted to some other so-called priority of the military.

We have a high regard for this Bureau and believe that they will get along with the suggested appropriations for 1954.

It was the considered opinion of the subcommittee that if those facts were true regarding the Louisiana, Mo., plant it was indeed all the more reason to put the Rifle, Colo., plant, which is doing research on oil shale, in stand-by. In the Rifle, Colo., program we found that the process used comes even closer cost-wise to being commercially competitive in the production of gasoline than the processes being used at Louisiana, Mo.

Mr. PERKINS. Mr. Chairman, will the gentleman yield?

Mr. FENTON. I yield to the gentleman from Kentucky.

Mr. PERKINS. I thank the distinguished gentleman from Pennsylvania for yielding to me.

On page 20 of the report I notice the last sentence at the bottom of the page reads:

"The Secretary is instructed to dispose of the two demonstration plants in accordance with existing law and agreements which may be in existence between the Department and other Federal agencies."

May I ask the gentleman from Pennsylvania if it was not the suggestion of the Secretary of the Interior to close down the coal-to-oil plant at Louisiana, Mo.?

Mr. FENTON. As I understand, he asked to put it in a stand-by condition, and we have allowed money for that.

Mr. PERKINS. He also has the authority to dispose of this property, does he not?

Mr. FENTON. Only to Federal facilities, if they so desire.

Mr. PERKINS. I will ask the gentleman to inform the Committee how much money has been expended by the Government on the hydrogenation process of making oil from coal at the plant in Louisiana, Mo.

Mr. FENTON. Quite a considerable amount of money, I would say to the gentleman.

Mr. PERKINS. Something like $70 million?

Mr. FENTON. That is right. As the gentleman will recall, in 1944, I believe it was, this Congress authorized the program for synthetic fuel.

Mr. PERKINS. One other question: Tell the Committee whether this plant at Louisiana, Mo., can be operated, and I mean operated, for a sum of a little more than $2 million annually, and continue its demonstration work. Is that statement correct?

Mr. FENTON. No, absolutely. They cannot do anything in research work without the money, there is no question about that but, as I say, it is to be put in a standby condition.

Mr. PERKINS. Briefly tell the Committee just what progress has been made in making oil from coal at this plant in Louisiana, Mo.

Mr. FENTON. I think I told the gentleman that. I told him that great progress had been made. They had come within a couple of cents of the commercial cost of producing gasoline from petroleum.

Let me proceed a little bit further, and maybe I will answer the gentleman's question as I proceed. We have been told that the reason for curtailing the research in hydrogenation was that they have a new research program that tends to offset the two fine research programs that they had, and which are about to become more or less obsolete. What they are trying to do is to put more emphasis on research, particularly on this type of research that they are going to do.

Mr. PERKINS. Are not the oil people making the same contention that you just stated? I mean the big oil companies such as Gulf and the Texas Oil Co., and so on.

Mr. FENTON. Not being in very good favor with the oil people, I really do not know what they are thinking. I am a coalman myself.

Mr. PERKINS. I know the gentleman is interested in the welfare of the coal industry. If we have come within 2 cents, commercially speaking, of competing with petroleum, that is making oil from coal, is it not reasonable that by a continuation of this process we will get the price down still further in the future?

Mr. FENTON. I am not a technical man along that line, but I will say this: We do not think it is the intention of the Government to go into the production of any kind of commodity, and when it does come down to within reasonable limits of the current commercial price, we think private industry should take over and develop any further research.

Mr. PERKINS. But if I understand correctly, these processes are not yet patentable, but will be patentable in the near future—and perhaps a year from now, and if these plants are closed down and disposed of at this particular time, the people throughout the Nation and the coal industry will be deprived of the commercial value because it will be in the hands of some private chemical company or other concern, which perhaps will make hundreds of millions of dollars from these patents.

Mr. FENTON. Let me read to you what Dr. McCabe, from the Bureau of Mines, said.

Mr. PERKINS. I will be glad to hear what he said.

Mr. FENTON. You will recognize Dr. McCabe as an authority in that line of work.

Mr. PERKINS. Yes, sir; I know that.

Mr. FENTON. Dr. McCabe said:

"We feel now we have learned what we need to know out of the older type of hydrogenation and we can bring this one-step process along; and if in 2 years, say, we are far enough to feel we need a big-scale operation, we will come back and ask Congress for funds to scale that up if we can justify it. It may not be necessary to take it up through the larger scale, because maybe industry will take it up from the smaller-scale work done by the Bureau."

Mr. PERKINS. In response to that, I wish to state that if we followed the theory of Dr. McCabe, we may endanger the defense of this country—and that is the philosophy of the oil people altogether which McCabe is following.

Mr. FENTON. I am sure I do not know what is in Dr. McCabe's mind along that line.

Mr. PRICE. Mr. Chairman, will the gentleman yield?

Mr. FENTON. I yield.

Mr. PRICE. My colleague, the gentleman from Kentucky, of course, touched upon a point which I wanted to bring out. The last part that was brought out is that there is an interest in national defense involved here, and more so year by year. The gentleman himself has always been interested in these projects. I remember his original interest in this. These projects did not originate with the executive branch for the demonstration plants. They originated in the Congress and men like the gentleman from Pennsylvania who is now addressing us put a great deal of effort behind the particular demonstration projects. I just think Dr. McCabe is not looking at the complete picture, and he is particularly overlooking the national defense feature of this.

Mr. EBERHARTER. Mr. Chairman, will the gentleman yield?

Mr. FENTON. I yield.

Mr. EBERHARTER. I agree heartily with the statement just made by the gentleman from Illinois. All of us agree that the gentleman from Pennsylvania, Dr. FENTON, has been most helpful to the mining industry and the entire country. I appreciate his stating those things. I know he has the interest of the industry at heart.

Mr. PERKINS. If the gentleman will yield, I wish to concur in that statement.

Mr. EBERHARTER. But what concerns me now is, if this program on which the Government has already spent approximately $75,000,000 is now dropped, then all of these coal miners and the industry itself will suffer tremendously. This program was started as a security measure in 1944.

Mr. FENTON. That is right.

Mr. EBERHARTER. It seems to me it is quite foolish to drop it at this point.

Mr. FENTON. Of course, the gentleman knows it was supposed to be an 11-year program. There were two amendments to the 5-year program originally.

Mr. EBERHARTER. But we are so near to a realization of this program and what a tremendous benefit it would be, both in the domestic economy and in the field of security, why should we drop it now? It may mean a wasting of this entire $75,000,000.

Mr. FENTON. Of course, I realize what the gentleman is trying to get at, but you cannot expect synthetic oil or gasoline from coal to become as cheap as natural gas or natural gasoline production. That is practically impossible. But we have approached the time when we are so close to that, that you do not want to keep the Government doing that sort of thing all along, perpetually.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

□ 2150

INTRODUCTION OF SOLID WASTE HAZARD REMOVAL ACT

The SPEAKER. Under a previous order of the House, the gentleman from Iowa (Mr. GRASSLEY) is recognized for 10 minutes.

● Mr. GRASSLEY. Mr. Speaker, public attention is being focused on the serious problem of abandoned hazardous waste dumpsites. New sites are being discovered with alarming rapidity. When physical harm and environmental injury flow from these dumpsites, finding a person responsible for the injury is often difficult. In many cases "midnight dumpers" have surreptitiously left hazardous wastes in unpatrolled areas. In other instances, the original generators of the waste have sold a dumpsite to another individual extinguishing their legal liability. Occasionally a company may dispose of chemical wastes in a very responsible fashion at the time of storage; later these wastes may "ferment" and combine with other elements to pose a threat to our health and environment.

In my district, a chemical manufacturing company 25 years ago consulted with the appropriate Iowa department before selecting a dumpsite. This dumpsite is now leaching trace elements sometimes linked with toxic chemicals into the nearby river. Salsbury Laboratories, the concern involved, has not shirked responsibility for this unfortunate event. Regrettably, neither the Environmental Protection Agency nor the Iowa Department of Environmental Quality can instruct Salsbury Labs on how to remedy the problem. Even these agencies' proffered cures cost more than the value of the company and do not come with any guarantee of success.

I am introducing a bill today to create a fund for the cleanup of these hazardous wastes seeping from inactive dumpsites. This fund would be financed through a fee on wastes generated by licensees under the Resource Conservation and Recovery Act. This fee will be measured by the volume of the waste generated multiplied by the waste's toxicity factor.

When the Administrator of the program in EPA determines that a condition exists which poses a substantial endangerment to life, the matter is referred to a hazardous waste response board. This board, composed of Government and industry technical experts, decides the steps to pursue to remove the hazard's substantial endangerment to life.

Industry participation will facilitate the exchange of new developments in the hazardous waste disposal field between the public and private sector. As fee payers, industry will also have a vested interest in making the cleanup operation cost effective.

I favor a fee on the disposal of hazardous waste because it encourages generators to use up all of their hazardous wastes or recycle the leftovers. Conversely, a tax on feedstocks is passed through the manufacturing chain, becoming greatly inflated by the time it reaches the consumer. Also, once a purchaser of raw materials buys the feedstock and pays the tax, there is no economic incentive to spend more money to dispose of these hazardous wastes. Since a tax on feedstocks is inflationary and encourages the irresponsible disposal of hazardous wastes, I prefer my scheme which places the fee on the disposal of these waste products.

Pointing fingers, sensationalism, and fixing blame will not clean up these hazards. A dual governmental/industrial response now is essential to remove the threat to life and health caused by these inactive dumpsites. Mr. Speaker, I urge you and my colleagues to support my Solid Waste Hazard Removal Act as a logical response to this complex problem. Inaction will only allow more lives and property to be needlessly endangered.●

THE CARTER ADMINISTRATION'S MESSAGE TO WORKING MEN AND WOMEN, "GIVE UP YOUR GOAL OF HIGHER STANDARDS OF LIVING"

The SPEAKER. Under a previous order of the House, the gentleman from New York (Mr. KEMP) is recognized for 10 minutes.

● Mr. KEMP. Mr. Speaker, I have mixed emotions about the imminent voluntary departure of President Carter's "chief inflation-fighter," Barry Bosworth, from his post at the Council on Wage and Price Stability.

I have been tempted at times to try to hasten Mr. Bosworth's departure from that post, because of some of his more outrageous policy utterances. At other times, that seemed a bit like killing the messenger who brought the bad news. Who else in the administration has voiced so candidly what other administration officials are thinking privately, but are willing to admit only when guaranteed anonymity?

In this respect, Mr. Bosworth has been an inexhaustible source of amazement. It was Mr. Bosworth who first alerted us that of the policy tools being considered as part of the administration's anti-inflation program, every one required that Americans forgo any real increase in their standard of living "for several more years."

It was Mr. Bosworth who informed us that the Carter administration now envisions only three possibilities for the future of the country—compliance with the administration's wage and price program, which would require a "voluntary" cut in real pay; mandatory wage and price controls, which would mean a statutory cut in everyone's pay; or a severe recession.

And it was Mr. Bosworth who formulated the administration's most recent economic thinking about inflation in this morning's Washington Post. Inflation is caused, he said, by "the average American." "I think the problem is the average American, and it's not a pleasant fact," Bosworth said.

It seems not to have occurred to any administration official that the amount of money people demand for their goods could have anything to do with the Government's creation of money or the economy's output of goods. Instead, the administration traces global inflation, in the words of economist Leland Yeager, to a sudden worldwide spurt in the greed of businessmen or the pushiness of workers.

Mr. Bosworth also reflected the administration's confusion about productivity in this morning's Post article:

> Bosworth said that in the absence of any real growth in productivity, there could be no real wage increases without adding to the inflation problem. "Unless we do more work (this year) than we did last year, then there can be no (wage) increases," he said.

The administration apparently believes that the way to improve productivity is to get people to work harder and longer for smaller rewards; it thinks the drop in productivity—motivated by greed—is causing inflation.

In fact, inflation—caused by administration policies—is causing the drop in productivity. Productivity is a synonym for efficiency. It means working less, not more, for the same amount of output; or, getting more output for the same amount of work. As the administration continually devalues dollars by printing more of them than people need, it provides fewer and fewer rewards for improving productivity—either by reducing the real value of fixed incomes, or by using the tax system to push inflation-compensated workers into higher and higher tax brackets. Using wage and price controls to diminish economic rewards still further, as the administration proposes, can only hurt productivity some more, not help it.

Since people prudently refuse to behave according to the administration's economic theories, we end up with a predictably demoralized and frustrated administration, which bitterly blames everything and literally everyone—"the average American"—except its own theories.

One of the best recent analyses I have seen of the administration's economic policy failures was in James Green's column in last Sunday's Atlanta Journal & Constitution:

> Economics is a study of individual economic behavior. Individuals shape the action, which in turn shapes the economy. Each of us acting in our own self-interest is motivated by our subjective valuations as to how our individual self-interests are best served. The consumer is king in the marketplace.
>
> On the other hand, government policies deal in statistical aggregates. Government assumes "expected" individual actions and reactions. All too often government policy expects individuals to act willingly against their own best interests. The government's voluntary guidelines "expected" workers to accept 7 percent wage gains at a time when inflation was running rampant at 13 percent.
>
> "No way," said the Teamsters. Now, months later, the guidelines lie in shambles. Individuals will continue to shape the economy until government coercive power takes away all freedom to act in individual self-interests. Mandatory wage and price controls across-the-board would essentially do this.
>
> Government demand management policies through which government stimulates the economy with injections of new money and credit are inflationary. To prevent a reduction in their real wages, workers insist on compensatory wage increases or cost-of-living adjustments.
>
> In the money market, lenders recognizing the same inflationary push, as new injections of money occur, add an inflation component to interest rates charged to protect their real income return.
>
> The Keynesian bubble bursts as individuals acting in their perceived self-interest thwart ill-conceived inflationary policies which are devastating the nation.
>
> Government should not ask nor expect individuals to blindly follow macro policies which do not serve their own best interests. Instead, government policies should be designed which encompass supply side economics and promote individual self-interest. The only means we have to increase economic well-being is to increase our output of goods and services.
>
> The only way to raise real wages is to improve worker productivity. What is needed is better technology, improved methods of production and enhanced worker and investor incentive and motivation.

The public welfare is not advanced by private squalor. As Sir Geoffrey Howe, the new British Conservative Government's Chancellor of the Exchequer, said recently: "We cannot have a successful and prosperous society without successful and prosperous people."

Until the Carter administration begins to act as though it believed that, Mr. Speaker, it will continue to have an air of resignation.

The Post article follows:

BOSWORTH BLAMES CITIZENS FOR U.S. INFLATION PROBLEM

(By Frank Swoboda)

One of President Carter's top economic advisers yesterday blamed the "average American," not corporate profits, for much of the nation's inflation problem.

Barry Bosworth, outgoing director of the Council on Wage and Price Stability, warned that despite soaring prices for food, fuel and housing, the average worker should not expect any real increase in wages.

"I think the problem is the average American, and it's not a pleasant fact," Bosworth told a meeting of Women in Housing and Finance. But unless the average worker changes his ways, he predicted, the United States may be headed down the same economic road as Great Britian.

Bosworth said that in the absence of any real growth in productivity, there could be no real wage increases without adding to the inflation problem. "Unless we do more work (this year) than we did last year, then there can be no (wage) increase," he said.

Therefore, Bosworth said, "Any attempt by the individual to increase his own standard of living has to come at the expense of somebody else. Every American catches up (on inflation) by taking it out of the hide of someone else."

Bosworth pointed to the current fuel demands of farmers and independent truckers as an example of the type of self-interest that adds to inflationary pressures.

"One of the reasons that the energy crisis is so severe . . . is that one group after another has come in for special allocations," Bosworth said.

Singling out the farmers' request for 100 percent of last year's fuel allocation to harvest this year's crops, Bosworth said, "if they use it all for the harvest we ought to have the most fantastic harvest in history. Everyone wanted a little more than needed and then sold the excess to someone else."

He added that the nation would also be in trouble "if everyone acts like the truckers."

Bosworth, who will be leaving COWPS this summer, said the current inflation outlook calls for "further blows" to the government effort to moderate inflation. "Energy has now replaced food as the major inflation problem," Bosworth said, "and people are going to be shocked when they see what utility prices are going to be."

Bosworth also warned that "no matter what energy solution (the nation decides on), energy costs are going to go up much more rapidly than other costs." In general, he said, "housing, food and energy prices will be going up much more rapidly than anything else even if there are zero wage increases."

Bosworth insisted that wage and price controls were not a viable option for curbing inflation. Not only was there no sentiment in the White House or Congress for controls, he said, the key elements of the current inflation would not be affected by controls.

He said food costs are controlled by market forces. For example, he said, "the current rise in beef prices will only come to an end when people quite buying beef." And, he said, neither OPEC nor productivity are touched by a controls program.

Bosworth conceded that the current wage-price situation was "unfair," but said the alternative was a recession which would throw millions of workers out of their jobs. "It is unfair . . . but it is a fact of life," he said. "The question is whether we can accept it or repeat what happened in 1973–74" when the recession left 9 million out of work.

TRIBUTE TO ROBERT B. YOUNG, ONE OF THE GREAT PIONEERS IN ROCKET ENGINE DEVELOPMENT

The SPEAKER. Under a previous order of the House, the gentleman from California (Mr. ROUSSELOT) is recognized for 10 minutes.

● Mr. ROUSSELOT. Mr. Speaker, as America approaches the 10th anniversary of landing a man on the Moon, this July we are inevitably reminded of the contributions by America's team of rocket scientists and engineers.

While great credit goes to the German rocket specialists, the United States also produced some important native-born rocket propulsion engineers of its own.

Robert B. Young, for example. His background is as American as apple pie.

Born in Los Angeles 61 years ago, he served in a leadership position in the development of many of the Nation's propulsion systems—including those for the Air Force Titan rocket and the Apollo spacecraft propulsion engine which put astronauts in orbit around the Moon and powered their dramatic flight homeward each time.

Young grew up in Hollywood. As a crewcut youngster, he lived on the same street as a yet-to-be-famous Judy Garland. He attended Hollywood High. He raced hotrods through the Cahuenga Pass. His penchant for combustion engines led him to CalTech in Pasadena where he earned an engineering degree. That much of his background is typical of many Californians.

Then, in 1943, he joined a budding rocket company in Pasadena called Aerojet Engineering Corp. Initially, he worked on producing JATO rocket systems—jet-assist rockets to help heavily laden warplanes get off land or sea.

In the subsequent 36 years, Young was associated with Aerojet (now, Aerojet-General Corp.) in every kind of rocket propulsion development known: Liquid fuel, solid fuel, nuclear fuel, and more exotic forms.

In the 1960's, a few years after Time magazine called Aerojet the "General Motors of Rocketry," Young was promoted to vice president and resident manager of Aerojet's booming Sacramento operation. At that time, nearly 20,000 employees were working on development and production of rockets for the Titan, Polaris, and Minuteman ballistic missiles, on rockets for the Apollo Moon mission, on a nuclear rocket called NERVA, and on many other rockets for space, scientific exploration, and defense.

To this, Young brought an unusual blend of technical and managerial skills, a vital balance because much of the hardware involved technology never used before.

Both innovation and proven engineering were needed in developing such prosaic components as propellant injectors, valves, and turbo pumps (to move volatile rocket fuels at high speeds in the extreme heat, cold, and vibration of space flight), gimbal actuators (to steer rockets), and thrust chambers (to channel the exiting combustion energy of the engines).

In 1963, the National Aeronautics and Space Administration "borrowed" Young to work with the late Dr. Wernher von Braun as a key aide in the development of the huge Saturn Moon rocket at Marshall Space Flight Center in Huntsville, Ala.

Announcing Young's appointment, von Braun said:

> He is one of the great pioneers in rocket engine development. We have worked with him for a number of years; consequently, we have first-hand knowledge of his excellent capabilities. We are delighted he has decided to join us in this most-challenging effort to provide the rockets necessary to achieve preeminence in space.

Perhaps the biggest challenge of his career came when Young directed the Aerojet team which developed the space propulsion system (SPS) engine for the Apollo Moon missions.

After it worked perfectly in the 1968 Apollo-8 circumlunar mission of Borman, Anders, and Lovell, the New York Times called the engine:

> A fire-belching midget that stands three feet, five inches tall, wears a skirt, drinks exotic potions like dimethyl hydrazine and has and active life of only 750 seconds.
>
> It goes by the initials of S.P.S. . . . which must now be rated as one of the unsung heroes of the flight.

In all Moon missions, this was the rocket that inserted the astronauts in lunar orbit and then, at mission's end, rocketed them on their long voyage back to Earth. The system fired flawlessly 73 times for a total of 6,292 seconds in 15 Apollo flights.

Young's work won him many honors: The Propulsion Award from the American Rocket Society in 1961, a Fellows mantle by the American Institute of Aeronautics and Astronautics in 1966, and an appointment to a prestigious National Research Council Committee on the Space Shuttle engine in 1978.

Despite a lifetime of solving difficult problems, however, Young encountered one that he could not overcome—cancer. On Wednesday, February 7, 1979, he passed away at age 61 in the Hospital of the Good Samaritan only a few miles from Aerojet's corporate headquarters where, for the past 10 years, he had been vice president of engineering and quality assurance.

America has lost one of its own native-born space pioneers.

Let me review the highlights of Robert G. Young's life and career:

American-born rocket propulsion expert who entered the field shortly after graduating from the California Institute of Technology, Pasadena, Calif., in 1940; who developed many of the standards in use today by the U.S. rocket propulsion programs.

Originally was project engineer for JATO (jet-assist takeoff) motors which were developed to help boost heavily laden aircraft from short runways during World War II. This was one of the earliest uses of America's rocket technology.

Led development team for the U.S. Air Force Titan ICBM engine. The Titan was the backup for Atlas ICBM in the early 1950's, and soon became a cornerstone in the Nation's triad defensive posture. Under Young's leadership, several generations of Titan engines were developed:

Titan I: 300,000-pound-thrust, first-stage engine, and 80,000-pound-thrust, second-stage engine, using liquid oxygen as the oxidizer and JP-4 (a type of kerosene) as fuel. First flight was in 1959.

Titan II: 430,000-pound-thrust, first-stage engine and 100,000-pound-thrust, second-stage engine. Both used simple, storable, fast-reacting systems with hypergolic liquid propellants. This was a major breakthrough and provided much more flexibility and quicker response time. First flight was in 1962.

Titan II/Gemini: The engines were man-rated and incorporated a malfunction detection system for use as the boost vehicle for all of the 10 successful Gemini manned orbiting missions. First flight was in 1964.

Titan III: The engines used as the principal propulsion for space satellite launches. There have been 114 launches of Titan III through early 1979.

Directed team which developed the space propulsion system (SPS) engine for Apollo Moon-landing missions. This was the engine that fired to place the astronauts in orbit around the Moon, and then fired again behind the Moon to bring them back. If it did not fire, they would remain in orbit. Man-rating and reliability were the big keys in this engineering endeavor. The engine system fired 73 times for a total firing time of 6,292 seconds in the 15 Apollo flights. It was also used later in Skylab and Soyuz missions. An SPS engine is on display in the National Air and Space Museum of the Smithsonian Institute, along with other projects which Young directed—the Titan engine, JATO, and Aerobee.

Was chosen in early 1978 by the prestigious National Research Council to serve on a committee studying the Space Shuttle engine program. The committee was formed at the behest of the Senate Subcommittee on Science, Technology and Space.

Was honored with the Propulsion Award by the American Rocket Society in 1961 and, in 1966, was elected a Fellow of the American Institute of Aeronautics and Astronautics.

Served NASA for 1 year as an associate of the late Dr. Wernher von Braun, directing all industry operations in development and production of the huge Saturn Moon rocket.

Directed a team which developed a large hydrogen rocket engine, the M-1, and the group which did the development and testing of NERVA, the Nation's nuclear rocket engine.

Was executive in management as well as in engineering. After joining Aeorjet in Azusa in 1943, he was the general manager of the firm's new facility when the company expanded to rocket development, production and test facilities outside Sacramento, Calif., in the 1950's It was the largest such facility in the free world, and continues today to make and test rocket motors of many kinds.

Was called on by Aerojet for contributions in many other engineering areas besides rocketry, including the manufacture of pumps, valves, scales, ordnance items, space satellites, and construction services.●

IMPLEMENTING THE PANAMA CANAL TREATIES

The SPEAKER. Under a previous order of the House, the gentleman from Massachusetts (Mr. BOLAND) is recognized for 5 minutes.

● Mr. BOLAND. Mr. Speaker, the House will soon consider legislation to implement the Panama Canal treaties which were ratified by the Senate last year.

The implementing legislation, like the treaties themselves, has generated a substantial amount of debate in the Nation. A number of competing claims have been made with regard to the cost of the legislation and the effect that it will have on the ability of the United States to use and defend the canal.

On Sunday, June 9, the Springfield, Mass., Sunday Republican carried an excellent discussion of the issues raised by the implementing legislation. The author, Ambassador George J. Feldman, made what I consider to be a most convincing argument in favor of the legislation. Ambassador Feldman has served as the U.S. Ambassador to Luxembourg and Malta. In addition, he has been a consultant to the State Department, a member of the National Commission for UNESCO, U.S. delegate to the United Nation's Conference on the Law of the Sea, and an adviser to NATO. He is extremely well qualified to comment on the consequences of defeating the implementing legislation.

Mr. Speaker, I would like to insert Ambassador Feldman's article at this point in the RECORD. I commend it to the attention of my fellow Members:

IMPLEMENTING THE PANAMA CANAL TREATIES

The House of Representatives soon will vote on legislation to enable the United States to implement the Panama Canal treaties. This legislation is of great importance to American foreign trade, American defense, and American foreign policy in general.

Test votes indicate this legislation is in trouble in the House. Some members oppose it because many of their constituents strongly objected to the Panama Canal treaties of 1977, and because thousands of them, energized by ultra-conservative groups, have indulged in a letter-writing campaign on Capitol Hill. Some believe the treaties can be undone or held up by defeating the legislation. Some find this a popular issue on which to attack the administration.

These views are dangerously irresponsible.

The Panama treaties were approved by a two-thirds vote in the Senate and have been ratified by the United States and Panama. They are a part of the law of the land of both countries. By their terms, they come into force on Oct. 1, 1979. We cannot legally change the situation.

The only choice we have is whether we wish to make the changeover to the new treaty situation work smoothly, or whether we will choose to flout our own pledged word and risk chaos at the canal.

It should not be a hard choice. Under the treaties, the United States will continue to operate the canal within Panama and with the cooperation of Panama as a kind of junior partner until the end of the century. The United States will have primary responsibility for defending the canal until that date, maintaining forces around it. Thereafter, the United States can act to keep the canal open whenever a threat of aggression against it occurs.

The legislation before Congress sets up the new machinery needed to manage the canal under the treaty. It sets the working conditions and labor relations of canal employees, and determines the basis for collecting the tolls needed to pay for canal operations and to reimburse Panama fairly for the use of its territory.

These matters should not be contentious. Congress ought to be able to provide for the management of the canal under the treaty without undue difficulty.

While not without faults, the legislation introduced by Chairman John Murphy, D-N.Y., of the House Merchant Marine and Fisheries Committee will do the job. It safeguards congressional prerogatives and American interests. But its fate is by no means clear.

For diehard treaty opponents to prevent adoption of the implementing legislation in order to gut the canal treaties would be the equivalent of the nation's shooting itself in the foot.

If the United States cannot exercise its rights on Oct. 4 because there is no legislation permitting us to do so, the result will not be to maintain the current system of canal operations, but to create utter confusion. The current canal company and Canal Zone government will cease to exist—and there will be nothing to replace them.

Panama will take over the zone. Our armed forces will have no legal right to remain in Panama. The canal work force, lacking status, security and adequate retirement benefits, will be demoralized. The canal would very probably be closed as a result of labor unrest. Sick-outs have disrupted operations in the past on much slighter grounds.

There could be even more drastic consequences. If Congress were to insist on legislation that violates the terms of the Panama Canal treaties, the close cooperation that exists in U.S.-Panamanian planning for the new arrangements would go into sharp reverse. We would move rapidly back to the situation that existed in 1961, when fatal and destructive riots swept through the canal area.

Those riots, and their aftermath, led to the hard rethinking that resulted in the 1977 treaties. We saw then that while our military men could defend the canal, they could not provide the kind of security canal users have a right to demand. Sabotage from the surrounding jungle would be all too easy. And guerrilla conflict in the jungles of Panama would be no more pleasant than it was in Vietnam.

It would be a pity to undo all that has been accomplished to give Panama a stake in the smooth and secure operation of the canal. To back off from the treaties now could give Panama an incentive to involve Cuban, Soviet or other adventurous elements in canal operations. This is precisely what could happen if backward-looking nay-sayers prevail in the deliberations of Congress.

Treaty opponents contend the treaty settlement is enormously costly, and that it is not safe to turn the canal over to Panama, even in the year 2000, because of Panama's alleged communist tendencies, as evidenced in its aid to the Sandinistas in Nicaragua.

In fact, costs of the treaty to the United States are small in comparison with those we incur for our other important military establishments around the world. We are turning over the canal to Panama on terms which for the first time reward it fairly for our use of its territory since 1903, and for our continued use of the canal to and beyond the end of this century.

Panama is a pluralistic country. It has a relatively open system of government. It is free of the terrorism and violence that bedevil some of its near neighbors. It is a private enterprise economy. If we cooperate with it in running the canal, we can strengthen its democratic society and exercise the kind of influence, through our political and even our military presence, that can be useful, perhaps vital, in dealing with the Caribbean powderkeg during the years ahead.

But if we become embroiled with Panama because we refuse to carry out our commitments, we will have the worst of all worlds. We won't be able to ensure the canal's security. We will antagonize Panama and, indeed, all of Latin America. We will sully our honor and our good faith. And in the end we will be faced with a no-win situation.

In this day and age, neither the United States nor any other democratic government committed to human rights can illegally occupy the territory of another country. That is exactly what we would be doing if we did not follow through to carry out the terms of the Panama Canal treaties in good faith. It is a position we must at all costs avoid.●

LEGISLATION TO CHANGE MANNER OF REGULATION OF MOTOR CARRIER INDUSTRY

The SPEAKER. Under a previous order of the House, the gentleman from California (Mr. JOHNSON) is recognized for 5 minutes.

● Mr. JOHNSON of California. Mr. Speaker, today I am introducing legislation that proposes to change the manner in which the motor carrier industry is regulated. I have stated many times that I have an open mind on this subject. I still do. But, as this controversy moves to congressional consideration, I believe every viewpoint should be heard and should be set out for full consideration by the Members of Congress. It is in this spirit that I introduce this legislation.

As congressional action on regulatory reform begins, I want to reaffirm my position as being open to considering all reform proposals. My final position on this subject will be formulated only after the Committee on Public Works and Transportation has completed its hearings on this subject. Then, Congress can focus its attention to forging a new congressional policy on regulation of the motor carrier industry, if it is found to be necessary.

My goal on this matter is simple. It is a better transportation system; one that better meets the needs of all of our citizenry.

The bills that I am introducing today are representative of a viewpoint; it is that of the trucking industry. One bill would provide for a more effective utilization of transportation services by providing a mechanism for requiring carriers to combine their services. The second bill would provide for quicker disposition of proceedings involving motor carriers, it would lessen regulatory controls over rate changes proposed by motor carriers and change the law as it relates to collective ratemaking, it would permit private carriers to expand their operations to provide service to wholly owned subsidiaries, and it would provide a means whereby operating and commodity restrictions contained in operating rights issued to motor carriers could be removed.

Finally, it adds energy as a consideration in the traditional test for securing new operating rights.

All of these points warrant consideration by the Congress. Introduction of these bills assures that they will be considered.●

SUBCOMMITTEE ON TRADE, COMMITTEE ON WAYS AND MEANS, ANNOUNCES SUBCOMMITTEE APPROVAL OF TRADE AGREEMENTS ACT OF 1979

The SPEAKER. Under a previous order of the House, the gentleman from Ohio (Mr. VANIK) is recognized for 5 minutes.

● Mr. VANIK. Mr. Speaker, today, the Subcommittee on Trade, Committee on Ways and Means, unanimously reported H.R. 4537, the Trade Agreements Act of 1979. The bill was transmitted to the Congress on Tuesday, June 19, by the President under the procedures of the Trade Act of 1974. It was introduced by the Honorable JIM WRIGHT, majority leader, and the Honorable JOHN RHODES, minority leader. H.R. 4537 will implement the multilateral trade negotiations which were successfully concluded under the leadership of Ambassador Robert S. Strauss, the President's special representative for trade negotiations.

The quick action of the Subcommittee on Trade is a reflection of the many months of work developing the bill and incorporating recommendations. This work involved the subcommittee and members of other committees of the House, as well as committees of the Senate, in cooperation with Ambassador Strauss and his staff.

The legislation will implement the most far-reaching international trade negotiations which have ever been undertaken and congressional approval of the bill will be, next to the SALT Treaty, the most important international decision before the 96th Congress. I anticipate completion of House action on the bill before the middle of July and in the Senate by the end of July. Our trading partners should take similar action of timely ratification of the results of the multilateral trade negotiations.

Approval of the legislation will be a symbol of American intent to use trade as a currency of peace. The unanimous vote of the subcommittee demonstrates once again the bipartisan congressional approach to trade policy.●

JOHN J. DENSON, OF OCALA, FLA.

The SPEAKER. Under a previous order of the House, the gentleman from Florida (Mr. CHAPPELL) is recognized for 5 minutes.

● Mr. CHAPPELL. Mr. Speaker, I rise today in tribute to a dear friend, Mr. John J. Denson, of Ocala, Fla. Johnny was a dedicated and intensely patriotic American, a devoted and energetic public servant, a deeply religious man—the kind of person who is an asset to any community.

I first knew Johnny Denson when I was a young boy, growing up in Marion County, Fla. He was a well respected and successful retail merchant and businessman. He possessed an unusually keen love and respect for his fellow man and during those first years I knew him, he was always willing to help me and all others who needed his counsel.

Johnny helped me with my first campaign for the House of Representatives, in 1968. Following my election, at a time when most of his peers were embarking into retirement, he joined my staff, serving as my field representative in the Florida communities throughout the Fourth Congressional District. Several months ago, he was stricken with cancer. Despite his illness, however, he continued to work until just a few weeks ago. Last Saturday, my beloved friend lost his battle with cancer, and yesterday morning we, his many friends and associates, gathered to bid him farewell.

As a member of my district staff, Johnny Denson functioned as a kind of "circuit rider," traveling throughout the district, assisting those who lived too far away to conveniently visit my local offices. Johnny was almost constantly on the move, not only in the more remote, rural areas of the Fourth Congressional District, but throughout the cities as well. He was blessed with the exceptional ability to deal with people on a one-to-one basis. His kind and tender manner, his contrite heart equipped him so well to assist others with their problems. People felt better about their lives and their Government after talking with Johnny. Government seemed to become, in the minds of his listeners, the servant it is supposed to be. People knew he cared, really cared, about their problems, and they knew he genuinely tried to help solve them.

My good staffer Johnny made friends throughout the counties of the Fourth Congressional District, for himself and his government. When his illness began to restrict his traveling, people in communities throughout the district felt his absence. At every public appearance I would make—in Jacksonville, Daytona Beach, St. Augustine, Palatka, or wherever—someone would invariably comment to me that he or she had not seen Johnny lately. His many friends will miss the personal touch Johnny Denson brought to government.

In addition to the dedicated and loyal service he gave to his duties as a staff assistant, Johnny Denson was a spirited and energetic force in community affairs throughout his life. He helped establish the United Way of Marion County, Fla., and was especially active in Boy Scouting. In recognition of his volunteer efforts in behalf of young people in need, he was accorded lifetime honorary membership in the Florida Sheriffs Association. The U.S. Air Force commended him for his enthusiastic support of local recruiting and his help in Air Force community relations programs in Ocala.

Johnny served as President of the Kiwanis Club of Lake Weir, Fla., and during his tenure in that office, the Lake Weir chapter won the Kiwanis International Achievement Award.

Highly aware of our educational needs, he was an active member of the Weirsdale School Parent-Teacher Association and the Marion County Friends of the Library.

Devoutly religious—spiritually strong—deacon in the First Baptist Church—superintendent of his Sunday school—such a man was Johnny Denson, who gave so much of himself for others, including untold hours working with inmates in the Marion County jail.

All of us who knew Johnny—those of us who worked with him over the years and the thousands of Floridians who were the recipients of his good deeds—will sorely miss him. We have lost a great friend. Our country has lost an outstanding public servant. On behalf of the Fourth Congressional District and all who knew him, I offer expressions of deep sorrow and sympathy to his wife, Martha, his children, and his grandchildren. To God, our appreciation for his good life.●

THREE HUNDRED AND NINE MEMBERS OF CONGRESS PENALIZED

The SPEAKER. Under a previous order of the House, the gentleman from Arkansas (Mr. ALEXANDER) is recognized for 30 minutes.

● Mr. ALEXANDER. Mr. Speaker, reviewing the latest available Census Bureau data I have discovered that 309 Members of the House represent congressional districts having 50 percent or more of their constituents who live in mid-sized cities (under 50,000 population), small towns and rural communities in the countryside. These 309 districts are penalized by Federal transportation policy which favors the high-density urbanized areas. Billions in Federal subsidies are spent on "Urban transportation" systems like the Washington Metro while the intercity bus and terminal programs designed to provide mass transit for the 88 million Americans, 41 percent living in mid-sized cities, small towns and rural communities in the countryside get a big zero. The Members whose constituents are penalized are listed in groups as follows:

GROUP 100

Bill Nichols (Ala.)
Don Young (Alaska)
Bill Alexander (Ark.)
Harold T. Johnson (Calif.)
Don H. Clausen (Calif.)
William M. Thomas (Calif.)
Lionel Van Deerlin (Calif.)
James P. "Jim" Johnson (Colo.)
Christopher J. Dodd (Conn.)
Richard Kelly (Fla.)
Andy Ireland (Fla.)
L. A. "Skip" Bafalis (Fla.)
Dante B. Fascell (Fla.)
Newton Leroy Gingrich (Ga.)
Larry McDonald (Ga.)
Ed Jenkins (Ga.)
Daniel K. Akaka (Hawaii)
George Hansen (Idaho)
Edward J. Derwinski (Ill.)
Daniel B. Crane (Ill.)
Paul Simon (Ill.)
Floyd J. Fithian (Ind.)
Lee H. Hamilton (Ind.)
Keith G. Sebelius (Kans.)
Robert "Bob" Whittaker (Kans.)
Carroll Hubbard, Jr. (Ky.)
Tim Lee Carter (Ky.)
Carl D. Perkins (Ky.)
Gillis Long (La.)
Olympia J. Snowe (Maine)
Robert E. Bauman (Md.)
Marjorie S. Holt (Md.)
Gladys Noon Spellman (Md.)
Beverly B. Byron (Md.)
Dave Stockman (Mich.)
Guy Vander Jagt (Mich.)
Donald Joseph Albosta (Mich.)
Robert W. Davis (Mich.)
Tom Hagedorn (Minn.)
Richard Nolan (Minn.)
Arlan Stangeland (Minn.)
Jamie L. Whitten (Miss.)
David R. Bowen (Miss.)
G. V. "Sonny" Montgomery (Miss.)
Trent Lott (Miss.)
Robert A. Young (Mo.)
Bill D. Burlison (Mo.)
Pat Williams (Mont.)
Virginia Smith (Nebr.)
William J. Hughes (N.J.)
James J. Howard (N.J.)
Millicent Fenwick (N.J.)
Edwin B. Forsythe (N.J.)
Andrew Maguire (N.J.)
James A. Courter (N.J.)
Edward J. Patten (N.J.)
Harold Runnels (N.M.)
William Carney (N.Y.)
Thomas J. Downey (N.Y.)
Jerome A. Ambro (N.Y.)
John W. Wydler (N.Y.)
Hamilton Fish, Jr. (N.Y.)
Benjamin A. Gilman (N.Y.)
Robert C. McEwen (N.Y.)
Jack F. Kemp (N.Y.)
Stanley N. Lundine (N.Y.)
Walter B. Jones (N.C.)
L. H. Fountain (N.C.)
Charles Whitley (N.C.)
W. G. "Bill" Hefner (N.C.)
James T. Broyhill (N.C.)
Delbert L. Latta (Ohio)
William H. Harsha (Ohio)
Clarence E. Miller (Ohio)
J. William Stanton (Ohio)
Douglas Applegate (Ohio)
Michael Lynn Synar (Okla.)
Wes Watkins (Okla.)
Glenn English (Okla.)
Richard T. Schulze (Pa.)
Peter H. Kostmayer (Pa.)
John P. Murtha (Pa.)
Don Bailey (Pa.)
Austin J. Murphy (Pa.)
William F. Clinger (Pa.)
Eugene V. Atkinson (Pa.)
Butler Derrick (S.C.)
Ken Holland (S.C.)
John W. Jenrette, Jr. (S.C.)
James Abdnor (S. Dak.)
James H. "Jimmy" Quillen (Tenn.)
Albert Gore, Jr. (Tenn.)
Ed Jones (Tenn.)
Sam B. Hall (Tex.)
Charles Wilson (Tex.)
James M. Jeffords (Vt.)
Dan Daniel (Va.)
J. Kenneth Robinson (Va.)
William C. Wampler (Va.)
Don Bonker (Wash.)
Mike McCormack (Wash.)
Robert H. Mollohan (W. Va.)

Harley O. Staggers (W. Va.)
David R. Obey (Wis.)
F. James Sensenbrenner, Jr. (Wis.)
Richard Bruce Cheney (Wyo.)

GROUP 90

Mark Andrews (N. Dak.)

GROUP 80

Tom Bevill (Ala.)
Richard C. Shelby (Ala.)
John Paul Hammerschmidt (Ark.)
Beryl Anthony, Jr. (Ark.)
Vic Fazio (Calif.)
Paul N. McCloskey, Jr. (Calif.)
Henry A. Waxman (Calif.)
Edward R. Roybal (Calif.)
George E. Brown, Jr. (Calif.)
Jerry Patterson (Calif.)
Thomas B. Evans (Del.)
Earl Dewitt Hutto (Fla.)
Bill Nelson (Fla.)
Dan Mica (Fla.)
William Lehman (Fla.)
Dawson Mathis (Ga.)
Elliott H. Levitas (Ga.)
Doug Barnard (Ga.)
Steven D. Symms (Idaho)
Philip M. Crane (Ill.)
John N. Erlenborn (Ill.)
Tom Corcoran (Ill.)
George M. O'Brien (Ill.)
Tom Railsback (Ill.)
Paul Findley (Ill.)
Melvin Price (Ill.)
John T. Myers (Ind.)
Philip R. Sharp (Ind.)
Charles E. Grassley (Iowa)
Tom Harkin (Iowa)
Berkley Bedell (Iowa)
William H. Natcher (Ky.)
Gene Snyder (Ky.)
Jerry Huckaby (La.)
David F. Emery (Maine)
Nicholas Mavroules (Mass.)
Howard Wolpe (Mich.)
Bob Traxler (Mich.)
Wm. S. Broomfield (Mich.)
Arlen Erdahl (Minn.)
Bill Frenzel (Minn.)
Richard H. Ichord (Mo.)
Harold L. Volkmer (Mo.)
James C. Cleveland (N.H.)
Harold C. Hollenbeck (N.J.)
Norman F. Lent (N.Y.)
Matthew F. McHugh (N.Y.)
Gerald B. H. Solomon (N.Y.)
John J. LaFalce (N.Y.)
Charles Rose (N.C.)
Lamar Gudger (N.C.)
Tennyson Guyer (Ohio)
Clarence J. Brown (Ohio)
Thomas N. Kindness (Ohio)
John M. Ashbrook (Ohio)
Les AuCoin (Oreg.)
Al Ullman (Oreg.)
James Weaver (Oreg.)
Gus Yatron (Pa.)
Robert W. Edgar (Pa.)
Bud Shuster (Pa.)
Daniel J. Flood (Pa.)
Lawrence Coughlin (Pa.)
Robert S. Walker (Pa.)
Allen E. Ertel (Pa.)
Doug Walgren (Pa.)
William F. Goodling (Pa.)
Joseph M. Gaydos (Pa.)
Mendel J. Davis (S.C.)
Carroll A. Campbell, Jr. (S.C.)
Robin L. Beard (Tenn.)
Ray Roberts (Tex.)
E de la Garza (Tex.)
Charles W. Stenholm (Tex.)
Allan Byron Swift (Wash.)
John M. Slack (W. Va.)
Nick Joe Rahall II (W. Va.)
Alvin Baldus (Wis.)
William A. Steiger (Wis.)

GROUP 70

William L. Dickinson (Ala.)
Ronnie G. Flippo (Ala.)
Tony Coelho (Calif.)
Wayne Grisham (Calif.)
Clair W. Burgener (Calif.)
Ray Kogovsek (Colo.)
Anthony Toby Moffett (Conn.)
Bill Chappell, Jr. (Fla.)
Bo Ginn (Ga.)
Billy Lee Evans (Ga.)
Robert McClory (Ill.)
Robert H. Michel (Ill.)
John Brademas (Ind.)
Edward Hillis (Ind.)
H. Joel Deckard (Ind.)
Jim Leach (Iowa)
James E. Jeffries (Kan.)
Larry J. Hopkins (Ky.)
David C. Treen (La.)
Clarence D. Long (Md.)
Silvio O. Conte (Mass.)
Edward J. Markey (Mass.)
Margaret M. Heckler (Mass.)
Gerry E. Studds (Mass.)
Bob Carr (Mich.)
James L. Oberstar (Minn.)
Ike Skelton (Mo.)
E. Thomas Coleman (Mo.)
Gene Taylor (Mo.)
Norman D'Amours (N.H.)
James J. Florio (N.J.)
Frank Thompson, Jr. (N.J.)
Joseph G. Minish (N.J.)
Matthew J. Rinaldo (N.J.)
James M. Hanley (N.Y.)
Gary A. Lee (N.Y.)
Barber B. Conable, Jr. (N.Y.)
Stephen L. Neal (N.C.)
Donald J. Pease (Ohio)
Ralph S. Regula (Ohio)
Charles A. Vanik (Ohio)
Tom Steed (Okla.)
Joseph M. McDade (Pa.)
Marc L. Marks (Pa.)
Fernand J. St Germain (R.I.)
Floyd Spence (S.C.)
Thomas J. Daschle (S. Dak.)
Marilyn Lloyd Bouquard (Tenn.)
Marvin Leath (Tex.)
Gunn McKay (Utah)
Herbert Harris (Va.)
Toby Roth (Wis.)

GROUP 60

Jack Edwards (Ala.)
Bob Stump (Ariz.)
Edwin R. Bethune, Jr. (Ark.)
Norman Y. Mineta (Calif.)
Norman D. Shumway (Calif.)
Leon E. Panetta (Calif.)
Robert J. Lagomarsino (Calif.)
William R. Cotter (Conn.)
Don Fuqua (Fla.)
Jack Brinkley (Ga.)
Henry J. Hyde (Ill.)
Abner J. Mikva (Ill.)
John B. Anderson (Ill.)
Edward R. Madigan (Ill.)
Dan Quayle (Ind.)
Thomas J. Tauke (Iowa)
Claude "Buddy" Leach (La.)
W. Henson Moore (La.)
John B. Breaux (La.)
Joseph D. Early (Mass.)
Robert F. Drinan (Mass.)
David E. Bonior (Mich.)
Jon Clifton Hinson (Miss.)
Ron Marlenee (Mont.)
Douglas K. Bereuter (Nebr.)
Donald J. Mitchell (N.Y.)
Frank Horton (N.Y.)
Ronald K. Mottl (Ohio)
Donald Lawrence Ritter (Pa.)
John J. Duncan (Tenn.)
William Philip Gramm (Tex.)
Abraham Kazen, Jr. (Tex.)
Dan Marriott (Utah)
M. Caldwell Butler (Va.)
Joseph L. Fisher (Va.)
Thomas S. Foley (Wash.)
Norman D. Dicks (Wash.)
Les Aspin (Wis.)
Robert W. Kastenmeier (Wis.)
James M. Shannon (Mass.)

GROUP 50

Eldon Rudd (Ariz.)
Don Edwards (Calif.)
Augustus F. Hawkins (Calif.)
Charles H. Wilson (Calif.)
William E. Dannemeyer (Calif.)
Ken Kramer (Colo.)
Robert N. Giaimo (Conn.)
William R. Ratchford (Conn.)
C. W. "Bill" Young (Fla.)
Marty Russo (Ill.)
Neal Smith (Iowa)
Larry Winn, Jr. (Kans.)
Michael D. Barnes (Md.)
Edward P. Boland (Mass.)
Carl D. Pursell (Mich.)
Dale E. Kildee (Mich.)
Jim Santini (Nev.)
Manuel Lujan, Jr. (N. Mex.)
Samuel S. Stratton (N.Y.)
Ike F. Andrews (N.C.)
Richardson Preyer (N.C.)
Willis D. Gradison, Jr. (Ohio)
Thomas A. Luken (Ohio)
Lyle Williams (Ohio)
Bob Eckhardt (Tex.)
Jack Hightower (Tex.)
Joe Wyatt, Jr. (Tex.)
Kent Hance (Tex.)
Thomas G. Loeffler (Tex.)
Robert W. Daniel, Jr. (Va.)
Michael E. Lowry (Wash.)

GROUP 40

Morris K. Udall (Ariz.)
Phillip Burton (Calif.)
Ronald V. Dellums (Calif.)
Charles Pashayan, Jr. (Calif.)
Jim Lloyd (Calif.)
Timothy E. Wirth (Colo.)
Edward J. Stack (Fla.)
Claude Pepper (Fla.)
Adam Benjamin, Jr. (Ind.)
David W. Evans (Ind.)
Harold S. Sawyer (Mich.)
William D. Ford (Mich.)
James J. Blanchard (Mich.)
Robert A. Roe (N.J.)
Lester L. Wolff (N.Y.)
Richard L. Ottinger (N.Y.)
James G. Martin (N.C.)
Samuel L. Devine (Ohio)
John F. Seiberling (Ohio)
Robert Duncan (Oreg.)
Edward P. Beard (R.I.)
Jack Brooks (Tex.)
J. J. Pickle (Tex.)
Jim Wright (Tex.)
Ronald E. Paul (Tex.)
Martin Frost (Tex.)
Paul S. Trible, Jr. (Va.)
David E. Satterfield III (Va.)

GROUP 30

John Buchanan (Ala.)
Fortney H. "Pete" Stark (Calif.)
Bill Royer (Calif.)
Julian C. Dixon (Calif.)
Dan Lungren (Calif.)
Bob Wilson (Calif.)
Stewart B. McKinney (Conn.)
Sam Gibbons (Fla.)
Dan Glickman (Kans.)
Bob Livingston (La.)
Lindy Boggs (La.)
Brian J. Donnelly (Mass.)
Lucien N. Nedzi (Mich.)
John D. Dingell (Mich.)
Bruce F. Vento (Minn.)
William "Bill" Clay (Mo.)
Richard A. Gephardt (Mo.)
Frank J. Guarini (N.J.)
Peter A. Peyser (N.Y.)
Tony P. Hall (Ohio)
Chalmers P. Wylie (Ohio)
Mary Rose Oakar (Ohio)
Richard C. White (Tex.)

GROUP 20

John J. Rhodes (Ariz.)
Robert T. Matsui (Calif.)
George Miller (Calif.)

Barry M. Goldwater, Jr. (Calif.)
James C. Corman (Calif.)
Glenn M. Anderson (Calif.)
Romano L. Mazzoli (Ky.)
Barbara Mikulski (Md.)
Joe Moakley (Mass.)
Thomas P. O'Neill (Mass.)
William M. Brodhead (Mich.)
John J. Cavanaugh (Nebr.)
James R. Jones (Okla.)
Mickey Edwards (Okla.)
James M. Collins (Tex.)
Bill Archer (Tex.)
Joel Pritchard (Wash.)
Clement J. Zablocki (Wis.)

GROUP 10

Anthony C. Beilenson (Calif.)
John H. Rousselot (Calif.)
Robert K. Dornan (Calif.)
George E. Danielson (Calif.)
Jerry Lewis (Calif.)
Wyche Fowler, Jr. (Ga.)
Cecil "Cec" Heftel (Hawaii)
Martin Olav Sabo (Minn.)
Thomas L. Ashley (Ohio)
Louis Stokes (Ohio)
William S. Moorhead (Pa.)
William Hill Boner (Tenn.)

GROUP 00

John L. Burton (Calif.)
Carlos J. Moorhead (Calif.)
Robert E. Badham (Calif.)
Patricia Schroeder (Colo.)
Charles E. Bennett (Fla.)
Bennett M. Stewart (Ill.)
Morgan F. Murphy (Ill.)
John G. Fary (Ill.)
Cardiss Collins (Ill.)
Dan Rostenkowski (Ill.)
Sidney R. Yates (Ill.)
Frank Annunzio (Ill.)
Parren J. Mitchell (Md.)
John Conyers (Mich.)
Charles C. Diggs (Mich.)
Richard Bolling (Mo.)
Peter W. Rodino, Jr. (N.J.)
Joseph P. Addabbo (N.Y.)
Benjamin S. Rosenthal (N.Y.)
Geraldine A. Ferraro (N.Y.)
Mario Biaggi (N.Y.)
James H. Scheuer (N.Y.)
Shirley Chisholm (N.Y.)
Stephen J. Solarz (N.Y.)
Frederick W. Richmond (N.Y.)
Leo C. Zeferetti (N.Y.)
Elizabeth Holtzman (N.Y.)
John M. Murphy (N.Y.)
S. William Green (N.Y.)
Charles B. Rangel (N.Y.)
Ted Weiss (N.Y.)
Robert Garcia (N. Y.)
Jonathan B. Bingham (N.Y.)
Henry J. Nowak (N.Y.)
Michael O. Myers (Pa.)
Raymond F. Lederer (Pa.)
Charles F. Dougherty (Pa.)
Harold E. Ford (Tenn.)
Jim Mattox (Tex.)
George Thomas "Mickey" Leland (Tex.)
Henry B. Gonzalez (Tex.)
G. William Whitehurst (Va.)
Henry S. Reuss (Wis.)
Andrew Jacobs, Jr. (Ind.)
William H. Gray III (Pa.)

FORMER CONGRESSMAN HAMILTON FISH, SR., URGES INCREASED U.S. CIVIL DEFENSE PROGRAM

The SPEAKER. Under a previous order of the House, the gentleman from New York (Mr. Stratton) is recognized for 5 minutes.

● Mr. STRATTON. Mr. Speaker, our longtime friend and former colleague, former Congressman Hamilton Fish, Sr., recently made a speech in Highland Falls, N.Y., on the urgent need for the United States to develop a civilian defense system capable of protecting our citizens from nuclear attack.

Congressman Fish has pointed out clearly the tremendous effort in this area the Soviet Union is already undertaking. We all hope and pray that the day never comes that there will be nuclear war between our two nations. However, it is foolhardy for the United States not to be prepared for this possibility. The best deterrent to any war is to show that we have the stamina and desire to defend our own country. This defense includes the construction of adequate civilian defense structures for our own citizens.

For this reason I am delighted to place Congressman Fish's remarks in the Record and commend them to my colleagues:

Limited Civilian Defense for Army, Navy, Air Force Posts and for Nuclear Weapons

I come here to Highland Falls at the request of a number of your prominent citizens to discuss the advisability of establishing a nuclear defense for West Point, Highland Falls and vicinity.

The Soviet Union has been building, for a number of years, a very extensive nuclear civilian defense throughout the larger cities of Russia and military and naval establishments, at the cost of many billions of dollars. Reports indicate that they are 500 feet in depth and provided with water, food and electricity against any nuclear attack.

We virtually have in this country, no real nuclear defense except possibly for special planes for the President of the United States. Twenty years ago when President Kennedy forced Khrushchev to take the missiles out of Cuba, there was a modified form of civilian defense which included large numbers of volunteer civilians, but has long since been discarded. But now that the Soviet Union has a very extensive civilian defense and superiority in virtually all nuclear weapons and particularly in blockbusters and submarines, I believe we could well afford an expenditure of four billion dollars which we now propose to give to the Panama Republic as a bonus of our surrender of the canal, to build a civilian defense for our military, naval, air and nuclear establishments.

When the Senate, by a very close vote, on the promise that it would not cost anything to our taxpayers, passed the abject giveaway of the canal to a marxist dictator, in opposition to the views of 75 percent of the American people, it was in my opinion, aiding and abetting our communist enemies. Now to ask Congress to give four billion dollars additional to Panama should be defeated and that four billion applied to limited civilian defense, to protect our armed forces and equipment, in a nuclear attack.

"To sin by silence when you should protest, makes cowards of men"—so said Abraham Lincoln. The American people are not cowards nor are they appeasers of the Soviet Union. They want peace, not through weakness, as a second or third class nation, but through strength so that no nation would dare launch a first holocaust strike for fear of a catastrophic reprisal.

This four billion dollars that the Congress is thinking of giving to Panama should either go to strengthen our nuclear defense or to limited civilian defense in case of a nuclear attack.

If the communist government in Moscow can provide for the civilian defense of their own people we should be able to at least provide a defense for our various military and naval posts and vicinity.

There is no question in my mind, as chairman of the first Congressional committee to investigate communism back in 1930, that the Moscow communists, worship the memory of Lenin, their creator, and firmly adhere to his edict that they must communize the world and surround the United States, and if they do not surrender, destroy them.

Admiral Zumwalt, speaking a few weeks ago, said that he predicted in a first strike, unless we strengthen our deterrence immediately, that the Soviet Union would kill 160 million Americans. The Pentagon admits 100 million and the top scientists 125 million, and I agree with them. Yet our people are told by the President, the Secretary of Defense, Secretary of State, that we have an overwhelming defense, which is not only untrue, but is the biggest and most disastrous coverup in the history of America. It is about time the people knew the truth—that we are already a second class nuclear power and have done nothing in the last three years to build up our defenses.

I agree that our military and naval posts are entitled to priority in civilian defense and think the Congress should consider the advisability and merits of such a program. But the best civilian defense for all the people including the military is to immediately strengthen our own nuclear defense, so no nation, fearful of a disastrous reprisal, would ever risk a first attack. The survival of the American people is by far the greatest nonpartisan issue with which they are confronted.

Speaking here in Highland Falls, I would be derelict to my views that we are living in a nuclear age, if I did not make some observations about West Point which I have always considered the greatest military academy in the world. I doubt very much if that is true today because I am fearful that military academies in the Soviet Union and even in the captive nations, concentrate a large part of their instruction on nuclear weapons, training and nuclear knowledge of just what will be the most important factors in nuclear land, sea and air warfare.

Conventional wars in this nuclear age are obsolete as far as an all-out war between the Soviet Union and the United States is concerned. Minor wars, where nations have no nuclear weapons is of course different. Even today Cuba, just off our shores, is a nuclear fortress with modern submarine bases, huge airfields for top Soviet fliers and bombers and is actually one of the most powerful nuclear nations after the Soviet Union and the United States, and we don't even protest. President Roosevelt without an act of Congress, gave 50 destroyers to England in time of peace and established a precedent which justifies the Soviet Union giving 50 submarines, armed with nuclear weapons to be based at Cuban fortified harbors. I anticipate they will continue to fortify Cuba as a nuclear base as soon as the Panama government gets virtual control of the canal. I hope I am wrong, but if I am right, I hope that the United States Military Academy at West Point will place special emphasis on their instruction to our future officers and generals that we are living in a nuclear age and that conventional warfare must give way to a large extent to the magnitude and horrors of a nuclear war.●

THE MURDER OF ABC CORRESPONDENT BILL STEWART IN NICARAGUA

The SPEAKER. Under a previous order of the House, the gentleman from Texas (Mr. Leland) is recognized for 5 minutes.

Mr. LELAND. Mr. Speaker, this is only the second time in my short time here that I have felt compelled to address the House of Representatives. Tonight, I rise out of a deeply felt sense of moral outrage at the coldblooded murder of ABC correspondent Bill Stewart and his associate in Nicaragua today.

For years there have been frequent allegations that President Somoza utilizes the Nicaraguan National Guard to carry out systematic acts of torture and murder against the Nicaraguan people. International human rights agencies have documented many of these reports. But until only recently, the United States has continued large-scale military and financial support of the Somoza regime. This is because of Nicaragua's rightwing political philosophy and its close association with the United States over the years. I would be very interested to learn if the weapon which took Mr. Stewart's life was American made or purchased with American dollars.

How can any American remain silent as on national television we watch U.S. supplied warplanes drop bombs on helpless Nicaraguan citizens, or watch the stark reality of Bill Stewart being shot to death as he lay helpless on the ground. Does not this calloused murder verify the allegations about the brutality carried out against the Nicaraguan people for many years by the National Guard? Is it only when an American is killed that we become concerned? How many more Americans must be killed there before we say "no" to Somoza?

Mr. Speaker, I support without reservation recent U.S. attempts to cut foreign assistance to Nicaragua based on human rights violations. But, I am afraid our actions have been "too little and too late." Once again we have attempted to prop up a regime that does not have the support of the people. Did not Vietnam teach us anything? Does not South Africa and Zimbabwe teach us anything? Did not Iran teach us anything?

Time after time on the floor of this House, I have heard condemnation of Communist participation in civil wars in Africa or in South America. I ask you, Mr. Speaker, does not our involvement in the Nicaraguan civil war make us look hypocritical to the rest of the world?

If this country is to survive as a moral example and world leader, we can no longer support brutal and undemocratic governments merely because of a particular political philosophy. Human rights for the people of every nation and the people's struggle for freedom and self-determination must be the guiding force in setting our foreign policy.

I truly hope that the loss of Bill Stewart's life may cause serious reflection by this Congress and by the American people. And, that this country may chart a new course guided by sincere respect for the human dignity of each and every person on the face of this Earth.

LEVERETT SALTONSTALL

The SPEAKER. Under a previous order of the House, the gentlewoman from Massachusetts (Mrs. HECKLER) is recognized for 5 minutes.

Mrs. HECKLER. Mr. Speaker, there was—and it echoes still—a collective sigh of sorrow and reluctant resignation throughout Massachusetts when the news came that Leverett Saltonstall's gallant 86-year-old heart had ceased to beat.

For almost half a century he had served his neighbors and then his Commonwealth in public office. There are no secrets, Mr. Speaker, between our elected official and the electorate after a marriage of that duration. The grief that envelops Massachusetts today is the grief that comes from knowledge. And from love.

Eight times Leverett Saltonstall traveled from North Adams to Nantucket—from Salisbury to Sandisfield seeking, from all the voters of the Commonwealth, a statewide office. Only once, in 1936, in his first campaign throughout the 351 cities and towns of the Commonwealth was a Massachusetts mandate withheld. He served in contentious times, but he was always calm. Calm but courageous.

Senator Saltonstall was a veteran of World War I and he would probably have preferred to return to military action—in the Pacific or Europe or Africa when World War II came. But he was Governor of Massachusetts in the war years and he knew that his duty was on Beacon Hill, keeping his State on a steady, honest course so that when the days of peace arrived, Massachusetts would be ready to prosper and grow. As it did.

Like ancient Gaul, Leverett Saltonstall's heart was apportioned into three parts— his family first, Massachusetts, and Harvard.

That he was able to give so much, for so long, to each—and to all—is testimony to the size of his heart, the discipline of the man, and the scope of his being.

While he was proud of his almost uninterrupted string of election victories down through the years, the calendar of his life was filled with nonpolitical highlights, anniversaries and special occasions, as well.

He was captain of the Harvard crew which triumphed at the Henley races in England in 1914. Fifty years later, the team intact, the 1914 crew repeated their Thames River rowing to the cheers of Queen Elizabeth and her family.

Each summer was a special summer for Senator and Mrs. Saltonstall as their children and grandchildren joined them in Maine for sailing and the joy they shared in being together.

In his 22 years in the Senate there was unanimity of judgement by his colleagues about Leverett Saltonstall. He had both their affection and their respect.

Senator Saltonstall was a unifier—he sought the best common denominator in a controversial but needed piece of legislation and he then went to work—quietly, effectively massing a majority. There was no flamboyance about him; no pounding of his Senate desk, no oratorical flood of words which carried everything before it. Senator Saltonstall did his research. His homework. He mastered the facts—early, at the committee stage in the legislative process—and quietly went about the subtle, difficult business of making good laws for all the people of this Nation.

The Cape Cod National Park stands as a monument—to his and to Senator John Kennedy's foresight and conservationist insight.

In 1966 he decided that the time had come to leave the Senate and the public arena.

The transition to private life was not traumatic. His days were full. Family. Counseling his son, State Senator Bill Saltonstall. Writing and speaking.

He was fulfilled. He had kept the faith all the days of his life.

Wherever he walked there was a testimonial to Leverett Saltonstall—the smiles, the affectionate greetings, the love of those he had served so long and so well.

Even as Massachusetts mourns him, we must also rejoice. We had the gift of Leverett Saltonstall for four score years and six—a man, a Governor, a Senator who made all of us proud.

At this moment I send my love and sympathy to Leverett Saltonstall's beloved wife Alice and his cherished family of whom he was justifiably proud. Theirs is the greatest personal loss. Ours is the public loss of a grateful electorate for a selfless, distinguished public servant.

The articles follow:

[From the Boston Globe, June 18, 1979]

Nice, Wise, Astute, He Did Politics Honor

(By Elliot Richardson)

San Francisco.—In 50 years of public life Leverett Saltonstall showed what politics at its best can mean. For him it was an honorable calling, and he did it honor.

As the first three-term governor of the commonwealth, as assistant majority Leader of the United States Senate, as chairman and ranking member of the Senate Committee on Armed Services, and as chairman of the Republican Conference, Sen. Saltonstall dealt with presidents and potentates on terms of familiarity and friendship.

But this did not in the least change him. He was just as friendly, just as courteous and considerate, to the humblest among us. He had no "side," no condescension.

Among the countless individuals touched by his long and active life, it is impossible to imagine that there can have been a single one who did not think kindly of him. As John Gunther once wrote, Leverett Saltonstall is "just about the nicest man anyone ever met."

He was nice. He was also wise. And he was astute. I remember a House committee chairman who told me once that he had learned (to his cost) to be wary of Leverett Saltonstall's skill as a negotiator. "The first few times," he said, "it wasn't until I got out of the conference and felt under my armpits that I realized I'd lost my shirt."

Sen. Saltonstall's public speeches had the art that conceals art. Even while you were rooting for him to come up with the right word, you knew that he would say exactly what he wanted to say. His listeners seldom said, "What a great speech!" But they left saying to each other, "Salty is a good man. He has sense. I like him." What more could you ask of a speech?

People not only liked Salty. They trusted him. For two—nearly three—generations of

Massachusetts citizens, his long jaw, his ruddy cheeks, his silver hair came to symbolize integrity.

And yet his was not the brittle moralism so characteristic of the post-Watergate era. It was rooted in conscience and sustained by the game without playing dirty or being instinctive decency. He was not afraid of politics because he knew that he could play dirtied by it. He could blush with modesty, but he could slug it out with the toughest.

His kindness, his humor, his capacity for friendship were a joy and a solace to his friends, as indeed at times of personal tragedy they must have been even to himself.

We loved him. We love him still. We shall miss him sorley.

[From the Boston Globe, June 19, 1979]

SALTZ WAS ALWAYS HIMSELF

(By Jeremiah V. Murphy)

Sen. Leverett Saltonstall was smiling that night several years ago as he pushed his wife in a wheelchair along Commonwealth Pier over in South Boston.

He and the Missus, as he almost always called his Alice, were to board a French cruise ship for a vacation trip.

There were a dozen or so longshoremen, wearing scally caps and heavy jackets and dungarees, standing near the gangway. They spotted Saltonstall with his famous face and white hair and that toothy smile, and started calling out: "Hey! There's Salty! How 'ya doing, senator?"

Then other longshoremen started shouting greetings, and it was all very friendly as the senator waved back and smiled. He looked very happy, and you knew he was pleased to have been recognized after being out of office for a few years.

Saltonstall stopped momentarily at the foot of the steep gangway and without a word being spoken, two big longshoremen, who looked like South Boston Chippewa tackles, stepped forward and gently picked up the wheelchair with Mrs. Saltonstall and easily carried her aboard the cruise ship.

Then Saltonstall shook hands with the longshoremen and thanked them. One longshoreman said: "Have a good trip, senator, and you too, Mrs. Salty."

A few minutes later Saltonstall said to a reporter, who had witnessed the scene: "Now wasn't that thoughtful of those men? You know, I always did well in South Boston."

Republican Leverett Saltonstall did well in every section of this strongly Democratic state, when the old-time Yankees were a vanishing breed.

He apparently did well because he always remained Leverett Saltonstall, a Boston Brahmin, Harvard, landed gentry and all the rest. But somehow he still established a rapport with people from entirely different backgrounds, because they obviously recognized that he was 100 percent himself, and that personal honesty was mixed with an understated sense of humor and feeling of humanism that people everywhere could identify with. So political labels didn't mean that much when it came to Saltonstall.

That was his strength. He was entirely different from the vast majority of his constituents, but he still could establish an almost instant rapport with an individual or a crowd without ever resorting to the phoney one-of-the-boys pose that some politicians adopt. He was always Leverett Saltonstall.

The crowd at the Sheraton Boston felt that rapport back in 1966, a day or two after he announced that he would not seek re-election. Saltonstall got up at the podium that day and skipped all the heavy farewell stuff and delighted the big crowd wtih his dry Yankee humor about his lifetime in rough and tumble Massachusetts politics.

It was impossible to dislike Sen. Saltonstall. People loved to tell funny stories about Salty, because they knew he himself would be delighted with the story. He recognized the wonderful value of a good laugh, even at the expense of himself.

A longtime Boston newspaperman enjoys telling the story about seeing Saltonstall and former Gov. Francis Sargent playing golf together several years ago at the terribly smart Dedham Country and Polo Club.

Sargent, another old Yankee who understood the therapeutic value of laughter, was fashionably turned out in shocking red trousers and a brilliant blue Brooks Brothers shirt and expensive golf shoes as he and his caddy strolled along the fairway.

But Saltonstall presented an entirely different picture, because he was wearing dungarees and an old work shirt and a battered pair of dirty sneakers. Saltonstall—not surprisingly—was also carrying his own golf bag.

The senator was always an approachable figure, whether he was on a train back in the old days and returning to Washington while carrying a crate of fresh eggs from his Dover farm, or at the wharf up in Rockland, Maine, waiting for the ferry to take him to North Haven, the family island summer home.

He was always willing to chat for awhile about matters big or small, which is not a big deal until you realize that a big-time politician is often stopped a dozen times daily by people wanting to talk.

Saltonstall possessed that famous Yankee thrift and considered that quality a virtue, so much so that one reporter in the late 1930s and early '40s could tell when Salty had decided to run for reelection or for another office. Saltonstall would take his vintage Chevrolet to a South Natick garage for a complete tune-up. That was the sure sign that he was going to hit the campaign trail again. The years went by, and Salty sought different offices, but the old Chevy remained constant.

Saltonstall for years wore his grandfather's tuxedo pants. After all, why go out and buy an entirely new tux when another pair of pants were available?

But time takes its toll and even those Yankee pants eventually developed holes, but Saltonstall was equal to the challenge. He just painted little black spots on his underpants where the holes came and went right on wearing his grandfather's pants.

In his final days in Washington, Saltonstall invited Boston reporters to lunch. There were 15 present when lunch started, but when one guest left early, Saltonstall made a brief and informal announcement:

"When the next person leaves, he'll have to take somebody with him. We don't want 13 sitting here at the table. That's an unlucky number."

Then Saltonstall explained that he had once been at a dinner party with 13 present around the table, and one of the diners had been killed in an accident on the way home.

The unsuspected superstition surprised some reporters, but it really reflected his humanism. He recognized the role luck plays in all of our lives, so why take a chance?

Leverett Saltonstall's friends all agree that he was a good man who always did his best throughout his long and eventful life. It is difficult to find any real enemies of Saltonstall. He was that type of man.

NATIONAL SOLAR STRATEGY—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 96–154)

The SPEAKER laid before the House the following message from the President of the United States; which was read and referred to the Committee of the Whole House on the State of the Union and ordered to be printed:

To the Congress of the United States:

On Sun Day, May 3, 1978 we began a national mobilization in our country toward the time when our major sources of energy will be derived from the sun. On that day, I committed our Nation and our government to developing an aggressive policy to harness solar and renewable sources of energy. I ordered a major government-wide review to determine how best to marshal the tools of the government to hasten the day when solar and renewable sources of energy become our primary energy resources. As a result of that study, we are now able to set an ambitious goal for the use of solar energy and to make a long term commitment to a society based largely on renewable sources of energy.

In this Message I will outline the major elements of a national solar strategy. It relies not only on the Federal government, both Executive and Congress, but also on State and local governments, and on private industry, entrepreneurs, and inventors who have already given us significant progress in the availability of solar technologies. Ultimately, this strategy depends on the strength of the American people's commitment to finding and using substitutes for our diminishing supplies of traditional fossil fuels.

Events of the last year—the more than 30% increase in the price of oil we import and the supply shortage caused by the interruption of oil production in Iran—have made the task of developing a national solar strategy all the more urgent, and all the more imperative.

More than ever before, we can see clearly the dangers of continued excessive reliance on oil for our long-term future security. Our energy problem demands that we act forcefully to diversify our energy supplies, to make maximum use of the resources we have, and to develop alternatives to conventional fuels.

Past governmental policies to control the prices of oil and natural gas at levels below their real market value have impeded development and use of solar and renewable resource alternatives. Both price controls and direct subsidies that the Government has provided to various existing energy technologies have made it much more difficult for solar and renewable resource technologies to compete.

In April of this year I announced my decision to begin the process of decontrolling domestic oil prices. Last November, I signed into law the Natural Gas Policy Act which will bring the price of that premium fuel to its true market level over the next 5 years. Together, these steps will provide much-needed incentives to encourage maximum exploration and production of our domestic resources. They provide strong incentives to curb waste of our precious energy resources. Equally important, these steps will help solar and renewable resource technologies compete as the prices of oil and natural gas begin to reflect their real market value. Consumers will see more clearly the benefits of investing in energy systems for which fuel costs will not escalate each year. Industry can plan and invest with more certainty, knowing the market terms under which their products will compete.

We must further strengthen America's commitment to conservation. We must learn to use energy more efficiently and productively in our homes, our transportation systems and our industries. Sound conservation practices go hand in hand with a strong solar and renewable resource policy. For example, a well-designed and well-insulated home is better able to make use of solar power effectively than one which is energy inefficient.

We must also find better ways to burn and use coal—a fossil fuel which we have in abundance. Coal must and will be a key part of a successful transition away from oil. We must and will do more to utilize that resource. Solar energy and an increased use of coal will help in the near and midterm to accelerate our transition away from crude oil.

But it is clear that in the years ahead we must increasingly rely on those sources of power which are renewable. The transition to widespread use of solar energy has already begun. Our task is to speed it along. True energy security—in both price and supply—can come only from the development of solar and renewable technologies.

In addition to fundamental security, solar and renewable sources of energy provide numerous social and environmental benefits.

Energy from the sun is clean and safe. It will not pollute the air we breathe or the water we drink. It does not run the risk of an accident which may threaten the health or life of our citizens. There are no toxic wastes to cause disposal problems.

Increased use of solar and renewable sources of energy is an important hedge against inflation in the long run. Unlike the costs of depletable resources, which rise exponentially as reserves are consumed, the cost of power from the sun will go down as we develop better and cheaper ways of applying it to everyday needs. For everyone in our society—especially our low-income or fixed-income families—solar energy provides an important way to avoid rising fuel costs.

No foreign cartel can set the price of sun power; no one can embargo it. Every solar collector in this country, every investment in using wind or biomass energy, every advance in making electricity directly from the sun decreases our reliance on uncertain sources of imported oil, bolsters our international trade position, and enhances the security of our Nation.

Solar energy can put hundreds of thousands of Americans to work. Because solar applications tend to be dispersed and decentralized, jobs created will be spread fairly evenly around the Nation. Job potentials span the ranges of our employment spectrum, from relatively unskilled labor to advanced engineers, from plumbers and metal workers to architects and contractors, from scientists and inventors to factory workers, from the small businessman to the large industrialist. Every investment in solar and renewable energy systems keeps American dollars working for us here at home, creating new jobs and opportunities, rather than sending precious funds to a foreign cartel.

Increased reliance on solar and renewable technologies can also increase the amount of control each one of us as individuals and each of our local communities has over our energy supplies. Instead of relying on large, centralized energy installations, many solar and renewable technologies are smaller and manageable by the homeowner, the farmer, or the individual factory or plant. By their very nature, renewable technologies are less likely to engage the kind of tension and conflict we have seen in other energy areas, such as the problems posed by siting a very large energy facility, or trading off between surface uses of land and development of the energy minerals that might lie below that land.

Finally, solar and renewable technologies provide great international opportunities, both in foreign trade, and in the ability to work with developing nations to permit them to harness their own, indigenous resources rather than become dependent on fuels imported from other nations.

It is a mistake to think of solar energy as exotic or unconventional. Much of the technology for applying the sun's power to everyday tasks has been in use for hundreds of years. There were windmills on our great plains long before there were high tension wires. There were factories in New England using waterpower long before the internal combustion engine was invented. In Florida, before World War II, there were more than 60,000 homes and buildings using solar hot water heaters. The Native Americans who built the great cliff dwellings of the West understood and applied solar heating principles that we have neglected in recent years, but which are available for us to use today.

These traditional and benign sources of energy fell into disuse because of a brief glut of cheap crude oil. These years are over. That inescapable fact is not a cause for despondency or a threat to our standard of living. On the contrary, it presents us with an opportunity to improve the quality of our lives, add dynamism to our economy and clean up our environment. We can meet this challenge by applying the time-tested technologies of solar power, and by developing and deploying new devices to harness the rays of the sun.

The government-wide survey I commissioned concluded that many solar technologies are available and economical today. These are here and now technologies ready for use in our homes, schools, factories, and farms. Solar hot water heating is competitive economically today against electric power in virtually every region of the country. Application of passive design principles that take into account energy efficiency and make maximum use of the direct power of the sun in the intrinsic design of the structure is both good economics and good common sense. Burning of wood, some uses of biomass for electricity generation, and low head hydropower have repeatedly been shown to be cost competitive.

Numerous other solar and renewable resources applications are close to economic competitiveness, among them solar space heating, solar industrial process heat, wind-generated electricity, many biomass conversion systems, and some photovoltaic applications.

We have a great potential and a great opportunity to expand dramatically the contribution of solar energy between now and the end of this century. I am today establishing for our country an ambitious and very important goal for solar and renewable sources of energy. It is a challenge to our country and to our ingenuity.

We should commit ourselves to a national goal of meeting one fifth—20%—of our energy needs with solar and renewable resources by the end of this century. This goal sets a high standard against which we can collectively measure our progress in reducing our dependence on oil imports and securing our country's energy future. It will require that all of us examine carefully the potential solar and renewable technologies hold for our country and invest in these systems whenever we can.

In setting this goal, we must all recognize that the Federal government cannot achieve it alone. Nor is the Federal budget the only tool that should be considered in determining the courses we set to reach this goal. The extent to which solar and renewable technologies become more competitive will depend upon the cost of existing sources of energy, especially oil and natural gas. The degree to which existing solar technologies achieve widespread use in the near term will be as much if not more a function of the commitment on the part of energy users in this country to consider these technologies as it will be a function of the incentives the government is able to provide.

State and local governments must make an all-out effort to promote the use of solar and renewable resources if the barriers now found at those levels are to be overcome. Zoning ordinances, laws governing access to the sun, housing codes, and state public utility commission policies are not Federal responsibilities. Although the Federal government should provide leadership, whether or not these tools are used to hinder or to help solar and renewable energy use ultimately depends upon decisions by each city, county and state. The potential for success in each of these areas is great; the responsibility is likewise. I call on our Governors, our Mayors, and our county officials to join with me in helping to make our goal a reality.

American industry must also be willing to make investments of its own if we are to reach our solar goal. We are setting a goal for which industry can plan. We are providing strong and certain incentives that it can count on. Industry, in turn, must accelerate and expand its research, development, demonstration, and promotional activities. The manufacturing, construction, financing, marketing, and service skills of American business and labor are essential. Banks and financial institutions will need to examine and strengthen their lending policies to assure that solar technologies are offered a fair chance in the marketplace. Universities and the academic community must mobilize to find ways of bringing those solar and renewable technologies that are still not ready for commercial introduction closer to the marketplace. Small businesses and family farmers also have opportunities for significant use of solar and renewable resources. They, too, must join in this effort.

Finally, each one of us in our daily lives needs to examine our own uses of energy and to learn how we can make solar and renewable resources meet our own needs. What kind of house we buy, or whether we are willing to work in our own communities to accelerate the use of solar energy, will be essential in determining whether we reach our goal.

The Federal government also has a responsibility in providing incentives, information, and the impetus for meeting our 20% solar goal by the year 2000. Almost every agency of the Federal government has responsibilities which touch in one way or another on solar energy. Government agencies helped finance over one million U.S. homes in 1978. By their lending policies and their willingness to assist solar investments, these agencies have significant leverage.

The Tennessee Valley Authority is the Nation's largest utility and producer of power. It has a far-reaching opportunity to become a solar showcase—to set an example for all utilities, whether public or privately owned, of how to accelerate the use of solar technologies. The Department of Defense (DOD) is a major consumer of energy and a major provider of housing. A multitude of opportunities exist for DOD to demonstrate the use of solar. The Agency for International Development (AID) works full time in helping other countries to meet their essential needs, including energy. Solar and renewable resources hold significant potential for these countries and, through AID, we can assist in promoting the worldwide application of these technologies.

The Department of Energy has a particularly significant responsibility in aiding the development and encouraging the use of solar energy technologies, in providing back-up information and training for users of solar, and, generally, in directing our government-funded research and development program to ensure that future solar and renewable technologies are given the resources and institutional support that they need.

As a government-wide study, the Doomestic Policy Review of Solar Energy has provided a unique opportunity to draw together the disparate functions of government and determine how best to marshal all of the government's tools to accelerate the use of solar and renewable resources. As a result of that study, the set of programs and funding recommendations that I have already made and am adding to today will provide more than $1 billion for solar energy in FY 1980, with a sustained Federal commitment to solar energy in the years beyond. The FY 1980 budget will be the highest ever recommended by any President for solar energy. It is a significant milestone for our country.

This $1 billion of Federal expenditures—divided between incentives for current use of solar and renewable resources such as tax credits, loans and grants, support activities to develop standards, model building codes, and information programs, and longer term research and development—launches our Nation well on the way toward our solar goal. It is a commitment we will sustain in the years ahead.

I am today proposing the establishment of a national Solar Bank as a government corporation to be located within the Department of Housing and Urban Development (HUD). It will provide a major impetus toward use of today's solar technologies by increasing the availability of financing at reasonable terms for solar investments in residential and commercial buildings.

The Solar Bank will be funded at $100 million annually out of the Energy Security Trust Fund from revenues generated by the windfall profits tax. The Bank will be authorized to provide interest subsidies for home improvement loans and mortgages for residential and commercial buildings. It will pay up front subsidies to banks and other lending institutions which, in turn, will offer loans and mortgages for solar investments at interest rates below the prevailing market rate. Ceilings on the amount of the loan or portion of a loan which can be subsidized will be set.

The Solar Bank will be governed by a Board of Directors including the Secretary of HUD, the Secretary of Energy, and the Secretary of the Treasury. The Board of Directors will be empowered to set the specific level of interest subsidy at rates which will best serve the purposes of accelerating the use of solar systems in residential and commercial buildings. Standards of eligibility for systems receiving Solar Bank assistance will be set by the Secretary of HUD in consultation with the Secretary of Energy.

The Solar Bank I have proposed is similar in many respects to that introduced by Congressman Stephen Neal of North Carolina. A companion bill has been introduced in the Senate by Senator Robert Morgan of North Carolina. To them, and to the co-sponsors of this legislation, we owe our gratitude for the hard work and sound conceptual thinking that has been done on how a Solar Bank should be designed.

The Solar Bank will complement the residential and commercial tax credits that I originally proposed in April 1977 and that were signed into law with the National Energy Act last November. To provide full and effective coverage for all solar and renewable resource technologies which can be used in residential and commercial buildings, I have recently proposed two additional tax credits, to be funded out of the Energy Security Trust Fund.

I am directing the Department of the Treasury to send to the Congress legislation which will provide a 20% tax credit up to a total of $2,000 for passive solar systems in new homes. Credits will also be proposed for passive solar in commercial buildings. Passive solar applications are competitive today, but we need to provide incentives to owners, builders, architects, and contractors to ensure early and widespread use.

I am also directing the Treasury to prepare and transmit legislation to provide a tax credit for purchasers of airtight woodburning stoves for use in principal residences. This credit would equal 15% of the cost of the stove, and will be available through December 1982. There is a great potential to expand significantly the use of wood for home heating. It can help lower residential fuel bills, particularly as oil and natural gas prices increase.

With these levels of assistance, hot water heating can be made fully competitive with electricity. In many instances, complete passive solar home designs, including solar heating and cooling, will be economically attractive alternatives.

A strong Federal program to provide accurate and up-to-date solar information to homeowners, builders, architects and contractors will be coupled with these financial incentives. The Department of Energy has established a National Solar User Information Program to collect, evaluate and publish information on the performance of solar systems throughout the country. Expanding the government's information dissemination systems through seminars, technical journals, state energy offices, and the Solar Energy Research Institute will be a major thrust of DOE's program in 1980. The four Regional Solar Energy Centers will become fully operational in 1980, providing information to the general public and to groups such as builders, contractors, and architects who will play key roles in the acceleration of solar technologies.

To be fully effective, however, these incentives must be combined with a determined effort by the architects, engineers, and builders who design and construct our homes and offices, schools, hotels, restaurants, and other buildings we live and work in. I am calling upon the deans of our schools of architecture and engineering to do their part by making the teaching of solar energy principles an essential part of their curricula. The young men and women being trained today must learn to regard the solar energy and overall energy efficiency of the buildings they design as no less important than their structural integrity. I call as well on America's builders to build and market homes which offer the buyer freedom from escalating utility bills.

In the end, it will be consumers of this country who will make the purchasing decisions that will dictate the future of this industry. They must have confidence in the industry and in the products which it produces before they will be willing to make necessary investments. To this end, both industry and government must be ever vigilant to assure that consumers are well protected from fraud and abuse.

Significant opportunities for use of existing solar technologies are also available in the agricultural and industrial sectors of our economy. Industrial process heat can be generated using solar technologies. Critical agricultural activities—fueling tractors, running irrigation pumps and drying crops—provide numerous opportunities for the use of solar and other renewable resources.

Biomass, gasohol, wind energy, low head hydro, and various direct solar technologies hold significant promise in the agricultural and industrial sectors. I will soon be forwarding legislation to the Congress which will:

—Provide a 25% investment tax credit for agricultural and industrial process heat uses of solar energy. This is a 15% addition to the existing investment tax credit and it will remain available through 1989. This responds directly to the concern expressed in the Domestic Policy Review that the tax credit currently provided in the National Energy Act is set at too low a level and expires too early to provide needed incentives. These uses now account for about 25% of our energy demand. Substitution of solar and other renewable resources for a portion of this energy would significantly reduce our dependence on foreign oil.

—Permanently exempt gasohol from the Federal gasoline excise tax. More and more Americans are learning that a gasohol blend of 90% gasoline and 10% alcohol—which is made from various agricultural products or wastes—is an efficient octane-boosting fuel for automobiles and other gasoline engines.

The existing tax incentives of the National Energy Act will continue to stimulate the uses of these technologies in the industrial and agricultural sectors.

The Department of Agriculture will have a significant responsibility for informing farmers and other agricultural users of energy about how solar and other renewable sources can begin to help meet their needs. The Farmers Home Administration and other agencies within the Agriculture Department will continue to provide financial and technical assistance to farmers in using solar and other renewable technologies.

The TVA is demonstrating what can be done by utilities in helping private industries, farmers, and residential customers apply existing solar technologies. The goal of the TVA's "Solar Memphis" program is to install 1,000 solar water heaters this year by offering long-term, low-interest loans, by inspecting solar installations, and by backing manufacturers' warranties. In addition, the TVA's 1.75 million square foot passive solar office complex in Chattanooga, Tennessee will be designed to be completely energy self-sufficient and will be a model for the nation in the use of renewable technologies in office buildings.

The Small Business Administration is now operating a solar loan program for small manufacturers and purchasers of solar technologies. Next year, the SBA aims to triple the amount of funds available to small businesses under this program over the amount originally appropriated. We will also marshal the efforts of agencies such as the Economic Development Administration to include solar and other renewable resources within their assistance programs.

These activities, along with the basic information dissemination programs of the Department of Energy, will help increase the use of solar and other renewable resource technologies in residential, commercial, agricultural, and industrial buildings.

Finally, we will strive to increase use of solar energy by the Federal government itself. An estimated 350 solar systems will be placed in government facilities and buildings over the next fifteen months. Energy audits of all large federal buildings will be completed in 1979. DOE will continue to develop guidelines which take into account the lifetime energy costs of various systems. The Department of Defense, which accounts for about 72% of all government-owned buildings, is playing a major role in the federal solar buildings program. To date, DOD has over 100 solar projects in various stages of completion, ranging in size from solar hot water heaters in residences to solar heating and air conditioning of Naval, Air Force and Army base facilities. When all of the presently planned solar projects are complete, DOD estimates that they will be providing more than 20 billion Btu's of energy. The Federal government must set an example, and I call upon the states to do likewise.

The Domestic Policy Review recommended several important changes in the direction and nature of the Federal research and development program for future solar and renewable resource technologies. It found that solar demonstration programs for active hot water systems and high-cost centralized solar electric technologies had been overemphasized at the expense of those systems which hold wider potential to displace the use of oil and natural gas.

As a result of the Domestic Policy Review, the FY 1980 budget for DOE's research and development program for solar and renewable energy sources was redirected toward technologies such as photovoltaics, biomass, wind energy, and systems for generation of process heat. To respond to these new priorities, over $130 million in increased funding was provided in the R&D program, an increase of 40% over FY 1979 levels.

While solar heating and cooling units are already being used to meet the energy requirements of buildings throughout the country, the DOE is supporting continued advances in these products, by providing funds to industry, small business, Federal laboratories, and the research community to reduce the cost of solar systems and to improve performance. Improved system design, analysis, and system-integration activities are being carried out for active heating and cooling systems, passive systems, and agricultural and industrial process heating systems. The program also supports product improvements for such key components as solar collectors, energy storage units, and controls.

Photovoltaics, which permit the direct conversion of sunlight into electricity, hold significant promise as a solar technology for the future. Research and development efforts are directed at reducing the cost of photovoltaic systems. In addition, new systems which produce hydrogen through an electrochemical reaction can be used to produce electricity. There is no question about our technical ability to use photovoltaics to generate electricity. These systems are already used extensively to meet remote energy needs in our space program. The main issue now is how to reduce the costs of photovoltaics for grid-related applications such as providing electricity to residential buildings over the next five to ten years. The photovoltaic program involves all aspects of research and development, from hardware components to materials, marketing and distribution systems. The Federal Government has already made commitments to purchase $30 million of photovoltaic systems at a specified cost per watt as a means of stimulating private efforts to reduce the cost of this technology.

DOE's research and development program has also emphasized wind energy. Our objective is the development of wind systems which will compete cost-effectively with conventional technologies. There will also be effort to develop wind technologies for small units suitable for farm and rural use and for large utility units.

Biomass conversion holds significant promise as a major source of renewable energy over the coming decades. Liquid and gaseous fuels produced from organic wastes and crops can displace oil and natural gas both as direct combustion fuels and as chemical feedstocks. Some biomass fuels, such as gasohol, are in use today. Others, such as liquid fuels from organic wastes, require additional research and development.

In the coming fiscal year, DOE will complete construction of the solar power tower in Barstow, California. Such systems could potentially displace some oil- and gas-fired generators. The DOE solar thermal program is also concentrating on reducing to near commercial levels the costs of distributed receiver systems by 1983 and similarly reducing the future costs of central receiver systems. This program supports R&D efforts in advanced space heating and cooling, photovoltaic concentration, and high temperature industrial heat applications.

The oceans are another potential source of solar energy. We will pursue research and development efforts directed toward ocean thermal energy conversion, and other concepts such as the use of salinity gradients, waves, and ocean currents.

DOE is working with the National Aeronautics and Space Administration to evaluate the concept of a solar power satellite system (SPS) which would capture solar energy in space for transmission to earth. A determination will be made in January 1981 on whether this system should proceed to the exploratory research stage.

DOE will undertake intensified efforts involving solar energy storage and basic solar energy research. In the basic research area, emphasis is being placed on the development of new materials to better use or convert the sun's energy, solar photochemistry (including the possibility of using electrochemical cells to convert the energy of sunlight into electricity and/or fuels) and research on artificial photosynthesis.

In Fiscal Year 1980 we will begin building a new 300-acre solar research facility for the Solar Energy Research Institute at Golden, Colorado. This institute, along with four regional solar centers established across the country, will help provide a focus for research and development activities and will become information centers for individuals and firms who market or install solar equipment.

In addition to DOE's research and development activities, several other agencies will continue to support commercial introduction of solar technologies as they become available. AID, TVA and the Department of Agriculture now have and will continue to have significant responsibilities in the demonstration of new solar and renewable resource systems.

The Domestic Policy Review identified numerous specific program suggestions, many of which I believe can and should be implemented. Over the course of the coming weeks, I will be issuing a series of detailed directives to the appropriate agencies to implement or consider recommendations in accordance with my instructions.

Some of these suggestions involve detailed budget issues which should be taken up in our normal budget planning process. In order to provide much-needed flexibility to DOE to respond to these—and other suggestions, I am directing the Office of Management and Budget to provide an additional $100 million to DOE for use on solar programs beyond that which had previously been identified for the FY 1981 base program.

An essential element of a successful national solar strategy must be a clear central means of coordinating the many programs administered by the numerous agencies of government which have a role in accelerating the development and use of these energy sources. I am today directing that the Secretary of Energy establish a permanent, standing Subcommittee of the Energy Coordinating Committee (ECC) to monitor and direct the implementation of our national solar program. The ECC membership includes the major agencies which have responsibilities for solar and renewable resource use. By using this existing mechanism, but strengthening its focus on solar and renewable activities, we can provide an immediate and direct means to coordinate the Federal solar effort. The Subcommittee will report on a regular basis to the ECC, and through it directly to me, on the progress of our many and varied solar activities. The Subcommittee will be able to identify quickly any problems that arise and the ECC will provide a forum to resolve them. Since the membership of the ECC includes key agencies of the Executive Office of the President, especially the Office of Management and Budget, the Special Assistant to the President for Consumer Affairs, the Council on Environmental Quality, and the Domestic Policy Staff, direct and easy access to my staff and Members of the Cabinet is assured.

The Standing Subcommittee of the ECC has an extremely important responsibility. I am expecting it to provide the leadership and the day-to-day coordinating function which will be essential as we strive to meet our national solar goal.

We are today taking an historic step. We are making a commitment to as important a goal as we can set for our Nation—the provision of 20% of our energy needs from solar and renewable sources of energy by the year 2000.

We are launching a major program—one which requires and has received a significant commitment from the Federal government to accelerate the development and use of solar technologies.

We are marshalling the best that the agencies of government can provide and asking for the commitment of each of them, in their diverse and numerous functions, to assist our country in meeting our solar goal.

The stakes for which we are playing are very high. When we speak of energy security, we are in fact talking about how we can assure the future economic and military security of our country—how we can maintain the liberties and freedoms which make our Nation great.

In developing and implementing a national solar strategy we are taking yet another critical step toward a future which will not be plagued by the kinds of energy problems we are now experiencing, and which will increase the prospects of avoiding worse difficulties.

We have set a challenge for ourselves. I have set a challenge for my Presidency. It will require the best that American ingenuity can offer, and all the determination which our society can muster. Although government will lead, inspire, and encourage, our goal can be achieved only if each American citizen, each business, and each community takes our solar goal to heart.

Whether our energy future will be bright—with the power of the sun—or whether it will be dim, as our fossil resources decline, is the choice that is now before us. We must take the path I have outlined today.

JIMMY CARTER.

THE WHITE HOUSE, *June 20, 1979.*

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows to:

Mr. Boland (at the request of Mr. Wright), for today until 6 p.m., on account of attending a funeral.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. Walker) to revise and extend their remarks and include extraneous material:)

Mr. Grassley, for 10 minutes, today.

Mr. Kemp, for 10 minutes, today.

Mr. Rousselot, for 10 minutes, today.

Mr. Gilman, for 1 hour, on June 21, 1979.

(The following Members (at the request of Mr. Leland) to revise and extend their remarks and include extraneous material:)

Mr. Weaver, for 10 minutes, today.

Mr. Annunzio, for 5 minutes, today.

Mr. Gonzalez, for 5 minutes, today.

Mr. Johnson of California, for 5 minutes, today.

Mr. Seiberling, for 10 minutes, today.

Mr. Vanik, for 5 minutes, today.

Mr. Chappell, for 5 minutes, today.

Mr. Alexander, for 30 minutes, today.

Mr. Stratton, for 5 minutes, today.

Mr. Leland, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. Richmond, to extend his remarks immediately following rollcall No. 263.

(The following Members (at the request of Mr. Walker), and to include extraneous matter:)

Mr. Shuster.

Mr. Findley.

Mr. Symms in two instances.

Mr. Paul in two instances.

Mr. Wampler.

Mr. Hyde.

Mr. Kemp.

Mr. Whitehurst.

Mr. Wydler.

Mr. Lent.

Mr. Buchanan in two instances.

Mr. Goodling in two instances.

Mr. Moorhead of California.

Mr. Lujan.

Mr. Roth.

Mr. Wylie.

(The following Members (at the request of Mr. Leland), and to include extraneous matter:)

Mr. Ford of Tennessee.

Mr. Pease.

Mr. Wolff in five instances.

Mr. Ertel.

Mr. Gray.

Mr. Bailey.

Mr. Stark.

Mr. Mattox.

Mrs. Schroeder.

Mr. Addabbo.

Mr. Biaggi in 10 instances.

Mr. Seiberling in five instances.

Mr. Stenholm in five instances.

Mr. Gaydos in two instances.

Mr. Mineta in two instances.

Mr. Rosenthal.

Mr. Hamilton.

Mr. Long of Louisiana.

Mr. Applegate.

Mr. McDonald.

Mr. Bingham in two instances.

Mr. LaFalce in three instances.

Mr. Mavroules.

Mr. Boland in two instances.

Mr. Bedell.
Mr. Coelho.
Mr. Zablocki in two instances.
Mr. Nedzi.

ADJOURNMENT

Mr. LELAND. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 9 o'clock and 56 minutes p.m.) the House adjourned until tomorrow, Thursday, June 21, 1979, at 10 a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1841. A letter from the Acting Secretary of the Navy, transmitting a draft of proposed legislation to amend title 37, United States Code, to provide for the restructuring of the rates of special pay for sea duty, and for other purposes; to the Committee on Armed Services.

1842. A letter from the Secretary of Labor, transmitting the interim report on the Youth Incentive Entitlement Pilot projects, pursuant to section 420 of Public Law 93–203 (92 Stat. 1978); to the Committee on Education and Labor.

1843. A letter from the Chairman, Advisory Council on Historic Preservation, transmitting the Council's annual report for fiscal year 1978, pursuant to section 202(b) of Public Law 89–665; to the Committee on Interior and Insular Affairs.

1844. A letter from the Chairman, Advisory Council on Historic Preservation, transmitting a special report on assessing the energy conservation benefits of historic preservation, pursuant to section 202(b) of Public Law 89–665; to the Committee on Interior and Insular Affairs.

1845. A letter from the Secretary of Health, Education, and Welfare, transmitting a report on family planning services and population research, pursuant to section 1009(a) of the Public Health Service Act, as amended (89 Stat. 307); to the Committee on Interstate and Foreign Commerce.

1846. A letter from the Administrator, Energy Information Administration, Department of Energy, transmitting reports for the month of March 1979, on changes in market shares of refined petroleum products and of retail gasoline, pursuant to section 4(c)(2)(A) of the Emergency Petroleum Allocation Act of 1973; to the Committee on Interstate and Foreign Commerce.

1847. A letter from the Director, National Science Foundation, transmitting the statistical portion of the report on Federal support to universities, colleges, and selected nonprofit institutions during fiscal year 1977, pursuant to section 3(a)(7) of the National Science Foundation Act of 1950, as amended (82 Stat. 360); to the Committee on Science and Technology.

1848. A letter from the Chairman, Agricultural Technical Advisory Committee for Trade Negotiations on Tobacco, transmitting the committee's report on the Multilateral Trade Negotiations agreements initialed in Geneva on April 12, 1979, pursuant to section 135(e)(1) of the Trade Act of 1974; to the Committee on Ways and Means.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. KASTENMEIER: Committee on the Judiciary. H.R. 1046. A bill to improve access to the Federal courts by enlarging the civil and criminal jurisdiction of U.S. magistrates, and for other purposes (Rept. No. 96–287). Referred to the Committee of the Whole House on the State of the Union.

Mr. JOHNSON of California: Committee on Public Works and Transportation. H.R. 4249. A bill to amend title 23 of the United States Code, the Surface Transportation Assistance Act of 1978, and for other purposes; with amendment (Rept. No. 96–288). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BEARD of Tennessee:

H.R. 4544. A bill to amend the Internal Revenue Code of 1954 relating to estate taxes to provide that the election to use the alternate valuation date may be made on a return that is filed late; to the Committee on Ways and Means.

By Mr. BEDELL (for himself and Mr. Grassley):

H.R. 4545. A bill to establish Federal standards for the weights and lengths of vehicles using the National System of Interstate and Defense Highways, and for other purposes; jointly, to the Committees on Public Works and Transportation and Interstate and Foreign Commerce.

By Mr. FAUNTROY (for himself, Mr. Reuss, Mr. Harris, and Mr. Dellums):

H.R. 4546. A bill to amend the District of Columbia Redevelopment Act of 1945, and for other purposes; to the Committee on the District of Columbia.

By Mr. GIBBONS (for himself and Mr. Pickle):

H.R. 4547. A bill to amend the Internal Revenue Code of 1954 to allow married individuals to compute the amount of the deduction for payments into retirement savings on the basis of one-half of their combined income; to the Committee on Ways and Means.

By Mr. GRASSLEY:

H.R. 4548. A bill to amend the Solid Waste Disposal Act to impose fees on generators of hazardous waste to finance removal of any substantial endangerment to life presented by hazardous waste at inactive facilities, to require notification with respect to hazardous waste which presents such endangerment at such facilities, to authorize the Administrator of the Environmental Protection Agency to remove such endangerment, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. JOHNSON of California (for himself, Mr. Harsha, Mr. Breaux, Mr. Hefner, Mr. Young of Missouri, Mr. Abdnor, Mr. Leath of Texas, Mr. Stump, Mr. Holland, Mr. Leach of Louisiana, Mr. Mathis, Mr. Davis of South Carolina, Mr. Ireland, Mr. Hance, Mr. Slack, Mr. Luken, Mr. Quillen, Mr. Coelho, Mr. Rinaldo, Mr. Robert W. Daniel, Jr., Mr. Satterfield, Mr. Murphy of Pennsylvania, Mr. Rousselot, and Mr. Marriott):

H.R. 4549. A bill to amend subtitle IV of title 49, United States Code, relating to interstate commerce to provide for more effective regulation of carriers, and for other purposes; to the Committee on Public Works and Transportation.

H.R. 4550. A bill to amend section 10705 of title 49, United States Code, relating to joint rates and through rates; jointly, to the Committees on Public Works and Transportation, and Interstate and Foreign Commerce.

By Mr. NEAL:

H.R. 4551. A bill to amend the Internal Revenue Code of 1954 to exempt small manufacturers and producers from the excise tax on firearms; to the Committee on Ways and Means.

By Mr. RINALDO (for himself and Mrs. Heckler):

H.R. 4552. A bill to amend title 38, United States Code, to require that home and mobile home loans may not be guaranteed by the Administrator of Veterans' Affairs unless an approved smoke detector has been installed in the residential structure involved; to the Committee on Veterans' Affairs.

By Mr. WON PAT:

H.R. 4553. A bill to amend titles 32 and 37, United States Code, to authorize the establishment of a National Guard for Guam; to the Committee on Armed Services.

By Mr. FORD of Tennessee:

H.J. Res. 362. Joint resolution to authorize and request the President to issue a proclamation designating September 16 through September 22, 1979, as "Energy Conservation Week"; to the Committee on Post Office and Civil Service.

By Mr. LaFALCE:

H.J. Res. 363. Joint resolution to establish "National Volunteer Firefighters' Day" on the second Saturday of August of each year; to the Committee on Post Office and Civil Service.

By Mr. STAGGERS:

H.J. Res. 364. Joint resolution designating the week of May 14 through May 20, 1979, as "National Diabetes Week"; to the Committee on Post Office and Civil Service.

By Mr. HUGHES:

H. Res. 323. Resolution to amend the Rules of the House concerning committee travel; to the Committee on Rules.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

236. By the SPEAKER: Memorial of the Senate of the Commonwealth of Puerto Rico, relative to interference in Puerto Rican affairs by representatives of Cuba in the Decolonization Committee of the United Nations; to the Committee on Foreign Affairs.

237. Also, memorial of the Legislature of the State of Iowa, requesting that Congress propose an amendment to the Constitution of the United States, or in the event that such an amendment is not proposed by July 1, 1980, that Congress call a convention for the specific and exclusive purpose of proposing an amendment to require a balanced Federal budget, with certain exceptions; to the Committee on the Judiciary.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. HEFTEL:

H.R. 4554. A bill to authorize the Secretary of the Navy to convey certain real property in the State of Hawaii to the present lessees of such real property; to the Committee on Armed Services.

By Mr. JACOBS:

H.R. 4555. A bill for the relief of Deborah Patricia Ellis, Harold Maurice Ellis, and Eustace Anthony Ellis; to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 506: Mr. Stack, Mr. Cleveland, Mr. Scheuer, Mr. Chappell, and Mr. Bedell.

H.R. 956: Mr. Matsui.

H.R. 958: Mr. Gray.

H.R. 966: Mr. Traxler.

H.R. 967: Mr. Bevill, Mr. Weiss, and Mr. Wolpe.

H.R. 1300: Mr. Lungren.

H.R. 1652: Mr. Bevill.

H.R. 1913: Mr. Leach of Louisiana, Mr. Hagedorn, Mr. Edgar, Mr. Atkinson, and Mr. Charles H. Wilson of California.

H.R. 1959: Mr. Emery.

H.R. 2077: Mr. Coughlin, Mr. Drinan, Mr. Gingrich, Mr. Mitchell of New York, and Mr. Wolpe.

H.R. 2812: Mr. Dornan, and Mr. Pease.

H.R. 3169: Mr. Pease.

H.R. 3431: Mr. LaFalce, Mr. Neal, Mr. Anderson of Illinois, Mr. Albosta, Mr. Wolff, Mr. Jenrette, Mr. Stack, Mr. Cleveland, Mr. Bingham, Mrs. Snowe, and Mr. Stark.

H.R. 3432: Mr. LaFalce, Mr. Anderson of Illinois, Mr. Albosta, Mr. Wolff, Mr. Jenrette, Mr. Stack, Mr. Bingham, Mr. Cleveland, and Mr. Stark.

H.R. 3532: Mr. Pickle, Mr. Blanchard, Mr. Brodhead, Mr. Boland, Mr. Mitchell of Maryland, Mr. Vento, Mr. Frost, Mr. Moakley, Mr. Bingham, Mr. Hollenbeck, Mr. Anderson of California, Mr. Corman, Mr. Wolpe, Mr. Dellums, Mr. Akaka, Mr. McCloskey, Mr. Bedell, Mr. Flood, Mr. Gray, Ms. Holtzman, Mr. Stangeland, Mr. Edwards of California, Mrs. Chisholm, Mr. Thompson, and Mr. Gilman.

H.R. 3558: Ms. Holtzman, Mr. Brown of California, Mr. Lehman, Mr. Solarz, Mr. Gudger, Mr. Jenrette, Mr. Vento, Mr. AuCoin, Mr. Bonior of Michigan, Mr. Hollenbeck, Mr. Corman, Mr. Edgar, Mr. Simon, Mr. Shumway, Mr. Dixon, Mr. Dellums, Mr. McCloskey, Mr. Udall, Mr. Corrada, Mr. Wolff, Mr. Flood, Mr. Anderson of Illinois, Mr. Markey, Mr. Mitchell of New York, Mr. Boland, Mr. Scheuer, Mr. Pease, Mr. Phillip Burton, Mr. Danielson, Mr. Moffett, Mr. Matsui, Mr. Gilman, and Mr. Roybal.

H.R. 3654: Mr. Coelho.

H.R. 3697: Mr. Royer.

H.R. 3719: Mr. Solarz.

H.R. 3937: Mr. Myers of Pennsylvania, Mr. Patten, Mr. Kildee, Mr. Conyers, Mr. Markey, Mr. Stewart, Mr. Dingell, Mr. Bonior of Michigan, Mr. Downey, Mr. Corrada, Mr. Roe, Mr. Flood, Mr. Traxler, Mr. Davis of Michigan, Mr. Guarini, Mr. Dellums, Mr. Blanchard, Mr. Wolpe, and Ms. Holtzman.

H.R. 4056: Mr. Bedell, Mr. Bethune, Mr. Carr, Mr. Cavanaugh, Mr. Donnelly, Mr. Downey, Mr. Fithian, Mr. Forsythe, Mr. Glickman, Mr. Gray, Mr. Gudger, Mr. Hollenbeck, Mr. Jeffords, Mr. Jenrette, Mr. Kogovsek, Mr. Mathis, Mr. Mazzoli, Mr. Moakley, Mr. Murphy of Pennsylvania, and Mr. Whitehurst.

H.R. 4211: Mr. Andrews of North Dakota, Mr. Bedell, Mr. Bingham, Mr. Carr, Mr. Carter, Mr. Donnelly, Mr. Dornan, Mr. Frost, Mr. Gray, Mr. Hughes, Mr. Jeffords, Mr. Lehman, Mr. Long of Maryland, Mr. Lundine, Mr. Minish, Mr. Mitchell of New York, Mr. Mitchell of Maryland, Mr. Murphy of Pennsylvania, Mr. Neal, Mr. Nolan, Mr. Panetta, Mr. Patten, Mr. Pepper, Mr. Seiberling, and Mr. Thompson.

H.R. 4249: Mr. Harsha and Mr. Shuster.

H.R. 4313: Mr. Akaka, Mr. Boland, Mr. Conte, Mr. Cotter, Mr. Dodd, Mr. Donnelly, Mr. Drinan, Mr. Emery, Mr. Gilman, Mr. Gray, Mrs. Heckler, Mr. Hughes, Mr. Jeffords, Mr. Long of Maryland, Mr. Markey, Mr. Mavroules, Mr. McKinney, Mr. Moakley, Mr. Oberstar, Mr. Ratchford, Mr. Sr Germain, Mr. Simon, Mrs. Snowe, Mr. Studds, and Mr. Wolpe.

H.R. 4329: Mr. Badham, Mr. Broyhill, Mr. Cleveland, Mr. Collins of Texas, Mr. Daniel B. Crane, Mr. Derwinski, Mr. Fish, Mr. Gingrich, Mr. Lagomarsino, Mr. McDonald, Mr. Rudd, Mr. Stangeland, and Mr. Symms.

H.R. 4345: Mr. Price, Mr. Mazzoli, Mr. Miller of California, Mr. Stangeland, Mr. Yatron, Mr. Lent, Mrs. Chisholm, Mr. Winn, Mr. Edwards of California, Mr. Heftel, Mr. Weiss, Mr. Goodling, Mrs. Byron, Mr. Sawyer, and Mr. Markey.

H.R. 4367: Mr. Devine, Mr. Kindness, Mr. Sebelius, Mr. LaFalce, Mr. Butler, Mr. Cleveland, and Mr. Panetta.

H.R. 4453: Mr. Collins of Texas.

H.R. 4459: Mr. Anderson of California, Mr. Annunzio, Mr. Beard of Rhode Island, Mr. Blanchard, Mr. Derwinski, Mr. Dougherty, Mr. Fascell, Mr. Fazio, Mrs. Fenwick, Mr. Flood, Mr. Florio, Mr. Gray, Mr. Giaimo, Mr. Guarini, Mrs. Heckler, Mr. Horton, Mr. Hughes, Mr. LaFalce, Mr. Lagomarsino, Mr. Mazzoli, Mr. Mineta, Mr. Minish, Mr. Moakley, Mr. Moffett, Mr. Murphy of Pennsylvania, Ms. Oakar, Mr. Panetta, Mr. Pepper, Mr. Roe, Mr. Russo, Mr. Scheuer, Mr. Simon, Mr. Steed, Mr. Vento, Mr. Zeferetti, Mr. Conte, Mr. Mica, Mr. Rodino, Mr. Clinger, and Mr. Santini.

H.J. Res. 19: Mr. McKinney and Mr. Davis of Michigan.

H.J. Res. 213: Mr. Gingrich.

H.J. Res. 238: Mr. Andrews of North Carolina, Mr. Bingham, Mrs. Boggs, Mr. Breaux, Mr. Corcoran, Mr. Eckhardt, Mrs. Fenwick, Mr. Fithian, Mr. Hightower, Mr. Kostmayer, Mr. Montgomery, Mr. Nedzi, Mr. Patterson, Mr. Rose, Mr. Staggers, Mr. Stokes, Mr. Swift, Mr. Udall, Mr. Vanik, Mr. White, Mr. Whitley, and Mr. Wolff.

H. Con. Res. 57: Mr. Archer.

PETITIONS, ETC.

Under clause 1 of rule XXII,

159. The SPEAKER presented a petition of the City Council, New York, New York, relative to proposed deregulation of domestic crude oil prices; which was referred to the Committee on Interstate and Foreign Commerce.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 111

By Mr. BAUMAN:

—On page 103, line 17, after the word "States", insert the following: "or the Republic of Panama".

—Page 187, strike out line 19 and all that follows through line 20 on page 189 and insert in lieu thereof the following:

Chapter 2—IMMIGRATION

Sec. 1611. Special Immigrants.—(a) Section 101(a)(27) of the Immigration and Nationality Act (8 U.S.C. 1101(a)(27)), relating to the definition of special immigrants, is amended—

(1) by striking out "or" at the end of subparagraph (C);

(2) by striking out the period at the end of subparagraph (D) and inserting in lieu thereof a semicolon; and

(3) by adding after subparagraph (D) the following new subparagraphs:

"(E) an immigrant, and his accompanying spouse and children, who is or has been an employee of the Panama Canal Company or Canal Zone Government before the date on which the Panama Canal Treaty of 1977 enters into force, who was resident in the Canal Zone on the effective date of the exchange of instruments of ratification of the Panama Canal Treaty of 1977, and who has performed faithful service as such an employee for one year or more;

"(F) an immigrant, and his accompanying spouse and children, who is a Panamanian national and (i) who, before the date on which the Panama Canal Treaty of 1977 enters into force, has been honorably retired from United States Government employment in the Canal Zone with a total of fifteen years or more of faithful service or (ii) who, on the date on which the Panama Canal Treaty of 1977 enters into force, has been employed by the United States Government in the Canal Zone (or former Canal Zone) with a total of fifteen years or more of faithful service and who subsequently is honorably retired from such employment; or

"(G) an immigrant, and his accompanying spouse and children, who was an employee of the Panama Canal Company or Canal Zone Government on the effective date of the exchange of instruments of ratification of the Panama Canal Treaty of 1977, who has performed faithful service for five years or more as such an employee, and whose welfare, and the welfare of whose family, as a direct result of the Panama Canal Treaty of 1977, are reasonably placed in danger because of the special nature of any of that employment.".

(b) Section 212(d) of such Act (8 U.S.C. 1182(d)), relating to waivers of conditions of inadmissibility to the United States, is amended by adding after paragraph (8) the following new paragraph:

"(9) The provisions of paragraphs (7) and (15) of subsection (a) shall not be applicable to any alien who is seeking to enter the United States as a special immigrant under subparagraph (E), (F), or (G) of section 101(a)(27).".

(c) Notwithstanding any other provision of law, not more than 7,500 individuals may be admitted to the United States as special immigrants under subparagraphs (E), (F), and (G) of section 101(a)(27) of the Immigration and Nationality Act, as added by subsection (a) of this section.

(d)(1) The amendments made by this section shall take effect on the date of the enactment of this Act.

(2) Paragraph (9) of section 212(d) of the Immigration and Nationality Act, as added by subsection (b) of this section, shall cease to be effective at the end of the transition period.

By Mr. PHILIP M. CRANE:

—On page 167, strike out line 20 and all that follows through line 22 on page 168, and insert in lieu thereof the following:

"Sec. 373. Disposition of Property of the United States.—No property of the United States, including but not limited to the Panama Railroad and such property located in the area comprising the Canal Zone, shall be disposed of except pursuant to law enacted by the Congress after December 30, 1999."

By Mr. FUQUA:

—Page 152, strike lines 24 and 25.

Page 153, strike lines 1, 2, 3 and 4.

By Ms. HOLTZMAN:

(To the amendment offered by Mr. Bauman.)

—(1) strike out the proposed new subparagraph (E) of section 101(a)(27) of the Immigration and Nationality Act;

(2) strike out the proposed new subparagraph (F) of section 101(a)(27) of the Immigration and Nationality Act;

(3) strike out the proposed new subparagraph (G) of section 101(a)(27) of the Immigration and Nationality Act and insert the following: "(E) an immigrant, and his or her accompanying spouse and children, who was an employee of the Panama Canal Company or Canal Zone Government on the effective date of the exchange of instruments of ratification of the Panama Canal Treaty of 1977, who has performed faithful service for five years or more as such an employee, and whose personal safety, and the personal safety of whose family, are in danger because of the special nature of any of that employment. Notwithstanding any other provision of law, not more than 500 individuals may be admitted to the United States as special immigrants under this subparagraph.";

(4) In section 1611(b), proposing an amendment to subsection (9) of section 212(d) of the Immigration and Nationality Act, strike out "(E), (F), or (G)" and insert "(E)"; and

(5) strike out subsection (c) of the amendment, and renumber subsection (d) accordingly.

—Page 187, strike out line 19 and all that follows through page 189, line 20, and on page 192, lines 18 and 19, strike out "1601, and 1611" and insert "and 1601".

By Mr. RUDD:

—Page 148, line 1, insert "(1)" after "(c)".

Page 148, after line 5, insert the following:

(2) No funds may be appropriated to or for the use of the Panama Canal Commission for any fiscal year in excess of the amount of revenues deposited in the Panama Canal Commission Fund during such fiscal year, as such amount is estimated by the Secretary of Defense and certified by the Comptroller General at the time the budget request for the Commission for such fiscal year is submitted to the Congress. Not later than thirty days after the end of such fiscal year, the Secretary of the Treasury shall report to the Congress the actual amount of revenues deposited in the Panama Canal Commission Fund during such fiscal year. Any amount of funds appropriated to or for the use of the Panama Canal Commission for such fiscal year in excess of the actual amount of revenues so deposited in the Fund shall be deducted from the amount that would otherwise be appropriated by the Congress under this subsection for the first fiscal year beginning after the report of the Secretary of the Treasury is received pursuant to this paragraph.

H.R. 3917

By Mr. LIVINGSTON:

—Page 21, add after line 3 the following:

Sec. 108. (a) Section 1512(b)(1)(A) is amended to read as follows:

"(A) a public agency which is established in that portion of the State in which the largest part of the population of the health service area resides and which agency only engages in health planning and development functions;".

—Page 26, line 18, strike out "Each" and insert in lieu thereof "Except as otherwise provided in this subparagraph, each".

Page 27, insert before the close quotation marks in line 4 the following: "In the case of a health systems agency which is a public agency described in subsection (b)(1)(A), 25 percent of the members of the governing body shall be selected by the Governor of the State in which the agency is established, 30 percent of the members shall be selected by the chief governing authority of each political subdivision within the health service area for which the agency is designated. The remaining members shall be selected under a process which assures that such remaining members will not be nominated or selected by the governing body.".

—Page 27, strike out line 24 and all that follows through line 7 on page 28 and insert in lieu thereof the following:

(b) The second sentence of section 1512 (b)(3)(A) is amended to read as follows: "Any other health systems agency shall have a governing body composed, in accordance with subparagraph (C), of not less than ten members and not more than thirty members.".

H.R. 4440

By Mr. DINGELL:

—Page 33, after line 21, insert the following new section:

Sec. 317. (a) None of the funds provided in this Act may be used to implement or enforce any standard or regulation which requires any motor vehicle to be equipped with an occupant restraint system (other than a belt system).

(b) Nothing in this section shall be construed to prohibit the use of funds provided in this Act for any research and development activity relating to occupant restraint systems.

(c) For purposes of this section, the terms "belt system" and "occupant restraint system" have the meanings given them in section 125(f) of the National Traffic and Motor Vehicle Safety Act of 1966 (15 U.S.C. 1410b (f)).

EXTENSIONS OF REMARKS

WAKING UP TO THE HORRORS OF COMMUNISM

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 19, 1979

● Mr. ASHBROOK. Mr. Speaker, I call my colleagues attention to the ad on page A17 of the Washington Post for May 30, 1979. Joan Baez led a whole list of people, most of them entertainers and others of the "chic" crowd in an open letter to the Communist regime in Vietnam condemning their human rights violations.

Most of the signers were active in the anti-Vietnam war movement. I remember in June of 1972 when Miss Baez led a group of 2,000 women who marched around the Capitol to protest American involvement in Vietnam. She even withheld part of her income tax during the 1960's, because the money was used for military purposes. In 1967, she filed suit seeking the refund money seized from her bank account by IRS. Staughton Lind, another signer of the Post letter, had also withheld part of his taxes.

During the heyday of the anti-Vietnam demonstrations we were continually assured that the North Vietnamese Communists would not persecute the South Vietnamese after conquest. Now Miss Baez and company admit that "thousands of innocent Vietnamese, many whose only crimes are those of conscience, are being arrested, detained, and tortured in prisons and reeducation camps." According to the open letter, "People are used as human mine detectors, clearing live mine fields with their hands and feet."

That is the reality of communism. Oppression, slave labor, executions for political "crimes." All Communist regimes are alike in this regard. The "moderate" Communist government of Tito's Yugoslavia is different only in degree from the "extremist" Communist government of Pol Pot's Cambodia. In this context "moderate" and "extremist" and differences in the quantity not the quality of the repression.

While millions of Cambodians were murdered by Pol Pot, the Tito dictatorship jails dissidents and uses its secret police to murder political opponents outside of Yugoslavia. The slave labor camps of the Soviet Union, Red China, and Cuba make those regimes less oppressive than Pol Pot and more repressive than Tito—at this time. The apparatus of mass murder remains in place in every Communist state.

It is late for Miss Baez and her friends to wake up. Too late for the Vietnamese victims. But, perhaps it is not too late for other potential victims. The next time the radical chic opinion molders assure us of Communist benevolence we should remind them of the late awakening of Joan Baez and her fellow travelers.

The text of the open letter and list of the signers follow:

WAKING UP TO THE HORRORS OF COMMUNISM

Four years ago, the United States ended its 20-year presence in Vietnam. An anniversary that should be cause for celebration is, instead, a time for grieving.

With tragic irony, the cruelty, violence, and oppression practiced by foreign powers in your country for more than a century continue today under the present regime.

Thousands of innocent Vietnamese, many whose only "crimes" are those of conscience, are being arrested, detained and tortured in prisons and re-education camps. Instead of bringing hope and reconciliation to war-torn Vietnam, your government has created a painful nightmare that overshadows significant progress achieved in many areas of Vietnamese society.

Your government stated in February 1977 that some 50,000 people were then incarcerated. Journalists, independent observers and refugees estimate the current number of political prisoners between 150,000 and 200,000.

Whatever the exact figure, the facts form a grim mosaic. Verified reports have appeared in the press around the globe, from *Le Monde* and *The Observer* to the *Washington Post* and *Newsweek*. We have heard the horror stories from the people of Vietnam—from workers and peasants, Catholic nuns and Buddhist priests, from the boat people, the artists and professionals and those who fought alongside the NLF.

The jails are overflowing with thousands upon thousands of "detainees."

People disappear and never return.

People are shipped to re-education centers, fed a starvation diet of stale rice, forced to squat bound wrist to ankle, suffocated in "connex" boxes.

People are used as human mine detectors, clearing live mine fields with their hands and feet.

For many, life is hell and death is prayed for.

Many victims are men, women and children who supported and fought for the causes of reunification and self-determination; those who as pacifists, members of religious groups, or on moral and philosophic grounds opposed the authoritarian policies of Thieu and Ky; artists and intellectuals whose commitment to creative expression is anathema to the totalitarian policies of your government.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

Requests by Amnesty International and others for impartial investigations of prison conditions remain unanswered. Families who inquire about husbands, wives, daughters or sons are ignored.

It was an abiding commitment to fundamental principles of human dignity, freedom and self-determination that motivated so many Americans to oppose the government of South Vietnam and our country's participation in the war. It is that same commitment that compels us to speak out against your brutal disregard of human rights. As in the 60s, we raise our voices now so that your people may live.

We appeal to you to end the imprisonment and torture—to allow an international team of neutral observers to inspect your prisons and re-education centers.

We urge you to follow the tenets of the Universal Declaration of Human Rights and the International Covenant for Civil and Political Rights which, as a member of the United Nations, your country is pledged to uphold.

We urge you to reaffirm your stated commitment to the basic principles of freedom and human dignity . . . to establish real peace in Vietnam.

COSIGNERS

Ansel Adams, Photographer.
Edward Asner, Actor.
Albert V. Baez, Ph. D.
Joan C. Baez.
Peter S. Beagle, Writer.
Hugo Adam Bedau, Professor of Philosophy, Tufts University.
Barton J. Bernstein, Professor of History, Stanford University.
Daniel Berrigan.
Robert Bly, Poet.
Ken Botto, Artist/Photographer.
Kay Boyle, Professor, San Francisco State University.
John Brodie, Broadcaster.
Edmund G. "Pat" Brown, Former Governor of California.
Yvonne Braithwaite Burke, Former U.S. Congresswoman.
Henry B. Burnett, Jr., Editorial Chairman, Politics Today.
Herb Caen, Journalist.
David Carliner, General Counsel, American Civil Liberties Union.
Cesar Chavez, Union Leader.
Richard Pierre Claude, Editor, Universal Human Rights.
Bert Coffey, Immediate Past Chairman, California Democratic Party.
Norman Cousins.
E. L. Doctorow, Writer.
Benjamin Dreyfus, Attorney.
Ecumenical Peace Institute Staff.
Mimi Farina, Entertainer, Executive Director, Bread and Roses.
Lawrence Ferlinghetti, Poet.
Douglas A. Fraser, International President, United Auto Workers Union.
Dr. Lawrence Zelic Freedman, Foundations Fund Research Professor in Psychiatry, University of Chicago.
Joe Fury, Producer.
Allen Ginsberg, Poet.
Herbert Gold, Writer.
David B. Goodstein, Publisher.
Sanford Gottlieb.
Richard J. Gouggenhime.
Denis Goulet, Sr., Fellow Overseas Development Council.
Bill Graham, Producer.
Lee Grant, Actress.
Peter Grosslight.
Thomas J. Gumbleton, Bishop, Archdiocese of Detroit.
Terence Hallinan, Attorney.
Francis Heiseler, Attorney.
Nat Hentoff, Writer.
Rev. T. M. Hesburgh, C. J. C., President, Notre Dame University.
John T. Hitchcock, Professor of Anthropology, University of Wisconsin.
Art Hoppe, Journalist.
Dr. Irving L. Horowitz, President, Transaction/Society.
Henry S. Kaplan, M.D., Stanford Medical Center.
R. Scott Kennedy, Resource Center for Nonviolence.
Roy C. Kepler, Member, War Resisters League.
Seymour S. Kety, Professor of Psychiatry, Harvard University.
Peter Klotz-Chamberlin, Resource Center for Nonviolence.
Jeri Laber, Executive Director, Fund for Free Expression.
Norman Lear, Producer.
Philip R. Lee, M.D., Professor of Social Medicine, University of Calif. at San Francisco.
Alice Lynd.
Staughton Lynd.
Bradford Lyttle.
Frank Mankiewicz.
Bob T. Martin, News Editor, The Country Alamanac.
James A. Michener, Writer.
Marc Miller, Director, Fund for Free Expression.
Edward A. Morris, Attorney.
Mike Nichols, Producer.
Peter Orlovsky, Poet.
Michael R. Peevey, President, California Council for Environmental and Economic Balance.
Geoffrey Cobb Ryan, Director, Fund for Free Expression.
Ginetta Sagan, Director, Humanitas/I.H.R.C.
Leonard Sagan, M.D., F.A.C.P.
Charles M. Schulz, Cartoonist.
Ernest L. Scott, Publisher.
Jack Sheinkman, Secretary-Treasurer, A.C.T.W.U.
Jerome J. Shestack, President, International League for Human Rights.
Gary Snyder, Poet.
I. F. Stone.
Rose Styron, Writer.
William Styron, Writer.
Lily Tomlin, Actress/Comedienne.
Peter H. Voulkos, Professor of Art, University of Calif. at Berkeley.
Grace Kennan Warnecke, Photographer.
Lina Wertmuller, Film Director.
Morris L. West, Writer.
Dr. Jerome P. Wiesner, President, Massachusetts Institute of Technology.
Jamie Wyeth, Artist.
Peter Yarrow, Entertainer.
Charles W. Yost, Special Advisor, Aspen Institute.

(Titles and/or affiliations listed for identification purposes only. No organizational endorsements implied.) ●

CONTINUING CRISIS IN FOSTER CARE

HON. GEORGE MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 19, 1979

● Mr. MILLER of California. Mr. Speaker, once again the foster care system has been heavily criticized as the result of an indepth investigation by child welfare professionals. A recent study by the Illinois Department of Children and Family Services has found that too many children are in foster care, that too few services are offered both before placement and afterward in order to minimize removals or their duration, and that reviews of placement are inadequate or nonexistent.

A substantial number of children maintained at taxpayer expense in foster care, the report concludes, could and should be adopted. Even were these children adopted with a subsidy, a number of State experiments have found, the overall cost to the public is far less than long-term foster care.

There is a certain dizzying sense of déjà vu in reviewing this Illinois report. Nearly 4 years ago, when I first opened the investigation into problems in the foster care system in the United States, a good deal of my education came from several reports and lawsuits in the State of Illinois. Since that time, the problems which were first identified have been associated with the foster care programs in every State which has been studied.

And there have been so many studies! In this year alone, the Children's Defense Fund, the National Commission on Children in Need of Parents, and several other independent organizations have issued studies of the foster care system which have come to virtually identical conclusions and policy recommendations. In recent years, the list of studies with similar results is exhaustive: the General Accounting Office, the Department of HEW, the New York City Comptroller's Office, the Regional Institute of Social Welfare Research, and many more have all studied this system and found it universally wanting.

Building on these studies, several States have begun to reform their State laws along the lines unanimously endorsed: Better preventive and reunification services; improved accountability and procedural requirements; mandates for appropriate placement; and subsidized adoption for children who would otherwise remain indefinitely in foster care.

In almost all cases, these alternatives have not only worked, but have saved significant amounts of money over the traditional system. Little wonder that child welfare professionals, lawyers, children's advocates, program administrators, foster parents, and judicial organizations, and many, many others have joined forces in demanding that the Congress reform the antiquated, wasteful, expensive, and destructive Federal foster care program.

There is legislation to do this. H.R. 3434 will soon be before the House of Representatives. It deserves, and has won the bipartisan support of the Ways and Means Committee and the Appropriations Committee. Two years ago, similar legislation passed this House by a 5-to-1 margin: H.R. 3434 deserves at least such a vote of support. I urge my colleagues to join in supporting this overdue legislation when it comes before the House, and in doing so, communicate the urgency of this reform plan to the Senate.

The importance of this legislation can be judged by the broad support it has already received, including the endorsements of: The American Federation of State, County and Municipal Employees; American Home Economics Association; Association of Junior Leagues (on title

II); Child and Family Justice Project, National Council of Churches of Christ in the USA; Children's Defense Fund; D.C. Office of the County of Los Angeles; Family Service Association of America; National Association for Retarded Citizens; National Association of Counties; National Conference of Catholic Charities; National Council of Jewish Women; National Governors' Association; and Women's Division, Board of Global Ministries, United Methodist Church.

Equally telling is the virtual absence of opposition to its enactment.

The latest report from Illinois is yet another mandate to this Congress to speed enactment of this legislation. I want to share a newspaper summary of that report, because I think it details the immediacy of acting on this legislation which is so evident to those of us who have spent years working on behalf of these changes:

DCFS Ripped on Placing Children

(By Michael Anderson)

Hundreds of Cook County children have been taken from their families by the state Department of Children and Family Services because their parents are indigent, according to a secret DCFS report obtained by The Sun-Times.

Instead of a short-term arrangement before parents are rehabilitated or the children are adopted, the report said, foster care has become a dumping ground. DCFS has failed "over a decade to provide adequate social services to families or to even contact the parents of children in foster care," the report said.

The report, written by Carole J. Alexander, assistant to the DCFS deputy operations director, was based on a review of case files of the 1,399 DCFS wards in Cook County aged 13 or younger who had been in foster care at least two years. Of the agency's 14,341 Cook county wards, 5,561 are in foster care.

Major findings of the report include:

Children have been labeled "neglected" or "dependent" and taken from their families simply because the parents were indigent. "Problems arising as an outgrowth of the socioeconomic status of the parents were most frequently cited as the reasons for placement," the report said. "Many of the parents were victims of generations of poverty and the attendant problems therein, e.g. inadequate housing, a lack of education, marital strife. . . ."

"A crisis situation related to the problems described above nearly always precipitated placement" of children into foster care, the report said.

It recommends that DCFS seek authority to make cash payments to families temporarily unable to care for their children instead of taking parents to court and labeling them "neglectful."

DCFS caseworkers failed to document their decisions to take children from their parents. Children were placed on the basis of "caseworker subjectivity, ambiguity, stale information and third-hand accounts," the report said.

"The factual aspects of the crisis which precipitated a decision to remove the child from his family were seldom clearly described or characterized in the case recording," the report said, raising "questions about the appropriateness of such decisions."

"Hundreds of children may have been removed precipitously and subsequently have not received the care and services promised or mandated by statutes and policy," the report said.

DCFS caseworkers "had no plan for many of the children" and were content to let them remain in long-term foster care. The report also charged caseworkers make no plans for either the rehabilitation of natural parents or adoption of the children.

Although the reviewers found that only 215 of the 1,399 children should remain in foster care rather than return to their natural home or be adopted, case files showed plans for 550 children to remain in permanent foster care, with an additional 330 to remain in foster care "until some unspecified time in the future when the plan would become adoption."

The report also said one-fourth of the children had not seen a caseworker for one to five years. Twelve per cent of the cases didn't even have a caseworker assigned, it added.

Parents were prevented from seeing their children by DCFS after their placement in foster care. "Only 12 per cent of the children saw their parents weekly or monthly," the report said. In more than 60 per cent of the cases, there was no evidence that the children had seen their parents at all since entering foster care.

The report said some caseworkers discouraged parental visits. "There was considerable evidence of bias against what was characterized as the 'crazy life-styles' of many natural parents."

Natural parents frequently were ignored by DCFS after their children went into foster care. Nearly half the parents of children put into foster care had no contact with a DCFS caseworker after the child was placed.

Eighty-five per cent of the parents, involving 1,185 children, were receiving no social services whatever. In the majority of cases, the department also failed to offer any help to the family to prevent placement of the children, the report said.

The department's failure to provide services for natural parents, or even to get in touch with them, has been a "major factor in perpetuating the children's stay in long-term foster care," the report said.

DCFS caseworkers failed to find families for adoptable children. The report said 126 children who were legally free for adoption had remained in foster care an average of five years. For 75 of these children, the foster parents had expressed interest in adoption, but the caseworkers have taken no action after "periods as long as 10 or 12 years."

The report said 57 per cent of the children in foster care should have been adopted, but their caseworkers instead intend for them to remain in foster care until their 21st birthday.

"The majority of caseworkers," the report says, "did not know how to develop or implement permanent plans" for children in foster care.

Child-care agencies have done as bad a job as the state in getting children into permanent homes. Private agencies from which DCFS has purchased care for children "have failed to take affirmative, aggressive and timely action to ensure that these children were moved into permanent family living arrangements," the report said.

Private-agency social workers were as guilty as DCFS caseworkers in not obtaining adoption for children and letting them remain in long-term foster care, the report said.

The report noted that private agencies made their money through continued foster care and, thus, were not economically disposed to work toward other, more permanent living arrangements for the children.

DCFS caseworkers are untrained, unknowledgeable and virtually unsupervised: "A significant number of caseworkers do not know what they are supposed to do," the report said. Many of them told the reviewers that making case plans for foster children was something to be done if they "had time."

Others did not know "how to develop or implement plans on behalf of children for whom they had responsibility."

High-level officials appeared to give "no consideration . . . to rewarding excellent work or of taking a disciplinary or corrective action in instances where policy or administrative directives had been ignored."

Foster caseloads are inflated with inactive cases. The report noted that caseload size varied from 25 to 85, and that "a number of caseworkers and several supervisors . . . acknowledged that their caseload or those of their subordinates were inflated with inactive cases." The report said it identified 150 inactive cases that were listed as open in DCFS files.

DCFS staff, at all levels, needs to be educated for their jobs. The report recommends that DCFS caseworkers as well as administrators and supervisors "be provided re-education and training relative to their role and responsibility."

The report also recommends periodic review to spot children who should be returned home and training of both state and private agency caseworkers in procedures for adoptions.

The report has been ordered delivered Tuesday morning to Circuit Court Judge Joseph Schneider. He is hearing arguments on his order that DCFS join with the Department of Mental Health to provide care for children previously rejected by both departments.

DCFS attorneys have contended that compliance with the order would cause "administrative and fiscal problems." Opposing attorney Patrick T. Murphy, representing the Juvenile Court, who has not seen the report, said he believes it shows the department squandered funds by needlessly taking children from their homes.

The report, prepared last year, has been so closely guarded within the department that even the new director, Gregory L. Coler, said he has not received a copy, although he has made two requests for it.

However, the DCFS head for Cook County, Howard Peters, said his staff has reviewed the report and is working to implement its 47 policy recommendations.●

LEVERETT "SALTY" SALTONSTALL

HON. NICHOLAS MAVROULES

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, June 18, 1979

● Mr. MAVROULES. Mr. Speaker, last Sunday, a great American left our company, and he will be sorely missed by all of us who aspire to his level of public service.

Last Sunday, Leverett Saltonstall, the former Governor of the Commonwealth of Massachusetts and an 18-year veteran of the U.S. Senate, passed away.

Although he came from the opposite side of the aisle, Salty, as he was called by his friends, epitomized the very best in American politics. He was the model of civility and humanity, and a credit to all of us fortunate enough to have known him.

He was a gentleman's gentleman, a gracious and grand man, whose soft-spoken manner belied the intensity of his commitment to the common weal.

In many ways, he was an exception to today's rule of brashness and noise, and of hollow promises and shallow commitments. He was an anachronism, in an age desperately in need of such anachronisms, a guiding light in a world of darkness and confusion, a public servant who took to heart his public trust.

To be sure, Leverett Saltonstall was a grand exception, and, again, he will be missed. And nowhere will his absence will be more felt than in Massachusetts' politics, where he energized our State's political process with his personality and demonstrated to the public what they should expect from their public servants.

This example that he set was his greatest contribution.●

CONFESSIONS OF A FAILED LIBERAL

HON. RON PAUL

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 19, 1979

● Mr. PAUL. Mr. Speaker, Dr. Alen J. Matusow, professor of history at Rice University in Houston, recently wrote a most provocative article, that both liberals and conservatives can learn from. I would like to bring this eloquent statement to my colleagues' attention:

CONFESSIONS OF A FAILED LIBERAL

New York Times columnist William Safire recently added to the lexicography of American politics the word "conservalib," defined as a liberal who belatedly realizes that "heavy spending in good times leads to bad times."

Safire's joke describes a current political trend of no small significance. Liberal intellectuals in droves have begun to recant their faith in the power of government to remedy defects in the social order. I know something of this trend. For I am one of that legion of intellectuals who called themselves liberals once but no more. This is my mea culpa.

I acquired my liberalism as most people acquire their religion—at my father's knee. Every step in my subsequent education only confirmed his precepts. An ardent New Dealer who sided with the dispossesed in all social struggles, he brought me up on the New Republic, shared with me his enthusiasm for liberal politicians and nurtured in me a social conscience.

In college in the mid-1950s, the best of my professors were good liberals, teaching that the root cause of American evils—monopoly, poverty, inequality—was unbridled capitalism. As a graduate student in history, I learned to view the American past as a struggle between the good guys and the bad guys in which the good guys were the people and the bad guys were the businessmen. In the highly politicized 1960s, by now a college professor myself, I picketed for civil rights, campaigned against Barry Goldwater, made speeches against the war in Vietnam and carried my liberalism into the classroom with a missionary's zeal.

As the intellectuals moved left through the decade, I moved with them becoming more anti-American with every revelation of our imperialism, racism and insensitivity to the poor. By 1970 I was, in Spiro Agnew's forgettable phrase, a "radiclib," a radical liberal who viewed correct politics as the path to social salvation.

Much of what I believed then I still believe. I still abhor racism, brood about poverty and regret American intervention in other people's wars. But I am no longer anti-American, in large measure because I have made my peace with American capitalism. In truth, I had only dimly grasped the rudiments of that system in the days when I counted myself its critic. I think that I understand it better now. With that understanding has come a growing conviction that on one crucial issue the conservatives were always right. The market is indeed a brilliant invention for allocating resources, maximizing liberty and increasing the standard of living of all classes. Further, interventions to improve the results of the market will ordinarily fail their object.

I did not come to these views casually or by reading theoretical treatises on the virtues of capitalism. My real education commenced a few years ago when I undertook to write a history of the Kennedy and Johnson administrations. Inevitably, much of my research focused on the measures promoted by these presidents to cure the ills of the economy and alleviate the sufferings of its victims.

I began with the hypothesis that liberal programs were fine as far as they went, but they had not gone far enough—hardly a novel view for a left-liberal like myself. In one respect, however, my approach departed from traditional political history, for I was less interested in the sound and fury of politics than in examining the concrete consequences of liberal reform.

As a result, I made an extraordinary and wholly unanticipated discovery. Except for civil rights, which touched the market only tangentially, nothing worked. It was not that the liberals had not gone far enough, but that the ideas they sponsored, enacted and administered were bad ideas. The effort of the 1960s to turn imperfect America into the Garden of Eden by passing laws had failed. I now think that it always will.

My personal odyssey from left to right may not be without general significance. Many other penitent liberals have come to revise their views in precisely the way I came to revise mine—through policy analysis. In me, then, writ small, the reader may observe a tendency gathering force in the American intellectual community. In the hope of illuminating that tendency, I offer from my research on the 1960s a few cases of liberal reform, cases which rocked my liberal faith to its foundation and opened a new chapter in my intellectual autobiography.

My first attempt at policy analysis was in many ways the most revealing. In 1961 President Kennedy inaugurated his career as a liberal reformer by urging Congress to raise the minimum wage from $1.00 to $1.25. Assuming that its purpose was to increase the income of the poor, I could quarrel only with the niggardliness of the proposal. If a 25 cent increase was good, would not 50 cents or a dollar be better?

Conservatives thought otherwise, of course. They argued that when legislation forces up the wage rate of marginal workers, marginal employers attempt to economize on labor by accomplishing the same work with fewer employees, replacing workers with machines, or closing down. In short, the minimum wage helps some poor people, but results in the unemployment of others. Convinced that conservatives were merely defending a class interest, I searched the literature for crushing refutation.

Though I found none, I did discover in the LBJ Library in Austin, Texas, a packet of memos, dated 1965, addressed to the President from the Council of Economic Advisers. Their subject was the minimum wage. It turned out that the President's economists, good liberals all, had precisely the same view in private that Milton Friedman had in public. Johnson should resist growing pressure to raise the minimum wage, the Council pleaded, because it would create unemployment and make it "harder for teenagers, unskilled, uneducated workers to find jobs. It would hurt many of those it was supposed to help." In the Council's view millions of inexperienced workers starting out in the labor force were "better off starting at $1.25 than searching for work that is expected to pay $1.75." A higher minimum said the Council, would "destroy job opportunities." Since 1965, an army of economists has constructed ever more complex models to confirm the view expressed by the Council in simple English.

Why, then, did Kennedy's bill pass in 1961, and why did Johnson ignore his advisers and sponsor an increase in the minimum wage to $1.65 in 1966? Who is really behind the minimum wage and why? Johnson's Council of Economic Advisers undertook to instruct him on the point, though he knew the answers better than they. "Union pressure—especially David Dubinsky of the textile workers is strong," the Council wrote. "The unions want to stop the movement of industry to the South by raising labor costs there." Unions were strong in the North, weak in the South. By taking away the South's wage advantage through minimum wage legislation, unions hoped to retard the migration of capital into the region. The Council pointed out that one consequence of impeding the South's industrial development would be to slow down the exit of her rural poor into industrial jobs. Though intellectually convincing, the Council's arguments were politically naive. Liberal presidents, even from the South, find higher minimum wages a small price to pay for the indispensable support of organized labor.

So began my loss of innocence. Not for the first time, I learned that in matters of the welfare state, the appearance of things is not always the reality. Conservatives warn against the hidden effects of liberal legislation. In the case of the minimum wage, the hidden effect is involuntary unemployment. Conservatives look for the special interest lurking behind every act of liberal benevolence. In this case the special interest manipulating liberal politicians and the gullible liberal public is union labor, whose real motive hardly accorded with my image of its altruism. Conservatives contend that unfettered competitive markets yield optimum social results. As I learned from the minimum wage, the underlying wage rate is set in a competitive labor market, whose social utility can be improved neither by legislative fiat nor, for that matter, by union monopoly.

At the crux of the debate between liberals and conservatives is the issue of competition. The conservative believes that competition still characterizes most markets and trusts it to discipline corporations in the public interest. The liberal regards competition as being illusory, or non-existent, and depends on government to prevent oligopolists from rigging markets and trampling the general welfare.

The appearance of things favors the liberal belief in oligopoly. In the crucial manufacturing sector, for example, 40 percent of all goods are produced in industries dominated by a few corporations. But as I learned from studying the famous 1962 duel between President Kennedy and the steel industry, appearances in this matter, too, can be deceiving.

John Kennedy and his economists believed in the existence of oligopolists and feared their power, especially over prices. If big corporations abused their power by jacking up prices, price stability could be shattered and inflation result. To keep the corporations on their good behavior, the Council of Economic Advisers published wage and price guideposts in January 1962. Wages should rise no faster than productivity, the Council said. Labor costs would then remain constant, and corporations would have no excuse to raise prices.

It just so happened that that spring, the steel industry and the steel workers were negotiating a new labor contract. "Steel hulks so large in the manufacturing sector of the economy," the Council told Kennedy, "that it can upset the price applecart all by itself." The President himself leaned on the workers to accept a noninflationary settlement. When they did, he was elated. All that remained was for the companies to honor an implicit bargain and hold the price line. But on April 10, 1962, less than two weeks after the new contract had been signed, Roger Blough, president of U.S. Steel, walked into the Oval Office and handed Kennedy a press release announcing price increases averaging six dollars a ton. Bethlehem Steel and Republic immediately followed suit.

An enraged President thereupon bared the iron fist of the state and pounded the companies into submission. In a televised tongue-lashing, he denounced "a tiny handful of steel executives whose pursuit of private power and profit exceeds their sense of public responsibility." The Justice Department threatened an anti-trust suit. The Federal Trade Commission made noises about an investigation. The Treasury hinted that it might reconsider pending revision of depreciation guidelines for the steel industry. The Defense Department announced it would shift purchases away from the offending companies. And in the middle of the night, two FBI agents phoned reporters to obtain evidence damaging to the company's case. In the end Kennedy divided to conquer. On April 13 Inland Steel, a small but efficient producer, announced that it would not raise its prices. Bethlehem Steel, which shared the Chicago market with Inland, immediately rescinded its own increase. That afternoon Roger Blough met with emissaries of the President and surrendered. In liberal mythology Kennedy had vindicated the public interest against corporate greed.

In reading steel trade journals, I discovered that Kennedy's tantrum had been unnecessary. A few months after the showdown, in a soft economy, the price of steel actually slid *below* pre-crisis levels. In other words, even if Kennedy had done nothing, market forces would have repealed Blough's attempted increase. For, despite appearances, competition is the reality of the steel business.

American firms faced stiff competition from lower-priced foreign steel, from other structural materials (concrete, aluminum, plastics) and even from each other. List prices might be identical, but discounting was a fact of life in steel markets. Inland did not so much share the Chicago market with Bethlehem as compete for it.

The hypothesis of oligopoly, which had led to Kennedy's ill-considered guideposts, did not explain much about steel. In my view, it explains little about other so-called oligopolies as well. In adopting the hypothesis of competition, of course, I abandoned a vital tenet of liberal belief.

Medicare and Medicaid, enacted in 1965, is the ideal test case of liberal reform; because, without doubt, it is the most important, expensive and popular welfare measure enacted since the New Deal. Medicare provided persons 65 or over with both compulsory insurance to cover hospitalization, and voluntary insurance to cover physician and surgical fees. Medicare's companion program, Medicaid, approved by Congress almost as an afterthought, made medical payments primarily on behalf of welfare recipients regardless of age. By 1976 Medicare and Medicaid were spending $32 billion on one-fifth of the population—one of every six dollars expended for medical services in the limited states. I have become convinced that the people are getting something less than their money's worth.

The hidden cost of Medicare and Medicaid was the tremendous acceleration in medical price inflation which they fueled. Medical inflation did not originate with these programs but with the spread, beginning in 1950, of private medical insurance, especially for hospitalization.

Hospitals prices are the largest component (40 percent) of the medical price index. Prior to insurance, nonprofit hospital administrators had every incentive to keep costs down, because customers (i.e. patients) had to bear most of them. But insurance reduced the price of hospital services for the patient at the time he consumed them, thereby removing the chief barrier against cost pressures. Patients and doctors typically responded to lower net prices by demanding the best, or more accurately, the most expensive treatment that other people's money could buy. Hospital administrators could now please doctors by buying the latest equipment, patients by adding amenities, workers by raising wages, trustees with grandiose visions by adding more beds—and pass on the added costs in the form of higher prices, increasingly paid through the painless mechanism of insurance. Insurance was the main reason why, between 1950 and 1965, hospital prices rose seven percent annually.

With the passage of Medicare and Medicaid, the population for whom someone else would foot medical bills stood on the verge of significant expansion. By the logic of the medical market place, medical prices were bound to inflate even faster. And they did. In the first years after Medicare, hospital prices jumped 14 percent and have continued to rise on the average 14 percent annually ever since. For different reasons, also related to Medicare and Medicaid, the rate of inflation in physicians fees more than doubled—from three percent in the year before enactment, to seven percent the year after.

Medicare not only increased the cost of medicine for society as a whole, but it also provided far fewer financial benefits for most old people than was commonly believed. For that small minority who had both long periods of hospitalization and small savings, Medicare was everything it was cracked up to be. But the average aged person was little better off. True, he paid a significantly smaller proportion of his medical bill out-of-pocket, thanks to Medicare, but his total bill was much higher. In 1976 Medicare beneficiaries directly paid an average of $476 for medical services—in constant dollars, the same amount they spent in the year before Medicare's enactment. Aged persons not only had to buy drugs, eyes glasses and dental services, which Medicare did not cover, but they also expended increasing out-of-pocket sums for hospital and physicians care, which Medicare did cover. As every aged person can attest, Medicare is riddled with loopholes. The hospital deductible, for example, was only $40 in 1966. Ten years later, it was $104. Direct payments for physician fees increased from an average of $66 to $150 in the same period. Ironically, then, medical price inflation, caused by Medicare itself, partially washed away Medicare's benefits.

As for Medicaid, it is not entirely clear why Congress decided to bestow the blessings of this program on the poor. Most likely, Congress theorized that lack of income was a barrier to treatment. But the poor had not fared all that badly, thanks to the willingness of doctors and hospitals to dispense charity medicine. Before Medicaid, the hospital admission rate for families below $3,000 was 107 per 1,000; for families with incomes above $10,000, it was 89 per 1,000. The average poor person visited a doctor 4.3 times a year, while high income persons visited a doctor 5.1 times. Granted that the poor were frequently ill, these figures do not sustain a thesis of gross inequality. Still, if its purpose was to increase access to medical services for the poor, Medicaid succeeded. After its passage hospital admission rates for poor people climbed to 123 per 1,000, and poor people actually visited doctors more frequently than did the affluent.

The question is, were Medicaid's benefits worth the billions it cost and the inflation it helped generate? Not likely. Medicaid does not buy a better brand of service than the charity medicine had dispensed. In New York City only an estimated eight percent of the city's 10,000 doctors accept Medicaid patients. Fraud haunts the program. Medical entrepreneurs, often in so-called Medicaid malls, frequently bill the government for unnecessary or unperformed services, costing the state of New York, for example, an estimated $250 million annually.

Medicaid created inequalities as well as reduced them. Benefits vary widely from state to state. Forty percent of the poor receive no benefits and 30 percent of Medicaid beneficiaries are not poor at all.

Finally, it is absurd on its face that nearly six of every 10 dollars spent on public assistance takes the form of Medicaid payments. Undoubtedly, the poor would rather have the cash.

In the end defense of Medicare-Medicaid relies on a simple equation: More medicine equals better health. The relationship is not obvious. Medical science could take credit for rapid declines in the death rate from 1930 through 1960 as a result of the development and rapid diffusion and anti-infectious drugs. Since 1960 few comparable breakthroughs have occurred, especially against the leading killers of this medical era—heart disease, cancer and stroke. Not surprisingly, efforts to uncover persuasive links between recent increases in the consumption of medical services and health have not succeeded. According to Victor Fuchs, a leading medical economist, "there is no evidence that Medicare has had a significant effect on the mortality rate of the aged."

Skeptics have even suggested that more medicine may equal less health. Certainly that is the view of a Senate committee which recently reported that American surgeons perform two million unnecessary operations a year with the resulting loss of 10,000 lives. Indeed, Medicare and Medicaid bestowed unambiguous benefits only on hospitals and doctors, who now receive payment for service once rendered for free.

The cases which I offer here do not constitute clinching proof against liberalism. They do, however, illustrate how much damage policy analysis can do to its premises. On the basis of my research, I can attest that similar analysis applied to other liberal measures generally yield similar result. But beyond the ineffectiveness of liberalism, there is philosophy. Here again I am persuaded that the conservatives were always right. The existence of a giant welfare bureaucracy, insulated from popular control, does violate democratic principle. The enactment of welfare measures to benefit some at the expense of others does depend on arbitrary coercion. Those who defend the market against the government do indeed defend our liberty.

But I do not call myself a conservative. Those who go by that name in America are guilty of a terrible contradiction. While they seek to deliver us from the welfare state with one hand, they would turn us over to the garrison state with the other. By some strange twist of history, conservatives have supplied the chief apologists for FBI black bag jobs, CIA snooping on American citizens, illegal wiretaps by so-called law enforcement officers, and presidential contempt for constitutional forms and liberties. It is primarily conservatives who justify every self-serving request of the military for new weapons systems and seem most willing to dispatch armies to solve international problems.

Until conservatives defend civil liberties as zealously as economic liberties and oppose the excesses of the national security as well as the welfare bureaucracy, I will remain a conservalib, waiting in the political wilderness for a movement based on consistent, thoroughgoing and intelligent opposition to the growing power of the State.●

MRS. JULIA ESPEY HONORED

HON. RICHARD C. SHELBY

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 19, 1979

● Mr. SHELBY. Mr. Speaker, my fellow House colleagues, I want to take this opportunity to pay homage to a very special lady in my hometown of Tuscaloosa, Ala.

The lady's name is Mrs. Julia Espey and last month she received the highest honor given by the Tuscaloosa Veterans' Administration Medical Center for her untiring and unstinting service to the patients at the institution.

One hundred and forty individuals and 60 organizations were honored at the annual volunteer recognition ceremony, but there was something special about Mrs. Espey's honor.

Mrs. Espey received a silver bowl from the institution in recognition of 10,000 hours of devoted volunteer service to our veterans.

Ladies and gentlemen of the House, I ask you to contemplate the enormity of her service. Ten thousand hours represents a full 250 weeks—or nearly 5 full years—of strictly voluntary service to her fellow man.

Why would someone give of themself so unselfishly? Obviously, because she loves it and is a great and kind woman.

Mrs. Espey is an 84-years-young volunteer who comes to the center 3 days a week. She has been active in the volunteer program at the institution since 1950.

Presently Mrs. Espey serves in occupational therapy in the nursing home care unit and at the intermediate care unit. For many years she has been on the Voluntary Service Advisory Committee representing the American Legion Auxiliary.

I think Robert Dawson, Jr., the director of the medical center, perhaps put it best when he said of Mrs. Espey that she "is an inspiration to patients, staff, and other volunteers. Needless to say, she is a great asset to this center."

To that I can only add my own congratulations and thanks to this remarkable woman.●

STUDENT LOAN PROGRAM

HON. JOSEPH G. MINISH

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 19, 1979

● Mr. MINISH. Mr. Speaker, I would like to call my colleague's attention to a proposal by the Department of Health, Education, and Welfare to revise the eligibility requirements for the guaranteed student loan program (GSLP).

The Office of Education proposed on April 23 to change the eligibility requirements as they apply to foreign medical schools.

The proposed rules change would impose on the foreign schools restrictions it is doubtful could be met by American schools. The new regulations would require that at least 95 percent of a foreign school's American graduates pass on their first attempt the examination of the Educational Commission for Foreign Medical Graduates.

Mr. Speaker, I feel that this requirement is unnecessarily strict and is arbitrary in that it applies only to medical schools.

Every Member is aware of the great burden created by the costs of a medical education. For the majority of Americans attending medical school abroad, the GSLP is the only means by which an education is possible.

At this time, I wish to submit for the RECORD my comments to HEW on the proposal. I would urge all of our colleagues to make known their views on this issue.

The letter follows:

JUNE 19, 1979.

MR. JOHN R. PROFITT,
Director, Division of Eligibility & Agency Evaluation, Bureau of Higher & Continuing Education, U.S. Office of Education, 7th & D Streets, S.W., Washington, D.C.

DEAR MR. PROFITT: I would like to register my concern about the proposed new regulation regarding the eligibility of foreign medical schools under the Guaranteed Student Loan Program (45 CFR 149).

Although I can certainly appreciate the Office of Education's desire to ensure a high rate of repayment for GSLP loans, I do not feel that the new proposal addresses that desire in a just manner.

The new regulations would require that at least 95 percent of a school's American graduates pass on their first attempt the examination of the Educational Completion for Foreign Medical Graduates. This requirement seems arbitrarily strenuous.

In addition, these restrictions on Guaranteed Student Loan Program eligibility are placed only on foreign medical schools and not on other institutions.

The rigors of obtaining a medical education are well documented. The additional expense of doing so in a foreign country makes it imperative that these students receive Federal loan guarantees. Any revision of the program must be carried out in a judicious fashion.

With kind regards, I am

Sincerely,

JOSEPH G. MINISH,
Member of Congress.

TWELVE MILLION RETIRED AMERICANS JOIN THE FIGHT AGAINST INFLATION

HON. ROBERT K. DORNAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 19, 1979

● Mr. DORNAN. Mr. Speaker, yesterday, the Task Force on Inflation gave me the opportunity to express my views on what is, without question, the No. 1 domestic issue facing Americans today—the nightmare of runaway inflation.

Inflation has plagued us so long now tht many citizens question whether the problem can be dealt with at all. My own reply to the solution is a qualified "Yes." What must be made absolutely clear at the outset is that there are no "quick-fix" solutions. Inflation can only be dealt with effectively when approached in a gradual, responsible manner over a period of years through the exercise of fiscal and monetary discipline coupled with a tax and regulatory environment conducive to capital formation and productivity. And, even more important in the ultimate outcome of a successful war against inflation, in additon to the application of time-tested economic remedies, is a renewed moral and spiritual vision. I share with the noted German economist, Wilhelm Roepke, the conviction that inflation is, at root, a moral disease and a spiritual illness.

The moral and spiritual dimensions of inflation are readily apparent, Mr. Speaker. In the past half century, the Federal Government has assumed a paternalistic role in our society by acting as man's "benefactor" in the name of compassion, humanitarianism, and egalitarianism. It has whetted the appetite of citizens for an increasing array of Government services and has sought to pay for them through increased taxes, repeated budget deficits, and the creation of fiat money. A generation of Americans has been weaned on the profligacy of paternalistic government. A state of dependency has spread across our land encouraged by some politicians who made, and continue to make, promises that cannot possibly be kept. The old philosophy of "tax-tax, spend-spend, elect-elect," of priming the pump to encourage spending, is now seen for what it literally is—a bankrupt philosophy. The fruits of this bankrupt philosophy—higher taxes, deficit spending, and an expansionist monetary policy—have encouraged a materialistic outlook of free and easy money on the part of both the public and private sectors with the result that citizens view themselves as "consumers" bent upon instant gratification rather than as producers. As a result, productivity and savings, the real wealth of a nation, have suffered. In addition, a government that views itself in paternalistic terms naturally assumes that it knows what is best for its citizens and that it can centrally plan and direct the intricate and manifold workings of a complex economy of 220,533,144 people.

Simply put, Mr. Speaker, inflation, caused and sustained by the Government acts as "the opium of the people," throwing a veil of illusion and deceit over every human interaction. It confuses and deceives, raises expectations and hopes which are soon dashed, and ultimately sets the stage for economic anarchy, that which the English political theorist, Thomas Hobbes, aptly described as the "war of every man against every man." And then in order to restore some semblance of order, lo and behold, there eventually appears a modern economic Napoleon riding on a white horse. And that, Mr. Speaker, is the end of a free society.

What is absolutely imperative, then, if inflation is to be brought under control, is a return to the moral and spiritual vision of a Nation of free men, dependent not upon a paternalistic government, but upon their own self-reliance, self-discipline, and initiative—and, ultimately, upon divine providence. For it is instructive to note in this debate on inflation—where what is being inflated is our supply of currency—that upon each of our paper dollars and upon each of our coins is engraved the motto: "In God We Trust." We are, or should be, a humble people who place our trust not in an arrogant, paternalistic government but in the God of all.

I would like at this time, Mr. Speaker, to briefly mention two bills which I have introduced and which, I believe, would go a long way toward successfully combating the fires of inflation. The first is the Federal Salary Control Act of 1979, which inversely ties the salaries of Members of Congress and top appointed Federal officials to the rate of inflation. As the rate of inflation goes up, our salaries go down. The bill calls for an elimination of the escalator clause which provides for automatic salary increases to offset inflation. In addition, before going into effect, the bill allows for a lowering of the inflation rate over a period of 2 years to 7 percent and a further lowering of the inflation rate over the subsequent 4 years to 2 percent per annum. Thereafter, salary increases are explicitly prohibited unless the inflation rate is kept at 2 percent or less for 2 consecutive years. There is also a floor of $42,500 for Members of Congress and $32,500 for appointed officials below which salaries cannot drop. I sincerely believe that the Federal Salary Control Act of 1979 is necessary, because it holds accountable those in high-salaried Government positions who are the chief architects of inflation. We, as public servants, should be setting an example of fiscal responsibility for the rest of the Nation. Anything less can only further undermine the people's confidence in representative government.

I have also introduced H.R. 3833, the Money Supply Control Act of 1979, which would decelerate the growth of the money supply (using M2) in a gradual, responsible manner over a 6-year period from between 8 and 9 percent in 1979 to 3 and 4 percent in 1984 and each subsequent year. Often overlooked in the efforts to curb inflation is the excessive growth in the money supply that is not in balance with the real productive wealth of the economy. What is being "inflated" in inflation is the supply of money—currency and bank credit—completely out of proportion to the real productive wealth of the economy; that is, the goods and services produced. It is shocking to learn that, in just the past 40 years since 1938, the value of the dollar has shrunk to 20 cents. In the same period, of course, there has been an awesome growth in the money supply. From 1940 to the beginning of 1978, there has been a 1,448-percent increase in the money supply. One thousand four hundred forty-eight percent. From 1972 to early 1978, the basic money supply known as M1 increased 31 percent while the Nation's output of goods and services went up only 14 percent, after discounting for inflation. If M2 is used as an index of measure, the rise during the same period has been even more alarming—63 percent. Keep in mind that money is supposed to be the symbol of the real wealth of the Nation.

The House Committee on Banking, Finance, and Urban Affairs has recently, last March 12, issued a report which calls for a "steady deceleration in the average annual rate of monetary expansion over the next 5 years." In a recent speech, our distinguished colleague, Congressman PARREN MITCHELL, chairman of the Subcommittee on Domestic Monetary Policy, cogently articulated the case:

> We do not need to be afraid of using monetary policy to promote economic stability by slowly reducing money supply growth until it is commensurate with the economy's long run potential to increase production.

I applaud that solid, logical approach.

Experience in recent decades suggests that a growth between 3 and 4 percent constitutes the tempo at which the American economy has been able to grow, given the various limitations. Thus, my bill would insure that the money supply would be gradually reduced to avoid high unemployment and to correspond with the real productive wealth of the economy. I have also chosen to use M2 rather than M1 as a more accurate gage of the money supply in light of the advent last November of "automatic fund transfers" which enable depositors to use savings accounts in much the same way as checking accounts.

If unchecked, inflation, generated by irresponsible deficit spending and fueled by an expansionist monetary policy, will lead to increasing unstable economic conditions accompanied by, of course, increasing governmental controls—at the expense of our cherished liberties. We must avert such an ugly prospect while there is yet time.

Mr. Speaker, I would like to submit the remarks of a distinguished gentleman who offered a few remarks on behalf of my Money Supply Control Act of 1979, H.R. 3833. The distinguished gentleman is Prof. Ralph W. Borsodi, consulting economist to the American Association of Retired Persons and the National Retired Teachers Association.

The remarks follow:

THE CONTAINED AND CONTROLLED EXPANSION OF THE MONEY SUPPLY

My name is Ralph Borsodi. I am a consulting economist to the twelve million member National Retired Teachers Association/American Association of Retired Persons. With me today is James M. Hacking, the Associations' Assistant Legislative Counsel.

Our Associations are deeply concerned with the fact that within the past five years this country has had two bouts with double-digit inflation. The elderly are seriously injured by galloping inflation rates. As the purchasing power of their savings rapidly erodes away their dependency on government income support programs increases. The federal government and the states must assume heavier burdens in order to maintain the income of the elderly so that they may live out their lives in decency. The financial burden of the federal government has become so great that there are many who fear for the solvency of the social security system. Inflation must be brought under control.

It is obvious that new approaches are needed to contain inflation. It is also obvious that something is very wrong with the way we have been handling the growth of our supplies of money. We are here today to support Representative Robert K. Dornan's bill, the Money Supply Control Act of 1979, because we believe that the bill provides for a disciplined approach to the expansion of our money supply. Specifically, the bill provides for a gradual, rather than a sharp reduction, in the expansion of the money supply over the next five years. This should avoid any sharp recession.

At the end of this period of gradual reduction in the rate of money supply growth, the expansion of the money supply would then be tied to the rate of growth in real gross national product (GNP). We believe that an orderly and restrained money supply growth process will be a great improvement over the present "stop-and-go policies" of money expansion and the undisciplined use of money supply growth to "whip up" periodically the national economic growth rate.

The 1970's: Economics in disarray

The 1970's have been termed by many economists as the decade of economics in disarray. It was thought impossible to have recession and inflation before the 1970's. We were, however, introduced to stagflation in 1975 and 1976, when we had both recession and advanced rates of price inflation.

Many of our other economic verities have also disappeared into limbo. Both domestically and abroad the economic scene has become chaotic and very difficult to interpret. We believe that much of this chaos dates back to the collapse of the Bretton-Woods agreement, when the dollar was cut loose from gold in 1971. Gold backing, although limited, created some discipline against the expansion of the supplies of the dollar. The expansion of supplies of the dollar during most of the 1970's has been conducted with an eye to liberally lubricating the U.S. economy, and with little regard to inflationary price effects. We are learning again that a fiat currency, or one that many call a paper currency, is a currency which is very difficult to handle; invariably the quantity of money tends to expand excessively. We believe the economic disorder of the 1970's is in great measure due to the undisciplined expansion of the supplies of the U.S. dollar.

If it seems that we are unfairly painting the decade of the 1970's as chaotic in the United States (and abroad), we would point out that the 1978 "Economic Report of the President" carried a detailed discussion of the "Origins of the Current World Economic Disorder." Cited as the principal sources of disorder were prolonged inflation, rising unemployment and large current account imbalances. While the report cites the strong expansionary policies existing everywhere in 1972, the rising rates of inflation were attributed to non-monetary factors: the demand for raw materials and grains during the early years of the decade, OPEC's quadrupling of crude oil prices in 1973, and the wage/price momentmum which had become institutionalized in the economies of many industrialized states. The Council of Economic Advisors, which prepared the report, has, in our view, however under-estimated the contribution that overly expansive monetary policy has made to the economic instability of the 1970's.

Restoring economic order

We believe that the fundamental cause of economic disorder of the 1970's has been the lack of stability of the U.S. dollar. Our economy revolves around exchange and long term investment. When the unit of exchange and the unit in which long term investment is gaged lacks stability the foundations of the economy become shaky.

The philosophy that money does not matter, only employment matters, is a totally inadequate philosophy. Both money and employment matter. Private sector employment heavily depends on the willingness of the private sector to invest in new enterprise. This becomes hazardous when high inflation rates make return on investment difficult to calculate. The sickness of our stock markets is no accident. Investors are, also unwilling to commit funds at reasonable interest rates for new investment, when high inflation rates may create losses for them.

The dollar needs to be stabilized to restore order. Since we have a fiat currency, standards must be established for expanding the money supply. The standard we should use is the real national economic growth rate.

A simple comparison between the growth of M1 money stock and the growth of real GNP reveals that in the first two decades after World War II M1 grew at a slower rate than real GNP. However, for the 9 years from 1967 through 1976, real GNP grew at an annual rate of only 2.6, while the money stock grew at a 5.8 percent annual rate. The mathematics are that we have been excessively expanding the money supply during the 1970's.

We believe that if we are to restore economic order the annual growth rate of the money supply should be no greater than the real growth rate of gross national product. And this we understand is the intent of the Money Supply Control Act of 1979, following a period of years gradually reducing the past expansion rate.

Will reducing the money stock growth rate bring on recession?

Business fears what it does not know. A known future reduction in money supply and credit is information to which business can adjust. A sharp braking of money expansion and credit may create business situations to which the private sector cannot adjust. But gradual slowing of the money supply growth rate should not produce a sharp recession.

A Chart of Money Stock changes for the period 1954 to 1979 is attached to the testimony we will file with you. Slow-down in money expansion in late 1955, mid-year 1962, mid-year 1965, late 1971, and early 1976 did not produce recessions. Abrupt declines in money stock invariably point to a period of recssion or depression. Such declines were associated with the recessions of 1957/58, 1960, 1970 and 1974.

Since the rate of money supply expansion should be only gradually reduced to avoid recession, The Money Supply Control Act of 1979 properly argues for a five year period within which to accomplish this gradual reduction. The deceleration would take place in the M-2 money aggregate at the rate of 1 per cent a year, until the expansion rate approxmiately equaled the real rate of increase in GNP. Our previous testimony before the Banking Committees of both houses urged a deceleration of the growth rate in money supply in terms of the M-1 aggregate, of approximately 1 per cent a year, until the expansion again equaled the figure of the growth in real GNP. This testimony was supported by detailed econometric studies of the growth of money stock and of inflation. We are providing for the record our detailed testimony on this subject.

SUMMARY

We have attempted to outline in a very brief way the rationale for containing the expansion of the money supply and then controlling it, using the real GNP growth rates as the ultimate guideline. This subject has been studied at great length by the monetary economists and those particularly associated with the Chicago School of Economists. The economist, Milton Friedman, has established, beyond doubt, in his famous studies of "The Monetary History of the United States, 1867–1960" that—

"Throughout the near-century examined in detail we have found that:

"1. Changes in the behavior of money stock have been closely associated with changes in economic activity, money income and prices.

"2. The interrelation between monetary and economic changes has been highly stable.

"3. Monetary changes have often had an independent origin; they have not simply a reflection of changes in economic activity."

We must again assign to money its importance in guiding changes in economic activity.

TABLE 1.—*Post-World War II trends in nominal and real gross national product and in money stock (M1 aggregate) 1947–77*

[All figures in billions]

	Nominal GNP	Money stock, M1 aggregate	Real GNP in 1972 dollars
1947	$232.8	$113.1	$468.3
1948	259.1	111.5	487.7
1949	258.0	111.2	490.7
1950	286.2	116.2	533.5
1951	330.2	122.7	576.5
1952	347.2	127.4	598.5
1953	366.1	128.8	621.8
1954	366.3	132.3	613.7
1955	399.3	135.2	654.8
1956	420.7	136.9	668.8
1957	442.8	135.9	680.9
1958	448.9	141.1	679.5
1959	486.5	143.4	720.4
1960	506.0	144.2	736.8
1961	523.3	148.7	755.3
1962	563.8	150.9	799.1
1963	594.7	156.5	830.7
1964	635.7	163.7	874.4
1965	688.1	171.3	925.9
1966	753.0	175.7	981.0
1967	796.3	187.3	1,007.7
1968	868.5	202.2	1,051.8
1969	935.5	208.8	1,078.8
1970	982.4	219.6	1,075.3
1971	1,063.4	233.8	1,107.5
1972	1,171.1	255.3	1,171.1
1973	1,306.6	270.5	1,235.0
1974	1,413.2	283.1	1,214.0
1975	1,516.3	294.8	1,191.7
1976	1,692.4	311.9	1,265.0
30 yr. ave. an. growth rate (percent)	7.1	3.6	3.5

M1 growth rates: 1947–57 —1.9 percent; 1957–67 —3.3 percent; 1967–76 —5.8 percent.

Real GNP growth rates: 1947–57 —3.8 percent; 1957–67 —4.0 percent; 1967–76 —2.6 percent.

Date from various government sources as given in the 1977 Economic Report of the President.

CONGRESSMAN ROBERT F. DRINAN ADDRESSES NATIONAL CONFERENCE OF CHRISTIANS AND JEWS

HON. BENJAMIN S. ROSENTHAL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 19, 1979

• Mr. ROSENTHAL. Mr. Speaker, the campaign for human rights in this country has not been confined to one particular segment of our society, nor to one particular religious denomination. At a recent meeting of the National Conference of Christians and Jews, Congressman ROBERT F. DRINAN addressed the need for a concerted, coordinated effort by all people of goodwill to combat difficult humanitarian problems which transend parochial borders.

At a colloquium on religious responsibility and human rights, Congressman DRINAN stated that:

> Both Christians and Jews have dozens of reasons to link themselves together in an international organized body that will speak out on behalf of human rights.

For nearly 35 years the National Conference of Christians and Jews has played a major role in cementing constructive relations between these two great religious communities. I commend the remarks of Congressman DRINAN to the attention of our colleagues. The text of his address follows:

ADDRESS OF CONGRESSMAN ROBERT F. DRINAN

Keynote talk given in New York City at the opening meeting on Monday evening, June 11, 1979.

Human rights is not really a new topic for the International Conference of Christians and Jews (ICCJ). At its very first meeting at Oxford University in 1946 the ICCJ outlined its philosophy of human rights with these words—particularly relevant in the year of the Nuremburg trials:

"The moral law which is rooted in God and implanted in man's nature is binding, not only upon individuals, but also upon society and all its groupings."

The ultimate premise of the ICCJ was also enunciated at Oxford in these words:

"As Christians and Jews we are firm on the basis of divine revelation that the dignity rights and duties of man derive from his creation by God and his relation to God . . .".

Those same convictions and that same consensus are apparent in the 10 points adopted by the ICCJ in Seelisberg in 1947 and in the 10 objectives agreed to in July, 1977 at the University of South Hampton in England.

There are echoes here of the meetings of the ICCJ in Vienna, Jerusalem and Hamburg but, I would suggest, that there is a challenge now for new horizons to be explored by the ICCJ.

The emphasis on human rights around the world now a part of American foreign policy may seem new since it is but three years old. But this policy has its roots in the 1948 United Nations Declaration of Human Rights and the covenant supporting that document.

The United States Congress has terminated aid to Argentina, Paraguay, Ethiopia, Chile and other nations because these countries will not implement internationally-guaranteed human rights.

All of this is encouraging but the ferment for fulfillment of human rights simply has to take on a deeply religious dimension. This is the reason why the conference of the ICCJ which begins this evening has primordial relevance at this time. Now is the time for an organized international drive on the part of Christians and Jews to broaden and deepen humanity's concern for human rights.

Christians and Jews have dialogued extensively in the past. Christians of all kinds have entered into ecumenical agreements and arrangements. Christians and Jews have come together on an episodic basis to fight for civil rights, to eliminate racism from our immigration policy and to terminate the war in Vietnam. But there is need of a continuous international group of Christians and Jews to make pronouncements, to teach, to scold and to inspire.

We have Amnesty International and the International Commission of Jurists based in Geneva. But the voice and the vision of believers is needed. We need the voice of those who believe that God has intervened in history. This is the unique bond which brings Christians and Jews together. They both believe that God himself intervened in human affairs when he spoke to Abraham. And together, Jews and Christians each day pray to and adore the God of Abraham, Isaac and Jacob.

Both Christians and Jews have dozens of reasons to link themselves together in an international organized body that will speak out on behalf of human rights. Christians should have the enormous guilt which comes from the repression of the Jews over 2000 years in a Christian culture—a series of horrendous injustices that culminated in the Holocaust.

Jews in collaborating for the vindication of human rights are fulfilling every precious tradition in Judaism. They are deeply concerned—as we hope humanity is—about the fate of 70,000 Jews in Iran, the apprehensions of 118,000 Jews in South Africa and the deep concern for the future of the 300,000 Jews in Argentina.

Let us hope, therefore, that at last we will have a vibrant and dynamic international group of Christians and Jews speaking out on all of those moral issues on which together they have a profound consensus. They will speak out against genocide, against tyranny, against the escalating arms race but, even more importantly, they will speak out on three crucial issues all of which have enormous consequences for all of humanity. These three issues are: 1) global hunger, 2) the plight of refugees and 3) the protection of Israel by means of a growth in the global understanding of Zionism.

GLOBAL HUNGER

During the next 60 seconds 200 infants will be born into our global village. Only 100 of these 200 of our new brothers and sisters will live beyond the age of 5. Only 50 of them will live beyond the age of 15. Of the 50 survivors only 25 will be able to read and write.

In the year 2000, 4 out of every 5 human beings will be living in the underdeveloped nations of Asia, Africa and Latin America.

The Second Vatican Council stated in dozens of ways that a commitment to the poor and to the powerless is in our age a very effective and indeed an indispensable way of bringing about not merely justice, but also the possibility of faith. Pope Paul VI in his encyclical "On the Development of Nations" issued in March, 1967 reminded all of us of the responsibility that faces us in view of the global death of children, the misery of families and growing illiteracy, the prevalence of malnutrition and the tragedy of pervasive unemployment.

Unfortunately, things today are even worse than the Second Vatican Council and Pope Paul foresaw. In the last 5 years, for example, the billion people who live on incomes of less than $200 a year are now more numerous and worse off than they were 10 years ago. It is not some revolutionary who tells us these things, but the President of the World Bank.

Listen to the voice of the 300 Catholic Bishops of Latin America in their final statement at the Puebla Conference in early 1979:

"From the heart of Latin America, a cry rises to the heavens ever louder and more imperative. It is a cry of a people who suffer and who demand justice, freedom and respect for the fundamental rights of man. In (the people's) pain and anxiety, the Church discerns a situation of social sin, of a magnitude all the greater because it occurs in countries which call themselves Catholic.

We identify, as the most devastating and humiliating scourge, the situation of inhuman poverty in which millions of Latin Americans live . . . To this situation of misery must be added the anxieties arising from abuses of power, typical of military regimes . . ."

Dom Helder Camara, Archbishop of Recifeinn Brazil, has pointed out why we must protest:

"When we are accused of neglecting our spirituality in order to perform political tasks we ask ourselves if it is not also political to continue to defend a pseudo-social order that conceals terrible injustices . . . Neutrality would be treasonous."

Very shortly, the Presidential Commission in Global Hunger, chaired by Sol Linowitz, will tell us all of these things one again. Hopefully the United States will seek to follow up the recommendations of the Commission on Hunger established by President Carter. What we need—what all humanity needs—is the voice and the vision of the organized religious groups of Christians and Jews. We need that voice to enunciate the truths that certainly political rights are important, but economic rights are equally or even more important. The right to food and fuel and fertilizer is just as important as the right to participate in a political way in the country in which one resides.

A VOICE FOR THE FUTURE OF REFUGEES

If an International Conference of Christians and Jews had existed in the 1930's or even in 1942, perhaps the Holocaust might not have claimed the lives of 6 million Jews. The voice of the ICCJ could at least have told humanity that these threatened persons should be able to migrate to another nation.

We feel some pride that the United States is taking at least a moderate number of the Vietnamese "boat people." But our record over the last generation with regard to accepting refugees is not particularly generous. We have accepted 300,000 Cubans, 58,000 Hungarians, some 160,000 Vietnamese and about 40,000 Soviet Jews. But we still retain a ceiling of 250,000 immigrants who can come to the United States each year. That figure was established not after the Second World War but far back in 1920!

Americans who urge that all illegal aliens or undocumented persons be sent back to the country of their origin are doing nothing either to help those persons in their fatherland or to adjust the number of visas which America extends annually to foreigners.

Christians and Jews working together obtained in America the elimination of the racist features of the old Immigration Act. Now it is time for more radical surgery.

There are many indications that there may well be vast movements of refugees around the world in the next few years. In Bangladesh, 75,000,000 people reside in a country the size of Florida. By the year 2000 that number will have increased to 150,000,000!

There are other areas where the ICCJ must be strong. It must monitor and strengthen the Helsinki Agreement, it must assist the growth of Democratic institutions in Africa but, above all, it must explicate Zionism to all of humanity.

ANTI-ZIONISM IS THE NEW ANTI-SEMITISM

It is frightening to recall that in 1975 72 nations of the General Assembly of the United Nations—countries representing two-thirds of humanity—voted for a proposition that denounced Zionism as a form of racism.

This group, made up largely of third world nations, turned anti-semitism into anti-Zionism. Where did these third world countries learn anti-semitism? It was not from the Koran or from Buddhism or from Hinduism that they learned it but from the Christian nations. Anti-semitism apparently metastasized from Christian Europe into the third world.

The explication and defense of Zionism is one of the fundamental duties of the ICCJ and includes, of course, the defense of international support for Israel.

The United States Congress has given to Israel since 1973 over $10 billion of economic and military assistance. The Congress is at this time processing additional authorizations for $4.5 million in order to permit Israel to carry out the provisions of the Israel-Egyptian treaty.

Seven Presidents and 16 Congresses have fulfilled America's commitment to Israel but even that outstanding record could be altered and eroded unless Christians understand the unique role and mission of the nation of Israel.

If Jews and Christians desire to enhance humanity's respect for the nation of Israel, they must continuously seek to understand the faith of each other. The Second Vatican Council in 1965 finally condemned anti-semitism, but the Council said nothing about the Holocaust, the establishment of Israel or Zionism.

Now is the time for Christians to begin to understand the history of Judaism. How few Christians have understood or even heard about the long isolation of Jews in Christian Europe from the year 300 to 1540? But with the Reformation the Jews half hoped that they would have some liberation but their hopes were in vain. From 1540 to 1800, the Catholics and Protestants of Europe disagreed on virtually everything except their common conviction that the Jews should continue to be isolated from the life of the nations where they resided. Even with the emancipation of the Jews around the year 1800 there began a period which, alas, ended in the crematoria of the Holocaust.

Christians will have to understand what Jacques Maritan said. These are the sentiments of this century's most famous Catholic theologian:

"The people of Israel are a unique people in the world because their land, the land of Canaan, was given to them by the true Lord, the only God above all, creator of the universe and of the human race . . . and what God has given once is given forever."

I had many reflections as I sat on the lawn of the White House on March 26, 1979 to witness the historic signing of a peace treaty between Israel and Egypt. I wondered if finally the Zionist dream would be fulfilled. Could we anticipate that in Israel at last there would be a really Jewish state, with Jewish poetry, Jewish literature, Jewish art and, yes, Jewish mysticism?

The work of Christians and Jews at the international level is to make certain that America's and humanity's commitment to Israel is not eroded. That commitment was spelled out by President Carter speaking to the Knesset on March 11, 1979 in these words:

"Seven Presidents have believed and demonstrated that America's relationship with Israel is more than a special relationship. It has been and is a unique relationship. And it is a relationship which is indestructible because it is rooted in the consciousness and the morals and the religions and the beliefs of the American peoples themselves."

Clearly, Christians will have to understand more the anxiety of Jews everywhere for the fate of the 3 million Soviet Jews. Thirty-four Christians attended the second Brussels Conference in 1976. As Golda Meir accepted the statements of this group of 34 Christians before a body of 1200 Jews from all over the earth, she spoke these words which had a profound effect upon me as I heard them from this elderly matriarch:

"We just refuse to disappear. No matter how strong and brutal and ruthless the forces against us may be—here we are. Millions of bodies broken, buried alive, burned to death. But never has anyone been able to succeed in breaking the spirit of our people."

Contemplate what Christians and Jews have done over the past nine years to liberate the Jews of the Soviet Union. Some 50,000 Soviet Jews will be able to emigrate this calendar year alone! If pressure on the Kremlin continues and no further tragic events occur within Russia, we may anticipate that what someone has called the last Exodus could bring over the next 3 to 5 years some 250,000 Soviet Jews out of the land of bondage.

Elie Weisel practically wrote the mission of the ICCJ when he proclaimed these sentiments:

"We cannot forget injustices . . . to forget is a crime against memory. Whoever forgets becomes the executioner's accomplice . . . we must tell, shake, awaken, alert, repeat over and over again without respite or pause, repeat to the very end those stories that have no end . . ."

Albert Camus, a non-Christian, told what he expects of those who follow Christ:

"What the world expects of Christians is that they should speak out, loud and clear, and that they should voice their condemnation in such a way that never a doubt, never the slightest doubt, could arise in the heart of the simplest man. They must get away from abstraction and confront the blood-stained face that history has taken on today."

The ICCJ was born in 1946 because Christians and Jews were revolted at the Holocaust. They could not believe that it had happened. They were aghast at what an overwhelmingly Christian nation had done.

Today, more than 30 years later—despite the establishment and glory of Israel—we still tremble when we consider the vast repression of human rights. During your deliberations here you will hear about violations of human rights in Chile, Indonesia, Rumania, South Africa and elsewhere. You will probe the depths of the theological, Biblical and mystical roots which link us together as Jews and Christians.

You will bear the thoughts of horror which a few days ago Pope John Paul II had as he prayed in the dungeon cells of Auschwitz. You will rejoice that a Pope for the first time in 35 years has visited the place where 2.5 million Jews perished.

I dream of wonderful things that will be forthcoming from this conference. I dream of a strong and vigorous international organization of Christians and Jews that will proclaim humanity's duty to bring bread to the hungry, to grant refuge to the refugees and to proclaim the rights of Zionists and the people of Israel.

On April 24, 1979 at an unprecedented ceremony on the Holocaust in the Rotunda of the Capitol in Washington, Elie Weisel gave a message which epitomizes everything that the ICCJ stands for. These are his words:

"We have learned not to be neutral in times of crisis, for neutrality always helps the aggressor, never the victim. We have learned that silence is never the answer. We have learned that the opposite of love is not hatred, but indifference . . .

"So let us remember, let us remember the heroes of Warsaw, the martyrs of Treblinka, the children of Auschwitz. They fought alone, they suffered alone, they lived alone, but they did not die alone, for something in all of us died with them." ●

POPE JOHN PAUL II'S VISIT TO POLAND

HON. PETER W. RODINO, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 14, 1979

● Mr. RODINO. Mr. Speaker, I want to commend my good friend and colleague from Wisconsin, the distinguished chairman of the Foreign Relations Committee, Clem Zablocki, for taking this special order to recognize Pope John Paul's visit to Poland.

Mr. Speaker, I believe the Pope's visit will be recorded in history as one of the most significant events of our time. For the former archbishop of a large industrial city inside an officially atheistic country to become the head of the Roman Catholic Church is indeed inspiring. His triumphant return to his homeland served to point out not only the tremendous faith of the Polish people—of whom 90 percent are Catholic—but also their unyielding struggle for self-expression.

While living under the rule of a totalitarian government, the Polish people passionately supported John Paul's challenge to the Polish Government not to restrict religious expression. I am sure it is not difficult for us to imagine that these same people would like to extend that challenge beyond religious expression—to provide for the kinds of basic freedoms which we in America take for granted: The freedom to speak, to write, to publish, and indeed to openly believe in something other than totalitarianism.

Mr. Speaker, our own commitment to fighting for human rights is equally as challenging when we consider the tragedies occurring around the globe. The devastating loss of human life in Southeast Asia is unconscionable. While the United States has tried to do our part to help these victims of repressive governments whom we call "refugees," it is incumbent upon us to do still more. We must assume the responsibility, and must put pressure on other countries to assume their responsibilities as members of the world community. We simply cannot allow these people to die. Nor can we ignore the people of Eastern Europe who cry out for help in emigrating from totalitarian states.

Mr. Speaker, Pope John Paul II's visit took a tremendous amount of courage and faith. It is my hope that the rest of mankind, inspired by the Pope's visit, can find the spiritual strength and courage needed to meet the pressing demands of our belief in human rights.●

THE DRAFT: TEENS DON'T WANT IT

HON. GEORGE MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 19, 1979

● Mr. MILLER of California. Mr. Speaker, the passage by the Senate Armed Services Committee of a proposal to resume registration for the draft prompts me to once again express my opposition to such a proposal. It is unnecessary at this time, and it is certainly wrong to consider such a drastic step as a mere amendment to the defense authorization bill. If we are to reinstitute this system of supplying manpower to our Armed Forces, then let it begin only after a full, open, and public debate.

My colleagues who are supporting this registration proposal believe that this is not the first step toward a resumption of the draft. This belief is well-intended but totally incorrect. Even the highly respected National Journal, in an article on this subject, admits that "registration would be a meaningless process unless at some point the draft itself were revised."

So if we are to have a full public discussion about the draft, I want to be sure that those young men and women who might be drafted are included in the debate. In this regard, I am inserting in the Record a letter that appeared in the Contra Costa Times, a newspaper in my district. It is from a local high school student, and expresses well the feelings of those draft-age youngsters who are opposed to this legislation. I commend this article to all of my colleagues:

Draft: Teens Don't Want It

(By Alison Dettmer)

The draft. For many teenagers and young adults that word offers frightening connotations. And rightfully so.

Currently Congress is considering legislation that would require draft registration of men and women, with possible inductions of men by the end of this year.

In a time when no military emergency exists and human needs remain unmet, it appears unnecessary to spend close to $30 million for the registration and/or classification of young persons for possible conscription.

This revival movement is sparked, in part, by fears of the quality and quantity of the All Volunteer Army, AVA, and by fear the United States is losing its credibility in foreign dealings.

The draft is seen as a response to the Soviet military presence in the world. Currently there are 2.1 million active duty personnel and 1.1 million reservists, but this is not considered an adequate force.

To renew the draft would be an infringement upon personal and democratic freedom. Conscription is contrary to our country's principles; it is totalitarian, not democratic. The draft is leading to increased government regimentation and control over citizen's lives.

The House Armed Services subcommittee on military personnel is currently considering seven draft bills, one of which the full House Armed Services Committee is expected to bring to the floor of the House.

One of these bills, or a combination, will most likely be recommended and passed by the House.

Rep. Charles Bennett of Florida is proposing a bill, HR–23, which would require the president to order the Selective Service System to commence registration of young men this year.

It also calls for opening private and public school records to Selective Service. They would have access to tax information, social security records, drivers' license applications and such.

It would amend the Privacy Act to permit the Selective Service to have access to information in the records of any agency for the purposes of conducting registration.

The bill, HR–2404, calls for the registration of 18-year-old men and women, and the induction of up to 200,000 men only into the individual Ready Reserve each year.

Congressman Paul McCloskey of California is proposing a bill which would give the 17-year-old registrant a year to consider four options: two years of active military service, with educational benefits; six months of active duty followed by five and one half years of Reserve obligations; one year of civilian service; or placement in a pool of potential draftees for six years.

The option of signing up for civilian service has a certain appeal, but it contains some problems.

Refusing to be in active military service, many young adults will gladly volunteer for a national service. These national service workers could create cutbacks in other social service programs and displace employed workers.

A good question has risen in an article "Greetings You're About to be Drafted," "How many $10,000 per year church custodians will find themselves replaced with $3,000 national service workers?"

People who support the draft say you should love your country enough to defend it, and the United States must have something to defend itself if no one else is listening.

For youth it doesn't seem to be a question of fighting for one's country, it is more a fact that the youth do not want to serve the government.

A recent Harris poll shows 47 percent of those between the ages of 18 and 29 opposing registration.

Particularly for high school students it is presenting a disruption of their lives and future plans.

Many young people feel we should have learned from Vietnam. One teenager feels since we are no longer in any active warfare, the increase in the army will be creating a facility for its use.

If a war would break out, an 18-year-old sees that nuclear weapons will be used. "Hand to hand combat would be virtually impossible. Why build up a large army?"

Many teenagers seem to feel that no one has a right to fool around with a life, which is presently what the government is trying to do. "I personally cannot kill anyone. I don't feel I have a right to take a life."

The budget which President Carter submitted to Congress Jan. 22 would increase military spending more than $10 billion. The proposed budget places military spending at $138.8 billion as opposed to expenditures of all public schools at $116.9 billion.

One of the problems the pro-draft people complain about concerning the All Volunteer Army is that only the poor and minorities are volunteering, an estimated 42 percent.

They feel the draft will create a cross-section of people represented in the army. However, with compulsory enlistment the upper class, wealthy and educated will be able to resist. It will still be the poor who have no choice.

Perhaps the millions of dollars used for implementing the draft could be used to eliminate unemployment and poverty which pushes the minority into the army for a decent life.

Money should be used to improve the quality of life available to persons who volunteer for the armed services. Young people would be volunteering if it had something to offer.

Editor's note: Alison Dettmer is a junior at Pleasant Hill High School. She has been participating in the CCT-2 program which is a joint project sponsored by the Contra Costa Times and County Regional Occupational Programs. Its purpose is to give high school students realistic job insight and training.●

JUSTICE FOR WELBY LEE

HON. TIM LEE CARTER

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 19, 1979

● Mr. CARTER. Mr. Speaker, the area of Kentucky in which I grew up has long been noted for the tenacity of its people. That persistent pursuit of purpose is a characteristic in which we take pride, for often it is the one quality which produces results.

A recent article in the Louisville Courier-Journal chronicled the special tenacity of a man from my hometown, Mr. Welby Lee, in seeking justice.

This article shows how one man can do the impossible, so long as he has right on his side, and I offer it for the Record:

One Man's Search for Justice Became a Journey of 20 Years

(By Byron Crawford)

Tompkinsville, Ky.—At 3:55 p.m. on New Year's Eve, 1944, time may as well have stopped for Welby Lee of Tompkinsville. For never, since that moment, have things been the same for him or his wife, Lina.

It was a stormy afternoon near the Kentucky-Tennessee border, where Welby's father lived.

His "pappy," as Welby called him, had crossed the highway to fix a barndoor latch. Mildred Casteel, Welby's 16-year-old niece, was working in the kitchen when she heard a car hit something, and, thinking it was the dog, looked out the window.

Two men were getting out of a black coupe, talking excitedly. One was tall, slim, a bit stoop-shouldered, with black hair that lay smooth and was combed straight back.

The other had lighter hair, was not as slim, but about the same height, and wore a gray, medium-length jacket.

When Mildred stepped out the door, the men jumped into their car and sped off toward Tompkinsville.

In the ditch lay Welby's father, Newt Lee, bruised, broken and barely alive. He died a short time later, before they could get him to a hospital. The impact had thrown him 65 feet, and the car appeared to have swerved off the shoulder before hitting him.

Even before the funeral, Welby, who was then 31 years old, began trying to find who had struck his father and left him in the ditch to die.

A year went by, and another. Welby sold his partnership in what promised to be a prosperous lumber business to devote more time to finding his father's killer.

Up every holler, down every road, into every general store, he was asking questions about that day: Did anybody remember two strangers in a black '38 or '39 model coupe? Several said they'd seen them; a store operator said they'd been drinking.

Welby's only shred of tangible evidence was a chrome bumper guard, which he believed came off the death car. It had been found near his father's body.

A woman at a parts house in Tompkinsville had remembered selling it to a slim, dark-haired man, but she didn't know his name and did not remember seeing him before or after the sale.

Another year went by. Welby tried to enjoy himself playing baseball, one of his favorite pastimes. But constantly while on the pitcher's mound or in the field, he found himself gazing at the bleachers for a slim, stoop-shouldered man who combed his black hair straight back.

His days and many of his nights were spent asking questions, checking out leads dispelling rumors about who might have done it, leaving no stone unturned in a 50- to 75-mile radius of Celina, Tenn., near where his father was killed.

Welby never stopped asking questions, and many sleepless nights were spent wondering how to proceed.

In 1958, 14 years after it happened, he got the first good clue: A California woman who once had lived in Tennessee told him that she believed her brother-in-law, a man named Jones, had done it.

He'd lived in Ohio then, she told him, and was living in Indianapolis now, divorced from her sister.

On that night 14 years earlier he and a friend, who also lived in Ohio, but was back in Tennessee visiting kinfolks, had been out together in Jones' '38 black Ford coupe, drinking quite heavily. Jones had come to his relative's home, she remembered, and ordered the family to get ready to return to Ohio that night, even though they'd planned to be in Tennessee several more days.

He'd gotten real upset, the woman said, and told his wife he was in serious trouble. She'd noticed he'd taken the license plate off the car.

Welby spent a long time looking into the Jones family; relatives, in-laws, Jones' fellow workers and neighbors in Ohio. Some reluctantly confessed their suspicions that he might be guilty, recalling statements he'd made while drinking that he'd killed a man in Tennessee.

In early 1962, Welby Lee traveled to Indianapolis and met the man named Jones face to face.

"Considering how many years it had been, he looked almost as I had expected," said Lee.

He and Jones shook hands, he recalls, "and I told him I was Welby Lee, whose father had been killed by a hit-and-run driver in 1944. His color seemed to change two or three times in the few seconds we stared at each other. . . . Tears welled up in his eyes."

"After all the many years of searching," said Welby, "I felt sorry for him at this moment, even though he had killed my father."

Ironically, Jones would never admit that he was driving the car that struck Newt Lee, even though Welby promised him he would not push for an indictment if he would be honest about what he had done.

The man alleged to have been Jones' companion when Newt Lee was killed also denied it all; denied knowing Jones, denied being in Tennessee . . . everything.

Jones threatened Welby Lee with lawsuits, and there were even threats of physical violence against him in the months that followed. But Welby, after so many years, wasn't about to stop now.

In August 1965, after a lengthy extradition from Indiana and a mistrial in Tennessee, a jury finally gave Jones a year and a day in prison for the involuntary manslaughter of Newt Lee. Welby had amassed such an overwhelming stack of evidence in the form of personal testimony from those who had seen Jones and another man drinking together, and overheard talk from the two men about what they had done, that the jury could draw no other conclusion.

Welby had devoted night and day to tracking down his father's killer, and now it was over.

"I don't have any desire to prosecute the passenger in the hit-and-run car at this time," said Welby. "He has a job, and a family."

Since the case was closed, hundreds of people have asked Welby Lee how he managed to stick with it so long.

A few of the answers are contained in a 240-page book, Welby's first-person account of the case from start to finish. It's titled: "It Took A Worried Mind."●

THE DECONTROL OF OIL

HON. ROBERT K. DORNAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 19, 1979

● Mr. DORNAN. Mr. Speaker, I very well understand the strong sentiment favoring the retention of price controls on oil. It is an essential commodity. It is often argued that if oil is left to the free play of market forces, the price will rise. The price will then be too high, and only the rich will be able to afford oil or petroleum products such as gasoline. In effect, the less fortunate will be at a disadvantage in the marketplace.

It is sometimes argued that the maintenance of price controls will keep the cost of living from rising and will ease the burden on consumers in an inflationary economy. The tacit assumption underlying the two related arguments is, of course, that there is something inherently sacred about the market price of oil at the time that the Nixon administration froze American crude prices in 1971.

While I sympathize with the sentiments of those opposed to decontrol and concede the emotional appeal of their arguments, I cannot honestly accept them. Virtually every argument advanced against the decontrol of American oil neglects the vast changes taking place in the conditions of production and the rate of demand. By artificially holding down the price of oil well below the market level, we will bring about results directly opposite of what we all wish to achieve.

First, we will artificially stimulate the demand for crude oil, petroleum products, and gasoline. Consumers can, and will, continue to buy more oil products than they would otherwise. In other words, we will discourage the conservation that virtually everyone, in both parties, agrees that we desperately need. We have had a taste of the hardship of long gasoline lines in California. We do not need to aggravate the problem on a national scale. I have yet to hear one economist deny that price controls encourage consumption.

There is a second and related problem. Price controls create and aggravate shortages. We will decrease the relative supply of available, domestic crude oil and petroleum products, that is, relative to what we would have otherwise enjoyed. Why? Because by holding down the prices to an artificially low level, a level dictated by Richard Nixon in 1971, investors will hesitate or refuse to increase their investments in the domestic oil industry. A lower rate of return on investment will discourage new investments in accelerated exploration and development of crude oil here in the United States.

Total oil research and production will require an estimated $1.4 trillion between now and 1985. The big oil companies, international operations such as Exxon, Mobil, Texaco, or Standard of California, are not greatly hurt by the price regulations. It is the small, independent, wildcat drillers who are most adversely affected. These independents drill about 90 percent of all exploratory wells in the United States. An on-shore well may cost as much as $6 million to drill, an offshore well $60 million. The capital investment in oil exploration and production is tremendous, as are the risks.

Five out of six exploratory wells are "dry" and only one in 50 is now reckoned a commercial success. It is worth noting that half of all the crude oil produced in California is produced by independent oil operations. In their anger at the international oil companies and OPEC, I find it remarkable that some public officials want to take punitive action against our own, independent, domestic producers. With price controls, marginal producers are often driven out of the market. As a result, we will end up limiting the essential supply of our oil. I cannot believe that this is what opponents of decontrol have in mind. Not after the experience in California.

We must increase our oil supplies until we achieve breakthroughs in alternative forms of energy. I have met no one in public life, including opponents of decontrol, who argues that the decontrol of oil will not result in an increase of oil supplies. The question is simply how much we will increase those supplies. The President says that by 1985, we will, under decontrol, be producing an extra 740,000 barrels per day. A Chase Manhattan Bank econometric study puts the figure at 900,000 barrels per day. Private industry estimates 1.3 million barrels per day, an optimistic projection. The most conservative assessment is that of the Congressional Budget Office which predicts an increase of 405,000 extra barrels a day by 1985. It is reliably estimated that we could cut the cost of imported oil in 1985 by as much as $10.2 billion.

We must reduce our imports of foreign oil, which are fixed by the OPEC cartel leaders at artificially high prices. Importing as much as 50 percent of our oil requirements, the United States, now more vulnerable than ever, is the world's greatest oil importing Nation. As the President said in his November 8, 1977, address to the Nation, excessive importation of foreign crude is a drain on our economy, injuring our balance of payments, weakening the value of our dollar, dampening investment and contributing to domestic unemployment. This outflow of dollars, now approaching a staggering $50 billion, is expected to grow. We must curtail that outflow of dollars. By the administration's calculations, every $5 billion increase in oil imports costs the United States 200,000 American jobs. Our failure to increase our domestic supplies, along with alternative forms of energy, is, in effect, a subsidy of the OPEC cartel.

I have been an outspoken opponent of most of President Carter's domestic and foreign policies, but on this issue of oil deregulation he is right on target. Free enterprise is still the best economic system devised by mankind.●

YOUTH EMPLOYMENT

HON. TED WEISS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 19, 1979

● Mr. WEISS. Mr. Speaker, following are the copies of two bills which I introduced today dealing with the subject of youth employment, a matter of critical concern for our Nation.

The material follows:

H.R. —

A bill to amend the Internal Revenue Code of 1954 and the Comprehensive Employment and Training Act to provide for the eligibility of certain in-school youth for, and for the certification and referral of such youth to, jobs under the targeted jobs tax credit program

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. (a) Section 51(d)(3) of the Internal Revenue Code of 1954 (relating to the amount of credit for employment of certain new employees) is amended to read as follows:

"(3) ECONOMICALLY DISADVANTAGED YOUTH.—

"(A) IN GENERAL.—The term 'economically disadvantaged youth' means any individual—

"(i) who is certified by the designated local agency as—

"(I) meeting the age requirements of subparagraph (B), and

"(II) being a member of an economically disadvantaged family (as determined under paragraph (9)); and

"(ii) who is certified by a prime sponsor under section 113 of the Comprehensive Employment and Training Act as—

"(I) meeting the age requirements of subparagraph (C),

"(II) being in regular attendance at a public or private elementary or secondary school, and

"(III) being a member of an economically disadvantaged family (as determined under paragraph (9)).

"(B) GENERAL AGE REQUIREMENTS.—An individual meets the requirements of this subparagraph if such individual has attained age 18 but not age 25 on the hiring date.

"(C) IN-SCHOOL YOUTH AGE REQUIREMENTS.—An individual meets the requirements of this subparagraph if such individual has attained age 16 but not age 19 on the hiring date.".

(b) The amendment made by subsection (a) of this section shall apply to amounts paid or incurred after September 30, 1979, in taxable years ending after such date with respect to individuals who are first hired after such date.

SEC. 2. (a) Section 103(a) of the Comprehensive Employment and Training Act is amended—

(1) by redesignating paragraphs (20) and (21) as paragraphs (21) and (22), respectively; and

(2) by inserting after paragraph (19) the following new paragraph:

"(20) include a description of the arrangements entered into under section 113 for the certification of in-school youth for jobs under the targeted jobs tax credit provisions of section 51 of the Internal Revenue Code of 1954;".

(b)(1) Part A of Title I of the Comprehensive Employment and Training Act is amended by adding after section 112 the following new section:

"CERTIFICATION OF IN-SCHOOL YOUTH

"SEC. 113. (a) Each prime sponsor, upon the application of any individual who meets the requirement of section 51(b)(3)(A)(ii) of the Internal Revenue Code of 1954, shall provide to such individual certification of such eligibility and shall refer such individual to employers who have notified the prime sponsor of their willingness to participate in programs of employment which would qualify such employer for tax credits pursuant to the provisions of section 44B of such Code. Any such certification shall be withdrawn, and the employer so notified, upon receipt by the prime sponsor of notice under subsection (b) that such individual has failed to continue to be enrolled in and to regularly attend the classes conducted by a public or private elementary or secondary school.

"(b) Each prime sponsor shall enter into arrangements with public and private elementary and secondary schools in the area served by that prime sponsor (or with the local educational agencies administering such schools) under which the prime sponsor will be notified of the failure of any youth who has been certified under subsection (a) to continue to be enrolled in and to regularly attend the classes conducted by such school.".

(2) The table of contents of the Comprehensive Employment and Training Act is amended by inserting immediately after the item pertaining to section 112 the following new item:

"Sec. 113. Certification of in-school youth.".

(c) The amendments made by this section shall be effective October 1, 1979.

H.R. —

A bill to establish a program of full employment, vocational training, and employment placement for all young Americans willing and able to work, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Youth Employment Act of 1979".

SEC. 2. The Congress finds that—

(1) the national rate of unemployment among youths is excessively high;

(2) the number of youths who have ceased to seek employment because of insufficient job opportunities is unprecedented; and

(3) employment problems faced by youth have not been adequately addressed by the Federal Government.

SEC. 3. (a) The Secretary shall establish a program to (1) provide financial assistance to States, political subdivisions of the States, and private for profit or nonprofit organizations established under section 109 of the Comprehensive Employment and Training Act, through the Youth Job Guarantee Office established under section 4 of this Act, in each labor market area of the country, for programs of training and employment in jobs on public service and private employment projects, for eligible individuals, and (2) provide special assistance to those eligible individuals who apply for such assistance, in accordance with the provisions of this Act.

(b) There is hereby established in the Department of Labor a National Youth Full Employment Board, to be composed of members appointed by the Secretary who shall include a majority of representatives from labor, civil rights, youth, and women's organizations, chosen from among nominees submitted by these organizations, which shall advise the Secretary with respect to the program under subsection (a).

(c) In carrying out the program under subsection (a) in any labor market area, the Secretary shall consult with the Board, and with the prime sponsor's planning councils established under section 109 of the Comprehensive Employment and Training Act which are located in that labor market area.

(d) (1) The Secretary, in carrying out his functions under this Act shall seek to reduce differentials in employment rates among various population segments.

(2) The Secretary shall carry out his functions under this Act in such a way that, within one year of the date of enactment of this Act, the rate of unemployment among youths aged sixteen to twenty-four, inclusive, in any political subdivision of any State shall not exceed 10 per centum of the total labor force in such subdivision within two years of the date of enactment of this Act, the rate of unemployment among youths aged sixteen to twenty-four, inclusive, in any political subdivision of any State shall not exceed 3 per centum of the total labor force in such subdivision and within three years of the date of enactment of this Act, jobs should be supplied for all youths aged sixteen to twenty-four, inclusive, within a reasonable period.

SEC. 4. There is hereby established in the Department of Labor a Youth Job Guarantee Office, to be headed by a Director to be appointed by the Board, through which the Secretary shall carry out the program under section 3(a), in order to insure that any eligible individual who applies for assistance under this Act shall be placed in useful and rewarding employment in a job on a project assisted under this Act or in other private or public employment. The Secretary shall establish a local office of the Youth Job Guarantee Office in each State.

SEC. 5. (a) In carrying out the program under section 3(a) through the Youth Job Guarantee Office, the Secretary shall, under regulations established by the Secretary—

(1) insure that among projects planned adequate consideration is given to such individuals and groups as may face special obstacles (as defined in section 11(6) of this Act) in finding and holding useful and rewarding employment and shall provide or have provided through the coordination of existing programs special assistance, including counseling, training, and, where necessary, transportation and migration assistance;

(2) enter into agreements with any agency or organization described in section 3(a) for public services and private employment projects to be administered by such agency or organization, and such agreements shall provide for assurances that (A) an annual independent audit of the project will be submitted to the Secretary, through the Youth Job Guarantee Office, (B) books and records of such agency or organization relating to the project shall be available for reasonable review by the Secretary through such Office, (C) no eligible individual employed or applying for employment on the project shall be discriminated against because of that individual's sex, race, color, religion, national origin, political affiliation, or belief, (D) applicable provisions of chapter 15 (relating to political activity of certain State and local employees) of title 5, United States Code, will be met, (E) an annual report describing and evaluating in detail the project will be submitted to the Secretary through such Office, and (F) the provisions of section 6 will be complied with;

(3) in the case of any application from any State or any political subdivision of a State to enter into an agreement under paragraph (2), require that the application contain—

(A) assurances that such fiscal control and fund accounting procedures will be adopted as may be necessary to assure proper disbursement of, and accounting for, funds received under this Act,

(B) assurances that any woman employee on such a project shall be entitled to a maternity benefit of not less than six months' leave without loss of pay or other employment benefits, and

(C) such other information as the Secretary deems necessary,

and approve any such application which meets the requirements of subparagraphs (A) through (C);

(4) refer any eligible individual who applies in person for assistance under this Act, as appropriate (A) to private and public employment placement facilities, (B) for placement in jobs on public service and private employment projects conducted under any other Act and assisted under section 23 of of this Act, or (C) in the event that, after attempting placement under clauses (A) and (B) for a period of five days after the date of the individual's application for assistance, there is not a high probability that successful placement for the individual will occur, then placement will be made in a program under section 3; and

(5) in cases where the Secretary, through the Youth Job Guarantee Office, determines on the basis of evidence obtained with respect to any otherwise eligible individual, that the individual is not in fact able or willing to work (and no such determination shall be based upon an individual's failure to work under any circumstances where such failure results from an unlawful employment practice prohibited by section 703 of the Civil Rights Act of 1964), declare that individual to be ineligible for assistance under this Act, and provide for appropriate administrative appeal procedures to review such determination if any appeal is sought within thirty days thereafter, which shall include procedures for the enrollment of that individual in the Job Corps, as provided in paragraph (3)(B), while such appeal or any judicial review of such determination is pending.

(b) (1) Any agreement entered into under subsection (a)(2) shall provide for reimbursement by the Secretary of the additional cost to the agency or organization described in section 3(a) of the public service or private employment project administered by such agency or organization.

(2) Any individual referred to a program under this Act shall be deemed to meet the eligibility requirements for such program.

SEC. 6. (a) All laborers and mechanics employed by contractors or subcontractors in any construction, alteration, or repair (including painting and decorating) on projects which are assisted under this Act, shall be paid wages at rates not less than those prevailing on similar construction in the locality as determined by the Secretary in accordance with the Davis-Bacon Act (40 U.S.C. 276—276a-5), or those of trade union standards, whichever is higher. The Secretary of Labor shall have, with respect to such labor standards, the authority and functions set forth in Reorganization Plan Numbered 14 of 1950 (15 F.R. 3176; 64 Stat. 1267) and section 2 of the Act of June 1, 1934 (40 U.S.C. 276(c); 48 Stat. 948).

(b) The Secretary, through the Youth Job Guarantee Office, shall not enter into an agreement under section 5 unless the Secretary, through such Office, determines that—

(1) prevailing or trade union standards, whichever is higher, for the health, safety, and other conditions applicable to the performance of work and training on the project to be assisted are established and will be maintained;

(2) appropriate workmen's compensation protection will be provided for employees on this project;

(3) the project will not result in the displacement of employed workers or impair existing contracts for services or result in the substitution of Federal for other funds in connection with work that would otherwise be performed;

(4) no employee shall be paid less than the prevailing or union wage, whichever is higher, in effect in the area; and

(5) all employees shall receive compensation (A) that bears a positive relationship to their qualifications, experience, and training, and (B) that will effectively encourage them (from an economic standpoint) to advance to other employment.

SEC. 7. No person shall, on the ground of race, color, religion, age, sex, national origin, political affiliation or belief, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving financial assistance under this Act.

SEC. 8. The district courts of the United States shall have jurisdiction over any action brought seeking relief, including injunctive, declaratory, and other appropriate forms of relief as well as damages, by any person or by any class of persons deprived of rights created by or under this Act, which rights shall include, but not be limited to the right to useful paid employment at the rate of compensation provided by this Act, and any person or class of persons who has been so deprived by the United States shall be entitled in an action brought against the United States to recover damages, together with costs and reasonable attorney's fees.

SEC. 9. There are authorized to be appropriated for each of fiscal years 1981, 1982, and 1983, such sums as may be necessary to carry out the provisions of this Act.

SEC. 10. Section 109 of the Comprehensive Employment and Training Act is amended by adding at the end thereof the following new subsection:

"(g) In addition to its functions and responsibilities under subsection (a), each planning council shall—

"(1) identify local needs for additional youth employment opportunities, and, under guidelines established by the Secretary under the provisions of the Youth Employment Act of 1979, shall select and plan projects for assistance under such Act which shall provide public service and private employment (as such term is defined in section 11(2) of such Act) for young Americans; and

"(2) under standards, criteria, and guidelines established by the Secretary under the Youth Employment Act of 1979, monitor and evaluate projects assisted under such Act.".

Sec. 11. For purposes of this Act—

(1) the term "Secretary" means the Secretary of Labor;

(2) the term "public service and private employment", when used with respect to a project, means any project providing new or expanded goods or services to the public, which reflects the needs and desires of the local community served by the project, and may include any project providing social services, community health services, day care facilities, legal aid, public transportation, housing, recreation, cultural activities, sanitation, environmental improvement;

(3) the term "Board" means the National Youth Full Employment Board established under section 3(b);

(4) the term "eligible individual" means any individual aged sixteen to twenty-four, inclusive, who is able and willing to work but who is not employed and who is unable to obtain employment other than by assistance under this Act;

(5) the term "able and willing to work", when used with respect to an individual, means any individual who, by application in person at a Youth Job Guarantee Office established under section 4, or at any regional office thereof, seeks assistance under this Act in obtaining a job, regardless of any visual, motor, or hearing impairment, mental retardation, or other handicap;

(6) the term "special obstacle", when used with respect to an eligible individual's efforts to find or hold useful and rewarding employment, includes past or present discrimination or bias on the basis of sex, color, religion, or national origin, physical or mental handicap, past or present receipt of public assistance, residence in a depressed urban or rural geographical area, past or present status as a member of the Armed Forces of the United States, unemployment resulting from relocation, closing, or reduced operations of industrial or military facilities, and such other special obstacles as the President or the Congress may from time to time designate for such purpose;

(7) the term "political subdivision" means any city, county, town, parish, village, or other general purpose political subdivision of a State; and

(8) the term "State" means the several States, the District of Columbia, the Commonwealth of Puerto Rico, Guam, American Samoa, the Virgin Islands, and the Trust Territory of the Pacific Islands.●

PROMISE OF PEACE IN RHODESIA DELAYED

HON. WILLIAM H. GRAY III

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 19, 1979

● Mr. GRAY. Mr. Speaker, as cochairman of the MCPL Rhodesia Task Force, I would like to insert in the Record an article describing the current perceptions of Rhodesians in regard to the Muzorewa government. This article presents a new viewpoint which was not heard in the Senate debate on the Rhodesian sanctions issue.

The June 18, 1979, Washington Star article reprinted below, "Rhodesia's New Black Rulers in Trouble on Peace Pledge," describes the diminishing support for the new Zimbabwe-Rhodesia Government, as the promise of peace continues to elude that country.

Blacks, especially those in the rural areas, are impatient for the war to end. For the new Government to win the war it must have the help of the rural Africans, and, at the same time, it must convince them that the new authorities in Salisbury are capable of causing defections in the ranks of the Patriotic Front guerrillas.

In Zimbabwe-Rhodesia today neither blacks nor whites will long support a government which seems incapable of ending the present war. For its part, the United States should not be in any hurry to lift sanctions against a government which does not have the support or loyalty of its people.

I commend the following article to your attention:

Rhodesia's New Black Rulers in Trouble on Peace Pledge

(By Lawrence E. Pintak)

Salisbury, Zimbabwe-Rhodesia.—Prime Minister Abel Muzorewa's new government faces real danger that it could lose its base of support if it does not soon deliver the peace that was promised before the election that put it in power.

Many blacks, particularly those in the rural areas, are growing impatient waiting for an end to their suffering. Many are wondering why the fighting is continuing and why the guerrillas are not laying down their weapons as Muzorewa predicted.

Black civilians, innocents and those labeled by the government as "terrorist collaborators" continue to die at the rate of 15 to 20 a day, according to government figures. Africans returning from tribal areas tell of the deaths of large numbers of relatives, killed not only by the guerrillas but also by security forces.

"I was a Muzorewa supporter, but now I am wondering why the war is not ending," said one black in Salisbury's Harare township. "He promised to bring peace."

In order to win the war, Muzorewa must have the backing of rural Africans. Without intelligence they provide, security forces have little chance of effectively routing out the guerrillas.

However, unless the government can provide evidence that it is winning the battle in the bush, the mass of Africans might easily shift their support back to the guerrillas."

"There is going to be tremendous disillusionment among the blacks," predicts Ahern Pallay, a former white member of Parliament. "They thought the election itself would be an end to the war.

"When the blacks learn the bishop cannot end the war, they will turn to the externals (guerrillas), who they think can," Pallay says.

Most blacks were voting for peace, and Muzorewa—with his cultivated image as the "man of peace"—appeared the person best able to bring it about.

But African societies, like most others, traditionally support the strong man, and if they perceive it is the guerrillas and not Muzorewa's forces that pose the greatest threat to them—and, conversely, can best protect them—they will not hesitate to realign their loyalties.

"I can't tell you how long it is going to take us to convince the people that we have changed the situation," Muzorewa said in an interview, "but I can assure you we can expect a very different (security) situation in several weeks. How long they (the people) will be patient, is a matter of anybody's calculation."

Many persons believe, however, that if the bishop does not quickly take firm action, he will fail.

"He has no time," says black businessman Ephriam Chamba. "The people say, 'There's independence, do something.' They know things have changed in other African countries when independence was achieved and they want the same thing to happen here."

There also is evidence that Muzorewa's intention to continue raids against guerrilla bases in neighboring countries also may eat into his support.

"The people were crying when they heard he had attacked into Mozambique, even those who did not have sons there," said a Salisbury house servant.

"They want to know why he is killing them if he promised peace. He said there would be no more war, then out he just goes and kills them.

Other blacks are disillusioned with the continued presence of whites in important positions in the new government.

"People are getting surprised at how Mr. Walls (Lt. Gen. Peter Walls, chief of the country's security forces) is still on instead of Muzorewa putting in his own person," said one, who insisted that Muzorewa's decision to appoint himself minister of defense did not change the fact that whites were still running the army.

White confidence, too, could be an important factor in whether Muzorewa's government survives. Whites continue to leave the country in large numbers—1,628 "took the gap," as leaving is called, in April—and many of those who remain are simply growing tired of fighting.

"This is my country, and I'm going to fight for it," said one young "troopie." "But if the war is still going on in Decmber like it is now, I'm 'gapping' it."

And without experienced white officers to run his army, Muzorewa's chances of ending the war—and retaining the support of the black masses—would be reduced to almost nil.●

CALIFORNIA AND THE GAS SHORTAGE

HON. GEORGE MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 19, 1979

● Mr. MILLER of California. Mr. Speaker, nine of my colleagues and I have recently introduced the Emergency Gasoline and Diesel Fuel Conservation Act of 1979, H.R. 4283, to fill a void left by the defeat of the President's standby gas rationing plan. We believe that it is a responsible alternative that will cut gas consumption, leave room for maximum individual freedom, and prevent the creation of another Federal bureaucracy.

We in California have experienced shortages, and have had to cope with long lines and short tempers at the gas pumps. But we have coped. Gasoline consumption has dropped dramatically, mass transit ridership is way up, and the initial panic has subsided. As we continue to examine the reasons behind the shortage, I think it would be wise to remember that California is not

much different than the rest of the Nation in our gas consumption. A recent article by Richard Reeves, Esquire's national editor, discusses the reasons behind the shortage and California's situation in a highly informative and enlightening way. I commend the material in the piece to all of my colleagues.

[From Esquire Magazine, June 19, 1979]

(By Richard Reeves)

ARE CALIFORNIANS CRAZY?

On May 18, Daniel Patrick Moynihan, the senator from New York, traveled to Buffalo, in the far reaches of his representative domain to explain the ways of the world to anyone who would listen. Nine reporters showed up at a news conference, sitting politely as Moynihan spoke, as one does to children, of many things. He spoke of SALT and the Russians, of looniness and the Californians.

"Yes, there is a gasoline shortage," he said. "And New Yorkers have been acting intelligently and capably. But there's something about the state of California. They're a funny bunch. They've panicked. It's the equivalent of a run on the bank.

"I was talking to Secretary Schlesinger at a reception yesterday; he told me the average sale of gasoline in California has gone down from eight gallons to three gallons. People are just topping off their almost full tanks."

Recalling some of James Schlesinger's earlier mathematics—body counts in Vietnam—I offered Moynihan the hyperbolic opinion that Secretary of Energy Schlesinger was either a fool or a liar. "Does he really think," I said, "that people out there are waiting on line for two and a half hours to put three gallons in their tanks?"

The stupidity of politicians in the coming oil crisis is matched only by their cowardice. It's bad enough that people like Moynihan and Schlesinger and many of their peer group don't know what they're talking about. They also seem to feel compelled to make sure that the country will be torn apart by resentment and manipulations over who gets the perfumes of Araby.

So Senator Charles Percy of Illinois says that as far as he's concerned, frenzied Californians are creating their own problems, and Congressman Carlos Moorhead of Los Angeles says he doesn't give a damn about heating oil for the Northeast but he wants gas for his Angelenos.

I do care, very much, about heating oil, and production of it obviously has to be the country's first priority; there is a difference between Californians swearing at one another in two-mile lines and little old ladies freezing to death next February in Vermont. But having waited in some of those lines before Moynihan informed me of what was really going on, I had the distinct impression that, all things considered, Californians were behaving very well—indeed, capably.

It's true that a guy named Diton Williams pulled a gun at a service station in West Hollywood and held off a crowd while he filled his tank. And that Johnny Rodgers, a wide receiver for the San Diego Chargers football team, got so annoyed waiting in line to fill up his Rolls-Royce that he bought the gas station. But it's also true that all the people I saw after the shortage hit La La Land last month were pumping $10 worth and more into empty tanks. And that Fred Hartley, president of Union Oil, says that the average sale at Union stations is between thirteen and fourteen gallons.

Los Angeles, in fact, looks a bit like a ghost town on weekends. People simply aren't going anywhere unless they have to. That's part of the reason President Carter only saw 2,000 people at the city's Cinco de Mayo festival on May 5 instead of the usual crowd of 5,000 or so. On weekdays, traffic seems to be down from 50 to 75 percent of what it was in April.

In April, before this began, California had about 10 percent of the nation's population, 10 percent of the nation's drivers, and 10 percent of the nation's automobiles—and was using 9.5 percent of the nation's gasoline. The average monthly gas consumption per California vehicle was 59.7 gallons, compared with 73 gallons in Virginia and Georgia and a national average of 64 gallons. Californians may wash and love their cars more than the rest of us do, but most of them are not guzzling gas. One reason is that the ownership of small cars is much higher in California than anywhere else in the United States.

There was, undoubtedly, some panic on May 3 and a couple of days after. Gas stations were suddenly closed (or open for only two or three hours a day), and there was, in Schlesinger's pet phrase, "topping off." We'll all be panicked the first time we drive thirty miles or so and see the "Closed" or "No Gas" signs on every pump along the way. That's all there was to it, Washington said, claiming that the California gasoline shortfall was only 3 or 5 percent.

That was not true. The real shortfall was apparently close to 15 percent of 1978 allocations. There were, as it turned out, very real reasons that there was less gas around the freeways. "Panic" was a minor factor. The main reasons, as ferreted out by California newspapers, particularly the Los Angeles Times, were these:

Production cutbacks of crude oil in Iran and Saudi Arabia.

Inadequate West Coast refinery capacity, especially of facilities handling heavy crude from places like Alaska, caused partly by California's protectionist environmental laws and partly by the oil companies' anticipation of reduced gasoline usage in the future. No refinery has been built in California for seven years.

The switch to early heating oil production for next winter, intelligently encouraged by President Carter.

Allocations based on past usage, which discriminated against areas with growing population.

A spectacularly ill-timed new distribution system that on May 1 ended gas deliveries to stations on demand and substituted regularly scheduled deliveries, which rarely came off as scheduled.

"Hoarding" by business and industry. Between January and April, companies like Hertz Rent-A-Car and Pacific Telephone & Telegraph, anticipating shortages, increased their gas orders by 74 percent over last year.

Increases in "priority" gasoline deliveries to agricultural areas, military installations, hospitals, fire departments, and police stations. Every gallon that goes to those places—and by law, they get every gallon they ask for—is a gallon less at gas stations.

So there was and is a real California shortage. Californians may be crazy, but they're not as dumb or as irresponsible as some of the folks attacking them, from Jimmy Carter and Schlesinger and *The Washington Post*—"a good thing," the *Post* editorialized, to curb California's "hedonistic life-style"—down to Mike Royko of the *Chicago Sun-Times*, who was at least very funny when he wrote:

"A column that I wrote, expressing the sensible view that Gov. Brown is a political moonbeam, and that California is the world's largest outdoor mental asylum, appeared in five California newspapers. Since then, thousands of Californians have been taking time out from munching their granola and riding their surf-boards to write me shrill letters. . . . So think of that, the next time you write me about the superiority of your lifestyle. Think of being damned to a lifetime of sitting and staring at your backyard pool, wondering if—Good Lord—does the pool-maintenance man have enough gas to get to you?"

Déja vu. I keep waiting for the New York *Daily News* headline: "Carter to California: Drop Dead." (The *Los Angeles Herald Examiner* has already used "Carter to LA: Take a Walk.") The treatment and the rhetoric are a replay of the New York City fiscal crisis in 1975: Greedy, self-indulgent libertines deserve what they get. Why should we help them?

Because them is us. It has become worse than a cliché to say that there is no leadership in Washington. But things are worse when the substitute for some kind of national unity during a national crisis is an unthinking policy of divide and scapegoat. New York did foul up and was self-indulgent for years, but that was not the city's real problem, which was that it was old and that in many ways it had outlived its usefulness to the new places, to the West. So, a lot of those westerners thought, let the Big Apple rot in its own juices—Jerry Brown said it was decadent. God knows, California is self-indulgent—God and the California Coastal Commission forbid that oil wells should interfere with any Pacific views!—but its gasoline problems this spring had nothing to do with mellow wackiness. The "mellow" probably prevented big trouble. Gas shortages may be like blackouts: The first one is an adventure; the looting begins with the second one; then come the riots.

Politics, after all, is about dividing up the resources of a society. The President and Congress can take the risks of doing that or they can let states, cities, and individuals fight it out themselves. California could, for instance, try to cut a separate oil deal with Mexico—it might not work, but it would make people such as Pat Moynihan prophets. They could be prophets of sunny funniness and prophets in their own country, which at the moment they define as not including California.

The fact that Americans believe they are being screwed by Arabs and oil companies does not mean that they are not capable enough or intelligent enough to know that there is a real and long-range energy problem. Americans who happen to live in California dealt with the new reality; they seem less the problem than doctors Moynihan and Schlesinger do.●

LIVES OF THOUSANDS OF REFUGEES ARE IN PERIL

HON. STEPHEN J. SOLARZ

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 19, 1979

● **Mr. SOLARZ. Mr. Speaker, yesterday the National Coalition for Refugee Resettlement meeting on Capitol Hill expressed strong support for the need for a concerted effort to meet the needs of thousands of refugees who are fleeing from war and persecution but can find no refuge in Southeast Asia.**

The coalition, composed of more than 130 members representing National, State, and local public and voluntary agencies which plan for and administer programs serving refugees, strongly endorsed the passage of new comprehensive refugee legislation introduced by Congressman RODINO and Congresswoman HOLTZMAN and Senator KENNEDY (H.R. 2816, S. 643).

Mr. Speaker, as the situation continues to worsen for the men, women, and children of Indochina who have fled in

leaky boats or across dangerous terrain only to be turned back on the beaches of Malaysia or at the Thai border, it was good to hear many eloquent voices raised on behalf of these suffering people and in support of the need for us to do all that we can to prevent further needless deaths.

I request that the remarks of Bishop Thomas Kelly, the General Secretary of the National Conference of Catholic Bishops, and an active participant in the humanitarian efforts to assist these refugees, be inserted in the RECORD:

STATEMENT OF THE MOST REVEREND THOMAS C. KELLY

I am grateful for the opportunity to be with you this afternoon. I strongly endorse the efforts you are making to sensitize our nation to the desperate needs of the ever-growing, worldwide body of refugees.

The fact that Senator Kennedy, Chairman of the Senate Judiciary Committee, has introduced legislation to amend and introduce additional humanitarian concerns into our refugee legislation is a source of encouragement to the National Conference of Catholic Bishops.

This meeting is being held at a time when we are all acutely aware of the potential for a vast tragedy. Not only the well-being but the very lives of thousands of refugees are in peril at this very moment. Many have already died. Tens of thousands of others are crowded into dismal refugee camps or huddled in the holds of rotting junks. There is need for an immediate response by the international community if lives are to be saved.

Our nation has done much in the past. But the time is at hand for us to exhibit in a dramatic and practical manner our desire to exercise moral leadership in this unsettled world.

Of the tens of thousands of desperate refugees, many are the children, brothers or sisters of those already in the United States. They are categorically eligible for admission to this country. I have, therefore, requested in a telegram to the President that those who will eventually come to our shores be immediately moved to a safe haven—either to one of our military bases overseas, such as Subic Bay, Clark Field, or possibly Guam. This action would certainly indicate to the countries of first asylum that there are answers to this problem other than shooting or drowning.

As far as actual resettlement in the United States is concerned, the Catholic bishops of the United States join with you in assuring our Government that resettlement opportunities will be provided for any and all refugees admitted. When people are drowning at sea, as tens of thousands of men, women and children already have, we cannot let diplomatic technicalities or heartless programming dominate. This is the moment for us to do what is right, moral, and necessary.●

UNDERMINING AMERICA'S ENERGY FUTURE

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 19, 1979

● Mr. ASHBROOK. Mr. Speaker, the Environmental Protection Agency has disclosed that it will issue regulations allowing the use of high-sulfur coal in the powerplants of Ohio and will not require the installation of expensive scrubbers at some of these plants. This is a small victory for commonsense that has been a long time in coming. In 1977 the EPA forced eight Ohio utilities to meet Federal sulfur dioxide emission standards. The utilities responded by buying low-sulfur coal from the Western States instead of the high-sulfur coal from Ohio. This led to higher energy costs for Ohio utility consumers and to the loss of jobs in Ohio coal mines. This was clearly a case of environmental concerns versus energy and job needs.

But the twist here was that the environmentalists were also against western coal because of the impact of strip-mining on the western lands. Instead of leaving well enough alone a number of coal-State Senators, including the junior Senator from Ohio, stepped in with legislation to force coal users to buy "regionally available" coal. The amendment passed but the term "regionally available" became a court battle over congressional intent. When the courts ruled this matter a political question the ball was back in the EPA's court, where it all began. With the new regulations normalcy should return to Ohio, and consumers will avoid massive increases in their utility bills, but the scars remain.

I am always amazed at the mentality that is rampant in Washington when it comes to conflicts between two major groups. In the case of coal, the energy versus environment issue should have been faced head on. There are trade-offs that are inevitable when two major concerns come into conflict. Any ultimate solution to such a conflict must include the weighing of the trade-offs and the making of a decision based on some general commitment to a direction you want policy to head. The Ohio coal situation was handled in usual Washington style. The main issue was not addressed. Instead new legislation was passed to further control private industry, the victim, not the cause, of the whole problem. Even this buck passing attempt failed because of vague language in the bill, another curse of Washington. It took the courts to set matters right, and some commonsense on the part of EPA to settle the issue. In the process jobs and lives were put into limbo and large amounts of money was spent on lawyers. This is all in addition to the 3 years that were lost for the development of energy in Ohio. This is no way to run a Government, this is no way to represent a State, and this is certainly no way to build for future energy needs.

I call my colleagues' attention to a recent Wall Street Journal editorial that shares my outrage on this matter. I just hope in the future that steadier hands are at the helm of our energy policy, for Ohio's sake and for America's.

The article follows:

UNDERMINING COAL

As followers of the twists and turns of federal energy policy will know, our government means for coal to be the fuel of the future, with utilities and industry converting out of oil and gas and into this plentiful resource.

The President's 1977 National Energy Plan called for U.S. coal production to climb some 80% over the next 12 years. To speed the switchover, Congress last year passed the Coal Conversion Act, requiring use of coal in industry where the change could be made without undue hardship.

So it may come as a surprise to hear that Consolidation Coal Co., a Conoco subsidiary, has just closed one mine in Ohio and reduced the workforce at another. Or perhaps as a greater surprise to learn that U.S. coal production has hardly budged since 1977. Or that the coal industry has excess capacity of over 100 million tons a year.

The key reason is that coal, like nuclear energy, is badly tangled in the web of environmental policy. The Ohio cutbacks give some clue as to how tangled the web has become.

In 1977, the federal Environmental Protection Agency, frustrated by Ohio's delay in instituting pollution controls, took the matter into its own hands and ordered eight Ohio utilities to meet federal sulfur dioxide emission standards. The utilities responded by buying less Ohio coal, which contains a high level of sulfur and requires expensive "scrubbing," and by purchasing more out-of-state, low-sulfur coal.

But this threat to the jobs of Ohio miners was brought to the attention of Ohio Senator Howard M. Metzenbaum, whose interest in energy up to that point was mainly limited to his efforts to discourage domestic oil and gas production. He and three other coal-state Senators succeeded in writing some hoped-for protection into the Clean Air Act. They were joined, interestingly enough, by environmentalists intent on discouraging Western strip mining of low-sulfur coal.

The legislation grants the EPA authority to order major coal users, such as utilities, to buy "regionally available" coal and, if necessary, to install antipollution equipment as long as it can be shown that the use of coal from outside the region would contribute to significant economic disruption or unemployment in nearby coal fields. Except there was no very clear definition of "regionally available."

Ohio miners take "region" to mean within the state's borders, but miners in neighboring Kentucky and West Virginia, where supplies of low-sulfur coal can be found, disagree. A federal court in Kentucky earlier this month upheld the constitutionality of the restriction but it didn't attempt to define what "regionally available" means. The court suggested that the plaintiffs "address themselves to the political process" for a remedy.

That leaves the ball back in the EPA's court, but the agency says it doesn't know when a decision will be reached. Its preliminary investigation found "economic disruption" in the area and, if finalized, would require Ohio utilities to burn indigenous high-sulfur coal and to install scrubbers.

Utilities in Ohio, which happens to be the nation's largest coal consuming state, estimate that the cost of buying and operating scrubbers will be $1 billion annually for years to come, a bill that would be footed by Ohio's electricity consumers. Such a decision by the EPA would also reduce the incentive to develop low-sulfur coal reserves in the West.

As it happens, the administration is scheduled to make a decision this month on a national sulfur dioxide emissions policy for large, stationary, fossil-fueled, utility steam generating units. This decision, as with the Metzenbaum amendment, will be tangled in regional and environmental politics. Senate Majority Leader Robert Byrd is putting heavy pressure on the President to set a standard that would permit continued use of high-sulfur coal. Environmentalists are threatening to sue the EPA if the administration opts for the kind of weak standard Senator Byrd would like.

Meanwhile, the administration's coal conversion policy is a beached whale. No one is in a hurry to convert out of oil until they find out what the rules will be or where the coal will come from. Some users of heavy fuel oil, also subject to sulfur standards, are cutting it with middle distillates, contributing to the shortage of home heating oil, diesel fuel and gasoline. The utilities are warning that unless someone exercises some leadership, people will be lining up for electricity, as well as gasoline, in the 1980s. Coal faces a clouded future indeed.●

THE POPE'S DIVISIONS

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 14, 1979

● Mr. MICHEL. Mr. Speaker, the visit of Pope John Paul II to his native Poland ranks among the most historic and influential journeys of our time. In effect, the Pope gave a ringing and irrefutable answer to the cynical question once asked by Soviet dictator Joseph Stalin: "How many divisions does the Pope have?" The Pope's reception in Poland and the words he spoke there must have convinced Stalin's heirs that while the Pope does not command any armed divisions, he does command the spiritual allegiance of those denied full religious liberty in his native land. It is a loving, natural allegiance which makes a mockery out of any claim of the present rulers of Poland to legitimacy.

The historical importance of the Pope's visit is so obvious that I need not dwell on it here. Suffice it to say that I know of no parallel to it, either in modern or ancient times.

The Polish people whose bravery is as well known as their allegiance to the Roman Catholic faith have been dominated first by Nazi and then by Communist tyrants for over 40 years. Yet under such terrible conditions the Polish people were able to produce a man like the present Pope. It is certainly a tribute to the spirit of the people of Poland that not only was the return of the native son made a living symbol of the bond of faith that holds together the Polish people against all oppressors but that they somehow struck a delicate balance between fervent national and religious pride on one hand and an avoidance of violent incidents on the other.

The influential aspect of the Pope's visit may be a bit more difficult to determine, for we are only now able to calmly examine its political and philosophical importance. I believe a few points can be made even at this early stage. It seems quite clear that while we cannot extend the lesson of Poland and the Pope to other nations—after all, both the present Pope and his native land are unique products of a unique historical experience— it seems clear that religious faith in Eastern Europe has endured and survived the efforts of Communist dictators to crush it.

This is, I believe, one of the most important political as well as religious facts of our time. Who among us would have predicted 25 years ago that the "church of silence" behind the Iron Curtain would be so strong and so vital today? Needless to say it is not simply the Roman Catholic faith that has survived, but many others, as witness the recent release of Baptist and Jewish dissidents by the Soviet Union. The Pope's visit served as a focal point for this phenomenon and the media, at long last, devoted attention to it.

But I think the most influential aspect of the visit will be on the Western World, particularly our own Nation. We in the West have unwittingly fallen into the same frame of mind that allowed Stalin to ask his infamous question. We discuss only our material gains and our armed might when we assess our political strength against that of Communist-dominated lands. But despite the myth that "modern man" has turned away from religion (a myth perpetrated by those intellectual and media circles who too often confuse their private and limited experience with the way things are all over the world), it is clear that decades of totalitarian dominance may have smothered but cannot kill the religious convictions of millions.

The West needs to remember that and profit by it. We are engaged in something more than a battle of weapons. We are engaged in a battle of ideas, convictions, beliefs. If we neglect or take for granted the rich religious heritage that is ours we will come to the international arena so much the poorer. In reminding us of this simple but essential fact the Pope has done the West as well as his native land a great service.●

ANOTHER PANAMA VOTE

HON. DAVID E. BONIOR

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 19, 1979

● Mr. BONIOR of Michigan. Mr. Speaker, I call the attention of my colleagues to an editorial which appeared in the Washington Star of today:

[From the Washington Star, June 19, 1979]

ANOTHER PANAMA VOTE

No one is complacent about the House action scheduled tomorrow on legislation to carry out the Panama Canal treaties. The voting is expected to be close, and the possibility of harmful amendments is too great for comfort. The legislators should keep in mind that an irresponsible course in the matter, though momentarily appealing to diehard jingoist sentiment, could have serious economic and diplomatic consequences for the nation.

The implementing legislation now pending should not be controversial. The basic questions of the Canal's future, after all, were settled with the Senate's ratification of the treaties last year. Under those agreements, Panama will assume control of the waterway by the year 2000, and will begin taking over major portions of the Canal Zone this October 1. The pros and cons of this process were exhaustively reviewed during years of negotiation and the months it took the Senate to consider and ratify the documents.

Some of the present trouble in the House is due to that chamber's exclusion from the ratification process. Congressmen who wanted a piece of the action—especially to vote it down—resented the fact that they were ignored. They are trying now to make someone pay for the slight. Their main grievance in this regard, however, should be addressed to the Framers of the Constitution and not the Panamanians, the administration or the advising and consenting U.S. Senate.

With major provisions of the treaties to take effect in little more than three months, legislation to perform the United States' part of the bargain requires approval of both houses of Congress. It is necessary, for instance, to create a temporary commission to run the Canal and set tolls until Panama takes over at the end of the century. The administration already has lost a battle in a House committee over a version that makes the commission more like a government agency answerable to Congress for yearly appropriations than the relatively independent government corporation envisioned by the White House.

As the measure is taken up on the House floor, efforts will be made by anti-treaty forces to alter the terms substantially. An amendment by Rep. George Hansen aims at requiring Panama to pay all costs of carrying out the treaties. This and other proposed changes, if enacted, could result in Panama accusing the United States of reneging on its treaty obligations.

Both Panama and the administration have been guilty of providing ammunition for treaty critics in the House. Panamanian officials have created grounds for diversionary attacks with their support of anti-Somoza forces in Nicaragua—the anti-treaty camp pictures the Canal under a government that foments leftist revolution in the Hemisphere. The Carter administration has been uncommunicative about costs related to the gradual turnover of the Canal, spurring efforts to take these hundreds of millions (or billions, depending on who's doing the estimating) out of the Panamanians' expected income.

Whatever the House does, it will have to be reconciled eventually with the wishes of the other chamber. The senators are expected to pass implementing legislation in line with the spirit and letter of the treaties they ratified. The test of the final congressional product will be how it affects the prospect for proper operation of the Canal over the next two decades.

A result that amounts to breaking the treaties (or is seen by our treaty partners as doing so) could raise questions about the status of the Canal after October 1. Aside from legalities, if Panamanian opinion is outraged, the physical security of the Canal could be endangered.

The nation's economic stake in the peaceful operation of the waterway remains substantial. It even bears on the current gasoline shortage because Alaskan oil is carried through the Canal on its way to refineries in the Gulf of Mexico. The American people will not feel kindly toward the congressman who damages the nation's interests at such a conspicuously vulnerable point.●

SALT II

HON. PETER W. RODINO, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 19, 1979

● Mr. RODINO. Mr. Speaker, our Nation took a meaningful step toward national security and world peace this weekend. As an American and as a Member of Congress, I take special pride in knowing that our President confronted the arduous task of limiting the nuclear arms race and produced positive results.

However, not just the United States, but the entire world will benefit from President Carter's leadership and determination.

The escalation of nuclear arms seems to be an almost natural process for post-industrial and developing nations. To openly try to halt this terribly dangerous aspect of modern society requires wisdom and courage. President Carter has shown both of these qualities.

When the President addressed the Congress and the American people in this Chamber last evening, he said:

> The truth of the nuclear age is that the United States and the Soviet Union must live in peace—or we may not live at all.

The second strategic arms limitation treaty is based on this assumption—that peace must be derived from a strong United States defense and a general reduction of the arms race among nations. I am very encouraged that this treaty will contribute to greater stability and long term peace in the world.

The treaty also means that our Nation will not be forced to put billions of dollars into the senseless production of weapons. Instead of using our valuable capital, resources, and manpower for destructive purposes, we will be able to use them for improving the quality of life for all of our citizens—especially the poor, the elderly, and the disadvantaged.

The President recognizes that the fight against the arms race never will be completely won. Already, he is working on SALT III. But his tremendous efforts in skillful negotiation deserve our admiration and gratitude—and this treaty deserves our support.

Our Senate must now engage in public debate, then vote to ratify the treaty according to our Constitution. This process makes the treaty not merely a pact among leaders but a commitment of the American people. It will be the word of a nation which speaks through an open and democratic government.

This treaty deserves nothing less, for at issue is the choice between survival and annihilation. I am confident that the American people will support SALT II, and I am hopeful that the other House will move in this direction.●

FREEDOM HOUSE CALLS FOR CONSTRUCTIVE MIDDLE COURSE ON ZIMBABWE-RHODESIA

HON. WM. S. BROOMFIELD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 19, 1979

● Mr. BROOMFIELD. Mr. Speaker, as the House prepares to debate later this week a resolution calling for lifting economic sanctions against Zimbabwe-Rhodesia, the following statement issued by the board of trustees of Freedom House should be of special interest.

This statement, issued by Freedom House Chairman Clifford Case, former U.S. Senator and coauthor of the Case-Javits amendment of 1978, points out the progress toward democracy now underway in Zimbabwe.

Acknowledging the flaws in both the Constitution and the April election, which was monitored by Freedom House observers, the statement urges that the United States steer a middle course in our relationship with the new Zimbabwe Government. It recommends that we give clear credit for the progress that has been made while continuing to press for additional reforms. Mr. Speaker, I commend the statement to my colleagues:

A Constructive Middle Course for the United States on Zimbabwe Rhodesia

(By the Board of Trustees of Freedom House)

I. NO CONSTRUCTIVE U.S. ACTION YET ON ZIMBABWE RHODESIA

We regret that President Carter's June 7 statement on Zimbabwe Rhodesia took insufficient note of a significant democratizing process which we believe is now under way in Zimbabwe. We hope he will move quickly to encourage further progress toward a more democratic, freer society in that country.

The President faulted Zimbabwe's April election and the constitution under which polling took place. Despite substantial flaws in both the constitution and the election, the Freedom House mission which observed the electoral process at first hand found it to be a significant advance toward multiracial and majority rule, freer and more inclusive than elections previously in Rhodesia, and freer than elections in most developing countries.

There have been other significant changes in Zimbabwe. Discriminatory laws have been repealed. A black Prime Minister has appointed his cabinet and other top national leaders. Blacks now comprise 85 percent of the security forces and 75 percent of the police force.

By failing to give adequate recognition to these significant movements toward a more democratic, multiracial society in Zimbabwe, the President has missed an opportunity to reinforce these movements. Instead, he has maintained a policy that was created for conditions that no longer exist. The tone of his statement—apart from the decision not to lift sanctions now—was unnecessarily discouraging to the elected black leadership of that country. We do not believe it is constructive to hold up to a developing country the standard of current political practice in the United States.

It is not sufficient to say that the President was bound by American law (the Case-Javits Amendment of 1978). The Congress passed Case-Javits in full knowledge of then existing flaws in the Rhodesian constitution, and the manner of its ratification, as well as the nature of the election to be held this April. Our Board chairman, Clifford P. Case, testified May 16 that the Case-Javits amendment was never intended to put the President or the U.S. government in a straitjacket over Rhodesia. Case-Javits said that in certain circumstances the President should lift sanctions. It did not say that in no other circumstances should sanctions be lifted.

Nor is Freedom House recommending that sanctions be lifted now. We reiterate that lifting sanctions too rapidly would bring as disastrous results for American policy as lifting sanctions too slowly. Present American policy, left unchanged by the President's June 7 statement, however, continues to apply U.S. pressure only against one side—the black elected government.

II. NEW U.S. ACTION NEEDED NOW

We support a middle course. We would employ sanctions as a lever on both the insurgents (Patriotic Front) and the elected government. The U.S. should declare clearly and warmheartedly—not grudgingly and halfheartedly—that Zimbabwe has effectively changed many conditions that originally led to our policy of nonrecognition and our support for international sanctions. We should state explicitly that we will look for continuing evidence that the ostensible transition is actually taking place.

The black parliament, for example, should lift censorship (except for insurgency matters), charge detainees under law and progressively release them (except for clear-cut insurgency acts), open more land to black ownership, improve black educational and medical standards, and increase the number of black officers in the security and police forces. Prime Minister Abel T. Muzorewa has already invited insurgent leaders to meet with him; he should repeat this offer and expand the agenda for discussion.

President Carter should not allow U.S. policy to be intimidated by the posture black African states assume in southern Africa where they apply economic sanctions in public, while trading with Rhodesia and South Africa in private. We believe that the responsible black African states would welcome moderate American actions—not merely rhetoric—designed to advance multiracial, majority rule in Zimbabwe.

Overwhelmingly, the victims of economic sanctions and the related bloody insurgency are the black Zimbabweans. While British policy toward Zimbabwe has recently softened, U.S. policy has remained rigid, leaving to America no role in promoting an all-party settlement that will end the death and turmoil in Zimbabwe Rhodesia.

President Carter has played the role of policeman in admonishing Zimbabwe. Now he should play the role of statesman, and work to heal the wounds of struggle. As Zimbabwe moves toward greater democratization and multiracial rule, therefore, the United States should initiate discussions with the black government looking toward the lifting of sanctions and ultimately the granting of recognition.

To offer the carrot after the stick, the President should immediately dispatch an official American observer to Salisbury, as the British government has already done. The American observer should be drawn from outside the U.S. government, and given authority to move freely about southern Africa and encourage all parties to negotiate.

The President, meanwhile, should send humanitarian aid to Zimbabwe to help rehabilitate victims of economic sanctions and the insurgency. He should also encourage the Zimbabweans to begin planning for U.S. aid to enable the new government to buy out the contracts of white civil servants, encouraging their early retirement, and making place for more black officials; train blacks in civil service entry jobs; and support training to prepare black police to become officers.

President Carter on June 7 displayed rhetorical strength for the benefit of the frontline states but at the expense of Zimbabweans. We hope that he will now display wisdom and moderation, through more creative dilplomacy.●

OPEC AND OUR BANKS

HON. GEORGE MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 19, 1979

● Mr. MILLER of California. Mr. Speaker, with the rapidly increasing price of OPEC oil this year, we are again reminded of the plight of the less developed countries, who have to borrow tremendous amounts of money to pay their oil bills. A fascinating article in the New Republic earlier this year discusses the relationship between these loans, the OPEC nations, and our Nation's banks. I hope my colleagues will read this article carefully, for its implications are tremendous for our country's financial stability:

The Banker's Dilemma

(By William J. Quirk)

When bankers begin talking of "holocaust scenarios," as they have been lately, it is time for the rest of us to pay attention. The problem seems to be that the American banks have loaned $37.7 billion which will probably not be repaid. Default on this much money would bust the banks which in turn would bust the country which in turn would bust the world.

The $37.7 billion is the amount of unguaranteed loans by American banks outstanding to poor countries that do not produce oil. It seems fairly unlikely that these loans will be repaid. The loans are not legally enforceable since the debtor is a sovereign state. No court has any jurisdiction over Zaire. Can an American bank, under its state law, take depositors' funds and make a loan that is not legally enforceable? It was a good question.

David Rockefeller is a famous world traveler. With his retinue he goes to foreign capitals where he is treated as a visiting head of state. The best silver is brought out and he is wined and dined as befits his station. He may be better than a head of state because he has money. Rockefeller's Chase Manhattan Bank has loaned $4.2 billion to the LDCs (for "less developed countries," which is the current euphenism). What do the LDCs want with all that money? That's simple; they want to pay their oil bills.

Since 1973 the Arabs have extorted $133 billion from the oil consuming countries. About $50 billion of that, according to Senator Church's subcommittee on Foreign Economic Policy, has been invested in stocks, bonds, land and businesses in the industrial West. Another $50 billion is on short term deposit in big commercial banks, mostly in New York and London. About half of the Arabs' short-term deposits are in United States banks.

Twenty-five billion dollars is a lot of money, even to David Rockefeller. Huge deposits like that could tremendously increase bank earnings. Bankers traditionally have been conservative about the quality of their assets. But the large New York banks were caught up in the go-go spirit of the 1960s. They are now obsessed with showing a better earnings record than their competitors. This is a dangerous frame of mind for a banker.

So the Arabs dangled the $25 billion and the New York banks grabbed for it. But there were two strings attached. First, the bank's solvency becomes subject to Arab whim. To make money on this $25 billion, the banks have had to lend it out again. But the Arabs may pull out these short-term deposits at any time and thereby bust the banks, which cannot recall their loans so quickly—if at all. In the old West the big rancher controlled the local bank because he was the big depositor. In the same sense the Arabs now control the New York banks. These banks are captive to international extortionists. In any honest view the New York banks should now be viewed as Arab institutions. David Rockefeller, based as he is on oil, is now a mouthpiece for the oil sheiks.

The second big string was that in order to get the Arab deposits, the banks had to agree to lend money to poor countries so they can purchase the oil they need. There was a clear advantage to the Arabs here since the poor countries simply could not pay the quadrupled oil prices. In a reasonable world these nations would have refused to pay and the cartel would have been forced to lower its price. But the New York banks have lent money to the LDCs to finance oil that they cannot afford. And the Arabs lend the money to David Rockefeller to lend to the LDCs.

The Arabs could have extended credit themselves to finance poor countries' oil purchases. They chose the indirect approach for a good reason. If you give credit directly you have the LDC as a debtor. The Arabs preferred to have Chase Manhattan as a debtor.

Maybe the LDCs are solid debtors who will pay despite the absence of legal obligation. Perhaps a moral obligation is enough for them. The big 12 are Brazil, Mexico, Argentina, Chile, Peru, Colombia, South Korea, Taiwan, Turkey, the Philippines, Thailand and Zaire. Mexico and Brazil lead the pack. The U.S. banks are owed $11.6 billion by Mexico (not yet an oil profiteer itself) and $11.1 billion by Brazil. The Arabs have been mercilessly grinding down the poor. Before the 1973–74 price hike, the oil-importing LDCs were running an annual current account deficit of about $8 billion. Since then, they have run annual deficits of $30 billion (1974); $38 billion (1975); and $26 billion (1976). The figure is expected to level off at a mere $25 billion per year.

George Salem of Reynolds Securities reports that as of two years ago the 15 largest U.S. banks had total loans outstanding of $235 billion, of which $38 billion (16 percent) were to LDCs. But this $38 billion was more than twice these banks' total capital. How good are the credits? Hans Mast, executive vice president of the Swiss Credit Bank in Zurich has said, "It would seem obvious that debt moratoria, with restructuring of debts, will increase in the next four years." Mast believes that since nothing has been done to solve the problem—oil overcharges causing LDC deficits—it has to get worse. And at some point the arrangement must topple.

A brief look at Zaire and Peru may give some idea of the strength of this credit. American and other banks thought Zaire was credit-worthy to the extent of $500 million, a figure based mainly on its copper deposits. War in Angola, however, cut off the Benguela Railway, thereby sharply reducing copper production. In early 1975 Zaire stopped paying its public and private debts. The public creditors met at the Paris Club in June 1976. The defaulted debt was rescheduled over a 10 year period. The privately owned banks, offered a similar "stretch-out" on their debt by President Mobuto Sese Seto, refused. Instead, after Zaire met certain conditions, Citibank agreed to use its best efforts to raise a "new" loan of $250 million. This was, of course, simply a rollover replacing part of the existing debt that would be paid. The banks think it is significant that they have avoided a "rescheduling." The Zaire situation remains very much in the air.

How easy is it to get the money out of a country once it has defaulted? Not easy at all; in fact, impossible. These are not wealthy countries that just don't want to pay. They are very poor countries that can't pay. Peru has defaulted on about $1.2 billion in bank loans. The bankers and their front, the International Monetary Fund, insist upon payment. Payment can only come from increased taxes in one form or another. When taxes are increased to pay foreign leaders the result is rioting, martial law and death.

In South America it is common for the government to subsidize the price of necessities—milk and bread—to protect the low-income consumer. A reduced subsidy—increasing the price—would consequently amount to a tax increase making funds available for foreign bankers. In July 1977 Peru announced price increases of 30 to 120 percent on milk, bread, cooking oil, gas and transit fares. The price increases were canceled after 20 people were killed in riots. Under renewed pressure from the bankers the increases were announced again in May 1978 and, once more, rioting swept 28 cities and towns, killing another 30 people. The military government responded by imposing martial law, postponing elections and suspending the constitutional guarantees of freedom of speech and assembly. Just last week the government announced a 20 percent increase in the price of gasoline and rice. A general strike was called, and once more the constitution was suspended and martial law was imposed.

Clearly the New York banks are captive to both Arab creditors and LDC debtors. They are vulnerable both ways. The Arabs may pull out or the LDCs may collapse.

The banks have no doubt that they will come out of this alive. But how? Could they prudently reduce their loan exposure and gradually disengage? No way. They are captives of their debtors. In early 1975, New York City's Deputy Mayor James Cavanaugh spoke for all large dead-beat debtors when he said: "The banks and we are a community of interest. If we go down, they go down." Cavanaugh has been wrong so far—the city and Cavanaugh went down, but the banks didn't. But the LDC figures dwarf the city debt held by the banks (maybe $1.5 billion). How tough can you get with someone who owes you $11 billion? In 1976, Peru—which owed the banks a mere one billion dollars—was able to pry another $200 million out of them. The American banks had to consider Peru's prognosis dim in view of a 1975 foreign trade deficit of $1.5 billion. But what choice did they have? One banker said during the Peruvian negotiations, "We're faced with the same decision as we are with a factory that is about to go bankrupt. Do you liquidate, or put in more money to see if you can make a go of it?" In December 1977, the Peruvians confessed they had not been able to make a go of it.

So why isn't David Rockefeller worried? Surely President Carter is not going to take over a defaulting country as the British and French foreclosed Egypt in the 1860s during the reign of Ismail Pasha. In those great days the lenders just walked in, took over the tax collection system and paid themselves. The banks remain supremely confident that the government will come to their rescue, but they expect the method of salvation will be more modern. The loss will be socialized by getting the American taxpayer to bear it. Perhaps it will be done through a front like the International Monetary Fund (IMF), but the banks are sure it will be done. After all, they reason, can the government stand aside while the U.S. banking system goes bankrupt?

A bail-out device called the Witteveen Facility went easily through Congress early last year. Under the auspices of the International Monetary Fund the Witteveen Facility provides $10 billion for loans to countries hurt by the oil gouge. The countries can then pay off the New York banks. Chase Manhattan Bank insisted to the Senate Banking Committee that this was no bail-out. John Haley, executive vice president of Chase, denied that "a recommendation for increased official international credit is basically a plea for a 'bailout' of the major multi-national commercial banks. . . . What is at stake here is not the health of the major banks but rather the health of the world economy." The Wall Street Journal did not see it that way. It editorialized that an honest name for the proposal would have been "The Bankers Relief Act of 1977." The Journal said this "indirect approach" was "necessary to fool the taxpayers into thinking they are really helping the poor." The easily fooled taxpayer can look forward to more Witteveen Facilities. But the problem is so massive. At some point the question will become "Who bails out the U.S.?" Does David Rockefeller? How about Saudi Arabia?●

FEDERAL PRODUCTIVITY

HON. JIM LEACH

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 19, 1979

● Mr. LEACH of Iowa. Mr. Speaker, the Subcommittee on Civil Service of the House Post Office and Civil Service Committee is holding a series of hearings on productivity in the Federal Government. With the constant pressures to hold down Government spending and employment, the focus on productivity is particularly timely. The opening statement delivered by Chairwoman PAT SCHROEDER at the first hearing on June 14 was an unusually perceptive analysis of the current state of productivity programs—and priorities—in the executive branch. I would like to draw it to the attention of the House:

OPENING STATEMENT OF THE HONORABLE PATRICIA SCHROEDER

Welcome to the first of a number of sessions we foresee on Federal productivity and performance appraisal required by the Civil Service Reform Act. The most frequent single complaint I hear from my voters is that they get too little in return for their hard-earned tax dollars. Rightly or wrongly, they see the Federal government as the largest wastrel in the history of civilization. For the most part, they don't have any ideological objection to the government trying to feed the hungry, provide jobs for the unemployed, encourage energy production, stimulate economic development, or educate children. What they do have a problem with is the fact that the government spends so damn much money to do such a damn poor job.

One side of this problem is waste, fraud, and abuse. This Committee made a significant effort last year to force revelation and elimination of corruption by providing a place where Federal whistleblowers can safely go with evidence of wrongdoing. At the time, a major Inspector General program was instituted.

The other side of the problem is inefficiency, poor performance, and poor management. This problem is best confronted by embarking on a high-level full-scale program to improve the productivity of the Federal government. Now, high-level and full-scale do not necessarily mean, that we should blindly spend more money tagging it as productivity improvement. Rather there is sufficient talent and resources in government now to mobilize for the achievement of a major leap in efficiency, effectiveness, and service to the public.

Why hasn't the Federal government pursued a meaningful productivity program? Why aren't Federal managers interested in increasing the production of their work units?

It is impossible to estimate the total amount of money the Federal government has spent on productivity efforts in the past decade. Between program evaluation, Management by Objective, Zero Based Budgeting, the National Center for Productivity, and the Federal Productivity Council, the tax dollars plowed into this effort are very substantial. What have we gotten for this money?

I'll tell you one thing we have gotten: we've supported, in fine style, a whole gaggle of consultants and contractors who are glad to tell the government what they learned in business school, for a price.

We've received another thing as well: we've gotten a lifetime's supply of excuses for why a Federal productivity measurement and improvement effort cannot work. These excuses come in all colors, flavors, and sizes; which I think can be boiled down to six:

Excuse No. 1. "We don't have the resources to do it."

This excuse is the classic, used by government managers at all times for any purpose. It's a particularly serviceable excuse for a cost-conscious Congress. Unfortunately, it doesn't wash. Enormous sums have been spent, but they have been spent in the wrong place. Most agencies count something or another. But their workload indicators have about as much to do with how effectively the agency is doing its job as the casualty figures—bodycount—which we got during Vietnam had to do with whether we were winning the war. Furthermore, a productivity program need not be expensive. Canada has, over the past seven years, instituted what appears to be a first-rate program at a cost of $13 million. That's million, not billion. Around here, $13 million is mad money.

Excuse No. 2. "You can't measure productivity. Sure you can measure the productivity of a factory worker making widgets, but you can't for research and development. Besides, for jobs without tangible outputs, measuring productivity is a matter of subjectivity. Even if you can measure efficiency, you surely can't measure effectiveness."

This excuse greatly underrates the state of the art of productivity measurement. Surely output per person hour worked is the easiest productivity to measure Nevertheless, major corporations and other governments have developed suitable methods of measuring productivity of less tangible ouputs. It seems to me that if a program manager claims that the agency's output cannot be measured, Congress ought to shut down the program. In effect, the manager would be telling us, "We do good work here but I can't tell you exactly what it is." And, the Civil Service Reform Act made it clear that top managers should be judged in terms of quantified organizational output.

Excuse No. 3. "We're already doing it."

What the government is already doing is keeping bodycounts. Some are useful. But, to what use are they put? Are they used to save money for the government? Are they used to reward efficient and effective managers? Other workload indicators are worse than not useful: they encourage wasteful and nonproductive activity. In future hearings, we intend to demonstrate some of the perversions caused by poor productivity indicators. It is clear that the agency performance indicators have to be improved so that what is measured has to do with the ultimate intent of the agency and program. It is silly to have performance measures which do not relate to the reason the program exists. It is also foolish not to use the results to produce a more cost-efficient government.

Excuse No. 4. "There's no incentive to increase productivity."

The Civil Service Reform Act provided the single best incentive for increased productivity—performance appraisal. The performance appraisal system for Senior Executives is supposed to judge top managers on the basis of organizational as well as individual performance. I think the head of an agency should be judged on how well his or her agency does in meeting the goals Congress set out for it. That means a hypothetical HUD supergrade in Denver should be promoted or demoted on the basis of housing in Denver. At the very beginning, Senior Executives should be required to design and implement a workable, accurate, and quantified performance measurement system for their agency or unit within the first year. For non-Senior Executives, performance appraisal should be based on quantified measures of productivity which reflect the mission of the agency. To measure a procurement officer on the basis of speed of procurement, without concern for cost, is asinine. Performance appraisal has enormous potential. I would hate to see the agencies and OPM blow it.

Excuse No. 5. "You can't hold an employee accountable for things beyond his or her control."

That's right, but, on the other hand, you should not immunize officials from responsibility for their performance. No matter what the job is, there are some outside factors which always affect the outcome. A good productivity measurement system should find measures to examine an individual's influence on the outcome. Sure, the mythical HUD supergrade I just mentioned is restricted by rules and regulations, limited by money, obliged to give consideration to state and local governments, pressured by community groups, and guided by Washington. Nevertheless, a respectable productivity system will find a way to look at this employee's influence on housing in Denver.

Excuse No. 6. "There are all sorts of disincentives to measuring productivity, such as loss of budget and loss of status for increasing efficiency."

The Civil Service Reform Act should help reverse some of these disincentives by providing strong individual personal incentives for improving efficiency and effectiveness. I certainly hope that no manager is downgraded because he or she finds a way for the unit to do its job with fewer people. I understand that, in the past, grades were assigned based on the number of people supervised. Obviously, this is a disincentive which OPM can and should eliminate. So, disincentives can be reduced and incentives can be increased to encourage greater productivity.

The real reason the job hasn't been done is because there has not been sustained and strong interest from the top. The Office of Personnel Management, now being the lead agency, is the place I intend to watch to see that Federal productivity program in 1979 is not just a rehash of the past decade.

At our next hearing, on July 12, we will hear from employee organizations and other outside groups. Some of the most important and effective programs to increase productivity have come from collaboration between employee organizations and government managers. I certainly hope that OPM will work closely with these organizations in developing its productivity and performance appraisal plans.●

THE NATIONAL ENERGY SELF SUFFICIENCY ACT OF 1979

HON. DON BAILEY

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 19, 1979

● Mr. BAILEY. Mr. Speaker, on June 15, I introduced the National Energy Self-Sufficiency Act of 1979. This legislation, or something like it, is the necessary foundation for the immediate development and permanent establishment of a private domestic synthetic fuel industry, large enough to make the United States an energy independent Nation soon.

The problems that make our current energy situation critical are well known to all of us. Last year, $40 billion of American money went to foreign nations to purchase oil. Currently, 50 percent of U.S. oil consumption is based on imports. The cost of a barrel of imported oil averages $18. Recent world spot market prices for imported oil have been between $30 to $40 per barrel. There is no end in sight.

The ripple effect of such price policies by foreign oil producing countries is already apparent. Inflation, unemployment, slow business growth, and an almost devastating psychological impact on the American public is evident. Most importantly, the national security of our country and our political system itself is threatened.

Today there is not one major synthetic fossil fuel production plant in our country.

My bill would provide the needed financial incentive for private industry and business to invest in such a synthetic fuel production effort.

Basically, the National Energy Self-Sufficiency Act of 1979 (H.R. 4484) would direct the Secretary of the Treasury to impose a duty on imported crude oil equal to the amount of the difference between the price of imported crude oil and the price of domestically produced synthetic fossil fuel. For example, using today's figures, at a cost of $18 per barrel for imported crude oil and an estimated cost of $25 per barrel for synthetic fossil fuel, the amount of the duty would be $7 a barrel. The figures for both fuels and the amount of the duty, if any, would be redetermined on a monthly basis.

The money raised from the imposition of the duty would be placed in a trust fund, known as the Synthetic Fossil Fuel Fund.

The trust fund would be managed by a nine-member board appointed by the President of the United States. Its makeup would consist of three members of business and industry, three members of labor organizations, and three members would be appointed at large. The President would also select the board chairman.

The function of this board will be to make long-term, low-interest loans to private American industrial and financial concerns for the construction of facilities to produce synthetic fossil fuels. The loans shall not exceed 50 percent of the cost of constructing such a facility. The overriding policy of the board in making loans shall be to encourage a broad-based and competitive synthetic fossil fuel industry by making loans to applicants from a variety of industrial and financial backgrounds and to as many applicants as is practicable.

The duty imposed on imported crude oil would make the production of synthetic fossil fuels economically feasible. At a current cost of about $1 to $2 billion for a synthetic fuel facility producing 50,000 barrels of such fuel a day, it is little wonder that private enterprise has been slow to pursue this alternative to our energy problem. The risk is just too great. However, my legislation provides the two-prong incentive to this necessary massive investment. First, the duty on the imported crude oil makes the production of synthetic fossil fuel economically competitive in the domestic market. Second, the resulting trust fund from the duty would provide long-term, low-interest loans to cover up to half the initial enormous capital investment required for such a plant.

I am fully aware of the effect that the duty will have on the price of gasoline at the pump. Right up front, it may add 17 cents to 19 cents per gallon to current prices. But America must regain the vision and the foresight it once had in order for us to permanently solve our energy crisis—a crisis that is threatening the fundamental economic fabric of our society. There is no question that the independence of America's energy supply is of the utmost priority. In addition, the investment in these synthetic fossil fuel facilities can help an unemployment-plagued economy by providing new jobs in a growing industry, utilize our huge coal and shale reserves, and foster the growth of private business and industry. All this while keeping the Government out of the energy-producing business.

I ask that you help America back on the road to total energy independence and request your support of the National Energy Self-Sufficiency Act of 1979.

The following is a brief factsheet showing the amount of money that my bill will provide for potential capital investment in a synthetic fossil fuel industry:

NATIONAL ENERGY SELF-SUFFICIENCY ACT OF 1979

FACTSHEET, JUNE 1979

Average price of imported crude oil as per CRS, $18 per barrel.

Estimated average price of synthetic fossil fuel—as per CRS, $25 per barrel.

Difference of $7 per barrel.

Historically, the cost of synthetic fossil fuel has been approximately 150 percent of the cost of crude oil.

The U.S. imports approximately 8 million barrels per day of crude oil from foreign sources. That is approximately 2.92 billion barrels of oil a year.

If a duty of $7 per barrel was placed on this yearly import figure, the "Synthetic Fossil Fuel Fund" would be approximately $20.44 Billion at the end of the first year.

POSSIBLE NUMBER OF PLANTS

Synthetic fossil fuel plants are estimated to cost between $1 Billion and $2 Billion each for plants able to produce the equivalent of 50,000 plus barrels of oil per day. Therefore, this legislation could theoretically provide funding, with matching private monies, for a minimum of 25 plus plants per year.

COST INCREASE AT PUMP

There are 42 gallons of oil in a barrel. The rule of thumb is that every $4.20 increase in the price of oil equals a 10c price increase at the gasoline pump. This is assuming that there is no mark-up middlemen and retailers. However, the regulations and controls on refineries are loosening up and they will probably be allowed to pass on to consumers an approximate price increase of 2 to 5 cents a gallon. Therefore if the duty is $7 per barrel, there will be an approximate increase of 17c per gallon plus an additional mark-up of 2–5c. Thus, the increase at the gasoline pumps would be approximately 19c to 22c per gallon.●

THE EDUCATION FOR EXPORTING ACT

HON. SAM GIBBONS

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 19, 1979

● Mr. GIBBONS. Mr. Speaker, I have today submitted a bill, the Education for Exporting Act, on behalf of myself, and Representatives SIMON of Illinois, ALEXANDER of Arkansas, MITCHELL of Maryland, NEAL of North Carolina, JONES of Oklahoma, LONG of Louisiana, VANIK of Ohio, and FRENZEL of Minnesota.

As you well know, the United States today is experiencing serious difficulties in the area of international trade. Our deficit last year was about $30 billion, and this massive deficit contributed significantly to our domestic problems of employment and inflation.

There are, of course, many reasons for our current trade problems, some of which are self-correcting and some of which signify long-term weaknesses in our fundamental ability to compete in the world market. I believe that one factor that falls in the latter category of a basic weakness in our international competitive position is the relative provincialism of the U.S. business community.

We pride ourselves on our sophisticated technology and our management and organizational techniques—and rightly so. However, compared to a number of other countries such as Japan and Germany, our businessmen by and large focus on our own market. Few in our business community speak any language other than English with any degree of fluency. The feeling is pervasive that it is up to other peoples to learn English, rather than our responsibility to learn other languages and to understand other cultures.

The cost of this is great. It means that all too few of our firms think in terms of exporting; instead, they tend to concentrate on the domestic market. It means that of those that do export, all too few really understand overseas markets, and as a result their sales fall short of what they could be.

If the United States is to be really competitive, this situation will need to be changed. There will need to be a better blending of language and international skills in our business training. The Education for Exporting Act is intended to provide incentive for this to happen.

I believe it is particularly critical for our young people to have the opportunity to work overseas in other cultures in assisting American exporters and other commercial interests. At present, industry all too often attempts to teach an executive a foreign language and culture in midcareer. An executive, who perhaps has spent his career in engineering or accounting, tends to see this as a detour in his career path. What is needed is to blend foreign language and area studies with business training at an earlier point in the executive's career, while he is flexible and open to learning all he can about a foreign culture.

For its part, language and foreign area studies in the United States tends not to be commercially oriented. Graduates tend toward teaching, government, or pursuits other than business. In fact, however, foreign language and area studies have a great deal to offer business.

Over the long run, the programs to be carried out by the foundation established by this act should insure that some of our language and foreign area studies curricula are more tailored to business needs, and that more businessmen have studied foreign languages, cultures, and international business. Over the short run, programs of the foundation should also help our competitive position through the provision of market research, product servicing, and translation services to small and medium sized firms.

Let me emphasize that the programs to be carried out by this foundation are catalytic in nature. The role of the foundation is to provide the incentive for some long-run changes in our approach to business and language training. The foundation is not designed to replace programs now being effectively carried out in the private sector. Further, much needs to be done in the area of increased language training and strengthened U.S. programs for exporting. This bill is intended as only one step in these areas, and much more remains to be done in both of these areas.

Finally, let me emphasize that this bill has been designed very much with our current budget problems in mind. Clearly, this is not the time for expensive new programs.

This bill has been designed to minimize costs to the Treasury in the following ways: First, the foundation will be expected to charge for its services to the extent possible. Full cost recovery is not likely; however, the charges should be sufficient to insure that the foundation's programs fill a real need and to help lessen the burden on the Treasury; second, the foundation will be empowered to receive tax-free contributions from the private sector, and it is hoped that business in particular will contribute; third, most importantly, costs will be held down through the use of multipliers. It is expected that the foundation will work through organizations such as the American Chambers of Commerce overseas to deliver its services; fourth, finally, a 10-year sunset provision has been included. This will insure that this program is carefully reviewed for effectiveness, if it is extended.

Although this bill has been designed to minimize costs to the Treasury, I do not at this time have any budget estimates. This will have to be developed after hearings on this bill, when we are better able to estimate the optimum size of this program.

A summary of the sections of this bill follows:

SEC. 1. This Act may be cited as "The Education for Exporting Act."

SEC. 2. Describes the purposes of this Act.

SEC. 3. Establishes a quasi-public foundation, whose Board of Directors consists of one-third representatives of small and medium-sized businessmen, one-third academia, and one-third Governmental. Describes the powers of the foundation and establishes provisions for auditing the foundation's records.

SEC. 4. Describes the programs that the foundation may carry out, including for example: Programs to sponsor work internships abroad for individuals in the offices of private organizations or companies engaged in promoting U.S. commerce, and programs to establish cooperative activities with educational institutions to provide low-cost translation or market research studies to private organizations engaged in international commerce.

SEC. 5. Establishes an International Education Trust Fund to finance the foundation.

SEC. 6. Authorizes appropriations to the Fund for fiscal year 1980 and the nine succeeding fiscal years.

SEC. 7. Defines the various terms used in the Act.●

HIPPOCRATIC OATH STILL NEEDED

HON. ROBERT K. DORNAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 19, 1979

● Mr. DORNAN. Mr. Speaker, I intend to offer an amendment to the upcoming Health Planning Act, H.R. 3917, dealing with the Hippocratic oath as revised in 1948 at Geneva as a result of the medical atrocities committed by Nazi medicine. Sad to say there is a need for this amendment even today. I think my colleagues will see why this amendment is needed after reading the enclosed material. Mr. Speaker, the material follows:

[From Time Magazine, June 25, 1979]

DOCTORS OF THE DEATH CAMPS—AN AMERICAN PSYCHIATRIST EXAMINES SOME MURDEROUS M.D.'S

Of all the troubling questions that linger from the Holocaust, one is as baffling today as it was when the first Allied soldiers stumbled upon the Nazi death camps: How could Germany physicians, heirs to Europe's proudest medical tradition, participate in mass slaughter and grisly human experiments?

No one has offered a convincing answer, certainly not the participants themselves. Only last week a West Berlin court convicted a former SS doctor of having murdered scores of inmates at the Mauthausen concentration camp in Austria—"sometimes out of pure boredom," said the judge. For Yale Psychiatrist Robert Jay Lifton, who has spent much of his professional life examining disaster, understanding the doctors of the Holocaust has now become a particularly grim challenge.

The author of a notable study of Hiroshima survivors, *Death in Life*, and other examinations of disaster, Lifton is writing two books: one on Auschwitz doctors, another on the medical profession under Hitler. As Lifton told TIME Associate Editor John Leo, collaboration by doctors was crucial to the Nazis' warped success. Says Lifton: "Doctors were key agents in the Holocaust. They are enormously implicated in the killing."

Lifton, 53, had been planning to write about the Holocaust for years, but this opportunity came by chance. Two years ago, the New York Times Book Co., a subsidiary of the newspaper, hired a German jurist as a consultant for a proposed book on Auschwitz. Lifton agreed to write it. Financed by the National Endowment for the Humanities and the Rockefeller Foundation, Lifton spent ten months in Europe and the Middle East interviewing scores of German doctors, former Nazi bureaucrats and inmate doctors, mostly Jewish and Polish.

For Lifton, a Jew, these examinations were obviously painful. Even a generation later, Lifton found, many of the German doctors resorted to complicated mental gymnastics in discussing their Hitler days, and often seemed to be almost totally unreconstructed. Some saw themselves as idealistic Nazis who worked to restrain primitive elements within the movement. Others continued to feel the magnetism of Nazism. As Lifton explains, in an almost defensive clinical tone: "Often the former Nazi doctors seem to have two separate and functional selves—a conventional conservative postwar German attitude toward Nazism and its 'excesses' and a nostalgia for the excitement, power and sense of purpose of the Nazi days. For many, that intensity is so great that the Nazi belief system has not been given up."

Lifton concedes that most other German professionals also capitulated to Hitler, with certain heroic exceptions. What made the corruption of physicians so crucial to Hitler was that their support provided moral and scientific legitimacy for his crazed racial and biological notions. They did this in varying ways: by cooperating in sterilization and euthanasia programs, by counseling patients toward "racially pure" marriages, by expelling Jews from medicine, and by actualy helping carry out the Holocaust. After all, it was doctors who supervised the "selections" at the concentration camps—deciding who would live to work, who would die in the gas chambers, who would become guinea pigs in the barbarous experiments justified as science.

Says Lifton: "Doctors were the embodiment of Nazi political and racial ideology in its ultimate murderous form. The killing came to be projected as a medical operation." Incredibly, some came to see genocide as a health measure. Said one: "If you have a gangrenous growth, you have to remove it." Another commented coldly that life at Auschwitz was as routine as "building a sewage project." Against the background of a eugenics movement that gained unfortunate respectability in some scientific circles in Europe and America during the '30s, says Lifton, "many doctors came to see themselves as vast revolutionary biological therapists." The third ranking doctor in the Nazi hierarchy admitted to him that he joined the party when someone fired his imagination by arguing that "Nazism is applied biology."

How did so many doctors manage to preside over killings while viewing themselves as idealists? And how could they possibly continue to regard themselves in so favorable a light even today? Lifton concudes that they invoked two standard psychological forms of self-delusion: the first is "psychic numbing"; at Auschwitz, for example, doctors talked compulsively about technical matters to avoid confronting the reality of all the horrors around them. The second is "middle knowledge," a form of knowing and not knowing at the very same time. One doctor who had shipped large allocations of cyanide to the SS storm troopers who ran the camps seemed genuinely shocked to learn that it had been used to exterminate Jews and other people. Comments Lifton dryly: "He had worked very hard not to know."

Lifton sees another, more controversial psychological device at work. Because most cultures fear dying, one way to combat that dread is to look around for an enemy that symbolizes death. For the Nazis, it was the Jews, who had long been portrayed as Christ killers. Says Lifton: "If you view the Jews as death-tainted, then killing them seems to serve life." In Lifton's eyes, those who look upon the Nazis or their medical henchmen simply as maddened sadists are on the wrong track. "Most killing is not done out of sadism, not even most Nazi killing," says Lifton. The reality of medical participation in the Holocaust, as he sees it, is even more chilling: "The murders are done around a perverted vision of life enhancement."

DOCTORS OF INFAMY

The Reich Leader SS
Journal No. 1652/43
RF/Bn
Subject: Research into the Cause of Infectious Jaundice (Hepatitis Epidemica)
Reference Yours of June 1, 1943—File No. 420/IV/43—Journal No. 6.43, top secret
Top Secret!
To Reich Physician SS and Police, Berlin

I acknowledge receipt of your letter of June 1, 1943.

1. I grant authorization for use in the experiments of eight criminals under sentence of death at Auschwitz (eight Jews of the Polish resistance movement sentenced to death).

2. I am in agreement that Dr. Dohmen should conduct these experiments at Sachsenhausen.

3. I share your view that an effective campaign against infectious jaundice would be of immense value.

(signed) H. HIMMLER.

Carbon copy to SS Lieutenant General Pohl, Berlin, for information.

SS Lieutenant Colonel.

In connection with a "Common Research Program on the Question of the Virus of Hepatitis," the consulting internist to the Army Medical Inspector, Prof. Gutzeit of Breslau, wrote to Prof. Haagen in Strassburg on June 24, 1944 (Doc. No. 124). Among other things he stated that he was trying "to create the possibility of carrying out the crucial experiment of transmission to man . . . However, certain precautions which I cannot mention in writing must be observed."[1]

This letter from Gutzeit, Haagen answered on June 27, 1944, with the following passage:

For the time being I cannot yet conclusively answer your inquiry about the human experiments. As you know, I am working with Messrs. Kalk, Büchner,[2] and Zuckschwerdt. I have agreed especially with Mr. Kalk, of course, that we are to conduct such experiments with our material.

In this same letter Prof. Haagen mentions that the above-mentioned Dr. Dohmen was expected in Strassburg on July 15. On the same day he passed on Prof. Gutzeit's letter together with his answer to Prof. Kalk, who was on the staff of the Chief of the Air Force Medical Service:

[From Newsday, Feb. 19, 1978]

U.S. ADVISER DRAWS FIRE BY SUGGESTING TESTS FOR VACCINE ON RETARDED CHILDREN

WASHINGTON.—One of the government's chief health advisers has touched off an angry debate within the medical community by suggesting that retarded children be used as subjects for testing an experimental vaccine made from the diseased blood of hepatitis victims.

The hepatitis vaccine has not been licensed by the Food and Drug Administration. A spokesman for its manufacturer, Merck, Sharp & Dohme, said testing is in the early stages and the vaccine has not been proven safe or effective.

Although no researcher has yet accepted the proposal to test the vaccine on retarded children, there is no FDA rule against such experiments, according to agency spokeswoman Faye Peterson. While the agency has promulgated detailed guidelines to safeguard prisoners in medical experiments, for example, no similar rules have been issued that specifically cover retarded children.

The proposal to use retarded children as test subjects of the vaccine for the sometimes-fatal disease was made by a New York pediatrician, Saul Krugman, during a workshop on the experimental vaccine held two months ago at the National Institutes of Health near here. A distinguished hepatitis researcher, Krugman also is chairman of the vaccine board of the FDA's bureau of biologies, the chief federal advisory board for reviewing safety and effectiveness of new vaccines to determine whether they should be licensed.

Krugman, when asked at the Jan. 19 NIH workshop to summarize the material presented there, addressed the difficulty of finding suitable groups upon which to test the experimental vaccine. He said: "I would like to suggest that there are children throughout the United States who are on a waiting list to be admitted to various institutions for the retarded. . . . It would seem to me that this particular group at home, not in the institution, would be a logical group in whom to consider trials with hepatitis B vaccine." Krugman said he felt such tests would be "highly ethical," because the chances of a child's becoming infected with hepatitis after entering an institution for the retarded are very high. Crowded and unsanitary conditions and poor personal hygiene aid in spreading the disease.

Other medical authorities and government officials vehemently disagree with the proposal.

Carleen Bridgeman, executive director of the Institute for the Study of Medical Ethics in California, called Krugman's proposal "scary" and said, "It's using a captive subject . . . a child . . . unable to give informed consent."

Dr. John Cooledge said, "Dr. Krugman's idea is unconscionable . . . until safety is established. His suggestion is completely unethical." Cooledge, director of health services at the Georgia Retardation Center, is also a special consultant in the court-ordered cleanup of Willowbrook State School for the retarded in New York.

Part of the reason for the angry reactions from Cooledge and others is Krugman's controversial role in operating a research program at Willowbrook throughout the 1960s that involved infecting health retarded children between the ages of 3 and 10 with live hepatitis.

Krugman's early experiments, in which he measured among other things the amount of antibodies—natural defenses—the children developed after he infected them with the disease, provided great gains in scientific knowledge, including the disease * * * of two hepatitis viruses. "Krugman's series of studies at Willowbrook laid the groundwork for our current understanding of hepatitis,' said Dr. Franklin Tyeryar, hepatitis program officer for the National Institute of Allergy and Infectious Diseases. But Krugman's methods left a bad taste in the mouths of many scientists.

One of his notable critics is Dr. J. A. Morris, a virus expert who was the only federal official to raise his voice against President Ford's emergency measures in 1976 to inoculate Americans against the feared swine-flu epidemic that never materialized. Morris was fired from his job as director of the so-called "slow-latent" virus branch of the FDA's Bureau of Biologics, but the firing was overruled by Civil Service Appeals Review Board last week.

Commenting on the Krugman proposal, Morris said: "I think it's absolutely outrageous. . . . I say if it's worthy of experimenting on kids, then why not do it with healthy kids? And I would suggest we start with the children of the executives of Merck Sharp & Dohme." ●

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[1] AUTHOR'S NOTE: The fact that the "crucial experiment" on human beings was actually carried out in Prof. Gutzeit's Breslau clinic is confirmed by a contribution from this clinic in the Munich Medical Weekly, 1942, p. 76ff. It was written by Dr. H. Voegt, resident physician at the clinic, and was entitled: "On the Etiology of Hepatitis Epidemica." The paper, by the way, is a very clear example of the tactics of obscuration as to whether the experiments were voluntary or not. In the case of a first test series voluntary participation is expressly emphasized; in a second, embracing six persons, this is not mentioned. Among the latter was a "thirty-year-old woman afflicted with a not very extensive tubercular infection of the lymph glands on the left side of the throat." She "drank, in a cup of soup, 100 cc of urine from patient B. and . . . (a little later) again about 25 cc from patient Sch." Even after the first dosage "the tubercular lymph-gland involvement began to flare up."

[2] PUBLISHER' NOTE: Prof. Büchner, of Freiburg, later stated emphatically that he had no part whatever in the planning and conduct of Prof. Haagen's experiments on human beings, having solely examined a series of mouse-livers for him.

CLARENCE J. VIPOND THE PATRIOT, CHURCHMAN, THE FAMILY MAN

HON. DON H. CLAUSEN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 18, 1979

● Mr. CLAUSEN. Mr. Speaker, on June 13, 1979, the funeral was held in Modesto, Calif. as a memorial tribute to a man for whom I had a profound measure of genuine admiration and respect—C. J. Vipond.

Here was a man who possessed the qualities we should all nurture: Courage, integrity, humility, compassion, concern, sincerity, selflessness, warmth, and patriotism.

His love for God and Country was only matched by his love for his wife and family—Vera Vipond; Lois Vipond Case; Del, Tonya and Lori Case; Robert L. and Lucy Vipond—who proudly referred to him as C. J., and Dad and Grandpa. My wife, Ollie and I have many fond memories of get togethers with Clarence and his family.

Wherever C. J. Vipond lived and worked, his presence left its mark. As a farmer, carpenter, businessman and churchman, he demonstrated a special quality and excellence in his production and performance. No task was too large or difficult for this very extraordinary man. The church and school facilities in Crescent City and Modesto will stand as living monuments to the skill and commitment of this dedicated and devoted christian.

His popularity, his genuineness and his down to earth personality were all traits that endeared him to all of his personal and business friends.

Many a farmer in California's central valley can thank "C. J." for their earned profit and productivity—due to the realtor C. J. Vipond and his great credibility.

You cannot build character and courage by taking away a person's initiative and independence.

Through his many initiatives, "C.J." brought joy, happiness, and independence to many families of California.

As he might say, "keep your nose clean so you can smell a phony."

His life was hard and challenging.

He was a graduate of the "College of Hard Knocks," learning his lessons well from his everyday experiences—believing that hardships teach fortitude.

He was true to his principles, the Golden Rule and the Ten Commandments.

In his everday living, he recognized that it is not the leap at the start but the steady going that gets you there.

Here was a man who cared and shared in a way beneficial to all of mankind.

We all know, "It is right living which prepares us for safe and even joyous death."

His was a life of giving.

His was a life which was good.

His was a life of beauty.

God governs in the affairs of men.

Our brother, "C.J." Vipond, is now safely and peacefully—in the hands of the Lord.●

THE LIFELONG LEARNING ACT OF 1979

HON. WILLIAM R. RATCHFORD

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 19, 1979

● Mr. RATCHFORD. Mr. Speaker, today I am introducing the Lifelong Learning Act of 1979, which is designed to improve access to higher education for nontraditional students of all ages.

This legislation is a revision of title I of the Higher Education Act, which now encompasses a broad range of community service and adult education programs administered by the States. Unfortunately, the existing title I lacks any clear focus or relationship to national needs, and has consistently failed to generate enthusiasm and adequate appropriations within the Congress.

It is in response to these inadequacies that I am sponsoring the Lifelong Learning Act of 1979. This revised title I program would target Federal funds to State and institutional programs for nontraditional students facing barriers to participation in higher education. In so doing, the Lifelong Learning Act establishes a national policy of making training and education opportunities available to all Americans, and directs federal resources to meet the challenges of declining student populations and changing educational needs.

The average college student today is hardly the 20-year-old male of two decades ago. Each year, our institutions are filled with increasing numbers of older Americans, men and women beyond the traditional age of the student who want or need additional education and training to cope with a rapidly changing world.

This growing trend of part-time, nontraditional students will profoundly alter the shape of higher education in the years to come, and presents great challenges to the Congress in planning for our future. At present, while the demands on our colleges and universities are quickly swinging toward nontraditional students, Federal policies in higher education are still focused on the youthful student populations of years ago. The time for a new emphasis in higher education has clearly arrived.

The Lifelong Learning Act is a carefully drafted response to these emerging national needs. Drafted as a compromise initiative in lifelong learning, this legislation reflects a delicate balance of State, institutional, and noninstitutional needs which will draw all available resources into the lifelong learning process. The bill also provides new opportunities for participation by industry, business, and labor, and hopefully will serve as the basis for consensus on a new direction for Federal initiatives in community service and adult education.

Mr. Speaker, in this time of difficult budgetary restraint, I should stress that the Lifelong Learning Act requires no expansion of Federal expenditures in the realm of lifelong learning. The legislation simply redirects the present title I appropriation, $16 million for fiscal year 1979, and targets that Federal aid to promote access for nontraditional students. The revision of title I is essential if we are to use Federal resources effectively to reach adult populations through institutions of higher education.

Looking ahead to the 1980's, one of our highest educational priorities must be to improve access for these neglected "students" who so greatly need the benefits of lifelong learning: The elderly, poor, handicapped, displaced homemakers, minorities, the unemployed, and underemployed. Increased access for these disadvantaged persons is the major goal of this legislation, and the proposal has already drawn broad support from the education community.

I now urge my colleagues in the House to join me in this new attempt to focus on the emerging needs of lifelong learning. Following is the text of the Lifelong Learning Act of 1979, which hopefully will serve to elevate the discussion on the future of higher education in America during the coming weeks:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Lifelong Learning Act of 1979".

SEC. 2. Title I of the Higher Education Act of 1965 is amended to read as follows:

"TITLE I—LIFELONG LEARNING

"FINDINGS AND DECLARATION OF POLICY

"SEC. 101. (a) The Congress finds that—

"(1) the rapid pace of social, economic, and technological change has created pressing needs for education programs which focus on the retraining and continuing education of nontraditional students in all stages of life;

"(2) in a changing society, many disadvantaged adults are restricted from advancement or self-sufficiency by lack of education during youth, while still others are restricted because of barriers such as age, sex, race, handicap, national origin, or economic circumstance;

"(3) educational opportunities in the United States are limited primarily to Americans between the ages of 18 and 22, and institutions of higher education rarely have the capacity to meet the special needs of individuals who do not fall within the traditional student population;

"(4) with declining population growth rates, the future of education in the United States lies in its ability to respond to the challenges of lifelong learning, holding the promise of education and training which break the cycle of dependence for the disadvantaged;

"(5) the educational system of the United States holds vast potential for service in the realm of lifelong learning, but progress will be achieved only through an increased emphasis on planning, research, and coordination which more effectively utilizes existing resources at all levels of government; and

"(6) a successful national program of lifelong learning must marshal resources from a diverse range of higher education institutions, business, industry, labor, and other public and private organizations and institutions in order to meet the unique educational problems and needs of disadvantaged adults.

"(b) The Congress hereby declares it to be the policy of the United States that to make education and training opportunities available to all citizens throughout life, and to remove any barriers to such opportunities posed by previous education or training, age, sex, race, handicap, national origin, or economic circumstances.

"COMPREHENSIVE STATE PLANNING AND IMPLEMENTATION

"SEC. 102. (a) (1) (A) From 35 per centum of the sums appropriated pursuant to section 111, the Secertary shall allot to each State an amount which bears the same ratio to such sums as the adult population of such State bears to the population of all the States, except that for each fiscal year no State shall receive from such sums less than $50,000 for that year.

"(B) If the sums appropriated for any fiscal year are not sufficient to make payments of $50,000 to each State then the amount of each State's allotment shall be ratably reduced. If additional sums become available for any fiscal year for which allotments have been so reduced, then such allotments shall be increased on the same basis as they were reduced, except that if the sums so available exceed the amount required to allot $50,000 to each State such sums shall be allotted on the basis of population as required by paragraph (1).

"(2) If any State does not enter into an agreement satisfactory to the Secretary, or if in any fiscal year, any State does not have an agreement satisfactory to the Secretary pursuant to section 106, the Secretary shall reallot the funds that would have been allotted to such State to all other States with satisfactory agreements. Such reallotments to other States shall be made in proportion to their allotments pursuant to paragraph (1). Any amount reallotted to a State under this subsection during a year from funds appropriated shall be deemed part of its allotment under paragraph (1) for such year.

"(3) (A) In accordance with regulations prescribed by the Secretary, any State may file with the Secretary a request that a specified portion of its allotment under this title be added to the allotment of another State under this title for the purpose of meeting a portion of the Federal share of the cost of providing programs under this part.

"(B) If the Secretary finds that the programs with respect to which the request is made would meet the needs of the State making the request and that use of the specified portion of such State's allotment, as requested by it, would assist in carrying out the purposes of this part, such portion of such State's allotment shall be added to the allotment of the other State under this part to be used for the purpose referred to in subparagraph (A).

"(b)(1) From the amounts allotted under subsection (a)—

"(A) each State, in the case of a State receiving an allotment of less than $100,000, shall expend not less than 40 nor more than 50 per centum of such allotment, and

"(B) each State, in the case of a State receiving an allotment of more than $100,000, shall expend not less than 30 nor more than 40 per centum of such allotment,

to carry out a program of comprehensive statewide planning for lifelong learning to insure effective and efficient use of all available resources from whatever source for lifelong learning in the State to improve access to persons within the State to lifelong learning opportunities. Such planning shall give particular consideration to the needs of disadvantaged persons for lifelong learning opportunities.

(2) The remainder of the funds allotted to a State which is not used pursuant to paragraph (1) may be expended by such State on activities to implement comprehensive statewide planning through grants to, or contracts with, appropriate institutions or agencies, or combinations thereof, within the State for the purposes of (A) improving access of persons (particularly of disadvantaged persons) in such State to lifelong learning opportunities and (B) encouraging better statewide coordination of various lifelong learning opportunities available and planned within the State, including those activities receiving Federal support under other statutes.

(3) Not more than 5 per centum of the funds allotted under this section may be used for purposes of the administration of programs under section 103. Such funds may be appropriately deducted from the amounts available under either paragraph (1) or (2) of this section, or under both such paragraphs.

"GRANTS TO INSTITUTIONS OF HIGHER EDUCATION

"SEC. 103. (a) Thirty per centum of the sums appropriated pursuant to section 111 shall be available to States with agreements under section 106, for grants to institutions of higher education including, but not limited to, community colleges.

"(b) From the sums reserved under subsection (a), the Secretary shall allot to each State an amount which bears the same ratio to such sums as the adult population of such State bears to the adult population of all the States.

"(c) In order to receive funds under this section, States shall have carried out or be in the process of carrying out the requirements of section 102(b)(1) of this title and shall demonstrate the relationship between grants made under this section and the State planning required under section 102(b)(1).

"(d) Grants under this section shall be for the purpose of—

"(1) expanding and improving postsecondary continuing education programs and educational information and counseling services to help adults develop their potential, improve the well-being of their families and communities, and increase their ability to participate in civic, economic, and cultural activities;

"(2) making the instructional, research, and technical resources of postsecondary institutions available for diagnosing problems, identifying the knowledge, technical skills, and products appropriate to their solution, and implementing and evaluating programs to meet the needs of State and local governments, community groups, labor, and business;

"(3) developing strategies for obtaining long-term public and private support to assure that continuing education and community service programs will continue to be available to adults and community groups who would otherwise face programmatic and financial barriers to participation;

"(4) establishing policies and procedures for creating or expanding a labor education, training, and technical assistance program in one or more institutions of higher education, including the procedures to be used to develop cooperative arrangements for working with State level labor organizations—

"(A) to determine the specific nature and extent of the need for such services, and

"(B) to assess the interest and relative capacity of institutions of higher education in the State to apply their resources to meet the research, training, and developmental needs of workers and of officers and members of labor organizations.

"SPECIAL PURPOSE GRANTS

"SEC. 104. (a) From 30 per centum of the sums appropriated pursuant to section 111, the Secretary shall make grants and enter into contracts with public and private agencies, institutions and organizations, business, labor, and with individuals.

"(b) Grants and contracts under this section shall be for—

"(1) assessing, evaluating the need for, demonstrating, developing, and disseminating alternative methods to improve the access of disadvantaged persons to life-long learning opportunities;

"(2) supporting activities and providing technical assistance, where necessary, designed to eliminate inequities with regard to age in the operation and policies of the educational system;

"(3) identifying and disseminating information about innovative education and training practices which offer promise of providing models for Federal, State, local, and institutional policies that would enhance the availability and effectiveness of lifelong learning opportunities; and

"(4) assisting schools for education and other institutions which provide for teacher education to retrain faculty, teachers, counselors and others so that they become effective educators of the new clientele of students, especially disadvantaged adults who wish and need to learn throughout their lifetime.

"(c) No grant or contract may be awarded under this section to any applicant unless the Secretary has provided the State agency designated pursuant to paragraph (1) of section 106(a) an opportunity to comment on the relevance of the proposed grant or contract to the comprehensive statewide planning undertaken pursuant to section 102(b)(1) for at least 30 days. The Secretary shall make an explicit determination in writing prior to the award of any grant or contract regarding the extent to which the grant or contract relates to or is consistent with such comprehensive statewide planning.

"FEDERAL LIFELONG LEARNING ACTIVITIES

"SEC. 105. (a) From 5 centum of the sums appropriated pursuant to section 111, the Secretary shall carry out a program of planning, research, coordination and information dissemination related to lifelong learning. In carrying out the provisions of this section, the Secretary shall—

"(1) foster improved coordination of Federal support for lifelong learning programs across Federal agencies;

"(2) Establish a clearinghouse for information regarding lifelong learning, including the identification, collection, and dissemination to educators and the public of existing and new information regarding lifelong learning programs which are or may be carried out and supported by any department or agency of the Federal Government or the private sector;

"(3) review present and proposed methods of financing lifelong learning from public and private sources, including the administrative features of each, to determine the extent to which each promotes lifelong learning for the general public and the extent to which each serves to encourage participation in lifelong learning by those segments of the adult population not now enjoying equal opportunities for learning;

"(4) submit to the President and the Congress not later than October 1, 1982, an evaluation of the several hundred existing Federal programs supporting lifelong learning to determine the degree to which existing statutory authorities and funding levels encourage or discourage broad access of students and potential students to lifelong learning opportunities;

"(5) report to the President and the Congress on the progress of activities under this section by January 1 of each year through 1985; and

"(6) convene a Lifelong Learning Conference in 1983 for the purposes of assessing the progress of these activities, continuing the development of Federal lifelong learning policy and developing any necessary legislative recommendations for the improvement of this title, before the reauthorization of this title by the Congress in 1985.

"STATE AGREEMENTS

"SEC. 106. Any State desiring to receive its allotment of funds under sections 102(a) and 103(a) shall enter into an agreement with the Secretary containing such information and assurances as the Secretary may reasonably require to insure proper and efficient expenditure of Federal funds allocated to the State and under this title. Such agreement shall—

"(1) designate as the State agency to receive, and to be responsible for expenditure of the State's allotment, the State agency responsible under State law for comprehensive statewide planning for postsecondary education, except that such State agency may delegate to another State agency or institution responsibility for specific implementation activities to be carried out in accordance with the comprehensive statewide planning conducted to pursuant to section 102(b);

"(2) set forth policies and procedures to coordinate any activities undertaken pursuant to section 102(b) with State programs under the Comprehensive Employment and Training Act, the Older Americans Act, the Vocational Rehabilitation Act, the Vocational Education Act, the Career Education Incentive Act, and with all other state level activities assisted by the Higher Education Act of 1965 (including Educational Information Centers) and other Federal laws intended to provide outreach, guidance, counseling, and educational and occupational information to persons within the State;

"(3) set forth the means to be used, consistent with State law, by the State agency designated pursuant to paragraph (1) to achieve active participation and involvement in the comprehensive statewide planning process of students and potential students (particularly disadvantaged persons) and existing and potential providers of lifelong learning opportunities and services within the State, including business, labor, educational institutions, State and local governments, community and voluntary agencies and other programs (including federally funded programs) serving adult learners, and including the use of advisory councils or other mechanisms appropriate to the State;

"(4) set forth the policies and procedures to be followed in granting Federal funds to institutions of higher education and combinations thereof, including the procedures to be used—

"(A) to determine the availability of and need for continuing education and community service programs;

"(B) to assess the commitment and the capacity of particular institutions to provide continuing education and community service programs;

"(C) to encourage the development of programs whereby institutions of higher education, in combination with other public and private agencies, institutions, and organizations, apply their resources to expand and improve continuing education and community service programs; and

"(D) to conduct and make use of, periodic evaluations of the programs carried out under sections 102 and 103.

"(5) set forth policies and procedures designed to insure that Federal funds made available under this title will not supplant State or local funds, or funds of institutions and organizations within the State, but will supplement and, to the extent practicable, increase the amounts of such funds that would, in the absence of such Federal funds, be made available for programs of access to, or coordination of, lifelong learning programs.

"APPROVAL OF AGREEMENTS

"SEC. 107. The agreement between a State and the Secretary pursuant to section 106 shall be entered into by the Secretary if the Secretary finds that the information and assurances provided by the State meet the requirements of such section. Such an agreement shall remain in effect for the duration of the authorization of this title, and shall be subject to amendment from time to time as required by changes in either Federal or State law or regulations, or by changes in the information and assurances provided by the State pursuant to section 106.

"PAYMENTS

"SEC. 108. Payment under this title with respect to the allotment of funds under sections 102 and 103 shall be made to the State agency designated pursuant to section 106 (1). Payments under this title from a State's allotment with respect to the cost of carrying out the activities set forth in sections 102 and 103 shall not exceed two-thirds of such costs for each fiscal year through 1985.

"NATIONAL ADVISORY COUNCIL ON LIFELONG LEARNING

"SEC. 109. (a)(1) The President shall, within ninety days of enactment of the Lifelong Learning Act of 1979, appoint a National Advisory Council on Lifelong Learning (hereafter referred to as the "Advisory Council"), consisting of—

"(A) one representative each of the Departments of Health, Education, and Welfare, Agriculture, Commerce, Defense, Labor, Interior, State, and Housing and Urban Development, and the Community Service Administration, and of such other Federal agencies having extension education responsibilities as the President may designate;

"(B) twelve persons, not in the employ of the Federal Government, who are knowledgeable in the fields of lifelong learning, State and local officials, or other persons having special knowledge, experience, or qualification with respect to community problems; and

"(C) five persons representative of the general public including students and potential students, particularly disadvantaged persons.

"(2) The President shall designate a Chairman from those persons not in the employ of the Federal Government. The Advisory Council shall meet at the call of the Chairman but not less often than twice a year.

"(b) The Advisory Council shall advise the Secretary in the preparation of general regulations and with respect to policy matters arising in the administration of this title, including policies and procedures governing the approval of State agreements under section 106 and policies to eliminate duplication and to effectuate the coordination of programs under this title and other programs offering lifelong learning activities and services.

"(c) The Advisory Council shall review the administration and effectiveness of all federally supported lifelong learning programs, including community service programs, make recommendations with respect thereto, and make annual reports, commencing on March 31, 1981, of its findings and recommendations (including recommendations for changes in the provisions of this title and other Federal laws relating to lifelong learning activities) to the Secretary and to the President. The President shall transmit each such report to the Congress together with his comments and recommendations.

"(d) In carrying out its functions pursuant to this section, the Advisory Council may utilize the services and facilities of any agency of the Federal Government, in accordance with agreements between the Secretary and the head of such agency, subject to section 448(b) of the General Education Provisions Act. The Advisory Council shall continue to exist until the programs authorized by this title are terminated.

"DEFINITIONS

"SEC. 110. (a) As used in this title—

"(1) the term 'adult' means any individual who 18 years of age or older;

"(2) the term 'community service program' means activities and services provided by postsecondary institutions to national, State, and community groups and organizations to assist in the diagnosis of problems, the identification of knowledge, technical skills and products appropriate to their solution, and the development, delivery, and evaluation of programs for using these resources to address identified needs;

"(3) the term 'continuing education program' means postsecondary instruction and support services designed to meet the educational needs and interests of adults, including the expansion of available learning opportunities for disadvantaged adults who are not adequately served by current educational offerings in their communities;

"(4) the term 'disadvantaged persons' means adults who, because of circumstances of age, sex, low-income, handicap, minority status, status of unemployment or underemployment, lack of education or other significant barrier have been prevented from obtaining equal educational opportunities.

"(b) For purposes of sections 102(a)(1) and 103(b), the adult population of a State and of all States shall be determined by the Secretary on the basis of the most recent satisfactory data available from the Department of Commerce.

APPROPRIATIONS AUTHORIZED

"SEC. 111. To carry out the purposes of this title, there are authorized to be appropriated such sums as may be necessary through fiscal year 1985." ●

SUNSET CIVIL SERVICE AGENCIES

HON. PATRICIA SCHROEDER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 19, 1979

● Mrs. SCHROEDER. Mr. Speaker, the Congress went firmly on record last year in favor of protecting Federal employees who blow the whistle on illegality, fraud, waste, mismanagement, or dangers to public health and safety. As part of the Civil Service Reform Act, Congress created a Merit Systems Protection Board to serve as a court for Federal employees and a special counsel to investigate and prosecute prohibited personnel practices. Now, I have learned that the administration is seriously underfunding these agencies, jeopardizing the protections which Congress worked so long to mold. This morning, at hearings on bills I introduced to sunset the civil service agencies, I spelled out the situation with regard to these agencies. For the benefit of my colleagues, I ask to put my statement for those hearings in the RECORD.

OPENING STATEMENT OF REPRESENTATIVE PAT SCHROEDER

Welcome to today's hearing on two bills I introduced to sunset the civil service agencies of government, unless the Congress affirmatively votes to reauthorize them. Tomorrow, these hearings continue with testimony from outside groups interested in the implementation of Civil Service Reform. These hearings focus on H.R. 3751 and H.R. 3752, bills to place the civil service agencies on expiring authorizations for specific sums. Nevertheless, the hearings provide an excellent opportunity for some good, old-fashioned Congressional oversight.

One of the main things we are talking about today is money; how many scarce tax dollars should be used for the various, competing demands of Civil Service Reform. I was truly disheartened to see the President's budget request for the civil service agencies and to infer from that the priorities the President wants to set. The lion's share of the money went to the Office of Personnel Management and crumbs went to the Merit Systems Protection Board, the Special Counsel, and the Federal Labor Relations Authority. OPM got \$5.25 for every \$1 the other three units got together.

The President's proposal was particularly distressing in the funding of the Merit Board and the Special Counsel. These officials are the ones who are supposed to protect Federal whistleblowers from reprisal. The reason I was so upset about the President's budget request for these units was because Jimmy Carter had declared himself a strong supporter of whistleblower protection. In the campaign, Carter invoked the sad legacy of Ernest Fitzgerald and vowed to prevent history from repeating itself. In proposing Civil Service Reform, he remembered his campaign promise and suggested giving whistleblowers their first statutory protection. In signing both the Inspector General and the Civil Service Reform legislation last October, President Carter singled out the whistleblower protections for special praise.

Sometime over last winter, the President's enthusiasm for protecting whistleblowers apparently waned. He proposed a budget for MSPB and the Special Counsel which was so tight as to render illusory the protections of the statute. The President's budget merely transferred minimal funds out of the old Civil Service Commission to fulfill the preexisting functions transferred under the Reorganization Plan. The strong, new powers which Congress conferred on the Special Counsel, the Merit Board, and the Federal Labor Relations Authority were ignored.

The General Accounting Office noticed this inadequate funding and wrote a strong letter to Senator Ribicoff on April 20 stating, "In our opinion, with their present staffing and funding, the Board and particularly the Special Counsel do not have adequate resources to establish full operations and effectively carry out the duties and responsibilities assigned to them under the Civil Service Reform Act. As a result, the intent of the legislation cannot be achieved."

What the Comptroller General is saying is clear: Jimmy Carter wants to protect Federal employees against reprisal, but he refuses to pay the bill for it. What the President is doing reminds me of the fourth act of Verdi's Othello. In that act, Othello sings of his great love for Desdemona while he is strangling her to death. Like Othello, Jimmy Carter is telling the country of his love for whistleblower protection while, at the same time choking the agencies responsible for providing this protection.

Fortunately, the House Appropriations Committee has undone some of the damage by increasing the funding of the Special Counsel for fiscal year 1980 from $1,994,000 to $3,250,000. Similarly, the budget of MSPB was upped from $9,125,000 to $10,500,000. Even with these increases, these agencies, as well as the Federal Labor Relations Authority, will be operating on extremely tight budgets in the coming year.

So, we have the agencies up here today to tell us what they have done, what they plan to do, how much it will cost to do it, and whether Congress should require by statute that they be reauthorized periodically. With that, let me introduce our first witness, Ruth Prokop, the Chair of the Merit System Protection Board.●

SPIZZ SINGER'S GOLDEN ANNIVERSARY

HON. PAUL FINDLEY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 19, 1979

● Mr. FINDLEY. Mr. Speaker, July 8, 1979, marks the 50th anniversary of Spizz Singer's service to the public as a radio broadcaster. On that day, Illinoisans from Springfield and the surrounding communities will gather to pay tribute to this pioneer of radio, who has contributed such distinguished, innovative leadership throughout all those years.

Spizz Singer's radio career began in Springfield, Ill., in October 1928. Those were the years of radio's infancy, and Spizz soon became popular for the new form of entertainment he brought to his listeners.

Always innovative, Spizz originated the first "Man on the Street" broadcast. He pioneered farm broadcasting in downstate Illinois and reported to his listeners on the activities of the Illinois State Fair. In fact, he was the first broadcaster to originate live shows at the State Fair.

In addition to radio broadcasting, Spizz also brought live entertainment to Springfield, both at local theaters and in public parks. He served in civic clubs, on civic improvement associations, senior citizens organizations, and a host of other community oriented projects.

In 1959, he organized a delegation of 17 agriculture leaders for a tour of Russia. He broadcast live news stories from the Soviet Union and upon his return gave over 250 lectures and slide presentations about the trip. As a result, he was invited to join the International Platform Association along with speakers such as Drew Pearson, Lowell Thomas, and Art Buchwald.

The American radio broadcasting industry owes much to the leadership and innovation of Spizz Singer. On this, his golden anniversary in broadcasting, I salute Spizz Singer for his many contributions to the betterment of his community.●

THE SOVIET UNION'S VALUES

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 19, 1979

● Mr. MICHEL. Mr. Speaker, the New York Times recently published two articles about the Soviet Union, written by David K. Shipler, who recently completed a 4-year tour as a Times reporter in that nation. I found the articles of great interest for they deal with the fundamental differences between Soviet society and our own.

These differences are rooted in values, in ideals of personal and political conduct. As Shipler points out, the central value in the Soviet Union is collectivism. Russians quite simply cannot understand our brand of individualism. They think it is anarchic, sloppy, and dangerous.

This was brought home to me during a recent tour of the Soviet Union as a member of a House delegation. In one meeting with a high-level Soviet official, the discussion concerned nuclear power. The official seemed puzzled that we in the United States should have antinuclear demonstrations. "This thing has been argued," he said. "It has been debated. Now it has been settled. Why do you then have these demonstrations?" I tried as best I could to explain to him that in the United States open debate, even after a matter is "settled," is a primary value and is, in fact, central to our very existence as a nation. He listened politely but obviously did not understand.

There is one passage in the Times' articles that strikes me as saying something important about the relationship between the Soviet Union and our Nation. The article states.

> Many also privately acknowledge their fondness for the United States, though it is usually an admiration for the abundance and ambiance, rarely the ideals.

But it is precisely our ideals that have brought about the abundance and ambiance the Soviets admire. How can they admire our achievements without at the same time honoring the values such as freedom of the individual, free speech, and free enterprise that made it all possible?

Ideas have consequences, as a wise man once said. The Soviet Union has had to depend on our technology, our credits, and our wheat for over 60 years primarily because the Soviet values do not inspire individuals to risk and be innovative. Our ideas and our ideals, not just our material abundance, are proof of our systems superiority.

At this time I wish to insert in the RECORD, "Soviet Collectivism Is Giving Way Toward Private Interest" and "Russians Covet Affluence of United States But Are Wary of Its Political Setup," published in the New York Times, June 13–14, 1979.

SOVIET COLLECTIVISM IS GIVING WAY TO TREND TOWARD PRIVATE INTEREST

(By David K. Shipler)

MOSCOW.—The Soviet Union has always put great importance on the collectivist ethic, teaching children to submerge their individual desires and defer to the broader interests of the group. Now a subtle crosscurrent has developed, not an American-style individualism but a tentative withdrawal into private life that some Russians believe has begun to erode the population's social conscience and ideological commitment.

The trend is visible in literature, drama, sociology, film, education and the attitudes of people as they go about their work. Although it has not been enough to undermine the dominance of collectivism in shaping political attitudes, it has begun to provoke expressions of concern by Communist Party officials.

"When I first came here in 1931," said an American Communist who still lives in Moscow, "it seemed to me that the country was just plain enthusiastic about everything. They thought the harder they worked, the richer the country would get and the more they'd get out of it. Now the general trend seems to be to do as little as possible and to bear as little responsibility as possible."

"Everyone just tries to live for himself," a young Russian remarked.

The "kollektiv" of schoolmates or coworkers is still an important instrument of social control. In the classroom and the factory, it provides the teacher and the manager with a way of manipulating peer pressure to make deviance costly and painful, encouraging everyone to keep his head down. But whether it produces citizens who really identify with the larger group is open to question.

"It is stronger than many in the West believe," said a Soviet Communist Party member, "but weaker than many here believe. There is a feeling of belonging to something larger, but as for the idea that the individual is nothing, no, that's no longer true."

Indeed, the individual has loomed rather large in recent Soviet writing. The most popular works today are neither those of broad social criticism nor of the synthetic heroism that turns assembly lines and battlefields into poster art.

Rather, they are the novel, and short stories, the films and plays that reach into the intimate world of the family, that explore regions of personal anguish and grief and love, and do not always end happily. Some are serious works, some are melodramas, most make no gesture toward glorifying the achievements of Communism.

Yuri V. Trifonov writes about Soviet urban life with such honesty that one Russian compared reading his works to "looking through a keyhole at people." His short story, "The Exchange," a searing account of hatred and greed in a family, runs as a play in Moscow to packed houses.

Valentin Rasputin, widely considered the most talented writer in the country, is known for the beauty and pain with which he captures life among the Russian peasantry. Fyodor Abramov has produced some powerful stories of personal suffering in the countryside. Bulat Okudzhava, a balladeer and novelist, writes of a Russia that has passed and of private lives and private trials.

A CONTRAST AT THE THEATER

The Communist Party secretary of the city of Moscow, Viktor V. Grishin, complained about this trend in a recent speech at a writers' meeting, lamenting the absence of

Communist heroes in contemporary literature who could act as models for Soviet youth. Many Russians think it is the absence of heroes in real life that has diminished idealism and turned people inward.

The heroic portrayal of workers, soldiers and revolutionaries persists on stage and screen, especially in epics on the Soviet victory in World War II. But the most popular recent film is not on that theme. Called "Strange Woman," it is the story of a woman who possesses all the tangible ingredients of happiness and who abandons her husband in search of love.

"To hell with love," the husband exclaims. "People are busy with work, work—understand? Everybody goes crazy about this love as if nothing more important existed!"

When Yuri Trifonov's "The Exchange" is playing at the Taganka Theater, scores of people hover outside hoping to buy extra tickets as the audience arrives. But when a patriotic pageant of war and heroism based on Leonid I. Brezhnev's wartime memoir "Malaya Zemlya" was performed recently at another central Moscow theater, people stood outside trying in vain to sell tickets they did not want; inside, there were many empty seats.

There need be no dichotomy between collectivism and private life. It is a matter of shading and emphasis, a question of what depth collectivist values can have when other currents run through a society.

The collective is still a sacrosanct idea of Soviet Communism, one that springs out of the Russian culture and finds reinforcement in modern ideology. The notion that a person should work hard not for his own gain but for the good of the society is a strong ideal here, and perhaps as unattainable as any ideal anywhere.

FITTING IN IS IMPORTANT

Much importance is attached to a person's getting along with the group; loners are rarely admired, no matter how brilliant. Conformity is valued, individualism and solitude are not. Russians talk to strangers on trains, sit in the front seats of taxis, accept being scolded in public by passers-by for failing to bundle their children adequately against the cold, for wearing shabby clothes, for driving dirty cars.

The school is the main crucible of collectivism. Teachers' manuals mandate efforts to instill a collective consciousness in children by making much of their behavior and academic performance subject to approval by other children as well as the teacher.

One method is to divide a class into rows or small groups of five or six who compete as teams in schoolwork, obedience, neatness and the like. The fate of one is thereby bound up with the fate of all: Any excellent student pulls the whole team up, and any laggard pulls it down. The children are encouraged to help the slow pupil and scold the lazy one. "It works quite well," a teacher said.

The entire class's scorn and pressure are sometimes used against wrong-headed youngsters. A Moscow teen-ager recalled once having an "incorrect" reaction to a moralistic, patriotic tale of a Young Pioneer during the war who refused the orders of German soldiers to take off his red neckerchief and was shot for it.

GIRL SAID WHAT TEACHER WANTED

"I said in my composition that the boy was foolish," the teen-ager said. "What did he accomplish? I didn't understand what was heroic about him.

"The teacher read the composition in class. didn't say who wrote it and asked the class's opinion. Somebody said that what I wrote was right, somebody said it wasn't right. You could feel she wanted the class to say it was wrong, so a girl stood up and said it was all wrong."

It is common in Soviet schools for children to judge their peers as they think their teachers want them to—class leaders are usually what American students used to call "administration finks." And this sets the pattern for adulthood, when collectives of factory workers and Communist Party members act at official meetings as their superiors expect.

Sometimes such formal collectivism goes no deeper than the surface; some youngsters have reported that in schools it is all performed cynically, with laughter as soon as the teacher leaves the room.

EXCESSES ARE CONDEMNED

Furthermore, from teacher to teacher and school to school, emphasis on the collective varies. Some pursue the theme with alacrity, some with indifference, some use it as a stern instrument of discipline, some recognize the danger of excess.

Occasionally, excesses are condemned. A film dramatizing the overzealous and destructive use of peer pressure against a schoolboy was shown recently on Moscow television. A play for young people about juvenile crime illustrates the harmful effects of a hostile collective on a boy who needs help and support.

"We are more concerned with what the collective thinks of us than what our parents think," said a law student as his companion, a history major, nodded in agreement.

The same thing might be said of young people everywhere, except that Soviet society works hard to insure that peer pressure pushes in the right directions. One result is hypocrisy—the tendency to speak and vote at meetings as is expected but to think otherwise.

A U.S.-SOVIET COMPARISON

A telling piece of research in the mid-1960's compared the willingness of Soviet and American children to misbehave in the face of their peers. As reported by Urie Bronfenbrenner in his book "Two Worlds of Childhood," the Americans' behavior was good when they thought that only their parents would be aware but worsened when they thought their classmates would know.

"Soviet youngsters were just the opposite," Mr. Bronfenbrenner wrote. "In fact, their classmates were about as effective as parents and teachers in decreasing misbehavior."

The trouble with such studies is that they often tap only the formal, contrived dimension of Soviet life and rarely the more spontaneous, natural impulses. The collective has its official aspect, as in a classroom of children doing the teacher's bidding in denouncing misbehavior, and also its street-wise facets, as in a gang of teen-agers vandalizing automobiles.

Juvenile crime, high divorce rates and other ills of modern urbanization have prompted sociologists and educators to look again at the family as a key social institution, to stress the need for its health and stability and to move far away from the notion prevalent in the first decade after the revolution, based on Marx and Engels, that the family would disappear, that communal life would replace the individual household.

So-called communal apartments in which each family has its room and shares a kitchen and bath with others are seen today as anachronisms and signs of poverty. The result of an acute housing shortage and not ideology, they are rapidly being replaced throughout the country with high-rise, separate flats.

Similarly, childrearing has not been turned over to the state. Even though virtually all able-bodied women have jobs, most take full advantage of long maternity leaves, then deposit the children with grandmothers during working hours. Soviet statistics are imprecise, but it appears that only about 17 percent of children under 3 years old are in day nurseries, and about 30 percent of all preschoolers are in nurseries or kindergartens.

There is considerable evidence that although collectivism has reduced political deviance, it has not worked well in other areas.

Since the collective is a basic unit in industrial organization, with factory brigades and teams paid bonuses on the basis of group performance, the ideal has held that people would throw themselves into their jobs for the common good, respect joint property and shun personal gain.

THE GOALS ARE NOT MET

But some workers say that the real ethic on the job is to work slowly so you do not make others look bad, to regard the society's property as dispensable because it belongs to no one and to make as much individual profit as possible, often illegally. Beneath the surface, collectives are also frequently the settings for gossipy rivalries and backstabbing, Russians say.

Nor does the collectivist ethic seem to have bred a strong social conscience. A group of teen-age activists in Moscow's Komsomol, the Young Communist League, met several months ago with an American correspondent who asked what they saw wrong in the world that they wanted to set right. All their answers were aimed at what they perceived as American ills: crime, racism, the rise of fascism, the arms race.

Asked to say something about their country, they were silent. With the question rephrased to allow positive statements about what they hoped to do for their own country, there was again silence. Finally a boy answered mechanically, "We want to build Communism."

Westerners who live in Moscow for a time begin to see that Russians have a deep love of their country but not necessarily for their countrymen. They can be blindly patriotic and frequently uncharitable.

A Muscovite standing in a meat line recently watched as a young man, obviously from a village where there was no meat at all, bought 10 kilograms (22 pounds), probably to take home to his family. Because of favoritism and poor distribution, Moscow has better supplies than the countryside, and many peasants shop in the capital.

"The old woman behind me started to grumble," the Muscovite recalled. "'Why so much?' she said. 'They should give only one kilo each. Why don't they work better on their own farms so they have enough meat? Why do they have to come to Moscow?'"

RUSSIANS COVET AFFLUENCE OF U.S. BUT ARE WARY OF ITS POLITICAL SETUP

(By David K. Shipler)

Moscow.—Soviet society has been exposed to more American influence during this decade of détente than in other period since the Bolshevik Revolution, deepening the ambivalence that Russians have historically felt toward the West.

Many Russians have become well-read in American literature, and millions get their news from Voice of America broadcasts. Painters, dancers and writers sometimes look to the West for inspiration. And a great infatuation has developed for the material goods and popular styles of the United States, a craving for jeans, rock, chewing gum and the like.

But all this contact has not generated much pressure for change inside the Soviet Union. For reasons of Russian culture that go back before the Revolution, Western ideas of democracy remain alien, incomprehensible and unattractive to broad masses of Russians, much as the Russian ethic of collectivism is hard for an American to understand and admire.

Deeply rooted values that have prevailed since Czarist times foster a mystical respect for central authority, a yearning for order and unanimity, a distaste for disagreement and diversity, a dread of any turmoil of ideas. From this perspective, American society looks chaotic and frightening.

Democratic ideas are also repelled by a smothering blanket of propaganda that authorities use to denigrate the American system and by Russians' cynicism about all high-sounding platitudes, including their own. But the deeper values are the most decisive, and they are not merely imposed from above; they grow from within the society and help produce the kind of political structure that exists.

The result is a society highly resistant to infection by the principles of individualism and personal freedom. This is no longer a place of pervasive terror, as under Stalin, yet in the 21 years since cultural and scientific exchanges with the United States began, the thousands of Russians and Americans who have worked in each other's countries have had only superficial impact. The old dream that contact with open societies would open the Soviet Union has faded.

The Moscow teen-agers who sport dungaree jackets with American flags sewn on the sleeves are rarely enchanted with American-style free elections. The millions who listen to the Voice of America seldom see virtue in a free press. Many more risk imprisonment for illegal dealings in American goods than are willing to face jail for advocating free speech. Few believe that free elections, a free press and free speech exist anywhere.

"We need to fight for freedom," a young Russian remarked, "but basically we fight for comfort."

Even many people in a position to be drawn toward democratic principles are governed by the ancient impulses of unanimity and order. Dissidents who take heavy risks in struggling for human rights, and who count on publicity and support in the West, rarely turn out to be civil libertarians. Many are as likely as Communist Party members to resent differences of opinion within their own ranks, and some who have emigrated are truly bothered by the babble of voices in the West, seeing public argument as a sign of weakness.

EVEN EXPERTS HAVE DIFFICULTY

Soviet experts on American affairs also find it hard to grasp American values despite their frequent visits to the United States and their privilege of reading American publications banned to ordinary Russians. Partly because they must be ideologically reliable to hold such posts, they often fail to appreciate certain features of American life important to their analyses, such as the role of individualism or pluralism in politics.

In odd ways, however, the West in general and the United States in particular are factors in the Soviet Union's intellectual environment. Because the Voice of America is no longer jammed, the censored Soviet press must report and comment on events it used to ignore. Because Soviet writers can find publishers in the West for works rejected here, the censor has assumed some flexibility.

The West is still a safe haven for Russians who think differently, a place from which they can expound views that filter back into the rarified atmosphere of the Soviet intelligentsia. Although there is no émigré or exile today who can be compared to Aleksandr Herzen, the 19th-century liberal who lived in London, or to Lenin, who spent years in Western Europe writing and organizing before the Revolution, the works of those now living abroad are smuggled in and avidly read.

STUDY OF U.S. OFFERS SOME FREEDOM

Furthermore, many Soviet scholars and journalists enter the field of American affairs precisely because they are freer to use their critical faculties to probe and analyze and question than if they were examining their own society.

Many also privately acknowledge their fondness for the United States, though it is usually an admiration for the abundance and ambiance, rarely the ideals. Those who find the West too attractive are isolated and rejected by the Soviet system as reflexively as a living organism combats a piece of foreign matter.

In fact, officialdom has deftly twisted contacts with the West into a new form of social control, more humane than labor camps but equally effective. The coveted trip to Western Europe or to the United States, and the access to American records and films, are now rewards for good behavior at home, and the denial of the priviliges can be a devastating punishment that keeps people in line.

The results are sometimes bizarre. A student at Moscow University began to avoid American exchange students after she learned that she had a chance to study in the United States the following year; she did not want to risk losing her trip by seeming pro-American. A surgeon was denied trips abroad for years after having once complained mildly to a reporter in New York about shortages of Soviet medicines and equipment.

JOIN THE PARTY AND TRAVEL ABROAD

A young Estonian was told that he could not travel to Britain unless he joined the party, so he did. A young Muscovite was refused party membership because years before he had befriended an American boy studying at his high school.

But knowing an American also has advantages, for the most ordinary props of American life have become valuable currency in the Soviet Union. A pack of Winstons or Marlboros moves the most officious bureaucrat. Packages of chewing gum are often used by relatives of imprisoned dissidents to bribe labor-camp officials into extending visiting times.

An American diplomat once offered a copy of Playboy magazine, outlawed in the Soviet Union as pornography, to a policeman guarding the American's apartment house. The officer accepted it with delight. Later, the American was spotted by another officer who had just come on duty and was asked whether he had another copy. The diplomat said no.

"Well," said the policeman, "do you have a gin and tonic?" The American got him one.

WALL CALENDARS ARE HELD PRECIOUS

Détente has even introduced a new ritual into some Russians' preparations for New Year's Day, their most festive holdiday. Those with access to Westerners begin maneuvering weeks in advance to get their hands on wall calendars emblazoned with the names of American or European companies.

Swissair calendars are routinely stolen from the airline's office at Moscow's Sheremetyevo Airport. Pan American calendars are used in complex schemes of favoritism and bribery that only a bazaar merchant could unravel. One linguist gave a Pan Am calendar this year as a "thank you" to his wife's boss, who had used his influence to get the linguist's daughter transferred to a better kindergarten by promising the factory that ran the kindergarten some unspecified favor.

Shortly before last New Year's Day, David L. Buckman, the former Moscow representative of Chase Manhattan Bank, was talking on his office intercom with his secretary about a shipment of bank calendars. Moments later, the secretary asked him to step into the corridor, where she explained that the man who monitors conversations had asked whether he might have a few of the precious calendars.

Travel is the great prize, however. Only 8,750 Russians visited the United States last year, according to the State Department, and only 3,500 of them were tourists. By contrast, 100,000 Americans came to the Soviet Union, all tourists except 5,000 to 6,000 on exchanges or on government or private business.

Many dancers, musicians, actors and writers feel trips to the West are vital to their art, keeping them in touch with creative developments in the outside world. But those selected to make tours are chosen as much on the basis of political reliability and personal favoritism as for their talents.

A violinist with the Bolshoi Opera and Ballet, for instance, scrupulously attends political lectures twice a month and will take an examination in political subjects, not because she is interested—she knits through the droning sessions—but because she wants to make a tour to the West and needs a near-perfect attendance record to be selected. She will have to leave her musician-husband behind as insurance that she will return.

NECESSITIES ARE BOUGHT ABROAD

Some musicians say frankly that they go abroad less for the culture than for the chance to buy things. Of the $19 to $25 each receives daily in the United States to pay for lunch and dinner, they save enough by virtually starving themselves and living off cans of fish and hunks of cheese carried from Moscow to stock up on hard-to-get items such as violin strings, clarinet reeds and mouthpieces, as well as clothes, records and hi-fi equipment if they can afford it.

Back home, they parcel these out to friends, relatives or influential officials, or they can sell them on the black market for enormous profits.

The affluence in American life undoubtedly makes the most dramatic impression on Russians who see the United States first hand and who come from a society of long lines, a scarce meat, shoddy goods—a life of constant struggle to live well, and one of little luxury.

A Russian woman visiting the New York area several years ago maintained a stoic "ours is better" attitude through a tour of Lincoln Center, the Empire State Building and a cruise around Manhattan, until her hostess took her into a supermarket. There, the veneer of smugness cracked as the Russian woman stood amid seemingly endless aisles of fresh vegetables, red meat and frozen foods—and wept.

SOME FIND FREEDOM ATTRACTIVE

Those who find American freedom attractive are mostly intellectuals and artistic performers, a tiny elite whose political impact at home is minimal, especially since the party assiduously weighs its upper ranks with unintellectual, industry-oriented technicians.

For many in the cultural world, the exposure to creativity unfettered by governmental edict is a heady and painfully exhilarating experience that feeds frustration.

In his book "To Dance," the ballet star Valery Panov writes that what drove him to fight for emigration, a battle finally won, was the bureaucrats' unexplained decision to deprive him of foreign travel and to curb his attempts to push beyond the accepted norms of dance on stage.

Mikhail Baryshnikov, who defected, once said: "If I had the opportunity to leave Russia for one month, two months at a time, to work with different choreographers and return home to the Kirov, I would never have left. My homeland, my theater, my friends mean more to me than anything. But the time came for a choice: my art or my peaceful contentment."

It is probably in culture that the strongest Western influence has been felt, and even that has been slow and muffled, a reluctant penetration by abstract painting, theatrical symbolism, rock and jazz, modern dance, truthful literature—a gradual erosion of the heroically optimistic socialist realism of Stalin's time, which nonetheless remains the most acceptable form, and the safest.

Overall, American life looks chaotic, insecure, crime-ridden and frighteningly disorderly to ordinary Russians whose perceptions are dimmed by a veil of Marxist upbringing and official propaganda. The multiplicity of American voices is confusing and disturbing to a society hungry for strong leadership and eager for a single comprehensive political truth.

A Soviet historian recently made a telling remark after having heard a West Coast professor describe American politics. "That's very undisciplined," the historian said. Then, asked to describe his own image of America, he declared: "You don't have an idea. Russians have an idea. Russians need an idea to believe in." This highly educated man did not understand that the essence of the American idea is in the din of ideas.

Many Russians tend to project their own political experience onto American society. Their Constitution's high-sounding provisions on freedom of speech mean nothing, so they assume that the American Constitution's guarantees mean nothing. Their elections are charades, so they assume that American elections are charades. Sharp criticism here is considered disloyal, so they assume the same is true in the United States.

The real injustices that exist in the United States also inspire Soviet distaste for American society and translate easily into a lack of regard for the American political system. Problems of poverty, unemployment, crime, racial discrimination and violations of human rights by the police and the Central Intelligence Agency are reported and often magnified by Soviet television and newspapers.

"The United States is rapidly turning into a society of total espionage where the state would permanently spy on all citizens," the Government's press agency, Tass, reported from New York recently.

Americans who said in a Harris Poll that they were concerned about government invasion of privacy were justified, Tass said. "For decades, Washington has been collecting information about the private lives of Americans by means of a ramified network of informers, a bugging system, shadowing and reading mail."

ÉMIGRÉS FEAR BLACKS IN NEW YORK

Many Russians have learned to disbelieve such propaganda, or at least to put it through corrective lenses before arriving at what they think is an accurate view. They seem to do the same with the Voice of America, whose broadcasts are so widely heard now that hardly anyone tries to hide the fact that he listens. Even party members routinely cite the transmissions in conversation.

But the United States still bears negative images, and some of them derive from Russians' racism. The number of black Americans make the United States unattractive in the Soviet mind, which tends to link blacks with Crime. And émigrés heading for New York sometimes worry what the city is like with so many blacks.

So the stereotypes are confirmed: material excellence, dangerous streets, hostile blacks, terrifying disorder—a profound ambivalence about America.

"You cannot understand us," a staff member of the party's Central Committee declared not long ago, "because you have not suffered and survived what we have. You have not been under the Tatar yoke, you have not lived under a Stalin—and God keep you from ever having to. You are from a different world. You are like Martians to us. And I suppose we are like Martians to you."●

NKOMO ONLY RHODESIAN WHEN SHOOTING AT CIVILIANS AND CIVILIAN PLANES

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 19, 1979

● Mr. ASHBROOK. Mr. Speaker, a couple of weeks ago I called for a Federal investigation of Atlanta Mayor Maynard Jackson as a result of his $4,000 gift to visiting Rhodesian terrorist Joshua Nkomo. At that time I asked Secretary Blumenthal to clarify his Department's position on what appeared to be a direct violation of Federal law.

Section 530.101(a)(4) of the Treasury Department's Rhodesian Sanctions Regulations reads as follows:

> Other transfers of property to or on behalf or for the benefit of any person in Southern Rhodesia (including the authorities thereof) . . . are prohibited.

Today, I received a response signed by Gene E. Godley, Assistant Secretary of the Department of the Treasury. I was not surprised that the Department found no violation but I was dumbfounded when I learned the reasons. Mr. Godley initially tells me that such a transfer is not illegal under the statutes providing the transferee is not acting for or on behalf of or for the benefit of any person in Southern Rhodesia. That strikes me as amusing since our own Ambassador to the United Nations, Andy Young and emissaries from the Department of State made it a point to meet with Nkomo during his visit to the United States. In other words, the Treasury Department is telling me that Nkomo represents no one in Southern Rhodesia but the State Department says he does.

In the next paragraph, Mr. Godley writes that—

> It is generally understood that Joshua Nkomo is not currently a resident of, nor a person within, Southern Rhodesia.

Furthermore, the Assistant Secretary adds:

> In the absence of evidence to the contrary, it would appear that the transfer in question did not contravene the Rhodesian Sanctions Regulations.

Mr. Speaker, I could hardly believe my eyes when I read this nonsense. Apparently, Joshua Nkomo is only a resident of Rhodesia when he is visiting there for the purpose of blasting civilian airliners out of the sky and murdering hundreds of innocent people in cold blood.

It is the same old double standard. These are not my sanctions. They are the sanctions supported by the Maynard Jacksons, the Andy Youngs and the Jimmy Carters of this world, yet the law is violated, they can respond with an inane justification for doing so. If you or I would seek to conduct an honest business transaction with anyone residing in Rhodesia, we would be in violation of Federal law. When Maynard Jackson presents a gift of $4,000 to a self proclaimed Rhodesian murderer, a man who has repeatedly said that violence is the only answer, then the Carter administration sweeps it under the rug. More than that they bow and scrape to curry favor with this madman while snubbing a decent leader, Bishop Muzorewa.

I do not intend to drop my call for an investigation and will advise the Attorney General of that intention. This nonsense has gone on long enough. I have been advised that later this week, the House of Representatives will have the opportunity to go on record as either for or against the continuation of the Rhodesian sanctions. I hope that my colleagues will join me in ending the liberal double-standard.

The State Department letter follows:

DEPARTMENT OF THE TREASURY,
Washington, D.C., June 13, 1979.

Hon. JOHN M. ASHBROOK,
House of Representatives,
Washington, D.C.

DEAR MR. ASHBROOK: Your letter of May 30, 1979 inquires about a gift of $4,000 to Joshua Nkomo.

Section 530.101(a)(4) of the Treasury Department's Rhodesian Sanctions Regulations prohibits unlicensed transfers of property to or on behalf of or for the benefit of any person in Souther Rhodesia (including the authorities thereof).

This section would prohibit a transfer of funds to any person in Southern Rhodesia. On the other hand, it does not prohibit any transfer to a Rhodesian in the United States or elsewhere outside Southern Rhodesia, provided the transferee is not acting for or on behalf of or for the benefit of any person in Southern Rhodesia.

It is generally understood that Joshua Nkomo is not currently a resident of, nor a person within, Southern Rhodesia. Accordingly, in the absence of evidence to the contrary, it would appear that the transfer in question did not contravene the Rhodesian Sanctions Regulations.

Sincerely,

GENE E. GODLEY,
Assistant Secretary (Legislative affairs.)●

IRRELEVANT WEEK

HON. ROBERT E. BADHAM

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 19, 1979

● Mr. BADHAM. Mr. Speaker, sometimes in life being last can turn out to be first. And so it is in Newport Beach, Calif., where next week the traditional annual "Irrelevant Week" ceremonies will take place, honoring, after a fashion, the last draft pick of the National Football League, one Mike Almond of Northwestern Louisiana University of Natchitoches, La.

Mike Almond was the 334th man chosen in the 1979 draft, picked by the world champions of Super Bowl XIII, the Pittsburgh Steelers. Mike, who is a wide receiver, will be on the receiving end of weeklong honors, banquets, toasts, roasts, a tour of Disneyland, a day at the races and a weekend in Las Vegas.

While the top draft choices of the various NFL teams are busy at home engaged in the drudgery of counting their money, Mike Almond will be out in California, in the 40th District, which I represent, having fun. Presumably.

If Almond is to count any money, it is unlikely it will be Pittsburgh Steelers funds. Hollywood Park maybe. Las Vegas maybe. But at least he will get bus fare home to Natchitoches.

Mike Almond follows in the footsteps of three undistinguished football players who were drafted last in the NFL's annual exercise in gridiron betterment, all of whom failed to better the game. They came from such well-known football powerhouses as the University of Dayton, Colorado University, and Montana State.

Thus far, none of the Irrelevant Week honorees have made it to a National Football League game, either regular or preseason. In fact, a few days of training camp is the best we have seen.

But as we approach another Irrelevant Week in Newport Beach, I would like to call the attention of the Members of this honorable body to the achievements and the promise carried in the person of Mike Almond that this dismal string of failures will be broken at last.

It may mean the end of Irrelevant Week, of course, if Almond survives the cut by the Pittsburgh Steelers. But that is a chance we all will have to take.

As a wide receiver at Northwestern Louisiana University, Mike has caught 95 passes in 42 games for 1,562 yards and 10 touchdowns. This has placed him as the alltime leading receiver at the institute of higher learning, no mean accomplishment when one considers the rather mediocre record the football teams have amassed.

Being drafted by the Pittsburgh Steelers, the No. 1 professional football team in the United States, has both its good points and its bad points.

On the plus side, of course, is the distinction and honor of being selected by the best. On the negative side, Mike Almond certainly is scratching his head trying to figure how to survive the cut and make the squad.

Bravely, he has commented that the world champions have terrific talent, particularly among the wide receivers, such as Lynn Swann and John Stallworth.

"Maybe I'll learn something from them," Mike said in a candid moment.

No doubt he will. With any luck at all he will learn patience. And how to see Swann and Stallworth catching passes in the end zone from his position on the bench.

However it works out, we all should be proud of the Mike Almonds of the world. For despite what one might hear about Irrelevant Week, being drafted last is a victory, of sorts. After all, only one person can be first and one person can be last each year and nothing we say or do can change that.●

TRIBUTE TO LEONARD HALL

HON. JOHN W. WYDLER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 20, 1979

● Mr. WYDLER. Mr. Speaker, I would like to take this opportunity to pay tribute to the passing of one of Long Island's, New York's, and the United States' great American political and governmental leaders.

Leonard W. Hall, who rose from the humble beginning of son of a coachman for President Theodore Roosevelt to a Member of this austere body—1939–53—carried a philosophy that "the whole basis of politics is that it should be fun. If it is not fun, I want no part of it."

Leonard Hall served his country as an elected official; as a Member of the House of Representatives, a member of the New York State Assembly, and as Nassau County surrogate and sheriff.

Leonard Hall was a pillar of his political party serving as Republican National Chairman and as advisor to many past and present political and national leaders.

Many people who reach national prominence forget their roots. Leonard Hall, thorughout his lifetime, worked for the interest of Long Island and had only the highest ideals for the many that he advised, as his party's standard bearers.

Long Island, New York, and the Nation have suffered a great loss with the passing of this honorable and decent American, and I wish to publicly pay tribute to this great American and a man I called my friend.

May I also express my condolences to his wife Gladys and the rest of the Hall family in their days of bereavement.●

WEST VIRGINIA'S CREATION 116 YEARS AGO TODAY STEEPED IN HISTORICAL CONTROVERSY—A STATE ON THRESHOLD OF NEW CHALLENGES

HON. JENNINGS RANDOLPH

OF WEST VIRGINIA

IN THE SENATE OF THE UNITED STATES

Wednesday, June 20, 1979

● Mr. RANDOLPH. Mr. President, 116 years ago, President Abraham Lincoln signed the proclamation which created the 35th State of the Union. On this anniversary, we invite Senators and citizens generally to recall with us this significant birth date of West Virginia.

Much that has been written of the Mountain State, a wonderful land and good people, in recent years has served to obscure the richness and diversity of its human and natural resources. We read of disasters and economic upheavals. Today, however, West Virginia stands on the threshold of new challenges; within its rugged hills run the rich veins of coal which can and must provide new energy sources over the critical years ahead.

Historically, the new State of West Virginia created a puzzle for many historians. It was not always clear whether or not the western region of Virginia seceded from Virginia and the Confederate States, to join the Union, or, as some writers have implied, the Commonwealth shed itself of its western neighbors to clear the political path to form a separate nation. Both Virginians and West Virginians were divided on the issues of the Civil War.

Author-historian Julian G. Hearne, Jr., a retired Army general, has taken many historians' views into account in recreating the events of 1863. In a comprehensive article appearing in the current issue of the unique and excellent weekly newspaper, the West Virginia Hillbilly, Hearne attempts to resolve the apparent conflicting viewpoints and provide a balanced account of the historic separation of the sister States.

I submit the article for the RECORD for the guidance and enlightment of my colleagues.

The article follows:

WEST VIRGINIA

(By Col. Julian G. Hearne, Jr., U.S. Army, retired)

The 20th being West Virginia statehood day, it is appropriate to review the situation and events of 1861 which culminated in the birth of the thirty-fifth state on 20 June, 1863; and we are indeed fortunate in having books written by authors whose sources of information were unimpeachable and which present full and trustworthy accounts of these events and surrounding circumstances. Foremost among such writers were two residents of Morgantown—William P. Willey, Esquire, Professor of Law at W.V.U., whose book "An Inside View of the Formation of the State of West Virginia" was published in 1901, and The Honorable John Marshall Hagans, whose account is set out as the preface to Volume I of "Hagan's Reports of Cases in the West Virginia Supreme Court of Appeals," published in 1866. Professor Willey was the son of Hon. Waitman T. Willey, a United States Senator from Virginia who became one of the first two West Virginia senators; and Senator Willey had also been a delegate to the Richmond (succession) convention of 1861, as well as to the Wheeling conventions in May and June of that year. Author Hagans, in addition to having been the first official reporter of our state's highest court, held many other public offices, including mayor of Morgantown, prosecuting attorney and circuit court judge of Monongalia County, a delegate to the state legislature, and a Congressman as well. There can be no doubt as to the integrity of these gentlemen, or the accuracy of their sources of information, and it is a safe bet that they told it as it was—(or should I follow the present-day trend toward illiteracy and say "tell it like it was?")

In summarizing the. circumstances and events as related by authors Willey and Hagans I can mention only some of the more significant highspots, due to space limitations allotted therefor.

Pursuant to an act of the general assembly which had convened in special session in January, a convention met in Richmond on 13 February, 1861. Now this convention was unprecedented in the History of Virginia, in that it had been called without first submitting to popular vote the question as to whether or not the people desired a convention with authority to deal with the organic law of the commonwealth; and if Virginia were to remain in the Union, no such convention would have been necessary. "The secession schemers in the legislature," said Willey, "were far-sighted and adroit, and not very scrupulous about the forms of law or precedent when this stood in the way of their ultimate purpose. . . . They refused to risk a vote by the people [and provided] for a convention to be held less than a month ahead," leaving but little time for the people to determine their position and decide upon the character of the men who should represent them.

When the convention convened, a substantial majority of the members were pro-

Union; but on 18 March they heard addresses by "commissioners" from South Carolina, Georgia and Mississippi and—according to Prof. Willey—"before the convention was aware of it the State of Virginia had been virtually carried out of the Union and linked to the Southern Confederacy;" and thereupon "the rabble, the violent, the mob elements of the population of Richmond came to the front and began to take a hand, so to speak, in the proceedings of the convention." When the bombardment of Fort Sumter began on 12 April the Stars and Stripes were torn from the capitol flagstaff and the Confederate flag was flown thereafter.

The convention went into—and continued in—secret session on 16 April, with all personnel sworn to secrecy, and on the following day the so-called "ordinance of secession" was adopted. It was to take effect when ratified by majority vote on the fourth Thursday of May (being the 23rd), which gave a color of compliance with the principle that the people should have an opportunity to pass upon the work of the convention. Notwithstanding this provision, however, and without knowledge of the people of Virginia, the convention proceeded to take these actions, among others: (1) Passed an ordinance whereby the whole military force of the commonwealth was placed under the chief control and direction of the president of the Confederacy; (2) Ratified and formally adopted the Constitution of the "Provisional Government of the Confederate States of America;" (3) Released all public officers from their oath, as required by state law, of obligation to the United States; and (4) Resolved that all delegates to the convention from western Virginia who had voted against secession be expelled from the convention. All of these actions constituted a clear assumption of sovereign power prior to ratification by the people, and Virginia had thereby become, in effect, part of a foreign and hostile government bordering upon the boundary line of the United States! Nor did the Confederacy await Virginia's election of the Fourth Thursday of May to send "foreign" troops from the Southern states into the Old Dominion to become part of the incipient Army of Northern Virginia!

Following adoption of the "ordinance of secession" the Union delegates, unable to exert any influence whatever, went to their homes, some of them having been made fearful for their personal safety. There followed, then, mass meetings in many communities within western Virginia, terminating with a more formal assembly which took place in Wheeling in early May. This assembly accomplished nothing more than providing for a convention of constitutional nature to be held in Wheeling on the 11th of June, which would be after the fourth Thursday in May regular election, and all members of the general assembly (legislature) of Virginia then elected, who would take oath to support the Union, were to be delegates, along with others to be chosen from each county. (As it turned out, several men appeared as delegates from Fairfax and Alexandria counties, across the Potomac from the nation's capitol in Washington!)

Some of those who met in Wheeling that 11th day of June were advocates of immediate action to form a new state; but the accelerating disintegration of civil government in western Virginia with the resignation of numerous public officers, while bands of armed men roamed the highways supposedly to drive out secessionists but more often to commit looting and depradations, together with memories of the very recent skirmish at Philippi, soon convinced them that the first and primary duty of the convention was to restore the government of Virginia to the Union and to keep it there throughout the duration of the war. Accordingly, the convention proceeded to (1) declare the "Ordinance of Secession" null and void (2) declare that Governor Letcher and all other public officers who adhered to the Confederacy had thereby vacated their offices; (3) Provide for the filling of vacancies thereby created; (4) require an oath of loyalty from all public officers to support both the Constitution of the United States and the "Restored Government of Virginia;" (5) elect a governor, lieutenant governor, attorney general and a governor's council; (6) call a special session of the general assembly to meet in Wheeling on 1 July; (7) pass several miscellaneous ordinances and resolutions; and (8) adjourn on 20 June until the first Tuesday in August. Then, when the general assembly convened on 1 July, that body elected two United States Senators to fill the vacancies of those who had joined with the Confederacy and also elected those state officers who were by law to be so elected. It is also important to note that Governor Pierpont informed the assembly that he had notified President Lincoln of the new government and the President had recognized Mr. Pierpont as "Governor of Virginia;" and soon thereafter the Senate seated Virginia's new senators and the House of Representatives seated in due course those congressmen who had been elected from districts of Virginia west of the Mountains. The President had also promised "all constitutional aid" to this newly organized government of Virginia.

On the first Tuesday in August the convention reconvened in Wheeling, and proceeded to take all further action necessary to bring the new proposed state in readiness for admission to the Union; and the general assembly by an Act of 13 May, 1862, gave the consent of Virginia to the creation of a New Dominion from the Old, so that the requirements of the United States Constitution would be fulfilled. Thereafter, when Congress had given the final consent by an Act approved 31 December, 1862, the President proclaimed on 20 April 1863 that West Virginia would become a state of the Union from and after sixty days of that date, which was taken to mean 20 June, 1863!

Author Hagans points out that no change in the constitution or laws of Virginia were made; that the whole proceedings of the convention in June were simply a change of managers rather than a change of government. He then goes on to uphold the validity of all those acts of the convention and general assembly on the basis that "no government existed in Virginia recognized by the Constitution of the United States; therefore it was the duty of the people to erect one. It was an absolute duty not confined alone to the impositions of responsibility resting on civilized men, but impelled by the discharge of a high patriotic trust, in the interest of constitutional government." Both Hagans and Willey observe that the stamp of constitutionality is given by the recognition of the Restored Government by both houses of Congress and by President Lincoln.

In view of the indisputable facts and the unanimity of judgment presented by the learned, distinguished, authors hereinbefore cited, it is interesting to note some allegations of "fact" and some dissenting opinions of a present-day W.V.U. professor of history, John Alexander Williams, as set forth in his book entitled "West Virginia: A Bicentennial History," which was published in 1976 and promptly cited for that year's "literary merit award" of the West Virginia Library Association. Although classified as a history book by the National Endowment for the Humanities (through whose grant you and I and other taxpayers helped defray at least a portion of the costs of publication), I perceive sufficient fiction therein to earn an award in that field also—a double-barrel award, so to speak, and possibly the first of its kind the Association ever made. I shall now cite some examples.

Author Williams blandly states that when the Richmond convention "voted its secession ordinance in April, 1861, several [emphasis mine] of the northwestern unionists. . . . reassembled . . . a few days later [in Clarksburg] to denounce the secessionists and to call for a division of the state;" but he makes no mention of the expulsion of all the western delegates whose only crime was to vote the will of their constituents, nor does he cite the threats which had been made to their safety by their further presence; and I am inclined to suspect that the good professor was either unaware of the writings of authors Willey and Hagans, or else let his imagination take over in favor of some preconceived opinion of his own; for he correctly states that the secession ordinance, enacted on 17 April, "required ratification of the voters" at an election not due to be held until 23 May. He mildly acknowledges, however, that just as soon as this ordinance was adopted, "both unionists and secessionists began acting as though the issue were settled." So far, so good, but now hear this: "Authorities at Richmond called the militia to state service and co-operated [a nice word, that, equivalent to "detente," perhaps] with the local secessionists in seizing control" of various military stores and arsenals owned by Uncle Sam, while he (unwittingly?) admits that all the unionists did was to hold mass meetings and drill troops, while the Lincoln Administration "held in check Federal forces then gathering along Virginia's borders"!

Professor Williams opines that "the state makers" were forced by circumstances to adopt the procedures they followed, i.e., to erect the restored government of Virginia, which about a year later gave Virginia's consent to the new state carved from her territory; and he characterizes their actions as "subterfuge," (in that the "real" Virginia never gave any such consent). But as authors Willey and Hagans point out Western Virginia was lacking an effective government, and the erection of a state government under the federal constitution was both essential and urgent, not merely to create a new state, but to restore law and order as well as to enable what remained of old Virginia to call upon the President of the United States for federal troops to expel from (western) Virginia soil an invasion by—in point of fact—not mere Virginia militia, but components of the armed forces of a foreign power, furnished to it by a de facto regime which called itself the government of Virginia, and placed under the overall command of the "president" of the so-called Confederate States of America, which was not recognized by the United States or by any other country in the world.

The state makers' procedure is made more clear in a book by another W.V.U. professor, Charles H. Ambler, in the appendix of his monumental biography of Governor Pierpont, published in 1937, wherein a speech by Pierpont to the June, 1861 Wheeling convention, prescribes the actions he recommends to be taken; and when this speech is compared with the decision of the United States Supreme Court in the case from Rhode Island, Luther v. Borden (1849, 17 Howard 1), it is seen that Pierpont's recommended procedure is verbatim that of the Court as a guide to be followed so as to comply with constitutional requirements. Still another W.V.U. faculty member, visiting professor George E. Moore, in his book "A Banner in the Hills," published in 1963, cites Luther v. Borden as ample authority for the actions of our "state makers." Now I like to believe that Professor Williams was unaware of Luther v. Borden when he wrote his bicentennial "history" book, for it would dishonor him to imply that he would deny to our "state makers" the justification of that decision when he charges that they "resorted to legal pretenses that served them well enough at the time but which, after the emergency passed and the statemaking process was examined at leisure, could be made to seem expedient, unprincipled, cheap." Well, I suppose the good professor might be right, if he were to present this viewpoint to a class of students who likewise had failed to do their homework. On the other hand, all W.V.U professors whose work on this subject I have read, are in full accord that Daniel Webster was correct when he forecast—as stated by Professor Willey—that if the South ever withdrew from the Union, the separation would leave Virginia dissevered, for the natural line of the division would leave Western Virginia allied with the states of the North rather than the South. What Mr. Webster saw as a natural and inevitable result of an divided nation, was one of the very first results of an attempt to divide."

Professor Williams' book alleges that the Virginia general assembly during its 1865-66 session in Richmond "repealed all of the sanctioning legislation upon which West Virginia statehood was based," and that assertion is simply drawn from thin air—there is no such legislation enacted at that or any other session. Author Williams then alleges that this action constituted a "needle under West Virginia's collective skin" and that such needle has been there "ever since." My hat is off to author Williams, the novelist, for his powerful imagination; it is easy to understand and to applaud the award given his book by the Library Association.

Any moral one may purport to discover herein is unintentional. In conclusion, however, it is interesting to note how one W.V.U. professor-author raps the views of his peers—some of whom were eye witnesses. Although author Williams dilutes a number of material and proven facts and adds some entertaining fiction of his own, his book deals with a basis situation wherein an enemy equivalent to a hostile power holds New Orleans and denies control of the Mississippi to the United States. Hostilities have begun, and western Virginia becomes pitted in combat with the rest of Virginia and the South, as Daniel Webster had predicted some thirty years before: (and as Brevet Colonel Theodore F. Lang recounts in his "Loyal West Virginians From 1861 to 1865" published in 1895, which book is cited by the author Williams as authority for some other unfounded point). Now then, the "state makers," as Williams calls them, take the opportunity afforded by the occasion to follow a course of action previously sanctioned by the Supreme Court of the United States to bring about a permanent separation of western Virginia from old Virginia, and this procedure on their part he castigates as "subterfuge," and which, after the war and examined at one's leisure could be made to seem "expedient, unprincipled, cheap."

On the other hand, in a book entitled "Triumphs of American Diplomacy," published in 1906 (some seventy-one years ago, still another author deals with a somewhat similar situation of late 1802 and early 1803, wherein Spain held New Orleans and her local governor revoked a right theretofore granted to American raftsmen to deposit their cargoes there, duty free, while awaiting shipment overseas. Though of great interest, the details of the story are immaterial here; it suffices to relate that President Jefferson, although convinced that any possessor of New Orleans was "a natural enemy" of the United States, nevertheless believed that he had no authority under the Constitution to negotiate for the purchase of The Louisiana Territory; but that is exactly what he proceeded to do! Treading upon a diplomatic tight-rope all the way, he seized upon every favorable opportunity to promote his plan, every "expedient" occasion, under circumstances fraught with danger of war; and he successfully accomplished his mission, was sustained by the Congress, and applauded by the American people! Now here is the assessment of President Jefferson's actions and his stature as a statesman by that author, Dr. Edwin Maxey, who was—guess what!—Professor of International Law at W.V.U.! . . . "Whatever we may think of Jefferson's political ideas, his action was statesmanlike and diplomatic in the highest degree . . .;" and on another page Professor Maxey goes on to say "Jefferson had theories—plenty of them—but they were not his sole guide. He had the good sense to discern when a condition and not a theory confronted him. When there was necessity for action, he did not suffer himself to be hampered by theory but acted in accordance with what seemed wise under all circumstances of the case.—in other words he squared his political actions by the rule of expediency. There is the difference between a statesman and a philosopher—the former recognizes the fact that the welfare of the people is the supreme law." ●

TRIBUTE TO LEVERETT SALTONSTALL

HON. THOMAS P. O'NEILL, JR.

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, June 18, 1979

● Mr. O'NEILL. Mr. Speaker, it is with a great sense of respect and admiration that I join my colleagues in paying tribute to the late former Senator from the Commonwealth of Massachusetts, Leverett Saltonstall, on the occasion of his passing.

The Boston Globe called Leverett Saltonstall, "The Grand Old Man of Massachusetts." The New York Times pointed out that this distinguished son of the Commonwealth was the man whom columnists said had "Back Bay manners and a South Boston face." Former Speaker John McCormack, whose public service closely paralleled Senator Saltonstall's, called him a "great friend, an outstanding American and a gentleman." His friends, constituents and Republican colleagues fondly called him "Salty."

Leverett Saltonstall was a "Proper Bostonian," a Massachusetts patrician, and a real patriotic American. He was one of the most honorable people in the history of this country to have served in public office. No son or daughter of Massachusetts was more beloved and revered than Leverett Saltonstall.

Leverett Saltonstall had a long and distinguished public career. To him, public office was a public trust. For nearly three generations, he served the Commonwealth of Massachusetts: First, as district attorney for Middlesex County; then, as a member of the State legislature, where he served as its speaker from 1929 until 1936; later, as Governor of Massachusetts; and finally, as a Member of the U.S. Senate where he served the State of Massachuetts for over 22 years.

A man of great personal courage, strong moral character, and personal conviction, and possessing an innate sense of honor, decency, and integrity, Leverett Saltonstall represented the highest ideals of public life. He was equally respected and appreciated by Democrats and Republicans alike. To those of us who served on the other side of the aisle in the State legislature when he was Governor and in the U.S. House of Representatives when he was U.S. Senator, Leverett Saltonstall was an astute politician who was completely dedicated to the citizens of Massachusetts and to the best interests and welfare of the Commonwealth. He was one of the most decent human beings I have ever known.

"Salty" loved people, and the people of Massachusetts loved "Salty." He represented the finest that Massachusetts could give to our Nation. The Commonwealth has lost one of its most outstanding citizens. My wife, Millie, joins me in extending our sincere condolences to Alice Saltonstall and to the entire Saltonstall family.●

PLIGHT OF CZECHOSLOVAKIAN CITIZENS

HON. MARJORIE S. HOLT

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 20, 1979

● Mrs. HOLT. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following:

In January 1977 a group of more than 200 persons led by professionals in Czechoslovakia formed a committee to monitor human rights in that country based on the Helsinki Accords of 1975, agreed to by Czechoslovakia and 34 other nations.

Recently the Charter 77 Committee published a new document which was critical of the Government's economic policies as compared with policies in Western European countries.

Subsequently, beginning in late May, members of the Charter 77 movement have been arrested and charged with spreading false information at home and abroad with the aim of creating a loss of public confidence in the country's system. It is believed that the charges of subversion can mean 1- to 10-year jail sentences for those arrested.

News of the charges came from one of the few remaining Charter 77 spokespersons at liberty, Mrs. Zdena Tominova.

On June 7 news reached the free world that Mrs. Tominova had been accosted and beaten by masked men as she entered her home and that she was taken to a Prague hospital with a brain concussion.

In the United States there have been published articles too numerous to count critical of our Government's economic policies. None of the authors have been arrested and charged with subversion. No one has been attacked and beaten.

The contrast between a free country and a totalitarian state is at once dramatic and terribly sad.

The plight of the citizens of Czechoslovakia, whose heritage is independence and freedom, has been brought to my attention by the Czechoslovak National Council of America, a nonprofit organization founded in 1918 and devoted to the preservation of democratic freedom.●

SOLAR POWER: IMPORTANT FEDERAL ASSISTANCE

HON. JOHN J. LaFALCE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 20, 1979

● Mr. LaFALCE. Mr. Speaker, it was my pleasure to join President Carter and several of my distinguished colleagues today for a White House meeting to announce the administration's support of a major Federal program to spur development of solar power.

The plan, which has a multimillion dollar Solar Development Bank as its center piece, is designed to bring solar power production up to 20 percent of America's energy needs by the year 2000.

The Solar Development Bank, which may be funded with as much as $100 million, would work with private financial institutions to provide financing for private solar power projects. In some cases the loans would be subsidized so that their interest rates would be lower than normal market rates; in other cases the loans would be guaranteed against default by the Government.

This important and far-reaching proposal is a necessary step if the United States is to free itself of its dependence on oil. The United States currently draws only about 6 percent of its energy supply from solar power; an increase to 20 percent by 2000 would be a great boost to our economy and our national security.

For the individual homeowner, the Solar Development Bank would mean easier access to financing for home solar heating units. The Solar Development Bank would work with financial institutions to provide low-interest, long-term loans to owners or builders of commercial or residential buildings who wish to purchase and install solar energy systems.

One of the most important aspects of the proposal is its flexible definition of solar power. The proposal would allow subsidized loans to be made not only for traditional rooftop sunlight collectors, but also for such energy producing systems as gasohol, wood-burning devices, wind-propelled energy producers, and water systems.

This flexible approach insures that many people who want to do their part in a natioinal energy conservation effort will not be deprived of assistance from a Solar Development Bank.

This proposal compliments recent actions taken by the House Banking Committee in the field of synthetic fuels. The Subcommittee on Economic Stabilization and the committee as a whole have both enthusiastically endorsed an extension of the Defense Production Act of 1950, which will spur development of alternative energy resources. This bill would insure production of at least 2 million barrels of synthetic fuels a day by 1985, thereby significantly reducing our dependence on foreign oil.

Together, these two proposals indicate that alternative energy sources can be developed, and that Government assistance will be a necessary foundation on which increased energy self-reliance will be built.●

YOUTH UNEMPLOYMENT

HON. WILLIAM F. GOODLING

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 20, 1979

● Mr. GOODLING. Mr. Speaker, with summer upon us we are further reminded of the critical issue of youth unemployment. I would like to contribute my thoughts on this subject in order that a dialog be continued until a solution is found.

It is my hope that the 96th Congress will take up and pass an amendment to provide for a subminimum wage for youth workers and for full-time students.

The alarming rate of youth unemployment which has continued to grow despite massive Government jobs programs, is a statement in itself. Obviously the answer lies within the private sector and not in Government-provided jobs.

The impact of unemployment especially upon youngsters confined to an urban area, is not only economic and social but psychological as well. Studies such as the one by the Joint Economic Committee of the 95th Congress, show that the minimum wage does contribute to youth unemployment. If the minimum wage, which is currently $2.90, impedes employment, then a lower minimum wage should constitute something less substantial in the way of an impediment and for those seeking work under a youth/student subminimum, a positive competitive advantage.

It is difficult for youth workers and for students to enter the labor market for the first time. Employers feel that the lack of experience, discipline, specific industrial training and their reliability makes them less attractive and less valuable employees. To make them more competitive with older, more experienced workers, one should allow them the advantage of lower costs to the employer.

If an employer can be reimbursed for his training and risk through a wage reduction then it would be a mutually profitable experience.

Another beneficiary to this arrangement would be society itself. If there is less unemployment, more satisfactory job opportunities amongst the youth, there would more than likely be less juvenile crime, less addiction to drugs amongst the teenagers, since much crime and drug addiction has been traced to boredom and frustration and alienation amongst the youth, especially in urban areas.

Of course, the more experienced and trained of the youth would not have to accept subminimal wages. It merely allows employers as well as employees an opportunity to employ and be employed at a lower rate, until they are trained.●

TRIBUTE TO REV. DR. KARL EUGENE KNISELEY

HON. CARLOS J. MOORHEAD

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 20, 1979

● Mr. MOORHEAD of California. Mr. Speaker, the Reverend Dr. Karl Eugene Kniseley of Glendale, is retiring after 38 years of devoted service to the United Lutheran Church of America.

But as a long-time friend of Dr. Kniseley, I believe this is just a formality. I am certain he will not retire from this service to the Lord and to mankind. That he cannot do because for too long, his life and labors have been dedicated to the betterment and enrichment of his fellow man to simply stop his dedication.

For too long now, he has nutured and strengthened the spiritual underpinnings of those within his wide sphere of influence to simply relinquish his ministrations.

He has espoused and practiced "tis better to give than receive" for far too many years now to simply cease his giving. For many decades, the central theme of his life has been the desire to serve his God, his country and his parishioners. He cannot now simply replace this love of service with some less altruistic creed.

There is reason for gladness in the knowledge that these worthy features of Dr. Kniseley's life will remain extant. They are far too much a part of his physical and spiritual being to be dislodged or extinguished by the mere suspension of official duties and pastoral obligations.

As Dr. Kniseley steps down from the pulpit of the First Lutheran Church of Glendale, and opportunity is provided for those of us who have known and been served by this faithful man to recognize and pay tribute—small as it is—to his devotion, his steadfastness, his endearing amiability and his graciousness of spirit.

Mr. Speaker, Dr. Kniseley is a man

who has made a difference on the side of goodness and charity in this seemingly indifferent world.●

FREEDOM FOR LITHUANIA

HON. HENRY J. HYDE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 20, 1979

● Mr. HYDE. Mr. Speaker, this month we are observing a tragic anniversary in the history of the Lithuanian people. On June 15, 1940, in complete violation of a solemn juridical obligation to respect the sovereignty of Lithuania, the Soviet Union forcibly invaded that country. To terrorize the inhabitants of Lithuania into submission, Moscow commenced arresting leading citizens. Lithuania thus became a victim of Soviet colonialism and a reign of terror was introduced. Beginning July 13, 1940, thousands of Lithuanians were arrested.

To break the people's resistance even further, the Soviet Union, on June 14–15, 1941, executed mass arrests and deported thousands of Lithuanian citizens to Russian slave labor camps.

In the 39 years since the beginning of this reign of oppression, Lithuanians have shown a fierce determination to preserve their own culture, language, and religion, and they have courageously resisted Soviet attempts to destroy their national identity through harsh and oppressive measures.

The brave people of Lithuania are to be commended for their admirable efforts in their struggle for human rights in their homeland. The Lithuanian people who have immigrated and escaped the tyranny of communism have not forgotten those they have left behind. I have received hundreds of letters this month from my own constituents of Lithuanian descent, pleading that we exercise our leadership role in the world, and fulfill our moral obligation, to denounce Soviet oppression in Lithuania, as well as the other Baltic States. I join with my Lithuanian constituents in urging freedom for the following political and religious prisoners: Viktoras Petkus and Balys Gajauskas (both of whom have been nominated for the Nobel Peace Prize by the congressional Members of the Commission on Security and Cooperation in Europe); Mijole Sadunaite, S. Kovaliov, P. Paulaitis, S. Zukauskas, P. Plumpa, P. Petronis and A. Sakalauskas. Their "crimes" were expressing basic human rights for Lithuanians. In addition, I urge that the Vaclovas Daunoras family be allowed to emigrate.

The United States has never recognized the forced incorporation of the Baltic States into the U.S.S.R. Thus, I believe it is imperative that our U.S. representatives at the approaching Human Rights Conference confront the representatives of the Soviet Union concerning their blatant disregard of, and noncompliance with, the Final Act of the Helsinki Accords.

In past Congresses, we have recorded our denunciation of the Soviet annexation of the Baltic areas through the passage of House resolutions. We must now insist that the Soviet Union restore the right of self-determination and territorial integrity to the Baltic nations. If we as a nation, and a people, are going to espouse "human rights", then we must recognize that that is a principle that cannot be applied selectively—we must support the cause of freedom throughout the world.●

TRIBUTE TO MRS. GRACE MOFFITT

HON. JAMES J. FLORIO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 20, 1979

● Mr. FLORIO. Mr. Speaker, I would like to take this time to offer my tribute to a truly outstanding constituent, Mrs. Grace Moffitt, a member of New Jersey's Barrington Borough Board of Education.

Mrs. Moffitt was first elected to the board of education in 1955 and will be honored for 24 years of service at a testimonial dinner Friday, June 22.

Prior to her election, Mrs. Moffitt served as president of Barrington's Culbertson School PTA and also served as Barrington's representative to Haddon Heights High School for 4 years.

In addition, Mrs. Moffitt was a Cub Scout den mother for 6 years, and a Little League, Babe Ruth League, and Garden State Baseball League volunteer. She supported the Jack Berger Basketball League as well.

A summer Bible school teacher for 3 years, Mrs. Moffitt returned to work in 1961 as a full-time teller for what is now the Heritage Bank in Haddon Heights. She moved to that bank's Fairlynne office in 1969 as an administrative assistant and became the manager of that office in 1972. In 1973, Mrs. Moffitt was named an officer of the bank and became its assistant cashier. She moved to the bank's Berlin office as assistant manager in 1974 and is currently employed there.

Mrs. Moffitt is presently a member of the National Association of Bank Women, the Barrington Women's Club, and the Barrington Juvenile Committee. She is an active member of the Laurel Springs Chapter OES. For relaxation, she has belonged to a card club for some 37 years.

Born in Cheltenham, Pa., Mrs. Moffitt moved to New Jersey in 1926. She graduated from Collingswood High School in 1934, won a scholarship to the Philadelphia Bank Business College, and, following that, was employed from 1936 to 1941 by the National Bank of Clementon.

Mrs. Moffitt married her husband, Casper, in August 1938. They have three sons, John, Jim, and Fred who are all married. The couple also has seven grandchildren, two of whom attend Barrington schools.

It is indeed an honor to have such a dedicated woman as a resident of my district. I take pride in joining Grace Moffitt's family and friends in recognizing her contributions to our community. She is certainly deserving of this tribute as well as many more years of success and happiness.●

FAIR TRADE IMPORT LIMITATIONS ON SPECIALTY STEEL

HON. DON RITTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 20, 1979

● Mr. RITTER. Mr. Speaker, I should like to add my voice to those Senators and Members of Congress deeply disappointed by President Carter's recent refusal to extend fair trade import limitations to the American specialty steel industry.

The failure of the President to provide for normal extension of the existing import limits on foreign specialty steel in this country is unacceptable.

This action by the President if unchallenged, will force American industry to compete with susbidized, foreign specialty steel. President Carter's act strikes a harmful blow to a strategic American industry, leaving its workers at the mercy of foreign source suppliers.

The American people should be aware of the critical role played by specialty steels in our energy, defense, chemical, and manufacturing industries. Specialty steels fill strategic materials requirements throughout our economy. The United States needs a healthy specialty steel industry.

It is inconceivable to me that the limitation on the dumping of foreign specialty steel in effect the past 3 years has not been extended by President Carter. By this action, the President demonstrates a gross insensitivity to some 65,000 specialty steel workers nationwide. During the past 3 years, there have been substantial investments and productivity advances in the industry which are still in progress. Why now pull out the rug from under them—at this critical juncture?

All of us who are members of the House Steel Caucus, as well as others familiar with the issue, are severely disappointed by President Carter's refusal to grant an extension of at least 18 months. Such an extension of the existing limits on foreign imports is needed to complete the revitalization process of the American specialty steel industry.

President Carter owes it to those working in the American steel industry to preserve fair trade in specialty steels. The Carter administration obviously has buckled under to foreign pressure and abandoned the fair trade laws passed by Congress governing this matter.

I call upon the President to reinstate the limits imposed by President Ford in 1976 on the dumping of foreign specialty steel. These positive actions must be continued if American workers in the vital American steel industry are to remain protected from predatory competition from Government-owned and Government-subsidized foreign producers. If we really want the American people to believe that free enterprise works, let us start applying it to the foreign trade arena.●

TOBACCO

HON. WALTER B. JONES

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 20, 1979

● Mr. JONES of North Carolina. Mr. Speaker, on Tuesday, June 19, the House approved the agricultural appropriations bill for fiscal year 1980. Included were necessary funds to continue the tobacco support program as well as other funds for research.

Congressman SHUMWAY of California had planned to offer an amendment to this legislation which would have read as follows:

> *Provided further*, That no part of the funds appropriated or otherwise made available in this Act shall be obligated or expended for the salaries or expenses of any officer or employee to formulate, provide assistances in, or carry out any program relating to loans, price support, sales or other disposal functions performed with respect to tobacco or any tobacco product.

Those of us concerned with the continuation of the very successful tobacco program were very much relieved and grateful when Congressman SHUMWAY announced that he would not offer his amendment. In this connection, as chairman of the House Subcommittee on Tobacco, I have conducted in recent months four hearings in the States of North Carolina, South Carolina, and Georgia on the possibilities of replacing tobacco as a cash agricultural crop, and during these hearings developed some rather interesting information. For an example, an agricultural economist from the University of Georgia testified that to replace the cash income from 1 acre of tobacco for the 1977 season would require the cultivation of approximately 14 acres of soybeans or 15 acres of peanuts. Obviously there is not that much land available for such increased production to say nothing of the fact that both commodities are frequently in surplus.

In conclusion, I think one of the most interesting studies was released just this month by the Wharton Applied Research Center at the University of Pennsylvania. This surely must be considered an impartial study, and concluded that the U.S. tobacco industry contributed nearly $50 billion to the national economy in 1977. The Wharton study measured the different consumer expeditures, industry investment, and the values of purchase of other industries derived from the tobacco industry's "core sectors." These sectors include farming, auction warehouses, cigarette manufacturing, wholesaling, and vending.

This model estimated that the industry, through the employment, incomes, and spending it generated, contributed $40 billion to the national economy in the form of personal consumption expenditures on tobacco and other consumer products. The Wharton report also estimates that the tobacco industry's contributions to the Nation's employment, both directly and through its spillover effects on other industries, amounted to 2,067,000 persons, and produced a total contribution of $12 billion in Federal taxes and $7.3 billion in State and local taxes.

Mr. Speaker, I hope that this statement and the facts contained therein will convince one and all of the necessity and the soundness of the present tobacco program as it relates to the total economy of this entire Nation.●

PANAMA CANAL LEGISLATION

HON. JONATHAN B. BINGHAM

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 20, 1979

● Mr. BINGHAM. Mr. Speaker, last Friday the Baltimore Sun carried the following powerful editorial on the issue of the pending Panama Canal legislation:

PLAYING GAMES WITH THE CANAL

For the House of Representatives to prevent implementation of the Panama Canal treaties—the bill and crippling amendments come to floor vote next week—would be to play with fire. It might well be, as Representatives David Bowen (D., Miss.) and Edward J. Derwinski (R., Ill.) wrote to their colleagues, to hand the canal over to Panama this year instead of in the year 2000 as called for by treaty.

The treaties are ratified. The Panama Canal Company, which operates the canal under the treaty of 1903, will lose authority to do so on October 1. The Panama Canal Zone will cease to exist. Nothing Congress can do can prevent this. Canal operations will remain in American control, however, if Congress provides it. Should Congress fail to establish the Panama Canal Commission authorized by treaty (with nine members, five American and four Panamanian, chosen by the U.S. Department of Defense) there would be no way to pay canal workers. No doubt the President might try to invent emergency authority, but the possibilities of canal stoppage, strikes, riots and sabotage would be real.

The administration and Panamanians believe that features of the House bill as it stands violate the treaties in letter or spirit, by putting part of the payments to Panama in jeopardy and by creating a closer subservience to the Department of Defense. These differences could probably be reconciled in House-Senate conference. Amendments offered by Representative George Hansen (R., Idaho), however, would nullify or repudiate the treaty. One would put incredible financial obigations on Panama before payments to Panama began. Another would require Panama to declare that the United States had been sovereign in the Canal Zone before the U.S. honored commitments. (In fact, the U.S. was never sovereign under the 1903 treaty, but had powers as though sovereign.) Nothing in the new treaties requires Panamanians to stand up before breakfast every morning and shout "Uncle!" but Mr. Hansen evidently thinks it would be fun to oblige them to do so under domestic American law.

The Senate Armed Services Committee has not yet held hearings or drafted its bill. But senators are unlikely to repudiate treaty obligations they ratified. Should the House act irresponsibly next week, the first attempt to repair the damage would presumably be through House action on the Senate's bill. That would be getting pretty close to a "Perils of Pauline" script, however. The inescapable fact is that the new treaty relationship will go into effect on October 1. To be in violation of the treaty on that date would be to put the security of the canal at frivolous risk.●

REPUBLICANS SUPPORT "FREEDOM OF CHOICE" FOR BANKS

HON. BUD SHUSTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 20, 1979

● Mr. SHUSTER. Mr. Speaker, the Republican policy committee, which I chair, has unanimously agreed in an official policy position statement, to support the passage of the "Freedom of Choice Compromise Amendment" to section 3 of H.R. 7, the Monetary Control Act of 1979. Without this amendment our existing financial system will be radically restricted to the detriment of the Nation's economy and to the consumer.

I should like to share the wisdom of the policy committee's position with my colleagues at this point, and insert into the RECORD the complete text of the policy committee's statement:

H.R. 7—MONETARY CONTROL ACT OF 1979

The "Monetary Control Act of 1979" is a radical restructuring of our existing financial system. In order to resolve the problem of declining membership, it authorizes the Federal Reserve System to subject all state and federally chartered depository institutions to a mandatory system of reserve requirements with exemptions for small depository institutions, purportedly, for the purposes of implementing monetary policy and fighting inflation.

The Republican Policy Committee strongly supports the passage of the "Freedom of Choice Compromise Amendment" to Section 3 of the bill to be offered by Representative J. William Stanton (R-Ohio). Essentially, the "Freedom of Choice Compromise Amendment" preserves the present voluntary system of reserve requirements, modifies and substantially reduces the heavy cost burdens of membership in the Federal Reserve System, thereby making membership in the Federal Reserve attractive and affordable to banks, and at the same time assuring adequate controls to effect monetary policy.

Maintaining the voluntary reserve requirement structure affects only member banks immediately upon enactment. If, at any time after enactment, the percentage of total bank deposits subject to Federal Reserve requirements fall below 66 percent then the mandatory provisions of H.R. 7, "The Monetary Control Act," replace the voluntary structure.

The advantages of the "Freedom of Choice Compromise Amendment" are: (1) it maintains the proud tradition of the voluntary reserve structure that has been in effect since the Federal Reserve was established in 1913 consistent with the original goal and desires of banks throughout the country; (2) it lowers reserve requirements significantly to make membership reasonably priced; (3) it continues the life and strength of the federal-state dual banking system since it does not impose federal reserve requirements on state chartered non-member banks, as does H.R. 7; (4) it results in greater monetary control by providing that reserve coverage under this voluntary approach will be 72 percent versus 66 percent under the mandatory approach of H.R. 7; (5) it phases in lower reserves over a three year period, which is shorter than that contained in the mandatory approach of H.R. 7; and (6) it holds out the possibility for increased participation in the Federal Reserve System by reducing the costs of membership and resolves the real problem of declining membership in the Federal Reserve System.

The Republican Policy Committee concurs in the belief that the Nation needs a strong central bank to administer monetary policy and maintain a sound banking industry capable of responding to our domestic and international financial needs and objectives. Declining membership in the Federal Reserve System presents serious problems for controlling monetary policy and, particularly, during periods of high inflation. Responsible action should be taken to halt the attrition of member banks. However, there is not a crisis situation today which warrants the dramatic restructuring of our financial system provided by the mandatory provisions of the "Monetary Control Act of 1979."

The "Monetary Control Act of 1979" proposes more federal regulation of the private sector at a time when the American people are calling for less regulation. It terminates the historical tradition of voluntary membership in the Federal Reserve when changes in the present system can be made to stem declining membership without resorting to mandatory reserves and still maintain adequate monetary controls. The bill's mandatory reserve requirements can disrupt the well functioning and competitive feature of our federal-state dual banking system; it adversely impacts state economies by providing the incentive for many state chartered banks to exchange non-member status for federal membership in those states whose reserve requirements exceed those in H.R. 7; and it encourages switching charters to escape both federal and state requirements for those banks below the levels of exemptions provided in the bill.

Ironically, the exemption levels substantially reduce the number of banks subject to reserve requirements from 5,664 to 1,020 and decrease the Federal Reserve's deposit coverage from 72% to 66%, thus further weakening "monetary control" which the bill seeks to strengthen. These high exemption features of the bill actually reduce the degree of monetary control now contained in the present voluntary system. The mandatory provisions of the bill move the banking regulatory process toward increased and perhaps harmful federal control.

The Republican Policy Committee strongly urges the adoption of the "Freedom of Choice Compromise Amendment" to prevent this unwarranted change in our existing financial structure which could cause more harm than benefit to the Nation's economy and to the consumer.●

PERSONAL EXPLANATION

HON. NICHOLAS MAVROULES

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 20, 1979

● Mr. MAVROULES. Mr. Speaker, from Wednesday evening, June 13, through Friday, June 15, I was unable to attend to the legislative business on the calendar, missing 15 recorded votes, because of the passing away of a close personal friend and associate.

Had I been present, I would have voted as follows. I am itemizing my votes as a way of meeting my responsibility as a Congressman to the people I represent:

ROLL CALLS

234. Yes.
235. No.
236. Yes.
237. No.
238. No.
239. No.
240. Yes.
241. Yes.
242. No.
243. Yes.
244. No.
245. Yes.
246. Yes.
247. Yes.
248. No.●

SHELVE SALT II UNTIL AFTER ELECTION

HON. PAUL FINDLEY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 20, 1979

● Mr. FINDLEY. Mr. Speaker, the U.S. Senate, in its consideration of the SALT II Treaty, will guide the conduct and direction of this country's foreign and defense policy for years to come. The complexity of the treaty itself makes the ratification decision all the more difficult.

I am confident that the Senate will approach this task with great thought and deliberation. In order to enhance the opportunity of the Senate to proceed judiciously, I recommend that the Senate delay final debate and vote on ratification until after the 1980 national elections.

This is the first time in my 19 years in the House of Representatives that I have taken the liberty to recommend policy to the leadership of the Senate, an action I would ordinarily consider inappropriate.

I do so because of the gravity of the issue. The ratification process places on the Senate an enormous responsibility that goes far beyond the interests of our Nation, vital as these are. It goes directly to the most basic interests of our European allies and could have a crucial effect in time on the survival of free institutions worldwide. This responsibility has few, if any, parallels in political history. It is unprecedented because of the awesome role in human affairs occupied by nuclear weaponry and its technology.

A delay is important for several reasons:

First, the Senate faces a difficult task in ascertaining with accuracy the effect the treaty will have on the long term security interests of our allies in the North Atlantic Treaty.

Objectivity in the present political atmosphere is impossible. Given the long term, highly visible efforts of the U.S. administration to rally support for ratification, no NATO government can be expected today to voice even privately the slightest criticism. To do so would be viewed as an affront to our President, who serves as the ex officio leader of NATO, and who almost exclusively controls NATO's nuclear deterrent to Soviet military pressures.

Overcoming this atmosphere—that is to say, the process of eliciting facts and candid views—will take a considerable period of time even in a highly favorable atmosphere. I cannot see a proper atmosphere evolving until after the 1980 election.

Second, in addition, treaty issues range far beyond strategic nuclear weapons. It is impossible to consider the SALT II Treaty and the strategic balance between the United States and the U.S.S.R. without also taking into account the conventional and tactical nuclear imbalance between East and West. A disturbing disparity exists between the forces at the disposal of the Warsaw Pact and those of NATO; and this disparity is increasing.

Indeed, up to this point the Soviet Union has given no indication that it will put into practice the principle of parity for Europe. Soviet reluctance has been obvious in the prolonged MBFR negotiations and in Moscow's continuous upgrading of the Warsaw Pact capabilities in central Europe. We must be certain that the Soviet Union will agree to establish an overall equilibrium in the forces of East and West before this treaty can wisely be ratified.

Technical issues are very complex. Verification, for example, raises many questions and concerns.

Third, progress in a wide range of East-West issues has been extremely uneven.

Students of Soviet behavior have noted recently some favorable initiatives by the U.S.S.R. in anticipation of SALT II ratification. A delay in the treaty's consideration would provide the opportunity to determine whether this Soviet accommodation is merely tactical and superficial or whether it presages a deeper interest in advancing East-West understanding and cooperation.

Fourth, SALT II will likely have a great psychological impact on U.S. public opinion.

The Senate has a special challenge in that it must somehow become a classroom through which the entire Nation can understand the complexities of SALT II as they relate to our total security situation worldwide. Our citizens will need the leavening influence of extensive and thoughtful discussion, separated as much as possible from emotion and partisan tides.

Hasty consideration in the atmosphere of a Presidential campaign—which, of course, is already well underway—might so warp public perceptions as to force damaging policy decisions. To illustrate it would create the ill-founded notion that SALT II, heralding the millennium of peace, makes logical substantial cutbacks in other U.S. military programs. This might generate a rising sentiment for the withdrawal of U.S. troops from Europe.

In short, the issues and various considerations involved in SALT II are so towering as to call for an exceptional period of deliberation.●

TRIBUTE TO MARY B. FEDERSPILL

HON. DOUGLAS APPLEGATE

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 20, 1979

● Mr. APPLEGATE. Mr. Speaker, it is, indeed, an honor for me to come before this House in order to recognize a constituent of mine, Mary B. Federspill. Mrs. Federspill, of Empire, Ohio, will retire on June 29, 1979, after serving 30 years as postmaster of that community.

As postmaster, Mary has served the area well. She exemplified professionalism and dedication and has made loyalty to her town, its people, and the U.S. Government a priority in her life. Even more important, perhaps, is her willingness to help others in anyway she can. She has acted as a friend, an adviser and a teacher to hundreds.

Mr. Speaker, the U.S. Postal Service was very fortunate, indeed, to have as one of its postmasters, Mary Federspill. She is one who the Service and the people of Empire will miss as postmaster.●

FURTHER MESSAGE TO THE PRESIDENT

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 20, 1979

● Mr. McDONALD. Mr. Speaker, further to the remarks and letters I placed in the June 15, 1979, Congressional Record on pages 15124 and 15125, I am today placing a revised version of the letter from certain Senators to the President relative to our policy toward Nicaragua. It also contains an additional signature. As events are proceeding at the rapid pace in Nicaragua, U.S. policy in this regard becomes of paramount importance.

The article follows:

U.S. Senate,
Washington, D.C., June 19, 1979.

The President,
The White House,
Washington, D.C.

Dear Mr. President: We find it difficult to understand the attitude of this administration toward the deteriorating situation in Nicaragua.

That the armed invaders identify themselves as "Marxist-Leninists" and seek to impose a Cuban-style regime in Nicaragua is beyond question. That the present government of Nicaragua has been unfailingly friendly and cooperative toward the United States is also beyond question.

Surely it cannot be considered in the national interest to acquiesce in the imposition of a Communist dictatorship in Nicaragua. Such a change would place neighboring states under intense pressure.

Yet we find that the attitude of our government is one of cold hostility toward our friends. Our government has, for example, worked for many months to obstruct normal financial transactions between the government of Nicaragua and the International Monetary Fund. Since this activity has no other effect than to weaken the Nicaraguan people, it amounts to an indirect support of the guerrillas.

Is this in fact the policy of our government? And if so, why?

Sincerely,

Roger W. Jepsen,
Gordon Humphrey,
Strom Thurmond,
Jesse Helms,
Orrin G. Hatch,
Jim McClure.●

HOME HEATING OIL PROBLEMS AHEAD

HON. BERKLEY BEDELL

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 20, 1979

● Mr. BEDELL. Mr. Speaker, the television news last night carried a report that our colleague, Toby Moffett, has discovered Government documents predicting a shortage of home heating oil this winter. Quite frankly, we do not need those documents to tell us that there is a big problem ahead, but it is helpful to have the added focus for the public's attention.

On May 17 I chaired hearings in the Small Business Committee, examining the diesel fuel supply situation. While our primary purpose was to look at the problem of assuring adequate diesel fuel supplies for agricultural production, it was readily apparent that there is a broader problem in middle distillate fuels, a category that includes both diesel and home heating oil. I placed a preliminary report in the Congressional Record of May 30.

It is generally accepted that we must have at least 249 million barrels of middle distillate in storage by October 1, in order to meet our home heating oil requirements this winter. Once the frost sets in, we will be drawing down on that inventory until the spring.

Last month, when we held our hearings, the distillate fuels inventory stood at about 115 million barrels. That is the lowest level it's been in years.

To increase the inventory, the administration in late April began asking refiners to voluntarily increase their production of home heating oil and diesel fuel. They also instituted a program that amounts to a $5 subsidy for each barrel of refined distillate fuel that is imported into this country.

At a meeting 2 days ago, Department of Energy officials told me that we are now up to about 128 mililon barrels in inventory, a reversal of the decline in middle distillate stocks that we had seen throughout the year.

Nonetheless, I am alarmed by the fact that the current rate of growth for the inventory is now about 3 million barrels a week, according to DOE and industry statistics. By my calculations, we need to be adding between 7 and 8 million barrels a week between now and October. At the present rate, then, inventory is building less than half as fast as it should, and we may end up with a deficit of as much as 25 or 30 percent this winter.

There are very few areas where we can reduce consumption of diesel fuel to conserve additional amounts for the winter. Agricultural production, public transportation, and industrial uses all have little margin for cutbacks in consumption. The current unrest in the trucking industry illustrates the problems that result from reducing the flow of diesel fuel.

The only feasible and responsible course, then, is to take such steps as are necessary to increase immediately the production of middle distillate fuels. This can be accomplished by tilting refinery production away from gasoline and toward diesel and home heating oil.

Traditionally, at this time of year refiners maximize gasoline production in order to meet the increased demand caused by summer vacations and other uses of private automobiles. Conceivably, a shift to middle distillates and away from gasoline might aggravate the gasoline shortages now being experienced in some parts of the country. This is a risk we must take.

There is no area of petroleum product usage with greater potential for immediate energy savings than the private automobile. It is unpleasant to contemplate, but if any cuts in fuel supply must be made in order to be able to heat our homes and keep our commerce and industry running, then we must look to gasoline production as the item to be sacrificed.

That decision must be made now. It is clear that it is not sufficient to merely suggest voluntary action by the oil companies. The administration must act now to compel an immediate swing to greater production of home heating oil and diesel fuel. If such action is not taken right away, we face a potential catastrophe this winter.●

WILLIAM D. BOYCE, FOUNDER OF SCOUTING

HON. JOSEPH M. GAYDOS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 20, 1979

● Mr. GAYDOS. Mr. Speaker, June 11, 1979, marked the 50th anniversary of the death of a man who left Americans a timeless legacy, one which has already influenced the lives of more than 63 million young men and will touch those of millions more in years to come.

The name of this great benefactor: William D. Boyce. His gift to our Nation's young men, past, present, and future: the Boy Scouts of America.

Mr. Boyce is credited with founding the scouting movement, which has produced so many great leaders, and later merged it with another program he established for rural youths who cannot conveniently join the usual scout pack or troop—the Lone Scouts of America.

Mr. Boyce is a native of Allegheny County in Pennsylvania and it was fitting the anniversary of his passing was observed at a site also dedicated to preparing young men and women for the future and one named in his honor—Boyce Campus of the Allegheny County Community College, located in my 20th Congressional District.

The memorial observance was initiated by John W. Caskey, Sr., of Aspers, Pa., a member of the BSA's national advisory committee on the Lone Scout program. Mr. Caskey recited a prayer composed for the occasion by the Reverend Dr. Edward L. R. Elson, chaplain for the U.S. Senate.

Also participating in the service was Mrs. Elizabeth Benson Wolf, president of the Allegheny County League of Women Voters and a daughter of the former director of the Boy Scouts' Lone Scout Division, the late Oscar H. Benson. Mrs. Wolf placed a wreath beneath a portrait of the founding father of scouting in America.

Other dignitaries taking part in the memorial ceremony included Dr. Richard W. McDowell, vice president and executive dean of Boyce Campus; James J. Bruce, his assistant; Ralph L. Margolis, the campus librarian who read a tribute to Mr. Boyce written by Ernest L. Gambell of Silver Spring, Md., chairman of the advisory committee for the Lone Scout program and a member at large of the national council for BSA, and Matthew McClung, an Eagle Scout from Troop 141 who has become a leading authority on the life of the man who left so much to so many.

Mr. Speaker, I would like to insert into the Record at this time the prayer written by Reverend Elson and the tribute by Mr. Gambell commemorating William D. Boyce, whose life's work lives on in every Boy Scout in America.

Prayer

God of our fathers and our God, before whom the generations rise and pass away, we thank Thee for leaders of lofty vision, noble purpose and sacrificial service in every generation. We thank Thee for the sacred memories which cluster about William Dickson Boyce, Founder of Scouting in the United States.

Grateful for his vision and his idealism in our youth we pray that some measure of his spirit may fall on us again that we may be wise as he was wise, true as he was true, loyal as he was loyal.

May we be steadfast in our love of life, our devotion to freedom, our intolerance of evil, our dedication to justice and our pursuit of peace throughout the world.

And may goodness and mercy follow us all our days that we may abide with Thee forever. Amen.

Tribute to William Dickson Boyce

Fifty years ago today, on June 11, 1929, the Founder of Scouting in the United States (the Boy Scouts of America and the Lone Scouts of America) left "his boys" to "pass beyond the sunset." At this 50th anniversary, it is most fitting for those who have been the beneficiaries of the great thing he started to remember the vision and the faith implicit in his message of 55 years ago on the occasion of the union of the two great organizations that he initiated:

"I have given fifteen years—the best years of my life—to this work for the American boy, and will remain his faithful friend until I am called to another world, where I hope to meet when they arrive, hundreds of thousands of friendly boys who will remember that I tried to do something for them on earth. With Love to All Boys, Truly, W. D. Boyce"

On the occasion of his demise, associates of Mr. Boyce spoke glowing tributes. President Walter W. Head and Chief Scout Executive James E. West of the Boy Scouts of America jointly said:

"The entire American Nation owes Mr. Boyce a debt of gratitude, and the citizens of the future will be better prepared to serve their country because of his outstanding Good Turn."

The Reverend Edward Lathrop, who had been one of the early Lone Scouts and who continued for many years as a Scouter and earned many Scouting honors, wrote a quarter-century after Mr. Boyce left us:

"His contribution to the material, cultural, and spiritual growth of America through Scouting is beyond measure."

We here today can add little to the luster of the name William D. Boyce, for it already graces many memorials, including this campus, and is a direct part of the heritage of 63 million who have borne the title Scout or Scouter. We can and do join in continuing to help his dream come true: Exemplification of Scouting principles in our lives and service to the youth of our generations.●

IMPACT OF SYNTHETIC FUELS

HON. ALLEN E. ERTEL

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 20, 1979

● Mr. ERTEL. Mr. Speaker, I would like to submit for publication in the Record my testimony which I have just prepared for the Subcommittee on Elementary, Secondary and Vocational Education, and on Employment Opportunities, which have conducted hearings on the subject of the impact of the synthetic fuels industry on labor and manpower training.

My testimony deals with a cost competitive, environmentally safe but little appreciated synfuel: anthracite gas, which has been used successfully in three industrial plants in Pennsylvania. The unique opportunities presented by this technology warrants consideration and attention from every Member of Congress, particularly my colleagues from the Northeast.

The testimony follows:

Testimony by Mr. Ertel

Mr. Chairman: I appreciate your affording me an opportunity to present testimony related to your investigation into the synthetic fuels industry. While I am going to stray somewhat from the theme of the synfuels industry's impact on labor and manpower training, I think in the long run my comments will touch on this issue.

My district is part of the vast anthracite mining region in Pennsylvania, a region with approximately 18.8 billion tons in identified resources, representing about 96 percent of the total domestic supply of this coal. The reserve base, i.e., the inplace deposits that are relatively thick and near enough to the land surface to allow mining by conventional surface and underground methods, has been pegged at 7.1 billion tons in Pennsylvania.

Despite the enormous potential contribution anthracite utilization could make in our campaign to achieve energy independence, this resource has gone virtually unnoticed by the Administration's so-called coal policy. Receiving even less attention than the issue of direct burning of this low-sulphur coal, however, are the possibilities associated with deriving synthetic fuels from anthracite.

Anthracite gasification presents a particularly attractive energy option for the Northeast region of the country. Three plants in Pennsylvania, one of which is located in my district, have been utilizing anthracite gasification for some time, with results that could persuade even the most dour critic of the worth of this technology. The process at one plant, the Glen-Gery brick plant in York, was a DoE sponsored project which terminated in June of this year. The cost of the low-Btu anthracite-derived gas was $2.37/MM Btu (in a new installation today, the gas costs would run about $2.50/MM Btu), as compared with a natural gas price of $3.00/MM Btu in many parts of Pennsylvania. The plant's gas price breakdown looks like this:

	MM Btu
Anthracite coal cost (at $45 per ton)	$1.861
Equipment cost (depreciation)	.159
Operational costs	.248
Maintenance costs	.067

Another Glen-Gery brick plant, located in the Borough of Watsontown in my district, switched back to anthracite gas, a process the plant had abandoned when "cheap" natural gas became available. Their new mix of 15 percent natural gas (at $3.25/mcf) and 85 percent anthracite gas (at a comparable $2.25/mcf) results in a savings to the plant of $20,000 per month.

Like the DoE-sponsored system, the Watsontown plant achieves a 90 percent hot gas conversion efficiency, i.e., 90 percent of the Btu content in the anthracite (at 12,700 Btu/lb.) is contained in the hot gas at 700 degrees F. The high-quality, low-sulphur anthracite fuel affords such high conversion efficiencies because no tars or oils are produced in the process. For other coals, cleaning tars and oils from producer gas is costly due to the equipment required—its purchase, operation and maintenance. The simplicity of anthracite gasification plants results in substantial savings.

The third plant, Howmet Aluminum Corporation of Lancaster, Pennsylvania, has, within the last year, installed an anthracite gasifier, the hot gas from which will be used for aluminum melting.

I have enclosed for the subcommittees' information a graph which depicts the potential fuel costs savings over natural gas or oil of one gasifier converting one ton/hour of anthracite into industrial fuel gas or boiler fuel. This graph was prepared by Gas Generation Associates, a division of Acurex Corporation, of Reading, Pennsylvania, and a group that has been promoting the use of anthracite gasification.

Even this limited experience with anthracite gasification that I have cited demonstrates both the viability and economics of this technology. However DOE has shown very little interest in pursuing more widespread utilization of low and medium BTU gas, maintaining that gas derived from coal cannot successfully compete with traditional fossil fuels. I think the experience of these plants shows the fallacy of that argument. This is a disturbing attitude to have towards a demonstrated and proven, cost-competitive, and environmentally clean (anthracite gasification produces no emissions to pose any environmental dangers) technology that utilizes an abundant rather than a scarce resource. DOE's assessment is that there is no market for this technology on a large scale (such as one gasifier serving more than one industrial plant). To the department's credit, the Office of Utility and Industrial Applications has developed a "Low/Medium Gasification Assessment Program for Potential Users." Nonetheless, while continuing to fund small-scale demonstration projects, its pursuit of furthering this technology has been somewhat lackluster.

Anthracite gasification presents a unique opportunity to pursue a regional solution to our energy problems, and the regional economy could only benefit from the availability of a low-cost, clean-burning industrial fuel and the revitalization of the anthracite industry that would accompany increased use of this resource. All of this would have no small impact on the issue of most immediate concern to the subject of your inquiry: the impact of the synfuels industry on employment and manpower training.

First, a vigorous application of anthracite gasification technology to industries throughout the Northeast would stimulate growth of a components manufacturing and servicing industry; though this may only be a small, regionally-based business, it would nonetheless create jobs and a demand for skilled laborers and technicians.

Secondly, depending on the presently used fuel, low-cost energy supply could reduce an industry's production costs, perhaps encouraging production expansion and the hiring of new employees. Even if anthracite gas were no less expensive than the fuel currently consumed by the plant's operations (i.e., even if the company did not experience a net financial savings by converting), there could be other advantages that could effectuate an economic savings regionally that would result in economic growth and increased employment. Such advantages include a reduction in oil imports (a particular concern in the Northeast); stimulation of investments into new or marginal operations, thereby enhancing competition, not to mention the benefits associated with a revitalized anthracite industry: demand for labor to mine the coal; better transportation facilities; enhancement of the economy of the anthracite region and its attendant benefits, etc. As a matter of fact, preliminary, job-creating steps would have to be taken—manufacture of more coal-hauling railroad cars; perhaps construction of new delivery terminals; the development of better mining techniques and equipment and the training of miners—before a widespread demand for anthracite could be satisfied. There is a vicious circle that could develop here; the demand may not appear without an assurance of supply, but the many preparations for assuring such supply may not be taken unless there is a sure market. In order to further some very worthwhile employment- and energy-related goals, Congress and the Administration must act decisively to promote anthracite gasification.●

SUPPORT FOR THE ACP

HON. WILLIAM C. WAMPLER

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 20, 1979

● Mr. WAMPLER. Mr. Speaker, conservation and the simultaneous planned usage of our resources is the one reason we are able to maintain our place in the world agricultural community. Americans are better fed at cheaper costs, and export more food and fiber items than any other nation on Earth. This increased production of quality food items is no accidental occurrence. Only through proper management and constant attention to our farm lands can we hope to continue our history of protecting and preserving our fertile lands to gain ever increasing yields of food and fiber.

The agricultural conservation program is a longstanding program which promotes and exemplifies this ideal. By conserving and improving water resource quality, controlling animal wasted pollution, controlling erosion, conserving wildlife, improving our forests and encouraging cooperation toward common goals the ACP has gained the acceptance and support of both the Congress and the American farmer. This longstanding program, benefiting from the personal cooperation of our farmers, and with Federal cost sharing, serves as the basis for our ongoing efforts to maximize our food and fiber production while preserving the productivity of our prime farmlands for future generations.

I fully support the action of the Appropriations Committee in restoring much needed funding for the ACP. Past Congresses have seen the wisdom of this program, and have supported restoration of ACP funds. With the support shown yesterday by the House, this program will continue to benefit all Americans through the cooperative conservation and management of our agricultural resources.●

GEORGE BALL SUPPORTS PANAMA CANAL LEGISLATION

HON. JONATHAN B. BINGHAM

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 20, 1979

● Mr. BINGHAM. Mr. Speaker, the distinguished lawyer, financier, and former Under Secretary of State, George W. Ball, has written to the House leadership that failure of the House of Representatives to approve the implementing legislation for the Panama Canal Treaty would be highly damaging to our country. The text of Mr. Ball's letter is as follows:

JUNE 7, 1979.

Hon. THOMAS P. O'NEILL, Jr.,
U.S. Congress, Washington, D.C.

DEAR MR. SPEAKER: As a former United States Under Secretary of State and Ambassador to the United Nations, I am convinced that the failure of the House of Representatives to approve the implementing legislation for the Panama Canal Treaty would be highly damaging to our country.

The American people have settled the issues involved in the Panama Canal Treaties after lengthy debate and in accordance with the procedures laid down by the United States Constitution.

During the course of that substantive debate great emphasis was placed on the significance of the Treaties to our relations with other Latin American states. I am concerned with an even more important issue—our ability to sustain confidence in American leadership among our Western allies and, indeed, in the whole non-Communist world.

I have just returned from Europe, depressed at pervasive doubts as to the effectiveness of American leadership. An accusation widely heard is that the United States constitutional system is no longer adequate for the requirements of the present complex world. It is widely contended that governments can no longer safely rely on the word of the United States President, because he cannot carry Congress with him, and, even if he signs a treaty, it may not be ratified.

Though that developing attitude is a matter of concern, the uncertainty involved in ratification is implicit in our Constitution, and defensible in those terms. But once the United States people have settled a problem through their own constitutional processes, and a treaty has been ratified, and has thus become the law of the land, I would find it indefensible that the Congress should prevent our good-faith carrying out of that treaty by a refusal to pass implementing legislation. Such an action would be a lethal blow to American prestige and authority; it would weaken and embarrass our friends and give aid and comfort to the most vicious anti-American elements. I cannot believe that the United States Congress would be guilty of such mischievous and irresponsible action.

Sincerely yours,

GEORGE W. BALL.●

THE ADVANTAGES OF SALT II

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 20, 1979

● Mr. HAMILTON. Mr. Speaker, I would like to insert my Washington report for Wednesday, June 20, 1979, into the CONGRESSIONAL RECORD:

The United States and the Soviet Union have reached basic agreement on a second strategic arms limitation treaty (SALT II) to restrain the nuclear arms race. Although the treaty will not come before the House of Representatives for approval, I support it and hope that the Senate will ratify it.

In general, I regard SALT II as an essential step toward a safer world. Its major accomplishments are that (1) it establishes equal ceilings on U.S. and Soviet strategic forces, (2) it begins an actual reduction in the level of nuclear arms, and (3) it places the first limits on the qualitative race in nuclear weaponry (that is, the race to build new weapons systems and to improve existing ones). Moreover, SALT II has several specific advantages. The most compelling are these:

1. SALT II will reduce the risk of nuclear war. It establishes for the first time the principle that the two sides should have equal numbers of missile launchers and heavy bombers (2,250). The Soviet Union will have to dismantle 250 strategic delivery systems to reach that level, so the momentum of the current Soviet build-up of weapons will be broken. The treaty places equal limits on missiles equipped with several warheads which can be aimed independently to hit more than one target (the "MIRV" missile). It places limits on the race to build new and more sophisticated weapons systems and to improve existing strategic weapons. However, the treaty does not interfere with any of our defense programs. It will slow the growth of Soviet arms and limit strategic competition. By helping to define the threats we might face, the treaty will make our defense planning more effective. It will mean greater stability and predictability in the strategic challenge we face.

2. SALT II is the next phase in a process which may eventually bring nuclear arms under complete control. That process has been favored by five Presidents over the past 15 years, and it has produced significant results (the limited test ban treaty, the anti-ballistic missile treaty, and SALT I, which froze overall numbers of strategic weapons). The accord must be seen as groundwork for a more enduring political relationship between antagonistic nations with awesome power. Every country on earth has a stake in that relationship, and our allies count on us to manage it well. It is worth noting that the leaders of Great Britain, West Germany, and France all have expressed support for SALT II.

3. We can determine for ourselves whether the Soviet Union is living up to obligations under SALT II. We have insisted that compliance with the accord be verifiable since the risks are too high to rely on trust alone. We have a variety of intelligence collection

systems with which we can observe Soviet military activity. Any cheating on a scale that would upset the strategic balance could be detected in time for us to make a vigorous response.

4. If SALT II is rejected, the consequences could be grave. Without SALT II, tensions with the Soviet Union would heighten. The arms race would grow more dangerous and more expensive. The Soviets would probably begin an enormous build-up, and more weapons would be developed on both sides at enormous cost (an estimated extra cost of $30 billion to the United States over the next decade). The slow process of arms control would be dealt a crippling blow, and the world would decide that the two superpowers had chosen confrontation rather than cooperation.

SALT II is no substitute for a strong defense. We must have the unquestioned capacity to convince any potential adversary that an attack on us or our allies would mean equal or greater destruction for the attacker. To maintain such a capacity in the years ahead, I support the extensive modernization of our strategic forces. We must equip our heavy bombers with cruise missiles, put long-range Trident I missiles on our submarines, deploy our Trident submarines fully, improve our land-based Minuteman missiles, and go forward with development of a mobile missile. Such modernization is possible under provisions of SALT II.

I do not have exaggerated expectations for SALT II. It will not sharply reduce defense spending or remove all threats against us. Nor will it suddenly usher in a new era of U.S.-Soviet cooperation. Our military and political rivalry with the Soviet Union spans the globe, and it will not be so easily contained. The hopes may be legitimate, but given the nature of the U.S.-Soviet relationship they are not likely to be realized in the near future.

The fundamental question posed by SALT II is clear: do we move ahead with strategic arms control, or do we resume an unchecked and relentless arms race? Our real choice is an acceptable agreement which preserves and enhances our national security, or no agreement at all. SALT II represents a measurable advance in improving our nation's defense. It holds strategic forces in verifiable equivalence while it slows the arms race. My view is that the world would become a far more dangerous place than it is without SALT II.●

ENERGY CRISIS AND CONSERVATION

HON. WILLIAM F. GOODLING

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 20, 1979

● Mr. GOODLING. Mr. Speaker, James Waltersdorf, a resident of the 19th Congressional District in Pennsylvania recently delivered the following speech at his graduation from Southwestern High School. Although this message concentrates on the energy crisis, it more importantly reveals a willingness among young Americans to assume the responsibilities of conservation essential to the maintenance of America's greatness. I call this young gentleman's remarks to the attention of my colleagues:

REMARKS OF JAMES WALTERSDORF

It is sometimes the habit of classes graduating in the last year of a decade to reflect on peculiar distinctions of that decade and their influence on the progress of the class' education. The Class of 1979 is the product of an era during which an important cultural change occurred: the transformation of a nation of technological strength to a nation of technological drunkenness.

After World War II, our nation was at the acme of its strength and esteem. National production was increasing, and the most advanced technology in the world was giving America the highest standard of living. At about the same time that our class began elementary school, the change was beginning to take form. Our country was a social battleground in those days. You all remember the 1960's. Riots, campus takeovers, drug abuse, and general disenchantment with the established social system were widespread among the younger generation. Those were the symptoms of a new "ME" Generation which believed that individual welfare was more important than the welfare of the whole nation. Our elder brothers protested America's involvement in Vietnam because the war was a threat to their secure lifestyle.

And so the screaming continued, but it did not stop the war. We are paying for that mistake today. What we should have learned in these past twelve years is that such a determination to avoid responsibility and a refusal to face the reality of sacrifice are detrimental to each individual in a generation. We would be wise not to forget this lesson.

The United States we expect to inherit is but a technicolor dream composed of a variety of so-called "necessities" which are nothing but creature comforts. Because we are dangerously attached to these luxuries, we suffer from an incredible myopia which prevents us from seeing a genuine emergency when it stares us in the face. Such is the case today with the energy risis.

We are raised in this country amid unheard-of abundance and an indignant sense of self-preservation. When our lifestyle is threatened, we resist. We do not want our lives disrupted. We do not want our wealth taken from us. But we must realize that to avoid sacrifice and responsibility is to face destruction. Our destiny is our choice. America's senseless habit of scapegoating its problems is a consequent of the actions of its younger generation in the late 1960's. As they blamed the government for the Vietnam war, so we blame the government, big oil companies, even our parents for the energy shortage when the blame rests squarely on us, the most wasteful people on earth.

If you remember nothing else of what I'm saying, remember this: Feel free to maintain your lifestyle if you wish; but don't be fooled into thinking that the affluence we have known since childhood will last forever. We have a clear choice: sacrifice and save, or maintain and perish.

I really don't think that the United States will join Rome, Atlantis, and Carthage in the graveyard of civilizations, because I have great faith in American ingenuity and determination. We have the ability to rise to the occasion when properly motivated. But learn to sacrifice. Realize that the greatness of America is derived from selflessness and, yes, pain. Educate yourself. Know a limit to your indulgences. And realize your responsibility for our destiny. Do these and we can control the course of history. The future is our choice!●

A BAT MITZVA "IN ABSENTIA" IN EAST ROCKAWAY, N.Y., TELLS A FAMILY IN KHARKOV, RUSSIA: WE ARE WITH YOU

HON. NORMAN F. LENT

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 20, 1979

● Mr. LENT. Mr. Speaker, on June 2, 1979, I had the honor to attend an event at the Hewlett-East Rockaway Jewish Center in my Fourth Congressional District which deserves the attention of all Members of Congress and all U.S. officials involved in dealings with the Soviet Union, because it shows most clearly that the Soviet regime is continuing a calculated campaign of harassment and persecution against Soviet Jews.

On June 2, the Congregation Etz Chaim of the Hewlett-East Rockaway Jewish Center celebrated a Bat Mitzva for its adopted daughter, Dorina Paritsky, 13, in absentia. Dorina could not attend. Neither could her father and mother, nor her younger sister. The Paritsky family lives in Kharkov, Russia, under the close scrutiny of the dreaded Soviet secret police, the KGB, and is subjected to the cruelest sort of public harassment and persecution.

The Partiskys, in fact, have become the focal point for anti-Jewish sentiment in Kharkov because in 1976 they sought permission to emigrate to Israel. Although the target of vicious newspaper articles and denunciations at officially sponsored public meetings, the Paritskys have held courageously to their insistence for the freedom to practice the religion of their choice in the land of their choice—Israel.

Because of the official persecution, the Paritskys could not celebrate their daughter's Bat Mitzva. But they knew of the ceremony being held on her behalf in the United States, thousands of miles away. Abraham and Helen Neufeld of the Congregation Etz Chaim had been informed of the plight of the Paritsky family by the Long Island Committee for Soviet Jewry, which, under the leadership of its President, Lynn Singer, has done so much for the human rights cause.

The Congregation Etz Chaim enthusiastically endorsed the Neufeld's idea for a Bat Mitzva, in absentia, for Dorina as a way to direct American attention to the plight of the Paritskys. The Paritskys were delighted when they were informed of the plan and wrote the Neufelds: "We hope it will bring the most desirable result—we will receive visas at last."

The knowledge of the persecution being experienced by the Paritsky family in Kharkov made Dorina's Bat Mitzva most moving and poignant for all of us who took part. As Dorina's proxy, Susan Berch of East Rockaway responded in the age-old ceremony marking the transition from girlhood to womanhood. During the moving religious ceremony, there were tears in the eyes of many congregants, thinking of Dorina and her family, denied the freedom to properly celebrate this meaningful milestone in their daughter's life.

Mr. Speaker, that service in the Hewlett-East Rockaway Jewish Center brought home with stunning force the realization of the great deprivation experienced by the Soviet Jews who are denied the full expression of their religion. The Paritsky family is only one of thousands being held hostage to the heartless and cruel policies of oppression and persecution.

I cite this account, Mr. Speaker, to explain why I am dispatching a letter to Soviet President Leonid Brezhnev, enclosing a copy of this statement, and demanding that he end the long persecution of the Paritsky family by allowing them to realize their fondest dream: freedom in Israel. In denying this family—and the many other Soviet Jews who seek to emigrate to Israel—Leonid Brezhnev and his regime are knowingly violating the letter and the spirit of the Helsinki accords which Mr. Brezhnev himself signed with such dramatic flourishes in 1975. Such blatant violations of this solemn internation pact should serve to make all of us very skeptical of Soviet promises to limit strategic weapons in the SALT II Treaty.

Mr. Speaker, I urge my colleagues to join me in this appeal on behalf of the Paritsky family. I am confident our messages will be of assistance. Recently, the Soviets have released a number of Soviet Jews adopted as "prisoners of conscience" by Americans. One of those freed from prison and permitted to go to Israel was Hillel Butman, who has been my Fourth District's "prisoner of conscience" for nearly 4 years. To me, the release of these Soviet Jews demonstrates that the Russian Government does respond—however reluctantly or belatedly—to public appeals on behalf of Soviet Jews. Therefore, now that we have made some progress, we must not slacken our efforts.

To the contrary, we must redouble our demands for full human rights under the Helsinki accords for all Soviet Jews attempting to leave the oppressive atmosphere of the Soviet Union for the freedom of Israel. We must come to the assistance of courageous families like the Paritskys who are fighting for their beliefs against a most brutal campaign of social pressure and official harassment and denial.

I urge my colleagues to join with me in demanding that the Paritsky family be allowed to emigrate to Israel.●

FOREIGN TAX CREDITS

HON. BENJAMIN S. ROSENTHAL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 20, 1979

● Mr. ROSENTHAL. Mr. Speaker, last week George Washington University law professor J. Reid Hambrick filed a criminal complaint concerning foreign tax credits claimed by Arabian American Oil Co.—Aramco—charging that the Treasury illegally gave away $6 billion in tax credits to Aramco—jointly owned by Exxon, Mobil, Texaco, and Socal. Professor Hambrick specifically alleges in his complaint that the Internal Revenue Service failed to enforce the applicable income tax laws for 1974–78 and allowed Aramco to claim foreign tax credits to which it was not entitled.

The Committee on Government Operations in House Report No. 95–1240, entitled "Foreign Tax Credits Claimed by U.S. Petroleum Companies," dated June 1, 1978, unanimously took this position.

Mr. Hambrick deserves a prompt and expedited answer to his letter to the Department of Justice. Yesterday, Secretary of Treasury Blumenthal appeared before the Ways and Means Committee to argue that no change was needed and that, essentially, IRS and Treasury continue to rule and administer the foreign tax credits based on past practice. He did advocate a few changes that would not allow foreign tax credits accumulated by one foreign oil subsidiary to be used to offset taxes on profits of operating shipping or refining subsidiaries in tax haven jurisdictions. Last week's newly announced Treasury/IRS regulations relating to foreign tax credits claimed by U.S. petroleum companies are not as stringent as the guidelines in present IRS rulings such as the 1976 Indonesian ruling. The basic problem is that Treasury/IRS allows its interpretation of the law to be influenced by special interest lobbyists, as disclosed in the Commerce, Consumer, and Monetary Affairs Subcommittee hearings and report on the foreign oil tax credit issue. I particulary draw your attention to the subcommittee's hearing on March 13, 1979, entitled "Interrelationship Between U.S. Tax Policy and U.S. Tax Energy Policy." Also, in 1976 the Secretary of State and the Office of International Affairs of the Treasury urged that Treasury/IRS continue to consider State's foreign policy goal of furthering U.S. multinational oil company production in OPEC countries and block issuance of a new tax ruling disallowing the foreign tax credits claimed by U.S. petroleum companies operating in Indonesia.

On the surface this was not complied with. The ruling was made that the earlier Indonesian oil tax credit ruling was erroneous but the Secretary of Treasury ordered the effects of the ruling be made prospective and delayed. The Tax Reform Act of 1976 granted another 1-year delay prior to the effective date of the Indonesian ruling. In the meantime, Business Week reported that an eminent U.S. law firm, at the direction of Indonesia, the oil companies and "in conjunction with IRS came up with a rejiggering of the terminology—and some of the mechanics—of the agreements." On May 9, 1978, a new IRS tax ruling was announced which allows tax credits for the U.S. oil companies operating in Indonesia.

In the 1976 Indonesia ruling, the IRS ruled that "taxes" paid in connection with production sharing contracts were ineligible for a foreign tax credit unless they met the tests set forth in the ruling. The May 1978 ruling is significant for its conclusions about arm's-length bargaining. The IRS had ruled earlier that payments to a foreign government would not qualify as creditable foreign taxes unless the tax is imposed on income determined on the basis of arm's-length amounts actually realized in a manner consistent with U.S. income taxation principles. The contract that was considered in the new ruling and that was held to satisfy this test however, continues to give the Indonesian Government de facto control over price by permitting it "to reserve the right to insure that amounts reported as gross income by contractors do in fact reflect the market value of production sold by them." Because OPEC sets price there is no independent market value for the oil and the new system is virtually identical to posted pricing. The result focuses on form rather than substance.

It is fundamental that IRS will not recognize "tax avoidance schemes" which are attempts to place form over substance for the purpose of evading taxes. Taxpayers with lesser political clout would not be permitted to engage in such a sham arrangement. Nevertheless, we find it incredulous that Treasury and IRS have failed to effectively administer the tax code. Can we continue to allow Treasury/IRS to conduct business as usual in the foreign oil tax credit area at a minimum loss to the U.S. Treasury of $1.5 billion per year?

The Washington Star, on June 18, 1979, published an excellent article based on Mr. Hambrick's complaint, entitled "Aramco's Oil Tax Credits Provoke Professor to Sue." I commend this article to the attention of my colleagues:

ARAMCO'S OIL TAX "CREDITS" PROVOKE PROFESSOR TO SUE

(By Robert Pear, Washington Star staff writer)

A George Washington University law professor has filed a criminal complaint charging that the Treasury illegally gave away $6 billion in tax credits to multinational oil companies.

The biggest beneficiary was the Arabian American Oil Co. (Aramco), which is responsible for virtually all the oil production in Saudi Arabia.

Professor J. Reid Hambrick wrote to Attorney General Griffin Bell last week asking for a grand jury investigation to determine who was responsible for what Hambrick described as a "scandalous act . . . a gigantic fraud on the U.S. government."

Specifically, he said the Internal Revenue Service had failed to enforce the applicable income tax laws for 1974–78 and had allowed Aramco to claim foreign tax credits to which it was not entitled for excise taxes paid to the Saudi government.

Excise taxes, imposed on each barrel of oil, cannot be credited against income taxes owed to the U.S. government, Hambrick said. Hambrick, 61, worked in the IRS chief counsel's office from 1949 to 1957.

Rep. Benjamin S. Rosenthal, D-N.Y., chairman of a House subcommittee that investigated the issue, said the foreign tax credits were clearly "impermissible."

In a recent letter to the White House, Rosenthal said the Treasury was losing more than $1 billion a year because of illegitimate tax credits allowed to Aramco and other oil companies operating overseas. The companies all do business in states belonging to the Organization of Petroleum Exporting Countries.

"Taxpayers with lesser political clout would not be permitted to engage in such a sham arrangement," Rosenthal said in a letter to President Carter.

The letter was signed by Rosenthal and five other Democrats on the commerce, consumer and monetary affairs subcommittee of the House Government Operations Committee.

A subcommittee spokesman said the White House had not answered or acknowledged the six-page letter, sent more than a month ago.

Aramco, an oil company operating in Saudi Arabia, is owned by four U.S. companies—Standard Oil of California, Exxon, Texaco and Mobil.

Hambrick said he had expressed his concerns in 1975 to Robert J. Patrick, then international tax counsel at the Treasury, but failed to win support for any additional assessments on the oil companies.

Patrick is now senior tax counsel for Exxon Corp. He remembered the meeting with Hambrick, but said he worked mainly on legislation and was not in a position to influence IRS rulings.

"That is nonsense," said Hambrick, who has been following the issue since the days of President Harry S. Truman. "Treasury policymakers prevented IRS from doing anything about credits for the OPEC taxes."

The IRS in January 1978 finally ruled that oil company payments to Saudi Arabia could not be taken as credits against U.S. tax liability because they were not actually income taxes. They were based on the "posted prices" set artificially by OPEC—substantially above the price that such oil would command in the market, IRS said.

The IRS said its 1978 decision revoked a 1955 ruling, which treated payments to Saudi Arabia as income taxes that could be used to offset income taxes owed in this country.

But Hambrick and Rosenthal contend that the facts changed dramatically in 1974, when oil prices shot up, and that petroleum companies had no justification for relying on the 1955 ruling after January 1974.

The 1978 ruling, Hambrick said, is "a cunning expedient designed to please the major oil companies with affiliates in OPEC countries and their political allies in the administration and Congress."

The result, he said, using data obtained from the Treasury by Rosenthal's subcommittee, is "a wholly unauthorized and unlawful abatement of about $6 billion . . . in accrued federal income tax liabilities."

In his letter to the Justice Department, Hambrick said "the responsible line-officers of the IRS were prepared to implement a new position on OPEC oil taxes" four years ago, "but were restrained by the policymakers at the Treasury Department."

A JUSTICE Department spokesman said the department would respond to Hambrick's letter, but he declined to discuss the merits of the issue.

As the basis for his complaint, Hambrick cited a law that makes it a felony for any federal employee to act in such a way as to enable others to defraud the government of revenue.

In a recent report, Rosenthal's subcommittee said the oil companies were "put on notice as early as 1973 that the (IRS) questioned the continued validity of foreign tax credits." In that year, IRS held certain oil company audits in abeyance because of questions about foreign tax credits.

In 1976, the IRS even issued a press release saying foreign "tax" payments had to meet specific standards if a company wanted credit against U.S. taxes.

Thus, the report said, "any petroleum company continuing to claim foreign tax credits after 1973 did so at its own risk." Rosenthal and most of his subcommittee colleagues said the IRS' 1978 ruling should have been retroactive, at least to 1976.

But five GOP congressmen disagreed. They said oil companies, like other taxpayers, should be able to rely on IRS rulings until they are revoked.

Hambrick insists that "revocation was superfluous because the 1955 ruling was obsolete and a new position was imperative."

A Treasury official said foreign tax credits were "a gray area of the law, and to clarify it retroactively would have been a harsh thing to do."

In computing income subject to U.S. tax, oil companies can still deduct their Saudi Arabian payments as business expenses, but a deduction is worth only about half as much as a credit.

Credits provided a dollar-for-dollar reduction in taxes that the oil companies owed to the United States. Deductions reduce the income on which the tax is calculated.

A Treasury official gave this example: Assume that a company earns $100 of income, subject to both a U.S. tax of $46 and a tax of $85 payable to the Saudi government. A credit for the $85 foreign tax would fully offset the U.S. tax, leaving excess credit to spare.

If, however, the $85 were treated as a deduction, the company would still have net income of $15 subject to a 46 percent U.S. tax. The company would have to pay U.S. tax of slightly less than $7, compared with no tax at all when it enjoyed the benefits of a tax credit.

Rosenthal said the foreign tax credits conflicted with U.S. energy policy goals because they gave oil companies "income and incentive to explore and produce abroad at the expense of domestic production."

Even with the decontrol of prices for oil produced in this country, Rosenthal said, foreign tax credits will still create an incentive for American companies to import oil from OPEC.

President Carter proposed to close loopholes in foreign tax credit rules as part of the energy program that he announced in April.

In its ruling last year, the IRS said a foreign levy would not qualify as an income tax under U.S. standards if it was intentionally structured to tax artificial or fictitious income, as is the case with mechanisms such as the "posted price."

Tax increases resulting from retroactive revocation of the 1955 ruling could be absorbed by the oil companies or by the producing countries, or passed on to consumers through higher prices.●

EDUCATION FOR EXPORTING ACT

HON. GILLIS W. LONG

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 20, 1979

● Mr. LONG of Louisiana. Mr. Speaker, I join my colleagues in introducing the Education for Exporting Act of 1979. The act will establish a board to develop and fund educational programs designed to promote U.S. exports and will create a separate foundation to facilitate financing of the board. Rather than build strictly on Government, the Education for Exporting Act establishes a semi-private corporation that will draw on the strengths of private business and existing academic institutions while preserving some governmental ties to assure coordination with overall export strategy.

The focus of the act is on supplying future American traders with the skills of language and culture to master growing markets abroad. Export related programs may range from academic study to overseas internships with trade related organizations. The Education for Exporting Act may well be our first step to building a more effective foreign commercial service.

The current American interest in exports has been forced on us by the hard facts of international trade and the changing international economy. In 1971, we suffered our first trade deficit in this century. Our trade fortunes have varied since 1971, but the trend has hardly been encouraging. By 1977, the trade deficit had swelled to over $31 billion—last year it was $34 billion.

There should be some strengthening in our trade position this year, but the improvement rests as much on a weak economy as it does on trade policy. Even America's trading future is uncertain. Growing competition in international markets may limit our ability to take full advantage of the potential gains from trade. The proliferating manufacturers of the developing countries promise a range of inexpensive goods for the American consumer and the potential of growing markets for U.S. manufacturers. But the competition for those markets is likely to be severe. Japan and Western Europe are already moving into the high technology areas where America has long held a competitive edge. Unless matched by exports, the rising import bill for oil and other raw materials will pose a constant threat to the stability of world financial markets.

The Education for Exporting Act takes one, admittedly small step toward putting the United States in a better competitive position. By assuring that one-third of the directors of the new board are representatives of small- and medium-size business, the act will help to tap the potential of some 50,000 American businesses that currently do no exporting. By mixing public funds with grants and the ability to charge fees, the new board can provide subsidized services that still cost enough to test the seriousness of the client. Most important, the Education for Exporting Act is built around a long-term American commitment to increased exports. A national trade policy has begun to open up markets for the United States in Japan, China, and many other parts of the world. To walk through those newly opened doors, we need a growing legion of businessmen trained in the language and trading customs of many lands.

Mr. Speaker, the simple fact is that we must export more. A stronger U.S. trade performance will reduce pressure on Federal budgets, bolster the domestic economy by allowing us to reap the gains of future trade and strengthen America's position around the world. Mr. Speaker, coming from Louisiana we do not usually talk about the "Yankee Trader," but when it comes to trade, we have the same spirit. I am convinced of the economic potential for a steady growth in American exports. The Education for Exporting Act will help put us on that path.●

HANDGUN TRAGEDY OF THE MONTH

HON. FORTNEY H. (PETE) STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 20, 1979

● Mr. STARK. Mr. Speaker, I would like to call upon my colleagues to read the following bizarre—yet tragic—account of four handgun deaths in 1 day in the small town of Bedford Hills, N.Y. What is uncanny is that the deaths were caused by a single handgun used by robbers in two separate robberies.

Since January 1, 2,475 Americans have died violent deaths by handguns. The four individuals who lost their lives in a quiet town in New York were no more immune from the deadly handgun than are people in our most crime-ridden cities.

HISTORIC TOWN ERUPTS WITH HANDGUN VIOLENCE

On May 10, 1979, the quiet town of Bedford Hills, N.Y., was shocked out of its tranquility by the vicious slaying of four of its residents.

The bodies of Dr. Charles Frankel, 62, Assistant Secretary of State under President Lyndon B. Johnson, and his 61-year-old wife, Helen, were found in their home in the late afternoon. Just 8 hours earlier, Christopher Sperry, 21, son of a prominent Wall Street broker, and Nettie McCormack, an employee of the Sperry family for over 50 years, were found slain in the Sperry home.

Both the Frankel and Sperry homes, less than a quarter of a mile apart, were ransacked. All the victims were shot in the head. A .32-caliber pistol, recovered from robbers who terrorized a Brooklyn party 2 weeks after the murders, proved to be the weapon used in all four of the deaths.

Thomas A. Facelle, acting district attorney of Westchester County in which Bedford Hills is located, called the execution-style murders "the most bizarre I've ever witnessed." These senseless killings were all made possible because of a single handgun.

Dr. Frankel, Helen Frankel, Christopher Sperry, and Nettie McCormack will be counted among the handgun dead in May's handgun bodycount. The national handgun bodycount for April was 601—dead because of handguns. Since January 1 of this year, 2,475 Americans have been killed with handguns.

Twenty-four Americans are murdered every day with handguns, the favorite weapon of the criminal. No one is immune. The resident of the peaceful tree-lined town is just as likely to become a victim of handgun violence as the resident of the congested city. These victims die simply because, like the Bedford Hills victims, they are at the wrong end of a handgun—and it goes off. They will die because we have yet to take steps to place intelligent controls on these deadly weapons.

Now, because of the easy availability of handguns, the once-peaceful hamlet of Bedford must adjust to a new sense of vulnerability. How many more individuals, how many more towns and cities will have to "adjust" to handgun violence before something is done to curb the toll of death and suffering?●

MO UDALL WRITES IN NEW YORK TIMES ON OUR ENERGY CRISIS

HON. JOHN F. SEIBERLING

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 20, 1979

● Mr. SEIBERLING. Mr. Speaker, despite the apparent severity of our Nation's latest energy shortage, there are still many Americans, both in Government and among the voting public, who believe that this crisis is merely a temporary inconvenience, pointing the finger of blame at Government interference or bungling or at oil company plots. It is at times such as these when America is truly fortunate to have among its leaders men like the distinguished chairman of the Interior Committee, Representative Morris Udall. The gentleman from Arizona, in an article published in the June 17 edition of the New York Times, has put our energy problems in their proper perspective, as a "crisis of national character."

Indicating his belief that our Nation's economic decline is tied in great part to the stark fact that "we are using more fuel than we can ever produce," Congressman Udall compares our present difficulties to other periods of "wrenching transition" in America's history. Since most of the proposed solutions to our energy problems, such as solar, geothermal, nuclear or other alternative sources of power, involve long periods of development or present environmental dangers, he sees conservation as the only answer for the short term. Congressman Udall expresses the hope that we will overcome our "national paralysis" on the energy issue, based on self-interest and regional rivalries. Recalling President Carter's characterization of our continuing energy crisis as "the moral equivalent of war," he looks to our Nation's leaders to make the difficult decisions to move us toward increased conservation and thereby "win the war."

Mr. Speaker, this article by the Interior Committee's distinguished chairman is a brilliant analysis of the historic implications of our present energy situation and should serve as a guide and an inspiration to all of us in seeking the answers to our energy problems.

The text of the article follows:

America at the Edge of a Wrenching Transition

(By Morris K. Udall)

Washington.—A country's life, like that of a person, is written in chapters. Eras begin, take sudden twists, turn and end, sometimes unexpectedly. Each has a mix of problems and advantages.

Our country's chapters have a rich variety: eras of good feeling and optimism when unbounded prosperity was at hand; shattering times like the Depression; times of war, when excitement, grief and hope brought us together.

And we have seen times of drift like the 1950's, when the nation slept while the problems of our cities festered, civil rights were ignored, and the seeds of our present economic troubles were sown.

But, I am inclined to believe that the toughest chapters for our country and our people to endure and master were those times like today—when we were confronted with a major and fundamental transition in a peacetime setting. The 1870's, when slavery had ended, but new black-white relationships were yet to evolve comes to mind as a similar era.

My thesis is that our troubled country is in the early stages of a wrenching transition. From 1948 to 1968, the real income of the average working family after inflation and after taxes, doubled—an unprecedented growth. We thought it was all technology and innovations and they did play a part. But in retrospect, much of this incredible advance was based on a one-shot exploitation of cheap and seemingly unlimited energy.

As recently as 1973, our national energy policy involved import quotas to keep out cheap oil. But between 1968 and 1978, the working family's income, real income, hardly improved. Productivity gains—a key to our economic miracle—are absent.

I believe the story of our lives these years just ahead will be how we adapt to oil and resource shortages and the accompanying economic dislocations and inflation, whose effects will dominate this next national chapter.

The country is seemingly embroiled in a great hunt to fix blame, yet is refusing at nearly every level to come to grips with the basic elemental truth: we are using more fuel than we can ever produce and we are apparently willing to pay the OPEC cartel and the energy conglomerates whatever they will charge.

Two central, unescapable facts are that while consumption keeps going up, United States oil production peaked in 1971, and will never exceed that level whether oil prices go to $16 or $116; and we will be forced one way or another in the next couple of years to reduce our total oil consumption.

Through conservation and tough measures, between the Arab oil embargo of 1973–74 and 1978, nearly all the major industrial countries reduced total oil consumption.

Japan, with its booming economy, burned less oil in 1978 than in 1973. We are the big exception, but events will force us to reduce our oil consumption as well.

A big segment of our people cannot or will not accept these realities, and we spend our time looking for scapegoats while each group and region simultaneously fights to preserve its historic consumption levels despite a declining total base of energy resources.

All of this is reflected in a kind of national paralysis that prevents the President, the Congress and all of us together from making the hard, tough decisions that sooner or later will have to be made.

Suppose a country had a new supply of oil in a place called Alaska. It builds a pipeline and a set of tankers to take it to a place called California. But there the oil was in surplus while at the same time, badly needed in the Midwest. Suppose this country had a fairy godmother who offered it one wish.

The wish would probably be to create an empty pipeline ready to be used.

Well, our fairy godmother did exactly this for us five years ago. There is an old pipeline that used to carry gas from Texas to California lying empty and ready to take the badly needed oil to the Midwest. Yet, for five years we have delayed the use of this resource, and now the Sohio Company has backed off.

Similar stories could be told about nuclear waste disposal, the alternative means of moving badly needed coal by slurry pipeline, solar power and the rest of a long list.

President Carter has tried to get the country to face up to the need to conserve oil. Yet, every initiative is opposed by enough groups and enough regions that it cannot survive.

He tried the wellhead tax for oil, a sensible proposition that was rejected by the oil-producing states.

He offered a 5-cent-a-gallon gas tax as an incentive for conservation, and it was laughed out of the House of Representatives.

Now, he is trying decontrol of oil to see if higher prices will bring conservation and new supplies, but this is attacked by the Democrats. Even a standby rationing proposal was shot down by regional squabbles. Finally, Mr. Carter's suggestion of a voluntary cut of 15 miles a week for American motorists has been responded to with yawns.

This inability to reach a consensus without crisis may be the predictable hallmark of this era of transition. This national paralysis may be the crisis that will some day soon bind the nation so that it may address the massive change from an era of surplus to an era of conservation.

There will be no quick fix. The one-time panacea of cheap, unlimited nuclear electricity lies in a shadow and is now jeopardized as much by economics as by its ardent foes.

Solar energy someday will give us great assistance, as will geothermal energy and some of the more exotic alternatives now in the research stage.

But it is the transition from the fat to the lean, from waste to conservation, from bickering and self-interest to sacrifice that must mark the change.

Many chuckled at President Carter's "moral equivalent of war" call to the American people. That reaction gave us a warning of what kind of crisis was at hand—crisis of national character.

Perhaps we only lost that battle.

Perhaps we can win the war.●

A TRIBUTE TO DANIEL N. WESTIGARD

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 20, 1979

● Mr. ANDERSON of California. Mr. Speaker, a healthy local economy, based upon stable income-producing jobs, does not come about automatically. It takes enterprising work and much individual creativity to produce an inviting climate for commercial and industrial development.

Today, I would like to honor Mr. Daniel N. Westigard, who has played a big part in fostering these qualities in the business community of Carson, Calif. I would like to share with you some of his accomplishments, especially those of this past year when he served as President of the Carson Chamber of Commerce.

For over 20 years, Dan Westigard rose steadily through the corporate ranks of the Shell Oil Co. He began his career with Shell after earning his B.S. degree in accounting from San Jose State University, working as a clerk and an accountant during his early assignments. Later, after he was awarded an M.B.A. degree from Golden Gate College, he was given more responsible positions. During these years he was sent on a special assignment by Shell to work in Djakarta, Indonesia. Upon his return to the United States, he became senior auditor at Shell's Menlo Park Data Service Center.

Next, he was named manager of financial services at Shell's marketing district office in Babylon, N.Y., and then returned to California as controller of the Carson manufacturing complex.

In 1976, his duties expanded when he was appointed to serve on the Carson Chamber Board of Directors as Shell's representative. In 2 successive years, he became vice president and then chamber president. As top officer for the chamber, he continued to make the organization an effective promoter of the city, benefiting both large and small business concerns of the area.

Dan Westigard's work with the chamber throughout the years has produced results. The South Bay Economic Education Foundation is now in existence due to his dedicated efforts. The foundation, an organization sponsored by the 13 chambers of commerce in the South Bay area, works, in cooperation with area educators, to upgrade the understanding of economics by youth in the area.

In addition, Dan's financial reorganization of the chamber has created a more equitable and fiscally sound structure.

Greater opportunities are taking Daniel Westigard from California. Just recently he was promoted and transferred by Shell to its Houston operations. As a prominent business leader and a friend, he will surely be missed.

My wife, Lee, joins me in offering our very best wishes to him as he moves along life's pathways. We feel certain that he will have great success in all his future endeavors.●

UNREALISTIC GASOLINE PRICE AND ALLOCATION REGULATIONS

HON. TOBY ROTH

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 20, 1979

○ Mr. ROTH. Mr. Speaker, at this very moment, thousands of my constituents in two major cities of the Eighth District of Wisconsin—Appleton and Green Bay—face a complete shutdown of all gas stations in those two cities.

Tonight, virtually every gas station in these and dozens of other communities in northeastern Wisconsin are closed.

There are two reasons, but only one cause.

First, allocation levels for the gas stations are totally unrealistic.

Today, I spoke with three gas dealers who are operating at 70-percent allocation. There is no way they could make it through this week, much less the last week in June, at their present allocation levels.

Yet, the Governor's office assures me that there are adequate supplies at the Green Bay oil depots. There is no shortage of gasoline.

Second, independent truckers have blocked major oil depots in Green Bay, preventing needed shipments to many dry stations.

Ironically, many of the retail gas dealers sympathize with the plight of the independent truckers who must endure skyrocketing diesel fuel price increases without raising shipping prices.

The small gas station operator and the independent trucker both are being victimized by debilitating Government regulations and controls.

And that is the single, bottom-line cause.

As our respected colleague DAVE STOCKMAN pointed out so well in today's Washington Post and in a Republican task force report:

> Foremost among the factors magnifying the effects of the world crude shortage are the Department of Energy's gasoline price and allocation regulations, which have supplanted the normal rapid adjustment process of the marketplace with a cumbersome administrative structure.

The blame, Mr. Speaker, rests squarely with the Department of Energy, Secretary Schlesinger, and the President.

All of us have heard dozens of complaints about DOE from frustrated constituents who are suffering under the unrealistic, unduly complex, suffocating and often illogical rules and regulations of DOE.

I daresay that if Mr. Schlesinger would spend a few hours in a gas line, or walk home at night because all the stations were closed, perhaps then he would realize what the American people are going through as a result of his ineptitude.

Mr. Speaker, the people want action, from the administration and from Congress.●

A SALUTE TO OZZIE OLSON

HON. LUCIEN N. NEDZI

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 20, 1979

● Mr. NEDZI. Mr. Speaker, on the evening of June 21 at Detroit's breathtaking Renaissance Center, friends of industrialist-sportsman Oscar L. (Ozzie) Olson will honor him in a "salute" dinner.

I have known Mr. Olson for a long time. He is the president of Olsonite Corp., lives in my congressional district, and one of the Olsonite plants is located in my hometown of Hamtramck. But his reputation and his gift for successful enterprise reach far beyond the Detroit area. So does his zest for living.

Ozzie Olson took a small foundry, Swedish Crucible Steel, founded in 1910 by his late father, Nels Olson, and turned it into a diversified plastics company of international standing.

One of his first moves upon becoming president of the company in 1950 was to develop a high-quality, solid plastic steering wheel for cars and trucks. Olsonite is now the leading producer of steering wheels for the automotive and marine industries in the United States and Canada. It is also a pioneer in custom plastic moldings.

The foundation of the company's success is often the subject of mirth. I seem to recall a slogan: "Tops for Bottoms." This is because Olsonite is the world's largest maker of toilet seats.

The company has six U.S. plants, including locations in Hamtramck and Detroit, and two Canadian plants.

Mr. Olson is the president and principal owner of People's State Bank in Hamtramck.

He is a booster of Hamtramck, being especially sensitive to the special feeling of this unique enclave. It is not uncommon, for example, to find two and three generations of Hamtramck residents as Olsonite employees.

The late John (Duke) Wayne was one of Ozzie's oldest friends and consented to serve as honorary chairman of the dinner. Proceeds will go to Detroit's Northwest General Hospital for the construction of an ambulatory care center.

In addition to his wide range of business, civic, and cultural activities Ozzie Olson has had a lifelong affair with sports.

Until he withdrew from auto racing at the end of the 1975 season, he had been USAC's most successful racecar owner during the 7-year period his company sponsored the Olson Eagles on the world's top racing circuit. Premier drivers Bobby Unser and Dan Gurney were often at the wheel of Olsonite entries.

All in all, Ozzie Olson has had quite a career. He is a very considerable guy and he still is going strong.

The tribute dinner will be enthusiastic and it is deserved.

Congratulations.●

ATTITUDE IMPORTANT IN HEALTH CARE

HON. JOSEPH P. ADDABBO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 20, 1979

● Mr. ADDABBO. Mr. Speaker, recently the Surgeon General of the Navy, Admiral Will Arentzen, gave the principal address during dedication ceremonies for the opening of the Naval Outpatient Clinic at St. Albans Veterans Hospital, which is located in my congressional district.

Admiral Arentzen gave a number of good examples during his speech of the reasons that the Navy offers such superb medical treatment facilities. To him, medicine is less a matter of facilities as it is of attitude. It is a lesson that I wish all other medical officers, in and out of the armed services, would learn. I believe the Members would be well served by taking a few minutes to read the remarks of the admiral; accordingly, I insert his remarks into the Record:

RIBBON CUTTING

Congressman Addabbo, ladies and gentlement: The last time I saw Congressman Addabbo was when I appeared as a witness before his House Subcommittee. I must say I prefer to meet you under these circumstances Mr. Addabbo!

This is not one of the larger Medical Department facilities. Because of that, there were those among my staff who considered that there were bigger, more important things that I should be doing today. Size is not my criteria for importance. Everything that we do which contributes to the delivery of health care to our beneficiaries is important, and that includes the functions of our smaller facilities.

Recently, we received some inquiries about VIP suites in our hospitals. In actuality, it has been a long time since we have had such suites save the one for the President at the National Naval Medical Center. I was not being facetious, however, when I replied that "all of our patients are VIPs." This is precisely the attitude I have and require of my staff. Therefore, even though the relative numbers of people receiving services at this clinic may be small in the overall picture, each and every one is just as important to us as those who receive tertiary care at Bethesda, Portsmouth, San Diego, or Oakland.

This Clinic is also symbolic of a number of other issues. It is a part of a much larger Medical Region. It does not stand alone, nor is it the service appendage of another type command. Regionalization in many areas is an idea which has long since come. It has within it the capacity to provide the best, most efficient and up-to-date service to our beneficiaries. But to make it work, regionalization requires the continued attention and effort on the part of the Regional Command to ensure that the smaller satellite facilities do not suffer because of the requirements of the core hospital which is commonly more visible and closer at hand. Captain Seaton and his staff have acquitted this task admirably, as witnessed by this ceremony.

St. Albans is also a symbol of change. Less than forty years ago, this site was the beautiful golf and country club serving this community. Then with the outbreak of World War II and the expansion of Naval Activity in and around New York, a hospital of temporary single story buildup was hastily erected—soon to be followed by this grand permanent structure. It became one of the stars in the array of Navy hospitals. It became the home of some of the Navy's best teaching programs. Then the national needs changed and there was a marked decrease of Navy in New York. The Navy presence here at St. Albans was agonizingly reduced at this, albeit fine and needed, but smaller Clinic. So St. Albans is symbolic of a changing world, country, Navy and Medical Department.

St. Albans is also a symbol of another manifestation—sharing and cooperation. We, the federal services, are under more and more pressure to sit down and reason with one another upon what issues we can share. This is right, this is good. It is not simply driven by the need for cost containment—that might be enough—but it is driven by good common sense. Can or should the taxpayer afford two or more major military hospitals in the same city? Can or should the taxpayer afford two pieces of major expensive equipment such as a linear accelerator in each of those two hospitals when either one is only working half time? Can or should the taxpayer build a Veterans Hospital in a city where a comparable military hospital stands almost empty? I think not and the appropriate answer to that last question is a good example why the makeup of today's gathering is as it is. And it is why we are all here cordially together.

This trend and spirit of cooperation is and must be the trend of the future. It must and will be expanded and tuned.

Having said that and not to qualify it in anyway, let me add a word of caution. Let us not pursue our laudible cost containment issues to the point of compromising our respective missions. Sacrifice of those missions for the sake of apparent efficiency would be worse than "pennywise and dollar foolish," it would court disaster.

Again, not to deprecate the fact that we must cooperate and share, we must remember that we as separate Medical Departments do indeed have separate missions. Let us not forget to emphasize some of the elements which set us apart, not only from one another in the Federal System, but from our colleagues in the private sector. Perhaps for too long we have stressed our commonalities. Indeed we have much importance in common. But in many instances—having said that we are all in health care delivery—divergencies commence. The primary mission of the Navy Medical Department must be to support the forces afloat, other fleet elements and the Marines—in the event they are called upon to undertake extensive and sustained combat operations. In other words: readiness. This concept is very special and very different. Infact, our mission although similar in some ways to our sister services has many unique elements which are Navy. These factors must be preserved.

As readiness is our number one challenge, so currently retention must be our number one priority in order that we have sufficient numbers of those dedicated, experienced, trained individuals to meet that challenge. It is with new facilities such as this Clinic that we can help accomplish this end. For it must be here to provide proper services to our beneficiaries. And if we can provide those services properly our staff will achieve commensurate job satisfaction. And that I think is the key to retention. I truly do not believe we need a draft to provide our personnel. What we need are elements like this Clinic to make working in the Navy attractive and satisfying. If we can make Military Clinics attractive enough we will have people clamoring to get in and stay in. And since we have this Clinic as a concrete example of the availability of some of the assets to fulfill this ideal, I am optimistic.

I think the future is bright for the Navy and the Medical Department.

I take pleasure in being able to participate in this ceremony and fervently hope this Clinic will serve long and well extending care to our beneficiaries.

Thank you.●

ACCEPTING SOVIET STRATEGIC SUPERIORITY

HON. STEVEN D. SYMMS

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 20, 1979

● Mr. SYMMS. Mr. Speaker, Monday, June 18, 1979, may go down in history alongside that fateful day in Munich when the Hitler-Chamberlain accord was signed. Although the time and place are different the circumstances are somewhat similar. Then British Prime Minister, Neville Chamberlain, and his followers, closed their eyes to the unprecedented military buildup by Nazi Germany; they told themselves and their countrymen that German military superiority was nothing to worry about, that peace could only be attained through a nonaggression pact between Germany and Great Britain.

In many respects we have a similar situation today with the signing of the SALT II Treaty in Vienna by President Carter and Secretary Brezhnev. As with the Chamberlain Nonaggression Pact, the intentions may be good but the results are apt to be undesirable. What disturbs me most, Mr. Speaker, is a feeling that many of us have that the Carter administration has made a decision to accept Soviet strategic superiority as a fact of life. This is discussed in a recent article in Armed Forces Journal by Mr. Justin Galen (a pen name for a former senior Defense Department official). Mr. Galen's article is especially appropriate for our consideration today so I commend it to my colleagues in Congress:

THE SALT DECADE: ACCEPTING SOVIET STRATEGIC SUPERIORITY

(By Justin Galen)

The most important issue in the FY80 budget is unquestionably its impact on the US and Soviet strategic balance and on how the SALT II and SALT III negotiations will shape the security of the West. If FY79 was the Carter Administration's "year of NATO," FY80 begins the Administration's "decade of SALT."

As a result, reactions to the FY80 budget have already tended to polarize US opinion into two camps. On the one hand, advocates of SALT II have greeted it as evidence the US will remain strong, and that SALT II will not erode the US security. On the other, opponents of SALT II have condemned it as inadequate, and as further evidence that the USSR will overtake the US and that the USSR will threaten our future security and influence.

Yet, a third interpretation of the FY80 defense budget, of the trends in the strategic balance, and of the impact of SALT, may be more correct. It is a highly unpleasant interpretation for both the current advocates and opponents of SALT, but it seems a more objective view of admittedly uncertain and controversial indicators.

U.S. ACCEPTANCE OF STRATEGIC INFERIORITY

This third view is based upon eight main thesis:

Thesis One: The USSR will overtake the US in strategic strength and capabilities during the 1980s, regardless of whether or not SALT II is passed. The USSR is culturally willing to devote far more resources to this competition than the US, and the US has lost its past massive lead in technology.

Thesis Two: Regardless of its many defects, the US should accept SALT II. The present treaty represents the maximum level of Soviet concessions the US can hope for—indeed those Soviet concessions have been made only because the Soviets are far more afraid of the US willingness to compete than is realistically justified. SALT I and the Vladivostock accords—or no SALT II agreement—would place far fewer political constraints on a Soviet strategic build-up, and the US may lack the political will, strength, and courage to compete for leadership with the USSR.

Thesis Three: The domestic political factors that make the US unwilling to compete with the USSR for strategic parity or security are compounded by grave problems in DoD's efforts to develop a next generation of US strategic forces—although President Carter's reported personal resistance to multiple aim point basing (MAP) for the M-X certainly adds to the problem. The FY80 defense budget promises far more than it can deliver for reasons that largely antedate the Carter Administration. Because of the lead times involved, the Carter Administration can do little to correct this situation.

Thesis Four: These trends in the balance, while sharply negative, will still leave the U.S. with significant strategic strength. There is essentially no chance that the USSR would acquire a war-winning capability before the mid-1980s, and such a capability is unlikely before the mid-1990's. The FY80 defense budget commits the Administration to finishing at least those improvements in U.S. strategic targeting and conflict management necessary to insure the survival of U.S. forces in the face of Minuteman vulnerability which were begun by Secretary of Defense Schlesinger.

Thesis Five: Although the USSR will not acquire anything approaching a war winning capability before the mid-1980s, the USSR will gradually acquire vastly superior counterforce capabilities, and superior countervalue capabilities. This will not weaken the deterrence of a rational strategic nuclear war, although this has not been the century of rational wars. It will, however, progressively destroy the already diminished credibility of the U.S. strategic "umbrella" in deterring any Soviet threats to our allies and to U.S. strategic interests outside the continental U.S.

Thesis Six: SALT II will at best offer a few short years of added security. It will not effectively limit the Soviet strategic buildup, the U.S. will then have to negotiate progressively less favorable follow-on treaties. The options for improving the strategic forces of the 1980s are so great, and so beyond precise prediction, that the provisions of SALT II will be no more effective than those of SALT I in providing long term security. SALT negotiations will be unending during the 1980s, and take the form of a new kind of "cold war." As U.S. strength steadily erodes during the decade, the "progress" from SALT II to SALT "Nth" must be expected to result in steadily less favorable agreements.

Thesis Seven: Given what we know about Soviet economic behavior and the Soviet defense effort during the last decade, any reduction in Soviet spending on strategic forces resulting from SALT II will be used to enhance Soviet general purpose forces. While it is unclear that SALT will lead to any reduction in Soviet spending on strategic forces, such a shift would make the West's day to day security problems worse than any increase in Soviet expenditures on strategic forces which would have occurred without SALT II.

Thesis Eight: The Soviets will progressively exploit their advantage with steadily growing success. The current Soviet leadership will be dead and the current US leadership will have faded from history, before the consequences of the present trade in the strategic balance become fully apparent. We do not really know the exact goals and motivations of even the current Soviet leaders; it is doubtful they have articulated such goals to pass on to their successors; and it is even more doubtful their successors would choose to blindly act on such a legacy. History is simply too dynamic to predict Soviet intentions for the the 1980s. However, unless a radical change takes place in the structure of Soviet society, the USSR will constantly try to exploit the result of its superior military effort. Such efforts are sporadic and often unsuccessful today because of Soviet inexperience, and because the trends in global power favoring the USSR will not reach fruition until the mid-1980s. The West must expect more and more Soviet challenges as Soviet strategic strength grows, and as it acquires enhanced blue water, intervention and power projection capabilities.

ANALYZING THE TRENDS IN THE BALANCE AND THE DESIRABILITY OF SALT II

These are universally unpopular theses to advance in a society which has enjoyed the military supremacy the US has enjoyed since the end of World War II.

However, as the following articles in this issue show, there is convincing evidence that the US will slip steadily toward strategic inferiority and weakness, with or without SALT II, during the next decade.

A future issue of the *Journal* will address the provisions of the treaty, its desirability, and its impact on the strategic balance of the 1980s.●

BOB BERSHAD—BUSINESS LEADER OF SAN PEDRO

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 20, 1979

● Mr. ANDERSON of California. Mr. Speaker, later this month, on June 29, 1979, Bob Bershad will complete his term as president of the San Pedro Chamber of Community Development and Commerce. Bob Bershad deserves high praise for his success as a leader both in private business and in the San Pedro business community.

As a teenager, Bob wanted to be a newsman. He worked hard at his dream, majoring in journalism while attending Rider College in Trenton, N.J., and winning high honors. After serving in World War II, as a signal intelligence officer with the Air Corps in Washington, D.C., his hopes were fulfilled when he landed a job with the International News Service, the predecessor of today's United Press International. He continued in the journalistic field with other newspapers and also tried other professions throughout the Nation. Finally, he settled down in California and started making balloons.

From an initial investment of only $1,000, Bob Bershad has built one of the biggest and most successful balloon businesses in the country. His Toytime Co. has sold more than 250 million balloons throughout the United States and overseas. As a newcomer to civic affairs, Bob has moved quickly to the forefront as a leader among his peers. He was asked to serve as the San Pedro chamber president. Once installed, he set high goals: The development of the marine complex on the west channel of the San Pedro harbor, and the completion of the marine museum. His hard work and leadership have brought about much progress in both of these areas. In addition, the chamber is exploring ways to make the best use of land that will become available at a local military installation, Fort McArthur.

Bob once described the San Pedro chamber as a "people's chamber." During his term as president, this phrase has become a reality. His direction has continued the organization's tradition of protecting and expanding the local economic base for the benefit of the entire community.

My wife, Lee, and I offer our congratulations to him and San Pedro upon the accomplishments during his term as chamber president. We are confident that he will continue as an inspiring figure in business and civic affairs. We also want to extend to him, his wife, Cecile, and their sons James and Todd, our sincere wishes for a bright and successful future.●

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of all meetings, when scheduled, and any cancellations or changes in the meetings as they occur.

As an interim procedure until the computerization of this information becomes operational the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Any changes in committee scheduling will be indicated by placement of an asterisk to the left of the name of the unit conducting such meetings.

Meetings scheduled for Thursday, June 21, 1979, may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

JUNE 22

8:30 a.m.

Energy and Natural Resources

Parks, Recreation, and Renewable Resources Subcommittee

To hold hearings on S. 95, 96, and 97, bills to provide for the protection of the wildlands comprising the River of No Return and the Salmon River in the State of Idaho.

3110 Dirksen Building

9:00 a.m.

*Agriculture, Nutrition, and Forestry

Environment, Soil Conservation, and Forestry Subcommittee

To hold hearings on timber harvesting in the National forests and the impact timber supplies have on inflation.

322 Russell Building

Energy and Natural Resources

To hold hearings on the nomination of John T. Rhett, of Virginia, to be Federal Inspector for the Alaska Natural Gas Transportation System.

S-206, Capitol

Finance

To continue consideration of S. 505, proposing reform of the administrative and reimbursement procedures currently employed under the Medicare and Medicaid programs, and other pending calendar business.

2221 Dirksen Building

10:30 a.m.

Commerce, Science, and Transportation

To hold hearings to investigate whaling activities that take place beyond the jurisdiction of the International Whaling Commission.

235 Russell Building

2:00 p.m.

Finance

*Taxation and Debt Management Generally Subcommittee

To hold hearings on S. 1063 and 1062, bills to provide for the structural simplification of the Internal Revenue Code.

2221 Dirksen Building

JUNE 25

9:30 a.m.

Finance

Taxation and Debt Management Subcommittee

To hold hearings on S. 192 and 208, bills to provide for the tax treatment of foreign investors for property located in the United States.

2221 Dirksen Building

Judiciary

Antitrust, Monopoly, and Business Rights Subcommittee

To resume hearings on S. 1246, to prohibit the growth of a monopoly power forming among major petroleum companies, and to encourage oil companies to put profits back into oil exploration, research, and development.

1318 Dirksen Building

Judiciary

Improvements in Judiciary Machinery Subcommittee

To resume joint hearings with the Subcommittee on Constitution on S. 678, to reform and restructure the Federal judicial system, S. 295, to establish within the Judicial branch a system for investigating and resolving allegations that the condition or conduct of Federal judges is or has been inconsistent with good behavior required by the Constitution, and S. 522, to clarify the authority of the judicial councils to deal with instances of judicial misconduct.

6226 Dirksen Building

10:00 a.m.

Banking, Housing, and Urban Affairs

To hold hearings on the nomination of Frederick H. Schultz, of Florida, to be a Member of the Board of Governors of the Federal Reserve System, and to be Vice Chairman of the Board of Governors of the Federal Reserve System.

5302 Dirksen Building

Energy and Natural Resources

To receive a briefing by Administration officials on location, life style, and the future outlook of certain islands under the jurisdiction of the United States.

3110 Dirksen Building

Judiciary

To hold hearings on the nominations of R. Lanier Anderson III, and Albert J. Henderson, both of Georgia; Reynaldo G. Garza, Carolyn D. Randall, and Thomas M. Reavley, all of Texas; Joseph W. Hatchett, of Florida; and Henry A. Politz, of Louisiana; each to be a U.S. Circuit Judge for the Fifth Circuit; and Alan A. Parker, of California, and Maurice Rosenberg, of New York, each to be an Assistant Attorney General.

2228 Dirksen Building

10:30 a.m.

*Labor and Human Resources

Health and Scientific Research Subcommittee

To resume markup of S. 1075, to require drug companies to conduct postmarketing and scientific investigations of approved drugs, to transmit drug information to patients and health professionals regarding the use of approved drugs.

4232 Dirksen Building

2:00 p.m.

Commerce, Science, and Transportation

Communications Subcommittee

To resume hearings on S. 611 and 622, bills to encourage diversity of ownership of telecommunications media and to promote competition in the provisions of the telecommunications equipment and services.

235 Russell Building

Energy and Natural Resources

Energy Regulation Subcommittee

To resume hearings on diesel and home heating fuel supplies and to examine the possibility of reimposing mandatory Federal price and allocation controls on these fuels.

3110 Dirksen Building

Finance

Energy and Foundations Subcommittee

To resume oversight hearings on the implementation of the energy taxation policy for tax proposals relating to energy production.

1224 Dirksen Building

Finance

Health Subcommittee

To hold hearings on S. 1204, to expand Federal health assistance to children of low income families.

2221 Dirksen Building

Labor and Human Resources

Health and Scientific Research Subcommittee

To resume markup of S. 772–787, S. 1045, and S. 1075, bills to require drug companies to conduct postmarking and scientific investigations of approved drugs, to transmit drug information to patients and health professionals regarding the use of approved drugs.

EF-100, Capitol

JUNE 26

8:30 a.m.

Energy and Natural Resources

To hold hearings on the nominations of John M. Deutch, of Massachusetts, to be Under Secretary of Energy.

3110 Dirksen Building

9:00 a.m.

Labor and Human Resources

To hold hearings on S. 1076, proposed Multiemployer Pension Plan Amendments Act.

4232 Dirksen Building

9:30 a.m.

Commerce, Science, and Transportation

To resume oversight hearings on the trucking industry's economic regulation by the Federal Government.

235 Russell Building

Judiciary

Business meeting, to mark up a proposed amendment which would make a defendant liable only for damages caused by his sales and proportionate portion of damages attributable to sales by a nonconspirator to S. 390, to expedite and reduce the cost of enforcing existing antitrust laws; S. 25, to designate the birthday of Martin Luther King, Jr., a legal public holiday; and S. 330, to provide for a judicial review of the administrative actions of the Veterans' Administration, and for veterans' attorneys fees before the VA or the courts.

2228 Dirksen Building

Select on Ethics

Closed business meeting.

5110 Dirksen Building

10:00 a.m.

Energy and Natural Resources

Energy Conservation and Supply Subcommittee

To hold hearings on S. 734, proposed Federal Power Marketing Revolving Fund Act.

3110 Dirksen Building

Environment and Public Works

Water Resources Subcommittee

To hold hearings on proposed cost sharing factors for water resources projects.

4200 Dirksen Building

Finance

International Trade Subcommittee

To hold hearings on the implementation of the United States-Hungarian trade agreement relating to industrial property rights.

2221 Dirksen Building

Foreign Relations

Business meeting, on pending calendar business.

4221 Dirksen Building

Labor and Human Resources

Education, Arts, and the Humanities Subcommittee

To hold hearings on proposed authorizations through fiscal year 1984 for the National Endowment for the Arts, the National Endowment for the Humanities, and the Institute of Museum Services.

1114 Dirksen Building

10:30 a.m.

Judiciary

Antitrust, Monopoly, and Business Rights Subcommittee

To continue hearings on S. 1246, to prohibit the growth of a monopoly power forming among major petroleum companies, and to encourage oil companies to put profits back into oil exploration, research, and development.

6226 Dirksen Building

2:00 p.m.

Environment and Public Works

To hold hearings on the nomination of Robert N. Clement, of Tennessee, to be a Member of the Board of Directors of the Tennessee Valley Authority.

4200 Dirksen Building

JUNE 27

9:00 a.m.

Labor and Human Resources

To continue hearings on S. 1076, proposed Multiemployer Pension Plan Amendments Act.

4232 Dirksen Building

9:30 a.m.

Banking, Housing, and Urban Affairs

Financial Institutions Subcommittee

To resume hearings on S. 1347, to provide for the improvement of consumer services and to strengthen the ability of financial institutions to adjust to changing economic conditions.

5302 Dirksen Building

Commerce, Science, and Transportation

To continue oversight hearings on the trucking industry's economic regulation by the Federal Government.

235 Russell Building

Commerce, Science, and Transportation

Science, Technology, and Space Subcommittee

To resume hearings on S. 1250, to develop techniques for analyzing and stimulating technological and industrial innovation by the Federal Government.

6226 Dirksen Building

10:00 a.m.

Energy and Natural Resources

Business meeting on pending calendar business.

3110 Dirksen Building

Environment and Public Works

Business meeting, to resume markup of S. 914, authorizing funds through fiscal year 1985, for public works and economic development programs of the Economic Development Administration, and to consider the nomination of Robert N. Clement, of Tennessee, to be a member of the Board of Directors of the Tennessee Valley Authority.

4200 Dirksen Building

Foreign Relations

To receive a briefing, in closed session, by Administration officials on military base arrangements with Turkey.

S–116, Capitol

Labor and Human Resources

Education, Arts, and the Humanities Subcommittee

To continue hearings on proposed authorizations through fiscal year 1984 for the National Endowment for the Arts, the National Endowment for the Humanities, and the Institute of Museum Services.

1318 Dirksen Building

2:45 p.m.

Commerce, Science, and Transportation

To hold hearings on the nominations of Marcus Alexis, of Illinois, Darius W. Gaskins, Jr., of the District of Columbia, and Thomas A. Trantum, of Connecticut, each to be a Member of the Interstate Commerce Commission.

235 Russell Building

JUNE 28

9:00 a.m.

Energy and Natural Resources

Energy Resources and Materials Production Subcommittee

To hold hearings on Title 5, proposed oil shale commercialization test program, of S. 1308, to provide for the development of domestic energy supply.

357 Russell Building

10:00 a.m.

Commerce, Science, and Transportation

To hold hearings on the nominations of Tyrone Brown, of the District of Columbia, to be a Member of the Federal Communications Commission; and Geoffrey Cowan and Kathleen Nolan, both of California; Paul S. Friedlander, of Washington; Howard A. White and Jose A. Rivera, both of New York; Michael R. Kelley, of Virginia, and Michael A. Gammino, Jr., of Rhode Island, each to be a Member of the Board of Directors of the Corporation for Public Broadcasting.

235 Russell Building

Energy and Natural Resources

Energy Conservation and Supply Subcommittee

To resume hearings on S. 734, proposed Federal Power Marketing Revolving Fund Act.

3110 Dirksen Building

Environment and Public Works

Environmental Pollution Subcommittee

To resume joint hearings with the Subcommittee on Resource Protection on S. 1325, to provide for adequate and safe treatment of hazardous substances being released into the environment.

4200 Dirksen Building

Labor and Human Resources

Education, Arts, and the Humanities Subcommittee

To continue hearings on proposed authorizations through fiscal year 1984 for the National Endowment for the Arts, the National Endowment for the Humanities, and the Institute of Museum Services.

4232 Dirksen building

2:00 p.m.

Commerce, Science, and Transportation

Merchant Marine and Tourism Subcommittee

To hold hearings on S. 1281 and 1365, bills to provide for the operation of the S.S. *United States* and the S.S. *Independence*, respectively, in domestic and/or foreign commerce of the United States, primarily in cruise trade between the Hawaiian Islands and the mainland.

235 Russell Building

JULY 9

8:00 a.m.

Energy and Natural Resources

To resume hearings on Title 2, proposed Priority Energy Act, of S. 1308, to provide for the development of domestic energy supplies.

3110 Dirksen Building

JULY 10

9:30 a.m.

Energy and Natural Resources

Energy Regulation Subcommittee

To hold hearings on Title 9, proposing a mandatory fuel switching program, of S. 1308, to provide for the development of domestic energy supplies.

Room to be announced.

10:00 a.m.

Commerce, Science, and Transportation

To hold hearings on the Federal Trade Commission's study of the life insurance industry's cost disclosure policy.

235 Russell Building

Energy and Natural Resources

Energy Resources and Materials Production Subcommittee

To hold oversight hearings on the 5-year offshore oil and gas leasing program of the Outer Continental Shelf Lands Act Amendments of 1978.

3110 Dirksen Building

JULY 11

9:30 a.m.

Labor and Human Resources

To hold hearings on the workplace, employment and training and their perspectives for the coming decade, and will focus on the Federal role in public sector employment and training policies and programs.

4232 Dirksen Building

10:00 a.m.

Commerce, Science, and Transportation

Aviation Subcommittee

To hold hearings on the certification and inspection procedures of the DC–10 and other types of aircraft.

235 Russell Building

Energy and Natural Resources

Energy Resources and Materials Production Subcommittee

To hold hearings on Title 7, proposing oil and gas leasing programs, of S. 1308, to provide for the development of domestic energy supplies.

Room to be announced.

Governmental Affairs

To hold hearings on S. 377 and 891, bills to provide for the reorganization of the Federal Government's international trade functions.

3302 Dirksen Building

JULY 12

9:30 a.m.

Energy and Natural Resources

Energy Regulation Subcommittee

To hold hearings on Title 9, proposing mandatory transfers of electric power to reduce oil consumption, of S. 1308, to provide for the development of domestic energy supplies.

1114 Dirksen Building

Labor and Human Resources

To continue hearings on the workplace, employment and training and their perspectives for the coming decade, and will focus on the Federal role in public sector employment and training policies and programs.

4332 Dirksen Building

Veterans' Affairs

To hold oversight hearings on the efforts made by the Veterans' Administration to provide information on benefits due incarcerated veterans.

6226 Dirksen Building

10:00 a.m.

Commerce, Science, and Transportation

Aviation Subcommittee

To continue hearings on the certification and inspection procedures of the DC-10 and other types of aircraft.

235 Russell Building

Energy and Natural Resources

Energy Resources and Materials Production Subcommittee

To resume oversight hearings on the implementation of the Outer Continental Shelf leasing program.

3110 Dirksen Building

Environment and Public Works

To hold hearings on proposed legislation to provide additional office space for the Department of the Judiciary.

4200 Dirksen Building

Governmental Affairs

To resume hearings on S. 2, to provide for a review of Government programs every ten years.

3302 Dirksen Building

JULY 13

8:00 a.m.

Energy and Natural Resources

To resume hearings on Title 2, proposed Priority Energy Act, of S. 1308, to provide for the development of domestic energy supplies.

3110 Dirksen Building

JULY 16

10:00 a.m.

Energy and Natural Resources

To hold hearings on S. 730, to provide for the establishment of the Energy Corporation of the Northeast designed to bring together the States, Federal Government, and private industry in a creative effort to deal with the energy problems of this area.

3110 Dirksen Building

2:00 p.m.

Energy and Natural Resources

Energy Research and Development Subcommittee

To hold hearings on Title 8, to promote the use of gasohol in the United States, of S. 1308, to provide for the development of domestic energy supplies.

3110 Dirksen Building

JULY 17

9:30 a.m.

Commerce, Science, and Transportation

Science, Technology, and Space Subcommittee

To hold joint hearings with the House Subcommittee on Science, Research and Technology of the Committee on Science and Technology, to examine U.S. policies and initiatives of the U.S. Conference on Science and Technology for Development.

5110 Dirksen Building

10:00 a.m.

Energy and Natural Resources

Business meeting, on pending calendar business.

3110 Dirksen Building

Governmental Affairs

To resume hearings on S. 377 and 891, bills to provide for the reorganization of the Federal Government's international trade functions.

3302 Dirksen Building

2:00 p.m.

Energy and Natural Resources

Energy Research and Development Subcommittee

To continue hearings on title 8, to promote the use of gasohol in the United States, of S. 1308, to provide for the development of domestic energy supplies.

3110 Dirksen Building

JULY 18

9:30 a.m.

Banking, Housing, and Urban Affairs

Financial Institutions Subcommittee

To resume hearings on S. 1347, to provide for the improvement of consumer services and to strengthen the ability of financial institutions to adjust to changing economic conditions.

5302 Dirksen Building

10:00 a.m.

Energy and Natural Resources

Business meeting on pending calendar business.

3110 Dirksen Building

Environment and Public Works

Environmental Pollution Subcommittee

To resume joint hearings with the Subcommittee on Resource Protection on S. 1325, to provide for adequate and safe treatment of hazardous substances being released into the environment.

4200 Dirksen Building

10:30 a.m.

Governmental Affairs

To continue hearings on S. 377 and 891, bills to provide for the reorganization of the Federal Government's international trade functions.

3302 Dirksen Building

2:00 p.m.

Energy and Natural Resources

Energy Research and Development Subcommittee

To continue hearings on title 8, to promote the use of gasohol in the United States, of S. 1308, to provide for the development of domestic energy supplies.

3110 Dirksen Building

JULY 19

9:30 a.m.

Labor and Human Resources

Handicapped Subcommittee

To hold oversight hearings on the implementation of the Education for all Handicapped Children Act of 1975 (P.L. 94-142).

4232 Dirksen Building

10:00 a.m.

Energy and Natural Resources

Parks, Recreation, and Renewable Resources Subcommittee

To hold hearings on S. 1104, to provide for the establishment of the Channel Islands National Park.

3110 Dirksen Building

Environment and Public Works

Environmental Pollution Subcommittee

To continue joint hearings with the Subcommittee on Resource Protection on S. 1325, to provide for adequate and safe treatment of hazardous substances being released into the environment.

4200 Dirksen Building

2:00 p.m.

Energy and Natural Resources

Energy Research and Development Subcommittee

To continue hearings on title 8, to promote the use of gasohol in the United States, of S. 1308, to provide for the development of domestic energy supplies.

5110 Dirksen Building

JULY 20

9:30 a.m.

Finance

Tourism and Sugar Subcommittee

To hold hearings on S. 589, 749, and 940, bills to provide for the applicability of tax rules affecting foreign conventions.

2221 Dirksen Building

10:00 a.m.

Energy and Natural Resources

Energy Research and Development Subcommittee

To continue hearings on Title 8, to promote the use of gasohol in the United States,, of S. 1308, to provide for the development of domestic energy supplies.

3110 Dirksen Building

JULY 23

9:30 a.m.

Commerce, Science, and Transportation

Science, Technology, and Space Subcommittee

To hold hearings on S. 1215, to establish a uniform Federal policy for the management and utilization of inventions developed under Federal contracts.

235 Russell Building

JULY 24

9:30 a.m.

Labor and Human Resources

To resume hearings on S. 446, proposed Equal Employment Opportunity for the Handicapped Act.

4232 Dirksen Building

10:00 a.m.

Energy and Natural Resources

Business meeting, on pending calendar business.

3110 Dirksen Building

JULY 25

9:00 a.m.

Veterans' Affairs

To hold hearings on S. 759, to provide for the right of the United States to recover the costs of hospital nursing home or outpatient medical care furnished by the Veterans' Administration to veterans for non-service-connected disabilities to the extent that they have health insurance or similar contracts.

6226 Dirksen Building

10:00 a.m.

Energy and Natural Resources

Business meeting, on pending calendar business.

3110 Dirksen Building

JULY 26

9:30 a.m.

Labor and Human Resources

Handicapped Subcommittee

To resume oversight hearings on the implementation of the Education for All Handicapped Children Act of 1975 (P.L. 94-142).

4232 Dirksen Building

JULY 27

9:30 a.m.

Commerce, Science, and Transportation

Science, Technology, and Space Subcommittee

To resume hearings on S. 1215, to establish a uniform Federal policy for the management and utilization of inventions developed under Federal contracts.

235 Russell Building

JULY 30

10:00 a.m.

Commerce, Science, and Transportation

Aviation Subcommittee

To hold hearings on S. 1300, proposed International Air Transportation Competition Act.

235 Russell Building

JULY 31

9:30 a.m.

Commerce, Science, and Transportation

Science, Technology, and Space Subcommittee

To resume hearings on S. 663, to establish an Earth Data and Information Service which would supply data on the Earth's resources and environment.

6226 Dirksen Building

Labor and Human Resources

Handicapped Subcommittee

To resume oversight hearings on the implementation of the Education for All Handicapped Children Act of 1975 (P.L. 94-142).

4232 Dirksen Building

AUGUST 1

10:00 a.m.

Commerce, Science, and Transportation

Aviation Subcommittee

To resume hearings on S. 1300, proposed International Air Transportation Competition Act.

235 Russell Building

AUGUST 2

10:00 a.m.

Commerce, Science, and Transportation

Aviation Subcommittee

To continue hearings on S. 1300, proposed International Air Transportation Competition Act.

235 Russell Building

CANCELLATIONS

JUNE 22

9:30 a.m.

Governmental Affairs

Energy, Nuclear Proliferation and Federal Services Subcommittee

To hold hearings on S. 742, to provide for an increase in the development of nuclear waste management programs by the Federal Government.

6226 Dirksen Building

JUNE 28

9:30 a.m.

Judiciary

*Administrative Practice and Procedure Subcommittee

To resume hearings on S. 1291, 755, 262, 299, and 104, bills to coordinate and oversee Federal regulatory policy, to promote competition in the regulated industries, and to increase public participation in rulemaking procedures.

424 Russell Building